ASKA Pharmaceutical Holdings Co., Ltd.

ASKA HD REPORT 2022

Integrated Report April 1, 2021 ▸ March 31, 2022
ASKA Pharmaceutical Holdings Co., Ltd.

Total Healthcare Company
with a Strong Foundation
as a Specialty Pharma Company






Corporate Message

For a Healthy Tomorrow and Future.

ASKA Pharmaceutical Holdings Co., Ltd. was established in April 2021, marking a major step forward.

Amidst major healthcare-related changes in the social environment, we launched ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025 in order to respond to the trust we have received from society, and to continue to contribute to society.

Based on our business as a specialty pharma company, we will promote environmental, social and governance (ESG) initiatives, and take on the challenge of helping to realize a prosperous society.

Corporate Philosophy

Contribute toward the improvement of people's health and progress in society through the development of innovative products

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Editorial Policy

ASKA Pharmaceutical Holdings Co., Ltd. issues the *ASKA HD Report* as an Integrated Report (Annual Report) to communicate messages from management on the Company's management strategies and priority issues. It also includes information on the Company's environmental, social and governance (ESG) initiatives and finances. Information based on the seven core principles of ISO 26000, the international standard for social responsibility, and its classifications, is presented on the Company's website. *ASKA HD REPORT 2022* introduces the initiatives of ASKA Pharmaceutical, ASKA Animal Health and ASKA Pharma Medical under the theme of clarifying and promoting a better understanding of the strengths of ASKA Pharmaceutical Holdings.

In producing this report, we narrowed down the most important information, based on the opinions and inquiries of our stakeholders. We hope this report will help promote dialogue with our stakeholders.

Referenced Guidelines and Frameworks

- GRI Standards
- Value Reporting Foundation (VRF) (currently IFRS Foundation), *Integrated Reporting Framework*
- ISO 26000 *Guidance on social responsibility*
- Ministry of Economy, Trade and Industry, *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation*
- Ministry of the Environment, *Environmental Reporting Guidelines (2018)*
- *Recommendations of Task Force on Climate-related Financial Disclosures (TCFD) (Final Report),* and others

Environment Social Governance
Guidance for Collaborative Value Creation

Reported Matters

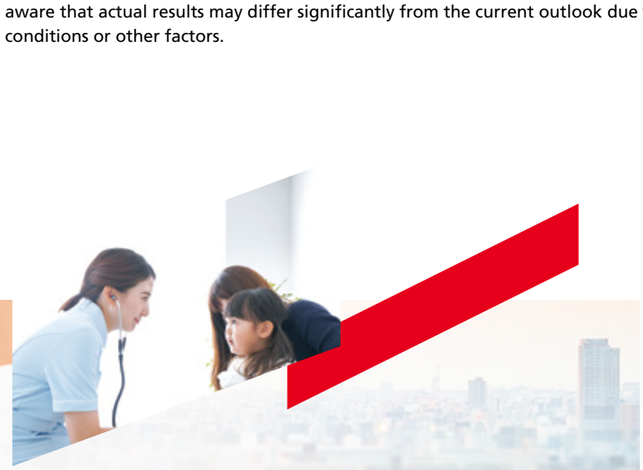
- Period: April 1, 2021 to March 31, 2022 (includes some information from outside the period)
- Scope: ASKA Pharmaceutical Holdings Co., Ltd. and consolidated subsidiaries

Note: In principle, this report covers the activities of ASKA Pharmaceutical Holdings Group. However, when activities and data are for ASKA Pharmaceutical Co., Ltd. (non-consolidated), "ASKA Pharmaceutical" is indicated.

Note on Forward-Looking Statements in This Report

Information on the Group's business outlook and other forward-looking statements presented in this report are based on the judgment of the Group's management, which relies on various information at the time of publication. Please be aware that actual results may differ significantly from the current outlook due to changes in market trends, economic conditions or other factors.





History of Value Creation

Since our founding in 1920 as a pioneer in hormone preparations, we have ceaselessly continued our journey, while always keeping in mind our essential mission as a company that is directly linked to life and health. In 2021, we transitioned to a holding company structure, and took a new step toward the next 100 years. We will continue to respond to changes in the times and the environment, and contribute to society as we evolve into a total healthcare company.

Become a Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company

1920–1955
Took our first step as a pharmaceutical company

In 1920, Yasohachi Yamaguchi established Teikoku Hormone Research Institute. It began research, development, manufacture and sales of hormone preparations based on the unique idea of creating useful medicines from animal organs. Although the company experienced hardships such as the Great Kanto Earthquake, and the loss of its head office and factory during the Second World War, it was rebuilt under a new organizational structure, and listed its shares on the Tokyo Stock Exchange in 1955.

Launched in 1921
Male gonadal hormone agent
SPERMATIN



Launched in 1922
Hypothyroidism agent
THYRADIN



Launched in 1926
Posterior pituitary hormone agent
ATONIN



1955 – 2005
Became a company that makes wide-ranging contributions to society

After the postwar reconstruction period, the company worked to modernize its management through organizational reforms, expansion of its sales and production systems, reorganization of its research functions, and reinforcement of its advertising activities. In addition to entering the field of veterinary pharmaceuticals, the company also strived to diversify its business and worked toward corporate growth in the midst of an era of rapid economic growth.

Launched in 1981
Benign prostatic hyperplasia and prostate cancer agent
PROSTAL



Launched in 1999
Low-dose oral contraceptive
ANGE



Launched in 1986
Gastritis and gastric ulcer agent
ALTAT



2005 – 2021
Formation of ASKA Pharmaceutical Co., Ltd.

In 2005, ASKA Pharmaceutical Co., Ltd. was established to develop and market new drugs, specializing in the three priority areas of internal medicine, obstetrics and gynecology (Ob/Gyn), and urology with the aim of becoming a competitive specialty pharma company. The company took on challenges for the next stage, such as strengthening efforts for generic drugs that meet the needs of the times.

Launched in 2011
Hyperlipidemic agent
LIPIDIL



Launched in 2014
Antihypertensive agent
CANDESARTAN "ASKA"



Launched in 2016
Hepatic encephalopathy agent
RIFXIMA



Launched in 2014
Endometriosis, uterine fibroids, and prostate cancer agent
LEUPRORELIN "ASKA"



Launched in 2016
Infertility agent
LUTEUM



Launched in 2018
Dysmenorrhea agent
FREWELL "ASKA"



Launched in 2019
Uterine fibroids and endometriosis agent
RELUMINA



Launched in 2020
Hypothyroidism agent
THYRADIN (injection)



Launched in 2021
Hair hormone level measurement kit
Dihydrotestosterone



Launched in 2021
Feline hyperthyroidism agent
THYLOBLOCK



2021 –
Continue to take on challenges and aim for further growth

ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025 was launched in 2021. In conjunction with the shift to a holding company structure, the Company not only aims to build a flexible organization that is capable of swift decision-making, but also to achieve further sustainable growth for the entire Group by further strengthening its governance structure.

1920
Founded Teikoku Hormone Research Institute

2005
Formation of ASKA Pharmaceutical Co., Ltd.

2008
Formation of ASKA Pharma Medical Co., Ltd.

2013
Formation of ASKA Animal Health Co., Ltd.

2020
100th anniversary of the foundation of ASKA Pharmaceutical Co., Ltd.

2021
Formation of ASKA Pharmaceutical Holdings Co., Ltd.

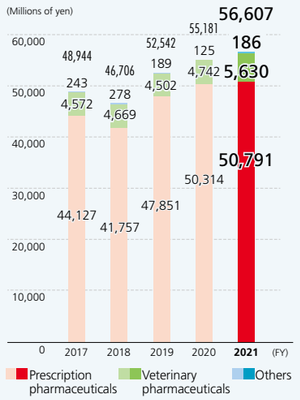
Net sales (Millions of yen)

FY2021
¥56,607 million

Financial and Non-Financial Highlights

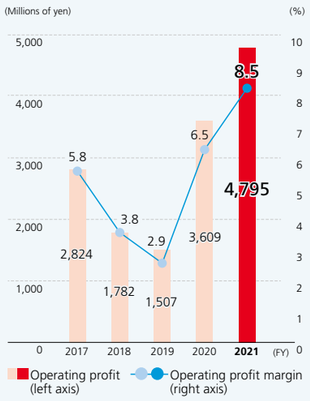
Operating Performance

Net Sales



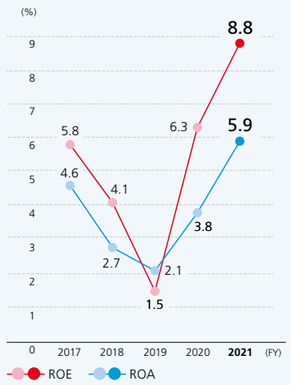
Net sales rose 2.6% year on year to a record high of ¥56,607 million, primarily thanks to growth in sales of our mainstay products THYRADIN, RIFXIMA and RELUMINA, as well as veterinary pharmaceuticals.

Operating Profit / Operating Profit Margin



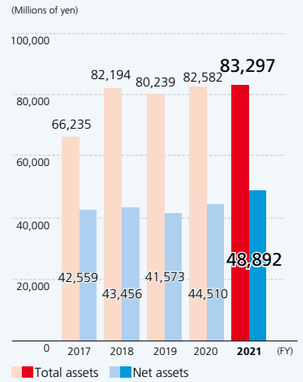
Net sales increased and SG&A expenses decreased, resulting in a 32.9% increase in operating profit to ¥4,795 million.

ROE / ROA



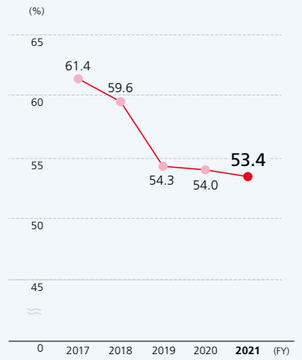
ROE rose 2.5 percentage points from the previous fiscal year to 8.8%, while ROA rose 2.1 percentage points to 5.9%.

Total Assets / Net Assets



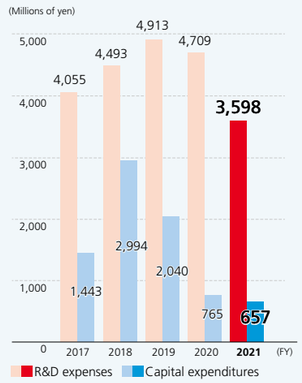
Despite a decrease in intangible assets due to the cancellation of development, cash and deposits increased due to transfer of property, plant and equipment, and total assets increased by ¥714 million from the previous fiscal year end. Net assets increased by ¥4,381 million.

Ratio of Cost of Sales to Net Sales



We are striving to improve productivity and reduce manufacturing costs, while prioritizing quality assurance and ensuring a stable supply. In FY2021 the cost of sales ratio decreased to 53.4%.

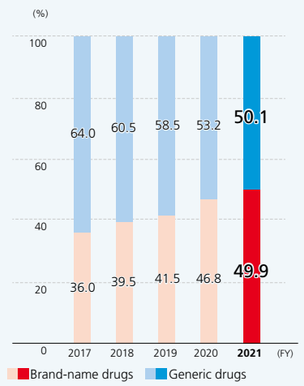
R&D Expenses / Capital Expenditures*



As for R&D, although costs will fluctuate due to expansion of the development pipeline, we are continuing to actively invest in our three priority areas.

* Capital expenditures are for property, plant and equipment and software (transfer basis).

Sales Ratio of Brand-name Drugs to Generic Drugs (Prescription Pharmaceutical Business)



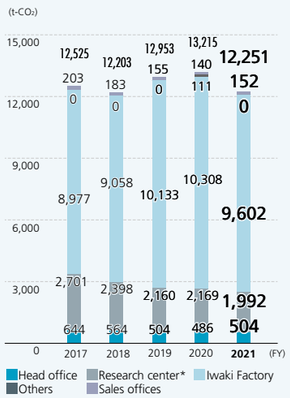
By expanding our development pipeline, and strengthening our drug discovery and alliance activities, we have established a system that enables us to continuously create new drugs (brand-name drugs).

Environment

▶ P. 31-32

(Figures for ASKA Pharmaceutical Co., Ltd.)

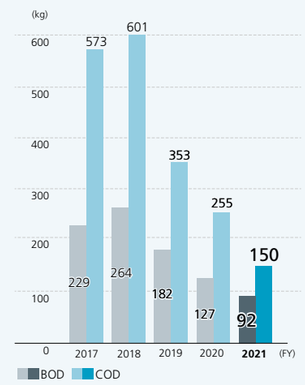
CO_2 Emissions



Total emissions decreased by 963 tons to 12,251 tons. At the Iwaki Factory, efforts are being made to save energy by improving the efficiency of cogeneration system operations.

* The Kawasaki Research Center was relocated to the Shonan Health Innovation Park and renamed the Shonan Research Center in FY2020.

Water Pollution Load



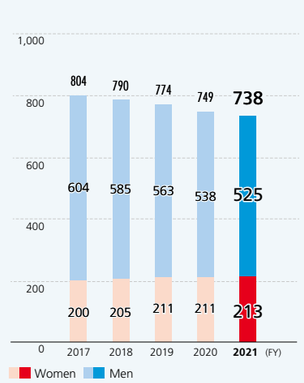
At the Iwaki Factory, efforts were made to improve the efficiency of the manufacturing process, reducing BOD by 35 kg and COD by 105 kg from the previous fiscal year.

Human Resources

▶ P. 33-36

(Figures for ASKA Pharmaceutical Co., Ltd.)

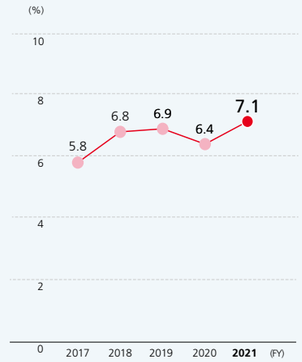
Number of Employees (Breakdown of Men and Women)



We aim to create value for the organization by ensuring that a diverse range of human resources are able to play active roles, regardless of their attributes. The number of female employees has increased year by year, and the ratio of female employees is now 28.9%.

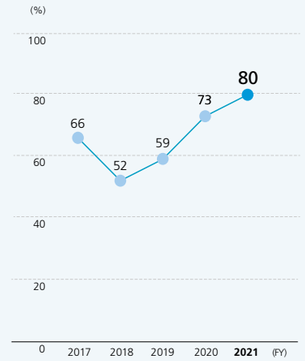
Note: The number of full-time employees.

Percentage of Female Managers



We strive to create a working environment where women can fully demonstrate their abilities and play active roles. The percentage of female managers was 7.1% at the end of FY2021.

Percentage of Male Employees Taking Childcare Leave



We are deepening our understanding of gender bias, and are fostering a culture in which male employees actively participate in child rearing.

Notes: 1. Percentage of male employees who took childcare leave, among those whose spouses gave birth during the fiscal year
2. Expected rate of male employees taking childcare leave in FY2021

Message from the President



We aim to be a total healthcare company, with an unwavering commitment to helping to create a sustainable society.

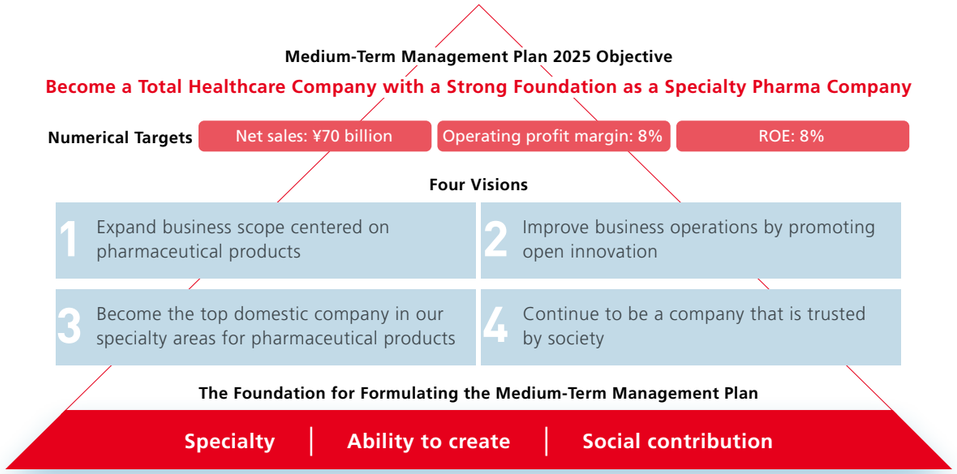
Takashi Yamaguchi
President, Member of the Board of Directors, Representative Director
ASKA Pharmaceutical Holdings

Uncertainty increased in the business environment in FY2021, primarily due to the prolonged impact of the COVID-19 pandemic and the political situation in Russia and Ukraine. However, momentum in Japan to support women's health and further promote their advancement in society as well as growing interest in healthcare in the context of a super-aging society positively impacted the Group's businesses. The core pharmaceutical business centered on Ob/Gyn products performed well, as did the animal health business. The first year of ASKA Pharmaceutical Holdings also got off to a good start with the highest sales since the founding company's establishment in 1920.

Progress of Medium-Term Management Plan 2025 and Group Management Based on Risk Diversification

In FY2021, the first year of ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025, we promoted the seven strategies to achieve the numerical targets set forth in the plan based on the foundation of "specialty," "ability to create," and "social contribution." As the strong performance indicates, the Group as a whole is making steady progress in each strategy.

▶See pages **18-19** for details.



In particular, in the area of "specialty," we have already achieved concrete results, including success in increasing the presence of RELUMINA (relugolix) in the Ob/Gyn field, obtaining manufacturing and marketing approval for DroEthi (drospirenone/ethinylestradiol), and advancing drug discovery. In overseas operations, which is one of our seven strategies, results were affected by the continued impact of the COVID-19 pandemic. However, we have made progress, mainly in Asia, for example, by providing technical support for the construction of a new plant for Hataphar (Ha Tay Pharmaceutical Joint Stock Company), a Vietnamese pharmaceutical company that is one of our equity-method affiliates.

In the pharmaceutical business, our core business, there are various risks that may affect management due to ongoing drug-pricing reforms in Japan's National Health Insurance (NHI) system and the increasing difficulty of R&D. As such, risk management is very important in determining how to respond and deciding on a course of action when an event that has a significant impact on business occurs. To diversify management risk, we are not focusing on a single pillar of our business, but rather on multiple pillars that can contribute to earnings. It is important to develop the animal health business and the hormone testing business into such pillars in the future. To do so, we will establish a management system that can respond to potential risks and changes in the environment. Expanding multiple pillars at an early stage while maintaining the pharmaceutical business as the core of our business will give us greater flexibility. We will solidify our management base as a holding company by 2025 and look beyond that to create products that bring new value to society and more innovative services.

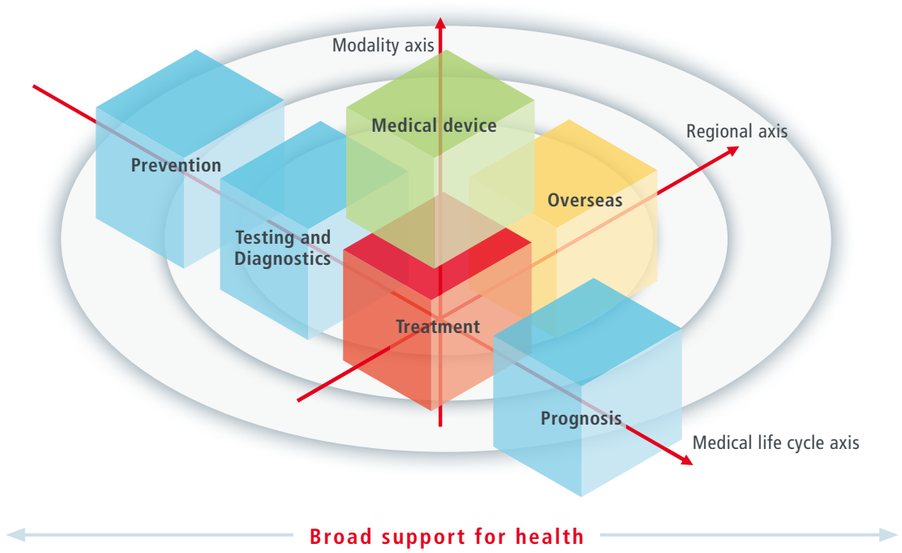
The Unwavering Strengths of the ASKA Pharmaceutical Holdings Group

Since its establishment in 1920, the Group has been engaged in R&D with a focus on hormone preparations. In the 1990s, the Group began developing and commercializing oral and emergency contraceptives. However, the size of the Japanese market in this field was smaller than that of Europe and the United States, and establishing a viable business was considered difficult. There were many internal discussions about whether the Group should continue or discontinue its R&D. We came to the conclusion that women's active participation is essential to Japan's future growth, that the focus on women's health will continue to increase, and that the basic technologies and know-how we have cultivated will eventually but surely contribute to society.

