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Second Quarter Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

1. Overview of financial results P.2
2. Highlights of business performance P.3
3. Financial results P.4
4. Financial results and forecast P.5
5. Main product sales update P.6
6. R&D expenses, capital expenditure & depreciation P.7
7. Development pipeline / Other major agreement P.8～10

【Reference】

8. P&L summary P.12～13
9. BS summary P.14
10. Financial summary P.15



November 9, 2026

KYORIN Pharmaceutical Co., Ltd.

■ Disclaimer

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Overview of Financial Results for FY2026 2Q

(JPY millions)	FY2023 2Q(Apr-Sep)	FY2024 2Q(Apr-Sep)	FY2025 2Q(Apr-Sep)	FY2026 2Q(Apr-Sep)	Change (%)	Full term FY2026 (Original forecast)	Full term FY2026 (Revised forecasts)	Change
Net sales	54,937	55,139	58,731	**57,489**	**－2.1**	121,800	**121,800**	0
Operating profit	1,335	1,549	1,363	**306**	**－77.6**	2,000	**－4,900**	－6,900
Ordinary profit	1,578	2,050	1,582	**689**	**－56.4**	2,300	**－4,600**	－6,900
Profit attributable to owners of parent	1,890	1,255	1,494	**－1,566**	**－**	1,500	**－5,100**	－6,600

Second Quarter Consolidated Financial Results

[Net Sales] Net sales decreased by 1,242 million yen year-on-year to 57,489 million yen. Sales of new drugs (Japan) fell below the same period of the previous year, due to the NHI drug price revisions and the entry of generic competition for “Desalex,” among other factors, although the mainstay product “Beova” grew. Sales of new drugs (overseas) decreased due to a reaction to gatifloxacin-related revenue recorded in the previous period. Sales of generic drugs increased, driven by contributions from authorized generics (AGs) and newly listed generic drugs launched in FY2026.

