

May 7, 2025 Kissei Pharmaceutical Co., Ltd. (Code 4547, Tokyo Stock Exchange Prime Market)

#### The New Five-Years Medium-term Management Plan "Beyond 80"

Kissei Pharmaceutical Co., Ltd. (Head Office: Matsumoto, Nagano; Chairman and CEO: Mutsuo Kanzawa; "Kissei") announced that it has formulated a new mid-term five-year management plan, "Beyond 80," for the fiscal years 2025 to 2029.

#### 1. Recap of previous mid-term management plan "PEGASUS"

Under the previous mid-term five-year management plan, PEGASUS (fiscal years 2020 to 2024), Kissei has commercialized seven products domestically, and its proprietary product, Linzagolix, internationally. Additionally, under the new mid-term management plan "Beyond 80," Kissei has established a research and development pipeline that enables the continuous launch of new products. As a result, for the final year of 2024, Kissei exceeded its initial sales targets and, although profit recovery was delayed, achieved year-on-year increases in both revenue and profit. This allowed Kissei to realize the strategic goal of PEGASUS, which was to overcome the patent cliff and transition into a growth phase.

Kissei will leverage the business foundation and strengths acquired through PEGASUS to drive further growth in the future.

#### 2. New Medium-term Management Plan "Beyond 80"

#### ① The Intent Behind the Name

Kissei will celebrate its 80th anniversary in 2026. The name "Beyond 80" embodies our determination to achieve sustainable growth as an R&D-oriented pharmaceutical company, building on the foundation of the history established by our predecessors.

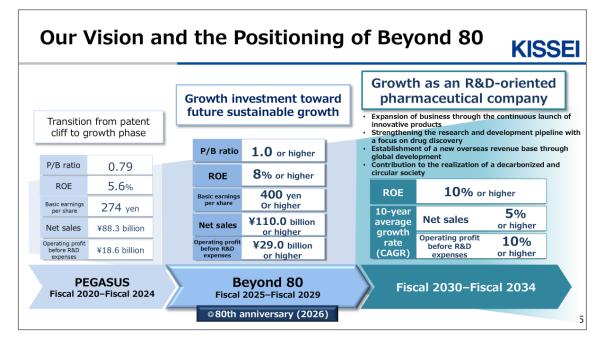
#### ② Positioning of "Beyond 80"

Kissei aims to achieve sustainable growth as an R&D-oriented pharmaceutical company, and contribute to society. We have defined our "Vision for the Next 10 Years" as a concrete representation of this goal. The five years of the Beyond 80 plan are positioned as a period of growth investment to realize this vision.

[Vision for the Next 10 Years]

- · Expanding the Pharmaceutical Business through the continuous launch of new products
- Enhancing the R&D pipeline, with a focus on drug discovery
- Establishing a new revenue base overseas

- Promoting environmental management and contributing to the realization of a decarbonized and circular society
- By executing these initiatives, achieving an ROE of over 10%, and 10-year average growth rate (CAGR) of over 5% in sales, and an operating profit before R&D expenses\* of over 10%

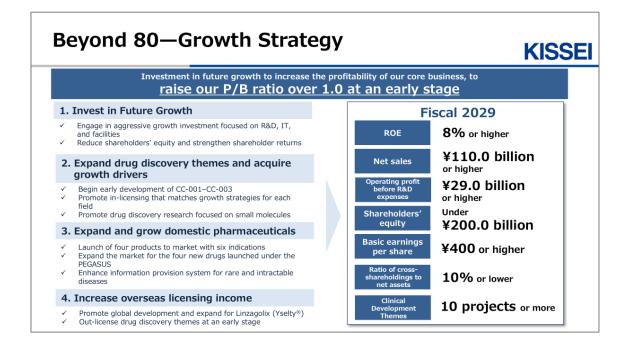


\* To further drive sustainable growth, we will increase our investments in research and development. Therefore, within the Beyond 80 framework, we will use operating profit before deducting R&D expenses as our profitability indicator.

