

Stock exchange listing: Tokyo Stock Exchange  
Stock code: 4547

**Supplementary  
Explanatory Materials on  
Financial Results for  
the Six Months Ended  
September 30, 2025**

November 4, 2025

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Note:

- The forward-looking statements herein are based on the information available and the Company’s analysis of various trends as of November 2025. Actual results may differ greatly from these statements due to business risks and uncertainties.

**[Excerpts from “Overview of Operating Results for the Period under Review” of the Semi-annual Financial Results]**

• Net sales

Net sales of the Pharmaceutical Business were ¥38,347 million, an increase of 4.7% year on year. The sales increase of Beova<sup>®</sup>, an overactive bladder treatment, TAVNEOS<sup>®</sup> for the treatment of microscopic polyangiitis and granulomatosis with polyangiitis, KORSUVA<sup>®</sup>, a treatment for pruritus in dialysis patients, and TAVALISSE<sup>®</sup>, a treatment for chronic idiopathic thrombocytopenic purpura, etc., contributed to the year-on-year increase in net sales.

In addition, Theramex (U.K.), the licensee of Linzagolix (generic name) discovered by the Company, launched the product in Germany in September 2024 under the product name Yselty<sup>®</sup> for the indication of uterine fibroids, and has since expanded sales to additional countries. In November 2024, an additional indication of endometriosis for this drug was approved. The launch and its preparations in other countries continued during the period under review, with export sales increasing steadily.

Fostamatinib (generic name, domestic brand name: TAVALISSE<sup>®</sup>), which the Company in-licensed from Rigel Pharmaceuticals, Inc. (U.S.), was newly launched in July 2025 by JW Pharmaceutical Corporation (South Korea), the sublicensee of the drug in South Korea.

Net sales of the Information Services Business were ¥5,102 million, an increase of 26.6% year on year, net sales of the Construction and Facility Maintenance Business were ¥1,868 million, an increase of 42.9% year on year, and net sales of the Merchandising Business were ¥512 million, an increase of 4.0% year on year.

• Profit

Although the Company secured higher net sales, regarding profit, operating loss and ordinary loss were recorded due to an increase in the cost of sales ratio and an increase in selling, general and administrative expenses centering on R&D expenses. On the other hand, profit attributable to owners of parent increased. The Company also recorded gain on sale of investment securities as extraordinary income.

• R&D

In July 2025, the Company entered into an agreement with Viridian Therapeutics, Inc. regarding acquiring exclusive development and sales rights for Veligrotug (generic name) and VRDN-003 (development code), which are potential treatments for patients with thyroid eye disease (TED) in Japan. Furthermore, following the initiation of a domestic Phase I clinical trial for Olutasidenib (generic name), a treatment for acute myeloid leukemia, in July 2025, the Company initiated a domestic Phase I clinical trial for KSP-0914 (development code), a treatment for Graves' disease discovered by the Company, in August 2025, continuing to advance the stage-up of our research and development themes.

Regarding the overseas expansion of Linzagolix, in October 2025, the Company licensed exclusive development and commercialization rights in Canada to Searchlight Pharma (Canada). In addition, Synmosa Biopharma Corporation (Taiwan), the licensee in Taiwan, received marketing approval for the indication of uterine fibroids in October 2025.

