Kyowa Kirin Co., Ltd.

Consolidated Financial Summary (IFRS)
Fiscal 2024 First Quarter

(January 1, 2024 – March 31, 2024)

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

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS)
for Three Months Ended March 31, 2024

May 7, 2024

Company Name: Kyowa Kirin Co., Ltd. Listed Exchanges: Tokyo Stock Exchange
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Director,
Corporate Communications Department
URL: https://www.kyowakirin.com/index.html
Scheduled date of submission of Quarterly Securities Report: May 7, 2024
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, 2024

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Profit before tax		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	105,569	12.9	17,397	2.5	18,101	16.2	14,632	14.7
March 31, 2023	93,535	6.6	16,979	(2.1)	15,582	(16.7)	12,760	(20.4)

Total comprehensive income: Three months ended March 31, 2024: ¥30,498 million; 64.7%
Three months ended March 31, 2023: ¥18,521 million; (5.5)%

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
Three months ended	Millions of yen	%	Yen	Yen
March 31, 2024	14,632	14.7	27.26	27.26
March 31, 2023	12,760	(20.4)	23.74	23.74

(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, 2024	1,065,883	843,969	843,969	79.2
December 31, 2023	1,025,942	836,418	836,418	81.5

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, 2023	–	27.00	–	29.00	56.00
Fiscal year ending December 31, 2024	–				
Fiscal year ending December 31, 2024 (Forecast)		29.00	–	29.00	58.00

Note: Revisions to the dividend forecast most recently announced: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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	473,000	7.0	85,000	(12.2)	85,000	(12.6)	63,000	(22.4)	63,000	(22.4)	119.07

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): Yes

Newly included: one company Orchard Therapeutics plc

(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, 2024	540,000,000 shares
As of December 31, 2023	540,000,000 shares

b. Number of treasury shares

As of March 31, 2024	4,955,614 shares
As of December 31, 2023	2,390,712 shares

c. Average number of shares during the period

Three months ended March 31, 2024	536,679,980 shares
Three months ended March 31, 2023	537,500,528 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

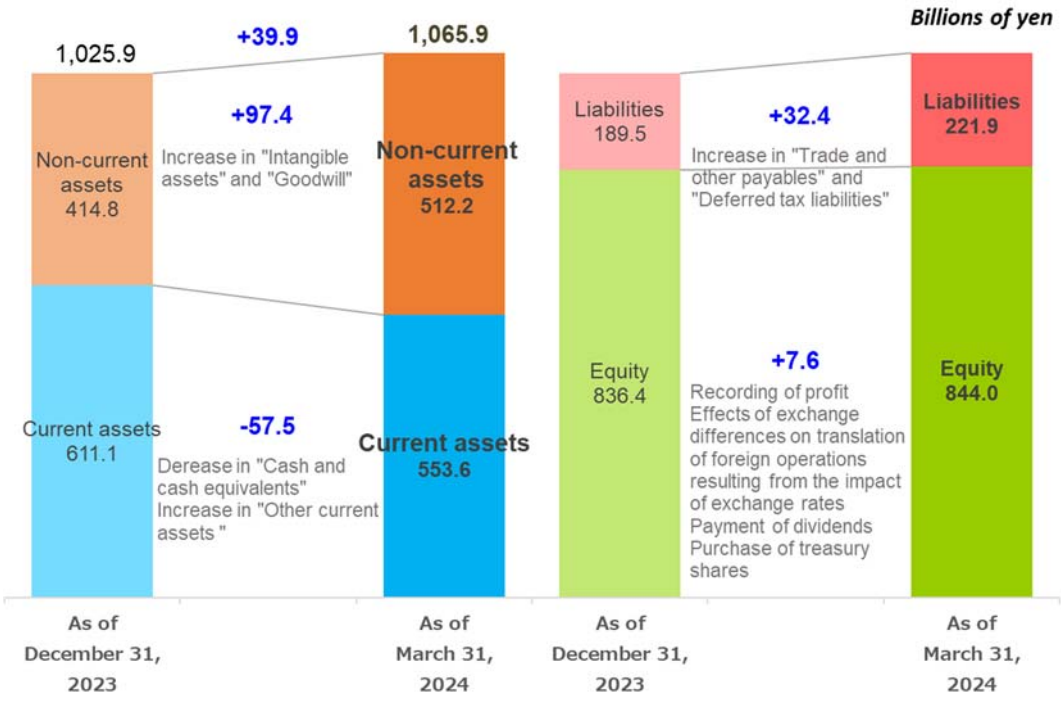
1. Operating Results and Financial Statements

(1) Summary of Consolidated Financial Position

(Billions of yen)

	As of December 31, 2023	As of March 31, 2024	Year-on-year change
Assets	1,025.9	1,065.9	39.9
Non-current assets	414.8	512.2	97.4
Current assets	611.1	553.6	(57.5)
Liabilities	189.5	221.9	32.4
Equity	836.4	844.0	7.6
Ratio of equity attributable to owners of parent to total assets (%)	81.5%	79.2%	(2.3)%

