

Consolidated Financial Results for the Fiscal Year Ended February 28, 2023 [Japanese GAAP]



April 13, 2023

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 25, 2023
 Scheduled date of dividend payment: May 26, 2023
 Scheduled date of filing annual securities report: May 26, 2023
 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, 2023 (March 1, 2022 to February 28, 2023)

(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 2023	128,330	6.8	11,599	24.2	16,051	27.0	11,742	21.6
Fiscal year 2022	120,193	5.0	9,337	△12.5	12,638	6.8	9,658	4.4

(Note) Comprehensive income: Fiscal year 2023 23,844 millions of yen (50.1%)
 Fiscal year 2022 15,883 millions of yen (60.0%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal year 2023	148.01	147.88	4.7	5.2	9.0
Fiscal year 2022	118.92	118.84	3.8	4.2	7.8

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year 2023 424 millions of yen
 Fiscal year 2022 569 millions of yen

(Note) Beginning with the fiscal year ended February 28, 2023, the Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the fiscal year ended February 28, 2023 incorporate this accounting standard.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year 2023	313,917	258,408	81.6	3,294.20
Fiscal year 2022	302,858	254,885	83.5	3,171.83

(Reference) Shareholders' equity: Fiscal year 2023 256,105 millions of yen
 Fiscal year 2022 252,914 millions of yen

(Note) Beginning with the fiscal year ended February 28, 2023, the Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the fiscal year ended February 28, 2023 incorporate this accounting standard.

(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 2023	12,727	△23,868	△14,687	65,424
Fiscal year 2022	19,199	△13,060	△15,189	86,247

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 2022	—	42.00	—	42.00	84.00	6,784	70.6	2.7
Fiscal year 2023	—	42.25	—	42.25	84.50	6,656	57.1	2.6
Fiscal year 2024 (Forecast)	—	42.50	—	42.50	85.00		63.6	

(Note) Breakdown of annual dividend 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 29, 2024 (March 1, 2023 to February 29, 2024)

(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	132,300	3.1	11,800	1.7	14,600	△9.0	10,600	△9.7	133.60

*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

- 1) Changes in accounting policies due to revision of accounting standards : Yes
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 2023: 85,164,895 shares

Fiscal year 2022: 85,164,895 shares

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

Fiscal year 2023: 7,420,560 shares

Fiscal year 2022: 5,427,284 shares

3) Average number of shares outstanding during the period

Fiscal year 2023: 79,340,062 shares

Fiscal year 2022: 81,213,132 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2023

(March 1, 2022 to February 28, 2023)

(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 2023	92,979	2.6	10,850	25.9	14,057	32.5	10,414	45.3
Fiscal year 2022	90,585	4.5	8,615	△8.7	10,608	2.3	7,169	△14.1

	Profit per share	Diluted profit per share
	yen	yen
Fiscal year 2023	131.21	131.10
Fiscal year 2022	88.25	88.19

(Note) Beginning with the fiscal year ended February 28, 2023, the Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the fiscal year ended February 28, 2023 incorporate this accounting standard.

(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 2023	254,043	214,501	84.3	2,754.67
Fiscal year 2022	254,330	222,355	87.3	2,784.39

(Reference) Shareholders' equity: Fiscal year 2023 214,240 millions of yen
Fiscal year 2022 222,101 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, 2022)	Current Fiscal Year End (As of Feb. 28, 2023)
Assets		
Current assets		
Cash and deposits	129,290	122,154
Notes and accounts receivable - trade	38,505	—
Notes and accounts receivable - trade, and contract assets	—	40,014
Securities	13,141	14,714
Merchandise and finished goods	8,919	10,330
Work in process	438	562
Raw materials and supplies	7,055	8,030
Other	3,219	3,629
Allowance for doubtful accounts	△393	△261
Total current assets	200,176	199,174
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,182	48,508
Accumulated depreciation	△33,276	△34,528
Buildings and structures, net	13,905	13,980
Machinery, equipment and vehicles	43,177	45,778
Accumulated depreciation	△36,905	△38,312
Machinery, equipment and vehicles, net	6,272	7,466
Tools, furniture and fixtures	11,822	12,901
Accumulated depreciation	△9,681	△10,014
Tools, furniture and fixtures, net	2,140	2,886
Land	11,956	11,587
Leased assets	1,645	1,677
Accumulated depreciation	△497	△605
Leased assets, net	1,147	1,071
Construction in progress	3,646	6,217
Total property, plant and equipment	39,069	43,209
Intangible assets		
Sales rights	442	394
Software	156	75
Other	726	476
Total intangible assets	1,326	946
Investments and other assets		
Investment securities	52,519	60,845
Net defined benefit asset	5,112	5,060
Deferred tax assets	1,153	1,342
Other	3,714	3,546
Allowance for doubtful accounts	△214	△207
Total investments and other assets	62,286	70,586
Total non-current assets	102,681	114,742
Total assets	302,858	313,917

