



June 18, 2008

For Immediate Release

UMN Pharma, Inc.

UMN Pharma Initiates Phase I/II Trials for Pandemic Influenza Vaccine Manufactured from Cell-culture, UMN-0501

UMN Pharma Inc. (headquartered in Akita, President & CEO: Shuichi Kanazashi) today announced initiation of Phase I/II clinical trials in human subjects with UMN-0501, UMN's pandemic influenza vaccine. In Japan, this is the "first-in-man" clinical study of a pandemic influenza vaccine manufactured by cell-culture. The purpose of this clinical study is to assess safety and efficacy in 125 healthy adults aged 20-40. Study results will be obtained by the end of the year.

UMN-0501 has already been granted orphan drug designation by the Ministry of Health, Labour and Welfare. This new pandemic influenza drug is manufactured from cell-culture using recombinant protein*, and not the traditional method that utilizes embryonated chicken egg culture. Influenza vaccine derived from embryonated chicken eggs requires at least six months to manufacture, whereas UMN-0501 allows for the large-scale production of vaccine in significantly less time.

In line with the commencement of clinical trials, we will begin construction of a vaccine manufacturing facility in Akita City with the capacity to produce vaccine stockpiles for up to 10 million people per year.

Shuichi Kanazashi, the President and Chief Executive Officer of UMN Pharma Inc., comments that "We are extremely pleased to launch our UMN-0501 Phase I/II clinical trials addressing pandemic flu. We look forward to releasing results later this year and ultimately providing a steady supply of UMN-0501 as soon as possible".

<For your reference: About pandemic influenza>

Pandemic flu is a viral disease that occurs when the avian (bird) influenza virus emerges in people and mutates allowing sustained person-to-person transmission. Because people have little or no immunity to the unknown virus, it may cause serious illness and can easily sweep across the country or world in a very short amount of time, thereby potentially causing a pandemic outbreak.

*: A protein produced by gene recombination technology. The proteins can be artificially produced by inserting desired genes into the cells of Escherichia coli, yeast, insects and animals. The recombination proteins of insulin, interferon and antibody medicine have already been approved as medicines.

**About UMN Pharma Inc.**

UMN Pharma Inc. was incorporated in 2004 as a company dedicated to developing innovative pharmaceutical drugs that will satisfy unmet medical needs. Through our extensive network of Japanese universities and companies, we scout highly promising earlier stage drug seeds with the potential to become medical products, and promote their efficient development. Our pipeline includes vaccines against influenza and a therapeutic agent for the treatment of pancreatitis.

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