Nippon Chemiphar Co., Ltd.

Corporate Report 2026

At a Glance

Time since Company founding

76 years

(Listed on the TSE in 1971)

Net sales

¥33 billion

(FY2025)

Number of employees

878 persons

(As of March 31, 2026, consolidated)

Manufacturing bases

Japan: 2
Overseas: 1

Number of generic drugs available

200 products

(As of March 31, 2026)

Domestic installation of DropScreen

Over 1,800 units

(As of March 31, 2026)

Contents

Nippon Chemiphar Corporate Report 2026

◆ Scope of Report

This report contains information regarding the Nippon Chemiphar Group's business strategy, financial situation, and corporate social responsibility-related activities.

Reporting period: FY2025 (April 1, 2025–March 31, 2026)
Reporting companies: Nippon Chemiphar Co., Ltd. and its Group companies

Note Regarding Forward-looking Statements

Statements made in this corporate report with respect to current plans, estimates, strategies and beliefs, and other statements of Nippon Chemiphar are forecasts for the Company's future performance. These forecasts are based on information currently available to management. Consequently, they are subject to known and unknown risks and uncertainties and may differ significantly from actual results. Items that may influence forward-looking statements and forecasts include changes in the economy, changes in the business and competitive environment for Nippon Chemiphar's business, revisions to the Pharmaceutical Affairs Law and related legislation, and other items not limited to the above.

Business Philosophy

The goal of the Nippon Chemiphar Group is to make a difference in society by providing pharmaceutical drugs and health-related services to help people become and remain healthy.

Nippon Chemiphar has operated as a pharmaceutical company since its founding in 1950.

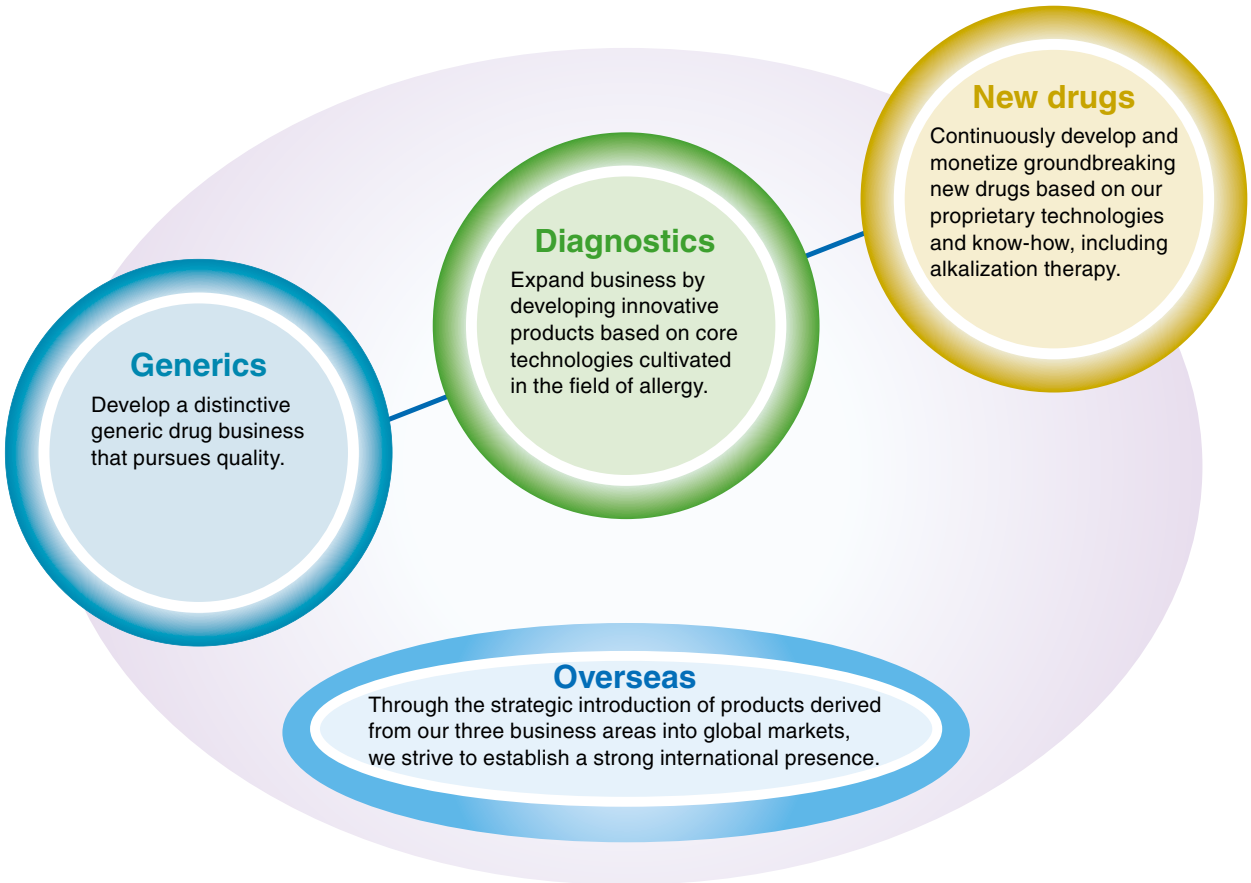
Throughout the years, we have consistently developed, manufactured, and sold distinctive, original pharmaceutical formulations. Since the year 2000, we have made generics a pillar of our business and conducted related development, manufacturing, and sales operations in-house.

We have taken on the challenges of deploying innovative diagnostic products that contribute to speedy diagnoses, multifaceted deployment that leverages our expertise in alkalization therapy that we have cultivated over many years, and new drug discovery and development, including our own in-house development and in-licensing pipelines.

Main Business Areas

The Nippon Chemiphar Group has designated three main areas of business: generics, diagnostics, and new drugs including alkalizing agents.

Expanding these business areas overseas, the Group will maximize its corporate value and achieve sustainable growth.



History of Value Creation

Over the past 74 years, Nippon Chemiphar has remained true to the time-honored traditions it developed as a result of its business activities. Keeping pace with the times, we have evolved as necessary, and spared no effort in taking on new challenges.

We will continue to contribute to medical care through our generics, diagnostics, as well as new drugs. By continuing to take on new challenges, we will increase the value of the Group.

Main product developments and business strategies

1951

Manufacture and market our products Nalpyrin and Nalbron (injectable solutions, pain relievers, and antipyretics for use by doctors).

1957

Begin marketing imported drugs.

1958

Launch sales of Donpyline tablets (therapeutic agent for neuralgia and rheumatism), manufactured in-house.

1976

Expand into the clinical diagnostics business, in anticipation of the increasing importance of pre-medication clinical tests in the future.

1983

Advance into the cosmetics and health food fields.

1988

The need for urinary alkalization is recognized in response to increased complications in patients with gout and hyperuricemia due to changes in living conditions. Launch alkalizing agent Uralyt-U.

1993

Launch Soleton tablets (analgesic/anti-inflammatory agent) developed in-house. The product has few side effects.

1995

Market Calvan tablets (for hypertension).

2000

Full-scale entry into the generic drug business. Change business policy from being a new drug manufacturer to a manufacturer that handles both new drugs and generic drugs.

Formulate the foundation for three main business areas.

2003

Launch Pravastan, the first in-house developed generic drug.

2007

We decide to divide our growth prospects into three principal goals as part of our long-term strategy. The themes, including generic drugs and new drug discovery and development, represent three stages that cover differing areas of business and timescales.

2020

Launch DropScreen, an allergy screening test kit. It allows 41 items to be measured with a single drop of blood. Of compact design, the kit occupies a space about the size of an A3 (29.7 cm × 42 cm) sheet of paper, allowing it to be used for in-hospital allergy testing.

Measuring device A-1

Specific IgE measuring kit ST-1

Sign a licensing agreement with Delta-Fly Pharma for DFP-17729, a cancer microenvironment improving agent. Support development at Delta-Fly Pharma with our expertise in alkalization.

2021

Sign a joint development agreement and option agreement for NC-2800 with Sumitomo Pharma. NC-2800 is a compound discovered at Nippon Chemiphar's drug discovery research laboratories. It has the potential to become a revolutionary antidepressant/antianxiety drug with superior efficacy and safety.

Conclude a licensing agreement with Delta-Fly Pharma for antitumor drug DFP-14323. Development targeting lung cancer is underway, and we are strengthening the pipeline in the oncology field.

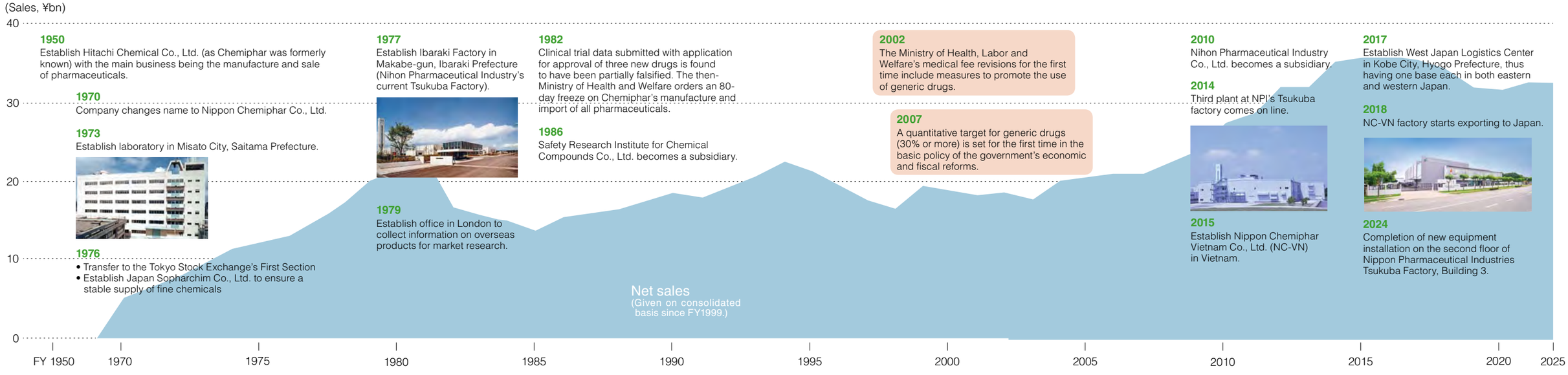
2023

We define three main areas of business in order to further develop each of our three goals, namely generic drugs, diagnostics, as well as new drugs.

Starting in 1950	Since 1980, have been restoring trust and launching new drugs.	Since 2000, expanding generic drugs	Since 2015, pursuing new drug and new product development and overseas expansion funded by earnings from generics business.
Business development centered on pharmaceuticals for doctors, and business expansion against the backdrop of Japan's universal health insurance system.	Following an incident of data falsification, new drugs are launched as we strive to regain trust.	Sale of generic drugs increases, resulting from government policy promoting their use.	

Business timeline

(Sales, ¥bn)



1950
Establish Hitachi Chemical Co., Ltd. (as Chemiphar was formerly known) with the main business being the manufacture and sale of pharmaceuticals.

1970
Company changes name to Nippon Chemiphar Co., Ltd.

1973
Establish laboratory in Misato City, Saitama Prefecture.

1976
- Transfer to the Tokyo Stock Exchange's First Section
- Establish Japan Sopharchim Co., Ltd. to ensure a stable supply of fine chemicals

1977
Establish Ibaraki Factory in Makabe-gun, Ibaraki Prefecture (Nihon Pharmaceutical Industry's current Tsukuba Factory).

1979
Establish office in London to collect information on overseas products for market research.

1982
Clinical trial data submitted with application for approval of three new drugs is found to have been partially falsified. The then-Ministry of Health and Welfare orders an 80-day freeze on Chemiphar's manufacture and import of all pharmaceuticals.

1986
Safety Research Institute for Chemical Compounds Co., Ltd. becomes a subsidiary.

2002
The Ministry of Health, Labor and Welfare's medical fee revisions for the first time include measures to promote the use of generic drugs.

2007
A quantitative target for generic drugs (30% or more) is set for the first time in the basic policy of the government's economic and fiscal reforms.

2010
Nihon Pharmaceutical Industry Co., Ltd. becomes a subsidiary.

2014
Third plant at NPI's Tsukuba factory comes on line.

2015
Establish Nippon Chemiphar Vietnam Co., Ltd. (NC-VN) in Vietnam.

2017
Establish West Japan Logistics Center in Kobe City, Hyogo Prefecture, thus having one base each in both eastern and western Japan.

2018
NC-VN factory starts exporting to Japan.

2024
Completion of new equipment installation on the second floor of Nippon Pharmaceutical Industries Tsukuba Factory, Building 3.

Market demands

Generic drugs that lead to lightened burdens on patients and public finance

Creation of breakthrough drugs

Manufacture and stable supply of high-quality pharmaceutical drugs

Greater safety and convenience of pharmaceutical drugs

Input*

Human capital
Employees: 878 persons (consolidated)

Financial capital
Consolidated net assets: ¥499 billion

Intellectual capital
R&D: ¥21 billion

Manufactured capital
Factories: Japan, overseas

Social and relationship capital
Work with business partners

Natural capital
Energy use (crude oil equivalent) 7,602kl

Business Model

Pharmaceutical Products Segment

Three business areas

Generic drugs (p. 12)
We aim to market distinctive generic drugs in the pursuit of quality.

