Kyowa Kirin Co., Ltd.

Consolidated Financial Summary (IFRS)
Fiscal 2024

(January 1, 2024 – December 31, 2024)

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

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS) for Fiscal Year Ended December 31, 2024 (The twelve-month period from January 1, 2024 to December 31, 2024)

February 6, 2025

Company Name: Kyowa Kirin Co., Ltd.
Listed Exchanges: Tokyo Stock Exchange
Stock Code: 4151
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Scheduled date of Ordinary General Meeting of Shareholders: March 19, 2025
Scheduled start date of dividend payment: March 21, 2025
Scheduled date of submission of Annual Securities Report: March 11, 2025
Appendix materials to accompany the financial report: Yes
Results presentation meeting: Yes (for institutional investors and securities analysts)

(Millions of yen rounded off)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	495,558	12.1	95,405	(1.4)	83,453	(14.2)	59,870	(26.3)
December 31, 2023	442,233	11.0	96,785	11.6	97,246	43.9	81,188	51.5

Total comprehensive income: Fiscal year ended December 31, 2024: ¥85,314 million; (16.5)%
Fiscal year ended December 31, 2023: ¥102,196 million; 101.8%

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.

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Profit before tax to total assets ratio
Fiscal year ended	Millions of yen	%	Yen	Yen	%	%
December 31, 2024	59,870	(26.3)	113.06	113.06	7.1	8.0
December 31, 2023	81,188	51.5	151.03	151.01	10.2	9.9

(Reference) Share of profit (loss) of investments accounted for using equity method:
Fiscal year ended December 31, 2024: ¥3,539 million;
Fiscal year ended December 31, 2023: ¥943 million

(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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2024	1,067,363	850,811	850,811	79.7	1,625.68
December 31, 2023	1,025,942	836,418	836,418	81.5	1,555.81

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	67,884	(142,387)	(84,697)	244,681
December 31, 2023	115,551	(20,382)	(32,535)	403,083

2. Dividends

	Dividends per share					Total dividend amount	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	–	27.00	–	29.00	56.00	30,106	35.5	3.8
Fiscal year ended December 31, 2024	–	29.00	–	29.00	58.00	30,481	47.8	3.7
Fiscal year ending December 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		50.3	

Note: The figure of “dividend payout ratio (consolidated)” indicates the dividend payout ratio based on core EPS (calculated as an indicator showing recurring profitability by dividing core profit (determined by subtracting “other income,” “other expenses” and the related “income tax expense” from “profit”) by the average number of shares during the period).

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	478,000	(3.5)	80,000	(16.1)	74,000	(11.3)	57,000	(4.8)	57,000	(4.8)	108.91

*** Notes**

(1) Significant changes in the scope of consolidation during the period under review: Yes

Newly included: one company Orchard Therapeutics Limited

Excluded: one company Kyowa Kirin China Pharmaceutical Co., Ltd.

(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 December 31, 2024	525,634,500 shares
As of December 31, 2023	540,000,000 shares

b. Number of treasury shares

As of December 31, 2024	2,276,724 shares
As of December 31, 2023	2,390,712 shares

c. Average number of shares during the period

FY ended December 31, 2024	529,528,608 shares
FY ended December 31, 2023	537,575,538 shares

(Reference)

Non-Consolidated Results for the Fiscal Year Ended December 31, 2024 (Japanese GAAP)
(from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results *(Percentages indicate year-on-year changes.)*

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	286,510	3.4	(4,622)	–	68,606	2.1	60,670	20.4
December 31, 2023	277,161	9.2	53,427	31.5	67,218	80.3	50,370	62.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	114.57	114.57
December 31, 2023	93.70	93.69

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	797,917	613,038	76.8	1,171.30
December 31, 2023	869,589	622,709	71.6	1,158.10

(Reference) Equity: As of December 31, 2024: ¥613,010 million; As of December 31, 2023: ¥622,606 million

* These financial results reports are exempt from audit 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. For more information regarding our suppositions that form the assumptions for the earnings forecasts, please see page 19 of the attachment, “(5) Outlook for Fiscal 2025” in “1. Summary of Business Performance and Financial Position.”

Attachment Index

1. Summary of Business Performance and Financial Position

< Overview of business >

The pharmaceutical industry is experiencing challenging changes in its business environment, including rising pressure to control medical expenses worldwide and increasing difficulty in new drug development. In such an environment, the Company promoted initiatives to enhance the clarity of strategy with the “Story for Vision 2030” and further clarify the focus toward achieving the 2030 vision. While continuing to strengthen production, quality assurance and logistics with the aim of providing drugs that satisfy unmet medical needs, the Group also conducted research and development activities in order to create new life-changing value.

For Crysvita*1 and Poteligeo*2, the Group pursued steady growth by working to expand the number of countries and regions where they have been released and penetrate the markets. The Group also completed the process of making Orchard Therapeutics into a subsidiary, and the hematopoietic stem cell gene therapy OTL-200 (Product name in Europe/US: Libmeldy/Lenmeldy), which was developed as a treatment for pediatric metachromatic leukodystrophy, received approval in the United States.

Regarding the development of KHK4083 (rocatinlimab) in the therapeutic areas of immunology and allergy, multiple clinical studies in collaboration with Amgen were proceeded, and the HORIZON study in the ROCKET Program of Phase III clinical studies met its co-primary endpoints and all key secondary endpoints in the topline results. In addition, the Company and Kura Oncology, Inc. entered into an agreement to develop and commercialize ziftomenib, a development product as indication for treatment of acute leukemia. Clinical trials were commenced on KK8123, a treatment currently in development for the same indication as Crysvita, and KK2845*3, the Company’s first antibody-drug conjugate (ADC).

In Japan, sales of PHOZEVEL, which is for the improvement of hyperphosphatemia in chronic kidney disease patients on dialysis, were launched, and the Company and BridgeBio Pharma, Inc. entered into an exclusive license agreement on infigratinib in skeletal dysplasias in Japan.

In addition to the above, in line with the “Story for Vision 2030,” the Group enhanced the initiatives for the global reforms to its R&D structure so as to bolster its drug discovery abilities, commenced the construction of a new bio-pharmaceuticals plant in the United States to accelerate the development of bio-pharmaceuticals, and promoted the reorganization of businesses in the Asia Pacific region.

*1 Therapeutic medicine for the treatment of rare disease that is primarily genetic in origin and causes disorders of bone growth and metabolism.

*2 Therapeutic medicine for the treatment of certain intractable hematological diseases.

