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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 6, 2023

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  
 Contact: Takahide Kitahara, Managing Director, Department Manager of Corporate Finance and Management Department, CFO  
 Phone: +81-263-25-9081  
 Scheduled date of filing quarterly securities report: November 13, 2023  
 Scheduled date of commencing dividend payments: December 4, 2023  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly 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 Six Months Ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(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	%
Six months ended September 30, 2023	36,978	12.5	2,015	-	3,465	-	5,678	70.7
September 30, 2022	32,864	1.5	(625)	-	308	(75.9)	3,326	(41.3)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥9,608 million [-%]

Six months ended September 30, 2022: ¥26 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	123.66	-
September 30, 2022	72.13	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2023	231,879	201,628	86.5	4,380.55
March 31, 2023	221,200	194,814	87.7	4,204.64

(Reference) Equity: As of September 30, 2023: ¥200,633 million

As of March 31, 2023: ¥193,899 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	40.00	–	40.00	80.00
Fiscal year ending March 31, 2024	–	41.00			
Fiscal year ending March 31, 2024 (Forecast)			–	41.00	82.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	77,500	14.8	5,000	-	6,700	-	10,000	(5.0)	226.68

(Note) 1. Revision to the financial results forecast announced most recently: Yes

- At a meeting of the Board of Directors held on May 8, 2023, the Company resolved to purchase treasury shares. “Basic earnings per share” in the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 takes into account the impact of this purchase of treasury shares. Please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (4) Notes to Quarterly Consolidated Financial Statements” on page 12 of the Attachment for this purchase of treasury shares.

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) 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
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2023:	49,311,185 shares
March 31, 2023:	51,811,185 shares
  - 2) Total number of treasury shares at the end of the period:

September 30, 2023:	3,510,249 shares
March 31, 2023:	5,695,618 shares
  - 3) Average number of shares during the period:

Six months ended September 30, 2023:	45,922,634 shares
Six months ended September 30, 2022:	46,115,832 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review 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. Qualitative Information on Quarterly Financial Results (4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments for preconditions underlying the financial forecasts and other matters.

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

The supplementary explanatory materials on quarterly 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 Wednesday, November 8, 2023. Materials to be used on the day will be posted on the Company’s website.

## Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Cash Flows .....	3
(4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information ..	3
2. Quarterly Consolidated Financial Statements and Principal Notes .....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
Quarterly Consolidated Statements of Income	
Six Months Ended September 30, 2023 .....	7
Quarterly Consolidated Statements of Comprehensive Income	
Six Months Ended September 30, 2023 .....	8
(3) Quarterly Consolidated Statements of Cash Flows .....	9
(4) Notes to Quarterly Consolidated Financial Statements .....	11
(Notes on going concern assumption) .....	11
(Notes in case of significant changes in shareholders' equity) .....	11
(Segment information, etc.) .....	11
(Significant subsequent events) .....	12
3. Other .....	14
(1) Sales Results.....	14

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

In the six months ended September 30, 2023, the pharmaceutical industry continued to experience harsh business conditions. As one of the measures to curb medical costs, including the reform of the National Health Insurance (NHI) drug pricing system, a mid-year revision of drug price was implemented in April 2023, following the drug price revision in April 2022. Although strong ICT demand continued in the information services industry, and there were signs of a recovery in capital investment in the construction and merchandising industries, the current business climate, particularly personal consumption, is weak due to the weak yen and price hike, and the competitive environment remained fierce.

In these circumstances, the Company's financial results for the six months ended September 30, 2023 were as stated below.

