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PRESS RELEASE

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RaQualia Announces Research Collaboration Agreement with Asahi Kasei Pharma Corporation

March 22, 2016 - RaQualia Pharma Inc. (JASDAQ Code: 4579; RaQualia) today announced that the company's Board of Directors has approved the conclusion of a new research collaboration agreement with Asahi Kasei Pharma Corporation (President and CEO: Kazuyoshi Hori, headquartered in Chiyoda-ku, Tokyo; hereinafter Asahi Kasei Pharma). The partnership will focus on discovery research on pain treatment targeting a specific ion channel*.

1. Background

RaQualia and Asahi Kasei Pharma have engaged in collaborative research to identify new drug candidates for a specific ion channel target under the research collaboration agreement concluded in April 2014. RaQualia received a milestone payment and a financial incentive for early achievement of the research milestone from Asahi Kasei Pharma in December 2015. After consultation between the two companies, a new research collaboration framework came to an agreement.

2. Objectives of Partnership

RaQualia and Asahi Kasei Pharma will jointly work on discovery research to generate a new therapeutic agent for pain treatment by combining RaQualia's core expertise in ion channel research and unique drug discovery technology with Asahi Kasei Pharma's extensive knowledge in drug development. RaQualia will receive a research collaboration payment and will be eligible to receive potential development milestones. Both companies will continue strategic discussion to strengthen their partnership in research collaboration.

3. Overview of Asahi Kasei Pharma Corp.

(1) Name	Asahi Kasei Pharma Corp.	
(2) Location	1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo 101-8101 Japan	
(3) Name and title of representative	Kazuyoshi Hori, President & Representative Director	
(4) Description of business	Manufacturing and marketing of pharmaceuticals, enzymes, and diagnostic products	
(5) Capital	JPY 3,000 million	
(6) Date of establishment	Oct 01, 2003	
(7) Major shareholders and shareholding ratio	Asahi Kasei Corp. (100%)	
(8) Relationship between concerned parties	Capital relationship	Not applicable
	Human relationship	Not applicable
	Business relationship	Not applicable
	Statuses of relationship	Not applicable

※The company is a wholly-owned subsidiary of Asahi Kasei Corp. Operating results and financial condition of the past three years were not disclosed.

Overview of Asahi Kasei Corp.

(1) Name	Asahi Kasei Corp.	
(2) Location	1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo 101-8101 Japan	
(3) Name and title of representative	Toshio Asano, President & Presidential Executive Officer	
(4) Description of business	Ownership and control of companies operating business in fibers, chemicals, homes, construction materials, electronics, and health care	
(5) Capital	JPY 103,389 million	
(6) Date of establishment	May 21, 1931	
(7) Relationship between concerned parties	Capital relationship	Not applicable
	Human relationship	Not applicable
	Business relationship	Not applicable
	Statuses of relationship	Not applicable

(8) Consolidated operating results and financial position for the past 3 years (Unit: JPY million)

Fiscal year ended	March 31, 2013	March 31, 2014	March 31, 2015
Total net assets	824,451	925,766	1,097,722
Total assets	1,800,170	1,915,089	2,014,531
Net sales	1,666,640	1,897,766	1,986,405
Operating income	91,960	143,347	157,933
Ordinary income	95,125	142,865	166,543
Net income per share (Yen)	38.43	72.48	75.62
Dividend per share (Yen)	14.0	17.0	19.0

4. Schedule

(1) Date of resolution	March 22, 2016
(2) Date of contract	March 22, 2016

5. Financial forecast

The financial impact of this agreement has been factored into the business forecasts for FY2016 (January 1, 2016 to December 31, 2016) issued on February 12, 2016.

*About Ion Channel

Ion channels are pore-forming integral membrane proteins that regulate plasma membrane potential by allowing the flow of ions across cell membrane. In excitable cells such as neurons or muscle cells, several types of ion channels contribute to generating action potentials, which convey physiological or pathological information along nerve system. Some ion channels exist in nerve terminals of peripheral and central tissue to modulate transmitter release. Thus, icon channels play a pivotal role in physiological homeostasis.

Reference: Business forecasts for FY2016 (As of February 12, 2016) compared to FY2015

	Net sales	Operating income	Ordinary income	Net income
FY2016 (Forecast)	million yen 950	million yen (819)	million yen (819)	million yen (825)
FY2015 (Result)	million yen 145	million yen (1,864)	million yen (1,795)	million yen (1,854)

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