

MEDICINOVA INC
Form DEF 14A
April 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy
Statement
Confidential, for Use of the
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Definitive Proxy Statement
Definitive Additional
Materials
Soliciting Material
Pursuant to Rule 14a-12
MEDICINOVA, INC.

(Name of Registrant as Specified In Its Charter)

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No fee required.

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on table below
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14a-6(i)(1) and
0-11.

(1) Title of
each class of
securities to
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transaction
applies:

(2) Aggregate
number of
securities to
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price of other
underlying value
of transaction
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Exchange Act
Rule 0-11 (set
forth the amount
on which the
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(4) Proposed
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Fee paid
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Check box if
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Identify the
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by registration
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Form or
Schedule and
the date of its
filing.

(1) Amount
Previously Paid:

(2) Form,
Schedule or
Registration
Statement No.:

(3) Filing
Party:

(4) Date Filed:

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of MediciNova, Inc. The meeting will be held on Thursday, June 7, 2018 at 2:30 p.m. Pacific Daylight Time at 4225 Executive Square, Suite 150, La Jolla, California 92037.

We are pleased to take advantage of the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. On or around April 26, 2018, we expect to mail to our stockholders an Important Notice Regarding the Availability of Proxy Materials containing instructions on how to access our Proxy Statement and Annual Report and vote online.

Whether or not you plan to attend the meeting, your vote is very important and we encourage you to vote promptly. You may vote by proxy over the internet or by telephone, or, if you received paper copies of the proxy materials by mail, you can also vote by mail by following the instructions on your proxy card. If you attend the meeting you will have the right to revoke your proxy and vote your shares in person. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from your brokerage firm, bank or other nominee to vote your shares.

The Board of Directors and management look forward to seeing you at the meeting.

Sincerely yours,

Yuichi Iwaki, M.D., Ph.D.
President, Chief Executive Officer and Director

If you need additional copies of this Proxy Statement or the enclosed proxy card, or if you have other questions about the proposals or how to vote your shares, you may contact our proxy solicitor:

ADVANTAGE PROXY
(877) 870-8565 (toll free)

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD June 7, 2018

To the Stockholders of MediciNova, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting” or “2018 Annual Meeting”) of MediciNova, Inc., a Delaware corporation, or MediciNova, will be held on Thursday, June 7, 2018 at 2:30 p.m. Pacific Daylight Time at 4225 Executive Square, Suite 150, La Jolla, California 92037 for the following purposes:

1. To elect one Class II director of the Company, as recommended for nomination by the Nominating and Corporate Governance Committee and approved by the Board, to hold office until the 2021 annual meeting of stockholders and until his successor has been duly elected and qualified, or, if sooner, until his earlier death, resignation or removal;
 2. To ratify the Audit Committee’s selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
 3. To approve an amendment to the 2013 Equity Incentive Plan (the “Plan”) to increase the number of shares of Common Stock issuable under the Plan; and
 4. To conduct any other business properly brought before the Annual Meeting.
- Stockholders of record as of the close of business on April 12, 2018 are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for inspection at MediciNova’s offices, located at 4275 Executive Square, Suite 300, La Jolla, California 92037, for ten days prior to the meeting.

It is important that your shares are represented at the Annual Meeting. Even if you plan to attend the 2018 Annual Meeting in person, we hope that you vote or submit your proxy as soon as possible so that your shares can be voted at the 2018 Annual Meeting in accordance with your instructions. Telephone and internet voting are available. For specific instructions on voting, please refer to the instructions in the Notice of Internet Availability of Proxy Materials or the proxy card. If you do attend the 2018 Annual Meeting and wish to vote in person, you may withdraw your proxy at that time.

By Order of the Board of Directors,

Yuichi Iwaki, M.D., Ph.D.

President, Chief Executive Officer and Director
La Jolla, California

April 26, 2018

We are making this proxy statement and our annual report available to stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or before April 26, 2018, we intend to mail to our stockholders (i) a copy of this proxy statement, a proxy card and our annual report or (ii) a notice (the "Notice") containing instructions on how to access and review this proxy statement and our annual report. The Notice also instructs you on how you may submit your proxy over the Internet or via telephone. If you received a Notice and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting those materials included in the Notice.

MEDICINOVA, INC.

4275 EXECUTIVE SQUARE, SUITE 300

LA JOLLA, CALIFORNIA 92037

PROXY STATEMENT FOR THE ANNUAL MEETING OF
STOCKHOLDERS TO BE HELD JUNE 7, 2018

What is this document?

This document is the Proxy Statement of MediciNova, Inc., a Delaware corporation, for the annual meeting of stockholders to be held at 2:30 p.m., Pacific Daylight Time, on Thursday, June 7, 2018. A form of proxy card is included. This document and the form of proxy card are first being mailed or given to stockholders on or about April 26, 2018.

We refer to our company throughout this document as “we,” “us,” the “Company” or “MediciNova.”

Why I am receiving this document?

You are receiving this document because you were one of our stockholders of record as of the close of business on April 12, 2018, the record date for our Annual Meeting, or the Record Date. We are sending this document and the form of proxy card to solicit your proxy to vote upon certain matters at the Annual Meeting.

When and where is the Annual Meeting being held, and who may attend?

The Annual Meeting is scheduled to be held on Thursday, June 7, 2018, at 2:30 p.m. Pacific Daylight Time at 4225 Executive Square, Suite 150, La Jolla California 92037, as well as any adjournment or postponement thereof. Only stockholders, their proxy holders and our invited guests may attend the meeting. If a broker, bank or other nominee holds your shares in street name, please bring a copy of the account statement reflecting your ownership as of April 12, 2018 so that we may verify your status as a stockholder and have you check in at the registration desk for the meeting. For security reasons, we also may require photo identification for admission. If you would like directions to the meeting, please send your request to MediciNova, Inc., 4275 Executive Square, Suite 300, La Jolla, California 92037, Attention: Investor Relations.

What is a proxy, and who is paying the costs to prepare this document and solicit my proxy?

A proxy is your legal designation of another person to vote your shares of our common stock, par value \$0.001 per share, or the Common Stock. The document that designates someone as your proxy is also called a proxy or a proxy card.

We will pay all expenses of this solicitation, including the cost of preparing and mailing this Proxy Statement and the form of proxy card.

Who is soliciting my proxy and will anyone be compensated to solicit my proxy?

Your proxy is being solicited by and on behalf of our Board of Directors, or the Board. In addition to solicitation by use of the mail, proxies may be solicited by our officers, directors and employees and Advantage Proxy in person or by personal interview, telephone, electronic mail, facsimile transmission or other means of communication. Our officers, directors and employees will not be additionally compensated, but they may be reimbursed for out-of-pocket expenses in connection with any solicitation. Advantage Proxy will be paid its customary fee of \$4,000 plus reimbursement of up to \$1,000 in out-of-pocket expenses to solicit proxies. We also may reimburse custodians, nominees and fiduciaries for their expenses in sending proxies and proxy material to beneficial owners.

Who is entitled to vote at the Annual Meeting?

Only holders of shares of our Common Stock as of the Record Date are entitled to vote at the Annual Meeting. As of the

close of business on the Record Date, we had 41,129,073 shares of our Common Stock outstanding.

How many votes do I have, and can I cumulate my vote?

You have one vote for each share of our Common Stock that you held as of the Record Date. Cumulative voting is not allowed.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum must be present at the Annual Meeting for any business to be conducted. A quorum will be present if stockholders holding a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the Record Date, there were 41,129,073 shares of our Common Stock outstanding and entitled to vote. Thus, the holders of at least 20,564,537 shares of Common Stock must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares of Common Stock present at the meeting in person or represented by proxy may adjourn the meeting to another date.

How may I vote my shares?

If on April 12, 2018, your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. Stockholders of record may vote by using the Internet, by telephone or (if you received a proxy card by mail) by mail as described below. Stockholders also may attend the meeting and vote in person. If you hold shares through a bank or broker, please refer to your proxy card, Notice or other information forwarded by your bank or broker to see which voting options are available to you.

- You may vote by using the Internet at www.proxyvote.com by following the instructions for Internet voting on the Notice or Proxy Card mailed to you. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on June 6, 2018. Easy to follow instructions allow you to vote your shares and confirm that your instructions have been properly recorded.
- You may vote by telephone by dialing 1-800-454-8683 and following the instructions for voting by phone on the Notice or Proxy Card mailed to you. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on June 6, 2018. Easy to follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.
- You may vote by mail by requesting, completing and mailing in a paper proxy card, as outlined in the Notice. The method you use to vote will not limit your right to vote at the Annual Meeting if you decide to attend in person.

What am I voting on?

You are being asked to vote on the following:

- the election of one Class II director, Yuichi Iwaki, M.D., as recommended for nomination by the Nominating and Corporate Governance Committee and approved by the Board;
- the ratification of the Audit Committee's selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
-

the approval of the amendment to increase the number of shares of Common Stock authorized for issuance under the 2013 Equity Incentive Plan; and

such other business that may be properly brought before the Annual Meeting.

May other matters be raised at the Annual Meeting; how will the meeting be conducted?

We currently are not aware of any business to be acted upon at the Annual Meeting other than the matters described above. Under Delaware law and our governing documents, no other business aside from procedural matters may be raised at the Annual Meeting unless proper notice has been given to us by the stockholders. If other business is properly raised, your

proxies have authority to vote as they think best, including to adjourn the meeting.

We have broad authority to conduct the Annual Meeting so that the business of the meeting is carried out in an orderly and timely manner. In doing so, we have broad discretion to establish reasonable rules for discussion, comments and questions during the meeting.

If my shares are held by my broker in street name, will my broker vote my shares for me?

If you are the beneficial owner of shares held in “street name” by a broker, your broker is the record holder of the shares. The broker, however, is required to vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker may exercise discretionary voting power to vote your shares with respect to routine matters, but the broker may not exercise discretionary voting power to vote your shares with respect to “non-routine” items. In the case of non-routine items, the shares that cannot be voted by your broker would be treated as “broker non-votes.” At the Annual Meeting, only Proposal 2, the ratification of the Audit Committee’s selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 is a routine item for which your broker may exercise discretionary voting power.

How will my proxy be voted?

The individuals named on the proxy card will vote your proxy in the manner you indicate on the proxy card. If your shares are not held in street name and you return your proxy but do not mark your voting preference, the individuals named as proxies will vote your shares: (i) FOR the election of the one nominee for Class II director, as recommended for nomination by the Nominating and Corporate Governance Committee and approved by the Board, to hold office until the 2021 Annual Meeting of Stockholders and until his successor has been duly elected and qualified, or, if sooner, until his earlier death, resignation or removal; (ii) FOR the ratification of the Audit Committee’s selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and (iii) FOR the approval of the amendment to increase the number of shares of Common Stock authorized for issuance under the 2013 Equity Incentive Plan.

If your shares are held in street name and you return your proxy but do not mark your voting preference on “Proposal One: Election of Class II Director” or “Proposal Three: Approval of the amendment to increase the number of shares of Common Stock authorized for issuance under the 2013 Equity Incentive Plan,” your shares will not be voted and the shares become broker non-votes as to the particular proposal.

If your shares are held in street name and you return your proxy but do not mark your voting preference on “Proposal Two: Ratification of Appointment of Independent Registered Public Accounting Firm,” the bank, broker or other nominee has the authority to vote your unvoted shares. If the bank, broker or other nominee does not vote your unvoted shares on Proposal Two, the shares become “broker non-votes” as to such proposal.

We encourage you to provide voting instructions. This will ensure your shares of Common Stock will be voted at the Annual Meeting in the manner you desire.

How many votes are needed to approve each proposal?

