



February 20, 2025

NEWS RELEASE

Name of Listed Company: TSUMURA & CO.  
Representative: Terukazu Kato, President, Representative Director and CEO  
Listing: TSE Prime Market  
Securities code: 4540  
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Consolidated Financial Results for the Third Quarter of the Term Ending March 31, 2025 (Under Japanese GAAP)  
(Completion of Interim review by Certified Public Accountants, etc.)

Tsumura & Co. (Headquarters: Tokyo, Japan; President, Representative Director and CEO: Terukazu Kato; hereinafter the “Company”) released the Consolidated Financial Results for the Third Quarter of the Term Ending March 31, 2025 (Under Japanese GAAP) on February 6, 2025, and hereby announces that an interim review of the quarterly financial statements by certified public accountants, etc. has been completed. The interim review was conducted in connection with the offering of the Company’s shares, for which a resolution was passed by the Board of Directors at a meeting held today.

No change has been made to the quarterly financial statements released on February 6, 2025.

Notes:

This document is a press release as a public announcement of the Consolidated Financial Results for the Third Quarter of the Term Ending March 31, 2025 (Under Japanese GAAP) (Completion of Interim review by Certified Public Accountants, etc.) and not whatsoever intended to solicit investment or similar activities whether in Japan or overseas.

Please be sure to read the prospectus (and its amendments, if any) prepared by the Company before making any investment, and make decisions on the investment for yourself. The stock offering prospectus (and its amendments, if any) can be obtained from the underwriter.

In addition, this press release does not constitute the solicitation of securities in the United States. The securities mentioned in the document are not and will not be registered based on the US Securities Act of 1933 ("the US Securities Act"). The US Securities Act does not allow securities to be offered or sold in the US unless the securities are registered pursuant to the US Securities Act or meet the requirements for the exemption from the obligation to register. A public offering of the securities in the US would require disclosure of detailed information about the Company and its management and the Company's financial statements, as well as the use of a prospectus prepared pursuant to the US Securities Act available from the Company or the seller; however, the securities will not be publicly offered in

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.



February 20, 2025

## Consolidated Financial Results for the Third Quarter of the Term Ending March 31, 2025 (Under Japanese GAAP)

Company name: TSUMURA & CO.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4540  
 URL: <https://www.tsumura.co.jp>  
 Representative: Terukazu Kato, President Representative Director and CEO  
 Inquiries: Makoto Kitamura, Head of Corporate Communications Dept.  
 Telephone: +81-3-6361-7100  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated business results for the Third quarter of the term ending March 31, 2025 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine-month period ended								
December 31, 2024	136,773	18.1	32,380	69.1	35,151	56.9	26,567	64.5
December 31, 2023	115,826	8.2	19,143	8.0	22,400	4.6	16,151	1.7

Note: Comprehensive income  
 Nine-month period ended December 31, 2024: ¥32,062 million [9.9 %]  
 Nine-month period ended December 31, 2023: ¥29,166 million [7.4 %]

	Basic earnings per share	Diluted earnings per share
Nine-month period ended	Yen	Yen
December 31, 2024	349.88	—
December 31, 2023	212.45	—

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	463,807	318,322	62.9
March 31, 2024	428,254	295,364	63.2

Reference: Equity  
 As of December 31, 2024: ¥291,895 million  
 As of March 31, 2024: ¥270,802 million

## 2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	35.00	—	50.00	85.00
Fiscal year ending March 31, 2025	—	68.00	—		
Fiscal year ending March 31, 2025 (Forecast)				68.00	136.00

Note: Revisions to dividends projection published most recently: No

## 3. Projections of consolidated business results for the term ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	182,300	20.9	40,000	99.8	44,000	87.3	34,000	103.5	447.79

Note: Revisions to projections of consolidated business results published most recently: No

The Company revised its earnings forecast in the unreviewed consolidated financial results for the third quarter disclosed on February 6, 2025, and there are no revisions from that forecast.

**\* Notes**

- (1) Changes in significant subsidiaries during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

Note: For details, see “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to the Quarterly Consolidated Financial Statements (application of specific accounting treatment to the preparation of quarterly financial statements)” on page 12 of the material attached hereto.

