

Hisamitsu Pharmaceutical Co., Inc.

Q1 FY02/2023 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. 7th, 2022

Agenda

- 1. Looking back on the Q1 FY02/2023**
- 2. Latest topics**
- 3. Promotion of ESG**
- 4. Consolidated P&L**
- 5. Sales Results by Region**
- 6. Sales Results by Product**
- 7. Trends of 2nd-generation non-steroidal anti-inflammatory patch in Japan**
- 8. R&D Pipeline**

1. Looking back on the Q1 FY02/2023(1)

Rx Business	<p>Mar. •FDA Approves Once-Daily XELSTRYM™ (dextroamphetamine) Transdermal System(Theme : ATS) , CII, for the Treatment of Attention-Deficit/Hyperactivity Disorder (ADHD) in Adults and Pediatric Patients 6 Years and Older</p> <p>Apr. •Application for manufacturing and marketing approval of HP-5070 in Japan (primary palmar hyperhidrosis treatment drug)</p>
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OTC Business	<p>May. •Launch of Bye Bye Fever® Band fastening type and Cooling Pillow in Japan</p>
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Others	<p>Mar. •Notice regarding Revision of Earnings Forecast</p> <p>Mar. •Acquisition of Shares of AYM HD . (AYM HD : Wholly-owningparent company of Ayumi Pharmaceutical Holdings .)</p> <p>Apr. •Providing Humanitarian Assistance to Ukraine</p> <p>May. •Salonpas® certified as the World’s No. 1 OTC topical analgesic patch brand for the 6th consecutive year since 2016. Hisamitsu Pharmaceutical certified as the holder of the world’s largest share in the corresponding market category for the 5th consecutive year since 2017. <small>*Based on research by Euromonitor International (UK)</small></p>
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Apr. Hisamitsu Springs won the 2021-22 V.LEAGUE DIVISION 1 WOMEN -8th championship for the first time in three years-

1. Looking back on the Q1 FY02/2023(2)

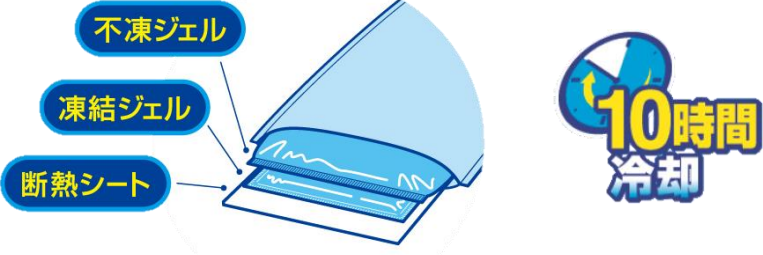
Launch of Bye Bye Fever® Band fastening type



For the forehead, neck, calves, and various other areas

[Launch of Bye Bye Fever®
Band fastening type URL](#)

Launch of Bye Bye Fever® Cooling Pillow



Long cooling time(6-10 hours) by three-layer construction (Antifreeze gel that fits softly on the head, freezing gel for sustained cooling time, and insulating sheet)

[Launch of Bye Bye Fever®
Cooling Pillow URL](#)

1. Looking back on the Q1 FY02/2023(3)

- Salonpas® certified as the World’s No. 1 OTC Topical Analgesic Patch Brand for the 6th consecutive year since 2016.
- Hisamitsu Pharmaceutical certified as the holder of the world’s largest share in the corresponding market category for the 5th consecutive year since 2017.



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

Sean Kreidler (Senior Research Manager, Euromonitor International)

Awarded on May 18th, Salonpas® Day.

