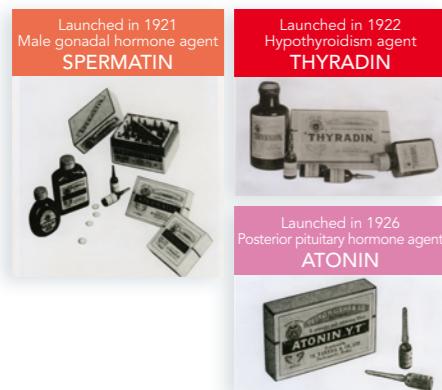


# History of Value Creation

Since our founding in 1920 as a pioneer in hormone preparations, we have unerringly continued on our journey, while always keeping in mind our essential mission as a company that is directly linked to life and health. In 2021, we transitioned to a holding company structure, and took a new step toward the next 100 years. We will continue to respond to the changing times and environment, and contribute to society as we evolve into a total healthcare company.

## 1920 – 1955 Took our first step as a pharmaceutical company

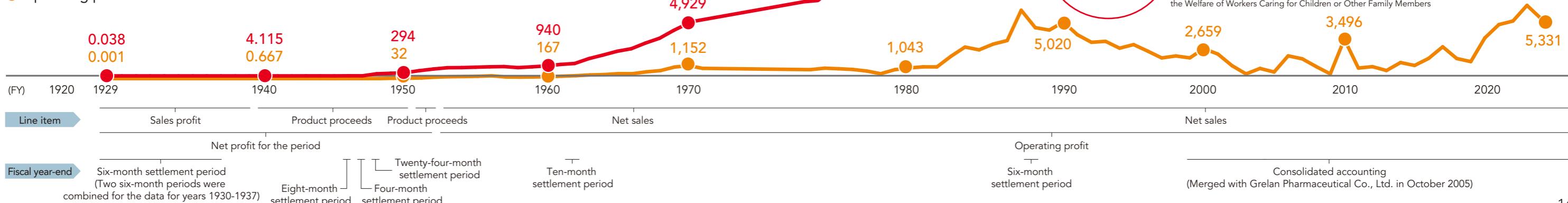
In 1920, Yasohachi Yamaguchi established Teikoku Hormone Research Institute. It began the research, development, manufacture and sales of hormone preparations based on the unique idea of creating useful medicines from animal organs. Although the company experienced hardships such as the Great Kanto Earthquake, and the loss of its head office and factory during the Second World War, it was rebuilt under a new organizational structure, and listed its shares on the Tokyo Stock Exchange in 1955.



## Financial Performance (Millions of yen)

● Net sales

● Operating profit



2021 –

Aim for further growth

ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025 was launched in 2021. In conjunction with the shift to a holding company structure, the Company not only aims to build a flexible organization that is capable of swift decision-making, but also to achieve further sustainable growth for the entire Group by further strengthening its governance structure.

2005 – 2021

Formation of ASKA Pharmaceutical Co., Ltd.

In 2005, ASKA Pharmaceutical Co., Ltd. was established to develop and market new drugs, specializing in the three priority areas of internal medicine, obstetrics and gynecology (Ob/Gyn), and urology with the aim of becoming a competitive specialty pharma company. The company took on challenges for the next stage, such as strengthening efforts for generic drugs that meet the needs of the times.



