JCR Pharmaceuticals Co., Ltd.

FY2026 Second Quarter Results Briefing Session

October 29, 2026

Event Summary

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[Number of Speakers]	5

Toru Ashida	Representative Director, Chairman
Hiroyuki Sonoda, Ph.D.	Representative Director, President, Chief Scientific Officer
Yoh Ito	Managing Executive Officer, Executive Director, Corporate Strategy Division
Anne Bechet	Managing Executive Officer, Executive Director, Development Division, JCR Europe B.V. General Manager, JCR USA Inc. CEO
Kazunori Tanizawa	Expert Fellow Director, New Product Planning Office, Corporate Strategy Division

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	Shinichiro Muraoka	Morgan Stanley MUFG Securities
	Kazuaki Hashiguchi	Daiwa Securities
	Miyabi Yamakita	Jefferies

	Miho Kawamura	Nomura Securities
	Yo Mizuno	Tokio Marine Asset Management
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*Analysts and reporters that the company was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Presentation

Moderator: We will now begin the JCR Pharmaceuticals Co., Ltd. financial results briefing for Q2 of the fiscal year ending March 2027.

Before we begin, we would like to share a notification with everyone watching today.

The transcript and video of today's presentation and Q&A session will be posted on our website at a later date.

Please also note that, as stated in the disclaimer, today's presentation is intended to provide information about our business to shareholders, investors, and members of the press, and is not intended to serve as advertising or promotion for our development candidates or pharmaceutical products, nor is it intended to provide medical advice.

I would now like to introduce the speakers. Toru Ashida, Chairman and Representative Director.

Ashida: Thank you for joining us today.

Moderator: Hiroyuki Sonoda, President and Representative Director.

Sonoda: Thank you for joining us today.

Moderator: Yoh Ito, Managing Executive Officer and Executive Director of the Corporate Strategy Division.

Ito: Thank you for joining us today.

Moderator: Anne Bechet, Managing Executive Officer and Executive Director of the Development Division.

Bechet*: Hello.

Moderator: Kazunori Tanizawa, Expert Fellow and Director of the New Product Planning Office, Corporate Strategy Division.

Tanizawa: Thank you for joining us today.

Moderator: That is our panel of five. Please note that Mr. Sonoda and Anne Bechet are joining us from overseas.

Today's materials were posted on our company website at 3:30 PM today. If you need a copy of the materials, please refer to the website.

This briefing is scheduled to last approximately one hour, including the presentation and Q&A session. The Q&A session is scheduled to last approximately 40 minutes, and we will take all questions at once after the presentation has concluded.

Today, both Chairman Ashida and President Sonoda will be giving explanations. Chairman Ashida, please go ahead.

Ashida: I am Toru Ashida, the Chairman. Thank you very much for taking the time to join us today despite your busy schedules. First, I will provide an overview of our Q2 financial results, then President Sonoda will explain the details.

For this Q2, we posted a net loss primarily due to lower-than-expected contract revenue. However, on October 2, we signed an overseas licensing agreement for JR-141 with Italfarmaco of Italy, marking significant progress toward our future overseas expansion.

Furthermore, negotiations regarding other out-licensing projects are progressing smoothly toward the conclusion of agreements, and we believe that our full-year financial targets are achievable.

Regarding our development pipeline, we are making steady progress in preparations for a domestic authorization application for givinostat by the end of the year. In September, we received Orphan Drug and Priority Review designations, and we are moving forward steadily so that we can deliver this treatment to Duchenne muscular dystrophy (DMD) patients as soon as possible.



First, I would like to explain the key points of our Q2 financial results.

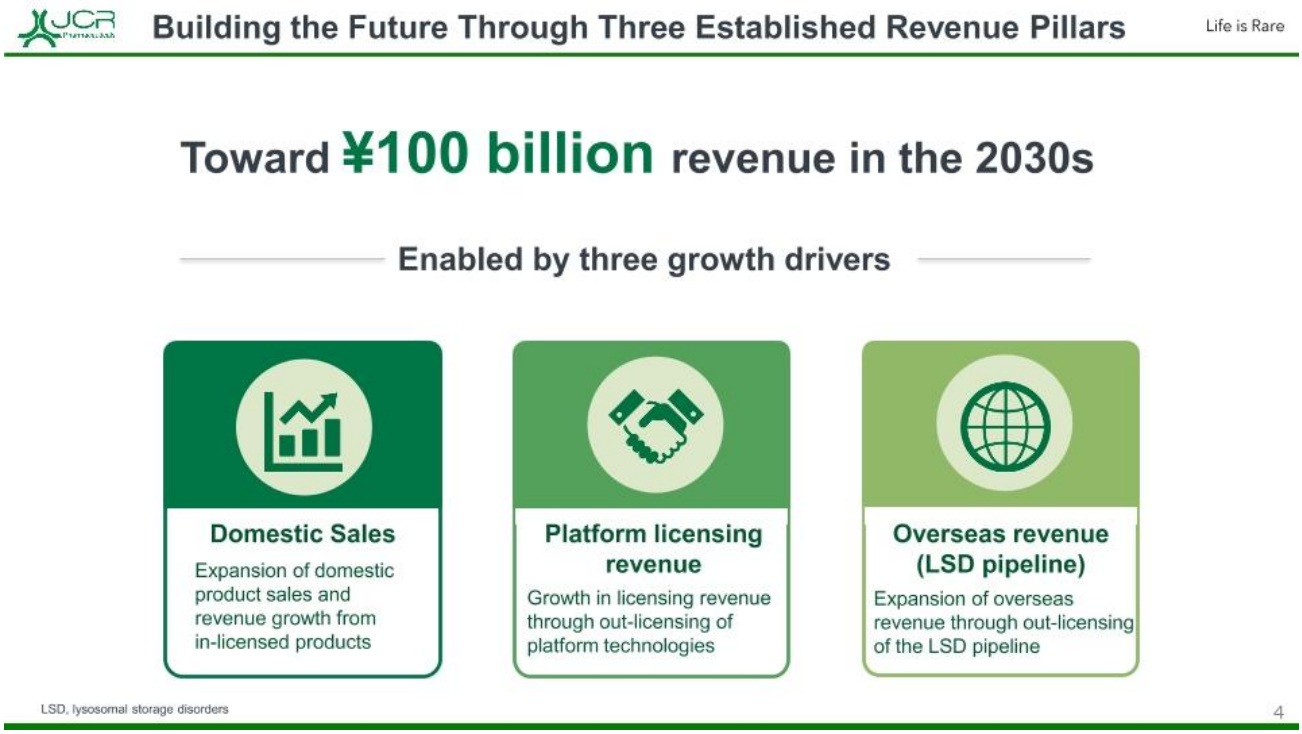
Regarding net sales excluding contract revenue, while the annual progress rate for GROWJECT is slightly lower, IZCARGO is performing well, and overall, progress is generally in line with our plan.