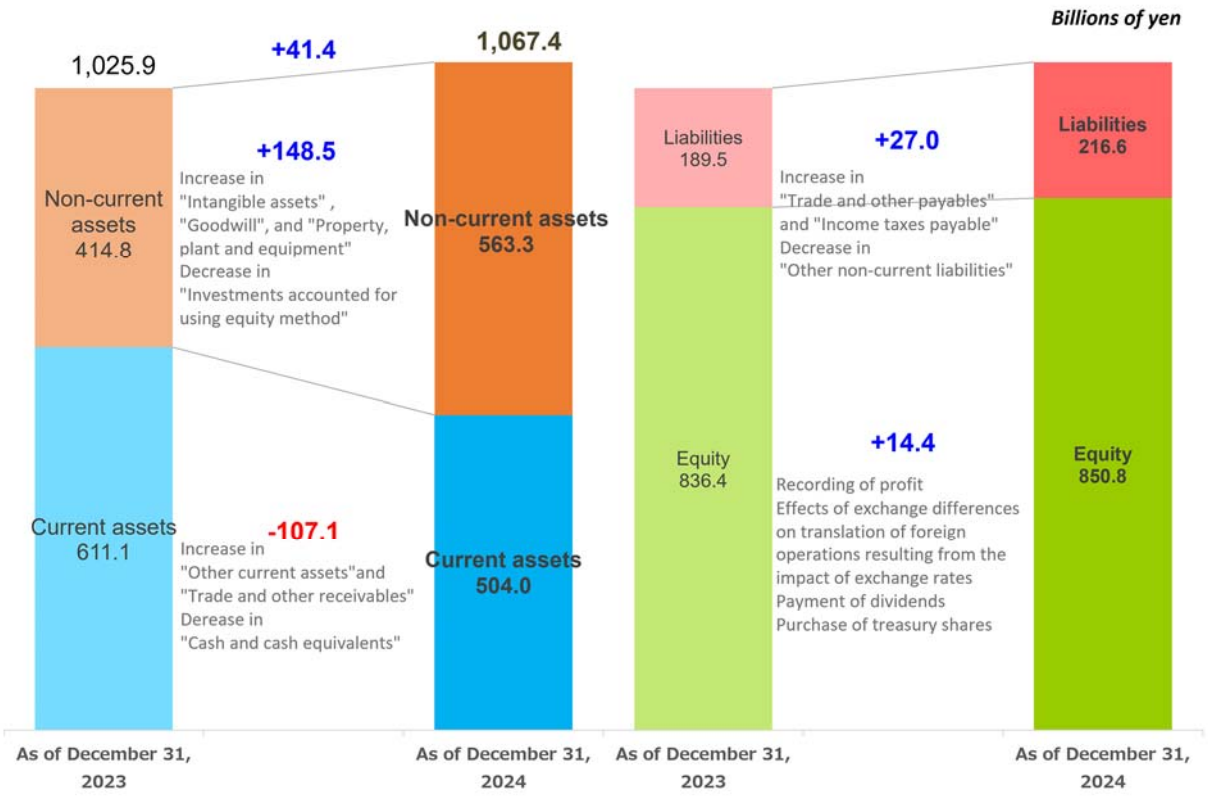
*3 Development product for the treatment of acute myeloid leukemia.

(1) Summary of Consolidated Financial Position for Fiscal 2024

(Billions of yen)

	As of December 31, 2023	As of December 31, 2024	Year-on-year change
Assets	1,025.9	1,067.4	41.4
Non-current assets	414.8	563.3	148.5
Current assets	611.1	504.0	(107.1)
Liabilities	189.5	216.6	27.0
Equity	836.4	850.8	14.4
Ratio of equity attributable to owners of parent to total assets (%)	81.5%	79.7%	(1.8)%

- Assets as of December 31, 2024, were ¥1,067.4 billion, an increase of ¥41.4 billion compared to the end of the previous fiscal year.
  - Non-current assets increased by ¥148.5 billion compared to the end of the previous fiscal year, to ¥563.3 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, in addition to the purchase of intangible assets through the introduction of development products and the purchase of property, plant and equipment, despite factors such as decreases in deferred tax assets and investments accounted for using equity method.
  - Current assets decreased by ¥107.1 billion compared to the end of the previous fiscal year, to ¥504.0 billion, due mainly to a decrease in cash and cash equivalents, despite increases in trade and other receivables and other current assets.
- Liabilities as of December 31, 2024, were ¥216.6 billion, an increase of ¥27.0 billion compared to the end of the previous fiscal year, due mainly to increases in trade and other payables and other financial liabilities (non-current), despite factors such as a decrease in other non-current liabilities due to a decrease in contract liabilities.
- Equity as of December 31, 2024, was ¥850.8 billion, an increase of ¥14.4 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 and cancelation of treasury shares. As a result, the ratio of equity attributable to owners of parent to total assets was 79.7%, a decrease of 1.8 percentage points compared to the end of the previous fiscal year.


Billions of yen
1,025.9
+41.4
1,067.4
Non-current assets 414.8
+148.5
Increase in "Intangible assets" , "Goodwill", and "Property, plant and equipment"
Decrease in "Investments accounted for using equity method"
Non-current assets 563.3
Current assets 611.1
-107.1
Increase in "Other current assets"and "Trade and other receivables"
Derease in "Cash and cash equivalents"
Current assets 504.0
As of December 31, 2023
As of December 31, 2024
Liabilities 189.5
+27.0
Increase in "Trade and other payables" and "Income taxes payable"
Decrease in "Other non-current liabilities"
Liabilities 216.6
Equity 836.4
+14.4
Recording of profit
Effects of exchange differences on translation of foreign operations resulting from the impact of exchange rates
Payment of dividends
Purchase of treasury shares
Equity 850.8
As of December 31, 2023
As of December 31, 2024

(2) Summary of Business Performance in Fiscal 2024

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)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change	Rate of change (%)
Revenue	442.2	495.6	53.3	12.1%
Core operating profit	96.8	95.4	(1.4)	(1.4)%
Profit before tax	97.2	83.5	(13.8)	(14.2)%
Profit attributable to owners of parent	81.2	59.9	(21.3)	(26.3)%

< Average exchange rates for each period >

Currency	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change
USD (USD/¥)	¥140	¥151	Up ¥11
GBP (GBP/¥)	¥174	¥193	Up ¥19
EUR (EUR/¥)	¥151	¥164	Up ¥13

For the fiscal year ended December 31, 2024, revenue was ¥495.6 billion (up 12.1% compared to the previous fiscal year) and core operating profit was ¥95.4 billion (down 1.4%). Profit attributable to owners of parent was ¥59.9 billion (down 26.3%).

- The increase in revenue was the result of growth of global strategic products mainly in North America and EMEA and a rise in revenue from technology out-licensing. The positive effect on revenue from foreign exchange was ¥24.4 billion.
- Core operating profit decreased as a result of significantly higher research and development expenses, despite higher gross profit achieved due to gains in overseas revenue and revenue from technology out-licensing. The positive effect on core operating profit from foreign exchange was ¥8.6 billion.
- Profit attributable to owners of parent decreased due mainly to increases in finance costs and income tax expenses.

