

Consolidated Financial Results for Second Quarter (Interim Period) of FY2024

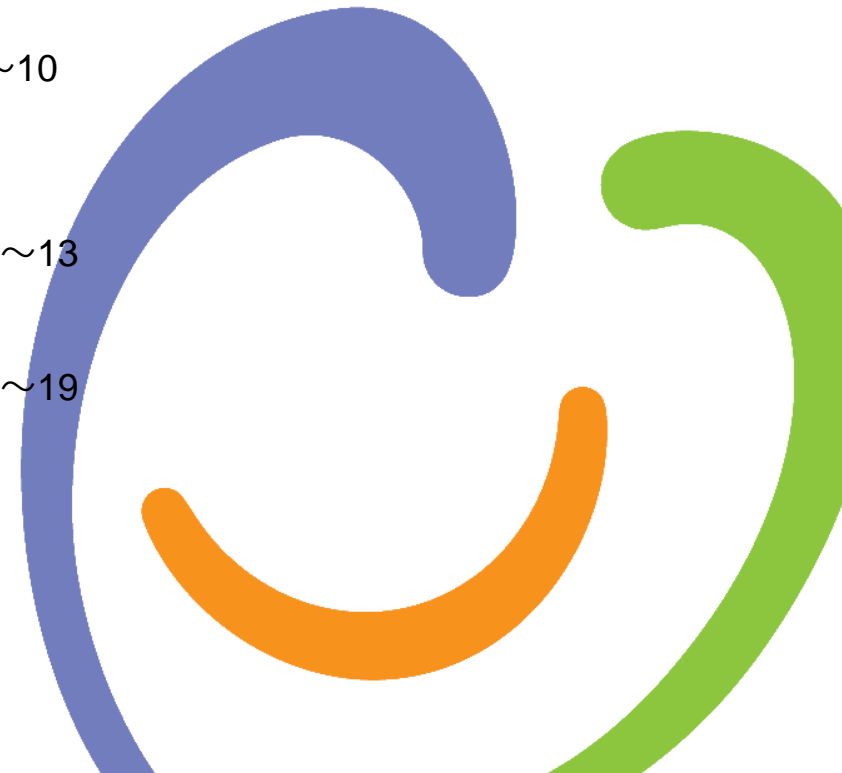
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November 7, 2024

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.

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Overview of Consolidated Financial Results for 1st Half of FY2024



(JPY millions)	FY2021 1 st Half	FY2022 1 st Half	FY2023 1 st Half	FY2024 1 st Half	Change (%)	Full term FY2024 (Forecast)	Change (%)
Net sales	49,102	49,093	54,937	55,139	+0.4	123,400	+3.2
Operating profit	-68	777	1,335	1,549	+16.0	6,500	+4.3
Ordinary profit	285	1,171	1,578	2,050	+29.9	6,900	+1.1
Profit attributable to owner of parent	121	1,242	1,890	1,255	-33.6	5,000	-8.7

Consolidated Financial Results for First Half of FY2024

[Net sales] Sales of new drugs etc. (Japan) increased from year on year by the sales increased in Beova and Lasvic etc, while the impact of NHI drug price revision. Sales of generic drugs decreased. As a result, net sales were 55,139 million yen (an increase of 202 million yen, year on year) .

[Profit] Although sales increased, gross profit was 23,564 million yen (a decrease of 272 million yen, year on year) due to a rise in the cost of ratio, while net sales increased. On the other hand, SG&A expenses decreased by 485 million yen (R&D expenses increased 1 million yen) , operating profit reached 1,549 million yen (an increase of 272 million yen, year on year). Ordinary profit reached 2,050 million yen (up 22.9% year on year) due to the impact of foreign exchanges gain. Profit attributable to owner of parent increased 1,255 million yen (down 33.6% year on year) due to a decline resulting from the absence of gains from the sale of investment securities recorded in the same period of the previous year.

