

FOR IMMEDIATE RELEASE**Torii has announced Medium-Term Management Plan 2025-2027**

Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551) hereby announces that it has formulated the Medium-Term Management Plan 2025-2027 that covers the period from FY2025 to FY2027.

1. Status of progress in 2024 toward the Medium-Term Management Plan 2024-2026

Torii formulated the Medium-Term Management Plan 2024-2026 that covers the three-year period from FY2024 to FY2026, and has been implementing measures for its growth strategy and measures to maintain the credibility of stakeholders in order to realize its Medium-/Long-Term Business Vision “VISION2030” It has made the following progress through these measures.

Numerical indicator progress

Initial plan for FY2024	Results for FY2024	Variance	What VISION2030 aims for
Net sales	Net sales	+¥1.8 billion	Net sales
¥58.6 billion	¥60.4 billion		Over ¥80.0 billion
Operating income (before deduction of R&D expenses)*1	Operating income (before deduction of R&D expenses)*1	+¥0.3 billion	Operating income*2
¥9.2 billion	¥9.6 billion		Operating income comes within the range of breaking the all-time high*2 in 2032

*1: 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.

*2: Although we will continue to invest in R&D beyond 2030, we expect to have completed our intensive investment to a certain extent. For this reason, Torii sets operating income as an indicator for numerical targets of VISION2030. All-time high operating income: ¥13.3 billion (fiscal year ended March 31, 2001)

The business environment surrounding the pharmaceutical industry remained challenging, including increased investment risks due to the increasing sophistication and difficulty of R&D, soaring prices of resources and raw materials in line with heightened geopolitical risks such as the situation in Ukraine and the Middle East, inflation driven by the depreciation of the yen, as well as the reform of the drug pricing system (NHI drug price revisions every year), and effects of the promotion of the use of generic products. Despite these challenges, we steadily implemented various measures planned in the Medium-Term Management Plan 2024-2026. As a result, we achieved net sales of ¥60.4 billion and operating income (before deduction of R&D expenses) of ¥9.6 billion, both of which surpassed our initial plans.

We have achieved market launch of VTAMA Cream, submission of application to approve manufacturing and marketing of TO 208, Phase I entry on TO 210, and other steady R&D progress as planned. Through

these and other initiatives, we are steadily working to achieve the objectives of our Medium-/Long-Term Business Vision “VISION2030” and implementing measures for further sustained growth.

2. Outline of the Medium-Term Management Plan 2025-2027

1) Formulation of the Medium-Term Management Plan 2025-2027

Torii has formulated the Medium-Term Management Plan 2025-2027 that covers the period from FY2025 to FY2027 to achieve its Medium-/Long-Term Business Vision “VISION2030.” Torii will continue to implement initiatives for its growth strategy and measures to maintain the credibility of stakeholders that it began during the previous medium-term management plan in order to realize VISION2030.

2) Major Initiatives of the Medium-Term Management Plan 2025-2027

(1) Growth strategy	(2) Maintaining the credibility of stakeholders
<ol style="list-style-type: none"> 1. Spread, cultivate, and maximize the value of new drugs in the growth phase 2. Promote new drug development 3. Obtain new in-licensed drugs 4. Maintenance of human resource systems in line with management strategies and work-style reforms 5. Corporate culture reform 	<ol style="list-style-type: none"> 1. Improve and strengthen stable supply systems 2. Compliance with pharmaceutical regulations and quality assurance 3. Strengthen compliance 4. Enhance corporate governance 5. Pursue sustainability initiatives

3) Numerical Indicators

Torii continues to set net sales and operating income before deduction of R&D expenses as numerical indicators for the Medium-Term Management Plan 2025-2027, in order to realize what VISION2030 aims for.

Forecast for FY2025		Guidance for FY2026*2		Guidance for FY2027*2
Net sales	⇒	Net sales	⇒	Net sales
¥64.7 billion		¥65.0 – ¥68.0 billion		¥73.0-¥76.0 billion
Operating income (before deduction of R&D expenses)*1		Operating income (before deduction of R&D expenses)*1		Operating income (before deduction of R&D expenses)*1
¥10.5billion		¥8.0 – ¥9.0 billion		¥11.0 – ¥12.0 billion
(reference)				
Operating income		Operating income		Operating income
¥4.1billion		¥1.0-2.0 billion		¥8.0-9.0 billion

*1: 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.

*2: As a risk affecting medium- to long-term financial results, if CEDARCURE and MITICURE continue their recent net sales growth, they may be subject to market expansion re-pricing (drug price reduction) within the next few years. This risk has been estimated to a certain extent and reflected in the guidance for FY2026 and FY2027.

3. Enhancement of Corporate Value

1) Objectives and Enhancement of Corporate Value

As disclosed in “Enhancement of Corporate Value, Including Action to Implement Management that is Conscious of Cost of Capital and Stock Price” (available only in Japanese) announced on February 7, 2025, we have set the following targets for further enhancement corporate value, and we are implementing various initiatives, such as realizing what our Medium-/Long-Term Business Vision “VISION2030” aims for, improving ROE, and enhancing shareholder returns and corporate governance.

* For details of specific initiatives, please refer to “Initiatives for enhancement of Corporate Value” on our website (<https://www.torii.co.jp/en/ir/value/>).

