



Kyowa Kirin Co., Ltd.

Consolidated Financial Summary (IFRS) Fiscal 2020 First Quarter (January 1, 2020 – March 31, 2020)

This document is an English translation of the Japanese-language original.

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS)
for Three Months Ended March 31, 2020**

May 1, 2020

Company Name: Kyowa Kirin Co., Ltd. Listed Exchanges: 1st Section of the Tokyo Stock Exchange
 Stock Code: 4151 President & Chief Executive Officer: Masashi Miyamoto
 Telephone: +81 3 5205 7206 Inquiries: Satoko Yoshida
 Director,
 Corporate Communications Department

URL: <https://www.kyowakirin.com/index.html>
 Scheduled date of submission of Quarterly Securities Report: May 14, 2020
 Scheduled start date of dividend payment: -
 Appendix materials to accompany the quarterly financial report: Yes
 Quarterly results presentation meeting: Yes (for institutional investors and securities analysts)

(Millions of yen rounded off)

1. Consolidated Financial Results for the Three Months Ended March 31, 2020

(1) Consolidated operating results *(Percentages indicate year-on-year changes.)*

	Revenue		Core operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2020	77,293	1.9	16,762	(3.3)	15,513	26.6	13,842	70.6
March 31, 2019	75,835	14.1	17,334	20.4	12,257	(57.1)	8,114	(63.1)

Total comprehensive income: Three months ended March 31, 2020: ¥6,240 million; (44.3)%

Three months ended March 31, 2019: ¥11,195 million; (40.0)%

Note: Core operating profit was 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.

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Three months ended				
March 31, 2020	13,842	70.6	25.78	25.76
March 31, 2019	8,114	(63.1)	14.97	14.95

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2020	773,081	672,707	672,707	87.0
December 31, 2019	784,453	678,250	678,250	86.5

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2019	Yen –	Yen 20.00	Yen –	Yen 22.00	Yen 42.00
Fiscal year ending December 31, 2020	–				
Fiscal year ending December 31, 2020 (Forecast)		22.00	–	22.00	44.00

Note: Revisions to the dividend forecast most recently announced: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2020
(from January 1, 2020 to December 31, 2020)**

(Percentages indicate year-on-year changes.)

	Revenue		Core operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	327,000	6.9	65,000	9.5	63,000	41.6	49,000	(27.0)	49,000	(27.0)	91.26

Note: Changes to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes to significant subsidiaries during the period (Changes of specified subsidiaries resulting in changes in the scope of consolidation during the period under review): No
- (2) Changes in accounting policies, and accounting estimates:
 - a. Changes in accounting policies required by IFRS: No
 - b. Changes in accounting policies other than a. above: No
 - c. Changes in accounting estimates: No
- (3) Number of shares issued (ordinary shares)

- a. Number of shares issued (including treasury shares)

As of March 31, 2020	540,000,000 shares
As of December 31, 2019	540,000,000 shares

- b. Number of treasury shares

As of March 31, 2020	2,960,146 shares
As of December 31, 2019	3,053,335 shares

- c. Average number of shares during the period

Three months ended March 31, 2020	536,969,554 shares
Three months ended March 31, 2019	542,128,457 shares

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Notice regarding the appropriate use of the earnings forecasts and other special comments

The forward-looking statements, including earnings forecasts, contained in these materials are based on the information currently available to the Company and on certain assumptions deemed to be reasonable by management. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections for a wide variety of reasons.

Attachment Index

1. Operating Results and Financial Statements.....	5
(1) Summary of Consolidated Business Performance	5
(2) Summary of Consolidated Financial Position.....	7
(3) Summary of Consolidated Cash Flows	8
(4) Research and Development Activities.....	8
(5) Summary of Consolidated Earnings Forecasts and Other Forward-looking Statements.....	10
2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto	11
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	11
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income.....	13
(3) Condensed Quarterly Consolidated Statement of Changes in Equity.....	15
(4) Condensed Quarterly Consolidated Statement of Cash Flows	17
(5) Notes to Condensed Quarterly Consolidated Financial Statements	18
Notes on going concern assumption.....	18
Segment information.....	18

1. Operating Results and Financial Statements

(1) Summary of Consolidated Business Performance

1) Overview of results

Since applying IFRS, the Group adopts “core operating profit” as a level of profit that shows the recurring profitability from operating activities. 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.

