



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

## **Consolidated Financial Summary (IFRS) Fiscal 2021 First Quarter (January 1, 2021 – March 31, 2021)**

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

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS)  
for Three Months Ended March 31, 2021**

May 6, 2021

Company Name: Kyowa Kirin Co., Ltd.

Listed Exchanges: 1st Section of the Tokyo Stock Exchange

Stock Code: 4151

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Scheduled date of submission of Quarterly Securities Report: May 6, 2021

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, 2021**

**(1) Consolidated operating results**

*(Percentages indicate year-on-year changes.)*

	Revenue		Core operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2021	81,115	4.9	15,517	(7.4)	16,160	4.2	12,921	(6.7)
March 31, 2020	77,293	1.9	16,762	(3.3)	15,513	26.6	13,842	70.6

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

Three months ended March 31, 2020: ¥6,240 million; (44.3)%

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

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Three months ended				
March 31, 2021	12,921	(6.7)	24.05	24.04
March 31, 2020	13,842	70.6	25.78	25.76

**(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
	Millions of yen	Millions of yen	Millions of yen	%
As of				
March 31, 2021	809,072	707,810	707,810	87.5
December 31, 2020	801,290	698,396	698,396	87.2

**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, 2020	–	22.00	–	22.00	44.00
Fiscal year ending December 31, 2021	–				
Fiscal year ending December 31, 2021 (Forecast)		23.00	–	23.00	46.00

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

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2021  
(from January 1, 2021 to December 31, 2021)**

(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	351,000	10.3	65,000	8.4	64,000	22.5	50,000	6.3	50,000	6.3	93.08

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

**\* Notes**

- (1) Changes to significant subsidiaries during the period (Changes of specified subsidiaries resulting in changes in the scope of consolidation during the period under review): No
- (2) Changes in accounting policies, and accounting estimates:
  - a. Changes in accounting policies required by IFRS: No
  - b. Changes in accounting policies other than a. above: No
  - c. Changes in accounting estimates: No
- (3) Number of shares issued (ordinary shares)

- a. Number of shares issued (including treasury shares)

As of March 31, 2021	540,000,000 shares
As of December 31, 2020	540,000,000 shares

- b. Number of treasury shares

As of March 31, 2021	2,814,224 shares
As of December 31, 2020	2,823,975 shares

- c. Average number of shares during the period

Three months ended March 31, 2021	537,182,044 shares
Three months ended March 31, 2020	536,969,554 shares

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
  
- \* Notice regarding the appropriate use of the earnings forecasts and other special comments  
The forward-looking statements, including earnings forecasts, contained in these materials are based on the information currently available to the Company and on certain assumptions deemed to be reasonable by management. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections for a wide variety of reasons.

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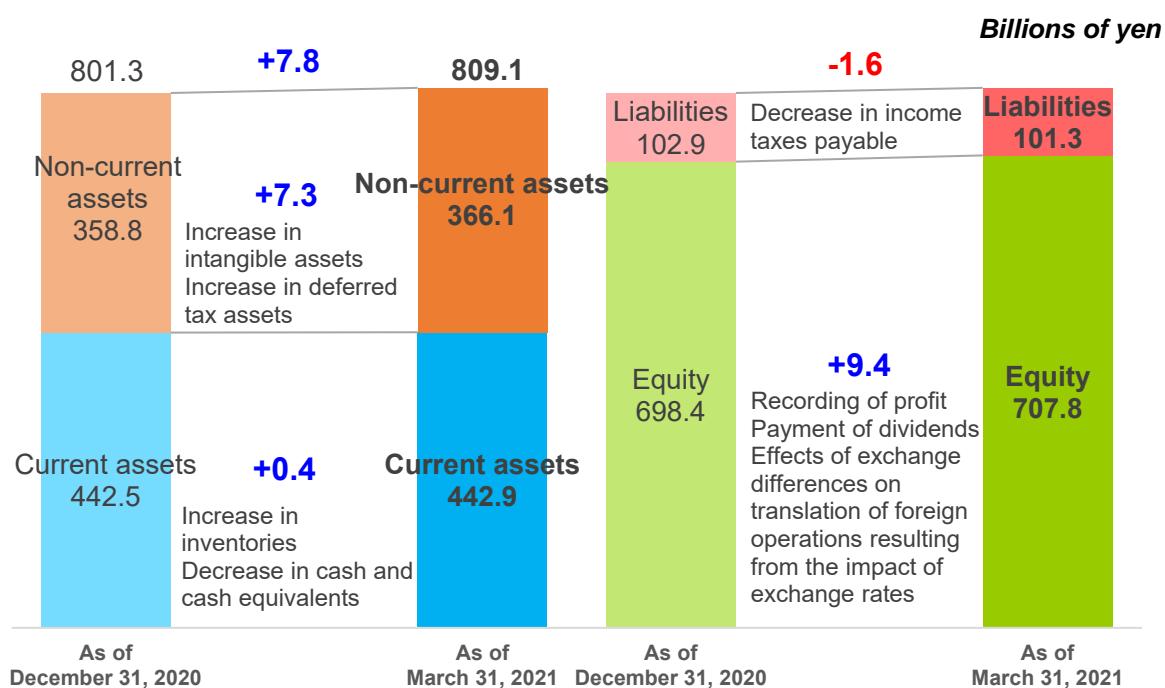
## 1. Operating Results and Financial Statements

