

# Hisamitsu Pharmaceutical Co., Inc.

## FY02/2019 Results

### and Outlook for the FY02/2020

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.  
Apr. 10<sup>th</sup>, 2019

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## Agenda

### FY02/2019 Results

1. Looking back on the FY02/2019
2. Consolidated PL
3. Sales results by region
4. Sales results by product
5. Trends of Second-generation non-steroidal anti-inflammatory patch in Japan
6. R&D Pipeline

### Outlook for the FY02/2020

7. Forecast of Consolidated PL
8. Forecast of Sales by region
9. Forecast of Sales by product
10. Forecast of dividends

### Additional data

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# 1. Looking back on the FY02/2019 (1)

Rx Business	<ul style="list-style-type: none"> <li>▪ Launch of Allesaga® Tape 4mg, 8mg (Transdermal, Allergic rhinitis treatment patch)</li> <li>▪ Noven announces successful resolution of FDA warning letter</li> <li>▪ HFT-290 (a transdermal, pain management patch FENTOS® TAPE ) Approval of supplemental new drug application (NDA) for the addition of a new 0.5 mg dose</li> <li>▪ HP-3000 (a transdermal drug for treating Parkinson's disease) Application for manufacturing and marketing approval</li> <li>▪ HP-5070 (a transdermal drug for the treatment of primary local hyperhidrosis) Commencement of Phase II Clinical Study in Japan</li> <li>▪ Approval for manufacturing and marketing approval of OABLOK® PATCH in Taiwan (Transdermal, Overactive bladder treatment patch)</li> <li>▪ HFT-290 (a transdermal, pain management patch FENTOS® TAPE ) Listing on the NHI drug price standard and marketing of a new dose 0.5 mg</li> <li>▪ The Sales transfer of the transdermal pain management patch NORSPAN® TAPE</li> <li>▪ HFT-290 (a transdermal, pain management patch FENTOS® TAPE ) Completion of Phase III clinical study in opioid analgesic naïve patients</li> <li>▪ HP-3070(a transdermal Patch for the Treatment of Schizophrenia) A new drug application for in the U.S.</li> <li>▪ HP-3000 (a transdermal drug for treating Parkinson's disease) Conclusion of commercialization Agreement in Japan</li> </ul>
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# 1. Looking back on the FY02/2019 (2)

OTC Business	<ul style="list-style-type: none"> <li>▪ Launch of Butenalock® Vα cream 18g , liquid 18mL</li> <li>▪ Launch of Salonpas® 120 patches</li> <li>▪ Launch of Nobinobi® Salonsip® Fα</li> <li>▪ Launch of Nobinobi® Salonsip® F new package, 20 patches, 40 patches</li> <li>▪ Launch of Feitas® Zα DICSAS® (Hot)</li> <li>▪ Launch of Allegra® FX 56 tablets</li> </ul>
Others	<ul style="list-style-type: none"> <li>▪ “Hisamitsu Springs” 2017-18 season V•Premier League (for women) ranked at 1<sup>st</sup> (for the 6th time in 2 years.)</li> <li>▪ Salonpas Named the World's No. 1 OTC Topical Analgesic Patch Brand*1 for the second Consecutive Year</li> <li>▪ Launch of Butenalock® antiseptic and antibacterial hand spray</li> <li>▪ “Hisamitsu Springs” became champion at the 73nd National Sports Festival held in Fukui prefecture (2 consecutive years 8 round)</li> <li>▪ The acquisition company's own shares (1,000,000 stocks)</li> <li>▪ “Hisamitsu Springs” The Empress cup all-Japan volleyball championship ranked at 1<sup>st</sup> (2 consecutive years 8 round)</li> <li>▪ Completion of the acquisition company's own shares (1,000,000 stocks)</li> <li>▪ Subsidiary's Share Transfer</li> </ul>

