



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

## **Consolidated Financial Summary (IFRS) Fiscal 2020**

**(January 1, 2020 – December 31, 2020)**

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

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS)**  
**for Fiscal Year Ended December 31, 2020**

(The twelve-month period from January 1, 2020 to December 31, 2020)

February 4, 2021

Company Name: Kyowa Kirin Co., Ltd.

Listed Exchanges: 1st Section of the Tokyo Stock Exchange

Stock Code: 4151

President &amp; Chief Executive Officer: Masashi Miyamoto

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Scheduled date of Ordinary General Meeting of Shareholders: March 24, 2021

Scheduled start date of dividend payment: March 25, 2021

Scheduled date of submission of Annual Securities Report: March 9, 2021

Appendix materials to accompany the annual financial report: Yes

FY2020 earnings 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, 2020**  
**(from January 1, 2020 to December 31, 2020)**

## (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Core operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	318,352	4.1	59,955	1.0	52,263	17.5	47,027	(29.9)
December 31, 2019	305,820	12.6	59,353	18.0	44,492	(33.4)	67,084	23.3

Total comprehensive income: Fiscal year ended December 31, 2020: ¥43,611 million; (40.4)%

Fiscal year ended December 31, 2019: ¥73,162 million; 47.7%

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.

Fiscal year ended	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
	Millions of yen	%	Yen	Yen	%	%
December 31, 2020	47,027	(29.9)	87.56	87.50	6.8	6.6
December 31, 2019	67,084	23.3	124.57	124.46	10.1	5.8

(Reference) Share of profit (loss) of investments accounted for using equity method:

Fiscal year ended December 31, 2020: ¥964 million;

Fiscal year ended December 31, 2019: ¥3,980 million

## (2) Consolidated financial position

As of	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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2020	801,290	698,396	698,396	87.2	1,300.12
December 31, 2019	784,453	678,250	678,250	86.5	1,263.16

**(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, 2020	39,502	252,559	(26,003)	287,019
December 31, 2019	53,655	(933)	(47,371)	20,762

**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, 2019	–	20.00	–	22.00	42.00	22,552	33.7	3.4
Fiscal year ended December 31, 2020	–	22.00	–	22.00	44.00	23,636	50.3	3.4
Fiscal year ending December 31, 2021 (Forecast)	–	23.00	–	23.00	46.00		48.5	

Note: The figures for “dividend payout ratio (consolidated)” until the fiscal year ended December 31, 2020 indicate the dividend payout ratio based on basic earnings per share, and the figure for the fiscal year ending December 31, 2021 (forecast) 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, 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

**\* 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 December 31, 2020	540,000,000 shares
As of December 31, 2019	540,000,000 shares

## b. Number of treasury shares

As of December 31, 2020	2,823,975 shares
As of December 31, 2019	3,053,335 shares

## c. Average number of shares during the period

FY ended December 31, 2020	537,109,444 shares
FY ended December 31, 2019	538,542,438 shares

(Reference)

Non-Consolidated Results for the Fiscal Year Ended December 31, 2020 (Japanese GAAP)  
(from January 1, 2020 to December 31, 2020)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	252,933	2.7	48,669	(2.7)	49,562	(32.4)	31,250	(65.8)
December 31, 2019	246,274	14.5	50,029	18.5	73,363	57.2	91,473	91.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2020	58.18	58.15
December 31, 2019	169.85	169.71

## (2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2020	687,680	555,730	80.7	1,033.43
December 31, 2019	618,306	549,020	88.7	1,021.09

(Reference) Equity: As of December 31, 2020: ¥555,135 million; As of December 31, 2019: ¥548,269 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 pages 17 and 18 of the attachment, “(5) Outlook for Fiscal 2021” in “1. Summary of Business Performance and Financial Position.”

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## 1. Summary of Business Performance and Financial Position

Responding to the massive changes to the business and social environments occurring as a result of the global spread of the novel coronavirus disease (COVID-19), the Kyowa Kirin Group (the “Group”) has been striving to provide stable supply of pharmaceuticals, which is a core mission of a pharmaceutical company, as an utmost priority, and while paying meticulous attention to preventing infection, carrying out activities such as information provision. Furthermore, as this fiscal year is the final year of our FY2016-2020 Mid-term Business Plan, we set our sights on achieving a further leap forward as a global specialty pharmaceutical company through various initiatives including efforts to maximize the value of three global strategic products, strengthen global governance, and research and development for future growth.

In addition to changes to healthcare environments and restraints on business activities across the globe due to the COVID-19 pandemic, the Group faced other extremely difficult environments, such as the lowering of drug price standards in Japan. Nevertheless, the Group increased its revenues mainly due to the penetration of three global strategic products in US/EU market. In Japan, the Group launched Duvroq, an oral treatment for renal anemia, in August 2020. By utilizing our abundant experience in the field of renal anemia, we carried out activities to provide information on proper use of medication, giving utmost attention to safety.

The Group is seeing steady progress for the three global strategic products. Regarding Crysvita<sup>®</sup>, we obtained approvals for its additional indication for tumor induced osteomalacia in the United States and for extending its indication to include X-linked hypophosphatemia in older adolescents and adult patients in Europe and there was an increase in formulations for self-administration at home in Japan. Regarding the treatment for mycosis fungoides and Sézary syndrome, POTELIGEO<sup>®</sup>, we commenced sales in Europe, beginning with Germany in June 2020. Furthermore, regarding NOURIANZ<sup>™</sup> (generic name: Istradefylline (product name in Japan: NOURIAST<sup>®</sup>)), which has already been launched in the United States, our application for approval regarding its indication for combination therapy for Parkinson’s disease was accepted in Europe.

Concerning the voluntary recall of mitomycin that occurred in 2019, the Group received the report on the investigation from the Group Investigation Committee spearheaded by a third-party in January 2020, and formulated the recurrence prevention measures. As matters of the highest priority for management, the Group has formulated three key management priorities to strengthen our foundation as a global specialty pharmaceutical company: creation of a strong production and quality assurance system, improvement of risk management and reformation of corporate culture. The Group will work on those management priorities continuously and sincerely over the five-year mid-term business plan commencing 2021.

