

# Corporate Philosophy System

At Torii, while carrying forward the corporate culture and the trust of each stakeholder we have built up throughout our long history, we have defined our Corporate Philosophy as Torii Pharmaceutical's Purpose to express our unchanging ambitions for the future. We place TORII's POLICY as our important values and the 4S MODEL as our fundamental management stance, and strive to fulfill Torii Pharmaceutical's Purpose.

## Corporate Philosophy **Torii Pharmaceutical's Purpose**

We are committed to sincerely serving patients, their families, and those involved in medical care. We contribute to the healthy recovery of patients, as well as to a happy, enriched life free from fear of illness.

We will flexibly change and adapt to meet the needs of the times and the environment, while retaining the trust we have earned over our long history, and we will continue to take on the challenge of contributing to healthcare that only we can make.

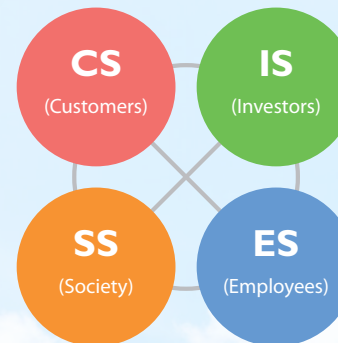
## Our Important Values **TORII's POLICY**

- Treasure all human connections
- Sincerity and commitment are Torii's finest qualities
- We all have a stake. We all have a role
- Try new things without fear
- All of our past experiences fuel our continued growth

## Basic Management Stance

### 4S MODEL

Through the circulation/expansion of capital generated by our high-quality business activities, we will fulfill our responsibilities to our customers, shareholders, society, and employees in a balanced way and enhance their overall satisfaction.



(Note) 4S is the collective term for CS, IS, SS, and ES.

**CS (Customer Satisfaction):** Our Responsibility to Customers  
We strive to improve the quality of life (QOL) of patients by supplying superior medicines and accurate information through medical professionals.

**IS (Investor Satisfaction):** Our Responsibility to Shareholders  
We disclose timely, accurate corporate information and endeavor to generate appropriate shareholder returns and improve our corporate value.

**SS (Social Satisfaction):** Our Responsibility to Society  
We maintain a high ethical standard regarding our corporate social responsibility through business activities that reflect the needs of society.

**ES (Employee Satisfaction):** Our Responsibility to Employees  
We aim to provide motivation and fulfillment to all our employees by respecting every individual, ensuring equal opportunities for career advancement, and by treating employees fairly on the basis of unbiased assessments.

# CONTENTS

## Introduction

- 1 Corporate Philosophy System
- 2 Contents
- 3 The History of Torii
- 4 Torii in Numbers

## Value Creation Stories

- 6 Message from the President
- 10 Value Creation Process
- 11 Capital Strategy
- 12 Business Model
- 13 Medium-/Long-Term Business Vision "VISION2030"
- 14 Business Strategy
- 16 Medium-Term Management Plan
- 18 Recognition of the External Environment / Risks and Opportunities

## Sustainability

- 19 Sustainability
- 20 Materiality
- 21 **CS** Our Responsibility to Customers
- 24 **IS** Our Responsibility to Shareholders
- 26 **SS** Our Responsibility to Society
- 28 **ES** Our Responsibility to Employees

## Corporate Governance

- 30 Directors
- 31 Skill Matrix / Organization
- 32 Message from the Executive Deputy President
- 34 Corporate Governance
- 38 Message from Outside Directors
- 41 Compliance
- 42 Risk Management

## Data Section

- 44 Financial Data
- 51 ESG Data
- 52 Corporate Information
- 53 Stock Information

## Editorial Policy

This Integrated Report has been published to provide a comprehensive range of financial and non-financial information to further enhance understanding of Torii's activities among shareholders, investors, and various other stakeholders.

More detailed information on Torii is disclosed on our corporate website.

► <https://www.torii.co.jp/en/>

### Period covered by this report:

Fiscal 2023 (from January 1, 2023 to December 31, 2023)  
Some information on and after January 2024 is included.

