

# **Supplementary material on financial results for the year ended March 31, 2022**

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**May 2022**

**(Stock ticker number: 4553)**

# Regarding financial results disclosure items for the year ended March 31, 2022

- For the financial results for the year ended March 31, 2022, segment information is disclosed by region. (Segment information do not include goodwill amortization.)
- Sunsho Pharmaceutical Co., Ltd. (“Sunsho” below), made a subsidiary of Towa in March 2022, will be included in Towa Group’s consolidated balance sheet from 2022/03 and income statement from 2023/03.
- The 2023/03 full-year plan will include Sunsho.
- Fiscal year for Towa Pharma International Holdings (“Towa HD” below) and Sunsho was from January 1 to December 31, 2021.



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# Outline of financial results for the year ended March 31, 2022 (Consolidated)

- Sales: Increased with larger shipments than the previous year by responding to the demands for stable supply to the domestic market
- Operating profit: Decreased due to higher domestic selling, general and administrative expenses
- Ordinary profit: Increased in line with the gain on valuation of derivatives

Period	2022/03			2021/03		
Item	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	165,615	100.0	+ 6.9	154,900	100.0	+ 40.3
Cost of sales	95,429	57.6	+ 6.7	89,448	57.7	+ 49.7
Selling, general and administrative expenses	50,980	30.8	+ 12.0	45,527	29.4	+ 32.0
Operating profit	19,205	11.6	- 3.6	19,923	12.9	+ 23.4
Ordinary profit	22,739	13.7	+ 21.7	18,677	12.1	- 11.0
Profit attributable to owners of parent	15,914	9.6	+ 14.0	13,958	9.0	- 3.8
Period-end Rate (TTM) 1 USD	2022/03	2021/03	2020/03	FX Rate (TTM) 1 EUR	2022/03	2021/03
	JPY 122.39	JPY 110.71	JPY 108.83		JPY 129.89	JPY 121.81

\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

# Outline of financial results for the year ended March 31, 2022 (Segment information)

- Towa Group is disclosing segment information from the financial results for 2022/03. Segment information does not include goodwill amortization.

(Unit: JPY million)

Item	Segment information		Total	Adjustment (Goodwill amortization)	Consolidated
	Domestic	Overseas			
	Towa J-Dolph Daichi Kasei Greencaps	Towa HD			
Net sales	126,676	38,938	165,615	—	165,615
Cost of sales	69,327	26,102	95,429	—	95,429
Selling, general and administrative expenses	38,470	11,708	50,178	801	50,980
Segment profit	18,878	1,127	20,006	(801)	19,205

# Outline of financial results for the year ended March 31, 2022 (Domestic segment)

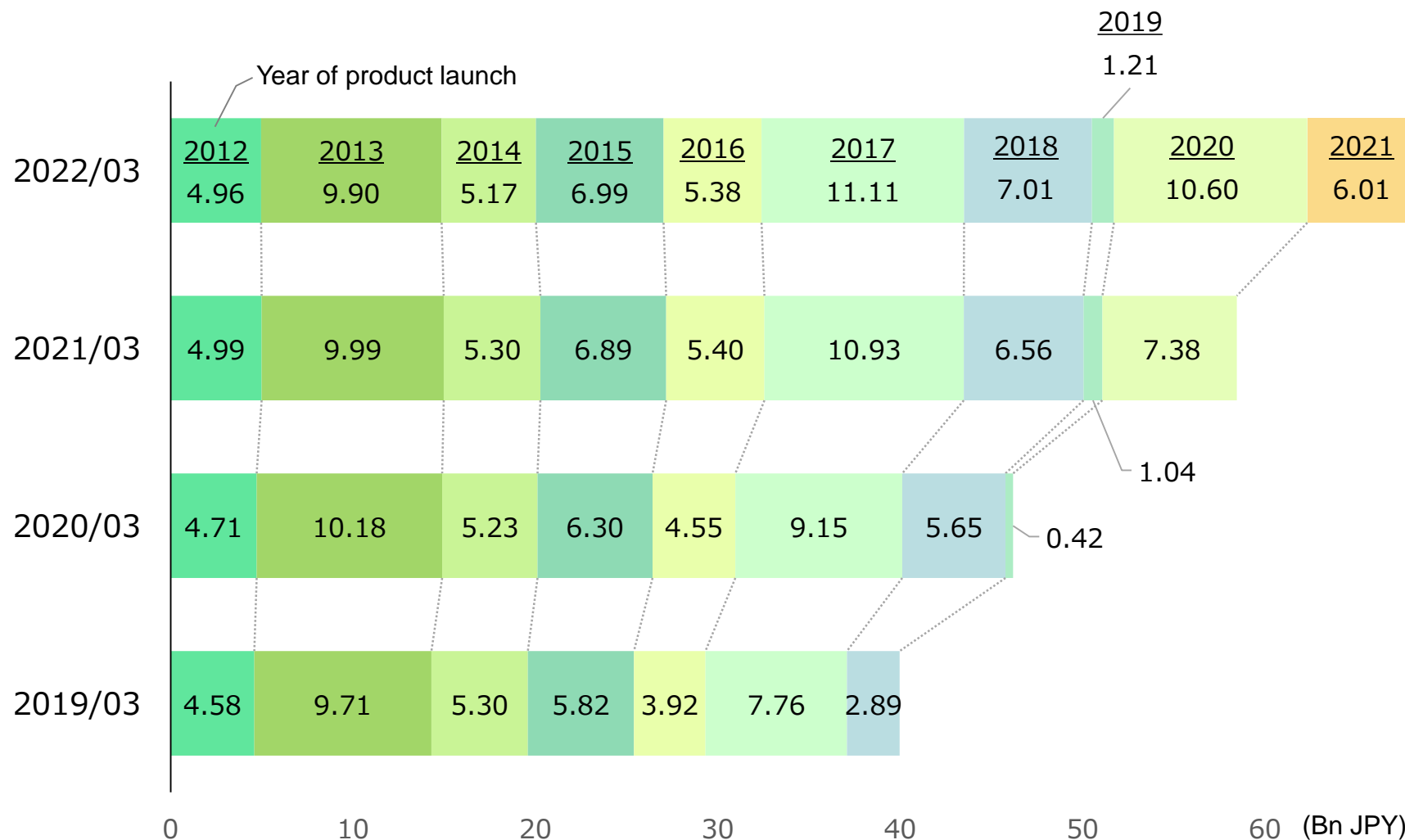
- Sales: Increased with larger shipments than the previous year by responding to the demands for stable supply to the market, despite negative impact by NHI drug price revision
- Segment profit: Decreased despite sales increase, due to hike in cost of sales ratio caused by NHI drug price revision and higher selling, general and administrative expenses

Period	<b>Domestic</b> (Towa, J-Dolph, Daichi Kasei and Greencaps)					
	2022/03			2021/03		
Item	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	126,676	100.0	+ 6.7	118,685	100.0	+ 7.5
Cost of sales	69,327	54.7	+ 9.0	63,575	53.6	+ 6.4
Selling, general and administrative expenses	38,470	30.4	+ 10.4	34,860	29.4	+ 1.0
Segment profit	18,878	14.9	- 6.8	20,249	17.1	+ 25.4

\* Goodwill amortization has been deducted from domestic segment results for the year ended March 31, 2021 (JPY 751 million subtracted from selling, general and administrative expenses).

