



June 25, 2025
JCR Pharmaceuticals Co., Ltd.

Notice Regarding the Disposition of Treasury Stock as Restricted Stock Compensation

Hyogo, Japan – June 25, 2025 – [JCR Pharmaceuticals Co., Ltd.](#) (TSE 4552; “JCR”) announced that the Board of Directors meeting held today resolved to carry out a Disposition of Treasury Stock (hereinafter referred to as the “Disposition of Treasury Stock” or the “Disposition”) as follows.

1. Overview of the Disposition

(1)	Disposition Date	July 25, 2025
(2)	Type and Number of Shares to Be Disposed of	111,000 shares of JCR’s common stock
(3)	Disposition Price	518 yen per share
(4)	Total Disposition Amount	57,498,000 yen
(5)	Recipients of Disposition, Number of Recipients and the Number of Shares to Be Disposed of	<p>Directors of JCR</p> <p>10 individuals, 71,000 shares</p> <p>Executive officers who do not concurrently serve as directors of JCR</p> <p>6 individuals, 33,000 shares</p> <p>Employees of JCR</p> <p>1 individuals, 2,000 shares</p> <p>Directors of JCR’s subsidiaries (concurrent)</p> <p>1 individuals, 5,000 shares</p>
(6)	Other	Not applicable

2. Purpose of and Reasons for the Disposition

To provide incentives for the Company’s Directors (excluding Outside Directors), Executive Officers who do not concurrently serve as Directors, and employees (collectively, the “Eligible Recipients”) to contribute to the sustained enhancement of the Company’s corporate value, and to further promote value sharing with shareholders, the Company has introduced a restricted stock compensation plan (the “Plan”) as a remuneration system for the Eligible Recipients. Furthermore, at the 49th Ordinary General Meeting of Shareholders held on June 26, 2024, JCR received approval to pay to the Eligible Directors a total amount of monetary claims of no more than 200 million yen per year (of which no more than 20 million yen shall be paid to outside directors) as compensation for property to be contributed in-kind for the acquisition of restricted stock in accordance with the Plan (hereinafter referred to as the “Restricted Stock Compensation”); to newly issue or dispose of a total number of shares of JCR’s common stock of no more than 250,000 shares per year (of which no more than 25,000 shares shall be issued to outside directors); and to set the Restriction Period for the restricted stock as a period to be

determined by JCR's Board of Directors between 3 years and 30 years, among other matters. The following is an overview of the Plan and related matters.

【Overview of the Plan and Related Matters】

The Eligible Directors, etc. will pay all monetary claims provided by JCR according to the Plan as property to be contributed in-kind, and will, in return, receive an issuance of disposition of JCR's common shares. Furthermore, the paid-in amount per share shall be decided by the Board of Directors within a range that is not specially favorable to the Eligible Directors, etc. who will receive the common stock, based on the closing price of JCR's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (if such date is a non-trading day, the closing price on the most recent trading day prior to that date). The issuance or disposition of JCR's common stock based on the Plan shall be accompanied by the execution of an agreement on the allotment of restricted shares between JCR and the Eligible Directors, etc. The agreement shall include the following content: (i) the Eligible Directors, etc. shall be prohibited from the transfer, creation of security interest, or any other disposal of the shares of JCR's common stock allotted based on the agreement on the allotment of restricted shares to a third party for a certain period and (ii) JCR can acquire these shares of its common stock without consideration upon certain events.

Following extensive deliberations by the Advisory Committee for Nomination, Compensation, etc., JCR has considered the purpose of the Plan, its business conditions, the scope of responsibilities of the Eligible Directors, etc., and various other circumstances. In light of these considerations, and in order to further enhance the motivation of the Eligible Directors, etc., JCR has decided to provide total monetary claims of 57,498,000 yen (hereinafter referred to as the "Monetary Claims") and 111,000 shares of common stock as restricted stock compensation for the 51th fiscal year (April 1, 2025 to March 31, 2026) and as restricted stock compensation in accordance with the Plan.

Regarding the Disposition of Treasury Stock, the 18 Eligible Directors, etc., who are the planned allottees, will pay all of the Monetary Claims against JCR as property to be contributed in-kind, and will, in return, receive the disposition of JCR's common stock (hereinafter referred to as "Allotted Shares"). An overview of the agreement on the allotment of restricted shares (hereinafter referred to as the "Allotment Agreement") to be executed between JCR and the Eligible Directors, etc. as part of the Disposition of Treasury Stock is presented in 3. below.

3. Overview of the Allotment Agreement

(1) Restriction Period

From July 25, 2025 to July 24, 2028

(2) Conditions for Lifting the Restriction

JCR shall lift the restriction on all of the Allotted Shares upon the expiration of the Restriction Period, provided that the Eligible Directors, etc. continue to hold the position of Director, Executive Officer, Consultant, Advisor, or Employee who does not concurrently serve as Director, or a position equivalent thereto at JCR or its subsidiaries during the Restriction Period.

