

# Supplementary material for the financial results for the year ended March 31, 2024

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**May 2024**  
(Stock code: 4553)

# Notes to and summary of the disclosure of financial results for 2024/03

## Notes

- In this document, Towa Pharma International Holdings, S.L., our overseas segment, is referred to as “Towa INT.”
- As the fiscal year-end dates of Towa INT and Sunsho Pharmaceutical were changed for consolidated results during the fiscal year ended March 2023, the subsidiaries’ fiscal year ended March 31, 2024 is from April 1, 2023, to March 31, 2024.
- For the purpose of comparing the results for 2024/03 with those for the same period (April to March) of the previous year, the results figures of Towa INT and Sunsho Pharmaceutical for 2023/03 are disclosed as reference figures, with April 1, 2022 to March 31, 2023 replacing January 1, 2022 to March 31, 2023. In this document, these figures have been labeled “2023/03 (adjusted period).”
- Towa INT’s results figures for “2023/03 (adjusted period)” have been calculated by subtracting the yen-based results for the period from January 1 to March 31, 2022, from the yen-based results for the period from January 1, 2022 to March 31, 2023, for convenience of translating local currency-based figures to yen-based figures.  
Therefore, the figures for “2023/03 (adjusted period)” converted using the euro/yen exchange rate during the period from April 1, 2022 to March 31, 2023, do not coincide with the local currency-based figures for said period.
- KAMATA Co., Ltd. (“KAMATA” below), made a subsidiary of Towa in January 2024, will be included in Towa Group’s consolidated balance sheet from 2024/03 and income statement from 2025/03.

# Notes to and summary of the disclosure of financial results for 2024/03

## Summary

- Net sales and profit increased year on year at the overall consolidated level.

Fiscal period	24/3		23/3(adjusted period) (Overseas & Sunsho 12 months)	23/3 (Overseas & Sunsho 15 months)
Item	(JPY billion)	YOY change (%)	(JPY billion)	(JPY billion)
Net sales	227.9	+ 17.4%	194.1	208.8
Operating profit	17.6	+197.4%	5.9	5.5

- Achievement rate for the revised full-year plan announced in February :  
**Net sales: Approx. 99.5%, Operating profit: Approx. 113.9 %** at the overall consolidated level.

Fiscal period	24/3 Results	Revised full-year plan for 24/3 ( announced Feb 13)	
Item	(JPY billion)	(JPY billion)	Achievement rate (%)
Net sales	227.9	229.0	99.5%
Operating profit	17.6	15.5	113.9%

- Production volume (Towa Pharma non-consolidated; tablets and capsules only)
  - **Approx. 13.6 billion tablets, up approx. 5.7%** year on year,  
Achievement rate for the revised full-year plan announced in February: **Approx. 99.3%**
- Sales volume (Towa Pharma non-consolidated; tablets and capsules only)
  - **Approx. 13.3 billion tablets, up approx. 17.6%** year on year  
Achievement rate for the revised full-year plan announced in February: **Approx. 100.9%**
- Increases in raw material costs and utilities expenses (Towa Pharma non-consolidated)
  - Raw materials: Increased by **several percentage points** year on year due to a weaker yen and higher resource prices
  - Utilities expenses: Increased by **approx. 8.3%** year on year  
Utilities expenses accounted for **approx. 2.5%** of total manufacturing costs.

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# Outline of financial results for 2024/03 (Consolidated)

\* Comments below are on the comparison between 2024/03 and 2023/03 (adjusted period):

- Both sales and profit increased due to the strength of Towa Pharmaceutical and Sunsho Pharmaceutical in the domestic segment and mainly due to a weaker yen in the overseas segment.
- Ordinary profit: Increased due mainly to the posting of a 5.5 billion yen gain on valuation of derivatives

(JPY million, %)

Fiscal period	Consolidated earnings						
	24/3			23/3(adjusted period) (Overseas & Sunsho: 12 months)		23/3 (Overseas & Sunsho: 15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	227,934	100.0	+ 17.4	194,107	100.0	208,859	100.0
Cost of sales	146,551	64.3	+ 16.7	125,592	64.7	136,145	65.2
SGA	63,735	28.0	+ 1.8	62,581	32.2	67,199	32.2
Operating profit	17,647	7.7	+ 197.4	5,934	3.1	5,514	2.6
Ordinary profit	24,477	10.7	+ 342.9	5,526	2.8	5,141	2.5
Profit before income taxes	24,459	10.7	+ 390.1	4,990	2.6	4,605	2.2
Profit attributable to owners of parent	16,173	7.1	+ 393.8	3,275	1.7	2,201	1.1

Exchange rate at end of period (TTM)	24/3	23/3	22/3	Exchange rate during period (TTM)	24/3	23/3 12months	23/3 15months
	USD 1	JPY 151.41	JPY 133.53		JPY 122.39	EUR 1	JPY 156.8

Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT and Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.

2. For 2024/03, the USD/JPY exchange rate at the end of the period is the rate as of March 31, 2024, and the EUR/JPY exchange rate during the period is the average rate for the period from April 1, 2023, to March 31, 2024.

# Outline of financial results for 2024/03 (Segment information)

(JPY million)

Item	Reportable segment		Total	Adjustment (Goodwill amortization, etc.)	Consolidated
	Domestic	Overseas			
	Towa Pharmaceutical J-Dolph Pharmaceutical Daichi Kasei Greencaps Pharmaceutical Sunsho Pharmaceutical	Towa INT			
Net sales	178,715	49,324	228,040	- 105	227,934
Cost of sales	112,384	34,205	146,589	- 38	146,551
SGA	44,441	15,107	59,549	4,186	63,735
Segment profit	21,889	11	21,901	- 4,253	17,647

Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT and Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.

2. Since SGA adjustments include goodwill amortization and internal transactions between Towa Pharmaceutical and Towa INT, they do not equal the sum of the following goodwill amortization.

3. Goodwill amortization: Towa INT JPY 967 million; Sunsho Pharmaceutical JPY 3,262 million

# Outline of financial results for 2024/03 (Domestic segment)

\* Comments below are on the comparison between 2024/03 and 2023/03 (adjusted period):

- **Net sales:** Increased due to the growth in sales volume at Towa Pharmaceutical mainly for new items and strong sales at Sunsho Pharmaceutical
- **Segment profit:** Increased due to an increase in sales and a reduction in SGA expenditure, such as R&D expenses, at Towa Pharmaceutical

(JPY million, %)

Fiscal period	Domestic segment (Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, Sunsho Pharmaceutical)						
	24/3			23/3 (adjusted period) (Sunsho: 12 months)		23/3 (Sunsho: 15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	178,715	100.0	+ 18.7	150,588	100.0	155,538	100.0
Cost of sales	112,384	62.9	+ 18.6	94,742	62.9	98,635	63.4
SGA	44,441	24.9	- 1.8	45,237	30.0	45,970	29.6
Segment profit	21,889	12.2	+ 106.3	10,608	7.0	10,931	7.0

Notes: 1. The consolidated fiscal year ended March 31, 2024 for Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Outline of financial results for 2024/03

## (Domestic segment, breakdown)

(JPY million, %)

Fiscal period	Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical				
	24/3			23/3	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	153,720	100.0	+ 20.7	127,355	100.0
Cost of sales	92,809	60.4	+ 22.2	75,973	59.7
SGA	40,510	26.4	- 3.3	41,910	32.9
Segment profit	20,400	13.3	+ 115.4	9,471	7.4

