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For Immediate Release

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License and Joint Development Agreement on NC-6300/K-912 with Kowa

On October 21, 2016, NanoCarrier accepted the proposal from Kowa Company, Ltd. (President & CEO: Yoshihiro Miwa; "Kowa") to cancel the agreement on licensing for the exclusive manufacture and marketing and joint development of Epirubicin Micelle (NC-6300/K-912) worldwide originally executed on September 26, 2011.

Kowa decided to make this proposal as it alters the priority of development items in its global strategy in order to focus primarily on development for the US and Europe. Although the agreement will be terminated within a predefined time period, NanoCarrier will take over and continue the development of NC-6300 as separately announced.

Administration to all the patients in the Phase I study in Japan, which NanoCarrier and Kowa jointly performed, has already been completed. In the clinical study, it was performed to investigate the safety and tolerability and the antitumor effect of NC-6300/K-912 in patients with advanced or metastatic solid cancer. Currently, publication of the findings of the study is being prepared. Although we must await the final data analysis, based on the interim results of the Phase I study in Japan, NC-6300/K-912 exhibited a tendency to reduce characteristic adverse reactions of epirubicin, including vomiting and bone marrow toxicity. Accordingly, the higher-dose administration of NC-6300/K-912 than that of epirubicin itself was possible. In addition, although NC-6300/K-912 was administered in some of the patients for more than 12 months, no decline in cardiac function was observed. We therefore recognize that the results of this Phase I study are very promising.

This will have no impact on the financial results for the fiscal year ending March 2017. NanoCarrier will move forward steadily with in-house development and collaboration to pursue the possibility of our pipeline in Japan and overseas including NC-6300/K-912, and we will disclose information promptly if we modify our financial outlook as a result.

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Epirubicin Micelle (NC-6300/K-912):

Epirubicin Micelle is a micelle nanoparticulate formulation containing epirubicin, an anthracycline anticancer agent used widely worldwide. Because of its properties, it is expected to reduce the cardiac toxicity of epirubicin. In addition, by employing a pH-responsive drug delivery system, the release rate of epirubicin in tumor cells is increased and a higher antitumor effect than epirubicin itself is expected.

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