Conference Call for 3rd Quarter of FY2022 Financial Results Announcement

[Date]	January 31, 2023	
[Time]	17:00 – 17:32	
	(Total: 32 minutes, Presentation: 14 minutes, Q&A: 18 minutes)	
[Venue]	Dial-in	
[Number of Speakers]	4	
	Toru Kimura	Representative Director, Executive Vice President
	Yoshiharu Ikeda	Member, Board of Directors, Senior Executive Officer
	Hisayoshi Kashima	Senior Director, Finance & Accounting
	Kimihiro Kamano	Corporate Communications

Disclaimer Regarding Forward-looking Statements

This material contains forecasts, projections, goals, plans, and other forward-looking statements regarding the Group's financial results and other data. Such forward-looking statements are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of preparation of such statements and involve both known and unknown risks and uncertainties. Accordingly, forecasts, plans, goals, and other statements may not be realized as described, and actual financial results, success/failure or progress of development, and other projections may differ materially from those presented herein. Information concerning pharmaceuticals and medical devices (including compounds under development) contained herein is not intended as advertising or as medical advice.
Myovant Sciences Ltd. ("Myovant") is listed on the New York Stock Exchange, and the Group beneficially owns approximately 52% of the outstanding shares of Myovant. ORGOVYX® (relugolix), MYFEMBREE®/RYEQO® (relugolix combination tablet) are owned by Myovant. This material contains information about Myovant, which is based on information disclosed by Myovant. For more information on Myovant, please visit https://www.myovant.com.

Additional Information and Where to Find It

This material may be deemed to be solicitation material in respect of the proposed acquisition of Myovant by Sumitovant and Sumitomo Pharma. In connection with the proposed acquisition, Sumitovant, Sumitomo Pharma and Myovant have filed relevant materials with the SEC, including amended Schedule 13D filings and a transaction statement on Schedule 13E-3 with respect to Sumitovant and Sumitomo Pharma and a proxy statement on Schedule 14A with respect to Myovant. The definitive proxy statement and Schedule 13E-3 transaction statement have been sent to Myovant's shareholders and contain important information about the proposed transaction and related matters. SHAREHOLDERS OF MYOVANT ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING SUMITOVANT'S AND SUMITOMO PHARMA'S TRANSACTION STATEMENT ON SCHEDULE 13E-3 AND ANY AMENDMENTS OR SUPPLEMENTS THERETO, MYOVANT'S DEFINITIVE PROXY STATEMENT, AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders can obtain the documents free of charge at the

SEC's website, http://www.sec.gov, and Myovant shareholders can obtain free copies of the proxy statement and Schedule 13E-3 through the Investor Relations page of Myovant's website, https://www.myovant.com.

Participants in the Solicitation

Sumitomo Pharma and its directors and executive officers, and Myovant and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Myovant common stock in respect of the proposed transaction. Information about the directors and executive officers of Sumitomo Pharma is set forth in the Schedule 13E-3 transaction statement, which was filed with the SEC on January 23, 2023, and information about the directors and executive officers of Myovant is set forth in the definitive proxy statement, which was filed with the SEC on January 23, 2023. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement regarding the acquisition when it becomes available.

Presentation

Kamano: Thank you for taking time out of your busy schedule today to participate in Sumitomo Pharma Co., Ltd.'s conference call for Q3 of FY2022. We will explain our business performance for Q3 and the current status of clinical development.

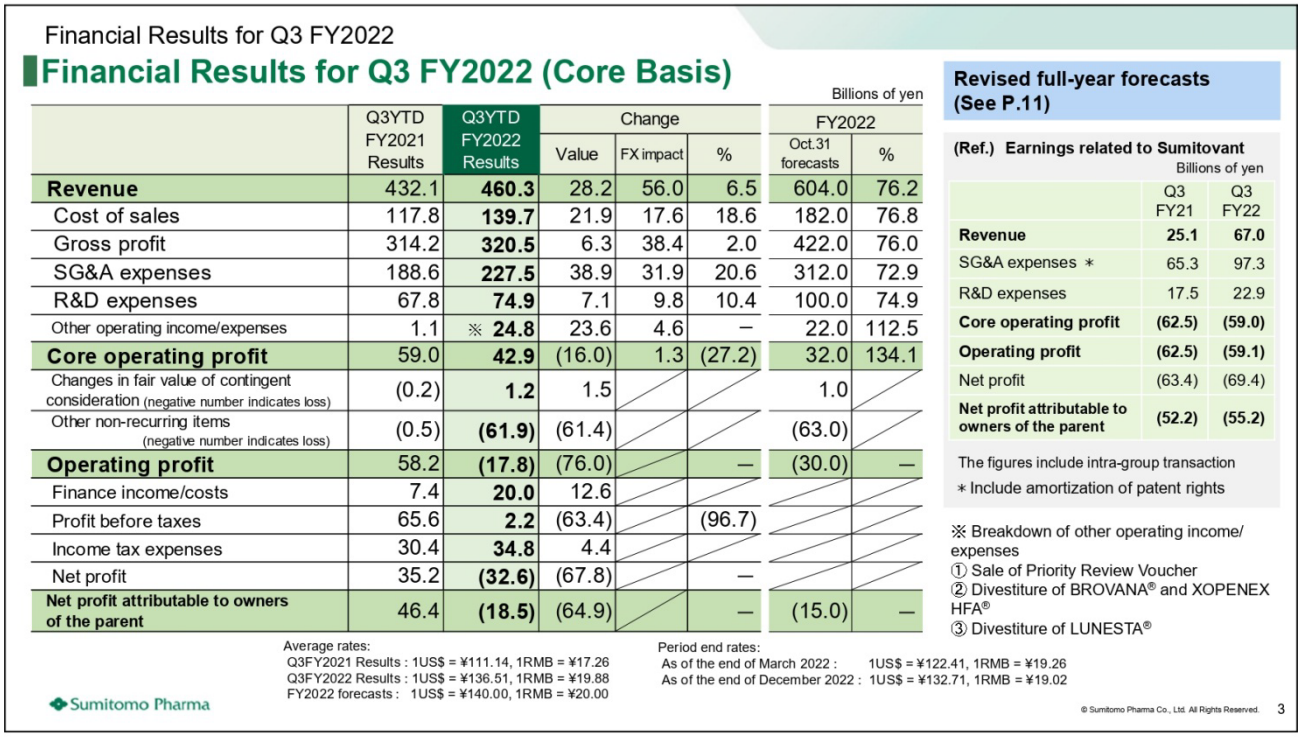
In attendance are Dr. Kimura, Representative Director, Executive Vice President; Dr. Ikeda, Member, Board of Directors, Senior Executive Officer; Mr. Kashima, Senior Director, Finance & Accounting; and I, Kamano of Corporate Communications, who will serve as moderator.

Today's presentation will be based on the presentation material sent to you via email. The material is also available on our website. We will have time for questions and answers after the presentation, and we would be happy to answer any questions you may have.

Today's conference call will be recorded for later distribution on the web. Thank you for your understanding.

First of all, Mr. Kashima will give an overview of the Q3 results and the current status of clinical development.

Mr. Kashima, please go ahead.



Financial Results for Q3 FY2022

Financial Results for Q3 FY2022 (Core Basis)

Billions of yen

	Q3YTD FY2021 Results	Q3YTD FY2022 Results	Change			FY2022	
			Value	FX impact	%	Oct.31 forecasts	%
Revenue	432.1	**460.3**	28.2	56.0	6.5	604.0	76.2
Cost of sales	117.8	**139.7**	21.9	17.6	18.6	182.0	76.8
Gross profit	314.2	**320.5**	6.3	38.4	2.0	422.0	76.0
SG&A expenses	188.6	**227.5**	38.9	31.9	20.6	312.0	72.9
R&D expenses	67.8	**74.9**	7.1	9.8	10.4	100.0	74.9
Other operating income/expenses	1.1	※ **24.8**	23.6	4.6	–	22.0	112.5
Core operating profit	59.0	**42.9**	(16.0)	1.3	(27.2)	32.0	134.1
Changes in fair value of contingent consideration (negative number indicates loss)	(0.2)	**1.2**	1.5			1.0	
Other non-recurring items (negative number indicates loss)	(0.5)	**(61.9)**	(61.4)			(63.0)	
Operating profit	58.2	**(17.8)**	(76.0)		–	(30.0)	–
Finance income/costs	7.4	**20.0**	12.6				
Profit before taxes	65.6	**2.2**	(63.4)		(96.7)		
Income tax expenses	30.4	**34.8**	4.4				
Net profit	35.2	**(32.6)**	(67.8)		–		
Net profit attributable to owners of the parent	46.4	**(18.5)**	(64.9)		–	(15.0)	–

Revised full-year forecasts (See P.11)

(Ref.) Earnings related to Sumitovant

Billions of yen

	Q3 FY21	Q3 FY22
Revenue	**25.1**	**67.0**
SG&A expenses ＊	65.3	97.3
R&D expenses	17.5	22.9
Core operating profit	**(62.5)**	**(59.0)**
Operating profit	**(62.5)**	**(59.1)**
Net profit	(63.4)	(69.4)
Net profit attributable to owners of the parent	**(52.2)**	**(55.2)**

The figures include intra-group transaction

＊Include amortization of patent rights

※ Breakdown of other operating income/ expenses
① Sale of Priority Review Voucher
② Divestiture of BROVANA® and XOPENEX HFA®
③ Divestiture of LUNESTA®

Average rates:
Q3FY2021 Results : 1US$ = ¥111.14, 1RMB = ¥17.26
Q3FY2022 Results : 1US$ = ¥136.51, 1RMB = ¥19.88
FY2022 forecasts : 1US$ = ¥140.00, 1RMB = ¥20.00

Period end rates:
As of the end of March 2022 : 1US$ = ¥122.41, 1RMB = ¥19.26
As of the end of December 2022 : 1US$ = ¥132.71, 1RMB = ¥19.02

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Kashima: This is Kashima.

