FY2026 First Quarter Business Summary

(Year Ending March 31, 2027)

Nippon Chemiphar Co., Ltd.

(TSE 4539)

Sales and Income to Year-on-Year

(¥mn)

	FY2025		FY2026			
	1Q Amount	% of Sales	1Q Amount	% of Sales	1Q Change	YOY (%)
Net sales	**8,248**	**100.0**	**8,177**	**100.0**	**(70)**	**(0.9)**
Pharmaceutical products segment	7,952	96.4	7,857	96.1	(94)	(1.2)
Generics, proprietary products and new drugs	6,379	77.3	6,345	77.6	(34)	(0.5)
Diagnostics	1,343	16.3	1,256	15.4	(87)	(6.5)
Others segment	296	3.6	320	3.9	23	8.1
Cost of sales	**5,970**	**72.4**	**6,247**	**76.4**	**277**	**4.6**
SG&A expenses	**2,045**	**24.8**	**2,188**	**26.8**	**142**	**7.0**
R&D expenses	468	5.7	594	**7.3**	125	26.9
Operating profit/loss	**232**	**2.8**	**(258)**	–	**(490)**	–
Ordinary profit/loss	**148**	**1.8**	**(115)**	–	**(264)**	–
Net profit/loss attributable to owners of parent	**227**	**2.8**	**(95)**	–	**(323)**	–

Sales and Income to Full Year Forecasts

(¥mn)

	FY2025		FY2026			
	Full Year Amount	% of Sales	1Q Amount	% of Sales	Full Year Forecasts	Achived (%)
Net sales	**33,090**	**100.0**	**8,177**	**100.0**	**35,000**	**23.4**
Pharmaceutical products segment	31,868	96.3	7,857	96.1	-	-
Generics, proprietary products and new drugs	25,364	76.7	6,345	77.6	26,690	23.8
Diagnostics	5,436	16.4	1,256	15.4	6,150	20.4
Others segment	1,222	3.7	320	**3.9**	-	-
Cost of sales	**24,693**	**74.6**	**6,247**	**76.4**	-	-
SG&A expenses	**8,217**	**24.8**	**2,188**	26.8	-	-
R&D expenses	2,134	6.4	594	**7.3**	2,650	22.4
Operating profit/loss	**179**	**0.5**	**(258)**	-	**250**	-
Ordinary profit/loss	**227**	**0.7**	**(115)**	-	**100**	-
Net profit attributable to owners of parent	**198**	**0.6**	**(95)**	-	**60**	-

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Pharmaceutical Sales to Year-on-Year

Generics, Proprietary Products and New Drugs (¥mn)

	FY2025		FY2026			
	1Q Amount	% of Sales	1Q Amount	% of Sales	1Q Change	YOY (%)
Total	**6,379**	**100.0**	**6,345**	**100.0**	**(34)**	**(0.5)**
Generics	6,119	95.9	5,972	94.1	(147)	(2.4)
To medical institutions	6,077	-	5,762	-	(314)	(5.2)
To other makers*	42	-	209	-	166	392.3
Proprietary products and new drugs	259	4.1	373	5.9	113	43.9
To medical institutions	190	-	134	-	(56)	(29.7)
To other makers*	68	-	239	-	170	248.3

Chemiphar, ODM Generics

	FY2025 1Q Amount	FY2025 % of Sales	FY2026 1Q Amount	FY2026 % of Sales	1Q Change	YOY (%)
Total	**6,258**	**-**	**6,129**	**-**	**(128)**	**(2.1)**
Generics (ODM)	138	-	157	-	19	13.8

* Includes exports.

