

# First Quarter Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

|   |       |
|---|-------|
| 1. Overview of Consolidated Financial Results | P.2   |
| 2. Highlights of Business Performance         | P.3   |
| 3. Consolidated Financial Results             | P.4   |
| 4. Financial Results and Forecast             | P.5   |
| 5. Main Product Sales Update                  | P.6   |
| 6. Development pipeline                       | P.7~9 |

**July 31, 2024**

**KYORIN Pharmaceutical Co., Ltd.**



## ■ Disclaimer

**This material contains performance forecasts, goals and plans, and other forward-looking statements related to the Group.**

**These statements are based on the judgment of the Group's assumptions and outlooks based on the information and forecasts available at the time of preparation of this material, and contain known or unknown risks and uncertainties. Therefore, due to various factors that may occur, the actual performance, progress / success / failure of the development and other insights may differ significantly from the description. It also contains information about medicines (including those under development), but the description is not for the purpose of advertising or medical advice.**

*Notice: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

# Overview of Consolidated Financial Results for FY2024 1Q



| (JPY millions)                         | FY2021<br>1Q (Apr-Jun) | FY2022<br>1Q (Apr-Jun) | FY2023<br>1Q (Apr-Jun) | <b>FY2024</b><br>1Q (Apr-Jun) | <b>Change</b><br>(%) | Interim term<br>FY2024<br>(Forecast) | Change<br>(%) | Full term<br>FY2024<br>(Forecast) | Change<br>(%) |
|--|------------------------|------------------------|------------------------|-------------------------------|----------------------|--------------------------------------|---------------|-----------------------------------|---------------|
| Net sales                              | 24,695                 | 24,619                 | 27,854                 | <b>28,419</b>                 | <b>+2.0</b>          | 56,900                               | +3.6          | 123,400                           | +3.2          |
| Operating profit                       | -756                   | 489                    | 871                    | <b>1,150</b>                  | <b>+32.0</b>         | 1,000                                | -25.1         | 6,500                             | +4.3          |
| Ordinary profit                        | -491                   | 779                    | 1,074                  | <b>1,417</b>                  | <b>+32.0</b>         | 1,300                                | -17.7         | 6,900                             | +1.1          |
| Profit attributable to owner of parent | -462                   | 1,183                  | 787                    | <b>885</b>                    | <b>+12.4</b>         | 900                                  | -52.4         | 5,000                             | -8.7          |

## First Quarter Consolidated Financial Results for FY2024

**[Net sales]** Sales of new drugs etc. (Japan) increased from year on year due to sales increase in Beova, Lasvic etc. by the efforts to spread of the product, while the impact of the NHI drug price revision. Sales of generic drugs decreased. As a result, net sales were 28,419 million yen (an increase of 564 million yen, year on year)

**[Profit]** Gross profit remained flat, due to rose the ratio of cost while sales increased. On the other hand, SG&A expenses decreased 320 million yen (R&D expenses increased 76 million yen) . As a result, operating profit was 1,150 million yen (a increase of 278 million yen, year on year). Ordinary profit was 1,417 million yen (+32%, year on year). Profit attributable to owner of parent was 885 million yen (+12.4%, year on year)

## Consolidated Financial Results for FY2024 (Forecast)

The forecast for the interim term and full term announced on May 10, 2024 remain unchanged at this moment.  
(Progress compared with the forecast for the interim term, net sales: 49.9%, operating profit: 115.0%)  
There is no change to the dividend plan announced on May 10, 2024 (Annual dividend of 52 yen per share).

\*Beginning this fiscal year, the company changed accounting policies.  
The results for FY2023 1Q and percentage change relative to previous corresponding period are presented after retroactive adjustment.

# Highlights of Business Performance



(JPY billions)

(JPY billions)



## Net sales increased (+ 0.5)

- Increase in sales of new drugs
  - Main products (Beova, Lasvic etc.) grew
- Decrease in sales of generic drugs

## Cost of sales ratio increased (+ 1.0 %point)

<Factors of decrease>

- Increase in sales of new drugs (Beova, Lasvic etc.)
- Decrease the ratio of sales in generic drugs

<Factors of increase>

- Impact of NHI drug price revisions (Kyorin Pharmaceutical: 7% range)
- Effect of foreign exchange

## Gross profit remained flat

## SG&A cost increased (- 0.3)

- R&D expenses increased (+0.1)
- SG&A (excluding R&D) decreased (- 0.4)
  - Decrease in sales expenses, personnel expenses, depreciation expenses

## Operating profit increased (+ 0.3)

\*Beginning this fiscal year, the company changed accounting policies. The results for FY2023 1Q are presented after retroactive adjustment.

