KISSEI

Stock exchange listing: Tokyo Stock Exchange
Stock code: 4547

Supplementary Explanatory Materials on Financial Results for the Fiscal Year Ended March 31, 2026

May 11, 2026

KISSEI PHARMACEUTICAL CO., LTD.

Table of Contents

[Excerpts from "Overview of Operating Results for the Fiscal Year under Review" of the Annual Financial Results] - - - - - - - - - - - - - - - - - - P 1

Ⅰ. Consolidated Statements of Income - - - - - - - - - - - - - - - - - - P 3

Ⅱ. Consolidated Balance Sheets - - - - - - - - - - - - - - - - - - P 5

Ⅲ. Consolidated Statements of Cash Flows - - - - - - - - - - - - - - - - - - P 7

Ⅳ. Trends in Dividends - - - - - - - - - - - - - - - - - - P 8

Ⅴ. Trends in Main Product Sales - - - - - - - - - - - - - - - - - - P 9

Ⅵ. R&D Pipeline (In-house) - - - - - - - - - - - - - - - - - - P 10

Ⅶ. R&D Pipeline (Out-licensing) - - - - - - - - - - - - - - - - - - P 10

Note:

- The forward-looking statements herein are based on the information available and the Company's analysis of various trends as of May 2026. Actual results may differ greatly from these statements due to business risks and uncertainties.

[Excerpts from "Overview of Operating Results for the Fiscal Year under Review" of the Annual Financial Results]

•Net sales

Net sales of the Pharmaceutical Business were ¥77,950 million, an increase of 3.5% year on year. The sales increase of Beova, an overactive bladder treatment, TAVNEOS for the treatment of microscopic polyangiitis and granulomatosis with polyangiitis, KORSUVA, a treatment for pruritus in dialysis patients, and TAVALISSE, a treatment for persistent and chronic immune thrombocytopenia (ITP), etc., contributed to the year on year increase in net sales.

Linzagolix (generic name, product name: Yselty) discovered by the Company, was newly launched in Japan in March 2026 for the indication of uterine fibroids. In addition, overseas, Theramex (U.K.) continued to launch products or prepare for launches in European countries and other regions, and Synmosa Biopharma Corporation (Taiwan) newly launched the product in Taiwan in March 2026 for the indication of uterine fibroids. Commercialization by out-licensing partners progressed steadily, and export sales increased.

Fostamatinib (generic name, domestic brand name: TAVALISSE), 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 ¥14,237 million, an increase of 63.0% year on year, owing to orders received for projects related to the GIGA School Program promoted by the Ministry of Education, Culture, Sports, Science and Technology. Net sales of the Construction and Facility Maintenance Business were ¥4,331 million, an increase of 26.1% year on year, and net sales of the Merchandising Business were ¥886 million, an increase of 2.9% year on year.

• Profit

Regarding profit, although the Company secured higher net sales, 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

Olutasidenib (generic name), a treatment for acute myeloid leukemia, in-licensed from Rigel Pharmaceuticals, Inc., is currently being prepared for an NDA submission. In addition, the domestic late Phase II clinical trial for Matsupexole (generic name, development code: KDT-3594), a treatment for Parkinson's disease discovered by the Company, was unblinded in March 2026 and achieved its primary endpoints. Furthermore, following the initiation of a domestic Phase I clinical trial for KSP-0914 (development code), a treatment for Graves' disease, in August 2025, the Company initiated a domestic Phase I clinical trial for KSP-0576 (development code), a treatment for overactive bladder/interstitial cystitis and bladder pain syndrome, in February 2026, and a domestic Phase I clinical trial for KSP-0930 (development code), a treatment for narcolepsy, in March 2026, advancing three internally discovered compounds into the clinical development stage during the current consolidated fiscal year.

Regarding in-licensing, in July 2025, the Company entered into an agreement with Viridian Therapeutics, Inc. (U.S.), regarding acquiring exclusive development and commercialization rights for Veligrotug (generic name) and Elegrobart (generic name, development code: VRDN-003), which are potential treatments for patients with thyroid eye disease in Japan.

