







## Basic Philosophy

Corporate philosophy of JCR Pharmaceuticals Co., Ltd. is “Contributing towards people’s healthcare through pharmaceutical products.” Under this philosophy, we aim to contribute to health improvements with better treatment options as a pioneer company engaged in research, development, manufacturing and marketing of biopharmaceuticals and regenerative medicine.

### Reliability

We strive to establish a reliable company for all stakeholders by actions with high sense of duty in addition to compliance.

### Confidence

We continue our research and development from our own point of view and provide high-quality products and information with confidence in the aim of providing pharmaceuticals that are accepted worldwide.

### Belief

We aim for further corporate growth in the belief of “Think by oneself, act by oneself” under the basic philosophy.



# JCR has reorganized its integrated report “JCR Report 2022” and provided an explanation of its sustainability initiatives.

JCR Pharmaceuticals Co., Ltd. (JCR) has the important missions of tackling rare and intractable diseases with its advanced biotechnologies, and researching, developing, and creating innovative medicines in the areas of cell therapy, regenerative medicine, and gene therapy. Mindful of those missions, JCR is implementing its Midterm Business Plan for

FY2020-FY2022 “REVOLUTION.” Guided by this plan, JCR is working as one “Team JCR” to continuously meet the challenge of staying one step ahead of its competitors. Through business activities based on its corporate philosophy, JCR aims to create sustainable corporate value, and believes that it is important to contribute to the

development of a sustainable society. For “Sustainability Report 2022,” JCR has reorganized and edited its integrated report “JCR Report 2022” in order to foster a full understanding of JCR’s sustainability initiatives among a wide range of stakeholders.

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### • Period covered

FY2021 (From April 1, 2021 to March 31, 2022)

\* This report also contains some information from FY2022.

### • Organizations covered

JCR Group (JCR Pharmaceuticals Co., Ltd. and six consolidated subsidiaries)

\* See explanatory notes for exceptions.

### • Presentation of currency units

Numerical values are rounded down to the nearest whole number in the specific unit, in principle.

However, numerical values presented in units of hundred millions of yen are rounded up or down to the nearest hundred million yen.

### Forward-Looking Statements

“Sustainability Report 2022” contains forward-looking statements that are subject to known and unknown risks and uncertainties, many of which are outside our control and are based on our judgments derived from the information available to us at this time. Our actual results could be materially different from those expressed in our forward-looking statements, due to factors and events that include, but are not limited to, the following: 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, production difficulties or delays, an infringement of our intellectual property rights, an adverse court decision in a significant lawsuit and regulatory actions.



A man with dark hair and glasses, wearing a dark blue suit, white shirt, and light blue patterned tie, stands with his hands clasped in front of him. He is positioned on the left side of the frame. The background is a modern office interior with a high ceiling, large windows, and a glass railing. The lighting is bright and even.

**JCR contributes to development  
of a sustainable society  
through business activities  
based on its corporate philosophy.**

JCR has been promoting measures to realize a sustainable society in the core areas of Rare Diseases (RD), Environment (E), Society (S), and Corporate Governance (G).

JCR recognizes that rare diseases are the arena that we can make our greatest contribution from a CSV standpoint. To deliver JCR's technological value to patients around the world as soon as possible, we will continue to proactively invest in R&D.

From the environment aspect, we conducted a scenario analysis based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Going forward, we will aim to augment our measures addressing climate change based on the results, as well as strive to disclose appropriate information.

Regarding corporate governance, we have newly appointed two independent Outside Directors, which we believe will further enhance the effectiveness of management supervision.

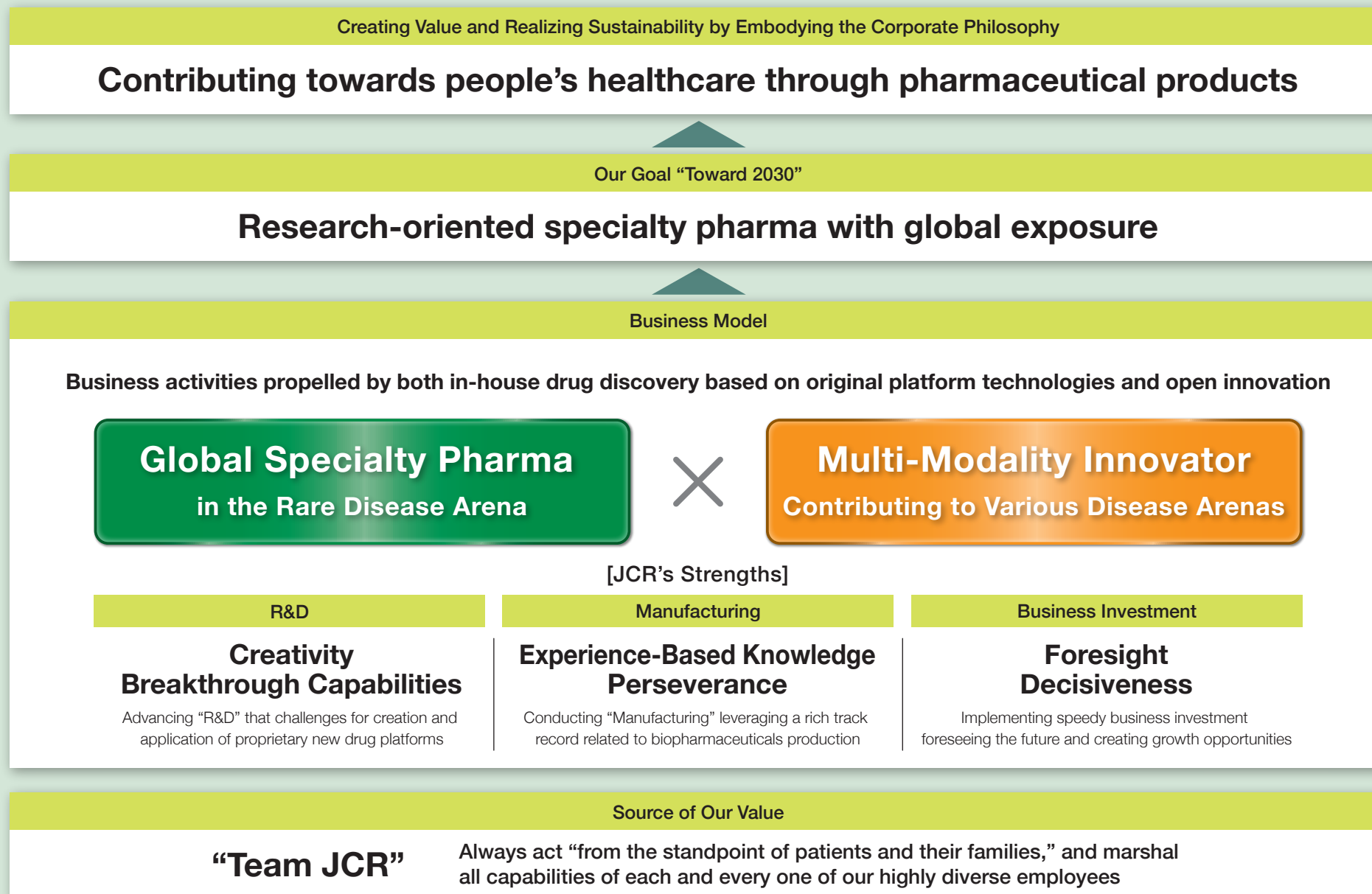
In July 2022, the Board of Directors resolved to newly establish the Sustainability Advisory Committee, Sustainability Committee and Environmental Committee to enable in-depth discussions and formulating strategies in close alignment with management in response to the ever-changing social and business environment and challenges. Under the new promotion structure, JCR will continue to work as one team, driven by a sense of purpose in the rare disease field, to pursue sustainability in the manner unique to JCR.

October 2022

**Shin Ashida**

Representative Director, Chairman,  
President, CEO and COO

A handwritten signature in black ink, appearing to read 'Shin Ashida', with a long horizontal stroke extending to the right.



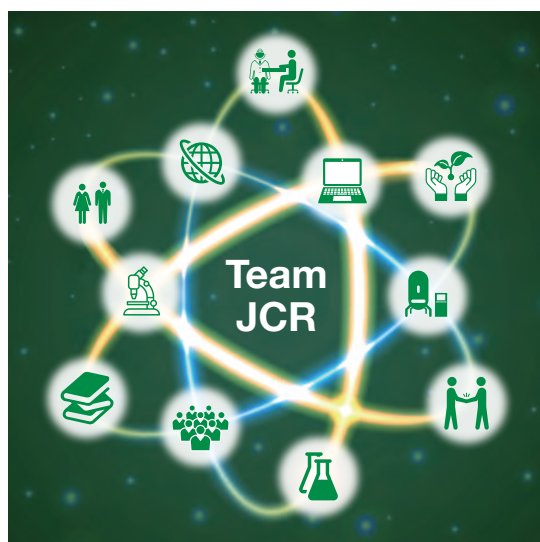
## JCR will achieve sustained value creation by working to develop proprietary technologies and innovative products in anticipation of the needs of the times.

Since founding in 1975, JCR has grown through R&D with originality in fields where other companies have not been involved. JCR's proprietary blood-brain barrier (BBB) penetration technology, J-Brain Cargo®, one of the significant milestones of that R&D, has potential for application in various modalities, not just as a pharmaceutical development in the rare diseases arena, but targeting various patients and expected to develop pharmaceuticals jointly together with other companies.

A shift in drug development from common diseases to rare diseases that are more difficult to develop, an increasingly competitive environment and uncertainty regarding the NHI drug price system in Japan make the business environment increasingly harsher, and it is becoming ever difficult for pharmaceutical companies that cannot develop unique fundamental technologies and drugs to continue their business.

Through J-Brain Cargo®, JCR has paved the way for a

solution to the longstanding issue in drug development of brain barrier penetration. However, it will take a long time to be able to deliver this groundbreaking drug to patients living with diseases of the central nervous system and their families. JCR is heading toward the 50th anniversary of its founding and looking ahead at the 50 years beyond that, "Team JCR" will work as one to maximize its own strengths and continue to take on challenges to bring about a further "REVOLUTION" to be able to contribute at the earliest possible stage.



### [Business Process]





# Toward 2030

Carrying on the entrepreneurial spirit that has run through JCR since its founding in 1975, each individual shares a corporate culture that has grown through R&D and Manufacturing and based on a corporate philosophy that aims to contribute to the rare diseases arena, JCR has established a stable management foundation, created various types of proprietary technologies, including the blood-brain barrier (BBB) penetration technology, J-Brain Cargo®, and built a

basis for thriving globally.

With the conviction that “Team JCR” is the source of its value, JCR has formulated the Mid- to Long-Term Management Vision “Toward 2030” to advance toward full-scale global business by 2030 and is implementing strategies aimed at becoming a “research-oriented specialty pharma with global exposure.”

JCR is proactively collaborating with other companies with a matching corporate culture and accelerating its

moves to being “a global specialty pharma in the rare disease arena,” and by making bold and appropriate decisions in a timely manner, will pursue sustainable and stable growth in the increasingly uncertain pharmaceutical industry.





Our Goal

## Research-oriented specialty pharma with global exposure

### Concrete Corporate Vision

- ◎ Be a global specialty pharma in the rare disease arena
- ◎ Continue to ambitiously create “one step beyond” technologies based on our original technology platforms, including J-Brain Cargo®
- ◎ Continue to ambitiously foster new values with R&D and Manufacturing
- ◎ Continue to overcome challenges with an unwavering resolve to contribute to the treatment of rare diseases

### Basic Strategies

- ◎ Focus on R&D and Manufacturing driven by a dedicated small group of specialists par excellence, embracing the founding spirit of “Team JCR” as our core value
- ◎ Develop human resources with a “Team JCR” spirit so that each individual can realize their full potential in their respective stations
- ◎ Consolidate three pillars of revenues: (1) domestic products such as growth hormone products; (2) the global market for LSDs; and (3) licensing fees from our platform technologies

# Midterm Business Plan for FY2020-FY2022 “REVOLUTION”

JCR will celebrate the 50th anniversary of its foundation in 2025. At the same time, it wants to achieve full-scale globalization from the late 2020s onward. To achieve the Mid- to Long-Term Management Vision “Toward 2030” will require each and every employee to change in all aspect of business experience and not to be bound by past experiences. That is why “REVOLUTION” was made the key word of the midterm business plan for FY2020-FY2022.

JCR believes the greatest responsibility to be performed by a pharmaceutical company is the stable supply of high-quality pharmaceuticals. Based on this recognition and taking into account JCR’s increasing importance in the rare diseases arena going forward, “qualitative and quantitative reorganization of the quality assurance system” has been made our top priority business challenge. Furthermore, we have set five items as important business challenges in anticipation of the

late 2020s becoming a period of rapid business expansion.

From a results aspect, product sales and contract income have both grown steadily and we have already achieved the final targets given in Guidance, even excluding the consideration for manufacturing the bulk solution for AstraZeneca’s COVID-19 vaccine, AZD1222 in FY2021. In FY2022, we will marshal all capabilities of “Team JCR” to further accelerate “REVOLUTION.”

