

Financial Results for the First Three Months of Fiscal Year Ending December 2024

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※ 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.

April 26, 2024



TORII PHARMACEUTICAL CO., LTD.

I Summary Information

The forecasts for the FY2024 have not been changed from the previous forecasts announced at the FY2023 financial results announcement on February 9, 2024.

※ We actively invest in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, Torii sets operating income before deduction of R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Financial Results

(Millions of Yen)	FY2023 First three months A	FY2024 First three months B	Change B-A	Change (%) (B-A)/A	FY2023 Full year	FY2024 Forecast C	Progress ratio (%) B/C
Net sales	11,811	13,451	1,640	13.9	54,638	58,600	23.0
Operating income or loss	(437)	1,383	1,820	—	5,035	5,800	23.9
Ordinary income or loss	(404)	1,166	1,570	—	5,307	6,200	18.8
Net income or loss	(288)	878	1,167	—	4,119	4,700	18.7
(Reference)							
R&D expenses	2,057	532	(1,525)	(74.1)	3,490	3,450	15.4
Operating income before deduction of R&D expenses	※ 1,619	1,915	295	18.3	8,526	9,250	20.7
Earnings per share (EPS)	(¥) (10.28)	31.27	41.55		146.60	167.23	
Return on equity (ROE)	(%) (0.2)	0.7	0.9		3.4		
Ratio of ordinary income to total assets	(%) (0.3)	0.9	1.2		4.0		
Ratio of operating income to net sales	(%) (3.7)	10.3	14.0		9.2		
Return on assets (ROA)	(%) (0.2)	0.7	0.9		3.1		

② Financial Conditions

(Millions of Yen)	December 31, 2023 A	March 31, 2024 B	Change B-A	Change (%) (B-A)/A
Total assets	133,432	132,947	(485)	(0.4)
Total equity	120,134	119,041	(1,093)	(0.9)
Equity ratio	(%) 90.0	89.5	(0.5)	
Book value per share (BPS)	(¥) 4,274.45	4,235.56	(38.89)	

③ Dividends

(Millions of Yen)	FY2023 A	FY2024 Forecast B	Change B-A	Change (%) (B-A)/A
Annual dividends per share	(¥) 120.00	120.00	—	—
Total dividends	3,372			
Dividend payout ratio	(%) 81.9	71.8	(10.1)	
Dividend on equity ratio (DOE)	(%) 2.8			

④ Capital Expenditures

(Millions of Yen)	FY2023 First three months A	FY2024 First three months B	Change B-A	Change (%) (B-A)/A	FY2023 Full year	FY2024 Forecast
Capital expenditures	75	147	71	94.6	478	1,030
PP&E	31	53	22	71.9	168	690
Intangible assets	10	11	0	5.3	52	30
Long-term prepaid expenses	33	82	48	143.3	257	310

⑤ Depreciation/Amortization

(Millions of Yen)	FY2023 First three months A	FY2024 First three months B	Change B-A	Change (%) (B-A)/A	FY2023 Full year	FY2024 Forecast
Depreciation and amortization of intangible assets	109	106	(3)	(2.7)	459	420
Amortization of long-term prepaid expenses	166	185	18	11.3	685	750

II Financial Results for the First Three Months of FY2024

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※ We actively invest in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, Torii sets operating income before deduction of R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Statement of Income