	Six months ended September 30, 2022	Six months ended September 30, 2023	Change (%)
Net sales	32,864	36,978	12.5
Operating profit (loss)	(625)	2,015	-
Ordinary profit	308	3,465	-
Profit attributable to owners of parent	3,326	5,678	70.7

(Million yen)

#### • Net sales

Net sales of the Pharmaceutical Business were ¥30,765 million, an increase of 10.1% year on year. As for pharmaceuticals in Japan, in addition to the increase of sales of CAROGRAM<sup>®</sup> Tablets, a treatment for ulcerative colitis, and TAVNEOS<sup>®</sup> Capsules for the treatment of microscopic polyangiitis and granulomatosis with polyangiitis, both of which were launched in the previous fiscal year, the sales of Beova<sup>®</sup> Tablets, an overactive bladder treatment, and TAVALISSE<sup>®</sup> Tablets, a treatment for chronic idiopathic thrombocytopenic purpura launched in April 2023, as well as co-promotion fees and other items increased. These factors contributed to the year-on-year increase in net sales.

Net sales of the Information Services Business were ¥4,133 million, an increase of 23.9% year on year, net sales of the Construction Business were ¥1,663 million, an increase of 33.0% year on year, and net sales of the Merchandising Business were ¥416 million, an increase of 25.1% year on year.

#### • Profit

Regarding profit, the Company recorded a higher operating profit, ordinary profit, and profit attributable to owners of parent due to an increase in net sales as well as an improvement in the cost of sales ratio and a decrease in selling, general and administrative expenses centering on R&D expenses. The Company also recorded a gain on sale of securities and a gain on valuation of securities as non-operating income and a gain on sale of investment securities as extraordinary income.

#### • R&D

Regarding Difelikefalin (generic name, development code: MR13A9), a treatment for pruritis in dialysis patients, for which an NDA had been submitted in September 2022 by Maruishi Pharmaceutical Co., Ltd., the Company's joint development partner, marketing authorization approval was obtained in September 2023, and the Company is preparing for the launch of the product under the brand name "KORSUVA<sup>®</sup> IV Injection Syringe 17.5μg, 25.0μg, and 35.0μg" following listing in the NHI Drug Price Standard. The Company temporarily withdrew the application for marketing approval in Japan for a treatment for spinocerebellar degeneration Rovatirelin (generic name, development code: KPS-0373) in July 2023 and now is in consideration on the possibility of conducting additional clinical trials.

Overseas, regarding Linzagolix (generic name), a treatment for uterine fibroids and endometriosis, the Company has revised the schedule for the launch of the product, and preparations are now underway by Theramex (U.K.), the licensee, for launch in Europe during FY2024 as a treatment for uterine fibroids.

## (2) Explanation of Financial Position

### • Assets

Total assets amounted to ¥231,879 million as of September 30, 2023, up ¥10,679 million from the previous fiscal year-end. Current assets were up ¥5,228 million, to ¥105,869 million, due to increases in notes and accounts receivable - trade, and contract assets, inventories and other items despite decreases in cash and deposits and securities. Non-current assets were up ¥5,450 million, to ¥126,009 million, mainly due to an increase in investment securities.

### • Liabilities

Total liabilities amounted to ¥30,251 million as of September 30, 2023, up ¥3,865 million from the previous fiscal year-end. Current liabilities were up ¥1,806 million, to ¥16,763 million, mainly due to increases in income taxes payable and other items despite decreases in contract liabilities and other items. Non-current liabilities were up ¥2,059 million, to ¥13,487 million, mainly due to an increase in deferred tax liabilities.

### • Net assets

Total net assets amounted to ¥201,628 million as of September 30, 2023, up ¥6,814 million from the previous fiscal year-end, mainly due to an increase in valuation difference on available-for-sale securities as well as the purchase and retirement of treasury shares.

As a result, the shareholders' equity ratio was 86.5%, down from 87.7% at the previous fiscal year-end.

## (3) Explanation of Cash Flows

Cash and cash equivalents ("cash") amounted to ¥47,251 million as of September 30, 2023, down ¥1,632 million from the previous fiscal year-end, a 3.3% decrease year on year.

The cash flows for the six months ended September 30, 2023 were as stated below.

