



RaQualia Pharma Inc.
Hisamitsu Pharmaceutical Co., Inc.
December 20, 2021

RaQualia Pharma and Hisamitsu Pharmaceutical have agreed to enter into a license agreement for a novel sodium channel blocker

December 20, 2021 - RaQualia Pharma Inc. (Head Office: Nagoya, Aichi, Japan; President & CEO: Hirobumi Takeuchi; "RaQualia Pharma") and Hisamitsu Pharmaceutical Co., Inc. (Head Office: Tosu, Saga, Japan; President & CEO: Kazuhide Nakatomi; "Hisamitsu Pharmaceutical") have agreed to enter into a license agreement for a novel sodium channel blocker discovered by RaQualia Pharma.

Sodium channels, like other ion channels such as potassium channels, regulate the generation and transmission of action potentials in neurons and are deeply involved in neurotransmission. RQ-00350215 ("the Compound"), a novel sodium channel blocker discovered by RaQualia Pharma, selectively blocks the function of specific sodium channel involved in the transmission of pain signals and is expected to become an innovative new drug for the treatment of chronic pain for which existing drugs do not provide sufficient analgesic effect.

RaQualia Pharma and Hisamitsu Pharmaceutical have jointly evaluated the efficacy, safety, pharmacokinetics, skin permeability, and other properties of a group of candidate compounds for new sodium channel blockers, including the Compound, to examine the possibility of forming a partnership for the development of transdermal drugs containing new sodium channel blockers. As a result, the Compound was selected as the most suitable candidate for development. As the evaluation of the candidate compounds progressed smoothly, discussions on the license agreement proceeded in parallel, and the two companies have now agreed on the conclusion of the license agreement.

Under the license agreement, Hisamitsu Pharmaceutical will be granted exclusive worldwide rights to develop, manufacture, and market the Compound. Hisamitsu Pharmaceutical will make an upfront payment of 600 million yen to RaQualia Pharma. RaQualia Pharma will also be eligible to receive milestone payments of up to approximately 3 billion yen, based on development progress. If the drug containing the Compound is successfully marketed, RaQualia Pharma will receive a high single-digit percent sales royalty and sales milestone payments of up to 10 and several billion yen depending on the sales amount.

In the future, Hisamitsu Pharmaceutical will conduct preclinical development of new pain treatment drug(s) that contain the Compound and proceed to the clinical stage after the preclinical development by taking advantage of its specialty in developing transdermal drugs.

Through the licensing agreement, RaQualia Pharma and Hisamitsu Pharmaceutical will further strengthen their pipelines in pain treatment and contribute to improving the quality of life of patients by providing new treatment options for chronic pain.

About RaQualia Pharma

RaQualia Pharma Inc. has its research headquarters in Nagoya, Japan and is a research and development based pharmaceutical company whose aim is to create new pharmaceutical

products with cutting-edge science and technology focusing on medical fields where patients have the greatest need. RaQualia create development compounds, the seeds for new drugs, via an open collaboration network which they have designed. RaQualia then deliver valuable new treatments to patients by licensing these compounds to partners who in turn bring that innovation to market.

For more information, please visit <https://www.raqualia.com/>.

About Hisamitsu Pharmaceutical

Hisamitsu Pharmaceutical is operating in more than 10 countries and regions around the world by developing, manufacturing and marketing pharmaceutical products, etc.

Utilizing the basic technology platform of TDDS (Transdermal Drug Delivery System), Hisamitsu Pharmaceutical aims to achieve new benefits that have until now been absent from existing dosage forms by converting pharmaceutical substances into TDDS formulations (Patches and other forms). We continue to develop products from a global point of view.

In addition to TDDS formulation, we will run a wide range of businesses with various products and services based on the technology developed over the years to deliver a better QOL (Quality of Life) to the world.

For more information, please visit <https://www.hisamitsu.co.jp/>

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