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**ONO PHARMACEUTICAL CO., LTD.**

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Code No: 4528 at the 1<sup>st</sup> section of the Tokyo / Osaka Stock Exchange

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**License Agreement of a Drug Candidate for Irritable Bowel Syndrome with Tioga**

Ono Pharmaceutical Co., Ltd. (Osaka, Japan) and Tioga Pharmaceuticals, Inc. (San Diego, CA, U.S.A.) announced today that the companies have entered into the License Agreement with respect to asimadoline (inn) granting Ono exclusive rights to develop and commercialize it in Japan, South Korea and Taiwan. The compound is under development in the U.S. by Tioga for the treatment of irritable bowel syndrome (IBS).

Under the terms of the agreement, Ono will pay to Tioga the upfront payment upon signing and development and commercial milestone payments. Ono will also pay Tioga a royalty on the sales of asimadoline.

IBS patients experience recurrent episodes of abdominal pain or discomfort and are commonly associated with bowel movement disturbance. Those episodes and symptoms are believed to be due to the bowel irritation based on nervousness, anxiety, stress or irregular living habits. They fall into different subtypes based on their predominant symptoms, including IBS with diarrhea (D-IBS), IBS with constipation (C-IBS) and IBS with alternating diarrhea and constipation (A-IBS). Asimadoline is an orally administered small molecule that is a highly selective kappa opioid receptor agonist, and is expected to be a drug improving multiple abdominal symptoms such as pain. The kappa opioid receptor is one of the three opioid receptors (mu, kappa and delta), and are believed to play an important role in control of visceral pain and bowel motility.

In a recent Phase IIb trial in approximately 600 subjects with IBS performed in the U.S., asimadoline has demonstrated a statistically significant treatment effect on abdominal pain and discomfort, stool frequency and urgency of D-IBS subjects experiencing moderate to severe baseline abdominal pain. Asimadoline has so far been well tolerated and associated with no adverse events of clinical importance.

Tioga plans to initiate Phase III studies in the U.S. during the 1<sup>st</sup> quarter of 2010, and Ono plans to start Phase I studies in Japan during the 1<sup>st</sup> half of 2010.

**About Tioga**

Tioga Pharmaceuticals, Inc. is a pharmaceutical company headquartered in San Diego, CA, U.S. focused on developing novel treatments for gastrointestinal diseases. Tioga was founded in 2005 by Forward Ventures, a leading life-science venture capital firm.