### (1) Summary of Consolidated Financial Position

(Billions of yen)

	As of December 31, 2020	As of March 31, 2021	Year-on-year change
Assets	801.3	809.1	7.8
Non-current assets	358.8	366.1	7.3
Current assets	442.5	442.9	0.4
Liabilities	102.9	101.3	(1.6)
Equity	698.4	707.8	9.4
Ratio of equity attributable to owners of parent to total assets (%)	87.2%	87.5%	0.3%

- Assets as of March 31, 2021, were ¥809.1 billion, an increase of ¥7.8 billion compared to the end of the previous fiscal year.
  - Non-current assets increased by ¥7.3 billion to ¥366.1 billion, due mainly to an increase in deferred tax assets, in addition to an increase in intangible assets associated with the impact of yen depreciation.
  - Current assets were ¥442.9 billion, nearly flat compared to the end of the previous fiscal year, mainly reflecting an increase in inventories, despite a decrease in cash and cash equivalents due to the payment of dividends and income taxes.
- Liabilities as of March 31, 2021, were ¥101.3 billion, a decrease of ¥1.6 billion compared to the end of the previous fiscal year, due mainly to a decrease in income taxes payable.
- Equity as of March 31, 2021, was ¥707.8 billion, an increase of ¥9.4 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, etc. As a result, the ratio of equity attributable to owners of parent to total assets as of the end of the first quarter was 87.5%, an increase of 0.3 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, 2020	Three months ended March 31, 2021	Year-on-year change	Year-on-year (%)
Revenue	77.3	81.1	3.8	4.9%
Core operating profit	16.8	15.5	(1.2)	(7.4)%
Profit before tax	15.5	16.2	0.6	4.2%
Profit attributable to owners of parent	13.8	12.9	(0.9)	(6.7)%

< Average exchange rates for each period >

Currency	Three months ended March 31, 2020	Three months ended March 31, 2021	Year-on-year change
USD (USD/¥)	¥110	¥105	Down ¥5
GBP (GBP/¥)	¥143	¥143	¥-
CNY (CNY/¥)	¥15.7	¥16.1	Up ¥0.4

For the three months ended March 31, 2021 (January 1, 2021 to March 31, 2021), revenue was ¥81.1 billion (up 4.9% compared to the same period of the previous fiscal year), and core operating profit was ¥15.5 billion (down 7.4%). Profit attributable to owners of parent was ¥12.9 billion (down 6.7%).

- The increase in revenue was the result of steady growth of global strategic products in North America and EMEA and strong sales in Asia, mainly in China, despite lower revenue in Japan. The negative effect on revenue from foreign exchange was ¥0.9 billion.
- The decrease in core operating profit was the result of an increase in selling, general and administrative expenses, despite an increase in gross profit due to an increase in overseas revenue. The negative effect on core operating profit from foreign exchange was ¥0.4 billion.
- Profit attributable to owners of parent decreased as a result of an increase in income tax expense in addition to a decrease in core operating profit, despite a decrease in other expenses.



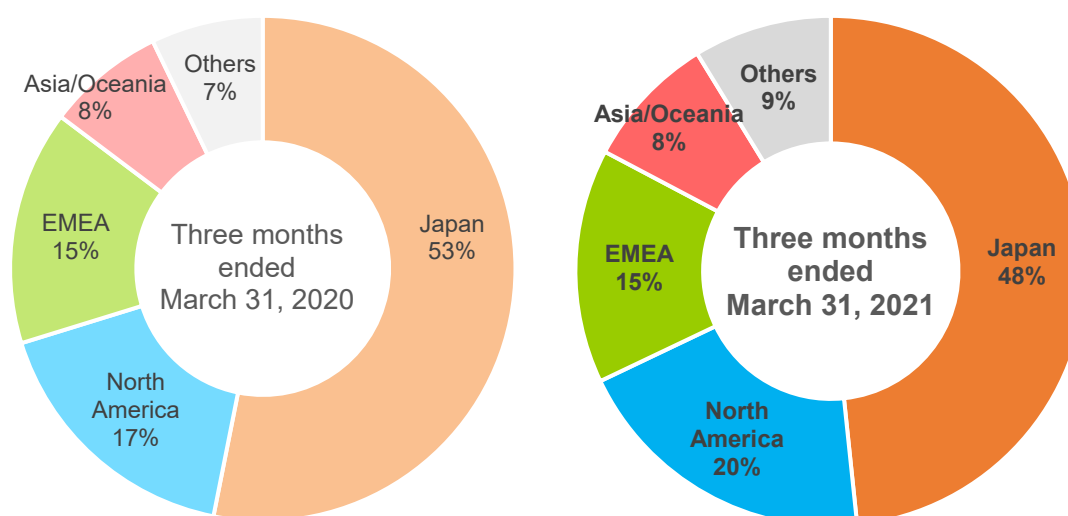
## 2) Revenue by regional control function