Targets
1) Achieve the numerical targets of the Medium-/Long-Term Business Vision “VISION2030” (“Net sales: Over ¥80.0 billion,” “Operating income: Operating income comes within the range of breaking the all-time high (¥13.3 billion) in 2032”)
2) Achieve ROE of 8% or higher in 2030 or as soon as possible thereafter (Specific ROE target and timing for achievement will be disclosed when a certain degree of progress in intensive business investment becomes foreseeable.)
3) Achieve a DOE level that compares favorably with that of other companies within the same industry (currently approx. 3.5%), while focusing on sales and profit growth through business investment (Specific timing for achievement will be disclosed will be disclosed when a certain degree of progress in intensive business investment becomes foreseeable)

2) Shareholder Returns

Torii recognizes that generating appropriate shareholder returns is the key issue of management. We will maintain our basic policy of continuous and stable dividends while further enhancing our shareholder returns, and in the future we will review the progress we have made in our business operations and investments while striving to improve dividend on equity ratio (DOE) over the medium to long term, aiming for a DOE level (currently approx. 3.5%) that compares favorably with that of other companies within the same industry.

The period up to 2027 is set as one of concentrated business investment; aggressive business investment including in licensing of new drugs remains the policy going forward, and since we need to maintain a certain level of cash reserves for the time being, dividend amounts are to remain at the current level

For FY2024, we will pay an annual dividend of ¥120 per share, in accordance with the concept of enhancing shareholder returns.

For FY2025, in accordance with the policy and concept above, we plan to pay an annual dividend of ¥120 per share.

【Important notes on forward-looking statements】

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.

Contact for Torii Pharmaceutical Co., Ltd.:
Corporate Planning Department
(Public Relations)
Torii Pharmaceutical Co., Ltd.
E-mail: webmaster@torii.co.jp
Tokyo: +81-3-3231-6814



Medium-Term Management Plan 2025-2027

February 7, 2025

AGENDA

- 1. Corporate Philosophy
“Torii Pharmaceutical’s Purpose”**
2. Medium-/Long-Term Business Vision “VISION2030”
3. Status of Progress in 2024 toward
the Medium-Term Management Plan 2024-2026
4. Outline of the Medium-Term Management Plan
2025-2027
5. Enhancement of corporate value

Corporate Philosophy “Torii Pharmaceutical’s Purpose”

- Torii Pharmaceutical Co., Ltd. celebrated the 100th anniversary of its establishment in FY2021, and in FY2022 the 150th anniversary of the founding of Uenoya, its predecessor. Looking back on its long history, Torii has defined its unchanging aspirations for the future as its corporate philosophy.

We are committed to sincerely serving patients, their families, and those involved in medical care. We contribute to the healthy recovery of patients, as well as to a happy, enriched life free from fear of illness.

We will flexibly change and adapt to meet the needs of the times and the environment, while retaining the trust we have earned over our long history, and we will continue to take on the challenge of contributing to healthcare that only we can make.

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Medium- to Long-term Business Vision: “VISION2030”

- To realize our corporate philosophy “Torii Pharmaceutical’s Purpose,” we have formulated “VISION2030” as our vision for the year 2030

Goals of VISION2030

With a deep understanding of medical needs and a high level of expertise and mobility to meet those needs, Torii Pharmaceutical will promote optimal co-creation with diverse partners.
We aim to be a pharmaceutical company with a strong presence that discovers and delivers new drugs of value.

Numerical Targets of VISION2030

- Net sales: Over ¥80 billion
- Operating income: Bringing a new record-high* in 2032 within reach

*Record operating income = ¥13.3 billion
(fiscal year ended March 31, 2001)

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Progress in 2024 toward the Medium-Term Management Plan 2024-2026

–Numerical Indicators–

- The numerical indicators set forth at the time of formulation of the Medium-Term Management Plan 2024-2026 are as follows:

Initial plan for FY2024	Guidance for FY2026 ^{*2*}	What VISION2030 aims for ^{*3}
Net sales	Net sales	Net sales
¥58.6 billion	¥63.0 – 66.0 billion	Over ¥80 billion
Operating income (before deduction of R&D expenses) ^{*1}	Operating income (before deduction of R&D expenses) ^{*1}	Operating income ^{*4}
¥9.2 billion	¥9.0 – 10.0 billion	Operating income comes within the range of breaking the all-time high ^{*4} in 2032

*1: 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.

*2: A reference value that represents a rough estimate for Torii at this point in time and is not positioned as a target to be achieved.

*3: As a risk affecting medium- to long-term financial results, if CEDARCURE and MITICURE continue their recent net sales growth, they may be subject to market expansion repricing (drug price reduction) within the next few years. This risk has been estimated to a certain extent and reflected in the guidance for FY2026 and VISION2030.

*4: Although we will continue to invest in R&D beyond 2030, we expect to have completed our intensive investment to a certain extent. For this reason, Torii sets operating income as an indicator for numerical targets of VISION2030. All-time high operating income: ¥13.3 billion (fiscal year ended March 31, 2001)

Progress in 2024 toward the Medium-Term Management Plan 2024-2026

–Numerical Indicators–

- Achieved the initial plan through both net sales and operating income before R&D expenses surpassed it driven by higher sales volume coupled with a decrease in SG&A expenses due to efficient execution.
- Compared to the FY2024 guidance* set during the formulation of the Medium-Term Management Plan 2022-2024,' both net sales and operating income before R&D expenses exceeded the guidance.

*FY2024 Guidance: Net sales of ¥52.0-55.0 billion, operating income before R&D expenses of ¥8.0-9.0 billion.

