

April 27, 2022

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Financial Results of Astellas for Fiscal Year 2021

Japan, April 27, 2022 – Astellas Pharma Inc. (TSE: 4503, President and CEO: Kenji Yasukawa, “the Company”) today announced the financial results for fiscal year 2021 (FY2021) ended March 31, 2022.

Consolidated financial results for FY2021 (April 1, 2021 – March 31, 2022) (core basis)

(Millions of yen)

	FY2020	FY2021	Change (%)
Revenue	1,249,528	1,296,163	+46,635 (+3.7%)
Core operating profit	251,375	244,744	-6,631 (-2.6%)
Core profit for the year	209,906	190,584	-19,322 (-9.2%)

Cautionary Notes

In this material, statements made with respect to current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Astellas. These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas' intellectual property rights by third parties. Information about pharmaceutical products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

1. Overview of business performance and others

(1) Overview of business performance for FY2021

1) Overview of consolidated financial results for FY2021

<Consolidated financial results (core basis ^(Note))>

Consolidated financial results (core basis) in FY2021 are shown in the table below. While revenue increased, core operating profit and core profit for the year decreased.

Consolidated financial results (core basis)

(Millions of yen)

	FY2020	FY2021	Change (%)
Revenue	1,249,528	1,296,163	+46,635 (+3.7%)
Cost of sales	246,063	253,009	+6,946 (+2.8%)
Selling, general and administrative expenses	504,316	548,840	+44,523 (+8.8%)
R&D expenses	224,489	246,010	+21,521 (+9.6%)
Amortisation of intangible assets	23,763	28,283	+4,520 (+19.0%)
Gain on divestiture of intangible assets*	-	24,234	+24,234 (-)
Share of profit (loss) of investments accounted for using equity method	478	489	+11 (+2.2%)
Core operating profit	251,375	244,744	-6,631 (-2.6%)
Core profit for the year	209,906	190,584	-19,322 (-9.2%)
Basic core earnings per share (yen)	113.03	103.03	-9.99 (-8.8%)

* Established a new account, which includes gain on sale of rights of in-market products or pipeline assets, in the third quarter of FY2021

(Note) The Company discloses financial results on a core basis as an indicator of its recurring profitability. Certain items reported in financial results on a full basis that are deemed to be non-recurring items by the Company are excluded as non-core items from these financial results on a core basis. These adjusted items include impairment losses, gain/loss on sales of property, plant and equipment, restructuring costs, loss on disaster, a large amount of losses on compensation or settlement of litigations and other legal disputes, and other items that are deemed to be excluded based on the Company's judgment. A reconciliation table between results on a full basis and results on a core basis is provided in the "Supplementary Documents for FY2021 Financial Results."

Revenue

- Main products XTANDI for the treatment of prostate cancer, XOSPATA for the treatment of acute myeloid leukemia, PADCEV for the treatment of urothelial cancer and EVRENZO for the treatment of renal anemia showed steady growth. In addition, the sales growth of Betanis / Myrbetriq / BETMIGA for the treatment of overactive bladder (“OAB”) and EVENITY for the treatment of osteoporosis contributed to revenue growth as well.
- Moreover, another factor for the increase in sales in FY2021 was the sales of pharmacologic stress agent Lexiscan returning to pre-pandemic levels which decreased mainly in the first quarter of the previous fiscal year by the impact of the spread of COVID-19.
- The sales growth of the products above offset the sales decrease mainly due to the termination of sales agreements for Celecox for the treatment of inflammation and pain and Lipitor for the treatment of hypercholesterolemia, and the divestiture of Eligard for the treatment of prostate cancer.

As a result of the above, revenue in FY2021 increased by 3.7% compared to those in the previous fiscal year (“year-on-year”) to ¥1,296.2 billion.

