

# Financial Results for the Fiscal Year 2021, Ended December 31, 2021

I	Summary Information	P.1
	① Financial Results	P.1
	② Financial Conditions	P.1
	③ Statement of Cash Flows	P.1
	④ Capital Expenditures	P.1
	⑤ Depreciation/Amortization	P.1
II	Financial Results for the FY2021	P.2
	① Statement of Income	P.2
	② Sales of Products	P.4
	③ Research and Development	P.5
III	Financial Forecasts for the FY2022	P.6
	① Statement of Income	P.6
	② Sales of Products	P.8

- ※ This material is prepared based on Japan GAAP.
- ※ Amounts are rounded down to the nearest million yen.
- ※ The forecasts presented in this material are forward-looking statements. Reflecting assumptions based on information available on the date of publication, these statements are subject to inherent risks and uncertainties. Accordingly, unforeseen factors may cause actual results to differ materially from the projections contained herein.  
Torii will not necessarily revise this material regardless of any new information, future events or other results.

February 10, 2022



**TORII PHARMACEUTICAL CO., LTD.**

# I Summary Information

## ① Financial Results

※1 "Accounting Standard for Revenue Recognition" will be applied from FY2022. The forecasts for the FY2022 have already been incorporated the change.

※2 The accounting standard for the FY2021 has not been applied retroactively. Increase (Decrease) in figures are reference values.

(Millions of Yen)	FY2020	FY2021	Change	Change (%)	FY2022 Forecast※1	Change	Change (%)
	A	B	B-A	(B-A)/A	C	C-B	(C-B)/B
Net sales	41,700	46,987	5,287	12.7	48,200	1,212 ※2	2.6 ※2
Operating income	4,738	4,656	(81)	(1.7)	5,200	543	11.7
Ordinary income	4,971	4,847	(124)	(2.5)	5,400	552	11.4
Net income	3,495	3,374	(120)	(3.5)	3,800	425	12.6
<b>(Reference)</b>							
R&D expenses	596	832	235	39.6	1,580	747	89.8
Earnings per share (EPS)	(¥) 124.47	120.13	(4.34)		135.27	15.14	
Return on equity (ROE)	(%) 3.1	2.9	(0.2)				
Ratio of ordinary income to total assets	(%) 3.7	3.8	0.1				
Ratio of operating income to net sales	(%) 11.4	9.9	(1.5)				
Return on assets (ROA)	(%) 2.6	2.6	0.0				

## ② Financial Conditions

(Millions of Yen)	December 31, 2020	December 31, 2021	Change	Change (%)
	A	B	B-A	(B-A)/A
Total assets	126,026	130,810	4,784	3.8
Total equity	115,091	117,015	1,924	1.7
Equity ratio	(%) 91.3	89.5	(1.8)	
Book value per share (BPS)	(¥) 4,097.55	4,165.38	67.83	

## ③ Statement of Cash Flows

(Millions of Yen)	FY2020	FY2021	Change
	A	B	B-A
Net cash used in operating activities	(3,443)	(156)	3,287
Net cash used in investing activities	7,625	(1,498)	(9,124)
Net cash used in financing activities	(1,425)	(1,546)	(120)
Cash and cash equivalents, end of period	61,576	58,374	(3,201)

## ④ Capital Expenditures

(Millions of Yen)	FY2020	FY2021	Change	Change (%)	FY2022 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A	C	C-B	(C-B)/B
Capital expenditures	392	822	430	109.7	850	27	3.4
PP&E	277	597	320	115.6	480	(117)	(19.7)
Intangible assets	114	224	109	95.5	370	145	64.6

## ⑤ Depreciation/Amortization

(Millions of Yen)	FY2020	FY2021	Change	Change (%)	FY2022 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A	C	C-B	(C-B)/B
Depreciation and amortization of intangible assets	582	413	(169)	(29.0)	470	56	13.8
Amortization of long-term prepaid expenses	496	722	226	45.5	770	47	6.6

