



# **Kyowa Kirin Co., Ltd.**

## **Consolidated Financial Summary (IFRS) Fiscal 2022 First Quarter (January 1, 2022 – March 31, 2022)**

This document is an English translation of parts of the Japanese-language original.

## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS) for Three Months Ended March 31, 2022

May 10, 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  
    Director,  
    Corporate Communications Department

URL: <https://www.kyowakirin.com/index.html>  
 Scheduled date of submission of Quarterly Securities Report: May 10, 2022  
 Scheduled start date of dividend payment: -  
 Appendix materials to accompany the quarterly financial report: Yes  
 Quarterly results presentation meeting: Yes (for institutional investors and securities analysts)

(Millions of yen rounded off)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2022

#### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2022	87,751	8.2	17,340	11.8	18,716	15.8	16,038	24.1
March 31, 2021	81,115	4.9	15,517	(7.4)	16,160	4.2	12,921	(6.7)

Total comprehensive income: Three months ended March 31, 2022: ¥19,593 million;(7.5)%

Three months ended March 31, 2021: ¥21,184 million;239.5%

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.

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Three months ended				
March 31, 2022	16,038	24.1	29.85	29.84
March 31, 2021	12,921	(6.7)	24.05	24.04

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2022	907,816	744,453	744,453	82.0
December 31, 2021	921,872	737,162	737,162	80.0

### 2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	—	23.00	—	23.00	46.00
Fiscal year ending December 31, 2022	—				
Fiscal year ending December 31, 2022 (Forecast)		24.00	—	24.00	48.00

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.)

	Revenue		Core operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	380,000	7.9	67,000	2.0	66,000	9.9	53,000	1.2	53,000	1.2	98.64

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 March 31, 2022	540,000,000 shares
As of December 31, 2021	540,000,000 shares

b. Number of treasury shares

As of March 31, 2022	2,627,073 shares
As of December 31, 2021	2,671,817 shares

c. Average number of shares during the period

Three months ended March 31, 2022	537,343,666 shares
Three months ended March 31, 2021	537,182,044 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.

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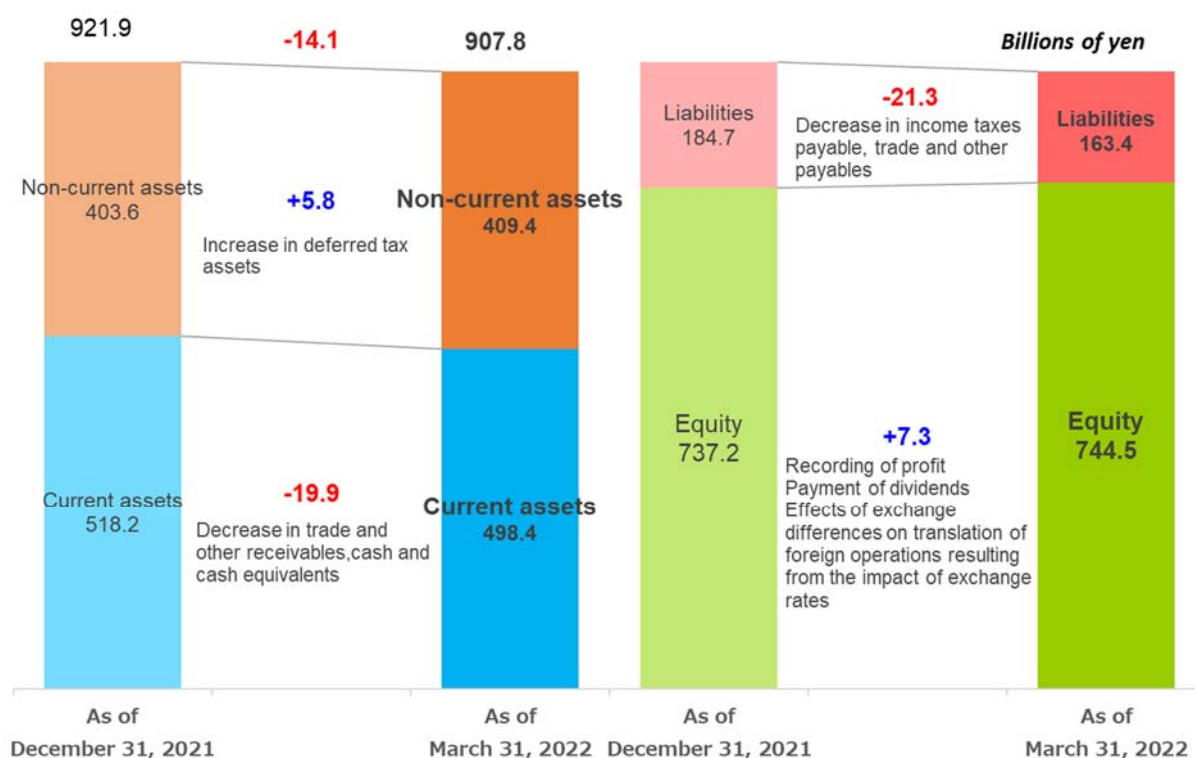
## 1. Operating Results and Financial Statements