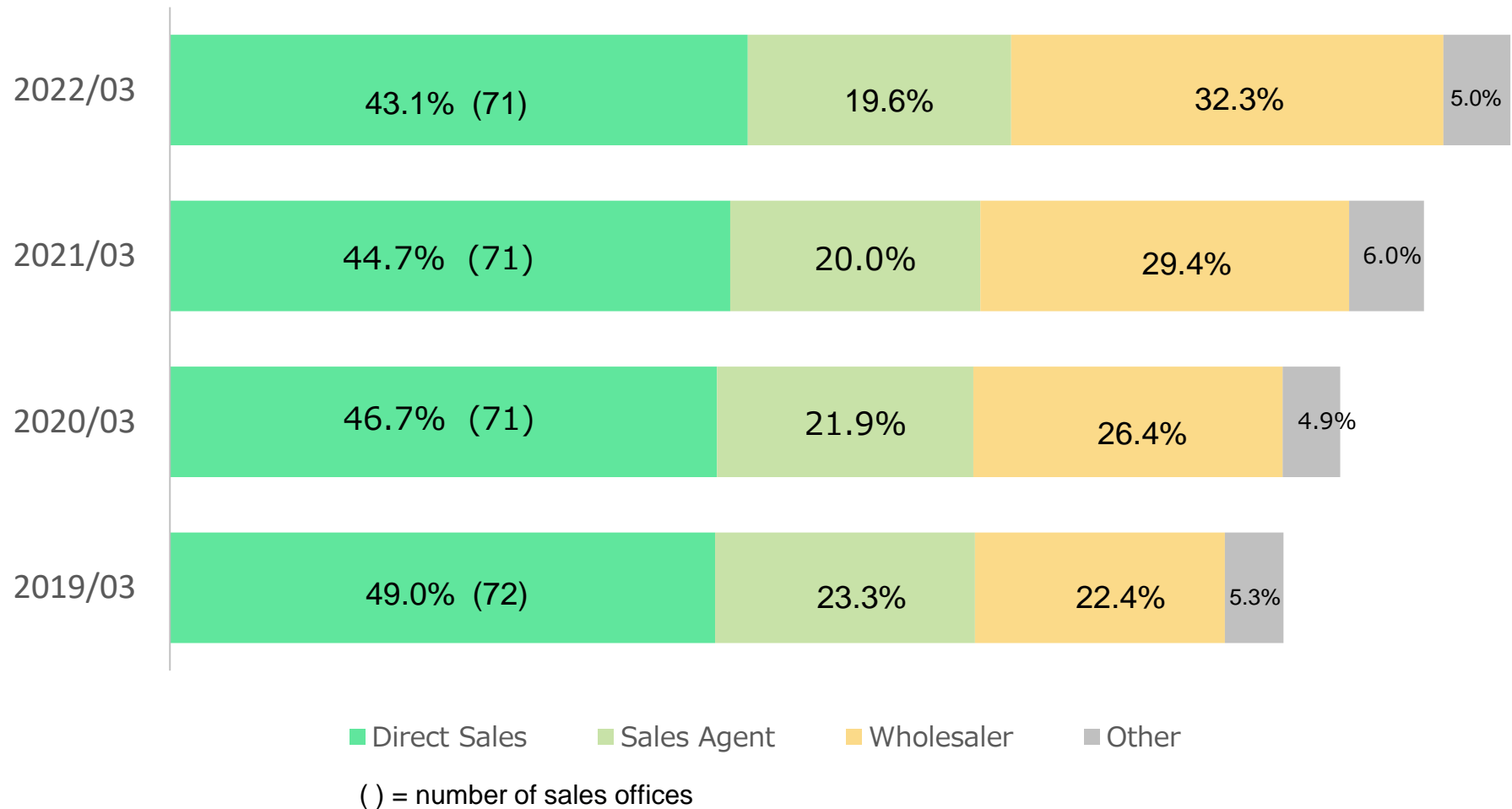
# Sales by year of recent launches (Towa only)

## ● Sales of recently launched products developed well





# Sales share by distribution channel (Towa only)



# Number & share of customers by segment (Towa only)

- The number of our transactions with dispensing pharmacies steadily on the increase

Customer segment	Total number of medical institutions	2022/03					2021/03	
		Number of trading customers	Coverage (%)	Transaction share in value (%)	Change in number of trading customers	Change in trading values (%)	Number of trading customers	Transaction share in value (%)
Hospitals	ca. 8,300	7,482	90.7	10.7	+ 74	+ 7.0	7,408	10.7
DPC*	1,755	1,720	98.0	6.2	+ 7	+ 10.1	1,713	6.0
Clinics	ca. 105,200	29,676	28.2	13.7	+ 272	+ 0.3	29,404	14.5
Pharmacies	ca. 60,900	58,459	95.9	75.5	+ 1,162	+ 8.1	57,297	74.6
Total	ca. 174,300	95,617	54.8	100.0	+ 1,508	+ 6.8	94,109	100.0

\* DPC = Diagnosis Procedure Combination

(Not including transactions by other companies)

\*\* Total number of institutions calculated with reference to Nihon Ultmarc's national medical institution data.

# Selling, general and administrative expenses (Domestic segment)

- Personnel cost increases at Pharmacovigilance & Quality Assurance and Business Development Divisions
- Commission paid increases due to acquisition of Sunsho

Period	<b>Domestic segment</b> (Towa, J-Dolph, Daichi Kasei and Greencaps)					
	2022/03			2021/03		
	(JPY million)	Ratio to sales (%)	YoY changes (±%)	(JPY million)	Ratio to sales (%)	YoY changes (±%)
Personnel	15,818	12.5	+ 5.9	14,939	12.6	+ 3.8
Advertisement	1,281	1.0	+ 50.9	849	0.7	- 17.9
Packing / freight	2,393	1.9	+ 7.6	2,224	1.9	+ 2.2
Commission paid	3,434	2.7	+ 76.3	1,948	1.6	- 17.0
R&D	9,439	7.5	+ 3.9	9,083	7.7	+ 6.0
Depreciation	1,068	0.8	+ 10.1	969	0.8	- 1.1
Other	5,034	4.0	+ 3.9	4,845	4.1	- 3.3
<b>Total</b>	<b>38,470</b>	<b>30.4</b>	<b>+ 10.4</b>	<b>34,860</b>	<b>29.4</b>	<b>+ 1.0</b>

\* Greencaps included in the consolidation since 2021/03 1Q.