- Assets as of March 31, 2024, were ¥1,065.9 billion, an increase of ¥39.9 billion compared to the end of the previous fiscal year.
  - Non-current assets increased by ¥97.4 billion compared to the end of the previous fiscal year, to ¥512.2 billion, due mainly to an increase in goodwill and intangible assets as a result of the business combination associated with the acquisition of shares of Orchard Therapeutics plc, in addition to the purchase of intangible assets through the introduction of development products.
  - Current assets decreased by ¥57.5 billion compared to the end of the previous fiscal year, to ¥553.6 billion, due mainly to a decrease in cash and cash equivalents, despite an increase in other current assets such as deposits for the purchase of treasury shares.
- Liabilities as of March 31, 2024, were ¥221.9 billion, an increase of ¥32.4 billion compared to the end of the previous fiscal year, due mainly to an increase in trade and other payables arising from the acquisition of intangible assets, etc. and an increase in deferred tax liabilities as a result of the business combination.
- Equity as of March 31, 2024, was ¥844.0 billion, an increase of ¥7.6 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, in addition to the purchase of treasury shares. As a result, the ratio of equity attributable to owners of parent to total assets as of the end of the first quarter was 79.2%, a decrease of 2.3 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, 2023	Three months ended March 31, 2024	Year-on-year change	Rate of change (%)
Revenue	93.5	105.6	12.0	12.9%
Core operating profit	17.0	17.4	0.4	2.5%
Profit before tax	15.6	18.1	2.5	16.2%
Profit attributable to owners of parent	12.8	14.6	1.9	14.7%

< Average exchange rates for each period >

Currency	Three months ended March 31, 2023	Three months ended March 31, 2024	Year-on-year change
USD (USD/¥)	¥132	¥147	Up ¥15
GBP (GBP/¥)	¥161	¥187	Up ¥26
EUR (EUR/¥)	¥141	¥160	Up ¥19

For the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024), revenue was ¥105.6 billion (up 12.9% compared to the same period of the previous fiscal year), and core operating profit was ¥17.4 billion (up 2.5%). Profit attributable to owners of parent was ¥14.6 billion (up 14.7%).

- The increase in revenue was the result of growth of global strategic products mainly in North America and a rise in revenue from technology out-licensing. The positive effect on revenue from foreign exchange was ¥7.3 billion.
- Core operating profit increased as a result of higher gross profit achieved due to gains in overseas revenue and revenue from technology out-licensing, despite significantly higher research and development expenses. The positive effect on core operating profit from foreign exchange was ¥2.1 billion.
- Profit attributable to owners of parent increased as a result of an increase in other income due mainly to a gain on sale of non-current assets.

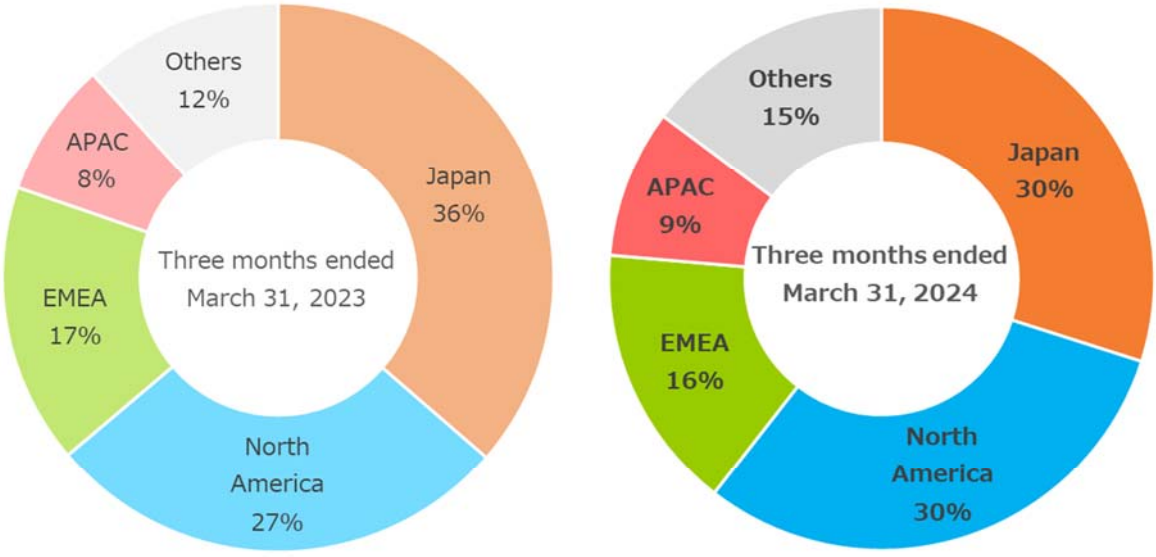
2) Revenue by regional control function

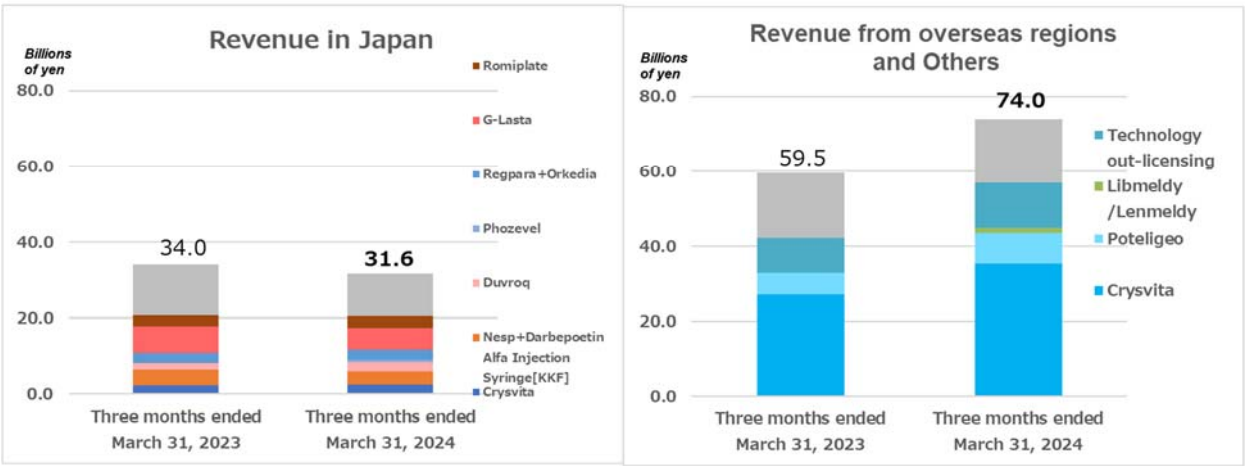
(Billions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024	Year-on-year change	Rate of change (%)
Japan	34.0	31.6	(2.4)	(7.1)%
North America	25.7	32.3	6.6	25.8%
EMEA	15.4	16.7	1.3	8.4%
APAC	7.4	9.4	1.9	25.8%
Others	11.0	15.6	4.6	42.2%
Total consolidated revenue	93.5	105.6	12.0	12.9%