Based on the presentation material, I will report on the Q3 results for FY2022 and the current status of clinical development.

Please refer to page three. I would like to report on our financial results on a core basis for Q3. The accounting standard is IFRS.

Revenue was JPY460.3 billion, an increase of JPY28.2 billion from the same period last year. Although revenue in the Japan segment declined due to the National Health Insurance (NHI) drug price revision and other factors, revenue in the North America, China, and Other Regions segments increased due to the impact of foreign currency translation and sales growth of Sumitovant Group products.

In addition to the increase in gross profits due to higher revenues, we recorded other operating profit and expenses such as gains on the sale of a priority review voucher and the divestiture of marketing rights for BROVANA® and XOPENEX HFA®. On the other hand, core operating profit decreased by JPY16 billion YoY to JPY42.9 billion due to a significant increase in selling, general, and administrative (SG&A) expenses, and research and development (R&D) expenses caused by the impact of foreign currency translation and other factors.

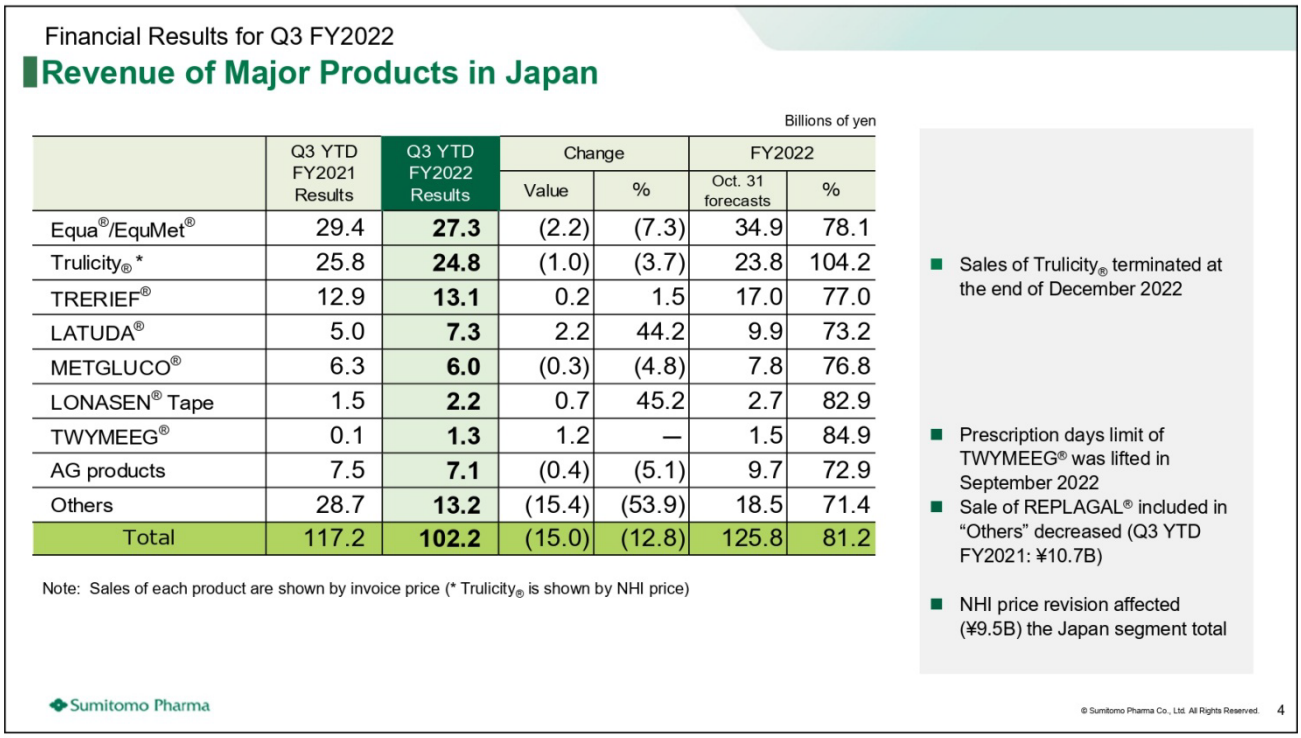
Other non-recurring items include a JPY56 billion impairment loss on the patent rights for KYNMOBI® and other assets recorded in Q2.

As a result, operating profit decreased by JPY76 billion from the same period last year to a loss of JPY17.8 billion.

Profit before taxes decreased by JPY63.4 billion from the same period last year to JPY2.2 billion, due to an increase in financial income and costs caused by recording foreign exchange gains.

Net profit attributable to owners of the parent also declined by JPY64.9 billion to JPY18.5 billion.

In light of recent trends, we have revised our full-year forecasts. I will explain more in detail later.



Financial Results for Q3 FY2022

Revenue of Major Products in Japan

Billions of yen

	Q3 YTD FY2021 Results	Q3 YTD FY2022 Results	Change		FY2022	
			Value	%	Oct. 31 forecasts	%
Equa®/EquMet®	29.4	**27.3**	(2.2)	(7.3)	34.9	78.1
Trulicity® *	25.8	**24.8**	(1.0)	(3.7)	23.8	104.2
TRERIEF®	12.9	**13.1**	0.2	1.5	17.0	77.0
LATUDA®	5.0	**7.3**	2.2	44.2	9.9	73.2
METGLUCO®	6.3	**6.0**	(0.3)	(4.8)	7.8	76.8
LONASEN® Tape	1.5	**2.2**	0.7	45.2	2.7	82.9
TWYMEEG®	0.1	**1.3**	1.2	—	1.5	84.9
AG products	7.5	**7.1**	(0.4)	(5.1)	9.7	72.9
Others	28.7	**13.2**	(15.4)	(53.9)	18.5	71.4
Total	117.2	**102.2**	(15.0)	(12.8)	125.8	81.2

Note: Sales of each product are shown by invoice price (* Trulicity® is shown by NHI price)

- Sales of Trulicity® terminated at the end of December 2022
- Prescription days limit of TWYMEEG® was lifted in September 2022
- Sale of REPLAGAL® included in "Others" decreased (Q3 YTD FY2021: ¥10.7B)
- NHI price revision affected (¥9.5B) the Japan segment total

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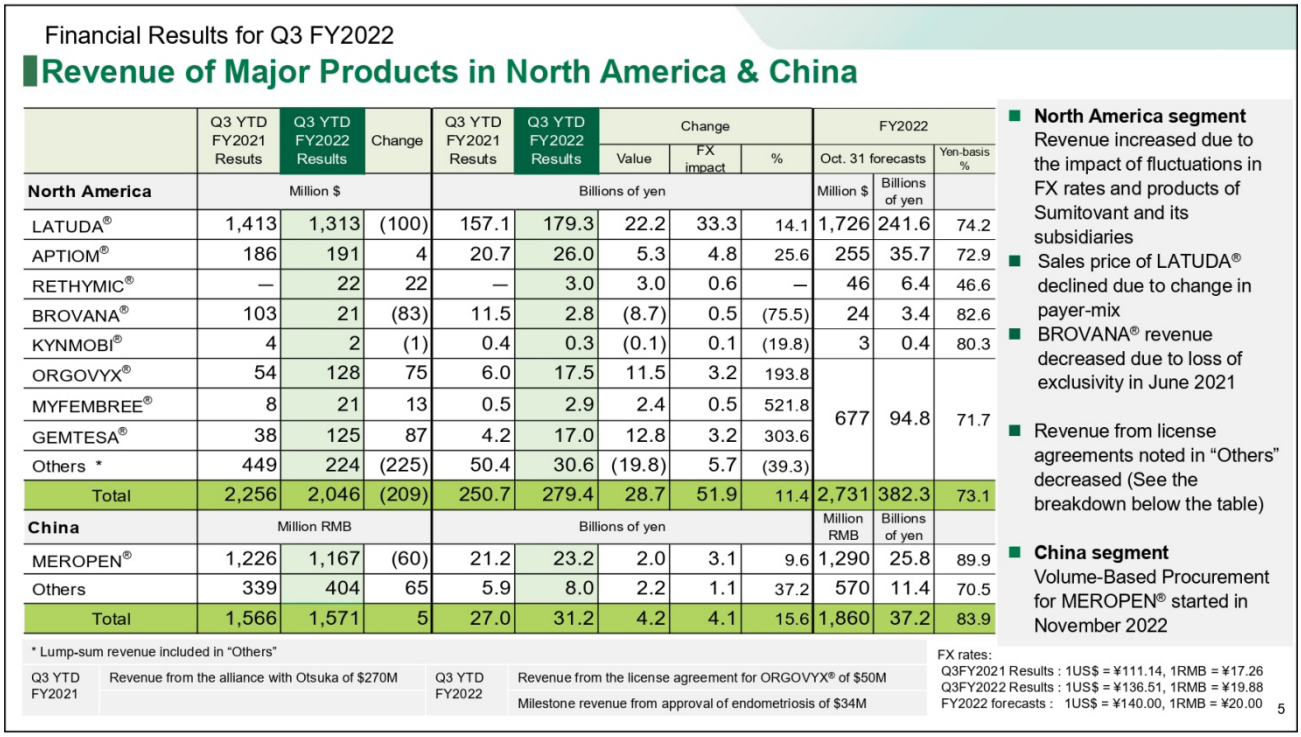
Page four shows revenue for the Japan segment.