### (1) Summary of Business Performance in Fiscal 2020

#### 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, 2020	Fiscal year ended December 31, 2019	Year-on-year change	Year-on-year (%)
Revenue	318.4	305.8	12.5	4.1%
Core operating profit	60.0	59.4	0.6	1.0%
Profit before tax	52.3	44.5	7.8	17.5%
Profit from continuing operations	47.0	37.7	9.4	24.8%
Profit from discontinued operations	–	29.4	(29.4)	–%
Profit attributable to owners of parent	47.0	67.1	(20.1)	(29.9)%

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

Currency	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019	Year-on-year change
USD (USD/¥)	¥107	¥109	Down ¥2
GBP (GBP/¥)	¥137	¥140	Down ¥3
CNY (CNY/¥)	¥15.5	¥15.8	Down ¥0.3

For the fiscal year ended December 31, 2020, revenue was ¥318.4 billion (up 4.1% compared to the previous fiscal year) and core operating profit was ¥60.0 billion (up 1.0%). Profit attributable to owners of parent was ¥47.0 billion (down 29.9%).

- 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 the impact of lower revenue in Japan from the reduction in drug price standards and the switching to Darbepoetin Alfa Injection Syringe [KKF], an authorized generic of NESP<sup>®</sup>, a renal anemia treatment drug, among others. The negative effect on revenue from foreign exchange was ¥2.9 billion.
- The increase in core operating profit was the result of an increase in gross profit due to an increase in overseas revenue, despite an increase in selling, general and administrative expenses, and a decrease in share of profit (loss) of investments accounted for using equity method. The negative effect on core operating profit from foreign exchange was ¥1.3 billion.
- Profit attributable to owners of parent decreased as a result of the absence of the profit from discontinued operations recorded in the previous fiscal year, despite lower business restructuring expenses and impairment losses in addition to an increase in core operating profit.

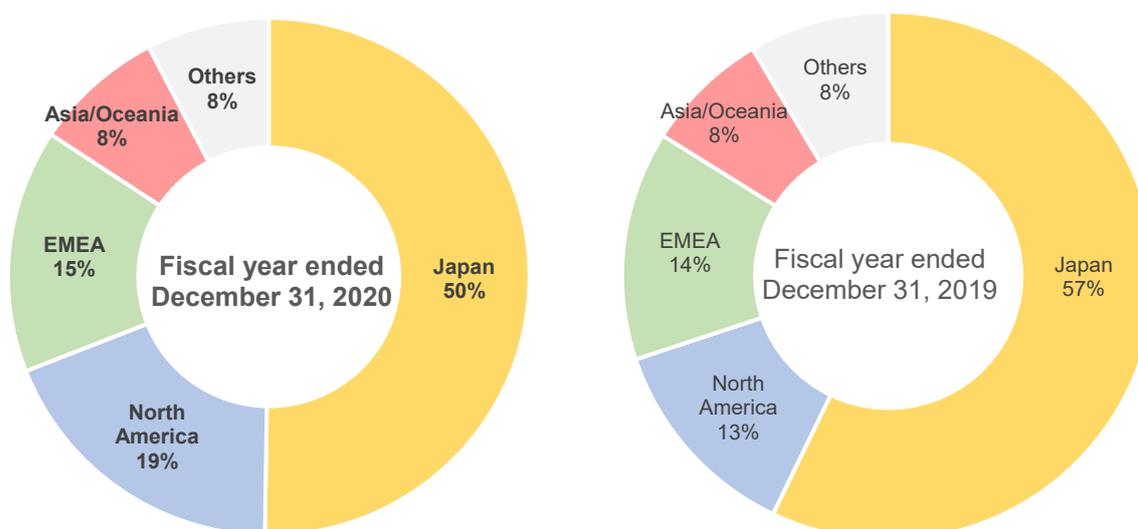
## 2) Revenue by regional control function

(Billions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019	Year-on-year change	Year-on-year (%)
Japan	159.9	174.7	(14.8)	(8.5)%
North America	59.9	39.0	20.9	53.6%
EMEA	48.4	42.9	5.5	12.7%
Asia/Oceania	25.9	23.1	2.7	11.8%
Others	24.2	26.0	(1.8)	(7.0)%
Total consolidated revenue	318.4	305.8	12.5	4.1%

- Notes: 1. Revenue by regional control function is classified based on consolidated revenue from products of regional control functions in the One Kyowa Kirin 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; Revenue of major products (Japan) &gt;

(Billions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019	Year-on-year change	Year-on-year (%)
Nesp	4.4	33.6	(29.3)	(87.0)%
Darbepoetin Alfa Injection Syringe [KKF]	25.2	14.0	11.2	79.7%
Duvroq	0.6	–	0.6	–%
Patanol	10.6	13.6	(3.0)	(22.0)%
Allelock	8.6	10.8	(2.2)	(20.6)%
Orkedia	9.1	6.9	2.2	31.3%
Regpara	3.8	6.5	(2.7)	(41.2)%
Romiplate	7.6	4.9	2.8	56.9%
G-Lasta	26.7	24.6	2.1	8.5%
Rituximab BS [KHK]	11.8	9.7	2.1	21.6%
Crysvita	3.8	0.1	3.7	–%
HARUROPI	0.9	0.1	0.8	877.6%

- Revenue in Japan decreased year on year because of the significant impact of switching to Darbepoetin Alfa Injection Syringe [KKF], an authorized generic of NESP<sup>®</sup>, a renal anemia treatment drug whose patent has expired, in addition to the impact of the reductions in drug price standards implemented in October 2019 and April 2020, despite the growth in sales of new product groups.
  - Darbepoetin Alfa Injection Syringe [KKF] achieved rapid progress in switching from NESP<sup>®</sup>, a renal anemia treatment drug.
  - Duvroq, an oral treatment for renal anemia, was launched in August 2020, and it is penetrating the market favorably.
  - Revenue from Patanol<sup>®</sup>, anti-allergy eye drops, and ALLELOCK<sup>®</sup>, an anti-allergy agent, decreased as a result of smaller pollen counts and the impact of the suppression of examinations, etc. due to COVID-19.
  - Revenue from ORKEDIA<sup>®</sup>, a treatment for secondary hyperparathyroidism, increased. Meanwhile, revenue from REGPARA<sup>®</sup>, a treatment for secondary hyperparathyroidism, decreased due to factors such as switching to ORKEDIA<sup>®</sup> and the impact of rival products.
  - Revenue from ROMIPLATE<sup>®</sup>, a treatment for chronic idiopathic thrombocytopenic purpura, increased as a result of receiving approval of its indication for treatment of patients with aplastic anemia who have had an inadequate response to conventional therapy, in June 2019.
  - Firm growth in revenue was realized for G-Lasta<sup>®</sup>, an agent for decreasing the incidence of febrile neutropenia, and Rituximab BS [KHK], an anticancer agent.
  - In December 2019, Crysvida<sup>®</sup>, a treatment for FGF23-related diseases, and HARUROPI<sup>®</sup>, a Parkinson's disease treatment patch, were launched and they have been penetrating the market favorably.

