

May 11, 2023

Supplementary Documents of Consolidated Financial Results for the Year Ended March 31, 2023 (FY2022)



Stock code : 4886 (TSE)

ASKA Pharmaceutical Holdings Co., Ltd.

Highlight

FY2022 (Consolidated)

Net sales

✓ **60.4 billion yen, up 6.8% YOY**

Achieved record sales. The pharmaceutical business and the animal health business steadily expanded.

Cost of sales

✓ **31.8 billion yen, improved 0.7 percentage points YOY**

Product mix improved due to growth in sales of brand-name drugs such as RELUMINA, THYRADIN, and RIFXIMA.

SG&A expenses

✓ **23.4 billion yen, up 0.7 percentage points YOY**

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

Operating profit

✓ **5.1 billion yen, up 6.5% YOY**

Increases in sales and gross profit resulted in an increase in profit, despite increases in SG&A and R&D expenses.

FY2023 (Consolidated)

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) | FY2021 Actual | FY2022 Actual | Actual +/- | Growth +/- |
|---|------------------|------------------|------------|------------|
| Net sales | 56,607 | 60,461 | 3,853 | 6.8% |
| Operating profit | 4,795 | 5,108 | 312 | 6.5% |
| Ordinary profit | 4,880 | 5,232 | 351 | 7.2% |
| Profit attributable to owners of parent | 4,290 | 4,238 | -51 | -1.2% |

Major factors for increase/decrease

- ✓ The business environment is becoming more difficult due to factors that increase costs, such as soaring energy and raw material prices, and annual NHI price revisions in the pharmaceutical industry. However, the business remained strong as in the previous year due to the growth of new products and efforts to reduce costs further than ever before.
- ✓ While we recorded extraordinary income associated with sale of investment securities, due to factors including a rebound from the recording of extraordinary income associated with sale of property, plant, and equipment in the same period last year, profit for the period attributable to owners of parent was down 1.2%.

Net Sales by Business (Consolidated)

| (Millions of yen) | FY2021 Actual | FY2022 Actual | Breakdown | Actual +/- | Growth +/- |
|-------------------------|---------------|---------------|---------------|--------------|-------------|
| Pharmaceutical business | 50,791 | 53,579 | 88.6% | 2,787 | 5.5% |
| Animal health business | 5,630 | 6,660 | 11.0% | 1,030 | 18.3% |
| Other businesses | 185 | 220 | 0.4% | 35 | 19.0% |
| Total | 56,607 | 60,461 | 100.0% | 3,853 | 6.8% |

Major factors for increase in sales

- ✓ The pharmaceutical business performed well overall despite the impact of the NHI drug price revision. Sales of obstetrics and gynecology products "RELUMINA" and "FREWELL" continued to increase from the previous year, and "DroEthi", launched in June 2022, remained strong. Steady growth of "THYRADIN" and "RIFXIMA" in internal medicine products.
- ✓ In the animal health business, sales of feed additives were particularly strong.
- ✓ In the other businesses (clinical testing, medical devices, supplements, etc.), the hair hormone measurement kits that launched in the previous fiscal year made a positive contribution to sales.

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

| Area | Category | Products (generic name) | FY2021 | FY2022 | | FY2023 | | Notes |
|---------------------------|------------|--|--------|--------|--------|----------|--------|--|
| | | | Actual | Actual | YOY | Forecast | YOY | |
| Internal Medicine | AG | CANDESARTAN * 1 (candesartan) | 12,394 | 10,723 | 86.5% | 9,268 | 86.4% | NHI drug price declined, but sales volume remained |
| | Brand-name | THYRADIN (levothyroxine) | 7,499 | 7,733 | 103.1% | 7,833 | 101.3% | Progress as expected mainly due to increase in the disease awareness |
| | Brand-name | RIFXIMA (rifaximin) | 4,854 | 5,397 | 111.2% | 5,578 | 103.4% | Guideline penetration increased and sales grew |
| | Brand-name | MERCAZOLE (thiamazole) | 1,458 | 1,486 | 102.0% | 1,513 | 101.8% | Progress as expected |
| | Generic | AMLODIPINE (amlodipine) | 1,073 | 901 | 83.9% | 844 | 93.7% | NHI drug price down impacted |
| Obstetrics and Gynecology | Brand-name | RELUMINA (relugolix) | 7,334 | 8,839 | 120.5% | 10,128 | 114.6% | Sales increased with the additional indication of endometriosis |
| | AG | FREWELL (norethisterone/ethinylestradiol) | 3,463 | 3,489 | 100.8% | 3,407 | 97.6% | Impact of NHI drug price revisions covered by sales volume |
| | Generic | DroEthi (drospirenone/ethinylestradiol) | - | 3,671 | - | 4,165 | 113.5% | Progress than expected due to single company's launch |
| | Brand-name | ANGE (levonorgestrel/ethinylestradiol) | 854 | 784 | 91.8% | 799 | 101.9% | Slightly lower than expected |
| | Brand-name | LUTEUM (progesterone) | 661 | 1,251 | 189.4% | 1,363 | 108.9% | Growth driven by increase in patients due to insurance coverage of infertility treatment |
| | Brand-name | MAGSENT * 2 (magnesium sulfate) | 850 | 626 | 73.7% | 750 | 119.6% | Decrease due to return to the premium for new drug innovation |
| Urology | Generic | LEUPRORELIN * 3 (leuprorelin) | 5,183 | 4,999 | 96.4% | 4,828 | 96.6% | NHI drug price declined, but sales volume remained |

