

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

1. Overview of Consolidated Financial Results	P.2
2. Highlights of Business Performance	P.3
3. Consolidated Financial Results	P.4
4. Forcast Main Product Sales Update	P.5
5. Financial Results and Forcast	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 11, 2023

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 FY2022



(JPY millions)	FY2019	FY2020	FY2021	FY2022	Change (%)	FY2023 (Forecast)	Change (%)
Net sales	109,983	102,904	105,534	113,270	+7.3	116,200	+2.6
Operating profit	7,503	5,786	5,007	5,123	+2.3	6,000	+17.1
Ordinary profit	8,175	6,447	5,569	5,827	+4.6	6,500	+11.5
Profit attributable to owner of parent	6,149	6,130	3,932	4,723	+20.1	4,900	+3.7
Net income per share	107.35yen	106.99yen	68.62yen	82.44yen	+20.1	85.51yen	+3.7
Total assets	171,160	167,126	171,924	176,045	+2.4	—	—
Total equity	122,710	124,661	124,507	125,461	+0.8	—	—

Consolidated Financial Results for FY2022

[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 (KYORIN pharmaceutical: 8% range) and COVID-19 pandemic. And also sales of generic drugs increased. As a result, net sales were 113,270 million yen (an increase of 7,735 million yen year on year)

[Profit] Gross profit was 50,167 million yen (an increase of 726 million yen year on year) due to increase in sales, despite an increase in cost of sales ratio due to the impact of NHI drug price revision etc. On the other hand, SG&A expenses increased 610 million yen due to the absence of upfront payment in FY2021 and cost reduction, while R&D expenses increased 2,005 million yen. As a result, operating profit was 5,123 million yen (increased 115 million yen, year on year). Extraordinary income of 1,9793 million yen and extraordinary loss of 900 million caused to profit attributable to owner of parent of 4,723 million yen.

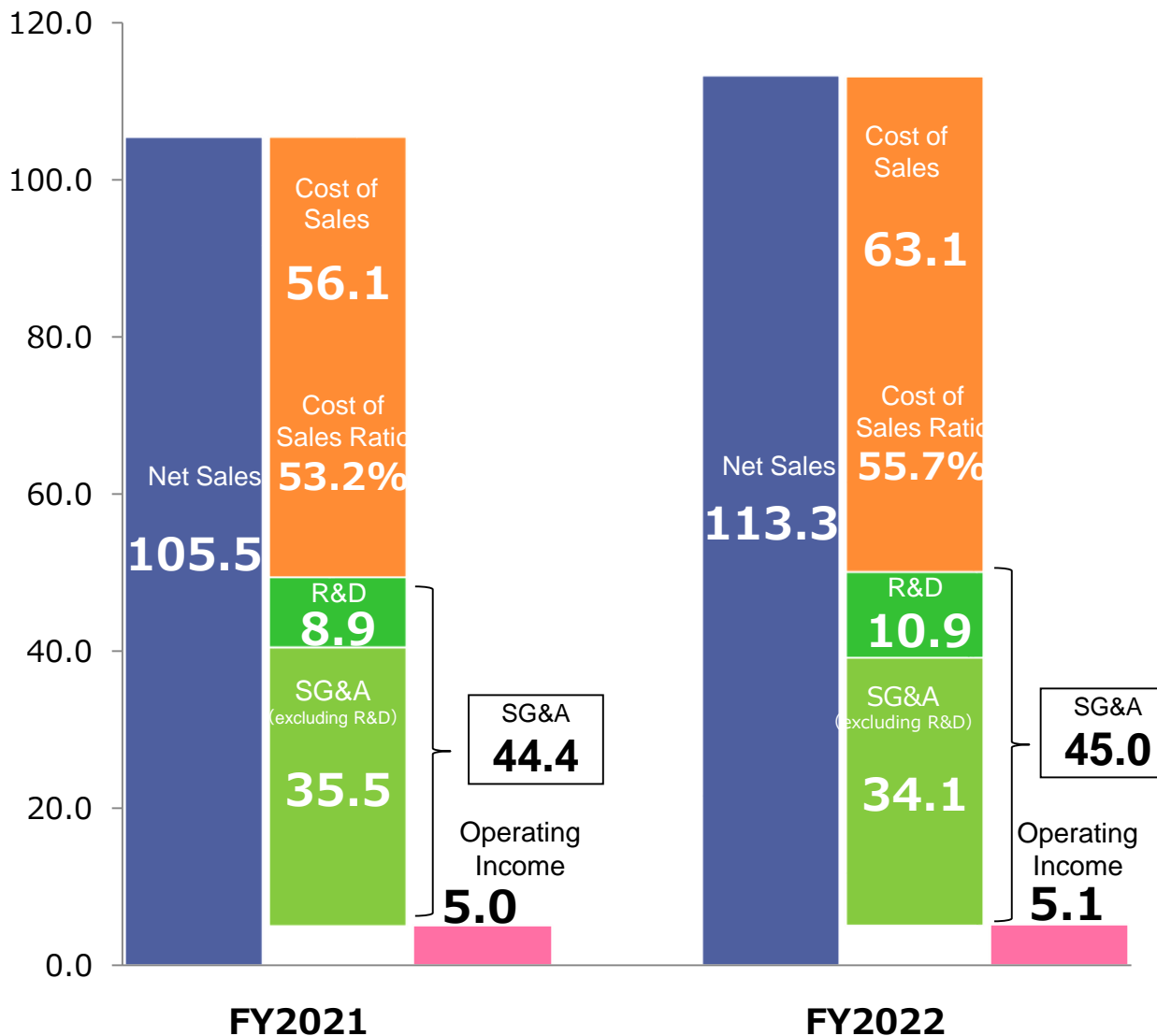
Consolidated Financial Results for FY2023 (Forecast)