\* Goodwill amortization has been deducted from domestic segment results for the year ended March 31, 2021 (JPY 751 million subtracted from selling, general and administrative expenses).

\* Depreciation not including the portion of R&D expenditures.

# Outline of financial results for the year ended March 31, 2022 (Overseas segment)

- Sales: Maintained a similar level on a local-currency basis YoY thanks to the sales of new products, which was an increase due to favorable FX development, despite negative impacts caused by channel inventory adjustments driven by the change of third-party logistic companies, and API shortages in the US
- Segment profit: Increased with higher gross profit than the previous year driven by lower cost of sales ratio thanks to the elimination of PPA inventory step-up impact generated at both EU and the US in the previous fiscal year and the improvement in sales-mix, overcompensating the increases in personnel / IT costs for the enhancement of management setup and R&D project costs in EU

Period	Overseas segment (Towa HD)				
	2022/03			2021/03	
Item	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)
Net sales	38,938	100.0	+ 7.5	36,214	100.0
Cost of sales	26,102	67.0	+ 0.9	25,873	71.4
Selling, general and administrative expenses	11,708	30.1	+ 18.1	9,915	27.4
Segment profit	1,127	2.9	+ 164.9	425	1.2
FX Rate (TTM) 1 EUR	2022/03	2021/03			
	JPY 129.89	JPY 121.81			

\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

# Outline of financial results for the third quarter of the year ended March 31, 2022 (Overseas segment by region)

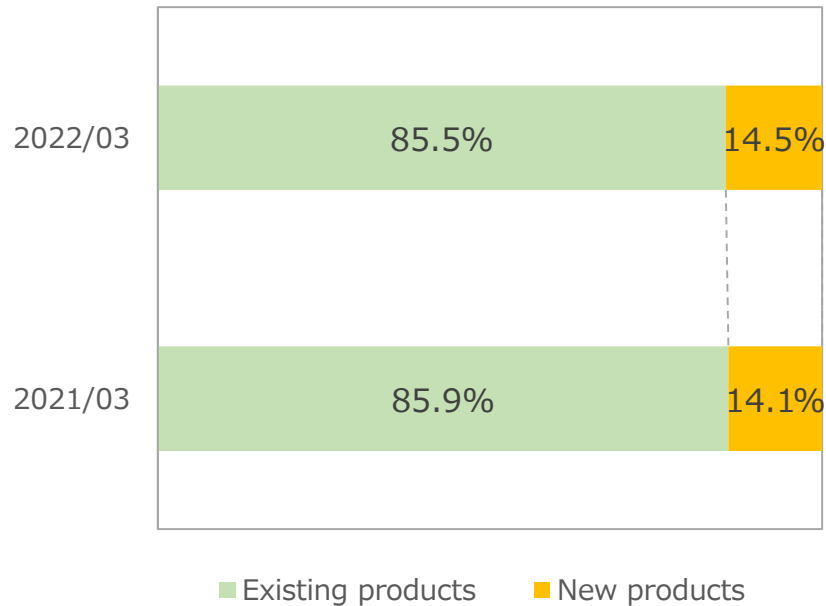
Period	Towa HD / EU				
	2022/03			2021/03	
Item	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)
Net sales	20,133	100.0	+ 10.4	18,231	100.0
Cost of sales	12,384	61.5	+ 5.6	11,732	64.4
Selling, general and administrative expenses	8,476	42.1	+ 25.2	6,772	37.1
Segment profit (loss)	-727	-3.6	-	-272	-1.5
FX Rate (TTM) 1 EUR		2022/03		2021/03	
		JPY 129.89		JPY 121.81	

Towa HD / US				
2022/03			2021/03	
(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)
18,805	100.0	+ 4.6	17,982	100.0
13,717	72.9	- 3.0	14,140	78.6
3,231	17.2	+ 2.8	3,143	17.5
1,855	9.9	+ 165.7	698	3.9

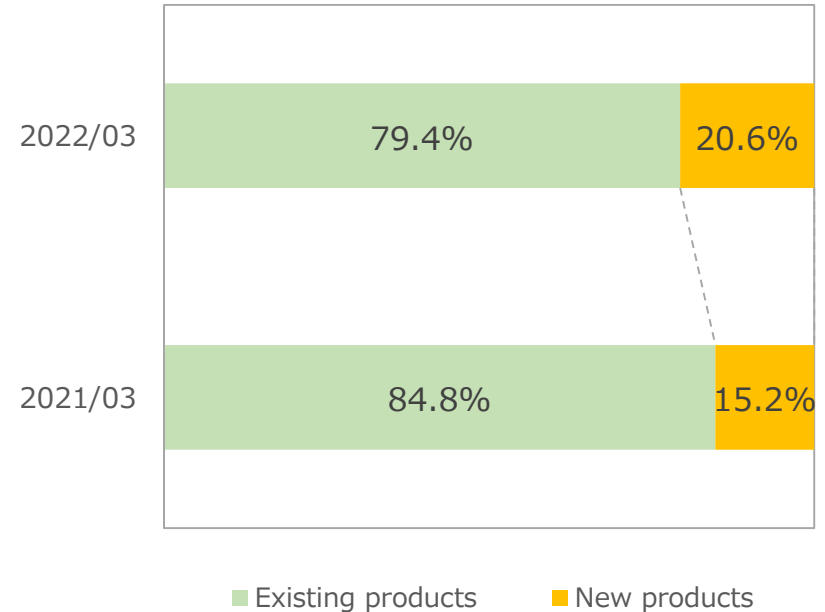
\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

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

EU (EUR comparison)



US (USD comparison)



\* New products: 2021/03: Products released January 1, 2018-December 31, 2020  
2022/03: Products released January 1, 2019-December 31, 2021

# Approved and new products for the year ended March 31, 2022 (Overseas segment / US)

Therapeutic Category	Product Name	Branded or Reference Product	Release period
Antipsychotic drug	ASENAPINE SUBLINGUAL TABLETS 5mg	Saphris	2021 Q1
Other anti-tumor agent	EVEROLIMUS TABLETS 2.5mg / 5mg / 7.5mg / 10mg	Afinitor	2021 Q2 (10mg Q4)
Immunosuppressive drug	EVEROLIMUS TABLETS 0.25mg / 0.5mg / 0.75mg	Zortress	2021 Q3
Proteasome inhibitor anti-tumor agent	CARFILZOMIB 10mg / 60 mg	Kyprolis	Pending
Tranquilizer	ZOLPIDEM TARTRATE EXTENDED-RELEASE TABLETS 6.25mg / 12.5 mg	Ambien CR	2021 Q3
Anticoagulant (direct factor Xa inhibitor)	APIXABAN TABLETS 2.mg / 5mg	Eliquis	Pending
Adrenal hormone preparation	NOREPINEPHRINE BITARTRATE INJECTION 4mg / 4ml (1mg / 1ml)	Levophed	2021 Q3
Other immunosuppressive drug	TERIFLUNOMIDE TABLETS 7mg / 14mg	Aubagio	Pending