Core operating profit / Core profit for the year

- Gross profit increased by 4.0% year-on-year to ¥1,043.2 billion. The cost-to-revenue ratio fell by 0.2 percentage points year-on-year to 19.5%, mainly due to changes in product mix, despite the foreign exchange rate impact from the elimination of unrealized gains in intra-group transactions.
- Selling, general and administrative expenses increased by 8.8% year-on-year to ¥548.8 billion. The total amount increased mainly due to the impact of the foreign exchange rates (increase of ¥25.0 billion year-on-year), the increase of co-promotion fees associated with the growth of sales of XTANDI in the United States (increase of ¥11.3 billion year-on-year), investment in Digital Transformation (increase of approximately ¥8.0 billion year-on-year), and the increase in sales promotion expenses for new product launch readiness (increase of approximately ¥5.0 billion year-on-year), despite a decrease in expenses due to the global optimization of personnel aligned with transformation of product portfolio (decrease of approximately ¥9.0 billion year-on-year). Selling, general and administrative expenses, excluding co-promotion fees of XTANDI in the United States, increased by 6.6% year-on-year to ¥409.5 billion.
- Research and development (R&D) expenses increased by 9.6% year-on-year to ¥246.0 billion. The total amount increased mainly due to the impact of the foreign exchange rates and also increases in development expenses for zolbetuximab, an anti-Claudin 18.2 monoclonal antibody and R&D investment for Rx+ business (related to iota).
- Amortisation of intangible assets increased by 19.0% year-on-year to ¥28.3 billion.

- Gain on divestiture of intangible assets was ¥24.2 billion, including transfer of five products to Cheplapharm which were sold in Europe and other regions (¥12.3 billion), transfer of a pipeline asset (¥9.2 billion) and transfer of Bendamustine (¥2.0 billion) in the third quarter of FY2021.

As a result of the above, core operating profit decreased by 2.6% year-on-year to ¥244.7 billion, and core profit for the year decreased by 9.2% year-on-year to ¥190.6 billion.

Impact of exchange rate on financial results

The exchange rates for the yen in FY2021 are shown in the table below. The resulting impacts were a ¥59.6 billion increase in revenue and an ¥18.5 billion increase in core operating profit compared with if the exchange rates of FY2020 were applied.

Average rate	FY2020	FY2021	Change
US\$/¥	106	112	¥6 (Weakening of yen)
€/¥	124	131	¥7 (Weakening of yen)

Change from beginning to end of period	As of March 31, 2021	As of March 31, 2022
US\$/¥	¥2 (Weakening of yen)	¥11 (Weakening of yen)
€/¥	¥10 (Weakening of yen)	¥5 (Weakening of yen)

<Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2021 are shown in the table below. Revenue, operating profit and profit for the year increased across the board.

The full basis financial results include “Other income,” “Other expenses,” which are excluded from the core basis financial results. In FY2021, “Other income” was ¥15.3 billion (¥7.6 billion in the previous fiscal year) and “Other expenses” was ¥104.3 billion (¥123.0 billion in the previous fiscal year).

As “Other expenses,” the Company recorded impairment loss of intangible assets (¥31.2 billion) in relation to a revision of the development plan for the gene therapy AT132, impairment loss of intangible assets (¥11.3 billion) in relation to the termination of DNA vaccine ASP2390 and impairment loss of goodwill (¥5.2 billion) in relation to the termination of G1TR agonistic antibody ASP1951 in the fourth quarter of FY2021.

Consolidated financial results (full basis)

(Millions of yen)

	FY2020	FY2021	Change (%)
Revenue	1,249,528	1,296,163	+46,635 (+3.7%)
Operating profit	136,051	155,686	+19,635 (+14.4%)
Profit before tax	145,324	156,886	+11,563 (+8.0%)
Profit for the year	120,589	124,086	+3,497 (+2.9%)
Basic earnings per share (yen)	64.93	67.08	+2.15 (+3.3%)
Comprehensive income	181,499	208,117	+26,618 (+14.7%)

<Sales of Main Products>

(Billions of yen)

	FY2020	FY2021	Change
XTANDI	458.4	534.3	+16.6%
XOSPATA	23.8	34.1	+42.9%
PADCEV	12.8	21.7	+69.5%
EVRENZO	1.1	2.6	+131.5%
Betanis / Myrbetriq / BETMIGA	163.6	172.3	+5.3%
Prograf*	182.7	185.4	+1.5%

* Prograf: Includes Advagraf, Graceptor, and ASTAGRAF XL.

