

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

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* This material is prepared based on Japanese 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.

October 31, 2024



TORII PHARMACEUTICAL CO., LTD.

I Summary Information

The forecasts have been revised in light of circumstances up until now.

* We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Financial Results

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast	Progress ratio (%)
	First nine months	First nine months	Change	Change (%)					
	A	B	B-A	(B-A)/A			C	B/C	
Net sales	39,132	43,333	4,201	10.7			54,638	61,200	70.8
Operating income	3,211	4,661	1,450	45.2			5,035	6,700	69.6
Ordinary income	3,315	4,686	1,371	41.4			5,307	6,800	68.9
Net income	2,368	3,525	1,157	48.9			4,119	5,100	69.1
(Reference)									
R&D expenses	2,811	2,196	(615)	(21.9)			3,490	3,000	73.2
Operating income before R&D expenses*	6,022	6,857	834	13.9			8,526	9,700	70.7
Earnings per share (EPS)	(¥)	84.27	125.43	41.16			146.60	181.44	
Return on equity (ROE)	(%)	2.0	2.9	0.9			3.4		
Ratio of ordinary income to total assets	(%)	2.5	3.5	1.0			4.0		
Ratio of operating income to net sales	(%)	8.2	10.8	2.6			9.2		
Return on assets (ROA)	(%)	1.8	2.6	0.8			3.1		

② Financial Conditions

(Millions of Yen)	December 31,		September 30,		Change	Change (%)
	2023	2024	Change	Change (%)		
	A	B	B-A	(B-A)/A		
Total assets	133,432	134,612	1,179	0.9		
Total equity	120,134	120,087	(47)	(0.0)		
Equity ratio	(%)	90.0	89.2	(0.8)		
Book value per share (BPS)	(¥)	4,274.45	4,271.84	(2.61)		

③ Dividends

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2024 Previous forecast	Change
	First nine months	First nine months	Change	Change (%)				
	A	B	B-A	(B-A)/A			C	B-C
Annual dividends per share	(¥)	120.00	120.00	—	—		120.00	—
Total dividends		3,372						
Dividend payout ratio	(%)	81.9	66.1	(15.8)			70.3	(4.2)
Dividend on equity ratio (DOE)	(%)	2.8						

④ Capital Expenditures

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast
	First nine months	First nine months	Change	Change (%)				
	A	B	B-A	(B-A)/A			C	B-C
Capital expenditures	215	818	602	279.7			478	1,080
PP&E	118	579	461	388.6			168	680
Intangible assets	28	23	(5)	(17.7)			52	30
Long-term prepaid expenses	68	215	146	215.1			257	370

⑤ Depreciation/Amortization

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast
	First nine months	First nine months	Change	Change (%)				
	A	B	B-A	(B-A)/A			C	B-C
Depreciation and amortization of intangible assets	338	299	(39)	(11.7)			459	410
Amortization of long-term prepaid expenses	502	561	58	11.7			685	750

II Financial Results for the First Nine Months of FY2024

The forecasts have been revised in light of circumstances up until now.

* We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Statement of Income

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2024 Revised forecast	Progress ratio (%)
	First nine months	First nine months						
	A	B	B-A	(B-A)/A	C	B/C		
Net sales	39,132	43,333	4,201	10.7	61,200	70.8		
Sales of products	38,904	43,116	4,211	10.8	60,930	70.8		
Renal disease and hemodialysis	8,602	8,274	(327)	(3.8)	11,290	73.3		
Skin disease	10,347	12,367	2,020	19.5	17,940	68.9		
Allergens	15,290	17,107	1,817	11.9	24,250	70.5		
Other	4,665	5,367	701	15.0	7,450	72.0		
Other sales	227	217	(10)	(4.7)	270	80.4		
Cost of sales	21,098	23,933	2,835	13.4	34,200	70.0		
Cost of goods sold	21,057	23,893	2,835	13.5				
Other cost	40	40	0	1.4				
Gross profit	18,034	19,400	1,365	7.6	27,000	71.9		
Selling, general and administrative expenses	14,823	14,739	(84)	(0.6)	20,300	72.6		
R&D expenses	2,811	2,196	(615)	(21.9)	3,000	73.2		
Others	12,012	12,542	530	4.4	17,300	72.5		
Operating income	3,211	4,661	1,450	45.2	6,700	69.6		
Operating income before R&D expenses*	6,022	6,857	834	13.9	9,700	70.7		
Non-operating income and expenses	104	25	(78)					
Ordinary income	3,315	4,686	1,371	41.4	6,800	68.9		
Extraordinary income and loss	(2)	(17)	(15)					
Income before income taxes	3,312	4,668	1,356	40.9				
Income taxes	944	1,143	198					
Net income	2,368	3,525	1,157	48.9	5,100	69.1		

