

INCJ to make additional investment in NapaJen Pharma, Inc.

Bio-venture aims to develop systemic nucleic-acid drugs originating in Japan

Tokyo, December 7, 2016 – Innovation Network Corporation of Japan (“INCJ”) announced today its decision to make an additional investment in NapaJen Pharma, Inc. (“NapaJen Pharma”), a bio-venture aiming to develop systemic nucleic-acid drugs. INCJ will make this additional investment of up to 12 million USD through a third party share allocation to provide the necessary funding for the development of pharmaceuticals. Furthermore, existing investor Mitsui & Co. Global Investment, Inc. and additional investors Nissay Capital Co., Ltd. and Mizuho Growth Fund No.2 Limited Partnership (Mizuho Capital Co., Ltd.) have also decided to invest in NapaJen Pharma.

NapaJen Pharma was established in 2004 as a drug discovery venture with the aim of developing drugs by utilizing the nucleic acid Drug Delivery System (DDS) platform technology developed by researchers at the University of KitaKyushu. In recent years, hopes for the development of nucleic-acid drugs capable of approaching intractable diseases at the genetic level have been on the rise, and developments in R&D across the world have continued to progress. However, there remains an issue with nucleic acid itself – on occasions it decomposes inside the body before the desired medicinal effect occurs and fails to reach its endpoint. DDS is an innovative piece of technology that resolves these issues by enabling nucleic-acid drugs to reach targeted genes.

NapaJen Pharma has continued to pursue R&D of the nucleic acid drug DDS platform and is currently conducting joint research with academia, and has entered into licensing agreements with a number of companies. Seeking to drive even further development, NapaJen Pharma’s next step will be to use this additional investment to complete non-clinical trials and to apply for clinical trials by filing an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA).

INCJ made an initial investment into NapaJen Pharma in February 2014 of up to 9 million USD in funding for initial drug development costs. INCJ has also provided management support including the appointment of outside directors. INCJ aims to establish a bio-venture industry ecosystem by providing development support for university-based drug discovery ventures and support the successful development of generalized nucleic acid drug development originating in Japan through providing continuous support for NapaJen

Pharma's innovative drug discovery technology.

Reference

INCJ issued the following news release on February 3, 2014:

*"INCJ to invest in NapaJen Pharma
A Bio-venture aims to develop nucleic-acid drugs using delivery technology platform"*
<http://www.incj.co.jp/PDF/1391994207.en.pdf>

About NapaJen Pharma, Inc.

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| Established | December 2004 |
| Business Outline | DDS platform business for nucleic acid and development of drugs using DDS technology |
| Headquarters | California, United States |
| Representative | Hironori Ando |
| URL | http://www.napajen.com/ |

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to ¥2 trillion (approx. US\$20 billion).

INCJ's management team is drawn from the private sector with diverse experience in investment, technologies and management. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.

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