Net sales of new drugs (Japan) are expected to increase in FY2023 by sales increase in "Beova", "Lyfnua" and "Lasvic" etc., though affect by NHI drug price revisions, and sales decrease in generic drugs due to decline in sales of AG. Gross profit are expected to increase by an increase in net sales and a decrease in the cost of sale ratio. SG&A are projected to increase. From the above, in terms of consolidated results for FY2023, net sales are forecast to be 116,200 million yen (+2.6% year on year), operating profit to be 6,000 million yen (+17.1% year on year), and profit attributable to owners of parent to be 4,900 million yen (+3.7% year on year).

Highlights of Business Performance



(JPY billions)



(JPY billions)

Net sales increased (+ 7.8)

- Increase in sales of new drugs
 - Main products (Beova, Desalex, Lasvic) grew
 - Increase in sales of out-licensing product (Beova)
 - Increase in sales long-listed products
- Increase in sales of generic drugs

Cost of sales ratio increased (+ 2.5 %point)

<Factors of decrease>

- Increase in sales of new drugs

<Factors of increase>

- Impact of NHI drug price revisions (Kyorin Pharmaceutical: 8% range)
- Increase in sales of generic drugs
- Effect of exchange rate

Gross profit increased (+ 0.7)

SG&A cost increased (+ 0.6)

- R&D expenses increased (+ 2.0)
Upfront payment, progress in pipeline
- SG&A (excluding R&D) decreased (- 1.4)
Decrease in selling, personal expenses, license fees (Decline of upfront payment posted in FY2021 and payment of royalty)

Operating profit increased (+ 0.1)

Consolidated Financial Results



(JPY billions)	FY2021	FY2022	Change
Net sales	105.5	113.3	+ 7.8
New drugs (Japan)	69.7	74.8	+ 5.1
New drugs (Overseas)	1.0	0.3	- 0.7
Generic drugs	34.8	38.2	+ 3.4
Operating profit	5.0	5.1	+ 0.1
Ordinary profit	5.6	5.8	+ 0.2
Profit attributable to owner of parent	3.9	4.7	+ 0.8

