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## **Financial Results of Astellas for Fiscal Year 2022**

Japan, April 27, 2023 – Astellas Pharma Inc. (TSE: 4503, President and CEO: Naoki Okamura, “the Company”) today announced the financial results for fiscal year 2022 ended March 31, 2023 (FY2022).

### **Consolidated financial results for FY2022 (April 1, 2022 – March 31, 2023) (core basis)**

(Millions of yen)

	FY2021	FY2022	Change (%)
Revenue	1,296,163	<b>1,518,619</b>	+222,456 (+17.2%)
Core operating profit	244,744	<b>286,902</b>	+42,158 (+17.2%)
Core profit for the year	190,584	<b>224,619</b>	+34,035 (+17.9%)

#### **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 FY2022

#### 1) Overview of consolidated financial results for FY2022

##### <Consolidated financial results (core basis <sup>(Note)</sup>)>

Consolidated financial results (core basis) in FY2022 are shown in the table below.

Revenue, core operating profit and core profit for the year increased across the board.

##### Consolidated financial results (core basis)

(Millions of yen)

	FY2021	FY2022	Change (%)
Revenue	1,296,163	<b>1,518,619</b>	+222,456 (+17.2%)
Cost of sales	253,009	<b>288,353</b>	+35,344 (+14.0%)
Selling, general and administrative expenses	548,840	<b>630,272</b>	+81,432 (+14.8%)
R&D expenses	246,010	<b>276,128</b>	+30,118 (+12.2%)
Amortisation of intangible assets	28,283	<b>38,436</b>	+10,153 (+35.9%)
Gain on divestiture of intangible assets	24,234	<b>212</b>	-24,022 (-99.1%)
Share of profit (loss) of investments accounted for using equity method	489	<b>1,260</b>	+771 (+157.8%)
Core operating profit	244,744	<b>286,902</b>	+42,158 (+17.2%)
Core profit for the year	190,584	<b>224,619</b>	+34,035 (+17.9%)
Basic core earnings per share (yen)	103.03	<b>123.42</b>	+20.38 (+19.8%)

(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 FY2022 Financial Results."

## **Revenue**

- Sales of main products XTANDI for the treatment of prostate cancer, PADCEV for the treatment of urothelial cancer and XOSPATA for the treatment of acute myeloid leukemia showed steady growth. Sales of EVENITY for the treatment of osteoporosis in Japan also increased, contributing to revenue growth.

As a result of the above, revenue in FY2022 increased by 17.2% compared to that in the previous fiscal year (“year-on-year”) to ¥1,518.6 billion.

## **Core operating profit / Core profit for the year**

- Gross profit increased by 17.9% year-on-year to ¥1,230.3 billion. The cost-to-revenue ratio decreased by 0.5 percentage points year-on-year to 19.0%.
- Selling, general and administrative expenses increased by 14.8% year-on-year to ¥630.3 billion. Although expenses decreased as a result of global optimization of commercial-related personnel (decrease of approximately ¥8.0 billion year-on-year) and reduction of mature products-related costs (decrease of approximately ¥8.0 billion year-on-year), the total amount increased due to an increase in investment for new product launch readiness (increase of approximately ¥12.0 billion year-on-year) and foreign exchange rate impact (increase of ¥80.3 billion year-on-year). Selling, general and administrative expenses, excluding co-promotion fees of XTANDI in the United States, increased by 11.1% year-on-year to ¥454.8 billion. Excluding the foreign exchange rate impact, the total amount decreased on a year-on-year basis.
- Research and development (R&D) expenses increased by 12.2% year-on-year to ¥276.1 billion. The total amount increased due to the recording of expenses (¥13.7 billion) associated with the use of priority review voucher for fezolinetant, a selective neurokinin-3 receptor antagonist, in the first quarter of FY2022 and the foreign exchange rate impact (increase of ¥27.5 billion year-on-year). The R&D cost-to-revenue ratio was down 0.8 percentage points year-on-year to 18.2%.
- Amortisation of intangible assets increased by 35.9% year-on-year to ¥38.4 billion.