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	76,758,362 shares
As of March 31, 2024	76,758,362 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	817,773 shares
As of March 31, 2024	829,871 shares

- (iii) Average number of shares outstanding during the period

Nine-month period ended December 31, 2024	75,931,939 shares
Nine-month period ended December 31, 2023	76,024,654 shares

Note: The Company has introduced the BIP (Board Incentive Plan) trust for directors' compensation and ESOP (Employee Stock Ownership Plan) trust. As a result, the shares of the Company's stock held by the trust are included in treasury shares that are deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding.

\* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or audit corporation: Yes (voluntary)

\*Explanation about the proper use of financial projections and other important notes  
(Note about forward-looking information)

Forward-looking statements such as financial projections, which are stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. There is a possibility that actual results, etc. will differ materially from forecasts due to various factors. Please see “1. Qualitative information on quarterly results (3) Forward-looking statements such as consolidated business performance forecasts” on page 5 for information regarding the forecast of consolidated financial results.

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## 1. Qualitative information on quarterly results

### (1) Description of operating results

Consolidated business results for the third quarter under review were as follows:

[Consolidated business results]

(Million yen)

	FY 3/2024 3Q	FY 3/2025 3Q	YoY Change Percent Change
Net sales	115,826	136,773	+20,947 +18.1%
Domestic business	101,929	122,880	+20,951 +20.6%
China business	13,896	13,892	(4) (0.0)%
Cost of sales	60,767	66,967	+6,200 +10.2%
Selling, general and administrative expenses	35,915	37,425	+1,510 +4.2%
Operating profit	19,143	32,380	+13,236 +69.1%
Domestic business	19,427	32,568	+13,141 +67.6%
China business	(283)	(187)	+95 —
Ordinary profit	22,400	35,151	+12,750 +56.9%
Profit attributable to owners of parent	16,151	26,567	+10,416 +64.5%

Net sales increased 18.1% year on year, to 136,773 million yen.

Net sales of the domestic business increased 20.6% year on year, to 122,880 million yen. Sales of 129 prescription Kampo preparations increased 20.8% year on year, to 117,904 million yen, attributable to price rises of 66 prescriptions as a result of the application of price revisions in April 2024, for unprofitable products. Sales of Daikenchuto, Yokukansan and Goshajinkigan rose significantly, partly owing to the impact of price rises as a result of the application of price revisions for unprofitable products. Sales of Goreisan increased, attributable to activities to provide information according to needs related to headaches and dizziness. Sales of Rikkunshito, Hochuekkito, Kamishoyosan, Kamikihito and Ninjin'yoeito decreased compared to a year ago, given the absence of the front-loaded orders that occurred in March 2024 in association with price revisions.

Sales of “Drug fostering” program formulations and “Growing” formulations (unit: millions of yen)

	Ranking in sales	No. / Product Name		FY 3/2024 3Q	FY 3/2025 3Q	YoY Change/ Percent Change	
Drug-fostering program formulations *1	1	100 Daikenchuto	*3	7,590	11,367	+3,777	+49.8%
	2	54 Yokukansan	*3	5,826	8,602	+2,776	+47.6%
	5	43 Rikkunshito		5,661	5,486	(174)	(3.1)%
	8	107 Goshajinkigan	*3	2,827	4,281	+1,454	+51.4%
	25	14 Hangeshashinto		1,097	1,113	+15	+1.4%
Total of Drug-fostering Program formulations				23,003	30,852	+7,848	+34.1%
“Growing” formulations *2	3	41 Hochuekkito		6,185	5,879	(306)	(5.0)%
	4	17 Goreisan		5,528	5,751	+222	+4.0%
	9	24 Kamishoyosan		3,935	3,786	(149)	(3.8)%
	18	137 Kamikihito		1,782	1,740	(41)	(2.3)%
	20	108 Ninjin'yoeito		1,761	1,645	(115)	(6.6)%
Total of “Growing” formulations				19,193	18,803	(390)	(2.0)%
Total of 119 prescriptions excluding Drug-fostering program formulations and “Growing” formulations			*3	55,438	68,248	+12,810	+23.1%
Total of 129 prescription Kampo products				97,635	117,904	+20,269	+20.8%

In addition, sales of OTC Kampo formulations in the domestic business increased 22.3% year on year, to 4,037 million yen, reflecting a rise in the number of stores handling the products.