(Millions of yen)

	Prior Fiscal Year End (As of Feb. 28, 2022)	Current Fiscal Year End (As of Feb. 28, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,533	8,351
Electronically recorded obligations - operating	5,692	6,567
Short-term loans payable	1,071	1,071
Lease obligations	301	327
Accounts payable - other	6,685	6,249
Income taxes payable	2,938	2,338
Provision for sales returns	135	—
Provision for bonuses	1,363	1,340
Contract liabilities	—	5,920
Other	6,437	10,411
Total current liabilities	32,160	42,578
Non-current liabilities		
Long-term loans payable	219	147
Lease obligations	869	750
Deferred tax liabilities for land revaluation	1,801	1,697
Deferred tax liabilities	2,369	116
Net defined benefit liability	8,216	8,408
Other	2,335	1,811
Total non-current liabilities	15,812	12,931
Total liabilities	47,972	55,509
Net assets		
Shareholders' equity		
Capital stock	8,473	8,473
Capital surplus	2,356	2,361
Retained earnings	236,192	235,569
Treasury shares	△19,527	△27,196
Total shareholders' equity	227,495	219,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,070	17,042
Revaluation reserve for land	3,641	3,403
Foreign currency translation adjustment	5,633	15,819
Remeasurements of defined benefit plans	1,073	631
Total accumulated other comprehensive income	25,419	36,896
Share acquisition rights	254	260
Non-controlling interests	1,717	2,042
Total net assets	254,885	258,408
Total liabilities and net assets	302,858	313,917

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

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)	Current Fiscal Year (Mar. 1, 2022 – Feb. 28 2023)
Net sales	120,193	128,330
Cost of sales	50,126	55,630
Gross profit	70,067	72,699
Selling, general and administrative expenses	60,730	61,099
Operating profit	9,337	11,599
Non-operating income		
Interest income	153	894
Dividend income	905	978
Foreign exchange gains	1,276	1,973
Share of profit of entities accounted for using equity method	569	424
Other	548	520
Total non-operating income	3,453	4,791
Non-operating expenses		
Interest expenses	20	15
Cost for idle operation	77	248
Other	54	75
Total non-operating expenses	152	340
Ordinary profit	12,638	16,051
Extraordinary income		
Gain on disposal of non-current assets	7	453
Gain on sales of investment securities	653	—
Total extraordinary income	660	453
Extraordinary losses		
Loss on disposal of non-current assets	62	133
Loss on sale of investment securities	—	47
Loss on valuation of investment securities	—	210
Loss on discontinuation of sale	279	—
Total extraordinary losses	342	391
Profit before income taxes	12,956	16,113
Income taxes - current	3,727	4,419
Income taxes - deferred	△633	△432
Total income taxes	3,093	3,987
Profit	9,862	12,126
Profit attributable to non-controlling interests	204	383
Profit attributable to owners of parent	9,658	11,742

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)	Current Fiscal Year (Mar. 1, 2022 – Feb. 28 2023)
Profit	9,862	12,126
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,065	1,991
Revaluation reserve for land	△143	—
Foreign currency translation adjustment	6,761	10,188
Remeasurements of defined benefit plans, net of tax	475	△456
Share of other comprehensive income of entities accounted for using equity method	△7	△5
Total other comprehensive income	6,020	11,718
Comprehensive income	15,883	23,844
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,724	23,458
Comprehensive income attributable to non-controlling interests	158	386

