Kyowa Kirin Co., Ltd.

Consolidated Financial Summary (IFRS)
Fiscal 2022 Third Quarter
(January 1, 2022 – September 30, 2022)
SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS)
for Nine Months Ended September 30, 2022

November 4, 2022

Company Name: Kyowa Kirin Co., Ltd. Listed Exchanges: Tokyo Stock Exchange
Stock Code: 4151 President & Chief Executive Officer: Masashi Miyamoto
Telephone: +81 3 5205 7206 Inquiries: Satoko Yoshida

(Percentages indicate year-on-year changes.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2022

(1) Consolidated operating results

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Core operating profit</th>
<th>Profit before tax</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>%</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>Nine months ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2022</td>
<td>283,775</td>
<td>11.7</td>
<td>60,860</td>
<td>30.0</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>253,969</td>
<td>8.5</td>
<td>46,820 (7.6)</td>
<td>32,908 (12.2)</td>
</tr>
</tbody>
</table>

Total comprehensive income: Nine months ended September 30, 2022: ¥50,756 million; 30.5%
Nine months ended September 30, 2021: ¥38,892 million; 27.8%

Note: Core operating profit was calculated by deducting “selling, general and administrative expenses” and “research and development expenses” from “gross profit,” and adding “share of profit (loss) of investments accounted for using equity method” to the amount.

<table>
<thead>
<tr>
<th></th>
<th>Profit attributable to owners of parent</th>
<th>Basic earnings per share</th>
<th>Diluted earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>%</td>
<td>Yen</td>
</tr>
<tr>
<td>Nine months ended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2022</td>
<td>49,212</td>
<td>49.5</td>
<td>91.57</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>32,908</td>
<td>(12.2)</td>
<td>61.25</td>
</tr>
</tbody>
</table>

(2) Consolidated financial position

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Total equity</th>
<th>Equity attributable to owners of parent</th>
<th>Ratio of equity attributable to owners of parent to total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>September 30, 2022</td>
<td>940,359</td>
<td>762,828</td>
<td>762,828</td>
<td>81.1</td>
</tr>
<tr>
<td>December 31, 2021</td>
<td>921,872</td>
<td>737,162</td>
<td>737,162</td>
<td>80.0</td>
</tr>
</tbody>
</table>

2. Dividends

<table>
<thead>
<tr>
<th></th>
<th>Dividends per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First quarter-end</td>
</tr>
<tr>
<td>Fiscal year ended December 31, 2021</td>
<td>Yen</td>
</tr>
<tr>
<td>Fiscal year ending December 31, 2022</td>
<td>–</td>
</tr>
<tr>
<td>Fiscal year ending December 31, 2022 (Forecast)</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: Revisions to the dividend forecast most recently announced: None
3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2022  
(from January 1, 2022 to December 31, 2022)

(Percentages indicate year-on-year changes.)

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Core operating profit</th>
<th>Profit before tax</th>
<th>Profit</th>
<th>Profit attributable to owners of parent</th>
<th>Basic earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>%</td>
<td>Millions of yen</td>
<td>%</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>Full year</td>
<td>400,000</td>
<td>13.6</td>
<td>77,000</td>
<td>17.2</td>
<td>79,000</td>
<td>31.6</td>
</tr>
</tbody>
</table>

Note: Changes to the earnings forecasts most recently announced: None

* Notes

(1) Changes to significant subsidiaries during the period (Changes of specified subsidiaries resulting in changes in the scope of consolidation during the period under review): No

(2) Changes in accounting policies, and accounting estimates:
   a. Changes in accounting policies required by IFRS: No
   b. Changes in accounting policies other than a. above: No
   c. Changes in accounting estimates: No

(3) Number of shares issued (ordinary shares)
   a. Number of shares issued (including treasury shares)
      - As of September 30, 2022: 540,000,000 shares
      - As of December 31, 2021: 540,000,000 shares
   b. Number of treasury shares
      - As of September 30, 2022: 2,528,282 shares
      - As of December 31, 2021: 2,671,817 shares
   c. Average number of shares during the period
      - Nine months ended September 30, 2022: 537,418,763 shares
      - Nine months ended September 30, 2021: 537,256,814 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Notice regarding the appropriate use of the earnings forecasts and other special comments
   The forward-looking statements, including earnings forecasts, contained in these materials are based on the information currently available to the Company and on certain assumptions deemed to be reasonable by management. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections for a wide variety of reasons.
Attachment Index

