

June 30, 2021

To: All Concerned Parties

Company Name: Solasia Pharma K.K.
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Solasia Announces Exercise Price Revisions Associated with Series 12 Warrants

Solasia Pharma K.K. (TSE: 4597, Headquarters: Tokyo, Japan, President & CEO: Yoshihiro Arai, hereinafter “Solasia”) today announces that its Board of Directors has decided to revise the exercise price of Series 12 warrants issued on August 31, 2020 to allottee Macquarie Bank Limited (hereinafter the “Allottee”) in accordance with stipulations included in clause 10 of issuance guidelines covering the same warrants. At the same meeting, the Board of Directors also decided to terminate the Allottee’s obligation (commitment) to exercise these warrants effective on the date of this notice.

For more details regarding Series 12 warrants and conditions associated with this revision of the exercise price, see the August 13, 2020 Solasia news release entitled “Solasia Announces Finance via Issuance of Unsecured Straight Bond and Warrant (in Japanese version).”

1. Details of Warrants Subject to Exercise Price Revision

(1) Series name	Series 12 warrants issued by Solasia
(2) Allotment date	August 31, 2020
(3) Number of warrants issued	90,000 (100 shares per warrant)
(4) Number of warrants affected by revision	90,000
(5) Minimum exercise price	JPY121

2. Termination of Warrant Exercise Commitment

Solasia and the Allottee have agreed to revise a portion of the purchase agreement associated with these Series 12 warrants (hereafter the “Purchase Agreement”), thereby terminating the Allottee’s warrant exercise obligation (commitment) effective on the date of this notice.

3. Reasons for Exercise Price Revision and Termination of Warrant Exercise Commitment

On August 31, 2020, Solasia issued unsecured straight bonds, Series 11 warrants, and Series 12 warrants. The bonds were fully redeemed in March 2021, while Series 11 warrants were exercised to completion in May of the same year. Series 12 warrants remain unexercised.

As announced today in a separate release, pipeline product SP-02 (darinaparsin) as a treatment for relapsed or refractory peripheral T-cell lymphoma has been completed its R&D and an application for New Drug Application has been submitted to the Japanese Ministry of Health, Labour and Welfare (MHLW). Having submitted this application, Solasia will invest in and conduct further development of SP-02 as a treatment for other types of cancer while anticipating a future rollout in China, where it maintains its own sales network. Additionally, as announced on March 22, 2021, Solasia has finalized its decision to continue investing in the development of pipeline product SP-05 until the completion of associated clinical trials primarily because interim analyses conducted during the product’s phase 3 clinical trial returned favorable results. These uses of funds are all in accordance with the uses described in Solasia’s corresponding news release, dated August 13, 2020. However, Solasia has revised the exercise price of Series 12 warrants to increase the likelihood of procuring the funds necessary for these investments in development.

Under certain conditions, the Purchase Agreement between Solasia and the Allottee allows the former to specify a period during which the latter cannot exercise its warrants. However, the agreement does not allow Solasia to specify this period while the agreement’s warrant exercise obligation (commitment) remains in effect for the Allottee. Accordingly, the two parties have agreed to terminate the warrant exercise obligation (commitment) to facilitate flexible fund procurement predicated upon current stock prices.

4. Future Outlook

Solasia believes that the above decisions concerning Series 12 warrants will contribute to medium- to long-term improvements in corporate value and shareholder value. However, it also anticipates that the impact of these decisions on financial results for the fiscal year ending December 31, 2021 will be negligible and has therefore made no changes to its corresponding forecast, which was released on February 10, 2021.

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.