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PRESS RELEASE

Company: RaQualia Pharma Inc.
(Ticker code: 4579)
Representative: Representative Director Naoki Tani
Inquiries: Director Kiichiro Kawada
(Phone +81-52-446-6100)

RaQualia Announces Receipt of Lump Sum Payment from Asahi Kasei Pharma as a Result of AK1780 License Agreement

RaQualia Pharma (RaQualia) today announced that it will receive a lump sum payment from Asahi Kasei Pharma Corporation (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Yoshikazu Aoki, hereinafter called Asahi Kasei Pharma) as a result of a license agreement signed between Asahi Kasei Pharma and Eli Lilly and Company related to AK1780/RQ-00466479, a P2X7 receptor antagonist. As part of that license agreement, RaQualia's intellectual property was licensed to Lilly through Asahi Kasei Pharma.

AK1780/RQ-00466479 is a P2X7 receptor antagonist initially developed in the joint research between RaQualia and Asahi Kasei Pharma. It is an orally available and CNS-penetrating small molecule that recently completed Phase I clinical trials for the potential treatment of peripheral neuropathic pain.

In addition to the lump sum payment from Asahi Kasei Pharma, RaQualia will also be eligible to receive potential royalties at predetermined rates for the income earned by Asahi Kasei Pharma if AK1780/RQ-00466479 is successfully commercialized.

"I am very pleased and proud that a drug candidate initially developed via joint research between our company and Asahi Kasei Pharma will now be developed by Lilly," said Mr. Naoki Tani, President and CEO of RaQualia. "We look forward to the future progress of global development by Lilly."

"We are pleased to conclude this large agreement," said Dr. Shuzo Watanabe, Director and Executive Vice President (Head of Discovery Research) of RaQualia. "Under the joint project team, the discovery of AK1780/RQ-00466479 as a new drug candidate for the treatment of neuropathic pain was a major achievement of our strength in ion channel drug discovery. We would like to express our gratitude to Asahi Kasei Pharma for their efforts."

For details of the license agreement between Asahi Kasei Pharma and Lilly, please refer to the website of Asahi Kasei Pharma. <https://www.asahikasei-pharma.co.jp>

The lump sum payment we receive will be at least 20% of our consolidated sales in the last consolidated fiscal year (January 1,2019 to December 31,2019).

Following this transaction, the full-year earnings forecast for the fiscal year ending December 2021 will

be disclosed in the announcement of financial results for the fiscal year ending December 2020 scheduled on February 12, 2021.

End