### (1) Summary of Consolidated Financial Position

(Billions of yen)

	As of December 31, 2021	As of March 31, 2022	Year-on-year change
Assets	921.9	907.8	(14.1)
Non-current assets	403.6	409.4	5.8
Current assets	518.2	498.4	(19.9)
Liabilities	184.7	163.4	(21.3)
Equity	737.2	744.5	7.3
Ratio of equity attributable to owners of parent to total assets (%)	80.0%	82.0%	2.0%

- Assets as of March 31, 2022, were ¥907.8 billion, a decrease of ¥14.1 billion compared to the end of the previous fiscal year.
  - Non-current assets increased by ¥5.8 billion compared to the end of the previous fiscal year, to ¥409.4 billion, due mainly to an increase in deferred tax assets.
  - Current assets were ¥498.4 billion, a decrease of ¥19.9 billion compared to the end of the previous fiscal year, mainly reflecting a decrease in trade and other receivables as well as a decrease in cash and cash equivalents due to the payment of dividends and income taxes.
- Liabilities as of March 31, 2022, were ¥163.4 billion, a decrease of ¥21.3 billion compared to the end of the previous fiscal year, due mainly to decreases in income taxes payable and trade and other payables.
- Equity as of March 31, 2022, was ¥744.5 billion, an increase of ¥7.3 billion compared to the end of the previous fiscal year, due mainly to an increase due to the recording of profit attributable to owners of parent as well as an increase in exchange differences on translation of foreign operations resulting from the impact of exchange rates, 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 first quarter was 82.0%, an increase of 2.0 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.

*(Billions of yen)*

	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change	Rate of change (%)
Revenue	81.1	87.8	6.6	8.2%
Core operating profit	15.5	17.3	1.8	11.8%
Profit before tax	16.2	18.7	2.6	15.8%
Profit attributable to owners of parent	12.9	16.0	3.1	24.1%

&lt; Average exchange rates for each period &gt;

Currency	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change
USD (USD/¥)	¥105	¥114	Up ¥9
GBP (GBP/¥)	¥143	¥154	Up ¥11
CNY (CNY/¥)	¥16.1	¥18.0	Up ¥1.9

For the three months ended March 31, 2022 (January 1, 2022 to March 31, 2022), revenue was ¥87.8 billion (up 8.2% compared to the same period of the previous fiscal year), and core operating profit was ¥17.3 billion (up 11.8%). Profit attributable to owners of parent was ¥16.0 billion (up 24.1%).

- 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 ¥3.6 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 ¥1.2 billion.
- Profit attributable to owners of parent increased as a result of an increase in finance income and a decrease in income tax expense in addition to an increase in core operating profit.

2) Revenue by regional control function

(Billions of yen)