Regarding contract revenue, no revenue was recognized in Q2, and the progress rate compared with the annual plan stands at only 18%. However, we expect to recognize revenue starting in Q3 and believe we will be able to achieve our full-year plan.

The upfront payment related to the JR-141 license agreement concluded with Italfarmaco in October will be recorded in Q3. Furthermore, negotiations for an out-licensing agreement for JR-171 are also progressing.

On the expenses side, R&D expenses are progressing at a high rate, and development costs in particular may exceed the annual plan. However, we will work to keep expenses within the planned range, including through the optimization of overall SG&A expenses.

As a result, although we posted an operating loss in Q2, for the full year, we aim to achieve our initial plan through the achievement of net sales targets —including contract revenue—and appropriate cost control.



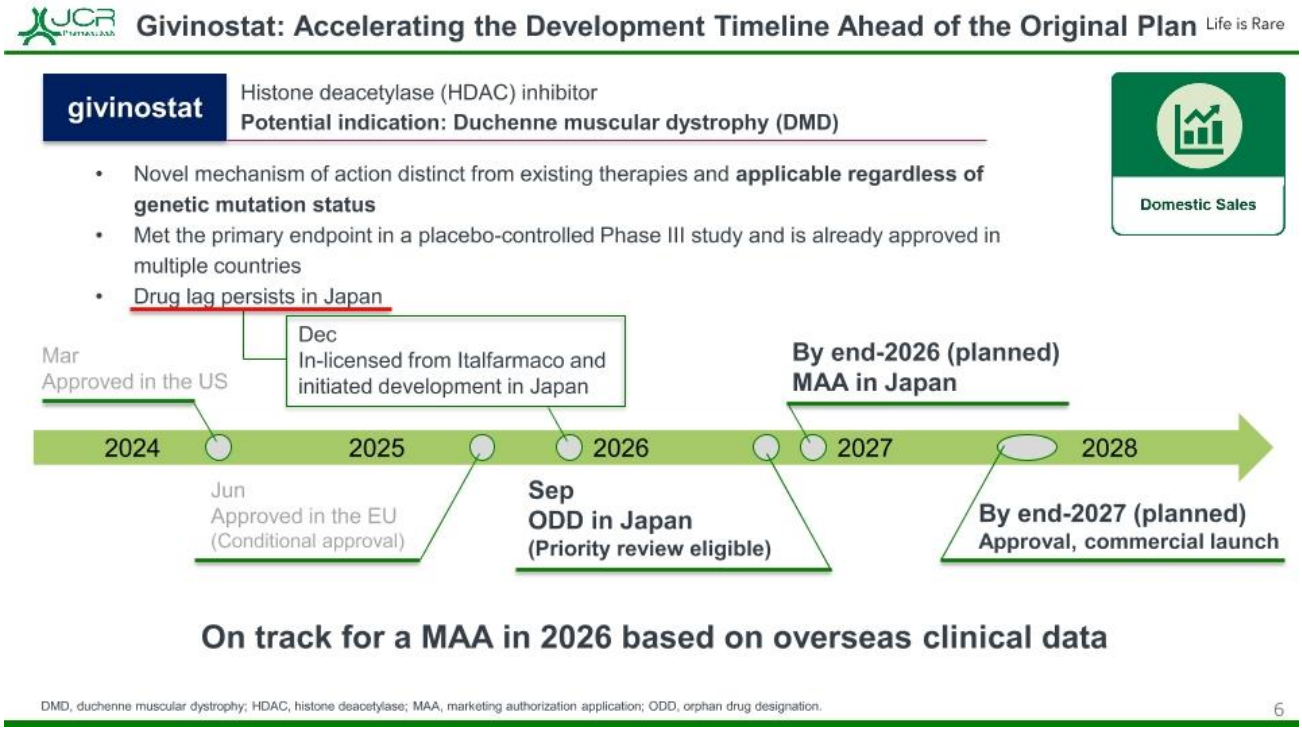
As we indicated in our financial results announcement in May, we aim to become a company with JPY100 billion in revenue by the 2030s. To achieve this goal, we have identified domestic revenue, technology licensing revenue, and overseas revenue as our three key growth drivers.

Regarding progress through to Q2, in domestic revenue, we have accelerated the development schedule for givinostat and are making steady progress. In technology licensing revenue, Acumen Pharmaceuticals exercised its option, and in overseas revenue, in addition to concluding an out-licensing agreement for JR-141, we have made progress, such as by obtaining approval for IZCARGO in two Middle Eastern countries.

While none of these developments are sufficient to offset our current financial performance, we believe we are steadily building a solid foundation for future revenue.

Furthermore, once givinostat begins contributing to our revenue, we intend to strike an even better balance between investment and our financial foundation than we have in the past.

That concludes my presentation. We will continue to strive to enhance our corporate value, and we ask for your continued support.



Sonoda: I am Sonoda. Thank you for being here. I would like to provide an explanation.

You just heard the mention of three growth drivers. I would like to explain each of them one by one.

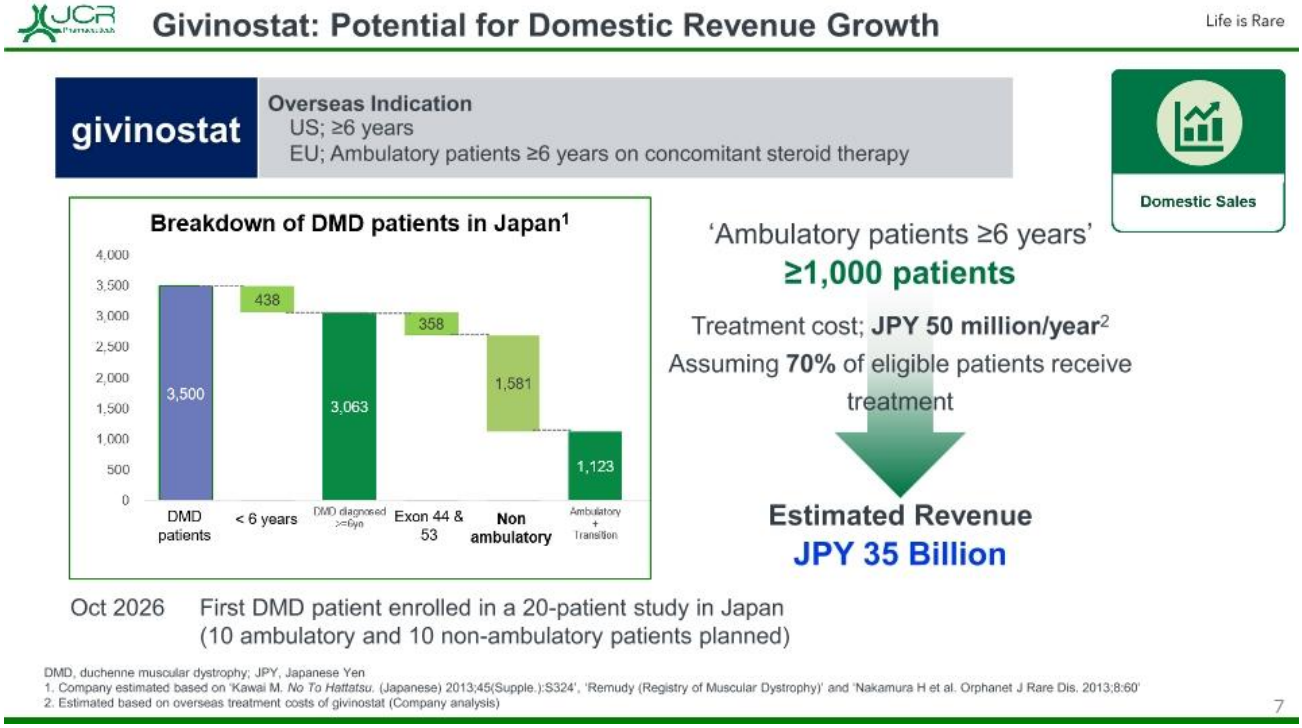
First, regarding domestic sales, I'd like to talk about givinostat.

