

# Financial Results for the Fiscal Year 2024, Ended December 31, 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.

February 7, 2025



**TORII PHARMACEUTICAL CO., LTD.**

## I Summary Information

\* 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 (%)	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A			
Net sales	54,638	60,426	5,788	10.6	64,700	4,273	7.1
Operating income	5,035	6,798	1,762	35.0	4,100	(2,698)	(39.7)
Ordinary income	5,307	6,926	1,618	30.5	4,500	(2,426)	(35.0)
Net income	4,119	5,042	922	22.4	3,400	(1,642)	(32.6)
<b>(Reference)</b>							
R&D expenses	3,490	2,824	(666)	(19.1)	6,400	3,575	126.6
Operating income before R&D expenses*	8,526	9,622	1,096	12.9	10,500	877	9.1
Earnings per share (EPS) (¥)	146.60	179.38	32.78		120.95	(58.43)	
Return on equity (ROE) (%)	3.4	4.2	0.8				
Ratio of ordinary income to total assets (%)	4.0	5.1	1.1				
Ratio of operating income to net sales (%)	9.2	11.3	2.1				
Return on assets (ROA) (%)	3.1	3.7	0.6				

### ② Financial Conditions

(Millions of Yen)	December 31, 2023	December 31, 2024	Change	Change (%)
	A	B	B-A	(B-A)/A
Total assets	133,432	140,664	7,231	5.4
Total equity	120,134	121,533	1,399	1.2
Equity ratio (%)	90.0	86.4	(3.6)	
Book value per share (BPS) (¥)	4,274.45	4,323.33	48.88	

### ③ Statement of Cash Flows

(Millions of Yen)	FY2023	FY2024	Change
	A	B	B-A
Net cash flows from operating activities	(3,123)	3,639	6,763
Net cash flows from investing activities	(3,779)	(3,571)	207
Net cash flows from financing activities	(3,835)	(3,944)	(108)
Cash and cash equivalents, end of the period	34,681	30,805	(3,876)

### ④ Dividends

(Millions of Yen)	FY2023	FY2024	Change	Change (%)	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A			
Annual dividends per share (¥)	120.00	120.00	0.00	—	120.00	0.00	—
Total dividends	3,372	3,373	0	0.0			
Dividend payout ratio (%)	81.9	66.9	(15.0)		99.2	32.3	
Dividend on equity ratio (DOE) (%)	2.8	2.8	0.0				

### ⑤ Capital Expenditures

(Millions of Yen)	FY2023	FY2024	Change	Change (%)	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A			
Capital expenditures	478	964	486	101.7	5,150	4,185	434.0
PP&E	168	644	476	283.7	1,380	735	114.1
Intangible assets	52	27	(25)	(47.3)	180	152	545.3
Long-term prepaid expenses	257	291	34	13.5	3,590	3,298	—

### ⑥ Depreciation/Amortization

(Millions of Yen)	FY2023	FY2024	Change	Change (%)	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A			
Depreciation and amortization of intangible assets	459	408	(50)	(10.9)	560	151	36.9
Amortization of long-term prepaid expenses	685	752	66	9.7	710	(42)	(5.7)

## II Financial Results for the FY2024

\* 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 (%)
	A	B	B-A	(B-A)/A
Net sales	54,638	60,426	5,788	10.6
Sales of products	54,339	60,144	5,805	10.7
Renal diseases and hemodialysis	11,888	11,144	(744)	(6.3)
Skin diseases	14,266	17,409	3,142	22.0
Allergens	21,685	24,206	2,520	11.6
Other	6,498	7,385	886	13.6
Other sales	299	281	(17)	(5.8)
Cost of sales	29,847	33,719	3,872	13.0
Cost of goods sold	29,786	33,659	3,873	13.0
Other cost	60	59	(1)	(2.1)
Gross profit	24,791	26,707	1,915	7.7
SG&A	19,755	19,908	152	0.8
R&D expenses	3,490	2,824	(666)	(19.1)
Others	16,265	17,084	819	5.0
Operating income	5,035	6,798	1,762	35.0
Operating income before R&D expenses*	8,526	9,622	1,096	12.9
Non-operating income and expenses	272	127	(144)	
Ordinary income	5,307	6,926	1,618	30.5
Extraordinary income and loss	286	(200)	(486)	
Income before income taxes	5,593	6,725	1,131	20.2
Income taxes	1,473	1,682	209	
Net income	4,119	5,042	922	22.4

