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To Whom It May Concern

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Kyorin Announces New Long-Term Vision “Vision 110” and Medium-Term Business Plan “Vision 110 -Stage 1-”

KYORIN Pharmaceutical Co., Ltd. announced today that it has completed the medium-term business plan “HOPE100 -Stage 3-” one year ahead of schedule, and formulated a new long-term vision “Vision 110” (FY2023-FY2032) and has decided to begin a new medium-term business plan “Vision 110 -Stage 1-” (FY2023-FY2025).

I. The background of the formulation for new long-term vision

The Kyorin Group has formulated a long-term vision "HOPE100" that looks ahead to 2023, the 100th anniversary of the founding of its core company, KYORIN Pharmaceutical Co., Ltd., and has promoted the medium-term business plan "HOPE100 -Stage 3-" (FY2020-FY2023), which is the final year of HOPE100, by dividing the period (FY2010-FY2023) into three stages. In the meantime, however, as the external environment surrounding our business some unexpected events such as annual NHI drug price revisions (mid-year revisions) due to the further promotion of measures to curb medical and drug costs, and the suppression by patients of visiting medical institutions due to the COVID-19 pandemic. These events have had a significant impact on the management of our group.

On the other hand, in terms of the internal environment, in addition to the launches of new drugs that we expect to become growth drivers, new businesses, such as the diagnostics business, are starting to take off. Under these circumstances, in fiscal year 2023, the 100th anniversary of our founding, we have renovated our group structure. At the same time, we have completed our long-term vision "HOPE100" one year ahead of schedule, and have decided to formulate and launch a new long-term vision "Vision 110" and a new medium-term business plan "Vision 110 -Stage1-”

Going forward, we will earnestly pursue to realize our corporate philosophy of "Kyorin continues to fulfill its mission of cherishing life and benefiting society by contributing to better health," based on the new medium-term business plan "Vision 110-Stage1-".

II. About new long-term vision “Vision 110”

We have formulated “Vision 110”, a new long-term vision for the 110th anniversary of our founding. Our vision is to become “a company that contributes broadly to people's health by comprehensively developing healthcare-related businesses, with a core focus on the new drug business, which continuously provides high-value new drugs that meet medical needs”. We will strive to achieve this goal.

III. Overview of a new medium-term business plan "Vision 110 -Stage1-" (FY2023-FY2025)

Long-term Vision “Vision 110” is divided into three stages (Stage1: FY2023-FY2025, Stage2: FY2026-FY2029, and Stage3: FY2030-FY2032). Statement in Vision 110-Stage1- is "transforming into the business structure to realize Vision 110", and the following five business strategies will be promoted with the aim of achieving performance target and improving support and evaluations from stakeholders.

1. Business strategies

- i. Strengthening drug discovery capability to create high-value new drugs that meet medical needs
 - Try for drug innovation through new drug discovery strategies

- ii. Expansion of development pipeline through in-licensing
 - Significantly strengthen in-licensing ability
 - Promote DTx development

- iii. Maximization of the ratio of new drugs
 - Maximize the extension of new drugs
 - Ensure the stable supply of high-quality drugs

- iv. Promoting healthcare-related businesses that have synergies with the new drugs business
 - Achieve sustainable growth in the generic drugs business
 - Strengthen production capacity for drugs and reduce manufacturing costs
 - Promote infectious disease-related business
 - Strengthen the reliability assurance system to support comprehensive business development

- v. Building a sustainable corporate foundation
 - Improve cost competitiveness
 - Enhance human capital
 - Respond to environmental issues, compliance, governance, etc.

2. Targets for FY2025

Targeted management indicators in the "Vision 110-Stage1-," are as follows.

i. Performance targets (consolidated basis)

Growth potential: "Net sales" CAGR of at least 2%

Profitability: Operating profit before deduction of R&D expenses (operating profit + R&D expenses) to net sales of at least 16%

ii. Capital policy and shareholder returns

Our capital policy is to improve capital efficiency through investment for growth and shareholder returns, while maintaining a sound financial base. Regarding shareholder returns, we will continue stable dividends, taking into account the dividend on equity ratio (DOE).

The business and future figures shown in Vision 110-Stage1-of the new medium-term business plan formulated this time are based on current information/environmental analyses, etc. and may change due to future economic conditions, industry conditions, etc.