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May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4540
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors, securities analysts and news media)

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

1. Consolidated business results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	181,093	20.1	40,125	100.5	42,446	80.7	32,428	94.1
March 31, 2024	150,845	7.7	20,017	(4.3)	23,493	0.2	16,707	1.4

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥45,099 million [64.5%]
 For the fiscal year ended March 31, 2024: ¥27,416 million [38.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	427.15	—	11.4	9.5	22.2
March 31, 2024	219.83	—	6.4	5.7	13.3

Reference: Equity in earnings of affiliates For the fiscal year ended 31 March 2025: ¥ - million
 For the fiscal year ended 31 March 2024: ¥ - million

(2) Consolidated financial condition

	Total assets	Net assets	shareholder's equity ratio	shareholders' equity per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	464,380	330,110	64.7	3,968.05
March 31, 2024	428,254	295,364	63.2	3,566.54

Reference: Equity

As of March 31, 2025: ¥300,530 million

As of March 31, 2024: ¥270,802 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	33,823	(24,974)	(19,871)	73,135
March 31, 2024	5,608	(19,351)	(4,417)	78,034

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	35.00	—	50.00	85.00	6,504	38.7	2.5
Fiscal year ended March 31, 2025	—	68.00	—	68.00	136.00	10,393	31.8	3.6
Fiscal year ending March 31, 2026 (Forecast)	—	68.00	—	68.00	136.00		44.9	

3. Projections of consolidated business results for the term ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year for full-year and from the second quarter of the previous fiscal year for second quarter (aggregate).)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	91,500	2.7	16,000	(24.1)	16,000	(31.6)	11,000	(37.2)	144.89
Full-year	188,000	3.8	34,200	(14.8)	34,000	(19.9)	23,000	(29.1)	302.95

*** Notes**

(1) Changes in significant subsidiaries during the period: None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2025	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 March 31, 2025	1,020,752 shares
As of March 31, 2024	829,871 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	75,918,890 shares
Fiscal year ended March 31, 2024	76,002,474 shares

Note: The Company introduced the BIP (Board Incentive Plan) trust 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 during the period.

* This Consolidated Financial Results is not subject to audit procedures performed by a certified public accountant or audit corporation.

*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. Overview of Operating Results, etc. (4) Future outlook" on page 4 for information regarding the forecast of consolidated financial results.

○Contents of accompanying materials

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the fiscal year ended March 31, 2024.....	2
(2) Overview of financial condition during the fiscal year ended March 31, 2024.....	4
(3) Overview of cash flow during the fiscal year ended March 31, 2024.....	4
(4) Future outlook	4
2. Basic idea of the selection of accounting standards.....	5
3. Consolidated Financial Statements and Key Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to the Consolidated Financial Statements	14
(Notes on premise of a going concern)	14
(Changes in Accounting Policies).....	14
(Segment information).....	14
(Per share information)	15
(Significant subsequent events).....	15

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended March 31, 2025

Consolidated business results for the fiscal year under review were as follows:

[Consolidated business results]			(Million yen)
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY Change Percent Change
Net sales	150,845	181,093	+ 30,247 + 20.1%
Domestic business	132,099	160,459	+ 28,359 + 21.5%
China business	18,745	20,633	+ 1,887 + 10.1%
Cost of sales	82,028	90,509	+ 8,480 + 10.3%
Selling, general and administrative expenses	48,799	50,458	+ 1,658 + 3.4%
Operating profit	20,017	40,125	+ 20,108 + 100.5%
Domestic business	20,531	40,136	+ 19,604 + 95.5%
China business	(514)	(10)	+ 503 (－)
Ordinary profit	23,493	42,446	+ 18,953 + 80.7%
Profit attributable to owners of parent	16,707	32,428	+ 15,721 + 94.1%

Net sales increased 20.1% compared to the previous consolidated fiscal year, to 181,093 million yen.

