Securities Code●4559

健康づくりは幸せづくり

Making Health
is making happiness

67th

Business Report

From April 1st, 2020 to March 31st, 2021

Contents

ゼリア新薬
ZERIA

We, Zeria Pharmaceutical Co., Ltd. (“Zeria”) would like to express our thanks for your particular support.

We are pleased to report the business results of fiscal year 2020 (67th business operations) for the period from April 1st, 2020 to March 31st, 2021.

Chairman and CEO

Sachiaki Ibe

President and COO

Mitsuhiro Ibe

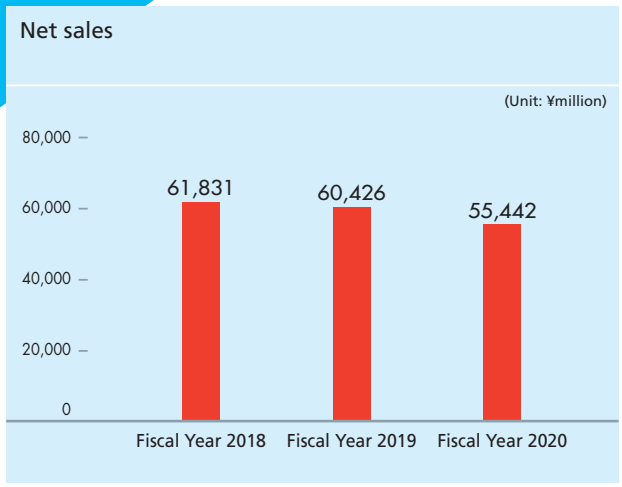
During the fiscal year under review, business activity in the Japanese economy was severely restricted by two declarations of a state of emergency in response to the spread of infection of the novel coronavirus (COVID-19). The COVID-19 pandemic will continue to affect the economy going forward resulting in an ongoing sense of uncertainty.

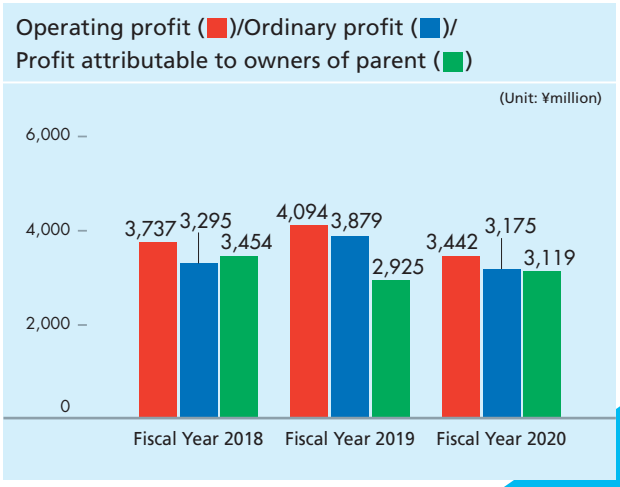
In the pharmaceutical industry, the market environment for ethical pharmaceuticals has become even more severe due to further strengthening of initiatives to curtail healthcare expenses, such as the promotion of the use of generic brand pharmaceuticals, as well as price revisions on a roughly annual basis. In addition to this, there has also been a heavy impact from people avoiding visiting medical facilities because of the COVID-19 pandemic. The market environment for OTC drugs is just as severe as for ethical pharmaceuticals due to increasingly fierce market competition, as well as factors such as measures to refrain from going outside and a significant fall in demand from foreign visitors to Japan caused by steep decline in people entering the country from abroad.

Under such circumstances, the Zeria Group entered the first year of its 10th Mid-Term Management Plan (fiscal year 2020 to fiscal year 2022). The Group has been accelerating global expansion during the fiscal year under review, which has steadily expanded overseas sales. We have been proactive in creating M&A and alliances and in April 2020, we made Kenso-Seiyaku Co., Ltd. into a subsidiary. Kenso-Seiyaku is engaged in the manufacture and sale of liver hydrolysate, one of the core ingredients of the Hepalyse range, as well as OTC pharmaceuticals, health foods, and other products. Furthermore, in November 2020, our European subsidiary Tillotts Pharma AG succeeded to the rights to manufacture and sell DIFICLIR, a treatment for Clostridium difficile infections, in Europe, the Middle East, Africa, and the Commonwealth of Independent States from Astellas Pharma Europe Ltd.
However, our businesses in Japan are struggling due to the effects of the COVID-19 pandemic, particularly with regard to sales of the Hepalyse range, our main brand in the Consumer Healthcare business.