At that time, there were concerns about focusing on areas of low public interest. However, as opportunities for women to play an active role in society expanded, stakeholders' perception of this business became "this business is indispensable to the world" and "it has a high degree of social contribution."

Looking back, I believe that our strengths lie in the following areas: "drug discovery platforms in specialized fields and production technologies that have been cultivated over the last 100 years," "our high-quality product lineup backed by our specialty and our ability to provide information," and "our relationships of trust with stakeholders." These elements are the driving force behind the four visions and seven strategies of the medium-term management plan.

At present, Group-wide we are actively promoting open innovation with other companies in the same and different industries, while leveraging the expertise of our core Group company, ASKA Pharmaceutical, in the three priority areas of internal medicine, Ob/Gyn, and urology. Recently, in September 2021 the Company entered into a license agreement with Takeda Pharmaceutical Company Limited for the Relugolix Combination Tablet. In October 2021, we entered into a business collaboration agreement with Toray Industries, Inc. to develop and commercialize an adhesion barrier, for use in gastroenterology and Ob/Gyn surgical procedures. We intend to continue such business alliances. We believe that the promotion of open innovation that encompasses everything from prevention, testing, and diagnostics to treatment and prognosis is enabling us to steadily approach our ideal for 2025 as a total healthcare company with a strong foundation as a specialty pharma company.



Establishing a Company-wide Action Plan and KPIs for the Advancement of ESG Management

As society as a whole begins to place stronger emphasis on issues in areas such as the environment, safety, and health, ESG management is becoming increasingly important for the Group, which is engaged in pharmaceutical and healthcare-related businesses. As the world undergoes major changes due to the COVID-19 pandemic and other factors, we are strongly aware of the need to evolve as we consider what we need to do to fulfill our social responsibilities.

We have identified material issues (the most important issues) based on the Group's business characteristics, and clarified the issues we need to contribute to. In particular, we believe that in terms of social (S), "contribution to women's health" and "contribution to animal health" are material issues in which the Group can demonstrate its strengths. These material issues are in line with the Group's business, creating a virtuous cycle among employees in which they try new things while focusing on areas that contribute to, and are needed by, society.

In addition, we have established a Company-wide action plan and KPIs for each of the 17 material issues, including those in the areas of environmental (E) and governance (G). We will continue to focus on social issues that ASKA is in a unique position to tackle, such as by expanding our product lineup for different life stages for women and promoting animal welfare. By setting KPIs clearly in this way, employees of Group companies can easily recognize the direction that the Company is aiming to take and the issues that each of them should address.

In June 2022, the Company appointed its first woman to the Board of Directors. She possesses very deep knowledge and expertise. We expect she will contribute to invigorating the Board of Directors and strengthening its governance while having a positive impact on other members of the Board of Directors.

Aiming to Be an Organization Capable of Creating Job Happiness That Leads to Social Contribution

Due to changes in the social environment, such as the increasing number of women playing active roles in various industries and deeper understanding of the concept of animal welfare, we believe it is becoming easier for the general public to see how our business contributes to society. I am very pleased that the general public is gaining a deeper understanding of the activities and initiatives of each Group company, as well as our business results. We believe that each and every one of our employees deeply understands that our pharmaceutical business, which has been built over the last 100 years, and other areas of our business, which will grow further, are indispensable for achieving a more affluent society. Our goal is to realize what we can do to contribute to society as a total healthcare company. To this end, it is essential that companies and employees take on new challenges and continue to grow together. In the future, we hope that a positive trend emerges within the Group whereby each person uses his or her imagination to explore new business areas, building on their knowledge not only in pharmaceuticals but also in a variety of other fields, and by incorporating the thoughts and ideas of people from diverse cultures.

As a pioneer, we invested in R&D activities in areas that people were once not particularly interested in. Through trial and error, we have developed our business into one that can solve problems and generate significant profits. In addition, we believe that we have become an organization capable of creating job happiness that leads to social contribution. We are confident that by successfully laying the groundwork by 2025 that we will be able to take the next step.

Going forward, we will not only pursue profits but also enhance our quality as a corporation, and the Group will continue to make concerted efforts to take on the challenge of becoming a total healthcare company.

We look forward to your continued understanding and support as we work to meet your expectations for the future of the Group.

Material Issues

Promotion of ESG Management

In April 2021, ASKA Pharmaceutical Holdings established the ESG Committee to oversee the Group's initiatives regarding our contribution to building a sustainable society. Based on our conviction that deepening our ESG efforts is essential to increasing corporate value, the Group is focusing on non-financial issues in addition to the financial targets outlined in Medium-Term Management Plan 2025. Based on the issues identified through discussions in each Group company, 17 material issues (the most important issues) were identified, bearing in mind their relevance to the business and stakeholders' expectations for the Group.

In FY2022, the Group will actively promote ESG management that balances contributions to the establishment of a sustainable society with the Group's growth, in accordance with the Company-wide action plan formulated based on the material issues.

To this end, it is essential that each and every employee works to resolve non-financial issues related to environmental (E), social (S), and governance (G) based on a good understanding of the basic concepts described below, and that they take the initiative to achieve the SDGs* that lie ahead.

First, in environmental efforts we have established a basic policy to protect the environment and continuously reduce the environmental impact of all our business activities. We will prioritize measures for our factory, which consumes large amounts of energy. As for our response to climate change, since June 2022 we have been disclosing information such as metrics and targets in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



Atsushi Maruo
Senior Managing Member of the Board of Directors, Representative Director
ASKA Pharmaceutical Holdings

In our social efforts, we sincerely address issues such as human resource development, ensuring product quality and safety, health management, building a stable supply chain, and promoting diversity, and aim to become a company that is rewarding to work for and trusted by society.

In our efforts for governance, as a company engaged in the manufacture and sales of pharmaceutical products, which are directly linked to saving lives, we will comply with relevant laws and regulations, and build a transparent and fair governance system with the aim of continuously increasing corporate and shareholder value.

With regard to contribution to women's health and contribution to animal health, which are two of the distinctive material issues of ASKA Pharmaceutical Holdings, the Company will continue to play a leading role. We will leverage our accumulated expertise and knowledge and contribute to society by building a society in which women can continue to prosper and improving animal welfare.

Mapping of Material Issues



* Based on the role that the Group should play, the Group has set the following nine priority targets from among the 17 Sustainable Development Goals (SDGs), and is working to achieve them.



Material Issue Identification Process

STEP 1
Representatives from all divisions summarized the opinions of their members and proposed a total of 206 issues.

STEP 2
Consolidated into 36 important issues in accordance with environmental, social, and governance criteria.

STEP 3
After interviewing external experts, the ESG Committee identified 17 material issues (the most important issues), taking into account various guidelines and norms such as the GRI Standards, SDGs, Medium-Term Management Plan 2025, and stakeholders' interests.

Company-wide Action Plan and KPIs for Material Issues

ESG	No.	Material Issues	Company-wide Action Plan	KPIs
E	1	Reduction of environmental impact	Environmental protection and continuous reduction of environmental impact	Reduction of CO_2 emissions: Reduction of 46% from FY2013 (FY2030)
				Reduction of total waste
				Improvement in recycling rates
	2	Environmental management	Promotion of environmental management	Promotion of environmental measures through Company-wide environmental management meetings
				Environmentally conscious business operations
S	3	Human resource development	Development of human resources to realize growth strategies	Promotion of job rotation and in-house recruitment system
				Support for employee growth through in-house training system
	4	Achievement of work-life balance	Achievement of work-life balance while respecting the health and diversity of employees	Optimization of working hours: Promotion of use of annual paid leave as planned, guidance for promotion of use of annual leave, provision of hourly annual leave, etc.
				Efforts for measures to support development of the next generation: Maternity leave (utilization rate 100%), childcare leave for male employees (utilization rate 100%)
				Efforts for health management
				Promotion of various working styles: telecommuting, telework, flextime, short-time work, etc.
	5	Employee engagement	Promotion of creation of an environment that responds to understanding of organization, sympathy, and motivation to take action	Conduct of regular stress checks and surveys for engagement
	6	Creation of innovative products	Expansion of pipeline through open innovation	Promotion of in-house research themes
				Reinforcement of alliance activities
	7	Expanding access to healthcare	Contributions to specialties by taking advantage of our own strengths	Stable supply and improvement of information in specialty areas (Ob/Gyn, thyroid gland)
				Dissemination of knowledge through activities to raise awareness of diseases
				Early detection of disease through testing
	8	Contribution to women's health	Total support for women's health	Expansion of product lineup for each life stage of women, i.e., puberty, sexual maturity, menopause, and old age
				Contributions to female healthcare through provision of products
				Activities to raise awareness of women's health and diseases: Efforts in Health Lab Mint+ for Women's health
	9	Contribution to animal health	Contribution to creation of a society where people and animals can coexist	Promotion of animal welfare
				Development of products useful for maintaining health of companion animals
	10	Supply chain management	Stable procurement and supply	Reinforcement of supply chain management
				Strengthening cooperation with distributors
	11	Ensuring product quality and safety	Ensuring product quality and safety for end users	Reinforcement of the reliability assurance structure through continuous development of regulations and various operating manuals
				Proper conduct of trials (GCP compliance)
				Securing proper GMP audit
				Adequate implementation of GQP, GVP, and RMP (effective operation of the structure of three officers within Marketing Authorization Holder of Medical Products)
	12	Promotion of proper use of products	Provision of information on proper use	Compliance with GVP and guidelines for activities for provision of sales information
				Proactive use of materials for proper use and reinforcement of product education for medical representatives, etc.
				Prompt provision of latest information through website
	13	Social contribution activities	Contribution to the health of people and animals and society in the future as corporate citizen	Donations for social contributions to solve social issues
				Participation in open lectures for citizens
				Efforts for sexual education for the younger generation
	14	Promotion of diversity	Creation of value utilizing diverse human resources	Promotion of women's advancement in active roles: Percentage of female managers (FY2025 target: 15%), Percentage of female medical representatives
				Promotion of active roles for diverse human resources
G	15	Corporate governance	Establishment of corporate system for continuous growth	Fostering corporate culture and climate that respect healthy business ethics
				Ensuring real equality of shareholders
	16	Secure compliance with laws and regulations, enforcement of compliance	Thorough maintenance of compliance and fostering an organizational climate that emphasizes reliability	Compliance system mainly promoted by Group Compliance Promotion Committee
				Implementation of measures to prevent serious incidents
	17	Long-term corporate value enhancement	Gaining appropriate appreciation and trust from stakeholders	Constructive dialogue with stakeholders
				Appropriate disclosure and explanation of management strategy, performance, financial conditions, capital policy, etc.

Value Creation Process

ASKA Pharmaceutical Holdings aims to become a total healthcare company with a strong foundation as a specialty pharma company through its pharmaceutical business, animal health business, and hormone testing business, using a value chain (research, development, production and sales) imbued with ASKA's DNA, the source of its growth for over 100 years. Through the value creation process, we will contribute to the resolution of social issues in the field of healthcare.



Corporate Philosophy: Contribute toward the improvement of people's health and progress in society through the development of innovative products

Value creation cycle

Social Issues We Want to Help Resolve

Stable supply of effective and safe pharmaceuticals

Contributing to women's advancement in society

Addressing unmet medical needs

Animal health

Extending healthy lifespans

DNA

Research Development

Production Sales

+

Human Resources (Training and deployment)

Pages 14-15

Material Issues

17 material issues

Pages 10-11

Business

Healthcare fields from prevention, testing and diagnostics to treatment and prognosis

Pharmaceutical business

Internal medicine
Ob/Gyn
Urology

Pages 21-25

Medical devices etc.

Animal health business

Pages 26-27

Hormone testing business

Pages 28-29

ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025

Specialty | Ability to create | Social contribution

Pages 18-19

Value provision

- Stable supply of high-quality pharmaceuticals
- Promotion of drug discovery through open innovation
- New initiatives and value provision for total healthcare
- Improving women's quality of life and promoting their advancement
- Coexistence between people and animals
- Improving health literacy
- Preventative medicine/ Improvement of pre-symptomatic conditions

Vision





Become a Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company







Strengthening internal controls and thorough compliance/ ESG management Pages 10-11, 30-45

ASKA Pharmaceutical Holdings' DNA

As a pioneer in hormone preparations, we pursue our business with a sense of mission to deliver valuable pharmaceuticals and services, as long as there are medical needs to be met. This is ASKA's DNA, which has remained unchanged since our founding. This DNA, handed down from the past to the future, informs our value chain (research, development, production, sales, etc.) and is the driving force behind taking on the challenge of realizing total healthcare. All Group employees continue to carry this DNA in their hearts as a personal strength, and aim to create value that is unique to ASKA.



From prevention to testing, diagnosis, treatment, and prognosis, broadly contributing to people's health and quality of life, across the entire healthcare field

Research

Solid drug discovery know-how, centered on hormone preparations

The origins of our business are in hormone preparations, and we have accumulated technology, knowledge and achievements in hormone research over the past 100 years. Now, the ASKA Pharmaceutical Shonan Research Center is accelerating open innovation through industry-academia-government collaboration, including joint research with venture companies and universities to hasten drug discovery. In FY2021, some of our results included achieving milestones in joint research with external drug discovery companies. In addition, we are making progress in the transfer of technologies within the Group, such as applications for veterinary pharmaceuticals and hormone testing technologies that were derived from prescription hormone preparations.

FY2021 R&D Expenses
¥3,598 million

Research Base
ASKA Pharmaceutical Shonan Research Center

Development

Development technology to rapidly meet medical needs

In the area of prescription pharmaceuticals, we focus on contributing to total healthcare through the use of hormone preparations rooted in the Group's history, centered on the three priority areas of internal medicine, Ob/Gyn, and urology. We are committed to developing drugs that improve the health and quality of the lives of patients, advancing clinical development, and striving to deliver these drugs as quickly as possible. By revitalizing our in-house drug discovery and alliance activities, we made progress in five products in FY2021, including the addition of new indications and moving to the next stage of development. We have also succeeded in developing a hair hormone level measurement kit, using our knowledge and know-how in hormone preparations.

R&D Pipeline
7 products

Note: As of August 2022

Production

Quality and safety of products that can be used with peace of mind

In the production of pharmaceuticals, quality and safety control in compliance with various laws and ordinances is essential, along with the ability to provide a stable supply. As the reliability of pharmaceuticals has been shaken by a series of production problems in recent years, we believe it is important to maintain a corporate stance of compliance and to foster a Quality Culture. The Group is continuing to reaffirm its operations throughout the supply chain in order to fulfill its responsibility of ensuring quality and a stable supply.

Production Base
ASKA Pharmaceutical Iwaki Factory

Sales

Promoting proper use with expertise and a strong sense of mission

Since pharmaceuticals are life-related products that directly affect the lives and health of people and animals, pharmaceutical companies need to provide and collect information on efficacy, safety and other matters in an accurate and prompt manner. The Group promotes the proper use of pharmaceuticals by conducting a variety of activities to provide information that is tailored to the needs of medical professionals and farmers, through visits to facilities, online lectures and e-detailing.

ASKA Pharmaceutical
20 domestic sales bases

ASKA Animal Health
5 domestic sales bases

Financial and Capital Strategy

Basic Policy of Financial and Capital Strategy

ASKA Pharmaceutical Holdings has set a management vision for FY2025 of becoming a total healthcare company with a strong foundation as a specialty pharma company. In response to changes in the external environment, in 2021 we formulated Medium-Term Management Plan 2025 (ending in FY2025), based on the three foundations of "specialty," "ability to create," and "social contribution" that we have cultivated over the 100 years since our founding in 1920. Based on these foundations, we have established a financial and capital strategy with the goal of realizing four visions: (1) to expand business scope centered on pharmaceutical products, (2) improve business operations by promoting open innovation, (3) become the top domestic company in our specialty areas for pharmaceutical products, and (4) continue to be a company that is trusted by society. We will strengthen our financial base to support sustainable growth through operational efficiency and cost reductions, while focusing on priority areas and developing the Group's strengths.

The Group strives to secure stable earnings centered on its pharmaceutical products, animal health, and hormone testing businesses. In FY2021, the first year of operations as ASKA Pharmaceutical Holdings Co., Ltd. and the first year of Medium-Term Management Plan 2025, net sales totaled ¥56,607 million due to growth of new drugs such as RELUMINA (relugolix) in the pharmaceutical business, increased demand for generic drugs, and growth of animal feed additives in the animal health business. We achieved a favorable start to the medium-term management plan despite the difficulties of the COVID-19 pandemic. Gross profit increased by ¥969 million, mainly due to higher sales. On the other hand, selling, general and administrative expenses decreased by ¥217 million from the previous year to ¥21,556 million, mainly due to a decrease in R&D expenses, despite an increase in operating expenses. As a result, operating profit increased to ¥4,795 million. In FY2022, the second year of the medium-term management plan, we will continue to work toward achieving our goals through growth of RELUMINA and the introduction of new products in the obstetrics and gynecology (Ob/Gyn) field. In addition, we will consider ways to optimize our business portfolio in anticipation of future changes in the business environment, and promote the building and strengthening of the financial base necessary to promote not only our existing businesses but also new business areas and global expansion.

Financial and Capital Strategy KPIs

		FY2021 Actual	FY2022 Forecast	FY2025 Targets
Profitability	Net sales (Millions of yen)	56,607	57,500	70,000
	Operating profit (Millions of yen)	4,795	4,200	5,600
	Operating profit margin (%)	8.5	7.3	8.0
	Profit attributable to owners of parent (Millions of yen)	4,290	3,300	—
	Earnings per share (EPS) (Yen)	151.22	116.32	—
Capital efficiency	Profit attributable to owners of parent/Equity (ROE) (%)	8.8	—	8.0
Financial soundness	D/E ratio (Interest-bearing debt ratio) (%)	0.29	—	—
	Equity ratio (%)	58.7	—	—

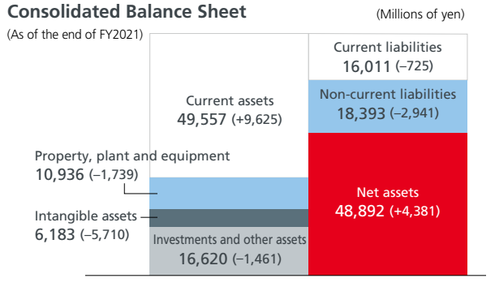
Strengthening the Financial Base and Financial Soundness

Regarding the consolidated financial position of the Group as of March 31, 2022, total assets were ¥83,297 million, while net assets totaled ¥48,892 million. The equity ratio was 58.7%.

We view ensuring the stability of our financial base as an important management issue for the Group. In addition to reducing interest-bearing debt, we will examine each investment project on a case-by-case basis and appropriately control costs to maintain our financial base and improve capital efficiency.