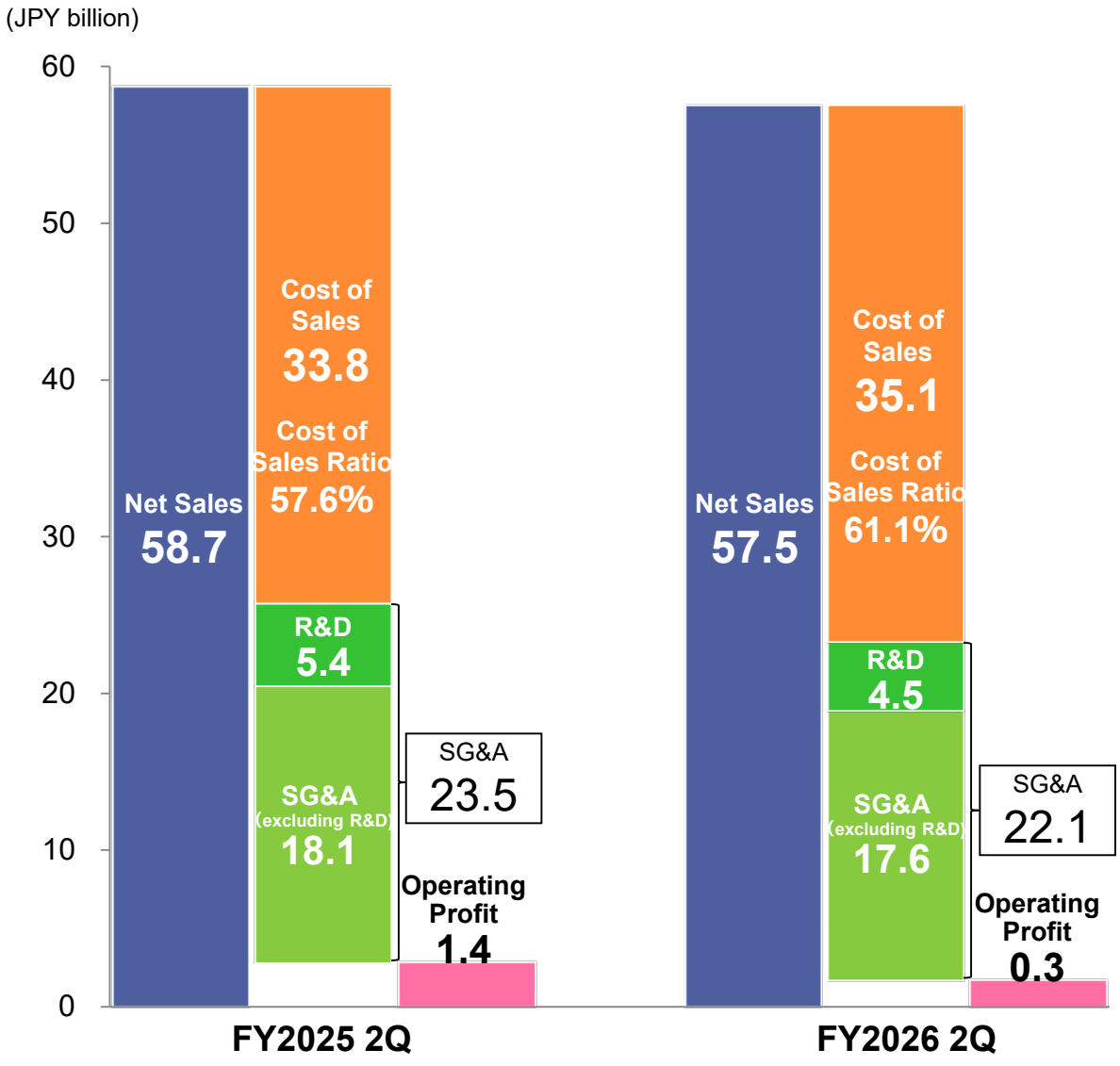
[Profit] Gross profit decreased by 2,513 million yen year-on-year to 22,382 million yen due to the decline in net sales. SG&A expenses decreased by 1,456million yen due to the absence of upfront payments recorded in the previous period (R&D expenses decreased by 980 million yen). As a result, operating profit came to 306 million yen (down 77.6%, year-on-year), and ordinary profit was 689 million yen (down 56.4%, year-on-year). Profit attributable to owners of parent was 1,566 million yen due to the recording of an extraordinary loss, including a loss on the transfer of the generic drug business.

Consolidated Financial Results for FY2026 (Forecast)

The full-year financial forecasts announced on May 12, 2026, have been revised to reflect the upfront payment under the license agreements, as well as the loss on the transfer of the generic drug business recorded as an extraordinary loss. For details, please refer to the press release "Notice Regarding Difference Between Financial Forecast and Actual Results for the Interim period of FY2026 and Revision of Financial Forecasts for FY2026" announced separately today.
There is no change to the dividend plan announced on May 12, 2026 (Annual dividend of 25 yen per share).

*Beginning of FY2024, the company changed accounting policies. The results for FY2023 are presented after retroactive adjustment.

Highlights of Business Performance



(JPY billion)

Net sales decreased (－1.2)

- Decrease in sales of new drugs, etc. (Japan)
  - ・Beova sales grew
  - ・Impact of NHI drug price revision (Kyorin Pharmaceutical: 4% range)
  - ・Impact of entry of generic competition for Desalex
- Decrease in sales of new drugs (Overseas)
- Increase in sales of generic drugs

Cost of sales ratio increased (+3.5point)

<Factor of decrease>

- Beova sales grew

<Factor of increase>

- Impact of NHI drug price revisions
- Desalex sales declined
- Rebound decline in gatifloxacin-related revenue

Gross profit decreased (－2.5)

SG&A cost decreased (－1.4)

- R&D Expenses decreased (－0.9)
  - ・Absence of upfront payments recorded in the previous period (KRP-A225)
- SG&A (excluding R&D) decrease (－0.5)
  - ・Cost reduction
  - ・Increase in license fees

Operating profit decreased (－1.1)

