

October 4, 2010

Dainippon Sumitomo Pharma Co., Ltd.

SanBio, Inc.

### Dainippon Sumitomo Pharma and SanBio Collaborate on Cell Therapy for Stroke Recovery

*October 4, 2010.* Dainippon Sumitomo Pharma Co. Ltd. (DSP) and SanBio, Inc. (SanBio) today announced that it has entered into an option agreement to co-develop a new cell therapy for stroke recovery.

Under the agreement, DSP has received an option for exclusive U.S. and Canadian marketing rights to SB623. SB623 is a promising cell therapy drug candidate being developed by SanBio for disabilities caused by stroke for which there are currently no effective therapies. SB623 is an allogeneic cell product, derived from bone marrow stromal cells isolated from healthy donors. Unlike autologous cell therapy, which requires individualized cell preparation, SB623 production can be scaled, enabling a more cost effective therapy for stroke patients. In preclinical studies to date, SB623 has dramatically improved function in animal models of stroke disability with no significant adverse effects. The US FDA has recently permitted the initiation of human clinical trial of this innovative cell therapy.

“We expect to exercise this option based on results of a Phase I/IIa trial, already in preparation, and, if these results are favorable, intend to secure exclusive marketing rights to SB623 in the U.S. and Canada,” said Masayo Tada, President and Chief Executive Officer of DSP. “This therapy is an exciting, innovative approach to a profound unmet need for millions of patients. We believe SB623 can contribute to improved health and well being for people throughout the U.S. and Canada.”

“Also, for DSP, this therapy is an excellent strategic fit. Our group has been developing business in North America through our subsidiary Sepracor Inc., soon to be called Sunovion Pharmaceuticals Inc. The addition of this product should enhance our leadership position in the central nervous system (CNS) field, one of our highest priority therapeutic areas.”

Keita Mori, co-CEO of SanBio, said, “DSP is an ideal partner for SanBio, with similar research approaches, scientific priorities and business objectives. We are looking forward to working together closely to realize the enormous potential of SB623 in the North American markets.”

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*About Dainippon Sumitomo Pharma Co., Ltd.:* Dainippon Sumitomo Pharma ([www.ds-pharma.com](http://www.ds-pharma.com)) is a multi-billion dollar, top-ten listed pharmaceutical company in Japan with a diverse portfolio of pharmaceutical, animal health and food and specialty products. DSP aims to produce innovative pharmaceutical products in the CNS field, which has been designated as the key therapeutic area, and the specialty area, designated as a frontier therapeutic area. DSP has more than 7,000 employees worldwide. Contact: Atsuko Higuchi, Director, Corporate Communications, phone +81-6-6203-1407.

*About SanBio:* SanBio ([www.san-bio.com](http://www.san-bio.com)) is a privately held San Francisco Bay Area biotechnology company focused on the discovery and development of regenerative cell therapy products. Contact: Keita Mori. +1-650-625-8965 x 11. [Keita.mori@san-bio.com](mailto:Keita.mori@san-bio.com)

*About SB623:* SB623 is a proprietary cell therapy derived from genetically engineered bone marrow stromal cells (MSCs) obtained from healthy adult donors. SB623 is implanted directly adjacent to the area damaged by stroke and functions by producing proteins that promote the healing process. The development of SB623 is based on earlier research by Professor Mari Dezawa of Tohoku University.