

# **Supplementary material for the financial results for the year ended March 31, 2025**

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**May 2025**  
(Stock code: 4553)

# Notes to financial results disclosure material

## Notes

- In this document, for the breakdown of the domestic segment, Towa Pharmaceutical, J-Dolph Pharmaceutical, Daichi Kasei, Greencaps Pharmaceutical, and Kyushu Iyaku are referred to as “Towa Pharmaceutical, etc.,” and Sunsho Pharmaceutical, KAMATA, and Sun Freres Lab. are referred to as “Sunsho Pharmaceutical, etc.” Towa Pharma International Holdings, S.L., our overseas segment, is referred to as “Towa INT.”
- “Towa Pharmaceutical, etc.”

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graph TD; TP[Towa Pharmaceutical] --> JD[J-Dolph Pharmaceutical]; TP --> DK[Daichi Kasei]; TP --> GP[Greencaps Pharmaceutical]; TP --> KI[Kyushu Iyaku*];
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“Sunsho Pharmaceutical, etc.”

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graph TD; SP[Sunsho Pharmaceutical] --> K[KAMATA*]; SP --> SFL[Sun Freres Lab.*];
```

“Towa INT”

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graph TD; TPIH[Towa Pharma International Holdings];
```

\* Consolidated subsidiary from 2024
- KAMATA, which became a consolidated subsidiary in January 2024, has been included in the consolidated balance sheets since 2024/3 and the consolidated statements of income since 2025/3. On April 1, 2025, the Company carried out an absorption-type merger in which Sunsho Pharmaceutical is the surviving company and KAMATA is the disappearing company. Kyushu Iyaku became a consolidated subsidiary in April 2024 and has been included in both the consolidated balance sheets and statements of income since 2025/3. Sun Freres Lab. was established in April 2024 and has been included in both the consolidated balance sheets and statements of income since 2025/3.
  - On May 7, we announced a revision to our full-year earnings forecast for the fiscal year ended March 31, 2025.
  - On May 15, we announced a revision to our numerical targets set forth in the 6th Medium-term Business Plan.

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- 3. Initiatives to increase corporate value**
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# Summary of financial results for 2025/3

● **YoY change: Net sales and profit increased on a consolidated basis**

Net sales increased as sales volume increased at Towa Pharmaceutical due to strong demand for products, and Sunsho Pharmaceutical and Towa INT also achieved sales growth.

Gross profit increased due to an increase in sales and a drop in the cost of sales ratio from the previous fiscal year on the back of improved sales mix at Sunsho Pharmaceutical and Towa INT.

Operating profit increased due to an increase in gross profit and a decrease in the SGA ratio at Towa Pharmaceutical.

Ordinary profit increased due to an increase in operating profit.

Due to a decrease in gain on valuation of derivatives from the previous fiscal year (from approx. 5.5 billion yen in 2024/3 to approx. 1.2 billion yen in 2025/3), the percentage increase in profit is lower than that of operating profit.

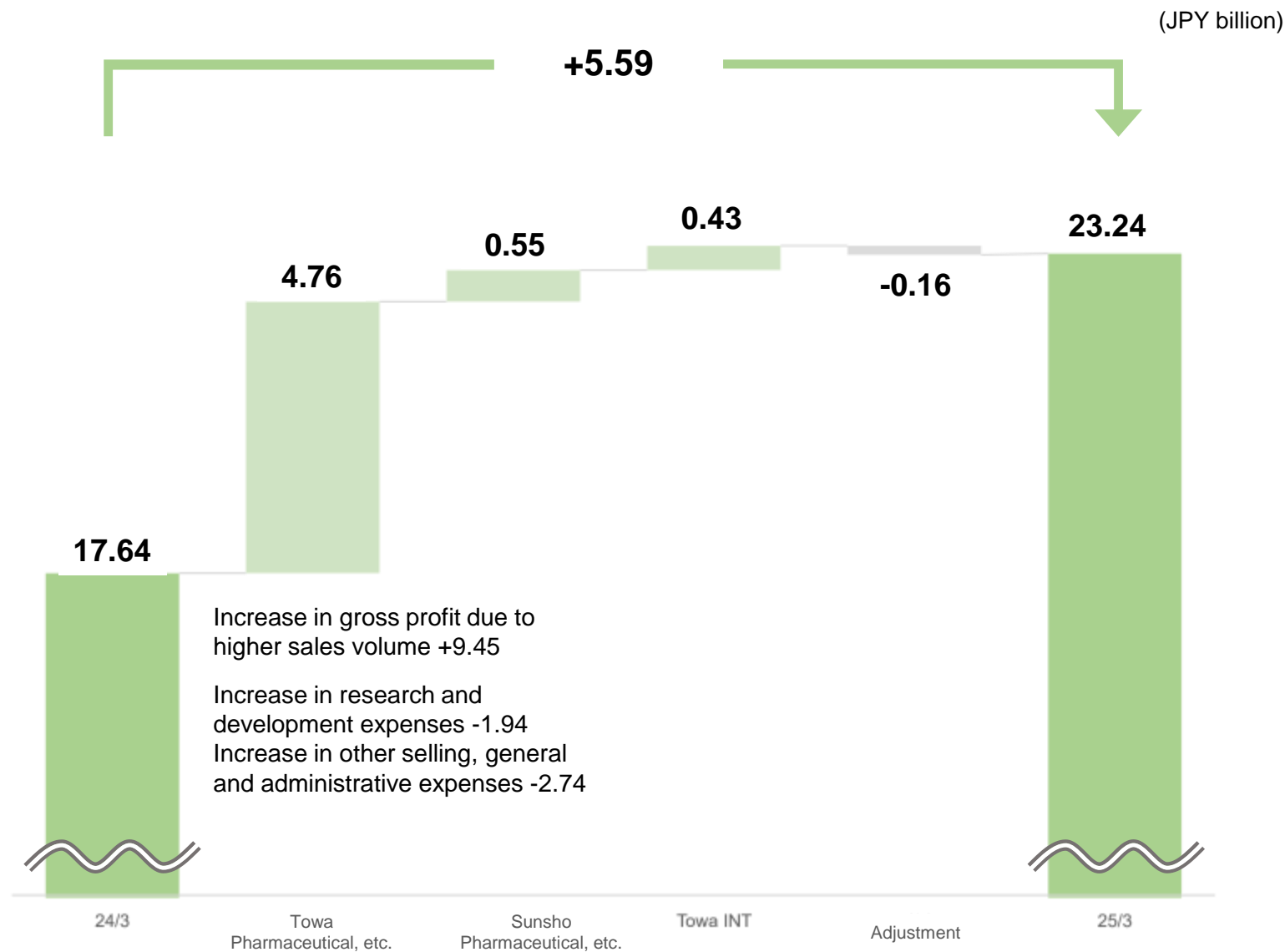
● **Progress rate for the plan: Net sales: 99.0%, Operating profit: 99.8% on a consolidated basis**

Net sales, gross profit, and operating profit were all almost as planned.

Ordinary profit outperformed the plan due to the recognition of foreign exchange gains of approx. 1.9 billion yen and gain on valuation of derivatives of approx. 1.2 billion yen.

	25/3 results		24/3 results	25/3 full-year plan (announced on November 5, 2024)	
	(JPY billion)	YOY change (%)	(JPY billion)	(JPY billion)	Achievement rate (%)
Net sales	259.5	+ 13.9%	227.9	262.1	99.0%
Gross profit	94.7	+ 16.4%	81.3	95.8	98.9%
Operating profit	23.2	+ 31.7%	17.6	23.3	99.8%
Ordinary profit	26.1	+ 6.8%	24.4	22.7	115.2%
Profit attributable to owners of parent	18.9	+ 17.4%	16.1	15.0	126.6%

# Factors behind changes in operating profit for 2025/3



# Outline of financial results for 2025/3 (Consolidated)

- **YoY change:** Both net sales and profit increased as sales volume increased at Towa Pharmaceutical due to strong demand for products, and Sunsho Pharmaceutical and Towa INT also achieved sales and profit growth.
- **Progress rate for the plan:** Both net sales and operating profit were almost as planned. Ordinary profit outperformed the plan due to the recognition of foreign exchange gains of approx. 1.9 billion yen and gain on valuation of derivatives of approx. 1.2 billion yen.

(JPY million, %)

	25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
<b>Net sales</b>	<b>259,594</b>	100.0	<b>+ 13.9</b>	227,934	100.0	<b>262,100</b>	100.0	<b>99.0</b>
Cost of sales	164,865	63.5	+ 12.5	146,551	64.3	166,300	63.4	99.1
SGA	71,486	27.5	+ 12.2	63,735	28.0	72,500	27.7	98.6
<b>Operating profit</b>	<b>23,242</b>	9.0	<b>+ 31.7</b>	17,647	7.7	<b>23,300</b>	8.9	<b>99.8</b>
Ordinary profit	26,152	10.1	+ 6.8	24,477	10.7	22,700	8.7	115.2
Profit before income taxes	26,330	10.1	+ 7.6	24,459	10.7	22,700	8.7	116.0
Profit attributable to owners of parent	18,986	7.3	+ 17.4	16,173	7.1	15,000	5.7	126.6

# Outline of financial results for 2025/3 (Towa Pharmaceutical, etc.)

- **YoY change:** Both net sales and profit increased due to growth in sales volume as demand for products continued to be high.
- **Progress rate for the plan:** Both net sales and segment profit were almost as planned although they were slightly below the plan.