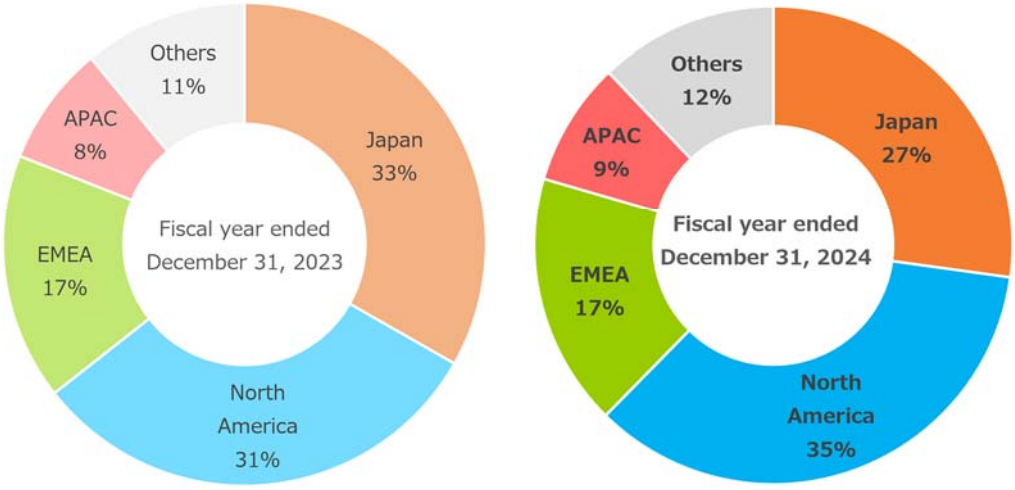
2) Revenue by regional control function

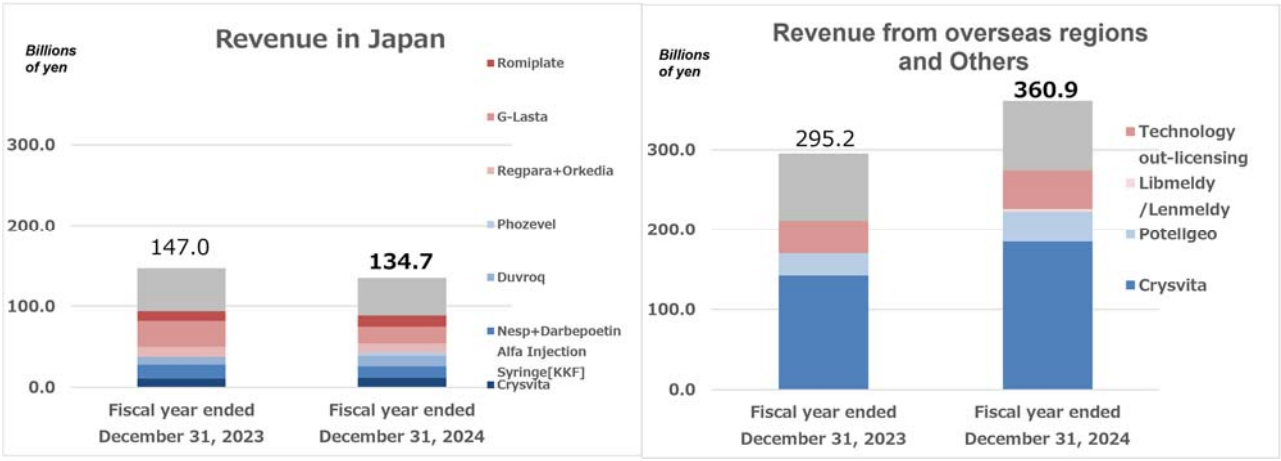
(Billions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change	Rate of change (%)
Japan	147.0	134.7	(12.3)	(8.4)%
North America	137.8	174.4	36.6	26.5%
EMEA	73.3	84.9	11.6	15.8%
APAC	35.7	41.6	5.9	16.7%
Others	48.4	59.9	11.5	23.8%
Total consolidated revenue	442.2	495.6	53.3	12.1%

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, a functional organization, and a product organization (product franchises).
2. EMEA consists of Europe, the Middle East, Africa, etc.
3. Revenue of APAC includes revenues received for supply of products to local partners of that region in conjunction with the business restructuring.
4. Others consists of revenue from technology out-licensing, hematopoietic stem cell gene therapy (revenue from Orchard Therapeutics), original equipment manufacturing, etc.

Composition of revenue by regional control function





< Revenue in Japan region >

(Billions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change	Rate of change (%)
Crysvita	10.5	11.7	1.2	11.9%
Darbepoetin Alfa Injection Syringe [KKF]	14.0	11.6	(2.4)	(17.3)%
Duvroq	9.9	12.7	2.8	27.8%
PHOZEVEL	–	4.7	4.7	–
G-Lasta	31.9	20.5	(11.4)	(35.7)%

- Revenue in Japan decreased year on year due mainly to the impact of the reductions in drug price standards implemented in April 2023 and April 2024, 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 in February 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 and the impact of the reductions in drug price standards.

<Revenue from overseas regions and Others>

(Billions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change	Rate of change (%)
Crysvita	142.0	184.8	42.9	30.2%
Poteligeo	28.4	38.1	9.7	34.3%
Libmeldy/Lenmeldy	–	3.3	3.3	–

- 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 factors such as growth of global strategic products and proceeds from transfer of rights to three brands (Abstral, Adcal D3 and Sancuso), despite a drop in revenue from the established medicines.
  - Revenue from Crysvita, a treatment for X-linked hypophosphatemia, has been growing since its launch in 2018, as the number of countries where it has been released and its indications have expanded.
  - 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, revenue from established medicines decreased as revenue for 13 brands shifted from product sales to sales royalties and license fees in August 2023 and also as sales royalties for three of those brands ended in July 2024.

