

November 6, 2023

Supplementary Documents of Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2024 (FY2023)



Securities code : 4886 (TSE)

ASKA Pharmaceutical Holdings Co., Ltd.

Highlight

2Q FY2023 (Consolidated)

Net sales

✓ **31.6 billion yen, up 4.9% YOY**

The pharmaceuticals business remained strong, with record-high sales.

Cost of sales

✓ **16.4 billion yen, up 0.6 percentage points YOY**

The product mix improved due to growth in Brand-name drugs such as RELUMINA, THYRADIN, and RIFXIMA.

SG&A expenses

✓ **12.1 billion yen, up 0.4 percentage points YOY**

Impacted by an increase in business activity expenses due to the normalization of economic activities.

Operating profit

✓ **3.0 billion yen, up 6.1% YOY**

Despite increases in SG&A and R&D expenses, the increased sales and gross profit boosted profits.

【Reference】 Financial Forecast Revisions announced on September 25, 2023

Profit attributable to owners of parent

✓ **6.2 billion yen, a 1.8 billion yen increase from the previous announcement (May 11)**

Revised upward due to a record of a gain on sales of investment securities.

Statements of Income (Consolidated)

(Millions of yen)	FY2022 Apr - Sep Actual	FY2023 Apr - Sep Actual	Actual +/-	Growth +/-
Net sales	30,172	31,648	1,475	4.9%
Operating profit	2,879	3,055	176	6.1%
Ordinary profit	2,987	3,096	108	3.6%
Profit attributable to owners of parent	2,346	4,129	1,783	76.0%

Major factors for the increase

- ✓ The future outlook remains uncertain as a result of factors such as rising costs due to a rapid decrease in the value of the yen on international currency markets and rising prices of energy and raw materials. Even under such conditions, however, the favorable trend in the Group's businesses continued from the previous fiscal year. Profit attributable to owners of parent increased due to a gain on sales of investment securities.

Net Sales by Business (Consolidated)

(Millions of yen)	FY2022 Apr - Sep Actual	FY2023 Apr - Sep Actual	Breakdown	Actual +/-	Growth +/-
Pharmaceutical business	26,851	28,404	89.7%	1,553	5.8%
Animal health business	3,234	3,162	10.0%	-71	-2.2%
Other businesses	86	80	0.3%	-5	-6.6%
Total	30,172	31,648	100.0%	1,475	4.9%

Major factors for the increase/decrease

- ✓ The pharmaceutical business showed favorable trends overall despite the impact of the NHI drug price revision. Sales of "RELUMINA" and "FREWELL" continued to increase from the previous year, and "DroEthi", launched in June 2022, remained strong. Steady growth of "THYRADIN" and "RIFXIMA."
- ✓ Sales of the animal health business, centered on veterinary pharmaceuticals and feed additives products maintained the same level as the previous year despite the rising costs of raw materials and other items..

Sales of Main Products (ASKA Pharmaceutical Co., Ltd.) (Millions of yen)

Area	Category	Products (generic name)	FY2022 Apr - Sep	FY2023 Apr - Sep		FY2023		Reference	Notes
			Actual	Actual	YOY	Revised Forecast	YOY	Previous Forecast	
Internal Medicine	AG	CANDESARTAN * 1 (candesartan)	5,477	4,952	-9.6%	9,438	-12.0%	9,268	The NHI drug price decreased, but sales on a quantity basis maintained.
	Brand-name	THYRADIN (levothyroxine)	3,921	4,000	2.0%	7,823	1.2%	7,833	Progress as expected
	Brand-name	RIFXIMA (rifaximin)	2,757	2,997	8.7%	5,671	5.1%	5,578	Sales grew as guideline penetration increased
	Brand-name	MERCAZOLE (thiamazole)	761	776	1.9%	1,515	1.9%	1,513	Progress as expected
	Generic	AMLODIPINE (amlodipine)	465	430	-7.4%	844	-6.2%	844	Progress as expected
Obstetrics and Gynecology	Brand-name	RELUMINA (relugolix)	4,524	5,186	14.6%	10,234	15.8%	10,128	Continued penetration activities for endometriosis
	Generic	DroEthi (drospirenone/ethinylestradiol)	1,279	2,909	127.4%	5,370	46.3%	4,165	Progress than expected
	AG	FREWELL (norethisterone/ethinylestradiol)	1,765	1,663	-5.8%	3,329	-4.6%	3,407	Increased sales volume but less than initially expected
	Brand-name	LUTEUM (progesterone)	569	876	53.8%	1,462	16.9%	1,363	Growth due to lifting of shipping restrictions, external factors, etc.
	Brand-name	ANGE (levonorgestrel/ethinylestradiol)	420	367	-12.6%	713	-9.0%	799	Decreased due to shift to other companies' products
	Brand-name	MAGSENT * 2 (magnesium sulfate)	309	355	14.9%	711	13.4%	750	The NHI price increases reflected in its figure
Urology	Generic	LEUPRORELIN * 3 (leuprorelin)	2,619	2,321	-11.4%	4,494	-10.1%	4,828	Continued switch to other products from the initial forecast

* 1 Including compounding agents

* 2 Total value of magnesium sulfate preparation

* 3 1.88mg formulation is for gynecological indications only but combined with 3.75mg formulation



ASKA Pharmaceutical Holdings Co., Ltd.

