March 22 , 2011

TMRC Co., Ltd.

Exercising of First Refusal Right (FRR) by CytRx Corporation for the treatment of Non-small-cell lung cancer (NSCLC)

TMRC has entered into two LICENSE AGREEMENT with CytRx Corporation (CytRx) to grant CytRx exclusive rights to research, develop and sell medical product (TM-411: Tamibarotene) for the treatment of Acute Promyelocytic Leukemia(APL), another hematologic cancer and solid tumors in the territory of North America on December 6, 2006 and in the Territory of Europe on September 5, 2007. After that under LICENSE AGREEMENT CytRx is conducting clinical trial for the treatment of APL mainly in USA.

While conducting clinical trial for APL, this time CytRx has desired to develop TM-411 as the treatment of NSCLC and has exercised FRR for NSCLC under the above LICENSE AGREEMENT for the territory of North America. By this exercising of FRR, CytRx is schedule to conduct Phase2b clinical trial for the purpose of obtaining approval for the treatment of NSCLC in USA.

CytRx's development of TM-411 for the treatment of NSCLC is grounded on an article of Journal of Clinical Oncology (2010; 28:3463-3471). According to the article, "a combined therapy of all Trans Retinoic Acid (ATRA), paclitaxel and cisplatin" shows more effective result than "a combined therapy of only paclitaxel and cisplatin" for patients with late-stage NSCLC. CytRx says "due to its increased potency compared with ATRA and its ability to potentially avoid some of the toxic side effects of ATRA, tamibarotene could be a substantial improvement over ATRA for treating multiple cancers".
<http://phx.corporate-ir.net/phoenix.zhtml?c=187775&p=irol-newsArticle&ID=1501999&highlight=>

As the result of exercise of FRR, payments are schedule to be made to TMRC at the exercise of FRR and achievements of each milestone. If CytRx obtains approval for the treatment of NSCLC, royalty is paid according to sales of Tamibarotene in USA together with the sales of Tamibarotene to CytRx.

※Tamibarotene

Tamibarotene is a synthetic retinoid originally synthesized by the University of Tokyo, which was designed to improve chemical stability, safety and efficacy as compared with existing retinoid compounds, shows a strong differentiation induction activity.

TOKO Pharmaceutical Co. Ltd. has developed the product and obtained an approval for use in relapsed/refractory APL in April 11th, 2005 and marketed as "Amnolake® Tablet 2mg in June, 2005 in Japan.

TMRC is developing the product for APL through our licensing partner in China (LOTUS PHARMACEUTICAL CO., LTD.: Tokyo) and the product for hepatocellular carcinoma through our licensing partner in Japan (ZERIA Pharmaceutical Co., Ltd.: Chuo-Ku, Tokyo).

- **TMRC Co., Ltd.**

  Head office : 6-3, Nibancho, Chiyoda-ku, Tokyo 102-0084, JAPAN
  Paid-in capital: Yen 50 Mil.
  Representative: Hisao Ekimoto, Ph.D. (President &CEO)
  Business activity: Development,Licensing and Marketing of innovative anti-cancer Drugs
  URL : http://www.tmrc.co.jp/english/index.html

- **CytRx Corporation**

  Head office : 11726 San Vicente Blvd. Suite 650,
  Los Angeles, California 90049.U.S.A.
  Representative: Steven A.Kriegsman(President &CEO)
  Business activity: Biopharmaceutical R&D
  URL : http://www.cytrx.com/home.html