(3) Treatment in the event of the retirement or resignation of an Eligible Director, etc. during the Restriction Period due to the expiration of their term of office, reaching a fixed retirement age, or any other legitimate reason

(i) Schedule for Lifting the Restriction

In the event that an Eligible Director, etc. retires or resigns from the position of Director, Executive Officer, Consultant, Advisor, or Employee who does not concurrently serve as Director, or a position equivalent thereto at JCR or its subsidiaries due to the expiration of

their term of office, reaching a fixed retirement age or other legitimate reason (including retirement or resignation due to death), JCR shall lift the restriction immediately after the retirement or resignation of the Eligible Director, etc.

(ii) Number of Shares Subject to the Lifting of the Restriction

The number of shares shall be the number of the Allotted Shares and held at the time of retirement or resignation prescribed by (i), multiplied by the number of months from the month containing the Disposition Date (however, in cases where the Eligible Director, etc. is an executive officer or an employee who does not concurrently serve as a director, this shall be reinterpreted as the start of the fiscal year in which the Disposition Date falls under) to the month containing the date of retirement or resignation of the Eligible Director, etc., divided by 12 (when the number is greater than 1, the number shall be 1) (however, any fractions less than 1 share arising from the calculation shall be rounded down).

(4) Treatment During Organizational Restructuring, etc.

(i) Schedule for Lifting the Restriction

If, during the Restriction Period, a merger agreement under which JCR becomes a dissolved company, a share exchange agreement or share transfer plan under which JCR becomes a wholly owned subsidiary, or any other matters relating to organizational restructuring, etc. are approved at JCR's General Meeting of Shareholders (however, if such organizational restructuring, etc. does not require approval at the JCR's General Meeting of Shareholders, then by resolution of the Board of Directors) then the restriction shall be lifted immediately prior to the business day preceding the effective date of the organization restructuring, etc.

(ii) Number of Shares Subject to the Lifting of the Restriction

The number of shares shall be the number of the Allotted Shares allotted as part of restricted stock compensation and held at the time of the approval prescribed in (i) by the Eligible Directors, etc., multiplied by the number of months from the month containing the Disposition Date (however, in cases where the Eligible Director, etc. is an executive officer or an employee who does not concurrently serve as a director, this shall be reinterpreted as the start of the fiscal year in which the Disposition Date falls under) to the month containing the date of said approval, divided by 12 (when the number is greater than 1, the number shall be 1) (however, any fractions less than 1 share arising from the calculation shall be rounded down).

(5) Acquisition Without Consideration by JCR

The Allotted Shares for which the restriction is not lifted upon the expiration of the Restriction Period or upon the lifting of the restriction prescribed by (3) or (4) above shall be acquired by JCR by rights without consideration.

(6) Administration of Shares

The Allotted Shares will be administered through special accounts opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the Restriction Period to ensure that no Eligible Director, etc. can transfer, create a security interest in, or otherwise dispose of the Allotted Shares during that time. JCR has executed an agreement with Nomura Securities Co., Ltd. regarding the administration of the Allotted Share accounts held by each Eligible Director, etc. to ensure the effectiveness of the restriction and other conditions related to the Allotted Shares. Furthermore, the Eligible Directors, etc. shall consent to the specifics of the administration of these accounts.

4. Basis for Calculating the Paid-in Amount and Specific Details

The Disposition of Treasury Stock to the planned allottees will be carried out through the contribution of property in kind in the form of monetary claims paid as restricted stock compensation for JCR's 51th fiscal year in accordance with the plan. The Disposition Price has

been set as 518 yen, which is the closing price of JCR's common stock on the Tokyo Stock Exchange Prime Market on June 24, 2025 (the business day preceding the date of the resolution of the Board of Directors), in order to remove any arbitrariness from the pricing. JCR believes that this price is reasonable and does not constitute a specially favorable price because it is the market price immediately preceding the date of the resolution of the Board of Directors.

About JCR Pharmaceuticals Co., Ltd.

JCR Pharmaceuticals Co., Ltd. (TSE 4552) is a global specialty pharmaceutical company that develops treatments that go beyond rare diseases to solve the world's most complex healthcare challenges. We continue to build upon our 50-year legacy in Japan while expanding our global footprint into the U.S., 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, MPS II (Hunter syndrome), 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, MPS IIIA and B (Sanfilippo syndrome type A and B), and more. Our core values – Putting people first, Forging our own path, Always advancing, and Committed to excellence – mean that the work we do benefits all our stakeholders, including employees, partners, and patients. We strive to expand the possibilities for patients while accelerating medical advancement at a global level. For more information, please visit the global website: <https://jcrpharm.com/>.

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