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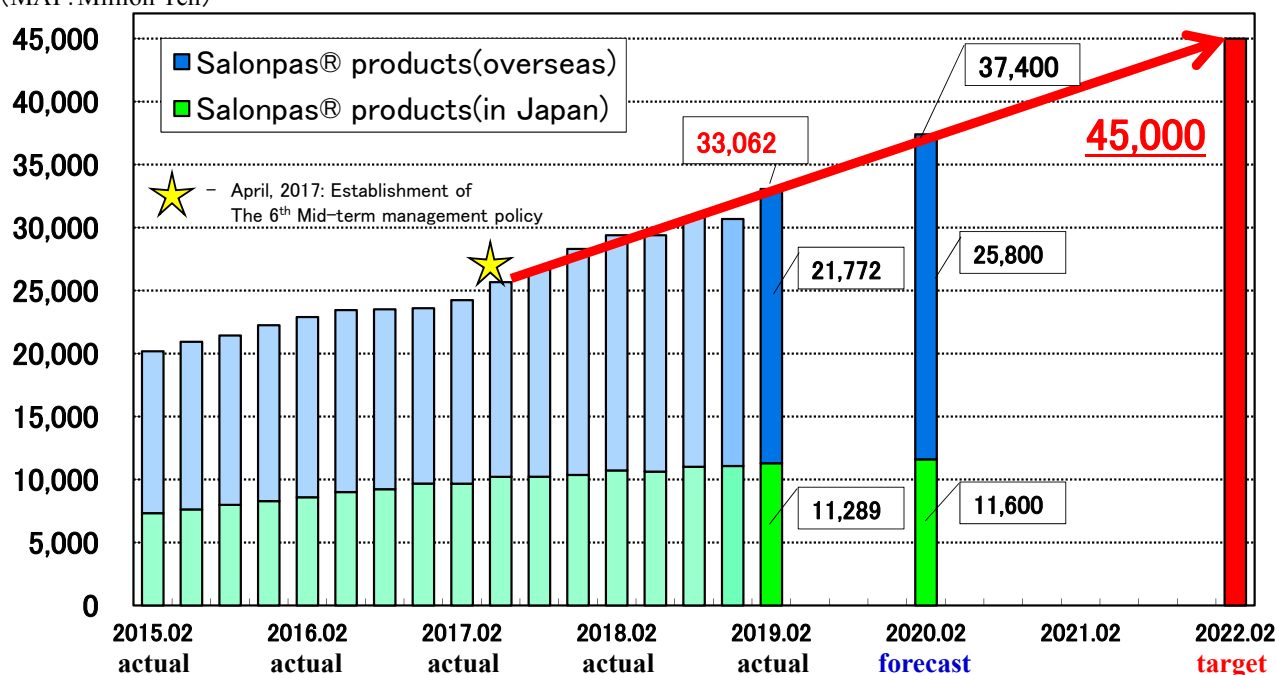
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# 1. Looking back on the FY02/2019 (3)

## <Sales transition of Salonpas® products>

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

(MAT: Million Yen)



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

Unit: ¥ million

	Actual performance for FY02/18	Actual performance for FY02/19	Change	Percentage Change	Earnings forecast for FY02/19 (Q1-Q4) *
<b>Net sales</b>	<b>148,466</b>	<b>143,408</b>	<b>-5,057</b>	<b>-3.4%</b>	<b>148,500</b>
CoGS	55,688	54,727	-960	-1.7%	56,000
as a % of sales	37.5%	38.2%			37.7%
SG&A costs	65,836	66,401	+564	+0.9%	68,500
Sales promotion costs	13,227	13,283	+56	+0.4%	15,000
Advertising costs	10,987	13,089	+2,102	+19.1%	13,700
R&D spending	15,076	13,032	-2,043	-13.6%	14,600
Others	26,545	26,995	+450	+1.7%	25,200
<b>Operating profits</b>	<b>26,940</b>	<b>22,278</b>	<b>-4,661</b>	<b>-17.3%</b>	<b>24,000</b>
<b>Recurring profits</b>	<b>28,245</b>	<b>24,647</b>	<b>-3,598</b>	<b>-12.7%</b>	<b>26,300</b>
<b>Net profits</b>	<b>19,119</b>	<b>19,204</b>	<b>+85</b>	<b>+0.4%</b>	<b>19,200</b>
Exchange rate (¥/USD)	¥112.04	¥110.39			¥110.00

<Changes in Presentation>

\* As of Apr 10, 2018

From the year ended February 28, 2019, "Royalty income" and others have been recorded under "Net sales."  
(Figures for the year ended February 28, 2018 have been reclassified under the same standards.)

