

Consolidated Financial Statements for the First Six Months of the March 31, 2022 Fiscal Year <under Japanese GAAP>

November 9, 2021

Listed Company Name: TAISHO PHARMACEUTICAL HOLDINGS CO., LTD. Stock Listing: TSE
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 Scheduled date of dividend payments: December 3, 2021
 Supplementary material on quarterly financial results: Yes
 Quarterly financial results briefing: Yes

** All amounts in this report are rounded down to the nearest million yen, unless otherwise noted.*

1. Consolidated Financial Results for the First Six Months of Fiscal 2021 (cumulative: April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results

Note: Percentages indicate changes over the same period in the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	130,161	(10.8)	2,313	(85.8)	4,223	(77.6)	2,908	(74.3)
September 30, 2020	145,900	10.4	16,295	12.2	18,859	29.1	11,294	(23.6)

Note: Comprehensive income For the six months of Fiscal 2021: ¥12,965 million [20.0%]
 For the six months of Fiscal 2020: ¥10,802 million [36.4%]

	Basic earnings per share	Diluted earnings per share
For six months ended	Yen	Yen
September 30, 2021	35.95	35.90
September 30, 2020	141.51	141.34

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	885,595	763,880	84.1
March 31, 2021	876,923	758,406	83.1

Reference: Equity As of September 30, 2021: ¥744,860 million As of March 31, 2021: ¥728,704 million

2. Cash Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2020	—	50.00	—	50.00	100.00
Fiscal 2021	—	50.00			
Fiscal 2021 (Forecast)			—	50.00	100.00

Note: Revisions to the cash dividend forecast most recently announced: No

3. Forecast of Consolidated Operating Results for Fiscal 2021 (April 1, 2021 to March 31, 2022)

Note: Percentages indicate changes over the same period in the previous fiscal year.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	269,000	(4.6)	14,500	(27.4)	18,500	(28.7)	10,500	(21.1)	131.45

Note: Revisions to the forecast of consolidated operating results most recently announced: No

* Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(or changes in specified subsidiaries resulting in changes in scope of consolidation): No
 - (2) Application of specific accounting for preparing the quarterly consolidated financial statements: No
 - (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards: Yes
 - b. Changes in accounting policies due to other reasons: No
 - c. Changes in accounting estimates: No
 - d. Restatement of prior period financial statements after error corrections: No
- Note: See “(Changes in Accounting Policies)” of “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto, (4) Notes on Quarterly Consolidated Financial Statements” on page 10 for detail.
- (4) Number of issued shares (common shares)
 - a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021:	85,139,653 shares
As of March 31, 2021:	85,139,653 shares
 - b. Number of treasury shares at the end of the period

As of September 30, 2021:	3,151,990 shares
As of March 31, 2021:	5,324,936 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For six months ended September 30, 2021:	80,902,915 shares
For six months ended September 30, 2020:	79,815,826 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Disclaimer regarding appropriate use of forecasts and related points of note

The forecast statements shown in these materials are based on the information available at the time of preparation and certain assumptions that the Company deems rational. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.

Attached Material

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1. Qualitative Information Regarding Settlement of Accounts for the First Six Months

(1) Information on Operating Results

In the over-the-counter (OTC) drug market during the six months ended September 30, 2021, sales ended higher year on year as anti-inflammatory analgesics to address side effects after COVID-19 vaccinations grew, despite a rebound for mouthwash and disinfectant, whose demand increased sharply in the previous fiscal year as measures against COVID-19. Nevertheless, sales were down against fiscal 2020, due to the effect of people voluntarily staying at home, the massive decline in inbound tourists, and the more widespread practice of preventive measures such as wearing masks, washing hands and gargling.

For the Prescription Pharmaceutical Operation Group, the business climate remains tough due to an increasing level of difficulty in discovering new drugs as well as effects of the promotion of measures designated to curb healthcare costs and full-blown reform of the drug price system, and other factors.

Considering the current environment, the Self-Medication Operation Group is actively developing new fields to address growing interest in health consciousness among consumers, while also stepping up product development to create new products that satisfy consumer needs and generate new demand. In the area of sales, the group is implementing activities to expand contact points and spread our new brand concept to consumers, aiming for strong brands that attract consumers, while also focusing on expanding mail order system channels such as Taisho Pharmaceutical Direct and TAISHO BEAUTY ONLINE.