# I. Consolidated Statements of Income

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025		Fiscal year ending March 31, 2026			
	1st half	Full year	1st half	YoY	Full year (forecast)	YoY
Net sales	42,466	88,330	45,831	7.9 %	95,500	8.1 %
Pharmaceutical Business	36,633	75,299	38,347	4.7 %	78,000	3.6 %
Domestic Pharmaceuticals	31,258	63,975	32,766	4.8 %	67,200	5.0 %
Pharmaceutical products	29,017	59,108	30,428	4.9 %	62,100	5.1 %
Other*1	2,241	4,866	2,337	4.3 %	5,100	4.8 %
Overseas Licensing	3,574	7,770	3,775	5.6 %	7,200	(7.3) %
Technical Fees*2	1,430	2,209	735	(48.6) %	900	(59.3) %
Export	2,143	5,561	3,039	41.8 %	6,300	13.3 %
Therapeutic and Care Foods	1,800	3,553	1,806	0.3 %	3,600	1.3 %
Information Services Business	4,032	8,735	5,102	26.6 %	12,600	44.2 %
Construction and Facility Maintenance Business	1,307	3,435	1,868	42.9 %	4,000	16.4 %
Merchandising Business	492	860	512	4.0 %	900	4.7 %
Cost of sales	21,068	44,265	23,143	9.8 %	49,700	12.3 %
[Cost of sales ratio]	[49.6]	[50.1]	[50.5]		[52.0]	
Gross profit	21,397	44,065	22,688	6.0 %	45,800	3.9 %
Selling, general and administrative expenses	19,616	38,291	29,525	50.5 %	48,400	26.4 %
R&D expenses	7,091	12,889	16,328	130.3 %	23,000	78.4 %
[Ratio to net sales]	[16.7]	[14.6]	[35.6]		[24.1]	
Operating profit (loss)	1,781	5,773	(6,837)	—	(2,600)	—
Non-operating income	786	1,542	1,400	78.0 %	1,800	16.7 %
Interest and dividend income	735	1,450	904	23.0 %		
Other	51	92	495	868.5 %		
Non-operating expenses	330	341	184	(44.1) %	300	(12.0) %
Interest expenses	9	21	13	38.9 %		
Other	320	319	170	(46.6) %		
Ordinary profit (loss)	2,237	6,974	(5,622)	—	(1,100)	—
Extraordinary income	5,190	12,033	15,199	192.8 %	18,600	54.6 %
Extraordinary losses	269	3,398	166	(38.0) %	300	(91.2) %
Profit before income taxes	7,159	15,610	9,410	31.4 %	17,200	10.2 %
Income taxes - current	1,954	2,918	4,804	145.8 %	6,500	122.8 %
Income taxes - deferred	(47)	716	(3,271)	—	(2,200)	—
Profit attributable to non-controlling interests	2	14	93	—	200	—
Profit attributable to owners of parent	5,249	11,961	7,784	48.3%	12,700	6.2 %

[Comprehensive income] [1,447] [(1,914)] [10,001] [590.9%]

\*1: Includes revenue from supply to domestic sales partners and revenue from co-promotion fees.

\*2: Includes revenue contracting fees related to out-licensing, milestone payments, and running royalties.

Net sales	<p>Results:</p> <p>Pharmaceutical Business: 4.7% increase in net sales Sales of domestic pharmaceuticals increased. Overall sales of pharmaceuticals increased due to increases in sales of Beova®, TAVNEOS®, KORSUVA® and TAVALISSE®. Regarding overseas licensing, revenue from technical fees decreased, while export sales increased. Sales of therapeutic and care foods slightly increased.</p> <p>Other businesses: 28.3% increase in net sales Net sales of the Information Services Business increased 26.6%, net sales of the Construction and Facility Maintenance Business increased 42.9%, and net sales of the Merchandising Business increased 4.0%.</p> <p>Forecast:</p> <p>Pharmaceutical Business: 3.6% increase in net sales Sales of domestic pharmaceuticals are expected to increase because of the Company's ongoing efforts to promote its products such as the four products, including Beova®. Regarding overseas licensing revenue, export sales are expected to increase, while revenue from technical fees are expected to decrease, as in the first half of the fiscal year ending March 31, 2026. Sales of therapeutic and care foods are expected to increase slightly.</p> <p>Other businesses: 34.3% increase in net sales Net sales of all of the Information Services Business, the Construction and Facility Maintenance Business and the Merchandising Business are expected to increase.</p>
Cost of sales	<p>Results: 0.9-percentage-point increase in cost of sales ratio The cost of sales ratio of the Pharmaceutical Business increased owing mainly to the change in the composition of product sales and a decrease in revenue from technical fees. In addition, the cost of sales of the other businesses also rose, owing mainly to the change in the business structure.</p> <p>Forecast: 1.9-percentage-point increase in cost of sales ratio The Pharmaceutical Business is expected to improve slightly, and other businesses are expected to increase.</p>
Selling, general and administrative expenses	<p>Results: 50.5% increase YoY Selling expenses, general and administrative expenses, and R&amp;D expenses all increased. In particular, R&amp;D expenses increased by 130.3%, mainly due to the recording of lump-sum payments for contracts of new in-licensing.</p> <p>Forecast: 26.4% increase YoY Selling expenses and general and administrative expenses are expected to remain at the same level as the previous period, while R&amp;D expenses are expected to increase. The increase in R&amp;D expenses is due to the same factors as those for the first half of the fiscal year ending March 31, 2026.</p>
Non-operating income and expenses	<p>Results: Main items included the recording of gain on valuation of securities and a decrease in foreign exchange losses.</p> <p>Forecast: No extraordinary items are expected.</p>
Extraordinary income and losses	<p>Results: The main item was an increase in gain on sale of investment securities.</p> <p>Forecast: A gain on sale of investment securities is expected to be recorded for the second half of the fiscal year ending March 31, 2026, as was the case for the first half of the fiscal year. In addition, gain on sale of non-current assets is expected to be recorded in the second half.</p>