<XTANDI>

- Sales grew in all regions in which XTANDI is sold as a result of working to further strengthen market access and further increase penetration of XTANDI amongst urologists in addition to expanding prescriptions in the market for early stage prostate cancer by utilizing robust data based on clinical trials accumulated after launch.
- Sales grew substantially in the United States compared to the previous fiscal year, and in Europe, additional indication of “metastatic hormone-sensitive prostate cancer (M1 HSPC)” (approved in April 2021) contributed to sales growth. In addition, sales continued to show strong growth in Japan, China and International Markets.

<XOSPATA>

- Sales expanded in all regions in which XOSPATA is sold as a result of penetration of XOSPATA amongst hematologists/oncologists, and the establishment of its position as market leader by increasing product awareness and the rate of testing for FMS-like tyrosine kinase 3 (FLT3) mutations is carried out.
- In addition to sales growing in the United States and Europe compared to the previous fiscal year, sales in China also contributed, where the product was launched in April 2021. Furthermore, the number of countries that approved XOSPATA in International Markets increased, and in Japan, it captured a high market share with its current indication.

<PADCEV>

- In the United States, revenue from co-promotion grew as expected, as a result of the establishment of its position as a preferred treatment option for patients with existing indications, and the contribution of the additional indication “locally advanced or metastatic urothelial cancer patients who are ineligible for cisplatin-containing chemotherapy and have previously received one or more prior lines of therapy” (approved in July 2021).
- In Japan, where the product was launched in November 2021, the uptake was higher than expected. In addition, in April 2022, approval in Europe was obtained for PADCEV as monotherapy for the treatment of patients with locally advanced or metastatic urothelial cancer who have previously received treatment with a platinum-containing chemotherapy and a PD-1 or PD-L1 inhibitors.

<EVRENZO>

- Although sales expanded in Japan mainly due to the initiative to expand the market share, sales were lower than expected due to the strong competition in the market.
- In Europe, where EVRENZO was launched in September 2021, sales were lower than expected, as sales promotion activities at the time of launch were restricted by the impact of the spread of COVID-19 and because penetration of its differentiation from the existing standard treatment of care was below expectation.

<Betanis / Myrbetriq / BETMIGA>

- Sales expanded globally, mainly in Europe and Japan.

<Prograf>

- Global sales were in line with expectation, although there were regional differences, such as sales growth in Europe and China, while sales decreased in the United States and Japan.

<Revenue by region>

Revenue by region is shown in the table below. Revenue in United States, Established Markets and Greater China increased, while in Japan and International Markets decreased.

(Billions of yen)

	FY2020	FY2021	Change
Japan	279.1	258.8	-7.3%
United States	473.2	537.5	+13.6%
Established Markets ^{*1}	293.2	315.2	+7.5%
Greater China ^{*2}	59.3	66.3	+11.8%
International Markets ^{*3}	111.1	110.1	-0.9%

*1 Established Markets: Europe, Canada, Australia.

*2 Greater China: China, Hong Kong, Taiwan.

*3 International Markets: Russia, Latin America, Middle East, Africa, South East Asia, South Asia, Korea, Export sales, etc.

2) Efforts Against the Spread of the Coronavirus Disease (COVID-19)

With the continuing spread of COVID-19, we are, as part of our mission as a pharmaceutical company, taking various actions and measures to contribute to securing the safety of patients and alleviating strain on healthcare resources. We have, thus far, conducted initiatives in areas that include the stable supply of products, contribution to the R&D of drugs, and assistance to regions where infection is spreading.

The Company's main efforts are published on our website (<https://www.astellas.com/en/covid-19>). Please refer to the website for details.

(2) Financial position

1) Assets, equity and liabilities

An overview of the consolidated statement of financial position as of March 31, 2022 and the main changes from the end of the previous fiscal year are shown below.