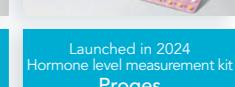
FY2024

¥64,139 million

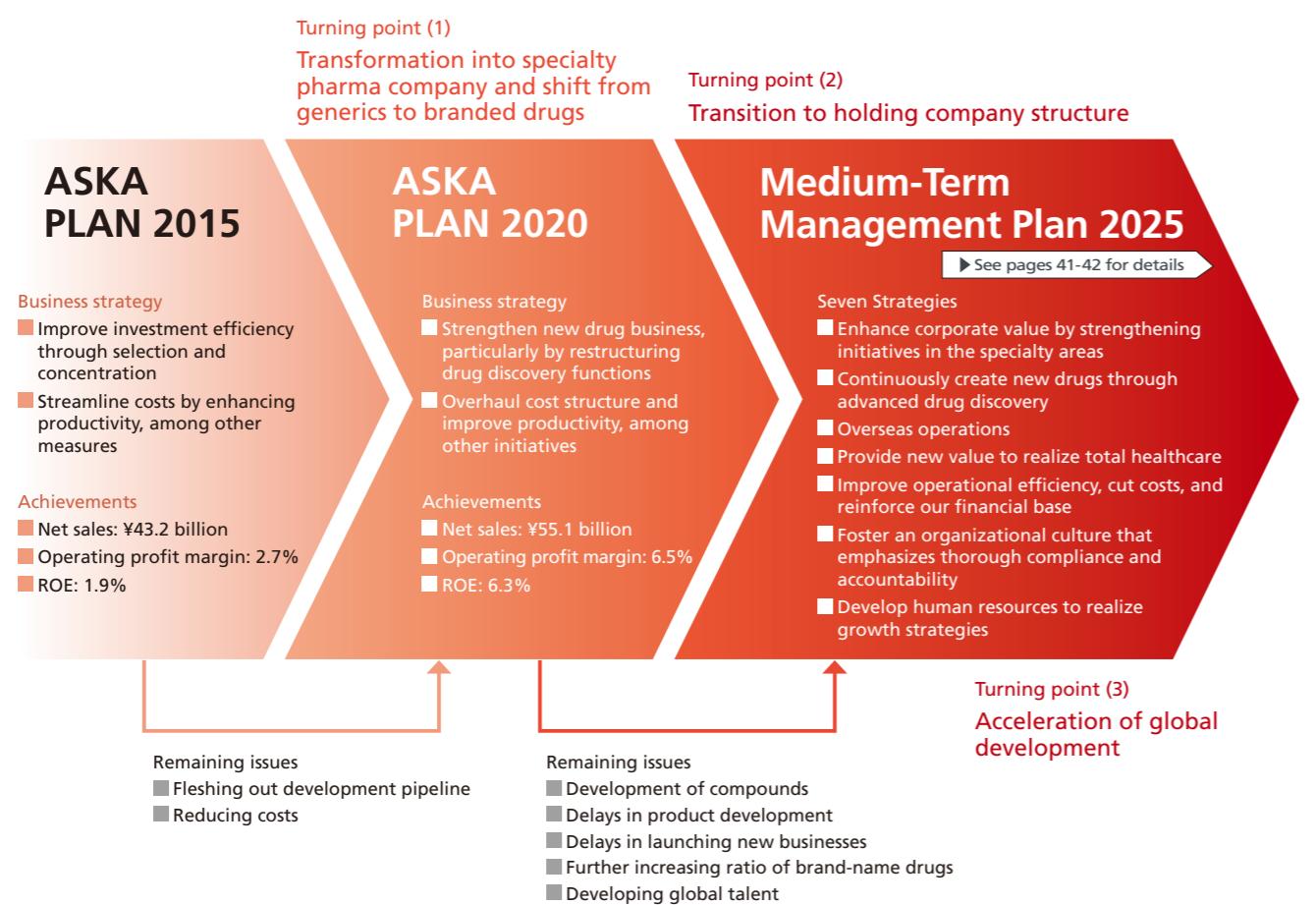
2022

Enforcement of Revised Act on the Promotion of Women's Participation and Advancement in the Workplace

45,849



## Medium-Term Management Plan Evolution and Value Creation Turning Points



## (1) Transformation into specialty pharma company and shift from generics to new drugs

**Background**  
In Japan, generic drug price competition has intensified amid diversification in medical needs as the population ages and heightened pressure to rein in social security expenditures. This has triggered a decline in our profitability. Since the late 2010s, ASKA Pharmaceutical accordingly has pursued a strategic shift toward a focus on specialty areas (specific disease areas or therapeutic fields) where we are able to add greater value and differentiate ourselves, all the while maintaining generics as one of our business foundations. Amid a national push to extend healthy life expectancy and a growing need for personalized medicine, we seek to improve profits and achieve sustainable growth by strengthening our R&D capabilities and market competitiveness while also increasing our exposure to high-margin brand-name drugs (new drugs).