Notes:
1. Revenue by regional control function is classified based on consolidated revenue from products of regional control functions in the One Kyowa Kirin (OKK) matrix global management structure, which combines a regional organization based on four regions of Japan, North America, EMEA and APAC, a functional organization, and a product organization (product franchises).
2. EMEA consists of Europe, the Middle East, Africa, etc.
3. Others consists of revenue from technology out-licensing, hematopoietic stem cell gene therapy (revenue from Orchard Therapeutics plc), original equipment manufacturing, etc.

Composition of revenue by regional control function





< Revenue in Japan region >

(Billions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024	Year-on-year change	Rate of change (%)
Crysvita	2.3	2.5	0.2	6.9%
Darbepoetin Alfa Injection Syringe [KKF]	3.5	2.8	(0.7)	(19.8)%
Duvroq	1.8	2.5	0.7	37.0%
PHOZEVEL	–	0.6	0.6	–
G-Lasta	7.0	5.8	(1.3)	(18.0)%

- Revenue in Japan decreased year on year due mainly to the impact of the reductions in drug price standards implemented in April 2023, despite the growth in sales of Duvroq, a treatment for renal anemia, and the launch of PHOZEVEL, a treatment for hyperphosphatemia.
  - Revenue from Crysvita, a treatment for FGF23-related diseases, has been growing steadily since its launch in 2019.
  - Revenue from Darbepoetin Alfa Injection Syringe [KKF], a treatment for renal anemia, 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 steadily since its launch in 2020.
  - Revenue from PHOZEVEL, a treatment for hyperphosphatemia launched on February 20, 2024, has been growing steadily as a result of penetrating the market.
  - Revenue from G-Lasta, an agent for decreasing the incidence of febrile neutropenia, decreased due to the impact of biosimilar products launched in November 2023.

<Revenue from overseas regions and Others>

(Billions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024	Year-on-year change	Rate of change (%)
Crysvita	27.1	35.4	8.2	30.4%
Poteligeo	5.8	8.2	2.4	40.8%
Libmeldy/Lenmeldy	–	1.1	1.1	–

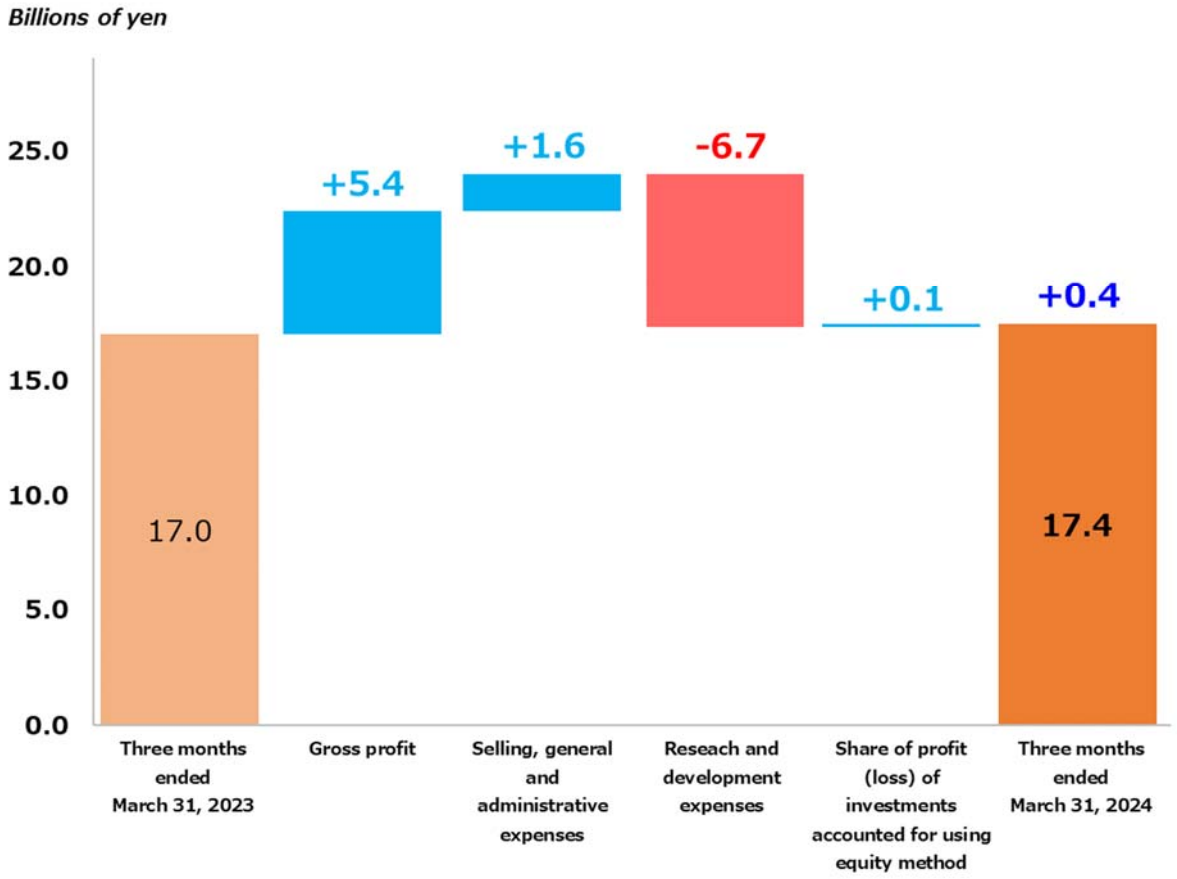
- Revenue in North America increased year on year due to the growth of global strategic products.
  - Revenue from Crysvita, a treatment for X-linked hypophosphatemia, has been growing steadily since its launch in 2018.
  - Revenue from Poteligeo, an anticancer agent, has been growing since its launch in 2018.

