



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 29, 2024 [Japanese GAAP]

October 6, 2023

Company name: Hisamitsu Pharmaceutical Co., Inc.
 Stock exchange listing: Tokyo, Nagoya, Fukuoka
 Securities code: 4530
 URL: <https://global.hisamitsu/>
 Representative: NAKATOMI Kazuhide, President & CEO
 Contact: ISOBE Yuichi, Executive Officer, Department General Manager of Corporate Strategy Planning and Business Development
 TEL: +81-3-5293-1704
 Scheduled date of filing quarterly securities report: Oct. 10, 2023
 Scheduled date of dividend payment: Nov. 7, 2023
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts, etc.)

(Amounts are rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 29, 2024 (March 1, 2023 to August 31, 2023)

(1) Consolidated Operating Results

(Percentages represent 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	%
Six months ended Aug. 31, 2023	66,977	12.3	8,396	70.9	11,640	31.2	8,417	29.4
Six months ended Aug. 31, 2022	59,619	1.8	4,913	(13.9)	8,870	29.7	6,504	30.0

(Note) Comprehensive income: Six months ended Aug. 31, 2023 21,400 millions of yen [4.2%]
 Six months ended Aug. 31, 2022 20,546 millions of yen [102.3%]

	Profit per share	Diluted profit per share
	yen	yen
Six months ended Aug. 31, 2023	108.34	108.23
Six months ended Aug. 31, 2022	81.58	81.51

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Aug. 31, 2023	344,300	275,108	79.2
As of Feb. 28, 2023	313,917	258,408	81.6

(Reference) Shareholders' equity: As of Aug. 31, 2023 272,519 millions of yen
 As of Feb. 28, 2023 256,105 millions of yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	yen	yen	yen	yen	yen
Year ended Feb. 28, 2023	—	42.25	—	42.25	84.50
Year ending Feb. 29, 2024	—	42.50			
Year ending Feb. 29, 2024 (Forecast)			—	42.50	85.00

(Note) Revisions to the most recently announced dividends forecast: No

3. Consolidated Earnings Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 to February 29, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	132,300	3.1	11,800	1.7	14,600	(9.0)	10,600	(9.7)	136.43

(Note) Revisions to the most recently announced consolidated forecast: No

*Notes

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Application of special accounting methods for preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies due to revision of accounting standards : None
 - 2) Changes in accounting policies other than 1) above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatement : None
- (4) The number of shares outstanding (common stock)
- 1) Total number of shares outstanding at the end of the period (including treasury stock)

As of Aug. 31, 2023	85,164,895 shares
As of Feb. 28, 2023	85,164,895 shares
 - 2) Total number of treasury stock at the end of the period

As of Aug. 31, 2023	7,698,854 shares
As of Feb. 28, 2023	7,420,560 shares
 - 3) Average number of shares outstanding during the period

Six months ended Aug. 31, 2023	77,697,690 shares
Six months ended Aug. 31, 2022	79,741,127 shares

*Quarterly financial results reports are not subjected to quarterly review.

*Explanation for appropriate use of financial forecasts and other special notes

Among this document, the forecasts based on the plan may changes due to uncertain factors. Therefore, the actual operating results may differ from the company's view.

Financial settlement briefings for institutional investors and analysts will be held on October 6, 2023. Presentation materials of financial results will be posted promptly on the company's website after the financial settlement briefings.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance sheets

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2023)	Current Second Quarter (As of Aug. 31, 2023)
Assets		
Current assets		
Cash and deposits	122,154	127,043
Notes and accounts receivable - trade, and contract assets	40,014	41,967
Securities	14,714	14,386
Merchandise and finished goods	10,330	11,419
Work in process	562	804
Raw materials and supplies	8,030	8,324
Other	3,629	11,251
Allowance for doubtful accounts	(261)	(288)
Total current assets	199,174	214,909
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,980	17,492
Other, net	29,229	33,476
Total property, plant and equipment	43,209	50,968
Intangible assets		
Sales rights	394	370
Other	551	554
Total intangible assets	946	925
Investments and other assets		
Investment securities	60,845	67,007
Other	9,948	10,698
Allowance for doubtful accounts	(207)	(207)
Total investments and other assets	70,586	77,498
Total non-current assets	114,742	129,391
Total assets	313,917	344,300