As a result of these activities, net sales for the current fiscal year were 55,442 million yen, down 8.2% from the previous fiscal year. Regarding profits, operating profit was 3,442 million yen, down 15.9% from the previous fiscal year, and ordinary profit was 3,175 million yen, down 18.2% from the previous fiscal year. On the other hand, a reversal of debt and gain on sale of investment securities were recorded as extraordinary income, resulting in profit attributable to owners of parent of 3,119 million yen (up 6.6% from the previous fiscal year).

In the current fiscal year, the overseas sales to net sales ratio was 34.4%, compared with 31.0% in the previous fiscal year.





Ethical Pharmaceuticals Business

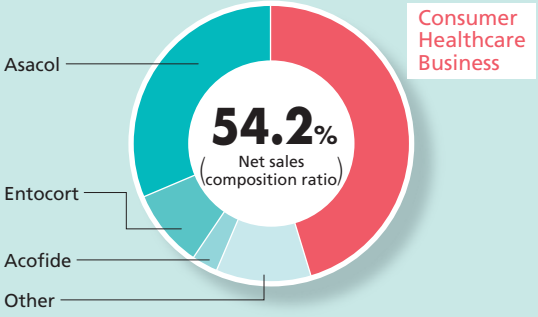
As for the main product, Asacol, a therapeutic agent for ulcerative colitis, the domestic market saw an impact from competitive products as well as generic brands and there were also effects from price revisions in both October 2019 and April 2020. However, the termination of a sales alliance with Kyowa Kirin Co., Ltd. at the end of March 2020 meant that from April 2020, it was exclusively sold by Zeria. As a result, sales increased compared to the previous fiscal year. Sales grew in overseas markets, due to a contribution from Asacol 1600mg and favorable trends in countries such as the UK and France. On the other hand, there was a slight decrease in sales of Entocort, the inflammatory bowel disease therapeutic agent (domestic sales name: Zentacort) due to the impact of price revisions in some regions, such as France, and delays to shipping times. As for Acofide, the therapeutic agent for functional dyspepsia, the termination of a sales partnership with Astellas Pharma Inc. at the end of March 2021 meant that from April 2021, it was exclusively sold by Zeria. However, sales decreased during the fiscal year under review due to factors such as inventory adjustments accompanying the termination of the sales partnership, people avoiding visiting medical facilities, and a decrease in endoscopic examinations. Additionally, in September 2020, we began sales of Ferinject solution for injection/infusion 500mg, a treatment for iron deficiency anemia and we are working to realize swift market penetration.

As a result, net sales in the business amounted to 30,023 million yen (down 5.5% from the previous fiscal year).

Net sales

¥30,023 million ▶ down 5.5% from the previous fiscal year

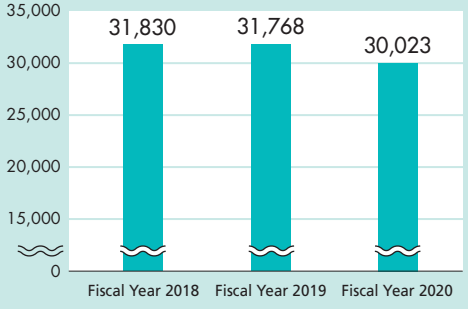
Net sales of major products



Asacol	¥**16.5** billion
Entocort	¥**4.8** billion
Acofide	¥**1.6** billion

Consolidated net sales in Ethical Pharmaceuticals Business

(Unit: ¥million)



Consumer Healthcare Business

As for the main brands, the Hepalyse range and the Chondroitin range, we continued to develop sales promotion activities that showcase the characteristics of the products, but sales struggled due to the impact of factors such as measures to refrain from going outside due to the COVID-19 pandemic, a significant fall in demand from foreign visitors, and fierce competition with other companies' products. However, amid the COVID-19 pandemic, there was growth in the sales of certain hygienic products, such as hand soaps and sanitizers, and we also recorded sales as the result of the consolidation of Kenso-Seiyaku Co., Ltd. into a subsidiary. Despite this, sales decreased overall. Additionally, during the fiscal year under review we launched new products including Chondro-amino Ca Tablets and Prevaline MyCare.

As a result, net sales in the business amounted to 25,261 million yen (down 11.4% from the previous fiscal year).