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

Unit:¥ million

	Actual performance for FY02/18 (Q1–Q4)	Actual performance for FY02/19 (Q1–Q4)	Change	Main factor
<b>Net sales</b>	<b>148,466</b>	<b>143,408</b>	<b>-5,057</b>	
CoGS	55,688	54,727	-960	• Affected by the drug price revision. • Change of sales mix.
as a % of sales	37.5%	38.2%		
SG&A costs	65,836	66,401	+564	
Sales promotion costs	13,227	13,283	+56	
Advertising costs	10,987	13,089	+2,102	• Active investment at Japan and Overseas.
R&D spending	15,076	13,032	-2,043	[FY02/18] • Completion of PⅢ for HP-3000, HP-3070.
Others	26,545	26,995	+450	
<b>Operating profits</b>	<b>26,940</b>	<b>22,278</b>	<b>-4,661</b>	
Nonoperating balance	1,305	2,368	+1,063	• Increase in Equity-method investment profits. • Decrease in foreign exchange losses.
<b>Recurring profits</b>	<b>28,245</b>	<b>24,467</b>	<b>-3,598</b>	
Extraordinary balance	-551	1,026	+1,557	[FY02/19] • gain on sales of investment securities. [FY02/18] • impairment loss.
<b>Net profits</b>	<b>19,119</b>	<b>19,204</b>	<b>+85</b>	

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## 3. Sales results by region

Unit:¥ million

		Actual performance for FY02/18 (Q1–Q4)	Actual performance for FY02/19 (Q1–Q4)	change	percentage Change
<b>Net sales</b>		<b>148,466</b>	<b>143,408</b>	<b>-5,057</b>	<b>-3.4%</b>
Rx Business	Japan	73,544	67,384	-6,160	-8.4%
	USA	18,184	15,628	-2,556	-14.1%
	Other regions	3,327	2,869	-458	-13.8%
OTC Business	Japan	26,865	28,529	+1,663	+6.2%
	USA	9,698	11,137	+1,438	+14.8%
	Other regions	13,455	14,413	+957	+7.1%
Others	Japan	3,389	3,447	+58	+1.7%

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

Unit:¥ million

	Actual performance for FY02/19			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>Rx Business</b>	<b>85,881</b>	<b>67,384</b>	<b>18,497</b>	<b>-9,175</b>	<b>-6,160</b>	<b>-3,015</b>	<b>-9.7%</b>	<b>-8.4%</b>	<b>-14.0%</b>
Fentos <sup>®</sup> Tape	4,852	4,852	-	-65	-65	-	-1.3%	-1.3%	-
Norspan <sup>®</sup> Tape	2,060	2,060	-	-18	-18	-	-0.9%	-0.9%	-
Neoxy <sup>®</sup> Tape	696	696	-	-138	-138	-	-16.6%	-16.6%	-
Abstral <sup>®</sup>	209	209	-	-8	-8	-	-3.7%	-3.7%	-
Allesaga <sup>®</sup> Tape	230	230	-	+230	+230	-	-	-	-
Mohrus <sup>®</sup> Tape	42,115	41,929	186	-7,620	-7,623	+3	-15.3%	-15.4%	+1.7%
Mohrus <sup>®</sup> Pap	7,447	7,447	-	-951	-951	-	-11.3%	-11.3%	-
(Mohrus <sup>®</sup> Pap XR)	5,366	5,366	-	-225	-225	-	-4.0%	-4.0%	-
Others	10,987	9,957	1,029	+2,501	+2,414	+87	+29.5%	+32.0%	+9.3%
Minivelle <sup>®</sup> products	6,098	-	6,098	-1,529	-	-1,529	-20.1%	-	-20.1%
Vivelle-Dot <sup>®</sup> products	4,190	-	4,190	-649	-	-649	-13.4%	-	-13.4%
CombiPatch <sup>®</sup> products	4,428	-	4,428	+251	-	+251	+6.0%	-	+6.0%
Brisdelle <sup>®</sup>	0	-	0	+116	-	+116	-	-	-
Daytrana <sup>®</sup>	2,520	-	2,520	-650	-	-650	-20.5%	-	-20.5%
Others of Noven products	43	-	43	-644	-	-644	-93.7%	-	-93.7%

