

FY 2021 Financial Results

Ended March 2022

May 12 , 2022

KYORIN Holdings, Inc.

Representative Director, President and Chief Executive Officer

Yutaka Ogihara





Outline of Consolidated Financial Results

Trends of mainstay products

Consolidated Financial Forecast

Status of R&D Pipeline

Initiatives toward realization

of the long-term vision “HOPE 100”

Medium-Term Business Plan “HOPE 100-Stage3-”(Fiscal Year 2020~2023)

Renovation the group structure

Outline of Consolidated Financial Results

Breakdown of Gain and Loss

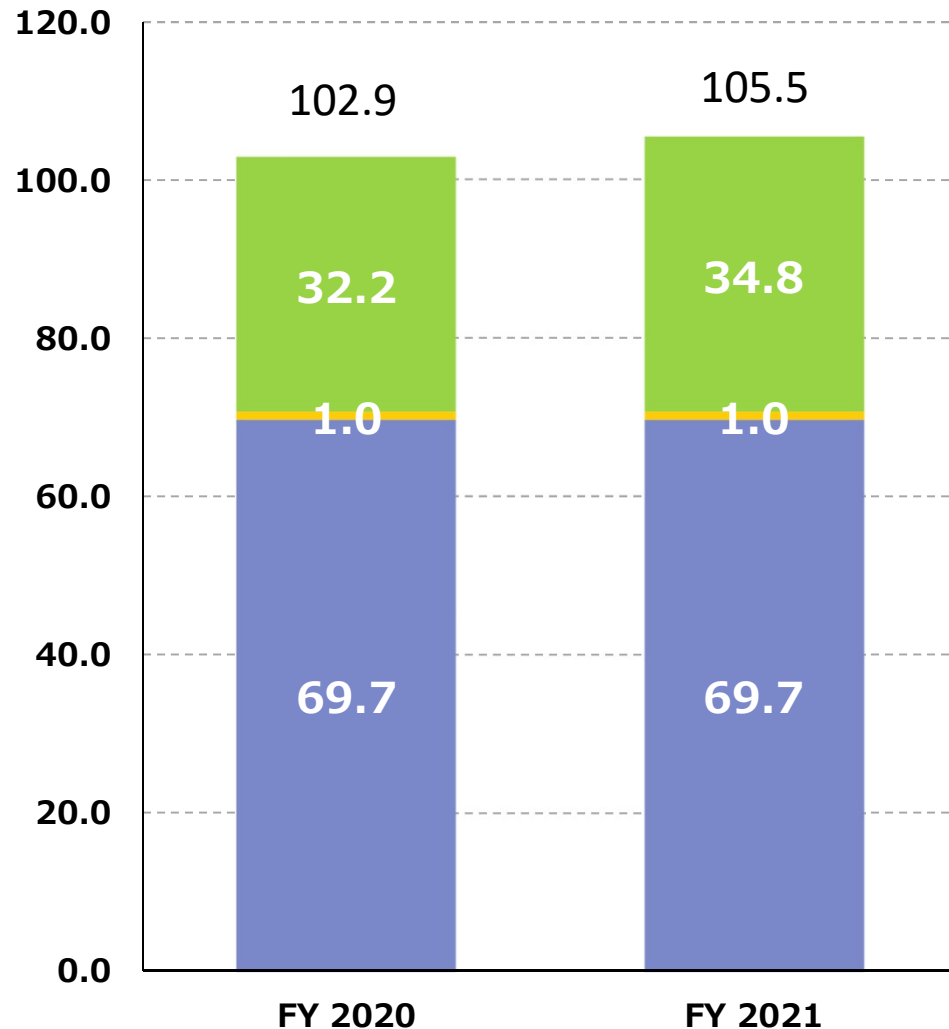


(Units: ¥billion)

	FY2020	FY2021	Year-on-year		Vs forecast (announced on May 11, 2021)
			Change	Change (%)	Change
Net Sales	102.9	105.5	n/a	n/a	+2.9
New ethical drugs, etc. (Japan)	69.7	69.7	n/a	n/a	+1.1
New ethical drugs (Overseas)	1.0	1.0	n/a	n/a	+0.2
Generic drugs	32.2	34.8	n/a	n/a	+1.7
Cost of sales	51.3	56.1	n/a	n/a	-
SG&A (R&D)	45.8 (9.7)	44.4 (8.9)	n/a (-0.8)	n/a (-8.3)	- (-0.3)
Operating profit	5.8	5.0	-0.8	-13.5	+1.7
Ordinary profit	6.4	5.6	-0.8	-13.6	+1.8
Profit attributable to owners of parent	6.1	3.9	-2.2	-35.9	+1.2

* From the beginning of March 2022, "Accounting Standards for Revenue Recognition" (ASBJ Statement No.29, Mar 31, 2020) etc. have been applied and the revenue recognition standards for the current year is different from the previous year. Therefore the amount of increase / decrease compared to the current year or change rate of year on year are not shown. There is no impact on operating loss, ordinary income and net income.

(Units: ¥billion)



New ethical drugs, etc. (Japan): sales remained flat

【Reason of increase】

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

【Reason of decrease】

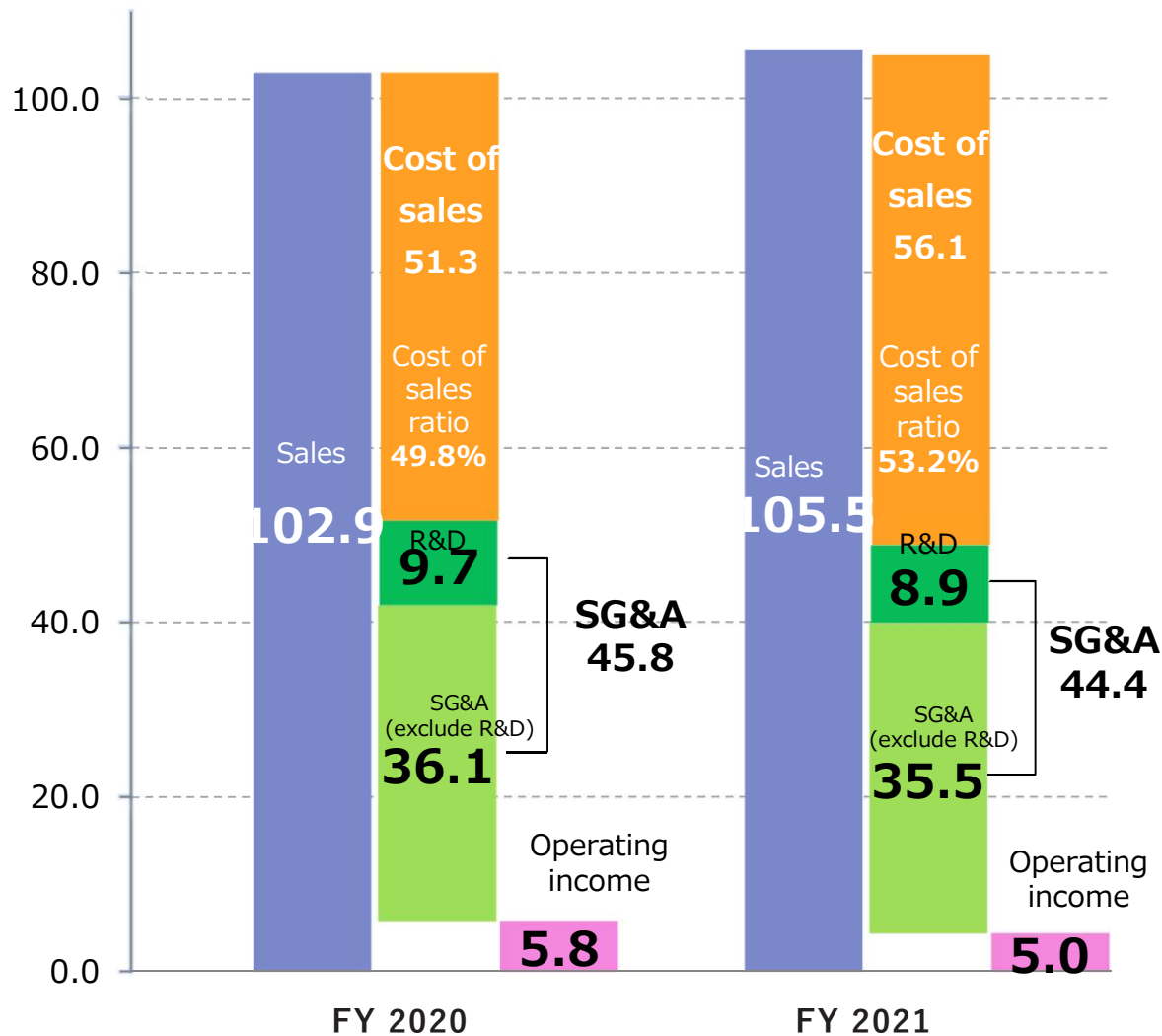
- Decrease in sales of out-licensing product and income of lump-sum payment for out licensing products

