

# Second Quarter Consolidated Financial Results for the Fiscal Year Ending 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. Financial Results and Forecast	P.5
5. Mainstay Product Sales Update	P.6
6. R&D Expenses, Capex & Depreciation	P.7
7. Development pipeline	P.8~10
【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

**November 8, 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 Second Quarter Consolidated Financial Results for FY2023

(JPY millions)	FY2020 2Q (Apr-Sep)	FY2021 2Q (Apr-Sep)	FY2022 2Q (Apr-Sep)	<b>FY2023</b> 2Q (Apr-Sep)	<b>Change</b> (%)	Full term FY2023 (Forecast)	Change (%)
Net sales	47,735	49,102	49,093	<b>54,937</b>	<b>+11.9</b>	116,200	+2.6
Operating profit	1,502	-68	777	<b>1,144</b>	<b>+47.2</b>	6,000	+17.1
Ordinary profit	1,813	285	1,171	<b>1,387</b>	<b>+18.4</b>	6,500	+11.5
Profit attributable to owner of parent	2,118	121	1,242	<b>1,757</b>	<b>+41.4</b>	4,900	+3.7

## Second Quarter Consolidated Financial Results for FY2023

**[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 increased. As a result, net sales were 54,937 million yen (an increase of 5,844 million yen, year on year) .

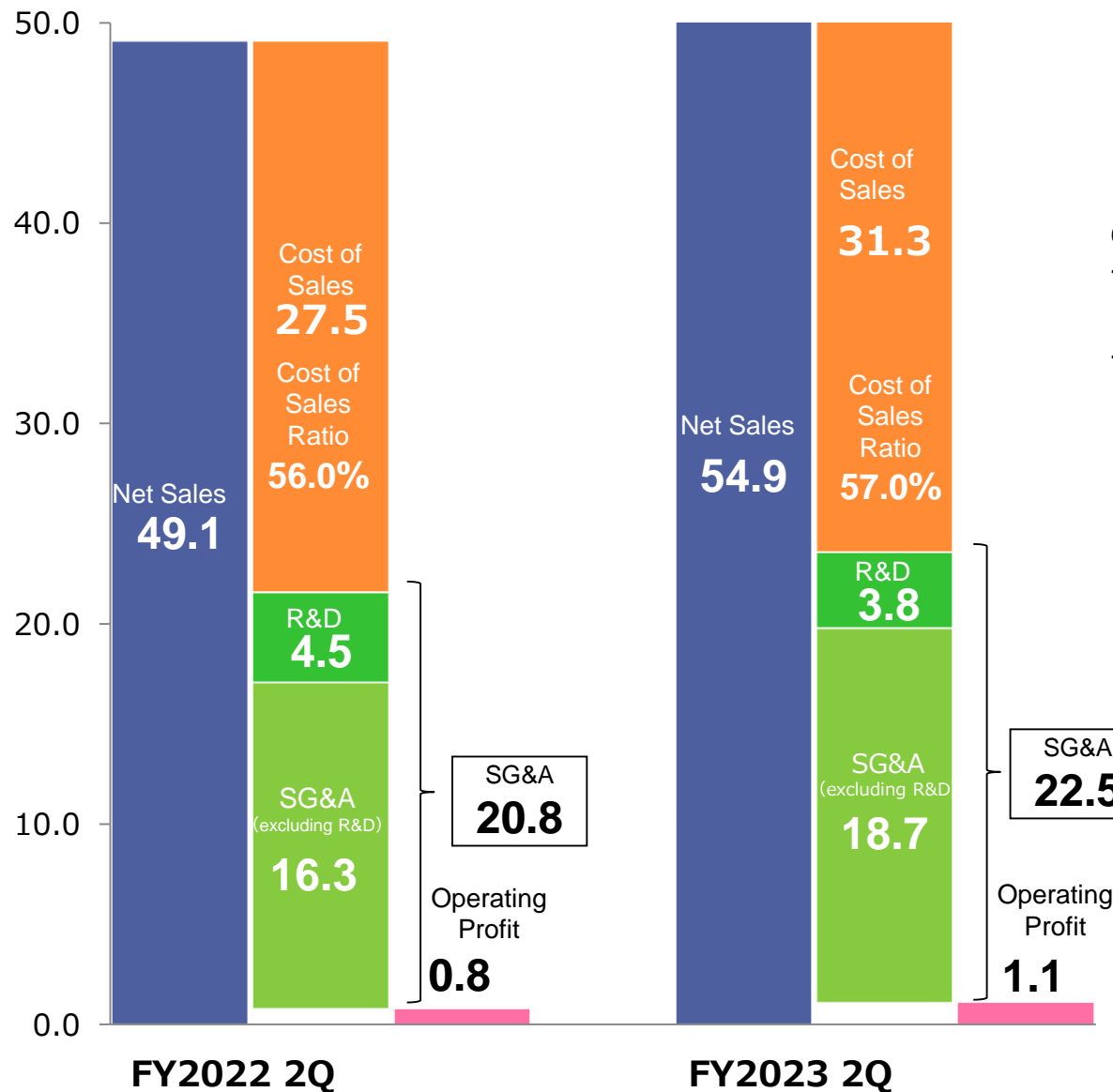
**[Profit]** Gross profit was 23,645 million yen (an increase of 2,033 million yen, year on year). On the other hand, increased in SG&A expenses of 1,666 million yen (R&D expenses decreased 656 million yen) and increased in gross profit lead to operating profit of 1,144 million yen (increased 366 million yen, year on year). Profit attributable to owner of parent increased 514 million yen year on year to 1,757 million as a result the absence of extraordinary income recorded in FY2022 (gain on insurance and compensation for damages regarding a fire at Nishinohon delivery center), and posting of gain on sale of investment securities of 969 million yen.

