健康づくりは幸せづくり

Making Health is making happiness

Securities Code●4559

68th

Business Report

From April 1st, 2021 to March 31st, 2022

Contents

ゼリア新薬
ZERIA

Chairman and CEO

Sachiaki Ibe

President and COO

Mitsuhiro Ibe

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 2021 (68th business operations) for the period from April 1st, 2021 to March 31st, 2022.

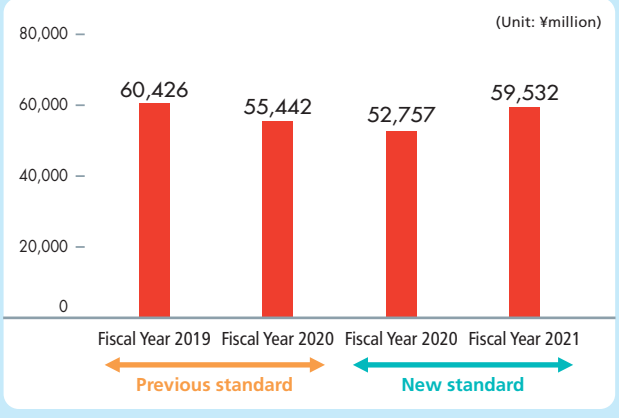
During the fiscal year under review, the Japanese economy saw a move toward recovery in private consumption and corporate capital investment, but in addition to the prolonged impact of the spread of infection of the novel coronavirus (COVID-19), surging energy and raw materials prices caused by the intensifying situation in Ukraine and rapid yen depreciation mean that the economic outlook continues to be increasingly unclear.

For the pharmaceutical industry, the difficult business environment for ethical pharmaceuticals is further intensifying, as price revision which has previously been carried out every two year, in principle, is now being implemented every year, and initiatives to curtail healthcare expenditures are being strengthened further, such as generic brand pharmaceutical utilization promotion. The market environment for OTC drugs remained severe due to increasingly fierce market competition, as well as factors such as measures to refrain from going outside and a fall in demand from foreign visitors to Japan caused by steep decline in people entering the country from abroad.

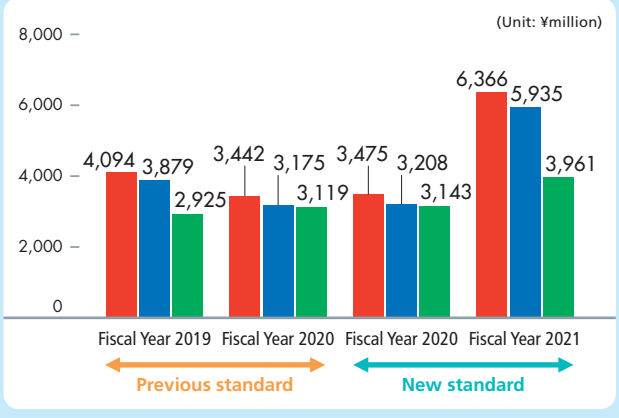
Under such circumstances, the Zeria Group has been accelerating global expansion in earnest. DIFICLIR, a therapeutic agent for Clostridium difficile infections which our European subsidiary Tillotts Pharma AG has succeeded the rights to manufacture and sell in November 2020, has contributed significantly to a remarkable growth in overseas sales. Furthermore, in May 2021, the Zeria Group launched sales of the therapeutic agent for ulcerative colitis Asacol in China through Menarini. Additionally, Tillotts Pharma AG established its eighth local company in the European region in Italy, working to strengthen its sales system. On the other hand, the domestic Ethical Pharmaceuticals Business and the Consumer Healthcare Business followed a track of recovery, but it was not enough to produce sufficient results.

As a result of these activities, net sales for the current fiscal year were 59,532 million yen, up 12.8% from the previous fiscal year. Regarding profits, operating profit was 6,366 million yen, up 83.2% from the previous fiscal year, ordinary profit was 5,935 million yen, up 85.0% from the previous fiscal year, and profit attributable to owners of parent was 3,961 million yen, up 26.0% from the previous fiscal year. In the current fiscal year, the overseas sales to net sales ratio was 41.4%, compared with 36.2% in the previous fiscal year.

