

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

1. Overview of Consolidated Financial Results	P.2
2. Highlights of Business Performance	P.3
3. Consolidated Financial Results	P.4
4. Main Product Sales Update	P.5
5. R&D Expenses, Capital Expenditure & Depreciation Expense	P.6
6. Development pipeline	P.7-9
7. Consolidated Financial Results and full year Forecast	P.10
【Reference】	
8. P&L Summary	P.12-13
9. BS Summary	P.14
10. Financial summary	P.15
11. Kyorin Pharmaceutical result	P.16-19

May 10, 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 FY2023



(JPY millions)	FY2020	FY2021	FY2022	FY2023	Change (%)	FY2024 (Forecast)	Change (%)
Net sales	102,904	105,534	113,270	119,532	+5.5	123,400	+3.2
Operating profit	5,786	5,007	5,123	6,013	+17.4	6,500	+8.1
Ordinary profit	6,447	5,569	5,827	6,602	+13.3	6,900	+4.5
Profit attributable to owner of parent	6,130	3,932	4,723	5,322	+12.7	5,000	-6.1
Net income per share (¥)	106.99	68.62	82.44	92.74	+12.5	87.03	-6.2
Total assets	167,126	171,924	176,045	177,679	+0.9	—	—
Total equity	124,661	124,507	125,461	130,783	+4.2	—	—

Consolidated Financial Results for FY2023

[Net sales] Sales of new drugs etc. (Japan) increased from year on year by the effort 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 119,532 mil. (an increase of 6,262 mil. year on year)

[Profit] Gross profit was 51,408 mil.(an increase of 1,240 mil. year on year) due to increase in sales. On the other hand, SG&A expenses increased 350 mil. (R&D expenses decreased 2,884 mil.). As a result, operating profit was 6,013 mil. (increased 890 mil., year on year). Extraordinary income of 1,404 mil. and extraordinary loss of 987 mil. caused to profit attributable to owner of parent of 5,322 mil.(increased 598 mil., year on year).