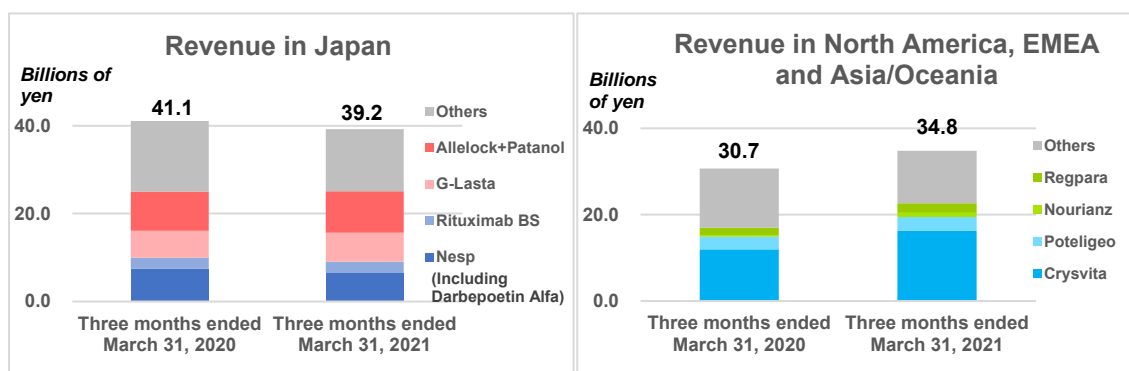
*(Billions of yen)*

	Three months ended March 31, 2020	Three months ended March 31, 2021	Year-on-year change	Year-on-year (%)
Japan	41.1	39.2	(1.8)	(4.5)%
North America	13.2	15.9	2.7	20.1%
EMEA	11.6	12.0	0.4	3.5%
Asia/Oceania	5.8	6.9	1.0	17.9%
Others	5.5	7.1	1.6	28.2%
Total consolidated revenue	77.3	81.1	3.8	4.9%

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

## Composition of revenue by regional control function





## &lt; Overview of Japan &gt;

(Billions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021	Year-on-year change	Year-on-year (%)
Darbepoetin Alfa Injection Syringe [KKF]	6.3	5.5	(0.7)	(11.8)%
G-Lasta	6.1	6.6	0.5	7.5%
Romiplate	2.0	1.5	(0.5)	(24.0)%
Patanol	5.9	6.5	0.6	11.1%
Crysvita	0.5	1.5	1.0	181.6%
HARUROPI	0.1	0.6	0.5	504.0%
(Reference) Asacol, Minirinmelt and Desmopressin	1.5	–	(1.5)	(100.0)%

- Revenue in Japan decreased year on year due to the impact of the expiration of co-marketing agreements for some products, in addition to the impact of the reductions in drug price standards implemented in April 2020, despite the growth in sales of new product groups, such as Crysvita®, a treatment for FGF23-related diseases.
  - Revenue from Darbepoetin Alfa Injection Syringe [KKF], a renal anemia treatment drug, decreased due to the impact of the market penetration of rival products.
  - Firm growth in revenue was realized for G-Lasta®, an agent for decreasing the incidence of febrile neutropenia.
  - Revenue from ROMIPLATE®, a treatment for chronic idiopathic thrombocytopenic purpura, decreased as a result of adjusting the shipments to distributors (June 2020 to March 2021).
  - Revenue from Patanol®, anti-allergy eye drops, increased as a result of higher pollen counts.
  - Crysvita®, a treatment for FGF23-related diseases, and HARUROPI®, a Parkinson's disease treatment patch, have been penetrating the market favorably since their launch in 2019.
  - Revenue from ASACOL®, an ulcerative colitis treatment drug, and MINIRINMELT® and DESMOPRESSIN, which are treatments for central diabetes insipidus, decreased as a result of the Company discontinuing its sales of ASACOL® on March 31, 2020 and MINIRINMELT® and DESMOPRESSIN on April 27, 2020.

