

# Hisamitsu Pharmaceutical Co., Inc. FY02/2022 Results and Outlook for the FY02/2023

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in material circumstances.

Hisamitsu Pharmaceutical Co., Inc.

Apr. 7th, 2022

# Agenda

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## FY02/2022 Results

1. Looking back on the FY02/2022
2. Promotion of ESG
3. Consolidated P&L
4. Sales Results by Region
5. Sales Results by Product
6. Trends of 2nd-generation non-steroidal anti-inflammatory patch in Japan
7. R&D Pipeline

## Outlook for the FY02/2023

8. Forecast of Consolidated P&L
9. Forecast of Sales by Region
10. Forecast of Sales by Product
11. Forecast of Dividend

# 1. Looking back on the FY02/2022(1)

Rx Business	<p>Mar. • Approval for manufacturing and marketing approval of ZICTHORU® Tapes for “cancer pain” in Japan. (Transdermal, pain treatment NSAID patch, development code: HP-3150)</p> <p>Apr. • Results of the Phase III clinical study of HP-5070 in Japan. (Primary palmar hyperhidrosis treatment drug)</p> <p>May • Marketing of ZICTHORU® Tapes for “cancer pain” in Japan (Transdermal, pain treatment NSAID patch)</p> <p>Jul. • Transfer of Marketing Rights for ORAVI® Mucoadhesive Tablets 50mg for Oropharyngeal Candidiasis</p> <p>Aug. • Application for manufacturing and marketing approval of the additional indications of “low back pain, humeroscapular periartthritis, cervico-omo-brachial syndrome and tenosynovitis” for ZICTHORU® Tapes(Transdermal, pain treatment NSAID patch, development code: HP-3150) in Japan</p> <p>Aug. • Approval for manufacturing and marketing approval of the additional indications of cancer pain relief for pediatric patients of FENTOS® Tapes (Transdermal, pain management patch, Development code: HFT-290) in Japan</p>
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OTC Business	<p>Mar. • Launch of renewal Feitas® 5.0 “Hot Type and Large Size”</p> <p>Aug. • Launch of new package “Nobinobi® Salonsip® Fit®”, 10 patches Nickname: “Poke-Sip”</p> <p>Sep. • Launch of a Food with Functional Claims, “Hisamitsu® ARU-KANTO®” in Japan</p> <p>Oct. • Hisamitsu Pharmaceutical Online Sales “Hisamitsu® Iki-Iki Online”, Announcement of Starting Pharmaceutical Product Sales in Japan</p> <p>Oct. • Launch of Mask Made of Non-Woven Fabric Used for Hydrogel Patch in Japan</p> <p>Jan. • Launch of renewal La Salonpas®</p>
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# 1. Looking back on the FY02/2022(2)

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March 31, 2021 Slogan for environmental activities "HELLO! eco!"



We place the "HELLO! eco!" mark on any of the following products:

1. Products with the drug package or case, etc. reduced in size compared with the reference product of Hisamitsu Pharmaceutical\*.
2. Products made of raw materials (plant-derived materials, reused materials, etc.) which will contribute to reduction of environmental burden.
3. Products which have achieved reduction of environmental burden through the product life cycle compared with the reference product of Hisamitsu Pharmaceutical\*.

\* Reference product of Hisamitsu Pharmaceutical: Conventional products or representative products of Hisamitsu Pharmaceutical.

# 1. Looking back on the FY02/2022(3)

<Products related to "HELLO! Eco!" on the FY02/2022>

"Feitas® 5.0 Hot Type and Large Size" (Launch of renewal in March 2021)

Reduced paper area by approximately 18% per individual box

\*Size of tape is the same as conventional products

Waste reduction: 4.3 t/year

"Nobinobi® Salonsip® Fit®", 10 patches (Launch of renewal in August 2021)

Reduced the use of packaging materials by approximately 24%

\*Size of sip is the same as conventional products

New packaging ; "Poke-Sip"  
It is very convenient that we can take out a single piece just like a tissue.

