ASKA Pharmaceutical Co., Ltd.

ASKA REPORT 2018

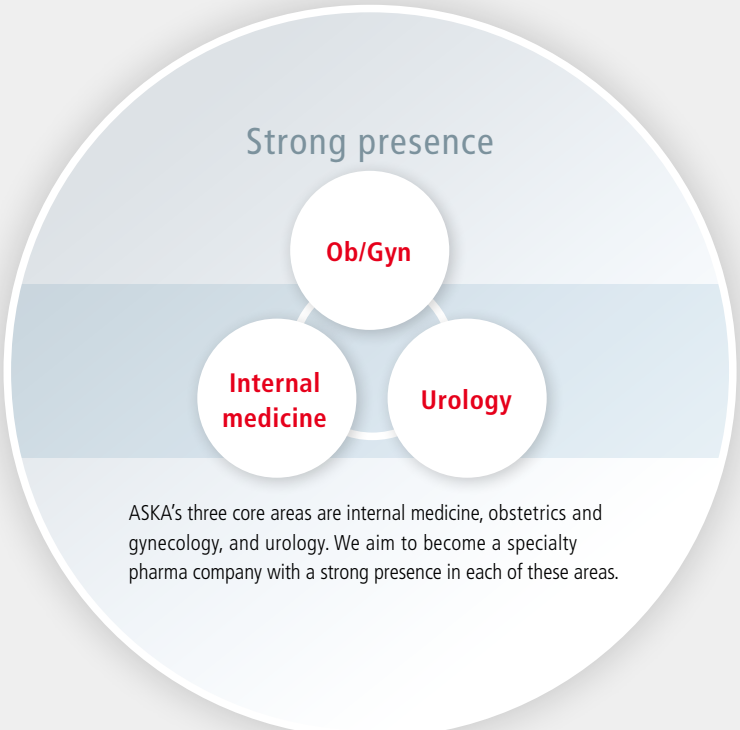
April 1, 2017 ▸ March 31, 2018
ASKA Pharmaceutical Co., Ltd.



ASKA's Goal

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

ASKA aims to realize its management vision of becoming a highly competitive specialty pharma company. As we approach our centenary in 2020, we are moving forward with ASKA PLAN 2020, a five-year business plan that began in the fiscal year ended March 31, 2017 (FY2016), to become a company with a strong presence. Amid diversification of medical needs and increasing societal expectations for medical care, we are concentrating our business resources in our three core areas of internal medicine, obstetrics and gynecology (Ob/Gyn), and urology. Moreover, to further elevate quality as a specialty pharma company, we are redoubling our efforts in drug discovery and strengthening our next-generation strategies and drug pipeline. We will continue to fulfill our responsibilities as a company connected to people's lives.



ASKA's three core areas are internal medicine, obstetrics and gynecology, and urology. We aim to become a specialty pharma company with a strong presence in each of these areas.



New drugs and generic pharmaceuticals

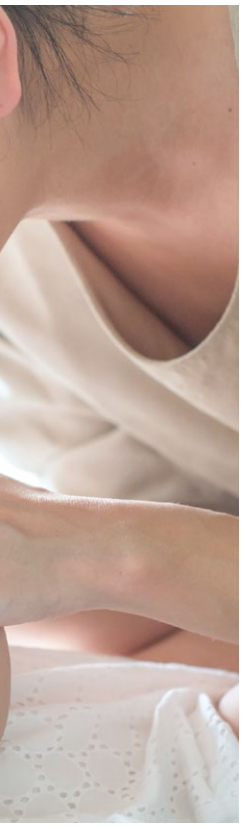
Ratio of original drugs to generics

Original drugs	:	Generics
36%		64%

Generic pharmaceuticals currently account for a large proportion of our product lineup. However, our policy going forward will be to enhance our innovative R&D to increase the ratio of new drugs.



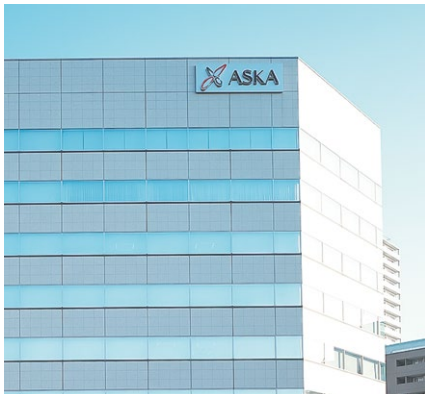




ASKA's DNA

Continuously connecting with people (solidarity) and with society (trust) for 100 years

