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May 9, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4540
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 Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors, securities analysts and news media)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated business results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	150,845	7.7	20,017	(4.3)	23,493	0.2	16,707	1.4
March 31, 2023	140,043	8.1	20,916	(6.5)	23,453	(9.5)	16,482	(12.5)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥27,416 million [38.8%]
 For the fiscal year ended March 31, 2023: ¥19,757 million [(33.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	219.83	—	6.4	5.7	13.3
March 31, 2023	215.63	—	6.7	6.3	14.9

(2) Consolidated financial condition

	Total assets	Net assets	shareholder's equity ratio	shareholders' equity per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	428,254	295,364	63.2	3,566.54
March 31, 2023	396,813	272,246	63.5	3,299.42

Reference: Equity

As of March 31, 2024: ¥270,802 million

As of March 31, 2023: ¥252,046 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	5,608	(19,351)	(4,417)	78,034
March 31, 2023	16,452	(15,493)	24,423	94,730

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	—	32.00	—	32.00	64.00	4,897	29.7	2.0
March 31, 2024	—	35.00	—	50.00	85.00	6,504	38.7	2.5
March 31, 2025 (Forecast)	—	68.00	—	68.00	136.00		36.2	

Note: The year-end dividend per share for the fiscal year ended March 31, 2024 has been changed from 35 yen to 50 yen. For details, please refer to the "Notice Concerning Dividends of Surplus (Dividend Increase)" released today (May 9, 2024).

3. Projections of consolidated business results for the term ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year for full-year and from the second quarter of the previous fiscal year for second quarter (aggregate).)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	89,700	19.1	19,300	89.0	19,300	52.3	14,200	57.7	187.02
Full-year	185,000	22.6	39,500	97.3	39,500	68.1	28,500	70.6	375.35

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	76,758,362 shares
As of March 31, 2023	76,758,362 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	829,871 shares
As of March 31, 2023	367,332 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	76,002,474 shares
Fiscal year ended March 31, 2023	76,437,438 shares

Note: The Company introduced the BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust. As a result, the shares of the Company's stock held by the trust are included in treasury shares that are deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

* This Consolidated Financial Results is not subject to audit procedures performed by a certified public accountant or audit corporation.

*Explanation about the proper use of financial projections and other important notes
(Note about forward-looking information)

Forward-looking statements such as financial projections, which are stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. There is a possibility that actual results, etc. will differ materially from forecasts due to various factors. Please see "1. Overview of Operating Results, etc. (4) Future outlook" on page 4 for information regarding the forecast of consolidated financial results.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended March 31, 2024

Consolidated business results for the fiscal year under review were as follows:

[Consolidated business results]	(Million yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	YoY Change Percent Change
Net sales	140,043	150,845	+10,801 +7.7%
Domestic business	124,698	132,099	+7,400 +5.9%
China business	15,345	18,745	+3,400 +22.2%
Cost of sales	71,762	82,028	+10,266 +14.3%
Selling, general and administrative expenses	47,365	48,799	+1,434 +3.0%
Operating profit	20,916	20,017	(899) (4.3)%
Domestic business	21,190	20,531	(658) (3.1)%
China business	(273)	(514)	(240) (-)
Ordinary profit	23,453	23,493	+40 +0.2%
Profit attributable to owners of parent	16,482	16,707	+225 +1.4%

Net sales increased 7.7% year on year, to 150,845 million yen.

Net sales of the domestic business increased 5.9% year on year, to 132,099 million yen. Sales of 129 prescription Kampo preparations increased 5.9% year on year, to 126,357 million yen. Total sales of drug fostering formulations*1 grew 2.3% year on year, while total sales of growing formulations*2 rose 5.9% year on year, buoyed by Goreisan, Ninjin'yoeito and Kamikihito. This strong growth was attributable to information supply activities according to needs for Goreisan in the cardiovascular area and for symptoms such as headaches and dizziness, for Ninjin'yoeito from frail elder people who are suffering from a loss of appetite and for Kamikihito from people suffering anxiety/insomnia.

