

FY2022 First-Half Results Briefing Session –Financial Results–

October 26, 2022

JCR Pharmaceuticals Co., Ltd.

[Securities code] 4552, PRIME. TSE

2Q FY2022 results (Apr. 1, 2022- Sep. 30, 2022)

Year-on-year decreases in sales and profit were in line with the initial forecast

(Unit: million yen)

| | Results | Year-on-year | Progress rate against full-year forecast |
|--|---------|--------------|--|
| Net sales | 15,581 | (45.1)% | 34.6% |
| Operating income | 744 | (94.5)% | 5.1% |
| Ordinary income | 1,569 | (88.6)% | 10.8% |
| Profit attributable to owners of the parent | 962 | (89.6)% | 9.3% |

- Core products : Total net sales were maintained at a level on par with the same period of the previous fiscal year through a significant contribution from sales of IZCARGO[®], despite a decrease in sales of GROWJECT[®] due to factors such as NHI price revisions.
- Net sales and each profit item decreased year on year due to the completion of a contract to manufacture AZD1222 bulk solution in Japan and a decrease in income from contractual payments in 1H.
- R&D expenses increased as a result of active R&D activities.

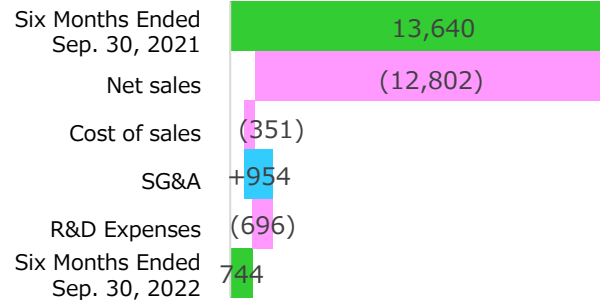
(Unit: million yen)

| Consolidated | Six Months Ended Sep. 30, 2021 | Six Months Ended Sep. 30, 2022 | | FY2022 (Apr. 1, 2022 - Mar. 31, 2023) | |
|--|--------------------------------|--------------------------------|--------------|---------------------------------------|-------------------|
| | | A | Year-on-year | Forecast B | Progress rate A/B |
| Net sales | 28,383 | 15,581 | (45.1)% | 45,000 | 34.6% |
| Cost of sales | 4,485 | 4,836 | +7.8% | 9,000 | 53.7% |
| Gross profit | 23,898 | 10,744 | (55.0)% | 36,000 | 29.8% |
| SG&A | 6,737 | 5,782 | (14.2)% | 12,500 | 46.2% |
| R&D expenses | 3,520 | 4,216 | +19.8% | 9,000 | 46.8% |
| Operating income | 13,640 | 744 | (94.5)% | 14,500 | 5.1% |
| Ordinary income | 13,731 | 1,569 | (88.6)% | 14,500 | 10.8% |
| Profit attributable to owners of the parent/Profit | 9,234 | 962 | (89.6)% | 10,300 | 9.3% |

(Reference)

| | | | | | |
|---|-------|-------|--------|-------|-------|
| R&D Expenses before deducting contribution amount by collaborative R&D partners | 3,570 | 4,415 | +23.6% | 9,500 | 46.5% |
|---|-------|-------|--------|-------|-------|

◆ Operating income 744 million yen Year-on-year (12,895) million yen



Main change factors (YoY)

- Completion of contract to manufacture AZD1222 bulk solution in Japan, decrease of net sales due to a decrease in income from contractual payments in 1H (12,802) million yen
- Increase of R&D expenses as a result of active R&D activities (696) million yen
- Elimination of SG&A expenses unique to FY2021 +954 million yen

Breakdown of Net Sales (Consolidated)