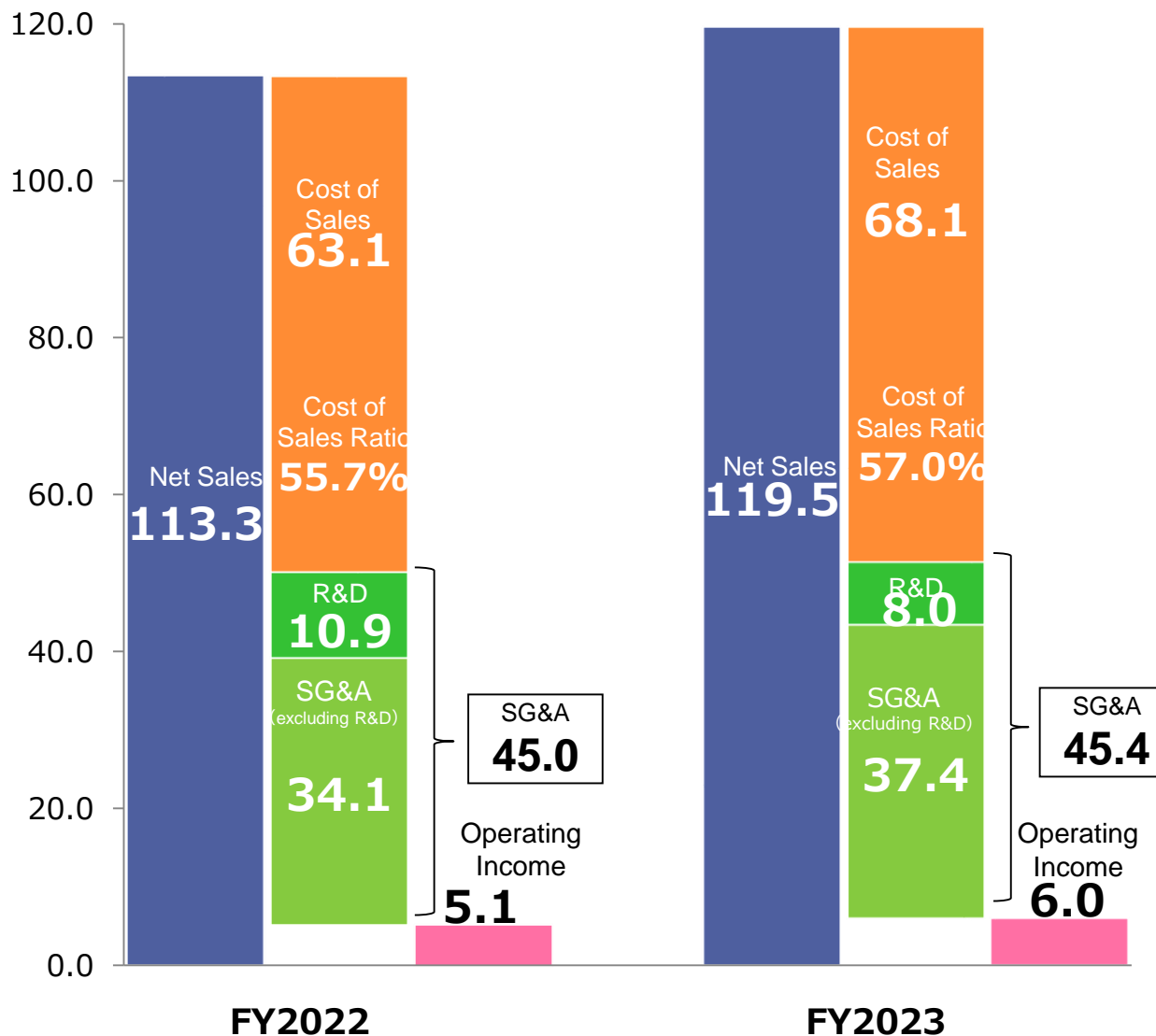
Consolidated Financial Results for FY2024 (Forecast)

Net sales of new drugs (Japan) are expected to increase in FY2024 by sales increase in "Beova", "Lasvic" and "Lyfnua" etc., though affect by NHI drug price revisions, and sales increase in generic drugs. Operating profit are expected to increase, since gross profit are expected to increase by an increase in net sales and SG&A are expected to remain flat. From the above, in terms of consolidated results for FY2024, net sales are forecast to be 123.4 billion yen (+3.2% year on year), operating profit to be 6.5 billion (+8.1% year on year), and profit attributable to owners of parent to be 5.0 billion (-6.1% year on year).

Highlights of Business Performance

(JPY billions)

(JPY billions)



Net sales increased (+ 6.2)

- Increase in sales of new drugs
 - New drugs grew (Beova, Lasvic etc.)
 - Increase in sales of long-listed products (Kipres, Mucodyne)

Cost of sales ratio increased (+ 1.3 %point)

<Factors of decrease>

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

<Factors of increase>

- Impact of NHI drug price revisions (Kyorin Pharmaceutical: 7% range)
- Loss on disposal of generic drugs
- Effect of exchange rate

Gross profit increased (+ 1.2)

SG&A cost increased (+ 0.4)

- R&D expenses decreased (- 2.9)
 - Reactionary drop of milestone payment
 - Decline of expenses regarding of ActivX
- SG&A (excluding R&D) increased (+ 3.3)
 - Increase in selling expenses, personnel expenses, depreciation expenses and license fees etc.

