

Hisamitsu Pharmaceutical Co., Inc.

Q3 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.

Jan. 12th, 2023

Agenda

- 1. Looking back on the Q3 FY02/2023**
- 2. Promotion of ESG**
- 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 Q3 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 periartthritis, cervico-omo-brachial syndrome and tenosynovitis” for ZICTHORU® Tapes (Transdermal, pain treatment NSAID patch, development code: HP-3150) in Japan
- Oct. • Notification of the Results of the Phase III Clinical Study of HP-5000 for Osteoarthritis Pain of the Knee in the U.S.(Pain Relief and Anti-Inflammatory Patch)

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
- Sep. • Launch of new package “Feitas® Shippu”, “Feitas® Shippu Onkan”, 10 patches in Japan
- Oct. • Obtainment of “Good Design Award 2022” for Nobinobi® Salonsip® Fit®
- Oct. • Launch of new package “Salonpas® Tsubokori® Patch”, 64 patches in Japan

1. Looking back on the Q3 FY02/2023(2)

Feitas® Shippu, Feitas® Shippu Onkan



当社従来品に比べて
包装サイズを小さく
しました。



- Use of package material reduction approximately 21%
- Amount of waste reduction (2 products total) approximately 1t/year

Feitas® Shippu <https://www.hisamitsu.info/feitas/product/24.html>

Feitas® Shippu Onkan <https://www.hisamitsu.info/feitas/product/25.html>

Salonpas® Tsubokori® Patch

保存に便利な
「チャック付き」薬袋 になりました。



取り出しやすいヨコ向き開き になりました。



- Use of package material reduction approximately 3%
- Amount of waste reduction approximately 0.09t/year

Salonpas® Tsubokori® Patch
https://www.salonpas.jp/lineup/salonpas_tubokoripatch.html

1. Looking back on the Q3 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
- Sep. • Open "Pharmaceutical Research Institute" pavilion at KidZania Fukuoka
- Sep. • Passing away and resignation of an outside director
- Sep. • Support for the heavy rain disaster from August 3, 2022
- Sep. • Construction of New Research Center and Reorganization of Research Sites
- Oct. • Acquisition of treasury stock
- Oct. • Hisamitsu Springs Practice Site Named "Salonpas® Arena"

*Dec.5 Further energy conservation and CO2 reduction efforts through the "Smart Energy Network Project" at Kiyohara Industrial Park

*Jan.10 Hisamitsu Pharmaceutical Hot Heart Club decided to donate to support organizations in FY2022

1. Looking back on the Q3 FY02/2023(4)

Hisamitsu Springs Practice Site Named "Salonpas® Arena"

サロンパス アリーナ Salonpas® Arena



Salonpas® Arena(image)



(Main Arena Image)



(Springs Gallery Image)

Construction is scheduled to be completed in the spring of 2023 as a training base for Hisamitsu Springs

Hisamitsu Springs Web Site <https://saga-springs.co.jp/>



2. Promotion of ESG

SDGs Management Survey 2022 conducted by
Nikkei Inc. ★★★★★



- Nikkei Inc. has launched a survey for companies to assess their promotion of the SDGs and ESGs as part of their contribution to achieving the SDGs, starting in 2019.
- Evaluate companies in the four areas of "SDG Strategic and Economic Value," "Social Value," "Environmental Value," and "Governance," based on corporate surveys and publicly available data.

3rd ESG Brand Survey in Nikkei Business Publications, Inc. :
Ranked 84th

- Survey of corporate brand image from an ESG perspective to approximately 21,000 consumers and business people for 560 major corporate brands.
- Overall score (ESG Brand Index) is calculated based on four image scores: Environmental (E), Social (S), Governance (G), and Integrity.

