



7th Mid-Term Management Policy

～HX2025 (Hisamitsu Transformation 2025)～

September 17, 2021

President and CEO

NAKATOMI, Kazuhide



Recognition of the Current Situation

-Changes in the External Environment and Our Activities

External changes

- Growth in the aging of society at home and abroad
- Increase in online consumption
- COVID-19 global spread

Our activities

[Not to Change]

- With a focus on products utilizing TDDS technology delivering a better QOL to the world

[To Change]

- Leveraging our management resources and respond to customer needs beyond the pharmaceutical boundaries

**Inherit the culture we have nurtured,
Redefinite a new mission to be fulfilled**



New corporate mission

Promoting "TE-A-TE" Culture Worldwide

**"TE-A-TE" means thoughtful consideration to others.
Put your hands to your loved people, heal them with all your heart.
This is a treatment culture that we have valued since our foundation.**



Expansion of business activities

Corporate Philosophy: Delivering a better QOL to the World

New Company Mission: Promoting “TE-A-TE” Culture Worldwide

**In the past
Company
mission**

Promoting Patch Treatment Culture Worldwide

**In the past
Activities**

Domestic and
Prescription Sales
Mohrus[®] Tape, etc.

Domestic and
international sales
Salon paths, etc.

Zictoru Tape
HP-5070, etc.

Procurement of
non-woven fabrics
and adhesive

**Be accumulated
Management
resources**

**Relationship to exercise
equipment and
Locomotive syndrome**

**Salonpas Brand and
other products**

**TDDS Research
(including lotion/ointment)**

**Other
(JAXA, etc.)**

Leveraging Our Accumulated Management Resources to Meet Customer Needs

Promoting "TE-A-TE" Culture Worldwide



Sustainability Policy

Hisamitsu's Sustainability

“TE-A-TE” Creating Smiles

We will place even more value on “TE-A-TE” culture.

Literally meaning “applying a hand,” TE-A-TE signifies to heal your loved ones by giving them your hand in the sincere hope that they will endure their difficulties and get better.

What lies beneath TE-A-TE is your compassion for your loved ones. Such compassion is the starting point of our “patch treatment” culture, which we have emphasized since our establishment.

One way to spread “TE-A-TE” culture throughout the world is to spread “patch treatment” culture, but our corporate responsibilities are not limited to that.

Everything is our responsibility as long as it is filled with enthusiasm for TE-A-TE and concerned with customer satisfaction, even if it is in the realm of non-profit operations or disease/injury prevention.