(Reference) Ratio to net sales

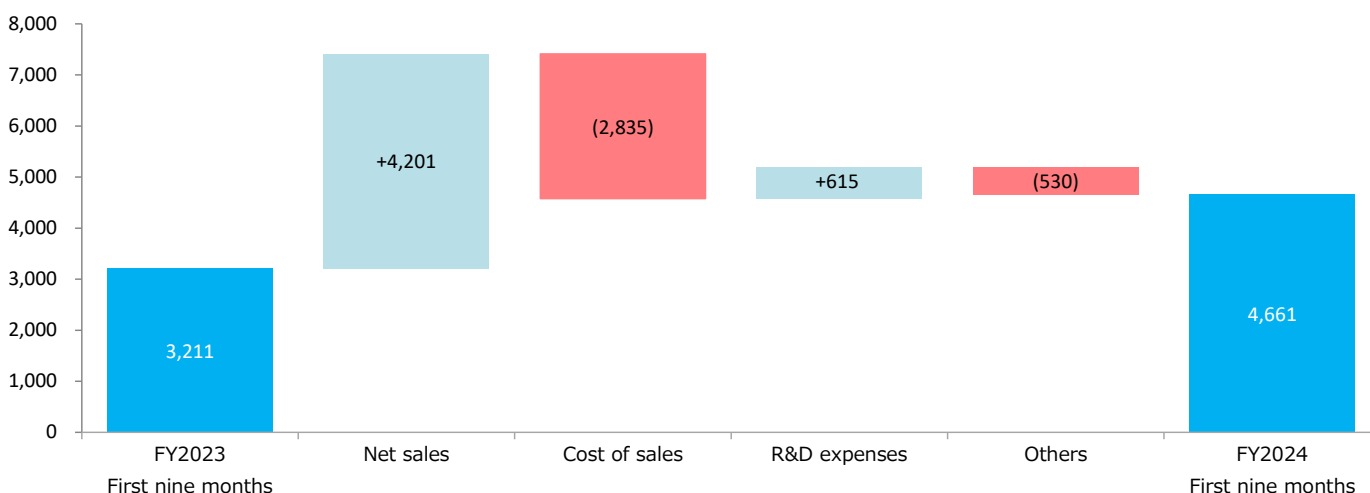
(%)	FY2023		FY2024		Change
	First nine months	First nine months			
	A	B	B-A		
Cost of sales	53.9	55.2	1.3		
SG&A	37.9	34.0	(3.9)		
R&D expenses	7.2	5.1	(2.1)		
Operating income	8.2	10.8	2.6		
Operating income before R&D expenses*	15.4	15.8	0.4		
Ordinary income	8.5	10.8	2.3		
Net income	6.1	8.1	2.0		

[FY2023 vs. FY2024]

Operating income (¥4,661 million : Increase of ¥1,450 million year-on-year)

✓ Despite an increase in cost of sales, both sales and profits increased driven by sales growth in the Skin disease and Allergen areas

(Millions of yen)



Drivers of change (Rounded down to the nearest 0.1 billion yen)

Net sales	Renal disease and hemodialysis	: Decrease of ¥0.3 billion in sales	REMITCH : Decrease of ¥0.7 billion (negative impacts of competitive drugs, generic drugs and drug price revisions), Riona : Increase of ¥0.4 billion (increase in sales volume)
	Skin disease	: Increase of ¥2.0 billion in sales	CORECTIM : Increase of ¥1.1 billion, ANTEBATE : Increase of ¥0.7 billion (increase in sales volume), LOCOID : Increase of ¥0.3 billion (positive impacts of drug price revisions and increase in sales volume)
	Allergens	: Increase of ¥1.8 billion in sales	CEDARCURE : Increase of ¥1.0 billion, MITICURE : Increase of ¥0.7 billion (increase in sales volume)
	Other	: Increase of ¥0.7 billion in sales	BIO-THREE : Increase of ¥0.5 billion (increase in sales volume and positive impact of drug price revisions), ORLADEYO : Increase of ¥0.2 billion (increase in sales volume)
Cost of sales		: Increase in sales volume Increase due to unfavorable exchange rates Increase in purchasing unit price	
R&D expenses		: Payment of upfront licensing fees for license agreement with Nogra Pharma Limited in FY2023 Increase in development expenses related to newly in-licensed products	
Others		: Increase in system related expenses Increase in sales-linked expenses Increase in personnel expenses	

Ordinary income (¥4,686 million : Increase of ¥1,371 million year-on-year)

