

**Record of Non-Operating Income and Revisions of Consolidated and Non-consolidated
 Business Forecasts for the Current Full Year**

December 12, 2014 – RaQualia Pharma Inc. (JASDAQ Code: 4579) today announced that the Company expects to record a non-operating income and made a revision of the business forecasts for the fiscal year ending December 31, 2014 (from January 1, 2014 to December 31, 2014), which was announced on February 14, 2014.

1. Record of non-operating income (foreign exchange gain)

Due to the re-evaluation of foreign-currency denominated bonds, the Company expects to record a foreign exchange gain at ¥95,347,000 during the fourth quarter of the consolidated fiscal year (October 31, 2014 to December 31, 2014). For the full year, the Company expects to record the foreign exchange gain at ¥138,636,000 as a non-operating income.

2. Revision of the consolidated business forecasts for the current full year. (from January 1, 2014 to December 31, 2014)

	Business revenue	Operating loss	Ordinary loss	Net loss	Net loss per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
Previous forecast (A)	300	(1,684)	(1,685)	(282)	(20.82)
Revised forecast (B)	300	(1,983)	(1,833)	(259)	(17.45)
Decrease (B-A)	0	(299)	(148)	23	
Percentage change (%)	0.0	—	—	—	
Reference: Financial Results for the previous year (FY2013)	228	(2,137)	(1,819)	(1,108)	(82.70)

Explanation of revisions:

Total business expenses will increase by ¥298 million compared with the original plan, due to increased personnel and facility-related costs arising from the modifications in the relocation plan, in which the Company moved its research functions to Nagoya University based on the agreement announced on February 18, 2014. In addition, the costs for clinical development projects and the expenditure related to intellectual properties also affected the increase of the total business expenses.

As a result of the re-evaluation of foreign-currency denominated bonds, the non-operating income will increase by ¥151 million compared with the original plan. The ordinary loss will increase by ¥148 million due to the increase of the operating losses by ¥299 million.

The net loss will decrease by ¥23 million, due to the increase of the gain on sale of investment securities by ¥109

million compared with the original plan, along with the decrease in the moving expenses by ¥76 million. In consequence, the Company revised downward its forecasts of operating loss to ¥1,983 million (the previously published forecast was ¥1,684 million), its ordinary loss to ¥1,833 million (the previously published forecast was ¥1,685 million), and its current net loss to ¥259 million (the previously published forecast was ¥282 million).

3. Revision of the Non-consolidated business forecasts for the current full year. (from January 1, 2014 to December 31, 2014)

	Business revenue	Operating loss	Ordinary loss	Net loss	Net loss per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
Previous forecast (A)	300	(1,655)	(1,655)	(251)	(18.58)
Revised forecast (B)	300	(1,926)	(1,768)	(194)	(13.08)
Decrease (B-A)	0	(272)	(113)	57	
Percentage change (%)	0.0	—	—	—	
Reference: Financial Results for the previous year (FY2013)	227	(2,069)	(1,848)	(1,136)	(84.83)

Explanation of revisions:

For the same reasons as the revision of the consolidated business forecasts for the current full year, the Company revised downward its forecasts of operating loss to ¥1,926 million (the previously published forecast was ¥1,655 million), its ordinary loss to ¥1,768 million (the previously published forecast was ¥1,655 million), and its current net loss to ¥194 million (the previously published forecast was ¥251 million).

[Notes regarding descriptions related to forward-looking events]

The forecasts of financial results were developed based on information available as of the publication date of this press release. Actual financial results may differ from the forecasts due to various factors going forward.

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