

## Whom It May Concern

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## Revision of Consolidated Financial Forecasts

TOKYO, Japan (November 2, 2020) —KYORIN Holdings, Inc., today announced that it has made the following revisions to its consolidated earnings forecasts for the first half of fiscal year ending March 31, 2021. The earnings forecasts were previously announced on May 12, 2020.

### 1. The Revision of Consolidated Financial Forecasts for the first half of fiscal year ending March 31, 2021 (April 1, 2020 to September 30, 2020)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Basic earnings per share (yen)
Original forecast (A)	52,800	2,400	2,600	1,900	33.17
<b>Revised forecast (B)</b>	<b>47,700</b>	<b>1,500</b>	<b>1,800</b>	<b>2,100</b>	<b>36.98</b>
Change (B-A)	-5,100	-900	-800	+200	-
Change (%)	-9.7	-37.5	-30.8	+10.5	-
(for reference) Results of the previous period	48,299	783	1,076	834	14.56

### 2. Reason for revision of financial results forecast

Changes in the business environment during the first half of the current fiscal year include the spread of COVID-19, the slump in the medical drug market due to patient's suppressive behavior to go to medical institution, and the delay in market penetration of new drug groups due to voluntary restriction on MR activities. As a result, sales of new ethical drugs, etc. (Japan) are expected to be lower than initially expected, and sales are revised downward.

In terms of profits, gross profit is expected to decrease as sales decrease. On the other hand, SG&A expenses (excluding R & D expenses) are expected to be lower than initially projected due to the effects of activity restrictions attributable to the spread of COVID-19, but the decrease in gross profit caused by the decrease in sales could not be absorbed. Operating income and ordinary income are revised downward.

As a debt exemption gain of approximately 1 billion yen will be recorded as extraordinary income, Quarterly net income attributable to owners of the parent company is revised upward. . It is a partial exemption of repayment obligations for long-term debt borrowed from the National Research and Development Agency Japan Science and Technology Agency.

### 3. Other

The full year consolidated financial results forecast for the fiscal year ending March 31, 2021 is now being reviewed, will be disclosed it at the time of announcement of the results for the six months ended September 30, 2020 (scheduled for November 5).

## Supplementary material

### 1. About Sales

unit : ¥ billion

	Sep/2019(A)	Sep/2020(B) (original forecast)	<b>Sep/2020(C) (revised forecast)</b>	Change (C)–(A)	Change (C)–(B)
Sales	48.3	52.8	<b>47.7</b>	−0.6	−5.1
New ethical drugs, etc. (Japan)	33.7	36.8	<b>32.8</b>	−0.9	−4.0
New ethical drugs (Overseas)	0.4	0.3	<b>0.5</b>	+0.1	+0.2
Generic drugs	14.2	15.6	<b>14.3</b>	+0.1	−1.3

## 2. About Main Product Sales

unit : ¥ billion

	Sep/2019(A)	Sep/2020(B) (original forecast)	<b>Sep/2020(C) (revised forecast)</b>	Change (C)–(A)	Change (C)–(B)
New ethical drugs, etc. (Japan)					
Flutiform	6.7	7.0	<b>6.3</b>	−0.4	−0.7
Desalex	0	3.1	<b>1.8</b>	+1.8	−1.3
Beova(KYORIN)	0.6	3.5	<b>3.7</b>	+3.1	+0.2
Lasvic tablets	—	1.4	<b>0.2</b>	+0.2	−1.2
Pentasa	6.8	5.9	<b>6.3</b>	−0.5	+0.4
Uritos(KYORIN)	3.0	1.8	<b>1.5</b>	−1.5	−0.3
Nasonex	2.7	0.6	<b>0.6</b>	−2.1	±0
Kipres(for adult)	2.4	1.8	<b>1.7</b>	−0.7	−0.1
Kipres(for children)	3.0	2.2	<b>1.8</b>	−1.2	−0.4
Mucodyne	2.8	2.2	<b>1.4</b>	−1.4	−0.8
Milton	1.1	1.1	<b>1.1</b>	±0	±0
Generic drugs					
MONTELUKAST Tablets “KM” * <sub>1</sub>	5.4	4.7	<b>4.5</b>	−0.9	−0.2
Mometasone Nasal 50 µg “KYORIN” * <sub>2</sub>	0.4	0.9	<b>0.9</b>	+0.5	±0
Imidafenacin tablets & OD “KYORIN” * <sub>3</sub>	—	0.4	<b>0.3</b>	+0.3	−0.1

\*<sub>1</sub> Authorized generic drug for Kipres

\*<sub>2</sub> Authorized generic drug for Nasonex

\*<sub>3</sub> Authorized generic drug for Uritos

(Note) The above forecasts are based on information that is currently available and actual results may differ materially from those in the forecasts.