Appendix to the Consolidated Financial Summary FY2023 Second-Half

May 10th, 2024

JCR Pharmaceuticals Co., Ltd.

[Securities code]4552, Prime. TSE

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Contents

Consolidated Financial Results 2
Consolidated Financial Results – Supplemental Information 3
Breakdown of Net Sales (Consolidated) 4
Breakdown of Net Sales (Consolidated) – Supplemental Information 5
Financial Status (Consolidated) 6
Financial Status (Consolidated) – Supplemental Information 7
Cash Flows (Consolidated) 8
Consolidated Financial Results FY2024 Forecast 9
Consolidated Financial Results FY2024 Forecast – Supplemental Information 10
Breakdown of Net Sales (Consolidated) FY2024 Forecast 11
Breakdown of Net Sales (Consolidated) FY2024 Forecast – Supplemental Information 12
＜Reference＞
Net Sales Trends by Product 13
Composition of Net Sales by Item 14
Trends in Sales Breakdown (Consolidated) 15
Net Sales Trends (Excluding AZD1222 Stock Solution) 16
Trends in Composition Ratio of Cost/Expense 17
Correlation between R&D Expenses (before Deducting) and Main R&D Pipeline 18
IZCARGO® Prescription Status 19
GROWJECT® Market Trends 20,21
Net Sales Trends by Product FY2024 Forecast 22
Net Sales Trends (Excluding AZD1222 Stock Solution) FY2024 Forecast 23

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

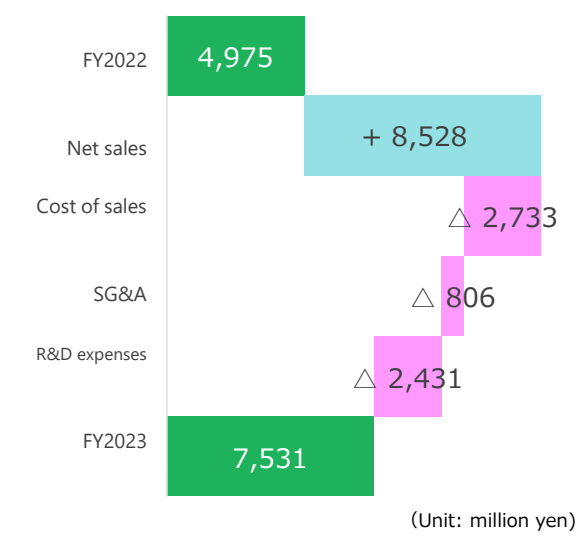
Consolidated Financial Results

(Unit: million yen)

Consolidated	FY2022	FY2023				
	Results	Results	Year-on-year		Full-year forecast (Revised)	Progress rate
			Difference	Ratio		
Net sales	34,343	**42,871**	+8,528	+24.8%	45,400	**94.4%**
Cost of sales	8,886	**11,620**	+2,733	+30.8%	12,400	**93.7%**
Gross profit	25,456	**31,251**	+5,794	+22.8%	33,000	**94.7%**
Selling, general and administrative expenses	20,480	**23,719**	+3,238	+15.8%	22,500	**105.4%**
SG&A	11,678	**12,484**	+806	+6.9%	12,800	**97.5%**
R&D expenses	8,802	**11,234**	+2,431	+27.6%	9,700	**115.8%**
Operating profit	4,975	**7,531**	+2,556	+51.4%	10,500	**71.7%**
Non-operating income	541	**1,056**	+515	+95.2%	—	—
Non-operating expenses	99	**1,324**	+1,225	+ 1236.6%	—	—
Ordinary profit	5,418	**7,264**	+1,846	+34.1%	10,000	**72.6%**
Extraordinary income	10	**0**	(9)	(94.0)%	—	—
Extraordinary losses	16	**20**	+4	+26.3%	—	—
Profit before income taxes	5,412	**7,244**	+1,831	+33.8%	—	—
Income taxes	1,625	**1,707**	+82	+5.1%	—	—
Profit attributable to owners of parent	3,772	**5,507**	+1,735	+46.0%	7,300	**75.4%**
(Reference) **R&D expenses before deducting contribution amount by collaborative R&D destinations**	9,480	**12,787**	3,307	+34.9%	11,700	**109.3%**

◆ **Operating income 7,531 million yen**

Year-on-year: +2,556 million yen



(Unit: million yen)

Net sales	FY2022	FY2023	YoY Ratio
Cost of sales ratio	25.9%	**27.1%**	+1.2%
Cost of sales ratio *Excluding Income from contractual payment	32.0%	**32.8%**	+0.8%
R&D expense ratio	25.6%	**26.2%**	+0.6%
Operating profit ratio	14.5%	**17.6%**	+3.1%

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Consolidated Financial Results – Supplemental Information

Supplemental Information to the Consolidated Financial Results

- **Sales and profits increased significantly** year-on-year. The main factors were year-on-year increases in product sales, income from contractual payment and sales of contracted manufacturing recorded under Other.
- The increase in **Cost of sales** accompanied the increase in product sales.
- The increase in **SG&A** accompanied increases in sales and promotions expenses due to the increase in sales of GROWJECT®, and booking of depreciation for the Kobe Science Park Center.
- The increase in **R&D expenses** was due to the progress of global clinical trials and the increase in associated R&D personnel.
- **Non-operating income** and **Non-operating expenses** both increased due to foreign exchange gains accompanying depreciation of the yen and recording of equity in losses of affiliates related to Mycenax Biotech Inc. of Taiwan, respectively.

(Unit: number of people)

Changes in the Number of Employees	As of March 31, 2023	As of March 31, 2024	Increase
Non-consolidated	854	**900**	46
Consolidated	879	**934**	55

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

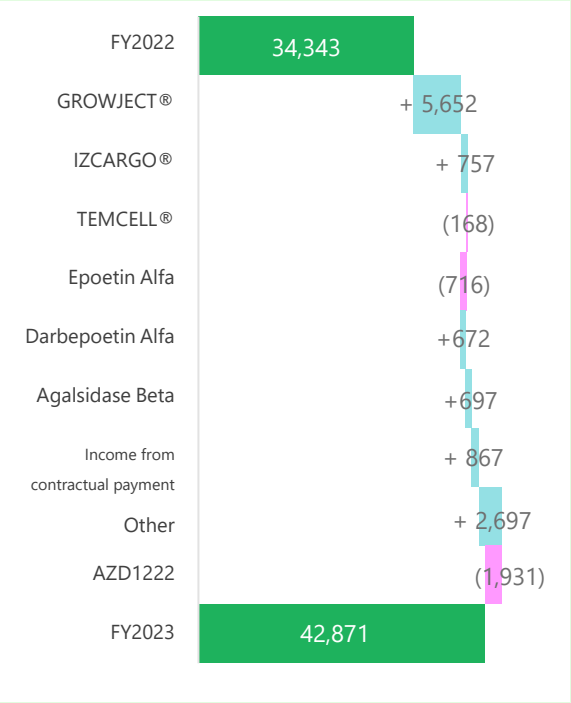
Breakdown of Net Sales (Consolidated)

(Unit: million yen)