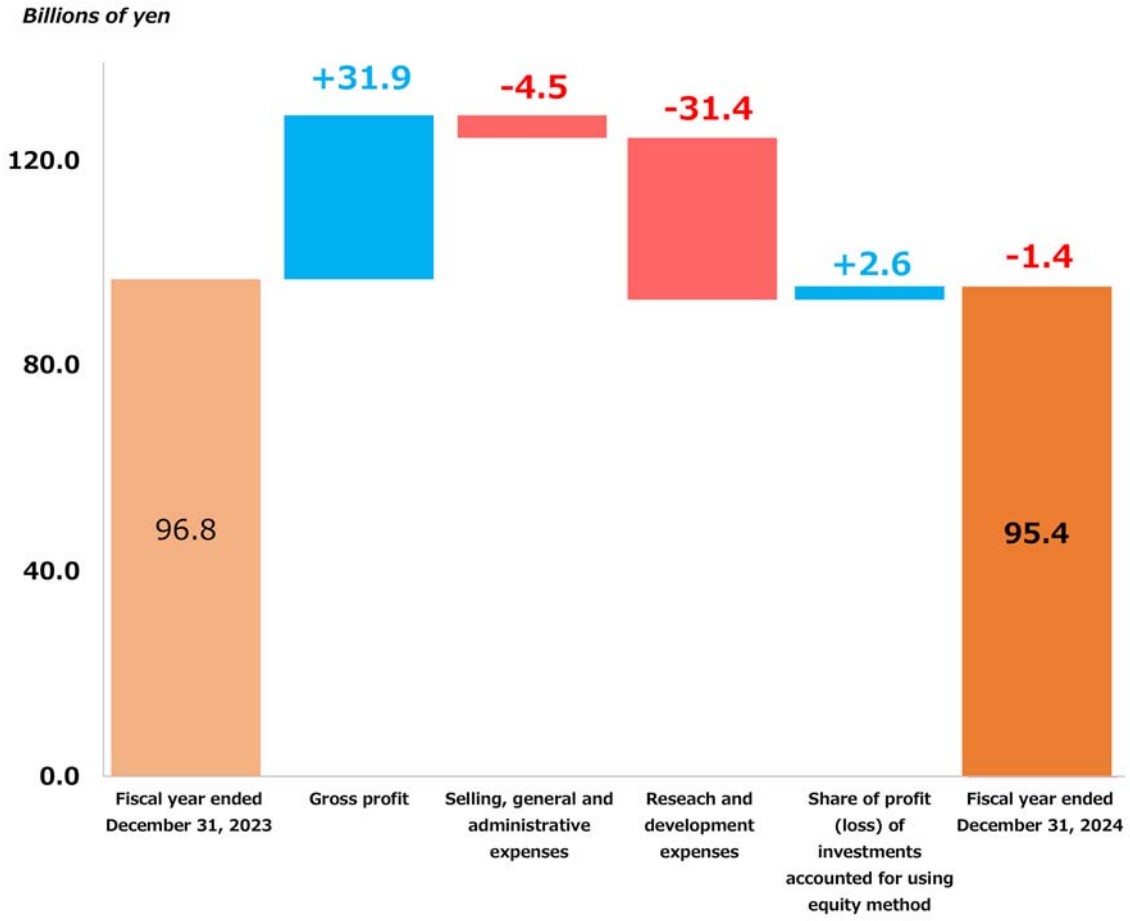
- Revenue of £66.4 million (¥13.1 billion) was recorded in July 2024 due to the transfer of the rights (intellectual property) for three brands of established medicines to the joint venture.

- Revenue in APAC increased year on year.
  - Revenue from Crysvita, a treatment for X-linked hypophosphatemia, has been growing steadily.
  - In conjunction with the business restructuring in the APAC region, revenue increased due to supplying the licensees with the inventories of established medicines.

- Revenue from Others increased year on year.
  - As a result of the new consolidation of Orchard Therapeutics, revenue was recorded for Libmeldy (approval was obtained in the United States in March 2024 under the product name of Lenmeldy), which is sold by that company in Europe for treatment of metachromatic leukodystrophy (MLD).
  - 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 decreased year on year due to 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, despite growth in revenue from global strategic products mainly in North America and a rise in gross profit from revenue from technology out-licensing.

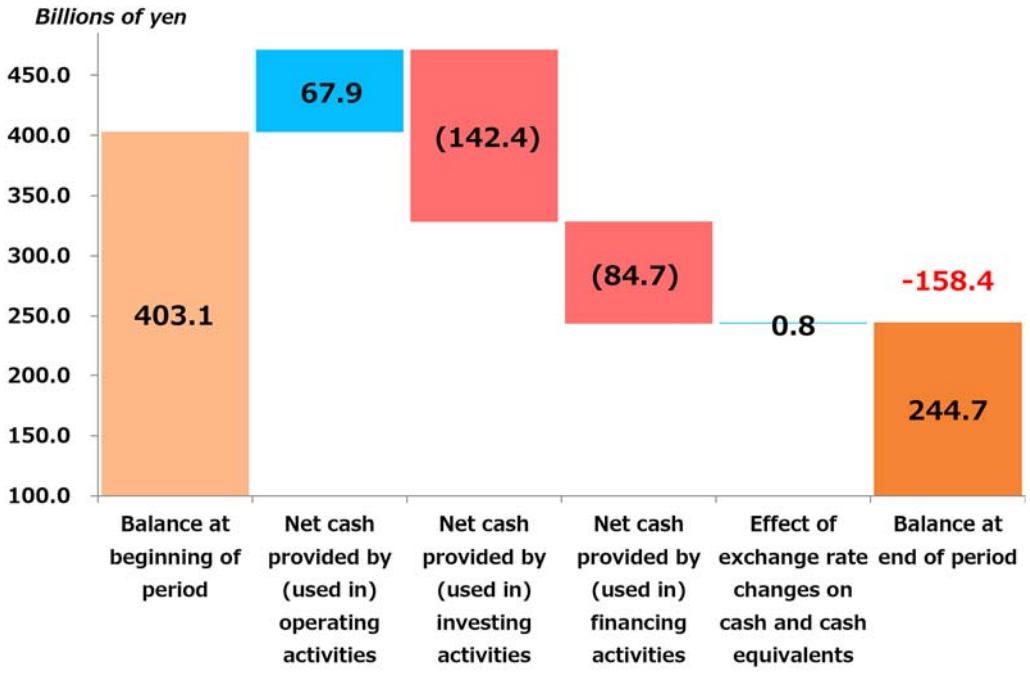


(3) Cash Flow Summary for Fiscal 2024

(Billions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Year-on-year change	Rate of change (%)
Net cash provided by (used in) operating activities	115.6	67.9	(47.7)	(41.3)%
Net cash provided by (used in) investing activities	(20.4)	(142.4)	(122.0)	598.6%
Net cash provided by (used in) financing activities	(32.5)	(84.7)	(52.2)	160.3%
Cash and cash equivalents at beginning of period	339.2	403.1	63.9	18.8%
Cash and cash equivalents at end of period	403.1	244.7	(158.4)	(39.3)%

- Cash and cash equivalents as of December 31, 2024 were ¥244.7 billion, a decrease of ¥158.4 billion compared with the balance of ¥403.1 billion as of December 31, 2023.
  The main contributing factors affecting cash flow during the current fiscal year were as follows:
- Net cash provided by operating activities was ¥67.9 billion, compared with net cash provided by operating activities of ¥115.6 billion in the previous fiscal year. Major inflows were depreciation and amortization of ¥24.8 billion and foreign exchange loss (gain) of ¥8.3 billion mainly relating to exchange differences on translation of foreign currency denominated deposits from consolidated subsidiaries as of December 31, 2024, in addition to profit before tax of ¥83.5 billion. Major outflows were an increase in trade receivables of ¥31.5 billion, income taxes paid of ¥17.7 billion, a decrease of contract liabilities of ¥9.9 billion, and gain on sales of share and valuation of remaining share of ¥7.4 billion.
- Net cash used in investing activities was ¥142.4 billion, compared with net cash used in investing activities of ¥20.4 billion in the previous fiscal year. Major outflows were purchase of intangible assets of ¥79.2 billion, ¥48.2 billion for the acquisition of shares of Orchard Therapeutics, and purchase of property, plant and equipment of ¥26.0 billion. The major inflows were collection of loans receivable of ¥4.5 billion and proceeds from sale of property, plant and equipment of ¥3.4 billion.
- Net cash used in financing activities was ¥84.7 billion, compared with net cash used in financing activities of ¥32.5 billion in the previous fiscal year. Major outflows were a purchase of treasury shares of ¥40.0 billion, dividends paid of ¥30.9 billion, redemption of bonds with share acquisition rights issued by Orchard Therapeutics of ¥9.6 billion.



