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February 6, 2025

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

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Listing: Tokyo Stock Exchange
Securities code: 4540
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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.)

| Nine-month period ended | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------|-----------------|------|------------------|------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 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 %]

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

(2) Consolidated financial condition

| As of | Total assets | Net assets | Equity-to-asset ratio |
|-------------------|-----------------|-----------------|-----------------------|
| | 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: Yes

Regarding the revision to the consolidated business performance forecast, please refer to “1. Qualitative information on quarterly results, (3) Forward-looking statements such as consolidated business performance forecasts” on page 5 of the attachment.

*** 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: None

*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 |
|---|----------------------|-------------------------|
| Assets | | |
| 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 |
| Liabilities | | |
| 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 |
|---|--|--|
| Cash flows from operating activities | | |
| 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 |
| Cash flows from investing activities | | |
| 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) |
| Cash flows from financing activities | | |
| 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.