(JPY billions)

(Year on Year)

(Forecast)

■ **Net sales** **113.3** **(+7.8)** **(+1.3)**

● **New drugs (Japan)** **74.8** **(+5.1)** **(+0.3)**

	FY2021		FY2022		
• Beova	8.6	⇒	12.9	(+4.3)	(-1.2)
• Lasvic	1.8	⇒	2.5	(+0.7)	(-0.5)
• Lyfnua	—		0.2	(+0.2)	(-0.3)
• Desalex	7.1	⇒	8.5	(+1.4)	(+0.5)
• Flutiform	12.6	⇒	12.0	(-0.6)	(0)
• Pentasa	14.0	⇒	12.8	(-1.2)	(+0.3)
• Kipres	8.4	⇒	6.6	(-1.8)	(-0.2)
• Mucodyne	3.5	⇒	3.5	(0)	(+0.6)
• Nasonex	2.4	⇒	2.5	(+0.1)	(+0.7)
• Uritos	1.3	⇒	0.7	(-0.6)	(0)

● **New drugs (Overseas)** **0.3** **(-0.7)** **(-0.4)**

Decrease in income regarding out-licence product in FY2021

● **Generic drugs** **38.2** **(+3.4)** **(+1.5)**

Increase sales in AG products (Kipres AG, Nasonex AG)

Items launched in FY2022 contribute to sales

■ **Operating income** **5.1** **(+0.1)** **(-0.4)**

● **Cost of sales ratio : 55.7% (FY2021: 53.2%)**

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

[Factors of increase] NHI drug price revisions, sales increase in generic drugs, effect of exchange rate

● **R&D : 10.9 (FY2021: 8.9)**

Progress in pipeline (milestone payment etc.)

● **SG&A (excluding R&D expenses) : 34.1 (FY2021: 35.5)**

Decrease in selling, personal expenses and license fees etc.

• Decline of upfront payment posted in FY2021

■ **Net Income** **4.7** **(+0.8)** **(+0.2)**

Extraordinary profit: gain on insurance of ¥881M and income of compensation for damages of ¥401M regarding a fire at Nishinohon delivery center, and gain on sale of investment securities ¥685M

Extraordinary loss: Impairment losses of ¥110M, provision for loss on liquidation of subsidiaries and associates of ¥605M regarding dissolution of ActivX

Main Product Sales Update

(JPY billions)		FY2018	FY2019	FY2020	FY2021	FY2022	Change	Change (%)	FY2023 (Forecast)
New drugs, (Japan)	Beova (Kyorin) (β3 adrenergic receptor agonist overactive bladder therapeutics)	0.7	4.3	7.3	8.6	12.9	+4.3	+49.8	18.9
	Lasvic (New quinolone synthetic antibacterial agent)	–	1.1	0.9	1.8	2.5	+0.7	+35.0	3.2
	Lyfnua (selective P2X3 receptor antagonist for the treatment of chronic cough)	–	–	–	–	0.2	+0.2	–	1.3
	Desalex (Antiallergic Agent)	3.7	2.6	5.7	7.1	8.5	+1.4	+20.6	8.9
	Flutiform (Combination drug for asthma treatment)	13.1	14.6	13.3	12.6	12.0	–0.6	–4.8	11.4
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	13.5	13.3	12.8	14.0	12.8	–1.2	–8.4	11.8
	Kipres (Leukotriene Receptor Antagonist)	13.9	11.8	8.3	8.4	6.6	–1.8	–21.7	5.3
	Mucodyne (Mucoregulant)	6.8	5.8	3.3	3.5	3.5	0	+1.5	3.0
	Nasonex (Spray type allergic rhinitis remedy)	12.8	6.0	2.8	2.4	2.5	+0.1	+4.1	1.2
	Uritos (Kyorin) (Therapeutic agent for overactive bladder)	6.6	5.8	2.3	1.3	0.7	–0.6	–44.2	0.2
	Milton (Disinfectant)	2.2	2.4	2.1	2.1	2.0	–0.1	–2.4	1.9
Rubysta (Disinfectant)	1.3	1.5	2.0	2.1	2.1	0	–0.7	2.1	
Generic drugs	Montelukast tablets “KM” (Leukotriene Receptor Antagonist)	11.9	11.5	10.8	12.2	13.3	+1.1	+9.5	11.0
	Mometasone Nasal 50μg “KYORIN” (Spray type allergic rhinitis remedy)	–	2.8	3.8	3.6	4.7	+1.1	+28.5	3.4
	Imidafenacin tablets & OD “KYORIN” (Therapeutic agent for overactive bladder)	–	–	0.7	0.8	0.7	–0.1	–9.9	0.4

