

This material is an English translation of the press release announced on September 17, 2021 in Japanese, and the Japanese release is given priority about the content and the interpretation.

September 17, 2021

Announcement regarding Establishment of "the 7th Medium-term Management Policy"

Hisamitsu Pharmaceutical Co., Inc. (Head Office: Tosu city, Saga prefecture, Japan; President and CEO: NAKATOMI, Kazuhide; hereinafter referred to as "Hisamitsu") hereby announces that it has established its "7th Medium-term Management Policy" spanning five years from the year starting February 2022 (FY2021) as follows.

1. Background of "the 7th Medium-term Management Policy"

Hisamitsu has formulated and implemented the 1st through 6th Medium-term Management policies to achieve sustained growth in the future. Meanwhile, as a result of the occurrence of recent radical changes in the external environment or intensification of the competitive environment triggered by the spread of the new coronavirus infection, the assumptions of the in-progress 6th Medium-term Management Policy have largely changed. Therefore, in order to overcome the newly recognized problems and surely achieve the targets of the final fiscal year of the five-year period (FY2025) starting at the fiscal year in February 2022 (FY2021), the 7th Medium-term Management Policy has been newly formulated.

2. New Company Mission: Promoting "TE-A-TE" Culture Worldwide

Since our foundation, Hisamitsu has been aiming to improve the QOL of people around the world through the R&D, Manufacture, and Sale of transdermal patch products. This has included the thoughtful consideration "TE-A-TE" to others putting your hands to your loved people. From now on, in order to expand our business activities to spread the culture of "TE-A-TE", which is full of compassion to all over the world through various products and services as well as Patch Products, Hisamitsu would like to conduct our corporate activities under our new corporate mission, Promoting "TE-A-TE" Culture Worldwide.

3. Implementation Plan of "the 7th Medium-term Management Policy ~ Hisamitsu Transformation 2025 ~" (3E)

(1) EXPAND

- Salonpas® Oversea Business (Concentrate our Resource to Important area, Expand new Salonpas®)
- Pain Care Business (Diclofenac Patch, Cancer Pain Treatment without oral take)
- New Business (Disease awareness of palmar hyperhidrosis, Business utilizing Management Resource)

(2) EXCEED

- Rx Oversea Business (Improvement of NOVEN Profitability, Horizontal Rollout of Hisamitsu's Rx products)
- Micro-needle (New Use Development except for Medical Treatment)

- Eco Activity (Reduce CO₂ emission, Product Development taking Earth Environment into consideration)

(3) ENHANCE

- R&D capability (Restructuring Formulation Development and R&D structure)
- Production capability (Restructuring Domestic Factory, enhance Oversea Production Structure)
- Sales capability (Sales promotion with Digital tool, Orthopedics with Locomo-related product)

4. Management Targets under "the 7th Medium-term Management Policy"

Hisamitsu's management targets in the final year of the five-year period (FY2025) are as follows.

	FY2025 Target
Sales Growth Rate ^{*1}	CAGR 5.0% or more
ROE ^{*2}	8.0% or more
Oversea Sales Ratio	50.0% or more
Shareholder Return	Stable Dividend

^{*1} Based on FY2020 performance

^{*2} ROE: Return on Equity