New ethical drugs (Overseas): sales remained flat

- Upfront of payment for Lascufloxacin (out-licensing to Chinese company)

Generic drugs: sales increased

- Sales increase in Kipres AG etc.
- New generic drugs in FY 2021 contributed to sales



Net sales increased

Cost of sales ratio increased

【Reason of decrease】

- Sales of new drugs increased

【Reasons of increase】

- Impact of NHI drug price revision (KYORIN Pharmaceutical : 6%range)
- Sales of generic drugs increased

Gross profit decreased

SG&A cost decreased

- Cost of R&D cost decreased
- Upfront payment for AKP-009 in FY2020
- SG&A (excluding R&D) decreased
- Upfront payment for Lyfnua
- Cost reduction, Applied to accounting standards for revenue recognition

Operating income decreased

Highlights of Business Performance (3/3)



(Units: ¥billion)

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【Difference from original Forecast (Announce on May 11, 2021)】

Net sales : Sales of long-listing products and generic drugs increased due to effect by short supply triggered by quality violation stemming from several generic companies.

Operating profit: Gross profit increased owing to better than expected sales of new ethical drugs etc. (Japan) and generic drugs. On the other hand, operating profit exceed forecast owing to being in line for SG&A expenses (including R&D expenses) . R&D ¥8.9 bln (Forecast ¥ 9.2bln)

FY2021 Main Product Sales Update



(Units: ¥billion)

vs Forecast
(announced on May 22, 2021)
Change

		FY2020	FY2021	Year-on-year		vs Forecast (announced on May 22, 2021) Change
				Change	Change (%)	
New ethical drugs, etc. (Japan)	Flutiform (Combination drug for asthma treatment)	13.3	12.6	-0.7	-5.5	-1.3
	Desalex (Antiallergic Agent)	5.7	7.1	+1.4	+24.0	-0.1
	Beova (KYORIN) (β3 adrenergic receptor agonist overactive bladder therapeutics)	7.3	8.6	+1.3	+17.8	0
	Lasvic (New quinolone synthetic antibacterial agent)	0.9	1.8	+0.9	+111.3	-1.0
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	12.8	14.0	+1.2	+9.4	+2.3
	Kipres (Leukotriene Receptor Antagonist)	8.3	8.4	+0.1	+1.4	+1.5
	Mucodyne (Mucoregulant)	3.3	3.5	+0.2	+5.6	+0.6
	Nasonex (Spray type allergic rhinitis remedy)	2.8	2.4	-0.4	-14.2	+0.6
	Uritos (KYORIN) (Overactive bladder)	2.3	1.3	-1.0	-44.7	+0.3
	Milton (Disinfectant)	2.1	2.1	0	-3.9	-0.1
	Rubysta (Disinfectant)	2.0	2.1	+0.1	+2.5	0
Generic drugs	Montelukast tablets "KM" (Leukotriene Receptor Antagonist)	10.8	12.2	+1.4	+12.7	+3.0
	Mometasone Nasal 50mg "KYORIN" (Spray type allergic rhinitis remedy)	3.8	3.6	-0.2	-5.3	+0.1
	Imidafenacin tablets & OD "KYORIN" (Overactive bladder)	0.7	0.8	+0.1	+3.1	+0.1

Occurrence Status

Date and time of Fire: November 29, 2021 at 8:50 am

Place: Hitachi Transport System West Japan Co., Ltd. (Konohana-ku, Osaka Japan)

Damages and Impact on Product Supply

Due to the inventory storage status of KYORIN Pharmaceutical and KYORIN Rimedio products, there was no significant impact on product supply

*Products to Nishinohon area were shipping from Higashinohon delivery center (Kazo-shi SAITAMA)

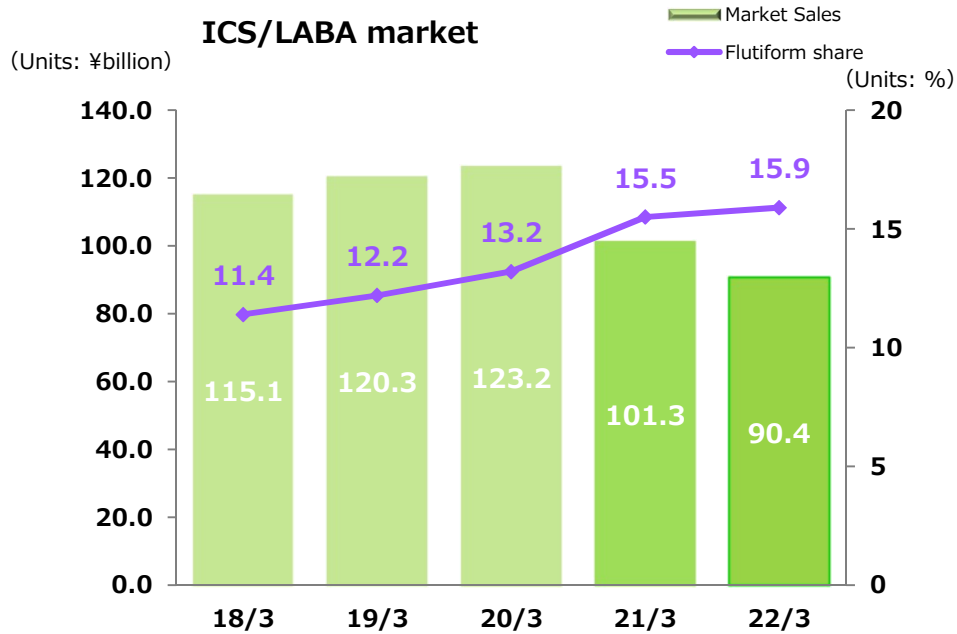
Consideration for establishment of new Nishinohon delivery center is ongoing

Impact on Operating Results

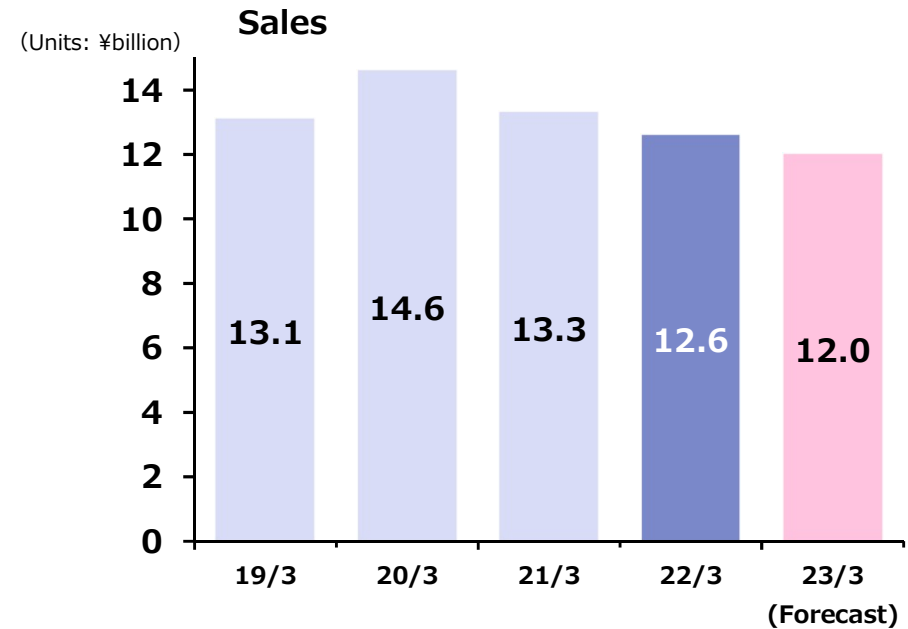
The impact of this event on operating results in FY2021 is negligible.

Negotiation for compensation payment is ongoing.

