

MEDICINOVA INC
Form PRE 14A
April 17, 2012

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 Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

MEDICINOVA, INC.

(Name of Registrant as Specified In Its Charter)

Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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

(3) Filing Party:

(4) Date Filed:

April 30, 2012

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of MediciNova, Inc. The meeting will be held on Thursday, June 14, 2012, at 3:30 p.m. Pacific Daylight Time at the Northern Trust Tower, 4370 La Jolla Village Drive, Suite 210, San Diego, California 92122.

With this letter we have enclosed a copy of our Annual Report to Stockholders for the fiscal year ended December 31, 2011, Notice of Annual Meeting of Stockholders, Proxy Statement and proxy card. These materials provide further information concerning our Annual Meeting. If you would like another copy of the Annual Report, please send your request to MediciNova, Inc., 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122, Attention: Investor Relations, and one will be mailed to you. It is also available on our Internet site at www.medicinova.com.

After reading the Proxy Statement, please mark, date, sign and return the enclosed proxy to ensure that your shares will be represented. WE CANNOT ENSURE THAT YOUR SHARES WILL BE VOTED UNLESS YOU SIGN, DATE AND RETURN THE ENCLOSED PROXY SO THAT IT IS RECEIVED BY JUNE 8, 2012, OR YOU MAY ATTEND THE ANNUAL MEETING IN PERSON. Your vote is important, so please return your proxy promptly.

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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 14, 2012

To the Stockholders of MediciNova, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of MediciNova, Inc., a Delaware corporation, or MediciNova, will be held on Thursday, June 14, 2012, at 3:30 p.m. Pacific Daylight Time at the Northern Trust Tower, 4370 La Jolla Village Drive, Suite 210, San Diego, California 92122 for the following purposes:

1. To elect three Class II directors of the Company, as recommended for nomination by the Nominating and Corporate Governance Committee and approved by the Board, to hold office until the 2015 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, or, if sooner, until their earlier death, resignation or removal;
2. To ratify the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;
3. To approve an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the total number of shares of common stock that the Company is authorized to issue from thirty million (30,000,000) to one hundred million (100,000,000) shares and to increase the total number of shares of preferred stock that the Company is authorized to issue from five hundred thousand (500,000) to three million (3,000,000) shares; and
4. To conduct any other business properly brought before the Annual Meeting.

Stockholders of record as of the close of business on April 19, 2012 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 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122, 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 meeting in person, we hope that you will mark, sign and date the enclosed proxy and return it promptly so that it is received by June 8, 2012. This will not limit your right to attend or vote at the meeting.

By Order of the Board of Directors,

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

President, Chief Executive Officer and Director

San Diego, California

April 30, 2012

MEDICINOVA, INC.

4350 LA JOLLA VILLAGE DRIVE, SUITE 950

SAN DIEGO, CALIFORNIA 92122

**PROXY STATEMENT FOR THE ANNUAL MEETING OF
STOCKHOLDERS TO BE HELD JUNE 14, 2012**

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 3:30 p.m., Pacific Daylight Time, on Thursday, June 14, 2012. 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 May 4, 2012.

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 19, 2012, 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 14, 2012, at 3:30 p.m. Pacific Daylight Time at the Northern Trust Tower, 4370 La Jolla Village Drive, Suite 210, San Diego, California 92122, 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 19, 2012 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., 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122, 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 mails, proxies may be solicited by our officers and employees in person or by personal interview, telephone, electronic mail, facsimile transmission or other means of communication. Our officers and employees will not be additionally compensated, but they may be reimbursed for out-of-pocket expenses in connection with any solicitation. 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 16,118,565 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 at least 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 16,118,565 shares of our Common Stock outstanding and entitled to vote. Thus, the holders of 8,059,283 shares of voting 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 voting stock present at the meeting in person or represented by proxy may adjourn the meeting to another date.

How may I vote my shares?

You may vote your shares of our Common Stock at the Annual Meeting either in person or by proxy. To vote by proxy, you must mark, date, sign and mail the enclosed proxy. Giving a proxy will not affect your right to vote your shares if you attend the Annual Meeting and want to vote in person. The shares represented by the proxies received in response to this solicitation and not properly revoked will be voted at the Annual Meeting in accordance with the instructions therein.

