

First Quarter of FY2021 (March 2022) Earnings Results



Jinsei Maruyama, Corporate Officer
Taisho Pharmaceutical Holdings
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Results for the 1st Quarter of FY2021

(¥ bn)

	FY2021 1Q	FY2020 1Q	YOY Change		Deduction from sales	Other changes
Net sales	63.9	75.0	-11.1	-14.8%	-2.7	-8.4
Self-Medication Japan	28.9	28.8	+0.1	+0.4%	-1.7	+1.8
Overseas	24.3	27.0	-2.7	-10.0%	-0.0	-2.6
Rx Pharmaceutical	10.3	18.6	-8.3	-44.8%	-0.8	-7.5
Operating profit	2.7	9.4	-6.7	-71.5%		
(Before the amortization of goodwill and trademarks)	5.8	12.4	-6.6	-53.2%		
Ordinary profit	4.0	11.1	-7.1	-63.7%		
Profit attributable to owners of parents	1.2	6.1	-4.9	-80.5%		

(Fractions of 0.1 billion are rounded off.)



Overview of each business

【Self-Medication Operation Group in Japan】

28.9 billion yen (YOY +0.1 billion yen, +0.4%)

- Before application of the accounting standard
30.6 billion yen (YOY +1.8 billion yen, +6.3%)
- The market did not return to the level before COVID-19 although the market is recovering.

【Overseas Business】

24.3 billion yen (YOY -2.7 billion yen, -10.0%)

- A return from the special demand caused by COVID-19 last year

【Prescription Pharmaceutical Operation Group】

10.3 billion yen (YOY -8.3 billion yen, -44.8%)

- Before application of the accounting standard
11.1 billion yen (YOY -7.5 billion yen, -40.5%)
- Reduction accompanied by the end of the sales tie-up of Edirol

Sales of Leading Brands

(Self-Medication Operation Group in Japan)



- Sales of Lipovitan increased with the recovery in the market and the contribution of new products.
- The cold medicine market did not recover. This affected sales of Pabron and Vicks.

(¥bn)

	FY2021 1Q	FY2020 1Q	YOY Change	
Self-Medication Japan	28.9	28.8	+0.1	+0.4%
Before application of the accounting standard	30.6	28.8	+1.8	+6.3%
<i>Lipovitan</i> series	11.8	10.4	+1.4	+14.0%
<i>Pabron</i> series	3.5	3.5	-0.0	-0.3%
<i>RiUP</i> series	3.5	3.5	+0.0	+1.3%
<i>Biofermin</i> series	2.5	2.4	+0.1	+5.3%
<i>VICKS</i> series	0.5	0.5	-0.0	-6.5%

(Fractions of 0.1 billion are rounded off.)

<For reference: Market conditions>

OTC drugs market FY2021 1Q(Apr.-Jun): +2.1% YOY (INTAGE SRI+ data on a value basis)



Overseas Business

The Q1 sales of overseas business refer to sales from January to March.

- The Asian business grew at Q1, as foreseen partly because of the reduced impact of COVID-19.
- In Europe and the U.S., special demand for paracetamol arose under the impact of COVID-19 during Q1 last year.

(¥bn)

	FY2021 1Q	FY2020 1Q	YOY Change	
Overseas Buisness	24.3	27.0	-2.7	-10.0%
Asia	12.0	11.5	+0.5	+4.7%
Europe and America	12.1	15.0	-2.9	-19.3%

(Fractions of 0.1 billion are rounded off.)

Note : The impact of application of the accounting standard for revenue recognition is slight.

Sales of Leading Products

(Rx Pharmaceutical Operation Group)



- Sales of important products were as foreseen, although sales generally declined due to the impact of the NHI price revision and the termination of the marketing alliance for Ediol.