Assets

Total assets saw an increase of ¥58.8 billion compared to the end of the previous fiscal year to ¥2,332.4 billion.

<Non-current assets> As of March 31, 2022: ¥1,409.0 billion (an increase of ¥8.0 billion)

- Property, plant and equipment increased by ¥4.4 billion compared to the end of the previous fiscal year to ¥269.0 billion.
- Goodwill increased by ¥19.0 billion compared to the end of the previous fiscal year to ¥303.0 billion, and intangible assets decreased by ¥28.0 billion compared to the end of the previous fiscal year to ¥623.4 billion.
- In the fourth quarter of FY2021, intangible assets decreased due to the recording of impairment losses of intangible assets in relation to a revision of the development plan for the gene therapy AT132 as well as impairment loss of intangible assets in relation to the termination of DNA vaccine ASP2390.

<Current assets> As of March 31, 2022: ¥923.4 billion (an increase of ¥50.8 billion)

- Cash and cash equivalents decreased by ¥10.1 billion compared to the end of the previous fiscal year to ¥316.0 billion.

Equity

Total equity as of March 31, 2022 saw an increase of ¥74.2 billion compared to the end of the previous fiscal year to ¥1,460.3 billion, making the ratio of equity attributable to owners of the parent to total assets 62.6%.

- While profit for the year stood at ¥124.1 billion, the Company paid ¥85.2 billion of dividends of surplus and executed a ¥50.7 billion acquisition of its treasury shares.
- The Company canceled a total of 25.94 million treasury shares valued at ¥51.4 billion in March 2022.

Liabilities

Total liabilities decreased by ¥15.4 billion compared to the end of the previous fiscal year to ¥872.1 billion.

<Non-current liabilities> As of March 31, 2022: ¥184.7 billion (a decrease of ¥110.5 billion)

- Other financial liabilities decreased by ¥103.1 billion compared to the end of the previous fiscal year to ¥95.9 billion.

- This decrease was mainly due to the repayment of long-term borrowings of ¥30.0 billion and transfer of ¥50.0 billion to current portion of long-term borrowings in the fourth quarter of FY2021.

<Current liabilities> As of March 31, 2022: ¥687.4 billion (an increase of ¥95.0 billion)

- As of March 31, 2022, the balance of bonds and borrowings amounted to ¥140.0 billion.
- Other financial liabilities amounted to ¥185.0 billion (an increase of ¥36.8 billion) due to the transfer from long-term borrowing stated above, and other current liabilities amounted to ¥322.8 billion (an increase of ¥33.9 billion).

2) Cash flow

Cash flows from operating activities

Net cash flows from operating activities in FY2021 decreased by ¥49.4 billion year-on-year to ¥257.4 billion.

- Income tax paid increased by ¥24.2 billion year-on-year to ¥42.1 billion.

Cash flows from investing activities

Net cash flows used in investing activities in FY2021 was ¥62.4 billion, a decrease in outflow of ¥19.5 billion year-on-year.

- Proceeds from sales of intangible assets amounted to ¥24.3 billion.

Cash flows from financing activities

Net cash flows used in financing activities in FY2021 was ¥216.3 billion, a decrease in outflow of ¥13.2 billion year-on-year.

- Repayments of long-term borrowings amounted to ¥30.0 billion, and the balance of bonds and short-term borrowings decreased by ¥30.0 billion.
- Dividends paid increased by ¥9.1 billion year-on-year to ¥85.2 billion. Furthermore, there was an acquisition of treasury shares of ¥50.7 billion (an increase in outflow of ¥41.6 billion) year-on-year.

As a result, cash and cash equivalents totaled ¥316.0 billion as of March 31, 2022, a decrease of ¥10.1 billion compared to the end of the previous fiscal year.

(3) Consolidated business forecasts for FY2022 and other forward-looking statements

The Company's business forecasts for FY2022 are presented on a core basis and full basis.

The consolidated full-year business forecasts (core basis) are shown below.

