

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

May 11, 2023

Company name: ASKA Pharmaceutical Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4886 URL: <https://www.aska-pharma-hd.co.jp/english/>
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 Scheduled date of ordinary general meeting of shareholders : June 27, 2023
 Scheduled date to file Quarterly Report : June 27, 2023
 Scheduled date to commence dividend payments : June 28, 2023
 Supplementary material for financial results : Yes
 Financial results meeting : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating result

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, 2023	60,461	6.8	5,108	6.5	5,232	7.2	4,238	(1.2)
Year ended March 31, 2022	56,607	-	4,795	-	4,880	-	4,290	-

Note: Comprehensive income Year ended March 31, 2023 (Millions of yen) 5,983 (20.1%)
 Year ended March 31, 2022 (Millions of yen) 4,982 (-%)

	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, 2023	150.08	-	8.2	6.1	8.4
Year ended March 31, 2022	151.22	-	8.8	5.9	8.5

Reference: Equity Gains Year ended March 31, 2023 (Millions of yen) (19)
 (Losses) of Affiliated Companies Year ended March 31, 2022 (Millions of yen) 18

Note: There are no percentage change from financial 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	87,138	54,533	62.6	1,928.14
As of March 31, 2022	83,297	48,892	58.7	1,734.80

Reference: Tangible net worth Year ended March 31, 2023 (Millions of yen) 54,533
 Year ended March 31, 2022 (Millions of yen) 48,892

(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, 2023	3,351	(1,126)	(1,820)	17,505
Year ended March 31, 2022	2,842	6,743	(2,996)	17,103

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, 2022	-	7.00	-	8.00	15.00	425	5.3	0.5
Year ended March 31, 2023	-	8.00	-	8.00	16.00	452	10.7	0.9
Year ending March 31, 2024 (Forecast)	-	10.00	-	10.00	20.00		12.8	

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, 2024 (from April 1, 2023 to March 31, 2024)

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	62,000	2.5	5,400	5.7	5,500	5.1	4,400	3.8	155.81

Notes:

- (1) Changes in significant subsidiaries during the Year ended March 31, 2023
(changes in specified subsidiaries resulting from the change in the extent of consolidation): No
- (2) 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
 (Note) Please refer to "3. Consolidated Financial Statements, (5) Notes to the consolidated financial statements".

(3) Number of issued shares (common shares)

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

Year ended March 31, 2023	:	30,563,199	Year ended March 31, 2022	:	30,563,199
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2) Number of treasury shares at the end of the period

Year ended March 31, 2023	:	2,280,061	Year ended March 31, 2022	:	2,379,856
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Year ended March 31, 2023	:	28,239,747	Year ended March 31, 2022	:	28,370,218
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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

(Note on forward-looking statements etc.)

- 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. Operating Results, (4) Future Outlook" on page 4 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.
- The Company plans to hold a briefing on financial results for institutional investors and securities analysts on May 18, 2023. The materials used in this briefing will be posted on the Company's website.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Fiscal Year ended March 31, 2023

While economic activities moved toward gradual normalization in the consolidated fiscal year under review as restrictions on activities due to COVID-19 were released, the future outlook remained uncertain due to factors such as the economic impact of cost increases such as skyrocketing prices of energy and raw materials. Other factors contributing to a more challenging business environment in the pharmaceuticals industry include annual drug price revisions launched in April 2021 to curb drug costs. 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 consolidated fiscal year are described below.

