

ASKA REPORT 2017

April 1, 2016 ▶ March 31, 2017

ASKA Pharmaceutical Co., Ltd.

To become a specialty pharma company with a strong presence in order to deliver pharmaceuticals that have true value to patients.

As we approach our centenary in 2020, ASKA Pharmaceutical's aim is to realize the management vision of becoming a "highly competitive specialty pharma company," while at the same time pursuing the targets of the five-year business plan ASKA PLAN 2020 that began in the fiscal year ended March 31, 2017 (FY2016) in order to grow as a firm with a strong presence. Amid diversification of medical needs and increasing societal expectations for medical care, we are concentrating our business resources in our three core areas of internal medicine, obstetrics and gynecology, and urology. Moreover, to further elevate quality as a specialty pharma company, we are redoubling our efforts in drug discovery and strengthening our next-generation strategies and drug pipeline. We will continue to fulfill our responsibilities as a company connected to people's "Life."



Our Mission

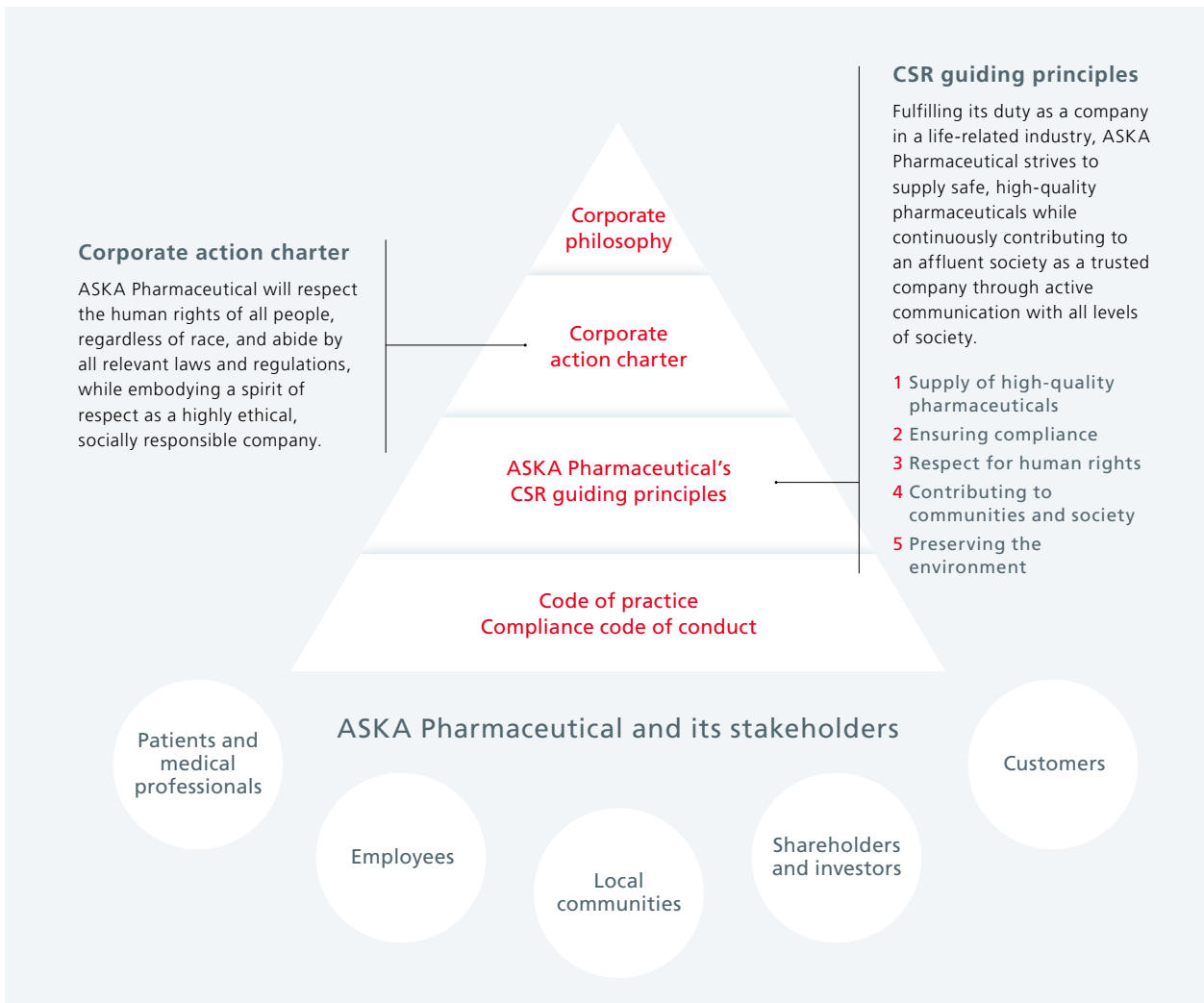
Corporate philosophy

To contribute toward the improvement of people’s health and progress in medicine through the development of innovative products.

