December 19, 2017
JCR Pharmaceuticals Co., Ltd.
MEDIPAL HOLDINGS CORPORATION

Translation

JCR and MEDIPAL to Establish Joint Venture Company in U.S.

JCR Pharmaceuticals Co., Ltd. (Headquarters: Ashiya, Hyogo; Representative Director, Chairman, President and CEO Shin Ashida) ("JCR") and MEDIPAL HOLDINGS CORPORATION (Headquarters: Tokyo; Representative Director, President and CEO Shuichi Watanabe) ("MEDIPAL") announced today that they have entered into an agreement to establish a joint venture company ("JV Company") in the United States ("the Agreement").

1. Reason to establish a JV Company

Pursuant to the business alliance agreement signed on September 21, 2017, JCR and MEDIPAL will establish a JV Company in the United States to control and manage the clinical development of JCR's investigative products early on, namely, JR-141 (blood-brain-barrier penetrating therapeutic enzyme for Hunter syndrome) which is currently undergoing clinical trials in Japan and JR-162 (J-Brain Cargo®*-applied therapeutic enzyme for Pompe disease) in its pre-clinical stage.
The U.S. JV Company is expected to be a hub for JCR's global development of its products.

***J-Brain Cargo®**
It is a platform technology developed by JCR that enables delivery of target substances to across the blood-brain barrier through a certain receptor expressed on the surface of capillary endothelial cells of the brain. It is potentially applicable to a wide range of drug compounds from small molecules to proteins such as enzymes or antibodies.

2. Overview of JV Company

(1) Corporate name	JCR USA Inc. (provisional name)	
(2) Location	Torrance, California, U.S.A.	
(3) Governing law of establishment	Delaware law	
(4) Representative	Katsuya Nishino, President (Representative and Executive Vice President of JCR Pharmaceuticals Co., Ltd.)	
(5) Business	Control and supervision of services related to clinical trials contracted to CRO and coordination and consultation of clinical trials Research and development, import and export, shipping and warehousing of clinical trial material, reagents, their raw materials and such related materials.	
(6) Paid-in capital Additional paid-in capital	US$5,000,000	
(7) Date of establishment	January 2018 (scheduled)	
(8) Investment ratio	JCR Pharmaceuticals Co., Ltd.	65.0%
	MEDIPAL HOLDINGS CORPORATION	35.0%
(9) Fiscal Year-end	December 31	

3. Overview of the Two Companies (as of March 31, 2017)

JCR Pharmaceuticals Co., Ltd.

(1) Corporate name	JCR Pharmaceuticals Co., Ltd.
(2) Head office	3-19, Kasuga-cho, Ashiya, Hyogo
(3) Representative	Shin Ashida, Representative Director, Chairman, President, Chief Executive Officer
(4) Business	Manufacture, sale and import/export of pharmaceuticals, regenerative medical products and their raw materials Sale and import/export of medical devices and laboratory equipment
(5) Paid-in capital	¥9,061 million
(6) Date of establishment	September 13, 1975
(7) Consolidated operating results and consolidated financial condition for the fiscal year ending March 31, 2017	
Net assets	¥27,585 million
Total assets	¥36,385 million
Net sales	¥18,085 million

MEDIPAL HOLDINGS CORPORATION

(1) Corporate name	MEDIPAL HOLDINGS CORPORATION
(2) Head office	7-15, Yaesu 2-chome, Chuo-ku, Tokyo
(3) Representative	Shuichi Watanabe, Representative Director, President and Chief Executive Officer
(4) Business	As a holding company, MEDIPAL controls, administers and supports the operating activities of companies in which it holds shares in the prescription Pharmaceutical Wholesale Business; the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business; and the Animal Health Products and Food Processing Raw Materials Wholesale Business, and conducts business development for the MEDIPAL Group.
(5) Paid-in capital	¥22,398 million
(6) Date of establishment	May 6, 1923
(7) Consolidated operating results and consolidated financial condition for the fiscal year ending March 31, 2017	
Net assets	¥521,165 million
Total assets	¥1,525,912 million
Net sales	¥3,063,900 million

4. The effect of this Agreement on the results of the two companies is minor.

[About JCR Pharmaceuticals]
JCR is a specialty pharma engaged in the research, development, manufacture and marketing of biopharmaceuticals and regenerative medicine with a focus on rare diseases.
Its philosophy, “Contributing towards people’s healthcare through pharmaceutical products” drives JCR to create innovative pharmaceutical products as value-added treatment options for the under-served patient community.

[About MEDIPAL HOLDINGS CORPORATION]
MEDIPAL is a holding company which controls, administers and supports the operating activities of companies that connect manufacturers in the pharmaceuticals, health, and beauty fields with medical institutions and retailers all over the country based on its management philosophy of “contributing to people’s health and the advancement of society through creation of value in distribution.”

[Cautionary Statement Regarding Forward-Looking Statements]
This document contains forward-looking statements that are subject to known and unknown risks and uncertainties, many of which are outside our control. Forward-looking statements often contain words such as “believe,” “estimate,” “anticipate,” “intend,” “plan,” “will,” “would,” “target” and similar references to future periods. All forward-looking statements regarding our plans, outlook, strategy and future business, financial performance and financial condition are based on judgments derived from the information available to us at this time. Factors or events that could cause our actual results to be materially different from those expressed in our forward-looking statements include, but not limited to, a deterioration of economic conditions, a change in the legal or governmental system, a delay in launching a new product, impact on competitors’ pricing and product strategies, a decline in marketing capabilities relating to our products, manufacturing difficulties or delays, an infringement of our intellectual property rights , an adverse court decision in a significant lawsuit and regulatory actions.
This document involves information on pharmaceutical products (including those under development). However, it is not intended for advertising or providing medical advice. Furthermore, it is intended to provide information on our company and businesses and not to solicit investment in securities we issue.
Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the factors that could cause actual results to differ materially, even if new information becomes available in the future.

Investors & Media:
JCR Pharmaceuticals Co., Ltd.
Corporate Communications
ir-info@jcrpharm.co.jp

MEDIPAL HOLDINGS CORPORATION
Corporate Planning and Public Relations Department
ir@mediceo-gp.com

END
###