Consolidated Financial Results for FY2024 (Forecast)

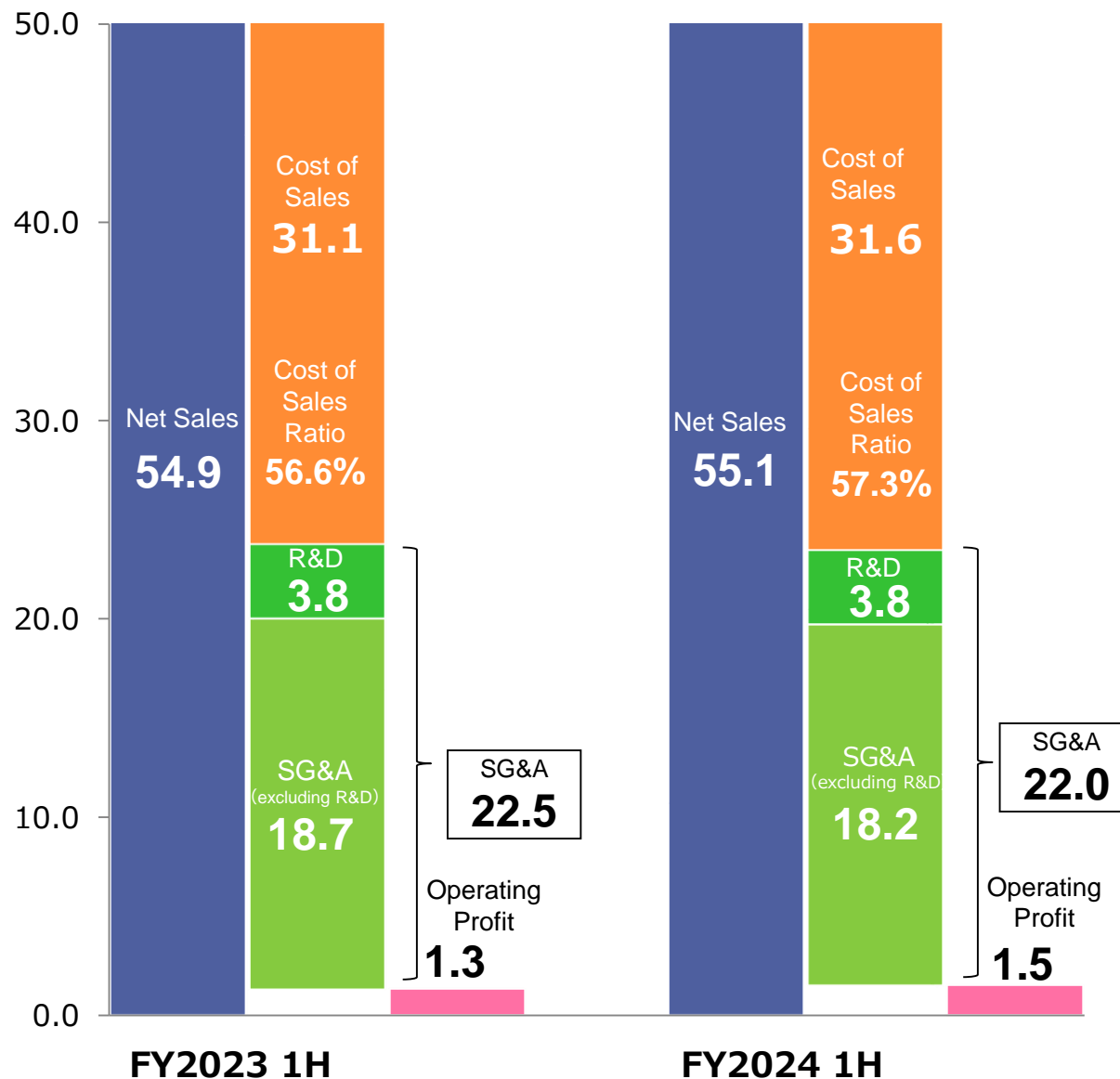
The forecast for full year announced on May 10, 2024 remains unchanged at this moment.
(There is no change to the dividend forecast announced on May 10, 2024 (Annual dividend of 52 yen per share).)

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment. The year on year change rates are presented in comparison to the restated figures from the previous year, due to the retroactive adjustments following the change in accounting policy.