Sales of “Drug fostering” program formulations and “Growing” formulations (unit: millions of yen)

	Ranking in sales	No. / Product Name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	YoY Change/ Percent Change	
“Drug fostering” program formulations	1	100 Daikenchuto	9,739	9,851	+111	+1.1%
	3	43 Rikkunshito	7,300	7,454	+153	+2.1%
	4	54 Yokukansan	7,380	7,447	+66	+0.9%
	9	107 Goshajinkigan	3,421	3,698	+276	+8.1%
	24	14 Hangeshashinto	1,390	1,448	+57	+4.2%
Total of "Drug Fostering" Program formulations			29,233	29,899	+666	+2.3%
“Growing” formulations:	2	41 Hochuekkito	7,727	7,956	+228	+3.0%
	5	17 Goreisan	6,208	6,869	+660	+10.6%
	6	24 Kamishoyosan	5,050	5,117	+66	+1.3%
	17	108 Ninjin`yoeito	2,128	2,305	+177	+8.3%
	18	137 Kamikihito	2,067	2,290	+223	+10.8%
Total of “Growing” formulations			23,182	24,539	+1,356	+5.9%
Total of 119 prescriptions excluding “Drug fostering” program formulations and “Growing” formulations			66,946	71,918	+4,971	+7.4%
Total of 129 prescription Kampo products			119,362	126,357	+6,994	+5.9%

Sales of OTC Kampo formulations in the domestic business increased 11.9% year on year, to 4,439 million yen, reflecting a rise in the number of stores handling the products.

Net sales of the business in China increased 22.2% year on year, to 18,745 million yen, driven by significant growth in sales on crude drug platforms (of Ping An Tsumura Pharmaceutical Co., Ltd., Shenzhen Tsumura Medicine Co., Ltd., etc.), which primarily include sales of crude drugs and crude drug pieces for decoction.

The cost of sales increased 14.3% year on year, to 82,028 million yen, mainly attributable to the growth in net sales, rising crude drug procurement costs, the weakening yen, and persistently high prices of raw and other materials. The cost-to-sales ratio rose 3.2 percentage points year on year, to 54.4%.

Selling, general and administrative expenses increased 3.0% year on year, to 48,799 million yen. The increase mainly reflected increases in R&D expenses and system expenses related to systems for the DX of the Kampo value chain. The SGA ratio fell 1.4 percentage points year on year, to 32.4%, attributable to the increase in net sales.

As a result, operating profit decreased 4.3% year on year, to 20,017 million yen. The operating profit margin was 13.3%, falling 1.6 percentage points from a year ago. Ordinary profit rose 0.2% year on year, to 23,493 million yen, reflecting foreign exchange gains, and profit attributable to owners of parent increased 1.4% year on year, to 16,707 million yen.

*1 five “Drug fostering” program formulations:

Formulations the Company is addressing by looking hard at the structure of diseases in recent years, targeting diseases that are difficult to treat with new drugs for which prescription Kampo preparations prove specifically effective in domains where demand for medical treatment is high, and calling the establishment of evidence “drug fostering”

*2 five “Growing” formulations:

Growth drivers aimed at registration in clinical practice guidelines as strategic formulations after five drug fostering program formulations by constructing evidence (such as data on safety and effectiveness) in domains where the degree of satisfaction with medical treatment and the degree of drug contribution are low

[Situation of limited shipments]

All limits to shipments of 129 prescription Kampo products were removed by July 31, 2023. Subsequently, however, the demand for Kampo products increased more than expected due to increases in COVID-19 cases and flue cases and antitussives supply instability, and shipments of certain prescription Kampo products were limited. The impact of this matter on the Group’s consolidated results will

be minor. The Company will gradually end limits on shipments by putting in place a system for increasing production increase and adjusting production plans.

(2) Overview of financial condition during the fiscal year ended March 31, 2024

The financial position at the end of the fiscal year under review was as follows:

Total assets at the end of the fiscal year increased 31,440 million yen from the end of the previous fiscal year, to 428,254 million yen. Current assets increased 12,971 million yen from the end of the previous fiscal year, mainly due to a rise in raw materials and supplies, etc. Non-current assets increased 18,469 million yen from the end of the previous fiscal year, mainly due to increases in property, plant and equipment, etc.