## &lt; Overview of North America, EMEA and Asia/Oceania &gt;

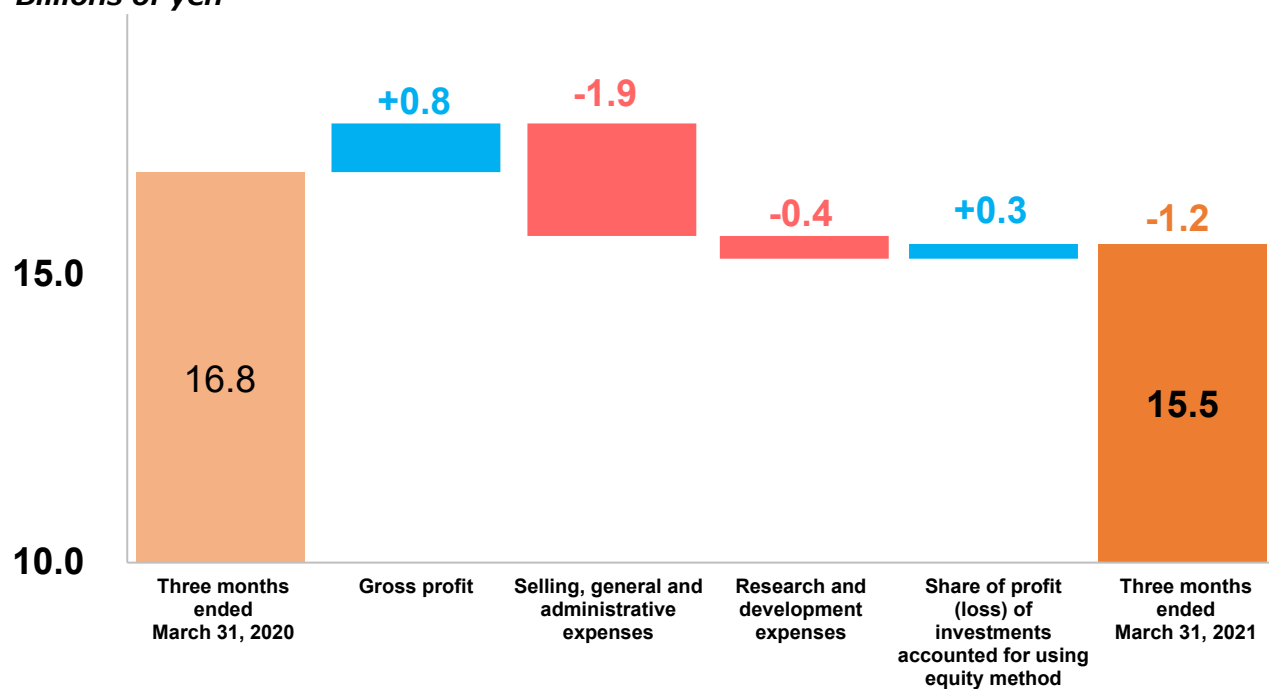
*(Billions of yen)*

	Three months ended March 31, 2020	Three months ended March 31, 2021	Year-on-year change	Year-on-year (%)
Crysvita	12.0	16.3	4.3	36.0%
Poteligeo	2.9	3.2	0.2	7.8%
Nourianz	0.4	1.0	0.6	168.2%
Regpara	1.7	2.2	0.5	30.9%
Abstral	2.8	1.8	(1.0)	(35.4)%

- Revenue in North America increased year on year due to the steady growth of global strategic products.
  - Revenue from Crysvita<sup>®</sup>, a treatment for X-linked hypophosphatemia, has been growing steadily since its launch in 2018. Approval for additional indication for treatment of tumor induced osteomalacia was acquired in June 2020.
  - Revenue from POTELIGEO<sup>®</sup>, an anticancer agent, stayed at the same level as in the previous fiscal year, due to the impact of the COVID-19 pandemic.
  - NOURIANZ<sup>™</sup> (product name in Japan: NOURIAST<sup>®</sup>), an antiparkinsonian agent, has been penetrating the market favorably since its launch in 2019.
- Revenue in EMEA increased year on year due to the steady growth of global strategic products.
  - Revenue from Crysvita<sup>®</sup>, a treatment for X-linked hypophosphatemia, has been growing steadily as the number of countries where it has been released has been increasing since its launch in 2018. Approval for sale with the extended indication for older adolescents and adults was acquired in September 2020.
  - Sales of POTELIGEO<sup>®</sup>, an anticancer agent, was launched in June 2020 in Germany, and it has been penetrating the market favorably as the number of countries where it has been released has been increasing.
  - Revenue from Abstral<sup>®</sup>, a treatment for cancer pain, decreased year on year due mainly to the impact of the market penetration of generics and shipping schedule adjustments.
- Revenue in Asia/Oceania increased year on year, reflecting strong sales particularly in China.
  - Revenue from REGPARA<sup>®</sup>, a treatment for secondary hyperparathyroidism, increased year on year due to market expansion in China.

