

# Hisamitsu Pharmaceutical Co., Inc.

## Q3 FY02/2021 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.

Jan. 13<sup>th</sup>, 2021

Promoting Patch Treatment Culture Worldwide

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### Agenda

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- 1. Looking back on the Q3 FY02/2021**
- 2. Promotion of ESG**
- 3. Summary of Financial Results for Q3 FY02/2021**
- 4. Consolidated PL**
- 5. Sales results by region**
- 6. Sales results by product**
- 7. Trends of Second-generation non-steroidal anti-inflammatory patch in Japan**
- 8. R&D Pipeline**

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# 1. Looking back on the Q3 FY02/2021 (1)

Rx Business	Mar.	· Launch of transdermal, schizophrenia treatment patch Secuado <sup>®</sup> (Development code: HP-3070) in the U.S.
	Jun.	· Approval for manufacturing and marketing approval of the additional indications of cancer pain relief for opioid analgesic naive patients of Fentos <sup>®</sup> Tape (Transdermal, pain management patch, Development code: HFT-290) in Japan.
	Jul.	· Application for partial change of manufacturing and marketing approval of Mohrus <sup>®</sup> Pap XR 120mg, 240mg (Topical analgesic and anti-inflammatory products) in Japan.
	Jul.	· Approval for manufacturing and marketing approval of OABLOK <sup>®</sup> PATCH (Transdermal, Overactive bladder treatment patch) in Thailand.
	Sep.	· Application for manufacturing and marketing approval of the additional indications of cancer pain relief for pediatric patients of Fentos <sup>®</sup> Tape (Transdermal, pain management patch, Development code: HFT-290) in Japan.
	Oct.	· Commencement of the Phase III clinical study of HP-5070 (a primary palmar hyperhidrosis treatment drug) in Japan.

· Dec. 7, 2020 : Completion of the Phase III clinical study of HP-3150 for “low back pain, humeroscapular periarthritits, cervico-omo-brachial syndrome and tenosynovitis” in Japan (Transdermal, pain treatment NSAID patch)

· Dec. 11, 2020 : Launch of Rivastigmine Tapes「Hisamitsu」 in Japan (Transdermal, patches for the Treatment of Alzheimer’s Disease)

· Jan. 4, 2021 : Commencement of the Phase III clinical study of HP-5000 in the U.S. (Transdermal, pain relief and anti-inflammatory patch)

# 1. Looking back on the Q3 FY02/2021 (2)

## New products in Rx Business

Rivastigmine Tapes「Hisamitsu」(Transdermal, patches for the Treatment of Alzheimer’s Disease)



# 1. Looking back on the Q3 FY02/2021 (3)

OTC Business	Apr. •Renovation of Butenalock <sup>®</sup> L powder gel. Jun. •Launch of Air <sup>®</sup> Salonpas <sup>®</sup> Z. Aug. •Launch of Salonpas <sup>®</sup> Tsubokori <sup>®</sup> Patch.
Others	Mar. •Establishment of “SAGA HISAMITSU SPRINGS Co., Ltd” managing Hisamitsu Springs. Mar. •Launch of Butenalock <sup>®</sup> medicated soap 150g new package. Apr. •Certification acquisition of the cooperative energy saving plan in the Smart Energy Networks Project in the Kiyohara Industrial Complex May. •The “MAKE IT BLUE Campaign” to express gratitude to the healthcare workers by lighting up in blue. May. •Salonpas <sup>®</sup> named the World’s No. 1 OTC Topical Analgesic Patch Brand for the 4th consecutive years. Aug. •Launch of Heating device Jikabari <sup>®</sup> Onkan Plus. Aug. •Providing relief supplies in response to 2020 Kyushu floods. Aug. •Concluded a partnership agreement with Tosu City. Sep. •Launch of Hisamitsu <sup>®</sup> BODYCARE series. Oct. •Providing Air <sup>®</sup> Salonpas to the member organizations of the Japan Olympic Committee (JOC). Oct. •Providing Air <sup>®</sup> Salonpas to the member organizations of the Japan Paralympic Committee (JPC). Oct. •Launch of Hisamitsu <sup>®</sup> Vitality Amino Acid <sup>®</sup> DX series.

•Dec. 21, 2020 : Launch of Hisamitsu<sup>®</sup> Sanitizer-Antibacterial-Deodorant Spray.