	FY2021 Consolidated Cumulative Period (Millions of yen)	FY2022 Consolidated Cumulative Period (Millions of yen)	Actual (Millions of yen)	Growth (%)
Net sales	56,607	60,461	3,853	6.8
Operating profit	4,795	5,108	312	6.5
Ordinary profit	4,880	5,232	351	7.2
Profit attributable to owners of parent	4,290	4,238	(51)	(1.2)

The Group's net sales in the consolidated fiscal year under review were 60,461 million yen, up 3,853 million yen year on year (YoY). This was due mainly to increased sales in the Animal Health Business, which experienced favorable sales of feed additives, in addition to growth in the Medical Pharmaceuticals Business driven by the introduction of new products and other factors. Cost of sales was 31,876 million yen, down 0.7% YoY, resulting in an increase of 2,233 million yen in gross profit to 28,584 million yen. At the same time, selling, general and administrative expenses rose by 1,920 million yen YoY to 23,476 million yen, and as a result operating profit was up 312 million yen YoY to 5,108 million yen, for a ratio of operating profit to net sales of 8.4%. Ordinary profit was 5,232 million yen, after recording 433 million yen in non-operating income and 308 million yen in non-operating expenses. While we recorded 124 million yen during the period in extraordinary income associated with sale of investment securities, due to factors including a rebound from the recording of extraordinary income associated with sale of property, plant, and equipment in the same period last year, profit for the period attributable to owners of parent was down 51 million yen to 4,238 million yen.

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 8,839 million yen (up 20.5% YoY), and steady growth in the dysmenorrhea agent FREWELL (norethisterone/ ethinylestradiol), to 3,489 million yen (up 0.8% YoY), despite more than approximately 10% reduction in the NHI price revision in April 2022. In addition to these, the dysmenorrhea agent DroEthi (drospirenone/ ethinylestradiol), which went on sale in June 2022, largely drove performance with sales of 3,671 million yen. Furthermore, both the major products of internal medicine, the thyroid hormone agent THYRADIN and the poorly absorbable rifamycin antimicrobial agent RIFXIMA, for which we carried out activities intended to achieve its solid incorporation into clinical practice guidelines, showed steady growth, of 7,733 million yen (up 3.1% YoY) and 5,397 million yen (up 11.2% YoY), respectively. In the urology field, sales of the LH-RH derivative microcapsule sustained release agent LEUPRORELIN were 4,999 million yen (down 3.6% YoY).

As a result of the above factors, net sales were 53,579 million yen (up 5.5% YoY) in this segment, and segment profit was 5,779 million yen (up 13.6% YoY).

(ii) Animal health business

Sales of the animal health business, which sells products such as veterinary pharmaceuticals and feed additives, grew to 6,660 million yen (up 18.3% YoY), thanks to strong sales of feed additives products. Segment profit was 409 million yen (up 8.6% YoY).

(iii) Other businesses

Sales results for other businesses, which include clinical testing, medical devices, and supplements, grew to 220 million yen (up 19.0% YoY). The hair-growth hormone measurement kits that launched in the previous fiscal year made a positive contribution to sales. However, Segment loss was 6 million yen (vs. a loss of 16 million yen in the same period of the previous year).

(iv) Research and development

The Company carried out research and development including progress on drug-development research and clinical development centered on the internal medicine, obstetrics and gynecology, and urology areas that are the three core businesses of ASKA Pharmaceutical Co., Ltd. along with proactive deployment of introduction and derivation activities and business alliance strategies.

In the area of clinical development, as described under “4. Supplemental material: (2) Product Pipeline” three clinical trials are underway. Phase III trials are in process for LF111 (drospirenone), intended for contraceptive indications. For AKP-009 (ludaterone), now under joint development with Kyorin Pharmaceutical Co., Ltd., plans call for more additional Phase I trials based on the results of assessment of the additional Phase I trials conducted to check on maximum effects based on the results of Phase IIa trials. Phase III trials have begun for TRM-270, which is under joint development with Toray Industries, Inc. Furthermore, preparations for application for approval are underway for L-105 (rifaximin) following addition of indications for (pediatric) hepatic encephalopathy, since its Phase II/III trials are complete. We suspended development of L-105 for Crohn’s disease.

