

**Summary of Consolidated Financial Results for the First Quarter of  
the Year Ending March 31, 2023 (FY2022)  
<Based on Japanese GAAP>**

August 8, 2022

Company name: ASKA Pharmaceutical Holdings Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4886 URL <https://www.aska-pharma-hd.co.jp/english/>  
 Representative : President and Representative Director Takashi Yamaguchi  
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 Scheduled date to file Securities Report : August 8, 2022  
 Scheduled date to commence dividend payments : -  
 Preparation of supplementary material on financial results : Yes  
 Holding of financial results meeting : No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the first quarter ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
First quarter of FY2022	15,269	7.4	1,664	40.1	1,805	35.8	1,323	20.4
First quarter of FY2021	14,221	-	1,188	-	1,329	-	1,098	-
Note: Comprehensive income	First quarter of FY2022		(Millions of yen)		1,792	(81.8%)		
	First quarter of FY2021		(Millions of yen)		986	(-%)		

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
First quarter of FY2022	46.94		-	
First quarter of FY2021	38.72		-	

Note: There are no percentage change from the first quarter of the fiscal year ending March 31, 2022 because ASKA Pharmaceutical Holdings Co., Ltd. was established through a sole share transfer on April 1, 2021.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		
	Millions of yen		Millions of yen		%		
As of June 30, 2022	84,764		50,477		59.6		
As of March 31, 2022	83,297		48,892		58.7		
Reference: Tangible net worth	As of June 30, 2022		(Millions of yen)		50,477		
	As of March 31, 2022		(Millions of yen)		48,892		

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2022	Yen -	Yen 7.00	Yen -	Yen 8.00	Yen 15.00
Year ending March 31, 2023	-				
Year ending March 31, 2023 (Forecast)		8.00	-	8.00	16.00

Note: Revision from dividend forecast currently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	57,500	1.6	4,200	(12.4)	4,300	(11.9)	3,300	(23.1)	116.32

Note: Revision from dividend forecast currently announced: No

Notes:

(1) Changes in significant subsidiaries during the first quarter of FY2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2022	30,563,199	As of March, 2022	30,563,199
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2) Number of treasury shares at the end of the period

As of June 30, 2022	2,365,857	As of March, 2022	2,379,856
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First quarter of FY2022	28,187,342	First quarter of FY2021	28,377,199
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\* This report of financial results is not subject to auditing by a certified public accountant or audit firm.

\* Explanation concerning appropriate use of projections of business results and other notes

Projections of business results and other forward-looking statements contained in this document are based on assumptions judged to be reasonable and information currently available to the Company, and the Company does not in any way guarantee the achievement of the projections. Actual business results may materially differ from the forecasted figures due to various factors in the future. Please refer to "1. 1. Qualitative Information on Quarterly Financial Results, Description of Forward-looking Information such as Forecasts of Consolidated Financial Results" for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Description of Operating Results

During the first quarter of the consolidated fiscal year, despite a gradual return to normal in social activities in response to developments including progress in balancing economic activities with prevention measures for COVID-19, future prospects remained uncertain as a result of factors such as rising costs due to a rapid decrease in the value of the yen on international currency markets and rising prices of energy and raw materials as well as the global economic impact of the Russia-Ukraine crisis. Even under such conditions, however, the favorable trend in the Group's businesses continued from the previous fiscal year.

Operating Results during the first quarter of the consolidated fiscal year are described below.

	First Quarter of FY2021 Consolidated Cumulative Period (Millions of yen)	First Quarter of FY2022 Consolidated Cumulative Period (Millions of yen)	Actual (Millions of yen)	Growth (%)
Net sales	14,221	15,269	1,048	7.4
Operating profit	1,188	1,664	476	40.1
Ordinary profit	1,329	1,805	475	35.8
Profit attributable to owners of parent	1,098	1,323	224	20.4

Business results by segment are described below.

#### (i) Pharmaceutical business

The pharmaceutical drug business, which focuses on the three fields of internal medicine, obstetrics and gynecology, and urology, showed favorable trends overall, despite the impact of the periodical NHI drug price revisions. A look at results by product shows that results in the obstetrics and gynecology area were driven by the second consecutive year of large-scale growth in the uterine fibroid and endometriosis agent RELUMINA (relugolix), to 2,259 million yen (up 26.3% YoY), and double-digit growth in the dysmenorrhea agent FREWELL (norethisterone/ ethinylestradiol), to 888 million yen (up 10.4% YoY). In addition to these, the dysmenorrhea agent DroEthi (drospirenone/ ethinylestradiol), which went on sale in June of this year, got off to a strong start with sales of 412 million yen. Sales also grew steadily in the internal medicine area, as sales of the thyroid hormone agent THYRADIN (levothyroxine), our main product in this field, grew to 2,040 million yen (up 4.9% YoY) and those of the poorly absorbable rifamycin antimicrobial agent RIFXIMA (rifaximin) to 1,404 million yen (up 12.6% YoY). In the urology field, sales of the LH-RH derivative microcapsule sustained-release agent LEUPRORELIN were 1,357 million yen (up 16.9% YoY).

