

August 7, 2023

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



Stock code : 4886 (TSE)

ASKA Pharmaceutical Holdings Co., Ltd.

Highlight

1Q FY2023 (Consolidated)

Net sales

✓ **16.0 billion yen, up 4.9% YOY**

Showed a favorable trend in the pharmaceutical business, despite the annual NHI drug price revision.

Cost of sales

✓ **8.5 billion yen, up 6.8 percentage points YOY**

Increased 0.9 percentage points due to rising prices of raw materials and energy costs.

SG&A expenses

✓ **5.8 billion yen, up 3.1 percentage points YOY**

Impacted by increases in business activity expenses and R&D expenses.

Operating profit

✓ **1.7 billion yen, up 2.4% YOY**

Increased due to an increase in gross profit

FY2023 (Consolidated) – No changes from the forecast previously announced

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 - Jun Actual	FY2023 Apr - Jun Actual	Actual +/-	Growth +/-
Net sales	15,269	16,023	753	4.9%
Operating profit	1,664	1,704	39	2.4%
Ordinary profit	1,805	1,809	3	0.2%
Profit attributable to owners of parent	1,323	1,428	105	8.0%

Major factors for increases

- ✓ Despite the impact of higher raw materials and energy costs, the Group, mainly in the pharmaceutical business, also achieved increases in sales and profit from the same period of the previous year due to the growth of new products and continued cost-cutting efforts.

Net Sales by Business (Consolidated)

(Millions of yen)	FY2022 Apr - Jun Actual	FY2023 Apr - Jun Actual	Breakdown	Actual +/-	Growth +/-
Pharmaceutical business	13,646	14,420	90.0%	773	5.7%
Animal health business	1,593	1,560	9.7%	-32	-2.1%
Other businesses	29	42	0.3%	12	44.1%
Total	15,269	16,023	100.0%	753	4.9%

Major factors for increases/decreases

- ✓ The pharmaceuticals business remained strong overall despite the impact of the annual NHI drug price revisions. Sales of DroEthi, which was launched in June 2022, increased significantly from the previous year to 1,401 million yen (up 240.1% YOY).
- ✓ In the animal health business, sales remained at the same level as the previous year, mainly of livestock pharmaceuticals and feed additives.
- ✓ In the other business, which includes clinical testing and medical devices, sales of hair hormone level measurement kits also contributed to sales. Net sales increased.

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

Area	Category	Products (generic name)	FY2022 Apr - Jun	FY2023 Apr – Jun		FY2023		Notes
			Actual	Actual	YOY	Forecast	YOY	
Internal Medicine	AG	CANDESARTAN * 1 (candesartan)	2,859	2,599	-9.1%	9,268	-13.6%	The NHI drug price declined, but sales volume remained
	Brand-name	THYRADIN (levothyroxine)	2,040	2,062	1.1%	7,833	1.3%	Progress as expected
	Brand-name	RIFXIMA (rifaximin)	1,404	1,525	8.6%	5,578	3.4%	Sales grew steadily as the Guideline penetrated
	Brand-name	MERCAZOLE (thiamazole)	390	398	2.0%	1,513	1.8%	Progress as expected
	Generic	AMLODIPINE (amlodipine)	242	225	-6.9%	844	-6.3%	The NHI drug price declined, but sales volume remained
Obstetrics and Gynecology	Brand-name	RELUMINA (relugolix)	2,259	2,576	14.0%	10,128	14.6%	Progress as expected
	Generic	DroEthi (norethisterone/ethinylestradiol)	412	1,401	240.1%	4,165	13.5%	Launched in June last year. Sales in April-June recorded in this fiscal year
	AG	FREWELL (drospirenone/ethinylestradiol)	888	832	-6.2%	3,407	-2.4%	Sales volume increased, but sales are slightly lower than expected.
	Brand-name	LUTEUM (progesterone)	214	440	105.0%	1,363	8.9%	Increase due to effects of removing shipping restrictions
	Brand-name	ANGE (levonorgestrel/ethinylestradiol)	228	194	-15.0%	799	1.9%	Decrease due to switch to other companies' products
	Brand-name	MAGSENT * 2 (magnesium sulfate)	153	154	0.6%	750	19.6%	The NHI drug price increased, but we estimate the number of deliveries has decreased.
Urology	Generic	LEUPRORELIN * 3 (leuporelin)	1,357	1,192	-12.2%	4,828	-3.4%	Switch to other products progressed more than expected

* 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

Sales by Major Business Field (ASKA Animal Health)

(Millions of yen)

Business field	FY2022 Apr – Jun	FY2023 Apr - Jun		FY2023	
	Actual	Actual	YOY	Forecast	YOY
Feed additives and materials, Mixed feed	1,041	965	-7.3%	3,832	-7.7%
Veterinary pharmaceuticals (livestock and fisheries + *CA)	503	576	14.5%	2,490	5.1%

Major factors for increases/decreases

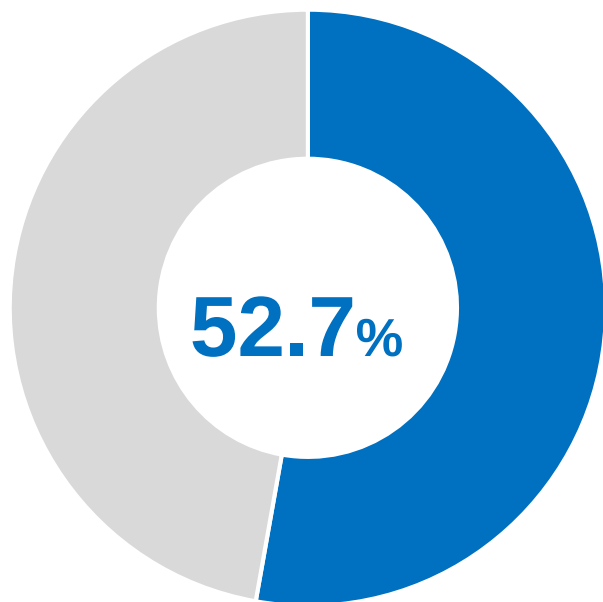
- ✓ Sales of feed additives decreased due to softer market prices for feed additives.
- ✓ In veterinary pharmaceuticals, sales increased due to solid sales of the TRILOSTANE TABLETS “ASKA,” launched in November 2022, and other products.