Directors are elected by a plurality vote of the votes cast by the holders of shares of our Common Stock entitled to vote at the Annual Meeting. A plurality vote means that the director who receives the most votes in an election, though not necessarily a majority, will be elected. Only votes FOR or WITHHOLD will affect the outcome.

To be approved, the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2018 must receive FOR votes from the holders of a majority of the shares either present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal. If you ABSTAIN from voting, it will have the same effect as an AGAINST vote. Broker non-votes, if any, will have no effect.

To be approved, the approval of the amendment to increase the number of shares of Common Stock authorized for issuance under the 2013 Equity Incentive Plan must receive FOR votes from the holders of a majority of the shares either present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal. If you ABSTAIN from voting, it will have the same effect as an AGAINST vote. Broker non-votes will have no effect.

Can I change my mind and revoke my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

attend the Annual Meeting and vote in person;

submit a written notice of revocation to us prior to or at the Annual Meeting; or

submit another proxy of a later date that is properly executed prior to or at the Annual Meeting.

Your most current proxy card is the one that is counted.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

Will my vote be confidential?

Yes. We will continue our practice of keeping the votes of all stockholders confidential. Stockholder votes will not be disclosed to our directors, officers, employees or agents, except:

as necessary to meet applicable legal requirements;

in a dispute regarding authenticity of proxies and ballots;

in the case of a contested proxy solicitation, if the other party soliciting proxies does not agree to comply with the confidential voting policy; or

when a stockholder makes a written comment on the proxy card or otherwise communicates the vote to management.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the annual meeting.

What proxy materials are available on the internet?

The Proxy Statement and Annual Report on Form 10-K are available at <https://materials.proxyvote.com/58468P>.

Where is our Common Stock traded?

Our Common Stock is traded and quoted on The NASDAQ Global Market, or NASDAQ, under the symbol "MNOV" and on the Jasdaq Market of the Tokyo Stock Exchange under the code "4875."

IMPORTANT

We are making this proxy statement and our annual report available to stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or before April 26, 2018, we intend to mail to our stockholders (i) a copy of this proxy statement, a proxy card and our annual report or (ii) a notice (the "Notice") containing instructions on how to access and review this proxy statement and our annual report. The Notice also instructs you how you may submit your proxy over the Internet or via telephone. If you received a Notice and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting those materials included in the Notice.

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MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL ONE:

ELECTION OF CLASS II DIRECTOR

General

The Board currently consists of five members divided into three classes, each serving staggered three-year terms as follows:

- Class I, whose term will expire at the annual meeting of stockholders to be held in 2020;
- Class II, whose term will expire at the annual meeting; and
- Class III, whose term will expire at the annual meeting of stockholders to be held in 2019.

The Class II member of the Board is scheduled for election at the Annual Meeting. The Nominating and Corporate Governance Committee of the Board has recommended, and the Board has designated, Yuichi Iwaki, the Class II incumbent director, to be elected as the Class II director at the Annual Meeting. If elected at the Annual Meeting, the Class II director will hold office until the annual meeting of stockholders in 2021 and until a successor has been duly elected and qualified unless he resigns or is removed. If the Class II director nominee is unable or declines to serve as a director at the time of the Annual Meeting, proxies will be voted for any nominee designed by the Board, taking into account a recommendation by the Nominating and Corporate Governance Committee, if any, to fill the vacancy.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The Class II director nominee receiving the highest number of affirmative votes will be elected. The nominee has agreed to serve if elected. Our management has no reason to believe that the nominee will be unable to serve.

Biographical Information

Biographical information concerning the Class I directors whose term of office expires at the 2020 annual meeting of stockholders is set forth below.

Name	Age	Principal Business Experience
Jeff Himawan, Ph.D.	53	Jeff Himawan, Ph.D. has served as a director since January 2006 and became Chairman of the Board of Directors in March 2007. Dr. Himawan is a Managing Director of Essex Woodlands Health Ventures, L.P., which he joined in 2001. Essex Woodlands Health Ventures and its affiliates own approximately 2.8% of our Common Stock. Prior to joining Essex Woodlands Health Ventures, Dr. Himawan was Managing Director and Co-founder of Seed-One Ventures, LLC. Prior to Seed-One Ventures, he was a scientist in academic and industrial settings. He has served as a director of Horizon Pharma, Inc., a company listed on The NASDAQ Stock Market, since 2007. Dr. Himawan also served as a member of the Board of Iomai Corporation from 2002 to

2007. Dr. Himawan holds a B.S. in biology from the Massachusetts Institute of Technology and a Ph.D. in biological chemistry and molecular pharmacology from Harvard University. Based on his background in corporate finance and capital raising and his extensive experience in the biotechnology industry, the Board believes Dr. Himawan has the appropriate set of skills to serve as a member of our Board.

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Hideki Nagao 64 Hideki Nagao was appointed to the Board in November 2017. He complements the Medicinova Board with 40 years of experience in finance and corporate law with financial institutions in Japan. Mr. Nagao started his career at Development Bank of Japan and, in 2006, he accepted the position of General Manager, Department of Venture Business Finance. In 2008, he moved to SG Holdings Co. Ltd. In 2009, Mr. Nagao served as President Sagawa Financials, Inc., as Director of Sagawa Global Logistics in 2012 and as President of SG Assetmax Co. Ltd in 2013. Currently, Mr. Nagao is an Auditor at Sagawa Advance Co. Ltd and SG System Co. Ltd. Mr. Nagao holds a degree from the Faculty of Law of Tokyo University. He previously served as a Board Member for MediciNova from 2004 – 2010.

Biographical information concerning the Class II director nominee whose term of office expires at the annual meeting of stockholders is set forth below.

Name	Age	Principal Business Experience
Yuichi Iwaki, M.D., Ph.D.	68	Yuichi Iwaki, M.D., Ph.D. is a founder of our Company and served as the Chairman of the Board of Directors from our inception in September 2000 to March 2007, becoming Executive Chairman in July 2005, Acting Chief Executive Officer as of September 2005 and President and Chief Executive Officer as of March 2006. From September 2001 until January 2007, Dr. Iwaki also served as our consultant in connection with financing transactions and business development activities. Dr. Iwaki was a member of the board of directors of Avigen, Inc. from 1994 to 2008. He holds three professorships at the University of Southern California School of Medicine in the Departments of Urology, Surgery and Pathology and has been Director of the Transplantation Immunology and Immunogenetic Laboratory since 1992. Dr. Iwaki is also a visiting professor at the Toho University School of Medicine. Prior to joining the faculty at the University of Southern California School of Medicine, Dr. Iwaki held two professorships at the University of Pittsburgh School of Medicine in the Departments of Surgery and Pathology from 1989 through 1991. Dr. Iwaki received both his M.D. and Ph.D. degrees from Sapporo Medical School in Sapporo, Japan. Dr. Iwaki is the author of more than 200 peer-reviewed publications and more than 40 book chapters. Dr. Iwaki has been advising pharmaceutical companies and venture capital funds regarding research and investment strategies for over 30 years and serves on the board of directors of several biotechnology companies. Based on his medical background, relationships with leading Japanese biotechnology companies and extensive experiences as a professor and as an advisor to pharmaceutical companies, the Board believes Dr. Iwaki has the appropriate set of skills to serve as a member of our Board.

Biographical information concerning the Class III directors whose term of office expires at the 2019 annual meeting of stockholders is set forth below.

Name	Age	Principal Business Experience
Yutaka Kobayashi	54	Yutaka Kobayashi has served as a director since October 2013. He has more than 20 years of experience in business. He has served as a consultant or special advisor to various companies. In addition, he was elected a member of Upper House in Japan in 2001 and re-elected in 2007. He also served as Vice Minister of Economy, Trade and Industry in Japan in 2005. He graduated from Waseda University and was a Fellow at Nitze School of Advanced International Studies at Johns Hopkins University. Based on his significant leadership experience in the Japan legislature and his extensive business experience, the Board believes Mr. Kobayashi has the appropriate set of skills to serve as a member of our Board.
Yoshio Ishizaka	78	Yoshio Ishizaka has served as a director since April 2014. He has 50 years of experience in marketing and product development with Toyota Motor Corporation (TMC). His international experience includes assignments in Japan, Europe and the U.S. Mr. Ishizaka started his career at TMC after graduating with a degree in law from the Hitotsubashi University in Japan. He served as Senior Vice President

and Chief Coordinating Officer at Toyota Motor Sales, U.S.A, Inc. (TMS) from 1986 to 1990 and was instrumental in the development of the Lexus Division. He accepted the appointment of General Manager of TMC's Europe Division in 1990 where he built an integrated, local organization in Europe. In 1992, he was named to TMC's Board of Directors and returned to TMS U.S.A. to serve as President from 1996 to 1999. He returned to Japan in 1999, whereupon he was promoted to Senior Managing Director in charge of overseas operations. In 2001, he was promoted to Executive VP in overseas operations for TMC, and in 2005, became Senior Advisor to the TMC Board. The Board believes Mr. Ishizaka has the appropriate set of skills to serve as a member of our Board based on his extensive experience in marketing and product development in the United States and internationally.

Required Vote

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The Class II director nominee receiving the highest number of affirmative votes will be elected. The nominee has agreed to serve if elected. Our management has no reason to believe that the nominee will be unable to serve.

The Board recommends a vote "FOR" election of Dr. Iwaki as Class II Director.

CORPORATE GOVERNANCE

Director Independence

As required under NASDAQ listing standards, a majority of the members of a listed company's Board of Directors must qualify as "independent" as affirmatively determined by the Board. The Board of Directors consults with our outside counsel to ensure that the Board of Directors' determinations are consistent with relevant listing standards, securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of NASDAQ, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and MediciNova, our senior management and our independent registered public accounting firm, the Board has affirmatively determined that the following four directors are independent directors within the meaning of the applicable NASDAQ listing standards: Dr. Himawan and Messrs. Nagao, Ishizaka and Kobayashi. In making this determination, the Board found that none of the above directors had a material or other disqualifying relationship with us. Dr. Iwaki, our President and Chief Executive Officer, is not independent under the NASDAQ rules by virtue of his current employment with us.

Nominations for Directors

The Board has as an objective that its membership be composed of experienced and dedicated individuals with diversity of experience, perspectives and skills. The Nominating and Corporate Governance Committee has the responsibility to identify, evaluate, recruit and recommend qualified candidates to the Board for nomination for election. The Nominating and Corporate Governance Committee will select candidates for election as director based on their character, judgment, diversity of experience, business acumen and ability to act on behalf of all stockholders. The satisfaction of these criteria is implemented and assessed through ongoing consideration of the directors and nominees by the Nominating and Corporate Governance Committee and the Board. Based on these activities and its review of the current composition of the Board and the director-nominee, the Nominating and Corporate Governance Committee and the Board believe that these criteria have been satisfied.

The Nominating and Corporate Governance Committee believes that nominees for director should have relevant experience, such as experience in management or accounting and finance or industry and technology knowledge that may be useful to us and the Board, high personal and professional ethics and the willingness and ability to devote sufficient time to effectively carry out his or her duties as a director. Diversity in professional experience, skills and other individual qualities and attributes that contribute to Board heterogeneity are among the factors that the Nominating and Corporate Governance Committee typically takes into account and seeks to foster in identifying nominees so that members of the Board represent different viewpoints and backgrounds.

The Nominating and Corporate Governance Committee believes it appropriate for a majority of the members of the Board to meet the definition of "independent director" under the NASDAQ Marketplace Rules. The Nominating and Corporate Governance Committee also believes it is appropriate for our President and Chief Executive Officer to serve as a member of the Board.

