

Business Conditions



ASKA Animal Health

Aiming to be No. 1
in our area of expertise

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ASKA Animal Health conducts its business based on the two pillars of veterinary pharmaceuticals and feed additives, in accordance with the corporate philosophy of “contributing to the creation of a society where people and animals can coexist by protecting animal health and food safety.” The economy as a whole is heavily impacted at present by the recent rise in commodity prices and energy costs as well as the yen’s appreciation. Looking at the livestock hygiene situation, incidence of the highly pathogenic avian influenza has been lower than during the peak of the previous two seasons in 2022 and 2023. Classical swine fever, though, was reported in Kyushu for the first time, breaking out in Saga Prefecture at the end of August 2023. As of June 2024, the Ministry of Agriculture, Forestry and Fisheries’ recommended vaccination range for classical swine fever covers all prefectures except for Hokkaido. African swine fever is also sweeping Asia, affecting virtually every country with the exception of Japan. With infection of wild boars also confirmed near the ferry terminal in Busan,

South Korea, infectious diseases are spreading both domestically and overseas. When it comes to companion animals, pet ownership has fallen slightly from the heights reached during the COVID-19 pandemic, but demand for pharmaceuticals continues to rise owing to pets’ increased longevity as well as advances and diversification in medical care. At the end of last year, the Ministry of Agriculture, Forestry and Fisheries took administrative action against another Japanese manufacturer of veterinary pharmaceuticals, pursuant to the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. As a company that safeguards the lives and health of animals, we are redoubling our commitment to legal compliance as we conduct our business in the livestock, fisheries and companion animal fields. In particular, we will continue to pursue activities in FY2024 that will further our progress toward becoming number one in our area of expertise.

Strengths

Significant market presence in the livestock field, underpinned by a strong lineup of mainstay breeding hormone preparations

Supply of products addressing untapped needs in the companion animal (CA) field

Contribution to reduction in mixed feed protein content through our full lineup of feed-use essential amino acids

Analysis of Business Climate

Elements of Business Climate

- Rise in costs for raw materials as well as livestock and fishery products, due to foreign exchange rates and sharply higher labor and fuel costs worldwide
- Decline in number of new pets due to declining population and aging population combined with rise in purchase prices
- Environmental considerations as well as supply chain instability and product commoditization

Risks

- Impact on product demand from declining numbers of livestock producers and aquaculture companies
- Sustained decline in pet ownership
- Heightened competition and need to ensure stable supply

Opportunities

- Enhanced productivity through improvements to reproductive efficiency
- Rise in pet illnesses as a result of pet longevity, and greater price acceptability on part of owners amid rise in pet-related expenditures
- Worldwide growth in demand for low-protein feed

Strategies

- ▶ Enhance corporate value and engagement by improving productivity through supply of mainstay hormone preparations
- ▶ Focus on developing and supplying products in our areas of strength, and on reinforcing our earnings base
- ▶ Contribute to reducing emissions of environmentally harmful substances (reducing the impact of nitrogen on the environment by promoting uptake of low-protein feed)

TOPICS

Initiatives in the Areas of Livestock, Fisheries and Companion Animals

As part of our efforts in the areas of livestock and fisheries, we hosted a booth at the International Poultry & Pig Show 2024 (IPPS 2024), held in Nagoya in April 2024. There, we disseminated information on company products not only to livestock producers and animal feed makers from Japan, but also to representatives from overseas manufacturers. During IPPS 2024, we also held seminars at which we provided information to much acclaim about L-histidine (designated as a new animal feed additive by the Ministry of Agriculture, Forestry and Fisheries in 2023 in response to our application), which is a precursor to imidazole dipeptide, found in abundance in the breast meat of poultry and garnering attention for its many properties associated with human health. We also exhibited at various academic conferences in the companion animal space in a bid to disseminate information about TRILOSTANE TABLETS “ASKA” and promote further market penetration. Looking

ahead, we will continue making the most of our accumulated strengths to maximize the value of our products while also expanding our lineup of useful products that support the health of animals, which are an indispensable presence in human lives.



Exhibit at the
IPPS 2024