

Hisamitsu Pharmaceutical Co., Inc.

Q1 FY02/2022 Results

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in material circumstances.

Hisamitsu Pharmaceutical Co., Inc.

Jul. 8th, 2021

Agenda

- 1.Looking back on the Q1 FY02/2022**
- 2.Promotion of ESG**
- 3.Consolidated P&L**
- 4.Sales Results by Region**
- 5.Sales Results by Product**
- 6.Trends of 2nd-generation non-steroidal anti-inflammatory patch in Japan**
- 7.R&D Pipeline**

1. Looking back on the Q1 FY02/2022(1)

<p>Rx Business</p>	<p>Mar. • Approval for manufacturing and marketing approval of ZICTHORU® Tapes for “cancer pain” in Japan. (Transdermal, pain treatment NSAID patch, development code: HP-3150)</p> <p>Apr. • Results of the Phase III clinical study of HP-5070 in Japan. (Primary palmar hyperhidrosis treatment drug)</p> <p>May • Marketing of ZICTHORU® Tapes for “cancer pain” in Japan. (Transdermal, pain treatment NSAID patch)</p>
<p>OTC Business</p>	<p>Mar. • Renovation of Feitas® 5.0 “Hot Type and Large Size”.</p>
<p>Others</p>	<p>Mar. • Establishment the ecology mark and the website regarding “HELLO! Eco!”.</p> <p>Apr. • Donation to Japanese Olympic Committee (JOC) and Japanese Paralympic Committee (JPC).</p> <p>May • Salonpas® named the World’s No. 1 OTC Topical Analgesic Patch Brand for the 5th consecutive years.</p> <p>May • Conclusion of cooperation agreement with Saga prefecture and Saga Sports Association.</p>



1. Looking back on the Q1 FY02/2022(3)



- Size Reduction
- Horizontal: 18mm
 - Vertical: 20mm

Expected benefits of “Ecology and Compact Packaging”
 (Feitas® products)

CO₂ emissions reduction: 3.1t / year
 Waste emissions reduction: 6.9t / year

1. Looking back on the Q1 FY02/2022(4)

Activities in preparation for the Olympic and Paralympic games Tokyo 2020.

Donation to Japanese Olympic Committee (JOC) and Japanese Paralympic Committee (JPC)

“Energize Japan! Hisamitsu original campaign to support Tokyo 2020”
- To deliver the voice of support of applicants -

[Donation]

- 1. Japanese Olympic Committee (JOC)
- 2. Japanese Paralympic Committee (JPC)

[Date]

Mar. 31, 2021

[Amount of money]

¥1,346,300

“Energize Japan! Hisamitsu original campaign to support Tokyo 2020”



“Catalog of donation”



Tsuyoshi Fukui (Leader of the Japanese team, Tokyo 2020 Olympic Games)



Junichi Kawai (Leader of the Japanese team, Tokyo 2020 Paralympic Games)

Hisamitsu original campaign (“Energize Japan! to support Tokyo 2020” (from Nov. 1, 2020 to Jan. 31, 2021)) received 134,630 applications. 1 application was converted into ¥10 and delivered donations.

*These donations will be used for athletes aiming for Tokyo 2020.

Hisamitsu supports the Tokyo 2020 Olympic and Paralympic games as Tokyo 2020 Official Partner (External Pain Relief Products)

1. Looking back on the Q1 FY02/2022(5)

- Salonpas® named the World's No. 1 OTC Topical Analgesic Patch Brand for the 5th consecutive years.
- Naming Hisamitsu Pharmaceutical as the holder of the world's largest share in the corresponding market category for the 4th consecutive years.



Kazuhide Nakatomi (President and CEO of Hisamitsu Pharmaceutical Co., Inc.)

Sean Kreidler (Senior Research Manager of Euromonitor International)

By Euromonitor International

1. Looking back on the Q1 FY02/2022(6)

Conclusion of cooperation agreement with Saga prefecture and Saga Sports Association.
- Promotion of "SAGA sports pyramid design" (SSP design) -



From left side,
Yosuke Sakamoto (Vice Chairman of Saga Sports Association)
Yoshinori Yamaguchi (Governor of Saga Prefecture)
Kazuhide Nakatomi (President and CEO of Hisamitsu Pharmaceutical Co., Inc.)