Net sales



Operating profit (■)/Ordinary profit (■)/
Profit attributable to owners of parent (■)

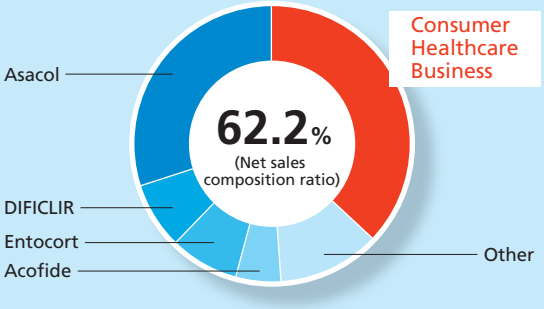


Net sales

¥37,006 million

up 23.6%
from the previous fiscal year

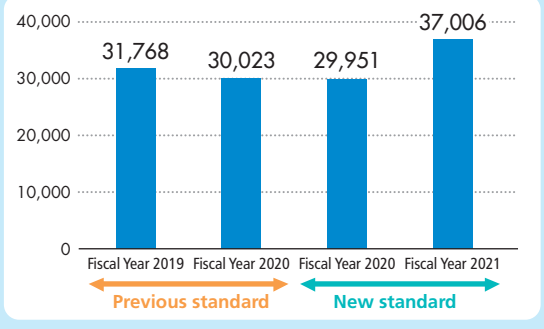
Net sales of major products



Asacol	¥17.4 billion
DIFICLIR	¥5.2 billion
Entocort	¥4.4 billion
Acofide	¥3.1 billion

Consolidated net sales in Ethical Pharmaceuticals Business

(Unit: ¥million)



Ethical Pharmaceuticals Business

As for our mainstay product, Asacol, a therapeutic agent for ulcerative colitis, sales in the domestic market remained at the same level as the previous year, affected by the price revision, although sales grew on a volume basis. In the overseas market, sales remained steady on the back of growth in sales of Asacol 1600mg. In addition, sales of DIFICLIR, a therapeutic agent for Clostridium difficile infections, made a significant contribution to sales as a result of aggressive investment of sales resources in response to its recommendation as a first-line drug in the European guidelines for the treatment of infectious diseases. Furthermore, sales of Acofide, a therapeutic agent for functional dyspepsia, increased due in part to the elimination of inventory adjustments resulting from the termination of sales partnership with Astellas Pharma Inc. in the previous fiscal year. On the other hand, sales of Entocort (domestic sales name: Zentacort), an inflammatory bowel disease therapeutic agent, did not perform well and decreased in some regions such as Canada and Spain. With regard to Ferinject, an iron deficiency anemia therapeutic agent launched in Japan in September 2020, we are working to build the market, particularly in the gastroenterology and obstetrics and gynecology fields.

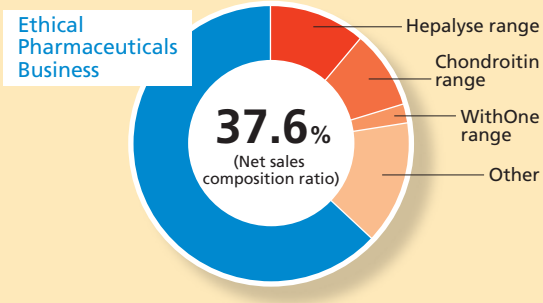
As a result, net sales in the business amounted to 37,006 million yen (up 23.6% from the previous fiscal year).

