

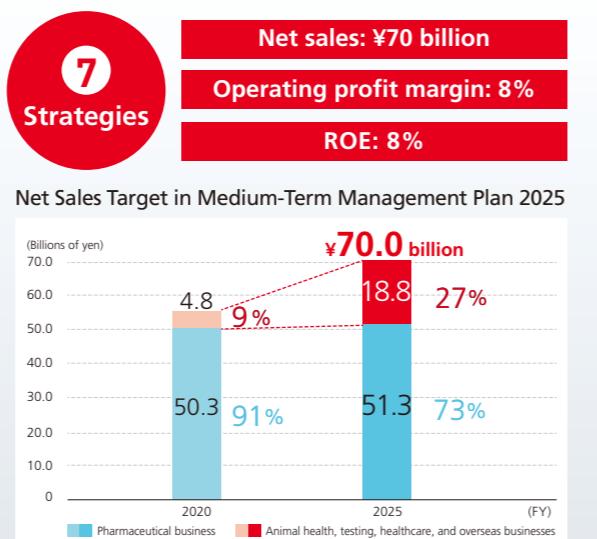
# ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025

With the aim of becoming a total healthcare company, ASKA Pharmaceutical Holdings is implementing Medium-Term Management Plan 2025, which ends in FY2025. To realize the four visions set forth in the plan, we are pursuing seven strategies based on the foundation of specialty, ability to create, and social contribution.

## ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025

### Four Visions

- 1 Expand business scope centered on pharmaceutical products
- 2 Improve business operations by promoting open innovation (from R&D to production and sales)
- 3 Become the top domestic company in our specialty areas for pharmaceutical products
- 4 Continue to be a company that is trusted by society



### The Foundation for Formulating the Medium-Term Management Plan

	Specialty	Ability to create	Social contribution
FY2023 Actual		FY2024 Actual	Medium-Term Management Plan 2025 Targets
Net sales (Millions of yen)	62,843	64,139	70,000
Operating profit margin (%)	10.3	8.3	8.0
ROE (%)	13.0	8.0	8.0

### Review of FY2024

In FY2024, the fourth year of ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025, we achieved record consolidated net sales of ¥64,139 million (up 2.1% year on year).

Despite a gradual recovery in the domestic economy, uncertainty over the economic environment continued amid global monetary tightening, heightened geopolitical risk, and effects from U.S. tariff policy. In the pharmaceutical industry, the business climate remains harsh due to annual NHI drug price revisions and other government measures to contain medical spending.

Sales growth was fueled by increased sales in the Ob/Gyn field, with a further boost from higher sales of feed additives in the animal health business.

Cost of sales was ¥32,803 million, and the cost of sales ratio improved by 0.1 percentage point year on year. As a result, gross profit increased 2.2% year on year to ¥31,335 million. Operating profit, though, fell 18.0% year on year to

¥5,331 million, as selling, general and administrative expenses rose 7.6% year on year to ¥26,003 million owing to higher R&D expenses.

Ordinary profit was ¥5,107 million, after recording ¥398 million in non-operating income and ¥622 million in non-operating expenses.

In terms of extraordinary income, the Company booked gains of ¥1,257 million related to making Hataphar a consolidated subsidiary, and gains of ¥127 million on the sale of investment securities, while also recording impairment losses of ¥300 million. As a result, profit attributable to owners of parent fell 32.4% year on year to ¥5,101 million, mainly attributable to the absence of the large extraordinary gains recorded in the previous year from the sale of investment securities.

We will continue targeting sustainable growth through further expansion in sales of strategic products and the consolidation of our business foundations.

Note: Amounts are rounded down to the nearest million yen.