# Outline of financial results for 2024/03

## (Domestic segment, breakdown)

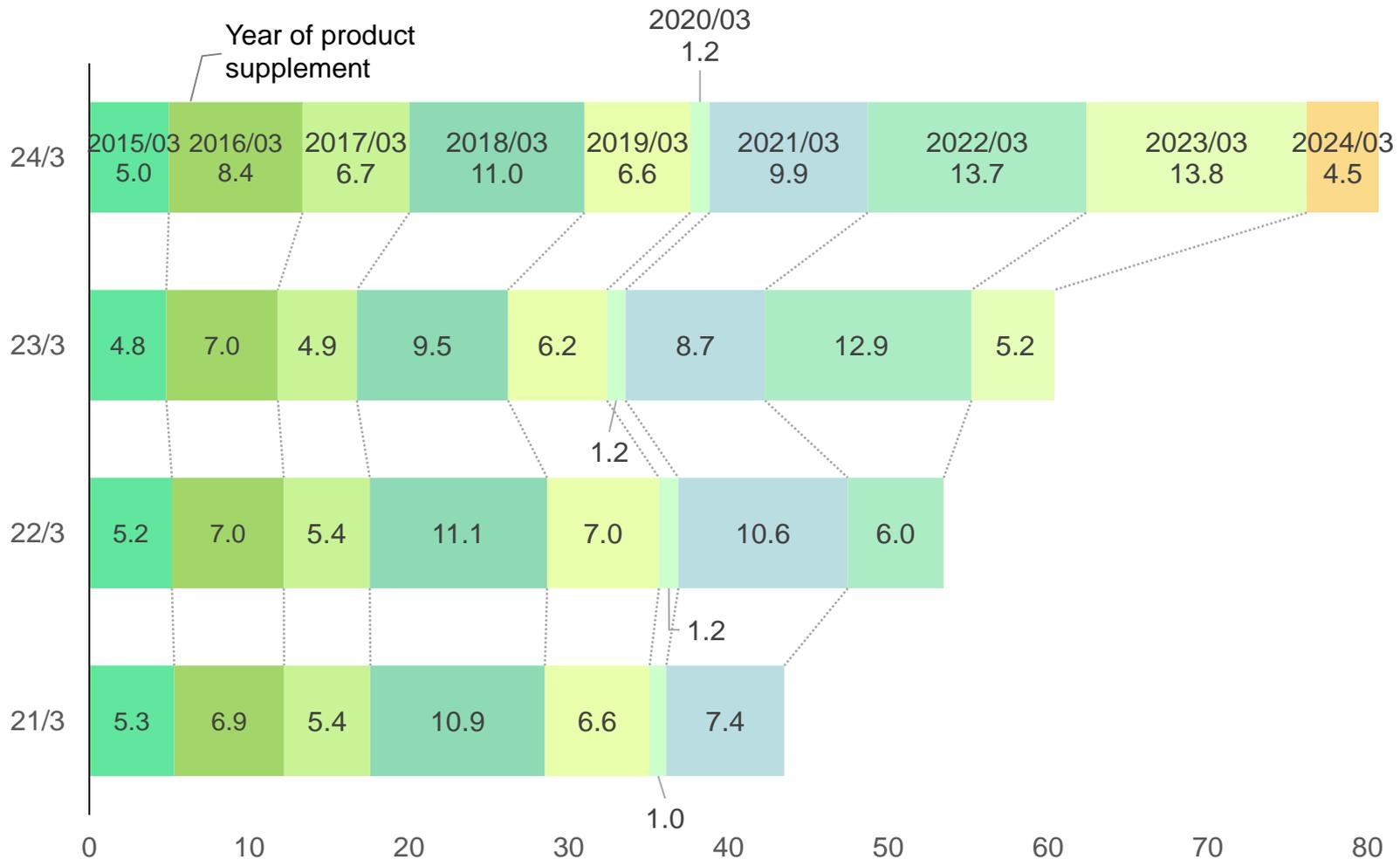
(JPY million, %)

Fiscal period	Sunsho Pharmaceutical						
	24/3			23/3 (adjusted period) (12 months)		23/3 (15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	24,995	100.0	+ 7.6	23,232	100.0	28,182	100.0
Cost of sales	19,574	78.3	+ 4.3	18,768	80.8	22,662	80.4
SGA	3,931	15.7	+ 18.2	3,325	14.3	4,060	14.4
Segment profit	1,489	6.0	+ 30.8	1,138	4.9	1,460	5.2

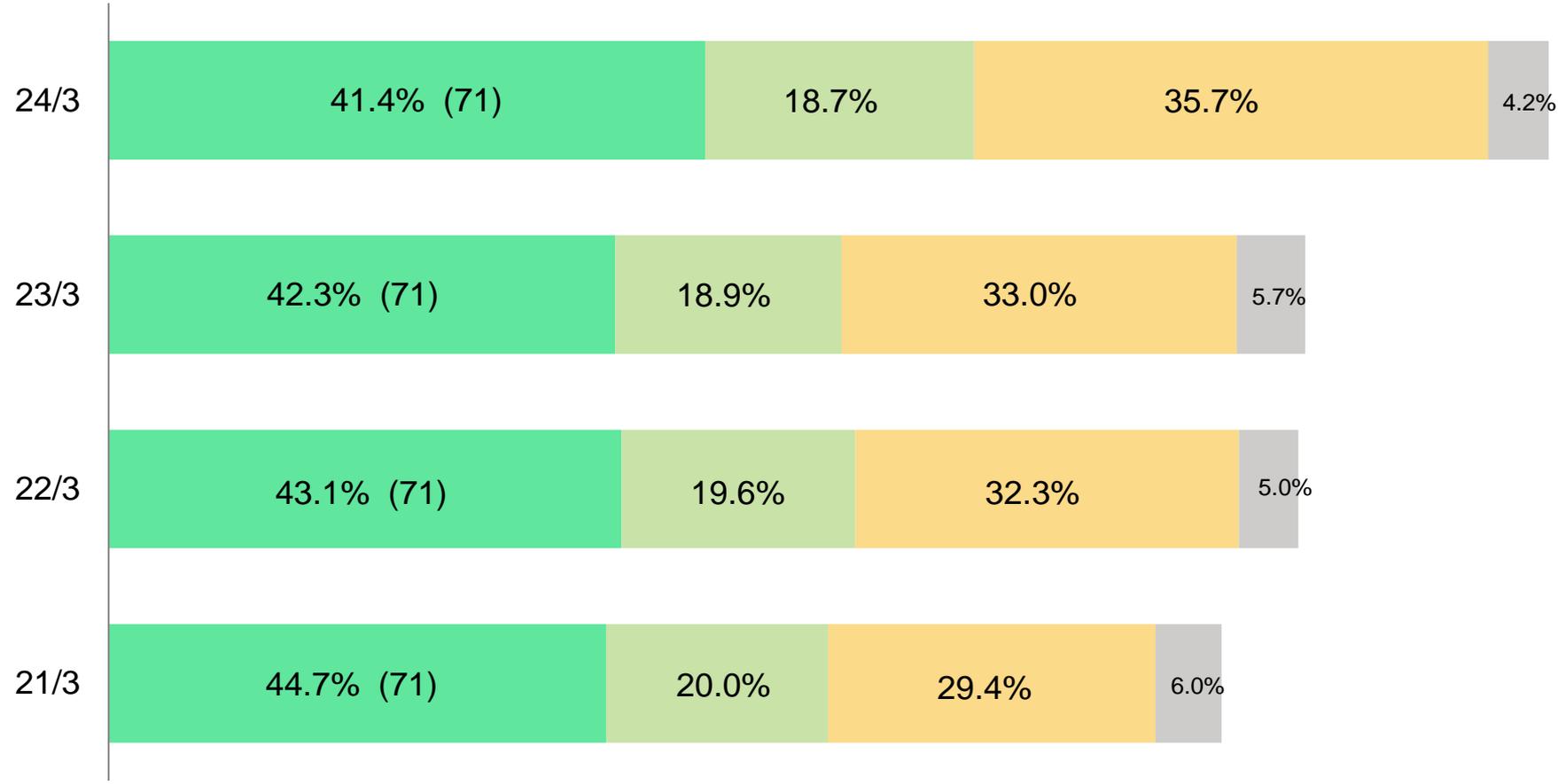
Notes: 1. The consolidated fiscal year ended March 31, 2024 for Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Net sales by supplement year (Towa non-consolidated)

(JPY billion)



# Net sales by distribution channel (Towa non-consolidated)



■ Direct sales   ■ Sales agent   ■ Wholesaler   ■ Other (consignment, sales by other companies, exports)

Figures in brackets indicate the number of sales offices.