Consolidated Balance Sheet

(Millions of yen)



Investment for Realizing Growth Strategies

In order to realize the growth strategies of Medium-Term Management Plan 2025, we will identify changes in the social environment and prioritize appropriate capital investment, R&D, digital, and investment in human resources, as we believe these investments are indispensable for further growth. In the domestic pharmaceutical business, we will focus on capital investment, particularly at the ASKA Pharmaceutical Iwaki Factory, which supports stable supply. In R&D, ASKA Pharmaceutical will promote drug discovery research and clinical development with a focus on the three priority areas of internal medicine, Ob/Gyn, and urology, and will also aggressively pursue out-licensing and in-licensing activities and business alliance strategies. Group companies will create new businesses through open collaborative and creative relationships both in Japan and overseas, and their promotion of shorter development lead times from processes that take advantage of digital technologies and process innovation for a more efficient supply chain will lead to a more advanced management base. To successfully implement these innovations, we consider it essential that we secure and develop excellent human resources, and that we continue to enhance our education and training programs and utilize outside human resources.

Furthermore, we are actively considering business alliances in order to speed up our future business development. In particular, we will further strengthen the relationships we have established up until now, including technical cooperation and human interaction with a view to further business development in the Asian region.

In terms of our efforts to improve capital efficiency, we recognize the importance of ROE as an indicator that measures whether a company is generating returns that exceed capital market expectations, in other words, it is a financial indicator that is considered important by investors. Although we exceeded our target of 8% in FY2021, we also believe it is important to continue to build a business portfolio that is capable of achieving stable returns into the future. To achieve this goal, we will improve business efficiency while generating cash flow by continuing to regularly conduct business feasibility assessments and implementing our structural reforms and strategy review.

R&D Status (As of August 2022)

▶See page 23 for details.

Development code (Generic name) / Indication	Phase
LF111 (drospirenone) Contraception	Phase III
(Option agreement) PMS/PMDD drugs under development at Renascience Inc.	Phase II (Investigator-initiated)
(Option agreement) Cervical dysplasia under development at KinoPharma, Inc.	Phase I / II (Korea)
TRM-270 (adhesion barrier) (Gastroenterology and Ob/Gyn)	Preparing for clinical trial
L-105 (rifaximin) Hepatic encephalopathy (pediatrics)	Phase II / III
AKP-009 (ludaterone acetate) Benign prostatic hyperplasia	Phase IIa*
Relugolix Combination Tablet Uterine fibroids	Preparing development

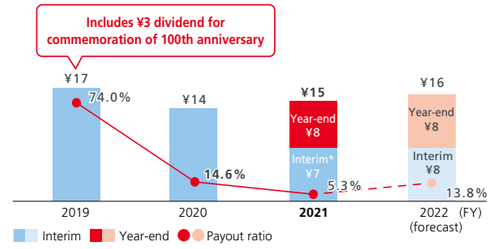
* Additional Phase I trial at a higher dosage ended in April 2022.

Policy for Returns to Shareholders

The Group's basic policy is to maintain stable dividends while comprehensively taking into account internal reserves for long-term business development. Internal reserves are used to strengthen the corporate structure for future sustainable growth, including investment in R&D and production facilities. At the same time, we recognize that one of the most important management issues is to return profits to shareholders in an appropriate manner in line with earnings.

Based on this recognition, we decided to pay an annual dividend of ¥15 per share (interim dividend: ¥7 per share, year-end dividend: ¥8 per share) for the current fiscal year, taking into account recent business performance. We will continue to meet the expectations of our shareholders by improving capital efficiency and strengthening our financial base to realize sustainable enhancement of corporate value.

Dividends per Share



* The interim dividend for FY2021 is excluded from the calculation of the payout ratio as it is derived from other capital surplus.

ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025

In conjunction with the inauguration of ASKA Pharmaceutical Holdings, we formulated ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025 ending in FY2025. Aiming to become a total healthcare company with a strong foundation as a specialty pharma company, we set out four visions and are promoting seven strategies based on "specialty," "ability to create," and "social contribution."

ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025

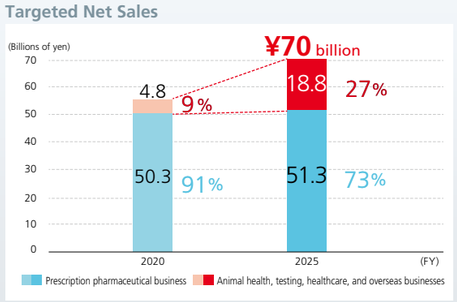
Four Visions

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

7 Strategies

- Net sales: ¥70 billion
- Operating profit margin: 8%
- ROE: 8%

Targeted Net Sales



The Foundation for Formulating the Medium-Term Management Plan

Specialty | **Ability to create** | **Social contribution**

	FY2020 Actual	FY2021 Actual	FY2025 Targets
Net sales (Millions of yen)	55,181	56,607	70,000
Operating profit margin (%)	6.5	8.5	8.0
ROE (%)	6.3	8.8	8.0

Review of FY2021

FY2021, the first year of ASKA Pharmaceutical Holdings' Medium-Term Management Plan 2025, got off to a good start as a year for solidifying the foundation of the holding company structure.

In the pharmaceutical business, while affected by the off-year National Health Insurance (NHI) drug price revisions first introduced in April 2021 as part of measures to control medical expenditures, sales were generally strong, mainly due to growth in mainstay Ob/Gyn products. In other businesses, sales in the animal health business were strong, centering on pharmaceuticals for livestock and companion animals and animal feed additives.

In R&D, we promoted drug discovery research and clinical development focusing on the Company's priority areas of internal medicine, Ob/Gyn, and urology, while actively pursuing out-licensing and in-licensing opportunities and business alliance strategies.

In April 2021, we established the ESG Committee and identified 17 material issues for contributing to building a sustainable society. We determined a Company-wide action plan and 42 KPIs for the material issues identified, and are implementing initiatives to achieve the targets. We will continue to fulfill our corporate social responsibility and contribute to building a sustainable society, aiming to become a total healthcare company with a strong foundation as a specialty pharma company.

Seven Strategies and Initiatives

Seven Strategies	Initiatives
1. Enhance Corporate Value by Strengthening Initiatives in the Specialty Areas ▶See pages 21-23, 25 for details.	**[Women's healthcare]** ・Expansion of product lineup by life stage - Increase presence in the Ob/Gyn field with the additional indication of endometriosis for RELUMINA - With the acquisition of manufacturing and marketing approval (the only company) for DroEthi, we now have a lineup (LEP* formulations) of three products for treating dysmenorrhea * Low-dose estrogen/progestin combination - Responding to expanding medical needs due to introduction of insurance coverage of fertility treatment - Continued co-promotion of Jemina, Riona, and Rapid SP Chlamydia ・Enhancement of information provision activities through Health Lab Mint+ for Women's health **[Thyroid area]** ・Promotion of stable supply of THYRADIN and disease awareness activities **[Unmet medical needs]** ・RIFXIMA is being promoted to establish its status as a standard treatment for hepatic encephalopathy through the listing in the Clinical Practice Guidelines for Cirrhosis ・Promote additional pediatric indication as a hepatic encephalopathy agent
2. Continuously Create New Drugs through Advanced Drug Discovery ▶See pages 21-23 for details.	・Acquired development and marketing rights for Relugolix Combination Tablet from Takeda Pharmaceutical Company Limited - Offering a new option in uterine fibroid agents ・Concluded joint business agreement with Toray Industries, Inc. for adhesion barrier for use in surgical procedures (gastroenterology and Ob/Gyn fields) - Aiming to improve treatment prognosis for patients undergoing surgery ・Achieved a milestone in joint research with RaQualia Pharma Inc. and progressed to the next stage
3. Overseas Operations ▶See page 24 for details.	・Started construction of a new factory for Hataphar (Vietnam) (scheduled to start operation in FY2023) ・Dispatched personnel to provide technical support to Hataphar, and began accepting trainees to learn production technology at ASKA Pharmaceutical Iwaki Factory ・Submitted an application to the Chinese authorities for approval of ALTAT licensed out to Harbin Pharmaceutical Group Co., Ltd. (China)
4. Provide New Value to Realize "Total Healthcare" ▶See pages 26-29 for details.	**[Animal health business]** ・Launched three new mixed feed products ・Acceleration of market penetration of THYLOBLOCK ・Promotion of online sales activities and expansion of information provision tools **[Hormone testing business]** ・Launched a kit for measuring hormone levels in hair ・Formed a business alliance with an external testing company ・Started marketing activities for hormone mass spectrometry ・Strengthened sales activities in collaboration with ASKA Pharmaceutical
5. Improve Operational Efficiency, Cut Costs, and Reinforce Our Financial Base ▶See pages 16-17 for details.	・Overall selling, general and administrative expenses were lower compared to FY2020 due to efforts to reduce cost of sales and other factors, despite an increase in operating expenses with the resumption of sales activities following the voluntary suspension of sales activities due to the COVID-19 pandemic. ・Implemented robotic process automation (RPA) to improve operational efficiency
6. Foster an Organizational Culture That Emphasizes thorough Compliance and Accountability ▶See pages 39-45 for details.	・Ongoing supply chain inspections to maintain stable supply ・Ongoing training on quality and safety management
7. Develop Human Resources to Realize Growth Strategies ▶See pages 33-36 for details.	・Introduced a new human resource system to maximize human capital ・Introduced learning tools to support autonomous growth

Business Activities

We believe that the value chain is a strong reflection of the quality of our DNA, which has remained unchanged for 100 years since our founding. It is the source of the value that we provide as ASKA Pharmaceutical Holdings. To realize our corporate philosophy we continue to provide valuable products and services through our various business activities.

ASKA Pharmaceutical

▶Pages 21-25

Contributing to the Improvement of People's Health and Quality of Life as a Pioneer in Hormone Preparations

ASKA Pharmaceutical Co., Ltd., our main subsidiary, conducts business in three priority areas with a focus on pharmaceuticals, particularly hormone preparations. By staying attuned to women's life stages and changing lifestyles, we remain a leading company in the Ob/Gyn field with a broad lineup of products including uterine fibroids and endometriosis agents. They support women's health as they lead active, healthy daily lives.

- Internal Medicine (Gastroenterology and Thyroid)
- Ob/Gyn
- Urology

ASKA Animal Health

▶Pages 26-27

Contributing to the Creation of a Society Where People and Animals Can Coexist

ASKA Animal Health Co., Ltd. conducts businesses in the two areas of veterinary pharmaceuticals and animal feed additives. By maintaining or improving the productivity of the livestock and fishery products that underpin Japan's food self-sufficiency, and by conducting research, development, manufacturing, import, and sales of veterinary pharmaceuticals and other products that are useful for maintaining the health of dogs, cats, and other companion animals, we contribute to the operations of farmers and veterinary professionals.

- Livestock and Fisheries
- Companion Animal Health

ASKA Pharma Medical

▶Pages 28-29

Contributing to a Healthy Society through Cutting-Edge Measurement Technologies

ASKA Pharma Medical Co., Ltd. leverages its advanced technologies and extensive know-how to contribute to a wide range of fields including basic research, clinical research, and diagnostics, centered on measurement of steroid hormones and other bioactive substances (testing business).

- Microdetermination of Endogenous Hormones
- Hair Testing

Business Conditions

ASKA Pharmaceutical

Message from the President

ASKA Pharmaceutical is Embarking on a New Stage



Sohta Yamaguchi
President, Member of the Board of Directors, Representative Director

Founded in 1920, ASKA Pharmaceutical began its business with the development of hormone preparations from animal organs. Today, we focus on the three priority areas of internal medicine, Ob/Gyn, and urology, and are developing our business with a focus on new drugs. In the Ob/Gyn field, in particular, we support women's health with a wide range of products to meet needs in life stages from puberty to old age. Recently, as more women have entered the workforce, concerns related to women's health and illnesses have become more diverse and apparent. As a leading company that responds to various needs in women's healthcare, ASKA Pharmaceutical is committed to providing innovative new drugs by promoting open innovation through collaboration with domestic and overseas companies. In addition to supplying pharmaceuticals, we also strive to disseminate information necessary for maintaining health and confronting illness, thereby providing opportunities for women to make choices for a healthy life in a multifaceted manner.

Based on management resources we have inherited from our unique DNA, we intend to contribute to society and people by transforming ourselves into a total healthcare company that goes beyond pharmaceuticals, responding to a wide range of social needs that are diversifying with the changing times and environment.

Main Products

• Internal Medicine

Hepatic encephalopathy agent
RIFXIMA
(rifaximin)



Antihypertensive agent
CANDESARTAN "ASKA"
(candesartan)



Hypothyroidism agent
THYRADIN
(levothyroxine)



• Ob/Gyn

Uterine fibroids and endometriosis agent
RELUMINA
(relugolix)



Dysmenorrhea agent
FREWELL "ASKA"
(norethisterone/ethinylestradiol)



Emergency contraceptive
NORLEVO
(levonorgestrel)



• Urology

Endometriosis, uterine fibroids, and prostate cancer agent
LEUPRORELIN "ASKA"
(leuprorelin)



Benign prostatic hyperplasia and prostate cancer agent
PROSTAL
(chlormadinone)

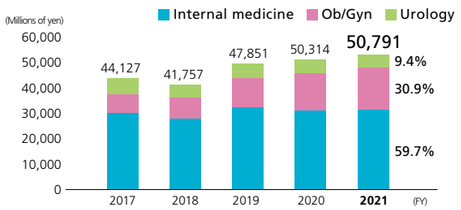


Business Conditions

Business Overview and Performance

Despite the impact of measures to control medical expenditures such as the off-year National Health Insurance (NHI) drug price revisions first enacted in April 2021, net sales of the pharmaceutical business increased year on year to ¥50,791 million due to solid performance mainly from growth in Ob/Gyn products, a priority area for the Company. By product, in the Ob/Gyn field sales of core products such as RELUMINA (relugolix), a uterine fibroids and endometriosis agent, and FREWELL (norethisterone/ethinylestradiol), a dysmenorrhea agent, grew substantially to ¥7,334 million and ¥3,463 million, respectively. In the field of internal medicine, sales of THYRADIN (levothyroxine), a hypothyroidism agent, and RIFXIMA (rifaximin), a hepatic encephalopathy agent, increased to ¥7,499 million and ¥4,854 million, respectively. Due to an increase in demand for alternatives spurred by supply issues with other companies' products, sales of authorized generic CANDESARTAN (including compound agents), an antihypertensive agent, increased to ¥12,394 million. In the urology field, sales of LEUPRORELIN, a uterine fibroids, endometriosis, and prostate cancer agent, increased to ¥5,183 million. As a specialty pharma company focusing on the three areas of internal medicine, Ob/Gyn, and urology, we will continue to actively expand our development pipeline by further promoting drug discovery and alliances.

Net Sales in the Pharmaceutical Business



Major Initiatives

❶ Specialty Areas

In our specialty areas, we are concentrating our efforts on the Ob/Gyn field, a primary focus in women's healthcare. The social environment facing women is changing rapidly, and solving women-specific health problems is recognized as an issue that needs to be addressed by society. Against this backdrop, the Ob/Gyn market is expected to expand from ¥73.9 billion in 2021 to ¥82.6 billion by 2025*1 due to the start of insurance coverage for fertility treatment, the expansion of telemedicine, and improvement in health literacy, including the spread of menstruation-related information. We have been involved in the Ob/Gyn field for many years, and we see the expansion of this market as a great opportunity for us to make a greater contribution to society. Our mainstay product RELUMINA, a uterine fibroids and endometriosis agent, is an oral GnRH antagonist, and the switch from the standard injectable formulation of comparable drugs with similar efficacy is progressing steadily. In December 2021, it received approval for an additional indication as an endometriosis agent, providing a new option for the treatment of the condition. Moreover, in February 2022 we were the sole company to receive manufacturing and marketing approval for a new generic drug, DroEthi (drospirenone/ethinylestradiol) for dysmenorrhea, and launched the product in June. This is the Company's third line of dysmenorrhea agents (LEP*2 formulations) enabling us to offer detailed prescription proposals to those suffering from dysmenorrhea.

In addition to contributing to women's health through the provision of pharmaceuticals, we also provide a variety of information through the Health Lab Mint+ for Women's health, as part of our efforts to support women's health.

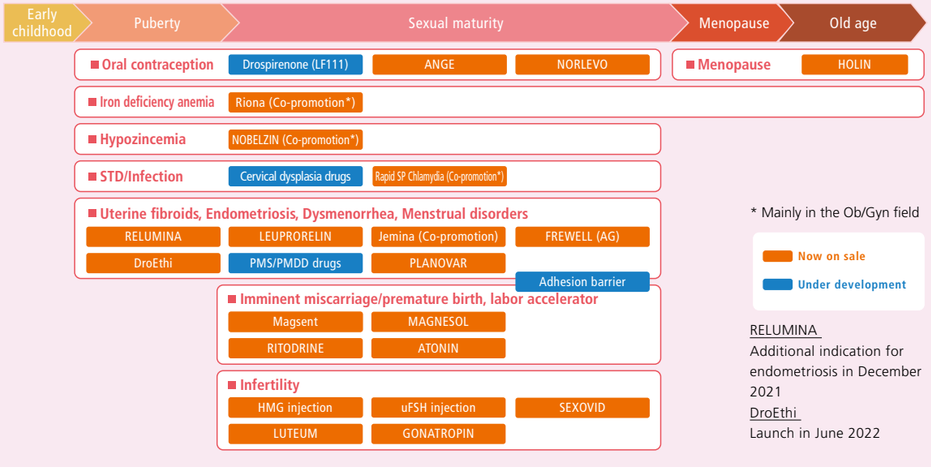
▶See page 38 for details.

In the field of internal medicine, we are continuing to promote the penetration of RIFXIMA, a hepatic encephalopathy agent. Hepatic encephalopathy is a rare disorder with less than 50,000 patients, and we are working to address this unmet medical need through means including disseminating guideline information. In addition, THYRADIN, a hypothyroidism agent, celebrated its 100th anniversary in 2022. As a leading company in the thyroid field, we will continue to contribute to thyroid treatment through various educational activities.

▶See page 25 for details.

*1 Source: Fuji Keizai Co., Ltd., *2018-2019 Ethical Drugs Databook No. 4*
*2 Low-dose estrogen/progestin combination

Ob/Gyn Products by Life Stage



❷ Development Pipeline

In the Ob/Gyn field, a Phase III clinical trial of LF111 (drospirenone), an oral contraceptive licensed in from Insud Pharma, S.L. of Spain, has started. In the urology field, clinical trials are underway for AKP-009 (ludaterone acetate), a drug discovered and being developed in-house in collaboration with Kyorin Pharmaceutical Co., Ltd., for benign prostatic hyperplasia.

In drug discovery and alliance activities, we have a lineup of products that are expected to grow in the future through a license agreement with Takeda Pharmaceutical Company Limited and a joint enterprise agreement with Toray Industries, Inc. (see below for details).

We will continue to expand our development pipeline by promoting drug discovery research activities.

R&D Status (As of August 2022)

Development code (generic name)	Indication	Phase I	Phase II	Phase III	Application	Approval
LF111 (drospirenone)	Contraception			Phase III Ongoing		
(Option agreement)	PMS/PMDD drugs under development at Renascience Inc.		Investigator-initiated Phase II trial Ongoing			
(Option agreement)	Cervical dysplasia drugs under development at KinoPharma, Inc.		Phase I/II Ongoing in Korea			
TRM 270 (adhesion barrier)	(Gastroenterology and Ob/Gyn)	Preparing for clinical trials				
L-105 (rifaximin)	Hepatic encephalopathy (pediatrics)			Phase II/III Ongoing		
AKP-009 (ludaterone acetate)	Benign prostatic hyperplasia		Phase IIa Completed*			
Relugolix Combination Tablet	Uterine fibroids	Preparing development				

* An additional Phase I trial conducted to confirm maximum efficacy was terminated based on the results of Phase IIa trial.