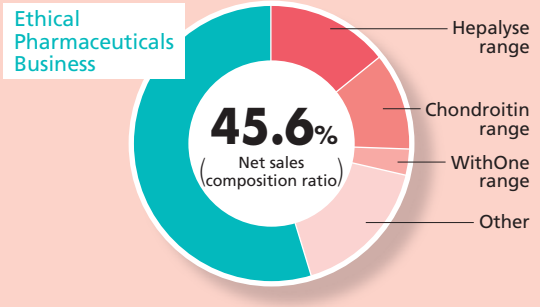
OTC drugs

Hepalyse® W series

Net sales

¥25,261 million ▶ down 11.4% from the previous fiscal year

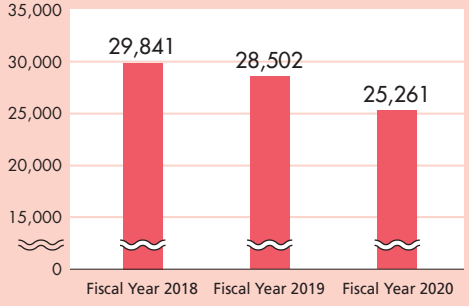
Net sales of major products



Hepalyse range	¥**7.5** billion
Chondroitin range	¥**6.0** billion
WithOne range	¥**1.6** billion

Consolidated net sales in Consumer Healthcare Business

(Unit: ¥million)



Status of Research and Development

In the Research and Development division, Zeria is promoting new drug research and development, centered on the priority gastrointestinal field under a global development structure in coordination with Tillotts Pharma AG.

In September 2020, we launched Z-213, a treatment for iron deficiency anemia and an in-licensed drug from Vifor (International) AG of Switzerland, in Japan as Ferinject solution for injection/infusion 500mg.

We are also conducting a global Phase III clinical trial for Z-100, which is targeting a cure for cervical cancer, in seven countries in the Asian region including Japan. All patient enrollments planned to present have been completed and we are continuing to carry out follow-up studies on patients with a view to concluding the trial.

Regarding Zeria's own original drug Z-338 (Acofide), Phase III trials are being conducted for paediatric functional dyspepsia patients in Japan.

Phase III trials have commenced in Japan for ZG-801, a therapeutic agent for hyperkalemia in-licensed from Vifor (International) AG of Switzerland. We are also participating in Vifor (International) AG's global clinical trials aimed at expanding the indications of the drug. The trials target chronic heart failure patients with a history of hyperkalemia and have entered Phase III in Japan.

In the area of Consumer Healthcare products, in November 2020, we obtained approval for the manufacturing and marketing of Belfemin, a treatment based on European herbal medicines for ameliorating foot swelling caused by mild venous insufficiency. We are continuing to push ahead with development based on European herbal medicines, and have also launched new products one after another, including Chondro-amino Ca Tablets and Prevaline MyCare.

As a result of these activities, research and development expenses for the current fiscal year were 5,411 million yen (down 14.7% from the previous fiscal year).

Status of Pipeline of New Drugs

I. Domestic

(As of May 11, 2021)

Stage	Development Code/ Generic Name	Development	Indications	Classification	Source
Phase III (Asia Global Development)	Z-100	Zeria	Cervical cancer	Immunomodulator	Original
Phase III	Z-338/Acotiamide	Zeria	Paediatric functional dyspepsia	Upper gastrointestinal motility modulator	Original
Phase III	ZG-801/ Patiromer Sorbitex Calcium	Zeria	Hyperkalemia	Potassium binder	In-licensed
Phase III	ZG-801/ Patiromer Sorbitex Calcium	Zeria	Chronic heart failure accompanying hyperkalemia	Potassium binder	In-licensed (participation in global clinical trials)

Products developed and launched

Launch Date	Development Code/ Generic Name	Development	Indications	Classification	Notes
September 1, 2020	Z-213/Ferric carboxymaltose (Sales name: Ferinject solution for injection/infusion 500mg)	Zeria	Iron deficiency anemia	Intravenous iron replacement	In-licensed

II. Overseas

Stage	Development Code/ Generic Name	Development	Indications	Classification	Source
Approval (China)	Z-206/Mesalazine	Co-development of Zeria and Tillotts Pharma	Ulcerative colitis	pH-dependent controlled-release formulation	Original (Tillotts Pharma AG)
Phase III (Europe)	Z-338/Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Original
Phase III (Asia Global Development)	Z-100	Zeria	Cervical cancer	Immunomodulator	Original

Reference

Phase I Clinical Trials

After confirmation of the efficacy and safety by animal studies, "drug candidates" are tested on a small group of healthy subjects. These trials aim for determination of not only safety, but also how long it takes for the body through an absorption of the drug and the degree to which the body excretes the drug.

