

May 29, 2009

Seikagaku Corporation
(Securities code: 4548)

Conclusion of an Exclusive Distributorship Agreement for Gel-200 with Zimmer, Inc. of the U.S.

On May 29, 2009 Seikagaku Corporation (“Seikagaku”) (head office: Chiyoda-ku, Tokyo) entered into an agreement with Zimmer, Inc. (head office: Warsaw, Indiana) concerning a sole distributorship in the United States for Gel-200, a medical device indicated for osteoarthritis of the knee.

Gel-200 is an intra-articular injection that is expected to provide long-term pain relief with a single injection. The main ingredient of Gel-200 is cross-linked hyaluronate hydrogel manufactured using Seikagaku’s own cross-linking technology. On July 30, 2008 (U.S. local time) Seikagaku submitted to the FDA a premarket approval (PMA) application (an application for approval to market a medical device), which is currently undergoing review.

Osteoarthritis of the knee is a condition characterized by the degeneration and disappearance of articular cartilage and consequent swelling and pain. It is primarily caused by aging. As the U.S. population is aging, the number of patients suffering from osteoarthritis of the knee is increasing. In these circumstances, diverse patient wishes and physician treatment policies have highlighted the need for a joint injection that demonstrates efficacy with a low number of injections. Since 2001, Seikagaku has sold SUPARTZ[®] in the U.S. market, a formulation administered in multiple injections for a single treatment. The forthcoming market introduction of a single-injection product, Gel-200, will enhance the product line in the field of joint disorder treatment. Seikagaku plans to solidify its presence in the U.S. market by expanding sales of both products in the multiple-injection and single-injection markets to satisfy the needs of physicians and patients.

Zimmer, Inc. is a global leader in the field of orthopedic surgical products. The company engages in the development, manufacture and sale of medical devices and is the market share leader in the U.S. in replacement knee joints. As replacement knee joints and hyaluronic acid injections are used in the same therapy field, it is expected that Gel-200 can be successfully sold through the sales channels that Zimmer already possesses. Also, in its role as the manufacturer of Gel-200, Seikagaku will support Zimmer's sales activities through the provision of academic information and other means.

Reference Information

(1) About Gel-200

As Gel-200 remains in the knee-joint cavity for long periods of time owing to the extremely high viscoelasticity of cross-linked hyaluronate hydrogel, a single injection is expected to provide long-term pain relief. In Phase III clinical trials conducted in the U.S. with a patient group that conformed to the protocol, Gel-200 showed a statistically significant improvement compared to the placebo against pain associated with osteoarthritis of the knee, the principal evaluation item. Also, there was no difference in occurrence of side effects compared to the placebo group, and safety equivalent to or exceeding that of existing hyaluronic acid injections is expected.

(2) Overview of Zimmer, Inc.

- 1) Company name: Zimmer, Inc.
- 2) Headquarters: 345 East Main Street, Warsaw, Indiana, USA
- 3) Representative: Mr. David Dvorak, President and CEO
- 4) Established: 1927
- 5) Business description: Development, manufacturing and sale of medical devices; operation of business sites in 25 countries and marketing of products in more than 100 countries worldwide
- 6) Sales: Approx. US\$4.1 billion (2008)
- 7) Number of employees: Approx. 8,500