Company Name: HEALIOS K.K.

Representative: Hardy TS Kagimoto, Chairman & CEO

(TSE Growth Code: 4593)

## Announcement of Strategic Investment in Arktus Therapeutics Inc.

HEALIOS K.K. ("Healios") today announces that it decided to make a strategic investment in Arktus Therapeutics Inc., ("Arktus Therapeutics"), a company engaged in the development of regenerative medicine based on the study results from Saga University and the Center for iPS Cell Research and Application Kyoto University("CiRA"), through the acquisition of shares of Arktus Therapeutics, as further described below.

Arktus Therapeutics aims to commercialize regenerative medicine for knee osteoarthritis based on its technologies for generating high-quality mesenchymal stem cells from iPS cells and for producing large, strong cartilage tissue. Healios is a pioneer in the development of regenerative medicines and is advancing efforts to create new therapeutic medicines using iPSC and other cell lines. Healios completed the generation of a clinical-grade UDC iPSC line as a next-generation technology platform for the creation of regenerative medicine products with enhanced efficacy and safety by suppressing immune rejection, while maintaining the inherent characteristics of iPSCs such as unlimited self-renewal and pluripotency to differentiate into various cells.

Through this investment, Healios expects to collaborate with Arktus Therapeutics in the development of new therapies for cartilage tissue regeneration using iPS cells, an area in which Arktus Therapeutics has strengths, by providing clinical-grade cell lines, including UDC lines.

The effect of this investment on Healios' financial statements is not significant. We will promptly announce any matters that should be disclosed in the future.

Contact:

IR & Finance and Accounting Division

HEALIOS K.K.

E-mail: ir@healios.jp