(Billions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2019	Year-on-year change	Year-on-year (%)
Revenue	77.3	75.8	1.5	1.9%
Core operating profit	16.8	17.3	(0.6)	(3.3)%
Profit before tax	15.5	12.3	3.3	26.6%
Profit from continuing operations	13.8	9.3	4.5	48.8%
Loss from discontinued operations	–	(1.2)	1.2	–%
Profit attributable to owners of parent	13.8	8.1	5.7	70.6%

For the three months ended March 31, 2020 (January 1, 2020 to March 31, 2020), revenue was ¥77.3 billion (up 1.9% compared to the same period of the previous fiscal year), and core operating profit was ¥16.8 billion (down 3.3%). Profit attributable to owners of parent was ¥13.8 billion (up 70.6%).

- The increase in revenue was the result of global strategic products in North America and EMEA steadily penetrating into the market and strong sales in Asia, mainly in China, despite the impact of switching to Darbepoetin Alfa Injection Syringe [KKF], an authorized generic of NESP®, a renal anemia treatment drug, etc. in Japan. The decrease in core operating profit was the result of an increase in selling, general and administrative expenses, despite the increase in gross profit.
- Profit attributable to owners of parent increased as a result of lower business restructuring expenses and the absence of the loss from discontinued operations recorded in the same period of the previous fiscal year.

2) Revenue by regional control function

(Billions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2019	Year-on-year change
Japan	41.1	45.9	(4.8)
North America	13.2	7.0	6.2
EMEA	11.6	11.2	0.5
Asia/Oceania	5.8	5.4	0.4
Others	5.5	6.4	(0.8)
Total consolidated revenue	77.3	75.8	1.5

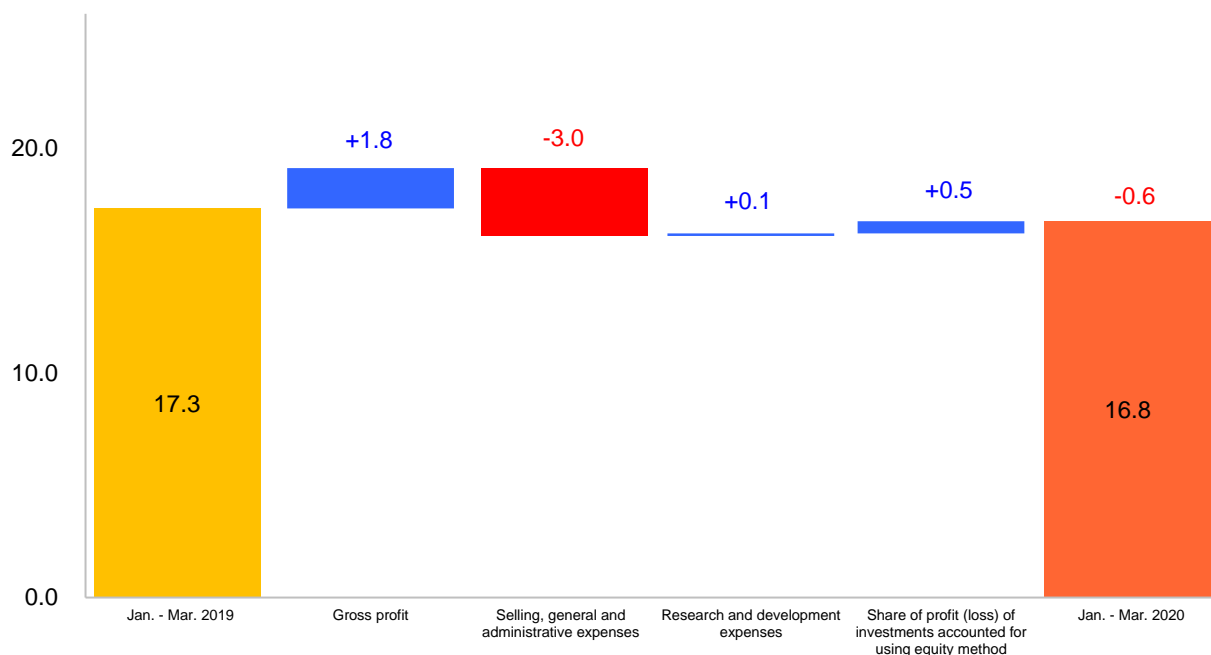
- Notes:
1. Revenue by regional control function is classified based on consolidated revenue from products of regional control functions in the One Kyowa Kirin structure (a global management structure with axes combining four regions – Japan, North America, EMEA, and Asia/Oceania – and the functions needed by a global specialty pharmaceutical company).
 2. EMEA consists of Europe, the Middle East, Africa, etc.
 3. Others consists of technology out-licensing and original equipment manufacturing, etc.