Pharmaceutical Sales to Full Year Forecasts

Generics, Proprietary Products and New Drugs (¥mn)

	FY2025		FY2026			
	Full Year Amount	% of Sales	1Q Amount	% of Sales	Forecasts	Achived (%)
Total	**25,364**	**100.0**	**6,345**	**100.0**	**26,690**	**23.8**
Generics	24,396	96.2	5,972	94.1	24,700	24.2
To medical institutions	23,898	-	5,762	-	24,240	23.8
To other makers*	498	-	209	-	460	45.5
Proprietary products and new drugs	968	3.8	373	5.9	1,990	18.8
To medical institutions	723	-	134	-	690	19.4
To other makers*	245	-	239	-	1,300	18.4

Chemiphar, ODM Generics

	FY2025 Full Year Amount	FY2025 % of Sales	FY2026 1Q Amount	FY2026 % of Sales	FY2026 Forecasts	FY2026 Achived (%)
Total	**25,109**	**-**	**6,129**	**-**	**25,410**	**24.1**
Generics (ODM)	713	-	157	-	710	22.2

* Includes exports.

Sales Distribution by Launch Year

(¥mn)

Launch Year	FY2025 1Q Amount	FY2025 Distrib. (%)	FY2026 1Q Amount	FY2026 Distrib. (%)	FY2026 YOY (%)	Product Lineup
FY2022 and before	5,961	97.4	5,499	92.1	(7.7)	
FY2023	51	0.8	53	0.9	3.9	･Azilsartan
FY2024	64	1.1	76	1.3	18.3	･Zonisamide ･Rivaroxaban
FY2025	42	0.7	228	3.8	440.7	･Glimepiride "NC" ･Zinc Acetate ･Lacosamide
FY2026	-	-	113	1.9	-	･Desloratadine ･Bilastine ･Dapagliflozin
Total	**6,119**	**100.0**	**5,972**	**100.0**	**(2.4)**	

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Balance Sheet

(¥mn)

	FY2025	FY2026				
	March 31, 2026	June 30, 2026	Change	Reason for changes		
Current assets	29,941	31,638	1,696	Cash and deposits	1,713	Due to working capital loan
				Notes and accounts receivable－trade, and contract assets	(658)	Monetization of the revenue increase on the last 4Q
				Inventories	479	Due to the stock up of inventory for stable supply
Non-current assets	20,037	20,317	280	Long-term prepaid expenses	300	For conducting clinical trials
Total assets	49,978	51,956	1,977			
Current liabilities	12,696	13,023	326	Short-term borrowing	426	Due to working capital loan
Non-current liabilities	17,772	19,566	1,794	Long-term borrowing	1,461	
Total liabilities	30,468	32,590	2,121			
Total net assets	19,510	19,366	(143)			
Total liabilities and net assets	49,978	51,956	1,977			

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Expenditure and Per Share Information

Capital Expenditure and Other (¥mn)

	FY2025		FY2026			
	1Q Amount	Full Year Amount	1Q Amount	YOY (%)	Full Year Forecasts	Usage Rate (%)
Capital expenditure	152	1,196	100	(34.2)	2,310	4.4
Depreciation and amortization	374	1,559	389	4.0	1,710	22.8

Per Share Information (¥)

	FY2025		FY2026		
	1Q Amount	Full Year Amount	1Q Amount	Change	Full Year Forecasts
Earnings per share	62.98	54.81	(26.46)	(89.44)	16.60
	June 30, 2025	March 31, 2026	June 30, 2026	Change	Full Year Forecasts
Book value per share	5,243.60	5,382.52	5,344.43	100.83	-
Dividends per share	-	50.00	-	-	50.00
Dividend payout ratio (%)	-	91.2	-	-	301.2

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Indexes

	FY2023	FY2024	FY2025	FY2026 1Q
Cost of sales ratio (%)	74.8	73.1	74.6	76.4
SG&A expense to sales ratio (%)	26.8	25.0	24.8	26.8
Operating profit to sales ratio (%)	-	1.9	0.5	-
R&D expenses to sales ratio (%)	7.6	7.0	6.4	7.3
EBITDA (millions of yen)	1,391	2,018	2,013	-
Current ratio (x)	2.31	2.45	2.36	2.43
Debt-to-equity ratio (%)	90.5	87.3	79.2	89.9
Equity ratio (%)	37.3	38.4	39.0	37.3
Return on equity (%)	-	1.6	1.0	-
Net income ratio (%)	-	0.9	0.6	-
Total asset turnover (%)	62.7	65.5	66.3	-
Financial leverage (%)	265.8	259.3	255.8	263.2
Dividend payout ratio (%)	-	61.2	91.2	-

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.