What am I voting on?

You will be asked to be to vote on the following:

the election of three Class II directors of the Company, 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 Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;

the approval of an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the total number of shares of Common Stock that the Company is authorized to issue from thirty million (30,000,000) to one hundred million (100,000,000) shares and to increase the total number of shares of Preferred Stock that the Company is authorized to issue from five hundred thousand (500,000) to three million (3,000,000) shares; 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. We are also entitled to rely upon applicable laws regarding disruptions or disorderly conduct to ensure that the Annual Meeting proceeds in a manner that is fair to all participants.

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 the ratification of the appointment of Ernst & Young LLP 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 three nominees for Class II directors of the Company, as recommended for nomination by the Nominating and Corporate Governance Committee and approved by the Board, to hold office until the 2015 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, or, if sooner, until their earlier death, resignation or removal; (ii) **FOR** the ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012; and (iii) **FOR** the approval of an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the total number of shares of Common Stock that the Company is authorized to issue from thirty million (30,000,000) to one hundred million (100,000,000) shares and to increase the total number of shares of Preferred Stock that the Company is authorized to issue from five hundred thousand (500,000) to three million (3,000,000) shares.

If your shares are held in street name and you do not mark your voting preference on Proposal One: Election of Directors, or Proposal Three: Approval of an Amendment to the Company's Amended and Restated Certificate of Incorporation, 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, the bank, broker or other nominee has the authority to vote your unvoted shares on Proposal Two: Ratification of Appointment of Independent Registered Public Accounting Firm. 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 ensures your shares of Common Stock will be voted at the Annual Meeting in the manner you desire.

How many votes are needed to elect directors, to ratify the appointment of our accounting firm, and to approve the amendment to the Company's Amended and Restated Certificate of Incorporation?

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 directors who receive the most votes in an election, though not necessarily a majority, will be elected. Only votes For or Withheld will affect the outcome.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm will be decided by the affirmative vote of a majority of the shares 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 approval of the amendment to the Company's Amended and Restated Certificate of Incorporation will be decided by the affirmative vote of the holders of a majority of the outstanding shares of our Common Stock issued and outstanding on the Record Date. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have the same effect as an Against vote.

Can I change my mind and revoke my proxy?

Yes. To revoke a proxy given in response to this solicitation, you must:

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.

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. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

What proxy materials are available on the internet?

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The proxy statement, Form 10-K and annual report to stockholders are available at www.medicinova.com.

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 Osaka Stock Exchange under the code 4875.

IMPORTANT

Please mark, sign and date the enclosed proxy and return it promptly so that it is received by June 8, 2012 to ensure that your shares can be voted, whether or not you intend to be present at the Annual Meeting. This will not limit your rights to attend or vote in person at the Annual Meeting.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL ONE:

ELECTION OF CLASS II DIRECTORS

General

The Board currently consists of seven 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 2014;

Class II, whose term will expire at this Annual Meeting; and

Class III, whose term will expire at the Annual Meeting of Stockholders to be held in 2013.

The Class II members of the Board are scheduled for election at the Annual Meeting. The Nominating and Corporate Governance Committee of the Board has recommended, and the Board has designated, Hiroaki Shigeta, Kousuke Nakata and Yuichi Iwaki, M.D., Ph.D., who are incumbent directors, to be elected as the Class II directors at the Annual Meeting. If elected at the Annual Meeting, each Class II director will hold office until the Annual Meeting of Stockholders in 2015 and until his successor has been duly elected and qualified unless he resigns or is removed. If any of the Class II directors is unable or declines to serve as a director at the time of the Annual Meeting, proxies will be voted for any nominee designated by the Board, taking into account a recommendation by the Nominating and Corporate Governance Committee, if any, to fill the vacancy.