Phase II Clinical Trials

After safety has been confirmed by Phase I clinical trials, the efficacy and safety of the "drug candidate," as well as the appropriate method of use such as dosage and administration method, are tested on a small number of patients against placebo*.

Phase III Clinical Trials

By administering to a large number of patients, the efficacy, safety and method of use of the "drug candidate" are studied as a final stage. During this phase, the "drug candidate" is tested against other drugs on the market or placebo*. In many cases, stringent testing methods called double-blind trials are performed.

* Placebo: A fake drug that does not contain the active ingredient, but which is indistinguishable from the "drug candidate" by outer appearance or taste, etc.

Status of Production and Distribution

In Zeria's Production and Distribution division, we are advancing process improvements, the introduction of energy-saving equipment, and cost reductions based on the premise of securing quality, while taking measures to prevent the spread of COVID-19 infections.

In departments related to Production, the COVID-19 pandemic has made supplies of the raw materials needed to manufacture pharmaceuticals unstable, particularly raw materials imported from overseas. Within this environment, we are actively making multiple purchases of raw materials and working to ensure we have stocks of the materials required to continue supplying pharmaceuticals. Additionally, at each of our plants, we are responding to the risk of operational stoppages by moving production forward to build up stocks of our products so that we can maintain a stable supply structure. Also, in preparation for the implementation of revisions to the ministerial ordinance on GMP (Good Manufacturing Practices – standards for manufacturing and quality controls relating to pharmaceuticals and quasi-drugs) targeting quality assurance (enacted on August 1, 2021), we have strengthened the education and training of plant employees and enhanced GMP-related organizations. Furthermore, we have begun reviewing the production facilities at four plants in Japan, including two belonging to subsidiaries (Kenso-Seiyaku Co., Ltd.'s Tsukuba Plant and IONA INTERNATIONAL CORPORATION's Fukushima Plant). Going forward, we will work to further reduce costs through initiatives such as consolidating production and promoting inhouse manufacturing.

In departments related to Distribution, we moved the location of the Tokyo Distribution Center and began joint delivery with Kenso-Seiyaku Co., Ltd. We will continue aiming to reduce distribution costs as a Group by optimizing distribution systems and working to make operations even more efficient.

In response to cases of large scale recalls by some generic pharmaceutical manufacturers and distributors that occurred in the fiscal year under review due to manufacturing conditions that diverged from approval documents and violations of ministerial ordinance on GMP, we carried out full inspections at each of our plants. These inspections confirmed there are no such issues within the Group. We will ensure that there continues to be no issues going forward by strengthening education and training efforts at each plant, enhancing departments related to quality control, and reinforcing our framework for oversight by the relevant departments at Headquarters.

Outlook for Fiscal Year 2021

With no end to the COVID-19 pandemic in sight, in the Ethical Pharmaceuticals Business, we expect sales to increase in overseas markets due to factors such as a full-year contribution to sales from DIFICLIR, for which we have received the manufacture and sales right in territories including Europe, and growth in sales of Asacol 1600mg. In Japan, we expect to see growth in sales of Ferinject solution for injection/infusion 500mg, as well as Acofide tablets, which has been sold exclusively by Zeria since April 2021.

Regarding the Consumer Healthcare business, we expect increases in sales due to the introduction of multiple new products and the strengthening of sales promotion activities that respond to consumers' needs and changes in consumer behavior.

There have been changes to some of the special offers to our shareholders options (effective March 31, 2021)

	New	Old
Option B	Assortment of Chondro Support® (dietary supplement) 1 pack of 288 tablets 3 pouches of 90 tablets	2 bottles of Chondrobe® Concentrate, JUNKOU® (health drink)
Option H	10 bottles of Hepalyse® W TANSAN (carbonated drink)	10 bottles of Hepalyse® W (soft drink)

Special Offers to Our Shareholders

Zeria offers a hospitality program to its shareholders in recognition of their constant support.