Trends of Mainstay Products and Generic Drugs



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ICS/LABA market: Shrink 10.8%

¥101.3 bln (Mar 2021 MAT) ⇒ ¥90.4 bln (Mar 2022 MAT)*¹

- Impact of NHI drug price revision and expansion of triple therapy
- Launch generic drug of competitor

Share of Flutiform sales : Expanded 0.4%

15.5% (Mar 2021 MAT) ⇒ 15.9%(Mar 2022 MAT)*¹

Medium to long-term market outlook

Shrinking market due to NHI drug price revision and launch generic drug

Status in FY 2021

- Appeal the utility of aerosol formulations
- Penetrate pediatric indications and increase market share
- Information activity accreting to “Practical guideline for Asthma management”

Effort for FY 2021

Rate for NHI drug price revision on Apr 2022 : ▲6.19%

- Appeal the utility of aerosol formulations. Aerosol formulation suitable for patients with weak inspiration
- Penetrate pediatric indications and increase market share
- Increase market share (quantity basis)

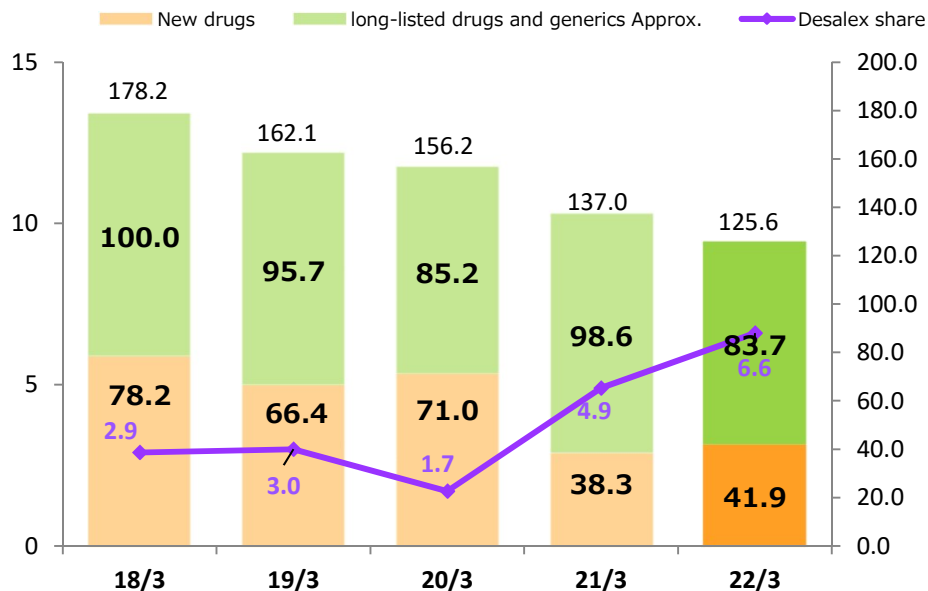
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Desalex (Antiallergic Agent)



(Units: ¥billion)

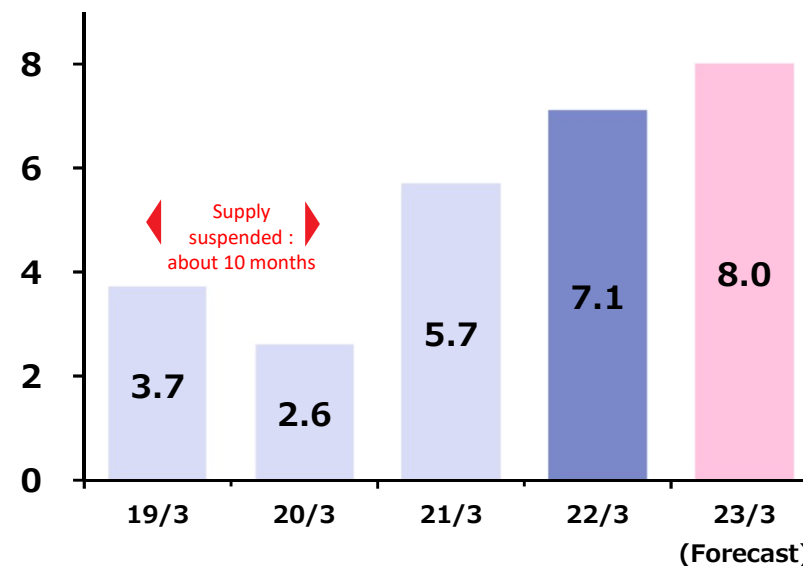
Antihistamine market



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(Units: ¥billion)

Sales



Antihistamine Market: Shrink 8.3%

¥137.0 bln(Mar 2021 MAT) ⇒ ¥125.6 bln(Mar 2022 MAT)*¹

- Shrinking market due to NHI drug price revision and launch generic drug
- Market (>age 12) ¥110.0bln (our forecast)

Share of Desalex sales

4.9% (Mar 2021 MAT) ⇒ 6.6% (Mar 2022 MAT)*¹

- Dec 2018 single month : 6.3% (Before supply suspension)
- ⇒ Mar 2022 single month: 8.6%*²

Medium to long-term market outlook

Shrinking market due to NHI drug price revision and launch generic drug

Status in FY 2021

- Prescription in otolaryngology: No.2
- Focus on acquiring prescriptions in internal medicine

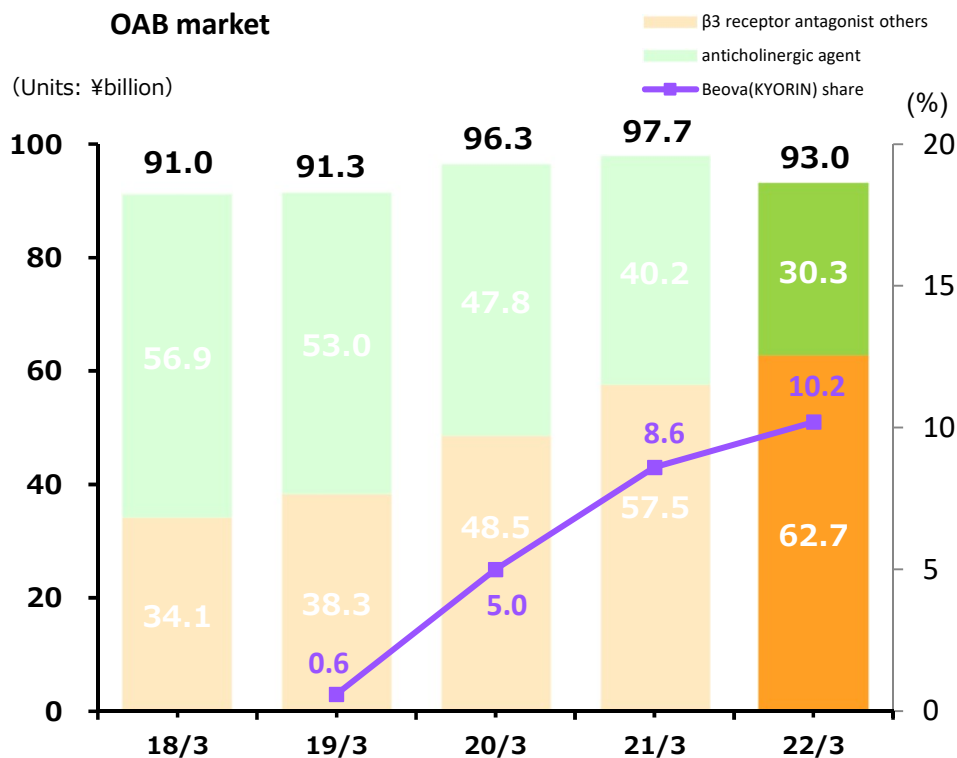
Effort for FY 2022

Rate for NHI drug price revision on Apr 2022 : ▲9.62%

- Aim to be first line treatment as effective and usability drug
- Usability: less sleepiness, no-limitation for drive, administration with or without meals
- Aim to be No.1 prescription in otolaryngology

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*2: Copyright © 2022 IQVIA. JPM Calculated based on Dec 2018 single month, Mar 2022 single month Reprinted with permission