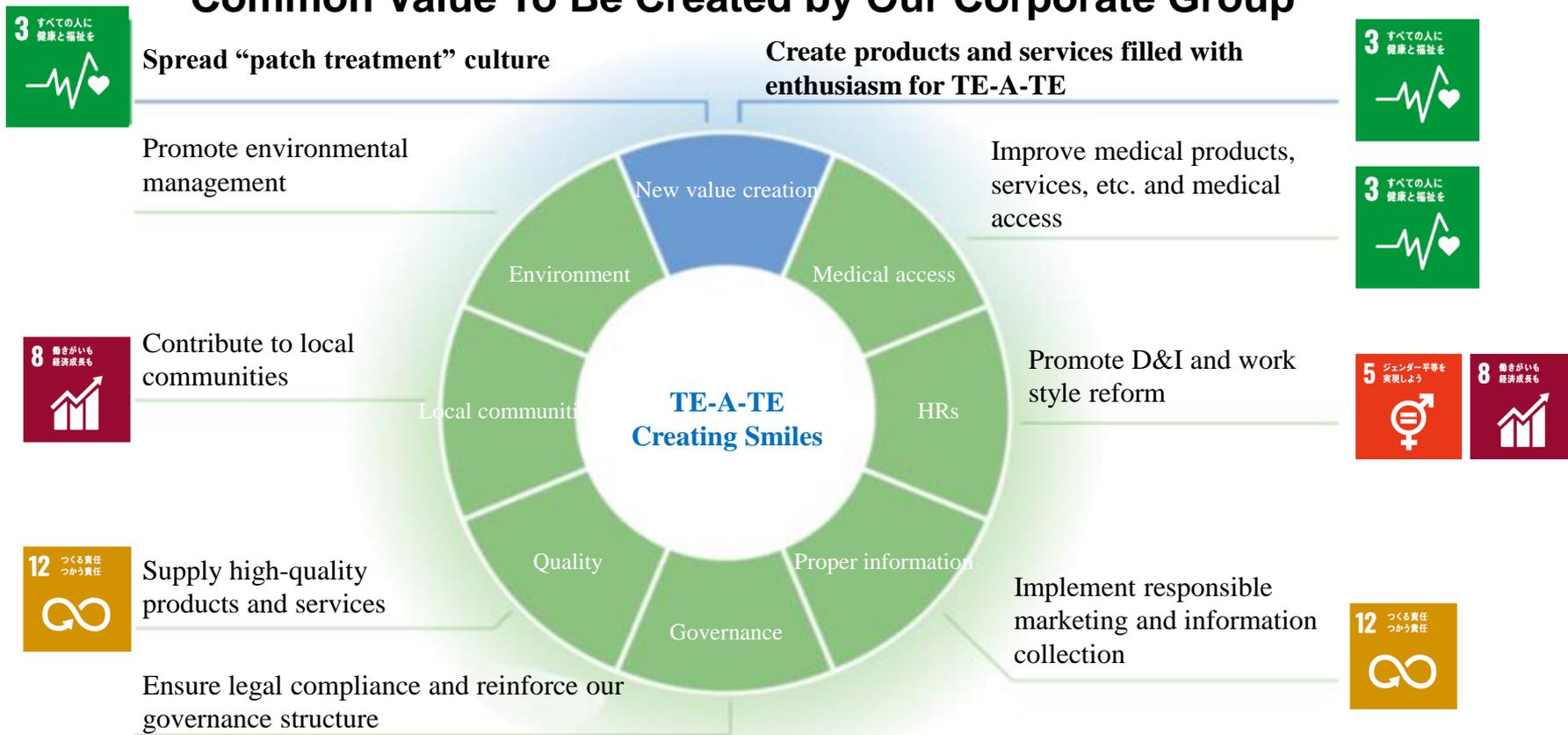
By contributing to creating happy smiles through a compassionate TE-A-TE culture, we will strive to achieve a favorable cycle of solving social problems and realizing our corporate group's growth.





