

To Whom It May Concern

August 1 , 2005

KYORIN Pharmaceutical Co., Ltd.
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(Securities code: 4560; TSE 1st section)

EXECUTION OF MOU WITH LG LIFE SCIENCES FOR KRP-197

KYORIN Pharmaceutical Co., Ltd. (President: Ikuo Ogihara) announces that it has executed an MOU with LG Life Sciences, Ltd., a Korean company (President & CEO: Heung-Joon Yang, hereinafter "LGLS") for KRP-197 (Brand Name: Uritos[®] Tablet) which KYORIN originated for overactive bladder ("OAB") and agreed to the following three basic terms:

1. KYORIN will grant to LGLS an exclusive license to develop, manufacture and sell KRP-197 in the Republic of Korea.
2. KYORIN will grant to LGLS an exclusive right to investigate during a certain period the possibility of commercialization of KRP-197 in Europe, the United States and most other countries.
3. KYORIN will receive from LGLS an up-front payment and milestone payments, and after launch of KRP-197 periodic royalties.

* The above terms are subject to execution of definitive agreements between the parties.

KYORIN will collaborate with LGLS, a leading pharmaceutical company in Korea, not only to launch successfully in Korea, but also to explore the possibility of global development of KRP-197 while aiming for early approval and launch of Uritos[®] Tablet in Japan.

KRP-197 is an M₃/M₁ Muscarinic Receptor Antagonist, and has a feature to exert a more selective action on bladder smooth muscle than existing drugs. In Japan, KYORIN executed an agreement in October 2000 regarding co-development and co-marketing of KRP-197 in Japan with Ono Pharmaceutical Co., Ltd. KYORIN and Ono filed each application for approval with different brand names of Uritos[®] Tablet and Staybla[®] Tablet, respectively, in October 2004.

OAB is a syndrome with urinary urgency as a prominent symptom, and it is reported that OAB undercuts Quality of Life ("QOL") of patients by variously interfering in their daily lives. It is said that prevalence of OAB increases with age, and the estimated numbers of patients in Japan are about 8.1 million. Since KRP-197 has few side effects due to being selective on the bladder - it is well known that Muscarinic Receptor Antagonist is effective for treatment for OAB -, KYORIN expects that KRP-197 will contribute to the improvement of patients' QOL.

[Reference]

- LG Life Sciences, Ltd.
 - Establishment: August 2002 (being independent from LGCI)
 - President & CEO: Heung-Joon Yang
 - Employees: 1,000
 - Franchise areas: Cardiology, Antibiotic, Urology, Obstetrics and gynecology
 - Characteristics: LGLS was spun off from holding company, LG Chem Investment (LGCI) and listed its stock independently in August 2002. Its main business covers pharmaceuticals, intermediate medicines, animal health and agrochemicals. LGLS aims to commercialize advanced bio-pharmaceutical products in collaboration with foreign pharmaceutical companies. LGLS has a high presence in urologic field with their line-up of hormone agents.

- KYORIN Pharmaceutical Co., Ltd.
 - Foundation: December 1923
 - President & CEO: Ikuo Ogihara
 - Employees: 1,619
 - Franchise areas: Respiratory, Otolaryngology and Urology
 - Characteristics: KYORIN is a pharmaceutical company aiming to be a distinguished and integrated healthcare company based on the reliability of its core business in global drug creation. KYORIN is now working on the evolution of a business model focusing on drug discovery and on the establishment of novel businesses to support drug discovery. KYORIN focuses on respiratory, otolaryngology and urology in marketing and infectious diseases, allergy/immunology and metabolic diseases in R&D.