



July 27, 2022

JCR Pharmaceuticals Co., Ltd.

Translation

**Notice of underwriting a third-party allotment of new shares
from Mycenax Biotech Inc.**

July 27, 2022 -- JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President: Shin Ashida; "JCR") announced that the Board of Directors has resolved to subscribe to a third-party allotment of shares for Mycenax Biotech Inc. ("Mycenax"), a contract development and manufacturing (CDMO) company in Taiwan. As a result of this underwriting, Mycenax becomes an equity-method affiliate of JCR.

1. Purpose of this transaction

JCR is focusing on R&D in rare diseases. In the next few years, JCR plans to initiate several global clinical trials for development programs that utilize the J-Brain Cargo[®] technology.

To enable parallel development of several clinical programs, JCR decided to strengthen its ties with Mycenax, which is a company with proven track record for the process development and contract manufacturing of biopharmaceuticals. Through this underwriting JCR will enable Mycenax to increase its in-house manufacturing capacity, enhance flexibility and accelerate production timelines.

2. Outline of the counterparty

1. Name	Mycenax Biotech Inc.
2. Address	Headquarter: 7F., No. 66, Shengyi 2nd Rd., Zhubei City, Hsinchu County 302041, Taiwan (R.O.C.)
3. Name and title of representative	Pei-Jiun Chen, Ph.D., CEO and president
4. Business	Contract development and manufacturing organization (CDMO) for biologic products
5. Date of establishment	September 28, 2001
6. Paid-in Capital	1,551,217,000TWD* (7,089,061,690 yen**) *TWD: New Taiwan Dollars **The amount is converted into Japanese currency at the rate of 1 TWD = 4.57 JPY (TTM on July 25, 2022).
7. Fiscal year-end	December 31
8. Number of outstanding shares	155,121,700 shares

9. Major shareholders and shareholding ratios (As of April 1, 2022)	Center Laboratories, Inc.		21.90%
	Nien Hsing Textile Co., Ltd.		5.53%
	Individual		1.50%
10. Relationships between JCR and Mycenax	Capital relationships	None	
	Personnel relationships	None	
	Business relationships	Manufacture of investigational drugs for JCR's development products	
	Status as a related party	None	
11. Operating results and financial position of Mycenax for the most recent three years Unit: thousand TWD*** ***TWD: New Taiwan Dollars			
Fiscal year-end	Year ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2021
Net assets	1,101,953 (5,035 million yen)	1,211,667 (5,537 million yen)	1,906,665 (8,713 million yen)
Total assets	1,407,994 (6,434 million yen)	1,752,553 (8,009 million yen)	3,139,012 (14,345 million yen)
Total comprehensive income	△206,685 (△944 million yen)	92,778 (423 million yen)	△79,298 (△362 million yen)

*The amount is converted into Japanese currency at the rate of 1 TWD = 4.57 JPY (TTM on July 25, 2022).

3. Number of shares to be acquired and number of shares held before and after the change

Number of shares held before the change	0 shares (Percentage of voting rights: 0%)
Number of shares to be acquired	42 million shares
Acquisition cost	6.2 billion yen
Number of shares to be held after the change	42 million shares (Percentage of voting rights: 20.48%)

Note: Percentage of voting rights is presented after taking into account the issuance of new shares (50 million shares) in connection with the capital increase conducted by Mycenax. JCR becomes Mycenax's largest stockholder after this underwriting.

4. Schedule

Date of Board of Directors resolution:	July 27, 2022
Date of Agreement Conclusion:	July 27, 2022
Date of share acquisition (scheduled):	Within 15 days after approval for foreign investment by the Hsinchu Science Park Bureau for the Investor

5. Future Outlook

JCR expects this matter to have a minimal impact on the consolidated financial results for the current fiscal year (ending March 31, 2023). If there are any matters that should be announced in the future, JCR will promptly inform you of them. In the medium to long term, JCR believes that this underwriting will contribute to enhancing our corporate value.

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 47-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), MPS III A and B (Sanfilippo A and B), 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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