[Other Items (Consolidated)]

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025		Fiscal year ending March 31, 2026			
	1st half	Full year	1st half	YoY	Full year (forecast)	YoY
Depreciation	2,282	4,615	2,254	(1.2) %	4,800	4.0 %
Capital investment	2,304	4,705	3,648	58.3 %	5,200	10.5 %
Main items	Production equipment, etc. 932 Other 1,372	Production equipment, etc. 1,904 Other 2,801	Production equipment, etc. 2,691 Other 957		Production equipment, etc. 3,200 Other 2,000	
Number of employees at end of period	1,811	1,778	1,830	52	—	—

## II. Consolidated Balance Sheets

(Million yen)

Fiscal year Item		Fiscal year ended March 31, 2025		Fiscal year ending March 31, 2026 As of September 30, 2025	Change (from the previous fiscal year-end)
		As of September 30, 2024	As of March 31, 2025		
Assets	Current assets	107,009	106,980	119,876	12,896
	Cash and deposits	26,444	25,169	36,324	11,154
	Notes and accounts receivable - trade, and contract assets	27,433	29,654	28,344	(1,310)
	Investments in specified trusts and securities	25,202	25,286	27,540	2,254
	Inventories	26,313	24,980	26,242	1,261
	Other current assets	1,615	1,889	1,424	(464)
	Non-current assets	153,329	137,079	141,249	4,169
	Property, plant and equipment	26,149	27,069	29,762	2,692
	Intangible assets	1,863	1,894	2,005	110
	Investments and other assets	125,316	108,115	109,481	1,366
	Investment securities	100,663	84,869	86,945	2,076
	Long-term prepaid expenses	15,424	12,708	11,707	(1,001)
	Retirement benefit asset	7,629	8,804	9,245	440
	Deferred tax assets	459	566	496	(69)
	Other	1,156	1,184	1,105	(79)
	Allowance for doubtful accounts	(18)	(18)	(18)	—
Total assets		260,339	244,059	261,125	(17,065)

Cash and deposits	<ul style="list-style-type: none"> <li>Increased mainly due to profit</li> </ul>
Notes and accounts receivable - trade, and contract assets	<ul style="list-style-type: none"> <li>A decrease in the Pharmaceutical Business, and also a decrease in other businesses</li> </ul>
Inventories	<ul style="list-style-type: none"> <li>A decrease in merchandise and finished goods in the Pharmaceutical Business and an increase in work in process in other businesses</li> </ul>
Property, plant and equipment	<ul style="list-style-type: none"> <li>An increase in buildings and structures in the Pharmaceutical Business, and an increase in machinery and equipment included in "Other" and a decrease in construction in progress, despite a decrease in depreciation</li> </ul>
Investment securities	<ul style="list-style-type: none"> <li>An increase in unrealized gains due to fair value evaluation, despite a decrease due to sales</li> </ul>
Long-term prepaid expenses	<ul style="list-style-type: none"> <li>A decrease caused by depreciation</li> </ul>

(Million yen)

