



## OSIRIS THERAPEUTICS, INC.

### Osiris and JCR Pharmaceuticals Reach Milestone, Expand License Agreement

Companies to expand stem cell technology into a new market opportunity

**BALTIMORE, Maryland – August 3, 2005** - Osiris Therapeutics, Inc. announced today that it has expanded the terms of its license agreement with JCR Pharmaceuticals Co. Ltd. of Ashiya, Japan, allowing JCR to sell stem cells for use in the field of drug screening and evaluation in the territory of Japan. This technology will allow companies involved in the screening of pharmaceutical compounds the ability to determine certain critical metabolic effects on viable human cells. “This represents a totally new market for our stem cell technology,” said C. Randal Mills, PhD, President and CEO of Osiris. “The market is readily accessible given the demand for this application and the fact that it does not carry the significant regulatory burden of a drug product.”

The companies entered into the original license agreement in August 2003, granting JCR the right to commercialize a stem cell drug in Japan designed to treat the effects of Graft versus Host Disease (GvHD) in patients undergoing bone marrow transplantation to treat leukemia. Once the required clinical trials are completed and approved by the Japanese Ministry of Health, Labour and Welfare, Japan’s equivalent to the United States Food and Drug Administration, JCR will begin commercialization.

As part of the fulfillment of the original Agreement, Osiris has reached a major milestone and has received a corresponding milestone payment. Osiris will receive additional fees as future goals are met, including JCR’s successful launch of the GvHD product.

“We are extremely pleased that Osiris’ relationship with JCR continues to move in a positive direction,” said Mills. “JCR’s ongoing commitment to commercializing stem cell therapy in Japan, as well as their innovative thinking on further uses of stem cells makes them an excellent corporate partner.”

Shin Ashida, Chairman and CEO of JCR expressed, “The expanded agreement with Osiris opens doors to a new field with the application of stem cells for drug screening and evaluation, allowing us to begin commercialization activities while pursuing the development of a stem cell therapy for GvHD. As we look forward to further strengthening our relationship with Osiris, we shall continue to explore expanding upon the potential of these cells.”

*Osiris Therapeutics, Inc. is the leader in adult stem cell therapy. The stem cells produced by Osiris are obtained from adult volunteer donors, avoiding the technical problems and controversy surrounding other stem cell technologies. Using proprietary methods, these cells are grown in culture to very high numbers, allowing a single donor's cells to treat hundreds of patients. These remarkable cells can be used in patients unrelated to the donor, without rejection, eliminating the need for donor matching and recipient immune suppression. Once transplanted, the cells promote healing of damaged or diseased tissues. The Company's current focus includes the use of adult stem cells to improve outcomes in bone marrow recipients being treated for leukemia, to promote cardiac repair resulting from a heart attack or congestive heart failure, and to prevent arthritis.*

**For additional information, please contact Lisa Rodemann at 410.522.5005, extension 610.  
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