As a result of the above factors, net sales were 13,646 million yen (up 6.3% YoY) in this segment, and segment income was 1,728 million yen (up 38.5% YoY).

\* See "3. Supplemental Material" for more information on sales of main products.

#### (ii) Animal Health business

Sales of the animal health business, which sells products such as animal health drugs and feed additives, grew to 1,593 million yen (up 17.9% YoY), thanks to strong sales of feed additives and other products. Segment income was 124 million yen (up 20.1% YoY).

#### (iii) Other businesses

Sales results for other businesses, which include clinical testing, medical devices, and supplements, fell to 29 million yen (down 2.7% YoY), although the hair-growth hormone measurement kits introduced in the previous fiscal year made a positive contribution to sales. Segment loss was 18 million yen (vs. a loss of 2 million yen in the same period of the previous year).

### (2) Description of Financial Position

#### (Assets)

Total assets at the end of the first quarter of the consolidated fiscal year under review stood at 84,764 million yen, up 1,467 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to increases in accounts such as cash and deposits, investment securities, and merchandise and finished goods, despite decreases in securities and intangible assets.

(Liabilities)

Total liabilities at the end of the first quarter of the consolidated fiscal year under review stood at 34,287 million yen, down 117 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to decreases in electronically recorded obligations and in other provisions under current liabilities, despite increases in notes and accounts payable – trade and in other current liabilities. The total of short-term borrowings and long-term borrowings decreased through repayment.

(Net assets)

Total assets at the end of the first quarter of the consolidated fiscal year under review stood at 50,477 million yen, up 1,584 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to an increase in retained earnings resulting from the recording of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities reflecting rising share prices.

The resulting equity ratio was 59.6%, up 0.9 percentage points from the end of the previous consolidated fiscal year.

(3) Description of Forward-looking Information such as Forecasts of Consolidated Financial Results

Forecasts of consolidated financial results for the period ending March 31, 2023 (FY2022) are unchanged from the full-year consolidated performance forecasts in the Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (FY2021), published on May 12, 2022.

(4) Description of Research and development

R&D expenses during the first quarter of the consolidated fiscal year stood at 851 million yen.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	12,103	17,691
Notes and accounts receivable - trade, and contract assets	14,482	14,824
Securities	5,000	-
Merchandise and finished goods	10,016	10,426
Work in process	457	535
Raw materials and supplies	4,587	4,896
Other	2,911	3,124
Allowance for doubtful accounts	(0)	-
<b>Total current assets</b>	<b>49,557</b>	<b>51,497</b>
Non-current assets		
Property, plant and equipment	10,936	10,899
Intangible assets	6,183	5,677
Investments and other assets		
Investment securities	12,223	12,803
Other	4,414	3,904
Allowance for doubtful accounts	(17)	(17)
<b>Total investments and other assets</b>	<b>16,620</b>	<b>16,690</b>
<b>Total non-current assets</b>	<b>33,739</b>	<b>33,267</b>
<b>Total assets</b>	<b>83,297</b>	<b>84,764</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,118	4,524
Electronically recorded obligations - operating	3,723	2,755
Short-term borrowings	1,723	3,048
Other provisions	1,188	539
Other	6,257	7,109
<b>Total current liabilities</b>	<b>16,011</b>	<b>17,978</b>
Non-current liabilities		
Long-term borrowings	12,323	10,198
Retirement benefit liability	5,730	5,782
Other	338	328
<b>Total non-current liabilities</b>	<b>18,393</b>	<b>16,309</b>
<b>Total liabilities</b>	<b>34,404</b>	<b>34,287</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	1,867	1,867
Retained earnings	45,833	46,930
Treasury shares	(3,479)	(3,461)
<b>Total shareholders' equity</b>	<b>45,419</b>	<b>46,534</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,231	3,554
Foreign currency translation adjustment	164	303
Remeasurements of defined benefit plans	77	84
<b>Total accumulated other comprehensive income</b>	<b>3,473</b>	<b>3,942</b>
<b>Total net assets</b>	<b>48,892</b>	<b>50,477</b>
<b>Total liabilities and net assets</b>	<b>83,297</b>	<b>84,764</b>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(First quarter of the consolidated fiscal year)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	14,221	15,269
Cost of sales	7,531	8,017
Gross profit	6,690	7,252
Selling, general and administrative expenses	5,501	5,587
Operating profit	1,188	1,664
Non-operating income		
Interest income	0	0
Dividend income	130	177
Share of profit of entities accounted for using equity method	64	-
Other	39	34
Total non-operating income	234	212
Non-operating expenses		
Interest expenses	14	13
Foreign exchange losses	6	20
Other	71	37
Total non-operating expenses	92	71
Ordinary profit	1,329	1,805
Profit before income taxes	1,329	1,805
Income taxes – current	165	199
Income taxes – deferred	65	283
Total income taxes	230	482
Profit	1,098	1,323
Profit attributable to owners of parent	1,098	1,323

(Consolidated Statements of Income)  
(First quarter of the consolidated fiscal year)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,098	1,323
Other comprehensive income		
Valuation difference on available-for-sale securities	(35)	323
Remeasurements of defined benefit plans, net of tax	7	6
Share of other comprehensive income of entities accounted for using equity method	(84)	139
Total other comprehensive income	(112)	469
Comprehensive income	986	1,792
Details		
Comprehensive income attributable to owners of parent	986	1,792



- (3) Notes to the Quarterly Consolidated Financial Statements  
(Notes concerning the going-concern assumption)  
Not applicable.