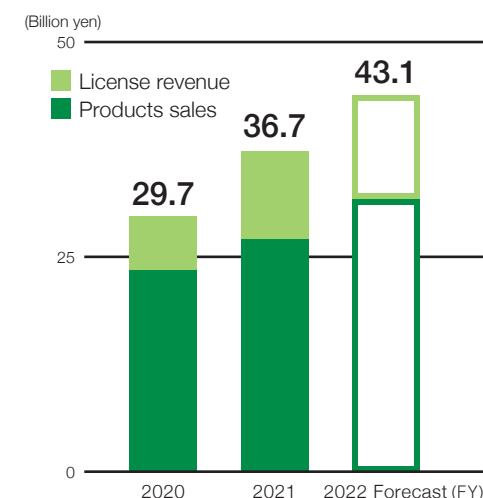
## ■ Key Theme



## ■ Guidance

Financial metric	FY2022 target
Net sales	<b>¥32 to ¥36 billion</b> Based on steady year-on-year sales growth
Operating income	<b>¥7 to ¥10 billion</b>
R&D expenditures	R&D expenditures of around <b>20%</b> of net sales A greater allocation of funds is permitted when required
Dividend payout ratio of <b>30%</b> , under a basic policy of providing stable dividends with a focus on balancing returns shareholders expect and our financial soundness	

## ■ Net Sales Trends (Excluding AZD1222 Bulk Solution)



## [Outline and Progress on Top Priority Business Challenges in the Midterm Business Plan for FY2020-FY2022 “REVOLUTION”]

### Top priority business challenge **[Qualitative and quantitative reorganization of the quality assurance system]**

JCR believes that the most important responsibility of a pharmaceutical company lies in providing a stable supply of high-quality pharmaceuticals. Mindful of this responsibility as well as the growing presence of JCR in the rare disease arena, “qualitative and quantitative reorganization of the quality assurance system” has been identified as our top priority business challenge. In FY 2021, JCR conducted an organizational change, separating the quality testing division from

the Production Division and merging it with the testing method development division and began construction of a quality and testing building for completion in FY2022. These efforts aim to build a quality management structure capable of conducting all tests from consideration of testing methods at the initial stage of research through to shipment following commercial production, and in practical terms seek to achieve waste-free, efficient operations.

### ■ **Actions for sustainable growth of the sales of our products**

JCR is developing a series of drugs for the treatment of lysosomal storage diseases (LSDs), and expects to start global trials for multiples of these within the next few years, and global launches expected in 2025 or later. Sales of existing products constitute the source of funding for all of our research and development activities. For GROWJECT®, a recombinant human growth hormone product, we aim to further improve treatment satisfaction by responding to the needs of patients and medical staff by developing a dedicated injector and connected smartphone app and by developing easily used and long-acting formulations more accessible for patients. We realize how extremely important it is to build a firm earnings foundation, so have accelerated the market penetration of IZCARGO®, a recombinant treatment of MPS II launched in May 2021, and made global alliances for development products. We have adapted appropriately to changes in the business environment, while providing information effectively and efficiently, and will work to preserve and drive growth in net sales of existing products.

### ■ **Expansion of basic and applied research activities**

In research and development, we will strengthen measures to address basic research in order to create new platform technologies in anticipation of the period after we have developed treatments for LSDs. Through the knowledge obtained from multiple development items, we will move forward on collaboration with other companies to create new growth opportunities for J-Brain Cargo® applications for various modalities,

taking into consideration its deployment for a variety of other diseases.

### ■ **Evaluation and implementation of further capital investment for manufacturing and research**

To achieve globalization in earnest, we will actively consider and make capital investments in production and research. The new API plant under construction within the Kobe Science Park will not only produce bulk solution for the COVID-19 vaccine, but has also been designed to manufacture JCR's own products, and we are also planning to build a new plant on an adjacent business-use plot.

### ■ **Product strategy planning including evidence generation**

We recognize that JCR has an important responsibility to provide useful information to clinical sites worldwide that are engaged in the treatment of LSDs, and are promoting proactive and strategic information-gathering activities about IZCARGO®.

### ■ **Transformation of operations and organizations along with human resource development**

We are making steady progress in restructuring our organization to make it more functional and efficient, training next-generation leaders capable of global success, and enhancing IT infrastructure to improve productivity and realize work style reforms.



# Sustainability Management

## Basic Approach to Sustainability

Since its inception in 1975, JCR has sought to create groundbreaking therapeutics that respond to unmet medical needs, particularly in the rare disease field, under its corporate philosophy of “Contributing towards people’s healthcare through pharmaceutical products.” To this end, we have been harnessing forward-looking biotechnologies, as well as technologies for cell therapy and regenerative medicine.

The global environment and conditions and issues facing society have been changing year by year, but JCR believes that it is crucial to create sustained corporate value through its business activities as a pharmaceutical manufacturer and contribute to the development of a sustainable society, and is proactively implementing activities in the core areas of Rare Diseases (RD), Environment (E), Society (S), and Corporate Governance (G).

## Structure for Promoting Sustainability

JCR newly established the Sustainability Advisory Committee, Sustainability Committee and Environmental Committee in July 2022 to enable in-depth discussions and formulating strategies in close alignment with management in response to the ever-changing social and business environment and challenges surrounding JCR. Under the new promotion structure, JCR will continue to work as one team, driven by a sense of purpose in the rare disease field, to pursue sustainability in the manner unique to JCR.

### Sustainability Advisory Committee

Members will be Internal Directors, Independent Outside Directors, and full-time Audit & Supervisory Board Members. This Committee will provide feedback on matters presented to the Board of Directors by the Sustainability Committee.

### Sustainability Committee

Chaired by the director in charge of sustainability, members will be employees appointed from each business division. This Committee will identify material issues, discuss and propose ESG-related initiatives, monitor progress, and report findings to the Board of Directors.

### Environmental Committee

Members will be Internal Directors and employees appointed from each business division. They will consider the environmental impact of business activities as a long-term risk factor affecting business and society, and practice environmentally friendly business activities.

## Message



JCR, as a specialty pharma in the rare disease arena, always thinks first of our patients and their families around the world. With customer satisfaction in mind, JCR provides sustainable value to society in the spirit of “no one will be left behind” by proactively developing world-class pharmaceuticals, aiming for the sustainable development of society and JCR, which in short is sustainability.

Our reason for existence is “contributing towards people’s healthcare through pharmaceutical products” and we believe that our actions moving forward to pursue sustainability in the manner unique to JCR based on this corporate philosophy can change the future for patients and their families.

In July 2022, we newly established the Sustainability Advisory Committee, Sustainability Committee and Environmental Committee. We are committed to achieving sustainability by marshaling all capabilities of “Team JCR” based on our belief of “think by oneself, act by oneself.” Through such activities, JCR will grow together with society, and we will strive to be a company trusted by all stakeholders as a “research-oriented specialty pharma with global exposure.”

**Toru Ashida** Head of Sustainability

# Sustainability Management

## Addressing the SDGs

JCR believes that partnership and cooperation with the international community are the most important priorities for realizing sustainability.

In the course of advancing these initiatives, JCR has linked its activities to the 17 goals laid out in the SDGs, in keeping with the spirit of “no one will be left behind.” It shares with and returns to a wide range of stakeholders the achievements of these efforts.

## SUSTAINABLE DEVELOPMENT GOALS



## Core Initiatives for FY2022 and Related SDGs

<b>RD</b> Rare Disease	<ul style="list-style-type: none"> <li>Take on the challenges of unmet medical needs and accelerating R&amp;D</li> <li>Work to raise recognition of rare diseases inside and outside of JCR</li> </ul>	
<b>E</b> Environment	<ul style="list-style-type: none"> <li>Disclose information in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations</li> <li>Work to conserve the environment in the new plant under construction</li> </ul>	
<b>S</b> Society	<ul style="list-style-type: none"> <li>Create workplace environments comfortable for balancing work and childcare, and not distinguishing between men and women</li> <li>Enhance training programs to develop human resources who can become next-generation leaders</li> </ul>	
<b>G</b> Corporate Governance	<ul style="list-style-type: none"> <li>Build a governance structure to meet the standards required for listing on the Tokyo Stock Exchange Prime Market</li> <li>Enhance effectiveness of supervision over management in the Board of Directors</li> </ul>	
<b>Contribution through our business</b>	<p><b>“Realizing medical care for those living with rare diseases”</b> at the earliest opportunity by transforming every aspect of our business through “Team JCR”</p>	

# Contributions in the Rare Diseases Arena



## RARE DISEASE Project

The RARE DISEASE Project is a cross-sectional internal awareness-raising project, with “What JCR can do for rare diseases” as its motto. We collect information and share it internally to deepen employees’ understanding of rare diseases. We also support and cooperate with patient groups and support organizations that help people with rare diseases. We recruit members through a show of hands, emphasizing the importance of employees showing initiative, and stipulate a two-year appointment without fixed membership.



As awareness-raising activities within the Company, we conduct such activities as encouraging employees to wear official badges for Rare Disease Day (RDD), fundraising activities, conducting global consciousness-raising activities for MPS Awareness Day, distributing reports on participation by employees in events organized by patient groups and organizations that support patients with rare diseases, and holding in-house lectures.

In FY2020 and again in FY2021, the COVID-19 pandemic compelled us to conduct activities centered on participation in events held online and distribution of reports on those events. In August, we held the RDD Internship online. For this event, we welcomed the participation of students from Osaka Meisei Gakuen

high school.

As a company aiming to become “a global specialty pharma in the rare disease arena,” JCR believes that it is extremely important to provide opportunities for each and every employee to hear opinions directly from patients. In FY2021, we held “MPS I Patient Journeys,” an in-house speech event on MPS I in October, and employees could ask the patients for details from the patients’ points of view, including their actual symptoms, diagnosis histories, and how they spend a week.

And, as a new initiative, we produced an original eco-bag printed with illustrations and the project slogan, “What JCR can do for rare diseases,” and donated the proceeds.

JCR will continue to carry out not only research and development focused on orphan drugs, but also activities that lead to broad-based support for patients on a global basis.

## MPS Awareness Day

In FY2021, the RARE DISEASE Project was kicked off with its first global awareness-raising activity for MPS Awareness Day on May 15, sponsored by the MPS Society, a support group for patients with MPS in the United States.

JCR decided to make this a company project after a subsidiary employee made a proposal that JCR think about what it could do for MPS Awareness Day.

In FY2022, photos in the theme color purple and the message of MPS awareness were solicited Company-wide, the images were distributed in the form of downloadable posters at each business location, and donations in proportion to the number of photos collected were made to the MPS Society. In addition, people wore hand-made purple ribbon badges and a newsletter related to raising awareness of MPS was distributed through the internal bulletin board.



MPS Awareness Day  
Wearing a handmade purple ribbon badge



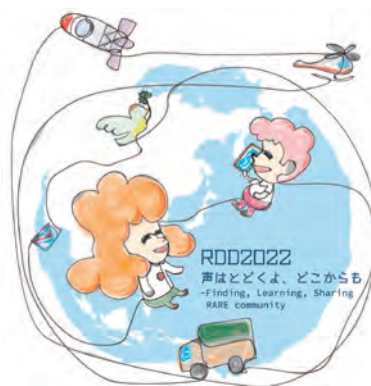
## Contributions in the Rare Diseases Arena

### Rare Disease Day

From FY2015, JCR has been a supporter of RDD. There are patients suffering from rare and intractable diseases around the world, but the total number of these patients is small, and the disease mechanisms are complicated. Therefore, almost no progress has been made in research and development of therapeutics and methods of diagnoses for some diseases. RDD activities began in Sweden in 2008 with the aim of improving the quality of life of patients with rare and intractable diseases through better diagnoses and



treatments. It is hoped that these activities will create a bridge between patients and society, and help to increase awareness of rare and intractable diseases.



### In-House RDD Awareness-Raising Activities

To commemorate RDD, JCR encourages employees to wear official RDD badges and raises funds in-house in February every year.

Moreover, Japanese professional golfer Masahiro Kawamura and Japanese professional tennis player Masamichi Imamura have continued awareness-raising activities worldwide by placing the logo on clothing, caps, bags, etc., and by distributing postcards and pin badges during domestic and international tours. JCR signed a sponsor agreement with Mr. Kawamura in October 2019 and with Mr. Imamura in April 2021.

## Message



The RARE DISEASE project is a cross-sectional internal awareness-raising project that collects information in such ways as through rare disease-related events, communicates information internally and conducts activities in collaboration with patients' groups and rare disease support organizations. I participated in this project because of a belief in the importance of knowing whatever you can about other people.

In the course of our activities, I heard about what kind of rare diseases exist, the difficulties faced by patients, and the thoughts of doctors and those who support them. This helped me to gain a concrete image of who our work is connected to, which in turn changed my awareness of our work. From now on, too, while contributing to the understanding of rare diseases in "Team JCR" through awareness-raising activities internally and externally, we, as a united "Team JCR," will continue to work to realize "what JCR can do for rare diseases" in various ways, in addition to carrying out R&D related to orphan drugs.

**Wataru Miyawaki**

Structural Elucidation Group, Analysis Development Unit, Analytical R&D Center, Research Division



## Environment

Related SDGs



### Initiatives for Environmental Conservation

JCR has been taking a wide range of steps to mitigate its environmental impact, including reducing CO<sub>2</sub> emissions and effectively using water resources. For example, we have worked to transition to LED lighting at all company facilities and shift all our company cars, including those used at plants and the Research Institute, to hybrid cars and electric vehicles. In addition, we have promoted measures such as reducing water use at manufacturing sites, along with adopting single-use bioreactors to ensure the efficient use of manufacturing facilities.

