

FY2023 Business Summary

(Year Ended March 31, 2024)



Nippon Chemiphar Co., Ltd.

(TSE 4539)

I. FY2023 Business Results

Sales and Income to Year-on-Year

(¥mn)

	FY2022		FY2023			
	Amount	% of Sales	Amount	% of Sales	Change	YOY (%)
Net sales	31,559	100.0	30,748	100.0	(810)	(2.6)
Pharmaceutical products segment	30,543	96.8	29,611	96.3	(931)	(3.1)
Generics, proprietary products and new drugs	26,148	82.9	24,093	78.4	(2,055)	(7.9)
Diagnostics	2,780	8.8	4,101	13.3	1,321	47.5
Others segment	1,015	3.2	1,137	3.7	121	12.0
Cost of sales	23,374	74.1	23,010	74.8	(363)	(1.6)
SG&A expenses	8,425	26.7	8,232	26.8	(193)	(2.3)
R&D expenses	2,419	7.7	2,325	7.6	(93)	(3.9)
Operating profit/loss	(241)	—	(494)	—	—	—
Ordinary profit/loss	58	0.2	(219)	—	(277)	—
Net profit attributable to owners of parent/loss	339	1.1	(180)	—	(520)	—

Sales and Income to Full Year Forecasts

(¥mn)

	FY2022		FY2023					
	Amount	% of Sales	Amount	% of Sales	Revised ¹ Forecasts	Achived (%)	Initial ² Forecasts	Achived (%)
Net sales	31,559	100.0	30,748	100.0	30,748	100.0	32,700	94.0
Pharmaceutical products segment	30,543	96.8	29,611	96.3	—	—	—	—
Generics, proprietary products and new drugs	26,148	82.9	24,093	78.4	—	—	25,870	93.1
Diagnostics	2,780	8.8	4,101	13.3	—	—	4,500	91.1
Others segment	1,015	3.2	1,137	3.7	—	—	—	—
Cost of sales	23,374	74.1	23,010	74.8	—	—	—	—
SG&A expenses	8,425	26.7	8,232	26.8	—	—	—	—
R&D expenses	2,419	7.7	2,325	7.6	—	—	2,820	82.5
Operating profit/loss	(241)	—	(494)	—	(494)	100.0	200	—
Ordinary profit/loss	58	0.2	(219)	—	(219)	100.0	100	—
Net profit attributable to owners of parent/loss	339	1.1	(180)	—	(180)	100.0	60	—

1. Issued on May 7, 2024.
2. Issued on May 12, 2023.

Pharmaceutical Sales to Year-on-Year

Generics, Proprietary Products and New Drugs

(¥mn)

	FY2022		FY2023			
	Amount	% of Sales	Amount	% of Sales	Change	YOY (%)
Total	26,148	100.0	24,093	100.0	(2,055)	(7.9)
Generics	24,803	94.9	22,766	94.5	(2,037)	(8.2)
To medical institutions	23,698	—	22,148	—	(1,550)	(6.5)
To other makers*	1,105	—	618	—	(486)	(44.0)
Proprietary products and new drugs	1,345	5.1	1,326	5.5	(18)	(1.4)
Uralyt	575	—	563	—	(11)	(2.0)
Others	769	—	762	—	(6)	(0.9)
Chemiphar, ODM Generics						
Total	25,881	—	23,775	—	(2,106)	(8.1)
Generics (ODM)	1,078	—	1,008	—	(69)	(6.4)

* Includes exports.

Pharmaceutical Sales to Full Year Forecasts

Generics, Proprietary Products and New Drugs

(¥mn)

	FY2022		FY2023			
	Amount	% of Sales	Amount	% of Sales	Initial Forecasts	Achived (%)
Total	26,148	100.0	24,093	100.0	25,870	93.1
Generics	24,803	94.9	22,766	94.5	24,640	92.4
To medical institutions	23,698	—	22,148	—	23,830	92.9
To other makers*	1,105	—	618	—	810	76.4
Proprietary products and new drugs	1,345	5.1	1,326	5.5	1,230	107.8
Uralyt	575	—	563	—	530	106.4
Others	769	—	762	—	700	108.9
Chemiphar, ODM Generics						
Total	25,881	—	23,775	—	25,670	92.6
Generics (ODM)	1,078	—	1,008	—	1,030	97.9

* Includes exports.

