

Financial Results for the First Six Months of Fiscal Year Ending December 2024

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※ This material is prepared based on Japan GAAP.

※ Amounts are rounded down to the nearest million yen.

※ The forecasts presented in this material are forward-looking statements. Reflecting assumptions based on information available on the date of publication, 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.

July 31, 2024



TORII PHARMACEUTICAL CO., LTD.

I Summary Information

The forecasts for the FY2024 have been changed from the previous forecasts announced at the FY2023 financial results announcement on February 9, 2024.

※ We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Financial Results

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast	Progress ratio (%)
	First six months		First six months						
	A		B						
Net sales	25,699		28,309		2,610	10.2	54,638	60,700	46.6
Operating income	1,510		3,141		1,630	107.9	5,035	6,300	49.9
Ordinary income	1,543		2,985		1,442	93.5	5,307	6,400	46.6
Net income	1,086		2,221		1,134	104.4	4,119	4,800	46.3
(Reference)									
R&D expenses	2,413		1,363		(1,050)	(43.5)	3,490	3,200	42.6
Operating income before R&D expenses	※ 3,924		4,504		580	14.8	8,526	9,500	47.4
Earnings per share (EPS)	(¥) 38.68		79.04		40.36		146.60	170.77	
Return on equity (ROE)	(%) 0.9		1.8		0.9		3.4		
Ratio of ordinary income to total assets	(%) 1.2		2.2		1.0		4.0		
Ratio of operating income to net sales	(%) 5.9		11.1		5.2		9.2		
Return on assets (ROA)	(%) 0.8		1.7		0.9		3.1		

② Financial Conditions

(Millions of Yen)	December 31, 2023		June 30, 2024		Change	Change (%)
	A		B			
Total assets	133,432		134,344		911	0.7
Total equity	120,134		120,443		309	0.3
Equity ratio	(%) 90.0		89.7		(0.3)	
Book value per share (BPS)	(¥) 4,274.45		4,284.50		10.05	

③ Statement of Cash Flows

(Millions of Yen)	FY2023		FY2024		Change
	First six months		First six months		
	A		B		
Net cash provided by operating activities	(1,461)		2,918		4,380
Net cash used in investing activities	(5,180)		(2,512)		2,668
Net cash used in financing activities	(2,287)		(2,152)		134
Cash and cash equivalents, end of period	36,490		32,934		(3,555)

④ Dividends

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2024 Previous forecast	Change
	A		B					
Annual dividends per share	(¥) 120.00		120.00		—	—	120.00	—
Total dividends	3,372							
Dividend payout ratio	(%) 81.9		70.3		(11.6)		71.8	(1.5)
Dividend on equity ratio (DOE)	(%) 2.8							

⑤ Capital Expenditures

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast
	First six months		First six months					
Capital expenditures	108		251		142	130.5	478	1,070
PP&E	60		100		39	65.4	168	680
Intangible assets	12		15		2	21.0	52	70
Long-term prepaid expenses	35		135		99	281.6	257	320

⑥ Depreciation/Amortization

(Millions of Yen)	FY2023		FY2024		Change	Change (%)	FY2023 Full year	FY2024 Revised forecast
	First six months		First six months					
Depreciation and amortization of intangible assets	222		200		(21)	(9.8)	459	400
Amortization of long-term prepaid expenses	334		371		37	11.2	685	750

II Financial Results for the First Six Months of FY2024

The forecasts for the FY2024 have been changed from the previous forecasts announced at the FY2023 financial results announcement on February 9, 2024.

※ We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Statement of Income

(Millions of Yen)	FY2023	FY2024	Change	Change (%)	FY2024	Progress ratio (%)
	First six months	First six months			Revised forecast	
	A	B	B-A	(B-A)/A	C	B/C
Net sales	25,699	28,309	2,610	10.2	60,700	46.6
Sales of products	25,547	28,164	2,616	10.2	60,430	46.6
Renal disease and hemodialysis	5,626	5,444	(181)	(3.2)	10,920	49.9
Skin disease	6,876	8,225	1,348	19.6	17,390	47.3
Allergens	10,009	11,019	1,009	10.1	24,800	44.4
Other	3,034	3,475	440	14.5	7,320	47.5
Other sales	151	145	(6)	(4.2)	270	53.7
Cost of sales	13,770	15,701	1,931	14.0	33,900	46.3
Cost of products sold	13,743	15,673	1,930	14.0		
Other cost	26	27	1	5.3		
Gross profit	11,928	12,607	678	5.7	26,800	47.0
Selling, general and administrative expenses	10,418	9,466	(951)	(9.1)	20,500	46.2
R&D expenses	2,413	1,363	(1,050)	(43.5)	3,200	42.6
Others	8,004	8,103	98	1.2	17,300	46.8
Operating income	1,510	3,141	1,630	107.9	6,300	49.9
Operating income before R&D expenses	※ 3,924	4,504	580	14.8	9,500	47.4
Non-operating income and expenses	32	(155)	(188)			
Ordinary income	1,543	2,985	1,442	93.5	6,400	46.6
Extraordinary income and loss	(2)	(8)	(5)			
Income before income taxes	1,540	2,976	1,436	93.2		
Income taxes	453	755	301			
Net income	1,086	2,221	1,134	104.4	4,800	46.3