Hisamitsu Pharmaceutical Materiality

Common Value To Be Created by Our Corporate Group



Main SDGs related to our materiality



Promoting "TE-A-TE" Culture Worldwide

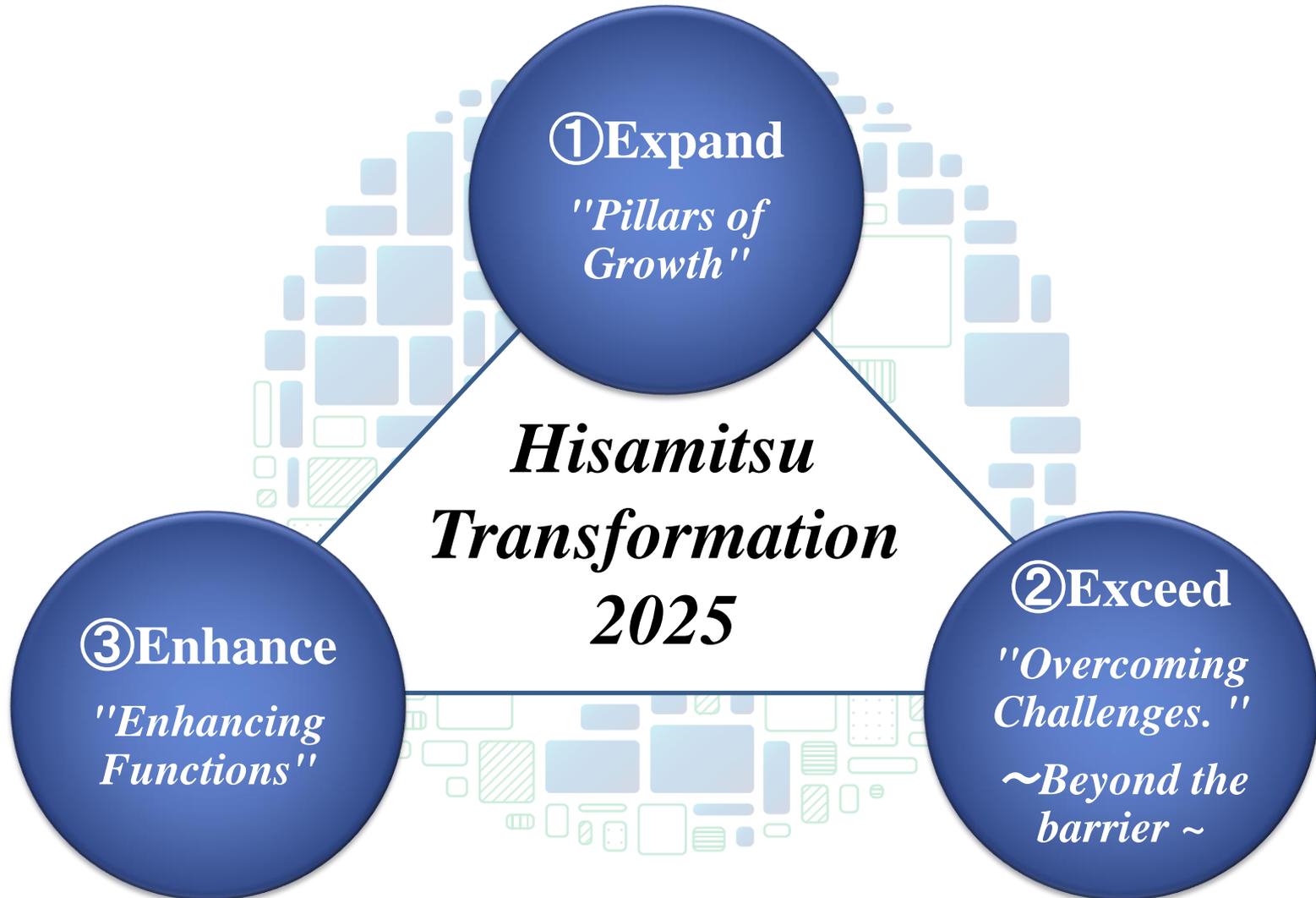


HX2025 Action Guidelines

~Hisamitsu Transformation 2025~



Activity Policies-3E-





①Expand

Salonpas® International expansion

- **Concentrate resources on priority countries/areas**
 - For sales in **seven countries** / area with overseas subsidiaries approx. **¥15 billion** increase (1.7 times)
- **Expansion of new Salonpas®**
 - For the new formulation Salonpas in multiple countries

PainCare Management

- **Diclofenac topical patch**
 - (Japan) **Zictoru® Tape**
 - (U.S.) HP-5000
- **Treating cancer pain without oral intake**
 - Care for mild to severe cancer pain with patches

New Business Activities

- **Awareness of Palm Diseases**
 - **HP-5070**
- **Businesses that leverage management resources**
 - Locomo-related products etc.

Expand activities to become a pillar of new growth



Salonpas® overseas sales

Continuous growth in overseas OTCs, especially Salonpas® brand

Growth in sales in key regions

- Seven countries and regions with overseas subsidiaries

In the **U.S., Vietnam, Indonesia, China, Brazil, Hong Kong and Malaysia**

Sales increased by about 15 billion yen, more than 1.7 times (compared to fiscal 2020)

- **Target for No.1 Salonpas® Share by Country**

End of fiscal 2020 End of FY2025

- OTC anti-inflationary analgesic topical applications 10 countries → **12 countries**
- OTC topical anti-inflammatory-ulcerative analgesics 4 countries → **9 countries**

Expansion of new Salonpas®

- Launched in multiple countries other than Japan and the U.S., ahead of the new formulation Salonpas.