	Initial plan for FY2024	Results for FY2024	FY2024 results compared to initial plan
Net sales	¥58.6 billion	¥60.4 billion	+ ¥1.8 billion
Operating income (before R&D expenses)	¥9.2 billion	¥9.6 billion	+ ¥0.3 billion

Progress in 2024 toward the Medium-Term Management Plan 2024-2026

–Major Initiatives–

Growth strategy

- ✓ Spread, cultivate, and maximize the value of new drugs in the growth phase
 - Skin diseases: CORECTIM, JTE-061
 - Renal diseases and hemodialysis: ENAROY, Riona
 - Allergens: CEDARCURE, MITICURE
 - ORLADEYO
- ✓ Promote new drug development
 - TO-208
 - TO-210
 - Grass pollen sublingual tablet
- ✓ Obtain new in-licensed drugs
- ✓ Maintenance of human resource systems in line with management strategies and work-style reforms
- ✓ Corporate culture reform

Maintaining the credibility of stakeholders

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

Progress in 2024 toward the Medium-Term Management Plan 2024-2026

–Key Topics–

Growth strategy

- ✓ Steady growth in net sales of new drugs in the growth phase
 - Double-digit year-on-year growth in numerical indicator of net sales and operating income before R&D expenses
- ✓ Favorable progress in development of JTE-061(VTAMA Cream)
 - Announce preliminary results of the Phase III clinical study in pediatric patients with atopic dermatitis (children ages 2 years or older and under 12 years old) in Japan (May 2024)
 - Obtained manufacturing and marketing approval for VTAMA Cream 1% in Japan (June 2024)
 - Launch of VTAMA Cream 1% sales (October 2024)
- ✓ TO-208 development is progressing smoothly
 - Submitted a manufacturing and marketing approval application in Japan for the treatment of molluscum contagiosum (December 2024)
- ✓ TO-210 development is progressing smoothly
 - Initiated a Phase I clinical study in Japan (April 2024)

Maintaining the credibility of stakeholders

- ✓ Stable supply
 - Progress made as initially scheduled on expansion of CEDARCURE API manufacturing facilities and securing raw materials (pollen procurement) (The limited shipment measure that began in April 2023 will continue)
- ✓ Reinforce corporate governance
 - Transition to a company with an Audit and Supervisory Committee approved by the General Meeting of Shareholders (March 2024)
 - Establishment of the Nomination and Compensation Advisory Committee in March 2024
- ✓ Initiatives on sustainability
 - A Sustainability Committee has been established (January 2025)

Status of Concentrated Business Investment from 2023-2027*1

- The specific amount of investment planned as of the end of 2024 is approx. ¥16 billion (approx. ¥5.5 billion of this has been paid/confirmed)

Major capital investments

Investment	Amount	Initiatives to increase production
Capital investment in API manufacturing for CEDARCURE	Approx. ¥3 billion	Complete and start operating new API manufacturing facility in July 2025, and gradually increase shipment volume from around fall 2025

Main in-licensing and development

Investment	Amount	Development schedule	(Ref.) Patients in Japan*2
TO-208 (Molluscum contagiosum)	Total of over ¥12 billion (¥1.6 billion of this has been paid)	Application for manufacturing and marketing approval: Dec. 2024	Molluscum contagiosum: Approx. 20,000
TO-208 (Common warts)		Clinical trials: Scheduled to start in 2025	Viral warts: Approx. 400,000
TO-210 (Acne)		Phase I launched in 2024	Acne: Approx. 500,000
Sublingual tablet for grass pollen		Clinical trials: Scheduled to start in 2025	Grass pollen allergies: -

*1 Only major investments decided upon by Dec. 2024 are listed. The timing of payments will vary on a case-by-case basis. In addition, the amount paid in Japanese yen may vary depending on whether no payment occurs due to development status or the exchange rate at the time of payment.

*2 Source: Ministry of Health, Labour and Welfare's "2023 Patient Survey(Japanese only)" (total number of patients, basic classification of injury/illness). However, data specific to the indication for grass pollen sublingual tablets is not included in the source, and therefore it has not been stated.

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Outline of the Medium-Term Management Plan 2025-2027 : Numerical Targets and Guidance

- Toward achieving the goals of VISION2030, Torii continues to use net sales and operating income before R&D expenses as numerical indicators for the Medium-Term Management Plan 2025-2027

Forecast for FY2025	Guidance for FY2026*2	Guidance for FY2027*2	Goals of VISION2030*2
Net sales	Net sales	Net sales	Net sales
¥64.7 billion	¥65-68 billion	¥73-76 billion	Over ¥80 billion
Operating income (before R&D expenses)*1	Operating income (before R&D expenses)*1	Operating income (before R&D expenses)*1	Operating income (before R&D expenses)*1
¥10.5 billion	¥8-9 billion	¥11-12 billion	—
Operating income	Operating income	Operating income	Operating income*3
¥4.1 billion	¥1-2 billion	¥8-9 billion	Achieve operating income within reach of breaking the all-time high of ¥13.3 billion*3 in 2032

*1: Operating income before R&D expenses is set as a numerical indicator of profit in the medium-term management plan because the company will aggressively invest in R&D for the time being to obtain in-licensed drugs in the future.

*2: While there are multiple possible scenarios regarding NHI drug prices, this guidance is based on the assumption that the NHI prices for CEDARCURE and MITICURE will be reduced by approximately 15% in 2026 as a result of market expansion repricing and reassessment. (No decision has been made on market expansion repricing at this time.)