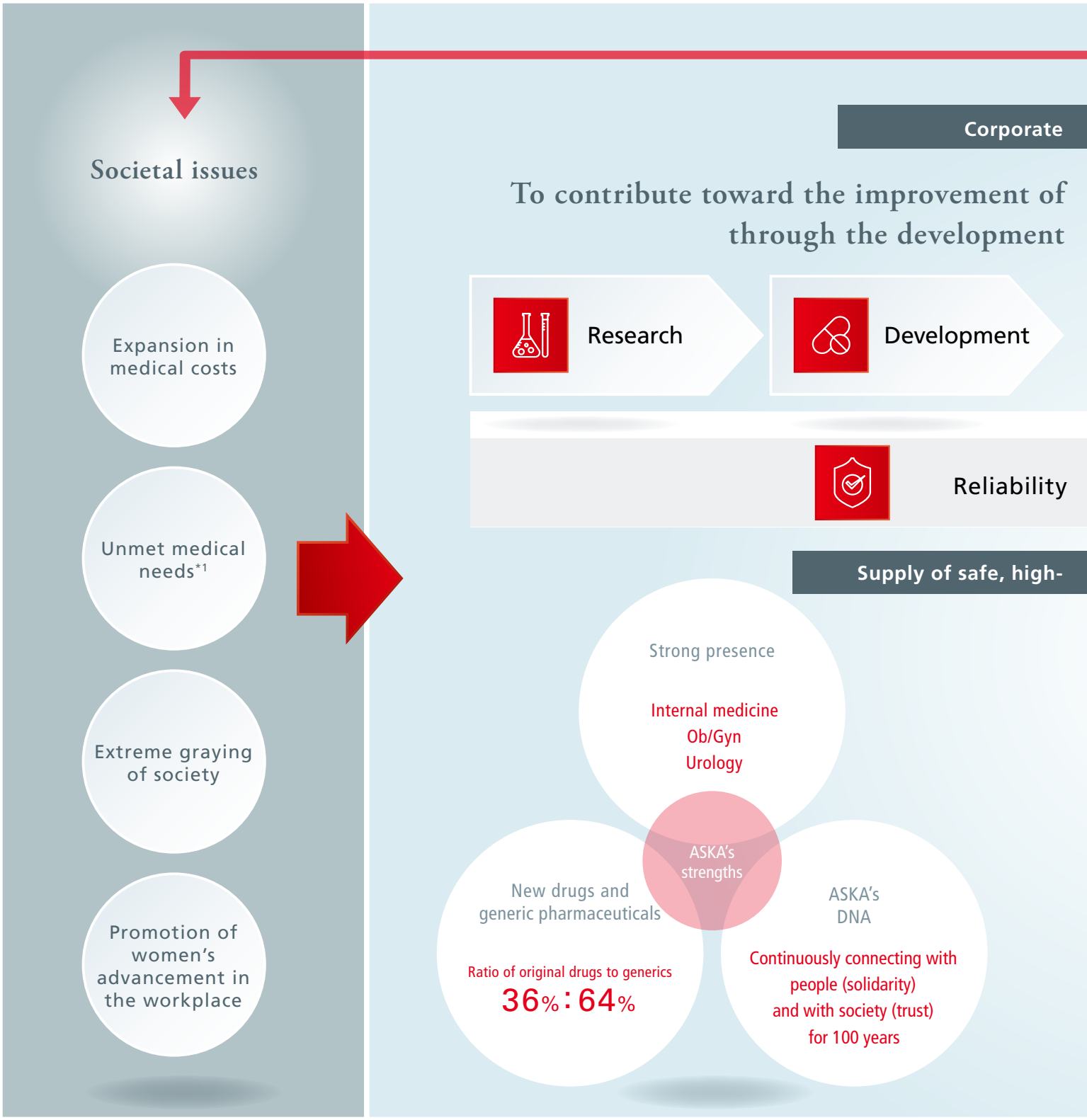
The constant desire of every employee to help make a better society by contributing to people's health and medical needs has supported us in the 100 years since our founding.





ASKA's Business Model

As part of its focus on business activities in the three core areas of internal medicine, obstetrics and gynecology (Ob/Gyn), and urology, ASKA develops and supplies generic pharmaceuticals that meet the needs of the times. We aim to become a highly competitive specialty pharma company and to help solve the societal issues that face the pharmaceutical industry.



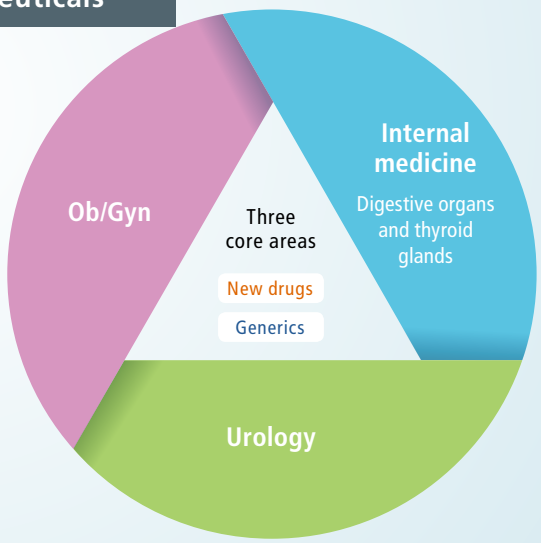
philosophy

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

Production → Sales

assurance

quality pharmaceuticals



- Strong presence in specialized areas
- Improvement of women's quality of life
- Development of orphan drugs*2
- Supply of authorized generics

Value creation

- Supplying high-quality pharmaceuticals
- Eliminating drug lag
- Contributing to longer healthy lives
- Advancing and promoting scientific techniques
- Contributing to community medicine
- Contributing to social advancement for women

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



We will push ahead with ASKA PLAN 2020 to further enhance our presence in our three core areas.