Preparations for development are underway for the two pre-development themes of the Relugolix Combination Tablets (development code: AKP-022), for which we acquired exclusive development rights and exclusive sales rights in Japan from Takeda Pharmaceutical Company Limited in September 2021, and transnasal testosterone (AKP-017). In addition, multiple themes are in the nonclinical stage following efforts including securing drug development prospects through open innovation activities in addition to our proprietary technologies.

In licensing activities in FY2022, in June 2022 we concluded a licensing agreement on development and sales rights in South Korea to the drospirenone oral contraceptive for which ASKA Pharmaceutical Co., Ltd. currently is conducting clinical trials in Japan.

In February 2023, we concluded an agreement with Epsilon Molecular Engineering (EME) on joint R&D intended to develop next-generation VHH antibody drugs in the field of obstetrics and gynecology using EME’s proprietary VHH discovery platform “The Month.”

Based on the above factors, R&D expenses in the period ended March 31, 2023 were 4,227 million yen (up 629 million yen YoY).

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Total assets at the end of the consolidated fiscal year under review stood at 87,138 million yen, up 3,840 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, and others, despite decreases in distributorship and securities.

(Liabilities)

Total liabilities at the end of the consolidated fiscal year under review stood at 32,604 million yen, down 1,800 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to decreases in long-term borrowings including current portion, and electronically recorded obligations - operating.

(Net assets)

Total assets at the end of the consolidated fiscal year under review stood at 54,533 million yen, up 5,641 million yen from the end of the consolidated fiscal previous 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 62.6%, up 3.9 percentage points from the end of the previous consolidated fiscal year.

(3) Overview of Cash Flow Position for the Current Fiscal Year

The balance of cash and cash equivalents at the end of the current consolidated fiscal year stood at 17,505 million yen, up

402 million yen from the end of the previous consolidated fiscal year.

The standing of each type of cash flow for the current fiscal year, and major contributing factors of each, are summarized below.

(Cash flows from operating activities)

Net cash provided by operating activities was 3,351 million yen (vs. a gain of 2,842 million yen in the same period of the previous year), due mainly to profit before income taxes, impairment, and depreciation, which more than offset proceeds from sale of property, plant and equipment.

(Cash flows from investing activities)

Net cash used by investing activities was 1,126 million yen (vs. a gain of 6,743 million yen in the same period of the previous year). This was due mainly to acquisition of property, plant, and equipment and of securities.

(Cash flows from financing activities)

Net cash used in financing activities was 1,820 million yen (vs. a loss of 2,996 million yen in the same period of the previous year). This was due mainly to repayments of long-term borrowings.

(4) Future Outlook

Challenging business conditions are expected to continue in the Group's core pharmaceutical business, due to anticipated increases in energy prices and costs of raw materials and supplies as well as the effects of measures to curb medical care costs through means such as annual NHI drug price revisions.

Under the Medium-Term Management Plan that took effect beginning in FY2021, we are targeting Groupwide net sales of 70 billion yen, operating profit of 8%, and ROE of 8% in FY2025, as we aim to be a total healthcare company based on specialty pharma. While, as described under "(1) Operating Results for the Fiscal Year ended March 31, 2023," we have maintained solid financial results in both FY2021 and FY2022 thanks to the efforts of each Group Company, we will carry out Groupwide initiatives toward realization of these goals through further steady execution of growth strategies. In addition, to promote sustainability management further, in April 2023 we appointed a Director responsible for sustainability and established a new specialized section within the holding company organization to promote sustainability, in addition to the ESG Committee established in April 2021. Through efforts targeting the 17 material issues identified by the Group, centered on these organizations, we will aim to help realize a sustainable society and for sustained growth through creation of social value and increasing corporate value over the medium to long term.