(¥bn)

	FY2021 1Q	FY2020 1Q	YOY Change	
Rx Pharmaceutical	10.3	18.6	-8.3	-44.8%
Before application of the accounting standard	11.1	18.6	-7.5	-40.5%
<i>Lusefi</i>	3.1	2.6	+0.5	+18.4%
<i>Bonviva</i>	1.8	1.7	+0.1	+8.9%
<i>LOQOA</i>	1.0	0.9	+0.0	+1.9%
<i>Biofermin</i>	1.1	1.1	+0.0	+2.7%

<For reference: Market conditions> YOY

(Fractions of 0.1 billion are rounded off.)

The prescription pharmaceutical market +2.5%

The market for SGLT2 inhibitor :+21.6% The market for anti-inflammatory analgesic (tape) +0.3%

The market for bisphosphonate agents for osteoporosis and related diseases : -10.2%

The market for active bacterium preparation +9.3%

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Factors Affecting FY2021 1st Quarter: Net Sales and Profits



(Year-on-Year Change)

Net Sales (down ¥11.1bn)	Self-Medication (down ¥2.8bn)	Prescription Pharmaceutical (down ¥8.3bn)
Operating profit (down ¥6.7bn)	Gross profit* down ¥7.5bn (Gross margin* FY2020 1Q:63.0% → FY2021 1Q:62.2%)	
	SG&A expenses down ¥0.8bn Before application of the accounting standard : up ¥2.1bn	
	(Main factors behind changes)	
	• R&D expenses	up ¥0.4bn
	• Advertising expenses	up ¥0.9bn · The impact of the launch of new products
	• Sales promotion expenses	down ¥2.4bn · Deduction from sales -2.1bn
	• Personnel expenses	up ¥1.5bn · Temporary increase due to the posting of a reserve
	• Other	down ¥1.2bn · Deduction from sales -0.7bn

*After provision/reversal of reserve for returned unsold goods
(Fractions of 0.1 billion are rounded off.)



FY2021 Full-year Forecasts

Revisions to the forecast of consolidated operating results most recently announced: No
(¥ bn)

	FY2021	FY2020	YOY Change		Deduction from sales	Other changes
Net sales	269.0	282.0	-13.0	-4.6%	-15.0	+2.0
Self-Medication Japan	131.3	130.9	+0.4	+0.3%	-10.3	+10.7
Overseas	98.0	92.5	+5.5	+6.0%	-	+5.5
Rx Pharmaceutical	37.9	55.1	-17.2	-31.2%	-3.2	-14.0
Operating profit	14.5	20.0	-5.5	-27.4%		
(Before the amortization of goodwill and trademarks)	26.4	32.0	-5.6	-17.5%		
Ordinary profit	18.5	25.9	-7.4	-28.7%		
Profit attributable to owners of parent	10.5	13.3	-2.8	-21.1%		
EPS (Yen)	131.45	166.84	-	-		

(Fractions of 0.1 billion are rounded off)

FY2021 Forecasts : Sales of Leading Brands (Self-Medication Operation Group in Japan)



(¥ bn)

	FY2021	FY2020	YOY change	
Self-Medication Japan	131.3	130.9	+4.0	+0.3%
Before application of the accounting standard	141.6	130.9	+10.7	+8.2%
<i>Lipovitan</i> series	49.0	45.8	+3.2	+6.9%
<i>Pabron</i> series	22.0	21.1	+0.9	+4.1%
<i>RiUP</i> series	15.3	14.9	+0.4	+2.9%
<i>Biofermin</i> series	10.3	9.8	+0.6	+5.9%
<i>VICKS</i> series	3.5	3.1	+0.4	+11.4%

(Fractions of 0.1 billion are rounded off)

Note : The forecast by major brand reflects the figures before application of the accounting standard for revenue recognition.

