

February 5, 2024

# Supplementary Documents of Consolidated Financial Results for the Third Quarter of FY2023 (from April 1, 2023 to March 31, 2024)



**Securities code : 4886 (TSE)**

**ASKA Pharmaceutical Holdings Co., Ltd.**

# Highlight

## 3Q FY2023 (Consolidated)

### Net sales

✓ **48.8 billion yen, increased 3.3% YOY**

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

### Cost of sales

✓ **25.1 billion yen, improved 1.1 percentage points YOY**

Improved product mix and other factors due to growth in Brand-name drugs etc.

### SG&A expenses

✓ **18.1 billion yen, increased 0.4 percentage points YOY**

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

### Operating profit

✓ **5.5 billion yen, increased 9.6% YOY**

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

## FY2023 Consolidated Financial Forecast

### Performance forecast

✓ **Net sales 62.0 billion yen, up 2.5% YOY**

✓ **Operating profit 5.4 billion yen, up 5.7% YOY**

# Statements of Income (Consolidated)

(Millions of yen)	FY2022 Apr - Dec Actual	FY2023 Apr - Dec Actual	Actual +/-	Growth +/-
Net sales	47,259	48,824	1,564	3.3%
Operating profit	5,041	5,526	484	9.6%
Ordinary profit	5,246	5,631	384	7.3%
Profit attributable to owners of parent	4,183	6,458	2,275	54.4%

## Major factors for increases

- ✓ The Group business continued to show a favorable trend following the previous fiscal year, despite the uncertain business environment caused by such factors as ongoing high prices of resources and materials and rising costs due to the depreciation of the yen on international currency markets. Profit attributable to owners of parent increased due to a gain on sales of investment securities, which was recorded as extraordinary income in the second quarter.

# Net Sales by Business (Consolidated)

(Millions of yen)	FY2022 Apr - Dec Actual	FY2023 Apr - Dec Actual	Breakdown	Actual +/-	Growth +/-
Pharmaceutical business	41,916	43,603	89.3%	1,686	4.0%
Animal health business	5,187	5,096	10.4%	-90	-1.7%
Other businesses	155	124	0.3%	-31	-19.9%
<b>Total</b>	<b>47,259</b>	<b>48,824</b>	<b>100.0%</b>	<b>1,564</b>	<b>3.3%</b>

## Major factors for increases/decreases

- ✓ The pharmaceutical business showed favorable trends overall, despite the impact of the periodical NHI drug price revisions. Sales of "RELUMINA" continued to increase, and sales of "DroEthi", launched in June 2022, significantly increased following the previous year. Also, "THYRADIN" and "RIFXIMA" showed growth.
- ✓ In the animal health business, which sells veterinary pharmaceuticals and feed additives, sales maintained the same level as the previous year despite the impact of rising costs of raw materials.

# Sales of Main Products (Pharmaceutical Business)

(Millions of yen)

Area	Category	Products (generic name)	FY2022 Apr - Dec	FY2023 Apr - Dec		FY2023		Reference	Notes
			Actual	Actual	YOY	Forecast	YOY	Previous Forecast	
Internal Medicine	AG	CANDESARTAN * 1 (candesartan)	8,464	7,558	-10.7%	9,497	-11.4%	9,268	Sales volume remained although the NHI drug price decreased
	Brand-name	THYRADIN (levothyroxine)	6,031	6,104	1.2%	7,720	-0.2%	7,833	Progress as expected
	Brand-name	RIFXIMA (rifaximin)	4,230	4,572	8.1%	5,762	6.8%	5,578	Sales grew as the Guideline penetrated
	Brand-name	MERCAZOLE (thiamazole)	1,163	1,180	1.4%	1,489	0.2%	1,513	Progress as expected
	Generic	AMLODIPINE (amlodipine)	710	655	-7.7%	821	-8.8%	844	Progress as expected
Obstetrics and Gynecology	Brand-name	RELUMINA (relugolix)	6,995	7,873	12.6%	10,234	15.8%	10,128	Continued penetration activities in endometriosis market
	Generic	DroEthi (norethisterone/ethinylestradiol)	2,538	4,604	81.4%	6,096	66.0%	4,165	Significantly more progress than expected
	AG	FREWELL (drospirenone/ethinylestradiol)	2,718	2,556	-5.9%	3,253	-6.8%	3,407	Sales volume increased although the NHI drug price decreased
	Brand-name	LUTEUM (progesterone)	918	1,505	63.9%	2,050	63.8%	1,363	Growth due to external factors, etc.
	Brand-name	ANGE (levonorgestrel/ethinylestradiol)	626	562	-10.3%	691	-11.9%	799	Decreased due to switch to other companies' products
	Brand-name	MAGSENT * 2 (magnesium sulfate)	484	562	16.2%	715	14.1%	750	Reflected the NHI drug price increase in the figures
Urology	Generic	LEUPRORELIN * 3 (leuprorelin)	3,930	3,476	-11.5%	4,381	-12.4%	4,828	Switch to other products progressed more than initially expected

