



March 24, 2011

To whom it may concern

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**Termination Agreement of License and Supply Agreement
for DACH-platin Analogue Micelle**

As previously released on September 21, 2010, the License and Supply Agreement with Debiopharm has been terminated effective on March 10, 2011. A Termination Agreement has been signed by NanoCarrier and Debiopharm concerning this worldwide License and Supply Agreement with Debiopharm excluding Japan which was concluded on October 15, 2007, in relation to DACH-platin Analogue Micelle (Product; NC-4016/Debio0507) using NanoCarrier's MediCelle system.

DACH-platin Analogue Micelle product is still at Phase I stage of clinical development however, NanoCarrier believes a new license alliance will be reached by obtaining the preclinical and clinical product profiles. Thus NanoCarrier will try to make every effort to find a good opportunity in order to seek promptly an alternative partner.

As per this Termination Agreement, NanoCarrier will have the exclusive right for worldwide development and commercialization of the product, in addition to its current manufacturing rights, and NanoCarrier will share a part of the milestone payments it will receive from a new alliance partner when a license agreement is concluded, in return for the use of the investigational preclinical and clinical data.

Effects to financial results in FY March 2011:

Financial results for NanoCarrier in FY March 2011 will be influenced due to the Termination of the License and Supply Agreement, since the expected sales of the product for the clinical study by Debiopharm is not included. The product for the clinical study already prepared will be used by NanoCarrier or a new alliance partner at the next clinical study.