Shareholders who own 1,000 or more of Zeria's shares can choose from one of the seven options A to G.
Shareholders who own 100 or more but less than 1,000 of Zeria's shares receive option H.

Zeria hopes its shareholders will try the gift products for better understanding of the Zeria Group's wide-ranging product structure.

Option A

Soft drinks, Designated quasi-drug, Food for specified health uses

Set of an assortment of aluminum can drinks and Hepalyse® W

Option B

Dietary supplement

Assortment of Chondro Support®
1 pack of 288 tablets
3 pouches of 90 tablets

Option C

Cosmetics, quasi-drug and dietary supplement

Set of ChondroMax® and Aposty®

Option D

Chondroitin-Content Intensive Nighttime Essence

2 bottles of ZZ:CC® ADSORB ESSENCE

Option E

Three-product Quality Moisturizer Set

IONA Three-product Basic Skincare Set

Option F

High-quality moisturizing skincare based on chondroitin research

IONA R Two-product Special Care Set

Option G

Health supplement

SEAALPA® 100
1 pack of 180 tablets

Option H

Carbonated drink containing liver extract

10 bottles of Hepalyse® W TANSAN

Options D, E and F are available at the Zeria online store (https://www.zeriaonline.com/).
Option G is available through its official retailer – the Research Association for the Future Enhancement of Health Member's Store (see the Kenso-Seiyaku Co., Ltd. website: http://www.kenso-seiyaku.co.jp).

Commenced selling Ferinject® solution for injection/infusion 500mg, a treatment for iron deficiency anemia

On September 1, 2020, Zeria commenced selling Ferinject solution for injection/infusion 500mg (generic name: Ferric carboxymaltose; hereinafter "this treatment"), a treatment for iron deficiency anemia.

This treatment is a leading product of non-dextran intravenous iron replacement therapy drug developed by Switzerland's Vifor (International) AG and to date, it has been approved as an indication for the treatment of iron deficiency anemia and iron deficiency in 83 countries worldwide.

Phase III clinical trials conducted in Japan involved patients being administered 500mg of this treatment once a week for a period of two to three weeks, and the results verified non-inferiority to saccharated iron oxide, the reference drug. There was also no difference in terms of safety (occurrences of adverse events or effects) that might present a problem.

We expect this treatment to contribute to healthcare as a new option for treating iron deficiency anemia.

Tillotts Pharma succeeded to the rights to manufacture and sell DIFICLIR from Astellas Pharma Europe Ltd.

In November 2020, our wholly owned subsidiary Tillotts Pharma AG of Switzerland succeeded to the rights to manufacture and sell DIFICLIR (product name: DIFICLIR, generic name: Fidaxomicin), a treatment for Clostridium difficile*1 infections, in Europe, the Middle East, Africa, and the Commonwealth of Independent States (CIS)*2 from Astellas Pharma Europe Ltd., the UK subsidiary of Astellas Pharma Inc.

The addition of DIFICLIR into the Tillotts Pharma product lineup is expected to create synergistic effects with its existing portfolio and raise the presence of the company within Europe.

*1 Clostridium difficile (C. difficile): A bacteria that resides in small quantities within the large intestine. A proper balance of intestinal bacteria prevents C. difficile from proliferating. However, the ingestion of antibacterial agents with a large antimicrobial spectrum can destroy the balance of intestinal bacteria and cause C. difficile to proliferate in unusual numbers. The toxins produced by this can result in colitis, severe diarrhea, and in worst case scenarios, death.

*2 Commonwealth of Independent States (CIS): A free coalition composed primarily of sovereign nations that were once part of the Soviet Union.

Obtained approval to manufacture and market Belfemin® (pharmaceutical requiring guidance), a treatment for ameliorating foot swelling caused by mild venous insufficiency

On November 30, 2020, we received approval from the Ministry of Health, Labour and Welfare to manufacture and market Belfemin, a treatment for ameliorating foot swelling caused by mild venous insufficiency (disruption to the flow of blood through veins).

Belfemin is a pharmaceutical containing the extract of dried European horse-chestnut (Aesculus hippocastanum L.) seeds as an active ingredient. European horse-chestnut is traditionally used in Europe to treat lower-limb venous disorders (chronic venous insufficiency). This treatment first went on sale in Germany in 1968 and it has been sold as a non-prescription drug for ameliorating various lower-limb venous disorders (chronic venous insufficiency) in dozens of countries, including Switzerland and Norway.