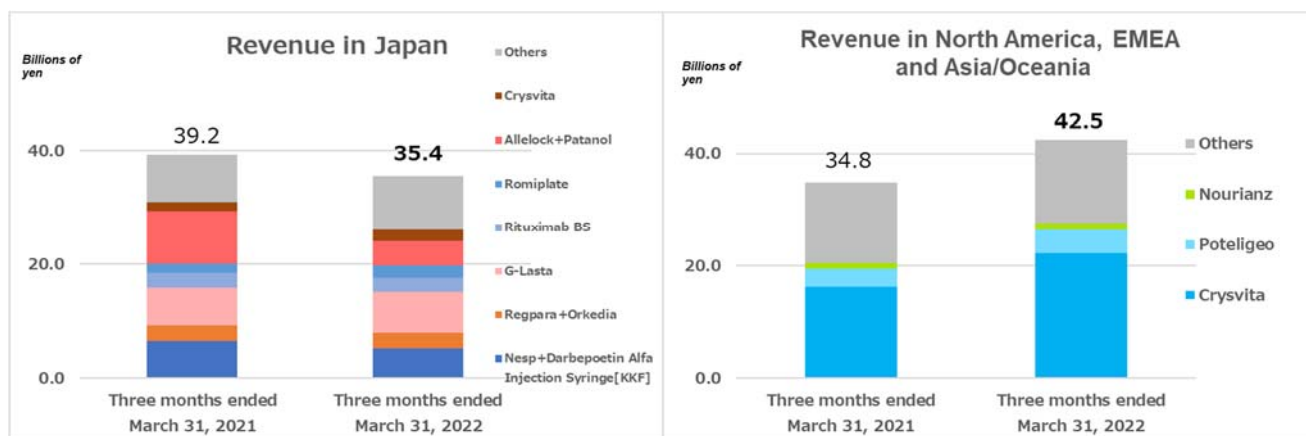
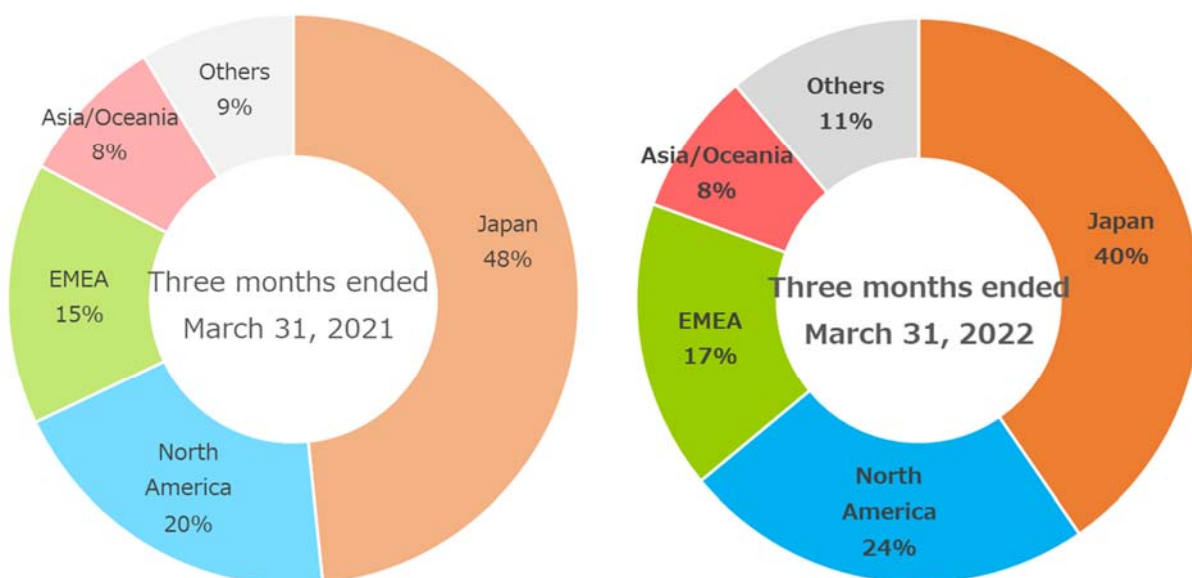
	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change	Rate of change (%)
Japan	39.2	35.4	(3.8)	(9.6)%
North America	15.9	20.7	4.8	30.5%
EMEA	12.0	14.5	2.5	20.8%
Asia/Oceania	6.9	7.2	0.4	5.2%
Others	7.1	9.8	2.7	38.2%
Total consolidated revenue	81.1	87.8	6.6	8.2%

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.

Composition of revenue by regional control function



## &lt; Revenue of major products (Japan) &gt;

(Billions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change	Rate of change (%)
Patanol	6.5	1.8	(4.7)	(71.9)%
Darbepoetin Alfa Injection Syringe [KKF]	5.5	4.4	(1.1)	(20.1)%
Duvroq	0.2	1.1	0.9	569.7%
Romiplate	1.5	2.2	0.7	44.3%
G-Lasta	6.6	7.1	0.5	8.0%
Crysvita	1.5	2.0	0.5	31.2%

- Revenue in Japan decreased year on year due to the significant decrease in revenue from Patanol<sup>®</sup>, anti-allergy eye drops, in addition to the impact of the reductions in drug price standards implemented in April 2021, despite the growth in sales of new product groups, such as Duvroq<sup>®</sup>, a treatment for renal anemia.
  - Revenue from Patanol<sup>®</sup>, 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<sup>®</sup>, a treatment for renal anemia, has been growing since its launch in August 2020.
  - Revenue from ROMIPLATE<sup>®</sup>, a treatment for chronic idiopathic thrombocytopenic purpura, increased due to the impact in the first three months of the previous fiscal year from adjustments of shipments to distributors (June 2020 to March 2021).
  - Revenue from G-Lasta<sup>®</sup>, an agent for decreasing the incidence of febrile neutropenia, increased.
  - Crysvita<sup>®</sup>, a treatment for FGF23-related diseases, has been growing since its launch in December 2019.

