平成28年２月12日

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Transition to a Company with a Committees System (with an Audit Committee and Other Committees) and Elected Directors and Officers

Dear Shareholders

At the meeting of its Board of Directors held on February 12, 2016, RaQualia Pharma, Inc. (the "Company") decided to transfer its status from that of a "Company with Company Auditors" to that of a "Company with a Committees System (with an audit committee and other committees)" as a means of enhancing its corporate governance practices. This decision shall be subject to the approval of the 8th Ordinary General Meeting expected to be held on March 30, 2016. The Company accordingly determined proposed candidates for directors on the same date. In this regard, the Company hereby notifies its shareholders of the following.

The Company's Articles of Incorporation have also been partly revised according to this decision, and a "Notification of Partial Changes to the Articles of Incorporation" has been separately disclosed.

1. Transition to a company with a committees system (including the Company's audit committee and other committees)
   (1) Purpose of transition
   To further improve and enhance corporate governance practices by creating committees (including the audit committee and other committees) where the majority of the members of such committees will be outside directors, thereby strengthening the supervisory function of the Board of Directors through the election of several outside directors.

   (2) Timing of transition
   The Company anticipates that necessary changes to the Articles of Incorporation will be approved at the Ordinary General Meeting of Shareholders expected to be held on March 30, 2016. Upon the adoption of those changes, the Company will implement the transition.

2. Election of directors
   (1) Candidate directors other than those serving as a member of the committees (including the audit committee and other committees) (expected to be proposed at the shareholders' meeting on March 30, 2016)

Representative Director, President & CEO	Naoki Tani
Director (outside)	Hatsuo Aoki
Director	Kiichiro Kawada
Director	Shuzo Watanabe

Note: Mr. Hatsuo Aoki is a candidate for outside director as specified in Article 2, Paragraph 15 of the Companies Act.

(2) Candidate directors who will become members of the audit committee and other committees (expected to be proposed at the shareholders' meeting on March 30, 2016)

Member of the audit committee and other committees (outside):
Hisaji Agata
Member of the audit committee and other committees (outside):
Gakuji Nomoto
Member of the audit committee and other committees (outside):
Shinnosuke Maki

Note: Mr. Hisaji Agata, Mr. Gakuji Nomoto, and Mr. Shinnosuke Maki are candidates for outside director as specified in Article 2, Paragraph 15 of the Companies Act.

(3) Directors expected to retire (at the completion of the shareholders' meeting expected to be held on March 30, 2016)

Director (outside)	Akimitsu Hirai
Director	Susumu Tsuchiya

(4) Auditors expected to retire (at the completion of the shareholders' meeting expected to be held on March 30, 2016)

Full-time auditor (outside)	Naoharu Inoue
Auditor	Yasushi Honma
Auditor (outside)	Hisaji Agata

Note: Mr. Hisaji Agata is expected to assume office as a director who serves as a member of the audit committee and other committees.