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### Joint Research Agreement with Cleveland Clinic on Tendon Regeneration

CellSeed Inc. reached an agreement with the Cleveland Clinic Foundation, USA to conduct joint research into tendon regeneration using Cell sheet engineering, CellSeed’s core technology in regenerative medicine. A contract was signed to carry out joint research over a period of two years.

The Cleveland Clinic is one of the largest medical centers in the USA, with more than 1,000 beds, admitting a total of 4.2 million patients a year. Recognized as one of the leading hospitals in the USA, it is highly regarded in treatment, research and training. The Center has been ranked high in many specialties among “America’s Best Hospitals” announced each year by the *U.S. News & World Report*. In particular, in the Heart and Heart Surgery specialty, it has held the top position as “America’s Best Hospital” in the said ranking every year since 1995.

<The Cleveland Clinic in Summary (Source: Cleveland Clinic website)>

Location	Cleveland, Ohio, USA
Founded	1921
Number of Employees	27,000
Number of Doctors & Researchers	2,000
Number of patients seeking consultation per year	4.2 million
Website (English)	<a href="http://my.clevelandclinic.org/default.aspx">http://my.clevelandclinic.org/default.aspx</a>

The agreed joint research will be conducted with the ultimate aim of regenerating tendons by producing regenerated tendon sheets using Cell sheet engineering. Tendons are tissues that connect bones with muscles, the best known example being the Achilles tendon. This joint research will utilize Cell sheet engineering to fabricate regenerated tendon sheets to repair damaged tendons. CellSeed will first embark on the primary focus of this joint research, the development of a temperature-responsive cell cultureware (the basic tool of cell sheet engineering) that is customized for culturing tendon cells. Then, CellSeed intends to undertake the research and development of tendon regeneration as a pipeline in its cell sheet regenerative medicine.

CellSeed considers the agreement to have negligible impact on the business results for the twelve months ending December 2010.

(End of release)