

## Agreement Concerning Joint Research of Ophthalmic drug

March 22, 2006—CytoPathfinder, Inc. (headquartered in Tokyo, Shinagawa, Japan, CEO: Yoshiji Fujita) and Santen Pharmaceutical Co., Ltd. (headquartered in Osaka, Japan, President and CEO: Takakazu Morita) announced that they have signed a three-year research agreement to jointly search target molecule for ophthalmology drug discovery and apply CytoPathfinder's cubic liquid crystal technology to ophthalmic drug formulation.

Under the agreement, we will perform functional analysis of genes of interest using CytoPathfinder's "transfection microarray technology", to identify drug targets and therapeutic nucleotide derivatives and small chemicals.

In addition, they will pursue applied research using CytoPathfinder's "cubic liquid crystal technology" to improve formulation stability and solubility for ophthalmic drugs.

CytoPathfinder, established in December 2004, is a bio-venture specializing in technologies based on a unique transfection microarray system and original Drug Delivery System (DDS) developed by Japan's National Institute of Advanced Industrial Science & Technology.

CytoPathfinder is committed to the research and development of innovative pharmaceutical products through the comprehensive functional analysis of genes in various cellular systems.

Through this collaboration, CytoPathfinder is expecting to demonstrate the potential of its unique technologies in drug discovery for the ophthalmic field.

Santen has dedicated to uncover important genetic pathways related to ophthalmic disorders through gene expression profiling as a part of its drug discovery research project. The company expects that CytoPathfinder's unique technology will significantly accelerate drug target identification and thereby overall drug discovery process for ophthalmic disorders such as glaucoma and retinal disorders. In addition, Santen decided to invest in CytoPathfinder for the joint researches.

<For Reference>

Cubic liquid crystal

Liquid crystal shows various structures depending on a difference of the molecular species, the composition, and temperature. A structured lipid, which is packed in a specific regularity in cube unit and piled up like a block, is called "cubic liquid crystal". The material is widely used not only as a drug delivery system but also for functional cosmetics and protein crystallization. CytoPathfinder, Inc. holds the patents of the substance and the utilizations.

Transfection microarray

The transfection microarray is a novel solid-phase DNA and RNA transfection system, by which biological functions of genes as many as over 1,500 genes can be analyzed at once in a small amount of culture medium. With the aid of this technology, one can identify appropriate target genes at the minimum time and cost.

For the worldwide business, CytoPathfinder, Inc. acquired the exclusive global right to the basic patent of the transfection microarray from The Scripps Research Institute (San Diego, CA.) on 30<sup>th</sup> September, 2005.