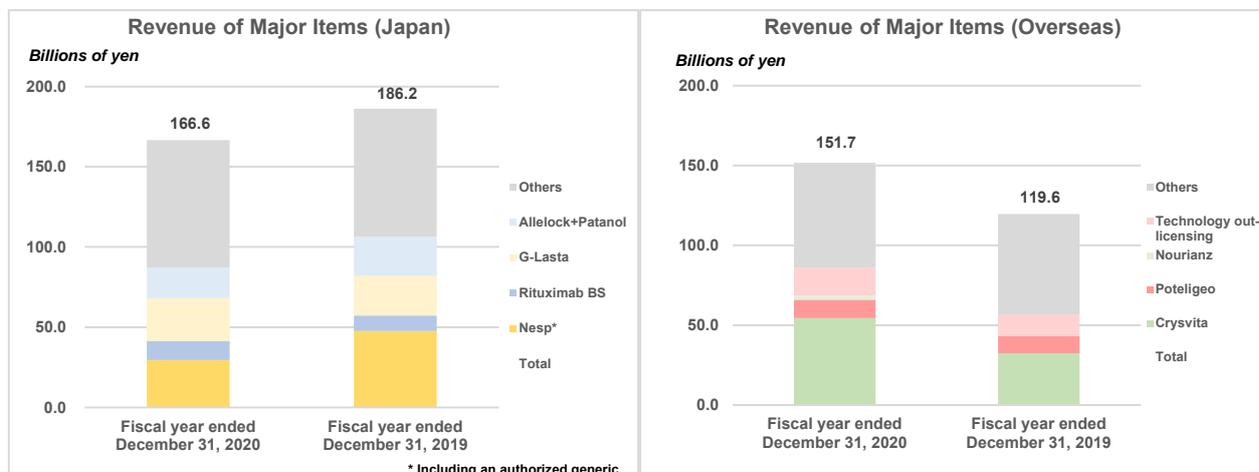
## &lt; Revenue of major products (overseas) &gt;

(Billions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019	Year-on-year change	Year-on-year (%)
Crysvida	54.4	32.5	21.9	67.4%
Poteligeo	11.5	10.8	0.7	6.7%
Nourianz	2.6	0.1	2.5	–%
Regpara	8.3	5.0	3.3	65.6%

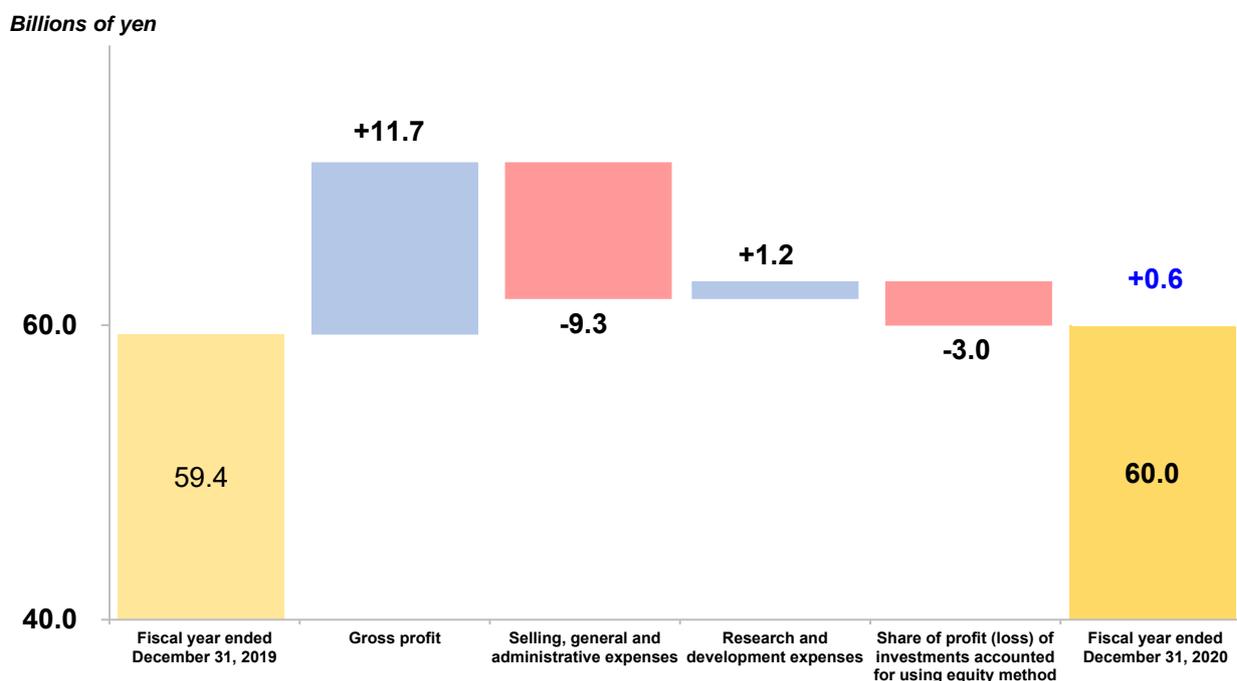
- Revenue in North America increased year on year due to the steady growth of global strategic products.
  - Revenue from Crysvida<sup>®</sup>, a treatment for X-linked hypophosphatemia, has been growing steadily since its launch in 2018. Approval for additional indication for treatment of tumor induced 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 which was launched in October 2019, has been penetrating the market favorably.
- Revenue in EMEA increased year on year due to the steady growth of global strategic products.
  - Revenue from Crysvida<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.
  - In Germany, sales of POTELIGEO<sup>®</sup> an anticancer agent, was launched in June 2020, and it has been penetrating the market favorably as the number of countries where it has been released has been increasing.