	FY2022	FY2023				
	Results	Results	Year-on-year		Full year forecast (Revised)	Progress rate
			Difference	Ratio		
GROWJECT®	12,261	**17,913**	+5,652	+46.1%	19,500	**91.9%**
IZCARGO®*	4,414	**5,171**	+757	+17.2%	5,200	**99.4%**
TEMCELL® HS Inj.	3,404	**3,236**	(168)	(4.9)%	3,300	**98.1%**
Treatments for renal anemia	4,696	**4,652**	(44)	(0.9)%	5,000	**93.0%**
Epoetin Alfa BS Inj. [JCR]	2,710	**1,994**	(716)	(26.4)%	2,200	**90.6%**
Darbepoetin Alfa BS Inj. [JCR]	1,986	**2,658**	+672	+33.8%	2,800	**94.9%**
Agalsidase Beta BS I.V. Infusion [JCR]	964	**1,661**	+697	+72.2%	1,400	**118.6%**
Total Core Products	25,741	**32,636**	+6,895	+26.8%	34,400	**94.9%**
Income from contractual payment	6,546	**7,413**	+867	+13.3%	8,100	**91.5%**
Other*	123	**2,820**	+2,697	+2192.7%	2,900	**97.2%**
AZD1222 stock solution	1,931	**—**	(1,931)	(100.0)%	—	—
Total Net Sales	34,343	**42,871**	+8,528	+24.8%	45,400	**94.4%**

◆**Net sales 42,871 million yen**

Year-on-year; +8,528 million



(Unit: million yen)

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

* Sales of IZCARGO® related to NPS is included in Other

Breakdown of Net Sales (Consolidated) – Supplemental Information

Supplemental Information on the Breakdown of Net Sales

- Significant sales growth of **GROWJECT®** and steady market penetration by **IZCARGO®** contributed to the increase in net sales.
- **TEMCELL®** performed as forecast.
- Sales of **Treatments for renal anemia** were in line with the supply plan to our sales partner, Kissei Pharmaceutical Co., Ltd.
- Sales of **Agalsidase Beta BS I.V. Infusion [JCR]** were in line with the supply plan to our sales partner, Sumitomo Pharma Co., Ltd.
- **Income from contractual payment** fell short of the forecast as a discrepancy arose between the assumption and performance due to the result of contractual negotiations and other factors.
- **Other** increased due to the recording of net sales from contracted manufacturing.

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Financial Status (Consolidated)

(Unit: million yen)

	End-Mar. 2023	End-Mar. 2024	Change ・Main Increase/decrease
Current assets	47,802	**57,581**	**Total +9,779** • Cash and deposits +5,477 • Accounts receivable - trade, and contract assets +3,797 • Inventories +2,419
Non-current assets	47,135	**44,644**	**Total (2,490)** • Property, plant and equipment (2,640)
Total	94,937	**102,226**	**+7,288**

	End-Mar. 2023	End-Mar. 2024	Change ・Main Increase/decrease
Current liabilities	35,762	**30,135**	**Total (5,626)** • Income taxes payable +1,623 • Short-term borrowings (7,850)
Non-current liabilities	6,761	**15,615**	**Total +8,853** • Long-term borrowings +8,850
Total liabilities	42,523	**45,750**	**Total +3,226**
Total net assets	52,413	**56,475**	**Total +4,061**
Total	94,937	**102,226**	**+7,288**

Equity ratio	**54.2%**	**54.2%**

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

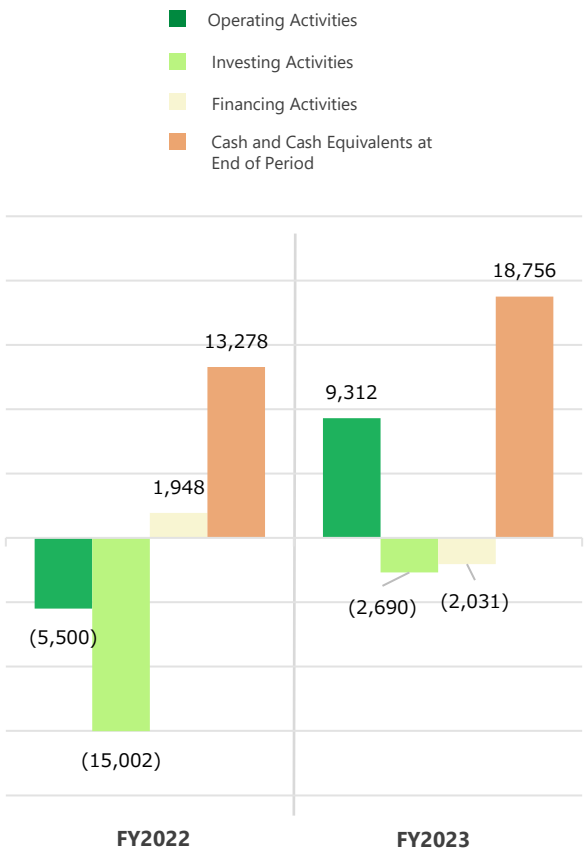
Financial Status (Consolidated) – Supplemental Information

Supplemental Information on the Financial Status

- The increases in cash and deposits and accounts receivable - trade, and contract assets accompanied the significant sales growth of GROWJECT®.
- The decrease in short-term borrowings and the increase in long-term borrowings were due to the refinancing of short-term borrowings into long-term borrowings to reduce the risk of increased interest on borrowings due to future rate hikes and to stabilize the Company's financial base.

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Cash Flows (Consolidated)



(Unit: million yen)	FY2022	FY2023	Year-on-year
Profit before income taxes	5,412	**7,244**	+1,831
Depreciation	1,997	**3,197**	+1,199
Decrease (increase) in trade receivables and accounts receivable – other	3,269	**(3,390)**	(6,659)
Decrease (increase) in inventories	(3,877)	**(2,437)**	+1,439
Increase (decrease) in trade payables and accounts payable – other	(2,162)	**(281)**	+1,880
Income taxes paid	(8,279)	**1,982**	+10,261
Other	(1,859)	**2.998**	+4,857
Operating Activities	(5,500)	**9,312**	14,813
Capital investment(property,plant and equipment)	(8,560)	**(2,096)**	+6,463
Purchase of shares of subsidiaries and associates	(6,717)	**(600)**	+6,117
Other	275	**5**	(269)
Investing Activities	(15,002)	**(2,690)**	+12,312
Bollowings	4,700	**500**	(4,200)
Dividends paid/ treasury shares	(2,729)	**(2,485)**	+244
Other	(22)	**(46)**	(24)
Financing Activities	1,948	**(2,031)**	(3,980)
Net increase (decrease) in cash and cash equivalents	(17,454)	**5,477**	+22,932
Cash and Cash Equivalents at End of Period	13,278	**18,756**	+5,477

	FY2022	FY2023
Depreciation	1,997	**3,197**
Capital investment (after subsidy deduction)	4,330	**2,096**

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Consolidated Financial Results FY2024 Forecast

(Unit: million yen)

