

December 21, 2023

Company Name: CellSeed Inc. (TSE 7776)

Representative: Setsuko Hashimoto, President and CEO

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Announcement Regarding Termination of Collaboration Agreement with MetaTech (AP) Inc. in Taiwan

In 2017, CellSeed entered into an exclusive business collaboration agreement with MetaTech (AP) Inc. (hereafter referred to as MetaTech), for the cell sheet regenerative medicine business in Taiwan and has been pursuing the business collaboration.

However, as stated in the "Announcements Regarding Certain Media Coverages on MetaTech(AP) Inc. in Taiwan" dated August 4 of this year, we learned from local news reports that the contents of our "Cell Sheet Engineering" had been leaked in Taiwan, that MetaTech was conducting research and development of allogeneic cartilage cell sheets, and that MetaTech had attempted to leak the technology related to allogeneic cartilage cells to China. Since then, we have continued to investigate the facts of the matter and to communicate with MetaTech.

Consequently, based on the results of the investigation and the responses from MetaTech, we have decided to terminate the aforementioned exclusive business collaboration agreement and all other concluded agreements between CellSeed and MetaTech, in accordance with the terms of the agreement.

The process leading up to this announcement is as shown in the table below.

i. Date of approval by the Representative Board Directors and President/CEO*	December 14, 2023
ii. Date of termination of the agreements	December 18, 2023

*the Representative Board Directors approved to entrust the President/CEO with the date of execution of this matter.

Outline of the counterparty to the contract termination

i. Name of the company	MetaTech (AP) Inc.
ii. Address	14F-3, No.75, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 22101, Taiwan
iii. Chairman	Fred Yang
iv. Items of application	Electronics Components Manufacturing Biotechnology Services
v. Paid-in capital (NT)	681,726,480
vi. Date of Establishment	September 17,1998

We are currently preparing for the start of phase 3 clinical trial of allogeneic chondrocyte sheets in Japan as planned. In addition, we continue to negotiate with several domestic and overseas companies as potential partners.

Therefore, we believe that the direct damage from the termination of these agreements is extremely limited and will have almost no impact on our business, especially the development of allogeneic chondrocyte sheets. However, we will promptly disclose any matters that may affect our business performance in the future.

We apologize for any concerns this may cause to our shareholders and other stakeholders, and we deeply appreciate your continued support as we strive to enhance our corporate value.