3. Progress for FY02/2023

Unit:¥ Million

Consolidated P&L	Q3 FY02/2023	FY02/2023	
	Actual	Forecast	Progress Rate
Net Sales	91,881	123,000	74.7%
Operating Profits	8,506	11,100	76.6%
Ordinary Profits	13,003	12,700	102.4%
Net Profits	9,522	9,700	98.2%

*No change in the consolidated earnings forecast

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

Unit:¥ Million

	Actual for Q3 FY02/2022	Actual for Q3 FY02/2023	Change	Percentage Change
Net sales	86,663	91,881	+5,217	+6.0%
CoGS	34,884	39,100	+4,215	+12.1%
as a % of sales	40.3%	42.6%		
SG&A costs	44,805	44,274	-530	-1.2%
Sales promotion costs	10,789	7,911	-2,878	-26.7%
Advertising costs	8,465	8,733	+268	+3.2%
R&D costs	7,455	7,174	-280	-3.8%
Others	18,094	20,454	+2,359	+13.0%
Operating profit	6,973	8,506	+1,532	+22.0%
Ordinary profit	8,665	13,003	+4,338	+50.1%
Net profit	6,218	9,522	+3,304	+53.1%
Exchange rate(¥/USD)	109.1	129.5		

※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 Q3 FY02/2022	Actual for Q3 FY02/2023	Change	Main factor
Net sales	86,663	91,881	+5,217	
CoGS	34,884	39,100	+4,215	
as a % of sales	40.3%	42.6%		【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	44,805	44,274	-530	
Sales promotion costs	10,789	7,911	-2,878	・Application of Accounting Standard for Revenue Recognition
Advertising costs	8,465	8,733	+268	
R&D costs	7,455	7,174	-280	
Others	18,094	20,454	+2,359	・Increase in logistics costs
Operating profit	6,973	8,506	+1,532	
Non-operating balance	1,692	4,497	+2,805	・Foreign exchange gain
Ordinary profit	8,665	13,003	+4,338	
Extraordinary balance	326	26	-300	・[FY02/2022]Sales of investment securities
Net profit	6,218	9,522	+3,304	

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5. Sales Results by Region

Unit:¥ Million

		Actual for Q3 FY02/22	Actual for Q3 FY02/23	change	percentage Change
Net sales		86,663	91,881	+5,217	+6.0%
Rx Business	Japan	41,040	40,162	-878	-2.1%
	Overseas	9,999	11,879	+1,880	+18.8%
	USA	6,780	8,496	+1,716	+25.3%
	Other regions	3,218	3,382	+163	+5.1%
OTC Business	Japan	14,042	11,745	-2,296	-16.4%
	Overseas	19,431	25,796	+6,364	+32.8%
	USA	10,079	12,024	+1,944	+19.3%
	Other regions	9,352	13,772	+4,419	+47.3%
Others	Japan	2,149	2,297	+147	+6.9%