Consolidated	FY2023	FY2024(Forecast)		
	Results	Forecast	Year-on-year	
			Difference	Ratio
Net sales	42,871	**41,300**	(1,571)	(3.7)%
Cost of sales	11,620	**10,400**	(1,220)	(10.5)%
Gross profit	31,251	**30,900**	(351)	(1.1)%
Selling, general and administrative expenses	23,719	**25,500**	+1,781	+7.5%
SG&A	12,484	**12,500**	+16	+ 0.1%
R&D expenses	11,234	**13,000**	+1,766	+ 15.7%
Operating profit	7,531	**5,400**	(2,131)	(28.3)%
Ordinary profit	7,264	**4,600**	(2,664)	(36.7)%
Profit attributable to owners of parent	5,507	**3,700**	(1,807)	(32.8)%
(Reference) **R&D expenses before deducting contribution amount by collaborative R&D destinations**	12,787	**15,062**	+2,275	+17.8%

Net sales	FY2023	**FY2024 (Forecast)**	YoY Ratio
Cost of sales ratio	27.1%	**25.2%**	(1.9)%
Cost of sales ratio ***Excluding Income from contractual payment**	32.8%	**31.3%**	(1.4)%
R&D expense ratio	26.2%	**31.5%**	+5.3%
Operating profit ratio	17.6%	**13.1%**	(4.5)%

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Consolidated Financial Results FY2024 Forecast – Supplemental Information

Supplemental Information on the Consolidated Financial Results FY2024 Forecast

- **Net sales** are forecast to decrease year-on-year due to the impact of NHI price revisions and changing competitive environment, as well as the reduction in net sales from contracted manufacturing, despite the expected increases in net sales of two mainstay products (GROWJECT® and IZCARGO®) and income from contractual payment. Consequently, **Costs of sales** are also forecast to decrease.
- **SG&A** are forecast to remain on the same level year-on-year due to efficient execution of business, but **R&D expenses** are expected to increase in the the fiscal year under review as well due to the progress of global clinical trials and the increase in associated R&D personnel.
- **Operating profit** is forecast to decrease year-on-year due mainly to the increase in R&D expenses.
- Equity in losses in **Non-operating expenses** is expected to arise again in the fiscal year under review, but forecast to decrease compared to the previous fiscal year.
- **Extraordinary income** is expected to arise equivalent to the amount of depreciation recorded in the previous fiscal year due to the advanced depreciation of the subsidized portion of the Kobe Science Park Center.

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Breakdown of Net Sales (Consolidated) FY2024 Forecast

(Unit: million yen)

	FY2023	FY2024(forecast)		
	Fesults	Forecast	Year-on-year	
			Difference	Ratio
GROWJECT®	17,913	**18,300**	+387	+2.2%
IZCARGO®*	5,171	**5,700**	+529	+10.2%
TEMCELL®HS Inj.	3,236	**2,800**	(436)	(13.5)%
Treatments for renal anemia	4,652	**4,200**	(452)	(9.7)%
Epoetin Alfa BS Inj. [JCR]	1,994	**2,200**	+206	+10.3%
Darbepoetin Alfa BS Inj. [JCR]	2,658	**2,000**	(658)	(24.8)%
Agalsidase Beta BS I.V. Infusion [JCR]	1,661	**1,100**	(561)	(33.8)%
Total Core Products	32,636	**32,100**	(536)	(1.6)%
Income from contractual payment	7,413	**8,100**	+687	+9.3%
Other*	2,820	**1,100**	(1,720)	(61.0)%
Total Net Sales	42,871	**41,300**	(1,571)	(3.7)%

* Sales of IZCARGO® related to NPS is included in Other

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Breakdown of Net Sales (Consolidated) FY2024 Forecast – Supplemental Information

Supplemental Information on the Breakdown of Net Sales FY2024 Forecast

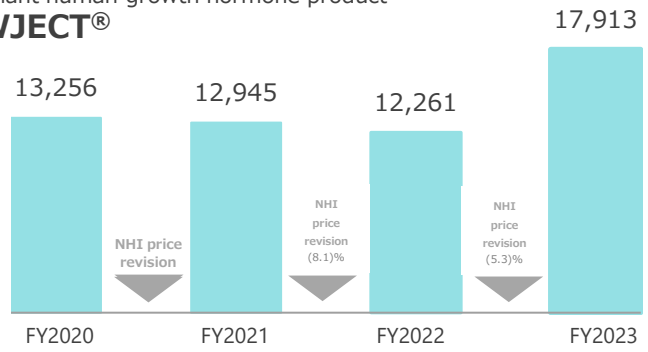
- **GROWJECT®** is forecast to increase net sales due to promoting the usefulness of electronic devices and proactive approach to new and potential patients despite the market contracting because of the low birthrate and the impact of NHI price revisions.
- **IZCARGO®** is forecast to continue to increase sales due to the assignment of dedicated MR for IZCARGO® under an area specific system started from April 2023 and co-promotion with Sumitomo Pharma Co., Ltd.
- **TEMCELL®HS Inj.** is forecast to decrease sales due to changes in the competitive environment.
- Net sales of **Treatments for renal anemia** and **Agalsidase Beta BS I.V. Infusion [JCR]** are forecast to be in line with supply plans to sales partners.
- **Income from contractual payment** is forecast to slightly increase in level year-on-year.
- **Other** is expected to decrease in the fiscal year under review due to the decrease in contracted manufacturing.

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Net Sales Trends by Product

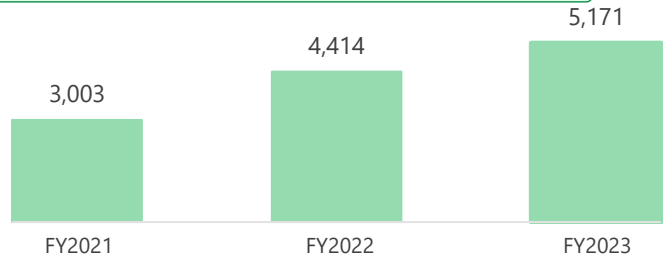
(Unit: million yen)

Recombinant human growth hormone product
GROWJECT®



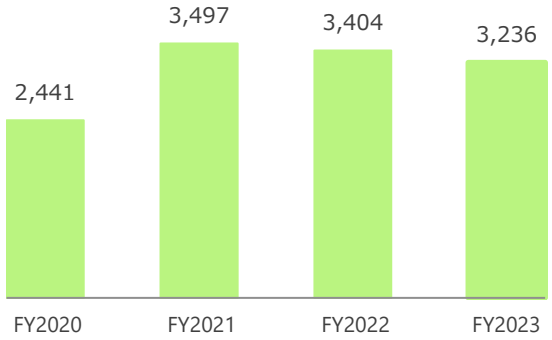
Recombinant therapeutic enzyme for mucopolysaccharidosis II (MPS II)
IZCARGO® I.V. infusion 10mg

From April 24, 2023: Co-promotion with Sumitomo Pharma Co., Ltd.



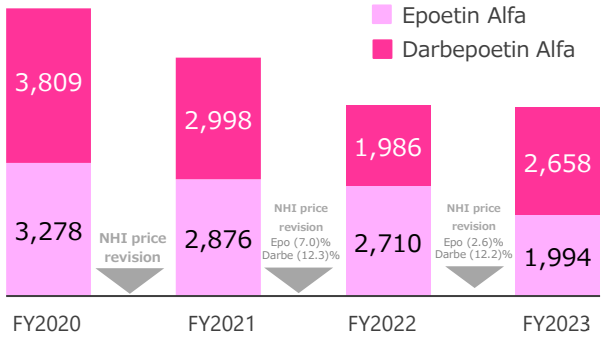
*Excluding sales of IZCARGO® related to NPS

Human somatic stem cell-processed products
Human (allogenic) bone marrow-derived mesenchymal stem cells
TEMCELL® HS Inj.