As you know, we acquired it from Italfarmaco in December 2025 and began domestic development. Givinostat is an inhibitor of histone deacetylase (HDAC) and is intended for the treatment of Duchenne muscular dystrophy.

It has a mechanism of action different from existing drugs, and its major strength is that it can be used regardless of genetic mutations.

Furthermore, Phase III trials have already been completed overseas, and the primary endpoints have been met. As a result, it has already been approved and is on the market in several countries.

In other words, Japan is currently experiencing a "drug lag." To bridge this drug lag as quickly as possible, we have held various discussions with regulatory authorities, and as a result, we will submit an application based on clinical data from overseas. As a result, we expect to be able to submit an application for approval by the end of 2026. This represents a significant acceleration compared to the original development plan.



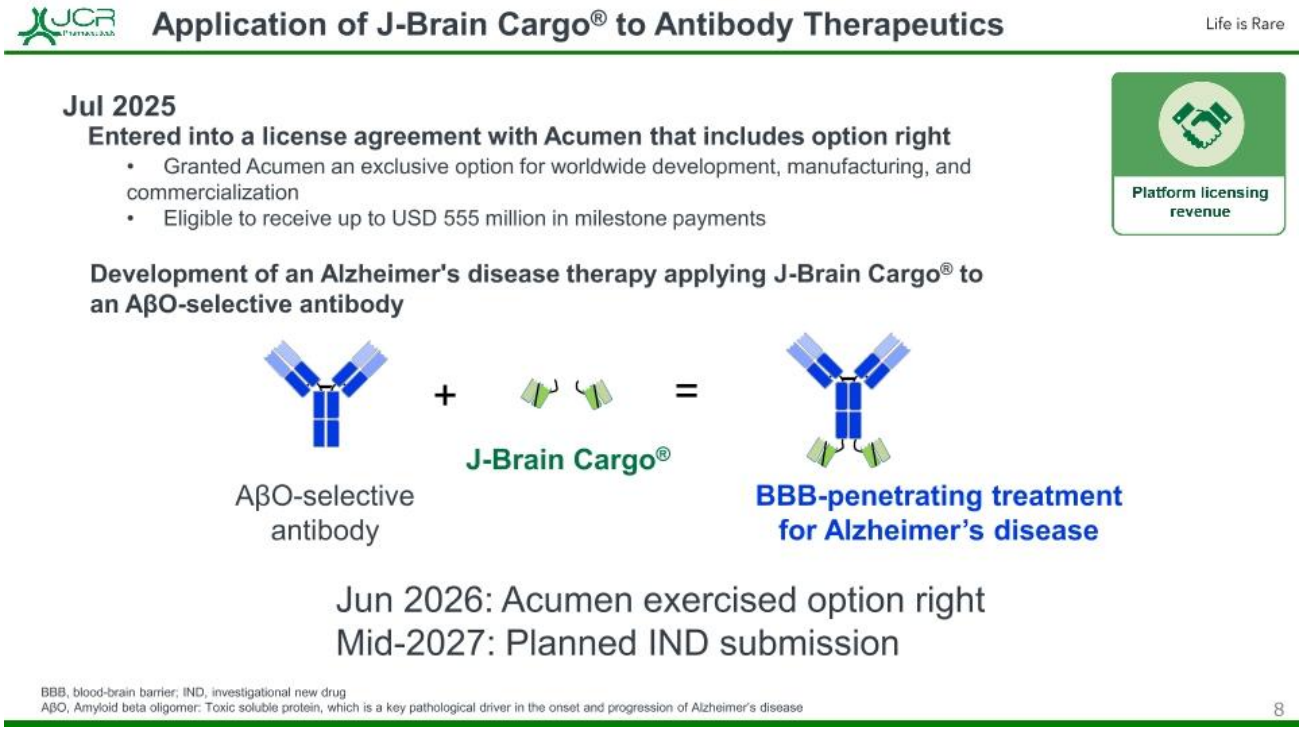
I believe this is extremely significant for patients as well. It means patients will be able to use this effective medication sooner. This is also very significant for us, as we have high expectations for sales.

The calculations and figures are shown on the right side of the page, and we estimate that this drug could generate approximately JPY35 billion in sales at its peak. For our company, which currently has sales of JPY40 billion, we believe this is a product with a very significant impact.

As already mentioned, this drug has already been approved overseas, but the indication range differs between the US and Europe. In the US, it is approved for patients aged 6 and older, while in Europe, it is approved for patients aged 6 and older who are able to walk and are receiving concomitant steroid therapy. In other words, the indication is broader in the US and slightly narrower in Europe.

These estimated figures are based on the European scope of indications—that is, the narrower scope. If we were to obtain the same indication in Japan as in the US, we believe there would be even greater upside potential.

As mentioned, while we are submitting our application based on overseas data, independently of that and in parallel, we have begun clinical trials in Japan targeting Japanese patients. This trial, which has already begun, includes a total of 20 patients: 10 who are able to walk and 10 who are unable to walk. We have also begun administering the drug.



This is the second growth driver. This relates to technology licensing revenue.