Prior to each annual meeting of stockholders, the Nominating and Corporate Governance Committee identifies nominees for director by first evaluating the current directors whose term will expire at the annual meeting and who are willing to continue in service. These candidates are evaluated based on the criteria described above, including as demonstrated by the candidate's prior service as a director, and the needs of the Board with respect to the particular talents and experience of its directors. In the event that a director does not wish to continue in service, the Nominating and Corporate Governance Committee determines not to re-nominate a director, or a vacancy is created on the Board

as a result of a resignation, an increase in the size of the Board or other event, the Nominating and Corporate Governance Committee will consider various candidates for Board membership, including those suggested by the members of the Nominating and Corporate Governance Committee, other Board members, members of management, any executive search firm engaged by the Nominating and Corporate Governance Committee and stockholders. Once a slate of candidates is chosen by the Nominating and Corporate Governance Committee, the Nominating and Corporate Governance Committee recommends the candidates to the entire Board, and the Board then determines whether to designate the slate to be elected at the annual meeting of stockholders.

The Nominating and Corporate Governance Committee evaluates any nominees recommended by stockholders in the same manner that potential nominees suggested by Board members, management or other parties are evaluated. A stockholder who wishes to suggest a prospective nominee for the Board should notify any member of the Nominating and Corporate Governance Committee in writing with any supporting material the stockholder considers appropriate, which should be sent to our corporate headquarters at 4275 Executive Square, Suite 300, La Jolla, California 92037.

In addition, our Amended and Restated Bylaws, or the Bylaws, contain provisions that address the process by which a stockholder may nominate an individual to stand for election to the Board at the annual meeting of stockholders. In order to be considered, a recommendation for a candidate by a stockholder must be timely delivered in writing to us and otherwise comply with the provisions of the Bylaws. The recommendation must include the following written information: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class, series and number of shares of capital stock of the Company that are owned beneficially by the person, (iv) a statement as to the person's citizenship, and (v) any other information that is required to be disclosed in solicitations for proxies for election of directors under Section 14 of the Exchange Act and the related rules and regulations under that section, and (b) as to the stockholder making the nomination, (i) the name and record address of the stockholder and (ii) the class, series and number of shares of capital stock of the Company that are owned beneficially by the stockholder. The Nominating and Corporate Governance Committee may also require any proposed nominee to furnish such other information as may reasonably be required by the Nominating and Corporate Governance Committee to determine the eligibility of such proposed nominee to serve as director. The recommendation should be sent to: Nominating and Corporate Governance Committee, MediciNova, Inc., 4275 Executive Square, Suite 300, La Jolla, California 92037. You can obtain a copy of the Bylaws by writing to us at this address.

Board Leadership Structure and Risk Oversight Function of the Board

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The Board understands that there is no single, generally accepted approach to providing Board leadership and that Board leadership structure may vary as circumstances warrant. The leadership structure of our Board currently consists of an independent Chairman of the Board who oversees the Board and works closely with our Chief Executive Officer regarding Board matters. Our Chief Executive Officer, Dr. Iwaki, does not serve as our Chairman as we believe this structure enhances the independence of our Board. Each of our Board committees is chaired by a different director who reports to the full Board on the activities and decisions made by the committees. We believe this leadership structure, with separate roles of Chairman and Chief Executive Officer and different directors chairing each of our committees, helps to facilitate efficient decision-making and communication among our directors.

Subject to active oversight by the Board, our management is primarily responsible for managing the risks we face in the ordinary course of operating our business. Our Board receives operations and strategic presentations from management, which presentations include discussions of the principal risks to our business. In addition, the Board has delegated certain risk oversight functions to each of its committees.

The Audit Committee assists the Board in risk oversight functions related to specific areas such as treasury management, equity administration and contracts policy. The Audit Committee also reviews and discusses with management our system of disclosure controls and procedures and our internal controls over financial reporting. The Compensation Committee assists the Board in risk oversight functions related to our compensation policies and programs and employee retention issues. The Nominating and Corporate Governance Committee assists the Board in

risk oversight functions related to important compliance matters, including periodic reviews of the Code of Ethics and Code of Business Conduct to ensure compliance with applicable securities laws and regulations and stock market rules. We believe that this leadership structure enhances our efficiency in fulfilling our oversight functions with respect to our business and facilitates division of risk management oversight responsibilities among the full Board, each of its committees and our management team.

Communications

If you wish to communicate with the Board, you may send your communication in writing to: Chairman of the Board of Directors, MediciNova, Inc., 4275 Executive Square, Suite 300, La Jolla, California 92037, who will forward all material communications received to the appropriate director or directors or committee of the Board based on the subject matter. You must include your name and address in the written communication and indicate whether you are a stockholder of ours.

Code of Ethics and Code of Business Conduct

We have adopted a Code of Ethics for Senior Officers for the Chief Executive Officer, Chief Financial Officer and key management employees who have been identified by the Board. We also have adopted a Code of Business Conduct that applies to employees, consultants, representatives, officers and directors. Each of the Code of Ethics for Senior Officers and Code of Business Conduct may be found under the Investor Relations-Corporate Governance section of our website at www.medicinova.com. We will post on our website (i) any waiver, if and when granted, to any provision of the Code of Ethics for Senior Officers or Code of Business Conduct (for executive officers or directors) and (ii) any amendment to the Code of Ethics for Senior Officers or Code of Business Conduct.

MEETINGS AND COMMITTEES OF THE BOARD

Board Meetings and Committees

The Board held 8 meetings during the year ended December 31, 2017. Each Board member attended at least 75% of the aggregate number of meetings of the Board and of the committees on which he served during the portion of the last fiscal year for which he was a director or committee member. We encourage, but do not require, our directors to attend the annual meetings of stockholders. One of our directors attended the 2017 annual meeting of stockholders.

Independent Directors and Audit Committee

The members of the Audit Committee each meet the independence standards established by the U.S. Securities and Exchange Commission, or the SEC, and NASDAQ for audit committees. Each member of the Audit Committee has been selected by the Board based on its determination that the Audit Committee members are fully qualified to monitor the performance of management, the public disclosures by us of our financial condition and results of operations, our internal control over financial reporting and the performance of our independent registered public accounting firm, as well as to analyze and evaluate our financial statements, and otherwise meet the applicable requirements of the NASDAQ Marketplace Rules. The Board believes that Mr. Ishizaka, Chairman of the Audit Committee, fulfills the requirements of NASDAQ's Marketplace Rule 5605(c)(2), which requires at least one Audit Committee member have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication. The Board of Directors has also determined that Mr. Ishizaka qualifies as an "audit committee financial expert," as defined in applicable SEC rules, and also possesses the financial sophistication and requisite experience as required under NASDAQ listing standards, based on his significant financial and operational experience.

Board Committees and Charters

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee determines the composition of these committees. Each member of these committees is an independent director in accordance with the applicable rules and regulations of the SEC and the NASDAQ listing standards. Each committee is governed by a written charter approved by the Board. A copy of each charter can be found under the Investor Relations-Corporate Governance section of our website at www.medicinova.com. The number of members, names of current members, number of meetings held during the last fiscal year and functions of each committee are set forth below:

Audit Committee

Number of Members:	Three
Members:	Mr. Ishizaka (Chairman) Dr. Himawan Mr. Kobayashi
Number of Meetings:	Four
Functions:	The Audit Committee assists the Board in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by our independent

registered
public
accounting
firm and
reviewing its
reports
regarding our
consolidated
financial
statements and
system of
internal
accounting
control over
financial
reporting. The
Audit
Committee is
responsible for
the
appointment,
compensation,
retention and
oversight of
our
independent
registered
public
accounting
firm and for
ensuring that
such firm is
independent of
management.

Compensation Committee

Number of Members:

Three

Members:

Dr. Himawan
(Chairman)

Mr. Ishizaka

Mr. Kobayashi

Number of Meetings:

One

Functions:

The
Compensation
Committee

determines our general compensation policies and practices. The Compensation Committee also reviews and approves compensation packages for our officers and, based on such review, recommends overall compensation packages for the officers to the Board. In addition, the Compensation Committee reviews and determines equity-based compensation for our directors, officers, employees and consultants and administers our stock incentive and employee stock purchase plans.

Compensation Committee Processes and Procedures: Typically, the Compensation Committee meets at least annually or more frequently as needed. The agenda for each meeting is usually developed by the Chair of the

Compensation Committee, in consultation with the Chief Executive Officer. The Compensation Committee meets in executive session. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his

compensation.
The charter of
the
Compensation
Committee
grants the
Compensation
Committee
authority to
obtain, at our
expense,
advice and
assistance from
internal and
external legal,
accounting or
other advisors
and consultants
and other
external
resources that
the
Compensation
Committee
considers
necessary or
appropriate in
the
performance of
its duties. In
particular, the
Compensation
Committee has
the sole
authority to
retain
compensation
consultants to
assist in its
evaluation of
executive and
director
compensation,
including the
authority to
approve the
consultant's
reasonable fees
and other
retention terms.

During the past fiscal year, the Compensation Committee did not engage any outside consultant as a compensation consultant.

Historically, the Compensation Committee has made most of the significant adjustments to annual compensation, determined bonus and equity awards and established new performance objectives at one or more meetings held during the year. However, the Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of our compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to the Committee by the Chief Executive Officer. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee, which recommends to the Board any adjustments to his compensation as well as awards to be granted. As part of its deliberations with respect to all executives and directors, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and analysis of executive and director compensation paid at other companies.

Nominating
and Corporate

Governance
Committee

Number of
Members: Three

Members: Mr. Kobayashi (Chairman)

Dr. Himawan

Mr. Ishizaka

Numbers of
Meetings: One

Functions: The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board regarding candidates for directorships and the size and composition of the Board. The Nominating and Corporate Governance Committee also oversees our corporate governance guidelines and reporting and makes recommendations to the Board concerning corporate governance matters.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Audit Committee is charged with the responsibility of reviewing potential conflicts of interest, and reviewing and approving all related party transactions, including those required to be disclosed as a “related party” transaction under applicable federal securities laws. Our Audit Committee has not adopted any specific procedures for conducting such reviews and considers each transaction in light of the specific facts and circumstances presented

We have entered into indemnification agreements with each of our executive officers and directors. In addition, our executive officers and directors are indemnified under the General Corporation Law of the State of Delaware and our Bylaws to the fullest extent permitted under Delaware law. We also have a directors’ and officers’ liability insurance policy that insures our directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances.

PROPOSAL TWO:

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected BDO USA, LLP, or BDO, as our independent registered public accounting firm for the fiscal year ending December 31, 2018. A representative of BDO is expected to be present at the Annual Meeting and will have the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to appropriate questions. Although stockholder ratification of our independent registered public accounting firm is not required by the Bylaws or otherwise, we are submitting the selection of BDO to the stockholders for ratification to permit stockholders to participate in this important corporate decision.

Principal Accountant Fees and Services

The following table presents fees paid by us for professional services rendered by BDO for the fiscal years ended December 31, 2017 and 2016, as applicable.

	Fiscal Year Ended	
	December 31,	
	BDO	BDO
	2017	2016
Audit Fees ⁽¹⁾	\$287,452	\$270,219
Tax Fees ⁽²⁾	—	—
Other Fees ⁽³⁾	—	—
Total	\$287,452	\$270,219

(1) Fees for audit services include fees associated with the annual audit, including the audit of internal control over financial reporting, the reviews of the Company's quarterly reports on Form 10-Q and services that are normally provided by the accountant for statutory and regulatory filings or engagements.

(2) BDO did not render professional services for federal, state or international tax compliance

(3) BDO did not render any non-audit related professional services.