Operating profit increased (+ 0.9)

Consolidated Financial Results



(JPY billions)	FY2022	FY2023	Change
Net sales	113.3	119.5	+6.2
New drugs, etc (Japan)	74.8	82.6	+7.8
New drugs (Overseas)	0.3	0.4	+0.1
Generic drugs	38.2	36.6	-1.6
Operating profit	5.1	6.0	+0.9
Ordinary profit	5.8	6.6	+0.8
Profit attributable to owner of parent	4.7	5.3	+0.6

(JPY billions)

(Year on Year)

(vs Forecast)

■ **Net sales** **119.5** **(+6.2)** **(+3.3)**

● **New drugs (Japan)** **82.6** **(+7.8)** **(+3.5)**

	FY2022		FY2023		
• Beova	12.9	⇒	18.1	(+5.2)	(-0.8)
• Lasvic	2.5	⇒	4.9	(+2.4)	(+1.7)
• Lyfnua	0.2	⇒	0.8	(+0.6)	(-0.5)
• Desalex	8.5	⇒	8.9	(+0.4)	(0)
• Flutiform	12.0	⇒	12.9	(+0.9)	(+1.5)
• Pentasa	12.8	⇒	12.3	(-0.5)	(+0.5)
• Kipres	6.6	⇒	7.0	(+0.4)	(+1.7)
• Mucodyne	3.5	⇒	4.2	(+0.7)	(+1.2)
• Nasonex	2.5	⇒	2.0	(-0.5)	(+0.8)
• Uritos	0.7	⇒	0.5	(-0.2)	(+0.3)

● **New drugs (Overseas)** **0.4** **(+0.1)** **(0)**

● **Generic drugs** **36.6** **(-1.6)** **(0)**

Decrease sales in AG products

Decrease sales in supplies to other companies

Items launched in FY2023 contribute to sales

■ **Operating profit** **6.0** **(+0.9)** **(0)**

● **Cost of sales ratio : 57.0% (FY2022: 55.7%)**

[Factors of decrease] Increase in sales of new drugs (Beova, Lasvic etc.)

- Increase in the ratio of new drugs

[Factors of increase] NHI drug price revisions, Loss on disposal of generic drugs

effect of exchange rate

● **R&D : 8.0 (FY2022: 10.9)**

Reactionary drop of milestone payment, decline of expenses regarding of ActivX, etc.

● **SG&A (excluding R&D expenses) : 37.4 (FY2022: 34.1)**

Increase in selling expenses, personnel expenses, depreciation expenses and license fees etc.

■ **Profit attributable to owner of parent** **5.3** **(+0.6)** **(+0.4)**

Extraordinary profit 1,404 mil.: gain on sale of investment securities of 993 mil. etc.

Extraordinary loss 987 mil.: expenses regarding voluntary retirement program of 869 mil. etc.

Main Product Sales Update

(JPY billions)		FY2019	FY2020	FY2021	FY2022	FY2023	Change	Change (%)	FY2024 (Forecast)
New drugs, (Japan)	Beova (Kyorin) (β3 adrenergic receptor agonist overactive bladder therapeutics)	4.3	7.3	8.6	12.9	18.1	+5.2	+40.3	22.0
	Lasvic (New quinolone synthetic antibacterial agent)	1.1	0.9	1.8	2.5	4.9	+2.4	+99.5	6.4
	Lyfnua (selective P2X3 receptor antagonist for the treatment of chronic cough)	–	–	–	0.2	0.8	+0.6	+323.9	1.5
	Desalex (Antiallergic Agent)	2.6	5.7	7.1	8.5	8.9	+0.4	+3.7	9.6
	Flutiform (Combination drug for asthma treatment)	14.6	13.3	12.6	12.0	12.9	+0.9	+7.1	12.5
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	13.3	12.8	14.0	12.8	12.3	–0.5	–4.0	11.6
	Kipres (Leukotriene Receptor Antagonist)	11.8	8.3	8.4	6.6	7.0	+0.4	+5.9	5.3
	Mucodyne (Mucoregulant)	5.8	3.3	3.5	3.5	4.2	+0.7	+20.6	4.3
	Uritos (Kyorin) (Therapeutic agent for overactive bladder)	5.8	2.3	1.3	0.7	0.5	–0.2	–26.4	0.3
	Milton (Disinfectant)	2.4	2.1	2.1	2.0	1.9	–0.1	–6.7	1.9
	Rubysta (Disinfectant)	1.5	2.0	2.1	2.1	1.5	–0.6	–25.8	1.5
Generic drugs	Montelukast tablets “KM” (Leukotriene Receptor Antagonist)	11.5	10.8	12.2	13.3	12.3	–1.0	–7.7	11.8
	Mometasone Nasal 50μg “KYORIN” (Spray type allergic rhinitis remedy)	2.8	3.8	3.6	4.7	4.5	–0.2	–2.7	4.3
	Imidafenacin tablets & OD “KYORIN” (Therapeutic agent for overactive bladder)	–	0.7	0.8	0.7	0.6	–0.1	–14.0	0.5