## Consolidated Financial Results for FY2023 (forecast)

The forecast for full year announced on May 11, 2023 remain unchanged at this moment.  
(There is no change to the dividend forecast announced on May 11, 2023 (Annual dividend of 52 yen per share).)

# Highlights of Business Performance

(Units: JPY billions)



## Net sales increased (+5.8 bln)

- Increase in sales of new drugs etc. (Japan)
  - Mainstay products (Beova, Lasvic, Flutiform) grew
- Increase in sales of generic drugs

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

<Factors of decrease>

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

<Factors of increase>

- Impact of NHI drug price revisions (Kyorin Pharmaceutical: 7% range)
- Increase in sales of generic drugs

## Gross profit increased (+2.0 bln)

### SG&A cost increased (+1.7 bln)

- R&D expenses decreased (-0.7bln)
  - Decline of expenses regarding dissolution of ActivX.
- SG&A (excluding R&D) increased (+2.4bln)
  - Increase in selling expenses, personnel expenses and license fees etc.

## Operating profit increased (+0.3 bln)

# Consolidated Financial Results



(JPY millions)	FY2022 2Q (Apr- Sep)	FY2023 2Q (Apr- Sep)	Change
<b>Net sales</b>	49.1	<b>54.9</b>	+5.8
New ethical drugs, etc. (Japan)	32.7	<b>37.9</b>	+5.2
New ethical drugs (Overseas)	0.3	<b>0.2</b>	- 0.1
Generic drugs	16.1	<b>16.9</b>	+0.8
<b>Operating profit</b>	0.8	<b>1.1</b>	+0.3
<b>Ordinary profit</b>	1.2	<b>1.4</b>	+0.2
<b>Profit attributable to owner of parent</b>	1.2	<b>1.8</b>	+0.6

(Year on Year) (Vs forecast)

■ **Net sales** **54.9 bln** ( +5.8) (+1.2)

● **New ethical drugs, etc. (Japan)** **37.9 bln** (+5.2) (+1.2)

	FY2022 2Q		FY2023 2Q		
•Beova	5.5	⇒	8.3	( +2.8)	( -0.5)
•Lasvic	1.0	⇒	2.5	( +1.5)	( +1.1)
•Lyfnua	0.1	⇒	0.4	( +0.3)	( -0.1)
•Desalex	3.0	⇒	3.1	( +0.1)	( -0.1)
•Flutiform	5.7	⇒	6.2	( +0.5)	( +0.7)
•Pentasa	6.5	⇒	6.1	( -0.4)	( +0.1)
•Kipres	2.7	⇒	2.6	( -0.1)	( +0.4)
•Mucodyne	1.5	⇒	2.0	( +0.5)	( +0.6)
•Nasonex	0.6	⇒	0.4	( -0.2)	( +0.1)
•Uritos	0.4	⇒	0.3	( -0.1)	( +0.2)

● **New ethical drugs (Overseas)** **0.2 bln** (-0.1) ( 0)

● **Generic drugs** **16.9 bln** (+0.8) (+0.2)

Increase sales in AG products (Kipres AG)

Items launched in June 2023 contribute to sales

■ **Operating profit** **1.1 bln** (+0.3) (+0.5)

● **Cost of sales ratio : 57.0% (FY2022 2Q: 56.0%)**

[Factors of decrease] Increase of sales for New drugs (Beova, Lasvic)

[Factors of increase] NHI drug price revisions, Increase in sales of generic drugs

● **R&D : 3.8 bln (FY2022 2Q: 4.5 bln)**

• Decline of expenses regarding dissolution of ActivX

● **SG&A (excluding R&D expenses) : 18.7 bln (FY2022 2Q: 16.3 bln)**

• Increase in selling expenses, depreciation expenses, personnel expenses and license.