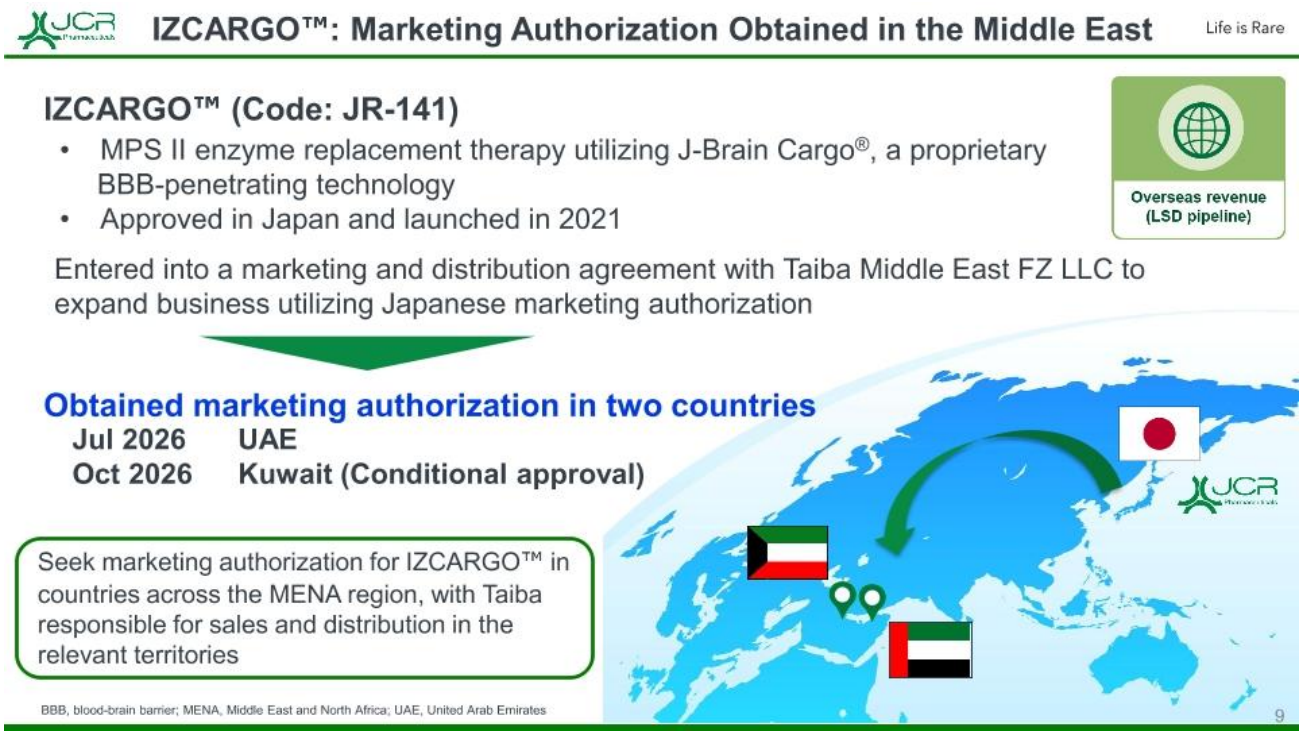
This is an example of the application of J-Brain Cargo technology to antibody drugs.

July 2025, we entered into a licensing agreement with Acumen Pharmaceuticals regarding an antibody drug. This antibody drug is an Aβ (amyloid beta) antibody being developed by Acumen for the treatment of Alzheimer's disease.

Although they had already advanced that antibody to the clinical development stage, in light of recent developments in the field—such as the development of antibody drugs utilizing blood-brain barrier (BBB) crossing technology—and the resulting competitive landscape, they decided they wanted to collaborate with us to develop a new BBB-crossing antibody drug, and we have been moving forward together.

Since signing the agreement in 2025, the two companies have collaborated to conduct repeated animal studies, and because very positive results were obtained, Acumen exercised its option in June 2026. Acumen has also already presented these results at international academic conferences.

I understand that Acumen plans to file an IND application in the United States around the middle of next year, 2027.



The third growth driver concerns overseas revenue.

This pertains to IZCARGO's expansion in the Middle East.

As you all know, IZCARGO was approved in Japan in 2021, and Phase III clinical trials are currently underway in regions outside of Japan.

There are several countries around the world where approval can be obtained without conducting clinical trials based on Japan's marketing authorization. Our efforts in these countries are part of a strategy to seek marketing approval based on our Japanese approval.

We have now secured approval in two Middle Eastern countries: the United Arab Emirates in July and Kuwait in October. We will collaborate with a local company called Taiba to pursue sales in these countries.



This will also be part of our third growth driver, overseas revenue.

We are pleased to announce that a global partner for JR-141 has been selected.

As Mr. Ashida mentioned at the beginning, we signed a licensing agreement for JR-141 with the Italian company Italfarmaco on the second of this month.

As already mentioned, JCR has acquired the Japanese rights to givinostat from Italfarmaco, and JCR will now out-license the overseas rights to JR-141 to them. They will be developing the product in the US, Europe, and Latin America. JCR will be responsible for the manufacturing and development of JR-141.

With an eye toward future approval of JR-141 in Europe, the US, and Latin America, we are currently in the process of further strengthening our collaboration with Italfarmaco.

Overview of Clinical or Late Preclinical Pipeline

Life is Rare

Code	Potential Indication	Status	Milestones/Comments
		Preclinical / Phase 1 / Phase 2 / Phase 3	
JR-141	MPS II (Hunter syndrome)	Global Ph3	• On track for ~FY2027: Approval in US, EU, Brazil • Partnered with Italfarmaco
JR-142	Pediatric GHD	Ph3 (Japan)	• Patient enrollment completed
JR-401G	Pediatric GHD	Ph3 (Japan)	• Apr 2026: Initiation of first dosing in Ph3 • Dose comparison study of GROWJECT™ aimed at changing the approved dosage
JR-171	MPS I (Hurler syndrome etc.)	Global Ph1/2 completed	• Partnering activities ongoing
JR-441	MPS IIIA (Sanfilippo syndrome type A)	Ph1/2 (Germany) Ph1 (Japan)	• Ph1/2, Ph1: Patient enrollment completed • Actively pursuing early approval in Japan
JR-446	MPS IIIB (Sanfilippo syndrome type B)	Global Ph1/2 Ph1/2 (Japan)	• Sep 2026: Initiation of first dosing in global Ph1/2 study • Discussion on going to assess early approval in Japan • Partnered with MEDIPAL HOLDINGS
JR-471	Fucosidosis		• Global natural history study ongoing • Partnered with MEDIPAL HOLDINGS
JR-479	GM2 gangliosidosis (Tay-Sachs disease, Sandhoff disease)		• Partnered with MEDIPAL HOLDINGS
givinostat	Duchenne muscular dystrophy	Progressing preparations for a marketing authorization application by the end-2026	• Obtain approval and launch in Japan in 2027