1. Operating Results and Financial Statements .......................................................................................... 4
   (1) Summary of Consolidated Financial Position .................................................................................. 4
   (2) Summary of Consolidated Business Performance ......................................................................... 5
   (3) Summary of Consolidated Cash Flows ........................................................................................... 10
   (4) Research and Development Activities ......................................................................................... 11
   (5) Summary of Consolidated Earnings Forecasts and Other Forward-looking Statements ............. 14
2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto ..................... 15
   (1) Condensed Quarterly Consolidated Statement of Financial Position ........................................ 15
   (2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly
       Consolidated Statement of Comprehensive Income .................................................................. 17
   (3) Condensed Quarterly Consolidated Statement of Changes in Equity ....................................... 19
   (4) Condensed Quarterly Consolidated Statement of Cash Flows .................................................... 21
   (5) Notes to Condensed Quarterly Consolidated Financial Statements ........................................... 22
       Notes on going concern assumption ............................................................................................. 22
       Segment information ....................................................................................................................... 22
1. Operating Results and Financial Statements

(1) Summary of Consolidated Financial Position

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2021</th>
<th>As of September 30, 2022</th>
<th>Year-on-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>921.9</td>
<td>940.4</td>
<td>18.5</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>403.6</td>
<td>418.0</td>
<td>14.3</td>
</tr>
<tr>
<td>Current assets</td>
<td>518.2</td>
<td>522.4</td>
<td>4.1</td>
</tr>
<tr>
<td>Liabilities</td>
<td>184.7</td>
<td>177.5</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Equity</td>
<td>737.2</td>
<td>762.8</td>
<td>25.7</td>
</tr>
<tr>
<td>Ratio of equity attributable to owners of parent to total assets (%)</td>
<td>80.0%</td>
<td>81.1%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

- Assets as of September 30, 2022, were ¥940.4 billion, an increase of ¥18.5 billion compared to the end of the previous fiscal year.
- Non-current assets increased by ¥14.3 billion compared to the end of the previous fiscal year, to ¥418.0 billion, due mainly to increases in deferred tax assets and property, plant and equipment.
- Current assets increased by ¥4.1 billion compared to the end of the previous fiscal year, to ¥522.4 billion, due mainly to an increase in inventories.
- Liabilities as of September 30, 2022, were ¥177.5 billion, a decrease of ¥7.2 billion compared to the end of the previous fiscal year, due mainly to decreases in income taxes payable and contract liabilities.
- Equity as of September 30, 2022, was ¥762.8 billion, an increase of ¥25.7 billion compared to the end of the previous fiscal year, due mainly to the recording of profit attributable to owners of parent, despite a decrease due to the payment of dividends, etc. As a result, the ratio of equity attributable to owners of parent to total assets as of the end of the third quarter was 81.1%, an increase of 1.1 percentage points compared to the end of the previous fiscal year.
(2) Summary of Consolidated Business Performance

1) Overview of results

The Group now applies the International Financial Reporting Standards ("IFRS") in line with its policy of expanding business globally, and adopts “core operating profit” as a level of profit that shows the recurring profitability from operating activities. Core operating profit is calculated by deducting “selling, general and administrative expenses” and “research and development expenses” from “gross profit,” and adding “share of profit (loss) of investments accounted for using equity method” to the amount.

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30, 2021 (Billions of yen)</th>
<th>Nine months ended September 30, 2022</th>
<th>Year-on-year change</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>254.0</td>
<td>283.8</td>
<td>29.8</td>
<td>11.7%</td>
</tr>
<tr>
<td>Core operating profit</td>
<td>46.8</td>
<td>60.9</td>
<td>14.0</td>
<td>30.0%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>41.9</td>
<td>60.4</td>
<td>18.5</td>
<td>44.2%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>32.9</td>
<td>49.2</td>
<td>16.3</td>
<td>49.5%</td>
</tr>
</tbody>
</table>

< Average exchange rates for each period >

<table>
<thead>
<tr>
<th>Currency</th>
<th>Nine months ended September 30, 2021 (¥)</th>
<th>Nine months ended September 30, 2022 (¥)</th>
<th>Year-on-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD (USD/¥)</td>
<td>¥108</td>
<td>¥126</td>
<td>Up ¥18</td>
</tr>
<tr>
<td>GBP (GBP/¥)</td>
<td>¥149</td>
<td>¥160</td>
<td>Up ¥11</td>
</tr>
<tr>
<td>CNY (CNY/¥)</td>
<td>¥16.6</td>
<td>¥19.1</td>
<td>Up ¥2.5</td>
</tr>
</tbody>
</table>

For the nine months ended September 30, 2022 (January 1, 2022 to September 30, 2022), revenue was ¥283.8 billion (up 11.7% compared to the same period of the previous fiscal year), and core operating profit was ¥60.9 billion (up 30.0%). Profit attributable to owners of parent was ¥49.2 billion (up 49.5%).

