

January 26, 2012

To whom it may concern

NanoCarrier Co., Ltd.  
Ichiro Nakatomi, Ph.D., President & CEO  
(Code No.: 4571 Tokyo Stock Exchange Mothers)  
Contact: Takuma Nakatsuka, CFO and Director  
Head of Administration & CEO Office  
TEL. +81-3-3548-0217

**Notice to issue the 1<sup>st</sup> and 2<sup>nd</sup> convertible bonds with stock option rights and  
the 8<sup>th</sup> stock options through placement to the third-party and  
convene the Extraordinary Shareholders Meeting on March 19<sup>th</sup>, 2012**

We would like to announce that a resolution has been passed at the NanoCarrier Board of Directors Meeting held on January 26<sup>th</sup>, 2012 to issue the 1<sup>st</sup> and 2<sup>nd</sup> convertible bonds with stock option rights and the 8<sup>th</sup> stock option right through the third-party placement. In accordance with this resolution, another resolution also has to be approved the issuance of such convertible bonds and stock option rights through the third-party placement as well as the appointment of two new board of directors for NanoCarrier, held at the Extraordinary Shareholders Meeting of NanoCarrier on March 19<sup>th</sup>, 2012.

1. Outline of finance

(1) Total amount of funds to be raised: 3.7 billion yen (Approximately US\$ 48 Million)

Convertible bonds 1.7 billion JPY

Conversion price is equivalent to + 13.0% premium over the past six months VWAP.

Stock options 2.0 billion JPY

Exercise price is equivalent to + 21.1% premium over the past six months VWAP.

\*The detailed information can be obtained in Japanese version of public notice.

Please refer to: <http://v3.eir-parts.net/EIR/View.aspx?cat=tdnet&sid=944255>

(2) Use of funds: Clinical development as well as manufacturing expenses of the two major pipeline products

NC-6004 Nanoplatin® for Phase II/III studies 2.8 billion JPY

NC-4016 DACH-platin micelle for Phase I/II studies 0.9 billion JPY

(3) Investor : Two Investment funds with Whiz Partners acting as the general partner

**【Investment policy of the fund】**

- Whiz Healthcare Series PE1 Investment Limited Partnership

Invest in companies which develop pharmaceutical products based on scientific innovations and discoveries as well as the technological innovation to protect and materialize the precious and healthy human life



- CSK-VC Technology Innovation Fund Limited Partnership

Invest in venture companies that are expected to invigorate the dynamism to the Japanese economy, thus enabling the building of industrial infrastructures for the next generation.

## 2. Strategic significance and implications

NanoCarrier has placed utmost significance on accelerating the development of Nanoplatin® (NC-6004) and DACH-platin micelle (NC-4016) on its own to win the earliest possible approval/launching of the two pipeline products, for which licensees have not been secured in major regions including Japan, and yet would enhance our corporate value to its maximum level. The capital raising of this magnitude would enable NanoCarrier to pursue and materialize this business strategy to enforce and promote the development of Nanoplatin® (NC-6004) and DACH-platin micelle (NC-4016) on its own feet, thus enhancing the NanoCarrier corporate value, even though NanoCarrier will continue to engage in securing the partnering companies for out-license and joint development of the two products,. While the self-development requires substantial amount of capital injections, it will allow us to have more tight and effective control of the product development, which will be very instrumental in maximizing the economic value of individual product by advancing the development stage.

Whiz Partners Inc. is among the very few investment companies in Japan that has longstanding experience and successful track records in the bio/life science field from the earliest days of the industry. The NanoCarrier's strategic plan to have the accelerated development of two major products at its core, is in line with the investment strategy of Whiz Partners which aims to provide necessary fund to lead Japanese biotechs to have a higher and advanced stage of success. Both NanoCarrier and Whiz Partners have agreed to share the strategic goal and path to make a global pharma/biotech, by taking full advantage of resources available for both companies.

### Whiz Partners

<http://www.whizp.com/e/index.html>

## 3. Reasons for forming an alliance with Whiz Partners Inc.

- (1) Whiz Partners recognizes that NanoCarrier represents platform technology-based biotech, that is capable of conducting the global product development by itself.
- (2) NanoCarrier recognizes that Whiz Partners has in-depth knowledge and experience in the bio/healthcare industry, has proven investment records in the industry as well as built up a global network.
- (3) NanoCarrier and Whiz Partners are confident that synergies can be realized from the new partnership, by taking advantage of the extensive networks both in Japan and overseas to further develop the two pipeline products, create alliance with pharmaceutical companies, acquire new technologies and beef up IR activities.



#### 4. Extraordinary Shareholders Meeting

##### (1) Extraordinary Shareholders Meeting

Date: March 19, 2012 (Monday) 10:00 am

Venue: Room C, 2F, Bell Salle Yaesu, Yaesu First Financial Building

3-7, 1-chome, Yaesu Chuo-ku, Tokyo

##### (2) Agenda for resolution

Proposal No.1: Issuance of convertible bond-type bonds with stock stock option rights and the 8<sup>th</sup> stock option through third-party placement

Proposal No.2: Appointment of two new board of directors

Candidates: Mr.Atsushi Matsumura and Mr.Satoru Iino