Regarding out-licensing, with respect to Linzagolix, the Company licensed exclusive development and commercialization rights in Canada to Searchlight Pharma (Canada) in October 2025. In addition, JW Pharmaceutical Corporation is conducting a Phase III clinical trial for the indication of uterine fibroids in South Korea. With respect to Olutasidenib, the Company licensed development and commercialization rights in Taiwan to Orient EuroPharma Co., Ltd. (Taiwan) in May 2026.

In April 2025, the Company's U.S. subsidiary KISSEI AMERICA, INC. (Head Office: Fort Lee, New Jersey) opened a new office, the Boston Open Innovation Office ("BOIO"), in the Boston area of Massachusetts, U.S., a hub where numerous life science companies and research institutions are concentrated, as an open innovation base for drug discovery research.

•Product Status

Regarding TAVNEOS, the Center for Drug Evaluation and Research (CDER) of the U.S. Food and Drug Administration (FDA) announced on April 27, 2026, that it proposed the withdrawal of its approval in the United States, asserting that there is new information indicating lack of substantial evidence of effectiveness for the drug and that ChemoCentryx's application that resulted in FDA approval contained untrue statements of material facts.

In addition, the European Medicines Agency (EMA) announced on January 30, 2026, that it has initiated a review by the Committee for Medicinal Products for Human Use (CHMP) due to concerns regarding the integrity of data from the Phase III clinical trial study.

The Company has reported the review status of the FDA and the EMA to the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan and is responding to inquiries regarding these matters.

I. Consolidated Statements of Income

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026			Fiscal year ending March 31, 2027 (Forecast)		
		Forecast	Results	YoY	Full year	YoY	1st half
Net sales	88,330	95,500	97,406	10.3%	95,700	(1.8)%	48,000
Pharmaceutical Business	75,299	78,000	77,950	3.5%	82,000	5.2%	40,700
Domestic Pharmaceuticals	63,975	67,200	67,764	5.9%	71,900	6.1%	35,200
Pharmaceutical products	59,108	62,100	62,540	5.8%	66,400	6.2%	32,800
Other*1	4,866	5,100	5,223	7.4%	5,500	5.3%	2,400
Overseas Licensing	7,770	7,200	6,691	(13.9)%	6,400	(4.4)%	3,700
Technical Fees*2	2,209	900	865	(60.8)%	600	(30.7)%	500
Export	5,561	6,300	5,826	4.8%	5,800	(0.5)%	3,200
Therapeutic and Care Foods	3,553	3,600	3,494	(1.7)%	3,700	5.9%	1,800
Information Services Business	8,735	12,600	14,237	63.0%	10,500	(26.3)%	5,500
Construction and Facility Maintenance Business	3,435	4,000	4,331	26.1%	2,400	(44.6)%	1,300
Merchandising Business	860	900	886	2.9%	800	(9.7)%	500
Cost of sales	44,265	49,700	51,587	16.5%	48,700	(5.6)%	24,700
[Cost of sales ratio]	[50.1]	[52.0]	[53.0]		[50.9]		[51.5]
Gross profit	44,065	45,800	45,818	4.0%	47,000	2.6%	23,300
Selling, general and administrative expenses	38,291	48,400	48,745	27.3%	42,600	(12.6)%	21,400
R&D expenses	12,889	23,000	22,521	74.7%	16,500	(26.7)%	8,200
[Ratio to net sales]	[14.6]	[24.1]	[23.1]		[17.2]		[17.1]
Operating profit (loss)	5,773	(2,600)	(2,927)	–	4,400	–	1,900
Non-operating income	1,542	1,800	2,268	47.1%	1,700	(25.1)%	950
Interest and dividend income	1,450		1,743	20.2%			
Other	92		525	466.8%			
Non-operating expenses	341	300	504	47.5%	100	(80.2)%	50
Interest expenses	21		28	32.3%			
Other	319		475	48.5%			
Ordinary profit (loss)	6,974	(1,100)	(1,162)	–	6,000	–	2,800
Extraordinary income	12,033	18,600	18,248	51.6%	14,000	(23.3)%	8,500
Extraordinary losses	3,398	300	195	(94.3)%	–	–	–
Profit before income taxes	15,610	17,200	16,891	8.2%	20,000	18.4%	11,300
Income taxes – current	2,918	6,500	6,208	112.7%	5,000	(19.5)%	2,600
Income taxes - deferred	716	(2,200)	(3,278)	–	400	–	650
Profit attributable to non-controlling interests	14	200	181	–	100	(44.9)%	50
Profit attributable to owners of parent	11,961	12,700	13,779	15.2%	14,500	5.2%	8,000
[Comprehensive income]	[(1,914)]		[31,399]	[–]			