(4) Research and Development Activities

The Group continuously and actively invests management 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 is the area of focus for 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. As part of the value creating process, the Group will also promote open innovation activities, collaborate with partners, invest in venture capital funds, and utilize corporate venture capital. In research and development, the Group will focus on creating life-changing value and utilize a business model that not only aims to maximize value through our own global deployment, but also through strategic collaboration with external partners.

For the fiscal year ended December 31, 2024, the Group's research and development expenses totaled ¥103.5 billion.

<Development status of major development products>

As of December 31, 2024

Code, Generic Name	Indication	Development status
KHK4083/AMG 451, rocatinlimab	Moderate and severe atopic dermatitis	Ph III clinical study: in progress
	Prurigo nodularis	Ph III clinical study: in progress
	Moderate and severe asthma	Ph II clinical study: in progress
ziftomenib	Acute Myeloid Leukemia (AML) (monotherapy)	Ph II clinical study: in progress
	Acute Lymphoblastic Leukemia (ALL) (monotherapy)	Ph I clinical study: in progress
	Acute Myeloid Leukemia (AML) (combination)	Ph I clinical study: in progress
OTL-203	Mucopolysaccharidosis type IH (Hurler syndrome)	Pivotal study (Equivalent to Ph III study): in progress
KK8398, infigratinib	Achondroplasia	Ph III 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
OTL-201	Mucopolysaccharidosis type IIIA (Sanfilippo syndrome type A)	PoC study (Equivalent to Ph I/II study): in progress
KK4277	Systemic Erythematosus (SLE)/Cutaneous Lupus Erythematosus (CLE)	Ph I clinical study: in progress
KK2260	Advanced or metastatic solid tumors	Ph I clinical study: in progress
KK2269	Advanced or metastatic solid tumors	Ph I clinical study: in progress
KK2845	Acute Myeloid Leukemia (AML)	Ph I clinical study: in progress
KK8123	X-linked Hypophosphatemia (XLH)	Ph I clinical study: in progress

- KHK4083/AMG 451 (rocatinlimab) is a T cell rebalancing monoclonal antibody that inhibits and reduces pathogenic T cells by targeting the OX40 receptor. One of the major causes of inflammatory diseases including atopic dermatitis is thought to be T cell imbalance, which occurs due to the activation of T cells through OX40 signaling, leading to an increase in pathogenic T cells and induction of their effector functions. Rocatinlimab can be expected to achieve T cell rebalancing by inhibiting the function and reduce the number of pathogenic 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 rocatinlimab 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 evaluating rocatinlimab in moderate to severe atopic dermatitis (ROCKET Program) is composed of eight studies enrolling adult and adolescent patients. To date, over 3,300 patients have been enrolled in the ROCKET Program with seven studies having completed enrollment. In September, Kyowa Kirin announced that HORIZON, which is the first of phase III trials in the ROCKET Program, met its co-primary endpoints and all key secondary endpoints. In addition to the ROCKET Program, a Phase II clinical study in moderate to severe asthma and a Phase III clinical study in prurigo nodularis are being conducted.

- Ziftomenib is an oral menin inhibitor in development by Kura Oncology, Inc. for the treatment of genetically defined AML patients with high unmet need. In November 2024, Kura and Kyowa Kirin entered into a global strategic collaboration to develop and commercialize ziftomenib in acute leukemias. Under the terms of the agreement, the companies will jointly develop and commercialize ziftomenib. Kura Oncology, Inc.will lead development, regulatory and commercial strategy in the U.S. Outside the U.S., Kyowa Kirin will lead development, regulatory and commercial strategy. Multiple clinical trials are currently in progress for AML. In December 2024, Kura Oncology, Inc. and Kyowa Kirin reported positive data for ziftomenib, in combination with standards of care, including cytarabine/daunorubicin (7+3) and venetoclax/azacitidine (ven/aza), in patients with NPM1-mutated and KMT2A-rearranged AML.

- OTL-203 is an investigational HSC gene therapy in development for the treatment of mucopolysaccharidosis type IH (Hurler syndrome). Orchard Therapeutics is currently implementing a pivotal study (equivalent to a Phase III clinical study) of OTL-203 as a therapy to potentially correct the underlying cause of Hurler syndrome.

- KK8398 (infigratinib) is a small-molecular FGFR3 inhibitor, which has been developed for bone diseases by QED Therapeutics, wholly owned by BrideBio. In February 2024, a partnership wherein QED Therapeutics, grants Kyowa Kirin an exclusive license to develop and commercialize infigratinib for achondroplasia, hypochondroplasia, and other skeletal dysplasias in Japan. The Company is currently preparing for Phase III clinical trial for achondroplasia in Japan.

- 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.

- 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.

- 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 target molecule is TIM-3, and the Company started Phase I clinical trial targeting acute myeloid leukemia (AML) in October 2024.

- KK8123 is a potential new treatment for X-linked Hypophosphatemia (XLH) patients which is a human antibody targeting FGF23. Phase I study for XLH started in November 2024.

<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.
- In November 2024, Kura Oncology and Kyowa Kirin entered into a global strategic collaboration to develop and commercialize ziftomenib in acute leukemias.