**Organizational scope:** Torii Pharmaceutical Co., Ltd.

**Date of publication:** June 2024

### Reporting guidelines, etc.:

The International Integrated Reporting Framework; IFRS Foundation Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue For Collaborative Value Creation; Ministry of Economy, Trade and Industry

## Cautionary statement

The forecasts presented in this report are forward-looking statements. Reflecting assumptions based on information available on the date of disclosure, these statements are subject to inherent risks and uncertainties. Accordingly, unforeseen factors may cause actual results to differ materially from the projections contained herein. Torii will not necessarily revise this material regardless of any new information, future events or other results.

# The History of Torii

Since its founding in 1872, Torii has undergone reforms through flexible ideas and smart action without being limited to the past, while also valuing the trust it has cultivated through more than 150 years of business.

Going forward, we will continue to take on challenges to make contributions to the medical field that are unique to Torii.

## Renal disease and hemodialysis

**2009**  
Oral anti-pruritus agent  
Launch of REMITCH Capsules



**2014**  
Agent for hyperphosphatemia  
Launch of Riona Tablets



**2020**  
Therapeutic agent for Anemia Associated with CKD  
Launch of ENAROY Tablets



## Skin disease

**1975**  
Topical corticosteroid  
Launch of LOCOID Ointment and Cream

**1993**  
Topical corticosteroid  
Launch of ANTEBATE ointment and cream



**2020**  
Topical Janus kinase (JAK) inhibitor  
Launch of CORECTIM ointment



## Allergens

**1963**  
Allergy diagnosis and immunotherapy drug  
Launch of ALLERGEN (allergenic extracts)

**2014**  
Japanese cedar pollinosis (allergen immunotherapy)  
Launch of CEDARTOLEN SUBLINGUAL DROP — Japanese Cedar Pollen  
\*Discontinued in 2021

**2015**  
House dust mite allergy (allergen immunotherapy)  
Launch of MITICURE



**2018**  
Japanese cedar pollinosis (allergen immunotherapy)  
Launch of CEDARCURE



## Torii Events

**1872**  
Tokubei Torii established a company named Uenoya, at Sakai-Machi, Yokohama, for import of pharmaceuticals from the West.

**1909**  
Establishment of Uenoya's research laboratories, and start of dealing in Japanese pharmacopoeial drugs under the Torii brand name.



**1911**  
Establishment of branch office (the current head office) in Nihonbashi-honcho, Chuo-ku, Tokyo.

**1921**  
Uenoya reorganized as Torii Shoten K.K.

**1949**  
Company name changed to Torii Pharmaceutical Co., Ltd.

**1963**  
Torii went public with over-the-counter stock transactions at the Tokyo Securities Dealers Association.

**1977**  
A new plant constructed at Sakura, Chiba Prefecture.

**1983**  
Merck & Co., Inc. purchased more than 50% of Torii's stock and became a parent company.

**1988**  
Asahi Breweries, Ltd. purchased more than 50% of Torii's stock and became a parent company.

**1990**  
Current Head Office building completed.

**1993**  
Torii's stock listed on the second section of the Tokyo Stock Exchange.

**1995**  
Torii's stock listed on the first section of the Tokyo Stock Exchange.

**1998**  
Japan Tobacco Inc.(JT) purchased more than 50% of Torii's stock and became a parent company.

**1999**  
JT and Torii established a collaboration arrangement (Torii concentrates on marketing and JT, on R&D.)

**2019**  
A license agreement for Torii's exclusive sales rights in Japan for six anti-HIV drugs comes to an end

**2020**  
Torii transferred Sakura Plant to IWAKI SEIYAKU CO., LTD.

**2022**  
Torii's stock transferred from the First Section of the Tokyo Stock Exchange to the Prime Market due to the revision of market segments

## Other

**2021**  
Launched ORLADEYO Capsules, a plasma kallikrein inhibitor indicated for the suppression of the attacks in hereditary angioedema (HAE)



# Torii in Numbers

## Mainstay Products

### Allergens

#### ■ CEDARCURE

Japanese cedar pollinosis (Allergen immunotherapy)



FY2023

¥11,356 million

(vs. FY2022  
+18.2%)

CEDARCURE is an allergen immunotherapy drug for Japanese cedar pollinosis. This fast-dissolving sublingual tablet is available for adult and pediatric patients.