In July 2022, as part of efforts to create a new structure for promoting sustainability, JCR established the Environmental Committee which is composed of Internal Directors and employees selected from within the Company. JCR views the environmental impacts through its business activities as risk factors that could potentially impact its long-term business or society, and will work to implement environmentally conscious business



Electric vehicle

activities.

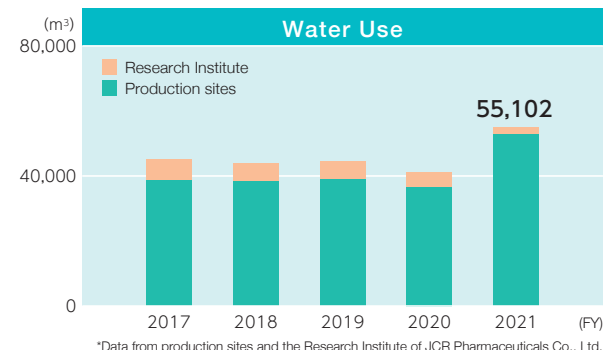
JCR plans to make active use of renewable energy sources, such as solar power generation, at new manufacturing sites that it began constructing from FY2021. Additionally, environmentally friendly investments will be made as part of our efforts to further upgrade and expand production sites, which we are considering in anticipation of full globalization from the mid-2020s.

### Energy Use

JCR has seen an uptrend in total energy use (electricity, gas, etc.) as its business results have grown. In the Research Division, total energy use has increased with the opening of the Clinical Trial Material Manufacturing Center (CTMC) and Cell Processing Center (CPC) in 2016. In the Production Division, total energy use has remained mostly flat, mainly owing to the installation of highly energy-efficient equipment and changes in how we use energy. Information about total energy use will be disclosed in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) from FY2022 onward.

### Water Resources

We have seen a decrease in the use of water resources, despite growth in our business results. The main reasons have been reductions in the amount of water used in research and production processes and efforts such as promoting the recovery and reuse of exhaust steam. Notably, there has been a consistent decline in the use of water resources in production activities. All water used in research and production activities has been treated appropriately.



### Information Disclosure in Accordance with the TCFD

JCR will deliberate on matters such as establishing medium- to long-term GHG reduction targets in light of its business plans and initiatives such as the GHG reduction targets set by various companies, with the aim of keeping the rise in temperatures that has occurred since the industrial revolution below 1.5°C.

JCR will continue to handle the analysis of risks and information disclosure related to climate change in accordance with TCFD recommendations, and is working to calculate the GHG emissions of its entire supply chain. In addition to the above, it will consider enhancing disclosures regarding scenario analysis and strategic resilience in the future.

### [Governance]

JCR is working to strengthen governance initiatives related to climate change. Policies regarding activities and specific contents are deliberated by the Sustainability Committee, and the Board of Directors make decisions on them, taking into consideration the opinions of the Sustainability Advisory Committee.

# Environmental Awareness

## [Strategy]

Regarding physical and transition risks and opportunities related to climate change, JCR plans to identify those that affect operations to a high degree as important risks and opportunities after assessing the significance of their short-, medium-, and long-term impact on business, strategy, and finances.

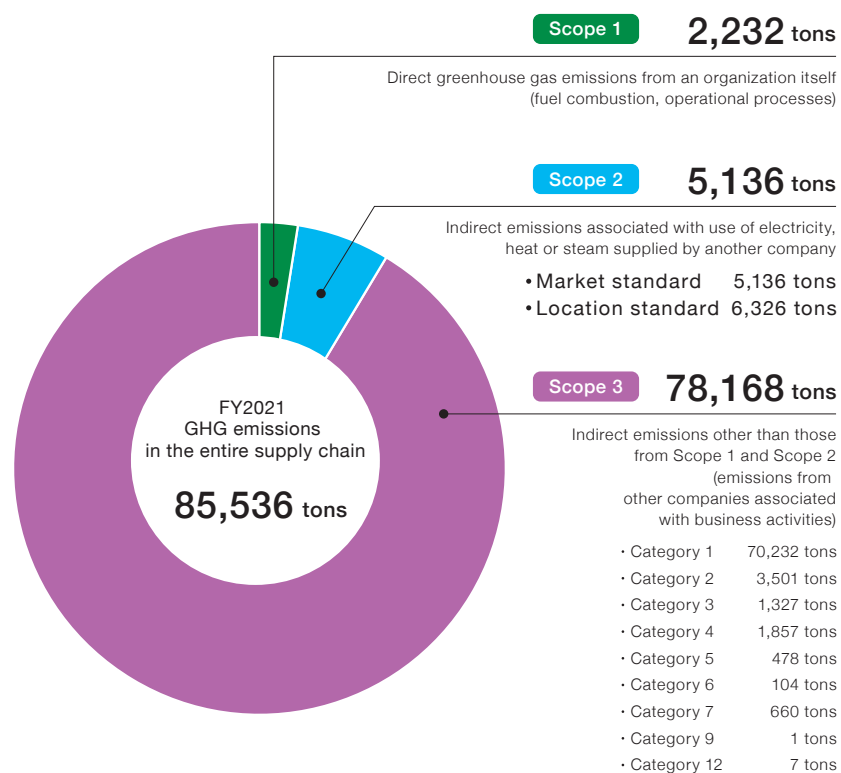
## [Risk Management]

JCR is considering risk identification, assessment, management, and enterprise risk management integration processes, and will disclose information on this moving forward.

## [Metrics and Targets]

JCR will consider climate change performance indices going forward. In addition, our Scope 1, 2, and 3 (some categories) GHG emissions calculated according to the GHG Protocol, an international calculation standard, are as follows.

## FY2021 GHG Emissions by Scope



Scope of calculation	Scope 1, 2, and 3 applied to JCR Pharmaceuticals Co., Ltd.
<b>Scope 1</b>	In addition to the combustion of fossil fuels such as gasoline, freon—which originates from industrial air conditioners—and CO <sub>2</sub> emissions derived from CO <sub>2</sub> canisters are also included in the calculations
<b>Scope 2</b>	Calculated using both market standards and location standards. Coefficients are in compliance with the Act on Promotion of Global Warming Countermeasures.
<b>Scope 3</b>	—
Category 1 (Purchased products and services)	Calculated based on purchase and sales data. Coefficients are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 2 (Capital goods)	Calculated based on the increased amount of noncurrent assets. Coefficients are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 3 (Fuel and energy-related activities not included in Scope 1 and 2)	Calculated based on energy consumption in Scope 1 and 2. Coefficients are referenced from the Ministry of the Environment's Database v3.2 and IDEA
Category 4 (Shipping, Transport (Upstream))	Calculated using the mileage method for shipping from suppliers to the Company's locations, and calculated using the ton-kilometer method for shipping from the Company's distribution center to a distributor. Coefficients under the mileage method are referenced from the home page of the Japan Trucking Association, while coefficients under the ton-kilometer method are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 5 (Waste produced by business)	Amounts of generated waste are calculated according to type. General business-type waste is estimated based on number of employees and statistical data from the Ministry of the Environment. Coefficients are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 6 (Business trips)	Calculated based on number of employees. Coefficients are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 7 (Employee commutes)	Calculated based on commuting distance. Coefficients are referenced from IDEA
Category 8 (Lease assets (Upstream))	Assets leased by the Company itself are included in the calculations of Scope 1 and 2
Category 9 (Shipping, Transport (Downstream))	Calculated using the ton-kilometer method for shipping from the Company's distribution center to clinics, etc. Coefficients under the ton-kilometer method are referenced from the Ministry of the Environment's Input Output Table Database v3.2
Category 10 (Manufacturing of sold products)	(Currently not calculated because it is difficult to assess and estimate the amount of activity by downstream customers)
Category 11 (Use of sold products)	(Excluded from scope because the final products are pharmaceuticals, and no energy is used)
Category 12 (Disposal of sold products)	Calculated based on product shipment amounts. It is assumed that the products are completely consumed, and that only the glass vials are disposed of.
Category 13 (Leased assets (Downstream))	(Excluded from scope because there are no leased assets that are owned by the Company and leased to other companies)
Category 14 (Franchises)	(Excluded from scope because the Company does not have franchises)
Category 15 (Investment)	(Excluded from scope because investment is not the objective)



# Contributing to Unmet Medical Needs



Society

Related SDGs



## Support for the “International Medical Research Foundation”

JCR supports the activities of the “International Medical Research Foundation,” which helps to foster medical researchers who can succeed internationally through programs such as study abroad grants. Since its establishment in April 2019, the International Medical Research Foundation has carried out a study abroad grant program for young medical researchers as well as a program to provide grants to international symposiums on medical research that are held both in Japan and overseas.

In the past few years, the declining international competitiveness of Japan’s scientific research has become a serious problem. For this reason, efforts to support study abroad opportunities involving research at leading overseas institutions and efforts to support international symposiums that invite internationally recognized foreign researchers at the forefront of their research fields carry tremendous significance. Accordingly, JCR endorses the activities of the International Medical Research Foundation.



## Support for the Swiss Nonprofit Foundation “Global Foundation for Life Sciences”

As part of its efforts to contribute to global health, JCR supports the “Global Foundation for Life Sciences,” a nonprofit foundation established in Switzerland in 1999. This foundation supports the advancement of life sciences,

provides humanitarian assistance to various medically underprivileged countries and also provides support for the development of young researchers.

One example of the humanitarian assistance provided by the foundation is its support for the activities of a group of volunteer Swiss doctors formed to treat women suffering from obstetric fistula in West Africa. Obstetric fistula is a condition where a hole is formed in the birth canal or surrounding tissues due to inadequate medical care in cases where under-aged women become pregnant and give birth, among other situations, causing chronic fecal and urinary incontinence. The number of fistula patients is approximately 2 million worldwide with about 100,000 women newly diagnosed with the condition every year. The nature of the symptoms means that women with obstetric fistula face difficulties in their daily lives, in addition to some reported cases of harm from social discrimination and exclusion. The group of volunteer doctors regularly visits a hospital in Benin, a country in West Africa, and undertakes activities to eradicate obstetric fistula, performs surgeries on patients, and provides technical instruction to local doctors. JCR contributes to people’s health and the advancement of medical care through its support for the foundation.

## Support for the “Award for Promotion of Maternal Child Health”

JCR supports the “Award for Promotion of Maternal Child Health” (sponsored by the Mothers’ and Children’s Health and Welfare Association), as part of its efforts to provide support for pediatric diseases and public health.

The Award for Promotion of Maternal Child Health was created to commemorate the International Year of the Child in 1979. The award seeks to encourage the good work of individuals who have made great contributions to society and the field of community-based maternal and child



health, in areas such as research on motherhood and children’s health, raising widespread awareness of public health principles, providing practical education and instruction, and upgrading and expanding the development of public health facilities. By recognizing these accomplishments, the award program seeks to further promote the development of maternal and child health. Every year, 15 award recipients are selected from among candidates working in the field of maternal and child health. The recipients include public health nurses, midwives, nurses, doctors, dentists, nutritionists, dental hygienists, nursery school teachers, and maternal and child health support workers, who are chosen for the award based on recommendations from the head of prefectures, ordinance-designated cities, core cities and special wards.

# Contributing to Unmet Medical Needs

## Momiji House, a Short-Stay Medical Care Facility

JCR supports Momiji House, which was established as Japan's first hospice for children. The facility was built on the grounds of the National Center for Child Health and Development (Setagaya-ku, Tokyo) in April 2016. Momiji House provides 24-hour-a-day medical care for children who require constant medical care at home. Those with serious illness and disabilities and their families can stay for several days at Momiji House, feeling secure and comfortable as if they were at home. Aiming to realize medical care for patients living with rare and intractable diseases and their family members, JCR has continued to provide continuous support dating back to the time before the opening of Momiji House.



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## Donations to Kyoto University (Third-Party Allotment of Treasury Stock)

At the Ordinary General Meeting of Shareholders held on June 22, 2022, a motion to dispose of treasury stock through third-party allotment for the purpose of making a donation to Kyoto University was submitted, and received approval.

This proposal is aimed at providing financial support to enable young researchers involved in life science or basic research as well as cancer immunotherapy research to concentrate on their studies, and involves a donation through third-party allotment of treasury stock to two funds established within Kyoto University, the Tasuku Honjo "Yuh-shi" Fund and the Cancer Immunotherapy Research Fund. By donating to these two funds, we believe that it will lead to JCR's corporate philosophy of "contributing toward people's healthcare through pharmaceutical products" by supporting the development of challenging and creative basic research that could cause a paradigm shift in the field of life science and research aiming at realizing full cancer recovery, which is a long-cherished wish of humankind, and also believe that strengthening the JCR corporate brand and raising employee morale will contribute to the sustainable growth of JCR and enhance corporate value from a medium- to long-term perspective.

## Transmitting Information at Academic Conferences

As a company that seeks to be "a global specialty pharma in the rare disease arena," JCR strives not only to deliver superior pharmaceuticals, but also to actively provide information on cutting-edge technologies, clinical trial evidence, and related matters.

