



Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 [Japanese GAAP]

April 7, 2022

Company name: Hisamitsu Pharmaceutical Co., Inc.
 Stock exchange listing: Tokyo, Nagoya, Fukuoka
 Securities code: 4530
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 Scheduled date of Annual General Meeting of Shareholders: May 26, 2022
 Scheduled date of dividend payment: May 27, 2022
 Scheduled date of filing annual securities report: May 27, 2022
 Preparation of supplementary materials for financial results: Yes
 Holding of annual financial results meeting: Yes (for institutional investors and analysts, etc.)

(Amounts are rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 1, 2021 to February 28, 2022)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2022	120,193	5.0	9,337	△12.5	12,638	6.8	9,658	4.4
Fiscal year 2021	114,510	△18.8	10,671	△53.0	11,829	△53.8	9,250	△50.5

(Note) Comprehensive income: Fiscal year 2022 15,883 millions of yen (60.0%)
 Fiscal year 2021 9,926 millions of yen (△26.3%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal year 2022	118.92	118.84	3.8	4.2	7.8
Fiscal year 2021	113.22	113.11	3.7	3.9	9.3

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year 2022 569 millions of yen
 Fiscal year 2021 133 millions of yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year 2022	302,858	254,885	83.5	3,171.83
Fiscal year 2021	299,861	253,809	84.1	3,083.98

(Reference) Shareholders' equity: Fiscal year 2022 252,914 millions of yen
 Fiscal year 2021 252,066 millions of yen

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year 2022	19,199	△13,060	△15,189	86,247
Fiscal year 2021	5,289	7,815	△7,187	91,354

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidate)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
Fiscal year 2021	—	41.75	—	41.75	83.50	6,827	73.8	2.7
Fiscal year 2022	—	42.00	—	42.00	84.00	6,784	70.6	2.7
Fiscal year 2023 (Forecast)	—	42.25	—	42.25	84.50		70.7	

(Note) Breakdown of annual dividend forecast for the fiscal year 2023

Ordinary dividend 84.00 yen

Commemorative dividend 0.50 yen (A commemorative dividend for the 175th anniversary)

3. Consolidated Earnings Forecast for the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	123,000	2.3	11,100	18.9	12,700	0.5	9,700	0.4	119.44

(Note) As the Company will apply the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29) from the beginning of the fiscal year ending February 28, 2023, the above consolidated earnings forecast is prepared based on such accounting standards.

*Notes

(1) Changes in significant subsidiaries during the period : None
 (Changes in specified subsidiaries resulting in changes in scope of consolidation)

(2) Changes in accounting policies, changes in accounting estimates, and restatement : Yes
 1) Changes in accounting policies due to revision of accounting standards : None
 2) Changes in accounting policies other than 1) above : None
 3) Changes in accounting estimates : None
 4) Restatement : None

(3) The number of shares outstanding (common stock)
 1) Total number of shares outstanding at the end of the period (including treasury stock)

Fiscal year 2022: 85,164,895 shares
 Fiscal year 2021: 85,164,895 shares

2) Total number of treasury stock at the end of the period

Fiscal year 2022: 5,427,284 shares
 Fiscal year 2021: 3,430,483 shares

3) Average number of shares outstanding during the period

Fiscal year 2022: 81,213,132 shares
 Fiscal year 2021: 81,707,440 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022

(March 1, 2021 to February 28, 2022)

(1) Non-consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2022	90,585	4.5	8,615	△8.7	10,608	2.3	7,169	△14.1
Fiscal year 2021	86,694	△21.0	9,438	△53.5	10,372	△51.8	8,342	△44.7

	Profit per share	Diluted profit per share
	yen	yen
Fiscal year 2022	88.25	88.19
Fiscal year 2021	102.07	101.97

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year 2022	254,330	222,355	87.3	2,784.39
Fiscal year 2021	264,138	231,247	87.5	2,825.43

(Reference) Shareholders' equity: Fiscal year 2022 222,101 millions of yen
 Fiscal year 2021 231,015 millions of yen

*Financial results reports are not subjected to audit.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance sheets

