

FOR IMMEDIATE RELEASE

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Notice Concerning Record of Impairment Loss and Revisions to Financial Earnings Forecast

Tokyo, December 6, 2022 – Kyowa Kirin Co., Ltd. (hereinafter, “Kyowa Kirin”) hereby announces that, at a meeting held on December 5, 2022, the Board of Directors resolved to record an impairment loss and to revise its consolidated financial earnings forecast for the fiscal year ending December 31, 2022, previously disclosed with the announcement of the financial results for the second quarter on August 4, 2022, as described below.

1. Overview of the impairment loss

Kyowa Kirin and MEI Pharma, Inc. have decided to discontinue the co-development of Zandelisib (Code name: ME-401), a phosphatidylinositol 3-kinase delta (PI3Kδ) inhibitor. According to the decision, Kyowa Kirin has determined to record an impairment loss of 14.33 billion yen for the related intangible assets (in-process R&D expenses) as "other expenses" in the fourth quarter of fiscal 2022.

2. Revisions to consolidated financial earnings forecast for fiscal 2022 (January 1, 2022 to December 31, 2022)

	Revenue	Core operating profit*	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share
	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	400,000	77,000	79,000	63,000	63,000	117.22
Revised forecast (B)	400,000	77,000	65,000	53,000	53,000	98.62
Changes (B-A)	0	0	△14,000	△10,000	△10,000	—
Percent Changes	0.0%	0.0%	△17.7%	△15.9%	△15.9%	—
(Reference) Actual results for the previous fiscal year ended December 31, 2021	352,246	65,685	60,050	52,347	52,347	97.43

(Note) Core operating profit is calculated by deducting “selling, general and administrative expenses” and “research and development expenses” from “gross profit,” and adding “share of profit (loss) of investments accounted for using equity method” to the amount.

3. Reason for the revisions

As described in “1. Overview of the impairment loss,” Kyowa Kirin has determined to record an impairment loss of 14.33 billion yen in the fourth quarter of fiscal 2022.

(Note) The above forecasts are based on information currently available to Kyowa Kirin and on certain assumptions deemed to be reasonable by its management. These statements do not purport that Kyowa Kirin pledges to realize such statements. Actual results may differ materially from these projections for a wide variety of reasons.

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