Corporate message

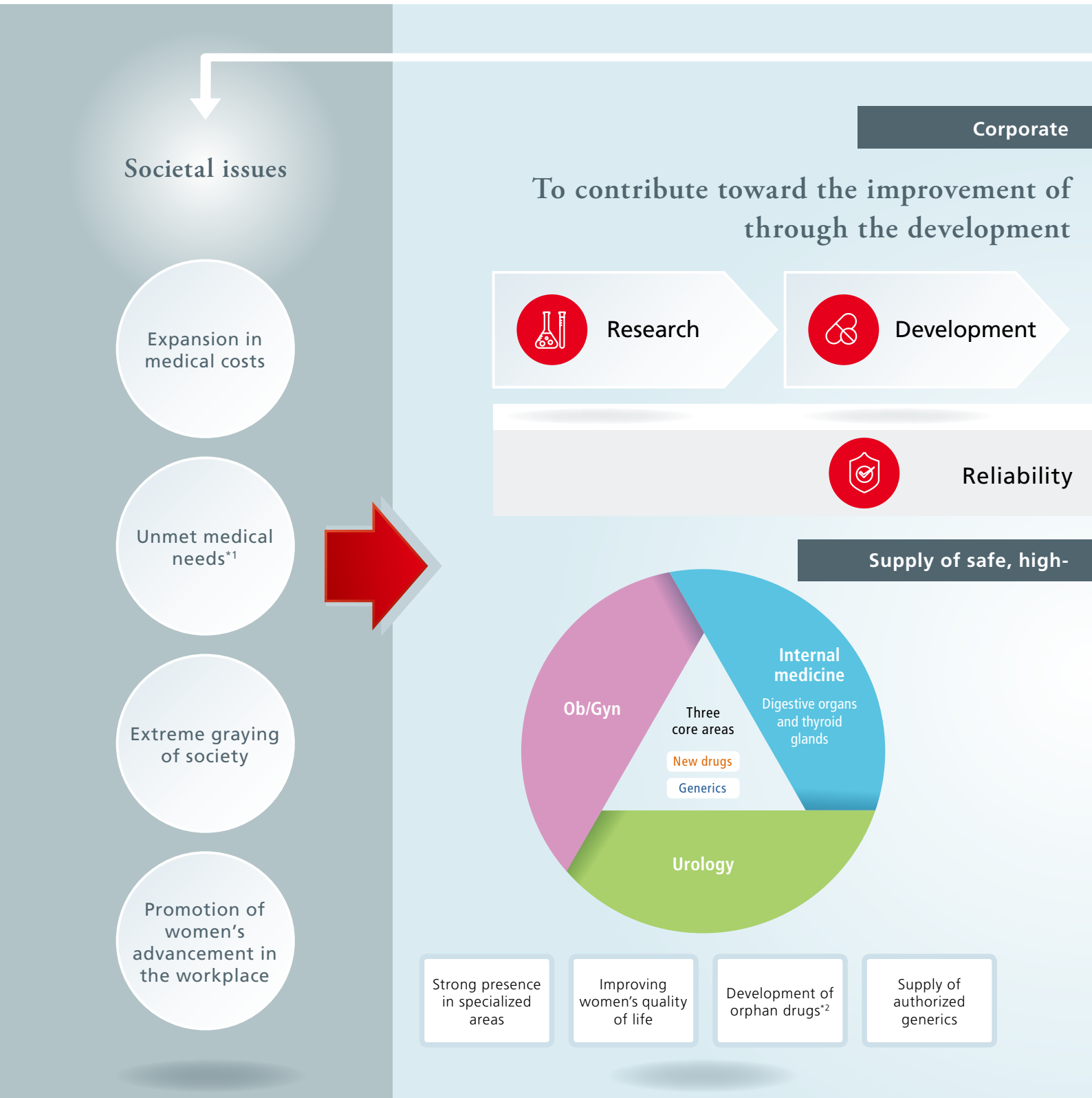
Life with ASKA

Shared philosophy



ASKA Pharmaceutical's Business Model

In addition to focusing its business activities on the three core areas of internal medicine, obstetrics and gynecology (Ob/Gyn), and urology, ASKA Pharmaceutical works to develop and supply generic pharmaceuticals that meet the needs of the times. We aim to become a "highly competitive specialty pharma company" and to help solve the societal issues that face the pharmaceutical industry.



*1 Medical needs that have not yet been addressed. *2 Drugs for rare and neglected diseases.

philosophy

people's health and progress in medicine
of innovative products.



Production



Sales

assurance

quality pharmaceuticals

Internal medicine

Treatments for conditions affecting digestive organs such as the stomach and intestines including gastric ulcers, gastritis, reflux esophagitis, and inflammatory bowel disease. Treatments for hyperlipidemia, hypertension, and diabetes, and a variety of drugs related to endocrine disorders such as thyroid disease. ASKA Pharmaceutical has a large market share in thyroid treatments.

Ob/Gyn

Drugs that contribute to improvement in women's quality of life including low-dose oral contraceptives, emergency contraceptives, and drugs related to various menstrual conditions, as well as ovulatory drugs and other fertility treatments for those hoping to become pregnant, hormone replacement therapies to ease the symptoms of menopause, and agents to aid in management of pregnancy and birth.

Urology

Treatments for prostate cancer patients, who are increasing in number annually due to the graying of society and the impact of more westernized diets, and use of techniques derived from traditional hormone preparations, including drugs for dysuria and incontinence and drugs to treat a variety of conditions caused by decline in male hormone levels.

New drugs

Continuing to develop the highly original and valuable drugs for which ASKA Pharmaceutical is renowned.

Generics

Launching a succession of generic drugs that meet the needs of the times.

Value creation

Supply of high-quality pharmaceuticals

Elimination of drug lag

Contributing to longer healthy lives

Advancing and promoting scientific techniques

Contributing to community medicine

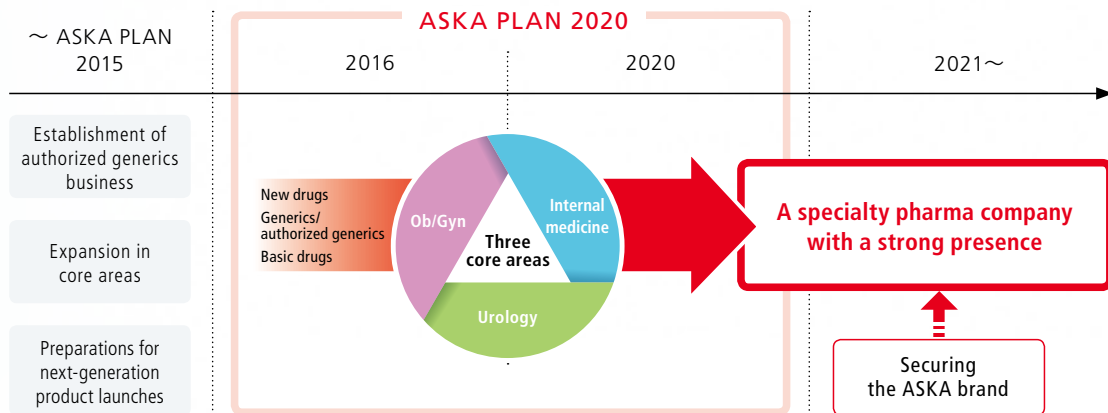
Contributing to social advancement for women

