



December 22, 2020

PRESS RELEASE

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<u>Tetrahydroquinoline Derivative as P2X7 Receptor Antagonist Patent</u> <u>Allowance in Japan</u>

RaQualia Pharma Inc. (RaQualia) today announced that the company received an allowance* for a substance patent for tetrahydroquinoline derivative, a P2X7 receptor antagonist, which was discovered via research collaboration between RaQualia and Asahi Kasei Pharma Corporation (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Yoshikazu Aoki, hereinafter called Asahi Kasei Pharma), in Japan (Application number: 2019-550864).

With this patent allowance, RaQualia and Asahi Kasei Pharam's intellectual property rights will be strengthened in Japan.

P2X7 receptor is a type of ion channel that is highly expressed in glial cells of the central nervous system, and is known to be deeply involved in the process of forming and sustaining chronic pain. Neuropathic pain in particular is a disease with high medical needs among the categories of chronic pain due to insufficient effectiveness and side effects when existing analgesics are administered.

This tetrahydroquinoline derivative is the result of joint research between RaQualia with strengths in ion channel drug discovery and pain areas, and Asahi Kasei Pharma, which has a wealth of pharmaceutical research and development know-how. Licensed to Asahi Kasei Pharma in March 2018, the tetrahydroquinoline derivative has been steadily developed by the company with the aim of applying to neuropathic pain.

RaQualia and Asahi Kasei Pharma aim to provide patients with new treatment options in the pain area, on which both companies place high priority, and will strive to further contribute to improving the QOL of patients.

The financial forecasts for the fiscal year 2020 (Jan. 1, 2020 – Dec. 31, 2020) will not be affected by this patent allowance. RaQualia believes that this tetrahydroquinoline derivative will contribute to increasing the company's corporate value via its future developments over the medium to long term.

End

*A patent allowance is an evaluation by a country's patent office that a patent application merits being granted a patent. After the patent is allowed and the fee paid, it is registered and the patent is issued in the relevant country.