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Securities code: 4579
March 12, 2018

Naoki Tani
President & CEO
RaQualia Pharma Inc.
1-21-19 Meieki Minami,
Nakamura-ku, Nagoya, Japan

CONVOCATION NOTICE OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 10th Ordinary General Meeting of Shareholders (the “Meeting”) of RaQualia Pharma Inc. (the “Company”) to be held as indicated below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing (Voting Right Exercise Form) or by electromagnetic method (via the internet). Please review the attached “Reference Materials for the Ordinary General Meeting of Shareholders” and exercise your voting rights **no later than 5:30 p.m., Wednesday, March 28, 2018 (Japan Standard Time)**.

1. **Date and Time:** March 29, 2018 (Thursday) at 10:00 a.m. (Reception desk opens at 9:15 a.m.)
2. **Place:** Sakae Gas Hall, Sakae Gas Building 5F,
3-15-33 Sakae, Naka-ku, Nagoya, Japan
3. **Meeting Agenda:**
 1. **Report matters:**
 1. The Business Report and the Consolidated Financial Statements for the 10th Fiscal Year (January 1, 2017 to December 31, 2017), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 10th Fiscal Year (January 1, 2017 to December 31, 2017)
 2. **Resolution matters:**
 - Proposal 1:** Election of Four (4) Directors (excluding Directors Serving on the Audit and Supervisory Committee)
 - Proposal 2:** Election of Three (3) Directors Serving on the Audit and Supervisory Committee
 - Proposal 3:** Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee
4. **Guidance for Exercising Voting Rights, etc.:** Please refer to the “Guidance for Exercising Voting Rights, etc.” on page 2.

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- If you plan to attend the Meeting, please submit the enclosed Voting Right Exercise Form to the receptionist at the Meeting.
 - As a business presentation for shareholders will be held after the Meeting, we kindly ask that you also attend this presentation.
 - Any amendments to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company’s website (URL: <http://www.raqualia.co.jp/>). The amendments in these documents will be available in Japanese only.

Guidance for Exercising Voting Rights, etc.

You may exercise your voting rights by the following three methods.

Attending the Meeting

Please submit the Voting Right Exercise Form to the receptionist at the Meeting.

Date and Time: March 29, 2018 (Thursday) at 10:00 a.m. (Reception desk opens at 9:15 a.m.)

Place: Sakae Gas Hall, Sakae Gas Building 5F

Voting by Mail

Please indicate “for” or “against” for each of the proposals in the enclosed Voting Right Exercise Form, and post it to us without postage stamp.

Deadline: To be received no later than 5:30 p.m., Wednesday, March 28, 2018
(Japan Standard Time)

Voting via the Internet

Please use a personal computer or smartphone to access the website for exercising voting rights (<https://www.web54.net>; Available in Japanese only), input the “voting right exercise code” and “password” supplied on the enclosed Voting Right Exercise Form, and follow the on-screen instructions to enter your vote “for” or “against” for each of the proposals.

Deadline: No later than 5:30 p.m., Wednesday, March 28, 2018 (Japan Standard Time)

- 1) Please note that, to prevent individuals other than the shareholders from committing unauthorized access of the website (impersonation) or unauthorized alteration of votes already made by authentic shareholders, we may request shareholders to change their “password” at the website for exercising voting rights.
- 2) Any expenses arising from accessing the website for exercising voting rights (internet access fees, telephone charges, etc.) shall be borne by the shareholder. Also, when voting by smartphone, packet communication fees and other costs entailed by the use of smartphones also shall be borne by the shareholder.
- 3) If you exercise voting rights in duplicate, both in writing and via the internet, the voting rights exercised via the internet shall be deemed effective. Also, if you exercise voting rights several times via the internet, only your final vote shall be deemed effective.

