

Press  
Release

**ACRONET**

9 June 2010

ACRONET Corporation

To All Concerned Parties

**Announcement on technical assistance and capital participation in “JIANGSU NANDACRO CO.,LTD” by ACRONET**

We are pleased to announce that ACRONET Corporation (Head office: Bunkyo-ku, Tokyo, President & CEO: Mr Shogo Nakamori, hereafter referred to as ACRONET) has entered into technical assistance to and capital participation in “JIANGSU NANDACRO CO.,LTD.” hereafter referred to as NANDACRO). ACRONET has acquired 14% stake in NANDACRO by this capital participation.

ACRONET, a leading CRO, the forerunner as a biostatistics and data management service provider in Japan, has provided broad range of clinical development services including monitoring, data management and statistical analysis. ACRONET historically has developed its strong IT expertise, which gives the company a distinctive advantage that it is one of the handful CROs in Japan with a vendor function for in-house developed EDCs (Electric Data Capture system in clinical studies). Moreover, the company has established the framework to support Asian studies in collaboration with overseas CROs.

Furthermore, ACRONET has focused its attention on the rapidly growing pharmaceutical development industry in China. Whilst the national economy has been leading the world's economies maintaining 8% growth, China is promoting further development of the pharmaceutical industry as one of the focused investment areas at the state level. Also, the government introduced the universal health insurance system last year. With this state-level backup, Pharmaceutical-related industries in China are presumed to achieve higher-growth rate in the future.

NANDACRO was established effective 13th April 2010 in Nanjing city, Jiangsu province, China, as a 100% subsidiary of JIANGSU NANDASOFT CO.,LTD (NANDASOFT) .

Owning many laboratory facilities and medical school-affiliate hospitals, Nanjing University has actively conducted clinical studies. NANDACRO will promote CRO business following a setup of an office within Nanjing University in Suzhou, where many healthcare-related enterprises including global-capitalized pharmaceutical companies build up.

Due to the technical assistance and the capital participation, ACRONET will successfully establish bases for high quality clinical studies. Also, for ACRONET, it ensures a strong partner CRO within China to deliver high quality services which satisfies the Japan/Global standards.

By this capital and business alliance, ACRONET will aggressively promote the following business.

- 1.Undertaking new clinical studies in China
- 2.Undertaking “Japan and China”-centered Asian clinical studies
- 3.Undertaking clinical studies from Japanese pharmaceutical companies intended for product launch in China
- 4.Undertaking clinical studies from Chinese pharmaceutical companies intended for product launch in Japan

Moreover, ACRONET will enhance competitive edge by realizing low-cost operations through outsourcing a part of their clinical work to NANDACRO.

With this jump-off point in the Chinese market, ACRONET will actively promote business in China by developing a stronger partnership with Nanjing University as well as the establishment of the solid relationship with Nanjing University-owned/affiliate pharmaceutical and medical device companies.

#### **<ACRONET Corporation>**

Corporate name : ACRONET Corporation  
Head Office : Koishikawa Daikoku Building,1-3-25 Koishikawa, Bunkyo-ku, Tokyo  
Date of Foundation : July 2003  
Capital : JPY 100 million  
Sales : JPY 3.447 billion(March 2010)  
President & CEO : Shogo Nakamori  
Number of employees : 418 (As of 1st April 2010)  
Main services : Monitoring, Data Management/Biostatistics, Regulatory affairs consultation, PIV study/Post Marketing Surveillance, Drug safety and Pharmacovigilance, Clinical IT, Overseas business

#### **<NANDACRO>**

Corporate name : JIANGSU NANDACRO CO.,LTD  
Head Office : B-14-01, 301 Hanchung Men Gate, Drum Tower District, Nanjing, PRC  
Date of Foundation : 13th April 2010  
Capital : 500 million RMB  
Chairman : Liu Jian  
Shareholder : JIANGSU NANDASOFT CO.,LTD (NANDASOFT)  
Main services : Research & Development and technical services for bio-pharmaceuticals

Contact on this announcement

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ACRONET Corporation

Kazunari Inoue (Mr), Public Relations Manager, Personnel and Administration  
Department

TEL : +81-3-3830-1135

Email : info@acronet.jp

URL : http://www.acronet.jp/

**【Reference】**

<NANDASOFT Corporate Information> (Parent company of NANDACRO)

Corporate name : Jiangsu Nandasoft Technology Co.,Ltd.