Full-year consolidated performance forecasts for the period ending March 2024 (from April 1, 2023 to March 31, 2024)

	FY2022 Consolidated Cumulative Period (Millions of yen)	FY2023 Consolidated Cumulative Period (Millions of yen)	Actual (Millions of yen)	Growth (%)
Net sales	60,461	62,000	1,538	2.5%
Operating profit	5,108	5,400	291	5.7%
Ordinary profit	5,232	5,500	267	5.1%
Profit attributable to owners of parent	4,238	4,400	161	3.8%

Despite the impact of annual NHI drug price revisions, the Group's main business of pharmaceutical drugs is projected to record consolidated net sales of 62,000 million yen (up 2.5% YoY), thanks in part to the contributions of growth in obstetrics and gynecology products such as RELUMINA. A look at profits shows projections of 5,400 million yen (up 5.7% YoY) in operating profit, 5,500 million yen (up 5.1% YoY) in ordinary profit, and 4,400 million yen (up 3.8% YoY) in profit attributable to owners of parent with the increase in gross profit on sales due to higher sales, despite expectations of increases in costs accompanying normalization of business activities in addition to growth in R&D expenses.

(5) Basic Policy on Distribution of Earnings and Dividends in This and the Following Period

The Company's basic policy calls for continued stable dividends while taking into comprehensive consideration matters such as internal reserves for long-term business development. Internal reserves are utilized to enhance the corporate

constitution, targeting sustained future growth, through investment in areas such as R&D and production facilities. At the same time, we also recognize appropriate distribution of earnings reflecting revenue levels to be an important topic of management.

Based on the above considerations, and reflecting recent trends in business performance, we plan to pay year-end dividends of 8 yen per share, combined with the interim dividends of 8 yen per share already paid. This will result in annual dividends of 16 yen per share.

We plan to distribute earnings in the next period through an increase in annual dividends to 20 yen per share (interim and year-end dividends of 10 yen per share, respectively).

2. Basic Thinking on Selection of Accounting Standards

To facilitate comparison of the consolidated financial statements of different fiscal periods and different companies, the Group's current policy is to use Japanese accounting standards in preparation of consolidated financial statements.

The Company intends to respond appropriately to application of International Financial Reporting Standards (IFRS) by taking into account domestic and international conditions.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	12,103	14,505
Accounts receivable - trade	14,482	15,217
Securities	5,000	3,400
Merchandise and finished goods	10,016	10,815
Work in process	457	429
Raw materials and supplies	4,587	6,443
Other	2,911	2,948
Allowance for doubtful accounts	(0)	-
Total current assets	49,557	53,759
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,872	9,949
Accumulated depreciation	(5,311)	(5,568)
Buildings and structures, net	4,560	4,381
Machinery, equipment and vehicles	17,478	17,612
Accumulated depreciation	(15,746)	(16,266)
Machinery, equipment and vehicles, net	1,732	1,346
Land	4,249	4,249
Other	3,581	4,026
Accumulated depreciation	(3,187)	(3,208)
Other, net	393	818
Total property, plant and equipment	10,936	10,796
Intangible assets		
Distributorship	5,366	3,673
Other	816	791
Total intangible assets	6,183	4,465
Investments and other assets		
Investment securities	12,223	14,385
Deferred tax assets	2,376	1,717
Other	2,037	2,031
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	16,620	18,117
Total non-current assets	33,739	33,378
Total assets	83,297	87,138

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,118	2,838
Electronically recorded obligations - operating	3,723	3,022
Short-term borrowings	300	300
Current portion of long-term borrowings	1,423	3,138
Accounts payable - other	4,867	4,947
Provision for bonuses	1,160	1,142
Provision for bonuses for directors (and other officers)	28	24
Other	1,389	2,235
Total current liabilities	16,011	17,650
Non-current liabilities		
Long-term borrowings	12,323	9,185
Retirement benefit liability	5,730	5,433
Other	338	335
Total non-current liabilities	18,393	14,954
Total liabilities	34,404	32,604
Net assets		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	1,867	1,847
Retained earnings	45,833	49,619
Treasury shares	(3,479)	(3,350)
Total shareholders' equity	45,419	49,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,231	4,590
Foreign currency translation adjustment	164	405
Remeasurements of defined benefit plans	77	222
Total accumulated other comprehensive income	3,473	5,218
Total net assets	48,892	54,533
Total liabilities and net assets	83,297	87,138

