

April 14, 2006

To whom it may concern

The Osaka Chamber of Commerce & Industry  
Osaka Institute of Technology  
CMIC Co., Ltd.  
Sojitz Corporation  
Mitsubishi UFJ Trust and Banking Corporation

**Conclusion of Basic Agreement  
concerning Establishment of 'Distribution Market for Seeds  
of Drug Discovery and Development/Basic Technologies'**

The Osaka Chamber of Commerce & Industry, Osaka Institute of Technology, CMIC Co., Ltd., Sojitz Corporation and Mitsubishi UFJ Trust and Banking Corporation have today signed a basic agreement to establish Japan's first drug patent distribution website 'Distribution Market for Seeds of Drug Discovery and Development/Basic Technologies', which will post information about new drug candidate substances (seeds of drug discovery and development) and provide purchase and sales information for technologies used for drug discovery and development (basic technologies). The parties concerned will work toward the realization of ideas, in an effort to launch the website in October 2006.

**1. Background of market creation**

- Many new drugs developed by pharmaceutical companies at home and abroad by the middle of 1990s will face patent expiration around the year 2010. However, there are many companies where the in-house development of alternative drugs is not in progress. The new drug development success rate is low, and enormous development costs are required over long time periods. For these reasons, pharmaceutical companies are accelerating a move towards purchasing the outcome of basic research and clinical trials from universities and venture companies, while promoting the selection of and concentration on development areas. In addition, a need exists to partially recover development costs by licensing products to other companies, for which products development has been suspended.
  
- On the other hand, there is increasing interest in basic technologies such as those used to search for substances that can be efficiently processed into

pharmaceutical products and for enabling a product to act only on the affected areas, and in utilizing new drug candidate substances in the areas of cosmetics and FOSHU (Food for Specified Health Use) development.

- In July 2005, the Osaka Chamber of Commerce & Industry established the 'Study Group on the Concept of 'Distribution Market for Seeds of Drug Discovery and Development/Basic Technologies' (participating companies: six pharmaceutical companies, a trading company, a financial institute and a contract research organization), and has been conducting studies toward the establishment of the subject website to post purchase and sales information regarding basic technologies and seeds of drug discovery and development.

## **2. Outline of the basic agreement**

- For efforts towards the establishment of the 'Distribution Market for Seeds of Drug Discovery and Development/Basic Technologies', the Osaka Chamber of Commerce & Industry, Osaka Institute of Technology, CMIC Co., Ltd., Sojitz Corporation and Mitsubishi UFJ Trust and Banking Corporation will pursue discussions regarding details of market operations, in accordance with the allocation of roles as described below:

<Market Operator>

The Osaka Chamber of Commerce & Industry

<Allocation of Collaborator Roles>

- Osaka Institute of Technology (Graduate School of Intellectual Property)  
To serve as an advisor for market operations
- CMIC Co., Ltd.  
To provide consulting services for clinical trials, and pharmaceutical development.
- Sojitz Corporation  
To serve as a coordinator to provide support in the signing of contracts.
- Mitsubishi UFJ Trust and Banking Corporation  
To offer an intellectual property trust service which provides protection against the infringement of patents and reduce the burden on licensing administration operations.

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