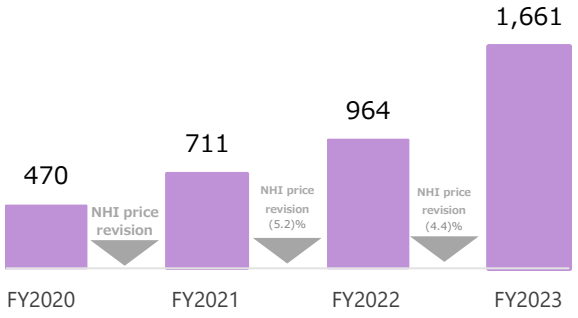
Recombinant erythropoietin product
Epoetin Alfa BS Inj. [JCR]

Long-acting erythropoiesis-stimulating agent
Darbepoetin Alfa BS Inj. [JCR]



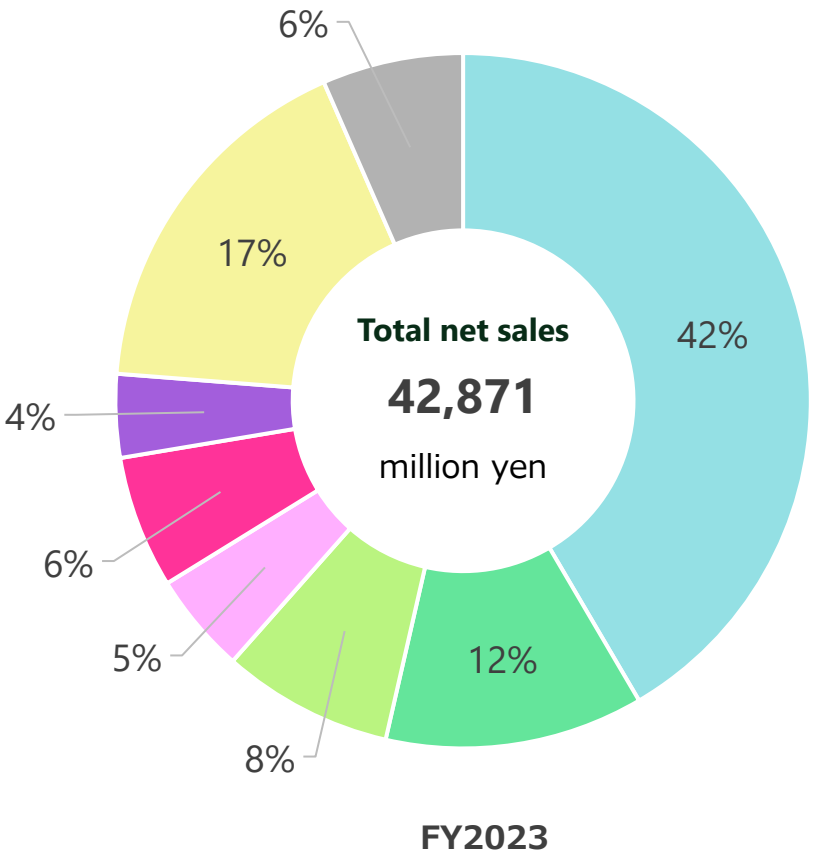
Recombinant treatment for Fabry disease
Agalsidase Beta BS I.V. Infusion [JCR]

Apr. 2022: Sales transferred to Sumitomo Pharma



Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Composition of Net Sales by Item



FY2023

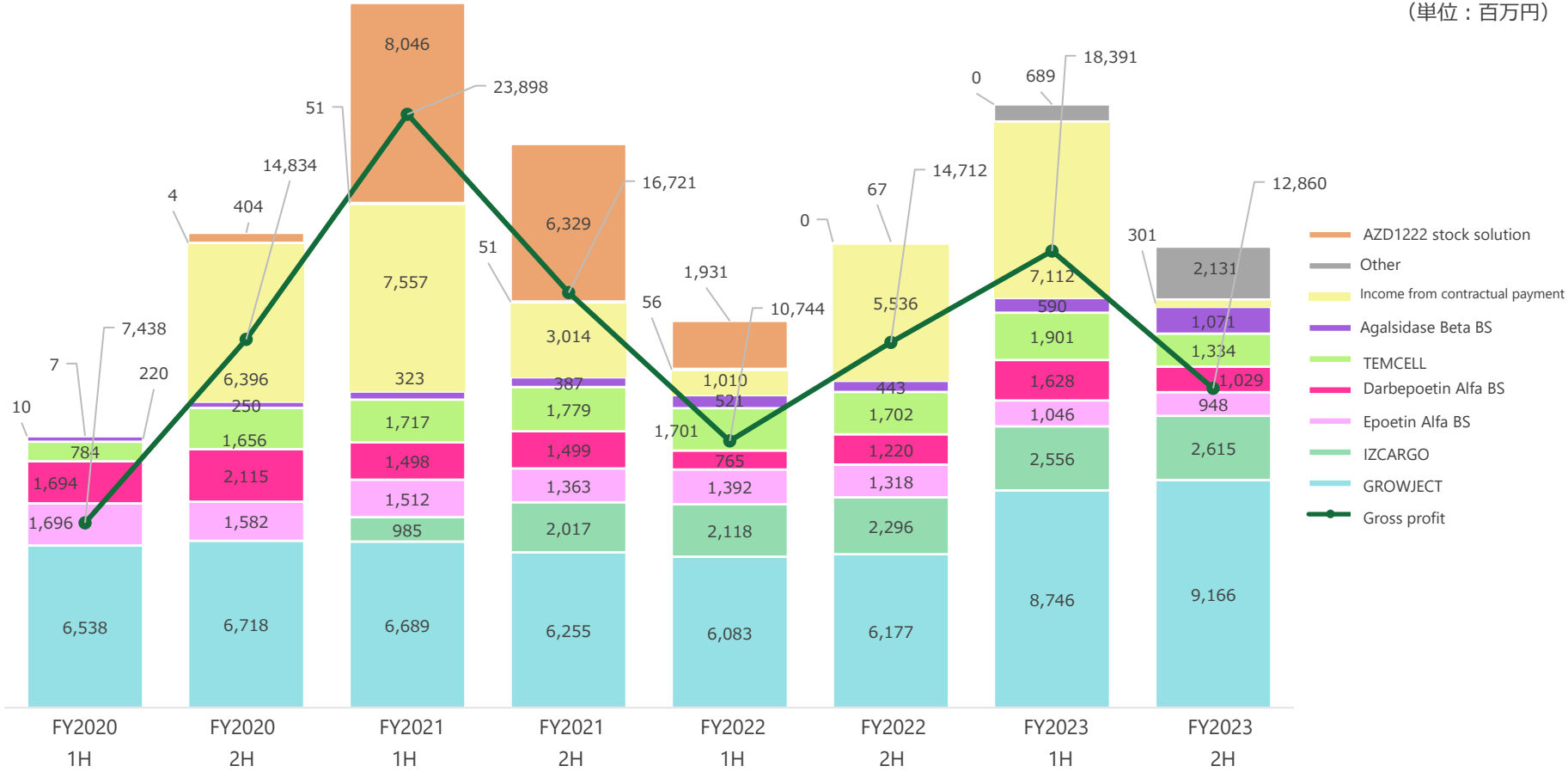
- GROWJECT® 17,913 million yen
- IZCARGO® 5,171 million yen
- TEMCELL®HS Inj. 3,236 million yen
- Epoetin Alfa BS Inj. [JCR] 1,994 million yen
- Darbepoetin Alfa BS Inj. [JCR] 2,658 million yen
- Agalsidase Beta BS I.V. Infusion [JCR] 1,661 million yen
- Income from contractual payment 7,413 million yen
- Other 2,820 million yen