#### ③ Growth Strategy

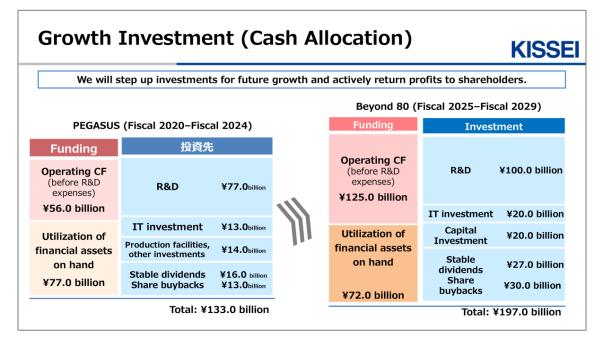
To achieve a price-to-book ratio (PBR) of over 1 at an early stage, Kissei will actively engage in growth investments for the future. This includes expanding our drug discovery themes, acquiring growth drivers, expanding and growing our domestic pharmaceuticals, and increasing overseas licensing income.

Under Beyond 80, we aim to achieve an ROE of over 8% by expanding the market for existing product lines and commercializing four products with six indications domestically. Internationally, we will promote the global expansion of Linzagolix and the out-licensing of new innovative products. Additionally, we aim to build a pipeline with 10 projects in the clinical development stage, striving for stable growth in the future.



#### ④ Growth Investment (Cash Allocation)

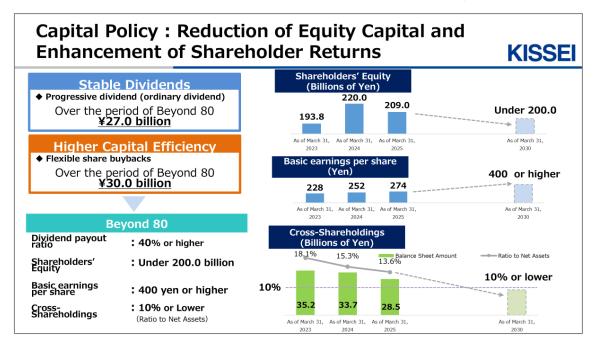
Kissei will allocate 197 billion yen—1.5 times the amount under the PEGASUS—towards growth investments and shareholder returns by utilizing 125 billion yen in operating cash flow over five years, in addition to 72 billion yen in available financial assets. We will invest 100 billion yen in research and development to build a highly competitive R&D pipeline, allocate 20 billion yen to IT initiatives including digital transformation (DX), and invest another 20 billion yen in facilities related to research and manufacturing to strengthen our business foundation.



#### (5) Reduction of Equity Capital and Enhancement of Shareholder Returns

For shareholder dividends, we aim for a payout ratio of 40% or more, following a policy of progressive dividends (regular dividends). Over the next five years, we plan a total of 27 billion yen in dividends. Additionally, we will conduct a buyback of our own shares totaling 30 billion

yen. Through these actions, we aim to reduce our equity to less than 200 billion yen and target an EPS (Earnings Per Share) of 400 yen or more. Furthermore, we intend to reduce our policyheld shares to below 10% of net assets as soon as possible, optimizing our financial assets.



For more detailed information about Beyond 80, please refer to the attached document.



Contribute to society through high-quality, innovative pharmaceutical products Serve society through our employees

# MEDIUM-TERM MANAGEMENT PLAN Beyond 80

- BEYOND 80 YEARS OF OUR FOUNDING,

**CHALLENGES AND CHANGES -**

PERIOD: FISCAL 2025-FISCAL 2029

### The Five-Years Mid-term Management Plan "PEGASUS" (fiscal years 2020 to 2024) Recap of of PEGASUS: Results of Qualitative Goals KISSE