At the 18th Annual *WORLD Symposium™* held in February 2022, JCR made verbal presentations and presented posters on six topics related to JR-141, JR-171, and JR-441, treatments for lysosomal storage disorders which it is developing using its proprietary J-Brain Cargo® technology, while it also opened a booth at the venue and held a virtual chat and exchanged information with relevant parties.

Additionally, IZCARGO®, which was approved in Japan for the treatment of MPS II in May 2021, was bestowed the New Treatment Award at this conference. The award honors new treatments that are viewed as providing value to patients with LSDs, with general acceptance as evidenced by regulatory approval for pharmaceuticals. In receiving the award for IZCARGO®, JCR was specifically saluted for providing clinical data meriting approval by the Ministry of Health, Labour and Welfare.



New Treatment Award trophy

# Human Resource Management



Society

Related SDGs



## Basic Concept

In an aim to realize its Mid- to Long-Term Management Vision “Toward 2030,” JCR is working to create a workplace environment where richly diverse employees can shine and to promote human resources development based on a common understanding that the source of its value lies in “Team JCR.” With a view toward global business expansion, it is strengthening development and employment of next-generation leaders, and accelerating the “REVOLUTION” aimed at rearranging the Company into an active organization.

## Global Personnel Development

### Transformation of Personnel Hiring and Human Resource Systems in Anticipation of the Future

For personnel hiring, JCR periodically aligns its way of thinking about future human resources with the Human Resource Planning Department and each division in order to establish mutual understanding, and formulates human resources planning. JCR is also accelerating initiatives to strategically hire human resources. These initiatives include optimizing the recruitment management system essential for data analysis and recruitment efficiency, renewing the recruitment website and moving forward on constructing a PDCA cycle for recruitment, and, as a new hiring method, systematically implementing referral hiring in which employees introduce friends and acquaintances.

For human resource systems, it has introduced a challenge sheet based on its evaluation system, and visualizes the goals of the organization so that they can be appropriately reflected in individual goals, while also working further to transform its evaluation system through

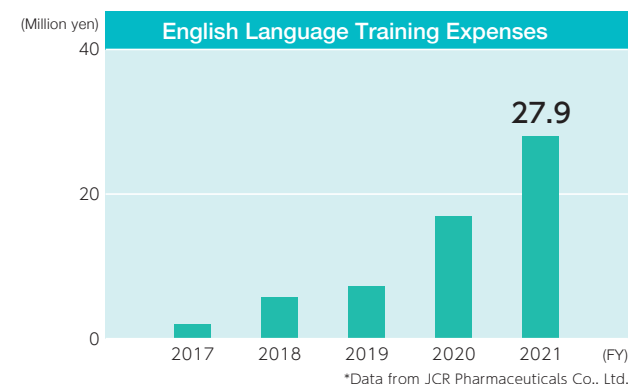
detailed breakdowns of general evaluations and the use of objective figures.

### Training System to Support Employee Growth

JCR is pouring energy into employee training, because it believes that improving employee skills will help it to grow. In the span of roughly one month after new graduate recruits join the Company, we effectively conduct group training aimed at business etiquette and improving communication skills and presentations about operations from each business division while effectively making use of the Web. We also regularly conduct tier-specific training where participation is mandatory for each level. Since FY2020, we have been conducting voluntary training that emphasizes employee autonomy, incorporating e-learning, and carrying out training programs matched to individual needs. In recent years, we have also been concentrating on English language training. More than 350 employees continually participate in conversational lessons, which began in FY2017, with a foreign English teacher, helping to improve their practical English abilities.

## Main Initiatives for Human Resource Management

Global personnel development	<ul style="list-style-type: none"> <li>Formulation of human resources planning and implementation of management systems to achieve personnel hiring and a human resource system in anticipation of the future</li> <li>Enhance the training system to support growth including improvements to employees' practical abilities and language abilities, with emphasis placed on their autonomy</li> <li>Develop next-generation leaders with the skills that will enable them to thrive on a global stage</li> </ul>
Diversity and inclusion	<ul style="list-style-type: none"> <li>Create a corporate culture that utilizes the individual abilities of richly diverse employees</li> <li>Promote the creation of a workplace where employees can thrive regardless of gender</li> <li>Enhance initiatives for career support of persons with disabilities</li> </ul>
Diverse work styles	<ul style="list-style-type: none"> <li>Introduce a system that is convenient for workers and enables flexible work</li> <li>Support people raising children through a nursery located within the office or subsidies for childcare, etc.</li> <li>Establish a system to encourage men to take childcare leave and promote enlightenment activities</li> </ul>
Occupational safety and health	<ul style="list-style-type: none"> <li>Promote the creation of a workplace environment that protects the safety and health of employees, and allows them to work with peace of mind</li> <li>Thoroughly implement measures to prevent the spread of COVID-19</li> </ul>

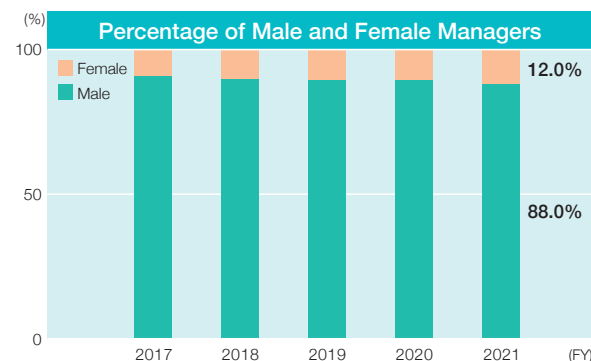




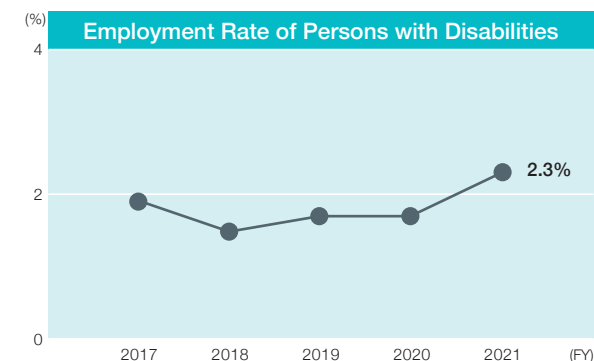
# Human Resource Management

Training Track Record						
FY		2017	2018	2019	2020	2021
Group training	Number of sessions	10	15	15	8	16
	Hours	90	135	126	60	112
	Tier-specific training					
Voluntary training	Amount (Millions of yen)	4.6	6.6	9.0	5.1	11.4
English language training	Amount (Millions of yen)	2.0	5.7	7.2	17.0	27.9

\*Data from JCR Pharmaceuticals Co., Ltd.



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\*Data from JCR Pharmaceuticals Co., Ltd.

## Developing Next-Generation Global Leaders (JCR Academy)

JCR Academy is a new initiative to develop next-generation leaders who have acquired the skills that will enable them to thrive on a global stage, in anticipation of future global business expansion. The goal is for participants to acquire the soft skills required to thrive as global leaders, including communication skills, project management skills, and leadership skills, through a practical program.

## Diversity and Inclusion

### Creating a Corporate Culture That Utilizes Diversity of Human Resources

Based on a firm belief that “Team JCR” is the source of JCR’s value, we mutually respect different attributes such as gender, age, nationality, and disability, and believe it is important to maximize the individual abilities of richly diverse employees. For this reason, we promote diversity and inclusion.

## Creation of a Workplace Where Employees Can Thrive Regardless of Gender

In October 2018, JCR was recognized in the Third Annual Hyogo Women’s Active Participation Awards by Hyogo Prefecture for its efforts to expand career opportunities for women, raise the ratio of female employees in managerial positions (from 5.8% in FY2012 to 12.0% in FY2021), establish in-house daycare facilities, and encourage the participation of male employees in parenting activities.

In January 2019, we received Eruboshi certification (Grade 2) from the Minister of Health, Labour and Welfare for excellence in promoting the active participation of women in the workplace based on the Act on Promotion of Women’s Participation and Advancement in the Workplace. In FY2021, we were evaluated for creating a workplace environment that balances childcare and work based on a policy of eliminating distinctions between men and women, and received the Hyogo Work-Life Balance Company Award.



We will continue working to create a workplace where employees can thrive regardless of gender.

## Promoting Employment for Persons with Disabilities

In order to support work for persons with disabilities, JCR is undertaking initiatives centered on ability development matched to each individual. Those with physical as well as mental disabilities meet with the Human Resource Planning Department as needed to affirm their physical condition and motivation, and to exchange opinions about work styles. In FY2021, the employment rate of persons with disabilities was 2.3%, which met the legally required rate.

## Diverse Work Styles

### Introducing Worker Friendly Systems

We believe that work and private life are both important. Based on this belief, we have introduced a flexible working system and other systems unique to JCR, such as a flextime system and allowing employees to use their annual paid leave in hourly

# Human Resource Management

increments. Since 2020, we have been working to enhance this initiative by, for example, gradually expanding the target of the flextime system to each plant in the Production Division.

In addition, beginning in 2019, we introduced a savable paid leave system\* on a trial basis as a system unique to JCR. This savable paid leave system can be used by employees whenever they need to provide childcare or nursing care to family members, or whenever they need to see a doctor regularly for the treatment or screening of a personal injury, illness, or chronic disease, among other situations. From 2021, the scope of eligibility for nursing care, which had previously been limited to parents in terms of its scope of use, has been expanded to family members. JCR aims to introduce a variety of systems in order to provide a workplace environment where employees can work comfortably.

\* The unused portion of paid leave may be carried over to the following fiscal year. However, under the provisions of the Labor Standards Act, any unused paid leave expires two years after it is granted. The new system allows employees to save and use up to 40 days of their expired paid leave.

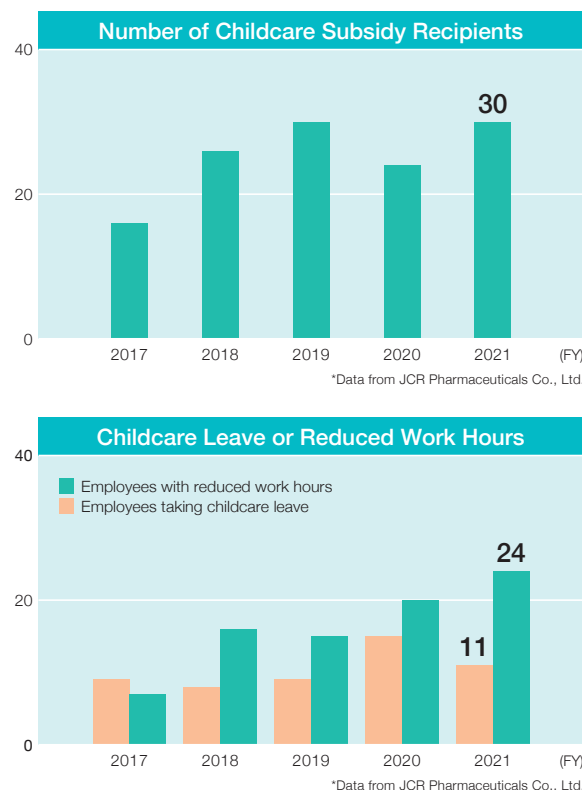
## Supporting Employees Raising Children

We have provided an in-house daycare center at the Research Institute for employees who are raising children. In addition, we provide a monthly childcare subsidy to support employees who are unable to use the in-house childcare center due to their work location. In recognition of these and other efforts, we received the Kurumin certification from the Ministry of Health, Labour and Welfare in October 2022. JCR has now been certified for two consecutive fiscal periods since 2018.



## Measures to Improve the Childcare Leave Acquisition Rate among Men

As a social issue, childcare leave taken by men has not yet fully become entrenched in society. Even at JCR, the childcare leave acquisition rate among men (80%\* in FY2020, \*Includes



leave taken for childcare purposes) is lower than the childcare leave acquisition rate among women (100% in FY2020).

We believe that fostering workplace understanding and instilling awareness among male employees are essential to improving the childcare acquisition rate among men. Based on this belief, the Child-Raising Support Café (37 voluntary participants in FY2020) and Ikuboss training (seven voluntary participants in FY2020) (Ikuboss: a boss supportive of child-raising) were held as in-house seminars. Furthermore, staff from human resources departments explained various

programs that enable male employees to actively acquire childcare leave. As a first step, JCR is working to foster awareness of the acquisition of childcare leave by men within the Company. Through these measures, the childcare acquisition rate among men has been increasing every year.

## Occupational Safety and Health

### Creation of a Workplace Environment That Protects the Safety and Health of Employees, and Allows Them to Work Comfortably

As an initiative to create an ideal workplace environment that protects the safety and health of employees and allows them to work with peace of mind, we are encouraging the use of annual paid leave. We also provide group administration of influenza vaccinations and support employees aged 35 years and over who wish to receive a comprehensive health check. To improve the workplace environment, we hold a monthly Safety and Health Committee meeting on a Company-wide basis. Whenever improvements are necessary, the committee members discuss what steps JCR should take. We also have appointed two corporate physicians, one of whom provides mental healthcare as a designated mental healthcare physician. Furthermore, inside the Research Institute, we have created a space called "JCR Oasis," where employees can get a massage and refresh themselves during work.