■ **Profit attributable to owner of parent** **1.8 bln** (+0.6) (+1.1)

Extraordinary profit: Gain on sale of investment securities of 969 mil.

FY2022 2Q: Posted in extraordinary profit of 1,274 mil for income of compensation for damages regarding a fire at Nishinohon delivery center.

Posted in extraordinary loss of 663 mil for impairment losses and provision for loss on liquidation of subsidiaries and associates regarding dissolution of ActivX

(JPY millions)	2Q (Apr-Sep)				Full term			
	FY2022 (Actual)	<b>FY2023 (Actual)</b>	Change	Change (%)	FY2023 (Forecast)	Change to forecast	FY2022 (Actual)	<b>FY2023 (Forecast)</b>
<b>Net sales</b>	49,093	<b>54,937</b>	+5,844	+11.9	53,700	+1,237	113,270	116,200
New ethical drugs, etc. (Japan)	32,651	<b>37,875</b>	+5,223	+16.0	36,700	+1,175	74,770	79,100
New ethical drugs (Overseas)	312	<b>167</b>	-145	-46.5	200	-33	308	400
Generic drugs	16,128	<b>16,895</b>	+766	+4.7	16,700	+195	38,190	36,600
<b>Operating profit</b>	777	<b>1,144</b>	+366	+47.2	600	+544	5,123	6,000
<b>Ordinary profit</b>	1,171	<b>1,387</b>	+216	+18.4	900	+487	5,827	6,500
<b>Profit attributable to owner of parent</b>	1,242	<b>1,757</b>	+514	+41.4	700	+1,057	4,723	4,900

# Mainstay Product Sales Update



	(JPY billions)	2Q (Apr-Sep)				Change (%)	FY2023 (Forecast)	Change to forecast	Full term	
		FY2021 (Actual)	FY2022 (Actual)	FY2023 (Actual)	Change				FY2022 (Actual)	FY2023 (Forecast)
New ethical drugs, etc. (Japan)	<b>Beova (Kyorin)</b> (β3 adrenergic receptor agonist overactive bladder therapeutics)	4.3	5.5	<b>8.3</b>	+2.8	+50.8	8.8	-0.5	12.9	18.9
	<b>Lasvic</b> (New quinolone synthetic antibacterial agent)	0.8	1.0	<b>2.5</b>	+1.5	+152.7	1.4	+1.1	2.5	3.2
	<b>Lyfnua</b> (Selective P2X3 receptor antagonist for the treatment of chronic cough)	—	0.1	<b>0.4</b>	+0.3	+350.3	0.5	-0.1	0.2	1.3
	<b>Desalex</b> (Antiallergic Agent)	2.6	3.0	<b>3.1</b>	+0.1	+3.8	3.2	-0.1	8.5	8.9
	<b>Flutiform</b> (Combination drug for asthma treatment)	6.3	5.7	<b>6.2</b>	+0.5	+8.2	5.5	+0.7	12.0	11.4
	<b>Pentasa</b> (Ulcerative colitis and Crohn's disease treatment)	7.1	6.5	<b>6.1</b>	-0.4	-6.9	6.0	+0.1	12.8	11.8
	<b>Kipres</b> (Leukotriene Receptor Antagonist)	3.6	2.7	<b>2.6</b>	-0.1	-3.3	2.2	+0.4	6.6	5.3
	<b>Mucodyne</b> (Mucoregulant)	1.6	1.5	<b>2.0</b>	+0.5	+30.7	1.4	+0.6	3.5	3.0
	<b>Nasonex</b> (Spray type allergic rhinitis remedy)	0.7	0.6	<b>0.4</b>	-0.2	-39.7	0.3	+0.1	2.5	1.2
	<b>Uritos (Kyorin)</b> (Therapeutic agent for overactive bladder)	0.7	0.4	<b>0.3</b>	-0.1	-26.9	0.1	+0.2	0.7	0.2
	<b>Milton</b> (Disinfectant)	1.0	1.0	<b>1.0</b>	0	-7.6	1.0	0	2.0	1.9
<b>Rubysta</b> (Disinfectant)	1.0	1.1	<b>0.8</b>	-0.3	-23.1	1.0	-0.2	2.1	2.1	
Generic drugs	<b>Montelukast tablets "KM"</b> (Leukotriene Receptor Antagonist)	5.1	5.4	<b>5.8</b>	+0.4	+7.1	4.9	+0.9	13.3	11.0
	<b>Mometasone Nasal 50μg "KYORIN"</b> (Spray type allergic rhinitis remedy)	1.0	1.1	<b>0.9</b>	-0.2	-17.0	0.9	0	4.7	3.4
	<b>Imidafenacin tablets &amp; OD "KYORIN"</b> (Therapeutic agent for overactive bladder)	0.4	0.4	<b>0.3</b>	-0.1	-15.3	0.2	+0.1	0.7	0.4