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A	FY2024 Forecast C	Progress ratio (%) B/C
	First three months		First three months					
	A		B					
Net sales	11,811		13,451		1,640	13.9	58,600	23.0
Sales of products	11,734		13,378		1,644	14.0	58,320	22.9
Renal disease and hemodialysis	2,545		2,539		(6)	(0.2)	10,020	25.3
Skin disease	3,131		3,718		586	18.7	17,060	21.8
Allergens	4,691		5,389		698	14.9	23,790	22.7
Other	1,365		1,730		365	26.7	7,450	23.2
Other sales	77		73		(4)	(5.6)	280	26.1
Cost of sales	6,288		7,487		1,199	19.1	32,100	23.3
Cost of products sold	6,275		7,474		1,198	19.1		
Other cost	12		13		0	2.8		
Gross profit	5,522		5,963		440	8.0	26,500	22.5
Selling, general and administrative expenses	5,960		4,580		(1,379)	(23.2)	20,700	22.1
R&D expenses	2,057		532		(1,525)	(74.1)	3,450	15.4
Others	3,903		4,048		145	3.7	17,250	23.5
Operating income or loss	(437)		1,383		1,820	—	5,800	23.9
Operating income before deduction of R&D expenses	※ 1,619		1,915		295	18.3	9,250	20.7
Non-operating income and expenses	33		(217)		(250)			
Ordinary income or loss	(404)		1,166		1,570	—	6,200	18.8
Extraordinary income and loss	(1)		(6)		(5)			
Income before income taxes	(405)		1,160		1,565	—		
Income taxes	(116)		281		397			
Net income or loss	(288)		878		1,167	—	4,700	18.7

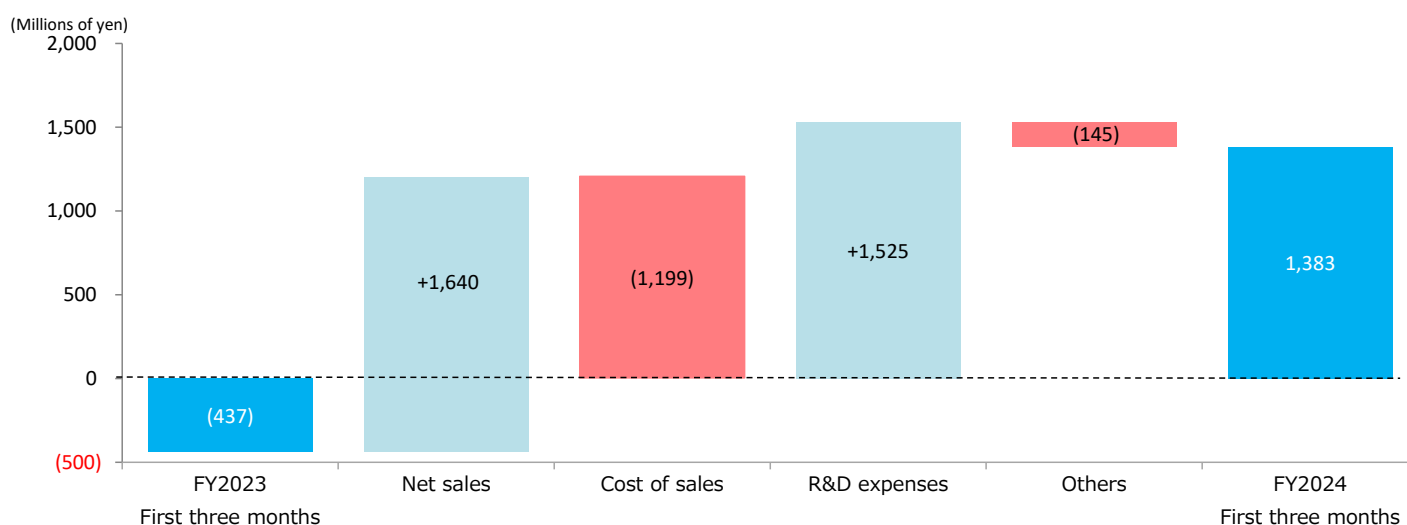
(Reference) Ratio to net sales

(%)	FY2023		FY2024		Change B-A
	First three months		First three months		
	A		B		
Cost of sales	53.2		55.7		2.5
SG&A	50.5		34.0		(16.5)
R&D expenses	17.4		4.0		(13.4)
Operating income or loss	(3.7)		10.3		14.0
Operating income before deduction of R&D expenses	※ 13.7		14.2		0.5
Ordinary income or loss	(3.4)		8.7		12.1
Net income or loss	(2.4)		6.5		8.9