### Preventing the Spread of COVID-19

The COVID-19 pandemic has wreaked havoc around the world. As a measure to prevent the spread of COVID-19, JCR has formed the COVID-19 Action Team to carry out a broad spectrum of initiatives to protect employees from infections. The team also encourages employees, as members of a pharmaceutical company, to adhere to behavior that will prevent infections.

# Quality Assurance and Stable Supply



Society

Related SDGs



## Stable Supply of High-Quality Pharmaceuticals

### Quality Assurance Based on Global Standards

All of JCR's production sites have established a system that scientifically guarantees quality, encompassing the purchase of raw materials, manufacturing, shipment of products and product distribution in compliance with PIC/S GMP, an international standard, and continue efforts to raise those standards even further. JCR utilizes single-use equipment and supplies in the manufacturing of its biopharmaceutical products, with a wide range of culture medium and diagnostic agent suppliers in Japan and overseas. Because it also utilizes custom-made items, JCR enters into multiple-year contracts with suppliers worldwide and ensures quality by conducting regular on-site visits according to the level of risk.

### Consistent Quality

Biopharmaceuticals require more highly sophisticated manufacturing and quality control than what is required by small molecule pharmaceuticals. Moreover, detailed manufacturing and quality test plans are required. At its production sites, JCR sets quality targets to continuously manufacture high-quality products, and evaluates the status of achievement of those targets every year. Eyeing future global expansion, we are operating a consistent quality system to ensure that no differences arise between production sites in terms of their positions on

quality standards. At the same time, through the quality testing division which has been integrated with the Development Division conducting testing, we have established a quality management system that enables a streamlined process from consideration of testing methods in the early stages of research to testing during shipment for commercial production. Furthermore, the status of achievement of quality targets is reported to management once a year.

### Ensuring a Stable Supply

Since many JCR products are administered to patients over the long term, an unstable supply can be directly detrimental to the interests of patients. In terms of product characteristics, JCR products require a longer period of time to manufacture than small molecule pharmaceuticals because they involve more time-consuming and complicated manufacturing processes. To ensure a steady supply of products, JCR secures appropriate levels of product inventories, along with manufacturing at its in-house manufacturing sites in Japan to allow for flexible manufacturing schedules. That said, the ratio of products for overseas markets will increase in the future and there is a need to ensure a stable supply during emergencies. Therefore, we are considering manufacturing products and storing key intermediates at manufacturing sites overseas.

## Ensuring Product Safety

### Safety Monitoring System

Given that the safety evaluation carried out when a new product is approved is based on limited clinical trials, JCR continues to collect and evaluate safety and validity information on products after they have been

manufactured and sold in accordance with a risk management plan (RMP). All the safety information collected is evaluated in a timely manner, and the need for implementing any additional safety measures is considered. Concurrently, JCR periodically evaluates the accumulated safety data and verifies whether there are any changes in trends such as side effects. If safety measures are necessary, JCR will convey information swiftly and reliably to all users that require it, such as medical professionals.

In order to implement these measures appropriately, JCR carries out safety management operations in accordance with laws and regulations. Notably, JCR provides regular training on the importance of collecting safety information to medical representatives (MRs), who directly interface with medical professionals, as well as the departments implementing safety management operations. This training is part of JCR's efforts to improve the safety awareness vital to undertaking its corporate business activities.

### System of Cooperation among Three Executives

In accordance with the Pharmaceuticals and Medical Devices Act, JCR has set up a system of cooperation among three executives, namely the Marketing Supervisor-General, Quality Assurance Manager and Safety Management Supervisor. This system is designed to scientifically evaluate the quality and safety of products independently of the Sales Division and Production Division, which are the principal agents of JCR's corporate business activities. The system decides whether or not to implement product release, recall and safety measures, which are critical decisions for JCR. Through this independent governance system, JCR assures the quality and safety of its products.

# Quality Assurance and Stable Supply

## Logistics Measures

Pharmaceutical logistics operations entail fulfilling supply obligations by delivering pharmaceuticals to distributors, wholesalers and medical institutions without delay, while maintaining pharmaceutical quality from the time of shipment from plants. As a pharmaceutical company without its own means of transporting products, JCR believes that it is crucial to build win-win relationships with carriers contracted to provide specialized transportation services for pharmaceuticals. Notably, JCR supplies pharmaceuticals for rare diseases, and it believes that the transportation of these pharmaceuticals presents issues such as the need for even higher-quality packaging methods and the development of transportation methods together with related contractors.

JCR works to grasp the conditions surrounding pharmaceutical logistics and to make daily improvements. In the process, JCR strives to achieve “seamless logistics” by establishing internally developed logistics standards, along with implementing logistics measures in compliance

with Good Distribution Practice (GDP) guidelines.

Until now, JCR has realized packaging and delivery that permits temperature control suited to the characteristics of its products. For example, pharmaceuticals such as GROWJECT® are packaged in Eco Thermostat Shuttle (ETS) boxes designed and developed in-house. TEMCELL® HS Inj. is delivered and stored using an ultra-low cold chain system developed jointly with MEDIPAL HOLDINGS CORPORATION.

In April 2019, JCR endorsed the “White Logistics Movement” at an early stage. The “White Logistics Movement” is a national campaign to secure lasting and stable logistics operations. JCR makes the considerations necessary to ensure that compliance can be maintained with laws and regulations related to labor matters for transportation service contractors and the laws and regulations related to the motor truck transportation business. JCR also strives to reduce the waiting time for truck drivers during the loading or unloading of shipments by providing advance notice of arrival and shipment

information.

In the past few years, drugmakers have been accelerating the outsourcing of their logistics operations to Third-Party Logistics (3PL) providers that own advanced temperature-controlled warehouses for pharmaceuticals. The drugmakers are taking this step to ensure distribution quality based on GDP guidelines. In response, the 3PL providers have been developing proprietary joint cold chain systems together with specialist pharmaceutical transportation service providers to enhance their transportation capabilities. Meanwhile, we have seen pharmaceutical wholesalers and distributors form an alliance with the 3PL providers to jointly reform the logistics chain from manufacturers to patients in a consistent manner.

Looking ahead, JCR also believes that transforming its logistics operations is an urgent priority for strengthening its global GDP response and BCP measures. Logistics operations could be transformed by, for example, outsourcing logistics operations to external contractors including 3PL providers.

### Voluntary Pledge on Actions to Realize Sustainable Logistics

JCR endorses the aims of the “White Logistics Movement” and pledges to tackle this issue in the following manner.

#### Action Policy

JCR recognizes that securing the sustainable and stable logistics essential to business activities is a key management priority. Accordingly, JCR will work to improve logistics by fostering mutual understanding and cooperation with business partners, logistics service providers and other related parties, with a view to achieving highly productive logistics and workstyle reforms.

#### Considerations for Compliance

JCR will make the necessary considerations to ensure that the logistics service providers of its business partners are able to comply with laws and regulations related to labor matters and the motor truck transportation business. For example, JCR will respond appropriately to revise the content of contracts and transportation services in cases where there is a risk of a violation of laws and regulations.

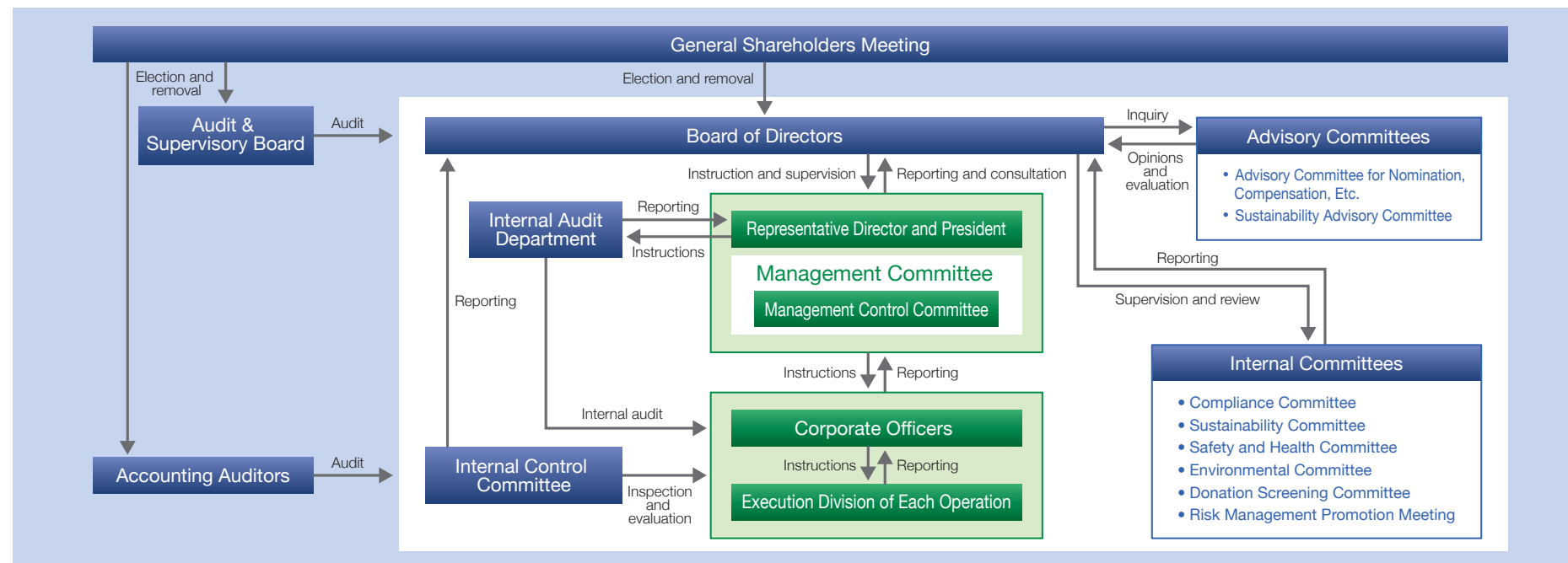
#### Clarification and Compliance with the Content of Contracts

JCR will strive to clarify the content of contracts related to transportation services and non-transportation services such as loading/unloading and inspection. Concurrently, JCR will strive to ensure compliance with the content of contracts by obtaining the cooperation of business partners, logistics service providers and other related parties.



# Corporate Governance

Corporate Governance System (As of July 12, 2022)



enhance the legality, transparency and objectivity of its management, to heighten its corporate value further, and at the same time to build a system to ensure the protection of shareholder interests. To this end, we will work to secure implementation and operation of effective internal control systems, to evaluate the effectiveness of such systems on our own, and to fulfill our corporate social responsibilities.

For the purpose of compliance, we recognize that it is important to adhere to laws and regulations, global standards, and various industrial standards, and also to foster a corporate culture with the highest standards of ethics in the course of day-to-day business activities.

## Overview of Corporate Governance System

JCR is a company with an Audit & Supervisory Board. As such, we have established the Board of Directors consisting of 11 Directors, including six Outside Directors, the Audit & Supervisory Board consisting of five Outside Audit & Supervisory Board Members, and Accounting Auditors.

In addition to these organs, we have established the Management Control Committee, Advisory Committee for Nomination, Compensation, Etc., Sustainability Advisory Committee, Management Committee, Internal Audit Department, Internal Control Committee, Compliance Committee, Sustainability Committee,

## Basic Concept

The JCR Group believes that for the purpose of providing superior quality and more useful pharmaceutical products and medical equipment to society, it is important to aim to

Safety and Health Committee, Environmental Committee, Donation Screening Committee, and Risk Management Promotion Meeting. As for the composition of the corporate governance system we believe the corporate governance system covers an appropriate scope in line with our current condition, and that it enables efficient management of business operations. Also, we have judged that the current governance system, which includes six Outside Directors and five Outside Audit & Supervisory Board Members, is effective for ensuring management transparency, objectivity (impartiality) and independent supervision over management.

## Description of Organs of the Company

### Board of Directors

The Board of Directors consists of 11 Directors, and in principle, an ordinary Board of Directors' meeting is held once per month, and an extraordinary Board of Directors' meeting is held as necessary. The Board of Directors decides important matters concerning the management of the Company in addition to matters specified by laws and regulations.

Our Articles of Incorporation state that the Company may have no more than 11 Directors and that the appointment of those Directors must be resolved at a meeting attended by shareholders who hold at least one-third of the voting rights of all the shareholders who have voting rights and that it must be passed by a majority of the votes. Furthermore, the resolutions to appoint Directors shall not be decided by cumulative voting.

### Management Control Committee

The Management Control Committee consists of Representative Directors and Internal Directors. The Management Committee deliberates and decides important management matters related to management policy, management strategy and other priorities, in principle. However, the Management Control Committee operates as a

meeting body when expeditious responses are needed depending on the matter in question.

### Advisory Committee for Nomination, Compensation, Etc.

The Advisory Committee consists of one Internal Director, four Independent Outside Directors and two Independent Outside Audit & Supervisory Board Members (one full-time member and one part-time member). The Committee deliberates on important matters concerning nomination and compensation for Directors and Corporate Officers and Audit & Supervisory Board Members. It also provides opinions on the evaluation of the effectiveness of the Board of Directors, etc.

### Sustainability Advisory Committee

The Sustainability Advisory Committee is scheduled to consist of Internal Directors, independent Outside Directors, and full-time Auditors, who will state their opinions of matters submitted to the Board of Directors by the Sustainability Committee.