R&D Expenses, Capital expenditure & Depreciation expense

(JPY millions)	FY2019	FY2020	FY2021	FY2022	FY2023	Change (%)	FY2024 (Forecast)
R&D expenses	10,987	9,703	8,897	10,903	8,019	-26.5	8,500
Capital expenditure	3,590	4,307	3,624	5,252	6,587	+25.4	6,600
Depreciation expense	3,221	3,564	3,714	3,840	4,290	+11.7	4,500

<Capital expenditure (Actual / Forecast)>

(JPY Billions)	FY2022	FY2023	FY2024 (Forecast)
Plant facilities	4.2	5.5	5.1
Equipment for control, sales activities	0.5	0.5	0.9
Equipment for research	0.5	0.5	0.6

Development pipeline

Main R&D Activities -1 (as of May 10, 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 May 10, 2024)

Licensing development (License-in)

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)

- Ph1 trial is being conducted again (ASKA Pharmaceutical)
- Development of GMAC for Fabry disease is terminated

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)

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

Consolidated Financial Results and full year Forecast



(JPY millions)	FY2023	FY2024 (Forecast)	Year on Year (Change)	Year on Year (%)
Net sales (total)	119,532	123,400	+ 3,868	+ 3.2
New drugs, etc. (Japan)	82,581	84,700	+ 2,119	+ 2.6
New drugs (Overseas)	386	400	+ 14	+ 3.6
Generic drugs	36,564	38,200	+ 1,636	+ 4.5
Operating profit	6,013	6,500	+ 487	+ 8.1
Ordinary profit	6,602	6,900	+ 298	+ 4.5
Profit attributable to owner of parent	5,322	5,000	- 322	- 6.1

[Reference]

P&L Summary: Consolidated Results – (1)



(JPY millions)	FY2022		FY2023			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	113,270	100.0%	119,532	100.0%	+5.5	+6,262
New drugs, etc. (Japan)	74,770	66.0%	82,581	69.1%	+10.4	+7,811
New drugs (Overseas)	308	0.3%	386	0.3%	+25.1	+77
Generic drugs	38,190	33.7%	36,564	30.6%	-4.3	-1,626

<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>

	(JPY millions)	
	(Year on year)	
■ Sales	119,532	(+6,262)
● New drugs (Japan)	82,581	(+7,811)
	(JPY billions)	
	<u>FY2022</u>	<u>FY2023</u>
• Beova	12.9 ⇒	18.1 (+5.2)
• Lasvic	2.5 ⇒	4.9 (+2.4)
• Lyfnua	0.2 ⇒	0.8 (+0.6)
• Desalex	8.5 ⇒	8.9 (+0.4)
• Flutiform	12.0 ⇒	12.9 (+0.9)
• Pentasa	12.8 ⇒	12.3 (-0.5)
• Kipres	6.6 ⇒	7.0 (+0.4)
• Mucodyne	3.5 ⇒	4.2 (+0.7)
• Nasonex	2.5 ⇒	2.0 (-0.5)
• Uritos	0.7 ⇒	0.5 (-0.2)
● New drugs (Overseas)	386	(+77)
● Generic drugs	36,564	(-1,626)
	<ul style="list-style-type: none"> • Decrease sales in AG products • Decrease sales in supplies to other companies • Items launched in FY2023 contribute to sales 	