Sales Distribution by Launch Year

(¥mn)

	FY2022		FY2023			Product Lineup
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (%)	
FY2019 and before	22,607	91.1	20,172	88.6	(10.8)	
FY2020	1,278	5.2	1,114	4.9	(12.8)	• Memantine • Celecoxib
FY2021	414	1.7	372	1.6	(10.2)	• Eszopiclone • Duloxetine
FY2022	502	2.0	930	4.1	85.1	• Febuxostat • Esomeprazole
FY2023	—	—	177	0.8	—	• Azilsartan
Total	24,803	100.0	22,766	100.0	(8.2)	

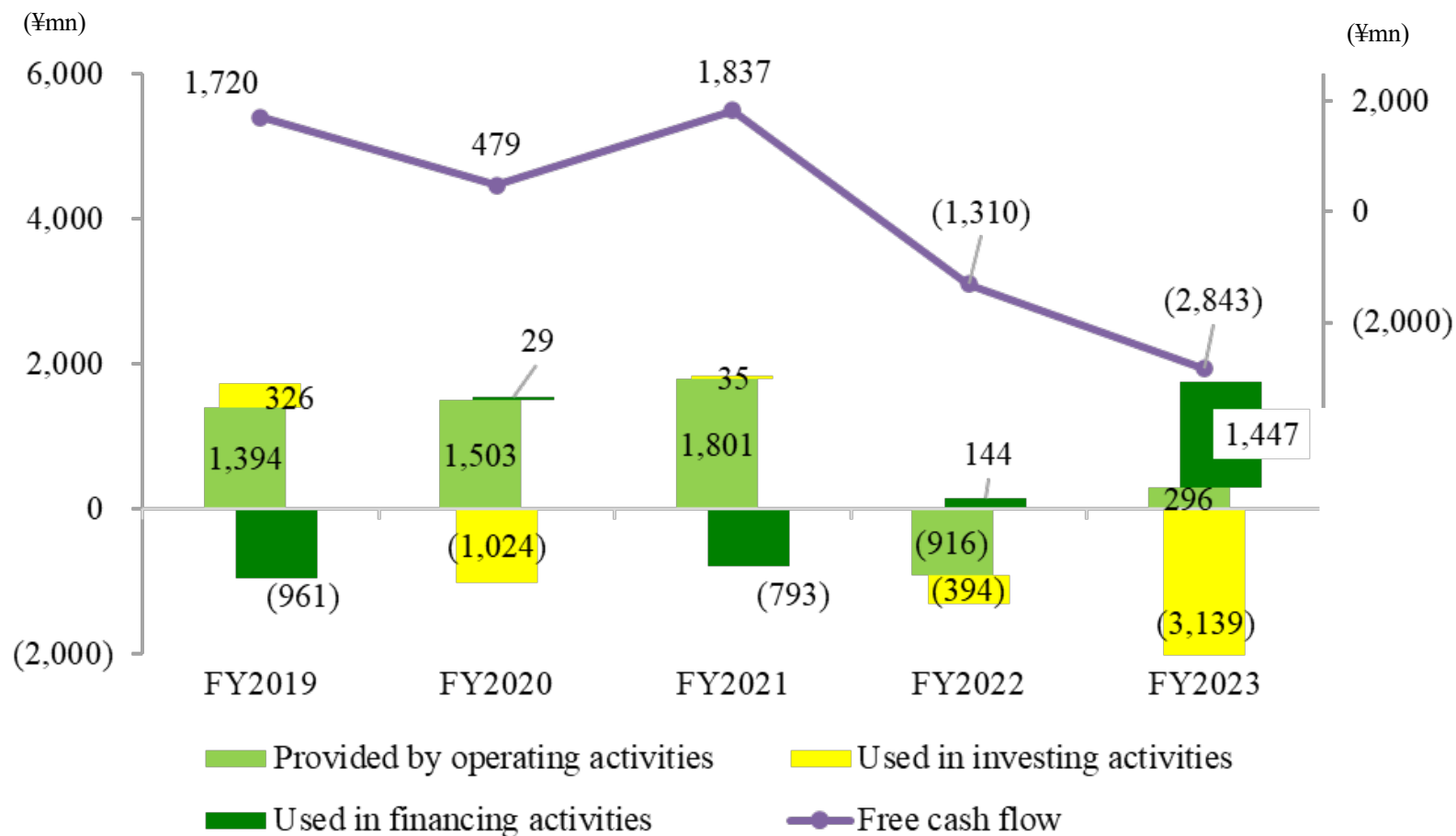
Balance Sheet

(¥mn)

