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PRESS RELEASE

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(Ticker code: 4579)

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## **RaQualia Announces Achievement of Milestone Payment from Asahi Kasei Pharma Co., Ltd.**

October 24, 2019--- RaQualia received a notice from Asahi Kasei Pharma Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and CEO: Yoshikazu Aoki; hereinafter referred to as "Asahi Kasei Pharma") that Asahi Kasei Pharma has reached the predetermined milestone for P2X7 receptor antagonist (AKP-2349454/ RQ-00466479) that we licensed out to Asahi Kasei Pharma as a result of our joint research. Under the terms of license agreement with Asahi Kasei Pharma, RaQualia will receive a milestone payment upon this achievement.

AKP-23494954/RQ-00466479, a P2X7 receptor antagonist, was discovered in collaboration with Asahi Kasei Pharma. P2X7 receptors are a type of ion channel that is commonly expressed in central nervous system glia cells, and it has been reported in recent years that they are also involved in the formation and maintenance of chronic pain. Those suffering from chronic pain may not necessarily satisfy healthcare needs due to insufficient effectiveness of existing analgesics or unforeseen side effects. AKP-2349454/RQ-00466479 is expected to be an innovative new drug that exerts analgesic effects through a mechanism of action that differs from conventional drugs.

As a result, we will receive milestone payment for this achievement and record it as operating revenues in FY2019. With this regard, there is no change in the expected results for FY2019 announced by us on Sep.6, 2019.

End