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

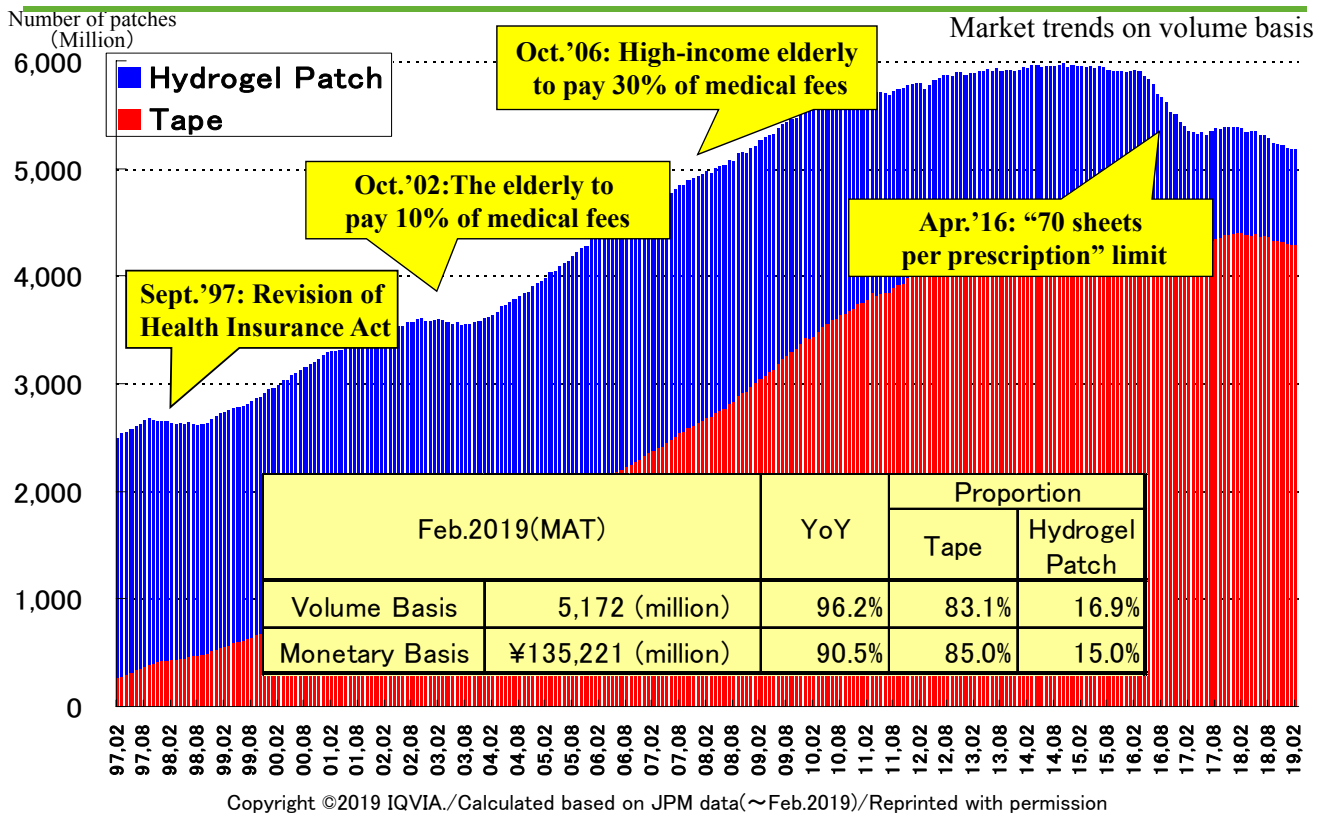
Unit:¥ million

	Actual performance for FY02/19			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>OTC Business</b>	<b>54,079</b>	<b>28,529</b>	<b>25,550</b>	<b>+4,059</b>	<b>+1,663</b>	<b>+2,396</b>	<b>+8.1%</b>	<b>+6.2%</b>	<b>+10.3%</b>
Salonpas <sup>®</sup> products	33,062	11,289	21,772	+3,670	+569	+3,100	+12.5%	+5.3%	+16.6%
Salonsip <sup>®</sup> products	3,414	2,240	1,173	-1,260	-1,000	-260	-27.0%	-30.9%	-18.2%