Non-operating expenses: Increase in loss on investments in investment partnerships +¥220 million

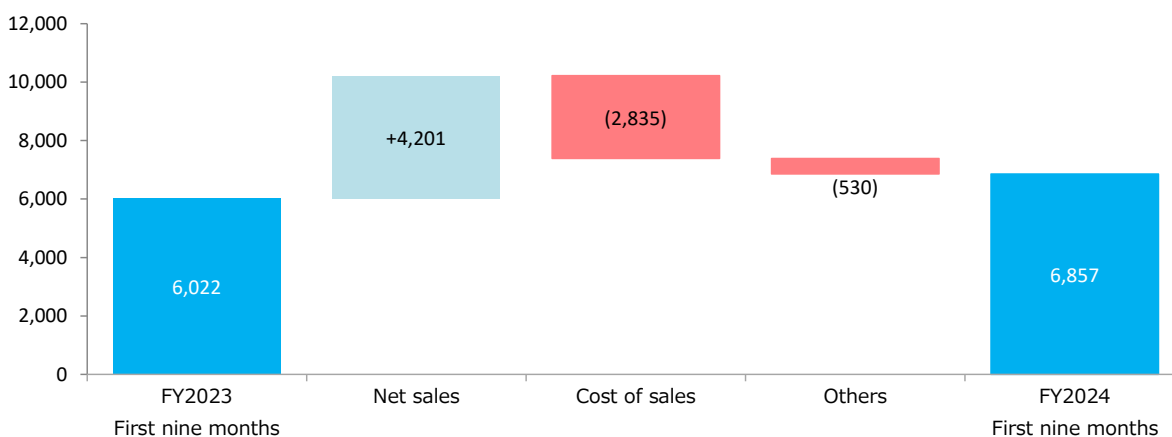
Net income (¥3,525 million : Increase of ¥1,157 million year-on-year)

Commentary: None

(Reference)

Operating income before R&D expenses (¥6,857 million : Increase of ¥834 million year-on-year)

(Millions of yen)



② Sales of Products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First nine months		First nine months			
	A		B			
Sales of Products	38,904		43,116		4,211	10.8
[Renal disease and hemodialysis]						
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	5,403		5,888		484	9.0
REMITCH Oral anti-pruritus agent	2,011		1,215		(795)	(39.6)
Others	1,187		1,170		(16)	(1.4)
Total	8,602		8,274		(327)	(3.8)
[Skin disease]						
CORECTIM Topical Janus kinase (JAK) inhibitor	5,392		6,500		1,108	20.6
ANTEBATE* Topical corticosteroid	3,201		3,905		704	22.0
LOCOID* Topical corticosteroid	1,065		1,401		336	31.6
Others	687		559		(128)	(18.7)
Total	10,347		12,367		2,020	19.5
[Allergens]						
CEDARCURE* Japanese cedar pollinosis (Allergen Immunotherapy)	7,963		9,015		1,052	13.2
MITICURE* House dust mite allergy (Allergen Immunotherapy)	7,189		7,977		787	11.0
Others	137		114		(22)	(16.7)
Total	15,290		17,107		1,817	11.9
[Other]						
BIO-THREE Viable bacterial preparations	2,881		3,452		571	19.8
ORLADEYO Plasma kallikrein inhibitor	1,107		1,329		222	20.1
Others	677		584		(92)	(13.7)
Total	4,665		5,367		701	15.0

* In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First nine months		First nine months			
	A		B			
Sales of in-house products	20,845		23,542		2,697	12.9
Ratio of in-house product sales (%)	53.6		54.6		1.0	

③ Pipeline

Development code Generic name 「Product Name」	Indication	Formulation/ Route of administration	Development stage (domestic)					Commentary
			Phase I	Phase II	Phase III	Filed	Approval	
Skin disease								
JTE-061 tapinarof 「VTAMA® Cream」	Atopic dermatitis in Pediatric Patients	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's 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's 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 July 31, 2024 :

• On October 29, 2024, JTE-061(VTAMA® Cream 1%) for Atopic dermatitis and Plaque psoriasis was launched. (previous announcement : Development stage「Approval」)

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

The forecasts have been revised in light of circumstances up until now.

