

Acquisition of FIMECS by RaQualia Pharma

Kanagawa and Nagoya, Japan, February 14, 2024 – FIMECS, Inc. (“FIMECS”), a private biotechnology company creating a new class of drugs based on targeted protein degradation, and RaQualia Pharma, Inc. (“RaQualia Pharma”), a research and development-based biotechnology company listed on Tokyo Stock Exchange (security code: 4579), today announced that FIMECS and FIMECS’ shareholders accepted the proposal of acquisition by RaQualia Pharma, and that RaQualia Pharma, FIMECS and FIMECS’ shareholders have executed Stock Purchase Agreement (“SPA”). As a result of the acquisition, FIMECS will become a wholly owned consolidated subsidiary of RaQualia Pharma.

Under the term of SPA, FIMECS’ shareholders will receive a 4.5B JPY upfront payment, in addition to earnout payments based on the predetermined rate of annual FIMECS’ sales in each of the fiscal years 2024 through 2028.

“We are pleased that our RaPPIDS™ platform has been highly praised. We expect that the strong synergies from joining the RaQualia Pharma group will enable us to dramatically accelerate our drug discovery.” said Yusuke Tominari, Ph.D., Co-Founder, CEO of FIMECS. “We really appreciate our shareholders for their strong and continuous support. We will continue to drive our drug discovery both internal and collaborative research to address a wide range of drug targets and unmet medical needs, then provide life-saving drugs for patients and their families around the world.”

“We are very pleased to be collaborating with RaQualia Pharma to increase the value of our platform and pipelines by leveraging both expertise. Together with RaQualia Pharma’s existing strengths, we will be able to unlock undruggable targets and generate innovative degrader compounds for the benefit of patients and their families.” said Kanae Gamo, Ph.D., Co-Founder, CSO of FIMECS.

“We are thrilled to announce that we have entered into SPA with FIMECS, a leading platformer for targeted proteolysis-inducing drugs. The acquisition of private biotechnology companies by listed biotechnology companies is a long-awaited event in the Japanese biotech ecosystem, and we are honored to have the opportunity to serve as a role model. This acquisition will allow us to leverage a new modality that has the potential to create breakthrough therapeutics to meet unmet medical needs. FIMECS is an outstanding biotech that has built a strong network with leading companies worldwide and has a proven track record of contracts in this area. By respecting each other’s strengths, we will deliver new medications for patients and their families suffering from diseases with limited treatment options. And we will realize our mission: “We brighten people’s lives through the power of innovation” ” said Hirobumi Takeuchi, President and CEO of RaQualia Pharma.

The acquisition is expected to close on March 26, 2024, subject to the completion of all necessary procedures.

About FIMECS, Inc.

FIMECS, Inc. is developing a new class of drugs based on targeted protein degradation for the currently ‘undruggable’ targets in immuno-oncology and oncology areas. The company became able to discover drug candidates for inducing the degradation of disease-relevant targeted proteins by integrating proprietary E3 ligase binders and RaPPIDS™ platform. This drug discovery platform will help providing drugs to the patients all over the world through various internal and collaboration projects. <https://www.fimecs.com/eng/>

About RaPPIDS™

RaPPIDS™ (Rapid Protein Proteolysis Inducer Discovery System) is one of the proprietary drug discovery platforms of FIMECS, Inc. used to generate therapeutic candidates of the targeted protein degrader. The platform allows synthesizing and evaluating various degraders quickly based on the company’s proprietary know-how and diversity-oriented synthesis, and delivery of the drug candidates with the best combination of target protein binders, linkers, and E3 ligase binders. Moreover, RaPPIDS™ platform enables the discovery of novel E3 ligase binders, which is expected to dramatically expand the range of target proteins that can be degraded.

About RaQualia Pharma, Inc.

RaQualia Pharma’s mission is “We brighten people’s lives through the power of innovation”, and we strive to deliver new medications to those suffering from diseases where no effective treatment options exist or existing treatment methods are insufficient. Guided by this philosophy, we are dedicated to the research and development of new medications not only within our own company but also through establishing a next-generation drug discovery value chain by strengthening partnerships with academia, start-ups, and venture companies. We, as professionals in drug discovery, are focusing on research and development efforts with a primary focus on patients. We pursue our science to create innovative first-in-class therapeutic medications. <https://www.raqualia.com/en/index.html>

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FIMECS, Inc. Media and Investor Contact:

FIMECS, Inc.

26-1, Muraoka-Higashi 2-chome, Fujisawa, Kanagawa 251-0012, Japan

Tel: +81-466-96-0261

Email: info@fimecs.com

RaQualia Pharma, Inc. Media and Investor Contact:

RaQualia Pharma, Inc.

8F Meieki Southside Square, 1-21-19 Meieki Minami Nakamura-ku, Nagoya 450-0003, Japan

Tel: +81-446-6100

Email: ask@raqualia.com