

Main Substance of the Question and Answer Session

Healthcare Business Briefing, held on February 26, 2026

Asahi Kasei Corporation

Accelerating Pharmaceutical Growth Through Pipeline Expansion in Severe Infectious Disease

- Acquisition of Aicuris Anti-infective Cures AG -

Participants

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Questions and Answers

Rationale for the Acquisition and Revenue Outlook:

Q: We assume Aicuris Anti-infective Cures AG also received acquisition proposals from competitors. What ultimately enabled Asahi Kasei to secure the acquisition?

Aoki: We believe it was because we were able to respond more quickly to their suggestion for an acquisition than other companies. We had been interested in licensing their pipeline compounds in the area of severe infectious disease for a few years, and were in close contact with them. Our respective management teams had met several times, and we had a good understanding of the strengths and advantages of their pipeline. When the positive results from pritelivir's Phase 3 trial were confirmed in October 2025, Aicuris raised the prospect of an acquisition, and we were swiftly able to express our interest.

Q: What synergies do you see between Aicuris and Asahi Kasei's existing Pharmaceuticals business?

Aoki and Wheeler: First, we anticipate synergies on the commercial side. Veloxis Pharmaceuticals, Inc. has an established sales network targeting transplant physicians at transplant centers, cultivated through Envarsus XR. This network already covers more than half of the treatment facilities targeted

for pritelivir, which completed Phase 3. Compared to Aicuris building a sales organization from scratch, this enables a faster and more efficient product launch.

In addition, on the R&D side, we anticipate benefits such as creating new pipeline compounds through strengthened development capabilities. If we had only licensed AIC468 at Phase 1, we would have needed to recruit additional R&D personnel for development. Through this acquisition, however, we gain Aicuris' R&D talent with infectious disease expertise. Combined with our own R&D personnel, this strengthens our overall R&D capabilities.

Q: How did you quantitatively assess the synergies between the two companies when determining the acquisition price? What assumptions were used in the calculation?

Horie: The valuation for this acquisition was primarily calculated based on royalty income from the out-licensed product and the value of pritelivir, which completed Phase 3. It does not reflect the value of AIC468, which is in Phase 1, nor the synergies in sales and R&D between the two companies. We were able to agree on an acquisition price based on conservative assumptions. While the specific quantitative assessment of synergies will be refined going forward, at this stage we believe there is upside potential not included in the acquisition price, and we believe sufficient returns can be secured.

Q: Regarding the earnings outlook for this acquisition, you anticipate achieving positive operating income after amortization of goodwill and other intangible assets in FY 2028. What level of earnings contribution is expected? Also, could you clarify how much goodwill amortization expense is factored in?

Horie: We plan to allocate intangible assets and goodwill in the PPA process going forward. While this is still an estimate since PPA has not been completed, we anticipate operating income after amortization of intangible assets being around ¥10 billion* in FY 2028.

* ¥5 billion including amortization of intangible assets and goodwill under JGAAP

About Prevymis, which has been out-licensed to Merck & Co., Inc.:

Q: How do you anticipate the timing of patent expiration? How have you factored the impact into your earnings outlook?

Aoki: At this point, we anticipate the patent term will extend into the early 2030s. Accordingly, the earnings outlook through FY 2030 does not factor in the impact of patent expiration.

Q: According to Merck's public filings, Prevymis sales in 2025 were \$978 million. Given that Aicuris' sales were \$154 million, can we assume that you will receive a royalty rate of roughly 15%? Additionally, might the royalty rate change in the future depending on Prevymis' sales?

Aoki: Regarding the royalty rate, due to the terms of the agreement with Merck, we are not in a position to disclose specific figures. However, it is not significantly different from the level you have inferred. Furthermore, we cannot provide details regarding whether the royalty rate may change in the future or the conditions under which such changes might occur.

About pritelivir, which completed Phase 3:

Q: Regarding the approval target for FY 2026, how do you assess the probability of achieving it?