R&D Expenses, Capex & Depreciation

(JPY millions)	FY2018	FY2019	FY2020	FY2022	FY2022	Change (%)	FY2023 (Forecast)
R&D expenses	10,790	10,987	9,703	8,897	10,903	+22.5	9,600
Capital expenditure	2,306	3,590	4,307	3,624	5,252	+44.9	5,900
Depreciation expense	2,940	3,221	3,564	3,714	3,840	+3.4	4,300

<Capital expenditure (Actual / Forecast)>

(JPY Billions)	FY2021	FY2022	FY2023 (Forecast)
Plant facilities	2.6	4.2	5.0
Equipment for control, sales activities	0.4	0.5	0.5
Equipment for research	0.6	0.5	0.4

Development pipeline

Main R&D Activities -1 (as of May 11 , 2023)



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 11, 2023)



Licensing development (License-in)

* Update

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 is in preparation

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)

* Update

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 scheduled.</p>

Consolidated Financial Results and full year Forecast



(JPY millions)	FY2022	FY2023 (Forecast)	Year on Year Change	Year on Year (%)
Net sales (total)	113,270	116,200	+2,930	+2.6
New drugs (Japan)	74,770	79,100	+4,330	+5.8
New drugs (Overseas)	308	400	+92	+29.6
Generic drugs	38,190	36,600	-1,590	-4.2
Operating profit	5,123	6,000	+877	+17.1
Ordinary profit	5,827	6,500	+673	+11.5
Profit attributable to owner of parent	4,723	4,900	+177	+3.7

[Reference]

P&L Summary: Consolidated Results – (1)

(JPY millions)	FY2021		FY2022			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	105,534	100.0%	113,270	100.0%	+7.3	+7,735
New drugs (Japan)	69,725	66.1%	74,770	66.0%	+7.2	+5,045
New drugs (Overseas)	1,033	1.0%	308	0.3%	-70.1	-725
Generic drugs	34,775	33.0%	38,190	33.7%	+9.8	+3,415

<Subsidiaries and Equity-method Affiliates>

Consolidated subsidiaries (5) :

- KYORIN Pharmaceutical Co., Ltd.
- Kyorin Europe GmbH
- ActivX Biosciences, Inc.
- KYORIN Rimedio Co., Ltd.
- KYORIN Pharmaceutical Group Facilities Co., Ltd.

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

<Breakdown>

(JPY millions)		(Year on year)
■ Sales	113,270	(+7,735)
● New drugs (Japan)	74,770	(+5,045)
(JPY billions)	FY2021	FY2022
•Beova	8.6 ⇒	12.9 (+4.3)
•Lasvic	1.8 ⇒	2.5 (+0.7)
•Lyfnua	—	0.2 (+0.2)
•Desalex	7.1 ⇒	8.5 (+1.4)
•Flutiform	12.6 ⇒	12.0 (-0.6)
•Pentasa	14.0 ⇒	12.8 (-1.2)
•Kipres	8.4 ⇒	6.6 (-1.8)
•Mucodyne	3.5 ⇒	3.5 (0)
•Nasonex	2.4 ⇒	2.5 (+0.1)
•Uritos	1.3 ⇒	0.7 (-0.6)
● New drugs (Overseas)	308	(-725)
		• Decrease in income regarding out-licence product in FY2021
● Generic drugs	38,190	(+3,415)
		• Sales increase in AG products (Kipres AG, Nasonex AG etc.)
		• New generic drugs in FY2022 contributed to sales