- Revenue in EMEA increased year on year due to the growth of global strategic products, despite a drop in revenue from the established medicines.
  - 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.
  - 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 2020.
  - Following the shift to a joint venture with Grünenthal GmbH for the established medicines business, in August 2023, revenue for 13 brands shifted from product sales to sales royalties and license fees, which led to a decrease in revenue from established medicines such as Abstral.

- Revenue in APAC increased year on year.
  - Revenue from Crysvita, a treatment for X-linked hypophosphatemia, has been growing steadily.

- Revenue from Others increased year on year.
  - As a result of the new consolidation of Orchard Therapeutics plc, revenue was recorded for Libmeldy, which is sold by that company in Europe for treatment of metachromatic leukodystrophy (MLD). In addition, approval was obtained in the United States in March 2024 under the product name of Lenmeldy.
  - Revenue increased due to an increase in royalties revenue from AstraZeneca in relation to benralizumab and the proceeds from an upfront payment from Boehringer Ingelheim.

3) Core operating profit



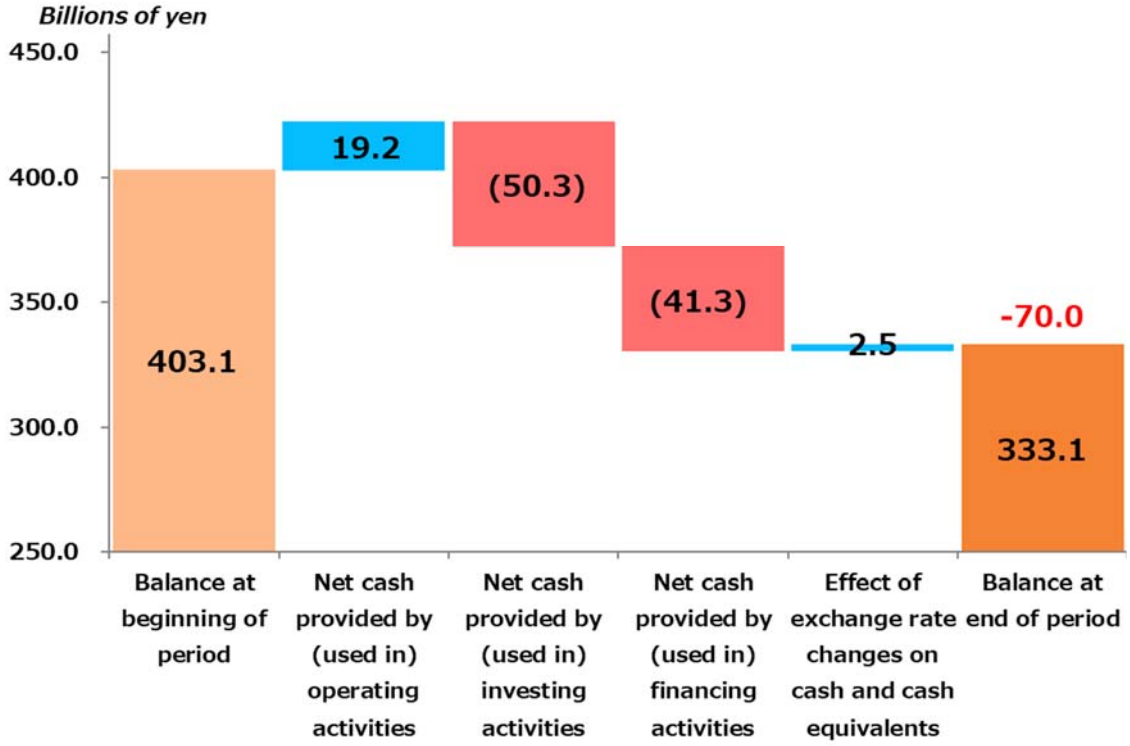
- Core operating profit increased from the same period of the previous fiscal year due to growth in revenue from global strategic products mainly in North America and a rise in gross profit from revenue from technology out-licensing, despite a significant increase in research and development expenses as a result of progress in development for KHK4083, for which a multiregional phase III clinical trial is ongoing, and the new consolidation of Orchard Therapeutics plc.

