

NEWS RELEASE

Solasia Announces Capital and Business Alliance with Nippon Kayaku Co., Ltd. and Issuance of New Shares by Way of Third-Party Allotment

TOKYO, June 28, 2022 - Solasia Pharma K.K. (TSE: 4597, Headquarters: Tokyo, Japan, President & CEO: Yoshihiro Arai, hereinafter "Solasia") announced today that it resolved at a meeting of its Board of Directors on June 28, 2022 to enter into a capital and business alliance agreement (hereinafter referred to as the "Capital and Business Alliance Agreement" and the alliance based on such agreement is hereinafter referred to as the "Capital and Business Alliance") with Nippon Kayaku Co., Ltd. (TSE: 4272, hereinafter "Nippon Kayaku" or "Scheduled Subscriber") and to issue new shares of common stock (the "Shares") to the Scheduled Subscriber by way of a third-party allotment (the "Third-party Allotment").

I. Contents of the Capital and Business Alliance

1. Contents of the Capital Alliance

Through the Third-party Allotment, Solasia will allot 12,000,000 shares of its common stock (8.42% of Solasia's issued and outstanding shares as of March 31, 2022 (rounded to two decimal places)) to Nippon Kayaku. For details of the Third-party Allotment, please refer to "II Issuance of New Shares by Way of Third-party Allotment" below.

2. Contents of the Business Alliance

Solasia plans to enter into a business alliance with Nippon Kayaku as outlined below. Each of the preferential negotiating rights will be valid for a period of two years, and the period thereafter will be determined separately.

(1) Preferential negotiation rights for future marketing opportunities of products developed by Solasia

Negotiate on a preferential basis with respect to granting exclusive marketing rights within Japan for future products developed by Solasia.

(2) Preferential negotiating rights for the manufacture of products developed by Solasia

Negotiate on a preferential basis with respect to the outsourcing of the manufacturing of existing and future in-licensed products which Solasia has the manufacturing rights to the plant of Nippon Kayaku responsible for the manufacturing of pharmaceutical products.

3. Outline of the Counterparty to the Capital and Business Alliance Agreement

Name:	Nippon Kayaku Co., Ltd.
Address:	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
Title / Name of the Representative:	President and Representative Director Atsuhiko Wakumoto
Contents of Business:	Specialty chemicals business, pharmaceuticals business, safety systems business and other businesses

II. Issuance of New Shares by Way of Third-Party Allotment

Capital alliance format:	Acquisition of newly issued Solasia shares by Nippon Kayaku in third-party allotment
Pay-in date:	July 14, 2022
Number of shares issued:	12,000,000 Solasia common stock
Issue price per share:	85 yen (closing price on June 27, 2022)
Total issue amount:	1,020,000,000 yen
Shareholding ratio after issue:	7.77%
Lock-up agreement:	Furthermore, Solasia plans to agree with Nippon Kayaku that, subject to payment for the Third-party Allotment, Nippon kayaku must obtain prior consent from Solasia if it transfers, succeeds to, creates a security interest in, or otherwise disposes of its shareholding within two years of the pay-in date stated above.
Use of proceeds:	For in-licensing and development of new pipeline products, etc.

About Nippon Kayaku

Nippon Kayaku was founded in 1916 as the first industrial explosives manufacturer in Japan. We have developed products to meet the needs of the time by utilizing, combining and transforming our core technologies in the company's main areas, explosives, dyes, pharmaceuticals and resins. Nippon Kayaku has contributed to realizing a sustainable society through its four businesses of Functional Chemicals, Pharmaceuticals, Safety Systems, and Agrochemicals.

In the Pharmaceuticals Business, Nippon Kayaku specializes in anticancer drugs and other cancer-related products, handling a range of products from new drugs to biosimilars and generics. It strives to provide trustworthy information crucial for understanding anticancer drugs to medical institutions.

Please visit the company website at <https://www.nipponkayaku.co.jp/english/> for more information.

About Solasia

Solasia is a specialty pharmaceutical company based in Asia, with a mission of "Better Medicine for a Brighter Tomorrow". In order to address the unmet medical needs within the oncology area, we develop innovative medicines to contribute to the patient's healthy living and to provide treatment options for the healthcare providers.

For more information, please visit <https://www.solasia.co.jp/en/>.

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