March 20, 2019
JCR Pharmaceuticals Co., Ltd.

Translation

JCR Receives Approval for a Project Planned for the Kansai Innovation International Strategic Comprehensive Special Zone

JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President Shin Ashida; "JCR") announced that its site expansion project in the KOBE Biomedical Innovation Cluster has been approved as one of the 24th series of projects planned for the Kansai Innovation International Strategic Comprehensive Special Zone.*

JCR has been conducting research and development activities focused on 15 types of lysosomal storage diseases, with the aim of creating groundbreaking new drugs that apply J-Brain Cargo®, JCR's proprietary blood-brain barrier penetrating technology. Candidate products include therapeutic enzymes for Hunter syndrome (JR-141), Pompe disease (JR-162) and Hurler syndrome (JR-171). Notably, JR-141 is currently undergoing a Phase 3 clinical trial in Japan and a Phase 2 clinical trial in Brazil. Concurrently, in anticipation of global business expansion in the future, JCR is working to upgrade and expand its manufacturing facilities through measures including the construction of a new Clinical Trial Material Manufacturing Center (CTMMC).
In response to recognition of these R&D initiatives and their potential to grow into an internationally strategic business, JCR has received approval to pursue its site expansion project for CTMMC in the KOBE Biomedical Innovation Cluster as one of the 24th series of projects planned for the Kansai Innovation International Strategic Comprehensive Special Zone.

In 2013, JCR received approval for a project involving research and development of biopharmaceuticals in combination with advanced drug delivery systems. This project was one of the 5th series of projects planned for the Special Zone.

JCR, as a pharma dedicated to specialty care, will continue to proactively engage in research and development of treatment options for patients with rare diseases.

* Kansai Innovation International Strategic Comprehensive Special Zone:
In accordance with the Act on Comprehensive Special Zones, the Kansai Innovation International Strategic Comprehensive Special Zone provides a framework for enhancing international competitiveness through deregulation and tax, fiscal and financial support measures in the fields of life sciences and new energy. It is led by a concerted effort by six local governments in the Kansai region (Kyoto Prefecture, Osaka Prefecture, Hyogo Prefecture, Kyoto City, Osaka City and Kobe City). (http://kansai-tokku.jp/) (Japanese only)

Lysosomal storage disorders (LSDs)
LSDs are designated as an intractable disease by the Ministry of Health, Labour and Welfare. They are also classified as chronic pediatric diseases of specific categories. LSDs are diseases in which genetic defects or mutations in hydrolytic enzymes, membrane proteins that serve as enzyme transporters and other proteins within lysosomes, which are organelles found in cells, result in the accumulation of substrates that cannot be broken down within the lysosomes as the enzyme activity decreases. This

condition causes disorders in cells and tissues. There is a wide range of clinical symptoms that can appear depending on the specific substrates that accumulate. CNS disorders are present in most cases of LSDs.

[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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