(Unit: million yen)

| | Six Months Ended Sep. 30, 2021 | | Six Months Ended Sep. 30, 2022 A | | | FY2022 (Apr. 1, 2022- Mar. 31, 2023) | |
|--|-----------------------------------|----------------------|--|----------------------|----------------|--|-------------------------|
| | | Composition ratio | | Composition ratio | Year-on-year | Forecast B | Progress rate A/B |
| GROWJECT® | 6,689 | 23.6% | 6,083 | 39.1% | (9.1)% | 13,100 | 46.4% |
| IZCARGO® | 985 | 3.5% | 2,118 | 13.6% | +114.8% | 5,210 | 40.7% |
| TEMCELL® HS Inj. | 1,717 | 6.1% | 1,701 | 10.9% | (0.9)% | 3,530 | 48.2% |
| Treatments for renal anemia | 3,011 | 10.6% | 2,157 | 13.8% | (28.4)% | 4,930 | 43.8% |
| Epoetin Alfa BS Inj. [JCR] | 1,512 | 5.3% | 1,392 | 8.9% | (8.0)% | 2,630 | 52.9% |
| Darbepoetin Alfa BS Inj. [JCR] | 1,498 | 5.3% | 765 | 4.9% | (48.9)% | 2,300 | 33.3% |
| Agalsidase Beta BS I.V. Infusion [JCR] | 323 | 1.1% | 521 | 3.3% | +61.0% | 760 | 68.6% |
| Total pharmaceutical products | 12,728 | 44.9% | 12,583 | 80.7% | (1.1)% | 27,530 | 45.7% |
| License Revenue | 7,557 | 26.6% | 1,010 | 6.5% | (86.6)% | 15,400 | 6.6% |
| Other | 51 | 0.2% | 56 | 0.4% | +9.9% | 140 | 40.0% |
| AZD1222 bulk | 8,046 | 28.3% | 1,931 | 12.4% | (76.0)% | 1,930 | 100.0% |
| Total Net Sales | 28,383 | 100.0% | 15,581 | 100.0% | (45.1)% | 45,000 | 34.6% |

◆ **Net sales 15,581 million yen**
Year-on-year: (12,802) million yen

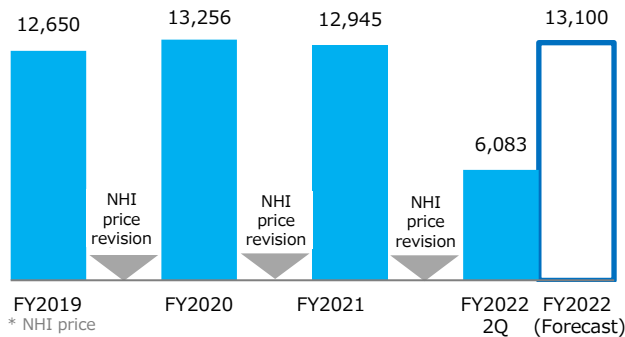
| Apr. 1, 2021- Sep.30,2021 | 28,383 | |
|---------------------------|---------------|---------|
| GROWJECT | | (605) |
| IZCARGO | | +1,132 |
| TEMCELL | | (15) |
| Epoetin Alfa BS | | (120) |
| Darbepoetin Alfa BS | | (733) |
| Agalsidase Beta BS | | +197 |
| License Revenue | | (6,547) |
| Other | | +5 |
| AZD1222 bulk | | (6,114) |
| Apr. 1, 2022-Sep.30,2022 | 15,581 | |

Main change factors (YoY)

- Market penetration of IZCARGO®
+1,132 million yen
- Completion of contract to manufacture
AZD1222 bulk solution in Japan
(6,114) million yen
- Decrease in income from contractual
payments in 1H
(6,547) million yen