Pre-Approval Policy and Procedures

It is our policy that all audit and non-audit services to be performed by our independent registered public accounting firm be approved in advance by the Audit Committee. The Audit Committee will not approve the engagement of our independent registered public accounting firm to perform any service that such firm would be prohibited from providing under the rules and regulations of the SEC and the applicable NASDAQ Marketplace Rules. In assessing whether to approve use of our independent registered public accounting firm for permitted non-audit services, the Audit Committee tries to minimize relationships that could impair the objectivity of such firm. The Audit Committee will approve permitted non-audit services by our independent registered public accounting firm only when it will be more effective or economical to have such services provided by such firm and where the nature of the services will not impair such firm's independence. During the fiscal years ended December 31, 2017 and 2016, all audit services

performed by our independent registered public accounting firm were approved in advance by the Audit Committee, and there were no non-audit services.

Required Vote

Ratification of the appointment of BDO as our independent registered public accounting firm will require the affirmative vote of a majority of the shares present and voting at the Annual Meeting in person or by proxy. In the event ratification is not obtained, the Audit Committee will review its future selection of our independent registered public accounting firm but will not be required to select a different independent registered public accounting firm for us. Even if the selection is ratified, the Board at its discretion may direct the appointment of a different independent account firm at any time during the subsequent year if the Board determines that such a change would be in the best interests of MediciNova and our stockholders.

The Board recommends a vote “FOR” ratification of appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2018.

PROPOSAL THREE:

APPROVAL OF AN AMENDMENT TO

THE 2013 EQUITY INCENTIVE PLAN TO INCREASE AUTHORIZED SHARES

Our board of directors is recommending that our stockholders approve an amendment to our 2013 Equity Incentive Plan (the “2013 Plan”) to increase the number of shares of our Common Stock that are available for issuance under the 2013 Plan by 1,500,000 (the “Amendment”). Our board of directors approved the Amendment on April 11, 2018 subject to stockholder approval. Other than the increase in shares, the Amendment effects no other material changes to the 2013 Plan.

As of April 12, 2018 (the Record Date), there were options to purchase 5,071,000 shares of our Common Stock outstanding under the 2013 Plan. As of April 12, 2018, 53,592 shares remained available for future equity grants under the 2013 Plan. As of April 12, 2018, the fair market value of a share of our Common Stock (as determined by the closing price quoted on the NASDAQ on such date) was \$13.23.

Our board of directors believes the proposed Amendment is necessary to the long-term health of our company. We provide long-term incentives to our executives and employees in the form of equity compensation, which we believe aligns their interests with the interests of our stockholders and fosters an ownership mentality that drives optimal decision-making for the long-term health and profitability of our Company. Equally important, equity compensation is critical to our continuing ability to attract, retain and motivate qualified employees. The proposed Amendment is intended to provide us with a sufficient number of shares to satisfy our expected equity grant requirements through the first half of 2019, based on the current scope and structure of our equity incentive programs and the rate at which we expect to grant awards. The additional 1,500,000 shares of our Common Stock that would become available for grant under the 2013 Plan represents approximately 4% of the total number of shares of our Common Stock outstanding as of April 12, 2018.

The complete text of the 2013 Plan, as proposed to be amended, is attached as Exhibit I to this Proxy Statement. Stockholders are urged to review it together with the following information, which is qualified in its entirety by reference to the complete text of the 2013 Plan. If there is any inconsistency between the description of the 2013 Plan included in this Proxy Statement and the terms of the 2013 Plan, or if the description of the 2013 Plan included in this Proxy Statement is inaccurate in any respect, the terms of the 2013 Plan shall govern.

Description of the 2013 Plan

Our Board of Directors adopted the 2013 Plan on April 21, 2013 and was subsequently approved by our stockholders. Unless terminated earlier, the 2013 Plan will terminate on April 21, 2023.

Purpose of the 2013 Plan. The 2013 Plan is designed to provide incentives for our employees, directors and consultants to exert maximum efforts for the success of MediciNova or any affiliate of ours, and to provide a means by which eligible recipients may be given an opportunity to benefit from increases in the value of our Common Stock.

Types of Awards Available Under the 2013 Plan. The 2013 Plan provides for the grant of (i) incentive stock options, (ii) nonstatutory stock options, (iii) stock appreciation rights, (iv) restricted stock awards, (v) restricted stock unit awards, (vi) other stock awards, and (vii) performance awards that may be settled in cash, stock, or other property.

Eligibility to Receive Awards. Our employees, directors and consultants are eligible to participate in the 2013 Plan, and each of these individuals may receive all types of awards, other than incentive stock options, which may only be

granted to our employees (including officers).

Shares Subject to the 2013 Plan. Currently, the total number of shares of our Common Stock available for issuance under the 2013 Plan is equal to the sum of (i) 3,700,000 shares, and (ii) any Returning Shares (as defined below), as such shares become available from time to time (such sum, the "Share Reserve"). The "Returning Shares" are shares subject to outstanding awards granted under our 2004 Equity Incentive Plan that, from and after the effective date of the 2013 Plan, expire or terminate for any reason prior to exercise or settlement, are forfeited because of the failure to vest in those shares, are repurchased at the original issuance price or are otherwise reacquired or withheld to satisfy a tax withholding or purchase price obligation in connection with such award.

If a stock award granted under the 2013 Plan expires or terminates for any reason prior to exercise or settlement or if the shares subject to the stock award are forfeited because of the failure to vest in the shares or are repurchased at the original issuance price or are otherwise reacquired or withheld to satisfy a tax withholding or purchase price obligation in connection with such award, then the shares that expire or are forfeited, repurchased or withheld to satisfy taxes will again become available for issuance under the 2013 Plan.

If the Amendment described in this proposal is approved, the Share Reserve will increase to the sum of (i) 5,200,000 and (ii) any Returning Shares, as such shares become available from time to time.

Administration of the 2013 Plan. The 2013 Plan is administered by our Board of Directors, which may in turn delegate

authority to administer the 2013 Plan to a committee or committees. Our Board of Directors has delegated concurrent authority to administer the 2013 Plan to the Compensation Committee, but may, at any time, revert to itself some or all of the power previously delegated to the Compensation Committee. Each of the Board of Directors and the Compensation Committee is considered to be a Plan Administrator and thus has broad authority to administer, interpret and construe the 2013 Plan and awards granted under the 2013 Plan. The Plan Administrator may, among other things, determine the recipients, numbers and types of awards to be granted, and terms and conditions of the awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the Plan Administrator also determines the fair market value applicable to a stock award and the exercise price of stock options and stock appreciation rights granted under the 2013 Plan. All determinations, interpretations and constructions made by the Plan Administrator in good faith will be final, binding and conclusive. The Plan Administrator may also delegate to one or more officers the authority to designate employees who are not officers to be recipients of certain stock awards and the number of shares subject to such stock awards. Under any such delegation, the Plan Administrator will specify the total number of shares of our Common Stock that may be subject to the stock awards granted by such officer. The officer may not grant a stock award to himself or herself.

Types of Awards

Awards issued under the 2013 Plan will be evidenced by a written agreement entered into between our Company and the recipient of the award. Such agreements will recite the specific terms and conditions of the award.

Stock Options. Stock options may be granted under the 2013 Plan pursuant to stock option agreements. The Plan Administrator determines the number of shares covered by each stock option and the exercise price per share of the shares subject to each stock option, but such per share exercise price cannot be less than the fair market value of a share of our Common Stock on the date of grant of the stock option. The Plan Administrator may not subsequently reduce the exercise price of an option without stockholder approval. The term of options granted under the 2013 Plan may not exceed ten years and, in some cases, may not exceed five years, as described below.

Stock options granted under the 2013 Plan may be either incentive stock options or nonstatutory stock options. Incentive stock options are subject to various limitations and requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations, including that (i) the per share exercise price for any incentive stock option granted to any employee owning more than 10% of our Common Stock may not be less than 110% of the fair market value of a share of our Common Stock on the date of grant and the expiration date of the option must not be later than five years after the grant date, and (ii) the aggregate fair market value (determined at the date of grant) of our Common Stock subject to all incentive stock options held by a participant that are first exercisable in any single calendar year cannot exceed \$100,000.

Acceptable forms of consideration for the purchase of our Common Stock pursuant to the exercise of a stock option under the 2013 Plan will be determined by the Plan Administrator and may include: (i) cash, check, bank draft or money order; (ii) payment pursuant to a program developed under Regulation T, as promulgated by the Federal Reserve Board; (iii) shares of our Common Stock previously owned by the participant; or (iv) any combination of the foregoing methods.

Unless the terms of a participant's stock option agreement or other agreement with us provides for an earlier or later expiration date, if a participant's service relationship with us, or any affiliate of ours, ceases due to disability, death (or the participant dies within a certain period, if any, following cessation of service), the participant, or his or her beneficiary or estate, as applicable, may exercise any vested stock options for up to 12 months after the date the service relationship ends due to the participant's disability or for up to 18 months after the date of the participant's death.

Except as explicitly provided otherwise in a participant's stock option agreement or other agreement with us, if a participant's service relationship with us, or any affiliate of ours, terminates due to a "for cause" termination, the

participant will forfeit all vested and unvested options as of the date of the termination for cause, and the participant may not exercise any stock options after such date.

Except as explicitly provided otherwise in a participant's stock option agreement or other agreement with us, if a participant's service relationship with us, or any affiliate of ours, ceases for any other reason other than due to disability, death, or termination for cause, the participant may exercise any vested stock options for up to three months after the date the service relationship ends.

If the participant does not exercise his or her stock option within the applicable time frame, the stock option will automatically terminate.

Generally, a participant may not transfer a stock option granted under the 2013 Plan other than by will or the laws of descent and distribution or pursuant to a domestic relations order or an official marital settlement agreement. However, subject to the approval of the Board of Directors or a duly authorized officer, a participant may designate a beneficiary who may exercise the stock option following the participant's death.

Stock Appreciation Rights. Stock appreciation rights may be granted under the 2013 Plan pursuant to stock appreciation

right agreements. Each stock appreciation right is denominated in common stock equivalents. The exercise price of each stock appreciation right will be determined by the Plan Administrator but will in no event be less than 100% of the fair market value of the stock subject to the stock appreciation right on the date of grant. The Plan Administrator may also impose restrictions or conditions upon the vesting of stock appreciation rights that it deems appropriate. Stock appreciation rights may be paid in shares of our Common Stock, in cash, in a combination of cash and stock, or in any other form of legal consideration approved by the Plan Administrator and set forth in the stock appreciation rights agreement. Stock appreciation rights will be subject to the same conditions upon termination of continuous service and restrictions on transfer as stock options under the 2013 Plan.

Restricted Stock Awards. Restricted stock awards may be granted under the 2013 Plan pursuant to restricted stock award agreements. A restricted stock award may be granted in consideration for cash, check, bank draft or money order payable to us, the recipient's services performed for us or an affiliate of ours, or any other form of legal consideration acceptable to the Plan Administrator. Shares of our Common Stock issued in respect of a restricted stock award may be subject to forfeiture to us in accordance with a vesting schedule to be determined by the Plan Administrator and set forth in the restricted stock award agreement. Under the 2013 Plan, a restricted stock award may provide that dividends paid on shares of restricted stock covered by the award will be subject to the same vesting and forfeiture restrictions as apply to the shares of the restricted stock award to which they relate. Rights to acquire shares of our Common Stock under a restricted stock award may be transferred only upon such terms and conditions as are set forth in the restricted stock award agreement. Except as otherwise provided in the applicable restricted stock award agreement, upon a participant's termination of continuous service, we may receive through a forfeiture condition or a repurchase right, any or all of the shares that have not vested as of the date of termination under the terms of the restricted stock award agreement.