## II Financial Results for the FY2021

### ① Statement of Income

<i>(Millions of Yen)</i>	FY2020	FY2021	Change	Change (%)
	<i>A</i>	<i>B</i>	<i>B-A</i>	<i>(B-A)/A</i>
Net sales	41,700	46,987	5,287	12.7
Sales of products	41,053	46,290	5,237	12.8
Renal disease and hemodialysis	14,773	13,502	(1,270)	(8.6)
Skin disease	9,918	11,992	2,073	20.9
Allergens	11,332	15,971	4,638	40.9
Other	5,029	4,824	(204)	(4.1)
Other sales	647	697	50	7.8
Cost of sales	19,962	22,649	2,687	13.5
Cost of products sold	19,898	22,591	2,693	13.5
Other cost	63	57	(6)	(9.5)
Gross profit	21,737	24,338	2,600	12.0
Selling, general and administrative expenses	16,999	19,682	2,682	15.8
R&D expenses	596	832	235	39.6
Others	16,403	18,849	2,446	14.9
Operating income	4,738	4,656	(81)	(1.7)
Non-operating income and expenses	233	191	(42)	
Ordinary income	4,971	4,847	(124)	(2.5)
Extraordinary income and loss	(746)	(79)	666	
Income before income taxes	4,225	4,767	542	12.8
Income taxes	729	1,392	662	
Net income	3,495	3,374	(120)	(3.5)

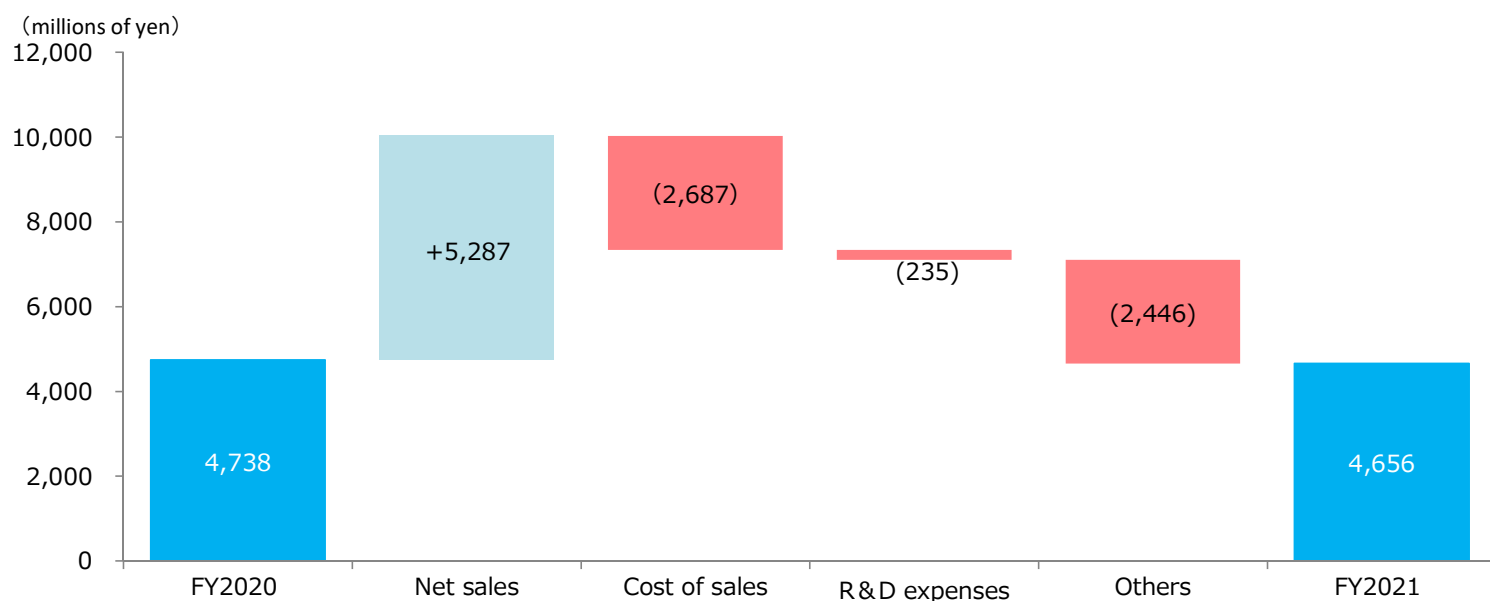
### (Reference) Ratio to net sales

<i>(%)</i>	FY2020	FY2021	Change
	<i>A</i>	<i>B</i>	<i>B-A</i>
Cost of sales	47.9	48.2	0.3
SG&A	40.7	41.9	1.2
R&D expenses	1.4	1.8	0.4
Operating income	11.4	9.9	(1.5)
Ordinary income	11.9	10.3	(1.6)
Net income	8.4	7.2	(1.2)

**[Factors in increase/decrease compared with the same term of the last fiscal year]**

**Operating income (¥4,656 million : Decrease ¥81 million year-on-year)**

✓ Although sales of CORECTIM and Allergens increase,  
profits decrease by expenses for the launch of new products



