

Hisamitsu Pharmaceutical Co., Inc.

Q2 FY02/2023 Results

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.

Oct. 12th, 2022

Agenda

- 1. Looking back on the Q2 FY02/2023**
- 2. Latest topics**
- 3. Progress for FY02/2023**
- 4. Consolidated P&L**
- 5. Sales Results by Region**
- 6. Sales Results by Product**
- 7. Trends of 2nd-generation non-steroidal anti-inflammatory patch in Japan**
- 8. R&D Pipeline**

1. Looking back on the Q2 FY02/2023(1)

Rx Business

- Mar. •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
- Apr. •Application for manufacturing and marketing approval of HP-5070 in Japan (primary palmar hyperhidrosis treatment drug)
- Jun. •Notification of approval for manufacturing and marketing approval of the additional indications of “low back pain, humeroscapular periarthritits, cervico-omo-brachial syndrome and tenosynovitis” for ZICTHORU® Tapes (Transdermal, pain treatment NSAID patch, development code: HP-3150) in Japan

OTC Business

- May. •Launch of Bye Bye Fever® Band fastening type and Cooling Pillow in Japan
- Jun. •Launch of new package “Nobinobi® Salonsip® Fit.H(Hot Type)” “Nobinobi® Salonsip® Fit.α(Odorless type)”, 10 patches in Japan
- Jun. •Launch of “Lifecella® SACRISE®” in Japan
- Jul. •Collaboration Campaign between “Hisamitsu Pharmaceutical” and “Demon Slayer” in Japan



ZICTHORU® Tapes 75mg



Nobinobi® Salonsip® Fit.H



Nobinobi® Salonsip® Fit.α



Lifecella® SACRISE®

1. Looking back on the Q2 FY02/2023(2)

Nobinobi® Salonsip® Fit®H, Nobinobi® Salonsip® Fit®α



- Use of package material reduction approximately 24%
- Amount of waste reduction (2 products total) approximately 24.2 t/year

POINTS

- ① 1枚ずつ取り出しやすい
- ② 環境にも配慮し、包材使用量を削減
- ③ シップの大きさは従来のまま

ポケシップ
Nobinobi® Salonsip® Fit® Website
<https://www.hisamitsu.info/nobisalo/>

Lifecella® SACRISE®



- Lotion for Sensitive Skin
- Contains 99% natural ingredients
 - Surfactant-free
- Keeping the skin moisturized for a long time
- Contains “Sacran®,” which has five times the water-holding capacity of hyaluronic acid
- Lifecella® SACRISE®. Website
<https://www.e-hisamitsu.jp/shop/g/g4987-188-321522/>

1. Looking back on the Q2 FY02/2023(3)

Others

- Mar. • Notice regarding Revision of Earnings Forecast
- Mar. • Acquisition of Shares of AYM HD .
(AYM HD : Wholly-owningparent company of Ayumi Pharmaceutical Holdings .)
- Apr. • Providing Humanitarian Assistance to Ukraine
- May. • Salonpas® certified as the World’s No. 1 OTC topical analgesic patch brand for the 6th consecutive year since 2016.
Hisamitsu Pharmaceutical certified as the holder of the world’s largest share in the corresponding market category for the 5th consecutive year since 2017.
*Based on research by Euromonitor International (UK)
- Jul. • Stock compensation-type stock options (stock acquisition rights) issue
- Jul. • Finalized Stock compensation-type stock options (stock acquisition rights) issue details

2. Latest topics(1)

※Announced in Q3 FY02/2023 (after September 1, 2022)

- Open “Pharmaceutical Research Institute” pavilion at KidZania Fukuoka *Announced on September 5
- Passing away and resignation of an outside director *Announced on September 8
- Support for the heavy rain disaster that began on August 3, 2022 *Announced on September 16
- Construction of New Research Center and Reorganization of Research Sites *Announced on September 26
- Launch of “Feitas®Shippu”, “Feitas®Shippu Onkan”, 10 patches in Japan *Announced on September 28
- Obtainment of “Good Design Award 2022” for Nobinobi® Salonsip® Fit® *Announced on October 7
- Acquisition of treasury stock *Announced on October 12

2. Latest topics(2)

Open "Pharmaceutical Research Institute" pavilion at KidZania Fukuoka



Pharmaceutical Research institute

- Adhesive test for the patch
- Making samples of cooling gel sheets



Making cooling gel sheets

"Pharmaceutical Research Institute" pavilion at KidZania Fukuoka
<https://www.kidzania.jp/fukuoka/activity/medical-lab.html>

2. Latest topics(3)

Construction of New Research Center and Reorganization of Research Sites



New Research Center (image)

