May 15, 2018

NanoCarrier Co. Ltd.
Ichiro Nakatomi, President & CEO
(Code No. 4571 TSE Mothers)

Basic Agreement on International Joint Development of NC-6004 to Treat Head and Neck Cancer

NanoCarrier entered into an agreement with the NC-6004 out-licensee, Orient Europharma (Taiwan 4120.TWO, hereinafter, "OEP"), aimed at the Asian region, to integrate clinical development of NC-6004 for the treatment of head and neck cancer (OEP: Taiwan, NanoCarrier: Europe and the United States) in which both parties have been engaged, and to promote it as an international joint clinical trial. In accordance with this, we hereby announce that NanoCarrier and OEP will conclude a basic agreement for additional licensing and joint development of NC-6004 in regions such as Europe and the United States.

As a part of this study, Phase I/II trials will be carried out with a combination of NC-6004 and immunity checkpoint inhibitors*. The status of research and development of global anti-cancer drugs in recent years has been analyzed and there have been many reports that the combination of platinum agent and immunity checkpoint inhibitors is highly beneficial, and considered to be effective in terms of the speed and degree of certainty of success of development. We believe that NC-6004 could be important treatment for head and neck cancer.

In terms of outlook for the fiscal year ending March 31, 2019, the announcement of financial results for the fiscal year ending May 15, 2018 will not be included, but once conditions have been determined, will be disclosed as revised forecasts.

***Immune checkpoint inhibitors**

The natural immune system within the human body works not only on external matter entering the body but also on cancer cells, which are external matter generated inside the body. Cancer cells, however, have a mechanism that allows them to circumvent the immune system (immune checkpoint mechanism). By inhibiting this immunity checkpoint mechanism, an anti-cancer effect is exhibited through an immune response by T cells. A drug exhibiting such an effect is called an immunity checkpoint inhibitor. In Japan, four such drugs have been approved, namely, Nivolumab (product name: Opdivo), Pembrolizumab (product name: Keytruda), Atezolizumab (product name: Tecentriq) and Avelumab (Bavencio).

Enquiries: Tetsuhito Matsuyama,
CFO/Head of President's Office
Telephone: +81-3-3241-0553