Consolidated full-year business forecasts (core basis)

(Millions of yen)

	FY2021 Results	FY2022 Forecasts	Change (%)
Revenue	1,296,163	1,443,000	+146,837 (+11.3%)
Selling, general and administrative expenses	548,840	598,000	+49,160 (+9.0%)
R&D expenses	246,010	254,000	+7,990 (+3.2%)
Core operating profit	244,744	290,000	+45,256 (+18.5%)
Core profit for the year	190,584	223,000	+32,416 (+17.0%)
Basic core earnings per share (yen)	103.03	122.05	+19.02 (+18.5%)

(Note) The forecast of the basic core earnings per share is calculated based on the number of issued shares (excluding treasury shares) at the end of FY2021.

Expected exchange rate for

FY2022 (Forecast)	¥120/US\$	¥135/€
FY2021 (Result)	¥112/US\$	¥131/€

Revenue, core operating profit and core profit for the year are anticipated to increase across the board.

The fluctuations in the exchange rate are anticipated to cause a ¥120.8 billion increase in revenue and a ¥25.3 billion increase in core operating profit compared with if the exchange rates of FY2021 were applied, as the exchange rate for FY2022 is anticipated to weaken against both the U.S. dollar and the euro compared with FY2021 results.

Revenue

The revenue forecast is ¥1,443.0 billion (up 11.3% year on year).

- Revenue is anticipated to increase since the Company expects the main products XTANDI, and the Strategic products XOSPATA, PADCEV and EVRENZO to continue to grow significantly.

Core operating profit/ Core profit for the year

- Cost-of-goods ratio to revenue will be lowered mainly due to changes in product mix.
- Regarding selling, general and administrative expenses, the Company will pursue cost efficiency by thoroughly reviewing costs that do not contribute to our competitiveness or the increase of our VALUE. On the other hand, due to the allocation of investment to prepare for the launch of fezolinetant, a selective neurokinin-3 receptor antagonist, and zolbetuximab, an anti-Claudin 18.2 monoclonal antibody, as well as increases in XTANDI co-promotion fees in the United States, it is forecasted at ¥598.0 billion (up 9.0% year on year).
- The Company projects R&D expenses of ¥254.0 billion (up 3.2% year on year) reflecting enhanced investment into our Primary Focus.

As a result of the above, the Company projects core operating profit of ¥290.0 billion (up 18.5% year on year).

Core profit for the year is forecasted at ¥223.0 billion (up 17.0% year on year) and basic core earnings per share is forecasted at ¥122.05 (up 18.5 % year on year).

<Sales of Main Products>

(Billions of yen)

	FY2021 Results	FY2022 Forecasts	Change
XTANDI	534.3	642.5	+20.3%
XOSPATA	34.1	46.2	+35.5%
PADCEV	21.7	36.5	+68.0%
EVRENZO	2.6	9.9	+281.2%

The consolidated full-year business forecasts (full basis) are shown below.

Consolidated full-year business forecasts (full basis)

(Millions of yen)

	FY2021 Results	FY2022 Forecasts	Change (%)
Revenue	1,296,163	1,443,000	+146,837 (+11.3%)
Operating profit	155,686	269,000	+113,314 (+72.8%)
Profit before tax	156,886	267,000	+110,114 (+70.2%)
Profit for the year	124,086	208,000	+83,914 (+67.6%)
Basic earnings per share (yen)	67.08	113.84	+46.76 (+69.7%)

(Note) The forecast of the basic earnings per share is calculated based on the number of issued shares (excluding treasury shares) at the end of FY2021.

Expected exchange rate for

FY2022 (Forecast)	¥120/US\$	¥135/€
FY2021 (Result)	¥112/US\$	¥131/€

In FY2021, the Company recorded “Other expenses” that is excluded from its core basis financial results, with the result that operating profit is ¥89.1 billion lower than core operating profit.

In FY2022, operating profit, profit before tax, and profit for the year are anticipated to increase across the board. This includes the impairment loss for intangible assets resulting from the termination of development of gene therapy programs AT702, AT751, and AT753 announced in April 2022.