(JPY million, %)

	25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
<b>Net sales</b>	<b>177,481</b>	100.0	<b>+ 15.5</b>	153,720	100.0	<b>180,500</b>	100.0	<b>98.3</b>
Cost of sales	107,114	60.4	+ 15.4	92,809	60.4	108,200	59.9	99.0
SGA	45,197	25.5	+ 11.6	40,510	26.4	46,700	25.9	96.8
<b>Segment profit</b>	<b>25,169</b>	14.2	<b>+ 23.4</b>	20,400	13.3	<b>25,600</b>	14.2	<b>98.3</b>

- Sales volume (Towa Pharmaceutical non-consolidated; tablets and capsules only)
  - **Approx. 15.2 billion tablets, up 14.5% year on year**  
Achievement rate for the full-year plan: **99.1%**
- Production volume (Towa Pharmaceutical non-consolidated; tablets and capsules only)
  - **Approx. 14.3 billion tablets, up 5.6% year on year**  
Achievement rate for the revised full-year plan announced in February: **100.0%**



# Outline of financial results for 2025/3 (Sunsho Pharmaceutical, etc.)

- **YoY change:** Net sales increased mainly due to the impact of KAMATA, which became a consolidated subsidiary.  
Segment profit increased due to an increase in sales and a drop in the cost of sales ratio on the back of improved sales mix.
- **Progress rate for the plan:** Both net sales and segment profit outperformed the plan.

(JPY million, %)

	25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales	28,621	100.0	+ 14.5	24,995	100.0	28,600	100.0	100.1
Cost of sales	22,208	77.6	+ 13.5	19,574	78.3	22,500	78.7	98.7
SGA	4,366	15.3	+ 11.1	3,931	15.7	4,100	14.3	106.5
Segment profit	2,046	7.2	+ 37.4	1,489	6.0	2,000	7.0	102.3

Note: Goodwill amortization is not included.

# Outline of financial results for 2025/3 (Towa INT)

- YoY change: Net sales increased due to the weaker yen and good performance in Europe for both BtoB and BtoC. Segment profit increased due to an increase in sales and a drop in the cost of sales ratio on the back of improved sales mix.
- Progress rate for the plan: Both net sales and segment profit outperformed the plan.

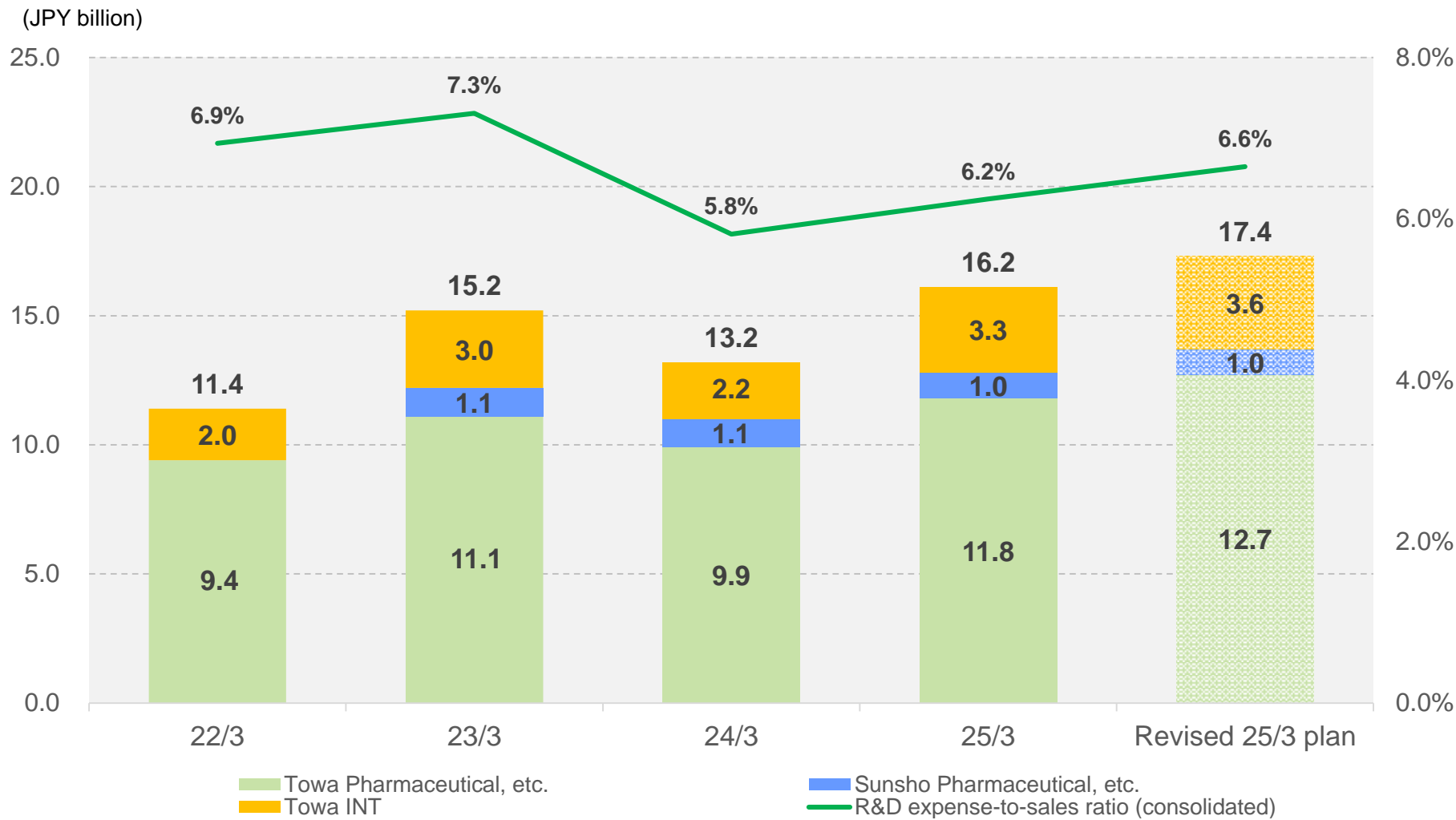
(JPY million, %)

		25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Net sales		53,865	100.0	+ 9.2	49,324	100.0	53,400	100.0	100.9
	Europe	33,296	61.8	+ 15.9	28,736	58.3	33,200	62.2	100.3
	U.S.	20,569	38.2	- 0.1	20,588	41.7	20,200	37.8	101.8
Cost of sales		35,767	66.4	+ 4.6	34,205	69.3	35,800	67.0	99.9
SGA		17,647	32.8	+ 16.8	15,107	30.6	17,600	33.0	100.3
Segment profit		449	0.8	—	11	0.0	0	0.0	—

Exchange rate during period (TTM) EUR 1	25/3	24/3	Assumed rate for 25/3 2H	Exchange rate during period (TTM) USD 1	25/3	24/3	Assumed rate for 25/3 2H
	JPY 163.75	JPY 156.80	JPY 152.00		JPY 152.58	JPY 144.62	JPY 138.00

Notes: 1. Goodwill amortization is not included.  
2. The full-year plan is calculated by aggregating the first half results in yen and the initial second half plan in yen.

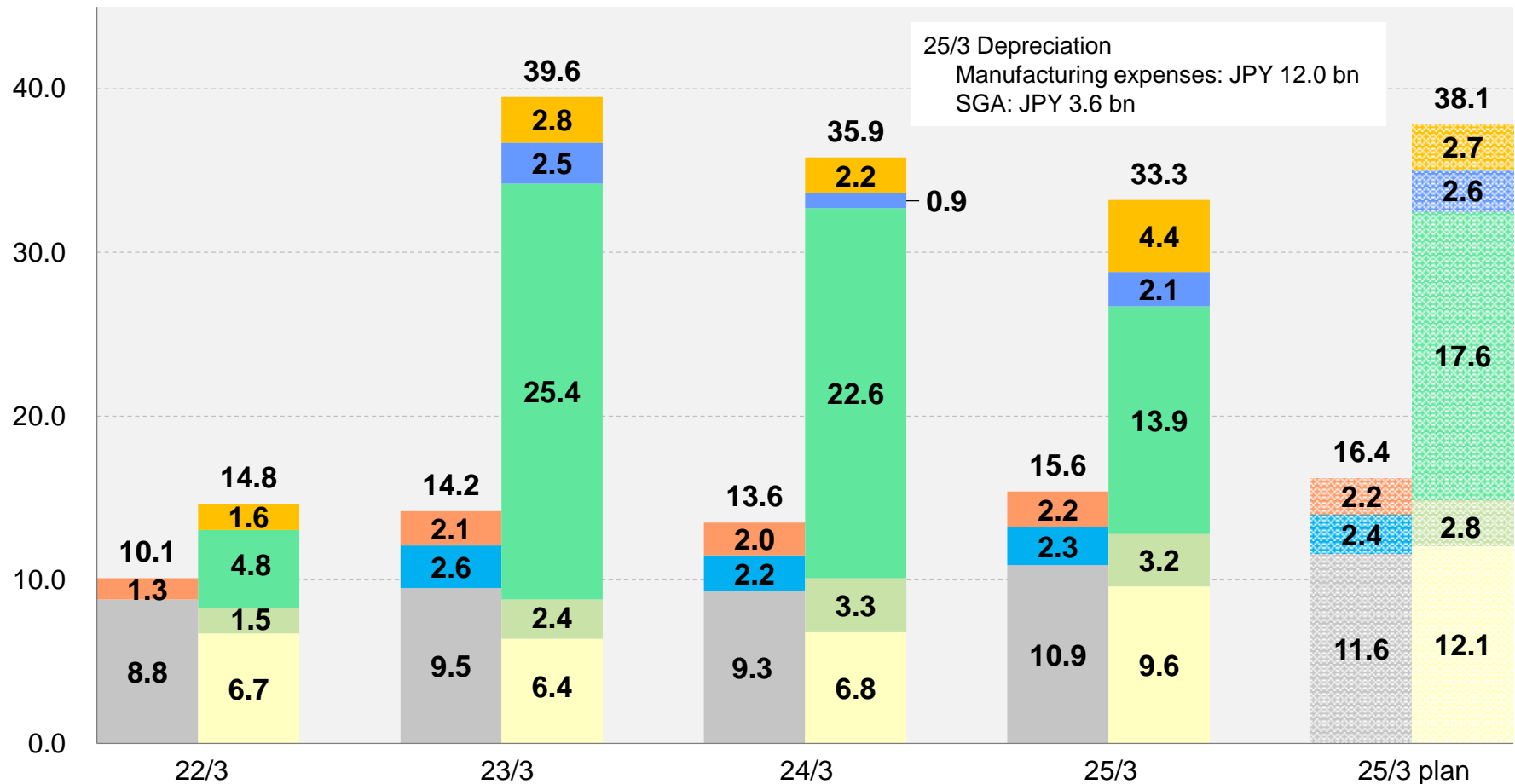
# Research and development expenses (Consolidated)



- Notes:
- 1. Intergroup transactions have been eliminated.
  - 2. The consolidated fiscal year ended March 31, 2023, of Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.
  - 3. The method of rounding amounts less than 100 million yen has been changed since 2025/3.