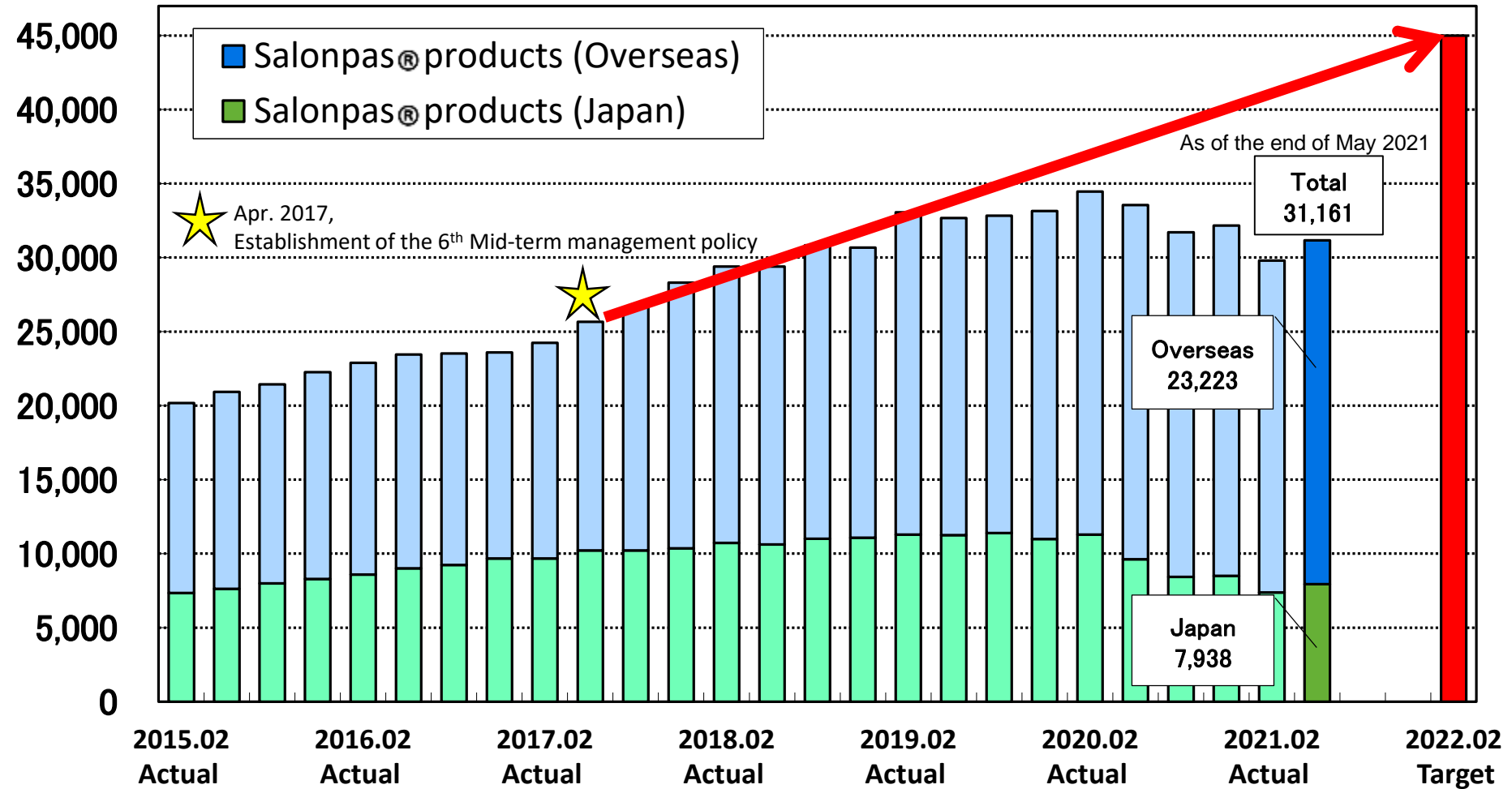
Image of "SAGA sports pyramid design" (SSP design)

1. Looking back on the Q1 FY02/2022(7)

[Sales transition of Salonpas® products]

(MAT: ¥ Million)

Target: Annual sales of 45 billion yen (for FY02/2022)