Waste reduction: 2.8t/year

# 1. Looking back on the FY02/2022(4)

## “La Salonpas®” (Launch of renewal in January 2022)

■ “10-packs” Omitted the outer box and changed to pouches



■ “30-packs” 16% reduction in paper area per box of individual packages



Waste reduction: 9.2t/year

■ Pouches can be opened from “vertical” to “horizontal” for easy access



# 1. Looking back on the FY02/2022(5)

Others

- Mar. • Establishment the Ecology Mark and the Website Regarding “HELLO! Eco!”
- Apr. • Donation to Japanese Olympic Committee (JOC) and Japanese Paralympic Committee (JPC)
- May • Salonpas® Named the World’s No. 1 OTC Topical Analgesic Patch Brand for the 5<sup>th</sup> Consecutive Years
- May • Conclusion of Cooperation Agreement with Saga Prefecture and Saga Sports Association
- Aug. • Hisamitsu Pharmaceutical Co., Inc. receiving Administrative Disposition from Saga Prefecture
- Aug. • Honorary Chairman Passes Away
- Aug. • Providing Relief Supplies in Response to The Torrential Rains in August 2021
- Aug. • Support for The Disaster of The Torrential Rains in August 2021
- Sep. • Establishment of "the 7th Medium-term Management Policy"
- Sep. • Investment in GAIA Biomedicine, a Bio-Venture from Kyushu University in Japan
- Oct. • Regarding Concerning the Decision of Matters Relating to Acquisition of Company’s Own Shares
- Oct. • Regarding Application for Selection of “Prime Market” Under the New Market Segments
- Nov. • Products to solve issues for living in Space and living on Earth “Fixspace®”  
Notification to be used in the International Space Station
- Dec. • Donation to Japanese Olympic Committee (JOC) and Japanese Paralympic Committee (JPC)
- Dec. • RaQualia Pharma and Hisamitsu Pharmaceutical have agreed to enter into a license agreement for a novel sodium channel blocker
- Jan. • Notice regarding Results and Completion of Acquisition of Treasury Shares
- Jan. • Received the Minister of Economy, Trade and Industry Award at the Energy Conservation Grand Prize FY 2021
- Feb. • Hisamitsu Pharmaceutical Hot Heart Club decided to donate to support organizations in FY2021

# 1. Looking back on the FY02/2022(6)

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※Announced in FY02/2023 (after March 1, 2022)

■ FDA Approves Once-Daily XELSTRYM™ (dextroamphetamine) Transdermal System(Theme : ATS) , CII, for the Treatment of Attention-Deficit/Hyperactivity Disorder (ADHD) in Adults and Pediatric Patients 6 Years and Older

\*Announced on March 23

■ Notice regarding Revision of Earnings Forecast

\*Announced on March 23

■ Acquisition of Shares of AYM HD Co.

(AYM HD Corporation: Wholly owning parent company of Ayumi Pharmaceutical Holdings Co.)

\*Announced on March 31

■ Providing Humanitarian Assistance to Ukraine

\*Announced on April 7



# 2. Promotion of ESG (1)

## Building a Sustainable Supply Chain

### "Sustainability Procurement Guidelines"

"Sustainability Procurement Basic Policy"

Basic Procurement Policy for Building Sustainable Supply Chain

"Suppliers Sustainability Procurement Standards"

Procurement standards that we ask Suppliers to understand and comply

December 2021  
Establishment of "Sustainability Procurement Guidelines"

January 2022  
Conduct "Sustainability Procurement Survey"



# 2. Promotion of ESG (2)

## Reduction of CO2 emissions in business activities

Smart Energy Networks Project in the Kiyohara Industrial Complex  
Received the Minister of Economy, Trade and Industry Award at the Energy Conservation Grand Prize FY 2021 (Joint Implementation Areas)



※Smart Energy Networks Project in the Kiyohara Industrial Complex  
Efforts to use energy efficiently generated by the high-efficiency large-scale gas cogeneration system, solar power generation, and boilers at the Kiyohara Smart Energy Center, newly established by Tokyo Gas Engineering Solutions, Inc. through networked power lines and heat pipes seven business sites of three companies, Calbee, Canon, and Hisamitsu Pharmaceutical Co.

