

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2022
[Japanese GAAP]

October 14, 2021

Company name: Hisamitsu Pharmaceutical Co., Inc.
 Stock exchange listing: Tokyo, Nagoya, Fukuoka
 Securities code: 4530
 URL: <https://global.hisamitsu/>
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 Scheduled date of filing quarterly securities report: Oct. 14, 2021
 Scheduled date of dividend payment: Nov. 11, 2021
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2022

(March 1, 2021 to August 31, 2021)

(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, 2021	58,551	10.6	5,706	3.5	6,836	23.9	5,002	35.4
Six months ended Aug. 31, 2020	52,926	△16.5	5,516	△45.9	5,519	△48.1	3,693	△51.1

(Note) Comprehensive income: Six months ended Aug. 31, 2021 10,156 millions of yen (80.6%)
 Six months ended Aug. 31, 2020 5,625 millions of yen (533.7%)

	Profit per share	Diluted profit per share
	yen	yen
Six months ended Aug. 31, 2021	61.20	61.16
Six months ended Aug. 31, 2020	45.22	45.16

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Aug. 31, 2021	309,583	260,536	83.6
As of Feb. 28, 2021	299,861	253,809	84.1

(Reference) Shareholders' equity: As of Aug. 31, 2021 258,686 millions of yen
 As of Feb. 28, 2021 252,066 millions of yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	yen	yen	yen	yen	yen
Year ended Feb. 28, 2021	—	41.75	—	41.75	83.50
Year ending Feb. 28, 2022	—	42.00			
Year ending Feb. 28, 2022 (Forecast)			—	42.00	84.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 to February 28, 2022)

(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	122,900	7.3	10,700	0.3	12,700	7.4	9,900	7.0	121.12

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

*Notes

(1) Changes in significant subsidiaries during the period : None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)

(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 : Yes
 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, 2021 : 85,164,895 shares

As of Feb. 28, 2021 : 85,164,895 shares

2) Total number of treasury stock at the end of the period

As of Aug. 31, 2021 : 3,426,856 shares

As of Feb. 28, 2021 : 3,430,483 shares

3) Average number of shares outstanding during the period

Six months ended Aug. 31, 2021 : 81,736,248 shares

Six months ended Aug. 31, 2020 : 81,680,265 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 change 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 14, 2021. 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, 2021)	Current Second Quarter (As of Aug. 31, 2021)
Assets		
Current assets		
Cash and deposits	114,254	125,682
Notes and accounts receivable - trade	39,546	34,102
Securities	21,743	22,763
Merchandise and finished goods	11,359	10,111
Work in process	465	569
Raw materials and supplies	6,744	6,867
Other	4,290	6,349
Allowance for doubtful accounts	△343	△385
Total current assets	198,061	206,060
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,180	13,940
Other, net	23,174	24,427
Total property, plant and equipment	37,354	38,368
Intangible assets		
Sales rights	27	17
Other	1,150	1,485
Total intangible assets	1,178	1,503
Investments and other assets		
Investment securities	54,602	54,948
Other	8,878	8,916
Allowance for doubtful accounts	△214	△214
Total investments and other assets	63,267	63,651
Total non-current assets	101,800	103,522
Total assets	299,861	309,583

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2021)	Current Second Quarter (As of Aug. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,672	7,875
Electronically recorded obligations - operating	7,127	5,836
Short-term loans payable	1,111	1,111
Income taxes payable	608	1,964
Provision for sales returns	103	116
Provision for bonuses	1,350	1,229
Other	12,082	13,588
Total current liabilities	30,057	31,722
Non-current liabilities		
Long-term loans payable	296	254
Net defined benefit liability	7,928	8,064
Other	7,769	9,004
Total non-current liabilities	15,994	17,324
Total liabilities	46,051	49,046
Net assets		
Shareholders' equity		
Capital stock	8,473	8,473
Capital surplus	2,352	2,356
Retained earnings	233,376	234,971
Treasury shares	△11,495	△11,484
Total shareholders' equity	232,707	234,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,165	17,026
Revaluation reserve for land	3,790	3,784
Foreign currency translation adjustment	△1,173	3,105
Remeasurements of defined benefit plans	575	451
Total accumulated other comprehensive income	19,359	24,369
Share acquisition rights	232	234
Non-controlling interests	1,510	1,614
Total net assets	253,809	260,536
Total liabilities and net assets	299,861	309,583

