

FY2022 (March 2023) Earnings Results



Akira Uehara,
Chief Executive Officer (Representative)
Taisho Pharmaceutical Holdings Co., Ltd.
May 16, 2023

Results for FY2022



- ◆ Growth in operating profit resulting from increased gross profit accompanied by an increase in net sales.

(¥bn)

	FY2022	FY2021	YOY Change		Vs.E*
Net sales	301.4	268.2	+33.2	+12.4%	-1.6
Gross profit on sales	177.9	163.8	+14.0	+8.6%	-2.1
Selling, general and administrative expenses	154.8	153.1	+1.7	+1.1%	-1.7
Operating profit	23.0	10.7	+12.3	+114.3%	-0.5
(Before the amortization of goodwill and trademarks)	36.4	23.2	+13.2	+57.1%	-0.3
Profit attributable to owners of parents	19.0	13.1	+5.9	+44.8%	-0.0
EPS (Yen)	231.73	161.12	-	-	-

E : Estimates

(Fractions of 0.1 billion are rounded off.)

*As of February 9,2023

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



- ◆ Sales of *Pabron* increased because of timely responses to the special demand arising from the COVID-19 pandemic.
- ◆ Recovery of sales due to the recovery of social activities

(¥bn)

	FY2022	FY2021	YOY Change		Vs.E**
Self-Medication Operation Group in Japan	134.5 *	127.9	+6.6	+5.2%	-2.3
Main breakdown					
<i>Lipovitan series</i>	50.3	48.8	+1.5	+3.0%	-0.1
<i>Pabron series</i>	28.2	21.9	+6.2	+28.5%	-0.3
<i>RiUP series</i>	11.9	15.2	-3.3	-21.9%	-0.2
<i>Biofermin series</i>	13.0	10.6	+2.4	+22.8%	+0.5
<i>VICKS series</i>	4.0	3.2	+0.9	+27.1%	+0.3

E : Estimates

(Fractions of 0.1 billion are rounded off.)

*Including Taisho Pharmaceutical direct sales of 15 billion yen

**As of February 9,2023

Note : Figures for each brand are before the application of the revenue recognition standard.



Fiscal year sales of International business refer to sales from January to December.

- ◆ In Asia, Europe and America, due to the appropriate approach to their economic recovery periods, sales grew even in local currency.

(¥bn)

	FY2022	FY2021	YOY Change		Vs.E*
International Business	126.7	100.3	+26.3	+26.3%	-0.1
Main breakdown					
Asia	64.3	48.5	+15.8	+32.7%	-0.1
Europe and America	62.1	50.7	+11.4	+22.4%	+0.0

E : Estimates

(Fractions of 0.1 billion are rounded off.)

*As of February 9,2023

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



Sales of Leading Products (Rx Pharmaceutical Operation Group)

- ◆ Reactionary decrease due to a lump-sum payment related to the signing of a contract in the previous year.
- ◆ Sales of important products increased despite some influence from the revision of drug prices.

(¥bn)

	FY2022	FY2021	YOY Change		Vs.E*
Prescription Pharmaceutical Operations	37.7	38.5	-0.9	-2.3%	+0.5
Main breakdown					
<i>Lusefi</i>	13.1	12.4	+0.7	+5.9%	-0.2
<i>Bonviva</i>	7.7	7.4	+0.4	+4.9%	+0.3
<i>LOQOA</i>	4.1	4.1	+0.0	+0.2%	-0.0
<i>Biofermin</i>	4.7	4.4	+0.2	+5.3%	-0.0

E : Estimates

*As of February 9,2023

(Fractions of 0.1 billion are rounded off.)

Note : Figures for each product are before the application of the revenue recognition standard.

Selling, general and administrative expenses



(¥bn)

	FY2022	FY2021	YOY Change		Vs.E*
Selling, general and administrative expenses	154.8	153.1	+1.7	+1.1%	-1.7
Main breakdown					
R&D expenses	20.7	19.4	+1.4	+7.0%	-0.7
Advertising expenses	26.8	31.9	-5.1	-16.1%	+0.5
Sales promotion expenses	17.0	14.4	+2.5	+17.6%	-0.8

E : Estimates

(Fractions of 0.1 billion are rounded off.)

*As of February 9,2023

FY2023 Full-year Forecasts



(¥bn)

	FY2023	FY2022	YOY Change	
Net sales	314.5	301.4	+13.1	+4.4%
Gross profit on sales	183.2	177.9	+5.3	+3.0%
Selling, general and administrative expenses	164.7	154.8	+9.9	+6.4%
Operating profit	18.5	23.0	-4.5	-19.6%
(Before the amortization of goodwill and trademarks)	33.8	36.4	-2.6	-7.1%
Profit attributable to owners of parents	13.0	19.0	-6.0	-31.6%
EPS (Yen)	158.58	231.73	-	-

(Fractions of 0.1 billion are rounded off.)

FY2023 Forecasts : Sales of Leading Brands (Self-Medication Operation Group in Japan)



- ◆ Although there is a decline in reaction to special demand, sales growth is expected due to new product launches and capture inbound demand.

