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May 8, 2025

**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2025  
(Under Japanese GAAP)**

Listed Company: Zeria Pharmaceutical Co., Ltd.

(Stock Exchange: Tokyo Stock Exchange)

Code Number: 4559

(URL: <https://www.zeria.co.jp/english/>)

Representative: Mitsuhiro Ibe, Representative Director, President & COO

Person in charge of reference: Koichi Tamura, Director, Public Relations Division

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Scheduled date of ordinary general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to submit the Securities Report: June 26, 2025

Preparation of supplementary documents to the financial results: Yes

Holding of financial results presentation: Yes (for analysts, institutional investors and the press)

(Amounts under a million yen are truncated.)

1. Consolidated Financial Highlights (April 1, 2024 through March 31, 2025)

(1) Consolidated Financial Results (Percentage figures indicate changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	87,311	15.3	12,197	26.8	12,840	50.8	9,936	28.5
March 31, 2024	75,725	10.7	9,621	6.7	8,513	12.3	7,731	24.8

Note: Comprehensive income: For the year ended March 31, 2025: 11,952 million yen [(25.7)%]

For the year ended March 31, 2024: 16,089 million yen [25.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2025	225.42	—	11.7	8.3	14.0
March 31, 2024	175.39	—	10.7	6.0	12.7

Reference: Share of profit (loss) of entities accounted for using equity method: For the year ended March 31, 2025: (276) million yen

For the year ended March 31, 2024: (76) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	159,171	89,797	56.3	2,031.33
March 31, 2024	150,533	79,828	52.9	1,806.33

Reference: Equity: As of March 31, 2025: 89,539 million yen

As of March 31, 2024: 79,622 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of term
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	12,922	(1,050)	(7,756)	23,467
March 31, 2024	12,183	(3,952)	(8,124)	18,604

## 2. Dividends

	Annual dividends					Total dividends paid (Total)	Payout ratio (Consolidated)	Dividend rate for net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	—	22.00	—	22.00	44.00	1,939	25.1	2.7
March 31, 2025	—	23.00	—	24.00	47.00	2,071	20.8	2.4
Year ending March 31, 2026 (Forecast)	—	24.00	—	24.00	48.00		22.3	

## 3. Consolidated Financial Forecast for Fiscal Year Ending March 31, 2026 (April 1, 2025 through March 31, 2026)

(Percentage figures indicate changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	43,000	1.4	5,000	(22.6)	5,000	(37.1)	4,000	(34.0)	90.75
Full year	90,000	3.1	12,000	(1.6)	12,000	(6.5)	9,500	(4.4)	215.52

### \* Notes

(1) Significant changes in the scope of consolidation during the period: None

Inclusion: — (Company name: —)

Exclusion: — (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement of prior period financial statements after error corrections: None

Note: For details, please refer to “3. Consolidated Financial Statements and Significant Notes Thereto, (5) Notes to consolidated financial statements (Notes on change in accounting policy)” on page 17 of the Attached Material.

(3) Number of shares issued (common shares)

1) Number of shares issued as of the end of the term (including treasury shares):

As of March 31, 2025: 53,119,190 shares

As of March 31, 2024: 53,119,190 shares

2) Number of shares of treasury shares as of the end of the term:

As of March 31, 2025: 9,039,667 shares

As of March 31, 2024: 9,039,354 shares

3) Average number of shares during the term:

For the year ended March 31, 2025: 44,079,600 shares

For the year ended March 31, 2024: 44,080,055 shares

## Reference: Summary of Non-consolidated Financial Results

## Non-consolidated Financial Highlights (April 1, 2024 through March 31, 2025)

## (1) Non-consolidated Financial Results

(Percentage figures indicate changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	34,710	2.0	1,269	7.9	3,422	27.4	2,859	74.7
March 31, 2024	34,017	3.2	1,176	(34.4)	2,686	(1.9)	1,636	(24.2)

	Basic earnings per share		Diluted earnings per share	
Year ended	Yen		Yen	
March 31, 2025	64.86		—	
March 31, 2024	37.12		—	

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	90,023	41,016	45.6	930.52
March 31, 2024	92,940	40,035	43.1	908.24

Reference: Equity: As of March 31, 2025: 41,016 million yen

As of March 31, 2024: 40,035 million yen

\* Financial Results Reports Are Not Required to Be Audited by Certified Public Accountants or An Audit Corporation.

\* Cautionary Statement with Respect to Appropriate Use of Financial Forecast and Other Special Matters

The description about the future including the projection in this document is based on information available to the Company at present and certain presumptions which the Company considers reasonable. Consequently, any descriptions herein do not constitute assurances regarding actual results by the Company. The actual results for future terms may differ from the information in this document due to various factors. For the assumptions made in financial forecasts and cautions concerning the use thereof, please refer to “1. Summary of Business Results (1) Summary of business results for the current fiscal year” on page 2 of the Attached Material.

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# 1. Summary of Business Results

## (1) Summary of business results for the current fiscal year

### (i) Business results for the current fiscal year

Net sales for the current fiscal year were 87,311 million yen (up 15.3% from the previous fiscal year), and operating profit was 12,197 million yen (up 26.8% from the previous year). Ordinary profit was 12,840 million yen (up 50.8% from the previous year), due to a turnaround from a large foreign exchange loss in the previous fiscal year to a foreign exchange gain in the current fiscal year, and profit attributable to owners of parent was 9,936 million yen (up 28.5% from the previous year), due to the recording of extraordinary losses, including loss on valuation of investment securities in the current fiscal year, despite the recording of an extraordinary income in the previous fiscal year.

In the current fiscal year, the overseas sales to net sales ratio was 56.9%, compared with 51.5% in the previous fiscal year.

Below are the results by business segment.