Base on research by Euromonitor International

1. Looking back on the Q1 FY02/2023(4)

2021-22 V. LEAGUE DIVISION1 WOMEN
8th championship for the first time
in 3 years

Hisamitsu Springs
Practice Base Arena
(image)



Hisamitsu Springs Website
<https://saga-springs.co.jp/>

2. Latest topics(1)

※Announced in Q2 FY02/2023 (after June 1, 2022)

- Notification of approval for manufacturing and marketing approval of the additional indications of “low back pain, humeroscapular periarthritits, cervico-omo-brachial syndrome and tenosynovitis” for ZICTHORU® Tapes (Transdermal, pain treatment NSAID patch, development code: HP-3150) in Japan

* Announced on June 20
- Launch of new package “Nobinobi® Salonsip® Fit®H(Hot Type)•α (Odorless type)”, 10 patches in Japan

* Announced on June 23
- Launch of “Lifecella® SACRISE®” in Japan

* Announced on June 23



Nobinobi® Salonsip® Fit®H
<https://www.hisamitsu.co.jp/healthcare/products/091.html>



Nobinobi® Salonsip® Fit®α
<https://www.hisamitsu.co.jp/healthcare/products/092.html>



Lifecella® SACRISE®
<https://www.e-hisamitsu.jp/shop/g/g4987-188-321522/>

2. Latest topics(2)

ZICTHORU® Tapes 75mg

June 1, 2022
Lift restrictions on duration of medication



June 20, 2022
Approval for manufacturing and marketing approval of the additional indications of “low back pain, humeroscapular periarthrititis, cervico-omo-brachial syndrome and tenosynovitis”



A systemic transdermal formulations containing non-steroidal anti-inflammatory drugs (NSAIDs)

June 20, 2022
Approval for packaging of 70 sheets (7 sheets/1pouch x 10 pouchies)



ZICTHORU® Tapes 75mg
News Release
https://www.hisamitsu.co.jp/company/pdf/news_release_220620.pdf

3. Promotion of ESG

Selected as a component of FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

New indexes starting March 2022.

This index is adopted as one of the ESG indices managed by the General Pension Investment Fund (GPIF).

TCFD Endorsement Statement and Disclosure of Information



Task Force on Climate-related Financial Disclosures

May 2022

- Endorsement of TCFD's Recommendations
- Disclosure of information based on TCFD's recommendations

We will continue to further analyze and respond to the risks and opportunities that climate change poses to our business.

Hisamitsu Sustainability website
<https://www.hisamitsu.co.jp/sustainability/index.html>

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

Unit:¥ Million

	Actual for FY02/2022 (Q1)	Actual for FY02/2023 (Q1)	Change	Percentage Change
Net sales	27,761	26,393	-1,368	-4.9%
CoGS	11,162	11,647	+485	+4.4%
as a % of sales	40.2%	44.1%		
SG&A costs	14,479	14,225	-253	-1.8%
Sales promotion costs	3,547	2,481	-1,066	-30.1%
Advertising costs	2,670	2,538	-131	-4.9%
R&D costs	2,586	2,506	-79	-3.1%
Others	5,674	6,699	+1,024	+18.0%
Operating profit	2,120	519	-1,600	-75.5%
Ordinary profit	2,855	2,298	-556	-19.5%
Net profit	2,362	1,631	-730	-30.9%
Exchange rate (¥/USD)	107.1	117.8		

※Effective from the fiscal year ending February , 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

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

Unit:¥ Million

	Actual for FY02/2022(Q1)	Actual for FY02/2023 (Q1)	Change	Main factor
Net sales	27,761	26,393	-1,368	
CoGS	11,162	11,647	+485	
as a % of sales	40.2%	44.1%		<ul style="list-style-type: none"> ▪ Affected by the drug price revision in Japan. ▪ Change of sales mix.
SG&A costs	14,479	14,225	-253	
Sales promotion costs	3,547	2,481	-1,066	▪ Application of Accounting Standard for Revenue Recognition
Advertising costs	2,670	2,538	-131	
R&D costs	2,586	2,506	-79	
Others	5,674	6,699	+1,024	▪ Increase in logistics costs
Operating profit	2,120	519	-1,600	
Non-operating balance	734	1,778	+1,043	▪ Foreign exchange gain.
Ordinary profit	2,855	2,298	-556	
Extraordinary balance	630	100	-530	▪ [FY02/2022]Sales of investment securities
Net profit	2,362	1,631	-730	

※Effective from the fiscal year ending February , 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