As a result of the above, core operating profit increased by 17.2% year-on-year to ¥286.9 billion, and core profit for the year increased by 17.9% year-on-year to ¥224.6 billion.

**Impact of exchange rate on financial results**

The exchange rates for the yen in FY2022 are shown in the table below. The resulting impacts were a ¥164.4 billion increase in revenue and a ¥40.1 billion increase in core operating profit compared with if the exchange rates of FY2021 were applied.

Average rate	FY2021	<b>FY2022</b>	Change
US\$/¥	112	<b>135</b>	¥23 (Weakening of yen)
€/¥	131	<b>141</b>	¥10 (Weakening of yen)

Change from beginning to end of period	As of March 31, 2022	<b>As of March 31, 2023</b>
US\$/¥	¥11 (Weakening of yen)	<b>¥11</b> <b>(Weakening of yen)</b>
€/¥	¥5 (Weakening of yen)	<b>¥9</b> <b>(Weakening of yen)</b>

## <Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2022 are shown in the table below. Revenue increased, while operating profit and profit for the year decreased.

The full basis financial results include “Other income” and “Other expenses,” which are excluded from the core basis financial results. In FY2022, “Other income” was ¥3.6 billion (¥15.3 billion in the previous fiscal year).

As “Other expenses,” in the fourth quarter of FY2022, the Company recorded an increase in fair value of contingent consideration for zolbetuximab, an anti-Claudin 18.2 monoclonal antibody (¥38.6 billion), an impairment loss of intangible assets in relation to a revision of the future plan for EVRENZO (¥47.1 billion), an impairment loss of intangible assets in relation to the termination of development of FX-322 (¥8.6 billion), and an impairment loss of intangible assets in relation to the termination of an agreement with Adaptimmune Therapeutics plc (¥4.6 billion). In addition, the Company recorded an impairment loss of intangible assets in relation to the termination of research and development of the gene therapy programs AT702, AT751, and AT753 (¥23.0 billion) and an increase in fair value of contingent consideration arising in relation to an application for US approval for fezolinetant (¥13.2 billion), in the first quarter of FY2022. In total, “Other expenses” in FY2022 was ¥157.5 billion (¥104.3 billion in the previous fiscal year).

### Consolidated financial results (full basis)

	FY2021	FY2022	Change (%)
Revenue	1,296,163	<b>1,518,619</b>	+222,456 (+17.2%)
Operating profit	155,686	<b>133,029</b>	-22,657 (-14.6%)
Profit before tax	156,886	<b>132,361</b>	-24,525 (-15.6%)
Profit for the year	124,086	<b>98,714</b>	-25,372 (-20.4%)
Basic earnings per share (yen)	67.08	<b>54.24</b>	-12.85 (-19.1%)
Comprehensive income	208,117	<b>205,277</b>	-2,840 (-1.4%)

## <Sales of Main Products>

(Billions of yen)

	FY2021	FY2022	Change
XTANDI	534.3	<b>661.1</b>	+23.7%
PADCEV	21.7	<b>44.4</b>	+104.4%
XOSPATA	34.1	<b>46.6</b>	+36.7%
EVRENZO	2.6	<b>3.2</b>	+23.0%
Betanis / Myrbetriq / BETMIGA	172.3	<b>188.6</b>	+9.5%
Prograf*	185.4	<b>198.8</b>	+7.2%

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

### <XTANDI>

- Sales increased in all regions, and global sales increased compared to the previous fiscal year. In particular, prescriptions expanded in Established Markets<sup>\*1</sup>, Japan and International Markets<sup>\*2</sup>, contributing to sales growth.