#### ■ MITICURE

House dust mite allergy (Allergen Immunotherapy)



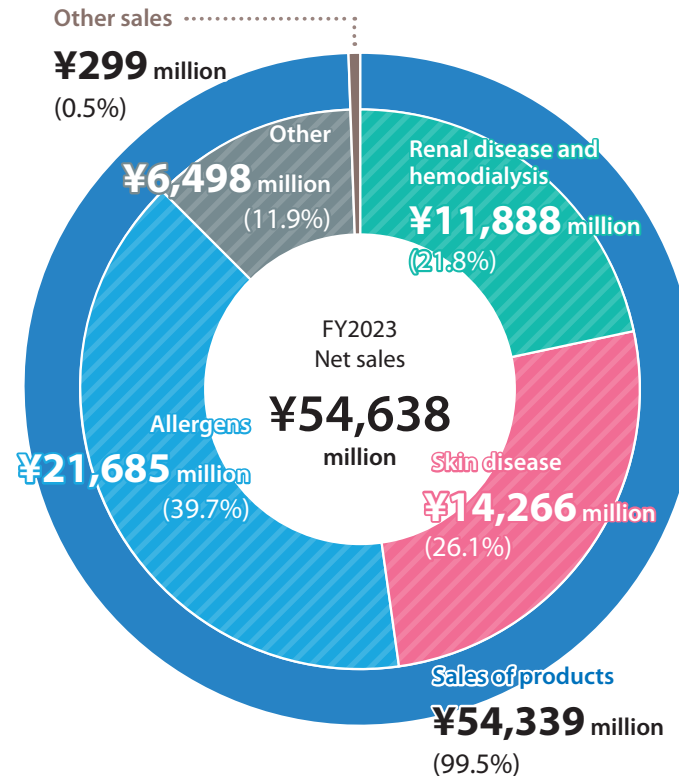
FY2023

¥10,148 million

(vs. FY2022  
+16.7%)

MITICURE is an allergen immunotherapy drug for house dust mite-induced allergic rhinitis. This fast-dissolving sublingual tablet is available for adult and pediatric patients.

## Net Sales by Disease Area



### Renal disease and hemodialysis

#### ■ Riona Tablets

Agent for hyperphosphatemia/iron-deficiency anemia



FY2023

¥7,515 million

(vs. FY2022  
+8.3%)

Riona is a medication with two indications: hyperphosphatemia in patients with chronic kidney disease, including hemodialysis, peritoneal dialysis, and non-dialysis chronic kidney disease patients, and iron deficiency anemia.

#### ■ REMITCH Oral anti-pruritus agent



FY2023

¥2,725 million

(vs. FY2022  
(22.9)%)

REMITCH is a treatment for pruritus in patients on dialysis and with chronic liver disease for which conventional antipruritic medications are ineffective.

### Skin disease

#### ■ CORECTIM Topical Janus kinase (JAK) inhibitor



FY2023

¥7,450 million

(vs. FY2022  
+36.2%)

CORECTIM Ointment is the world's first topical JAK inhibitor for treatment of atopic dermatitis (AD) that suppresses the overactivation of immune responses. In January 2023, clinical trial results for patients with atopic dermatitis aged 6 months to 2 years were added to the drug package insert.

#### ■ ANTEBATE Topical corticosteroid



FY2023

¥4,533 million

(vs. FY2022  
+13.5%)

ANTEBATE is a treatment that improves the symptoms in patients with skin disease, such as atopic dermatitis and contact dermatitis, by suppressing inflammation.