\* 1 Including compounding agents

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

\* 2 Total value of magnesium sulfate preparation



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# Sales by Major Business Field (Animal Health Business)

(Millions of yen)

Business field	FY2022 Apr – Dec	FY2023 Apr - Dec		FY2023		Reference
	Actual	Actual	YOY	Forecast	YOY	Previous forecast
Feed additives Mixed feed Feed materials	3,258	3,014	-7.5	3,848	-7.3%	3,832
Veterinary pharmaceuticals (livestock and fisheries + *CA)	1,832	1,957	6.8	2,515	6.1%	2,490

## Major factors for increases/decreases

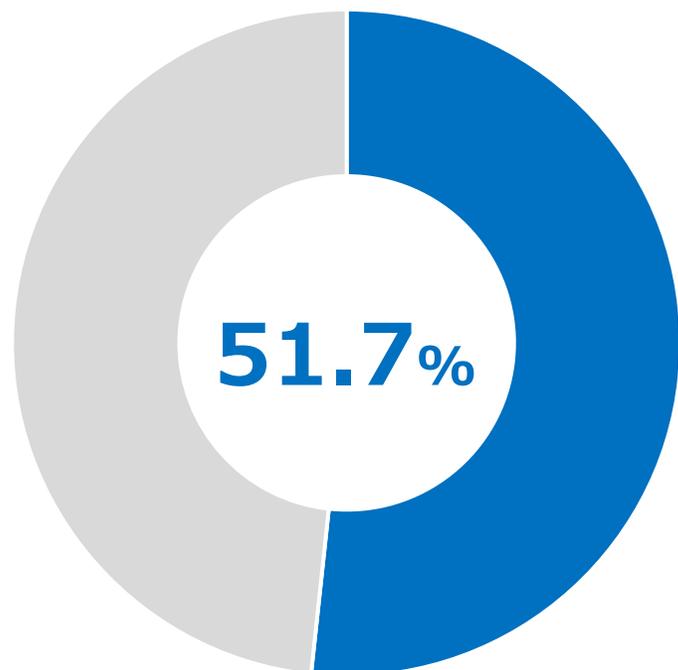
- ✓ The feed additives market shows trends toward a bottoming out of the market, but uncertain conditions continue.
- ✓ Sales of veterinary pharmaceuticals showed a favorable trend, centering on TRILOSTANE TABLETS "ASKA," launched last year, and hormone agents.