\* Source: Breckenridge Pharmaceutical, Inc. website press releases (issued January 1-December 31, 2021)

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# Outline of financial results for the year ended March 31, 2022 / Plan achievement rates (Consolidated)

- Ordinary profit: Better due to the gain on valuation of derivatives

Period	2022/03				
	Full-year Results		Full-year Plan (announced on October 26)		
Item	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)	Achievement rate (%)
Net sales	165,615	100.0	166,700	100.0	99.3
Cost of sales	95,429	57.6	95,680	57.4	99.7
Selling, general and administrative expenses	50,980	30.8	51,720	31.0	98.6
Operating profit	19,205	11.6	19,300	11.6	99.5
Ordinary profit	22,739	13.7	22,110	13.3	102.8
Profit attributable to owners of parent	15,914	9.6	15,440	9.3	103.1

\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

# Outline of financial results for the year ended March 31, 2022

## / Plan achievement rates (Domestic segment)

- Sales: Lower than planned due to slow growth in production volume caused by issues in installing equipment to expand production capacity
- Segment profit: Achieved due to lower than expected selling, general and administrative expenses despite sales being lower than planned

Period	Domestic segment (Towa, J-Dolph, Daichi Kasei and Greencaps)				
	2022/03 Full-year Results		Full-year Plan (announced on October 26)*		
Item	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)	Achievement rate (%)
Net sales	126,676	100.0	129,500	100.0	97.8
Cost of sales	69,327	54.7	70,880	54.7	97.8
Selling, general and administrative expenses	38,470	30.4	39,843	31.4	96.6
Segment profit	18,878	14.9	18,777	13.9	100.5

\* Goodwill amortization has been deducted from full-year plan selling, general and administrative expenses (JPY 777 million subtracted from selling, general and administrative expenses ).

# Outline of financial results for the year ended March 31, 2022

## / Plan achievement rates (Overseas segment)

- Sales: Higher than planned in line with favorable FX development (as planned on a local-currency basis)
- Segment profit: Lower than planned due to higher than expected selling, general and administrative expenses

Period	Overseas segment (Towa HD)				
	2022/03 Full-year Results		Full-year Plan (announced on May 14)		
Item	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)	Achievement rate (%)
Net sales	38,938	100.0	37,200	100.0	104.7
Cost of sales	26,102	67.0	24,800	66.7	105.3
Selling, general and administrative expenses	11,708	30.1	11,100	29.8	105.5
Segment profit	1,127	2.9	1,300	3.5	86.8

FX Rate (TTM) 1 EUR	2022/03 FY Assump.	2022/03
	JPY 125.00	JPY 129.89

\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

# Outline of financial results for the year ended March 31, 2022 / Plan achievement rates (Overseas segment by region)

- EU**
- Sales: Higher than planned mainly due to better performance of CMO business and strong sales of new products in B2C business
  - Segment loss: Lower than planned due to cost of sales ratio being lower than planned and gross profit being better than expected
- US**
- Sales: Lower than planned due to negative impacts by channel inventory adjustments caused by the change of third-party logistic companies, and by API shortages of several products, etc.
  - Segment profit: Lower than planned due to cost of sales ratio being higher than planned and gross profit being lower than planned

Period	Towa HD / EU				
	2022/03 Full-year Results		Full-year Plan (announced on May 14)		
	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)	Achievement rate (%)
Net sales	20,133	100.0	18,300	100.0	110.0
Cost of sales	12,384	61.5	11,400	62.3	108.6
Selling, general and administrative expenses	8,476	42.1	7,850	42.9	108.0
Segment profit (loss)	-727	-3.6	-950	- 5.2	-

	Towa HD / US				
	2022/03 Full-year Results		Full-year Plan (announced on May 14)		
	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)	Achievement rate (%)
Net sales	18,805	100.0	18,900	100.0	99.5
Cost of sales	13,717	72.9	13,400	70.9	102.4
Selling, general and administrative expenses	3,231	17.2	3,250	17.2	99.4
Segment profit (loss)	1,855	9.9	2,250	11.9	82.5

FX Rate (TTM) 1 EUR	2022/03 FY Assump.	2022/03
	JPY 125.00	JPY 129.89

\* 2022/03 figures of Towa HD representing financial results during January 1-December 31, 2021.

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# Full-year plan for the year ending March 31, 2023 (Consolidated)

- Sales: Increase 28.3% in line with the inclusion of Sunsho in the scope of consolidation
- Operating profit: Roughly the same as last year despite cost of sales ratio deteriorating by 3.6 points, and selling, general and administrative expenses increasing due to goodwill amortization consequent upon the acquisition of Sunsho
- Ordinary profit: Gain/loss from revaluation of currency swap and impact of FX fluctuations excluded in light of uncertainty

Period	2023/03 Full-year Plan			2022/03 Full-year Results		
	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	212,500	100.0	+ 28.3	165,615	100.0	+ 6.9
Cost of sales	130,000	61.2	+ 36.2	95,429	57.6	+ 6.7
Selling, general and administrative expenses	63,500	29.9	+ 24.6	50,980	30.8	+ 12.0
Operating profit	19,000	8.9	- 1.1	19,205	11.6	- 3.6
Ordinary profit	19,000	8.9	- 16.4	22,739	13.7	+ 21.7
Profit attributable to owners of parent	12,000	5.6	- 24.6	15,914	9.6	+ 14.0
FX Rate (TTM) 1 EUR	2023/03 FY Assump.		2022/03			
	JPY 130.00		JPY 129.89			

\* 2023/03 figures of Towa HD and Sunsho representing financial results during January 1-December 31, 2022.

# Full-year plan for the year ending March 31, 2023

## (Segment information)

- Towa Group is disclosing segment information from the financial results for 2022/03. Segment information does not include goodwill amortization.

(Unit: JPY million)

Item	Segment information		Total	Adjustment (Goodwill amortization)*	Consolidated
	Domestic	Overseas			
	Towa J-Dolph Daichi Kasei Greencaps Sunsho	Towa HD			
Net sales	169,000	43,500	212,500	—	212,500
Cost of sales	100,000	30,000	130,000	—	130,000
Selling, general and administrative expenses	47,500	12,000	59,500	4,000	63,500
Segment profit	21,500	1,500	23,000	(4,000)	19,000

\* Goodwill amortization: Towa HD JPY 800 million, Sunsho JPY 3,200 million.

\* Goodwill amortization subject to change as a result of PPA.