# Number of customers by customer segment (Towa non-consolidated)

(Customer, %)

Customer segment	Number of medical institutions	24/3					23/3	
		Number of customers	Coverage (%)	Transaction amount % mix (%)	Change in number of customers	Change in transaction amount (%)	Number of customers	Transaction amount % mix (%)
Hospitals	Approx.8,200	7,612	93.3	10.3	+ 130	+ 14.5	7,482	10.9
DPC	Approx.1,760	1,743	99.1	6.2	+ 23	+ 15.5	1,720	6.4
Clinics	Approx.106,000	31,305	29.5	11.8	+ 1,629	+ 12.1	29,676	12.6
Pharmacies	Approx.62,000	60,066	96.8	77.7	+ 1,607	+ 22.5	58,459	76.3
<b>Total</b>	Approx.176,200	98,983	56.2	100.0	+ 3,366	+ 20.3	95,617	100.0

(Excludes transactions by other companies)

Note: The number of medical institutions is calculated with reference to Nihon Ultmarc Inc's national medical institution data.

# Selling, general and administrative expenses (Domestic segment)

(JPY million, %)

Fiscal period	Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, Sunsho Pharmaceutical				
	24/3			23/3 (adjusted period) (Sunsho: 12 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Personnel	17,384	9.7	+ 1.7	17,090	11.3
Advertising	814	0.5	- 19.4	1,010	0.7
Packing & freight	2,805	1.6	+ 0.1	2,803	1.9
Commissions paid	5,164	2.9	+ 4.6	4,939	3.3
R&D expenses	11,045	6.2	- 9.9	12,262	8.1
Depreciation	1,380	0.8	+ 5.3	1,311	0.9
Other	5,847	3.3	+ 0.5	5,818	3.9
SGA	44,441	24.9	- 1.8	45,237	30.0

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.  
3. Expenses arising in the R&D Division have been reclassified as R&D expenses.

# Outline of financial results for 2024/03 (Overseas segment)

\* Comments below are on the comparison between 2024/03 and 2023/03 (adjusted period):

- **Net sales:** Increased due to good performance in Europe and the weaker yen
- **Segment profit:** Profitable due to an increase in sales and a drop in the cost of sales ratio on the back of improved sales mix in the U.S.

(JPY million, %)

Fiscal period	Overseas segment (Towa INT)						
	24/3			23/3 (adjusted period) (12 months)		23/3 (15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	49,324	100.0	+ 12.9	43,686	100.0	53,487	100.0
Cost of sales	34,205	69.3	+ 10.9	30,849	70.6	37,509	70.1
SGA	15,107	30.6	+ 12.8	13,387	30.6	16,255	30.4
Segment profit (loss)	11	0.0	—	- 551	- 1.3	- 277	- 0.5

Exchange rate during period (TTM) EUR 1	24/3	23/3 12months	23/3 15months
	JPY 156.8	JPY 140.97	JPY 138.85

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Outline of financial results for 2024/03

## (Overseas segment, by region)

(JPY million, %)

Fiscal period	Towa INT Europe						
	24/3			23/3 (adjusted period) (12 months)		23/3 (15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	28,736	100.0	+ 19.7	24,006	100.0	29,373	100.0
Cost of sales	19,604	68.2	+ 26.6	15,485	64.5	18,931	64.5
SGA	10,286	35.8	+ 10.6	9,301	38.7	11,334	38.6
Segment loss	- 1,154	- 4.0	—	- 780	- 3.3	- 892	- 3.0

Exchange rate during period (TTM)	24/3	23/3 12months	23/3 15months
EUR 1	JPY 156.8	JPY 140.97	JPY 138.85

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Outline of financial results for 2024/03

## (Overseas segment, by region)

(JPY million, %)

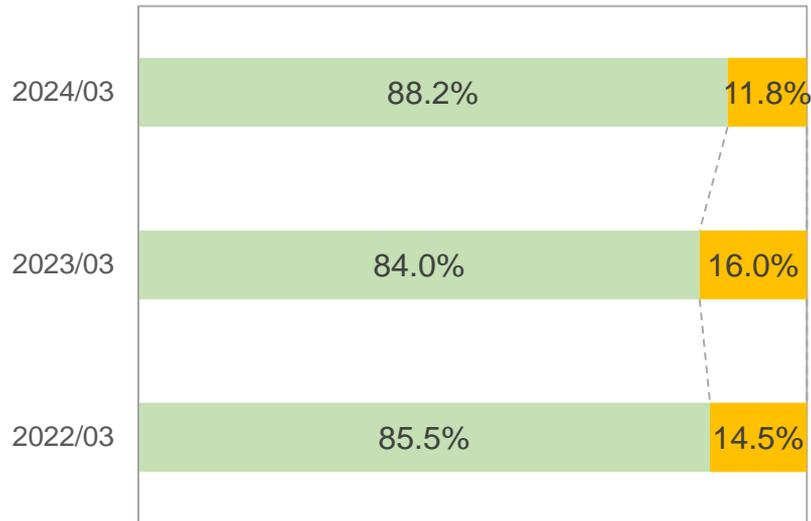
Fiscal period	Towa INT U.S.						
	24/3			23/3 (adjusted period) (12 months)		23/3 (15 months)	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	20,588	100.0	+ 4.6	19,679	100.0	24,114	100.0
Cost of sales	14,601	70.9	- 5.0	15,364	78.1	18,578	77.0
SGA	4,820	23.4	+ 18.0	4,086	20.8	4,921	20.4
Segment profit	1,166	5.7	+ 409.0	229	1.2	614	2.5

Exchange rate during period (TTM) EUR 1	24/3	23/3 12months	23/3 15months	Exchange rate during period (TTM) USD 1	24/3	23/3 12months	23/3 15months
		JPY 156.8	JPY 140.97		JPY 138.85		JPY 144.62

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

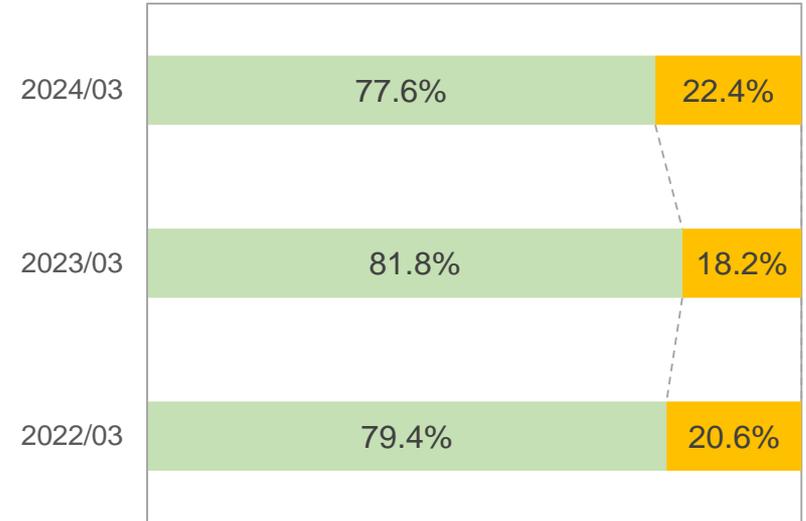
# Sales ratio of products released in the last three years (Overseas segment)

Europe (€ comparison)



- Sales of existing products
- Sales of products released in the last three years

U.S. (\$ comparison)