P&L Summary : Consolidated Results – (2)

(JPY millions)	FY2022		FY2023			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net sales	113,270	100.0%	119,532	100.0%	+5.5	+6,262
Cost of sales	63,102	55.7%	68,124	57.0%	+8.0	+5,021
Gross profit	50,167	44.3%	51,408	43.0%	+2.5	+1,240
SG&A (R&D expenses)	45,043 (10,903)	39.8% (9.6%)	45,394 (8,019)	38.0% (6.7%)	+0.8 (-26.5)	+350 -2,884
Operating profit	5,123	4.5%	6,013	5.0%	+17.4	+890
Non-Operating Income	799	0.7%	735	0.6%	-8.0	-63
Non-Operating Expenses	94	0.1%	146	0.1%	+54.9	+52
Ordinary profit	5,827	5.1%	6,602	5.5%	+13.3	+774
Extraordinary profits	1,979	1.7%	1,404	1.2%	-29.1	-575
Extraordinary Losses	900	0.8%	987	0.8%	+9.6	+86
Income before income taxes	6,906	6.1%	7,019	5.9%	+1.6	+112
Corporate, inhabitants and enterprise taxes	2,462	2.2%	1,897	1.6%	-22.9	-564
Tax adjustments	-279	-0.2%	-200	-0.2%	-	+78
Profit attributable to owner of parent	4,723	4.2%	5,322	4.5%	+12.7%	+598

<Breakdown>

(Year on Year)

◆ Cost of sales ratio: 57.0% (+ 1.3 %pt)

【Factor of decrease】

- Sales of New drugs increased (Beova, Lasvic etc.)

【Factor of increase】

- Impact of NHI drug price revisions
- Impact of losses on disposal of generic drugs
- Effect of exchange rate

◆ R&D ratio: 6.7% (- 2.9 %pt)

- 8.0 billion yen (FY2022: 10.9)
- Reactionary drop of milestone payment
- Decline of expenses regarding dissolution of ActivX

◆ SG&A ratio (excluding R&D) : 31.3% (+ 1.2%pt)

- 37.4 billion yen (FY2022 : 34.1 billion yen)
- Increase in selling, personal expenses, depreciation expenses and license fees etc.

■ Operating profit: 6,013 million yen (+ 890 mil)

■ Profit attributable to owner of parent: 5,322 million yen (+ 598 mil)

- Extraordinary profit 1,404 mil.
Gain on sale of investment securities of 993 mil.
- Extraordinary loss 987 mil.
Expenses regarding voluntary retirement program of 869 mil

■ Dividend per share: 52.0 yen/share

(interim dividend 20.0 yen /share)

Consolidated Dividend ratio: 56.8%

BS Summary: Consolidated Results

(JPY millions)	Mar / 2023		Mar / 2024		
	Actual	% total	Actual	% total	Change
Current Assets	119,030	67.6%	119,310	67.1%	+ 279
Cash, deposits	19,394		13,886		
Notes and accounts receivable	47,301		47,741		
Securities	—	—	99	—	—
Inventory	48,026		53,471		
Other	4,307		4,110		
Non-current Assets	57,014	32.4%	58,369	32.9%	+ 1,355
Property, plant and equipment	25,834		28,950		
Intangible assets	5,393	—	5,088	—	—
Investments	25,785		24,330		
Total Assets	176,045	100.0%	177,679	100.0%	+ 1,634
Current Liabilities	34,983	19.9%	45,491	25.6%	+ 10,507
Notes payable	13,762		14,265		
Other	21,221	—	31,226	—	—
Non-Current Liabilities	15,600	8.9%	1,404	0.8%	− 14,195
Total Liabilities	50,584	28.7%	46,896	26.4%	− 3,687
Owner's Equity	122,182	69.4%	124,877	70.3%	+ 2,694
Other Comprehensive Income	3,278	1.9%	5,905	3.3%	+ 2,627
Unrealized holding gain (loss) on securities	5,695		5,926		
Foreign currency translation adjustments	340	—	—	—	—
Remeasurements of defined benefit plans	− 2,756		− 20		
Total Equity	125,461	71.3%	130,783	73.6%	+ 5,322
Total Liabilities and Equity	176,045	100.0%	177,679	100.0	+ 1,634