Achieved significant energy and CO2 savings of approximately 20% (Comparison between 2015 and 2020)

### 3. Consolidated P&L (1) - Comparison with the previous period performance -

Unit:¥ Million

	Actual for FY02/2021	Actual for FY02/2022	Change	Percentage Change	Earnings forecast for FY02/2022*
<b>Net sales</b>	<b>114,510</b>	<b>120,193</b>	<b>+5,683</b>	<b>+5.0%</b>	<b>120,000</b>
CoGS	45,337	50,126	+4,789	+10.6%	50,000
as a % of sales	39.6%	41.7%			41.7%
SG&A costs	58,501	60,730	+2,229	+3.8%	60,700
Sales promotion costs	13,466	13,925	+459	+3.4%	14,000
Advertising costs	11,259	11,481	+222	+2.0%	11,500
R&D costs	10,766	10,613	-153	-1.4%	10,600
Others	23,008	24,710	+1,701	+7.4%	24,600
<b>Operating profit</b>	<b>10,671</b>	<b>9,337</b>	<b>-1,334</b>	<b>-12.5%</b>	<b>9,300</b>
<b>Ordinary profit</b>	<b>11,829</b>	<b>12,638</b>	<b>+808</b>	<b>+6.8%</b>	<b>12,600</b>
<b>Net profit</b>	<b>9,250</b>	<b>9,658</b>	<b>+407</b>	<b>+4.4%</b>	<b>9,300</b>
Exchange rate (¥/USD)	<b>106.43</b>	<b>110.37</b>			

\*Published on  
Mar. 23<sup>rd</sup>, 2022

### 3. Consolidated P&L (2) – Summary of Profit and Loss -

Unit:¥ Million

	Actual for FY02/2021	Actual for FY02/2022	Change	Main factor
<b>Net sales</b>	<b>114,510</b>	<b>120,193</b>	<b>+5,683</b>	
CoGS	45,337	50,126	+4,789	
as a % of sales	39.6%	41.7%		<ul style="list-style-type: none"> <li>▪ Affected by the drug price revision in Japan.</li> <li>▪ Change of sales mix.</li> </ul>
SG&A costs	58,501	60,730	+2,229	
Sales promotion costs	13,466	13,925	+459	▪ Increase in aggressive sales promotion activities
Advertising costs	11,259	11,481	+222	
R&D costs	10,766	10,613	-153	<ul style="list-style-type: none"> <li>▪ [FY02/2021]Expenses of Phase 3 clinical study of HP-3150 (low back pain).</li> <li>▪ [FY02/2022]Expenses of Phase 3 clinical study of HP-5000.</li> </ul>
Others	23,008	24,710	+1,701	▪ Increase in logistics costs
<b>Operating profit</b>	<b>10,671</b>	<b>9,337</b>	<b>-1,334</b>	
Nonoperating balance	1,158	3,301	+2,143	<ul style="list-style-type: none"> <li>▪ [FY02/2021]Foreign exchange loss.</li> <li>▪ [FY02/2022]Foreign exchange gain.</li> </ul>
<b>Ordinary profit</b>	<b>11,829</b>	<b>12,638</b>	<b>+808</b>	
Extraordinary balance	367	317	-50	
<b>Net profit</b>	<b>9,250</b>	<b>9,658</b>	<b>+407</b>	

## 4. Sales Results by Region

Unit:¥ Million

		Actual for FY02/2021	Actual for FY02/2022	Change	percentage Change
<b>売上高</b>		<b>114,510</b>	<b>120,193</b>	<b>+5,683</b>	<b>+5.0%</b>
Rx Business	Japan	52,181	54,546	+2,365	+4.5%
	Overseas	13,884	13,922	+38	+0.3%
	USA	10,169	9,586	-583	-5.7%
	Other regions	3,715	4,336	+621	+16.7%
OTC Business	Japan	20,239	21,280	+1,041	+5.1%
	Overseas	25,454	27,540	+2,086	+8.2%
	USA	12,087	12,519	+432	+3.6%
	Other regions	13,367	15,021	+1,654	+12.4%
Others	Japan	2,749	2,901	+152	+5.5%

# 5. Sales Results by Product (1) – Rx Business -

Unit:¥ Million

	Actual for FY02/2022		
	Total	Japan	Overseas
<b>Rx Business</b>	<b>68,469</b>	<b>54,546</b>	<b>13,923</b>
Fentos <sup>®</sup> Tapes	3,507	3,507	-
Neoxy <sup>®</sup> Tapes	480	480	-
Abstral <sup>®</sup>	204	204	-
Allesaga <sup>®</sup> Tapes	422	422	-
Haruropi <sup>®</sup> Tape	3,614	3,614	-
Zicthoru <sup>®</sup> Tapes	238	238	-
Mohrus <sup>®</sup> Tape products	32,162	31,513	649
Mohrus <sup>®</sup> Pap products	4,846	4,846	-
(Mohrus <sup>®</sup> Pap XR)	3,644	3,644	-
Others	9,173	8,454	718
Minivelle <sup>®</sup> products	1,975	-	1,975
Vivelle-Dot <sup>®</sup> products	4,212	-	4,212
CombiPatch <sup>®</sup> products	5,163	1,264	3,898
Daytrana <sup>®</sup>	2,081	-	2,081
Secuado <sup>®</sup>	383	-	383

	Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas
	<b>+2,403</b>	<b>+2,365</b>	<b>+37</b>	<b>+3.6%</b>	<b>+4.5%</b>	<b>+0.3%</b>
Fentos <sup>®</sup> Tapes	-62	-62	-	-1.8%	-1.8%	-
Neoxy <sup>®</sup> Tapes	-20	-20	-	-4.0%	-4.0%	-
Abstral <sup>®</sup>	-1	-1	-	-0.7%	-0.7%	-
Allesaga <sup>®</sup> Tapes	+131	+131	-	+45.1%	+45.1%	-
Haruropi <sup>®</sup> Tape	+2,428	+2,428	-	+204.8%	+204.8%	-
Zicthoru <sup>®</sup> Tapes	+238	+238	-	-	-	-
Mohrus <sup>®</sup> Tape products	-1,288	-1,559	+271	-3.9%	-4.7%	+72.0%
Mohrus <sup>®</sup> Pap products	-278	-278	-	-5.4%	-5.4%	-
(Mohrus <sup>®</sup> Pap XR)	-129	-129	-	-3.4%	-3.4%	-
Others	+940	+1,318	-377	+11.4%	+18.5%	-34.4%
Minivelle <sup>®</sup> products	-535	-	-535	-21.3%	-	-21.3%
Vivelle-Dot <sup>®</sup> products	+434	-	+434	+11.5%	-	+11.5%
CombiPatch <sup>®</sup> products	+280	+171	+108	+5.7%	+15.7%	+2.9%
Daytrana <sup>®</sup>	-102	-	-102	-4.7%	-	-4.7%
Secuado <sup>®</sup>	+235	-	+235	+159.1%	-	+159.1%