- Sales of existing products
- Sales of products released in the last three years

\* Sales of products released in the last three years

2022/03: Products released during the period from January 1, 2019 to December 31, 2021

2023/03: Products released during the period from January 1, 2020 to March 31, 2023

2024/03: Products released during the period from January 1, 2021 to March 31, 2024

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# Outline of financial results for 2024/03 – Progress rate (Consolidated)

- **Net sales: Almost as planned**
- **Operating profit: The plan was achieved because Towa Pharmaceutical's expenditure of SG&A expenses such as R&D expenses was lower than expected.**
- **Ordinary profit: The achievement rate was good due mainly to the posting of a 5.5 billion yen gain on valuation of derivatives.**

(JPY million, %)

Fiscal period	Consolidated earnings				
	24/3 Results		24/3 Full-year Plan (announced on Feb 13)		
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	227,934	100.0	229,000	100.0	99.5
Cost of sales	146,551	64.3	148,000	64.6	99.0
SGA	63,735	28.0	65,500	28.6	97.3
Operating profit	17,647	7.7	15,500	6.8	113.9
Ordinary profit	24,477	10.7	19,500	8.5	125.5
Profit before income taxes	24,459	10.7	19,500	8.5	125.4
Profit attributable to owners of parent	16,173	7.1	13,000	5.7	124.4

Exchange rate (TTM) EUR 1	Rate during 24/3	Assumed rate for 24/3 (announced on Feb13)
		JPY 156.8

Notes: The consolidated fiscal year ended March 31, 2024 for Towa INT and Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.

# Outline of financial results for 2024/03 – Progress rate (Domestic segment)

- Net sales: Almost as planned
- Segment profit: The plan was achieved because Towa Pharmaceutical's expenditure of SG&A expenses such as R&D expenses was lower than expected.

(JPY million, %)

Fiscal period	Domestic segment (Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, Sunsho Pharmaceutical)				
	24/3 Results		24/3 Full-year Plan (announced on Feb 13)		
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	178,715	100.0	180,000	100.0	99.3
Cost of sales	112,384	62.9	114,300	63.5	98.3
SGA	44,441	24.9	46,000	25.6	96.6
Segment profit	21,889	12.2	19,700	10.9	111.1

Notes: 1. The consolidated fiscal year ended March 31, 2024 for Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Outline of financial results for 2024/03 – Progress rate (Domestic segment, breakdown)

(JPY million, %)

Fiscal period	Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical					Sunsho Pharmaceutical				
	24/3 Results		24/3 Full-year Plan (announced on February 13)			24/3 Results		24/3 Full-year Plan (announced on Feb 13)		
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	153,720	100.0	153,000	100.0	100.5	24,995	100.0	27,000	100.0	92.6
Cost of sales	92,809	60.4	92,700	60.6	100.1	19,574	78.3	21,600	80.0	90.6
SGA	40,510	26.4	42,200	27.6	96.0	3,931	15.7	3,800	14.1	103.5
Segment profit	20,400	13.3	18,100	11.8	112.7	1,489	6.0	1,600	5.9	93.1

Notes: 1. The consolidated fiscal year ended March 31, 2024 for Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.

2. Goodwill amortization is not included.

# Outline of financial results for 2024/03 – Progress rate (Overseas segment)

- Both Net sales and segment profit achieved plan

(JPY million, %)

Fiscal period	Overseas segment (Towa INT)				
	24/3 Results		24/3 Full-year Plan (announced on Feb 13)		
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	49,324	100.0	49,000	100.0	100.7
Cost of sales	34,205	69.3	33,700	68.8	101.5
SGA	15,107	30.6	15,300	31.2	98.7
Segment profit	11	0.0	0	0	—

Exchange rate (TTM) EUR 1	Rate during 24/3	Assumed rate for 24/3 (announced on Feb 13)
		JPY 156.8

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Outline of financial results for 2024/03 – Progress rate (Overseas segment, by region)

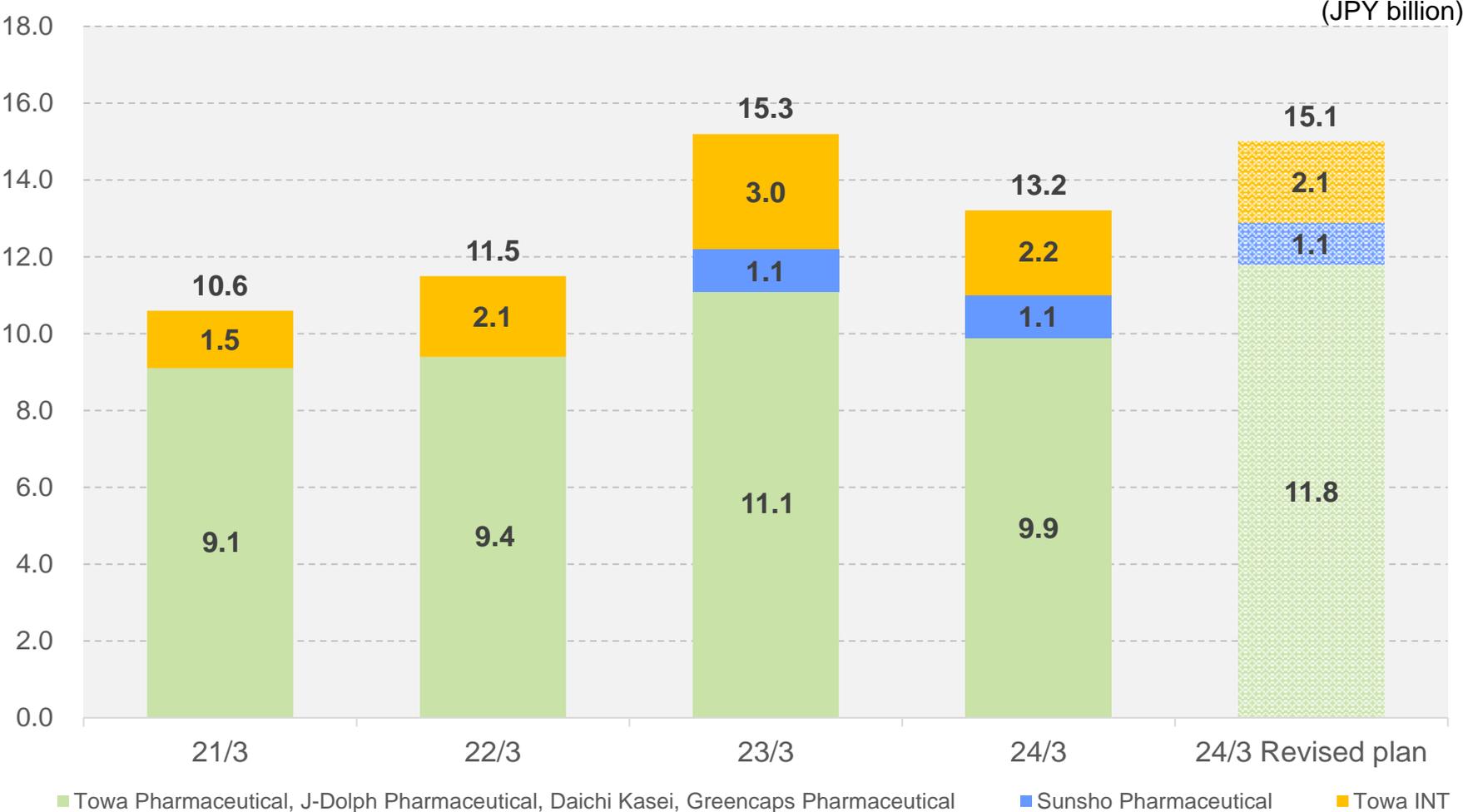
(JPY million, %)

Fiscal period	Towa INT Europe					Towa INT U.S.				
	24/3 Results		24/3 Full-year Plan (announced on February 13)			24/3 Results		24/3 Full-year Plan (announced on February 13)		
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	28,736	100.0	27,800	100.0	103.4	20,588	100.0	21,200	100.0	97.1
Cost of sales	19,604	68.2	18,600	66.9	105.4	14,601	70.9	15,100	71.2	96.7
SGA	10,286	35.8	10,400	37.4	98.9	4,820	23.4	4,900	23.1	98.4
Segment profit (loss)	- 1,154	- 4.0	- 1,200	- 4.3	—	1,166	5.7	1,200	5.7	97.2

Exchange rate (TTM) EUR 1	Rate during 24/3	Assumed rate for 24/3 (announced on Feb 13)	Exchange rate (TTM) USD 1	Rate during 24/3	Assumed rate for 24/3 (announced on Feb 13)
		JPY 156.8		JPY 155.29	

- Notes: 1. The consolidated fiscal year ended March 31, 2024 for Towa INT is from April 1, 2023 to March 31, 2024.  
2. Goodwill amortization is not included.