- Revenue in Japan decreased year on year because of the significant impact of switching to Darbepoetin Alfa Injection Syringe [KKF], an authorized generic of NESP®, a renal anemia treatment drug whose patent has expired, following that drug’s launch in August 2019, in addition to the impact

- of the reduction in drug price standards implemented in October 2019, despite the growth in sales of new product groups.
- Darbepoetin Alfa Injection Syringe [KKF] achieved rapid progress in switching from NESP[®], a renal anemia treatment drug.
 - Revenue from Patanol[®], anti-allergy eye drops, and ALLELOCK[®], an anti-allergy agent, decreased as a result of smaller pollen counts and the impact of the suppression of examinations, etc. due to the novel coronavirus disease (COVID-19).
 - Revenue from ORKEDIA[®], a treatment for secondary hyperparathyroidism, increased. Meanwhile, revenue from REGPARA[®], a treatment for secondary hyperparathyroidism, decreased due to factors such as switching to ORKEDIA[®] and the impact of rival products.
 - Revenue from ROMIPLATE[®], a treatment for chronic idiopathic thrombocytopenic purpura, increased as a result of receiving approval of its indication for treatment of aplastic anemia, which so far has not been effectively treated, in June 2019.
 - Firm growth in revenue was realized for G-Lasta[®], an agent for decreasing the incidence of febrile neutropenia, and Rituximab BS [KHK], an anticancer agent, among others.
 - In December 2019, Crysvita[®], a treatment for FGF23-related diseases, and HARUROPI[®], a Parkinson's disease treatment patch, were launched and they have been penetrating the market favorably.
 - Revenue in North America increased year on year due to the steady growth of global strategic products.
 - Sales of Crysvita[®], a treatment for X-linked hypophosphatemia, and POTELIGEO[®], an anticancer agent, have been growing steadily since their launch in 2018.
 - NOURIANZ[™] (product name in Japan: NOURIAST[®]), an antiparkinsonian agent which was launched in October 2019, has been penetrating the market favorably.
 - Revenue in EMEA increased year on year due to the steady growth of global strategic products.
 - Sales of Crysvita[®], a treatment for X-linked hypophosphatemia, have been growing steadily as the number of countries where it has been released has been increasing since its launch in 2018.
 - Revenue from Abstral[®], a treatment for cancer pain, decreased compared to the same period of the previous fiscal year in part due to the impact of the expiration of its patent.
 - Revenue in Asia/Oceania increased year on year, reflecting strong sales particularly in China.
 - Revenue from REGPARA[®], a treatment for secondary hyperparathyroidism, increased compared to the same period of the previous fiscal year due to market expansion in China.
 - Revenue from Others stayed at the same level as in the same period of the previous fiscal year.
 - Technology out-licensing revenue decreased from the same period of the previous fiscal year due to a decline in milestone revenue from AstraZeneca in relation to benralizumab, despite an increase in royalties revenue for the same drug.