## 5. Sales Results by Product (2) – OTC Business -

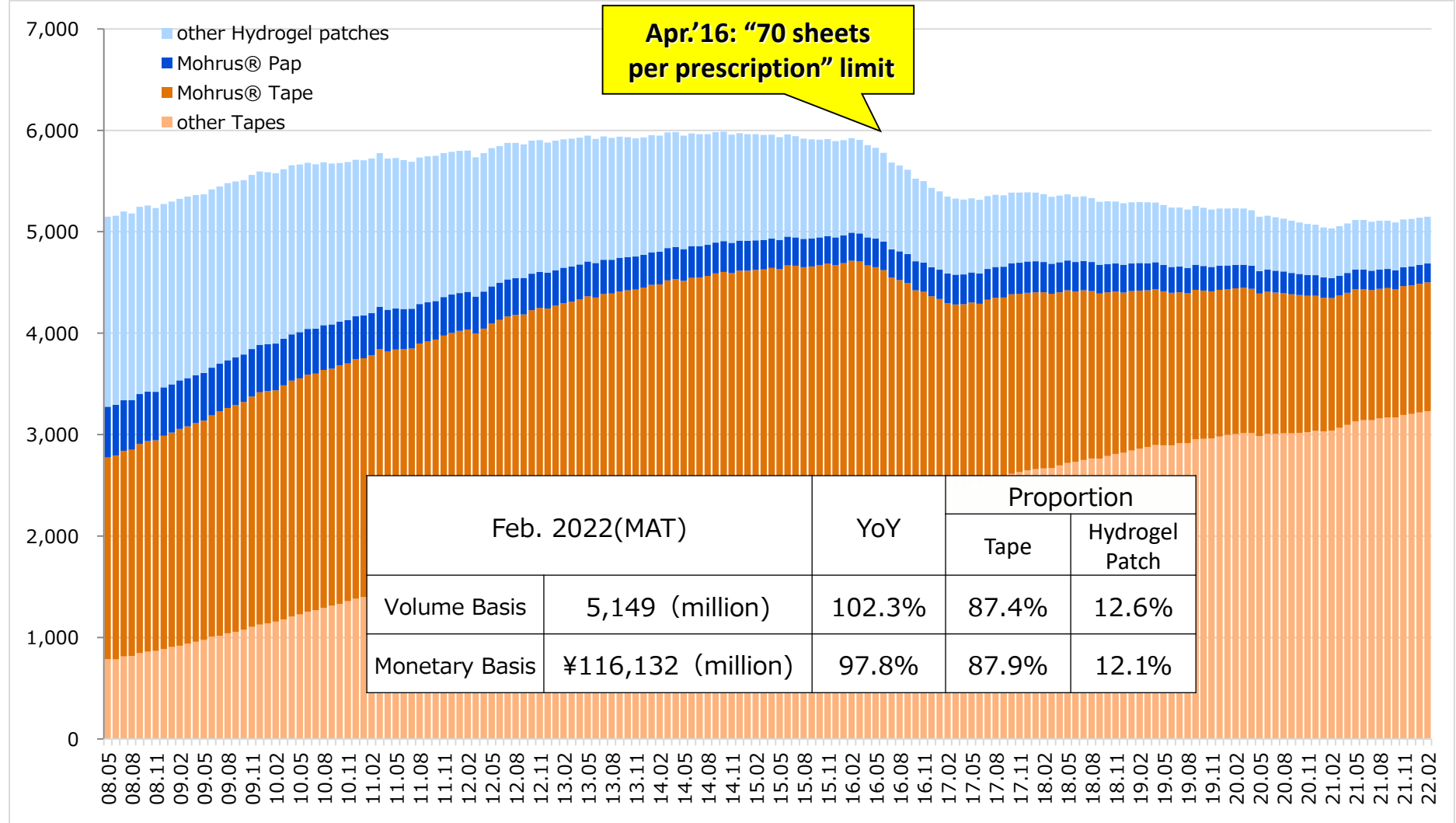
Unit:¥ Million

	Actual for FY02/2022			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>OTC Business</b>	<b>48,822</b>	<b>21,280</b>	<b>27,541</b>	<b>+3,128</b>	<b>+1,041</b>	<b>+2,086</b>	<b>+6.8%</b>	<b>+5.1%</b>	<b>+8.2%</b>
Salonpas® products	31,095	6,779	24,315	+1,291	-596	+1,888	+4.3%	-8.1%	+8.4%
Salonsip® products	3,204	2,178	1,026	-20	+110	-131	-0.6%	+5.4%	-11.4%
Air® Salonpas® products	1,297	776	521	-195	-72	-123	-13.1%	-8.5%	-19.2%
Feitas® products	4,603	4,574	28	+21	-7	+28	+0.5%	-0.2%	-
Butenalock® products	1,453	1,453	-	+141	+141	-	+10.8%	+10.8%	-
Allegra® FX	4,014	4,014	-	+1,759	+1,759	-	+78.0%	+78.0%	-
Others	3,153	1,504	1,649	+131	-293	+424	+4.3%	-16.3%	+34.7%

# 6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan

Number of Patches (Million)

Market trends on volume basis



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# 7. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Approved	<b>XELSTRYM(ATS)</b>	USA	Patch	Attention Deficit Hyperactivity Disorder(ADHD)	To be launched in FY22
2	Filed	<b>HP-3150</b>	JPN	Patch	Low back pain Humeroscapular periarthritis Cervico-omo-brachial syndrome Tenosynovitis	To be approved in FY22
3	Filed being prepared	<b>HP-5070</b>	JPN	Transdermal	Primary palmar hyperhidrosis	To be filed in FY22
4	Phase3	<b>HP-5000</b>	USA	Patch	Osteoarthritis of the knee	To be filed in FY23

※ Yellow-highlighted parts are changes from the previous announcement made on Jan.13<sup>th</sup>,2022

# Outlook for the FY02/2023

※Apply the “Accounting Standards for Revenue Recognition” from the fiscal year ending February 2023, and the consolidated earnings forecast for the fiscal year ending February 2023 incorporates these changes.

## 8. Forecast of Consolidated P&L

Unit:¥ Million

	Actual for FY02/2022	Forecast for FY02/2023	Change	Percentage Change
<b>Net sales</b>	<b>120,193</b>	<b>123,000</b>	<b>+2,807</b>	<b>+2.3%</b>
CoGS	50,126	52,500	+2,374	+4.7%
as a % of sales	41.7%	42.7%		
SG&A costs	60,730	59,400	-1,330	-2.2%
Sales promotion costs	13,925	11,400	-2,525	-18.1%
Advertising costs	11,481	11,100	-381	-3.3%
R&D costs	10,613	10,500	-113	-1.1%
Others	24,710	26,400	+1,690	+6.8%
<b>Operating profit</b>	<b>9,337</b>	<b>11,100</b>	<b>+1,763</b>	<b>+18.9%</b>
<b>Ordinary profit</b>	<b>12,638</b>	<b>12,700</b>	<b>+62</b>	<b>+0.5%</b>
<b>Net profit</b>	<b>9,658</b>	<b>9,700</b>	<b>+42</b>	<b>+0.4%</b>
Exchange rate (¥/USD)	110.37	110.00		

※"Accounting Standard for Revenue Recognition" and other standards are scheduled to be applied from the fiscal year ending February 2023.