In September 2014, Zeria launched Prefemin, a direct OTC drug based on European herbal medicine that is effective for ameliorating PMS. In addition to Belfemin, our second direct OTC drug based on European herbal medicine, we will further enhance our lineup of European herbal medicine products.

Consolidated Balance Sheets (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
Assets		
Current Assets	**35,020**	**37,313**
Cash and Deposits	9,005	9,793
Notes and Accounts Receivable-Trade	13,369	13,635
Inventories	9,563	11,104
Other	3,212	2,918
Allowance for Doubtful Accounts	(130)	(138)
Non-current Assets	**69,135**	**84,546**
Property, Plant and Equipment	**23,125**	**23,634**
Buildings and Structures	7,073	7,373
Machinery, Equipment and Vehicles	2,700	2,239
Land	11,660	12,350
Construction in Progress	75	116
Other	1,616	1,553
Intangible Assets	**29,848**	**42,069**
Investments and Other Assets	**16,162**	**18,842**
Investment Securities	5,968	5,915
Deferred Tax Assets	85	67
Retirement Benefit Asset	9,759	12,453
Other	354	443
Allowance for Doubtful Accounts	(6)	(37)
Total Assets	**104,155**	**121,859**

Item \ Term	Previous Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
Liabilities		
Current Liabilities	**41,070**	**53,757**
Accounts Payable - Trade	1,587	1,693
Short-Term Borrowings	29,705	44,158
Other	9,777	7,904
Non-current Liabilities	**10,406**	**11,922**
Long-Term Borrowings	5,470	5,819
Retirement Benefit Liability	1,123	1,308
Asset Retirement Obligations	55	55
Other	3,757	4,738
Total Liabilities	**51,477**	**65,679**
Net Assets		
Shareholders' Equity	**49,264**	**49,661**
Share Capital	**6,593**	**6,593**
Capital Surplus	**11,685**	**11,685**
Retained Earnings	**44,832**	**46,380**
Treasury Shares	**(13,846)**	**(14,997)**
Accumulated Other Comprehensive Income	**3,246**	**6,350**
Valuation Difference on Available-for-Sale Securities	**(457)**	**137**
Foreign Currency Translation Adjustment	**1,648**	**2,599**
Remeasurements of Defined Benefit Plans	**2,054**	**3,614**
Non-Controlling Interests	**168**	**167**
Total Net Assets	**52,678**	**56,179**
Total Liabilities and Net Assets	**104,155**	**121,859**

Unit: ¥million rounded down to nearest million

Consolidated Statements of Income (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Net Sales	60,426	55,442
Cost of Sales	16,643	15,796
Gross Profit	43,783	39,645
Reversal of Provision for Sales Returns	46	38
Provision for Sales Returns	38	48
Gross Profit - Net	43,791	39,634
Selling, General and Administrative Expenses	39,696	36,192
Operating Profit	4,094	3,442
Non-Operating Income	310	373
Non-Operating Expenses	525	640
Ordinary Profit	3,879	3,175
Extraordinary Income	44	1,058
Extraordinary Losses	3	310
Profit before Income Taxes	3,920	3,922
Income Taxes - Current	527	837
Income Taxes - Deferred	453	(45)
Profit	2,938	3,131
Profit Attributable to Non-Controlling Interests	13	11
Profit Attributable to Owners of Parent	2,925	3,119

Unit: ¥million rounded down to nearest million

Consolidated Statements of Cash Flows (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Net Cash Provided by (Used in) Operating Activities	7,251	6,894
Net Cash Provided by (Used in) Investing Activities	(405)	(17,460)
Net Cash Provided by (Used in) Financing Activities	(5,877)	11,185
Effect of Exchange Rate Change on Cash and Cash Equivalents	(52)	169
Net Increase (Decrease) in Cash and Cash Equivalents	916	788
Cash and Cash Equivalents at Beginning of Period	7,920	8,880
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change in Scope of Consolidation	43	-
Cash and Cash Equivalents at End of Period	8,880	9,668

Unit: ¥million rounded down to nearest million

Consolidated Statements of Changes in Equity (Summary)

(From April 1, 2020 to March 31, 2021)

(Unit: ¥million*)