Takashi Yamaguchi
President, Representative Director

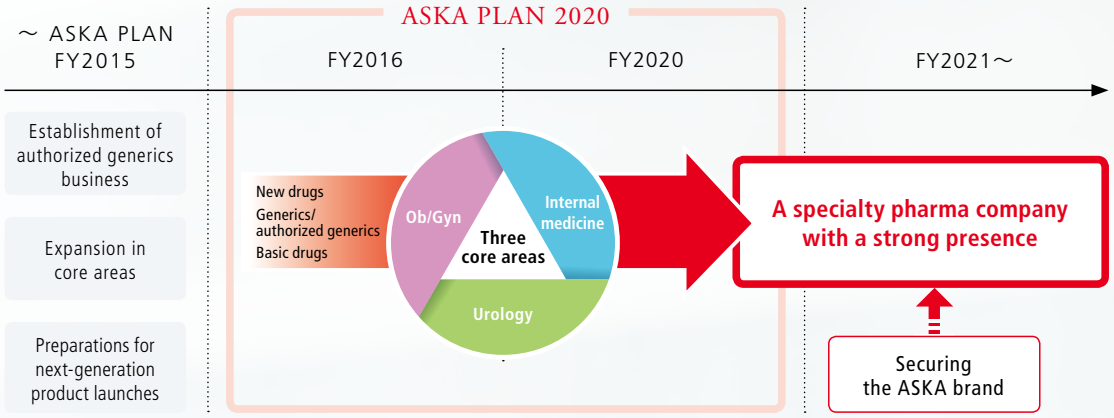
Becoming a Specialty Pharma Company with a Strong Presence

We provide pharmaceuticals with value to society, centered on three core areas.

ASKA is carrying out ASKA PLAN 2020, a medium-term business plan for the five years to FY2020. We believe that steadily achieving the targets set forth in this plan will lead to ASKA becoming a specialty pharma company with a strong presence.

Internal medicine, obstetrics and gynecology (Ob/Gyn), and urology are the three core areas in which ASKA provides drugs that help improve quality of life. We also provide medicines for rare diseases currently without adequate treatment. We particularly focus on support for women's health and have created a strong presence in obstetrics and gynecology by meeting a wide range of medical needs related to conditions specific to women—infertility, contraception and other areas. In the area of internal medicine, in addition to treatments for thyroid disease, where we have a domestic market share of more than 90%, we are working to provide highly specialized and specific pharmaceuticals. This includes the launch of Rifxima for hepatic encephalopathy, a disease with unmet medical needs. These activities are rooted in the fields of endocrinology and sex hormones, which have been strengths since our founding

ASKA PLAN 2020 Summary



Goals
Numerical targets (Consolidated)

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

Positioning

Emerging as a specialty pharma company and establishing the foundations for sustained growth

Company principles
Company-wide policy: Four key challenges

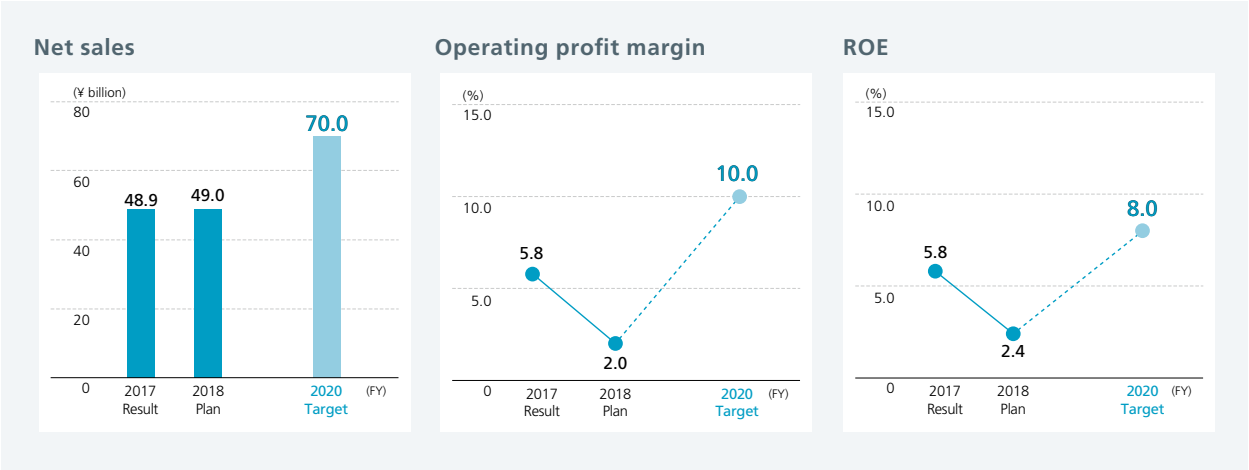
1. **Strengthening the new drug business, particularly by restructuring drug discovery functions**
   - Boosting functionality by separating and reworking drug discovery and development functions
   - Expanding the development pipeline through open innovation and in-licensing
2. **Raising product value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

as a specialty pharma company. Although these core areas are specialized (niche markets), in my experience, ASKA's unique proximity to the medical frontline leads to trust from medical professionals. They see us as a partner that is able to provide a steady supply of pharmaceuticals due to the establishment of this close relationship. In this way, we are able to resolve medical needs by focusing on the areas that large pharmaceutical companies do not address. This leads to a stronger presence for ASKA.

Having the self-confidence to turn failures into stepping stones for success is essential. Moreover, this era requires robust internal and external networks.

ASKA PLAN 2020 positions us for emerging as a specialty pharma company and establishing the foundations for sustained growth. Both are themes related to enhancing our presence, and strengthening our new drug business in particular is a key challenge for achieving growth. In new drug development, we must prepare for a variety of assumed risks. Achieving a higher level of accuracy in every process from market research to R&D is essential. The challenge of developing new drugs sometimes includes failure. Nevertheless, I hope that our employees will not fear failure. I believe that

Numerical targets of ASKA PLAN 2020



success that arises from failure will instill self-confidence in all employees. This in turn will lead to our emergence as a specialty pharma company and our sustainable growth.