* 1 Including compounding agents

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

* 2 Total value of magnesium sulfate preparation

Sales by Major Business Field (ASKA Animal Health)

(Millions of yen)

| Business field | FY2021 | FY2022 | | FY2023 | |
|--|--------|--------|-------|----------|-------|
| | Actual | Actual | YOY | Forecast | YOY |
| Feed additives and materials Mixed feed | 3,508 | 4,152 | 18.3% | 3,832 | -7.7% |
| Livestock pharmaceuticals | 1,466 | 1,685 | 14.9% | 1,680 | -0.3% |

Major factors for increase/decrease

- ✓ In addition to strong sales of feed additives, sales of antibiotics and breeding preparations in the livestock pharmaceuticals field grew in FY2022.
- ✓ In FY2023, the market price for feed additives, which had been soaring, is expected to soften.

Forecast of Consolidated Financial Results for FY2023

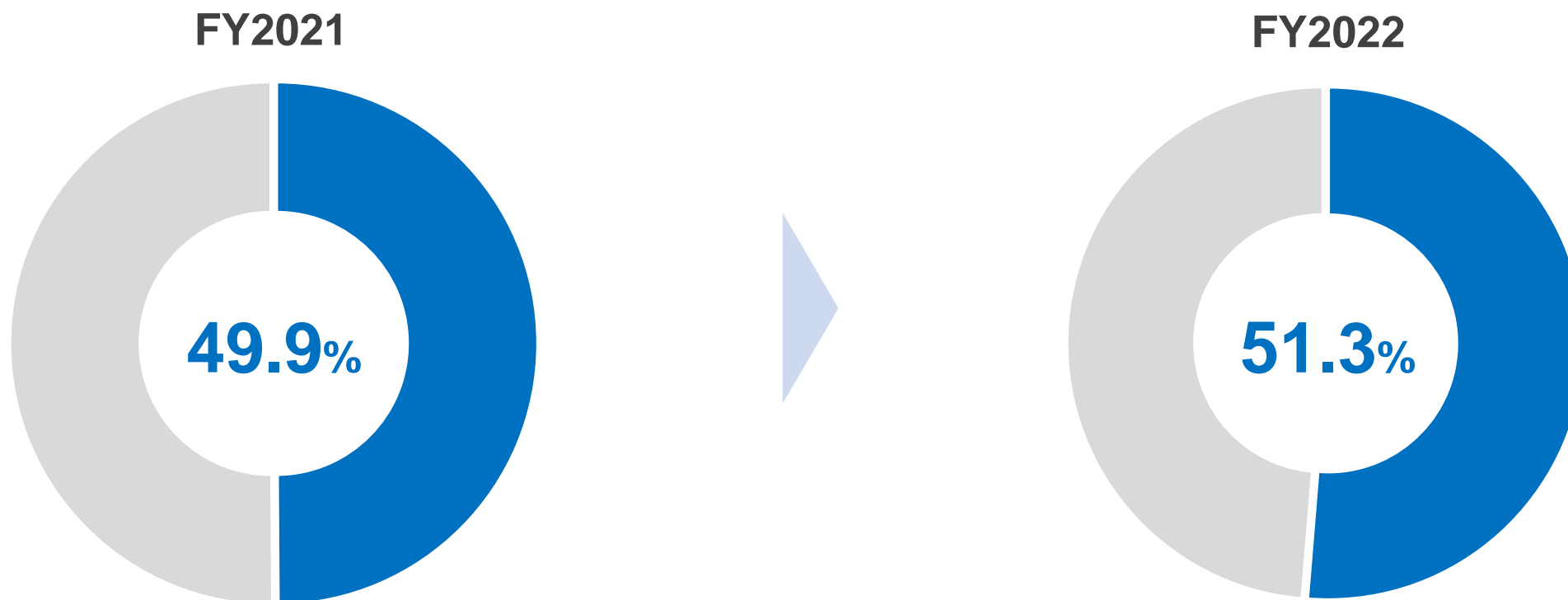
| (Millions of yen) | FY2022 Actual | FY2023 Forecast | YOY Actual +/- | YOY Growth +/- |
|---|---------------|-----------------|----------------|----------------|
| Net sales | 60,461 | 62,000 | 1,538 | 2.5% |
| Operating profit | 5,108 | 5,400 | 291 | 5.7% |
| Ordinary profit | 5,232 | 5,500 | 267 | 5.1% |
| Profit attributable to owners of parent | 4,238 | 4,400 | 161 | 3.8% |