#### *(Ethical Pharmaceuticals Business)*

As for our mainstay product, Asacol, a therapeutic agent for ulcerative colitis, sales in the domestic market faced challenging circumstances, owing to the impact of the NHI drug price revision and the competing products. Despite this, sales increased overall as a result of strong performance in overseas markets, including Northern Europe. Sales of DIFICLIR expanded substantially, especially in the European region, as a result of devoting sales resources aggressively. However, sales of Entocort, an inflammatory bowel disease therapeutic agent, declined after the launch of generic drugs in certain countries outside Japan. Sales of Acofide, a drug for functional dyspepsia, were almost on a par with the previous fiscal year.

In March 2025, the Company started sales of Veltassa 8.4g powder for suspension (Single-dose package), a therapeutic agent for hyperkalemia, in Japan, in an effort to achieve early market penetration.

As a result, net sales in the business amounted to 58,970 million yen (up 19.0% from the previous fiscal year).

#### *(Consumer Healthcare Business)*

As for the Hepalyse range, our mainstay product, sales of the Hepalyse W range for convenience stores expanded, contributed by Hepalyse W Shine (soft drinks), which was launched in October 2024. The pharmaceutical Hepalyse range also performed well, thanks to its appeal as a countermeasure for “fatigue.” In addition, sales of the WithOne range of botanical laxative products and the Prevaline range of dermatosis treatments also increased. Meanwhile, the Chondroitin range sales slightly decreased.

As a result, net sales in the business amounted to 28,179 million yen (up 8.4% from the previous fiscal year).

#### *(Other Business)*

Net sales in this segment amounted to 160 million yen (up 3.8% from the previous fiscal year), mainly due to insurance agency business and real estate lease revenue.

#### *(Status of Research and Development)*

In the Research and Development division, Zeria is carefully selecting development themes and proceeding with the evaluation of multiple projects including in-licensed, centered on the priority gastrointestinal field under a global development structure in coordination with our Swiss subsidiary Tillotts Pharma AG. In this context, we are considering research and development of new development themes that can be developed simultaneously in Japan and Europe.

As for Z-100, we are steadily advancing non-clinical trials to facilitate the clinical development for new indications and preparing to support new specific clinical studies.

Regarding Z-338 (generic name: Acotiamide), our original product for the indication of functional dyspepsia, out-licensed FAES FARMA, S.A., has newly obtained approval in Guatemala and started sales in the Dominican Republic, Honduras, El Salvador, Chile, Guatemala and Peru during the fiscal year ended March

31, 2025. This means that the sales region has been expanded to eight countries in Latin America. Meiji Seika Pharma Co., Ltd. started sales in Thailand in September 2024. In addition, United Italian Trading Corporation and Pharmaceutical Joint Stock Company of February 3rd, a subsidiary in Vietnam, have filed an application for approval in Singapore and Vietnam, respectively. Furthermore, the Company is promoting global development by concluding a development and sales agreement with Agastra-Lab s.r.l. for Europe, the U.S., and Canada. Phase III trials are also being conducted for pediatric patients in Japan.

The Phase II trial of ZG-802 for the indication of underactive bladder is progressing without delay in Japan. The indication has a significant impact on quality of life (QOL), and effective drug treatment has not been confirmed worldwide. A paper on epidemiological studies in Japan was published in the fiscal year ended March 31, 2025, suggesting that this is a high-profile indication. We will contribute to the improvement of patients' quality of life (QOL) by providing unmet treatment options through the development of the drug.

With regard to Ferinject, an iron deficiency anemia treatment in-licensed from CSL Vifor, multiple database studies are being conducted using real-world data, some of which have already been published. We are promoting drug development activities, including the generation of post-marketing evidence.

As for ZG-801 (Veltassa 8.4g powder for suspension (Single-dose package)), a therapeutic agent for hyperkalemia in-licensed from CSL Vifor, we received domestic approval for the manufacture and marketing and launched in March 2025. We hope that Veltassa will become a new option for hyperkalemia treatment and contribute to medical care.

As for consumer healthcare products, we have been developing distinctive products to attract new customer bases, and in the fiscal year ended March 31, 2025, we launched a new product in the Hepalyse W series, "Hepalyse W Shine" (soft drinks).

As a result of these activities, research and development expenses for the current fiscal year were 4,106 million yen (up 10.2% from the previous fiscal year).

## (ii) Future outlook

For the fiscal year ending March 31, 2026, we forecast net sales of 90,000 million yen (up 3.1% from the previous year), operating profit of 12,000 million yen (down 1.6% from the previous year), ordinary profit of 12,000 million yen (down 6.5% from the previous year), and profit attributable to owners of parent of 9,500 million yen (down 4.4% from the previous year).

### Net sales

In the Ethical Pharmaceuticals Business, the Company forecasts that sales will increase, with sales growth expected in the overseas market for Asacol and DIFICLIR, our main products. In the Consumer Healthcare Business, the Company expects sales to increase, contributed to by continued sales growth in the Hepalyse range as well as the mainstay products, such as the Chondroitin range and the WithOne range, and product groups following the mainstay products.

### Profit

Although net sales are expected to increase, operating profit is expected to decrease slightly due to the impact of soaring energy and raw material prices, increased expenses such as R&D expenses and expenses related to core system investments in overseas subsidiaries. Though foreign exchange gains were recorded in non-operating income in the fiscal year ended March 31, 2025, foreign exchange gains are not expected in the fiscal year ending March 31, 2026. Therefore, ordinary profit and profit attributable to owners of parent are expected to decrease compared to the fiscal year ended March 31, 2025.