I am also aware of the importance of having robust internal and external networks. Open innovation is currently a key concept in various fields, and this is an era in which it is essential to build strategies for collaboration with outside organizations. It is also important to abandon the previously held idea of self-sufficiency in research and development, production, and sales. At ASKA, Rifxima is a good example. We are using our networks to maximize the value of this new drug, with all internal departments working together as we steadily make advances in cooperation with external parties.

Progress of ASKA PLAN 2020

Raising our ability to respond to environmental changes and moving ASKA to the next level will be crucial.

The progress of ASKA PLAN 2020 has been generally smooth, and we achieved record-high sales for the second consecutive year. During FY2017, an authorized generic version of Candesartan "Aska" and generics such as Leuprorelin "Aska" performed well. Sales of Rifxima also increased markedly after restrictions on the prescription period were lifted in December 2017.

As part of efforts to reinforce our external networks, we started a partnership program with a drug development fund to advance CDB-2914 (Ulipristal) to phase III trials for uterine myoma. We also began co-promotion of Rapid SP Chlamydia, an in vitro diagnostic from DS Pharma Biomedical Co., Ltd.

However, sales fell slightly short of our target due to the April 2018 revision of National Health Insurance (NHI) drug prices. Clearly, our operating environment, including the drug pricing system, has been changing at a substantially faster rate than we envisioned when creating our medium-term business plan. This necessitates careful examination of the plan's numerical targets. The critical element of ASKA PLAN 2020 is to put in place the appropriate conditions for becoming a specialty pharma company with a strong presence and to move ASKA to the next level. To that end, strengthening our ability to respond to environmental changes will be an issue in the future.

The key to organizational development is letting employees who have proven themselves take on challenges.

In FY2017, the entire company had the chance to be part of a new product rollout with the goal of maximizing the value of Rifxima. Many employees gained vital experience through this process. Every year, I visit all our offices to explain management policies and engage in discussions, so I felt the change in our employees first hand. Many employees told me they understood the direction we are taking and want to play their part. I was also asked more in-depth questions about our management policies than usual. One of the company-wide policies of ASKA PLAN 2020 is to provide opportunities for employees to grow and develop their abilities. Now that we are seeing results in terms of employee growth, I believe it is important to reduce the distance between management and the frontline. I want to give people on the frontline the freedom to make decisions and respond quickly. Raising these issues now in human resource development is likely to lead to a proactive approach to taking on new challenges. In making decisions on the frontline, employees must consider issues from different perspectives and try new approaches. I believe the key to the growth of an organization is creating a culture of taking on challenges.

FY2018 and Beyond

We will devote ourselves to maximizing the value of Rifxima. Support for women's health will be another important theme.

In FY2018, we will fully devote ourselves to maximizing the value of Rifxima. Through our ongoing efforts to raise awareness and provide information, we aim to earn a reputation for Rifxima that will make it a first-line treatment. We have also started a phase I trial for the additional indication of Crohn's disease.

Furthermore, we will continue to make support for women's health a core theme amid the Japanese government's promotion of women's health. In the area of obstetrics and gynecology, based on our comprehensive business alliance with Nobelpharma Co., Ltd., we received approval in July 2018 for Jemina for dysmenorrhea and will conduct co-promotion. In addition, in May 2018 Takeda Pharmaceutical Company Limited granted us exclusive commercialization rights to TAK-385 (Relugolix) for the treatment of uterine myoma and exclusive development and commercialization rights for its use in the treatment of endometriosis. With these and other projects, we will continue to focus on launching a wide range of new products in the area of obstetrics and gynecology.

We will also enhance our presence in the field of thyroid disease, where women account for seventy to eighty percent of patients. Our efforts will center on Thyradin, which has a solid track record.

Meanwhile, in the area of urology, where our product pipeline has been inadequate, a phase I trial of in-house product AKP-009 for prostatic hyperplasia has started.



This gives us a pipeline with development candidates in all three of our core areas of internal medicine, obstetrics and gynecology, and urology.

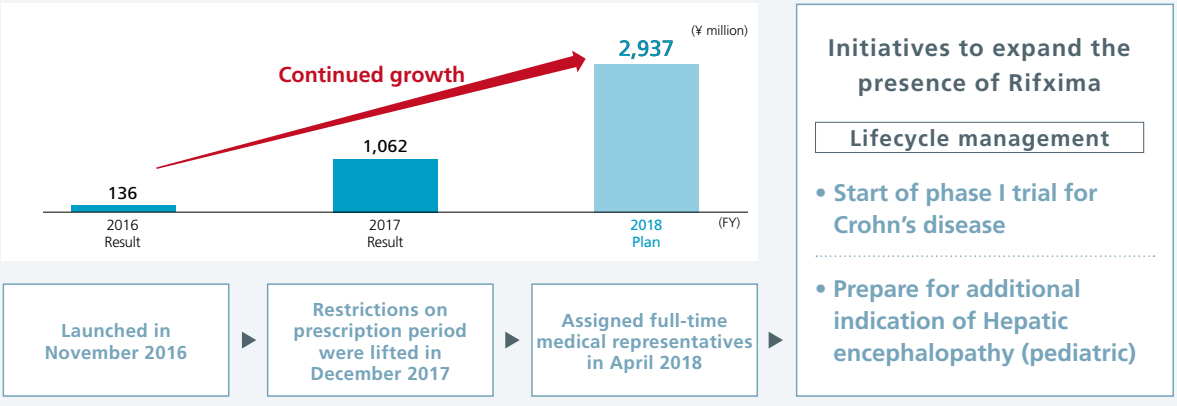
The pharmaceutical business will remain the driving force of ASKA PLAN 2020 in FY2018. However, we also plan to further develop our healthcare business, which handles health foods, as part of our efforts to deal with NHI drug price revisions and other changes we face in our operating environment.