- Revenue in Asia/Oceania increased year on year, reflecting strong sales particularly in China.
  - Revenue from REGPARA®, a treatment for secondary hyperparathyroidism, increased year on year due to market expansion in China.



- Revenue from Others decreased year on year.
  - Revenue decreased year on year due to a decline in other income such as original equipment manufacturing despite an increase in technology out-licensing such as royalties revenue from AstraZeneca in relation to benralizumab.

### 3) Core operating profit

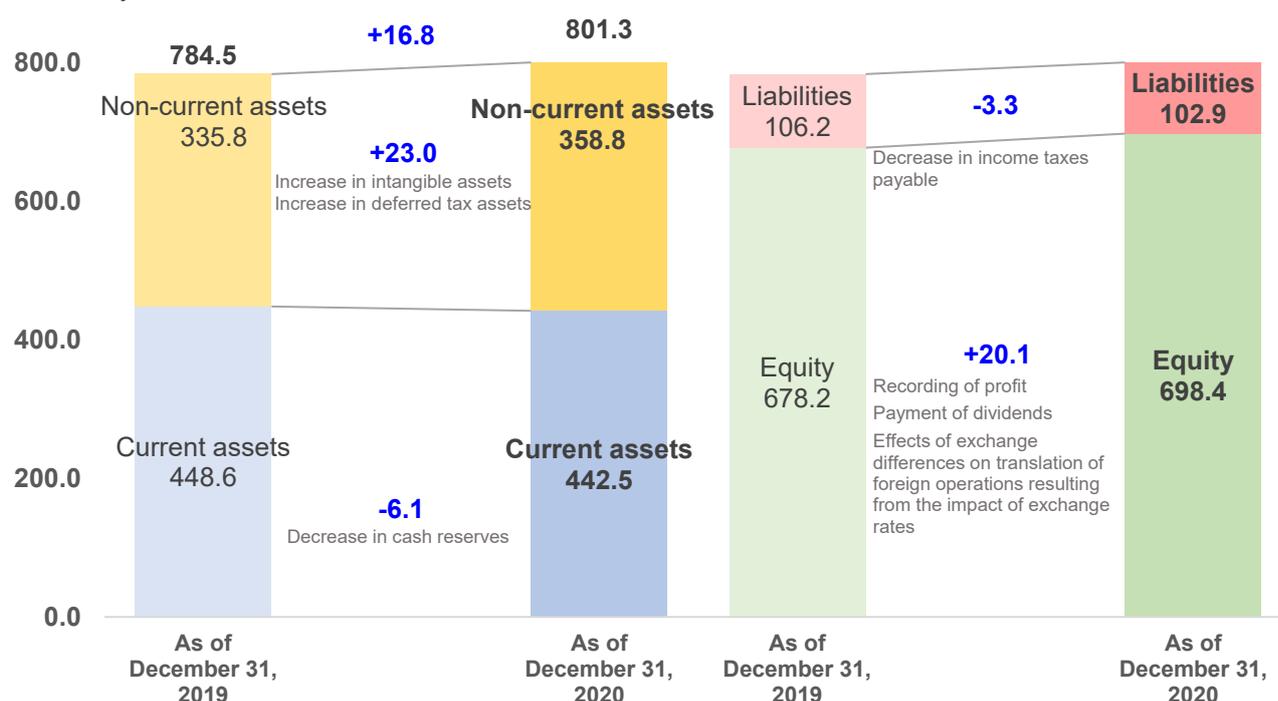


- Core operating profit increased year on year due to an increase in overseas revenue mainly from global strategic products, despite a lower gross profit due to a decrease in revenue in Japan, and an increase in selling, general and administrative expenses associated with sales of global strategic products.

**(2) Summary of Consolidated Financial Position for Fiscal 2020***(Billions of yen)*

	As of December 31, 2020	As of December 31, 2019	Year-on-year change
Assets	801.3	784.5	16.8
Non-current assets	358.8	335.8	23.0
Current assets	442.5	448.6	(6.1)
Liabilities	102.9	106.2	(3.3)
Equity	698.4	678.2	20.1
Ratio of equity attributable to owners of parent to total assets (%)	87.2%	86.5%	0.7%

- Assets as of December 31, 2020, were ¥801.3 billion, an increase of ¥16.8 billion compared to the end of the previous fiscal year.
  - Non-current assets increased by ¥23.0 billion to ¥358.8 billion, due mainly to increases in purchase of intangible assets associated with in-licensing of development products, and in deferred tax assets.
  - Current assets decreased by ¥6.1 billion to ¥442.5 billion, due mainly to a decrease in cash reserves (total of cash and cash equivalents and loans receivable from parent) due in part to the purchase of intangible assets, despite large increases in cash and cash equivalents due to the impact of shifting the entire amount of loans receivable from parent to the loans with loan periods of three months or less included in the scope of cash and cash equivalents.
- Liabilities as of December 31, 2020, were ¥102.9 billion, a decrease of ¥3.3 billion compared to the end of the previous fiscal year, due mainly to a decrease in income taxes payable.
- Equity as of December 31, 2020, was ¥698.4 billion, an increase of ¥20.1 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, despite a decrease due to the payment of dividends as well as a decrease in exchange differences on translation of foreign operations resulting from the impact of exchange rates, etc. As a result, the ratio of equity attributable to owners of parent to total assets was 87.2%, an increase of 0.7 percentage points compared to the end of the previous fiscal year.

