November 20, 2014

News Release

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Notice concerning capital and business alliance with DNA Chip Research Inc.

At a meeting on November 20, 2014, the Board of Directors of Enplas Corporation ("Enplas" hereinafter) resolved to enter into a capital and business alliance with DNA Chip Research Inc. ("DNA Chip Research" hereinafter) and to underwrite the issue of new shares and stock options ("the stock options" hereinafter) through a third-party allocation of new shares ("third-party allocation" hereinafter) by DNA Chip Research. On the same day, Enplas concluded with DNA Chip Research a capital and business alliance agreement ("capital and business alliance agreement" hereinafter). A summary of this agreement follows.

1. Reasons for this capital and business alliance

Since 2000, Enplas has focused on biotech as a new business market, pursuing market research and research in basic technologies related to this field. With research currently booming in the areas of induced pluripotent stem (iPS) cells, embryonic stem (ES) cells, and other topics related to cell proliferation, as well as in the areas of genetic and protein analysis, Enplas is contributing to medical progress with its μ-TAS (Micro-Total Analysis Systems) microfluidic devices*1 and endotoxin-free products*2 produced in sterile environments. The Enplas Group sees biotech as a key pillar of its future business strategies and is single-mindedly working to achieve growth within these areas, seeking to develop advanced technologies and products and supplying them to both domestic and global markets.

*1 A microfluidic device is a device incorporating microscopic channels on its chip surface, in which blood or DNA can be mixed with chemical reagents to induce reactions. The resulting products can be separated and refined for biochemical assays.
*2 Endotoxin-free products are products free of endotoxins found in dead microorganisms capable of causing septic shock.

Since its founding in 1999 as Japan's first maker of general-purpose DNA chips, DNA Chip Research has differentiated itself from competitors by developing its own life science technologies, particularly technologies in the area of contracted DNA testing. While most of its current business takes place in Japan, it plans to promote and expand its overseas business while continuing to develop new technologies. Enplas has concluded this capital and business alliance agreement with DNA Chip Research today based on its understanding that the business strategies of DNA Chip Research offer a good fit with the biotech business strategies and goals targeted by Enplas.

By merging DNA Chip Research's technologies in contracted DNA testing with Enplas technologies in the precision machining of engineering plastics, this alliance will contribute to progress in bioanalysis and medicine.

2. Details of the business alliance and capital alliance

(1) Details of the business alliance
The basic policies of the business alliance are outlined below. Specific policies, details, and other matters necessary for the smooth implementation of this business alliance will be determined through consultations between the two parties.

(i) Complementing each partner's industry networks in biotechnology businesses

DNA Chip Research engages in contracted research on behalf of and sales of products to various major clients, including hospitals; universities, government facilities, and other public research institutions; pharmaceutical companies; makers of food products; cosmetics companies; and testing and diagnosis companies. The customers for Enplas's biotechnology businesses are makers of analytical devices in Japan and around the world. The networks of the two companies will complement each other as the partners venture into new business domains and seek to secure new customers in the life sciences.

(ii) Enhancing new product development capabilities
By fusing DNA Chip Research genetic analysis technologies in DNA and RNA that contribute to the company's contracted genetic testing businesses with its own technologies in the precision machining of engineering plastics, Enplas will seek to deliver ever more advanced technological solutions to analytical device makers and pharmaceutical firms active in fields related to advanced analysis. In addition, DNA Chip Research will develop even lower-cost next-generation high-performance chips along with genetic analysis technologies and diagnostic tools offering ever greater precision and seek to expand its domestic and global sales.

(iii) Use of the overseas infrastructure
Enplas and DNA Chip Research will strive to accelerate the global expansion of Enplas's businesses through joint efforts involving Enplas's overseas infrastructure—more specifically, by using the Enplas U.S. subsidiary as a base for joint research and marketing—while Enplas subsidiaries in Asia and Europe serve as bases for sales and marketing.