We will use our centenary as an opportunity to accelerate our efforts to take on new challenges and establish a network for global expansion.

We are drawing close to our centenary in 2020, but we are looking ahead to the next hundred years as we aim not merely to expand the scale of our earnings but to become a company that is essential to society. We will accomplish this by creating pharmaceuticals with true value. In addition to the quality of our products, I want to maintain a high level of quality as a company. I believe that such a stance is the source of corporate value.

We are about to reach our hundredth year through continued hard work and the results that follow. This corporate culture will not change. However, that culture has always been about

Maximizing the value of Rifxima



more than just routine work. Even at the time of its founding, ASKA was a venture company aiming to create new drugs. That is why I want us to use our centenary as an opportunity to take on more new challenges.

One such challenge will be replenishing our pipeline. We constantly create products in-house, and out-licensing them is also a forward-looking strategy.

We also aim to enter a phase of full-scale global expansion. In April 2018, we decided to establish a pharmaceutical manufacturing company in India as a joint venture with Omnicare Drugs India Private Limited, a subsidiary of neopharma LLC of the United Arab Emirates. The joint venture is scheduled to begin operation of a factory in 2020. The ability to provide high-quality pharmaceuticals at a low cost is an advantage we expect to make the most of in the future. As we make our foundation in Japan more secure, we will continue to build a global network.

Message to Stakeholders

We will use our wealth of resources to create new value suitable for this era.

Our history of nearly a century gives us a wealth of resources. Can we deploy new technologies on long-selling drugs for product renewals in tune with the times? Can we use current technologies to overcome problems that were insurmountable in the past? By taking a fresh look at our wealth of resources and making use of the assets we have built up, I am convinced that we will be able to create new value.

In recent years, I feel that we have raised recognition of ASKA by continuing to take on new challenges. Nothing could make me happier. In addition, I consider it important to have a management policy that strives for highly transparent management and that fully demonstrates our internal resources to others. Putting ourselves out there and disseminating information will increase the number of alliance partners and broaden our diverse networks. As I mentioned earlier, we will maintain awareness of open innovation in all departments without stubbornly adhering to the idea of self-sufficiency.

Under ASKA PLAN 2020, we will continue boldly moving forward with the aim of becoming a specialty pharma company with a strong presence. We ask all our stakeholders for their continued understanding and support.



Based on its corporate philosophy, ASKA works for ongoing growth for the Group as a whole and contribution to society. As a trusted company, we will increase profitability through sound business activities and fulfill our social responsibilities as a good corporate citizen.