Diagnostics (p. 14)
We are expanding our business by developing innovative products based on core technologies cultivated for the treatment of allergies.

New drug discovery and development (p. 15)
We are developing and monetizing groundbreaking new drugs based on our proprietary technologies and on expertise that includes alkalization therapy.

Overseas business (p. 19)
We are aggressively expanding our three business areas into overseas markets and becoming a group with a strong global presence.

Others Segment

Contracted testing (p. 21)
We use a comprehensive one-stop system to provide total support for non-clinical and clinical trials.

Strengths

- Integrated system to develop, manufacture, and market generic drugs.
- Factories in Japan and abroad attain advanced manufacturing technology, become cost competitive.
- Broader information delivery, data gathering resulting from marketing new drugs.
- Core technologies in the field of allergies and groundbreaking products based on those technologies.
- Expertise in alkalizers and citrate preparations.
- Venture-based drug discovery research targeting early out-licensing to domestic and overseas companies.

- Quality assurance and stable supply (p. 13)
- Initiatives to reduce environmental impact (p. 22)
- Contribution to local communities (p. 25)
- Corporate governance (p. 28)
- Internal controls and risk management (p. 30)

Our corporate philosophy, principles of conduct, support for employee abilities, and training system (p. 26)

Offered value

- Increased patient quality of life
- Extended healthy life spans
- Reduced patient burden, healthcare expenses
- Employee fulfillment in personal growth through work
- Stable, sustainable shareholder returns
- Safeguarding of global environment
- Community involvement

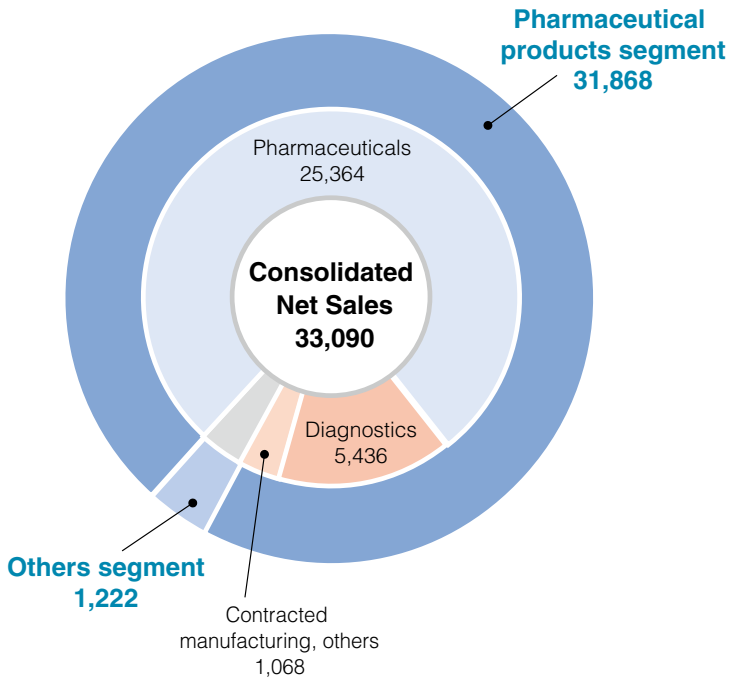
Sustainable growth in corporate value through value creation cycle

* Based on the IFRS (former IIRC) framework for FY2025 results.

Business Overview by Segment

The Nippon Chemiphar Group comprises the parent company, Nippon Chemiphar; its affiliate, Japan Sopharchim Co., Ltd.; and the parent's consolidated subsidiaries Nihon Pharmaceutical Industry Co., Ltd., Safety Research Institute for Chemical Compounds Co., Ltd., and Nippon Chemiphar Vietnam Co., Ltd. The Group is engaged in medical, health, and beauty-related businesses with a core focus on prescription pharmaceuticals. Individual segment sales are presented in the pie chart below.

Net Sales by Segment (Million yen)



Segment	Breakdown		Overview
Pharmaceutical products	Pharmaceuticals	Generics	Handles all aspects of development, manufacturing, and sales for the Nippon Chemiphar Group, and accounts for 90% of pharmaceuticals. ☞ For details, see page 12.
		New drugs and proprietary products	Takes care of sales of products developed by the Company and new drugs licensed from other companies. ☞ For details, see page 13.
	Diagnostics		Business is expanding rapidly, mainly due to sales of the DropScreen allergy screening kit. ☞ For details, see page 14.
	Contracted manufacturing		Contract manufacturing of other companies' products and receives licensing income for new drugs and generic drugs.
Others	Contracted testing		Contract business for non-clinical and clinical trials of pharmaceuticals, medical devices, and other products such as regenerative medicine. ☞ For details, see page 21.
	Healthcare-related products		Based on its strengths as a pharmaceutical manufacturer, the Company markets various creams and health foods. ☞ For details, see page 21.

Message to Our Stakeholders

I would like to express my sincere gratitude to all stakeholders for your continued support and understanding of the Nippon Chemiphar Group's management.

We are advancing in three business areas—generic drugs, diagnostics, and new drug discovery, which includes alkalization therapy—and are pursuing ongoing growth and the maximization of enterprise value by expanding these lines of business in Japan and overseas. Through these three business areas, each with a different time frame, we have established a unique business model that, we believe, enables us to deliver distinctive value to all stakeholders.

In FY2025, sales increased despite the impact of the off-year NHI drug price revision. This growth was supported by continued expansion of our focus products and recently launched generic drugs, as well as the ongoing broadening of DropScreen, our innovative allergy testing product, in the diagnostic reagent business. However, profit declined due to the impact of NHI drug price revisions and higher expenses associated with capital investments and development activities.

In FY2026, we will further strengthen our stable supply framework by continuing to expand manufacturing capacity within the Group, while accelerating initiatives to improve production efficiency through collaboration with external partners. At the same time, we will reinforce strategic investments across our three business areas and pursue continued sales growth through expanded sales of newly launched generic drugs and the export of proprietary products, as well as further market penetration of DropScreen.

As the economic environment and the pharmaceutical industry continue to evolve, the Nippon Chemiphar Group remains fully committed to advancing all three business areas, so as to help patients suffering from diseases for which adequate treatments are still unavailable, and to reduce the burden on patients. Through these efforts, we will continue contributing to society, while achieving sustainable business growth.

We sincerely appreciate your continued support and encouragement.

Kazushiro Yamaguchi
President & CEO
June 2026

Interview with the President

Q1 Looking back, what kind of year was FY2025?

A1 FY2025 was a year in which we achieved tangible progress across all three business areas and gained strong confidence in future growth, particularly in our development activities.

In the generic drugs business, we advanced preparations for the commencement of manufacturing operations on the second floor of Building No. 3 at Nihon Pharmaceutical Industry Co., Ltd.'s Tsukuba Factory, where installation work was completed in 2024. We also strengthened manufacturing collaboration through initiatives such as participation in an inter-company consortium framework.

In addition, our ongoing development strategy of bringing to market products with competitive advantages is beginning to bear fruit. Following the successful launch of products introduced in FY2025, several in-house developed products scheduled for launch in FY2026 have obtained regulatory approval in categories with limited competition. These advances have given us strong confidence not only in the products, but also in our future development pipeline.

In the diagnostics business, installations of DropScreen continued to increase steadily, with cumulative installations exceeding 1,800 units as of the end of FY2025. Given the current pace of adoption and the market environment, we believe there remains significant room for further market penetration, and expect this business to continue growing.

Our new drug pipeline also progressed steadily. Patient enrollment for the Phase IIa clinical trial of NC-2800 commenced in January 2026 and is progressing smoothly.

In addition, Phase II/III and Phase III clinical trials of DFP-17729 and DFP-14323, respectively, are proceeding as planned. Concrete discussions regarding the out-licensing of NC-2600 are also underway with overseas research institutions.

Q2 What is your outlook for FY2026, and on what key factors does its achievement depend?

A2 We expect both net sales and operating profit to exceed FY2025 levels, even after factoring in the impact of National Health Insurance (NHI) drug price revisions and increased R&D expenses. The key drivers will be expanded sales of newly launched generic drugs and the export of proprietary products, together with the continued market penetration of DropScreen.

In FY2026, the growth of generic drugs, proprietary products, and DropScreen is expected to offset the impact of NHI drug price revisions, resulting in consolidated net sales of ¥35.0 billion, up 5.8% year on year.

Furthermore, supported by an improved sales mix associated with this increase in revenue, we forecast an operating profit of ¥250 million, up 39.0% year on year, despite the impact of NHI drug price revisions, higher R&D expenses, and rising energy costs.

In prescription pharmaceuticals, key priorities will be further expanding sales of generic products launched in recent years, ensuring the rapid market penetration of newly launched products, and ensuring our solid capitalization on several specific business expansion projects for proprietary products.

In addition, changes to the NHI drug pricing rules for authorized generics will result in these newly launched authorized generics being priced at the same level as their originator products at launch. If this reduces the market advantages of authorized generics and leads to fewer launches, then generic drugs other than these—including our products—may be able to capture a larger share of market demand.

To ensure sufficient supply capacity to meet future demand, we plan to invest in expanding manufacturing facilities at Nippon Chemiphar Vietnam, following the installation of new production facilities at Building No. 3 of the Tsukuba Factory. We will also accelerate initiatives to improve manufacturing efficiency, including collaboration with other companies. At the same time, we will strengthen our generic drug development capabilities by increasing the number of development projects and further enhancing our development framework.

In the diagnostics business, the number of healthcare facilities adopting DropScreen continues to grow steadily, and we expect sales of both the testing device and related reagents to maintain a high growth trajectory. In addition, we are developing new products that incorporate requests and feedback from healthcare providers, and are working to bring these products to clinical settings as quickly as possible.

Q3 What do you see as Nippon Chemiphar's strengths in responding to future changes in the industry environment?

A3 Our greatest strength lies in our three business areas, each operating on a different time frame and supported by distinctive business foundations, new products, and development pipelines. Together, they provide the basis for the Group's ongoing growth.

Given the growing strain on Japan's healthcare insurance system resulting from the declining birthrate and aging

population, we believe the earnings environment for the domestic pharmaceutical market will continue to become increasingly challenging. Anticipating these structural changes from an early stage, the Nippon Chemiphar Group has sought to ensure its viability as a going concern by simultaneously operating three business areas with different time frames and risk profiles, while also expanding these businesses overseas.

I believe our greatest strength lies in the combination of our three business areas, which diversify risk across both time frames and business areas. Each domain is supported by domestic and international business platforms that cannot be built overnight, as well as competitive new products and development pipelines. Together, these assets position us to respond effectively to changes in the business environment and support continued growth over the long term.

In the generic drugs business, we have established an integrated Group-wide configuration encompassing development, manufacturing, and sales. Across all of these functions, we have focused not simply on scale, but also on enhancing quality, while pursuing efficient collaboration with trusted business partners. The cumulative benefits of these efforts have enabled us to respond both flexibly and swiftly to the rapidly growing demand for stronger, stable supply systems.

In the diagnostics business, we have DropScreen, a high-growth product that is creating a new market. In the new drugs business, we possess a unique pipeline that includes in-house developed products with first-in-class potential, as well as in-licensed products based on novel therapeutic approaches. By expanding the achievements of these businesses into overseas markets, we aim to create distinctive corporate value that sets Nippon Chemiphar apart.

Q4 What is Nippon Chemiphar's vision for the future?

A4 By 2030, we aim to further evolve each of our three business areas, establish a strong domestic market position, and expand earnings from overseas markets. Key focus areas include revenue contributions from new drugs and new products, as well as the growth potential of Nippon Chemiphar Vietnam as a strategic base for overseas expansion.

By 2030, we aim to establish a solid position in the domestic market across all three business areas, while becoming a corporate group that generates stable earnings overseas. To achieve this, we will steadily and reliably create specific growth drivers.

In the generic drugs business, we plan to invest in expanding manufacturing capacity at Nippon Chemiphar Vietnam to further strengthen our stable supply framework. At the same time, we will enhance not only its role as a manufacturing site, but also develop it into a pharmaceutical company that serves as a core base for the Group's overseas expansion by further strengthening its development and sales capabilities.

In Japan, as our development strategy focused on the continuous launch of competitively differentiated products begins to bear fruit, we will continue to reinforce our development framework to capture emerging changes in the environment, including revisions to NHI drug pricing rules for authorized generics.

In the diagnostics business, we will further enhance DropScreen and develop a product series based on it, thereby strengthening and solidifying our position in the domestic market. We are also continuing discussions with potential partner companies aimed at overseas expansion.

In the new drugs business, we expect each pipeline asset currently under development to begin contributing to earnings sequentially, starting in FY2028. We are also actively pursuing new drug discovery themes that will form the next-generation pipeline, and incorporating advanced technologies such as AI into our R&D efforts.

