December 9, 2016

GeneDesign, Inc.
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Notice Regarding the Transfer of Company Shares

— As a member of the Ajinomoto Group, we aim to further strengthen our support system for nucleic acid drug discovery —

Today, Ajinomoto Co., Inc. President Takaaki Nishii Headquarters: Chuo-ku, Tokyo, "Ajinomoto Co., Ltd.") and its consolidated subsidiary, Ajinomoto Omnichem Co., Ltd. signed a stock transfer agreement announcing that it is expanding its business as a contracted nucleic acid drug development and manufacturing company (CDMO)[2] with a unique hybrid phase synthesis method that is an excellent mass synthesis method for nucleic acid drugs[1].

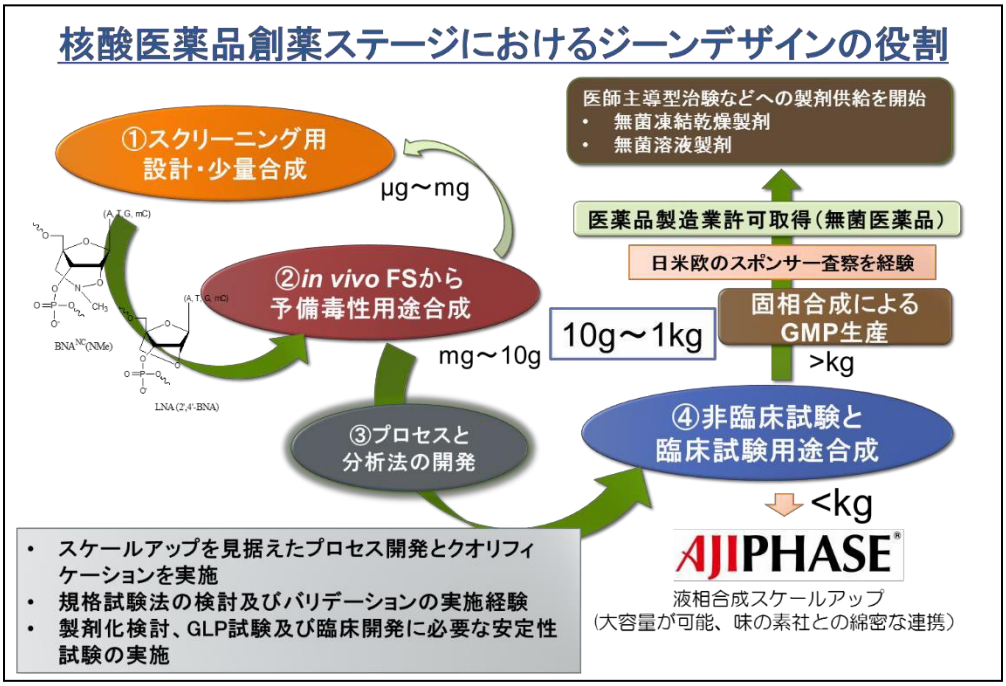
Under this agreement, our company, which has excellent solid-phase synthesis methods for producing oligonucleotide products and experienced employees, will work with Omnichem with Ajinomoto's unique cGMP[3] mass production produce hybrid phase synthesis method. By combining the company's pharmaceutical manufacturing functions and know-how, contracted development of oligonucleic acid from the initial development stage (supply of small and many varieties by solid-phase synthesis) to late stage and commercial production (large supply by liquid-phase synthesis) will be provided.

Nucleic acid drugs are expected as a new drug discovery modality[4] and are expected to grow significantly in Japan and overseas. Ajinomoto Co., Inc. has established a mass synthesis method that was lacking in the manufacture of nucleic acid pharmaceuticals using its own liquid-phase synthesis method, and has begun production ("AJIPHASE®" [5]). Since we have a system that can flexibly respond to various pipelines in the early stages of development of nucleic acid drugs, we can now provide a system that consistently supports everything from the development entrance to commercial production that can be developed under this agreement.

After the transfer of our shares, we will continue our previous business activities and will strive to further develop and grow our business. We look forward to your continued patronage to our customers and business partners.

The share transfer execution date is scheduled for the end of December 2016.