## Capital expenditure and depreciation (Consolidated)

(JPY billion)



- |       |   |
|-------|---|
| Notes | <ol style="list-style-type: none"> <li>Capital expenditure includes the purchase of property, plant and equipment, as well as intangible assets.</li> <li>Depreciation includes R&amp;D expenses.</li> <li>Depreciation does not include goodwill amortization for Towa INT and Sunsho Pharmaceutical.</li> <li>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.</li> <li>The method of rounding amounts less than 100 million yen has been changed since 2025/3.</li> </ol> |
|-------|---|

- Capex (Towa INT)

■ Capex (Yamagata Plant)

- Capex (other)

- Depreciation (Sunsho Pharmaceutical, etc.)

- Capex (Sunsho Pharmaceutical, etc.)

■ Capex (Okayama Plant)

- Depreciation (Towa INT)

- Capex (Towa INT)

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# Summary of full-year earnings plan for 2026/3

- YoY change: Both net sales and profit are expected to increased on a consolidated basis.**

Net sales are expected to increase as Towa Pharmaceutical will increase the production capacity of the Yamagata Plant to increase supply to the market, and Sunsho Pharmaceutical and Towa INT will also achieve sales growth.

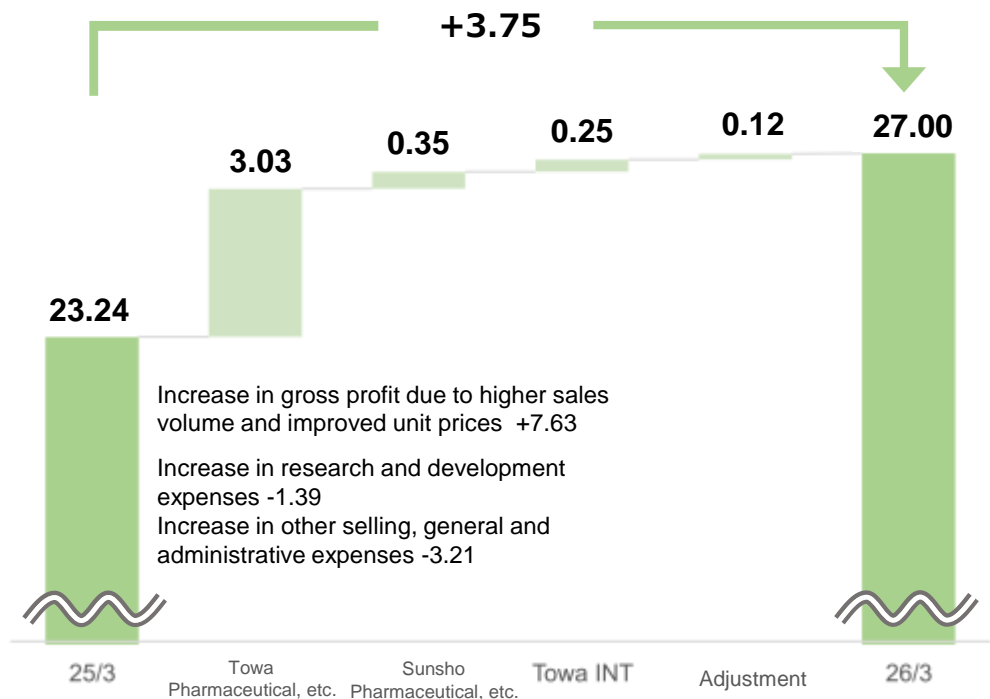
Gross profit is expected to increase due to an increase in sales and a drop in the cost of sales ratio on the back of improved sales mix at Sunsho Pharmaceutical and Towa INT.

Operating profit is expected to increase as gross profit will increase while the SGA ratio will be maintained at the current level. As for ordinary profit, the plan does not reflect any gains or losses on the valuation of derivatives as the outlook of the foreign exchange markets is uncertain.

	26/3 full-year plan		25/3 results
	(JPY billion)	YOY change (%)	(JPY billion)
Net sales	280.0	+ 7.9%	259.5
Gross profit	104.0	+ 9.8%	94.7
Operating profit	27.0	+ 16.2%	23.2
Ordinary profit	25.3	- 3.3%	26.1

- Factors behind changes in operating profit**

(JPY billion)



# Full-year earnings plan for 2026/3 (Consolidated)

- Both net sales and profit are expected to increase as Towa Pharmaceutical will increase the production capacity of the Yamagata Plant to increase supply to the market, and Sunsho Pharmaceutical and Towa INT will also achieve sales and profit growth.
- Ordinary profit: The plan does not reflect any gains or losses on the valuation of derivatives as the outlook of the foreign exchange markets is uncertain.

(JPY million, %)

	26/3 full-year plan			25/3 results	
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
<b>Net sales</b>	<b>280,000</b>	100.0	<b>+ 7.9</b>	259,594	100.0
Cost of sales	176,000	62.9	+ 6.8	164,865	63.5
SGA	77,000	27.5	+ 7.7	71,486	27.5
<b>Operating profit</b>	<b>27,000</b>	9.6	<b>+ 16.2</b>	23,242	9.0
Ordinary profit	25,300	9.0	- 3.3	26,152	10.1
Profit before income taxes	25,300	9.0	- 3.9	26,330	10.1
Profit attributable to owners of parent	17,700	6.3	- 6.8	18,986	7.3

# Full-year earnings plan for 2026/3 (Towa Pharmaceutical, etc.)

- Both net sales and profit are expected to increase as the planned increase in the production capacity of the Yamagata Plant to increase supply to the market will in turn increase sales volume, while the continuation of the strategy to expand the sales of products launched in recent years and the upward revision of the minimum NHI drug price will have a positive effect on unit prices.

(JPY million, %)

	26/3 full-year plan			25/3 results	
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
<b>Net sales</b>	<b>196,500</b>	100.0	<b>+ 10.7</b>	177,481	100.0
Cost of sales	118,500	60.3	+ 10.6	107,114	60.4
SGA	49,800	25.3	+ 10.2	45,197	25.5
<b>Segment profit</b>	<b>28,200</b>	14.4	<b>+ 12.0</b>	25,169	14.2

- Sales volume plan (Towa Pharmaceutical non-consolidated; tablets and capsules only)  
→ **Approx. 16.0 billion tablets, up approx. 5.2% year on year**
- Production volume plan (Towa Pharmaceutical non-consolidated; tablets and capsules only)  
→ **Approx. 16.2 billion tablets, up approx. 13.2% year on year**

The introduction of facilities at the 3rd solid formulation building at the Yamagata Plant is progressing as planned. 2026/3 is considered to be an interim period toward realizing an annual production capacity of 17.5 billion tablets in 2027/3.



# Full-year earnings plan for 2026/3 (Sunsho Pharmaceutical, etc.)

- **Net sales:** Expected to increase as we will increase the production volume of soft capsules.
- **Segment profit:** Expected to increase due to an increase in sales and a drop in the cost of sales ratio on the back of improved sales mix.

(JPY million, %)

	26/3 full-year plan			25/3 results	
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
<b>Net sales</b>	<b>30,200</b>	100.0	<b>+ 5.5</b>	28,621	100.0
Cost of sales	23,200	76.8	+ 4.5	22,208	77.6
SGA	4,600	15.2	+ 5.3	4,366	15.3
<b>Segment profit</b>	<b>2,400</b>	7.9	<b>+ 17.3</b>	2,046	7.2

Note: Goodwill amortization is not included.

# Full-year earnings plan for 2026/3 (Towa INT)

- **Net sales:** Expected to increase in local currency terms mainly due to the launches of new products both in Europe and the U.S.
- **Segment profit:** Expected to increase due to a drop in the cost of sales ratio on the back of improved sales mix, although SG&A expenses, such as R&D expenses for the development of new products, will increase.