*Billions of yen*

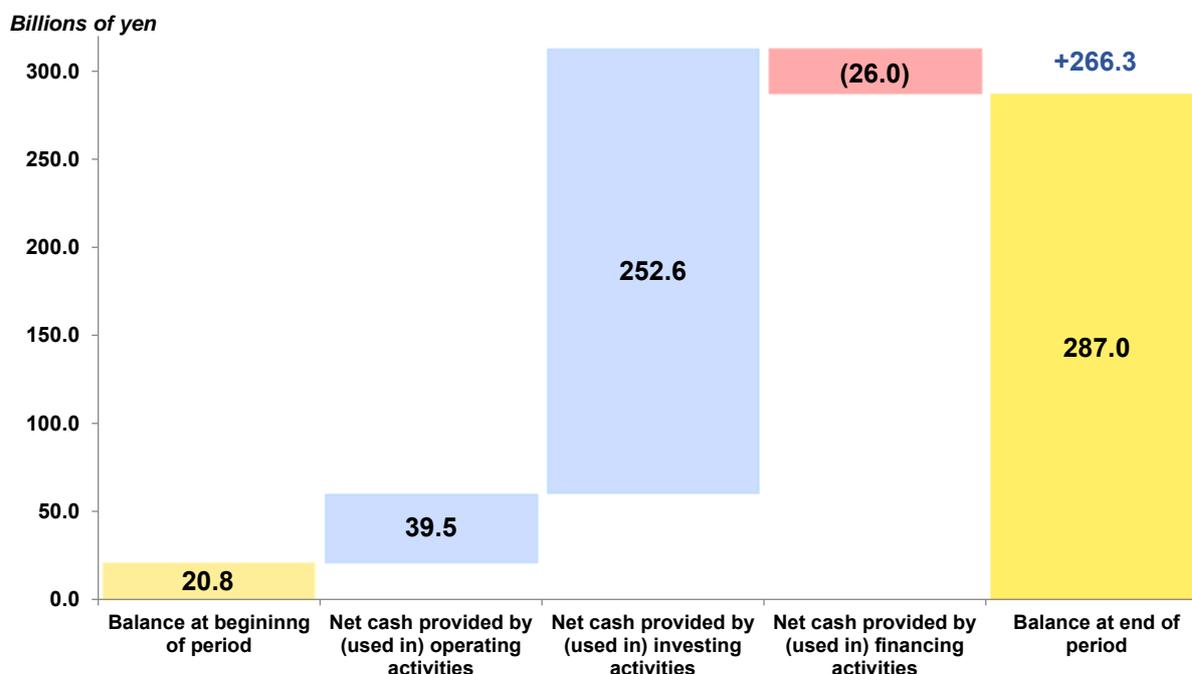
**(3) Cash Flow Summary for Fiscal 2020***(Billions of yen)*

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019	Year-on-year change	Year-on-year (%)
Net cash provided by (used in) operating activities	39.5	53.7	(14.2)	(26.4)%
Net cash provided by (used in) investing activities	252.6	(0.9)	253.5	–%
Net cash provided by (used in) financing activities	(26.0)	(47.4)	21.4	(45.1)%
Cash and cash equivalents at beginning of period	20.8	15.9	4.9	30.9%
Cash and cash equivalents at end of period	287.0	20.8	266.3	–%

- Cash and cash equivalents as of December 31, 2020, were ¥287.0 billion, an increase of ¥266.3 billion compared with the balance of ¥20.8 billion as of December 31, 2019, mainly as a result of the impact of shifting the entire amount of loans receivable from parent to the loans with loan periods of three months or less included in the scope of cash and cash equivalents.

The main contributing factors affecting cash flow during the current fiscal year were as follows:

- Net cash provided by operating activities was ¥39.5 billion, a 26.4% decrease compared to the previous fiscal year. Major inflows included profit before tax from continuing operations of ¥52.3 billion and depreciation and amortization of ¥20.5 billion. Major outflows included income taxes paid of ¥28.7 billion.
- Net cash provided by investing activities was ¥252.6 billion, compared with net cash used in investing activities of ¥0.9 billion in the previous fiscal year. Major inflows included a net decrease of ¥285.6 billion in loans receivable from parent. Major outflows included ¥25.1 billion for purchase of intangible assets, and ¥10.1 billion for purchase of property, plant and equipment.
- Net cash used in financing activities was ¥26.0 billion, a 45.1% decrease compared to the previous fiscal year. Major outflows included dividends paid of ¥23.6 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 fiscal year ended December 31, 2020, the Group’s research and development expenses totaled ¥52.3 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 fourth quarter of fiscal 2020.)

##### **Nephrology**

###### KRN321 (product name in Japan: NESP®)

- In June 2020, we obtained approval of its indication for treatment of renal anemia in patients receiving hemodialysis in China.

##### **Oncology**

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

- In February 2020, we started a phase I clinical study in Japan related to the development of an automated injection device for decreasing the incidence of febrile neutropenia in patients receiving cancer chemotherapy.

###### ME-401 (generic name: Zandelisib)

- In North America, Europe, Asia, and Oceania, we are currently conducting a phase II clinical trial for treatment of follicular lymphoma. (In April 2020, we concluded an agreement with MEI Pharma on global license, development, and commercialization.)
- ◆ In October 2020 in Japan, we started a phase II clinical trial for its indication for treatment of relapsed or refractory indolent B-cell non-Hodgkin’s lymphoma (excluding small lymphocytic lymphoma, lymphoplasmacytic lymphoma, and Waldenström’s macroglobulinemia).

###### KW-0761 (product name in Japan, U.S. and Europe: POTELIGEO®)

- In December 2020, we applied for approval of its indication for treatment of mycosis fungoides and Sézary syndrome in South Korea.

##### **Immunology and allergy**

###### KHK4827 (product name in Japan: LUMICEF®)

- In June 2020, we obtained approval of its indication for treatment of plaque psoriasis in China.
- ◆ In November 2020 in Japan, we obtained partial change approval for approved indications relating its treatment of ankylosing spondylitis and non-radiographic axial spondyloarthritis.

##### **Central nervous system (CNS)**

###### KW-6002 (product name in Japan: NOURIAST®; product name in U.S.: NOURIANZ™)

- In Europe, an application for approval of its indication for combination therapy with levodopa-based regimens for adult patients with Parkinson’s disease experiencing “off” episodes is currently under review (application accepted in January 2020).

##### **Other**

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

- In February 2020, in the U.S., we obtained approval for partial changes to our biologics license application for approval of its indication for treatment of tumor induced osteomalacia that cannot be curatively resected or localized, and in June 2020, we obtained approval of its indication for

- treatment of tumor induced osteomalacia that cannot be curatively resected or localized for adult patients and pediatric patients who are two years of age or older.
- In September 2020, we obtained approval of its indication for treatment of X-linked hypophosphatemia in adolescent and adult patients in Europe.
  - In September 2020, we obtained approval of its indication for treatment of FGF23-related hypophosphatemic rickets and osteomalacia in South Korea.
  - In September 2020, we applied for approval of its indication for treatment of tumor induced osteomalacia in China.
  - ◆ In December 2020, we applied for partial change approval for our biologics license regarding its indication for treatment of tumor induced osteomalacia in Europe.