# R&D Expenses, Capex & Depreciation

(JPY millions)	FY2020 2Q	FY2021 2Q	FY2022 2Q	FY2023 2Q	Y on Y Change (%)	FY2022	FY2023 (Forecast)
R&D expenses	5,200	4,364	4,498	<b>3,842</b>	-14.6	10,903	9,600
Capital expenditure	1,858	751	3,882	<b>1,280</b>	-67.0	5,252	5,900
Depreciation expense	1,716	1,831	1,907	<b>2,172</b>	+13.9	3,840	4,300

## <Capital expenditure (Actual / Forecast)>

(Units : ¥ billion)	FY2022 2Q	FY2023 2Q	FY2022	FY2023 (Forecast)
Plant facilities	<b>3.6</b>	<b>0.8</b>	4.2	5.0
Equipment for control, sales activities	<b>0.1</b>	<b>0.2</b>	0.5	0.5
Equipment for research	<b>0.2</b>	<b>0.2</b>	0.5	0.4



## Ph 3 ~ Launch

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Overseas					
Ph 3 (Sep 2022)	Ph 3 (aTyr pharma, USA)	<b>KRP-R120</b>	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)		<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 (Apr 2021, 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 November 8, 2023)

### Licensing development (License-in)

\* updated

Stage		Code	Proposed Indication	Origin	Features	Note
Japan	Over seas					
Ph 2 (Dec 2019) ASKA 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) -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)

DTx

\* updated

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.</p>

## Reference

# P&L Summary: Consolidated Results – (1)

(JPY millions)	FY2022 2Q (Apr-Sep)		FY2023 2Q (Apr-Sep)			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
<b>Net Sales (total)</b>	<b>49,093</b>	100.0	<b>54,937</b>	100.0	+11.9	+5,844
New drugs, etc. (Japan)	<b>32,651</b>	66.5	<b>37,875</b>	68.9	+16.0	+5,223
New drugs (Overseas)	<b>312</b>	0.6	<b>167</b>	0.3	-46.5	-145
Generic drugs	<b>16,128</b>	32.9	<b>16,895</b>	30.8	+4.7	+766

<Subsidiaries and Equity-method Affiliates>

Consolidated subsidiaries (3) :

- KYORIN Rimedio Co., Ltd.
- KYORIN Pharmaceutical Group Facilities Co., Ltd.
- ActivX Biosciences, Inc. (Liquidation procedures is in progress)

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

## <Breakdown>

■ Sales **54,937 mil** (Year on Year)  
(+5,844 mil)

● New ethical drugs, etc. (Japan)  
**37,875 mil** (+5,223 mil)

(JPY billions)	FY2022 2Q		FY2023 2Q	
• Beova	5.5	⇒	8.3	( +2.8)
• Lasvic	1.0	⇒	2.5	( +1.5)
• Lyfnua	0.1	⇒	0.4	( +0.3)
• Desalex	3.0	⇒	3.1	( +0.1)
• Flutiform	5.7	⇒	6.2	( +0.5)
• Pentasa	6.5	⇒	6.1	( -0.4)
• Kipres	2.7	⇒	2.6	( -0.1)
• Mucodyne	1.5	⇒	2.0	( +0.5)
• Nasonex	0.6	⇒	0.4	( -0.2)
• Uritos	0.4	⇒	0.3	( -0.1)

● New ethical drugs (Overseas)  
**167 mil** ( -145 mil)

● Generic drugs **16,895 mil** (+766 mil)

- Sales increase in AG products (Kipres AG)
- New generic drugs launched in June 2023 contributed to sales