# Trend of R&D expenses (Consolidated)



Notes: 1. The consolidated fiscal year ended March 31, 2023, for Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.  
 2. 2021/03–2022/03 does not include the results of Sunsho Pharmaceutical.

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**Balance sheets**  
**Capital expenditure and depreciation**
4. Full-year earnings plan for 2025/03
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# Balance sheets (Consolidated)

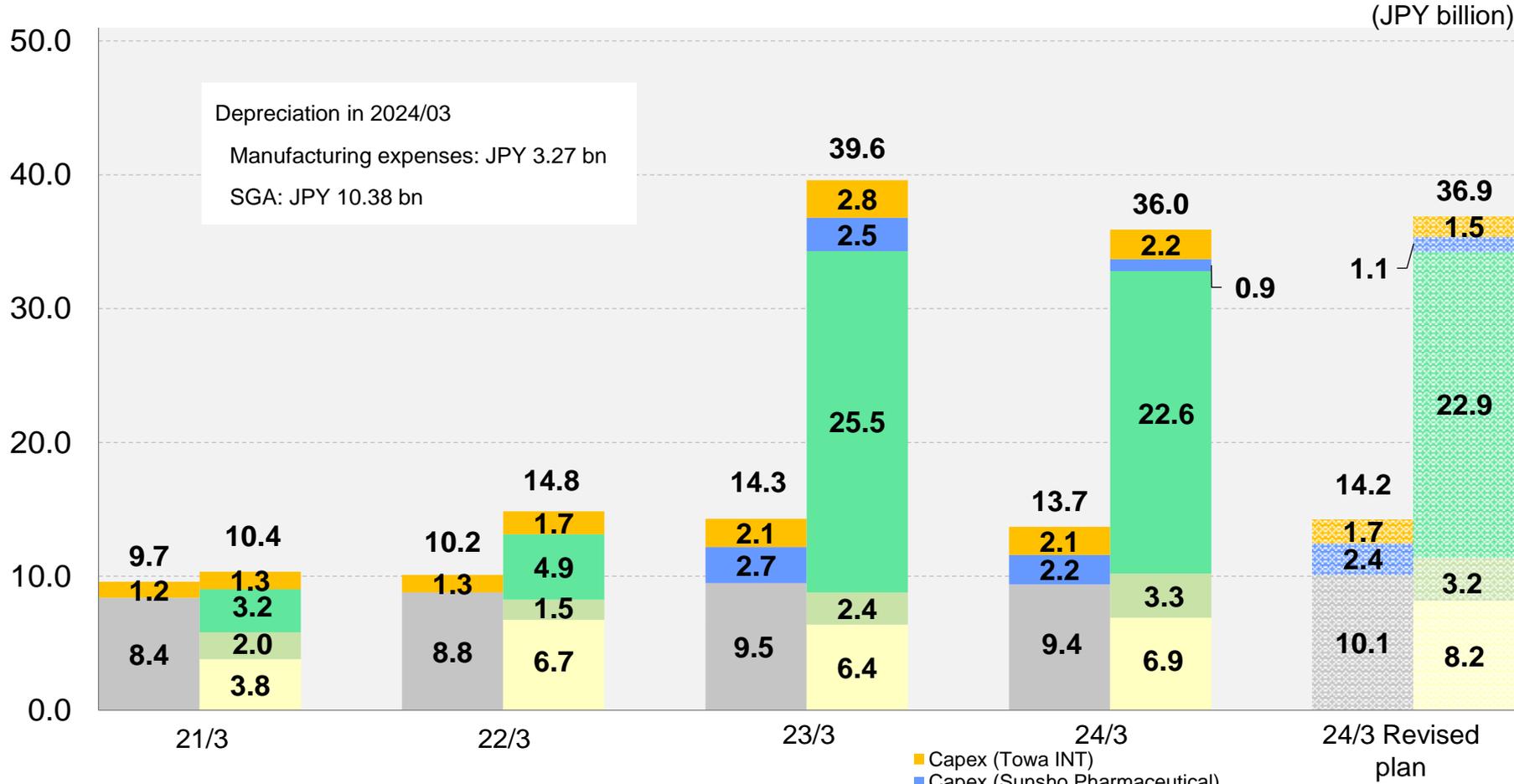
(JPY million)

Item	24/3	23/3	Change	Item	24/3	23/3	Change	
Cash and deposits	29,650	24,257	+ 5,393	Notes and accounts payable - trade	15,652	17,272	- 1,619	
Notes and accounts receivable - trade	62,916	46,795	+ 16,121	Electronically recorded obligations - operating	10,720	18,798	- 8,078	
Electronically recorded monetary claims - operating	8,854	7,777	+ 1,077	Short-term borrowings	3,112	3,677	- 565	
Merchandise and finished goods	48,986	44,457	+ 4,529	Current portion of long-term borrowings	10,120	7,527	+ 2,593	
Other inventories	52,086	48,470	+ 3,616	Notes and accounts payable - equipment	9,768	14,012	- 4,244	
Other current assets	15,222	11,232	+ 3,989	Other current liabilities	30,743	17,240	+ 13,503	
<b>Total current assets</b>	<b>217,718</b>	<b>182,990</b>	<b>+ 34,727</b>	<b>Total current liabilities</b>	<b>80,118</b>	<b>78,529</b>	<b>+ 1,589</b>	
Buildings and structures, net	57,219	56,190	+ 1,028	Long-term borrowings	189,124	150,314	+ 38,810	
Machinery, equipment and vehicles, net	18,017	18,966	- 949	Other non-current liabilities	5,516	5,609	- 93	
Construction in progress	55,917	31,155	+ 24,762	<b>Total non-current liabilities</b>	<b>194,641</b>	<b>155,923</b>	<b>+ 38,717</b>	
Goodwill	32,568	34,613	- 2,044	<b>Total liabilities</b>	<b>274,759</b>	<b>234,453</b>	<b>+ 40,306</b>	
Other non-current assets	49,212	47,431	+ 1,780	Foreign currency translation adjustment	14,300	8,608	+ 5,691	
<b>Total non-current assets</b>	<b>212,934</b>	<b>188,357</b>	<b>+ 24,577</b>	Other net assets	141,593	128,286	+ 13,307	
<b>Total assets</b>	<b>430,653</b>	<b>371,347</b>	<b>+ 59,305</b>	<b>Total net assets</b>	<b>155,893</b>	<b>136,894</b>	<b>+ 18,998</b>	
<b>Exchange rate at end of period (TTM) EUR 1</b>	24/3		23/3		<b>Total liabilities and net assets</b>	430,653	371,347	+ 59,305
	JPY 163.24		JPY 145.72					

Notes: 1. KAMATA is included in Towa Group's consolidated balance sheet from 2024/03.

2. The consolidated fiscal year ended March 31, 2024 for Towa INT and Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.