<Breakdown>

(Year on Year)

■ Current Assets: + 279 mil

- Cash, deposits (− 5,508 mil)
- Notes and accounts receivable - trade, and contract assets (+ 439 mil)
- Securities (+ 99 mil)
- Inventory (+ 5,444 mil)
- Other (− 197 mil)

■ Non-current Assets: + 1,355mil

- Property, plant and equipment (+ 3,115 mil)
- Intangible Assets (− 305 mil)
- Investments (− 1,454 mil)

■ Current Liabilities: + 10,507 mil

- Notes and accounts payable - trade (+ 502 mil)
- Other (+ 10,005 mil)

■ Non-Current Liabilities: − 14,195 mil

Financial summary (Consolidated)

(JPY millions)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Sales	109,983	102,904	105,534	113,270	119,532	123,400
(Exports)	(1,490)	(996)	(1,033)	(308)	(386)	(400)
Cost of Sales	52,950	51,276	56,093	63,102	68,124	—
(cost of sales ratio)	(48.1%)	(49.8%)	(53.2%)	(55.7%)	(57.0%)	—
SG&A	49,528	45,841	44,433	45,043	45,394	—
(Ratio to sales)	(45.0%)	(44.5%)	(42.1%)	(39.8%)	(38.0%)	—
R&D Expenses	10,987	9,703	8,897	10,903	8,019	8,500
(Ratio to sales)	(10.0%)	(9.4%)	(8.4%)	(9.6%)	(6.7%)	(6.9%)
Operating Income	7,503	5,786	5,007	5,123	6,013	6,500
(Ratio to sales)	(6.8%)	(5.6%)	(4.7%)	(4.5%)	(5.0%)	(5.3%)
Ordinary Income	8,175	6,447	5,569	5,827	6,602	6,900
(Ratio to sales)	(7.4%)	(6.3%)	(5.3%)	(5.1%)	(5.5%)	(5.6%)
Net Income	6,149	6,130	3,932	4,723	5,322	5,000
(Ratio to sales)	(5.6%)	(6.0%)	(3.7%)	(4.2%)	(4.5%)	(4.1%)
EPS (¥)	107.35	106.99	68.62	82.44	92.74	87.03
Capital	700	700	700	700	700	—
Assets	171,160	167,126	171,924	176,045	177,679	—
Shareholder's equity	118,534	120,339	120,491	122,182	124,877	—
Total Equity	122,710	124,661	124,507	125,461	130,783	—
BPS (¥)	2,142.07	2,175.52	2,172.83	2,189.43	2,276.52	—
ROE	5.0%	5.0%	3.2%	3.8%	4.2%	—
Equity Ratio (%)	71.7%	74.6%	72.4%	71.3%	73.6%	—
Employees	2,271	2,243	2,222	2,138	2,042	—
Capital Expenditure	3,590	4,307	3,624	5,252	6,587	6,600
Depreciation Expense	3,221	3,564	3,714	3,840	4,290	4,500

P&L summary : KYORIN Pharmaceutical-(1)



(JPY millions)	FY2022		FY2023			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	97,526	100.0%	105,157	100.0%	+7.8	+7,630
New drugs (Japan)	72,757	74.6%	81,049	77.1%	+11.4	+8,291
New drugs (Overseas)	112	0.1%	386	0.4%	+242.4	+273
Generic drugs	24,656	25.3%	23,722	22.6%	-3.8	-934

<Breakdown>

(JPY millions)

(Year on year)

■ Sales **105,157** (+7,630)

● New drugs (Japan) **81,049** (+8,291)

