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3-2-4 Kojimachi, Chiyoda, Tokyo		
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Execution of License Agreement for Hemostat in China

3-D Matrix, Ltd. hereby announces that a license agreement to commercialize a local absorbable hemostat in China was executed today between the Company and Chinese Peptide Company (Headquarter: #69, 12th Street, HEDA, Hangzhou, China, "CPC"), an affiliate company of Guizhou Xinbang Pharmaceutical Co. Ltd., a healthcare company listed on Shenzhen Stock Exchange.

In this license agreement, the Company grants to CPC an exclusive right to develop and commercialize a local absorbable hemostat in China. In consideration of the right, the Company receives from CPC upfront payments (USD 4.5 million) and a royalty (certain percent of net sales of CPC) for several years.

CPC is a peptide R&D global leader providing high quality peptide APIs including raw material of the Company's local absorbable hemostat. The Company and CPC have been building strong partnership through long term collaboration. According to this license agreement, CPC is responsible for development, clinical trial, marketing in China and the Company provides CPC with technology supports for the development and commercialization.

The Chinese market of medical device is expanding at an annual rate of 22.5% and the number of surgical operation cases is increasing at an annual rate of 11%. The market size of hemostat is currently estimated more than 20 billion yen and is expected to grow with increasing of the number of operations.

Since the upfront payment income is recognized according to this license agreement, the Company makes another announcement to amend the earning forecast for this fiscal year as of today.