FY2026 Second Quarter Business Summary

(Year Ending March 31, 2027)

Nippon Chemiphar Co., Ltd.

(TSE 4539)

Sales and Income to Year-on-Year

(¥mn)

	FY2025		FY2026			
	2Q Amount	% of Sales	2Q Amount	% of Sales	2Q Change	YOY (%)
Net sales	**15,932**	**100.0**	**15,821**	**100.0**	**(110)**	**(0.7)**
Pharmaceutical products segment	15,354	96.4	15,224	96.2	(130)	(0.8)
Generics, proprietary products and new drugs	12,394	77.8	12,363	78.1	(31)	(0.3)
Diagnostics	2,460	15.4	2,345	14.8	(115)	(4.7)
Others segment	577	3.6	596	3.8	19	3.3
Cost of sales	**11,783**	**74.0**	**12,205**	**77.1**	**421**	**3.6**
SG&A expenses	**4,025**	**25.3**	**4,312**	**27.3**	**287**	**7.1**
R&D expenses	1,007	6.3	1,246	7.9	239	23.8
Operating profit/loss	**122**	**0.8**	**(696)**	**-**	**(819)**	**-**
Ordinary profit/loss	**48**	**0.3**	**(684)**	**-**	**(732)**	**-**
Net profit/loss attributable to owners of parent	**163**	**1.0**	**(512)**	**-**	**(676)**	**-**

Sales and Income to Full Year Forecasts

(¥mn)

	FY2025		FY2026			
	Full Year Amount	% of Sales	2Q Amount	% of Sales	Full Year Forecasts	Progress Rate (%)
Net sales	**33,090**	**100.0**	**15,821**	**100.0**	**35,000**	**45.2**
Pharmaceutical products segment	31,868	96.3	15,224	96.2	-	-
Generics, proprietary products and new drugs	25,364	76.7	12,363	78.1	26,690	46.3
Diagnostics	5,436	16.4	2,345	14.8	6,150	38.1
Others segment	1,222	3.7	596	3.8	-	-
Cost of sales	**24,693**	**74.6**	**12,205**	**77.1**	**-**	**-**
SG&A expenses	**8,217**	**24.8**	**4,312**	**27.3**	**-**	**-**
R&D expenses	2,134	6.4	1,246	7.9	2,650	47.0
Operating profit/loss	**179**	**0.5**	**(696)**	**-**	**250**	**-**
Ordinary profit/loss	**227**	**0.7**	**(684)**	**-**	**100**	**-**
Net profit/loss attributable to owners of parent	**198**	**0.6**	**(512)**	**-**	**60**	**-**

Pharmaceutical Sales to Year-on-Year

Generics, Proprietary Products and New Drugs (¥mn)

	FY2025		FY2026			
	2Q Amount	% of Sales	2Q Amount	% of Sales	2Q Change	YOY (%)
Total	**12,394**	**100.0**	**12,363**	**100.0**	**(31)**	**(0.3)**
Generics	11,949	96.4	11,642	94.2	(307)	(2.6)
To medical institutions	11,797	-	11,299	-	(498)	(4.2)
To other makers*	151	-	342	-	190	125.6
Proprietary products and new drugs	445	3.6	721	5.8	275	62.0
To medical institutions	356	-	270	-	(85)	(24.1)
To other makers*	88	-	450	-	361	406.3

Chemiphar, ODM Generics

Total	**12,275**	**-**	**11,955**	**-**	**(319)**	**(2.6)**
Generics (ODM)	326	-	313	-	(12)	(3.8)

* Includes exports.

Pharmaceutical Sales to Full Year Forecasts

(¥mn)

	FY2025		FY2026			
	Full Year Amount	% of Sales	2Q Amount	% of Sales	Full Year Forecasts	Progress Rate (%)
Total	**25,364**	**100.0**	**12,363**	**100.0**	**26,690**	**46.3**
Generics	24,396	96.2	11,642	94.2	24,700	47.1
To medical institutions	23,898	-	11,299	-	24,240	46.6
To other makers*	498	-	342	-	460	74.5
Proprietary products and new drugs	968	3.8	721	5.8	1,990	36.2
To medical institutions	723	-	270	-	690	39.2
To other makers*	245	-	450	-	1,300	34.7
Chemiphar, ODM Generics						
Total	**25,109**	**-**	**11,955**	**-**	**25,410**	**47.1**
Generics (ODM)	713	-	313	-	710	44.2

* Includes exports.