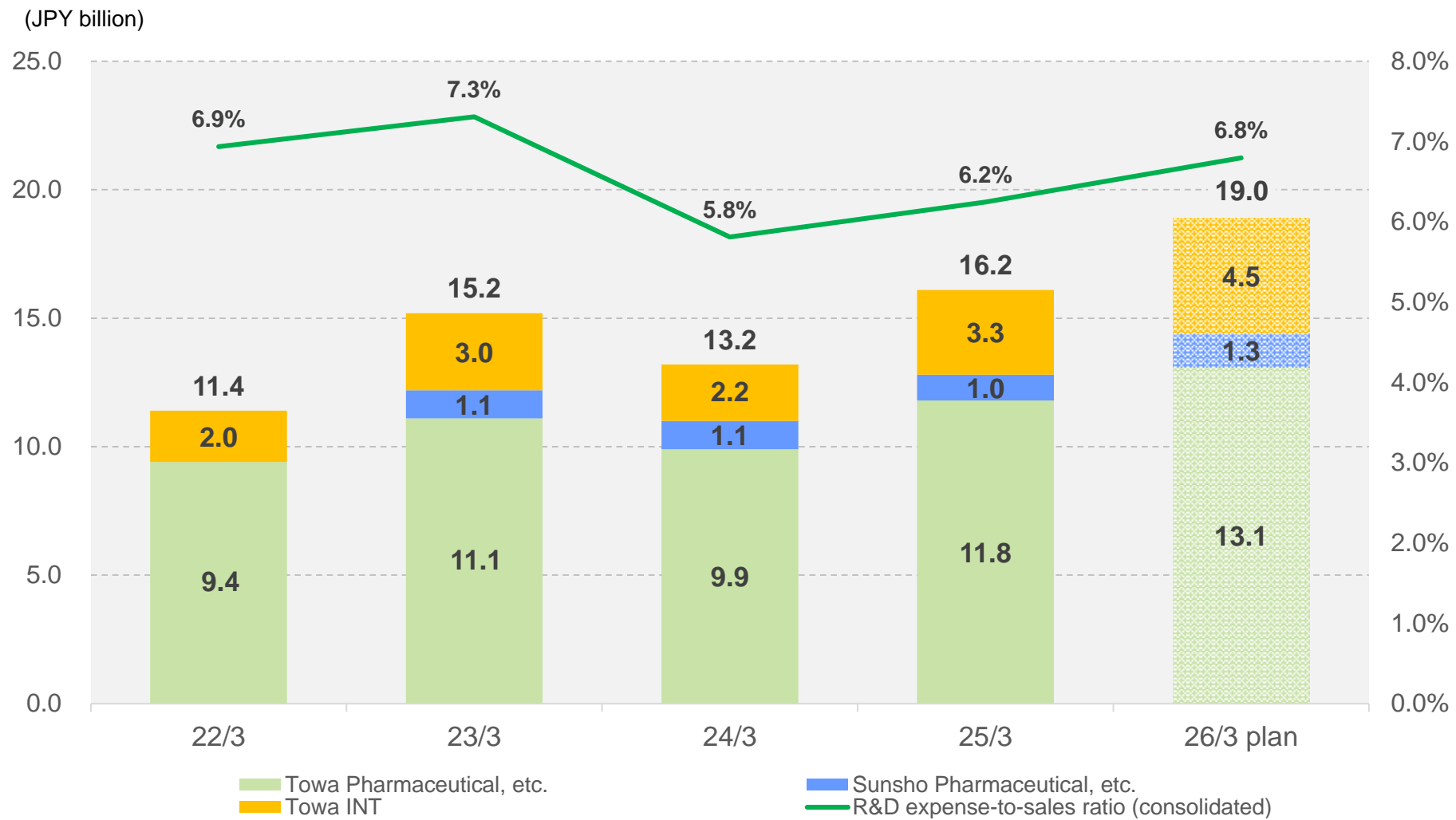
(JPY million, %)

		26/3 full-year plan			25/3 results	
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
<b>Net sales</b>		<b>54,600</b>	100.0	<b>+ 1.4</b>	53,865	100.0
	<b>Europe</b>	34,200	62.6	+ 2.7	33,296	61.8
	<b>U.S.</b>	20,400	37.4	- 0.8	20,569	38.2
<b>Cost of sales</b>		34,600	63.4	- 3.3	35,767	66.4
<b>SGA</b>		19,300	35.3	+ 9.4	17,647	32.8
<b>Segment profit</b>		<b>700</b>	1.3	<b>+ 55.6</b>	449	0.8

Exchange rate during period (TTM) EUR 1	Assumed rate for 26/3	25/3	Exchange rate during period (TTM) USD 1	Assumed rate for 26/3	25/3
	JPY 156.00	JPY 163.75		JPY 145.00	JPY 152.58

Note: Goodwill amortization is not included.

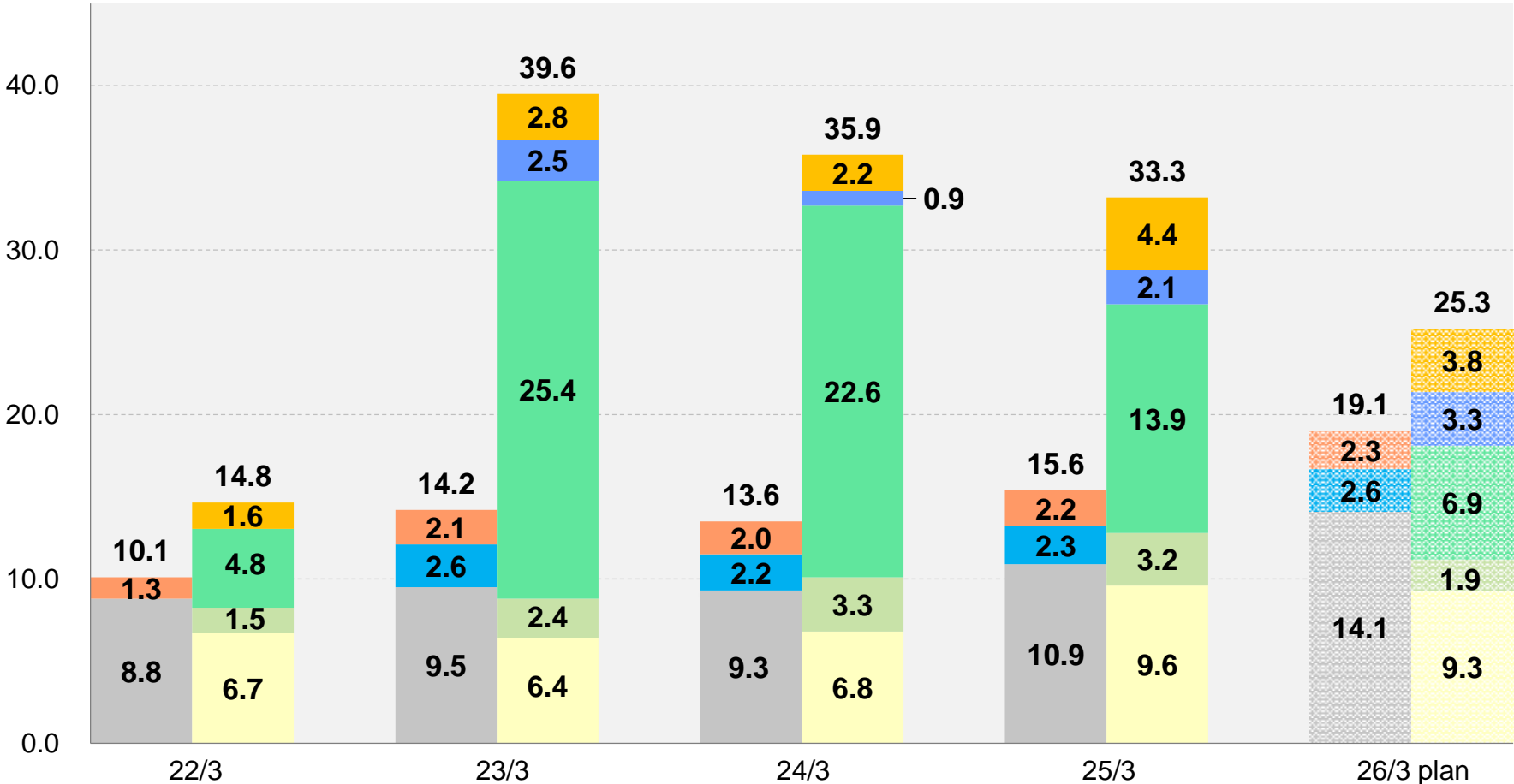
# Research and development expenses (Consolidated)



- Notes:
- 1. Intergroup transactions have been eliminated.
  - 2. The consolidated fiscal year ended March 31, 2023, of Towa INT and Sunsho Pharmaceutical is the 15-month period from January 1, 2022, to March 31, 2023.
  - 3. The method of rounding amounts less than 100 million yen has been changed since 2025/3.

# Capital expenditure and depreciation (Consolidated)

(JPY billion)



- Notes:
- 1. Capital expenditure includes the purchase of property, plant and equipment, as well as intangible assets.
  - 2. Depreciation includes R&D expenses.
  - 3. Depreciation does not include goodwill amortization for Towa INT and Sunsho Pharmaceutical.
  - 4. 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.
  - 5. The method of rounding amounts less than 100 million yen has been changed since 2025/3.

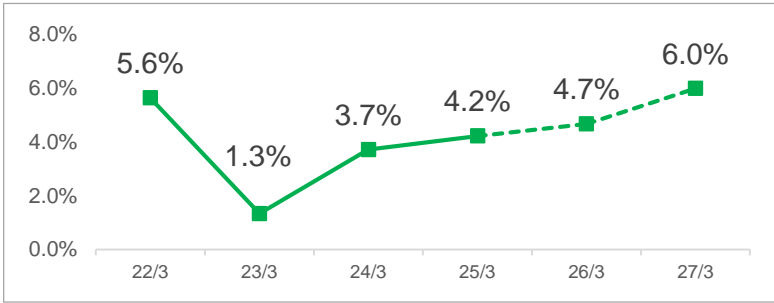
- Capex (Towa INT)
- Capex (Sunsho Pharmaceutical, etc.)
- Capex (Yamagata Plant)
- Capex (Okayama Plant)
- Capex (other)
- Depreciation (Towa INT)
- Depreciation (Sunsho Pharmaceutical, etc.)
- Depreciation (Towa Pharmaceutical, etc.)

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# Initiatives to increase corporate value -- Analysis of the current situation and future policy

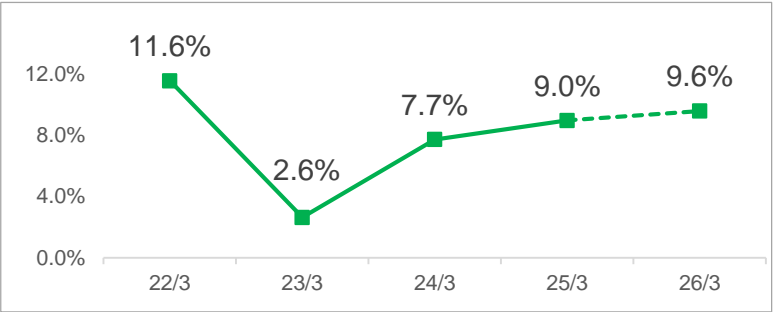
ROIC



- ROIC has been improving since 2024/3 due to a recovery in operating profit.
- The Group's interest-bearing debt is on the rise, and in order to achieve our ROIC target of 6%\*, we believe it is important to efficiently acquire cash to optimize our interest-bearing debt by improving operating profit and managing investment projects with an awareness of the cost of capital.