<b>Basic Policy</b>	Results
Increase domestic sales	<ul> <li>Commercialized seven products in Japan, including newly launched TAVNEOS<sup>®</sup>, KORSUVA<sup>®</sup>, TAVALISSE<sup>®</sup>, and CAROGRA<sup>®</sup></li> <li>Entered rare and intractable diseases field, and strengthened presence in key fields (urology, renal diseases and dialysis)</li> </ul>
Strengthen our overseas earnings base	<ul> <li>Regarding Linzagolix, the application for approval in the United States has been withdrawn, and the overseas commercialization scheme has been restructured. In Europe, it is set to be newly launched in September 2024. Additionally, in South Korea and Taiwan, development is being promoted by partner companies</li> <li>Outlicensed TAVALISSE<sup>®</sup> to South Korea and Taiwan. In South Korea, obtained marketing authorization through a partner company, and preparations for launch are underway.</li> </ul>
Expand development pipeline	<ul> <li>Preparations are underway to initiate clinical trials for three drug discovery projects (CC-001-CC-003*1)</li> <li>In-licensed the oncolytic virus Cretostimogene grenadenorepvec and the acute myeloid leukemia treatment drug Olutasidenib, we have strengthened our development pipeline in the field of rare and intractable diseases</li> <li>Drug discovery research has been strengthened through initiatives such as digital drug discovery capabilities, collaborative research with Reborna Biosciences, Inc., and the establishment of an information-gathering hub in the United States.</li> </ul>
Strengthen the management base to cope with the changes in the business environment	<ul> <li>Enhanced quality control and stable supply system through organizational reforms and the construction of a new building for formulations</li> <li>Enhancing governance and sustainability promotion systems</li> </ul>

\*1 CC-001 (Graves' disease) 、CC-002 (Overactive bladder、Interstitial cystitis Bladder pain syndrome) 、CC-003 (Narcolepsy) \*2 Development code : CG0070

### The Five-Years Mid-term Management Plan "PEGASUS" (fiscal years 2020 to 2024) Recap of of PEGASUS: Results of Financial Targets KISSE

- The expansion of Domestic pharmaceuticals has resulted in an update to the record-high sales
- Due to the restructuring of the overseas commercialization scheme for Linzagolix, the operating profit fell short



Item	PEGASUS Final-Year Targets	Results	Difference
Net sales	87.0	88.3	+1.3
Pharmaceutical Business	75.0	75.2	+0.2
Domestic pharmaceuticals*1	57.0	63.9	+6.9
Overseas license <sup>*2</sup>	13.5	7.7	-5.8
Therapeutic and care foods	4.5	3.5	-1.0
Other Businesses	12.0	13.0	+1.0
<b>Operating Profit</b>	9.0	5.7	-3.2
R&D expenses	13.0	12.8	-0.2
ROE	5.0%	5.6%	+0.6%

 \*1 Including revenue from supply to domestic sales partners and co-promotion fees
 \*2 Includes revenue contracting fees related to out-licensing, milestone payments, running royalties, and exports

### **Toward Growth as an R&D-Oriented Pharmaceutical Company**



Focus on unmet medical needs and provide new treatment options to patients around the world

### Domestic Operations

Strengthen rare and intractable diseases field

✓ Strategies for the fields of urology, and renal diseases and dialysis

#### Global Operations

 Out-licensing for original products (active pharmaceutical ingredient (API) and product supply)

