

Seikagaku Announces Revision of Forecast of Full-Year Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

Seikagaku Corporation (Tokyo, Japan; “Seikagaku”) announced today that it has revised the forecast of full-year consolidated financial results for the fiscal year ending March 31, 2021 (fiscal 2020) disclosed on February 5, 2021, follows based on results of operations thus far in the fiscal year.

1. Revision of forecast of full-year consolidated financial results for fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (Yen)
Previous forecast (A)	27,500	850	2,050	1,700	30.13
Revised forecast (B)	27,750	1,700	3,200	4,300	76.21
Change (B-A)	250	850	1,150	2,600	—
Change (%)	0.9	100.0	56.1	152.9	—
Reference: Results for fiscal 2019	28,642	1,960	3,981	(10,839)	(192.15)

2. Reason for the revision

Net sales are expected to exceed the previous forecast, mainly reflecting a slight increase in sales of overseas pharmaceuticals.

As for the earnings outlook, operating income is expected to exceed the previous forecast, reflecting a projected decrease in selling, general and administrative expenses compared to the previous forecast due to lower R&D expenses. Ordinary income is expected to exceed the previous forecast due to an increase in foreign exchange gain accompanying yen depreciation. Also, taking into consideration factors such as the future earnings trend in light of a projected increase in royalty income in the fiscal year ending March 31, 2022, Seikagaku decided to recognize deferred tax assets in the fiscal year ending March 31, 2021. Accordingly, since the Company expects to recognize deferred income taxes of negative 1,450 million yen, net income attributable to owners of parent is projected to substantially exceed the previous forecast.

Seikagaku forecasts R&D expenses of ¥7,200 million (¥500 million below the previous forecast of ¥7,700 million).

Note: The above forecast has been prepared on the basis of economic circumstances, market trends, and other assumptions made at the time of release of this document. Actual results may differ from the forecast due to a variety of factors.

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