

Hisamitsu Pharmaceutical Co., Inc.

Q2 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.

Oct. 14th, 2021

Agenda

- 1. Looking back on the Q2 FY02/2022**
- 2. Promotion of ESG**
- 3. Progress for FY02/2022**
- 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 Q2 FY02/2022(1)

Rx
Business

- Mar. • Approval for manufacturing and marketing approval of ZICHTORU® Tapes for “cancer pain” in Japan. (Transdermal, pain treatment NSAID patch, development code: HP-3150)
- Apr. • Results of the Phase III clinical study of HP-5070 in Japan. (Primary palmar hyperhidrosis treatment drug)
- May • Marketing of ZICHTORU® Tapes for “cancer pain” in Japan (Transdermal, pain treatment NSAID patch)
- Jul. • Transfer of Marketing Rights for ORAVI® Mucoadhesive Tablets 50mg for Oropharyngeal Candidiasis
- Aug. • Application for manufacturing and marketing approval of the additional indications of “low back pain, humeroscapular periarthritits, cervico-omo-brachial syndrome and tenosynovitis” for ZICHTORU® Tapes (Transdermal, pain treatment NSAID patch, development code: HP-3150) in Japan
- Aug. • Approval for manufacturing and marketing approval of the additional indications of cancer pain relief for pediatric patients of FENTOS® Tapes (Transdermal, pain management patch, Development code: HFT-290) in Japan



ORAVI® Mucoadhesive Tablets 50mg

OTC
Business

- Mar. • Launch of renewal Feitas® 5.0 “Hot Type and Large Size”
- Aug. • Launch of new package “Nobinobi® Salonsip® Fit®”, 10 patches
Nickname: “Poke-Sip”

1. Looking back on the Q2 FY02/2022(2)

Launch of new package “Nobinobi® Salonsip® Fit®”, 10 patches



ペリピタ
シール

HELLO! ECO!

環境に配慮した
コンパクト
パッケージ

1枚ずつ取り出しやすい
ポケシップ

シップの
サイズ
そのまま

シップサイズは
従来品のまま!

薄い・密着
はがれにくいシップ

微香性

ピタッと貼りつき
はがれにくい

■ Annual Paper Reduction Quantity: 3.0 t

1. Looking back on the Q2 FY02/2022(3)

Others	<p>Mar. • Establishment of 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> <p>Aug. • Hisamitsu Pharmaceutical Co., Inc. receiving Administrative Disposition from Saga Prefecture</p> <p>Aug. • Honorary Chairman Passes Away</p> <p>Aug. • Providing Relief Supplies in Response to The Torrential Rains in August 2021</p> <p>Aug. • Support for The Disaster of The Torrential Rains in August 2021</p>
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- *Sep. 10th: Launch of a Food with Functional Claims, "Hisamitsu® ARU-KANTO®." in Japan
- *Sep. 17th: Establishment of "the 7th Medium-Term Management Policy"
- *Sep. 21st: Investment in GAIA Biomedicine, a Bio-Venture from Kyushu University in Japan
- *Oct. 4th: Hisamitsu Pharmaceutical Online Sales “Hisamitsu® Iki-Iki Online”, Announcement of Starting Pharmaceutical Product Sales in Japan
- *Oct. 14th: Launch of Mask Made of Non-Woven Fabric Used for Hydrogel Patch in Japan



Hisamitsu® ARU-KANTO®



Mask Made of Non-Woven Fabric Used for Hydrogel Patch

1. Looking back on the Q2 FY02/2022(4)

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

Providing products to the Japan National Team for the Olympic and Paralympic games Tokyo 2020

Hisamitsu provided our products to the Japan National Team for the Olympic and Paralympic Games Tokyo 2020.