# Full-year plan for the year ending March 31, 2023 (Domestic segment)

- Sales: Increase 33.4% in line with the inclusion of Sunsho in the scope of consolidation
- Segment profit: Planned increase of 13.9% in line with decline in selling, general and administrative expenses ratio, despite a YoY 4.5 point increase in cost of sales ratio due to Sunsho being included in the scope of consolidation, and negative impact of NHI drug price revision

Period	Domestic segment (Towa, J-Dolph, Daichi Kasei, Greencaps and Sunsho)					
	2023/03 Full-year Plan			2022/03 Full-year Results		
Item	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	169,000	100.0	+ 33.4	126,676	100.0	+ 6.7
Cost of sales	100,000	59.2	+ 44.2	69,327	54.7	+ 9.0
Selling, general and administrative expenses	47,500	28.1	+ 23.5	38,470	30.4	+ 10.4
Segment profit	21,500	12.7	+ 13.9	18,878	14.9	- 6.8

\* 2023/03 figures of Sunsho representing financial results during January 1-December 31, 2022.

\* Goodwill amortization not included in the above.

\* 2022/03 full-year results do not include the results of Sunsho.



# Full-year plan for the year ending March 31, 2023

## (Domestic segment / Breakdown)

Towa, J-Dolph, Daichi Kasei and Greencaps

- Sales: Expected to increase due to favorable sales development of the recently launched domestic products despite the negative impact of NHI drug price revision
- Segment profit: Expected to increase 1.7% in line with increase in gross profit due to higher sales, despite YoY 1.4 point increase in cost of sales ratio due to negative impact by NHI drug price revision, and increases in selling, general and administrative expenses such as R&D expenditures and personnel costs

Period	Towa, J-Dolph, Daichi Kasei and Greencaps						Sunsho	
	2023/03 Full-year Plan			2022/03 Full-year Results			2023/03 Full-year Plan	
	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)
Net sales	144,000	100.0	+ 13.7	126,676	100.0	+ 6.7	25,000	100.0
Cost of sales	80,800	56.1	+ 16.5	69,327	54.7	+ 9.0	19,200	76.8
Selling, general and administrative expenses	44,000	30.6	+ 14.4	38,470	30.4	+ 10.4	3,500	14.0
Segment profit	19,200	13.3	+ 1.7	18,878	14.9	- 6.8	2,300	9.2

\* 2023/03 figures of Sunsho representing financial results during January 1-December 31, 2022.

\* Goodwill amortization not included in the above.

# Full-year plan for the year ending March 31, 2023 (Overseas segment)

- Sales: Increase due to the contribution by newly launched products in the US
- Segment profit: 33.0% increase due to contribution of US business despite increased selling, general and administrative expenses and cost of sales ratio in EU

Period	Overseas segment (Towa HD)					
	2023/03 Full-year Plan			2022/03 Full-year Results		
	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	43,500	100.0	+ 11.7	38,938	100.0	+ 7.5
Cost of sales	30,000	69.0	+ 14.9	26,102	67.0	+ 0.9
Selling, general and administrative expenses	12,000	27.6	+ 2.5	11,708	30.1	+ 18.1
Segment profit	1,500	3.4	+ 33.0	1,127	2.9	+ 164.9
FX Rate (TTM) 1 EUR	2023/03 FY Assump.		2022/03			
	JPY 130.00		JPY 129.89			

\* 2023/03 figures of Towa HD representing financial results during January 1-December 31, 2022.

# Full-year plan for the year ending March 31, 2023 (Overseas segment by region)

Period	Towa HD / EU						Towa HD / US					
	2023/03 Full-year Plan			2022/03 Full-year Results			2023/03 Full-year Plan			2022/03 Full-year Results		
	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)	(JPY million)	Ratio to sales (%)	YoY changes (%)
Net sales	20,400	100.0	+ 1.3	20,133	100.0	+ 10.4	23,100	100.0	+ 22.8	18,805	100.0	+ 4.6
Cost of sales	13,200	64.7	+ 6.6	12,384	61.5	+ 5.6	16,800	72.7	+ 22.5	13,717	72.9	- 3.0
Selling, general and administrative expenses	8,600	42.2	+ 1.5	8,476	42.1	+ 25.2	3,400	14.7	+ 5.2	3,231	17.2	+ 2.8
Segment profit (loss)	-1,400	-6.9	-	-727	-3.6	-	2,900	12.6	+ 56.3	1,855	9.9	+ 165.7

FX Rate (TTM) 1 EUR	2023/03 FY Assump.	2022/03
	JPY 130.00	JPY 129.89

\* 2023/03 figures of Towa HD representing financial results during January 1-December 31, 2022.

# Half-year plans for the year ending March 31, 2023 by segment

Period	Domestic segment			
	2023/03 Half-year Plans			
	First half		Second half	
	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)
Net sales	80,500	100.0	88,500	100.0
Cost of sales	47,500	59.0	52,500	59.3
Selling, general and administrative expenses	22,800	28.3	24,700	27.9
Segment profit	10,200	12.7	11,300	12.8

Period	Overseas segment			
	2023/03 Half-year Plans			
	First half		Second half	
	(JPY million)	Ratio to sales (%)	(JPY million)	Ratio to sales (%)
Net sales	21,000	100.0	22,500	100.0
Cost of sales	14,500	69.0	15,500	68.9
Selling, general and administrative expenses	6,700	31.9	5,300	23.6
Segment profit (loss)	-200	-1.0	1,700	7.6