5. Sales Results by Region

Unit:¥ Million

		Actual performance for FY02/22 (Q1)	Actual performance for FY02/23 (Q1)	change	percentage Change
Net sales		27,761	26,393	-1,368	-4.9%
Rx Business	Japan	13,180	12,509	-671	-5.1%
	Overseas	3,287	3,343	+56	+1.7%
	USA	2,377	2,531	+153	+6.4%
	Other regions	909	812	-96	-10.6%
OTC Business	Japan	4,891	3,049	-1,841	-37.7%
	Overseas	5,689	6,728	+1,038	+18.3%
	USA	3,573	3,529	-43	-1.2%
	Other regions	2,116	3,198	+1,082	+51.2%
Others	Japan	712	761	+49	+6.9%

※Effective from the fiscal year ending February , 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

6. Sales Results by Product (1) - Rx Business -

Unit:¥ Million

	Actual performance for FY02/23 Q1			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	15,853	12,509	3,343	-614	-671	+56	-3.7%	-5.1%	+1.7%
Mohrus® Tape products	6,872	6,872	-	-817	-817	-	-10.6%	-10.6%	-
Zicthoru® Tapes	93	93	-	+58	+58	-	+171.2%	+171.2%	-
Haruropi® Tape	604	604	-	-194	-194	-	-24.3%	-24.3%	-
Mohrus® Pap products	981	981	-	-204	-204	-	-17.2%	-17.2%	-
Fentos® Tapes	1,013	1,013	-	+76	+76	-	+8.1%	+8.1%	-
Allesaga® Tapes	134	134	-	-14	-14	-	-9.7%	-9.7%	-
Others	2,674	2,486	188	+450	+372	+78	+20.3%	+17.6%	+71.8%
CombiPatch® products	1,415	324	1,090	+311	+51	+260	+28.2%	+18.9%	+31.3%
Vivelle-Dot® products	1,138	-	1,138	+70	-	+70	+6.6%	-	+6.6%
Minivelle® products	447	-	447	-69	-	-69	-13.5%	-	-13.5%
Daytrana®	330	-	330	-361	-	-361	-52.2%	-	-52.2%
Secuado®	148	-	148	+78	-	+78	+111.6%	-	+111.6%

※Effective from the fiscal year ending February , 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