Through these initiatives, we aim to build a corporate structure in which each of our three business areas generates earnings sequentially, while continuously producing innovation, thereby achieving sustained long-term growth as a corporate group.

Financial and Capital Strategy

Overview: FY2025 Consolidated Results, FY2026 Consolidated Earnings Forecast

During FY2025, sales of recently launched generic drugs—including eight products, launched during that fiscal year—and of higher-margin products continued to expand steadily. In addition, adoption of our DropScreen allergy testing product remained strong. As a result, net sales increased 1.6% year on year (YOY) to ¥33,090 million, despite the impact of the off-year NHI drug price revision. On the other hand, operating profit declined to ¥179 million (down 70.4% YOY), and net profit attributable to owners of the parent decreased to ¥198 million (down 32.8% YOY), mainly due to a higher cost ratio resulting from NHI drug price revisions.

For FY2026, although we expect the impact of NHI drug price revisions to reduce revenue by approximately 6%, we anticipate continued growth. This will be driven by newly launched generic drugs, proprietary products, and further expansion of our DropScreen kit. Accordingly, we forecast net sales of ¥35,000 million (up 5.8% YOY) and operating profit of ¥250 million (up 39.0% YOY).

Consolidated Sales and Profit

(¥mn)

	FY2024 (Results)		FY2025 (Results)			FY2026 (Forecast)		
	Amount	Distrib. (%)	Amount	Distrib. (%)	YOY (%)	Amount	Distrib. (%)	YOY (%)
Net sales	32,570	100.0	33,090	100.0	+1.6	35,000	100.0	+5.8
Operating profit	606	1.9	179	0.5	-70.4	250	0.7	+39.0
Ordinary profit	443	1.4	227	0.7	-48.6	100	0.3	-56.1
Profit attributable to owners of parent	294	0.9	198	0.6	-32.8	60	0.2	-69.7

Cost of Capital and Share Price Performance

To achieve sustainable growth, Nippon Chemiphar has designated and is developing three business areas. And to maximize our enterprise value, the Company is enhancing capital efficiency both within each business and across the Group as a whole.

At present, our ROE continues to remain below our cost of equity, primarily due to the severe earnings environment surrounding the generic pharmaceuticals business in recent years. However, we aim to achieve an ROE of 8.0% or higher by: (1) firmly establishing the recent recovery trend in this business; (2) further strengthening and expanding the diagnostic reagents business, already a key driver of improved earnings; and (3) steadily commercializing products from our new drugs business, the development pipeline of which has advanced significantly and expanded over recent years.

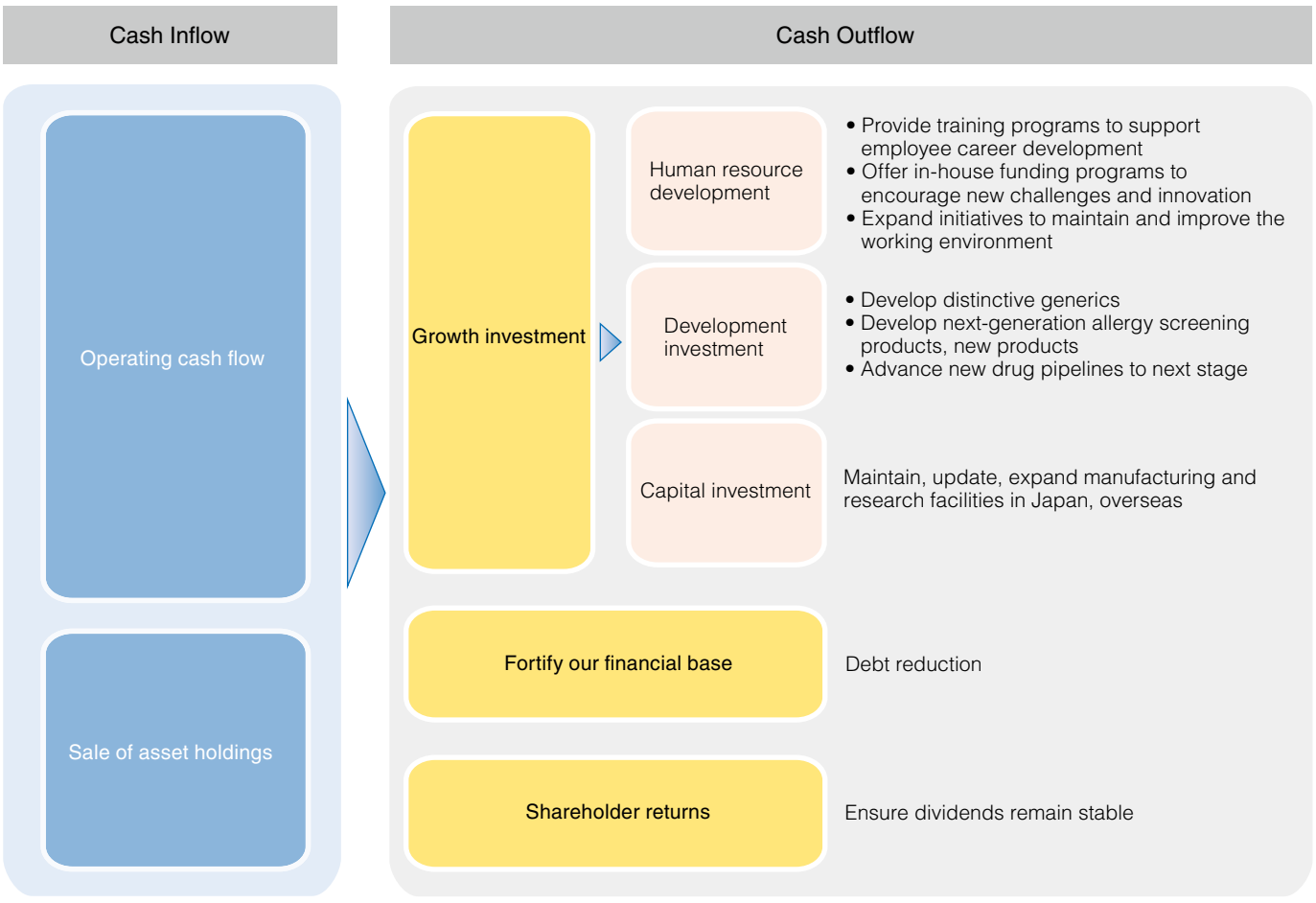
In addition, by further enhancing our investor relations, we seek to improve our PBR to 1.0x or above.

We also intend to continue making the R&D and capital investments necessary to support ongoing growth, while strengthening our financial position and maintaining stable shareholder returns.

Initiatives Focusing on Cost of Equity and Stock Price

Approaches to Be Taken	Current Status
Generics Achieve stable earnings base • Increase production output; stream production; use Vietnam factory and core domestic factories to cut costs; collaborate with industry peers • Maximize sales and profit through new product launches	• Operation of new production lines starting on the second floor of Building No. 3 at the Tsukuba Factory of our subsidiary, Nihon Pharmaceutical Industry Co., Ltd. • Additional investment being planned in our Vietnam factory, to which manufacturing is being transferred • Launched eight products, comprising three active pharmaceutical ingredients, in FY2025 • Further enhancing our development framework in preparation for changes in the NHI drug pricing rules for authorized generics
Diagnostics Continued contribution to Group profit growth • Increase domestic DropScreen installations • Have new and overseas DropScreen launches	• Cumulative DropScreen installations exceed 1,800 units • Developing next-generation analyzers and reagents as part of the DropScreen allergy testing kit • Fielding inquiries from multiple overseas companies; specific discussions currently underway
New drugs Start of monetization, evolution into drivers of mid- to long-term growth • Exercise of option rights by Sumitomo Pharma • Market launch of two new in-licensed drugs	• Patient enrollment progressing in Phase IIa clinical trial of NC-2800 • Advancing development of pipeline assets licensed from DFP
ROE: 1.6% or higher; P/B ratio: 0.3 times or higher	**ROE: 1.0%; P/B ratio: 0.3 times (as of March 31, 2026)**

Capital Allocation Policy



Pharmaceutical Products

I. Initiatives Involving Generics

During FY2025, a key challenge still facing the pharmaceutical industry was the need to resolve the generic drug market's supply instability resulting from quality issues at other companies. Against this backdrop, the Nippon Chemiphar Group continued its efforts to strengthen stable supplies, with product quality its highest priority.

To this end, preparations continued to start manufacturing on the second floor of Building No. 3 at the Tsukuba Factory of our subsidiary, Nihon Pharmaceutical Industry Co., Ltd. (NPI), where installation work had been completed in August 2024. In addition, to further improve manufacturing efficiency, we promoted initiatives to strengthen inter-company collaboration. This included participation in a consortium framework, involving multiple generic drug manufacturers.

In addition to our ongoing efforts to strengthen quality assurance while maintaining a stable supply of generics, we will continue to enhance quality assurance and strengthen our earnings base by providing added value that only we can deliver. This we will do by using reliable information and continuing to create products that meet market needs.

1. Development

We have been developing new generic drugs that reflect our drive to ensure that quality is our top priority. At the same time, we have ensured that our regulatory submission data is reliable, and that our products meet the highest standards.

To ensure a stable supply of products after launch, we have strengthened collaboration with manufacturing divisions from the development stage on. At the same time, we are working to facilitate the smooth transfer of manufacturing technologies and the efficient start of commercial production.

In selecting development candidates, we focus on products that can secure a competitive advantage in the marketplace, including distinctive products that reflect the needs of healthcare professionals and patients.

2. Manufacturing

In response to the supply shortages of prescription pharmaceuticals that have persisted for several years, the Nippon Chemiphar Group has continued to recruit personnel and invest in facilities to meet the needs of healthcare providers and further increase production capacity.

In May 2026, product shipments began from the new production facilities on the second floor of Building No. 3 at NPI's Tsukuba Factory.

In addition, Nippon Chemiphar Vietnam Co., Ltd. (NC-VN) has been steadily transferring manufacturing from domestic production sites, and has begun contract manufacturing for third-party products. In this way it is contributing to the stable supply of pharmaceuticals beyond the Group's own operations. Looking ahead, we plan to invest in the expansion of NC-VN's manufacturing facilities as part of our ongoing efforts to further increase Group production capacity.

Following the recent change in the NHI drug pricing rules for authorized generics, it is possible that fewer new authorized generics will be launched. Should this occur, generic drugs introduced in the future may be required to meet a greater share of market demand. To prepare for such an eventuality, we will continue to improve manufacturing efficiency, including inter-company collaboration, as we further enhance our supply capabilities.

☞ Please refer to page 19 for overseas manufacturing.

Tsukuba Factory

Vietnam factory

3. Quality Assurance

Through ongoing employee education and training, the Nippon Chemiphar Group emphasizes the need to foster a corporate culture in which quality is the top priority. In FY2025, we implemented a range of initiatives aimed at strengthening this culture, including in-house seminars conducted by external consultants, among them former regulatory authority personnel.

Work to maintain and improve quality across the Group is ongoing. The Group Quality Assurance Management Department oversees quality assurance activities at Nippon Chemiphar, NPI, and NC-VN. It is responsible for identifying and resolving Group-wide quality issues, as well as setting up and operating uniform management standards and quality control methodologies.

Under this framework, the quality assurance departments of Nippon Chemiphar and NPI regularly verify that pharmaceutical manufacturing and quality control-related activities are being conducted appropriately. This they do through audits of the Group's manufacturing sites, external contract manufacturers, and active pharmaceutical ingredient suppliers.

At NC-VN, pharmaceuticals are manufactured using the same raw materials, packaging materials, and manufacturing processes used at our facilities in Japan. In terms of technology transfers, NPI provides guidance and quality control support as appropriate. In addition, Nippon Chemiphar and NPI conduct audits and provide guidance with respect to compliance with good manufacturing practice* and quality management. They thus ensure the same high level of quality as that achieved at manufacturing sites in Japan.

* According to quality standards for drugs, quasi-drugs, cosmetics, and products such as regenerative medicine.

4. Ensuring a Stable Supply Structure

(1) Logistics management system

As generics become more prevalent, manufacturers are taking on growing responsibilities with regard to supply stability for the industry as a whole. This requires carefully crafted logistics systems.

The Company is expanding its distribution system nationwide together with Otsuka Warehouse Co., Ltd., which allows us to improve the quality of our logistics by cutting lead times, tracking transit status in real time, and preventing incorrect deliveries.

(2) Double-sourcing active pharmaceutical ingredients

Providing a steady supply of drugs requires efforts both to reinforce manufacturing capacity and ensure the stable procurement of active pharmaceutical ingredients.

To meet the requirements, we are strengthening our survey and evaluation efforts to secure optimal multisource active pharmaceutical ingredient supplies in Japan and overseas.

5. Sales

The domestic generic drugs business has been facing increasingly severe profitability conditions, as NHI drug price revisions have been implemented every year since 2020, including off-year revisions, despite continued inflationary pressure.

To address this situation, the Nippon Chemiphar Group—under the Group Pharmaceuticals Sales Headquarters, which manages the Group's sales activities—is focusing on expanding sales of recently launched products and higher-margin products. At the same time, we are working to improve sales by leveraging a range of sales channels.