Total liabilities were 132,889 million yen, increase of 8,322 million yen from the end of the previous fiscal year, primary owing to a increase in notes and accounts payable – trade, etc. Of the bonds included in non-current liabilities, those that became redeemable within one year, amounting to 15,000 million yen, was reclassified under current liabilities.

Net assets totaled 295,364 million yen, an increase of 23,118 million yen from the end of the previous fiscal year. Shareholders' equity rose 10,269 million yen from the end of the previous fiscal year, mainly reflecting an increase in retained earnings, etc. Accumulated other comprehensive income climbed 8,486 million yen from the end of the previous fiscal year, chiefly due to an increase in valuation difference on available - for - sale securities, foreign currency translation adjustment, etc. Non-controlling interests increased 4,362 million yen from the end of the previous fiscal year.

As a result, the equity ratio decreased 0.3 percentage points, to 63.2%.

(3) Overview of cash flow during the fiscal year ended March 31, 2024

Cash flows in the fiscal year under review were as follows:

For the fiscal year under review, cash provided by operating activities was 5,608 million yen, cash used in investing activities was 19,351 million yen and cash used in financing activities was 4,417 million yen.

Cash provided by operating activities was 5,608 million yen. Looking at its breakdown, a major cash inflow item was profit before income taxes of 23,736 million yen, while a major cash outflow item was an increase in inventories of 12,869 million yen and an increase in trade receivables of 8,412 million yen. Compared to the previous fiscal year, cash inflow decreased 10,844 million yen.

Cash used in investing activities was 19,351 million yen. Looking at its breakdown, a major cash outflow item was the purchase of property, plant and equipment of 16,823 million yen. Compared to the previous fiscal year, cash outflow increased 3,857 million yen.

Cash used in financing activities was 4,417 million yen. Looking at its breakdown, major cash flow items was dividends paid of 5,126 million yen. Compared to the previous fiscal year, cash paid increased 28,841 million yen.

As a result, cash and cash equivalents decreased 16,695 million yen from the end of the previous fiscal year to 78,034 million yen.

(4) Future outlook

With respect to results forecasts for the fiscal year ending March 31, 2025, the net sales forecast is 185,000 million yen, in view of the growth of prescription Kampo products in Japan, an increase in revenue associated with drug price revisions and a trend towards growth in the China business. Net sales from the China business are expected to account for 21,600 million yen of this total. Profit forecasts are operating profit of 39,500 million yen (up 97.3%), ordinary profit of 39,500 million yen (up 68.1%), and profit attributable to owners of parent of 28,500 million yen (up 70.6%). This was attributable to the positive effects of drug price revisions contributing to increased revenues, although it will likely be partly offset by exchange rates (weakening yen), prices of energy and raw and other materials remaining at high levels, and rising procurement prices of certain crude drugs.

In Japan, the Company will conduct intensive capital investment, research and development and information supply activities, with the aim of strengthening the stable product supply structure and achieving a sustained expansion in the Kampo domain in the future. Specifically, capital investment will continue to reinforce production capacity and improve productivity. In research and development, the Company will seek to expand the standard of care for Kampo and develop evidence, to work on personalized Kampo treatment utilizing leading-edge technology, and to contribute to public health depending on each person's life stage (treatment, pre-symptomatic disease, cure (prevention)). With respect to information supply activities, Kampo DX Promotion Department will be launched for a hybrid promotion that combines MR activities and e-promotion, with the aim of realizing a medical setting in which the majority of physicians prescribe 10 or more prescriptions of ethical Kampo formulation based on Kampo medicine. The Company will strive to pursue initiatives to enable each healthcare professional to obtain and use the information they seek from the most suitable channels and at the most appropriate times.