Restricted Stock Unit Awards. Restricted stock unit awards may be granted under the 2013 Plan pursuant to restricted stock unit award agreements. Payment of any purchase price may be made in any legal form acceptable to the Plan Administrator. Restricted stock unit awards may be subject to vesting in accordance with a vesting schedule to be determined by the Plan Administrator. Restricted stock units will be settled by the delivery of shares of our Common Stock, in cash, by a combination of cash and stock, or in any other form of consideration determined by the Plan Administrator and set forth in the restricted stock unit award agreement. Under the 2013 Plan, dividend equivalents may be credited in respect of shares of our Common Stock covered by a restricted stock unit award and, in the sole discretion of the Plan Administrator, may be converted into additional shares of our Common Stock covered by such restricted stock unit award. Except as otherwise provided in the applicable restricted stock unit award agreement, restricted stock units that have not vested will be forfeited upon the participant's termination of continuous service for any reason.

Performance Awards. The 2013 Plan also allows us to grant cash and stock-based performance awards.

Performance Stock Awards. A performance stock award is a stock award that may be granted, may vest, or may be exercised or payable contingent upon the attainment of pre-determined performance goals during a performance period. A performance stock award may also require the completion of a specified period of continuous service. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will be determined by the Compensation Committee. In addition, to the extent permitted by applicable law and the award agreement, the Board (or Compensation Committee, as applicable) may determine that cash may be used in payment of performance stock awards.

Performance Cash Awards. A performance cash award is a cash award that is payable contingent upon the attainment of pre-determined performance goals during a performance period. A performance cash award may also require the completion of a specified period of continuous service. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will be determined by the Compensation Committee. The Board (or Compensation Committee, as

applicable) may specify the form of payment of performance cash awards, which may be cash or other property, or may provide for a participant to have the option for his or her performance cash award, or such portion thereof as the Board (or Compensation Committee, as applicable) may specify, to be paid in whole or in part in cash or other property.

General Terms of 2013 Plan

Performance Goals and Code Section 162(m) Considerations. Section 162(m) of the Code places a limit of \$1,000,000 on the compensation that we may deduct in any year with respect to Covered Employees (as defined below in the section entitled "Certain Federal Income Tax Information").

For tax years prior to 2018, federal tax law exempted from this loss-deduction rule certain qualified performance-based compensation, as defined under Section 162(m) of the Code and the related regulations. To date, including because we have significant net loss carryforwards and do not expect to pay corporate income tax for the foreseeable future, tax deductibility of our executive compensation has not been a significant factor in determining the structure of our compensation programs. The 2013 Plan was structured to allow us to grant cash- and stock-based performance awards that qualified under the now-repealed exemption as performance-based compensation but did not limit our ability to grant awards not intended to so qualify. In recent years we have granted stock options that we believe qualify as performance-based compensation.

Plan awards granted to Covered Persons prior to November 2, 2017 that qualified as performance-based compensation can continue under certain circumstances, to so qualify and therefore may be fully deductible to us. Awards granted after that date will be subject to the general Section 162(m) loss deduction rule and therefore may not be fully deductible.

The annual per person grant limits on awards that apply under the 2013 Plan are as follows:

	Limit Per
	Fiscal
	Year
	200,000
Equity Awards	shares
Cash Awards	\$300,000

The 2013 Plan specifies performance conditions that the Compensation Committee including: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) total stockholder return; (5) return on equity or average stockholder's equity; (6) return on assets, investment, or capital employed; (7) stock price; (8) margin (including gross margin); (9) income (before or after taxes); (10) operating income; (11) operating income after taxes; (12) pre-tax profit; (13) operating cash flow; (14) sales or revenue targets; (15) increases in revenue or product revenue; (16) expenses and cost reduction goals; (17) improvement in or attainment of working capital levels; (18) economic value added (or an equivalent metric); (19) market share; (20) cash flow; (21) cash flow per share; (22) share price performance; (23) debt reduction; (24) implementation or completion of projects or processes; (25) customer satisfaction; (26) stockholders' equity; (27) capital expenditures; (28) debt levels; (29) operating profit or net operating profit; (30) workforce diversity; (31) growth of net income or operating income; (32) billings; (33) clinical goals; and (34) financing goals. The Compensation Committee may grant awards under the 2013 Plan subject to performance conditions not included in the above list.

Performance goals may be based on a Company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Under the 2013 Plan, unless specified otherwise by the Compensation Committee or the Board in the award agreement at the time the award is granted or in such other document setting forth the performance goals at the time the performance goals are established, the Compensation Committee (or, if not required for compliance with Section 162(m) of the Code, the Board) will appropriately make adjustments in the method of calculating the attainment of performance goals for a performance period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated performance goals; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; and (5) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles. In addition, the Compensation Committee or the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of performance goals and to define the manner of calculating the performance criteria it selects to use for such performance period.

Changes to Capital Structure. In the event of certain capitalization adjustments, the Plan Administrator will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the 2013 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of incentive stock options; (iii) the class(es) and maximum number of securities that may be awarded to any person during a fiscal year; and (iv) the class(es) and number of securities and price per share of stock subject to outstanding stock awards. The Plan Administrator will make such adjustments and its determination will be final, binding and conclusive.

Corporate Transactions; Change in Control. In the event of certain corporate transactions (as defined in the 2013 Plan), the Plan Administrator has the discretion to take one or more of the following actions with respect to outstanding stock awards, contingent upon the closing or completion of the corporate transaction:

- ◆ Arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity (or its parent company);
- ◆ Arrange for the assignment of any reacquisition or repurchase rights applicable to any shares of our Common Stock issued pursuant to a stock award to the surviving or acquiring corporation (or its parent company);
- ◆ Accelerate the vesting and exercisability of a stock award followed by the termination of the stock award;
- ◆ Arrange for the lapse of any reacquisition or repurchase rights applicable to any shares of our Common Stock issued pursuant to a stock award;
- ◆ Cancel or arrange for the cancellation of a stock award, to the extent not vested or not exercised prior to the effective date of the corporate transaction, in exchange for cash consideration, if any, as the Plan Administrator, in its sole discretion, may consider appropriate; and

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✦ Arrange for the surrender of a stock award in exchange for a payment equal to the excess of (1) the value of the property the holder of the stock award would have received upon the exercise of the stock award over (2) any exercise price payable by such holder in connection with such exercise.

The Plan Administrator need not take the same action for each award.

A stock award may be subject to additional acceleration of vesting and exercisability upon or after a change in control (as defined in the 2013 Plan), as provided in the stock award agreement or any other written agreement between us and the participant, but in the absence of such provision, no acceleration shall occur.

Plan Amendments and Termination. The Plan Administrator will have the authority to amend or terminate the 2013 Plan at any time. However, except as otherwise provided in the 2013 Plan, no amendment or termination of the 2013 Plan may materially impair a participant's rights under an outstanding award without the participant's written consent. We will obtain stockholder approval of any amendment to the 2013 Plan as required by applicable law and listing requirements. Unless earlier terminated by the Plan Administrator, the 2013 Plan will automatically terminate on April 21, 2023.

Governing Law. The 2013 Plan is governed by the laws of the State of California.

Certain Federal Income Tax Information

The following is a general summary of the federal income tax consequences to the Company and to U.S. participants for awards granted under the 2013 Plan. The federal tax laws may change and the federal, state and local tax consequences for any participant will depend upon his or her individual circumstances. Tax consequences for any particular individual may be different. This summary is not intended to be exhaustive and does not discuss the tax consequences of a participant's death or provisions of income tax laws of any municipality, state or other country. The Company advises participants to consult with their own tax advisors regarding the tax implications of their awards under the 2013 Plan.

Incentive Stock Options. For federal income tax purposes, the holder of an incentive stock option has no taxable ordinary income at the time of the grant or exercise of the incentive stock option. If such person retains the common stock acquired under the incentive stock option for a period of at least two years after the stock option is granted and one year after the stock option is exercised, any gain upon the subsequent sale of the common stock will be taxed as a long-term capital gain or loss. A participant who disposes of shares acquired by exercise of an incentive stock option prior to the expiration of two years after the stock option is granted or before one year after the stock option is exercised will realize ordinary equal to the difference between the exercise price and fair market value of the stock as of the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would generally be short or long term capital gain or loss depending on whether the shares have been held by the participant for more than one year. The difference between the option exercise price and the fair market value of the shares on the exercise date of an incentive stock option is an adjustment in computing the holder's alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the participant's regular income tax for the year.

Nonstatutory Stock Options. A participant who receives a nonstatutory stock option generally will not realize taxable income on the grant of such option, but will realize ordinary income at the time of exercise of the stock option equal to the difference between the option exercise price and the fair market value of the stock on the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would be short or long term capital gain or loss depending on whether the shares had been held by the participant for more than one year.

Stock Appreciation Rights. No taxable income is generally reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received plus the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of any shares received would be short term or long term capital gain or loss depending on whether the shares had been held by the participant for one year or more after exercise.

Restricted Stock. A participant will generally not have taxable income upon grant of unvested restricted shares unless he or she elects to be taxed at that time pursuant to a Code Section 83(b) election. Instead, he or she will recognize ordinary income at the time(s) of vesting equal to the fair market value (on each vesting date) of the shares or cash received minus any amount paid for the shares.

Restricted Stock Units. No taxable income is generally reportable when unvested restricted stock units are granted to a participant. Upon settlement of the vested restricted stock units, the participant will recognize ordinary income in an amount equal to the value of the payment received pursuant to the vested stock units.

Withholding Obligations; Income Tax Effects for the Company. Award amounts required to be recognized by participants as ordinary income are generally subject to income and payroll tax withholding obligations, except with respect to ordinary income recognized upon a disqualifying disposition of incentive stock option shares. The Company generally will be

entitled to a tax deduction in connection with an award under the 2013 Plan in an amount equal to the ordinary income recognized by a participant at the time the participant recognizes such income (for example, upon the exercise of a nonstatutory stock option).

Internal Revenue Code Section 162(m) Limits. For years prior to 2018, Section 162(m) of the Code places a limit of \$1,000,000 on the amount of compensation that the Company may deduct in any one fiscal year with respect to the Company’s principal executive officer and each of the other three most highly compensated executive officers (other than the principal financial officer). For years beginning with 2018, compensation paid to the Company’s principal financial officer is also subject to this loss deduction rule. Executives whose compensation is subject to this rule are referred to herein as “Covered Employees”.

Internal Revenue Code Section 409A. Section 409A of the Code governs the federal income taxation of certain types of nonqualified deferred compensation arrangements. A violation of the requirements of Section 409A of the Code generally results in an acceleration of the recognition of income of amounts intended to be deferred and the imposition of a federal excise tax of 20% on the employee over and above the income tax owed plus possible penalties and interest. The types of arrangements covered by Section 409A of the Code are broad and may apply to certain awards available under the 2013 Plan (such as restricted stock units). The intent is for the 2013 Plan, including any awards available thereunder, to either be exempt from, or comply with the requirements of section 409A of the Code to the extent applicable. As required by Code Section 409A, certain nonqualified deferred compensation payments to specified employees may be delayed to the seventh month after such employee’s separation from service.

Existing Plan Benefits

The following table sets forth the number of shares subject to stock options granted under the 2013 Plan as of April 12, 2018 (the Record Date). These share numbers do not take into account the effect of options that have been canceled or that expired unexercised and do not reflect shares subject to other types of awards that have been granted to participants under the 2013 Plan.