Revenue decreased by JPY15 billion YoY to JPY102.2 billion.

Sales of LATUDA® and TWYMEEG® increased, but overall segment sales declined due to the NHI price revision and the impact of the transfer of sales of REPLAGAL®.

The progress rate against the full-year forecast was 81.2%, and the overall progress of the segment was in line with our expectations.



Financial Results for Q3 FY2022

Revenue of Major Products in North America & China

	Q3 YTD FY2021 Resuts	Q3 YTD FY2022 Results	Change	Q3 YTD FY2021 Resuts	Q3 YTD FY2022 Results	Change			FY2022		
						Value	FX impact	%	Oct. 31 forecasts		Yen-basis %
North America	Million $			Billions of yen					Million $	Billions of yen	
LATUDA®	1,413	1,313	(100)	157.1	179.3	22.2	33.3	14.1	1,726	241.6	74.2
APTIOM®	186	191	4	20.7	26.0	5.3	4.8	25.6	255	35.7	72.9
RETHYMIC®	–	22	22	–	3.0	3.0	0.6	–	46	6.4	46.6
BROVANA®	103	21	(83)	11.5	2.8	(8.7)	0.5	(75.5)	24	3.4	82.6
KYNMOBI®	4	2	(1)	0.4	0.3	(0.1)	0.1	(19.8)	3	0.4	80.3
ORGOVYX®	54	128	75	6.0	17.5	11.5	3.2	193.8	677	94.8	71.7
MYFEMBREE®	8	21	13	0.5	2.9	2.4	0.5	521.8			
GEMTESA®	38	125	87	4.2	17.0	12.8	3.2	303.6			
Others *	449	224	(225)	50.4	30.6	(19.8)	5.7	(39.3)			
Total	2,256	2,046	(209)	250.7	279.4	28.7	51.9	11.4	2,731	382.3	73.1
China	Million RMB			Billions of yen					Million RMB	Billions of yen	
MEROPEN®	1,226	1,167	(60)	21.2	23.2	2.0	3.1	9.6	1,290	25.8	89.9
Others	339	404	65	5.9	8.0	2.2	1.1	37.2	570	11.4	70.5
Total	1,566	1,571	5	27.0	31.2	4.2	4.1	15.6	1,860	37.2	83.9

* Lump-sum revenue included in "Others"

Q3 YTD FY2021	Revenue from the alliance with Otsuka of $270M	Q3 YTD FY2022	Revenue from the license agreement for ORGOVYX® of $50M
			Milestone revenue from approval of endometriosis of $34M

- **North America segment**
  Revenue increased due to the impact of fluctuations in FX rates and products of Sumitovant and its subsidiaries
- Sales price of LATUDA® declined due to change in payer-mix
- BROVANA® revenue decreased due to loss of exclusivity in June 2021
- Revenue from license agreements noted in "Others" decreased (See the breakdown below the table)
- **China segment**
  Volume-Based Procurement for MEROPEN® started in November 2022

FX rates:
Q3FY2021 Results : 1US$ = ¥111.14, 1RMB = ¥17.26
Q3FY2022 Results : 1US$ = ¥136.51, 1RMB = ¥19.88
FY2022 forecasts : 1US$ = ¥140.00, 1RMB = ¥20.00

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Page five shows the revenue of the North America and China segments.

In the North America segment, revenue in yen terms was JPY279.4 billion, an increase of JPY28.7 billion from the same period last year.

LATUDA® sales increased by JPY179.3 billion, or 14.1%, on a yen basis due to the impact of foreign exchange rates, but decreased by USD100 million on a US dollar basis, mainly due to lower selling prices resulting from the changes in the payer mix.

Sales of BROVANA®, for which the exclusive sales period ended in the FY2021, decreased by JPY8.7 billion.

As for the Sumitovant-related products, combined sales of ORGOVYX®, MYFEMBREE®, and GEMTESA® totaled JPY37.4 billion, an increase of JPY26.7 billion from the same period last year.

Lump-sum income and milestone income are included in the Others category, the main breakdown of which is shown at the bottom of the slide.

In the China segment, revenue was JPY31.2 billion, up 15.6%, and progress against the annual forecast was 83.9%.

As for MEROPEN®, sales decreased by RMB60 million in local currency terms due to the impact of volume-based procurement that started in November last year.

Financial Results for Q3 FY2022

Segment Information (Core Basis)

Billions of yen

		Pharmaceuticals Business					Other Business	Total
		Japan	North America	China	Other Regions	Subtotal		
Q3 YTD FY2022 Results	Revenue (Sales to customers)	102.2	279.4	31.2	13.5	426.3	34.0	460.3
	Cost of sales	54.2	49.1	6.0	3.7	113.0	26.7	139.7
	Gross profit	48.1	230.2	25.2	9.8	313.3	7.2	320.5
	SG&A expenses	38.5	174.6	8.9	1.2	223.1	4.4	227.5
	Core segment profit	9.6	55.7	16.3	8.6	90.2	2.9	93.0
	R&D expenses					72.9	1.9	74.9
	Core operating profit					42.0	1.0	42.9
Q3 YTD FY2021 Results	Revenue (Sales to customers)	117.2	250.7	27.0	7.3	402.2	29.9	432.1
	Cost of sales	61.9	23.6	5.3	4.0	94.8	23.0	117.8
	Gross profit	55.3	227.1	21.8	3.3	307.5	6.8	314.2
	SG&A expenses	38.3	135.6	8.8	1.9	184.7	4.0	188.6
	Core segment profit	17.0	91.5	12.9	1.4	122.8	2.8	125.6
	R&D expenses					67.2	0.6	67.8
	Core operating profit					56.7	2.2	59.0
Change	Revenue (Sales to customers)	(15.0)	28.7	4.2	6.2	24.1	4.1	28.2
	SG&A expenses	0.1	38.9	0.1	(0.7)	38.5	0.4	38.9
	Core segment profit	(7.4)	(35.8)	3.4	7.2	(32.6)	0.1	(32.6)
	R&D expenses					5.7	1.3	7.1
	Core operating profit					(14.8)	(1.2)	(16.0)

- **Japan:** Lower profit due to decline in sales as a result of NHI price revision
- **North America:** Profit decreased since the impact of higher expenses in Sumitovant Group and forex situation exceeded increased revenue
- **China:** Profit increased mainly due to higher revenue
- **Other Regions:** Profit includes the revenue of $50M from the license agreement for DSP-0187

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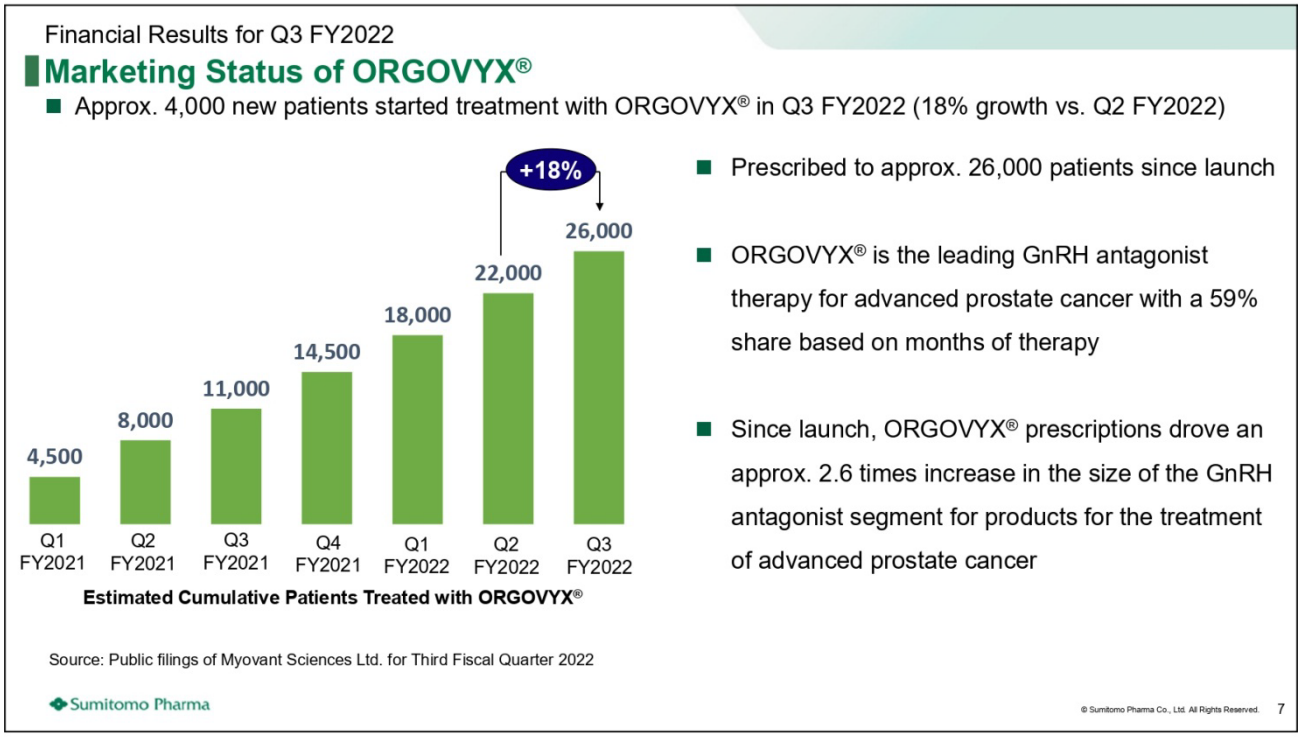
Page six shows the financial results by segment.

