

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

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February 5, 2025

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 3Q



(JPY millions)	FY2021 3Q (Apr-Dec)	FY2022 3Q (Apr-Dec)	FY2023 3Q (Apr-Dec)	FY2024 3Q (Apr-Dec)	Change (%)	Full term FY2024 (Forecast)	Change (%)
Net sales	77,717	80,707	87,267	89,286	+2.3	123,400	+3.2
Operating profit	2,926	4,702	4,803	3,115	-35.1	6,500	+4.3
Ordinary profit	3,515	5,336	5,391	3,753	-30.4	6,900	+1.1
Profit attributable to owner of parent	2,483	4,377	4,149	2,439	-41.2	5,000	-8.7

Third 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 89,286 million yen (an increase of 2,018 million yen, year on year)

[Profit] Despite a sales increase, gross profit remained flat at 38,671 million yen (an increase of 19 million yen, year on year) due to rose the ratio of cost. On the other hand, SG&A expenses increased 1,707 million yen (R&D expenses increased 2,345 million yen) . As a result, operating profit was 3,115 million yen (a decrease of 1,687 million yen, year on year). Ordinary profit was 3,753 million yen (a decrease of 1,637 million yen, year on year). Profit attributable to owner of parent was 2,439 million yen (a decrease of 1,709 million yen, year on year)

Consolidated Financial Results for FY2024 (Forecast)

The forecast for full term announced on May 10, 2024 remain unchanged due to our inability to forecast business results at this time, owing to the many uncertain and fluid factors surrounding our business environment and market trends.

There is no change to the dividend plan announced on May 10, 2024 (Annual dividend of 52 yen per share).

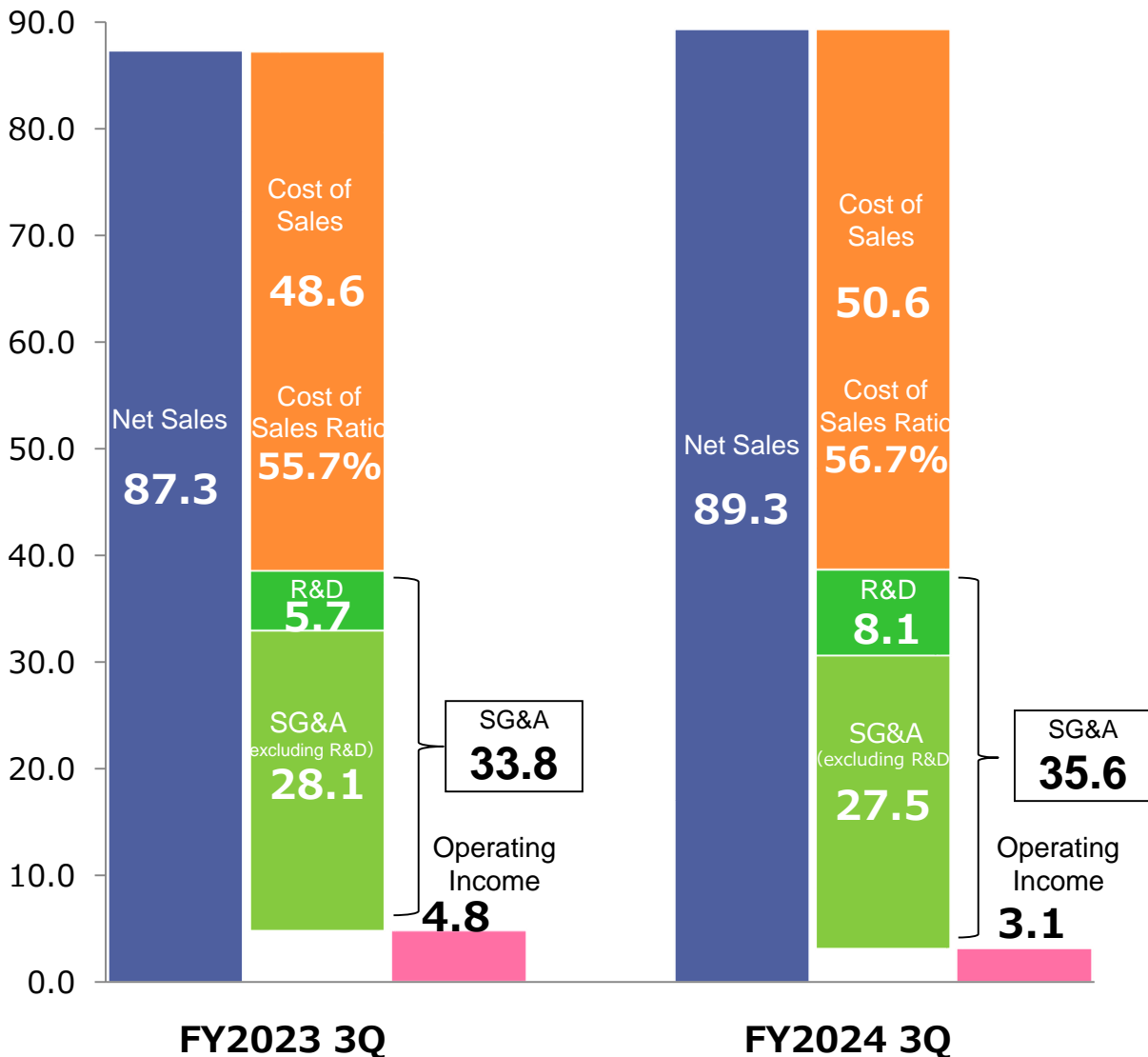
*Beginning this fiscal year, the company changed accounting policies.