These initiatives include strengthening our B-to-B operations, optimizing and accelerating the PDCA cycle of medical representatives' activities through the use of our Sales Force Automation system, and utilizing AI to support customer management and the planning of the representatives' strategies.

6. Creating Synergies with Our Proprietary Products and New Drugs

Nippon Chemiphar markets new drugs that it has developed, as well as new drugs and proprietary products in-licensed from other companies. Among its proprietary products are three formulations that the Company developed in-house: alkalization therapeutic drug Uralyt-U, analgesic and anti-inflammatory drug Soleton, and hypertension therapeutic drug Calvan.

Included among the new and proprietary products we have in-licensed from other companies are the macrolide antibiotic agent Klaricid. We expect these to strengthen our product portfolio and plan to use them to generate synergies that will help expand our generics business.

Further, we are taking on the challenge of new drug discovery themes aimed at developing groundbreaking new drugs, including pipelines being developed with the support of government funding. At the same time, we are working to in-license drugs that either are in areas where we have expertise, or have prospects for synergy with our existing pipelines.

☞ Please refer to page 15 for details.

II. Diagnostics Business

Our products are making a substantial contribution at a time when a growing number of people are suffering from allergic and lifestyle-related diseases. By delivering speedy test results, the products make possible early diagnosis and the compilation of appropriate treatment plans. We will continue to develop and sell clinical testing equipment and reagents to meet the needs of both medical institutions and patients, thereby supporting healthcare. Further, we are conducting marketing activities designed to expand our business both in Japan and overseas.

1. DropScreen

Together with Riken, a major scientific research institute in Japan, Nippon Chemiphar has developed the DropScreen dedicated IgE reagent kit ST-1, a new extracorporeal diagnostic kit that combines the Company's allergy measurement reagent technologies with screening systems based on Riken's microarray technologies. We launched sales of the kit in February 2020, together with the measuring device A-1.

Since its release, it has won rave reviews from medical professionals and patients, and as of March 2026, the cumulative number of units installed in Japan exceeded 1,800. At the same time, we are taking various measures for enhancement, such as improving the kit, and reducing manufacturing costs. With an eye to overseas sales, we are working on product development in compliance with individual countries' laws and regulations.

● Product characteristics

The DropScreen kit was developed bearing in mind the discomfort experienced by individuals undergoing small-volume blood sampling, and the need for greater familiarity regarding allergy screening.

This breakthrough diagnostic kit, which can be installed in small spaces, can screen for 41 allergens in just 30 minutes using only a single drop (20 microliters) of blood (whole blood, blood plasma, or blood serum), making it possible for those being tested to obtain test results quickly. Using it for children and those with an aversion to syringes is ideal, since whole blood samples can be taken from fingertips. Due to these features, it has been praised by a wide range of clinical departments, including those specializing in the treatment of allergies.

Traditionally, allergy testing primarily has been outsourced to third parties. However, with DropScreen, we are cultivating a new market for in-house allergy testing.

Dedicated IgE reagent kit ST-1

Measuring device A-1

2. New Model of Glycohemoglobin Analyzer

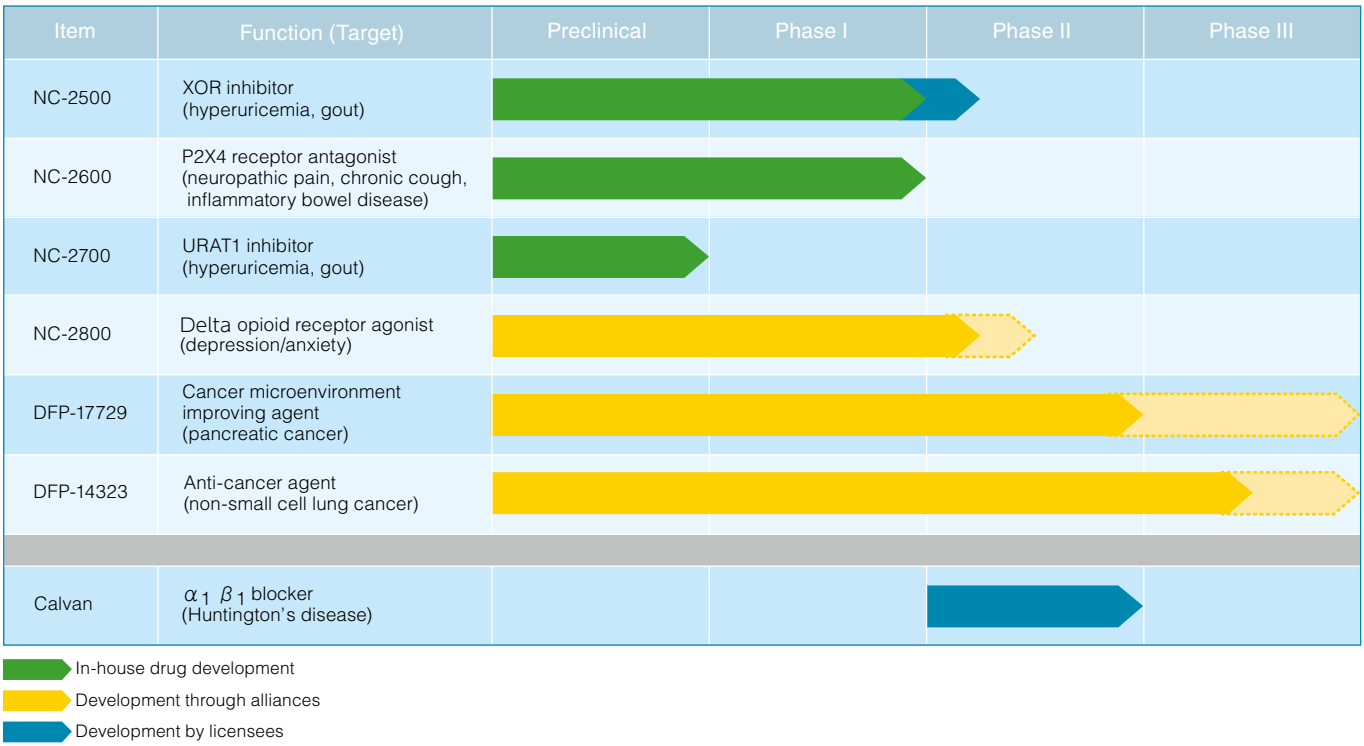
Since September 2022, we have been marketing the new HLC-723 GR01 automatic glycohemoglobin analyzer, developed by global chemical and specialty materials company Tosoh Corporation. The device provides more accurate results than the previous model, at similarly high speed.

HLC-723 GR01

III. New Drug Discovery and Development

We are working to develop new breakthrough drugs to benefit patients with diseases for which currently there are no appropriate therapeutic drugs. In addition to leveraging the alkalization therapy technology and knowledge that we have cultivated over many years, we are working on alliances with other companies and research institutions to further advance and expand the scope of our development pipeline. It has progressed significantly over the past few years, and so we hope soon to be able to deliver new drugs to medical facilities.

As of March 2026



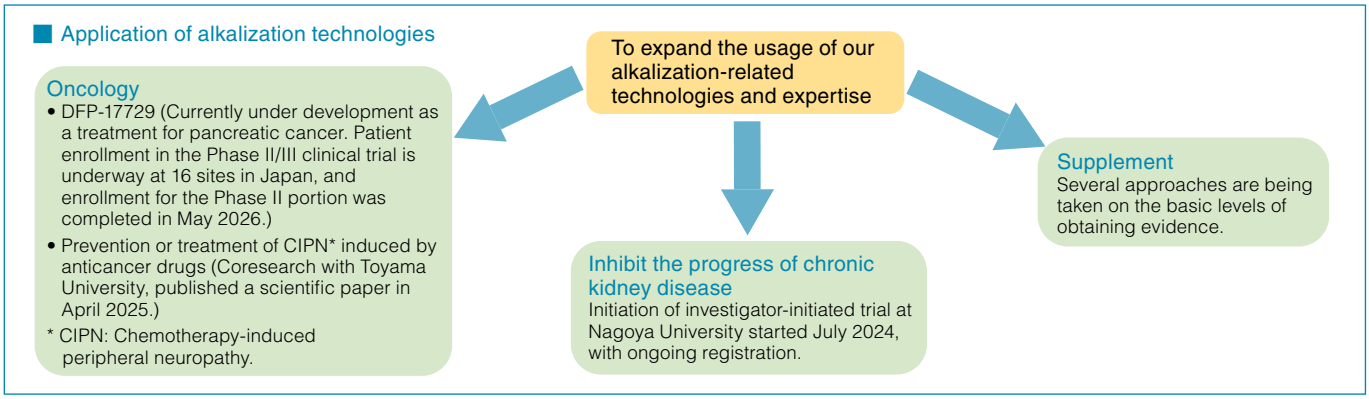
1. Alkalization Therapy

Since the launch of Uralyt in 1988, we have been collaborating with external business partners to leverage the expertise in alkalization therapy that we have accumulated over many years in three fields: oncology, chronic kidney disease, and health foods.

(1) Development in oncology

In March 2020, we concluded a licensing agreement with Japanese drug discovery venture Delta-Fly Pharma, Inc. concerning DFP-17729, an anticancer drug that improves cancer microenvironments through alkalization.

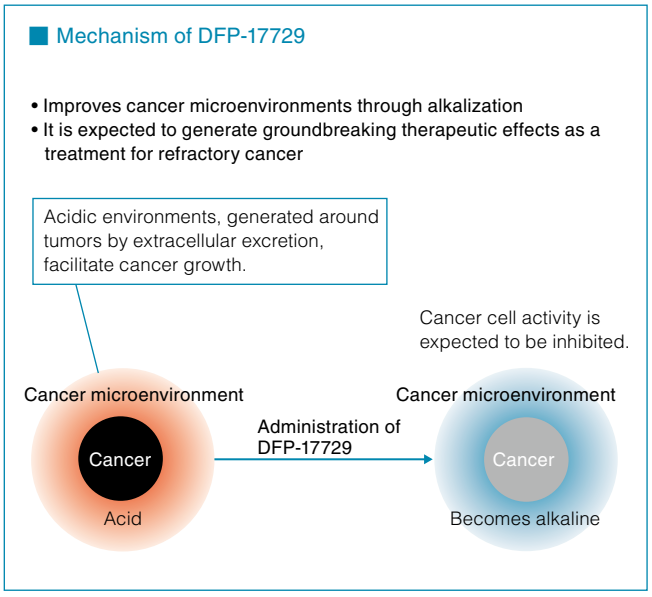
It is known that the microenvironment surrounding cancer tumors becomes acidic, making it suitable for



cancer growth. By alkalization of the cancer micro-environment, DFP-17729 has been shown to suppress cancer cell activities and facilitate the efficacy of anticancer agents in non-clinical studies.

Patient enrollment in the Phase II/III clinical trial for patients with advanced pancreatic cancer is underway at 16 sites in Japan, and enrollment for the Phase II portion was completed in May 2026. We expect to apply for approval of the drug around 2028, and will look into the possibility of expanding application of this technology to other types of cancer.

In addition, we conducted research with Toyama University on the prevention and treatment of peripheral neuropathy induced by anti-cancer drugs. The results were reported in April 2025 in the academic journal *International Journal of Molecular Sciences*.



(2) Treatment for chronic kidney disease

It is said that some 13.3 million people suffer from chronic kidney disease (CKD) in Japan. Once it progresses, dialysis is required and, since the number of patients on dialysis in Japan is increasing, steps must be taken to reduce related medical costs.

For many years, we have supported clinical research* conducted at Tohoku University to clarify the relationship between urinary alkalization medications and CKD. This research has pointed to the efficacy of Uralyt. A paper reporting the results obtained in this study was published in the journal *Clinical and Experimental Nephrology* in June 2024.

In addition, an investigator-initiated trial on CKD** was commenced at Nagoya University in July 2024. Case registration is currently underway.

* Estimating the efficacy of the oral alkalizers in patients with chronic kidney disease.

** Renoprotective effect and its mechanism by alkali treatment in patients with chronic kidney disease and metabolic acidosis (BALLAD study).

(3) Application to food products

Based on data we have obtained so far, we have been trying to commercialize health foods and supplements and to acquire additional data for our multiple actions.

2. New Drug Pipeline

In addition to developing compounds identified through exploratory studies conducted both at our drug discovery research laboratories and with collaborating research institutions, we have been expanding our pipeline by in-licensing drugs concerning which we both possess extensive expertise and expect to generate synergies with existing pipeline products.

(1) In-house development pipeline

(a) NC-2800, a delta opioid receptor agonist for depression and anxiety

NC-2800 is a chemical compound with strong potential as an antidepression and antianxiety treatment that the Company discovered through collaborative study with the University of Tsukuba, Kitasato University, and the National Center of Neurology and Psychiatry.

The Japan Agency for Medical Research and Development (AMED) selected this compound for its industry–academia collaboration program (ACT-M) in 2015 and, with the agency's support, we conducted preclinical trials.