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OAB market: Shrink 4.8%

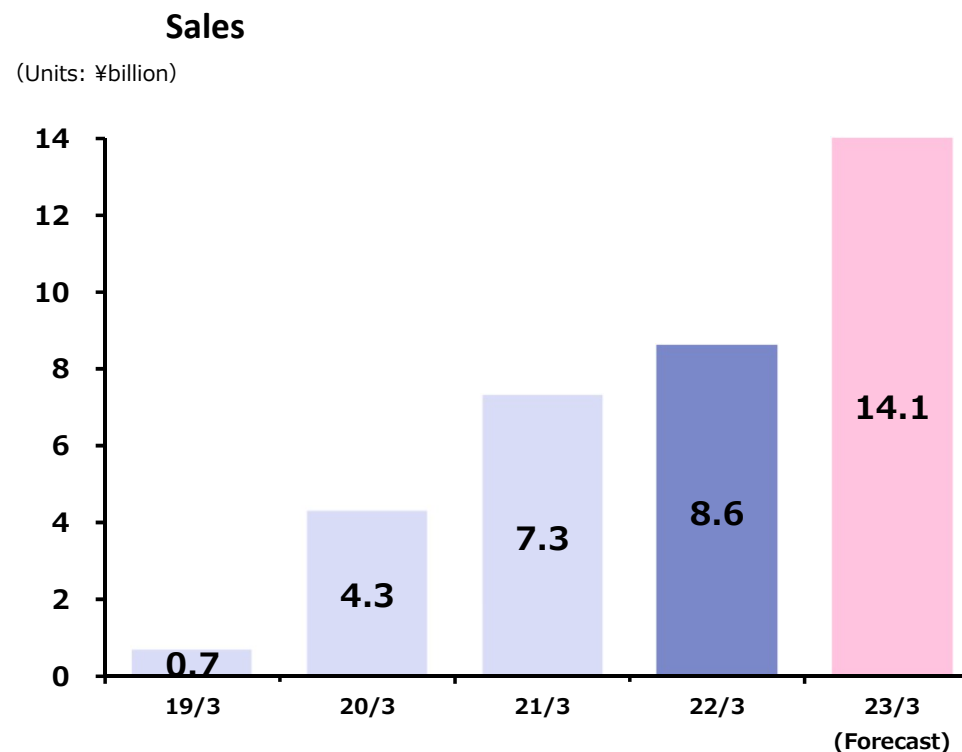
¥97.7bIn (Mar 2021 MAT) ⇒ ¥93.0bIn (Mar 2022 MAT) *

- Impact of NHI drug price revision and launch for generic drug (anticholinergic agent)
- Market expansion β3 adrenergic receptor agonist market of 9.0%

Share of Beova (KYORIN) sales: Expand 1.6%

8.6% (Mar 2021 MAT) ⇒ 10.2% (Mar 2022 MAT)*

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Status in FY2021

- Contribute to urology together with Zymso
- Enhancement facilities at each OEM manufacture and efforts for launch new manufacturing sites towards removal shipping adjustment

Effort for FY 2022

Rate for NHI drug price revision on Apr 2022 : ▲4.57%

- Removal of shipping adjustment scheduled in August
- Aim to establish evaluation of Beova as first line treatment for OAB

Removal of shipping adjustment is scheduled in August 2022

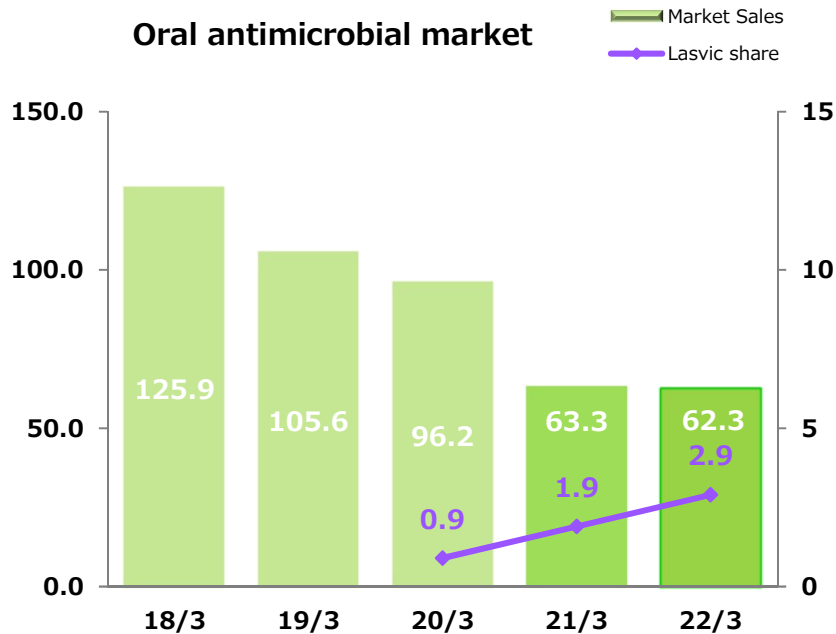
Building of production system for stable supply

- Forecast for removal of shipping adjustment in August 2022 by enhancement facilities at each OEM manufacture and efforts for launch second source (new manufacturing sites) towards removal of shipping adjustment
- Aim to establish supply capacity more than three times of both sales of two companies

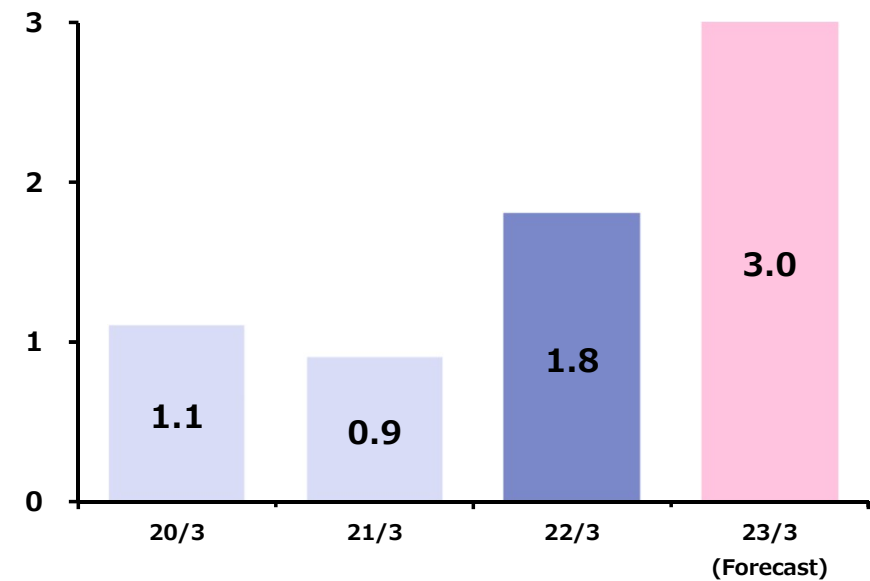
Cost reduction and further efforts

- Successful achievement of the cost reduction for Beova in FY2021 by the scale-up process and launch of the second source
- Aim to further cost saving of Beova, as main product to support medium-term growth

Lasvic (New quinolone synthetic antibacterial agent)



Sales (include injection drug)



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Oral antimicrobial market: Shrink 1.7%

¥63.3bIn (Mar 2021 MAT) ⇒ ¥62.3bIn (Mar 2021 MAT) *

- Promoting for appropriate use against AMR and reducing the number of patients due to infection prevention measure under Covid-19

Share of Lasvic sales: Expand 1.0%

1.9% (Mar 2021 MAT) ⇒ 2.9% (Mar 2022 MAT) *

Medium to long-term market outlook

Expect to tend to be slightly shrink market of oral antimicrobial market in respiratory and otology

Status in FY2021

- Tablets: aim to maximize product penetration
- Injection: aim for early adoption and widespread use
- Out-licensing to Chinese company (Nanjing Neiwa Faith Co., Ltd.)

