July 20, 2018

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

Orient Europharma and NanoCarrier sign an Exclusive Agreement for Global Study on new approach of using NC-6004 to treat Head and Neck Cancer (in combination with Immune Checkpoint Inhibitor)

NanoCarrier entered into a License and Collaborative Agreement with Orient Europharma (Taiwan 4120.TWO, hereinafter, "OEP"), for co-development of NC-6004 with a new immunotherapy combination drug. This clinical approach will be developed at a Global Level in regions including United States, Europe and Asian countries (excluding Japan) for head and neck cancer patients building upon the Basic Agreement dated May 15, 2018.

NanoCarrier and OEP agreed to run a new clinical approach within a Phase I/II trial with a combination of NC-6004 and Keytruda® (an anti-PD-1 monoclonal antibody, Pembrolizumab)* in expectations of increasing development speed, higher probability of success of the general development outcome and marketability. This approach is highly beneficial since the combination of a platinum agent and immune checkpoint inhibitors show good evidence in previous clinical trials reported in recent years. Currently, NanoCarrier and OEP are proceeding with IND filing to be submitted in United States, European and Asian counties within the fiscal year of 2018.

Under the terms of agreement, NanoCarrier grants OEP an exclusive license to develop NC-6004 globally for head and neck cancer, and NanoCarrier will receive a total of $8 million USD clinical milestone payments.

This agreement also covers joint out-licensing activities to third parties following the completion of the above planned study. Anticipating positive study results on this new clinical approach, the future revenues from the contract will be over $100 million USD taking into consideration the market size of United States, European and Asian countries, since this combination treatment with Keytruda® is gathering attention worldwide. In addition, NanoCarrier will receive royalties on net sales once NC-6004 will be on the market in Asian territories according to the former agreement with OEP.

In terms of outlook for the fiscal year ending March 31, 2019, we will disclose financial results and a summary of our business each quarter in a timely manner, as we receive milestone payments from OEP in accordance with the development progress of this joint global clinical trial. If matters to be disclosed arise in the future, NanoCarrier will promptly make relevant announcements.

*Keytruda® (Pembrolizumab)
Keytruda® is one of the drug classified as immune checkpoint inhibitor and is internationally developed and sold by Merck & Co., Inc. According to Merck announcement of Keytruda® sales in 2017 was $3,809 million USD. As of the end of June, 2018 Keytruda® was approved for the treatment of non-small cell lung cancer (NSCLC), melanoma, head and neck cancer, urothelial carcinoma, gastric or gastroesophageal junction cancer, classical Hodgkin lymphoma or MSI-H/dMMR (microsatellite instability high/ deficient mismatch repair) cancers etc. in the United States. With regard to platinum combination, Keytruda® was approved for non-squamous NSCLC in combination with Carboplatin and Pemetrexed.

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