Net Sales Trends by Product

GROWJECT®

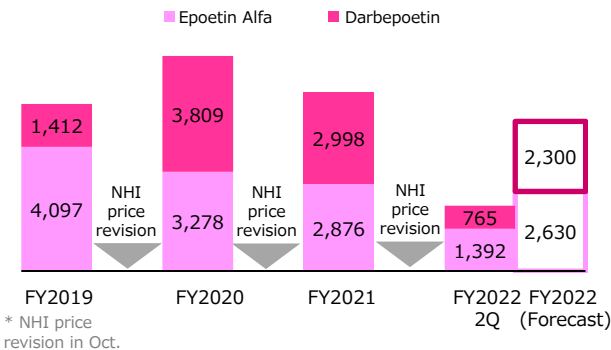


FY2022 topics
Aug. 2022:
Launched updated
version of Melon
Nikki™

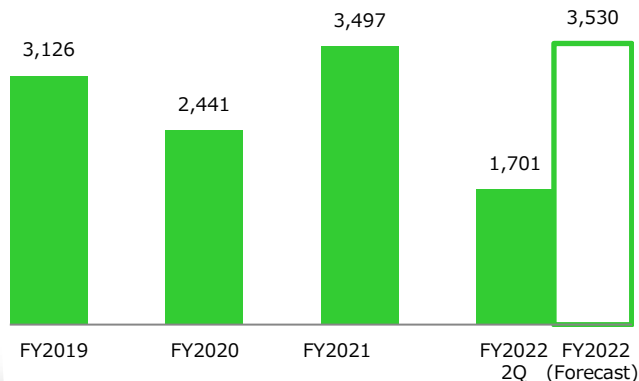
(Unit: million yen)

Epoetin Alfa BS Inj. [JCR]

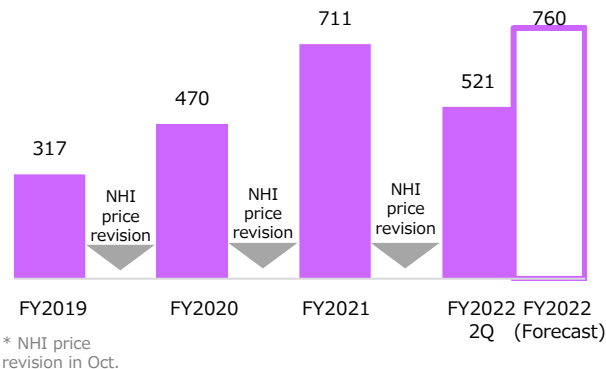
Darbepoetin Alfa BS Inj. [JCR]



TEMCELL® HS Inj.



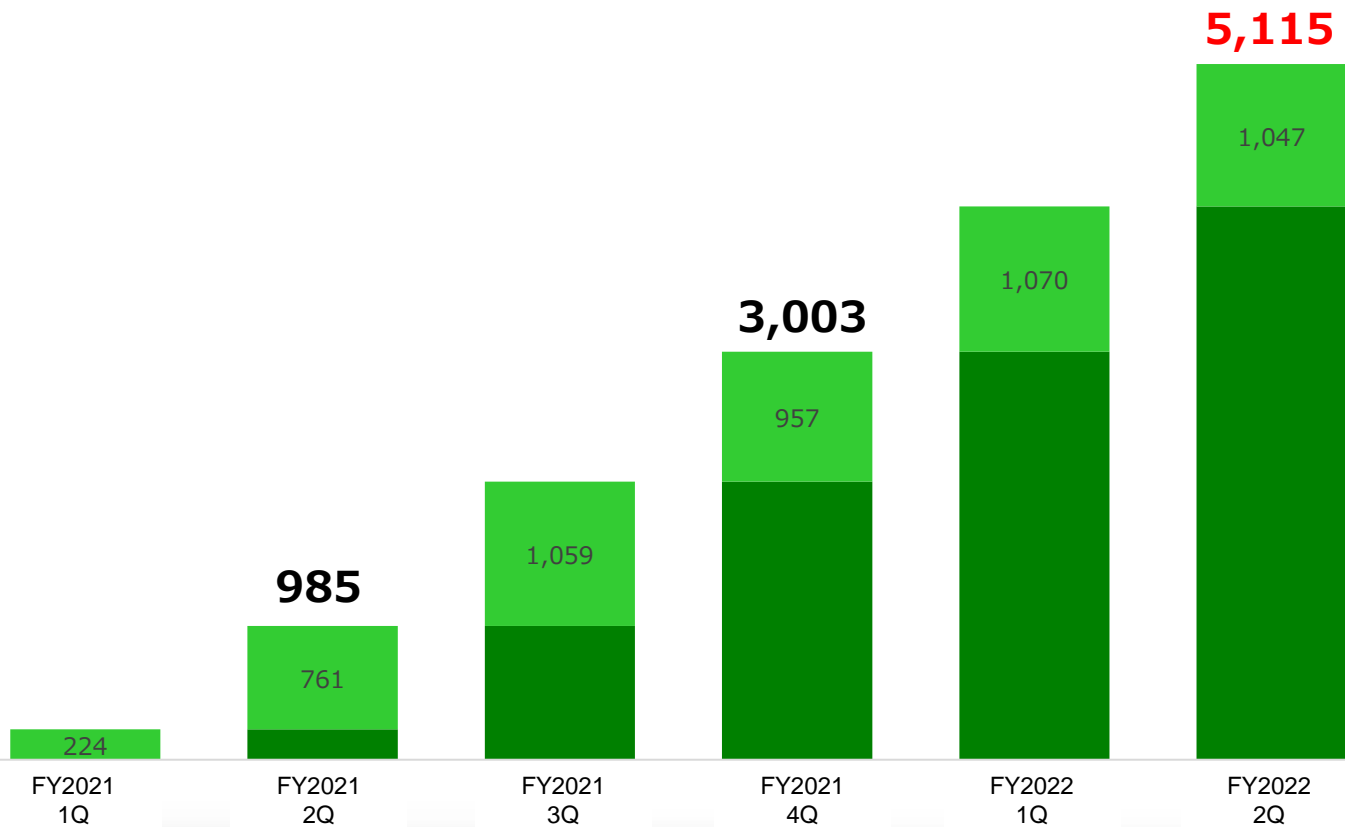
Agalsidase Beta BS I.V. Infusion [JCR]



