

July 7, 2006

Public Relations
Ono Pharmaceutical Co., Ltd.
Tel: +81-6-6263-5670
Fax: +81-6-6263-2950

**Ono Entered Into Drug Discovery Agreement on Kinases
with Locus Pharmaceuticals, Inc.**

Ono Pharmaceutical Co., Ltd. (Osaka, Japan; President and CEO: Toshiharu Korekane) announced today that the company signed a drug discovery agreement with Locus Pharmaceuticals, Inc. (Pennsylvania, USA; Chairman and CEO: H. Joseph Reiser).

Under the arrangement, the parties will apply Locus's proprietary computational technologies to design small molecule drug candidates having activity against a kinase selected by Ono. Ono will have the sole responsibility for clinical development and commercialization of resulting products. In addition to research funding, Locus will receive research and development milestone payments and royalties based on sales of the resulting products.

***Comments from Locus**

"We look forward to this multi-year collaboration with Ono, which allows us to apply and leverage all of our internal drug development capabilities as well as our kinase knowledge-base," said H. Joseph Reiser, Ph.D., Chairman and Chief Executive Officer of Locus. "We have already demonstrated the power of our computational approaches and proprietary algorithms in our internal kinase programs and in other kinase-related collaborations, so we expect to bring significant value to Ono's efforts against this target."

***Comments from Ono**

"We have dedicated ourselves to creating innovative medicines that will be truly beneficial to patients," said Daikichi Fukushima, Ph.D., Executive Director of Research Headquarters, Ono. "This collaboration with Locus, a world leader in computational drug discovery technologies, is a great chance for Ono to strengthen its drug discovery capabilities."

About Locus Pharmaceuticals

Locus Pharmaceuticals, Inc. is a world leader in computational drug design. Locus has established a high level infrastructure for drug discovery research by effectively integrating its proprietary computational approaches with its in-depth knowledge and expertise in chemistry, biology and protein crystallography to create a competitive preclinical drug development platform. Please visit its website (www.locuspharma.com) for further information.

(Reference)

Kinases

Kinase is a general term of enzymes that catalyze a phosphorylation reaction of a protein, thus modulate various intra-cellular functions. More than 500 kinases are found in the human body and believed in being involved in various diseases.

Computational drug design technology

The technology enables to design small molecule compounds that modulate a protein function and expected to create drug candidates more efficiently than traditional high throughput screening technologies.