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Public Relations
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**Ono Enters Into New Drug Discovery Agreement on Kinases
with Locus Pharmaceuticals, Inc.**

Ono Pharmaceutical Co., Ltd. (Osaka, Japan; President and Representative Director: Toshiharu Korekane) announced today that the company and Locus Pharmaceuticals, Inc. (Pennsylvania, USA; President and CEO: H. Joseph Reiser, Ph.D.) signed a new drug discovery agreement for another kinase target which is different from that covered under the 2006 drug discovery agreement.

In July, 2006, Ono and Locus entered into a drug discovery collaboration targeting a kinase selected by Ono and have since been collaborating to discover and generate small molecule drug candidates which may inhibit such targeted kinase. By applying its proprietary computational technologies for drug design, Locus has comprehensively analyzed key interactions between multibillion virtual compounds and the targeted kinase since the start of the collaboration. As a result, Locus identified novel chemical structures of kinase inhibitors which are expected to have sufficient inhibitory activity against such targeted kinase. Based on such information, Locus further discovers and develops superior compounds with emphasis on inhibitory and selectivity aspects.

Since Ono appreciated Locus' unique drug-discovery ability through such collaboration, Ono decided to start a new collaboration with Locus on a newly selected kinase. Under this new agreement, 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 are pleased with the progress of our existing Ono collaboration and are strongly encouraged by the confidence expressed by Ono to initiate a second discovery program," said H. Joseph Reiser, Ph.D., President and Chief Executive Officer of Locus. "Having now applied our leading computational technology to many drug discovery targets including kinases, we enter this new collaboration with increased confidence to deliver strong and timely results."

***Comments from Ono**

"We highly appreciate the competitive Locus infrastructure for drug discovery which effectively integrates their proprietary computational approaches," said Kazuhito Kawabata, Ph.D., Executive Director of Strategic Alliance Headquarters, Ono. "We are glad to expand our collaboration and look forward to realizing high value drug candidates."

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.