FY2022 topics
Apr. 2022:
Transferred sales
duties to Sumitomo
Pharma Co., Ltd.

IZCARGO® Cumulative Net Sales by Quarter

(Unit: million yen)



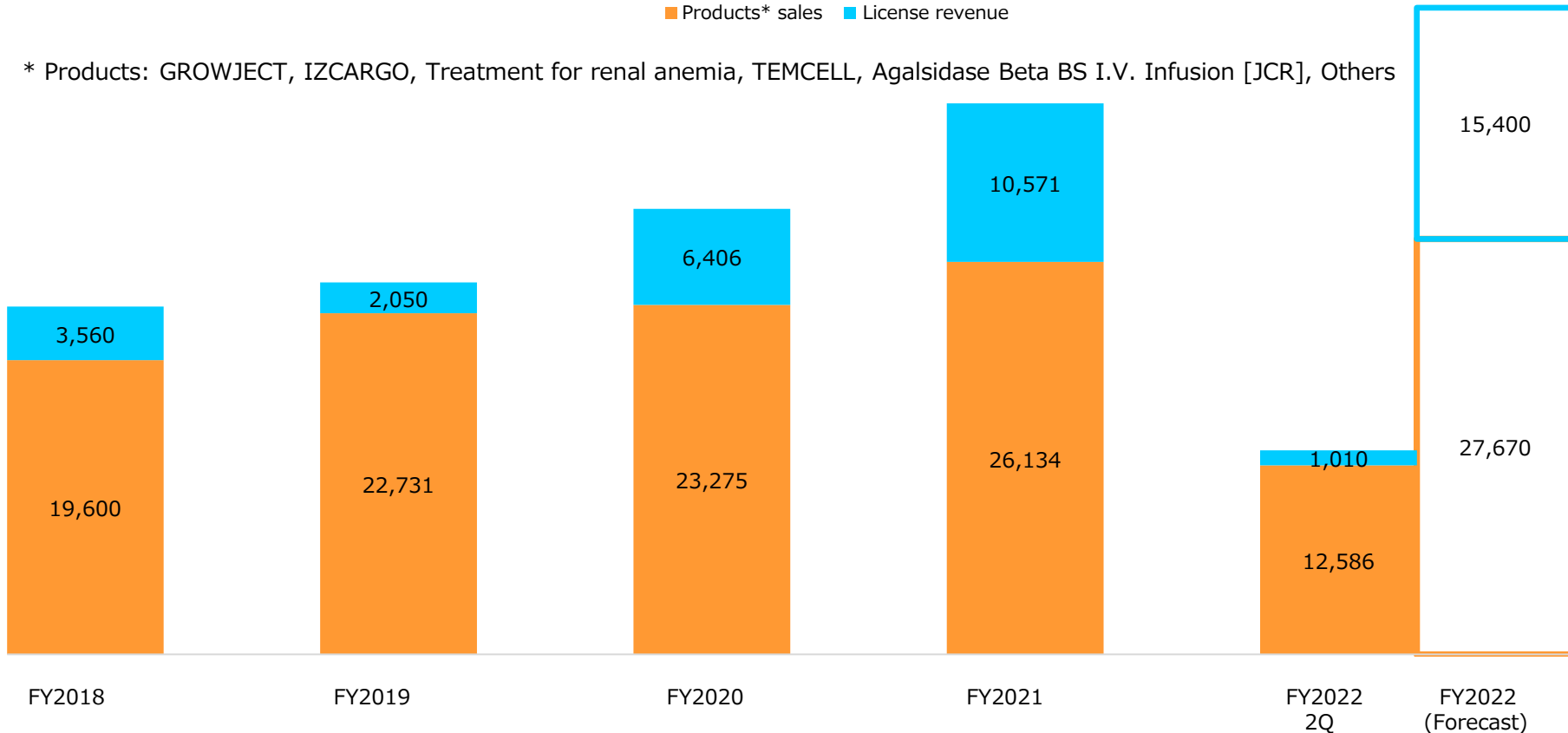
- Nov. 2020: Establishment of a dedicated team for lysosomal storage disorders (LSDs) within the Marketing Department to provide professional support for information provision activities related to IZCARGO®
- May 2021: Launched a website for information about mucopolysaccharidosis
- May 19, 2021: Sales launch