## (2) Overview of financial position for the current fiscal year

### (i) Assets, liabilities, and net assets

Total assets at the end of the current fiscal year were 159,171 million yen, an increase of 8,638 million yen from the end of the previous fiscal year. Current assets increased 11,720 million yen to 69,529 million yen from the end of the previous fiscal year, and non-current assets decreased 3,082 million yen to 89,641 million yen from the end of the previous fiscal year. Major changes in current assets included an increase of 3,268 million yen in cash and deposits, an increase of 5,508 million yen in accounts receivable - trade, and an

increase of 1,944 million yen in inventories such as merchandise and finished goods. Main changes in non-current assets were a decrease of 2,778 million yen in intangible assets.

Total liabilities at the end of the current fiscal year were 69,374 million yen, a decrease of 1,330 million yen from the end of the previous fiscal year. Current liabilities decreased 69 million yen to 54,449 million yen from the end of the previous fiscal year, and non-current liabilities decreased 1,260 million yen to 14,925 million yen from the end of the previous fiscal year. The main changes in current liabilities were a decrease of 3,985 million yen in short-term borrowings, an increase of 1,805 million yen in income taxes payable, and an increase of 1,373 million yen in other current liabilities including an increase in accounts payable - other. Main change in non-current liabilities was a decrease of 1,078 million yen in long-term borrowings.

Net assets at the end of the current fiscal year were 89,797 million yen, an increase of 9,968 million yen from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of 9,936 million yen, payment of 1,983 million yen as dividends declared at the end of the previous fiscal year and in the current interim period, and an increase of 2,335 million yen in foreign currency translation adjustment.

As a result, equity ratio at the end of the current fiscal year increased by 3.4 percentage points from the end of the previous fiscal year to 56.3%.

(ii) Status of cash flows

Cash and cash equivalents (below, “cash”) at the end of the current fiscal year increased 4,863 million yen from the beginning of the period to 23,467 million yen. This was due to net cash provided by operating activities of 12,922 million yen, despite net cash used in investing activities of 1,050 million yen and net cash used in financing activities of 7,756 million yen.

The status of each cash flow and its factors for the current fiscal year are as follows.

[Net cash provided by (used in) operating activities]

Net cash provided by operating activities amounted to 12,922 million yen in the current fiscal year (up 738 million yen from the previous fiscal year). This was due to factors including profit before income taxes of 12,618 million yen, depreciation of 6,843 million yen, an increase in trade receivables of 4,800 million yen, and an increase in inventories of 1,647 million yen.

[Net cash provided by (used in) investing activities]

Net cash used in investing activities totaled 1,050 million yen in the current fiscal year (up 2,901 million yen from the previous fiscal year). This was due mainly to proceeds from withdrawal of time deposits of 1,787 million yen, purchase of property, plant and equipment of 1,429 million yen, and purchase of intangible assets of 1,304 million yen.

[Net cash provided by (used in) financing activities]

Net cash used in financing activities totaled 7,756 million yen in the current fiscal year (up 367 million yen from the previous fiscal year). This was mainly due to proceeds from long-term borrowings of 3,273 million yen, repayments of long-term borrowings of 8,515 million yen, and dividends paid of 1,976 million yen.

#### Trends in cash flow-related indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal Year Ended March 31, 2025
Equity ratio (%)	48.5	52.9	56.3
Equity ratio based on market value (%)	73.3	62.4	62.5
Ratio of interest-bearing debt to cash flow (years)	3.9	3.9	3.3
Interest coverage ratio (times)	43.8	27.3	26.3

(Notes) 1. Each indicator is calculated as follows.

- (i) Equity ratio: equity/total assets
  - (ii) Equity ratio based on market value: market capitalization/total assets
  - (iii) Ratio of interest-bearing debt to cash flow: interest-bearing debt/cash flow
  - (iv) Interest coverage ratio: cash flow/interest payments
2. All of the above ratios are calculated based on consolidated financial figures.
  3. Market capitalization is calculated based on the number of shares issued excluding treasury shares.
  4. Operating cash flow is used for cash flow calculations.
  5. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid.

### (3) Basic policy on profit distribution and dividends for the current and next fiscal year

The Company considers the return of profit to shareholders as one of its most important management issues, and our basic profit distribution policy is to pay stable and consistent dividends.

Based on a full consideration of the financial results and other factors, we will pay a year-end dividend for the current fiscal year of 24 yen per share. Accordingly, we intend to pay an annual dividend of 47 yen, including an interim dividend of 23 yen (an increase of 3 yen compared to the annual dividend for the previous fiscal year).

For the next fiscal year, we are planning for an annual dividend of 48 yen per share (an increase of 1 yen compared to the current fiscal year), including a dividend of 24 yen per share for both the interim and year-end dividend.

## 2. Basic Policy on Selection of Accounting Standards

In order to ensure comparability among companies and over time, the Group applies Japanese GAAP for accounting standards.

It is the Company's policy to apply International Financial Reporting Standards in an appropriate manner, taking into consideration various domestic and overseas circumstances.



### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	20,323,724	23,592,676
Notes receivable - trade	259,626	243,962
Accounts receivable - trade	20,989,675	26,498,203
Merchandise and finished goods	7,569,173	8,592,660
Work in process	1,842,077	2,352,119
Raw materials and supplies	5,078,508	5,489,107
Other	1,915,485	2,892,079
Allowance for doubtful accounts	(169,241)	(131,114)
Total current assets	57,809,029	69,529,694
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,967,863	26,531,377
Accumulated depreciation	(19,162,409)	(19,913,607)
Buildings and structures, net	6,805,453	6,617,770
Machinery, equipment and vehicles	16,368,028	16,800,871
Accumulated depreciation	(14,588,020)	(15,147,512)
Machinery, equipment and vehicles, net	1,780,007	1,653,359
Land	12,581,849	12,658,498
Construction in progress	3,125,320	3,617,496
Other	7,067,959	7,458,612
Accumulated depreciation	(4,842,754)	(5,364,292)
Other, net	2,225,205	2,094,319
Total property, plant and equipment	26,517,836	26,641,444
Intangible assets		
Goodwill	4,262,818	3,621,171
Sales right	29,496,467	27,950,775
Trademark right	8,030,138	7,641,312
Other	1,350,281	1,148,423
Total intangible assets	43,139,706	40,361,683
Investments and other assets		
Investment securities	9,145,154	8,865,571
Deferred tax assets	110,260	97,940
Retirement benefit asset	13,410,761	13,264,717
Other	442,278	443,262
Allowance for doubtful accounts	(41,433)	(32,717)
Total investments and other assets	23,067,020	22,638,773
Total non-current assets	92,724,563	89,641,902
Total assets	150,533,593	159,171,596

