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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 7, 2025

Company name: KISSEI PHARMACEUTICAL CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Stock code: 4547

URL: <https://www.kissei.co.jp/>

Representative: Mutsuo Kanzawa, Chairman & CEO

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Scheduled date of general shareholders' meeting: June 24, 2025

Scheduled date of commencing dividend payments: June 25, 2025

Scheduled date of filing securities report: June 24, 2025

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	88,330	16.9	5,773	43.7	6,974	13.5	11,961	7.2
March 31, 2024	75,579	12.0	4,017	-	6,142	925.9	11,160	6.0

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥(1,914) million [-%]

Fiscal year ended March 31, 2024: ¥36,044 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	274.21	-	5.6	2.8	6.5
March 31, 2024	246.61	-	5.4	2.5	5.3

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2025: ¥- million

Fiscal year ended March 31, 2024: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	244,059	210,126	85.6	4,882.71
March 31, 2024	260,929	221,136	84.3	4,977.41

(Reference) Equity: As of March 31, 2025: ¥209,004 million

As of March 31, 2024: ¥220,028 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	6,521	4,952	(9,325)	48,158
March 31, 2024	(1,677)	8,690	(10,006)	45,887

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	-	41.00	-	41.00	82.00	3,690	33.3	1.8
Fiscal year ended March 31, 2025	-	45.00	-	55.00	100.00	4,343	36.5	2.0
Fiscal year ending March 31, 2026 (Forecast)	-	60.00	-	60.00	120.00		40.4	

Note: At a meeting of the Board of Directors held on May 7, 2025, the Company resolved to purchase treasury shares. “Payout ratio” in the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 takes into account the impact of this purchase of treasury shares.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	44,300	4.3	2,300	29.1	3,100	38.5	6,200	149.74
Full year	91,500	3.6	6,000	3.9	7,400	6.1	12,300	297.07

Note: At a meeting of the Board of Directors held on May 7, 2025, the Company resolved to purchase treasury shares. “Basic earnings per share” in the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 takes into account the impact of this purchase of treasury shares. Please refer to “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements” on page 20 of the Attachments for this purchase of treasury shares.

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period under review: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025:	47,911,185 shares
March 31, 2024:	49,311,185 shares
 - 2) Total number of treasury shares at the end of the period:

March 31, 2025:	5,106,116 shares
March 31, 2024:	5,105,798 shares
 - 3) Average number of shares during the period:

Year ended March 31, 2025:	43,621,867 shares
Year ended March 31, 2024:	45,258,336 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	75,299	18.9	4,684	78.3	5,893	23.4	11,538	11.9
March 31, 2024	63,348	12.6	2,627	-	4,776	-	10,307	4.0

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2025	264.51	-
March 31, 2024	227.76	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	224,488	197,028	87.8	4,602.94
As of March 31, 2024	241,966	208,601	86.2	4,718.91

(Reference) Equity: As of March 31, 2025: ¥197,028 million

As of March 31, 2024: ¥208,601 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.* Explanation of the proper use of financial results forecast and other notes**(Cautionary note on forward-looking statements)**

The financial forecasts and other forward-looking statements herein are based on information available to the Company as of the date of publication of this document and certain assumptions as of the date of publication of this document on uncertainties that may have an impact on future financial results and the Company does not in any way guarantee their achievement. Actual results may differ greatly from these forecasts due to a variety of factors.

Please refer to “1. Overview of Operating Results, etc. (5) Future Outlook” on page 5 of the Attachments for preconditions underlying the financial forecasts and other matters.

(How to obtain supplementary explanatory materials on annual financial results and materials for financial results briefing session)

The supplementary explanatory materials on annual financial results are posted on the Company’s website together with the consolidated financial results. The Company also plans to hold a financial results briefing session for securities analysts and institutional investors on Friday, May 9, 2025. Materials to be used on the day will be posted on the Company’s website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025, the outlook for the Japanese economy remained uncertain, due to the impacts of the continued trend of yen depreciation and price hikes, as well as the unstable world situation, although economic activities show signs of moderate recovery.