*Excluding sales of IZCARGO® related to NPS

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Trends in Sales Breakdown (Consolidated)

（単位：百万円）

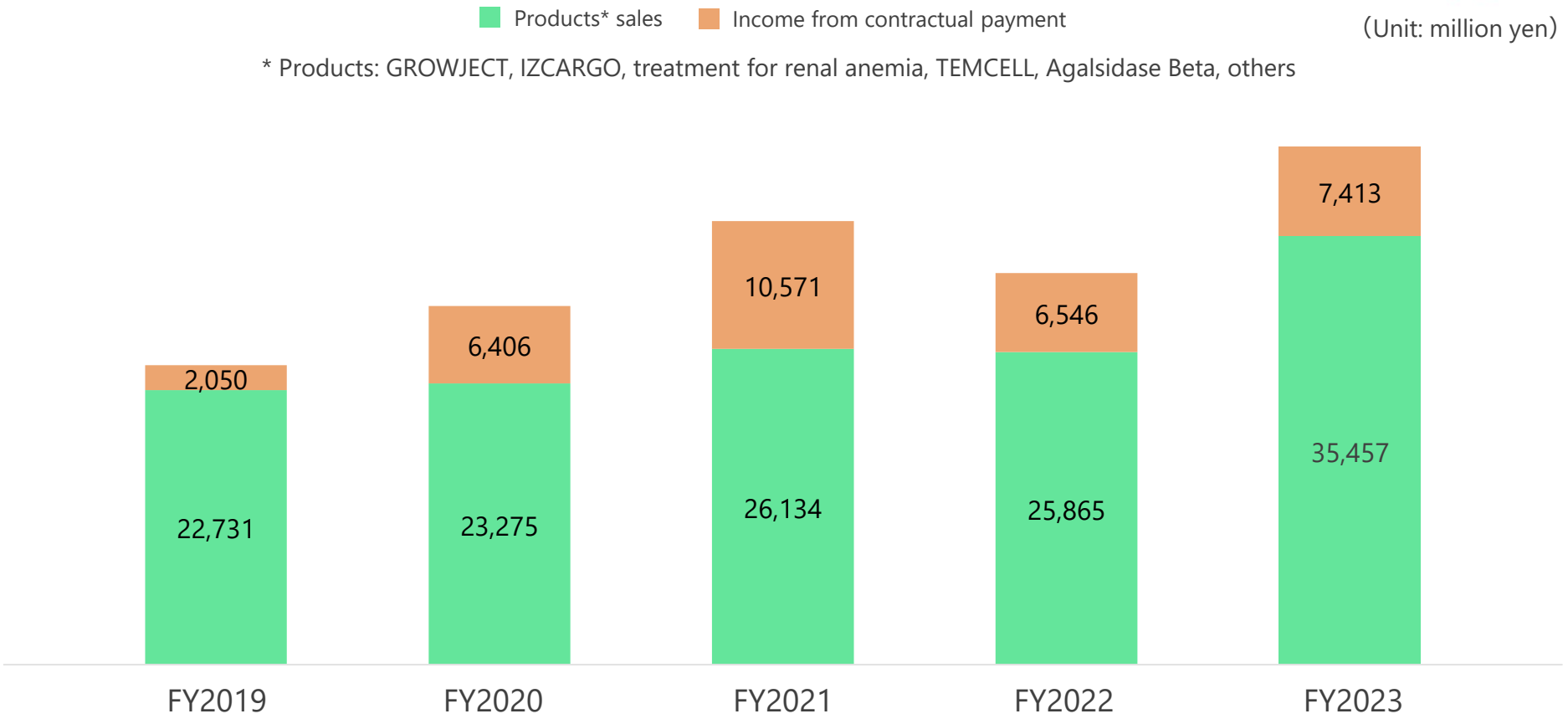


Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

* Sales of IZCARGO® related to NPS is included in Other

Net Sales Trends (Excluding AZD1222 Stock Solution)

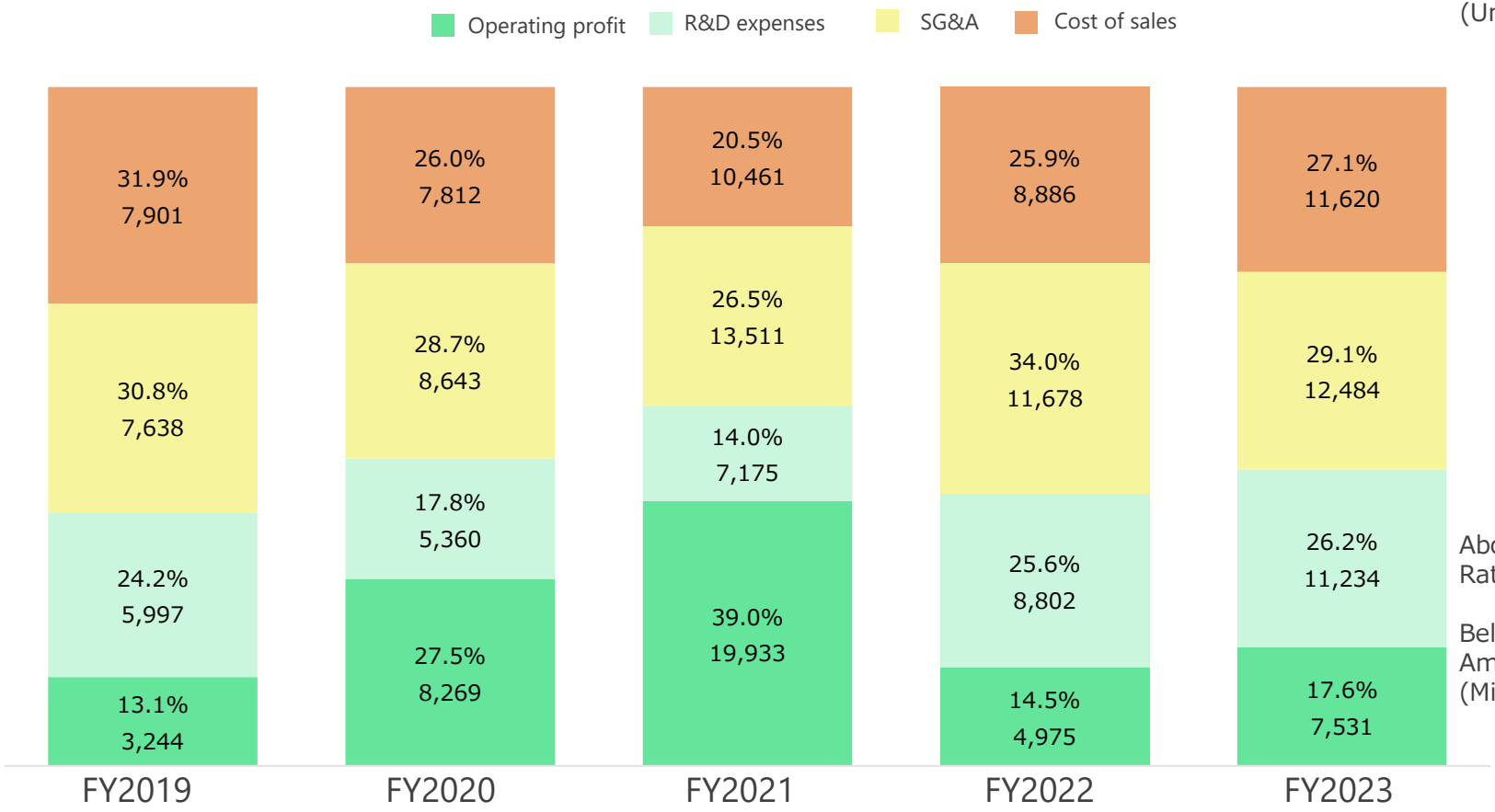
(Unit: million yen)



Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Trends in Composition Ratio of Cost/Expense

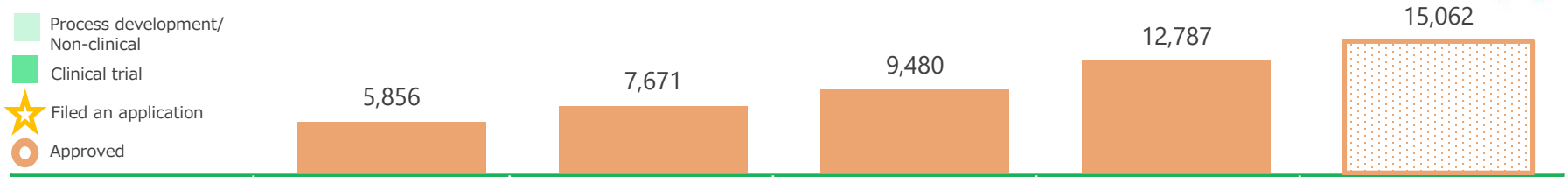
(Unit: million yen)



Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Correlation between R&D Expenses (before Deducting) and Main R&D Pipeline

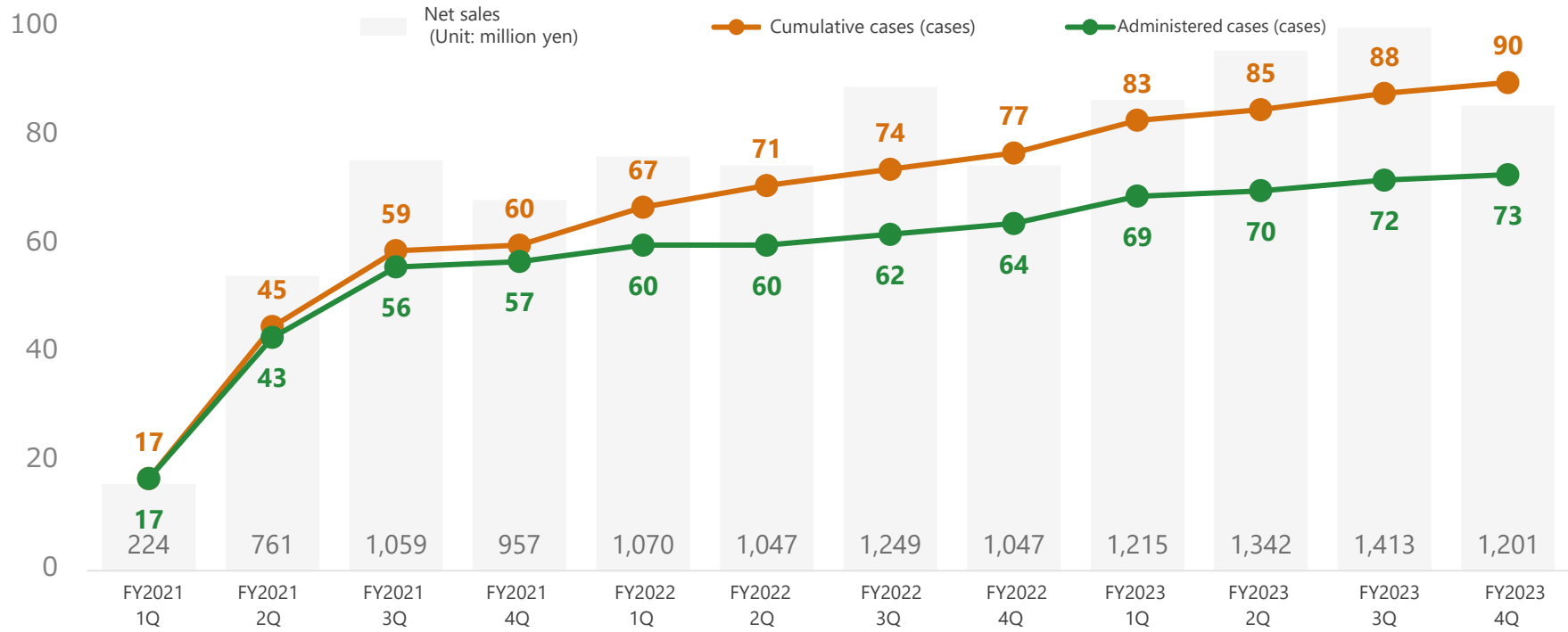
(Unit: million yen)



	FY2020	FY2021	FY2022	FY2023	FY2024 (forecast)
JR-141 (Japan)					
JR-141 (Brazil)			Aug. 2022: Approval denied		
JR-141 (Global)					
JR-171 (Global)					
JR-162					
JR-441					
JR-443					
JR-446					
JR-479					
JR-471					
JR-401X					
JR-142					
JR-031HIE					
JTR-161/JR-161			Apr. 2022: Joint research completed		