P&L Summary : Consolidated Results – (2)

(JPY millions)	FY2021		FY2022			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net sales	105,534	100.0%	113,270	100.0%	+7.3	+7,735
Cost of sales	56,093	53.2%	63,102	55.7%	+12.5	+7,009
Gross profit	49,441	46.8%	50,167	44.3%	+1.5	+726
SG&A (R&D expenses)	44,433 (8,897)	42.1% (8.4%)	45,043 (10,903)	39.8% (9.6%)	+1.4 (+22.5)	+610 +2,005
Operating profit	5,007	4.7%	5,123	4.5%	+2.3	+115
Non-Operating Income	677	0.6%	799	0.7%	+18.0	+121
Non-Operating Expenses	115	0.1%	94	0.1%	-18.0	-20
Ordinary profit	5,569	5.3%	5,827	5.1%	+4.6	+258
Extraordinary profits	0	0.0%	1,979	1.7%	—	+1,978
Extraordinary Losses	352	0.3%	900	0.8%	+155.2	+547
Income before income taxes	5,216	4.9%	6,906	6.1%	+32.4	+1,689
Corporate, inhabitants and enterprise taxes	1,630	1.5%	2,462	2.2%	+51.0	+831
Tax adjustments	-346	-0.3%	-279	-0.2%	—	+66
Profit attributable to owner of parent	3,932	3.7%	4,723	4.2%	+20.1%	+791

<Breakdown>

(Year on Year)

◆ Cost of sales ratio: 55.7% (+2.5 %point)

[Reasons of decrease]

- Sales of New drugs increased

[Reasons of increase]

- Impact of NHI drug price revisions
- Sales of Generic drugs increased
- Effect of exchange rate

◆ R&D ratio: 9.6% (+1.2 %point)

- 10.9 billion yen (FY2021: 8.9 billion yen)
- Progress in pipeline

◆ SG&A ratio (excluding R&D) : 30.1% (-3.6 %point)

- 34.1 billion yen (FY2021 : 35.5 billion yen)
- Decrease in selling, personal expenses and license fees etc.
- License fees: decline of upfront payment posted in FY2021, decline of royalty fee.

■ Operating Income: 5,123 million yen (+115 million yen)

■ Net Income: 4,723 million yen (+791 million yen)

- Extraordinary profit: gain on insurance and income of compensation for damages regarding a fire at Nishinihon delivery center, and gain on sale of investment securities.
- Extraordinary loss: Impairment losses, provision for loss on liquidation of subsidiaries and associates regarding dissolution of ActivX

■ Dividend per share: 52,00 yen/share

(interim dividend 20.0 yen /share)

Consolidated Dividend ratio: 64.0%

BS Summary: Consolidated Results

(JPY millions)	Mar / 2022		Mar / 2023		
	Actual	% total	Actual	% total	Change
Current Assets	116,376	67.7%	119,030	67.6%	+2,654
Cash, deposits	26,994		19,394		
Notes and accounts receivable	41,676		47,301		
Mk securities	500	—	0	—	—
Inventory	42,217		48,026		
Other	4,989		4,307		
Fixed Assets	55,547	32.3%	57,014	32.4%	+1,467
Tangible assets	24,334		25,834		
Intangible assets	3,289	—	5,393	—	—
Investments	27,923		25,785		
Total Assets	171,924	100.0%	176,045	100.0%	+4,121
Current Liabilities	32,182	18.7%	34,983	19.9%	+2,801
Notes payable	10,896		13,762		
Other	21,286	—	21,221	—	—
Non-Current Liabilities	15,234	8.9%	15,600	8.9%	+366
Total Liabilities	47,416	27.6%	50,584	28.7%	+3,167
Owner's Equity	120,491	70.1%	122,182	69.4%	+1,690
Other Comprehensive Income	4,016	2.3%	3,278	1.9%	-737
Unrealized holding gain (loss) on securities	6,268		5,695		
Foreign currency translation adjustments	110	—	340	—	—
Remeasurements of defined benefit plans	-2,362		-2,756		
Total Equity	124,507	72.4%	125,461	71.3%	+953
Total Liabilities and Equity	171,924	100.0%	176,045	100.0%	+4,121

