

February 26, 2020

To: All Concerned Parties

Company Name: Solasia Pharma K.K.
Representative: Yoshihiro Arai, President & CEO
(Code number: 4597, TSE Mothers Section)
Contact: Toshio Miyashita, CFO, Director
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Announcement Regarding Changes to Executive Management and Conclusion of New Business Agreement with Itochu

Solasia Pharma K.K. (hereafter “the Company”) hereby announces that at a Board of Directors meeting held today, it has resolved to submit a proposal concerning the election of a Director and an Auditor to the 12th General Meeting of Shareholders scheduled for March 30, 2020 (hereafter “the General Meeting”) as follows. The Company also announces that it has concluded a new business agreement with Itochu Corporation (hereafter “Itochu”) as outlined below.

1. Appointment of New Director (March 30, 2020)

Name	Jiro Mizukawa
Date of Birth	Sep. 14, 1952
Brief Background Description, Job Position, Concurrent Office	
Apr. 1976	Marupi-Searle Co. (currently Pfizer Japan Inc.)
Nov 1989	Osaka Branch Manager and Product Manager of the Marketing Division, Searle Yakuhin K.K. (currently Pfizer Japan Inc.)
Aug. 1992	Deputy Head of Sales, Monsanto Japan Ltd. (currently Pfizer Japan Inc.)
July. 1995	Head of Sales of the CNS & General Care Division, Pharmacia & Upjohn Corp. (currently Pfizer Japan Inc.)
July. 1999	Head of Distribution Policy and Sales of the CNS & General Care Division, Pharmacia Corp. (currently Pfizer Inc.)
Feb. 2003	Head of Sales of the CNS Division, Nippon Boehringer Ingelheim Co., Ltd..
Dec. 2003	Corporate Officer of the Oncology and Specialty Care Division, Sanofi-Aventis K.K. (currently Sanofi K.K.)
Nov. 2009	Managing Director and Head of the Pharmaceuticals Division, Abbott Japan LLC (currently AbbVie GK)
Mar. 2017	Representative Director, LTL Pharma Co., Ltd. (present)

2. Appointment of New Auditor (March 30, 2020)

Name	Yoshiyuki Yamakawa
Date of Birth	Aug. 21, 1962
Brief Background Description, Job Position, Concurrent Office	
Apr. 1986	Chief of the Equity Department, Nippon Life Insurance Company
Mar. 1989	Chief of the IPO Department, Nomura Securities Co., Ltd.

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	(Transferred)
Sep. 1995	Head of Corporate Planning Office, Innotech Corp.
Sep. 2001	Head of Corporate Planning Office, Sosei Co., Ltd. (currently Sosei Group Corp.)
Oct. 2003	Board Director, Executive Vice President, and CFO, Sosei Co., Ltd.
Oct. 2004	Representative Director, Executive Vice President, and CFO, Sosei Co., Ltd.
Dec. 2006	Founded Hibiki Partners Co., Ltd. Representative Director and President, Hibiki Partners Co., Ltd. (present)
June 2007	Outside Audit & Supervisory Board Member, United Arrows Ltd.
June 2008	Outside Board Director, Reprocell, Inc. (present)
Mar. 2010	Outside Board Director, D. Western Therapeutics Institute, Inc. (present)
Mar. 2013	Audit & Supervisory Board Member, Solasia Pharma K.K.
Feb. 2014	Outside Audit & Supervisory Board Member, Adventure Inc. (present)
Mar 2019	Outside Audit & Supervisory Board Member, Chiome Bioscience Inc. (present)

3. Retirement of Director (March 30, 2020)

Name	Masahiro Michisuji
	Tajio Enoki
Current Title	Director

4. Retirement of Auditor (March 30, 2020)

Name	Koichi Sagiya
	Jiro Fujiyama
Current Title	Auditor

5. New lineup of Directors and Auditors (March 30, 2020)

Position	New	Outside	Independent	Name
President and CEO				Yoshihiro Arai *
CFO, Director				Toshio Miyashita *
Director		○	○	Stanley Lau *
Director		○	○	Norikazu Eiki *
Director	○	○	○	Jiro Mizukawa *
Statutory Auditor		○	○	Susumu Araki
Auditor		○	○	Makoto Matsuo *
Auditor	○	○	○	Yoshiyuki Yamakawa *

*: Appointment is planned on approval at the 12th Annual General Shareholders Meeting.

6. Conclusion of a new business agreement with Itochu

Itochu has been a shareholder of the Company since its founding, and with a shareholding ratio of

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19.55% as of December 31, 2019, Itochu is the Company's largest shareholder. When the Company carried out a capital increase through private placement in December 2019, the Company reached an agreement with Itochu regarding the latter's holding period of the Company's shares (i.e., Itochu agreed to hold the Company's shares for a set period of time). Further, the Company has a contractual relationship with Itochu in regard to the distribution of the Company products SP-01 (Sancuso®) and SP-03 (episil®) in China and other regions, allowing the Company to utilize the Itochu Group's functions.

Due to the aforementioned changes to executive management, Director Tajio Enoki and Auditor Jiro Fujiyama, who were nominated to their current positions by Itochu, will retire at the conclusion of the General Meeting. However, to continue to utilize Itochu's wide ranging functions in its business operations, the Company newly concluded a new business agreement with Itochu. In specific, the agreement stipulates that Itochu will provide the Company with information on the pharmaceutical industry and overseas situations, particularly in China. Itochu will also make plans to provide support and arrange business alliance proposals for the Company focused on in-licensing or out-licensing development and sales rights of new drugs. The agreement is effective for two years from the date of this announcement, and the Company will discuss with Itochu whether to extend the term of the agreement at the end of the two years. As a result of entering this agreement, the Company and Itochu will be able to maintain their relationship at its current level after the conclusion of the General Meeting.

The Company expects the conclusion of the new business agreement to contribute to its earnings over the long term. The agreement would only have a marginal impact on the earnings forecast for the current fiscal year, and hence no change has been made to the forecast.

Disclaimer:

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 is for informational purposes only and should not be considered as investment solicitation. Information with regard to pharmaceuticals and medical devices (including products under development) is not provided for the purposes of advertising or medical advice. We do not have any obligation to update or revise any information in this press release, and any update or revision may occur anytime without notice.