Name and Position	Number of Option Shares
Yuichi Iwaki, M.D., Ph.D., President and Chief Executive Officer	1,810,000
Ryan Selhorn, CPA, Chief Financial Officer	—
Kazuko Matsuda, M.D., Ph.D., Chief Medical Officer	1,195,000
Masatsune Okajima, Vice President and Head of Japanese Office	580,000
Geoffrey O’Brien, J.D./M.B.A., Vice President	845,000
All current executive officers as a group	4,430,000
All non-employee directors as a group	200,000
All employees as a group (excluding executive officers as a group)	441,000

Securities Authorized For Issuance Under Equity Compensation Plan

We have two equity compensation plans under which shares of our Common Stock are authorized for issuance to eligible employees, directors, and consultants: (i) the 2004 Plan and (ii) the 2013 Plan. The following table provides certain information with respect to each of our equity compensation plans in effect as of December 31, 2017:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by stockholders	5,514,038	\$ 4.03	1,215,592
Equity compensation plans not approved by stockholders	—	—	—
Total	5,514,038	\$ 4.03	1,215,592

Our Board of Directors approved the 2013 Plan in April 2013, and it was subsequently approved by our stockholders.

The 2013 Plan provides for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, other stock awards, and performance awards that may be settled in cash, stock, or other property. As of December 31, 2017, options to purchase 3,946,000 shares of our Common Stock were outstanding under the 2013 Plan.

Our Board of Directors and stockholders approved the 2004 Plan. No further awards were granted under the 2004 Plan following stockholder approval of our 2013 Plan. Options outstanding under the 2004 Plan will continue to be governed by their existing terms. As of December 31, 2017, options to purchase 1,568,038 shares of our Common Stock were outstanding under the 2004 Plan.

Required Vote

To be approved, the amendment to increase the number of shares of our Common Stock authorized for issuance under the 2013 Equity Incentive Plan by 1,500,000 shares must receive FOR votes from the holders of a majority of the shares either present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal. If you ABSTAIN from voting, it will have the same effect as an AGAINST vote. Broker non-votes will have no

effect.

The Board recommends a vote “FOR” approval of the amendment to increase number of shares of Common Stock authorized for issuance under the 2013 Equity Incentive Plan by 1,500,000 shares.

EXECUTIVE OFFICERS

The following table sets forth certain information, as of the date of this Proxy Statement, regarding each of our executive officers.

Name	Position	Age	Principal Business Experience
Yuichi Iwaki, M.D., Ph.D.	President and Chief Executive Officer	68	Yuichi Iwaki, M.D., Ph.D. is a founder of our Company and served as the Chairman of the Board of Directors from our inception in September 2000 to March 2007, becoming Executive Chairman in July 2005, Acting Chief Executive Officer in September 2005 and President and Chief Executive Officer in March 2006. He served as Acting Chief Financial Officer from November 2013 to April 2014. From September 2001 until January 2007, Dr. Iwaki also served as our consultant in connection with financing transactions and business development activities. Dr. Iwaki was a member of the board of directors of Avigen, Inc. from 1994 to 2008. He holds three professorships at the University of Southern California School of Medicine in the Departments of Urology, Surgery and Pathology and has been Director of the Transplantation Immunology and Immunogenetic Laboratory since 1992. Dr. Iwaki is also a visiting professor at the Toho University School of Medicine. Prior to joining the faculty at the University of Southern California School of Medicine, Dr. Iwaki held two professorships at the University of Pittsburgh School of Medicine in the Departments of Surgery and Pathology from 1989 through 1991. Dr. Iwaki received both his M.D. and Ph.D. degrees from Sapporo Medical School in Sapporo, Japan. Dr. Iwaki is the author of more than 200 peer-reviewed publications and more than 40 book chapters. Dr. Iwaki has been advising pharmaceutical companies and venture capital funds regarding research and investment strategies for over 30 years and serves on the board of directors of several biotechnology companies. Based on his medical background, relationships with leading Japanese biotechnology companies and extensive experiences as a professor and as an advisor to pharmaceutical companies, the Board believes Dr. Iwaki has the appropriate set of skills to serve as a member of our Board.
Masatsune Okajima	Vice President and Head of	50	Masatsune Okajima was appointed as our Vice President and Head of Japanese Office in September 2006. Prior to joining us, he served as Deputy General Manager at Daiwa Securities SMBC Co., Ltd. beginning

Japanese
Office

in 2002. From 1999 through 2002, Mr. Okajima served as Manager, Daiwa Securities SB Capital Markets Co., Ltd. (now Daiwa Securities SMBC Co., Ltd.). From 1996 to 1999, Mr. Okajima served as Manager, Sumitomo Capital Securities Co., Ltd. and between 1991 and 1996 Mr. Okajima served in various positions at Sumitomo Bank, Ltd. (now Mitsui Sumitomo Bank). Mr. Okajima received a B.S. degree from the Department of Science and Technology, Tokyo Science University.

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| <p>Kazuko Matsuda, M.D., Ph.D., MPH</p> | <p>Chief Medical Officer</p> | <p>52</p> | <p>Kazuko Matsuda was appointed as our Chief Medical Officer on September 1, 2011. Dr. Matsuda served as our Vice President of Clinical Development from April 2010 to September 2011. Dr. Matsuda has responsibility for all of our clinical development. From August 2008 to November 2009, Dr. Matsuda served as an assistant professor with the University of Southern California, Keck School of Medicine. From August 2005 to July 2008, Dr. Matsuda served as Clinical Fellow with the Children’s Hospital Los Angeles. Dr. Matsuda commenced her residency in internal medicine/pediatrics at Michigan State University and completed a pediatric residency at Loma Linda University. Dr. Matsuda is a board certified pediatrician in both the United States and Japan. Dr. Matsuda holds an M.D. and Ph.D. from Sapporo Medical University School of Medicine and an MPH from Harvard University, School of Public Health.</p> |
| <p>Geoffrey O’Brien, J.D./M.B.A.</p> | <p>Vice President</p> | <p>49</p> | <p>Geoffrey O’Brien was promoted to Vice President in October 2013, having previously served as our Senior Director, Business Development and Strategic Planning since 2012, and as Director, Business Development since 2009. Prior to joining us, Mr. O’Brien was an equity research analyst covering pharmaceutical and biotechnology companies at several investment banks including UBS Securities, Nomura Securities, and Punk Ziegel, working at the Vice President level from 2004 to 2008. He was also a healthcare investment banker at Donaldson, Lufkin & Jenrette/Credit Suisse First Boston. Prior to graduate school, he worked on the successful development of a biotechnology product at The Liposome Company. Mr. O’Brien received a B.S. in chemistry, cum laude, from the University of Delaware and completed his J.D. and M.B.A. simultaneously at Vanderbilt Law School and Owen Graduate School of Management at Vanderbilt University.</p> |
| <p>Ryan Selhorn, CPA</p> | <p>Chief Financial Officer</p> | <p>36</p> | <p>Ryan Selhorn of Signature Analytics, LLC, an accounting services firm, was appointed to serve as Chief Financial Officer on March 31, 2016. Mr. Selhorn joined the accounting services firm of Signature Analytics, LLC as the Vice President Operations in July 2013 after spending 10 years with Grant Thornton LLP, most recently as a Senior Manager in the audit practice and then in the national Mergers and Acquisitions Group. He has experience working with both public and private companies in many industries including life sciences, biotech, and medical devices. Mr. Selhorn received his Bachelor’s degree in accounting and finance from Georgetown University.</p> |

COMPENSATION COMMITTEE REPORT*

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis included in this proxy statement. Based on that review and its discussions with the Company's management, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Jeff Himawan, Ph.D. (Chairman)

Yoshio Ishizaka

Yutaka Kobayashi

* The material in this report is not "soliciting material," is not deemed "filed" with the Commission and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

EXECUTIVE COMPENSATION

For the year ended December 31, 2017, our "Named Executive Officers" include the following persons:

- Yuichi Iwaki, M.D., Ph.D., our President and Chief Executive Officer;
- Ryan Selhorn, our Chief Financial Officer;
- Kazuko Matsuda, M.D., Ph.D., our Chief Medical Officer;
- Masatsune Okajima, our Vice President and Head of Japanese Office; and
- Geoffrey O'Brien, J.D./M.B.A., our Vice President; and

Mr. Selhorn serves as our Chief Financial Officer through an agreement with the accounting services firm Signature Analytics, as described in further detail in the footnotes to our Summary Compensation Table. As a result, Mr. Selhorn was not eligible during 2017 for all of the elements of compensation described below that are provided to our other Named Executive Officers and was compensated with respect to his services to the Company during 2017 by Signature Analytics.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis, or CDA, describes our compensation philosophy, policies and practices with respect to our Named Executive Officers for the year ended December 31, 2017 and for the current fiscal year. It includes information regarding our overall compensation objectives and each element of compensation that we provide.

The principal elements of our executive compensation programs are base salary, cash bonus potential and equity awards. The Named Executive Officers also receive certain perquisites and other benefits such as participation in a 401(k) Plan with employer matching contributions and health plans that are generally available to all of our

employees. Our objective is that the total compensation paid to Named Executive Officers and other employees should fairly reflect the value of their services and their contributions to our success. Our executive compensation practices recognize the caliber, level of experience and performance of management and include meaningful incentives to maximize our financial and operational objectives.

Compensation Process

The Compensation Committee, or Committee, is composed entirely of independent directors, as determined by the Board, in accordance with NASDAQ rules. The Committee has the responsibility for establishing, implementing and monitoring adherence to our executive compensation policies and practices. The Committee reviews and approves base salary and bonus compensation for our Named Executive Officers, and oversees the various broad-based, benefit plans we offer to employees as a whole. The Board reviews and approves the compensation of our non-employee directors. Periodically, the Committee reviews comparable compensation data from internal and third party sources, however we did not compare our compensation levels to those of any particular companies in setting executive compensation for 2017 or 2018. While, the CEO submits recommended compensation levels for all executive officers to the Committee for its review and approval, the Committee has the discretion to modify any compensation recommendations made by the CEO. The Committee's responsibilities are further defined in the Committee's charter. Our stockholders last approved the compensation of our Named Executive Officers in 2016 by 82.35% of the shares represented in person or by proxy and the Committee believes such approval indicated that our executive compensation programs and process are appropriate for a company of the size and stage

of development such as ours.

The Role of Our Executives in the Compensation Process

Although the compensation process is managed and directed by, and decisions are made by, the Committee, the recommendations of the Chief Executive Officer are taken into account in connection with setting the compensation of all executive officers, including his own. None of the other Named Executive Officers make any recommendations with respect to the compensation of any of our Named Executive Officers.

Compensation Philosophy and Policies

The Committee has designed our compensation program fairly to compensate our Named Executive Officers for the value of their services and their contributions to our success as well as to provide incentives for achievement of our operating and financial objectives. Our compensation program is relatively simple. It has only three elements: base compensation, an annual cash bonus potential based upon the accomplishment of Company and/or personal objectives, and equity compensation.

Since June 2013, all stock options have been granted to employees (including our Named Executive Officers) and directors, pursuant to our 2013 Equity Incentive Plan (the “2013 Plan”). We have made grants of options that vest solely as a function of time over a three or four year period, as well as grants of options that vest, if at all, based on achievement of defined corporate performance goals established at the beginning of the period in question. Prior to June 2013, we granted all our equity awards pursuant to our 2004 Stock Incentive Plan (as amended and restated, the “2004 Plan”).

The base compensation, cash bonus potential and equity awards for the Named Executive Officers reflect their differing levels of responsibility. The Committee recognizes that the three elements of our compensation program serve different compensation objectives. The Committee believes that: (i) base salaries, which are based primarily on the practices of similar companies and within the local market, are designed to attract and retain our executives; (ii) bonuses and equity awards are designed to motivate our executives to achieve particular results set by the Committee and to align their interests with those of the shareholders and the Company; and (iii) other elements of compensation, such as standard employee benefits and perquisites, are primarily based on market practices and are available to all employees on a non-discriminatory basis.