In the China business, the Company aims to deliver an operating profit by expanding sales of crude drugs and crude drug pieces for decoction in crude drug platforms. Moreover, it will engage in M&A as well as research and development focused on classic prescriptions for the purpose of expanding the traditional Chinese medicinal product business in the formulation platforms. (Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended March 31, 2025 [Year-on-year change after adjustment]	185,000 22.6%	39,500 97.3%	39,500 68.1%	28,500 70.6%

2. Basic idea of the selection of accounting standards

Tsumura and its group companies plan to prepare consolidated financial statements based on the Japanese standards for the time being. The companies will consider adopting the IFRS in an appropriate manner, taking into account conditions in Japan and overseas.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	94,752	78,075
Notes and accounts receivable - trade	58,087	67,149
Merchandise and finished goods	11,257	12,139
Work in process	14,430	18,309
Raw materials and supplies	76,038	87,168
Other	13,933	18,761
Allowance for doubtful accounts	(178)	(311)
Total current assets	268,320	281,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,197	95,434
Machinery, equipment and vehicles	71,810	73,255
Tools, furniture and fixtures	14,349	15,037
Land	9,051	9,037
Construction in progress	11,323	22,965
Other	725	823
Accumulated depreciation	(105,042)	(112,493)
Total property, plant and equipment	93,415	104,058
Intangible assets		
Goodwill	8,480	8,350
Other	6,166	8,902
Total intangible assets	14,647	17,253
Investments and other assets		
Investment securities	11,160	15,241
Retirement benefit asset	2,518	3,626
Deferred tax assets	1,844	1,115
Other	4,905	5,666
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	20,429	25,650
Total non-current assets	128,492	146,961
Total assets	396,813	428,254

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,443	19,828
Short-term borrowings	10,313	10,313
Current portion of bonds payable	-	15,000
Accounts payable - other	7,585	9,212
Income taxes payable	3,233	2,979
Other	9,628	11,222
Total current liabilities	47,205	68,557
Non-current liabilities		
Bonds payable	60,000	45,000
Long-term borrowings	9,377	9,377
Deferred tax liabilities	11	1,088
Deferred tax liabilities for land revaluation	1,179	1,179
Retirement benefit liability	59	49
Provision for employee stock ownership plan trust	-	414
Provision for share awards for directors (and other officers)	111	220
Other	6,623	7,002
Total non-current liabilities	77,361	64,332
Total liabilities	124,566	132,889
Net assets		
Shareholders' equity		
Share capital	30,142	30,142
Capital surplus	13,739	13,739
Retained earnings	194,224	205,804
Treasury shares	(1,068)	(2,378)
Total shareholders' equity	237,037	247,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,647	5,910
Deferred gains or losses on hedges	29	1,328
Revaluation reserve for land	2,673	2,673
Foreign currency translation adjustment	10,455	13,870
Remeasurements of defined benefit plans	(796)	(287)
Total accumulated other comprehensive income	15,008	23,494
Non-controlling interests	20,199	24,562
Total net assets	272,246	295,364
Total liabilities and net assets	396,813	428,254

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	140,043	150,845
Cost of sales	71,762	82,028
Gross profit	68,281	68,816
Selling, general and administrative expenses	47,365	48,799
Operating profit	20,916	20,017
Non-operating income		
Interest income	531	671
Dividend income	265	300
Foreign exchange gains	1,508	2,193
Other	642	688
Total non-operating income	2,949	3,853
Non-operating expenses		
Interest expenses	256	330
Bond issuance costs	142	-
Other	13	47
Total non-operating expenses	412	378
Ordinary profit	23,453	23,493
Extraordinary income		
Gain on sale of non-current assets	5	15
Gain on capital reduction with compensation of subsidiaries and affiliates	463	-
Gain on sale of investment securities	-	446
Total extraordinary income	469	462
Extraordinary losses		
Loss on sale of non-current assets	5	-
Loss on retirement of non-current assets	40	218
Impairment losses	597	-
Loss on COVID19	259	-
Total extraordinary losses	903	218
Profit before income taxes	23,018	23,736
Income taxes - current	6,121	6,083
Income taxes - deferred	(489)	(394)
Total income taxes	5,632	5,689
Profit	17,386	18,046
Profit attributable to non-controlling interests	904	1,339
Profit attributable to owners of parent	16,482	16,707