(JPY billions)	FY2022	⇒	FY2023	
•Beova	12.9	⇒	18.1	(+5.2)
•Lasvic	2.5	⇒	4.9	(+2.4)
•Lyfnua	0.2	⇒	0.8	(+0.6)
•Desalex	8.5	⇒	8.9	(+0.4)
•Flutiform	12.0	⇒	12.9	(+0.9)
•Pentasa	12.8	⇒	12.3	(-0.5)
•Kipres	6.6	⇒	7.0	(+0.4)
•Mucodyne	3.5	⇒	4.2	(+0.7)
•Nasonex	2.5	⇒	2.0	(-0.5)
•Uritos	0.7	⇒	0.5	(-0.2)

● New drugs (Overseas) **386** (+273)

● Generic drugs **23,722** (-934)

• Sales decrease in AG products

The result of FY2022 is for former KYORIN Pharmaceutical Co., Ltd. and the result of FY2023 is for the company after the merger.

P&L summary : KYORIN pharmaceutical-(2)

(JPY millions)	FY2022		FY2023			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net sales	97,526	100.0%	105,157	100.0%	+7.8	+7,630
Cost of sales	52,479	53.8%	56,796	54.0%	+8.2	+4,316
Gross profit	45,046	46.2%	48,361	46.0%	+7.4	+3,314
SG&A (R&D expenses)	40,415 (9,233)	41.4% (9.5%)	41,682 (7,088)	39.6% (6.7%)	+3.1 (-23.2%)	+1,267 (-2,144)
Operating profit	4,631	4.7%	6,679	6.4%	+44.2%	+2,047
Non-Operating profit	1,158	1.2%	804	0.8%	-30.6%	-354
Non-Operating Expenses	63	0.1%	66	0.1%	+4.9%	+3
Ordinary profit	5,727	5.9%	7,417	7.1%	+29.5%	+1,690
Extraordinary profits	1,710	1.8%	48,537	46.2%	—	+46,826
Extraordinary Losses	8	0.0%	938	0.9%	—	+929
Income before income taxes	7,429	7.6%	55,016	52.3%	—	+47,587
Corporate, inhabitants and enterprise taxes	2,296	2.4%	2,046	1.9%	-10.9%	-249
Tax adjustments	-589	-0.6%	-25	-0.0%	—	+564
Profit attributable to owner of parent	5,722	5.9%	52,995	50.4%	—	+47,272

<Breakdown>

(Year on Year)

◆ Cost of sales ratio: 54.0% (+0.2%pt)

【Factors of decrease】

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

【Factors of increase】

- Impact of NHI drug price revisions
- Effect of exchange rate

◆ R&D Ratio: 6.7% (-2.8%pt)

- 7.1 billion yen (FY2022: 9.2 billion yen)

Reactionary drop of milestone payment

Decline of expenses regarding dissolution of ActivX

◆ SG&A (excluding R&D): 32.9% (+0.9 %pt)

- 34.6 billion yen (FY2022 : 31.2 billion yen)

- Increase in selling, personal expenses, depreciation expenses

■ Operating Profst: 6,679 mil (+2,047 mil)

■ Profit attributable to owner of parent

: 52,995 mil (+47,272 mil)

- Extraordinary profit 48,537 mil
A gain on extinguishment of tie-in share of 46,843 mil, gain on sale on investment securities of 969 mil.
- Extraordinary loss 938 mil.
Expenses regarding voluntary retirement program of 869 mil.