Highlights of Business Performance



(Units: JPY billions)



Net sales increased (+0.2 bln)

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

Cost of sales ratio increased (+0.7 %pt)

<Factors of decrease>

- Increase in sales of new drugs (Beova, Lasvic etc.)
 - Improve of ratio of new drugs

<Factors of increase>

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

Gross profit decreased (-0.3 bln)

SG&A cost decreased (-0.5 bln)

- R&D expenses remain flat
- SG&A (excluding R&D) decreased (-0.5bln)
 - Decrease in selling expenses, personnel expenses and depreciation expenses.
 - Increase in license fees etc.

Operating profit increased (+0.2 bln)

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment.

Consolidated Financial Results



(JPY billions)	FY2023 1H	FY2024 1H	Change
Net sales	54.9	55.1	+0.2
New ethical drugs, etc. (Japan)	37.9	39.0	+1.1
New ethical drugs (Overseas)	0.2	0.4	+0.2
Generic drugs	16.9	15.7	-1.2
Operating profit	1.3	1.5	+0.2
Ordinary profit	1.6	2.1	+0.5
Profit attributable to owner of parent	1.9	1.3	-0.6

		(Year on Year)	(Vs forecast)
■ Net sales	55.1 bln	(+0.2)	(-1.8)
● New ethical drugs, etc. (Japan)	39.0 bln	(+1.1)	(-0.7)
	<u>FY2023 2Q</u>	<u>FY2024 2Q</u>	
• Beova	8.3 ⇒	10.4	(+2.1) (+0.1)
• Lasvic	2.5 ⇒	3.0	(+0.5) (+0.2)
• Lyfnua	0.4 ⇒	0.4	(0) (-0.2)
• Desalex	3.1 ⇒	3.4	(+0.3) (-0.2)
• Flutiform	6.2 ⇒	6.4	(+0.2) (+0.4)
• Pentasa	6.1 ⇒	6.2	(+0.1) (+0.5)
• Kipres	2.6 ⇒	1.8	(-0.8) (-0.3)
• Mucodyne	2.0 ⇒	1.5	(-0.5) (-0.4)
• Uritos	0.3 ⇒	0.2	(-0.1) (+0.1)
● New ethical drugs (Overseas)	0.4 bln	(+0.2)	(+0.2)
	Temporary income regarding Gatifloxacin		
● Generic drugs	15.7 bln	(-1.2)	(-1.2)
	Decrease sales in AG products etc.		
■ Operating profit	1.5 bln	(+0.2)	(+0.5)
● Cost of sales ratio : 57.3% (FY2023 1H: 56.6%)	[Factors of decrease] Increase of sales for New drugs (Beova, Lasvic etc.) [Factors of increase] NHI drug price revisions, impact of exchange fluctuation		
● R&D : 3.8 bln (FY2023 1H: 3.8 bln)			
● SG&A (excluding R&D expenses) : 18.2 bln (FY2023 1H: 18.7 bln)	• Decrease in selling expenses, personnel expenses, depreciation expenses • Increase in license fee		
■ Profit attributable to owner of parent	1.3 bln	(-0.6)	(+0.4)

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment.

Financial Result and Forecast



(JPY millions)	1 st Half				Full term			
	FY2023 (Actual)	FY2024 (Actual)	Change	Change (%)	FY2024 (Forecast)	Change to forecast	FY2023 (Actual)	FY2024 (Forecast)
Net sales	54,937	55,139	+202	+0.4	56,900	-1,761	119,532	123,400
New ethical drugs, etc. (Japan)	37,875	39,029	+1,153	+3.0	39,700	-671	82,581	84,700
New ethical drugs (Overseas)	167	424	+257	+153.8	200	+224	386	400
Generic drugs	16,895	15,686	-1,208	-7.2	16,900	-1,214	36,564	38,200
Operating profit	1,335	1,549	+213	+16.0	1,000	+549	6,234	6,500
Ordinary profit	1,578	2,050	+471	+29.9	1,300	+750	6,822	6,900
Profit attributable to owner of parent	1,890	1,255	-634	-33.6	900	+355	5,475	5,000

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment.