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2023)	Current Second Quarter (As of Aug. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,351	9,921
Electronically recorded obligations - operating	6,567	6,914
Short-term loans payable	1,071	1,071
Income taxes payable	2,338	3,037
Provision for bonuses	1,340	1,252
Other	22,908	31,997
Total current liabilities	42,578	54,194
Non-current liabilities		
Long-term loans payable	147	112
Net defined benefit liability	8,408	8,507
Other	4,375	6,378
Total non-current liabilities	12,931	14,997
Total liabilities	55,509	69,192
Net assets		
Shareholders' equity		
Capital stock	8,473	8,473
Capital surplus	2,361	2,361
Retained earnings	235,569	240,702
Treasury shares	(27,196)	(28,533)
Total shareholders' equity	219,208	223,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,042	21,584
Revaluation reserve for land	3,403	3,403
Foreign currency translation adjustment	15,819	24,012
Remeasurements of defined benefit plans	631	514
Total accumulated other comprehensive income	36,896	49,515
Share acquisition rights	260	291
Non-controlling interests	2,042	2,296
Total net assets	258,408	275,108
Total liabilities and net assets	313,917	344,300

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2022 – Aug. 31, 2022)	Current Fiscal Year (Mar. 1, 2023 – Aug. 31, 2023)
Net sales	59,619	66,977
Cost of sales	25,156	28,330
Gross profit	34,462	38,646
Selling, general and administrative expenses	29,549	30,250
Operating profit	4,913	8,396
Non-operating income		
Interest income	202	1,128
Dividend income	501	567
Foreign exchange gains	3,146	1,305
Other	224	335
Total non-operating income	4,074	3,336
Non-operating expenses		
Interest expenses	4	7
Share of loss of entities accounted for using equity method	69	22
Loss on cancellation of insurance policies	—	47
Other	43	15
Total non-operating expenses	118	91
Ordinary profit	8,870	11,640
Extraordinary income		
Gain on disposal of non-current assets	142	—
Total extraordinary income	142	—
Extraordinary losses		
Loss on disposal of non-current assets	77	2
Total extraordinary losses	77	2
Profit before income taxes	8,935	11,638
Income taxes	2,215	2,967
Profit	6,720	8,671
Profit attributable to non-controlling interests	215	253
Profit attributable to owners of parent	6,504	8,417

Quarterly Consolidated Statements of comprehensive income

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2022 – Aug. 31, 2022)	Current Fiscal Year (Mar. 1, 2023 – Aug. 31, 2023)
Profit	6,720	8,671
Other comprehensive income		
Valuation difference on available-for-sale securities	1,015	4,422
Foreign currency translation adjustment	12,996	8,303
Remeasurements of defined benefit plans, net of tax	(160)	(93)
Share of other comprehensive income of entities accounted for using equity method	(26)	97
Total other comprehensive income	13,826	12,729
Comprehensive income	20,546	21,400
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,392	21,036
Comprehensive income attributable to non-controlling interests	153	364

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2022 – Aug. 31, 2022)	Current Fiscal Year (Mar. 1, 2023 – Aug. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	8,935	11,638
Depreciation	2,160	2,473
Increase (decrease) in retirement benefit liability	187	72
Increase (decrease) in allowance for doubtful accounts	(68)	14
Interest and dividend income	(704)	(1,695)
Loss (gain) on cancellation of insurance policies	—	44
Interest expenses	4	7
Share of loss (profit) of entities accounted for using equity method	69	22
Decrease (increase) in trade receivables	3,598	(248)
Decrease (increase) in inventories	(1,704)	(342)
Increase (decrease) in trade payables	1,857	1,079
Other, net	(4,157)	(4,792)
Subtotal	10,179	8,274
Interest and dividends received	870	1,499
Interest paid	(4)	(7)
Income taxes paid	(2,881)	(1,906)
Payments of retirement benefits for directors (and other officers)	(0)	(7)
Net cash provided by (used in) operating activities	8,162	7,851
Cash flows from investing activities		
Decrease (increase) in time deposits	(12,169)	14,943
Decrease (increase) in short-term investment securities	1,740	171
Purchase of property, plant and equipment	(2,341)	(4,686)
Purchase of intangible assets	(27)	(4)
Purchase of investment securities	(5,507)	(8)
Proceeds from sales of investment securities	30	—
Proceeds from cancellation of insurance funds	—	27
Other, net	346	1
Net cash provided by (used in) investing activities	(17,928)	10,443
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	—	(2)
Repayments of long-term borrowings	(35)	(33)
Purchase of treasury shares	(0)	(1,336)
Dividends paid	(3,357)	(3,287)
Dividends paid to non-controlling interests	(61)	(108)
Other, net	(185)	(73)
Net cash provided by (used in) financing activities	(3,641)	(4,841)
Effect of exchange rate change on cash and cash equivalents	5,932	2,307
Net increase (decrease) in cash and cash equivalents	(7,475)	15,761
Cash and cash equivalents at beginning of period	86,247	65,424
Cash and cash equivalents at end of period	78,771	81,186



Our commitments originate from each individual's determination to "start something good for ecology (eco)!"

Hisamitsu Pharmaceutical has designed the "HELLO! eco!" mark as a symbol of its environmental activities,

and products that have met the ecology standards that our company has established will display the "HELLO! eco!" mark sequentially.

Hisamitsu.