* Companion Animal

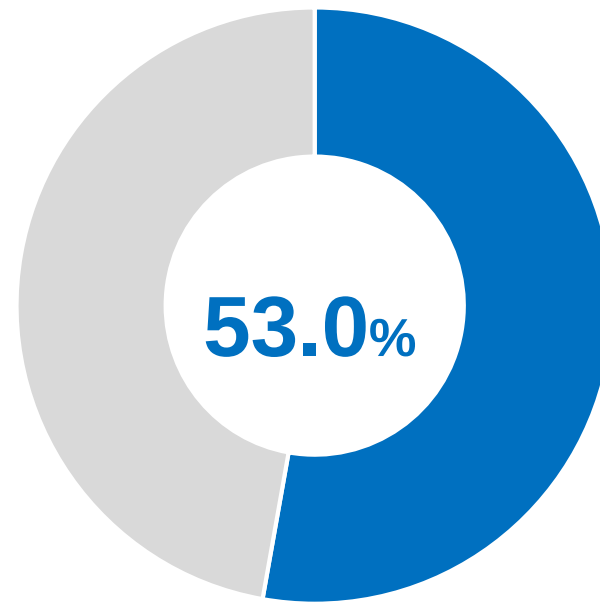
Sales Proportion of Brand-name Drugs

■ Brand-name drugs ■ Generic drugs

1Q FY2022



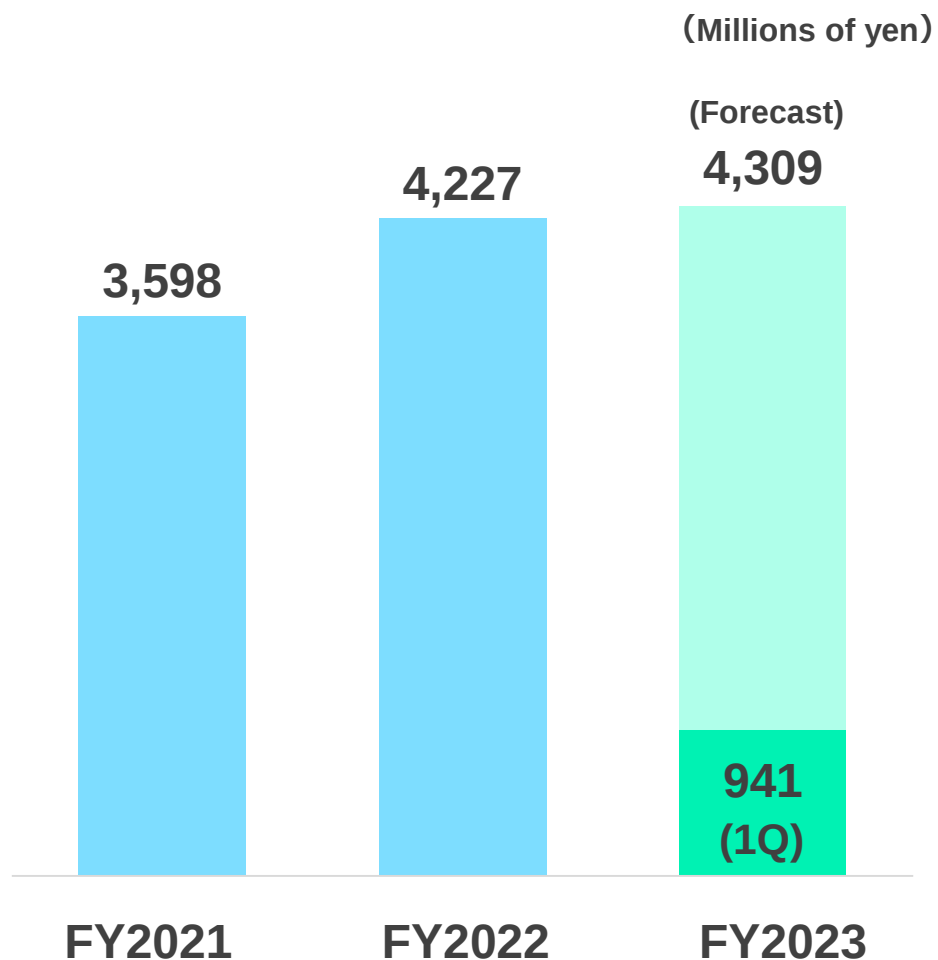
1Q FY2023



Despite significant growth in sales of DroEthi, a generic drug, RELUMINA, RIFXIMA, and THYRADIN improved the product mix, resulting in a 0.3 percentage point increase in the ratio of brand-name drugs to sales.

R&D Status

Trend of R&D expenses



As of August 7, 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
^{*1} Investigator-initiated clinical trial	
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
AKP-017 (transnasal testosterone) (Urology)	Preparing for clinical trials

- AKP-009 : Phase I trial is to be conducted again.