

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

February 6, 2023

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 : February 9, 2023
 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 third quarter ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Third quarter of FY2022	47,259	7.0	5,041	7.8	5,246	9.5	4,183	2.5
Third quarter of FY2021	44,179	-	4,677	-	4,790	-	4,082	-

Note: Comprehensive income
 Third quarter of FY2022 (Millions of yen) 5,538 (30.1%)
 Third quarter of FY2021 (Millions of yen) 4,256 (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Third quarter of FY2022	148.19		-	
Third quarter of FY2021	143.76		-	

Note: There are no percentage change from the third quarter of the fiscal year ended 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 December 31, 2022	90,794		54,080		59.6	
As of March 31, 2022	83,297		48,892		58.7	

Reference: Tangible net worth
 As of December 31, 2022 (Millions of yen) 54,080
 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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	-	7.00	-	8.00	15.00
Year ending March 31, 2023	-	8.00	-	-	-
Year ending March 31, 2023 (Forecast)				8.00	16.00

Notes: 1. Revision from the dividend forecast currently announced: No
 2. Dividend resources for the second quarter FY2021 are from other capital surplus.

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	60,000	6.0	5,200	8.4	5,300	8.6	4,200	(2.1)	148.88

Note: Revision from dividend forecast currently announced: No

Notes:

- (1) Changes in significant subsidiaries during the third 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 December 31, 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 December 31, 2022	2,287,061	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)

Third quarter of FY2022	28,227,429	Third quarter of FY2021	28,397,461
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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. Qualitative Information on Quarterly Financial Results (3) 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 third 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 the global economic impact of the prolonged Russia-Ukraine crisis, rising prices of energy and raw materials due to a decrease in the value of the yen on international currency markets as well as supply chain disruption. Even under such conditions, however, the Group's business continued to show favorable results from the previous fiscal year, mainly due to the growth of new products and further cost reduction efforts.

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

	Third Quarter of FY2021 Consolidated Cumulative Period (Millions of yen)	Third Quarter of FY2022 Consolidated Cumulative Period (Millions of yen)	Actual (Millions of yen)	Growth (%)
Net sales	44,179	47,259	3,079	7.0
Operating profit	4,677	5,041	364	7.8
Ordinary profit	4,790	5,246	456	9.5
Profit attributable to owners of parent	4,082	4,183	100	2.5

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 large-scale growth in the uterine fibroid and endometriosis agent RELUMINA (relugolix), to 6,995 million yen (up 22.4% YoY), and steady growth in the dysmenorrhea agent FREWELL (norethisterone/ ethinylestradiol), to 2,718 million yen (up 2.8% YoY). In addition to these, the dysmenorrhea agent DroEthi (drospirenone/ ethinylestradiol), which went on sale in June 2022, largely drove performance with sales of 2,538 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 6,031 million yen (up 3.2% YoY) and those of the poorly absorbable rifamycin antimicrobial agent RIFXIMA (rifaximin) to 4,230 million yen (up 11.5% YoY). In the urology field, sales of the LH-RH derivative microcapsule sustained-release agent LEUPRORELIN (leuprorelin) were 3,930 million yen (down 0.1% YoY).

As a result of the above factors, net sales were 41,916 million yen (up 5.6% YoY) in this segment, and segment income was 5,418 million yen (up 10.9% YoY).

(ii) Animal Health business

Sales of the animal health business, which sells products such as veterinary pharmaceuticals and feed additives, grew to 5,187 million yen (up 18.5% YoY), thanks to strong sales of feed additives and other products. Segment income was 417 million yen (up 26.7% YoY).

(iii) Other businesses

Sales results for other businesses, which include clinical testing, medical devices, and supplements, grew to 155 million yen (up 34.0% YoY), although the hair-growth hormone measurement kits introduced in the previous fiscal year made a positive contribution to sales. Segment loss was 26 million yen (vs. a loss of 42 million yen in the same period of the previous year).

(2) Description of Financial Position

(Assets)

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 90,794 million yen, up 7,496 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, notes and accounts receivable - trade, and contract assets, raw materials and supplies, and investment securities despite decreases in securities and intangible assets.

(Liabilities)

Total liabilities at the end of the third quarter of the consolidated fiscal year under review stood at 36,713 million yen, up 2,308 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to increases in notes and accounts payable – trade and in other current liabilities, despite decreases in Electronically recorded obligations - operating. The total of short-term borrowings and long-term borrowings decreased through repayment.

(Net assets)

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 54,080 million yen, up 5,188 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 “Notice of Revisions to the Forecast of Consolidated Financial Results,” published on November 7, 2022.

