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PRESS RELEASE

Company: RaQualia Pharma Inc.

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Representative: Representative Director Naoki Tani

Inquiries: Executive Vice President Kiichiro Kawada

(TEL. +81-52-446-6100)

RaQualia Announces Sub-licensing Agreement for Tegoprazan for the Treatment of Gastroesophageal Reflux Disease in Indonesia by and Receipt of Lump Sum Payment from CJ HealthCare

September 18, 2019---CJ Healthcare Corporation (Head Office: Seoul, Korea; Co-CEO: Seok-Hee Kang, Sang-Hyun Yoon, hereinafter referred to as "CJ"), has announced a sub-licensing agreement with Kalbe Farma (Head Office: Jakarta, Indonesia; hereinafter referred to as "Kalbe") for tegoprazan (RQ-00000004/CJ-12420/ Korean brand name (Korean registered trademark) : K-CAB®, hereinafter referred to as "Tegoprazan") in Indonesia. Under the terms of a licensing agreement with CJ, RaQualia, will receive a lump sum 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 of choice for the treatment of gastroesophageal reflux, and is expected to become a new therapeutic agent for acid-related diseases that replaces PPI because it suppresses gastric acid secretion more quickly and sustainably than PPI.

RaQualia signed an exclusive licensing agreements 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 developed Tegoprazan in South Korea and succeeded in launching it as the 30th new drug in South Korea in Mar. 2019. In other countries and regions, CJ has granted Tegoprazan sublicensing rights to major companies in China, Vietnam, and Latin America, and is steadily cultivating new markets.

Kalbe is the largest Indonesian pharmaceutical company established in 1966 and has a broad range of businesses, including health foods and animal healthcare products. According to CJ, Kalbe's sales in 2017 were 1.5 trillion won, giving it the No.1 market share in the Indonesian gastrointestinal disease treatment (PPI).

Under this agreement, CJ will exclusively provide Tegoprazan to Kalbe for 5 years after the marketing authorization. Upon this sub-licensing agreement, we will receive a lump sum payment and royalty based on the revenue from Tegoprazan under the licensing agreement with CJ. In Indonesia, Tegoprazan is expected to be approved in 2022.

We will continue to strengthen our collaboration with CJ and continue to provide support for future sublicensing agreements and development, with the aim of receiving milestone income from the progress of the project and royalty income after launch. By providing a therapeutic option of Tegoprazan for the treatment of gastroesophageal reflux disease, we will strive to further contribute to improving the quality of life of patients.

The consolidated financial projection for FY2019 in Business plan issued on September 6,2019, will not be affected by this announcement. We believe that the expansion of CJ's sub-licensing area will contribute our further goal of maximazing our corporate value.

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