# Consolidated Financial Results



(JPY billions)

(Year on Year)

| (JPY billions)                                | FY2023 1Q | FY2024 1Q   | Change |
|---|-----------|-------------|--------|
| <b>Net sales</b>                              | 27.9      | <b>28.4</b> | +0.5   |
| New drugs (Japan)                             | 18.9      | <b>19.9</b> | +1.0   |
| New drugs (Overseas)                          | 0.1       | <b>0.3</b>  | +0.2   |
| Generic drugs                                 | 8.9       | <b>8.2</b>  | -0.7   |
| <b>Operating profit</b>                       | 0.9       | <b>1.2</b>  | +0.3   |
| <b>Ordinary profit</b>                        | 1.1       | <b>1.4</b>  | +0.3   |
| <b>Profit attributable to owner of parent</b> | 0.8       | <b>0.9</b>  | +0.1   |

|   |             |                |        |
|---|-------------|----------------|--------|
| <b>■ Net sales</b>  | <b>28.4</b> | <b>(+0.5)</b>  |        |
| ● <b>New drugs (Japan)</b>  | <b>19.9</b> | <b>(+1.0)</b>  |        |
|   | FY2023 (1Q) | FY2024 (1Q)    |        |
| • Beova   | 4.2         | ⇒ 5.3          | (+1.1) |
| • Lasvic  | 1.1         | ⇒ 1.6          | (+0.5) |
| • Lyfnua  | 0.2         | ⇒ 0.2          | ( 0)   |
| • Desalex   | 1.6         | ⇒ 1.8          | (+0.2) |
| • Flutiform   | 3.1         | ⇒ 3.2          | (+0.1) |
| • Pentasa   | 3.1         | ⇒ 3.2          | (+0.1) |
| • Kipres  | 1.3         | ⇒ 1.0          | (-0.3) |
| • Mucodyne  | 1.0         | ⇒ 0.8          | (-0.2) |
| • Uritos  | 0.1         | ⇒ 0.1          | ( 0)   |
| ● <b>New drugs (Overseas)</b>   | <b>0.3</b>  | <b>(+0.2)</b>  |        |
| Temporary income regarding Gatifloxacin   |             |                |        |
| ● <b>Generic drugs</b>  | <b>8.2</b>  | <b>(-0.7)</b>  |        |
| Decrease sales in AG etc.   |             |                |        |
| <b>■ Operating income</b>   | <b>1.2</b>  | <b>(+0.3)</b>  |        |
| ● <b>Cost of sales ratio : 56.5% (FY2023 1Q: 55.5%)</b>   |             |                |        |
| [Factors of decrease] Increase in sales of new drugs (Beova, Lasvic etc.),<br>Decrease the ratio of sale of generic drugs |             |                |        |
| [Factors of increase] NHI drug price revisions, effect of foreign exchange  |             |                |        |
| ● <b>R&amp;D : 2.1 (FY2023 1Q: 2.0)</b>   |             |                |        |
| ● <b>SG&amp;A (excluding R&amp;D expenses) : 9.1 (FY2023 1Q: 9.5)</b>   |             |                |        |
| Decrease in sales expenses, personnel expenses and depreciation expenses.   |             |                |        |
| <b>■ Profit attributable to owner of parent</b>   | <b>0.9</b>  | <b>(+ 0.1)</b> |        |

\*Beginning this fiscal year, the company changed accounting policies. The results for FY2023 1Q are presented after retroactive adjustment.

# Financial Result and Forecast



| (JPY millions)                                    | 1Q (Apr-Jun)       |                            |        |               |   |   | Interim term       |                      | Full term          |                      |
|---|--------------------|----------------------------|--------|---------------|---|---|--------------------|----------------------|--------------------|----------------------|
|   | FY2023<br>(Actual) | <b>FY2024<br/>(Actual)</b> | Change | Change<br>(%) | Progress to<br>interim<br>term<br>forecast<br>(%) | Progress to<br>full term<br>forecast<br>(%) | FY2023<br>(Actual) | FY2024<br>(Forecast) | FY2023<br>(Actual) | FY2024<br>(Forecast) |
| <b>Net sales</b>                                  | 27,854             | <b>28,419</b>              | +564   | +2.0          | 49.9  | 23.0  | 54,937             | 56,900               | 119,532            | 123,400              |
| New drugs, etc.<br>(Japan)                        | 18,944             | <b>19,862</b>              | +917   | +4.8          | 50.0  | 23.5  | 37,875             | 39,700               | 82,581             | 84,700               |
| New ethical drugs<br>(Overseas)                   | 55                 | <b>326</b>                 | +271   | +494.2        | 163.4   | 81.7  | 167                | 200                  | 386                | 400                  |
| Generic drugs                                     | 8,854              | <b>8,229</b>               | -624   | -7.1          | 48.7  | 21.5  | 16,895             | 16,900               | 36,564             | 38,200               |
| <b>Operating profit</b>                           | 871                | <b>1,150</b>               | +278   | +32.0         | 115.0   | 17.7  | 1,335              | 1,000                | 6,234              | 6,500                |
| <b>Ordinary profit</b>                            | 1,074              | <b>1,417</b>               | +343   | +32.0         | 109.1   | 20.5  | 1,578              | 1,300                | 6,822              | 6,900                |
| <b>Profit attributable to<br/>owner of parent</b> | 787                | <b>885</b>                 | +98    | +12.4         | 98.4  | 17.7  | 1,890              | 900                  | 5,475              | 5,000                |