- * We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Statement of Income

(Millions of Yen)	FY2024		Change	FY2023	Change	Change (%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Net sales	60,700	61,200	500	54,638	6,561	12.0
Sales of products	60,430	60,930	500	54,339	6,590	12.1
Renal disease and hemodialysis	10,920	11,290	370	11,888	(598)	(5.0)
Skin disease	17,390	17,940	550	14,266	3,673	25.7
Allergens	24,800	24,250	(550)	21,685	2,564	11.8
Other	7,320	7,450	130	6,498	951	14.6
Other sales	270	270	—	299	(29)	(9.7)
Cost of sales	33,900	34,200	300	29,847	4,352	14.6
Gross profit	26,800	27,000	200	24,791	2,208	8.9
SG&A	20,500	20,300	(200)	19,755	544	2.8
R&D expenses	3,200	3,000	(200)	3,490	(490)	(14.1)
Others	17,300	17,300	—	16,265	1,034	6.4
Operating income	6,300	6,700	400	5,035	1,664	33.1
Operating income before R&D expenses*	9,500	9,700	200	8,526	1,173	13.8
Ordinary income	6,400	6,800	400	5,307	1,492	28.1
Net income	4,800	5,100	300	4,119	980	23.8

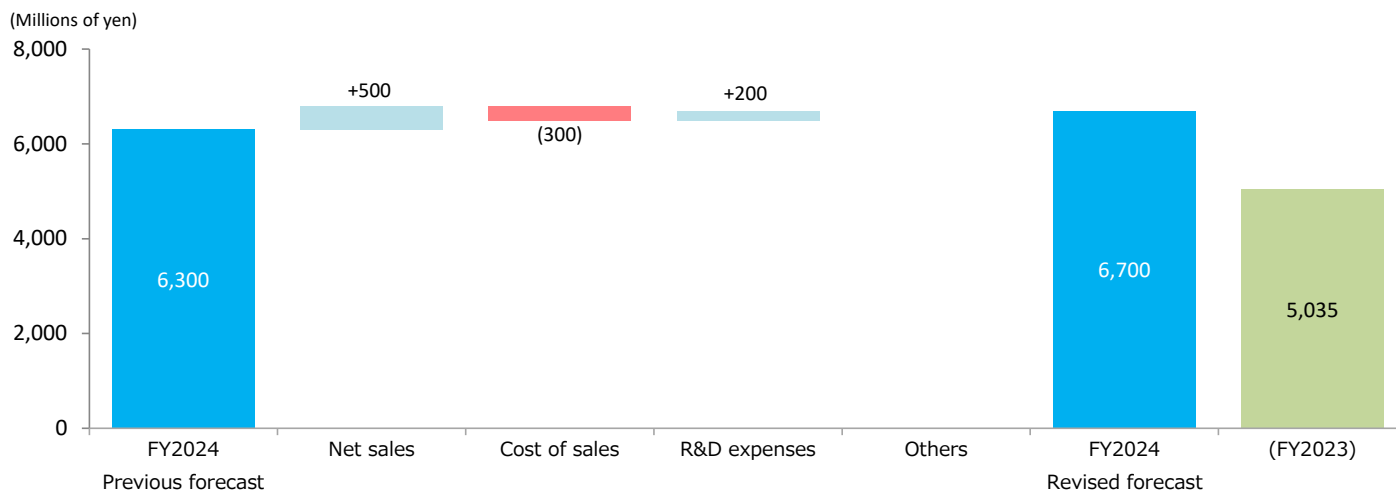
(Reference) Ratio to net sales

(%)	FY2024		Change	FY2023	Change
	Previous forecast	Revised forecast			
	A	B	B-A	C	B-C
Cost of sales	55.8	55.9	0.1	54.6	1.3
SG&A	33.8	33.2	(0.6)	36.2	(3.0)
R&D expenses	5.3	4.9	(0.4)	6.4	(1.5)
Operating income	10.4	10.9	0.5	9.2	1.7
Operating income before R&D expenses*	15.7	15.8	0.1	15.6	0.2
Ordinary income	10.5	11.1	0.6	9.7	1.4
Net income	7.9	8.3	0.4	7.5	0.8

[FY2024 Previous forecast vs. Revised forecast]

Operating income (¥6,700 million : Increase of ¥400 million)

✓ Despite a sales decrease in the Allergens area, operating income has been revised upward reflecting a sales increase in Riona and the Skin disease area, coupled with a decrease in R&D expenses



Drivers of change (Rounded down to the nearest 0.1 billion yen)

Net sales	Renal disease and hemodialysis	: Increase of ¥0.3 billion in sales	Riona : Increase of ¥0.5 billion (increase in sales volume), REMITCH : Decrease of ¥0.2 billion (decrease in sales volume)
	Skin disease	: Increase of ¥0.5 billion in sales	ANTEBATE : Increase of ¥0.4 billion, CORECTIM : Increase of ¥0.1 billion (increase in sales volume)
	Allergens	: Decrease of ¥0.5 billion in sales	MITICURE : Decrease of ¥0.2 billion, CEDARCURE : Decrease of ¥0.2 billion (decrease in sales volume)
	Other	: Increase of ¥0.1 billion in sales	BIO-THREE : Increase of ¥0.2 billion (increase in sales volume)
Cost of sales		: Increase in sales volume	
R&D expenses		: Decrease in development expense related to newly in-licensed products	

