

**Basic agreement for overseas business development  
for Evaheart™ ventricular assist system**

Misuzu & Sun Medical Holdings (MSHD) and Asahi Kasei have reached basic agreement for the joint development of business in all territories throughout the world outside Japan for the Evaheart™ implantable left ventricular assist system (LVAS) of Sun Medical Technology Research Corp. (Sun Medical), wholly owned subsidiary of MSHD.

Following Sun Medical's 1991 establishment for the commercialization of the Evaheart™ LVAS, MSHD has advanced the development of its proprietary micromechatronics technology and performed R&D for the Evaheart™ in a collaborative network combining industry, government, and academia. With the completion of clinical trials for Evaheart™ in Japan, MSHD sought to expand overseas business.

Medical devices operations are marked as a focus for growth in the Asahi Kasei Group's *Growth Action – 2010* strategic management initiative. The Group's established medical devices operations are being expanded dynamically, centered on the fields of hemodialysis and therapeutic apheresis. Asahi Kasei established its Advanced Medical Device Center in June 2007 to develop business in advanced medical devices, including convergent medical devices\* and implantable medical devices.

Given Asahi Kasei's wealth of experience related to medical devices operations and its robust operating base, both domestic and overseas, MSHD requested Asahi Kasei's cooperation in the development of overseas business for the Evaheart™ LVAS. The basic agreement announced today is the culmination of a series of discussions between the two companies which confirmed a mutual strategic understanding and accord with regard to this business opportunity.

*Overview of the basic agreement*

1. North America (US and Canada)

On April 1, 2009, Asahi Kasei invested US\$7.5 million for a 60% stake in Evaheart Medical USA, Inc. (EMUSA), formerly a wholly owned subsidiary of Sun Medical, transforming EMUSA into a joint venture capitalized at US\$12.5 million with the remaining 40% stake held by Sun Medical. EMUSA is responsible for the clinical development, acquisition of regulatory approvals, and sale of Evaheart™ in North America.

2. Other territories (worldwide except Japan and North America)

A joint venture company 60% held by Sun Medical and 40% held by Asahi Kasei is to be established for the clinical development, acquisition of regulatory approvals, and sale of Evaheart™ throughout the world except Japan and North America. Establishment is targeted for within fiscal 2009 (ending March 31, 2010). The value of capitalization of the new company is pending final decision.

3. Japan

MSHD will continue to be independently responsible for all operations related to Evaheart™ in Japan.

4. Development timeline

Clinical trials for Evaheart™ in the US are planned to begin in 2009, and sales are targeted to begin in fiscal 2015. Sales in overseas territories other than the US are targeted to begin in fiscal 2011. Sales targets for Evaheart™ outside Japan are ¥4 billion in fiscal 2015 and ¥25 billion in fiscal 2020.

*About Evaheart™*

Evaheart™ is the only implantable LVAS made in Japan, developed by Sun Medical in cooperation with universities including Tokyo Women's Medical University, Waseda University, and University of Pittsburgh. Compared to other ventricular assist systems, it features superior circulatory support performance and pump durability.

\* Medical devices developed and manufactured based on a convergence of diverse technologies such as medicine, electronics, and information & communication.

Evaheart™ is a trademark of Sun Medical Technology Research Corp.