- The increase in revenue was the result of growth of global strategic products in North America and EMEA and a rise in revenue from technology out-licensing, despite lower revenue in Japan. The positive effect on revenue from foreign exchange was ¥18.7 billion.
- Core operating profit rose, despite increases in selling, general and administrative expenses and research and development expenses, due to higher gross profit resulting from an increase in overseas revenue and a rise in revenue from technology out-licensing. The positive effect on core operating profit from foreign exchange was ¥6.7 billion.
- Profit attributable to owners of parent increased as a result of an increase in finance income in addition to an increase in core operating profit, despite an increase in income taxes.
2) Revenue by regional control function

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30, 2021</th>
<th>Nine months ended September 30, 2022</th>
<th>Year-on-year change</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>114.9</td>
<td>109.2</td>
<td>(5.6)</td>
<td>(4.9)%</td>
</tr>
<tr>
<td>North America</td>
<td>54.2</td>
<td>75.9</td>
<td>21.7</td>
<td>40.1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>39.8</td>
<td>48.0</td>
<td>8.2</td>
<td>20.6%</td>
</tr>
<tr>
<td>Asia/Oceania</td>
<td>22.1</td>
<td>22.5</td>
<td>0.4</td>
<td>1.9%</td>
</tr>
<tr>
<td>Others</td>
<td>23.0</td>
<td>28.1</td>
<td>5.1</td>
<td>22.2%</td>
</tr>
<tr>
<td>Total consolidated revenue</td>
<td>254.0</td>
<td>283.8</td>
<td>29.8</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Notes:
1. Revenue by regional control function is classified based on consolidated revenue from products of regional control functions in the One Kyowa Kirin structure (a global management structure with axes combining four regions – Japan, North America, EMEA, and Asia/Oceania – and the functions needed by a global specialty pharmaceutical company).
2. EMEA consists of Europe, the Middle East, Africa, etc.
3. Others consists of revenue from technology out-licensing, original equipment manufacturing, etc.
< Revenue of major products (Japan) >

<table>
<thead>
<tr>
<th>Product</th>
<th>Nine months ended September 30, 2021 (Billions of yen)</th>
<th>Nine months ended September 30, 2022 (Billions of yen)</th>
<th>Year-on-year change (Billions of yen)</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patanol</td>
<td>9.2</td>
<td>2.4</td>
<td>(6.8)</td>
<td>(73.7)%</td>
</tr>
<tr>
<td>Darbepoetin Alfa Injection Syringe [KKF]</td>
<td>16.7</td>
<td>13.2</td>
<td>(3.5)</td>
<td>(20.8)%</td>
</tr>
<tr>
<td>Duvroq</td>
<td>1.4</td>
<td>4.4</td>
<td>3.1</td>
<td>226.2%</td>
</tr>
<tr>
<td>Romiplate</td>
<td>4.9</td>
<td>7.5</td>
<td>2.6</td>
<td>53.3%</td>
</tr>
<tr>
<td>G-Lasta</td>
<td>21.2</td>
<td>22.7</td>
<td>1.5</td>
<td>7.1%</td>
</tr>
<tr>
<td>Crysvita</td>
<td>5.1</td>
<td>6.4</td>
<td>1.3</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

- Revenue in Japan decreased year on year due to the significant decrease in revenue from Patanol®, anti-allergy eye drops, in addition to the impact of the reductions in drug price standards implemented in April 2021 and April 2022, despite the growth in sales of new product groups, such as Duvroq®, a treatment for renal anemia.
- Revenue from Patanol®, anti-allergy eye drops, decreased due to the release of a generic in December 2021.
- Revenue from Darbepoetin Alfa Injection Syringe [KKF] decreased due to the impact of the reductions in drug price standards and the market penetration of rival products.
- Revenue from Duvroq®, a treatment for renal anemia, has been growing since its launch in August 2020.
- Revenue from ROMIPLATE®, a treatment for chronic idiopathic thrombocytopenic purpura, increased due to the impact in the first nine months of the previous fiscal year from adjustments of shipments to distributors (June 2020 to March 2021).
- Revenue from G-Lasta®, an agent for decreasing the incidence of febrile neutropenia, has been growing. Approval for the automated injection device “G-Lasta® Subcutaneous Injection 3.6 mg BodyPod” was acquired in July 2022.
- Revenue from Crysvita®, a treatment for FGF23-related diseases, has been growing since its launch in December 2019.
< Revenue of major products (overseas) >