Election of each of the Class II directors will require the affirmative vote of a plurality of the shares present and voting at the Annual Meeting in person or by proxy. The three nominees receiving the highest number of affirmative votes will be elected. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

Biographical Information

Biographical information concerning the Class I directors as of the date of this Proxy Statement, who will serve until the 2014 Annual Meeting of Stockholders, is set forth below.

Name	Served as Director Since	Age	Principal Business Experience
Jeff Himawan, Ph.D.	2006	47	<i>Jeff Himawan, Ph.D.</i> 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 8% of our outstanding 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. Dr. Himawan also served as a member of the Board of Iomai Corporation (now Intercell USA, Inc.) from 2002 to 2007. Dr. Himawan holds a B.S. in biology from the Massachusetts

Institute of Technology and a Ph.D. in

Name	Served as Director Since	Age	Principal Business Experience
David O Toole	2012	53	<p>biological chemistry and molecular pharmacology from Harvard University. Based on his background in corporate finance and capital raising and his extensive experiences in the biotechnology industry, the Board believes Dr. Himawan has the appropriate set of skills to serve as a member of our Board.</p> <p><i>David O Toole</i> has served as a director since April 2012. Since May 2010, Mr. O Toole has served as Vice President and Chief Financial Officer of Response Genetics, a life sciences company. From June 2008 until August 2009, Mr. O Toole was Executive Vice President and Chief Financial Officer at Abraxis Bioscience, Inc. a biotechnology company. From 1997 until 2008, Mr. O Toole served as a partner with Deloitte & Touche LLP. Mr. O Toole received a B.S. in Accounting from the University of Arizona. Mr. O Toole was appointed to the Board following a search for a suitable director to serve as the Chairman of the audit committee of the Board and who also meets the financial sophistication requirements under applicable Nasdaq rules. The company engaged Levin and Company, Inc., or Levin, to assist in this search and multiple candidates were interviewed by the Board prior to Mr. O Toole's appointment. The Company paid \$60,000 to Levin for its services in locating a suitable director candidate. Based on Mr. O Toole's significant financial and international experience in the Company's industry, the Board believes Mr. O Toole has the appropriate set of skills to serve as a member of our Board.</p>

Biographical information concerning each of the Class II director nominees as of the date of this Proxy Statement is set forth below.

Name	Served as Director Since	Age	Principal Business Experience
Yuichi Iwaki, M.D., Ph.D.	2000	62	<p><i>Yuichi Iwaki, M.D., Ph.D.</i> is our founder 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 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</p>

Name	Served as Director Since	Age	Principal Business Experience
Hiroaki Shigeta	2009	69	<p>Transplantation Immunology and Immunogenetic Laboratory since 1992. Dr. Iwaki is also a visiting professor at the Nihon University School of Medicine and Kyushu University. Prior to joining the faculty at the University of Southern California School of Medicine, Dr. Iwaki held 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 25 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.</p> <p><i>Hiroaki Shigeta</i> has served as a director since September 2009. Mr. Shigeta has served as a director of The Medicines Company, a company listed on The NASDAQ Stock Market, Inc., since April 2007. Mr. Shigeta served as a consultant to The Medicines Company from July 2006 to December 2007. From January 2005 until June 2006, he served as a consultant to various Japanese pharmaceutical companies. From October 1993 to December 2004, Mr. Shigeta served in a variety of senior management positions with Hoffman-La Roche, Inc. and its affiliates. From January 2003 to December 2004, Mr. Shigeta was the U.S. Head, Far East Relations of Hoffman-La Roche and from June 2002 to April 2003, he was a Member of the Board of Chugai Seiyaku KK, Tokyo, a majority-owned affiliate of Roche Holding of Switzerland. From January 2001 to May 2002, Mr. Shigeta served as Chairman and Representative Director of Nippon Roche KK, a pharmaceutical company and a Japanese affiliate of Roche Holding of Switzerland. From October 1993 to December 2000, Mr. Shigeta was the President and Chief Executive Officer of Nippon Roche KK. Mr. Shigeta received a B.A. in economics from Momoyama Gakuin University in Osaka, Japan and a B.S. from Haas Business School, University of California at Berkeley. Based on his relationships with leading Japanese biotechnology companies and extensive experience as a consultant and senior manager of various pharmaceutical companies, the Board believes Mr. Shigeta has the appropriate set of skills to serve as a member of our Board.</p>