Sales Distribution by Launch Year

By Launch Year (¥mn)

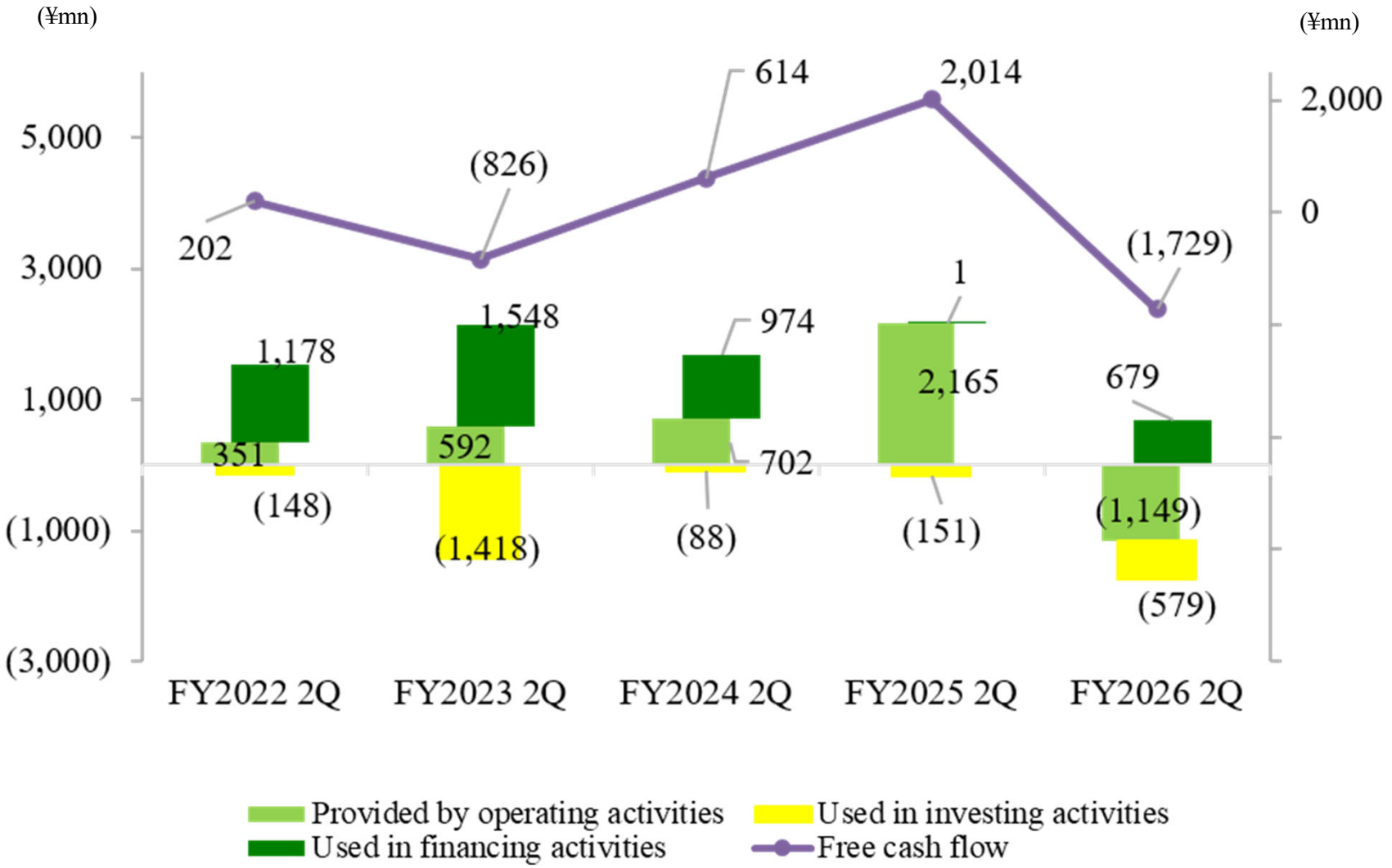
	FY2025		FY2026			
	2Q Amount	Distrib. (%)	2Q Amount	Distrib. (%)	YOY (%)	Product Lineup
FY2022 and before	11,610	97.2	10,710	92.0	(7.8)	
FY2023	101	0.8	106	0.9	5.2	・Azilsartan
FY2024	135	1.1	148	1.3	9.8	・Zonisamide ・Rivaroxaban
FY2025	101	0.9	459	3.9	350.5	・Glimepiride "NC" ・Zinc Acetate ・Lacosamide
FY2026	-	-	217	1.9	-	・Desloratadine ・Bilastine ・Dapagliflozin
Total	**11,949**	**100.0**	**11,642**	**100.0**	**(2.6)**	