## &lt; Revenue of major products (overseas) &gt;

(Billions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change	Rate of change (%)
Crysvita	16.3	22.2	6.0	36.6%
Poteligeo	3.2	4.2	1.1	33.7%
Nourianz	1.0	1.1	0.2	18.9%
Abstral	1.8	1.4	(0.4)	(21.9)%
Regpara	2.2	1.0	(1.3)	(56.1)%
Gran	1.3	2.1	0.8	60.4%

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

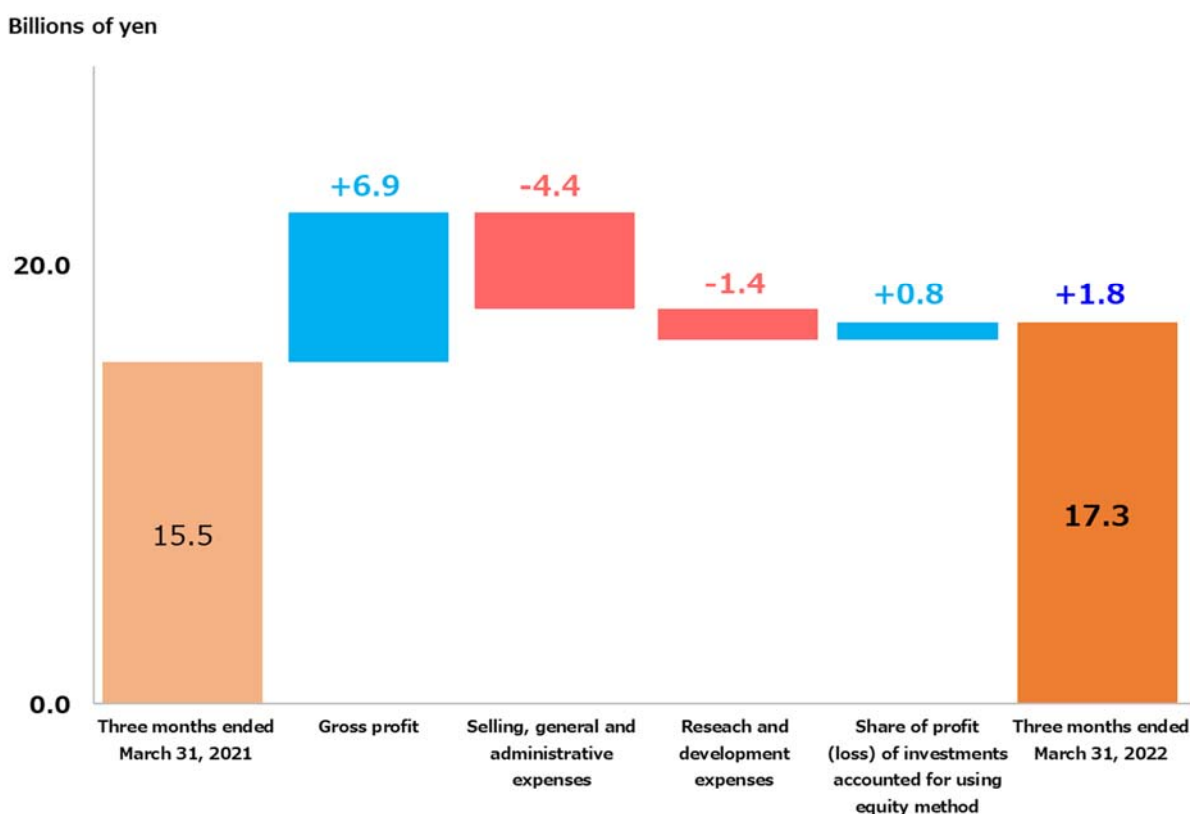


- Revenue from Abstral<sup>®</sup>, a treatment for cancer pain, decreased due to the impact of the market penetration of generics.
- Revenue in Asia/Oceania increased year on year.
  - Revenue from REGPARA<sup>®</sup>, a treatment for secondary hyperparathyroidism, declined after it became subject to China's centralized governmental purchasing system in October 2021.
  - Revenue from Gran<sup>®</sup>, a neutropenia treatment drug, increased 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