Net Sales Trends (Except AZD1222 Bulk Solution)

(Unit: million yen)

■ Products* sales
 ■ License revenue

* Products: GROWJECT, IZCARGO, Treatment for renal anemia, TEMCELL, Agalsidase Beta BS I.V. Infusion [JCR], Others

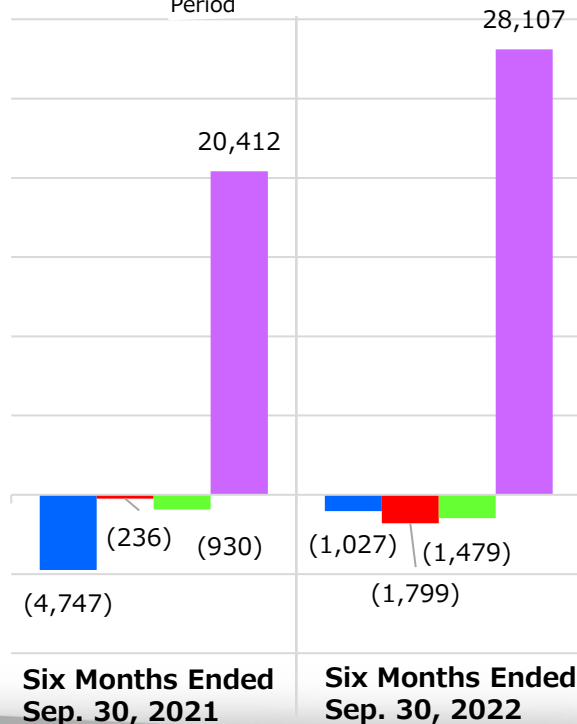


Financial Status (Consolidated)