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30, 2021</th>
<th>Nine months ended September 30, 2022</th>
<th>Year-on-year change</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crysvita</td>
<td>55.1</td>
<td>78.7</td>
<td>23.7</td>
<td>43.0%</td>
</tr>
<tr>
<td>Poteligeo</td>
<td>11.0</td>
<td>16.1</td>
<td>5.1</td>
<td>46.6%</td>
</tr>
<tr>
<td>Nourianz</td>
<td>3.1</td>
<td>4.5</td>
<td>1.4</td>
<td>46.3%</td>
</tr>
<tr>
<td>Abstral</td>
<td>6.3</td>
<td>5.4</td>
<td>(0.9)</td>
<td>(14.1)%</td>
</tr>
<tr>
<td>Regpara</td>
<td>6.7</td>
<td>2.9</td>
<td>(3.8)</td>
<td>(56.9)%</td>
</tr>
<tr>
<td>Gran</td>
<td>4.9</td>
<td>6.4</td>
<td>1.5</td>
<td>30.2%</td>
</tr>
</tbody>
</table>

- Revenue in North America increased year on year due to the growth of global strategic products.
  - Revenue from Crysvita®, a treatment for X-linked hypophosphatemia, has been growing since its launch in 2018.
  - Revenue from POTELIGEO®, an anticancer agent, has been growing.
  - Revenue from NOURIANZ™ (product name in Japan: NOURIAST®), an antiparkinsonian agent, has been growing since its launch in October 2019.

- Revenue in EMEA increased year on year due to the growth of global strategic products.
  - Revenue from Crysvita®, a treatment for X-linked hypophosphatemia, has been growing as the number of countries where it has been released has been increasing since its launch in 2018. Approval for the extended indication for tumor induced osteomalacia (TIO) was acquired from the European Commission (EC) in August 2022, and sales were launched in Germany and other countries.
  - Revenue from POTELIGEO®, an anticancer agent, has been growing as the number of countries where it has been released has been increasing since its launch in June 2020.
  - Revenue from Abstral®, a treatment for cancer pain, decreased due to the impact of the market penetration of generics.

- Revenue in Asia/Oceania increased year on year.
  - Revenue from REGPARA®, a treatment for secondary hyperparathyroidism, declined after it became subject to China’s centralized governmental purchasing system* in October 2021.
    * Volume-Based Procurement (VBP) program that was introduced in 2018 for reducing healthcare cost in China. Even though only 2 to 5 companies are selected as suppliers through a tender, drug prices dramatically dropped down.
  - Revenue from Gran®, a neutropenia treatment drug, has been growing particularly in South Korea.

< Revenue from Others >

- Revenue from Others increased year on year.
  - Technology out-licensing increased due to the recognition of revenue of upfront payment of USD400 million over a certain period in conjunction with the conclusion of an agreement in 2021 with Amgen Inc. to jointly develop and commercialize KHK4083, anti-OX40 fully human monoclonal antibody for the treatment of atopic dermatitis, in addition to an increase in royalties revenue from AstraZeneca in relation to benralizumab.
3) Core operating profit

- Core operating profit increased compared to the same period of the previous fiscal year due mainly to an increase in gross profit due to increases in revenue from U.S. and Europe, mainly from global strategic products, and in revenue from technology out-licensing, despite increases in research and development expenses mainly regarding progress in development of next-generation strategic products, in addition to increases in selling, general and administrative expenses related to investments in human resources and in IT/digital platform aimed at maximizing the value of global strategic products and rapidly establishing competitive global business bases. The positive effect on core operating profit from foreign exchange was ¥6.7 billion.
(3) Summary of Consolidated Cash Flows

<table>
<thead>
<tr>
<th>Net cash provided by (used in) operating activities</th>
<th>Nine months ended September 30, 2021</th>
<th>Nine months ended September 30, 2022</th>
<th>Year-on-year change</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81.2</td>
<td>35.5</td>
<td>(45.6)</td>
<td>(56.2)%</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>(10.8)</td>
<td>(13.4)</td>
<td>(2.6)</td>
<td>24.5%</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(27.6)</td>
<td>(27.9)</td>
<td>(0.4)</td>
<td>1.4%</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>287.0</td>
<td>335.1</td>
<td>48.1</td>
<td>16.7%</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>330.4</td>
<td>332.8</td>
<td>2.3</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

