

April 28, 2010

To those concerned

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### R-Tech Ueno Starts Contract Manufacturing of Liquid-filled Capsules

We are pleased to announce that R-Tech Ueno, Ltd. starts contract manufacturing service of liquid-filled hard capsules for use as pharmaceuticals, investigational drugs and health foods.

R-Tech Ueno has been manufacturing and marketing pharmaceuticals (Rescula<sup>®</sup> Eye Drops 0.12%) since April 2001. In addition, the company has been manufacturing a variety of investigational drugs for our customers and supporting their R&D programs for new drug development through our assistance services. In December 2008, R-Tech Ueno introduced encapsulation machinery capable of manufacturing liquid-filled hard capsules and has been working to establish testing and inspection systems for the production of high-quality capsules. As the company has established production technologies and quality control system for the capsules, the company launched into a new business, that is, contract manufacturing services of liquid-filled hard capsules for use as pharmaceuticals, investigational drugs and health foods.

The R-Tech Ueno factory was inspected and approved by the Japanese Ministry of Health, Labour and Welfare, the U.S. Food and Drug Administration and EU regulatory authorities as a pharmaceutical manufacturing facility appropriately controlled under current Good Manufacturing Practices (cGMP).

R-Tech Ueno offers valuable contract manufacturing services based on years of experiences in manufacturing and quality management and assurance that meet the GMP requirements of all regulatory authorities.

Approximately 40% of all the compounds in pharmaceutical development stages are reportedly considered difficult to formulate for clinical use due to their poor-solubility in water. The greatest advantage of the liquid-filled capsules is the ability to formulate with compounds that are oil-soluble and/or poorly-soluble in water. Active ingredients are dissolved in a vegetable oil or other edible oil to prepare a solution that is then placed in a hard capsule to produce the dosage-form. This technology can contribute to improvement of solubility and absorption of the compound that are often required in the formulation study of oral tablet, for example.

As a result, this method is likely to facilitate development programs aimed at innovating new drug delivery systems (DDS) with better bio-availability. R-Tech Ueno can produce the

liquid-filled capsules even in small quantities, especially for clinical studies or test production of new formulation in development stages. R-Tech Ueno can also provide our customers with a broad range of assistance and technical proposals starting from the initial stage of the R&D process like formulation studies.

R-Tech Ueno believes this new business will open up new opportunities for further growth through the future alliances among the pharmaceutical companies in Japan and overseas that are having difficulty locating manufacturing sites for commercial products or investigational drugs containing compounds that are oil-soluble and/or difficult to dissolve in water.

R-Tech Ueno also plans to establish alliances with health food companies that are seeking to develop new products.