Drug Discovery and Alliance Activities

Relugolix Combination Tablet
—Signed a license agreement with Takeda Pharmaceutical Company Limited

In September 2021, we entered into a license agreement with Takeda Pharmaceutical Company Limited for the exclusive rights to develop and commercialize Relugolix Combination Tablet (a uterine fibroid agent) in Japan. Uterine fibroids often develop in women in their 30s and 40s, and it is estimated that approximately 2 million women are affected by this condition in Japan. Since this product is a combination tablet, it is expected that it will be able to be used for a long period of time, and as the successor to RELUMINA we expect it to offer a new uterine fibroid treatment option.

TRM-270 (adhesion barrier)
—Joint enterprise agreement with Toray Industries, Inc.

In September 2021, Toray Industries, Inc. and Nanotheta Co., Ltd. signed a joint enterprise agreement in Japan for TRM-270, an adhesion barrier under joint development by the two companies. The market for adhesion barriers in Japan is estimated to be around ¥13 to ¥14 billion per year. Through the commercialization of this product, which combines the two features of flexibility and adhesiveness to target organs with its laminated structure, we aim to contribute to the improvement of treatment prognosis of surgical patients in the fields of gastroenterology and Ob/Gyn.

Business Conditions

3 Overseas Business Development

The International Business Division continues to work on acquiring new markets to become a major pillar of the Company's growth. The new plant construction project (in compliance with PIC/S GMP) with our strategic partner Hataphar, a Vietnamese pharmaceutical company, is progressing as planned and is on schedule for completion by the end of FY2023. Furthermore, we are creating a broad collaborative relationship from manufacturing to sales through human interaction, including the dispatch of two employees from each of the two companies.

In 2020, we concluded a license agreement in China with Harbin Pharmaceutical Group Co., Ltd. for our original drug ALTAT (roxatidine). We have almost completed the preparatory work, including the application for an import drug license to the regulatory authorities in China, and are continuing activities for the launch of sales in 2025.

In addition, as a new initiative, we have started collaboration with a pharmaceutical company for the purpose of marketing our original health supplement in Jordan, in the Middle East. Going forward, we will continue to vigorously expand our business and product development, with a focus on Asia and the surrounding regions.



Ceremony to celebrate the construction of the new plant in Vietnam

Sustainability Initiatives Supporting Our Business: Voices of employees working at ASKA Pharmaceutical

Toward the Creation of a Global Workplace Environment

Generally, Japanese companies tend to make it difficult for their employees to take long vacations, but at ASKA Pharmaceutical we are able to work while maintaining a flexible work-life balance, which is a great comfort for our non-Japanese employees. In order to promote the creation of an environment in which more employees of different nationalities can work comfortably, we would like to create opportunities for active communication in English in the future.

I would like to encourage the creation of a global environment by taking the initiative in communicating with as many overseas customers as possible, while emphasizing an awareness of speaking English rather than the quality of English.



Sapkota Hemraj
Assistant Manager
Production Control Department,
Production Division
ASKA Pharmaceutical Co., Ltd.

Enable People Who Wish to Play an Active Role to Seize Opportunities

ASKA Pharmaceutical provides opportunities for women to play an active role in the Company. In addition, the Company as a whole is adopting a culture that supports the balance between family and work, including the introduction of a full-flex time system and encouragement of male employees to take childcare leave.

When I myself took advantage of the short-time work system after taking childcare leave, I received a variety of support from everyone in the workplace. Everyone experiences different life events, such as raising children or caring for family members. I would like to make the Company a place where people who wish to play more active roles in society can seize opportunities to do so on their own, where the entire Company accepts each person's circumstances in a natural way, where everyone cooperates with each other, and where everyone can demonstrate their strengths.



Jun Ohata
Director of Pharmacovigilance Department,
Quality & Safety Assurance Division
ASKA Pharmaceutical Co., Ltd.

Note: For more information on the sustainability initiatives and the human resource initiatives of ASKA Pharmaceutical Holdings see pages 30 and 33-36, respectively.

Special Feature

100th Anniversary of the Birth of THYRADIN



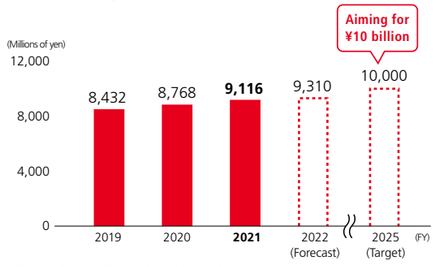
A Leading Company for Thyroid Treatment

THYRADIN (levothyroxine), which marks its 100th anniversary in 2022 and has a domestic market share of over 90%, is a pharmaceutical that is indispensable in medical settings. ASKA has addressed diverse medical needs as a leading company in the thyroid field through measures including the launch of an injectable formulation in 2020.

Going forward, we will utilize the Internet and social media as well as seminars and other initiatives in our efforts to widely provide thyroid-related information to the general public.

For medical professionals, we will promote awareness of the 100th anniversary of THYRADIN and its proper use through joint seminars with related academic societies and exhibitions, and for health checkup facilities we will provide disease awareness materials and online seminars to promote thyroid function tests.

Sales of Thyroid-related Products*



* THYRADIN, MERCAZOLE, PROPACIL
Note: Financial results base

Approach to Related Academic Societies

We are formulating numerous plans to approach thyroid-related academic societies with the aim of holding co-sponsored seminars on a wide range of topics related to thyroid disorders, not limited to treatment and diagnosis.

At the Japan Society of Ningen Dock, we will hold an exhibition to promote thyroid disorder testing, and work to raise awareness of the thyroid gland from various perspectives. We will create a system that encourages as many people as possible who undergo health checkups to undergo thyroid disorder testing, further enabling early detection.

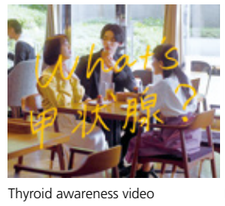
Activities for Raising Awareness of Thyroid-related Disorders

On the occasion of the 100th anniversary of the birth of THYRADIN, we are conducting a wide range of activities to raise awareness of thyroid-related disorders. As activities for the general public, we presented the thyroid awareness video "What's the Thyroid?" on the TVer streaming service in summer 2022, and also launched the landing page "What's the Thyroid? Feel reassured knowing about the thyroid."

In May of this year, ABC Cooking Studio Co., Ltd., Health Lab Mint+ for Women's health and our Endocrine Business Unit collaborated to hold an online seminar on the thyroid. The seminar was a great success, with participants who were highly interested in the thyroid asking many questions.

▶Reference: See Health Lab Mint+ for Women's health on page 38

For medical professionals, we are planning to hold online seminars at several locations nationwide, where thyroid specialists will explain initiatives for testing, diagnosis and treatment.



Thyroid awareness video



Landing page
"What's the Thyroid? Feel reassured knowing about the thyroid"

Business Conditions

ASKA Animal Health

Message from the President



Fumiyoshi Yamaguchi
President, Member of the Board
of Directors, Representative Director

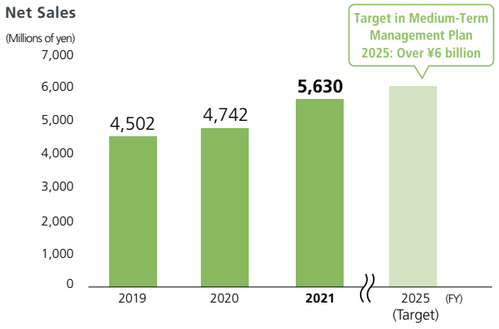
We aim to be the “one and only company” leading the industry.

ASKA Animal Health Co., Ltd. is developing its business based on the two pillars of veterinary pharmaceuticals and animal 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 domestic livestock and fisheries industries are facing difficult circumstances, having to deal with such issues as tariff reductions and unprecedentedly high feed prices due to TPP11 (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), in addition to a decreasing number of market participants and an aging population. On the other hand, looking at the companion animal industry, we are experiencing unprecedented changes in the operating environment due to the increased longevity of companion animals, increased demand due to the COVID-19 pandemic, and the expansion of markets in emerging countries. As we develop our business targeting these two completely different types of animals, livestock and companion animals, we are sensitive to the different situations in Japan and overseas, and we are committed to becoming the “one and only company” leading the industry through useful products that contribute to improved livestock and fisheries productivity and support the health of companion animals.

Business Overview and Performance

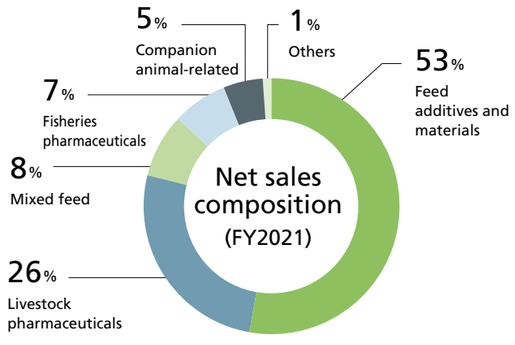
As a result of our focus on expanding sales of existing products and products launched from FY2019 to FY2021, we achieved record high net sales of ¥5.63 billion. In FY2022, we will continue to focus on expanding sales of priority products in the livestock and fisheries field, while steadily preparing for market penetration of companion animal pharmaceuticals scheduled for launch in the current fiscal year. In the livestock and fisheries field, we will focus on our strengths in breeding, immunity, and nutrition, and contribute to productivity improvement by proposing products that meet user needs, such as hormone preparations for breeding, amino acids, and mixed feed. In addition, we will develop activities in cooperation with veterinarians in order to quickly raise awareness of companion animal pharmaceuticals that are scheduled for launch.

Net Sales



Net sales in FY2022 are expected to be comparable to FY2021

Note: Financial results base



Major Initiatives

Trilostane, is a canine hyperadrenocorticism agent. It is scheduled for launch this fiscal year, and we are preparing for its launch so that it can gain market recognition as soon as possible.

Regarding the status of our mainstay products, we are first of all moving to secure stable supplies of feed additives such as L-methionine in the same volume as the previous year, despite concerns about the impact of foreign exchange rate fluctuations. For AIVLOSIN, an antibiotic preparation, we are promoting new adoption while enhancing disease-specific countermeasure tools and developing study session materials. For PRID DELTA, we plan to hold online seminars to further penetrate the market.

As for large-scale exhibitions, we participated in the International Poultry & Pig Show Japan 2022 (see Topic below) in April 2022, and plan to participate in the National Wagyu Ability Exhibition in Kagoshima and the Federation of Asian Veterinary Associations (FAVA) Congress later in FY2022 with the aim of developing new customers.

Main Products

Intravaginal progesterone device in combination with estradiol benzoate
PRID DELTA



Launched in October 2019
Target animals: Cattle

Amino acid (feed additive)
L-methionine “ASKA”



Target animals: Cattle, horses, pigs, chickens, fish, dogs, cats

TOPIC

WAKUMO HATE won the IPPS Award 2022 in the Poultry category

WAKUMO HATE, a herbal mixed feed launched in April 2021, won the IPPS Award 2022 in the Poultry category at the International Poultry & Pig Show Japan 2022 (IPPS Japan) (Port Messe Nagoya, April 27–29, 2022, 229 companies exhibited, 22,664 visitors in total). This award is determined by the number of votes cast by visitors for the products and services entered by each company. The award was presented to the product that received the highest number of votes in the Poultry (18 entries), Pork (23 entries), and Food (3 entries) categories. The background for the award is the long-standing damage caused by dermanyssus gallinae* in the poultry industry. We will continue to promote the use of WAKUMO HATE to contribute to animal welfare by reducing the stress and damage caused by dermanyssus gallinae.

* Dermanyssus gallinae (red mite) is an ectoparasite that sucks blood from birds, causing anemia, emaciation, reduced egg laying, and death from blood loss.



Scene at the award ceremony





Product material (left) and award (right)

Business Conditions

ASKA Pharma Medical

Message from the President



Junichi Saito

President, Member of the Board of Directors, Representative Director

We will contribute to the creation of a vibrant, healthy society through our unique technologies.

ASKA Pharma Medical Co., Ltd. specializes in the testing business based on the corporate philosophy of "contributing to the creation of a vibrant, healthy society through the latest measurement technologies." Utilizing the advanced technologies and abundant know-how we have cultivated to date, we aim to contribute to a wide range of fields, including basic research, clinical research, and diagnostics, with a focus on the measurement of steroid hormones and other bioactive substances.

Recently, with the rapid aging of society, extending healthy life expectancy has become an important issue. Preventive medicine, improving pre-symptomatic conditions, and self-medication are attracting attention as approaches to solving this issue, and we believe that our proprietary microdetermination technology can make a significant contribution to the efficient implementation of these healthcare programs. In particular, our technology for highly sensitive measurement of non-invasive, self-collectable samples such as hair and saliva can play a very important role in improving healthcare, and we will make full use of this technology as we help to create a vibrant, healthy society for the future.

Business Overview and Performance

We are developing our business mainly in the steroid hormone measurement business using a liquid chromatography-tandem mass spectrometry (LC-MS/MS) measurement method. In particular, we have developed a number of proprietary measurement technologies that can meet a wide range of needs: (1) a multi-item simultaneous analysis method from a single sample, (2) an ultra-high-sensitive method for measuring estrogen, (3) a method for measuring hormones in hair from as little as 1 mg of hair (5 to 10 strands), and (4) a method for measuring hormones in various matrices (tissue, saliva, urine, and cultured cells) that have traditionally been difficult to measure. These measurement technologies are also employed in the microdetermination of hormones in animal samples, which is indispensable in fields such as drug development.

In FY2021, we were able to increase sales even during the COVID-19 pandemic due to an increase in measurement contracts related to cohort studies* and clinical trials utilizing our strength in microdetermination technology, as well as the launch of a hair hormone level measurement kit dihydrotestosterone (hereinafter a "DHT kit") which was jointly developed with ASKA Pharmaceutical. We will continue to develop our testing business based on our proprietary microanalysis technology.



* An observational research method for studying the relationship between factors and onset of disease

Endogenous Hormone Microanalysis (steroid hormones, thyroid hormones, etc.)

Our technologies

- ✓ High sensitivity analysis of steroid hormones
- ✓ Multi item simultaneous analysis of steroid hormones
- ✓ Analysis of a wide range of matrices

Study sample commissioned business → Hair hormone measurement business → Thyroid disease testing business

Collaboration with ASKA Pharmaceutical

Major Initiatives

We are promoting the hair hormone measurement business as a new business. Since the FY2021 launch of our DHT kit, in an effort to expand test items, we have been proactively developing test kits to determine the decrease in testosterone levels, which is considered a cause of male menopausal disorder, and the increase in stress-related cortisol levels, as well as a kit to identify thyroid diseases in pets (cats and dogs).

In the thyroid disease testing business, we will provide total support by measuring thyroid hormones with high accuracy and developing biomarkers related to thyroid diseases. This will enable us to maximize the value of thyroid disease treatments, which is one of the strengths of ASKA Pharmaceutical.

Furthermore, as part of efforts to strengthen the structure of the testing business and enhance our corporate value, we will acquire accreditation as a clinical laboratory by October 2022, collaborate with major testing companies, and begin accepting commissioned diagnostic samples.

Main Product



AGA* Risk Assessment
Hair hormone level measurement kit
dihydrotestosterone

Launched in July 2021

* Androgenetic alopecia

Hair hormone measurement business	**Initiatives to expand test items** Launched a hair hormone level measurement kit dihydrotestosterone (July 2021) Launch a kit for male menopausal disorder by the end of this fiscal year
Thyroid disease testing business	**Collaboration with ASKA Pharmaceutical's Sales Division** Total support for thyroid disease (testing and treatment) ▶ See page 25 for details.
Strengthening of testing business structure	**Accreditation as a clinical laboratory** Increase corporate value and strengthen ties with major testing companies

Contributing to the creation of a vibrant, healthy society through the latest measurement technologies

TOPIC

Test kit development in the hair hormone measurement business

As the first step in our hair hormone measurement business, in July 2021 we launched the DHT kit. This kit enables measurement of male hormone (dihydrotestosterone) levels in hair, an indicator of AGA (androgenetic alopecia) from hair samples of as little as 1 mg (5 to 10 strands). Since its launch, the product has been highly evaluated by AGA clinics, healthcare companies, and consumers, and sales have been steadily increasing.

In order to meet a variety of needs, we will continue to contribute to healthcare by developing test kits for use in a wide range of fields, including male menopausal disorder, stress, thyroid diseases, and female hormones.



Hair hormone level measurement kit dihydrotestosterone

Sustainability at ASKA Pharmaceutical Holdings

As a company involved in life-related issues, ASKA Pharmaceutical Holdings not only engages in business activities (providing valuable products), but also broadly contributes to society as a member of society and the community by promoting ESG (environmental, social, and governance) initiatives, thereby helping to achieve the SDGs (sustainable development goals).

Main SDGs Addressed by ASKA Pharmaceutical Holdings

▶See pages 10-11 for details.

The Group has identified 17 material issues from the perspective of relevance to its business and social contribution. In particular, we believe that contribution to women's health and contribution to animal health are material issues in which we can demonstrate our strengths. The Group will work on each issue and contribute to the achievement of the SDGs.

Category	Material Issues		SDGs
Environmental ▶See pages 31-32 for details.	Reduction of environmental impact Environmental management		
Social ▶See pages 33-38 for details.	**Contribution to women's health** Human resource development Employee engagement Expanding access to healthcare Ensuring product quality and safety Social contribution activities	**Contribution to animal health** Achievement of work-life balance Creation of innovative products Supply chain management Promotion of proper use of products Promotion of diversity	
Governance ▶See pages 39-45 for details.	Corporate governance Secure compliance with laws and regulations, enforcement of compliance Long-term corporate value enhancement		

Involvement with Stakeholders

Our mission is to serve stakeholders and to help achieve a sustainable society through activities from an ESG perspective based on the United Nations' SDGs, as a total healthcare company centered on providing pharmaceuticals that meet contemporary needs as well as animal health and hormone testing businesses. When we transitioned to a holding company structure, we also decided to establish an ESG Committee and identified the material issues (the most important issues) to be addressed throughout the Company. We will make every effort to adhere to our corporate philosophy, improve corporate value over the medium to long term, and deepen our relationships of trust with stakeholders.

Patients and medical professionals

We provide a stable supply of high-quality pharmaceuticals and conduct appropriate activities to provide pharmaceutical information. We also make wide-ranging contributions to society through our innovative and original drugs.

Employees

We believe that our human resources are the driving force behind our corporate activities. We ensure a harmonious workplace environment with respect for diversity—it is a place where employees can work with peace of mind and fully demonstrate their capabilities.



Customers

To maintain sound, healthy relationships with our customers, we strive to conduct business on an equal footing and avoid causing unreasonable losses.

Local communities

We promote environmental conservation and communication with local communities to be a good corporate citizen that is trusted by society.

Shareholders and investors

We disclose information in a timely, fair, and appropriate manner, and strive for stable return of profit. We also ensure the soundness of our management and work to continuously improve corporate value.

E: Environmental

Basic Principles

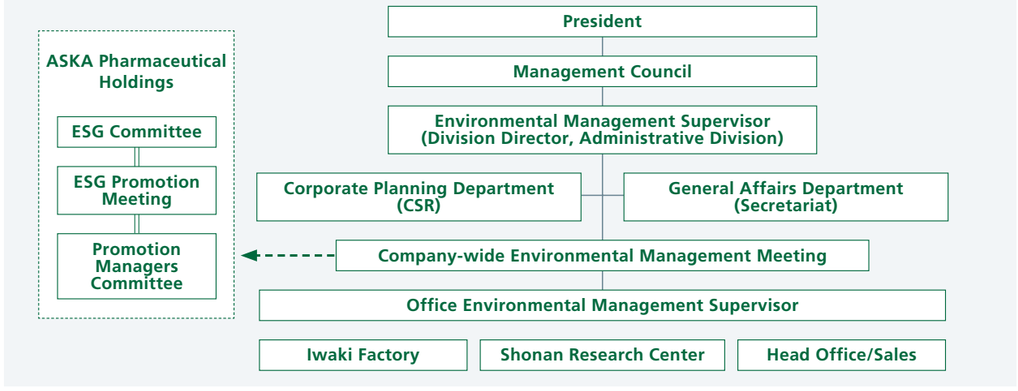
The Group considers initiatives to deal with environmental problems to be its natural mission and in keeping with its corporate philosophy as a corporate entity that contributes to society and earns its trust. We have established and constantly implement the following basic environmental policies to protect the environment and continuously reduce the environmental impact of all our business activities.