BS Summary: Former KYORIN Pharmaceutical



(JPY millions)	Mar / 2023		Mar / 2024		
	Actual	% total	Actual	% total	Change
Current Assets	127,987	77.7%	115,164	70.4%	-12,823
Cash, deposits	10,881		9,950		
Notes and accounts receivable	40,955		42,451		
Securities	—	—	99	—	—
Inventory	38,842		44,444		
Other	37,308		18,217		
Non-Current Assets	36,774	22.3%	48,363	29.6%	+11,589
Property, plant and equipment	6,696		6,741		
Intangible assets	4,340	—	4,920	—	—
Investments	25,736		36,702		
Total Assets	164,761	100.0%	163,527	100.0%	-1,233
Current Liabilities	31,742	19.3%	43,121	26.4%	+11,378
Accounts payable	13,703		14,245		
Other	18,038	—	28,875	—	—
Non-Current Liabilities	11,468	7.0%	997	0.6%	-10,470
Total Liabilities	43,210	26.2%	44,118	27.0%	+908
Owner's Equity	115,953	70.4%	113,603	69.5%	-2,350
Valuation and translation adjustments	5,597	3.4%	5,805	3.6%	+208
Total Equity	121,550	73.8%	119,409	73.0%	-2,141
Total Liabilities and Equity	164,761	100.0%	163,527	100.0%	-1,233

<Breakdown>

(Year on Year)

■ Current Assets : -12,823 mil.

- Cash, deposits (-930 mil.)
- Notes and accounts receivable receivable - trade, and contract assets (+1,496 mil.)
- Securities (+99 mil.)
- Inventory (+5,601 mil.)
- Other (-19,091 mil.)

■ Non-current Assets : +11,589 mil

- Property, plant and equipment (+44 mil.)
- Intangible Assets (+580 mil.)
- Investments (+10,965 mil.)

■ Current Liabilities : +11,378 mil

- Accounts payable - trade (+542 mil.)
- Other (+10,836 mil.)

■ Non-Current Liabilities : -10,470 mil

Financial Summary: Former KYORIN Pharmaceutical



(JPY million)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Sales	96,336	89,674	92,010	97,526	105,157	107,800
(Exports)	(1,260)	(793)	(834)	(112)	(386)	(400)
Cost of Sales	47,339	44,922	48,736	52,479	56,796	—
(cost of sales ratio)	(49.1%)	(50.1%)	(53.0%)	(53.8%)	(54.0%)	—
SG&A	44,675	41,190	40,413	40,415	41,682	—
(Ratio to sales)	(46.4%)	(45.9%)	(43.9%)	(41.4%)	(39.6%)	—
R&D Expenses	10,038	8,719	7,695	9,233	7,088	7,400
(Ratio to sales)	(10.4%)	(9.7%)	(8.4%)	(9.5%)	(6.7%)	(6.9%)
Operating Income	4,321	3,561	2,859	4,631	6,679	7,000
(Ratio to sales)	(4.5%)	(4.0%)	(3.1%)	(4.7%)	(6.4%)	(6.5%)
Ordinary Income	5,340	4,546	3,781	5,727	7,417	7,600
(Ratio to sales)	(5.5%)	(5.1%)	(4.1%)	(5.9%)	(7.1%)	(7.1%)
Net Income	3,996	4,814	2,620	5,722	52,995	5,500
(Ratio to sales)	(4.1%)	(5.4%)	(2.8%)	(5.9%)	(50.4%)	(5.1%)
EPS (¥)	53.82	64.82	35.28	77.06	923.33	95.73
Capital	4,317	4,317	4,317	4,317	700	—
Assets	160,570	156,628	159,980	164,761	163,527	—
Shareholder's equity	112,525	113,848	113,052	115,953	113,603	—
Total Equity	119,405	120,420	119,232	121,550	119,409	—
BPS (¥)	1,607.77	1,621.43	1,605.43	1,636.65	2,078.28	—
ROE	3.3%	4.0%	2.2%	4.8%	57.5%	—
Equity Ratio (%)	74.4%	76.9%	74.5%	73.8%	73.0%	—
Employees	1,502	1,471	1,441	1,364	1,353	—
Capital Expenditure	441	732	627	505	1,108	1,400
Depreciation Expense	1,183	1,391	1,461	1,608	2,410	1,900

FY2018-FY2022: The former KYORIN Pharmaceutical Co., Ltd.'s results. FY2023-: KYORIN Pharmaceutical Co., Ltd.'s result and forecast.