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	56,607	60,461
Cost of sales	30,255	31,876
Gross profit	26,351	28,584
Selling, general and administrative expenses	21,556	23,476
Operating profit	4,795	5,108
Non-operating income		
Interest income	0	0
Dividend income	258	338
Other	120	94
Total non-operating income	379	433
Non-operating expenses		
Interest expenses	56	50
Foreign exchange losses	11	43
Loss on disposal of non-current assets	43	52
Expenses of inactive non-current assets	155	53
Contribution of ESOP trust	-	51
Other	27	57
Total non-operating expenses	294	308
Ordinary profit	4,880	5,232
Extraordinary income		
Gain on sale of non-current assets	9,425	-
Gain on sale of investment securities	-	124
Other	258	-
Total extraordinary income	9,683	124
Extraordinary losses		
Impairment losses	5,953	-
Loss on valuation of investment securities	1,151	-
Contract termination fees	870	-
Other	425	-
Total extraordinary losses	8,400	-
Profit before income taxes	6,163	5,357
Income taxes - current	983	1,108
Income taxes - deferred	890	10
Total income taxes	1,873	1,118
Profit	4,290	4,238
Profit attributable to owners of parent	4,290	4,238

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,290	4,238
Other comprehensive income		
Valuation difference on available-for-sale securities	406	1,371
Remeasurements of defined benefit plans, net of tax	121	144
Share of other comprehensive income of entities accounted for using equity method	164	229
Total other comprehensive income	692	1,745
Comprehensive income	4,982	5,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,982	5,983

(3) Consolidated Statement of Changes in Equity
 Previous consolidated fiscal year (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,197	928	41,790	(2,139)	41,777
Changes of items during period					
Increase/decrease by share transfers		1,165		(1,165)	-
Dividends of surplus		(199)	(199)		(398)
Profit attributable to owners of parent			4,290		4,290
Purchase of treasury stock				(318)	(318)
Disposal of treasury stock		(27)		144	117
Change of scope of equity method			(47)		(47)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	938	4,043	(1,339)	3,642
Balance at the end of current period	1,197	1,867	45,833	(3,479)	45,419

	Total accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	2,824	(47)	(44)	2,733	44,510
Changes of items during period					
Increase/decrease by share transfers					-
Dividends of surplus					(398)
Profit attributable to owners of parent					4,290
Purchase of treasury stock					(318)
Disposal of treasury stock					117
Change of scope of equity method		47		47	0
Net changes of items other than shareholders' equity	406	164	121	692	692
Total changes of items during period	406	211	121	739	4,381
Balance at the end of current period	3,231	164	77	3,473	48,892

Current consolidated fiscal year (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,197	1,867	45,833	(3,479)	45,419
Changes of items during period					
Dividends of surplus			(452)		(452)
Profit attributable to owners of parent			4,238		4,238
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(19)		129	109
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(19)	3,785	129	3,895
Balance at the end of current period	1,197	1,847	49,619	(3,350)	49,315

	Total accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	3,231	164	77	3,473	48,892
Changes of items during period					
Dividends of surplus					(452)
Profit attributable to owners of parent					4,238
Purchase of treasury stock					(0)
Disposal of treasury stock					109
Net changes of items other than shareholders' equity	1,359	241	144	1,745	1,745
Total changes of items during period	1,359	241	144	1,745	5,641
Balance at the end of current period	4,590	405	222	5,218	54,533