[Date]
 For The Japan National Team for the Olympic Games Tokyo 2020: Jun. 28th, 2021
 For The Japan National Team for the Paralympic Games Tokyo 2020: Aug. 18th, 2021



[Products]

•Salonpas® 40 sheets	For The Japan National Team for the Olympic Games Tokyo 2020: 1,100 products each
•Nobinobi® Salonsip® Fit® 10 patches	
•Air® Salonpas® Jetα 25 mL	For The Japan National Team for the Paralympic Games Tokyo 2020: 500 products each
•Feitas® Zα Dicsas® 7 sheets	
•Kinesiology Tape 5 pieces	
•Cooling Outer Wear Spray 50 mL	
•Cool Gel Sheet 2 sheets	
•Refresh Body Sheet 5 pieces	



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

1. Looking back on the Q2 FY02/2022(5)

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

Implementation of WEB show casing “HARU-Sta® Online”

We are implementing “HARU-Sta® Online” so that the players who did their best and their supporters can enjoy themselves in the Olympic and Paralympic Games Tokyo 2020.

[Term]
From Jul. 23rd to Dec. 31st, 2021

[Detail]
"Haruo" can compete on the screen of your smartphone and experience the world record as a result of challenge by humanity in AR(Augmented Reality).



*Top Page of “HARU-Sta® Online”



*Image of AR

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

2. Promotion of ESG

CO₂ reduction through capital investment

Renewal of absorption chiller at Tosu Factory in Japan



■ Annual CO₂ Reduction Quantity: 297.7 t

3. Progress for FY02/2022

Unit:¥ Million

Consolidated P&L	Q2 FY02/2022	FY02/2022	
	Actual	Forecast	Progress Rate
Net Sales	58,551	122,900	47.6%
Operating Profits	5,706	10,700	53.3%
Recurring Profits	6,836	12,700	53.8%
Net Profits	5,002	9,900	50.5%

*There is no change in the earnings forecast.

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

Unit:¥ Million

	Actual for FY02/2021 (Q2)	Actual for FY02/2022 (Q2)	Difference	Percentage Change
Net Sales	52,926	58,551	+5,624	+10.6%
COGs	19,577	23,120	+3,543	+18.1%
as a % of Net Sales	37.0%	39.5%		
SG&A Costs	27,833	29,723	+1,890	+6.8%
Sales Promotion Costs	5,882	7,129	+1,246	+21.2%
Advertising Costs	5,527	5,710	+182	+3.3%
R&D Costs	5,240	5,011	-228	-4.4%
Others	11,183	11,872	+689	+6.2%
Operating Profits	5,516	5,706	+190	+3.5%
Recurring Profits	5,519	6,836	+1,317	+23.9%
Net Profits	3,693	5,002	+1,309	+35.4%
Exchange Rate (JPY/USD)	108.2	108.5		

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

Unit:¥ Million

	Actual for FY02/2021 (Q2)	Actual for FY02/2022 (Q2)	Difference	Main Factor
Net Sales	52,926	58,551	+5,624	
COGs	19,577	23,120	+3,543	
as a % of Net Sales	37.0%	39.5%		<ul style="list-style-type: none"> • Affected by the drug price revision in Japan. • Change of sales mix.
SG&A Costs	27,833	29,723	+1,890	
Sales Promotion Costs	5,882	7,129	+1,246	• Increased due to sales promotion activities.
Advertising Costs	5,527	5,710	+182	
R&D Costs	5,240	5,011	-228	<ul style="list-style-type: none"> • [FY02/2021]Phase 3 clinical study of HP-3150 (low back pain). • [FY02/2022]Phase 3 clinical study of HP-5000.
Others	11,183	11,872	+689	
Operating Profits	5,516	5,706	+190	
Non-Operating Balance	3	1,130	+1,127	<ul style="list-style-type: none"> • [FY02/2021]Foreign exchange loss(Indonesia and Brazil). • [FY02/2022]Foreign exchange gain(Japan).
Recurring Profits	5,519	6,836	+1,317	
Extraordinary Balance	-3	331	+335	• Gain on sale of investment securities, etc.
Net Profits	3,693	5,002	+1,309	