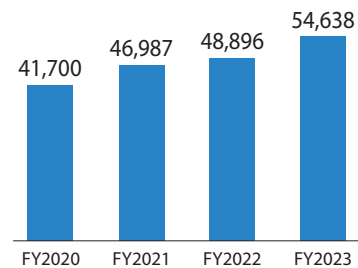
## Torii in Numbers

## Financial Indicators

## Net sales

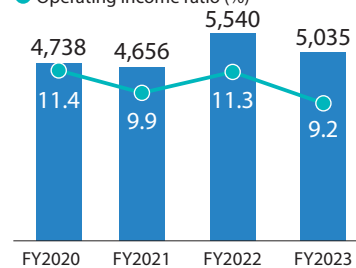
¥54.6 billion

(Millions of Yen)

Operating income/  
operating income ratio

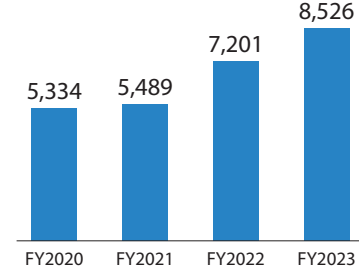
¥5.0 billion / 9.2%

■ Operating income (Millions of Yen)  
● Operating income ratio (%)

Operating income before  
R&D expenses

¥8.5 billion

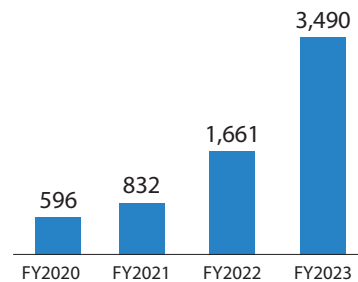
(Millions of Yen)



## R&amp;D expenses

¥3.4 billion

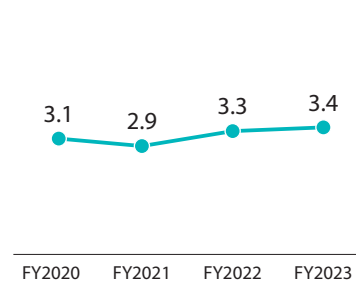
(Millions of Yen)



## ROE

3.4%

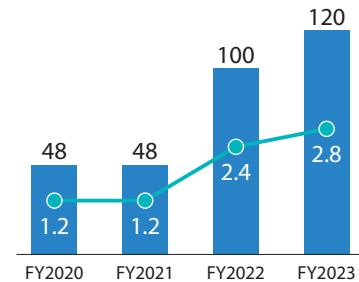
(%)



## Dividend/DOE

¥120 / 2.8%

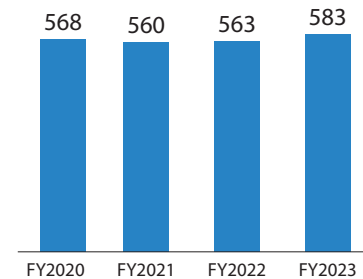
■ Dividend (Yen) ● DOE (%)



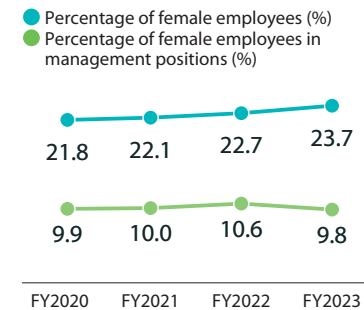
## Non-financial Indicators

## Number of employees

583

Percentage of female employees /  
percentage of female employees  
in management positions

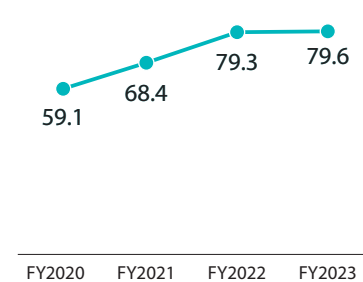
23.7% / 9.8%



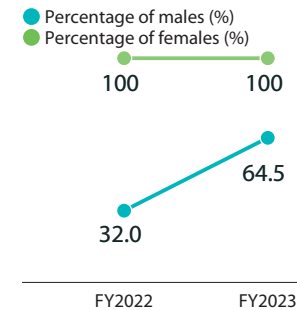
## Paid Leave Utilization Rate

79.6%

(%)

Percentage of employees  
taking childcare leave  
(by gender)

Male 64.5% / Female 100%



\*Tabulated for the period from April to March