### (Reference) Ratio to net sales

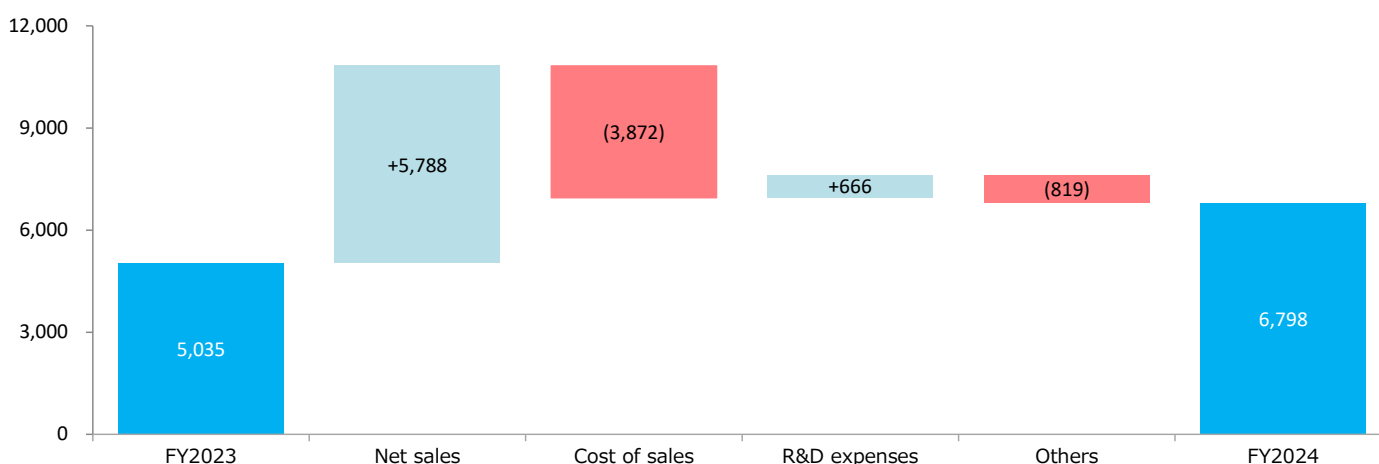
(%)	FY2023	FY2024	Change
	A	B	B-A
Cost of sales	54.6	55.8	1.2
SG&A	36.2	32.9	(3.3)
R&D expenses	6.4	4.7	(1.7)
Operating income	9.2	11.3	2.1
Operating income before R&D expenses*	15.6	15.9	0.3
Ordinary income	9.7	11.5	1.8
Net income	7.5	8.3	0.8

**[FY2023 vs. FY2024]**

**Operating income (¥6,798 million : Increase of ¥1,762 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 diseases and hemodialysis	: <b>Decrease of ¥0.7 billion in sales</b>	REMITCH : Decrease of ¥1.3 billion (negative impacts of generic drugs, competitive drugs and drug price revisions), Riona : Increase of ¥0.6 billion (increase in sales volume)
	Skin diseases	: <b>Increase of ¥3.1 billion in sales</b>	CORECTIM : Increase of ¥1.3 billion, ANTEBATE : Increase of ¥0.8 billion (increase in sales volume), LOCOID : Increase of ¥0.5 billion (positive impacts of drug price revisions and increase in sales volume), VTAMA : Increase of ¥0.5 billion (launched in October 2024)
	Allergens	: <b>Increase of ¥2.5 billion in sales</b>	CEDARCURE : Increase of ¥1.4 billion, MITICURE : Increase of ¥1.0 billion (increase in sales volume)
	Other	: <b>Increase of ¥0.8 billion in sales</b>	BIO-THREE : Increase of ¥0.8 billion (increase in sales volume and positive impact of drug price revisions)
	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 sales-linked expenses Increase in sales promotion expenses for the newly launched product Increase in system related expenses		

