

May 31, 2018

PRESS RELEASE

Contact: Kiichiro Kawada
RaQualia Pharma Inc.
Phone: +81-52-446-6100
Email: ir@raqualia.com

**RaQualia announces the status of formation of a Joint Venture company
with ZTE Coming Biotech Co., Ltd. (China)**

RaQualia Pharma Inc. (JASDAQ Code: 4579; RaQualia) and ZTE Coming Biotech Co., Ltd. (CEO: Wu Yemin, headquartered in Shanghai, China; hereinafter ZTE Biotech) have held detailed discussion about the establishment of a Joint Venture company based on a Joint Venture Cooperation Agreement effective on January 29, 2018.

Today we announce the matters agreed between both companies regarding the establishment as well as its preparation status of the Joint Venture company.

2. Outline of the Joint Venture company (planned)

(1) Name of Company	ZTE RaQualia Co. Ltd (tentative name) *Formal decision after review by authorities.
(2) Location	100 Dongting Lake Road, Linjiang Town, Haimen, Nantong, Jiangsu
(3) Representative	Wu Yemin
(4) Business Description	Discovery and development of pharmaceutical compounds
(5) Capital	RMB 10 million
(6) Date of Application for establishment	June, 2018 (Plan)
(7) Fiscal-year End	December 31 every year
(8) Investment Ratios	ZTE Biotech: 65%、RaQualia: 35%

4. Impact on Financial Results

The required documentations for the establishment of the Joint Venture company have already been sent by RaQualia to ZTE Biotech. ZTE Biotech will submit the application for establishment in China in June, 2018. We anticipate the approval of the establishment of the Joint Venture company to be granted in September, 2018.

We will promptly notify you as soon as details are decided.

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