

Message from the Chairman

Passing the management baton on to the next generation —our current growth trajectory and future challenges

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Deepening My Perspective as a Manager

When I was first appointed president at the age of 39, I tended to view things in point terms. After about 10 years, I was able to add lines and planes to my perspective, but as our Company grew and went through mergers and other changes that caused growth to accelerate, there were times when I felt bewildered by the growing distance between me and our employees. However, when our main factory incurred damage in the Great East Japan Earthquake of 2011, I felt a profound sense of attachment and pride as I watched our employees work as one to restore the factory. I vividly remember how it dispelled my uncertainty. There was another fresh start when we underwent a name change from Teikoku Hormone Mfg. to ASKA Pharmaceutical, at which point I realized our growth as a company had progressed to a whole new stage.

Over time, I have, of course, handed down many management decisions. If I had erred significantly in any of my decision-making, our organization could have taken an undesirable detour. Ultimately, though, these decisions have worked out well, and I have felt more than a little joy as well as a deep sense of gratitude seeing so many employees support these policies and work as one to realize them. Looking back over my 35 years as President, I have always held to a vision for the future while at the same time repeatedly checking myself as I went about managing the Company on a daily basis. In my view, managers must always have ambitions, dreams for the future, and a vision. I have made it a point to clearly communicate my management vision to employees to ensure that they share the same goals. I have worked hard to gain the understanding and support of employees through an emphasis on maintaining close relationships with those in the front lines, and visiting them frequently to communicate the organization's philosophy and policies in my own words. I believe that a business will only

succeed in the truest sense of the word when its employees take management policies to heart and act upon them.

If asked about the extent to which my vision has been realized, my response would be that I have certainly not accomplished everything I set out to do. In fact, I am constantly reminded that we still have some way to go. For that very reason, I think the Company must continue to evolve by gathering people driven by their own vision, and by responding flexibly and creatively to the changing times. I believe that the true strength of the Company lies in harnessing the collective strengths of individuals who have come up through the Company and those of experienced individuals from outside the Company, and in doing so accumulating a wealth of experience without fear of failure. Rather than holding fast to my own vision of the future, I want to see the new president embrace changes brought about by demands of the times and society, thereby creating new value.



Aspirations That Transcend Generations

As FY2025 marks the 35th year since my appointment as President, I decided to hand over the reins to the next generation of management. Appointed via the Company's succession plan, new president Sohta Yamaguchi is establishing a solid track record despite his comparatively young age. He has already put in place a supportive management structure and is in the process of building a stable operational structure. As the Group's Medium-Term Management Plan 2025 approaches a key milestone, I believe the entire organization is now on a stable growth trajectory. Therefore, I decided that the time is right for passing on the baton. Going forward, I will support management from a different perspective, in my new role as Representative Director, Chairman of the Board.

In the five years since our transition to a holding company

structure, we have progressively laid the foundations for overseas expansion. Although the domestic market remains in a state of flux, in general I feel that the timing is right for a change in President, even though we are still working to further strengthen business foundations. Our net sales totaled around ¥20 billion when I was first appointed as President, but they have since grown to a level where ¥70 billion appears a realistic goal. Society's expectations have risen in line with our sales, adding to the social responsibilities expected of us. Looking ahead, I think we will be called on to achieve sustainable growth that is not just about numerical targets, but also about their substance. Our new medium-term management plan demands that we set sustainable goals balancing fulfillment of our social responsibility with fostering understanding and empathy within the Company.

Passing on Our Mission to the Next Generation

Our Company has grown as a specialty pharma company focused on women's healthcare. Going forward, though, we seek to create a new corporate identity and culture through the creation of a different business model. While my own standing will change, my commitment to passing on our corporate culture and contributing to society will not; nor will my efforts to communicate this commitment.

If the Group is to achieve ongoing growth, it must determine how to pass on ASKA Pharmaceutical's unique strengths and originality to the next generation for further evolution. Based on our vision of becoming a total

healthcare company, I hope the Company is able to deliver solutions in areas and for social issues that previously were beyond its scope, all the while maintaining pharmaceuticals as its core business.

I believe that our mission is to gain further knowledge in specialty areas such as women's healthcare and endocrine hormones, and expand our range of services to better address patients' anxieties and concerns. We are also working to expand our reach beyond Japan so that we can deliver our unique value globally, particularly in Southeast Asia.