News Release

March 27, 2018
JCR Pharmaceuticals Co., Ltd.

Translation

JCR Announces Designation of JR-141 for Hunter Treatment under "SAKIGAKE Designation System" by Japan's Ministry of Health, Labour and Welfare

JCR Pharmaceuticals Co., Ltd. (TSE 4552: Chairman and President Shin Ashida, "JCR") today announced that JR-141 has been designated under the SAKIGAKE Designation System in Japan. JR-141 is a BBB-penetrating recombinant iduronate-2-sulfatase product candidate for the treatment of patients with Hunter syndrome to which J-Brain Cargo®, JCR's proprietary blood-brain-barrier (BBB) technology, is applied.

The Phase1/2 clinical trial conducted last year demonstrated the safety of JR-141 and generated promising results, suggesting the medicinal effect of JR-141 crossing the BBB and acting on the CNS. JCR plans to initiate a Phase 2/3 program within this year and submit the world's first application for marketing approval in Japan in 2019.

This SAKIGAKE designation is expected to have a minor impact on consolidated financial results for the year ending on March 31, 2018.

[Reference]

SAKIGAKE Designation System

Implemented by the Ministry of Health, Wealth and Labour of Japan, SAKIGAKE Designation System aims at promotion of R&D and early introduction of innovative medical products, medical devices, and regenerative medicines to patients in Japan.
Innovative medical products satisfying certain criteria are designated during their early stages of development are provided with a full support from development to launch, including prioritized consultation and pharmaceutical affairs review for approval so as to achieve faster practical application of such innovative medical products.
To be designated a SAKIGAKE, a product must satisfy the following conditions.

1. Breakthrough therapy
2. Serious and life-threatening indication
3. Prominent effectiveness on the intended indication
4. Having developed firstly in Japan and planned an application for approval

[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.

[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.

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