Consolidation of research functions
of two sites into one site



Location Agreement Conclusion Ceremony

From left side,
Yoshinori Yamaguchi (Governor, Saga Prefecture)
Kazuhide Nakatomi (President and CEO, Hisamitsu
Pharmaceutical Co., Inc.)
Yasushi Hashimoto (Mayor, Tosu City)

Construction of New Research Center and Restructuring of Research Bases
https://www.hisamitsu.co.jp/company/pdf/news_release_220926.pdf

2. Latest topics(4)

New package “eco and compact” design(Poke-Sip)
Obtainment of “Good Design Award 2022” for “Nobinobi® Salonsip® Fit®”

GOOD DESIGN AWARD 2022



Awarded as the only patch *Based on our research



Judges' Evaluation Points(*Excerpt from the judges' comments)

- Each sheet can be taken out like a tissue
- Easy to carry and extend the range of use without taking up a lot of space
- Thoughtful about the environment

3. Progress for FY02/2023

Unit:¥ Million

Consolidated P&L	Q2 FY02/2023	FY02/2023	
	Actual	Forecast	Progress Rate
Net Sales	59,619	123,000	48.5%
Operating Profits	4,913	11,100	44.3%
Ordinary Profits	8,870	12,700	69.8%
Net Profits	6,504	9,700	67.1%

*No change in the consolidated earnings forecast

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

Unit:¥ Million

	Actual for FY02/2022 (Q2)	Actual for FY02/2023 (Q2)	Change	Percentage Change
Net sales	58,551	59,619	+1,068	+1.8%
CoGS	23,120	25,156	+2,036	+8.8%
as a % of sales	39.5%	42.2%		
SG&A costs	29,723	29,549	-174	-0.6%
Sales promotion costs	7,129	5,396	-1,732	-24.3%
Advertising costs	5,710	5,573	-137	-2.4%
R&D costs	5,011	4,935	-76	-1.5%
Others	11,872	13,644	+1,771	+14.9%
Operating profits	5,706	4,913	-793	-13.9%
Ordinary profits	6,836	8,870	+2,033	+29.7%
Net profits	5,002	6,504	+1,502	+30.0%
Exchange rate (¥/USD)	108.45	124.5		

※Effective from the fiscal year ending February, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

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

Unit:¥ Million

	Actual for FY02/2022(Q2)	Actual for FY02/2023 (Q2)	Change	Main factor
Net sales	58,551	59,619	+1,068	
CoGS	23,120	25,156	+2,036	
as a % of sales	39.5%	42.2%		【Increasing factor】 •Application of Accounting Standard for Revenue Recognition •Impact of the drug price revision in Japan 【Decreasing factor】 •Increase in Zicthoru® Tapes sales
SG&A costs	29,723	29,549	-174	
Sales promotion costs	7,129	5,396	-1,732	•Application of Accounting Standard for Revenue Recognition
Advertising costs	5,710	5,573	-137	
R&D costs	5,011	4,935	-76	
Others	11,872	13,644	+1,771	•Increase in logistics costs
Operating profits	5,706	4,913	-793	
Non-operating balance	1,130	3,956	+2,826	•Foreign exchange gain
Ordinary profits	6,836	8,870	+2,033	
Extraordinary balance	331	65	-265	•[FY02/2022]Sales of investment securities
Net profits	5,002	6,504	+1,502	

※Effective from the fiscal year ending February, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

5. Sales Results by Region

Unit:¥ Million

		Actual performance for FY02/22 (Q2)	Actual performance for FY02/23 (Q2)	change	percentage Change
Net sales		58,551	59,619	+1,068	+1.8%
Rx Business	Japan	27,061	26,343	-718	-2.7%
	Overseas	6,824	7,592	+768	+11.3%
	USA	4,651	5,472	+821	+17.6%
	Other regions	2,172	2,119	-52	-2.4%
OTC Business	Japan	10,370	8,073	-2,297	-22.2%
	Overseas	12,862	16,086	+3,223	+25.1%
	USA	7,258	7,723	+464	+6.4%
	Other regions	5,603	8,362	+2,758	+49.2%
Others	Japan	1,432	1,524	+92	+6.4%

※Effective from the fiscal year ending February, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