**Ordinary income (¥6,926 million : Increase of ¥1,618 million year-on-year)**

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

**Net income (¥5,042 million : Increase of ¥922 million year-on-year)**

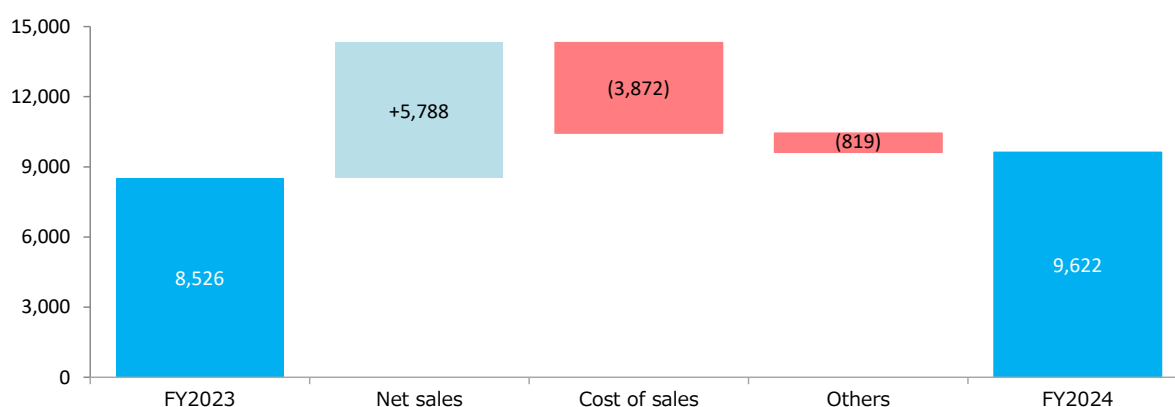
Extraordinary income: Gain on sales of investment securities due to reduction of policy shareholdings in FY2023 -¥349 million

Extraordinary loss: Increase in loss on retirement of non-current assets +¥164 million

**(Reference)**

**Operating income before R&D expenses (¥9,622 million : Increase of ¥1,096 million year-on-year)**

(Millions of yen)



## ② Sales of Products

(Millions of Yen)	FY2023	FY2024	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of Products	54,339	60,144	5,805	10.7
[Renal diseases and hemodialysis]				
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	7,515	8,151	636	8.5
REMITCH Oral anti-pruritus agent	2,725	1,396	(1,329)	(48.8)
Others	1,648	1,596	(51)	(3.1)
Total	11,888	11,144	(744)	(6.3)
[Skin diseases]				
CORECTIM Topical Janus kinase (JAK) inhibitor	7,450	8,846	1,395	18.7
ANTEBATE* Topical corticosteroid	4,533	5,381	848	18.7
LOCOID* Topical corticosteroid	1,427	1,953	525	36.8
Others	854	1,228	374	43.8
Total	14,266	17,409	3,142	22.0
[Allergens]				
CEDARCURE* Japanese cedar pollinosis (Allergen Immunotherapy)	11,356	12,812	1,456	12.8
MITICURE* House dust mite allergy (Allergen Immunotherapy)	10,148	11,241	1,092	10.8
Others	179	152	(27)	(15.3)
Total	21,685	24,206	2,520	11.6
[Other]				
BIO-THREE Viable bacterial preparations	4,041	4,845	803	19.9
ORLADEYO Plasma kallikrein inhibitor	1,546	1,774	227	14.7
Others	910	764	(145)	(16.0)
Total	6,498	7,385	886	13.6

\* In-house products

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

(Millions of Yen)	FY2023	FY2024	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of in-house products	29,378	33,061	3,682	12.5
Ratio of in-house product sales (%)	54.1	55.0	0.9	

### 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	
<b>Skin diseases</b>								
JTE-061 tapinarof 「VTAMA® Cream」	Atopic dermatitis in Pediatric Patients	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 exclusive development and commercialization in the skin disease area in Japan</li> <li>License agreement signed with JT for joint development and commercialization in Japan</li> </ul>
TO-208	Molluscum contagiosum	Topical				Filed		<ul style="list-style-type: none"> <li>License agreement signed with Verrica Pharmaceuticals Inc. for exclusive development and commercialization in Japan</li> <li>In-house</li> <li>Verrica's development code: VP-102</li> </ul>
TO-210	Acne	Topical	Phase I					<ul style="list-style-type: none"> <li>License agreement signed with Nogra Pharma Limited for exclusive development and commercialization in Japan</li> <li>In-house</li> <li>Nogra's development code: NAC-GED-0507</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>License 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 31, 2024 :

- TO-208 : Filed for Molluscum contagiosum in December 2024 (previous announcement : Development stage 「Phase III」)

#### 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 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](https://www.jt.com/investors/results/S_information/pharmaceuticals/index.html)