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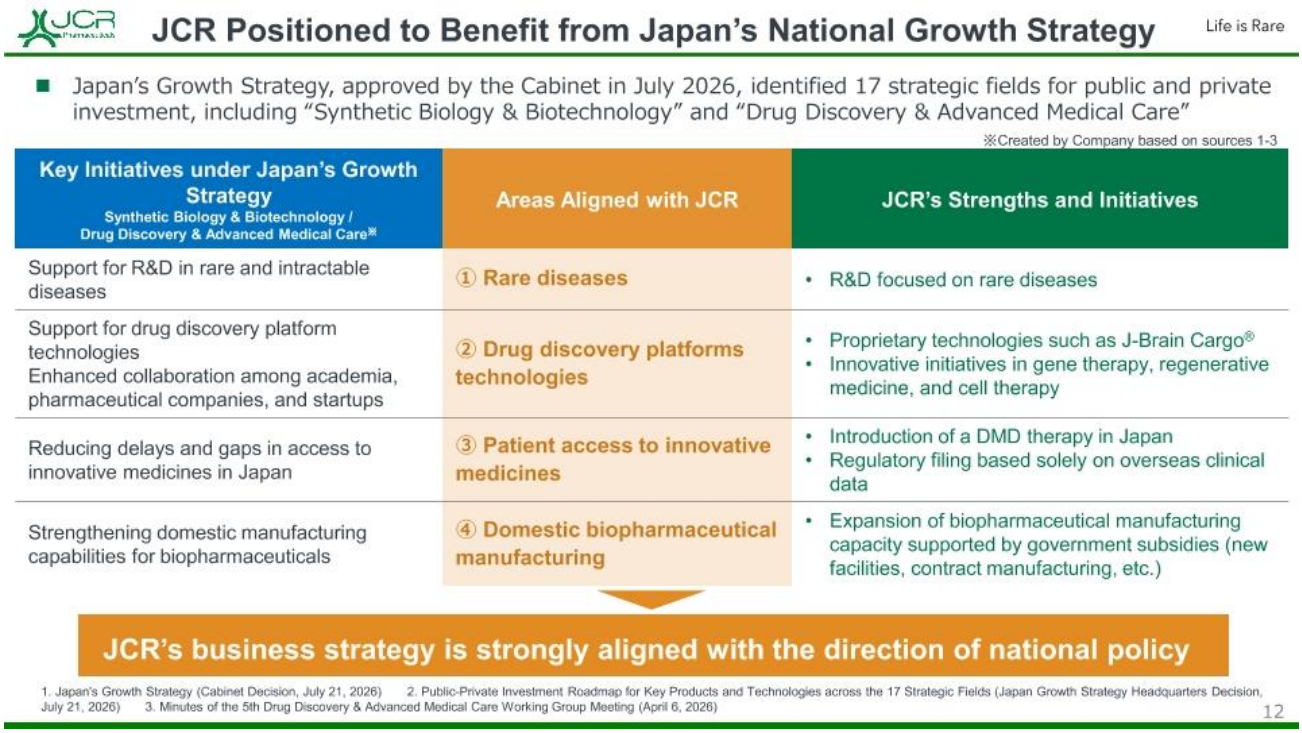
This is a list of our current development pipeline.

At the top is JR-141, which I just mentioned. We have finalized an out-licensing agreement with Italfarmaco.

Fourth from the top is JR-171. We are currently in contract negotiations to secure a licensing deal for this compound within the current fiscal year.

Two entries below that is JR-446. A global Phase I/II trial has begun for this compound, and patient dosing started in September.

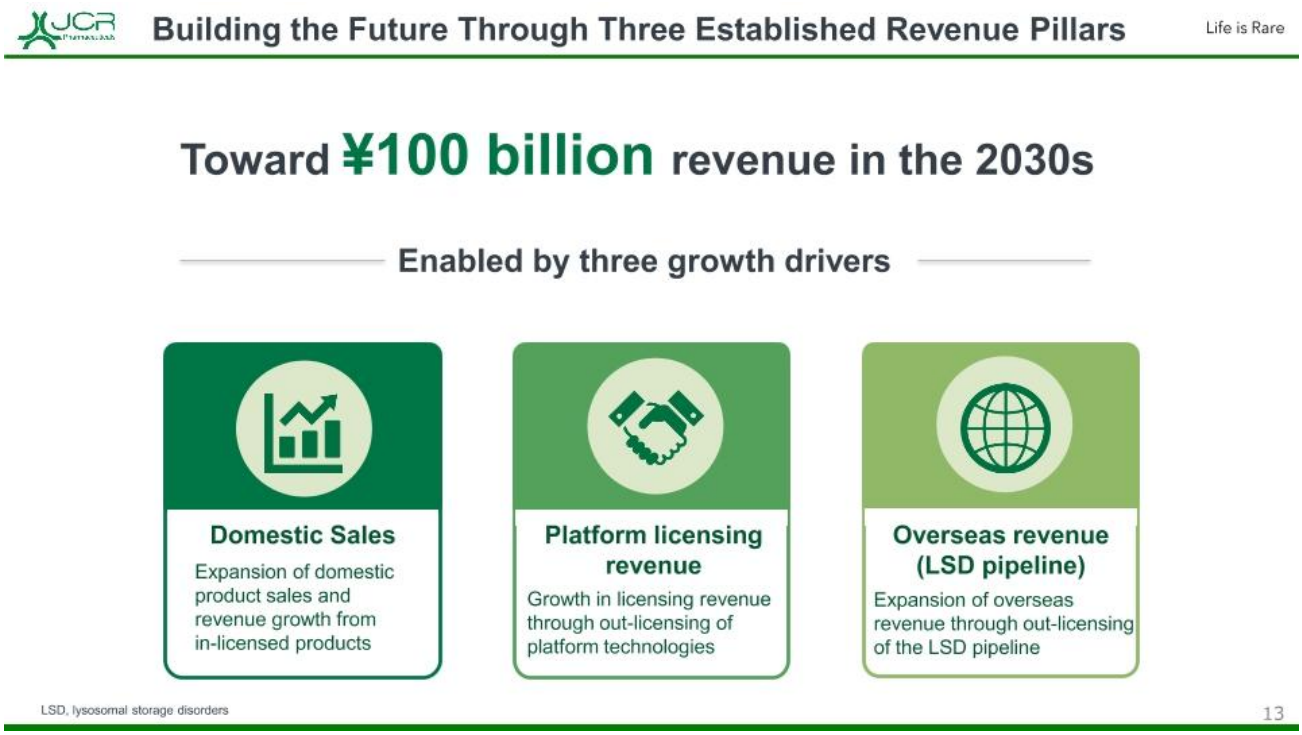
Clinical trials for our other pipeline candidates are also progressing smoothly.



Although this diverges slightly from the pipeline explanation, as you are all aware, Japan's 17-point Growth Strategy was announced in July 2026. I believe that two of these items—biotechnology and drug discovery—relate to the pharmaceutical industry, including our company.