(3) Consolidated Statements of Changes in Shareholders' Equity

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

For the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 1, 2022	8,473	2,356	236,192	△19,527	227,495
Cumulative effects of changes in accounting policies			△5,883		△5,883
Restated balance	8,473	2,356	230,309	△19,527	221,612
Changes in items during period					
Dividends of surplus			△6,720		△6,720
Profit attributable to owners of parent			11,742		11,742
Reversal of revaluation reserve for land			237		237
Purchase of treasury shares				△7,695	△7,695
Disposal of treasury shares		5		27	32
Net changes in items other than shareholders' equity					—
Total changes of items during period	—	5	5,259	△7,668	△2,403
Balance at February 28, 2023	8,473	2,361	235,569	△27,196	219,208

(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, 2022	15,070	3,641	5,633	1,073	25,419	254	1,717	254,885
Cumulative effects of changes in accounting policies								△5,883
Restated balance	15,070	3,641	5,633	1,073	25,419	254	1,717	249,002
Changes in items during period								
Dividends of surplus								△6,720
Profit attributable to owners of parent								11,742
Reversal of revaluation reserve for land								237
Purchase of treasury shares								△7,695
Disposal of treasury shares								32
Net changes in items other than shareholders' equity	1,971	△237	10,185	△442	11,477	6	325	11,809
Total changes of items during period	1,971	△237	10,185	△442	11,477	6	325	9,405
Balance at February 28, 2023	17,042	3,403	15,819	631	36,896	260	2,042	258,408

(4) Consolidated Statements of Cash Flows
Year ended February 28, 2022 and February 28, 2023

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)	Current Fiscal Year (Mar. 1, 2022 – Feb. 28 2023)
Cash flows from operating activities		
Profit before income taxes	12,956	16,113
Depreciation	4,321	4,952
Increase (decrease) in net defined benefit liability	231	206
Increase (decrease) in provision for bonuses	△22	△71
Increase (decrease) in allowance for doubtful accounts	34	△169
Increase (decrease) in provision for sales returns	32	—
Interest and dividend income	△1,058	△1,873
Interest expenses	20	15
Foreign exchange losses (gains)	△932	△1,219
Share of loss (profit) of entities accounted for using equity method	△569	△424
Loss (gain) on sales of investment securities	△653	47
Loss (gain) on valuation of investment securities	—	210
Loss (gain) on disposal of non-current assets	55	△319
Loss on discontinuation of sale	279	—
Decrease (increase) in notes and accounts receivable - trade	2,191	780
Decrease (increase) in inventories	3,073	△1,581
Decrease (increase) in other current assets	295	△65
Increase (decrease) in notes and accounts payable - trade	△2,196	653
Increase (decrease) in contract liabilities	—	△1,030
Increase (decrease) in other current liabilities	653	1,015
Other, net	△430	△1,060
Subtotal	18,282	16,179
Interest and dividend income received	1,446	1,897
Interest expenses paid	△20	△15
Income taxes paid	△505	△5,333
Payments of retirement benefits for directors (and other officers)	△3	△0
Net cash provided by (used in) operating activities	19,199	12,727

(Millions of yen)

	Prior Fiscal Year (Mar. 1, 2021 – Feb. 28 2022)	Current Fiscal Year (Mar. 1, 2022 – Feb. 28 2023)
Cash flows from investing activities		
Decrease (increase) in time deposits	△11,007	△13,068
Purchase of property, plant and equipment	△3,610	△7,859
Proceeds from sales of property, plant and equipment	37	1,004
Purchase of intangible assets	△583	△49
Decrease (increase) in short-term investment securities	1,498	1,848
Purchase of investment securities	△340	△5,897
Proceeds from sales and redemption of investment securities	931	151
Collection of loans receivable	2	2
Proceeds from cancellation of insurance funds	11	—
Net cash provided by (used in) investing activities	△13,060	△23,868
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	△40	—
Repayments of long-term loans payable	△77	△71
Dividends paid to non-controlling interests	△44	△61
Purchase of treasury shares	△8,043	△7,694
Cash dividends paid	△6,839	△6,719
Other, net	△144	△140
Net cash provided by (used in) financing activities	△15,189	△14,687
Effect of exchange rate change on cash and cash equivalents	3,944	5,005
Net increase (decrease) in cash and cash equivalents	△5,106	△20,822
Cash and cash equivalents at beginning of period	91,354	86,247
Cash and cash equivalents at end of period	86,247	65,424



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.