

FY2024 Third Quarter Business Summary (Year Ending March 31, 2025)

Overview	1-2
Sales and Income	3-4
Pharmaceutical Sales	5-6
Sales Distribution by Launch Year	7
Balance Sheet	8
Expenditure and Per Share Information	9
Indexes	10

Overview 1

Sales

Consolidated net sales: Up 5.4% YOY, 77.2% progress vs full-year sales forecast

- •Sales in the pharmaceutical business were up 5.4% YOY thanks to growth in sales of generics and DropScreen, an allergy screening kit and reagent, while absorbing the impact of the NHI price revisions. Progress vs full-year sales forecast is on track.
- 1. Pharmaceuticals: Sales were up 3.4% YOY, 80.8% progress vs full-year sales forecast Factors contributing to sales growth:
 - Steady sales of generics that we are focusing on expansion and also the contribution of sales of recently launched drugs.
 - Positive effect from the repricing of unprofitable drugs.
 - •Ripple effect of switching to generics due to the selection treatment of long-term listed products. Factors contributing to the decrease in sales:
 - •Impact of NHI price revisions (around negative 3%) implemented in April 2024.
 - Termination of drugs handled by the Group and out-licensed products.
- 2. Diagnostics: Sales were up 22.5% YOY, 63.6% progress vs full-year sales forecast
 - Stable and continuous introduction of DropScreen to medical professionals resulting from its high product strength and further collaboration of sales activities by internal and external business partners.
 - •Sales and profit performance for the full-year forecast is on track as it tends to weight heavier in the 4Q of the FY during the hay fever season.



Profit

Operating profit: ¥355 million (deficit of ¥36million in same period of the previous year, 177.9% progress vs full-year forecast)

•Operating profit boosted up and returned to profitability, there was significant growth in sales for generics and DropScreen despite of the impact of the NHI price revisions and also the improvement in sales mix contributed to the decrease in the cost rate and absorbed the increase of SG&A expenses mainly resulted from the progress in development of new drugs.

•Although operating profit exceeded the full year forecast of ¥200 million, the full year forecast is not changed due to the uncertainty of conservative purchasing in expectation of the off-year NHI drug price revision scheduled for April this year.

Net profit: ¥35 million (59.1% progress vs full-year forecast)

• In this third quarter, an impairment loss on investment securities (extraordinary loss) of ¥256 million was recorded for some of the securities held, resulting in a quarterly net profit attributable to owners of parent of ¥35 million.

Recent Topics (New Drug Pipeline)

- •NC-2800 : Preparing for initiating phase IIa trial based on the approval from AMED to continue the project considering the achievement of the milestone including the results from the phase I trial.
- •DFP-17729 : Under preparation to conduct phase II/III which the trial design was approved by PMDA in December, 2024.
- •DFP-14323 : Initiated phase III trial and is progressing registration in 30 medical institutions.



	l					
	FY2	023				
	3Q	% of	3Q	% of	3Q	YOY
	Amount	Sales	Amount	Sales	Change	(%)
Net sales	23,069	100.0	24,307	100.0	1,237	5.4
Pharmaceutical products segment	22,223	96.3	23,398	96.3	1,174	5.3
Generics, proprietary products						
and new drugs	18,458	80.0	19,091	78.5	633	3.4
Diagnostics	2,732	11.8	3,339	13.7	607	22.2
Others segment	846	3.7	909	3.7	62	7.4
Cost of sales	17,224	74.7	17,819	73.3	594	3.5
SG&A expenses	5,881	25.5	6,132	25.2	251	4.3
R&D expenses	1,482	6.4	1,771	7.3	289	19.5
Operating profit/loss	(36)	-	- 355 1.5 391			-
Ordinary profit	125	0.5	0.5 349 1.4 223			177.5
Net profit attributable to						
owners of parent	104	0.5	35	0.1	(68)	(66.0)

(¥mn)



						(¥mn)
	FY20	023	FY2024			
	Full Year	% of	3Q	% of	Full Year	Progress
	Amount	Sales	Amount	Sales	Forecasts	Rate (%)
Net sales	30,748	100.0	24,307	100.0	31,500	77.2
Pharmaceutical products segment	29,611	96.3	23,398	96.3	-	-
Generics, proprietary products						
and new drugs	24,093	78.4	19,091	78.5	23,620	80.8
Diagnostics	4,101	13.3	3,339	13.7	5,250	63.6
Others segment	1,137	3.7	909	3.7	-	-
Cost of sales	23,010	74.8	17,819	73.3	_	-
SG&A expenses	8,232	26.8	6,132	25.2	-	-
R&D expenses	2,325	7.6	1,771	7.3	2,700	65.6
Operating profit/loss	(494) - 355 1.5 200				177.9	
Ordinary profit/loss	(219)	-	- 349 1.4 100			349.4
Net profit/loss attributable to						
owners of parent	(180)	-	35	0.1	60	59.1

Chemiphar 4

Generics, Proprietary Products and New Drugs

Gen	erics, Proprietary Products and New I				(¥mn)		
		FY20)23	FY2024			
		3Q	% of	3Q	% of	3Q	YOY
		Amount	Sales	Amount	Sales	Change	(%)
Tota	ıl	18,458	100.0	19,091	100.0	633	3.4
	Generics	17,445	94.5	18,246	95.6	800	4.6
	To medical institutions	16,920	-	17,951	-	1,030	6.1
	To other makers*	524	-	294	-	(230)	(43.8)
	Proprietary products and new drugs	1,013	5.5	845	4.4	(167)	(16.5)
	Uralyt	424	-	272	-	(151)	(35.7)
	Others	588	-	572	-	(15)	(2.7)
Che	miphar, ODM Generics						
Tota	ıl	18,134	-	18,895	-	761	4.2
	Generics (ODM)	688	-	649	-	(39)	(5.7)

* Includes exports.

