

January 5, 2012
Seikagaku Corporation
(Securities Code: 4548)

Seikagaku Announces a Change in Sales Partner for SUPARTZ[®] in the U.S.

Tokyo, Japan, January 5, 2012 – Seikagaku Corporation (hereafter "Seikagaku") (head office: Chiyoda-ku, Tokyo) has heretofore sold SUPARTZ[®], an injectable treatment for osteoarthritis pain of the knee, in the U.S. through Smith & Nephew, Inc. (U.S., hereafter "S&N, Inc."), a subsidiary of Smith & Nephew plc (UK, hereafter "S&N plc"). Seikagaku hereby announces that upon the closing of the establishment of a joint venture, Bioventus LLC (hereafter "Bioventus") between S&N plc and Essex Woodlands, as well as the transfer of S&N, Inc.'s Clinical Therapies business to Bioventus, Seikagaku has agreed and decided to newly enter into an exclusive distribution agreement with Bioventus for SUPARTZ[®]. Bioventus is expected to be established in the next few months and Seikagaku plans to execute the agreement with them at that time.

The vast majority of the US management team and employees now involved in S&N, Inc.'s Clinical Therapies business will be transferred to Bioventus and continue to engage in the sale of SUPARTZ[®]. Essex Woodlands, a healthcare growth equity and venture capital firm, will put its expertise and medium- to long-term management resources into Bioventus and provide strong support for the sale of SUPARTZ[®].

SUPARTZ[®] is an injectable treatment for knee osteoarthritis pain whose active ingredient is highly-purified hyaluronan. SUPARTZ[®] was approved by the U.S. Food and Drug Administration (FDA) in 2001 as a medical device indicated for treatment of osteoarthritis of the knee, and more than 7 million units have been used in the U.S. since its launch. In its role as the manufacturer of SUPARTZ[®], Seikagaku will continue to support sales and promotion activities through means including the provision of scientific information.

Reference Information

(1) Overview of Bioventus

- 1) Company name: Bioventus LLC
- 2) Location: Durham, North Carolina, USA
- 3) Representative: Mr. Mark Augusti, President and CEO
- 4) Established: in the next few months
- 5) Business description: The Company will manufacture and sell EXOGEN[®] Ultrasound Bone Healing System and sell joint fluid therapies including SUPARTZ[®]. ([®] Trademark of Smith & Nephew)
- 6) Net sales of the Clinical Therapies Business to be transferred from S&N, Inc.: US\$223 million (2010)

(2) Overview of Essex Woodlands

With \$2.5 billion under management, Essex Woodlands is one of the largest and oldest growth equity and venture capital firms pursuing investments in healthcare. Since its founding in 1985, Essex Woodlands has been involved in the founding, investing, and/or management of over 120 health care companies.

(3) Overview of Smith & Nephew plc

- 1) Company name: Smith & Nephew plc
- 2) Location: London, United Kingdom
- 3) Representative: Dr. Olivier Bohuon, CEO
- 4) Established: 1856
- 5) Business description: Smith & Nephew is a global medical technology business with global leadership positions in Orthopaedic Reconstruction, Advanced Wound Management, Sports Medicine, Trauma and Clinical Therapies. The Company has distribution channels, purchasing agents and buying entities in over 90 countries worldwide.
- 6) Net sales: approx. US\$4.0 billion (2010)

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