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,273,950	3,971,467
Short-term borrowings	38,283,719	34,298,379
Income taxes payable	1,967,210	3,773,088
Provision for bonuses	1,584,737	1,623,664
Other	9,408,853	10,782,461
Total current liabilities	54,518,471	54,449,062
Non-current liabilities		
Long-term borrowings	7,943,800	6,865,780
Deferred tax liabilities	6,447,412	6,496,077
Retirement benefit liability	458,109	224,138
Asset retirement obligations	56,239	56,451
Other	1,280,768	1,283,058
Total non-current liabilities	16,186,329	14,925,506
Total liabilities	70,704,801	69,374,568
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,593,398	6,593,398
Capital surplus	11,685,121	11,685,121
Retained earnings	59,254,325	67,207,063
Treasury shares	(18,265,810)	(18,266,472)
Total shareholders' equity	59,267,035	67,219,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,001,571	2,108,422
Foreign currency translation adjustment	14,660,305	16,995,687
Remeasurements of defined benefit plans	3,693,650	3,216,617
Total accumulated other comprehensive income	20,355,527	22,320,727
Non-controlling interests	206,229	257,189
Total net assets	79,828,792	89,797,027
Total liabilities and net assets	150,533,593	159,171,596

**(2) Consolidated statement of income and consolidated statement of comprehensive income****Consolidated statement of income**

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	75,725,075	87,311,137
Cost of sales	20,223,758	23,351,451
Gross profit	55,501,317	63,959,685
Selling, general and administrative expenses	45,879,669	51,762,100
Operating profit	9,621,647	12,197,585
Non-operating income		
Interest income	150,943	282,871
Dividend income	287,817	340,650
Foreign exchange gains	—	634,498
Recoveries of written off receivables	94,998	—
Other	119,081	244,784
Total non-operating income	652,840	1,502,805
Non-operating expenses		
Interest expenses	457,801	452,290
Foreign exchange losses	1,182,086	—
Share of loss of entities accounted for using equity method	76,855	276,717
Other	44,717	130,516
Total non-operating expenses	1,761,460	859,524
Ordinary profit	8,513,028	12,840,865
Extraordinary income		
Gain on sale of non-current assets	2,229	2,893
Gain on sale of investment securities	499,617	—
Reversal of provision for loss on cancellation of contracts	977,204	—
Total extraordinary income	1,479,051	2,893
Extraordinary losses		
Loss on sale of non-current assets	—	754
Loss on retirement of non-current assets	6,693	15,716
Loss on valuation of investment securities	—	208,673
Amortization of goodwill	476,992	—
Total extraordinary losses	483,685	225,145
Profit before income taxes	9,508,394	12,618,613
Income taxes - current	1,970,382	2,663,209
Income taxes - deferred	(157,196)	(12,601)
Total income taxes	1,813,185	2,650,608
Profit	7,695,208	9,968,005
Profit (loss) attributable to non-controlling interests	(36,053)	31,682
Profit attributable to owners of parent	7,731,262	9,936,323

# Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	7,695,208	9,968,005
Other comprehensive income		
Valuation difference on available-for-sale securities	2,316,041	106,850
Foreign currency translation adjustment	6,657,591	2,354,646
Remeasurements of defined benefit plans, net of tax	(578,992)	(477,032)
Total other comprehensive income	8,394,641	1,984,464
Comprehensive income	16,089,850	11,952,469
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,112,993	11,901,523
Comprehensive income attributable to non-controlling interests	(23,143)	50,946

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,593,398	11,685,121	53,462,589	(18,264,989)	53,476,120
Changes during period					
Dividends of surplus			(1,939,526)		(1,939,526)
Profit attributable to owners of parent			7,731,262		7,731,262
Purchase of treasury shares				(821)	(821)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,791,736	(821)	5,790,915
Balance at end of period	6,593,398	11,685,121	59,254,325	(18,265,810)	59,267,035

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(314,469)	8,015,623	4,272,642	11,973,796	230,793	65,680,710
Changes during period						
Dividends of surplus						(1,939,526)
Profit attributable to owners of parent						7,731,262
Purchase of treasury shares						(821)
Net changes in items other than shareholders' equity	2,316,041	6,644,681	(578,992)	8,381,730	(24,564)	8,357,166
Total changes during period	2,316,041	6,644,681	(578,992)	8,381,730	(24,564)	14,148,081
Balance at end of period	2,001,571	14,660,305	3,693,650	20,355,527	206,229	79,828,792

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,593,398	11,685,121	59,254,325	(18,265,810)	59,267,035
Changes during period					
Dividends of surplus			(1,983,585)		(1,983,585)
Profit attributable to owners of parent			9,936,323		9,936,323
Purchase of treasury shares				(662)	(662)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	7,952,737	(662)	7,952,075
Balance at end of period	6,593,398	11,685,121	67,207,063	(18,266,472)	67,219,110

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,001,571	14,660,305	3,693,650	20,355,527	206,229	79,828,792
Changes during period						
Dividends of surplus						(1,983,585)
Profit attributable to owners of parent						9,936,323
Purchase of treasury shares						(662)
Net changes in items other than shareholders' equity	106,850	2,335,382	(477,032)	1,965,200	50,959	2,016,160
Total changes during period	106,850	2,335,382	(477,032)	1,965,200	50,959	9,968,235
Balance at end of period	2,108,422	16,995,687	3,216,617	22,320,727	257,189	89,797,027