<Breakdown>

(Year on Year)

■ Current Asset: + 2,654 million yen

- Cash, deposits (- 7,599)
- Notes and accounts receivable (+ 5,625)
- Mk securities (- 500)
- Inventory (+ 5,809)
- Other (- 681)

■ Fixed Assets: + 1,467 million yen

- Tangible Assets (+ 1,500)
- Intangible Assets (+ 2,104)
- Investments (- 2,138)

■ Current Liabilities: + 2,801 million yen

- Notes Payable (+ 2,866)
- Other (- 65)

■ Non-Current Liabilities: + 366 million yen

Financial summary (Consolidated)

(JPY millions)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Sales	113,620	109,983	102,904	105,534	113,270	116,200
(Exports)	(830)	(1,490)	(996)	(1,033)	(308)	(400)
Cost of Sales	56,210	52,950	51,276	56,093	63,102	—
(cost of sales ratio)	(49.5%)	(48.1%)	(49.8%)	(53.2%)	(55.7%)	—
SG&A	48,436	49,528	45,841	44,433	45,043	—
(Ratio to sales)	(42.6%)	(45.0%)	(44.5%)	(42.1%)	(39.8%)	—
R&D Expenses	10,790	10,987	9,703	8,897	10,903	9,600
(Ratio to sales)	(9.5%)	(10.0%)	(9.4%)	(8.4%)	(9.6%)	(8.3%)
Operating Income	8,972	7,503	5,786	5,007	5,123	6,000
(Ratio to sales)	(7.9%)	(6.8%)	(5.6%)	(4.7%)	(4.5%)	(5.2%)
Ordinary Income	9,438	8,175	6,447	5,569	5,827	6,500
(Ratio to sales)	(8.3%)	(7.4%)	(6.3%)	(5.3%)	(5.1%)	(5.6%)
Net Income	6,869	6,149	6,130	3,932	4,723	4,900
(Ratio to sales)	(6.0%)	(5.6%)	(6.0%)	(3.7%)	(4.2%)	(4.2%)
EPS (¥)	104.68円	107.35円	106.99円	68.62円	82.44円	85.51円
Capital	700	700	700	700	700	—
Assets	173,034	171,160	167,126	171,924	176,045	—
Shareholder's equity	116,744	118,534	120,339	120,491	122,182	—
Total Equity	123,395	122,710	124,661	124,507	125,461	—
BPS (¥)	2,154.05yen	2,142.07yen	2,175.52yen	2,172.83yen	2,189.43yen	—
ROE	4.8%	5.0%	5.0%	3.2%	3.8%	—
Equity Ratio (%)	71.3%	71.7%	74.6%	72.4%	71.3%	—
Employees	2,297	2,271	2,243	2,222	2,138	—
Capital Expenditure	2,306	3,590	4,307	3,624	5,252	5,900
Depreciation Expense	2,940	3,221	3,564	3,714	3,840	4,300

P&L summary : Former KYORIN Pharmaceutical-(1)



(JPY millions)	FY2021		FY2022			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net Sales (total)	92,010	100.0%	97,526	100.0%	+6.0	+5,516
New drugs (Japan)	67,814	73.7%	72,757	74.6%	+7.3	+4,942
New drugs (Overseas)	834	0.9%	112	0.1%	-86.5	-721
Generic drugs	23,361	25.4%	24,656	25.3%	+5.5	+1,295