\*Beginning this fiscal year, the company changed accounting policies. The results for FY2023 are presented after retroactive adjustment.

# Main Product Sales Update



| (JPY billions)                   |   | 1Q (Apr-Jun)       |                    |        |               |                                  | Interim term                    |                    | Full term            |                    |                      |
|----------------------------------|---|--------------------|--------------------|--------|---------------|----------------------------------|---------------------------------|--------------------|----------------------|--------------------|----------------------|
|                                  |   | FY2023<br>(Actual) | FY2024<br>(Actual) | Change | Change<br>(%) | Progress<br>to<br>interim<br>(%) | Progress<br>to full<br>term (%) | FY2023<br>(Actual) | FY2024<br>(Forecast) | FY2023<br>(Actual) | FY2024<br>(Forecast) |
| New drugs, etc. (Japan)          | <b>Beova (Kyorin)</b><br>(β3 adrenergic receptor agonist overactive bladder therapeutics)   | 4.2                | <b>5.3</b>         | +1.1   | +25.2         | 51.1                             | 24.0                            | 8.3                | 10.3                 | 18.1               | 22.0                 |
|                                  | <b>Lasvic</b><br>(New quinolone synthetic antibacterial agent)                              | 1.1                | <b>1.6</b>         | +0.5   | +40.6         | 55.3                             | 24.1                            | 2.5                | 2.8                  | 4.9                | 6.4                  |
|                                  | <b>Lyfnua</b><br>(selective P2X3 receptor antagonist for the treatment of chronic cough)    | 0.2                | <b>0.2</b>         | 0      | +16.5         | 30.0                             | 13.1                            | 0.4                | 0.6                  | 0.8                | 1.5                  |
|                                  | <b>Desalex</b><br>(Antiallergic Agent)  | 1.6                | <b>1.8</b>         | +0.2   | +9.8          | 49.6                             | 18.6                            | 3.1                | 3.6                  | 8.9                | 9.6                  |
|                                  | <b>Flutiform</b><br>(Combination drug for asthma treatment)                                 | 3.1                | <b>3.2</b>         | +0.1   | +2.3          | 53.3                             | 25.7                            | 6.2                | 6.0                  | 12.9               | 12.5                 |
|                                  | <b>Pentasa</b><br>(Ulcerative colitis and Crohn's disease treatment)                        | 3.1                | <b>3.2</b>         | +0.1   | +2.6          | 55.3                             | 27.1                            | 6.1                | 5.7                  | 12.3               | 11.6                 |
|                                  | <b>Kipres</b><br>(Leukotriene Receptor Antagonist)  | 1.3                | <b>1.0</b>         | -0.3   | -26.9         | 45.2                             | 18.5                            | 2.6                | 2.1                  | 7.0                | 5.3                  |
|                                  | <b>Mucodyne</b><br>(Mucoregulant)   | 1.0                | <b>0.8</b>         | -0.2   | -26.0         | 37.6                             | 17.3                            | 2.0                | 1.9                  | 4.2                | 4.3                  |
|                                  | <b>Uritos (Kyorin)</b><br>(Therapeutic agent for overactive bladder)                        | 0.1                | <b>0.1</b>         | 0      | -23.2         | 60.3                             | 32.8                            | 0.3                | 0.1                  | 0.5                | 0.3                  |
|                                  | <b>Milton</b><br>(Disinfectant)   | 0.5                | <b>0.4</b>         | -0.1   | -6.7          | 45.4                             | 23.0                            | 1.0                | 0.9                  | 1.9                | 1.9                  |
| <b>Rubysta</b><br>(Disinfectant) | 0.4   | <b>0.3</b>         | -0.1               | -24.9  | 36.8          | 19.3                             | 0.8                             | 0.8                | 1.5                  | 1.5                |                      |
| Generic drugs                    | <b>Montelukast tablets "KM"</b><br>(Leukotriene Receptor Antagonist)                        | 3.0                | <b>2.8</b>         | -0.2   | -7.1          | 53.7                             | 23.3                            | 5.8                | 5.1                  | 12.3               | 11.8                 |
|                                  | <b>Mometasone Nasal 50μg "KYORIN"</b><br>(Spray type allergic rhinitis remedy)              | 0.5                | <b>0.4</b>         | -0.1   | -23.9         | 32.3                             | 8.0                             | 0.9                | 1.0                  | 4.5                | 4.3                  |
|                                  | <b>Imidafenacin tablets &amp; OD "KYORIN"</b><br>(Therapeutic agent for overactive bladder) | 0.2                | <b>0.1</b>         | -0.1   | -10.9         | 53.5                             | 26.7                            | 0.3                | 0.2                  | 0.6                | 0.5                  |