Major factors for increase in sales and profit

- ✓ In the pharmaceutical business, sales are expected to increase thanks to growth in obstetrics and gynecology products, mainly RELUMINA, despite the impact of the annual NHI price revisions.
- ✓ Profit is expected to increase thanks to an increase in gross profit from higher sales, despite higher R&D expenses and expenses associated with the normalization of business activities as the impact of the COVID-19 decreases.

Sales Proportion of Brand-name Drugs

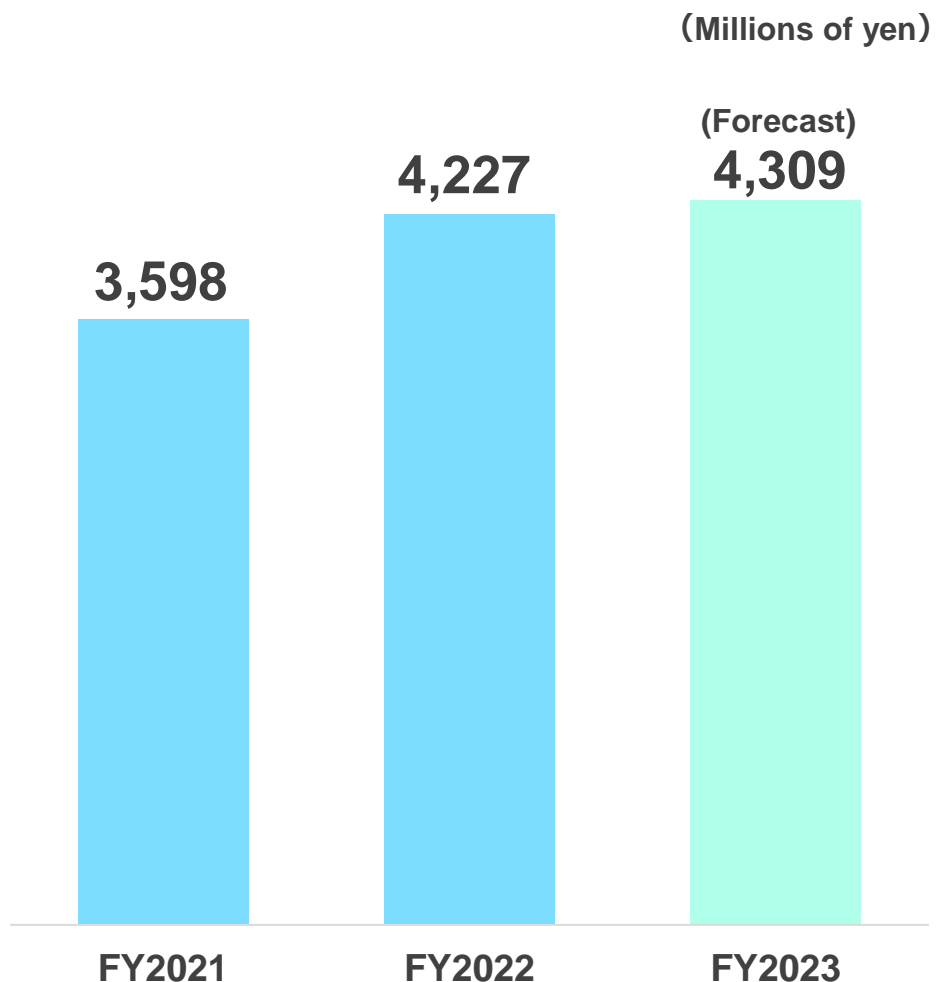
■ Brand-name drugs ■ Generic drugs



The product mix improved due to growth in RELUMINA, RIFXIMA, and THYRADIN, resulting in 1.4 percentage point increase in the ratio of brand-name drugs to sales

R&D Status

Trend of R&D expenses



As of May 11, 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 | Preparing for Ph I / II |
| *1 Investigator-initiated clinical trial | |
| TRM-270 (adhesion barrier) (Gastroenterology and Ob/Gyn) | Ph III |
| L-105 (rifaximin) Hepatic encephalopathy (pediatrics) | Preparing for application |
| AKP-009 (ludaterone acetate) Benign prostatic hyperplasia | Ph II |
| AKP-017 (transnasal testosterone) (Urology) | Preparing for clinical trials |

- L-105 : Phase II/III trial ended and Under preparation for application
- AKP-009 : Phase I trial is to be conducted again.
- Treatment for Cervical Dysplasia : Option agreement terminated