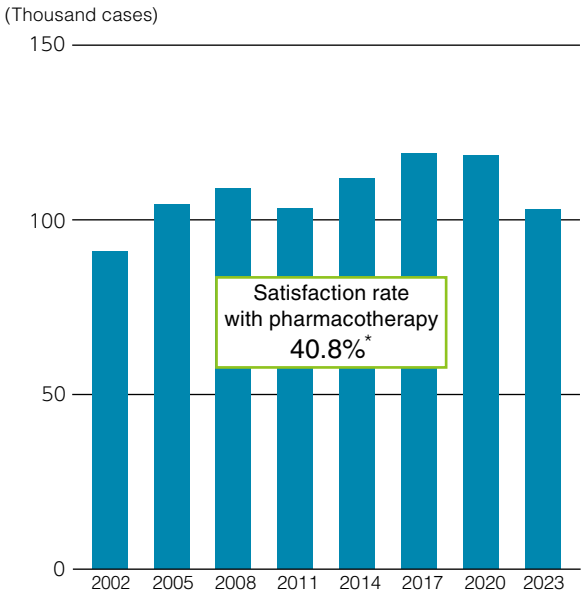
As a result, the compound received high acclaim for its potential as a therapeutic drug candidate. In 2018, AMED's Cyclic Innovation for Clinical Empowerment (CiCLE) program selected it for public funding and support.* With this support, the Phase I clinical trial was completed in FY2024. The Phase IIa clinical trial, involving patients with depression, commenced in January 2026, and patient enrollment is currently underway at 27 sites in Japan.

In June 2021, we concluded a collaborative research and development agreement, together with an option agreement for NC-2800, with Sumitomo Pharma Co., Ltd. Sumitomo is participating in research and development for the CiCLE project as a contributing institution.

While each year more than 100,000 people receive treatment for mood disorders, such as depression and anxiety, only about 40% of the patients are satisfied with the drug treatment they receive. NC-2800 is expected to be a first-in-class drug with an excellent balance between safety and efficacy, and minimal impact in terms of side effects.

* During the period March 30, 2018 to March 31, 2028.

Patients with Mood Disorders



Source: Trends in patient numbers: Overview of the Ministry of Health, Labour and Welfare's 2023 patient survey.
* Survey conducted by the Office of Pharmaceutical Industry Research (Status of drug development for unmet medical needs–Trends in 2022).

(b) NC-2600, a P2X4 receptor antagonist for neuropathic pain, chronic cough, and inflammatory bowel disease

In joint research with Kyushu University, we have developed a new drug candidate to treat neuropathic pain. Since FY2012, we have been carrying out research and development with the support of the Japan Science and Technology Agency, taken over by AMED in FY2015. With the support of AMED, we completed the Phase I trial in FY2017.

Since FY2020, we have added chronic cough and inflammatory bowel disease to the primary indications for the compound. We have been moving to enhance the drug candidate's value by conducting collaborative research for various indications. In July 2024, a paper on inflammatory bowel disease was published by the University of Pisa in Italy; then in October 2024, a paper on endometriosis was published by Tottori University. We continue to seek opportunities to out-license the compound to domestic and overseas companies.

(c) NC-2500, an XOR inhibitor; NC-2700, a URAT 1 inhibitor for gout, hyperuricemia

NC-2500

It should be noted that current uric acid-lowering therapies carry a risk of triggering an acute attack of gout, due to the rapid decrease in serum uric acid levels. However, in the Phase I trial of NC-2500, we showed its ability to lower blood uric acid levels gradually, suggesting it may mitigate this issue. In February 2023, we entered into a licensing agreement with Nanjing Neiwa Faith Pharmaceutical Co., Ltd., which is developing the drug in China.

In addition, preclinical data indicates that NC-2500 is effective against neurodegenerative disorders such as Alzheimer's disease. We are exploring the possibility of expanding the application of NC-2500 to include such disorders.

NC-2700

This is a novel chemical compound that, unlike NC-2500, promotes the excretion of uric acid from the body by inhibiting the transporter URAT 1, which is responsible for the reabsorption of uric acid by the kidneys.

Non-clinical studies have shown that NC-2700 facilitates the excretion of uric acid and also ameliorates acidic uria, thereby helping to prevent kidney damage and kidney stones, which are potential concerns associated with increased uric acid excretion.

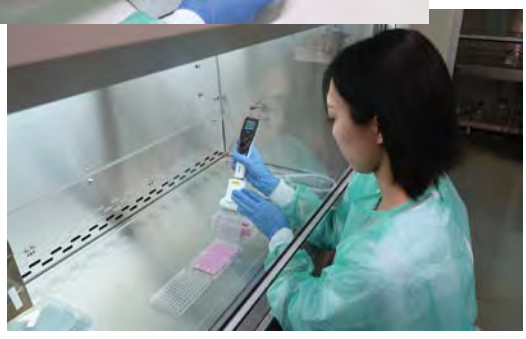
We are seeking out-licensing partners for this compound in both domestic and international markets.

(2) In-licensing pipeline

(a) DFP-17729, a cancer microenvironment improving agent for pancreatic cancer

In March 2020, we concluded a licensing agreement with Delta-Fly Pharma, which is pursuing development of this agent.

☞ Please refer to page 15 for details.



(b) DFP-14323, an oral anti-cancer agent for non-small cell lung cancer

Lung cancer is one of the most commonly diagnosed cancers by site both in men and women. A Japan National Cancer Center Research Institute survey shows that, in 2023, some 120,000 cases of lung cancer were diagnosed in Japan. In 2024, lung cancer caused 75,000 deaths in Japan, which is the highest number by site.

In March 2022, we concluded a licensing agreement with Delta-Fly Pharma for DFP-14323, which targets epidermal growth factor receptor (EGFR) mutation-positive non-small cell lung cancer.

Previous studies have suggested that DFP-14323 strengthens the immune response of cancer patients by binding to aminopeptidase N, which is found on the surface of cancer immunocompetent cells. In this way, the substance reduces the dose required of standard anticancer drugs, and enhances their efficacy without increasing the side effects. That makes DFP-14323 a promising therapeutic agent, especially for late-stage and elderly cancer patients.

The results of the Phase II trial for EGFR mutation-positive, non-small cell lung cancer at stages 3 and 4 were presented at an American Society of Clinical Oncology meeting held in June 2022. Again the results demonstrated the agent's efficacy. The Phase III trial began in February 2024, and we expect to submit an application for approval by around 2029.

■ Final Progression-free Survival (PFS) Report

The median PFS in the Phase II trial of DFP-14323 with 20 mg/day of afatinib: 23.0 months.
Although the standard dose of afatinib is 40 mg/day, a half dose was administered in the trial.

For reference
Afatinib 40 mg/day Phase III median PFS: 11.1 months
Osimertinib 80 mg/day Phase III median PFS: 18.9 months

Key Selection Criteria
- Non-small cell lung cancer
- Stage 3/4 or postoperative recurrence
- Common EGFR mutations (Del 19 or L858R)
- Performance status 0–2
- No prior systemic chemotherapy or definitive thoracic radiotherapy

3. Repositioning of Existing Drugs

The experience and research of medical professionals indicate that some proprietary products may have efficacy for other than the original indications. As with new medicines, development of such drugs for diseases for which there are currently no particularly effective medications is awaited.

To discover new uses for our proprietary products, we are supporting research in Japan and abroad. In Europe, Spain-based SOM Biotech is developing our Calvan tablets for Huntington's disease and other conditions.

Making Nippon Chemiphar's mark through alkalization therapy

Alkalization therapy is an area in which we pride ourselves on being a front-runner. Based on the expertise we have cultivated with Uralyt, we are trying to expand it to new applications for cancer and CKD. We are also developing functional foods using the data we have obtained.

Although we still have a long way to go, I am fully committed to developing products to improve patients' quality of life through collaboration with various research institutions to advance the clinical research of which I am in charge.

Satomi Yamasaki
Senior Manager
Medical Affairs Department

IV. Overseas Business

Securing sufficient manufacturing capacity to meet the growing demand for pharmaceuticals is a critical issue for companies engaged in the production of generic drugs. Moreover, in an increasingly challenging business environment due to repeated drug price revisions under Japan's NHI scheme, efforts to reduce manufacturing costs are essential for sustainable operations.

To address these challenges and maintain continuous growth, we established Nippon Chemiphar Vietnam Co., Ltd. (NC-VN) in Vietnam in March 2015. The NC-VN factory not only enhances manufacturing capacity and cost efficiency, but also serves as a strategic base for expanding sales channels overseas, particularly in the rapidly growing Asian market

1. Manufacturing

The NC-VN factory began commercial production for the Japanese market in November 2018. The goal was to expand production capacity, reduce costs, and lay the groundwork for future overseas expansion.

Production has been gradually expanded, focusing on products that offer greater cost advantages. As of the end of March 2026, NC-VN manufactures nine of the Group's own products, and the number of contract manufacturing projects for third-party products has also increased.

Additional investment is planned to expand manufacturing capacity at NC-VN, and we will continue to leverage this facility to reduce manufacturing costs and strengthen production capacity, thereby enhancing our competitiveness in the generic pharmaceuticals market.

2. Sales

We currently sell eight key products, including generics and proprietary products, through local distributors in four countries: Vietnam, Thailand, China (including Hong Kong), and South Korea (as of March 2026). In addition to leveraging NC-VN's local advantages to access ASEAN and East Asian markets, we are also expanding into the Middle East and Africa. By FY2028, we aim to increase the number of target countries and products to five and 14, respectively.

(1) Expansion in Vietnam

In 2024, we began marketing NC-VN-manufactured Rebamipide 100mg tablets for the treatment of peptic ulcers. In 2025, we commenced sales of Febuxostat 80mg tablets, also manufactured by NC-VN. Both products have been adopted by major medical institutions, including leading national university hospitals in Vietnam, and their sales channels are steadily expanding.

As of the end of June 2026, we have obtained approval for four products and plan to continue expanding our product lineup for the Vietnamese market.

Celebrating the first shipment of Rebamipide tablets

(2) Expansion in China

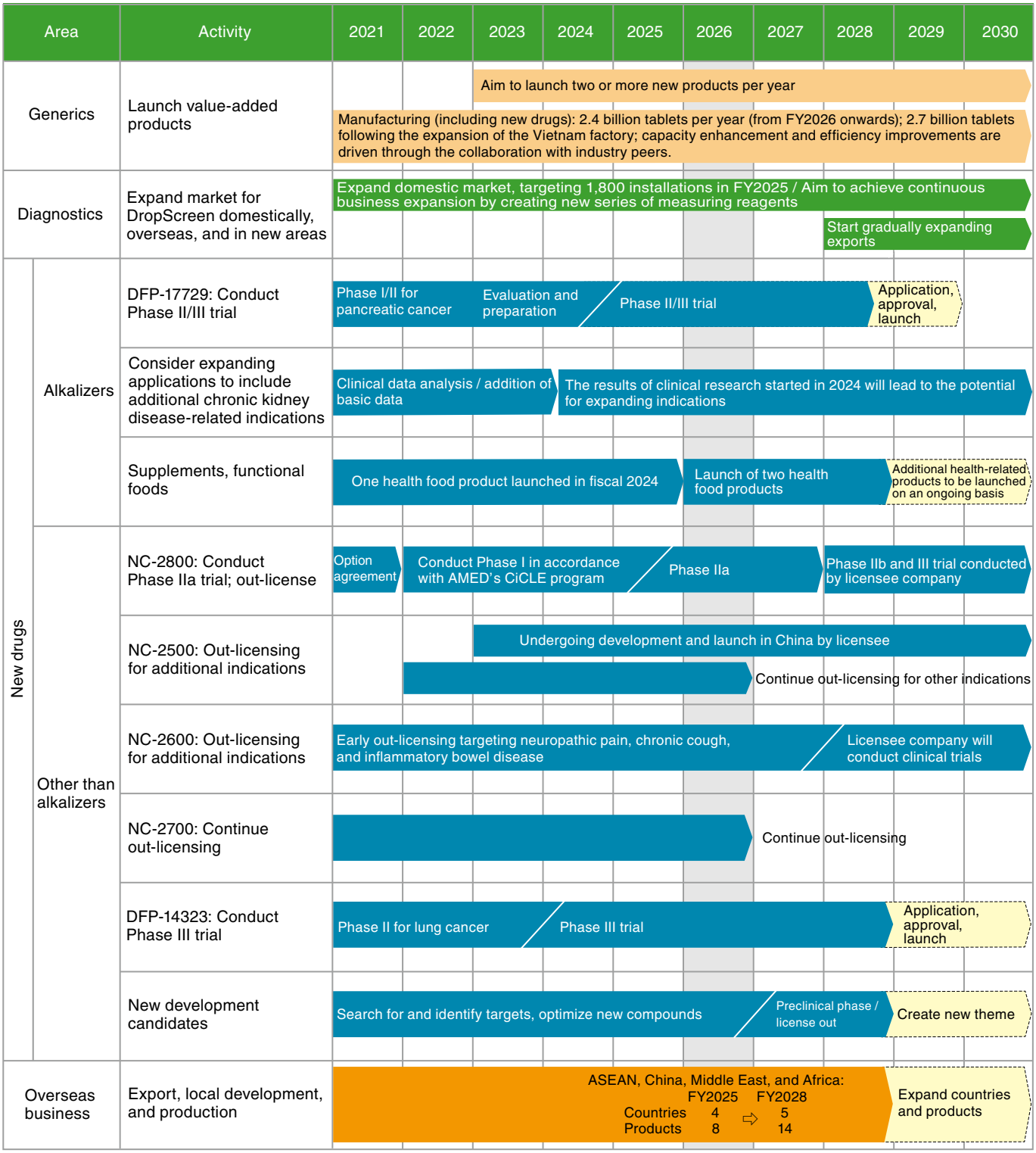
We export several products to China, including Epinastine 20mg hydrochloride tablets. This allergy medication was the first made-in-Japan generic drug to receive approval in 2024. All the products are being marketed in cooperation with local partner companies, with the aim of expanding sales volume.