Inquiries regarding exercising voting rights via the internet: Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support (dedicated line)
0120-652-031 (toll free, available only in Japan) (Support in Japanese only)
[9:00 a.m. to 9:00 p.m. (Japan Standard Time)]

Reference Materials for the Ordinary General Meeting of Shareholders

Proposal 1: Election of Four (4) Directors (excluding Directors Serving on the Audit and Supervisory Committee)

The terms of office of all four (4) Directors (excluding Directors serving on the Audit and Supervisory Committee; the same shall apply hereinafter in this proposal) will expire upon conclusion of this Meeting. Therefore, it is proposed that four (4) Directors be elected.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
1	Naoki Tani (Mar. 23, 1948)	Apr. 1973 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.) Jul. 1985 In charge of Licensing, Planning Office Jul. 2000 Global Management Strategy Department Apr. 2006 Professor, TLO Department, Nara Institute of Science and Technology Apr. 2010 Joined the Company Vice President Oct. 2010 Director Apr. 2011 Senior Vice President Aug. 2012 Representative Director (to present) Apr. 2017 President and CEO, TMRC Co., Ltd. (to present) <Important concurrent position> President and CEO, TMRC Co., Ltd.	20,000 shares
[Reason for the nomination as candidate for Director] Mr. Naoki Tani has abundant experience and extensive insight from a centrally important role in the licensing activities of a pharmaceutical company. Moreover, during his time at the Company, Mr. Tani has been deeply involved in the decision making of important business execution as a Representative Director and as the leader of senior management, demonstrating his prowess in this capacity. Expecting Mr. Tani to continue to fulfill his responsibilities as a business manager and contribute to the Company going forward, the Company once again nominates him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
2	Hatsuo Aoki (Apr. 8, 1936)	Apr. 1960 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.) Jun. 1988 Member of the Board Jan. 1993 Managing Director, Fujisawa Pharmaceutical Co., Ltd. Chairman & CEO, Fujisawa USA, Inc. Jun. 1995 Senior Managing Director, Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.) Jun. 1999 President and CEO Apr. 2005 Chairman and Representative Director, Astellas Pharma Inc. Jun. 2006 Co-chairman and Representative Director Jun. 2008 Senior Advisor to the Board Jun. 2010 Adviser Aug. 2011 Consultant, the Company Mar. 2012 Director, CxO advisors, Inc. Outside Director, the Company (to present) Jun. 2017 Director, Lind Pharma, Inc. (to present) <Important concurrent position> Director, Lind Pharma, Inc.	– shares
<p>[Reason for the nomination as candidate for Outside Director]</p> <p>Mr. Hatsuo Aoki has abundant experience as a senior manager and broad insight into global operations. Expecting to utilize Mr. Aoki's knowledge in the senior management of the Company, so that he may promote further revitalization of the Board of Directors, improve transparency of senior management and strengthen corporate governance, the Company once again nominates him as a candidate for Outside Director. Mr. Aoki's tenure as Outside Director will be six (6) years at the conclusion of this Meeting.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