(Unit: million yen)

| | Mar. 31, 2022 | Sep. 30, 2022 | Change • Main Increase/decrease | | Mar. 31, 2022 | Sep. 30, 2022 | Change • Main Increase/decrease |
|---------------------------|------------------|------------------|--|--------------------------------|------------------|------------------|---|
| Current assets | 62,188 | 54,317 | Total (7,870) • Cash and deposits (2,625) • Accounts receivable-trade (6,996) | Current liabilities | 42,054 | 32,991 | Total (9,063) • Income taxes payable (5,821) • Short-term borrowings (2,000) |
| | | | | Non-current liabilities | 3,990 | 5,518 | Total +1,527 • Long-term borrowings +2,000 |
| Non-current assets | 34,946 | 35,070 | Total +124 • Property, plant and equipment +145 • Intangible assets +551 • Deferred tax assets (502) | Total liabilities | 46,045 | 38,509 | (7,535) |
| | | | | Total net assets | 51,089 | 50,878 | Total (210) • Dividends (1,489) • Recorded profit +962 |
| Total | 97,134 | 89,387 | (7,746) | Total | 97,134 | 89,387 | (7,746) |
| | | | | Equity ratio | 51.8% | 55.8% | |

- Operating Activities
- Investing Activities
- Financing Activities
- Cash and Cash Equivalents at End of Period



| | Six Months Ended Sep. 30, 2021 A | Six Months Ended Sep. 30, 2022 B | Year-on-year B - A |
|--|-------------------------------------|-------------------------------------|-----------------------|
| Income before income taxes | 12,729 | 1,560 | (11,168) |
| Depreciation and amortization | 922 | 953 | 31 |
| Accounts receivable-trade | (13,934) | 6,996 | 20,931 |
| Inventories | (1,491) | (1,175) | 316 |
| Accounts payable - trade | (1,466) | 228 | 1,695 |
| Income tax payment | (2,435) | (5,516) | (3,080) |
| Other | 929 | (4,075) | (5,005) |
| Operating Activities | (4,747) | (1,027) | 3,720 |
| Capital investment | (168) | (1,773) | (1,605) |
| Other | (68) | (6) | 62 |
| Investing Activities | (236) | (1,779) | (1,543) |
| Loans payable | 0 | 0 | 0 |
| Cash dividends paid/ treasury stock | (920) | (1,480) | (559) |
| Other | (9) | 1 | 10 |
| Financing Activities | (930) | (1,479) | (548) |
| Net increase (decrease) in cash and cash equivalents | (5,848) | (2,625) | 3,222 |
| Cash and Cash Equivalents at End of Period | 20,412 | 28,107 | 7,695 |

| (Reference) | FY2021 | | FY2022 | |
|--|--------|-------|--------------|--------------|
| | 2Q | 4Q | 2Q | 4Q |
| Depreciation and amortization | 922 | 1,945 | 953 | 1,870 |
| Capital investment (after subsidy deduction) | 583 | 4,472 | 1,773 | 4,200 |

FORWARD-LOOKING STATEMENT

This presentation contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are outside our control. All forward-looking statements regarding our plans, outlook, strategy and future performance are based on judgments derived from the information available to us at this time.

All forward-looking statements speak only as of the date of this presentation.