In the Japan segment, core segment profit declined by JPY7.4 billion to JPY9.6 billion due to lower sales.

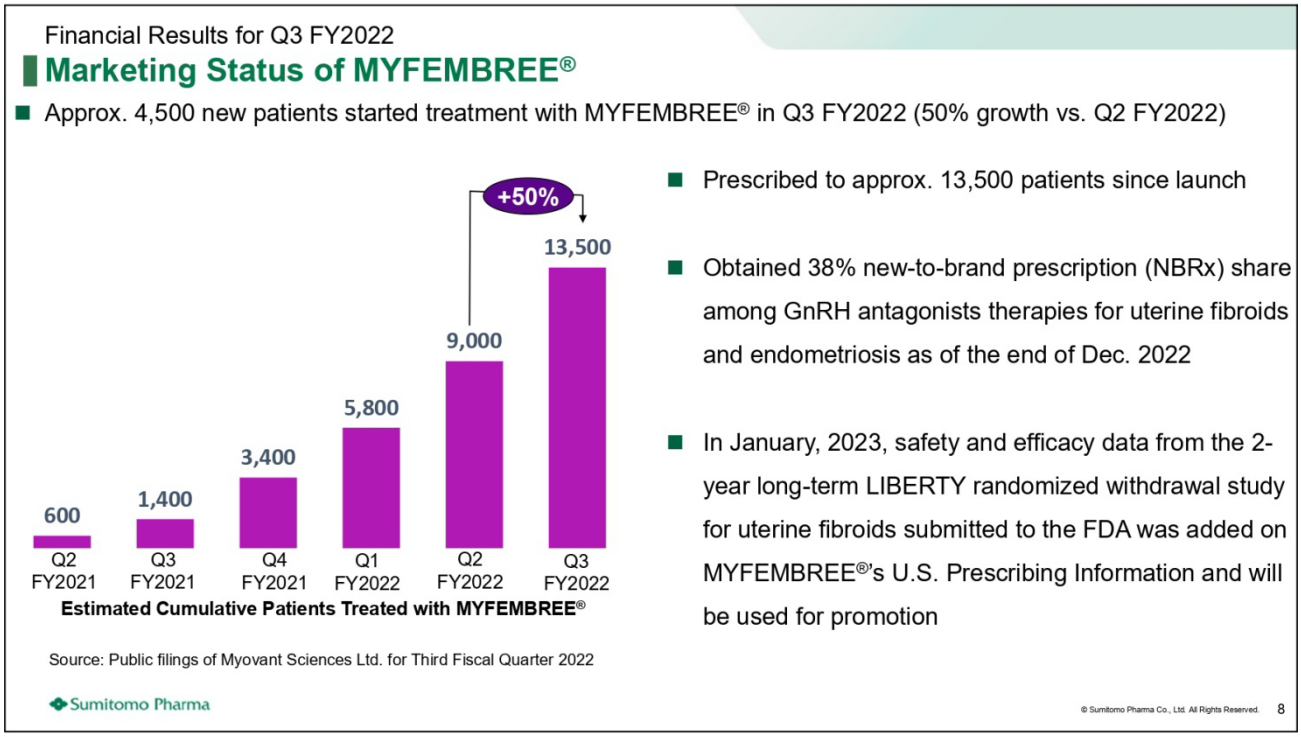
In the North America segment, core segment profit declined by JPY35.8 billion to JPY55.7 billion. This was due to an increase in SG&A expenses in the Sumitovant Group, as well as the impact of foreign currency translation, which exceeded the increase in gross profit due to higher sales.

The Other Regions segment reported an increase in both revenue and profit due to the significant impact of one-time revenues from out-licensing.



Page seven is the marketing status of ORGOVYX®.

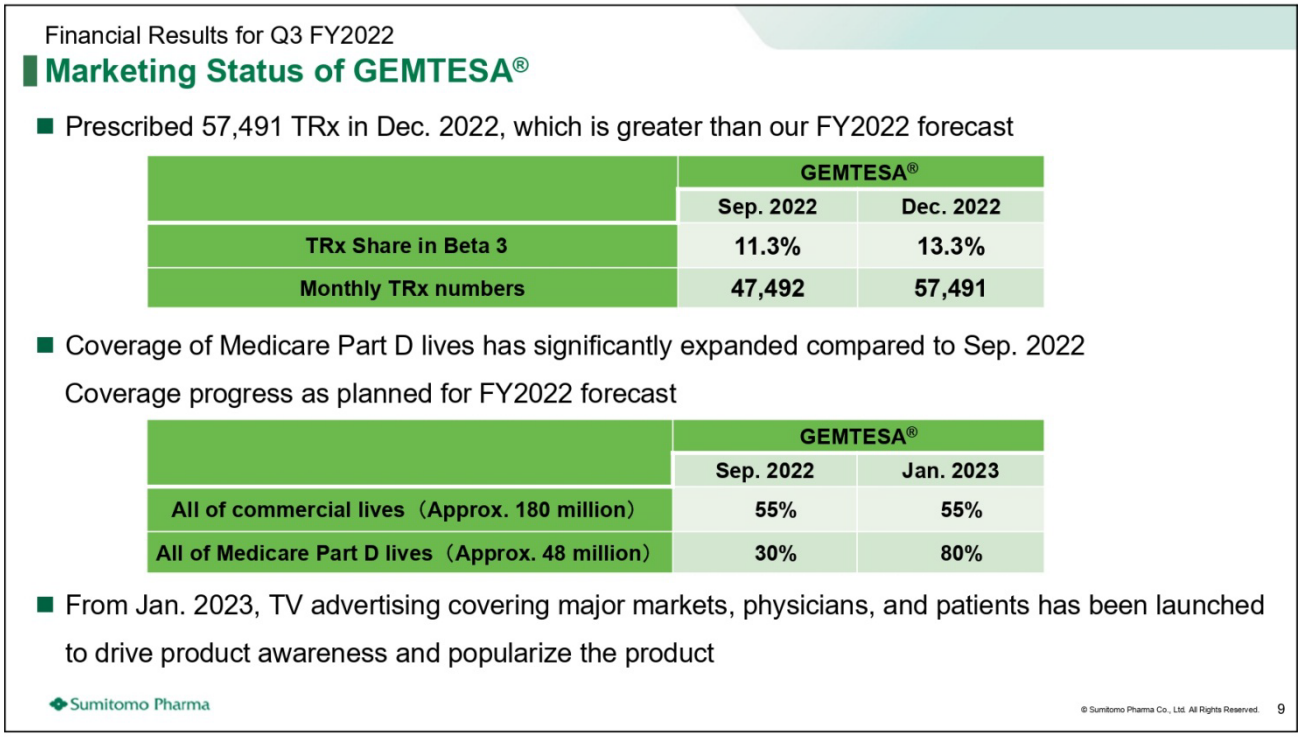
ORGOVYX® has been prescribed to approximately 26,000 patients since its launch, with approximately 4,000 patients being treated in Q3 of FY2022. In addition, ORGOVYX®, which is the number one GnRH antagonist in advanced prostate cancer with a 59% monthly market share, has expanded this market by approximately 2.6 times since its launch.



Page eight is the marketing status of MYFEMBREE®.

MYFEMBREE® has been prescribed to approximately 13,500 patients since its launch, with approximately 4,500 patients receiving the medicine in Q3 of FY2022. The Company is expanding prescriptions, which includes a 38% share of new prescriptions in GnRH antagonist therapies for the treatment of uterine fibroids and endometriosis as of the end of December 2022.

In addition, in January of this year, safety and efficacy data of two-year long-term dosing data for uterine fibroids, which had been submitted to the FDA, were added to the prescribing information and will be used for promotion.