5. Sales Results by Region

Unit:¥ Million

		Actual for FY02/21 (Q2)	Actual for FY02/22 (Q2)	Difference	Percentage Change
Net sales		52,926	58,551	+5,624	+10.6%
Rx Business	Japan	25,377	27,061	+1,684	+6.6%
	Overseas	6,741	6,824	+82	+1.2%
	USA	5,066	4,651	-414	-8.2%
	Other regions	1,675	2,172	+497	+29.7%
OTC Business	Japan	8,856	10,370	+1,513	+17.1%
	Overseas	10,622	12,862	+2,239	+21.1%
	USA	5,966	7,258	+1,292	+21.7%
	Other regions	4,656	5,603	+947	+20.3%
Others	Japan	1,328	1,432	+103	+7.8%

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

Unit:¥ Million

	Actual for FY02/22 (Q2)			Difference			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	33,885	27,061	6,824	+1,767	+1,684	+82	+5.5%	+6.6%	+1.2%
Fentos [®] Tape	1,912	1,912	-	+198	+198	-	+11.6%	+11.6%	-
Neoxy [®] Tape	239	239	-	+5	+5	-	+2.4%	+2.4%	-
Abstral [®]	103	103	-	+2	+2	-	+2.5%	+2.5%	-
Allesaga [®] Tape	203	203	-	+117	+117	-	+135.4%	+135.4%	-
Haruropi [®] Tape	1,780	1,780	-	+1,149	+1,149	-	+182.2%	+182.2%	-
ZICTHORU [®] Tapes	82	82	-	+82	+82	-	-	-	-
Mohrus [®] Tape	15,745	15,567	177	-568	-728	+159	-3.5%	-4.5%	+901.1%
Mohrus [®] Pap	2,445	2,445	-	-98	-98	-	-3.9%	-3.9%	-
Others	4,394	4,136	258	+507	+865	-358	+15.2%	+26.5%	-58.1%
Minivelle [®]	993	-	993	-174	-	-174	-14.9%	-	-14.9%
Vivelle-Dot [®] products	2,255	-	2,255	+547	-	+547	+32.0%	-	+32.0%
CombiPatch [®] products	2,504	590	1,914	+137	+89	+48	+5.8%	+17.8%	+2.6%
Daytrana [®]	1,076	-	1,076	-208	-	-208	-16.3%	-	-16.3%
Secuado [®]	148	-	148	+72	-	+72	+96.8%	-	+96.8%

