



November 10, 2014

Gene Techno Science Co.,Ltd.
Code: 4584 (TSE Mothers)
President
Masanari Kawaminami

Collaboration on New Indication for Rebossis™ and Business Development with ORTHOREBIRTH

Gene Techno Science Co.,Ltd. announces that its Board of Directors approved a resolution on November 10, 2014 to establish a new partnership with ORTHOREBIRTH CO., LTD. for collaboration on new indication for Rebossis™ and business development for ORTHOREBIRTH.

1. Purpose and reason of capital and business alliance

Gene Techno Science is focusing on research and development of two types of biologics; biosimilars and new biologics in pharmaceutical industry. With our biosimilar, we strongly believe that we can contribute to medical cost cut not only for each individual patient but also society or national healthcare system at whole, in the meanwhile, with our new biologics, we strive to create a new pharmaceutical for patients with disease for which there is little or no medical solution. These biologics have been growing rapidly and steadily over the decade since 2000 and we are also proactively exploring these fields in hope of the company growth.

To take more advantage of our high experience and knowledge in biologics in pharmaceutical industry, we were seeking for something unique and associated with biological features that could offer a brand-new solution to patients even outside pharmaceutical industry. As a result of that, with such a new product line, we expect to obtain return on our investment and make our financial status more robust in a shorter time frame than as it is. In the course of our search, we encountered very unique biological product Rebossis™, or its cottony flexible synthetic bone developed by ORTHOREBIRTH for treating external injuries.

ORTHOREBIRTH is a start-up company engaged in R&D involving synthetic bone. Rebossis™ is its first original product. This bone is clearly different from the products of other companies; 1) it can be easily shaped during surgery and 2) is efficiently replaced with natural bone due to biodegradable materials. In August 2014, ORTHOREBIRTH submitted a 510(k) application to the U.S. Food and Drug Administration (FDA) for the clearance as synthetic bone for treating external injuries. The clearance was received in October. The company continues to conduct R&D activities and plans to start selling more new products.

Gene Techno Science and ORTHOREBIRTH agreed to form an alliance that will enable ORTHOREBIRTH to speed up its business activities on the synthetic bone. Furthermore, we believe that the alliance will give us a great opportunity to expand our biological business in healthcare, thereby making a big contribution to more patients and increase in our corporate value.

2. Details of the Collaboration and Equity Investment

(1) Detail of the Collaboration

1) Joint development of products

Gene Techno Science and ORTHOREBIRTH will perform joint development activities for creating new types of synthetic bone. The two companies plan on rapidly introducing more products to follow up on the injury-repair synthetic bone that has received the FDA clearance. Based on the joint development contract signed today (November 10, 2014,) Gene Techno Science will assist in ORTHOREBIRTH's new product development programs by supporting the expenses for these programs.

2) Establishment of powerful sales network

As Rebosiss™ having received the FDA clearance is planned to start to sell in the United States, the next step ORTHOREBIRTH has to do is to build an overarching sales network to penetrate as much as possible in the US market. The business development team at Gene Techno Science will help ORTHOREBIRTH with this establishment of sales network by utilizing its capability and network. In addition, it is also expected that trust and credibility behind Gene Techno Science as a listed company will reinforce ORTHOREBIRTH in contacting and negotiating with new clients.

(2) Detail of the Equity Investment

In addition to the collaboration, Gene Techno Science will purchase newly issued stock of ORTHOREBIRTH for the purposes of aligning the interests of the two companies and our commitment to speeding up the joint development of new types of synthetic bone. Using a private placement by ORTHOREBIRTH of 1,209 shares of newly issued common stock and 3,680 shares of no-voting stock, we will purchase 909 shares of common stock as shown below. As a result, we plan to own 6.1% of all outstanding shares and 8.1% of voting rights of ORTHOREBIRTH stock after the capital increase.

- (a) Shares purchased: 909 shares of common stock
- (b) Payment amount: 55,000 yen per share
- (c) Total payment amount: 49,995,000 yen
- (d) Scheduled payment date: November 13, 2014

2. Profile of ORTHOREBIRTH (as of March 31, 2014)

(1) Name	ORTHOREBIRTH CO., LTD.
(2) Address	3-17-43, Chigasaki Higashi, Tsuzuki-ku, Yokohama, Kanagawa 224-0033 Japan
(3) Representative	Yasutoshi Nishikawa, President & CEO
(4) Activities	Research and development, manufacturing, and sales of flexible synthetic bone

(5) Capital	30,000,000 yen
(6) Established	June 20, 2011
(7) URL	http://www.orthorebirth.com

Media Contact

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