Financial Results

(JPY billions)	FY2025 2Q	**FY2026 2Q**	Change
Net Sales	58.7	**57.5**	−1.2
New drugs, etc. (Japan)	41.4	**40.4**	−1.0
New drugs (Overseas)	0.5	**0.2**	−0.3
Generic drugs	16.8	**16.9**	+0.1
Operating profit	1.4	**0.3**	−1.1
Ordinary profit	1.6	**0.7**	−0.9
Profit attributable to owners of parent	1.5	**−1.6**	−3.1

		(year-on-year)	(vs Forecast) announced on May 12, 2026
■ Net sales	**57.5**	**(−1.2)**	**(−0.3)**
● New drugs, etc. (Japan)	**40.4**	**(−1.0)**	**(−0.3)**

	FY2025 (2Q)		FY2026 (2Q)		
・Beova	12.3	⇒	14.4	(+2.1)	(+1.5)
・Lasvic	3.5	⇒	3.5	(0)	(−0.4)
・Fultiform	6.3	⇒	5.9	(−0.4)	(0)
・Lyfnua	0.5	⇒	0.4	(−0.1)	(−0.1)
・Mucodyne	2.0	⇒	1.9	(−0.1)	(−0.5)
・Pentasa	6.3	⇒	5.3	(−1.0)	(+0.2)
・Desalex	3.7	⇒	1.6	(−2.1)	(0)
・Kipres	0.9	⇒	0.6	(−0.3)	(+0.2)

● New drugs (Overseas) **0.2** **(−0.3)** **(0)**

Rebound decline in gatifloxacin-related revenue

● Generic drugs **16.9** **(+0.1)** **(+0.2)**

Contributions from AGs and new generic launches in FY2026

■ Operating profit **0.3** **(−1.1)** **(+0.6)**

● Cost of sales ratio : 61.1% (FY2025 2Q : 57.6%)

[Factor of degrease] Beova sales grew

[Factor of increase] NHI drug price revisions, Desalex sales declined, Rebound decline in gatifloxacin-related revenue

● R&D : 4.5 (FY2025 2Q : 5.4)

Absence of upfront payments recorded in the previous period (KRP-A225) 1.5

● SG&A (excluding R&D expenses) : 17.6 (FY2025 2Q : 18.1)

Cost reduction, increase in license fees

■ Profit attributable to owners of parent **−1.6** **(−3.1)** **(−1.6)**

● Extraordinary loss : 2.7 Loss on the transfer of the generic drug business, etc.

Financial Result and Forecast

(JPY millions)	2Q (Apr-Sep)						Full term			
	FY2025 (Actual)	**FY2026 (Actual)**	Change	Change (%)	FY2026 (Forecast)	Vs forecast	FY2025	FY2026 (Original forecast)	**FY2026 (Revised forecast)**	Change
Net sales	58,731	**57,489**	−1,242	−2.1	57,800	−311	126,257	121,800	**121,800**	0
New drugs, etc. (Japan)	41,405	**40,371**	−1,033	−2.5	40,700	−329	87,113	83,500	**83,500**	0
New drugs (Overseas)	504	**236**	−267	−53.0	200	+36	693	300	**300**	0
Generic drugs	16,822	**16,881**	+58	+0.4	16,700	+181	38,451	37,900	**37,900**	0
Operating profit	1,363	**306**	−1,057	−77.6	−300	+606	3,567	2,000	**−4,900**	−6,900
Ordinary profit	1,582	**689**	−893	−56.4	−100	+789	4,031	2,300	**−4,600**	−6,900
Profit attributable to owners of parent	1,494	**−1,566**	−3,061	−	0	−1,566	3,448	1,500	**−5,100**	−6,600