(3) Summary of Consolidated Cash Flows

(Billions of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024	Year-on-year change	Rate of change (%)
Net cash provided by (used in) operating activities	29.4	19.2	(10.2)	(34.7)%
Net cash provided by (used in) investing activities	(9.1)	(50.3)	(41.2)	450.7%
Net cash provided by (used in) financing activities	(15.2)	(41.3)	(26.1)	172.1%
Cash and cash equivalents at beginning of period	339.2	403.1	63.9	18.8%
Cash and cash equivalents at end of period	344.8	333.1	(11.7)	(3.4)%

- Cash and cash equivalents as of March 31, 2024 were ¥333.1 billion, a decrease of ¥70.0 billion compared with the balance of ¥403.1 billion as of December 31, 2023.
  The main contributing factors affecting cash flow during the three months ended March 31, 2024 were as follows:
- Net cash provided by operating activities was ¥19.2 billion, compared with net cash provided by operating activities of ¥29.4 billion in the same period of the previous fiscal year. Major inflows were a decrease in trade receivables of ¥9.2 billion, depreciation and amortization of ¥5.6 billion, and foreign exchange loss (gain) of ¥3.4 billion mainly relating to exchange differences on translation of foreign currency denominated deposits from consolidated subsidiaries as of March 31, 2024, in addition to profit before tax of ¥18.1 billion. A major outflow was income taxes paid of ¥2.7 billion.
- Net cash used in investing activities was ¥50.3 billion, compared with net cash used in investing activities of ¥9.1 billion in the same period of the previous fiscal year. Major outflows were ¥45.1 billion for the acquisition of shares of Orchard Therapeutics plc and purchase of property, plant and equipment of ¥6.1 billion. A major inflow was proceeds from sale of property, plant and equipment of ¥3.3 billion.
- Net cash used in financing activities was ¥41.3 billion, compared with net cash used in financing activities of ¥15.2 billion in the same period of the previous fiscal year. Major outflows were dividends paid of ¥15.6 billion, redemption of bonds with share acquisition rights issued by Orchard Therapeutics plc of ¥9.6 billion, an increase in deposits for the purchase of treasury shares of ¥7.6 billion, and ¥7.4 billion for the purchase of treasury shares.



(4) Research and Development Activities

The Group continuously and actively invests resources in research and development activities. The Group aims to continually create new drugs with life-changing value by including bone and mineral, intractable hematological diseases and hemato oncology, and rare disease in the disease science field in which it focuses its in-house research and development, and, with regard to drug discovery technology, strengthening innovative modalities such as advanced antibody technologies and hematopoietic stem cell gene therapy. The Group will also continue to promote open innovation activities, collaborate with partners, invest in venture capital funds, and engage in corporate venture capital activities. The Group choses an appropriate business model with life-changing value created, promotes the development of assets in focus disease areas with the aim of expanding them globally. At the same time, for assets outside of the disease areas of focus disease areas, the Group achieves value maximization through strategic collaboration with external partners. In addition, effective January 2024, the Research and Development Division was reorganized to create the Research Division and the Development Division. In addition to creating a research environment that creates innovation, we will build a system that enables development activities tailored to the potential of each development product.
For the three months ended March 31, 2024, the Group's research and development expenses totaled ¥23.3 billion.

<Development status of major development products>

As of March 31, 2024

Code (Generic Name)	Indication	Development status
KHK4083/AMG 451 (rocatinlimab)	Atopic Dermatitis	Ph III clinical study: in progress
	Prurigo nodularis	Ph III clinical study: preparation underway
	Asthma	Ph II clinical study: preparation underway
KHK4951 (tivozanib)	Neovascular Age-related Macular Degeneration (nAMD)	Ph II clinical study: in progress
	Diabetic Macular Edema (DME)	Ph II clinical study: in progress
KK4277	Erythematosus (SLE)/Cutaneous Lupus Erythematosus (CLE)	Ph I clinical study: in progress
KK2260	Solid tumors	Ph I clinical study: in progress
KK2269	Solid tumors	Ph I clinical study: in progress
KK2845	Acute Myeloid Leukemia (AML)	Ph I clinical study: preparation underway
KK8123	X-linked Hypophosphatemia (XLH)	Ph I clinical study: preparation underway
OTL-200 (atidarsagene autotemcel)	Metachromatic Leukodystrophy (MLD)	Approved in U.S. and Europe
OTL-203	Mucopolysaccharidosis type IH (Hurler syndrome)	Pivotal study (Equivalent to Ph III study) : in progress
OTL-201	Mucopolysaccharidosis type IIIA (Sanfilippo syndrome type A)	PoC study (Equivalent to Ph I/II study) : in progress

・ Rocatinlimab (AMG 451/KHK4083) is an anti-OX40 monoclonal antibody that inhibits and removes OX40 expressing pathogenic effector and memory T cells. The initial antibody was discovered in collaboration between research team of Kyowa Kirin in United States and La Jolla Institute for Immunology. On June 1, 2021, Kyowa Kirin and Amgen entered into an agreement to jointly develop and commercialize rocatinlimab. Under the terms of the agreement, Amgen will lead the development, manufacturing, and commercialization for KHK4083/AMG 451 for all markets globally, except Japan, where Kyowa Kirin will retain all rights. If approved, the companies will co-promote the asset in the United States and Kyowa Kirin has opt-in rights to co-promote in certain other markets including Europe and Asia. Phase III clinical

studies (ROCKET Program) have been conducted for atopic dermatitis and clinical studies for prurigo nodularis and asthma are under preparation. In March 2024, result of secondary endpoint analysis from Phase IIb clinical study was presented at the American Academy of Dermatology (AAD).