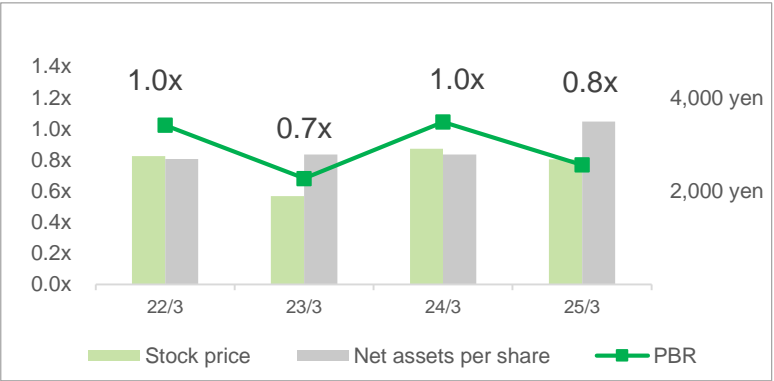
\* We consider WACC to be around 4% and the cost of capital to be around 7%. (2025/3)

Operating margin



- The operating profit margin for 2023/3 dropped to 2.6% due to a decrease in operating profit in the domestic segment by approximately 7.9 billion yen and an increase in goodwill amortization for Sunsho Pharmaceutical. However, since 2024/3, the operating profit margin has been improving as the operating profit in the domestic segment has recovered.
- At our group companies Sunsho Pharmaceutical and Towa INT, we will also work to improve the sales mix and optimize costs to further improve operating profit margins.

PBR



- PBR has been on a declining trend due to the small share price\* appreciation range relative to the range of net asset increase and is currently below 1x.
- We will report any opinions or suggestions received through dialogue with stakeholders to management and will actively consider disclosing information in order to promote constructive dialogue.

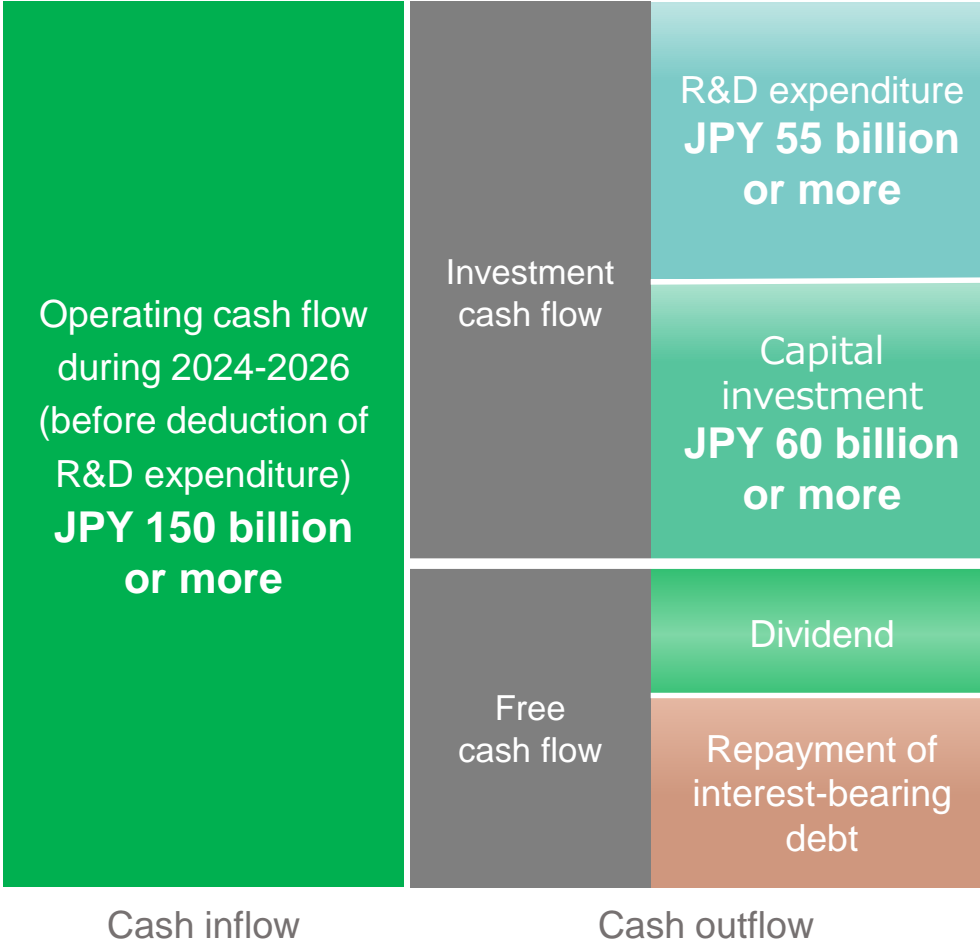
Number of one-on-one IR interviews: 114 (2025/3 results)

Based on opinions expressed during the interviews, the following information will be newly disclosed:

- WACC and the cost of capital as estimated by the Company
- Policy of capital allocation plan, guidelines for R&D expense-to-sales ratio
- Dividend policy: dividend payout ratio and DOE guidelines

# 6th Medium-term Business Plan 2024-2026 PROACTIVE III

## Fund distribution plan



### Policy, progress, etc.

Continuous R&D activities including global development for sustainable growth

**Guidelines for R&D expense-to-sales ratio: Approx. 7%**

Towa Pharmaceutical, etc.:  
In addition to the continuation of the development of generics as before, we will further expand our lineup of biosimilars.

Towa INT: Necessary R&D investments for the future

Towa Pharmaceutical:  
Capital expenditure, including the new building at the Yamagata Plant, and utilization of leased equipment

Sunsho Pharmaceutical: Capital expenditure to increase production capacity, including the acquisition of KAMATA

Daichi Kasei: Completion of the building for manufacturing high pharmacologic active APIs

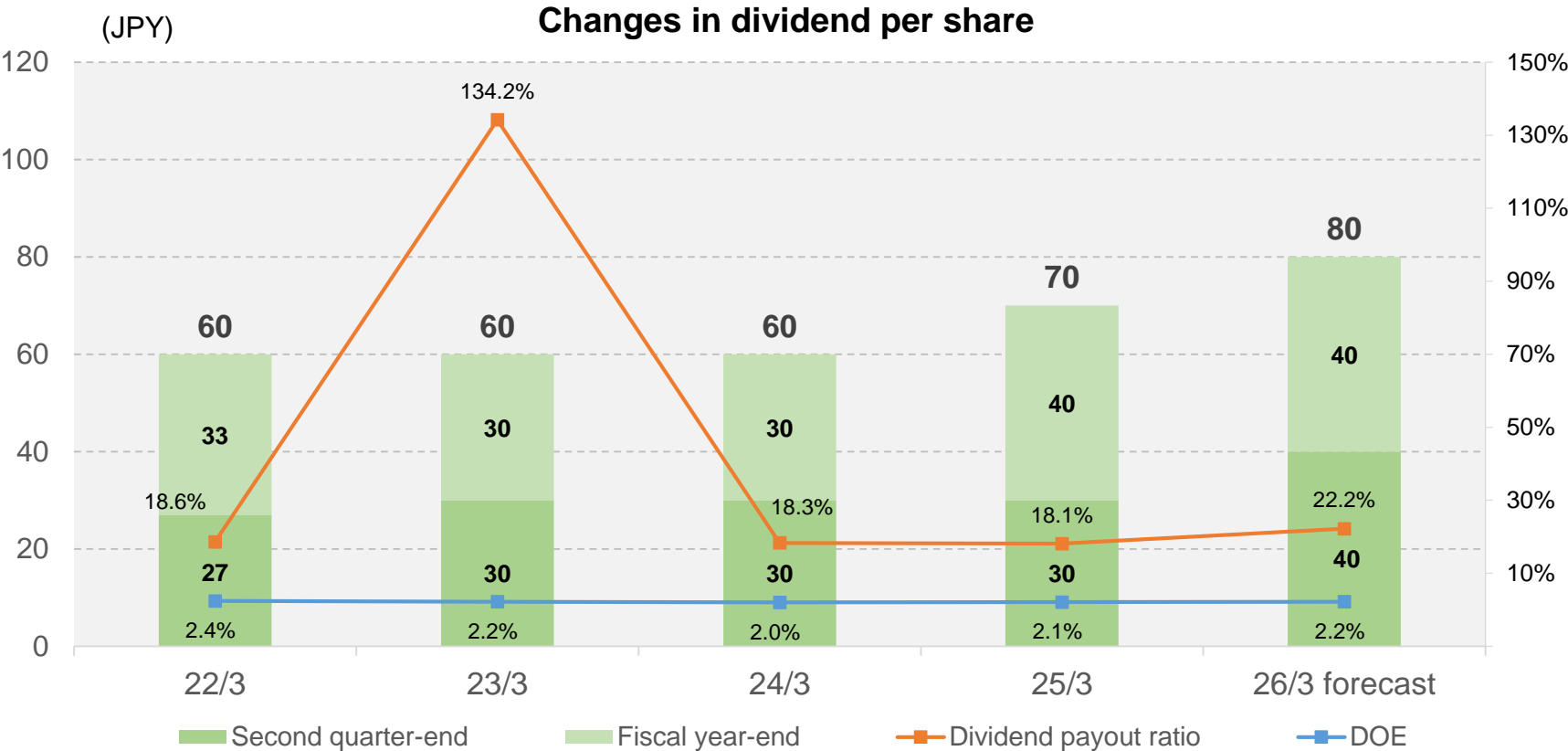
Dividend amounts will be determined after comprehensive consideration, **with a dividend payout ratio of 20-30% and a DOE of approximately 2% as guidelines.**

# Shareholder returns and dividend policy

- **Shareholder returns and dividend policy**

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

Dividend amounts will be determined after comprehensive consideration, with a dividend payout ratio of 20-30% and a DOE of approximately 2% as guidelines.