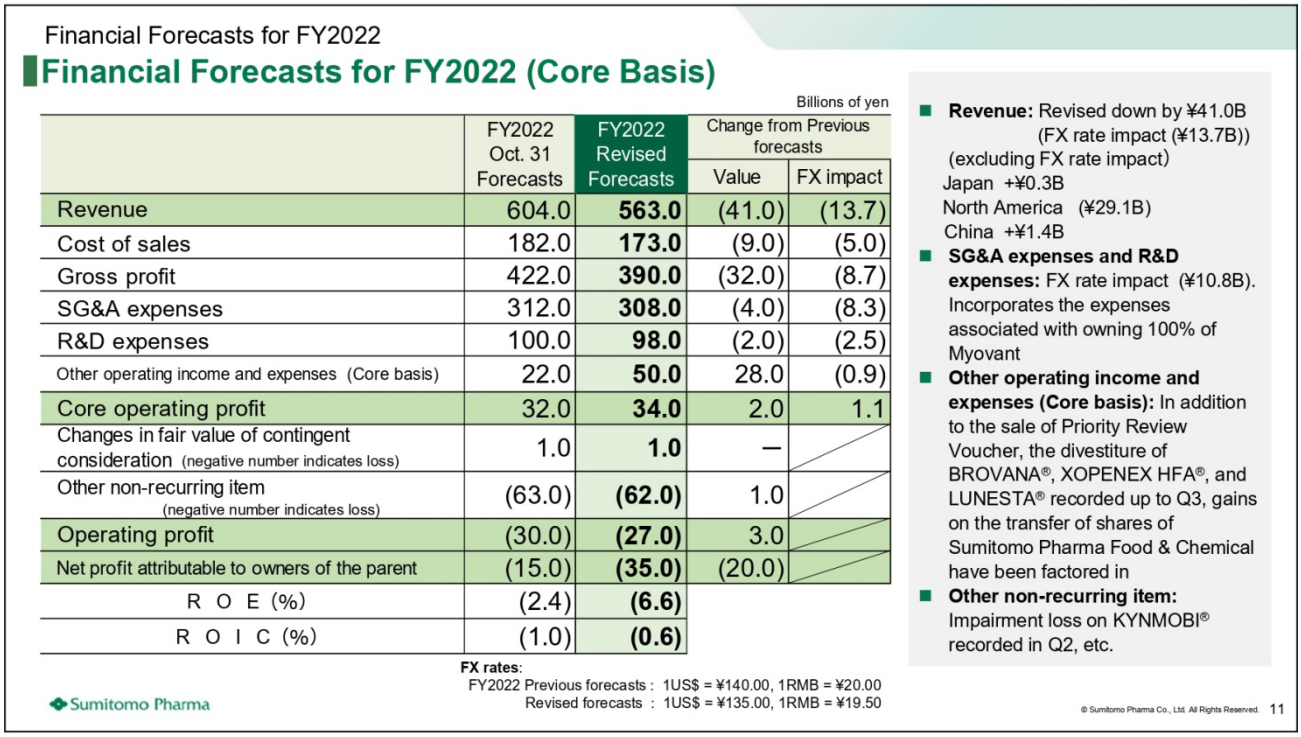


Page nine summarizes the marketing status of GEMTESA®.

The marketing status of GEMTESA® is progressing well against the FY2022 forecast, with just over 57,000 monthly prescriptions in December 2022.

We have expanded the coverage of Medicare Part D significantly compared to September 2022, gaining 80% of total Medicare Part D.

In addition, TV commercials covering major markets, physicians, and patients were launched in January of this year to further raise awareness of GEMTESA® and promote the product.



Financial Forecasts for FY2022

Financial Forecasts for FY2022 (Core Basis)

Billions of yen

	FY2022 Oct. 31 Forecasts	FY2022 Revised Forecasts	Change from Previous forecasts	
			Value	FX impact
Revenue	604.0	**563.0**	(41.0)	(13.7)
Cost of sales	182.0	**173.0**	(9.0)	(5.0)
Gross profit	422.0	**390.0**	(32.0)	(8.7)
SG&A expenses	312.0	**308.0**	(4.0)	(8.3)
R&D expenses	100.0	**98.0**	(2.0)	(2.5)
Other operating income and expenses (Core basis)	22.0	**50.0**	28.0	(0.9)
Core operating profit	32.0	**34.0**	2.0	1.1
Changes in fair value of contingent consideration (negative number indicates loss)	1.0	**1.0**	—	
Other non-recurring item (negative number indicates loss)	(63.0)	**(62.0)**	1.0	
Operating profit	(30.0)	**(27.0)**	3.0	
Net profit attributable to owners of the parent	(15.0)	**(35.0)**	(20.0)	
R O E (%)	(2.4)	**(6.6)**		
R O I C (%)	(1.0)	**(0.6)**		

FX rates:
FY2022 Previous forecasts : 1US$ = ¥140.00, 1RMB = ¥20.00
Revised forecasts : 1US$ = ¥135.00, 1RMB = ¥19.50

- **Revenue:** Revised down by ¥41.0B (FX rate impact (¥13.7B)) (excluding FX rate impact)
  Japan +¥0.3B
  North America (¥29.1B)
  China +¥1.4B
- **SG&A expenses and R&D expenses:** FX rate impact (¥10.8B). Incorporates the expenses associated with owning 100% of Myovant
- **Other operating income and expenses (Core basis):** In addition to the sale of Priority Review Voucher, the divestiture of BROVANA®, XOPENEX HFA®, and LUNESTA® recorded up to Q3, gains on the transfer of shares of Sumitomo Pharma Food & Chemical have been factored in
- **Other non-recurring item:** Impairment loss on KYNMOBI® recorded in Q2, etc.

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Please look at page 11. I would like to explain the revisions to the fiscal full-year forecasts.

Revenue is expected to be JPY563 billion, a downward revision of JPY41 billion from the previous forecast. The reduction is mainly due to the impact of the revision of exchange rate assumptions from JPY140 to the U.S. dollar to JPY135 and from JPY20 to the yuan to JPY19.5, and the downward revision of LATUDA® sales in the North America segment.

Revenue forecast of LATUDA® has been revised downward due to lower selling prices resulting from changes in the payer mix and a review of the impact of the end of the exclusivity period.

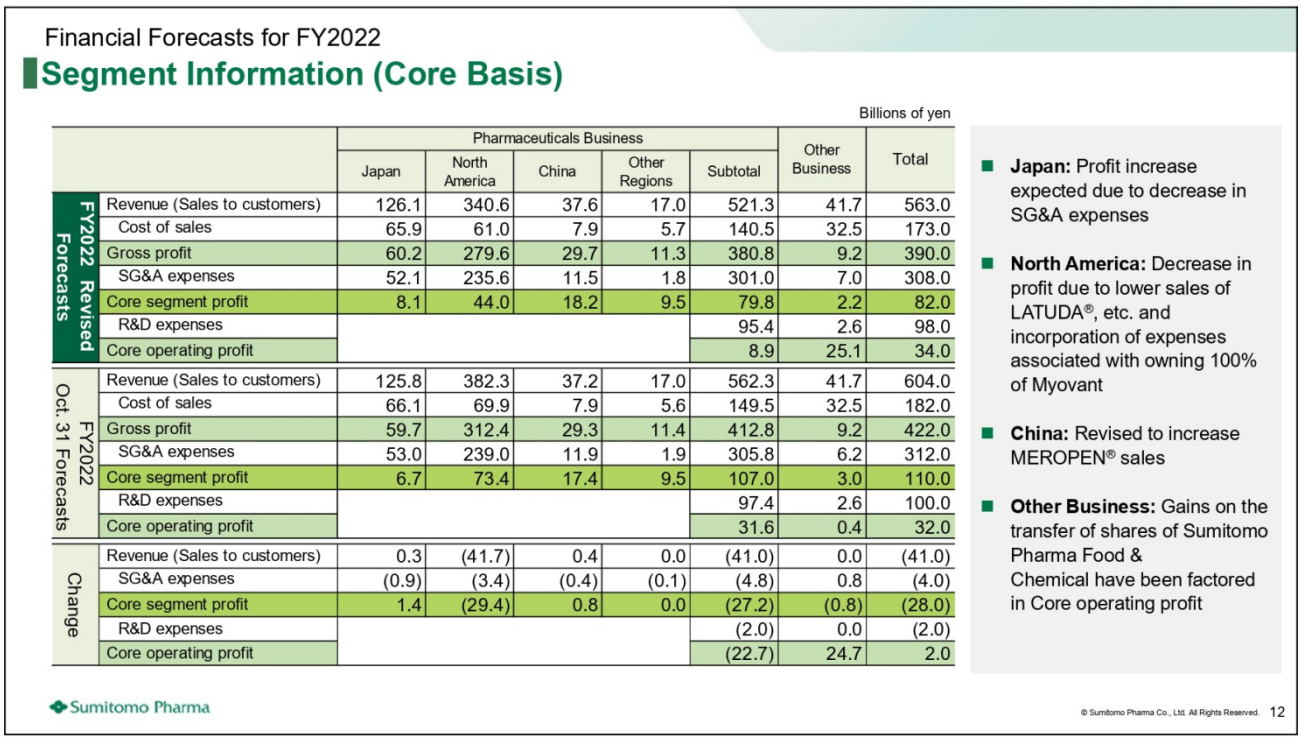
SG&A expenses have been also revised downward due to the significant impact of reevaluating foreign exchange rates, but excluding expenses associated with making Myovant Sciences a wholly-owned subsidiary, actual expenses would be higher than the previous forecast.

R&D expenses have been revised downward, mostly due to the impact of foreign exchange rates.