- Cash and cash equivalents as of September 30, 2022 were ¥332.8 billion, a decrease of ¥2.3 billion compared with the balance of ¥335.1 billion as of December 31, 2021. The main contributing factors affecting cash flow during the nine months ended September 30, 2022 were as follows:
- Net cash provided by operating activities was ¥35.5 billion, compared with net cash provided by operating activities of ¥81.2 billion in the same period of the previous fiscal year. Major inflows included decrease (increase) in trade receivables of ¥8.2 billion in addition to profit before tax of ¥60.4 billion and depreciation and amortization of ¥14.3 billion. Major outflows included income taxes paid of ¥21.8 billion and decrease (increase) in inventories of ¥10.1 billion.
- Net cash used in investing activities was ¥13.4 billion, compared with net cash used in investing activities of ¥10.8 billion in the same period of the previous fiscal year. Major outflows included purchase of property, plant and equipment of ¥9.8 billion and purchase of intangible assets of ¥4.9 billion. Major inflows included proceeds from sale of investment securities of ¥2.0 billion.
- Net cash used in financing activities was ¥27.9 billion, compared with net cash used in financing activities of ¥27.6 billion in the same period of the previous fiscal year. Major outflows included dividends paid of ¥25.3 billion.
(4) Research and Development Activities
The Group continuously and actively invests resources in research and development activities. We aim to advance both a technological pillar that can build a platform for applying various modalities and discovering innovative drugs and a disease pillar that continues to provide “only-one value drugs” for diseases for which there are no effective treatments while utilizing the disease science accumulated by the Group thus far, build a highly competitive pipeline, and provide new drugs with life-changing value worldwide. For the nine months ended September 30, 2022, the Group’s research and development expenses totaled ¥44.1 billion, and our progress in the respective disease fields of our main late-stage development products is as follows. (“◆” indicates the progress made during the third quarter of fiscal 2022.)

Nephrology
KHK7580 (product name in Japan: ORKEDIA®)
◆ In July 2022, we applied for approval for marketing as its indication for treatment of secondary hyperparathyroidism in China.

Oncology
KRN125 (product name in Japan: G-Lasta®)
- In February 2022, we obtained approval of its indication for treatment of the mobilization of hematopoietic stem cells into peripheral blood for allogenic blood stem cell transplantation in Japan.
◆ In July 2022, we obtained approval for an automated injection device for decreasing the incidence of febrile neutropenia in patients receiving cancer chemotherapy in Japan.

Immunology and allergy
KHK4827 (product name in Japan: LUMICEF®)
◆ In September 2022, we filed an application in Japan for a partial change for approval of its planned indication for palmoplantar pustulosis.

KHK4083/AMG 451 (generic name: rocatinlimab)
- Although the multi-regional phase III clinical trial for atopic dermatitis started in June 2022, we have paused its enrollment and are currently amending the studies.

Central nervous system (CNS)
KW-6356
◆ Although a phase II clinical study in Japan targeting Parkinson’s disease confirmed its efficacy, we discontinued development in July 2022 after a thorough evaluation of the global regulatory landscape and development hurdles.

Other
AMG531 (product name in Japan: Romiplate®)
- In January 2022, we obtained approval of its indication for treatment of adult patients with chronic Immune Thrombocytopenia (ITP) who do not respond well to other treatments, such as corticosteroids and immunoglobulin, in China.

KRN23 (product name in Japan, U.S. and Europe: Crysvita®)
◆ In August 2022, we obtained approval of its indication for treatment of tumor induced osteomalacia in Europe.
## R&D pipeline

### Nephrology

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Generic Name</th>
<th>Mechanism of Action</th>
<th>Indication</th>
<th>Area</th>
<th>Stage</th>
<th>In-House or Licensed</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>KHK7580</td>
<td>Evinacacet</td>
<td>Cationic mimetic</td>
<td>Secondary Hyperparathyroidism</td>
<td>CN TW</td>
<td>Filled</td>
<td>[In-House or Licensed]</td>
<td>[Mitsubishi Tanabe Pharma] product name in Japan: Otsedale</td>
</tr>
<tr>
<td>DRTA 402</td>
<td>Tetradoxone Methyl Oral</td>
<td>Antioxidant inflammation Modulator</td>
<td>Acute Kidney Injury</td>
<td>JP</td>
<td></td>
<td>[In-House or Licensed]</td>
<td>[Roata]</td>
</tr>
<tr>
<td>KW-3557</td>
<td>Antithrombin Gamma Injection</td>
<td>Recombinant Human Antithrombin</td>
<td>Preeclampsia</td>
<td>JP</td>
<td></td>
<td>[In-House or Licensed]</td>
<td>[In-House or Licensed] product name in Japan: Accoiden</td>
</tr>
<tr>
<td>KKW-761</td>
<td>Tenapanor Hydrochloride Oral</td>
<td>NHE3 Inhibitor</td>
<td>Hyperphosphatemia in Patients on Dialysis</td>
<td>JP</td>
<td></td>
<td></td>
<td>[Aderly]</td>
</tr>
</tbody>
</table>