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6,163	5,357
Depreciation	2,885	3,127
Impairment losses	5,953	-
Increase (decrease) in retirement benefit liability	(566)	(153)
Increase (decrease) in provision for the cost of environmental measures	(820)	-
Interest and dividend income	(258)	(338)
Interest expenses	56	50
Share of loss (profit) of entities accounted for using equity method	(18)	19
Loss (gain) on sale and retirement of property, plant and equipment	(9,419)	6
Loss (gain) on sale of investment securities	-	(124)
Loss (gain) on valuation of investment securities	1,151	-
Contract termination fees	870	-
Decrease (increase) in trade receivables	(1,361)	(742)
Decrease (increase) in inventories	(687)	(2,627)
Increase (decrease) in trade payables	412	(980)
Other, net	503	322
Subtotal	4,863	3,916
Interest and dividends received	292	337
Interest paid	(58)	(51)
Income taxes paid	(1,385)	(850)
Payments of contract termination	(870)	-
Net cash provided by (used in) operating activities	2,842	3,351
Cash flows from investing activities		
Purchase of securities	-	(400)
Purchase of property, plant and equipment	(579)	(461)
Proceeds from sale of property, plant and equipment	10,312	0
Purchase of intangible assets	(1,798)	(285)
Purchase of investment securities	(56)	-
Proceeds from sale of investment securities	11	190
Purchase of shares of subsidiaries and associates	(53)	-
Other, net	(1,091)	(170)
Net cash provided by (used in) investing activities	6,743	(1,126)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	-
Repayments of long-term borrowings	(2,298)	(1,423)
Net decrease (increase) in treasury shares	(248)	55
Dividends paid	(398)	(452)
Net cash provided by (used in) financing activities	(2,996)	(1,820)
Effect of exchange rate change on cash and cash equivalents	(0)	(2)
Net increase (decrease) in cash and cash equivalents	6,589	402
Cash and cash equivalents at beginning of period	10,514	17,103
Cash and cash equivalents at end of period	17,103	17,505

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

(Changes to accounting policies)

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

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Implementation Guidance") since the start of the consolidated fiscal year under review. Pursuant to the transitional treatment described in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the new accounting policies stipulated in the Fair Value Measurement Implementation Guidance will be applied to the future. This change has had no impact on the consolidated financial statements.

Notes on investment trusts in the notes on matters such as a breakdown of financial instruments by level of fair value in the notes on "Financial Instruments" are not provided for the previous consolidated fiscal year in accordance with Paragraph 27-3 of the Fair Value Measurement Implementation Guidance.

(Changes to accounting estimates)

Not applicable.

(Segment information etc.)

Segment information

1. Summary of reporting segments

The Group's reporting segments are constituent units of the Company for which separate financial information can be obtained. They are subject to review at regular intervals by the Board of Directors to make decisions on allocation of corporate resources and to assess business performance.

The Group's chief businesses include manufacture, sale, and import/export of medical pharmaceuticals and other products. Its two reporting segments are the pharmaceuticals business and the animal health business.

The pharmaceuticals business mainly manufactures and sells medical pharmaceuticals.

The animal health business mainly manufactures and sells products such as veterinary pharmaceuticals and feed additives.

Beginning with the consolidated fiscal year under review, the animal health business, which until now has been included under "other" businesses, is indicated as an independent reporting segment, due to an increase in its quantitative importance.

Segment information for the previous consolidated fiscal year has been prepared using business categories reflecting this change.

2. Methods of calculating amounts of net sales, profit/loss, assets, liabilities, and other items per reporting segment

The account processing methods of reporting segments conform to the accounting policies employed in preparation of the consolidated financial statements.

Figures for reporting-segment profits are based on operating profit.

Internal sales or transfers between segments are based on actual market prices.