Furthermore, as shown in the blue section on the left—which breaks down the details—the strategy includes support for R&D into rare and intractable diseases, support for the development of drug discovery platform technologies, the elimination of "drug lag" and "drug loss," and the strengthening of domestic manufacturing capabilities for biopharmaceuticals and other products. Many of these elements align very closely with our strengths and areas of focus.

Looking ahead, with this national strategy as a tailwind, we intend to move forward in pursuit of further growth opportunities.



We have again included this slide.

Today, I discussed the progress we've made on each of our three growth drivers. I believe you now understand that we are making steady progress on all of them.

In addition, there are several growth drivers that I was unable to discuss today—as they have not yet been publicly announced—so I hope you will look forward to their significant growth and continue to support our company in the future.

That concludes my presentation. Thank you very much.

Moderator: Thank you for your attention.

Question & Answer

Moderator [M]: We will now move on to the Q&A session.

Yamaguchi [Q]: I am Yamaguchi from Citigroup Global Markets.

First, regarding the financial results, you mentioned that R&D expenses are likely to exceed projections for the full year. Is this due to the development of DMD or other specific factors?

Also, I understand that this will be offset by cost reductions in other areas. Could you first explain how you plan to absorb these costs, and specifically where you intend to make these adjustments?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer that question.

Ito [A]: Regarding the possibility that R&D expenses may exceed projections, if that were to happen, it would essentially be due to the development of JR-141, as has been the case so far.

However, as of Q2, while total R&D expenses have slightly exceeded the budget, when looking at total SG&A expenses, they are largely on budget, meaning the overall figures are in line with the budget.

Therefore, even if R&D expenses were to exceed the budget slightly, I believe this could be absorbed within the overall SG&A expenses, and that is our intention.

Yamaguchi [Q]: So the increase is attributable to JR-141 rather than the additional DMD trials, correct?

Ito [A]: Yes, it is not due to the additional DMD trials.

Yamaguchi [Q]: My second question is about the potential indications for the DMD drug and the mention of whether patients are able to walk or not. I understand it's unclear at this point, but is there a specific reason for focusing on patients who are able to walk? Is the plan to start there first and then review the results of domestic trials afterward?

Moderator [M]: Expert Fellow Tanizawa will answer the question just raised.

Tanizawa [A]: This is Tanizawa.

Regarding the indication, our goal is to have the same broad indication as in the US, and at this point, we are considering an indication that includes both patients who can walk and those who cannot.

As Mr. Sonoda explained earlier—and as noted in the materials—we believe that if the indication is approved in this manner, it could result in an upward revision to our projected sales figures.

Yamaguchi [Q]: Currently, you are aiming for the same scope as in the US, but when you submit the application, will you be able to disclose which specific indication you are targeting?

Tanizawa [A]: Since the specific scope will be determined during the review process, I believe it would be difficult to disclose that information at the time of application.

Yamaguchi [Q]: So you're saying that while you'll submit applications for both, the outcome will depend on the review process.

Tanizawa [A]: That's correct. My understanding is that the review continues right up until the very last moment before final approval—including how the final indication will be described—so I believe we'll be able to disclose that information once it's finalized.

Muraoka [Q]: This is Muraoka from Morgan Stanley MUFG Securities.

I would like to ask about the global partnership with Italfarmaco (JR-141). The amount of the lump-sum payment will be clear once we see the financial results in three months, so that's not an issue, but I would very much like you to disclose the ongoing financial terms beyond that. This is because Mr. Sonoda has consistently stated that the financial terms for givinostat are quite favorable. Consequently, I can't help but suspect that, conversely, the financial terms for JR-141 might be unfavorable.

I would definitely like you to disclose this information, preferably today. Is that possible?

Moderator [M]: President Sonoda will now respond to the question just asked.

Sonoda [A]: Due to our contract with the other party and various commitments we've made to them, it's difficult for us to say right now exactly when we'll be able to disclose that information.

I fully understand your desire and request for disclosure, but please allow me to respond by saying that we cannot make any promises—neither now nor in the future.

Muraoka [Q]: On a related note—and this is really a request for the distant future, though by "distant future" I mean one year from now—after JR-141 is released, what will the actual sales figures be in the US? If you tell me, "We don't know the numbers because Italfarmaco is a privately held company," that would be very troubling. Will your company make every possible effort in this regard?

Sonoda [A]: Regarding that point, while it's difficult for us to promise at this time that we'll be able to provide specific figures, we intend to share as much information as possible with everyone. Likewise, since I believe there are many people who would like to know those figures, we will make every effort to do so.

Muraoka [Q]: One more thing—and, this might be something you should talk about with the other party rather than us. It seems your company's largest shareholder is facing various pressures. Given that they are both the largest shareholder and a key business partner, is it safe to assume there is no risk of significant changes occurring in this regard?

Moderator [M]: President Sonoda will now respond to the question just raised.

Sonoda [A]: This is a question that is very difficult for us to answer—or rather, one we cannot answer.

As you said, Mr. Muraoka, I would ask that you direct that question to that company instead.

Muraoka [Q]: Of course, but since this is an extremely important matter—and they are a crucial partner for your company in many ways—I believe both we, who cover your company, and your shareholders would very much like to know more. It would be a great help if you could disclose as much information as possible. This is my request.

Sonoda [A]: Yes. What I can at least say at this point is that, currently, there is no potential for any such changes.

Hashiguchi [Q]: I am Hashiguchi from Daiwa Securities.

My first question concerns the timing of the out-licensing. My question is about what we can infer from that.

I believe you've been in various discussions with Italfarmaco regarding JR-141 since last year. Within that, the contract was actually signed in October. What kind of discussions took place during that time, and what happened in October that led to the decision? Did it simply come about as time passed, or was there a specific trigger in October?

Also, since JR-141 is basically scheduled for sale pending the results of Phase III and the approval review, I don't think your immediate course of action would change much even if the contract hadn't been signed. However, regarding JR-171, I believe your company's original plan was to out-license JR-171 and have the licensee handle development, so I think there's an even greater need—more so than with JR-141—to finalize the decision quickly and move forward promptly. What should we understand is the reason why this has not yet been decided?

Moderator [M]: President Sonoda will now respond to the question that was just asked.

Sonoda [A]: First, I believe your question was whether there is any significance to the timing of this announcement in October.

The simple answer is that there is no such significance. We were by no means aiming for October. From our perspective, we wanted to sign the contract as soon as possible, and as we moved forward with various discussions, this timing simply ended up being the result.

As for JR-171, you're asking, shouldn't we be paying more attention to it? Shouldn't we finalize the agreement sooner? What is the reason we haven't been able to do so?

Again, we want to sign the contract as soon as possible, and we are currently in the process of discussing various details. It's certainly not the case that we're putting the brakes on for any particular reason. Rather, we're stepping on the gas while negotiating with good development partners.