Outside Japan, since the full-scale entry into the OTC drug business in Asia in Fiscal 2009, the Group has been working to expand its OTC drug business mainly in Southeast Asian countries such as Indonesia, the Philippines, Thailand, and Malaysia. As Vietnam-based Duoc Hau Giang Pharmaceutical JSC (“DHG”) became a consolidated subsidiary of the Company in May 2019, the Group is working to strengthen the pharmaceutical business operations in Vietnam by leveraging DHG’s business base. The Company also made France-based UPSA a consolidated subsidiary in July 2019. With this, the Group aims to achieve sustainable growth by expanding the overseas business through a bipolar structure targeting the European market in addition to the Southeast Asian market.

The Prescription Pharmaceutical Operation Group is working to maximize sales of new drugs by carefully targeting the provision of information while focusing on priority areas. On the R&D front, the group is working to secure the early approval of compounds at the development stage and reinforce its R&D pipeline by licensing new drug candidates. Furthermore, in drug discovery research, the group is also strengthening cooperation with external research institutions and utilizing advanced technologies to support the ongoing discovery of original new drugs.

Consolidated net sales during the six months ended September 30, 2021 decreased by ¥15,739 million, or 10.8% year on year, to ¥130,161 million.

**Please take note that all amounts given in billions of yen are rounded off to one decimal place.*

Performance by segment is provided below.

Segment / Category	Amount	(Billions of yen)	
		Increase (Decrease) Amount	%
Self-Medication Operation Group	110.6	(3.1)	(2.7)
Japan	62.8	(1.8)	(2.7)
Overseas	46.7	(0.7)	(1.4)
Others	1.0	(0.6)	(38.1)
Prescription Pharmaceutical Operation Group	19.6	(12.7)	(39.3)
Ethical drugs	18.2	(13.5)	(42.7)
Others	1.4	0.8	152.0

Sales of major products and regions were as follows:

< Self-Medication Operation Group >

Consolidated net sales during the six months ended September 30, 2021 decreased by ¥3.1 billion, or 2.7% year on year, to ¥110.6 billion.

With regard to our mainstay brands, sales of the *Lipovitan* series rose 7.3% to ¥26.2 billion. Sales of the *Pabron* series increased by 3.4% to ¥9.4 billion. Sales of the *RiUP* series decreased by 8.1% to ¥7.0 billion. Sales of the *Biofermin* series increased by 8.9% to ¥5.3 billion.

Overseas, net sales for the Asia region increased by 22.2% year on year to ¥24.0 billion and net sales for the Europe and Americas region decreased by 17.4% to ¥22.5 billion.

As a result of applying the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations, net sales decreased by ¥5,427 million.

< Prescription Pharmaceutical Operation Group >

Consolidated net sales during the six months ended September 30, 2021 decreased by ¥12.7 billion, or 39.3% year on year, to ¥19.6 billion.

Type 2 diabetes mellitus agent *Lusefi* increased by 18.1% to ¥6.2 billion, osteoporosis agent *Bonviva* increased by 7.6% to ¥3.6 billion, intestinal remedy *Biofermin* increased by 19.4% to ¥2.2 billion, and macrolide antibiotic *Clarith* increased by 0.1% to ¥1.0 billion. On the other hand, transdermal anti-inflammatory analgesic patch formulation *LOQOA* decreased by 1.2% to ¥1.9 billion and peripheral vasodilator *Palux* decreased by 7.9% to ¥1.1 billion compared to the same period of the previous fiscal year partly due to the effects of NHI drug price revision and generic drugs. Sales of *Edirol* have ended effective April 10, 2021 due to the expiry of the sales cooperation agreement with Chugai Pharmaceutical Co., Ltd.

As a result of applying the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, net sales decreased by ¥1,541 million.

On the profits front, operating profit was reduced by 85.8% to ¥2,313 million due to the effects of ending the sales of *Edirol*, and other factors, ordinary profit was reduced by 77.6% to ¥4,223 million, and profit attributable to owners of parent was reduced by 74.3% to ¥2,908 million.

As a result of applying the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, net sales during the six months ended September 30, 2021 decreased by ¥6,969 million, while operating profit, ordinary profit and profit before income taxes each decreased by ¥204 million.