Fiscal year Item		Fiscal year ended March 31, 2025		Fiscal year ending March 31, 2026 As of September 30, 2025	Change (from the previous fiscal year-end)
		As of September 30, 2024	As of March 31, 2025		
Liabilities	Total liabilities	39,568	33,933	48,500	14,567
	Current liabilities	19,448	16,578	33,575	16,997
	Notes and accounts payable - trade	5,243	4,602	7,756	3,154
	Short-term borrowings	1,260	1,280	1,270	(10)
	Income taxes payable	2,145	1,474	5,095	3,621
	Contract liabilities	1,011	1,033	805	(227)
	Other	9,788	8,189	18,649	10,459
	Non-current liabilities	20,119	17,354	14,924	(2,429)
	Deferred tax liabilities	19,257	16,481	14,082	(2,398)
	Other	862	873	842	(30)
Net assets	Total net assets	220,770	210,126	212,625	2,498
	Shareholders' equity	166,120	165,550	165,833	282
	Share capital	24,356	24,356	24,356	—
	Capital surplus	24,226	24,226	24,243	17
	Retained earnings	130,747	131,488	132,746	1,257
	Treasury shares	(13,209)	(14,520)	(15,513)	(992)
	Total accumulated other comprehensive income	53,537	43,453	45,546	2,093
	Non-controlling interests	1,113	1,122	1,245	123
Total liabilities and net assets		260,339	244,059	261,125	17,065

Notes and accounts payable - trade	<ul style="list-style-type: none"> <li>An increase in the Pharmaceutical Business, and also an increase in other businesses</li> </ul>
Income taxes payable	<ul style="list-style-type: none"> <li>An increase due to higher income in the Pharmaceutical Business</li> </ul>
Other current liabilities	<ul style="list-style-type: none"> <li>An increase in accounts payable in the Pharmaceutical Business</li> </ul>
Deferred tax liabilities	<ul style="list-style-type: none"> <li>A decrease due to a decrease in income taxes - deferred despite an increase due to an increase in unrealized gains on investment securities</li> </ul>
Retained earnings	<ul style="list-style-type: none"> <li>Dividends paid: -¥2,354 million; Cancellation of treasury shares: -¥4,173 million; Profit attributable to owners of parent: +¥7,784 million</li> </ul>
Total accumulated other comprehensive income	<ul style="list-style-type: none"> <li>An increase in valuation difference on available-for-sale securities due to an increase in unrealized gains on investment securities; a decrease in remeasurements of defined benefit plans</li> </ul>

### III. Consolidated Statements of Cash Flows

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025 1st half	Fiscal year ending March 31, 2026 1st half	Change
Cash flows from operating activities	2,775	7,987	5,212
Cash flows from investing activities	2,779	12,782	10,003
Cash flows from financing activities	(1,960)	(7,663)	(5,702)
Effect of exchange rate change on cash and cash equivalents	(40)	7	47
Net increase (decrease) in cash and cash equivalents	3,553	13,114	9,561
Cash and cash equivalents at beginning of period	45,887	48,158	2,271
Cash and cash equivalents at end of period	49,440	61,273	11,832

Main factors for increases and decreases (from the same period of the previous fiscal year)

1. Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7,987 million for the six months ended September 30, 2025, up ¥5,212 million from the previous corresponding period, mainly due to cash inflow factors such as increases in other current liabilities and trade payables, despite cash outflow factors such as an increase in inventories.

2. Cash flows from investing activities

Net cash provided by investing activities amounted to ¥12,782 million for the six months ended September 30, 2025, up ¥10,003 million from the previous corresponding period, mainly due to proceeds from sale of investment securities.

3. Cash flows from financing activities

Net cash used in financing activities was ¥7,663 million for the six months ended September 30, 2025, up ¥5,702 million from the previous corresponding period, mainly due to the purchase of treasury shares and dividends paid.



