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1st Quarter - Fiscal Year 2023 (April 1, 2023 to June 30, 2023)

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Consolidated Financial Data

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Net sales	69,069	144,518	227,669	301,381	80,802	314,500
(YOY%)	(+8.1%)	(+11.0%)	(+13.8%)	(+12.4%)	(+17.0%)	(+4.4%)
Self-Medication operations	59,343	125,785	198,552	263,711	69,811	274,200
Prescription Pharmaceutical operations	9,725	18,733	29,117	37,669	10,990	40,300
Gross profit on sales	41,805	86,333	136,360	177,850	48,280	183,200
Selling, general and administrative expenses	36,550	74,126	113,235	154,831	39,206	164,700
Research and development expenses	4,812	9,603	14,621	20,727	4,710	23,400
(% Sales)	(7.0%)	(6.6%)	(6.4%)	(6.9%)	(5.8%)	(7.4%)
Advertising expenses	6,426	12,895	19,871	26,752	6,264	27,100
Sales promotion expenses	3,352	7,003	11,794	16,975	4,409	19,500
Personnel expenses	8,626	17,779	26,782	36,611	8,921	36,400
Operating Profit	5,254	12,207	23,124	23,018	9,073	18,500
(YOY%)	(+96.3%)	(+427.6%)	(+224.2%)	(+114.3%)	(+72.7%)	(-19.6%)
Earnings before the amortization of goodwill and trademarks	8,402	18,710	33,039	36,388	12,995	33,800
Ordinary Profit	9,246	17,343	29,167	30,444	11,127	22,000
(YOY%)	(+129.2%)	(+310.7%)	(+153.8%)	(+65.3%)	(+20.3%)	(-27.7%)
Profit attributable to owners of parent	5,751	10,877	20,899	18,997	4,363	13,000
(YOY%)	(+387.6%)	(+274.0%)	(+132.9%)	(+44.8%)	(-24.1%)	(-31.6%)
Comprehensive income	19,307	39,977	57,319	51,140	20,757	-
(YOY%)	(+177.7%)	(+208.3%)	(+341.3%)	(+141.7%)	(+7.5%)	-
Basic EPS (yen)	70.16	132.68	254.93	231.73	53.23	158.58
Diluted EPS (yen)	70.08	132.52	254.60	231.43	53.15	158.36
BPS (yen)	9,280.38	9,498.58	9,642.70	9,584.70	9,770.78	9,645.70
Dividend per share (yen)	-	50.00	-	100.00	-	100.00
Payout ratio	-	-	-	43.2%	-	63.1%
Capital expenditure	3,312	16,565	23,369	31,269	3,807	17,400
Depreciation and amortization	3,671	7,669	11,816	16,398	4,845	19,700
Total assets	902,907	929,766	946,836	941,490	966,331	947,000
Shareholders' equity	781,586	802,319	815,550	809,343	824,401	815,000
Return on equity (%)*	-	-	-	2.5%	-	1.6%
Return on assets (%)*	-	-	-	2.1%	-	1.4%
Equity ratio (%)	84.3%	83.8%	83.5%	83.5%	82.9%	83.5%
Overseas sales	30,669	61,606	93,640	126,702	38,522	135,000
Overseas sales ratio (% of total sales)	44.4%	42.6%	41.1%	42.0%	47.7%	42.9%
Number of employees	9,129	9,096	9,074	8,784	8,756	-

* Average of the beginning and year-end balance of shareholders' equity / total

<Reference>

• E=Estimates

• Full year forecasts for the fiscal year ending March 31, 2024 were announced on May 11, 2023.