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	17,386	18,046
Other comprehensive income		
Valuation difference on available-for-sale securities	322	3,263
Deferred gains or losses on hedges	(1,990)	1,299
Foreign currency translation adjustment	4,623	4,298
Remeasurements of defined benefit plans, net of tax	(516)	508
Share of other comprehensive income of entities accounted for using equity method	(69)	-
Total other comprehensive income	2,370	9,369
Comprehensive income	19,757	27,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,842	25,193
Comprehensive income attributable to non-controlling interests	1,914	2,222

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,142	13,732	182,929	(682)	226,121
Changes during period					
Dividends of surplus			(4,897)		(4,897)
Profit attributable to owners of parent			16,482		16,482
Change in scope of consolidation			(290)		(290)
Purchase of treasury shares				(446)	(446)
Disposal of treasury shares		6		60	67
Net changes in items other than shareholders' equity					
Total changes during period	-	6	11,294	(385)	10,915
Balance at end of period	30,142	13,739	194,224	(1,068)	237,037

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,324	2,020	2,673	6,911	(280)	13,648	18,339	258,109
Changes during period								
Dividends of surplus								(4,897)
Profit attributable to owners of parent								16,482
Change in scope of consolidation								(290)
Purchase of treasury shares								(446)
Disposal of treasury shares								67
Net changes in items other than shareholders' equity	322	(1,990)	-	3,544	(516)	1,360	1,860	3,220
Total changes during period	322	(1,990)	-	3,544	(516)	1,360	1,860	14,136
Balance at end of period	2,647	29	2,673	10,455	(796)	15,008	20,199	272,246

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,142	13,739	194,224	(1,068)	237,037
Changes during period					
Dividends of surplus			(5,127)		(5,127)
Profit attributable to owners of parent			16,707		16,707
Change in scope of consolidation					-
Purchase of treasury shares				(1,316)	(1,316)
Disposal of treasury shares		(0)		6	6
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	11,580	(1,310)	10,269
Balance at end of period	30,142	13,739	205,804	(2,378)	247,307

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,647	29	2,673	10,455	(796)	15,008	20,199	272,246
Changes during period								
Dividends of surplus								(5,127)
Profit attributable to owners of parent								16,707
Change in scope of consolidation								-
Purchase of treasury shares								(1,316)
Disposal of treasury shares								6
Net changes in items other than shareholders' equity	3,263	1,299	-	3,414	508	8,486	4,362	12,848
Total changes during period	3,263	1,299	-	3,414	508	8,486	4,362	23,118
Balance at end of period	5,910	1,328	2,673	13,870	(287)	23,494	24,562	295,364

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	23,018	23,736
Depreciation	10,101	10,235
Impairment losses	597	-
Amortization of goodwill	511	519
Increase (decrease) in allowance for doubtful accounts	49	124
Interest and dividend income	(797)	(971)
Interest expenses	256	330
Bond issuance costs	142	-
Loss (gain) on sale and retirement of property, plant and equipment	39	203
Gain on capital reduction with compensation of subsidiaries and affiliates	(463)	-
Decrease (increase) in trade receivables	(2,939)	(8,412)
Decrease (increase) in inventories	(5,960)	(12,869)
Increase (decrease) in trade payables	2,147	2,647
Loss (gain) on sale of short-term and long-term investment securities	-	(446)
Decrease (increase) in retirement benefit asset	(430)	(385)
Increase (decrease) in retirement benefit liability	15	1
Other, net	(4,245)	(3,383)
Subtotal	22,047	11,328
Interest and dividends received	772	998
Interest paid	(232)	(334)
Income taxes paid	(6,134)	(6,384)
Net cash provided by (used in) operating activities	16,452	5,608
Cash flows from investing activities		
Decrease (increase) in time deposits	1	1
Purchase of property, plant and equipment	(12,224)	(16,823)
Proceeds from sale of property, plant and equipment	22	49
Purchase of intangible assets	(2,484)	(3,234)
Purchase of short-term and long-term investment securities	(10,285)	(7,306)
Proceeds from sale and redemption of short-term and long-term investment securities	9,775	8,374
Proceeds capital reduction with compensation of subsidiaries and affiliates	380	-
Purchase of investments in capital of subsidiaries	(391)	-
Loan advances	(177)	(0)
Proceeds from collection of loans receivable	177	0
Other, net	(287)	(413)
Net cash provided by (used in) investing activities	(15,493)	(19,351)
Cash flows from financing activities		
Proceeds from issuance of bonds	29,857	-
Purchase of treasury shares	(446)	(1,316)
Proceeds from share issuance to non-controlling shareholders	-	2,158
Dividends paid	(4,896)	(5,126)
Dividends paid to non-controlling interests	(70)	(40)
Other, net	(19)	(92)
Net cash provided by (used in) financing activities	24,423	(4,417)
Effect of exchange rate change on cash and cash equivalents	1,811	1,465
Net increase (decrease) in cash and cash equivalents	27,194	(16,695)
Cash and cash equivalents at beginning of period	67,536	94,730
Cash and cash equivalents at end of period	94,730	78,034