# P&L Summary : Consolidated Results – (2)



(JPY millions)	FY2022 2Q (Apr-Sep)		FY2023 2Q (Apr-Sep)			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
<b>Sales</b>	49,093	100.0	<b>54,937</b>	100.0	+11.9	+5,844
<b>Cost of Sales</b>	27,481	56.0	<b>31,292</b>	57.0	+13.9	+3,810
<b>Gross Profit</b>	21,611	44.0	<b>23,645</b>	43.0	+9.4	+2,033
SG&A (R&D expenses)	20,833 (4,498)	42.4 (9.2)	<b>22,500</b> <b>(3,842)</b>	41.0 (7.0)	+8.0 (-14.6)	+1,666 -656
<b>Operating Profit</b>	777	1.6	<b>1,144</b>	2.1	+47.2	+366
Non-Operating Income	447	0.9	<b>313</b>	0.6	-30.0	-134
Non-Operating Expenses	53	0.1	<b>70</b>	0.1	+30.4	+16
<b>Ordinary Profit</b>	1,171	2.4	<b>1,387</b>	2.5	+18.4	+216
Extraordinary profits	1,319	2.7	<b>969</b>	1.8	-26.5	-350
Extraordinary Losses	678	1.4	<b>8</b>	0.0	-98.8	-670
<b>Profit before income taxes</b>	1,812	3.7	<b>2,349</b>	4.3	+29.6	+536
Corporate, inhabitants and enterprise taxes	493	1.0	<b>606</b>	1.1	+23.0	+113
Tax adjustments	76	0.2	<b>-15</b>	-0.0	—	-91
<b>Profit attributable to owner of parent</b>	1,242	2.5	<b>1,757</b>	3.2	+41.4	+514

## <Breakdown>

(Year on Year)

◆ **Cost of sales ratio : 57.0% (+1.0 %pt)**

[Reasons of decrease]

- Sales of new drugs increased (Beova, Lasvic)

[Reasons of increase]

- Impact of NHI drug price revisions (Kyorin Pharmaceutical:7% range)
- Sales of generic drugs increased

◆ **R&D Ratio : 7.0% (-2.2 %pt)**

- ¥ 3.8bln (decrease of 0.7bln, year on year)
- Decline of expenses regarding dissolution of ActivX

◆ **SG&A (exclude R&D) Expenses :**

**34.0% (+0.7 %pt)**

- 18.7bln (Increase of 2.4 bln year on year)
- Increase in selling expenses, depreciation expenses, license fees, personnel expenses etc.

■ **Operating Income: 1,144 mil (+366 mil)**

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

**1,757 mil (+514 mil)**

- Extraordinary profit: gain on sale of investment securities of ¥969 mil

- FY2022 2Q: Extraordinary profit was posted for a gain on insurance of 881 mil and income from compensation for damages of 393 mil, regarding storage products damaged from a fire at Nishinihon delivery. Extraordinary loss of 663 mil was posted for impairment losses and provision for loss on liquidation of subsidiaries and associates regarding dissolution of ActivX

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

# BS Summary: Consolidated Results

(JPY millions)	Mar / 2023		Sep / 2023		
	Actual	% total	Actual	% total	Change
<b>Current Assets</b>	119,030	67.6%	<b>119,769</b>	68.0	+739
Cash, deposits	19,394		<b>26,232</b>		
Notes and accounts receivable	47,301	—	<b>38,356</b>	—	—
Inventory	48,026		<b>51,721</b>		
Other	4,307		<b>3,459</b>		
<b>Fixed Assets</b>	57,014	32.4%	<b>56,405</b>	32.0	-608
Tangible assets	25,834		<b>25,856</b>		
Intangible assets	5,393	—	<b>5,206</b>	—	—
Investments	25,785		<b>25,342</b>		
<b>Total Assets</b>	176,045	100.0%	<b>176,175</b>	100.0	+130
<b>Current Liabilities</b>	34,983	19.9%	<b>35,081</b>	19.9	+97
Notes payable	13,762	—	<b>14,191</b>	—	—
Other	21,221		<b>20,890</b>		
<b>Non-Current Liabilities</b>	15,600	8.9%	<b>14,867</b>	8.4	-732
<b>Total Liabilities</b>	50,584	28.7%	<b>49,949</b>	28.4	-635
<b>Owner's Equity</b>	122,182	69.4%	<b>122,396</b>	69.5	+213
<b>Other Comprehensive Income</b>	3,278	1.9%	<b>3,830</b>	2.2	+551
Unrealized holding gain (loss) on securities	5,695		<b>5,960</b>		
Foreign currency translation adjustments	340	—	<b>430</b>	—	—
Remeasurements of defined benefit plans	-2,756		<b>-2,560</b>		
<b>Total Equity</b>	125,461	71.3%	<b>126,226</b>	71.6	+765
<b>Total Liabilities and Equity</b>	176,045	100.0%	<b>176,175</b>	100.0	+130