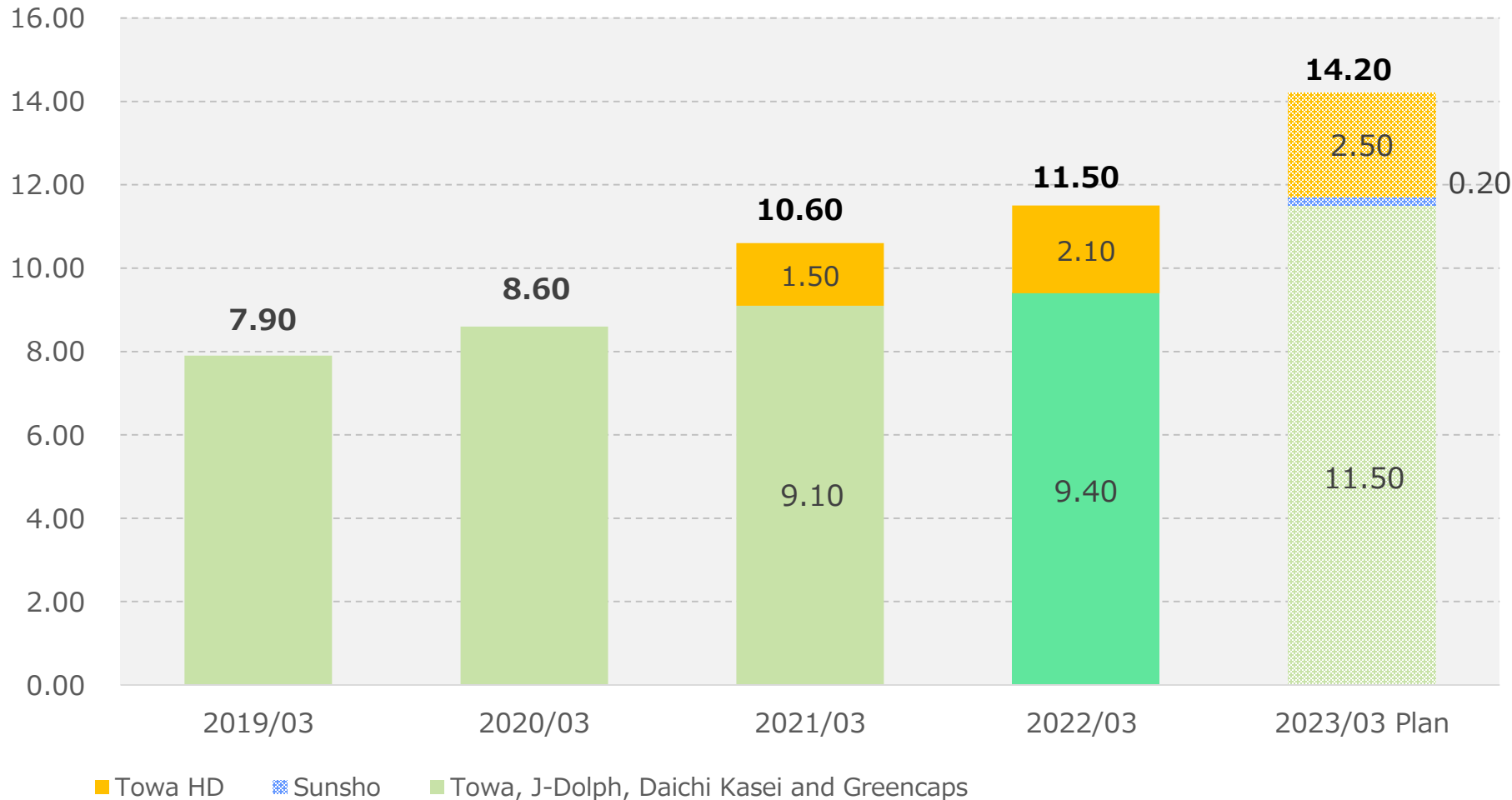
\* 2023/03 figures of Towa HD and Sunsho representing financial results during January 1-December 31, 2022.

\* Goodwill amortization not included in the above.

# R&D expenditure (Consolidated)

● Increase anticipated for FY2023/03 due to efforts to create new product value

(Bn JPY)



\* Towa HD and Greencaps not included during the period of 2019/03 and 2020/3.

\* 2019/03 and 2022/03 results do not include the results of Sunsho.

# New product launches in June 2022 (Towa only)

Therapeutic Category	Product Name	Branded or Reference Product
V2 receptor antagonist	TOLVAPTAN GRANULES 1% "TOWA"	Samsca Granules 1%
Non-purine selective xanthine oxidase inhibitor, therapeutic agent for hyperuricemia	FEBUXOSTAT TABLETS 10mg, 20mg, 40mg "TOWA"	Febric Tablets 10mg, 20mg, 40mg
EPA / DHA formulation	OMEGA-3 ACID ETHYL ESTERS GRANULAR CAPSULES 2g "TOWA"	Lotriga Granular Capsules 2g
Antineoplastic drug / tyrosine kinase inhibitor	DASATINIB TABLETS 20mg, 50mg "TOWA"	Sprycel Tablets 20mg, 50mg
Levocarnitine formulation	LEVOCARNITINE FF TABLETS 100mg, 250mg "TOWA"	L-Cartin FF Tablets 100mg, 250mg
	LEVOCARNITINE FF INTRAVENOUS INJECTION 1000mg SYRINGE "TOWA"	L-Cartin FF Injection 1,000mg syringe
Antineoplastic drug	BENDAMUSTINE HYDROCHLORIDE INTRAVENOUS INFUSION 25mg / 1mL, 100mg / 4mL "TOWA"	Treakisym Injection solution 100mg / 4mL Treakisym Injection 25mg, 100mg (different dosage form)
5-HT3 receptor antagonist antiemetic	PALONOSETRON INTRAVENOUS INJECTION 0.75mg / 2mL SYRINGE "TOWA"	Aloxi I.V. Injection 0.75mg (different dosage form, different concentration)

Total planned sales for first fiscal year of new products launched in June is approximately JPY 3.56 billion.

7 ingredients and 13 products planned to be launched

# Contents

1. Outline of financial results for the year ended March 31, 2022
2. Outline of financial results for the year ended March 31, 2022 / Plan achievement rates
3. Full-year plan for the year ending March 31, 2023
- 4. Balance sheet, capital expenditure and depreciation**
5. Production capacity enhancement plan

# Balance sheet (Consolidated)

- Sunsho is included in the scope of consolidation beginning with the fiscal year under review.

(Unit: JPY million)

Item	2022/03	2021/03	Changes	Item	2022/03	2021/03	Changes
Cash and deposits	32,830	22,915	+ 9,915	Notes and accounts payable - trade	14,834	10,000	+ 4,834
Notes and accounts receivable - trade	42,896	38,122	+ 4,774	Electronically recorded obligations - operating	14,242	13,168	+ 1,073
Electronically recorded monetary claims - operating	7,971	7,694	+ 276	Short-term borrowings	49,335	1,111	+ 48,224
Merchandise and finished goods	32,098	30,083	+ 2,014	Bonds with share acquisition rights – due within one year	4,150	–	+ 4,150
Other inventories	40,603	30,868	+ 9,735	Current portion of long-term borrowings	8,022	7,181	+ 840
Other	10,463	7,605	+ 2,857	Facilities notes and accounts payable	5,635	4,244	+ 1,390
<b>Total current assets</b>	<b>166,864</b>	<b>137,290</b>	<b>+ 29,574</b>	Other	18,852	15,809	+ 3,042
Buildings and structures, net	53,315	49,093	+ 4,222	<b>Total current liabilities</b>	<b>115,073</b>	<b>51,516</b>	<b>+ 63,556</b>
Machinery, equipment and vehicles, net	16,224	12,628	+ 3,596	Bonds with share acquisition rights	–	4,153	- 4,153
Construction in progress	11,709	8,769	+ 2,940	Non-current liabilities	79,194	69,945	+ 9,248
Goodwill	44,647	7,050	+ 37,597	Other	3,497	3,452	+ 45
Other	37,173	30,837	+ 6,336	<b>Total non-current liabilities</b>	<b>82,692</b>	<b>77,552</b>	<b>+ 5,140</b>
<b>Total non-current assets</b>	<b>163,071</b>	<b>108,378</b>	<b>+ 54,692</b>	<b>Total liabilities</b>	<b>197,766</b>	<b>129,069</b>	<b>+ 68,697</b>
<b>Total assets</b>	<b>329,935</b>	<b>245,668</b>	<b>+ 84,266</b>	<b>Total net assets</b>	<b>132,169</b>	<b>116,599</b>	<b>+ 15,569</b>
				<b>Total liabilities and net assets</b>	<b>329,935</b>	<b>245,668</b>	<b>+ 84,266</b>

Period-end Rate (TTM)	2021/12	2020/12
1 EUR	JPY 130.51	JPY 126.95

\* FX rate as of end of December 2021 shown here in light of Towa HD fiscal year that began January 1 and ended December 31, 2021.