*3: Although R&D investment will continue beyond 2030, the company expects to have completed concentrated investment to a certain extent by that time. For this reason, operating income is set as an indicator for numerical targets of VISION2030. All-time high operating income: ¥13.3 billion (fiscal year ended March 31, 2001)

Medium-Term Management Plan 2025-2027: Key Initiatives

- As there have been no changes in the environment likely to have a significant impact on VISION2030 or the fundamentals of the company's business strategy and operations, key initiatives and earnings progressed smoothly in 2024. As such, the company continues to focus on the two pillars of "growth strategy" and "maintaining the trust of stakeholders"

Growth strategy

- ✓ Spread, cultivate, and maximize the value of new drugs in the growth phase
 - ✓ Skin disease
 - ✓ Allergens
 - ✓ Renal disease and hemodialysis
 - ✓ Other
- ✓ Promote new drug development
 - ✓ TO-208 (Intended indications: Common warts)
 - ✓ TO-210 (Intended indication: Acne)
 - ✓ Sublingual tablet for grass pollen allergy
- ✓ Obtain new in-licensed drug products
- ✓ Develop human resource systems in line with management strategies and reform work styles
- ✓ Revamp the corporate culture

Maintaining the trust of stakeholders

- ✓ Improve and strengthen stable supply systems
- ✓ Comply with pharmaceutical regulations and guarantee quality assurance
- ✓ Strengthen compliance
- ✓ Enhance corporate governance
- ✓ Pursue sustainability initiatives

Medium-Term Management Plan 2025-2027: Key Initiatives

Spread, Cultivate, and Maximize the Value of New Drugs in the Growth Phase, and Promote New Drug Development

- Retain three franchise areas (skin disease, allergens, renal disease and hemodialysis)
- Position areas of skin disease and allergens as growth drivers for achieving VISION2030

Skin disease

- ✓ Focus on further market penetration of CORECTIM and value maximization
- ✓ Focus on early market penetration of VTAMA and TO-208
 - ✓ TO-208 expected to launch in 2025 as a treatment for molluscum contagiosum
- ✓ Respond to a range of conditions through rapid launch of developed products, conducting development ahead of market penetration, and adding to our lineup
 - ✓ TO-208 (Intended indication: Common warts)
 - ✓ TO-210 (Intended indication: Acne)

Allergens

- ✓ Pursue new growth in CEDARCURE and MITICURE
- ✓ With CEDARCURE we will continue to steadily implement measures to support a stable supply, and continue limited shipments tracking trends in demand, all while gradually increasing shipment volume in line with the operation of new manufacturing facilities in 2025
- ✓ Conduct development to quickly launch and penetrate the market for sublingual tablet for grass pollen allergies

Renal disease and hemodialysis

- ✓ Seek further penetration of Riona and ENALOY, and promote efforts to secure positioning of products in the renal disease and hemodialysis area
- ✓ Continue exploratory and in-licensing activities aimed at pipeline expansion as in both the skin disease and allergen areas

Medium-Term Management Plan 2025-2027: Key Initiatives

Promote New Drug Development — Main Development Pipeline Situation and Outlook

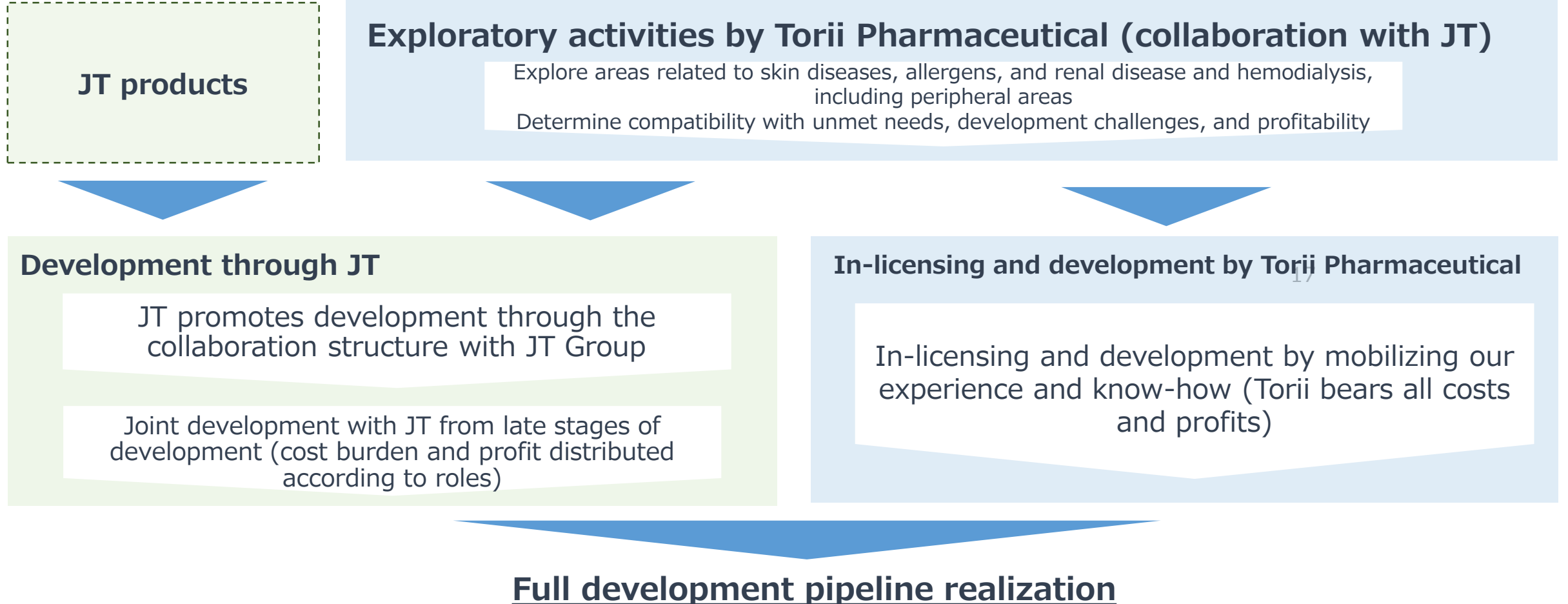
			Value provided to patients	Status as of Dec. 31, 2024	2025	2026	2027-28
Skin disease	JTE-061 VTAMA®	Atopic dermatitis	Drug containing novel compounds that target the aryl hydrocarbon receptor (AhR)[Topical]	Launched			
		Plaque psoriasis		Launched			
		Pediatric atopic dermatitis		Phase III in progress	Phase III		
	TO-208	Molluscum contagiosum	Causes blisters to form in the applied area, eliminating virus-infected tissue as skin lesions peel off [Topical]	Application filed			
		Common warts		Clinical study in preparation	Scheduled for clinical study		
	TO-210	Acne	Action mechanisms are assumed to be improvement of lipid metabolism disorders and anti-inflammatory effects[Topical]	Phase I in progress		Scheduled for next Phase clinical study	
Allergens	Grass pollen sublingual tablet	Hay fever triggered by grass pollen	Allergen immunotherapy for grass pollen allergy [Sublingual tablet]	Clinical study in preparation		Scheduled for clinical study	
	MITICURE	House dust mite-induced allergic asthma (allergen immunotherapy)	Allergen immunotherapy for allergic asthma [Sublingual tablet]	Future development policy and schedule undecided/under consideration			

