



August 28th, 2007

PRESS RELEASE

Zeria Pharmaceutical Co., Ltd.
10-11 Nihonbashi-Kobunacho,
Chuo-ku, Tokyo 103-8351

ZERIA LICENSES TM-411 FOR HEPATOCELLULAR CARCINOMA (HCC)

Zeria licensed on August 27, 2007 from TMRC Co., Ltd.(located in Minato-Ku, Tokyo, Tetsuya Inagaki, President), the product TM-411 (Tamibarotene) for hepatocellular carcinoma: HCC, in Japan, with co-development, and exclusive marketing and sales rights. According to the license agreement, Zeria will make initial payment, milestones payments and royalties after market launch: In addition, Zeria will obtain around 3% stake of TMRC's shares.

TM-411 is expected to be effective in hepatocellular carcinoma (liver cancer) through retinoic acid receptor alpha, by apoptosis induction of liver cancer cells, and angiogenesis inhibition.

Annually about 40,000 new case are diagnosed with primary hepatic cancer and about 35,000 of which die. The main treatments involved in HCC, about 90% of the primary hepatic cancer cases, include surgical resection and local ablation procedure, such as radiofrequency ablation. TM-411 is believed to be a safe and effective oral formulation for the treatment of HCC.

Zeria concentrates on the gastrointestinal field with investment in pharmaceutical products from development stages to distribution. Currently, Zeria distributes the H₂ antagonist Acinon[®] Capsules 75/150, the Zinc containing cytoprotective anti-gastric-ulcer agent Promac[®] Granules 15% / D Tablets 75, the cytoprotective antigastritis agent Marzulen[®]-S Granules/ ES Tablets, the bowel cleansing agent prior to colonoscopy Visiclear[®] and the bulk laxative New Lecicarbon[®] Suppository, among others.

Also, Zeria is developing a number of drugs, for Functional Dyspepsia Z-338(acotiamide) is currently in Phase II in Japan, US and Europe, for pancreatic cancer Z-360 is in Phase Ib/IIa in Europe, Asacol[®] (Z-206) is being developed for Ulcerative colitis/ Crohn's Disease, Promac[®](Z-103) is being developed for taste disorder, both in Phase III in Japan.

TM-411 was licensed as a second product in gastrointestinal cancer drug after Z-360 in our product line up.