Air <sup>®</sup> Salonpas <sup>®</sup> products	1,789	1,057	732	+72	+63	+9	+4.2%	+6.4%	+1.3%
Feitas <sup>®</sup> products	5,811	5,811	-	+632	+632	-	+12.2%	+12.2%	-
Butenalock <sup>®</sup> products	1,672	1,672	-	+104	+104	-	+6.7%	+6.7%	-
Allegra <sup>®</sup> FX	4,509	4,509	-	+1,144	+1,144	-	+34.0%	+34.0%	-
Others	3,820	1,948	1,872	-305	+148	-453	-7.4%	+8.3%	-19.5%

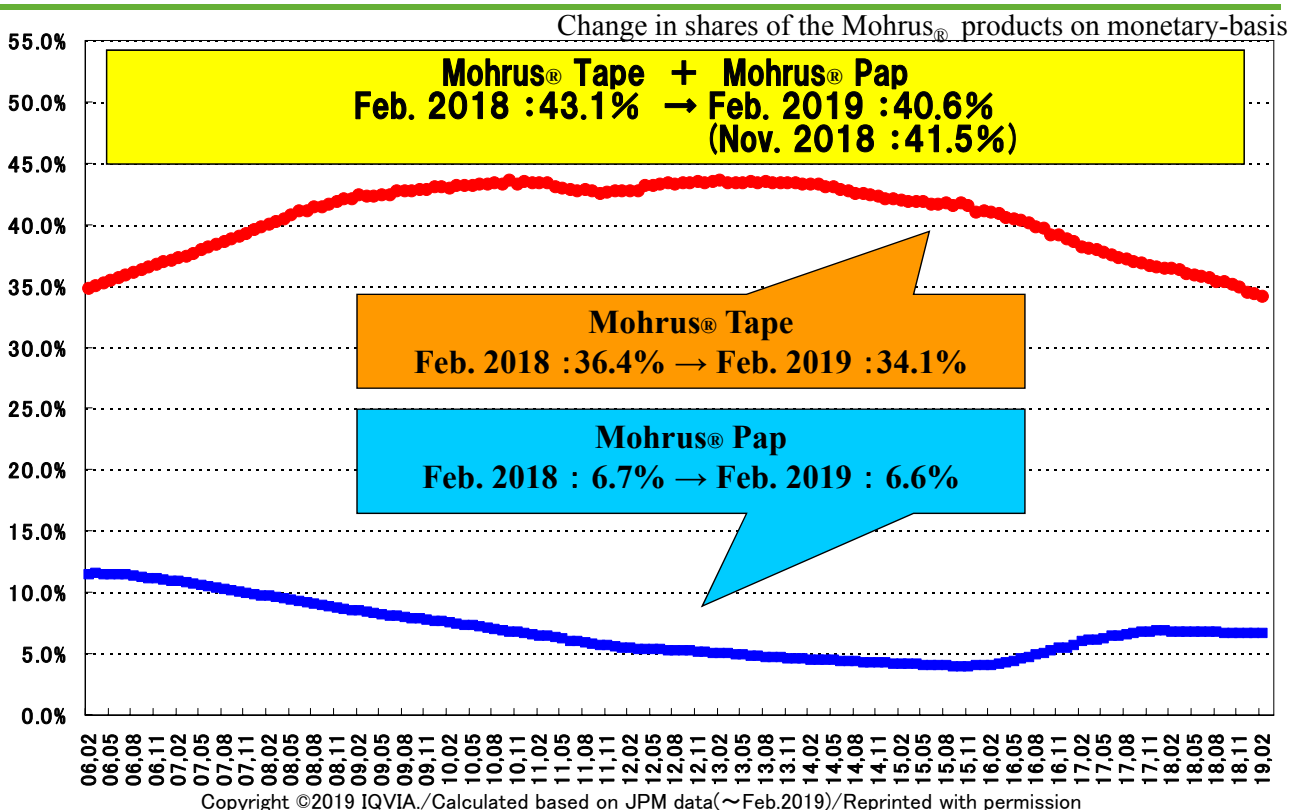
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# 5. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (1)