2. Promotion of ESG(1)

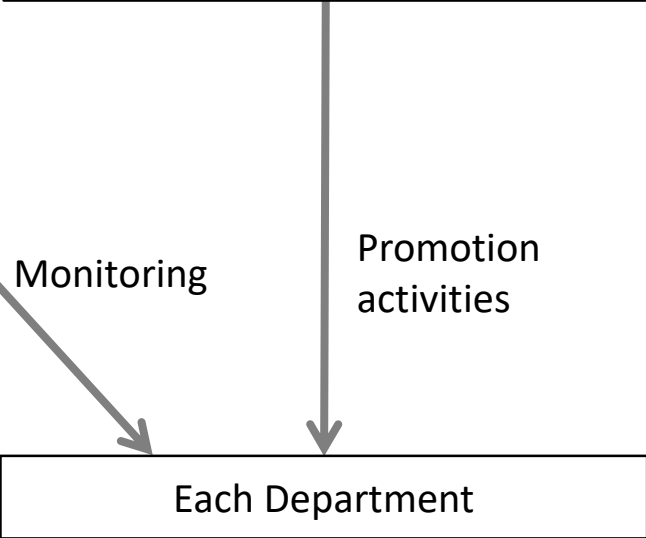
System for Promoting Sustainability

Board of Directors

Inquiry ↓ ↑ Reporting

Sustainability Promotion Committee	
Chairman	Director in charge of Sustainability Promotion Committee
Members	Director, Executive Officer and General Manager of Each Department

Secretariat
(Sustainability Promotion Department)



[Main Deliberation Matter]

- Basic policy and strategy of sustainability
- Identify of materialities
- Setting related to Key Performance Indicator
- Monitoring and modification of the promotion activities

2. Promotion of ESG(2)

Promotion of "HELLO! eco!"

Development to Menoid® CombiPatch (estradiol/norethindrone acetate transdermal system)



[Description]



(1 year)
Paper reduction quantity

0.8t

[Commercial packaging]

Ex. 24 pieces



0.3t

[Packing carton]

Ex. 24 pieces*48 boxes



0.2t

- Annual paper emissions reduction is 1.3t.
- Reduce the CO₂ by disposal efficiency and load capacity efficiency.

3. Consolidated P&L (1) - Comparison with the previous period performance -

Unit:¥ Million

	Actual for FY02/2021 (Q1)	Actual for FY02/2022 (Q1)	Difference	Percentage Change
Net Sales	24,882	27,761	+2,878	+11.6%
COGs	9,672	11,162	+1,489	+15.4%
as a % of Net Sales	38.9%	40.2%		
SG&A Costs	14,132	14,479	+347	+2.5%
Sales Promotion Costs	3,032	3,547	+515	+17.0%
Advertising Costs	2,661	2,670	+9	+0.4%
R&D Costs	2,676	2,586	-90	-3.4%
Others	5,761	5,674	-87	-1.5%
Operating Profits	1,078	2,120	+1,041	+96.6%
Recurring Profits	418	2,855	+2,436	+582.9%
Net Profits	113	2,362	+2,248	+1979.9%
Exchange Rate (JPY/USD)	109.1	107.1		

3. Consolidated P&L (2) – Summary of Profit and Loss -

Unit:¥ Million

	Actual for FY02/2021 (Q1)	Actual for FY02/2022 (Q1)	Difference	Main Factor
Net Sales	24,882	27,761	+2,878	
COGs	9,672	11,162	+1,489	
as a % of Net Sales	38.9%	40.2%		<ul style="list-style-type: none"> • Affected by the drug price revision in Japan. • Change of sales mix.
SG&A Costs	14,132	14,479	+347	
Sales Promotion Costs	3,032	3,547	+515	• Increased due to sales promotion activities.
Advertising Costs	2,661	2,670	+9	
R&D Costs	2,676	2,586	-90	<ul style="list-style-type: none"> • [FY02/2021]Expenses of Phase 3 clinical study of HP-3150 (low back pain). • [FY02/2022]Expenses of Phase 3 clinical study of HP-5000.
Others	5,761	5,674	-87	
Operating Profits	1,078	2,120	+1,041	
Non-Operating Balance	-660	734	+1,395	<ul style="list-style-type: none"> • [FY02/2021]Foreign exchange loss(Indonesia and Brazil). • [FY02/2022]Foreign exchange gain(Japan).
Recurring Profits	418	2,855	+2,436	
Extraordinary Balance	0	630	+629	• Gain on sale of investment securities.
Net Profits	113	2,362	+2,248	