3	Kiichiro Kawada (Oct. 26, 1960)	<p>Apr. 1984 Joined Kamigumi Co., Ltd.</p> <p>Jan. 1989 Joined Touche Ross & Co.</p> <p>Sep. 1990 Joined Deloitte Touche LLP</p> <p>Aug. 1993 Registered as U.S. Certified Public Accountant (California, the United States)</p> <p>Sep. 1995 Manager (International Taxation), Deloitte Touche LLP</p> <p>Nov. 1995 Joined Finance & Accounting Division of NIPPON EXPRESS U.S.A., INC. Senior Manager</p> <p>Sep. 2001 Joined CF Division of Tohmatsu & Co. Manager</p> <p>Oct. 2003 Senior Manager</p> <p>Oct. 2004 Joined Industrial Revitalization Corporation of Japan Manager</p> <p>May 2005 Joined FA Division of Deloitte Tohmatsu FAS Co., Ltd. Senior Vice President</p> <p>Mar. 2009 Joined the Company Vice President (General Manager of Internal Audit Office)</p> <p>Sep. 2011 Vice President (in charge of Corporate Planning & Strategy)</p> <p>Mar. 2012 Senior Vice President (CFO and in charge of Finance, Corporate Planning & Strategy and Research Planning & Coordination)</p> <p>Mar. 2016 Executive Vice President (CFO and in charge of Finance, Corporate Planning & Strategy and Research Planning & Coordination) (to present) Director (to present)</p> <p>Apr. 2017 Director, TMRC Co., Ltd. (to present)</p> <p><Important concurrent position> Director, TMRC Co., Ltd.</p>	7,300 shares
<p>[Reason for the nomination as candidate for Director]</p> <p>Mr. Kiichiro Kawada has performed roles as Director and Executive Vice President (CFO and in charge of Finance, Corporate Planning & Strategy and Research Planning & Coordination) that are important and essential for the continuation of the Company's business operations, such as formulation of the medium-term management plan and the raising of capital. Expecting that, going forward, Mr. Kawada will continue to play roles of even greater importance than now in the fields of the Company's finance and investor relations, the Company once again nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
4	Shuzo Watanabe (May 15, 1967)	<p>Apr. 1992 Joined Pfizer Seiyaku K.K. (currently Pfizer Japan Inc.)</p> <p>Apr. 2005 Senior Scientist, Discovery Biology Research, Pfizer Global Research and Development Nagoya Laboratories, Pfizer Japan Inc.</p> <p>Dec. 2006 Senior Principal Scientist, Discovery Biology Research, Pfizer Global Research and Development Nagoya Laboratories</p> <p>Jul. 2008 Joined the Company</p> <p>Oct. 2012 Vice President (Head of Discovery Research)</p> <p>Mar. 2016 Senior Vice President (Head of Discovery Research) (to present) Director (to present)</p> <p>Apr. 2017 Director, TMRC Co., Ltd. (to present)</p> <p><Important concurrent position> Director, TMRC Co., Ltd.</p>	24,800 shares
<p>[Reason for the nomination as candidate for Director]</p> <p>Mr. Shuzo Watanabe has performed roles as Director and Senior Vice President (Head of Discovery Research) that are central to drug development and research, the Company's core business. Expecting that, going forward, Mr. Watanabe will strengthen the Company's relationships with Nagoya University and joint research partners, and continue to achieve research results, the Company once again nominates him as a candidate for Director.</p>			