Note: Dividend payout ratio calculation formula: Total cash dividends / profit attributable to owners of parent

DOE calculation formula: Total cash dividends / { (beginning net assets + closing net assets) / 2 }



# 6th Medium-term Business Plan 2024-2026 PROACTIVE III

## Revision of major financial objectives

- **Revision of operating profit target**

Considering that the financial results for the fiscal year ending March 2025 have exceeded the initial forecasts, that we expect that the production capacity at the Yamagata Plant will be steadily enhanced, and that we will further improve SG&A expenses, including R&D expenses, from the perspective of cost optimization, we have revised the plans for the fiscal years ending March 2026 and March 2027. As a result, we have determined that operating profit is expected to exceed the initial objective. Other key numerical targets remain unchanged.

<Major Financial Objectives>

Net sales (Final year)	[Consolidated] 300 billion yen achieved [Non-consolidated] 200 billion yen achieved
<b>Operating profit (Cumulative)</b>	<b>[Consolidated] 80 billion yen or more</b> <b>(68 billion yen or more before adjustment)</b>
ROIC* (Final year)	[Consolidated] 6% or more (with the impact of goodwill) 7% or more (without the impact of goodwill)
R&D expenses (Cumulative)	[Consolidated] 55 billion yen or more
Capital expenditure (Cumulative)	[Consolidated] 60 billion yen or more

Note: **We consider WACC to be around 4% and the cost of capital to be around 7%. (2025/3)**  
ROIC calculation formula: After-tax operating profit / (average equity + average interest-bearing debt)  
With the impact of goodwill: Calculation for external disclosure purposes Without the impact of goodwill: Calculation for internal management purposes

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# Outline of financial results for 2025/3 (Consolidated)

(JPY million, %)

	25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
<b>Net sales</b>	<b>259,594</b>	100.0	<b>+ 13.9</b>	227,934	100.0	<b>262,100</b>	100.0	<b>99.0</b>
Cost of sales	164,865	63.5	+ 12.5	146,551	64.3	166,300	63.4	99.1
SGA	71,486	27.5	+ 12.2	63,735	28.0	72,500	27.7	98.6
<b>Operating profit</b>	<b>23,242</b>	9.0	<b>+ 31.7</b>	17,647	7.7	<b>23,300</b>	8.9	<b>99.8</b>
Ordinary profit	26,152	10.1	+ 6.8	24,477	10.7	22,700	8.7	115.2
Profit before income taxes	26,330	10.1	+ 7.6	24,459	10.7	22,700	8.7	116.0
Profit attributable to owners of parent	18,986	7.3	+ 17.4	16,173	7.1	15,000	5.7	126.6

Exchange rate during period (TTM) EUR 1	25/3	24/3	Assumed rate for 25/3 2H		25/3 first-half
	JPY 163.75	JPY 156.80	JPY 152.00		JPY 165.95
Exchange rate during period (TTM) USD 1	25/3	24/3	Assumed rate for 25/3 2H		25/3 first-half
	JPY 152.58	JPY 144.62	JPY 138.00		JPY 152.63
Exchange rate at end of period (TTM) USD 1	25/3	24/3	23/3		
	JPY 149.52	JPY 151.41	JPY 133.53		

Notes: The full-year plan is calculated by aggregating the first half results in yen and the initial second half plan in yen.

# Outline of financial results for 2025/3 (Segment information)

(JPY million)

	Reportable segment		Total	Adjustment (Goodwill amortization, etc.)	Consolidated
	Domestic	Overseas			
	Towa Pharmaceutical, etc. Sunsho Pharmaceutical, etc.	Towa INT			
Net sales	206,103	53,865	259,968	- 374	259,594
Cost of sales	129,323	35,767	165,090	- 225	164,865
SGA	49,563	17,647	67,211	+ 4,274	71,486
Segment profit	27,216	449	27,666	- 4,423	23,242

Notes: 1. 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.

2. Goodwill amortization: Towa INT JPY 1,010 million; Sunsho Pharmaceutical, etc. JPY 3,411 million

# Outline of financial results for 2025/3 (Domestic segment)

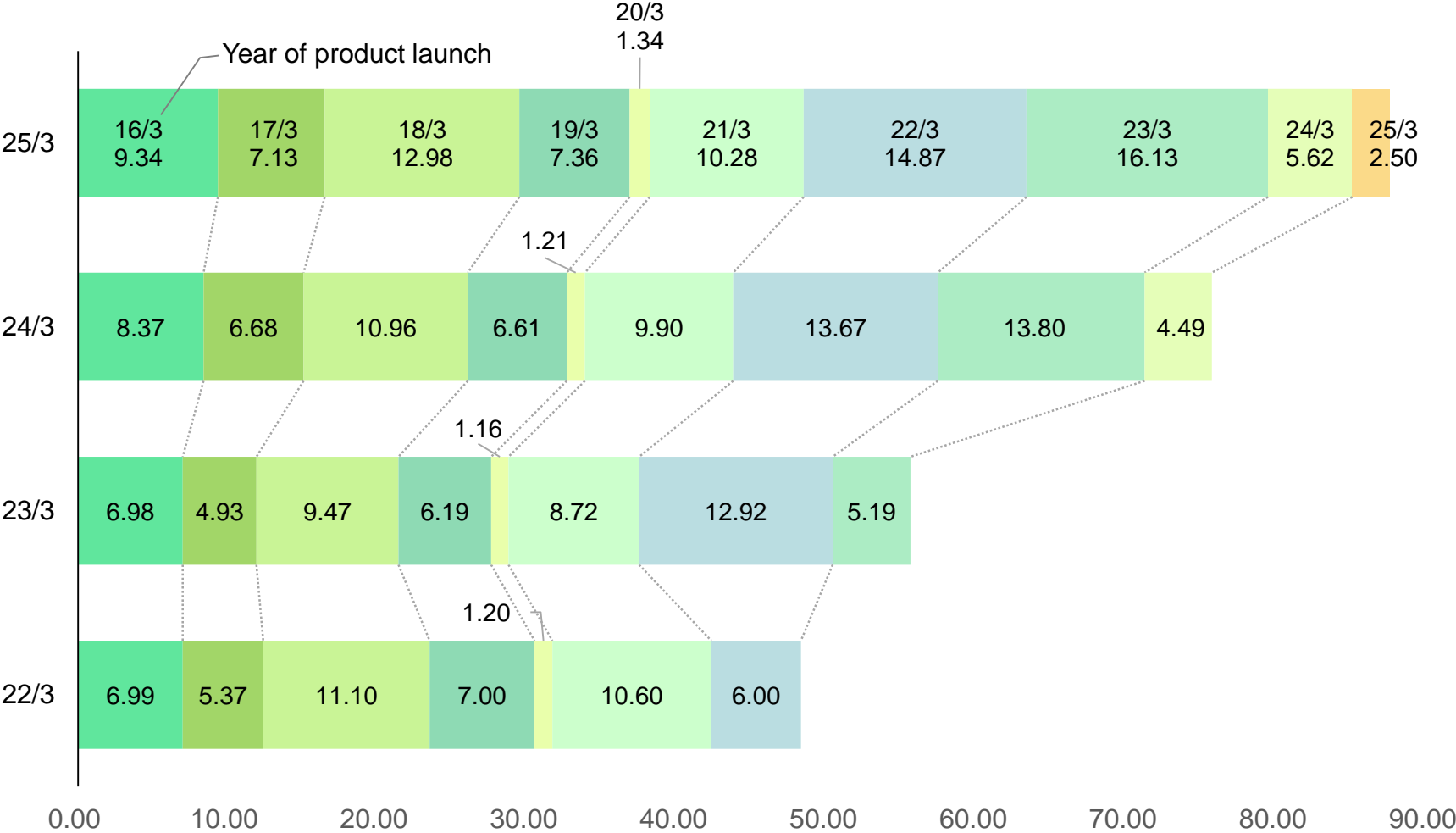
(JPY million, %)

		25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Domestic segment	Net sales	206,103	100.0	+ 15.3	178,715	100.0	209,100	100.0	98.6
	Cost of sales	129,323	62.7	+ 15.1	112,384	62.9	130,700	62.5	98.9
	SGA	49,563	24.0	+ 11.5	44,441	24.9	50,800	24.3	97.6
	Segment profit	27,216	13.2	+ 24.3	21,889	12.2	27,600	13.2	98.6
Towa Pharmaceutical, etc.	Net sales	177,481	100.0	+ 15.5	153,720	100.0	180,500	100.0	98.3
	Cost of sales	107,114	60.4	+ 15.4	92,809	60.4	108,200	59.9	99.0
	SGA	45,197	25.5	+ 11.6	40,510	26.4	46,700	25.9	96.8
	Segment profit	25,169	14.2	+ 23.4	20,400	13.3	25,600	14.2	98.3
Sunsho Pharmaceutical, etc.	Net sales	28,621	100.0	+ 14.5	24,995	100.0	28,600	100.0	100.1
	Cost of sales	22,208	77.6	+ 13.5	19,574	78.3	22,500	78.7	98.7
	SGA	4,366	15.3	+ 11.1	3,931	15.7	4,100	14.3	106.5
	Segment profit	2,046	7.2	+ 37.4	1,489	6.0	2,000	7.0	102.3

Note: Goodwill amortization is not included.