Mainstay Product Sales Update



	(JPY billions)	Interim term					Full term			
		FY2022 (Actual)	FY2023 (Actual)	FY2024 (Actual)	Change	Change (%)	FY2024 (Forecast)	Change to forecast	FY2023 (Actual)	FY2024 (Forecast)
New ethical drugs, etc. (Japan)	Beova (Kyorin) (β3 adrenergic receptor agonist overactive bladder therapeutics)	5.5	8.3	10.4	+2.1	+26.4	10.3	+0.1	18.1	22.0
	Lasvic (New quinolone synthetic antibacterial agent)	1.0	2.5	3.0	+0.5	+19.8	2.8	+0.2	4.9	6.4
	Lyfnua (Selective P2X3 receptor antagonist for the treatment of chronic cough)	0.1	0.4	0.4	0	+7.6	0.6	-0.2	0.8	1.5
	Desalex (Antiallergic Agent)	3.0	3.1	3.4	+0.3	+8.3	3.6	-0.2	8.9	9.6
	Flutiform (Combination drug for asthma treatment)	5.7	6.2	6.4	+0.2	+3.1	6.0	+0.4	12.9	12.5
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	6.5	6.1	6.2	+0.1	+1.4	5.7	+0.5	12.3	11.6
	Kipres (Leukotriene Receptor Antagonist)	2.7	2.6	1.8	-0.8	-30.2	2.1	-0.3	7.0	5.3
	Mucodyne (Mucoregulant)	1.5	2.0	1.5	-0.5	-23.2	1.9	-0.4	4.2	4.3
	Uritos (Kyorin) (Therapeutic agent for overactive bladder)	0.4	0.3	0.2	-0.1	-25.7	0.1	+0.1	0.5	0.3
	Milton (Disinfectant)	1.0	1.0	0.9	-0.1	-3.7	0.9	0	1.9	1.9
	Rubysta (Disinfectant)	1.1	0.8	0.6	-0.2	-26.5	0.8	-0.2	1.5	1.5
Generic drugs	Montelukast tablets "KM" (Leukotriene Receptor Antagonist)	5.4	5.8	5.0	-0.8	-12.5	5.1	-0.1	12.3	11.8
	Mometasone Nasal 50μg "KYORIN" (Spray type allergic rhinitis remedy)	1.1	0.9	0.7	-0.2	-24.0	1.0	-0.3	4.5	4.3
	Imidafenacin tablets & OD "KYORIN" (Therapeutic agent for overactive bladder)	0.4	0.3	0.3	0	-10.7	0.2	+0.1	0.6	0.5

R&D Expenses, Capex & Depreciation

(JPY millions)	FY2021 1H	FY2022 1H	FY2023 1H	FY2024 1H	Y on Y Change (%)	FY2023	FY2024 (Forecast)
R&D expenses	4,364	4,498	3,842	3,844	+0.0	8,019	8,500
Capital expenditure	751	3,882	1,280	4,203	+228.1	6,587	6,600
Depreciation expense	1,831	1,907	2,172	2,307	+6.2	4,290	4,500

<Capital expenditure (Actual / Forecast)>

(JPY billions)	FY2023 1H	FY2024 1H	FY2023	FY2024 (Forecast)
Plant facilities	0.8	3.6	5.5	5.1
Equipment for control, sales activities	0.2	0.3	0.5	0.9
Equipment for research	0.2	0.3	0.5	0.6

Development pipeline

Main R&D Activities -1 (as of November 7, 2024)



Ph 3 ~ Launch

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Overseas					
Ph 3 (Sep 2022)	Ph 3 (aTyr pharma, USA)	KRP-R120	Interstitial lung disease: ILD (pulmonary sarcoidosis)	aTyr 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 (Aug 2022)		KRP-114VP	Overactive bladder	Merck	It selectively acts on β_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 (Apr 2021, England)	KRP-A218	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 November 7, 2024)



Licensing development (License-in)

* updated

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Over seas					
Ph 2 (Dec 2019) ASKA Pharmaceutical	—	AKP-009	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) -Additional Ph1 study at a higher dose has been completed (ASKA)

* Next step following the result of Ph1 trial is under consideration (ASKA Pharmaceutical)

Licensing development (License-out)

Stage	Compound / Code	Licensee	Therapy area / Action	Origin	Features	Note
Ph 3	KRP-203	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)