The results for FY2023 3Q and percentage change relative to previous corresponding period are presented after retroactive adjustment.

Highlights of Business Performance



(JPY billions)



(JPY billions)

Net sales increased (+2.0)

- 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.)
 - Increase the ratio of new drug

<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 (+1.8)

- R&D expenses increased (+2.4)
 - Upfront of license-in product
- SG&A (excluding R&D) decreased (-0.6)
 - Decrease in sales expenses, personnel expenses, depreciation expenses
 - Increase in license fees

Operating profit increased (-1.7)

*Beginning this fiscal year, the company changed accounting policies. The results for FY2023 3Q are presented after retroactive adjustment.

Consolidated Financial Results



(JPY billions)

(Year on Year)

(JPY billions)	FY2023 3Q	FY2024 3Q	Change
Net sales	87.3	89.3	+ 2.0
New drugs, etc. (Japan)	60.6	62.9	+ 2.3
New drugs (Overseas)	0.3	0.5	+ 0.2
Generic drugs	26.4	25.9	- 0.5
Operating profit	4.8	3.1	- 1.7
Ordinary profit	5.4	3.8	- 1.6
Profit attributable to owner of parent	4.1	2.4	- 1.7

■ Net sales	89.3	(+2.0)	
● New drugs (Japan)	62.9	(+2.3)	
	FY2023 (3Q)	FY2024 (3Q)	
• Beova	13.4	⇒ 16.7	(+3.3)
• Lasvic	3.7	⇒ 5.8	(+2.1)
• Lyfnua	0.7	⇒ 0.7	(+0)
• Desalex	5.2	⇒ 5.6	(+0.4)
• Flutiform	9.9	⇒ 10.6	(+0.7)
• Pentasa	9.5	⇒ 9.4	(-0.1)
• Kipres	4.8	⇒ 2.6	(-2.2)
• Mucodyne	3.2	⇒ 2.6	(-0.6)
• Uritos	0.4	⇒ 0.3	(-0.1)
● New drugs (Overseas)	0.5	(+0.2)	
Temporary income regarding Gatifloxacin			
● Generic drugs	25.9	(-0.5)	
Decrease sales in AG etc.			
Sales contribution from new products launched in FY2024 and acquired products			
■ Operating income	3.1	(-1.7)	
● Cost of sales ratio : 56.7% (FY2023 3Q: 55.7%)			
[Factors of decrease] Increase in sales of new drugs (Beova, Lasvic etc.), Increase the ratio of new drugs			
[Factors of increase] NHI drug price revisions, effect of foreign exchange			
● R&D : 8.1 (FY2023 3Q: 5.7)			
Upfront of license-in product			
● SG&A (excluding R&D expenses) : 27.5 (FY2023 3Q: 28.1)			
Decrease in sales expenses, personnel expenses and depreciation expenses. Increase in license fees			
■ Profit attributable to owner of parent	2.4	(-1.7)	

*Beginning this fiscal year, the company changed accounting policies. The results for FY2023 3Q are presented after retroactive adjustment.