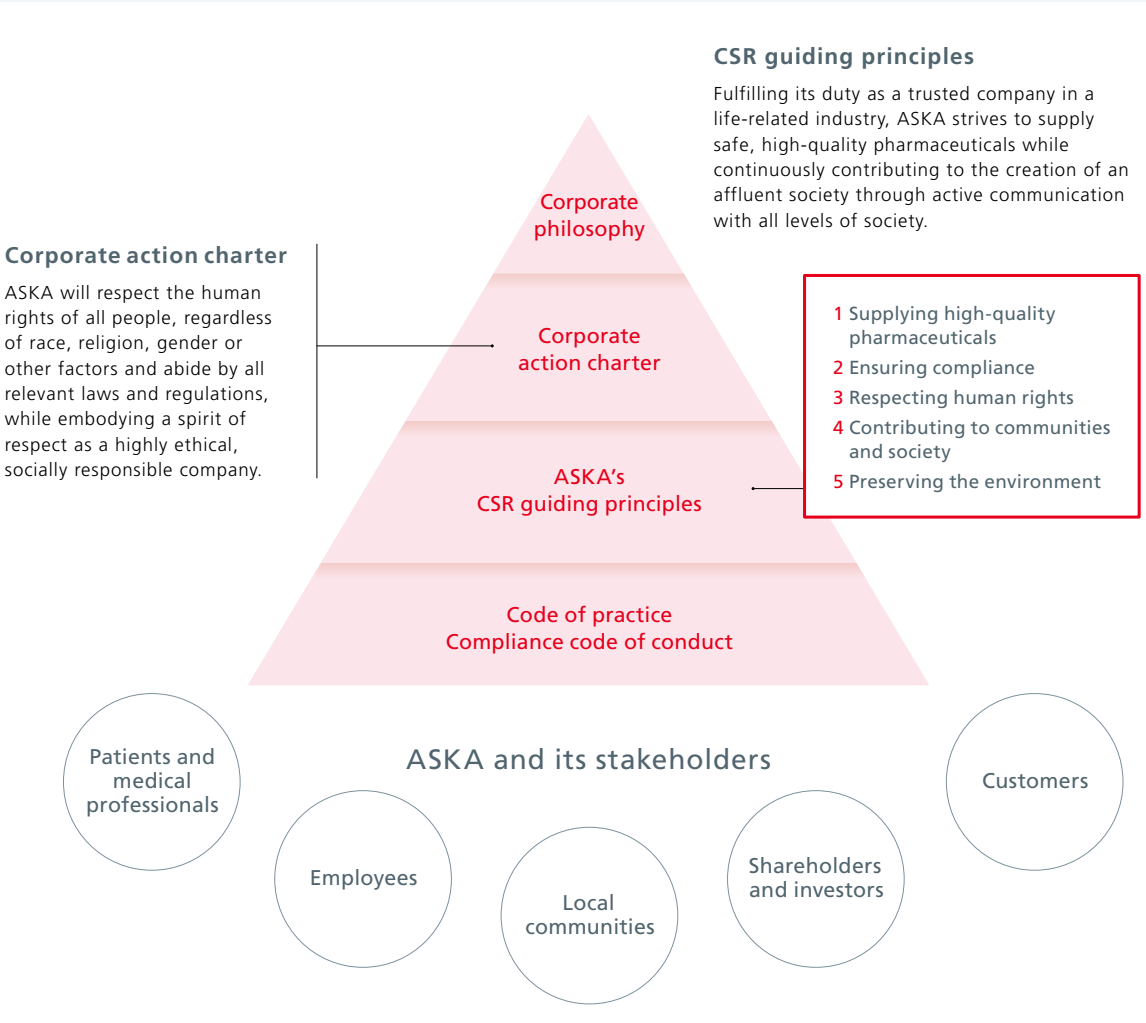
Corporate philosophy

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

Corporate message

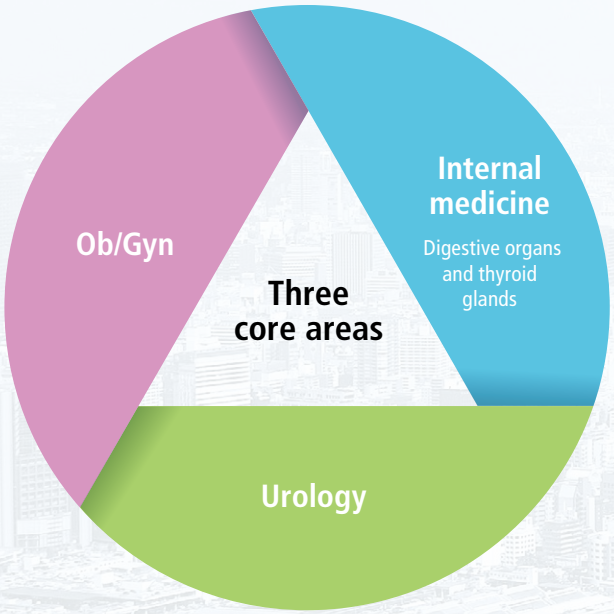
Life with ASKA

Shared philosophy



Sales

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



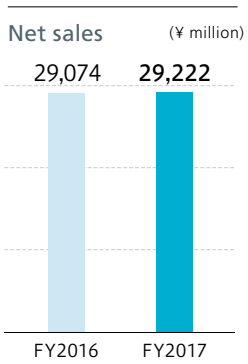
New drugs

Generics

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

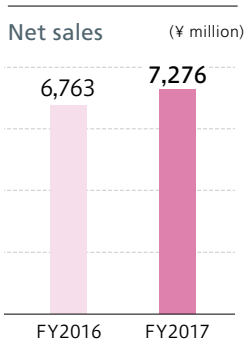
Internal medicine

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



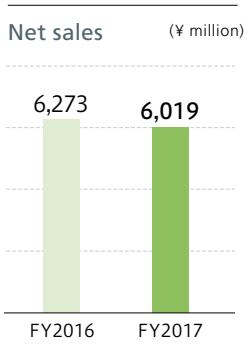
Ob/Gyn

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



Urology

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



Products

Poorly absorbable rifamycin antibacterial
Rifxima® tablets



¥1,062 million

Hypertension treatment
Candesartan tablets "Aska"



¥13,226 million*

* Including formulations containing Candesartan

Hypothyroidism treatment
Thyradin®-S tablets



¥4,912 million

Low-dose oral contraceptive
Ange® 21 tablets, 28 tablets



¥894 million

Emergency contraceptive
Norlevo®



¥1,208 million

Estradiol/
Norethisterone acetate
Menoaid® Combipatch



¥736 million

Progesterone
Luteum® vaginal suppository



¥416 million

Endometriosis/
prostate cancer treatment
Leuprorelin acetate for injection kit "Aska"



¥4,164 million

Prostate cancer treatment
Bicalutamide tablets "Aska," OD tablets "Aska"



¥1,576 million

Prostate cancer, Benign prostatic hyperplasia treatment
Prostal® tablets, Prostal®-L tablets



¥710 million

ASKA's Business Activities

	Vision for the future	Main initiatives
 Sales	Maximize product value by building a structure for collecting and providing highly specialized information as a specialty pharma company.	• Implementation of plans to maximize product value (Key product: Rifxima) • Transition to an area-specific structure with a high degree of autonomy followed by rapid implementation
 Production	Ensure thorough production management, production process quality control, and staff training as well as the quality, efficacy, safety, and reliability of pharmaceuticals through compliance with GMP and PIC/S and internal standards.	• Follow-through on additional indications and stable supply structure for Rifxima • Reduction of manufacturing costs and elimination of non-performing assets • Upgrade of factory configuration for manufacturing industry license renewal
 Development	Deliver useful drugs to patients as fast as possible through efficient clinical trials of drugs developed in-house or licensed from other companies and lifecycle management that involves finding additional indications for existing drugs, with the cooperation of medical professionals and partner companies.	• Development of new drugs • Lifecycle management of existing products • Development of generic drugs • Cooperation in clinical research
 Research	Expand the R&D pipeline by creating original products from innovative ideas and take them to the next stage through clinical trials.	• Generation of promising ideas for innovative drugs and search for target molecules • Screening of compounds based on identified target molecules
 Reliability assurance	Build a system for reliability assurance that is responsive to globalization and increasingly more sophisticated regulatory standards for pharmaceuticals.	• Maximization of the value of Rifxima by ensuring the quality and safety of all pharmaceuticals • Promotion of regular management reviews to continuously improve product quality