## <Breakdown>

(Year on Year)

### ■ Current Asset : +739 mil

- Cash, deposits ( +6,837 mil)
- Notes and accounts receivable ( -8,945 mil)
- Inventory ( +3,695 mil)
- Other ( -847 mil)

### ■ Fixed Assets : -608 mil

- Tangible Assets ( +21 mil)
- Intangible Assets ( -187 mil)
- Investments ( -443mil)

### ■ Current Liabilities : +97 mil

- Notes and accounts payable ( +428 mil)
- Other current liabilities ( -330 mil)

### ■ Non-Current Liabilities : -732 mil

# Financial summary (Consolidated)

(JPY millions)	FY2021 2Q	FY2022 2Q	FY2023 2Q	FY2022	FY2023 (Forecast)
Sales	49,102	49,093	<b>54,937</b>	<b>113,270</b>	<b>116,200</b>
(Exports)	(342)	(312)	<b>(167)</b>	<b>(308)</b>	<b>(400)</b>
Cost of Sales	26,732	27,481	<b>31,292</b>	<b>63,102</b>	—
(cost of sales ratio)	(54.4%)	(56.0%)	<b>(57.0%)</b>	<b>(55.7%)</b>	—
SG&A	22,438	20,833	<b>22,500</b>	<b>45,043</b>	—
(Ratio to sales)	(45.7%)	(42.4%)	<b>(41.0%)</b>	<b>(39.8%)</b>	—
R&D Expenses	4,364	4,498	<b>3,842</b>	<b>10,903</b>	<b>9,600</b>
(Ratio to sales)	(8.9%)	(9.2%)	<b>(7.0%)</b>	<b>(9.6%)</b>	<b>(8.3%)</b>
Operating Profit	−68	777	<b>1,144</b>	<b>5,123</b>	<b>6,000</b>
(Ratio to sales)	(−0.1%)	(1.6%)	<b>(2.1%)</b>	<b>(4.5%)</b>	<b>(5.2%)</b>
Ordinary Profit	285	1,171	<b>1,387</b>	<b>5,827</b>	<b>6,500</b>
(Ratio to sales)	(0.6%)	(2.4%)	<b>(2.5%)</b>	<b>(5.1%)</b>	<b>(5.6%)</b>
Profit	121	1,242	<b>1,757</b>	<b>4,723</b>	<b>4,900</b>
(Ratio to sales)	(0.2%)	(2.5%)	<b>(3.2%)</b>	<b>(4.2%)</b>	<b>(4.2%)</b>
EPS (¥)	2.12	21.69	<b>30.66</b>	<b>82.44</b>	<b>85.51</b>
Share Capital	700	700	<b>700</b>	<b>700</b>	—
Assets	164,408	175,461	<b>176,175</b>	<b>176,045</b>	—
Net Asset	121,927	124,735	<b>126,226</b>	<b>125,461</b>	—
BPS (¥)	2,127.81	2,176.74	<b>2,197.20</b>	<b>2,189.43</b>	—
ROE	0.1%	1.0%	<b>1.4%</b>	<b>3.8%</b>	—
Equity Ratio (%)	74.2%	71.1%	<b>71.6%</b>	<b>71.3%</b>	—
Employees	2,252	2,215	<b>2,156</b>	<b>2,138</b>	—
Capital Expenditure	751	3,882	<b>1,280</b>	<b>5,252</b>	<b>5,900</b>
Depreciation Expense	1,831	1,907	<b>2,172</b>	<b>3,840</b>	<b>4,300</b>



# P&L summary : KYORIN pharmaceutical-(1)



(JPY millions)	FY2022 2Q (Apr-Sep)		FY2023 2Q (Apr-Sep)			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
<b>Net Sales (total)</b>	42,210	100.0	<b>47,673</b>	100.0	+12.9	+5,462
New ethical drugs, etc. (Japan)	31,772	75.3	<b>37,216</b>	78.1	+17.1	+5,444
New ethical drugs (Overseas)	195	0.5	<b>167</b>	0.4	-14.5	-28
Generic drugs	10,242	24.3	<b>10,289</b>	21.6	+0.5	+47