Sales by Major Business Field (ASKA Animal Health)

(Millions of yen)

Business field	FY2022 Apr - Sep	FY2023 Apr - Sep		FY2023		Reference
	Actual	Actual	YOY	Forecast	YOY	Previous forecast
Feed additives and materials, Mixed feed	2,062	1,873	-9.1	3,484	-16.1%	3,832
Veterinary pharmaceuticals (livestock and fisheries + *CA)	1,081	1,189	10.0	2,415	1.9%	2,490

Major factors for increases/decreases

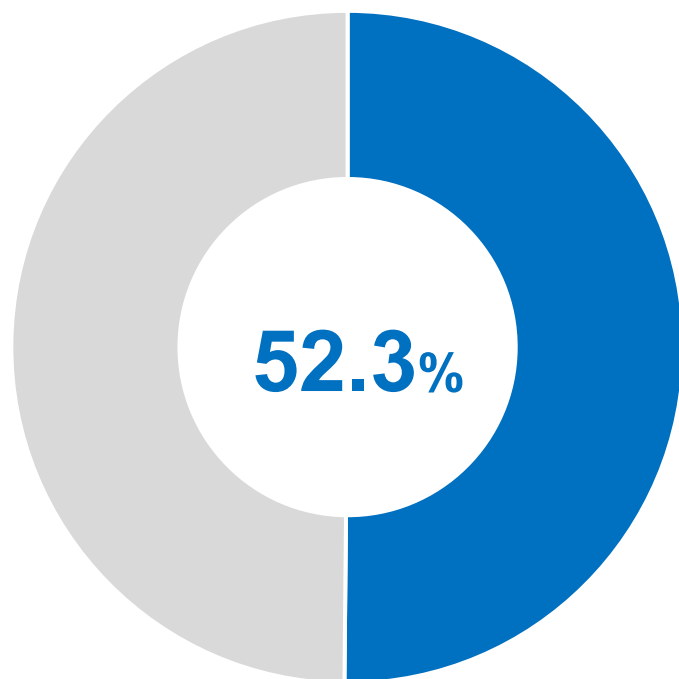
- ✓ Market conditions for feed additives remained uncertain, although there were trends toward a bottoming out of the market.
- ✓ Sales of veterinary drugs remained steady, centering on TRILOSTANE TABLETS "ASKA," launched last year, and hormone agents.