All employees have taken to heart our goal of becoming a specialty pharma company with a strong presence and are pushing ahead with ASKA PLAN 2020.



Takashi Yamaguchi
President, Representative Director

ASKA PLAN 2020 Summary



Goal Numerical targets (Consolidated)

Net sales	¥70 billion
Operating profit margin	10%
ROE	8%

Positioning

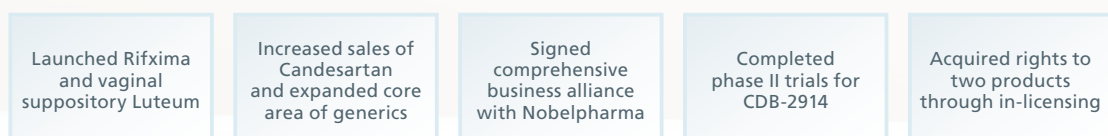
Emerging as a specialty pharma company
Establishing the foundations for sustained growth

Company Principles

Company-wide policy:
Four key challenges

- 1. Strengthening the new drug business, particularly by restructuring drug discovery functions**
 - Boosting functionality by separating and reworking drug discovery and development functions
 - Expanding the development pipeline through open innovation and in-licensing
- 2. Raising product value and optimizing profit through post-marketing product development**
 - Establishing Rifxima as the primary choice for the treatment of hepatic encephalopathy and optimizing the product value by expanding indications
 - Creating systems to support women's health
 - Enhancing specialization with the creation of a medical science liaison team
- 3. Overhauling the cost structure and improving productivity, mainly by lowering costs and reviewing the product portfolio**
 - Raising the plant utilization rate and gradually lowering costs by reviewing our product lineup
- 4. Enabling employees to grow and develop their abilities in a new personnel system**
 - Commitment to a results-based approach grounded in work standards
 - Increasing the specialization of each business through the creation of professional positions

Main achievements in FY2016



Background to ASKA PLAN 2020

Drug manufacturing is interesting, highly significant work. We must reform our way of thinking as we look forward to our next 100 years.

ASKA Pharmaceutical will celebrate its centenary in 2020. To coincide with this important milestone, we began a new medium-term business plan, ASKA PLAN 2020 in FY2016, through which we aim to grow into a specialty pharma company with a strong presence, and realize our management vision of becoming a “highly competitive specialty pharma company.”

The pharmaceutical industry is currently undergoing momentous change. We must answer the question “what kind of company do we want to be in 2020?” in order to emerge as a winner, and this will require all our employees to further raise their level of awareness. We have therefore begun to aim even higher under the key concepts of “surviving,” “growing,” and “earning trust.” In real terms, we intend to accelerate efforts to strengthen our base in internal medicine, obstetrics and gynecology, and urology, and also in the new drug business, our growth focus. Moreover, given the importance of our business’s social contribution through our close relationship with the medical frontline, we must maintain a robust system for the stable supply of pharmaceuticals as the basis for earning the trust of all stakeholders.

We are keenly aware that the cultivation of creativity and decision-making abilities are the biggest challenges in the

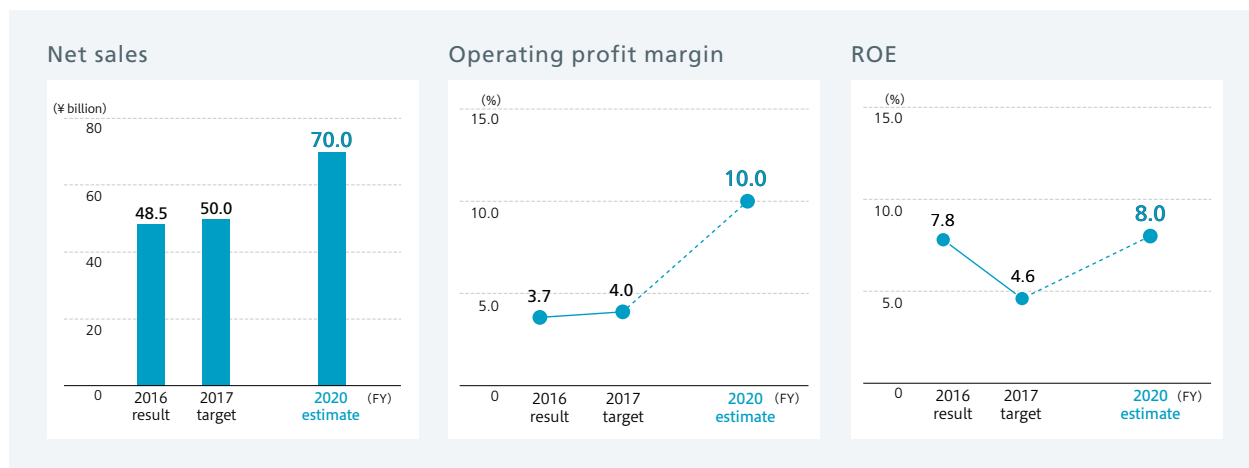
development of new drugs. Even amid the current dramatic change in the pharmaceutical industry, I want our young employees to feel the dynamism and excitement of the manufacturing process, from creation of a new drug through dedicated research, to production of the drug and its delivery to the medical frontline. By developing and providing a stable supply of new drugs, our employees will be able to understand both ASKA Pharmaceutical’s significance and its future direction. We believe this will translate into smoother communication with medical professionals and society, thereby naturally cultivating the ASKA brand. As we approach our centenary, the management team is convinced that this reform of employee thinking is a crucial step for the success of the company in the next 100 years.