The following table provides a breakdown for 2017 target compensation for our named executive officers between fixed and variable compensation, other than Mr. Selhorn, who was compensated solely by Signature Analytics for his services during 2017. Fixed compensation is comprised of base compensation and time-based equity awards, as it does not vary based on our performance, whereas variable compensation is comprised of annual cash bonuses and performance-based awards, as the value of both components is inherently tied to the Company’s performance.

	Fixed Compensation (%)	Variable Compensation(1) (%)
Named Executive Officer	(%)	(%)
Yuichi Iwaki	21%	79%
Kazuko Matsuda	24%	76%
Masatsune Okajima	39%	61%
Geoffrey O’Brien	25%	75%

(1) Includes annual cash bonus and performance based equity awards at target levels.
Compensation of Our Named Executive Officers

This section describes the various elements of our compensation programs as they apply to our Named Executive Officers, with a discussion of the Committee's reasons for setting the levels of compensation for the CEO and the other Named Executive Officers.

Base Salary. The Committee believes that base salaries must remain in a competitive range to attract and retain capable management. The Committee reviews these salary levels annually for each Named Executive Officer, on a case-by-case basis, based on the position, the individual level of responsibility and performance, a Named Executive Officer's tenure with the Company, the unique value and historical contributions he or she has made to our success and internal pay equity consideration. The Committee reviews salaries each year as part of our annual performance review process as well as upon a promotion or other change in job responsibility. Typically base salary levels have been adjusted only as a function of increases in cost-of-living, if at all, other than in the case of promotion and/or change in responsibilities. The Committee reviews base salary recommendations from the CEO for all our other Named Executive Officers. The beliefs of the CEO and the Committee regarding base salary levels are based on their collective knowledge and are informed periodically by reviewing formal

compensation surveys.

Based upon this review process and upon the recommendation of the CEO, the Committee increased the base compensations for Dr. Kazuko Matsuda, Chief Medical Officer and Mr. O'Brien, Vice President, from \$347,458 to \$382,203 and from \$259,056 to \$297,914, respectively. The change was the result of management's acknowledgement of Dr. Matsuda efforts in the clinical trial programs and Mr. O'Brien's increased investor relations commitments. The Committee increased base salary levels for all Named Executive Officers (other than Mr. Selhorn) and other employees by 2%. With these adjustments, the base salaries for the following Named Executive Officers for fiscal 2017 were: Dr. Iwaki \$533,503 and Mr. Okajima \$310,267. The Committee believes that the base salaries for our Named Executive Officers are based on levels commensurate with amounts paid to executives with comparable qualifications at companies engaged in similar businesses or in the same region and of similar size.

Mr. Selhorn was not paid a base salary for his services during 2017 but was paid by his accounting services firms for his service as our Chief Financial Officer.

Cash Bonus Compensation. We have traditionally provided our Named Executive Officers with the opportunity to earn incentive cash compensation in the form of cash bonuses. These cash bonus opportunities for 2017 allowed for Dr. Iwaki, our Chief Executive Officer, to earn a cash bonus of up to 50% of his base salary, and for Dr. Matsuda and Messrs. Okajima and O'Brien to earn cash bonuses of up to 35% of their base salary. These target incentive award amounts for each executive officer were determined based upon consideration of the individual officer's potential impact on our operating and financial results and on market pay practices. Mr. Selhorn was not eligible for cash bonus compensation for 2017. Cash bonus entitlement is based upon the extent to which the Company achieves corporate-level performance objectives (both operational and financial) set at the beginning of each year. While awards are determined by reference to these pre-determined objectives, the final award amounts to executive officers were not guaranteed and could be adjusted at the sole discretion of the Committee after review of the year's accomplishments. In January 2017, the Committee established the following weighted objectives as 2017 Goals:

2017 Goals:

Project Goals (50%)

◆MN-166 Trials

- i. MS Study (25%) – Obtain results to advance phase 3 trial
- ii. ALS Study (10%) – Obtain results to move to next trial
- iii. Addiction Study (5%) – Advance addiction trials
- iv. New formulation (5%) – Complete new formulation of MN-166

◆MN-001 Trials

- i. Advancement (5%) – Obtain positive trends from IPF or NASH/NAFLD with hypertriglyceridemia trials.

Financial Goals (50% or more)

◆ Cash goals (20%)

- i. Maintain cash balance of \$20MM at 12/31/17
- i. If >24MM – 30%
- ii. If > 30MM – 50%

◆ Operations goals (15%)

- i. Operating below established 2017 budget

◆ Stock performance (15%)

- i. Outperform NBI by 25% or more with minimum stock price of \$6.50 as of 12/31/17.
- i. If outperform NBI by 50% - 30%
- ii. If outperform NBI by 100% - 50%

In January 2018, the Committee determined that it had sufficient information to evaluate and certify achievement of each goal and further determined that all of the 2017 Performance Goals, with the exception of stock performance goal, had been achieved at, or in the case of the cash goals, in excess of the 100% level, resulting in the full potential cash bonus amounts.

Equity Awards. In January 2017, the Committee granted performance based stock options to our Named Executive Officers, other than Mr. Selhorn, in recognition of achievement of 2017 Goals, each with a strike price of \$6.10 per share, as

follows: 450,000 shares to Dr. Iwaki, 280,000 shares to Dr. Matsuda, 100,000 shares to Mr. Okajima and 200,000 shares to Mr. O'Brien.

In determining the size of these equity awards, the Committee considered the status of our executive officers' then-outstanding awards, our corporate performance for the last year and the expected contributions to future corporate performance. The Committee also considered the overall share reserve available under our equity plan and the equity plan "burn" rates of market references. The performance vesting objectives applicable to the 2017 stock options, was based upon achievement of the same 2017 Goals described above under "Cash Bonus Compensation—2017 Goals." While vesting is determined by reference to these pre-determined objectives, the final vesting determination for the executive officers was not guaranteed and could be adjusted in the sole discretion of the Committee after review of the year's accomplishments.

In January 2018, as a result of the Committee's determination described above with respect to the 2017 Goals, the 2017 performance-vesting options vested in full.

Perquisites and Other Benefits

Our executives, other than Mr. Selhorn, are eligible to participate in all of our employee benefit plans, such as medical and dental insurance plans, a life insurance plan, a 401(k) plan and an employee stock purchase plan, in each case on the same basis as our other employees. Under our 401(k) plan, we may, at our discretion, make matching contributions based on eligible compensation deferred into the plan each payroll period. Historically, we have matched a portion of the participant's contributions in the amount of 100% of elective deferrals up to a maximum of 6% of eligible compensation after three months of service. The employee stock purchase plan permits full-time employees to purchase common stock through payroll deductions (which cannot exceed 15% of each employee's compensation) at the lower of 85% of fair market value at the beginning of the offering period or the end of each six-month offering period.

Employment, Severance and Change in Control Agreements

We have employment agreements in place with Dr. Iwaki and Mr. Okajima, both long-standing employees of the Company, as described below under "Employment Agreements." Other than our Severance Protection Agreements described below, we do not otherwise have a formal written employment agreement in place with any of our other Named Executive Officers other than Mr. Ryan Selhorn, with whom we have a consulting agreement with Signature Analytics, his employer, in connection with his services as Chief Financial Officer. The Committee believes that maintenance of severance protection agreements with our Named Executive Officers (other than Mr. Selhorn) as described below under "Severance Protection Agreements" is an important means to retain our key employees and to assure their pursuit of activities intended to maximize stockholder value, regardless of the possible effect upon their employment in the circumstance of a change in control.

Tax Implications of Executive Compensation

Section 162(m) of the Code places a limit of \$1,000,000 on the amount of compensation that we may deduct in any year with respect to any Covered Employee (which includes certain of our Named Executive Officers) unless, with respect to certain compensation granted prior to November 2, 2017, the compensation qualified as "performance-based compensation" under Section 162(m) of the Code and the related regulations and continues to so qualify after a change in federal tax law eliminating this exemption for 2018 and later years. To date, the compensation paid to our Named Executive Officers has not been subject to this deduction limitation. While we and the Compensation Committee believe that the deductibility of compensation paid to our Named Executive Officers is one factor in the structuring of our executive compensation programs, it is not a significant factor at this stage in the Company's life (see additional

discussion of this in Proposal No. 3) and there may be circumstances where our interests are best served by awarding compensation that may not be deductible under Section 162(m) of the Code.

Assessment of Risk

The Compensation Committee annually reviews the elements of Named Executive Officer compensation, and as part of that review considers whether the overall program encourages excessive risk taking. The Compensation Committee's current assessment is that although a substantial portion of compensation provided to our Named Executive Officers is performance-based, we do not believe our compensation programs encourage excessive or unnecessary risk taking. The Compensation Committee believes that the design of these compensation programs encourages our Named Executive Officers to remain focused on both short-term and long-term strategic goals. Safeguards integrated into the Company's compensation practices include: (1) the balance of short-term and long-term incentive compensation; (2) the use of time-based or performance-based vesting criteria in long-term incentive awards to align holders' interests with the Company's long-term prospects; (3) the use of multiple performance metrics, each linked to overall Company progress as opposed to narrow targets; and (4) the reservation of Compensation Committee discretion to determine amounts payable under the cash incentive and performance-based equity award programs.

2017 SUMMARY COMPENSATION TABLE

The following table shows for the fiscal years ended December 31, 2017, 2016 and 2015, compensation awarded to, paid to, or earned by, the Named Executive Officers. The engagement of Mr. Selhorn as Chief Financial Officer commenced in fiscal year 2016.

Name and Position	Year	Salary (\$)	Options Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	(\$) Total (\$)
Yuichi Iwaki, M.D., Ph.D. President and Chief and Executive Officer	2017	\$533,503	\$1,740,825	\$ 266,751	\$ 16,200	\$2,557,279
	2016	\$523,042	\$1,135,800	\$ 261,521	\$ 15,900	\$1,936,263
	2015	\$518,891	\$510,850	\$ 259,445	\$ 15,900	\$1,305,086
Ryan Selhorn, CPA Chief Financial Officer (4)	2017	\$132,260	\$—	\$ —	\$ —	\$132,260
	2016	\$58,750	\$—	\$ —	\$ —	\$58,750
	2015	\$—	\$—	\$ —	\$ —	\$—
Kazuko Matsuda, M.D., Ph.D. Chief Medical Officer	2017	\$382,203	\$1,083,180	\$ 171,992	\$ 8,279	\$1,645,654
	2016	\$347,458	\$697,767	\$ 121,610	\$ 8,496	\$1,175,331
	2015	\$344,700	\$255,425	\$ 120,645	\$ 9,100	\$729,870
Masatsune Okajima Vice President and Head of Japanese Office	2017	\$310,267	\$386,850	\$ 77,567	\$ 14,714	⁽⁵⁾ \$789,398
	2016	\$304,184	\$386,874	\$ 106,464	\$ 18,350	⁽⁵⁾ \$815,872
	2015	\$301,769	\$214,557	\$ 105,619	\$ 15,887	⁽⁵⁾ \$637,832
Geoffrey O'Brien, J.D./M.B.A. Vice President	2017	\$297,914	\$773,700	\$ 128,103	\$ 16,200	\$1,215,917
	2016	\$259,056	\$374,009	\$ 90,670	\$ 15,900	\$739,634
	2015	\$257,000	\$214,557	\$ 89,950	\$ 15,900	\$577,407

(1) Reflects the grant date fair value as calculated in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, or ASC 718. See Note 8, "Share-based Compensation," in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the relevant assumptions used to determine the valuation of awards. The grant date fair value assumes full achievement of performance conditions at the time the options are granted.

