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To Whom It May Concern,

Announcement: FY 2014-2015 Grant (Additional) for Manufacturing, Commerce, and Service Innovation Has Been Awarded to “Prototype Development of a Liver Cell Kit Derived From Functional Human Induced Pluripotent Stem Cells for Applications in Drug Discovery”

We are pleased to announce that one of our projects, “Prototype Development of a Liver Cell Kit Derived From Functional Human Induced Pluripotent Stem (iPS) Cells for Applications in Drug Discovery” (hereafter, “the project”), has been selected as a recipient of Grant for Manufacturing, Commerce, and Service Innovation additionally allocated for FY 2014-2015.

Pharmaceutical companies are currently facing a short supply of liver cells taken directly from humans for the purpose of evaluating drug efficacy and toxicity because of difficulties in cultivating the cells. Meanwhile, drug companies have been paying close attention to human iPS cells, which offer the prospect of stable supply through mass culture in incubators. Given this situation, we will be working to greatly improve the functionality of human iPS cell-derived liver cells through the project as part of our overall efforts to further increase our competitiveness.

This grant will be received as non-operating income for the project, and there will be no changes to the company’s consolidated earnings forecast for the period ending in March 2015.