3) Core operating profit

Billions of yen



- Core operating profit decreased compared to the same period of the previous fiscal year due to an increase in selling, general and administrative expenses associated with sales of global strategic products, despite an increase in gross profit due to an increase in overseas revenue mainly from global strategic products covering for the decrease in revenue in Japan.

(2) Summary of Consolidated Financial Position

(Billions of yen)

	As of March 31, 2020	As of December 31, 2019	Change
Assets	773.1	784.5	(11.4)
Non-current assets	334.2	335.8	(1.6)
Current assets	438.8	448.6	(9.8)
Liabilities	100.4	106.2	(5.8)
Equity	672.7	678.2	(5.5)
Ratio of equity attributable to owners of parent to total assets (%)	87.0%	86.5%	0.6%

- Assets as of March 31, 2020, were ¥773.1 billion, a decrease of ¥11.4 billion compared to the end of the previous fiscal year.
 - Non-current assets declined by ¥1.6 billion to ¥334.2 billion, due mainly to a decrease in goodwill due to the impact of exchange rates, and a decrease in intangible assets due to the impact of exchange rates and amortization, despite an increase in property, plant and equipment.
 - Current assets decreased by ¥9.8 billion to ¥438.8 billion, due mainly to a decrease in cash reserves (cash and cash equivalents and loans receivable from parent) due to income taxes and dividends paid, despite an increase in inventories as well as large increases in cash and cash equivalents due to the impact of an increase of ¥93.2 billion within loans receivable from parent as management of surplus funds with loan periods of three months or less included in the scope of cash and cash equivalents.

- Liabilities as of March 31, 2020, were ¥100.4 billion, a decrease of ¥5.8 billion compared to the end of the previous fiscal year, due mainly to a decrease in income taxes payable due to income taxes paid, despite an increase in trade and other payables, etc.
- Equity as of March 31, 2020, was ¥672.7 billion, a decrease of ¥5.5 billion compared to the end of the previous fiscal year, due mainly to payment of dividends as well as a decrease in exchange differences on translation of foreign operations resulting from the impact of exchange rates, despite an increase due to the recording of profit attributable to owners of parent, etc. As a result, the ratio of equity attributable to owners of parent to total assets as of the end of the first quarter was 87.0%, an increase of 0.6 percentage points compared to the end of the previous fiscal year.

(3) Summary of Consolidated Cash Flows

(Billions of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2019	Year-on-year change	Year-on-year (%)
Net cash provided by (used in) operating activities	0.6	9.2	(8.6)	(93.3)%
Net cash provided by (used in) investing activities	100.3	29.3	70.9	241.6%
Net cash provided by (used in) financing activities	(12.5)	(34.5)	22.0	(63.8)%
Cash and cash equivalents at beginning of period	20.8	15.9	4.9	30.9%
Cash and cash equivalents at end of period	108.0	15.9	92.0	577.3%

- Cash and cash equivalents as of March 31, 2020, were ¥108.0 billion, an increase of ¥87.2 billion compared with the balance of ¥20.8 billion as of December 31, 2019 as a result of the impact of an increase of ¥93.2 billion within loans receivable from parent as management of surplus funds with loan periods of three months or less included in the scope of cash and cash equivalents.
The main contributing factors affecting cash flow during the three months ended March 31, 2020 were as follows:
- Net cash provided by operating activities was ¥0.6 billion, a 93.3% decrease compared to the same period of the previous fiscal year. Major inflows included profit before tax from continuing operations of ¥15.5 billion and depreciation and amortization of ¥4.7 billion. Major outflows included income taxes paid of ¥14.8 billion.
- Net cash provided by investing activities was ¥100.3 billion, a 241.6% increase compared to the same period of the previous fiscal year. Major inflows included a net decrease of ¥103.3 billion in loans receivable from parent. Major outflows included ¥3.5 billion for purchase of property, plant and equipment.
- Net cash used in financing activities was ¥12.5 billion, a 63.8% decrease compared to the same period of the previous fiscal year. Major outflows included dividends paid of ¥11.8 billion.