### Management Committee

The Management Committee consists of five Internal Directors, one Senior Corporate Officer and three Corporate Officers. The Committee meets twice per month, in principle. The purpose of the Committee is to carry out deliberations and make decisions necessary for management to make judgments after sharing important matters related to management policy, management strategies and other matters related to company management among departments, and to submit results to the Board of Directors.

### Corporate Officer System

We have introduced the corporate officer system for the purpose of ensuring the efficiency of management of the Company and to accelerate the execution of operations. One Senior Corporate Officer and three Corporate Officers execute operations based

on the management policy decided by the Board of Directors.

### Audit & Supervisory Board

JCR is a company with an Audit & Supervisory Board. Five Audit & Supervisory Board Members have assumed office (one full-time Audit & Supervisory Board Member and four part-time Audit & Supervisory Board Members) and all of them are Independent Outside Audit & Supervisory Board Members.

The Audit & Supervisory Board holds a meeting once per month and also an extraordinary Audit & Supervisory Board meeting as needed.

Audit & Supervisory Board Members attend important meetings, including Board of Directors' meetings. The Audit & Supervisory Board also serves as a supervisory body over management, and ascertains the Company's status through consultations with top executives including General Managers in charge.

### Internal Audit Department

The Internal Audit Department is directly under the control of the President. It performs audits to determine whether operations are executed by departments in line with laws and regulations as well as internal rules.

The Internal Audit Department consists of four full-time employees, including one Director of the Internal Audit Department. The results of internal audits are submitted to the Audit & Supervisory Board Members, in addition to the President.

### Internal Control Committee

The Internal Control Committee consists of members of departments such as the Legal Affairs Dept., Accounting Dept., General Affairs Dept., Internal Audit Dept., and Production Management Dept. It exchanges opinions with and provides reports to the Audit & Supervisory Board Members and others, as necessary, and further ensures appropriate financial reporting by the Accounting Auditors with respect to the effectiveness of the reporting of internal controls through self-inspection processes.

## Compliance Committee

JCR has a Compliance Committee in place to implement and promote company management in line with social norms and corporate ethics as well as compliance with laws and regulations. The Committee consists of two sub-committees: a Compliance Control Committee chaired by the Chief Compliance Officer, with committee members including our Directors and Corporate Officers, as well as external experts; and a Compliance Promotion Committee comprising employees nominated by the Compliance Control Committee members and assigned by the Representative Director. To promote compliance at JCR, the Compliance Committee holds meetings on a regular basis, determines JCR's compliance action plans and policies, and provides employee training and education in accordance with the Compliance Code of Conduct and the Compliance Handbook, along with making compliance matters more widely known and raising awareness through a compliance newsletter.

## Sustainability Committee

JCR will establish the Sustainability Committee in order to implement and promote sustainability management, which aims to contribute to the realization of a sustainable society and achieve sustainable growth for JCR based on its management philosophy of "Contributing toward people's healthcare through pharmaceutical products." The committee will be chaired by an officer in charge of sustainability and is scheduled to consist of employees selected from each internal department.

## Safety and Health Committee

JCR has set up the Safety and Health Committee for the purposes of securing the safety and health of employees at our workplaces, and establishing and promoting a comfortable work environment. The Committee consists of employees selected from each division of JCR, along with a licensed social insurance labor consultant, and industrial physicians, all of whom serve as outside committee

members. The Committee holds meetings every month to report on the status of each workplace and exchange opinions, as it works to secure and improve occupational safety and health.

## Environmental Committee

JCR views the environmental impacts through its business activities as risk factors that could potentially impact its long-term business or society, and believes that ensuring environmental protection is the responsibility of management and will establish the Environmental Committee to practice and promote environmentally conscious business activities. This committee is scheduled to consist of Internal Directors and employees selected from each internal department.

## Donation Screening Committee

JCR has established the Donation Screening Committee to screen donations made by JCR and its subsidiaries to ensure they are made appropriately and are socially and internally transparent and fair.

The Donation Screening Committee is composed of the Executive Director of Administration Division, members of the General Affairs Department, Accounting Department, Legal Affairs Department, Internal Control Promotion Department, and a medical expert. It meets once a month, in principle, to evaluate matters such as the practice of donations and the appropriateness of donation amounts in accordance with their type, from an objective standpoint, with reference to factors such as relevant laws and regulations, industry rules, and internal standards. Details of the donation screenings are reported quarterly to the Board of Directors.

## Risk Management Promotion Meeting

JCR has established the Risk Management Promotion Meeting, which is led by the Risk Management Officer (Director) appointed by the Representative Director, and includes division general managers (or department general managers for departments that

do not use the division system), as well as representative directors of subsidiaries, as business risk managers. The Risk Management Promotion Meeting meets regularly to promote JCR's risk management and implements measures such as summarizing the risk management activities of each division, etc., preventing the occurrence of Company-wide risks, and formulating Business Continuity Plans (BCPs).

## Status of the Risk Management System

As a company that handles pharmaceutical products that concern people's health, JCR has established procedures for risk control in each of its divisions along with ascertaining risk in business activities. It also determines basic risk management guidelines and develops its risk management system based on those guidelines. Furthermore, JCR is creating systems to address risk prevention, risk management, and risk contingencies through collaboration with related committees such as the Risk Management Promotion Office, Internal Control Committee and Compliance Committee.

JCR has listed the important risks it should be aware of and selected and decided on the three items below as BCP priorities. The BCP is reviewed each fiscal year and revised if needed.

1. Response measures in the event of a disruption in the supply of GROWJECT®
2. Company-wide response measures in the event of a large-scale disaster
3. Response measures in the event of a major compliance violation

In particular, as a pharmaceutical company, JCR regularly holds meetings of the three executives of manufacturing and marketing (Marketing Supervisor-General, Quality Assurance Manager and Safety Management Supervisor) in accordance with laws and regulations, and has constructed systems that assure the quality, effectiveness and safety of drugs.

Moreover, while expanding its operations globally, JCR will introduce a world-class drug quality system and pursue an even higher level of safety.

## Compliance Committee

JCR has a Compliance Committee in place to implement and promote company management in line with social norms and corporate ethics as well as compliance with laws and regulations. The Committee consists of two sub-committees: a Compliance Control Committee chaired by the Chief Compliance Officer, with committee members including our Directors and Corporate Officers, as well as external experts; and a Compliance Promotion Committee comprising employees nominated by the Compliance Control Committee members and assigned by the Representative Director. To promote compliance at JCR, the Compliance Committee holds meetings on a regular basis, determines JCR's compliance action plans and policies, and provides employee training and education in accordance with the Compliance Code of Conduct and the Compliance Handbook, along with making compliance matters more widely known and raising awareness through a compliance newsletter.

## Sustainability Committee

JCR will establish the Sustainability Committee in order to implement and promote sustainability management, which aims to contribute to the realization of a sustainable society and achieve sustainable growth for JCR based on its management philosophy of "Contributing toward people's healthcare through pharmaceutical products." The committee will be chaired by an officer in charge of sustainability and is scheduled to consist of employees selected from each internal department.

## Safety and Health Committee

JCR has set up the Safety and Health Committee for the purposes of securing the safety and health of employees at our workplaces, and establishing and promoting a comfortable work environment. The Committee consists of employees selected from each division of JCR, along with a licensed social insurance labor consultant, and industrial physicians, all of whom serve as outside committee

members. The Committee holds meetings every month to report on the status of each workplace and exchange opinions, as it works to secure and improve occupational safety and health.

## Environmental Committee

JCR views the environmental impacts through its business activities as risk factors that could potentially impact its long-term business or society, and believes that ensuring environmental protection is the responsibility of management and will establish the Environmental Committee to practice and promote environmentally conscious business activities. This committee is scheduled to consist of Internal Directors and employees selected from each internal department.

## Donation Screening Committee

JCR has established the Donation Screening Committee to screen donations made by JCR and its subsidiaries to ensure they are made appropriately and are socially and internally transparent and fair.

The Donation Screening Committee is composed of the Executive Director of Administration Division, members of the General Affairs Department, Accounting Department, Legal Affairs Department, Internal Control Promotion Department, and a medical expert. It meets once a month, in principle, to evaluate matters such as the practice of donations and the appropriateness of donation amounts in accordance with their type, from an objective standpoint, with reference to factors such as relevant laws and regulations, industry rules, and internal standards. Details of the donation screenings are reported quarterly to the Board of Directors.

## Risk Management Promotion Meeting

JCR has established the Risk Management Promotion Meeting, which is led by the Risk Management Officer (Director) appointed by the Representative Director, and includes division general managers (or department general managers for departments that

do not use the division system), as well as representative directors of subsidiaries, as business risk managers. The Risk Management Promotion Meeting meets regularly to promote JCR's risk management and implements measures such as summarizing the risk management activities of each division, etc., preventing the occurrence of Company-wide risks, and formulating Business Continuity Plans (BCPs).

## Status of the Risk Management System

As a company that handles pharmaceutical products that concern people's health, JCR has established procedures for risk control in each of its divisions along with ascertaining risk in business activities. It also determines basic risk management guidelines and develops its risk management system based on those guidelines. Furthermore, JCR is creating systems to address risk prevention, risk management, and risk contingencies through collaboration with related committees such as the Risk Management Promotion Office, Internal Control Committee and Compliance Committee.

JCR has listed the important risks it should be aware of and selected and decided on the three items below as BCP priorities. The BCP is reviewed each fiscal year and revised if needed.

1. Response measures in the event of a disruption in the supply of GROWJECT®
2. Company-wide response measures in the event of a large-scale disaster
3. Response measures in the event of a major compliance violation

In particular, as a pharmaceutical company, JCR regularly holds meetings of the three executives of manufacturing and marketing (Marketing Supervisor-General, Quality Assurance Manager and Safety Management Supervisor) in accordance with laws and regulations, and has constructed systems that assure the quality, effectiveness and safety of drugs.

Moreover, while expanding its operations globally, JCR will introduce a world-class drug quality system and pursue an even higher level of safety.



## Outside Directors and Outside Audit & Supervisory Board Members

### Functions and Roles of Outside Directors

JCR has six Outside Directors, comprising five Independent Outside Directors and one Outside Director. It has five Outside Audit & Supervisory Board Members, all of whom are Independent Outside Audit & Supervisory Board Members.

Outside Directors supervise management from an independent standpoint to contribute to JCR's sustainable growth and medium- to long-term improvement of corporate value through decision-making at Board of Directors' meetings. Outside Directors strengthen cooperation with the Audit & Supervisory Board, exchange information, share awareness, and appropriately reflect these aspects in Board of Directors' meetings from an objective point of view. Four Independent Outside Directors are also members of the Advisory Committee for Nomination, Compensation, Etc.

To further increase the independence and neutrality of our audit system, Outside Audit & Supervisory Board Members proactively acquire information necessary for audits by sharing information with an audit firm and the Internal Audit Dept., and monitor the execution of Directors' duties through operational and accounting audits. As they are expected to present objective opinions on audits, Outside Audit & Supervisory Board Members ask unreserved questions and offer comments to the Representative Directors and the Board of Directors. Two of the Independent Outside Audit & Supervisory Board Members (one full-time member and one part-time member) are members of the Advisory Committee for Nomination, Compensation, Etc.

### Interests between JCR and Its Outside Directors or Outside Audit & Supervisory Board Members

Outside Director Toshihide Yoda concurrently holds the post of Managing Director at MEDIPAL HOLDINGS CORPORATION (MEDIPAL HOLDINGS). JCR and MEDIPAL HOLDINGS concluded a contract for a capital and business tie-up, as well as multiple contracts for investment in development. MEDIPAL HOLDINGS also holds 23.49% of JCR's shares.

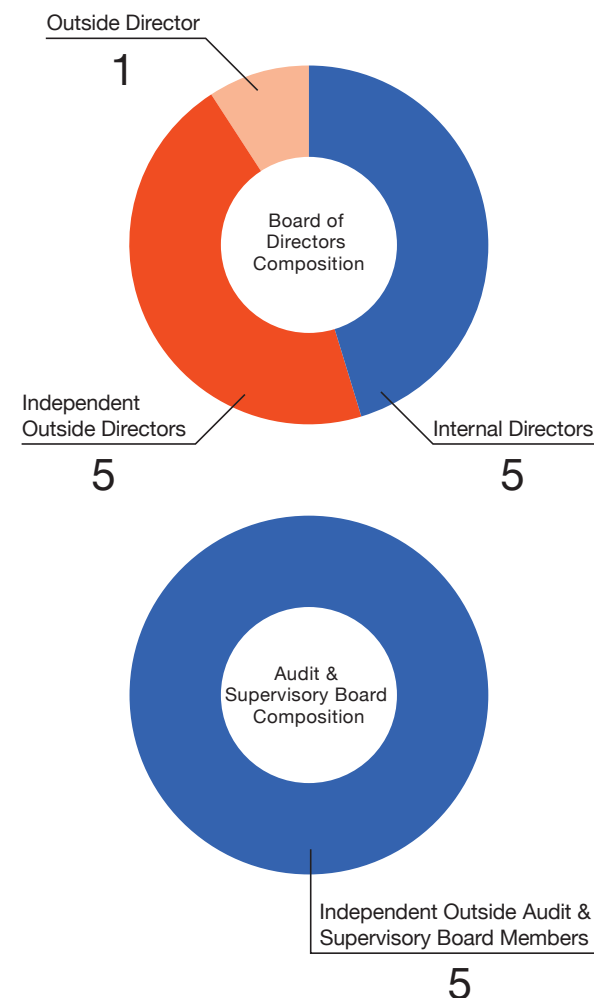
The status of Outside Directors and Outside Audit & Supervisory Board Members' stock investments in JCR is recorded in our annual Securities Report. Otherwise, there are no special interests between JCR and its Outside Directors or Outside Audit & Supervisory Board Members.