<Breakdown>

(JPY millions)

(Year on year)

■ **Sales** **97,526** (+ 5,516)

● **New drugs (Japan)**
72,757 (+ 4,942)

	FY2021	⇒	FY2022	(Change)
• Beova	8.6	⇒	12.9	(+4.3)
• Lasvic	1.8	⇒	2.5	(+0.7)
• Lyfnua	—	⇒	0.2	(+0.2)
• Desalex	7.1	⇒	8.5	(+1.4)
• Flutiform	12.6	⇒	12.0	(-0.6)
• Pentasa	14.0	⇒	12.8	(-1.2)
• Kipres	8.4	⇒	6.6	(-1.8)
• Mucodyne	3.5	⇒	3.5	(0)
• Nasonex	2.4	⇒	2.5	(+0.1)
• Uritos	1.3	⇒	0.7	(-0.6)

● **New drugs (Overseas)** **112** (- 721)

• Decrease in income regarding out-licence product in FY2021

● **Generic drugs** **24,656** (+ 1,295)
• Sales increase in AG products (Kipres AG, etc.)

P&L summary : Former KYORIN pharmaceutical-(2)



(JPY millions)	FY2021		FY2022			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
Net sales	92,010	100.0%	97,526	100.0%	+6.0	+5,516
Cost of sales	48,736	53.0%	52,479	53.8%	+7.7	+3,742
Gross profit	43,273	47.0%	45,046	46.2%	+4.1	+1,773
SG&A (R&D expenses)	40,413 (7,695)	43.9% (8.4%)	40,415 (9,233)	41.4% (9.5%)	+0.0 (+20.0%)	+1 (+1,537)
Operating profit	2,859	3.1%	4,631	4.7%	+62.0%	+1,772
Non-Operating profit	978	1.1%	1,158	1.2%	+18.4%	+179
Non-Operating Expenses	56	0.1%	63	0.1%	+11.8%	+6
Ordinary profit	3,781	4.1%	5,727	5.9%	+51.4%	+1,945
Extraordinary profits	0	0.0%	1,710	1.8%	—	+1,710
Extraordinary Losses	344	0.4%	8	0.0%	-97.4%	-335
Income before income taxes	3,437	3.7%	7,429	7.6%	+116.2%	+3,992
Corporate, inhabitants and enterprise taxes	1,192	1.3%	2,295	2.4%	+92.5%	+1,103
Tax adjustments	-376	-0.4%	-589	-0.6%	—	-213
Profit attributable to owner of parent	2,620	2.8%	5,722	5.9%	+118.4%	+3,102

<Breakdown>

(Year on Year)

◆ Cost of sales ratio: 53.8% (+ 0.8 %point)

【Factors of decrease】

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

【Factors of increase】

- Impact of NHI drug price revisions (8% range)
- Sales of generic drugs increased
- Effect of exchange rate

◆ R&D Ratio: 9.5% (+ 1.1 %point)

- 7.7 billion yen → 9.2 billion yen
- Upfront payment, progress in pipeline

◆ SG&A (excluding R&D): 32.0% (-3.5 %point)

- 31.2 billion yen (FY2021 : 32.7 billion yen)
- Decline of upfront payment posted in FY2021

■ Operating Income: 4,631 (+ 1,772)

■ Net Income: 5,722 (+ 3,102)

- Extraordinary profit: gain on insurance and income of compensation for damages regarding a fire at Nishinohon delivery center.