R&D pipeline

small molecule　large molecule　antibody　HSC-GT　Updated since Dec. 31, 2023　Updated since Sep. 30, 2024

As of Dec. 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	√			[In-House] Clinical study is being conducted in NA and EU as a global product
KK8398 infigratinib Oral	FGFR 3 Inhibitor	Achondroplasia				[QED Therapeutics] Preparation underway for Ph Ⅲ in JP
ziftomenib ※ Oral	Menin Inhibitor	Acute Myeloid Leukemia (AML) (Monotherapy)				[Kura Oncology] Clinical study is being conducted in NA and EU as a global product NPM1-mutant AML
		Acute Lymphoblastic Leukemia (ALL) (Monotherapy)				Clinical study is being conducted in NA and EU as a global product KMT2A-rearranged ALL
		Acute Myeloid Leukemia (AML) (Monotherapy)				Clinical study is being conducted in NA and EU as a global product Non-NPM1-mutant AML/Non-KMT2A-rearranged AML
		Acute Myeloid Leukemia (AML) (Combination)				Clinical study is being conducted in NA as a global product NPM1-mutant AML/KMT2A-rearranged AML Combinations with venetoclax + azacitidine, and cytarabine + daunorubicin
						Clinical study is being conducted in NA and EU as a global product NPM1-mutant AML/KMT2A-rearranged AML Combinations with gilteritinib, FLAG-IDA, LDAC
KK2845	Anti-TIM-3 ADC	Acute Myeloid Leukemia (AML)	√			[In-House] Antibody-Drug Conjugate Clinical study is being conducted in JP 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 EU
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) Preparation underway for registrational study (equivalent to PhⅢ study)
KHK4083/AMG 451 rocatinlimab Injection	Anti-OX40 Antibody	Moderate to Severe Atopic Dermatitis				[In-House] POTELLIGENT Human monoclonal antibody production technology Collaboration agreement with Amgen for the development of rocatinlimab in all the countries except for Japan Clinical study is being conducted in JP, NA, EU, UK, Middle East, Asia, Oceania, and other regions as a global product
		Prurigo Nodularis				Clinical study is being conducted in JP, NA, EU, Asia, and Oceania as a global product
		Moderate to Severe Asthma				Clinical study is being conducted in JP, NA, EU, Asia, and Oceania as a global product
KHK4951 tivozanib Ophthalmic	VEGF Receptor Tyrosine Kinase Inhibitor	Diabetic Macular Edema				[In-House] Clinical study is being conducted in JP, NA, Asia, and Oceania as a global product
		Neovascular Age-Related Macular Degeneration				Clinical study is being conducted in JP, NA, Asia, and Oceania as a global product
KK2260 Injection	EGFR-TfR1Bispecific Antibody	Advanced or Metastatic Solid Tumors				[In-House] REGULGENT Fully human antibody production technology Clinical study is being conducted in JP, and a clinical study is prepared under way for PhI in NA as a global product
KK2269 Injection	EpCAM-CD40Bispecific Antibody	Advanced or Metastatic Solid Tumors				[In-House] REGULGENT Fully human antibody production technology Clinical study 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 study is being conducted in JP and Asia

* For details on the development status of ziftomenib, please visit the website of Kura Oncology, Inc. (https://kuraoncology.com/).

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)	Palmoplantar Pustulosis	TW	—
KHK7580 (evocalcet, Product name in Japan: Orkedia)	Secondary Hyperparathyroidism	—	CN, TW
AMG531 (romiplostim, Product name in Japan: Romiplate)	Aplastic Anemia	TW	—
	Severe Aplastic Anemia	—	KR

We withdrew an application for partial change of approved indication of KHK4827 for systemic sclerosis in Japan, and the relevant application information has been removed from this table.

(5) Outlook for Fiscal 2025

(Billions of yen)

	Fiscal year ended December 31, 2024	**Outlook for fiscal 2025**	Year-on-year change	Rate of change (%)
Revenue	495.6	**478.0**	(17.6)	(3.5)%
Core operating profit	95.4	**80.0**	(15.4)	(16.1)%
Profit before tax	83.5	**74.0**	(9.5)	(11.3)%
Profit attributable to owners of parent	59.9	**57.0**	(2.9)	(4.8)%

Note: These forecasts assume average exchange rates of ¥145/US$, ¥190/British pound and ¥160/Euro.

Financial performance indicators

	Fiscal year ended December 31, 2024	**Outlook for fiscal 2025**	
ROE	7.1%	**6.6%**	Profit / Average beginning and ending equity
Revenue growth ratio (CAGR)	11.7%	**8.5%**	Annual average growth rate with fiscal 2020 as base year
R&D expense ratio	20.9%	**22.4%**	Research and development expenses / Revenue
Core operating profit ratio	19.3%	**16.7%**	Core operating profit / Revenue
Dividend payout ratio (Note)	47.8%	**50.3%**	

Note: The figure indicates the dividend payout ratio based on core EPS (calculated as an indicator showing recurring profitability by dividing core profit (determined by subtracting “other income,” “other expenses” and the related “income tax expense” from “profit”) by the average number of shares during the period).

- Consolidated financial earnings forecasts for fiscal 2025 are for revenue of ¥478.0 billion (down 3.5% compared to the current fiscal year), core operating profit of ¥80.0 billion (down 16.1%), profit before tax of ¥74.0 billion (down 11.3%), and profit attributable to owners of parent of ¥57.0 billion (down 4.8%).
- Revenue is expected to decrease compared to the current fiscal year given the likelihood of the impact of the business restructuring in the APAC region, a decrease in one-time revenue in EMEA, the termination of the distribution and co-promotion agreement for the psoriasis vulgaris treatment Dovobet in Japan, the impact of the reductions in drug price standards, and the impact of exchange rates, despite the prospect of the growth of global strategic products mainly in North America.
- A year-on-year decrease is forecasted for core operating profit given the prospect of an increase in research and development expenses accompanying progress in development projects and a decrease in share of profit (loss) of investments accounted for using equity method, in addition to a decrease in gross profit attributable to lower revenue. Selling, general and administrative expenses are expected to decrease due to the impact of the business restructuring in the APAC region, despite an expected increase due mainly to the global strategic collaboration with Kura Oncology for ziftomenib.
- A year-on-year decrease is forecasted for profit before tax due to the downturn in core operating profit, despite an expected decrease in finance costs.
- A year-on-year decrease is forecasted for profit attributable to owners of parent due to the prospect of a decrease in profit before tax, despite an expected decrease in income tax expense.
- Concerning cash flows from operating activities, the Company expects an increase in net cash provided relative to that of the current fiscal year due mainly to the prospect of a decrease in cash used because of decrease (increase) in trade receivables and a decrease in income taxes paid, despite an expected decrease in profit before tax.

- Concerning cash flows from investing activities, the Company expects a decrease in net cash used relative to that of the current fiscal year given the likelihood of decreases in cash used in the purchase of shares of subsidiaries resulting in change in scope of consolidation and purchase of intangible assets.
- Concerning cash flows from financing activities, the Company expects a decrease in net cash used relative to that of the current fiscal year given the likelihood of a decrease in cash outflows for the purchase of treasury shares. As regards the purchase of treasury shares and the sourcing of funds, we will continue to remain flexible and act as appropriate for the economic and funding environment.

As a result of the above, cash and cash equivalents as of the end of fiscal 2025 are expected to decrease from fiscal 2024.

Note: The above financial position outlook is based on 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.