### <PADCEV>

- In the United States, sales increased as it established a position as a preferred treatment option for patients with conditions for which indications that had been approved so far. In Japan as well, PADCEV achieved penetration as a preferred treatment option with a large increase in the number of new patients causing growth in sales. In Europe, after obtaining approval in April 2022, the total number of countries where it was launched increased steadily, contributing to sales growth.

### <XOSPATA>

- Sales increased in all regions. In addition to continual growth in the United States, Europe, and Japan, where it secured a high market share, the number of countries in which it was sold increased in the International Markets.

### <EVRENZO>

- While sales grew in line in Europe with an increase in the number of countries where it was newly launched, sales decreased in Japan due to the strong competition in markets.

<Betanis / Myrbetriq / BETMIGA>

- Global sales increased, although there were regional differences.

<Prograf>

- Global sales increased.

\*1 Established Markets: Europe, Canada.

\*2 International Markets: Russia, Latin America, Middle East, Africa, South East Asia, South Asia, Korea, Australia, Export sales, etc.

### <Revenue by region>

Revenue by region is shown in the table below. Revenue increased in all regions.

(Billions of yen)

	FY2021	FY2022	Change
Japan	258.8	<b>262.3</b>	+1.4%
United States	537.5	<b>652.4</b>	+21.4%
Established Markets <sup>*1</sup>	306.5	<b>358.4</b>	+16.9%
Greater China <sup>*2</sup>	66.3	<b>80.0</b>	+20.7%
International Markets <sup>*3</sup>	118.7	<b>144.7</b>	+21.9%

(Note) From FY2022, the commercial segment of Australia was changed from Established Markets to International Markets. Figures of FY2021 reflect this change.

\*1 Established Markets: Europe, Canada.

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

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



## **(2) Financial position**

### **1) Assets, equity and liabilities**

An overview of the consolidated statement of financial position as of March 31, 2023 and the main changes from the end of the previous fiscal year are shown below.

#### **Assets**

Total assets as of March 31, 2023 saw an increase of ¥124.1 billion compared to the end of the previous fiscal year to ¥2,456.5 billion.

**<Non-current assets>** As of March 31, 2023: ¥1,406.6 billion (a decrease of ¥2.5 billion)

- Property, plant and equipment increased by ¥17.4 billion compared to the end of the previous fiscal year to ¥286.5 billion.
- Goodwill increased by ¥25.4 billion compared to the end of the previous fiscal year to ¥328.4 billion, and intangible assets decreased by ¥60.9 billion compared to the end of the previous fiscal year to ¥562.5 billion.
- In the fourth quarter of FY2022, intangible assets decreased due to the recording of an impairment loss of intangible assets in relation to a revision of the future plan for EVRENZO, an impairment loss of intangible assets in relation to the termination of development of FX-322, and an impairment loss of intangible assets in relation to the termination of an agreement with Adaptimmune Therapeutics plc.

**<Current assets>** As of March 31, 2023: ¥1,050.0 billion (an increase of ¥126.6 billion)

- Cash and cash equivalents increased by ¥60.9 billion compared to the end of the previous fiscal year to ¥376.8 billion.

#### **Equity**

Total equity as of March 31, 2023 saw an increase of ¥47.6 billion compared to the end of the previous fiscal year to ¥1,508.0 billion, making the ratio of equity attributable to owners of the parent to total assets 61.4%.

- While profit for the year stood at ¥98.7 billion, the Company paid ¥100.4 billion of dividends of surplus and executed a ¥60.6 billion acquisition of its treasury shares.
- The Company canceled a total of 26.18 million\* treasury shares valued at ¥47.7 billion in March 2023.

\*The numbers of shares stated in this report are presented by disregarding any number of shares less than the specified units.

#### **Liabilities**

Total liabilities increased by ¥76.5 billion compared to the end of the previous fiscal year to ¥948.6 billion.

