

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 11, 2021

Company name: ASKA Pharmaceutical Co., Ltd
 Stock exchange listing: -
 Stock code: - 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 of ordinary general meeting of shareholders : June 24, 2021
 Scheduled date to file Securities Report : June 24, 2021
 Scheduled date to commence dividend payments : June 25, 2021
 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 Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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	%
Year Ended March 31, 2021	55,181	5.0	3,609	139.5	3,092	80.2	2,713	317.7
Year Ended March 31, 2020	52,542	12.5	1,507	(15.5)	1,715	(13.4)	649	(62.8)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year Ended March 31, 2021	95.72	—	6.3	3.8	6.5
Year Ended March 31, 2020	22.96	—	1.5	2.1	2.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	%
As of March 31, 2021	82,582	44,510	53.9	1,568.89
As of March 31, 2020	80,239	41,573	51.8	1,467.58

(3) Consolidated cash

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	6,541	(2,866)	(455)	10,514
Year ended March 31, 2020	(492)	(2,927)	(392)	7,294

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	7.00	—	10.00	17.00	481	74.0	1.1
Year ended March 31, 2021	—	7.00	—	7.00	14.00	398	14.6	0.9

3. Forecast of consolidated financial results for the Year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

For details regarding Forecast of consolidated financial results of ASKA Pharmaceutical Holdings Co., Ltd., please refer to **“Announcement of the Full-Term Forecasts and Dividend Forecasts for the Year Ending March 2022”** announced on May 11, 2021.

※ Notes

(1) Changes in significant subsidiaries during the Year ended March 31, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates
 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	30,563,199	As of March 31, 2020	30,563,199
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2) Number of treasury shares at the end of the period

As of March 31, 2021	2,192,300	As of March 31, 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 March 31, 2021	28,352,937	As of March 31, 2020	28,289,349
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Note: ASKA Pharmaceutical Co., Ltd. established ASKA Pharmaceutical Holdings Co., Ltd., a wholly-owned parent company through a sole share transfer on April 1, 2021, and became a wholly owned subsidiary of the company.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	7,294	10,514
Notes and accounts receivable	13,792	13,153
Merchandise and finished goods	9,087	9,177
Work in process	353	585
Raw materials and supplies	4,602	4,610
Other	2,196	1,891
Allowance for doubtful accounts	0	0
Total current assets	37,326	39,932
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,123	17,159
Accumulated depreciation	(11,478)	(11,771)
Buildings and structures, net	5,644	5,388
Machinery, equipment and vehicles	19,090	18,951
Accumulated depreciation	(16,093)	(16,721)
Machinery, equipment and vehicles, net	2,996	2,230
Land	4,327	4,319
Construction in progress	106	299
Other	4,685	4,450
Accumulated depreciation	(4,221)	(4,012)
Other, net	463	438
Total property, plant and equipment	13,539	12,675
Intangible assets		
Intangible assets in progress	8,446	8,421
Other	5,137	3,471
Total intangible assets	13,584	11,893
Investments and other assets		
Investment securities	9,794	12,503
Deferred tax assets	3,670	3,513
Other	2,342	2,082
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	15,789	18,081
Total non-current assets	42,913	42,650
Total assets	80,239	82,582

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable -trade	3,239	3,023
Electronically recorded obligations - operating	2,801	3,432
Short(Long)-term loans payable	450	350
Current portion of long-term borrowings	2,298	2,298
Accounts payable – other	4,979	4,490
Income taxes payable	228	936
Provision for bonuses	984	1,138
Allowance for bonuses for directors and company auditors	13	13
Other	2,131	1,052
Total current liabilities	17,127	16,737
Non-current liabilities		
Long-term loans payable	13,671	13,747
Provision for environmental measures	820	820
Retirement benefit liabilities	6,655	6,419
Other	390	348
Total non-current liabilities	21,537	21,334
Total liabilities	38,665	38,072
Net assets		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	928	928
Retained earnings	39,560	41,790
Treasury shares	(2,191)	(2,139)
Total shareholders' equity	39,495	41,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,293	2,824
Foreign currency translation adjustment	(9)	(47)
Remeasurements of defined benefit plans	(205)	(44)
Total accumulated other comprehensive income	2,078	2,733
Total net assets	41,573	44,510
Total liabilities and net assets	80,239	82,582

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	52,542	55,181
Cost of sales	28,525	29,798
Gross profit	24,016	25,383
Selling, general and administrative expenses	22,509	21,773
Operating profit	1,507	3,609
Non-operating income		
Interest income	0	0
Dividend income	228	237
Expenses of real estate rent	132	53
Other	63	74
Total non-operating income	424	366
Non-operating expenses		
Interest expenses	64	59
Equity in losses of affiliates	—	453
Suspended fixed asset costs	—	185
Other	151	186
Total non-operating expenses	216	883
Ordinary profit	1,715	3,092
Extraordinary income		
Gain on sales of investment securities	—	491
Capital gains on insurance agency business	49	—
Total extraordinary income	49	491
Extraordinary losses		
Loss on impairment	349	8
Loss on devaluation of investment securities	110	—
Research center transfer expenses	403	—
Total extraordinary losses	862	8
Profit (loss) before income taxes	901	3,575
Income taxes - current	359	998
Income taxes - deferred	(107)	(136)
Total income taxes	252	861
Net income	649	2,713
Profit (loss) attributable to owners of parent	649	2,713