### Oncology

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Generic Name</th>
<th>Mechanism of Action</th>
<th>Indication</th>
<th>Area</th>
<th>Stage</th>
<th>In-House or Licensed</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>KW-0781</td>
<td>Anti-CCR4 Humanized Antibody</td>
<td>Anti-CCR4 Humanized Antibody</td>
<td>Mycosis Fungoides and Sézary Syndrome</td>
<td>GA</td>
<td></td>
<td>In-House</td>
<td>POTELLIMENT product name in Japan, U.S. and Europe: PoteleggE</td>
</tr>
<tr>
<td>KMM-041</td>
<td>Zanederib Oral</td>
<td>PDE5 Inhibitor</td>
<td>Endemic Lymphoma and Marginal Zone Lymphoma</td>
<td>NA Europe Asia Oceania others</td>
<td></td>
<td></td>
<td>[MEI Pharma] Combination with rituximab second line +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Follicular Lymphoma</td>
<td>NA Europe</td>
<td></td>
<td></td>
<td>[MEI Pharma] Third line +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Marginal Zone Lymphoma</td>
<td>Asia Oceania</td>
<td></td>
<td></td>
<td>[MEI Pharma] Third line +</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>B-cell malignancies</td>
<td>NA</td>
<td></td>
<td></td>
<td>[MEI Pharma] Monotherapy, combination with rituximab and combination with procarbazine</td>
</tr>
</tbody>
</table>
Note: In October 2022, we applied for approval of KHK7791 in the nephrology field for improvement of hyperphosphatemia in chronic kidney disease patients on dialysis in Japan.
(5) Summary of Consolidated Earnings Forecasts and Other Forward-looking Statements

No revisions have been made to the consolidated earnings forecasts announced on August 4, 2022.

There are no raw materials for the Company’s products that are procured from Russia or Ukraine. In addition, since the Company does not conduct direct business operations in these countries, the Company’s business, including the present product supply, has not been significantly affected. However, if Russia’s invasion continues for a prolonged period or expands to neighboring countries in Europe, etc., there could be an impact on the Company’s business due to turmoil in the global economy and exchange rates caused by significant fluctuations in energy prices or disruptions in internet infrastructure from cyberattacks, as well as due to delays in procuring raw materials, materials and active pharmaceutical ingredients, importing and exporting, conducting clinical trials and carrying out sales activities.
## 2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Condensed Quarterly Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2021</th>
<th>As of September 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>78,652</td>
<td>86,283</td>
</tr>
<tr>
<td>Goodwill</td>
<td>136,352</td>
<td>137,893</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>76,066</td>
<td>72,801</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>45,164</td>
<td>41,595</td>
</tr>
<tr>
<td>Retirement benefit asset</td>
<td>15,298</td>
<td>14,191</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>49,108</td>
<td>61,906</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>3,000</td>
<td>3,312</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>403,641</td>
<td>417,981</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>64,089</td>
<td>72,110</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>104,275</td>
<td>101,929</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>1,434</td>
<td>774</td>
</tr>
<tr>
<td>Other current assets</td>
<td>13,350</td>
<td>10,557</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>335,084</td>
<td>332,779</td>
</tr>
<tr>
<td>Subtotal</td>
<td>518,231</td>
<td>518,149</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>–</td>
<td>4,229</td>
</tr>
<tr>
<td>Total current assets</td>
<td>518,231</td>
<td>522,378</td>
</tr>
<tr>
<td>Total assets</td>
<td>921,872</td>
<td>940,359</td>
</tr>
</tbody>
</table>
### (1) Condensed Quarterly Consolidated Statement of Financial Position (continued)

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2021</th>
<th>As of September 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>26,745</td>
<td>26,745</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>464,153</td>
<td>464,345</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(3,359)</td>
<td>(3,203)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>255,528</td>
<td>280,039</td>
</tr>
<tr>
<td>Other components of equity</td>
<td>(5,904)</td>
<td>(5,098)</td>
</tr>
<tr>
<td>Total equity attributable to owners of parent</td>
<td>737,162</td>
<td>762,828</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>737,162</td>
<td>762,828</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities from application of equity method</td>
<td>19,426</td>
<td>17,036</td>
</tr>
<tr>
<td>Retirement benefit liability</td>
<td>221</td>
<td>310</td>
</tr>
<tr>
<td>Provisions</td>
<td>7,757</td>
<td>8,034</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>386</td>
<td>426</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>16,594</td>
<td>19,348</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>31,197</td>
<td>27,623</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>75,581</td>
<td>72,777</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>64,652</td>
<td>68,196</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,580</td>
<td>972</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>5,943</td>
<td>5,090</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>13,426</td>
<td>5,054</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>23,528</td>
<td>25,442</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>109,129</td>
<td>104,754</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>184,710</td>
<td>177,531</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>921,872</td>
<td>940,359</td>
</tr>
</tbody>
</table>
## Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