1. We will establish an environmental management structure.
2. We will comply with environmental laws and regulations and other requirements.
3. We will strive to continuously reduce the environmental impact from research, development, production, sales and other business activities.
4. We will conduct environmentally friendly facility planning and technology and product development.
5. We will strive to improve environmental communication as a corporate citizen.
6. We will strive to educate employees and raise their awareness about the environment.

Environmental Management Structure

To effectively practice environmental management, ASKA Pharmaceutical also regularly holds the Environmental Management Meeting, with Company-wide participation. Discussion at the FY2022 meeting covered the FY2021 results under the medium-term environmental plan and the goals for FY2022. We believe that information sharing and exchange of opinions among the attendees help to promote environmental measures throughout the Company.

• Company-wide Environmental Management Structure



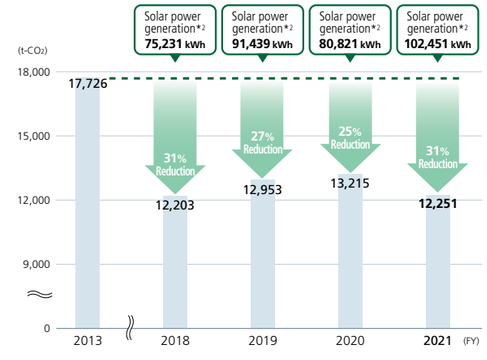
(As of July 1, 2022)

Toward the Realization of Low-carbon Society

The Group considers climate change to be one of the most important issues for global environmental conservation, and is working to reduce its greenhouse gas emissions.

ASKA Pharmaceutical is promoting the deployment of eco-friendly commercial vehicles and is using hybrid vehicles in all cases except for 4WD vehicles in cold regions. At its head office building, ASKA Pharmaceutical has switched to LED lighting and implemented other energy-saving measures. The research center has been relocated to the Shonan Health Innovation Park,*1 which generates its own energy supply from high-efficiency in-house power generation and solar power. At the Iwaki Factory, although the amount of energy used in FY2021 increased due to the start of operation of a new building for formulations, the manufacture of new products and other factors, we made efforts to improve the efficiency of cogeneration system operation and the manufacturing process. Company-wide energy consumption totaled 6,415 kl of crude oil equivalent, while emitting 12,251 tons of CO_2 emissions, a 7.3% reduction from the previous year.

• CO_2 Emissions Volume



*1 Science park established based on industry, government, and academia collaboration
*2 ASKA Pharmaceutical Iwaki Factory

E: Environmental

Disclosures Based on TCFD Recommendations

The Group considers the issue of climate change to be a management issue that affects its business, and is committed to climate change measures. From this perspective, we have been disclosing climate change-related information since June 2022 in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations established by the Financial Stability Board (FSB) in 2022 at the request of the G20.

Through the implementation of scenario analysis and identification of risks and opportunities for FY2021 based on the TCFD framework, the Group is developing measures to address the risks and opportunities associated with climate change and is working to improve the resilience of its business in the face of climate change. Among the items required for disclosure under TCFD, the Group's business risks and opportunities in the context of climate change (strategy) are discussed below.

• Risks

Transition Risks	Policies	Risk of unexpected pandemics due to climate change, as well as drug price reductions that exceed expectations due to the financial pressures on healthcare caused by an aging society with a declining birthrate
	Market	Risk that climate change will cause a rise in raw material prices, which will lead to a rise in the cost of living for patients, thereby discouraging them from seeing a doctor
	Reputation	Increase of stakeholder concerns due to delays in climate change action
Physical Risks	Chronic	Risk of increase in operating expenses, such as increase in manufacturing costs due to climate change
	Acute	Risk of supply chain disruptions due to disasters caused by extreme weather events

• Opportunities

Opportunities	• Strengthening competitiveness against climate change-related increases in disease and changes in consumer preferences leads to greater demand for products • Proactive initiatives to address climate change risks enhance operational sustainability and stakeholder evaluation, leading to opportunities for share price appreciation

Note: Items other than strategy can be seen on our website. https://www.aska-pharma-hd.co.jp/english/csr/tcfd.html

Establishment of a Recycling-oriented Society

As part of our efforts to build a recycling-oriented society aimed at more efficient resource use, minimizing waste as much as possible is an important issue for maintaining business continuity. We have set the reduction of waste as a target in our medium-term environmental plan and are actively working on resource saving and waste reduction measures. Of the 174 tons of waste generated by ASKA Pharmaceutical's factory and research center in FY2021, 101 tons were ultimately recycled, which is 58% of the total amount of waste generated. In addition, 65 tons were finally disposed, or 37% of the total amount of waste generated.

• Total Waste/Amount Recycled/Amount for Final Disposal/ Recycling Rate (Factory and Research Center)

Factory and research center	FY2019	FY2020	FY2021
Total waste (t)	293	144	**174**
Amount recycled (t)	189	95	**101**
Amount for final disposal (t)	55	43	**65**
Recycling rate (%)	64	66	**58**

FY2019: Overall waste increased due to preparations for research center relocation, and the amount of paper waste increased due to reorganization and disposal of stored documents, resulting in an increase in the amount recycled.
FY2021: Waste volume increased mainly due to the digitization of the package inserts, partial discontinuation of manufacturing processes, and product recalls.

Management of Air and Water Resources

To prevent air pollution, the Group is working to reduce emissions of hazardous substances. We measure and report the concentrations of NOx, SOx, soot and dust at our business locations twice a year, and all of these concentrations are below the standard values.

In addition, water resources used at our business locations are discharged into rivers and sewers after appropriate treatment and water quality control in accordance with regulations. At the ASKA Pharmaceutical Iwaki Factory, we conduct daily water quality monitoring, weekly water quality analysis, reporting to the Iwaki City Environmental Monitoring Centre, and on-site inspection (once a year), all of which meet the standard values. We will continue to strive to reduce emissions of hazardous substances through appropriate management of air and water resources.

Management of Chemical Substances

The Group handles a wide variety of chemical substances and is committed to thorough management of these substances, which includes their safe use and storage. We have also established a system for the proper management of chemical substances at each of our business locations, and review the rules and regulations for this system as necessary. We will continue to reduce emissions and transfers of chemical substances subject to the Pollutant Release and Transfer Register (PRTR)* system and promote appropriate management of chemical substances by considering the use of alternative, safer chemical substances.

* A system for collecting and disseminating information about releases and transfers of chemical substances

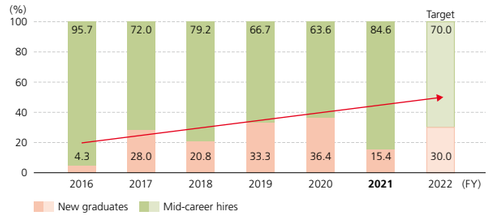
Human Resources

Basic Principles

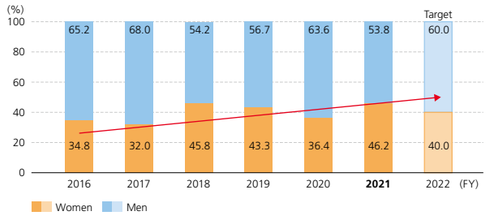
Based on the idea that the Group's most important asset is its human resources, we consider the skills and abilities of our employees to be human capital and strive to maximize those strengths through increased investment.

With regard to maximizing human resources, one of the seven strategies for laying the foundation for the realization of Medium-Term Management Plan 2025 is the development of human resources to realize growth strategies, and, as such we are making Group-wide efforts to enhance each organization's specialty and ability to create. In particular, in order to respond to rapid changes in the economy and society, we will look to both the development of internal human resources and the acquisition of external human resources, and will actively utilize related initiatives with the goal of securing diverse human resources who will play central roles in the organization, with global and digital human resources at the forefront.

• Percentage of New Graduates and Mid-career Hires in the Full-Time Employee Recruitment of ASKA Pharmaceutical



• Percentage of Men and Women in the Full-Time Employee Recruitment of ASKA Pharmaceutical



Human Resource Model That ASKA Pharmaceutical Aims For

ASKA Pharmaceutical has set forth the following four items as human resource characteristics it prioritizes as it works to realize its ideal organizational image and maximize the capabilities of its human resources.

In order to develop human resources who possess these characteristics, in addition to mandatory training programs in which trainees are determined uniformly, we have introduced a training system that allows employees to choose and take courses on their own initiative, and we are developing an environment that responds to their desire to learn autonomously. We aim to be an organization where each individual can pursue a variety of careers, grow, and acquire knowledge and skills on their own initiative, and to be an organization with a diverse workforce that can play an active role regardless of age or attributes, leading to the creation of value for the organization.

Change	Diversity & Inclusion	Challenge	Reliability
Human resources who can relearn as needed and grow on their own	Human resources who can express their opinions and take positions among diverse human resources	Human resources who can take on challenges (risk taking), and turn them into opportunities	Human resources who can act reliably with high ethical standards and pride
↓	↓	↓	↓
The Ideal Organization That ASKA Pharmaceutical Aims For			
An organization with the strength to adapt to changes in the environment	An organization that allows people with diverse opinions to interact and create the best solutions	An organization that encourages taking on challenges and evolves	An organization that continues to be trusted by society

Human Resource Development

Education and Training

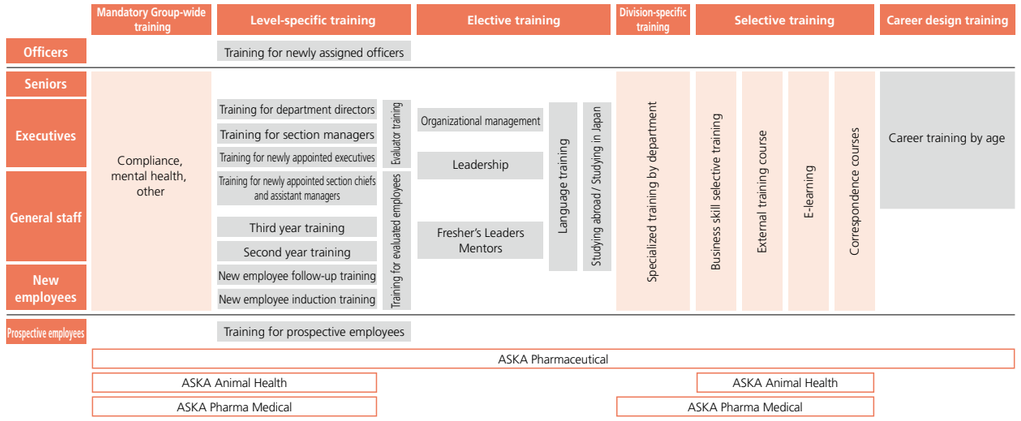
With the goals of "developing and acquiring human resources capable of responding to new businesses and changes in the environment" and "creating an environment in which a diverse range of human resources, including women, professionals, and seniors, can play an active role," the Group has designed training programs that are linked to the personnel system so that all employees can maximize their individual abilities and relearn and grow on their own as the environment changes.

Specifically, in addition to mandatory Group-wide training and level-specific training, we also offer elective training programs for the development of next-generation management leaders, as well as programs to foster awareness of the promotion of women's advancement, and encourage their implementation in the workplace. These programs include career design training for female employees (selective training) and opinion exchange meetings for management and female employees with the aim of promoting gender diversity. Furthermore, with a view to enabling employees to achieve rewarding lifelong careers, the Group provides career design training for each age group (35, 45, and 55 years old), and after the training, provides opportunities for career interviews with outside career consultants for those who wish to attend, thereby promoting and supporting independent career development. In addition to these programs, the Group has created an environment that supports all employees in their desire to learn, which may encompass selective training that employees can take voluntarily and an e-learning system that allows them to work regardless of time and place, thereby promoting an attitude of taking on challenges and autonomous growth.

Furthermore, in addition to offering work styles geared toward advancing employees' careers in their current posts, ASKA Pharmaceutical has proactively introduced inter-departmental job rotation and an in-house recruiting system to promote career change through transfer to various positions within the Company.

Human Resources

• Education and Training Structure of ASKA Pharmaceutical Holdings



Diversity & Inclusion

Promoting Advancement of Women

The Group believes that it is important to respect diverse values in order to achieve sustainable growth and increase corporate value, and has established a workplace environment in which all employees, regardless of age or attributes, can play an active role. In particular, we set an index for the ratio of women in management positions (central roles in management), and we are developing female managers by expanding the range of job opportunities, creating a rewarding workplace, promoting diverse and flexible work styles, and enhancing training programs so that women can broadly demonstrate their abilities according to their own desires.

ASKA Pharmaceutical, which plays a central role in the Group, is a leader among pharmaceutical companies in the obstetrics and gynecology field, and is gaining recognition as a company that stays close to women. Accordingly, it is strongly promoting women's advancement in important positions within the Company. Specifically, based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act on Promotion of Female Participation), we have formulated an action plan (Phase 3) for further promotion of women's participation, and are striving to foster a workplace environment where women can fully demonstrate their abilities and play an active role, with the goal of achieving the plan target by the end of FY2025. As a result of these efforts, the percentage of female officers and female managers has been increasing year by year, and as of June 2022 the percentage of female managers is 8.1%.

Development of the Next Generation

The Group considers the creation of an environment in which the children of the next generation can be born and raised in good health to be one of the issues that must be addressed and is promoting efforts to balance work and child rearing. 100% of our female employees have returned to work after taking childcare leave, and the Group has created an environment in which they can raise their children with peace of mind. For male employees, as well, we have set a new target of a 100% utilization rate and recommend that men Group-wide take childcare leave.

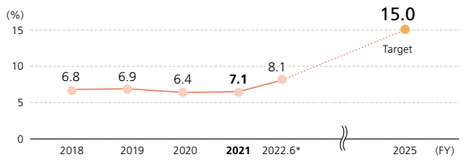
The entire Group supports employees who are raising children, and all employees participate in society's efforts to support the development of the next generation by deepening their understanding of gender bias.

ASKA Pharmaceutical: Action Plan for Promoting the Advancement of Women

Plan period: Five years from April 1, 2020 to March 31, 2025

1. Set the target percentage of female managers at 15%.
2. Implement specific initiatives to promote the health of women.
3. Offer diverse and flexible work styles to enhance the work-life balance.

• Percentage of Female Managers among Full-Time Employees of ASKA Pharmaceutical



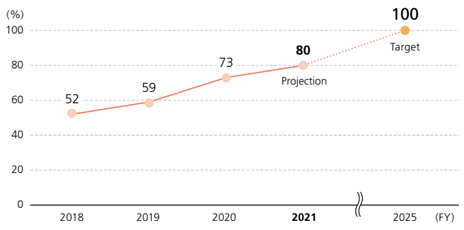
* Total after the General Meeting of Shareholders in June 2022.

• Percentage of Female Officers (Members of the Board of Directors and Audit & Supervisory Board Members) of ASKA Pharmaceutical Holdings Co., Ltd.

	April 2021	April 2022	June 2022*
Percentage of women	7.7%	7.7%	14.3%

* Total after the General Meeting of Shareholders in June 2022.

• Male Childcare Leave Utilization Rate at ASKA Pharmaceutical



Notes: 1. Percentage of male employees whose spouses gave birth during the fiscal year who took childcare leave
2. Male childcare leave utilization rate in FY2021 is a projection.

Employment of People with Disabilities

The Group strives to create a workplace environment in which all people (with and without disabilities) can work with vigor and enthusiasm. By working together, we share new discoveries and knowledge, and foster a culture of mutual recognition. We aim to be a group where all human resources can maximize their abilities and feel a sense of fulfillment as we work toward the realization of an inclusive society.

Occupational Safety and Health

The Group is committed to occupational safety and health, placing the highest priority on workplace safety and physical and mental health. In response to these issues, ASKA Pharmaceutical, which plays a central role in the Group, has established a safety and health management system at the Shonan Research Center, Iwaki Factory, and at its head office and each of its sales bases, and holds regular Safety and Health Committee meetings. The Safety and Health Committee monitors long working hours, conducts workplace safety inspections and other safety and health-related risk checks, and implements corrective and preventive measures on a monthly basis. To prevent accidents and disasters, as well as to minimize damage should those events occur, each business location has established emergency response procedures and conducts periodic drills.

In response to the COVID-19 pandemic, we set up a task force at an early stage to give top priority to the safety of all concerned, including employees and their families, and promptly introduced a telecommuting system when the state of emergency was declared in April 2020, which allowed us to continue operations without difficulties. We continue to provide information so that each and every employee can stay informed about safety and health, and practice appropriate measures. As such, we are working to create a workplace environment where employees can work comfortably and with peace of mind.

In addition, the various safety and health-related discussions held between labor and management are useful for improving the workplace environment and working style.

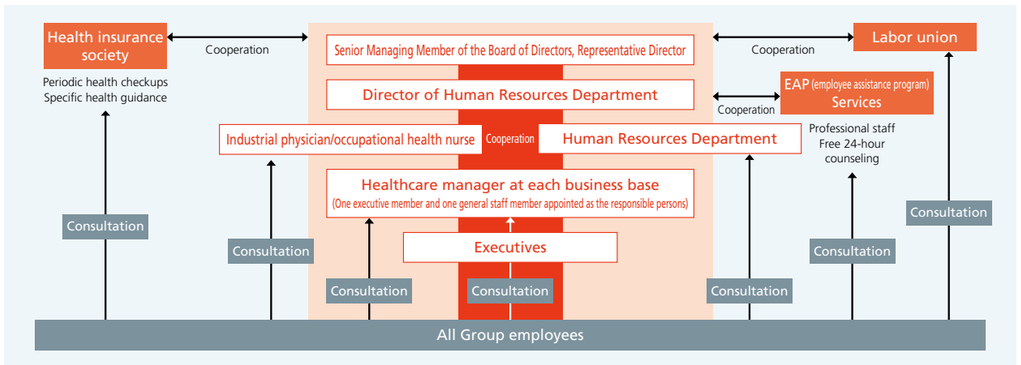
ASKA Pharmaceutical FY2022 Safety and Health Basic Policy

1. We will make Company-wide efforts to prevent the spread of COVID-19. We will maintain social responsibility through our business (stable supply of pharmaceutical products) and ensure compliance with the Guidelines for COVID-19 Prevention, recognizing that this will help prevent the spread of infection throughout society.
2. We will thoroughly inspect the work environment and provide safety education to achieve zero work- and commuting-related accidents.
3. We will promote activities to eliminate traffic accidents in sales divisions and reduce the number of traffic accidents involving Company vehicles by enhancing traffic safety education and providing information on safe driving.
4. We will continue to implement comprehensive mental health measures to ensure the health of employees, both mentally and physically, and will promote health maintenance and promotion measures by encouraging follow-up examinations by industrial physicians with a focus on long working hours and health management.

Health Management

ASKA Pharmaceutical, which plays a central role in the Group, systematized its health initiatives based on safety and health management practices that still apply now. Earlier, from FY2018, it declared both internally and externally that it would implement health management with the goal of maintaining and promoting the health of employees and their families and enhancing work-life balance. With the transition to a holding company structure in April 2021, all Group companies have been promoting health management based on a united ambition. We are not only managing the health of our employees, but also working toward the goal of physical and mental wellness, autonomous growth, and further enhancement of organizational productivity and creativity. We will promote health management from various perspectives so that employees, the organization, and society can mutually share the valuable benefits of good health.