Net Sales

¥22,370 million

down 1.2%
from the previous fiscal year

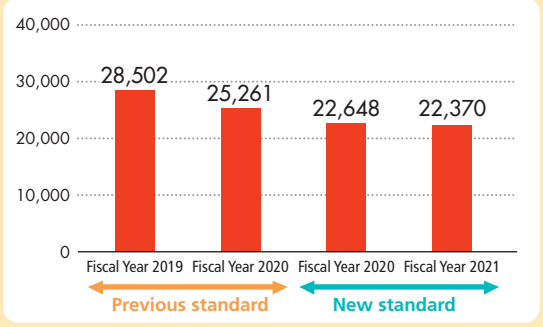
Net sales of major products



Hepalyse range	¥7.7 billion
Chondroitin range	¥5.1 billion
WithOne range	¥1.3 billion

Consolidated net sales in Consumer Healthcare Business

(Unit: ¥million)



Consumer Healthcare Business

Sales of the main brands, Hepalyse range increased due to the growth of the pharmaceutical Hepalyse and the recovery of sales of Hepalyse W range for convenience stores from the second half of the fiscal year. On the other hand, sales of the Chondroitin range, WithOne range and hygiene products such as disinfectants decreased due to the impact of competitive products.

We also worked to strengthen our product lineup by launching sales of new products such as IONA Spa&Mineral W cleansing and Hi Jelly FE. In addition, as part of efforts to develop and nurture European herbal preparations, in addition to Prefemin, a therapeutic agent for premenstrual syndrome, which is currently on the market, Zeria sequentially launched Belfemin, a treatment for ameliorating foot swelling, and Colpermin, a treatment to improve irritable bowel syndrome (IBS) during the current fiscal year.

As a result, net sales in the business amounted to 22,370 million yen (down 1.2% from the previous fiscal year).

OTC drugs

Hepalyse® W series

Status of Research and Development

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

The Phase III global clinical trial of Z-100 for the treatment of cervical cancer was conducted in seven Asian countries including Japan, but failed to demonstrate a statistically significant difference in overall survival, the primary endpoint of the trial. However, Z-100 has been shown to exhibit a variety of pharmacological effects based on its immunostimulatory properties, including suppression of cancer. Furthermore, in the previous study (2004-2013), a subgroup analysis limited to stage IIIB subjects showed a significant difference in overall survival, the primary endpoint, in the Z-100 group compared to the placebo group, and we intend to continue the research and development of Z-100 in the future.

Regarding Zeria's own original drug Z-338 (Acofide), Phase III trials are being conducted for paediatric functional dyspepsia patients in Japan. In addition, we are providing an investigational drug for a Phase II multicenter investigator-initiated clinical trial being conducted by Kyushu University to support research to explore the efficacy and safety of acotiamide in patients with esophagogastric junction outflow obstruction. Furthermore, we are supporting activities to obtain manufacturing and marketing approvals in Thailand, Indonesia, and five Latin American countries under license agreements with Meiji Seika Pharma Co., Ltd. and Faes Farma, S.A. for the exclusive development and marketing of the drug.

Phase III trials have been conducted in Japan for ZG-801, a therapeutic agent for hyperkalemia in-licensed from Vifor (International) AG of Switzerland. On the other hand, with regard to the Phase III global study (indication: chronic heart failure accompanying hyperkalemia) in chronic heart failure patients with a background of hyperkalemia that Vifor (International) AG was conducting in the U.S., Europe, and other countries, in which we participated as the company in charge of Japan, Vifor (International) AG decided to terminate the study before the start of the study in Japan due to the global spread of the COVID-19 pandemic.

As for consumer healthcare products, we obtained the manufacturing and marketing approval for Colpermin, a medicine to improve irritable bowel syndrome (IBS), in August 2021. In addition to launching sales of Colpermin as Zeria's third European herbal preparation in March 2022, we also sequentially launched sales of new products such as IONA Spa&Mineral W cleansing and Hi Jelly FE. The Zeria Group will continue to strive to develop unique products starting with European herbal preparations.