- Tivozanib, the active ingredient of KHK4951 is a small-molecule vascular endothelial growth factor receptor (VEGFR) -1, -2, and -3 tyrosine kinase inhibitor (TKI) discovered and developed by Kyowa Kirin. KHK4951 is a novel nano-crystalized tivozanib eye drops designed to deliver it efficiently to the posterior ocular tissues and has the potential to provide a novel non-invasive treatment option for patients with neovascular age-related macular degeneration (nAMD) and diabetic macular edema (DME). Phase II clinical studies have been conducted.

- KK4277 is an optimized antibody based on antibodies licensed from SBI Biotech. It has been enhanced with antibody-dependent cell-mediated cytotoxicity (ADCC) activity using our POTELLIGENT technology. Phase I clinical study for the treatment of systemic lupus erythematosus and cutaneous lupus erythematosus has been conducted.

- KK2260 is an EGFR-TfR1 bispecific antibody developed using the Company's proprietary bispecific antibody technology REGULGENT. It is designed as an antibody that achieves selective iron depletion in cancer cells, and in non-clinical trials it showed high efficacy and tolerability. Phase I clinical trial is ongoing.

- KK2269 is an EpCAM-CD40 bispecific antibody developed using the Company's proprietary bispecific antibody technology REGULGENT. It is designed as an antibody that activates only antigen-presenting cells near the tumor by cross-linking EpCAM, which is highly expressed in various tumors, with CD40 on antigen-presenting cells. In non-clinical trials, it was found to exhibit the therapeutic effects of anti-tumor immunity while suppressing systemic side effects. Phase I clinical trial is ongoing.

- KK2845 is the Company's first development product of antibody-drug conjugate (ADC). The Company is currently preparing for Phase I clinical trial targeting acute myeloid leukemia.

- KK8123 is a potential new treatment for X-linked Hypophosphatemia (XLH) patients which is a human antibody targeting FGF23 in preparation of Phase I study for XLH.

- OTL-200 (atidarsagene autotemcel) is hematopoietic stem cell (HSC) gene therapy which has been developed for the treatment of metachromatic leukodystrophy (MLD). Atidarsagene autotemcel aims to correct the underlying genetic cause of MLD by inserting one or more functional copies of the human ARSA gene ex vivo (outside the body) into the genome of a patient's own hematopoietic stem cells (HSCs) using a lentiviral vector. The genetically repaired cells are infused back into the patient, where, once engrafted, they differentiate into multiple cell types, some of which migrate across the blood-brain barrier into the central nervous system and express the functional enzyme. It is approved in the European Union, United Kingdom, Iceland, Switzerland, Liechtenstein, Norway and the United States.

- OTL-203 is an investigational HSC gene therapy in development for the treatment of mucopolysaccharidosis type IH (Hurler syndrome). Pivotal study (Equivalent to Phase III study) has been initiated in NA and Europe.

- OTL-201 is an investigational HSC gene therapy in development for the treatment of mucopolysaccharidosis type IIIA (Sanfilippo syndrome). A proof-of-concept (Equivalent to Phase I / II study) is ongoing.

<Major collaboration and licensing information>

- In January 2024, Boehringer Ingelheim and Kyowa Kirin have entered into a license agreement. Under the terms of the agreement, Kyowa Kirin license out exclusive rights of a new compound to Boehringer Ingelheim to develop treatments for fibro-inflammatory diseases.
- In February 2024, a partnership wherein BridgeBio's affiliate, QED Therapeutics, grants Kyowa Kirin an exclusive license to develop and commercialize infigratinib for skeletal dysplasias in Japan, aiming successful portfolio in the therapeutic areas of bone and mineral diseases.

R&D pipeline

As of Mar 31, 2024

Code Name Generic Name Formulation	Mechanizm of Action	Indication	Stage	[In-House or Licensed] Remarks
			PhI / PhII / PhIII	
KK8123 Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)		[In-House] Preparation underway for PhI as a global product
AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Previously Untreated with Immunosuppressive Therapy	Ph Ⅱ / Ph Ⅲ	[Amgen K-A] product name in Japan: Romiplate Area of clinical study: Asia
KK2845		Acute Myelogenous Leukemia		[In-House] Antibody-Drug Conjugate Preparation underway for PhI in Japan as a global product
OTL-203	Hematopoietic Stem Cell (HSC) Gene Therapy	MPS-IH (Hurler Syndrome)	✓	[In-House] Rare Pediatric Disease (RPD) and Fast Track designations (FDA) Priority Medicines (PRIME) designation (EMA) Area of clinical study: NA and Europe
OTL-201	Hematopoietic Stem Cell (HSC) Gene Therapy	MPS-IIIA (Sanfilippo Syndrome type A)	Ph Ⅰ / Ph Ⅱ	[In-House] Rare Pediatric Disease (RPD) designation (FDA) Area of clinical study: UK
KHK4083/AMG 451 Rocatinlimab Injection	Anti-OX40 Fully Human Antibody	Atopic Dermatitis		[In-House] POTELLIGENT Fully human antibody production technology Collaboration agreement with Amgen for the development of KHK4083/AMG 451 in all the countries except for Japan. Clinical study is being conducted in JP, NA, EU, UK, Middle East, Asia, Oseania, and other regions as a global product
		Prurigo Nodularis		Preparation underway for Ph Ⅲ as a global product
		Asthma		Preparation underway for Ph Ⅱ as a global product
KHK4951 Tivozanib Ophthalmic	VEGF Receptor Tyrosine Kinase Inhibitor	Diabetic Macular Edema	✓	[In-House] Clinical sudy is being conducted in JP, NA, Asia, and Oseania as a global product
		Neovascular Age-Related Macular Degeneration	✓	Clinical sudy is being conducted in JP, NA, Asia, and Oseania as a global product
KK2260 Injection	EGFR-TfR1Bispecific Antibody	Solid Tumor		[In-House] REGULGENT Fully human antibody production technology As a global product, clinical sudy is being conducted in JP, and a clinical study is prepared under way for PH Ⅰ in NA
KK2269 Injection	EpCAM-CD40Bispecific Antibody	Solid Tumor	✓	[In-House] REGULGENT Fully human antibody production technology Clinical sudy is being conducted in JP and NA as a global product
KK4277 Injection	Anti-PTPRS Humanized Antibody	Systemic Lupus Erythematosus/Cutaneous Lupus Erythematosus		[SBI Biotech] POTELLIGENT Clinical sudy is being conducted in JP and Asia