\* Companion Animal

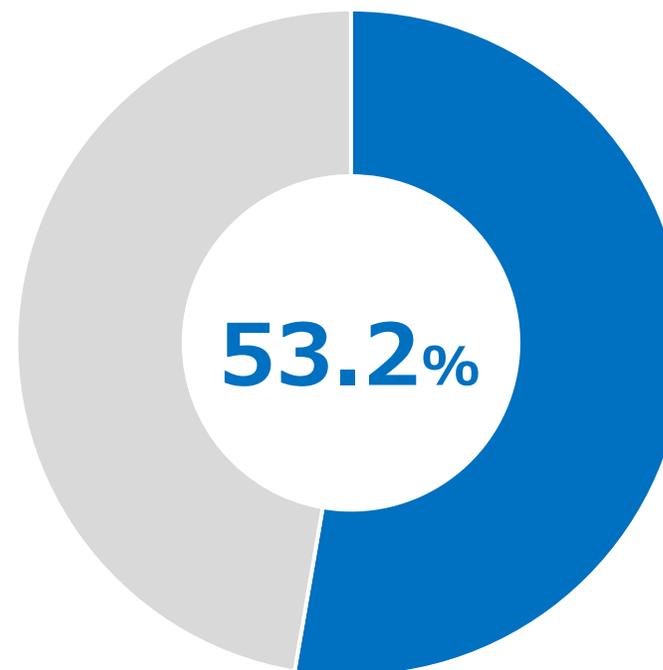
# Sales Proportion of Brand-name Drugs

■ Brand-name drugs ■ Generic drugs

3Q FY2022



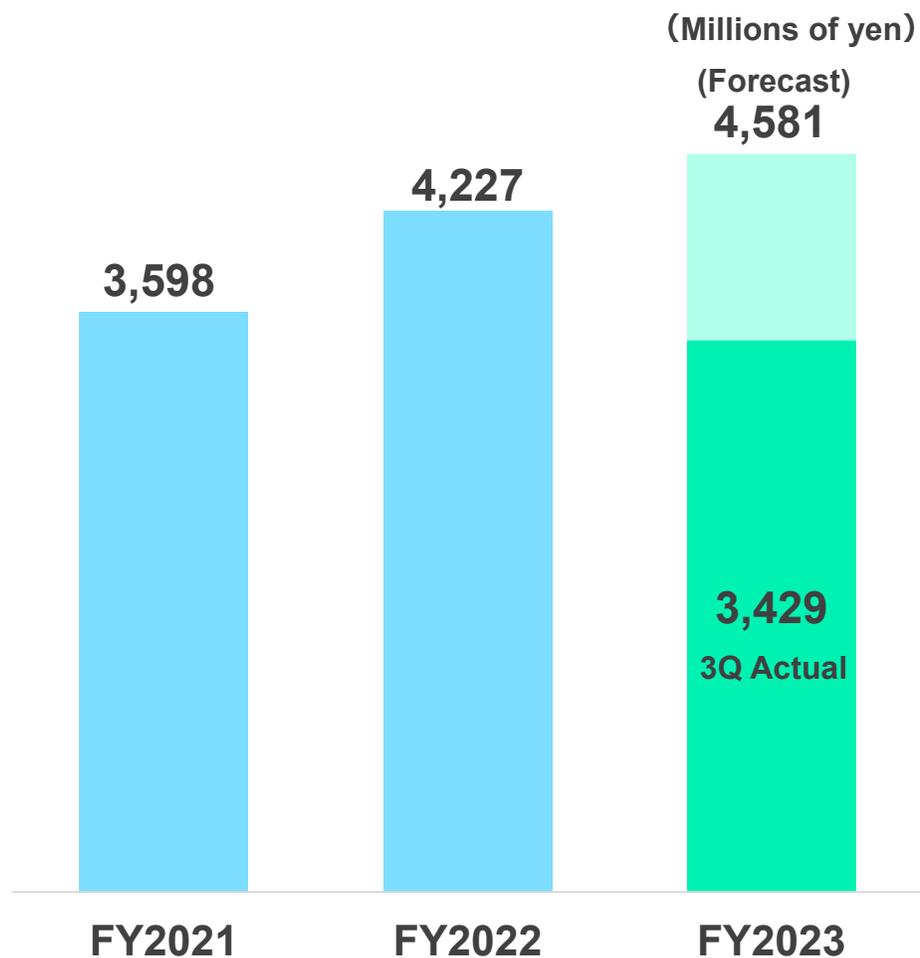
3Q FY2023



The product mix improved due to growth in RELUMINA, RIFXIMA, and THYRADIN, resulting in a 1.5 percentage point increase in the ratio of brand-name drugs to sales despite the significant growth in DroEthi, a generic drug.