*The above schedule is currently an outlook; the actual schedule may differ due to various factors

Medium-Term Management Plan 2025-2027: Key Initiatives

Obtain New In-Licensed Drug Products

- Aggressive exploratory activities and business investments for a full development pipeline through in-licensing
- Proactively challenge ourselves with our own in-licensing and development efforts, including in peripheral areas, while maintaining focus on the value maximization of current franchise areas

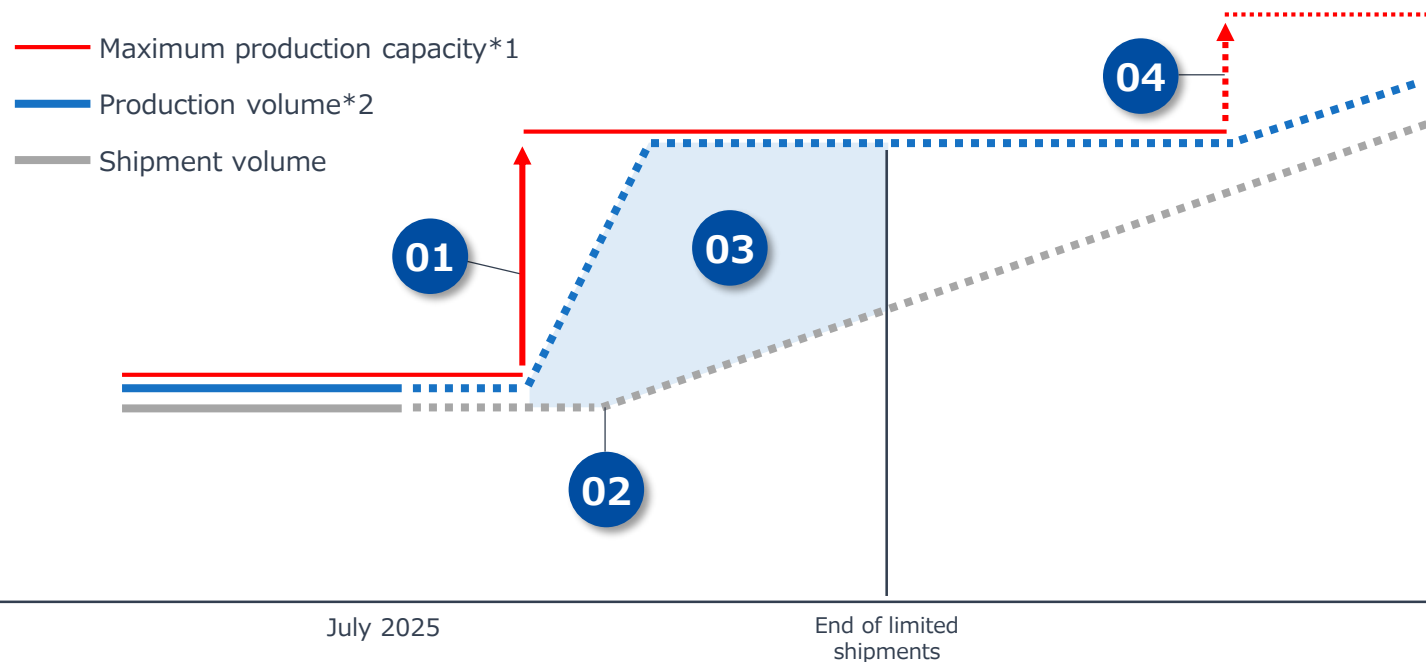


Medium-Term Management Plan 2025-2027: Key Initiatives

Establish and Reinforce Stable Supply System — Initiatives to Achieve Stable Supply of CEDARCURE and Future Demand and Supply Outlook