Net sales of the China business totaled 13,892 million yen. In the crude drug platforms (Ping An Tsumura Pharma Inc., Shenzhen Tsumura Medicine Co., Ltd. and others) that mainly sell crude drugs and crude drug pieces for decoction, sales of crude drugs fell 3.3% year on year, mainly due to the impact of certain suppliers' restrained purchases occurred temporarily in the first quarter of the fiscal year, although sales of crude drug pieces rose 38.4% year on year.

The cost of sales increased 10.2% year on year, to 66,967 million yen, due to sales growth and higher processing costs and crude drug procurement costs. The cost-to-sales ratio dropped 3.5 percentage points, to 49.0%, attributable to increases in the prices of 66 prescription Kampo preparations as a result of the application of price revisions for unprofitable products, offsetting the rise in processing costs and crude drugs procurement costs and other factors.

Selling, general and administrative expenses increased 4.2% year on year, to 37,425 million yen, mainly due to an increase in expenses associated with the operation of the integrated trunk system and the impact of the depreciation of the yen. The SGA ratio fell 3.6 percentage points year on year, to 27.4%, attributable to the increase in net sales.

As a result of the above, operating profit increased 69.1% year on year, to 32,380 million yen, while the operating profit margin rose 7.2 percentage points, to 23.7%. Ordinary profit increased 56.9% year on year, to 35,151 million yen. Profit attributable to owners of parent increased 64.5% year on year, to 26,567 million yen, owing to the posting of extraordinary income associated with sales of shares in cross-shareholding, in addition to the foregoing.

\*1 “Drug fostering” program formulations:

Formulations the Company is addressing by looking hard at the structure of diseases in recent years, targeting diseases that are difficult to treat with new drugs for which prescription Kampo preparations prove specifically effective in domains where demand for medical treatment is high, and calling the establishment of evidence “drug fostering”

\*2 Growing formulations:

Growth drivers aimed at registration in clinical practice guidelines as strategic formulations after five drug fostering program formulations by constructing evidence (such as data on safety and effectiveness) in domains where the degree of satisfaction with medical treatment and the degree of drug contribution are low

\*3 The number of Kampo preparations to which price revisions for unprofitable products were applied: 66 (3 prescriptions falling under drug-fostering and evolution of Kampo + 63 other prescriptions, Revision rate: +36.2% - +50.7%)



[Situation of limited shipments]

Shipments of 129 prescription Kampo products had been restricted limited number of 21 prescriptions at end of FY2023 because demand for prescription Kampo preparations was greater than expected, reflecting increases in the number of COVID-19 and influenza cases and instability in the supply of antitussives. Restrictions on shipments gradually lifted by boosting production and adjusting production plans. As a result, all limits to shipments of 129 prescription Kampo products were removed by November 28, 2024.

On the other hand, due to a quality survey of raw material crude drugs, we have been making limited shipments of 8 prescriptions again since the end of December, and we have been lifting the limited shipments as needed starting with prescriptions for which the quality survey has been completed, and the product is ready for shipment. As of February 6, 2025, 4 prescriptions were in limited shipments, and we expect to remove all prescriptions by early April.

## (2) Description of financial condition

The financial position at the end of the third quarter under review was as follows:

Total assets at the end of the third quarter increased 35,553 million yen from the end of the previous fiscal year, to 463,807 million yen. Current assets increased 25,317 million yen from the end of the previous fiscal year, mainly due to a rise in cash and deposits, raw materials and supplies. Non-current assets increased 10,235 million yen from the end of the previous fiscal year, mainly due to increases in property, plant and equipment.

Total liabilities were 145,484 million yen, an increase of 12,594 million yen from the end of the previous fiscal year. Current liabilities increased 4,875 million yen from the end of the previous fiscal year mainly due to an increase in short-term borrowings and income taxes payable. Non-current liabilities increased 7,719 million yen from the end of the previous fiscal year mainly due to a rise in long-term borrowings.