(6) Basic Policy on Profit Distribution: Fiscal 2024 and Fiscal 2025 Dividends

The Company regards the return of profits to its shareholders as one of its key management priorities. The basis of the Company's policy regarding the distribution of profits is to pay dividends stably in light of a comprehensive consideration of factors including consolidated results and dividend payout ratio for each fiscal year, while also increasing its retained earnings for future business development and other purposes. The Company plans to improve its capital efficiency with regards to the purchase of treasury shares by taking a flexible approach while considering the share price in the market and other factors. The Company considers it a top priority to use internal reserve funds for investments for future growth (R&D investments, strategic investments and capital expenditures) in order to achieve sustainable growth from fiscal 2025 and maximize corporate value.

As the dividend policy, the Company set its target dividend payout ratio based on core EPS at 40% in the FY2021-2025 Medium Term Business Plan. The Company aims to ensure a stable and sustained increase in the level of dividend payment (continuous increase of dividend payments) in line with medium- to long-term growth in profits.

In accordance with the above-mentioned policy, the Board of Directors has resolved to pay a year-end dividend for fiscal 2024 of ¥29 per share. As a result, the Company expects to increase dividends for the eighth year in a row. The annual dividend is expected to be ¥58, an increase of ¥2 compared to the previous fiscal year, including an interim dividend of ¥29. With respect to the year-end dividend, the Company plans to submit a proposal at the 102nd Ordinary General Meeting of Shareholders to be held on March 19, 2025.

Dividends of Surplus

	Details of resolution (March 19, 2025)	Dividend forecast most recently announced (Announced on February 7, 2024)	Fiscal 2023 results (Fiscal year ended December 31, 2023)
Record date	December 31, 2024	Same as left	December 31, 2023
Dividend per share (Yen)	29.00	29.00	29.00
Total dividend amount (Millions of yen)	15,177	–	15,591
Effective date	March 21, 2025	–	March 25, 2024
Dividend resource	Retained earnings	–	Retained earnings

(Reference) Breakdown of Dividends per Share

(Yen)

	Fiscal 2024 (Fiscal year ended December 31, 2024)	Dividend forecast most recently announced (Announced on February 7, 2024)	Fiscal 2023 results (Fiscal year ended December 31, 2023)
[Second quarter-end]	[29.00]	[29.00]	[27.00]
Fiscal year-end	29.00 (Note)	29.00	29.00
Dividends per share	58.00	58.00	56.00

Note: The fiscal year-end dividend (¥29.00) for the current term (fiscal year ended December 31, 2024) is based on the assumption that it will be approved at the 102nd Ordinary General Meeting of Shareholders scheduled to be held on March 19, 2025.

For the fiscal year ending December 31, 2025, the Company expects to pay an annual dividend of ¥60 per share, an increase of ¥2 compared to the current fiscal year, consisting of an interim dividend of ¥30 and a year-end dividend of ¥30. For details of the "core EPS," refer to "(5) Outlook for Fiscal 2025."

2. Basic Rationale for Selection of Accounting Standards

The Group has applied IFRS from fiscal 2017 to enhance the international comparability of its financial information in the capital markets, and unify the process of the Group’s accounting.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Non-current assets		
Property, plant and equipment	94,508	111,477
Goodwill	140,450	181,034
Intangible assets	62,918	165,297
Investments accounted for using equity method	12,357	3,185
Other financial assets	33,374	32,800
Retirement benefit asset	15,655	19,775
Deferred tax assets	49,538	41,258
Other non-current assets	6,018	8,511
Total non-current assets	414,818	563,337
Current assets		
Inventories	71,363	72,933
Trade and other receivables	119,082	157,015
Other financial assets	1,923	1,705
Other current assets	15,673	27,692
Cash and cash equivalents	403,083	244,681
Total current assets	611,124	504,026
Total assets	1,025,942	1,067,363

(1) Consolidated Statement of Financial Position (continued)

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Equity		
Share capital	26,745	26,745
Capital surplus	464,731	427,733
Treasury shares	(2,933)	(5,887)
Retained earnings	338,764	371,050
Other components of equity	9,112	31,171
Total equity attributable to owners of parent	836,418	850,811
Total equity	836,418	850,811
Liabilities		
Non-current liabilities		
Liabilities from application of equity method	13,966	11,695
Retirement benefit liability	293	272
Provisions	8,439	6,470
Deferred tax liabilities	428	434
Other financial liabilities	16,111	24,119
Other non-current liabilities	17,049	8,887
Total non-current liabilities	56,287	51,876
Current liabilities		
Trade and other payables	92,983	121,063
Provisions	2,379	4,441
Other financial liabilities	8,136	4,628
Income taxes payable	4,022	3,384
Other current liabilities	25,718	31,159
Total current liabilities	133,237	164,675
Total liabilities	189,524	216,551
Total equity and liabilities	1,025,942	1,067,363

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Revenue	442,233	495,558
Cost of sales	(111,207)	(132,611)
Gross profit	331,026	362,947
Selling, general and administrative expenses	(163,078)	(167,537)
Research and development expenses	(72,106)	(103,544)
Share of profit (loss) of investments accounted for using equity method	943	3,539
Other income	16,785	13,102
Other expenses	(21,007)	(19,286)
Finance income	4,873	1,770
Finance costs	(190)	(7,538)
Profit before tax	97,246	83,453
Income tax expense	(16,058)	(23,583)
Profit	81,188	59,870
Profit attributable to		
Owners of parent	81,188	59,870
Earnings per share		
Basic earnings per share (Yen)	151.03	113.06
Diluted earnings per share (Yen)	151.01	113.06

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	81,188	59,870
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,157	(596)
Remeasurements of defined benefit plans	579	2,404
Total of items that will not be reclassified to profit or loss	1,735	1,808
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	21,017	21,741
Cash flow hedges	(1,798)	1,798
Share of other comprehensive income of investments accounted for using equity method	53	96
Total of items that may be reclassified to profit or loss	19,272	23,636
Other comprehensive income	21,008	25,444
Comprehensive income	102,196	85,314
Comprehensive income attributable to		
Owners of parent	102,196	85,314

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 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	–	–	–	81,188	–	–
Other comprehensive income	–	–	–	–	–	21,070
Total comprehensive income	–	–	–	81,188	–	21,070
Dividends of surplus	–	–	–	(29,027)	–	–
Purchase of treasury shares	–	–	(10)	–	–	–
Disposal of treasury shares	–	37	79	–	–	–
Cancellation of treasury shares	–	–	–	–	–	–
Share-based remuneration transactions	–	259	174	–	(117)	–
Transfer from other components of equity to retained earnings	–	–	–	761	–	–
Total transactions with owners	–	297	243	(28,266)	(117)	–
Balance at December 31, 2023	26,745	464,731	(2,933)	338,764	102	8,823