(4) Capital allocation policy and dividends for FY2021 and FY2022

The Company strives to sustainably increase enterprise value while proactively making returns to shareholders. While putting priority on business investment to assure future growth, the Company strives to increase dividend payments stably and continuously, based on medium- to long-term profit growth on a consolidated basis. In addition, the Company will flexibly acquire its own shares whenever necessary to further increase capital efficiency and earnings per share.

The annual dividend for FY2021 is ¥50 per share (including a year-end dividend of ¥25 per share) to shareholders.

The Company anticipates that the annual dividend in FY2022 will be ¥60 per share (composed of interim dividend of ¥30 per share and a year-end dividend of ¥30 per share).

2. Consolidated Financial Statements and Notes to Consolidated Financial Statements

(1) Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
Revenue	1,249,528	1,296,163
Cost of sales	(246,063)	(253,009)
Gross profit	1,003,465	1,043,154
Selling, general and administrative expenses	(504,316)	(548,840)
Research and development expenses	(224,489)	(246,010)
Amortisation of intangible assets	(23,763)	(28,283)
Gain on divestiture of intangible assets	—	24,234
Share of profit (loss) of investments accounted for using equity method	478	489
Other income	7,639	15,256
Other expenses	(122,963)	(104,314)
Operating profit	136,051	155,686
Finance income	11,608	6,149
Finance expenses	(2,335)	(4,949)
Profit before tax	145,324	156,886
Income tax expense	(24,734)	(32,800)
Profit	120,589	124,086
Profit attributable to:		
Owners of the parent	120,589	124,086
Earnings per share:		
Basic (Yen)	64.93	67.08
Diluted (Yen)	64.90	67.05

(2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
Profit	120,589	124,086
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,374	(5,078)
Remeasurements of defined benefit plans	1,788	2,512
Subtotal	<u>7,162</u>	<u>(2,566)</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	53,748	86,597
Subtotal	<u>53,748</u>	<u>86,597</u>
Other comprehensive income	<u>60,910</u>	<u>84,031</u>
Total comprehensive income	<u><u>181,499</u></u>	<u><u>208,117</u></u>
Total comprehensive income attributable to:		
Owners of the parent	181,499	208,117

(3) Consolidated Statement of Financial Position

(Millions of yen)

	As of 31 March 2021	As of 31 March 2022
Assets		
Non-current assets		
Property, plant and equipment	264,623	269,044
Goodwill	284,011	303,030
Intangible assets	651,427	623,431
Trade and other receivables	33,924	29,796
Investments accounted for using equity method	7,117	10,035
Deferred tax assets	54,176	72,331
Other financial assets	95,850	91,844
Other non-current assets	9,913	9,531
Total non-current assets	1,401,040	1,409,041
Current assets		
Inventories	164,080	153,072
Trade and other receivables	343,178	382,462
Income tax receivable	13,984	21,539
Other financial assets	5,560	21,297
Other current assets	19,658	28,997
Cash and cash equivalents	326,128	315,986
Total current assets	872,588	923,354
Total assets	2,273,628	2,332,395

(Millions of yen)

	As of 31 March 2021	As of 31 March 2022
Equity and liabilities		
Equity		
Share capital	103,001	103,001
Capital surplus	177,830	179,467
Treasury shares	(15,377)	(13,934)
Retained earnings	953,289	944,261
Other components of equity	167,373	247,512
Total equity attributable to owners of the parent	1,386,115	1,460,308
Total equity	1,386,115	1,460,308
Liabilities		
Non-current liabilities		
Trade and other payables	400	676
Deferred tax liabilities	18,161	5,823
Retirement benefit liabilities	38,982	37,226
Provisions	5,796	5,831
Other financial liabilities	199,021	95,886
Other non-current liabilities	32,782	39,234
Total non-current liabilities	295,141	184,676
Current liabilities		
Trade and other payables	124,777	130,739
Income tax payable	8,395	32,388
Provisions	22,187	16,570
Other financial liabilities	148,163	184,964
Other current liabilities	288,851	322,751
Total current liabilities	592,372	687,411
Total liabilities	887,513	872,087
Total equity and liabilities	2,273,628	2,332,395