DTx

* updated

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

Reference

P&L Summary: Consolidated Results – (1)



(JPY millions)	FY2023 1H		FY2024 1H			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	54,937	100.0	55,139	100.0	+0.4	+202
New drugs, etc. (Japan)	37,875	68.9	39,029	70.8	+3.0	+1,153
New drugs (Overseas)	167	0.3	424	0.8	+153.8	+257
Generic drugs	16,895	30.8	15,686	28.4	-7.2	-1,208

<Subsidiaries and Equity-method Affiliates>

Consolidated subsidiaries (2) :

- KYORIN Rimedio Co., Ltd.
- KYORIN Pharmaceutical Group Facilities Co., Ltd.

Equity-Method Affiliates : Nippon Rika Co., Ltd.

<Breakdown>

				(Year on Year)
■ Sales	55,139 mil			(+202 mil)
● New drugs, etc. (Japan)	30,029 mil			(+1,153 mil)
		<u>FY2023 1H</u>	<u>FY2024 1H</u>	
• Beova		8.3	⇒ 10.4	(+2.1)
• Lasvic		2.5	⇒ 3.0	(+0.5)
• Lyfnua		0.4	⇒ 0.4	(0)
• Desalex		3.1	⇒ 3.4	(+0.3)
• Flutiform		6.2	⇒ 6.4	(+0.2)
• Pentasa		6.1	⇒ 6.2	(+0.1)
• Kipres		2.6	⇒ 1.8	(-0.8)
• Mucodyne		2.0	⇒ 1.5	(-0.5)
• Uritos		0.3	⇒ 0.2	(-0.1)
● New drugs (Overseas)				
• Temporary income regarding Gatifloxacin				
	424 mil			(+257 mil)
● Generic drugs	15,686 mil			(-1,208 mil)
• Sales of AG decreased, etc.				

P&L Summary : Consolidated Results – (2)



(JPY millions)	FY2023 1H		FY2024 1H			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Sales	54,937	100.0	55,139	100.0	+0.4	+202
Cost of Sales	31,101	56.6	31,575	57.3	+1.5	+474
Gross Profit	23,836	43.4	23,564	42.7	-1.1	-272
SG&A (R&D expenses)	22,500 (3,842)	41.0 (7.0)	22,015 (3,844)	39.9 (7.0)	-2.2 (+0.0)	-485 (+1)
Operating Profit	1,335	2.4	1,549	2.8	+16.0	+213
Non-Operating Income	313	0.6	571	1.0	+82.3	+257
Non-Operating Expenses	70	0.1	69	0.1	-0.7	-0
Ordinary Profit	1,578	2.9	2,050	3.7	+29.9	+471
Extraordinary profits	969	1.8	0	0.0	-100.0	-969
Extraordinary Losses	8	0.0	181	0.3	-	+173
Profit before income taxes	2,540	4.6	1,869	3.4	-26.4	-670
Corporate Tax etc.	649	1.2	613	1.1	-5.6	-36
Profit attributable to owner of parent	1,890	3.4	1,255	2.3	-33.6	-634

<Breakdown>

(Year on Year)

◆ **Cost of sales ratio :** **57.3%** **(+0.7 %pt)**

【Factors of decrease】

- Sales of new drugs increased (Beova, Lasvic etc.)
- Improve a ratio of new drugs

【Factors of increase】

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

◆ **R&D Ratio :** **7.0%** **(flat)**

- ¥ 3.8 bln (remain flat)

◆ **SG&A (exclude R&D) Expenses :**

33.0% **(-1.0 %pt)**

- 18.2 bln (decrease of 0.5 bln, year on year)
- Decrease in selling expenses, depreciation expenses and personnel expenses.
- Increase in license fees

■ **Operating Income:** **1,549 mil** **(+213 mil)**

■ **Ordinary Profit:** **2,050 mil** **(+471 mil)**

■ **Profit attributable to owner of parent:**

1,255 mil **(-634 mil)**

- FY2023: Extraordinary profit was posted for a gain on sale of investment securities of ¥969 mil