Head Office : No.8 Jinyin street, West Beijin Rd. Softmansion, Nanjing, Jiansu  
Province, PRC

Date of Foundation : 1998

Capital : 93.4million RMB

Chairman : Xie Li

Shareholder : Nanjing University Capital Management Corporation (14.6%)  
(NANDASOFT is listed on the Growth Enterprise Market (GEM),  
Hong Kong Exchanges and Clearing)

Main services : NANDASOFT is a Nanjing University-affiliate software company  
and the first listed(Hong Kong) among the software enterprises  
in Jiangsu Province. Using comprehensive superiority of Nanjing  
University, NANDASOFT is a leading entity in promotion of  
the industry and academia cooperation, and industrialization of  
science and technology research results. NANDASOFT is  
ranked among top 100 software enterprises in China for 5  
consecutive years. With offices in Beijing, Shanghai, Shengzen,  
Suzhou, Zhejiang, Fujian and Hong Kong, it owns more than 10  
companies including joint ventures with Japan and has over 1000  
engineers for software in the whole group. Also, as a core  
business following IT, NANDASOFT has made an intensive  
investment in the healthcare sector; it holds Tian Jian Co., Ltd for  
Medical Device, Nan Da YaoYe Co., Ltd for pharmaceutical  
products within its group.

Others : Itochu, Itochu China and Goodman Co., Ltd. (Itochu's affiliate and  
36.29% of the share is owned by them) entered into the capital  
and business-tie ups of a 12.09% investment ratio with Tian Jian  
Medical Science and Technology Co., Ltd (Suzhou) in March  
2010.

• **<Main Services and products of NANDACRO>**

• **Clinical Trial Monitoring**

Clinical trial monitoring is to monitor and supervise if clinical trials have been  
performed properly in accordance with the relevant regulations by visits to trial site

on a regular basis. It also includes other activities such as study application, contract execution, staff training, progress management etc., which are necessary to have studies conducted in an appropriate manner

- **Data Management**

Data Management is to compile a database for an appropriate evaluation of Investigational Products' efficacy and safety by conducting logical-check and coding of the data on CRFs(Case Report Forms) submitted by the study sites.

- **Statistical Analysis**

Statistical analysis is to analyze the data obtained during the clinical studies using the biostatistical method for verifying Investigational Products'efficacy, safety etc. It also includes Sample Size Estimation required prior to trial commencement.

- **Clinical IT**

Clinical IT is to provide an IT solution for efficient clinical trials. Such solution includes EDC(Electronic Data Capture), IWRS (Interactive Web Response System or a system to register patients on the internet) etc.

- **Regulatory Affairs Consultation**

Regulatory Affairs Consultation is to provide consultations on drug development including regulatory affairs information supplement for clinical study, IND(Investigational New Drug) application and new drug development strategies.

#### < Status on the CRO Industry in China >

Although no official statistics on the CRO market size in China are available at present, it can be estimated at RMB 2-3 billion(RMB=caJPY13-14) from the results of external reports or surveys on relevant companies conducted by ACRONET, about 1/3 of the CRO market in Japan. The Chinese CRO industry has a different status from that of Japan. Firstly, the number of CROs in Japan is ca 40 whilst that in China is said to be 200 or 300, most of which are privately owned CROs with ca 20 employees. Secondly, as a cost per trial is low (1/3-1/4 of that in Japan), the number of the clinical studies performed in China is estimated to match or exceed that in Japan. Thirdly, as for development of the products already on the US/EU markets in China, a large clinical trial was not required for them before approval if they are medical devices. Recently, however, the regulatory authorities(SFDA) requires a clinical study to be performed before approval. Thus, the number of clinical studies in China is expected to increase.

#### <Terminology>

- **EDC** : Electronic Data Capture. A system to collect clinical trial data electronically using internet or dedicated network
- **CRO** : Contract Research Organization : Contract Research Organization : A company to undertake clinical study services under contract with pharmaceutical companies