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February 13, 2024

To whom it may concern:

TOWA PHARMACEUTICAL CO., LTD.

Notice of Revisions of Financial Forecasts

In view of its recent financial performance, Towa Pharmaceutical Co., Ltd. (Head office: Kadoma, Osaka; President and Representative Director: Itsuro Yoshida) has revised its consolidated financial forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024), which were previously announced on May 15, 2023 at the time of the announcement of financial results for the fiscal year ended March 31, 2023, as follows:

1. Revision of the consolidated financial forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	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
Previous forecast (A)	216,300	11,800	11,500	6,900	140.18
Revised forecast (B)	229,000	15,500	19,500	13,000	264.12
Changes (B-A)	12,700	3,700	8,000	6,100	
Percentage changes	5.9%	31.4%	69.6%	88.4%	
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2023)	208,859	5,514	5,141	2,201	44.72

2. Reason for the revision

With regard to the consolidated financial forecasts for the fiscal year ending March 31, 2024, net sales are expected to exceed the previous forecast due to our response to increased demand for our products.

Operating profit is expected to exceed the previous forecast due to an increase in gross profit due to increased sales, as well as the delays in the consumption of SGA expenses, etc.

Approximately 3.6 billion yen in valuation gains on derivatives were generated in the nine months ended December 31, 2023, and we have assumed that the same amount will be generated in the full-year consolidated results forecast. In evaluating derivatives, it is assumed that market factors such as exchange rates and interest rates, which are factors in calculating profits and losses, have not changed since the end of the third quarter consolidated accounting period. As a result, ordinary profit and profit attributable to owners of parent are expected to exceed the previously announced forecasts.

Note: The above forecasts were prepared on the basis of available information at the time of the release of this notice. Actual performance may differ from the forecasts due to various factors in the future.

End of Notice