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

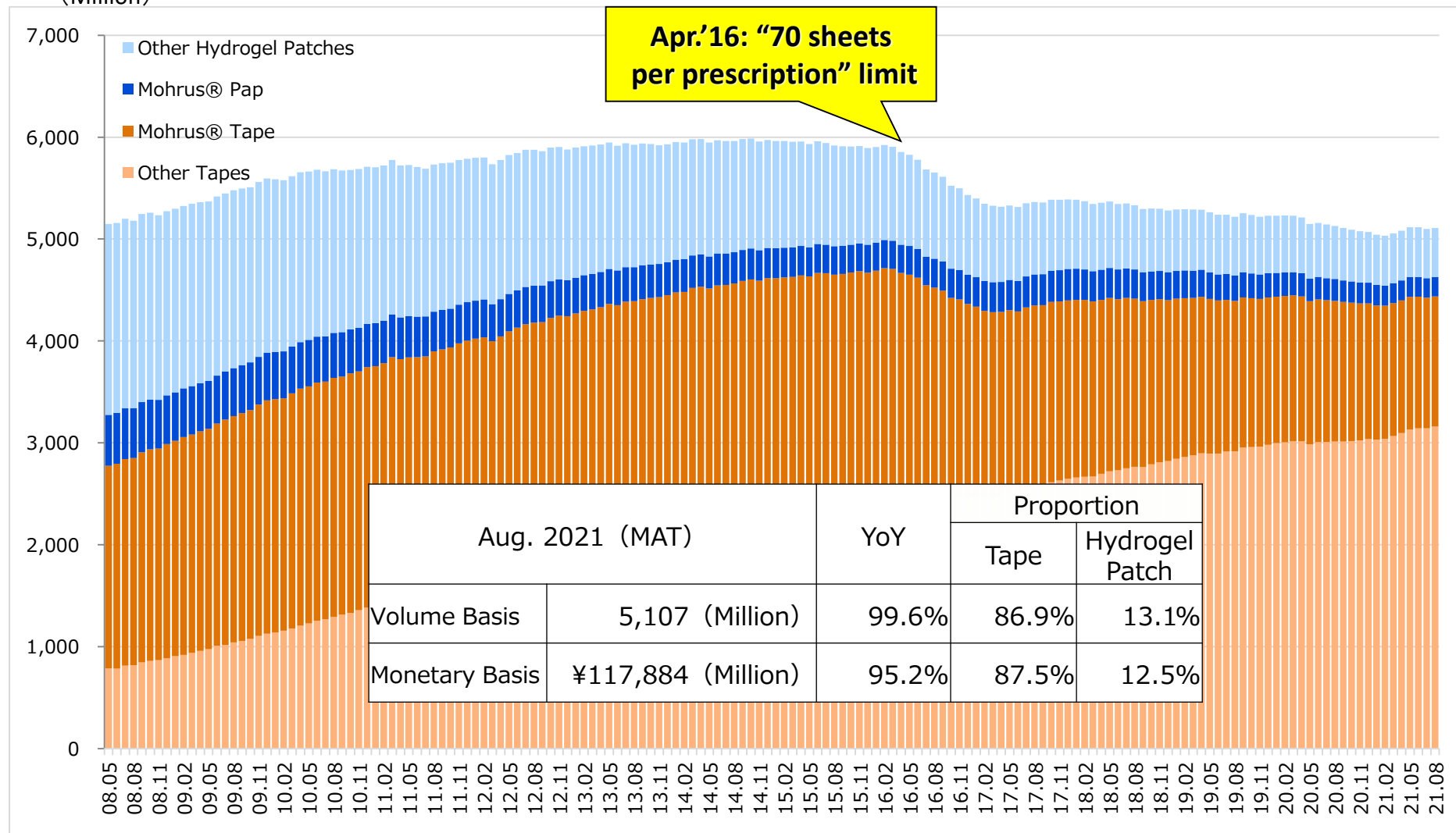
Unit:¥ Million

	Actual for FY02/22 (Q2)			Difference			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	23,233	10,370	12,862	+3,753	+1,513	+2,239	+19.3%	+17.1%	+21.1%
Salonpas® products	15,233	3,712	11,521	+2,594	+600	+1,993	+20.5%	+19.3%	+20.9%
Salonsip® products	1,718	1,255	463	+347	+229	+118	+25.4%	+22.4%	+34.2%
Air® Salonpas® products	746	542	203	-50	-18	-31	-6.3%	-3.3%	-13.5%
Feitas® products	2,441	2,420	20	+268	+247	+20	+12.3%	+11.4%	-
Butenalock® products	1,025	1,025	-	+141	+141	-	+16.0%	+16.0%	-
Allegra® FX	527	527	-	+457	+457	-	+662.4%	+662.4%	-
Others	1,540	886	654	-5	-144	+138	-0.3%	-14.0%	+27.0%

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	Approval	HFT-290 (Pediatric cancer pain patients)	JPN	Patch	Cancer pain	Approved on Aug. 25th, 2021
2	NDA Submitted	ATS	USA	Patch	Attention Deficit Hyperactivity Disorder(ADHD)	To be approved in FY2021
3	Filed	HP-3150	JPN	Patch	Low back pain Humeroscapular periarthritits Cervico-omo-brachial syndrome Tenosynovitis	To be approved in FY2022
4	Filed being prepared	HP-5070	JPN	Transdermal	Primary palmar hyperhidrosis	To be filed in FY2022
5	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 Jul. 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