PainCare Management (Zictoru® Tape)

<Current activities>

Provide medical information to central hospitals focusing cancer, home clinics and others

→ Providing our non-oral medication to control mild-to-severe cancer pain treatment

<Future Activities>

FY2021
Plan application

[Additional indications]

Low back pain, shoulder periartthritis, neck-shoulder-arm syndrome, and tenosynovitis

Provide new options for the treatment of pain



New activities (HP-5070)

HP-5070

- Active ingredient: Oxybutynin hydrochloride
- Target Disease: Primary Palmar Hyperhidrosis
- Stage: Preparing application (Plan for application in 2022)
- Aim of development
 - Japan's first insurance-covering drug with efficacy and safety demonstrated for primary palmar hyperhidrosis
 - Low skin irritation at the application site

Activity Targets: Aim to become a first-choice drug by conducting disease awareness



② Exceed

Ethical Drug Overseas Development

- **Improving the profitability by Noven**
 - Licensing activities
 - Secuado[®]、ATS
- **Rx lateral spread**
 - Zictoru[®] Tape
 - Utilization of Partnership

Micro-needle

- **Development of non-therapeutic applications**
 - Cosmetics Etc.
- **Large and inexpensive supply**
 - Commercialization-based manufacturing

Ecology activities

- **CO₂ suppression**
 - Practically ZERO in 2050
- **Product development in consideration of the global environment**
 - Compactness
 - Pocket tissue-type packaging

Overcoming Challenges and Exceeding Growth Barriers



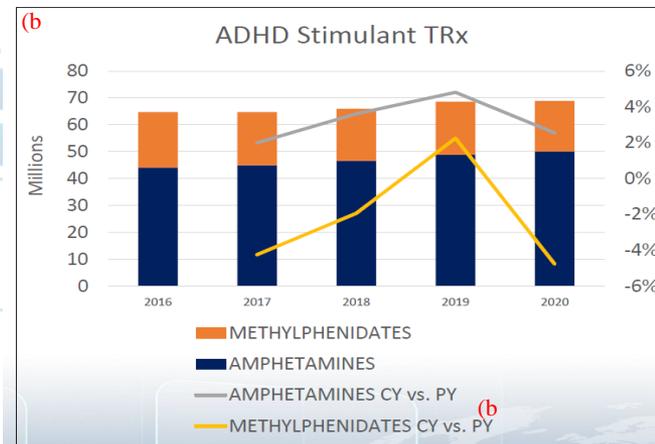
Overseas expansion of Rx (ATS)

ADHD market in the US

- Market size (2020): \$8.6 billion^(a) (approx. ¥950 billion)
- **Adult market especially growing**
 - Stimulant TRx share dominates about 90%
 - About 75% of the stimulant TRx is amphetamine products

ATS

- NDA Filed February 2021
Scheduled for approval in fiscal year 2021
- Only amphetamine transdermal treatment in ADHD marketplace
 - Offer the benefits of transdermal treatment
 - Can be removed the patch earlier based on the needs and treatment response of the patient
 - Easy to use for children who have difficulty taking oral medication
 - Visual confirmation of ADHD therapy
- **It is expected to be prescribed both children and adults**



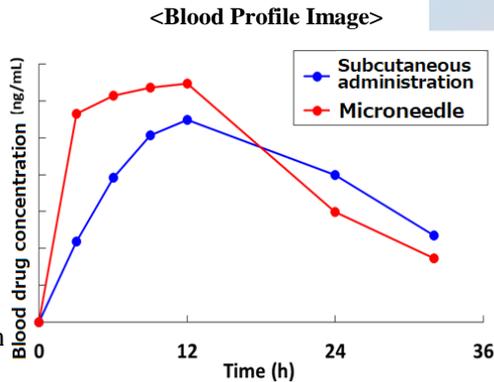
(a, (b): This information is an estimate derived from the use of information under license from the following IQVIA information service: (a: National Sales Perspectives™ for the period 2020, b) NPA, Total Patient Tracker™ for the period from 2016 to 2020. IQVIA expressly reserves all rights, including rights of copying, distribution and republication.