BS Summary: Former KYORIN Pharmaceutical



(JPY millions)	Mar / 2022		Mar / 2023		
	Actual	% total	Actual	% total	Change
Current Assets	121,796	76.1%	127,987	77.7%	+6,190
Cash, deposits	17,535		10,881		
Notes and accounts receivable	36,690		40,955		
Mk securities	500	—	0	—	—
Inventory	32,366		38,842		
Other	34,704		37,308		
Fixed Assets	38,183	23.9%	36,774	22.3%	-1,409
Tangible assets	7,029		6,696		
Intangible assets	2,534	—	4,340	—	—
Investments	28,620		25,736		
Total Assets	159,980	100.0%	164,761	100.0%	+4,781
Current Liabilities	28,543	17.8%	31,742	19.3%	+3,198
Notes payable	11,746		13,703		
Other	16,796	—	18,038	—	—
Non-Current Liabilities	12,204	7.6%	11,468	7.0%	-735
Total Liabilities	40,747	25.5%	43,210	26.2%	+2,463
Owner's Equity	113,052	70.7%	115,953	70.4%	+2,900
Valuation and translation adjustments	6,179	3.9%	5,597	3.4%	-582
Total Equity	119,232	74.5%	121,550	73.8%	+2,318
Total Liabilities and Equity	159,980	100.0%	164,761	100.0%	+4,781

<Breakdown>

(Year on Year)

■ Current Asset : + 6,190

• Cash, deposits	(- 6,654)
• Notes and accounts receivable	(+ 4,265)
• Mk securities	(- 500)
• Inventory	(+ 6,476)
• Other	(+ 2,603)

■ Fixed Assets : + 1,409

• Tangible Assets	(- 332)
• Intangible Assets	(+ 1,806)
• Investments	(- 2,883)

■ Current Liabilities : + 3,198

• Notes Payable	(+ 1,956)
• Other	(+ 1,242)

■ Non-Current Liabilities : - 735

Financial Summary: Former KYORIN Pharmaceutical



(JPY million)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Sales	99,736	96,336	89,674	92,010	97,526	100,000
(Exports)	(613)	(1,260)	(793)	(834)	(112)	(400)
Cost of Sales	50,443	47,339	44,922	48,736	52,479	—
(cost of sales ratio)	(50.6%)	(49.1%)	(50.1%)	(53.0%)	(53.8%)	—
SG&A	43,905	44,675	41,190	40,413	40,415	—
(Ratio to sales)	(44.0%)	(46.4%)	(45.9%)	(43.9%)	(41.4%)	—
R&D Expenses	9,569	10,038	8,719	7,695	9,233	8,400
(Ratio to sales)	(9.6%)	(10.4%)	(9.7%)	(8.4%)	(9.5%)	(8.4%)
Operating Income	5,387	4,321	3,561	2,859	4,631	6,100
(Ratio to sales)	(5.4%)	(4.5%)	(4.0%)	(3.1%)	(4.7%)	(6.1%)
Ordinary Income	6,121	5,340	4,546	3,781	5,727	6,800
(Ratio to sales)	(6.1%)	(5.5%)	(5.1%)	(4.1%)	(5.9%)	(6.8%)
Net Income	4,389	3,996	4,814	2,620	5,722	50,900
(Ratio to sales)	(4.4%)	(4.1%)	(5.4%)	(2.8%)	(5.9%)	(50.9%)
EPS (¥)	59.10yen	53.82yen	64.82yen	35.28yen	77.06yen	888.14yen
Capital	4,317	4,317	4,317	4,317	4,317	—
Assets	161,986	160,570	156,628	159,980	164,761	—
Shareholder's equity	112,464	112,525	113,848	113,052	115,953	—
Total Equity	121,320	119,405	120,420	119,232	121,550	—
BPS (¥)	1,633.55yem	1,607.77yen	1,621.43yen	1,605.43yen	1,636.65yen	—
ROE	3.5%	3.3%	4.0%	2.2%	4.8%	—
Equity Ratio (%)	74.9%	74.4%	76.9%	74.5%	73.8%	—
Employees	1,567	1,502	1,471	1,441	1,364	—
Capital Expenditure	599	441	732	627	505	1,000
Depreciation Expense	1,183	1,337	1,391	1,461	1,608	2,400

FY2018~FY2021: The former KYORIN Pharmaceutical Co., Ltd.'s results. FY2024: KYORIN Pharmaceutical. Co., Ltd.'s forecast.