Main Product Sales Update

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	(JPY billions)	2Q (Apr-Sep)								Full term	
		FY2024 (Actual)	FY2025 (Actual)	**FY2026 (Actual)**	Change	Change (%)	FY2026 (forecast)	Vs forecast	Progress to full term forecast (%)	FY2025 (Actual)	**FY2026 (Forecast)** *unchanged
New drugs, etc. (Japan)	**Beova (Kyorin)** (β3 adrenergic receptor agonist overactive bladder therapeutics)	10.4	12.3	**14.4**	+2.1	+17.0	12.9	+1.5	53.8	25.8	**26.7**
	Lasvic (New quinolone synthetic antibacterial agent)	3.0	3.5	**3.5**	0	+0.1	3.9	−0.4	39.2	7.3	**9.0**
	Flutiform (Combination drug for asthma treatment)	6.4	6.3	**5.9**	−0.4	−6.6	5.9	0	47.9	12.8	**12.3**
	Lyfnua (selective P2X3 receptor antagonist for the treatment of chronic cough)	0.4	0.5	**0.4**	−0.1	−10.6	0.5	−0.1	41.7	0.9	**1.0**
	Mucodyne (Mucoregulant)	1.5	2.0	**1.9**	−0.1	−2.6	2.4	−0.5	35.7	3.7	**5.4**
	Pentasa (Ulcerative colitis and Crohn's disease treatment)	6.2	6.3	**5.3**	−1.0	−15.9	5.1	+0.2	51.7	12.3	**10.2**
	Desalex (Antiallergic Agent)	3.4	3.7	**1.6**	−2.1	−56.1	1.6	0	70.0	10.2	**2.3**
	Kipres (Leukotriene Receptor Antagonist)	1.8	0.9	**0.6**	−0.3	−40.4	0.4	+0.2	55.9	2.2	**1.0**
	Milton (Disinfectant)	0.9	0.9	**0.8**	−0.1	−14.3	0.9	−0.1	44.5	1.8	**1.8**
	Rubysta (Disinfectant)	0.6	0.4	**0.3**	−0.1	−15.0	0.3	0	49.5	0.8	**0.7**
Generic drugs (AGs)	**Montelukast tablets "KM"** (Leukotriene Receptor Antagonist)	5.0	4.4	**4.7**	+0.3	+7.7	4.3	+0.4	46.9	11.4	**10.1**
	Mometasone Nasal 50μg "KYORIN" (Spray type allergic rhinitis remedy)	0.7	1.1	**1.0**	−0.1	−14.4	1.0	0	24.6	4.5	**3.9**

R&D Expenses, Capital expenditure & Depreciation expense

(JPY millions)	FY2023 2Q	FY2024 2Q	FY2025 2Q	**FY2026 2Q**	Change (%)	FY2025	**FY2026 (Forecast)**
R&D expenses	3,842	3,844	5,443	**4,463**	−18.0	12,060	**16,200** *Revised
Capital expenditure	1,280	4,203	2,494	**1,138**	−54.3	3,955	**4,300**
Depreciation expense	2,172	2,307	2,278	**2,299**	+0.9	4,663	**4,700**

<Capital expenditure (Actual / Forecast)>

(JPY Billions)	FY2025 2Q	**FY2026 2Q**	FY2025	**FY2026 (Forecast)**
Plant facilities	2.4	**0.9**	3.5	**3.2**
Equipment for control, sales activities	0	**0.1**	0.1	**0.5**
Equipment for research	0.1	**0.1**	0.4	**0.6**

Development pipeline
Main R&D Activities -1 (as of November 9, 2026)

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Ph3 / Launch

※Updated

Code	Proposed Indication	Stage		Origin	Features	Note
		Japan	Overseas			
KRP-114VP	Overactive bladder	Ph3 (May 2026)	—	Merck	- β3-adrenergic receptor agonist - Enhances bladder relaxation during storage phase to increase capacity and improve OAB symptoms (urgency, frequency, and UUI)	- Additional Indication for Beova in pediatric patients
EB05※	ARDS (Acute Respiratory Distress Syndrome)			Edesa	- Monoclonal antibody targeting Toll-like receptor 4 (TLR4) - Inhibits TLR4 signaling - Designed to modulate excessive inflammatory responses with the goal of improving survival and clinical outcomes	- License agreement for development and commercialization in Japan (Nov 2026) - Phase 3 trial in preparation

