



June 10, 2008

For Immediate Release

UMN Pharma, Inc.

UMN Pharma's Pandemic Influenza Vaccine, UMN-0501, Receives Orphan Drug Designation

UMN Pharma Inc. (headquartered in Akita, President & CEO: Shuichi Kanazashi) today announced that UMN-0501, a novel vaccine being developed by UMN Pharma for pandemic influenza, has been granted orphan drug designation by the Ministry of Health, Labour and Welfare.

UMN-0501 is a novel pandemic influenza vaccine manufactured from cell culture using recombinant protein* rather than the traditional method that utilizes embryonated-egg culture. Due to the fact that at least 6 months are required to complete production of vaccine derived from embryonated chicken eggs, UMN-0501 is a significant breakthrough as this manufacturing method enables large-scale production of vaccine in significantly less time.

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. The Japanese government has provided a worst case scenario estimate indicating that as many as 640,000 people will die in Japan if an influenza pandemic were to occur. As such, vaccine stockpile management and the establishment of a medical control system are in progress.

We will initiate phase I/II clinical trials for UMN-0501 on June 18, 2008 and will obtain study results by the end of the year. In line with the commencement of the clinical trials, we will begin construction of a vaccine manufacturing facility in Akita City with the capacity to produce vaccines for up to 10 million people per year.

Shuichi Kanazashi, the President and Chief Executive Officer of UMN Pharma Inc., comments that "In response to concerns about the increasing threat of a pandemic influenza virus, we are developing UMN-0501 which will enable production of larger quantities of vaccine in a shorter period of time. We believe that receiving orphan drug designation will be an impetus to our effort to achieve a steady supply of UMN-0501 as soon as possible."

<For your reference: About the designation of an orphan drug>

A drug or medical device targeting a rare disease is designated as an orphan drug or orphan medical device by the Minister of Health, Labor and Welfare according to the Pharmaceutical Affairs Law, if it meets the designation criteria, such as a small number of patients indicated for the drug or medical device concerned despite its potential medical importance. The amendment made on April 1, 2006 to the requirement regarding the number of patients who may benefit from the drug or medical device allowed additional vaccines meeting the criteria to be designated as orphan drugs.

(Notification No. 0331007 by the Manager of the Evaluation and Licensing Division, PFSB dated March 31, 2006)

*: 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. We select substances with high potential to become medical products from drug seeds in universities and companies, and promote efficient development of the products. Our main current products include vaccines against influenza virus and therapeutic agent for pancreatitis.

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