JCR designates 10 members as Independent Directors or Audit & Supervisory Board Members, as stipulated by the listing regulations for the Tokyo Stock Exchange. The 10 members are Outside Directors Toshihiro Ishikiriya, Takashi Suetsuna, Yuko Hayashi, Yutaka Atomi, and Philippe Fauchet, as well as Outside Audit & Supervisory Board Members Kazumasa Oizumi, Kazuhiko Yamada, Kenjiro Miyatake, Takeshi Komura, and Shuichi Tani.

### Composition of Board of Directors and Audit & Supervisory Board

JCR's Board of Directors consists of five Internal Directors, five Independent Outside Directors, and one Outside Director. Although traditionally more than one-third of the appointed members were Independent Outside Directors, two Independent Outside Directors were newly appointed at the Ordinary General Meeting of Shareholders held on June 22, 2022, and these two sufficiently meet the conditions required in the Corporate Governance Code which was revised in June 2021. Furthermore, the Audit & Supervisory Board consists of five Independent Outside Auditors.

Composition Percentages of Board of Directors and Audit & Supervisory Board (as of June 22, 2022)



# Corporate Governance

Skill Matrix of Directors and Audit & Supervisory Board Members and Attendance Rate at Board of Directors and Audit & Supervisory Board Meetings in FY2021

			Advisory Committee for Nomination, Compensation, Etc.	Skill													Attendance Rate of the Board Meetings (FY2021)
				Overall Management	Industry Knowledge	Global Experience	R&D	Production	Sales	ICT	Administrative Experience	Legal Affairs	Tax, Finance and Accounting	Sustainability	Risk Management	Other	
Board of Directors	Shin Ashida	Representative Director CEO & COO	●	●	●		●	●					●	●		100%	
	Toru Ashida	Senior Vice President		●	●				●			●				100%	
	Mathias Schmidt	Vice President		●	●	●	●								Business Development and Contract Negotiation	100%	
	Hiroyuki Sonoda	Vice President			●		●							●		100%	
	Yoshio Hiyama	Senior Executive Director			●	●		●			●			●	Quality and Safety	100%	
	Toshihiro Ishikiriyama	Director (Independent/Outside)	●	●	●	●	●	●				●				100%	
	Takashi Suetsuna	Director (Independent/Outside)	●			●					●	●	●		●	93%	
	Toshihide Yoda	Director (Outside)		●	●	●						●				93%	
	Yuko Hayashi	Director (Independent/Outside)	●							●			●		Diversity and Inclusion	100%	
	Yutaka Atomi	Director (Independent/Outside)	●		●		●							●		—	
	Philippe Fauchet	Director (Independent/Outside)		●	●	●									Business Development and Business Alliance	—	
Audit & Supervisory Board	Kazumasa Oizumi	Audit & SBM* (Independent/Outside)	●	●					●						Audit Practice	100%	
	Kazuhiko Yamada	Audit & SBM* (Independent/Outside)									●		●			100%	
	Kenjiro Miyatake	Audit & SBM* (Independent/Outside)		●	●				●		●					100%	
	Takeshi Komura	Audit & SBM* (Independent/Outside)	●	●							●	●		●		92%	
	Shuichi Tani	Audit & SBM* (Independent/Outside)		●	●						●					100%	

\* Audit & Supervisory Board Member

A person wearing a white protective suit, hood, and mask is working in a laboratory. They are wearing yellow gloves and are interacting with a piece of medical equipment that has a screen and various cables. The background is a blurred laboratory setting with other equipment and shelves.

## **Changing the world of rare diseases — “Team JCR”**



## History of Growth

**1975**

JCR Pharmaceuticals Co., Ltd. founded

**1978**

Started sales of Urokinase drug solution (intermediate)

**1985**

Started import and sales of Gorm®  
Launched Urokinase product

**2010**

Launched Epoetin Alfa BS Inj. [JCR] for treatment of renal anemia, the first domestically produced biosimilar

**2013**

Listed on the First Section of the Tokyo Stock Exchange (TSE)

**2014**

Changed Japanese corporate name to **JCRファーマ 株式会社**

**2018**

Established JCR USA, Inc.

Launched Agalsidase Beta BS I.V. Infusion [JCR], a recombinant treatment for Fabry disease

**2019**

Launched Darbepoetin Alfa BS Inj. [JCR], a long-acting erythropoiesis-stimulating agent

**2021**

Launched IZCARGO®, a recombinant treatment for mucopolysaccharidosis II

Concluded an agreement with Takeda Pharmaceutical Company Limited for collaboration and commercialization of next-generation treatment for Hunter Syndrome

30 billion yen

**1993**

Launched GROWJECT® Inj. 4IU, a recombinant human growth hormone (hGH) product

**2003**

Concluded license agreement for mesenchymal stem cells (MSCs) with Osiris Therapeutics, Inc. (U.S.)\*

**2016**

Launched TEMCELL® HS Inj., the first allogeneic regenerative medical product in Japan

**2017**

Launched new liquid formulation of GROWJECT®, a recombinant hGH product  
Concluded a business capital alliance agreement with MEDIPAL HOLDINGS CORPORATION

**2020**

Acquired ArmaGen, Inc. (U.S.)

Commenced business activities at JCR DO BRASIL FARMACÊUTICOS IMPORTAÇÃO E EXPORTAÇÃO LTDA. (JCR DO BRASIL)

### Trends in net sales since 1975

(Consolidated figures are shown for FY2004 and subsequent years)

1975 1980 1985 1990 1995 2000 2005 2010 2015 (FY)

\* The licensor was changed to Mesoblast Group (Australia) in 2013, following the transfer of MSC-related rights from Osiris Therapeutics, Inc. to Mesoblast Group.

#### Established purification technology



Production at the time of foundation

#### Established technologies ranging from cell development to culture technologies



Production today

#### Entered the regenerative medical product field

JCR's history started from the production of "Urokinase," a urine-derived protein-degrading enzyme. JCR aims to evolve as a specialty pharma company that ambitiously develops drugs for rare diseases, which have been our target since our inception. We aim to develop these drugs with our proprietary biotechnologies, technologies for cell therapy and regenerative medicine, and gene therapy technologies.



## Key Topics for FY2021

For details, please refer to news releases found at the URL address listed under each topic.

### May 2021

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#### First Patient Dosed In Phase II Clinical Trial of JR-142, a Recombinant Long-Acting Growth Hormone

<https://ssl4.eir-parts.net/doc/4552/tdnet/1974225/00.pdf>

### May 2021

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#### NHI Reimbursement Price Listing and Sales Launch of IZCARGO® (JR-141) for Treatment Of MPS II in Japan

As a world first, sales of the first pharmaceutical using J-Brain Cargo® were launched in Japan.

<https://ssl4.eir-parts.net/doc/4552/tdnet/1974327/00.pdf>

### September 2021

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#### Concluded an Agreement with Takeda Pharmaceutical Company Limited for Collaboration and Commercialization of Next-Generation Treatment for Hunter Syndrome

<https://ssl4.eir-parts.net/doc/4552/tdnet/2028565/00.pdf>

### October 2021

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#### U.S. Food and Drug Administration (FDA) Grants Fast Track Designation for JR-171 for the Treatment of MPS I

<https://ssl4.eir-parts.net/doc/4552/tdnet/2029920/00.pdf>

### October 2021

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#### European Medicines Agency (EMA) Grants PRIME Designation for JR-141

<https://ssl4.eir-parts.net/doc/4552/tdnet/2033446/00.pdf>

### January 2022

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#### European Commission (EC) Grants Orphan Drug Designation to JR-441 for the Treatment of MPS IIIA

<https://ssl4.eir-parts.net/doc/4552/tdnet/2071282/00.pdf>

### February 2022

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#### JCR Receives the New Treatment Award at the WORLDSymposium™ 2022 for IZCARGO®

At an international annual research conference dedicated to lysosomal storage disorders (LSDs), JCR was evaluated for the marketing approval of IZCARGO® using J-Brain Cargo®

in Japan and for its future potential.

<https://ssl4.eir-parts.net/doc/4552/tdnet/2076945/00.pdf>

### February 2022

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#### First Patient Dosed in Phase III Global Clinical Trial of JR-141

<https://ssl4.eir-parts.net/doc/4552/tdnet/2087202/00.pdf>

### March 2022

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#### Concluded Agreement Related to Market Alliance for Agalsidase Beta BS I.V. [JCR] for Treatment of Fabry Disease in Japan with Sumitomo Dainippon Pharma Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)

<https://ssl4.eir-parts.net/doc/4552/tdnet/2091921/00.pdf>

### March 2022

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#### Initiated Development of New Drug Candidate (JR-479) for GM2 Gangliosidosis Using J-Brain Cargo®

<https://ssl4.eir-parts.net/doc/4552/tdnet/2097674/00.pdf>

### March 2022

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#### Acquisition of Non-Current Assets (Land)

Acquired land in Kobe Science Park to upgrade and expand JCR's drug substance manufacturing and finished product manufacturing facilities in order to simultaneously advance research and development of therapeutics for 17 types of LSDs currently being researched and developed.

<https://ssl4.eir-parts.net/doc/4552/tdnet/2098874/00.pdf>

### March 2022

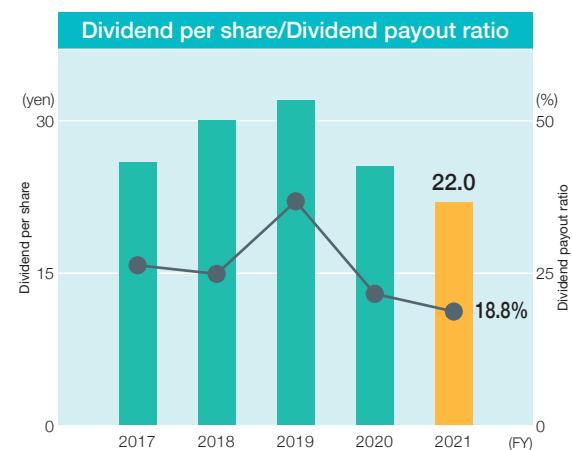
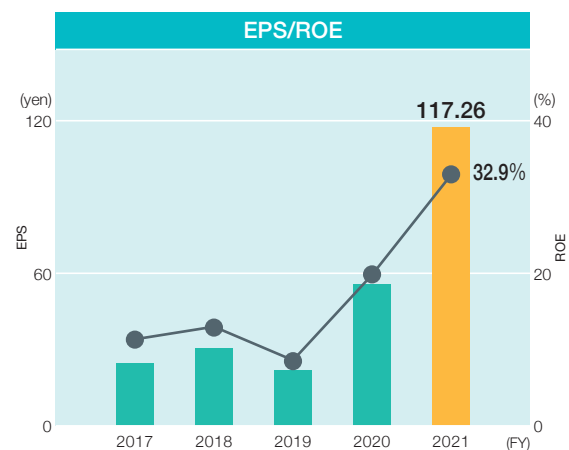
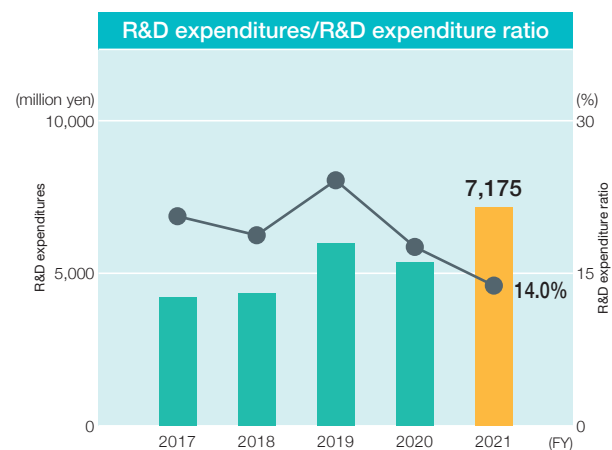
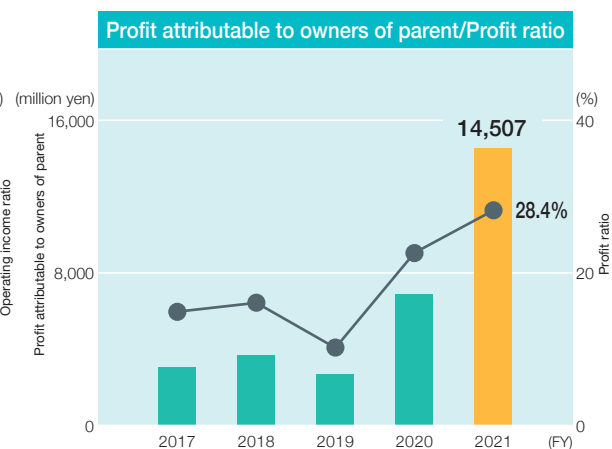
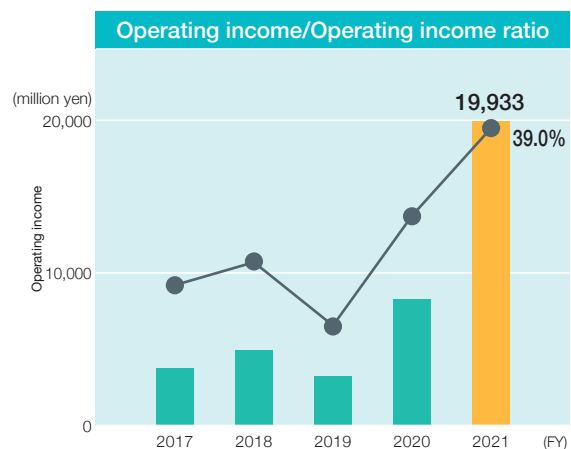
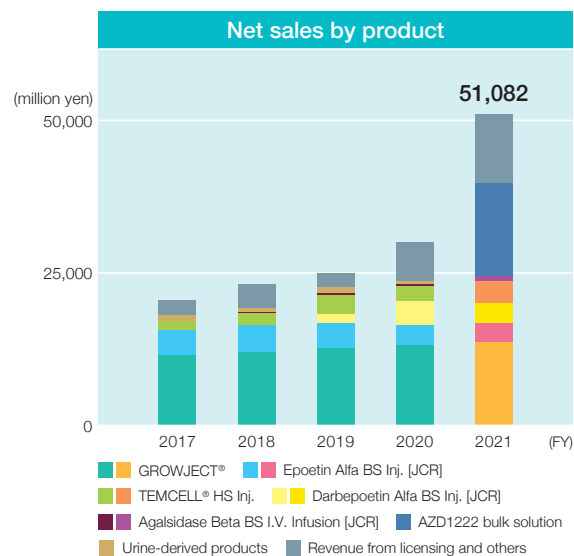
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#### Concluded a License and Collaboration Agreement with Takeda Pharmaceutical Company Limited to Develop Gene Therapies Using J-Brain Cargo® for LSDs