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

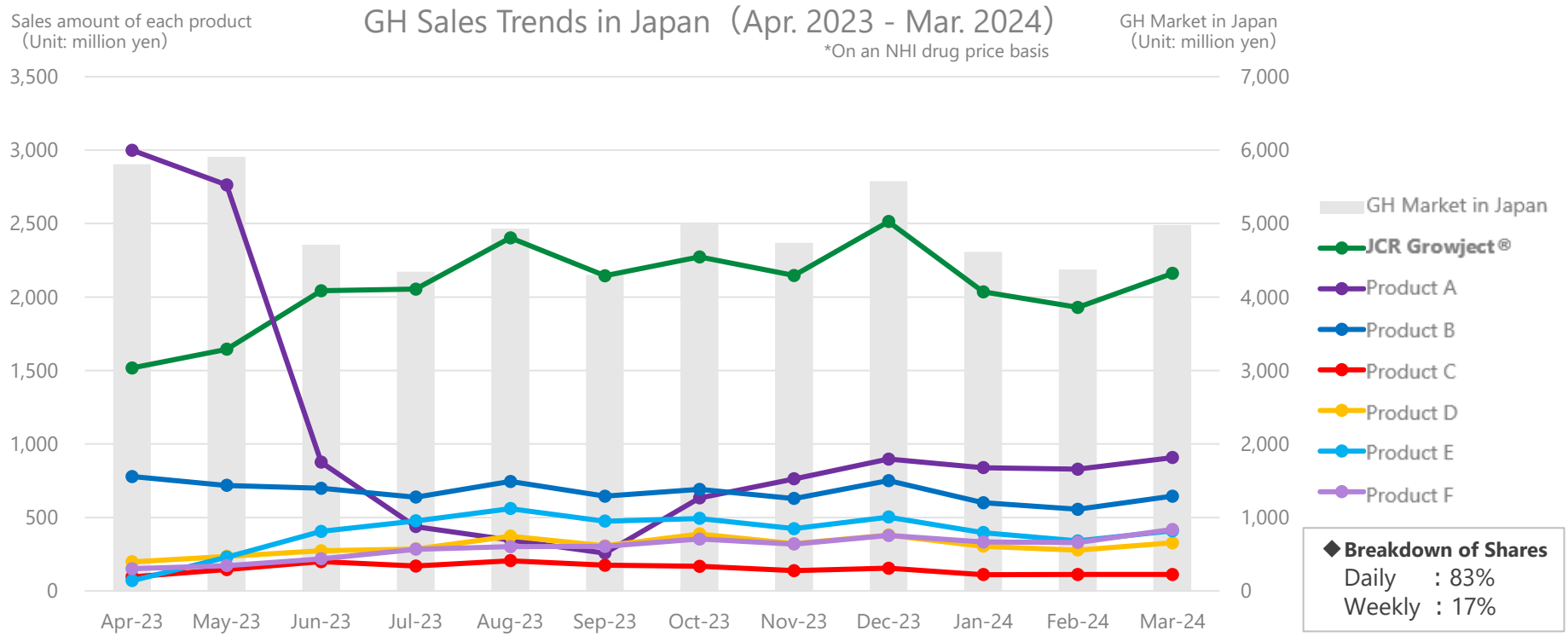
IZCARGO® Prescription Status



*Excluding sales of IZCARGO® related to NPS

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

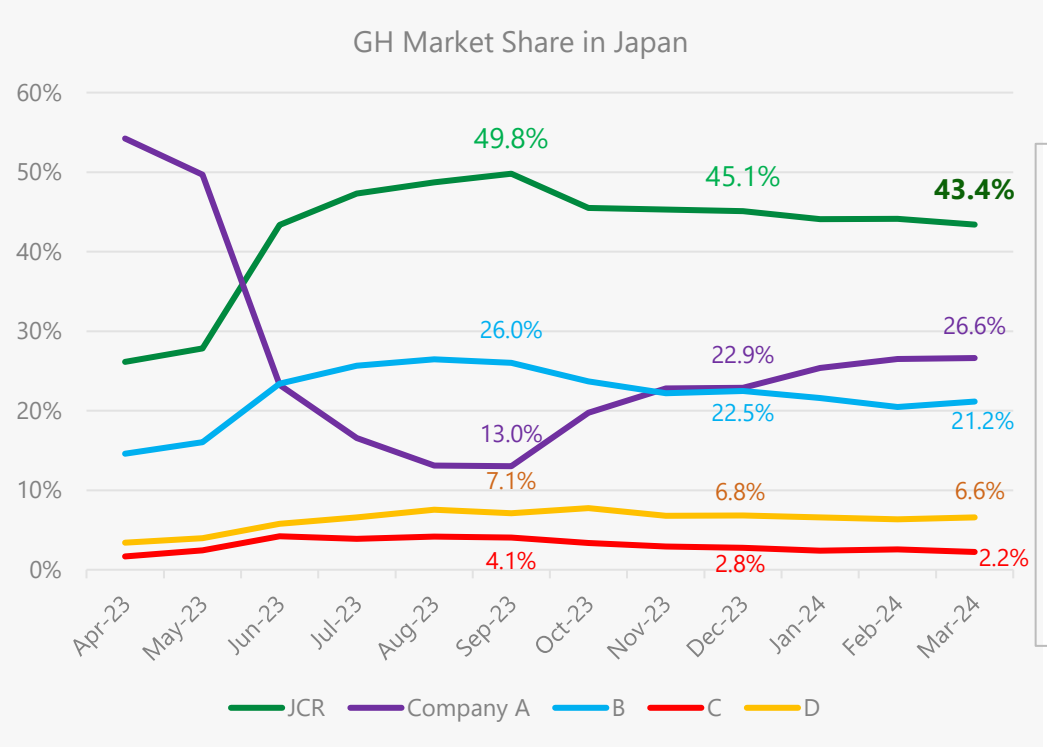
GROWJECT® Market Trends



Copyright © 2024 IQVIA. Own analysis based on JPM (Apr 2023-Mar 2024). Reprinted with permission

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

GROWJECT® Market Trends



Copyright © 2024 IQVIA.
Own analysis based on JPM (Apr 2023-Mar 2024). Reprinted with permission

■ GROWJECT® Market Share by buyer

	Mar. 2024	Sales Change FY2023 Q4 vs. FY2022 Q4 *On an NHI drug price basis
HP Market	35%	+929 million yen
GP Market	63%	+483 million yen
PH Market	35%	+544 million yen

Copyright © 2024 IQVIA. Calculated based on JPM Jan 2023/Mar 2024
Market definition by JCR Reprinted with permission

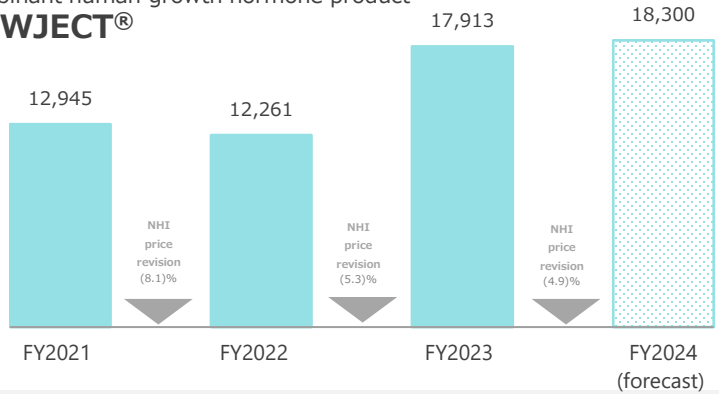
HP: Hospital
GP: General Practitioner
PH: Pharmacy

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Net Sales Trends by Product FY2024 Forecast

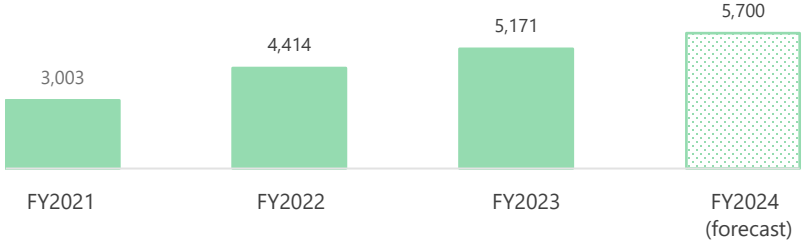
(Unit: million yen)

Recombinant human growth hormone product
GROWJECT®



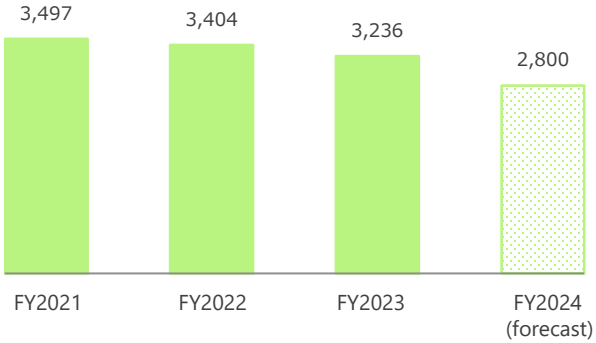
Recombinant therapeutic enzyme for mucopolysaccharidosis II (MPS II)
IZCARGO® I.V. infusion 10mg

From April 24, 2023: Co-promotion with Sumitomo Pharma Co., Ltd.