### III Financial Forecasts for the FY2025

- \* 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	FY2025	Change	Change (%)
	A	Forecast B		
Net sales	60,426	64,700	4,273	7.1
Sales of products	60,144	64,460	4,315	7.2
Renal diseases and hemodialysis	11,144	7,210	(3,934)	(35.3)
Skin diseases	17,409	22,230	4,820	27.7
Allergens	24,206	26,990	2,783	11.5
Other	7,385	8,030	644	8.7
Other sales	281	240	(41)	(14.8)
Cost of sales	33,719	36,200	2,480	7.4
Gross profit	26,707	28,500	1,792	6.7
SG&A	19,908	24,400	4,491	22.6
R&D expenses	2,824	6,400	3,575	126.6
Others	17,084	18,000	915	5.4
Operating income	6,798	4,100	(2,698)	(39.7)
Operating income before	9,622	10,500	877	9.1
R&D expenses*				
Ordinary income	6,926	4,500	(2,426)	(35.0)
Net income	5,042	3,400	(1,642)	(32.6)

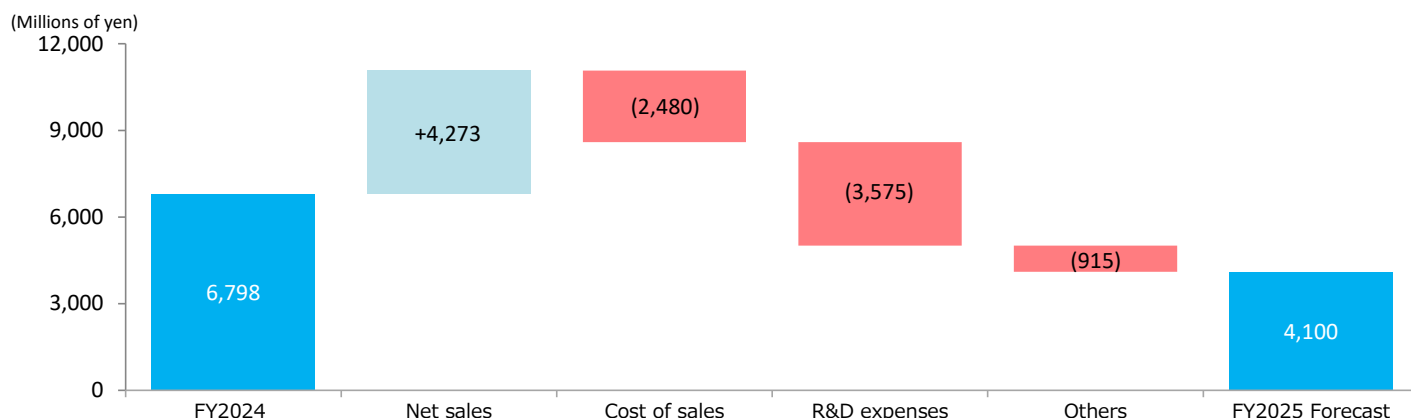
#### (Reference) Ratio to net sales

(%)	FY2024	FY2025	Change
	A	Forecast B	
Cost of sales	55.8	56.0	0.2
SG&A	32.9	37.7	4.8
R&D expenses	4.7	9.9	5.2
Operating income	11.3	6.3	(5.0)
Operating income before	15.9	16.2	0.3
R&D expenses*			
Ordinary income	11.5	7.0	(4.5)
Net income	8.3	5.3	(3.0)

**[FY2024 vs. FY2025 Forecast]**

**Operating income (¥4,100 million : Decrease of ¥2,698 million year-on-year)**

✓ Operating income expected to decline due to higher R&D and other expenses despite the sales growth in the Skin disease and Allergens areas



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

Net sales	Renal diseases and hemodialysis	: <b>Decrease of ¥3.9 billion in sales</b>	Riona : Decrease of ¥2.9 billion (negative impact of the new generic drug launch and drug price revisions), REMITCH : Decrease of ¥0.8 billion (negative impact of generic drugs, competing products and drug price revisions)
	Skin diseases	: <b>Increase of ¥4.8 billion in sales</b>	VTAMA : Increase of ¥4.0 billion (launched in October 2024), CORECTIM : Increase of ¥0.3 billion (increase in sales volume)
	Allergens	: <b>Increase of ¥2.7 billion in sales</b>	CEDARCURE : Increase of ¥1.6 billion, MITICURE : Increase of ¥1.1 billion (increase in sales volume)
	Other	: <b>Increase of ¥0.6 billion in sales</b>	BIO-THREE : Increase of ¥0.4 billion, ORLADEYO : Increase of ¥0.3 billion (increase in sales volume)
Cost of sales		: Increase in sales volume	
R&D expenses		: Increase due to R&D progress	
Others		: Increase in sales promotion expenses for the newly launched product Increase in personnel expenses Increase in system related expenses	