*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	Results: Pharmaceutical Business: 3.5% increase in net sales Net sales of domestic pharmaceuticals increased mainly because of increases in sales of Beova® as well as TAVNEOS®, KORSUVA®, and TAVALISSE®. Additionally, regarding revenue from overseas licensing, export sales increased while technical fees revenue decreased due to a reaction from the previous fiscal year. Other businesses: 49.3% increase in net sales Net sales of the Information Services Business increased 63.0% owing to orders received for projects related to the GIGA School Program, net sales of the Construction and Facility Maintenance Business increased 26.1%, and net sales of the Merchandising Business increased 2.9%. Forecast: Pharmaceutical Business: 5.2% increase in net sales Sales of domestic pharmaceuticals are expected to increase mainly because of the promotion of the products such as Beova®, TAVNEOS®, KORSUVA® and TAVALISSE®, in addition to the newly launched Yselty®. Export sales and technical fee revenue in overseas licensing are expected to decrease. Sales of therapeutic and care foods are expected to increase. Other businesses: 29.6% decrease in net sales Net sales in all sectors of the Information Services Business, the Construction and Facility Maintenance Business, and the Merchandising Business are expected to decrease.
Cost of sales	Results: 2.9-percentage-point increase in cost of sales ratio The cost of sales ratio of the Pharmaceutical Business increased owing to the decrease in technical fee revenue. The cost of sales ratio of the other businesses increased, owing mainly to the change in the composition of product sales. Forecast: 2.1-percentage-point improvement in cost of sales ratio The cost of sales ratio of the Pharmaceutical Business is expected to improve owing mainly to the change in the composition of product sales, despite an impact from a revision of drug prices. The cost of sales of the other businesses is expected to improve, owing mainly to the change in the composition of product sales.
Selling, general and administrative expenses	Results: 27.3% increase YoY The main items included an increase in R&D expenses related to in-licensing. Forecast: 12.6% decrease YoY R&D expenses are expected to decrease due to the reaction from the previous fiscal year. The increase in selling expenses is due to the anticipated recognition of market launch costs for Yselty®, while the increase in general and administrative expenses is due to the anticipated recognition of DX-related expenses.
Non-operating income and expenses	Results: The main items included an increase in gain on valuation of securities, despite an increase in foreign exchange losses. Forecast: No extraordinary items are expected.
Extraordinary income and losses	Results: The main items were increases in valuation gains on sale of investment securities and the gain on sale of non-current assets associated with the consolidation of offices to the Tokyo Head Office. Extraordinary losses decreased due to a reaction from the impairment losses recorded in the previous fiscal year. Forecast: A gain on sale of investment securities is expected to be recorded.

[Other Items (Consolidated)]

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026			Fiscal year ending March 31, 2027 (Forecast)		
		Forecast	Results	YoY	Full year	YoY	1st half
Depreciation	4,615	4,800	4,644	0.6%	4,600	(0.9)%	2,200
Capital investment	4,705	5,200	5,699	21.1%	4,400	(22.8)%	1,900
Main items	Production equipment, etc. 1,904 Other 2,801	Production equipment, etc. 3,200 Other 2,000	Production equipment, etc. 3,051 Other 2,647		Production equipment, etc. 1,000 Other 3,400		Production equipment, etc. 300 Other 1,600
Number of employees at end of period	1,778	–	1,786	8	–	–	–

Ⅱ. Consolidated Balance Sheets

(Million yen)