• Health Management Promotion Structure of ASKA Pharmaceutical Holdings



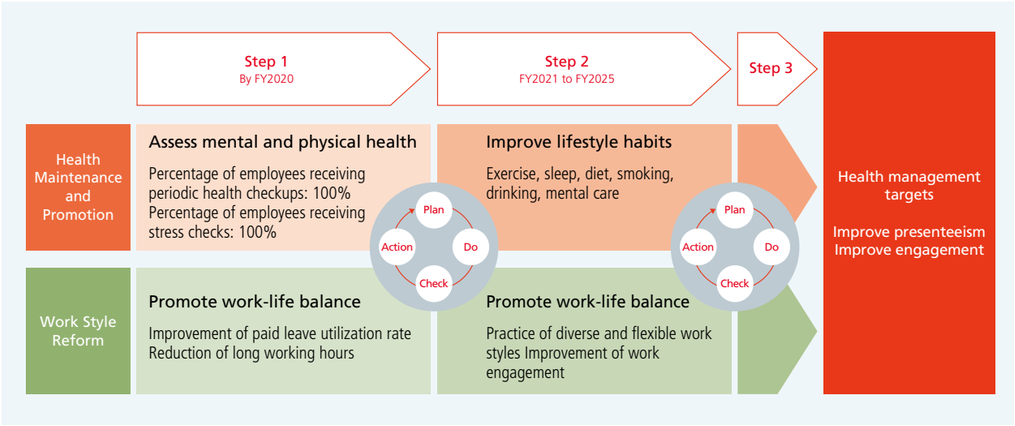
Human Resources

Health Management Targets and Future Initiatives

The Group has established and is working toward goals tailored to the health management stage of each Group company. In particular, in understanding employee health, which is the foundation of health management, we have set and are maintaining a 100% health checkup rate and 100% stress checkup rate for the entire Group.

ASKA Pharmaceutical, which plays a central role in the Group, has set target figures for FY2025 in order to promote improvement of lifestyle habits and further enhancement of work-life balance.

In the future, we will also enhance our social contribution activities through health management by linking the identity that the Group has cultivated to date with health management. We will practice sustainable health management not only within the Group but also as an example to other companies in different industries and to local communities by constantly evolving and taking on a higher level of commitment.



External Evaluation

The Group has established a workplace environment in which diverse human resources can play an active role in their respective fields, and is implementing initiatives to improve productivity and create new value. In recognition of these efforts, we have received the following external evaluations.

FY	External Evaluation
2022	**Recognized as a White 500 enterprise under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (ASKA Pharmaceutical Holdings Co., Ltd.)** Selected as one of the top 500 enterprises for Certified Health & Productivity Management Outstanding Organizations and recognized as a White 500 company under the 2022 Certified Health & Productivity Management Organizations Recognition Program. (This is the fourth consecutive year that ASKA Pharmaceutical Co., Ltd., the core of the Group, has been recognized.)
2021	**Received Healthy Company Declaration Gold Certificate (ASKA Pharmaceutical Co., Ltd.)** The Healthy Company Declaration is an initiative to have 10,000 companies or more (30,000 at present) pledge that they are declaring their engagement in promoting health. The initiative is carried out with the support of insurers such as the Japan Health Insurance Association, under the Healthy Cities and Workplace Health Promotion Declaration 2020 of the Nippon Kenko Kaigi.
	Kurumin Certification (ASKA Pharmaceutical Co., Ltd.) Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, the Minister of Health, Labour and Welfare certifies companies that have formulated an action plan for general employers and meet certain standards as companies that support child rearing.
	Top Hundred Telework Pioneers Certification (ASKA Pharmaceutical Co., Ltd.) The Ministry of Internal Affairs and Communications has been recognizing enterprises and organizations advancing the introduction and utilization of teleworking as Telework Pioneers and selecting and announcing companies with sufficient achievements as the top hundred telework pioneers since FY2015.

S: Social

Basic Principles

In addition to providing excellent pharmaceuticals and treatments as a Group-wide business activity, the Group also recognizes the various issues involved in the development of a healthier society as a member of society and the local community, and believes it has a role to play in helping to resolve those issues.

The Group conducts wide-ranging communication with society and makes active contributions as a good corporate citizen as well as through its business activities. Based on our corporate philosophy, we will continue to strive for growth and development as a Group that earns the trust of society.

Social Contribution Activities

Activities as a Corporate Citizen

As a good corporate citizen, the Group actively promotes communication with local communities and society and conducts initiatives that contribute to the local community. ASKA Pharmaceutical supports women's healthcare on an ongoing basis by co-sponsoring public lectures with Women's Health Action, the Marunouchi Career Academy and other organizations. In addition, ASKA Pharmaceutical participates as a supporting company in the Comfortable Menstruation Project,* a workstyle reform project targeting women, based on its affinity with the project's concept of realizing a society in which women can work comfortably. This participation centers on promoting an accurate understanding of women's bodies and menstruation and improving the health literacy of society in general.

*Sponsored by Nikkei BP Intelligence Group



7th Women's Health Action



Marunouchi Career Academy Special Seminar

Support Projects, Donations, and Sponsorships for a Public Interest Incorporated Foundation and Others

The Group supports the Yamaguchi Endocrine Research Foundation, a public foundation that nurtures multifaceted research into the causes, diagnosis, treatment, and prevention of endocrine disorders. As part of efforts to actively disseminate information on endocrine-related disorders and engage in related awareness-raising activities, the foundation publishes a wide range of information on its website, including the latest information on endocrine-related disorders, for researchers, specialists, and other interested parties.

In addition, in order to continue to be a group that coexists with local communities, we provide financial support for disaster recovery, poverty, and environmental issues, both in Japan and abroad. Recently, we have made donations to the Keidanren Nature Conservation Fund, the Japan Association for the World Food Programme, and Save the Children.

Hosting Company Visits and Factory Tours, and Volunteer Activitiess

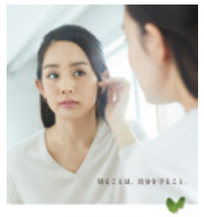
The Group hosts company visits and factory tours at all of its business locations. ASKA Pharmaceutical's Shonan Research Center and Iwaki Factory offer internships and host tours for students and other groups from various industries. We intend to continue to actively host company visits and plant tours in the future.

The Volunteer Circle "Marguerite," which was founded in 2008 by employee volunteers, has been involved in a wide range of activities mainly in Minato-ku, Tokyo, where the Company's head office is located. In March 2016, it received the first Corporate Volunteer Award from the Tokyo Voluntary Action Center in recognition of its activities. From 2020, due to the impact of the COVID-19 pandemic, events in the areas of our worksites were scaled back, making it difficult to carry out activities as in the past. However, we have been carrying out community-based activities where possible, including spring and fall cleanup activities around our head office, and support for activities (collection and donation of milk cartons) of NPOs in Minato-ku. We will continue with various activities including cooperation with the Shibaura 2-chome Town Association Summer Evening Festival, which resumed this summer, as well as our association with the Minato Council of Social Welfare as a member of the community.

These volunteer activities also lead to the growth of participating employees in terms of communication skills, cooperation, positive attitude, and leadership.

S: Social

Activities of Health Lab Mint+ for Women's health —Knowing yourself, is protecting yourself



The key message of the Health Lab Mint+ for Women's health is "Knowing yourself, is protecting yourself." The website "Health Lab Mint+ for Women's health (Japanese only)" is a public service that provides women with accurate information about their bodies and health.
https://www.aska-pharma.co.jp/mint/ (Japanese Only)

Mint+ teens for Teenagers



In addition to our established activities targeting women in their 20s and older, we have enhanced our website by releasing Mint+ teens in August 2021. This site provides teenagers with information about the changes in their physical condition, with particular emphasis on information related to female hormones.

Release of Video Content for Teenagers —Exhibited a booth at Virtual TGC, the official Tokyo Girls Collection metaverse



In March 2022, we released a video on women's health targeting teens. The video tells the story of four students who are invited to a special class at their school with Teacher ASKA. The video aims to deepen teenager's knowledge about their bodies and female hormones, and addresses the real questions and concerns of high school girls.

In addition, in order to have more teenagers watch this video we have started a full-scale campaign targeting the younger generation. We have opened a booth as a partner at Virtual TGC, the official metaverse of Tokyo Girls Collection, where we provide the opportunity to view the video and introduce Mint+ teens to this audience.

Survey of Teenage Men and Women on Menstruation and Other Painful Conditions Specific to Women



With a target of adult men and women, in 2020 we conducted the Survey on Men's and Women's Attitudes toward Menstruation and Other Painful Female Hormone-related Conditions Specific to Women. Following this survey, in 2022 we conducted a similar survey targeting teenage men and women. A total of 300 boys and girls aged 15 to 19 were surveyed nationwide with the aim of clarifying the knowledge and awareness of teenage boys and girls toward menstruation and other painful conditions specific to women, as well as associated behaviors, and we released the results of the survey.

Health and Physical Education Supplementary Material for High School Students *High School Students "Now" - The Female Body: What You Should Know*



In 2022, we also published health and physical education supplementary material for high school students and distributed it to educational institutions throughout Japan. We distribute *High School Students "Now" - The Female Body: What You Should Know,* and provide other sexual education materials for learning about menstruation and contraception.

ABC HEALTH LABO × Mint+ — a Project to Promote Women's Health Starting from Food

In collaboration with ABC Cooking Studio Co., Ltd.'s ABC HEALTH LABO, the Mint+ website publishes ABC Cooking Studio recipes and columns that provide accurate information about women's health and dietary habits from the perspective of food to help women lead healthy lives. In November 2021, we launched the Project to Promote Women's Health Starting from Food, and have held online seminars on female hormones and the thyroid.

Future Initiatives

In FY2022, we plan to sponsor the Sexual Education Project, an initiative planned by The Asahi Gakusei Shimbun Company and Dentsu Inc. to provide sexual education information to elementary and junior high school students and their parents. We will also consider collaboration in the Femtech business to provide suggestions for women on leading healthy and enriched lives from various perspectives.

Reliability Assurance

Basic Principles

The Quality & Safety Assurance Division of ASKA Pharmaceutical is responsible for ensuring the quality and safety of our pharmaceutical products in compliance with the Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and other laws and ministerial ordinances, as well as Good Quality Practice (GQP), the Good Vigilance Practice (GVP) standards.

We carry out our duties with high ethical standards and a sense of mission so that medical professionals and patients can use our pharmaceuticals with confidence and peace of mind. Our basic policy is to ensure that our pharmaceuticals are manufactured correctly, and to provide information on the proper use of our pharmaceuticals, and as such, contribute to medical care.



Maiko Mori
Member of the Board of Directors, Executive Corporate Officer, Division Director of Quality & Safety Assurance Division ASKA Pharmaceutical

Message from the Division Director of the Quality & Safety Assurance Division

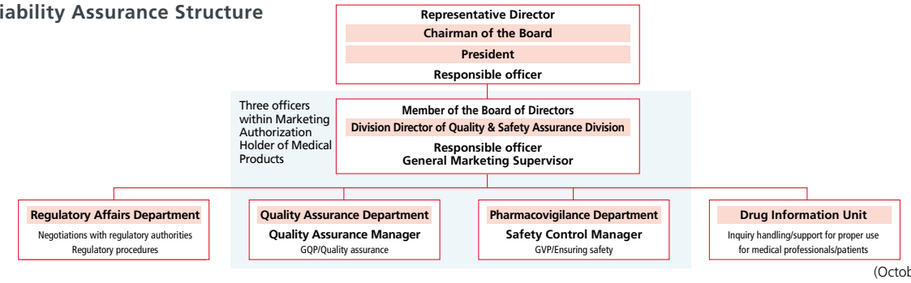
In the domestic pharmaceutical industry, repeated revelations of manufacturing irregularities have shaken confidence in pharmaceutical companies, and the supply of pharmaceuticals can sometimes be unstable. The mission of the Quality & Safety Assurance Division is to ensure quality assurance and safety control so that medical professionals and patients can use our pharmaceutical products with peace of mind, in compliance with laws and regulations.

Sometimes we have to make tough decisions. Our daily efforts do not always show up in the numbers. The slightest lapse of attention, compromise, or act of self-interest can even lead to problems that could affect the survival of the Company. In this challenging environment, the fundamentals of reliability assurance are to avoid making judgments based on assumptions and wishful thinking (checking the evidence), to have the courage to accept facts and mistakes (risk minimization), and to take measures to prevent the same thing from happening again (improvement). The Quality & Safety Assurance Division is the backbone that ensures that our pharmaceutical products are of the highest quality. Each and every one of us should take pride in our work, and work together to move forward as we continue developing as a company that is needed by society.

Reliability Assurance Structure

In the Quality & Safety Assurance Division, under the supervision of the Division Director in charge, who is also General Marketing Supervisor and the responsible officer (an officer in charge of operations related to pharmaceutical affairs laws and regulations), the Quality Assurance Manager is assigned to the Quality Assurance Department (a GQP department), and the Safety Control Manager is assigned to the Pharmacovigilance Department (a GVP department), while the Regulatory Affairs Department is responsible for quality assurance and safety control of our pharmaceutical products in a unified manner, which involves appropriately maintaining manufacturing and marketing approval certification. In addition, the Drug Information Unit supports the proper use of our products by responding to inquiries from medical professionals and patients in a timely manner. We are working to ensure compliance with the revised Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and guidelines on legal compliance, clarify the division of duties and scope of responsibility of responsible officers, and update and improve Company and procedural manuals to further strengthen our governance and other aspects of our operations. We will continue to work closely with related divisions to ensure the reliable provision of our pharmaceutical products to medical professionals and patients so that they can be used with peace of mind.

• **Reliability Assurance Structure**



(October 2022)

Reliability Assurance Initiatives

The social environment is changing and pharmaceutical regulations related to pharmaceuticals are becoming stricter every year. As our relationships with overseas companies are further strengthened, quality assurance and safety control shall be carried out under global standards, thus we need to continue to develop a system that enables us to keep up with the times, which includes understanding and absorbing regulatory information from Europe and the United States, not to mention improving English language skills. Each and every one of our employees will keep a close watch on upcoming trends and will take various initiatives to stay abreast of events and continue to grow.

Quality Assurance Department	Enhancement of auditing system by improving the qualifications of GMP* auditors and utilizing external resources
Pharmacovigilance Department	Enhancement of personnel and systems for pharmacovigilance audits in Europe and the United States
Regulatory Affairs Department	Strategic negotiations for early acquisition and proper maintenance of manufacturing and marketing approvals
Drug Information Unit	Expansion of AI chatbot and improvement of user convenience

* Manufacturing and quality control standards for pharmaceuticals and quasi-drugs

Messages from Outside Directors

With a focus on the sustainable growth of ASKA Pharmaceutical Holdings, we present messages from three members of the Board of Directors (Outside Directors), providing insights from their professional and objective perspectives, as well as their expectations for the future of the Group.



Yasunori Yoshimura
Member of the Board of Directors,
Outside Director
ASKA Pharmaceutical Holdings

The road to becoming a flagship company in women's medicine

In a society with an unprecedentedly low birthrate, it is women and children who will build the future of our country. We must provide comprehensive support for women's health issues throughout society so that women can live healthy, bright, and fulfilling lives autonomously. Society demands that we play a pivotal role in providing comprehensive support for women's health that is appropriate for their life stages, which entails improving the quality of life for all people and creating a stable healthcare industry. As an Outside Director, it is my duty to enhance corporate value by investing in the health of human capital with the aim of revitalizing the organization and improving productivity, and by implementing the Company's corporate philosophy based on a long-term vision.

Taking advantage of the holding company structure to leap forward into the future

Drastic changes in a company's business domain can come from unexpected developments. For example, with the shift to digital cameras, film manufacturers faced the need to make drastic changes in their business. In the medical world, advances in regenerative medicine and implantable devices may have a major impact on pharmaceuticals as well. Rather than resisting these advances, we need to be proactive in adopting them as our own technology. The role of a holding company is to develop strategies from a long-term perspective and lead its operating companies in supporting change. I will fulfill my responsibility to support this role.



Michizo Yamanaka
Member of the Board of Directors,
Outside Director
ASKA Pharmaceutical Holdings



Tsutomu Harino
Member of the Board of Directors,
Outside Director
ASKA Pharmaceutical Holdings

Message for a sustainable 200 years

We live in an era of constant change. Capitalism has shifted from financial capitalism to public interest capitalism. Corporations that were motivated simply by making profits will become more focused on contributing to the public. Work is shifting from routine jobs to non-routine jobs. The abilities of the manpower needed against this backdrop are those that can solve and imagine. These abilities are required not only within a company, but throughout society. In an age when the questions of "What is a good company?" and "What is a good way to work?" are being asked from the standpoint of public philosophy, our true abilities should be directed to the fullest extent toward the company, the community, consumers, and working women. As an Outside Director, I will endeavor to steer the Company in a way that contributes to the enhancement of the value of society as a whole.

G: Corporate Governance/Compliance/Risk Management

ASKA Pharmaceutical Holdings (the "Company") aims for sustainable growth and improvement of corporate value over the medium to long term for itself and its subsidiaries (the "Group") and is continuously working to build and strengthen the best and most effective corporate governance structure as the basis for achieving this aim.

Basic Principles

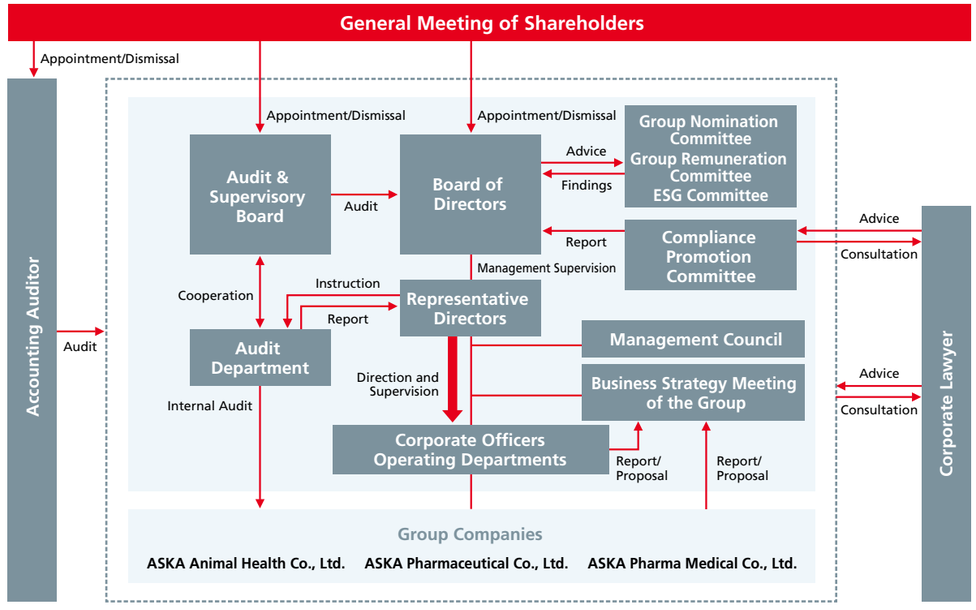
We always pursue and continually work to maintain the best corporate governance in line with the following basic principles.

1. We will strive to effectively secure the rights of shareholders and will ensure shareholder equality.
2. We will strive to cooperate fully with stakeholders and will foster a corporate culture and climate that respects the ethics of sound business practices.
3. We will appropriately disclose the Company's financial, management, and other information to ensure transparency.
4. The Board of Directors will establish an environment where bold management decisions are made based on corporate strategies and will conduct highly effective supervision of directors.
5. We will engage in constructive dialogue with shareholders.

The full text of the Basic Principles is available on the Company's website (Japanese only).
https://www.aska-pharma-hd.co.jp/invest/governance/governance.html

Corporate Governance Structure

Under the Company's corporate governance structure corporate officers execute business and members of the Board of Directors concentrate on management and supervision functions.