# 5. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (2)



## 6. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Filed (ANDA)	HP-1010	USA	Patch	Relief of pain associated with post-herpetic neuralgia	No disclosure
2	Filed	HP-3000	JPN	Patch	Parkinson's disease	To be approved in FY19
3	Filed	HP-3070	USA	Patch	Schizophrenia	To be approved in FY19
4	Filed being prepared	HFT-290 (opioid analgesic naïve patients)	JPN	Patch	Cancer pain	To be filed in FY19
5	Phase3	HP-3150	JPN	Patch	Cancer pain	To be filed in FY20
6	Phase3*	ATS	USA	Patch	Attention Deficit Hyperactivity Disorder (ADHD)	To be filed in FY20
7	Phase3 being prepared	HP-3150	JPN	Patch	Low back pain	Phase3 start in FY19
8	Phase3 being prepared	HP-3000	JPN	Patch	Idiopathic restless legs syndrome	Under consideration
9	Phase2	HP-5000	USA	Patch	Osteoarthritis of the knee	Phase3 start in FY20
10	Phase2	HP-5070	JPN	Transdermal	Primary local hyperhidrosis	Phase3 start in FY20

\*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 Jan. 11<sup>th</sup>, 2019

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## Outlook for the FY02/2020

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## 7. Forecast of Consolidated PL

Unit:¥ million

	Actual performance for FY02/19 (Q1-Q4)	Full-year earning forecast for FY02/20 (Q1-Q4)	Change	Percentage Change
<b>Net sales</b>	<b>143,408</b>	<b>143,500</b>	<b>+92</b>	<b>+0.1%</b>
CoGS	54,727	52,600	-2,127	-3.9%
as a % of sales	38.2%	36.7%		
SG&A costs	66,401	68,000	+1,599	+2.4%
Sales promotion costs	13,283	13,500	+217	+1.6%
Advertising costs	13,089	14,800	+1,711	+13.1%
R&D spending	13,032	13,000	-32	-0.2%
Others	26,995	26,700	-295	-1.1%
<b>Operating profits</b>	<b>22,278</b>	<b>22,900</b>	<b>+622</b>	<b>+2.8%</b>
<b>Recurring profits</b>	<b>24,647</b>	<b>25,500</b>	<b>+853</b>	<b>+3.5%</b>
<b>Net profits</b>	<b>19,204</b>	<b>19,400</b>	<b>+196</b>	<b>+1.0%</b>
Exchange rate (¥/USD)	110.39円	110.00円		

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## 8. Forecast of Sales results by region

Unit:¥ million

		Actual performance for FY02/19 (Q1-Q4)	Full-year earnings forecast for FY02/20 (Q1-Q4)	Change	Percentage Change
<b>Net sales</b>		<b>143,408</b>	<b>143,500</b>	<b>+92</b>	<b>+0.1%</b>
Rx Business	Japan	67,384	66,100	-1,284	-1.9%
	USA	15,628	10,600	-5,028	-32.2%
	Other regions	2,869	3,700	+831	+29.0%
OTC Business	Japan	28,529	29,600	+1,071	+3.8%
	USA	11,137	12,900	+1,763	+15.8%
	Other regions	14,413	17,800	+3,387	+23.5%
Others	Japan	3,447	2,800	-647	-18.8%