Consolidated Balance Sheets

(Millions of yen)

	End of FY2022		End of FY2023 1Q		change	
	(March 31, 23)	% total	(June 30, 23)	% total		
(Assets)						
I Current assets:	375,880	39.9%	403,334	41.7%	+27,453	
Cash and deposits	255,966		248,189		-7,776	
Notes and accounts receivable-trade	52,300		58,619		+6,319	
Marketable securities	200		20,231		+20,031	Transfer from investment securities
Inventories	53,332		58,320		+4,988	
Other	14,081		17,972		+3,890	
II Fixed assets:	565,610	60.1%	562,997	58.3%	-2,612	
(1) Tangible fixed assets:	141,170	(15.0%)	143,194	(14.8%)	+2,023	
Buildings and structures	55,545		55,144		-401	
Machinery, equipment and vehicles	22,779		22,151		-627	
Land	37,116		37,148		+32	
Other	25,729		28,749		+3,019	
(2) Intangible fixed assets:	238,492	(25.3%)	240,116	(24.8%)	+1,624	
Goodwill	128,051		129,292		+1,240	
Sales rights	22,758		22,214		-543	
Trademarks	69,275		69,819		+543	
Software	10,144		10,198		+53	
Other	8,262		8,591		+329	
(3) Investments and other assets:	185,946	(19.8%)	179,686	(18.6%)	-6,260	
Investment securities	150,657		142,549		-8,107	Transfer to marketable securities, Impact on stock prices
Shares of subsidiaries and affiliates	12,759		13,020		+261	
Net defined benefit assets	11,006		11,103		+97	
Deferred tax assets	6,761		8,324		+1,563	
Other	4,762		4,687		-74	
Total assets	941,490	100.0%	966,331	100.0%	+24,840	
(Liabilities)						
I Current liabilities:	73,778	7.8%	79,508	8.2%	+5,730	
Notes and accounts payable-trade	17,001		16,730		-271	
Accounts payable	20,084		18,177		-1,906	
Accrued income taxes	1,889		3,460		+1,570	
Refund liability	12,485		12,788		+303	
Provision for bonuses	4,092		2,599		-1,493	
Other	18,224		25,752		+7,528	
II Long-term liabilities:	58,368	6.2%	62,420	6.5%	+4,052	
Net defined benefit liabilities	18,861		19,076		+214	
Deferred taxes liabilities	32,801		36,890		+4,089	
Other	6,705		6,454		-251	
Total liabilities	132,146	14.0%	141,929	14.7%	+9,783	
(Net assets)						
I Shareholders' equity	722,712	76.8%	722,929	74.8%	+216	
Common stock	30,000		30,000		-	
Retained earnings	713,776		714,000		+224	
Treasury stock	-21,063		-21,071		-7	
II Accumulated other comprehensive income	63,033	6.7%	78,056	8.1%	+15,023	
Valuation difference on securities	33,433		42,049		+8,616	Impact on stock prices
Foreign currency translation adjustment	26,693		33,012		+6,318	Currency Impact
Remeasurements of defined benefit plans	2,906		2,994		+88	
III Share acquisition rights	821	0.1%	821	0.1%	-	
IV Non-controlling interests	22,776	2.4%	22,594	2.3%	-182	
Total net assets	809,343	86.0%	824,401	85.3%	+15,057	
Total liabilities and net assets	941,490	100.0%	966,331	100.0%	+24,840	

Consolidated P/L Statement

(Millions of yen)