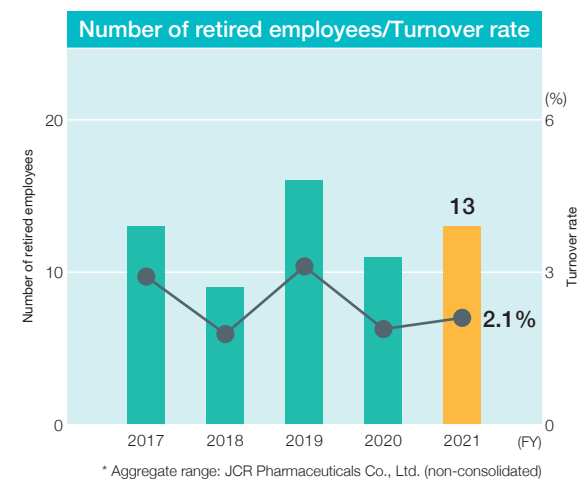
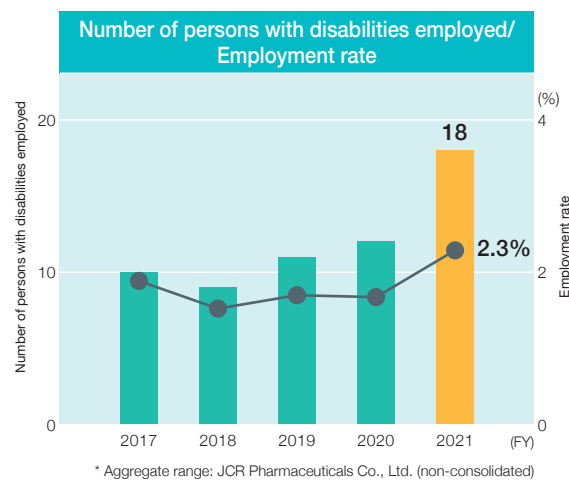
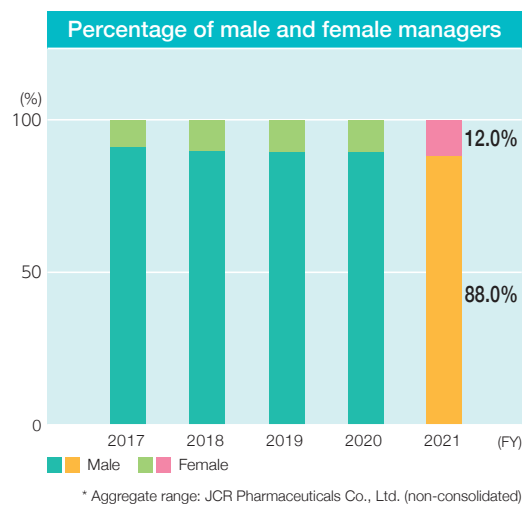
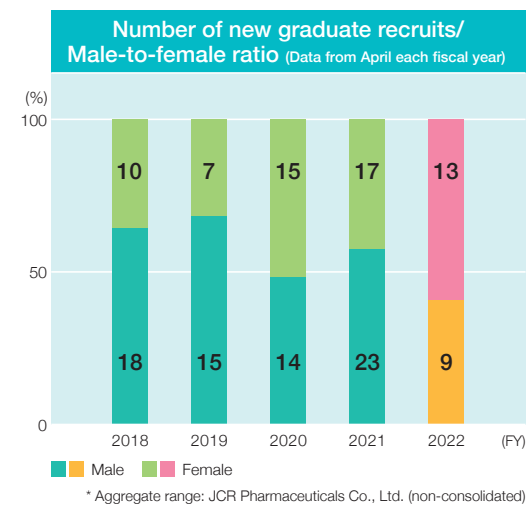
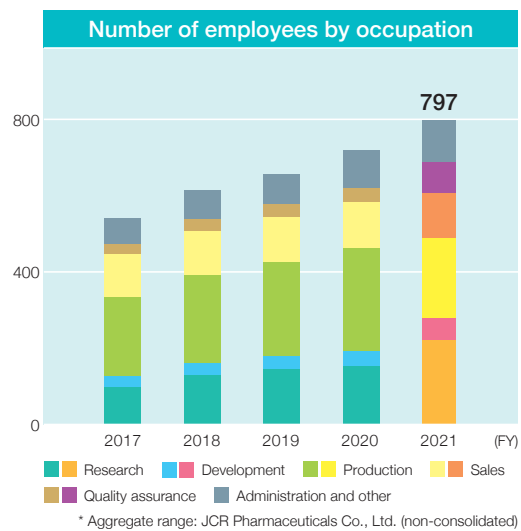
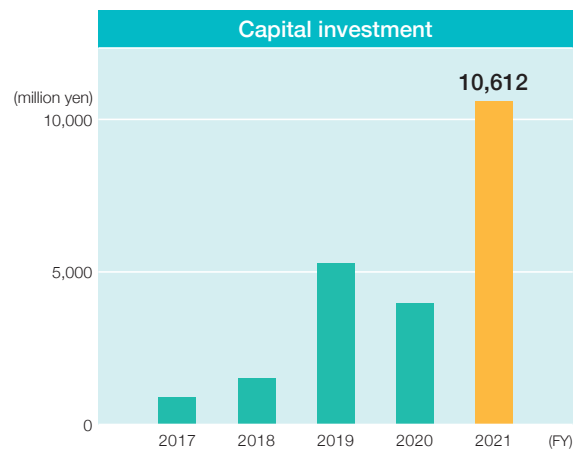
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# Consolidated Financial and Non-Financial Highlights

JCR Pharmaceuticals Co., Ltd. and Subsidiaries



\* On October 1, 2020, JCR conducted a 4-for-1 stock split of its common shares. For information on EPS and dividend per share, please refer to the note on page 78.



## Data

As of March 31, 2022

Society					
JCR Pharmaceuticals Co., Ltd. (non-consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees	540	613	654	719	797
Research	98	129	146	154	221
Development	27	32	33	38	58
Production	209	230	246	270	209
Sales	112	117	119	122	118
Quality Assurance	26	31	33	36	81
Administration and other	68	74	77	99	110
Number of male employees	352	385	411	449	483
Number of female employees	188	228	243	270	314
Number of male managers	160	165	159	169	176
Number of female managers	16	19	19	20	24
Percentage of female employees	34.8%	37.2%	37.2%	37.6%	39.4%
Percentage of female managers	9.1%	10.3%	10.7%	10.6%	12.0%
Number of male new graduates	4	18	15	14	23
Number of female new graduates	9	10	7	15	17
Number of mid-career recruits	35	60	42	65	38
Average age	41.6	41.4	41.4	41.2	40.9
Length of service	9.0	8.8	8.9	8.9	8.7
Number of persons with disabilities	8	8	10	11	18
Percentage of employment of persons with disabilities	1.9%	1.6%	1.7%	1.7%	2.3%
Number of retired employee	13	9	16	11	13
Turnover rate	2.9%	1.8%	3.1%	1.9%	2.1%
Percentage of acquisition of paid leave	10	9	15	9	4
Number of rehired employees	10	8	14	6	4
Percentage of rehired employees	100%	88.9%	93.3%	66.7%	100%
Percentage of acquisition of paid leave	58.4%	68.1%	68.0%	62.7%	68.1%
Average overtime hours	12.6	12.5	12.2	15.1	14.0



## Society

JCR Pharmaceuticals Co., Ltd. (non-consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021
Number of parenting leave takers	9	8	9	13	4
Number of childcare leave takers	9	8	11	16	12
Percentage of acquisition of parenting leave and childcare leave (female)	100%	100%	100%	100%	100%
Percentage of acquisition of childcare leave (male)	0%	35%	14%	7%	33%
Percentage of returning to work after childcare leave	100%	100%	100%	100%	100%
Number of recipients of childcare subsidy	19	27	30	24	30
Number of short-timers	7	16	15	20	24
Number of savable paid leave takers*	—	—	260	112	319
Number of occupational accidents (without leave of absence)	4	2	2	8	7
Number of occupational accidents (leave of absence)	0	0	0	0	1
Number of Group training sessions	10	15	15	8	16
Total Group training attendance time	90	135	126	60	112
Total cost of English language training (millions of yen)	200	570	720	1,700	2,790
Number of meetings with investors (Japan)	129	103	137	105	124
Number of meetings with investors (Overseas)	6	20	21	12	9

\* Instituted since FY2019

## Data

As of March 31, 2022

### Corporate Governance

JCR Pharmaceuticals Co., Ltd. (non-consolidated)		FY2017	FY2018	FY2019	FY2020	FY2021
Board of Directors	Directors	8	9	9	9	9
	Outside directors	3	4	4	4	4
	Female director	0	1	1	1	1
Board of Directors Meeting	Number of meetings held	14	14	13	15	15
	Attendance rate	96.09%	98.39%	99.15%	99.26%	98.52%
Audit & Supervisory Board	Audit & Supervisory Board members	5	5	5	5	5
	Independent Outside Audit & Supervisory Board members	5	5	5	5	5
Audit & Supervisory Board Meeting	Number of meetings held	13	13	13	12	13
	Attendance rate	98.41%	98.46%	100%	100%	98.46%
Management Committee	Directors	6	6	6	6	6
	Outside directors	1	1	1	1	1
	Female director	0	0	0	0	0
	Audit & Supervisory Board members	2	2	2	2	2
	Independent Outside Audit & Supervisory Board members	2	2	2	2	2
	Corporate Officers	8	7	6	4	4
	Female Corporate Officers	1	2	2	1	1
	Advisers	1	1	2	2	2
Advisory Committee for	Number of meetings held	5	4	7	7	6
Nomination, Compensation, Etc.	Attendance rate	84.00%	95.00%	90.24%	100%	100%
Compliance Control Committee	Number of meetings held	1	2	1	2	2
	Attendance rate	100%	96.67%	93.75%	100%	95.83%
General compliance training	Number of times held	2	1	2	1	5
	Attendance rate	100%	100%	100%	100%	99.88%
Stress check	Number of times held	1	1	1	1	1
	Attendance rate	88.3%	88.1%	92.6%	91.5%	95.4%

## Environment

JCR Pharmaceuticals Co., Ltd. (non-consolidated)		FY2017	FY2018	FY2019	FY2020	FY2021
Electricity (1,000kWh)	Research Division	4,107.132	4,512.009	4,464.587	4,602.125	<b>6,696.185</b>
	Production Division	7,973.610	7,678.841	7,606.577	8,408.000	<b>7,520.718</b>
Water (m <sup>3</sup> )	Research Division	7,670.000	6,389.000	5,870.000	5,280.000	<b>2,097.000</b>
	Production Division	37,412.400	37,660.000	38,901.000	36,061.000	<b>53,004.000</b>
Gas (1,000m <sup>3</sup> )	Research Division	0.09	0.07	0.06	0.06	<b>8.16</b>
	Production Division	590	604	611	709	<b>734</b>
CO <sub>2</sub> emissions (t)*	Business activities	—	—	426	244	<b>112</b>
BOD (t)		1.85	2.47	2.40	8.62	<b>15.36</b>

\* Data obtained beginning in FY2019



## JCR Pharmaceuticals Co.,Ltd.

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[www.jcrpharm.co.jp/en/site/en/](http://www.jcrpharm.co.jp/en/site/en/)