News Release

August 26, 2020
JCR Pharmaceuticals Co., Ltd.

Translation

Notice regarding Stock Split and Partial Amendment of the Articles of Incorporation and Revision of Dividend Forecast Due to Stock Split

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 conduct a stock split, a partial amendment of the Articles of Incorporation and revision of dividend forecast due to stock split. Details are as follows:

1. Purpose of Stock Split
   By reducing the amount of investment per trading unit of JCR's common shares, the purpose of the stock split is to make it easier for investors, including individual investors, to invest in JCR's shares, to improve the liquidity of JCR's shares, and to make its shares accessible to a broader base of investors.

2. Outline of Stock Split
   1) Stock split method
      JCR will conduct a four-for-one stock split of JCR common shares held by shareholders on the record date of Wednesday September 30, 2020.

   2) Increase in the number of shares due to the stock split

Total number of outstanding shares before the stock split	32,421,577 shares
Increase in the number of shares due to the stock split	97,264,731 shares
Total number of outstanding shares after the stock split	129,686,308 shares
Total number of authorized shares after the stock split	320,000,000 shares

   3) Stock split schedule

Date of public notice of record date	September 10, 2020
Record date	September 30, 2020
Effective date	October 1, 2020

3. Partial Amendment of the Articles of Incorporation
   1) Reasons for amendment
      In conjunction with this stock split, JCR will amend the total number of authorized shares prescribed by Article 6 of JCR's Articles of Incorporation in proportion to the stock split ratio, as of Thursday, October 1, 2020, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act of Japan.

2) Description of amendment

(The amended part is underlined.)

Before amendment	After amendment
(Total number of authorized shares) Article 6 The total number of authorized shares of JCR shall be 80,000,000 shares.	(Total number of authorized shares) Article 6 The total number of authorized shares of JCR shall be 320,000,000 shares.

3) Schedule for amendment of the Articles of Incorporation

Effective date October 1, 2020

4. Others

There will be no changes in the amount of capital in connection with the stock split.

5. Dividend forecasts

1) Dividend forecasts

In conjunction with the stock split, the dividend forecasts will be adjusted in line with the stock split ratio. Accordingly, there will be no substantive changes to the dividend forecasts shown in “Financial Summary Consolidated Financial Results for the Three Months Ended June 30, 2020 (1Q FY2020) (Japanese Standard),” as announced on July 30, 2020.

	Dividend per share		
	Interim (End of 2nd quarter)	Year-end	Total
Previous forecast for dividend (Released on July 30, 2020)	18.00 yen	18.00 yen	36.00 yen
Revised forecast	18.00 yen	4.5 yen (After stock split)	-*
Current fiscal year (ended March 31, 2021)	-	-	-
Previous fiscal year (ended March 31, 2020)	15.00 yen	17.00 yen	32.00 yen

*Since the annual dividend for the current fiscal year ended March 31, 2021 cannot be simply aggregated due to the stock split, it is shown as “-“.

2) Adjustments to the exercise price for share subscription rights

In conjunction with the stock split, share subscription rights (stock option as stock-linked compensation) exercised on or after October 1, 2020 will be adjusted based on the provisions of the details of issuance of share subscription rights, as follows.

Share subscription rights for each series of issuance

No adjustments to exercise prices will be made, and the exercise price will be set at ¥1 per share.

The number of shares to be granted after adjustment will be the total number calculated by multiplying the number of shares to be granted before adjustment by a factor of four.

[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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