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Aug. 31, 2020)	Current Fiscal Year (Mar. 1, 2021 – Aug. 31, 2021)
Net sales	52,926	58,551
Cost of sales	19,577	23,120
Gross profit	33,349	35,430
Selling, general and administrative expenses	27,833	29,723
Operating profit	5,516	5,706
Non-operating income		
Interest income	430	79
Dividend income	463	479
Foreign exchange gains	—	526
Other	181	270
Total non-operating income	1,074	1,356
Non-operating expenses		
Interest expenses	2	6
Foreign exchange losses	745	—
Share of loss of entities accounted for using equity method	259	151
Other	63	67
Total non-operating expenses	1,071	226
Ordinary profit	5,519	6,836
Extraordinary income		
Gain on disposal of non-current assets	—	6
Gain on sales of investment securities	1	652
Total extraordinary income	1	659
Extraordinary losses		
Loss on disposal of non-current assets	5	48
Loss on discontinuation of sale	—	279
Total extraordinary losses	5	328
Profit before income taxes	5,515	7,168
Income taxes	1,702	2,022
Profit	3,813	5,145
Profit attributable to non-controlling interests	119	143
Profit attributable to owners of parent	3,693	5,002

Quarterly Consolidated Statements of comprehensive income

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Aug. 31, 2020)	Current Fiscal Year (Mar. 1, 2021 – Aug. 31, 2021)
Profit	3,813	5,145
Other comprehensive income		
Valuation difference on available-for-sale securities	3,319	945
Foreign currency translation adjustment	△1,574	4,273
Remeasurements of defined benefit plans, net of tax	97	△129
Share of other comprehensive income of entities accounted for using equity method	△30	△79
Total other comprehensive income	1,812	5,011
Comprehensive income	5,625	10,156
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,522	10,018
Comprehensive income attributable to non-controlling interests	102	138

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Aug. 31, 2020)	Current Fiscal Year (Mar. 1, 2021 – Aug. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	5,515	7,168
Depreciation	1,934	1,974
Increase (decrease) in retirement benefit liability	159	130
Increase (decrease) in allowance for doubtful accounts	△45	31
Interest and dividend income	△893	△558
Interest expenses	2	6
Share of loss (profit) of entities accounted for using equity method	259	151
Loss (gain) on sales of investment securities	△1	△652
Loss on discontinuation of sale	—	279
Decrease (increase) in trade receivables	16,843	6,159
Decrease (increase) in inventories	△4,661	1,299
Increase (decrease) in trade payables	△5,239	△1,499
Other, net	△4,924	△1,274
Subtotal	8,949	13,215
Interest and dividends received	1,134	925
Interest paid	△1	△6
Income taxes refund (paid)	△5,200	531
Payments of retirement benefits for directors (and other officers)	△724	△3
Net cash provided by (used in) investing activities	4,156	14,663
Cash flows from investing activities		
Decrease (increase) in time deposits	429	△4,802
Decrease (increase) in short-term investment securities	10,339	△503
Purchase of property, plant and equipment	△2,365	△2,216
Purchase of intangible assets	△75	△479
Purchase of investment securities	△186	△119
Proceeds from sales of investment securities	2	928
Other, net	56	26
Net cash provided by (used in) investing activities	8,198	△7,164
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	△20	—
Repayments of long-term borrowings	△39	△41
Purchase of treasury shares	△0	△0
Dividends paid	△3,393	△3,413
Dividends paid to non-controlling interests	△115	△43
Other, net	△43	△72
Net cash provided by (used in) financing activities	△3,612	△3,572
Effect of exchange rate change on cash and cash equivalents	△480	2,116
Net increase (decrease) in cash and cash equivalents	8,261	6,041
Cash and cash equivalents at beginning of period	86,996	91,354
Cash and cash equivalents at end of period	95,258	97,395