



March 26, 2020  
JCR Pharmaceuticals Co., Ltd.

Translation

## **JCR to Acquire ArmaGen, Inc. (USA)**

JCR Pharmaceuticals Co., Ltd. (TSE 4552; Chairman and President: Shin Ashida; “JCR”) announced today that it has reached an agreement with ArmaGen, Inc., a privately held US biopharmaceutical company headquartered in San Diego, California (“ArmaGen”) to acquire all the assets of ArmaGen. Upon completing the transaction in late April, ArmaGen will become a wholly owned subsidiary of JCR.

### 1. Aim of the Acquisition

JCR is currently focused on the research and development of innovative drugs for lysosomal storage disorders (LSDs) on the platform of its unique blood-brain barrier (BBB) penetration technology, J-Brain Cargo®. ArmaGen is developing innovative drugs using its proprietary BBB penetration technology and owns a portfolio of intellectual property rights applicable to a broad disease spectrum, including LSDs in several key markets.

ArmaGen represents a strategic fit for JCR to enhance the robustness of JCR’s technology lead and competitive edge with respect to the introduction of BBB-penetrating products onto the global market. Leveraging ArmaGen’s IP portfolio and abundant knowledge, JCR can aim to harness the consolidated strengths of both companies to further accelerate global development of unique treatment options for LSD patients as early as possible.

### 2. Details of the Acquisition

#### (1) Acquisition method

JCR plans to establish a specific purpose company as a wholly owned subsidiary in the USA. That subsidiary will be merged with ArmaGen, Inc. (in a cash-out merger\*) and ArmaGen will be the surviving company wholly controlled by JCR.

#### \*Cash-out merger

An absorption-type merger whereby the surviving company delivers only a pecuniary consideration for the merger to the shareholders of the dissolving company.

#### (2) Funding required for this acquisition

Cash reserves will be used to fund this acquisition.

### 3. Details of ArmaGen

(1) Name (trade name): ArmaGen, Inc. (privately held; incorporated in Delaware, USA)

(2) Headquarters location: San Diego, California, USA

(3) Company representative: Mathias Schmidt, CEO

(4) Date of establishment: March 2004

- (5) Business activities: Development of innovative drugs, originally or jointly with other companies, to treat various types of mucopolysaccharidoses and other LSDs based on BBB penetration technology (base technology).

#### 4. Future Outlook

The impact of this acquisition on JCR's consolidated business results for the current fiscal year has been incorporated into the business forecast for the current fiscal year. The impact on JCR's consolidated business results from the next fiscal year is expected to be minor.

#### **[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 communities.

#### **[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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