(2) Information on Financial Position

Total assets as of September 30, 2021 stood at ¥885.6 billion, up ¥8.7 billion from the previous fiscal year-end. Cash and deposits increased by ¥4.1 billion, construction in progress increased by ¥3.9 billion, and software increased by ¥1.4 billion but notes and accounts receivable - trade decreased by ¥2.7 billion.

Liabilities amounted to ¥121.7 billion, an increase of ¥3.2 billion from the previous fiscal year-end.

Net assets amounted to ¥763.9 billion, an increase of ¥5.5 billion from the previous fiscal year-end. Non-controlling interests and treasury shares decreased by ¥10.6 billion and ¥14.4 billion, respectively, due to the share exchange through which the Company became a wholly-owning parent company and Biofermin Pharmaceutical Co., Ltd. became a wholly-owned subsidiary, and other factors. Other than this, the main factor of increase was ¥9.3 billion in foreign currency translation adjustment, while the main factor of decrease was ¥4.0 billion in dividends of surplus.

As a result of applying the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, net assets were reduced as a result of the reduction of ¥1.2 billion from the opening balance of retained earnings.

(3) Information on Forecast of Consolidated Operating Results and Other Forward-Looking Statements

The forecast of consolidated operating results for Fiscal 2021 is unchanged from the forecast announced on May 14, 2021.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2021	As of September 30, 2021
ASSETS		
Current assets		
Cash and deposits	250,178	254,232
Notes and accounts receivable - trade	51,609	48,929
Securities	4,017	4,008
Merchandise and finished goods	27,696	25,480
Work in process	3,158	3,646
Raw materials and supplies	15,529	15,165
Other	5,974	10,562
Allowance for doubtful accounts	(433)	(498)
Total current assets	357,731	361,527
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,876	50,798
Machinery, equipment and vehicles, net	14,494	14,750
Land	37,429	37,469
Construction in progress	6,577	10,487
Other, net	2,816	2,786
Total property, plant and equipment	113,194	116,293
Intangible assets		
Goodwill	128,612	129,670
Sales rights	453	409
Trademark right	69,258	69,894
Software	10,341	11,711
Other	7,867	8,061
Total intangible assets	216,532	219,748
Investments and other assets		
Investment securities	156,055	154,118
Shares of subsidiaries and associates	12,261	12,487
Long-term prepaid expenses	1,051	1,053
Retirement benefit asset	10,620	10,904
Deferred tax assets	8,892	8,688
Other	814	1,005
Allowance for doubtful accounts	(231)	(230)
Total investments and other assets	189,464	188,026
Total non-current assets	519,192	524,068
Total assets	876,923	885,595

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	14,672	13,917
Accounts payable - other	16,068	17,757
Income taxes payable	3,275	2,168
Accrued expenses	15,411	11,558
Provision for sales returns	704	—
Refund liabilities	—	6,277
Provision for bonuses	3,523	5,267
Other	4,010	4,772
Total current liabilities	57,666	61,719
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	944	998
Retirement benefit liability	21,321	21,504
Deferred tax liabilities	32,747	31,013
Other	5,836	6,478
Total non-current liabilities	60,849	59,995
Total liabilities	118,516	121,715
NET ASSETS		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	12	—
Retained earnings	703,036	696,872
Treasury shares	(35,450)	(21,018)
Total shareholders' equity	697,598	705,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,026	28,636
Foreign currency translation adjustment	(235)	9,107
Remeasurements of defined benefit plans	1,315	1,261
Total accumulated other comprehensive income	31,105	39,005
Share acquisition rights	801	755
Non-controlling interests	28,900	18,264
Total net assets	758,406	763,880
Total liabilities and net assets	876,923	885,595

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

Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	For six months ended September 30, 2020	For six months ended September 30, 2021
Net sales	145,900	130,161
Cost of sales	52,369	51,637
Gross profit	93,531	78,523
Reversal of provision for sales returns	659	–
Provision for sales returns	615	–
Gross profit – net	93,575	78,523
Selling, general and administrative expenses	77,279	76,210
Operating profit	16,295	2,313
Non-operating income		
Interest income	972	680
Dividend income	967	1,042
Share of profit of entities accounted for using equity method	111	144
Other	720	524
Total non-operating income	2,772	2,391
Non-operating expenses		
Interest expenses	64	55
Commission expenses	44	55
Acquisition cost of subsidiary shares	–	325
Other	99	44
Total non-operating expenses	208	481
Ordinary profit	18,859	4,223
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	–	2,086
Gain on reversal of share acquisition rights	–	38
Total extraordinary income	3	2,125
Extraordinary losses		
Loss on disposal of non-current assets	317	79
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	152	–
Total extraordinary losses	470	79
Profit before income taxes	18,393	6,269
Income taxes	5,983	2,320
Profit	12,409	3,948
Profit attributable to non-controlling interests	1,115	1,040
Profit attributable to owners of parent	11,294	2,908