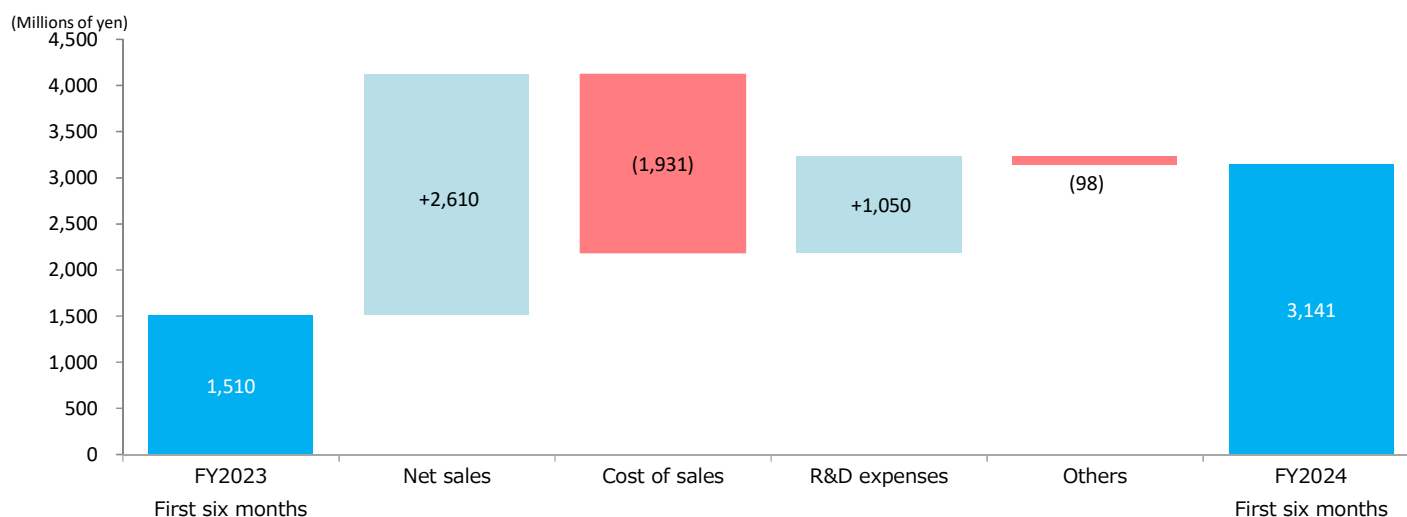
(Reference) Ratio to net sales

(%)	FY2023	FY2024	Change
	First six months	First six months	
	A	B	B-A
Cost of sales	53.6	55.5	1.9
SG&A	40.5	33.4	(7.1)
R&D expenses	9.4	4.8	(4.6)
Operating income	5.9	11.1	5.2
Operating income before R&D expenses	※ 15.3	15.9	0.6
Ordinary income	6.0	10.5	4.5
Net income	4.2	7.8	3.6

[Factors in increase/decrease compared with the same term of the last fiscal year]

Operating income (¥3,141 million : Increase ¥1,630 million year-on-year)

✓ Despite an increase in cost of sales, both sales and profits increased due to an increase in sales in Skin disease and Allergen areas coupled with a decrease in R&D expenses



Major factors in increase/decrease (Rounded down to the nearest 0.1 billion yen)