We will respond to unmet medical needs through dedicated post-marketing product development and overhaul of the cost structure.

The business strategies of ASKA PLAN 2020 focus on four key challenges: 1) strengthening the new drug business, particularly by restructuring drug discovery functions; 2) raising product value and optimizing profit through post-marketing product development; 3) overhauling the cost structure and improving productivity, mainly by lowering costs and reviewing the product portfolio; and 4) enabling employees to grow and develop their abilities in a new personnel system. I would like to give some background to challenges 2) and 3).

In a business like ours, it is inevitable that the profitability of some products will wane. However, there

Numerical targets of ASKA PLAN 2020



are clear needs at the medical frontline, and provision of a stable supply is the mission of a pharmaceutical company. To that end, our employees are working as one to improve our cost structure and raise productivity, while at the same time carefully monitoring our current product lineup in ways such as investigating new indications and forms. For example, Thyradin is one of our core products in thyroid treatment, and we have been able to grow sales and create a commanding market share. There are still patients who are not receiving treatment, however, and we have been striving in this way to respond to such unmet medical needs. We intend to continue providing information and products in close communication with medical professionals on the frontline.

Progress Report on ASKA PLAN 2020

The launch of Rifxima and the formation of alliances with three companies reaffirm the significance of new drug development initiatives.

FY2016 was a satisfying year overall. We launched Rifxima, the first drug in Japan indicated for hepatic encephalopathy, introduced Luteum, a vaginal suppository, and expanded Candesartan with a generic version, while also signing three alliance agreements with domestic and overseas companies covering the in-licensing of new products, and completing Japanese phase II trials for CDB-2914.

The launch of Rifxima in November 2016 was particularly important given its central positioning in ASKA PLAN

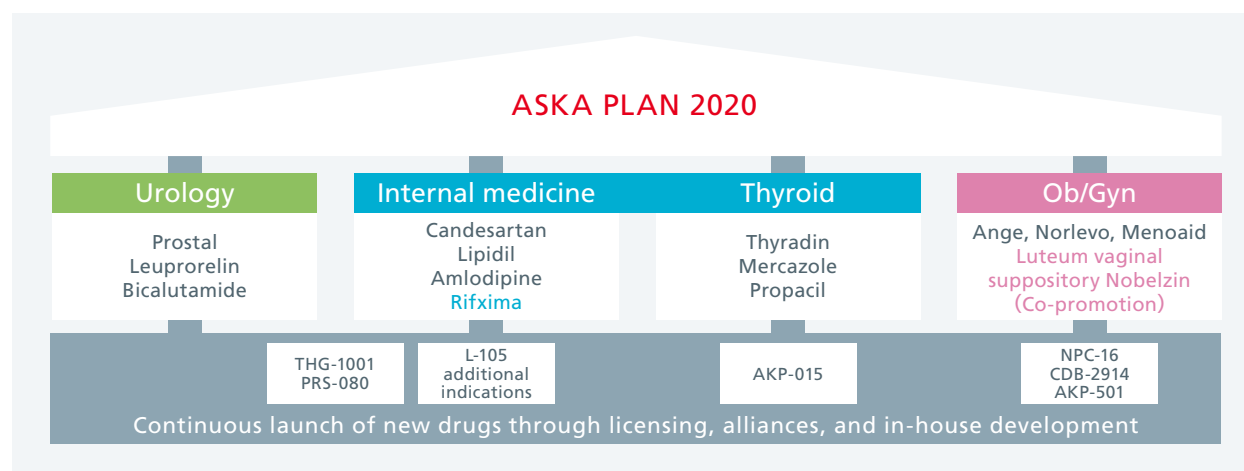
2020, and the whole company worked to optimize value as a key challenge. The three new alliances we have formed are also a significant step. We concluded comprehensive operating alliances with TesoRx Pharma LLC for the development and sale of new oral testosterone agent THG-1001, with Pieris Pharmaceuticals, Inc. for the development and sale of anemia treatment PRS-080, and with Nobelpharma Co., Ltd. for the development, manufacture, and sale of ethical drugs in obstetrics and gynecology.

In the current climate in the pharmaceutical industry, there is a noticeable trend for subsequent development to lag if the seeds of new drugs are not harvested at an early stage. Joint development of new drugs through alliances is therefore an important step despite the risks involved. Interaction with the researchers at partner companies can also be a major stimulus for our employees. Major benefits include acquiring knowledge of new techniques, as well as gaining understanding of the importance of new challenges and risk taking, and the critical role of courage in creating anything new. We believe this experience will form a lasting legacy for our employees that will propel the company to the next stage.

Reform in employee thinking is a key driving force. We want to further accelerate employee growth.

ASKA PLAN 2020 is designed to enable us to become a specialty pharma company and to lay the groundwork for sustained growth. Its numerical targets include net sales of ¥70 billion, an operating profit margin of 10%, and ROE of

Expansion of product lineup to support core areas



8%. These are very aggressive targets, but I feel we made a strong start in FY2016, the first year of the plan.

As laid out in our business strategies, the growth and improved capabilities of our employees is a key issue for us. As part of the drive to reform employee thinking, over the past few years I have been visiting all our offices nationwide in the two weeks around the time of earnings reporting to explain management policies and results, and this has also enabled me to engage in dialogue with employees. In FY2016, I was struck by the change in their facial expressions, which has convinced me that management and employees have built a solid foundation for working well together. I believe our strong earnings have been matched by an increased level of awareness among our employees.