**Major factors in increase/decrease(Rounded down to the nearest 0.1billion yen)**

Net sales	Renal disease and hemodialysis	: <b>Decrease</b> <b>¥1.2billion in sales</b>	REMITCH Decrease ¥1.3billion(Impact of the drug price revisions and generic drugs)
	Skin disease	: <b>Increase</b> <b>¥2.0billion in sales</b>	CORECTIM Increase ¥2.7billion(Launched in June 2020) ANTEBATE Decrease ¥0.4billion (Impact of the drug price revisions)
	Allergens	: <b>Increase</b> <b>¥4.6billion in sales</b>	MITICURE Increase ¥2.6billion, CEDARCURE Increase ¥2.1billion (Increase in sales quantity)
	Other sales	: <b>Decrease</b> <b>¥0.2billion in sales</b>	(FY2020)Decrease in contract manufacturing sales ORLADEYO Increase ¥0.3billion(Launched in April 2021)
Cost of sales	: Increase in net sales		
R&D expense	: Increase in cost due to structural change(Development of clinical study system)		
Others	: Increase in sales-linked expenses Increase in expenses due to the launch of new products, etc. Incurred transient expenses such as updating PCs		

**Ordinary income (¥4,847 million : Decrease ¥124 million year-on-year)**

Special remarks: None

**Net income (¥3,374 million : Decrease ¥120 million year-on-year)**

(FY2020)Business structure reform expenses (Loss on the plant transfer )	¥736 million
Increase in income taxes (Burden rate of income tax: FY2020 17.3% FY2021 29.2%)	¥662 million

## ② Sales of Products

<i>(Millions of Yen)</i>	FY2020	FY2021	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of Products	41,053	46,290	5,237	12.8
[Renal disease and hemodialysis]				
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	6,507	6,863	355	5.5
REMITCH Oral anti-pruritus agent	6,365	5,058	(1,306)	(20.5)
KAYEXALATE ※ Agent for hyperkalemia	1,717	1,525	(192)	(11.2)
Others	182	55	(127)	(69.9)
Total	14,773	13,502	(1,270)	(8.6)
[Skin disease]				
ANTEBATE ※ Topical corticosteroid	5,241	4,825	(415)	(7.9)
CORECTIM Topical Janus kinase (JAK) inhibitor	1,291	4,025	2,733	211.7
LOCOID ※ Topical corticosteroid	1,674	1,698	24	1.5
ZEFNART Topical antifungal agent	1,241	1,043	(198)	(16.0)
Others	469	398	(70)	(15.0)
Total	9,918	11,992	2,073	20.9
[Allergens]				
CEDARCURE ※ Japanese cedar pollinosis (Allergen Immunotherapy)	6,139	8,325	2,186	35.6
MITICURE ※ House dust mite allergy (Allergen Immunotherapy)	4,776	7,386	2,610	54.6
Others	416	258	(158)	(38.0)
Total	11,332	15,971	4,638	40.9
[Other]				
BIO-THREE Viable bacterial preparations	2,969	3,213	244	8.2
Others	2,059	1,610	(448)	(21.8)
Total	5,029	4,824	(204)	(4.1)

※ In-house products

### (References) Sales and ratio of in-house products

<i>(Millions of Yen)</i>	FY2020	FY2021	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of in-house products	21,539	24,843	3,303	15.3
Ratio of in-house product sales (%)	52.5	53.7	1.2	—

### ③ Research and Development

Development code [Product Name]	Indication	Formulation/ Route of administration	Development stage (domestic)					Remarks
			Phase I	Phase II	Phase III	Application	Approval	
<b>Skin disease</b>								
JTE-052 [CORECTIM® Ointment]	Atopic dermatitis in infant	Topical			Phase III			<ul style="list-style-type: none"> <li>•JT's original compound</li> <li>•Licensing agreement signed with JT for development and commercialization</li> </ul>
JTE-061	Atopic dermatitis	Topical			Phase III			<ul style="list-style-type: none"> <li>•Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for an exclusive license to develop and commercialize skin diseases in Japan</li> <li>•Licensing agreement signed with JT for development and commercialization</li> </ul>
	Proriasis Vulgaris	Topical			Phase III			<ul style="list-style-type: none"> <li>•Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for an exclusive license to develop and commercialize skin diseases in Japan</li> <li>•Licensing agreement signed with JT for development and commercialization</li> </ul>
	Atopic dermatitis in children	Topical		Phase II				<ul style="list-style-type: none"> <li>•Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for an exclusive license to develop and commercialize skin diseases in Japan</li> <li>•Licensing agreement signed with JT for development and commercialization</li> </ul>
<b>Allergens</b>								
TO-203 [MITICURE® House Dust Mite Sublingual Tablets]	House dust mite induced allergic asthma (Allergen Immunotherapy)	Sublingual tablet			Phase II / III (Study completed※)			<ul style="list-style-type: none"> <li>•Licensing agreement signed with ALK for providing exclusive development and sales rights in Japan</li> <li>•In-house</li> <li>※Examining the future development policy</li> </ul>

Update since the previous announcement on October 29, 2021 :

•Addition of skin disease JTE-061(Generic name : tapinarof Expected indications : Atopic dermatitis in children)

#### Additional Information

•In March 2021, Torii has entered into a license agreement with Verrica Pharmaceuticals Inc. for an exclusive license to develop and commercialize VP-102 in Japan.