Of course, as we talk with multiple partners and potential partners, there are cases where we reach the final stage but the terms don't align. Additionally, in the case of JR-171—especially since this is not a disease that is particularly easy to develop a treatment for, but rather a complex one among lysosomal diseases—we believe that unless there is a certain degree of alignment in our understanding of these issues, it will be difficult to proceed successfully with development. The current situation is that it is taking a little time because we are looking for a partner whose views align with ours and with whom we want to work.

Hashiguchi [Q]: My second question is regarding the positioning of the global Phase I/II trial of JR-446 that has just begun. It appears that US sites are included in this trial, and there have been cases where other companies have applied for or received Accelerated Approval for lysosomal disorders in the US based on Phase I/II data. Is your company's trial designed with that possibility in mind? The planned sample size is 12, but that seems a bit too small. What are your thoughts on this?

Moderator [M]: Anne Bechet, Executive Director of the Development Division, will now respond to that question.

Bechet [A]*: So you are asking about the status of JR-446 and our anticipation for the future.

So the study is proceeding very well. As you have noticed, we have recruited our first patient in the USA. I would like to refer to clinicaltrial.gov for additional details. As to our total regulatory strategy, this is something, of course, that we are working on.

We are working very closely with the relevant regulatory authorities, and we are targeting, of course, timelines as ambitious as possible to collect a pathway towards accelerated approval down the line and full approval in different regions.

We cannot disclose more details at the present for strategic reasons.

Yamakita [Q]: I am Yamakita from Jefferies.

My first question concerns the deal with Italfarmaco. First, I believe there was mention during the Q1 earnings call that a portion of the contract payment had been deferred to Q2. Is this related to the current deal? Or is this about a different deal? Whether it's this deal or a different one, the fact that it didn't appear in Q2 suggests a slight delay. Could you please tell us what caused that delay?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will now respond to that question.

Ito [A]: I don't recall exactly whether the comment during the Q1 earnings call about a portion being carried over to Q2 referred to this specific matter, but I believe it was likely included.

As for why it was delayed, as Mr. Sonoda mentioned earlier, there were various factors involved. The date is October 2. We had hoped to get it done within the half-year period, but it ended up being October 2.

Yamakita [Q]: My second question concerns the future application for JR-141. Since you have formed a partnership with Italfarmaco, will your company be the sole party engaging in dialogue with the FDA? Or will Italfarmaco also be involved? If so, I thought it might take a little time to share data and discuss the application strategy, but is it safe to assume you don't need to worry about such delays?

Moderator [M]: Anne Bechet, Executive Director of the Development Division, will answer that question.

Bechet [A]*: We are nearing the finalization phase towards our filing, and Italfarmaco is our partner. We are working in full synergy with them towards our filing timelines. Both companies are extremely engaged and committed to the success of this program, success being not encountering delays. We do not anticipate any delays related to the entry of Italfarmaco into this partnership, and we don't expect any impact related to the relationship with Italfarmaco at present.

Mizuno [Q]: I am Mizuno from Tokio Marine Asset Management.

Regarding the patients in the JR-141 clinical trial, there are those in the ongoing Phase III trial and those from the trial previously conducted in Brazil, where the observation period has ended. Is it correct to understand that both groups are essentially still receiving the JR-141 investigational drug and remain part of the trial?

Moderator [M]: Anne Bechet, Executive Director of the Development Division, will answer that question.

Bechet [A]*: If I understand correctly, you make reference to the patients who were treated in Brazil. Those patients have indeed finished their original study period, and as per local law in Brazil, they are being offered additional treatment. So we do have long-term data for those patients, which we have actually reported and discussed at World Symposium 2026. And those patients continue to receive treatment as per local regulations.

Mizuno [Q]: Regarding the Phase III trial currently underway globally, I believe there are patients for whom the final analysis of the 105-week observation period has been completed. Is it correct to understand that these patients are still receiving the investigational drug?

Bechet [A]*: So some of the patients of our phase three indeed have completed the first phase of the study. Please note that all patients are due to take part in an extension study. So all our patients currently, whether in the first phase of the phase three study or in the extension, continue receiving JR-141. Thank you very much.

Mizuno [Q]: I believe these are patients covered by NPS—named patient supply—in other net sales. Is it correct to say that the number of these patients is still increasing?

Also, as I understand it, most of these patients are in Europe. Is it correct that, once the drug is officially approved, these patients will be transferred to Italfarmaco?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer the question just raised.

Ito [A]: As for the number of NPS patients, we are pleased to report that this number is increasing. I believe this indicates that the usefulness of this drug is becoming widely recognized.

As you are aware, many of the patients are located in Europe. Once Italfarmaco begins commercialization—that is, once it starts selling this drug commercially—we expect those patients to essentially transition to the commercial product sold by Italfarmaco.

Kawamura [Q]: This is Kawamura from Nomura Securities.

Regarding GROWJECT, could you explain the reasons behind the somewhat lower progress rate?

Also, please confirm whether this can be recovered in H2 of the fiscal year.

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer the question just raised.

Ito [A]: Regarding GROWJECT, as I may have mentioned during the Q1 earnings briefing, there was a significant gap in shipments from March to April of this year due to the days of the week. As a result, shipments in March were higher than expected, and shipments in April and May were correspondingly lower. Partly due to this impact, we are currently slightly below budget. However, since the dosing of new patients is proceeding as expected, we intend to make up for this in H2 of the fiscal year.

There was a comment suggesting that growth might not be as strong as expected, but it is true that the market share of weekly formulations is gradually increasing. However, regarding this, The Japanese Society for Pediatric Endocrinology has issued precautions regarding the use of weekly formulations for SGA-related short stature, and in terms of safety, our daily formulation has received very high praise. Leveraging this strength, we intend to make a comeback in H2 of the fiscal year and achieve sales in line with our budget.

Muraoka [Q]: This is Muraoka from Morgan Stanley MUFG Securities.

I believe it was Mr. Hashiguchi who asked the question earlier, and Mr. Sonoda explained that there were no particular issues regarding the circumstances leading up to the signing of the JR-141 agreement in October. If I recall correctly, interim data for 36 patients in the JR-141 trial was scheduled to be released sometime between this spring and summer of 2026. Since they had to sign off on the agreement after reviewing this data, I speculate that—since it wasn't in Q1 but rather in Q2—the process was delayed until October while they reviewed the data as a whole. Is that not the case?

Moderator [M]: President Sonoda will now respond to the question just raised.

Sonoda [A]: Regarding the point just raised, it's not the case that the process was pushed back to October. That said, while looking at that data might lead to various thoughts or judgments, if the intent of your question is to ask whether that was the reason they delayed the release, the answer is no.

Muraoka [Q]: I see. I had originally speculated—based on discussions we've had since around last year—that there might have been a vague verbal agreement along the lines of "let's wait until after this is released," but that's not the case?

Sonoda [A]: That's right. That's not the case. The situation is different.