# 1. Looking back on the Q3 FY02/2021 (4)

## New products in Others



- ① Hisamitsu<sup>®</sup> BODYCARE series : Hisamitsu<sup>®</sup> Massage Roller Gel 80g 【Cosmetic】
- ② Hisamitsu<sup>®</sup> BODYCARE series : Hisamitsu<sup>®</sup> Massage Oil Spray 80g 【Cosmetic】
- ③ Hisamitsu<sup>®</sup> BODYCARE series : Hisamitsu<sup>®</sup> Refresh Body Sheet 5sheet 【Cosmetic】
- ④ Hisamitsu<sup>®</sup> Vitality Amino Acid<sup>®</sup> DX 78g(2.6g × 30packs)【Health Supplementary Food】
- ⑤ Hisamitsu<sup>®</sup> Sanitizer-Antibacterial-Deodorant Spray 180ml 【Sundries】

# 1. Looking back on the Q3 FY02/2021 (5)

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

### Providing Air® Salonpas® to the member organizations of the JOC/JPC.

**We provided Air® Salonpas® hoping to regain people's smile through sports.**

<Date>

Oct. 19, 2020

<Destination>

1. the Japan Olympic Committee (JOC: 18 members).
2. the Japan Paralympic Committee (JPC: 34 members).

※As above, we provided to the member organizations that requested.

<Goods>

- Air® Salonpas® Jet α 25ml  
(JOC/JPC total: 4,200 bottles)
- Air® Salonpas® Jet α 100ml  
(JOC/JPC total: 3,840 bottles)
- Air® Salonpas® Z 120ml  
(JOC/JPC total: 2,760 bottles)



This campaign was held as part of the in-house project, “GO TOGETHER! Project”, which was started up hoping the coronavirus situation gets resolved early and people all over the world spend safe and secure life.

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# 1. Looking back on the Q3 FY02/2021 (6)

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

### Holding of consumer campaign

### “To Energize Japan” original campaign to support Tokyo2020



<Period>

from Nov.1, 2020 to Jan. 31, 2021

<Contents>

People who win the lottery will get the item.

- the catalog from which they chose an item of specialty goods all over Japan.
- the lapel pin that is designed using each 47 prefectures as motif.

<For athletes>

We donate 10 yen to the JOC/JPC for each application.



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

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## 2. Promotion of ESG (environmentally friendly products)

### <Reduce the size of the packages>

#### Rx products



#### OTC products



Planning to make compact the packages of 21 brand-products, including 47 items in FY02/2021.

We will contribute to building a sustainable society by promoting environmental activities that are related to product life cycle.

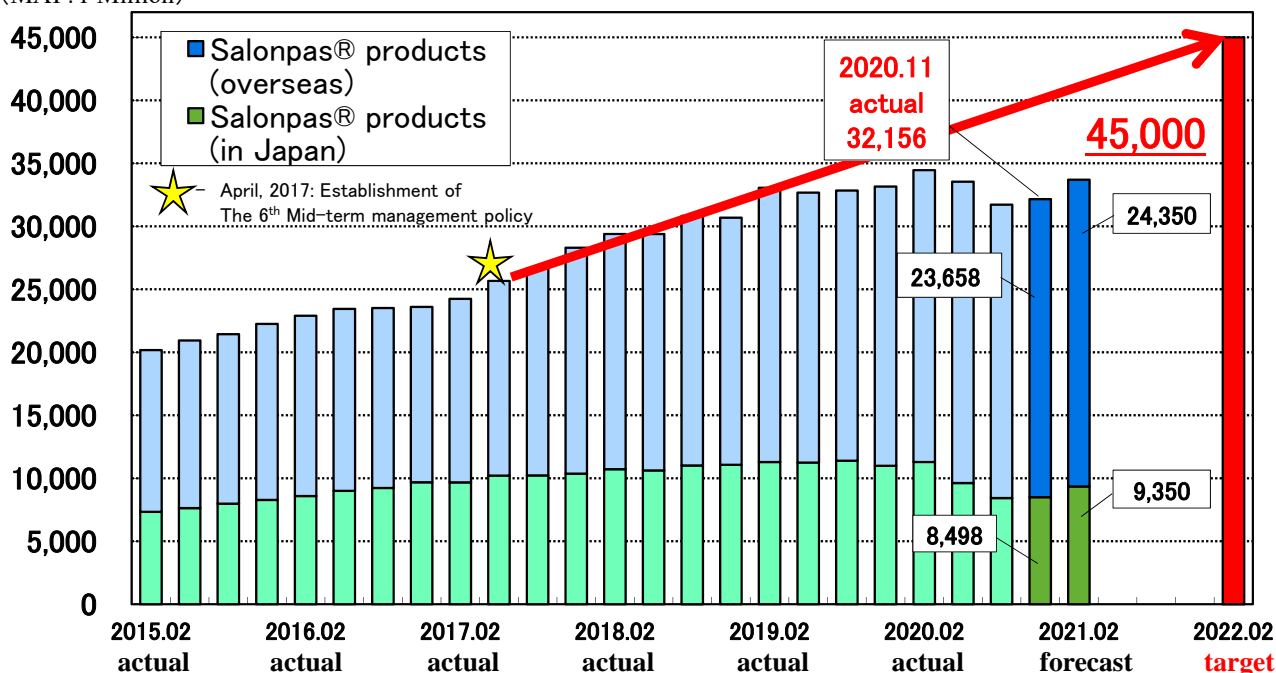
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## 3. Summary of Financial Results for Q3 FY02/2021 (1)