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

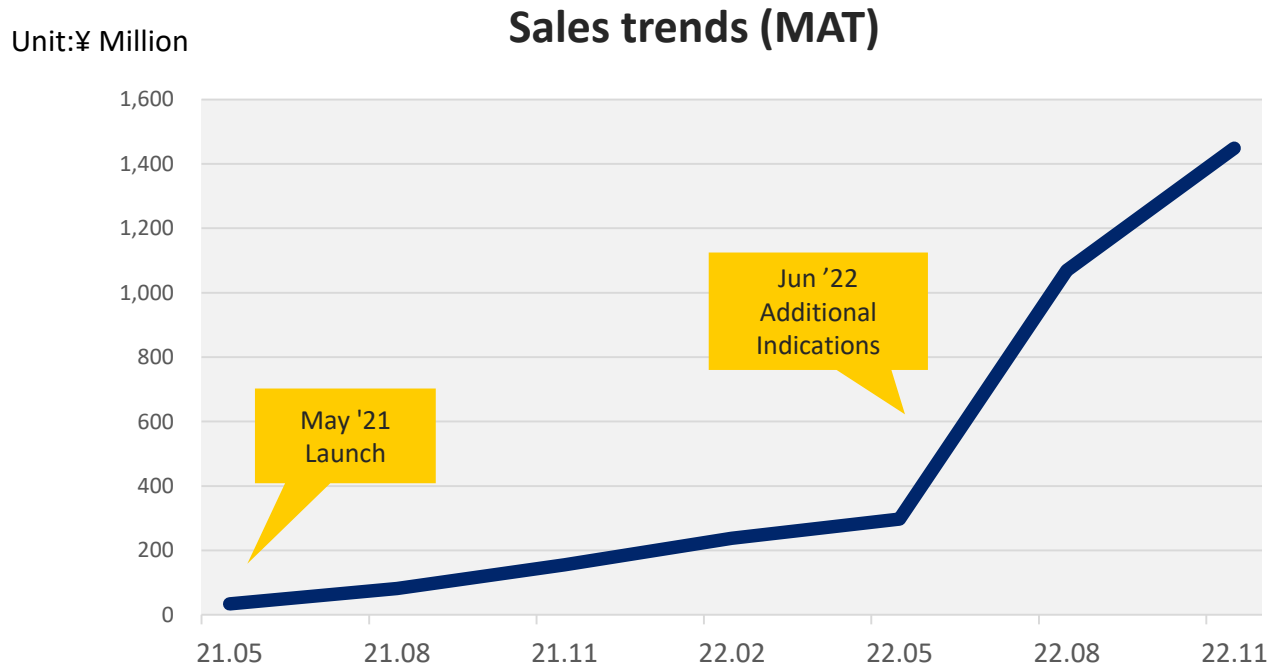
Unit:¥ Million

	Actual for Q3 FY02/23			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	52,041	40,162	11,879	+1,002	-878	+1,880	+2.0%	-2.1%	+18.8%
Mohrus® Tape products	21,480	21,056	423	-2,617	-2,740	+123	-10.9%	-11.5%	+41.2%
Zicthoru® Tapes	1,365	1,365	-	+1,210	+1,210	-	+779.0%	+779.0%	-
Haruropi® Tape	2,370	2,370	-	-141	-141	-	-5.6%	-5.6%	-
Mohrus® Pap products	3,066	3,066	-	-670	-670	-	-17.9%	-17.9%	-
Fentos® Tapes	2,886	2,886	-	+140	+140	-	+5.1%	+5.1%	-
Allesaga® Tapes	269	269	-	-15	-15	-	-5.4%	-5.4%	-
Others	8,719	8,002	717	+1,436	+1,138	+297	+19.7%	+16.6%	+70.9%
CombiPatch® products	4,793	1,144	3,648	+1,064	+200	+864	+28.5%	+21.2%	+31.0%
Vivelle-Dot® products	3,990	-	3,990	+670	-	+670	+20.2%	-	+20.2%
Minivelle® products	1,593	-	1,593	+156	-	+156	+10.9%	-	+10.9%
Daytrana®	1,052	-	1,052	-434	-	-434	-29.2%	-	-29.2%
Secuado®	453	-	453	+201	-	+201	+80.0%	-	+80.0%

※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

Properly communicate the features of "systemic formulations" to physicians through Product information sessions and Lectures