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## 9. Forecast of Sales by product (1) - Rx Business -

Unit:¥ million

	Earnings forecast for FY02/20 (Q1-Q4)			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>Rx Business</b>	<b>80,400</b>	<b>66,100</b>	<b>14,300</b>	<b>-5,481</b>	<b>-1,284</b>	<b>-4,197</b>	<b>-6.4%</b>	<b>-1.9%</b>	<b>-22.7%</b>
Fentos <sup>®</sup> Tape	4,100	4,100	-	-752	-752	-	-15.5%	-15.5%	-
Neoxy <sup>®</sup> Tape	800	800	-	+104	+104	-	+14.9%	+14.9%	-
Abstral <sup>®</sup>	200	200	-	-9	-9	-	-4.3%	-4.3%	-
Allesaga <sup>®</sup> Tape	2,400	2,400	-	+2,170	+2,170	-	+943.5%	+943.5%	-
Mohrus <sup>®</sup> Tape	38,100	37,800	300	-4,015	-4,129	+114	-9.5%	-9.8%	+61.3%
Mohrus <sup>®</sup> Pap	7,300	7,300	-	-147	-147	-	-2.0%	-2.0%	-
(Mohrus <sup>®</sup> Pap XR)	5,400	5,400	-	+34	+34	-	+0.6%	+0.6%	-
Others	14,800	13,500	1,300	+1,754	+1,483	+271	+13.4%	+12.3%	+26.3%
Minivelle <sup>®</sup> products	2,500	-	2,500	-3,598	-	-3,598	-59.0%	-	-59.0%
Vivelle-Dot <sup>®</sup> products	3,400	-	3,400	-790	-	-790	-18.9%	-	-18.9%
CombiPatch <sup>®</sup> products	4,300	-	4,300	-128	-	-128	-2.9%	-	-2.9%
Daytrana <sup>®</sup>	2,500	-	2,500	-20	-	-20	-0.8%	-	-0.8%
Others of Noven products	-	-	-	-43	-	-43	-	-	-

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## 9. Forecast of Sales by product (2) - OTC Business -