### <Sales transition of Salonpas® products>

Target: annual sales of 45 billion yen(at FY02/22)

(MAT: ¥ Million)



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### 3. Summary of Financial Results for Q3 FY02/2021(2)

#### Consolidated

Unit:¥ million

	Q3 FY02/2021	FY02/2021	
	Actual	forecast	Progress rate
Net sales	80,822	127,000	63.6%
Operating profits	8,123	12,900	63.0%
Recurring profits	7,928	14,800	53.6%
Net profits	5,722	10,600	54.0%

※No change is made on forecast.

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### 4. Consolidated PL (1) - Comparison with the previous period performance -

Unit:¥ million

	Actual performance for FY02/20 (Q3)	Actual performance for FY02/21 (Q3)	Change	Percentage Change
Net sales	99,078	80,822	-18,255	-18.4%
CoGS	34,554	30,148	-4,406	-12.8%
as a % of sales	34.9%	37.3%		
SG&A costs	46,106	42,551	-3,554	-7.7%
Sales promotion costs	9,655	9,583	-71	-0.7%
Advertising costs	10,154	8,288	-1,866	-18.4%
R&D spending	7,547	7,873	+325	+4.3%
Others	18,749	16,806	-1,942	-10.4%
Operating profits	18,417	8,123	-10,294	-55.9%
Recurring profits	19,917	7,928	-11,988	-60.2%
Net profits	15,420	5,722	-9,698	-62.9%

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## 4. Consolidated PL (2) – Summary of Profit and Loss –

Unit:¥ million

	Actual performance for FY02/20 (Q3)	Actual performance for FY02/21 (Q3)	Change	Main factor
<b>Net sales</b>	<b>99,078</b>	<b>80,822</b>	<b>-18,255</b>	
CoGS	34,554	30,148	-4,406	
as a % of sales	34.9%	37.3%		• Affected by the drug price revision. • Change of sales composition. • 【FY02/20】Sales recognition of the milestone payment on approval.
SG&A costs	46,106	42,551	-3,554	
Sales promotion costs	9,655	9,583	-71	• The cost with launch of SECUADO. • Stagnation of sales promotion because of COVID-19.
Advertising costs	10,154	8,288	-1,866	• Cancellations of the events such as World Ladies Champion Ship Salonpas Cup.
R&D spending	7,547	7,873	+325	• Completion of Phase III clinical study of HP-3150. (Cancer pain) • Commencement of the Phase III clinical study of HP-3150. (Low back pain)
Others	18,749	16,806	-1,942	• Refrain from several activities to prevent COVID-19. • Cost reduction through streamlining the business operation.
<b>Operating profits</b>	<b>18,417</b>	<b>8,123</b>	<b>-10,294</b>	
<b>Nonoperating balance</b>	<b>1,500</b>	<b>-194</b>	<b>-1,694</b>	• Foreign exchange losses.
<b>Recurring profits</b>	<b>19,917</b>	<b>7,928</b>	<b>-11,988</b>	
<b>Extraordinary balance</b>	<b>1,600</b>	<b>334</b>	<b>-1,266</b>	• 【FY02/20】Appropriation of the settlement received.
<b>Net profits</b>	<b>15,420</b>	<b>5,722</b>	<b>-9,698</b>	

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## 5. Sales results by region