Net sales	Renal disease and hemodialysis	: Decrease ¥0.1 billion in sales	REMITCH Decrease ¥0.4 billion (negative impact of generic drugs and drug price revisions), Riona Increase ¥0.2 billion (increase in sales quantity)
	Skin disease	: Increase ¥1.3 billion in sales	CORECTIM Increase ¥0.8 billion, ANTEBATE Increase ¥0.4 billion (increase in sales quantity), LOCOID Increase ¥0.1 billion (positive impact of drug price revisions and increase in sales quantity)
	Allergens	: Increase ¥1.0 billion in sales	CEDARCURE Increase ¥0.5 billion, MITICURE Increase ¥0.5 billion (increase in sales quantity)
	Other	: Increase ¥0.4 billion in sales	BIO-THREE Increase ¥0.3 billion (increase in sales quantity and positive impact of drug price revisions)
Cost of sales		: Increase in sales quantity	
		: Increase due to the effect of foreign exchange rates	
		: Increase in purchasing unit price	
R&D expenses		: Payment of upfront licensing fees for license agreement with Nogra Pharma Limited in FY2023	
Others		: Increase in sales-linked expenses	
		: Increase in system related expenses	

Ordinary income (¥2,985 million : Increase ¥1,442 million year-on-year)

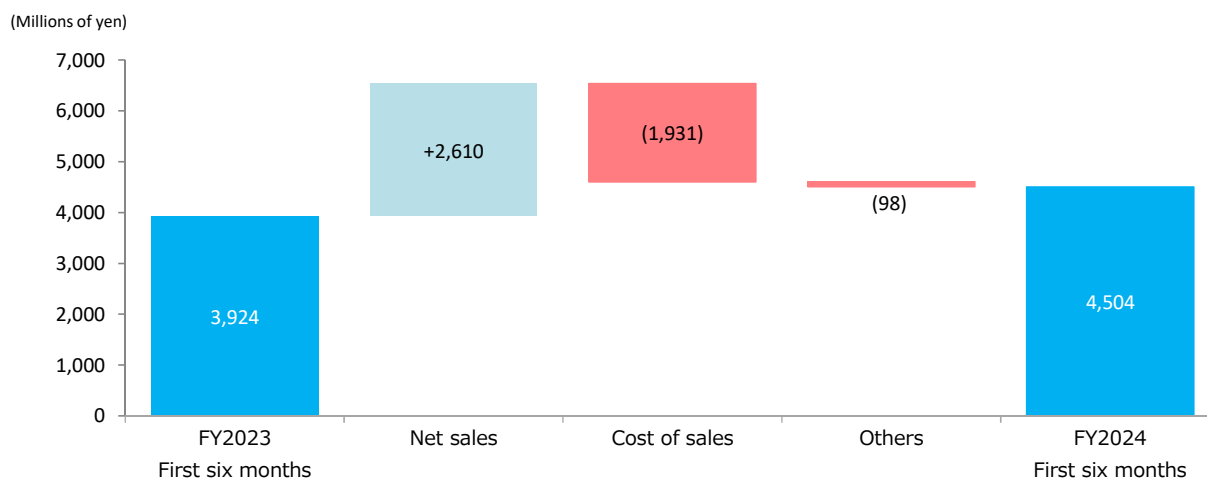
Non-operating expenses: Increase in loss on investments in investment partnerships +¥221 million

Net income (¥2,221 million : Increase ¥1,134 million year-on-year)

Special remarks: None

(Reference)

Operating income before R&D expenses (¥4,504 million : Increase ¥580 million year-on-year)



② Sales of Products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First six months		First six months			
	A		B			
Sales of Products	25,547		28,164		2,616	10.2
[Renal disease and hemodialysis]						
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	3,493		3,789		296	8.5
REMITCH Oral anti-pruritus agent	1,366		883		(483)	(35.4)
Others	766		771		4	0.6
Total	5,626		5,444		(181)	(3.2)
[Skin disease]						
CORECTIM Topical Janus kinase (JAK) inhibitor	3,570		4,377		806	22.6
ANTEBATE ※ Topical corticosteroid	2,086		2,578		491	23.5
LOCOID ※ Topical corticosteroid	751		921		170	22.8
Others	467		347		(120)	(25.7)
Total	6,876		8,225		1,348	19.6
[Allergens]						
CEDARCURE ※ Japanese cedar pollinosis (Allergen Immunotherapy)	5,223		5,753		529	10.1
MITICURE ※ House dust mite allergy (Allergen Immunotherapy)	4,685		5,186		500	10.7
Others	100		79		(20)	(20.6)
Total	10,009		11,019		1,009	10.1
[Other]						
BIO-THREE Viable bacterial preparations	1,854		2,231		377	20.4
ORLADEYO Plasma kallikrein inhibitor	736		830		94	12.8
Others	444		412		(31)	(7.1)
Total	3,034		3,475		440	14.5