(4) Research and Development Activities

Using cutting-edge biotechnology centered on antibody technology, we have made nephrology, oncology, immunology/allergy and CNS the focus of research and development, and by investing resources efficiently, we aim to further speed up the creation of new medical value and drug creation.

For the three months ended March 31, 2020, the Group's research and development expenses totaled ¥11.8 billion, and the progress of our main late-stage development products are as follows.

Oncology

In Japan, we started a phase I clinical study in February 2020 related to the development of an automated injection device for the long-acting granulocyte-colony stimulating factor product KRN125 (product name in Japan: G-Lasta[®]) for the indication of decreasing the incidence of febrile neutropenia in patients receiving cancer chemotherapy.

CNS










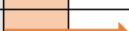
- For adenosine A_{2A} receptor antagonist KW-6002 (product name in Japan: NOURIAST®; product name in U.S.: NOURIANZ™), an application for approval of indication for combination therapy with levodopa/carbidopa for adult patients with Parkinson's disease experiencing "off" episodes was accepted in Europe in January 2020 (application filed in November 2019).

Other











- For human monoclonal anti-Fibroblast Growth Factor 23 (FGF23) antibody KRN23 (product name in Japan, U.S. and Europe: Crysvida®), we obtained approval for partial changes to our biologics license application for approval of its indication for treatment of tumor induced osteomalacia in the U.S. in February 2020 (application filed in December 2019).

 antibody
  protein
  small molecule
 © New Molecular Entity
  Updated since Dec. 31, 2019




Nephrology As of Mar. 31, 2020

	Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
					Ph I	Ph II	Ph III	Filed	Approved	
	KRN321 Darbepoetin Alfa Injection	Long-Acting Erythropoiesis Stimulating Agent	Renal Anemia (on Dialysis)	CN						[Kirin-Amgen]
	KHK7580 Evocalcet Oral	Calcimimetic	Secondary Hyperparathyroidism	CN KR TW HK						[Mitsubishi Tanabe Pharma]
	© RTA 402 Bardoxolone Methyl Oral	Antioxidant Inflammation Modulator	Diabetic Kidney Disease	JP						[Reata]
	KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Preeclampsia	JP						[In-House]
	KHK7791 Tenapanor Oral	NHE3 Inhibitor	Hyperphosphatemia Under Maintenance Dialysis	JP						[Ardelyx]





Oncology

	Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
					Ph I	Ph II	Ph III	Filed	Approved	
	KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Mycosis Fungoides and Sézary Syndrome Adult T-cell Leukemia/ Lymphoma	AU US EU others						[In-House] POTELLIGENT®
	© KHK2375 Entinostat Oral	HDAC Inhibitor	Breast Cancer	JP						[Syndax]
	KRN125 Pegfilgrastim Injection	Long-Acting Granulocyte Colony Stimulating Factor Product	Mobilization of Hematopoietic stem cell into Peripheral blood Automated Injection Device for Decreasing the Incidence of Febrile Neutropenia in Patients Receiving Cancer Chemotherapy	JP JP						[Kirin-Amgen]
	© KHK2455 Oral	IDO1 Inhibitor	Solid Tumor Urothelial carcinoma	US US						[In-House] Combination with KW-0761 [In-House] Combination with avelumab
	© ME-401 Oral	PI3Kδ Inhibitor	B-cell malignancies	JP						[MEI Pharma]




Immunology/Allergy

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Axial Spondyloarthritis (axSpA)	TW						[Kirin-Amgen] Concurrent submit of an application for Psoriatic Arthritis
		Psoriasis	MY CN MO						[Kirin-Amgen]
		Systemic Sclerosis	JP						
		Palmoplantar Pustulosis	JP						
 © KHK4083 Injection	Anti-OX40 Fully Human Antibody	Ulcerative Colitis	US EU others					[In-House] POTELLIGENT® Human Antibody-Producing Technology	
		Atopic Dermatitis	JP US CA EU						
 © ASKP1240 Bleselumab Injection	Anti-CD40 Fully Human Antibody	Recurrence of Focal Segmental Glomerulosclerosis (FSGS) in de novo kidney transplant recipients	US					[In-House] Human Antibody-Producing Technology Jointly Developed with Astellas	