	FY2022		FY2023		YOY change	
	1Q	% total	1Q	% total		
Net sales	69,069	100.0%	80,802	100.0%	+11,732	
Cost of sales	27,264	39.5%	32,522	40.2%	+5,257	
Gross profit on sales	41,805	60.5%	48,280	59.8%	+6,475	
Selling, general and administrative expenses	36,550	52.9%	39,206	48.5%	+2,655	
Research and development expenses	4,812		4,710		-102	
Advertising expenses	6,426		6,264		-162	
Sales promotion expenses	3,352		4,409		+1,057	
Personnel expenses	8,626		8,921		+295	
Other	13,332		14,900		+1,568	
Operating Profit	5,254	7.6%	9,073	11.2%	+3,819	
Non-operating income	4,071	5.9%	2,218	2.7%	-1,852	Currency gains -2,114
Non-operating expenses	78	0.1%	164	0.2%	+85	
Ordinary Profit	9,246	13.4%	11,127	13.8%	+1,881	
Extraordinary income	72	0.1%	0	0.0%	-72	
Extraordinary losses	108	0.2%	4,029	5.0%	+3,920	FY2023 Early retirement expenses: 4,011
Profit before income taxes and minority interests	9,210	13.3%	7,098	8.8%	-2,111	
Income taxes	2,896	4.2%	1,793	2.2%	-1,102	
Profit	6,313	9.1%	5,305	6.6%	-1,008	
Profit attributable to non-controlling interests	562	0.8%	941	1.2%	+379	
Profit attributable to owners of parent	5,751	8.3%	4,363	5.4%	-1,388	

Consolidated Sales Breakdown by Segment/Category

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Self-Medication operations	59,343	125,785	198,552	263,711	69,811	274,200
(YOY%)	(+10.7%)	(+13.7%)	(+17.0%)	(+14.8%)	(+17.6%)	(+4.0%)
Japan	27,929	62,774	103,019	134,525	30,649	137,100
International	30,669	61,568	93,603	126,657	38,509	135,000
Other	744	1,442	1,929	2,529	652	2,100
Prescription Pharmaceutical operations	9,725	18,733	29,117	37,669	10,990	40,300
(YOY%)	(-5.2%)	(-4.2%)	(-3.9%)	(-2.3%)	(+13.0%)	(+7.0%)
Ethical drugs	9,485	18,156	28,344	36,693	10,805	39,700
Other	240	576	772	976	185	600
Total	69,069	144,518	227,669	301,381	80,802	314,500

Consolidated Operating Profit by Segment

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Self-Medication operations	6,225	14,535	26,068	29,388	10,685	30,200
(YOY%)	(+100.0%)	(+263.9%)	(+193.3%)	(+108.0%)	(+71.6%)	(+2.8%)
Earnings before the amortization of goodwill and trademarks	9,373	21,039	35,983	42,743	14,085	43,400
Prescription Pharmaceutical operations	-473	-1,389	-1,595	-4,513	-578	-7,900
(YOY%)	(-)	(-)	(-)	(-)	(-)	(-)
Earnings before the amortization of goodwill and trademarks	-473	-1,389	-1,595	-4,497	-56	-5,800
Other*	-497	-939	-1,347	-1,857	-1,033	-3,800
(YOY%)	(-)	(-)	(-)	(-)	(-)	(-)
Total	5,254	12,207	23,124	23,018	9,073	18,500

* The "Other" segment represents the Company (a pure holding company), which is not attributable to any reportable segment.

Consolidated Sales - Leading Brands of Self-Medication Operations & Sales by Region

(Billions of Yen)

	March 2023(FY2022)*				March 2024(FY2023)*			
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	YOY	Full year E	YOY
Japan	27.9	62.8	103.0	134.5	30.6	+9.7%	137.1	+1.9%
<i>Lipovitan series</i>	12.2	28.0	40.2	50.3	12.9	+5.7%	54.0	+7.4%
<i>Pabron series</i>	3.2	9.3	21.3	28.2	4.6	+42.7%	24.0	-14.8%
<i>RiUP series</i>	2.5	5.6	9.0	11.9	2.8	+13.4%	13.9	+16.8%
<i>Biofermin series</i>	2.8	5.5	9.5	13.0	3.6	+31.6%	12.3	-5.1%
<i>GI treatment series</i>	0.8	1.6	2.6	3.5	0.8	-2.5%	3.5	-0.6%
<i>VICKS series</i>	0.5	1.9	3.2	4.0	0.9	+67.9%	3.1	-23.2%
<i>Colac series</i>	0.7	1.5	2.3	3.0	0.7	+0.6%	3.0	-1.6%
<i>Livita series</i>	0.9	1.5	2.2	2.9	0.7	-18.7%	3.0	+4.1%
<i>NARON series</i>	0.6	1.3	2.2	3.0	0.5	-4.5%	2.9	-3.1%
Overseas	30.7	61.6	93.6	126.7	38.5	+25.6%	135.0	+6.6%
Asia	14.6	30.6	48.0	64.3	17.6	+20.9%	69.0	+7.3%
Europe and America	16.0	30.8	45.3	62.1	20.9	+30.2%	65.6	+5.6%
Others	0.7	1.4	1.9	2.5	0.7	-12.3%	2.1	-17.0%