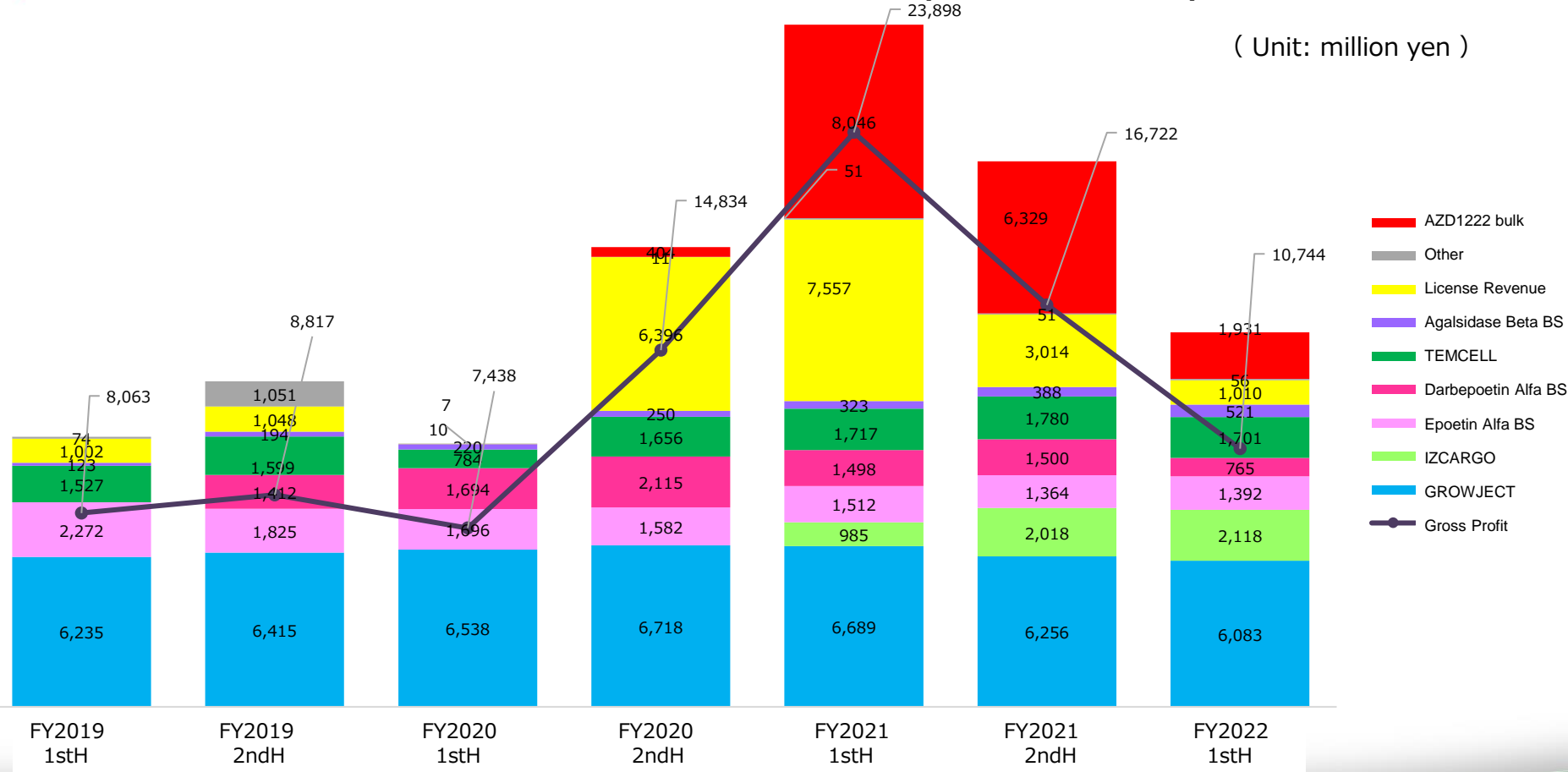
Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the factors that could cause actual results to differ materially, even if new information becomes available in the future.