	FY2022	FY2023				
	March 31,2023	March 31,2024	Change	Reason for changes		
Current assets	33,436	31,836	(1,600)	Cash and deposits	(1,329)	Acquisition of shares and payment for construction.
				Notes and accounts receivable—trade, and contract assets	272	
				Inventories	(32)	
Non-current assets	15,134	17,712	2,577	Construction in progress	2,242	*
				Investment securities	681	Third-party share allocation by Delta-Fly Pharma, Inc.
Total assets	48,571	49,548	977			
Current liabilities	14,766	13,786	(980)	Purchase payables	(1,965)	YOY decrease in purchases.
				Current portion of long-term borrowings	150	
Non-current liabilities	15,270	17,301	2,030	Long-term borrowings	1,393	*
Total net assets	18,534	18,460	(73)			
Total liabilities and net assets	48,571	49,548	977			

* Additional installation at Building No. 3 of our Tsukuba Factory.

Cash Flow



Expenditure and Per Share Information

Expenditure

(¥mn)

	FY2022	FY2023			Usage Rate (%)
	Amount	Amount	YOY (%)	Forecast	
Capital expenditure	573	2,747	378.9	3,700	74.3
Depreciation and amortization	1,500	1,459	(2.7)	1,450	100.7

Note to increase in capital expenditure:

We expended for additional installation at Building No. 3 of our Tsukuba Factory to meet the need for increased production.

Per Share Information

(¥)

	FY2022	FY2023		
	Amount	Amount	Change	Forecast
Earnings per share	94.07	(50.14)	(144.21)	16.62
Book value per share	5,130.65	5,116.02	(14.63)	—
Dividends per share	50.00	50.00	—	50.00
Dividend payout ratio (%)	53.2	—	—	300.8

Indexes

	FY2019	FY2020	FY2021	FY2022	FY2023
Cost of sales ratio (%)	60.5	63.7	72.1	74.1	74.8
SG&A Expense to sales ratio (%)	38.4	34.5	25.4	26.7	26.8
Operating profit to sales ratio (%)	1.1	1.8	2.5	—	—
R&D expenses to sales ratio (%)	6.8	6.3	7.4	7.7	7.6
EBITDA (millions of yen)	1,704	2,099	2,727	1,682	1,391
Current ratio (x)	2.13x	2.16x	2.00x	2.26x	2.31x
Debt-to-equity ratio (%)	85.2	84.0	78.9	81.0	90.5
Equity ratio (%)	37.9	38.2	37.4	38.1	37.3
Return on equity (%)	2.5	2.8	3.8	1.8	—
Net income ratio (%)	1.4	1.6	2.2	1.1	—
Total asset turnover (%)	68.4	67.8	67.3	64.4	62.7
Financial leverage (%)	267.1	258.3	261.2	264.7	265.8
Dividend payout ratio (%)	41.2	36.3	25.7	53.2	—

II. FY2024 Forecasts

Sales and Income

(¥mn)

	FY2023		FY2024 (Forecast)		
	Amount	% of Sales	Amount	% of Sales	YOY (%)
Net sales	30,748	100.0	31,500	100.0	2.4
Pharmaceutical products segment	29,611	96.3	—	—	—
Generics, proprietary products and new drugs	24,093	78.4	23,620	75.0	(2.0)
Diagnostics	4,101	13.3	5,250	16.7	28.0
Others segment	1,137	3.7	—	—	—
Cost of sales	23,010	74.8	—	—	—
SG&A expenses	8,232	26.8	—	—	—
R&D expenses	2,325	7.6	2,700	8.6	16.1
Operating profit/loss	(494)	—	200	0.6	—
Ordinary profit/loss	(219)	—	100	0.3	—
Net profit attributable to owners of parent/loss	(180)	—	60	0.2	—

Pharmaceutical Sales

Generics, Proprietary Products

	FY2023		FY2024 (Forecast)		
	Amount	% of Sales	Amount	% of Sales	YOY (%)
Total	24,093	100.0	23,620	100.0	(2.0)
Generics	22,766	94.5	22,470	95.1	(1.3)
To medical institutions	22,148	—	22,030	—	(0.5)
To other makers*	618	—	440	—	(28.9)
Proprietary products and new drugs	1,326	5.5	1,150	4.9	(13.3)
Uralyt	563	—	480	—	(14.9)
Others	762	—	670	—	(12.1)
Chemiphar, ODM Generics					
Total	23,775	—	23,490	100.0	(1.2)
Generics (ODM)	1,008	—	1,020	4.3	1.1

* Includes exports.