Aoki: Pritelivir has received Breakthrough Therapy designation from the U.S. Food and Drug Administration (FDA). This designation is a program to expedite the development and review of drugs intended to treat serious or life-threatening conditions. In addition, the Phase 3 study has demonstrated efficacy and safety compared to conventional treatments. Based on this, we see a very high likelihood of approval. The application for approval was submitted to the FDA in early February.

Q: What is the background for projecting a 70% prescription share and peak sales exceeding \$400 million for this drug among second-line treatments for herpes simplex virus (HSV) infections in the U.S. by the mid- to late-2030s? Is there any possibility of reaching a somewhat higher level?

Aoki: Market research suggests that prescribing will likely shift significantly toward pritelivir compared to the existing drug foscarnet, which requires intravenous infusion at hospitals, since pritelivir is administered orally once daily. However, market research for new drugs often shows higher prescription intent than actual clinical adoption. Taking this into account, we set the prescription share target conservatively at 70%.

Q: How do you anticipate the timing of generic drug entry?

Aoki: We currently anticipate the patent will remain valid until the mid-2030s.

Q: In previously published materials from Aicuris, assumptions were presented indicating a 75% prescription share and peak sales of \$2 billion. Why does this differ from Asahi Kasei's projections?

Aoki: This discrepancy arises because Aicuris' previously disclosed sales assumptions included revenues from markets outside the U.S., whereas our projections do not incorporate such international sales. Additionally, Aicuris' prior assumptions included sales potential from expanding the indication to a broader population of general HSV infection patients, whereas we calculated the market size primarily targeting immunocompromised patients.

Q: Regarding the U.S. launch, will royalties be paid to third parties?

Aoki: No royalty payments to third parties are required for the U.S. launch.

Q: Regarding the target sales regions, is there potential for sales outside the U.S. or for licensing to other companies? Also, what is the reason for not expanding sales outside the U.S.?

Aoki: Regarding sales regions, our policy is to prioritize the U.S. market. Approval and sales outside the U.S. are under consideration, but we are not yet at a stage where we can disclose specific plans. If drug prices were set significantly lower outside the U.S., this could lead to substantial reductions in U.S. drug prices as well. Given the current uncertainty surrounding the regulatory environment, we intend to proceed cautiously.

Q: Regarding the launch schedule for pritelivir, is there a possibility that the FDA's priority review voucher (a right to expedite the review period for a drug) could be granted? Also, are there plans to conduct further clinical trials beyond the Phase 3 PRIOH-1 trial?

Aoki: At this time, we do not anticipate receiving a priority review voucher. Beyond the PRIOH-1 trial (the Phase 3 trial completed), we currently have no plans for additional clinical trials, but we will consider them as necessary.

About AIC468, which is in Phase 1:

Q: AIC468 is indicated for BK virus infection in kidney transplant patients. Is there potential for expanding its indications?

Aoki: We prioritize contributions in areas with high unmet medical needs. There is potential for expanding the indication to BK virus infections caused by other diseases.

Meanwhile, the technology of this investigational drug also holds potential for expanding its application to other diseases caused by DNA viruses, which we will explore in the future.

Q: Is the anticipated sales target region the U.S., or is there potential for sales in other areas?

Aoki: Similar to pritelivir, our policy is to prioritize the U.S. market.

Outlook for Pharmaceuticals Toward 2030:

Q: Pharmaceuticals targets ¥300 billion in sales for FY 2030, with cumulative in-licensing costs of approximately ¥30 billion over the three years of the current mid-term management plan. Will this acquisition change this outlook or policy?

Aoki: Regarding the FY 2030 sales target of ¥300 billion, we anticipate achieving this as we expect contributions from Aicuris in addition to growth from existing products. We have no intention of curbing in-licensing costs specifically due to this acquisition. Looking ahead to sustainable growth beyond FY 2030, we plan to maintain financial discipline while actively pursuing in-licensing opportunities.

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