FY2017 results

• Improvement of product recognition and customer satisfaction by fostering and deploying staff with a high level of expertise	• Initiatives for Rifxima Approximately 2,810 briefings for medical institutions Sales: ¥1,062 million • Productivity per medical representative: ¥165.3 million/year • Training hours per medical representative: 78.5 hours/year
• Timely supply of active pharmaceutical ingredients and investigational drugs required for development • Maintenance of stable supply in the event of a disaster	• Shipped Rifxima on schedule after restrictions on prescription period were lifted • Made progress in automation and increasing speed of manufacturing equipment • Worked toward introducing an advanced cross-contamination prevention structure at factories • Completed introduction of microelectromechanical, laboratory information management and quality assurance systems linked to enterprise resource planning (ERP) system at the head office • Made progress toward ensuring commercialization of next-generation products • Expanded storage and shipping system through the addition of an external distribution warehouse
• Domestic alliance activities • In-licensing drug candidates from overseas	• Completed preparations for clinical trials for an additional indication for Rifxima • Started phase III trials for CDB-2914 • Formed alliances with overseas companies and moved ahead with preparations for studies in Asia
• Selection of compounds for development and consideration of development strategy • Execution of nonclinical tests and progression to clinical trial stage	• Moved AKP-009, a drug in the urology area from in-house development, to clinical trials • Narrowed down promising development compounds as new treatments in the urology area • Started initiatives focused on male hormone-originated disorders • Conducted research activities toward out-licensing of products from in-house development • Made necessary changes in nonclinical areas to evaluate licensed products and receive production approval • Addressed regulations such as GLP and investigational drug GMP • Promoted joint research with academia to examine innovative ideas
• Steady implementation of a risk management plans (RMPs) to ensure the safety of new drugs • Continued strengthening of quality assurance system and safety monitoring system	• Conducted a postmarketing study of all cases to help maximize the value of Rifxima • Appropriately operated a product quality system to ensure the quality of our pharmaceuticals and promote quality improvements • Promoted RMPs for new drugs and collected and evaluated safety information on our pharmaceuticals to ensure their safety • Appropriately implemented drug consultation services to support appropriate usage by patients and medical professionals

10-year Summary (Consolidated)

	FY2017	FY2016	FY2015
Results (¥ million)			
Net sales	48,944	48,527	43,215
Cost of sales	30,059	29,614	26,072
Selling, general and administrative expenses	16,060	17,119	15,861*1
Operating profit	2,824	1,793	1,283*2
Ordinary profit	3,073	2,002	1,522
Profit (loss) attributable to owners of parent	2,388	2,944	701
Research and development expenses	4,055	4,970	4,174
Capital expenditure	634	587	2,155
Depreciation and amortization	2,324	2,447	1,969
Financial position (¥ million)			
Total assets	66,235	66,126	57,478
Total net assets	42,559	39,511	35,961
Interest-bearing debt	2,950	3,700	5,708
Cash flow (¥ million)			
Cash flows from operating activities	76	12,063	(1,349)
Cash flows from investing activities	(3,348)	(378)	(6,776)
Cash flows from financing activities	(1,142)	(2,384)	4,013
Cash and cash equivalents at end of year	10,346	14,761	5,462
Per-share data (¥)			
Earnings per share	84.80	105.39	25.15
Book value per share	1,509.70	1,413.51	1,287.76
Dividend per share	14	14	14
Financial indicators (%)			
Ratio of cost of sales to net sales	61.42	61.03	60.33
Ratio of selling, general and administrative expenses to net sales	32.81	35.28	36.70
Operating profit margin	5.77	3.69	2.97
Shareholders' equity to total assets	64.3	59.8	62.6
ROA	3.61	4.76	1.21
ROE	5.82	7.80	1.90
Payout ratio	16.5	13.3	55.7
Other			
Number of employees	856	862	872
Total number of shares issued (thousand shares)	30,563	30,563	30,563

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

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

FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008
42,907	39,501	40,963	40,637	45,849	35,784	30,422
25,717	22,431	23,047	22,624	24,564	16,646	11,241
15,767	16,353	16,847	17,078	17,787	18,722	18,117
1,425	716	1,061	935	3,496	419	1,064
1,722	1,031	1,336	1,224	3,661	654	1,377
1,193	495	1,114	7	(790)	93	600
4,025	4,144	4,269	3,865	4,413	5,083	4,599
2,106	1,945	802	931	1,015	901	4,248
1,709	2,355	2,353	2,612	2,688	1,868	854
58,933	51,269	51,770	49,326	57,595	53,239	50,801
36,577	33,941	33,350	31,818	32,202	33,198	33,109
1,366	1,557	1,782	1,340	5,259	3,190	1,073
5,710	2,616	3,869	(2,514)	3,558	2,665	(214)
(1,897)	(2,301)	(1,484)	(37)	(3,575)	(4,817)	(2,247)
(557)	(574)	124	(4,470)	1,673	1,811	(529)
9,574	6,318	6,578	4,068	11,090	9,434	9,774
42.89	17.85	40.27	0.27	(28.05)	3.32	21.30
1,313.20	1,219.32	1,202.59	1,152.99	1,143.39	1,176.25	1,175.32
14	14	14	14	14	14	12
59.94	56.79	56.26	55.67	53.63	46.75	37.28
36.75	41.40	41.13	42.03	38.85	52.34	59.52
3.32	1.81	2.59	2.30	7.52	0.93	3.21
62.1	66.1	64.4	64.5	55.9	62.2	65.2
2.17	0.96	2.20	0.01	—	0.58	1.13
3.39	1.47	3.42	0.02	—	0.28	1.79
32.6	78.4	34.8	5,051.8	—	421.7	65.7
862	886	897	888	930	1,053	1,042
30,563	30,563	30,563	30,563	30,563	30,563	30,563