Reference: Our business scheme



Ajinomoto Company Overview

1. Company Name: Ajinomoto Co., Inc.
2. Location: 1-15-1, Kyobashi, Chuo-ku, Tokyo
3. Establishment: 1925 (starting in 1909)
4. Representative: President Takaaki Nishii
5. Number of Employees: Non-consolidated 3,477 consolidated 33,295 (as of March 31, 2016)
6. Business content: Seasonings and processed foods, frozen foods, consumer foods, umami seasonings for processing, animal nutrition, amino acids, chemical products, pharmaceutical manufacturing and sales, etc.
7. Capital: 79,863 million yen (as of March 31, 2016
8. Website: www.ajinomoto.com

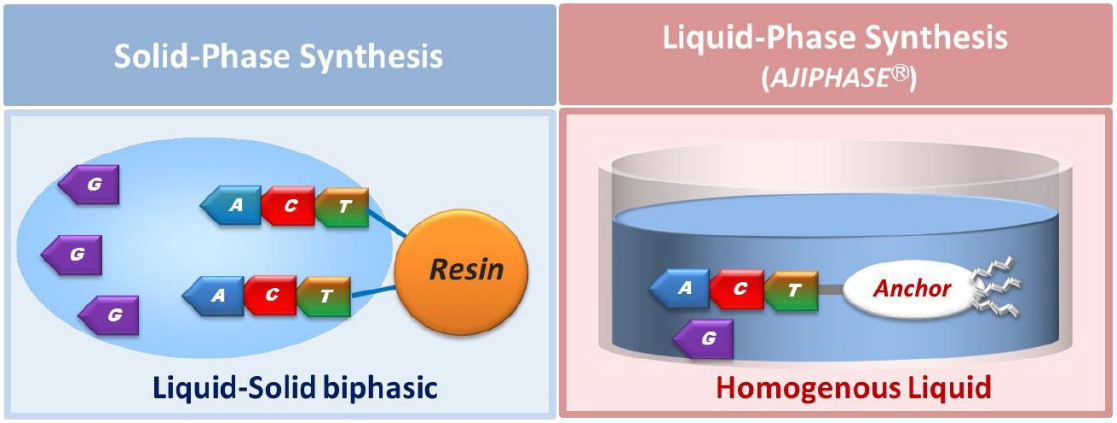
Ajinomoto Omnichem Company Overview

1. Company Name: Ajinomoto OmniChem N.V.
2. Location: Wetteren, Belgium
3. Establishment: 1778 (Ajinomoto Group since 1989)
4. Representative: President Peter Stuyck
5. Number of Employees: 677 (as of July 2016)
6. Business content: Manufacturing and sales of pharmaceutical intermediates and drug substances
7. Capital: 21 million euros (about 2.4 billion yen)
8. Owner composition: Ajinomoto Co., Inc. 100%
9. Website: www.ajinomoto-omnichem.com

GeneDesign, Inc.

— Explanation of terms —

1. Nucleic acid drugs: A pharmaceutical product manufactured by chemical synthesis that has a medicinal effect as an oligonucleic acid in which nucleic acids or modified nucleic acids are bound in a straight chain and acts directly on the body without protein expression. The main types are small interfering RNA (siRNA) and antisense that inhibit messenger RNA functions, microRNA inhibitors and supplements, CpG oligos that act on immune regulation, aptamers with functions similar to antibodies, transcription There are decoys that inhibit factors. Nucleic acid drugs can be made with high reproducibility by chemical synthesis, targets for which low molecular weight drugs and antibody drugs cannot work, and the mechanism of action is clear
2. AJIPHASE®: This is a CDMO business for nucleic acids and peptides using the “liquid phase synthesis method” developed by Ajinomoto Co., Inc. The liquid phase synthesis method is superior to mass production compared to the general “solid phase synthesis method”.



The left figure is a schematic diagram of the solid phase synthesis method, and the right figure is a schematic diagram of the liquid phase synthesis method. Normally, oligonucleic acids are produced by solid-phase synthesis, in which nucleic acid (or amino acid) chains are sequentially bound and extended on a solid-phase surface such as a polymer carrier (resin in the figure). On the other hand, in the liquid phase synthesis method, instead of the polymer beads in the solid phase synthesis method, a protecting group (Anchor) that is well soluble in organic solvents is used. By using Anchor, even if the oligo chain (oligonucleic acid chain, peptide) is extended, it exists as a homogeneous solution. This makes it possible to improve the purity of products. The liquid phase synthesis method is suitable for mass production without the special equipment required for the solid phase synthesis method. On the other hand, the solid-phase synthesis method is suitable for the production of a small variety of products.

3. Contract Development & Manufacturing Organization (CDMO): This refers to companies / organizations whose main business is to develop pharmaceutical manufacturing processes and pre-clinical / clinical trial / commercial production from pharmaceutical companies and academia drug discovery institutions.
4. cGMP: Abbreviation for current Good Manufacturing Practice (standard for manufacturing management and quality control of pharmaceuticals, etc.). US FDA (Food and Drug Administration, US Food and Drug Administration) refers to the quality management system applied to the manufacture and testing of pharmaceuticals.
5. Modality: This refers to the material types of drugs such as low molecular weight compounds, biopharmaceuticals, and nucleic acid drugs