Torii and its parent company, JT (specifically, the pharmaceutical division of the company) each leverage their own pharmaceutical product and service strengths. Torii is primarily responsible for manufacturing and marketing functions, while the parent company is responsible for research and development functions. For the clinical research and development of JT, please refer to the following posted on the company's website.

[https://www.jt.com/investors/results/S\\_information/pharmaceuticals/](https://www.jt.com/investors/results/S_information/pharmaceuticals/)

### Ⅲ Financial Forecasts for the FY2022

#### ① Statement of Income

※1 "Accounting Standard for Revenue Recognition" will be applied from FY2022. The forecasts for the FY2022 have already been incorporated the change.

※2 The accounting standard for the FY2021 has not been applied retroactively. Increase (Decrease) in figures are reference values.

(Millions of Yen)	FY2021	FY2022 forecast※1	Change	Change (%)
	A	B	B-A	(B-A)/A
Net sales	46,987	48,200	1,212	※2 2.6
Sales of products	46,290	47,830	1,539	※2 3.3
Renal disease and hemodialysis	13,502	11,790	(1,712)	※2 (12.7)
Skin disease	11,992	12,090	97	※2 0.8
Allergens	15,971	18,950	2,978	※2 18.7
Other	4,824	5,000	175	※2 3.6
Other sales	697	370	(327)	※2 (47.0)
Cost of sales	22,649	24,900	2,250	※2 9.9
Gross profit	24,338	23,300	(1,038)	※2 (4.3)
SG&A	19,682	18,100	(1,582)	※2 (8.0)
R&D expenses	832	1,580	747	89.8
Others	18,849	16,520	(2,329)	※2 (12.4)
Operating income	4,656	5,200	543	11.7
Ordinary income	4,847	5,400	552	11.4
Net income	3,374	3,800	425	12.6