Company Overview

Company name	ASKA Pharmaceutical Co., Ltd.
Founded	June 16, 1920
Established	June 28, 1929
Capital	¥1,197.9 million
Number of employees	786 (Non-consolidated) 856 (Consolidated) (As of March 31, 2018)
Representative	Takashi Yamaguchi President, Representative Director
Address	5-1 Shibaura 2-chome, Minato-ku, Tokyo 108-8532
Businesses	Manufacture, sale and import/export, etc. of pharmaceuticals, veterinary medicines, quasi-drugs, foods, and medical devices
Main locations	Kawasaki Institute (Kawasaki City, Kanagawa Prefecture), Iwaki Factory (Iwaki City, Fukushima Prefecture), Sapporo Sales Office, Sendai Sales Office, Koriyama Sales Office, Tokyo Sales Office, Yokohama Sales Office, Saitama Sales Office, Chiba Sales Office, Utsunomiya Sales Office, Niigata Sales Office, Matsumoto Sales Office, Kanazawa Sales Office, Nagoya Sales Office, Shizuoka Sales Office, Kyoto Sales Office, Osaka Sales Office, Kobe Sales Office, Takamatsu Sales Office, Hiroshima Sales Office, Fukuoka Sales Office, Kumamoto Sales Office, International Representative Office



Head office of ASKA Pharmaceutical Co., Ltd.



Kawasaki Institute



Iwaki Factory

Executives (As of June 28, 2018)

Directors

Takashi Yamaguchi	President, Representative Director
Atsushi Maruo	Executive Director
Kazuhiko Kato	Managing Director
Yuichiro Fukui	Director, Executive Corporate Officer
Sota Yamaguchi	Director, Executive Corporate Officer
Ikuo Kumano	Director, Executive Corporate Officer
Eiji Ueda	Director (Outside)
Yasunori Yoshimura	Director (Outside)
Michizo Yamanaka	Director (Outside)

Corporate Auditors

Morinobu Saito	Standing Corporate Auditor
Satoshi Komatsu	Standing Corporate Auditor
Eiichi Oriki	Corporate Auditor (Outside)
Takao Kimura	Corporate Auditor (Outside)

Corporate Officers

Makoto Murakami	In charge of quality and safety assurance; Project Manager, 100th Anniversary Project
Koichi Hasumi	In charge of special appointments (President, Representative Director, ASKA Pharma Medical Co., Ltd.)
Hirokuni Teramoto	In charge of audits, legal affairs, regulatory compliance and special assignments
Takao Nakada	Head, Production Division
Hidehisa Hamasaki	Head, Innovative Drug Discovery Division
Kunihiro Gunji	Head, Development Division; General Manager, Business Development Division
Yoshiki Niwayama	Unit Manager, Healthcare Business Unit
Hideshige Kito	Head, Sales Division

Investor Information

Shares issued
30,563,199

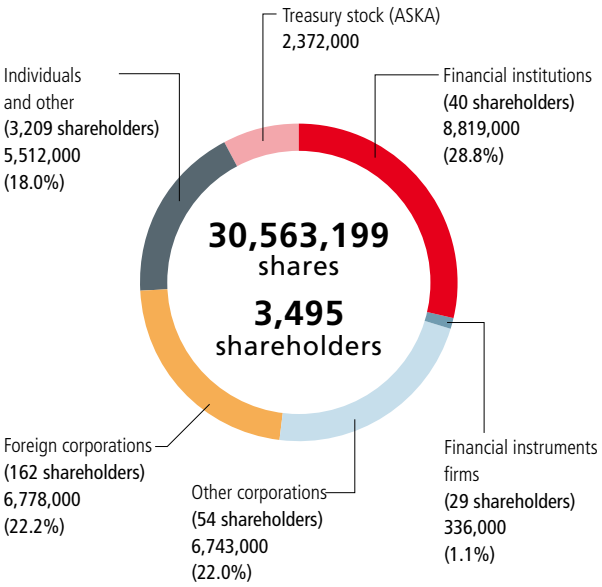
Number of shareholders
3,495

Major Shareholders

Shareholder	Shares owned (Thousands)	Shareholding ratio (%)
Takeda Pharmaceutical Company Limited	2,204	7.8
Japan Trustee Services Bank, Ltd. (Trust Account)	1,495	5.3
Bank of Tokyo-Mitsubishi UFJ	1,100	3.9
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	976	3.4
Takashi Yamaguchi	914	3.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	816	2.8
ASKA Pharmaceutical Employee Shareholders' Association	604	2.1
Yamaguchi Co., Ltd.	556	1.9
Aioi Nissay Dowa Insurance Co., Ltd.	530	1.8
Nippon Life Insurance Company	522	1.8

1. The company holds 2,372,342 shares as treasury stock, which are not included in the list of major shareholders.
2. Shareholding ratio is based on the number of shares exclusive of treasury stock.

Distribution of Shares



Dividend Policy

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

ASKA Pharmaceutical Co., Ltd.