



Orphagen Pharmaceuticals

Innovative Drugs for Chronic Disease

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ORPHAGEN PHARMACEUTICALS ANNOUNCES COLLABORATION AND LICENSE AGREEMENT WITH JAPAN TOBACCO INC.

San Diego, CA January 7th, 2009 – Orphagen Pharmaceuticals, Inc., a privately held company (“Orphagen”) today announced that it has entered into a Collaboration and License Agreement with Japan Tobacco Inc., (“JT”) to discover, develop and commercialize drugs in the areas of immunology and autoimmunity. Under the agreement, in effect since April 2008, JT has an exclusive license in Japan and options for exclusive licenses in the rest of the world. Financial terms were not disclosed.

“The collaboration is the outcome of discovery research in the area of unexplored orphan nuclear receptors at Orphagen. This partnership represents the initial success of our strategy to explore new targets and to identify partners with the experience to bring them to the clinic,” said Scott Thacher, CEO of Orphagen. “We are delighted to be working with JT which has an outstanding reputation for aggressively and successfully pursuing early stage drug discovery programs.”

“We welcome this opportunity to develop Orphagen’s technology for regulation of severe and underserved diseases” stated Mr. Noriaki Okubo, President of JT’s Pharmaceutical Division. “We believe the project has great promise.”

About Orphagen - Orphagen discovers drug candidates for potential drug targets for which small molecule ligands--potential drug-like molecules--have yet to be identified. Its goal is to identify, characterize, and position a new class of drug so that pre-clinical and clinical development can be initiated with partners and/or outside sources of funding. These targets come from the nuclear receptor family of drug targets. On a per target basis, the nuclear receptors are one of the most successful target classes known to the pharmaceutical industry. Targets of interest to Orphagen encompass several of the so-called orphan nuclear receptors—potential therapeutic receptors that have yet to be exploited by the pharmaceutical industry.

About JT- Japan Tobacco Inc. is the world's third largest international manufacturer of tobacco products. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. JT entered into the pharmaceutical business in 1987 and established the Central Pharmaceutical Research Institute in 1993. JT is currently engaged in the research and development of new drugs in various areas such as glucose and lipid metabolism, anti-virus, immune disorders and inflammation, and bone metabolism. The company’s net sales were ¥6.409 trillion in the fiscal year that ended March 31, 2008.

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