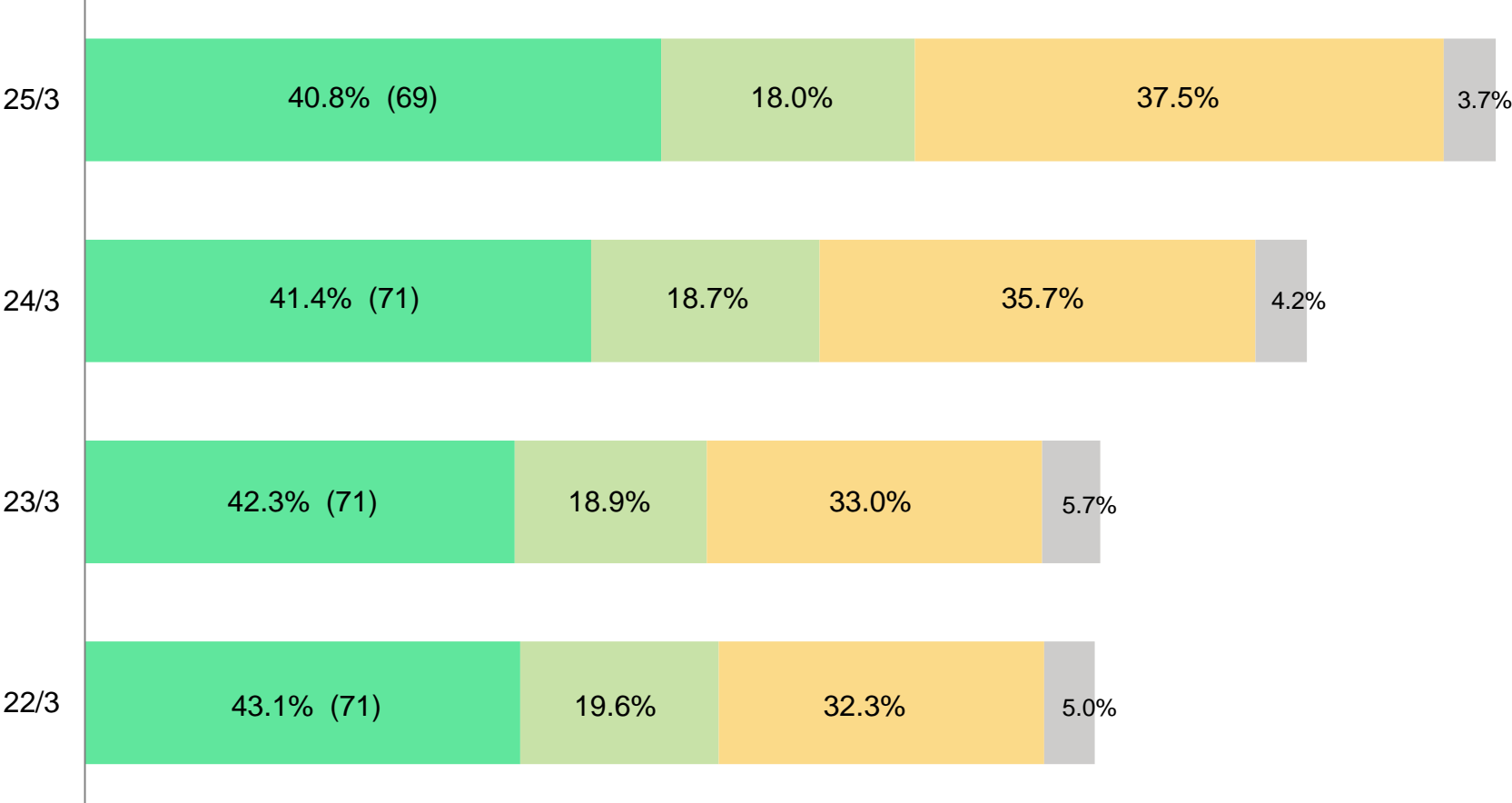
# Net sales by supplement year (Non-consolidated)

(JPY billion)



Notes: The method of rounding amounts less than 10 million yen has been changed since 2025/3.

# Net sales by distribution channel (Non-consolidated)



■ Direct sales ■ Sales agent ■ Wholesaler ■ Other (contract manufacturing, sales by other companies, exports, new businesses)

Figures in brackets indicate the number of sales offices.

# Number of customers by customer segment (Non-consolidated)

(Customer, %)								
Customer segment	Number of medical institutions	25/3					24/3	
		Number of customers	Coverage (%)	Transaction amount % mix (%)	Change in number of customers	Change in transaction amount (%)	Number of customers	Transaction amount % mix (%)
Hospitals	Approx. 8,100	7,657	94.6	10.4	+ 45	+ 15.7	7,612	10.3
DPC	Approx. 1,800	1,764	99.3	6.3	+ 21	+ 17.8	1,743	6.2
Clinics	Approx. 89,700	31,647	35.3	10.7	+ 342	+ 5.1	31,305	11.8
Pharmacies	Approx. 62,500	60,689	97.0	78.8	+ 623	+ 16.9	60,066	77.7
Total	Approx. 160,300	99,993	62.4	100	+ 1,010	+ 15.4	98,983	100

- Notes: 1. The number of transactions excludes sales by other companies.  
2. The number of medical institutions is calculated with reference to Nihon Ultmarc Inc's national medical institution data.  
3. Starting from 2025/3, the calculation standard for the number of clinics under the number of medical institutions has been changed.



# Selling, general and administrative expenses (Domestic segment)

(JPY million, %)

	25/3			24/3	
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Personnel	18,118	8.8	+ 4.2	17,384	9.7
Advertising	878	0.4	+ 7.8	814	0.5
Packing & freight	2,985	1.4	+ 6.4	2,805	1.6
Commissions paid	6,608	3.2	+ 28.0	5,164	2.9
R&D expenses	13,011	6.3	+ 17.8	11,045	6.2
Depreciation	1,476	0.7	+ 6.9	1,380	0.8
Other	6,485	3.1	+ 10.9	5,847	3.3
SGA	49,563	24.0	+ 11.5	44,441	24.9

Notes: 1. Goodwill amortization is not included.

2. Expenses arising in the R&D Division have been reclassified as R&D expenses.

# Outline of financial results for 2025/3 (Overseas segment)

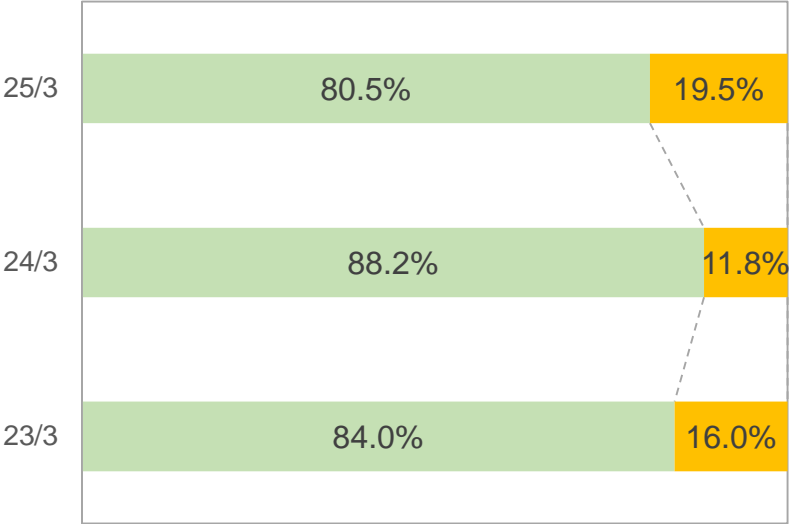
(JPY million, %)

		25/3 results			24/3 results		25/3 full-year plan (announced on November 5, 2024)		
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)	Achievement rate (%)
Overseas segment	Net sales	53,865	100.0	+ 9.2	49,324	100.0	53,400	100.0	100.9
	Cost of sales	35,767	66.4	+ 4.6	34,205	69.3	35,800	67.0	99.9
	SGA	17,647	32.8	+ 16.8	15,107	30.6	17,600	33.0	100.3
	Segment profit	449	0.8	—	11	0.0	0	0.0	—
Europe	Net sales	33,296	100.0	+ 15.9	28,736	100.0	33,200	100.0	100.3
	Cost of sales	21,646	65.0	+ 10.4	19,604	68.2	21,700	65.4	99.8
	SGA	12,790	38.4	+ 24.3	10,286	35.8	12,600	38.0	101.5
	Segment profit	- 1,141	- 3.4	—	-1,154	- 4.0	-1,100	- 3.3	—
U.S.	Net sales	20,569	100.0	- 0.1	20,588	100.0	20,200	100.0	101.8
	Cost of sales	14,121	68.7	- 3.3	14,601	70.9	14,100	69.8	100.2
	SGA	4,856	23.6	+ 0.8	4,820	23.4	5,000	24.8	97.1
	Segment profit	1,591	7.7	+ 36.4	1,166	5.7	1,100	5.4	144.6

Note: Goodwill amortization is not included.

