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Consolidated Financial Results for the Third Quarter of FY2024 (from April 1, 2024 to March 31, 2025) <Based on Japanese GAAP>

February 3, 2025

Company name: ASKA Pharmaceutical Holdings Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 4886 URL https://www.aska-pharma-hd.co.jp/english/
Representative： President and Representative Director Takashi Yamaguchi
Inquiries： Corporate Planning Department Director Hideaki Kobayashi TEL +81-3-5484-8366
Scheduled date to commence dividend payments： -
Preparation of supplementary material on financial results： Yes
Holding of financial results meeting： No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the third quarter of FY2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of FY2024	49,926	2.3	5,495	(0.6)	5,446	(3.3)	4,098	(36.5)
Third quarter of FY2023	48,824	3.3	5,526	9.6	5,631	7.3	6,458	54.4

Note: Comprehensive income Third quarter of FY2024 (Millions of yen) 4,453 (32.4)%
Third quarter of FY2023 (Millions of yen) 6,588 19.0 %

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of FY2024	144.59	-
Third quarter of FY2023	228.13	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	91,486	65,191	71.3
As of March 31, 2024	90,745	61,930	68.2

Reference: Tangible net worth As of December 31, 2024 (Millions of yen) 65,191
As of March 31, 2024 (Millions of yen) 61,930

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	20.00	-	20.00	40.00
Year ending March 31, 2025	-	25.00	-		
Year ending March 31, 2025 (Forecast)				25.00	50.00

Note: Revision from the dividends forecast currently announced: No

3. Forecast of consolidated financial results for FY2024 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	63,000	0.2	6,700	3.1	6,700	2.7	5,000	(33.7)	176.50

Note: Revision from dividend forecast currently announced: No

Notes:

(1) Significant changes in the scope of consolidation during the period: No
Newly included: -, Excluded: -

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of shares issued (ordinary shares)

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

As of December 31, 2024	30,563,199	As of March, 2024	30,563,199

2) Number of treasury shares at the end of the period

As of December 31, 2024	2,199,395	As of March, 2024	2,233,957

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Third quarter of FY2024	28,343,020	Third quarter of FY2023	28,308,608

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Explanation concerning appropriate use of projections of business results and other notes

Projections of business results and other forward-looking statements contained in this document are based on assumptions judged to be reasonable and information currently available to the Company, and the Company does not in any way guarantee the achievement of the projections. Actual business results may materially differ from the forecasted figures due to various factors in the future. Please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Description of Forward-looking Information such as Forecasts of Consolidated Financial Results" for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Operating Results

During the third quarter of the consolidated fiscal year, despite a gradual return to normal in economic activities due to improvements in the employment and income environment, the outlook remained uncertain as a result of factors such as rising prices of energy and raw materials due to the unstable international situation. In the pharmaceutical business, the core of the Group, the business environment remains challenging due to factors such as the impact of annual NHI drug price revisions. However, the Group's pharmaceutical and animal health businesses continued to grow, resulting in net sales of 49,926 million yen (up 2.3% YoY), an increase of 1,101 million yen from the same period of the previous fiscal year. In terms of profits, despite an increase in SG&A expenses, mainly R&D expenses, an increase in gross profit due to the increase in sales resulted in operating profit of 5,495 million yen (down 0.6% YoY) and ordinary profit of 5,446 million yen (down 3.3% YoY), which were almost the same level as the same period of the previous year. On the other hand, profit attributable to owners of parent was 4,098 million yen (down 36.5% YoY), down 2,359 million yen from the same period of the previous year, due to reaction to the recording of a gain on sales of investment securities as extraordinary income in the previous year.

Operating Results during the third quarter of the consolidated fiscal year are described below.

	Third quarter of FY2023 Consolidated Cumulative Period (Millions of yen)	Third quarter of FY2024 Consolidated Cumulative Period (Millions of yen)	Actual (Millions of yen)	Growth (%)
Net sales	48,824	49,926	1,101	2.3
Operating profit	5,526	5,495	(31)	(0.6)
Ordinary profit	5,631	5,446	(184)	(3.3)
Profit attributable to owners of parent	6,458	4,098	(2,359)	(36.5)

Business results by segment are described below.