The pharmaceutical industry continued to experience harsh business conditions. The drug price revision was implemented in April 2024 with measures to support drug prices such as classifying more items as unprofitable products for repricing, in addition to the reform of the National Health Insurance (NHI) drug pricing system which focuses on resolving the issues of drug lag and drug loss as well as assessment and promotion of innovation. However, the overall drug price remains subject to cost-containment trends due to the measures, including the implementation of the mid-year revision of drug prices, which has been set for April 2025 following the previous revision. Although there were continuous signs of steady growth in ICT demand and willingness for capital investment in the information services, construction and facility maintenance, and merchandising industries, the current business climate, particularly personal consumption, is weak, and the competitive environment remained fierce.

In these circumstances, the Company's financial results for the fiscal year ended March 31, 2025 were as stated below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	(Million yen) Change (%)
Net sales	75,579	88,330	16.9
Operating profit	4,017	5,773	43.7
Ordinary profit	6,142	6,974	13.5
Profit attributable to owners of parent	11,160	11,961	7.2

• Net sales

Net sales of the Pharmaceutical Business were ¥75,299 million, an increase of 18.9% year on year. In addition to the sales of Beova® Tablets, an overactive bladder treatment, sales increased for four products (TAVNEOS® Capsules for the treatment of microscopic polyangiitis and granulomatosis with polyangiitis; KORSUVA® IV Injection Syringe, a treatment for pruritus in dialysis patients, TAVALISSE® Tablets, a treatment for chronic idiopathic thrombocytopenic purpura; and CAROGRAM® Tablets, a treatment for ulcerative colitis), which were launched during the period of the medium-term management plan, "PEGASUS," and revenue from overseas licensing, etc. also increased. These factors contributed to the year-on-year increase in net sales. Also, regarding Minirin Melt® and Desmopressin formulations, the Company terminated the co-promotion agreement with Ferring Pharmaceuticals Co., Ltd. on March 31, 2025.

In addition, Linzagolix (generic name), which was discovered by the Company and licensed out to Theramex (U.K.), was launched to the market in Germany in September 2024 under the product name Yselty® for the indication of uterine fibroids, followed by the launch and preparations for launch in other European countries. Furthermore, in November 2024, an additional indication of endometriosis for this drug was approved. The Company recorded revenue from overseas licensing based on an agreement with Theramex in relation to these developments.

Net sales of the Information Services Business were ¥8,735 million, an increase of 4.0% year on year, net sales of the Construction and Facility Maintenance Business were ¥3,435 million, an increase of 13.7% year on year, and net sales of the Merchandising Business were ¥860 million, an increase of 6.3% year on year.

• Profit

Regarding profit, the Company recorded higher operating profit, ordinary profit, and profit attributable to owners of parent due to an increase in net sales as well as improvement in the cost of sales ratio, despite an increase in

selling, general and administrative expenses centering on R&D expenses. The Company also recorded gain on sale of investment securities as extraordinary income. Additionally, regarding Minirin Melt® and Desmopressin formulations, with the termination of the co-promotion agreement with Ferring Pharmaceuticals Co., Ltd., the reversal of long-term prepaid expenses (impairment losses on marketing rights) was recorded as extraordinary losses.

- R&D

An NDA application was submitted in Japan in February 2025 for Linzagolix (generic name, development code: K LH-2109), which was discovered by the Company, for the indication of uterine fibroids. In addition, a Phase III clinical trial in Japan was initiated in March 2025 for an additional indication of endometriosis. Additional Phase III clinical trials in Japan for Rovatirelin (generic name, development code: KPS-0373), a treatment for spinocerebellar degeneration, have also started from March 2025. In September 2024, the Company entered into an agreement with Rigel Pharmaceuticals, Inc. (U.S.) to acquire exclusive rights to develop and market the acute myeloid leukemia (AML) drug Olutasidenib (generic name) in Japan, South Korea, and Taiwan.

In the overseas development of Linzagolix, the Company granted exclusive rights to develop and market Linzagolix in South Korea to JW Pharmaceutical (South Korea) in June 2024. In March 2025, the Company terminated the licensing agreement granting it rights to develop and market the treatment in China and other countries, which was entered into with Bio Genuine (China).

In January 2025, the Company entered into a sub-licensing agreement with Tai Tien Pharmaceuticals Co., Ltd. (Taiwan) granting it rights to develop and market in Taiwan Fostamatinib (generic name, domestic brand name: TAVALISSE® Tablets), a treatment for chronic idiopathic thrombocytopenic purpura, which the Company in-licensed from Rigel Pharmaceuticals, Inc. (U.S.). In January 2025, JW Pharmaceutical (South Korea), the sublicensee of the drug in South Korea, has obtained marketing authorization for the same indication and is preparing for its launch.