(2) Represents performance-based cash incentive payments.

(3)

Includes 401(k) employer matching contributions. Excludes long-term disability insurance and health insurance premiums, both of which are generally available to all employees on a non-discriminatory basis.

(4) Mr. Ryan Selhorn of Signature Analytics San Diego, LLC, an accounting services firm, was appointed to serve as Chief Financial Officer on March 31, 2016. The Services Agreement with Signature Analytics was effective March 31, 2016 and has an initial term expiring on March 31, 2017. During the fiscal year ended December 31, 2017, we paid Signature Analytics San Diego, LLC an aggregate of \$132,260, which included the payment reflected in the Summary Compensation Table above for Mr. Selhorn's service as our Chief Financial Officer, as well as the services of a controller and/or other accounting personnel.

(5) Includes a Japanese benefits adjustment for long-term disability and life insurance as stipulated in Mr. Okajima's employment agreement and as required by Japanese law with respect to pension and welfare premium costs.

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GRANTS OF PLAN-BASED AWARDS

The following table sets forth summary information regarding all grants of plan-based awards made to the Named Executive Officers during the fiscal year ended December 31, 2017. Mr. Selhorn was not eligible to receive any grants of plan-based awards in 2017.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾ Target	Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾	Exercise or Base Price of Option Awards (\$/share)	Grant Date Fair Value of Stock and Option Awards ⁽³⁾ (\$)
Yuichi Iwaki, M.D., Ph.D. President and Chief and Executive Officer	1/18/17 1/18/17 1/18/17	\$ 266,751	450,000	\$ 6.10	\$ 1,740,825
Kazuko Matsuda, M.D., Ph.D. Chief Medical Officer	1/18/17 1/18/17 1/18/17	\$ 171,992	280,000	\$ 6.10	\$ 1,083,180
Masatsune Okajima Vice President and Head of Japanese Office	1/18/17 1/18/17 1/18/17	\$ 77,567	100,000	\$ 6.10	\$ 386,850
Geoffrey O'Brien, J.D./M.B.A. Vice President	1/18/17 1/18/17 1/18/17	\$ 128,103	200,000	\$ 6.10	\$ 773,700

(1) Represents the annual performance-based bonus each Named Executive Officer is eligible to receive based on the individual's target bonus, as a percentage of base salary, and Company-based performance goals. Annual performance-based bonuses for 2017 awarded in early 2018 were at target in the amounts set forth in the table.

- (2) In January 2017, performance-based stock options were granted with conditional vesting predicated on the achievement of established performance goals set for 2017. The Compensation Committee approved vesting of these performance-based stock options causing these options to vest in January 2018, after having determined that the related performance goals set for 2017 had been met.
- (3) Reflects the grant date fair value as calculated in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, or ASC 718. See Note 8, "Share-based Compensation," in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the relevant assumptions used to determine the valuation of awards. The grant date fair value assumes full achievement of performance conditions at the time the options are granted.

Employment and Severance Protection Agreements

The Company has entered into employment agreements with Dr. Iwaki and Mr. Okajima and severance protection agreements with each of the Name Executive Officers, other than Mr. Selhorn. Mr. Selhorn is employed by and provides services pursuant to the agreement with Signature Analytics, an accounting services firm.

Employment Agreements

Yuichi Iwaki, M.D., Ph.D. We entered into an employment agreement on April 1, 2007, as amended, with Yuichi Iwaki, M.D., Ph.D. pursuant to which he serves as our President and Chief Executive Officer. Pursuant to the agreement, which automatically renews for 12-month periods, Dr. Iwaki is currently compensated at \$533,503 per year. In addition, Dr. Iwaki is entitled to the following: (i) periodic bonuses determined within the sole discretion of the Board but with reference to amounts paid to our other executives and/or employees, and (ii) grants of equity based compensation within the sole discretion of the Board. In addition, we provide Dr. Iwaki with our standard benefits and insurance coverage as is generally provided to our management. Either party may terminate the agreement at any time upon three months' notice. In the event that Dr. Iwaki is terminated at our election upon three months' written notice, then Dr. Iwaki is entitled to severance payments as are provided for by the employment policies we have in effect at that time; provided, however, that in lieu of the three months' notice, we may provide Dr. Iwaki with an amount equal to 75% of his annual base salary. Additionally, if Dr. Iwaki's employment is terminated for any reason, we have the option to engage Dr. Iwaki as a consultant on a quarterly basis. Compensation for each quarter of consulting services would be equal to 15% of Dr. Iwaki's annual base salary. The timing of any termination payments to Dr. Iwaki under the employment agreement is subject to the applicable requirements of Section 409A of the Code and the related Treasury Regulations.

Masatsune Okajima. We entered into an employment agreement on September 1, 2006 with Masatsune Okajima pursuant to which he serves as our Vice President and Head of Japanese Office. Mr. Okajima is currently compensated at \$310,267 per year. Mr. Okajima is eligible to receive an annual discretionary performance-based bonus at the end of the year of up to 35% of his base salary. We also provide Mr. Okajima standard benefits and insurance coverage as is generally provided to our management. In addition, Mr. Okajima is entitled to a benefits adjustment of \$15,000, equally divided monthly. Mr. Okajima is responsible for obtaining coverage for workers' compensation insurance, unemployment, and pension and welfare under the Japanese system. We contribute 50% of the premium cost as required by Japanese law. Mr. Okajima employment may be terminated at any time for any reason, with or without cause. Under Japanese law, we must provide Mr. Okajima at least 30 days' prior dismissal notice or 30 days' pay in lieu thereof or a combination of such notice and pay requirements. In the event that Mr. Okajima is terminated by us without cause, Mr. Okajima will be entitled to receive six months of severance that will be cancelled upon Mr. Okajima's new employment after such termination.

Severance Protection Agreements

On July 14, 2014, we entered into severance protection agreements with each of our Named Executive Officers other than Mr. Selhorn, in a form previously approved by our Board of Directors (such form, the "Severance Protection Agreement"). The Severance Protection Agreement provides benefits in the event the executive's employment is terminated as a result of, or in connection with, a Change in Control (as defined below) of MediciNova.

Pursuant to the Severance Protection Agreement, if the executive's employment is terminated within 12 months following a Change in Control (i) by MediciNova for "cause" or disability, (ii) by reason of the executive's death or (iii) by the executive other than for "good reason," the executive will be entitled to accrued compensation and, if such termination is other than by MediciNova for "cause," a pro rata bonus, payable in the form of a single lump sum cash payment within five days following termination of employment.

If the executive's employment is terminated by MediciNova or by the executive for any reason other than the reasons specified above within 30 days immediately preceding a Change in Control or 12 months following a Change in Control, or if, within the 30 days immediately preceding a Change in Control there is a material adverse change in the executive's status, position or responsibilities and the executive is subsequently terminated within the 24 months following a Change in Control, then the executive will be entitled to accrued compensation and a pro rata bonus, payable in the form of a single lump sum cash payment five days following termination of employment. In addition, upon execution and delivery of a release and waiver of claims, (a) the executive will be entitled to a cash payment equal to two times the sum of such executive's "base salary amount" and "bonus amount," plus the estimated premium costs of continued life insurance and disability benefits over an 18-month period, payable in a single lump sum cash payment on the 60th day following such termination of employment, and (b) we will pay the cost of medical, dental and vision continuation coverage under COBRA for the executive and any

eligible dependents covered under our health care plans for an 18-month period following termination of employment. We will also provide the executive with reasonable outplacement services for the earlier of 12 months or until the executive accepts another offer of employment. In addition, vesting with respect to any unvested equity-based compensation awards will accelerate and the executive will vest in full.

As used in the Severance Protection Agreement, a Change in Control generally means (i) an acquisition of 40% or more of our outstanding voting securities, (ii) a change in a majority of the members of our Board of Directors in office as of January 1, 2014, (iii) a merger, substantial asset sale or similar transaction resulting in current stockholders owning 50% or less of the common stock and voting securities of MediciNova or entity resulting from such transaction or (iv) approval by our stockholders of a complete liquidation or dissolution.

Any payments or benefits we provide to the executive pursuant to the Severance Protection Agreement will be made in compliance with Internal Revenue Code Section 409A. If an excise tax would be imposed under the Internal Revenue Code on the payments or benefits payable to the executive pursuant to the Severance Protection Agreement, such payments or benefits will be reduced to the extent necessary to avoid payment of excise tax.

The original term of each Severance Protection Agreement was through December 31, 2014, and it automatically renews for additional one-year periods unless either party provides written notice of non-renewal by October 1 of such year.

2017 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table includes all outstanding equity awards held by our Named Executive Officers (other than Mr. Selhorn) as of December 31, 2017.

Name	Grant Date	Options Awards		Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unexercisable (\$/Sh.)	Option Exercise Price	Option Expiration Date
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unearned				
Yuichi Iwaki, M.D., Ph.D.							
President and Chief Executive Officer							
	01/07/08	53,363			4.42		01/06/18
	01/30/09	68,575			2.20		01/29/19
	01/29/10	58,043			7.34		01/28/20
	07/13/11	100,000			2.54		07/12/21
	08/03/11	86,250			2.46		08/02/21
	05/13/13	145,000			4.10		05/12/23
	05/13/13	62,500			4.10		05/12/23
	12/12/13	200,000			2.64		12/11/23
	01/07/15	250,000			3.09		01/06/25
	01/07/16	76,665		43,335 ⁽²⁾	3.91		01/06/26
	01/07/16	320,000			3.91		01/06/26
	01/18/17		450,000		6.10		01/17/27
Kazuko Matsuda							
Chief Medical Officer							
	07/07/09	37,000			4.80		07/06/19
	01/29/10	11,900			7.34		01/28/20
	06/14/10	20,000			5.13		06/13/20
	07/13/11	75,000			2.54		07/12/21
	08/03/11	56,250			2.46		08/02/21
	09/01/11	60,000			2.30		08/31/21
	05/13/13	80,000			4.10		05/12/23
	05/13/13	42,500			4.10		05/12/23
	12/12/13	105,000			2.64		12/11/23
	12/04/14	120,000			3.24		12/03/24
	01/07/15	125,000		-	3.09		01/06/25
	01/07/16	63,893		36,107 ⁽²⁾	3.91		01/06/26
	01/07/16	170,000			3.91		01/06/26
	01/18/17		280,000		6.10		01/17/27
Masatsune Okajima							
Vice President and Head of Japanese Office							
	01/30/09	41,250			2.20		01/29/19
	01/29/10	35,700			7.34		01/28/20
	07/13/11	85,000			2.54		07/12/21

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08/03/11	63,750		2.46	08/02/21
05/13/13	80,000		4.10	05/12/23
05/13/13	42,500		4.10	05/12/23
12/12/13	105,000		2.64	12/11/23
12/04/14	15,000		3.24	12/03/24
01/07/15	105,000		3.09	01/06/25
01/07/16	19,165	10,835 (2)	3.91	01/06/26
01/07/16	120,000		3.91	01/06/26
01/18/17		100,000	6.10	01/17/27

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Name	Grant Date	Options Awards			Option Exercise Price (\$/Sh.)	Option Expiration Date
		Number of Securities Underlying Unexercised Options (#) Exercisable ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Unearned	Number of Securities Underlying Unexercised Options (#) Unexercisable		
Geoffrey O'Brien, J.D./M.B.A. Vice President	07/07/09	21,700			4.80	07/06/19
	01/29/10	11,900			7.34	01/28/20
	07/13/11	32,000			2.54	07/12/21
	08/03/11	26,250			2.46	08/02/21
	05/13/13	55,000			4.10	