### Seven Strategies: Achievements and Future Challenges

Seven Strategies	Results in the Fourth Year of Medium-Term Management Plan 2025	Future Initiatives
1. Enhance corporate value by strengthening initiatives in the specialty areas ►See pages 43-46 for details	<ul style="list-style-type: none"> <li>Maintained No. 1 sales in the Ob/Gyn area</li> <li>RIFXIMA granted pediatric premium in NHI drug price revisions after gaining approval for the indication of pediatric use</li> <li>Initiated specified clinical trial on digital therapeutics app AKP-SMD106, jointly developed with SUSMED, Inc.</li> <li>Launched Japan's first POP<sup>1</sup>, the oral contraceptive Slinda (June 2025)</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and strengthen our presence in the field of Ob/Gyn</li> <li>Maximize product value centered on brand-name drugs by continuing to raise disease awareness and provide information</li> <li>Contribute to women's health through around-the-pill solutions including digital therapeutics</li> <li>Continue raising awareness of hepatic encephalopathy and thyroid disease</li> </ul>
2. Continuously create new drugs through advanced drug discovery ►See pages 43-46 for details	<ul style="list-style-type: none"> <li>Initiated Phase III clinical trial of AKP-022 and Phase I/II clinical trial of LPRI-CF113</li> <li>Introduced fundamental technology for ion channel drug discovery</li> </ul>	<ul style="list-style-type: none"> <li>Expand R&amp;D pipeline and hasten development of drug candidates by leveraging in-house drug discovery technologies like ion channel</li> <li>Further strengthen the development portfolio through the acquisition of drug discovery seeds</li> <li>Speed up development of AKP-022 (for uterine fibroids and endometriosis)</li> </ul>
3. Overseas operations ►See pages 47-48 for details	<ul style="list-style-type: none"> <li>Made Hataphar (Vietnam) a consolidated subsidiary</li> <li>Started collaboration with MedChoice Pharma Inc. (The Philippines)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen collaboration with consolidated subsidiary Hataphar of Vietnam and get business up and running early</li> <li>Promote collaboration with MedChoice Pharma Inc. of the Philippines</li> <li>Expand into other Southeast Asian markets</li> </ul>
4. Provide new value to realize total healthcare ►See pages 43-52 for details	<ul style="list-style-type: none"> <li>Made investments through corporate venture capital (CVC) fund (Dioseve, Inc., FamiOne, Inc.)</li> <li>Started PFAS<sup>2</sup> measurement service and launched two kits for measuring hormone levels in cats</li> </ul>	<ul style="list-style-type: none"> <li>Achieve total healthcare, from prevention to treatment and prognosis, by expanding the femtech business, companion animal products, and non-invasive hormone measurement kits</li> </ul>
5. Improve operational efficiency, cut costs, and reinforce our financial base ►See pages 43-52 for details	<ul style="list-style-type: none"> <li>Continued efforts to reduce cost of sales ratio (54.0% in FY2020 → 51.1% in FY2024)</li> <li>Reexamined portfolio of unprofitable products</li> </ul>	<ul style="list-style-type: none"> <li>Establish sustainable supply chain</li> <li>Accelerate digital transformation (DX) across the entire Group</li> <li>Maintain stable and efficient financial structure</li> <li>Undertake review of unprofitable products in portfolio</li> <li>Continue responding to cost increases stemming from change in the external environment</li> </ul>
6. Foster an organizational culture that emphasizes thorough compliance and accountability ►See pages 85-94 for details	<ul style="list-style-type: none"> <li>Continued review of quality management system</li> <li>Continued to implement compliance training</li> </ul>	<ul style="list-style-type: none"> <li>Put in place globally minded risk management and compliance structure</li> <li>Foster and maintain a heightened focus on quality (quality culture)</li> </ul>
7. Develop human resources to realize growth strategies ►See pages 71-78 for details	<ul style="list-style-type: none"> <li>Expanded flexible work arrangements and began training program for working internationally</li> <li>Recognized as White 500 enterprise under Certified Health &amp; Productivity Management Outstanding Organizations Recognition Program (ASKA Pharmaceutical Holdings for the fourth straight year, ASKA Pharmaceutical for the seventh straight year)</li> <li>Selected as a "Next Nadeshiko: Companies Supporting Dual-career and Co-parenting" company</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen HR development through Next-Generation Leader Development Program</li> <li>Continue investments aimed at fully unlocking the value of human resources</li> </ul>

1. Progestin-only pills 2. Per- and polyfluoroalkyl substances