The development of KSP-0243 (development code), a treatment for ulcerative colitis originally discovered by the Company, was discontinued due to failure to meet primary endpoints in an early Phase II clinical trial.

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., as a hub for promoting open innovation in drug discovery research. By establishing this office as its hub, the Company aims to increase access to advanced research technologies and seeds, promote open innovation, and strengthen our drug discovery platform for the creation of innovative drugs.

(2) Overview of Financial Position for the Fiscal Year under Review

- Assets

Total assets amounted to ¥244,059 million as of March 31, 2025, down ¥16,869 million from the previous fiscal year-end. Current assets were up ¥2,428 million, to ¥106,980 million, mainly due to increases in cash and deposits and accounts receivable – trade, despite a decrease in inventories. Non-current assets were down ¥19,297 million, to ¥137,079 million, mainly reflecting a decrease in investment securities despite an increase in property, plant and equipment such as construction in progress.

- Liabilities

Total liabilities amounted to ¥33,933 million as of March 31, 2025, down ¥5,860 million from the previous fiscal year-end. Current liabilities were down ¥1,084 million, to ¥16,578 million, mainly due to decreases in income taxes payable and contract liabilities, despite an increase in accounts payable included in "Other." Non-current liabilities were down ¥4,775 million, to ¥17,354 million, mainly due to a decrease in deferred tax liabilities.

- Net assets

Total net assets amounted to ¥210,126 million as of March 31, 2025, down ¥11,009 million from the previous fiscal year-end, mainly due to a decrease in valuation difference on available-for-sale securities as well as the purchase and retirement of treasury shares despite an increase in retained earnings.

As a result, the shareholders' equity ratio was 85.6%, up from 84.3% at the previous fiscal year-end.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents amounted to ¥48,158 million as of March 31, 2025, up ¥2,271 million from the previous fiscal year-end, a 5.0% increase year on year.

The cash flows for the consolidated fiscal year under review were as stated below.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥6,521 million for the fiscal year ended March 31, 2025, mainly due to cash inflow factors such as a decrease in inventories and an increase in other current liabilities, despite cash outflow factors such as increases in trade receivables and contract assets and a decrease in trade payables.

(Cash Flows from Investing Activities)

Net cash provided by investing activities amounted to ¥4,952 million for the fiscal year ended March 31, 2025, down ¥3,738 million from the previous fiscal year-end. This was mainly attributable to increases in expenditures for the purchase of property, plant and equipment in relation to manufacturing facility construction, and purchase of long-term prepaid expenses, and other factors, despite an increase from the proceeds from sale of investment securities.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥9,325 million for the fiscal year ended March 31, 2025, down ¥681 million from the previous fiscal year-end, mainly due to purchase of treasury shares and dividends paid.

(Reference) Changes in cash flow-related indices

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	84.6	87.7	84.3	85.6
Market value-based equity ratio (%)	49.5	55.1	59.9	67.4
Cash flow to interest-bearing debt ratio (year)	1.1	-	-	0.2
Interest coverage ratio (times)	64.9	-	-	301.4

Equity ratio: Equity/Total assets

Market value-based equity ratio: Market capitalization/Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

*1. All indices are calculated using financial values on a consolidated basis.

2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding (excluding treasury shares) at the end of the fiscal year.

3. For operating cash flow, the Company uses cash flows from operating activities in consolidated statements of cash flows. Interest-bearing debt covers all debt included in consolidated balance sheets on which interest has been paid. Interest payments also use the amount of interest paid in consolidated statements of cash flows.

(4) Basic Policy on the Distribution of Profit and Dividends for the Fiscal Year under Review and the Next Period

The Company will strive to enhance corporate value by prioritizing investments for growth while also balancing with the concept of continuously providing stable shareholder returns. Within this framework, to achieve stable

dividends, we aim for a payout ratio of 40% or more and will implement progressive dividends (ordinary dividends). From this perspective, we have planned a total dividend amount of ¥27.0 billion over our five-year medium-term management plan “Beyond 80.”

Regarding the distribution of profit for the fiscal year under review, the Company will increase a year-end cash dividend by ¥10 from the beginning of the fiscal year to ¥55 per share. Together with the interim cash dividend of ¥45 per share, a full-year cash dividend of ¥100 per share will be paid. Regarding the distribution of profit for the next fiscal year, the Company plans to pay a full-year dividend of ¥120 per share, comprising an interim cash dividend of ¥60 and a year-end cash dividend of ¥60.