**<Non-current liabilities>** As of March 31, 2023: ¥222.5 billion (an increase of ¥37.9 billion)

- Other financial liabilities increased by ¥44.0 billion compared to the end of the previous fiscal year to ¥139.9 billion mainly due to the issuance of straight bonds of ¥50.0 billion in the third quarter of FY2022.

**<Current liabilities>** As of March 31, 2023: ¥726.0 billion (an increase of ¥38.6 billion)

- As of March 31, 2023, other financial liabilities amounted to ¥180.1 billion (a decrease of ¥4.8 billion). Of this amount, commercial papers amounted to ¥75.0 billion.
- Other current liabilities amounted to ¥382.7 billion (an increase of ¥59.9 billion).

## 2) Cash flow

### **Cash flows from operating activities**

Net cash flows from operating activities in FY2022 increased by ¥70.3 billion year-on-year to ¥327.8 billion.

- Income tax paid increased by ¥27.4 billion year-on-year to ¥69.5 billion.

### **Cash flows from investing activities**

Net cash flows used in investing activities in FY2022 was ¥84.5 billion, an increase in outflow of ¥22.1 billion year-on-year.

### **Cash flows from financing activities**

Net cash flows used in financing activities in FY2022 was ¥195.6 billion, a decrease in outflow of ¥20.7 billion year-on-year.

- Proceeds from issuance of bonds and long-term borrowings increased by ¥50.0 billion year-on-year due to the issuance of straight bonds in the third quarter of FY2022.
- Dividends paid increased by ¥15.1 billion year-on-year to ¥100.4 billion. Furthermore, there was an acquisition of treasury shares of ¥60.6 billion (an increase in outflow of ¥9.8 billion) year-on-year.

As a result, cash and cash equivalents totaled ¥376.8 billion as of March 31, 2023, an increase of ¥60.9 billion compared to the end of the previous fiscal year.

### (3) Consolidated business forecasts for FY2023 and other forward-looking statements

The Company's business forecasts for FY2023 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)

	FY2022 Results	FY2023 Forecasts	Change (%)
Revenue	1,518,619	<b>1,520,000</b>	+1,381 (+0.1%)
Selling, general and administrative expenses	630,272	<b>661,000</b>	+30,728 (+4.9%)
R&D expenses	276,128	<b>251,000</b>	-25,128 (-9.1%)
Core operating profit	286,902	<b>290,000</b>	+3,098 (+1.1%)
Core profit for the year	224,619	<b>228,000</b>	+3,381 (+1.5%)
Basic core earnings per share (yen)	123.42	<b>126.89</b>	+3.47 (+2.8%)

(Millions of yen)

(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 FY2022.

#### Expected exchange rate for

<b>FY2023 (Forecast)</b>	<b>¥130/US\$</b>	<b>¥140/€</b>
FY2022 (Result)	¥135/US\$	¥141/€

Revenue, core operating profit and core profit for the year are all anticipated to be at about the same level as those of FY2022.

The fluctuations in the exchange rate are anticipated to cause a ¥40.8 billion decrease in revenue and a ¥8.7 billion decrease in core operating profit compared with if the exchange rates of FY2022 were applied, as the exchange rate for FY2023 is anticipated to strengthen against both the U.S. dollar and the euro compared with FY2022 results.

## Revenue

The revenue forecast is ¥1,520.0 billion (up 0.1% year on year).

- PADCEV is expected to grow significantly globally, particularly due to the contribution of the additional indication acquired for the first-line treatment for patients with urothelial cancer who are ineligible for cisplatin-containing chemotherapy in the United States. XTANDI and XOSPATA are expected to continue to increase globally. On the other hand, due to a drop in sales of the pharmacologic stress agent Lexiscan from the effect of generic brands and the foreign exchange rate impact, revenue is expected to be at approximately the same level as FY2022.