Sublicensing of in-licensed products

### CMC/ Manufacturing

 CMC system for supplying high-quality pharmaceuticals

### Development

 Addressing a variety of diseases and modalities

### In-Licensing

✓ Target all modalities

✓ Utilize financial assets

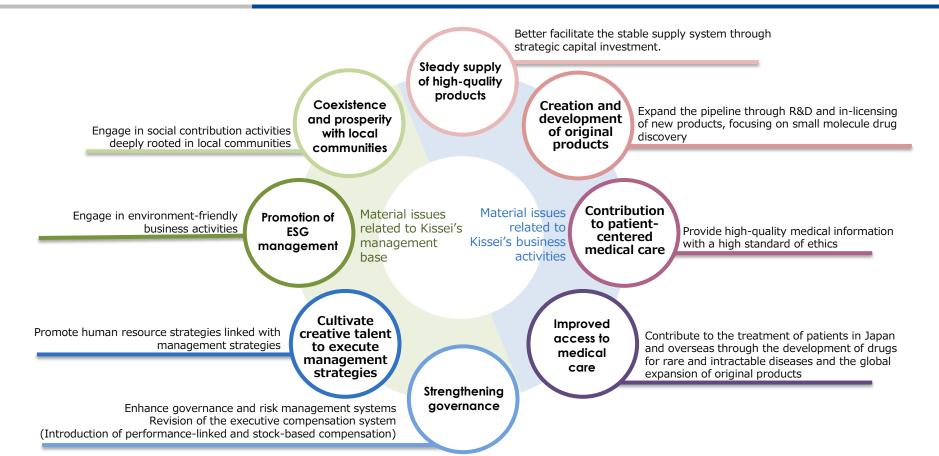
### ✓ Research ✓ Deepening small molecule drug discovery

Drug Discovery

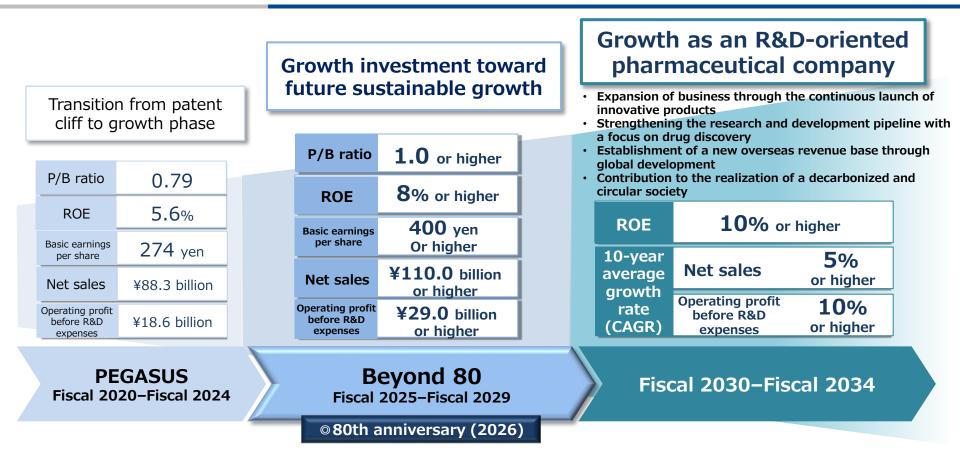
✓ Promotion of open innovation

### PEGASUSを通じて獲得した事業基盤と強み

### **Kissei's 8 Material Issues For Achieving the Management Philosophy**



# Our Vision and the Positioning of Beyond 80



# **Beyond 80—Growth Strategy**



Investment in future growth to increase the profitability of our core business, to raise our P/B ratio over 1.0 at an early stage

#### 1. Invest in Future Growth

- $\checkmark$  Engage in aggressive growth investment focused on R&D, IT, and facilities
- ✓ Reduce shareholders' equity and strengthen shareholder returns

### 2. Expand drug discovery themes and acquire growth drivers

- ✓ Begin early development of CC-001-CC-003
- $\checkmark$   $\,$  Promote in-licensing that matches growth strategies for each field
- ✓ Promote drug discovery research focused on small molecules

### 3. Expand and grow domestic pharmaceuticals

- $\checkmark$  Launch of four products to market with six indications
- ✓ Expand the market for the four new drugs launched under the PEGASUS
- ✓ Enhance information provision system for rare and intractable diseases

### 4. Increase overseas licensing income

- ✓ Promote global development and expand for Linzagolix (Yselty<sup>®</sup>)
- $\checkmark$  Out-license drug discovery themes at an early stage