The Company will purchase, dispose of, or cancel treasury shares flexibly as needed, in accordance with the business development based on the resolutions from the Board of Directors, with the primary objective of increasing shareholder value. In the five-year medium-term management plan “Beyond 80,” we have planned a total amount of ¥30.0 billion for treasury share acquisition, while targeting ¥6.0 billion yen every year.

Through the above dividend policy and treasury share acquisition, the Company will continue to contribute to appropriate profit distribution to shareholders while bearing in mind maintaining its management foundation into the future.

(5) Future Outlook

The pharmaceutical market in Japan continues to experience harsh business conditions due to measures to curb medical costs for maintaining the Japan’s universal healthcare system. In addition, uncertain business conditions are expected to continue in the future for Group companies, including the Company, due to the yen depreciation and price hikes, etc.

The current consolidated financial results forecast for the fiscal year ending March 31, 2026 is as stated below.

(Million yen)

	Forecast for the fiscal year ending March 31, 2026	Results for the fiscal year ended March 31, 2025	Change from the previous fiscal year	Change (%)
Net sales	91,500	88,330	3,170	3.6
Operating profit	6,000	5,773	227	3.9
Ordinary profit	7,400	6,974	426	6.1
Profit attributable to owners of parent	12,300	11,961	339	2.8

• Net sales

In the Pharmaceutical Business, the Company expects to increase sales due to revenue growth from the promotion of the domestic pharmaceutical products, such as TAVNEOS®, KORSUVA®, TAVALISSE®, and CAROGRA®, in addition to Beova®. In addition, net sales in all sectors of the Information Services Business, the Construction and Facility Maintenance Business, and the Merchandising Business are expected to increase.

• Profit

Operating profit, ordinary profit, and profit attributable to owners of parent is expected to increase, due to covering the increase in cost of sales and selling, general and administrative expenses with an increase in net sales. No extraordinary items are expected in non-operating income and expenses. Furthermore, gain on sale of investment securities and non-current assets are expected in extraordinary income and losses.

2. Basic Policy on Selection of Accounting Standards

In consideration of the comparability between periods and comparability between companies of consolidated financial statements, the Group’s current policy is to create consolidated financial statements in accordance with

the Japanese GAAP.

In light of the trend toward adopting the International Financial Reporting Standards (IFRS) at other Japanese companies in the industry, the Group will consider adopting the IFRS in the future.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	22,894	25,169
Notes receivable - trade	126	137
Accounts receivable - trade	27,664	28,814
Contract assets	889	702
Securities	23,039	23,485
Merchandise and finished goods	14,310	13,706
Work in process	304	199
Raw materials and supplies	11,682	11,074
Other	3,640	3,689
Total current assets	104,551	106,980
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,954	39,422
Accumulated depreciation	(30,954)	(30,845)
Buildings and structures, net	7,999	8,577
Land	13,594	13,067
Construction in progress	383	2,015
Other	16,855	17,342
Accumulated depreciation	(13,972)	(13,932)
Other, net	2,883	3,410
Total property, plant and equipment	24,861	27,069
Intangible assets		
Software	1,444	1,487
Goodwill	309	242
Other	239	164
Total intangible assets	1,992	1,894
Investments and other assets		
Investment securities	106,361	84,869
Long-term loans receivable	5	5
Long-term prepaid expenses	14,219	12,708
Retirement benefit asset	7,311	8,804
Deferred tax assets	608	566
Other	1,034	1,178
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	129,523	108,115
Total non-current assets	156,377	137,079
Total assets	260,929	244,059

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,893	4,602
Short-term borrowings	1,340	1,280
Income taxes payable	2,380	1,474
Provision for bonuses	1,847	2,183
Provision for bonuses for directors (and other officers)	9	9
Provision for sales promotion expenses	143	129
Contract liabilities	1,486	1,033
Other	5,562	5,866
Total current liabilities	17,663	16,578
Non-current liabilities		
Deferred tax liabilities	21,188	16,481
Provision for retirement benefits for directors (and other officers)	209	202
Asset retirement obligations	143	149
Other	588	520
Total non-current liabilities	22,129	17,354
Total liabilities	39,793	33,933
Net assets		
Shareholders' equity		
Share capital	24,356	24,356
Capital surplus	24,226	24,226
Retained earnings	127,310	131,488
Treasury shares	(13,209)	(14,520)
Total shareholders' equity	162,683	165,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,782	38,752
Remeasurements of defined benefit plans	4,562	4,701
Total accumulated other comprehensive income	57,344	43,453
Non-controlling interests	1,107	1,122
Total net assets	221,136	210,126
Total liabilities and net assets	260,929	244,059