**(4) Consolidated statement of cash flows**

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,508,394	12,618,613
Depreciation	6,341,193	6,843,170
Amortization of goodwill	1,214,257	711,521
Increase (decrease) in provision for bonuses	(100,880)	644
Increase (decrease) in provision for loss on cancellation of contracts	(977,204)	—
Increase (decrease) in retirement benefit liability	(154,069)	47,812
Interest and dividend income	(438,760)	(623,522)
Interest expenses	457,801	452,290
Foreign exchange losses (gains)	(143,268)	(362,710)
Share of loss (profit) of entities accounted for using equity method	76,855	276,717
Loss (gain) on sale of investment securities	(499,617)	—
Loss (gain) on valuation of investment securities	—	208,673
Decrease (increase) in trade receivables	(2,075,167)	(4,800,944)
Decrease (increase) in inventories	(863,940)	(1,647,358)
Increase (decrease) in trade payables	1,052,362	567,039
Decrease (increase) in other current assets	66,807	(330,072)
Increase (decrease) in other current liabilities	574,086	662,219
Decrease (increase) in retirement benefit asset	(856,875)	(881,765)
Other, net	(74,411)	49,281
Subtotal	13,107,561	13,791,609
Interest and dividends received	438,760	623,494
Interest paid	(446,719)	(492,007)
Income taxes paid	(915,993)	(1,001,049)
Net cash provided by (used in) operating activities	12,183,609	12,922,046
Cash flows from investing activities		
Payments into time deposits	(1,668,141)	(125,000)
Proceeds from withdrawal of time deposits	125,000	1,787,659
Purchase of property, plant and equipment	(2,900,688)	(1,429,102)
Purchase of intangible assets	(998,098)	(1,304,800)
Purchase of investment securities	(2,313)	—
Proceeds from sale of investment securities	2,018,805	—
Purchase of shares of associates accounted for using equity method	(623,336)	—
Other payments	(13,129)	(310)
Other proceeds	109,529	20,668
Net cash provided by (used in) investing activities	(3,952,373)	(1,050,885)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(560,176)	(143,500)
Proceeds from long-term borrowings	500,000	3,273,000
Repayments of long-term borrowings	(5,778,110)	(8,515,015)
Repayments of lease liabilities	(348,090)	(393,767)
Purchase of treasury shares	(824)	(662)
Proceeds from share issuance to non-controlling shareholders	815	–
Dividends paid	(1,935,396)	(1,976,755)
Dividends paid to non-controlling interests	(2,308)	–
Net cash provided by (used in) financing activities	(8,124,090)	(7,756,699)
Effect of exchange rate change on cash and cash equivalents	2,402,921	749,071
Net increase (decrease) in cash and cash equivalents	2,510,065	4,863,532
Cash and cash equivalents at beginning of period	16,094,078	18,604,144
Cash and cash equivalents at end of period	18,604,144	23,467,676



**(5) Notes to consolidated financial statements**

**(Notes on premise of a going concern)**

Not applicable.

**(Significant matters that form the basis for the preparation of consolidated financial statements)**

**1 Scope of consolidation**

**(A) Number of consolidated subsidiaries: 18**

Tillotts Pharma AG  
Tillotts Pharma AB  
Tillotts Pharma Ltd.  
Tillotts Pharma UK Ltd.  
Tillotts Pharma Czech s.r.o.  
Tillotts Pharma Spain S.L.U.  
Tillotts Pharma GmbH  
Tillotts Pharma France SAS  
Tillotts Pharma Italy srl  
Pharmaceutical Joint Stock Company of February 3rd  
ZPD A/S  
Zeria Healthway Co., Ltd.  
IONA INTERNATIONAL CORPORATION  
Kenso-Seiyaku Co., Ltd.  
Zevice Co., Ltd.  
Zeriap Co., Ltd.

Two other consolidated subsidiaries

**(B) Major non-consolidated subsidiaries**

Zeria Shoji Co., Ltd.  
Zeria Ecotech Co., Ltd.

Non-consolidated subsidiaries are excluded from the scope of consolidation because they are small companies and their combined total assets, net sales, net income or loss, and retained earnings do not have a material impact on the consolidated financial statements.

**2 Application of equity method**

**(A) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method: 1**

Mage Biologics Inc.

There are no non-consolidated subsidiaries accounted for by the equity method.

**(B) Names of major non-consolidated subsidiaries not accounted for by the equity method**

Zeria Shoji Co., Ltd.  
Zeria Ecotech Co., Ltd.

Non-consolidated subsidiaries not accounted for by the equity method are excluded from the scope of equity method because their net income and retained earnings have a minimal effect on the consolidated financial statements and they are insignificant in the aggregate.

**(C) For Mage Biologics Inc., an equity-method affiliate, the financial statements for the most recent fiscal year of the company are used because its fiscal year ends on a different date from the consolidated fiscal year-end.**

**3 Fiscal year of consolidated subsidiaries**

Of the consolidated subsidiaries, Tillotts Pharma AG, Pharmaceutical Joint Stock Company of February 3rd, ZPD A/S, and other overseas consolidated subsidiaries have a fiscal year ending December 31.

In preparing the consolidated financial statements, the financial statements of these subsidiaries as of their fiscal year-end are used. However, adjustments necessary for consolidation are made for significant transactions that occurred between January 1 and March 31, the end of the consolidated fiscal year.