Digital Therapeutics (DTx)

Code	Proposed Indication	Stage	Partner	Features	Note
KRP-DT123	Tinnitus	Confirmatory Study (May 2026)	SUSUMED	- DTx for Tunnitus	- Collaboration research and sales agreement for development of DTx in otolaryngology Field (Nov 2022)
KRP-DC125	Chronic Cough	Confirmatory Study (June 2026)	Hyfe	- DTx for Chronic Chough	- Development and commercialization agreement for DTx for chronic cough (2024)

Development pipeline
Main R&D Activities -2 (as of November 9, 2026)

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Ph1 ～ Ph2

※Updated

Code	Proposed Indication	Stage		Origin	Features	Note
		Japan	Overseas			
KRP-S124	OSA etc.	**Ph2※ (Nov 2026)**	Ph1 Bayer	Bayer	- ADRA2C antagonist - Centrally reduces upper airway collapse, with expected improvements in transient apnea and hypopnea	- License agreement for worldwide manufacturing, development, and commercialization rights (Dec 2024)
KRP-A225	Systemic Lupus Erythematosus (SLE), etc.		Ph1 Hinge Bio	Hinge Bio	- A bispecific antibody targeting CD19 and CD20 on the surface of B cells. - "Reset" the immune system through B cell depletion.	- Collaboration and License Agreement in Japan for SLE and other diseases (Sep 2025)
KRP-126	Neuropathic Pain	**Ph1※ (Nov 2026)**	Ph1 BIODOL	BIODOL Therapeutics	- FLT3 Negative allosteric modulator - Exerts a negative modulatory effect on FLT3, a key driver of chronic pain onset and persistence, offering strong analgesic effects	- License agreement for development, manufacturing, and commercialization in Japan, South Korea, and Taiwan (Mar 2026)

Licensing development (License-out)

Code	Proposed Indication	Stage	Licensee	Origin	Features	Note
KRP-M223	Allergic and inflammatory diseases involving mast cells, such CSU etc.	Pre-clinical	Novartis	In-house	MRGPRX2 antagonist	- License agreement to obtained the exclusive worldwide license to develop, manufacture, and commercialize KRP-M223 (Mar 2025) - Option rights for commercialization in Japan and manufacturing for the Japanese market

Other Major Agreements（ as of November 9, 2026）

Other Agreements

Product	Partner	Indication	Stage	Note
SIRTURO®	J&J	Multidrug-resistant pulmonary tuberculosis (MDR-TB)	Launched	- Exclusive distribution agreement in Japan (Mar 2026) - Initiated sole promotion (Jun 2026–; MDR-TB) - Plan to exclusively commercialize upon obtaining additional approval for pulmonary MAC disease
		Mycobacterium avium complex-lung disease (MAC-LD)	Filed (J&J)	
Alesion® Eyelid Cream 0.5%	Santen	Allergic conjunctivitis	Launched	- Joint marketing agreement in Japan (July 2026) - Plan to initiate promotion outside the field of ophthalmology (Aug 2026)

[Reference]

(Reference)

P&L Summary – (1)

(JPY millions)	FY2025 2Q		FY2026 2Q			
	Actual	% Sales	**Actual**	% Sales	Change (%)	Change
Net Sales	58,731	100.0	**57,489**	100.0	－2.1	－1,242
New drugs, etc. (Japan)	41,405	70.5	**40,371**	70.2	－2.5	－1,033
New drugs (Overseas)	504	0.9	**236**	0.4	－53.0	－267
Generic durgs	16,822	28.6	**16,881**	29.4	＋0.4	＋58

<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>

(Year on year)

■ **Sales** **57,489** (－1,242)

● **New drugs, etc. (Japan)** **40,371** (－1,033)