Status of Pipeline of New Drugs

I. Domestic

(As of May 11, 2022)

Stage	Development Code/ Generic Name	Development	Indications	Classification	Source
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 II* (Investigator-Initiated Trial)	Z-338/Acotiamide	Kyushu University	Esophagogastric junction outflow obstruction	Upper gastrointestinal motility modulator	Original

*: Supported by a grant from Japan Agency for Medical Research and Development (AMED)

II. Overseas

Stage	Development Code/ Generic Name	Development	Indications	Classification	Source
Phase III (Europe)	Z-338/Acotiamide	Zeria	Functional dyspepsia	Upper gastrointestinal motility modulator	Original
NDA approved (Mexico)	Z-338/Acotiamide	Faes Farma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
NDA filed (Chile, Colombia, Peru, Ecuador)	Z-338/Acotiamide	Faes Farma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)
NDA filed (Thailand, Indonesia)	Z-338/Acotiamide	Meiji Seika Pharma	Functional dyspepsia	Upper gastrointestinal motility modulator	Original (Out-licensed)

Products developed and launched

Launch Date	Development Code/ Generic Name	Development	Indications	Classification	Source
May 2021 (China)	Z-206/Mesalazine	Co-development of Zeria and Tillotts Pharma	Ulcerative colitis	pH-dependent controlled-release formulation	Original (Tillotts Pharma AG)

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 reducing costs by consolidating production and promoting in-house production based on the premise of securing quality and stable supply, while taking measures to prevent the spread of COVID-19 infections.

In departments related to Production, we took thorough measures against the risk of infection at each plant due to the spread of COVID-19 and secured product inventories through accelerated production in order to maintain a stable supply system. In addition, as a response to quality assurance, with the enforcement of the revisions to the ministerial ordinance on GMP (Good Manufacturing Practices – standards for manufacturing and quality controls relating to pharmaceuticals and quasi-drugs) (enacted on August 1, 2021), more stringent GMP operations have become essential, and we have improved our GMP operation system, including strengthening the education and training of plant employees. Furthermore, during the fiscal year under review, Zeria initiated a review of the production system at its four domestic plants, including the Saitama and Tsukuba plants owned by Zeria and the plants owned by two subsidiaries (Kenso-Seiyaku Co., Ltd.'s Tsukuba Plant and IONA INTERNATIONAL CORPORATION's Fukushima Plant), and began consolidation of production lines and in-house production. We will accelerate these initiatives and continue to work on further cost reduction.

In departments related to Distribution, we took full advantage of the effects of the relocation of the Tokyo Distribution Center in 2020 to strengthen the joint delivery system and reduce distribution costs. We will continue to promote the reinforcement of the joint delivery system mainly by expanding the number of participating companies to further improve operational efficiency.

In addition, the government has been strengthening its inspection system of manufacturing facilities due to frequent large-scale recalls of generic drug manufacturers and distributors resulting from discrepancies between the approval documents and actual manufacturing conditions and violations of GMP ordinances. Based on these cases of violations, we have re-inspected each of our plants as necessary to confirm that there are no problems, and have also changed the system to centralized management by the Headquarters organization to further strengthen the GMP system. 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 2022

For the fiscal year ending March 31, 2023, we forecast net sales of 66.0 billion yen (up 10.9% from the previous fiscal year), operating profit of 7.0 billion yen (up 10.0% from the previous fiscal year), ordinary profit of 7.0 billion yen (up 17.9% from the previous fiscal year), and profit attributable to owners of parent of 5.6 billion yen (up 41.4% from the previous fiscal year).

Net sales

In the Ethical Pharmaceuticals Business, we expect sales to increase both in the overseas market with the growth of DIFICLIR and Asacol, and in the domestic market with the growth of Ferinject and Acofide. In the Consumer Healthcare Business, although the end of the spread of COVID-19 is still uncertain due to the emergence of new mutant strains, we expect sales of Hepalyse range and other major products to recover through the introduction of new products and strengthening of sales promotion activities in line with changes in consumers' behavioral patterns and needs.

Profit

Due to the increase in net sales, we expect an increase in operating profit, ordinary profit, and profit attributable to owners of parent.

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

All-in-one cosmetics originating from the spa

Assortment of IONA Spa&Mineral products

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 E and F are available at the Zeria online store (https://www.zeriaonline.com/).