### Condensed Quarterly Consolidated Statement of Profit or Loss

*(Millions of yen)*

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2021 to September 30, 2021</th>
<th>January 1, 2022 to September 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>253,969</td>
<td>283,775</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(64,108)</td>
<td>(64,146)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>189,861</td>
<td>219,629</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>(104,111)</td>
<td>(117,271)</td>
</tr>
<tr>
<td><strong>Research and development expenses</strong></td>
<td>(40,231)</td>
<td>(44,143)</td>
</tr>
<tr>
<td><strong>Share of profit (loss) of investments accounted for using equity method</strong></td>
<td>1,300</td>
<td>2,644</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>736</td>
<td>1,022</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>(5,773)</td>
<td>(5,065)</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>756</td>
<td>4,510</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(649)</td>
<td>(924)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>41,890</td>
<td>60,404</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(8,982)</td>
<td>(11,192)</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td><strong>32,908</strong></td>
<td><strong>49,212</strong></td>
</tr>
</tbody>
</table>

**Profit attributable to Owners of parent**

|                           | 32,908 | 49,212 |

**Earnings per share**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share (Yen)</td>
<td>61.25</td>
<td>91.57</td>
</tr>
<tr>
<td>Diluted earnings per share (Yen)</td>
<td>61.22</td>
<td>91.55</td>
</tr>
</tbody>
</table>
### Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2021 to September 30, 2021</th>
<th>January 1, 2022 to September 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit</strong></td>
<td>32,908</td>
<td>49,212</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>(1,491)</td>
<td>609</td>
</tr>
<tr>
<td>Total of items that will not be reclassified to profit or loss</td>
<td>(1,491)</td>
<td>609</td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>7,328</td>
<td>767</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td>146</td>
<td>167</td>
</tr>
<tr>
<td>Total of items that may be reclassified to profit or loss</td>
<td>7,474</td>
<td>934</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>5,983</td>
<td>1,543</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>38,892</td>
<td>50,756</td>
</tr>
<tr>
<td>Comprehensive income attributable to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of parent</td>
<td>38,892</td>
<td>50,756</td>
</tr>
</tbody>
</table>
(3) Condensed Quarterly Consolidated Statement of Changes in Equity  
January 1, 2021 to September 30, 2021

(Millions of yen)

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Share capital</th>
<th>Capital surplus</th>
<th>Treasury shares</th>
<th>Retained earnings</th>
<th>Other components of equity</th>
<th>Share acquisition rights</th>
<th>Exchange differences on translation of foreign operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2021</td>
<td>26,745</td>
<td>463,967</td>
<td>(3,545)</td>
<td>226,639</td>
<td>596</td>
<td>(17,915)</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>32,908</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7,474</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>32,908</td>
<td>–</td>
<td>–</td>
<td>7,474</td>
</tr>
<tr>
<td>Dividends of surplus</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(24,176)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
<td>(17)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Disposal of treasury shares</td>
<td>–</td>
<td>53</td>
<td>103</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Share-based remuneration transactions</td>
<td>–</td>
<td>110</td>
<td>69</td>
<td>–</td>
<td>(155)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Transfer from other components of equity to retained earnings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(857)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>–</td>
<td>163</td>
<td>154</td>
<td>(25,033)</td>
<td>(155)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Balance at September 30, 2021</td>
<td>26,745</td>
<td>464,130</td>
<td>(3,391)</td>
<td>234,514</td>
<td>441</td>
<td>(10,440)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance attributable to owners of parent</th>
<th>Financial assets measured at fair value through other comprehensive income</th>
<th>Total</th>
<th>Total</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2021</td>
<td>1,909</td>
<td>(15,410)</td>
<td>698,396</td>
<td>698,396</td>
</tr>
<tr>
<td>Profit</td>
<td>–</td>
<td>–</td>
<td>32,908</td>
<td>32,908</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(1,491)</td>
<td>5,983</td>
<td>5,983</td>
<td>5,983</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(1,491)</td>
<td>5,983</td>
<td>38,892</td>
<td>38,892</td>
</tr>
<tr>
<td>Dividends of surplus</td>
<td>–</td>
<td>–</td>
<td>(24,176)</td>
<td>(24,176)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
<td>(17)</td>
<td>(17)</td>
</tr>
<tr>
<td>Disposal of treasury shares</td>
<td>–</td>
<td>–</td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Share-based remuneration transactions</td>
<td>–</td>
<td>(155)</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Transfer from other components of equity to retained earnings</td>
<td>857</td>
<td>857</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>857</td>
<td>703</td>
<td>(24,013)</td>
<td>(24,013)</td>
</tr>
<tr>
<td>Balance at September 30, 2021</td>
<td>1,275</td>
<td>(8,724)</td>
<td>713,274</td>
<td>713,274</td>
</tr>
</tbody>
</table>
(3) Condensed Quarterly Consolidated Statement of Changes in Equity (continued)

January 1, 2022 to September 30, 2022

(Millions of yen)