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	649	2,713
Other comprehensive income		
Valuation difference on available-for-sale securities	(837)	531
Remeasurements of defined benefit plans, net of tax	(65)	161
Share of other comprehensive income of associates accounted for using equity method	(14)	(38)
Total other comprehensive income	(917)	655
Comprehensive income	(267)	3,368
Details		
Comprehensive income attributable to owners of parent	(267)	3,368

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	901	3,575
Depreciation	3,669	3,305
Impairment loss	349	8
Depreciation and amortization on other	92	57
Increase (decrease) in net defined benefit liability	(27)	(75)
Increase (decrease) in allowance for doubtful accounts	0	0
Interest and dividend income	(228)	(238)
Interest expenses	64	59
Share of (profit) loss of entities accounted for using equity method	(7)	453
Loss (gain) on disposal of property, plant and equipment	3	(1)
Loss (gain) on sales of investment securities	—	(491)
Decrease (increase) in notes and accounts receivable – trade	(8,472)	639
Decrease (increase) in inventories	2,215	(330)
Increase (decrease) in notes and accounts payable – trade	(1,057)	392
Increase (decrease) in accrued consumption taxes	2,273	(1,086)
Decrease (increase) in other assets	(955)	346
Increase (decrease) in other liabilities	672	(196)
Other,	221	171
Subtotal	(284)	6,588
Interest and dividends received	228	238
Interest paid	(67)	(58)
Income taxes paid	(370)	(225)
Cash flows from operating activities	(492)	6,541
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,058)	(1,028)
Purchase of intangible assets	(206)	(76)
Purchase of investment securities	(65)	—
Proceeds from sales of investment	—	599
Purchase of shares of subsidiaries and associates	—	(2,342)
Other, net	(597)	(18)
Cash flows from investing activities	(2,927)	(2,866)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	—	(100)
Proceeds from long-term loans payable	3,000	2,500
Repayments of long-term loans payable	(3,048)	(2,423)
Net decrease (increase) in treasury shares	54	52
Dividends paid	(398)	(484)
Cash flow from financing activities	(392)	(455)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(3,812)	3,219
Cash and cash equivalents at beginning of period	11,107	7,294
Cash and cash equivalents at end of period	7,294	10,514

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 A c t u a l)

(Billions of yen)

Therapeutic category	Products	FY2020 Actual	FY2021 Actual	YOY(%)	FY2022 Forecast
Antihypertensive agent	CANDESARTAN※	13.22	12.33	(6.8)	10.61
Thyroid hormone	THYRADIN	6.89	7.21	4.6	7.28
GnRH antagonist	RELUMINA	2.62	5.71	118.3	7.26
LH-RH derivative	LEUPRORELIN	4.79	4.50	(6.1)	3.92
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA	3.78	4.33	14.7	5.30
Dysmenorrhea agent	FREWELL	2.25	2.95	31.3	2.66
Antithyroid agent	MERCAZOLE	1.38	1.40	1.5	1.47
Antihypertensive agent	AMLODIPINE	1.44	1.29	(10.0)	1.10
Hyperlipidemic agent	LIPIDIL	1.37	1.10	(20.0)	0.72
Amyotrophic lateral sclerosis agent	RILUZOLE	0.85	1.08	28	1.03
Oral Contraceptive	ANGE	1.01	0.91	(10.0)	1.02
Tocolytic agent Inhibitory and therapeutic agent for the onset of eclampsia	MAGSENT	0.06	0.91	1,536.3	0.70

※Including compounding agents

(2) Product Pipeline

Pipeline (as of May 11, 2021)

Stage	Development code	Generic name	Indication	Origin
Filed	CDB-2914	Ulipristal Acetate	Uterine Fibroids	Laboratoire HRA Pharma,SA (France)
Filed	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	Ludaterone Acetate	Benign prostatic hyperplasia	In-house Co-development: KYORIN Pharmaceutical Co., Ltd.
Phase I · II	LF111	Drospirenone	Oral contraceptive	Insud Pharma (Spain)
Phase I	L-105	Rifaximin	Crohn's disease	Alfasigma S.p.A (Italy)

※ Changes from the previous time

The joint development of AKP-501, which was in the Phase I, has been terminated based on the agreement between the two companies.

(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	As of March 31, 2022
Full term	2,240	766	(Forecast) 718

2. Depreciation (Millions of yen)

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
Full term	3,669	3,305	(Forecast) 2,913

3. Research and development expenses (Millions of yen)

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
Full term	4,913	4,709	(Forecast) 3,883