6. Sales Results by Product (1) - Rx Business -

Unit:¥ Million

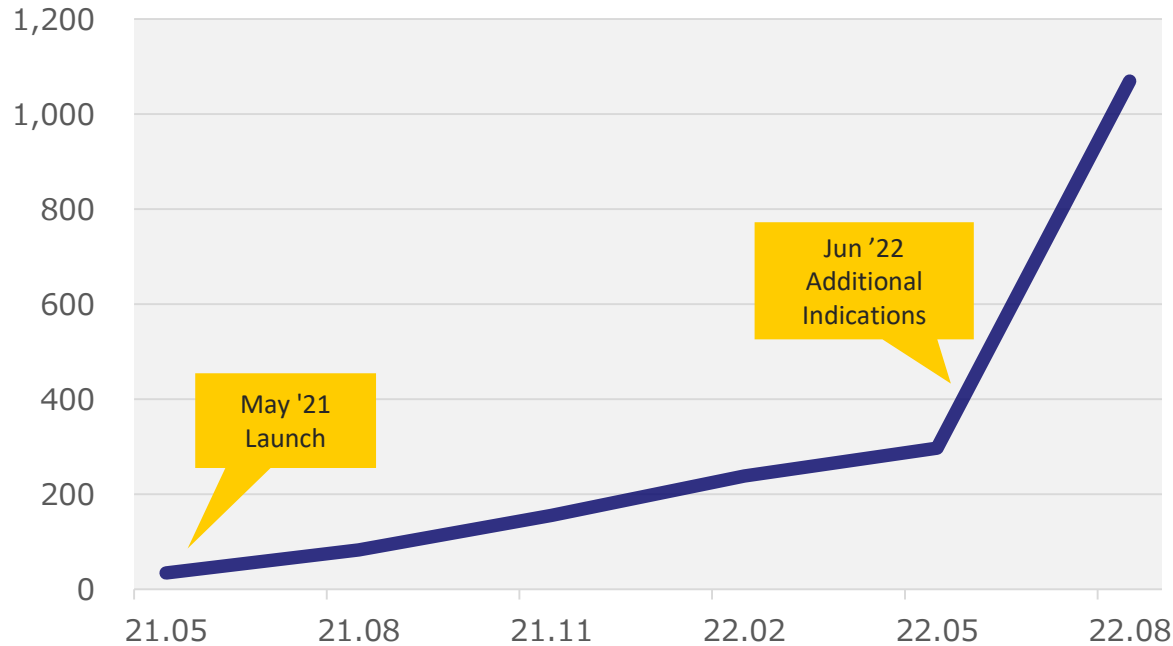
	Actual performance for FY02/23 Q2			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	33,935	26,343	7,592	+50	-718	+768	+0.1%	-2.7%	+11.3%
Mohrus® Tape products	14,121	13,798	323	-1,623	-1,769	+145	-10.3%	-11.4%	+82.0%
Zicthoru® Tapes	913	913	-	+831	+831	-	+1009.0%	+1009.0%	-
Haruropi® Tape	1,537	1,537	-	-243	-243	-	-13.7%	-13.7%	-
Mohrus® Pap products	2,021	2,021	-	-423	-423	-	-17.3%	-17.3%	-
Fentos® Tapes	1,999	1,999	-	+86	+86	-	+4.5%	+4.5%	-
Allesaga® Tapes	192	192	-	-11	-11	-	-5.6%	-5.6%	-
Others	5,703	5,199	503	+965	+720	+245	+20.4%	+16.1%	+95.0%
CombiPatch® products	2,971	681	2,290	+467	+90	+376	+18.7%	+15.4%	+19.7%
Vivelle-Dot® products	2,411	-	2,411	+155	-	+155	+6.9%	-	+6.9%
Minivelle® products	977	-	977	-16	-	-16	-1.6%	-	-1.6%
Daytrana®	803	-	803	-272	-	-272	-25.3%	-	-25.3%
Secuado®	282	-	282	+134	-	+134	+90.8%	-	+90.8%

※Effective from the fiscal year ending February, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

Supplemental Data: ZICTHORU® Tapes 75mg

Unit: ¥ Million

Sales trends (MAT)



【Activities of Sales Reps.】
Providing the information not only to oncologists, but also to a wide range of medical doctors, including orthopedic surgeons and internists

【Product Strengths】

- Systemic transdermal formulations containing non-steroidal anti-inflammatory drugs (NSAIDs)
- Keeping the blood drug levels stable for 24 hours by applying Once-daily
- Available for the patients who have difficulty administering or swallowing oral medications