(3) Middle East and Africa

In March 2022, we concluded an advisory agreement with the International Finance Corporation (IFC), a member of the World Bank Group, to conduct research on local sales of generic drugs in Asia, the Middle East, and Africa.

Utilizing IFC's expertise and network, we are narrowing down target countries and partners, while negotiating the introduction of several specific products into local markets. Together with IFC, we are working to ensure that people in emerging markets have access to high-quality pharmaceuticals at affordable prices, and we aim to expand into markets beyond ASEAN.

V. Pharmaceutical Business Growth Strategy



Others Segment

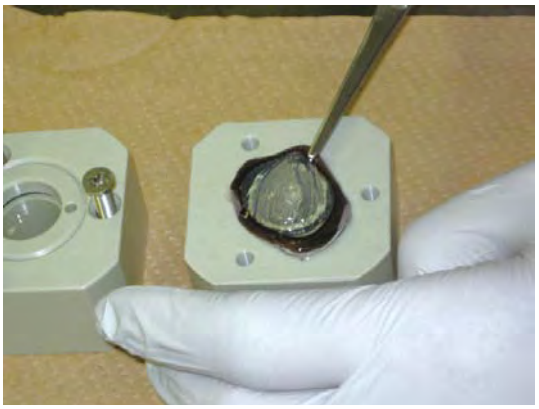
I. Contracted Testing

The Nippon Chemiphar Group facilitates the creation of safe, high-quality products by providing support for nonclinical and clinical trials performed when developing pharmaceutical products and medical equipment.

The Group company Safety Research Institute for Chemical Compounds Co., Ltd. has set up an internal one-stop system to support non-clinical and clinical studies to help develop therapeutic modalities. These include pharmaceutical drugs, medical devices, and regenerative medicine-related products.

Thanks in part to this system, the institute has attained a distinctive status among contract research organizations in Japan.

By taking full advantage of the strengths of this framework, we believe we will be able to provide high-quality services. At the same time, we will place emphasis on customer satisfaction, while keeping costs down for non-clinical and clinical trials for the development of a range of products.



Using the Bovine Corneal Opacity and Permeability test.

A good laboratory practice compliance certificate for a regenerative medicine

II. Healthcare-related Products

The Group handles a diverse array of healthcare products, including nutrients, health foods, cosmetics, and various types of creams, classified as quasi-drugs because they contain a certain concentration of active ingredients.

Amid the rising needs surrounding consumer self-medication, we are leveraging trustworthiness, the development expertise we have gained as a pharmaceutical product manufacturer, our goal to make a difference in people's lives, and our efforts to provide a high level of added value.

Initiatives for a Sustainable Society

Currently, there is a growing recognition that addressing global issues, such as the environment and poverty, requires social development from a medium- to long-term perspective, rather than short-term action. In this context, use of the word sustainability has spread, while movements aimed at achieving a sustainable society can be found in countries around the world. The Nippon Chemiphar Group is determined to attain both the Sustainable Development Goals adopted at the UN Summit in September 2015, as well as recommendations made by the Task Force on Climate-related Financial Disclosures. The latter is an international body that monitors, and makes recommendations about, the global financial system in order to promote international financial stability. To facilitate our initiatives, in December 2021 we formulated a Basic Sustainability Policy and formed a Sustainability Committee, chaired by our president and CEO.

Basic Policy for Sustainability

Based on its business philosophy—to "make a difference in society by providing pharmaceutical drugs and health-related services to help people become and remain healthy"—the Group is working to enhance its corporate value and contributing to develop a sustainable society through its business activities.

I. Environment-related Initiatives

To attain a sustainable society, we believe that companies must consider the environmental impact of their business activities.

1. Environmental Philosophy

The Nippon Chemiphar Group will conduct business activities that take into consideration the conservation of the global environment and contribute to the development of a sustainable society.

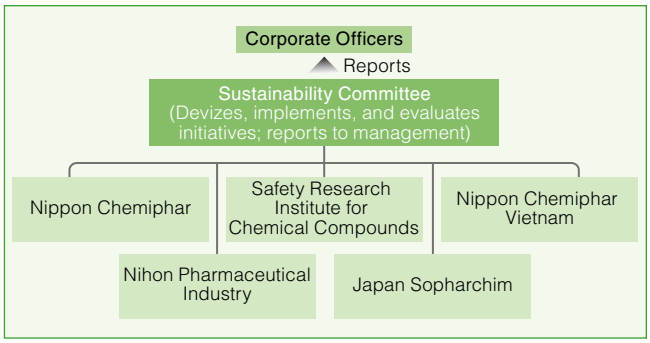
2. Basic Policies

Take firm actions to:

(1) Minimize our environmental footprint across all areas of business—including in R&D, manufacturing, and sales—by efficiently using resources and energy, minimizing waste, reusing, and recycling.
(2) Establish a management system within the Group to encourage environmental conservation.
(3) Release impartial, appropriate information about environmental conservation to boost corporate transparency.
(4) Educate employees regarding how to be eco-conscious and how to protect the environment.

3. System for Environmental Conservation

Our Sustainability Committee devises, implements, and evaluates environment-related conservation initiatives for the entire Group. Our steps to protect the global environment are taken Group-wide and include curbing CO_2 emissions. In addition, we have launched a campaign to conserve electricity, and provide in-house training to enhance awareness of environment-related activities.



4. Impact of Group Operations (April 1, 2025–March 31, 2026)

INPUT

Energy	FY2024	FY2025	YOY (%)
Electricity	20,295,000kWh	21,106,000kWh	+4.0
Gasoline	301kl	286kl	–4.9
Heavy oil	86kl	67kl	–22.1
Light oil	276kl	294kl	+6.6
Kerosene	1,307kl	1,375kl	+5.2
LPG	1t	1t	–7.2
Town gas	280,133Nm^3	265,808Nm^3	–5.1
Total	285,212GJ	294,644GJ	+3.3
Resources			
Water (consumption by factories, laboratories)			
Tap water	37,209m^3	35,834m^3	–3.7
Well water	146,070m^3	124,188m^3	–15.0
Total	183,279m^3	160,022m^3	–12.7
Materials			
Raw materials	690t	647t	–6.3
Packaging materials	214t	231t	+8.0
Total	904t	878t	–2.9

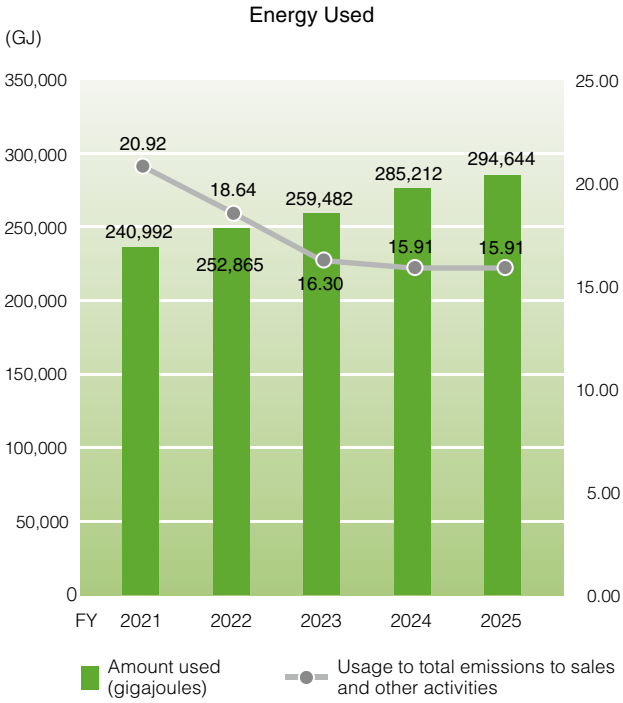
OUTPUT

Into Atmosphere	FY2024	FY2025	YOY (%)
CO_2 emissions	13,445t-CO_2	13,868t-CO_2	+3.1
PRTR-related substances	0.00t	0.00t	±0
As Industrial Waste Water (from factories, laboratories)			
Used water	68,867m^3	58,688m^3	–14.8
PRTR-related substances	0.00t	0.00t	±0
As Waste			
General waste	143t	141t	–2.0
Industrial waste	270t	291t	+7.7
PRTR-related substances	1.72t	1.60t	–6.5

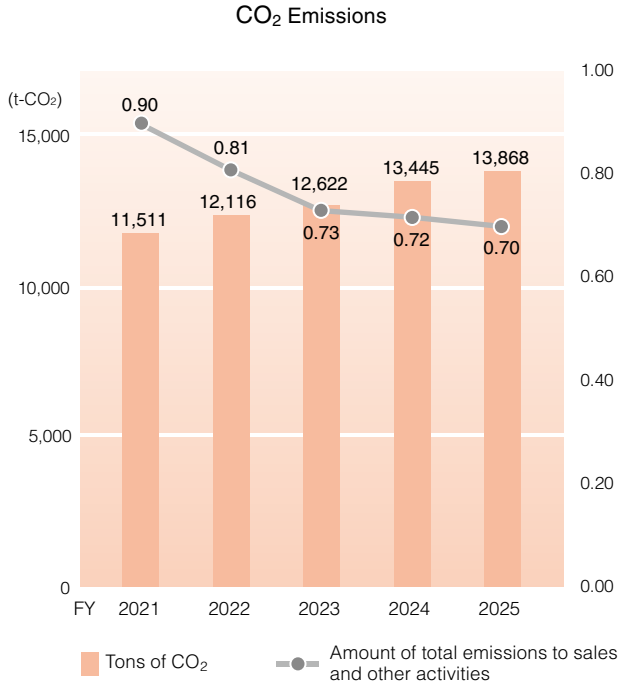
RECYCLING

	FY2024	FY2025	YOY (%)
Containers and packaging	30t	37t	+23.0

● INPUT



● OUTPUT



II. Medical Professionals and Patients

It is said that drugs cannot fulfill their proper roles unless they are used together with the appropriate information. Bearing this in mind, we are quick to provide medical institutions with accurate information about the proper use of our drugs. We do this through our medical representatives (MRs), who are located nationwide.

At the same time, we collect information on quality and safety, consolidate collected safety particulars, and provide this to assist in creating new pharmaceutical preparations and providing the latest information.

1. Initiatives to Ensure Proper Use of Drugs

We train our MRs to provide information and educate them about the proper use and efficacy of our products. With the patient always in mind, we strive to cultivate human resources who can serve as team-based healthcare providers and pharmacotherapy partners.

(1) Role of MRs

The Nippon Chemiphar Group has a little less than 200 MRs across Japan. It strives to supply information promptly to medical institutions through pamphlets and newsletters. To this end, we collect information on side effects; provide patient guidance and consultation services on drug use; and disseminate news about medical fee revisions.

We provide IT-based information and work to ensure the efficiency of our MRs through ties with medical institutions, particularly core hospitals that are central to regional healthcare.

(2) Platform for Learning

The Company conducts seminars and has study groups for various medical conditions, and we provide medical professionals with the most up-to-date information and opinions related to treatment.

(3) Support Materials

For physicians and pharmacists, we publish a periodical by means of which we share our latest information. We also produce pamphlets that provide guidance on nutrition-related and exercise therapies to support health management. Through these materials, we are helping improve the quality of healthcare.

(4) Response to Inquiries Swift

To ensure accurate and speedy responses to telephone inquiries from medical professionals and patients, we have a customer support office that provides the necessary information on the appropriate use of our pharmaceuticals.

2. Strengthening Our Quality Assurance and Supply Systems

In recent years, the domestic pharmaceutical industry has faced an urgent need to restore public trust in generic drugs. This has been due to such issues as quality-related improprieties having been observed among several generic drugmakers.

At the Nippon Chemiphar Group, the Group Quality Assurance Department plays a central role in promoting activities to foster a culture of quality. At the same time, it is working to further strengthen the Group's quality assurance framework. In other words, it proposes and implements unified management standards and methods that reflect its goal of raising the level of the entire Group's quality assurance.

In addition, to ensure a stable supply of pharmaceuticals, even during demand surges and natural disasters, we are expanding our pool of API suppliers, carrying out capital investments, and increasing our staff headcount.