Muraoka [Q]: Just one more thing. I'm not asking this because JR-141 was delayed by two days, but is it correct to assume that the risk of JR-171 being pushed back to April or later is low?

Moderator [M]: President Sonoda will also answer this question.

Sonoda [A]: Regarding JR-171, I expect we'll likely receive criticism that, even though we've been saying "it's coming soon," nothing has been finalized yet. However, there is currently a company showing a very high level of interest in JR-171. We are currently in the process of sincere discussion with them to work out the details. Since this involves another party, there is of course no 100% guarantee, but based on our past discussions with various companies, I believe the likelihood of this deal going through is very high.

Also, if it drags on until April 2, people will say we've delayed it again, so to prevent that, we intend to finalize this deal within this fiscal year if possible.

Yamaguchi [Q]: This is Yamaguchi.

You explained the Acumen deal, and there was an IND scheduled for the middle of next year. Is the amount involved in this transaction significant enough to impact your financial results? Or is it not significant enough yet?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer the question just raised.

Ito [A]: We cannot disclose details regarding the milestones, so I cannot comment on that specifically, but given our company's scale, I believe that if we receive the payment, it will have a significant impact on our financial results.

Yamaguchi [Q]: Also, partnerships with Italfarmaco are increasing. I understand that they sell DMD drugs, but do they have a track record in the LSD field as well? I don't really get that impression, but what is the situation?

Moderator [M]: President Sonoda will answer this question.

Sonoda [A]: As Mr. Yamaguchi mentioned, they do have a very strong presence in DMD, but as far as LSD is concerned, I believe that handling JR-141 will be their first time.

Therefore, since they entered the rare disease field through DMD, they are currently establishing various franchises in that area. They intend to leverage that to expand into the LSD field as well.

Conversely, while we have been active in the LSD field in Japan, we are newcomers to DMD. However, since both fall under the pediatric field, the foundation we've built through our work with LSD is proving very valuable. I hope you'll view this as the reverse of what they're about to do.

Hashiguchi [Q]: This is Hashiguchi from Daiwa Securities.

I have a quick question. Revenue from other sources is nearing JPY3 billion compared with a full-year plan of JPY4.5 billion. Does this mean the schedule has been brought forward? Is it possible that sales in H2 will be similar to those in H1, and should we expect full-year results to exceed projections?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer this question.

Ito [A]: Regarding "other," as briefly mentioned earlier, the main factor impacting our performance is IZCARGO's NPS, or named patient supply. Although the specific amount is not disclosed, you can consider it to be roughly 60% of the "other" category.

Earlier, we were asked whether the number of patients is increasing, and while I answered that it is, progress is actually outpacing our budget. We expect this to exceed the budget for the full fiscal year as well.

Moderator [M]: Next, Mizuno-san, please go ahead.

Mizuno [Q]: I have a quick question regarding the Taiba contract in the Middle East. Can you generally proceed in the Middle East based on Japanese approval, or is a global Phase III trial required depending on the country? This may be a minor detail, but I'd like to confirm it just in case.

Moderator [M]: Mr. Ito will now address that question.

Ito [A]: Regarding this region—at least for the countries we're targeting in our contracts—we're currently proceeding on the understanding that approval can be obtained based on Japan's manufacturing and marketing authorization.

Mizuno [Q]: My second and third questions are for Mr. Sonoda.

One is regarding JUST-AAV and the marketing activities for that, although "marketing activities" might not be the exact term. I'd like to know if there are any updates on recent activities related to this.

The other question is one I may be asking Mr. Sonoda every six months, but since there was a slide mentioning "riding the tailwind of the national strategy," I'd like to ask again.

Given that the government is focusing its efforts on resolving drug loss, I'm wondering if the likelihood of your company securing projects like this givinostat deal has increased. Regarding this, for example, has the government organized any matchmaking opportunities or similar activities that are providing a stronger tailwind, and is the likelihood increasing that this will be reflected in your company's growth strategy going forward?

Sonoda [A]: Regarding the second point, about JUST-AAV, the European Society of Gene and Cell Therapy is currently holding a conference in Germany, and our researchers are presenting there.

The presentation focuses on JUST-AAV—specifically, a version engineered to target the brain while avoiding the liver—and includes the latest data showing that it has dramatically cured mice with Batten disease, a truly rare and severe lysosomal storage disorder. So, from a scientific standpoint, we are accumulating very good results internally and presenting them.

However, you might be wondering how this translates into business opportunities. In this regard, whenever we present this to any company, they rate it very highly, and in many cases, they tell us they find it very interesting.

However, I've noticed a clear divide between companies that are seriously considering entering the gene therapy market and those that find it interesting but are hesitant to take the plunge. So, while discussions

move forward when we can perfectly match our technology with companies that are truly committed to gene therapy, it's hard to gauge just how serious they are until we actually go and talk with them.

We haven't yet been able to announce a partnership following our collaboration with Alexion, but at this point, several companies have expressed very strong interest, and they're currently evaluating our technology. However, when it comes to gene therapy, many companies insist on conducting tests on monkeys as well—not just mice. We find that to be very reasonable and can fully understand their perspective. As a result, the process inevitably takes time. So, my answer is that I ask for your patience a little longer.

Regarding your third point, about drug lag and drug loss, I thought your question was whether there are any initiatives or interventions from the government. There isn't anything specific directed at us. However, I believe the government generally issues various calls for proposals and engages in a range of general activities, and it is entirely possible that we will be included in those efforts.

Furthermore, through our interactions, we've sensed firsthand that the PMDA's perspective and approach to this issue of drug lag and drug loss—particularly regarding pediatric medicine—has changed significantly. Regarding the area we are currently working on—rare diseases in the pediatric field—I sense that their words and actions give us reason to expect that Japan, and the PMDA in particular, will continue to prioritize this area in the future.

Ishii [Q]: I am Ishii from Iyaku Tsushinsha.

I would like to ask about IZCARGO. Are there any countries other than those in the Middle East where the drug can be sold based on Japanese approval? If so, in how many countries are you planning to adopt this sales approach going forward?

Moderator [M]: Mr. Ito, Executive Director of the Corporate Strategy Division, will answer this question.

Ito [A]: Regarding your question about how many countries we can enter with Japanese approval, I do not have a specific number at this time.

Although we have not yet made an official announcement, we are currently in discussions with companies in several countries regarding JR-141. These discussions are all taking place with companies in countries where approval can be obtained based on Japanese approval.

Therefore, once the negotiations are successful, I believe we will be able to announce which companies in which countries we are in discussions with.

Moderator [M]: I'm sorry, but we'd like to conclude the Q&A session now.

This concludes JCR Pharmaceuticals Co., Ltd.'s financial results briefing for Q2 of the fiscal year ending March 2027. Thank you very much to everyone for participating today.

[END]

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