

THIRD QUARTER BUSINESS SUMMARY

(Year ending March 31, 2010)

Nippon Chemiphar Co., Ltd. (4539)

January 29, 2010

HIGHLIGHTS

Sales of Generics Rise 18.4%, Total Up 6.1%

Consolidated sales for the third quarter of FY2009 were up 6.1% YOY. Sales of pharmaceutical-related business account for 97% of total sales, of which pharmaceuticals represent ¥16,253 million (up 9.3% YOY).

Reflecting the increasing sales to DPC hospitals, and sales of the mega-generic drug Amlodipine, the generics business grew 18.4% YOY. As forecast, sales of core products slipped 5.1%.

Operating Income Climbs 57.0%, Profit Ratio Improves

Even though cost of sales increased, our ongoing cost-cutting efforts boosted operating income (57.0% YOY) and other incomes. However, considering the NHI price reduction due in April, we are not now revising our full-year forecast.

Consolidated Sales and Income

¥mn

	3rd Quarter FY2009			3rd Quarter FY2008		Forecast FY2009	
	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	Amount	Achievement Ratio (%)
Total Sales	17,778	100.0	6.1	16,756	100.0	23,600	75.3
Sale of pharmaceuticals	17,244	97.0	5.9	16,287	97.2	22,650	76.1
Sales of others	534	3.0	13.7	469	2.8	950	56.2
Cost of Sales	8,470	47.6 +1.6p	9.8	7,716	46.1		
SG&A expenses	8,679	48.9 (2.6p)	0.5	8,640	51.5		
Operating income	627	3.5	57.0	399	2.4	750	83.6
Ordinary income	521	2.9	2.5 times	207	1.2	500	104.2
Net income	211	1.2	10 times	21	0.1	200	105.5

Sales of Pharmaceuticals

¥mn

	3rd Quarter FY2009			3rd Quarter FY2008		Forecast FY2009	
	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	Amount	Achievement Ratio (%)
Total	16,253	100.0	9.3	14,873	100.0	21,415	75.9
Generics	10,761	66.2	18.4	9,085	61.1	14,115	76.2
Amlodipine	1,328		2.3 times	582		1,800	73.8
Pravastatin	942		2.5	919		1,260	74.8
Voglibose	756		21.0	625		950	79.6
Lansoprazole	668		61.0	415		700	95.4
Others	7,067		8.0	6,544		9,045	75.1
Core products	5,492	33.8	(5.1)	5,788	38.9	7,300	75.2
Uralyt	2,636		0.4	2,625		3,500	75.3
Soleton	2,399		(9.8)	2,660		3,200	75.0
Calvan	457		(9.1)	503		600	76.2

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