(2) Details of the capital alliance
Enplas will underwrite all 848,000 shares of common stock newly issued by DNA Chip Research through the third-party allocation (accounting for 20.01% of total shares issued and outstanding prior to the third-party allocation and exercise of the stock options and 16.66% of total shares issued and outstanding after the third-party allocation and exercise of the stock options). Enplas will thereafter hold an equity stake of 20.01% in DNA Chip Research and 20.02% of voting rights, making it the largest shareholder. Enplas will also underwrite all 8,520 of stock options issued at the same time (corresponding to 852,000 potential shares [16.74% of total shares issued and outstanding after the third-party allocation and exercise of the stock options]). Should Enplas exercise all stock options, it would hold an equity stake of 33.40% and 33.41% of voting rights. Detailed information on Enplas's underwriting of the third-party allocation by DNA Chip Research is provided below. For more details, please refer to Part II. Offering of new shares and stock options issued through third-party allocation" in the document "Notice of conclusion of capital and business alliance agreement, issue of new shares and stock options (with provisions on revision of exercise price) through third-party allocation, change in largest shareholder, and changes in other affiliates," issued on this date by DNA Chip Research.

(i) Underwriting of common stock

(a) Number of shares underwritten	848,000 shares of common stock
(b) Paid-in amount	JPY 567,312,000 (JPY 669 per share)
(c) Payment date	December 8, 2014

(ii) Underwriting of stock options

(a) Total number underwritten	8,520 (100 shares per option)
(b) Issue price	JPY 63,303,600 (JPY 7,430 per stock option)
(c) Date of allocation of stock options	December 8, 2014
(d) Payment date	December 8, 2014
(e) Exercise price and conditions for its revision	Initial exercise price: JPY 669 per share

	As described in the prospectus for the issue of stock options, if the amount corresponding to 90% of the closing price (or, if there is no closing price on the relevant date, the immediately preceding closing price) in ordinary trading of shares of common stock in DNA Chip Research at the Tokyo Stock Exchange on the trading day immediately preceding the date on which an order to exercise stock options is executed ("revision date" hereinafter), rounded up to the nearest yen ("revised price" hereinafter), is at least one yen more or one yen less than the exercise price in effect immediately prior to the revision date, the exercise price shall be revised to that revised price, effective on and after the revision date. There shall be no maximum or minimum limit on the amount of the exercise price. As used above, the term *trading day* shall refer to the date on which the Tokyo Stock Exchange is open for trading. This term excludes dates on which the Tokyo Stock Exchange has suspended or restricted trading of all shares of Enplas common stock.
(f) Exercise dates	December 9, 2014 through December 8, 2019

(iii) Enplas's medium to long term policy regarding its DNA Chip Research shareholdings

(3) Dispatch of Directors

Enplas and DNA Chip Research agree that Enplas may name candidates for the positions of DNA Chip Research Directors or Statutory Auditors in any of the cases described in the subparagraphs below and in the numbers indicated for each case.

(i) When Enplas holds at least one-fifth but less than one-third of voting rights in DNA Chip Research

The number of candidates for Director corresponding to one-fifth (rounded up to the nearest whole number) of the total number of Directors of DNA Chip Research and one candidate for Statutory Auditor

(ii) When Enplas holds at least one-third of voting rights in DNA Chip Research

The number of candidates for Director corresponding to one-third (rounded up to the nearest whole number) of the total number of Directors of DNA Chip Research (no candidate for Statutory Auditor)

In its 16th regular general meeting of shareholders, currently scheduled for June 2015, DNA Chip Research will submit a resolution concerning the nomination of one candidate for Director named by Enplas, pursuant to subparagraph (i) above, as well as a resolution concerning the nomination of one candidate Statutory Auditor named by Enplas, pursuant to the same subparagraph, together with a resolution to partially modify the company's articles of association in order to increase the prescribed number of Statutory Auditors.

3. Overview of the partner to the business alliance (as of September 30, 2014)

(1) Name	DNA Chip Research Inc.