(Rounded to the nearest hundred-million)

* The sales by major brands reflects the figures before application of the accounting standard for revenue recognition.

Lipovitan Series: Sales Breakdown

(Billions of Yen)

	March 2023(FY2022)*				March 2024(FY2023)*			
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	YOY	Full year E	YOY
Lipovitan series	12.2	28.0	40.2	50.3	12.9	+5.7%	54.0	+7.4%
Lipovitan D	7.1	16.3	23.5	29.3	7.2	+2.0%	30.2	+3.2%
Others	5.1	11.7	16.7	21.0	5.7	+10.8%	23.8	+13.2%

(Rounded to the nearest hundred-million)

* The sales by major brands reflects the figures before application of the accounting standard for revenue recognition.

Consolidated Sales - Leading Brands of Prescription Pharmaceutical Operations

(Billions of Yen)

	March 2023(FY2022)*				March 2024(FY2023)*			
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	YOY	Full year E	YOY
Lusefi	3.4	6.6	10.3	13.1	3.4	-0.4%	13.9	+6.1%
Bonviva	1.9	3.8	5.9	7.7	2.8	+42.5%	9.5	+23.2%
Biofermin	1.1	2.3	3.6	4.7	1.2	+6.7%	4.7	+0.8%
LOQOA	1.1	2.2	3.2	4.1	1.0	-14.8%	3.8	-6.6%

(Rounded to the nearest hundred-million)

* The sales by major brands reflects the figures before application of the accounting standard for revenue recognition.

Consolidated: Capital Expenditure

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Total capital expenditure	3,312	16,565	23,369	31,269	3,807	17,400
Taisho Pharmaceutical	1,982	5,841	11,207	17,665	3,322	9,969
Production department	49	217	435	1,042	296	920
Research department	1,674	5,215	9,801	15,388	2,758	6,309
Head Office and the others	258	407	970	1,234	267	2,740
Other subsidiaries	1,330	10,724	12,162	13,604	484	7,431

Consolidated: Depreciation and Amortization

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Depreciation and amortization	3,671	7,669	11,816	16,398	4,845	19,700
Cost of sales	1,264	2,730	4,274	6,238	1,818	7,500
SGA expenses	2,407	4,939	7,541	10,160	3,026	12,200

Consolidated: R&D Expenses

(Millions of yen)

	March 2023(FY2022)				March 2024(FY2023)	
	1Q (4-6)	2Q (4-9)	3Q (4-12)	Full year	1Q (4-6)	Full year E
Total R&D expenses	4,812	9,603	14,621	20,727	4,710	23,400
Self-Medication operations	2,035	3,866	5,879	8,309	1,931	9,300
Prescription Pharmaceutical operations	2,776	5,736	8,741	12,417	2,778	14,100

Major Subsidiaries and Affiliates

(As of June 30, 2023)