3. Information regarding amounts of net sales, profit/loss, assets, liabilities, and other items per reporting segment

Previous consolidated fiscal year (April 1, 2021 – March 31, 2022)

(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	50,791	5,630	185	56,607	-	56,607
Intersegment sales and transfers	-	-	73	73	(73)	-
Total	50,791	5,630	259	56,681	(73)	56,607
Segment profit (loss)	5,088	376	(16)	5,449	(653)	4,795
Segment assets	42,910	2,958	90	45,959	37,338	83,297
Other items						
Depreciation and amortization	2,546	4	-	2,551	136	2,687

Notes:

1. The "Other" business segment consists of businesses not included in the reporting segments, including animal health drugs, clinical testing, and medical devices etc.
2. Details of amounts of adjustments are provided below.
 - (1) The adjustment of (653) million yen to segment profit or loss (number in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of expenses related to the parent holding company
 - (2) The adjustment of 37,338 million yen to segment assets consists of companywide assets not allocated to individual business segments, which consist mainly of Company financial assets (cash and deposits, investment securities) not attributable to business segments and assets related to administrative sections.
 - (3) The adjustment of 136 million yen to depreciation consists of depreciation not allocated to individual business segments.
3. Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the consolidated financial statements.

(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	53,579	6,660	220	60,461	-	60,461
Intersegment sales and transfers	-	-	77	77	(77)	-
Total	53,579	6,660	298	60,538	(77)	60,461
Segment profit (loss)	5,779	409	(6)	6,181	(1,073)	5,108
Segment assets	40,135	3,031	42	43,209	43,928	87,138
Other items						
Depreciation and amortization	2,487	4	-	2,491	481	2,972

Notes:

- The "Other" business segment consists of businesses not included in the reporting segments, including animal health drugs, clinical testing, and medical devices.
- Details of amounts of adjustments are provided below.
 - The adjustment of (1073) million yen to segment profit or loss (number in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of expenses related to the parent holding company.
 - The adjustment of 43,928 million yen to segment assets consists of companywide assets not allocated to individual business segments, which consist mainly of Company financial assets (cash and deposits, investment securities) not attributable to business segments and assets related to administrative sections.
 - The adjustment of 481 million yen to depreciation consists of depreciation not allocated to individual business segments.
- Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the consolidated financial statements.

Related information

Previous consolidated fiscal year (April 1, 2021 – March 31, 2022)

1. Information on individual products and services

This information is omitted because the same information was discussed under segment information.

2. Information on individual regions

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales on the Consolidated Statements of Income.

(2) Property, plant and equipment

This information is omitted because no property, plant and equipment are located outside of Japan.

3. Information on individual main customers

(Millions of yen)

Customer name	Net sales	Related segment
Takeda Pharmaceutical Company Limited	49,439	Pharmaceutical business

Current consolidated fiscal year (April 1, 2022 – March 31, 2023)

1. Information on individual products and services

This information is omitted because the same information was discussed under segment information.

2. Information on individual regions

(1) Net sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales on the Consolidated Statements of Income.

(2) Property, plant and equipment

This information is omitted because no property, plant and equipment are located outside of Japan.

3. Information on individual main customers

(Millions of yen)

Customer name	Net sales	Related segment
Takeda Pharmaceutical Company Limited	52,293	Pharmaceutical business

Information on impairment of non-current assets in each reporting segment

Previous consolidated fiscal year (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Pharmaceutical business	Animal health business	Others	Total	elimination or corporate	Amount recorded on consolidated statements of income
Impairment loss	5,941	-	11	5,953	-	5,953

Current consolidated fiscal year (April 1, 2022 – March 31, 2023)

Not applicable.

Information on amortization of goodwill and unamortized balances in each reporting segment

Not applicable.

Information on gain on negative goodwill in each reporting segment

Not applicable.

(Notes to amounts per share)

	Year ended March 31, 2022	Year ended March 31, 2023
Net assets per share	1,734.80 yen	1,928.14 yen
Earnings per share	151.22 yen	150.08 yen

Notes: 1. Diluted profit per share is not indicated because there were no dilutive shares.