	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	–	–	–	–	81,188	81,188
Other comprehensive income	1,157	579	(1,798)	21,008	21,008	21,008
Total comprehensive income	1,157	579	(1,798)	21,008	102,196	102,196
Dividends of surplus	–	–	–	–	(29,027)	(29,027)
Purchase of treasury shares	–	–	–	–	(10)	(10)
Disposal of treasury shares	–	–	–	–	117	117
Cancellation of treasury shares	–	–	–	–	–	–
Share-based remuneration transactions	–	–	–	(117)	317	317
Transfer from other components of equity to retained earnings	(182)	(579)	–	(761)	–	–
Total transactions with owners	(182)	(579)	–	(878)	(28,604)	(28,604)
Balance at December 31, 2023	1,984	–	(1,798)	9,112	836,418	836,418

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

Fiscal year ended December 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	–	–	–	59,870	–	–
Other comprehensive income	–	–	–	–	–	21,837
Total comprehensive income	–	–	–	59,870	–	21,837
Dividends of surplus	–	–	–	(30,895)	–	–
Purchase of treasury shares	–	–	(40,014)	–	–	–
Disposal of treasury shares	–	(140)	109	–	–	–
Cancellation of treasury shares	–	(36,902)	36,902	–	–	–
Share-based remuneration transactions	–	45	49	–	(75)	–
Transfer from other components of equity to retained earnings	–	–	–	3,310	–	–
Total transactions with owners	–	(36,997)	(2,954)	(27,585)	(75)	–
Balance at December 31, 2024	26,745	427,733	(5,887)	371,050	27	30,661

	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	–	–	–	–	59,870	59,870
Other comprehensive income	(596)	2,404	1,798	25,444	25,444	25,444
Total comprehensive income	(596)	2,404	1,798	25,444	85,314	85,314
Dividends of surplus	–	–	–	–	(30,895)	(30,895)
Purchase of treasury shares	–	–	–	–	(40,014)	(40,014)
Disposal of treasury shares	–	–	–	–	(31)	(31)
Cancellation of treasury shares	–	–	–	–	–	–
Share-based remuneration transactions	–	–	–	(75)	19	19
Transfer from other components of equity to retained earnings	(906)	(2,404)	–	(3,310)	–	–
Total transactions with owners	(906)	(2,404)	–	(3,385)	(70,921)	(70,921)
Balance at December 31, 2024	482	–	–	31,171	850,811	850,811

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before tax	97,246	83,453
Depreciation and amortization	21,096	24,780
Impairment losses (reversal of impairment losses)	10,780	2,060
Increase (decrease) in provisions	496	(203)
Share of loss (profit) of investments accounted for using equity method	(943)	(3,539)
Gain on sales of share and valuation of remaining share (gain)	(14,799)	(7,372)
Foreign exchange loss (gain)	13,205	8,347
Decrease (increase) in inventories	(3,306)	(1,646)
Decrease (increase) in trade receivables	(2,931)	(31,531)
Increase (decrease) in trade payables	4,839	(694)
Increase (decrease) in contract liabilities	(8,149)	(9,910)
Income taxes paid	(8,610)	(17,663)
Other	6,628	21,802
Net cash provided by (used in) operating activities	115,551	67,884
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,213)	(26,037)
Proceeds from sale of property, plant and equipment	328	3,397
Purchase of intangible assets	(15,639)	(79,231)
Purchase of investment securities	(548)	(2,187)
Proceeds from sale of investment securities	1	2,892
Collection of loans receivable	–	4,503
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(48,196)
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	7,780	1,343
Proceeds from redemption of bonds of subsidiaries and associates	5,000	1,000
Other	(90)	127
Net cash provided by (used in) investing activities	(20,382)	(142,387)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from financing activities		
Redemption of bonds with share acquisition rights	–	(9,621)
Repayments of lease liabilities	(3,640)	(4,004)
Purchase of treasury shares	(10)	(40,014)
Dividends paid	(29,027)	(30,895)
Other	143	(163)
Net cash provided by (used in) financing activities	(32,535)	(84,697)
Effect of exchange rate changes on cash and cash equivalents	1,255	799
Net increase (decrease) in cash and cash equivalents	63,889	(158,402)
Cash and cash equivalents at beginning of period	339,194	403,083
Cash and cash equivalents at end of period	403,083	244,681

(5) Notes to Consolidated Financial Statements

Notes on going concern assumption

No applicable items.

Changes in presentation

Consolidated Statement of Cash Flows

"Proceeds from sale of property, plant and equipment," "Purchase of investment securities," and "Proceeds from sale of investment securities," which had previously been included in "Other" of "Cash flows from investing activities" in the fiscal year ended December 31, 2024, 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 Consolidated Financial Statements for the fiscal year ended December 31, 2024. As a result, negative ¥310 million presented as "Other" in "Cash flows from operating activities" in the Consolidated Statement of Cash Flows for the fiscal year ended December 31, 2024, was reclassified as "Proceeds from sale of property, plant and equipment" of ¥328 million, "Purchase of investment securities" of negative ¥548 million, "Proceeds from sale of investment securities" of ¥1 million and "Other" of negative ¥90 million.

Segment information

(1) Outline of reportable segments

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

(2) Information about products and services

Breakdown of revenue from external customers by product and service is as follows.

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Products	400,372	446,786
Revenue from technology out-licensing	41,860	48,772
Total	442,233	495,558

(3) Information about geographical areas

i. Revenue

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Japan	153,462	141,167
Americas	177,296	220,414
(Of which, the U.S.)	172,242	214,871
Europe	65,745	80,248
Asia	44,759	52,466
Other	972	1,263
Total	442,233	495,558

Note: Revenue is classified by region or country based on location of customer.

ii. Non-current assets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Japan	232,661	291,280
Americas	15,229	51,746
Europe	52,469	124,741
Asia	3,535	109
Total	303,894	467,877

Note: Non-current assets are classified based on the location of assets, and do not include investments accounted for using the equity method, financial instruments, retirement benefit asset and deferred tax assets.

(4) Information about major customers

The customer that accounts for 10% or more of revenue in the consolidated statement of profit or loss is as follows:

(Millions of yen)

Customer	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
CVS Caremark Corporation	46,923	58,476

Per share information

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit attributable to ordinary equity holders of parent		
Profit attributable to owners of parent *(Millions of yen)*	81,188	59,870
Profit not attributable to ordinary equity holders of parent *(Millions of yen)*	–	–
Profit used to calculate earnings per share *(Millions of yen)*	81,188	59,870
Weighted average number of ordinary shares outstanding during year *(Shares)*	537,575,538	529,528,608
Increase in number of ordinary shares		
Share acquisition rights *(Shares)*	58,985	28,335
Weighted average number of dilutive potential ordinary shares during year *(Shares)*	537,634,523	529,556,943
Earnings per share		
Basic earnings per share *(Yen)*	151.03	113.06
Diluted earnings per share *(Yen)*	151.01	113.06

Significant subsequent events

No applicable items.