Since the development of KW-3357 for disseminated intravascular coagulation, congenital antithrombin deficiency was discontinued in Europe and UK, the relevant information was deleted from this table.

Major Applications and Approvals

Code Name, Generic Name, Product Name	Indication	Application/ Under Review	Countries/ Regions Received Approval in 2024
KRN125(pegfilgrastim, Product name in Japan: G-LASTA)	Mobilization of Hematopoietic Stem Cells into Peripheral Blood for Autologous Blood Stem Cell Transplantation	JP	—
OTL-200(atidarsagene autotemcel, Product name in Europe/US: Libmeldy/Lenmeldy)	Metachromatic Leukodystrophy	—	US
KHK4827(brodalumab, Product name in Japan and Asia: Lumicef)	Systemic Sclerosis	JP	—
KHK7580(Evocalcet, Product name in Japan: Orkedia)	Secondary Hyperparathyroidism	CN	TW

(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, 2024.

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, 2023	As of March 31, 2024
Assets		
Non-current assets		
Property, plant and equipment	94,508	98,755
Goodwill	140,450	185,593
Intangible assets	62,918	110,305
Investments accounted for using equity method	12,357	13,000
Other financial assets	33,374	36,477
Retirement benefit asset	15,655	15,968
Deferred tax assets	49,538	45,572
Other non-current assets	6,018	6,570
Total non-current assets	414,818	512,240
Current assets		
Inventories	71,363	74,763
Trade and other receivables	119,082	116,125
Other financial assets	1,923	1,658
Other current assets	15,673	27,978
Cash and cash equivalents	403,083	333,120
Total current assets	611,124	553,644
Total assets	1,025,942	1,065,883

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

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Equity		
Share capital	26,745	26,745
Capital surplus	464,731	464,765
Treasury shares	(2,933)	(10,297)
Retained earnings	338,764	337,933
Other components of equity	9,112	24,822
Total equity attributable to owners of parent	836,418	843,969
Total equity	836,418	843,969
Liabilities		
Non-current liabilities		
Liabilities from application of equity method	13,966	12,780
Retirement benefit liability	293	344
Provisions	8,439	8,203
Deferred tax liabilities	428	7,806
Other financial liabilities	16,111	19,150
Other non-current liabilities	17,049	17,075
Total non-current liabilities	56,287	65,358
Current liabilities		
Trade and other payables	92,983	118,063
Provisions	2,379	2,909
Other financial liabilities	8,136	4,404
Income taxes payable	4,022	2,360
Other current liabilities	25,718	28,821
Total current liabilities	133,237	156,557
Total liabilities	189,524	221,915
Total equity and liabilities	1,025,942	1,065,883

(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, 2023 to March 31, 2023	January 1, 2024 to March 31, 2024
Revenue	93,535	105,569
Cost of sales	(18,950)	(25,585)
Gross profit	74,585	79,984
Selling, general and administrative expenses	(41,789)	(40,174)
Research and development expenses	(16,619)	(23,316)
Share of profit (loss) of investments accounted for using equity method	802	903
Other income	221	2,638
Other expenses	(2,577)	(2,768)
Finance income	988	1,023
Finance costs	(29)	(188)
Profit before tax	15,582	18,101
Income tax expense	(2,822)	(3,468)
Profit	12,760	14,632
Profit attributable to		
Owners of parent	12,760	14,632
Earnings per share		
Basic earnings per share (Yen)	23.74	27.26
Diluted earnings per share (Yen)	23.74	27.26

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	January 1, 2023 to March 31, 2023	January 1, 2024 to March 31, 2024
Profit	12,760	14,632
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	556	827
Remeasurements of defined benefit plans	–	127
Total of items that will not be reclassified to profit or loss	556	954
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,187	13,016
Cash flow hedges	–	1,798
Share of other comprehensive income of investments accounted for using equity method	19	96
Total of items that may be reclassified to profit or loss	5,206	14,911
Other comprehensive income	5,761	15,865
Comprehensive income	18,521	30,498
Comprehensive income attributable to		
Owners of parent	18,521	30,498

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

January 1, 2023 to March 31, 2023

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2023	26,745	464,434	(3,177)	285,842	219	(12,247)
Profit	–	–	–	12,760	–	–
Other comprehensive income	–	–	–	–	–	5,206
Total comprehensive income	–	–	–	12,760	–	5,206
Dividends of surplus	–	–	–	(14,512)	–	–
Purchase of treasury shares	–	–	(2)	–	–	–
Disposal of treasury shares	–	30	68	–	–	–
Share-based remuneration transactions	–	40	19	–	(98)	–
Transfer from other components of equity to retained earnings	–	–	–	182	–	–
Total transactions with owners	–	69	85	(14,329)	(98)	–
Balance at March 31, 2023	26,745	464,503	(3,092)	284,272	121	(7,041)

