September 26, 2014

Sumitomo Dainippon Pharma Co., Ltd.
SanBio Co., Ltd.

Sumitomo Dainippon Pharma and SanBio Conclude Joint Development and License Agreement for North America With Respect to SB623, a Therapy for Stroke

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; President: Masayo Tada) ("Sumitomo Dainippon Pharma") and SanBio Co., Ltd. (Head Office: Chuo-ku, Tokyo, Japan; President: Keita Mori), acting through its U.S. subsidiary SanBio, Inc. (Head Office: Mountain View, California, USA) ("SanBio"), announced today that the two companies have entered into a joint development and license agreement for exclusive marketing rights in the U.S. and Canada ("Agreement") for SB623, a cell therapy for the treatment of patients with chronic stroke discovered and currently under development by SanBio.

Under the terms of the Agreement, Sumitomo Dainippon Pharma and SanBio will jointly develop SB623 in the U.S. and Canada, and Sumitomo Dainippon Pharma will have the exclusive right to market SB623 in both countries. In consideration of the rights and licenses granted, Sumitomo Dainippon Pharma will make an initial payment of US $6 million and milestone payments totaling an additional US $74 million during the clinical development of SB623. After market launch, SanBio will supply the finished product to Sumitomo Dainippon Pharma and receive double-digit percentage royalties based on sales. Additionally, SanBio may receive sales milestone payments contingent upon the achievement of annual sales goals, up to a total of US $125 million. The development expenses will be shared equally between the two companies.

Masayo Tada, President and Chief Executive Officer of Sumitomo Dainippon Pharma said, "Addressing diseases where no approved drugs exist and offering regenerative therapies are important focuses of our research and development efforts. There are no drugs currently available to treat the frequently severe disability resulting from stroke; recovery from such

disability represents a profound unmet medical need. SB623 is a novel cell therapy product derived from bone marrow mesenchymal stem cells (MSCs) obtained from healthy adult donors. We believe that SB623 has the potential to become the first effective therapy for stroke disability."

"We are delighted to have a company with the expertise and resources of Sumitomo Dainippon Pharma as our partner for development and marketing of SB623 for stroke in North America," said Keita Mori, Representative Director and President of SanBio Co., Ltd. and Co-CEO and Chairman of SanBio, Inc. "We believe that in partnership with Sumitomo Dainippon Pharma, we can move SB623 quickly through clinical development in order to deliver this breakthrough therapy to patients suffering from stroke-related disability."

The conclusion of the option agreement regarding joint development and licensing of SB623 was announced by the two companies in a joint news release made on October 4, 2010.

(More information on SB623 is found on the attached sheet.)

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(Reference information)

<About SB623>

SB623 is an allogeneic cell product, derived from bone marrow stromal cells isolated from healthy donors. Unlike autologous cell therapy, which requires individualized cell preparation for each patient, SB623 production can be scaled up from a single donor's cells, enabling delivery of uniform quality products to a large number of stroke patients. In preclinical and clinical studies to date, SB623 has shown beneficial results on stroke disability with no serious adverse events.

SB623 is the first cell therapy product for stroke that has been approved by the U.S. FDA for human clinical trials. Phase I/IIa clinical tests have been completed in the U.S., and a summary presentation of the results was made at the International Stroke Conference held on February 13, 2014. Currently, preparations are underway to begin a Phase IIb clinical trial in the U.S.