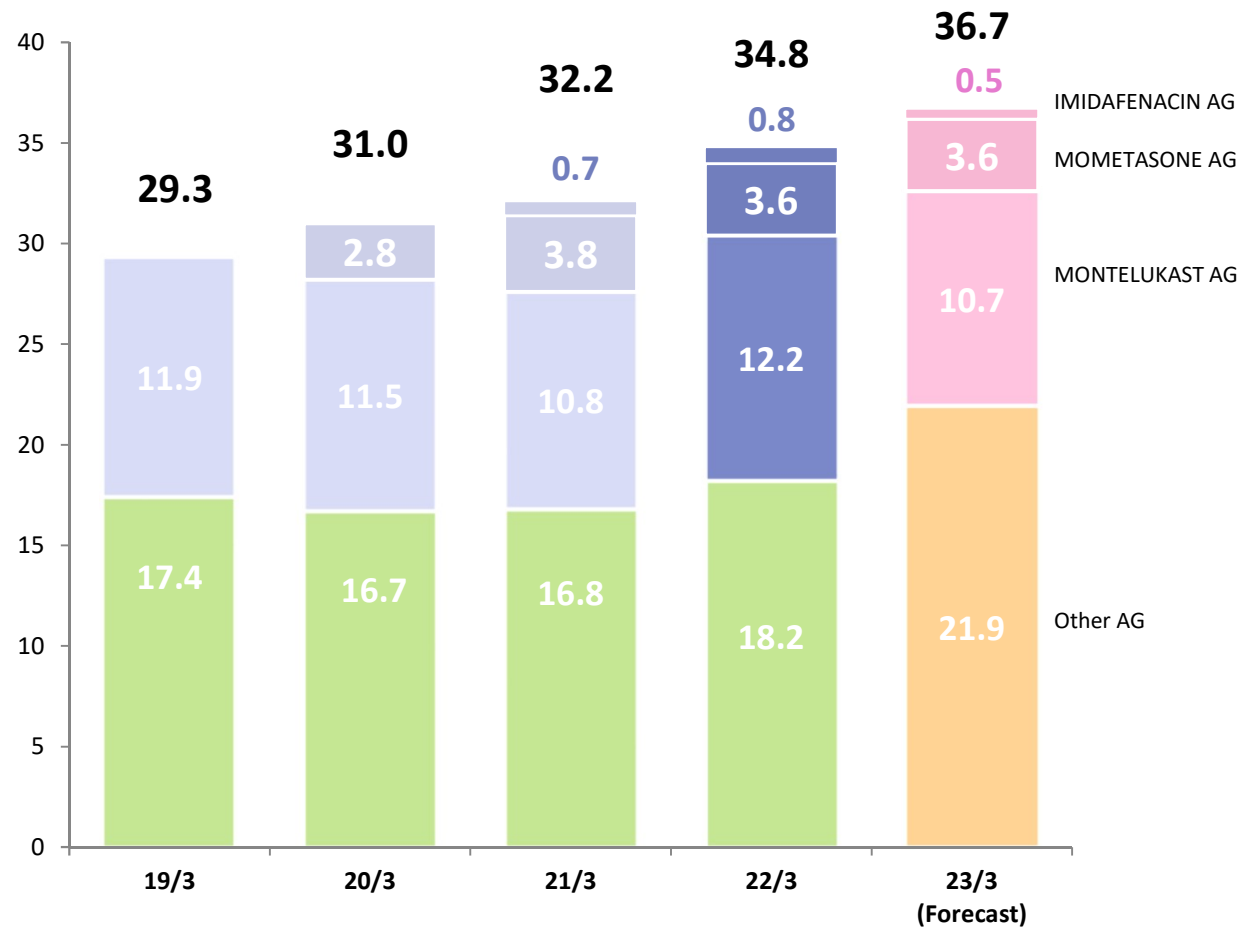
Effort for FY2022

Rate for NHI drug price revision on Apr 2022 : ▲3.18%

Aim to be first line treatment for old people/patients with disease

Sale

(Units: ¥billion)



Status in FY2021

- Montelukast AG, Mometasone AG, Imidafenacin AG maintain the market share of more than 50% in the GE market
- Released in June 2021: 3 ingredients 5 items
 - Eszopiclone tablets 1mg/2mg/3mg
 - Epinastine Hydrochloride Ophthalmic solution 0.5%
 - Tadalafil Tablets 20mg AD
- Released in December 2021: 2 ingredients 4 items
 - Levetiracetam Tablets 250mg/500mg/DS50%
 - Olopatadine Ophthalmic Solution 0.1%

Effort for FY2022

- Expand sales of strategic products and supplementary items
- Contribution of launched items in FY2021 through the year
 - Released in June 2021: 1 ingredients 3 items
- Promotion of AG strategy
 - Aim to maintain market share of more than 50% for Montelukast AG, Mometason AG and Imidafenacin AG in the GE market

Consolidated Financial Forecast FY2022

Consolidated Financial Forecast FY2022



(Unit: ¥billion)

	FY2021	FY2022	Year-on-year	
			Change	Change (%)
Net Sales	105.5	112.0	+6.5	+6.1
New ethical drugs, etc. (Japan)	69.7	74.5	+4.8	+6.8
New ethical drugs (Overseas)	1.0	0.7	-0.3	-32.2
Generic drugs	34.8	36.7	+1.9	+5.5
Cost of sales	56.1	-	-	-
SG&A (R&D)	44.4 (8.9)	- (10.9)	- (+2.0)	- (+22.5)
Operating profit	5.0	5.5	+0.5	+9.8
Ordinary profit	5.6	6.0	+0.4	+7.7
Profit attributable to owners of parent	3.9	4.5	+0.6	+14.4

【Key factors for Increase/decrease (Year-on-Year)】

Net sales : The sales of new ethical drugs (Japan) are expected to increase due to expansion of sales of new drugs by remove shipping adjustment in August 2022 and launch for Lyfnua etc. GE launched in FY2021 expected to contribute in sales increase.

Operating profit: Gross profit increased although impact on NIH drug price revisions. Operating profit are expected to increase according to decrease SG&A expenses (excluding R&D expenses) but R&D expenses are increased.

Cost of sales ratio: Increase about 0.5 points SG&A expenses(excluding R&D expenses): decrease about 2 points R&D: Increase ¥2bln (¥8.9bln to ¥10.9 bln)

Forecast of Mainstay Products Sales



		FY2021	FY2022 (Forecast)	Year-on-year	
				Change	Change (%)
New ethical drugs, etc. (Japan)	Flutiform (Combination drug for asthma treatment)	12.6	12.0	-0.6	-4.6
	Desalex (Antiallergic Agent)	7.1	8.0	+0.9	+13.6
	Beova(KYORIN) (β3 adrenergic receptor agonist overactive bladder therapeutics)	8.6	14.1	+5.5	+64.4
	Lasvic (New quinolone synthetic antibacterial agent)	1.8	3.0	+1.2	+65.8
	Lyfnua (Selective P2X3 receptor antagonist/refractory chronic cough)	-	0.5	+0.5	-
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	14.0	12.5	-1.5	-9.9
	Kipres (Leukotriene Receptor Antagonist)	8.4	6.8	-1.6	-18.5
	Mucodyne (Mucoregulant)	3.5	2.9	-0.6	-14.1
	Nasonex (Spray type allergic rhinitis remedy)	2.4	1.8	-0.6	-23.3
	Uritos (KYORIN) (Overactive bladder)	1.3	0.7	-0.6	-40.4
	Milton (Disinfectant)	2.1	2.0	-0.1	+0.4
	Rubysta (Disinfectant)	2.1	2.0	-0.1	-0.1
Generic drugs	Montercast tablets "KM" (Leukotriene Receptor Antagonist)	12.2	10.7	-1.5	-11.7
	Mometasone Nasal 50mg "KYORIN" Spray type allergic rhinitis remedy)	3.6	3.6	0	+0.1
	Imidafenacin tablets & OD"KYORIN" (Overactive bladder)	0.8	0.5	-0.3	-26.3

Capital Policy

- While maintaining the sound financial base, we aim to improve the capital efficiency through growth investment and returns to shareholders
- We will maintain stable dividends taking DOE (Dividend on Equity ratio) into account

Dividend

	FY2019	FY2020	FY2021	FY2022 (Forecast)
Dividend per share (Yen)	¥75 (Year-end ¥45)	¥75 (Year-end ¥45)	¥52 (Year-end ¥32)	¥52 (Year-end ¥32)
Consolidated payout ratio	70.9%	71.1%	76.9%	67.2%

※The year-end dividend of 32 yen in the fiscal year ended March 2022 will be decided at in the Board Meeting scheduled in May 20

Status of R&D Pipeline

Status of R&D Pipeline



Progress in FY2021

	Development code	PhI	PhII	PhIII	Application	Approval/Launch
Respiratory	KRP-R120	Completed				
	Lyfnua					Approval (MSD, Jan 2022)
Infections	KRP-A 218	(Apr 2021)				
Urology	Zymso					Launched (Apr 2021)
	AKP-009		Completed (ASKA)*			

*ASKA started an additional Ph I study to confirm the maximum effect at a higher dose

[Licensed Compound / Program]

Compound/Code	Licensee	Stage	Features
KRP-203	Priothera	PhI	<ul style="list-style-type: none"> ● Sphingosine-1-Phosphate receptor Agonist ● Target: AML patients undergoing HSCT ● Assignment of IP and drug substances (Sep. 2020)
Compound for Sensorineural Hearing Loss	Otonomy	Non-clinical	<ul style="list-style-type: none"> ● "OTO-6XX" (Otonomy's development code) ● License Agreement (Aug. 2020)

*FPR2 agonist program was removed from the list since BMS (licensee) decided to discontinue the program for strategic reasons.