Net sales of the domestic business increased 21.5% compared to the previous consolidated fiscal year, to 160,459 million yen. Sales of 129 prescription Kampo preparations increased 21.9% compared to the previous consolidated fiscal year, to 154,072 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 the previous consolidated fiscal year, 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			Fiscal Year 2023	Fiscal Year 2024	YoY Change/ Percent Change	
Drug-fostering program formulations *1	1	100	Daikenchuto	*3	9,851	14,769	+4,918	+49.9%
	2	54	Yokukansan	*3	7,447	11,147	+3,699	+49.7%
	5	43	Rikkunshito		7,454	7,199	(254)	(3.4)%
	7	107	Goshajinkigan	*3	3,698	5,583	+1,885	+51.0%
	25	14	Hangeshashinto		1,448	1,464	+15	+1.1%
Total of Drug-fostering Program formulations					29,899	40,163	+10,263	+34.3%
“Growing” formulations *2	3	41	Hochuekkito		7,956	7,597	(358)	(4.5)%
	4	17	Goreisan		6,869	7,376	+506	+7.4%
	10	24	Kamishoyosan		5,117	4,917	(200)	(3.9)%
	18	137	Kamikihito		2,290	2,238	(51)	(2.3)%
	19	108	Ninjin'yoeito		2,305	2,234	(71)	(3.1)%
Total of “Growing” formulations					24,539	24,364	(175)	(0.7)%
Total of 119 prescriptions excluding Drug-fostering program formulations and “Growing” formulations				*3	71,918	89,545	+17,626	+24.5%
Total of 129 prescription Kampo products					126,357	154,072	+27,715	+21.9%

Sales of OTC Kampo formulations in the domestic business increased 18.8% compared to the previous consolidated fiscal year, to 5,284 million yen, reflecting a rise in the number of stores handling the products.

Net sales of the business in China were 20,633 million yen. Net sales of crude drugs increased 8.4%, and drug pieces (chopped crude drugs) increased 37.4% compared to the previous consolidated fiscal year on crude drug platforms (of Ping An Tsumura Pharmaceutical Co., Ltd., Shenzhen Tsumura Medicine Co., Ltd., etc.), which primarily include sales of crude drugs and crude drug pieces for decoction. The cost of sales increased 10.3% compared to the previous consolidated fiscal year, to 90,509 million yen, mainly attributable to the growth in net sales, higher processing costs and crude drug procurement costs, including the impact of exchange rates. The cost-to-sales ratio dropped 4.4 percentage points, to 50.0% compared to the previous consolidated fiscal year, 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 3.4% compared to the previous consolidated fiscal year, to 50,458 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 4.5 percentage points compared to the previous consolidated fiscal year, to 27.9%, attributable to the increase in net sales.

As a result of the above, operating profit increased 100.5% compared to the previous consolidated fiscal year, to 40,125 million yen, while the operating profit margin rose 8.9 percentage points, to 22.2%. Ordinary profit increased 80.7% year on year, to 42,446 million yen. Profit attributable to owners of parent increased 94.1% year on year, to 32,428 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 in the April 2024 NHI drug price revision: 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.

Subsequently, to investigate the quality of the raw material crude drug, we again made limited shipments of eight formulations from the end of December.

Once the quality inspection was completed, the limited shipments were lifted for formulations that were ready for shipment, and the restriction was lifted for all formulations on April 11, 2025.

(2) Overview of financial condition during the fiscal year ended March 31, 2025

The financial position at the end of the fiscal year under review was as follows:

Total assets at the end of the fiscal year increased 36,126 million yen from the end of the previous fiscal year, to 464,380 million yen. Current assets increased 14,417 million yen from the end of the previous fiscal year, mainly due to a rise in raw materials and supplies, etc. Non-current assets increased 21,709 million yen from the end of the previous fiscal year, mainly due to increases in property, plant and equipment, etc.

Total liabilities were 134,270 million yen, increase of 1,381 million yen from the end of the previous fiscal year. Current liabilities decreased 6,643 million yen compared to the end of the previous fiscal year due to a decrease in short-term borrowings and a decrease current portion of bonds payable. Non-current liabilities increased by 8,025 million yen compared to the end of the previous consolidated fiscal year due to an increase in long-term borrowings, etc.

Net assets totaled 330,110 million yen, an increase of 34,745 million yen from the end of the previous fiscal year. Shareholders' equity rose 22,545 million yen from the end of the previous fiscal year, mainly reflecting an increase in retained earnings, etc. Accumulated other comprehensive income climbed 7,182 million yen from the end of the previous fiscal year, chiefly due to an increase in foreign currency translation adjustment, etc. Non-controlling interests increased 5,017 million yen from the end of the previous fiscal year. As a result, the equity ratio increased 1.5 percentage points, to 64.7%.

(3) Overview of cash flow during the fiscal year ended March 31, 2025

Cash flows in the fiscal year under review were as follows:

Cash and cash equivalents at the end of this consolidated fiscal year were 73,135 million yen, decrease 4,899 million yen from the end of the previous consolidated fiscal year. Cash flows for the current consolidated fiscal period and the under review and year-on-year changes in cash flow were as follows.

Cash flows in operating activities were 33,823 million yen. Looking at the breakdown, there were profits before income taxes of 45,559 million yen, and a decrease in trade receivables of 434 million yen and an increase in inventories of 9,646 million yen. Compared to a year ago, it rose 28,215 million yen.