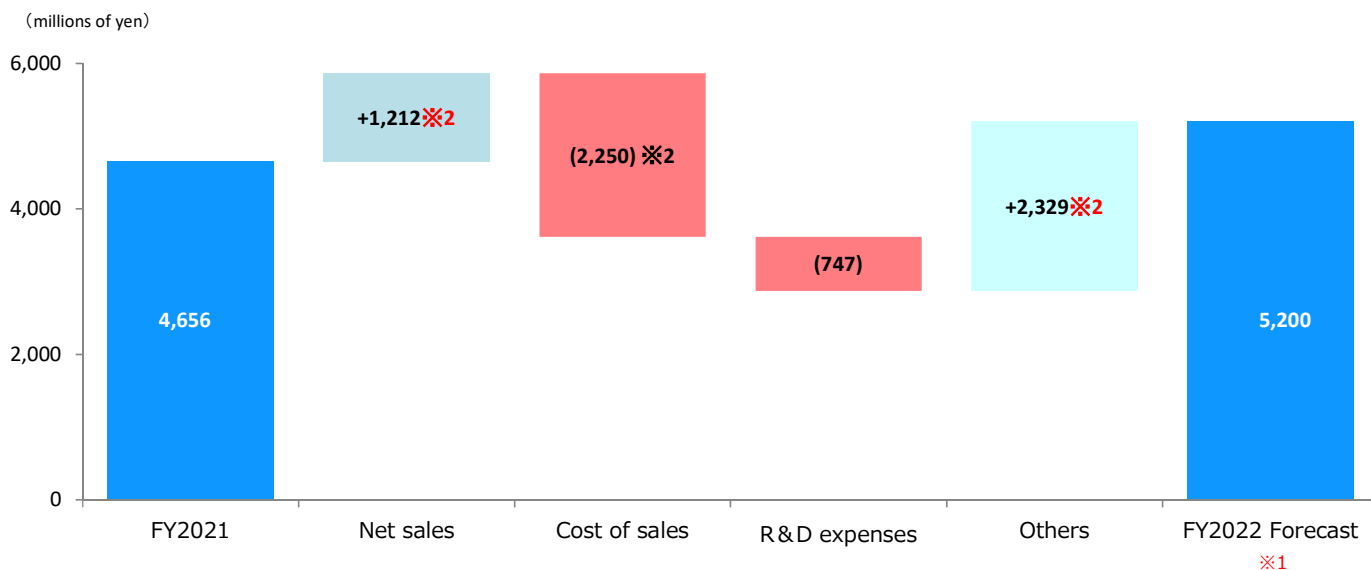
(Reference) Ratio to net sales

(%)	FY2021	FY2022 forecast※1	Change
	A	B	B-A
Cost of sales	48.2	51.7	※2 3.5
SG&A	41.9	37.5	※2 (4.4)
R&D expenses	1.8	3.3	1.5
Operating income	9.9	10.8	0.9
Ordinary income	10.3	11.2	0.9
Net income	7.2	7.9	0.7

**[Factors in increase/decrease compared with the FY2021]**

**Operating Income ( ¥5,200 million : Increase ¥543 million year-on-year)**

✓ Although sales of Allergens and CORECTIM are expected to increase, sales and profits are expected to increase with increase in sales of Allergens and CORECTIM.



※1 "Accounting Standard for Revenue Recognition" will be applied from FY2022. The forecasts for the FY2022 have already been incorporated the change.

※2 The accounting standard for the FY2021 has not been applied retroactively. Increase (Decrease) in figures are reference values.

Major factors in increase/decrease

Net sales	: Increase in sales quantity (CEDARCURE,MITICURE,CORECTIM,Riona) Decrease with the standard for Revenue Recognition be applied Decrease in the drug price revisions Decrease in sales quantity (REMITCH)
Cost of sales	: Increase in sales quantity,Increase in standard for Revenue Recognition be applied
R&D expenses	: Increase in clinical study expenses (VP-102)
Others	: Decrease with the standard for Revenue Recognition be applied (FY2021)Incurred transient costs such as updating PCs Increase in royalties

**Ordinary Income ( ¥5,400 million : increase ¥552 million year-on-year)**

Special remarks: None

**Net income ( ¥3,800 million : Increase ¥425 million year-on-year)**

Special remarks: None



## ② Sales of Products

- ※1 "Accounting Standard for Revenue Recognition" will be applied from FY2022. The forecasts for the FY2022 have already been incorporated the change.  
Comparison Accounting Standard for Revenue Recognition in accumulation period are different, Increase (Decrease) in products are not listed.
- ※2 The accounting standard for the FY2021 has not been applied retroactively. Increase (Decrease) in figures are reference values.

(Millions of Yen)	FY2021	FY2022 forecast	Change	Change (%)
	A	※1 B	※1 B-A	※1 (B-A)/A
Sales of Products	46,290	47,830	1,539 ※2	3.3 ※2
[Renal disease and hemodialysis]				
Riona	6,863	7,150	–	–
Agent for hyperphosphatemia, Iron-deficiency anemia				
REMITCH	5,058	3,170	–	–
Oral anti-pruritus agent				
KAYEXALATE ※3	1,525	1,240	–	–
Agent for hyperkalemia				
Others	55	230	–	–
Total	13,502	11,790	(1,712) ※2	(12.7) ※2
[Skin disease]				
CORECTIM ※3	4,025	5,010	–	–
Topical Janus kinase (JAK) inhibitor				
ANTEBATE	4,825	4,070	–	–
Topical corticosteroid				
LOCOID ※3	1,698	1,560	–	–
Topical corticosteroid				
ZEFNART	1,043	1,100	–	–
Topical antifungal agent				
Others	398	350	–	–
Total	11,992	12,090	97 ※2	0.8 ※2
[Allergens]				
CEDARCURE ※3	8,325	9,990	–	–
Japanese cedar pollinosis (Allergen Immunotherapy)				
MITICURE ※3	7,386	8,720	–	–
House dust mite allergy (Allergen Immunotherapy)				
Others	258	240	–	–
Total	15,971	18,950	2,978 ※2	18.7 ※2
[Other]				
BIO-THREE	3,213	3,220	–	–
Viable bacterial preparations				
Others	1,610	1,780	–	–
Total	4,824	5,000	175 ※2	3.6 ※2

※3 In-house products

### (References) Sales and ratio of in-house products

(Millions of Yen)	FY2021	FY2022 forecast	Change	Change (%)
	A	※1 B	※1 B-A	※1 (B-A)/A
Sales of in-house products	24,843	26,530	–	–
Ratio of in-house product sales (%)	53.7	55.5	–	–