※ In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2023		FY2024		Change B-A	Change (%) (B-A)/A
	First six months		First six months			
	A		B			
Sales of in-house products	13,706		15,278		1,572	11.5
Ratio of in-house product sales (%)	53.6		54.2		0.6	

③ Research and Development

Development code [Product Name]	Indication	Formulation/ Route of administration	Development stage (domestic)					Remarks
			Phase I	Phase II	Phase III	Application	Approval	
Skin disease								
JTE-061 [VTAMA® Cream]	Atopic dermatitis	Topical					Approval	<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan NDA approval obtained by JT in June, 2024
	Plaque psoriasis	Topical					Approval	<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan NDA approval obtained by JT in June, 2024
	Atopic dermatitis in Pediatric Patients	Topical			Phase III			<ul style="list-style-type: none"> Compounds for which JT has entered into a license agreement with Dermavant Sciences GmbH for exclusive development and commercialization in the skin disease area in Japan License agreement signed with JT for joint development and commercialization in Japan
TO-208	Molluscum contagiosum	Topical			Phase III			<ul style="list-style-type: none"> License agreement signed with Verrica Pharmaceuticals Inc. for exclusive development and commercialization in Japan In-house Verrica Pharmaceuticals Inc., the development code: VP-102
TO-210	Acne	Topical	Phase I					<ul style="list-style-type: none"> License agreement signed with Nogra Pharma Limited for exclusive development and commercialization in Japan In-house Nogra Pharma Limited, the development code: NAC-GED-0507
Allergens								
TO-203 [MITICURE® House Dust Mite Sublingual Tablets]	House dust mite induced allergic asthma (Allergen Immunotherapy)	Sublingual tablet			Phase II / III (Study completed※)			<ul style="list-style-type: none"> License agreement signed with ALK for providing exclusive development and sales rights in Japan In-house ※Examining the future development policy

Update since the previous announcement on April 26, 2024 :

•Manufacturing and marketing approval of JTE-061"VTAMA® Cream 1%" for Atopic dermatitis and Psoriasis vulgaris by JT in June, 2024.

Additional Information

•In December 2023, Torii entered into a license agreement with ALK-Abelló A/S(ALK) for an exclusive license in Japan to develop and commercialize GRAZAX®, ALK's allergen immunotherapy (sublingual immunotherapy) drug for the treatment of grass pollen allergies.

Torii and its parent company, JT (specifically, the pharmaceutical division of the company) each leverage their own pharmaceutical product and service strengths. Torii is primarily responsible for manufacturing and marketing functions, while the parent company is responsible for research and development functions. For the clinical research and development of JT, please refer to the following company's website.

https://www.jt.com/investors/results/S_information/pharmaceuticals/index.html

III Financial Forecasts for the FY2024

The forecasts for the FY2024 have been changed from the previous forecasts announced at the FY2023 financial results announcement on February 9, 2024.

※ We are actively investing in R&D for the time being, in order to obtain in-licensed drugs in the future. For this reason, we have set operating income before R&D expenses as a numerical income indicator for the Medium-Term Management Plan.

① Statement of Income

(Millions of Yen)	FY2024	FY2024	Change	FY2023	Change	Change (%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Net sales	58,600	60,700	2,100	54,638	6,061	11.1
Sales of products	58,320	60,430	2,110	54,339	6,090	11.2
Renal disease and hemodialysis	10,020	10,920	900	11,888	(968)	(8.1)
Skin disease	17,060	17,390	330	14,266	3,123	21.9
Allergens	23,790	24,800	1,010	21,685	3,114	14.4
Other	7,450	7,320	(130)	6,498	821	12.6
Other sales	280	270	(10)	299	(29)	(9.7)
Cost of sales	32,100	33,900	1,800	29,847	4,052	13.6
Gross profit	26,500	26,800	300	24,791	2,008	8.1
SG&A	20,700	20,500	(200)	19,755	744	3.8
R&D expenses	3,450	3,200	(250)	3,490	(290)	(8.3)
Others	17,250	17,300	50	16,265	1,034	6.4
Operating income	5,800	6,300	500	5,035	1,264	25.1
Operating income before R&D expenses	※ 9,250	9,500	250	8,526	973	11.4
Ordinary income	6,200	6,400	200	5,307	1,092	20.6
Net income	4,700	4,800	100	4,119	680	16.5