Net assets totaled 318,322 million yen, an increase of 22,958 million yen from the end of the previous fiscal year. Shareholders' equity rose 17,583 million yen from the end of the previous fiscal year, mainly reflecting an increase in retained earnings. Accumulated other comprehensive income climbed 3,509 million yen from the end of the previous fiscal year, chiefly due to an increase in foreign currency translation adjustment. Non-controlling interests increased 1,865 million yen from the end of the previous fiscal year. As a result, the equity ratio decreased by 0.3 percentage points to 62.9%.

Cash flows in the first three quarters under review were as follows:

Cash and cash equivalents as of the end of the third quarter under review were 82,942 million yen, an increase of 4,907 million yen from the end of the previous fiscal year. Cash flows in the first nine months under review and year-on-year changes in cash flows were as follows.

Cash flows in operating activities increased 22,472 million yen. Looking at the breakdown, there were profit before income taxes of 37,996 million yen, an increase in trade receivables of 4,499 million yen and an increase in inventories of 9,175 million yen.

Compared to a year ago, it rose 23,270 million yen.

Cash used in investing activities was 11,675 million yen. Looking at its breakdown, a major cash outflow item was the purchase of property, plant and equipment of 14,696 million yen, and proceeds from sale and redemption of short-term and long-term investment securities of 7,075 million yen. Compared to a year ago, cash outflow decreased 698 million yen.

Cash used in financing activities was 8,510 million yen. Looking at its breakdown, major cash flow items were proceeded from short-term borrowings of 24,000 million yen, repayments of short-term borrowings of 19,000 million yen, and dividends paid of 9,009 million yen. Compared to a year ago, cash outflow rose 4,121 million yen.

(3) Forward-looking statements such as consolidated business performance forecasts

As announced in “Tsumura Announces Revision of Earnings Forecast” dated February 6, 2025, the Company revised its projections of full-year consolidated business performance for the fiscal year ending March 31, 2025 released on May 9, 2024 in light of recent performance trends. Details are as follows.

(i) Revision of projections of consolidated business results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales	Domestic business	China business	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen
Previous forecast (A)	185,000	163,400	21,600	39,500	39,500	28,500	375.35
Revised forecast (B)	182,300	161,800	20,500	40,000	44,000	34,000	447.79
Change (B - A)	(2,700)	(1,600)	(1,100)	500	4,500	5,500	
Percentage change (%)	(1.5) %	(1.0) %	(5.1) %	1.3%	11.4%	19.3%	
(Reference) Results for previous fiscal year(ended March 31, 2024)	150,845	132,099	18,745	20,017	23,493	16,707	219.83

(ii) Reason of revision

Tsumura expects that net sales will come to 182,300 million yen, a decrease of 2,700 million yen from the forecast. The revision to net sales in the domestic business, the recovery in sales of Kampo formulation for prescription was slower than expected after the end of limited shipments. In the Chinese business, sales of crude drugs for Kampo preparation were lower than the projection in the crude drugs platform.

Operating profit is expected to exceed the forecast by 500 million yen, reaching 40,000 million yen. This mainly reflects lower-than-expected processing costs and selling and administrative expenses.

Ordinary profit is expected to come to 44,000 million, an increase of 4,500 million yen from the forecast due to the impact of the depreciation of the yen, as well as the upward revision of operating profit.

Profits attributable to owners of parent is expected to exceed the forecast by 5,500 million yen, standing at 34,000 million yen mainly due to gains on the sale of investment securities.

(iii) Dividend forecast

There is no change in the dividend forecast accompanying this revision of business performance forecasts. The Company plans to pay dividends for the fiscal year ending March 31, 2025 in accordance with the shareholder return policy released on November 7, 2023.