(¥bn)

	FY2023	FY2022	YOY Change	
Self-Medication Operation Group in Japan	137.1	134.5	+2.6	+1.9%
Main breakdown				
<i>Lipovitan series</i>	54.0	50.3	+3.7	+7.4%
<i>Pabron series</i>	24.0	28.2	-4.2	-14.8%
<i>RiUP series</i>	13.9	11.9	+2.0	+16.8%
<i>Biofermin series</i>	12.3	13.0	-0.7	-5.1%
<i>VICKS series</i>	3.1	4.0	-0.9	-23.2%

(Fractions of 0.1 billion are rounded off.)

Note : The Forecasts for each brand are before the application of the revenue recognition standard.

FY2023 Forecasts : International Business



◆ Aiming for organic growth in Asia, Europe and America

(¥bn)

	FY2023	FY2022	YOY Change	
International Business	135.0	126.7	+8.3	+6.6%
Main breakdown				
Asia	69.0	64.3	+4.7	+7.3%
Europe and America	65.6	62.1	+3.5	+5.6%

(Fractions of 0.1 billion are rounded off.)

Note : The impact of overseas revenue recognition standards is minor

FY2023 Forecasts : Sales of Leading Products

(RX Pharmaceutical Operation Group)



◆ Expected to increase sales centered on priority products

(¥bn)

	FY2023	FY2022	YOY Change	
Prescription Pharmaceutical Operations	40.3	37.7	+2.6	+7.0%
Main breakdown				
<i>Lusefi</i>	13.9	13.1	+0.8	+6.1%
<i>Bonviva</i>	9.5	7.7	+1.8	+23.2%
<i>Biofermin</i>	4.7	4.7	+0.0	+0.8%
<i>LOQOA</i>	3.8	4.1	-0.3	-6.6%

(Fractions of 0.1 billion are rounded off.)

Note : The Forecasts for each product are before the application of the revenue recognition standards.

FY2023 Full-year Forecasts

Selling, general and administrative expenses



- ◆ Advertising expenses are expected to be the same as the previous year.
- ◆ R&D expenses increased due to progress in ethical drug development.

(¥bn)

	FY2023	FY2022	YOY Change	
Selling, general and administrative expenses	164.7	154.8	+9.9	+6.4%
Main breakdown				
R&D expenses	23.4	20.7	+2.7	+12.9%
Advertising expenses	27.1	26.8	+0.3	+1.3%
Sales promotion expenses	19.5	17.0	+2.5	+14.9%

(Fractions of 0.1 billion are rounded off.)

Prescription Pharmaceuticals : New Drug Pipeline (1)



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

(As of May 11, 2023)

	<u>Description</u> Planned application	Development with	In Japan / Overseas
Filed (Additional dosage form)			
Nanozora* (Injection)	<u>Auto Injection (Additional dosage form)</u> Rheumatoid arthritis, which is inadequately managed by the current available treatments	In-house	In Japan
Phase 3			
TS-071 (Oral)	<u>Generic name : Luseogliflozin Hydrate</u> Type2 diabetes (Pediatric)	In-house	In Japan
TS-142 (Oral)	Insomnia	In-house	In Japan
Phase 2			
TS-161 (Oral)	Depression	In-house	Overseas
TS-172 (Oral)	Hyperphosphatemia	In-house	In Japan

*TS-152

Prescription Pharmaceuticals : New Drug Pipeline (2)



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

(As of May 11, 2023)

	<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

Initiatives for Sustainable Growth



➤ **Self-Medication Operation Group in Japan**

- Continued development, launch and marketing of new products
- Bolstering of B to C business (mail order / e-commerce business)
- Discovery of new business opportunities

➤ **International Business**

- Expansion into new domains

UPSA : Expansion of product portfolio

DHG : Improvement of product quality and cultivation of growing hospital channels

Asia : Acquisition of new users by leveraging brands and sales networks in each country

➤ **Prescription Pharmaceutical Operation Group**

- Quick launch of new products and sales expansion of cultivated products
- Strengthen the pipeline through early approval and licensing activities for developed compounds
- Creation of new drugs by strengthening collaboration with external research institutions and utilizing advanced technologies



- Annual Dividend for FY2022
 - ¥100 per share (Payout ratio: 41.1%*)
 - interim dividend: ¥50 per share
 - year-end dividend: ¥50 per share
- Annual Dividend for FY2023 (forecast)
 - ¥100 per share (Payout ratio: 63.1%*)
 - interim dividend: ¥50 per share
 - year-end dividend: ¥50 per share
- No Changes in Our Policies on Dividends and Share Buybacks
 - Taisho aims to pay a consistently stable dividend, targeting a dividend payout ratio of 30%.
(excluding extraordinary gains and losses)
 - Barring special circumstances, Taisho plans to maintain an annual dividend of ¥100 per share.

*The dividend payout ratio is calculated from consolidated profit attributable to owners of parent excluding extraordinary income and loss



TAISHO PHARMACEUTICAL HOLDINGS CO., LTD.