Microneedle technology

HalDisc® Technology

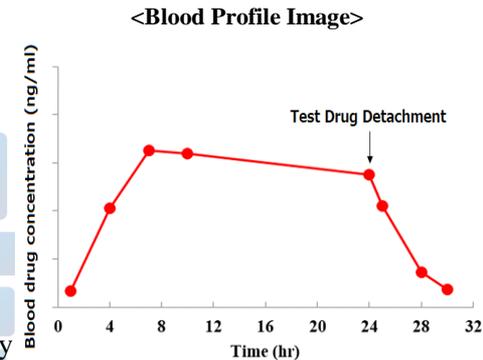
Solid Microneedle Technology



- Administration applicator com with microneedles
- Offer transdermal delivery of macromolecular drugs such as vaccines
- High bioavailability rate
- Simple and easy self-administration step

Sheetify® Technology

Sheet-type Microneedle Technology



- Example of Sheetify Technology administration

- **Novel and unique microneedle device**
- Achieve **high dose** transdermal delivery
- achieved by traditional transdermal technology
- Sustained absorption, such as a topical patch

Our microneedle technologies create “future” transdermal products which overcome limitations for conventional transdermal technologies



Ecology activities

Aim to achieve practically ZERO CO₂ emissions by 2050

[Tosu Factory]
Expansion of solar panels



First set in May 2000

[Utsunomiya Factory]
Smart energy project in the Kiyohara
Industrial Park



Kiyohara Smart Energy Center



③ Enhance

R&D capabilities

- **Formulation development**
 - Local formulation
 - Long-term formulation
- **Restructuring the research system**
 - Consolidation of research bases (Tosu)
 - Strengthen collaboration with manufacturing

Manufacturing capabilities

- **Streamlining of factories in**
 - Restructure manufacturing system
 - Non-pharmaceutical manufacturing
- **Reinforce the overseas production system**
 - Reinforcement of Salonpas line

