



**Progress of Construction of a Pilot Plant for
Protein Production Business using Transgenic Silkworms**

As we announced today that Immuno-Biological Laboratories Co., Ltd. (“**IBL**”) entered into a new collaborative research agreement with Astellas Pharma Inc. (“**Astellas**”), a construction of a plant that complies with Good Manufacturing Practices (“**GMP**”) will be an essential for realization of production of valuable protein such as human fibrinogen, influenza vaccines and material of animal drugs using the transgenic silkworm technology.

We have been in the process of construction of the pilot plant that complies with GMP (a newly established Maebashi Laboratory) in Maebashi-shi, Gunma, JAPAN as we announced that we entered into the lease agreement for construction of the pilot plant for Protein Production Business using Transgenic Silkworms on December 25 2013. As the process of selecting of required installments and setting their specifications have been taking much a longer period than we expected, the construction schedule will be delayed as follows.

Construction of the plant that complies with GMP

(Schedule)

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| (1) Approval for signing the lease agreement | Completed: Approved in the board meeting on 19 th December 2014. |
| (2) Enter into the lease agreement | Completed: The lease agreement was signed on 19 th December 2014. |
| (3) Commencement of construction of the pilot plant | Original schedule (February 2015) was postpone. Updated schedule: Between April and May 2015. |
| (4) Commencement of production by the pilot plant | Original schedule (November 2015) was postpone. Updated schedule: Between March and May 2016. |
| (5) Commencement of construction of a new plant for full production | Expected schedule: by the end of the fiscal year of 2017. |
| (6) Full production at the new plant. | Expected schedule: by the end of the fiscal year of 2018. |

The acquisition cost of the pilot plant will be announced as soon as the design is completed and the acquisition cost is confirmed.