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	For six months ended September 30, 2020	For six months ended September 30, 2021
Profit	12,409	3,948
Other comprehensive income		
Valuation difference on available-for-sale securities	2,179	(1,620)
Foreign currency translation adjustment	(4,141)	10,487
Remeasurements of defined benefit plans, net of tax	115	(62)
Share of other comprehensive income of entities accounted for using equity method	238	212
Total other comprehensive income	(1,607)	9,017
Comprehensive income	10,802	12,965
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	9,736	10,808
Comprehensive income attributable to non- controlling interests	1,065	2,157

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For six months ended September 30, 2020	For six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	18,393	6,269
Depreciation	7,206	7,347
Amortization of goodwill	3,622	3,836
Gain on reversal of share acquisition rights	–	(38)
Loss (gain) on sale of non-current assets	(3)	41
Loss on disposal of non-current assets	317	36
Gain on sale of investment securities	–	(2,086)
Loss on valuation of investment securities	152	–
Interest and dividend income	(1,940)	(1,722)
Interest expenses	64	55
Foreign exchange gains	(450)	(288)
Share of profit of entities accounted for using equity method	(111)	(144)
Increase (decrease) in allowance for doubtful accounts	(20)	38
Increase in retirement benefit liability	314	6
Increase in retirement benefit asset	(228)	(283)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(46)	52
Increase in provision for bonuses	859	1,709
Decrease in trade receivables	6,924	2,178
Decrease (increase) in inventories	(5,774)	3,124
Decrease in trade payables	(1,835)	(1,025)
Decrease in accrued expenses	(5,087)	(1,322)
Increase (decrease) in long-term accounts payable - other	(4)	6
Other	(2,125)	(337)
Subtotal	20,226	17,453
Interest and dividends received	2,576	1,844
Interest paid	(861)	(56)
Income taxes paid	(7,323)	(5,486)
Income taxes refund	4,633	183
Net cash provided by operating activities	19,251	13,938

(Millions of yen)

	For six months ended September 30, 2020	For six months ended September 30, 2021
Cash flows from investing activities		
Decrease (increase) in time deposits	2,084	(1,374)
Proceeds from sales and redemption of securities	9,000	–
Purchase of property, plant and equipment	(4,500)	(3,061)
Proceeds from sale of property, plant and equipment	10	26
Purchase of intangible assets	(1,928)	(2,651)
Purchase of investment securities	(1,592)	(1,052)
Purchase of long-term prepaid expenses	(158)	(181)
Other	5	(13)
Net cash provided by (used in) investing activities	2,922	(8,307)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,145	2,958
Repayments of short-term borrowings	(2,241)	(1,191)
Repayments of finance lease obligations	(174)	(577)
Purchase of treasury shares	(22)	(25)
Dividends paid	(4,782)	(3,643)
Dividends paid to non-controlling interests	(1,701)	(2,343)
Purchase of treasury shares of subsidiaries	(0)	–
Other	–	0
Net cash used in financing activities	(5,777)	(4,823)
Effect of exchange rate change on cash and cash equivalents	(268)	544
Net increase in cash and cash equivalents	16,127	1,352
Cash and cash equivalents at beginning of period	186,941	215,346
Cash and cash equivalents at end of period	203,069	216,698

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

The Company carried out a share exchange through which the Company became a wholly-owning parent company and Biofermin Pharmaceutical Co., Ltd. became a wholly-owned subsidiary with the effective date of July 30, 2021. As a result, during the six months ended September 30, 2021, capital surplus and treasury shares decreased by ¥3,713 million and ¥14,386 million, respectively.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The main changes resulting from the application of Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations are set forth below.