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

Operating income (¥1,383 million : Increase ¥1,820 million year-on-year)

✓ Despite an increase in cost of sales, both sales and profits increased due to an increase in sales in Allergen and Skin disease areas and a decrease in R&D expenses



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

Net sales	Renal disease and hemodialysis	: Decrease ¥0.0 billion in sales	REMITCH Decrease ¥0.2 billion (negative impact of generic drugs and drug price revisions), Riona Increase ¥0.1 billion (increase in sales quantity)
	Skin disease	: Increase ¥0.5 billion in sales	CORECTIM Increase ¥0.4 billion, ANTEBATE Increase ¥0.2 billion (increase in sales quantity)
	Allergens	: Increase ¥0.6 billion in sales	CEDARCURE Increase ¥0.4 billion, MITICURE Increase ¥0.2 billion (increase in sales quantity)
	Other	: Increase ¥0.3 billion in sales	BIO-THREE Increase ¥0.2 billion (increase in sales quantity and positive impact of drug price revisions), ORLADEYO Increase ¥0.1 billion (increase in sales quantity)
Cost of sales		: Increase in sales quantity	
		: Increase in purchasing unit price	
		: Increase due to the effect of foreign exchange rates	
R&D expenses		: (FY2023) Payment of upfront licensing fees for license agreement with Nogra Pharma Limited	
Others		: Increase in system related expenses	

Ordinary income (¥1,166 million : Increase ¥1,570 million year-on-year)

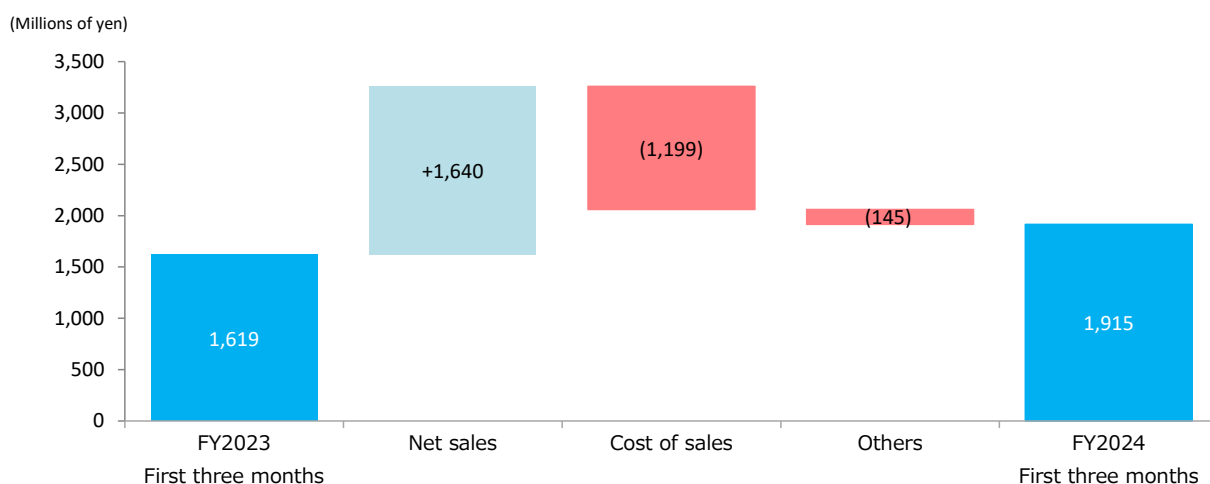
Non-operating expenses: Increase in loss on investments in investment partnerships +¥221 million

Net income (¥878 million : Increase ¥1,167 million year-on-year)

Special remarks: None

(Reference)

Operating income before deduction of R&D expenses (¥1,915 million : Increase ¥295 million year-on-year)



