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PRESS RELEASE

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## Notice Concerning Revision to Full-Year FY12/20 Consolidated Earnings Forecast

December 28, 2020 - RaQualia Pharma Inc. (RaQualia) announced today that the Company revised its consolidated earnings forecasts for full-year FY12/20 (January 1, 2020 - December 31, 2020), which were previously published on August 14, 2020, as shown below.

### 1. Revisions to full-year FY12/20 (January 1, 2020 - December 31, 2020) consolidated forecasts

	Net sales	Operating profit	Ordinary profit	Net profit attributable to owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	
Previous forecasts (A)	1,579	△260	△256	△333	△15.93
Current forecasts (B)	852	△753	△759	△843	△40.24
Change (B-A)	△726	△492	△503	△510	—
Change (%)	△46.0	—	—	—	—
Ref.: Previous results (FY2019)	1,702	△15	21	5	0.26

### 2. Reasons for revision

The Company is revising its consolidated forecasts for the full fiscal year ending December 31, 2020, previously released on August 14, 2020.

The key factors of change are as follows;

Regarding Net sales for FY12/20, it is expected to decrease by 726 million yen (down 46% yoy) compared to the previously announced forecast. Due to the stagnation of economic activity caused by the novel coronavirus (COVID-19) pandemic, restrictions on movement in Japan and overseas, and closure of clinical trial facilities, negotiations regarding the development of Tegoprazan in Japan did not lead to the conclusion of a contract within this year and it was postponed to the next term. In addition, some clinical trials at partner companies and negotiations related to the ion channel drug discovery programs were also postponed due to the COVID-19 pandemic. Almost all of the contract-related income that was initially expected will likely be delayed until the next fiscal year and beyond.

Business costs are expected to decrease by 235 million yen (down 13% yoy) compared to the previously announced forecast due to R&D costs being delayed until the next fiscal year, such as contractual studies.

In consequence, the Company revised its forecasts of Net sales to ¥852 million (the previously published forecast was ¥1,579 million), its Operating loss to ¥753 million (the previously published forecast was ¥260 million loss), its Ordinary loss to ¥759 million (the previously published forecast was ¥256 million loss), and its Net loss attributable to owners of parent to ¥843 million (the previously published forecast was ¥333 million loss).

\*Note concerning forward-looking statements the above forecasts are based on information available at the time of announcement. Actual results may differ from these projections due to various factors that may arise going forward.

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