Selling power

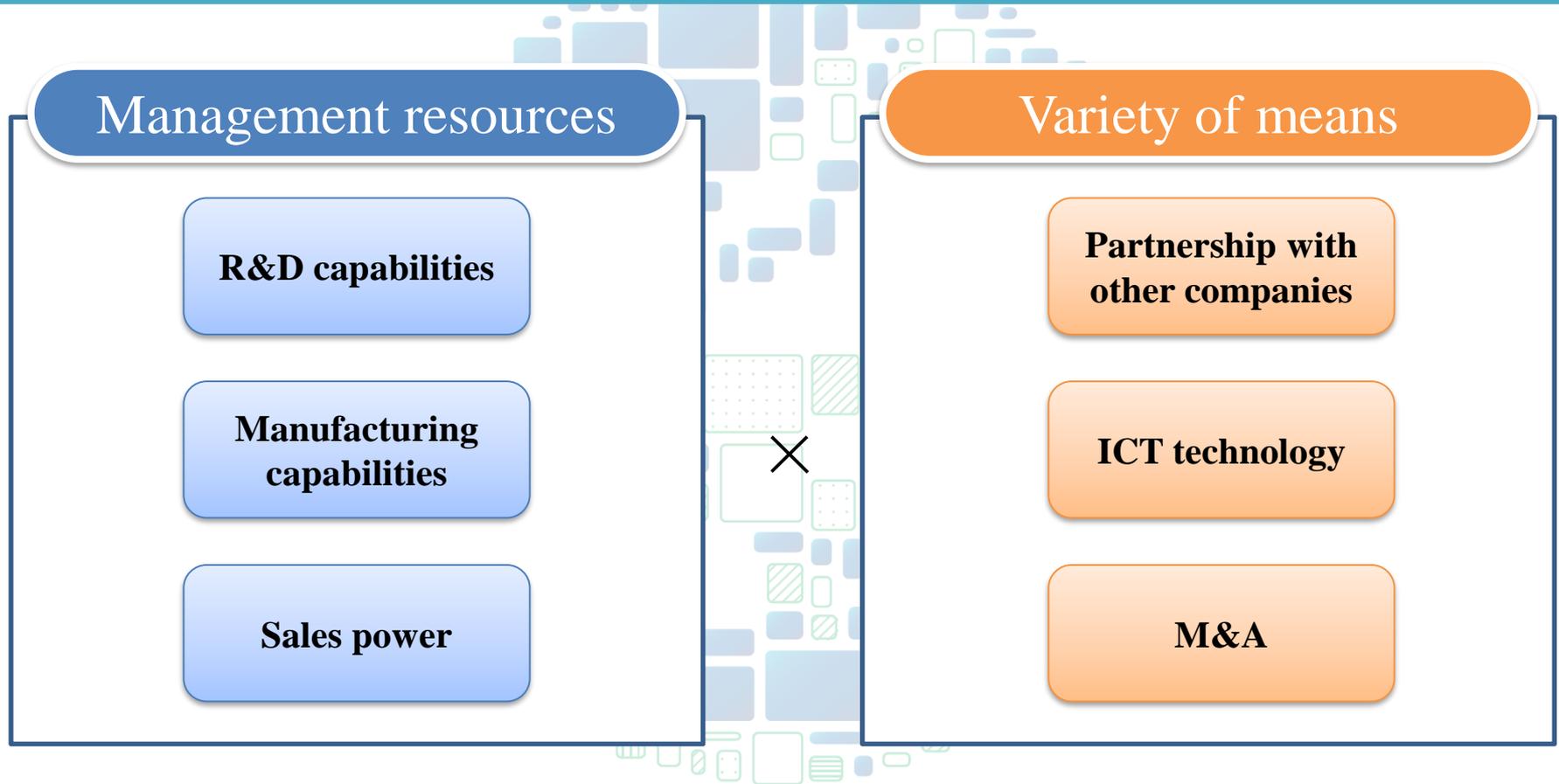
- **Sales Promotion Activities × Digital**
 - EC sale
 - New Product Presentation Meeting
- **Orthopedic × Locomo products**
 - Health Foods
 - App

Strengthen existing functions and establish a foundation for growth



Utilization of a variety of means

Generate new value by utilizing a variety of means





Production activities

Domestic
factory



Tosu Factory



Utsunomiya Factory

<Thorough GMP compliance>

Education and
Training
Thorough
implementation

Quality Control
Strengthening the
system

Review current
Organization

<Restructuring of production system>

Domestic Factories
by updating and
enhancing functions

Increasing Overseas
production capacity

Establish a foundation for global expansion

Overseas
factory



Hisamitsu Brazil



Hisamitsu Indonesia



Hisamitsu Vietnam



Noven



SDGs Initiatives (Environment)

Promoting "HELLO! Eco!" Initiatives

"HELLO! eco!" ... The slogan for our environmental activities so that each of us can keep our desire forever "Let's start doing good things for the environment (eco)!"

"HELLO! eco!" symbol



Developing "Eco! Friendly" Products



Pocket tissues-type packaging (Pocketsip®)

Approximately 3.0 tons/year of paper reduction



Management Targets (FY2025)

Improve profitability and establish a foundation for sustainable growth

Sales growth rate ※

CAGR5% or more

ROE

8% or more

Overseas Sales Ratio

50% or more

**Growth
investment**

Over 150 billion yen in five
years

**Shareholder
Returns**

Stable dividend
Flexible share buybacks

※Based on fiscal 2020 results



Promoting "TE-A-TE" Culture Worldwide



CAUTIONARY STATEMENT

This presentation material contains forward-looking statements. Although these forward-looking statements and opinions have been prepared based on internal materials and other materials that we believe to be reliable, they are not guarantees of future performance. Therefore, please be aware that actual sales, profits, etc. may differ from the content described herein.

Patch, moving into the future.



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