- (Notes)
1. No conflict of special interests exists between the Company and each candidate.
 2. Mr. Hatsuo Aoki is a candidate for Outside Director.
 3. The Company has designated Mr. Hatsuo Aoki as an independent officer based on the regulations stipulated by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange accordingly. If the reappointment of Mr. Hatsuo Aoki is approved, the Company will designate him again as an independent officer.
 4. Under the provision of Article 427, Paragraph 1, of the Companies Act, the Company has entered into an agreement with Mr. Hatsuo Aoki to limit his liability for damages specified in Article 423, Paragraph 1 of the said Act. The Company will continue the said agreement with him if he is elected as a Director in accordance with this proposal. The maximum amount of liability for damages under the agreement shall be the amount provided for by laws and ordinances.

Proposal 2: Election of Three (3) Directors Serving on the Audit and Supervisory Committee

The terms of office of all three (3) Directors serving on the Audit and Supervisory Committee will expire upon conclusion of this Meeting. Therefore, it is proposed that three (3) Directors serving on the Audit and Supervisory Committee be elected. The Audit and Supervisory Committee has already given its consent to this proposal.

The candidates for Directors serving on the Audit and Supervisory Committee are as follows.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
1	Shinnosuke Maki (Dec. 2, 1971)	<p>Oct. 1997 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Oct. 2002 Joined ORIX Corporation</p> <p>Oct. 2006 Representative, Maki Shinnosuke CPA Office (to present)</p> <p>Nov. 2006 Director, AM Consultants, Co., Ltd. (currently Accounting Firm MSPG Consulting Co., Ltd.)</p> <p>Feb. 2007 Representative Partner, Maki Certified Public Tax Accountants Corporation (currently Certified Public Tax Accountants Corporation, MS Partners) (to present)</p> <p>Jun. 2007 Outside Auditor, KRAFT Co., Ltd. Outside Auditor, EM SYSTEMS CO., LTD.</p> <p>Mar. 2010 President and Representative Director, AM Consultants, Co., Ltd. (currently Accounting Firm MSPG Consulting Co., Ltd.) (to present)</p> <p>Jun. 2011 Outside Auditor, KRAFT HONSYA Co., Ltd. (to present)</p> <p>Mar. 2014 Outside Auditor, KRAFT Holdings Co., Ltd. (to present)</p> <p>Mar. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>Apr. 2016 Auditor, Kagoshima pro sports project Co., Ltd. (to present)</p> <p><Important concurrent position> Representative, Maki Shinnosuke CPA Office Representative Partner, Certified Public Tax Accountants Corporation, MS Partners President and Representative Director, Accounting Firm MSPG Consulting Co., Ltd. Outside Auditor, KRAFT HONSYA Co., Ltd. Outside Auditor, KRAFT Holdings Co., Ltd. Auditor, Kagoshima pro sports project Co., Ltd.</p>	– shares
<p>[Reason for the nomination as candidate for Outside Director]</p> <p>Mr. Shinnosuke Maki has actively practiced as a certified public accountant and as a certified public tax accountant. Expecting that Mr. Maki's specialist viewpoint on accounting can be reflected in the Company's auditing, the Company once again nominates him as a candidate for Outside Director. Mr. Maki's tenure as Outside Director (Audit and Supervisory Committee Member) will be two (2) years at the conclusion of this Meeting.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
2	Hisaji Agata (Sep. 16, 1950)	<p>Apr. 1974 Joined Nomura Securities Co., Ltd.</p> <p>Mar. 1981 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Co., Ltd.)</p> <p>Jun. 1997 Director</p> <p>May 2002 Managing Director, JAFCO Co., Ltd.</p> <p>Jan. 2008 Representative Director, President, HIBIKI Partners Co., Ltd.</p> <p>Jun. 2008 Outside Director, TAIYO YUDEN CO., LTD. (to present)</p> <p>Sep. 2008 Special Advisor, HIBIKI Partners Co., Ltd. (to present)</p> <p>Mar. 2010 Outside Auditor, the Company Outside Auditor, TMRC Co., Ltd.</p> <p>Mar. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>Jul. 2016 Outside Director, 77 Capital Co., Ltd. (to present)</p> <p><Important concurrent position> Outside Director, TAIYO YUDEN CO., LTD. Outside Director, 77 Capital Co., Ltd.</p>	– shares
<p>[Reason for the nomination as candidate for Outside Director]</p> <p>Mr. Hisaji Agata has the experience as a venture capitalist of being involved in the fostering of many startups and guiding these companies to success. Expecting to receive sophisticated advice based on this specialist knowledge and abundant experience, the Company once again nominates Mr. Agata as a candidate for Outside Director. Mr. Agata’s tenure as Outside Director (Audit and Supervisory Committee Member) will be two (2) years at the conclusion of this Meeting.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
3	Gakuji Nomoto (Apr. 2, 1967)	Apr. 1995 Joined Mitsui Yasuda Law Office Mar. 1998 Joined Onishi Shoichiro Law Office Nov. 2001 Cleary Gottlieb Steen & Hamilton LLP Joined Tokyo Office Jul. 2014 Joined WADA LAW FIRM Jul. 2015 Joined Lexwell Partners (to present) Mar. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (to present) <Important concurrent position> Attorney at law, Lexwell Partners	- shares
[Reason for the nomination as candidate for Outside Director] Mr. Gakuji Nomoto has actively practiced as an attorney at law in a broad range of areas, and although he has not had past experience in a company's senior management other than as an outside officer, the Company expects to receive his multifaceted advice on corporate legal affairs and compliance that he can offer from his specialist viewpoint. Accordingly, the Company once again nominates Mr. Nomoto as a candidate for Outside Director. Mr. Nomoto's tenure as Outside Director (Audit and Supervisory Committee Member) will be two (2) years at the conclusion of this Meeting.			