# Capital expenditure and depreciation (Consolidated)



Depreciation in 2024/03  
 Manufacturing expenses: JPY 3.27 bn  
 SGA: JPY 10.38 bn

- Notes:
- Capital expenditure includes the purchase of property, plant and equipment, and intangible assets.
  - Depreciation includes the R&D expenses portion.
  - Depreciation does not include goodwill amortization for Towa INT and Sunsho Pharmaceutical.
  - 2021/03–2022/03 does not include the results of Sunsho Pharmaceutical.
  - The consolidated fiscal year ended March 31, 2023, for Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.

- Capex (Towa INT)
- Capex (Sunsho Pharmaceutical)
- Capex (Yamagata Plant)
- Capex (Okayama Plant)
- Capex (other)
- Depreciation (Towa INT)
- Depreciation (Sunsho Pharmaceutical)
- Depreciation (domestic, excl. Sunsho Pharmaceutical)

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# Outline of full-year earnings plan for 2025/03

## Summary

- We plan to achieve growth in both sales and profit as compared with the results for 2024/03.

Fiscal period	25/3 Full-year plan		24/3 Results
Item	(JPY billion)	YOY change (%)	(JPY billion)
Net sales	261.5	+ 14.7%	227.9
Operating profit	18.0	+ 2.0%	17.6

- **Production volume** (Non-consolidated; tablets and capsules only)  
→ **Approx. 15.1 billion tablets, up approx. 11.6% year on year**
- **Sales volume** (Non-consolidated; tablets and capsules only)  
→ **Approx. 15.4 billion tablets, up approx. 16.0% year on year**

# Full-year earnings plan for 2025/03 (Consolidated)

- **Net sales:** Planned to achieve increases in net sales both in Japan and overseas
- **Operating profit:** Planned to achieve an increase in profit as gross margin will increase as a result of an increase in sales although SGA will also increase
- **Ordinary profit:** The plan does not reflect any derivative gains or losses as the outlook of the foreign exchange markets is uncertain.

(JPY million, %)

Fiscal period	Consolidated earnings				
	25/3 Full-year plan			24/3 Results	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	261,500	100.0	+ 14.7	227,934	100.0
Cost of sales	168,000	64.2	+ 14.6	146,551	64.3
SGA	75,500	28.9	+ 18.5	63,735	28.0
Operating profit	18,000	6.9	+ 2.0	17,647	7.7
Ordinary profit	17,600	6.7	- 28.1	24,477	10.7
Profit before income taxes	17,600	6.7	- 28.0	24,459	10.7
Profit attributable to owners of parent	11,600	4.4	- 28.3	16,173	7.1
Exchange rate (TTM) EUR 1	25/3 assumption		24/3 assumption		
	JPY 152.00		JPY 156.80		

# Full-year earnings plan for 2025/03 (Segment information)

(JPY million)

Item	Segment information			Adjustment (Goodwill amortization, etc.)	Consolidated
	Domestic	Overseas	Total		
	Towa Pharmaceutical J-Dolph Pharmaceutical Daichi Kasei Greencaps Pharmaceutical Sunsho Pharmaceutical (including KAMATA)	Towa HD			
Net sales	209,700	52,300	262,000	- 500	261,500
Cost of sales	132,800	35,400	168,200	- 200	168,000
SGA	54,600	16,900	71,500	4,000	75,500
Segment profit	22,300	0	22,300	- 4,300	18,000

Notes:

1. The consolidated fiscal year ending March 31, 2024 for Towa HD and Sunsho Pharmaceutical is from April 1, 2023 to March 31, 2024.
2. Goodwill amortization: Towa HD JPY 900 million; Sunsho Pharmaceutical and KAMATA JPY 3,400 million

# Full-year earnings plan for 2025/03 (Domestic segment)

- **Net sales:** Planned to achieve an increase as Towa Pharmaceutical plans to achieve growth in sales volume although sales will be affected by NHI drug price revision
- **Segment profit:** Planned to achieve an increase in profit as gross margin will increase as a result of an increase in sales and although SGA such as R&D expenses will also increase

(JPY million, %)

Fiscal period	Domestic segment (Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, Sunsho Pharmaceutical (including KAMATA))				
	25/3 Full-year plan			24/3 Results	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	209,700	100.0	+ 17.3	178,715	100.0
Cost of sales	132,800	63.3	+ 18.2	112,384	62.9
SGA	54,600	26.0	+ 22.9	44,441	24.9
Segment profit	22,300	10.6	+ 1.9	21,889	12.2

Note: Goodwill amortization is not included.

# Full-year earnings plan for 2025/03

## (Domestic segment, breakdown)

(JPY million, %)

Fiscal period	Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical					Sunsho Pharmaceutical (including KAMATA)				
	25/3 Full-year plan			24/3 Results		25/3 Full-year plan			24/3 Results	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	181,200	100.0	+ 17.9	153,720	100.0	28,500	100.0	+ 14.0	24,995	100.0
Cost of sales	110,100	60.8	+ 18.6	92,809	60.4	22,700	79.6	+ 16.0	19,574	78.3
SGA	50,500	27.9	+ 24.7	40,510	26.4	4,100	14.4	+ 4.3	3,931	15.7
Segment profit	20,600	11.4	+ 1.0	20,400	13.3	1,700	6.0	+ 14.2	1,489	6.0

Note: Goodwill amortization is not included.

# Full-year earnings plan for 2025/03 (Overseas segment)

- **Net sales:** Planned to achieve an increase as sales will remain strong in Europe
- **Segment profit:** R&D expenses are expected to increase due to new product development and response to nitrosamine impurities.

(JPY million, %)

Fiscal period	Overseas segment (Towa HD)				
	25/3 Full-year plan			24/3 Results	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	52,300	100.0	+ 6.0	49,324	100.0
Cost of sales	35,400	67.7	+ 3.5	34,205	69.3
SGA	16,900	32.3	+ 11.9	15,107	30.6
Segment profit (loss)	0	0.0	- 100.0	11	0.0

Exchange rate (TTM) EUR 1	25/3 assumption	24/3 assumption
		JPY 152.00

Note: Goodwill amortization is not included.

# Full-year earnings plan for 2025/03

## (Overseas segment, by region)

(JPY million, %)

Fiscal period	Towa INT <b>Europe</b>					Towa INT <b>U.S.</b>				
	25/3 Full-year plan			24/3 Results		25/3 Full-year plan			24/3 Results	
Item	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Net sales	33,400	100.0	+ 16.2	28,736	100.0	18,900	100.0	- 8.2	20,588	100.0
Cost of sales	22,100	66.2	+ 12.7	19,604	68.2	13,300	70.4	- 8.9	14,601	70.9
SGA	12,000	35.9	+ 16.7	10,286	35.8	4,900	25.9	+ 1.7	4,820	23.4
Segment profit (loss)	- 700	- 2.1	—	- 1,154	- 4.0	700	3.7	- 40.0	1,166	5.7

Exchange rate  
(TTM) EUR 1

25/3 assumption

JPY 152.00

24/3 assumption

JPY 156.80

Exchange rate  
(TTM) USD 1

25/3 assumption

JPY 138.00

24/3 assumption

JPY 144.62

Note: Goodwill amortization is not included.