### (Cash Flows from Operating Activities)

Net cash used in operating activities amounted to ¥2,333 million for the six months ended September 30, 2023. This was attributable to cash outflow factors such as increases in trade receivables and inventories despite cash inflow factors such as an increase in other current liabilities.

### (Cash Flows from Investing Activities)

Net cash provided by investing activities amounted to ¥3,653 million for the six months ended September 30, 2023, up ¥717 million from the previous corresponding period, mainly due to an increase in proceeds from sale of investment securities and a decrease in purchase of long-term prepaid expenses.

### (Cash Flows from Financing Activities)

Net cash used in financing activities was ¥2,959 million for the six months ended September 30, 2023, up ¥1,551 million from the previous corresponding period, mainly due to purchase of treasury shares and dividends paid.

## (4) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The pharmaceutical industry continues to experience harsh business conditions due to measures to curb medical costs, including the reform of the National Health Insurance (NHI) drug pricing system. In addition, uncertain business conditions are expected to continue in the future for Group companies, including the Company, due to the weak yen and price hike. The current consolidated financial results forecast for the fiscal year ending March 31, 2024 are as stated below

(Million yen)

	Results for the fiscal year ended March 31, 2023	Initial forecast for the fiscal year ending March 31, 2024	Revised forecast for the fiscal year ending March 31, 2024 [change from the initial forecast]	Change from the previous fiscal year	
				Change amount	Change (%)
Net sales	67,493	74,500	77,500 [3,000]	10,007	14.8
Operating profit (loss)	(1,129)	4,200	5,000 [800]	6,129	-
Ordinary profit	598	5,200	6,700 [1,500]	6,102	-
Profit attributable to owners of parent	10,528	10,600	10,000 [(600)]	(528)	(5.0)

- Net sales

The forecast for net sales has been revised to ¥77,500 million, an increase of ¥3,000 million from the initial forecast (an increase of 14.8% year on year).

As a result of a review taking the financial results for the six months ended September 30, 2023 and the current business environment into consideration, the Company has revised the net sales forecast upward by ¥2,500 million for the Pharmaceutical Business and upward by ¥500 million for the Information Services Business.

- Profit

For the six months ended September 30, 2023, operating profit, ordinary profit, and profit attributable to owners of parent were higher than the initial forecast mainly due to an increase in net sales and an improvement in the cost of sales ratio. For the second half of the fiscal year ending March 31, 2024, the Company expects a higher cost of sales ratio compared with the initial forecast and an increase in selling, general and administrative expenses.

With respect to full-year profit forecasts for the fiscal year ending March 31, 2024, the Company projects operating profit of ¥5,000 million, ¥800 million higher than the initial forecast (-% year on year), ordinary profit of ¥6,700 million, ¥1,500 million higher than the initial forecast (-% year on year), and profit attributable to owners of parent of ¥10,000 million, ¥600 million lower than the initial forecast (a decrease of 5.0% year on year). Regarding non-operating income and expenses and extraordinary income and losses for the second half of the fiscal year ending March 31, 2024, gain on sale of investment securities of ¥3,000 million is expected to be recorded as extraordinary income and an impairment loss of ¥200 million due to the redevelopment of the Nihonbashi area of Tokyo as extraordinary losses.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	25,893	24,234
Notes and accounts receivable - trade, and contract assets	22,780	27,064
Securities	23,706	23,302
Merchandise and finished goods	12,679	13,843
Work in process	129	103
Raw materials and supplies	9,990	10,635
Other	5,461	6,685
Total current assets	100,641	105,869
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,026	38,905
Accumulated depreciation	(30,848)	(30,833)
Buildings and structures, net	8,177	8,072
Land	13,615	13,593
Construction in progress	27	4
Other	16,116	16,237
Accumulated depreciation	(13,357)	(13,632)
Other, net	2,758	2,605
Total property, plant and equipment	24,579	24,276
Intangible assets	1,507	1,582
Investments and other assets		
Investment securities	74,769	81,301
Retirement benefit asset	3,089	3,304
Deferred tax assets	433	442
Other	16,198	15,121
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	94,472	100,151
Total non-current assets	120,558	126,009
Total assets	221,200	231,879