- Revenue from Others increased year on year.
  - Technology out-licensing increased in conjunction with the conclusion of an agreement to grant Aevi Genomic Medicine, LLC the rights to develop, manufacture and commercialize the human anti-LIGHT monoclonal antibody for all indications worldwide, in addition to an increase in royalties revenue from AstraZeneca in relation to benralizumab.

## 3) Core operating profit

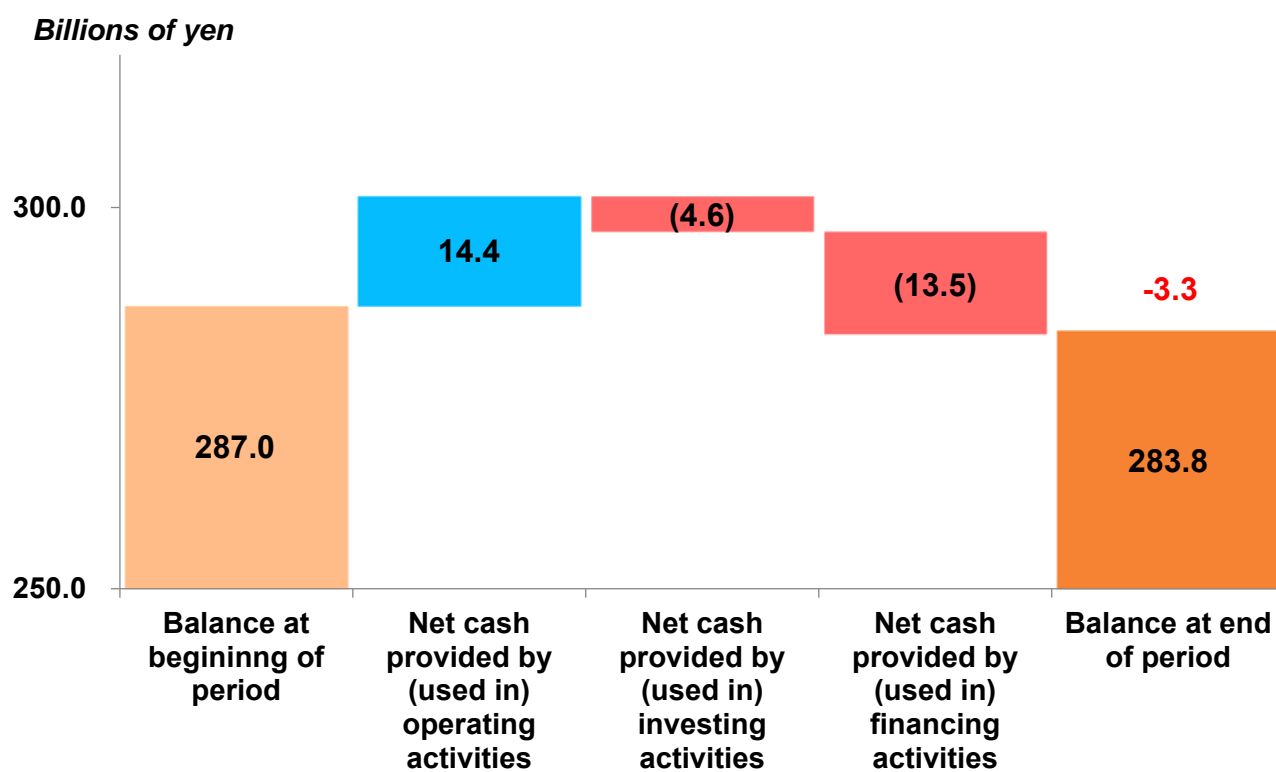
*Billions of yen*

- Core operating profit decreased compared to the same period of the previous fiscal year due mainly to an increase in selling, general and administrative expenses in order to maximize the value of global strategic products and rapidly establish competitive global business bases, despite an increase in gross profit due to an increase in overseas revenue mainly from global strategic products.