- (Notes)
1. No conflict of special interests exists between the Company and each candidate.
 2. Mr. Shinnosuke Maki, Mr. Hisaji Agata and Mr. Gakuji Nomoto are candidates for Outside Directors.
 3. The Company has designated Mr. Hisaji Agata as an independent officer based on the regulations stipulated by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange accordingly. If the reappointment of Mr. Hisaji Agata is approved, the Company will designate him again as an independent officer.
 4. Under the provision of Article 427, Paragraph 1, of the Companies Act, the Company has entered into agreements with Mr. Shinnosuke Maki, Mr. Hisaji Agata and Mr. Gakuji Nomoto to limit their liability for damages specified in Article 423, Paragraph 1, of the said Act. The Company will continue the said agreements with each of the candidates if they are elected as Directors in accordance with this proposal. The maximum amount of liability for damages under the agreement shall be the amount provided for by laws and ordinances.

Proposal 3: Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee

At the start of this Meeting, the term of effect of the elected status of substitute Director serving on the Audit and Supervisory Committee, Mr. Daisuke Yamagami, will expire. He was elected at the 8th Ordinary General Meeting of Shareholders held on March 30, 2016. Accordingly, once again, as preparation for a situation where the number of incumbent Directors serving on the Audit and Supervisory Committee does not satisfy the number prescribed by laws and ordinances, it is proposed that one (1) substitute Director serving on the Audit and Supervisory Committee be elected as a substitute in advance for all of the Directors serving on the Audit and Supervisory Committee.

The Audit and Supervisory Committee has already given its consent to this proposal.

The candidate for substitute Director serving on the Audit and Supervisory Committee is as follows.

Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of shares of the Company held
Daisuke Yamagami (Nov. 24, 1946)	Nov. 1975 Joined Tokyo Office, Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC) Sep. 1981 Registered as certified public accountant Nov. 1984 Seconded to Touche Ross & Co. (Toronto, a business partner of Tohmatsu Aoki & Co.) Mar. 1988 Worked at New York Office of Tohmatsu Aoki & Co. (returned to Japan in 1993 to work at its Tokyo Office) Jul. 1990 Registered as an employee of Tohmatsu & Co. Aug. 2000 Established Yamagami CPA Office (to present) Mar. 2001 Outside Corporate Auditor, Odawara Engineering Co., Ltd. (to present) Jun. 2001 Outside Audit & Supervisory Board Member, NIHON TOKUSHU TORYO CO., LTD. Aug. 2003 Outside Corporate Auditor, TAKARA PRINTING CO., LTD. (to present) Nov. 2009 Substitute Auditor, the Company Mar. 2015 Outside Corporate Auditor, ROYAL ELECTRIC CO., LTD. <Important concurrent position> Head of Yamagami CPA Office Outside Corporate Auditor, Odawara Engineering Co., Ltd. Outside Corporate Auditor, TAKARA PRINTING CO., LTD.	– shares
[Reason for the nomination as candidate for Outside Director] Mr. Daisuke Yamagami has specialist knowledge, abundant experience and extensive insight as a certified public accountant, and although he has not had past experience in a company's senior management other than as an outside officer, the Company expects to utilize his experience and knowledge in the Company's audit system. Accordingly, the Company nominates Mr. Yamagami as a candidate for substitute Outside Director serving on the Audit and Supervisory Committee.		

- (Notes)
1. No conflict of special interests exists between the Company and the candidate.
 2. Mr. Daisuke Yamagami is a candidate for substitute Outside Director serving on the Audit and Supervisory Committee.
 3. Mr. Daisuke Yamagami was a substitute Auditor of the Company from November 2009 to March 2010.
 4. Under the provision of Article 427, Paragraph 1, of the Companies Act, the Company will enter into an agreement with Mr. Daisuke Yamagami to limit his liability for damages specified in Article 423, Paragraph 1, of the said Act, if he is elected as substitute Outside Director serving on the Audit and Supervisory Committee and actually assumes the office. The maximum amount of liability for damages under the agreement shall be the amount provided for by laws and ordinances.