# 9. Forecast of Sales by Region

Unit:¥ Million

		Actual for FY02/2022	Forecast for FY02/2023	Change	Percentage Change
<b>Net sales</b>		<b>120,193</b>	<b>123,000</b>	<b>+2,807</b>	<b>+2.3%</b>
Rx Business	Japan	54,546	54,700	+154	+0.3%
	Overseas	13,922	14,300	+378	+2.7%
	USA	9,586	9,800	+214	+2.2%
	Other regions	4,336	4,500	+164	+3.8%
OTC Business	Japan	21,280	20,900	-380	-1.8%
	Overseas	27,540	30,000	+2,460	+8.9%
	USA	12,519	12,600	+81	+0.6%
	Other regions	15,021	17,400	+2,379	+15.8%
Others	Japan	2,901	3,100	+199	+6.8%

※"Accounting Standard for Revenue Recognition" and other standards are scheduled to be applied from the fiscal year ending February 2023.

# 10. Forecast of Sales by Product (1) – Rx Business -

Unit:¥ Million

	Forecast for FY02/2023			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>Rx Business</b>	<b>69,000</b>	<b>54,700</b>	<b>14,300</b>	<b>+531</b>	<b>+154</b>	<b>+377</b>	<b>+0.8%</b>	<b>+0.3%</b>	<b>+2.7%</b>
Mohrus® Tape products	26,000	25,200	800	-6,162	-6,313	+151	-19.2%	-20.0%	+23.3%
Zicthoru® Tapes	6,000	6,000	-	+5,762	+5,762	-	+2417.7%	+2417.7%	-
Haruropi® Tape	4,600	4,600	-	+986	+986	-	+27.3%	+27.3%	-
Mohrus® Pap products	4,000	4,000	-	-846	-846	-	-17.5%	-17.5%	-
Fentos® Tapes	3,300	3,300	-	-207	-207	-	-5.9%	-5.9%	-
Allesaga® Tapes	400	400	-	-22	-22	-	-5.3%	-5.3%	-
Others	11,100	9,900	1,200	+1,243	+762	+482	+12.6%	+8.3%	+67.1%
CombiPatch® products	4,800	1,300	3,500	-363	+36	-398	-7.0%	+2.8%	-10.2%
Vivelle-Dot® products	4,700	-	4,700	+488	-	+488	+11.6%	-	+11.6%
Minivelle® products	1,800	-	1,800	-175	-	-175	-8.9%	-	-8.9%
Daytrana®	1,700	-	1,700	-381	-	-381	-18.3%	-	-18.3%
Secuado®	600	-	600	+217	-	+217	+56.3%	-	+56.3%

※"Accounting Standard for Revenue Recognition" and other standards are scheduled to be applied from the fiscal year ending February 2023.