## R&D pipeline

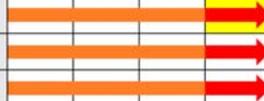
 antibody 
  protein 
  small molecule 
  New Molecular Entity 
  Updated since Dec. 31, 2019 
  Updated since Sep. 30, 2020

### Nephrology

As of Dec. 31, 2020

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Hemodialysis)	CN						[Kirin-Amgen] product name in Japan: Nesp
 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]
 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	KR CH SA AU						[In-House] POTELLIGENT® product name in Japan, U.S. and Europe: Poteligeo
 KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	JP						[Syndax]
 KRN125 Pegfilgrastim Injection	Long-Acting Granulocyte Colony- Stimulating Factor	Mobilization of Hematopoietic stem cell into Peripheral blood  Automated Injection Device for Decreasing the Incidence of Febrile Neutropenia in Patients Receiving Cancer Chemotherapy	JP JP						[Kirin-Amgen] product name in Japan: G-Lasta
 KHK2455 Oral	IDO1 Inhibitor	Solid Tumor  Urothelial carcinoma	NA NA						[In-House] Combination with KW-0761 [In-House] Combination with avelumab
 ME-401 Zandelisib Oral	PI3Kδ Inhibitor	Indolent B-cell Non-Hodgkin's Lymphoma  B-cell malignancies  Follicular Lymphoma	JP NA NA EU Asia Oceania						[MEI Pharma]

### 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	Psoriasis  Psoriatic arthritis  Ankylosing spondylitis and non- radiographic axial spondyloarthritis  Systemic Sclerosis  Palmoplantar Pustulosis	MY CN MO TW JP						[Kirin-Amgen] product name in Japan: Lumicef
 KHK4083 Injection	Anti-OX40 Fully Human Antibody	Atopic Dermatitis	JP NA EU						[In-House] POTELLIGENT® Human Antibody-Producing Technology
 ASKP1240 Bleselumab 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: Nouriaz, 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	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)	CH KW HK TW						[In-House] Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU product name in Japan, U.S. and Europe: Crysvisa
			OM QA						
			BH AU						
		CN SA SG							
		EU							
		KR							
		US							
 AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Who Have Had an Inadequate Response to Conventional Therapy	TW						[Kirin-Amgen] product name in Japan: Romiplate
			Asia						
		CN							
		JP Asia							
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	EU						[In-House] product name in Japan: Acoalan
			 KHK4951	JP					

**(5) Outlook for Fiscal 2021***(Billions of yen)*

	Outlook for fiscal 2021	Fiscal year ended December 31, 2020	Year-on-year change	Year-on-year (%)
Revenue	351.0	318.4	32.6	10.3%
Core operating profit	65.0	60.0	5.0	8.4%
Profit before tax	64.0	52.3	11.7	22.5%
Profit attributable to owners of parent	50.0	47.0	3.0	6.3%

Note: These forecasts assume average exchange rates of ¥105/US\$, ¥140/British pound and ¥15.4/Chinese Yuan.

## Financial performance indicators

	Outlook for fiscal 2021	Fiscal year ended December 31, 2020	
ROE	7%	7%	Profit / Average beginning and ending equity
Revenue growth ratio	10%	4%	Revenue / Revenue for the previous fiscal year
R&D expense ratio	19%	16%	Research and development expenses / Revenue
Core operating profit ratio	19%	19%	Core operating profit / Revenue
Dividend payout ratio (Note)	48.5%	50.3%	

Note: The figure for the fiscal year ended December 31, 2020 indicates the dividend payout ratio based on basic earnings per share, and the figure for the outlook for fiscal 2021 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 2021 are for revenue of ¥351.0 billion (up 10.3% compared to the current fiscal year), core operating profit of ¥65.0 billion (up 8.4%), profit before tax of ¥64.0 billion (up 22.5%), and profit attributable to owners of parent of ¥50.0 billion (up 6.3%).
- Although we expect impacts such as a reduction in drug price standards scheduled for April 2021 in Japan, revenues are expected to increase compared to the current fiscal year due to significant growth in the global strategic products Crysvida<sup>®</sup>, POTELIGEO<sup>®</sup> and NOURIANZ<sup>™</sup> overseas. Moreover, although we are planning to incur 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 and a significant increase in research and development expenses in association with advancements, etc. in late-stage development projects (R&D expense ratio will increase from 16% to 19%), core operating profit is expected to increase due to growth in overseas revenue.
- A year-on-year increase is forecasted for profit before tax as a result of a decrease in other expenses in addition to an increase in core operating profit.
- A year-on-year increase is forecasted for profit attributable to owners of parent despite an expected increase in income tax expense.
- Concerning cash flows from operating activities, net cash provided is expected to be higher in the next fiscal year than the current fiscal year as profit before tax is expected to be higher and the payment of income taxes is expected to be lower compared to the current fiscal year.
- Concerning cash flows from investing activities, the Company expects a decrease in net cash used compared to the current fiscal year mainly because of an expected decrease in cash used in the purchase of intangible assets. Regarding strategic partnering, M&A and other strategic investments for acquiring drug discovery technologies and pipelines, the Company will evaluate and conduct investment using a flexible approach.

- Concerning cash flows from financing activities, the Company expects net cash used to be at the same level as the current fiscal year. As regards the purchase of treasury shares and the sourcing of funds, we will 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 2021 are expected to be higher compared to the end of fiscal 2020.

Note: The above financial position outlook is based on information available to management at the current time. 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 2020 and Fiscal 2021 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. We plan to improve our capital efficiency by acting rapidly with regards to purchase of treasury shares. The Company intends to use internal reserve funds for investments required to drive new growth, such as those in research and development, capital expenditures, and our development pipeline's expansion that are expected to contribute to the improvement of our future corporate value.

Concerning the dividend policy, in the FY2016-2020 Mid-term Business Plan, the Company sets its target consolidated dividend payout ratio at 40% and sets a policy of ensuring stable and continuous increase in the level of dividend payment in line with growth in profits.

In accordance with the above-mentioned policy, the Board of Directors has resolved to pay a year-end dividend for fiscal 2020 of ¥22 per share.