**4 Matters related to accounting policies**

**(A) Valuation standards and methods for significant assets**

**(1) Investment securities**

Other securities

Other than stocks and other securities without market price

…… Market value method (unrealized gains or losses are reported as a separate component of net

- assets, and the cost of securities sold is determined by the moving-average method)
  - Stocks and other securities without market price
  - ..... Cost method based on the moving-average method
- (2) Derivatives
  - ..... Market value method
- (3) Inventories
  - ..... Mainly stated at cost determined by the weighted average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins)
- (B) Depreciation and amortization method for significant depreciable assets
  - (1) Property, plant and equipment (excluding leased assets)
    - The straight-line method is used for the Saitama Plant (including warehouses) and Tsukuba Plant, and the declining-balance method is used for all others. However, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.
    - Overseas consolidated subsidiaries use the straight-line method.
    - The useful lives of major assets are as follows.
    - Buildings and structures                      3 to 50 years
    - Machinery, equipment and vehicles                      2 to 15 years
  - (2) Intangible assets (excluding leased assets)
    - The straight-line method is used.
    - Software for internal use is amortized by the straight-line method over the estimated useful life (5 years).
  - (3) Leased assets
    - Finance lease transactions that do not transfer ownership are depreciated using the straight-line method over the lease period with a residual value of zero.
  - (4) Long-term prepaid expenses
    - The straight-line method is used.
- (C) Accounting for significant provisions
  - (1) Allowance for doubtful accounts
    - To provide for possible bad debt expenses on trade receivables, etc. as of the end of the current fiscal year, an allowance for doubtful accounts is provided in the amount deemed uncollectible based on historical bad debt ratios for general receivables and on an individual assessment of collectibility for specific receivables for which there is concern about default.
  - (2) Provision for bonuses
    - To provide for bonuses to employees to be paid after the next fiscal year, an amount accrued for the current fiscal year among the estimated future payments is recorded.
- (D) Accounting for retirement benefits
  - (1) Method of attributing estimated retirement benefits to periods of service
    - The estimated amount of retirement benefits is attributed to the period until the end of the current fiscal year based on the benefit calculation method.
  - (2) Method of amortizing actuarial gains and losses and prior service cost
    - Prior service cost is amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time the cost is incurred.
    - Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of their accrual, starting from the following fiscal year of accrual.
  - (3) Accounting for unrecognized actuarial gains and losses and unrecognized prior service cost
    - Unrecognized actuarial gains and losses and unrecognized prior service cost are recognized in accumulated other comprehensive income under net assets, remeasurements of defined benefit plans, after adjusting for tax effects.
- (E) Basis for recording significant income and expenses
  - The Group's principal business is the manufacture and sale of products and the sale of merchandise in the Ethical Pharmaceuticals Business and Consumer Healthcare Business. For the sale of these products and merchandise, the Group usually recognizes revenue when the products and merchandise are inspected and accepted by the customer, since it is considered that the customer has acquired control over the products and merchandise and the performance obligation has been satisfied when the products and merchandise are

inspected and accepted by the customer. For sales in Japan, revenue is recognized at the time of shipment if the period between the time of shipment and the time of acceptance by the customer is a normal period of time. Revenue is measured at the amount of consideration promised in the contract with the customer, less any returns, discounts and rebates. Deductions other than those for confirmed payments, such as rebates and sales incentives paid to customers, are estimated and recognized to the extent that it is probable that a material reversal will not occur, taking into consideration the content of the contract and past results.

The consideration for transactions is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

Certain consolidated subsidiaries identify points granted to customers as performance obligations, allocate the transaction price based on the independent sales price, and recognize revenue when the points are used.

- (F) Basis of translation of significant assets and liabilities denominated in foreign currencies into Japanese yen  
Receivables and liabilities denominated in foreign currencies are translated into yen at the spot exchange rates prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas consolidated subsidiaries are translated into yen at the spot exchange rate on the balance sheet date of the overseas consolidated subsidiaries, and revenues and expenses are translated into yen at the average exchange rate during the accounting period of the relevant overseas consolidated subsidiaries, with the translation differences included in the foreign currency translation adjustments and non-controlling interests in net assets.
- (G) Significant hedge accounting methods
  - (1) Hedge accounting methods  
In principle, deferred hedge accounting is applied. Forward exchange contracts that meet the requirements for allocation method are accounted for using the allocation method.
  - (2) Hedging instruments and hedged items  
Forward exchange contracts are used as hedging instruments and trade payables and forecasted import transactions denominated in foreign currencies are used as hedged items.
  - (3) Hedging policy  
The Company uses forward exchange contracts and other hedging instruments to hedge foreign exchange fluctuation risks of trade payables and forecasted import transactions denominated in foreign currencies, and hedging instruments, such as forward exchange contracts, are made within the scope of trade payables and forecasted import transactions denominated in foreign currencies that are hedged items.
  - (4) Evaluation of hedge effectiveness  
The evaluation of hedge effectiveness is omitted because the hedging instruments are identical to the material terms of the hedged forecasted transactions, and it can be assumed that the hedging instruments will completely offset the market fluctuations at the inception of the hedge and continuously thereafter.
- (H) Amortization method and period of goodwill  
Goodwill of Tillotts Pharma AG, Pharmaceutical Joint Stock Company of February 3rd and ZPD A/S is amortized by the straight-line method over 20 years.
- (I) Scope of cash in the consolidated statements of cash flows  
Cash (cash and cash equivalents) in the consolidated statements of cash flows includes cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible to cash and are exposed to insignificant risk of changes in value.

**(Notes on change in accounting policy)**

Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Application Guidance of 2022”). This change has no impact on the consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Application Guidance of 2022 from the beginning of the current fiscal year. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. This change has no impact on the consolidated financial statements for the previous fiscal year.

**(Notes on segment information, etc.)****[Segment information]****1. Overview of reportable segments**

The Company's reportable segments are components of the Company for which separate financial statements are available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Company's reportable segments are Ethical Pharmaceuticals Business and Consumer Healthcare Business, as the Company's business activities are focused on ethical and OTC drugs.