Board of Directors

The Board of Directors meets basically once a month and also holds special meetings as needed. It makes decisions on business execution policies and other important matters concerning business operations and supervises the execution of business operations.

Management Council

Management Council meetings are held basically once a month to deliberate/make decisions on management-related issues, and to examine important issues including management policies and strategies.

Business Strategy Meeting of the Group

To ensure the appropriateness of business operations, the Company has established a supervisory department responsible for managing subsidiaries in an integrated manner. The Company also holds the Business Strategy Meeting of the Group four times a year to share information.

Group Nomination Committee and Group Remuneration Committee

The Group Nomination Committee and Group Remuneration Committee have been established as advisory committees independent from the Board of Directors in order to enhance the fairness and objectivity of the deliberation process regarding the nomination and compensation of officers.

Each committee is composed of a representative director, a senior managing member of the Board of Directors or higher with special titles, and outside directors. The majority of committee members are outside directors, and the committee is chaired by an outside director to ensure independence.

Auditing Structure

We have adopted a company with an Audit & Supervisory Board structure in order to audit the execution of duties by members of the Board of Directors from a standpoint independent of the Board of Directors. The Audit & Supervisory Board, consisting of four members including two outside Audit & Supervisory Board members, meets once a month in principle to discuss and resolve important matters related to audits and to confirm matters to be discussed at Board of Directors meetings in advance.

For external audits (including accounting audits), the Company has concluded an audit and quarterly review contract with Seiyo Audit Corporation as its accounting auditor.

For internal audits, we have established an Audit Department, which conducts audits of Group companies from a fair and independent standpoint. Furthermore, the Audit Department evaluates the status of internal control systems regarding financial reporting and its operation.

Outside Directors

We appoint at least two independent outside directors to the Board of Directors. They satisfy the Standards for the Independence of Outside Officers and provide guidance and advice to our management as appropriate utilizing their wealth of independent insight and knowledge.

Currently, we believe we have established an optimal governance structure with three independent outside directors as members of the Board of Directors.

ESG Committee

The ESG Committee has identified 17 material issues from the perspective of relevance to the Group's business and social contribution, and it has established a Company-wide action plan and KPIs for each of them. In particular, we believe that contribution to women's health and contribution to animal health are two material issues in which we can demonstrate our strengths and originality. ▶See pages **10-11** for details

In addition, we consider climate change issues to be one of the management issues that affect our business, and we disclose information on climate change in line with TCFD recommendations.

As a company involved in life-related issues, and as a member of society and the community, the Group broadly contributes to society by promoting ESG (environmental, social, and governance) initiatives, thereby contributing to the achievement of the SDGs (sustainable development goals).

Skill Matrix

	Name	Position	Corporate management	R&D / Intellectual property	Sales / Marketing	Medical / Pharmacy expertise	Finance / Accounting	Legal / Risk management	Sustainability / ESG
Members of the Board of Directors	Takashi Yamaguchi	President, Member of the Board of Directors, Representative Director	●	●		●			
	Atsushi Maruo	Senior Managing Member of the Board of Directors, Representative Director	●				●		●
	Sohta Yamaguchi	Senior Managing Member of the Board of Directors, Representative Director	●	●				●	
	Maiko Mori	Member of the Board of Directors, Executive Corporate Officer		●		●		●	
	Fumiyoshi Yamaguchi	Member of the Board of Directors, Executive Corporate Officer	●		●				●
	Yasunori Yoshimura	Member of the Board of Directors, Outside Director		●		●			●
	Michizo Yamanaka	Member of the Board of Directors, Outside Director	●		●			●	
	Tsutomu Harino	Member of the Board of Directors, Outside Director	●		●		●		
Audit & Supervisory Board Members	Ikuo Kumano	Audit & Supervisory Board Member			●		●		●
	Yuichiro Fukui	Audit & Supervisory Board Member	●		●		●		
	Takao Kimura	Outside Audit & Supervisory Board Member		●		●		●	
	Keiko Fukuchi	Outside Audit & Supervisory Board Member					●	●	●

Note: Indicates up to three skills in which the members of the Board of Directors and Audit & Supervisory Board members possess particularly high expertise and which are expected of members of the Board of Directors and Audit & Supervisory Board members.

Policy for Selecting Members of the Board of Directors and Audit & Supervisory Board Members

We select Board of Directors and Audit & Supervisory Board members from among candidates who have excellent character, insight, ability, and abundant experience, as well as high ethical standards. New candidates for members of the Board of Directors are selected by the Board of Directors in accordance with the above policy after fair, transparent, and rigorous deliberations by the Group Nomination Committee.

Audit & Supervisory Board members are selected from among candidates who have appropriate experience, ability, and high ethical standards, as well as considerable knowledge of financial, accounting, and legal matters. At least one member must be well-versed in financial and accounting matters. In accordance with the above policy, new candidates for Audit & Supervisory Board members shall be selected by the Board of Directors with the approval of the Audit & Supervisory Board after fair, transparent, and rigorous deliberations by the Group Nomination Committee.

Reasons for Nomination of Outside Directors and Outside Audit & Supervisory Board Members

Name	Reasons for nomination	FY2021	
		Number of Board of Directors meetings attended	Number of Audit & Supervisory Board meetings attended
Yasunori Yoshimura	He has significant expertise and extensive experience as a medical scientist, and the Company assessed that he can play an important role in the management of the Company from an independent standpoint as an outside director of the Board of Directors.	17 out of 17 (100%)	—
Michizo Yamanaka	He has a wealth of experience and insights as a corporate manager, and the Company assessed that he can provide appropriate advice and supervision to the management of the Company.	17 out of 17 (100%)	—
Tsutomu Harino	He has a wealth of experience as a corporate manager and extensive insights as a management consultant, and the Company assessed that he can provide appropriate advice and supervision to the management of the Company.	17 out of 17 (100%)	—
Takao Kimura	Not only is he knowledgeable about drug development, but he also has extensive experience in corporate management, and the Company assessed that he will be able to conduct appropriate audits of the Company's Board of Directors from an objective and neutral standpoint.	17 out of 17 (100%)	16 out of 16 (100%)
Keiko Fukuchi	The Company assessed that she can provide advice and recommendations to ensure the propriety and appropriateness of decision-making by the Board of Directors, based on her professional expertise, mainly regarding tax and finance, from a highly independent standpoint as a tax accountant.	17 out of 17 (100%)	16 out of 16 (100%)

Evaluations of the Effectiveness of the Board of Directors

In FY2021, the Board of Directors met 17 times (16 regular meetings and 1 extraordinary meeting). The members of the Board of Directors and Audit & Supervisory Board members attend both regular and extraordinary meetings of the Board of Directors, where they make decisions on management strategy policies and other important management matters, and supervise the execution of business operations in accordance with laws, the Articles of Incorporation, and the Company's related regulations.

Each year, the Company conducts a questionnaire survey of all members of the Board of Directors and Audit & Supervisory Board members in order to evaluate the current status of the effectiveness of the Board of Directors and to further improve it. Based on the results of the questionnaire, we have evaluated and analyzed the results and confirmed that the Board of Directors is functioning properly and that the effectiveness of the Board of Directors as a whole has been ensured.

Compensation for Members of the Board of Directors and Audit & Supervisory Board Members

Policies on Determining the Details of Compensation, etc. for Each Individual Member of the Board of Directors

The Group Remuneration Committee deliberates on the remuneration for members of the Board of Directors while ensuring transparency, fairness, and objectivity. Design of the remuneration system and the specific amount of remuneration are determined by the Board of Directors.

Remuneration for members of the Board of Directors excluding outside directors of the Board of Directors, shall be designed to contribute to continued increases in corporate value. Specifically, it shall consist of base salary as well as a performance-based bonus serving as short-term incentive, and a stock compensation system serving as medium- to long-term incentive. In order to ensure fully functional supervision of the management from an independent stance, remuneration for outside directors of the Board of Directors shall consist of base salary only, without short-term or medium- to long-term incentive.

[Base salary]

Basic remuneration for members of the Board of Directors shall be an annual base salary. Its amount shall be determined based on position (rank), responsibilities, and term of office. It shall be paid on a monthly basis.

[Performance-based bonus]

Performance-based bonus for members of the Board of Directors (excluding outside directors of the Board of Directors) shall be paid at a certain time each year. The amount of bonus to be paid to members of the Board of Directors with special titles shall be determined by multiplying the annual base salary by a bonus calculation coefficient defined for each position (rank) and a payment coefficient based on the Company's business performance (operating profit, etc.) for the previous fiscal year. For members of the Board of Directors who also serve as employees of the Company, the incentive provided shall be calculated by incorporating the performance-based bonus into the bonuses provided to them as employees.

[Restricted stock compensation]

For the purpose of providing incentives to sustainably increase the Company's corporate value, as well as for the purpose of further promoting shared value between the shareholders and members of the Board of Directors, restricted stock shall be granted at a certain time each year within the scope of the maximum amount and maximum number of shares approved at the General Meeting of Shareholders. The number of shares of restricted stock to be granted to individual members of the Board of Directors shall be determined in consideration of their position (rank), responsibilities, term of office, and other factors.

Policy on Determining the Proportion of Each Type of Remuneration, etc.

Based on the belief that it is important for management to work with a medium- to long-term perspective, the

proportion of base salary, performance-based bonus, and restricted stock compensation shall be configured with emphasis on the level and stability of basic remuneration (base salary) with additional consideration of improvement in single-year business performance and the pursuit of shareholder interests.

The proportion of each type of remuneration for members of the Board of Directors (excluding outside directors of the Board of Directors) is not fixed because the amount of remuneration is determined according to business performance in each fiscal year. However, the proportion of base salary, performance-based bonus, and restricted stock compensation fits roughly in the following scope:
Base salary: performance-based bonus: restricted stock compensation = 60-90%: 0-25%: 10-25%.

Total Amount of Compensation, etc. by Officer Classification, Total Amount by Type of Compensation, etc., and the Number of Target Officers in FY2021

Classification	Total amount of compensation, etc. (Millions of yen)	Total amount by type of compensation, etc. (Millions of yen)			Number of target officers (Persons)
		Base salary	Performance-based bonus	Restricted stock compensation	
Members of the Board of Directors (Outside Directors of the Board of Directors)	23 (23)	23 (23)	— (—)	— (—)	3 (3)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	38 (9)	38 (9)	— (—)	— (—)	4 (2)
Total (Outside Officers)	61 (33)	61 (33)	— (—)	— (—)	7 (5)

Notes:
1. The amount of compensation or the like for members of the Board of Directors does not include the portion of employee's salary paid to members of the Board of Directors who also serve as employees of the Company.
2. The number of target officers is the number of officers paid remuneration by the Company. In addition to the above, the total amount of compensation, etc. received by six members of the Board of Directors of the Company from its subsidiary (ASKA Pharmaceutical Co., Ltd.) is ¥250 million. The total amount of compensation, etc. received by two Audit & Supervisory Board members of the Company from its subsidiary (ASKA Pharmaceutical Co., Ltd.) is ¥3 million.
3. The performance index for performance-based remuneration, etc. is operating profit, which was ¥4,795 million for FY2021. This index was chosen because it is an important indicator of achievement of management goals. Therefore, it was determined to be an appropriate index for performance-based remuneration. In addition, the calculation method for performance-based remuneration is as described in "Policies on Determining the Details of Compensation, etc. for Each Individual Member of the Board of Directors."
4. Non-monetary remuneration, etc. is in the form of Company shares, and the requirements for their allocation are as described in "Policies on Determining the Details of Compensation, etc. for Each Individual Member of the Board of Directors." The number of shares granted during FY2021 was 29,100 shares to three members of the Board of Directors who concurrently serve as members of the Board of Directors of ASKA Pharmaceutical Co., Ltd.
5. Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on compensation for members of the Board of Directors was set at ¥500 million per year (including ¥70 million for outside directors of the Board of Directors and excluding the portion of employee salary paid to members of the Board of Directors who also serve as employees of the Company). The number of Board of Directors members at the end of the Extraordinary General Meeting of Shareholders was 6 (including 3 outside directors of the Board of Directors). Separate from this compensation, the upper limit on restricted stock compensation was set at ¥100 million per year based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021. The number of Board of Directors members at the end of the Extraordinary General Meeting of Shareholders was 3 (excluding the outside directors of the Board of Directors).
6. Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on compensation for Audit & Supervisory Board members was set at ¥150 million per year. The number of Audit & Supervisory Board members at the end of the Extraordinary General Meeting of Shareholders was 4.

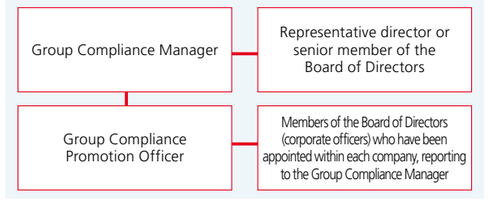
Compliance

Basic Principles

We have established a department to promote and support compliance within each Group company and developed the necessary internal systems, and rules and regulations. The structure we have created facilitates the prompt handling of cases, the formulation of measures to prevent violations, and other measures. This means that officers and employees can engage in corporate activities with peace of mind.

To increase awareness of compliance of employees of the Group, we are conducting compliance education for each job level while working to grasp the level of employee awareness through questionnaire surveys and identify points for improvement. In FY2021, we conducted interviews with each department of the Group based on the results of the compliance awareness survey and worked for more thorough compliance by gaining a greater understanding of the current situation, identifying problems, and conducting training and problem solving based on actual conditions. The Group Compliance Promotion Committee has been established to supervise the Group's efforts toward recognizing and responding to risks that could have a significant impact on Group management and promoting a compliance system that thoroughly complies with laws and corporate ethics.

• Group Compliance Promotion Structure



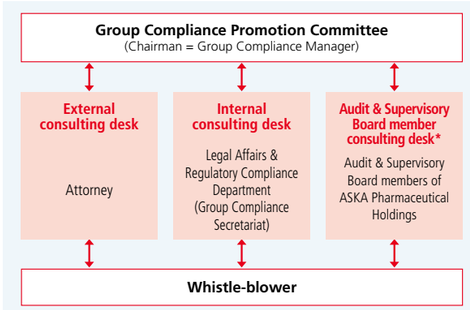
Whistle-blower System

As a system to reflect the voices of employees in compliance practice, we have established a whistle-blower office, the ASKA Pharmaceutical Holdings' compliance consulting desk, and have promoted awareness of the desk through education and training programs.

In addition to the internal and external contact points that have been in place for some time, we have established a new contact point for consultation and reporting of compliance-related matters involving officers of the Group. It is staffed by ASKA Pharmaceutical Holdings' Audit & Supervisory Board members (Audit & Supervisory Board member consulting desk). This contact point, which is independent from senior management, is intended to lower the psychological hurdle for officers and employees for consultation and reporting of compliance-related matters involving senior management, and to ensure that investigations and corrective measures are carried out in a timely and appropriate manner. Reporting can be also done anonymously, and all cases are handled appropriately.

Through this system, we will ensure that whistle-blowers are protected and that compliance-related matters are reported, investigated, and corrective measures are taken in a timely and appropriate manner, in accordance with the spirit of the Whistleblower Protection Act.

• ASKA Pharmaceutical Holdings
Structure of the Compliance Consulting Desks



* Contact point for consultation and reporting of compliance-related matters involving officers of the Group

Code of Practice

As a responsible life-related company that handles pharmaceuticals, ASKA Pharmaceutical recognizes the need to ensure a high level of ethics and transparency in its corporate activities. Based on this recognition, in FY2013 we established the ASKA Pharmaceutical Code of Practice as a code of conduct for all officers and employees and their interactions with researchers, medical professionals, patient groups, etc., and we are implementing corporate activities that can be understood by society by ensuring that all officers and employees are fully aware of the code.

Intellectual Property

Intellectual property rights include patent rights, utility model rights, design rights, and trademark rights, which protect creations through intellectual creative activities. We respect the rights of third parties and cooperate with relevant departments to formalize and protect intellectual property rights throughout the Company. In addition to protecting rights related to newly developed products, we maximize value by utilizing intellectual property rights to extend the life cycle of existing products, including new dosage formulations.

Moreover, we are promoting the globalization of our intellectual property activities, and have established a system that enables us to collect and utilize intellectual property information overseas, and are working to strengthen cooperation with our partner companies in terms of intellectual property. With the growing importance of intellectual property, we will further contribute to our business growth through these efforts.

Initiatives of the Group in Industry-related Norms (Transparency Guidelines, Guidelines for Sales Information Provision Activities, etc.)

With the recognition that ASKA's corporate activities related to prescription pharmaceuticals are conducted under the public medical insurance system, we are fulfilling our accountability to society by ensuring transparency in the provision of funds to medical professionals, medical institutions, patient groups, and others. In accordance with the Transparency Guideline for the Relationship between Corporate Activities and Medical Institutions and Transparency Guideline for the Relationship between Corporate Activities and Patient Groups, we will continue with FY2022 disclosure of information on FY2021's provision of funds to medical professionals, medical institutions, and patient organizations.

In addition, the Guidelines for Provision of Sales Information on Prescription Drugs (the "Guidelines") were established by the Ministry of Health, Labour and Welfare to promote the proper use of prescription pharmaceuticals. They are aimed at preventing inappropriate promotional activities (such as recommending off-label use, slandering other companies, and providing misleading information on efficacy and safety). In addition, from 2019 the Guidelines made it the responsibility of management to establish the internal systems necessary for appropriate sales information provision activities and to educate employees. In FY2021, the department supervising sales information provision activities, as the lead department, reviewed materials used by medical representatives (MRs) to ensure that they are properly prepared, and also checked the promotional activities of MRs and others, and with regard to the behaviors that could have been taken as a violation of the Guidelines, the information was shared with the parties concerned as well as the relevant promotion department to raise awareness and prevent violations. In addition, we continuously remind MRs and others of the importance of compliance with the Guidelines and other industry-related norms during training sessions.

As a life-related company, we will continue to work to further improve our ethics, transparency, and credibility while conducting activities to deepen the understanding of medical institutions and medical professionals.

Risk Management

Basic Policy

In order to deal with risks that may affect the business activities of the Group, we have established the Group Business Risk Management Rules and are implementing a risk management system with classifications based on characteristics and risks. Each department prepares and operates procedure manuals and systematically works to resolve issues through annual risk assessments and the formulation, implementation, and evaluation of countermeasures based on the results of those assessments.

Business Continuity Plan (BCP)

In order to ensure a stable supply of pharmaceuticals and other products, we have formulated a BCP for natural disasters such as large-scale earthquakes and tsunamis, and are working to ensure a system that will enable the early restoration of our business activities. In addition, to minimize the impact of the COVID-19 pandemic on our business activities, we have established a task force and implemented measures including the promotion of telecommuting in accordance with preventive measures guidelines. Going forward, we will continue to enhance our preparedness for anticipated risks, conduct employee awareness activities, and further improve our crisis management system.