# Half-year plans for 2025/03 (Consolidated)

(JPY million, %)

Fiscal period	Consolidated earnings			
	25/3 Plan			
	First half		Second half	
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	122,800	100.0	138,700	100.0
Cost of sales	80,200	65.3	87,800	63.3
SGA	37,400	30.5	38,100	27.5
Operating profit	5,200	4.2	12,800	9.2
Ordinary profit	5,200	4.2	12,400	8.9
Profit before income taxes	5,200	4.2	12,400	8.9
Profit attributable to owners of parent	3,100	2.5	8,500	6.1

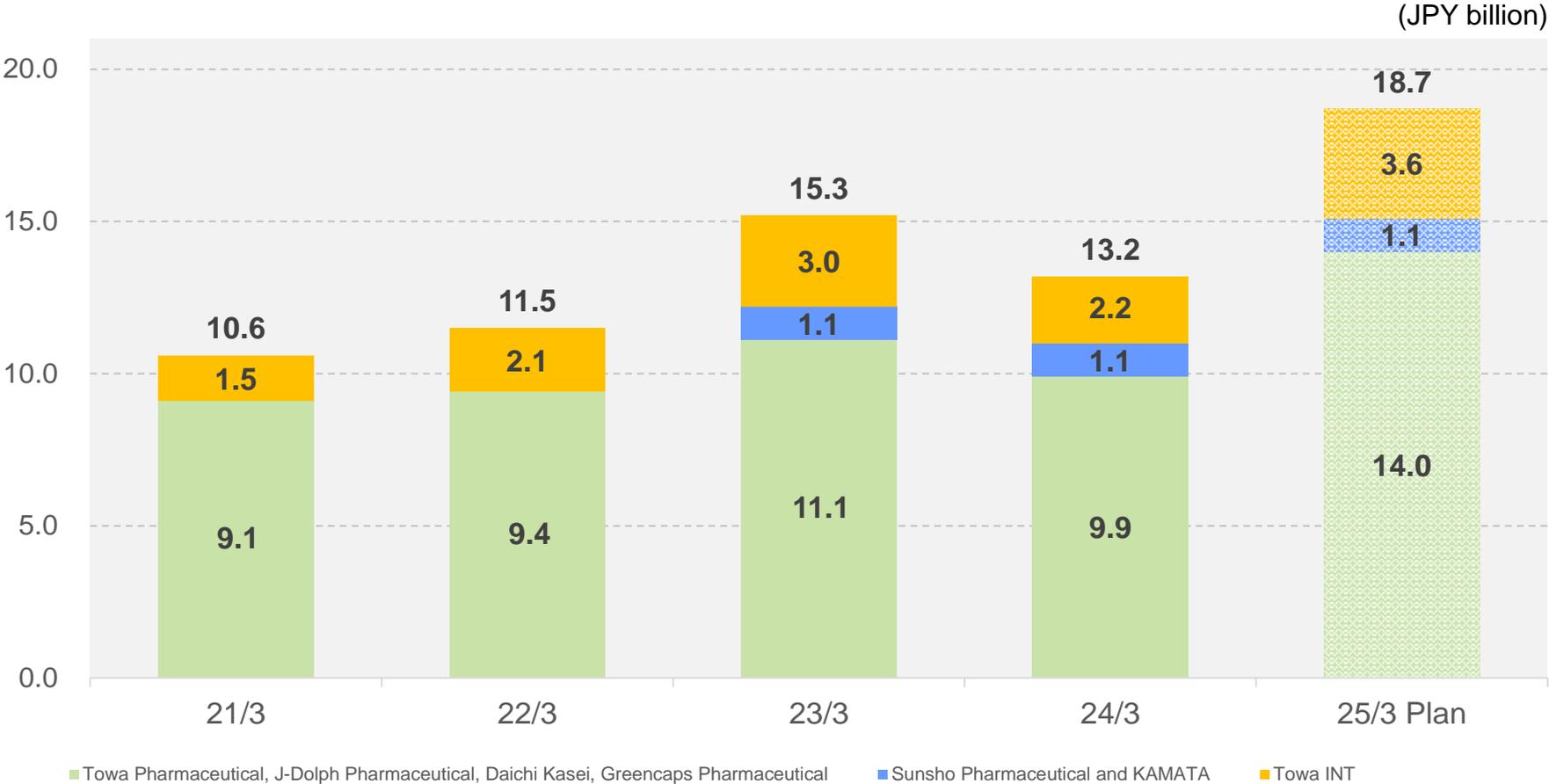
# Half-year plans for 2025/03 by segment

(JPY million, %)

Fiscal period	Domestic segment				Fiscal period	Overseas segment			
	25/3 Plan					25/3 Plan			
	First half		Second half			First half		Second half	
Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Item	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
Net sales	97,900	100.0	111,800	100.0	Net sales	25,100	100.0	27,200	100.0
Cost of sales	62,900	64.2	69,900	62.5	Cost of sales	17,400	69.3	18,000	66.2
SGA	27,200	27.8	27,400	24.5	SGA	8,100	32.3	8,800	32.4
Segment profit	7,800	8.0	14,500	13.0	Segment profit (loss)	- 400	- 1.6	400	1.5

Note: Goodwill amortization is not included.

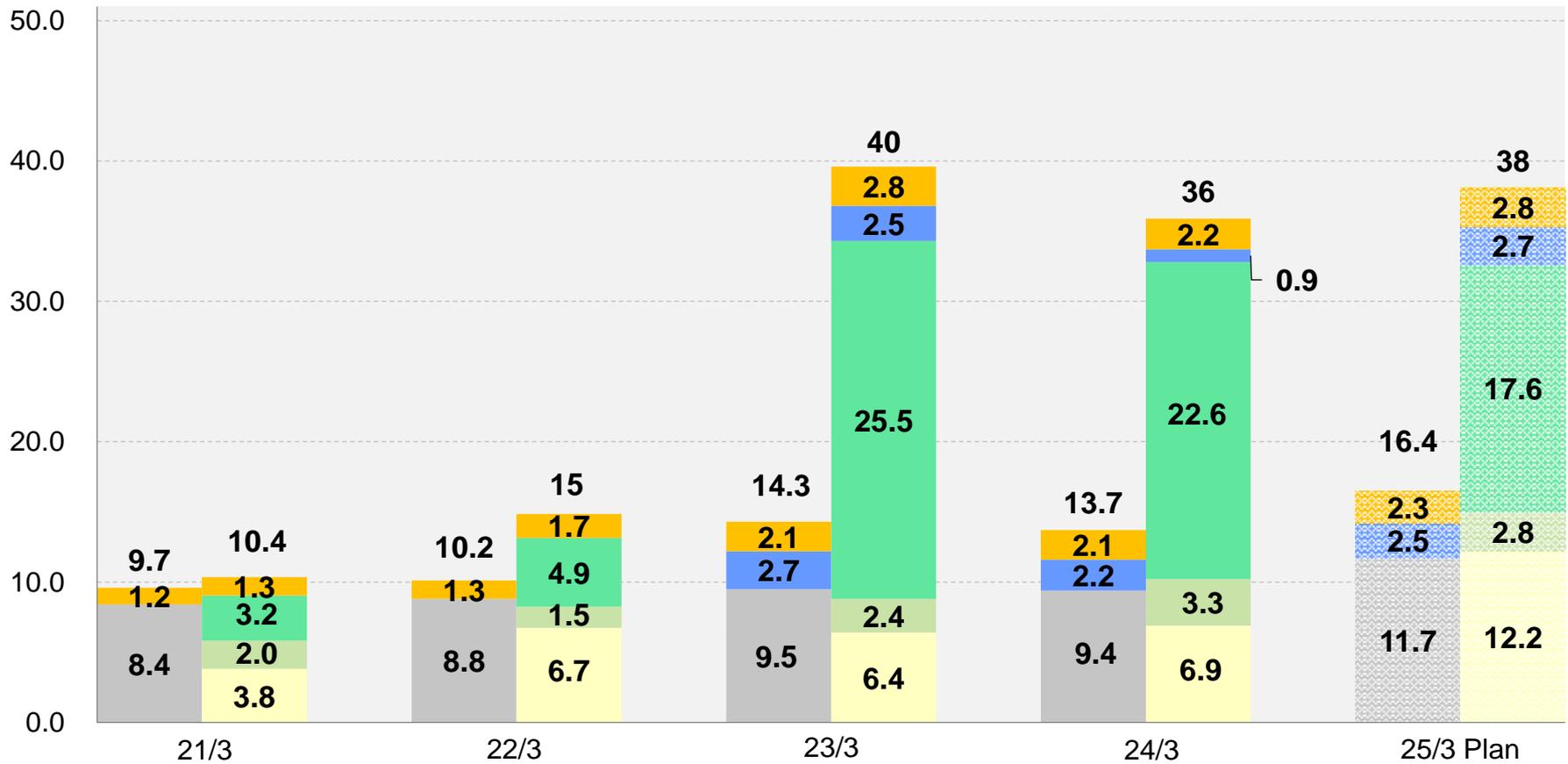
# Trend of R&D expenses (Consolidated)



Notes: 1. The consolidated fiscal year ended March 31, 2023, for Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.  
 2. 2021/03–2022/03 does not include the results of Sunsho Pharmaceutical.  
 3. 2021/03–2024/03 does not include the results of KAMATA.

