

Action to Implement Management that is Conscious of Cost of Capital and Stock Price **Our Future Direction**

Status of Dialogues with Shareholders **Fiscal 2022 Results**

June 27, 2023

 **KISSEI PHARMACEUTICAL CO., LTD.**

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

The Core of Kissei's Business Activities

==== **Management Philosophy** =====

**Contribute to society through high-quality,
innovative pharmaceutical products**

Serve society through our employees

==== **Management Vision** =====

**We aim to be an R&D-oriented pharmaceutical company
that contributes to the health of people around the
world through innovative pharmaceutical products.**

Our Future Direction

2020

2023 (current)

2025 (forecast)

Medium-Term Management Plan "PEGASUS" Fiscal 2020–Fiscal 2024

Overview of Medium-Term Management Plan

【Basic Policies】

1. Increase domestic sales
2. Strengthen earnings base overseas
3. Expand development pipeline
4. Strengthen the management base to cope with the changes in the business environment

【Consolidated Final-Year Targets】

- Net sales ¥87.0 billion or higher
- Operating profit ¥9.0 billion or higher
- R&D expenses ¥13.0 billion
- ROE **5% or higher**

Our Future Direction

Despite setting profitability targets exceeding the capital costs and achieving an ROE exceeding 5% for the past two fiscal years, there remains concern over the normalization of a P/B ratio below 1.0.

The Board of Directors have confirmed that the following efforts will be taken to address this issue.

- 1) Improving the profitability of capital based on analysis of current circumstances
- 2) Eliminating information asymmetry by ramping up IR activities

- 1) Gaining a proper understanding of cost of capital and profitability, then formulating goals and an action plan regarding profitability of capital
- 2) Conducting dialogues to communicate growth strategies and collect feedback (see next slide for fiscal 2022 results)

Prompt disclosure after Board analysis and assessment

Next Medium-Term Management Plan

Status of Dialogues with Shareholders (Fiscal 2022)

Main People Involved in Dialogues with Shareholders

- The Public Relations Department is in charge of handling shareholder dialogues appropriately in collaboration with the president and representative Director (COO), as well as with directors and departments in charge of such dialogues.

Overview of Dialogues with Shareholders

● Financial briefings for analysts

May 2022: Financial briefing for the fiscal year ended March 31, 2022 (held via telephone)

November 2022: Financial briefing for the second quarter of fiscal 2022

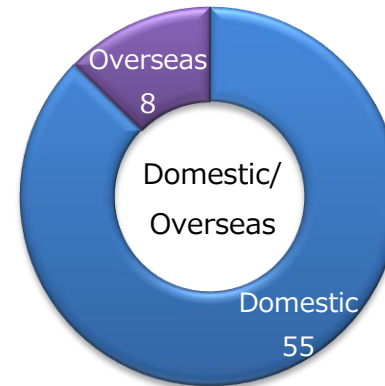
People-in-charge:

President

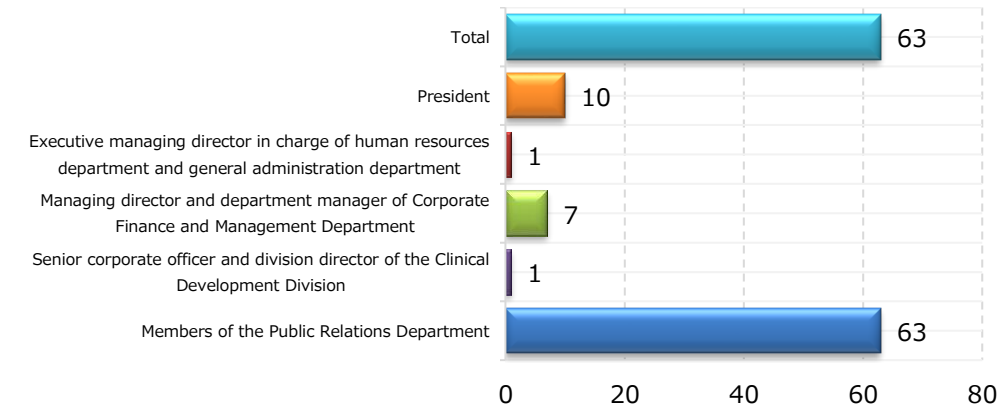
Managing director and department manager of Corporate Finance and Management Department

Senior corporate officer and division director of the Clinical Development Division

● IR Meetings by Category (out of 63 total)



Number of meetings by person/department in charge



Status of feedback to management and the Board of Directors regarding shareholder opinions and concerns identified through dialogue

- We hold financial briefings, disclose information via our corporate website, and conduct other activities to deepen shareholders' understanding of our management strategy and business environment.
- Opinions expressed through these activities and dialogues with shareholders are shared with the Board of Directors as appropriate and utilized when reviewing management strategies.