② Sales of Products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First three months		First three months			
	A		B			
Sales of Products	11,734		13,378		1,644	14.0
[Renal disease and hemodialysis]						
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	1,543		1,731		187	12.2
REMITCH Oral anti-pruritus agent	650		449		(201)	(31.0)
Others	350		358		7	2.1
Total	2,545		2,539		(6)	(0.2)
[Skin disease]						
CORECTIM Topical Janus kinase (JAK) inhibitor	1,586		2,005		419	26.4
ANTEBATE ※ Topical corticosteroid	968		1,187		218	22.6
LOCOID ※ Topical corticosteroid	366		398		32	8.8
Others	211		127		(83)	(39.5)
Total	3,131		3,718		586	18.7
[Allergens]						
CEDARCURE ※ Japanese cedar pollinosis (Allergen Immunotherapy)	2,428		2,861		432	17.8
MITICURE ※ House dust mite allergy (Allergen Immunotherapy)	2,204		2,488		283	12.9
Others	58		40		(17)	(30.2)
Total	4,691		5,389		698	14.9
[Other]						
BIO-THREE Viable bacterial preparations	852		1,130		277	32.6
ORLADEYO Plasma kallikrein inhibitor	306		409		103	33.9
Others	207		191		(16)	(7.9)
Total	1,365		1,730		365	26.7

※ In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First three months		First three months			
	A		B			
Sales of in-house products	6,433		7,338		904	14.1
Ratio of in-house product sales (%)	54.8		54.9		0.1	

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	
Skin disease								
JTE-061	Atopic dermatitis	Topical				Application	<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan NDA filing by JT in September, 2023 	
	Psoriasis vulgaris	Topical				Application	<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan NDA filing by JT in September, 2023 	
	Atopic dermatitis in children	Topical			Phase III		<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan 	
TO-208	Molluscum contagiosum	Topical			Phase III		<ul style="list-style-type: none"> License agreement signed with Verrica Pharmaceuticals Inc. for exclusive development and commercialization in Japan In-house Verrica Pharmaceuticals Inc., the development code: VP-102 	
TO-210	Acne	Topical	Phase I				<ul style="list-style-type: none"> License agreement signed with Nogra Pharma Limited for exclusive development and commercialization in Japan In-house Nogra Pharma Limited, the development code: NAC-GED-0507 	
Allergens								
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"> License agreement signed with ALK for providing exclusive development and sales rights in Japan In-house ※Examining the future development policy 	

Update since the previous announcement on February 9, 2024 :

• Addition of TO-210(Nogra Pharma Limited, The development code : NAC-GED-0507, Expected indication: Acne)

Additional Information

• In December 2023, Torii entered into a license agreement with ALK-Abelló A/S(ALK) for an exclusive license in Japan to develop and commercialize GRAZAX®, ALK's allergen immunotherapy (sublingual immunotherapy) drug for the treatment of grass pollen allergies.

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 company's website.

https://www.jt.com/investors/results/S_information/pharmaceuticals/index.html

III Financial Forecasts for the FY2024

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① Statement of Income

(Millions of Yen)	FY2023	FY2024	Change	Change (%)
	A	Forecast B	B-A	(B-A)/A
Net sales	54,638	58,600	3,961	7.3
Sales of products	54,339	58,320	3,980	7.3
Renal disease and hemodialysis	11,888	10,020	(1,868)	(15.7)
Skin disease	14,266	17,060	2,793	19.6
Allergens	21,685	23,790	2,104	9.7
Other	6,498	7,450	951	14.6
Other sales	299	280	(19)	(6.4)
Cost of sales	29,847	32,100	2,252	7.5
Gross profit	24,791	26,500	1,708	6.9
SG&A	19,755	20,700	944	4.8
R&D expenses	3,490	3,450	(40)	(1.2)
Others	16,265	17,250	984	6.1
Operating income	5,035	5,800	764	15.2
Operating income before deduction of R&D expenses	8,526	9,250	723	8.5
※				
Ordinary income	5,307	6,200	892	16.8
Net income	4,119	4,700	580	14.1