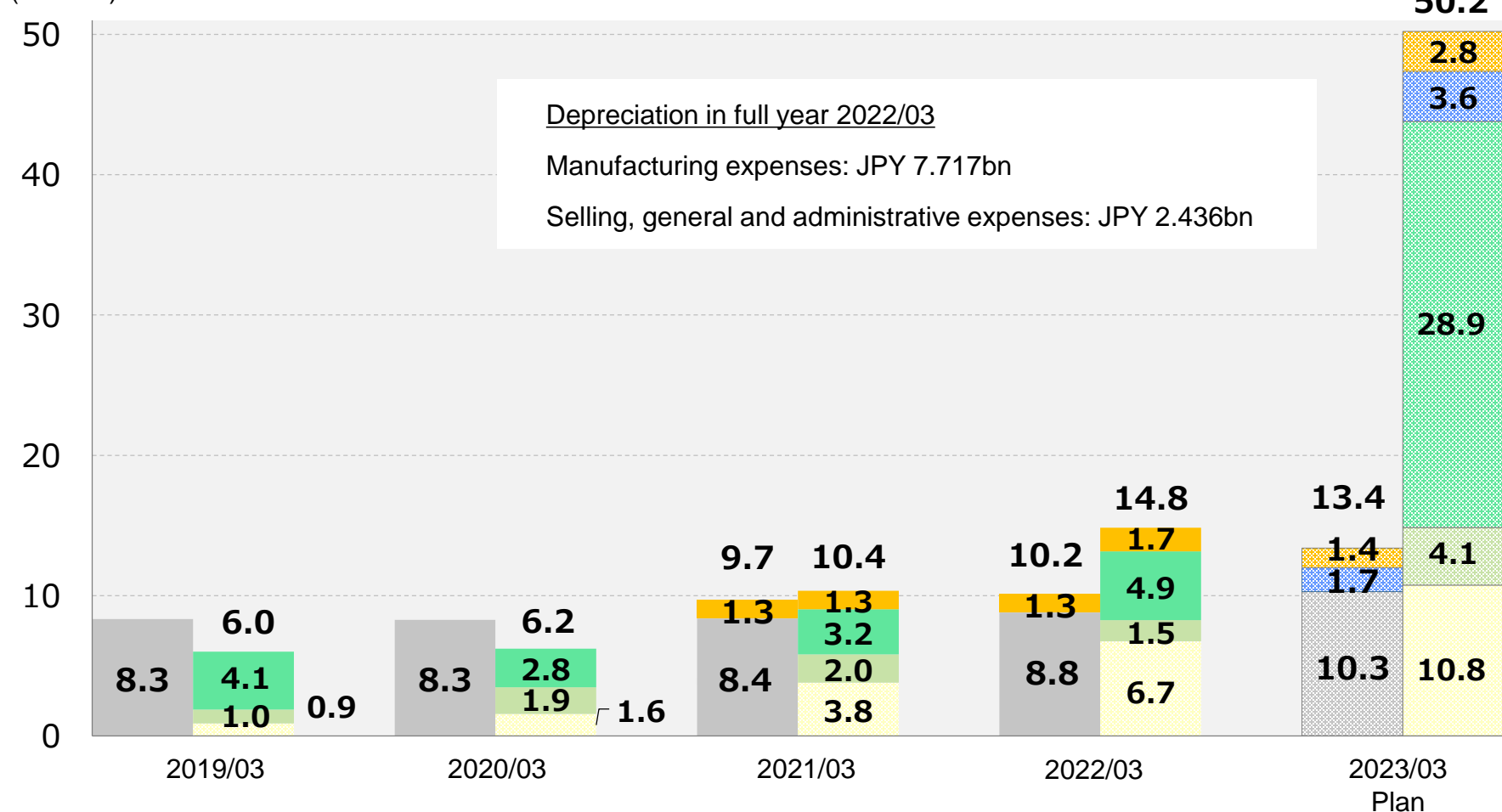
\* 2022/03 figures of Sunsho representing financial results during January 1-December 31, 2021.

\* Goodwill subject to change as a result of PPA.



# Capital expenditure and depreciation (Consolidated)

- Planned increase in capital investment expenditure in line with full-tilt investment in new Yamagata Plant building as well as facilities enhancement at subsidiaries in FY2023/03



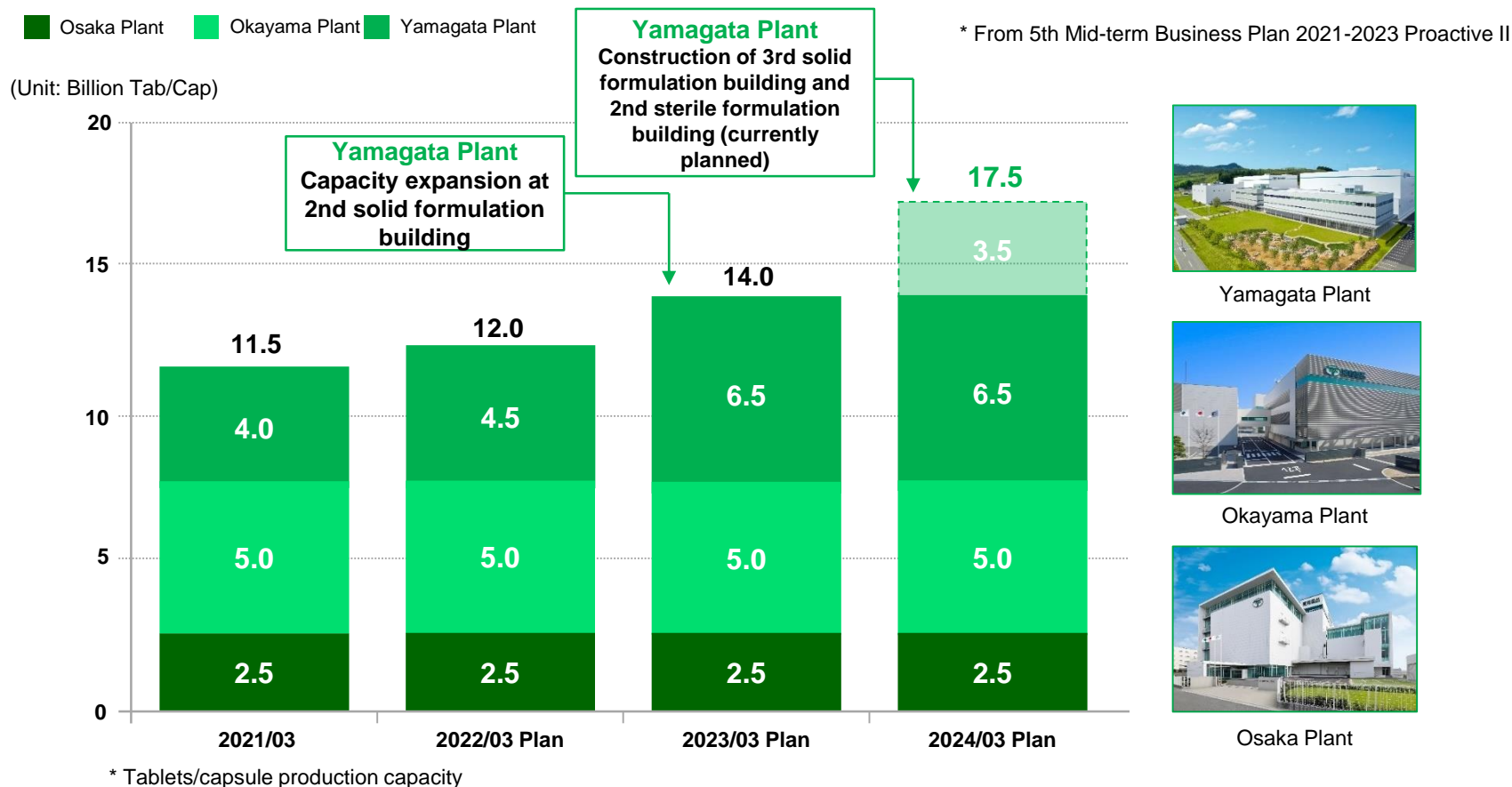
■ CAPEX Towa HD  
 ■ CAPEX Sunsho  
 ■ CAPEX Yamagata Plant  
 ■ CAPEX Okayama Plant  
 ■ CAPEX Other  
 ■ Depreciation Sunsho  
 ■ Depreciation Domestic