**Ordinary income (¥4,500 million : Decrease of ¥2,426 million year-on-year)**

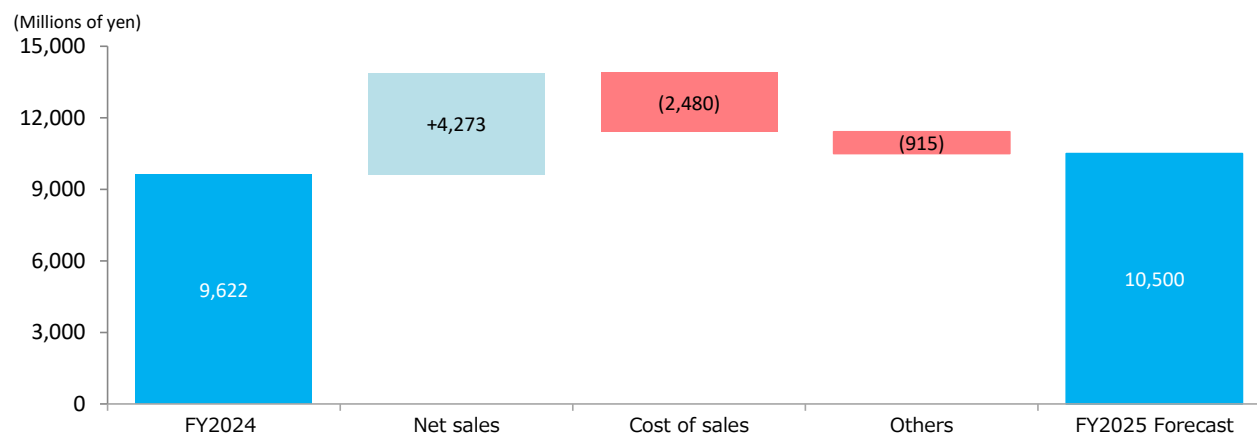
Non-operating expenses : Decrease in loss on investments in investment partnerships in FY2024 -¥237 million

**Net income (¥3,400 million : Decrease of ¥1,642 million year-on-year)**

Extraordinary loss : Decrease in loss on retirement of non-current assets in FY2024 -¥195 million

**(Reference)**

**Operating income before R&D expenses (¥10,500 million : Increase of ¥877 million year-on-year)**





## ② Sales of Products

(Millions of Yen)	FY2024	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of Products	60,144	64,460	4,315	7.2
[Renal diseases and hemodialysis]				
Riona	8,151	5,200	(2,951)	(36.2)
Agent for hyperphosphatemia, Iron-deficiency anemia				
Others	2,992	2,010	(982)	(32.8)
Total	11,144	7,210	(3,934)	(35.3)
[Skin diseases]				
CORECTIM	8,846	9,220	373	4.2
Topical Janus kinase (JAK) inhibitor				
ANTEBATE <sup>1</sup>	5,381	5,620	238	4.4
Topical corticosteroid				
VTAMA <sup>2</sup>	510	4,580	4,069	796.3
Topical treatment of atopic dermatitis and plaque psoriasis				
LOCOID <sup>1</sup>	1,953	2,120	166	8.5
Topical corticosteroid				
Others	717	690	(27)	(3.8)
Total	17,409	22,230	4,820	27.7
[Allergens]				
CEDARCURE <sup>1</sup>	12,812	14,510	1,697	13.2
Japanese cedar pollinosis (Allergen Immunotherapy)				
MITICURE <sup>1</sup>	11,241	12,350	1,108	9.9
House dust mite allergy (Allergen Immunotherapy)				
Others	152	130	(22)	(14.7)
Total	24,206	26,990	2,783	11.5
[Other]				
BIO-THREE	4,845	5,260	414	8.5
Viable bacterial preparations				
ORLADEYO	1,774	2,140	365	20.6
Plasma kallikrein inhibitor				
Others	764	630	(134)	(17.6)
Total	7,385	8,030	644	8.7

<sup>1</sup> In-house products

<sup>2</sup> Launched in October 2024

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

(Millions of Yen)	FY2024	FY2025 Forecast	Change	Change (%)
	A	B	B-A	(B-A)/A
Sales of in-house products	33,061	36,050	2,988	9.0
Ratio of in-house product sales	(%)	55.0	55.9	0.9