## <Breakdown>

			(Year on Year)
■ Sales	<b>47,673 mil</b>		( +5,462 mil)
● New ethical drugs, etc. (Japan)	<b>37,216 mil</b>		( +5,444 mil)
(JPY billions)	<u>FY2022 2Q</u>		<u>FY2023 2Q</u>
•Beova	5.5	⇒	8.3 ( +2.8)
•Lasvic	1.0	⇒	2.5 ( +1.5)
•Lyfnua	0.1	⇒	0.4 ( +0.3)
•Desalex	3.0	⇒	3.1 ( +0.1)
•Flutiform	5.7	⇒	6.2 ( +0.5)
•Pentasa	6.5	⇒	6.1 ( -0.4)
•Kipres	2.7	⇒	2.6 ( -0.1)
•Mucodyne	1.5	⇒	2.0 ( +0.5)
•Nasonex	0.6	⇒	0.4 ( -0.2)
•Uritos	0.4	⇒	0.3 ( -0.1)
● New ethical drugs (Overseas)	<b>167 mil</b>		( -28 mil)
● Generic drugs	<b>10,289 mil</b>		( +47 mil)
			Increase sales in Montelukast tablets "KM" (Kipres AG)

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



(JPY millions)	FY2022 2Q (Apr-Sep)		FY2023 2Q (Apr-Sep)			
	Actual	% Sales	Actual	% Sales	Change (%)	Change
<b>Sales</b>	42,210	100.0	<b>47,673</b>	100.0	+12.9	+5,462
<b>Cost of Sales</b>	22,770	53.9	<b>25,387</b>	53.3	+11.5	+2,617
<b>Gross Profit</b>	19,440	46.1	<b>22,285</b>	46.7	+14.6	+2,845
SG&A (R&D expenses)	18,905 (3,712)	44.8 (8.8)	<b>20,594</b> <b>(3,344)</b>	43.2 (7.0)	+8.9 (-9.9)	+1,689 (-367)
<b>Operating Profit</b>	534	1.3	<b>1,691</b>	3.5	+216.2	+1,156
Non-Operating Income	665	1.6	<b>467</b>	1.0	-29.8	-198
Non-Operating Expenses	29	0.1	<b>29</b>	0.1	+0.7	+0
<b>Ordinary Profit</b>	1,170	2.8	<b>2,128</b>	4.5	+81.8	+958
Extraordinary profits	1,061	2.5	<b>47,813</b>	100.3	—	+46,751
Extraordinary Losses	3	0.0	<b>3</b>	0.0	-5.1	-0
<b>Profit before income taxes</b>	2,228	5.3	<b>49,938</b>	104.8	—	+47,709
Corporate, inhabitants and enterprise taxes	543	1.3	<b>737</b>	1.5	+35.9	+194
Tax adjustments	—	—	<b>—</b>	—	—	—
<b>Profit attributable to owner of parent</b>	1,685	4.0	<b>49,200</b>	103.2	—	+47,515

## <Breakdown>

(Year on Year)

- ◆ **Cost of sales ratio: 53.3%** **(-0.6 pt)**  
 【Factors of decrease】  
 • Sales of new drugs increased (Beova, Lasvic)  
 【Factors of increase】  
 • Impact of NHI drug price revisions  
 (Kyorin Pharmaceutical: 7% range)
- ◆ **R&D Ratio : 7.0%** **(-1.8 pt)**  
 • 3.3 bln (Decrease of 0.4 bln)  
 - Decline of expenses regarding dissolution of ActivX
- ◆ **SG&A expenses (exclude R&D): 36.2% (+0.2 pt)**  
 • 17.3 bln (+2.1 bln, year on year)  
 • Increase in selling expenses, depreciation expenses,  
 license fees and personnel expenses.
- **Operating Income: 1,691 mil (+1,156 mil)**
- **Profit attributable to owner of parent:  
49,200 mil (+47,515 mil)**  
 • Extraordinary profit: a gain on extinguishment of tie-in  
 shares of 46,843 mil, gain on sale of investment  
 securities of 969 mil  
 • FY2022 2Q: Extraordinary profit was posted for a gain  
 on insurance of 881 mil and income from compensation for  
 damages of 393 mil, regarding storage products damaged  
 from a fire at Nishinohon delivery