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

	Three months ended March 31, 2020	Three months ended March 31, 2021	Year-on-year change	Year-on-year (%)
Net cash provided by (used in) operating activities	0.6	14.4	13.8	–
Net cash provided by (used in) investing activities	100.3	(4.6)	(104.9)	–
Net cash provided by (used in) financing activities	(12.5)	(13.5)	(1.0)	7.9%
Cash and cash equivalents at beginning of period	20.8	287.0	266.3	–
Cash and cash equivalents at end of period	108.0	283.8	175.8	162.8%

- Cash and cash equivalents as of March 31, 2021 were ¥283.8 billion, a decrease of ¥3.3 billion compared with the balance of ¥287.0 billion as of December 31, 2020.  
The main contributing factors affecting cash flow during the three months ended March 31, 2021 were as follows:
- Net cash provided by operating activities was ¥14.4 billion, compared with net cash provided by operating activities of ¥0.6 billion in the same period of the previous fiscal year. Major inflows included profit before tax of ¥16.2 billion and depreciation and amortization of ¥4.7 billion. Major outflows included income taxes paid of ¥4.5 billion.
- Net cash used in investing activities was ¥4.6 billion, compared with net cash provided by investing activities of ¥100.3 billion in the same period of the previous fiscal year. Major outflows included ¥3.0 billion for purchase of property, plant and equipment and ¥1.6 billion for purchase of intangible assets.
- Net cash used in financing activities was ¥13.5 billion, compared with net cash used in financing activities of ¥12.5 billion in the same period of the previous fiscal year. Major outflows included dividends paid of ¥11.8 billion.



#### (4) Research and Development Activities

The Group continuously and actively invests resources in research and development activities. We aim to advance both a technological pillar that can build a platform for applying various modalities and discovering innovative drugs and a disease pillar that continues to provide “only-one value drugs” for diseases for which there are no effective treatments while utilizing the disease science accumulated by the Group thus far, build a highly competitive pipeline, and provide new drugs with life-changing value worldwide.

For the three months ended March 31, 2021, the Group’s research and development expenses totaled ¥12.2 billion, and our progress in the respective disease fields of our main late-stage development products are as follows. (“◆” indicates the progress made during the first quarter of fiscal 2021.)

#### Nephrology

##### RTA 402

- ◆ In January 2021, we started a phase III clinical study in Japan for treatment of autosomal dominant polycystic kidney disease.

#### Oncology

##### KRN125 (product name in Japan: G-Lasta®)

- ◆ In March 2021, the Company filed an application for a partial change of approval indication for the mobilization of hematopoietic stem cells into peripheral blood for allogenic blood stem cell transplantation in Japan.










#### Other

##### KRN23 (product name in Japan, U.S. and Europe: Crysvita®)






- ◆ In January 2021, an application for partial change approval for our biologics license regarding its indication for treatment of tumor induced osteomalacia was accepted in Europe. (application filed in December 2020)
- ◆ In January 2021, we obtained approval of its indication for treatment of X-linked hypophosphatemic rickets and osteomalacia in China.
- ◆ In March 2021, we obtained approval of its indication for treatment of tumor induced osteomalacia in China.

#### R&D pipeline




 antibody
  protein
  small molecule
  New Molecular Entity
  Updated since Dec. 31, 2020
  Updated since Dec. 31, 2020

Nephrology					As of Mar. 31, 2021				
Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK7580 Evocalcet Oral	Calcimimetic	Secondary Hyperparathyroidism	CN Asia						[Mitsubishi Tanabe Pharma] product name in Japan: Orkedia
 RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	Diabetic Kidney Disease	JP						[Reata]
		Autosomal Dominant Polycystic Kidney Disease	JP						
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Preeclampsia	JP						[In-House] product name in Japan: Acoalan
 KHK7791 Tenapanor Oral	NHE3 Inhibitor	Hyperphosphatemia Under Maintenance Dialysis	JP						[Ardelyx]





Oncology

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Mycosis Fungoides and Sézary Syndrome	AU	→					[In-House] POTELLIGENT® product name in Japan, U.S. and Europe: Poteligeo
			CH SA KR	→					
			CA KW	→					
 ©KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	JP	→					[Syndax]
 KRN125 Pegfilgrastim Injection	Long-Acting Granulocyte Colony-Stimulating Factor	Mobilization of Hematopoietic Stem Cells into Peripheral Blood for Allogeneic Blood Stem Cell Transplantation	JP	→					[Kirin-Amgen] product name in Japan:G-Lasta
		Automated Injection Device for Decreasing the Incidence of Febrile Neutropenia in Patients Receiving Cancer Chemotherapy	JP	→					
 ©KHK2455 Oral	IDO1 Inhibitor	Solid Tumor	NA	→					[In-House] Combination with KW-0761
		Urothelial carcinoma	NA	→					[In-House] Combination with avelumab
			EU	→					
 ©ME-401 Zandelisib Oral	PI3Kδ Inhibitor	Indolent B-cell Non-Hodgkin's Lymphoma	JP	→					[MEI Pharma]
		B-cell malignancies	NA	→					
		Follicular Lymphoma	NA EU Asia Oceania	→					

