

December 1, 2004  
Kyorin Pharmaceutical Co., Ltd.  
5, Kanda Surugadai 2-chome  
Chiyoda-ku, Tokyo 101-8311, Japan  
Securities Code: 4560 in the First Section of Tokyo Stock Exchange

**Kyorin Pharmaceutical Announces Signing of Acquisition Agreement of ActivX Biosciences**

Kyorin Pharmaceutical Co., Ltd. (Tokyo; President: Ikuo Ogihara) (“Kyorin”) agreed on December 1, 2004 with ActivX Biosciences, Inc. (California; C.E.O.: James A. Schoeneck) (“ActivX”) that Kyorin will acquire ActivX. Upon the closing of the transaction, a U.S. subsidiary of Kyorin established to effectuate the acquisition will be merged with and into ActivX, and ActivX will survive the merger as a wholly owned subsidiary of Kyorin.

The aggregate price for the acquisition of ActivX is \$21,000,000, and Kyorin forecasts that the economic impact on its 2004 fiscal year financial statements will be minimal.

ActivX is a biotechnology venture company with advanced proteomics technologies. ActivX was founded in August 2000. ActivX’s researchers have know how, knowledge and access to technology in the field of proteomics, and ActivX’s Scientific Advisory Board of ActivX consists of professors employed by The Scripps Research Institute, a well-renowned research institution in the United States. ActivX’s high-speed protein analysis method employing Activity-Based Probes has gained the attention of some leading pharmaceutical companies.

Kyorin and ActivX have been collaborating since May 2002 to discover candidate compounds for Kyorin in the field of Type II Diabetes. Through the use of ActivX’s technology, the parties were able to discover lead compounds within the timeframes expected. In January 2004, Kyorin signed a collaboration agreement with ActivX to perform research on Kyorin’s compounds in the field of metabolic disorders. Through this collaboration, Kyorin has been able to obtain faster and more efficient research results in that area.

Kyorin is currently transforming its drug discovery system with the following goals: (1) creating an innovative global discovery network; (2) optimizing the efficiency of lead compound research; and (3) speeding up the time to establish “proof of concept” of candidate compounds. By acquiring ActivX, Kyorin hopes to achieve its goals of increasing its research productivity while providing ActivX with

financial support.

Kyorin is focusing its R&D activities in the areas of infection, immunology/allergy and metabolic disorders. By bringing ActivX under the Kyorin umbrella, Kyorin will have a research network covering Japan, Europe and the United States, and expects to discover future seeds for Kyorin's pipeline.

About ActivX Biosciences, Inc.

Name: ActivX Biosciences, Inc.

Representative: James A. Schoeneck (C.E.O.)

Address: 11025 N. Torrey Pines Road, La Jolla, CA 92037

Founding Date: August 2000

Employees: Approximately 30

Business Summary: Using original proteomics technology to discover pharmaceutical targets and evaluate compounds