## Core operating profit/ Core profit for the year

- Cost-of-good ratio to revenue is expected to be approximately the same level as FY2022.
- Selling, general and administrative expenses are expected to be ¥661.0 billion (up 4.9% year on year) mainly due to investment for sales promotion activities following the approval of fezolinetant and expansion of investment for the launch preparations of zolbetuximab.
- The Company projects R&D expenses of ¥251.0 billion (down 9.1% year on year). Although the Company expects enhanced investment into our Primary Focus, the recording of expenses of ¥13.7 billion accompanying the use of priority review voucher for fezolinetant in FY2022 will contribute to the expense reduction compared with FY2022, and there was also a reduction in development costs for Strategic products.

As a result of the above, the Company projects core operating profit of ¥290.0 billion (up 1.1% year on year).

Core profit for the year is forecasted at ¥228.0 billion (up 1.5% year on year) and basic core earnings per share is forecasted at ¥126.89 (up 2.8% year on year).

## <Sales of Main Products>

(Billions of yen)

	FY2022 Results	FY2023 Forecasts	Change
XTANDI	661.1	<b>669.9</b>	+1.3%
PADCEV	44.4	<b>66.7</b>	+50.1%
XOSPATA	46.6	<b>49.3</b>	+6.0%

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

**Consolidated full-year business forecasts (full basis)**

(Millions of yen)

	FY2022 Results	FY2023 Forecasts	Change (%)
Revenue	1,518,619	<b>1,520,000</b>	+1,381 (+0.1%)
Operating profit	133,029	<b>288,000</b>	+154,971 (+116.5%)
Profit before tax	132,361	<b>289,000</b>	+156,639 (+118.3%)
Profit for the year	98,714	<b>227,000</b>	+128,286 (+130.0%)
Basic earnings per share (yen)	54.24	<b>126.34</b>	+72.1 (+132.9%)

(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 FY2022.

**Expected exchange rate for**

<b>FY2023 (Forecast)</b>	<b>¥130/US\$</b>	<b>¥140/€</b>
FY2022 (Result)	¥135/US\$	¥141/€

In FY2022, the Company recorded "Other expenses" that is excluded from its core basis financial results, with the result that operating profit is ¥153.9 billion lower than core operating profit.

In FY2023, operating profit, profit before tax, and profit for the year are anticipated to increase across the board.

#### **(4) Capital allocation policy and dividends for FY2022 and FY2023**

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 FY2022 is ¥60 per share (including a year-end dividend of ¥30 per share) to shareholders.

In addition, the Company implemented acquisition of own shares from the stock market of 26.18 million\* shares, which amounted to ¥50.0 billion, during FY2022.

The Company anticipates that the annual dividend in FY2023 will be ¥70 per share (composed of interim dividend of ¥35 per share and a year-end dividend of ¥35 per share).

\*The numbers of shares stated in this report are presented by disregarding any number of shares less than the specified units.

2. Consolidated Financial Statements and Notes to Consolidated Financial Statements  
 (1) Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended 31 March 2022	Fiscal year ended 31 March 2023
Revenue	1,296,163	1,518,619
Cost of sales	(253,009)	(288,353)
Gross profit	1,043,154	1,230,266
Selling, general and administrative expenses	(548,840)	(630,272)
Research and development expenses	(246,010)	(276,128)
Amortisation of intangible assets	(28,283)	(38,436)
Gain on divestiture of intangible assets	24,234	212
Share of profit (loss) of investments accounted for using equity method	489	1,260
Other income	15,256	3,642
Other expenses	(104,314)	(157,515)
Operating profit	155,686	133,029
Finance income	6,149	8,110
Finance expenses	(4,949)	(8,779)
Profit before tax	156,886	132,361
Income tax expense	(32,800)	(33,647)
Profit	124,086	98,714
Profit attributable to:		
Owners of the parent	124,086	98,714
Earnings per share:		
Basic (Yen)	67.08	54.24
Diluted (Yen)	67.05	54.09