Name	Served as Director Since	Age	Principal Business Experience
Kousuke Nakata	2011	39	<i>Kousuke Nakata</i> has served as a director since November 2011. Mr. Nakata joined Kissei Pharmaceutical Co., Ltd. In 1997 and was the Licensing Manager 2008 through 2011. Since 2012, he has been the Director, Licensing and Clinical Development, Kissei America, Inc. His responsibilities at Kissei include co-development, in-licensing, out-licensing and alliance management for various new drugs in the fields of ophthalmology, metabolism, women's health, allergy, urology, chronic kidney disease, and neurodegenerative diseases. Mr. Nakata obtained a B.A. degree in engineering from Yokohama National University and a Masters degree in integrated science from the Yokohama City University and passed the US CPA examination. Mr. Nakata was appointed to the Board following a request by Kissei that the Board include a representative of Kissei. Kissei owns approximately 16% of the outstanding capital stock of the Company and is the licensor for the Company's lead compound. Mr. Nakata is not considered an independent director under applicable Nasdaq rules. The Board believes Mr. Nakata has the appropriate set of skills to serve as a member of our Board.

Biographical information concerning each of the Class III directors as of the date of this Proxy Statement, who will serve until the 2013 Annual Meeting of Stockholders, is set forth below.

Name	Served as Director Since	Age	Principal Business Experience
Arlene Morris	2006	60	<i>Arlene Morris</i> has served as a director since May 2006. Ms. Morris brings significant expertise in the establishment of strategic partnerships, marketing and operations to us. Ms. Morris is currently CEO of Syndax Pharmaceuticals a late-stage clinical development oncology company with a platform based on an epigenetic approach to overcoming the problem of resistance in cancer therapy. Ms. Morris was appointed President and Chief Executive Officer of Affymax, Inc., a Nasdaq-listed biotechnology company, in June 2003 and served as CEO until 2011. From 2001 to 2003, she served as the President and Chief Executive Officer of Clearview Projects, Inc. Prior to that, Ms. Morris served from 1996 to 2001 as the Senior Vice President, Business Development for Coulter Pharmaceutical Inc. Previously, she was the Vice President of Business Development at Scios, Inc. from 1993 to 1996, where she completed several high profile transactions, including one of the first biotech profit-sharing deals for a late-stage product. From 1977 through 1993, Ms. Morris held various management and executive positions at Johnson & Johnson

Name	Served as Director Since	Age	Principal Business Experience
Tatsuo Izumi	2011	84	<p>in sales, marketing, new product development and business development, holding the position of Vice President of Business Development for McNeil Pharmaceutical from 1988 to 1993. She received her B.A. degree in Biology and Chemistry from Carlow College and studied marketing at Western New England College. Ms. Morris also serves on the board of directors of Neovacs, SA, Syndax and the Foundation for Research and Development at the Medical University of South Carolina. Based on her extensive experience in the biotechnology industry, her prior leadership positions and her current senior management and board service, the Board believes Ms. Morris has the appropriate set of skills to serve as a member of our Board.</p> <p><i>Tatsuo Izumi</i> has served as the Chief Executive Officer for each of First Ocean View, a tax accounting firm, and First (Judicial Scrivener) since 2002. Since 2007, Mr. Izumi has served as Chief Executive Officer for T&Y Consulting. Mr. Izumi holds a B.A. from Otaru College of Commerce. Mr. Izumi is the largest individual stockholder of the Company in Japan. Given the dual listing of the Company in the United States and in Japan and the large number of retail investors in Japan, the Board believes that it is important for the Board to include one or more residents of Japan on its Board. Mr. Izumi was appointed to the Board following the investment made by Kissei following a recommendation made by Kissei. Mr. Izumi does not have any affiliation with Kissei and is an independent director. Based on his extensive experience in accounting and financing as well as his prior leadership positions, the Board believes Mr. Izumi has the appropriate set of skills to serve as a member of our Board.</p>

The Board recommends a vote FOR election of Mr. Shigeta, Dr. Iwaki and Mr. Nakata as Class II Directors.

