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Shin Nippon Biomedical Laboratories, Ltd.
CEO and President, Ryoichi Nagata
Tokyo Stock Exchange, First Section: Code # 2395
Contact Information: CFO and Executive Vice President, Toshihiko Seki (TEL: +81 (0)3 5565 5001)

Business Collaboration Letter of Intent Signed between SNBL and Sosei Group Corporation and Progress on Development of Novel Nasal Epinephrine Product

Shin Nippon Biomedical Laboratories, Ltd. ("SNBL"; CEO: Ryoichi Nagata; Tokyo, Japan) announces in conjunction with Sosei Group Corporation ("Sosei"; CEO: Shinichi Tamura; Tokyo, Japan) that a Letter of Intent has been executed to negotiate terms of joint development for multiple pharmaceutical products utilizing SNBL's nasal delivery technology platform[1)].

As part of the Translational Research Business[2)], SNBL develops novel pharmaceutical products based on its novel nasal delivery technology platform and also out-licenses the platform to other pharmaceutical companies. SNBL has already succeeded in licensing out the platform to multiple companies. On the other hand, part of Sosei's pipeline strategy has been drug reprofiling[3)], an approach that enables identifying new uses for existing drugs (either halted or marketed), and as a part of its reprofiling strategy Sosei utilizes APNT[4)] (a core technology platform for nanonizing insoluable solutions) for research and development.

Under the Letter of Intent, the two companies will negotiate terms of a business partnership for the development of innovative pharmaceutical products. In the partnership, SNBL provides license to the nasal delivery technology platform, as well as the development know-how accumulated through experience, while Sosei provides their expertise in drug re-profiling and knowledge in formulation development.

In addition, prior to executing the LOI, a joint project for development and commercialization of nasally-delivered epinephrine product for treating anaphylaxis has been initiated, utilizing technologies developed jointly by SNBL and G2B Pharma Inc. ("G2B"; Chairman and CEO: Nigel Ten Fleming; San Francisco, USA). Based on the potential for the product to satisfy the unmet needs in the treatment of anaphylaxis[5)], which is a significant unmet need in the field of allergy treatment, Sosei has decided to provide initial project financing to G2B for the development of the product. At the same time, SNBL has provided to G2B an option-to-license SNBL's nasal drug delivery technology platform. Upon exercising the option-to-license the platform, G2B will pay SNBL certain license fees including up-front, development milestone and commercial milestones payments, as well as royalties on the product. Sosei will receive, as return for the initial project

financing, a certain return from G2B's future revenues, in addition to first negotiation rights for future project financing and the right to negotiate the licensing of worldwide development and commercialization rights of the nasal epinephrine product.

Led by the nasal epinephrine project, SNBL and Sosei will continue to discuss further collaborative project opportunities under this Letter of Intent, to make the maximum use of both sides' know-how and technologies.

The effect of this new venture on the earnings of SNBL's current term is minimal.

About SNBL, Ltd.

For more than 55 years, SNBL has been a leader in helping biopharmaceutical companies generate high quality data with the exceptional precision needed to rapidly advance new medical therapies and innovations that improve patients' lives. SNBL's business consists of contract research in preclinical studies, clinical pharmacology studies, pharmacokinetics/bioanalysis, and clinical studies, as well as SMO business. IN the recent years, SNBL is aggressively expanding the Translational Research business. http://www.snbl.com/

About Sosei Group Corporation

Sosei Group Corporation is a biopharmaceutical company concentrating on development of pharmaceutical products. Sosei establishes a development pipeline of risk-controlled products by searching for and acquiring new development products and developing them through partnerships and research activities. http://www.sosei.com/

About G2B Pharma Inc.

G2B Pharma Inc. is a specialty pharmaceutical company, focused on the reformulation of off-patent drugs. G2B's mission is to take drugs that have recently come off patent and reformulate them into a different dosage form that may achieve clinically significant benefits. http://www.g2bpharma.com/

[Footnotes]

[1)] Nasal delivery technology platform is SNBL's novel technology, covered by international patents, which significantly enhance the absorption of powder nasal drugs from the nasal mucosa. The technology has been shown in several clinical trials to be safe and effective under the clinically tested conditions. Is a fundamental technology that is versatile can be applied to various drugs. , we have conducted several clinical trials to date, this technology, safety and efficacy in into the conditions of the clinical trials. (http://www.snbl-nds.co.jp/en/).

[2] Translational Research Business is SNBL's business unit that takes a medical technology from basic research to a clinical application. SNBL utilizes its own preclinical and clinical facilities to incubate early technologies by value-adding research or conducting development and licensing the technology to biopharmaceutical companies.

[3] Drug reprofiling is analyzing and screening using innovative methods for existing drug products with proven safety, finding a new pharmacological effect and developing it for a different indication.

[4] APNT, unlike other nano-particle processing technologies, keeps compounds virtually free from contamination. At the same time, it can yield pharmaceutical ingredients with particle size ranging from 50 to 300nm levels. Thus, APNT enables the development of injections, ophthalmic solutions and inhalations with poorly soluble compounds where high purity is required.

[5] Anaphylaxis is a systemic and life-threatening allergic reaction characterized by anaphylactic shock associated with a decrease in blood pressure and deterioration in consciousness. Especially anaphylactic shocks triggered by food allergies in babies and young children represent a serious social issue. The prevalence of food (eggs, peanuts, buckwheat etc.) allergies is estimated at 1-2 % in Japan (babies 10%, over 3 years of age 5%, kindergarten children 5.1%, above 6 years of age 1.3 – 2.6%) and 3-4% in the US[a] and has been increasing in the recent years. At present, when a baby or a child experiences anaphylactic shock at home or school, guardian or a teacher needs to apply an adrenaline injection within 30 minutes from the anaphylactic reaction. However, when faced with this kind of situation a person without medical background may feel confusion, fear and reluctance to give an injection, and the psychological burden may prevent providing the necessary medical attention, and this in some cases may have a fatal consequences. Recently, there has been a sad incidence leading to a death of a child caused by the hesitation to inject epinephrine. G2B is developing a needleless, nasal form of epinephrine to improve the treatment of anaphylaxis. SNBL's nasal delivery technology platform was selected, and, combined with G2B's novel epinephrine formulation, this nasal epinephrine product has demonstrated fast and high absorption similar to injections in animals studies and is expected satisfy the unmet needs of anaphylactic treatment.

[a] Reference: Clinical Research Center for Allergy and Rheumatology, National Hospital Organization Sagamihara National Hospital, "Guidline for Care of Food Allergy 2011"