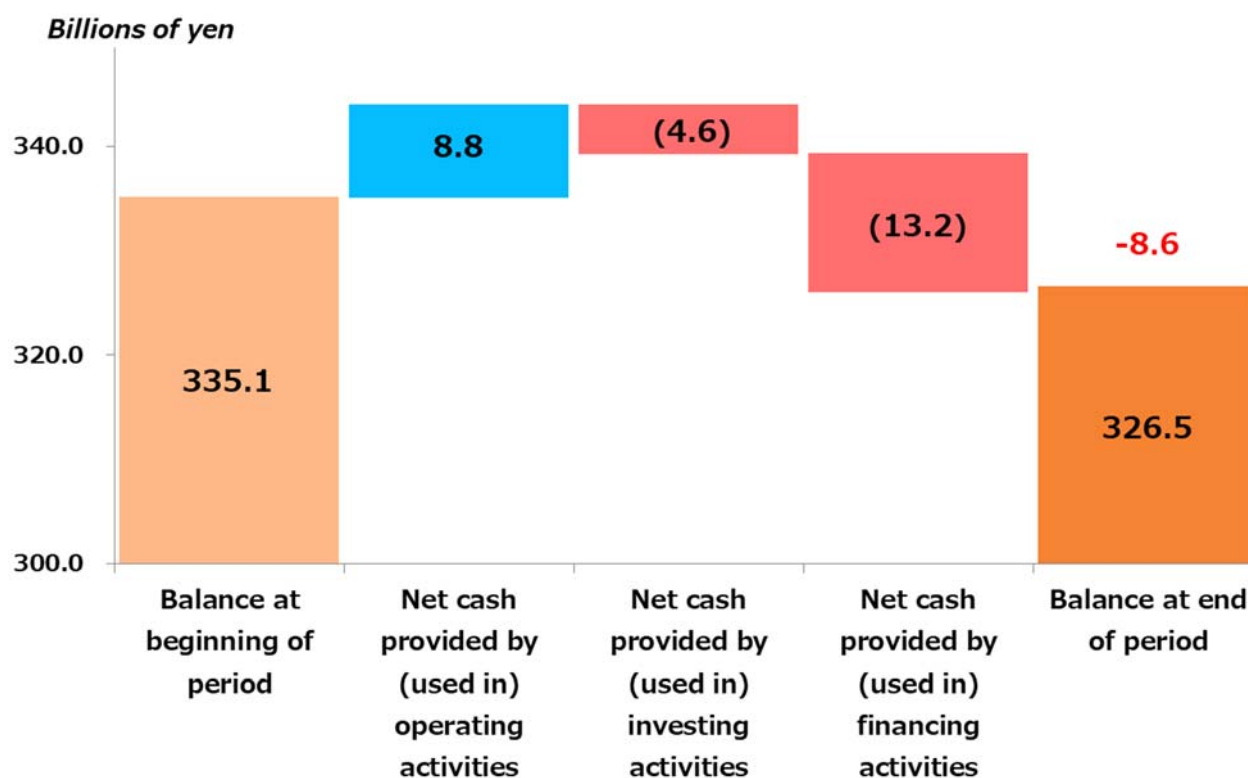


- Core operating profit increased compared to the same period of the previous fiscal year due mainly to an increase in gross profit due to an increase in revenue from U.S. and Europe, mainly from global strategic products, and in revenue from technology out-licensing, despite increases in research and 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.

**(3) Summary of Consolidated Cash Flows***(Billions of yen)*

	Three months ended March 31, 2021	Three months ended March 31, 2022	Year-on-year change	Rate of change (%)
Net cash provided by (used in) operating activities	14.4	8.8	(5.6)	(38.9)%
Net cash provided by (used in) investing activities	(4.6)	(4.6)	(0.0)	0.0%
Net cash provided by (used in) financing activities	(13.5)	(13.2)	0.2	(1.8)%
Cash and cash equivalents at beginning of period	287.0	335.1	48.1	16.7%
Cash and cash equivalents at end of period	283.8	326.5	42.7	15.1%

- Cash and cash equivalents as of March 31, 2022 were ¥326.5 billion, a decrease of ¥8.6 billion compared with the balance of ¥335.1 billion as of December 31, 2021.  
The main contributing factors affecting cash flow during the three months ended March 31, 2022 were as follows:
- Net cash provided by operating activities was ¥8.8 billion, compared with net cash provided by operating activities of ¥14.4 billion in the same period of the previous fiscal year. Major inflows included decrease (increase) in trade receivables of ¥9.7 billion in addition to profit before tax of ¥18.7 billion and depreciation and amortization of ¥4.6 billion. Major outflows included income taxes paid of ¥10.1 billion and decrease (increase) in inventories of ¥4.3 billion.
- Net cash used in investing activities was ¥4.6 billion, compared with net cash used in investing activities of ¥4.6 billion in the same period of the previous fiscal year. Major outflows included ¥4.2 billion for purchase of property, plant and equipment. Major inflows included proceeds from sale of investment securities of ¥0.7 billion.
- Net cash used in financing activities was ¥13.2 billion, compared with net cash used in financing activities of ¥13.5 billion in the same period of the previous fiscal year. Major outflows included dividends paid of ¥12.4 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 three months ended March 31, 2022, the Group’s research and development expenses totaled ¥13.6 billion, and our progress in the respective disease fields of our main late-stage development products are as follows.

