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SCREEN Acquires Manufacturer of Scientific Analysis Instruments for Drug Discovery Field Using iPS Cells

— Integration of Screening Technologies and Expertise in Drug R&D Support Expansion of Life Science Business —

Kyoto, Japan – February 4, 2016 – SCREEN Holdings Co., Ltd. (SCREEN HD) has acquired a controlling shareholding in Alpha MED Scientific Inc. (headquarters: Osaka, Japan, CEO: Hideyasu Jiko), producer of the MED64 microelectrode array system for the measurement of extracellular field potential. The MED64 is used to perform drug safety assessments using iPS cell-derived cardiomyocytes and iPS cell-derived neurons.

The company is scheduled to begin operations as a consolidated subsidiary in April 2016 and is expected to make a significant contribution to the expansion of SCREEN HD's life science business. This includes activities in fields such as drug discovery and development and regenerative medicine.

SCREEN HD is currently pursuing the development of various new businesses opportunities and has already made significant progress in the life science field. Within this area, it has been focusing on the development of Cell³iMager, a three-dimensional cell culture scanner specifically designed to enable the screening of anticancer drugs. The life science field also offers major opportunities for iPS cell-related applications, with drug discovery and regenerative medicine expected to show particularly strong growth.

To capitalize on this potential, SCREEN HD has selected the expansion of its device business in these segments as a key theme. After it became apparent the technologies for the measurement of extracellular field potential and established brand power possessed by Alpha MED Scientific were essential to this growth, SCREEN HD entered into negotiations with the company in spring 2015. These discussions have now led to an agreement for SCREEN HD to acquire Alpha MED Scientific.

The requirement for systems capable of consecutively measuring extracellular field potential is expected to increase along with the development of applications for iPS cell-derived cardiomyocytes and iPS cell-derived neurons. These systems are likely to become the industry standard for cardiac safety assessment and circulatory organ and neurological research in the near future.

The acquisition of Alpha MED Scientific will create significant synergistic effects within SCREEN HD's life science business and accelerate the group's continuing development in the pharmaceutical R&D and regenerative medicine fields. With life sciences showing enormous potential for growth, it will also facilitate business expansion into associated areas as SCREEN HD pursues its goal of becoming a leading manufacturer of evaluation and analysis instruments in both fields.