NanoCarrier Co., Ltd.
Ichiro Nakatomi, Ph.D., President & CEO
(Code No.; 4571 Tokyo Stock Exchange Mothers)

**Equity investment by Shin-Etsu Chemical Co., Ltd.
into NanoCarrier by private placement**

Tokyo, Japan：October 29th, 2012

At its board of directors meeting on October 26th, NanoCarrier has approved to issue new shares by allotting 12,000 ordinary shares to Shin-Etsu Chemical Company (Tokyo, Japan herafter "Shin-Etsu") by way of the private placement. Shin-Etsu, the world's leading supplier of key chemical materials, is to invest 689 Million JPY into NanoCarrier. Furthermore, Shin-Etsu will make another 360 Million JPY of new investment into NanoCarrier through acquiring additional 12,000 NanoCarrier shares from Whiz Partners, which has previously formed strategic alliance with NanoCarrier and acts as a General Partner of its two Investment Funds (Whiz Healthcare Series PE1 Investment LP and CSK-VC Technology Innovation Fund LP).

The following is the summary of allotting new 12,000 shares via private placement to Shin-Etsu.

Issue price: 57,473 JPY
Capital raised: 689,676,000 JPY
Date of investment completion: November 15th, 2012
Use of proceeds: R&D expense for on-going products as well as the other relevant R&D expense

Shin-Etsu is to become the biggest shareholder of NanoCarrier after this investment. As a result, NanoCarrier is able to raise 1,049 million JPY in total.

NanoCarrier's core technology, "micellar nanoparticles" or often called "polymeric micelles", was invented by Professors Kazunori Kataoka at The University of Tokyo and Teruo Okano at Tokyo Women's Medical University. NanoCarrier has been developing drug-encapsulating micellar nanoparticles for drug delivery and innovative new drugs. To this date, NanoCarrier has 4 products in the major pipeline (3 in clinical and 1 in preclinical) and been working on R&D activities on other new drug candidates such as siRNA-Micelle.

There are continuous and strong demands to manufacture quality polymeric micelles by improving its quality and cost, in particular, that of polymer technology, which is used as basic material for new drug developments. Some progresses, thus far, have been made along the way. NanoCarrier believes that creating new research collaboration with Shin-Etsu, the world's leading company in key materials supply and development, can help itself develop a strong foothold and make further advancement in technology improvement. With this new collaborative research between NanoCarrier and Shin-Etsu, which could come out upon the initial review, NanoCarrier is convinced that it shall be able to answer the strong demands for product improvement and shall be instrumental in developing solutions.

【Shin-Etsu Chemical Co., Ltd.】

Listed in Tokyo, Osaka and Nagoya Stock Exchange

Address:	6-1, Ohtemachi 2-chome, Chiyoda-ku, Tokyo, Japan
Representative:	Shunzo Mori, Representative Director / President
Date of Establishment:	September16, 1926
Capital:	119,419 Million JPY
Number of Employees:	16,167(Consolidated)
Business Segment:	PVC/Chlor-Alkali, Silicones, Specialty Chemicals, Semiconductor Silicon, Electronics &Functional Materials and Diversified Business
FY2011(Consolidated)	
Net Sales:	1,047,731 Million JPY
Operating Income:	149,632 Million JPY
Net Income:	100,643 Million JPY

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