Central Nervous System

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KW-6002 Istradefylline Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	EU						[In-House]
 KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	HTLV-1 associated myelopathy (HAM)	JP						[In-House] POTELLIGENT®
 © KW-6356 Oral	Adenosine A _{2A} Receptor Antagonist	Parkinson's Disease	JP						[In-House]
 © KHK6640 Injection	Anti-Amyloid Beta Peptide Antibody	Alzheimer's Disease	JP EU						[Immunas Pharma]

Other

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	X-linked Hypophosphatemia (XLH)	CH						[In-House] Human Antibody-Producing Technology Jointly Developed with Ultragenyx in US and EU
		Adult X-linked Hypophosphatemia (XLH)	EU						
		FGF23-Related Hypophosphatemic Rickets and Osteomalacia	KR						
		Tumor Induced Osteomalacia (TIO)	US						
		Tumor Induced Osteomalacia (TIO) / Epidermal Nevus Syndrome (ENS)	JP KR US						
			BH OM						
			TW KW SA CN HK SG						
 AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Who Have Had an Inadequate Response to Conventional Therapy	TW					[Kirin-Amgen]	
		Idiopathic (Immune) Thrombocytopenic Purpura	KR				Ph II / Ph III		
		Aplastic Anemia Who Were Previously Untreated with Immunosuppressive Therapy	CN						
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	EU					[In-House]	

(5) Summary of Consolidated Earnings Forecasts and Other Forward-looking Statements

No revisions have been made to the consolidated earnings forecasts announced on February 5, 2020 because it is difficult to reasonably calculate the impact of COVID-19 at this point in time.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto
(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of December 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	75,894	74,216
Goodwill	131,170	133,554
Intangible assets	57,421	60,106
Investments accounted for using equity method	14,373	13,526
Other financial assets	18,045	19,511
Retirement benefit asset	12,107	12,299
Deferred tax assets	24,716	22,110
Other non-current assets	505	520
Total non-current assets	334,233	335,843
Current assets		
Inventories	51,113	47,123
Trade and other receivables	91,513	89,015
Loans receivable from parent	182,400	285,700
Other financial assets	576	389
Other current assets	5,281	5,621
Cash and cash equivalents	107,965	20,762
Total current assets	438,849	448,610
Total assets	773,081	784,453

(1) Condensed Quarterly Consolidated Statement of Financial Position (continued)*(Millions of yen)*

	As of March 31, 2020	As of December 31, 2019
Equity		
Share capital	26,745	26,745
Capital surplus	463,892	463,893
Treasury shares	(3,678)	(3,792)
Retained earnings	203,209	201,253
Other components of equity	(17,462)	(9,849)
Total equity attributable to owners of parent	672,707	678,250
Total equity	672,707	678,250
Liabilities		
Non-current liabilities		
Retirement benefit liability	315	276
Provisions	1,650	1,648
Deferred tax liabilities	38	42
Other financial liabilities	15,632	15,444
Other non-current liabilities	1,133	1,263
Total non-current liabilities	18,768	18,673
Current liabilities		
Trade and other payables	55,535	53,877
Provisions	2,820	2,019
Other financial liabilities	3,027	3,109
Income taxes payable	5,417	15,214
Other current liabilities	14,807	13,312
Total current liabilities	81,607	87,530
Total liabilities	100,375	106,204
Total equity and liabilities	773,081	784,453