(Note) The above business performance forecasts were prepared based on information available as of the date of this announcement, and actual performance may differ from the forecasts due to a variety of factors.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	78,075	83,051
Notes and accounts receivable - trade	67,149	72,023
Merchandise and finished goods	12,139	14,049
Work in process	18,309	19,232
Raw materials and supplies	87,168	95,364
Other	18,761	23,253
Allowance for doubtful accounts	(311)	(365)
Total current assets	281,292	306,610
Non-current assets		
Property, plant and equipment		
Buildings and structures	95,434	98,718
Other	121,118	138,767
Accumulated depreciation	(112,493)	(119,036)
Total property, plant and equipment	104,058	118,448
Intangible assets		
Goodwill	8,350	8,170
Other	8,902	8,906
Total intangible assets	17,253	17,077
Investments and other assets		
Investment securities	15,241	10,609
Retirement benefit asset	3,626	3,978
Other	6,781	7,082
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,650	21,670
Total non-current assets	146,961	157,197
Total assets	428,254	463,807
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,828	20,413
Short-term borrowings	10,313	15,313
Current portion of bonds payable	15,000	-
Income taxes payable	2,979	7,255
Provision for employee stock ownership plan trust	-	791
Provision for share awards for directors (and other officers)	-	278
Other	20,435	29,381
Total current liabilities	68,557	73,433
Non-current liabilities		
Bonds payable	45,000	45,000
Long-term borrowings	9,377	20,051
Retirement benefit liability	49	558
Provision for employee stock ownership plan trust	414	-
Provision for share awards for directors (and other officers)	220	-
Other	9,270	6,441
Total non-current liabilities	64,332	72,051
Total liabilities	132,889	145,484

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,739	13,749
Retained earnings	205,804	223,341
Treasury shares	(2,378)	(2,342)
Total shareholders' equity	247,307	264,891
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,910	3,830
Deferred gains or losses on hedges	1,328	2,326
Revaluation reserve for land	2,673	2,673
Foreign currency translation adjustment	13,870	18,432
Remeasurements of defined benefit plans	(287)	(257)
Total accumulated other comprehensive income	23,494	27,004
Non-controlling interests	24,562	26,427
Total net assets	295,364	318,322
Total liabilities and net assets	428,254	463,807

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Statements of Income / For the Third Quarter Consolidated Accumulative Term

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	115,826	136,773
Cost of sales	60,767	66,967
Gross profit	55,059	69,806
Selling, general and administrative expenses	35,915	37,425
Operating profit	19,143	32,380
Non-operating income		
Interest income	522	445
Dividend income	300	386
Foreign exchange gains	2,201	1,935
Other	540	532
Total non-operating income	3,565	3,299
Non-operating expenses		
Interest expenses	278	375
Other	29	153
Total non-operating expenses	308	528
Ordinary profit	22,400	35,151
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	446	2,950
Total extraordinary income	447	2,951
Extraordinary losses		
Loss on sale of non-current assets	-	1
Loss on retirement of non-current assets	26	71
Loss on valuation of investment securities	-	32
Total extraordinary losses	26	106
Profit before income taxes	22,821	37,996
Income taxes	5,034	9,791
Profit	17,786	28,205
Profit attributable to non-controlling interests	1,635	1,638
Profit attributable to owners of parent	16,151	26,567

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	17,786	28,205
Other comprehensive income		
Valuation difference on available-for-sale securities	2,602	(2,080)
Deferred gains or losses on hedges	284	997
Foreign currency translation adjustment	8,466	4,909
Remeasurements of defined benefit plans, net of tax	26	29
Total other comprehensive income	11,380	3,856
Comprehensive income	29,166	32,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,417	30,076
Comprehensive income attributable to non-controlling interests	3,749	1,985