Cash used in investing activities was 24,974 million yen. Looking at its breakdown, a major cash outflow item was the purchase of property, plant and equipment of 27,591 million yen, and proceeds from sale and redemption of short-term and long-term investment securities of 8,414 million yen. Compared to a year ago, cash outflow increased 5,622 million yen.

Cash used in financing activities was 19,871 million yen. Looking at its breakdown, major cash flow items were proceeded from short-term borrowings of 26,610 million yen, repayments of short-term borrowings of 31,638 million yen, and dividends paid of 9,021 million yen. Compared to a year ago, the cash outflow rose 15,453 million yen.

(4) Future outlook

With respect to results forecasts for the fiscal year ending March 31, 2026, the net sales forecast is 188,000 million yen, in view of the growth of prescription Kampo products in Japan, and a trend towards growth in the China business. Net sales from the China business are expected to account for 20,100 million yen of this total. Profit forecasts are operating profit of 34,200 million yen (down 14.8%), ordinary profit of 34,000 million yen (down 19.9%), and profit attributable to owners of parent of 23,000 million yen (down 29.1%), primarily due to increased manufacturing and processing costs at production base in China, which bears a high depreciation burden, and due to increased labor costs.

In the domestic business, the Company will conduct intensive capital investment, research and development and information supply activities this fiscal year, with the aim of strengthening the stable product supply structure and achieving a sustained expansion in the Kampo domain in the future. Specifically, capital investment will reinforce production capacity aggressively and improve productivity. In research and development, the Company will seek to expand the standard of care for Kampo and develop evidence, to work on personalized Kampo treatment utilizing leading-edge technology, and to contribute to public health depending on each person's life stage (treatment, pre-symptomatic disease, cure (prevention)). With respect to information supply activities, the company will promote the standardization of Kampo treatment by strengthening promotion of prescriptions with high medical needs, as well as promote individualized treatment by increasing the number of doctors who prescribe basic prescription Kampo formulations in each medical area. Additionally, by digitalizing information provision, we will work to create a system that enables each medical professional to obtain the information they need at any time.

In the China business, the company will expand sales of crude drugs and drug pieces (chopped herbal medicines) on our crude drug platform and will also engage in research and development of classical prescriptions with the aim of expanding our traditional Chinese medicinal products business within the formulation platform, as well as market development activities, including collaboration with traditional Chinese medicine companies.

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended March 31, 2026 [Year-on-year change after adjustment]	188,000 (3.8%)	34,200 (14.8%)	34,000 (19.9%)	23,000 (29.1%)

2. Basic idea of the selection of accounting standards

Tsumura and its group companies plan to prepare consolidated financial statements based on the Japanese standards for the time being. The companies will consider adopting the IFRS in an appropriate manner, considering conditions in Japan and overseas.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	78,075	73,227
Notes and accounts receivable - trade	67,149	68,017
Merchandise and finished goods	12,139	14,939
Work in process	18,309	20,197
Raw materials and supplies	87,168	98,647
Other	18,761	21,006
Allowance for doubtful accounts	(311)	(325)
Total current assets	281,292	295,709
Non-current assets		
Property, plant and equipment		
Buildings and structures	95,434	100,818
Machinery, equipment and vehicles	73,255	79,770
Tools, furniture and fixtures	15,037	16,685
Land	9,037	10,810
Construction in progress	22,965	41,344
Other	823	897
Accumulated depreciation	(112,493)	(122,080)
Total property, plant and equipment	104,058	128,246
Intangible assets		
Goodwill	8,350	8,512
Other	8,902	9,729
Total intangible assets	17,253	18,241
Investments and other assets		
Investment securities	15,241	10,276
Retirement benefit asset	3,626	5,328
Deferred tax assets	1,115	847
Other	5,666	5,730
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	25,650	22,182
Total non-current assets	146,961	168,670
Total assets	428,254	464,380