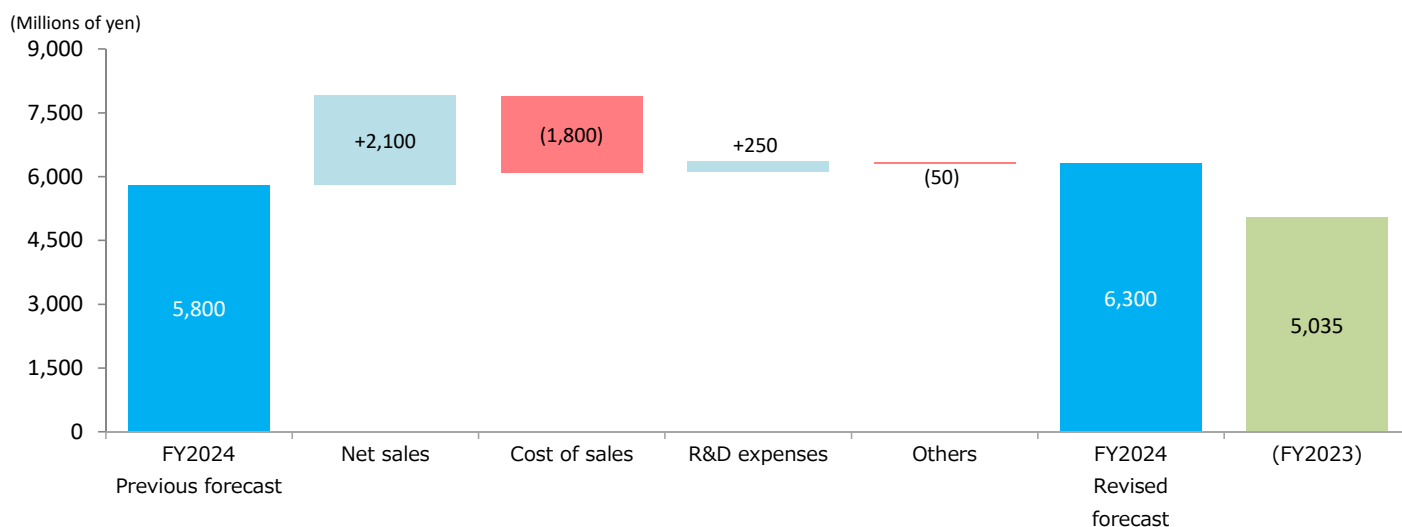
(Reference) Ratio to net sales

(%)	FY2024	FY2024	Change	FY2023	Change
	Previous forecast	Revised forecast			
	A	B	B-A	C	B-C
Cost of sales	54.8	55.8	1.0	54.6	1.2
SG&A	35.3	33.8	(1.5)	36.2	(2.4)
R&D expenses	5.9	5.3	(0.6)	6.4	(1.1)
Operating income	9.9	10.4	0.5	9.2	1.2
Operating income before R&D expenses	※ 15.8	15.7	(0.1)	15.6	0.1
Ordinary income	10.6	10.5	(0.1)	9.7	0.8
Net income	8.0	7.9	(0.1)	7.5	0.4

[Factors in increase/decrease compared with the previous forecast for the FY2024]

Operating income (¥6,300 million : Increase ¥500 million)

✓ Despite an increase in the cost of sales, operating income are revised upward due to an increase in sales in Allergen, Renal disease and hemodialysis and Skin disease areas.



Major factors in increase/decrease (Rounded down to the nearest 0.1 billion yen)

Net sales	Renal disease and hemodialysis	: Increase ¥0.9 billion in sales	Riona Increase ¥0.8 billion (increase in sales quantity) REMITCH Decrease ¥0.1 billion (decrease in sales quantity)
	Skin disease	: Increase ¥0.3 billion in sales	LOCOID Increase ¥0.3 billion (positive impact of drug price revision), ANTEBATE Increase ¥0.2 billion (increase in sales quantity), CORECTIM Decrease ¥0.1 billion (decrease in sales quantity)
	Allergens	: Increase ¥1.0 billion in sales	MITICURE Increase ¥0.5 billion, CEDARCURE Increase ¥0.5 billion (increase in sales quantity)
	Other	: Decrease ¥0.1 billion in sales	ORLADEYO Decrease ¥0.3 billion (decrease in sales quantity) BIO-THREE Increase ¥0.2 billion (increase in sales quantity)
Cost of sales		: Increase in sales quantity Increase due to the effect of foreign exchange rates	
R&D expenses		: Decrease in development expense related to newly in-licensed products	
Others		: Increase in sales-linked expenses	

Ordinary income (¥6,400 million : Increase ¥200 million)