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	January 1, 2020 to March 31, 2020	January 1, 2019 to March 31, 2019
Continuing operations		
Revenue	77,293	75,835
Cost of sales	(19,413)	(19,751)
Gross profit	57,880	56,084
Selling, general and administrative expenses	(29,702)	(26,672)
Research and development expenses	(11,800)	(11,918)
Share of profit (loss) of investments accounted for using equity method	384	(161)
Other income	248	87
Other expenses	(1,860)	(5,305)
Finance income	440	332
Finance costs	(77)	(190)
Profit before tax	15,513	12,257
Income tax expense	(1,671)	(2,953)
Profit from continuing operations	13,842	9,304
Discontinued operations		
Loss from discontinued operations	–	(1,190)
Profit	13,842	8,114
Profit attributable to		
Owners of parent	13,842	8,114
Earnings (loss) per share		
Basic earnings per share (Yen)	25.78	14.97
Continuing operations	25.78	17.16
Discontinued operations	–	(2.20)
Diluted earnings per share (Yen)	25.76	14.95
Continuing operations	25.76	17.14
Discontinued operations	–	(2.19)

Condensed Quarterly Consolidated Statement of Comprehensive Income*(Millions of yen)*

	January 1, 2020 to March 31, 2020	January 1, 2019 to March 31, 2019
Profit	13,842	8,114
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(999)	805
Share of other comprehensive income of investments accounted for using equity method	(72)	(42)
Total of items that will not be reclassified to profit or loss	(1,071)	762
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,508)	2,321
Share of other comprehensive income of investments accounted for using equity method	(23)	(2)
Total of items that may be reclassified to profit or loss	(6,531)	2,319
Other comprehensive income	(7,602)	3,081
Comprehensive income	6,240	11,195
Comprehensive income attributable to		
Owners of parent	6,240	11,195

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

January 1, 2020 to March 31, 2020

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2020	26,745	463,893	(3,792)	201,253	751	(13,647)
Profit	–	–	–	13,842	–	–
Other comprehensive income	–	–	–	–	–	(6,531)
Total comprehensive income	–	–	–	13,842	–	(6,531)
Dividends of surplus	–	–	–	(11,813)	–	–
Purchase of treasury shares	–	–	(4)	–	–	–
Disposal of treasury shares	–	(0)	118	–	–	–
Share-based remuneration transactions	–	–	–	–	(83)	–
Transfer from other components of equity to retained earnings	–	–	–	(73)	–	–
Total transactions with owners	–	(0)	114	(11,885)	(83)	–
Balance at March 31, 2020	26,745	463,892	(3,678)	203,209	668	(20,178)

	Equity attributable to owners of parent					Total equity
	Other components of equity				Total	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at January 1, 2020	3,047	–	(9,849)	678,250	678,250	
Profit	–	–	–	13,842	13,842	
Other comprehensive income	(999)	(73)	(7,602)	(7,602)	(7,602)	
Total comprehensive income	(999)	(73)	(7,602)	6,240	6,240	
Dividends of surplus	–	–	–	(11,813)	(11,813)	
Purchase of treasury shares	–	–	–	(4)	(4)	
Disposal of treasury shares	–	–	–	117	117	
Share-based remuneration transactions	–	–	(83)	(83)	(83)	
Transfer from other components of equity to retained earnings	–	73	73	–	–	
Total transactions with owners	–	73	(11)	(11,783)	(11,783)	
Balance at March 31, 2020	2,048	–	(17,462)	672,707	672,707	

(3) Condensed Quarterly Consolidated Statement of Changes in Equity (continued)

January 1, 2019 to March 31, 2019

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance at January 1, 2019	26,745	509,161	(26,705)	151,760	787	(16,402)
Changes in accounting policies	–	–	–	(454)	–	–
Balance after restatement	26,745	509,161	(26,705)	151,306	787	(16,402)
Profit	–	–	–	8,114	–	–
Other comprehensive income	–	–	–	–	–	2,319
Total comprehensive income	–	–	–	8,114	–	2,319
Dividends of surplus	–	–	–	(10,949)	–	–
Purchase of treasury shares	–	–	(22,591)	–	–	–
Disposal of treasury shares	–	(12)	190	–	–	–
Cancellation of treasury shares	–	(45,251)	45,251	–	–	–
Share-based remuneration transactions	–	–	–	–	(124)	–
Transfer from other components of equity to retained earnings	–	–	–	(42)	–	–
Transfer to other components of equity related to disposal group held for sale	–	–	–	–	–	1,092
Total transactions with owners	–	(45,263)	22,850	(10,991)	(124)	1,092
Balance at March 31, 2019	26,745	463,899	(3,855)	148,428	663	(12,991)