## (2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended 31 March 2022	Fiscal year ended 31 March 2023
Profit	124,086	98,714
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(5,078)	8,733
Remeasurements of defined benefit plans	2,512	7,175
Subtotal	<u>(2,566)</u>	<u>15,908</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	86,597	90,655
Subtotal	<u>86,597</u>	<u>90,655</u>
Other comprehensive income	<u>84,031</u>	<u>106,563</u>
Total comprehensive income	<u>208,117</u>	<u>205,277</u>
Total comprehensive income attributable to:		
Owners of the parent	208,117	205,277

### (3) Consolidated Statement of Financial Position

(Millions of yen)

	As of 31 March 2022	As of 31 March 2023
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	269,044	286,459
Goodwill	303,030	328,411
Intangible assets	623,431	562,496
Trade and other receivables	29,796	24,173
Investments accounted for using equity method	10,035	12,689
Deferred tax assets	72,331	84,169
Other financial assets	91,844	97,886
Other non-current assets	9,531	10,280
Total non-current assets	1,409,041	1,406,564
Current assets		
Inventories	153,072	174,386
Trade and other receivables	382,462	427,965
Income tax receivable	21,539	17,813
Other financial assets	21,297	19,784
Other current assets	28,997	32,428
Cash and cash equivalents	315,986	376,840
Subtotal	923,354	1,049,216
Assets held for sale	—	738
Total current assets	923,354	1,049,954
Total assets	2,332,395	2,456,518

(Millions of yen)

	As of 31 March 2022	As of 31 March 2023
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	103,001	103,001
Capital surplus	179,467	181,280
Treasury shares	(13,934)	(25,123)
Retained earnings	944,261	908,158
Other components of equity	247,512	340,640
Total equity attributable to owners of the parent	1,460,308	1,507,954
Total equity	1,460,308	1,507,954
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Trade and other payables	676	4,217
Deferred tax liabilities	5,823	6,048
Retirement benefit liabilities	37,226	24,818
Provisions	5,831	6,537
Other financial liabilities	95,886	139,924
Other non-current liabilities	39,234	40,987
Total non-current liabilities	184,676	222,530
<b>Current liabilities</b>		
Trade and other payables	130,739	140,236
Income tax payable	32,388	5,137
Provisions	16,570	17,855
Other financial liabilities	184,964	180,131
Other current liabilities	322,751	382,675
Total current liabilities	687,411	726,034
Total liabilities	872,087	948,564
Total equity and liabilities	2,332,395	2,456,518

## (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 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
Comprehensive income						
Profit	—	—	—	98,714	—	—
Other comprehensive income	—	—	—	—	—	90,655
Total comprehensive income	—	—	—	98,714	—	90,655
Transactions with owners						
Acquisition of treasury shares	—	—	(60,556)	—	—	—
Disposals of treasury shares	—	(1,442)	1,680	(118)	(94)	—
Cancellation of treasury shares	—	—	47,686	(47,686)	—	—
Dividends	—	—	—	(100,355)	—	—
Share-based payments	—	3,254	—	—	—	—
Transfers	—	—	—	13,342	—	—
Total transactions with owners	—	1,812	(11,190)	(134,817)	(94)	—
As of 31 March 2023	103,001	181,280	(25,123)	908,158	536	324,276

(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 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
Comprehensive income					
Profit	—	—	—	98,714	98,714
Other comprehensive income	8,733	7,175	106,563	106,563	106,563
Total comprehensive income	8,733	7,175	106,563	205,277	205,277
Transactions with owners					
Acquisition of treasury shares	—	—	—	(60,556)	(60,556)
Disposals of treasury shares	—	—	(94)	27	27
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	(100,355)	(100,355)
Share-based payments	—	—	—	3,254	3,254
Transfers	(6,167)	(7,175)	(13,342)	—	—
Total transactions with owners	(6,167)	(7,175)	(13,435)	(157,630)	(157,630)
As of 31 March 2023	15,827	—	340,640	1,507,954	1,507,954