4. Sales Results by Region

Unit:¥ Million

		Actual for FY02/2021 (Q1)	Actual for FY02/2022 (Q1)	Difference	Percentage Change
Net sales		24,882	27,761	+2,878	+11.6%
Rx Business	Japan	12,079	13,180	+1,101	+9.1%
	USA	2,574	2,377	-196	-7.6%
	Other regions	892	909	+17	+2.0%
OTC Business	Japan	3,688	4,891	+1,203	+32.6%
	USA	3,254	3,573	+318	+9.8%
	Other regions	1,737	2,116	+378	+21.8%
Others	Japan	656	712	+55	+8.5%

5. Sales Results by Product (1) – Rx Business -

Unit:¥ Million

	Actual for FY02/2022 (Q1)			Difference			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	16,468	13,180	3,287	+922	+1,101	-179	+5.9%	+9.1%	-5.2%
Fentos® Tape	936	936	-	-94	-94	-	-9.1%	-9.1%	-
Neoxy® Tape	118	118	-	+2	+2	-	+2.1%	+2.1%	-
Abstral®	53	53	-	+4	+4	-	+9.8%	+9.8%	-
Allesaga® Tape	149	149	-	+93	+93	-	+168.2%	+168.2%	-
Haruropi® Tape	798	798	-	+356	+356	-	+80.9%	+80.9%	-
Zicthoru® Tapes	34	34	-	+34	+34	-	-	-	-
Mohrus® Tape	7,689	7,689	-	+143	+161	-17	+1.9%	+2.1%	-100.0%
Mohrus® Pap	1,185	1,185	-	+56	+56	-	+5.0%	+5.0%	-
Others	2,051	1,942	109	+239	+438	-199	+15.1%	+29.1%	-64.5%
Minivelle® products	517	-	517	-100	-	-100	-16.2%	-	-16.2%
Vivelle-Dot® products	1,067	-	1,067	+176	-	+176	+19.8%	-	+19.8%
CombiPatch® products	1,103	272	830	-56	+47	-103	-4.9%	+21.1%	-11.1%
Daytrana®	691	-	691	+59	-	+59	+9.5%	-	+9.5%
Secuado®	70	-	70	+8	-	+8	+13.3%	-	+13.3%