In the Ethical Pharmaceuticals Business, the Company conducts research, development, manufacturing, and sales of ethical pharmaceuticals.

In the Consumer Healthcare Business, the Company conducts manufacturing, purchase, and sales of OTC drugs, health foods, quasi-drugs, and cosmetics for self-medication.

**2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment**

The accounting method for reported business segments is generally the same as that described in the "Significant matters that form the basis for the preparation of consolidated financial statements."

Profits of reportable segments are based on operating profit (after amortization of goodwill), and intersegment revenues and transfers are based on prevailing market prices.

**3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment**

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Ethical Pharmaceutic als Business	Consumer Healthcare Business	Total				
Net sales							
Sales to external customers	49,571,565	25,998,771	75,570,336	154,738	75,725,075	—	75,725,075
Intersegment sales and transfers	13,688	109	13,797	596,435	610,233	(610,233)	—
Total	49,585,253	25,998,880	75,584,134	751,174	76,335,308	(610,233)	75,725,075
Segment profit	9,246,965	5,260,306	14,507,271	251,319	14,758,591	(5,136,943)	9,621,647
Segment assets	88,276,477	28,525,641	116,802,118	4,941,243	121,743,362	28,790,231	150,533,593
Other items							
Depreciation	5,262,593	864,396	6,126,989	89,116	6,216,106	125,086	6,341,193
Amortization of goodwill	767,254	447,002	1,214,257	—	1,214,257	—	1,214,257
Increase in property, plant and equipment and intangible assets	2,726,222	828,909	3,555,131	35,539	3,590,671	626,757	4,217,428

(Notes) 1. "Other" is a business segment not included in the reportable segments and includes the insurance agency business and real estate business.

2. (i) Adjustment of segment profit of (5,136,943) thousand yen is mainly corporate expenses such as general and administrative expenses that are not allocated to each reportable segment.

(ii) Adjustment of segment assets of 28,790,231 thousand yen is mainly corporate assets not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit in the consolidated financial statements.

4. Depreciation and increase in property, plant and equipment and intangible assets include amortization and increase in long-term prepaid expenses.

Current fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Ethical Pharmaceutic als Business	Consumer Healthcare Business	Total				
Net sales							
Sales to external customers	58,970,905	28,179,566	87,150,472	160,664	87,311,137	–	87,311,137
Intersegment sales and transfers	8,926	109	9,036	537,519	546,556	(546,556)	–
Total	58,979,832	28,179,676	87,159,508	698,184	87,857,693	(546,556)	87,311,137
Segment profit	10,777,321	6,397,492	17,174,814	243,770	17,418,585	(5,220,999)	12,197,585
Segment assets	96,017,295	28,939,493	124,956,789	4,900,353	129,857,142	29,314,453	159,171,596
Other items							
Depreciation	5,770,338	855,716	6,626,055	91,295	6,717,350	125,820	6,843,170
Amortization of goodwill	493,500	218,020	711,521	–	711,521	–	711,521
Increase in property, plant and equipment and intangible assets	1,973,401	375,409	2,348,810	76,479	2,425,289	449,215	2,874,505

(Notes) 1. “Other” is a business segment not included in the reportable segments and includes the insurance agency business and real estate business.

2. (i) Adjustment of segment profit of (5,220,999) thousand yen is mainly corporate expenses, such as general and administrative expenses that are not allocated to each reportable segment.  
(ii) Adjustment of segment assets of 29,314,453 thousand yen is mainly corporate assets not allocated to each reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated financial statements.
4. Depreciation and increase in property, plant and equipment and intangible assets include amortization and increase in long-term prepaid expenses.

[Related information]

Previous fiscal year (April 1, 2023 to March 31, 2024)

1. Information by product and service

(Thousands of yen)

	Ethical pharmaceuticals	Consumer healthcare products	Other	Total
Sales to external customers	49,571,565	25,998,771	154,738	75,725,075

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Europe			Other	Total
	UK	France	Other		
36,752,299	9,539,622	7,387,015	17,020,387	5,025,750	75,725,075

(Notes) 1. Net sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

Other: Asia, Africa, Oceania, Latin America, and North America

(2) Property, plant and equipment

(Thousands of yen)

Japan	Europe	Vietnam	Total
20,342,577	3,092,220	3,083,038	26,517,836

Current fiscal year (April 1, 2024 to March 31, 2025)

1. Information by product and service

(Thousands of yen)

	Ethical pharmaceuticals	Consumer healthcare products	Other	Total
Sales to external customers	58,970,905	28,179,566	160,664	87,311,137

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Europe			Other	Total
	UK	France	Other		
37,604,750	11,349,456	9,046,110	23,350,353	5,960,466	87,311,137

(Notes) 1. Net sales are based on the location of customers and are classified by country or region.

2. Major countries or regions included in each category

Other: Asia, Africa, Oceania, Latin America, and North America

(2) Property, plant and equipment

(Thousands of yen)

Japan	Europe	Vietnam	Total
20,096,931	2,940,538	3,603,975	26,641,444

[Information on impairment losses on fixed assets by reportable segment]

Previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

Current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Ethical Pharmaceuticals Business	Consumer Healthcare Business	Other	Total
Amortization for the current fiscal year	767,254	447,002	—	1,214,257
Balance at end of period	2,845,990	1,416,828	—	4,262,818

(Note) Amortization for the current fiscal year in the Ethical Pharmaceuticals Business and Consumer Healthcare Business includes 476,992 thousand yen of amortization of goodwill, which is recorded as extraordinary losses in the consolidated statement of income.

Current fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Ethical Pharmaceuticals Business	Consumer Healthcare Business	Other	Total
Amortization for the current fiscal year	493,500	218,020	—	711,521
Balance at end of period	2,352,832	1,268,338	—	3,621,171

[Information on gain on bargain purchase by reportable segment]

Previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

Current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.