Unit:¥ million

		Actual performance for FY02/20 (Q3)	Actual performance for FY02/21 (Q3)	Change	Percentage Change (Q3)	Percentage Change (Q2)
<b>Net sales</b>		<b>99,078</b>	<b>80,822</b>	<b>-18,255</b>	<b>-18.4%</b>	<b>-16.5%</b>
Rx Business	Japan	49,468	38,816	-10,652	-21.5%	-13.9%
	USA	9,233	7,247	-1,986	-21.5%	-23.0%
	Other regions	2,642	2,253	-388	-14.7%	-0.5%
OTC Business	Japan	19,223	13,916	-5,306	-27.6%	-35.2%
	USA	8,644	8,986	+342	+4.0%	-0.1%
	Other regions	7,897	7,562	-334	-4.2%	-1.5%
Others	Japan	1,969	2,039	+70	+3.6%	+1.1%

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## 6. Sales results by product (1) - Rx Business -

Unit:¥ million

	Actual performance for FY02/21 (Q3)			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>Rx Business</b>	<b>48,316</b>	<b>38,816</b>	<b>9,500</b>	<b>-13,027</b>	<b>-10,652</b>	<b>-2,375</b>	<b>-21.2%</b>	<b>-21.5%</b>	<b>-20.0%</b>
Fentos <sup>®</sup> Tape	2,676	2,676	-	-637	-637	-	-19.2%	-19.2%	-
Neoxy <sup>®</sup> Tape	357	357	-	-85	-85	-	-19.4%	-19.4%	-
Abstral <sup>®</sup>	153	153	-	+1	+1	-	+1.1%	+1.1%	-
Allesaga <sup>®</sup> Tape	148	148	-	+12	+12	-	+9.2%	+9.2%	-
Haruropi <sup>®</sup> Tape	842	842	-	+842	+842	-	-	-	-
Mohrus <sup>®</sup> Tape	24,866	24,808	57	-3,783	-3,736	-47	-13.2%	-13.1%	-45.0%
Mohrus <sup>®</sup> Pap	3,901	3,901	-	-947	-947	-	-19.5%	-19.5%	-
(Mohrus <sup>®</sup> Pap XR)	2,860	2,860	-	-648	-648	-	-18.5%	-18.5%	-
Others	5,979	5,127	851	-6,564	-6,613	+49	-52.3%	-56.3%	+6.1%
Minivelle <sup>®</sup> products	1,779	-	1,779	-715	-	-715	-28.7%	-	-28.7%
Vivelle-Dot <sup>®</sup> products	2,451	-	2,451	-1,320	-	-1,320	-35.0%	-	-35.0%
CombiPatch <sup>®</sup> products	3,440	800	2,640	+322	+512	-189	+10.3%	+178.0%	-6.7%
Daytrana <sup>®</sup>	1,630	-	1,630	-162	-	-162	-9.1%	-	-9.1%
Secuado <sup>®</sup>	88	-	88	+88	-	+88	-	-	-

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## 6. Sales results by product (2) - OTC Business -

