

## SECOND QUARTER BUSINESS SUMMARY (Year ending March 31, 2010)

Nippon Chemiphar Co., Ltd. (4539)  
October 30, 2009

### HIGHLIGHTS

#### Sales of Generics Rise 24.0%, Total Up 5.8%

Consolidated sales for the second quarter of FY2009 were up 5.8% YOY. Sales of generics rose 24.0% YOY as a result of the market expansion of DPC hospitals and increased sales of the mega-generic drug Amlodipine Tablet Chemiphar. As forecast, sales of core products slid 5.3%.

#### Operating Income, Ordinary Income, Net Income Head North

Even though cost of sales increased, our cost-cutting efforts boosted operating and ordinary incomes. Operating income grew 3 times, ordinary income 4.8 times, and net income rose to be in the black.

### Consolidated Sales and Income

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	2nd Quarter FY2009			2nd Quarter FY2008		Forecast FY2009	
	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	Amount	Achievement Ratio (%)
<b>Total sales</b>	11,581	100.0	5.8	10,951	100.0	23,600	49.1
Cost of sales	5,577	48.2	10.7	5,038	46.0		
		+2.2p					
SG&A expenses	5,724	49.4	(1.6)	5,819	53.1		
		-3.7p					
Operating income	279	2.4	3 times	93	0.9	750	37.2
Ordinary income	205	1.8	4.8 times	42	0.4	500	41.0
Net income	46	0.4	in the black	(59)	—	200	23.0

## SUMMARY OF PHARMACEUTICAL SALES

### 1. YOY Comparison

Pharmaceutical sales were up 12% YOY, reflecting the increase in generics sales (up 24% YOY). Sales of Amlodipine Tablet Chemiphar, which we launched in July 2008, grew threefold YOY.

### 2. Achievement Ratio

As forecast, sales of core products (Uralyt, Soleton and Calvin) accounted for 50.2% of our full-year growth forecast, and those of generics 48.8%.

In November, we plan to release new products, such as Amlodipine OD\* Tablet Chemiphar, that will contribute to our overall sales and full-year forecast.

### Sales of Pharmaceuticals

	2nd Quarter FY2009			2nd Quarter FY2008		Forecast FY 2009	
	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	Amount	Achievement Ratio (%)
<b>Total</b>	10,560	100.0	12.0	9,431	100.0	21,415	49.3
Core Products	3,666	34.7	(5.3)	3,871	41.0	7,300	50.2
Uralyt	1,731		0.5	1,722		3,500	49.5
Soleton	1,623		(10.3)	1,809		3,200	50.7
Calvan	312		(8.2)	340		600	52.0
Generics	6,894	65.3	24.0	5,560	59.0	14,115	48.8
Pravastatin	615		3.2	596		1,260	48.8
Amlodipine	813		3.2 times	257		1,800	45.2
Voglibose	487		22.1	399		950	51.3
Lansoprazole	416		65.1	252		700	59.4
Others	4,563		12.5	4,056		9,405	48.5

### Consolidated

	2nd Quarter FY2009			2nd Quarter FY2008		Forecast FY2009	
	Amount	Distrib.	YOY (%)	Amount	Distrib.	Amount	Distrib. (%)
R&D expenses	790	6.8	11.9	706	6.4	1,630	14.2
Depreciation expenses	301	2.6	17.6	256	2.3	630	8.6
Capital expenditure	239	2.1	(49.8)	476	4.3	660	(25.8)

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\*Oral dissolving