(Significant changes in the amount of shareholders' equity)  
Not applicable.

(Changes to accounting policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan [ASBJ] Guidance No. 31, June 17, 2021; "Fair Value Measurement Accounting Standard Implementation Guidance" hereinafter) has been applied beginning with the start of the first quarter of the consolidated fiscal year under review. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance, the new accounting policies stipulated in that Guidance are applied to future accounts. This change has had no impact on the quarterly consolidated financial statements.

(Segment information etc.)

I. Previous first quarter of the consolidated fiscal year (from April 1, 2021 to June 30, 2021)  
Net sales and profit or loss by reporting segment

(Millions of yen)

	Reporting-segment		Others Note 1.	Total	Amounts of adjustments Note 2.	Amount recorded on consolidated financial statements Note 3.
	Pharmaceutical business	Animal health business				
Net Sales						
Sales to external customers	12,840	1,351	30	14,221	—	14,221
Intersegment sales and transfers	—	—	12	12	(12)	—
Total	12,840	1,351	42	14,234	(12)	14,221
Segment profit/loss	1,247	103	(2)	1,348	(160)	1,188

Notes:

1. The "Other" business segment consists of businesses not included in the reporting segments, including clinical testing and medical devices.
2. The adjustment of (160) million yen to segment profit or loss (numbers in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of general and administrative expenses not attributable to business segments.
3. Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the quarterly consolidated statements of income.

II. Current first quarter of the consolidated fiscal year (from April 1, 2022 to June 30, 2022)  
1 Net sales and profit or loss by reporting segment

(Millions of yen)

	Reporting-segment		Others Note 1.	Total	Amounts of adjustments Note 2.	Amount recorded on consolidated financial statements Note 3.
	Pharmaceutical business	Animal health business				
Net Sales						
Sales to external customers	13,646	1,593	29	15,269	—	15,269
Intersegment sales and transfers	—	—	15	15	(15)	—
Total	13,646	1,593	44	15,284	(15)	15,269
Segment profit/loss	1,728	124	(18)	1,833	(169)	1,664

Notes:

1. The "Other" business segment consists of businesses not included in the reporting segments, including clinical testing and medical devices.
2. The adjustment of (169) million yen to segment profit or loss (numbers in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of general and administrative expenses not attributable to business segments.
3. Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the quarterly consolidated statements of income.

2 Changes to reporting segments etc.

From the first quarter of the consolidated fiscal year under review, the animal health business, which heretofore had been included under "other businesses," is presented as its own reporting segment. This change is due to the increase in the quantitative importance of that business.

Segment information for the first quarter of the previous consolidated fiscal year has been restated to conform to segment categories reflecting this change.

## Supplemental Material

## (1) Sales of Main Products

S a l e s   o f   M a i n   P r o d u c t s  
( F Y 2 0 2 2   Q 1   A c t u a l )

ASKA Pharmaceutical Co., Ltd.

(Millions of yen)

Therapeutic category	Products	FY2021		FY2022		YOY(%)
		Q1 Actual	FY2021 Actual	Q1 Actual	FY2022 Forecast	
Antihypertensive agent	CANDESARTAN* (candesartan)	3,198	12,394	2,859	10,840	(10.6)
Uterine fibroid and endometriosis agent	RELUMINA (relugolix)	1,788	7,334	2,259	9,779	26.3
Thyroid hormone agent	THYRADIN (levothyroxine)	1,945	7,499	2,040	7,714	4.9
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA (rifaximin)	1,247	4,854	1,404	5,289	12.6
LH-RH derivative microcapsule sustained-release agent	LEUPRORELIN (leuprorelin)	1,161	5,183	1,357	4,589	16.9
Dysmenorrhea agent	FREWELL (norethisterone/ ethinylestradiol)	804	3,463	888	3,083	10.4
Dysmenorrhea agent	DroEthi (drospirenone/ ethinylestradiol)	-	-	412	1,944	-
Antithyroid agent	MERCAZOLE (thiamazole)	381	1,458	390	1,440	2.4
Antihypertensive agent	AMLODIPINE (amlodipine)	291	1,073	242	963	(16.7)
Amyotrophic lateral sclerosis agent	RILUZOLE (riluzole)	258	938	228	904	(11.3)

\* Including compounding agents