

# Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

Company name: TOWA PHARMACEUTICAL CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4553 URL <https://www.towayakuhin.co.jp/>  
 Representative: President and Representative Director Itsuro Yoshida  
 Inquiries: Director Masao Tanaka TEL 06-6900-9102  
 Scheduled date to file Quarterly Securities Report: February 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

### (1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2021	125,613	9.0	16,993	14.9	21,059	61.4	15,000	58.8
Nine months ended December 31, 2020	115,251	36.5	14,786	4.7	13,045	(15.5)	9,447	(13.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	304.80		298.05	
Nine months ended December 31, 2020	191.96		187.48	

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	256,033	130,663	51.0
As of March 31, 2021	245,668	116,599	47.5

## 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, 2021	–	22.00	–	22.00	44.00
Year ending March 31, 2022	–	27.00	–		
Year ending March 31, 2022 (Forecast)				33.00	60.00

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

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	166,700	7.6	19,300	(3.1)	22,110	18.4	15,440	10.6	313.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021  
(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)

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

As of December 31, 2021	51,516,000 shares	As of March 31, 2021	51,516,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	2,301,511 shares	As of March 31, 2021	2,301,475 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	49,214,514 shares	Nine months ended December 31, 2020	49,214,306 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	22,915	16,905
Notes and accounts receivable - trade	38,122	43,431
Electronically recorded monetary claims - operating	7,694	7,696
Merchandise and finished goods	30,083	28,431
Work in process	8,636	10,448
Raw materials and supplies	22,232	26,574
Other	7,638	11,280
Allowance for doubtful accounts	(32)	(125)
Total current assets	137,290	144,641
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	49,093	47,608
Machinery, equipment and vehicles, net	12,628	13,600
Land	13,288	15,371
Construction in progress	8,769	8,520
Other, net	2,119	2,597
Total property, plant and equipment	85,898	87,698
Intangible assets		
Goodwill	7,050	6,611
Other	7,913	9,327
Total intangible assets	14,963	15,938
Investments and other assets		
Investment securities	519	435
Retirement benefit asset	34	25
Other	7,111	7,458
Allowance for doubtful accounts	(148)	(165)
Total investments and other assets	7,516	7,754
Total non-current assets	108,378	111,391
Total assets	245,668	256,033

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	10,000	13,052
Electronically recorded obligations - operating	13,168	13,565
Short-term borrowings	1,111	–
Current portion of bonds with share acquisition rights	–	4,151
Current portion of long-term borrowings	7,181	7,553
Income taxes payable	2,527	3,213
Provisions	100	65
Other	17,426	15,832
<b>Total current liabilities</b>	<b>51,516</b>	<b>57,434</b>
<b>Non-current liabilities</b>		
Bonds with share acquisition rights	4,153	–
Long-term borrowings	69,945	64,617
Retirement benefit liability	540	492
Other	2,912	2,824
<b>Total non-current liabilities</b>	<b>77,552</b>	<b>67,935</b>
<b>Total liabilities</b>	<b>129,069</b>	<b>125,369</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,717	4,717
Capital surplus	7,834	7,834
Retained earnings	108,629	121,218
Treasury shares	(5,626)	(5,626)
<b>Total shareholders' equity</b>	<b>115,554</b>	<b>128,143</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	124	103
Foreign currency translation adjustment	920	2,416
<b>Total accumulated other comprehensive income</b>	<b>1,044</b>	<b>2,519</b>
<b>Total net assets</b>	<b>116,599</b>	<b>130,663</b>
<b>Total liabilities and net assets</b>	<b>245,668</b>	<b>256,033</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	115,251	125,613
Cost of sales	67,164	71,847
Gross profit	48,086	53,766
Selling, general and administrative expenses	33,300	36,772
Operating profit	14,786	16,993
Non-operating income		
Interest income	22	5
Dividend income	5	5
Subsidy income	205	178
Gain on valuation of derivatives	–	3,163
Foreign exchange gains	248	430
Other	334	466
Total non-operating income	816	4,250
Non-operating expenses		
Interest expenses	139	156
Loss on valuation of derivatives	2,345	–
Other	72	27
Total non-operating expenses	2,557	184
Ordinary profit	13,045	21,059
Extraordinary income		
Gain on sale of non-current assets	106	121
Other	–	12
Total extraordinary income	106	134
Extraordinary losses		
Loss on disposal of non-current assets	163	11
Loss on valuation of investment securities	6	58
Total extraordinary losses	169	70
Profit before income taxes	12,982	21,123
Income taxes	3,535	6,122
Profit	9,447	15,000
Profit attributable to owners of parent	9,447	15,000

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	9,447	15,000
Other comprehensive income		
Valuation difference on available-for-sale securities	35	(20)
Foreign currency translation adjustment	128	1,496
Total other comprehensive income	163	1,475
Comprehensive income	9,610	16,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,610	16,475
Comprehensive income attributable to non-controlling interests	—	—