# **Numerical Targets**



Item	Fiscal 2024	Beyond 80 (Fiscal 2029)
Net sales	¥88.3 billion	¥110.0 billion or higher
Non-consolidated net sales	¥75.2 billion	¥95.0 billion or higher
Domestic pharmaceuticals <sup>*1</sup>	¥63.9 billion	¥80.5 billion or higher
Overseas license <sup>*2</sup>	¥7.7 billion	¥10.0 billion or higher
Therapeutic and care foods	¥3.5 billion	¥4.5 billion or higher
Other (consolidated subsidiaries)	¥13.0 billion	¥15.0 billion or higher
Operating profit before R&D expenses	¥18.6 billion	¥29.0 billion or higher
ROE	5.6%	8.0% or higher

\*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, running royalties, and exports

# **Growth Investment (Cash Allocation)**

#### We will step up investments for future growth and actively return profits to shareholders.

		Funding				
PEGASUS	(Fiscal 2020–Fisca		Funding	Invest	tment	
Funding	投資先					
<b>Operating CF</b> (before R&D expenses)	R&D	¥77.0billion		Operating CF (before R&D expenses) ¥125.0 billion	R&D	¥100.0
¥56.0 billion					IT investment	¥20.
Utilization of	IT investment Production facilities,	¥13.0billion		Utilization of	Capital Investment	¥20.
financial assets	other investments	¥14.0billion		financial assets on hand	Stable	
on hand ¥77.0 billion	Stable dividends Share buybacks	¥16.0 billion ¥13.0billion		¥72.0 billion	dividends Share buybacks	¥27.0 ¥30.0

Total: ¥133.0 billion

Beyond 80 (Fiscal 2025-Fiscal 2029)

Total: ¥197.0 billion

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¥100.0 billion

¥20.0 billion

¥20.0 billion

¥27.0 billion

¥30.0 billion

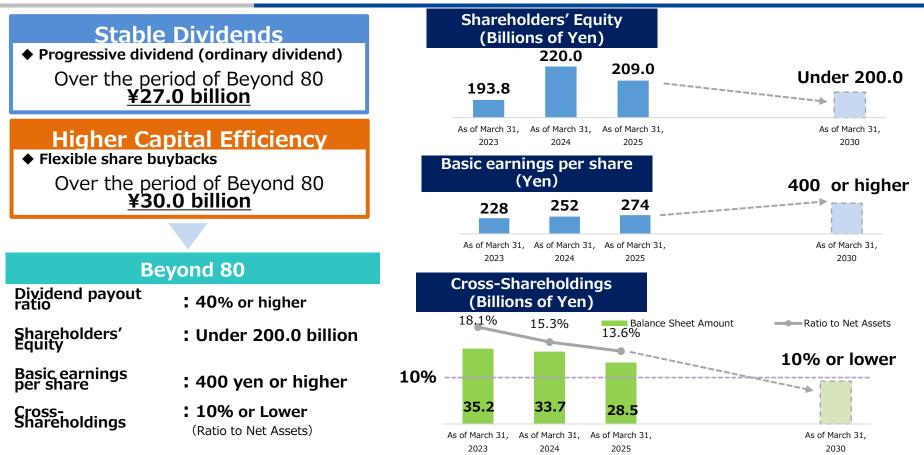
# Promotion of Growth Investments for the Future



Investment	Main Investment	Outcomes			
R&D ¥100.0 Investment billion	<ul> <li>Promotion of drug discovery research</li> <li>Advancement of clinical development themes</li> <li>In-licensing</li> </ul>	<ul> <li>Revenue expansion through continuous drug launches</li> <li>Acquisition of new growth drivers</li> <li>Expansion of research and development pipeline</li> </ul>			
IT ¥20.0 Investment billion	<ul> <li>Renewal of ERP system</li> <li>Strengthening of security</li> </ul>	<ul> <li>Promotion of DX (Digital Transformation) and productivity improvement</li> <li>Strengthening Business Continuity Systems through Cybersecurity Measures</li> </ul>			
Capital ¥20.0 Investment billion	<ul> <li>Research facilities</li> <li>Manufacturing facilities</li> <li>ESG investment</li> </ul>	<ul> <li>Establishment of a stable supply system</li> <li>Strengthening of drug discovery research framework</li> <li>Improvement of work engagement</li> <li>Promotion of environmental management</li> </ul>			