(5) Notes to the Consolidated Financial Statements

(Notes on premise of a going concern)

There are no applicable matters.

(Notes to consolidated statements of income)

Impairment losses

Previous fiscal year (From April 1, 2022 to March 31, 2023)

The Group posted an impairment loss in the asset groups below.

Location	Use	Type
Shenzhen, Guangdong, China	Analysis and research	Construction in progress

The Group groups its business assets in consideration of the nature of products and similarity of markets, and individually groups idle assets not directly used for business and assets to be disposed of.

Shenzhen Tsumura Medicine Co., Ltd. took the lead in constructing the Traditional Chinese Medicine Research Center and was preparing to start construction, but due to a change in the plan as a result of a reexamination to build an efficient research system, its book value was reduced to the recoverable amount, and impairment losses were posted as extraordinary losses in the fiscal year under review.

Impairment losses for the fiscal year under review were 597 million yen, which consisted of 597 million yen for construction in progress.

The recoverable amount is measured by value in use, which is evaluated as zero because no future cash flows are expected.

Fiscal year under review (From April 1, 2023 to March 31, 2024)

There are no applicable matters.

(Segment information)

Segment information is not shown because the Group's operations are limited to the single segment of pharmaceutical products.

(Per share information)

	FY 3/2023 (From April 1, 2022 to March 31, 2023)	FY 3/2024 (From April 1, 2023 to March 31, 2024)
Shareholders' equity per share	3,299.42yen	3,566.54yen
Basic earnings per share	215.63yen	219.83yen

(Notes) 1. Diluted earnings per share is not stated because there are no residual securities.

2. Basis of calculation

(1) The basis of calculation for shareholders' equity per share is as follows.

	As of March 31, 2023	As of March 31, 2024
Total net assets (million yen)	272,246	295,364
Deduction from total net assets (million yen)	20,199	24,562
[Non-controlling interests]	(20,199)	(24,562)
Net assets related to common stock at the end of the fiscal year (million yen)	252,046	270,802
Number of shares of common stock at the end of the fiscal year used for calculation of shareholders' equity per share (thousand shares)	76,391	75,928

(2) The basis of calculation for basic earnings per share per share is as follows.

	FY 3/2023 (From April 1, 2022 to March 31, 2023)	FY 3/2024 (From April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (million yen)	16,482	16,707
Amount not attributable to common stockholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	16,482	16,707
Average number of shares of common stock during the fiscal year under review (thousand shares)	76,437	76,002

3. In calculating net assets per share, the shares of the Company's stock held by the Board Incentive Plan (BIP) Trust are included in treasury shares that are deducted from the total number of shares outstanding at the end of the period (137,562 shares for the current consolidated fiscal year, 137,800 shares for the previous fiscal year). Also, in calculating basic earnings per share, the shares of the Company's stock held by the BIP Trust are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period (137,679 shares for the current consolidated fiscal year, 84,800 for the previous fiscal year).

4. In calculating net assets per share, the shares of the Company's stock held by the Employee Stock Ownership Plan (ESOP) trust are included in treasury shares that are deducted from the total number of shares outstanding at the end of the period (462,412 shares for the current consolidated fiscal year). Also, in calculating basic earnings per share, the shares of the Company's stock held by the ESOP Trust are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period (388,572 shares for the current consolidated fiscal year).

(Significant subsequent events)

There are no applicable matters.