* Companion Animal

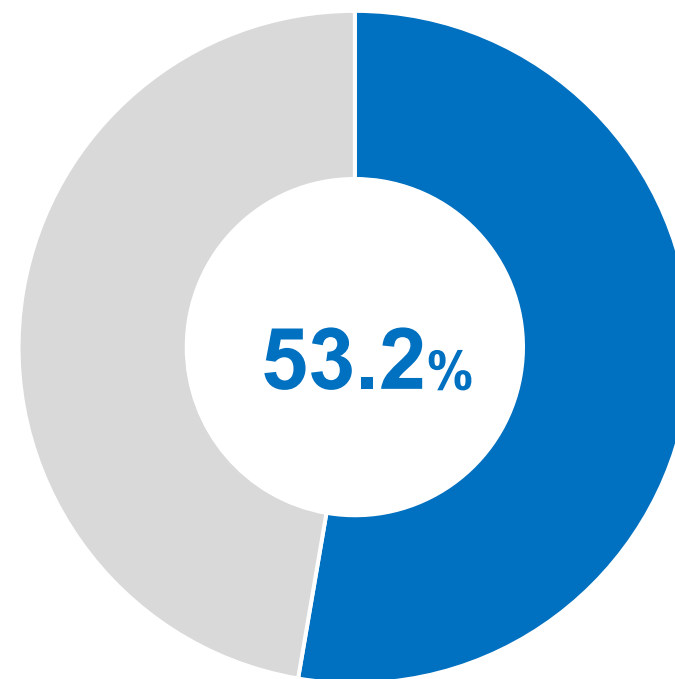
Sales Proportion of Brand-name Drugs

■ Brand-name drugs ■ Generic drugs

2Q FY2022



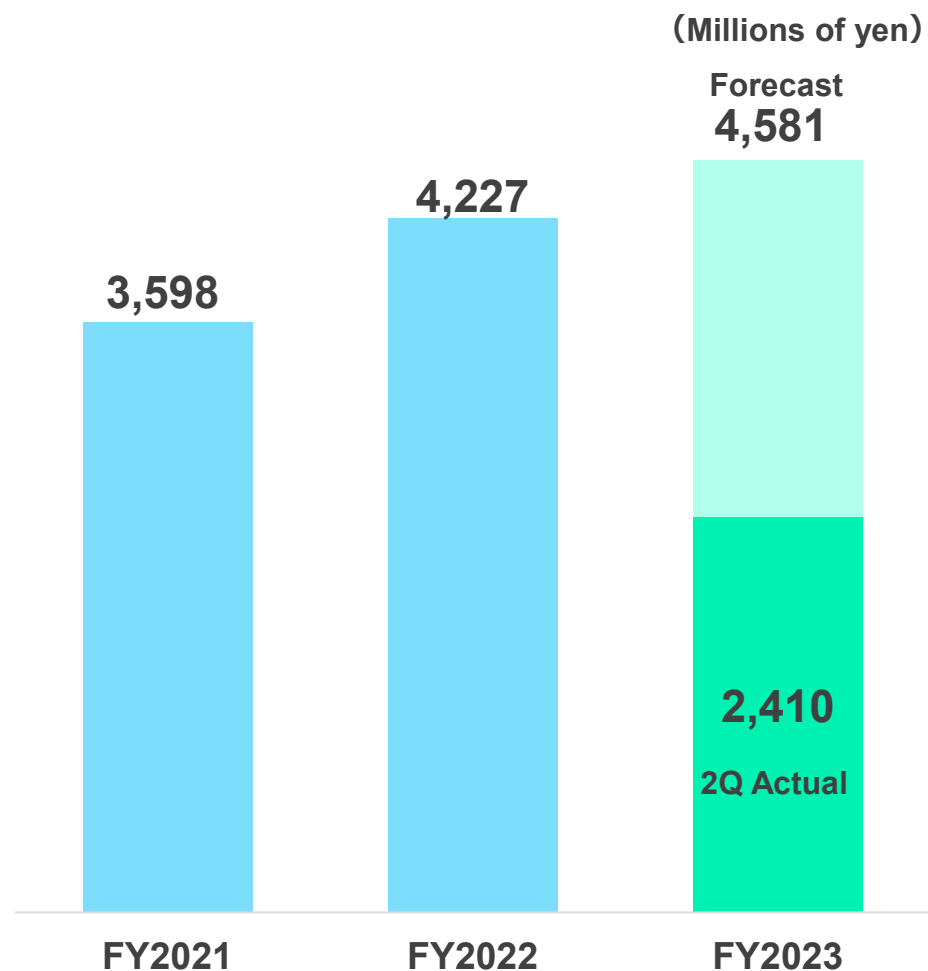
2Q FY2023



The product mix improved due to growth in RELUMINA, RIFXIMA, and THYRADIN, resulting in a 0.9 percentage point increase in the ratio of brand-name drugs to sales despite the growth in DroEthi, Generic drug.

R&D Status

Trend of R&D expenses



Note: Revised from the initial forecast for FY2023 (4,309)

As of November 6, 2023

Development code (Generic name) / Indication	Phase
LF111 (drospirenone) Contraception	Ph III
(Option agreement) Treatment for PMS/PMDD	Ph II (IIT *1)
AKP-022 (Relugolix combination tablet) Uterine fibroids	Ph I / II
TRM-270 (adhesion barrier) (Gastroenterology and Ob/Gyn)	Ph III
L-105 (rifaximin) Hepatic encephalopathy (pediatrics)	Filed
AKP-009 (ludaterone acetate) Benign prostatic hyperplasia	Ph II *2
AKP-017 (transnasal testosterone) (Urology)	Preparing Development

*1 Investigator-initiated clinical trial

*2 Ph I trial is being conducted again

Financial Forecast Revisions announced on September 25, 2023

(Millions of yen)	FY2022 Actual	FY2023 Previous Forecast	FY2023 Revised Forecast	YOY Actual +/-	YOY Growth +/-
Net sales	60,461	62,000	62,000	1,538	2.5%
Operating profit	5,108	5,400	5,400	291	5.7%
Ordinary profit	5,232	5,500	5,500	267	5.1%
Profit attributable to owners of parent	4,238	4,400	6,200	1,961	46.3%

Analysis of Major factors

The Company is in the process of reducing its cross-shareholdings with the target of reducing its cross-shareholdings to less than 20% of consolidated net assets. As part of this effort, the Company plans to sell listed securities held by ASKA Pharmaceutical Co., Ltd.

Based on current estimates; it expects to record a gain on sales of investment securities of approximately 2,700 million yen an extraordinary gain. Accordingly, profit attributable to owners of parent is revised upward