Our employees have been through a number of experiences that I believe will be valuable in the company's next step forward. These include the Japan launch of Candesartan and the success in rapidly reopening the Iwaki Factory after the Great East Japan Earthquake in 2011. Right now, we are in the process of supplying information and educating patients about Rifxima, the first drug in Japan to improve hyperammonemia in cases of hepatic encephalopathy. To this end we think the numerous challenges involved in bringing a new drug to market are an important opportunity for young employees. We believe creating an atmosphere in which employees with diverse ways of thinking can participate in free and open discussion and developing different types of employees are important management issues, and we will devote ourselves to helping employees grow and develop their capabilities.

FY2017 and Beyond

We aim to expand our presence and raise productivity by improving speed and reliability.

Our main challenge for FY2017 is to increase the presence and maximize the product value of Rifxima as a key drug for the treatment of hepatic encephalopathy. Rifxima was rated at Evidence Level A, the top rating, in the 2015 hepatic cirrhosis treatment guidelines, and we have found that around 95% of university hospitals already use or plan to use it. In order to secure a position for the drug as the core treatment for hepatic encephalopathy, we are working to increase awareness of hepatic encephalopathy and to provide information about Rifxima and its usage through patient education events and lectures.

In addition, our next new drug candidate Ulipristal, a treatment for uterine myoma, is set to enter phase III trials. By conducting clinical trials at a brisk pace, we aim to increase our presence in the key area of obstetrics and gynecology by launching a succession of new products. For Candesartan, we expect sales to peak in FY2017, and intend to further expand the market for this flagship product.

To improve our cost structure and raise productivity, we intend to boost the capacity utilization rate of the Iwaki Factory as well as to steadily lower costs through initiatives including reviewing our product lineup after study of the impact at the medical frontline. Reform of the cost structure is not something that can happen overnight, and we understand the importance of safely clearing each hurdle one by one.



We will achieve sustained growth in a way that honors the heritage of ASKA Pharmaceutical.

We are proud of the close links the company has maintained with the medical frontline since the days of its foundation. Although ASKA Pharmaceutical started life in the niche field of sex hormone research, we would like to maintain an image among doctors and other medical professionals as a partner that provides a steady supply of pharmaceuticals through its close relationship with those on the ground. The market for endocrine treatments and sex hormones shows a number of distinctive characteristics, including reluctance among pharmaceutical companies to pursue this area, but we have continued to give our all while there are still clear medical needs to be addressed. The foundations that we have built over the years are the DNA of ASKA Pharmaceutical, and represent inimitable corporate value.

As we approach our centenary in 2020, we want to continue taking on new challenges and establishing new traditions while retaining the identity we have built up over the preceding 100 years. We are determined to open up new markets in our areas of strength by focusing on development and production of pharmaceuticals needed at the medical frontline.



Message to Stakeholders

The company is working as one to become a specialty pharma company with a strong presence.

Amid diversification of medical needs and other major changes in the external environment, ASKA PLAN 2020 will prepare us to face a variety of challenges, including the pursuit of a marketing style that befits ASKA Pharmaceutical for materials for new drugs and other areas. We will continue to take on new challenges in order to build on the range of experiences that our employees have accumulated. Moreover, we are certain that our willingness to constantly challenge ourselves in new areas will find favor with those on the medical frontline and society as a whole, thereby widening the recognition of ASKA Pharmaceutical.

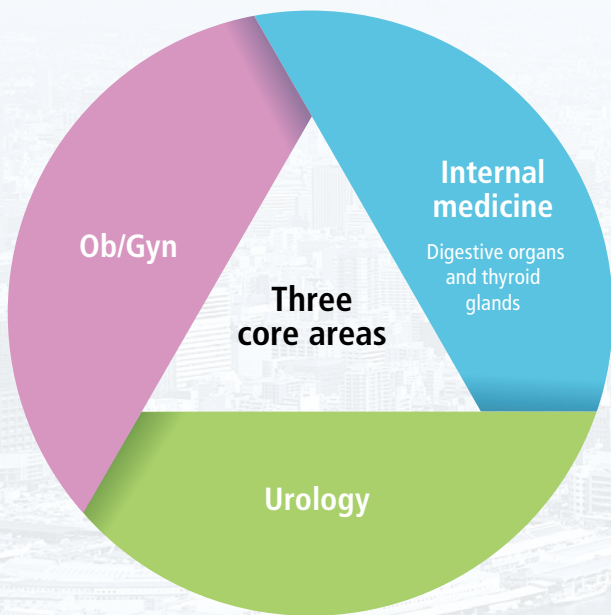
Everyone at the company will continue working as one toward achieving our vision of becoming a “highly competitive specialty pharma company.” We ask all our stakeholders for their continued understanding and support in this endeavor.





Sales

Supplying high-value-added products and increasing our presence as a specialty pharma company by developing new drugs in the three specialized areas of internal medicine, obstetrics and gynecology, and urology, and through generic pharmaceuticals that meet the needs of society.



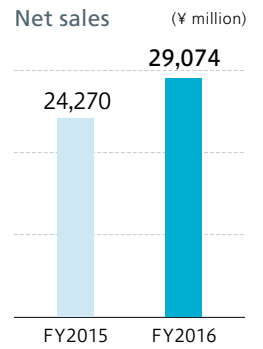
New drugs

Generics

Aiming to increase business in the fields of new drugs and generics by concentrating resources in our three core areas of internal medicine, obstetrics and gynecology, and urology.

Internal medicine

Treatments for various stomach and intestinal conditions including gastric ulcers, gastritis, reflux esophagitis, and inflammatory bowel disease. Treatments for hyperlipidemia, hypertension, and diabetes, and a variety of drugs related to endocrine disorders such as thyroid disease. ASKA Pharmaceutical has a large domestic market share in thyroid treatments.