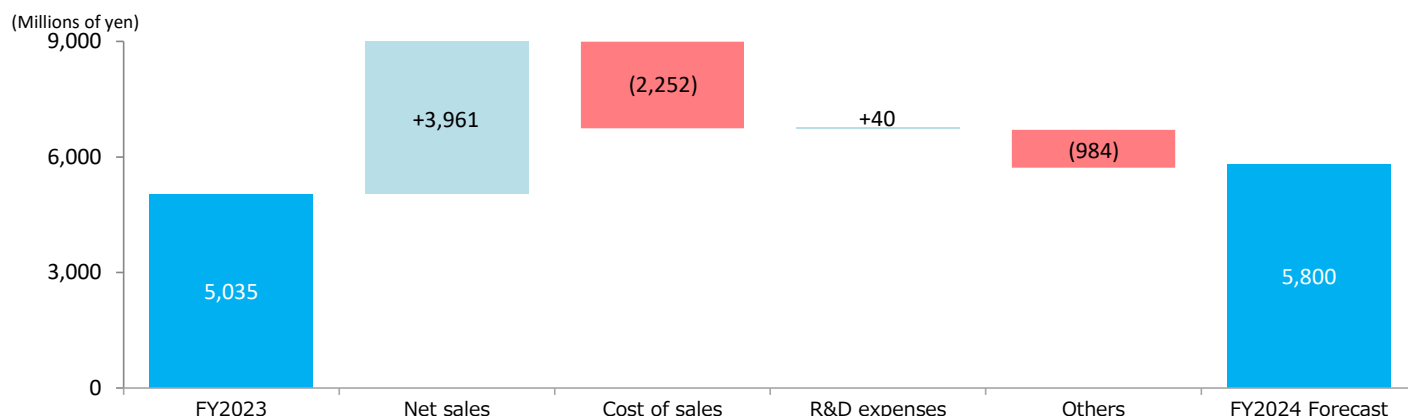
(Reference) Ratio to net sales

(%)	FY2023	FY2024	Change
	A	Forecast B	B-A
Cost of sales	54.6	54.8	0.2
SG&A	36.2	35.3	(0.9)
R&D expenses	6.4	5.9	(0.5)
Operating income	9.2	9.9	0.7
Operating income before deduction of R&D expenses	15.6	15.8	0.2
※			
Ordinary income	9.7	10.6	0.9
Net income	7.5	8.0	0.5

[Factors in increase/decrease compared with the FY2023]

Operating income (¥5,800 million : Increase ¥764 million year-on-year)

✓ Despite an increase in cost of sales and SG&A expenses, both sales and profits are expected to increase due to an increase in sales in Skin disease and Allergen areas



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

Net sales	Renal disease and hemodialysis	: Decrease ¥1.8 billion in sales	REMITCH Decrease ¥0.8 billion, Riona Decrease ¥0.8 billion (negative impact of generic drugs, competing products and drug price revisions)
	Skin disease	: Increase ¥2.7 billion in sales	CORECTIM Increase ¥1.3 billion (increase in sales quantity)
	Allergens	: Increase ¥2.1 billion in sales	CEDARCURE Increase ¥1.2 billion, MITICURE Increase ¥0.8 billion (increase in sales quantity)
	Other	: Increase ¥0.9 billion in sales	ORLADEYO Increase ¥0.7 billion (increase in sales quantity)
Cost of sales		: Increase in sales quantity Increase in purchasing unit price Increase due to the effect of foreign exchange rates	
R&D expenses		: (FY 2023) Payment of upfront licensing fees for license agreement with Nogra Pharma Limited Increase in development expense related to newly in-licensed products	
Others		: Increase in sales promotion expenses Increase in sales-linked expenses Increase in system related expenses	