Launch of Belfemin

On December 20, 2021, we launched Belfemin (pharmaceutical requiring guidance), an oral remedy with a European herbal preparation as the active ingredient to ameliorate 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 clinical trials conducted in Japan, like those conducted overseas, the efficacy and safety of the drug in patients with foot swelling was confirmed. With one capsule per dose twice daily, the various symptoms of mild venous insufficiency (disruption to the flow of blood through veins) including foot swelling (in the calves and ankles, etc.) and the lassitude, heaviness, fatigue, feeling of tension, and pain caused by the swelling are ameliorated.

Belfemin Pharmaceutical requiring guidance

Functions and effects: Amelioration of the following symptoms caused by mild venous insufficiency (disruption to the flow of blood through veins): foot swelling (in the calves and ankles, etc.) and the lassitude, heaviness, fatigue, feeling of tension, and pain caused by the swelling

Launch of Colpermin

We launched Colpermin (pharmaceutical requiring guidance), a medicine to improve irritable bowel syndrome (IBS), on March 24, 2022.

"Colpermin" is a pharmaceutical with peppermint (*Mentha piperita* L.) oil, which has been used for many years as a treatment for IBS in Europe, as the active ingredient. Peppermint oil has been evaluated by the European Medicines Agency as a pharmaceutical with "'Well-established use' with verified efficacy and safety based on scientific principles for the treatment of various IBS symptoms."

Developed by Tillotts Pharma AG in Switzerland, this treatment first went on sale in the UK in 1981 and it has been sold as a non-prescription drug for ameliorating various symptoms of IBS in dozens of countries, including Switzerland and Germany.

In clinical trials conducted in Japan for patients with irritable bowel syndrome, both the efficacy and safety of the pharmaceutical were confirmed. With one capsule per dose three times daily, we expect the pharmaceutical to be effective against various types of IBS including diarrhea-type, constipation-type, and mixed-type IBS.

Colpermin Pharmaceutical requiring guidance

Functions and effects: Alleviation of the following symptoms of irritable bowel syndrome: repeated or alternately occurring diarrhea and constipation with stomach pain or discomfort (limited to patients who have already been diagnosed and treated by a physician.)

Consolidated Balance Sheets (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (As of March 31, 2021)	Current Fiscal Year (As of March 31, 2022)
Assets		
Current Assets	**37,314**	**41,663**
Cash and Deposits	9,793	11,704
Notes and Accounts Receivable - Trade	13,635	16,206
Inventories	11,104	11,950
Other	2,916	1,855
Allowance for Doubtful Accounts	(138)	(53)
Non-current Assets	**84,546**	**82,618**
Property, Plant and Equipment	**23,634**	**23,139**
Buildings and Structures	7,373	6,875
Machinery, Equipment and Vehicles	2,239	1,921
Land	12,350	12,354
Construction in Progress	116	480
Other	1,553	1,507
Intangible Assets	**42,069**	**41,206**
Investments and Other Assets	**18,842**	**18,273**
Investment Securities	5,915	7,005
Deferred Tax Assets	67	108
Retirement Benefit Asset	12,453	10,736
Other	443	475
Allowance for Doubtful Accounts	(37)	(51)
Total Assets	**121,860**	**124,282**

Item \ Term	Previous Fiscal Year (As of March 31, 2021)	Current Fiscal Year (As of March 31, 2022)
Liabilities		
Current Liabilities	**53,797**	**44,193**
Accounts Payable - Trade	1,693	2,049
Short-Term Borrowings	44,158	33,842
Other	7,944	8,300
Non-current Liabilities	**11,910**	**24,996**
Long-Term Borrowings	5,819	18,385
Deferred Tax Liabilities	3,344	3,905
Retirement Benefit Liability	1,308	1,073
Other	1,437	1,632
Total Liabilities	**65,707**	**69,189**
Net Assets		
Shareholders' Equity	**49,634**	**49,546**
Share Capital	**6,593**	**6,593**
Capital Surplus	**11,685**	**11,685**
Retained Earnings	**46,353**	**48,860**
Treasury Shares	**(14,997)**	**(17,593)**
Accumulated Other Comprehensive Income	**6,350**	**5,348**
Valuation Difference on Available-for-Sale Securities	**137**	**(193)**
Foreign Currency Translation Adjustment	**2,599**	**3,215**
Remeasurements of Defined Benefit Plans	**3,614**	**2,326**
Non-Controlling Interests	**167**	**197**
Total Net Assets	**56,152**	**55,092**
Total Liabilities and Net Assets	**121,860**	**124,282**