Balance Sheet

(¥mn)

	FY2025	FY2026			
	March 31, 2026	Sept. 30, 2026	Change	Reason for changes		
Current assets	29,941	28,667	(1,274)	Cash and deposits	(1,056)	Inventory buildup and shortened payment terms following the revision of the Subcontract Act
				Notes and accounts receivable-trade, and contract assets	(1,707)	Monetization of the revenue increase on the last 4Q
				Inventories	1,110	Inventory buildup for new products
Non-current assets	20,037	20,134	96			
Total assets	49,978	48,801	(1,177)			
Current liabilities	12,696	10,879	(1,817)	Notes and accounts payable-trade	(1,489)	Shortened payment terms following the revision of the Subcontract Act
Non-current liabilities	17,772	19,038	1,265	Long-term borrowing	947	Due to working capital loans
Total liabilities	30,468	29,917	(551)			
Total net assets	19,510	18,884	(625)			
Total liabilities and net assets	49,978	48,801	(1,177)			

Cash Flow


(¥mn)
(¥mn)
5,000
3,000
1,000
(1,000)
(3,000)
2,000
0
202
(826)
614
2,014
(1,729)
1,178
1,548
974
1
679
351
592
702
2,165
(148)
(1,418)
(88)
(151)
(1,149)
(579)
FY2022 2Q
FY2023 2Q
FY2024 2Q
FY2025 2Q
FY2026 2Q
Provided by operating activities
Used in investing activities
Used in financing activities
Free cash flow

Expenditure and Per Share Information

Capital Expenditure and Other (¥mn)

	FY2025		FY2026			
	2Q Amount	Full Year Amount	2Q Amount	YOY (%)	Full Year Forecasts	Usage Rate (%)
Capital expenditure	388	1,196	461	19.0	2,310	20.0
Depreciation and amortization	746	1,559	791	6.0	1,710	46.3

Per Share Information (¥mn)

	FY2025		FY2026		
	2Q Amount	Full Year Amount	2Q Amount	Change	Full Year Forecasts
Earnings per share	45.27	54.81	(141.57)	(186.84)	16.60
	September 30, 2025	March 31, 2026	September 30, 2026	Change	Full Year Forecasts
Book value per share	5,247.90	5,382.52	5,213.44	(34.46)	-
Dividends per share	-	50.00	-	-	50.00
Dividend payout ratio (%)	-	91.2	-	-	301.2

Indexes

	FY2023	FY2024	FY2025	FY2026 2Q
Cost of sales ratio (%)	74.8	73.1	74.6	77.1
SG&A expense to sales ratio (%)	26.8	25.0	24.8	27.3
Operating profit to sales ratio (%)	-	1.9	0.5	-
R&D expenses to sales ratio (%)	7.6	7.0	6.4	7.9
EBITDA (millions of yen)	1,391	2,018	2,013	-
Current ratio (x)	2.31	2.45	2.36	2.64
Debt-to-equity ratio (%)	90.5	87.3	79.2	86.9
Equity ratio (%)	37.3	38.4	39.0	38.7
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	261.5
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.