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	75,579	88,330
Cost of sales	38,238	44,265
Gross profit	37,341	44,065
Selling, general and administrative expenses	33,324	38,291
Operating profit	4,017	5,773
Non-operating income		
Interest income	21	57
Dividend income	1,297	1,392
Gain on sale of securities	585	—
Gain on valuation of securities	307	—
Other	116	92
Total non-operating income	2,329	1,542
Non-operating expenses		
Interest expenses	18	21
Loss on valuation of securities	—	28
Foreign exchange losses	103	229
Commission expenses	65	49
Other	16	11
Total non-operating expenses	203	341
Ordinary profit	6,142	6,974
Extraordinary income		
Gain on sale of non-current assets	121	6
Gain on sale of investment securities	8,228	12,027
Total extraordinary income	8,349	12,033
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on disposal of non-current assets	41	221
Loss on valuation of investment securities	1	—
Impairment losses	—	2,895
Loss on extinguishment of tie-in shares	—	280
Total extraordinary losses	43	3,398
Profit before income taxes	14,449	15,610
Income taxes - current	3,263	2,918
Income taxes - deferred	(104)	716
Total income taxes	3,159	3,634
Profit	11,289	11,975
Profit attributable to non-controlling interests	128	14
Profit attributable to owners of parent	11,160	11,961

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	11,289	11,975
Other comprehensive income		
Valuation difference on available-for-sale securities	22,398	(14,031)
Remeasurements of defined benefit plans, net of tax	2,357	141
Total other comprehensive income	24,755	(13,890)
Comprehensive income	36,044	(1,914)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,851	(1,928)
Comprehensive income attributable to non-controlling interests	192	14

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,356	24,226	125,576	(12,912)	161,246
Changes during period					
Dividends of surplus			(3,722)		(3,722)
Profit attributable to owners of parent			11,160		11,160
Purchase of treasury shares				(6,000)	(6,000)
Cancellation of treasury shares		(0)	(5,704)	5,704	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	1,734	(296)	1,437
Balance at end of period	24,356	24,226	127,310	(13,209)	162,683

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	30,393	2,259	32,653	914	194,814
Changes during period					
Dividends of surplus					(3,722)
Profit attributable to owners of parent					11,160
Purchase of treasury shares					(6,000)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	22,388	2,302	24,690	192	24,883
Total changes during period	22,388	2,302	24,690	192	26,321
Balance at end of period	52,782	4,562	57,344	1,107	221,136

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,356	24,226	127,310	(13,209)	162,683
Changes during period					
Dividends of surplus			(3,801)		(3,801)
Profit attributable to owners of parent			11,961		11,961
Purchase of treasury shares				(5,293)	(5,293)
Cancellation of treasury shares			(3,981)	3,981	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,178	(1,311)	2,866
Balance at end of period	24,356	24,226	131,488	(14,520)	165,550

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	52,782	4,562	57,344	1,107	221,136
Changes during period					
Dividends of surplus					(3,801)
Profit attributable to owners of parent					11,961
Purchase of treasury shares					(5,293)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	(14,029)	139	(13,890)	14	(13,876)
Total changes during period	(14,029)	139	(13,890)	14	(11,009)
Balance at end of period	38,752	4,701	43,453	1,122	210,126

