

NEWS RELEASE

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RaQualia Announces Voluntary Retirement Program and Expects Report of Extraordinary Loss

June 1, 2015 - RaQualia Pharma Inc. (the Company) today announced that the company's board of directors resolved to offer a voluntary retirement program to its employees.

1. Background to implementation of the voluntary retirement program

Within the pharmaceutical industry, the government continues to implement policies designed to curtail medical expenditures by lowering regulated drug prices and promoting the use of generic medicines. In addition, business environment surrounding the Company is still in a tough situation due to globalization of the market and new market entries from other industrial sectors as well as fierce competition between companies, M&A and rising development costs. Against the backdrop, the Company has been attempting to cope with these challenges by investing significant resources in the R&D activities and reducing facility and operating costs. The Company will continue to focus on cost reduction with due considerations to the impact on its business operations.

Under the above circumstances, the Company decided to downsize its personnel in response to the progress of site relocation and academic-business collaboration by offering the voluntary retirement program to its employees.

2. Outline of the program

(1) Eligibility Criteria	Full-time employees (71 as of June 1, 2015)
(2) Number of Eligible Applicants	Not determined
(3) Application Period	From June 1, 2015 to June 15, 2015
(4) Effective Date of Retirement	June 30, 2015 (scheduled)
(5) Preferential Conditions	A special severance payment will be offered to the employees accepting voluntary retirement.

3. Impact on financial performance

The Company will report the special severance payment as extraordinary loss in the settlement of accounts for FY2015. The specific figures will be disclosed at a later date, as soon as the number and demographics of the applicants and the total amounts to be paid are confirmed. The financial impact of this program was not included in the financial forecasts issued on May 14, 2015. The Company will publish a revised forecast as soon as it is recognized.

Business forecasts for FY2015 (January 1, 2015 to December 31, 2015)

	Net sales	Operating income	Ordinary income	Net income
Fiscal year ending	million yen	million yen	million yen	million yen
December 31, 2015	600	(1,469)	(1,435)	(1,495)
Fiscal year ending	million yen	million yen	million yen	million yen
December 31, 2014	153	(2,122)	(1,942)	(464)

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