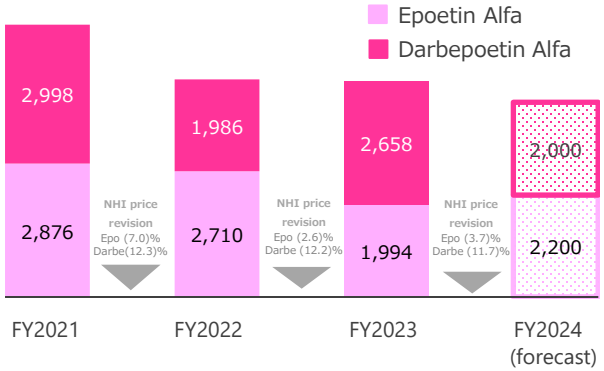


*Excluding sales of IZCARGO® related to NPS

Human somatic stem cell-processed products
Human (allogenic) bone marrow-derived mesenchymal stem cells
TEMCELL® HS Inj.

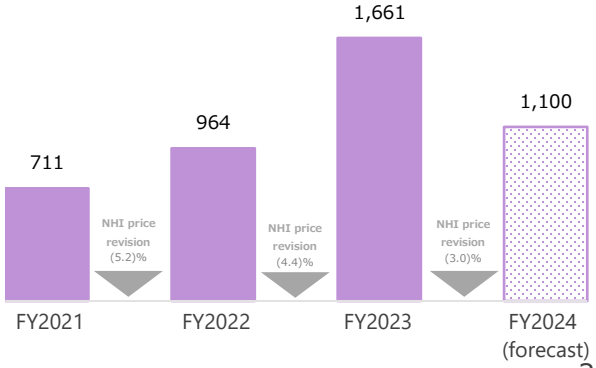


Recombinant erythropoietin product
Epoetin Alfa BS Inj. [JCR]
Long-acting erythropoiesis-stimulating agent
Darbepoetin Alfa BS Inj. [JCR]



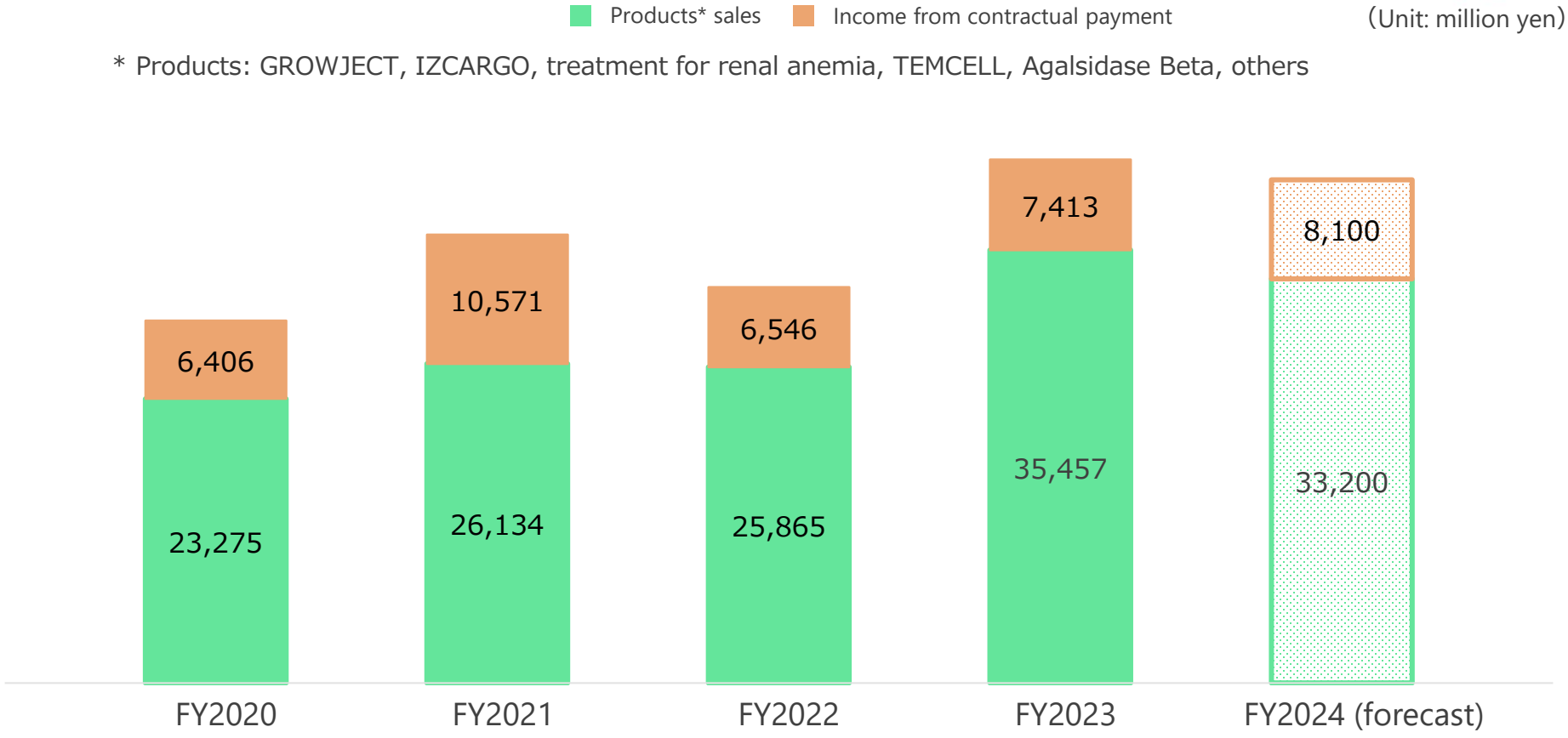
Recombinant treatment for Fabry disease
Agalsidase Beta BS I.V. Infusion [JCR]

Apr. 2022: Sales transferred to Sumitomo Pharma



Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.

Net Sales Trends (Excluding AZD1222 Stock Solution) FY2024 Forecast



* Products: GROWJECT, IZCARGO, treatment for renal anemia, TEMCELL, Agalsidase Beta, others

Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.



Copyright © 2024 JCR Pharmaceuticals Co., Ltd. All rights reserved.