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	14,449	15,610
Depreciation	4,254	4,615
Impairment losses	—	2,895
Increase (decrease) in provisions	180	315
Decrease (increase) in retirement benefit asset	(830)	(1,289)
Interest and dividend income	(1,319)	(1,450)
Loss (gain) on extinguishment of tie-in shares	—	280
Interest expenses	18	21
Loss (gain) on sale of securities	(585)	—
Loss (gain) on valuation of securities	(307)	28
Loss (gain) on sale of non-current assets	(121)	(6)
Loss on disposal of non-current assets	41	221
Loss (gain) on sale of investment securities	(8,228)	(12,027)
Loss (gain) on valuation of investment securities	1	—
Increase/decrease in trade receivables and contract assets	(5,863)	(974)
Decrease (increase) in inventories	(3,480)	1,316
Decrease (increase) in other current assets	(110)	(108)
Increase (decrease) in trade payables	275	(291)
Increase/decrease in contract liabilities	(394)	(453)
Increase (decrease) in other current liabilities	1,086	887
Increase (decrease) in other non-current liabilities	(160)	(130)
Other, net	8	59
Subtotal	(1,086)	9,521
Interest and dividends received	1,261	1,379
Interest paid	(18)	(22)
Income taxes paid	(1,834)	(4,357)
Net cash provided by (used in) operating activities	(1,677)	6,521
Cash flows from investing activities		
Payments into time deposits	(51)	(66)
Proceeds from withdrawal of time deposits	53	71
Reduction of investments in specified trusts	2,911	91
Purchase of property, plant and equipment	(1,201)	(4,507)
Proceeds from sale of property, plant and equipment	175	519
Purchase of intangible assets	(632)	(523)
Purchase of investment securities	(2,349)	(912)
Proceeds from sale and redemption of investment securities	11,849	13,998
Loan advances	(3)	(3)
Proceeds from collection of loans receivable	5	2
Purchase of long-term prepaid expenses	(1,256)	(3,535)
Expenditure due to absorption-type split	(750)	—
Other, net	(59)	(183)
Net cash provided by (used in) investing activities	8,690	4,952

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	—	170
Repayments of short-term borrowings	(150)	(230)
Repayments of lease liabilities	(133)	(170)
Dividends paid	(3,722)	(3,801)
Purchase of treasury shares	(6,000)	(5,293)
Net cash provided by (used in) financing activities	(10,006)	(9,325)
Effect of exchange rate change on cash and cash equivalents	(3)	27
Net increase (decrease) in cash and cash equivalents	(2,997)	2,175
Cash and cash equivalents at beginning of period	48,884	45,887
Increase in cash and cash equivalents resulting from merger	—	96
Cash and cash equivalents at end of period	45,887	48,158

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

Separate financial information on the Company's reportable segments is available for the Company's constituent units. This subject is regularly considered by the Board of Directors in order to determine the distribution of management resources and evaluate results.

2. Calculation methods for net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting methods for reported business segments comply with the accounting policies employed for the preparation of consolidated financial statements.

Profit figures for reportable segments are on an operating-profit basis.

Inter-segment sales are based on transaction prices between third parties.

3. Information on net sales, profit (loss), assets, liabilities and other items, and information on the disaggregation by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment				Total
	Pharmaceutical	Information Services	Construction & Facility Maintenance	Merchandising	
Net Sales					
Pharmaceutical Business					
Domestic Pharmaceuticals	55,339	—	—	—	55,339
Export and Overseas Licensing	4,463	—	—	—	4,463
Therapeutic and care foods	3,545	—	—	—	3,545
Information Services Business	—	10,511	—	—	10,511
Construction and Facility Maintenance Business	—	—	4,915	—	4,915
Merchandising Business	—	—	—	983	983
Revenue arising from contracts with customers	63,348	10,511	4,915	983	79,758
Sales to third parties	63,348	8,399	3,022	809	75,579
Inter-segment sales or transfers	—	2,112	1,893	173	4,179
Total	63,348	10,511	4,915	983	79,758
Segment profit	2,627	1,064	261	81	4,035
Segment assets	246,581	11,063	3,496	2,470	263,612
Other items					
Depreciation (Note)	3,905	454	23	21	4,404
Increase in property, plant and equipment and intangible assets (Note)	3,187	712	39	150	4,090

(Note) Depreciation of long-term prepaid expenses is included in depreciation, and the increase in long-term prepaid expenses is included in the increase in property, plant and equipment and intangible assets, respectively.

In conjunction with the launch of Linsagolix in Europe, the importance of overseas net sales, including exports of pharmaceutical ingredients, etc., has increased. As a result, as of March 31, 2025, we have revised the breakdown of revenue categories. Domestic pharmaceutical sales, which had previously been included under “Pharmaceutical sales,” income from domestic licensees previously included under “Technical fees,” and “Other” have been reclassified as “Domestic Pharmaceuticals.” Meanwhile, export sales of pharmaceutical ingredients, etc. to overseas licensees, previously included under “Pharmaceutical sales,” and income from overseas licensees, previously included under “Technical fees,” have been reclassified as “Export and Overseas Licensing.”