- Incremental growth in shipments to drug wholesalers from around the fall of 2025, reflecting completion and operation of new API manufacturing facility in July 2025
- In parallel with increased shipments, maintain our inventory volume to ensure supply stability, and work to lift limited shipments as soon as possible
- Ahead of increased production, make decisions on additional investment with appropriate timing, monitoring demand trends and a range of other factors

Outlook for CEDARCURE Production Increase (Image)



- 01 New API manufacturing facility to start operation in July 2025, with a roughly two-fold (for approx. 500,000 individuals annually) increase in manufacturing capacity compared to pre-limited shipment level
- 02 Incremental growth in shipments to drug wholesalers from around fall of 2025
- 03 Planning an early end to limited shipments as soon as a sufficient amount of inventory is secured for a stable supply by maintaining inventory while increasing shipment volume
- 04 Since demand for CEDARCURE is expected to continue growing, demand may potentially outstrip shipments in the future. We will make decisions on additional investment for further production increase at the appropriate timing, while continuing to closely monitor trends in demand

*1 The maximum production capacity will not necessarily match actual production volume.

*2 Shipment volume will not necessarily mirror production volume as inventory will be maintained to secure supply stability while increasing shipment volume at the same time.

Medium-Term Management Plan 2025-2027: Key Initiatives Sustainability

- A Sustainability Committee has been established under the Board of Directors, with CEO serving as the Chairperson and Directors (including external directors) and Group Leaders as committee members. The committee operates in accordance with the following structure and policies.

Committee Roles

- The committee is responsible for mid-to-long-term company-wide/materiality-based management (PDCA cycle), serving as a platform for final discussions and approvals of materiality promotion policies and sharing progress on related initiatives.

Committee Structure

- Chairperson: CEO
- Members: Directors (including external directors) and Group Leaders

Working Groups

- Working groups may be established as needed, consisting of subcommittees for specific themes.

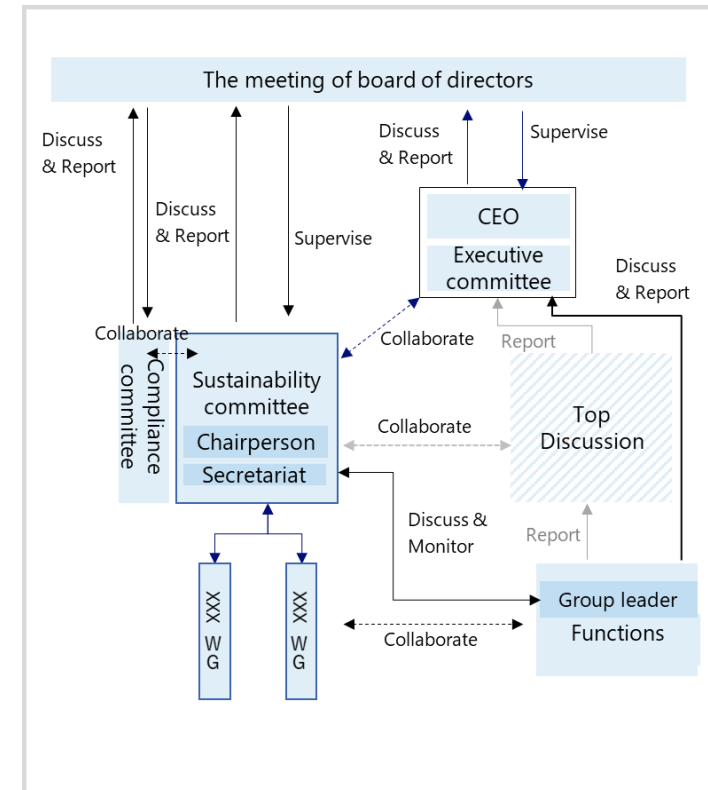


Image:Sustainability Promotion Framework After Committee Establishment

Medium-Term Management Plan 2025-2027: Key Initiatives

Sustainability Initiatives

- Enhance the activities of the Sustainability Committee (established in January 2025) and continue to implement the materiality promotion plan, including the setting of updated targets, roadmaps, KPIs, etc.

Materiality related to our business	Relevant key initiatives of the Medium-Term Management Plan, fundamentals of business strategy and operations	Overview and goals of initiatives
1) Support patients by providing high-quality medical information to healthcare professionals	Business strategy: <ul style="list-style-type: none"> • Create a framework for maximizing product value Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> • Spread, cultivate, and maximize the value of new drugs in the growth phase 	<ul style="list-style-type: none"> • Enhance gathering of clinical evidence and dissemination of information to address unmet medical needs • Establish a system for providing and collecting information • Strengthen medical affairs and medical science liaison operations (ensure the quantity and quality of activities, which are regarded as among the best in the industry) • Establish a safety database and promote its practical application (Expand the scope of target products and users in stages)
2) Serve patients through the discovery and development of valuable new drugs that address unmet medical needs	Business strategy: <ul style="list-style-type: none"> • Strengthen in-licensing activities Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> • Obtain new in-licensed drugs • Promote new drug development • Spread, cultivate, and maximize the value of new drugs in the growth phase 	<ul style="list-style-type: none"> • Expand in-licensing drug search fields and disease areas, search regions, and search methods • Strengthen in-licensed drug search capabilities, personnel and organizational capacity for forging alliances • Enhance the development pipeline, including licensing agreements for newly in-licensed products (at least 1 product/year) • Promote new drug development (TO-208, TO-210, grass pollen sublingual tablets, etc.) and product lifecycle management
3) Co-create with diverse partners with specialized capabilities to maximize the value we deliver to the medical field	VISION2030: Realize our vision for 2030 Evolve to a more sophisticated business model: Concentrate the company's resources on core functions and collaborate with external partners that have specialized capabilities	<ul style="list-style-type: none"> • Constantly evolve the business model to be more sophisticated by strengthening core functions and collaborating with external partners, etc.