■ **Dividend per share (interim dividend): 20.00 yen**

BS Summary: Consolidated Results

(JPY millions)	Mar / 2024		Sep / 2024		
	Actual	% total	Actual	% total	Change
Current Assets	119,240	67.1	119,611	66.9	+ 370
Cash, deposits	13,886		14,017		
Notes and accounts receivable - trade, and contract assets	47,741		37,052		
Investment securities	99	—	499	—	—
Inventory	53,401		61,483		
Other	4,110		6,558		
Fixed Assets	58,386	32.9	59,254	33.1	+ 867
Tangible assets	28,950		30,299		
Intangible assets	5,088	—	5,018	—	—
Investments	24,348		23,936		
Total Assets	177,627	100.0	178,865	100.0	+ 1,238
Current Liabilities	45,491	25.6	33,393	18.7	- 12,098
Notes payable	14,265		13,838		
Other	31,226	—	19,554	—	—
Non-Current Liabilities	1,400	0.8	15,445	8.6	+ 14,044
Total Liabilities	46,892	26.4	48,838	27.3	+ 1,945
Owner's Equity	124,829	70.3	124,224	69.5	- 604
Other Comprehensive Income	5,905	3.3	5,802	3.2	- 103
Unrealized holding gain (loss) on securities	5,926		5,690		
Foreign currency translation adjustments	—	—	—	—	—
Remeasurements of defined benefit plans	- 20		112		
Total Equity	130,735	73.6	130,027	72.7	- 707
Total Liabilities and Equity	177,627	100.0	178,865	100.0	+ 1,238

<Breakdown>

(Year on Year)

■ Current Asset : +370 mil

- Cash, deposits (+ 130 mil)
- Notes and accounts receivable
- trade, and contract assets (- 10,689 mil)
- Investment securities (+ 399 mil)
- Inventory (+ 8,082 mil)
- Other (+ 2,447 mil)

■ Fixed Assets : +867mil

- Tangible Assets (+ 1,348 mil)
- Intangible Assets (- 69 mil)
- Investments (- 411mil)

■ Current Liabilities : - 12,098 mil

- Notes and accounts payable (- 426 mil)
- Other current liabilities (- 11,671 mil)

■ Non-Current Liabilities : +14,044 mil

Financial summary (Consolidated)

(JPY millions)	FY2022 1H	FY2023 1H	FY2024 1H	FY2023	FY2024 (Forecast)
Sales	49,093	54,937	55,139	119,532	123,400
(Overseas sales)	(312)	(167)	(424)	(386)	(400)
Cost of Sales	27,481	31,101	31,575	67,904	—
(Cost of sales ratio)	(56.0%)	(56.6%)	(57.3%)	(56.8%)	—
SG&A	20,833	22,500	22,015	45,394	—
(Ratio to sales)	(42.4%)	(41.0%)	(39.9%)	(38.0%)	—
R&D Expenses	4,498	3,842	3,844	8,019	8,500
(Ratio to sales)	(9.2%)	(7.0%)	(7.0%)	(6.7%)	(6.9%)
Operating Profit	777	1,335	1,549	6,234	6,500
(Ratio to sales)	(1.6%)	(2.4%)	(2.8%)	(5.2%)	(5.3%)
Ordinary Profit	1,171	1,578	2,050	6,822	6,900
(Ratio to sales)	(2.4%)	(2.9%)	(3.7%)	(5.7%)	(5.6%)
Profit	1,242	1,890	1,255	5,475	5,000
(Ratio to sales)	(2.5%)	(3.4%)	(2.3%)	(4.6%)	(4.1%)
EPS (¥)	21.69	32.97	21.86	95.41	87.03
Share Capital	700	700	700	700	—
Assets	175,461	176,102	178,865	177,627	—
Net Asset	124,735	126,158	130,027	130,735	—
BPS (¥)	2,176.74	2,196.01	2,263.36	2,275.68	—
ROE	1.0%	1.4%	1.0%	4.3%	—
Equity Ratio (%)	71.1%	71.6%	72.7%	73.6%	—
Employees	2,215	2,156	2,048	2,042	—
Capital Expenditure	3,882	1,280	4,203	6,587	6,600
Depreciation Expense	1,907	2,172	2,307	4,290	4,500

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment.