Other operating income, on a core basis, has been revised upward, incorporating gains on the sale of shares in Sumitomo Pharma Food & Chemical Co., Ltd., assuming a closing by the end of the current fiscal year, in addition to gains on the sale of assets recorded through Q3.

As a result, the core operating profit forecast is increased by JPY2 billion to JPY34 billion and the operating profit forecast is increased by JPY3 billion to a loss of JPY27 billion. Since financial income is expected to decrease significantly due to the strong yen, net profit attributable to owners of the parent is expected to decrease by JPY20 billion to a loss of JPY35 billion.

Please note that we are currently reviewing our business plan in preparation for the formulation of a new Mid-term Business Plan, which may further affect the full-year forecast.



Financial Forecasts for FY2022

Segment Information (Core Basis)

Billions of yen

		Pharmaceuticals Business					Other Business	Total
		Japan	North America	China	Other Regions	Subtotal		
FY2022 Revised Forecasts	Revenue (Sales to customers)	126.1	340.6	37.6	17.0	521.3	41.7	563.0
	Cost of sales	65.9	61.0	7.9	5.7	140.5	32.5	173.0
	Gross profit	60.2	279.6	29.7	11.3	380.8	9.2	390.0
	SG&A expenses	52.1	235.6	11.5	1.8	301.0	7.0	308.0
	Core segment profit	8.1	44.0	18.2	9.5	79.8	2.2	82.0
	R&D expenses					95.4	2.6	98.0
	Core operating profit					8.9	25.1	34.0
FY2022 Oct. 31 Forecasts	Revenue (Sales to customers)	125.8	382.3	37.2	17.0	562.3	41.7	604.0
	Cost of sales	66.1	69.9	7.9	5.6	149.5	32.5	182.0
	Gross profit	59.7	312.4	29.3	11.4	412.8	9.2	422.0
	SG&A expenses	53.0	239.0	11.9	1.9	305.8	6.2	312.0
	Core segment profit	6.7	73.4	17.4	9.5	107.0	3.0	110.0
	R&D expenses					97.4	2.6	100.0
	Core operating profit					31.6	0.4	32.0
Change	Revenue (Sales to customers)	0.3	(41.7)	0.4	0.0	(41.0)	0.0	(41.0)
	SG&A expenses	(0.9)	(3.4)	(0.4)	(0.1)	(4.8)	0.8	(4.0)
	Core segment profit	1.4	(29.4)	0.8	0.0	(27.2)	(0.8)	(28.0)
	R&D expenses					(2.0)	0.0	(2.0)
	Core operating profit					(22.7)	24.7	2.0

- **Japan:** Profit increase expected due to decrease in SG&A expenses
- **North America:** Decrease in profit due to lower sales of LATUDA®, etc. and incorporation of expenses associated with owning 100% of Myovant
- **China:** Revised to increase MEROPEN® sales
- **Other Business:** Gains on the transfer of shares of Sumitomo Pharma Food & Chemical have been factored in Core operating profit

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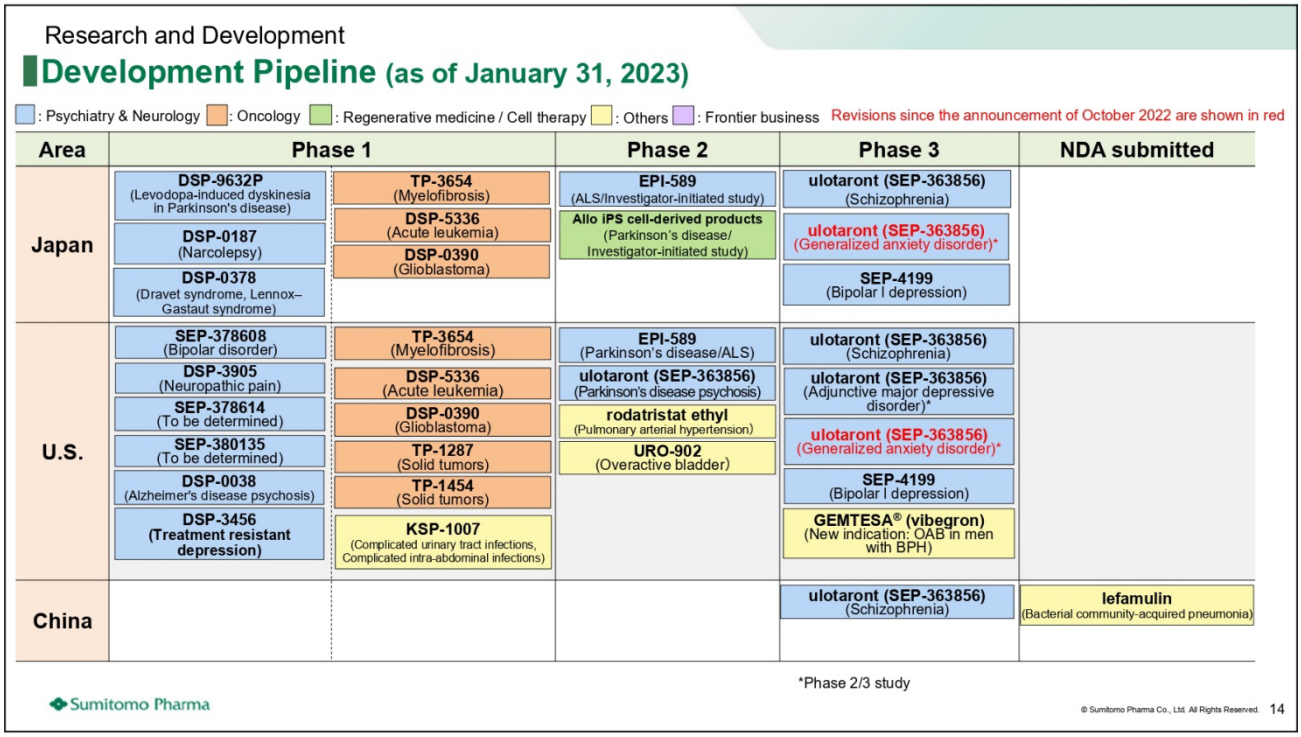
Page 12 shows the financial forecast by segment.

In the Japan segment, we expect a decrease in SG&A expenses, mainly selling expenses, and have increased our core segment profit forecast by JPY1.4 billion.

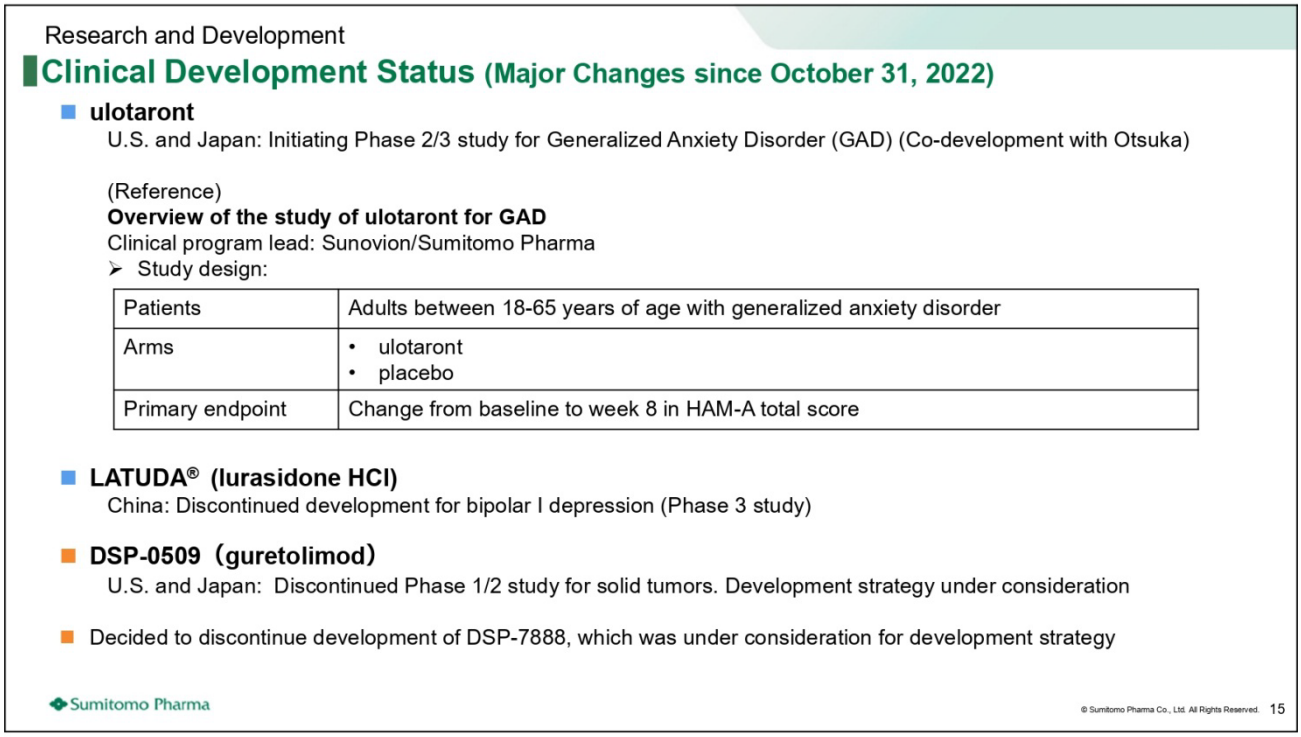
In the North America segment, the core segment profit forecast has been revised downward by JPY29.4 billion, excluding the impact of foreign exchange rates, largely due to the downward revision of the sales forecast and the inclusion of expenses to make Myovant a wholly-owned subsidiary.