5. Sales Results by Product (2) – OTC Business -

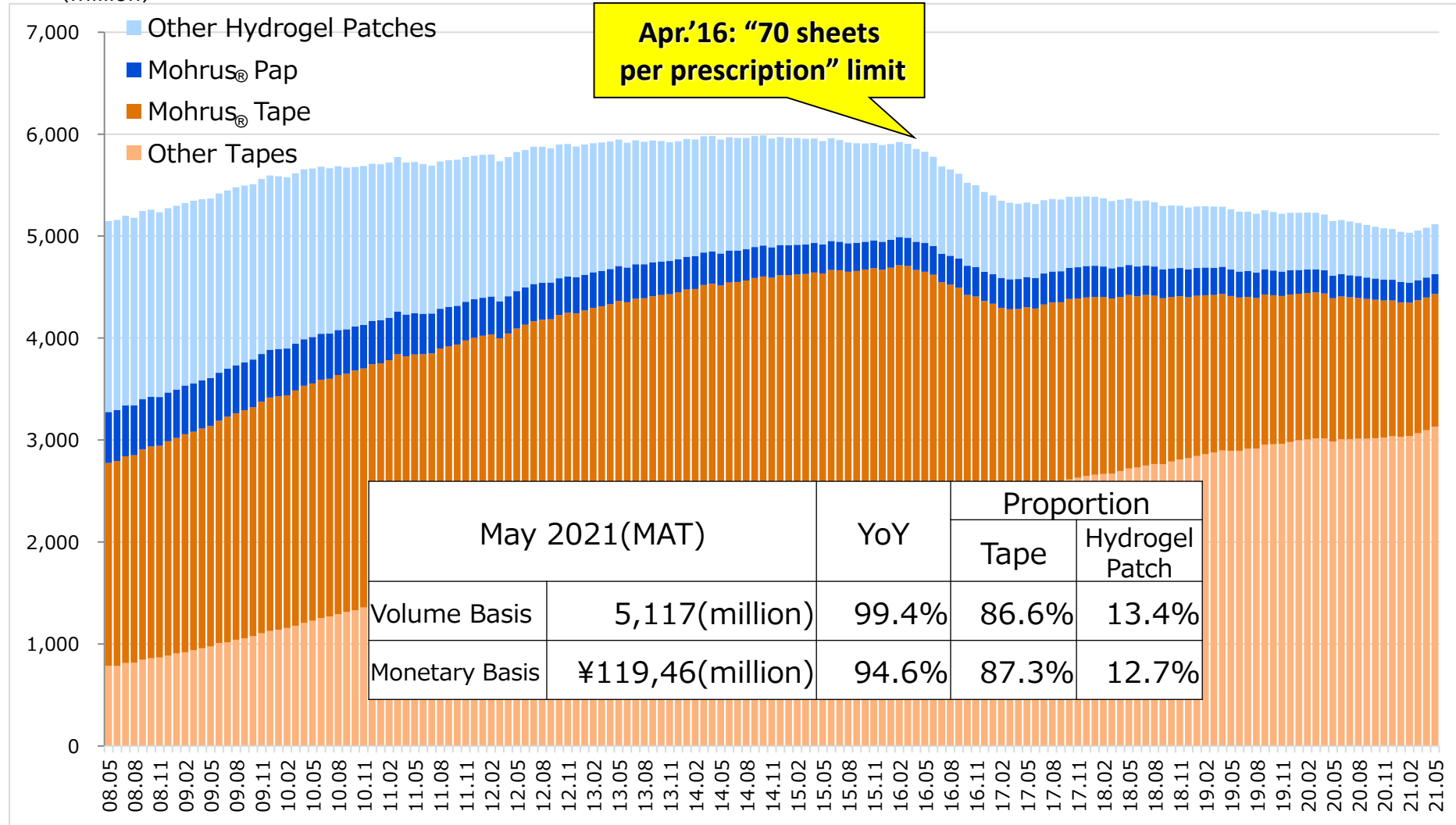
Unit:¥ Million

	Actual performance for FY02/22 Q1			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	10,581	4,891	5,689	+1,900	+1,203	+697	+21.9%	+32.6%	+14.0%
Salonpas® products	6,932	1,730	5,201	+1,208	+562	+646	+21.1%	+48.1%	+14.2%
Salonsip® products	600	496	104	+178	+159	+18	+42.2%	+47.5%	+21.5%
Air® Salonpas® products	338	207	130	+69	+54	+15	+25.9%	+35.5%	+13.1%
Feitas® products	1,065	1,064	0	+161	+161	-	+17.9%	+17.8%	-
Butenalock® products	629	629	-	+152	+152	-	+32.0%	+32.0%	-
Allegra® FX	362	362	-	+266	+266	-	+279.2%	+279.2%	-
Others	653	400	252	-136	-153	+17	-17.3%	-27.7%	+7.2%

6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan

Number of patches (Million)

Market trends on volume basis



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7. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Launched	HP-3150	JPN	Patch	Cancer pain	Launched on May 21st, FY2021
2	Withdrawal of approval	HP-1010	USA	Patch	Relief of pain associated with post-herpetic neuralgia	-
3	Filed	HFT-290 (pediatric cancer pain patients)	JPN	Patch	Cancer pain	To be approved in FY2021
4	NDA Submitted	ATS	USA	Patch	Attention Deficit Hyperactivity Disorder(ADHD)	To be approved in FY2021
5	Filed being prepared	HP-3150	JPN	Patch	Low back pain Humeroscapular periarthrits Cervico-omo-brachial syndrome Tenosynovitis	To be filed in FY2021
6	Filed being prepared	HP-5070	JPN	Transdermal	Primary palmar hyperhidrosis	To be filed in FY2022
7	Phase3	HP-5000	USA	Patch	Osteoarthritis of the knee	To be filed in FY2023

*Yellow-highlighted parts are changes from the previous announcement made on Apr. 8th,2021

Patch, moving into the future.



Hisamitsu®



Tokyo 2020 Official Partner (External Pain Relief Products)



For muscle ache, muscle fatigue
Third-class OTC drugs



For stiff shoulders, backache, muscle ache
Third-class OTC drugs



For stiff shoulders, shoulderache, backache
Second-class OTC drugs



For muscle ache, muscle fatigue
Third-class OTC drugs