

**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2021
(Based on Japanese GAAP)**

November 4, 2020

Company name: ASKA Pharmaceutical Co., Ltd
 Stock exchange listing: Tokyo
 Stock code: 4514 URL <http://www.aska-pharma.co.jp/english/>
 Representative : President and Representative Director Takashi Yamaguchi
 Inquiries : General Manager Corporate Planning Department Tomohito Nagao TEL +81-3-5484-8366
 Scheduled date to file Quarterly Securities Report : November 9, 2020
 Scheduled date to commence dividend payments : November 30, 2020
 Preparation of supplementary material on financial results : Yes
 Holding of financial results meeting : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(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	%
Six months ended March 31, 2021	27,403	3.1	1,946	160.7	1,952	124.5	1,552	168.9
Six months ended March 31, 2020	26,582	13.2	746	(22.3)	869	(19.3)	577	(22.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2021	54.77		—	
Six months ended March 31, 2020	20.42		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen	%	Millions of yen	%		
As of September 30, 2020	79,445		43,070		54.2	
As of March 31, 2020	80,239		41,573		51.8	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	total
	Yen				
Year ended March 31, 2020	—	7.00	—	10.00	17.00
Year ended March 31, 2021	—	7.00	—	—	—
Year ended March 31, 2021 (Forecast)	—	—	—	7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	53,000	0.9	2,000	32.7	1,900	10.8	1,500	131.1	52.95

※ Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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
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|--|----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| 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 September 30, 2020	30,563,199	As of March, 2020	30,563,199
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2) Number of treasury shares at the end of the period

As of September 30, 2020	2,208,500	As of March, 2020	2,234,979
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2020	28,341,971	As of September 30, 2019	28,264,341
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Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	7,294	8,352
Notes and accounts receivable	13,792	13,140
Merchandise and finished goods	9,087	9,442
Work in process	353	414
Raw materials and supplies	4,602	4,532
Other	2,196	1,927
Allowance for doubtful accounts	(0)	(0)
Total current assets	37,326	37,809
Non-current assets		
Property, plant and equipment	13,539	13,165
Intangible assets		
Intangible assets in progress	8,446	8,421
Other	5,137	4,139
Total intangible assets	13,584	12,561
Investments and other assets		
Investments securities	9,794	10,263
Other	6,012	5,662
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	15,789	15,908
Total non-current assets	42,913	41,636
Total assets	80,239	79,445
Liabilities		
Current liabilities		
Notes and accounts payable -trade	3,239	3,273
Electronically recorded monetary claims	2,801	2,813
Short(Long)-term loans payable	2,748	2,198
Provision for bonuses	984	968
Other provision	13	—
Other	7,340	6,448
Total current liabilities	17,127	15,702
Non-current liabilities		
Long-term loans payable	13,671	12,772
Provision for environmental measures	820	820
Retirement benefit liabilities	6,655	6,732
Other	390	348
Total non-current liabilities	21,537	20,672
Total liabilities	38,665	36,374
Net assets		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	928	928
Retained earnings	39,560	40,828
Treasury shares	(2,191)	(2,161)
Total shareholders' equity	39,495	40,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,293	2,504
Foreign currency translation adjustment	(9)	(40)
Remeasurements of defined benefit plans	(205)	(185)
Total accumulated other comprehensive income	2,078	2,277
Total net assets	41,573	43,070
Total liabilities and net assets	80,239	79,445

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

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	26,582	27,403
Cost of sales	14,492	14,563
Gross profit	12,089	12,840
Selling, general and administrative expenses	11,343	10,894
Operating profit	746	1,946
Non-operating income		
Interest income	0	0
Dividend income	126	132
Other	104	68
Total non-operating income	230	201
Non-operating expenses		
Interest expenses	31	29
Depreciation of inactive non-current assets	—	64
Other	75	101
Total non-operating expenses	107	194
Ordinary profit	869	1,952
Extraordinary income		
Capital gains on insurance agency business	49	—
Total extraordinary income	49	—
Profit before income taxes	918	1,952
Income taxes - current	77	430
Income taxes - deferred	264	(30)
Total income taxes	341	400
Profit	577	1,552
Profit attributable to owners of parent	577	1,552

(Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	577	1,552
Other comprehensive income		
Valuation difference on available-for-sale securities	(469)	211
Remeasurements of defined benefit plans, net of tax	21	20
Share of other comprehensive income of associates accounted for using equity method	(5)	(31)
Total other comprehensive income	(453)	199
Comprehensive income	124	1,751
Details		
Comprehensive income attributable to owners of parent	124	1,751