Consolidated Financial Statements

Consolidated Balance Sheet

(Thousands of yen)

Account title	10th Fiscal Year (As of December 31, 2017)	Account title	10th Fiscal Year (As of December 31, 2017)
Assets		Liabilities	
Current assets	3,322,398	Current liabilities	148,763
Cash and deposits	2,268,024	Accounts payable - trade	1,984
Accounts receivable - trade	448,738	Accounts payable - other	63,365
Securities	328,957	Accrued expenses	43,997
Supplies	5,153	Income taxes payable	20,691
Advance payments - trade	189,743	Accrued consumption taxes	13,907
Prepaid expenses	62,150	Advances received	1,101
Other	19,631	Deposits received	3,716
Non-current assets	1,741,790	Non-current liabilities	27,474
Property, plant and equipment	215,680	Asset retirement obligations	11,743
Buildings	142,462	Deferred tax liabilities	15,730
Tools, furniture and fixtures	488,193		
Accumulated depreciation	(414,975)	Total liabilities	176,237
Intangible assets	9,955	Net assets	
Trademark right	4,945	Shareholders' equity	4,886,607
Software	4,383	Capital stock	2,741,249
Other	626	Capital surplus	2,931,032
Investments and other assets	1,516,154	Retained earnings	(785,652)
Investment securities	1,503,443	Treasury shares	(21)
Long-term prepaid expenses	2,126	Accumulated other comprehensive income	(15,826)
Other	10,584	Valuation difference on available-for-sale securities	(15,826)
		Subscription rights to shares	17,168
		Total net assets	4,887,950
Total assets	5,064,188	Total liabilities and net assets	5,064,188

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.

Consolidated Statement of Income

(Thousands of yen)

Account title	10th Fiscal Year (January 1, 2017 to December 31, 2017)
Business revenue	1,419,195
Business expenses	1,569,607
Cost of business revenue	149,534
Research and development expenses	848,516
Other selling, general and administrative expenses	571,555
Operating loss	(150,411)
Non-operating income	84,665
Interest income	3,541
Interest on securities	35,271
Foreign exchange gains	700
Subsidy income	44,072
Other	1,078
Non-operating expenses	14,829
Share issuance cost	12,919
Loss on valuation of compound financial instruments	1,810
Other	100
Ordinary loss	(80,575)
Extraordinary income	20,926
Gain on sales of investment securities	17,647
Gain on bargain purchase	3,278
Extraordinary losses	199
Loss on sales of investment securities	199
Loss before income taxes	(59,848)
Income taxes - current	2,982
Income taxes - deferred	(4,707)
Loss	(58,122)
Loss attributable to owners of parent	(58,122)

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.

Consolidated Statement of Changes in Equity
(10th Fiscal Year from January 1, 2017 to December 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,237,588	2,237,588	(727,530)	–	3,747,646
Changes of items during period					
Increase by share exchanges		189,783			189,783
Issuance of new shares	503,661	503,661			1,007,322
Purchase of treasury shares				(21)	(21)
Loss attributable to owners of parent			(58,122)		(58,122)
Net changes of items other than shareholders' equity					
Total changes of items during period	503,661	693,444	(58,122)	(21)	1,138,961
Balance at end of current period	2,741,249	2,931,032	(785,652)	(21)	4,886,607

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of current period	26,183	26,183	14,785	3,788,615
Changes of items during period				
Increase by share exchanges				189,783
Issuance of new shares				1,007,322
Purchase of treasury shares				(21)
Loss attributable to owners of parent				(58,122)
Net changes of items other than shareholders' equity	(42,010)	(42,010)	2,383	(39,626)
Total changes of items during period	(42,010)	(42,010)	2,383	1,099,335
Balance at end of current period	(15,826)	(15,826)	17,168	4,887,950

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.