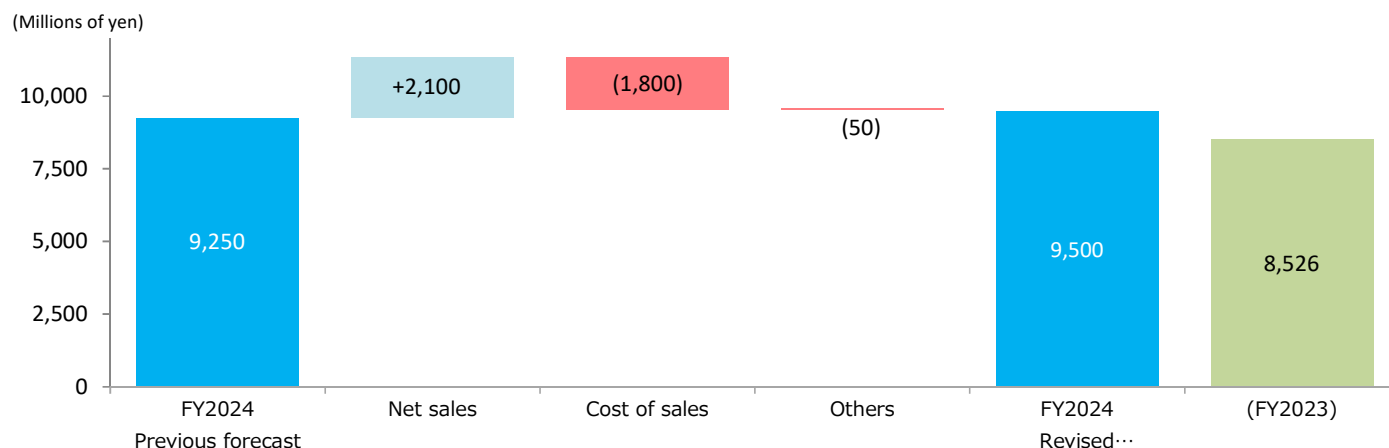
Non-operating expenses: Increase in loss on investments in investment partnerships +¥233 million

Net income (¥4,800 million : Increase ¥100 million)

Special remarks: None

(Reference)

Operating income before R&D expenses (¥9,500 million : Increase ¥250 million)



② Sales of Products

(Millions of Yen)	FY2024	FY2024	Change	FY2023	Change	Change(%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Sales of Products	58,320	60,430	2,110	54,339	6,090	11.2
[Renal disease and hemodialysis]						
Riona Agent for hyperphosphatemia, Iron-deficiency anemia	6,700	7,590	890	7,515	74	1.0
REMITCH Oral anti-pruritus agent	1,830	1,710	(120)	2,725	(1,015)	(37.3)
Others	1,490	1,620	130	1,648	(28)	(1.7)
Total	10,020	10,920	900	11,888	(968)	(8.1)
[Skin disease]						
CORECTIM Topical Janus kinase (JAK) inhibitor	8,800	8,680	(120)	7,450	1,229	16.5
ANTEBATE ※ Topical corticosteroid	4,770	4,980	210	4,533	446	9.9
LOCOID ※ Topical corticosteroid	1,620	1,950	330	1,427	522	36.6
Others	1,870	1,780	(90)	854	925	108.4
Total	17,060	17,390	330	14,266	3,123	21.9
[Allergens]						
CEDARCURE ※ Japanese cedar pollinosis (Allergen Immunotherapy)	12,610	13,110	500	11,356	1,753	15.4
MITICURE ※ House dust mite allergy (Allergen Immunotherapy)	11,020	11,530	510	10,148	1,381	13.6
Others	160	160	—	179	(19)	(11.1)
Total	23,790	24,800	1,010	21,685	3,114	14.4
[Other]						
BIO-THREE Viable bacterial preparations	4,400	4,600	200	4,041	558	13.8
ORLADEYO Plasma kallikrein inhibitor	2,270	1,950	(320)	1,546	403	26.1
Others	780	770	(10)	910	(140)	(15.4)
Total	7,450	7,320	(130)	6,498	821	12.6

※ In-house products

(References) Sales and ratio of in-house products

(Millions of Yen)	FY2024	FY2024	Change	FY2023	Change	Change(%)
	Previous forecast	Revised forecast				
	A	B	B-A	C	B-C	(B-C)/C
Sales of in-house products	32,010	33,260	1,250	29,378	3,881	13.2
Ratio of in-house product sales (%)	54.9	55.0	0.1	54.1	0.9	