Unit: ¥million rounded down to nearest million

Consolidated Statements of Income (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Current Fiscal Year (From April 1, 2021 to March 31, 2022)
Net Sales	52,757	59,532
Cost of Sales	15,796	17,384
Gross Profit	36,960	42,148
Selling, General and Administrative Expenses	33,484	35,782
Operating Profit	3,475	6,366
Non-Operating Income	373	287
Non-Operating Expenses	640	717
Ordinary Profit	3,208	5,935
Extraordinary Income	1,058	18
Extraordinary Losses	310	231
Profit Before Income Taxes	3,956	5,721
Income Taxes - Current	837	726
Income Taxes - Deferred	(35)	1,020
Total Income Taxes	801	1,746
Profit	3,154	3,974
Profit Attributable to Non-Controlling Interests	11	13
Profit Attributable to Owners of Parent	3,143	3,961

Unit: ¥million rounded down to nearest million

Consolidated Statements of Cash Flows (Summary)

(Unit: ¥million*)

Item \ Term	Previous Fiscal Year (From April 1, 2020 to March 31, 2021)	Current Fiscal Year (From April 1, 2021 to March 31, 2022)
Net Cash Provided by (Used in) Operating Activities	6,894	8,950
Net Cash Provided by (Used in) Investing Activities	(17,460)	(2,892)
Net Cash Provided by (Used in) Financing Activities	11,185	(4,841)
Effect of Exchange Rate Change on Cash and Cash Equivalents	169	564
Net Increase (Decrease) in Cash and Cash Equivalents	788	1,780
Cash and Cash Equivalents at Beginning of Period	8,880	9,668
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change in Scope of Consolidation	-	129
Cash and Cash Equivalents at End of Period	9,668	11,579

Unit: ¥million rounded down to nearest million

Consolidated Statements of Changes in Equity (Summary)

(From April 1, 2021 to March 31, 2022)

(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	46,353	(14,997)	49,634	137	2,599	3,614	6,350	167	56,152
Changes during Period											
Change in Scope of Consolidation			89		89						89
Dividends of Surplus			(1,543)		(1,543)						(1,543)
Profit Attributable to Owners of Parent			3,961		3,961						3,961
Purchase of Treasury Shares				(2,595)	(2,595)						(2,595)
Net Changes in Items Other than Shareholders' Equity						(330)	616	(1,287)	(1,002)	30	(971)
Total Changes during Period	-	-	2,507	(2,595)	(88)	(330)	616	(1,287)	(1,002)	30	(1,060)
Balance at End of Period	6,593	11,685	48,860	(17,593)	49,546	(193)	3,215	2,326	5,348	197	55,092

Unit: ¥million rounded down to nearest million

Company Information (As of March 31, 2022)

Company Outline

Established:	December 1955
Share Capital:	¥6,593,398,500
Number of Employees:	1,737 (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, 2022)

Chairman and CEO	Sachiaki Ibe
President and COO	Mitsuhiro Ibe
Executive Vice President	Hirokazu Endo
Director (Outside Director of the Board)	Tetsuo Komori
Director (Outside Director of the Board)	Kikuo Nomoto
Director (Outside Director of the Board)	Seiji Morimoto
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

Executive Officers (As of June 29, 2022)

Managing Executive Officer	Hiroki Kato
Managing Executive Officer	Yuuki Okazawa
Executive Officer	Yoshihiro Hiraga
Executive Officer	Toshiaki Kawagoe
Executive Officer	Kenji Kusano
Executive Officer	Mitsuru Iwai
Executive Officer	Kazuhiro Akiba

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, 2022)

- 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 srl (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.
- Zeriap Co., Ltd.