As a result, we expect to increase dividends for the fourth year in a row. The annual dividend is expected to be ¥44, an increase of ¥2 compared to the previous fiscal year, including an interim dividend of ¥22. With respect to the year-end dividend, we plan to submit a proposal at the 98th Ordinary General Meeting of Shareholders to be held on March 24, 2021.

**Dividends of Surplus**

	Details of resolution (March 24, 2021)	Dividend forecast most recently announced (Announced on February 5, 2020)	Fiscal 2019 results (Fiscal year ended December 31, 2019)
Record date	December 31, 2020	Same as left	December 31, 2019
Dividend per share (Yen)	22.00	22.00	22.00
Total dividend amount (Millions of yen)	11,818	–	11,813
Effective date	March 25, 2021	–	March 23, 2020
Dividend resource	Retained earnings	–	Retained earnings

**(Reference) Breakdown of Dividends per Share**

(Yen)

	Fiscal 2020 (Fiscal year ended December 31, 2020)	Dividend forecast most recently announced (Announced on February 5, 2020)	Fiscal 2019 results (Fiscal year ended December 31, 2019)
[Second quarter-end]	[22.00]	[22.00]	[20.00]
Fiscal year-end	22.00 (Note)	22.00	22.00
Dividends per share	44.00	44.00	42.00

Note: The fiscal year-end dividend (¥22.00) for the current term (fiscal year ended December 31, 2020) is based on the assumption that it will be approved at the 98th Ordinary General Meeting of Shareholders scheduled to be held on March 24, 2021.

As the dividend policy in the FY2021-2025 Mid-term Business Plan, the Company sets its target consolidated dividend payout ratio on core EPS at 40%. The Company intends to ensure stable and continuous increase in the level of dividend payment in line with growth in profits. In accordance with the above policy, for the fiscal year ending December 31, 2021, we expect to pay an annual dividend of ¥46 per share, an increase of ¥2 compared to the current fiscal year, consisting of an interim dividend of ¥23 and a year-end dividend of ¥23. For details of the "core EPS," refer to "(5) Outlook for Fiscal 2021."

## **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, 2020	As of December 31, 2019
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	76,012	74,216
Goodwill	132,695	133,554
Intangible assets	75,027	60,106
Investments accounted for using equity method	9,475	13,526
Other financial assets	17,323	19,511
Retirement benefit asset	14,674	12,299
Deferred tax assets	33,133	22,110
Other non-current assets	468	520
Total non-current assets	358,808	335,843
Current assets		
Inventories	51,281	47,123
Trade and other receivables	92,287	89,015
Loans receivable from parent	–	285,700
Other financial assets	636	389
Other current assets	6,161	5,621
Cash and cash equivalents	287,019	20,762
Subtotal	437,385	448,610
Assets held for sale	5,097	–
Total current assets	442,482	448,610
Total assets	801,290	784,453

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

	As of December 31, 2020	As of December 31, 2019
<b>Equity</b>		
Share capital	26,745	26,745
Capital surplus	463,967	463,893
Treasury shares	(3,545)	(3,792)
Retained earnings	226,639	201,253
Other components of equity	(15,410)	(9,849)
Total equity attributable to owners of parent	698,396	678,250
Total equity	698,396	678,250
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Retirement benefit liability	216	276
Provisions	7,823	1,648
Deferred tax liabilities	92	42
Other financial liabilities	13,159	15,444
Other non-current liabilities	854	1,263
Total non-current liabilities	22,145	18,673
<b>Current liabilities</b>		
Trade and other payables	54,867	53,877
Provisions	2,027	2,019
Other financial liabilities	5,123	3,109
Income taxes payable	4,661	15,214
Other current liabilities	14,070	13,312
Total current liabilities	80,749	87,530
Total liabilities	102,894	106,204
Total equity and liabilities	801,290	784,453

**(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, 2020	Fiscal year ended December 31, 2019
Continuing operations		
Revenue	318,352	305,820
Cost of sales	(80,440)	(79,620)
Gross profit	237,912	226,200
Selling, general and administrative expenses	(126,610)	(117,316)
Research and development expenses	(52,312)	(53,511)
Share of profit (loss) of investments accounted for using equity method	964	3,980
Other income	1,651	442
Other expenses	(10,842)	(15,025)
Finance income	1,798	1,033
Finance costs	(299)	(1,312)
Profit before tax	52,263	44,492
Income tax expense	(5,236)	(6,818)
Profit from continuing operations	47,027	37,674
Discontinued operations		
Profit from discontinued operations	–	29,410
Profit	47,027	67,084
Profit attributable to		
Owners of parent	47,027	67,084
Earnings per share		
Basic earnings per share (Yen)	87.56	124.57
Continuing operations	87.56	69.95
Discontinued operations	–	54.61
Diluted earnings per share (Yen)	87.50	124.46
Continuing operations	87.50	69.89
Discontinued operations	–	54.56

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

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019
Profit	47,027	67,084
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,138)	(560)
Remeasurements of defined benefit plans	2,021	3,925
Share of other comprehensive income of investments accounted for using equity method	(31)	(41)
Total of items that will not be reclassified to profit or loss	852	3,324
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,156)	2,787
Share of other comprehensive income of investments accounted for using equity method	(112)	(32)
Total of items that may be reclassified to profit or loss	(4,268)	2,755
Other comprehensive income	(3,416)	6,079
Comprehensive income	43,611	73,162
Comprehensive income attributable to Owners of parent	43,611	73,162

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

Fiscal year ended December 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	–	–	–	47,027	–	–
Other comprehensive income	–	–	–	–	–	(4,268)
Total comprehensive income	–	–	–	47,027	–	(4,268)
Dividends of surplus	–	–	–	(23,631)	–	–
Purchase of treasury shares	–	–	(14)	–	–	–
Disposal of treasury shares	–	19	171	–	–	–
Share-based remuneration transactions	–	55	91	–	(155)	–
Transfer from other components of equity to retained earnings	–	–	–	1,990	–	–
Total transactions with owners	–	74	247	(21,641)	(155)	–
Balance at December 31, 2020	26,745	463,967	(3,545)	226,639	596	(17,915)

