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ECI Signed a Joint Research Agreement with Astellas Pharma Inc.

Effector Cell Institute (ECI) is pleased to announce that it has signed a joint research agreement with Astellas Pharma Inc. on February 13, 2008. The parties will collaborate on discovery of a new drug that can inhibit the intracellular protein FROUNT.

1. Overview of the Joint Research Agreement

Effector Cell Institute (ECI) has signed today a joint research agreement with Astellas Pharma Inc., a leading Japan-based global company in the pharmaceutical field, under which the parties will collaborate on discovery and development of a new drug that can inhibit FROUNT which is a novel intracellular protein originally discovered ECI in collaboration with the Graduate School of Medicine, University of Tokyo (reported on Nature Immunology in 2005).

Under this agreement, ECI will receive from Astellas Pharma Inc. an up-front payment and a yearly fee for research collaboration in addition to milestone payments to be received upon achievement of milestone of the target development specified in the agreement as well as royalties according to the sales the resulting new drugs.

Upon achieving success in the collaborative research and development of a novel target inhibitor, Astellas Pharma Inc. will have the rights to develop, manufacture, market and sell the discovered inhibitor on a worldwide level.

As it is known that FROUNT controls migration of hemocytes such as macrophages which are closely involved in various inflammatory diseases and the immunity thereto, there is much expectation that the development of a FROUNT inhibitor will be an epoch-making treatment against various autoimmune diseases such as articular rheumatism and rejection during organ transplantation.

2. Description of the Joint Research

- (1) Scope: Development of an assay system to search for inhibitors of the target FROUNT and research on such candidate drugs
- (2) Effective period of agreement: Two years

3. A brief corporate profile of Astellas Pharma Inc. is given below for reader's information:

- (1) Company name: Astellas Pharma Inc.
- (2) Representative director: Masafumi Nogimori (President & CEO)
- (3) Headquarters: 2-3-11, Nihombashi-Honcho, Chuo-ku, Tokyo 103-8411, Japan
- (4) Foundation: April 1923
- (5) Major business: Manufacture, marketing/sales and import/export of medical and

pharmaceutical products

(6) Accounting term: End of March

(7) Sales: 920,624 million yen (as of the end of March 2007)

(8) Paid-in capital: 103,000 million yen (as of the end of March 2007)

(9) Employees: About 13,900 (Consolidated base, as of the end of 2007)

(10) Corporate relationship with ECI: There is no tie-up in terms of personnel or capital.

4. Schedule

Resolution was adopted by ECI's Board of Directors and the Joint Research Agreement was signed on February 13, 2008.

5. Expected Results and Effects

While the company's sales proceeds and profit will show an increase because of the up-front payment and yearly fee for research collaboration resulting from the agreement, their impact on the company's business outlook as of the end of May 2008 will not be significant.

However, the effects of this agreement upon the company's business performance will change from the coming financial year on due to the agreed milestone payments and royalty revenues. Further information will be announced as soon as it becomes apparent.

(Contacts for inquiries or additional information)

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