News Release

October 7, 2020
JCR Pharmaceuticals Co., Ltd.

Translation

JCR Announces to have Revised the Consolidated Financial Forecast for the 2nd quarter of FY2020

JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President: Shin Ashida; "JCR") announced today that it has revised its financial forecasts for the 2nd quarter of fiscal year ending March 31, 2021 (FY2020) from the forecasts announced on May 12, 2020.

1. The revised forecasts for the 2nd quarter of FY2020 (from April 1, 2020 to September 30, 2020)

(million yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Earnings per share (yen) (After Split)
Previous forecasts announced May 12, 2020 (A)	14,400	3,600	3,600	2,900	23.52
Revised forecasts (B)	10,900	1,050	1,100	950	7.70
Difference (B-A)	(3,500)	(2,550)	(2,500)	(1,950)	
Difference (%)	(24.3)	(70.8)	(69.4)	(67.2)	
Financial Results for 2Q of FY2019	11,236	998	981	922	7.49

Note: The forecasts of financial results shown above are projections prepared based on information available to management as of the date the announcement of this news release. Actual financial results may differ significantly from these forecasts due to various reasons.

2. Reason for the revision

The conclusion of an agreement related to derivation of enzyme replacement therapy products for lysosomal storage disorders was not reached by the end of September because face-to-face negotiations became difficult due to the coronavirus pandemic. So the contract revenue expected in the 2Q of FY2020 was shifted to the 3Q onward.

As a result, contract revenue for the 2Q of FY2020 will be lower than the initial forecast, we will revise the forecasts for net sale, operating income, ordinary income and profit attributable to owners of parent as described above.

Regarding JR-141 (Pabinafusp Alfa) for mucopolysaccharidosis II (Hunter syndrome), a marketing authorization application in Japan in September of this year as scheduled, and Brazil is proceeding smoothly and the conclusion of an agreement is expected to be reached within this fiscal year. Therefore, JCR will not revise the consolidated financial forecast and contract revenue for the full year FY2020.

[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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