(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,617	4,705
Short-term borrowings	1,490	1,390
Income taxes payable	408	1,511
Provision for bonuses	1,670	1,833
Other provisions	159	147
Contract liabilities	1,846	1,734
Other	4,764	5,442
Total current liabilities	14,957	16,763
Non-current liabilities		
Deferred tax liabilities	10,426	12,527
Provision for retirement benefits for directors (and other officers)	192	201
Asset retirement obligations	139	142
Other	669	616
Total non-current liabilities	11,428	13,487
Total liabilities	26,385	30,251
Net assets		
Shareholders' equity		
Share capital	24,356	24,356
Capital surplus	24,226	24,226
Retained earnings	125,576	123,705
Treasury shares	(12,912)	(8,158)
Total shareholders' equity	161,246	164,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,393	34,381
Remeasurements of defined benefit plans	2,259	2,121
Total accumulated other comprehensive income	32,653	36,503
Non-controlling interests	914	995
Total net assets	194,814	201,628
Total liabilities and net assets	221,200	231,879

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	32,864	36,978
Cost of sales	16,680	18,677
Gross profit	16,184	18,300
Selling, general and administrative expenses	16,810	16,284
Operating profit (loss)	(625)	2,015
Non-operating income		
Interest income	10	20
Dividend income	731	707
Gain on sale of securities	50	540
Gain on valuation of securities	21	205
Other	163	57
Total non-operating income	977	1,531
Non-operating expenses		
Interest expenses	10	9
Foreign exchange losses	—	31
Provision of allowance for doubtful accounts	15	—
Other	17	41
Total non-operating expenses	43	81
Ordinary profit	308	3,465
Extraordinary income		
Gain on sale of non-current assets	—	12
Gain on sale of investment securities	4,111	4,042
Total extraordinary income	4,111	4,054
Extraordinary losses		
Loss on disposal of non-current assets	2	16
Loss on sale of investment securities	0	—
Loss on valuation of investment securities	—	1
Total extraordinary losses	2	17
Profit before income taxes	4,418	7,502
Income taxes - current	629	1,334
Income taxes - deferred	420	411
Total income taxes	1,049	1,745
Profit	3,368	5,757
Profit attributable to non-controlling interests	42	78
Profit attributable to owners of parent	3,326	5,678

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	3,368	5,757
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,183)	3,991
Remeasurements of defined benefit plans, net of tax	(158)	(140)
Total other comprehensive income	(3,342)	3,851
Comprehensive income	26	9,608
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(15)	9,528
Comprehensive income attributable to non-controlling interests	42	80

### (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,418	7,502
Depreciation	1,994	2,049
Increase (decrease) in provisions	122	159
Decrease (increase) in retirement benefit asset	(442)	(416)
Interest and dividend income	(742)	(728)
Interest expenses	10	9
Loss (gain) on sale of securities	(50)	(540)
Loss (gain) on valuation of securities	(21)	(205)
Loss (gain) on sale of non-current assets	—	(12)
Loss on disposal of non-current assets	2	16
Loss (gain) on sale of investment securities	(4,111)	(4,042)
Loss (gain) on valuation of investment securities	—	1
Increase / decrease in trade receivables and contract assets	408	(4,284)
Decrease (increase) in inventories	(1,009)	(1,784)
Decrease (increase) in other current assets	(1,643)	(738)
Increase (decrease) in trade payables	948	87
Increase / decrease in contract liabilities	(141)	(112)
Increase (decrease) in other current liabilities	(59)	1,022
Increase (decrease) in other non-current liabilities	(4)	1
Other, net	(12)	(497)
Subtotal	(335)	(2,511)
Interest and dividends received	681	674
Interest paid	(10)	(9)
Income taxes paid	(3,493)	(486)
Net cash provided by (used in) operating activities	(3,158)	(2,333)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(38)	(24)
Proceeds from withdrawal of time deposits	42	50
Reduction of investments in specified trusts	888	311
Purchase of property, plant and equipment	(624)	(553)
Proceeds from sale of property, plant and equipment	—	58
Purchase of intangible assets	(284)	(304)
Purchase of investment securities	(392)	(1,950)
Proceeds from sale and redemption of investment securities	4,332	6,099
Loan advances	(5)	(3)
Proceeds from collection of loans receivable	8	3
Purchase of long-term prepaid expenses	(1,002)	(1)
Other, net	11	(32)
Net cash provided by (used in) investing activities	2,936	3,653

