News Release

July 31, 2020
JCR Pharmaceuticals Co., Ltd.

Translation

Notice regarding Capital Expenditures to Increase Production Capacity at the Seishin Plant

JCR Pharmaceuticals Co., Ltd. (TSE 4552: Chairman and President Shin Ashida, "JCR") announced today about capital expenditures to expand the manufacturing area to increase production capacity for TEMCELL® HS Inj.

Seishin Plant, one of JCR's production bases, manufactures TEMCELL® HS Inj., a regenerative medical product, and medical devices. Medical institutions have highly rated TEMCELL® HS Inj. since its launch in 2016 and JCR has received orders far in excess of its initial forecasts.

JCR has addressed this increased demand by moving ahead with efforts to increase production, including boosted capital expenditures up until now, and has now decided to expand the Seishin Plant's manufacturing area to further expand its production capacity.

This expansion will raise the production capacity for TEMCELL® HS Inj. by about 30% over current levels, ensure an appropriate inventory and enable sufficient supply to meet the market's robust demand. The concept, specifications studies, contractor selection and other matters related to this expansion have already been completed.

Costs foreseen in this expansion are mainly expected to arise in the future and are expected to have only a negligible effect on JCR's consolidated financial results for the fiscal year ending March 31, 2021.

As a specialty pharma engaged in the development of pharmaceutical products for rare diseases, JCR will continue to strengthen business activities in the future and strive to contribute to the treatment of as many patients as possible.

■ Overview of the Manufacturing Area Expansion Plan

Investment Details	Establish a new manufacturing area by expanding within the Seishin Plant, increase the TEMCELL® HS Inj. production line and enlarge storage space.
Total construction costs	Approximately 200 million yen
Start of operations	May 2021 (scheduled)

[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.

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