	Shareholders' Equity					Accumulated Other Comprehensive Income				Non-Controlling Interests	Total Net Assets
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-Sale Securities	Foreign Currency Translation Adjustment	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Period	6,593	11,685	44,832	(13,846)	49,264	(457)	1,648	2,054	3,246	168	52,678
Changes during Period											
Dividends of Surplus			(1,571)		(1,571)						(1,571)
Profit Attributable to Owners of Parent			3,119		3,119						3,119
Purchase of Treasury Shares				(1,151)	(1,151)						(1,151)
Net Changes in Items Other than Shareholders' Equity						594	950	1,559	3,104	(0)	3,103
Total Changes during Period	-	-	1,548	(1,151)	397	594	950	1,559	3,104	(0)	3,501
Balance at End of Period	6,593	11,685	46,380	(14,997)	49,661	137	2,599	3,614	6,350	167	56,179

Unit: ¥million rounded down to nearest million

Company Information (As of March 31, 2021)

Company Outline

Established:	December 1955
Share Capital:	¥6,593,398,500
Number of Employees:	1,690 (Consolidated)
Business Activities:	1. Manufacturing, sales, import and export of pharmaceuticals, quasi-drugs and reagents. 2. Manufacturing, sales, import and export of cosmetics, health foods, soft drinks, hygienic goods and medical devices.

Directors and Audit & Supervisory Board Members

(As of June 29, 2021)

Chairman and CEO	Sachiaki Ibe
President and COO	Mitsuhiro Ibe
Executive Vice President	Hirokazu Endo
Managing Director	Makoto Kishimoto
Director	Tetsuo Komori
Director	Kikuo Nomoto
Director	Seiji Morimoto
Director	Hiroki Kato
Director	Yoshihiro Hiraga
Director	Toshiaki Kawagoe
Director	Kenji Kusano
Director	Yuuki Okazawa
Audit & Supervisory Board Member	Koujirou Takami
Audit & Supervisory Board Member	Keiji Ishiyama
Audit & Supervisory Board Member (Outside)	Yukiko Naka
Audit & Supervisory Board Member (Outside)	Masaru Kamisuki

Place of Business

- Headquarters
- Sapporo Branch
- Sendai Branch
- Tokyo Branch
- Nagoya Branch
- Osaka Branch
- Chugoku & Shikoku Branch
- Fukuoka Branch
- Central Research Laboratories
- Saitama Plant
- Tsukuba Plant
- Sapporo Distribution Center
- Tokyo Distribution Center
- Saitama Distribution Center
- Osaka Distribution Center
- Kyushu Distribution Center

Main Subsidiaries (As of June 29, 2021)

- Tillotts Pharma AG (Switzerland)
- Tillotts Pharma AB (Sweden)
- Tillotts Pharma Ltd. (Ireland)
- Tillotts Pharma UK Ltd. (United Kingdom)
- Tillotts Pharma Czech s.r.o. (Czech Republic)
- Tillotts Pharma Spain S.L.U. (Spain)
- Tillotts Pharma GmbH (Germany)
- Tillotts Pharma France SAS (France)
- Tillotts Pharma Italy s.r.l. (Italy)
- Pharmaceutical Joint Stock Company of February 3rd (Vietnam)
- ZPD A/S (Denmark)
- Zeria Healthway Co., Ltd.
- IONA INTERNATIONAL CORPORATION
- Kenso-Seiyaku Co., Ltd.
- Zevice Co., Ltd.

Share Information (As of March 31, 2021)

Status of Shares

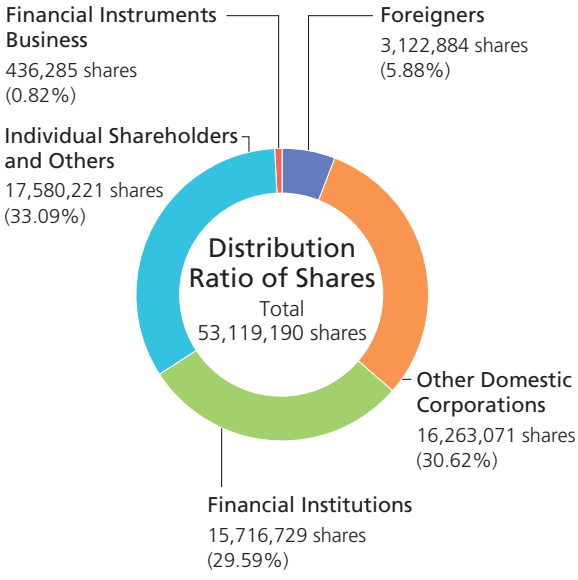
(i) Number of authorized shares:	119,860,000 shares
(ii) Number of shares outstanding:	53,119,190 shares
(iii) Number of shareholders:	10,721

