News Release

May 13, 2021
JCR Pharmaceuticals Co., Ltd.

Translation

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

May 13 -- JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President: Shin Ashida; "JCR") announced that its Board of Directors resolved at a meeting today to submit a proposal to the Ordinary General Shareholders' Meeting scheduled to be held on June 23, 2021. 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. 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 is aimed at further promoting 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 issuance of 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
   (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 81,000 shares
   (3) Total number of the share subscription rights
   Limited to a maximum of 810.
   (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 Model on the date of allotment of the share subscription rights. The Company shall issue monetary compensation equivalent to the paid-in amount for share subscription rights to those directors and corporate officers of the Company subject to an allotment of the share subscription rights, and they shall obtain the share subscription rights by offsetting said payment liabilities related to the paid-in amount for share subscription rights 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 (1) share to be invested upon exercise of the share subscription rights (hereinafter referred to as the "Exercise Value") shall be one (1) yen. This amount shall be multiplied by the number of shares underlying share subscription

rights.

(6) Exercise period

To the date on which thirty (30) years have passed from the date of the allotment

(7) 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 day 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 that 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 2022, he/she will not be able to exercise his/her 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.

(8) Reasons for the acquisition of share subscription rights

[1] In cases where a merger agreement in which the Company becomes a non-surviving company is approved, where a proposal for approval of a share exchange agreement in which the Company becomes a wholly-owned subsidiary, or where a proposal for a share transfer is approved at a General Meeting of Shareholders, the Company may acquire the share subscription rights free of charge.

[2] In cases where a share subscription right holder is unable to exercise his/her share subscription rights because the conditions for the exercise of the share subscription rights, described in (7) above, are no longer filled before exercising the rights, the Company may acquire the share subscription rights free of charge.

(9) 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.

(10) 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.

(11) Other matters

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

3. Amount of compensation granted through stock options as stock-linked compensation to directors and corporate officers

The stock options to be issued as stock-linked compensation (share subscription rights) shall be limited to a maximum number of 650 and value of 200 million yen in total for directors, and to a maximum number of 160 and value of 50 million in total for corporate officers.

About JCR Pharmaceuticals Co., Ltd.

JCR Pharmaceuticals Co., Ltd. (TSE 4552) is a global specialty pharmaceuticals company that is redefining expectations and expanding possibilities for people with rare and genetic diseases worldwide. We continue to build upon our 45-year legacy in Japan while expanding our global footprint into the US, Europe, and Latin America. We improve patients' lives by applying our scientific expertise and unique technologies to research, develop, and deliver next-generation therapies. Our approved products in Japan include therapies for the treatment of growth disorder, Fabry disease, acute graft-versus host disease, and renal anemia. Our investigational products in development worldwide are aimed at treating rare diseases including MPS I (Hurler, Hurler-Scheie and Scheie syndrome), MPS II (Hunter syndrome), Pompe disease, and more. JCR strives to expand the possibilities for patients while accelerating medical advancement at a global level. Our core values – reliability, confidence, and persistence – benefit all our stakeholders, including employees, partners, and patients. Together we soar. For more information, please visit https://www.jcrpharm.co.jp/en/site/en/.

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 are 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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