**Changes brought about by this turning point**  
Through this shift from an emphasis on generics to specialty drugs, we have been able to concentrate our R&D resources in high-value-added domains, establishing a unique position in fields such as women's healthcare, rare diseases, and hormone-related therapeutics. In particular, we have established ourselves as a leading company in the Ob/Gyn field by leveraging the knowledge, know-how, track record, and specialty expertise we have amassed over the years. Through collaboration with external partners, we have fleshed out our arsenal of cutting-edge technologies and our new drug pipeline.

In doing so, we have increased our exposure to new drugs and moved away from our earlier reliance on low-margin generics, thereby improving profitability and transitioning to stable growth underpinned by highly competitive specialty drugs. This strategy has addressed patient needs while at the same time enhancing our corporate value and laying the groundwork for global expansion.

## (2) Transition to holding company structure

**Background**

Japan's aging population presents challenges in the form of rising social security costs and a shrinking workforce. Against this backdrop, the government is keen to extend healthy life expectancies and increase uptake of prevention and health management services. Traditionally, ASKA Pharmaceutical has operated its pharmaceutical business based on the corporate philosophy of "Contribute toward the improvement of people's health and progress in medicine through the development of innovative products." In December 2019, though, we announced the transition to a holding company structure through a sole-share transfer, to address society's changing needs and the increasingly challenging business climate while also contributing to sustained improvement in our corporate value. We established ASKA Pharmaceutical Holdings Co., Ltd. in April 2021, furthering our transformation into a "Total Healthcare Company" that not only supplies pharmaceuticals but also encompasses prevention, testing and diagnostics, treatment, and prognosis.

**Changes brought about by this turning point**

Through this transition to a holding company structure, we have strengthened strategic planning and governance for the



entire group and achieved swift decision-making by delegating authority to operating subsidiaries. This in turn has accelerated new business development in the healthcare field and domestic and international collaboration through M&A. We are moving beyond the boundaries of our pharmaceutical business and pursuing commercialization in disease prevention and pre-symptomatic areas, with a view to stabilizing management and maximizing Group value. With this transformation, we have been able to balance solving social issues with corporate growth, thereby setting the stage for new value creation.

## (3) Acceleration of global development

**Background**

Due to the nation's declining birthrate and aging population, the Japanese government has redoubled efforts to rein in medical costs, resulting in repeated drug price reductions. Price competition for generic drugs has intensified as well, limiting prospects for medium- to long-term revenue growth in a domestic market that continues to mature and contract. We believe that ASKA Pharmaceutical must leverage its strong domestic base in seeking growth opportunities overseas. In the 2020s, ASKA Pharmaceutical has been accelerating global expansion through M&A and strategic alliances, with a focus on the European, US, and Asian markets where demand for specialty pharmaceuticals and healthcare services is growing. Backed by the government's push to extend healthy life expectancy, ASKA Pharmaceutical has cemented its policy of helping to resolve global healthcare issues.

**Changes brought about by this turning point**

As our global expansion gathers pace, we are expanding our



Ha Tay Pharmaceutical Joint Stock Company (Vietnam)

business foundations with an emphasis on Southeast Asia. In Vietnam, we have worked to strengthen our local supply system and profitability by making Ha Tay Pharmaceutical Joint Stock Company ("Hataphar") a subsidiary and supporting the construction of a PIC/S GMP\*-compliant manufacturing base. In the Philippines, our strategic alliance with MedChoice Pharma Inc. has generated synergies that leverage the Group's expertise in the endocrinology and central nervous system fields, in particular our strength in the thyroid domain.

These efforts have brought greater collaboration within our business portfolio, delivering steady diversification of the Group's broader revenue base. Underpinned by a governance system that facilitates timely decision-making, we aim to further enhance our competitiveness and brand equity in the global market, thereby advancing our strategic evolution as a total healthcare company in areas from prevention to testing and diagnostics, treatment, and prognosis.

\*GMP: Standards for manufacturing and quality control of pharmaceuticals, ratified by most developed countries under international standards



MedChoice Pharma Inc. (The Philippines)