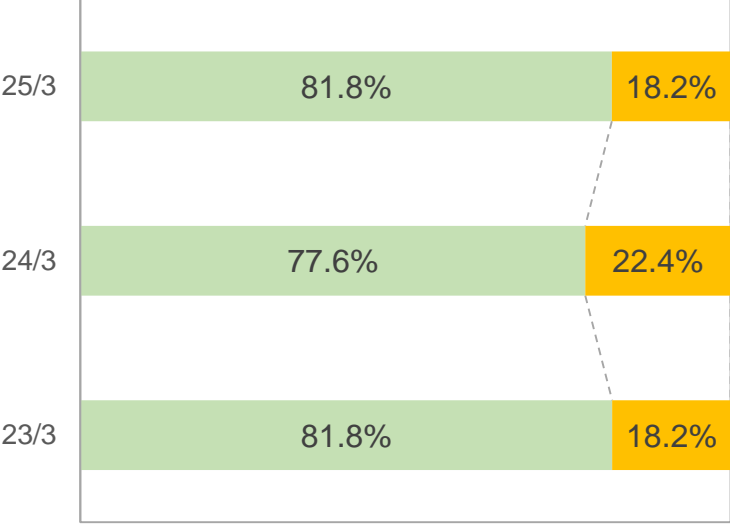
# Sales ratio of released products and new transactions in the last three years (Overseas segment)

Europe (€ comparison)



■ Sales of existing products  
■ Sales of released products and new transactions in the last three years

U.S. ( \$ comparison)



■ Sales of existing products  
■ Sales of released products and new transactions in the last three years

\* Sales of released products and new transactions in the last three years  
23/3: Released Products and new transactions during the period from January 1, 2020 to March 31, 2023  
24/3: Released Products and new transactions during the period from January 1, 2021 to March 31, 2024  
25/3: Released Products and new transactions during the period from January 1, 2022 to March 31, 2025

# Balance sheets (Consolidated)

(JPY million)

Item	25/3	24/3	Change
Cash and deposits	45,471	29,650	+ 15,820
Notes and accounts receivable - trade	61,449	62,916	- 1,466
Electronically recorded monetary claims - operating	10,496	8,854	+ 1,642
Merchandise and finished goods	44,770	48,986	- 4,216
Other inventories	63,517	52,086	+ 11,430
Other current assets	21,600	15,222	+ 6,377
<b>Total current assets</b>	<b>247,306</b>	<b>217,718</b>	<b>+ 29,588</b>
Buildings and structures, net	76,073	57,219	+ 18,854
Machinery, equipment and vehicles, net	18,367	18,017	+ 350
Lease assets	11,802	848	+ 10,954
Construction in progress	40,089	55,917	- 15,827
Goodwill	28,115	32,568	- 4,452
Other non-current assets	49,068	48,363	+ 704
<b>Total non-current assets</b>	<b>223,517</b>	<b>212,934</b>	<b>+ 10,582</b>
<b>Total assets</b>	<b>470,823</b>	<b>430,653</b>	<b>+ 40,170</b>

Item	25/3	24/3	Change
Notes and accounts payable - trade	17,918	15,652	+ 2,265
Electronically recorded obligations - operating	12,123	10,720	+ 1,403
Short-term borrowings	4,699	3,112	+ 1,587
Current portion of long-term borrowings	18,023	10,120	+ 7,903
Lease obligations	1,383	238	+ 1,144
Notes and accounts payable - equipment	9,073	9,768	- 694
Other current liabilities	24,717	30,505	- 5,787
<b>Total current liabilities</b>	<b>87,939</b>	<b>80,118</b>	<b>+ 7,821</b>
Long-term borrowings	195,077	189,124	+ 5,953
Lease obligations	11,801	714	+ 11,087
Other non-current liabilities	4,379	4,802	- 422
<b>Total non-current liabilities</b>	<b>211,259</b>	<b>194,641</b>	<b>+ 16,617</b>
<b>Total liabilities</b>	<b>299,198</b>	<b>274,759</b>	<b>+ 24,438</b>
Foreign currency translation adjustment	13,921	14,300	- 378
Other net assets	157,703	141,593	+ 16,110
<b>Total net assets</b>	<b>171,625</b>	<b>155,893</b>	<b>+ 15,731</b>
<b>Total liabilities and net assets</b>	<b>470,823</b>	<b>430,653</b>	<b>+ 40,170</b>

Exchange rate at end of period (TTM) EUR 1	25/3	24/3
	JPY 162.08	JPY 163.24

# Statement of cash flows (Consolidated)

(JPY million)

	25/3	24/3	Change	25/3 main items
Cash flows from operating activities	23,401	8,212	+ 15,188	<ul style="list-style-type: none"> <li>• Profit before income taxes: +26,330</li> <li>• Depreciation: +15,677</li> <li>• Income taxes paid: -10,889</li> <li>• Increase in inventories: -7,204</li> </ul>
Cash flows from investing activities	- 31,287	- 40,394	+ 9,106	<ul style="list-style-type: none"> <li>• Purchase of property, plant and equipment: -28,736</li> </ul>
Cash flows from financing activities	21,567	35,407	- 13,840	<ul style="list-style-type: none"> <li>• Proceeds from long-term borrowings: +26,365</li> <li>• Proceeds from sale and leaseback transactions: +10,014</li> <li>• Repayments of long-term borrowings: -12,842</li> </ul>
Ending balance of cash and cash equivalents	45,460	29,650	+ 15,809	

# Full-year earnings plan for 2026/3 (Consolidated)

(JPY million, %)

	26/3 full-year plan			25/3 results	
	(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
<b>Net sales</b>	<b>280,000</b>	100.0	<b>+ 7.9</b>	259,594	100.0
Cost of sales	176,000	62.9	+ 6.8	164,865	63.5
SGA	77,000	27.5	+ 7.7	71,486	27.5
<b>Operating profit</b>	<b>27,000</b>	9.6	<b>+ 16.2</b>	23,242	9.0
Ordinary profit	25,300	9.0	- 3.3	26,152	10.1
Profit before income taxes	25,300	9.0	- 3.9	26,330	10.1
Profit attributable to owners of parent	17,700	6.3	- 6.8	18,986	7.3

Exchange rate during period (TTM) EUR 1	Assumed rate for 26/3	25/3
	JPY 156.00	JPY 163.75
Exchange rate during period (TTM) USD 1	Assumed rate for 26/3	25/3
	JPY 145.00	JPY 152.58

# Full-year earnings plan for 2026/3 (Segment information)

(JPY million)

	Reportable segment		Total	Adjustment (Goodwill amortization, etc.)	Consolidated
	Domestic	Overseas			
	Towa Pharmaceutical, etc. Sunsho Pharmaceutical, etc.	Towa INT			
Net sales	226,700	54,600	281,300	- 1,300	280,000
Cost of sales	141,700	34,600	176,300	- 300	176,000
SGA	54,400	19,300	73,700	+ 3,300	77,000
Segment profit	30,600	700	31,300	- 4,300	27,000

Notes: 1. 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.

2. Goodwill amortization: Towa INT JPY 900 million; Sunsho Pharmaceutical, etc. JPY 3,400 million

# Full-year earnings plan for 2026/3 (Domestic segment)

(JPY million, %)

		26/3 full-year plan			25/3 results	
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Domestic segment	Net sales	226,700	100.0	+ 10.0	206,103	100.0
	Cost of sales	141,700	62.5	+ 9.6	129,323	62.7
	SGA	54,400	24.0	+ 9.8	49,563	24.0
	Segment profit	30,600	13.5	+ 12.4	27,216	13.2
Towa Pharmaceutical, etc.	Net sales	196,500	100.0	+ 10.7	177,481	100.0
	Cost of sales	118,500	60.3	+ 10.6	107,114	60.4
	SGA	49,800	25.3	+ 10.2	45,197	25.5
	Segment profit	28,200	14.4	+ 12.0	25,169	14.2
Sunsho Pharmaceutical, etc.	Net sales	30,200	100.0	+ 5.5	28,621	100.0
	Cost of sales	23,200	76.8	+ 4.5	22,208	77.6
	SGA	4,600	15.2	+ 5.3	4,366	15.3
	Segment profit	2,400	7.9	+ 17.3	2,046	7.2

Note: Goodwill amortization is not included.



# Full-year earnings plan for 2026/3 (Overseas segment)

(JPY million, %)

		26/3 full-year plan			25/3 results	
		(JPY million)	Percentage of net sales (%)	YOY change (%)	(JPY million)	Percentage of net sales (%)
Overseas segment	Net sales	54,600	100.0	+ 1.4	53,865	100.0
	Cost of sales	34,600	63.4	- 3.3	35,767	66.4
	SGA	19,300	35.3	+ 9.4	17,647	32.8
	Segment profit	700	1.3	+ 55.6	449	0.8
Europe	Net sales	34,200	100.0	+ 2.7	33,296	100.0
	Cost of sales	21,200	62.0	- 2.1	21,646	65.0
	SGA	13,300	38.9	+ 4.0	12,790	38.4
	Segment loss	- 300	- 0.9	—	- 1,141	- 3.4
U.S.	Net sales	20,400	100.0	- 0.8	20,569	100.0
	Cost of sales	13,400	65.7	- 5.1	14,121	68.7
	SGA	6,000	29.4	+ 23.5	4,856	23.6
	Segment profit	1,000	4.9	- 37.2	1,591	7.7

Note: Goodwill amortization is not included.

# Interim earnings plan for 2026/3 (Consolidated)

(JPY million, %)

(JPY million, %)						Domestic segment			
Consolidated						26/3 first half plan		26/3 second half plan	
						(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
						Net sales	108,000	100.0	118,700
					Cost of sales	67,300	62.3	74,400	62.7
					SGA	27,200	25.2	27,200	22.9
					Segment profit	13,500	12.5	17,100	14.4
						Overseas segment			
						26/3 first half plan		26/3 second half plan	
						(JPY million)	Percentage of net sales (%)	(JPY million)	Percentage of net sales (%)
						Net sales	27,300	100.0	27,300
					Cost of sales	17,200	63.0	17,400	63.7
					SGA	9,400	34.4	9,900	36.3
					Segment profit	700	2.6	0	0.0

# New products to be listed on NHI drug reimbursement price list in May/June 2025 (Non-consolidated)

Scheduled timing of listing	Product name	Original/representative drug name
May 2025	RIVALUEN LA Patch 25.92mg/51.84mg	—
June 2025	MefoVil COMBINATION TABLETS LD “TOWA” / COMBINATION TABLETS HD “TOWA”	EquMet Combination Tablets LD/HD

Four products for two ingredients are scheduled to be launched.

**Sales of approx. 2.5 billion yen in total are planned for the above new products for the first fiscal year.**

**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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