(1) Revenue recognition for sale of merchandise and finished goods

In the Self-Medication Operation Group, the Company revenue from the sale of merchandise and finished goods, which was recognized at the time of shipment, has changed to the method of recognizing revenue at the time of delivery

(2) Changes in accounting treatment of rebates, etc.

In the Self-Medication Operation Group and the Prescription Pharmaceutical Operation Group, the accounting treatment for sales rebates and other consideration payable to a customer, which was to account for them as selling, general and administrative expenses, has been changed to the method of deducting them from net sales. Note that among liabilities related to rebates, etc., those items previously presented as "accrued expenses" are now presented as "refund liabilities."

(3) Revenue recognition for sales with right of return

In the Self-Medication Operation Group and the Prescription Pharmaceutical Operation Group, the accounting treatment for recognizing a sale with a right of return, which was previously performed by recognizing a provision for sales returns based on the amount equivalent to gross profit, has been changed to a method of not recognizing revenue at the time of sale and instead recognizing refund liabilities in accordance with the provisions of variable consideration regarding the expected portion of returns.

(4) Revenue recognition for transactions with supply of materials for value

In accounting of transactions with supply of materials for value in the Self-Medication Operation Group and the Prescription Pharmaceutical Operation Group, the accounting treatment for raw materials, etc. changed. Although, previously, both net sales and cost of sales were recorded, the method was changed to recognize only the net amount equivalent to the processing fee as revenue.

The application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022 was added to or deducted from the opening balance of retained earnings of the first quarter of the fiscal year ending March 31, 2022, and thus the new accounting policy was applied from such opening balance.

As a result, net sales during the six months ended September 30, 2021 decreased by ¥6,969 million and cost of sales decreased by ¥426 million, while operating profit, ordinary profit and profit before income taxes each decreased by ¥204 million. In addition, retained earnings as of the beginning of the fiscal year under review decreased by ¥1,164 million.

In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement, Etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has applied the new accounting policies provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

(Segment Information (cumulative))

I. For six months ended September 30, 2020

1. Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total
	Self-Medication Operation Group	Prescription Pharmaceutical Operation Group	Subtotal		
Sales					
Sales to outside customers	113,657	32,243	145,900	—	145,900
Sales or transfers between segments	—	—	—	—	—
Total	113,657	32,243	145,900	—	145,900
Segment profit (Note 2)	12,526	4,857	17,383	(1,087)	16,295

Notes: 1 The “Other” segment mainly represents the Company (a pure holding company), which is not attributable to any reportable segment.

2 Segment profit matches operating profit on the quarterly consolidated statement of income.

2. Information regarding impairment loss of non-current assets and goodwill, etc. by reportable segment
(Material change in goodwill amount)

In the Self-Medication Operation Group, regarding the business combination with UPSA that was carried out on July 1, 2019, the amount of goodwill was provisional because the allocation of the acquisition cost was not yet completed. However, the Company revised the amount of goodwill because the Company completed the allocation of the acquisition cost in the first quarter of the fiscal year ended March 31, 2021, and finalized the provisional accounting treatment.

II. For six months ended September 30, 2021

1. Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total
	Self-Medication Operation Group	Prescription Pharmaceutical Operation Group	Subtotal		
Sales					
Sales to outside customers	110,598	19,562	130,161	—	130,161
Sales or transfers between segments	—	—	—	—	—
Total	110,598	19,562	130,161	—	130,161
Segment profit (loss) (Note 2)	3,994	(721)	3,273	(959)	2,313

Notes: 1 The “Other” segment mainly represents the Company (a pure holding company), which is not attributable to any reportable segment.

2 Segment profit (loss) matches operating profit on the quarterly consolidated statement of income.

2. Information regarding impairment loss of non-current assets and goodwill, etc. by reportable segment

There was no material impairment loss of non-current assets, material change in goodwill amount, or material gain on bargain purchase arisen during the six months ended September 30, 2021.

3. Matters regarding changes in reportable segments

(Changes in accounting policies)

As described in “Changes in Accounting Policies,” the Company has applied the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments.

For the six months ended September 30, 2021, as a result of this change, and compared with the figures obtained by the previous method, net sales decreased by ¥5,427 million and segment profit decreased by ¥213 million for the Self-Medication Operation Group, and net sales decreased by ¥1,541 million and segment loss decreased by ¥9 million for the Prescription Pharmaceutical Operation Group.