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2021)	Current Fiscal Year End (As of Feb. 28, 2022)
Assets		
Current assets		
Cash and deposits	114,254	129,290
Notes and accounts receivable - trade	39,546	38,505
Securities	21,743	13,141
Merchandise and finished goods	11,359	8,919
Work in process	465	438
Raw materials and supplies	6,744	7,055
Other	4,290	3,219
Allowance for doubtful accounts	△343	△393
Total current assets	198,061	200,176
Non-current assets		
Property, plant and equipment		
Buildings and structures	46,059	47,182
Accumulated depreciation	△31,879	△33,276
Buildings and structures, net	14,180	13,905
Machinery, equipment and vehicles	41,798	43,177
Accumulated depreciation	△35,636	△36,905
Machinery, equipment and vehicles, net	6,162	6,272
Tools, furniture and fixtures	11,838	11,822
Accumulated depreciation	△9,761	△9,681
Tools, furniture and fixtures, net	2,077	2,140
Land	11,897	11,956
Leased assets	598	1,645
Accumulated depreciation	△384	△497
Leased assets, net	214	1,147
Construction in progress	2,822	3,646
Total property, plant and equipment	37,354	39,069
Intangible assets		
Sales rights	27	442
Software	206	156
Other	944	726
Total intangible assets	1,178	1,326
Investments and other assets		
Investment securities	54,602	52,519
Net defined benefit asset	3,895	5,112
Deferred tax assets	1,047	1,153
Other	3,935	3,714
Allowance for doubtful accounts	△214	△214
Total investments and other assets	63,267	62,286
Total non-current assets	101,800	102,681
Total assets	299,861	302,858

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2021)	Current Fiscal Year End (As of Feb. 28, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,672	7,533
Electronically recorded obligations - operating	7,127	5,692
Short-term loans payable	1,111	1,071
Lease obligations	101	301
Accounts payable - other	6,634	6,685
Income taxes payable	608	2,938
Provision for sales returns	103	135
Provision for bonuses	1,350	1,363
Other	5,346	6,473
Total current liabilities	30,057	32,160
Non-current liabilities		
Long-term loans payable	296	219
Lease obligations	94	869
Deferred tax liabilities for land revaluation	1,660	1,801
Deferred tax liabilities	3,465	2,369
Net defined benefit liability	7,928	8,216
Other	2,548	2,335
Total non-current liabilities	15,994	15,812
Total liabilities	46,051	47,972
Net assets		
Shareholders' equity		
Capital stock	8,473	8,473
Capital surplus	2,352	2,356
Retained earnings	233,376	236,192
Treasury shares	△11,495	△19,527
Total shareholders' equity	232,707	227,495
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,165	15,070
Revaluation reserve for land	3,790	3,641
Foreign currency translation adjustment	△1,173	5,633
Remeasurements of defined benefit plans	575	1,073
Total accumulated other comprehensive income	19,359	25,419
Share acquisition rights	232	254
Non-controlling interests	1,510	1,717
Total net assets	253,809	254,885
Total liabilities and net assets	299,861	302,858

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Feb. 28 2021)	Current Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)
Net sales	114,510	120,193
Cost of sales	45,337	50,126
Gross profit	69,173	70,067
Selling, general and administrative expenses	58,501	60,730
Operating profit	10,671	9,337
Non-operating income		
Interest income	563	153
Dividend income	843	905
Foreign exchange gains	—	1,276
Share of profit of entities accounted for using equity method	133	569
Other	520	548
Total non-operating income	2,061	3,453
Non-operating expenses		
Interest expenses	10	20
Foreign exchange losses	542	—
Loss on cancellation of insurance policies	244	—
Cost for idle operation	—	77
Other	106	54
Total non-operating expenses	903	152
Ordinary profit	11,829	12,638
Extraordinary income		
Gain on disposal of non-current assets	218	7
Gain on sales of investment securities	188	653
National subsidies	2	—
Total extraordinary income	408	660
Extraordinary losses		
Loss on disposal of non-current assets	40	62
Loss on discontinuation of sale	—	279
Total extraordinary losses	40	342
Profit before income taxes	12,197	12,956
Income taxes - current	2,382	3,727
Income taxes - deferred	381	△633
Total income taxes	2,764	3,093
Profit	9,433	9,862
Profit attributable to non-controlling interests	182	204
Profit attributable to owners of parent	9,250	9,658

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Feb. 28 2021)	Current Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)
Profit	9,433	9,862
Other comprehensive income		
Valuation difference on available-for-sale securities	4,070	△1,065
Revaluation reserve for land	—	△143
Foreign currency translation adjustment	△3,901	6,761
Remeasurements of defined benefit plans, net of tax	277	475
Share of other comprehensive income of entities accounted for using equity method	46	△7
Total other comprehensive income	492	6,020
Comprehensive income	9,926	15,883
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,771	15,724
Comprehensive income attributable to non-controlling interests	154	158

(3) Consolidated Statements of Changes in Shareholders' Equity

For the Fiscal Year Ended February 28, 2021 (March 1, 2020 to February 28, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 1, 2020	8,473	2,272	230,929	△11,730	229,945
Changes in items during period					
Dividends of surplus			△6,803		△6,803
Profit attributable to owners of parent			9,250		9,250
Purchase of treasury shares				△5	△5
Disposal of treasury shares		79		240	320
Net changes in items other than shareholders' equity					—
Total changes of items during period	—	79	2,447	234	2,762
Balance at February 28, 2021	8,473	2,352	233,376	△11,495	232,707

