13th October, 2009

To Whom It May Concern:

Yoshiji KIMURA
Representative Director of the Board and
Chief Executive Officer
MEDINET Co., Ltd.
(TSE-Mothers #2370)
2-5-14, Shin-Yokohama, Kohoku-ku,
Yokohama, Kanagawa, Japan
Tel: +81 (0)45-478-0041 (Switch Board)
Email: ir@medinet-inc.co.jp

MEDINET and NanoCarrier Start Comprehensive Collaborative Research and Development Agreement for Cancer Treatment

[Translation for Information Purposes Only]

MEDINET Co., Ltd. ("MEDINET") announced that MEDINET and NanoCarrier Co., Ltd. ("NanoCarrier") have collaboratively commenced that they have executed comprehensive research and development agreement to seek for a novel cancer treatment. Purpose of this collaborative research and development is not only to develop prospective pharmaceutical drugs but also to lead technological innovation in the field of caner treatment by combining both companies' skills, know-how, and business/research networking.

At present, current existing therapies cannot cure advanced and metastatic cancer by sole treatment, as each type of cancer treatments has different charactistics and specialties. Along cancer types and cases, combination therapy among the existing therapies is conducted. However, systemic treatments, such as anticancer agents and molecular target drugs, entail extremely strong adverse drug reactions ("ADRs,") so that it remains a great need in the public to develop new anticancer drugs with minimal ADRs, or other more useful systemic treatments.

For the most advanced key concept of this collaborative research and development, it is aimed to jointly carry out research projects on undeveloped fields of cancer treatment by making efficient use of each company's strength. MEDINET brings leading-edge technology and experienced know-how in human cell processing into the collaborative research, while NanoCarrier provides micellar nanoparticle technology, especially inclusion of protein materials and etc., to the research. In addition, MEDINET and NanoCarrier will share their own business and research networking, which have been established with universities, research centers, and hospitals through their business operations, in order for early development of a novel technology.

Current research priority in the R&D activities will be focused on; 1) developing a novel technology of anticancer treatment, which combines pharmaceutical cytokine products using micellar nanoparticle technology with various effector cells and aitigen-presenting cells in cell therapy, and 2) developing advanced treatment technology or pharmaceutical product for cancer stem cells, which are resistant with anticancer agents. MEDINET and NanoCarrier will accelerate such R&D activities to deliver creative cancer treatment technologies based upon new concepts.

MEDINET provides a comprehensive service, Immuno-Cell Therapy Total Support Service, with technical know-how, facilities, systems, professional engineers, and other requirements, which are required to practice immuno-cell therapy at medical institutions. It is a remarkable characteristic of immuno-cell therapy that the therapy has no adverse reactions in essence and gives few damages to the patient's body, as autologous cells are used. In cancer treatment, immuno-cell therapy has already been applied clinically as a systemic treatment able to maintain patient's QOL at a higher level and to attack cancer cell at the molecular level. Active research and technical development are carrying out for improvement of therapeutic efficacy and safety in immuno-cell therapy.

NanoCarrier is a R&D oriented biotech company, based on "Feature Drug Delivery Technology" with micellar nanoparticle. As a pioneer of micellar nanoparticles technology, it has a task to harness ADRs of anticancer agents and other pharmaceuticals by micellar nanoparticles technology. Micellar nanoparticle technology has a broad range of application in pharmaceutical development with higher value-added. For example, it will be expected for control of drug release by micelles, improvement of safety by lowering drug concentration below the level where adverse effects may occur, increase in stability of drug in the bloodstream and higher therapeutic efficacy by increasing the amount of drugs delivered to the targeted lesions, etc.

References

1. Cytokine
   It is the groups of proteins produced from cells and used for control functions in a body. It is known as control immuno function, anti-tumor activity, and hematopoietic function.

2. Innuno-Cell Therapy Total Support Service
   MEDINET provides comprehensive service, which is called Innuno-Cell Therapy Total Support, to practice immuno-cell therapy at medical institutions Service. MEDINET supplies medical intuitions with technical know-how, facilities, systems, professional engineers, and other requirements that response to the needs of medical institutions.

3. Micellar nanoparticles
   Micellar nanoparticles are composed of biocompatible block copolymers, comprising of

hydrophilic polyethylene glycol and hydrophobic polyamino acid. The formation of micelles, aggregates of 20-100 nanometer-size spheres, occurs when the block copolymers diffuse in water. NanoCarrier's micellar nanoparticle technology combines polymer chemistry and nanotechnology.