Ordinary income (¥6,200 million : Increase ¥892 million year-on-year)

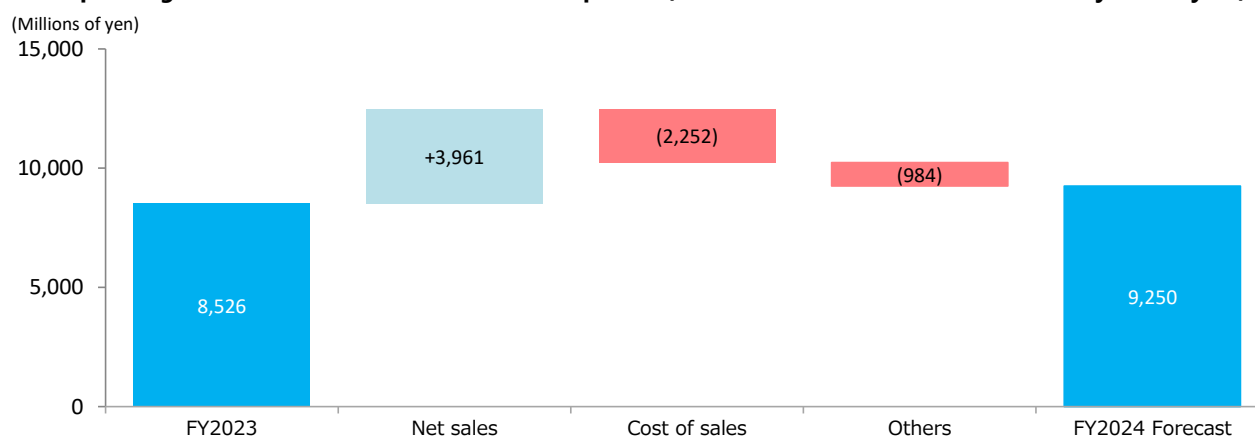
(FY2023) Non-operating expenses : Foreign exchange losses on trade payables etc. due to yen depreciation ¥101 million

Net income (¥4,700 million : Increase ¥580 million year-on-year)

(FY2023) Extraordinary income : Gain on sales of investment securities due to reduction of policy shareholdings ¥349 million

(Reference)

Operating income before deduction of R&D expenses (¥9,250 million : Increase ¥723 million year-on-year)



② Sales of Products

(Millions of Yen)	FY2023	FY2024 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of Products	54,339	58,320	3,980	7.3
[Renal disease and hemodialysis]				
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	7,515	6,700	(815)	(10.8)
REMITCH Oral anti-pruritus agent	2,725	1,830	(895)	(32.9)
Others	1,648	1,490	(158)	(9.6)
Total	11,888	10,020	(1,868)	(15.7)
[Skin disease]				
CORECTIM Topical Janus kinase (JAK) inhibitor	7,450	8,800	1,349	18.1
ANTEBATE ※ Topical corticosteroid	4,533	4,770	236	5.2
LOCOID ※ Topical corticosteroid	1,427	1,620	192	13.5
Others	854	1,870	1,015	118.9
Total	14,266	17,060	2,793	19.6
[Allergens]				
CEDARCURE ※ Japanese cedar pollinosis (Allergen Immunotherapy)	11,356	12,610	1,253	11.0
MITICURE ※ House dust mite allergy (Allergen Immunotherapy)	10,148	11,020	871	8.6
Others	179	160	(19)	(11.1)
Total	21,685	23,790	2,104	9.7
[Other]				
BIO-THREE Viable bacterial preparations	4,041	4,400	358	8.9
ORLADEYO Plasma kallikrein inhibitor	1,546	2,270	723	46.7
Others	910	780	(130)	(14.3)
Total	6,498	7,450	951	14.6

※ In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2023	FY2024 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of in-house products	29,378	32,010	2,631	9.0
Ratio of in-house product sales (%)	54.1	54.9	0.8	