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from financing activities		
Repayments of short-term borrowings	(50)	(100)
Repayments of lease liabilities	(66)	(64)
Dividends paid	(1,291)	(1,844)
Purchase of treasury shares	—	(949)
Net cash provided by (used in) financing activities	(1,407)	(2,959)
Effect of exchange rate change on cash and cash equivalents	8	5
Net increase (decrease) in cash and cash equivalents	(1,620)	(1,632)
Cash and cash equivalents at beginning of period	53,004	48,884
Cash and cash equivalents at end of period	51,383	47,251

#### (4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

In accordance with a resolution of a meeting of the Board of Directors held on May 8, 2023, the Company purchased 314,600 shares of treasury shares for ¥949 million and retired 2,500,000 shares of treasury shares for ¥5,704 million dated June 12, 2023. As a result, retained earnings and treasury shares were down ¥5,704 million and ¥4,754 million, respectively, in the six months ended September 30, 2023, and amounted to ¥123,705 million and ¥8,158 million, respectively, as of September 30, 2023.

(Segment information, etc.)

#### I. For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

##### 1. Information on net sales and profit (loss), and information on the disaggregation of revenue by reportable segment

(Million yen)

	Reportable segment				Total
	Pharmaceutical	Information Services	Construction	Merchandising	
Net sales					
Pharmaceutical Business					
Pharmaceuticals sales	23,550	—	—	—	23,550
Therapeutic and care foods sales	1,766	—	—	—	1,766
Technical fees	220	—	—	—	220
Other	2,410	—	—	—	2,410
Information Services Business	—	4,456	—	—	4,456
Construction Business	—	—	1,716	—	1,716
Merchandising Business	—	—	—	452	452
Revenue arising from contracts with customers	27,946	4,456	1,716	452	34,572
Sales to third parties	27,946	3,335	1,250	332	32,864
Inter-segment sales or transfers	—	1,120	466	119	1,707
Total	27,946	4,456	1,716	452	34,572
Segment profit (loss)	(1,108)	370	36	20	(681)

##### 2. Total amount of profit (loss) of reportable segments, difference from the amount stated in the quarterly consolidated statements of income, and main components of such difference

(Million yen)

Profit	Amount
Total for reportable segments	(681)
Elimination of inter-segment transactions	58
Adjustment of non-current assets	1
Other adjustments	(3)
Operating profit (loss) in the quarterly consolidated statements of income	(625)

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and profit (loss), and information on the disaggregation of revenue by reportable segment

(Million yen)

	Reportable segment				Total
	Pharmaceutical	Information Services	Construction	Merchandising	
Net sales					
Pharmaceutical Business					
Pharmaceuticals sales	26,420	—	—	—	26,420
Therapeutic and care foods sales	1,763	—	—	—	1,763
Technical fees	171	—	—	—	171
Other	2,410	—	—	—	2,410
Information Services Business	—	5,074	—	—	5,074
Construction Business	—	—	2,365	—	2,365
Merchandising Business	—	—	—	524	524
Revenue arising from contracts with customers	30,765	5,074	2,365	524	38,729
Sales to third parties	30,765	4,133	1,663	416	36,978
Inter-segment sales or transfers	—	941	702	108	1,751
Total	30,765	5,074	2,365	524	38,729
Segment profit	1,128	663	127	45	1,965