(i) Pharmaceutical business

The pharmaceutical business, which focuses on the three fields of internal medicine, obstetrics and gynecology, and urology, showed favorable trends overall despite the impact of the periodical NHI drug price revisions. A look at results by product shows that results in the obstetrics and gynecology area were driven by the growth in the uterine fibroid and endometriosis agent RELUMINA (relugolix), to 8,331 million yen (up 5.8% YoY). In addition to these, sales of the dysmenorrhea agent DroEthi (drospirenone/ ethinylestradiol) increased significantly to 5,673 million yen (up 23.2% YoY), following the previous year. In the internal medicine area, sales of the thyroid hormone agent THYRADIN (levothyroxine), our main product in this field, grew to 6,207 million yen (up 1.7% YoY) and those of the poorly absorbable rifamycin antimicrobial agent RIFXIMA (rifaximin) increased to 4,919 million yen (up 7.6% YoY). In the urology field, sales of the LH-RH derivative microcapsule sustained-release agent LEUPRORELIN were 3,104 million yen (down 10.7% YoY).

As a result of the above factors, the segment sales were 44,055 million yen (up 1.0% YoY), and the segment profit was 6,203 million yen (down 2.3% YoY).

(ii) Animal health business

Sales of the animal health business, which sells products such as veterinary pharmaceuticals and feed additives, were 5,703 million yen (up 11.9% YoY). The segment profit was 300 million yen (up 60.9% YoY).

(iii) Other businesses

Sales of the other businesses, which include clinical testing, medical devices, etc., were 166 million yen (up 33.6% YoY). However, the segment loss was 25 million yen (vs. a loss of 103 million yen in the same period of the previous year).

(2) Description of Financial Position

(Assets)

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 91,486 million yen, up 741 million yen from the end of the previous consolidated fiscal year under review. This figure was due primarily to increases in investment securities, raw materials and supplies, and property, plant and equipment despite decreases in cash and deposits, and securities.

(Liabilities)
Total liabilities at the end of the third quarter of the consolidated fiscal year under review stood at 26,294 million yen, down 2,520 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to decreases in other in current liabilities, short-term borrowings and long-term borrowings despite increases in other in non-current assets and accounts payable - trade.

(Net assets)
Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 65,191 million yen, up 3,261 million yen from the end of the previous consolidated fiscal year. This figure was due primarily to an increase in retained earnings resulting from the recording of profit attributable to owners of parent.
The resulting equity ratio was 71.3%, up 3.1 percentage points from the end of the previous consolidated fiscal year.

(3) Description of Forward-looking Information such as Forecasts of Consolidated Financial Results
Forecasts of consolidated financial results for FY2024 are unchanged from the full-year consolidated performance forecasts in the “Summary of Consolidated Financial Results for FY2024 (from April 1, 2023 to March 31, 2024),” published on May 10, 2024.

(4) Description of Research and Development
R&D expenses during the third quarter of the consolidated fiscal year under review stood at 4,675 million yen.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,738	10,166
Accounts receivable - trade	15,579	17,859
Securities	3,500	-
Merchandise and finished goods	12,578	13,006
Work in process	466	298
Raw materials and supplies	7,358	8,773
Other	2,922	3,953
Total current assets	56,143	54,057
Non-current assets		
Property, plant and equipment	11,263	12,541
Intangible assets	2,877	3,074
Investments and other assets		
Investment securities	15,654	18,170
Other	4,823	3,661
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	20,461	21,814
Total non-current assets	34,601	37,429
Total assets	90,745	91,486
Liabilities		
Current liabilities		
Accounts payable - trade	4,060	5,427
Electronically recorded obligations - operating	3,295	2,486
Short-term borrowings	4,980	4,180
Other provisions	1,226	580
Other	10,405	8,567
Total current liabilities	23,968	21,242
Non-current liabilities		
Long-term borrowings	4,505	3,245
Retirement benefit liability	-	21
Other	341	1,786
Total non-current liabilities	4,846	5,052
Total liabilities	28,815	26,294
Net assets		
Shareholders' equity		
Share capital	1,197	1,197
Capital surplus	1,848	1,883
Retained earnings	56,372	59,194
Treasury shares	(3,287)	(3,239)
Total shareholders' equity	56,130	59,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,790	5,182
Foreign currency translation adjustment	424	437
Remeasurements of defined benefit plans	584	535
Total accumulated other comprehensive income	5,799	6,155
Total net assets	61,930	65,191
Total liabilities and net assets	90,745	91,486