# BS Summary: KYORIN Pharmaceutical



(JPY millions)	Mar / 2023		Sep / 2023		
	Actual	%	Actual	% total	Change
<b>Current Assets</b>	127,987	77.7	<b>109,916</b>	68.9	-18,071
Cash, deposits	10,881		<b>21,178</b>		
Notes and accounts receivable	40,955	—	<b>33,268</b>	—	—
Inventory	38,842		<b>41,860</b>		
Other	37,308		<b>13,609</b>		
<b>Fixed Assets</b>	36,774	22.3	<b>49,516</b>	31.1	+12,742
Tangible assets	6,696		<b>7,285</b>		
Intangible assets	4,340	—	<b>5,001</b>	—	—
Investments	25,736		<b>37,228</b>		
<b>Total Assets</b>	164,761	100.0	<b>159,432</b>	100.0	-5,329
<b>Current Liabilities</b>	31,742	19.3	<b>31,596</b>	19.8	-145
Notes payable	13,703	—	<b>13,126</b>	—	—
Other	18,038		<b>18,470</b>		
<b>Non-Current Liabilities</b>	11,468	7.0	<b>11,040</b>	6.9	-427
<b>Total Liabilities</b>	43,210	26.2	<b>42,637</b>	26.7	-573
<b>Shareholder's Equity</b>	115,953	70.4	<b>110,971</b>	69.6	-4,981
Valuation and translation adjustments	5,597	3.4	<b>5,823</b>	3.7	+226
<b>Net Assets</b>	121,550	73.8	<b>116,795</b>	73.3	-4,755
<b>Total Liabilities and Net Assets</b>	164,761	100.0	<b>159,432</b>	100.0	-5,329

## <Breakdown>

(Year on Year)

### ■ Current Asset : -18,071 mil

- Cash, deposits (+10,296 mil)
- Notes and accounts receivable (-7,686 mil)
- Inventory (+3,017 mil)
- Other (-23,699 mil)

### ■ Fixed Assets : +12,742 mil

- Tangible Assets (+589 mil)
- Intangible Assets (+661 mil)
- Investments (+11,491 mil)

### ■ Current Liabilities : -145 mil

- Note and accounts payable (-576 mil)
- Other current liabilities (+431 mil)

### ■ Non-Current Liabilities : -427 mil

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 2Q show KYORIN Pharmaceutical. Co., Ltd.'s results.

# Financial Summary: KYORIN Pharmaceutical



(JPY millions)	FY2021 2Q	FY2022 2Q	FY2023 2Q	FY2022	FY2023 (Forecast)
Sales	42,961	42,210	<b>47,673</b>	97,526	<b>100,000</b>
(Exports)	(251)	(195)	<b>(167)</b>	(112)	<b>(400)</b>
Cost of Sales	23,277	22,770	<b>25,387</b>	52,479	—
(cost of sales ratio)	(54.2%)	(53.9%)	<b>(53.3%)</b>	(53.8%)	—
SG&A	20,509	18,905	<b>20,594</b>	40,415	—
(Ratio to sales)	(47.7%)	(44.8%)	<b>(43.2%)</b>	(41.4%)	—
R&D Expenses	3,782	3,712	<b>3,344</b>	9,233	<b>8,400</b>
(Ratio to sales)	(8.8%)	(8.8%)	<b>(7.0%)</b>	(9.5%)	<b>(8.4%)</b>
Operating Profit	−825	534	<b>1,691</b>	4,631	<b>6,100</b>
(Ratio to sales)	(−1.9%)	(1.3%)	<b>(3.5%)</b>	(4.7%)	<b>(6.1%)</b>
Ordinary Profit	−269	1,170	<b>2,128</b>	5,727	<b>6,800</b>
(Ratio to sales)	(−0.6%)	(2.8%)	<b>(4.5%)</b>	(5.9%)	<b>(6.8%)</b>
Profit	−249	1,685	<b>49,200</b>	5,722	<b>50,900</b>
(Ratio to sales)	(−0.6%)	(4.0%)	<b>(103.2%)</b>	(5.9%)	<b>(50.9%)</b>
EPS (¥)	−3.37	22.70	<b>858.10</b>	77.06	<b>888.14</b>
Share Capital	4,317	4,317	<b>700</b>	4,317	—
Assets	155,314	160,792	<b>159,432</b>	164,761	—
Net Asset	117,205	119,636	<b>116,795</b>	121,550	—
BPS (¥)	1,578.14	1,610.88	<b>2,032.78</b>	1,636.65	—
ROE	−0.2%	1.4%	<b>41.3%</b>	4.8%	—
Equity Ratio (%)	75.5%	74.4%	<b>73.3%</b>	73.8%	—
Employees	1,472	1,421	<b>1,464</b>	1,364	—
Capital Expenditure	342	162	<b>576</b>	505	<b>1,000</b>
Depreciation Expense	722	795	<b>1,252</b>	1,608	<b>2,400</b>

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 2Q and forecast show KYORIN Pharmaceutical. Co., Ltd.'s results.