To reflect this change, we have restated the revenue breakdown for the fiscal year ended March 31, 2024. As a result, domestic pharmaceutical sales of ¥50,488 million and ¥4,850 million previously included under “Other” have been reclassified under “Domestic Pharmaceuticals” of ¥55,339 million. Additionally, export sales of ¥3,749 million previously included under “Pharmaceutical sales” and income of ¥714 million from overseas licensees previously included under “Technical fees” have been reclassified under “Export and Overseas Licensing” of ¥4,463 million.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Total
	Pharmaceutical	Information Services	Construction & Facility Maintenance	Merchandising	
Net sales					
Pharmaceutical Business					
Domestic Pharmaceuticals	63,975	—	—	—	63,975
Export and Overseas Licensing	7,770	—	—	—	7,770
Therapeutic and care foods	3,553	—	—	—	3,553
Information Services Business	—	11,395	—	—	11,395
Construction and Facility Maintenance Business	—	—	5,985	—	5,985
Merchandising Business	—	—	—	1,068	1,068
Revenue arising from contracts with customers	75,299	11,395	5,985	1,068	93,749
Sales to third parties	75,299	8,735	3,435	860	88,330
Inter-segment sales or transfers	—	2,660	2,550	207	5,418
Total	75,299	11,395	5,985	1,068	93,749
Segment profit	4,684	636	460	99	5,881
Segment assets	229,310	10,648	4,358	2,648	246,966
Other items					
Depreciation (Note)	4,129	610	23	33	4,796
Increase in property, plant and equipment and intangible assets (Note)	8,086	884	31	10	9,012

(Note) Depreciation of long-term prepaid expenses is included in depreciation, and the increase in long-term prepaid expenses is included in the increase in property, plant and equipment and intangible assets, respectively.

4. Total amount of reportable segments, difference from the amount stated in the consolidated financial statements, and main components of such difference

(Million yen)

Net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total for reportable segments	79,758	93,749
Elimination of inter-segment transactions	(4,179)	(5,418)
Net sales in the consolidated financial statements	75,579	88,330

(Million yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total for reportable segments	4,035	5,881
Elimination of inter-segment transactions	69	60
Adjustment of non-current assets	(87)	(170)
Other adjustments	0	1
Operating profit in the consolidated financial statements	4,017	5,773

(Million yen)

Assets	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total for reportable segments	263,612	246,966
Elimination of inter-segment transactions	(2,682)	(2,906)
Total assets in the consolidated financial statements	260,929	244,059

(Million yen)

Other items	Total for reportable segments		Adjustments		Amount in the consolidated financial statements	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation	4,404	4,796	(150)	(180)	4,254	4,615
Increase in property, plant and equipment and intangible assets	4,090	9,012	(306)	(118)	3,783	8,894

5. Information on impairment losses on non-current assets and goodwill by reportable segment

In the Pharmaceutical Business segment, an impairment loss was recorded in connection with the termination of the agreement with Ferring Pharmaceuticals Co., Ltd. regarding the licensing of domestic sales rights for Minirin Melt® and Desmopressin formulations.

The amount of impairment losses recorded was ¥2,768 million.

6. Disclosure of changes in reportable segments, etc.

(Changes in reportable segments)

Effective from the six months ended September 30, 2024, the reportable segment “Construction Business” has been renamed “Construction and Facility Maintenance Business” to more clearly reflect the nature of the business. This change is only in the name and has no impact on segment information.

The segment information for the fiscal year ended March 31, 2024 is also presented under the new name.

b. Related information

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information on products and services

Omitted as the same information is disclosed in “Segment information.”

2. Information by region

(1) Net sales

Omitted as sales to third parties in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

Not applicable as the Company does not have property, plant and equipment located outside of Japan.

3. Principal information by customer

Customer name	Net sales (Million yen)	Relevant segment
Alfresa Corporation	11,446	Pharmaceutical Business
Suzuken Co., Ltd.	8,934	Pharmaceutical Business
Mediceo Corporation	8,632	Pharmaceutical Business
Specialty Medical Distribution Corporation	5,161	Pharmaceutical Business

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Information on products and services

Omitted due to disclosure of the same information in “Segment information.”

2. Information by region

(1) Net sales

Omitted due to sales to third parties in Japan exceeding 90% of net sales in consolidated statements of income.

(2) Property, plant and equipment

Not applicable due to the absence of property, plant and equipment located outside of Japan.