#### 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.

#### Central nervous system (CNS)

##### KW-6002 (product name in Japan: NOURIAST®)

- ◆ In Europe, we had applied for approval of its indication for combination therapy with levodopa-based regimens for adult patients with Parkinson’s disease experiencing “off” episodes, but we discontinued development in February as we received the decision that it was not approved by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA).

#### 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.





#### R&D pipeline

 antibody
  protein
  small molecule
  New Molecular Entity
  Updated since Dec. 31, 2021
  Updated since Dec. 31, 2021



Nephrology As of March 31, 2022

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK7580 Evocalcet Oral	Calcimimetic	Secondary Hyperparathyroidism	CN Asia						[Mitsubishi Tanabe Pharma] product name in Japan: Orkedia
 RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	Alport Syndrome	JP						[Reata]
		Diabetic Kidney Disease	JP						
		Autosomal Dominant Polycystic Kidney Disease	JP						
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Preeclampsia	JP						[In-House] product name in Japan: Acoalan
 KHK7791 Tenapanor Hydrochloride Oral	NHE3 Inhibitor	Hyperphosphatemia in Patients on Dialysis	JP						[Ardelyx]

Oncology

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Mycosis Fungoides and Sézary Syndrome	CA CN KR KW	→					[In-House] POTELLIGENT® product name in Japan, U.S. and Europe: Poteligeo
 KRN125 Pegfilgrastim Injection	Long-Acting Granulocyte Colony- Stimulating Factor	Mobilization of Hematopoietic Stem Cells into Peripheral Blood for Allogeneic Blood Stem Cell Transplantation	JP	→					[Amgen K-A] product name in Japan:G-Lasta
		Mobilization of Hematopoietic Stem Cells into Peripheral Blood for Autologous Blood Stem Cell Transplantation	JP	→					
		Automated Injection Device for Decreasing the Incidence of Febrile Neutropenia in Patients Receiving Cancer Chemotherapy	JP	→					
 ©KHK2455 Oral	IDO1 Inhibitor	Solid Tumor	NA	→					[In-House] Combination with KW-0761
		Urothelial carcinoma	NA	→					[In-House] Combination with avelumab
			Europe	→					
 ©ME-401 Zandelisib Oral	PI3Kδ Inhibitor	Follicular Lymphoma and Marginal Zone Lymphoma	JP NA Europe Asia Oceania others	→					[MEI Pharma] Combination with rituximab Second line +
		Follicular Lymphoma	NA Europe Asia Oceania	→					[MEI Pharma] Third line +
		Marginal Zone Lymphoma	JP	→					[MEI Pharma] Third line +
		Indolent B-cell Non-Hodgkin's Lymphoma	JP	→					[MEI Pharma] Third line +
		B-cell malignancies	NA	→					[MEI Pharma] Monotherapy, combination with rituximab and combination with zanubrutinib

Immunology/Allergy

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Ankylosing Spondylitis	TW	→					[Amgen K-A] product name in Japan: Lumicef
		Ankylosing Spondylitis	MY TL	→					
		Non-radiographic Axial Spondyloarthritis	TL	→					
		Systemic Sclerosis	JP	→					
		Palmoplantar Pustulosis	JP	→					
 ©KHK4083/AMG 451 Rocatinimab Injection	Anti-OX40 Fully Human Antibody	Atopic Dermatitis	JP NA Europe	→					[In-House] POTELLIGENT® Human Antibody-Producing Technology Collaboration agreement with Amgen for the development of KHK4083/AMG 451 in all the countries except for Japan.

Central Nervous System

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 ©KW-6356 Oral	Adenosine A <sub>2A</sub> Receptor Antagonist/Inverse Agonist	Parkinson's Disease	JP	→					[In-House]
 ©KHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	JP Europe	→					[Immunas Pharma]

Since the development of KW-6002 for Parkinson's Disease was discontinued in Europe, the relevant information was deleted from this table.

Other

	Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
					Ph I	Ph II	Ph III	Filed	Approved	
	KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	TL	→	→	→	→	→	[In-House] Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU product name in Japan, U.S. and Europe: Crysvisa
			Tumor Induced Osteomalacia (TIO)	MY	→	→	→	→	→	
			Europe	→	→	→	→	→	→	
	AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Treatment of Adult Patients with Chronic Immune Thrombocytopenia (ITP) Who Do Not Respond Well to Other Treatments, Such as Corticosteroids and Immunoglobulin	CN	→	→	→	→	→	[Amgen K-A] product name in Japan: Romiplate
			Treatment of Adult Aplastic Anemia Refractory to Conventional Therapies	MY SG	→	→	→	→	→	
			Treatment of Adult Patients with Chronic Immune Thrombocytopenia (ITP) Who Are Refractory to Other Treatments and Treatment of Adult Patients with Aplastic Anemia Who Are Refractory to Conventional Therapy	TL	→	→	→	→	→	
			Aplastic Anemia Who Were Previously Untreated with Immunosuppressive Therapy	JP Asia	→	→	→	Ph II / Ph III	→	
	KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Europe	→	→	→	→	[In-House] product name in Japan: Acoalan	
	KHK4951 Ophthalmic		Wet Age-Related Macular Degeneration	JP	→	→	→	→	[In-House]	