	Equity attributable to owners of parent					Total equity
	Other components of equity				Total	
	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans	Cash flow hedges	Total		
Balance at January 1, 2023	1,010	–	–	(11,018)	762,826	762,826
Profit	–	–	–	–	12,760	12,760
Other comprehensive income	556	–	–	5,761	5,761	5,761
Total comprehensive income	556	–	–	5,761	18,521	18,521
Dividends of surplus	–	–	–	–	(14,512)	(14,512)
Purchase of treasury shares	–	–	–	–	(2)	(2)
Disposal of treasury shares	–	–	–	–	98	98
Share-based remuneration transactions	–	–	–	(98)	(40)	(40)
Transfer from other components of equity to retained earnings	(182)	–	–	(182)	–	–
Total transactions with owners	(182)	–	–	(281)	(14,456)	(14,456)
Balance at March 31, 2023	1,383	–	–	(5,537)	766,892	766,892

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

January 1, 2024 to March 31, 2024

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2024	26,745	464,731	(2,933)	338,764	102	8,823
Profit	–	–	–	14,632	–	–
Other comprehensive income	–	–	–	–	–	13,113
Total comprehensive income	–	–	–	14,632	–	13,113
Dividends of surplus	–	–	–	(15,591)	–	–
Purchase of treasury shares	–	–	(7,404)	–	–	–
Disposal of treasury shares	–	9	19	–	–	–
Share-based remuneration transactions	–	25	22	–	(28)	–
Transfer from other components of equity to retained earnings	–	–	–	127	–	–
Total transactions with owners	–	34	(7,363)	(15,463)	(28)	–
Balance at March 31, 2024	26,745	464,765	(10,297)	337,933	74	21,936

	Equity attributable to owners of parent					Total equity
	Other components of equity				Total	
	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans	Cash flow hedges	Total		
Balance at January 1, 2024	1,984	–	(1,798)	9,112	836,418	836,418
Profit	–	–	–	–	14,632	14,632
Other comprehensive income	827	127	1,798	15,865	15,865	15,865
Total comprehensive income	827	127	1,798	15,865	30,498	30,498
Dividends of surplus	–	–	–	–	(15,591)	(15,591)
Purchase of treasury shares	–	–	–	–	(7,404)	(7,404)
Disposal of treasury shares	–	–	–	–	28	28
Share-based remuneration transactions	–	–	–	(28)	19	19
Transfer from other components of equity to retained earnings	–	(127)	–	(127)	–	–
Total transactions with owners	–	(127)	–	(155)	(22,947)	(22,947)
Balance at March 31, 2024	2,811	–	–	24,822	843,969	843,969

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	January 1, 2023 to March 31, 2023	January 1, 2024 to March 31, 2024
Cash flows from operating activities		
Profit before tax	15,582	18,101
Depreciation and amortization	4,826	5,606
Impairment losses (reversal of impairment losses)	1,114	188
Increase (decrease) in provisions	(466)	–
Share of loss (profit) of investments accounted for using equity method	(802)	(903)
Foreign exchange loss (gain)	3,996	3,388
Decrease (increase) in inventories	(687)	(2,020)
Decrease (increase) in trade receivables	11,992	9,221
Increase (decrease) in trade payables	(942)	(2,476)
Increase (decrease) in contract liabilities	(2,029)	(2,057)
Income taxes paid	(2,453)	(2,736)
Other	(706)	(7,106)
Net cash provided by (used in) operating activities	29,423	19,205
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,550)	(6,095)
Proceeds from sale of property, plant and equipment	–	3,328
Purchase of intangible assets	(2,460)	(2,459)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(45,062)
Other	(126)	(30)
Net cash provided by (used in) investing activities	(9,136)	(50,319)
Cash flows from financing activities		
Redemption of bonds with share acquisition rights	–	(9,621)
Repayments of lease liabilities	(834)	(879)
Purchase of treasury shares	(2)	(7,404)
Decrease (increase) in deposits for the purchase of treasury shares	–	(7,599)
Dividends paid	(14,512)	(15,591)
Other	170	(209)
Net cash provided by (used in) financing activities	(15,178)	(41,303)
Effect of exchange rate changes on cash and cash equivalents	545	2,454
Net increase (decrease) in cash and cash equivalents	5,654	(69,963)
Cash and cash equivalents at beginning of period	339,194	403,083
Cash and cash equivalents at end of period	344,849	333,120

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Notes on going concern assumption

No applicable items.

Changes in presentation

Condensed Quarterly Consolidated Statement of Cash Flows

“Foreign exchange loss (gain),” which had previously been included in “Other” of “Cash flows from operating activities” in the three months ended March 31, 2023, has been presented separately because its monetary materiality has increased. To reflect this change in the presentation method, the Group has reclassified the amount in its Condensed Quarterly Consolidated Financial Statements for the three months ended March 31, 2023.
As a result, ¥3,290 million presented as “Other” in “Cash flows from operating activities” in the Condensed Quarterly Consolidated Statement of Cash Flows for the three months ended March 31, 2023, was reclassified as “Foreign exchange loss (gain)” of ¥3,996 million and “Other” of negative ¥706 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.

Cash flow information

The ¥9,621 million in redemption of bonds with share acquisition rights during the three months ended March 31, 2024 were expenditures related to bonds with share acquisition rights issued by Orchard Therapeutics plc before the business combination.