## IV. Trends in Dividends

(Yen)

Fiscal year Item	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (Forecast)
Interim dividend	40	41	45	60
Annual dividend	80	82	100	120

(%)

Payout ratio	35.0	33.3	36.5	39.3
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(Reference)

(Million yen)

Purchase of treasury shares	—	6,000	5,292	5,216
(Number of shares purchased)	—	(1,910 thousand shares)	(1,400 thousand shares)	(1,369 thousand shares)
Cancellation of treasury shares	—	5,704	3,981	4,173
(Number of shares cancelled)	—	(2,500 thousand shares)	(1,400 thousand shares)	(1,369 thousand shares)

(%)

Total payout ratio	35.0	86.8	80.6	80.2
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## V. Trends in Main Product Sales

(Million yen)

Product name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025		Fiscal year ending March 31, 2026			
		1st half	Full year	1st half	YoY	Full year (forecast)	YoY
Overactive Bladder Treatment <b>Beova®</b>	15,335	8,793	18,662	10,222	16.3 %	21,000	12.5%
Treatment for MPA* <sup>1</sup> and GPA* <sup>2</sup> <b>TAVNEOS®</b>	5,161	4,224	8,989	5,607	32.7 %	11,800	31.3%
Treatment for Pruritus in Dialysis <b>KORSUVA®</b>	757	2,251	5,284	3,793	68.5 %	8,000	51.4%
Hyperphosphatemia Treatment <b>P-TOL®</b>	5,241	2,361	4,442	2,069	(12.3)%	4,000	(10.0)%
Treatment for Chronic ITP* <sup>3</sup> <b>TAVALISSE®</b>	818	984	2,190	1,648	67.5 %	3,700	68.9%
Treatment for Renal Anemia <b>Darbepoetin Alfa BS Injection [JCR]</b>	4,077	1,941	3,792	1,820	(6.2)%	3,500	(7.7)%
Treatment for Diabetes <b>GLUBES®, GLUFAST®</b>	3,806	1,703	3,209	1,391	(18.3)%	2,800	(12.7)%
Treatment for Renal Anemia <b>Epoetin Alfa BS Injection [JCR]</b>	2,336	962	1,771	761	(20.9)%	1,500	(15.3)%
Treatment for Ulcerative Colitis <b>CAROGRA®</b>	1,091	627	1,153	586	(6.4)%	1,200	4.1%

\*1: Microscopic polyangiitis

\*2: Granulomatosis with polyangiitis

\*3: Idiopathic thrombocytopenic purpura

## VI. R&D Pipeline (In-house)

(As of November 2025)

Generic name / Development code	Expected indications	Category	Development stage	Development classification
Linzagolix / K LH-2109	Uterine fibroids	GnRH receptor antagonist	NDA	Kissei
	Endometriosis		Phase III	Kissei
Cretostimogene grenadenorepvec / CG0070	Non-muscle-invasive bladder cancer in high-risk patients	Oncolytic Viral Therapy	Phase III	In-licensed / CG Oncology (U.S.)
Rovatiorelin / KPS-0373	Spinocerebellar degeneration	TRH receptor agonist	Phase III	In-licensed / Shionogi (Japan)
Matsupexole / KDT-3594	Parkinson's disease	Dopamine receptor agonist	Phase II	Kissei
Olutasidenib	Relapsed/refractory acute myeloid leukemia	IDH1 inhibition	Phase I	In-licensed / Rigel (U.S.)
KSP-0914	Graves' disease	TSH receptor inhibition	Phase I	Kissei

\* Changes from previous release (July 2025):

Olutasidenib (relapsed/refractory acute myeloid leukemia):  
KSP-0914 (Graves' disease)

Clinical trial preparation

→ Phase I

→ Phase I (addition)

## VII. R&D Pipeline (Out-licensing)

(As of November 2025)

Generic name	Expected indications	Category	Countries & Regions	Development company	Development stage
Linzagolix	Uterine fibroids	GnRH receptor antagonist	Taiwan	Synmosa Biopharma (Taiwan)	Approved
			4 countries* <sup>1</sup>	Theramex (U.K.)	NDA
			South Korea	JW Pharmaceutical (South Korea)	Phase III
	Endometriosis		3 countries* <sup>2</sup>	Theramex (U.K.)	NDA
Silodosin	Dysuria associated with benign prostatic hyperplasia	Alpha 1A adrenergic receptor antagonist	Vietnam, etc.	Eisai (Japan)	NDA

\*1: Switzerland, Brazil, Republic of South Africa and Mexico

\*2: Brazil, Republic of South Africa and Mexico

\* Changes from previous release (July 2025):

Linzagolix (endometriosis, Taiwan):

NDA

→ Approved

Linzagolix (endometriosis, South Korea):

→ Phase III (addition)