Unit:¥ million

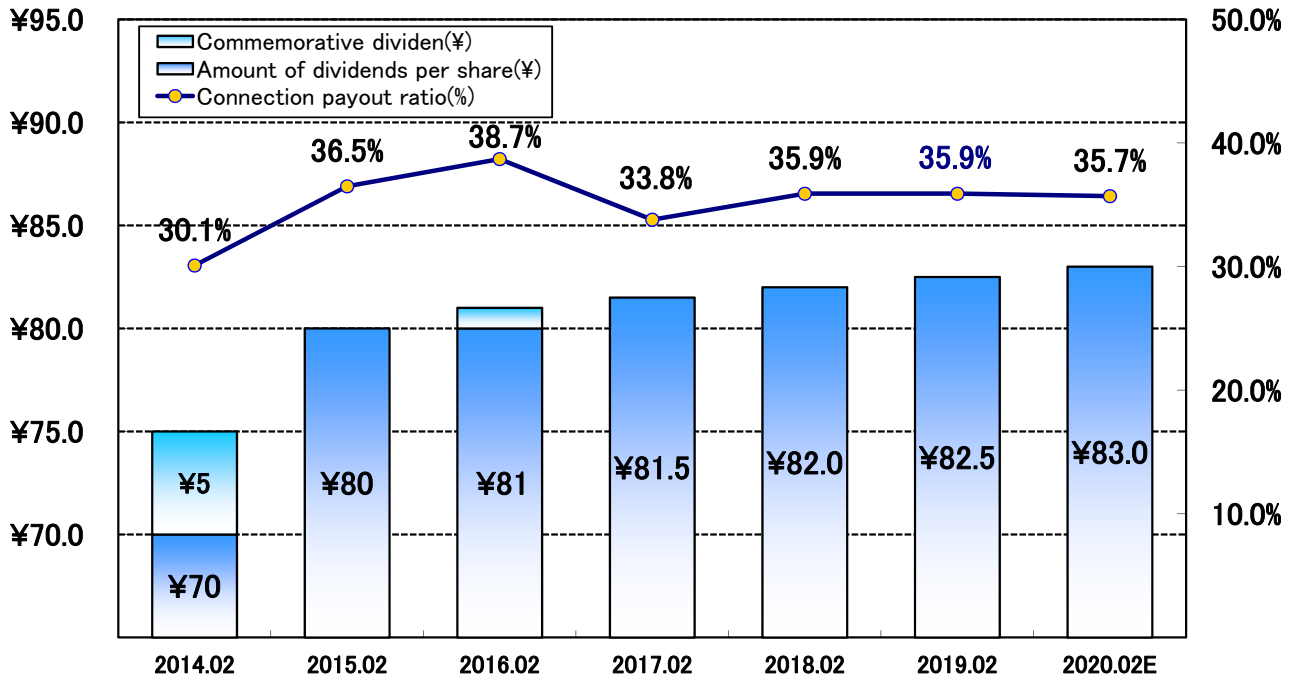
	Earnings forecast for FY02/20 (Q1-Q4)			Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas
<b>OTC Business</b>	<b>60,300</b>	<b>29,600</b>	<b>30,700</b>	<b>+6,221</b>	<b>+1,071</b>	<b>+5,150</b>	<b>+11.5%</b>	<b>+3.8%</b>	<b>+20.2%</b>
Salonpas <sup>®</sup> products	37,400	11,600	25,800	+4,337	+310	+4,027	+13.1%	+2.8%	+18.5%
Salonsip <sup>®</sup> products	4,100	2,900	1,200	+685	+659	+26	+20.1%	+29.5%	+2.3%
Air <sup>®</sup> Salonpas <sup>®</sup> products	2,100	1,200	900	+311	+143	+168	+17.4%	+13.5%	+23.0%
Feitas <sup>®</sup> products	5,900	5,900	-	+88	+88	-	+1.5%	+1.5%	-
Butenalock <sup>®</sup> products	1,900	1,900	-	+227	+227	-	+13.6%	+13.6%	-
Allegra <sup>®</sup> FX	3,800	3,800	-	-708	-708	-	-15.7%	-15.7%	-
Others	5,100	2,300	2,800	+1,280	+352	+928	+33.5%	+18.1%	+49.6%

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## 10. Forecast of dividends

➤ For the term ending February 2019, the consolidated dividend payout ratio is predicted to be 35.9% and the payout is expected to be ¥82.5. (\* Midterm dividend ¥41.25 predicted.)



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## Patch, moving into the future.



TOKYO 2020

Hisamitsu®



TOKYO 2020  
PARALYMPIC GAMES

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

## Additional data

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### Change to Sales results by region

[Conventional net sales classification]

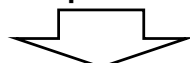
	Actual performance for FY02/18	Actual performance for FY02/19	Change	Main factor
<b>Net sales</b>	<b>148,466</b>	<b>143,408</b>	<b>-5,057</b>	
Hisamitsu (Non consolidated)	112,505	109,269	-3,236	<ul style="list-style-type: none"> <li>• Decrease in sales of Rx Business.</li> <li>• Increase in sales of OTC Business.</li> <li>• Increase in sales of Intl Business.</li> </ul>
Noven	20,817	17,808	-3,008	• Decrease in sales of major products.
Others *	15,143	16,330	+1,187	• Increase in sales of overseas subsidiaries.

\* "Others" includes consolidated adjustment.

$$\boxed{\text{Consolidated sales}} - \boxed{\text{Non Consolidated sales of Hisamitsu}} - \boxed{\text{Sales of Noven}} = \boxed{\text{Sales of Others}}$$

(issues)

- Sales of overseas is not clear, because "Others" includes consolidated adjustment.
- Sales of USA that is the records of sales performance next to Japan, is not clear.



Change from conventional net sales classification to only consolidated sales classification, Adding the sales results by region.

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