

CHEMIPHAR UNDERWRITES THIRD-PARTY ALLOCATION OF SHARES BY DELTA-FLY PHARMA

Nippon Chemiphar Co., Ltd.
(TSE: 4539)
October 20, 2023

We are pleased to announce that Nippon Chemiphar Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and CEO, Kazushiro Yamaguchi; hereinafter, “Chemiphar”) has made the decision to underwrite a third-party allocation of shares by Delta-Fly Pharma, Inc. (Head Office: Tokushima, Tokushima; President and CEO, Kiyoshi Eshima; hereinafter, “DFP”).

1. Background and purpose of underwriting the third-party allocation of shares

DFP is a drug discovery venture company specializing in anti-cancer drug development based on the unique concept of modular drug development. In March 2020, Chemiphar entered into a license agreement to obtain exclusive sales and manufacturing rights in Japan for the tumor microenvironment improving agent DFP-17729, which is being developed by DFP. In addition, in March 2022, Chemiphar entered into a license agreement with exclusive sales rights in Japan for DFP-14323, an immunoenhancing agent that is developed for lung cancer therapy.

DFP-17729 is a highly innovative drug that marks the world’s first use of alkalizing therapeutics in the treatment of cancer. The drug’s antineoplastic effects when used in combination with existing chemotherapeutic agents have been confirmed through non-clinical trials, and it shows promise as a breakthrough treatment for intractable cancer. Phase II trials has now been completed, and data analysis and protocol planning for the next phase clinical study are currently underway.

We made the decision to underwrite the third-party allocation of shares based on the potential for Chemiphar's ownership of DFP's shares to further deepen the relationship between the two companies, as well as facilitate smooth progress on clinical trials of DFP-17729 and DFP-14323, leading to early market launch and commercialization.

2. Details of the third-party share allocation

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| Number of DFP shares held prior to the underwriting | 0 |
| Total issued shares | 6,544,600 |

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| Shares to be underwritten | 555,000 (Equivalent to 7.8% ownership) |
| Type of shares | Common stock |
| Date of determination of terms and conditions | Between October 24, 2023 and October 26, 2023 |
| Type of underwriting | Private placement to Chemiphar alone |
| Scheduled payment date | November 10, 2023 |

3. Impact on earnings

We anticipate that the impact of this matter on Chemiphar's earnings for the current fiscal year will be minimal, and we will provide prompt notification if any matters that require disclosure should arise.

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| <p>For further information contact: Public Relations Department, Nippon Chemiphar Co., Ltd. E-mail: ir@chemiphar.co.jp</p> |
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