2. The bases of calculation of profit per share are described below.

	Year ended March 31, 2022	Year ended March 31, 2023
Profit attributable to owners of parent	4,290 million yen	4,238 million yen
The amount which is not attributable to ordinary shareholders	-	-
Profit attributable to owners of parent related to common stocks	4,290 million yen	4,238 million yen
Average number of shares outstanding during the period	28,370 thousands of shares	28,239 thousands of shares

Shares of Company stock held in the trust account for the employee stock ownership program (58,000 shares in the previous consolidated fiscal year, 8,000 shares in the current consolidated fiscal year) are included in treasury shares deducted from the total number of shares issued and outstanding at the end of the period for purposes of calculation of profit per share.

In addition, treasury shares (88,000 shares in the previous consolidated fiscal year, 32,000 shares in the current consolidated fiscal year), which are deducted in calculation of average number of shares during the period, are included in calculation of profit per share.

(Significant subsequent events)

Not applicable.

4. 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 A c t u a l)

ASKA Pharmaceutical Co., Ltd.

(Millions of yen)

Therapeutic category	Products	FY2021 Actual	FY2022 Actual	Actual YOY (%)	FY2023 Forecast
Antihypertensive agent	CANDESARTAN* (candesartan)	12,394	10,723	(13.5)	9,268
Uterine fibroid and endometriosis agent	RELUMINA (relugolix)	7,334	8,839	20.5	10,128
Thyroid hormone agent	THYRADIN (levothyroxine)	7,499	7,733	3.1	7,833
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA (rifaximin)	4,854	5,397	11.2	5,578
LH-RH derivative microcapsule sustained- release agent	LEUPRORELIN (leuprorelin)	5,183	4,999	(3.6)	4,828
Dysmenorrhea agent	FREWELL (norethisterone/ ethinylestradiol)	-	3,671	-	4,165
Dysmenorrhea agent	DroEthi (drospirenone/ ethinylestradiol)	3,463	3,489	0.8	3,407
Antithyroid agent	MERCAZOLE (thiamazole)	1,458	1,486	2.0	1,513
Progesterone hormone agent	LUTEUM (Progesterone)	661	1,251	89.4	1,363
Antihypertensive agent	AMLODIPINE (amlodipine)	1,073	901	(16.1)	844

* Including compounding agents

ASKA Animal Health Co., Ltd.

(Millions of yen)

Business field	FY2021 Actual	FY2022 Actual	YOY (%)	FY2023 Forecast
Feed additives and materials, and mixed feed	3,508	4,152	18.3	3,832
Livestock pharmaceuticals	1,466	1,685	14.9	1,680

(2) Product Pipeline

Pipeline (as of May 11, 2023)

ASKA Pharmaceutical Co., Ltd.

Stage	Development code	Generic name	Indication	Notes
Preparing for application	L-105	Rifaximin	Hepatic encephalopathy (pediatrics)	Licensors Alfasigma S.p.A (Italy)
Phase III	LF111	Drospirenone	Oral contraceptive	Licensors Insud Pharma (Spain)
Phase III	TRM-270	Adhesion barrier	Prevention of intra-abdominal organ adhesion in the post-operative period in the areas of gastroenterology and, obstetrics and gynecology	Co-development Toray Industries, Inc.
Phase II	AKP-009	Ludaterone Acetate	Benign prostatic hyperplasia	In-house Co-development: KYORIN Pharmaceutical Co., Ltd.

Note: Changes from last time

Regarding L-105 (rifaximin) following addition of indications for (pediatric) hepatic encephalopathy, Phase III trials are complete. Its preparations for application for approval are underway.

We suspended development of L-105 for Crohn's disease.

(3) (Consolidated) Capital Expenditures, Depreciation, Research and Development Expenses

1. Capital Expenditures (Millions of yen)

	FY2021	FY2022	FY2023
Full year	657	1,256	(Forecast) 1,345

2. Depreciation (Millions of yen)

	FY2021	FY2022	FY2023
Full year	2,885	3,127	(Forecast) 2,702

3. Research and Development Expenses (Millions of yen)

	FY2021	FY2022	FY2023
Full year	3,598	4,227	(Forecast) 4,309