	Equity attributable to owners of parent					
	Other components of equity			Other components of equity related to disposal group held for sale	Total	Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at January 1, 2019	4,275	–	(11,341)	–	649,621	649,621
Changes in accounting policies	–	–	–	–	(454)	(454)
Balance after restatement	4,275	–	(11,341)	–	649,166	649,166
Profit	–	–	–	–	8,114	8,114
Other comprehensive income	804	(42)	3,081	–	3,081	3,081
Total comprehensive income	804	(42)	3,081	–	11,195	11,195
Dividends of surplus	–	–	–	–	(10,949)	(10,949)
Purchase of treasury shares	–	–	–	–	(22,591)	(22,591)
Disposal of treasury shares	–	–	–	–	178	178
Cancellation of treasury shares	–	–	–	–	–	–
Share-based remuneration transactions	–	–	(124)	–	(124)	(124)
Transfer from other components of equity to retained earnings	–	42	42	–	–	–
Transfer to other components of equity related to disposal group held for sale	(185)	–	908	(908)	–	–
Total transactions with owners	(185)	42	826	(908)	(33,485)	(33,485)
Balance at March 31, 2019	4,895	–	(7,433)	(908)	626,876	626,876

(4) Condensed Quarterly Consolidated Statement of Cash Flows*(Millions of yen)*

	January 1, 2020 to March 31, 2020	January 1, 2019 to March 31, 2019
Cash flows from operating activities		
Profit before tax from continuing operations	15,513	12,257
Depreciation and amortization	4,695	4,732
Impairment losses	54	116
Share of loss (profit) of investments accounted for using equity method	(384)	161
Decrease (increase) in inventories	(5,019)	(2,904)
Decrease (increase) in trade receivables	(3,144)	(6,354)
Increase (decrease) in trade payables	2,687	4,531
Income taxes paid	(14,784)	(13,766)
Other	999	4,136
Net cash provided by (used in) operating activities from discontinued operations	–	6,297
Net cash provided by (used in) operating activities	617	9,206
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,466)	(1,793)
Purchase of intangible assets	(95)	(3,400)
Purchase of investments accounted for using equity method	(500)	–
Net decrease (increase) in loans receivable from parent	103,300	36,700
Other	1,015	(259)
Net cash provided by (used in) investing activities from discontinued operations	–	(1,900)
Net cash provided by (used in) investing activities	100,253	29,349
Cash flows from financing activities		
Repayments of lease liabilities	(696)	(904)
Purchase of treasury shares	(4)	(22,591)
Dividends paid	(11,813)	(10,949)
Other	34	9
Net cash provided by (used in) financing activities from discontinued operations	–	(19)
Net cash provided by (used in) financing activities	(12,478)	(34,455)
Effect of exchange rate changes on cash and cash equivalents	(1,189)	(409)
Net increase (decrease) in cash and cash equivalents	87,203	3,691
Cash and cash equivalents at beginning of period	20,762	15,867
Cash and cash equivalents at end of period	107,965	19,557
Transfer to assets held for sale	–	(3,617)
Cash and cash equivalents at end of period (Amount on the condensed quarterly consolidated statement of financial position)	107,965	15,941

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Notes on going concern assumption

No applicable items.

Segment information

As the Bio-Chemicals business was categorized as a discontinued operation effective from the previous fiscal year, the Group omitted information by reportable segment as the Group consists of only the one reportable segment, which is the Pharmaceuticals business.