### Capital Policy : Reduction of Equity Capital and Enhancement of Shareholder Returns





### **Expand Drug Discovery Themes and Acquire Growth Drivers**



### Continuous drug discovery and expansion of the pipeline

Establishment of the Boston Open Innovation Office

Introduction of ChromaJean's analysis and preparative purification platform

Introduction of AI drug discovery platform Makaya<sup>™</sup>, produced by Iktos

Full-scale operation of the DAIIA-produced AI drug discovery tool

Collaborative research with Reborna on RNA-targeted drug discovery

Utilization of digital technology and promotion of open innovation

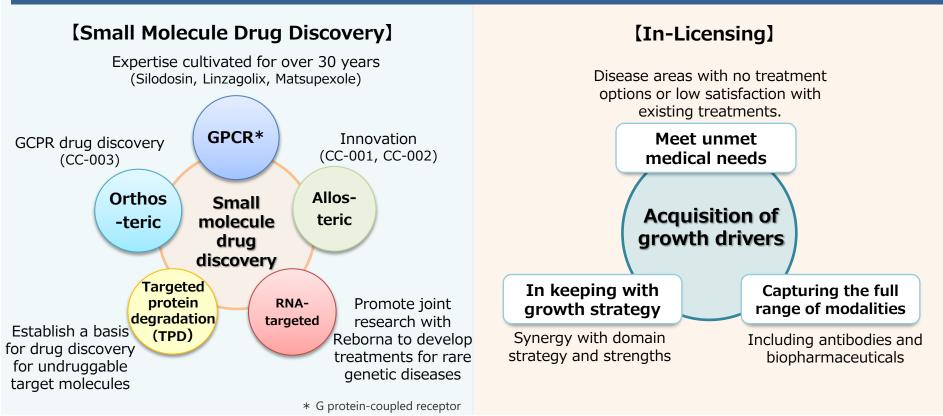
### <u>A faster, more efficient drug discovery process</u>

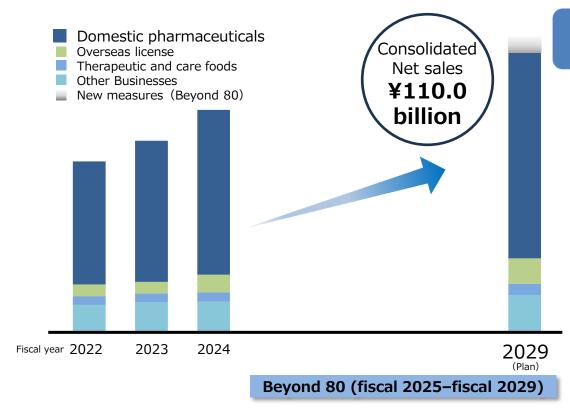
- Strengthening and utilization of the technological foundation for small molecule drug discovery
- Business innovation for medicinal chemists and efficiency improvement of analysis and purification processes through standardization and automation
- Shorten compound creation periods for drug discovery projects
- Promote open innovation

## **Expand Drug Discovery Themes and Acquire Growth Drivers**



Expand the development pipeline by promoting small molecule-focused drug discovery research





### Sustainable Expansion of Domestic Pharmaceutical Products

- Maximize sales of key products
  - ✓ Beova<sup>®</sup>, TAVNEOS<sup>®</sup>, KORSUVA<sup>®</sup>, TAVALISSE<sup>®</sup>, CAROGRA<sup>®</sup>
- Develop the products scheduled for launch over Beyond 80 as growth drivers (four products with six indications)
  - ✓ Linzagolix (Uterine fibroids, Endometriosis)
  - Cretostimogene grenadenorepvec (High-risk/Medium-risk
    - Non-muscle-invasive bladder cancer)
  - ✓ Rovatirelin (Spinocerebellar degeneration)
  - ✓ Olutasidenib (IDH1 mutation-positive relapsed/refractory AML)