In the China segment, the sales forecast for MEROPEN® has been revised upward, and the core segment profit forecast has also been revised upward by JPY0.8 billion.



Please refer to page 14. The following is an explanation of the development status.

This table lists the stages of our development assets. Changes since October 2022 are explained in detail on the next page.



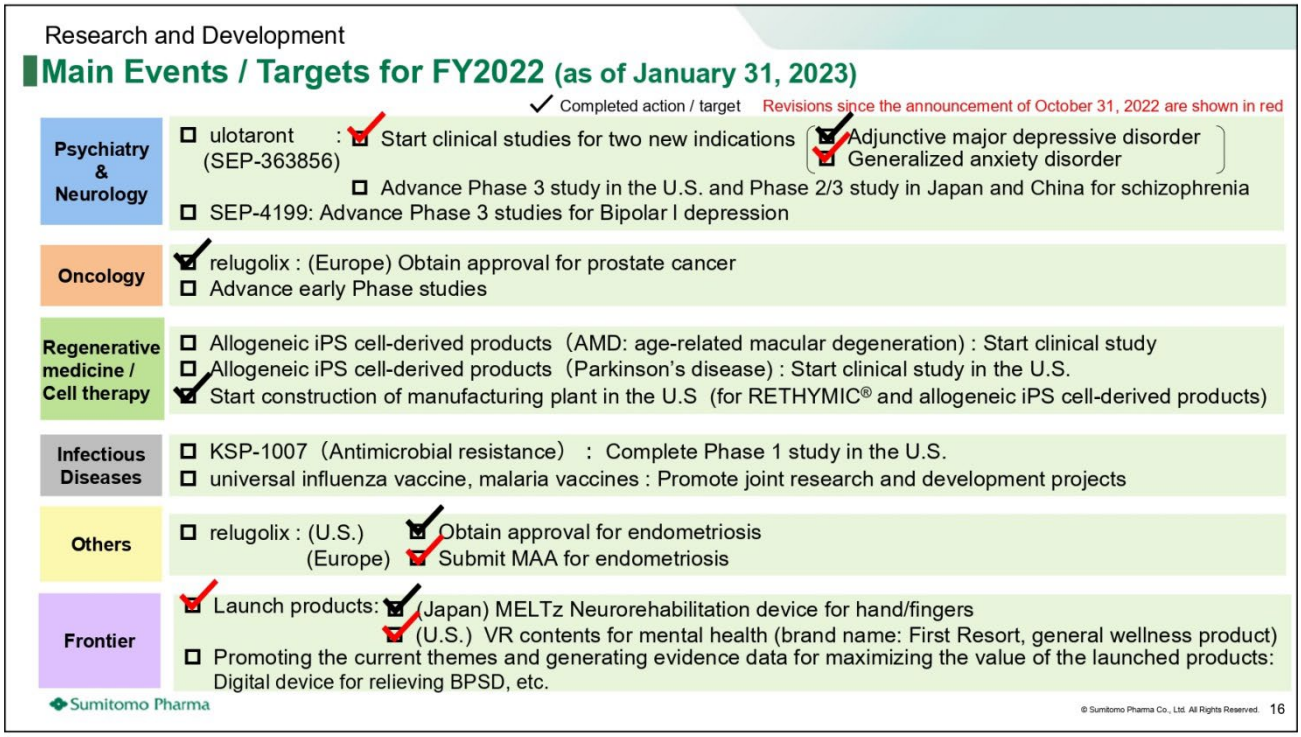
Please refer to page 15. This is a summary of the changes that have been made since October 2022.

In the Psychiatry and Neurology area, we initiated a Phase 2/3 study of ulotaront, which is being co-developed with Otsuka Pharmaceutical Co., Ltd., for Generalized Anxiety Disorder (GAD) in the U.S. and Japan. This clinical study will be conducted by Sunovion Pharmaceuticals Inc. and our company. An overview of the clinical study is shown on the slide.

The Phase 3 study of LATUDA® in China for bipolar I depression has been discontinued due to a review of the business strategy.

In the oncology area, the Phase 1/2 study of DSP-0509 in solid tumors was terminated. The future development strategy for this investigational compound is currently under consideration.

The decision was made to discontinue the development of DSP-7888, which had been under consideration in our development strategy.



Please refer to page 16. Progress on major events/targets in R&D for FY2022 has been updated.

In addition to the initiation of ulotaront's GAD study, our partner Gedeon Richter Plc. has filed an application for relugolix in Europe for endometriosis.

In November 2022, we started trial sales of virtual reality (VR) content for mental health under the product name First Resort through our Frontier Business Office in the U.S.

This concludes our presentation.

Kamano: Thank you very much, Mr. Kashima.

Question & Answer

Kamano: Now, we would like to move on to the Q&A session.

Hashiguchi, Daiwa Securities: First of all, you explained that the forecast for the full year may change in relation to the formulation of the Mid-term Business Plan in the future. Is it correct to understand that this means that there will continue to be initiatives to sell items or divest businesses that were quite active in Q2 and Q3 of FY2022?

Kimura: Thank you for your question.

Exactly as you mentioned, we have been working on various initiatives since last fall. We are in the process of compiling our business policy for the next five years in the form of a Mid-term Business Plan.

On the other hand, as we do every year, we also test for impairment at the end of the fiscal year, and we don't exclude the possibility that something may come up in the future.

Hashiguchi, Daiwa Securities: Should we assume that most of the profitable initiatives have been completed by Q3 of FY2022, and that there is a possibility of additional expenses in Q4?

Kimura: I think that is correct.

Hashiguchi, Daiwa Securities: In light of this situation, could you please explain how much SG&A expenses should be expected in the next fiscal year? It would be helpful if you could explain quantitatively, if possible, the effect of the reduction in SG&A expenses resulting from the reorganization of a series of businesses, as far as you can see at this point.

Kimura: We are now sorting that out in the Mid-term Business Plan and other measures. We cannot say for sure at this time.

Hashiguchi, Daiwa Securities: I understand.

Finally, you explained that Q3 FY2022 sales of GEMTESA® are looking up. Am I correct in understanding that this figure does not include temporary factors such as gross-net adjustments or fluctuations in actual inventories?

Kimura: It does not include any particular one-time factor but is due to strong sales.

Hashiguchi, Daiwa Securities: Thank you. That's all from me.

Yamaguchi, Citigroup Global Markets Japan: You explained that you have factored in costs related to making Myovant a wholly-owned subsidiary. This cost appears to be about JPY6 billion, is that correct? I think the finance cost is about JPY250 billion. I would appreciate it if you could also tell us what the interest cost and other costs associated with that will be in the future.

Kashima: Thank you very much.

We have factored in a total of about JPY8 billion in costs related to making Myovant a wholly-owned subsidiary, as reported in the financial forecast section, including costs related to the calculation in stock option plans, compensation paid to financial advisors, and retention costs.

The total amount of the costs related to the acquisition is approximately JPY250 billion, but partially using our own funds we would like to limit the amount of borrowing to less than JPY100 billion. Interests will accrue in the next fiscal year and thereafter.

Yamaguchi, Citigroup Global Markets Japan: While interest rates are rising in Japan right now, I believe global rates are extremely low. What interest rate do you expect? Around 1% to 2%?

Kashima: We would first borrow from the main bank through a bridge loan, and in this case, I think the interest rate would be that level. As for the interest rate for long-term funding after that, as you say, it is going up now, so it is hard to say at this point.

Yamaguchi, Citigroup Global Markets Japan: I understand. Thank you.

Also, the sale of the business this fiscal year does not include Sumitomo Pharma Animal Health Co., Ltd., and this will be next fiscal year, correct?

Kimura: Regarding Sumitomo Pharma Animal Health, the closing is expected to be delayed to the next fiscal year, so it is not included in the figures for this fiscal year.

Yamaguchi, Citigroup Global Markets Japan: I understand. The amount was disclosed, wasn't it?

Kimura: We cannot disclose the amount.

Yamaguchi, Citigroup Global Markets Japan: I understand.

Also, I am thinking that ulotaront's schizophrenia data disclosure will be later this year. Is the schedule clear at this time?