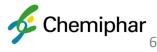


Generics, Proprietary Products and New Drugs

(¥mn)

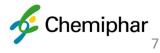
	erres, i roprietary i roduces and re-				(11111)		
		FY2	023				
		Full Year	% of	3Q	% of	Full Year	Progress
		Amount	Sales	Amount	Sales	Forecasts	Rate (%)
Tota	ો	24,093	100.0	19,091	100.0	23,620	80.8
	Generics	22,766	94.5	18,246	95.6	22,470	81.2
	To medical institutions	22,148	-	17,951	-	22,030	81.5
	To other makers*	618	-	294	-	440	67.0
	Proprietary products and new drugs	1,326	5.5	845	4.4	1,150	73.5
	Uralyt	563	-	272	-	480	56.8
	Others	762	-	572	-	670	85.5
Che	Chemiphar, ODM Generics						
Tota	al	23,775	-	18,895	-	23,490	80.4
	Generics (ODM)	1,008	-	649	-	1,020	63.6

* Includes exports.



(¥mn)

	FY20)23	FY2024			
	3Q	Distrib.	3Q	Distrib.	YOY	
	Amount	(%)	Amount	(%)	(%)	Product Lineup
FY2020 and before	16,257	93.2	16,929	92.8	4.1	
FY2021	304	1.7	294	1.6	(3.1)	•Eszopiclone •Duloxetine
FY2022	754	4.3	771	4.2		•Febuxostat •Esomeprazole
FY2023	129	0.7	159	0.9	23.2	• Azilsartan
FY2024	_	-	90	0.5		•Zonisamide •Rivaroxaban
Total	17,445	100.0	18,246	100.0	4.6	



	FY2023	FY2024					
	March 31, 2024	Dec. 31, 2024	Change	Reason for changes			
Current assets	31,836	32,817	981				
				Buildings and structures	2,957	*	
				Construction in Progress	(2,413)	*	
Non-current assets	17,712	19,429	1,716	Leased assets	933	*	
Total assets	49,548	52,247	2,698				
Current liabilities	13,786	14,588	801	Accounts payable - other	1,039	Increase in purchases due to increased sales	
				Long-term borrowings	683	**	
Non-current liabilities	17,301	19,185	1,883	Lease obligations	989	*	
Total net assets	18,460	18,474	13				
Total liabilities and net assets	49,548	52,247	2,698				

* Due to additional installation at Building No. 3 of Tsukuba Factory. ** Increase by payment for up above.



(¥mn)

Capital Expenditure and Other

Capital Expenditure and Other						(¥mn)
	FY2	.023				
	3Q	Full Year	3Q	YOY	Full Year	Usage
	Amount	Amount	Amount	(%)	(Forecast)	Rate (%)
Capital expenditure	1,452	2,747	2,641	81.9	3,410	77.5
Depreciation and amortization	1,065	1,459	1,015	(4.7)	1,490	68.2

Per Share Information

Per Share Information					(¥)
	FY2	023			
	3Q	Full Year	3Q		Full Year
	Amount	Amount	Amount	Change	(Forecast)
Earnings per share	28.89	(50.14)	9.82	(19.07)	16.63
	Dec. 31,	March 31,	Dec. 31,		Full Year
	2023	2024	2024	Change	(Forecast)
Book value per share	5,194.33	5,116.02	5,120.29	(74.04)	-
Dividends per share	-	50.00	-	-	50.00
					300.7



	FY2021	FY2022	FY2023	3Q FY2024
Cost of sales ratio (%)	72.1	74.1	74.8	73.3
SG&A Expense to sales ratio (%)	25.4	26.7	26.8	25.2
Operating profit to sales ratio (%)	2.5	-	_	1.5
R&D expenses to sales ratio (%)	7.4	7.7	7.6	7.3
EBITDA (millions of yen)	2,727	1,682	1,391	1,509
Current ratio (x)	2.00x	2.26x	2.31x	2.25x
Debt-to-equity ratio (%)	78.9	81.0	90.5	95.5
Equity ratio (%)	37.4	38.1	37.3	35.4
Return on equity (%)	3.8	1.8	_	-
Net income ratio (%)	2.2	1.1	-	0.1
Total asset turnover (%)	67.3	64.4	62.7	-
Financial leverage (%)	261.2	264.7	265.8	275.5
Dividend payout ratio (%)	25.7	53.2	_	-



For further information contact:

Public Relations Department, Nippon Chemiphar Co., Ltd. E-mail: ir@chemiphar.co.jp

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.