## (5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended 31 March 2022	Fiscal year ended 31 March 2023
<b>Cash flows from operating activities</b>		
Profit before tax	156,886	132,361
Depreciation and amortisation	79,684	105,738
Impairment losses (reversal of impairment losses)	74,850	84,499
Finance income and expenses	(1,200)	668
(Increase) decrease in inventories	24,058	(7,086)
(Increase) decrease in trade and other receivables	(8,001)	(4,849)
Increase (decrease) in trade and other payables	(10,101)	(12,274)
Other	(16,639)	98,189
Subtotal	299,537	397,246
Income tax paid	(42,093)	(69,479)
Net cash flows from operating activities	257,444	327,767
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(30,739)	(36,441)
Purchases of intangible assets	(45,709)	(52,100)
Proceeds from sales of intangible assets	24,281	212
Proceeds from sales of equity instruments	5,576	12,624
Payments for acquisition of subsidiaries	(670)	—
Interest and dividends received	716	4,558
Other	(15,869)	(13,353)
Net cash flows provided by (used in) investing activities	(62,413)	(84,500)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings and commercial papers	(30,000)	(15,000)
Proceeds from issuance of bonds and long-term borrowings	—	50,000
Redemption of bonds and repayments of long-term borrowings	(30,000)	(50,000)
Acquisition of treasury shares	(50,717)	(60,556)
Dividends paid to owners of the parent	(85,236)	(100,355)
Repayments of lease liabilities	(17,815)	(16,495)
Other	(2,530)	(3,218)
Net cash flows provided by (used in) financing activities	(216,298)	(195,623)
Effect of exchange rate changes on cash and cash equivalents	11,125	13,210
Net increase (decrease) in cash and cash equivalents	(10,143)	60,854
Cash and cash equivalents at the beginning of the year	326,128	315,986
Cash and cash equivalents at the end of the year	315,986	376,840

## (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 2022	Fiscal year ended 31 March 2023
XTANDI	534,317	661,118
Prograf	185,362	198,777
Betanis/Myrbetriq/BETMIGA	172,293	188,575
Other	404,191	470,148
Total	1,296,163	1,518,619

### **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 2022	Fiscal year ended 31 March 2023
Japan	268,940	284,844
United States	544,103	658,247
Others	483,120	575,528
Total	1,296,163	1,518,619

(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 2022	As of 31 March 2023
Japan	410,425	349,083
United States	674,761	710,513
Others	110,318	117,771
Total	1,195,505	1,177,367

### Information about major customers

The following external customers account for 10% or more of the consolidated revenue of the Group.

(Millions of yen)

	Segment	Fiscal year ended 31 March 2022	Fiscal year ended 31 March 2023
McKesson Group	Pharmaceutical	218,745	259,992
AmerisourceBergen Group	Pharmaceutical	113,377	166,934

### 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 2022	Fiscal year ended 31 March 2023
Basis of calculating basic earnings per share		
Profit attributable to owners of the parent	124,086	98,714
Profit not attributable to ordinary shareholders of the parent	—	—
Profit used to calculate basic earnings per share	124,086	98,714
Weighted average number of ordinary shares (Thousands of shares)	1,849,713	1,820,019
Basis of calculating diluted earnings per share		
Profit used to calculate basic earnings per share	124,086	98,714
Adjustment	—	—
Profit used to calculate diluted earnings per share	124,086	98,714
Weighted average number of ordinary shares (Thousands of shares)	1,849,713	1,820,019
Effects of dilutive potential ordinary shares (Thousands of shares)	889	5,042
Weighted average number of diluted ordinary shares (Thousands of shares)	1,850,602	1,825,061
Earnings per share (attributable to owners of the parent):		
Basic (Yen)	67.08	54.24
Diluted (Yen)	67.05	54.09

### Significant subsequent events

Not applicable.