## (5) Summary of Consolidated Earnings Forecasts and Other Forward-looking Statements

No revisions have been made to the consolidated earnings forecasts announced on February 7, 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***(Millions of yen)*

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	78,652	78,595
Goodwill	136,352	137,703
Intangible assets	76,066	75,693
Other financial assets	45,164	45,726
Retirement benefit asset	15,298	14,921
Deferred tax assets	49,108	53,604
Other non-current assets	3,000	3,198
Total non-current assets	403,641	409,440
Current assets		
Inventories	64,089	66,161
Trade and other receivables	104,275	95,561
Other financial assets	1,434	1,071
Other current assets	13,350	9,111
Cash and cash equivalents	335,084	326,472
Total current assets	518,231	498,376
Total assets	921,872	907,816

**(1) Condensed Quarterly Consolidated Statement of Financial Position (continued)***(Millions of yen)*

	As of December 31, 2021	As of March 31, 2022
<b>Equity</b>		
Share capital	26,745	26,745
Capital surplus	464,153	464,200
Treasury shares	(3,359)	(3,285)
Retained earnings	255,528	259,273
Other components of equity	(5,904)	(2,480)
Total equity attributable to owners of parent	737,162	744,453
Total equity	737,162	744,453
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Liabilities from application of equity method	19,426	18,223
Retirement benefit liability	221	261
Provisions	7,757	7,757
Deferred tax liabilities	386	394
Other financial liabilities	16,594	16,802
Other non-current liabilities	31,197	29,459
Total non-current liabilities	75,581	72,896
<b>Current liabilities</b>		
Trade and other payables	64,652	56,939
Provisions	1,580	1,254
Other financial liabilities	5,943	4,207
Income taxes payable	13,426	3,961
Other current liabilities	23,528	24,106
Total current liabilities	109,129	90,467
Total liabilities	184,710	163,363
Total equity and liabilities	921,872	907,816

**(2) 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)*

	January 1, 2021 to March 31, 2021	January 1, 2022 to March 31, 2022
Revenue	81,115	87,751
Cost of sales	(22,392)	(22,159)
Gross profit	58,723	65,592
Selling, general and administrative expenses	(31,651)	(36,085)
Research and development expenses	(12,193)	(13,609)
Share of profit (loss) of investments accounted for using equity method	637	1,442
Other income	208	406
Other expenses	(176)	(200)
Finance income	705	1,812
Finance costs	(95)	(642)
Profit before tax	16,160	18,716
Income tax expense	(3,239)	(2,677)
Profit	12,921	16,038
Profit attributable to Owners of parent	12,921	16,038
Earnings per share		
Basic earnings per share (Yen)	24.05	29.85
Diluted earnings per share (Yen)	24.04	29.84



**Condensed Quarterly Consolidated Statement of Comprehensive Income***(Millions of yen)*

	January 1, 2021 to March 31, 2021	January 1, 2022 to March 31, 2022
Profit	12,921	16,038
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	446	533
Total of items that will not be reclassified to profit or loss	446	533
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,791	2,915
Share of other comprehensive income of investments accounted for using equity method	26	108
Total of items that may be reclassified to profit or loss	7,817	3,022
Other comprehensive income	8,263	3,555
Comprehensive income	21,184	19,593
Comprehensive income attributable to		
Owners of parent	21,184	19,593

**(3) Condensed Quarterly Consolidated Statement of Changes in Equity**

January 1, 2021 to March 31, 2021

*(Millions of yen)*

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2021	26,745	463,967	(3,545)	226,639	596	(17,915)
Profit	–	–	–	12,921	–	–
Other comprehensive income	–	–	–	–	–	7,817
Total comprehensive income	–	–	–	12,921	–	7,817
Dividends of surplus	–	–	–	(11,818)	–	–
Purchase of treasury shares	–	–	(5)	–	–	–
Disposal of treasury shares	–	5	14	–	–	–
Share-based remuneration transactions	–	23	30	–	(19)	–
Total transactions with owners	–	28	39	(11,818)	(19)	–
Balance at March 31, 2021	26,745	463,995	(3,506)	227,742	576	(10,098)