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Share capital</th>
<th>Capital surplus</th>
<th>Treasury shares</th>
<th>Share acquisition rights</th>
<th>Exchange differences on translation of foreign operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2022</td>
<td>26,745</td>
<td>464,153</td>
<td>(3,359)</td>
<td>255,528</td>
<td>414</td>
</tr>
<tr>
<td>Profit</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>49,212</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>934</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>49,212</td>
<td>934</td>
</tr>
<tr>
<td>Dividends of surplus</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(25,258)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
<td>(8)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Disposal of treasury shares</td>
<td>–</td>
<td>73</td>
<td>108</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share-based remuneration transactions</td>
<td>–</td>
<td>119</td>
<td>57</td>
<td>– (180)</td>
<td>–</td>
</tr>
<tr>
<td>Transfer from other components of equity to retained earnings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>557</td>
<td>–</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>–</td>
<td>192</td>
<td>157</td>
<td>(24,701) (180)</td>
<td>–</td>
</tr>
<tr>
<td>Balance at September 30, 2022</td>
<td>26,745</td>
<td>464,345</td>
<td>(3,203)</td>
<td>280,039</td>
<td>234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Share capital</th>
<th>Capital surplus</th>
<th>Treasury shares</th>
<th>Share acquisition rights</th>
<th>Exchange differences on translation of foreign operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2022</td>
<td>980</td>
<td>(5,904)</td>
<td>737,162</td>
<td>737,162</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>–</td>
<td>–</td>
<td>49,212</td>
<td>49,212</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>609</td>
<td>1,543</td>
<td>1,543</td>
<td>1,543</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>609</td>
<td>1,543</td>
<td>50,756</td>
<td>50,756</td>
<td></td>
</tr>
<tr>
<td>Dividends of surplus</td>
<td>–</td>
<td>–</td>
<td>(25,258)</td>
<td>(25,258)</td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
<td>(8)</td>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>Disposal of treasury shares</td>
<td>–</td>
<td>–</td>
<td>181</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Share-based remuneration transactions</td>
<td>–</td>
<td>(180)</td>
<td>(5)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Transfer from other components of equity to retained earnings</td>
<td>(557)</td>
<td>(557)</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>(557)</td>
<td>(737)</td>
<td>(25,090)</td>
<td>(25,090)</td>
<td></td>
</tr>
<tr>
<td>Balance at September 30, 2022</td>
<td>1,033</td>
<td>(5,098)</td>
<td>762,828</td>
<td>762,828</td>
<td></td>
</tr>
</tbody>
</table>
## Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

<table>
<thead>
<tr>
<th>Period</th>
<th>January 1, 2021 to September 30, 2021</th>
<th>January 1, 2022 to September 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>41,890</td>
<td>60,404</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>14,090</td>
<td>14,259</td>
</tr>
<tr>
<td>Impairment losses (reversal of impairment losses)</td>
<td>4,907</td>
<td>3,225</td>
</tr>
<tr>
<td>Increase (decrease) in provisions</td>
<td>(573)</td>
<td>(834)</td>
</tr>
<tr>
<td>Share of loss (profit) of investments accounted for using equity method</td>
<td>(1,300)</td>
<td>(2,644)</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>(4,582)</td>
<td>(10,067)</td>
</tr>
<tr>
<td>Decrease (increase) in trade receivables</td>
<td>2,862</td>
<td>8,160</td>
</tr>
<tr>
<td>Increase (decrease) in trade payables</td>
<td>(4,899)</td>
<td>(3,976)</td>
</tr>
<tr>
<td>Increase (decrease) in contract liabilities</td>
<td>41,183</td>
<td>(5,226)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(13,912)</td>
<td>(21,833)</td>
</tr>
<tr>
<td>Other</td>
<td>1,521</td>
<td>(5,927)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>81,186</td>
<td>35,543</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(4,898)</td>
<td>(9,776)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(12,546)</td>
<td>(4,893)</td>
</tr>
<tr>
<td>Proceeds from sale of investment securities</td>
<td>1,774</td>
<td>1,976</td>
</tr>
<tr>
<td>Proceeds from sale of investments accounted for using equity method</td>
<td>5,097</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>(204)</td>
<td>(725)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(10,777)</td>
<td>(13,418)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of lease liabilities</td>
<td>(2,583)</td>
<td>(2,792)</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(17)</td>
<td>(8)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(24,176)</td>
<td>(25,258)</td>
</tr>
<tr>
<td>Other</td>
<td>(779)</td>
<td>118</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>(27,555)</td>
<td>(27,940)</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>566</td>
<td>3,511</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td>43,420</td>
<td>(2,304)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of period</strong></td>
<td>287,019</td>
<td>335,084</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>330,439</td>
<td>332,779</td>
</tr>
</tbody>
</table>
(5) Notes to Condensed Quarterly Consolidated Financial Statements

Notes on going concern assumption

No applicable items.

Segment information

The Group omitted information by reportable segment as the Group consists of only the one reportable segment, which is the Pharmaceuticals business.