### **Major Products**

Field Product		Fiscal 2025 (forecast) (Millions of yen)	Ideal Outcome
Urology Beova®		20,400	Beova <sup>®</sup> becomes a first-line treatment for $OAB^{*1}$ , capturing a 50% share of patients in fiscal 2025
Rare and Intractable Diseases	TAVNEOS®	11,400	TAVNEOS <sup>®</sup> becomes the standard treatment for ANCA-associated vasculitis <sup>*2</sup> , replacing steroid treatments
Renal Diseases and Dialysis	KORSUVA®	7,100	KORSUVA <sup>®</sup> becomes the first choice for second-line treatment of pruritis in dialysis patients thanks to its ease of use and high efficacy
Rare and Intractable Diseases	TAVALISSE <sup>®</sup>	3,700	TAVALISSE <sup>®</sup> becomes a second-line treatment option for chronic ITP <sup>*3</sup>
Rare and Intractable Diseases	CAROGRA®	1,400	CAROGRA <sup>®</sup> becomes the first choice for treatment in cases where patients have an inadequate response to oral 5-ASA <sup>*4</sup>



### Products to be Launched over Beyond 80 (Four Products with Six Indications)

Field	Product name /Development code	Expected indications	Estimated number of domestic patients	Notable features	
Currenteriu		Uterine fibroids	Approx. 3.5–7.0 million*1	Linzagolix is Kissei's first original drug since silodosin.	
Gynecology	Linzagolix/KLH-2109	Endometriosis	Approx. 1.34 million to 2.68 million <sup>*1</sup>	Linzagolix may serve as a new treatment option as the number of target patients increases with each year.	
Rare and Intractable	Cretostimogene grenadenorepvec/CG0070	High-risk Non-muscle invasive bladder cancer	Approx 7.000*2	Local administration of the drug is expected to serve as a bladder-sparing	
Diseases		Medium-risk Non-muscle invasive bladder cancer (NMIBC)	– Approx. 7,000 <sup>*2</sup>	[treatment/alternative] for patients who would otherwise require radical cystectomy.	
Rare and Intractable Diseases	Rovatirelin/KPS-0373	Spinocerebellar degeneration	Approx. 37,000*3	Rovatirelin is highly demanded by patients, and it is expected to improve satisfaction with treatment.	
Rare and Intractable Diseases	Olutasidenib	IDH1 mutation-positive relapsed/refractory AML	Approx. 240–360 <sup>*4</sup>	Olutasidenib features a good remission rate and a long remission period, and enables treatment that does not require blood transfusions.	

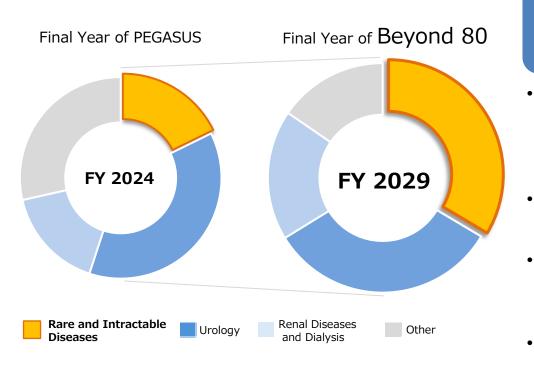
\*1 "The Frontline of Endometriosis Treatment" (Tokyo: Igaku-Shoin, 2008)., "Medical Clinics of Uterine Diseases and Endometriosis" (Nihon Rinsho, 2009). (Japanese only)

\*2 According to the cancer statistics put forth by the National Cancer Center Japan's Cancer Information Service, of the new bladder cancer patients in Japan each year (23,230), 70% (16,261) had NMIBC, of which 30% (4,878) had carcinoma in situ.

