News Release

May 12, 2020
JCR Pharmaceuticals Co., Ltd.

Translation

Notice of Issuance of Stock Options as Stock-linked Compensation (Share Subscription Rights)

JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President: Shin Ashida; "JCR") announced that at a meeting of the Board of Directors held today , it resolved to submit a proposal regarding share subscription rights to the Ordinary General Shareholders' Meeting scheduled to be held on June 24, 2020. The proposal, under the provisions of Articles 236, 238 and 240 of the Companies Act, is to seek the approval of issuance of share subscription rights as stock-linked compensation options to directors and corporate officers of the Company and president of its overseas subsidiary company under the stock option scheme. Details are as follows:

1. Reasons for issuing the share subscription rights as stock options
   The granting of stock-linked compensation stock options to directors and corporate officers of the Company and president of its overseas subsidiary company under the stock option scheme is aimed to further promote their motivation to contribution and morale toward continuous enhancement of mid- to long-term business performance and corporate value by sharing not only the merits from stock price rises but also risks from stock price falls.

2. Details of the new share subscription rights
   (1) Recipients of the share subscription rights
   Five (5) directors (excluding outside directors) and four (4) corporate officers of the Company and one (1) president of an overseas subsidiary company
   (2) Type and number of shares to be acquired upon exercise of the share subscription rights
   Common shares of the Company, limited to a maximum of 17,000 shares
   (3) Total number of the share subscription rights
   Limited to a maximum of 170.
   (One (1) share subscription right shall be 100 shares.)
   (4) Paid-in amount for the share subscription rights
   The paid-in amount shall be the fair value calculated by Black-Scholes Option Pricing Model on the date of allotment of the share subscription rights. The Company shall regard the monetary compensation equivalent to the paid-in amount to be paid to those directors, corporate officers of the Company and president of its overseas subsidiary company subject to an allotment of the share subscription rights, and they shall obtain the share subscription rights by offsetting said payment liabilities with their claims for compensation from the Company.
   (5) Value of property to be invested upon the exercise of the share subscription rights
   The value of property per one share to be invested upon exercise of the share subscription rights (hereinafter referred to as the "Exercise Value") shall be one (1) yen.

(6) Conditions for the exercise of the share subscription rights

[1] A share subscription right holder may exercise the rights only within ten (10) days from the day following the day he/she loses his/her position as a director of the Company or a subsidiary company or from the day following the he/she resigns from the position as a corporate officer. However, if a corporate officer who has become a director of the Company or a director of a subsidiary company resigns, he/she may exercise his/her rights within ten (10) days following the day he/she no longer occupies the position of a director. A corporate officer loses his/her rights if his/her resignation is due to dismissal or for personal reasons.

[2] The share subscription rights shall be exercised collectively only once and may not be divided and exercised in parts.

[3] In the event the a share subscription right holder loses the position of a director of the Company or a subsidiary company or a corporate officer of the Company reaches retirement prior to the day of the Ordinary General Meeting of Shareholders scheduled to be held in June 2021, he/she will not able to exercise the rights.

[4] The Company prohibits the pledging or other disposal of the share subscription rights in any manner whatsoever.

[5] Other conditions for the exercise of rights shall accord with the provisions of the "Share Subscription Rights Allotment Agreement" concluded between the Company and the recipients of the share subscription rights.

(7) Inheritance of the share subscription rights

If a share subscription right holder dies, only one of his/her legal heirs (hereinafter referred to as the "Successor to the Rights") may exercise the share subscription rights within one year from the day following the death of the share subscription right holder. In case the Successor to the Rights dies, the heirs of the Successor to the Rights may not inherit the share subscription rights.

(8) Restriction on the transfer of the share subscription rights

The acquisition of the share subscription rights by transfer shall require the approval of the Board of Directors of the Company.

(9) Other matters

Other matters related to the share subscription rights shall be determined by resolution of the Board of Directors.

3. The total value of the share subscription rights to be issued as stock-linked compensation stock options to directors and corporate officers of the Company and president of its overseas subsidiary company shall be limited to a maximum of 200 million yen.

[About JCR Pharmaceuticals]

JCR is a specialty pharma company engaged in the research, development, manufacturing 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 populations.

[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

END

###