【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

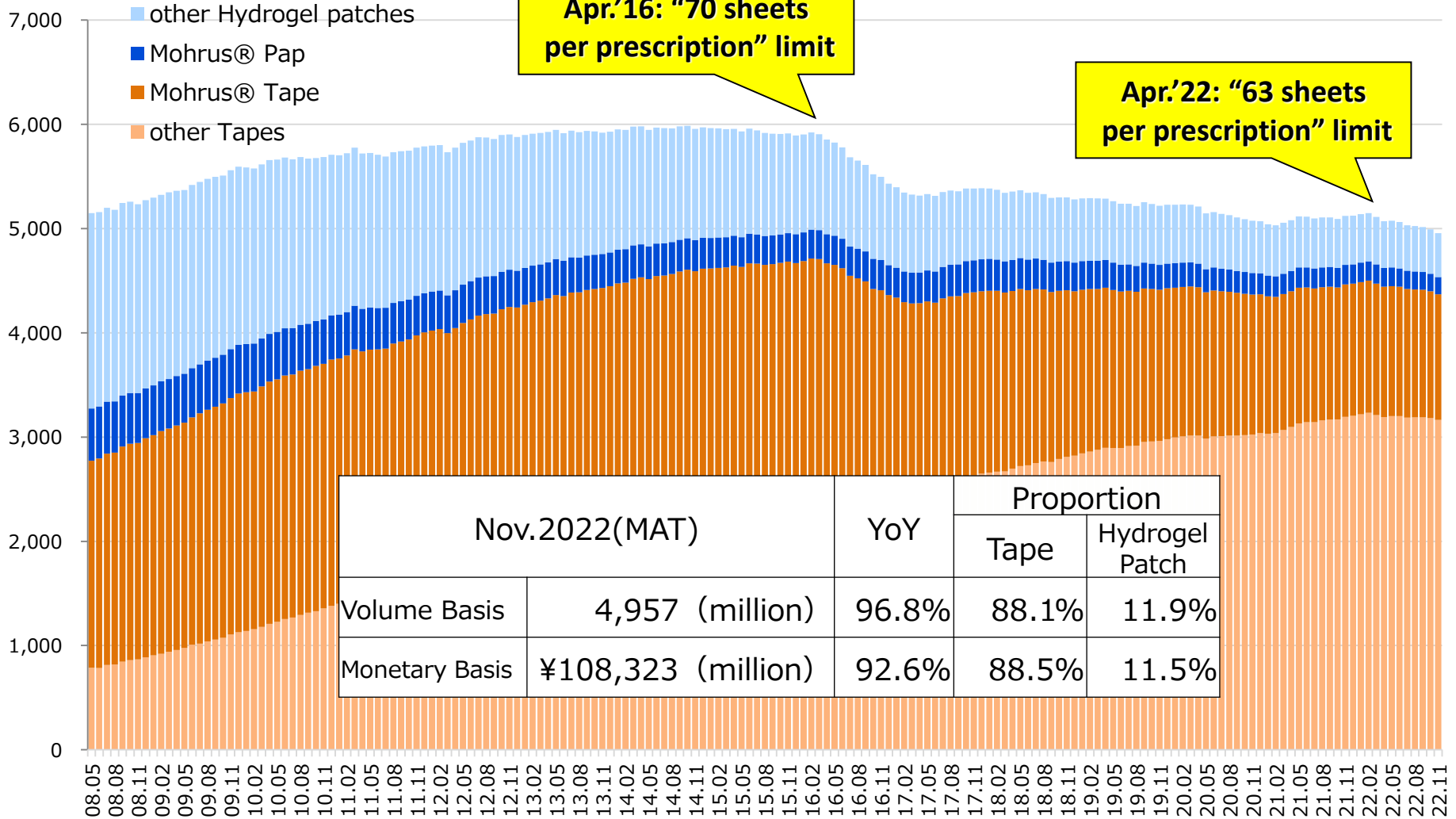
	Actual for Q3 FY02/23			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	37,542	11,745	25,796	+4,067	-2,296	+6,364	+12.2%	-16.4%	+32.8%
Salonpas® products	27,360	4,969	22,391	+4,887	-206	+5,094	+21.7%	-4.0%	+29.5%
Feitas® products	2,735	2,723	11	-558	-549	-8	-17.0%	-16.8%	-43.2%
Salonsip® products	2,415	1,462	952	-11	-296	+285	-0.5%	-16.9%	+42.8%
Allegra® FX	563	563	-	-263	-263	-	-31.9%	-31.9%	-
Air® Salonpas® products	1,118	600	518	+67	-57	+124	+6.4%	-8.8%	+31.7%
Butenalock® products	487	486	0	-659	-660	+0	-57.5%	-57.6%	-
Others	2,861	939	1,921	+606	-261	+868	+26.9%	-21.8%	+82.4%

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

Number of patches (Million)

Market trends on volume basis



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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	Under consideration

※Yellow-highlighted parts are changes from the previous announcement made on Oct.12th,2022



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.