(3) Consolidated Statements of Cash Flows for the Quarter

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	918	1,952
Depreciation	1,788	1,797
Increase (decrease) in net defined benefit liability	(58)	96
Interest and dividend income	(126)	(132)
Interest expenses	31	29
Decrease (increase) in notes and accounts receivable – trade	(9,813)	652
Decrease (increase) in inventories	1,288	(345)
Increase (decrease) in notes and accounts payable – trade	(1,463)	40
Increase (decrease) in accrued consumption taxes	865	(1,146)
Other, net	1,276	413
Subtotal	(5,292)	3,357
Interest and dividends received	125	132
Interest paid	(32)	(29)
Income taxes (paid) refunded	(131)	(149)
Cash flows from operating activities	(5,330)	3,311
Cash flows from investing activities		
Purchase of investment securities	(65)	–
Purchase of property, plant and equipment	(1,514)	(547)
Purchase of intangible assets	(57)	(31)
Other, net	(102)	48
Cash flows from investing activities	(1,739)	(531)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	4,200	(50)
Proceeds from long-term loans payable	1,000	–
Repayments of long-term loans payable	(1,774)	(1,399)
Net decrease (increase) in treasury shares	27	30
Dividends paid	(199)	(284)
Other, net	–	(18)
Cash flow from financing activities	3,253	(1,722)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(3,815)	1,057
Cash and cash equivalents at beginning of period	11,107	7,294
Cash and cash equivalents at end of period	7,291	8,352

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 1 S e c o n d Q u a r t e r A c t u a l)

(Billions of yen)

Therapeutic category	Products	FY2020		FY2021		QOQ(%)
		Q2 Actual	FY2020 Actual	Q2 Actual	FY2021 Forecast	
Antihypertensive agent	CANDESARTAN*	6.88	13.22	6.12	11.49	(11.1)
Thyroid hormone	THYRADIN	3.43	6.89	3.58	7.17	4.3
GnRH antagonist	RELUMINA	0.87	2.62	2.52	5.92	191.1
LH-RH derivative	LEUPRORELIN	2.47	4.79	2.27	3.64	(8.0)
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA	1.85	3.78	2.18	4.83	17.9
Dysmenorrhea agent	FREWELL	1.01	2.25	1.36	2.47	33.9
Antithyroid agent	MERCAZOLE	0.70	1.38	0.70	1.38	(0.3)
Antihypertensive agent	AMLODIPINE	0.79	1.44	0.63	1.18	(19.9)
Hyperlipidemic agent	LIPDIL	0.78	1.37	0.59	1.19	(24.1)
Amyotrophic lateral sclerosis agent	RILUZOLE	0.36	0.85	0.56	0.96	55.2
Prostatecancer therapeutic agent	BICALUTAMIDE	0.69	1.26	0.52	1.06	(25.5)
Tocolytic agent Inhibitory and therapeutic agent for the onset of eclampsia	MAGSENT	-	0.06	0.47	0.88	-

*Including compounding agents

(2) Product Pipeline

Pipeline (as of November 4, 2020)

Stage	Development code	Generic name	Indication	Origin
Filed	CDB-2914	Ulipristal	Uterine Fibroids	Laboratoire HRA Pharma,SA (France)
Phase III	TAK-385	Relugolix	Endometriosis	Takeda Pharmaceutical Co., Ltd.
Phase II · III	L-105	Rifaximin	Hepatic encephalopathy (Children)	Alfasigma S.p.A (Italy)
Phase II	AKP-009	To be decided	Benign prostatic hyperplasia	In-house Co-development: KYORIN Pharmaceutical Co., Ltd.
Phase I · II	LF111	Drospirenone	Oral contraceptive	Insud Pharma
Phase I	AKP-501	Folitropin gamma	Infertility	Co-development: JCR Pharmaceuticals Co., Ltd.
Phase I	L-105	Rifaximin	Crohn's disease	Alfasigma S.p.A (Italy)

(3) (Consolidated) Capital Expenditures, Depreciation, Research and development expenses

1. Capital Expenditures

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Six months ended	1,293	401
Full year	2,240	(Forecast) 871

2. Depreciation

	As of March 31, 2020	As of March 31, 2021
Six months ended	1,788	1,797
Full year	3,669	(Forecast) 3,299

3. Research and development expenses

	As of March 31, 2020	As of March 31, 2021
Six months ended	2,459	2,338
Full year	4,913	(Forecast) 4,575