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	22,821	37,996
Depreciation	7,583	7,931
Amortization of goodwill	385	412
Increase (decrease) in allowance for doubtful accounts	58	46
Interest and dividend income	(823)	(832)
Interest expenses	278	375
Loss (gain) on sale and retirement of property, plant and equipment	25	72
Decrease (increase) in trade receivables	(10,691)	(4,499)
Decrease (increase) in inventories	(8,601)	(9,175)
Increase (decrease) in trade payables	(660)	176
Loss (gain) on sale of short-term and long-term investment securities	(446)	(2,950)
Decrease (increase) in retirement benefit asset	(292)	(312)
Increase (decrease) in retirement benefit liability	(2)	525
Other, net	(4,813)	(2,066)
Subtotal	4,821	27,700
Interest and dividends received	860	837
Interest paid	(148)	(333)
Income taxes paid	(6,332)	(5,732)
Net cash provided by (used in) operating activities	(798)	22,472
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	7	7
Purchase of property, plant and equipment	(11,060)	(14,696)
Proceeds from sale of property, plant and equipment	19	0
Purchase of intangible assets	(2,087)	(1,351)
Purchase of short-term and long-term investment securities	(5,541)	(2,524)
Proceeds from sale and redemption of short-term and long-term investment securities	6,610	7,075
Proceeds from collection of loans receivable	0	70
Other, net	(322)	(256)
Net cash provided by (used in) investing activities	(12,373)	(11,675)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	-	24,000
Repayments of short-term borrowings	-	(19,000)
Proceeds from long-term borrowings	-	10,674
Redemption of bonds	-	(15,000)
Purchase of treasury shares	(1,316)	(1)
Proceeds from share issuance to non-controlling shareholders	2,158	-
Dividends paid	(5,117)	(9,009)
Dividends paid to non-controlling interests	(40)	(133)
Other, net	(72)	(40)
Net cash provided by (used in) financing activities	(4,388)	(8,510)
Effect of exchange rate change on cash and cash equivalents	3,326	2,620
Net increase (decrease) in cash and cash equivalents	(14,233)	4,907
Cash and cash equivalents at beginning of period	94,730	78,034
Cash and cash equivalents at end of period	80,496	82,942

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

No relevant items.

(Notes on case of extreme change in shareholder's equity amount)

No relevant items.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

At the beginning of the fiscal quarter under review, the Company started to adopt the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27 of October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc.

Regarding revisions to the accounting classification for corporate taxes, etc. (taxation on other comprehensive income), the Company conformed to the specific transitional provisions prescribed in the provisory clause under Paragraph 20-3 of the Revised Accounting Standard 2022 and the specific transitional provisions prescribed in the provisory clause under Paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 of October 28, 2022). This does not affect the quarterly consolidated financial statements.

(Notes on Segment Information)

[Segment Information]

1. Nine-months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

Segment information is not shown because the Group's operations are limited to the single segment of pharmaceutical products.

2. Nine-months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

Segment information is not shown because the Group's operations are limited to the single segment of pharmaceutical products.



# Report on an Interim Review of Quarterly Consolidated Financial Statements by Independent Auditors

February 20, 2025

TSUMURA & CO.

To the Board of Directors

PwC Japan LLC

Tokyo Office

Designated Limited  
Liability Partner Certified public  
Managing Partner accountant Takeshi Shioya

Designated Limited  
Liability Partner Certified public  
Managing Partner accountant Toshio Soeno

## Auditor's Conclusion

We have performed an interim review of the quarterly consolidated financial statements of TSUMURA & CO., namely the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows, and the key notes for the third quarter (from October 1, 2024 to December 31, 2024) and the first nine months (from April 1, 2024 to December 31, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025 included in the accompanying materials of the Quarterly Consolidated Financial Results.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4 (2) of the Standards.

## Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

## Responsibilities of the Management and Audit and Supervisory Committee Members and the Audit and Supervisory Committee Pertaining to Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the quarterly consolidated financial statements in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the provisions for reduced disclosures as set forth in Article 4 (2) of the Standards) and accounting principles generally accepted in Japan. The responsibility includes establishing and operating an internal control system that management considers necessary for creating quarterly consolidated financial statements that do not include any significant misstatements stemming from injustice or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4 (2) of the Standards, matters related to going concern.

The responsibilities of the Audit and Supervisory Committee lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

## Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's interim review report that includes our conclusion for quarterly consolidated financial statements from an independent standpoint.

As part of our interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review as below:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4 (2) of the Standards. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements and notes are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4 (2) of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We report to the Audit and Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

## Conflicts of Interest

There is no conflict of interest between the Company and its consolidated subsidiaries and us or its engagement partners which should be disclosed under the provisions of the Certified Public Accountants Act.

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(Notes) 1. The original report on interim review is kept separately by the Company (the reporting company of the Summary of Quarterly Consolidated Financial Results).

2. The associated XBRL data is not included in the scope of the interim review.