6. Sales Results by Product (2) - OTC Business -

Unit:¥ Million

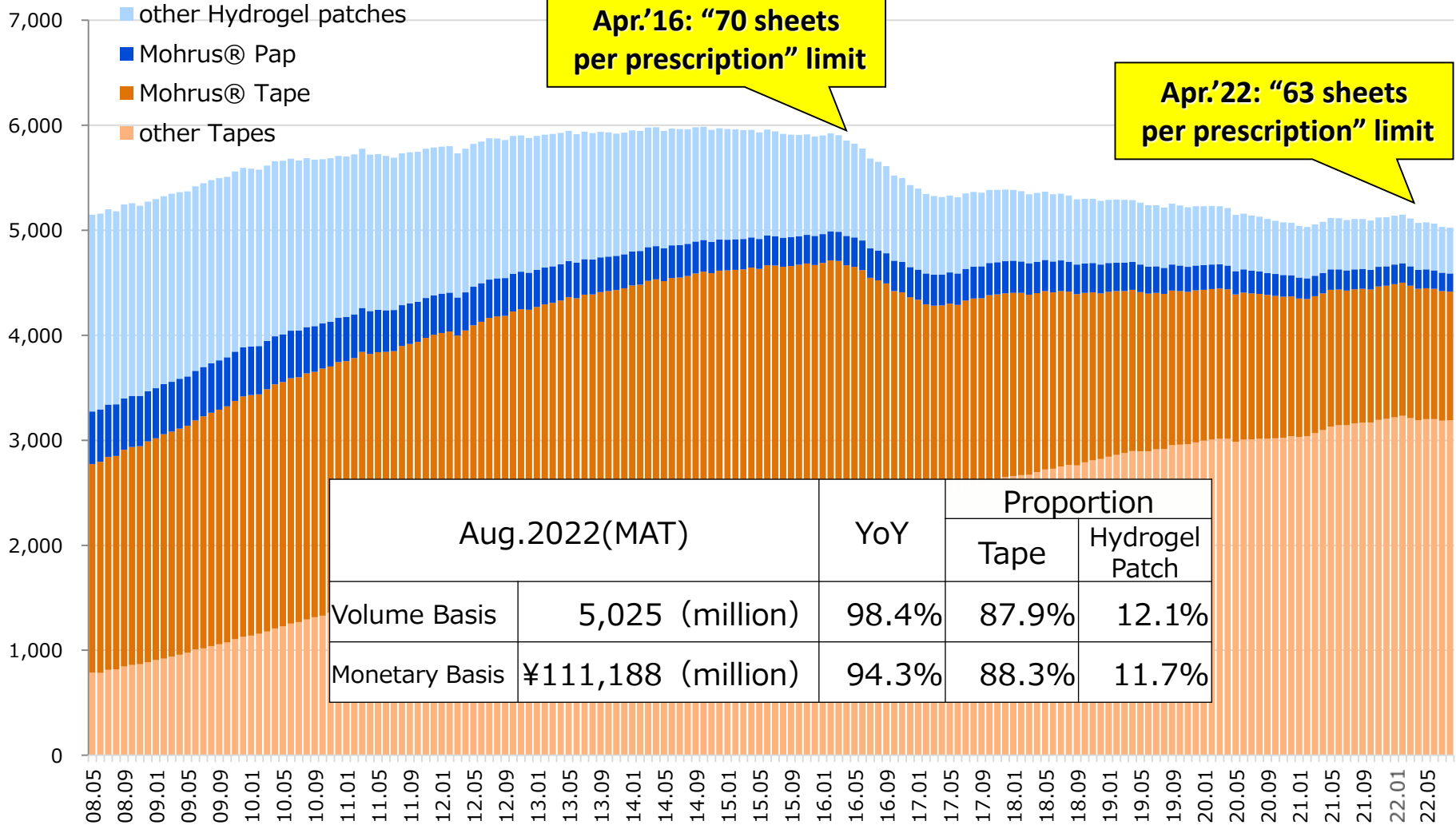
	Actual performance for FY02/23 Q2			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	24,159	8,073	16,086	+926	-2,297	+3,223	+4.0%	-22.2%	+25.1%
Salonpas® products	17,238	3,250	13,987	+2,004	-462	+2,466	+13.2%	-12.5%	+21.4%
Feitas® products	1,776	1,773	2	-665	-647	-17	-27.2%	-26.7%	-86.0%
Salonsip® products	1,616	1,056	560	-101	-198	+96	-5.9%	-15.8%	+20.9%
Allegra® FX	228	228	-	-298	-298	-	-56.6%	-56.6%	-
Air® Salonpas® products	822	482	340	+76	-60	+137	+10.3%	-11.1%	+67.5%
Butenalock® products	674	674	-	-351	-351	-	-34.3%	-34.3%	-
Others	1,802	607	1,194	+261	-278	+540	+17.0%	-31.5%	+82.7%

※Effective from the fiscal year ending February, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

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

Number of patches (Million)

Market trends on volume basis



Copyright ©2022 IQVIA./Calculated by Hisamitsu. based on JPM data(Jun.2007~Aug.2022)/Reprinted with permission

8. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Approved	XELSTRYM(ATS)	USA	Patch	Attention Deficit Hyperactivity Disorder(ADHD)	To be launched in FY22
2	Filed	HP-5070	JPN	Transdermal	Primary palmar hyperhidrosis	To be approved in FY23
3	Phase3	HP-5000	USA	Patch	Osteoarthritis of the knee	To be filed in FY23



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.