Immunology/Allergy





Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Systemic Sclerosis	JP	→					[Kirin-Amgen] product name in Japan: Lumicef
		Palmoplantar Pustulosis	JP	→					
 ©KHK4083 Injection	Anti-OX40 Fully Human Antibody	Atopic Dermatitis	JP NA EU	→					[In-House] POTELLIGENT® Human Antibody-Producing Technology
 ©ASKP1240 Blieselumab Injection	Anti-CD40 Fully Human Antibody	Recurrence of Focal Segmental Glomerulosclerosis (FSGS) in de novo kidney transplant recipients	NA	→					[In-House] Human Antibody-Producing Technology Jointly Developed with Astellas

Central Nervous System

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KW-6002 Istradefylline Oral	Adenosine A <sub>2A</sub> Receptor Antagonist	Parkinson's Disease	EU	→					[In-House] product name in Japan: Nourias, product name in U.S.: Nouriaz
 KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	HTLV-1 associated myelopathy (HAM)	JP	→					[In-House] POTELLIGENT® product name in Japan, U.S. and Europe: Poteligeo
 ©KW-6356 Oral	Adenosine A <sub>2A</sub> Receptor Antagonist/Inverse Agonist	Parkinson's Disease	JP	→					[In-House]
 ©KHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	JP EU	→					[Immunas Pharma]



Other

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	CN BH	→					[In-House] Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU product name in Japan, U.S. and Europe: Crysvita
			AU SA SG	→					
			TL MY	→					
		Tumor Induced Osteomalacia (TIO)	CN	→					
			EU	→					
			CA	→					
 AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Who Have Had an Inadequate Response to Conventional Therapy	Asia	→ Ph II / Ph III					[Kirin-Amgen] product name in Japan: Romiplate
		Idiopathic (Immune) Thrombocytopenic Purpura	CN	→					
		Aplastic Anemia Who Were Previously Untreated with Immunosuppressive Therapy	JP Asia	→ Ph II / Ph III					
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	EU	→					[In-House] product name in Japan: Acoalan
 KHK4951		Wet Age-Related Macular Degeneration	JP	→					[In-House]

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

No revisions have been made to the consolidated earnings forecasts announced on February 4, 2021.

## 2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereeto

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

(Millions of yen)

	As of December 31, 2020	As of March 31, 2021
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	76,012	75,132
Goodwill	132,695	135,619
Intangible assets	75,027	76,427
Investments accounted for using equity method	9,475	10,427
Other financial assets	17,323	18,150
Retirement benefit asset	14,674	14,316
Deferred tax assets	33,133	35,633
Other non-current assets	468	440
Total non-current assets	358,808	366,143
Current assets		
Inventories	51,281	55,093
Trade and other receivables	92,287	92,564
Other financial assets	636	744
Other current assets	6,161	5,669
Cash and cash equivalents	287,019	283,763
Subtotal	437,385	437,833
Assets held for sale	5,097	5,097
Total current assets	442,482	442,929
Total assets	801,290	809,072

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

	As of December 31, 2020	As of March 31, 2021
<b>Equity</b>		
Share capital	26,745	26,745
Capital surplus	463,967	463,995
Treasury shares	(3,545)	(3,506)
Retained earnings	226,639	227,742
Other components of equity	(15,410)	(7,167)
Total equity attributable to owners of parent	698,396	707,810
Total equity	698,396	707,810
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Retirement benefit liability	216	246
Provisions	7,823	7,756
Deferred tax liabilities	92	105
Other financial liabilities	13,159	12,951
Other non-current liabilities	854	1,023
Total non-current liabilities	22,145	22,082
<b>Current liabilities</b>		
Trade and other payables	54,867	55,284
Provisions	2,027	1,508
Other financial liabilities	5,123	5,026
Income taxes payable	4,661	2,854
Other current liabilities	14,070	14,508
Total current liabilities	80,749	79,181
Total liabilities	102,894	101,262
Total equity and liabilities	801,290	809,072

**(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, 2020 to March 31, 2020	January 1, 2021 to March 31, 2021
Revenue	77,293	81,115
Cost of sales	(19,413)	(22,392)
Gross profit	57,880	58,723
Selling, general and administrative expenses	(29,702)	(31,651)
Research and development expenses	(11,800)	(12,193)
Share of profit (loss) of investments accounted for using equity method	384	637
Other income	248	208
Other expenses	(1,860)	(176)
Finance income	440	705
Finance costs	(77)	(95)
Profit before tax	15,513	16,160
Income tax expense	(1,671)	(3,239)
Profit	13,842	12,921
Profit attributable to Owners of parent	13,842	12,921
Earnings per share		
Basic earnings per share (Yen)	25.78	24.05
Diluted earnings per share (Yen)	25.76	24.04