P&L summary : KYORIN pharmaceutical-(1)



(JPY millions)	FY2023 1H		FY2024 1H			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	47,673	100.0	48,563	100.0	+1.9	+890
New ethical drugs, etc. (Japan)	37,216	78.1	38,239	78.7	+2.7	+1,022
New ethical drugs (Overseas)	167	0.4	424	0.9	+153.8	+257
Generic drugs	10,289	21.6	9,899	20.4	-3.8	-389

<Breakdown>

	FY2023 1H		FY2024 1H	
■ Sales	48,563 mil		(Year on Year) (+890 mil)	
● New drugs, etc. (Japan)	38,239 mil		(+1,022 mil)	
• Beova	8.3	⇒	10.4	(+2.1)
• Lasvic	2.5	⇒	3.0	(+0.5)
• Lyfnua	0.4	⇒	0.4	(0)
• Desalex	3.1	⇒	3.4	(+0.3)
• Flutiform	6.2	⇒	6.4	(+0.2)
• Pentasa	6.1	⇒	6.2	(+0.1)
• Kipres	2.6	⇒	1.8	(-0.8)
• Mucodyne	2.0	⇒	1.5	(-0.5)
• Uritos	0.3	⇒	0.2	(-0.1)
● New drugs (Overseas)	424 mil		(+257 mil)	
• Temporary income regarding Gatifloxacin	424 mil		(+257 mil)	
● Generic drugs	9,899 mil		(-389 mil)	
• Sales of AG decreased, etc.	9,899 mil		(-389 mil)	

P&L summary : KYORIN pharmaceutical-(2)



(JPY millions)	FY2023 1H		FY2024 1H			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Sales	47,673	100.0	48,563	100.0	+1.9	+890
Cost of Sales	25,198	52.9	26,247	54.0	+4.2	+1,048
Gross Profit	22,474	47.1	22,316	46.0	-0.7	-158
SG&A (R&D expenses)	20,594 (3,344)	43.2 (7.0)	20,228 (3,415)	41.7 (7.0)	-1.8 (+2.1)	-365 (+71)
Operating Profit	1,879	3.9	2,087	4.3	+11.1	+207
Non-Operating Income	467	1.0	626	1.3	+34.1	+159
Non-Operating Expenses	29	0.1	57	0.1	+95.6	+28
Ordinary Profit	2,317	4.9	2,656	5.5	+14.6	+338
Extraordinary profits	47,813	100.3	0	0.0	-100.0	-47,813
Extraordinary Losses	3	0.0	125	0.3	—	+122
Profit before income taxes	50,127	105.1	2,530	5.2	-95.0	-47,596
Corporate Tax etc	795	1.7	693	1.4	-12.8	-101
Profit attributable to owner of parent	49,331	103.5	1,837	3.8	-96.3	-47,494

<Breakdown>

(Year on Year)

- ◆ **Cost of sales ratio: 54.0%** **(+1.1 pt)**
 【Factors of decrease】
 - Sales of new drugs increased (Beova, Lasvic etc.)
 【Factors of increase】
 - Impact of NHI drug price revisions (Kyorin Pharmaceutical: 7% range)
 - Impact of exchange fluctuation
- ◆ **R&D Ratio : 7.0%** **(Flat)**
 - 3.4 bln (Increase of 0.1 bln, year on year)
- ◆ **SG&A expenses (exclude R&D): 34.6% (-1.6 pt)**
 - 16.8 bln (-0.5 bln, year on year)
 - Decrease in selling expenses, depreciation expenses, and personnel expenses. Increase in license fee.
- **Operating Income: 2,087 mil (+207 mil)**
- **Profit attributable to owner of parent: 1,837 mil (-47,494 mil)**
 - FY2022 1H: Extraordinary profit was posted for a gain on extinguishment of tie-in share of 46,843 mil and a gain on sale of investment securities of 969 mil