(Millions of yen)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2020	12,047	3,790	2,700	299	18,838	491	1,470	250,746
Changes in items during period								
Dividends of surplus								△6,803
Profit attributable to owners of parent								9,250
Purchase of treasury shares								△5
Disposal of treasury shares								320
Net changes in items other than shareholders' equity	4,118	—	△3,873	276	520	△259	39	300
Total changes of items during period	4,118	—	△3,873	276	520	△259	39	3,062
Balance at February 28, 2021	16,165	3,790	△1,173	575	19,359	232	1,510	253,809

For the Fiscal Year Ended February 28, 2022 (March 1, 2021 to February 28, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 1, 2021	8,473	2,352	233,376	△11,495	232,707
Changes in items during period					
Dividends of surplus			△6,847		△6,847
Profit attributable to owners of parent			9,658		9,658
Reversal of revaluation reserve for land			6		6
Purchase of treasury shares				△8,044	△8,044
Disposal of treasury shares		3		13	16
Net changes in items other than shareholders' equity					—
Total changes of items during period	—	3	2,816	△8,031	△5,212
Balance at February 28, 2022	8,473	2,356	236,192	△19,527	227,495

(Millions of yen)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 1, 2021	16,165	3,790	△1,173	575	19,359	232	1,510	253,809
Changes in items during period								
Dividends of surplus								△6,847
Profit attributable to owners of parent								9,658
Reversal of revaluation reserve for land								6
Purchase of treasury shares								△8,044
Disposal of treasury shares								16
Net changes in items other than shareholders' equity	△1,095	△149	6,807	498	6,060	21	206	6,288
Total changes of items during period	△1,095	△149	6,807	498	6,060	21	206	1,076
Balance at February 28, 2022	15,070	3,641	5,633	1,073	25,419	254	1,717	254,885

(4) Consolidated Statements of Cash Flows
Year ended February 28, 2021 and February 28, 2022

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Feb. 28 2021)	Current Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)
Cash flows from operating activities		
Profit before income taxes	12,197	12,956
Depreciation	4,079	4,321
Increase (decrease) in net defined benefit liability	336	231
Increase (decrease) in provision for bonuses	△182	△22
Increase (decrease) in allowance for doubtful accounts	28	34
Increase (decrease) in provision for sales returns	△24	32
Interest and dividend income	△1,406	△1,058
Loss (gain) on cancellation of insurance policies	244	—
Interest expenses	10	20
Foreign exchange losses (gains)	84	△932
Share of loss (profit) of entities accounted for using equity method	△133	△569
Loss (gain) on sales of investment securities	△188	△653
Loss (gain) on disposal of non-current assets	△177	55
Subsidy income	△2	—
Loss on discontinuation of sale	—	279
Decrease (increase) in notes and accounts receivable - trade	8,955	2,191
Decrease (increase) in inventories	△4,325	3,073
Decrease (increase) in other current assets	△1,507	295
Increase (decrease) in notes and accounts payable - trade	△3,812	△2,196
Increase (decrease) in other current liabilities	△1,864	653
Other, net	△701	△430
Subtotal	11,609	18,282
Interest and dividend income received	1,734	1,446
Interest expenses paid	△9	△20
Income taxes paid	△7,320	△505
Payments of retirement benefits for directors (and other officers)	△724	△3
Net cash provided by (used in) operating activities	5,289	19,199

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2020 – Feb. 28 2021)	Current Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)
Cash flows from investing activities		
Decrease (increase) in time deposits	△178	△11,007
Purchase of property, plant and equipment	△3,341	△3,610
Proceeds from sales of property, plant and equipment	642	37
Purchase of intangible assets	△47	△583
Decrease (increase) in short-term investment securities	9,715	1,498
Purchase of investment securities	△191	△340
Proceeds from sales and redemption of investment securities	258	931
Collection of loans receivable	2	2
Proceeds from cancellation of insurance funds	953	11
Subsidies received	2	—
Net cash provided by (used in) investing activities	7,815	△13,060
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	△100	△40
Repayments of long-term loans payable	△69	△77
Dividends paid to non-controlling interests	△115	△44
Purchase of treasury shares	△2	△8,043
Cash dividends paid	△6,806	△6,839
Other, net	△94	△144
Net cash provided by (used in) financing activities	△7,187	△15,189
Effect of exchange rate change on cash and cash equivalents	△1,559	3,944
Net increase (decrease) in cash and cash equivalents	4,357	△5,106
Cash and cash equivalents at beginning of period	86,996	91,254
Cash and cash equivalents at end of period	91,354	86,247



Our commitments originate from each individual's determination to "start something good for ecology (eco)!"

Hisamitsu Pharmaceutical has designed the "HELLO! eco!" mark as a symbol of its environmental activities,

and products that have met the ecology standards that our company has established will display the "HELLO! eco!" mark sequentially.

Hisamitsu.