

Conclusion of License Agreement for Topical Patch containing etodolac

(TOKYO, JAPAN, March 24, 2011) ---KOWA Company Ltd. (Headquarter: Nagoya, JAPAN, President and CEO: Yoshihiro Miwa, hereinafter called KOWA) and MEDRx Co. Ltd. (Headquarter: Kagawa, JAPAN, President and CEO: Masayoshi Matsumura, hereinafter called MEDRx) announced today that the companies have signed a definitive agreement under which KOWA will acquire exclusive sales rights for the United States and Commonwealth of Puerto Rico (hereinafter called “Territory”) to sell a pharmaceutical topical patch containing etodolac¹ (hereinafter called “Etodolac Patch”) for which Phase III clinical trials in the treatment of acute pain are being conducted by IL Pharma Inc. (CEO: Yuji Kuwabara) which is a totally-held subsidiary of MEDRx.

Under the terms of the agreement, KOWA or its subsidiaries will market and sell Etodolac Patch in Territory exclusively. MEDRx will receive the upfront, development and sales milestone payments from KOWA and supply Etodolac Patch in Territory exclusively. And MEDRx is also eligible to receive tiered royalties on the product sales.

About KOWA Company Ltd.

Kowa is a privately-held multinational company headquartered in Nagoya, Japan. Established in 1894, Kowa is actively engaged in various manufacturing and trading activities in the fields of pharmaceutical, life science, information technology, textiles, machinery and various consumer products.

Kowa started its pharmaceutical business in 1947. It has since built a strong presence in the Japanese prescription and OTC drug market and it is growing rapidly overseas. Kowa has established subsidiaries in Europe, US and China for the operation of its clinical development programs and the commercialization of its pharmaceutical products.

Kowa continues to be committed to expand its business in three core fields of pharmaceuticals - prescription, OTC and generic drugs - by integrating research and development of innovative products, manufacture of quality products, and appropriate promotion activities.

About MEDRx Co Ltd.

MEDRx has been consistently researching and developing the unique formulation technologies forced on transdermal absorption by changes in drug formulations or administration routes to provide novel pharmaceutical drugs which meet unmet medical needs since MEDRx was established in 2002.

¹ Etodolac is one of Non-Steroidal Anti-Inflammation Drugs (NSAID). The oral etodolac products have been widely known and used to relieve pain and inflammation. Etodolac Patch will be the first topical formulation in the world.