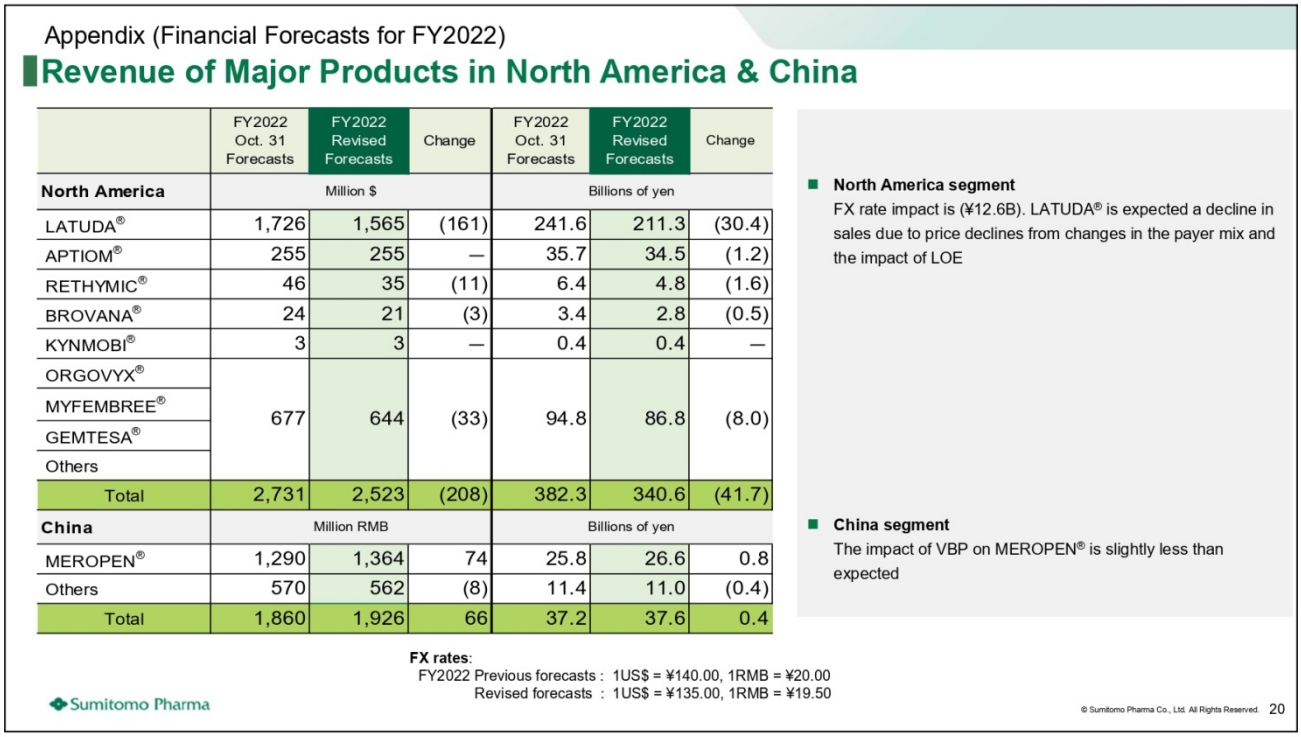
Ikeda: I believe that we will be able to provide data on schizophrenia for ulotaront at some point in FY2023. As we have mentioned, we are currently working on a schedule that will allow us to launch it in FY2024.

Yamaguchi, Citigroup Global Markets Japan: I understand. So, you are still unable to disclose the schedule, such as H1 or H2 of the fiscal year, etc.?

Ikeda: We cannot. Naturally, we have some estimates within the Company, but we cannot disclose it yet.

Yamaguchi, Citigroup Global Markets Japan : I understand. Thank you. That's all from me.

Muraoka, Morgan Stanley MUFG Securities: Perhaps you have explained this, but it appears that you have slightly revised downward this time the forecast figure for the total of the three Sumitovant products for this fiscal year. Is this forecast unchanged or has it changed?



Appendix (Financial Forecasts for FY2022)

Revenue of Major Products in North America & China

	FY2022 Oct. 31 Forecasts	FY2022 Revised Forecasts	Change	FY2022 Oct. 31 Forecasts	FY2022 Revised Forecasts	Change
North America	Million $			Billions of yen		
LATUDA®	1,726	1,565	(161)	241.6	211.3	(30.4)
APTIOM®	255	255	—	35.7	34.5	(1.2)
RETHYMIC®	46	35	(11)	6.4	4.8	(1.6)
BROVANA®	24	21	(3)	3.4	2.8	(0.5)
KYNMOBI®	3	3	—	0.4	0.4	—
ORGOVYX®	677	644	(33)	94.8	86.8	(8.0)
MYFEMBREE®						
GEMTESA®						
Others						
Total	2,731	2,523	(208)	382.3	340.6	(41.7)
China	Million RMB			Billions of yen		
MEROPEN®	1,290	1,364	74	25.8	26.6	0.8
Others	570	562	(8)	11.4	11.0	(0.4)
Total	1,860	1,926	66	37.2	37.6	0.4

- **North America segment**
  FX rate impact is (¥12.6B). LATUDA® is expected a decline in sales due to price declines from changes in the payer mix and the impact of LOE
- **China segment**
  The impact of VBP on MEROPEN® is slightly less than expected

FX rates:
FY2022 Previous forecasts : 1US$ = ¥140.00, 1RMB = ¥20.00
Revised forecasts : 1US$ = ¥135.00, 1RMB = ¥19.50

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Kashima: The forecast for the current term is shown on page 20 of the document. The revised forecast is JPY86.8 billion for the three products in total, a downward revision of JPY8 billion from JPY94.8 billion. However, this includes about JPY2 billion for the exchange rate revision, so excluding this, the revision is about JPY6 billion.

Muraoka, Morgan Stanley MUFG Securities: Is the main factor MYFEMBREE®?

Kashima: Sales from ORGOVYX® and MYFEMBREE® are slightly lower than originally forecasted, so we have revised it downward to reflect this.

Muraoka, Morgan Stanley MUFG Securities: I understand. Thank you.

Next, I would like to ask about the revised core operating profit forecast of JPY34 billion. Considering that the costs related to Myovant have also been factored in, is it safe to assume that the landing will not be far off from JPY34 billion? Or are there still possible major variables, except for the exchange rates?

Kashima: I don't think there will be a significant change in core operating profit, but the costs associated with the acquisition of 100% ownership of Myovant may be a variable factor.

Muraoka, Morgan Stanley MUFG Securities: I understand. I think the net will shift to minority interest, so I think it will change.

Regarding the Mid-term Business Plan, I believe you have mentioned several times in the past that a deficit for one year in FY2023 is unavoidable, but that the Company will return to profitability after that. Is there no significant change in this concept?

Kimura: No, we are currently preparing a Mid-term Business Plan in that direction.

Muraoka, Morgan Stanley MUFG Securities: Do you mean a V-shaped recovery on a business basis, without selling off assets?

Kimura: In the medium term, we would like to consider selling assets again.

Muraoka, Morgan Stanley MUFG Securities: I understand. That's all from me.

Wakao, JP Morgan Securities Japan: First, I would like to know about the cost reduction. You said you cannot comment now on the amount for the next fiscal year and beyond. The number of MRs shown on page eight of the supplemental material, especially with regard to the U.S., the data as of December 31, 2022, does not show such a large decrease. Is it correct to assume that this will decrease significantly in the next fiscal year and that SG&A expenses will go down?

Kimura: The figure shown here is as of December 31, but we have already reduced the number of LATUDA®-related sales personnel by more than 300 since we eliminated the LATUDA®-related sales staff in January 2023.

On the other hand, as you know, there are many companies in the U.S., and we are now considering ways to reduce duplication costs in this area.

Wakao, JP Morgan Securities Japan: I understand. Is the current situation, where the number has decreased by more than 300, the approximate final shape? Is there a possibility of reducing it a little more?

Kimura: It is difficult to say about the possibility. Currently, we have actually reduced by 365 people, and based on this, we will develop our business plan. Regarding the number of MRs, I said 365, but please understand that this includes not only MRs but also management personnel and not only LATUDA® sales personnel. We reduced the number of people involved in the LATUDA® business.

Wakao, JP Morgan Securities Japan: Understood. Thank you.

The forecasts for ORGOVYX® and MYFEMBREE® have been revised downward again, but I feel that the forecast was too strong to begin with. Looking only at the number of patients administered as you have shown us, I believe it is growing. You mentioned that you are aiming for a total of JPY100 billion for ORGOVYX® and MYFENBREE in FY2024; is that still achievable? If the forecast is too strong to begin with, I wonder if the current growth will not get you there. Could you please explain that point again?

Kimura: We are in the process of acquiring 100% ownership of Myovant. We believe that can be closed by the end of this fiscal year. After that, we would like to work on maximizing value, including Urovant Sciences, Inc.

Although we currently hold a majority stake in Myovant, it is operating independently, and we expect that there will be room for growth in this area.

Wakao, JP Morgan Securities Japan: I understand.

Long-term dosing data on MYFEMBREE® was attached to the document in January 2023. We have been informed for some time that this would also be a catalyst for growth, and I believe the situation is as planned. As for MYFEMBREE® in particular, is it correct to say that sales will grow at a rapid pace from here?

Kimura: We would very much like to see that happen, but please understand that we are not in a situation where we can guarantee sudden growth.

Wakao, JP Morgan Securities Japan: I understand. But you say that those strategies themselves have not changed.

Kimura: Yes, that's right. We will be making our future earnings mainly from MYFEMBREE®, GEMTESA®, and ORGOVYX®.

Wakao, JP Morgan Securities Japan: I understand. Thank you. That's all from me.

Kamano: I would like to add one point. The approval was granted in January 2023, but it states that the two-year restriction on dosing will not be changed.

Wakao, JP Morgan Securities Japan: Does that mean it could be a negative factor for your company's forecast?

Kamano: We do not see the impact on sales as being significant.

Wakao, JP Morgan Securities Japan: I understand. Thank you.

Kamano: Thank you. I would like to end the conference call. Thank you very much for joining us today.

[END]