	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	Total		
Balance at January 1, 2020	3,047	–	(9,849)	678,250	678,250	
Profit	–	–	–	47,027	47,027	
Other comprehensive income	(1,138)	1,990	(3,416)	(3,416)	(3,416)	
Total comprehensive income	(1,138)	1,990	(3,416)	43,611	43,611	
Dividends of surplus	–	–	–	(23,631)	(23,631)	
Purchase of treasury shares	–	–	–	(14)	(14)	
Disposal of treasury shares	–	–	–	190	190	
Share-based remuneration transactions	–	–	(155)	(10)	(10)	
Transfer from other components of equity to retained earnings	(0)	(1,990)	(1,990)	–	–	
Total transactions with owners	(0)	(1,990)	(2,145)	(23,465)	(23,465)	
Balance at December 31, 2020	1,909	–	(15,410)	698,396	698,396	

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

Fiscal year ended December 31, 2019

(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, 2019	26,745	509,161	(26,705)	151,760	787	(16,402)
Changes in accounting policies	–	–	–	(454)	–	–
Balance after restatement	26,745	509,161	(26,705)	151,306	787	(16,402)
Profit	–	–	–	67,084	–	–
Other comprehensive income	–	–	–	–	–	2,755
Total comprehensive income	–	–	–	67,084	–	2,755
Dividends of surplus	–	–	–	(21,688)	–	–
Purchase of treasury shares	–	–	(22,601)	–	–	–
Disposal of treasury shares	–	(17)	263	–	–	–
Cancellation of treasury shares	–	(45,251)	45,251	–	–	–
Share-based remuneration transactions	–	–	–	–	(36)	–
Transfer from other components of equity to retained earnings	–	–	–	4,551	–	–
Total transactions with owners	–	(45,268)	22,913	(17,136)	(36)	–
Balance at December 31, 2019	26,745	463,893	(3,792)	201,253	751	(13,647)

	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, 2019	4,275	–	(11,341)	649,621	649,621
Changes in accounting policies	–	–	–	(454)	(454)
Balance after restatement	4,275	–	(11,341)	649,166	649,166
Profit	–	–	–	67,084	67,084
Other comprehensive income	(559)	3,883	6,079	6,079	6,079
Total comprehensive income	(559)	3,883	6,079	73,162	73,162
Dividends of surplus	–	–	–	(21,688)	(21,688)
Purchase of treasury shares	–	–	–	(22,601)	(22,601)
Disposal of treasury shares	–	–	–	246	246
Cancellation of treasury shares	–	–	–	–	–
Share-based remuneration transactions	–	–	(36)	(36)	(36)
Transfer from other components of equity to retained earnings	(668)	(3,883)	(4,551)	–	–
Total transactions with owners	(668)	(3,883)	(4,587)	(44,079)	(44,079)
Balance at December 31, 2019	3,047	–	(9,849)	678,250	678,250

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

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	52,263	44,492
Depreciation and amortization	20,466	18,797
Impairment losses	2,857	6,394
Increase (decrease) in other provisions	2,667	1,968
Share of loss (profit) of investments accounted for using equity method	(964)	(3,980)
Decrease (increase) in inventories	(6,587)	(5,835)
Decrease (increase) in trade receivables	(5,654)	(642)
Increase (decrease) in trade payables	2,553	2,532
Income taxes paid	(28,662)	(22,679)
Other	562	6,313
Net cash provided by (used in) operating activities from discontinued operations	–	6,297
<b>Net cash provided by (used in) operating activities</b>	<b>39,502</b>	<b>53,655</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,115)	(7,030)
Purchase of intangible assets	(25,112)	(14,227)
Purchase of investments accounted for using equity method	(500)	(1,000)
Proceeds from capital reduction with compensation of investment securities	1,500	–
Collection of loans receivable	–	24,288
Net decrease (increase) in loans receivable from parent	285,631	(104,400)
Other	1,155	(1,764)
Net cash provided by (used in) investing activities from discontinued operations	–	103,200
<b>Net cash provided by (used in) investing activities</b>	<b>252,559</b>	<b>(933)</b>
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(3,175)	(3,044)
Purchase of treasury shares	(14)	(22,601)
Dividends paid	(23,631)	(21,688)
Other	817	(19)
Net cash provided by (used in) financing activities from discontinued operations	–	(19)
<b>Net cash provided by (used in) financing activities</b>	<b>(26,003)</b>	<b>(47,371)</b>
Effect of exchange rate changes on cash and cash equivalents	199	(456)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>266,257</b>	<b>4,896</b>
Cash and cash equivalents at beginning of period (Amount on the consolidated statement of financial position)	20,762	15,867
Cash and cash equivalents at beginning of period	20,762	15,867
<b>Cash and cash equivalents at end of period</b>	<b>287,019</b>	<b>20,762</b>

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

No applicable items.

Segment information, etc.

## (1) Outline of reportable segments

As the Bio-Chemicals business was categorized as a discontinued operation effective from the previous fiscal year, 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, 2020	Fiscal year ended December 31, 2019
Products	298,827	287,905
Licensing revenue	19,525	17,915
Total	318,352	305,820

## (3) Information about geographical areas

## i. Revenue

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019
Japan	166,639	186,181
Americas	72,178	49,699
Europe	48,530	42,228
Asia	30,848	27,567
Other	156	145
Total	318,352	305,820

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

## ii. Non-current assets

(Millions of yen)

	As of December 31, 2020	As of December 31, 2019
Japan	226,109	208,478
Americas	7,727	5,800
Europe	47,704	52,647
Asia	2,663	1,471
Total	284,203	268,397

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, 2020	Fiscal year ended December 31, 2019
Alfresa Pharma Corporation	40,219	42,006

Per share information

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2019
Profit attributable to ordinary equity holders of parent		
Profit attributable to owners of parent (Millions of yen)	47,027	67,084
Profit not attributable to ordinary equity holders of parent (Millions of yen)	–	–
Profit used for calculation of earnings per share (Millions of yen)	47,027	67,084
Continuing operations	47,027	37,674
Discontinued operations	–	29,410
Average number of ordinary shares outstanding during period (Shares)	537,109,444	538,542,438
Increase in number of ordinary shares		
Share acquisition rights (Shares)	368,934	466,860
Average number of diluted ordinary shares outstanding during period (Shares)	537,478,378	539,009,298
Earnings per share		
Basic earnings per share (Yen)	87.56	124.57
Continuing operations	87.56	69.95
Discontinued operations	–	54.61
Diluted earnings per share (Yen)	87.50	124.46
Continuing operations	87.50	69.89
Discontinued operations	–	54.56

Significant subsequent events

No applicable items.