CORPORATE GOVERNANCE

Director Independence

As required under the Nasdaq Stock Market 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 the Company's outside counsel to ensure that the Board of Directors' determinations are consistent with relevant 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 the Company, its senior management and its independent registered public accounting firm, the Board has affirmatively determined that the following five directors are independent directors within the meaning of the applicable Nasdaq listing standards: Dr. Himawan, Ms. Morris, Mr. Shigeta, Mr. Izumi and Mr. O Toole. In making this determination, the Board found that none of the above directors had a material or other disqualifying relationship with the Company. Dr. Iwaki, the Company's President and Chief Executive Officer, is not independent under the Nasdaq rules by virtue of his current employment with the Company. Mr. Nakata is not independent under the Nasdaq rules by virtue of his position with Kissei Pharmaceutical Co., Ltd., a company which beneficially owns approximately 16% of MediciNova's Common Stock and is the licensor to the Company of its lead drug candidate.

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 or 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 upon 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.

Following the investment made by Kissei in the Company in the Fall of 2011, the Nominating and Corporate Governance Committee considered the composition of the Board and the recommendations made by Kissei to expand the representation of Japanese residents on the Board. In September 2011, the Nominating and Corporate Governance Committee recommended that the Board be expanded by one director and recommended the appointment of Mr. Izumi. Mr. Izumi was recommended to the Company by Kissei and was known to the Company management because he is the largest individual stockholder in the Company in Japan. Following a review process, including an interview of Mr. Izumi, the Nominating and Corporate Government Committee

recommended to the Board the appointment of Mr. Izumi to fill a newly created vacancy on the Board. The Board approved such increase in the size of the Board by one seat and such appointment of Mr. Izumi in September 2011. In September 2011, Dr. Prendergast resigned from the Board and the Board approved a decrease in the size of the Board by one seat. Following his resignation, the Nominating and Corporate Governance Committee assessed the composition of the Board and determined that it would be in the best interest of the stockholders of the Company to recruit a financial expert with U.S. public company experience to the Board and retained Levin & Company, Inc. to assist the Committee in a search for a new director. Following a search and review process that included interviews with several candidates, effective April 10, 2012, the Board approved the expansion of the Board by one seat and appointed David O Toole as a member of the Board. Also, in November 2011, Kissei requested that the Company appoint a representative of Kissei to serve on the Board. Kissei does not have a contractual right to a Board seat. Following this request and Kissei's identification of Mr. Nakata as the proposed representative of the Board, the Nominating and Corporate Governance Committee and full Board discussed the request by Kissei and determined that it was in the best interest of the stockholders of the Company to appoint a Kissei representative to the Board. Accordingly, in November 2011, the Board approved the expansion of the Board by one seat and appointed Mr. Nakata to the newly created vacancy on 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 Nominating and Corporate Governance Committee members, 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 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122.

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: the name, contact information and share ownership information for the candidate and the stockholder making the nomination and the citizenship information of the nominee and other information about the nominee that must be disclosed proxy solicitations under Section 14 of the Exchange Act and the related rules and regulations under that section. 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., 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122. 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 Chairman, Dr. Himawan, does not serve as our Chief Executive Officer 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 all 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., 4350 La Jolla Village Drive, Suite 950, San Diego, California 92122, 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 us.

Code of Ethics and Code of Business Conduct

We have adopted a Code of Ethics for Senior Officers for the Chief Executive Officer, President, Chief Financial Officer and key management employees (including other senior financial officers) 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.

Legal Proceedings

We may be involved in certain legal actions and claims from time to time arising in the ordinary course of business. Historically the outcome of such other litigation and claims has not had a material adverse effect on our financial condition or results of operations.

MEETINGS AND COMMITTEES OF THE BOARD

Board Meetings and Committees

The Board held 12 meetings during the year ended December 31, 2011. Each Board member attended at least 75% of the aggregate number of meetings of the Board and of the committees on which he or she served during the portion of the last fiscal year for which he or she was a director or committee member. We encourage, but do not require, our directors to attend the annual meetings of stockholders. Four of our directors attended the 2011 Annual Meeting of Stockholders.