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,828	24,314
Short-term borrowings	10,313	5,285
Current portion of bonds payable	15,000	-
Accounts payable - other	9,212	12,144
Income taxes payable	2,979	7,577
Provision for employee stock ownership plan trust	-	908
Provision for share awards for directors (and other officers)	-	306
Other	11,222	11,378
Total current liabilities	68,557	61,913
Non-current liabilities		
Bonds payable	45,000	45,000
Long-term borrowings	9,377	20,051
Long-term income taxes payable	-	240
Deferred tax liabilities	1,088	202
Deferred tax liabilities for land revaluation	1,179	1,214
Retirement benefit liability	49	597
Provision for employee stock ownership plan trust	414	-
Provision for share awards for directors (and other officers)	220	-
Other	7,002	5,051
Total non-current liabilities	64,332	72,357
Total liabilities	132,889	134,270
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,739	13,749
Retained earnings	205,804	229,202
Treasury shares	(2,378)	(3,242)
Total shareholders' equity	247,307	269,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,910	3,690
Deferred gains or losses on hedges	1,328	240
Revaluation reserve for land	2,673	2,638
Foreign currency translation adjustment	13,870	23,533
Remeasurements of defined benefit plans	(287)	574
Total accumulated other comprehensive income	23,494	30,677
Non-controlling interests	24,562	29,579
Total net assets	295,364	330,110
Total liabilities and net assets	428,254	464,380

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	150,845	181,093
Cost of sales	82,028	90,509
Gross profit	68,816	90,583
Selling, general and administrative expenses	48,799	50,458
Operating profit	20,017	40,125
Non-operating income		
Interest income	671	628
Dividend income	300	386
Foreign exchange gains	2,193	1,176
Subsidy income	141	562
Other	546	314
Total non-operating income	3,853	3,067
Non-operating expenses		
Interest expenses	330	518
Other	47	227
Total non-operating expenses	378	746
Ordinary profit	23,493	42,446
Extraordinary income		
Gain on sale of non-current assets	15	9
Gain on sale of investment securities	446	3,239
Total extraordinary income	462	3,248
Extraordinary losses		
Loss on sale of non-current assets	-	2
Loss on retirement of non-current assets	218	100
Loss on valuation of investment securities	-	32
Total extraordinary losses	218	135
Profit before income taxes	23,736	45,559
Income taxes - current	6,083	10,630
Income taxes - deferred	(394)	404
Total income taxes	5,689	11,035
Profit	18,046	34,523
Profit attributable to non-controlling interests	1,339	2,095
Profit attributable to owners of parent	16,707	32,428

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	18,046	34,523
Other comprehensive income		
Valuation difference on available-for-sale securities	3,263	(2,219)
Deferred gains or losses on hedges	1,299	(1,087)
Revaluation reserve for land	-	(34)
Foreign currency translation adjustment	4,298	13,055
Remeasurements of defined benefit plans, net of tax	508	861
Total other comprehensive income	9,369	10,575
Comprehensive income	27,416	45,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,193	39,611
Comprehensive income attributable to non-controlling interests	2,222	5,487

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,142	13,739	194,224	(1,068)	237,037
Changes during period					
Dividends of surplus			(5,127)		(5,127)
Profit attributable to owners of parent			16,707		16,707
Purchase of treasury shares				(1,316)	(1,316)
Disposal of treasury shares		(0)		6	6
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	11,580	(1,310)	10,269
Balance at end of period	30,142	13,739	205,804	(2,378)	247,307

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,647	29	2,673	10,455	(796)	15,008	20,199	272,246
Changes during period								
Dividends of surplus								(5,127)
Profit attributable to owners of parent								16,707
Purchase of treasury shares								(1,316)
Disposal of treasury shares								6
Net changes in items other than shareholders' equity	3,263	1,299	-	3,414	508	8,486	4,362	12,848
Total changes during period	3,263	1,299	-	3,414	508	8,486	4,362	23,118
Balance at end of period	5,910	1,328	2,673	13,870	(287)	23,494	24,562	295,364

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,142	13,739	205,804	(2,378)	247,307
Changes during period					
Dividends of surplus			(9,030)		(9,030)
Profit attributable to owners of parent			32,428		32,428
Purchase of treasury shares				(912)	(912)
Disposal of treasury shares		10		48	59
Net changes in items other than shareholders' equity					
Total changes during period	-	10	23,398	(863)	22,545
Balance at end of period	30,142	13,749	229,202	(3,242)	269,852

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,910	1,328	2,673	13,870	(287)	23,494	24,562	295,364
Changes during period								
Dividends of surplus								(9,030)
Profit attributable to owners of parent								32,428
Purchase of treasury shares								(912)
Disposal of treasury shares								59
Net changes in items other than shareholders' equity	(2,219)	(1,087)	(34)	9,663	861	7,182	5,017	12,199
Total changes during period	(2,219)	(1,087)	(34)	9,663	861	7,182	5,017	34,745
Balance at end of period	3,690	240	2,638	23,533	574	30,677	29,579	330,110