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Third quarter of the consolidated fiscal year)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	48,824	49,926
Cost of sales	25,193	25,468
Gross profit	23,631	24,457
Selling, general and administrative expenses	18,104	18,962
Operating profit	5,526	5,495
Non-operating income		
Interest income	3	2
Dividend income	321	275
Other	53	81
Total non-operating income	378	359
Non-operating expenses		
Interest expenses	31	35
Foreign exchange losses	20	107
Loss on disposal of non-current assets	6	106
Other	214	158
Total non-operating expenses	273	408
Ordinary profit	5,631	5,446
Extraordinary income		
Gain on sale of investment securities	2,889	-
Total extraordinary income	2,889	-
Profit before income taxes	8,520	5,446
Income taxes - current	2,151	939
Income taxes - deferred	(88)	408
Total income taxes	2,062	1,348
Profit	6,458	4,098
Profit attributable to owners of parent	6,458	4,098

(Quarterly Consolidated Statements of Income)
(Third quarter of the consolidated fiscal year)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	6,458	4,098
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	389
Remeasurements of defined benefit plans, net of tax	(23)	(48)
Share of other comprehensive income of entities accounted for using equity method	285	14
Total other comprehensive income	130	355
Comprehensive income	6,588	4,453
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,588	4,453

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes concerning the going-concern assumption)

Not applicable.

(Significant changes in the amount of shareholders' equity)

Not applicable.

(Notes to Cash Flows)

Quarterly consolidated statements of cash flows for the third quarter of the current fiscal year have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) for the third quarter of the current fiscal year is as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	2,091	1,655

(Notes to Segment Information)

[Segment information]

I. Previous third quarter of the consolidated fiscal year (from April 1, 2023 to December 31, 2023)
Net sales and profit or loss by reportable segment

(Millions of yen)

	Reporting-segment		Others Note 1.	Total	Amounts of adjustments Note 2.	Amount recorded on consolidated financial statements Note 3.
	Pharmaceutical business	Animal health business				
Net Sales						
Sales to external customers	43,603	5,096	124	48,824	-	48,824
Intersegment sales and transfers	-	-	41	41	(41)	-
Total	43,603	5,096	166	48,866	(41)	48,824
Segment profit/loss	6,346	186	(103)	6,429	(903)	5,526

Notes:

1. The “Other” business segment consists of businesses not included in the reportable segments, including clinical testing and medical devices, etc.
2. The adjustment of (903) million yen to segment profit or loss (numbers in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of general and administrative expenses not attributable to business segments.
3. Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the quarterly consolidated statements of income.

II. Current third quarter of the consolidated fiscal year (from April 1, 2024 to December 31, 2024)
Net sales and profit or loss by reportable segment

(Millions of yen)

	Reporting-segment		Others Note 1.	Total	Amounts of adjustments Note 2.	Amount recorded on consolidated financial statements Note 3.
	Pharmaceutical business	Animal health business				
Net Sales						
Sales to external customers	44,055	5,703	166	49,926	-	49,926
Intersegment sales and transfers	-	-	55	55	(55)	-
Total	44,055	5,703	222	49,982	(55)	49,926
Segment profit/loss	6,203	300	(25)	6,478	(982)	5,495

Notes:

1. The “Other” business segment consists of businesses not included in the reportable segments, including clinical testing and medical devices, etc.
2. The adjustment of (982) million yen to segment profit or loss (numbers in parentheses) consists of companywide expenses not allocated to individual business segments, which consist mainly of general and administrative expenses not attributable to business segments.
3. Segment profit or loss (numbers in parentheses) is adjusted against operating profit on the quarterly consolidated statements of income.

(Significant Subsequent Events)

(Business Combination by Acquisition)

The Company has decided to acquire additional shares of Ha Tay Pharmaceutical Joint Stock Company (hereinafter "Hataphar"), a Vietnamese pharmaceutical company, which is an equity method affiliate through market purchase, and to make it a consolidated subsidiary of ASKA Pharmaceutical, in accordance with the control criteria stipulated in the Accounting Standard for Consolidated Financial Statements, at the Board of Directors held on February 3, 2025.