BS Summary: KYORIN Pharmaceutical



(JPY millions)	Mar / 2023		Sep / 2023		
	Actual	%	Actual	% total	Change
Current Assets	115,089	70.4	117,106	71.2	+2,017
Cash, deposits	9,950		10,670		
Notes and accounts receivable-trade, and contract assets	42,451		32,379		
Investment securities	99	—	499	—	—
Inventory	44,369		50,544		
Other	18,217		23,012		
Fixed Assets	48,363	29.6	47,374	28.8	-989
Tangible assets	6,741		6,749		
Intangible assets	4,920	—	4,581	—	—
Investments	36,702		36,043		
Total Assets	163,453	100.0	164,481	100.0	+1,027
Current Liabilities	43,121	26.4	30,458	18.5	-12,662
Notes payable	14,245		13,160		
Other	28,875	—	17,297	—	—
Non-Current Liabilities	975	0.6	14,923	9.1	+13,948
Total Liabilities	44,096	27.0	45,382	27.6	+1,285
Shareholder's Equity	113,550	69.5	113,528	69.0	-22
Valuation and translation adjustments	5,805	3.6	5,570	3.4	-235
Net Assets	119,356	73.0	119,098	72.4	-257
Total Liabilities and Net Assets	163,453	100.0	164,481	100.0	+1,027

<Breakdown>

(Year on Year)

■ Current Asset : +2,017mil

- Cash, deposits (+719 mil)
- Notes and accounts receivable - trade, and contract assets (-10,072 mil)
- Investment securities (+399 mil)
- Inventory (+6,174 mil)
- Other (+4,795 mil)

■ Fixed Assets : -989 mil

- Tangible Assets (+8 mil)
- Intangible Assets (-339 mil)
- Investments (-658 mil)

■ Current Liabilities : -12,662 mil

- Accounts payable (-1,084 mil)
- Other current liabilities (-11,578 mil)

■ Non-Current Liabilities : +13,948 mil

Financial Summary: KYORIN Pharmaceutical



(JPY millions)	FY2022 1H	FY2023 1H	FY2024 1H	FY2023	FY2024 (Forecast)
Sales	42,210	47,673	48,563	105,157	107,800
(Overseas sales)	(195)	(167)	(424)	(386)	(400)
Cost of Sales	22,770	25,198	26,247	56,581	—
(Cost of sales ratio)	(53.9%)	(52.9%)	(54.0%)	(53.8%)	—
SG&A	18,905	20,594	20,228	41,682	—
(Ratio to sales)	(44.8%)	(43.2%)	(41.7%)	(39.6%)	—
R&D Expenses	3,712	3,344	3,415	7,088	7,400
(Ratio to sales)	(8.8%)	(7.0%)	(7.0%)	(6.7%)	(6.9%)
Operating Profit	534	1,879	2,087	6,893	7,000
(Ratio to sales)	(1.3%)	(3.9%)	(4.3%)	(6.6%)	(6.5%)
Ordinary Profit	1,170	2,317	2,656	7,632	7,600
(Ratio to sales)	(2.8%)	(4.9%)	(5.5%)	(7.3%)	(7.1%)
Profit	1,685	49,331	1,837	53,144	5,500
(Ratio to sales)	(4.0%)	(103.5%)	(3.8%)	(50.5%)	(5.1%)
EPS (¥)	22.70	858.60	31.97	925.92	95.73
Share Capital	4,317	700	700	700	—
Assets	160,792	159,331	164,481	163,453	—
Net Asset	119,636	116,724	119,098	119,356	—
BPS (¥)	1,610.88	2,031.56	2,072.87	2,077.37	—
ROE	1.4%	41.4%	1.5%	44.2%	—
Equity Ratio (%)	74.4%	73.3%	72.4%	73.0%	—
Employees	1,421	1,464	1,355	1,353	—
Capital Expenditure	162	576	598	1,108	1,400
Depreciation Expense	795	1,252	1,015	2,410	1,900

*The Company merged the former KYORIN Pharmaceutical Co., Ltd. as of April 1 2023. Results in FY2022 show in the former KYORIN Pharmaceutical Co., Ltd.'s results. Results in FY2023 and after show KYORIN Pharmaceutical Co., Ltd.'s results.

*Beginning with the interim period of FY2024, a change in accounting policy has been implemented, and figures for the interim period of FY2023 are presented after retroactive adjustment.