☞ Please refer to page 13 for details regarding quality assurance and stable supply.

3. Quality, Information Paramount

We are working on initiatives to ensure the quality of both generics and proprietary products, as well as to provide information more effectively. At the same time, we are devising ways to improve the visibility and user-friendliness of our products.

Product Initiatives Aimed at Safety and Convenience

Improving Visibility and Convenience

1. Matte press-through packaging
   Reduced shine makes it easier to read the information written on the aluminum backing of medication packaging.
2. Universal design font
   For sheets of press-through packaging and outer packaging, we use a font that is easily legible to prevent misreading.
3. Tablet imprint
   All tablets are scored on both sides, with the name of the drug and the maker printed on the top and bottom half, respectively, on one side, and the bottom and top half on the other side.

III. Community Participation

As members of local communities and society, we support projects that benefit the communities and society in which our offices are located. Our aim is to grow, while being an integral part of society.

1. Cooperation with Local Communities

Nippon Chemiphar's Soka office conducts annual fire drills, and in 2022 it was awarded a certificate of commendation by Saitama Prefecture's Misato City Fire Prevention and Safety Association for its rigorous safety management, legal compliance, and exemplary facility management.

In addition, subsidiary Nippon Pharmaceutical Industry Co., Ltd.'s Tsukuba Factory has regularly participated in blood drives by the Japanese Red Cross Society since the factory first came on stream. In recognition of this long-standing contribution, in 2023 the factory received a letter of appreciation from the Ibaraki Prefecture branch of the Japanese Red Cross Society.

Our subsidiary, Safety Research Institute for Chemical Compounds Co., Ltd., gives visiting lectures on topics such as toxicology at universities and other institutions in Hokkaido, and makes donations to local athletic meets.

Nippon Chemiphar Vietnam Co., Ltd. (NC-VN) offers internship programs for pharmacy students to promote a better understanding of the pharmaceutical industry, providing them with opportunities to gain hands-on experience in quality control at pharmaceutical manufacturing sites.

2. Volunteer Activities

We have established an in-house system of volunteer leave that encourages employees to take part in volunteer activities. These include social welfare initiatives and rescue efforts in disaster areas.

3. Educational Support in Vietnam

NC-VN has set up a scholarship at the University of Medicine and Pharmacy in Ho Chi Minh City. The Nippon Chemiphar Scholarship aims to support the students who have exhibited excellent academic ability, but are struggling with financial challenges.

4. Recycling, Support for Developing Countries

We help developing countries through such activities as collecting PET bottle caps, used books, and miswritten wasted postcards.

Internship participants at NC-VN

IV. Respect for Human Rights

The Nippon Chemiphar Group procures raw materials and other supplies both domestically and overseas. For this reason, we must undertake to protect and respect the human rights of those not only in our Group, but also throughout our supply chain. Moreover, it is expected that we provide relief in the event that we become aware of human rights violations.

The Nippon Chemiphar Group Legal Compliance Code of Conduct clearly states that the Group will respect the human rights, personality, and individuality of all employees; comply with the relevant laws and regulations; and respect diverse cultures and customs. By so doing, we share the importance of respect for human rights.

Formulation of Human Rights Policy

To raise awareness of the Group's policy on respecting human rights both within and outside the Company, in June 2025 we formulated the Nippon Chemiphar Group Human Rights Policy. All Group officers and employees are made aware of the policy, while at the same time we cooperate with outside individuals in the interests of furthering respect for human rights.

Please refer to our website for details.

V. Employees

The Group is striving to create a corporate culture that respects the individuality and talents of each employee.

1. Women's Participation and Advancement

We recruit women, promote women to management positions, and incorporate a variety of viewpoints and ways of thinking in business management. We will continue to make our workplaces enjoyable and the work fulfilling through the presence of hardworking female veteran employees and managers, who serve as role models for ambitious female colleagues.

Our support for participation by women involves efforts to raise awareness among all employees. As an example of our approach, we conduct surveys of employee awareness and needs concerning the promotion of an active role for women. Further, through the Company newsletter, we inform staff about: topics related to work–life balance; roundtable discussions held by female employees raising children; and the activities of men who have taken childcare leave. We formulated an action plan, based on the Act on Promotion of Women's Participation and Advancement in the Workplace (see table below). In addition, in March 2025, the Safety Research Institute for Chemical Compounds Co., Ltd. was awarded Level 3 Eruboshi Certification by the Minister of Health, Labour and Welfare. The award is given to companies that have formulated and submitted action plans based on the women's participation act, and have met certain requirements, including the implementation of initiatives to encourage women to take part in the workforce. We will persist in our efforts to be seen as an organization that enables its employees to take pride in their work.

Furthermore, recognizing that promoting the active participation of female employees starts with involvement in the childcare process, we have set up the Papa Quota System. It requires all male employees with children under two years of age to take childcare leave. We expect the system will help raise awareness regarding participation in the childcare process. A minimum of five days' childcare leave is mandatory under the system, with a maximum of five days' paid leave.

Initiatives to Promote Women's Empowerment

Goal*	Before the Initiatives Began	Present Status
Have women account for more than 15% of managers.	12.3% (As of April 1, 2023)	14.6% (As of March 31, 2026)

* April 1, 2026–March 31, 2028.

Eruboshi certification

2. Diversity Initiatives

We believe that employee diversity—including differences in sex, gender roles, nationality, workstyles, and individual values—provide foundations for company vitality and growth, thereby boosting corporate value. The Group is working to create a corporate culture that draws on the various characteristics and abilities of its employees, while at the same time promoting the participation and advancement of women in the workplace.

In response to an increase in business with companies abroad, resulting from the establishment of the Vietnam factory, we are recruiting—without regard for nationality or gender—human resources highly specialized in our Group's strategic areas.

We are continuing to develop employment opportunities for people with disabilities in order to provide a workplace environment that is comfortable for everyone.

3. Structures and Training Systems That Leverage Employee Capabilities

We provide employees with training and support systems, tailored to different ages and types of work, in order to expand their capabilities and develop next-generation managers. We support our employees by conducting performance-based evaluations; applying rating standards that assess managerial ability; encouraging the acceptance of challenges; setting up personnel systems that accommodate a variety of workstyles to fit each employee's life stage; and promoting diversity. And to develop human resources that can play an active role on the global stage, we send researchers to university overseas, support employees studying to earn an MBA, dispatch staff to management team seminars, and subsidize the TOEIC test for learners of English.

Support to Develop Human Resource Capabilities

Rank-based Training

- Leader training
- Management training
- Training for newly appointed managers
- Level-appropriate training for team, section, and general managers
- Training for newly appointed executives
- Evaluator training

Support for Elective Education

- Support for acquiring an MBA
- Researcher education (overseas)
- Dispatch to management team seminars

Personal Development

- Correspondence education
- IT training
- Support for obtaining public certifications
- External public lectures
- TOEIC IP test

4. Employee Engagement

To deliver high-quality pharmaceuticals, it is essential to foster a workplace culture that places top priority on quality. We cannot strengthen our work system and foster a culture of quality without there being a mutually beneficial relationship between personal and organizational growth. To encourage a culture of quality throughout the Group, we regularly conduct engagement surveys that also serve as opinion polls. In this way we are raising awareness for the indirect benefit of patients.

In addition, mid-career employees act as mentors for younger staff within our factories, and hold regular meetings with them to help them gain a deeper understanding of their work.

As the voices of our employees are heard and their issues made clear, we will continue to implement initiatives to improve our organization.

5. Harassment Prevention and Mental Health

In order to prevent our employees from being perpetrators or victims either within or outside the Company, all employees learn about sexual, power, and maternity harassment through training and e-learning.

Company regulations prohibit sexual harassment and we have a sexual harassment prevention manual. In addition, we have in place internal and third-party hotlines for preventing, and appropriately responding to, various types of harassment.

We also strive to maintain and improve employee mental health by conducting yearly stress checks on all our staff, and offering interviews and guidance conducted by physicians to interested parties.

6. Supporting Work–Life Balance

In recent years, we have promoted work–life balance by eliminating long working hours; having overtime-free days; in principle prohibiting overtime after 8:00 p.m.; and facilitating morning overtime, should additional work be necessary.

Since FY2021, we have made it easier for employees to use paid leave, as well as reduce and manage overtime. In addition, we have raised employee awareness regarding workstyles and implemented ongoing follow-up efforts in support of work–life balance. We have a variety of systems that enable all staff to demonstrate their skills and, at the same time, work in a comfortable environment.

The systems include flextime, which allows employees to adjust their starting and finishing times according to operational circumstances; a discretionary work system; a comeback registration system that promotes the reinstatement of employees who have left the workplace for such reasons as childcare, nursing care, or a change in the workplace of their spouse; an employment contract non-relocation clause, for employees who cannot move from their current place of work for reasons such as nursing care or the workplace of their spouse; and a reemployment system that allows senior employees to continue working after retirement.

We have adopted various approaches that take into consideration each employee's personal circumstances and preferences. When we select a work environment for our staff, we ensure that they can make full use of their experience and expertise.

Following the introduction of teleworking, staggered working hours, and online conferences, we are continuing our efforts to protect our stable supply of pharmaceutical products from disruption, while protecting the safety of our employees.

7. Promoting the Use of Paid Leave

As part of our efforts to promote work–life balance, we implemented a pre-registration system for 10 days of annual paid leave that started in FY2021. The system is based on the idea that employees should be lively, energetic, and focused not only in their work, but at home and when pursuing their hobbies.

We believe that ensuring happiness in the private lives of our employees will ultimately enable us to provide better products and services. Accordingly, we recommend that employees who make use of this pre-registration system take consecutive days of paid leave whenever possible.

VI. Management System

1. Corporate Governance

(1) Underlying Philosophy

We take very seriously the managerial responsibilities with which our shareholders have entrusted us. Thus, we strive to ensure that our management organization and operations are appropriate. Our top priority is to guarantee that management is fair by making it as transparent as possible.

(2) Organization

To improve management efficiency and strengthen corporate governance, we have separated the decision-making and supervisory functions from our business execution functions. The former have been delegated to the Board of Directors (seven members with two-year terms), at least one third (three members) of whose members are outside directors; the latter functions are the purview of the Corporate Executive Officers Meeting.

In addition, we have formed an Audit and Supervisory Board comprising members who conduct rigorous and neutral audits concerning the overall execution of duties performed by directors, executive officers, and other personnel. This they do in part through active participation in meetings of the Board of Directors and other key bodies within the Company. The Audit and Supervisory Board comprises one full-time and two part-time (outside) members.

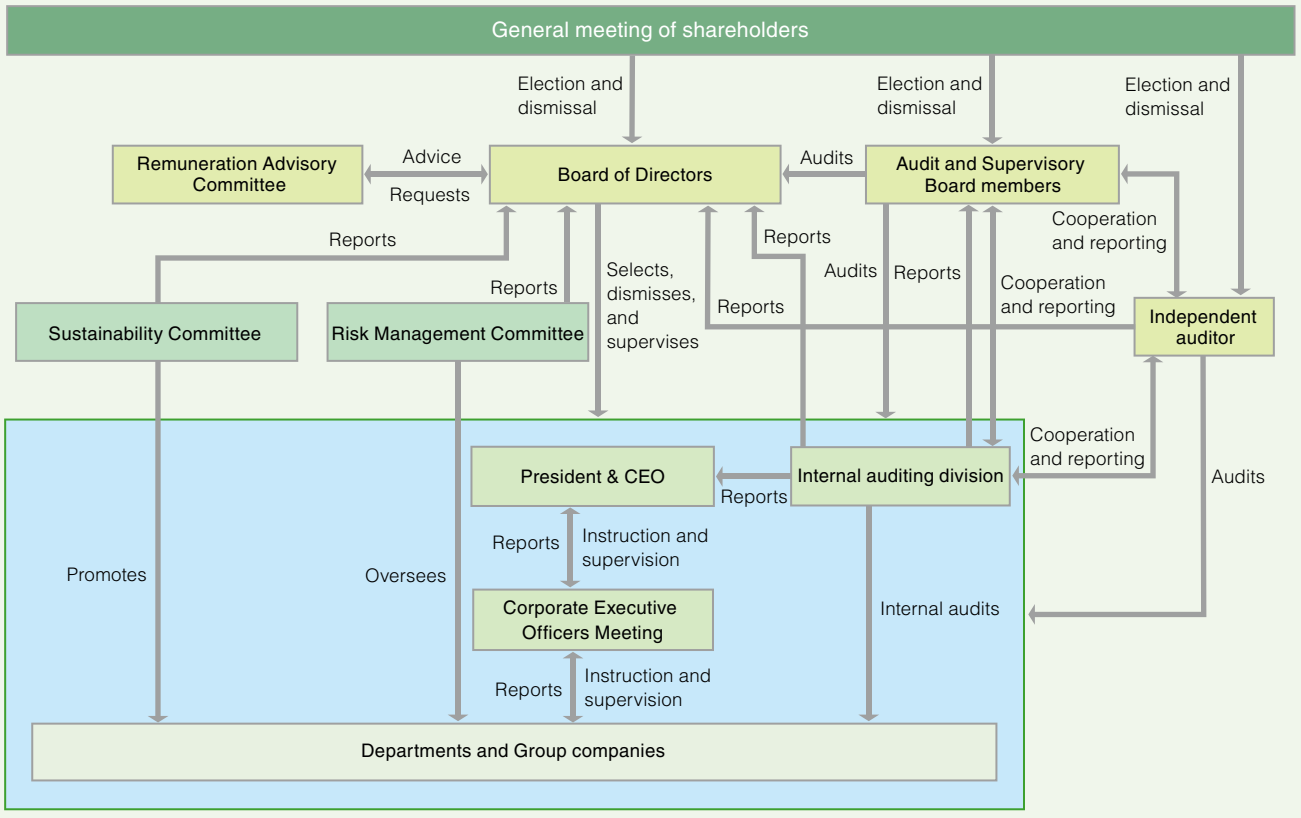
Our outside directors and outside Audit and Supervisory Board members satisfy the requirements for independent directors stipulated by the Tokyo Stock Exchange (TSE) and independence standard of Nippon Chemiphar and, therefore, are not subject to undue influence from our Company.