2. Total amount of profit (loss) of reportable segments, difference from the amount stated in the quarterly consolidated statements of income, and main components of such difference

(Million yen)

Profit	Amount
Total for reportable segments	1,965
Elimination of inter-segment transactions	34
Adjustment of non-current assets	(7)
Other adjustments	23
Operating profit in the quarterly consolidated statements of income	2,015

(Significant subsequent events)

(Purchase of Treasury Shares)

KISSEI PHARMACEUTICAL CO., LTD. (the “Company”) hereby announces that its Board of Directors, at a meeting held today (November 6, 2023), decided on a specific method of acquisition of its own shares through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), which was resolved at the Board of Directors meeting held on May 8, 2023, pursuant to the provisions of Article 156 of the Companies Act after applying the provisions of Article 165, Paragraph 3 of the same Act as follows.

1. Method of acquisition

The Company will entrust the acquisition of its treasury shares at the closing price (including the final special quote) of 3,160 yen as of this day (November 6, 2023) through ToSTNeT-3 of the Tokyo Stock Exchange at 8:45 a.m. as of November 7, 2023 (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.

2. 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 1,200,000 shares  
(Percentage of total number of issued shares (excluding treasury shares) :2.62%)
- 3) Total acquisition cost: 3,792,000,000 yen (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 November 7, 2023.

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.

(Reference)

1. Details of the resolution of the Board of Directors meeting held on May 8, 2023
  - 1) Type of shares to be acquired: Common shares of the Company
  - 2) Total number of shares to be acquired: Up to 2,000,000 shares  
(Percentage of total number of issued shares (excluding treasury shares) :4.34%)
  - 3) Total acquisition cost: 6 billion yen (maximum)
  - 4) Acquisition period: From May 10, 2023 to March 29, 2024
  - 5) Acquisition method: Market purchases on the Tokyo Stock Exchange
    1. Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)
    2. Market purchases based on a discretionary trading contract regarding acquisition of own shares
2. Cumulative total of treasury shares repurchased in accordance with the resolution of the Board of Directors meeting held on May 8, 2023 (as of November 6, 2023)
  - Total number of shares acquired: 314,600 shares
  - Total amount of acquisition cost: 949,813,800 yen
3. Number of Treasury shares as of October 31, 2023
  - Total number of issued shares (excluding treasury shares): 45,800,913
  - Treasury shares: 3,510,272



### 3. Other

#### (1) Sales Results

Sales results by segment for the six months ended September 30, 2023 are as follows.

Segment classification	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
	Amount (Million yen)	Composition (%)	Amount (Million yen)	Composition (%)	Amount (Million yen)	Change (%)
Pharmaceutical Business	27,946	85.0	30,765	83.2	2,818	10.1
Urology	8,407	25.6	10,160	27.5	1,753	20.9
Renal diseases and dialysis	7,088	21.6	6,330	17.1	(757)	(10.7)
Orphan drugs	243	0.7	2,500	6.8	2,256	924.9
Metabolism and endocrinology	3,294	10.0	2,941	8.0	(352)	(10.7)
Obstetrics and gynecology	444	1.4	360	1.0	(83)	(18.9)
Ophthalmology	232	0.7	176	0.5	(55)	(23.9)
Other drugs	3,840	11.7	3,949	10.7	108	2.8
Therapeutic and care foods	1,766	5.4	1,763	4.8	(2)	(0.1)
Technical fees	220	0.7	171	0.5	(48)	(22.2)
Other	2,410	7.3	2,410	6.5	0	0.0
Information Services Business	3,335	10.1	4,133	11.2	797	23.9
Construction Business	1,250	3.8	1,663	4.5	412	33.0
Merchandising Business	332	1.0	416	1.1	83	25.1
Total	32,864	100.0	36,978	100.0	4,113	12.5
[Exports]	[2,407]	[7.3]	[2,268]	[6.1]	[(138)]	[(5.8)]

(Note) Intersegment transactions are eliminated.