# 10. Forecast of Sales by Product (2) – OTC Business -

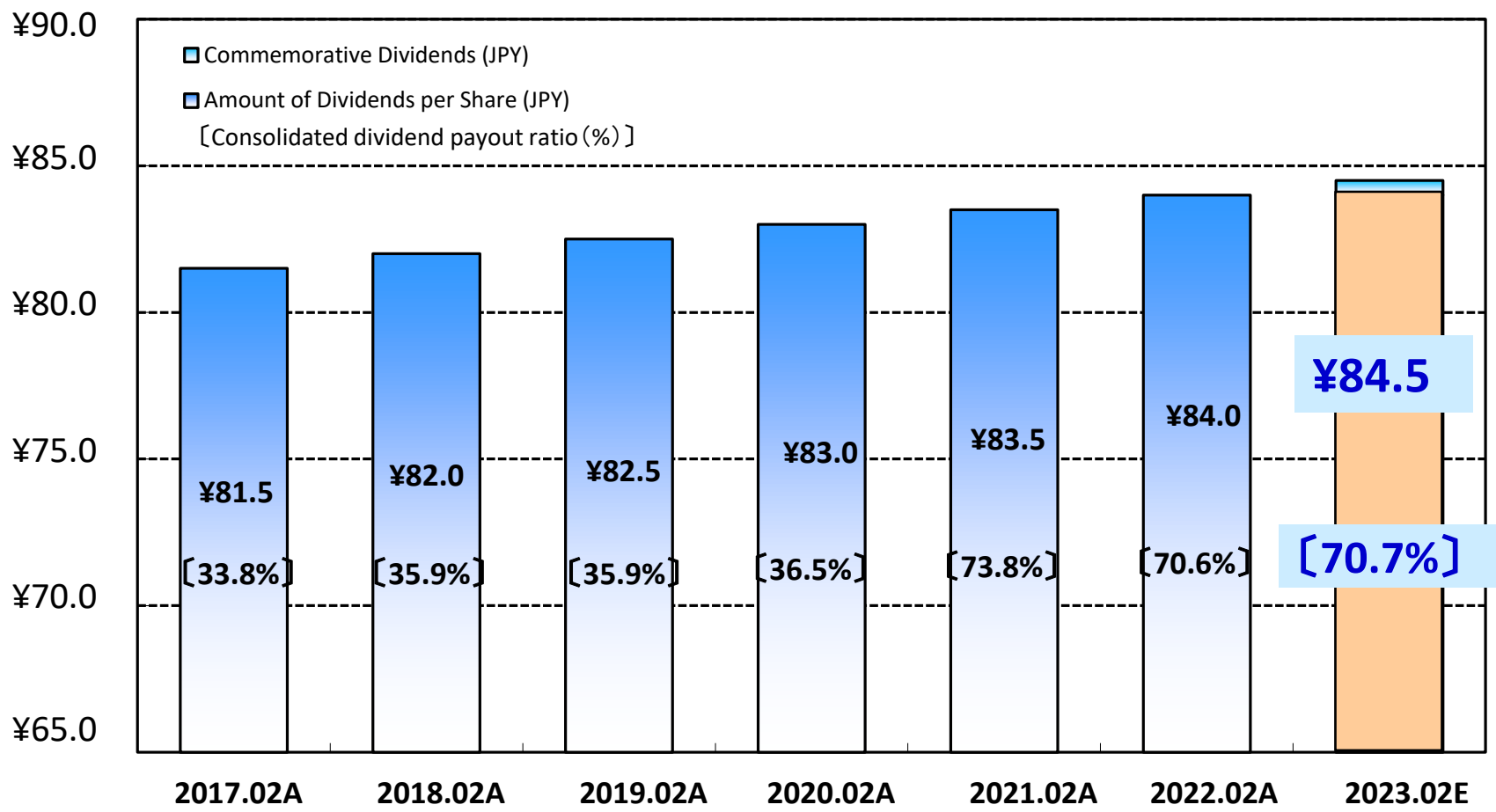
Unit:¥ Million

	Forecast for FY02/2023			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>OTC Business</b>	<b>50,900</b>	<b>20,900</b>	<b>30,000</b>	<b>+2,078</b>	<b>-380</b>	<b>+2,459</b>	<b>+4.3%</b>	<b>-1.8%</b>	<b>+8.9%</b>
Salonpas® products	32,500	6,800	25,700	+1,405	+21	+1,385	+4.5%	+0.3%	+5.7%
Feitas® products	4,700	4,600	100	+97	+26	+72	+2.1%	+0.6%	+257.1%
Salonsip® products	3,700	2,100	1,600	+496	-78	+574	+15.5%	-3.6%	+55.9%
Allegra® FX	3,500	3,500	-	-514	-514	-	-12.8%	-12.8%	-
Air® Salonpas® products	1,400	800	600	+103	+24	+79	+7.9%	+3.1%	+15.2%
Butenlock® products	1,100	1,100	-	-353	-353	-	-24.3%	-24.3%	-
Others	4,000	2,000	2,000	+847	+496	+351	+26.8%	+33.0%	+21.3%

※"Accounting Standard for Revenue Recognition" and other standards are scheduled to be applied from the fiscal year ending February 2023.

# 11. Forecast of Dividend

➤ For the FY02/2023, the consolidated dividend payout ratio is predicted to be 70.7% and the annual payout is predicted to be ¥84.5. (\*Predicted Mid-term dividend: ¥42.25)





**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.**