**(Notes on per share information)**

(Yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	1,806.33	2,031.33
Profit per share	175.39	225.42

(Notes) 1. Diluted profit per share is not shown in the above table, as there are no dilutive shares.

2. Basis for calculation of net assets per share is as follows.

Item	End of previous fiscal year (March 31, 2024)	End of current fiscal year (March 31, 2025)
Total net assets (thousand yen)	79,828,792	89,797,027
Amount deducted from total net assets (thousand yen)	206,229	257,189
[Of which, non-controlling interests (thousand yen)]	[206,229]	[257,189]
Net assets related to common shares at the end of the period (thousand yen)	79,622,562	89,539,838
Number of common shares issued and outstanding (shares)	53,119,190	53,119,190
Number of treasury common shares (shares)	9,039,354	9,039,667
Number of common shares used for calculation of net assets per share (shares)	44,079,836	44,079,523

3. Basis for calculation of profit per share is as follows.

Item	Previous fiscal year (April 1, 2023 to March 31, 2024)	Current fiscal year (April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (thousand yen)	7,731,262	9,936,323
Profit attributable to owners of parent related to common shares (thousand yen)	7,731,262	9,936,323
Average number of common shares during the period (shares)	44,080,055	44,079,600

**(Notes on Significant subsequent events)**

Absorption-type merger of a consolidated subsidiary

At a meeting of the Board of Directors held on June 13, 2024, the Company resolved to conduct an absorption-type merger of its wholly owned subsidiary, Kenso-Seiyaku Co., Ltd., performing said merger on April 1, 2025.

**(1) Overview of Business Combination**

- (i) Name of the combined company and its business  
Company name: Kenso-Seiyaku Co., Ltd.  
Business activities: Manufacture, sale, and import/export of pharmaceuticals and health foods for pharmacies and drugstores; manufacture and marketing of liver hydrolysate
- (ii) Date of business combination  
April 1, 2025
- (iii) Legal form of business combination  
Absorption-type merger, with the Company as the surviving company and Kenso-Seiyaku Co., Ltd. as the disappearing company
- (iv) Name of the company after combination  
Zeria Pharmaceutical Co., Ltd.
- (v) Allocation in relation to the merger  
Since the merger is with a wholly owned subsidiary of the Company, there will be no issuance of shares or delivery of cash or other assets upon the merger.
- (vi) Other matters related to overview of the transaction  
Under the 11th Mid-Term Management Plan, which covers the three-year period beginning in the fiscal year ended March 31, 2024, the Group is gradually moving forward with the concentration of production lines from four domestic plants (Saitama Plant and Tsukuba Plant of the Company, Fukushima Plant of IONA INTERNATIONAL CORPORATION and Tsukuba Plant of Kenso-Seiyaku Co. Ltd.) and shifting manufacturing in-house, aiming to create an effective and sustainable production system. As part of this, we merged with Kenso-Seiyaku Co., Ltd., which is in charge of the manufacture and marketing of liver hydrolysate, a key ingredient in the core Hepalyse range of products.  
The merger will also allow us further concentration of management resources, greater management efficiency, and quicker decision-making, and enhance our services and product value more than ever before.

**(2) Overview of accounting procedures to be implemented**

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction was treated as a transaction under common control.

## 4. Supplemental Information

### (1) Sales of major products and merchandise Consolidated

(Thousands of yen)

	Previous fiscal year April 1, 2023 to March 31, 2024	Current fiscal year April 1, 2024 to March 31, 2025	Percentage change (%)
1. Ethical Pharmaceuticals Business	49,571,565	58,970,905	19.0
Asacol	20,918,274	23,565,885	12.7
DIFICLIR	13,508,647	20,764,118	53.7
Entocort	5,416,293	5,372,490	(0.8)
Acofide	3,067,339	3,040,136	(0.9)
Other	6,661,010	6,228,274	(6.5)
2. Consumer Healthcare Business	25,998,771	28,179,566	8.4
Hepalyse range	10,968,611	12,552,741	14.4
Chondroitin range	5,752,050	5,572,999	(3.1)
WithOne range	1,292,304	1,530,314	18.4
Other	7,985,805	8,523,511	6.7
3. Other Business	154,738	160,664	3.8
Total	75,725,075	87,311,137	15.3

## (2) Status of pipeline of new drugs

### I. Domestic

As of May 8, 2025

Stage	Development Code/ Generic Name	Development	Indications	Classification	Origin
Phase III	Z-338/Acotiamide	Zeria	Pediatric functional dyspepsia	Upper gastrointestinal motility modulator	Original
Phase II	ZG-802/Acotiamide	Zeria	Underactive bladder	Lower urinary tract function modulator	Original

### II. Overseas

Stage	Development Code/ Generic Name	Development	Indications	Classification	Origin
NDA filed (Vietnam)	Z-338/Acotiamide	Pharmaceutical Joint Stock Company of February 3rd	Functional dyspepsia	Upper gastrointestinal motility modulator	Original
NDA filed (Singapore)	Z-338/Acotiamide	United Italian Trading Corporation Pte. Ltd.	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
NDA filed (Colombia, Costa Rica, Panama, Nicaragua)	Z-338/Acotiamide	Faes Farma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
Phase III (Europe, United States, Canada)	Z-338/Acotiamide	Agasta-Lab s.r.l.	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)

### Launched

Launch Date	Development Code/ Generic Name	Development	Indications	Classification	Origin
May–November 2024 (Chile, Guatemala, Peru)	Z-338/Acotiamide	Faes Farma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
September 2024 (Thailand)	Z-338/Acotiamide	Meiji Seika Pharma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
March 2025 (Japan)	ZG-801/ Patiromer Sorbitex Calcium (Brand name: Veltassa 8.4g powder for suspension (Single-dose package))	Zeria	Hyperkalemia	Potassium binder	In-licensed