(JPY millions)	2Q (Apr-Sep)		3Q (Apr-Dec)				Full term		
	FY2023 (Actual)	FY2024 (Actual)	FY2023 (Actual)	FY2024 (Actual)	Change	Change (%)	FY2023 (Actual)	FY2024 (Forecast)	Progress to full term forecast (%)
Net sales	54,937	55,139	87,267	89,286	+2,018	+2.3	119,532	123,400	72.4
New drugs, etc. (Japan)	37,875	39,029	60,587	62,892	+2,304	+3.8	82,581	84,700	74.3
New drugs (Overseas)	167	424	291	517	+226	+77.7	386	400	129.3
Generic drugs	16,895	15,686	26,388	25,876	-512	-1.9	36,564	38,200	67.7
Operating profit	1,335	1,549	4,803	3,115	-1,687	-35.1	6,234	6,500	47.9
Ordinary profit	1,578	2,050	5,391	3,753	-1,637	-30.4	6,822	6,900	54.4
Profit attributable to owner of parent	1,890	1,255	4,149	2,439	-1,709	-41.2	5,475	5,000	48.8

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

Main Product Sales Update



(JPY billions)		2Q (Apr-Sep)		3Q (Apr-Dec)				Full term		
		FY2023 (Actual)	FY2024 (Actual)	FY2023 (Actual)	FY2024 (Actual)	Change	Change (%)	FY2023 (Actual)	FY2024 (Forecast)	Progress to full term forecast (%)
New drugs, etc. (Japan)	Beova (Kyorin) (B3 adrenergic receptor agonist overactive bladder therapeutics)	8.3	10.4	13.4	16.7	+3.3	+25.3	18.1	22.0	76.0
	Lasvic (New quinolone synthetic antibacterial agent)	2.5	3.0	3.7	5.8	+2.1	+54.7	4.9	6.4	89.9
	Lyfnua (selective P2X3 receptor antagonist for the treatment of chronic cough)	0.4	0.4	0.7	0.7	+0	+6.2	0.8	1.5	46.2
	Desalex (Antiallergic Agent)	3.1	3.4	5.2	5.6	+0.4	+7.5	8.9	9.6	58.4
	Flutiform (Combination drug for asthma treatment)	6.2	6.4	9.9	10.6	+0.7	+7.0	12.9	12.5	84.4
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	6.1	6.2	9.5	9.4	-0.1	-0.8	12.3	11.6	80.9
	Kipres (Leukotriene Receptor Antagonist)	2.6	1.8	4.8	2.6	-2.2	-46.9	7.0	5.3	48.3
	Mucodyne (Mucoregulant)	2.0	1.5	3.2	2.6	-0.6	-21.3	4.2	4.3	58.9
	Uritos (Kyorin) (Therapeutic agent for overactive bladder)	0.3	0.2	0.4	0.3	-0.1	-36.7	0.5	0.3	77.1
	Milton (Disinfectant)	1.0	0.9	1.5	1.4	-0.1	-3.8	1.9	1.9	75.3
Rubysta (Disinfectant)	0.8	0.6	1.2	0.9	-0.3	-26.6	1.5	1.5	57.2	
Generic drugs	Montelukast tablets "KM" (Leukotriene Receptor Antagonist)	5.8	5.0	9.2	8.3	-0.9	-10.3	12.3	11.8	70.1
	Mometasone Nasal 50µg "KYORIN" (Spray type allergic rhinitis remedy)	0.9	0.7	1.9	1.7	-0.2	-9.0	4.5	4.3	39.1
	Imidafenacin tablets & OD "KYORIN" (Therapeutic agent for overactive bladder)	0.3	0.3	0.5	0.4	-0.1	-8.6	0.6	0.5	81.0

Development pipeline

Main R&D Activities -1 (as of February 5, 2025)



Ph 3 ~ Launch

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Overseas					
Ph 3 In-house (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 In-house (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 In-house (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 February 5, 2025)



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 Pharma ceutical	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) -Further steps is under consideration in response to the results of the re-conducted Ph1 study (ASKA)
—	Ph 1 Bayer	KRP-S124* (BAY2925976)	OSA	Bayer	BAY2925976 works as an ADRA2C antagonist, helping to centrally reduce upper airway collapse. It is expected to improve the temporary apneas and hypopneas commonly observed in patients with OSA.	License agreement to obtained the exclusive worldwide rights to manufacture, develop, and commercialize BAY2925976 and its backup compound. (Dec 2024)

Licensing development (License-out)

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

Origin	Code	Proposed Indication	Note
SUSMED	KRP-DT123	Tinnitus	<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>

Option Agreement

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Overseas					
—	Ph 1 Biodol (France)	BDT272*	Chronic pain etc.	Biodol	BDT272 is anticipated to demonstrate effective analgesic properties through the inhibition of FLT3, a receptor tyrosine kinase implicated in the pathogenesis and maintenance of chronic pain condition such as neuropathic pain.	Option agreement to obtain an option for the license of the right to develop and commercialize BDT272 in Japan and other territories in Asia (excluding China) (Jan 2025)