	FY2025 2Q		FY2026 2Q	(JPY billions)
・Beova	12.3	⇒	14.4	(＋2.1)
・Lasvic	3.5	⇒	3.5	(　0)
・Flutiform	6.3	⇒	5.9	(－0.4)
・Lyfnua	0.5	⇒	0.4	(－0.1)
・Mucodyne	2.0	⇒	1.9	(－0.1)
・Pentasa	6.3	⇒	5.3	(－1.0)
・Desalex	3.7	⇒	1.6	(－2.1)
・Kipres	0.9	⇒	0.6	(－0.3)

● **New drugs (Overseas)** **236** (－267)

・Rebound decline in gatifloxacin-related revenue

● **Generic drugs** **16,881** (＋58)

・Contributions from authorized generics (AGs) and newly listed generic drugs launched in FY2026

(Reference)

P&L Summary – (2)

(JPY millions)	FY2025 2Q		FY2026 2Q			
	Actual	% Sales	**Actual**	% Sales	Change (%)	Change
Net sales	58,731	100.0	**57,489**	100.0	–2.1	–1,242
Cost of sales	33,835	57.6	**35,107**	61.1	+3.8	+1,271
Gross profit	24,896	42.4	**22,382**	38.9	–10.1	–2,513
SG&A	23,532	40.1	**22,076**	38.4	–6.2	–1,456
(R&D expenses)	(5,443)	(9.3)	**(4,463)**	(7.8)	(–18.0)	(–980)
Operating profit	1,363	2.3	**306**	0.5	–77.6	–1,057
Non-Operating Income	402	0.7	**511**	0.9	+26.9	+108
Non-Operating Expenses	184	0.3	**128**	0.2	–30.5	–56
Ordinary profit	1,582	2.7	**689**	1.2	–56.4	–893
Extraordinary profit	473	0.8	**100**	0.2	–78.9	–373
Extraordinary Losses	26	0.0	**2,689**	4.7	–	+2,662
Profit before income taxes	2,029	3.5	**–1,900**	–3.3	–	–3,929
Income taxes	535	0.9	**–333**	–0.6	–	–868
Profit attributable to owner of parent	1,494	2.5	**–1,566**	–2.7	–	–3,061

<Breakdown>

(Year on year)

◆Cost of sales ratio : 61.1% **(+3.5pt)**

【Factor of decrease】
- Beova sales grew

【Factor of increase】
- Impact of NHI drug price revisions
- Desalex sales declined
- Rebound decline in gatifloxacin-related revenue

◆R&D ratio : 7.8% **(–1.5pt)**

- 4.5 billion yen (–0.9 billion yen, year on year)
  Absence of upfront payments recorded in the previous period (KRP-A225) 1.5 billion yen

◆SG&A ratio (excluding R&D) : 30.6% **(–0.2pt)**

- 17.6 billion yen (–0.5 billion yen, year on year)
  Cost reduction, increase in license fees

■Operating profit : 306 million yen **(–1,057 million yen)**

■Ordinary profit : 689 million yen **(–893 million yen)**

■Extraordinary profit : 100 million yen **(–373 million yen)**

■Extraordinary Losses : 2,689 million yen (+2,662 million yen)

- Loss on the transfer of the generic drug business, etc.

■Profit attributable to owner of parent : –1,566 million yen (–3,061 million yen)

(Reference)