6. Sales Results by Product (2) - OTC Business -

Unit:¥ Million

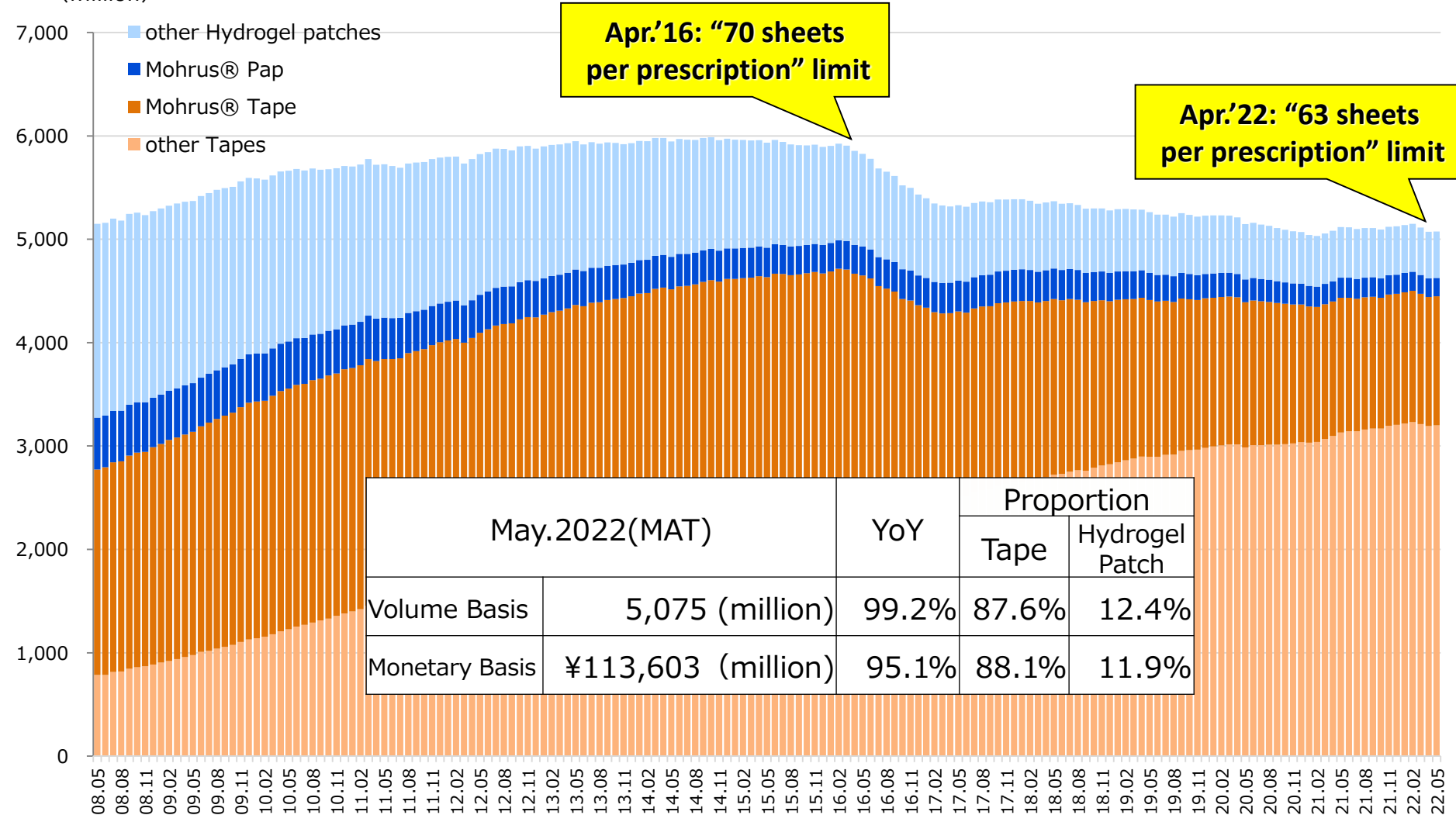
	Actual performance for FY02/23 Q1			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	9,778	3,049	6,728	-803	-1,841	+1,038	-7.6%	-37.7%	+18.3%
Salonpas® products	7,108	1,139	5,968	+175	-591	+766	+2.5%	-34.2%	+14.7%
Feitas® products	598	597	1	-466	-467	+0	-43.8%	-43.9%	+121.4%
Salonsip® products	621	399	221	+20	-96	+117	+3.5%	-19.5%	+112.8%
Allegra® FX	125	125	-	-236	-236	-	-65.3%	-65.3%	-
Air® Salonpas® products	330	174	155	-7	-33	+25	-2.3%	-15.9%	+19.5%
Butenalock® products	425	425	-	-203	-203	-	-32.3%	-32.3%	-
Others	567	186	381	-85	-214	+128	-13.1%	-53.4%	+50.9%

※Effective from the fiscal year ending February , 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" and other related standards.

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

Number of patches (Million)

Market trends on volume basis



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8. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Approved	XELSTRYM(ATS)	USA	Patch	Attention Deficit Hyperactivity Disorder (ADHD)	To be launched in FY22
2	Approved	HP-3150	JPN	Patch	Low back pain Humeroscapular periarthritis Cervico-omo-brachial syndrome Tenosynovitis	Approved on Jun. xxth, FY22
3	Filed	HP-5070	JPN	Transdermal	Primary palmar hyperhidrosis	To be approved in FY23
4	Phase3	HP-5000	USA	Patch	Osteoarthritis of the knee	To be filed in FY23

※Yellow-highlighted parts are changes from the previous announcement made on Apr.7th,2022



Our commitments originate from each individual's determination to "start something good for ecology (eco)!"

Hisamitsu Pharmaceutical has designed the "HELLO! eco!" mark as a symbol of its environmental activities,

and products that have met the ecology standards that our company has established will display the "HELLO! eco!" mark sequentially.

 Hisamitsu.