Company	Address	Capital	Business	Ownership* ¹
(1) Consolidated subsidiaries				%
Taisho Pharmaceutical Co., Ltd.	Tokyo, Japan	,000 Yen 29,837,892	SMG PD	100.0
MEJIRO KOSAN Co., Ltd.	Tokyo, Japan	,000 Yen 600,000	SMG	100.0
Taisho Okinawa Co., Ltd.	Okinawa, Japan	,000 Yen 50,000	SMG	100.0
Taisho M.T.C. Co., Ltd.	Tokyo, Japan	,000 Yen 400,000	SMG	60.0
Taisho Pharmaceutical Logistics Co., Ltd.	Saitama, Japan	,000 Yen 30,000	SMG	100.0
Biofermin Pharmaceutical Co., Ltd.	Hyogo, Japan	,000 Yen 1,227,000	SMG PD	100.0
Taisho Pharma Co., Ltd.	Tokyo, Japan	,000 Yen 100,000	PD	100.0
TAISHO ACTIVE HEALTH Co., Ltd.	Tokyo, Japan	,000 Yen 100,000	SMG	55.0
TOKUHON Corporation	Tokyo, Japan	,000 Yen 300,000	SMG PD	100.0
Taisho Pharmaceutical (Taiwan) Co., Ltd.	Taiwan	,000 NT\$ 200,000	SMG	100.0
Taisho Pharmaceutical California Inc.	U.S.A.	,000 US\$ 41,050	SMG	100.0
Taisho Pharmaceuticals (Philippines), Inc.	Philippines	,000 Peso 18,900	SMG	100.0
Taisho Co., Ltd. Shanghai	China	,000 CNY 132,621	SMG	100.0
Taisho Vietnam Co., Ltd.	Vietnam	,000 VND 170,754,300	SMG	100.0
Taisho Pharmaceutical (H.K.) Ltd.	China	,000 HK\$ 10,000	SMG	100.0
Osotspha Taisho Pharmaceutical Co., Ltd.	Thailand	,000 THB 100,000	SMG	60.0
Taisho Pharmaceutical R&D Inc.	U.S.A.	,000 US\$ 4,000	PD	100.0
PT. Taisho Pharmaceutical Indonesia Tbk	Indonesia	,000 rupiah 10,240,000	SMG	98.6
Taisho Pharmaceutical Singapore Private Limited	Singapore	,000 S\$ 1,365	SMG	100.0
Hoepharm Holdings Sdn.Bhd.	Malaysia	,000 MYR 32,380	SMG	100.0
Duoc Hau Giang Pharmaceutical JSC	Vietnam	,000 VND 1,307,460,710	SMG	51.0
UPSA SAS	France	,000 EUR 852,103	SMG	100.0
Taisho Pharmaceutical (Thailand) Co., Ltd.	Thailand	,000 THB 100,000	SMG	100.0
(2) Equity accounting method				
Yomeishu Seizo Co., Ltd.	Tokyo, Japan	,000 Yen 1,650,000	SMG	23.9

SMG=Self-Medication operations PD=Prescription Pharmaceutical operations

* Ownership: including the portion of indirect ownership

Prescription Pharmaceutical Operations:

New Drug Development - Taisho Pharmaceutical

As of August 4, 2023

In Japan

Approved

Nanozora (Injection)

- < Application > Rheumatoid arthritis, which is inadequately managed by the current available treatments
- < Development > In-license (Licensor: Ablynx)
- < Description > Anti-TNF(Tumor Necrosis Factor)- α antibody
- < Remarks > Generic name: Ozoralizumab (Genetical Recombination) (TS-152)
Autoinjectors (drug form added)

Phase 3

TS-071(Oral)

- < Application > Type2 diabetes (Pediatric)
- < Development > In-house
- < Description > SGLT2 (Sodium-Glucose Cotransporter2) inhibitor
- < Remarks > Generic name: Luseogliflozin Hydrate
Product name: Lusefi

TS-142 (Oral)

- < Application > Insomnia
- < Development > In-house

Phase 2

TS-172 (Oral)

- < Application > Hyperphosphatemia
- < Development > In-house

New Drug Development - Taisho Pharmaceutical

As of August 4, 2023

Overseas

Phase 2

TS-161 (Oral)

< Taeget disease > Depression

< In-house
 / Licensed-in > In-house

Phase 1

TS-134 (Oral)