Board Members and Corporate Officers (As of June 28, 2022)

Members of the Board of Directors



President, Member of the Board of Directors, Representative Director

Takashi Yamaguchi 1

Apr. 1978 Joined Teikoku Hormone Mfg. Co., Ltd. (currently ASKA Pharmaceutical Co., Ltd.)
Dec. 1987 Member of the Board of Directors of Teikoku Hormone Mfg. Co., Ltd.
Jun. 1991 President, Member of the Board of Directors, Representative Director of Teikoku Hormone Mfg. Co., Ltd.
Apr. 2021 President, Member of the Board of Directors, Representative Director of the Company (to Present)
Jun. 2021 Member of the Board of Directors, Representative Director, Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (to Present)

Senior Managing Member of the Board of Directors, Representative Director

Atsushi Maruo 2

Apr. 1981 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
Apr. 2009 Tohoku Region Manager and Sendai Branch Manager of The Mitsubishi Bank, Ltd.
Oct. 2010 Corporate Officer of ASKA Pharmaceutical Co., Ltd.
Jun. 2011 Member of the Board of Directors, Executive Corporate Officer of ASKA Pharmaceutical Co., Ltd.
Jun. 2014 Senior Managing Member of the Board of Directors of ASKA Pharmaceutical Co., Ltd.
Jun. 2015 Member of the Board of Directors of ASKA Pharma Medical Co., Ltd.
Member of the Board of Directors of ASKA Animal Health Co., Ltd.
Jun. 2019 Senior Managing Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors of the Company
Jun. 2021 Senior Managing Member of the Board of Directors, Representative Director of the Company (to Present)
Member of the Board of Directors, Vice Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (to Present)

Senior Managing Member of the Board of Directors, Representative Director

Sohta Yamaguchi 3

Apr. 2008 Joined Hitachi, Ltd.
May.2011 Registered as a patent attorney
Feb. 2016 Joined ASKA Pharmaceutical Co., Ltd.
Jun. 2017 Member of the Board of Directors, Executive Corporate Officer, in charge of Innovative Drug Discovery of ASKA Pharmaceutical Co., Ltd.
Jun. 2019 Managing Member of the Board of Directors, in charge of Innovative Drug Discovery, Development, and Business Strategy of ASKA Pharmaceutical Co., Ltd.
Apr. 2020 Managing Member of the Board of Directors, in charge of Innovative Drug Discovery, Development, Business Development, and Medical Affairs of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors of the Company
Jun. 2021 Senior Managing Member of the Board of Directors, Representative Director of the Company (to Present)
President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd. (to Present)

Member of the Board of Directors, Executive Corporate Officer

Maiko Mori 4

Apr. 1987 Joined Teikoku Hormone Mfg. Co., Ltd. (currently ASKA Pharmaceutical Co., Ltd.)
Jun. 2011 Director of Pharmaceutical Information Department of ASKA Pharmaceutical Co., Ltd.
Jul. 2017 Director of Pharmaceutical Affairs Department of ASKA Pharmaceutical Co., Ltd.
Apr. 2020 Division Director of Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
Jun. 2020 Corporate Officer, Division Director of Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
Jun. 2022 Member of the Board of Directors, Executive Corporate Officer, Division Director of Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd. (to Present)
Member of the Board of Directors, Executive Corporate Officer of the Company (to Present)

Member of the Board of Directors, Executive Corporate Officer

Fumiyoshi Yamaguchi 5

Jul. 2011 Joined ASKA Pharmaceutical Co., Ltd.
Apr. 2019 Corporate Officer, in charge of New Business Development and Assistant Director of Healthcare Business Unit of ASKA Pharmaceutical Co., Ltd.
Jun. 2020 Corporate Officer, in charge of Special Appointments of ASKA Pharmaceutical Co., Ltd.
Member of the Board of Directors of ASKA Animal Health Co., Ltd.
Jan. 2021 President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd. (to Present)
Jun. 2021 Corporate Officer of the Company
Jun. 2022 Member of the Board of Directors, Executive Corporate Officer of the Company (to Present)

Member of the Board of Directors (Outside Director)

Yasunori Yoshimura 6

Apr. 1975 Joined the Department of Obstetrics and Gynecology, Keio University School of Medicine
Nov. 1995 Professor of the Department of Obstetrics and Gynecology, Keio University School of Medicine
Apr. 2007 Chairperson of Japan Society of Obstetrics and Gynecology
Jun. 2011 Member of the Board of Directors, Outside Director of ASKA Pharmaceutical Co., Ltd.
Oct. 2012 Representative Director of YOSHIMURA BIOETHIC INSTITUTE (to Present)
Nov. 2013 Outside Audit & Supervisory Board Member of Don Quijote Holdings Co., Ltd. (currently Pan Pacific International Holdings Corporation)
Apr. 2014 Professor Emeritus of Keio University (to Present)
Jul. 2015 Vice President of Fukushima Medical University
Sep. 2015 Outside Board Member (Audit & Supervisory Committee Member) of Don Quijote Holdings Co., Ltd. (currently Pan Pacific International Holdings Corporation) (to Present)
Apr. 2021 Member of the Board of Directors, Outside Director of the Company (to Present)

Member of the Board of Directors (Outside Director)

Michizo Yamanaka 7

Apr. 1975 Joined Hitachi, Ltd.
Aug.1978 Director and Design Manager of THE YOSHIDA DENTAL MFG. CO., LTD.
Jun. 1992 President and CEO of THE YOSHIDA DENTAL MFG. CO., LTD. (to Present)
Jan. 2006 President and CEO of YOSHIDA SEIKO., LTD. (to Present)
Sep. 2012 Vice Chairman of YOSHIDA DENTAL TRADE DISTRIBUTION. CO., LTD. (to Present)
Jun. 2017 Member of the Board of Directors, Outside Director of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors, Outside Director of the Company (to Present)

Member of the Board of Directors (Outside Director)

Tsutomu Harino 8

Apr. 1976 Joined Sonton Foods Industry Co., Ltd.
Nov. 1979 Joined Tamanoi Co., Ltd. (currently Tamanoi Vinegar Co., Ltd.)
Apr. 1980 Assigned to work in Japan Productivity Center, a Public Interest Incorporated Foundation
Jul. 1991 President and Representative Director of Tamanoi Co., Ltd. (currently Tamanoi Vinegar Co., Ltd.) (to Present)
Aug.2000 President and Representative Director of Tamanoi vinegar kurosumate Co., Inc. (to Present)
Jun. 2019 Member of the Board of Directors, Outside Director of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors, Outside Director of the Company (to Present)

Audit & Supervisory Board Members



Audit & Supervisory Board Member

Ikuo Kumano 9

Apr. 1982 Joined Teikoku Hormone Mfg. Co., Ltd. (currently ASKA Pharmaceutical Co., Ltd.)
Jun. 2005 Director of Sales Planning Promotion Department of Teikoku Hormone Mfg. Co., Ltd.
Apr. 2006 Chugoku Branch Manager of ASKA Pharmaceutical Co., Ltd.
Oct. 2007 Fukuoka Branch Manager of ASKA Pharmaceutical Co., Ltd.
Apr. 2012 Director of Corporate Planning Unit of ASKA Pharmaceutical Co., Ltd.
Jun. 2014 Corporate Officer, in charge of Corporate Planning of ASKA Pharmaceutical Co., Ltd.
Apr. 2015 Corporate Officer of ASKA Pharmaceutical Co., Ltd.
President and Representative Director of ASKA Pharma Medical Co., Ltd.
Jun. 2016 Corporate Officer, Division Director of Production Division of ASKA Pharmaceutical Co., Ltd.
Jun. 2018 Member of the Board of Directors, Executive Corporate Officer, in charge of Production, Division Director of Administrative Division of ASKA Pharmaceutical Co., Ltd.
Jun. 2019 Member of the Board of Directors, Executive Corporate Officer, Division Director of Administrative Division and Director of 100th Anniversary Business Unit of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors of the Company
Jun. 2021 Audit & Supervisory Board Member of the Company (to Present)
Audit & Supervisory Board Member of ASKA Animal Health Co., Ltd. (to Present)

Audit & Supervisory Board Member

Yuichiro Fukui 10

Apr. 1984 Joined Takeda Pharmaceutical Company Limited
Apr. 2009 Director of Eastern Japan Sales Unit of Pharmaceutical Marketing Division of Takeda Pharmaceutical Company Limited
Jun. 2015 Executive Corporate Officer of ASKA Pharmaceutical Co., Ltd.
Jun. 2016 Member of the Board of Directors, Executive Corporate Officer, supervising Sales Management, Division Director of Marketing Division of ASKA Pharmaceutical Co., Ltd.
Apr. 2017 Member of the Board of Directors, Executive Corporate Officer, supervising Sales Management of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Member of the Board of Directors of the Company
Jun. 2021 Audit & Supervisory Board Member of the Company (to Present)
Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. (to Present)

Outside Audit & Supervisory Board Member

Takao Kimura 11

Nov. 1975 Joined Hoechst Japan Ltd. (currently Sanofi K.K.)
Jul. 2000 President and Representative Director of Nycomed Amersham PLC
Dec. 2002 Executive Officer, General Manager of Business Development Division of Aventis Pharma Limited (currently Sanofi K.K.)
Apr. 2010 Executive Officer, Supervising Manager of Business Development Division in Asia-Pacific Region of sanofi-aventis K.K. (currently Sanofi K.K.)
Feb. 2016 Representative Partner of TK Pharma Partners LLC. (to Present)
Jun. 2017 Outside Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd.
Apr. 2021 Outside Audit & Supervisory Board Member of the Company (to Present)

Outside Audit & Supervisory Board Member

Keiko Fukuchi 12

Apr. 1981 Joined Tokyo Regional Taxation Bureau
Jul. 2006 Deputy District Director of Shibuya Tax Office
Jul. 2008 Professor of National Tax College
Jul. 2013 Director (Mutual Agreement Procedures), International Operations Division, Commissioner's Secretariat of National Tax Agency
Mar.2018 Regional Commissioner of Kanazawa Regional Taxation Bureau
Aug.2019 Registered as a tax accountant. Representative of Fukuchi Keiko Tax Accountant Office (to Present)
Jun. 2020 Outside Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd.
Outside Director (Audit and Supervisory Committee Member) of KAWADA TECHNOLOGIES, INC. (to Present)
Outside Auditor of KAWADA INDUSTRIES, INC. (to Present)
Apr. 2021 Outside Audit & Supervisory Board Member of the Company (to Present)

Corporate Officers

Kazuhiko Kato
Senior Executive Corporate Officer
In charge of New Business Development

Kiyohiko Tamura
Executive Corporate Officer
Division Director, Group Business Management Division

Kunihiro Gunji
Corporate Officer
In charge of Audit and Legal Affairs & Regulatory Compliance

Junichi Saito
Corporate Officer
President, Member of the Board of Directors, Representative Director of ASKA Pharma Medical Co., Ltd.

10-Year Summary of Consolidated Financial Results

Fiscal years ended/As of March 31, 2013 (FY2012) to March 31, 2022 (FY2021)

	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012
Consolidated Financial Results (Millions of yen)										
Net sales	56,607	55,181	52,542	46,706	48,944	48,527	43,215	42,907	39,501	40,963
Cost of sales	30,255	29,798	28,525	27,814	30,059	29,614	26,072	25,717	22,431	23,047
Selling, general and administrative expenses	21,556	21,773	22,509	17,107	16,060	17,119	15,861*3	15,767	16,353	16,847
Operating profit	4,795	3,609	1,507	1,782	2,824	1,793	1,283*4	1,425	716	1,061
Ordinary profit	4,880	3,092	1,715	1,980	3,073	2,002	1,522	1,722	1,031	1,336
Profit attributable to owners of parent	4,290	2,713	649	1,744	2,388	2,944	701	1,193	495	1,114
R&D expenses	3,598	4,709	4,913	4,493	4,055	4,970	4,174	4,025	4,144	4,269
Capital expenditures (Property, plant and equipment and software incorporation basis)	657	765	2,040	2,994	1,443	772	2,279	2,285	2,047	937
Depreciation	2,885	3,305	3,669	2,491	2,324	2,447	1,969	1,709	2,355	2,353
Consolidated Financial Position (Millions of yen)										
Total assets	83,297	82,582	80,239	82,194	66,235	66,126	57,478	58,933	51,269	51,770
Net assets	48,892	44,510	41,573	43,456	42,559	39,511	35,961	36,577	33,941	33,350
Interest-bearing debt	14,046	16,395	16,419	16,468	2,950	3,700	5,708	1,366	1,557	1,782
Consolidated Cash Flows (Millions of yen)										
Cash flows from operating activities	2,842	6,541	(492)	2,504	76	12,063	(1,349)	5,710	2,616	3,869
Cash flows from investing activities	6,743	(2,866)	(2,927)	(14,780)	(3,348)	(378)	(6,776)	(1,897)	(2,301)	(1,484)
Cash flows from financing activities	(2,996)	(455)	(392)	13,036	(1,142)	(2,384)	4,013	(557)	(574)	124
Cash and cash equivalents at end of period	17,103	10,514	7,294	11,107	10,346	14,761	5,462	9,574	6,318	6,578
Per-share Data (Yen)										
Earnings per share	151.22	95.72	22.96	61.81	84.80	105.39	25.15	42.89	17.85	40.27
Net assets per share	1,734.80	1,568.89	1,467.58	1,538.75	1,509.70	1,413.51	1,287.76	1,313.20	1,219.32	1,202.59
Dividends per share	15	14	17*2	14	14	14	14	14	14	14
Financial Ratios (%)										
Cost of sales ratio	53.4	54.0	54.3	59.6	61.4	61.0	60.3	59.9	56.8	56.3
Selling, general and administrative expenses ratio	38.1	39.5	42.8	36.6	32.8	35.3	36.7	36.7	41.4	41.1
Operating profit margin	8.5	6.5	2.9	3.8	5.8	3.7	3.0	3.3	1.8	2.6
Equity ratio	58.7	53.9	51.8	52.9	64.3	59.8	62.6	62.1	66.1	64.4
Profit attributable to owners of parent/Equity (ROE)	8.8	6.3	1.5	4.1	5.8	7.8	1.9	3.4	1.5	3.4
Ordinary profit / Total assets (ROA)	5.9	3.8	2.1	2.7	4.6	3.2	2.6	3.1	2.0	2.6
Dividend payout ratio	5.3*1	14.6	74.0	22.7	16.5	13.3	55.7	32.6	78.4	34.8
Non-financial Information										
Number of employees	777	800	807	842	856	862	872	862	886	897
Number of issued shares (Thousands)	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563	30,563

Notes:
Figures up to FY2020 are the figures announced by ASKA Pharmaceutical Co., Ltd.
*1 Interim dividends are dividends from other capital surplus and are excluded from the dividend payout ratio.
*2 100th anniversary commemorative dividend of ¥3 per share.
*3 Due to a change in presentation, Selling, general and administrative expenses for FY2015 were adjusted from ¥15,978 million to ¥15,861 million.
*4 Due to a change in presentation, Operating profit for FY2015 was adjusted from ¥1,166 million to ¥1,283 million.

ASKA Pharmaceutical Holdings' Information Disclosure

Information Disclosure

• Information Disclosure Policy

The Group conducts corporate communication activities based on transparency, fairness, and continuity in order to deepen mutual understanding with our stakeholders, including shareholders, investors, patients and their families, medical professionals, local communities, alliance partners, and employees, and to earn the trust of society.

We disclose information in accordance with the Financial Instruments and Exchange Act and the Timely Disclosure Rules stipulated by Tokyo Stock Exchange, Inc. We actively disclose information that we believe is useful for understanding the Group, such as management strategies, business performance, financial conditions, and capital policies. We also disclose information in English, which is in high demand from overseas investors. In addition, we hold briefings for analysts and institutional investors after the announcement of financial results for the second and fourth quarters of the fiscal year, and, in order to promote constructive dialogue with shareholders, institutional investors, and individual investors, the officer in charge oversees all aspects of dialogue and works to enhance the channels for dialogue.

To ensure fairness in the disclosure of information, the period from the business day following the date of settlement of accounts to the date of announcement of financial results is a quiet period, during which we refrain from commenting on or responding to inquiries regarding financial results and forecasts. We also strive to prevent information leaks and appropriately manage insider information.

• Information Subject to Disclosure

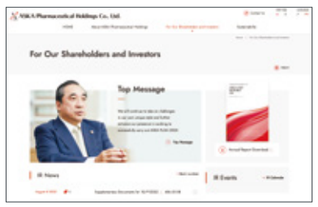
Disclosure based on the Financial Instruments and Exchange Act	Annual securities reports, quarterly securities reports, internal control reports, extraordinary reports, etc.
Disclosure based on the Companies Act of Japan	Business reports, financial statements, consolidated financial statements, etc.
Disclosure required by Tokyo Stock Exchange, Inc.	Information for timely disclosure, factual information on decisions and occurrences required to be disclosed in a timely fashion by the Tokyo Stock Exchange, corporate governance reports, etc.

• Other Information Disclosure

IR-related disclosure materials	Financial results presentation materials, supplementary documents of financial results, etc.
IR-related publications	Shareholder newsletters, integrated reports, etc.

Websites

IR Site (Shareholders and Investors)
https://www.aska-pharma-hd.co.jp/english/invest/



Health Lab Mint⁺ for Women's health (Japanese only)
https://www.aska-pharma.co.jp/mint/



ASKA Pharmaceutical Co., Ltd.
https://www.aska-pharma.co.jp/english/



ASKA Animal Health Co., Ltd. (Japanese only)
https://www.aska-animal.co.jp/



ASKA Pharma Medical Co., Ltd. (Japanese only)
https://www.ap-med.co.jp/



External Evaluation Related to ESG

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

Company Information/Shareholder Information

(As of March 31, 2022)

Company Information

Company name	ASKA Pharmaceutical Holdings Co., Ltd.
Founded	April 1, 2021
Capital	¥1,197.9 million
Number of employees	777 (Consolidated)
Representative	Takashi Yamaguchi President, Member of the Board of Directors, Representative Director
Address	5-1 Shibaura 2-chome, Minato-ku, Tokyo 108-8532
Businesses	Business management of Group companies and related operations
Group companies	ASKA Pharmaceutical Co., Ltd. ASKA Animal Health Co., Ltd. ASKA Pharma Medical Co., Ltd.
Equity-method affiliates	Ha Tay Pharmaceutical Joint Stock Company (Vietnam) Japan Glass Industry Co., Ltd. One other company

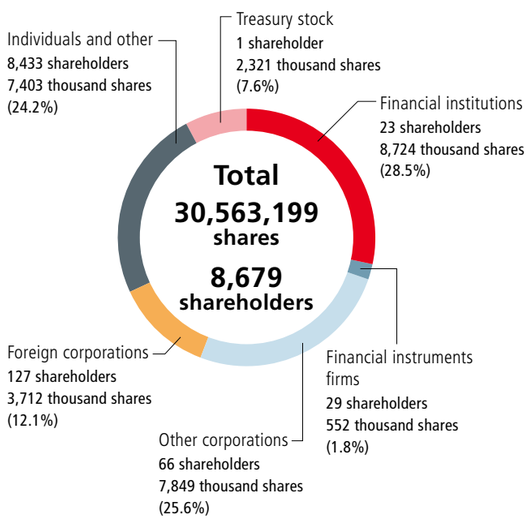
Shareholder Information

• Status of Shares

Shares Issued
30,563,199

Number of Shareholders
8,679

• Distribution of Shares



Note: The total does not add up to 100% because shareholdings are rounded down to the nearest thousand.

• Top 10 Shareholders

Name of shareholder	Number of shares held (thousands)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,240	11.47
Takeda Pharmaceutical Company Limited	2,204	7.80
Zeria Pharmaceutical Co., Ltd.	1,798	6.36
MUFG Bank, Ltd.	1,100	3.89
Takashi Yamaguchi	882	3.12
Custody Bank of Japan, Ltd. (Trust Account)	822	2.91
Kabushiki Kaisha YAMAGUCHI	579	2.05
Aioi Nissay Dowa Insurance Co., Ltd.	530	1.87
Nippon Life Insurance Company	522	1.85
The Toa Reinsurance Company, Limited	500	1.77

Notes:
1. The Company holds 2,321,356 shares as treasury stock, which are not included in the list of major shareholders.
2. Shareholding ratio is based on the number of shares less treasury shares (2,321,356 shares).
3. Treasury shares (2,321,356 shares) do not include 58,500 shares held by The Master Trust Bank of Japan (Employee Stockholding ESOP Trust Account No. 76,361).

ASKA Pharmaceutical Holdings Co., Ltd.

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We adopted the "waterless printing method," which reduces the amount of waste liquid and use of harmful substances.

October 2022