BS Summary

(JPY millions)	Mar / 2026 Actual	Mar / 2026 % Total	Sep / 2026 Actual	Sep / 2026 % Total	Sep / 2026 Change
Current Assets	135,142	69.1	**130,729**	70.0	−4,413
Cash, deposits	11,802		**20,942**		
Note and accounts receivable-trade	47,342		**32,162**		
Securities	3,279	—	**2,294**	—	—
Inventory	67,790		**68,587**		
Other	4,927		**6,743**		
Non-current Assets	60,312	30.9	**56,090**	30.0	−4,221
Property, plant and equipment	30,506		**27,841**		
Intangible assets	4,085	—	**3,745**	—	—
Investments and other assets	25,720		**24,503**		
Total Assets	195,455	100.0	**186,819**	100.0	−8,635
Current Liabilities	29,368	15.0	**40,174**	21.5	+10,805
Notes and accounts payable – trade	14,441	—	**13,566**	—	—
Other	14,927		**26,607**		
Non-Current Liabilities	23,661	12.1	**8,587**	4.6	−15,073
Total Liabilities	53,029	27.1	**48,762**	26.1	−4,267
Shareholder's Equity	131,067	67.1	**127,668**	68.3	−3,399
Other Comprehensive Income	11,357	5.8	**10,389**	5.6	−968
Valuation difference on available-for-sale securities	7,289		**6,538**		
Deferred gains or losses on hedges	64	—	**−1**	—	—
Remeasurements of defined benefit plans	4,003		**3,852**		
Net assets	142,425	72.9	**138,057**	73.9	−4,367
Total Liabilities and Net assets	195,455	100.0	**186,819**	100.0	−8,635

<Break down>

(Compared to the end of FY2025)
(JPY millions)

■ Current Assets : −4,413

- Cash, deposits (+9,139)
- Note and accounts receivable-trade (−15,179)
- Securities (−985)
- Inventory (+796)
- Other (+1,815)

■ Non-current Assets : −4,221

- Property, plant and equipment (−2,664)
- Intangible assets (−340)
- Investments and other assets (−1,216)

■ Current Liabilities : +10,805

- Notes and accounts payable – trade (−874)
- Other (+11,679)

■ Non-Current Liabilities : −15,073

(Reference)

Financial Summary

(JPY millions)	FY2024 2Q	FY2025 2Q	**FY2026 2Q**	FY2025	FY2026 (Original forecast)	**FY2026 (Revised forecast)**
Sales	55,139	58,731	**57,489**	126,257	121,800	**121,800**
(Overseas)	(424)	(504)	**(236)**	(693)	(300)	**(300)**
Cost of Sales	31,575	33,835	**35,107**	74,634	—	**—**
(Ratio of sales)	(57.3%)	(57.6%)	**(61.1%)**	(59.1%)		
SG&A	22,015	23,532	**22,076**	48,055	—	**—**
(Ratio of sales)	(39.9%)	(40.1%)	**(38.4%)**	(38.1%)		
R&D Expenses	3,844	5,443	**4,463**	12,060	9,300	**16,200**
(Ratio of sales)	(7.0%)	(9.3%)	**(7.8%)**	(9.6%)	(7.6%)	**(13.3%)**
Operating profit	1,549	1,363	**306**	3,567	2,000	**−4,900**
(Ratio of sales)	(2.8%)	(2.3%)	**(0.5%)**	(2.8%)	(1.6%)	**(−4.0%)**
Ordinary profit	2,050	1,582	**689**	4,031	2,300	**−4,600**
(Ratio of sales)	(3.7%)	(2.7%)	**(1.2%)**	(3.2%)	(1.9%)	**(−3.8%)**
Profit attributable to owners of parent	1,255	1,494	**−1,566**	3,448	1,500	**−5,100**
(Ratio of sales)	(2.3%)	(2.5%)	**(−2.7%)**	(2.7%)	(1.2%)	**(−4.2%)**
EPS (JPY)	21.86	26.01	**−27.26**	60.03	26.11	**−88.74**
Capital	700	700	**700**	700	—	**—**
Total Liabilities and Net assets	178,865	186,013	**186,819**	195,455	—	**—**
Net Assets	130,027	136,448	**138,057**	142,425	—	**—**
BPS (JPY)	2,263.36	2,375.01	**2,397.16**	2,479.28	—	**—**
ROE	1.0%	1.1%	**−1.1%**	2.5%	—	**—**
Equity Ratio (%)	72.7%	73.4%	**73.9%**	72.9%	—	**—**
Employees	2,048	2,010	**2,008**	1,982	—	**—**
Capital Expenditure	4,203	2,494	**1,138**	3,955	4,300	**4,300**
Depreciation Expense	2,307	2,278	**2,299**	4,663	4,700	**4,700**