Unit:¥ million

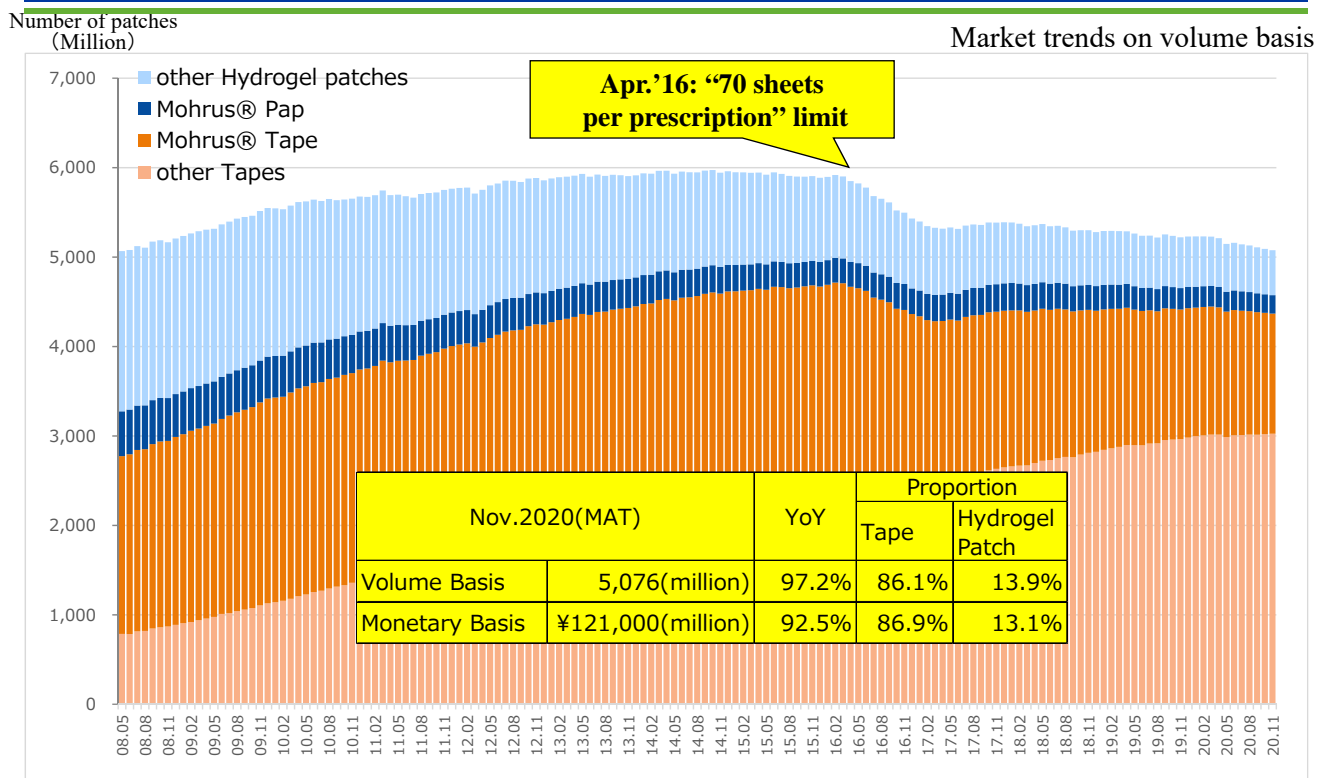
	Actual performance for FY02/21 (Q3)			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>OTC Business</b>	<b>30,466</b>	<b>13,916</b>	<b>16,549</b>	<b>-5,298</b>	<b>-5,306</b>	<b>+7</b>	<b>-14.8%</b>	<b>-27.6%</b>	<b>+0.0%</b>
Salonpas <sup>®</sup> products	20,528	5,647	14,881	-2,299	-2,792	+493	-10.1%	-33.1%	+3.4%
Salonsip <sup>®</sup> products	2,172	1,606	566	-451	-161	-290	-17.2%	-9.1%	-33.9%
Air <sup>®</sup> Salonpas <sup>®</sup> products	1,144	749	394	-132	-124	-7	-10.4%	-14.2%	-2.0%
Feitas <sup>®</sup> products	3,374	3,374	-	-1,121	-1,121	-	-24.9%	-24.9%	-
Butenalock <sup>®</sup> products	1,048	1,048	-	-214	-214	-	-17.0%	-17.0%	-
Allegra <sup>®</sup> FX	103	103	-	-955	-955	-	-90.2%	-90.2%	-
Others	2,094	1,387	706	-124	+63	-187	-5.6%	+4.8%	-21.0%

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



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## 8. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Approved	HP-1010	USA	Patch	Relief of pain associated with post-herpetic neuralgia	No disclosure
2	Filed	HP-3150	JPN	Patch	Cancer pain	To be approved in FY21
3	Filed	HFT-290 (pediatric cancer pain patients)	JPN	Patch	Cancer pain	To be approved in FY21
4	Filed being prepared	HP-3150	JPN	Patch	Low back pain Humeroscapular peri-arthritis Cervico-omo-brachial syndrome Tenosynovitis	To be filed in FY21
5	Phase3*	ATS	USA	Patch	Attention Deficit Hyperactivity Disorder (ADHD)	To be filed in FY20
6	Phase3	HP-5070	JPN	Transdermal	Primary palmar hyperhidrosis	To be filed in FY22
7	Phase3	HP-5000	USA	Patch	Osteoarthritis of the knee	To be filed in FY23

\*Conduct of 4 studies including not large efficacy and safety trial, but usability test.

※Yellow-highlighted parts are changes from the previous announcement made on Oct.8,2020

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# Patch, moving into the future.



**Hisamitsu**<sup>®</sup>



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