



December 19, 2017
JCR Pharmaceuticals Co., Ltd.

Translation

JCR Signs MoU with the Grand Duchy of Luxembourg on the Leasing of Industrial Site

JCR Pharmaceuticals Co., Ltd. (TSE 4552: Representative Director, Chairman, President and CEO Shin Ashida, "JCR") today announced that it has signed a memorandum of understanding (MoU) with the Government of the Grand Duchy of Luxembourg regarding the leasing of land in an industrial park in the country.

The leasing of land is for a project for setting up a new manufacturing plant of Active Pharmaceutical Ingredients (APIs) in Luxembourg that is considered by JCR as a mid- to long-term strategic investment in view of the global development of its therapeutic enzyme products to which JCR's proprietary blood-brain-barrier technology, J-Brain Cargo[®] technology, is applied. Furthermore, the project also aims the reinforcement of manufacturing sites for future commercial supplies of development products including JR-051 (therapeutic enzyme for Fabry disease) and the diversification as well as the mitigation of risks of production shutdown during widespread disasters in Japan.

JCR has been in consultation with the Ministry of the Economy of the Grand Duchy of Luxembourg and will continue to cooperate with the Luxembourg authorities to ensure that the project will be implemented.

The construction of a new manufacturing plant in Luxembourg will represent the first footprint for JCR in establishing a global framework of its manufacturing operations. The land made available for this project will be located in the industrial park "Bommelscheuer" in the municipality of Käerjeng.

"I am honored to have signed this MoU with the Grand-Duchy of Luxembourg. I believe that setting up an API manufacturing plant for our biomedicine in Luxembourg will be essential for the company's global development. Being able to deliver the JCR-branded medicine from this plant to patients in the world is what I hope to see in the future," said Shin Ashida, Representative Director, Chairman, President and CEO.

As we further strengthen our business activities, JCR, as a speciality pharma, will proactively engage in the research and development of treatment options for the patients with rare diseases.

At present, construction costs for a new plant are unknown, and the effect on our consolidated financial results for the year ending on March 31, 2018 is unknown. We will announce the progress once we conclude an agreement on construction works.

<Information on the Grand-Duchy of Luxembourg is available on the website of the Luxembourg Trade and Investment Office Tokyo, the Ministry of Economy. <https://www.investinluxembourg.jp/why-luxembourg/> >

[About JCR Pharmaceuticals]

JCR is a specialty pharma engaged in the research, development, manufacture 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 community.

[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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