Of these patients, 49% (2,389) had received ineffective Bacillus Calmette-Guérin (BCG) treatment or suffered a relapse.

\*4 Number of patients [with relapsed/refractory AML that is IDH1 mutation-positive] calculated by taking the number of AML patients in Japan (13,000 according to the Ministry of Health, Labor and Welfare 2023 Patient Survey), multiplied by the number of patients that are IDH1 mutation positive (6–9% of patients, according to NCCN Guidelines 2025 V1), then multiplied by the number of patients with relapsed/refractory cases (approx 40% according to Blood (2015) 126 (3): 319-27.) (13.000 xas) = Approx. 360)

<sup>\*3</sup> Number of recipients of a certificate for receiving medical expense assistance for designated intractable diseases provided by the Japan Intractable Diseases Information Center (as of March 31, 2024).



Expansion of rare diseases and difficult illnesses field and development of domain strategy

- Expand the product lineup in the field of rare diseases and intractable diseases from 3 projects to 6 projects\*, and increase the scale of the business
- Strengthen the organization with a view to entering the oncology field
- Developing a strategy in the fields of urology, and renal diseases and dialysis leveraging our corporate presence
- Improving medical access through disease awareness and other means

# New Drug Development (In-Company) KISSEI

Development stage								(As of May 2025)	
Generic name / Development	Expected indications		Pha	ase		Preparation to submit		NDA approved	Development classification
code		Pre-IND	I	I	Ш	application	process		
Linzagolix	Uterine fibroids								Original product
∕KLH-2109	Endometriosis								Original product
Cretostimogene grenadenorepvec /CG0070	Non-muscle-invasive bladder cancer								In-licensed /CG Oncology Joint global Phase III clinical trial
Rovatirelin ∕KPS-0373	Spinocerebellar degeneration								In-licensed / Shionogi
Matsupexole ∕KDT-3594	Parkinson's disease								Original product
Olutasidenib	IDH1 mutation-positive relapsed/refractory AML								In-licensed / Rigel Pharmaceuticals
CC-001	Graves' disease								Original product
CC-002	Overactive bladder								Original product
	Interstitial cystitis Bladder pain syndrome								Original product
CC-003	Narcolepsy								Original product

# **Increase overseas licensing income**

Promote Global Development and Business Expansion for Linzagolix

# ■ Countries where Linzagolix is available (as of March 2025)

Germany, Spain, Poland, Italy, the U.K, Belgium

### Benefits of prescribing Linzagolix

- ✓ Flexibility—can be used with or without add-back therapy
- Quick effect—rapid improvement of symptoms
- ✓ Effective in cases where other treatments are inadequate
- Effective in shrinking fibroids

### Strengthening the overseas revenue base

- Achieving the licensing out of new innovative products
- Sublicensing of in-licensed products (mainly in Asia)

Work with global companies to promote global development Increase the number of countries set for launch and expand business

**KISSEI** 



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

# New Drug Development (Out-Licensing) KISSEI

				Development stage					(As of May 2025)	
Generic name	Expected	pected Countries		Phase		Preparation to submit	NDA in	NDA	Preparation	Bartnor company
Generic name	indications	and regions	I	Π	Ш	application	process	approved		Partner company
	Uterine fibroids nzagolix Endometriosis	4 countries*1								Theramex
Linzagolix		Taiwan								Synmosa Biopharma
		Europe								Theramex
Fostamatinib	Chronic ITP*2	South Korea								JW Pharmaceutical
Silodosin	Dysuria associated with BPH*3	Vietnam, other countries								Eisai

\*1 Switzerland, Brazil, Israel, South Africa \*2 Idiopathic thrombocytopenic purpura \*3 Benign prostatic hyperplasia





The forward-looking statements in these materials are based on Kissei's analysis of existing information and various trends as of May 2025. Actual results may differ from forecasts due to risks and uncertainties that may affect business. Although drug information, including information pertaining to drugs under development, is reported in these materials, the contents are not intended as marketing or medical advice.