Products



Poorly absorbable rifamycin antibacterial
Rifxima® tablets
¥136 million



Hypertension treatment **Candesartan tablets "Aska"**
¥12,748 million*

* Including formulations containing Candesartan



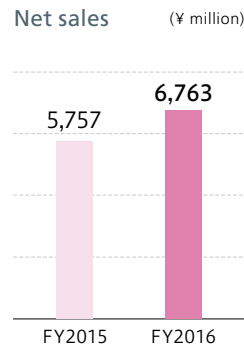
Hypothyroidism treatment **Thyradin® S tablets**
¥5,449 million



Hyperlipidemia treatment **Lipidil® tablets**
¥4,407 million

Ob/Gyn

Drugs that contribute to improvement in women's quality of life including low-dose oral contraceptives, emergency contraceptives, and drugs related to various menstrual conditions, as well as ovulatory drugs and other fertility treatments for those hoping to become pregnant, hormone replacement therapies to ease the symptoms of menopause, and agents to aid in management of pregnancy and birth.



Products



Low-dose oral contraceptive Ange[®] 21/28 tablets
¥934 million



Emergency contraceptive Norlevo[®] tablets
¥1,139 million



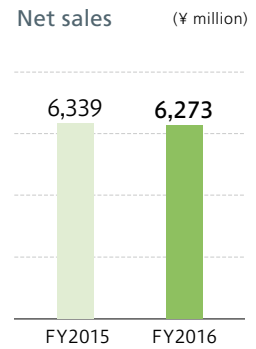
Estradiol/Norethisterone acetate
Menoaid[®] Combipatch
¥656 million



Progesterone Vaginal suppository Luteum[®]
¥323 million

Urology

Treatments for prostate cancer patients, who are increasing in number annually due to the graying of society and the impact of more westernized diets, and use of techniques derived from traditional hormone preparations, including drugs for dysuria and incontinence and drugs to treat a variety of conditions caused by decline in male hormone levels.



Products



Endometriosis/prostate cancer treatment
Leuporelin acetate injectable kit "Aska"
¥3,841 million



Prostate cancer treatment
Bicalutamide tablets "Aska", OD tablets
¥1,782 million









Prostate cancer, Benign prostatic hyperplasia treatment
Prostal[®] tablets, L tablets
¥810 million



Dysuria associated with benign prostatic hyperplasia treatment
Restream[®] OD tablets
¥647 million

ASKA Pharmaceutical's Business Activities

	Vision for the future	Main initiatives
 Sales	<p>Maximize product value by rapidly building a structure for the collection of high-quality information as a specialty pharma company.</p>	<ul style="list-style-type: none"> • Implementation of plans to maximize product value (Key product: Rifxima) • Aim to rapidly establish and transition to an area-specific structure with a high degree of autonomy • Securing high levels of consumer awareness and satisfaction by fostering and deploying highly adaptable staff
 Production	<p>Ensure the safety and reliability of pharmaceuticals through the establishment of internal standards that adhere to GMP and PIC/S, as well as thorough production management, production process quality control, and staff training.</p>	<ul style="list-style-type: none"> • Completion of launch preparations and stable supply structure for Rifxima • Promote the review of product portfolio and eliminate non-performing assets • Reduction in plant heating, lighting, and other costs • Development of generic drugs with filings planned for FY2017 • Established production policies for injectables and other products
 Development	<p>With the cooperation of medical professionals and partner companies, deliver effective drugs to patients as fast as possible through clinical testing of drugs developed in-house or licensed from overseas and lifecycle management that involves finding additional indications for existing drugs.</p>	<ul style="list-style-type: none"> • Development of new drugs • Lifecycle management of existing products • Development of generic drugs • Cooperation in clinical research • Domestic business development activities • In-licensing drugs from overseas
 Research	<p>Expand the R&D pipeline by creating original products from innovative ideas and take them to the next stage through clinical trials.</p>	<ul style="list-style-type: none"> • Generation of promising ideas for innovative drugs and search for target molecules • Screening of compounds based on identified target molecules • Selection of compounds for development and consideration of development strategy • Execution of nonclinical tests and move to clinical trial stage
 Reliability assurance	<p>Build a system for reliability assurance that is responsive to globalization and increasingly more sophisticated regulatory standards for pharmaceuticals.</p>	<ul style="list-style-type: none"> • Ensuring the quality and safety of pharmaceuticals to optimize the value of Rifxima • Regular management reviews to continuously improve product quality • Steady implementation of risk management planning (RMP) to ensure the safety of new drugs
 Personnel	<p>Train, hire and deploy strategic personnel to create sustained growth, and optimize resources, to achieve our management vision.</p>	<ol style="list-style-type: none"> 1 A system of employees on limited working hours 2 Registration system for employees returning from retirement (Welcome Back system) 3 Career planning system 4 Manager qualification examination 5 Compliance and mental health training 6 Language training overseas 7 Training by employee rank

FY2016 results

- Initiatives for Rifxima
Approximately 1,900 briefings for medical institutions
Treatment outcome study (investigation of all cases) on 808 registered cases (end-March 2017)
Sales: ¥136 million
- Productivity per medical representative: ¥151 million/year
- Training hours per medical representative: 85 hours/year

- Began operation of tablet press for Rifxima launch and product shipment to achieve on-schedule launch
- Established Product Portfolio Review Project to look into each unprofitable product
- Cut plant heating and lighting costs through use of gas energy
- Considered commercialization themes for four products, generic pharmaceutical themes for three products, and lifecycle management for three products
- Investigated procedures for outsourcing strategically necessary products

- Obtained approval for Rifxima
- Concluded phase II trials for CDB-2914
- Formed alliances with TesoRx and Pieris Pharmaceuticals

