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PRESS RELEASE

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RaQualia Announces Launch of Tegoprazan in South Korea by CJ Healthcare Co., Ltd. and Achievement of Milestone Payment from CJ

March 1, 2019 -- RaQualia received a notice from CJ HealthCare Corporation (Head Office: Seoul, Korea; Co-CEO: Seok-Hee Kang, Sang-HyunYoon, hereinafter referred to as "CJ"), that tegoprazan (RQ-00000004/CJ-12420/ Korean brand name (Korean registered trademark): K-CAB[®], hereinafter referred to as "Tegoprazan") is now available for the treatment drug for gastroesophageal reflux in South Korea. Under the terms of licensing agreement with CJ, RaQualia will receive a milestone payment upon this achievement.

Tegoprazan is a gastric acid secretion inhibitor with a new mechanism of action called potassium-competitive acid blocker (P-CAB) that was created by RaQualia. P-CAB has a different mechanism from proton pump inhibitors (PPI), which are the first drug choice for the treatment of gastroesophageal reflux, and is expected to become a new therapeutic for acid-related diseases that replaces PPI because it suppresses gastric acid secretion more quickly and sustainably than PPI.

On Mar.1 2019, the South Korean Department of Health and Welfare revised its reimbursement lists for new drugs, and K-CAB[®] will be launched as the 30th new drug in South Korea. This drug is the first P-CAB, which has two indications: erosive esophagitis (EE) and non-erosive reflux disease(NERD) in the world. Drug price for K-CAB[®] 50mg tablets was decided to be 1,300 won.

Seok-Hee Kang, president and chief executive officer of CJ, commented, " K-CAB[®] is helping to improve the quality of life for GERD patients. Like a K-POP and K-FOOD, K-CAB[®] generate new trends globally and will continue to promote a change in the generations of GERD treatments."

Naoki Tani, Representative Director of RaQualia, commented, "With the launch of Tegoprazan in South Korea, we are very pleased to be able to deliver new drugs that can be a new treatment option to GERD patients. Through our partnership with CJ, we will further increase the potential of Tegoprazan and accelerate the out-licensing of these drugs in Japan, the United States, and Europe. We will

continue to strive to develop our drug discovery business so that we can provide innovative drugs to people around the world."

RaQualia signed exclusive licensing agreement with sublicensing rights with CJ for the development, sales, and manufacturing of Tegoprazan in the East Asian region in Sep. 2010, in Southeast Asia region in Nov. 2014, and in the rest of the world (RoW: Latin America, Russia, Eastern Europe, and the Middle East) in Dec. 2017. CJ has granted Tegoprazan sublicensing rights to major companies in China, Vietnam, and Latin America, and is steadily cultivating new markets.

In South Korea, CJ conducted clinical trials, filed an application in Ministry of Food and Drug Safety(MFDS) in Aug.2017, and obtained approval in Jul.2018. In Jan.2019, CJ signed a co-promotion agreement with Chong Kun Dang Pharmaceutical Corp, one of the leading pharmaceutical companies in South Korea. Following the launch of K-CAB® in South Korea, we plan to receive a lump-sum payment and royalty income at a fixed rate based on the sales volume of products in South Korea under a licensing agreement with CJ.

We will continue to strengthen our collaboration with CJ are aggressively conduct licensing activities, support sublicensing and support development with the aim of earning milestone and royalty income through the sales.

The consolidated financial projection for FY2019 in Business plan issued on February 8,2019, will not be affected by this announcement. We believe that the expansion of CJ's activities will contribute our further goal of maximazing our corporate value.

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