Independent Directors and Audit Committee

The members of the Audit Committee of the Board each meet the independence standards established by the U.S. Securities and Exchange Commission, or the SEC, and Nasdaq for audit committees. Although 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, the Board has determined that none of the members of the Audit Committee qualifies as an audit committee financial expert as such term is defined in the rules and regulations of the SEC. The Board has determined that it is appropriate for the Audit Committee not to have an audit committee financial expert at this time because our financial statements are not overly complex given the current stage of its development and we do not currently have any revenue. However, the Board believes that Mr. O Toole, Chairman of the Audit Committee, does fulfill 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 that results in the individual's financial sophistication.

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 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. O Toole (Chairman)

Ms. Morris

Mr. Shigeta

Number of Meetings:

Nine

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:

Two

Members:

Ms. Morris (Chairman)

Dr. Himawan

Number of Meetings:

Seven

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 upon 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 option and employee stock purchase plans.

Nominating and Corporate Governance Committee

Number of Members:

Two

Members:

Mr. Shigeta (Chairman)

Dr. Himawan

Numbers of Meetings:

Four

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 and for overseeing our corporate governance guidelines and reporting and making recommendations to the Board concerning corporate governance matters.

Compensation Committee Interlocks and Insider Participation

Ms. Morris has served as a member of the Compensation Committee since her election to the Board in 2006. Dr. Himawan has served as a member of the Compensation Committee since January 2010. No member of the Compensation Committee at any time has been one of our officers or employees. No interlocking relationship exists, or has existed in the past, between the Board or Compensation Committee and the board of directors or compensation committee of any other entity.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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 the 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.

Our Audit Committee is charged with the responsibility of reviewing certain issues involving 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. In 2011, there were no transactions requiring disclosure under applicable federal securities laws was submitted to the Audit Committee for approval as a related party transaction.

PROPOSAL TWO:**RATIFICATION OF APPOINTMENT OF****INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****Dismissal of KPMG LLP**

On December 1, 2011, the Audit Committee approved the dismissal of KPMG LLP, or KPMG, effective as of December 2, 2011, as our independent registered public accounting firm.

During the Company's fiscal years ended December 31, 2010 and 2009 and the subsequent interim period through December 2, 2011 preceding the dismissal of KPMG, there were no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the subject matter of the disagreements in connection with its reports. During the interim period through December 2, 2011, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K). We provided KPMG with a copy of this report and KPMG furnished us with a letter dated December 7, 2011, addressed to the Securities and Exchange Commission, stating it agrees with the statements made above.

Engagement of Ernst & Young LLP

On December 1, 2011, the Audit Committee approved the engagement of Ernst & Young LLP, or E&Y, effective as if December 2, 2011, as our independent registered public accounting firm. The Audit Committee has selected E&Y as our independent registered public accounting firm for the fiscal year ending December 31, 2012. A representative of E&Y is expected to be present at the Annual Meeting to respond to questions and will have the opportunity to make a statement if he or she desires to do so. Although stockholder ratification of our independent registered public accounting firm is not required by the Bylaws or otherwise, we are submitting the selection of E&Y to the stockholders for ratification to permit stockholders to participate in this important corporate decision.

During the fiscal year ended December 31, 2010 and the subsequent interim period before December 2, 2011, neither we nor anyone on our behalf consulted with E&Y with respect to (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report was provided to us nor oral advice was provided that E&Y concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue; or (b) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Principal Accountant Fees and Services

The following table presents fees for professional audit services paid by us for professional services rendered by E&Y and KPMG for the fiscal years ended December 31, 2011 and 2010, as applicable.

	Fiscal Year Ended		
	E&Y	December 31,	
	2011	2011	KPMG 2010
Audit Fees (1)	\$ 70,327	\$ 222,735	\$ 306,535
Tax Fees (2)			
Other Fees (3)		23,000	113,628
Total	\$ 70,327	\$ 245,735	