- Initiatives toward out-licensing of products from in-house research
- Necessary adaptations in nonclinical areas to evaluate licensed products and receive production approval
- Adaptation to regulations such as GLP and investigational drug GMP

- Contract manufacturing of bulk drug substances for preclinical testing of innovative urology drugs from in-house research
- Identified three potential development compounds in obstetrics and gynecology, and urology
- Identified lead compound for thyroid treatments
- Started joint research with external partners to examine innovative ideas
- Created nonclinical filing documents for Rifxima, and worked toward securing approval by responding to regulatory authorities and submitting papers
- Secured accreditation as a safe research facility in the PMDA's triennial GLP compliance assessment

- Continuous strengthening of our quality assurance system and safety monitoring system

- Appropriately operated a product quality system to ensure the quality of our pharmaceuticals and promote quality improvements
- Collected and evaluated safety information to ensure the safety of our pharmaceuticals and promote RMP for new drugs
- Appropriately implemented drug consultation services to support appropriate usage by patients and medical professionals
- Ensuring the quality and safety of our pharmaceuticals to optimize the value of Rifxima

- 1 Introduced on January 1, 2017
- 2 Introduced on January 1, 2017
- 3 Conducted the yearly career goals survey covering all employees (February 2017)
- 4 Conducted examination for applicants (June and December 2016)
- 5 Conducted for all employees (February-March 2017)
- 6 Six persons in FY2016
- 7 For existing and newly appointed section heads, subsection heads, and managers (once a year each)

10-year Summary (Consolidated)

	FY2016	FY2015	FY2014
Results (¥ million)			
Net sales	48,527	43,215	42,907
Cost of sales	29,614	26,072	25,717
Selling, general and administrative expenses	17,119	15,861 ^{*1}	15,767
Operating profit	1,793	1,283 ^{*2}	1,425
Ordinary profit	2,002	1,522	1,722
Profit (loss) attributable to owners of parent	2,944	701	1,193
Research and development expenses	4,970	4,174	4,025
Capital expenditure	587	2,155	2,106
Depreciation and amortization	2,447	1,969	1,709
Financial position (¥ million)			
Total assets	66,126	57,478	58,933
Total net assets	39,511	35,961	36,577
Interest-bearing debt	3,700	5,708	1,366
Cash flow (¥ million)			
Cash flows from operating activities	12,063	(1,349)	5,710
Cash flows from investing activities	(378)	(6,776)	(1,897)
Cash flows from financing activities	(2,384)	4,013	(557)
Cash and cash equivalents at end of year	14,761	5,462	9,574
Per-share data (¥)			
Earnings per share	105.39	25.15	42.89
Book value per share	1,413.51	1,287.76	1,313.20
Dividend per share	14	14	14
Financial indicators (%)			
Ratio of cost of sales to net sales	61.03	60.33	59.94
Ratio of selling, general and administrative expenses to net sales	35.28	36.70	36.75
Operating profit margin	3.69	2.97	3.32
Shareholders' equity to total assets	59.8	62.6	62.1
ROA	4.76	1.21	2.17
ROE	7.80	1.90	3.39
Payout ratio	13.3	55.7	32.6
Other			
Number of employees	862	872	862
Total number of shares issued (thousand shares)	30,563	30,563	30,563

*1 Operating profit in FY2015 was adjusted from ¥1,166 million to ¥1,283 million due to the change in presentation method.

*2 Selling, general and administrative expenses in FY2015 were adjusted from ¥15,978 million to ¥15,861 million due to the change in presentation method.

FY2013	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007
39,501	40,963	40,637	45,849	35,784	30,422	30,170
22,431	23,047	22,624	24,564	16,646	11,241	10,168
16,353	16,847	17,078	17,787	18,722	18,117	18,252
716	1,061	935	3,496	419	1,064	1,758
1,031	1,336	1,224	3,661	654	1,377	2,042
495	1,114	7	(790)	93	600	3,513
4,144	4,269	3,865	4,413	5,083	4,599	5,189
1,945	802	931	1,015	901	4,248	1,518
2,355	2,353	2,612	2,688	1,868	854	943
51,269	51,770	49,326	57,595	53,239	50,801	50,417
33,941	33,350	31,818	32,202	33,198	33,109	33,743
1,557	1,782	1,340	5,259	3,190	1,073	1,206
2,616	3,869	(2,514)	3,558	2,665	(214)	6,014
(2,301)	(1,484)	(37)	(3,575)	(4,817)	(2,247)	2,167
(574)	124	(4,470)	1,673	1,811	(529)	(4,226)
6,318	6,578	4,068	11,090	9,434	9,774	12,765
17.85	40.27	0.27	(28.05)	3.32	21.30	124.69
1,219.32	1,202.59	1,152.99	1,143.39	1,176.25	1,175.32	1,197.71
14	14	14	14	14	12	7
56.79	56.26	55.67	53.63	46.75	37.28	33.67
41.40	41.13	42.03	38.85	52.34	59.52	60.50
1.81	2.59	2.30	7.52	0.93	3.21	5.83
66.1	64.4	64.5	55.9	62.2	65.2	66.9
0.96	2.20	0.01	—	0.58	1.13	6.86
1.47	3.42	0.02	—	0.28	1.79	10.74
78.4	34.8	5,051.8	—	421.7	65.7	11.2
886	897	888	930	1,053	1,042	1,060
30,563	30,563	30,563	30,563	30,563	30,563	30,563