3. Principal information by customer

Customer title or name	Net sales (Million yen)	Relevant segment
Alfresa Corporation	12,521	Pharmaceutical Business
Mediceo Corporation	9,415	Pharmaceutical Business
Suzuken Co., Ltd.	9,316	Pharmaceutical Business
Specialty Medical Distribution Corporation	8,989	Pharmaceutical Business

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥4,977.41	¥4,882.71
Basic earnings per share	¥246.61	¥274.21

(Notes) 1. As there are no dilutive shares, diluted earnings per share are not listed.

2. The basis for calculating basic earnings per share is as follows:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (Million yen)	11,160	11,961
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	11,160	11,961
Average number of shares during the period (Thousand shares)	45,258	43,621

(Significant subsequent events)

(Purchase and cancellation of treasury shares)

KISSEI PHARMACEUTICAL CO., LTD. (the “Company”) announces the Board of Directors on May 7, 2025 resolved on the following matters relating to the acquisition of treasury shares and method of acquisition pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the Companies Act, and the cancellation of treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for acquisition and cancellation of treasury shares

To execute a flexible capital policy in response to changes in the business environment, while improving capital efficiency and enhancing shareholder returns.

2. Method of acquisition

The Company will entrust the acquisition of its own shares at the closing price (including the final special quote) of ¥3,810 as of this day (May 7, 2025) through ToSTNeT-3 of the Tokyo Stock Exchange at 8:45 a.m. as of May 8, 2025 (no change to other trading systems and the trading time shall be made). In addition, such purchase order shall be valid only at the trading time mentioned above.

3. Details of the acquisition

- (1) Type of shares to be acquired: Common shares of the Company
- (2) Total number of shares to be acquired: Up to 1,400,000 shares
(Percentage of total number of issued shares (excluding treasury shares): 3.27%)
- (3) Total acquisition cost: ¥5,334,000,000 (maximum)
- (4) Announcement of the results of the acquisition: The acquisition results shall be announced after the close of trading at 8:45 a.m. as of May 8, 2025.

Notes: 1. The number of shares to be acquired as above shall not be changed. In addition, the whole or a part of the acquisition of the Company’s own shares may not be made according to the market conditions.

2. Acquisition of the Company’s own shares shall be made to sell orders matching buy orders.

4. Details of the cancellation

- (1) Type of shares to be cancelled: Common shares of the Company
- (2) Total number of shares to be cancelled: All treasury shares acquired through item 3. above
- (3) Scheduled date of cancellation: June 27, 2025

(Reference)

Number of Treasury shares as of April 30, 2025

Total number of issued shares (excluding treasury shares): 42,805,038 shares

Number of treasury shares: 5,106,147 shares

4. Other

(1) Changes in Officers

Not applicable.

(2) Sales Results

Sales results by segment for the year ended March 31, 2025 are as follows.

Segment classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Change	
	Amount (Million yen)	Composition (%)	Amount (Million yen)	Composition (%)	Amount (Million yen)	Change (%)
Pharmaceutical Business	63,348	83.8	75,299	85.2	11,950	18.9
Urology	21,270	28.1	23,384	26.5	2,113	9.9
Renal diseases and dialysis	12,830	17.0	15,617	17.7	2,786	21.7
Orphan drugs	6,079	8.0	11,283	12.8	5,203	85.6
Metabolism and endocrinology	5,631	7.5	4,576	5.2	(1,055)	(18.7)
Obstetrics and gynecology	696	0.9	624	0.7	(71)	(10.2)
Ophthalmology	400	0.5	275	0.3	(125)	(31.2)
Other drugs	3,578	4.7	3,347	3.8	(231)	(6.5)
Other (Note) 1	4,850	6.4	4,866	5.5	15	0.3
Export and Overseas Licensing (Note) 2	4,463	5.9	7,770	8.8	3,306	74.1
Therapeutic and care foods	3,545	4.7	3,553	4.0	8	0.2
Information Services Business	8,399	11.1	8,735	9.9	336	4.0
Construction and Facility Maintenance Business	3,022	4.0	3,435	3.9	413	13.7
Merchandising Business	809	1.1	860	1.0	50	6.3
Total	75,579	100.0	88,330	100.0	12,751	16.9
[Exports]	[4,510]	[6.0]	[7,790]	[8.8]	[3,279]	[72.7]

(Notes) 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 pharmaceutical exports.

3. Inter-segment transactions are eliminated.