Status of R&D Pipeline in FY2022



Plan in FY2022

	Development code	PhI	PhII	PhIII	Application	Approval/Launch
Respiratory	KRP-R120	Completed	Planning for initiating MRCT*			
	Lyfnua tablets					Launched (Apr 2022)
Infections	KRP-A 218	(Apr 2021)				
Urology	AKP-009		Completed (ASKA)*			

※Additional Ph I study to confirm the maximum effect at a higher dose has been completed (ASKA)

*MRCT: Multi-Regional Clinical Trials

[Licensed Compound]

Compound/Code	Licensee	Stage	Features
KRP-203	Priothera	Ph I	<ul style="list-style-type: none"> ● Sphingosine-1-Phosphate receptor Agonist ● Target: AML patients undergoing HSCT ● Assignment of IP and drug substances (Sep. 2020)

Compound for sensorineural hearing loss was removed from the list since Otonomy (licensee) decided to discontinue the program for strategic reasons

Initiative toward Realization of the Long-term Vision “HOPE 100”

Statement

Realize growth trend by pursuing Kyorin’s originality

Business Strategy

- Shift to business based on the proposal of solutions and accelerate the growth of new drug groups
- Enhance pipeline to support medium-term growth
- Strengthen drug discovery capability to realize the creation of innovative new drugs
- Improve cost competitiveness
- Expand overseas revenue

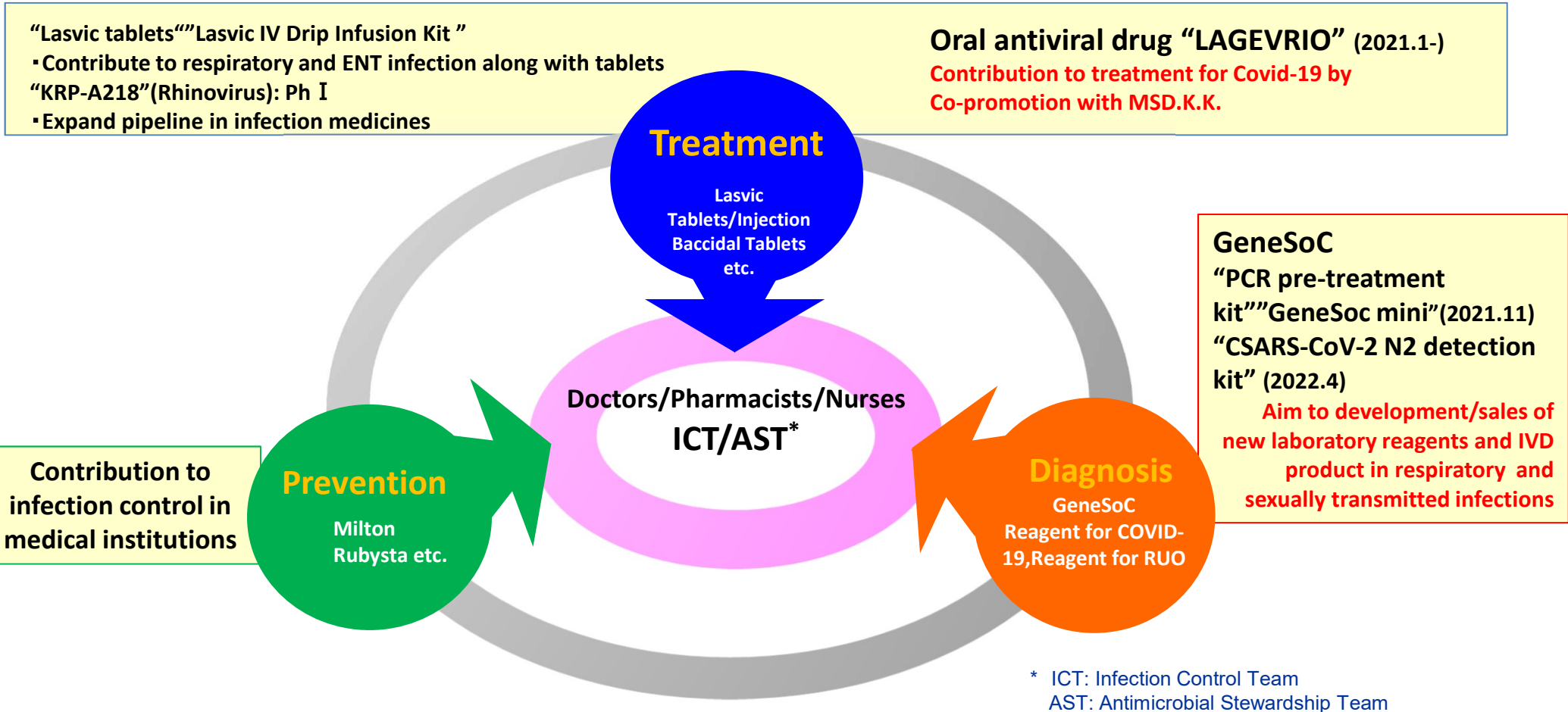
Organization Strategy

- Aim to be the No. 1 company for career fulfillment

Performance Targets

- Growth potential and profitability
- Capital policy and shareholder returns

Solution Provision Activities in Infection Domain



Infection-related product sales	FY2020	¥5.8bln	FY2021	¥7.2bln	FY2023	¥8.9bln(Forecast)
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Expansion of product portfolios

Asthma	Flutiform/Kipres
Allergic rhinitis	Desalex/Kipres/Nasonex
COPD	Eklira
Infection in respiratory/otolaryngology	Lasvic
Disease in respiratory/otolaryngology	Mucodyne
Refractory chronic cough	Lyfnua

Promotion of comprehensive information activities in respiratory/otolaryngology

Provide option for patients as only one drug for refractory chronic cough

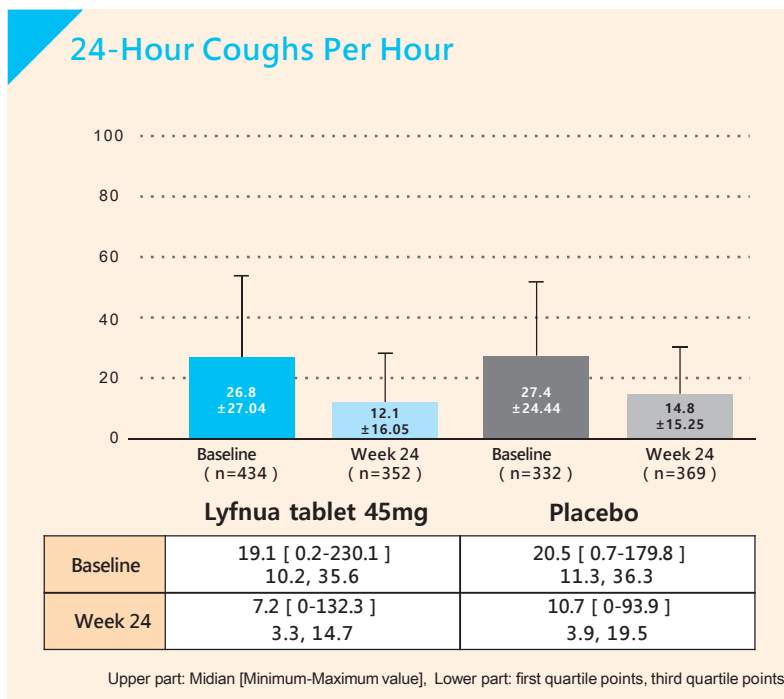
Details	<p>May 2019 Memorandum of understanding on marketing collaboration</p> <p>Apr 2021 Exclusive distribution agreement in Japan</p> <p>Apr 2022 List on the NHI drug price list</p>
Mode of action	P2X3 receptor antagonist
Primary endpoint	Model-Based Geometric Mean Ratio of 24-hour Coughs per Hour at Week 24/Baseline
Secondary endpoint	Model-Based Geometric Mean Ratio of Awake Coughs Per Hour at Week 24/Baseline etc.
Launch date	April 21, 2022
Sale in the first year	¥0.5 bln
Peak sales	¥16 bln (Estimated patients 190,000 in 10 th year)



Establish Promotion of better understanding for product characteristic to respiratory specialists

Study Results of Phase 3 Study of Gafapixant (COUGH-2 Trial)

