

SOLASIA LAUNCHES EPISIL® IN CHINA

- Rapid Relief of Pain in Oral Mucositis, New episil® Oral Liquid Launched in China -

TOKYO and CHENGDU, July 22, 2019 - Solasia Pharma K.K. (TOKYO:4597, Headquarters:Tokyo, Japan, President & CEO:Yoshihiro Arai, hereinafter "Solasia"), a specialty pharmaceutical company based in Asia, today officially announced that the Company has launched "episil®" (SP-03, product name: episil® oral liquid) in China to relieve pain in the oral cavity, soothing lesions caused by chemotherapy and/or radiotherapy.

Under the full support of CRPC (The Committee of Rehabilitation and Palliative Care of China Anti-Cancer Association), Solasia and Lee's Pharmaceutical (HK) Ltd. (hereinafter "Lee's") jointly held the China national launch meeting of episil® at the CRPC annual meeting in Chengdu, China on July 19. Professor Qin Shukui, chairman of CRPC, vice chairman of CSCO (Chinese Society of Clinical Oncology) and Professor Hu Chaosu, former Chairman of CACA (the China Anti-Cancer Association Nasopharyngeal Carcinoma Committee) were the chairmen of the launch meeting. Dr. Barry Quinn RN, chairman of EOCC (European Oral Care in Cancer/Senior Lecture, EOCC), was invited as a guest speaker to present oral care and pain management during cancer treatment. In addition to introduction of episil®, topics of clinical research progress of oral mucositis (OM) in China, the current status of diagnosis and treatment of oral mucositis (OM), and interpretation of international guidelines were discussed at the meeting.

As the only ready-to-use, pocket-sized medical device for managing and relieving OM, Professor Qin Shukui expressed his warm congratulation on episil®'s successful launch in China. He said: "Active treatment of OM is an important component of supportive therapy of cancer. For OM of cancer patients caused by chemoradiotherapy, at present, there is still a lack of fast, effective, safe and comfortable products domestically. The launch of episil® will provide a brand-new treatment option for OM patients in China."

Oral mucositis (OM) is one of the common complications of cancer chemoradiotherapy. It seriously affects the quality of life of patients.

OM is a common side effect, which occurs in 20%-40% of chemotherapy, 80% of high-dose chemotherapy (such as hematopoietic stem cell transplantation pretreatment) and most of head and neck radiotherapy in China^{1,2}. OM usually manifests as redness, erosion, ulcers and pain, affecting swallowing and eating and often leads to decreased dose, interruption or delay of radiotherapy, and even hospitalization. OM seriously affects patients' quality of life, treatment progress and efficacy.

Professor Hu Chaosu further pointed out: "Deterioration of OM to a certain degree will cause severe pain, and made the cancer patients failure to intake food or even requires hospitalization, which not only seriously affects patient's quality of life, but also increases the economic burden."

episil® rapidly relieves pain of oral mucositis (OM), and bringing the brand-new safe and effective option

To solve this problem, Solasia brings episil® to the vast number of patients in China. episil® is adopted the patented FluidCrystal® technology from Camurus AB, Sweden. It is a lipid-based, preservative-free fluid that adhere to the oral mucosa, and form a layer of protective membrane within 5 minutes after contacting with the oral mucosa. It provides physical protection to the oral sensitive and ulcerated epithelium and relieves pain for up to 8 hours^{3,4}.

episil® is the only product for OM treatment in the domestic market with Chinese registered clinical research⁵. As the leader of the episil® China registration trial, Professor Qin Shukui said: "The results of head-to-head comparison of local analgesic effect between episil® and commercially available oral ulcer gargle shows that the former formed a layer of protective membrane within 5 minutes and take effective rapidly. The oral pain score decreases significantly during the 6-hour observation period, and the local analgesic effect and duration were obviously superior to the control group⁵. At the same time, episil® enhances patient's drinking water, food intake and significantly improved compliance and convenience of cancer patients during the entire chemoradiotherapy."

The safety and efficacy of episil® has also been recommended by many international guidelines. Professor Hu Chaosu introduced: "UKOMiC (Mouth care guidance and support by UK Oral Mucositis in

Cancer Group) and EOCC (European Cancer Oral Care in Cancer Group oral care guidance and support) recommend to use lumen mucosal protectants such as episil® for preventing the occurrence of OM and relieve pain.”

The incidence of OM of cancer patients who receive chemotherapy and radiotherapy is quite high. Clinically, it is urgent to control the treatment of remission symptoms. episil® is convenient and unique in dosage form which forms a protective film quickly and effectively in 5 minutes. It provides physical protection to the oral sensitive and ulcerated epithelium and relieves pain for up to 8 hours safely and comfortably. episil® provides a new optimal treatment method to relieve pain for the majority of cancer patients, smoothly completing chemotherapy and radiotherapy, and improve curative effect and quality of life.

Yoshihiro Arai, President and Chief Executive Officer, Solasia, said: “Solasia company mission is ‘Better Medicine for a Brighter Tomorrow’. We always focus on the patients, and strive to develop innovative products in the field of cancer treatment and supportive care. With our policy to bring ‘quality medicines’ to the market, we aim to contribute not only cancer treatment, but also QOL improvement of cancer patients in Asian countries. The launch of episil® and the co-promotion by Solasia and Lee’s is our second step of unwavering commitment to Chinese patients as well as our first product Sancuso®. All of Solasia and Lee’s team members will continue to work hard to meet the needs of patients and healthcare professionals and embrace new challenges going forward.”

Same as Sancuso® (SP-01), Solasia commercializes using its own sales force in Beijing, Shanghai, and Guangzhou. As for the rest of China, it’s commercialized by Lee’s Pharmaceutical (HK) Limited.

The impact of this event has been already included in the current fiscal year’s financial forecast, thus no change in financial forecast will be announced as of now. However, the contribution to the company’s financials is expected to affect over medium to long term.

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About episil®

episil® uses the patented FluidCrystal® technology from Camurus AB (STO:CAMX), Sweden. It is a lipid-based liquid, preservative-free liquid that adhere to the oral mucosa, and form a protective film within 5 minutes after contacting with the oral mucosa^{3,4}. It provides physical protection to the oral sensitive and ulcerated epithelium. episil® is the only ready-to-use, pocket-sized medical device that manages and relieves oral mucositis, helping patients improve the quality of their daily lives during cancer treatment. episil® was first registered in Europe in 2009 and is now launched in the United States, Europe, Japan and other countries. episil® oral liquid is registered as Class I medical device in Europe, 510(k) medical device in the United States, and approved as Class II medical device in China and Japan.

About Solasia

Solasia is an Asia-based pharmaceutical company dedicated to developing and selling innovative cancer treatment supportive drugs for local markets. As to benefit patients in China, the company is focused on creating a cancer treatment system in Asia, by developing innovative cancer drugs, introducing and getting commercial development licenses for great products from leading pharmaceutical and biotech companies in Japan, Europe and U.S.A, and other Asian countries. Solasia actively responds to the needs of patients and healthcare professionals and works hard to improve patient’s life and meet the key unmet needs in oncology. For more information about the company, please visit www.solasia.co.jp/en/

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The forward-looking statements, including earnings forecasts, contained in this press release are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Such statements should not be construed as representing commitments on the part of the Company. Please be aware that actual performance may differ for a variety of reasons. Major factors affecting the Company's actual performance include the economic conditions in which it operates, exchange rate fluctuations, the competitive situation and other factors. Information contained in this press release with regard to pharmaceuticals and medical devices (including products under development) is not provided for the purposes of advertising or medical advice.