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	23,736	45,559
Depreciation	10,235	10,620
Amortization of goodwill	519	550
Increase (decrease) in allowance for doubtful accounts	124	(11)
Interest and dividend income	(971)	(1,014)
Interest expenses	330	518
Loss (gain) on sale and retirement of property, plant and equipment	203	93
Decrease (increase) in trade receivables	(8,412)	434
Decrease (increase) in inventories	(12,869)	(9,646)
Increase (decrease) in trade payables	2,647	2,919
Loss (gain) on sale of short-term and long-term investment securities	(446)	(3,239)
Decrease (increase) in retirement benefit asset	(385)	(411)
Increase (decrease) in retirement benefit liability	1	536
Loss (gain) on valuation of investment securities	-	32
Other, net	(3,383)	(7,646)
Subtotal	11,328	39,296
Interest and dividends received	998	992
Interest paid	(334)	(529)
Income taxes paid	(6,384)	(5,936)
Net cash provided by (used in) operating activities	5,608	33,823
Cash flows from investing activities		
Decrease (increase) in time deposits	1	1
Purchase of property, plant and equipment	(16,823)	(27,591)
Proceeds from sale of property, plant and equipment	49	20
Purchase of intangible assets	(3,234)	(2,203)
Proceeds from sale of intangible assets	-	1
Purchase of short-term and long-term investment securities	(7,306)	(3,371)
Proceeds from sale and redemption of short-term and long-term investment securities	8,374	8,414
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	0	70
Other, net	(413)	(315)
Net cash provided by (used in) investing activities	(19,351)	(24,974)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	-	26,610
Repayments of short-term borrowings	-	(31,638)
Proceeds from long-term borrowings	-	10,674
Redemption of bonds	-	(15,000)
Purchase of treasury shares	(1,316)	(912)
Proceeds from share issuance to non-controlling shareholders	2,158	-
Dividends paid	(5,126)	(9,021)
Dividends paid to non-controlling interests	(40)	(523)
Other, net	(92)	(60)
Net cash provided by (used in) financing activities	(4,417)	(19,871)
Effect of exchange rate change on cash and cash equivalents	1,465	6,122
Net increase (decrease) in cash and cash equivalents	(16,695)	(4,899)
Cash and cash equivalents at beginning of period	94,730	78,034
Cash and cash equivalents at end of period	78,034	73,135

(5) Notes to the Consolidated Financial Statements

(Notes on premise of a going concern)

There are no applicable matters.

(Changes in accounting policies)

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

At the beginning of the fiscal year 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 consolidated financial statements.

(Segment information)

[Segment Information]

1. Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)

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

2. Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)

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

(Per share information)

	FY 3/2024 (From April 1, 2023 to March 31, 2024)	FY 3/2025 (From April 1, 2024 to March 31, 2025)
Shareholders' equity per share	3,566.54yen	3,968.05yen
Basic earnings per share	219.83yen	427.15yen

(Notes) 1. Diluted earnings per share is not stated because there are no residual securities.

2. Basis of calculation

(1) The basis of calculation for shareholders' equity per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (million yen)	295,364	330,110
Deduction from total net assets (million yen)	24,562	29,579
[Non-controlling interests]	(24,562)	(29,579)
Net assets related to common stock at the end of the fiscal year (million yen)	270,802	300,530
Number of shares of common stock at the end of the fiscal year used for calculation of shareholders' equity per share (thousand shares)	75,928	75,737

(2) The basis of calculation for basic earnings per share per share is as follows.

	FY 3/2024 (From April 1, 2023 to March 31, 2024)	FY 3/2025 (From April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (million yen)	16,707	32,428
Amount not attributable to common stockholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	16,707	32,428
Average number of shares of common stock during the fiscal year under review (thousand shares)	76,002	75,918

3. In calculating net assets per share, the shares of the Company's stock held by the Board Incentive Plan (BIP) Trust are included in treasury shares that are deducted from the total number of shares outstanding at the end of the period (131,198 shares for the current consolidated fiscal year, 137,562 shares for the previous fiscal year). Also, in calculating basic earnings per share, the shares of the Company's stock held by the BIP Trust are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period (134,366 shares for the current consolidated fiscal year, 137,679 shares for the previous fiscal year).

4. In calculating net assets per share, the shares of the Company's stock held by the Employee Stock Ownership Plan (ESOP) trust are included in treasury shares that are deducted from the total number of shares outstanding at the end of the period (452,507 shares for the current consolidated fiscal year, 462,412 shares for the previous fiscal year). Also, in calculating basic earnings per share, the shares of the Company's stock held by the ESOP Trust are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period (459,059 shares for the current consolidated fiscal year, 388,572 shares for the previous fiscal year).

(Significant subsequent events)

There are no applicable matters.