Company Information

Company Overview

Company name	ASKA Pharmaceutical Co., Ltd.
Founded	June 16, 1920
Established	June 28, 1929
Capital	¥1,197.9 million
Number of employees	786 (Non-consolidated) 862 (Consolidated) (As of March 31, 2017)
Representative	Takashi Yamaguchi President, Representative Director
Address	5-1 Shibaura 2-chome, Minato-ku, Tokyo 108-8532
Businesses	Manufacturing, sale and import/export, etc. of pharmaceuticals, veterinary medicines, quasi-drugs, foods, and medical devices
Main locations	Kawasaki Institute (Kawasaki City, Kanagawa Prefecture), Iwaki Factory (Iwaki City, Fukushima Prefecture), Sapporo Sales Office, Sendai Sales Office, Koriyama Sales Office, Tokyo Sales Office, Yokohama Sales Office, Saitama Sales Office, Chiba Sales Office, Utsunomiya Sales Office, Niigata Sales Office, Matsumoto Sales Office, Kanazawa Sales Office, Nagoya Sales Office, Shizuoka Sales Office, Kyoto Sales Office, Osaka Sales Office, Kobe Sales Office, Takamatsu Sales Office, Hiroshima Sales Office, Fukuoka Sales Office, Kumamoto Sales Office



Head office of ASKA Pharmaceutical Co., Ltd.



Kawasaki Institute



Iwaki Factory

Executives (As of June 29, 2017)

Directors (Board Members)

Takashi Yamaguchi	President, Representative Director
Atsushi Maruo	Executive Director
Kazuhiko Kato	Director, Executive Corporate Officer
Yuichiro Fukui	Director, Executive Corporate Officer
Sota Yamaguchi	Director, Executive Corporate Officer
Eiji Ueda	Director (Outside)
Yasunori Yoshimura	Director (Outside)
Michizo Yamanaka	Director (Outside)
Morinobu Saito	Standing Corporate Auditor
Satoshi Komatsu	Standing Corporate Auditor
Eiichi Oriki	Corporate Auditor (Outside)
Takao Kimura	Corporate Auditor (Outside)

Corporate Officers

Makoto Murakami	Head, Administrative Division; Development of ERP System
Koichi Hasumi	President, Representative Director, ASKA Pharma Medical Co., Ltd.
Ikuo Kumano	Head, Production Division
Hirokuni Teramoto	Head, Sales Division
Takao Nakada	Head, Quality & Safety Assurance Division; Audit; Legal Affairs & Regulatory Compliance
Hidehisa Hamasaki	Head, Innovative Drug Discovery Division
Kunihiro Gunji	Deputy Head, Development Division; General Manager, Business Strategy Department; Marketing & Business Development

Investor Information

Shares issued	Number of shareholders
30,563,199	4,408

Major Shareholders

Shareholder	Shares owned (Thousands)	Shareholding ratio (%)
Takeda Pharmaceutical Company Limited	2,204	7.8
Japan Trustee Services Bank, Ltd. (Trust Account)	1,931	6.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,557	5.5
Bank of Tokyo-Mitsubishi UFJ	1,100	3.9
Takashi Yamaguchi	914	3.2
ASKA Pharmaceutical Employee Shareholders' Association	639	2.2
Yamaguchi Co., Ltd.	556	1.9
Aioi Nissay Dowa Insurance Co., Ltd.	530	1.8
Nippon Life Insurance Company	522	1.8
The Toa Reinsurance Company, Limited	500	1.7

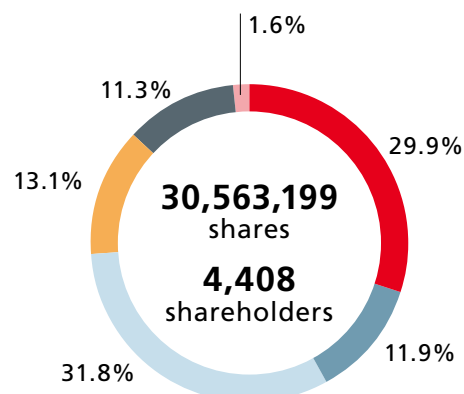
- The company holds 2,372,034 shares as treasury stock, which are not included in the list of major shareholders.
- Shareholding ratio is based on the number of shares exclusive of treasury stock.

Dividend Policy

ASKA Pharmaceutical views return of profit to shareholders as one of its main management responsibilities. Distribution of profit is conducted based on maintaining stable dividend payments, and on an overall appraisal of earnings, funds required for the medium and long term, and the company's financial position.

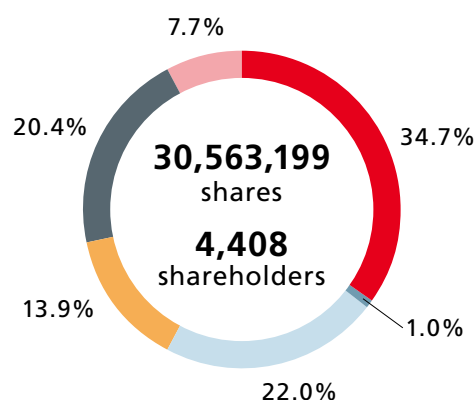
Distribution of Shares

By number of shares held



1,000,000 shares and above (5 shareholders)	9,166,000	29.9%
500,000 shares and above (6 shareholders)	3,662,000	11.9%
100,000 shares and above (41 shareholders)	9,743,000	31.8%
10,000 shares and above (132 shareholders)	4,014,000	13.1%
1,000 shares and above (1,720 shareholders)	3,459,000	11.3%
Fewer than 1,000 shares (2,504 shareholders)	516,000	1.6%

By shareholder classification



Financial institutions (45 shareholders)	10,622,000	34.7%
Financial instruments firms (32 shareholders)	318,000	1.0%
Other corporations (52 shareholders)	6,727,000	22.0%
Foreign corporations (148 shareholders)	4,257,000	13.9%
Individuals and other (4,130 shareholders)	6,265,000	20.4%
Treasury stock (ASKA)	2,372,000	7.7%

 ASKA Pharmaceutical Co., Ltd.