Ordinary income (¥6,800 million : Increase of ¥400 million)

Commentary: None

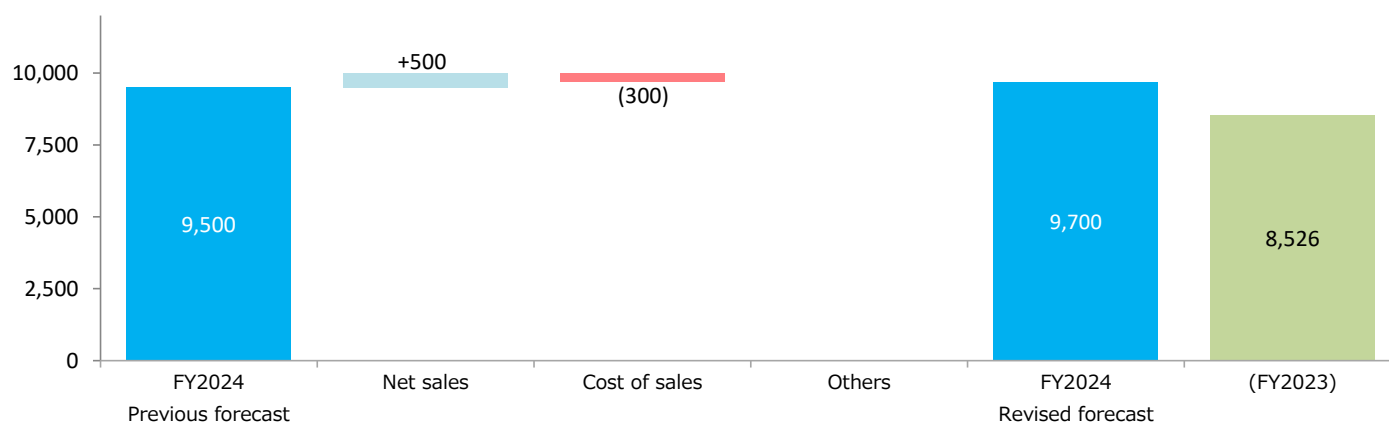
Net income (¥5,100 million : Increase of ¥300 million)

Commentary: None

(Reference)

Operating income before R&D expenses (¥9,700 million : Increase of ¥200 million)

(Millions of yen)



② Sales of Products

(Millions of Yen)	FY2024	FY2024	Change	FY2023	Change	Change(%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Sales of Products	60,430	60,930	500	54,339	6,590	12.1
[Renal disease and hemodialysis]						
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	7,590	8,180	590	7,515	664	8.8
REMITCH Oral anti-pruritus agent	1,710	1,490	(220)	2,725	(1,235)	(45.3)
Others	1,620	1,620	—	1,648	(28)	(1.7)
Total	10,920	11,290	370	11,888	(598)	(5.0)
[Skin disease]						
CORECTIM Topical Janus kinase (JAK) inhibitor	8,680	8,790	110	7,450	1,339	18.0
ANTEBATE* Topical corticosteroid	4,980	5,420	440	4,533	886	19.6
LOCOID* Topical corticosteroid	1,950	1,970	20	1,427	542	38.0
Others	1,780	1,760	(20)	854	905	106.1
Total	17,390	17,940	550	14,266	3,673	25.7
[Allergens]						
CEDARCURE* Japanese cedar pollinosis (Allergen Immunotherapy)	13,110	12,840	(270)	11,356	1,483	13.1
MITICURE* House dust mite allergy (Allergen Immunotherapy)	11,530	11,250	(280)	10,148	1,101	10.9
Others	160	160	—	179	(19)	(11.1)
Total	24,800	24,250	(550)	21,685	2,564	11.8
[Other]						
BIO-THREE Viable bacterial preparations	4,600	4,810	210	4,041	768	19.0
ORLADEYO Plasma kallikrein inhibitor	1,950	1,870	(80)	1,546	323	20.9
Others	770	770	—	910	(140)	(15.4)
Total	7,320	7,450	130	6,498	951	14.6

* In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2024	FY2024	Change	FY2023	Change	Change(%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Sales of in-house products	33,260	33,160	(100)	29,378	3,781	12.9
Ratio of in-house product sales (%)	55.0	54.4	(0.6)	54.1	0.3	