

Zenyaku Kogyo Obtains Exclusive License in Japan to Theraclone's Influenza Monoclonal Antibody Program

SEATTLE, WA and TOKYO, JAPAN—March 22, 2010—Theraclone Sciences, Inc., announced that Zenyaku Kogyo Co. Ltd., has exercised its option for an exclusive license in the Japan territory to Theraclone's influenza monoclonal antibody program. The collaboration utilizes Theraclone's I-STAR™ technology to discover broadly protective monoclonal antibodies for the treatment of pandemic influenza and severe seasonal influenza.

To date, Theraclone has received over \$9M in fees, research milestone payments, and an equity investment from Zenyaku Kogyo for this program. Total potential funding for the program is \$18M through Phase 1 clinical trials. In addition, Theraclone is eligible to receive clinical milestone payments and royalties from potential future sales in the territory. Theraclone shall retain worldwide development and commercial rights outside of Japan. Zenyaku Kogyo shall be eligible to receive a share of proceeds from Theraclone's licensing of rights in Asian countries outside of Japan.

"We have worked very closely and effectively with Zenyaku Kogyo over the past six months to reach key milestones in our influenza monoclonal antibody partnership. Both Theraclone and Zenyaku Kogyo are very encouraged by initial results and we look forward to our continued strong development relationship." said David Fanning, President and CEO of Theraclone Sciences, Inc.

ABOUT INFLUENZA

Influenza is a contagious respiratory infectious disease, which typically causes mild to severe illness, but, at times, can lead to death. Each year in the United States, on average, 5% to 20% of the population is infected with influenza, and over 200,000 people are hospitalized as a result of influenza-related complications. Approximately 36,000 people die from flu-related causes annually in the US. Certain populations, such as older people, young children, and people with certain health conditions, are at particularly high risk for serious flu complications.

Influenza A is a virus that can replicate and mutate very rapidly. Reassortments of viral components from human, swine, and avian influenza strains, present the dangerous possibility of pathogenic strains capable of causing pandemic infection. To date, international governments have established multibillion dollar stockpiles of drugs and vaccines in an effort to provide protection against future influenza pandemics. The development of new, complementary therapeutic approaches, such as recombinant vaccines and broadly protective antibody therapeutics, is a high international public health priority.

ABOUT I-STAR™ TECHNOLOGY

The human immune system responds to pathogens, like viruses and bacteria, by evolving highly protective proteins, called antibodies, in real time. The immunological history of these protective responses is archived in human memory B cells, a specialized type of blood cell. The I-STAR™ platform allows comprehensive interrogation of this memory B cell archive. Theraclone's technology is unique, because it enables rapid functional screening of tens of thousands of natural human antibodies to find

those with exceptional biological activities. The antibodies identified through this discovery process are appropriate for further study as novel therapies to help patients fight existing conditions.

ABOUT THERACLONE SCIENCES

Theraclone Sciences is a Seattle-based discovery-stage biotech focused on the development of novel therapeutic antibodies for the treatment of infectious disease and inflammation. The company's technology harnesses the power of the human immune system to identify naturally evolved monoclonal antibodies from the blood cells of immunologically relevant human subjects. Recombinant human monoclonal antibodies can be rapidly obtained using our discovery platform and scaled for large-scale industrial production. Such antibody drug candidates may be uniquely important in combating disease and may have potential as therapeutic products that can be administered to a broad patient population. Theraclone is a privately held company with venture investment from ARCH Venture Partners, Canaan Partners, Healthcare Ventures, Amgen Ventures, MPM Capital, and Alexandria Real Estate Investment. For additional information, please visit www.theraclone-sciences.com.

ABOUT ZENYAKU KOGYO COMPANY, LTD.

Zenyaku Kogyo is a privately-held Japanese pharmaceutical company with headquarters in Tokyo. The company is marketing in Japan dermatological and anti-cancer drugs including RituxanTM, an anti-CD20 antibody for the treatment of B-cell Non-Hodgkin's Lymphoma. The company also has an OTC consumer health care business. Zenyaku Kogyo's ongoing research interests are focused on cancer, autoimmune diseases, and antibody therapeutics. For additional information in Japanese, please visit www.zenyaku.co.jp.