Medium-Term Management Plan 2025-2027: Key Initiatives

Sustainability Initiatives

- Enhance the activities of the Sustainability Committee (established in January 2025) and continue to implement the materiality promotion plan, including the setting of updated targets, roadmaps, KPIs, etc.

Materiality related to our business	Relevant key initiatives of the Medium-Term Management Plan, fundamentals of business strategy and operations	Overview and goals of initiatives
4) Ensure stable supply by implementing initiatives throughout the entire supply chain	Business operation fundamentals: <ul style="list-style-type: none"> Stable supply Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> Improve and reinforce the stable supply system 	<ul style="list-style-type: none"> Manage supply and demand properly and maintain an appropriate level of inventories Strengthen production system to increase output of CEDARCURE and resolve problem of limited shipments (expand cedar pollen collection, invest in manufacturing facilities, etc.) Establish commercial production systems for newly developed drugs (TO-208, TO-210, grass pollen sublingual tablets, etc.) Build a “Management System for a Stable Supply Structure”
5) Ensure product quality and safety	Business operation fundamentals: <ul style="list-style-type: none"> Quality assurance Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> Regulatory compliance and quality assurance 	<ul style="list-style-type: none"> Comply with the Pharmaceuticals and Medical Devices Act and various other pharmaceutical regulations Respond in line with development plans and commercial production plans Improve quality of existing products such as various allergen extracts Strengthen chemistry, manufacturing and control (CMC) functions

Medium-Term Management Plan 2025-2027: Key Initiatives

Sustainability Initiatives

- Enhance the activities of the Sustainability Committee (established in January 2025) and continue to implement the materiality promotion plan, including the setting of updated targets, roadmaps, KPIs, etc.

Materiality related to our business	Relevant key initiatives of the Medium-Term Management Plan, fundamentals of business strategy and operations	Overview and goals of initiatives
6) Undertake corporate activities by giving attention to protecting the environment	<ul style="list-style-type: none"> Climate change initiatives and other environmental initiatives 	<ul style="list-style-type: none"> Follow the framework recommended by the TCFD Establish governance structure and strengthen management of business risks
7) Develop employees with high levels of specialization and provide them with growth opportunities	<p>Key initiatives of the Medium-Term Management Plan:</p> <ul style="list-style-type: none"> Develop human resource systems and other systems in line with management strategies and reform work styles (including education and training and human resource development) 	<ul style="list-style-type: none"> Introduce and spread understanding of a human resource system that rewards results appropriately through well-balanced evaluation and compensation Pursue stable recruitment of highly specialized human resources and carry out human resource development programs systematically Implement training systematically over the medium to long term through company-wide standardized training, job-specific training, etc. Support self-directed career development
8) Cultivate a corporate culture of implementing TORII's POLICY (the values we hold dear)	<p>Key initiatives of the Medium-Term Management Plan:</p> <ul style="list-style-type: none"> Reform of the corporate culture 	<ul style="list-style-type: none"> Spread awareness of the corporate philosophy system (information dissemination through executive dialogue meetings, internal newsletters, etc.) Promote TORII's POLICY through workshops for all employees, etc. Continue to conduct corporate culture questionnaires

Medium-Term Management Plan 2025-2027: Key Initiatives

Sustainability Initiatives

- Enhance the activities of the Sustainability Committee (established in January 2025) and continue to implement the materiality promotion plan, including the setting of updated targets, roadmaps, KPIs, etc.

Materiality related to our business	Relevant key initiatives of the Medium-Term Management Plan, fundamentals of business strategy and operations	Overview and goals of initiatives
9) Realize an environment where every employee can work with enthusiasm	Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> • Develop human resource systems and other systems in line with management strategies and reform work styles 	<ul style="list-style-type: none"> • Create a comfortable/rewarding work environment that encourages employee growth and boosts organizational performance • Promote diversity (e.g., promote the active participation of women in the workplace, support initiatives for the development of the next generation of employees) • Promote health and productivity management initiatives
10) Compliance	Business operation fundamentals: <ul style="list-style-type: none"> • Compliance Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> • Strengthen compliance 	<ul style="list-style-type: none"> • Comply with various laws, regulations, and industry rules (Code of Practice, Fair Competition Code, Guidelines for Provision of Sales Information on Prescription Drugs, etc.) • Continue to provide compliance education and awareness training to executives and employees • Conduct compliance questionnaires • Continue to set up and optimize reporting/consultation desks
11) Corporate governance	Key initiatives of the Medium-Term Management Plan: <ul style="list-style-type: none"> • Enhance corporate governance 	<ul style="list-style-type: none"> • Ensure proper operation of the Audit and Supervisory Committee, and Nomination and Compensation Advisory Committee • Enhance appropriate information disclosure and dialogue (financial results briefings, SR activities, publication of integrated reports, etc.) • Take action to implement management that is conscious of cost of capital and stock price

AGENDA

1. Corporate Philosophy
“Torii Pharmaceutical’s Purpose”
2. Medium-/Long-Term Business Vision “VISION2030”
3. Status of Progress in 2024 toward
the Medium-Term Management Plan 2024-2026
4. Outline of the Medium-Term Management Plan
2025-2027
5. **Enhancement of corporate value**

Enhancement of Corporate Value : Targets

- We have set the following targets for further enhancement of corporate value.