(2)	Address	1-43 Suehirocho 1-chome, Tsurumi-ku, Yokohama, Kanagawa Prefecture, Japan
(3)	Name and title of representative	Ryo Matoba, President
(4)	Lines of business	1) Diagnostic support services through RNA checking 1. Rheumacheck services to assess the efficacy of the Infliximab biological drug for articular rheumatism 2. Men'eki Nenrei services for estimating the aging of organisms 2) Contracted analytical services for Agilent's microarray platform 3) Contracted analytical services for next-generation sequences 4) Sales of MammaPrint kits for identifying breast cancer prognoses 5) Sales of diagnostic support tools (iCIS clinical information database, iRIS articular rheumatism interview system) 6) Sales of TBONE EX kits for DNA extraction from hard tissue (teeth and bones) 7) Sales of Hibri Sensei educational materials on DNA chips
(5)	Capital	JPY 1,116,368,000
(6)	Established	April 1, 1999
(7)	Shareholders and percentages of shares held (as of September 30/March 31, 2014)	Ken'ichi Matsubara 2.07% Atsuhiko Mori 2.07% Shin'ichi Inoue 1.87% Shichiro Edamatsu 1.87% Japan Securities Finance Co., Ltd. 1.49% Eiko Otsuka 1.42% Shinsaku Fujio 1.41% Sun Chlorella Corp. 1.03% Jiro Sugiyama 0.95% Kikuya Kato 0.94%
(8)	Relations between this company and the listed company	Capital relationships: There are no capital relationships worth noting between Enplas and this company. No capital relationships worth noting exist between Enplas affiliates and parties related to Enplas. Personal relationships: There are no personal relationships worth noting between Enplas and this company. In addition, no personal relationships worth noting exist between Enplas affiliates and parties related to Enplas. Transaction relationships: There are no transactional relationships worth noting between Enplas and this company. In addition, no transaction relationships worth noting exist between Enplas affiliates and parties related to Enplas. Interested party status: This company does not qualify as an interested party in Enplas. Additionally, none of this company's related parties and affiliates qualify as interested parties in Enplas.
(9)	Consolidated business performance and consolidated financial conditions over the three most recent years	

Fiscal year	Ended March 2012	Ended March 2013	Ended March 2014
Consolidated net assets	JPY 457,244,000	JPY 384,513,000	JPY 338,737,000

Consolidated gross assets	JPY 598,214,000	JPY 450,021,000	JPY 394,018,000
Consolidated net assets per share	JPY 134.89	JPY 113.44	JPY 99.93
Consolidated net sales	JPY 401,096,000	JPY 371,866,000	JPY 349,065,000
Consolidated operating income	JPY -165,278,000	JPY -89,913,000	JPY -44,781,000
Consolidated ordinary income	JPY -164,042,000	JPY -89,890,000	JPY -44,743,000
Consolidated net income	JPY -165,579,000	JPY -80,810,000	JPY -45,776,000
Consolidated net income per share	JPY -48.85	JPY -23.84	JPY -13.50
Dividends per share	0	0	0

4. Timetable

(1)	Resolution by Board of Directors	November 20, 2014
(2)	Conclusion of capital and business alliance agreement	November 20, 2014
(3)	Payment date for the third-party allocation	December 8, 2014 (planned)
(4)	Starting date of the business and capital alliance	December 8, 2014 (planned)

5. Future outlook

Plans call for DNA Chip Research to become an equity method affiliate of Enplas in the consolidated settlement of accounts for the fiscal year ending March 2015 as a result of the third-party allocation undertaken as part of this capital and business alliance. This capital and business alliance is projected to have negligible effects on consolidated business performance during this fiscal year. If changes in the capital and business alliance appear likely to affect business performance materially, such information will be announced promptly.

Reference: Projected business performance for this fiscal year (announced October 30, 2014) and previous year's consolidated performance (unit: JPY million)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Initial projections (FY ending March 2015)	40,000	11,700	12,000	8,000
Previous year's performance (FY ended March 2014))	39,529	12,383	12,912	9,139