FY2021 Forecasts : Overseas Business



(¥ bn)

	FY2021	FY2020	YOY change	
Overseas business	98.0	92.5	+5.5	+6.0%
Asia	46.1	41.6	+4.5	+10.8%
Europe and America	50.9	49.7	+1.2	+2.5%

(Fractions of 0.1 billion are rounded off)

Note : The impact of application of the accounting standard for revenue recognition is slight.

FY2021 Forecasts : Sales of Leading Products

(RX Pharmaceutical Operation Group)



(¥ bn)

	FY2021	FY2020	YOY change	
Rx Pharmaceutical	37.9	55.1	-17.2	-31.2%
Before application of the accounting standard	41.1	55.1	-14.0	-25.4%
<i>Lusefi</i>	14.0	10.8	+3.2	+29.6%
<i>Bonviva</i>	7.1	6.9	+0.2	+3.1%
<i>LOQOA</i>	4.5	3.8	+0.7	+18.2%
<i>Biofermin</i>	4.5	3.4	+1.1	+32.4%

(Fractions of 0.1 billion are rounded off)

Note : The forecast by major brand reflects the figures before application of the accounting standard for revenue recognition.

Sales of FY2020 include the sales of *Edirol* (16.2 billion yen)

Factors Affecting FY2021 Full-year Forecasts

Net Sales and Profits



(Year-on-Year Change)

Operating profit (down ¥5.5bn)	Gross profit* : down ¥10.5bn Before application of the accounting standard : up ¥3.2bn (Gross margin* FY2020: 62.4% → FY2021: 61.5%)		
	SG&A expenses	down	¥5.0bn
	Before application of the accounting standard : up ¥8.7bn		
	(Main factors behind changes)		
	▪ R&D expenses	up	¥1.3bn
	▪ Advertising expenses	up	¥7.0bn
	▪ Sales promotion expenses	down	¥11.4bn
	Before application of the accounting standard : down ¥1.2bn		
	▪ Personnel expenses	up	¥0.1bn
	▪ Other	down	¥2.1bn
	Before application of the accounting standard : up ¥1.4bn		

*After provision/reversal of reserve for returned unsold goods
(Fractions of 0.1 billion are rounded off)

Prescription Pharmaceuticals: New Drug Development



Changes from the announcement of the full-year results in FY2020 (May 14)

(As of August 5, 2021)

In Japan : TS-172(Oral)	
Planned application	Hyperphosphatemia
Changes	Transfer to Phase 1
Overseas : TS-121(Oral)	
Planned application	Depression
Changes	Phase 2 → Delete (Licensed out to Ancora Bio Inc.)

Prescription Pharmaceuticals: New Drug Pipeline (1)



Drugs under development by Taisho Pharmaceutical Co., Ltd.: From Phase 2

(As of August 5, 2021)

	<u>Description</u> Planned application	Development with	In Japan/ Overseas
Filed			
Lusefi (Oral)	<u>Generic name : Lusegliflozin Hydrate</u> <u>Orally disintegrating film drug (drug form added)</u> Type2 diabetes	In-house	In Japan
TS-152 (Injection)	<u>Anti-TNF(Tumor Necrosis Factor)-α antibody</u> Articular rheumatism against which existing therapies have insufficient efficacy	In-house	In Japan
Phase 3			
TS-071 (Oral)	<u>Generic name : Luseogliflozin Hydrate</u> Type2 diabetes (Pediatric)	In-house	In Japan
Phase 2			
TS-142 (Oral)	Insomnia	In-house	In Japan
TS-161 (Oral)	Depression	In-house	Overseas

Prescription Pharmaceuticals: New Drug Pipeline (2)



Drugs under development by Taisho Pharmaceutical Co., Ltd.: From Phase 1

(As of August 5, 2021)

	<u>Description</u> Planned application	Development with	In Japan/ Overseas
Phase 1			
TS-134 (Oral)	Schizophrenia	In-house	Overseas
TS-142 (Oral)	Insomnia	In-house	Overseas
TS-172 (Oral)	Hyperphosphatemia	In-house	In Japan