1. Outline of Business Combination

(1) Name and business of the acquired company

Name Ha Tay Pharmaceutical Joint Stock Company

Business Manufacture, import and sale of ethical pharmaceuticals, over-the-counter drugs, health foods, etc.

(2) Reason for Business Combination

In its Medium-Term Management Plan 2025, ASKA Pharmaceutical Holdings Group aims to become a "Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company." In order to achieve the goals of the Medium-Term Management Plan, the Company has set four visions and seven strategies for the business activities, and one of the seven strategies is "Overseas Business Development." The Company aims for further growth in the domestic pharmaceutical market, mainly in the field of obstetrics and gynecology, as well as establishing business in emerging countries, especially in Southeast Asia, where the market is growing rapidly due to population growth and economic development. Under such circumstances, ASKA Pharmaceutical and Hataphar have been cooperating as strategic partners. Since ASKA Pharmaceutical acquired 24.9% of Hataphar's shares in January 2021, it has continued to support Hataphar's new factory construction.

In order to further strengthen the relationship that has been cultivated so far and to move to the next step in all business activities, including manufacturing, sales, and development, the Company has decided to acquire additional shares of Hataphar through market purchase and make it a consolidated subsidiary of ASKA Pharmaceutical by classifying it as a subsidiary based on the control criteria stipulated in the Accounting Standard for Consolidated Financial Statements. Through the consolidation of Hataphar as a consolidated subsidiary of ASKA Pharmaceutical, the Company, including Hataphar, will realize further growth and increase its corporate value.

(3) Business Combination Date

Within February 2025 (Scheduled)

(4) Percentage of voting rights acquired

Percentage of voting rights by the Company right before the business combination:	39.9%
Percentage of voting rights to be acquired by the Company on the business combination date:	0.1%
Percentage of voting rights to be held after the business combination:	40.0%

2. Acquisition cost and types of consideration for the acquired company

(Million of yen)

Consideration for acquisition:	Market value of shares held immediately before the date of the business combination on the date of the business combination	17,553
	Market value of additional shares to be acquired on the date of the business combination	48
Acquisition cost:		17,601

(Note) The above amounts are approximate, and the final acquisition cost may vary depending on the timing of future acquisitions.

3. Supplemental Material

(1) Sales of Main Products of the Business Companies

Sales of Main Products
(FY2024 3Q Actual)

ASKA Pharmaceutical Co., Ltd. (Millions of yen)

Therapeutic category	Products	FY2023		FY2024		3Q Actual YOY(%)
		3Q Actual	FY2023 Actual	3Q Actual	FY2024 Forecast	
Uterine fibroid and endometriosis agent	RELUMINA (relugolix)	7,873	9,906	8,331	10,726	5.8
Antihypertensive agent	CANDESARTAN* (candesartan)	7,558	9,593	6,659	8,388	(11.9)
Thyroid hormone agent	THYRADIN (levothyroxine)	6,104	7,862	6,207	7,861	1.7
Dysmenorrhea agent	DroEthi (drospirenone/ ethinylestradiol)	4,604	6,125	5,673	7,070	23.2
Poorly absorbable rifamycin antimicrobial agent	RIFXIMA (rifaximin)	4,572	5,864	4,919	6,288	7.6
LH-RH derivative microcapsule sustained-release agent	LEUPRORELIN (leuprorelin)	3,476	4,430	3,104	3,938	(10.7)
Dysmenorrhea agent	FREWELL (norethisterone/ ethinylestradiol)	2,556	3,303	2,420	3,026	(5.3)
Progesterone hormone agent	LUTEUM (progesterone)	1,505	2,029	1,834	2,341	21.8
Antithyroid agent	MERCAZOLE (thiamazole)	1,180	1,521	1,205	1,526	2.1
Antihypertensive agent	AMLODIPINE (amlodipine)	655	840	615	784	(6.1)

* Including fixed dose combination

ASKA Animal Health Co., Ltd. (Millions of yen)

Business field	FY2023		FY2024		3Q Actual YOY(%)
	3Q Actual	FY2023 Actual	3Q Actual	FY2024 Forecast	
Feed additives, mixed feed, and feed materials	3,014	4,042	3,565	4,456	18.3
Veterinary pharmaceuticals	1,957	2,487	2,106	2,590	7.6