



Notice of Establishment of the Director and Employee Stock Ownership Plan

August 18, 2008

Company Name: Carna Biosciences, Inc.

Listed Securities Exchange: JQ • NEO

Stock Code: 4572 JQ • NEO

URL <http://www.carnabio.com>

Representative: Kohichiro Yoshino, President

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Carna Biosciences (“Carna”) set up Director Stock Ownership Plan (“DSOP”) and Employee Stock Ownership Plan (“ESOP”). The details are as follows.

1. Purposes of the establishment

The DSOP and ESOP were set up to enable directors, auditors and employees to purchase Carna’s shares without implicated in insider trading and make it easier to purchase own shares. Establishment of these plans will develop profit sharing relationships among shareholders, employers and employees and we hope that the plan will help to increase Carna’s corporate value.

2. Overview of Stock Ownership Plans

Name	Carna Biosciences Director Stock Ownership Plan	Carna Biosciences Employee Stock Ownership Plan
Membership Requirement	The director or auditor of Carna (voluntary enrollment)	The employee of Carna (voluntary enrollment)
Date of Establishment	August 18, 2008	August 18, 2008
Contribution (1 unit = 1,000 yen)	10-990 units per month	1-500 units per month
Date of Withdrawal	Date of resignation, otherwise, random	Date of resignation, otherwise, random