\* Capital expenditure including acquisitions of tangible and intangible assets.  
 \* Depreciation including R&D portion.  
 \* Depreciation in FY2021/03 and FY2022/03 not including Towa HD goodwill amortization  
 \* Towa HD and Greencaps not included in actual results during FY2019/03-FY2020/03  
 \* Sunsho not included in actual results during FY2019/03-FY2022/03

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## **5. Production capacity enhancement plan**

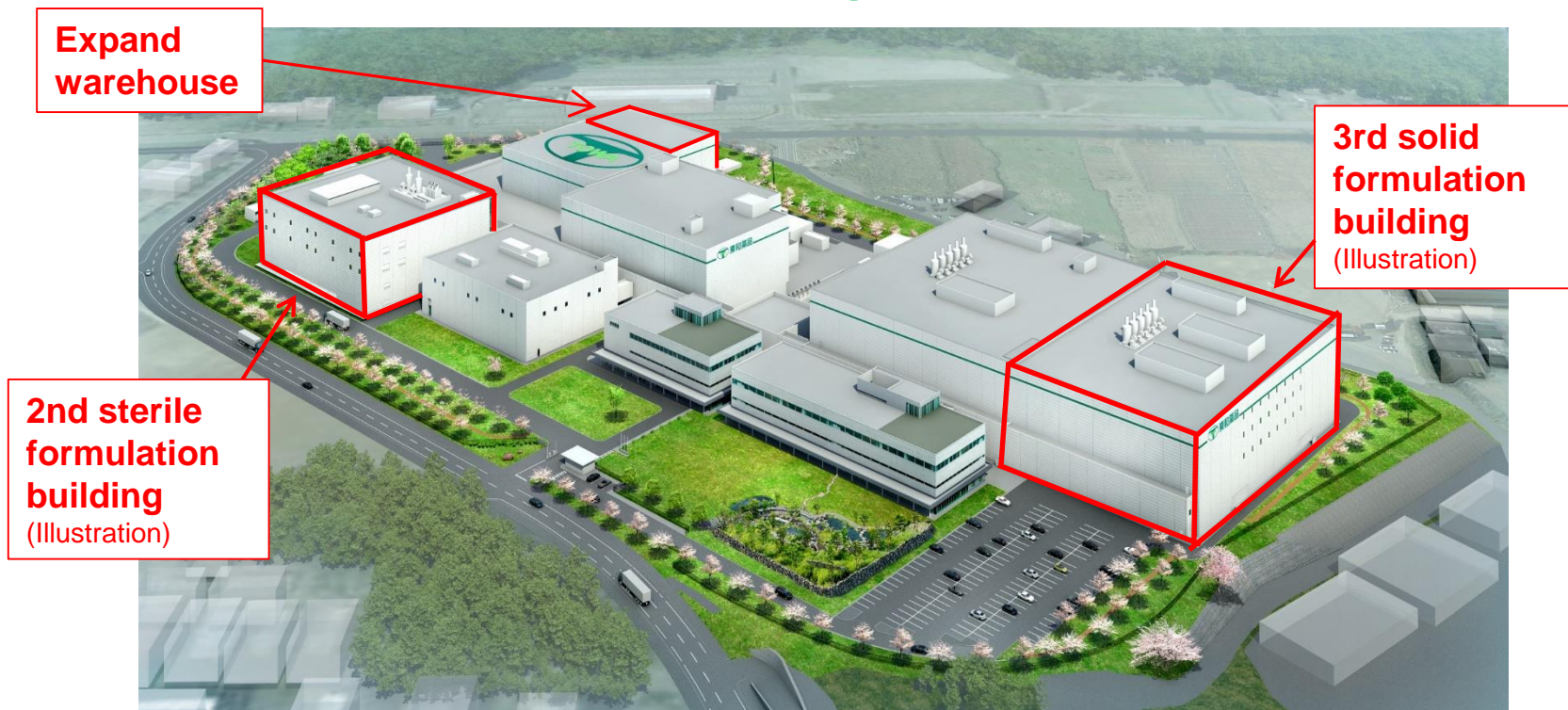
# Production capacity enhancement plan I



- By end of 2023/03, capital expenditure to increase Yamagata Plant production capacity to 6.5 billion tablets/capsules, achieve combined production capacity for the three plants of 14.0 billion tablets/capsules
- By October of 2024/03, construct 3rd solid formulation building at Yamagata Plant that is able to house production facilities for 3.5 billion tablets/capsules, engage in sequential capital expenditure, and achieve production capacity of 17.5 billion tablets/capsules from 2025/03 forward

# Production capacity enhancement plan II

At the Yamagata Plant, by October 2024/03, construct 2nd sterile formulation building and 3rd solid formulation building at Yamagata Plant that are able to house production facilities for 3.5 billion tablets/capsules, and bring production online in April 2024



# Disclaimer

This presentation contains forward-looking statements related to our management's expectations about future business conditions. Actual business conditions may differ significantly from the management's expectations and accordingly affect the Company's sales and profitability. Actual results may differ because of factors over which the Company has no control, including unexpected changes in competitive and economic conditions, government regulations, technology and other factors.

## **Contact Information**

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