# Capital expenditure and depreciation (Consolidated)

(JPY billion)



- Notes:
- Capital expenditure includes the purchase of property, plant and equipment, and intangible assets.
  - Depreciation includes the R&D expenses portion.
  - Depreciation does not include goodwill amortization for Towa INT, Sunsho Pharmaceutical and KAMATA.
  - 2021/03-2022/03 does not include the results of Sunsho Pharmaceutical.
  - 2021/03-2024/03 does not include the results of KAMATA.
  - 2023/03 for Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.

- Capex (Towa INT)
- Capex (Sunsho Pharmaceutical and KAMATA)
- Capex (Yamagata Plant)
- Capex (Okayama Plant)
- Capex (other)
- Depreciation (Towa INT)
- Depreciation (Sunsho Pharmaceutical and KAMATA)
- Depreciation (domestic, excl. Sunsho Pharmaceutical and KAMATA)

# New products to be listed on NHI drug reimbursement price list in June 2024 (Non-consolidated)

Therapeutic category	Product name	Original/representative drug name
Parkinson's disease drug Parkinsonism in dementia with Lewy bodies (levodopa activator)	ZONISAMIDE OD TABLETS 25mg TRE "TOWA"	TRERIEF OD Tablets 25mg
Parkinson's disease drug (levodopa activator)	ZONISAMIDE OD TABLETS 50mg TRE "TOWA"	TRERIEF OD Tablets 50mg
Candin antifungal agent	MICAFUNGIN SODIUM FOR INTRAVENOUS INFUSION 50mg / 75mg "TOWA"	Funguard 50mg / 75mg for infusion
Oral cephem antibiotic preparation	CEFCAPENE PIVOXIL HYDROCHLORIDE TABLETS 75mg / 100mg "TW" CEFCAPENE PIVOXIL HYDROCHLORIDE FINE GRANULES FOR PEDIATRIC 10% "TW"	FLOMOX Tablets 75mg / 100mg FLOMOX Fine Granules for Pediatric 100mg

7 products for 3 ingredients are scheduled to be launched.

Sales of approx. JPY 430 million are planned for ZONISAMIDE and MICAFUNGIN in total for the first fiscal year.

The various CEFCAPENE formulations are not included in the sales plan for new products above, as they are simply a change in the product name (trade name) from the same dosage forms with the same ingredients that are already on the market.

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# Initiatives to Increase Corporate Value -- Analysis of Current Situation

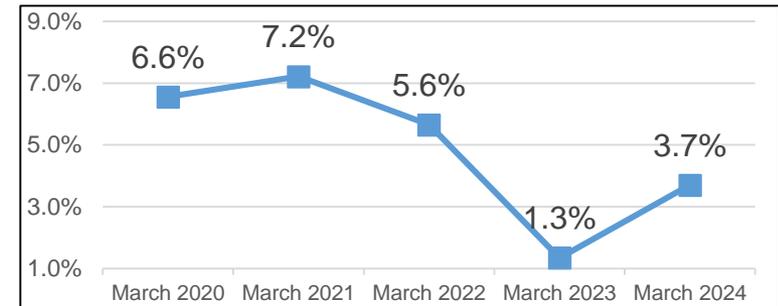
## Analysis of Current Situation

- ROIC declined in 2022/03 due to an increase in invested capital for the purchase of Sunsho Pharmaceutical shares and the expansion and remodeling of the 3rd solid formulation building at the Yamagata Plant.
- ROIC declined further in 2023/03 due to a decrease in operating profit.
- ROIC improved in 2024/03 due to an increase in operating profit.
- Operating margin declined in 2023/03 as operating profit decreased by around JPY 7.9 billion in the domestic segment and amortization of goodwill for Sunsho Pharmaceutical increased.
- Operating margin improved in 2024/03 as the operating profit of the domestic segment recovered.
- PBR has been on a long-term declining trend due to the small share price\* appreciation range relative to the range of net asset increase.

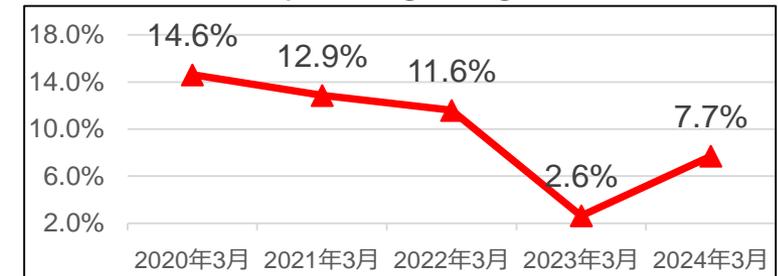
\* Share price: Closing price on March 31

## Trends of ROIC, Operating Margin, and PBR

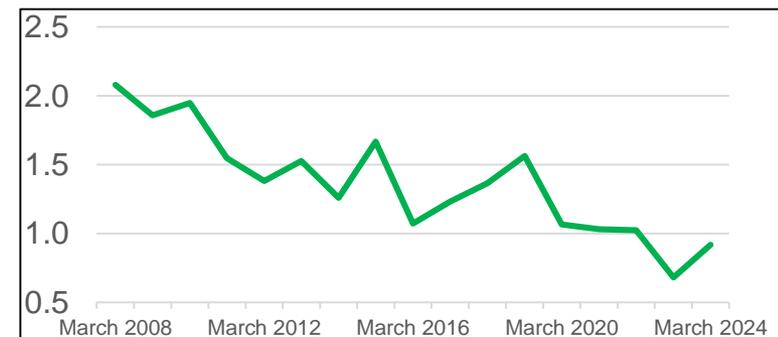
### ROIC



### Operating Margin



### PBR



# Initiatives to Increase Corporate Value -- Future Policy

## Future Policy

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We will implement the following to ensure healthy and sustainable growth.

### **1 Initiatives to Improve Capital Efficiency**

- We will achieve a ROIC that is higher than the WACC. We will work to increase operating profit through sales mix improvements and cost optimization to further improve ROIC.
- The Investment Review Committee will be newly established as a subordinate organization of the Executive Strategy Meeting, which has the function of business execution, and will strengthen the examination and management of investment projects based on investment standards that take are conscious of the cost of capital.
- We will periodically measure and analyze PBR and ROIC, and formulate and implement improvement measures.

### **2 Shareholder Return**

- We will work to ensure stable dividends and further increase shareholder returns, taking into account our profitability and financial position.

### **3 Continuous Dialogue with Stakeholders**

- We will periodically analyze and discuss the progress of our medium-term management plan at board meetings, etc.
- We will continue to actively disclose information to capital markets and seek to engage in constructive dialogue at shareholder meetings, results presentations, and one-on-one meetings.
- We recognize the importance of incorporating into our business management the important input we receive through stakeholder dialogue. Therefore, the comments and suggestions received through the dialogue with stakeholders are regularly reported to management.

**Forward-looking statements are based on targets and projections and do not offer commitments or guarantees.  
Please be aware that results may differ from the forecasts.**

**Contact:**

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