< Taeget disease > Schizophrenia

< In-house
 / Licensed-in > In-house

TS-142 (Oral)

< Taeget disease > Insomnia

< In-house
 / Licensed-in > In-house

Launch of New Products

As of August 4, 2023

New Products Since FY2023 Earnings Announcement (May 11, 2023)

Self-Medication Operations

Lipovitan Water Shine Muscat flavor

< Description > Easily preparable by dissolving a stick of the product in 500 ml of water, this nutritional supplement food contains citric acids and arginine, sources of energy, and the recommended daily intake*¹ of vitamins B₁, B₂ and B₆. Low calorie — 14 kcal per stick. Recommended for the prevention of heat stroke*² when playing sports or working outdoors, as the product contains salt in the quantity specified in the guidelines for labeling with heat stroke countermeasure claims published by the Japan Soft Drink Association.

*1 Nutrient and other reference values indicated

*2 Contains 0.1 g/100 ml salt when dissolved in 500 ml of water.

Conforms to the guidelines for labeling with heat stroke countermeasure claims published by the Japan Soft Drink Association.

< Launch > June 2023

VICKS Medical Troche L

< Description > The lozenge contains a germicidal ingredient named CPC (cetylpyridinium chloride hydrate), an antitussive ingredient and an expectorant ingredient that is effective against problems such as coughs, phlegm and inflammation-induced throat soreness. The honey and lemon-flavored lozenge is easy to ingest and nicely controls the bitterness unique to the active ingredients. Ingestible without water, it is recommended for outings and during work.

< Launch > June 2023

Taisho CALCIUM & COLLAGEN SOY

< Description > It contains calcium and magnesium, the nutrients necessary for bone formation, as well as vitamin D which is a nutrient that facilitates calcium absorption in the intestine to assist bone formation. Five lozenges, the adequate daily intake, collectively contain 300 mg of calcium which is equivalent to nearly half of the recommended daily intake of calcium for an adult woman.* They easily help supplement the intake of calcium, which tends to be habitually insufficient. The lozenge also contains collagen and soy isoflavone.

*Recommended daily intake in an adult woman (620–667 mg), Dietary Reference Intakes for Japanese people (FY2020) specified by the Ministry of Health, Labour and Welfare, Japan

< Launch > June 2023

Launch of New Products

As of August 4, 2023

New Products Since FY2023 Earnings Announcement (May 11, 2023)

Self-Medication Operations

LipovitanD Rugby Japan Supporters Bottle

LipovitanD Rugby All Blacks Bottle

< Description > In a limited quantity, the FY2023 version of the Lipovitan D Rugby exclusive bottles is available on the Taisho Pharmaceutical Direct online shopping site. The Lipovitan D Rugby Japan Supporters Bottle has two different designs featuring Japanese national rugby team players and the team's iconic cherry blossom emblem. The Lipovitan D Rugby All Blacks Bottle has two different designs featuring New Zealand All Blacks players and the team's iconic silver fern logo.

< Launch > June 2023

Taisho TOKISHAKUYAKUSAN Extract Tablets

< Description > Nine tablets, the daily intake for a person 15 years of age or older, collectively contain 2000 mg of Tangkuei and Peony Powder extract from six crude drugs. This kampo medicine in tablet form is also effective against swelling in people who are very sensitive to cold temperatures, anemic or prone to fatigue and effective against menopausal and other symptoms unique to women.

< Launch > July 2023

Taisho Barley young leaf green juice Indigestible dextrin

< Description > The green juice is finished to take on a green tea flavor from the organic young barley leaves grown in Japan. It contains indigestible dextrin, a functionality-related ingredient capable of helping control the rise in postprandial glucose levels by controlling sugar absorption. If ingested continuously, indigestible dextrin is reported to have the function of assisting the reduction of visceral fat in people with a high BMI.*

*BMIs of 23 or more and less than 30

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