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Subscription rights to shares	Exchange differences on translation of foreign operations
As of 1 April 2020	103,001	177,506	(7,178)	905,851	899	93,277
Comprehensive income						
Profit	—	—	—	120,589	—	—
Other comprehensive income	—	—	—	—	—	53,748
Total comprehensive income	—	—	—	120,589	—	53,748
Transactions with owners						
Acquisition of treasury shares	—	—	(9,163)	—	—	—
Disposals of treasury shares	—	(444)	964	(365)	(154)	—
Dividends	—	—	—	(76,157)	—	—
Share-based payments	—	768	—	—	—	—
Transfers	—	—	—	3,371	—	—
Total transactions with owners	—	324	(8,199)	(73,151)	(154)	—
As of 31 March 2021	103,001	177,830	(15,377)	953,289	745	147,024
Comprehensive income						
Profit	—	—	—	124,086	—	—
Other comprehensive income	—	—	—	—	—	86,597
Total comprehensive income	—	—	—	124,086	—	86,597
Transactions with owners						
Acquisition of treasury shares	—	—	(50,717)	—	—	—
Disposals of treasury shares	—	(391)	735	(229)	(115)	—
Cancellation of treasury shares	—	—	51,427	(51,427)	—	—
Dividends	—	—	—	(85,236)	—	—
Share-based payments	—	2,028	—	—	—	—
Transfers	—	—	—	3,777	—	—
Total transactions with owners	—	1,638	1,444	(133,114)	(115)	—
As of 31 March 2022	103,001	179,467	(13,934)	944,261	630	233,621

(Millions of yen)

	Equity attributable to owners of the parent				Total equity
	Other components of equity			Total	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total		
As of 1 April 2020	15,813	—	109,989	1,289,168	1,289,168
Comprehensive income					
Profit	—	—	—	120,589	120,589
Other comprehensive income	5,374	1,788	60,910	60,910	60,910
Total comprehensive income	5,374	1,788	60,910	181,499	181,499
Transactions with owners					
Acquisition of treasury shares	—	—	—	(9,163)	(9,163)
Disposals of treasury shares	—	—	(154)	1	1
Dividends	—	—	—	(76,157)	(76,157)
Share-based payments	—	—	—	768	768
Transfers	(1,583)	(1,788)	(3,371)	—	—
Total transactions with owners	(1,583)	(1,788)	(3,525)	(84,552)	(84,552)
As of 31 March 2021	19,604	—	167,373	1,386,115	1,386,115
Comprehensive income					
Profit	—	—	—	124,086	124,086
Other comprehensive income	(5,078)	2,512	84,031	84,031	84,031
Total comprehensive income	(5,078)	2,512	84,031	208,117	208,117
Transactions with owners					
Acquisition of treasury shares	—	—	—	(50,717)	(50,717)
Disposals of treasury shares	—	—	(115)	0	0
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	(85,236)	(85,236)
Share-based payments	—	—	—	2,028	2,028
Transfers	(1,265)	(2,512)	(3,777)	—	—
Total transactions with owners	(1,265)	(2,512)	(3,893)	(133,925)	(133,925)
As of 31 March 2022	13,261	—	247,512	1,460,308	1,460,308