– JCR Biotech for a New Tomorrow –

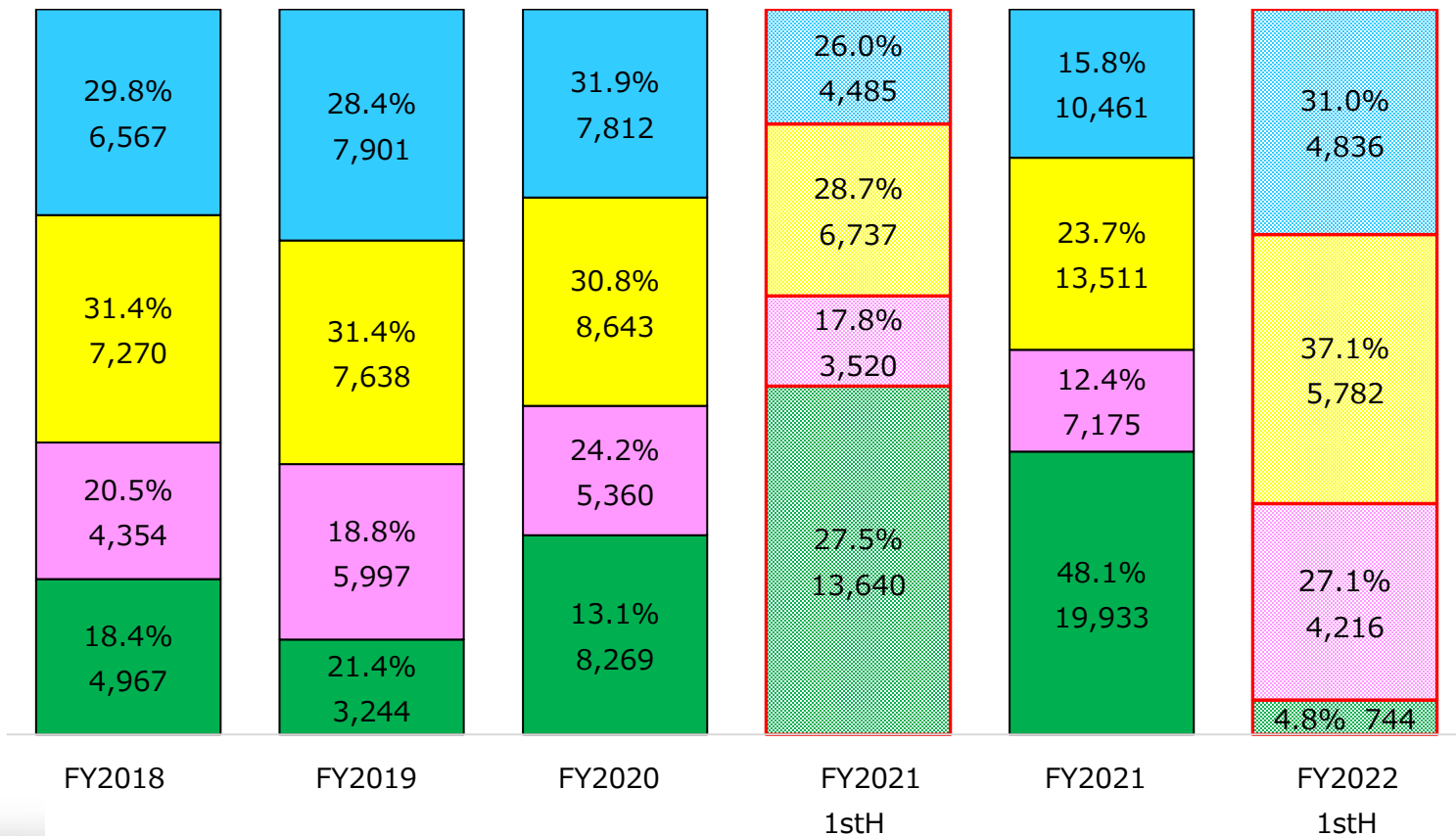
Reference: Trends in Sales Breakdown (Consolidated)

(Unit: million yen)



Reference: Trends in Composition Ratio of Cost/Expense

■ Operating income
 ■ R&D expenses
 ■ SG&A
 ■ Costs of sales



Above number(%)
rate of sales
 Below number
 (Million yen)
 Amount of money

Reference: Correlation between R&D Expenses and Main R&D Pipeline

(Unit: million yen)

- Preclinical
- Clinical trial
- ★ Filed an application
- Approved

R&D Expenses (before deducting)



| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 (forecast) |
|---------------------|--------|--------|---|--------|-------------------------------------|
| JR-141(Japan) | | | ★ | ○ | |
| JR-141(Brazil) | | | ★ | | August 2022: Approval denied |
| JR-141(Global) | | | | | |
| JR-171(Global) | | | | | |
| JR-162 | | | | | |
| JR-441 | | | | | |
| JR-443 | | | | | |
| JR-446 | | | | | |
| JR-479 | | | | | |
| JR-401X | | | | | ★ |
| JR-142 | | | | | |
| JR-031EB | | | Mar. 2021: Discontinuation of Development | | |
| JR-031HIE | | | | | |
| JTR-161/JR-161 | | | | | Apr. 2022: Joint research completed |
| Darbepoetin Alfa BS | ★ | ○ | | | |