	Equity attributable to owners of parent			Total equity
	Other components of equity		Total	
	Financial assets measured at fair value through other comprehensive income	Total		
Balance at January 1, 2021	1,909	(15,410)	698,396	698,396
Profit	–	–	12,921	12,921
Other comprehensive income	446	8,263	8,263	8,263
Total comprehensive income	446	8,263	21,184	21,184
Dividends of surplus	–	–	(11,818)	(11,818)
Purchase of treasury shares	–	–	(5)	(5)
Disposal of treasury shares	–	–	19	19
Share-based remuneration transactions	–	(19)	34	34
Total transactions with owners	–	(19)	(11,770)	(11,770)
Balance at March 31, 2021	2,355	(7,167)	707,810	707,810

**(3) Condensed Quarterly Consolidated Statement of Changes in Equity (continued)**

January 1, 2022 to March 31, 2022

*(Millions of yen)*

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2022	26,745	464,153	(3,359)	255,528	414	(7,299)
Profit	–	–	–	16,038	–	–
Other comprehensive income	–	–	–	–	–	3,022
Total comprehensive income	–	–	–	16,038	–	3,022
Dividends of surplus	–	–	–	(12,359)	–	–
Purchase of treasury shares	–	–	(1)	–	–	–
Disposal of treasury shares	–	9	56	–	–	–
Share-based remuneration transactions	–	38	19	–	(65)	–
Transfer from other components of equity to retained earnings	–	–	–	66	–	–
Total transactions with owners	–	47	75	(12,293)	(65)	–
Balance at March 31, 2022	26,745	464,200	(3,285)	259,273	349	(4,277)

	Equity attributable to owners of parent			Total equity
	Other components of equity		Total	
	Financial assets measured at fair value through other comprehensive income	Total		
Balance at January 1, 2022	980	(5,904)	737,162	737,162
Profit	–	–	16,038	16,038
Other comprehensive income	533	3,555	3,555	3,555
Total comprehensive income	533	3,555	19,593	19,593
Dividends of surplus	–	–	(12,359)	(12,359)
Purchase of treasury shares	–	–	(1)	(1)
Disposal of treasury shares	–	–	65	65
Share-based remuneration transactions	–	(65)	(8)	(8)
Transfer from other components of equity to retained earnings	(66)	(66)	–	–
Total transactions with owners	(66)	(131)	(12,302)	(12,302)
Balance at March 31, 2022	1,447	(2,480)	744,453	744,453

**(4) Condensed Quarterly Consolidated Statement of Cash Flows***(Millions of yen)*

	January 1, 2021 to March 31, 2021	January 1, 2022 to March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	16,160	18,716
Depreciation and amortization	4,660	4,574
Impairment losses (reversal of impairment losses)	(54)	-
Increase (decrease) in provisions	(639)	(387)
Share of loss (profit) of investments accounted for using equity method	(637)	(1,442)
Decrease (increase) in inventories	(1,150)	(4,320)
Decrease (increase) in trade receivables	1,942	9,694
Increase (decrease) in trade payables	380	(1,666)
Increase (decrease) in contract liabilities	(221)	(2,018)
Income taxes paid	(4,501)	(10,089)
Other	(1,535)	(4,254)
Net cash provided by (used in) operating activities	14,404	8,807
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,960)	(4,211)
Purchase of intangible assets	(1,590)	(1,015)
Proceeds from sale of investment securities	-	728
Other	(88)	(143)
Net cash provided by (used in) investing activities	(4,638)	(4,640)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(851)	(866)
Purchase of treasury shares	(5)	(1)
Dividends paid	(11,818)	(12,359)
Other	(788)	2
Net cash provided by (used in) financing activities	(13,462)	(13,223)
Effect of exchange rate changes on cash and cash equivalents	440	444
Net increase (decrease) in cash and cash equivalents	(3,256)	(8,612)
Cash and cash equivalents at beginning of period	287,019	335,084
Cash and cash equivalents at end of period	283,763	326,472

**(5) Notes to Condensed Quarterly Consolidated Financial Statements**Notes on going concern assumption

No applicable items.

Changes in presentationCondensed Quarterly Consolidated Statement of Cash Flows

“Increase (decrease) in contract liabilities,” which had previously been included in “Other” of “Cash flows from operating activities” in the three months ended March 31, 2021, has been listed independently because its monetary importance has increased. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the three months ended March 31, 2021.

As a result, in the Condensed Quarterly Consolidated Statement of Cash Flows for the three months ended March 31, 2021, negative ¥1,756 million presented as “Other” in “Cash flows from operating activities” was reorganized into “Increase (decrease) in contract liabilities” of negative ¥221 million and “Other” of negative ¥1,535 million.

Segment information

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