(4) Description of Research and development

R&D expenses during the third quarter of the consolidated fiscal year stood at 2,866 million yen.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	12,103	18,504
Notes and accounts receivable - trade, and contract assets	14,482	18,148
Securities	5,000	-
Merchandise and finished goods	10,016	10,188
Work in process	457	252
Raw materials and supplies	4,587	7,208
Other	2,911	3,123
Allowance for doubtful accounts	(0)	-
Total current assets	49,557	57,426
Non-current assets		
Property, plant and equipment	10,936	11,000
Intangible assets	6,183	4,716
Investments and other assets		
Investment securities	12,223	13,782
Other	4,414	3,885
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	16,620	17,650
Total non-current assets	33,739	33,368
Total assets	83,297	90,794
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,118	5,959
Electronically recorded obligations - operating	3,723	2,721
Short-term borrowings	1,723	3,343
Other provisions	1,188	554
Other	6,257	8,229
Total current liabilities	16,011	20,809
Non-current liabilities		
Long-term borrowings	12,323	9,629
Retirement benefit liability	5,730	5,943
Other	338	332
Total non-current liabilities	18,393	15,904
Total liabilities	34,404	36,713
Net assets		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	1,867	1,847
Retained earnings	45,833	49,564
Treasury shares	(3,479)	(3,358)
Total shareholders' equity	45,419	49,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,231	4,079
Foreign currency translation adjustment	164	650
Remeasurements of defined benefit plans	77	97
Total accumulated other comprehensive income	3,473	4,828
Total net assets	48,892	54,080
Total liabilities and net assets	83,297	90,794

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	44,179	47,259
Cost of sales	23,485	24,893
Gross profit	20,694	22,366
Selling, general and administrative expenses	16,017	17,324
Operating profit	4,677	5,041
Non-operating income		
Interest income	0	0
Dividend income	251	331
Other	115	70
Total non-operating income	367	402
Non-operating expenses		
Interest expenses	43	38
Expenses of inactive non-current assets	137	40
Other	72	118
Total non-operating expenses	254	197
Ordinary profit	4,790	5,246
Extraordinary income		
Gain on sale of non-current assets	9,425	-
Gain on sale of investment securities	-	121
Total extraordinary income	9,425	121
Extraordinary losses		
Impairment losses	5,921	-
Other	2,444	-
Total extraordinary losses	8,366	-
Profit before income taxes	5,849	5,367
Income taxes – current	1,048	1,036
Income taxes – deferred	717	148
Total income taxes	1,766	1,184
Profit	4,082	4,183
Profit attributable to owners of parent	4,082	4,183

(Quarterly Consolidated Statements of Comprehensive Income)
 (Third quarter of the consolidated fiscal year)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,082	4,183
Other comprehensive income		
Valuation difference on available-for-sale securities	61	858
Remeasurements of defined benefit plans, net of tax	22	20
Share of other comprehensive income of entities accounted for using equity method	89	477
Total other comprehensive income	173	1,355
Comprehensive income	4,256	5,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,256	5,538

(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 third quarter of the consolidated fiscal year (from April 1, 2021 to December 31, 2021)

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	39,685	4,377	116	44,179	-	44,179
Intersegment sales and transfers	-	-	41	41	(41)	-
Total	39,685	4,377	158	44,221	(41)	44,179
Segment profit/loss	4,886	329	(42)	5,173	(495)	4,677

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 (495) 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. Information regarding impairment loss on fixed assets or goodwill, etc. by reporting segment

Not applicable.

II. Current third quarter of the consolidated fiscal year (from April 1, 2022 to December 31, 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	41,916	5,187	155	47,259	-	47,259
Intersegment sales and transfers	-	-	41	41	(41)	-
Total	41,916	5,187	196	47,300	(41)	47,259
Segment profit/loss	5,418	417	(26)	5,809	(767)	5,041

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 (767) 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 third quarter of the previous consolidated fiscal year has been restated to conform to segment categories reflecting this change.

3. Supplemental Material

(1) Sales of Main Products of Business Companies

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 3 Q A c t u a l)

ASKA Pharmaceutical Co., Ltd.

(Millions of yen)

Therapeutic category	Products	FY2021		FY2022		3Q Actual YOY(%)
		3Q Actual	FY2021 Actual	3Q Actual	FY2022 Forecast	
Antihypertensive agent	CANDESARTAN* (candesartan)	9,795	12,394	8,464	10,650	(13.6)
Uterine fibroid and endometriosis agent	RELUMINA (relugolix)	5,713	7,334	6,995	9,318	22.4
Thyroid hormone agent	THYRADIN (levothyroxine)	5,842	7,499	6,031	7,736	3.2
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA (rifaximin)	3,795	4,854	4,230	5,414	11.5
LH-RH derivative microcapsule sustained- release agent	LEUPRORELIN (leuprorelin)	3,932	5,183	3,930	5,025	(0.1)
Dysmenorrhea agent	FREWELL (norethisterone/ ethinylestradiol)	2,643	3,463	2,718	3,478	2.8
Dysmenorrhea agent	DroEthi (drospirenone/ ethinylestradiol)	-	-	2,538	3,376	-
Antithyroid agent	MERCAZOLE (thiamazole)	1,144	1,458	1,163	1,484	1.7
Progesterone hormone agent	LUTEUM (Progesterone)	475	661	918	1,253	93.4
Antihypertensive agent	AMLODIPINE (amlodipine)	848	1,073	710	914	(16.3)

* Including compounding agents

ASKA Animal Health Co., Ltd.

(Millions of yen)

Business field	FY2021		FY2022		3Q Actual YOY(%)
	3Q Actual	FY2021 Actual	3Q Actual	FY2022 Forecast	
Feed additives and materials, and mixed feed	2,676	3,508	3,258	3,855	21.8
Livestock pharmaceuticals	1,166	1,466	1,264	1,532	8.4