* For details of specific initiatives, please refer to [our website\(Initiatives for enhancement of Corporate Value\)](#).

Achieve the numerical targets of “VISION2030”

“Net sales: Over JPY 80.0 BN” “Operating income: Operating income comes within the range of breaking the all-time high in 2032”)

Achieve ROE of 8% or higher in 2030 or as soon as possible thereafter

(Specific ROE target and timing for achievement will be disclosed when a certain degree of progress in intensive business investment becomes foreseeable)

Achieve a DOE level that compares favorably with that of other companies within the same industry (currently approx. 3.5%), while focusing on sales and profit growth through business investment

(Specific timing for achievement will be disclosed will be disclosed when a certain degree of progress in intensive business investment becomes foreseeable)

Shareholder Return Policy and Dividends

Shareholder return policy

- ✓ Our basic policy for shareholder returns is to provide continuous and stable dividends, with the belief that increasing our corporate value through business investment over the medium to long term will meet the expectations of our shareholders
- ✓ For now, we will use DOE as the shareholder return indicator. In the future, we hope to achieve a level comparable to our competitors (currently around 3.5%). We will regularly evaluate the fullness of our development pipeline, financial status, and other factors, and take a flexible approach to considering further enhancement of shareholder returns, including raising dividend levels
- ✓ Furthermore, with respect to additional shareholder returns including the acquisition of treasury stock, we will explore whether to do so and the scale following consideration of a comprehensive range of factors, such as future outlook, business environment, and investment progress

01 Dividends

■ **Full-year dividend for 2024 and 2025: ¥120(planned)**
(interim dividend ¥60, year-end dividend ¥60)

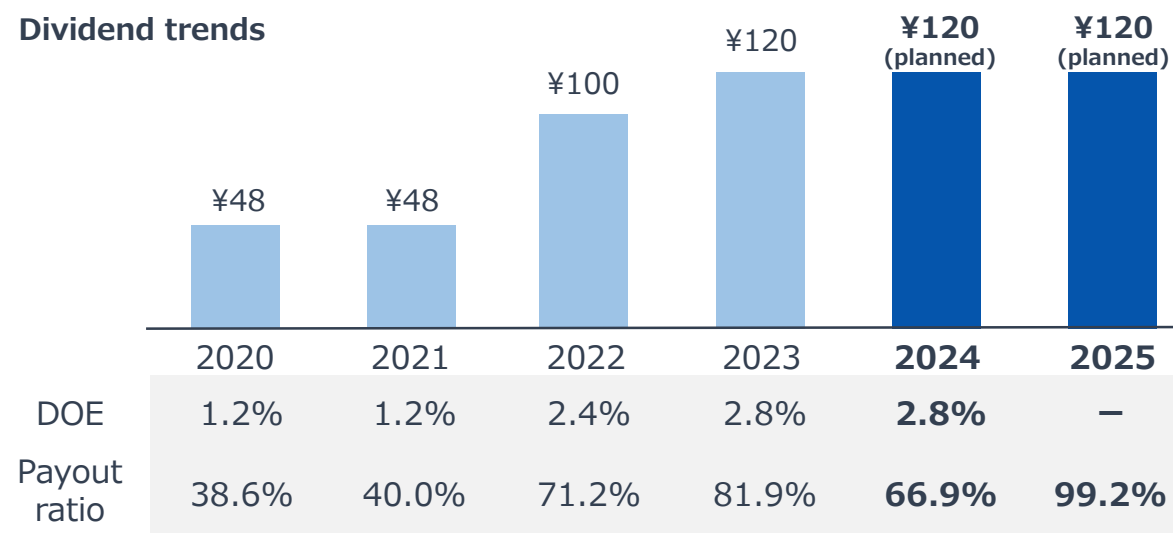
- ✓ The period up to 2027 is set as one of concentrated business investment; aggressive business investment including in-licensing of new drugs remains the policy going forward, and since we need to maintain a certain level of cash reserves for the time being, dividend amounts are to remain at the current level

* From 2025 to 2026, a substantial increase in R&D expenses is expected, with profit projected to temporarily fall below 2024 results. For this reason, if the full-year dividend remains at ¥120, the total amount of profit for the next few years should not considerably exceed the total dividend amounts for the same period. Accordingly, we do not expect cash reserves to increase further at present

* We will consider dividend levels for 2025 and beyond based on our shareholder return policy and evaluation of the fullness of our development pipeline, financial status, and other factors

02 Dividends per share

Dividend trends



	2020	2021	2022	2023	2024	2025
DOE	1.2%	1.2%	2.4%	2.8%	2.8%	—
Payout ratio	38.6%	40.0%	71.2%	81.9%	66.9%	99.2%