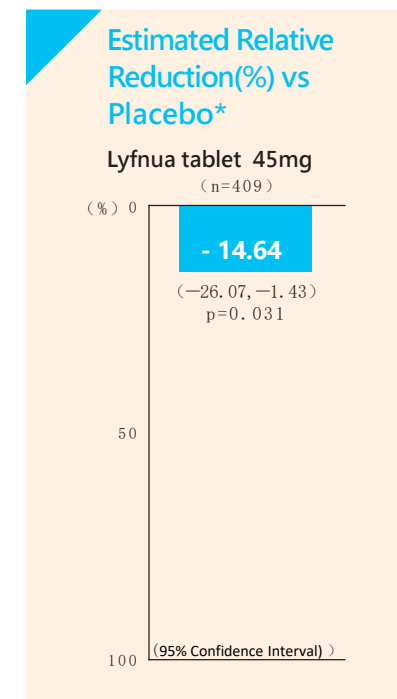
● Mode-Based Geometric Mean Ratio of 24-hour Coughs per Hour at Week 24/Baseline [Primary endpoint]



Geometric Mean 24-Hour Cough Frequency

	Lyfnua tablet 45mg (n=409)	Placebo (n=419)
Baseline	18.55	19.48
Week 24	6.83	8.34
Ratio of 24-Hour Cough pre Hour at Week 24/Baseline	0.37 (0.33-0.41)	0.43 (0.39-0.48)

Geometric Mean (95% Confidence Interval)



*Estimated relative reduction (%) vs placebo was estimated by $100 * (\exp(\text{diff}) - 1)$, where diff was the difference provided by the analysis of the log transformed variable.

● Safety [*Primary endpoints]

	Lyfnua tablet 45mg	Placebo
Overall Number of Participants Analyzed	440	432
Adverse Event *	399(90.7)	349(80.8)
Adverse Drug Reaction (ADR)	312(70.9)	91(21.1)
Serious Adverse Event*	100(22.7)	25(5.8)

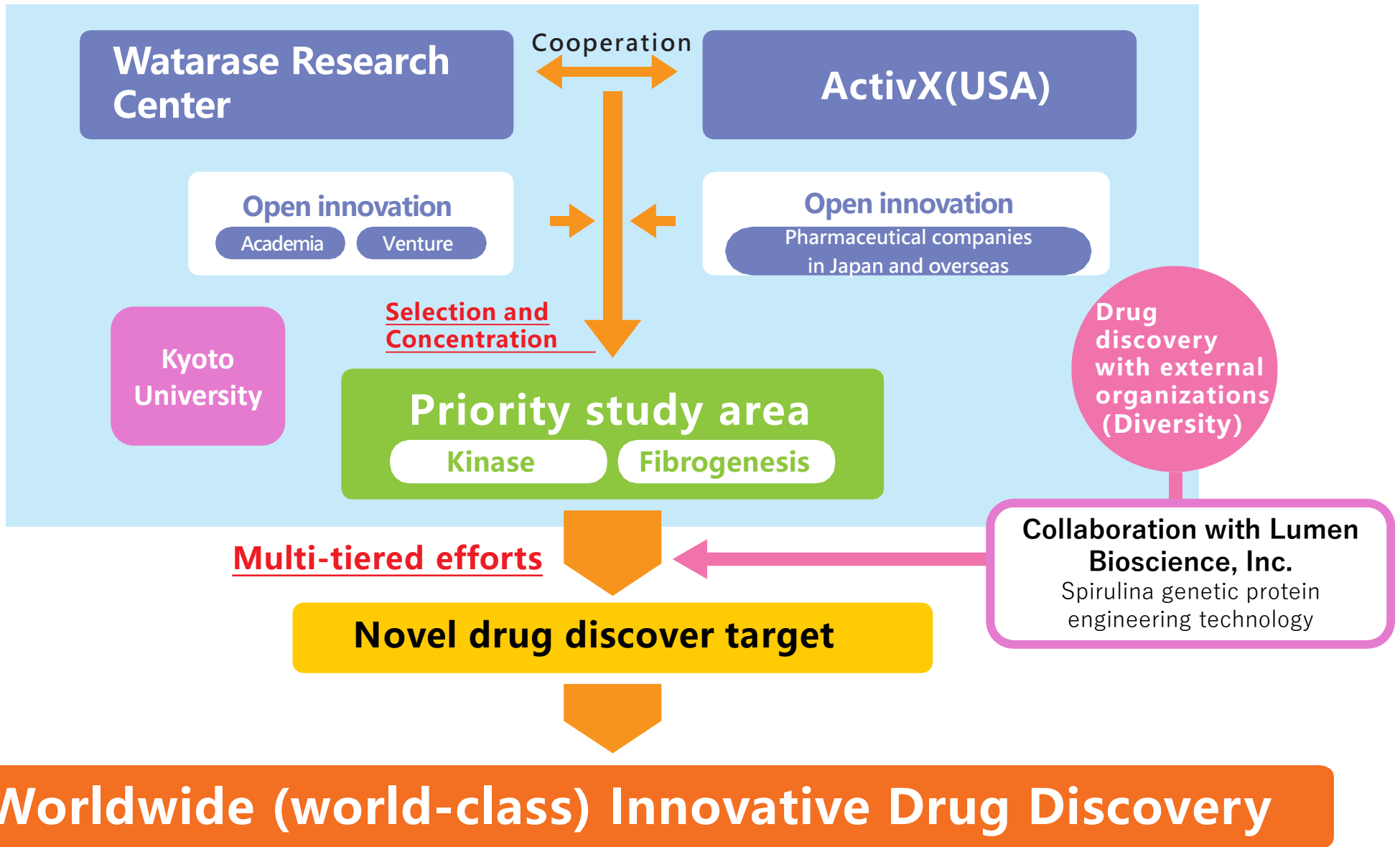
Most Common ADR:
Dysgeusia 188 (42.7%)
Hypogeusia 57 (13.0%)

Aculeate new drugs group in Medium-term management plan"HOPE-100-Stage 3-"

Product Name	Current Status (FY2021)	Market Environment/Strategy	Vision
Flutiform	<ul style="list-style-type: none"> ICS/LABA Market ¥90bIn Flutiform 15.9% Top Market Share 34% <p>*1</p>	<ul style="list-style-type: none"> ● Market shrinks due to annual NHI Drug price revision and GE launch Impact ■ Aim to establish a first-choice position for asthma treatment 	<p>ICS/LAB combination drug Market share(quantity bais) 30%</p>
Beova (KYORIN)	<ul style="list-style-type: none"> OAB Market ¥90bIn Top Market Share 46% <p>*1</p>	<ul style="list-style-type: none"> ● Market remains flat due to decrease anticholinergic agent though expanded by b3 receptor agonist ■ Removal of shipping adjustment scheduled in August ■ Aim for a significant increase in peak sales 	<p>Market share No.1</p>
Desalex	<ul style="list-style-type: none"> Antihistamine ¥130bIn Desalex 6.6% Top Market Share 17% <p>*1</p>	<ul style="list-style-type: none"> ● Market shrinks due to annual NHI Drug price revision and GE launch Impact ■ No.1 prescription acquisition rate in the field of otolaryngology ■ Expand prescriptions in internal medicine 	<p>Sales more than ¥10 bln</p>
Lasvic (Oral)	<ul style="list-style-type: none"> Oral antibacterial Market ¥60bIn Lasvic 2.9% Top Market Share 6% <p>*1</p>	<ul style="list-style-type: none"> ● Market shrinks due to AMR and infection prevention ■ Aim to maximize product penetration (Expand the number of prescriptions) 	<p>Top sales in antibacterial agent</p>
Lyfnua	<ul style="list-style-type: none"> Symptomatic patients for cough (adult) 11,000,000 Patients with chronic cough 2,500,000 Number of refractory chronic cough patients :400K-500K 	<ul style="list-style-type: none"> ■ Provide option as only one drug for refractory chronic cough ■ Establish Promotion of better understanding for product characteristic 	<p>Sales more than ¥10 bln</p>

OAB market: Anticholinergic agent + β3 adrenergic receptor
Antibacterial agent market: Includes all systemic antibacterial agents and children in all markets

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Enhancement of drug discovery targets by collaborations with academia

Progress in Department of Drug Discovery for Lung Diseases (Graduate school of Medicine, Kyoto University)

- Success to establish novel in vitro pulmonary fibrosis model*
- Produce disease iPS cells and transgenic animal as new model for fibrosis
- Identify pharmacological targets for fibrosis
- Apply research capacity and technology: Collaboration with department of respiratory medicine