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	145,324	156,886
Depreciation and amortisation	72,652	79,684
Impairment losses (reversal of impairment losses)	100,348	74,850
Finance income and expenses	(9,273)	(1,200)
(Increase) decrease in inventories	(2,318)	24,058
(Increase) decrease in trade and other receivables	22,161	(8,001)
Increase (decrease) in trade and other payables	(51,569)	(10,101)
Other	47,389	(16,639)
Subtotal	324,714	299,537
Income tax paid	(17,870)	(42,093)
Net cash flows from operating activities	306,843	257,444
Cash flows from investing activities		
Purchases of property, plant and equipment	(31,384)	(30,739)
Proceeds from sales of property, plant and equipment	6,831	441
Purchase of intangible assets	(46,057)	(45,709)
Proceeds from sales of intangible assets	—	24,281
Payments for acquisition of subsidiaries	(14,916)	(670)
Interest and dividends received	1,037	716
Other	2,594	(10,733)
Net cash flows provided by (used in) investing activities	(81,894)	(62,413)
Cash flows from financing activities		
Increase (decrease) in bonds and short-term borrowings	(206,000)	(30,000)
Proceeds from long-term borrowings	80,000	—
Repayments of long-term borrowings	—	(30,000)
Acquisition of treasury shares	(9,163)	(50,717)
Dividends paid to owners of the parent	(76,157)	(85,236)
Repayments of lease liabilities	(15,891)	(17,815)
Other	(2,268)	(2,530)
Net cash flows provided by (used in) financing activities	(229,479)	(216,298)
Effect of exchange rate changes on cash and cash equivalents	12,267	11,125
Net increase (decrease) in cash and cash equivalents	7,737	(10,143)
Cash and cash equivalents at the beginning of the year	318,391	326,128
Cash and cash equivalents at the end of the year	326,128	315,986

(6) Notes to consolidated financial statements

Notes on going concern assumption

Not applicable.

Segment information

The main activities of the Group are the research and development, manufacture and sale of pharmaceutical products, and there are no separate operating segments. Therefore, the Group has a single reporting segment, "Pharmaceutical".

Information about products and services

Revenue by type of product and service is as follows:

(Millions of yen)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
XTANDI	458,434	534,317
Prograf	182,650	185,362
Betanis/Myrbetriq/BETMIGA	163,569	172,293
Other	444,875	404,191
Total	1,249,528	1,296,163

Information about geographical areas

Revenue and non-current assets by geographical areas are as follows:

Revenue by geographical areas

(Millions of yen)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
Japan	297,230	268,940
United States	478,768	544,103
Others	473,530	483,120
Total	1,249,528	1,296,163

(Note) Revenue by geographical areas is categorised based on the geographical location of each Group company.

Non-current assets (property, plant and equipment, goodwill and intangible assets) by geographical areas

(Millions of yen)

	As of 31 March 2021	As of 31 March 2022
Japan	452,144	410,425
United States	640,120	674,761
Others	107,796	110,318
Total	1,200,060	1,195,505

Information about major customers

The following external customer accounts for 10% or more of the consolidated revenue of the Group.

(Millions of yen)

	Segment	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
McKesson Group	Pharmaceutical	193,182	218,745

Earnings per share

The basis of calculation of basic earnings per share and diluted earnings per share is as follows:

(Millions of yen, except as otherwise indicated)

	Fiscal year ended 31 March 2021	Fiscal year ended 31 March 2022
Basis of calculating basic earnings per share		
Profit attributable to owners of the parent	120,589	124,086
Profit not attributable to ordinary shareholders of the parent	—	—
Profit used to calculate basic earnings per share	120,589	124,086
Weighted average number of ordinary shares (Thousands of shares)	1,857,125	1,849,713
Basis of calculating diluted earnings per share		
Profit used to calculate basic earnings per share	120,589	124,086
Adjustment	—	—
Profit used to calculate diluted earnings per share	120,589	124,086
Weighted average number of ordinary shares (Thousands of shares)	1,857,125	1,849,713
Increase in the number of ordinary shares due to exercise of subscription rights to shares (Thousands of shares)	1,068	889
Weighted average number of diluted ordinary shares (Thousands of shares)	1,858,193	1,850,602
Earnings per share (attributable to owners of the parent):		
Basic (Yen)	64.93	67.08
Diluted (Yen)	64.90	67.05

Significant subsequent events

In April 2022, the Group decided to terminate the research and development of AT702, AT751 and AT753, which are in-process research and development. As a result, the Group will recognise an impairment loss for intangible assets of \$170 million in other expenses in the next fiscal year.