# R&D Status

## Trend of R&D expenses



## As of February 5, 2024

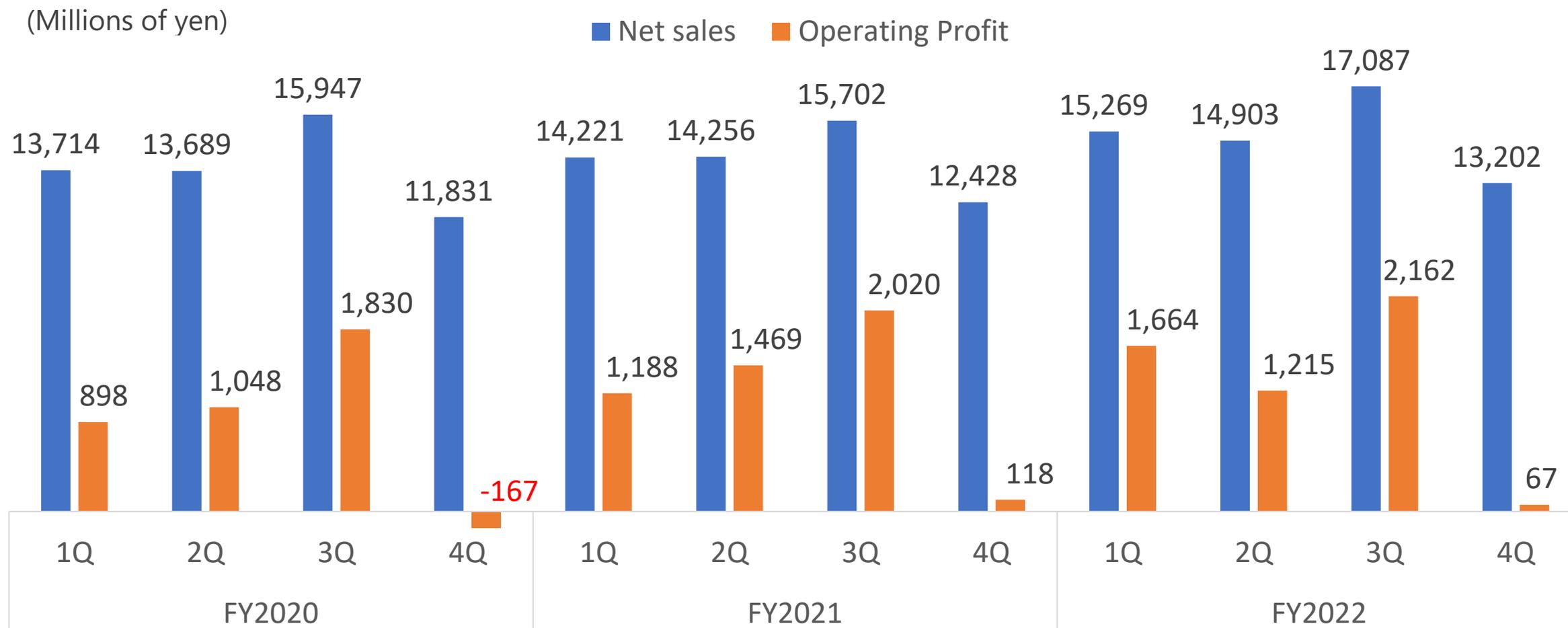
Development code (Generic name) / Indication	Phase
LF111 (drospirenone) Contraception	Ph III
(Option agreement) Treatment for PMS/PMDD	Ph II (IIT *1)
AKP-022 (Relugolix combination tablet) Uterine fibroids	Ph I / II
TRM-270 (adhesion barrier) (Gastroenterology and Ob/Gyn)	Ph III*2
L-105 (rifaximin) Hepatic encephalopathy (pediatrics)	Filed
AKP-009 (ludaterone acetate) Benign prostatic hyperplasia	Ph II*3
AKP-017 (transnasal testosterone) (Urology)	Preparing Development

\*1 Investigator-initiated clinical trial

\*2 A clinical trial for Ob/Gyn field was initiated in November 2023.

\*3 Ph I trial is being conducted again.

# Net Sales/Operating Profit by Quarter (Past Actual)



Both sales and profits tend to be low in 4Q due to restrained purchases before NHI drug price revisions and expenses incurred in 4Q.