Item / Fiscal year		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Assets	Current assets	106,980	114,969	7,989
	Cash and deposits	25,169	29,057	3,888
	Notes receivable - trade, accounts receivable - trade, and contract assets	29,654	31,583	1,929
	Investments in specified trusts and securities	25,286	27,564	2,277
	Inventories	24,980	25,522	542
	Other current assets	1,889	1,241	(647)
	Non-current assets	137,079	160,117	23,037
	Property, plant and equipment	27,069	28,093	1,023
	Intangible assets	1,894	1,969	74
	Investments and other assets	108,115	130,055	21,939
	Investment securities	84,869	104,271	19,401
	Long-term prepaid expenses	12,708	10,814	(1,894)
	Retirement benefit asset	8,804	13,287	4,483
	Deferred tax assets	566	538	(27)
	Other	1,184	1,161	(23)
	Allowance for doubtful accounts	(18)	(18)	–
Total assets		244,059	275,086	31,026

Cash and deposits	• Increase mainly due to profit
Notes receivable - trade, accounts receivable - trade, and contract assets	• An increase mainly in accounts receivable - trade
Inventories	• An increase in work in process in the Information Services Business
Property, plant and equipment	• Increases in buildings and structures and production equipment resulting from the construction of a new plant in the Pharmaceutical Business
Investment securities	• An increase in unrealized gains due to fair value evaluation, despite a decrease due to sales
Long-term prepaid expenses	• A decrease caused by depreciation

(Million yen)

Item \ Fiscal year		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Liabilities	Total liabilities	33,933	43,550	9,617
	Current liabilities	16,578	21,688	5,109
	Notes and accounts payable - trade	4,602	6,661	2,059
	Short-term borrowings	1,280	1,250	(30)
	Income taxes payable	1,474	5,006	3,532
	Contract liabilities	1,033	846	(186)
	Other	8,189	7,922	(266)
	Non-current liabilities	17,354	21,862	4,508
	Deferred tax liabilities	16,481	21,029	4,548
	Other	873	833	(39)
Net assets	Total net assets	210,126	231,536	21,409
	Shareholders' equity	165,550	169,339	3,789
	Share capital	24,356	24,356	–
	Capital surplus	24,226	24,243	17
	Retained earnings	131,488	136,253	4,764
	Treasury shares	(14,520)	(15,513)	(992)
	Total accumulated other comprehensive income	43,453	60,806	17,352
	Non-controlling interests	1,122	1,390	267
Total liabilities and net assets		244,059	275,086	31,026

Notes and accounts payable - trade	•Increases in the Pharmaceutical Business and the Information Services Business
Income taxes payable	• Increase due to higher income
Deferred tax liabilities	• Increase due to an increase in unrealized gains on investment securities
Retained earnings	• Dividends paid: -¥4,841 million; Cancellation of treasury shares: -¥4,173 million; Profit attributable to owners of parent: +¥13,779 million
Total accumulated other comprehensive income	• An increase in valuation difference on available-for-sale securities; an increase in remeasurements of defined benefit plans

Ⅲ. Consolidated Statements of Cash Flows

(Million yen)

Item \ Fiscal year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Cash flows from operating activities	6,521	(1,485)	(8,006)
Cash flows from investing activities	4,952	17,500	12,548
Cash flows from financing activities	(9,325)	(10,255)	(929)
Effect of exchange rate change on cash and cash equivalents	27	52	25
Net increase (decrease) in cash and cash equivalents	2,175	5,812	3,637
Cash and cash equivalents at beginning of period	45,887	48,158	2,271
Cash and cash equivalents at end of period	48,158	53,971	5,812

Main factors for increases and decreases (from the fiscal year ended March 31, 2025)

1. Cash Flows from Operating Activities

Net cash used by operating activities was ¥1,485 million for the fiscal year ended March 31, 2026, mainly due to increases in trade receivables and contract assets, despite an increase in trade payables.

2. Cash Flows from Investing Activities

Net cash provided by investing activities amounted to ¥17,500 million for the fiscal year ended March 31, 2026, up ¥12,548 million from the previous fiscal year. This was mainly attributable to an increase in the proceeds from sale of land associated with the consolidation of offices to the Tokyo Head office and the sale of investment securities, despite the purchase of property, plant and equipment in relation to manufacturing facility construction.

3. Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥10,255 million for the fiscal year ended March 31, 2026, up ¥929 million from the previous fiscal year, mainly due to purchase of treasury shares and dividends paid.

Ⅳ. Trends in Dividends

(Yen)

Item \ Fiscal year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027 (Forecast)
Interim dividend	41	45	60	105
Year-end dividend	41	55	100	65
Annual dividend	82	100	160	170

The year-end dividend for the fiscal year ended March 31, 2026 and the interim dividend for the fiscal year ending March 31, 2027 (forecast) each include a ¥40 commemorative dividend marking the 80th anniversary of the Company's founding.

(%)

Payout ratio	33.3	36.5	48.3	47.7

(Million yen)

Purchase of treasury shares (Number of shares purchased)	6,000 (1,910 thousand shares)	5,292 (1,400 thousand shares)	5,216 (1,369 thousand shares)	6,000 (1,300 thousand shares)
Cancellation of treasury shares (Number of shares cancelled)	5,704 (2,500 thousand shares)	3,981 (1,400 thousand shares)	4,173 (1,369 thousand shares)	4,300 (1,300 thousand shares)

(%)

Total payout ratio	86.8	80.6	86.0	89.0

Ⅴ. Trends in Main Product Sales

(Million yen)

Product name \ Fiscal year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026			Fiscal year ending March 31, 2027 (Forecast)		
		Forecast	Results	YoY	Full year	YoY	1st half
Overactive Bladder Treatment **Beova®**	18,662	21,000	21,547	15.5%	23,400	8.6%	11,500
Treatment for MPA*1 and GPA*2 **TAVNEOS®**	8,989	11,800	11,524	28.2%	12,700	10.2%	6,200
Treatment for Pruritus in Dialysis **KORSUVA®**	5,284	8,000	8,072	52.8%	9,700	20.2%	4,700
Persistent and Chronic ITP*3 **TAVALISSE®**	2,190	3,700	3,739	70.7%	4,800	28.4%	2,300
Hyperphosphatemia Treatment **P-TOL®**	4,442	4,000	3,996	(10.0)%	3,800	(4.9)%	2,000
Treatment for Renal Anemia **Darbepoetin Alfa BS Injection [JCR]**	3,792	3,500	3,574	(5.7)%	3,250	(9.1)%	1,550
Treatment for Diabetes **GLUBES®, GLUFAST®**	3,209	2,800	2,645	(17.6)%	2,100	(20.6)%	1,100
Treatment for Renal Anemia **Epoetin Alfa BS Injection [JCR]**	1,771	1,500	1,388	(21.6)%	1,350	(2.7)%	750
Treatment for Uterine Fibroids **Yselty®**	–	–	70	–	600	757.1%	200

*1: Microscopic polyangiitis
*2: Granulomatosis with polyangiitis
*3: Immune thrombocytopenia

Ⅵ. R&D Pipeline (In-house)

(As of May 2026)

Product name / Generic name / Development code	Expected indications	Category	Development stage	Development classification
Olutasidenib	Relapsed / refractory acute myeloid leukemia	IDH1 inhibition	NDA preparation	In-licensed / Rigel (U.S.)
Yselty / Linzagolix	Endometriosis	GnRH receptor antagonist	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.)
Rovatirelin / 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
KSP-0914	Graves' disease	TSH receptor inhibition	Phase I	Kissei
KSP-0576	Overactive bladder / interstitial cystitis and bladder pain syndrome	TRPM8 inhibition	Phase I	Kissei
KSP-0930	Narcolepsy	Orexin 2 receptor agonist	Phase I	Kissei

Changes from previous release (January 2026):

Yselty (Uterine fibroids):	Launch preparation	→ Launch on March 19, 2026 (deletion)
Olutasidenib:	Phase I	→ NDA preparation
KSP-0576:	Phase I (addition)	
KSP-0930:	Phase I (addition)	

Ⅶ. R&D Pipeline (Out-licensing)

(As of May 2026)

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

*: Brazil, Republic of South Africa and Mexico

Changes from previous release (January 2026):

Linzagolix (uterine fibroids, Taiwan): Launch preparation → Launch (deletion)