Jan. 28th, 2014

Company: ReproCELL, Inc.
Representative: Chikafumi Yokoyama, PhD
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ReproCELL, Inc. announces the establishment of a subsidiary

The new subsidiary will accelerate R&D efforts and enhance our competitiveness in iPS cell and regenerative medicine segment, thereby contributing to future drug discovery and healthcare business generation.

ReproCELL, Inc. announced the establishment of the wholly owned subsidiary, RC Partners, Inc. ("RC Partners"), passed by a board resolution on January 28, 2014.

1. Purpose of establishment

Promoting the iPS cell and regenerative medicine business segment is considered as a core growth strategy of the Japanese government. An improved structure to accelerate regenerative medicine realization was organized in November 2013 by the revision of the pharmaceutical law and legislation of laws that ensure regenerative medicine safety. Attracting considerable attention from society as a new segment with high potential, the iPS cell and regenerative medicine business segment is in a transforming environment. R&D and commercialization overseas are also enhanced as well.

In this transforming business environment within and outside Japan, we proceed with our R&D and product development by open innovation with technology seeds from the academe and related firms. To accelerate commercialization in the iPS cell and regenerative medicine segment, as well as contribute to future drug discovery and the healthcare business, we will establish the venture capital fund Cell Innovation Partners, L.P. ("the fund") with Shinsei Corporate Investment, Ltd. (Chiyoda, Tokyo; President and CEO Ippei Matsubara; "Shinsei Corporate Investment"), the wholly owned subsidiary of Shinsei Bank, Limited (Chuo, Tokyo; President and CEO Shigeki Toma; "Shinsei Bank"), in March 2014.

ReproCELL will also establish the fully owned subsidiary, RC Partners, Inc., on February 10, 2014 (scheduled), as a joint GP of this fund for operation and administration.

2. Subsidiary Overview

1)	Name	: RC Partners, Inc.
2)	Location	: KDX Shin-yokohama 381 Bldg. 9F, 3-8-11, Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa 222-0033, Japan
3)	Representative	: CEO Chikafumi Yokoyama, PhD
4)	Description of business	: Operation and administration of fund investment

5) Capital : 10M JPY
6) Date of establishment : February 10, 2014 (scheduled)
7) Accounting period : March 31
8) Major shareholder/ownership stake : ReproCELL, Inc./100%

3. Impact to our future business

Although the impact to our consolidated results for FY2014 is assumed to be limited, prompt announcement will be made if we adjudge a large impact to our business.