

# Medium-/Long-Term Business Vision “VISION2030” and Medium-Term Management Plan

With respect to plans over the next three years, Torii formulates its medium-term management plan on a rolling basis, reviewing the plan annually based on changes in the market environment to respond quickly and flexibly to changes in the market environment.

Torii will continue to implement measures for its growth strategy and measures to maintain the trust of stakeholders under the medium-term management plan in order to realize Medium-/Long-Term Business Vision “VISION 2030.”

## Medium-/Long-Term Business Vision “VISION2030”

### What Torii aims for in 2030

To be a pharmaceutical company with presence: A company that has a deep understanding of the medical needs, leverages our expertise and impetus to co-create optimal solutions with all stakeholders, and delivers new, valuable pharmaceutical products to meet those needs.

### Target of VISION2030

**Net sales break the all-time high<sup>\*1</sup>**  
**Operating income comes within the range of breaking the all-time high<sup>\*2</sup>**

<sup>\*1</sup>: ¥64.1 billion (fiscal year ended December 31, 2017)

<sup>\*2</sup>: ¥13.3 billion (fiscal year ended March 31, 2001)

## Progress of Medium-Term Management Plan 2022-2024 in FY2022

### Progress of numerical indicators in FY2022

	Initial plan for FY2022	Results for FY2022	Increase/decrease
Net sales	¥48.2 billion	¥48.8 billion	+ ¥0.6 billion
Operating income (before deduction of research and development expenses) <sup>*3</sup>	¥6.7 billion	¥7.2 billion	+ ¥0.4 billion

<sup>\*3</sup>: It is difficult to foresee research and development expenses at this point in time, as these expenses fluctuate significantly due to aggressive business investments for medium-/long-term growth. For this reason, Torii sets operating income before deduction of research and development expenses as a numerical income indicator.

### Major initiatives of the Medium-Term Management Plan 2022-2024

#### Growth strategy

- Spread, cultivate, and maximize the value of new drugs in the growth phase (ENAROY, Riona, CORECTIM, CEDARCURE, MITICURE, ORLADEYO)
- Promote new drug development (JTE-061, TO-208)
- Reinforce in-licensing systems
- Maintenance of human resource systems in line with management strategies and work-style reforms
- Corporate culture reform

#### Maintaining the trust of stakeholders

- Improve and strengthen stable supply systems
- Compliance with pharmaceutical regulations and quality assurance
- Reinforce compliance
- Reinforce corporate governance

### Main topics of major initiatives (as of February 10, 2023)

#### 1 Spread, cultivate, and maximize the value of new drugs in the growth phase (ENAROY, Riona, CORECTIM, CEDARCURE, MITICURE, ORLADEYO)

- ▶ Steady growth of each product (increased sales year-on-year)
- ▶ CORECTIM: Improved convenience, increased value by expanding target patients
  - ✓ Launched 10g tubes of CORECTIM Ointment 0.5% (July 2022)
  - ✓ Revised CORECTIM Ointment drug package inserts (reflected the results of Phase III clinical study for infant patients with atopic dermatitis) (January 2023)

#### 2 Promote new drug development (JTE-061, TO-208)

- ▶ Favorable progress in development of each product
  - ✓ Announced the top-line results of Phase III clinical study of JTE-061 in patients with atopic dermatitis in Japan (July 2022)
  - ✓ Announced the top-line results of Phase III clinical study of JTE-061 in patients with psoriasis vulgaris in Japan (September 2022)
  - ✓ Began Phase III clinical study of TO-208 for indications of molluscum contagiosum (July 2022)

#### 3 Reinforce in-licensing systems

- ▶ Obtained one new in-licensed drug through active in-licensed activities
  - ✓ Concluded a license agreement with Nogra Pharma Limited with respect to Nogra's skin disease treatment drug in Japan (NAC-GED-0507) (January 2023)

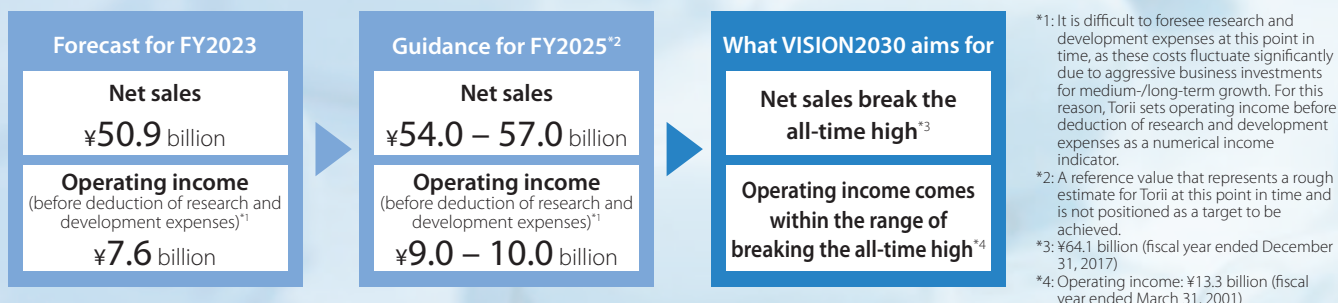
#### 4 Reinforce corporate governance

- ▶ We implemented the following initiatives and measures, taking into consideration the internal and external environment and the expectations of stakeholders.
  - ✓ Initiatives on sustainability (formulated the basic policy and identified material issues)
  - ✓ Terms of office of directors to be shortened (from two years to one year) (a proposal to be submitted at the General Meeting of Shareholders to be held in March 2023)

## Medium-Term Management Plan 2023-2025

### Numerical indicators for the Medium-Term Management Plan 2023-2025

Torii sets net sales and operating income before deduction of research and development expenses as numerical indicators for the Medium-Term Management Plan 2023-2025, in order to realize what VISION2030 aims for.



### Major initiatives of the Medium-Term Management Plan 2023-2025

- Made good progress in major initiatives and financial results in FY2022  
⇒We will not make any major strategy changes, and will continue with the two pillars of “growth strategy” and “maintaining the trust of stakeholders.”
- Newly added “Initiatives on sustainability” to major initiatives

#### Growth strategy

- Spread, cultivate, and maximize the value of new drugs in the growth phase (ENAROY, Riona, CORECTIM, CEDARCURE, MITICURE, ORLADEYO)
- Promote new drug development (JTE-061, TO-208)
- Reinforce in-licensing systems
- Maintenance of human resource systems in line with management strategies and work-style reforms
- Corporate culture reform

#### Maintaining the trust of stakeholders

- Improve and strengthen stable supply systems
- Compliance with pharmaceutical regulations and quality assurance
- Reinforce compliance
- Reinforce corporate governance
- Initiatives on sustainability (new)

## Medium-Term Management Plan 2023-2025 and VISION2030

Overview of the strategy, measures, and numerical indicators