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

	January 1, 2020 to March 31, 2020	January 1, 2021 to March 31, 2021
Profit	13,842	12,921
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(999)	446
Share of other comprehensive income of investments accounted for using equity method	(72)	—
Total of items that will not be reclassified to profit or loss	(1,071)	446
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,508)	7,791
Share of other comprehensive income of investments accounted for using equity method	(23)	26
Total of items that may be reclassified to profit or loss	(6,531)	7,817
Other comprehensive income	(7,602)	8,263
Comprehensive income	6,240	21,184
Comprehensive income attributable to Owners of parent	6,240	21,184

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

January 1, 2020 to March 31, 2020

*(Millions of yen)*

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2020	26,745	463,893	(3,792)	201,253	751	(13,647)
Profit	–	–	–	13,842	–	–
Other comprehensive income	–	–	–	–	–	(6,531)
Total comprehensive income	–	–	–	13,842	–	(6,531)
Dividends of surplus	–	–	–	(11,813)	–	–
Purchase of treasury shares	–	–	(4)	–	–	–
Disposal of treasury shares	–	(0)	118	–	–	–
Share-based remuneration transactions	–	–	–	–	(83)	–
Transfer from other components of equity to retained earnings	–	–	–	(73)	–	–
Total transactions with owners	–	(0)	114	(11,885)	(83)	–
Balance at March 31, 2020	26,745	463,892	(3,678)	203,209	668	(20,178)

	Equity attributable to owners of parent				Total equity
	Other components of equity			Total	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total		
Balance at January 1, 2020	3,047	–	(9,849)	678,250	678,250
Profit	–	–	–	13,842	13,842
Other comprehensive income	(999)	(73)	(7,602)	(7,602)	(7,602)
Total comprehensive income	(999)	(73)	(7,602)	6,240	6,240
Dividends of surplus	–	–	–	(11,813)	(11,813)
Purchase of treasury shares	–	–	–	(4)	(4)
Disposal of treasury shares	–	–	–	117	117
Share-based remuneration transactions	–	–	(83)	(83)	(83)
Transfer from other components of equity to retained earnings	–	73	73	–	–
Total transactions with owners	–	73	(11)	(11,783)	(11,783)
Balance at March 31, 2020	2,048	–	(17,462)	672,707	672,707

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

January 1, 2021 to March 31, 2021

*(Millions of yen)*

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

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

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

	<i>(Millions of yen)</i>	
	January 1, 2020 to March 31, 2020	January 1, 2021 to March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before tax	15,513	16,160
Depreciation and amortization	4,695	4,660
Impairment losses (reversal of impairment losses)	54	(54)
Increase (decrease) in provisions	845	(639)
Share of loss (profit) of investments accounted for using equity method	(384)	(637)
Decrease (increase) in inventories	(5,019)	1,150
Decrease (increase) in trade receivables	(3,144)	1,942
Increase (decrease) in trade payables	2,687	380
Income taxes paid	(14,784)	(4,501)
Other	153	(1,756)
Net cash provided by (used in) operating activities	617	14,404
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,466)	(2,960)
Purchase of intangible assets	(95)	(1,590)
Purchase of investments accounted for using equity method	(500)	–
Net decrease (increase) in loans receivable from parent	103,300	–
Other	1,015	(88)
Net cash provided by (used in) investing activities	100,253	(4,638)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(696)	(851)
Purchase of treasury shares	(4)	(5)
Dividends paid	(11,813)	(11,818)
Other	34	(788)
Net cash provided by (used in) financing activities	(12,478)	(13,462)
Effect of exchange rate changes on cash and cash equivalents	(1,189)	440
Net increase (decrease) in cash and cash equivalents	87,203	(3,256)
Cash and cash equivalents at beginning of period	20,762	287,019
Cash and cash equivalents at end of period	107,965	283,763



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

No applicable items.

**Changes in Presentation**

Effective from the first quarter of fiscal 2021, from the perspective of providing greater convenience for users of consolidated financial statements while promoting dialogue with investors and in conjunction with the start of the FY2021-2025 Medium Term Business Plan, the Company has changed the order in which information is presented in the Condensed Quarterly Consolidated Statement of Financial Position, Condensed Quarterly Consolidated Statement of Profit or Loss, Condensed Quarterly Consolidated Statement of Comprehensive Income, Condensed Quarterly Consolidated Statement of Changes in Equity, and Condensed Quarterly Consolidated Statement of Cash Flows. The presentation order has changed from listing the information for the current fiscal year first, then the information for the comparative year to listing the information for the comparative year first, then the information for the current fiscal year.

**Segment information**

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