Major Shareholders

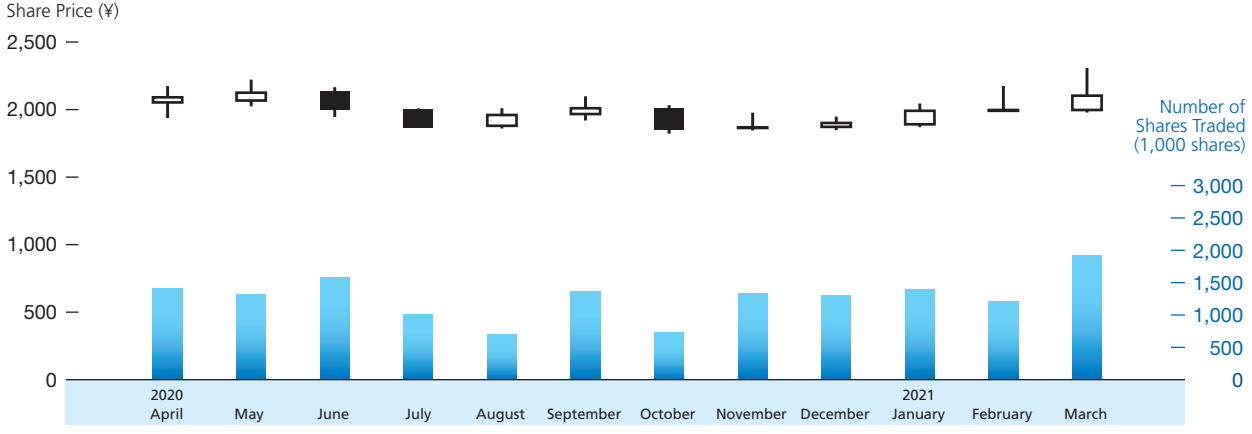
Name of Shareholder	Number of Shares Held	Percentage Held (%)
Ibe Corporation	4,741,847	10.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,115,400	4.6
MUFG Bank, Ltd.	2,107,050	4.6
Morinaga Milk Industry Co., Ltd.	1,840,215	4.0
Sachiaki Ibe	1,592,967	3.5
Sumitomo Mitsui Banking Corporation	1,406,131	3.1
Mizuho Bank, Ltd.	1,406,053	3.1
Resona Bank, Limited	1,182,385	2.6
Aioi Nissay Dowa Insurance Co., Ltd.	944,560	2.1
SMBC Finance Service Co., Ltd.	900,900	2.0

(Note) The percentage held is calculated by subtracting treasury shares (totaling 7,420,461 shares).

Distribution of Shares by Shareholder Type



Share Price and Trading Volume



Shareholder Memo

Fiscal Year
From April 1st of each year to March 31st of the following year

Ordinary General Meeting of Shareholders
Late June of each year

Record Date
Ordinary General Meeting of Shareholders and end of term dividend:
March 31 of each year
Interim dividend: September 30 of each year

Transfer Agent
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Account Management Institution for Special Account
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Mailing Address (Inquiry information)
Stock Transfer Agency Business Planning Department,
Sumitomo Mitsui Trust Bank, Limited
2-8-4 Izumi, Suginami-ku, Tokyo 168-0063
TEL: 0120-782-031 (toll-free)
Handling operation is conducted in main branch and all domestic branches of Sumitomo Mitsui Trust Bank, Limited.

- **Applications for change of address or for purchase demands of fractional shares, etc.**
  Please send such notifications or applications to the securities company where your account is held.

  For shareholders for whom a special account has been opened because there is no account held by a securities company, please send such notifications or applications to Sumitomo Mitsui Trust Bank, Limited, the account management institution for the special account.
- **Applications for payment of dividends payable**
  Please send such applications to the transfer agent, Sumitomo Mitsui Trust Bank, Limited.

Please refer to latest IR information on our website.

The Company has set up a website for the purpose of providing accurate information on a timely basis. The website contains a broad array of information useful for shareholders and investors, from IR information to the latest news.

https://www.zeria.co.jp/english/

Customer Service, Zeria Pharmaceutical Co., Ltd.

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