# Development pipeline

## Main R&D Activities -1 (as of July 31, 2024)



### Ph 3 ~ Launch

| Stage              |                               | Code            | Proposed Indication  | Origin         | Features  | Note |
|--------------------|-------------------------------|-----------------|--|----------------|---|------|
| Japan              | Overseas                      |                 |  |                |   |      |
| Ph 3<br>(Sep 2022) | Ph 3<br>(aTyr pharma,<br>USA) | <b>KRP-R120</b> | Interstitial lung disease:<br>ILD<br>(pulmonary sarcoidosis) | aTyr<br>pharma | It is a fusion protein drug having the action to suppress, by binding to neuropilin-2 (NRP2) receptor, the excessive activation of immune cells, and is a potential first-in-class therapy to treat inflammatory diseases such as pulmonary sarcoidosis |      |

### POC Project (Ph1 ~ Ph2)

| Stage              |                                | Code             | Proposed Indication                                | Origin   | Features  | Note  |
|--------------------|--------------------------------|------------------|--|----------|---|---|
| Japan              | Overseas                       |                  |  |          |   |   |
| Ph 1<br>(Aug 2022) |                                | <b>KRP-114VP</b> | Overactive bladder                                 | Merck    | It selectively acts on $\beta_3$ receptors in the bladder and increases bladder capacity by enhancing the bladder-relaxing effect of noradrenaline during the urinary storage phase, resulting in the improvement of incontinence symptoms of urinary urgency, frequent urination and urge urinary incontinence with OAB. | Additional Indication for Beova in pediatric patients |
| —                  | Ph 1<br>(Apr 2021,<br>England) | <b>KRP-A218</b>  | Rhinovirus infection at risk of potentially severe | In-house | It is antiviral drug that suppresses viral growth by targeting host molecules   |   |



# Development pipeline

## Main R&D Activities -2 (as of July 31, 2024)

### Licensing development (License-in)

| Stage  |           | Code           | Proposed Indication          | Origin              | Features   | Note  |
|--|-----------|----------------|------------------------------|---------------------|--|---|
| Japan  | Over seas |                |                              |                     |  |   |
| Ph 2<br>(Dec 2019)<br>ASKA<br>Pharmaceutical | —         | <b>AKP-009</b> | Benign Prostatic Hyperplasia | ASKA Pharmaceutical | Novel androgen receptor modulator mode of action with the potential to exhibit prostatic shrinkage and to improve urinary function as a novel therapeutic agent for Benign Prostatic Hyperplasia | -ASKA Pharmaceutical granted KYORIN Pharmaceutical the joint development and commercialization rights for AKP-009 in Japan (Sep 2020)<br>-Additional Ph1 study at a higher dose has been completed (ASKA) |

- Ph1 trial is being conducted again (ASKA Pharmaceutical)

### Licensing development (License-out)

| Stage | Compound / Code | Licensee  | Therapy area / Action | Origin   | Features                                 | Note  |
|-------|-----------------|-----------|-----------------------|----------|--|---|
| Ph 3  | <b>KRP-203</b>  | Priothera | —                     | In-house | Sphingosine-1-Phosphate Receptor Agonist | Transfer of intellectual property(patents and data required for the development and sale) and APIs (Sep 2020) |

| Code      | Proposed Indication | Origin | Note  |
|-----------|---------------------|--------|---|
| KRP-DT123 | Tinnitus            | SUSMED | <p><b>Collaboration research and sales agreement for development of Digital Therapeutics (DTx) in otolaryngology Field (Nov 2022)</b></p> <p>Specified clinical trial is in progress (Sep 2023)</p> |