*Kyoto University <https://www.kyoto-u.ac.jp/ja/research-news/2021-11-19>

<https://www.kyoto-u.ac.jp/ja/research-news/2021-11-15-0>

Introduction of new modality and new technology

Collaboration with domestic/oversea companies for discovery in nucleic acid drug

Promote drug discovery for fibrosis in modalities

Construction of the Takaoka New Plant

Strengthen the supply capacity as the production of drugs increased



【Outline of the Takaoka Plant】

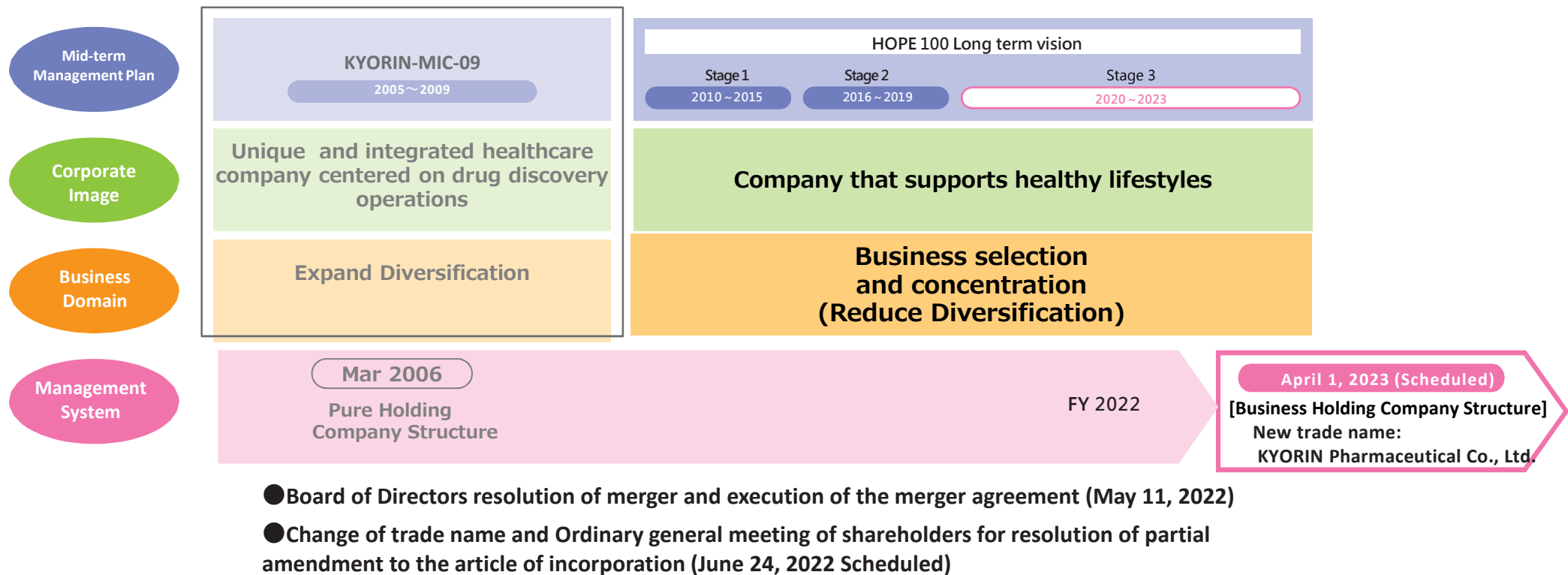
Location	IC Park 8, Takaoka-City, Toyama
Site Area	42,457 m ²
Building	Three floors, Building area about 7,262 m ² , Total floor area about 21,091 m ²
Groundbreaking	August 2022
Completion	October 2023 (Scheduled)
Operation	April 2024 (Scheduled)
Investment	About 10 billion yen

- Production function of Inami which manufactures GE are transferred to Takaoka
- Product capacity of approximately 2 billion tablets (More than twice of Inami Plant)
- Significantly reduce CO2 emissions, actively utilize LNG and renewable energy

Building production system supplies stably and at low cost

Renovation the group structure

Improve business promotion function and management efficiency



Strongly promote the business with new drug business placed at the core of the group management



Globally Recognized Company by Creating Innovative New Drugs

Outline of Merger and Change of Trade Name



Date of merger

April 1, 2023 (Scheduled)

Form of merger

Absorption-type merger with KYORIN Holdings, Inc. as the surviving company and KYORIN Pharmaceutical being dissolved

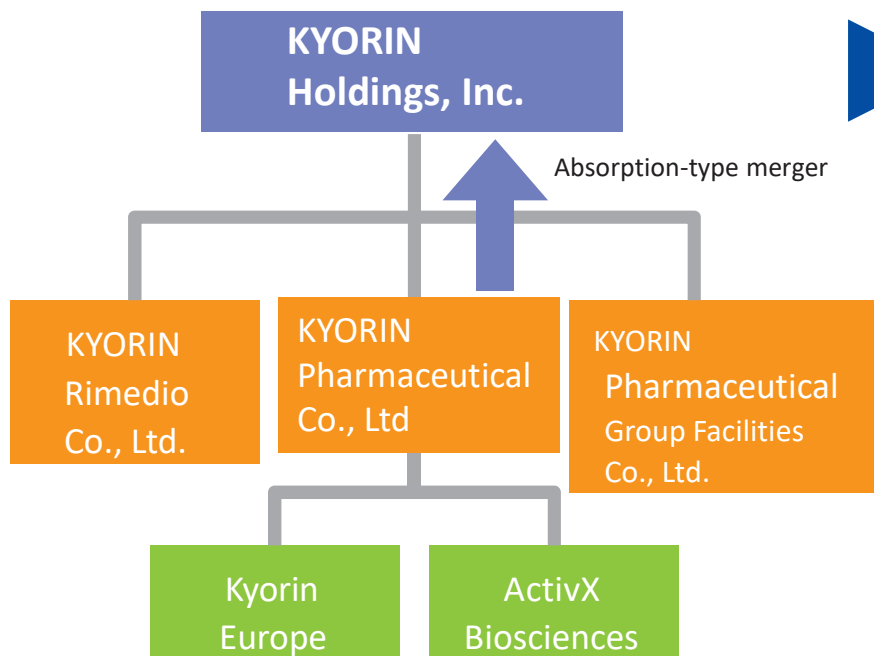
Effective Date to New Trade Name

April 1, 2023 (Scheduled)

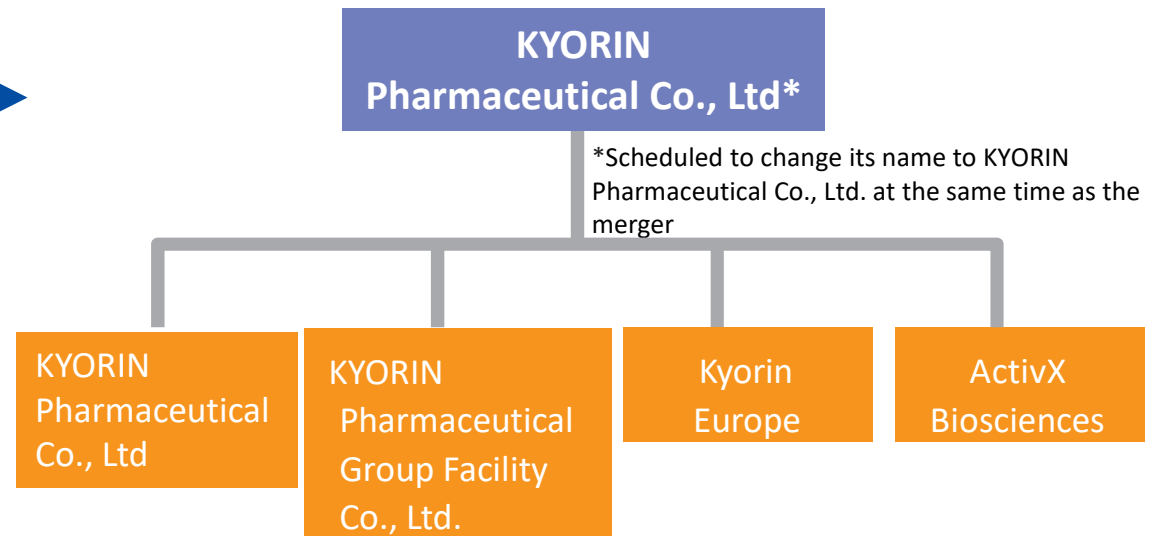
Reason for change

Shift from a pure holding company structure to a business holding company structure, and Change trade name in order to inherit the drug discovery and the pharmaceutical business of KYORIN Pharmaceutical

[Pure Holding Company Structure]



[Business Holding Company Structure]



Business strategy in FY 2022

Increase the “Speed”

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.

Kyorin 