Share Information (As of March 31, 2022)

Status of Shares

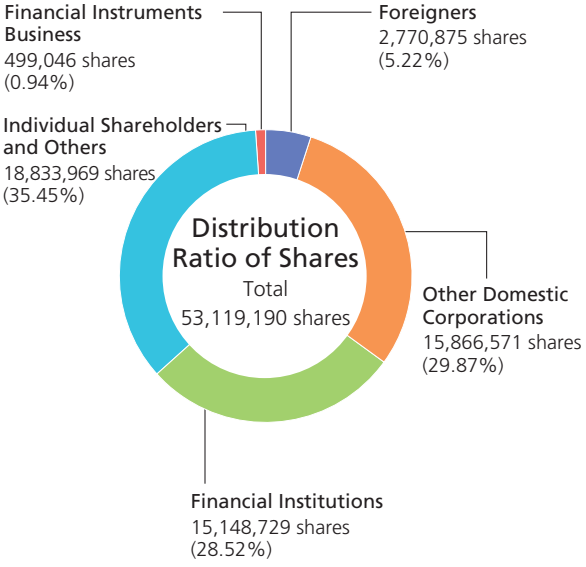
(i) Number of authorized shares:	119,860,000 shares
(ii) Number of shares outstanding:	53,119,190 shares
(iii) Number of shareholders:	11,472

Major Shareholders

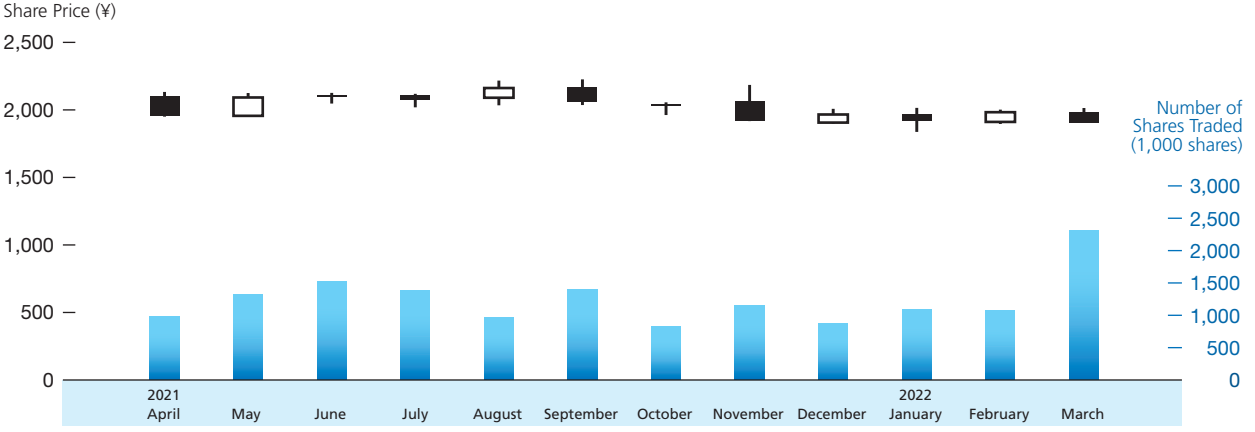
Name of Shareholder	Number of Shares Held	Percentage Held (%)
Ibe Corporation	4,741,847	10.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,037,200	9.1
MUFG Bank, Ltd.	2,107,050	4.7
Morinaga Milk Industry Co., Ltd.	1,840,215	4.1
Sachiaki Ibe	1,592,967	3.6
Sumitomo Mitsui Banking Corporation	1,406,131	3.2
Mizuho Bank, Ltd.	1,406,053	3.2
Resona Bank, Limited	1,182,385	2.7
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 8,709,322 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
https://www.smtb.jp/personal/procedure/agency/

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.

Zeria 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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