January 17, 2025

Company Name:	HEALIOS K.K.
Representative:	Hardy TS Kagimoto, Chairman & CEO (TSE Growth Code: 4593)
Contact:	Richard Kincaid, Executive Officer CFO (TEL: 03-4590-8009)

Agreement with AND medical to Supply Culture Supernatant

HEALIOS K.K. (“Healios”) today announces that it decided to enter into an Agreement (the "Agreement") with AND medical group (“AND medical” https://and-mg.com/) to supply culture supernatant to be used as a raw material for new treatments and cosmetics to be offered by AND medical in the future.

1. Outline of the Agreement

In April 2024, Healios entered into a joint research agreement (the “Joint Research Agreement”) with AND medical to utilize Healios' technologies related to the manufacturing of regenerative medicine products and the culture supernatant produced through such manufacturing (announced on April 9, 2024: “Joint Research Agreement with AND medical to Utilize Healios Technology and Culture Supernatant”). The Joint Research Agreement stipulates that after certain objectives of the Joint Research are achieved, Healios will supply the culture supernatant to AND Medical as a raw material.

Under the terms of the Agreement, Healios will receive an initial order of 420 million yen for the subject products. In addition, we will receive 200 million yen as an advance payment from AND medical. Furthermore, Healios expects to receive 60 million yen in May as compensation for achieving the final milestone in the above-mentioned joint research. The timing of future orders and the volume and timing of product shipments will be determined in consultation with AND medical.

2. Future Outlook

The advance payment of 200 million yen under the Agreement is scheduled to be received beginning in the 2nd quarter of the fiscal year ending December 31, 2025 and will be recorded as sales as and when product is delivered to AND Medical. We will promptly announce any matters that should be disclosed in the future.

About AND medical group:

AND medical group is a general medical group operating clinics in 31 locations nationwide (as of December 31, 2024). AND medical was incorporated in 2020, and from 2023, has offered cosmetic dermatology, cosmetic surgery, plastic surgery, and urology services under the AND medical group brand, and has also begun working in the field of regenerative medicine using stem cells at its affiliated institutions that provide regenerative medicine and other services.

The company’s vision is “To be beautiful is a human being's right”. Based on this vision, AND medical group believes that there are various kinds of “beauty” depending on the different personalities, preferences, and values that each person possesses, and we aim to realize “a world where everyone can pursue their own beauty” regardless of gender, age, nationality, etc.

We provide a variety of medical services to alleviate patients' dissatisfaction and complexes about their appearance.

In the future, AND medical group will advance joint research with Healios in the field of regenerative medicine. Together we will conduct scientific verification of safety and therapeutic efficacy at the level required by the government, aiming to establish stem cell-based therapeutic approaches and to manufacture cosmetic as well as medical products utilizing cultures supernatants. By doing so, we aspire to explore the potential of stem cell therapies across various disease affected areas.

Name of the company: AND medical group
Location: Roppongi, Minato-ku, Tokyo
Representative: Masaomi Kusano / Lim JongHak, Representative of Board of Directors
https://and-mg.com/

About Healios:
Healios K.K. is Japan's leading clinical stage biotechnology company harnessing the potential of stem cells for regenerative medicine. It aims to offer new therapies for patients suffering from diseases without effective treatment options. Healios is a pioneer in the development of regenerative medicines in Japan and owns proprietary, global platforms utilizing both somatic stem cells and iPS cells.

In the somatic stem cell field, Healios is developing MultiStem® (HLCM051), a proprietary cell product comprised of multipotent adult progenitor cells ("MAPCs") derived from the bone marrow of healthy adult donors. MultiStem has been shown to exhibit powerful anti-inflammatory and immunomodulatory properties with applicability in a range of disease states, has been tested in hundreds of patients in late stage clinical trials, is manufactured consistently at scale in 3D bioreactors, and has demonstrated both safety and suggested efficacy in hundreds of patients across multiple indications. Healios is seeking to advance MultiStem on a global basis for ischemic stroke, ARDS, and trauma.

In the iPSC regenerative medicine field, Healios' lead candidate, HLCN061, is a next generation NK cell treatment for solid tumors that has been functionally enhanced through gene-editing. These cells have demonstrated robust anti-tumor efficacy in animal models, benefit from a scalable 3D bioreactor manufacturing process, and are currently being prepared for initial human testing. The company has also established a proprietary, gene-edited "universal donor" induced pluripotent stem cell line to develop next generation regenerative treatments in immuno-oncology, ophthalmology, liver diseases, and other areas of severe unmet medical need.

Healios was established in 2011 and has been listed on the Tokyo Stock Exchange since 2015 (TSE Growth: 4593). https://www.healios.co.jp/en