



August 29, 2019
JCR Pharmaceuticals Co., Ltd.

Translation

Notice regarding Absorption-type Merger of Subsidiary (simple merger/abbreviated merger)

JCR Pharmaceuticals Co., Ltd. (TSE 4552: Chairman and President Shin Ashida, “the Company”) announces that it has decided at the Board of Directors meeting held on August 29, 2019 that its wholly owned subsidiary Family Health Rental Co., Ltd. (“FHR”) be merged with the Company (“the Deal”). Details are as follows.

Please note that, given the Company absorbing its fully owned subsidiary, some of the content and details for disclosure have been reduced.

1. Aim of the Deal

FHR is mainly involved in the sale, lease and rental of medical devices.

The Company decided that it should merge all business and affairs of its fully owned subsidiary FHR by the Deal as the optimal choice for streamlining the entire operations of the JCR Pharma Group and for administrative efficiency.

2. Details of the Deal

(1) Schedule of the Deal

Date of the resolution by the Board of Directors	August 29, 2019
Date of the conclusion of the merger agreement	August 29, 2019
Closing date	April 1, 2020 (planned)

(Note) According to the provisions of Item 2, Article 796 and Item 1, Article 784 of the Companies Act, the Deal will be done in summary procedures which do not require approval at the Shareholders' Meeting.

(2) Method of the Deal

Using the absorption-type merger method, the Company will become the surviving company and FHR will be dissolved.

(3) Allotments related to the Deal

As the Deal involves the Company absorbing its wholly owned subsidiary, there will be no allotment of new shares or money delivered due to merger.

(4) Treatment of dissolved company's share warrants and corporate bonds with share warrants

None.

3. Details of the parties involved in the Deal

	Surviving company (As of March 31, 2019)	Dissolving company (As of December 31, 2018)
(1) Name	JCR Pharmaceuticals Co., Ltd.	Family Health Rental Co., Ltd.
(2) Location	3-19 Kasuga-cho, Ashiya, Hyogo Prefecture	1-2-3 Murotani, Nishi-ku, Kobe
(3) Company representative	Representative Director, Chairman and President Shin Ashida	Representative Director and President Akihiro Haguchi*1
(4) Business activities	Manufacture, sale and import/export of pharmaceutical products, regenerative medicine products, etc. and their raw materials Sale and import/export of medical and test devices	Sale, lease and rent of medical devices

(5) Paid in capital	9,061.86 million yen	150 million yen
(6) Date of establishment	September 13, 1975	February 24, 1997
(7) Outstanding shares	32,421,577 shares	3,000 shares
(8) Business year end	March 31	December 31
(9) Major shareholders and their holdings	MEDIPAL HOLDINGS CORPORATION 23.57% Kissei Pharmaceutical Co., Ltd. 12.29% FUTURE BRAIN CO., LTD. 7.04% Japan Trustee Services Bank, Ltd. (Trust account) 6.82% The Master Trust Bank of Japan, Ltd. (Trust account) 6.01%	JCR Pharmaceuticals Co., Ltd 100%*2
(10) Operating results and financial status for the previous fiscal year (Japanese standard)		
Company name	JCR Pharmaceuticals Co., Ltd. (consolidated)	Family Health Rental Co., Ltd. (non-consolidated)
	Fiscal year ended March 31, 2019	Fiscal year ended December 31, 2018
Net assets	30,874 million yen	36 million yen
Total assets	42,516 million yen	157 million yen
Net assets per share (Yen)	982.14 yen	12,269.96 yen
Net sales	23,160 million yen	265 million yen
Operating income (loss)	4,967 million yen	(43 million yen)
Ordinary income (loss)	5,068 million yen	(39 million yen)
Profit (loss) attributable to owners of parent	3,715 million yen	(72 million yen)
Net income (loss) per share (Yen)	120.68 yen	(24,080.45 yen)
Dividend per share (Yen)	30 yen	—

*1 As of July 1, 2019

*2 As of August 1, 2019

4. Post- Closing Status

The closing of the Deal will not change the Company's name, location, business title and name of representatives, business activities, paid-in capital or business year end.

5. Future Outlook

The impact of the Deal to the Company's consolidated results will be minimal.

[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.

Investors & Media:

JCR Pharmaceuticals Co., Ltd.

Corporate Communications

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