Expenditure and Per Share Information

Expenditure

(¥mn)

	FY2023	FY2024 (Forecast)	
	Amount	Amount	Change
Capital expenditure	2,747	3,410	24.1
Depreciation and amortization	1,459	1,490	2.1

Note to increase in capital expenditure:

We envision additional installation at our domestic factories for maintaining our quality assurance.

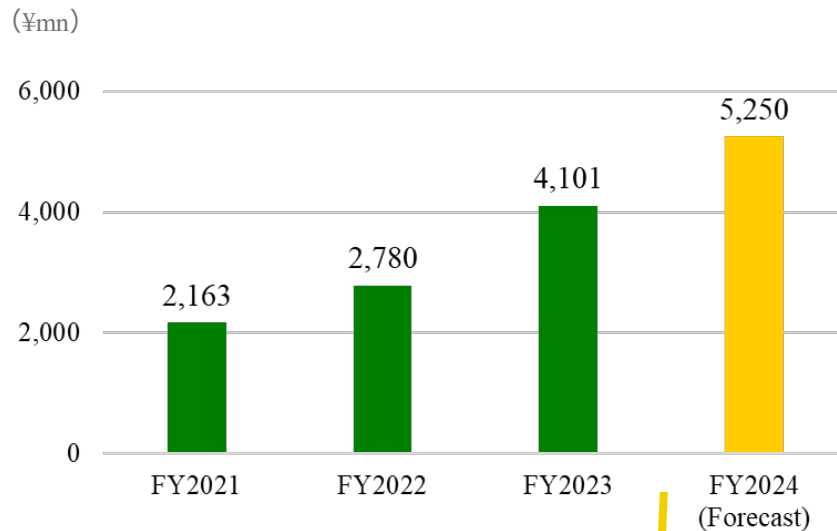
Per Share Information

(¥)

	FY2023	FY2024 (Forecast)	
	Amount	Amount	YOY (%)
Earnings per share	(50.14)	16.63	33.51
Book value per share	5,116.02	—	—
Dividends per share	50.00	50.00	0.00
Dividend payout ratio (%)	—	300.7	—

Sales of Diagnostics

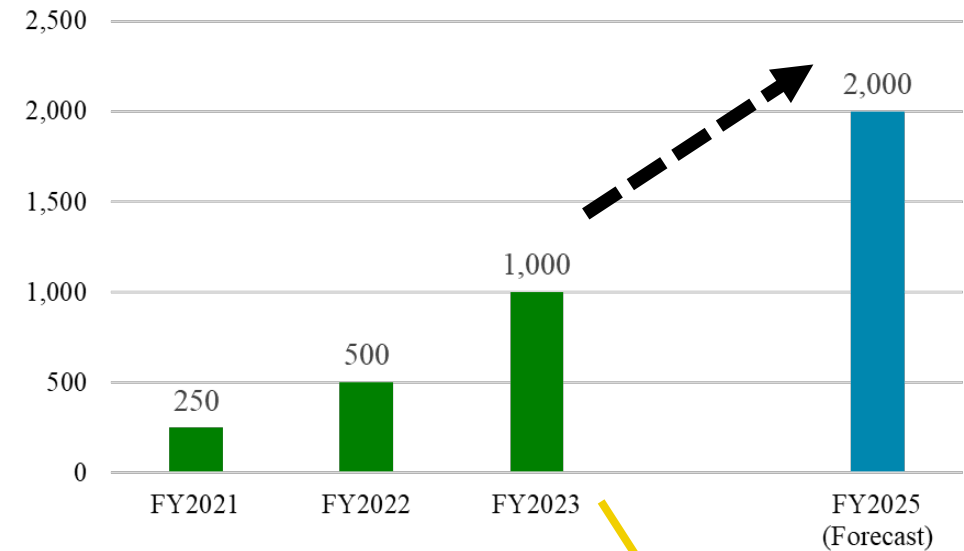
■ Sales of Diagnostics



Up 47.5% YOY in FY2023.
We forecasts 28.0% YOY increase in FY2024.

■ Domestic target of DropScreen

(Unit of equipment)



Installed over 1,000 unit at the end of FY2023.

For further information contact:

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Note about Forward-looking Statements and Forecasts

Statements made in this *Highlights of Business Results*, with respect to current plans, estimates, strategies and beliefs, and other statements of Nippon Chemiphar that are not historical facts are forward-looking statements about the future performance of Nippon Chemiphar.

These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. Consequently, undue reliance should not be placed on these statements.

Nippon Chemiphar cautions the reader that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.