As required by the TSE, the Company has designated its outside directors and outside Audit and Supervisory Board members as independent officers.

At the same time, we are striving to strengthen our internal management system through risk management and the development of in-house control systems. We are promoting sound corporate activities and enhancing our corporate governance in accordance with our Fundamental Internal Control Policy and Legal Compliance Code of Conduct.

We expect these efforts to further strengthen the trust-based relationships we maintain with our shareholders and stakeholders, thereby enhancing our corporate value.

Management Organization



(3) Directors, Audit and Supervisory Board Members

(a) Directors

Before appointing someone to our Board of Directors, we check to ensure they have excellent character and insight.

Candidates for the position of inside director are reviewed to ensure that their performance and managerial ability are excellent, that they have fulfilled their operational responsibilities thus far, and that they are able to observe the Company's operations from a broad perspective.

Meanwhile, candidates for the position of outside director must meet the independent directors stipulated both by the TSE and the independence standard of the Company, with a high level of professional expertise, wide-ranging experience, superior abilities, and a deep sense of responsibility. (Please refer to the skills matrix below.)

Candidates for the post of director are selected by the president and CEO and, following approval by the Board, are appointed to their positions in line with annual shareholder meeting resolutions.

(b) Audit and Supervisory Board Members

Before appointing an Audit and Supervisory Board member, we closely examine the candidates and select an individual of excellent character and insight.

A candidate for the post of inside Audit and Supervisory Board member is evaluated to ensure that they are well-versed in our operations and have the aptitude necessary to audit the appropriateness and level of propriety of our directors as they perform their duties.

A candidate for the post of outside Audit and Supervisory Board member must meet the TSE requirements for an independent director, and the independence standards of the Company, with a high level of professional expertise, wide-ranging experience, superior abilities, and a deep sense of responsibility.

Directors' Skills Matrix

To enhance corporate governance while generating Group-wide business value in accordance with the growth strategy described on page 20, the Company has appointed directors with wide-ranging experience, advanced expertise, and broad knowledge. Their experience and expertise are outlined below.

Director Experience and Expertise

	Corporate Management	R&D/ New Business	Sales/ Marketing	Overseas Business/ International Experience	Intellectual Property	Legal/Risk Management	Financial Affairs/ Accounting/ Financing
Kazushiro Yamaguchi	√	√	√			√	√
Masahide Yasumoto	√	√	√				√
Koki Hayamizu		√		√	√		
Shinji Nakajima			√			√	√
Masaki Yoshino (outside)				√	√	√	
Naoko Omukai (outside)				√	√	√	
Manabu Narita (outside)	√		√				√

Note: For inside directors, the knowledge, experience, and skills that each individual has acquired through their careers and professional history are indicated with a check mark. For outside directors, the knowledge, experience, and skills expected of each individual based on their expertise, career, and professional history also are indicated with a check mark. It should be noted that the check marks displayed are not intended to represent the totality of that individual's knowledge, experience, and skills.

(4) Director Compensation

The cap on the total amount of compensation for directors is determined by a resolution of the General Meeting of Shareholders. The amount of basic compensation for individual directors is determined by the president & CEO, pursuant to a delegated resolution of the Board of Directors, in accordance with the policy for determining the details of compensation for individual directors (hereinafter, the "Compensation Determination Policy").

The Compensation Determination Policy is agreed on by the Board of Directors, and is outlined below.

Compensation

Type	Outline
Base compensation	A fixed, monthly, cash remuneration the amount of which reflects the recipient's position, responsibilities, and years in office. It is based on the Company's business results, and evaluations of the individual's business performance.
Non-monetary compensation	The Board shall determine the appropriate details, size, and amount of stock-based compensation that is provided as an incentive to some or all inside directors to promote management that will sustainably enhance corporate and shareholder value by improving the Company's business performance. The Board shall also reveal how stock-based compensation is calculated, the timing and conditions according to which it is to be granted, and other relevant matters.

(a) Basic Policy

The Company's basic policy for determining individual director compensation is to set said compensation at levels commensurate with the responsibilities of the director in question, while also considering the role of compensation as an incentive for promoting management targeting sustainable growth in corporate and shareholder value through improved business performance.

Specifically, inside directors receive both monetary compensation (base compensation) that is fixed, in addition to non-monetary compensation that is not fixed. Outside directors receive only base compensation.

(b) Composition

Inside directors' compensation comprises a fixed monetary amount plus non-monetary compensation that is determined relative to their general compensation. They are allotted optimal percentages to ensure that their compensation serves as an incentive to focus on improving business performance, and so enhances corporate and shareholder value. The percentages are determined based on a director's position, responsibilities, and tenure; the Company's performance; employee salary levels; and compensation levels at companies of similar size and in comparable industries or business categories.

Outside directors, meanwhile, receive only base compensation, in the form of fixed monetary remuneration.

(c) Method of Determination

Reflecting resolutions adopted by the Board of Directors, the president and CEO decides the details of each director's basic compensation according to our Compensation Determination Policy.

Subsequently, the Board consults with the Compensation Advisory Committee to ensure that the president and CEO's decisions comply with this policy, and later receives a report detailing the committee's response.

The Board determines the number of shares to be awarded each inside director as share-based remuneration. This follows a review of the Compensation Advisory Committee report with recommendations for the appropriate ratio of an inside director's compensation (fixed monetary and non-monetary) relative to general compensation.

(5) Remuneration Advisory Committee

The Company set up the Remuneration Advisory Committee as an advisory body to the Board of Directors. The committee comprises four members including the president and representative director, three of whom are independent outside directors.

(6) Compensation of Audit and Supervisory Board Members

The maximum amount of total compensation for Audit and Supervisory Board members is determined by a resolution of the General Meeting of Shareholders. Meanwhile, the members of this board meet to decide the amount of compensation each member shall receive.

(7) Evaluating the Board's Effectiveness

To evaluate the overall effectiveness of the Board of Directors, we deliver self-evaluation questionnaires each year to all Board and Audit and Supervisory Board members. The data compiled from the responses is then analyzed and discussed by the Board. In FY2024, it was found that the Board, on the whole, had been effective.

We will continue to analyze and evaluate the Board's effectiveness in a bid to increase it, while taking the steps necessary in areas needing examination or improvement.

Main Meetings, Attendance during FY2025*

	Board of Directors' Meeting (attendance rate)	Audit and Supervisory Board Meetings (attendance rate)
Outside directors	12 times (100%)	—
Outside auditors	12 times (100%)	17 times (100%)

* The outside director appointed on June 19, 2025 attended Board meetings 10 times (100%).

2. Internal Controls and Risk Management

(1) Internal Controls

We have established a Fundamental Internal Control Policy based on the Companies Act and the Regulation for Enforcement of the Companies Act. In addition, we have set up a framework that ensures our operations are appropriate in terms of risk management compliance, the efficient performance of professional duties, and reliable financial reporting.

Further, we have created an Internal Auditing Division, which operates under the direct supervision of the president and CEO. This division cooperates with various committees, including the Risk Management Committee, to investigate the appropriateness of our operations and suggest improvements.

(2) Risk Management

In accordance with our Fundamental Internal Control Policy, we have established a set of risk management rules to foster comprehension, management, and response to a variety of risks that have significant impact on the administration of our businesses.

The rules include provision for the creation of a Risk Management Committee, with the director in charge of risk management serving as its chairperson. We also have set up individual committees to respond to risks related to compliance and information security, and are sharing relevant information with our employees.

Business and Other Risks (presented in securities report)

Looking Back on My First Year As an Outside Director

It has been approximately one year since I was appointed as an outside director in June 2025.

During this period, I have gained firsthand insight into the management of Nippon Chemiphar as it navigates the rapidly changing pharmaceutical industry.

Over the course of more than 40 years, I have been involved in the management of financial institutions and served as an executive officer, working closely with numerous companies on growth initiatives and risk management. Drawing on the extensive experience I gained as a banker, together with the expertise in finance and corporate governance that I have cultivated throughout my career, I have sought to contribute to the supervision of Nippon Chemiphar's management. In particular, I have offered candid views from the perspective of a financial professional regarding financial soundness, governance enhancement, and the appropriateness of investment decisions from a macroeconomic standpoint.

The environment surrounding the pharmaceutical industry remains challenging. A series of compliance issues among generic drug manufacturers, the resulting supply shortages, annual drug price revisions, and sharp increases in raw material and energy costs associated with conflicts in the Middle East have all placed significant pressure on the industry.

In response, large-scale industry restructuring and the formation of consortia to strengthen competitiveness have emerged, highlighting the wide-ranging challenges facing the sector and the need for business model transformation.

Against this backdrop, under the strong leadership of President Yamaguchi, the Company is conducting structural reforms centered on three business areas: strengthening its development and manufacturing capabilities for generic pharmaceuticals in response to changes in the authorized generics framework; expanding its diagnostic reagents business through the rollout of the DropScreen allergy testing kit; and advancing its new drug discovery programs, including in-licensed oncology products. These initiatives also represent significant opportunities for the Company's next stage of growth.

Over the months and years ahead, I will continue to support the Company's ongoing growth from an independent and objective standpoint. While remaining mindful of the perspectives of shareholders and all other stakeholders, I am committed to helping the Company maintain an appropriate balance between rigorous compliance and the prudent risk-taking necessary for continued corporate value enhancement.

Manabu Narita
Outside Director

3. Directors, Audit & Supervisory Board Members, and Corporate Officers (as of June 17, 2026)

Back row (from left): Outside Directors Masaki Yoshino, Manabu Narita, and Naoko Omukai; Director and Corporate Officer Shinji Nakajima
Front row (from left): Director and Senior Managing Corporate Officer Masahide Yasumoto; President and CEO Kazushiro Yamaguchi; Director and Managing Corporate Officer Koki Hayamizu

From left: Audit & Supervisory Board member (full-time) Sakaru Makino, Outside Audit & Supervisory Board members (part-time) Rumi Yamaguchi and Takeshi Shiba

Back row (from left): Corporate Officers Masami Furuya, Shinya Yoshida, and Yasumasa Tashiro
Front row (from left): Corporate Officers Hirofumi Miyata, Shinichi Kudo, and Takahiro Mataki

Corporate Data

Ten-year Consolidated Performance Outline

		FY2016 (Ended March 31, 2017)	FY2017 (Ended March 31, 2018)	FY2018 (Ended March 31, 2019)	FY2019 (Ended March 31, 2020)
Income Statement	Net sales	35,689	35,331	34,182	31,756
	Pharmaceutical products segment	34,551	34,279	32,682	30,632
	Generics	29,358	29,872	28,315	26,425
	New drugs and proprietary products	2,294	2,009	1,548	1,362
	Diagnostics[1]				
	Others segment	1,137	1,051	1,500	1,123
	Cost of sales	19,449	19,535	19,654	19,200
	Selling, general and administrative expenses	13,403	13,947	13,063	12,190
	R&D expenses	1,984	2,280	2,066	2,173
	Operating profit	2,836	1,848	1,464	364
	Ordinary profit	2,849	1,696	1,512	307
	Profit attributable to owners of parent	2,054	1,160	881	436
Financial position at year end	Total assets	47,002	46,698	46,926	45,862
	Total net assets	17,355	17,487	17,863	17,392
Cash flow from	Operating activities	2,737	3,188	2,196	1,394
	Investing activities	-2,504	-1,606	-960	326
	Financing activities	787	-1,741	110	-961
Capital expenditure and others	Capital expenditure	2,928	1,645	784	660
	Depreciation and amortization	1,112	1,192	1,345	1,272
Amounts per share	Earnings per share (¥)	530.02	315.28	245.11	121.42
	Book value per share (¥)	4,548.80	4,859.86	4,963.24	4,830.92
	Dividend per share (¥)	100.0	100.0	100.0	50.0
Indexes	EBITDA (millions of yen)	4,104	3,025	2,987	1,704
	Operating income to sales (%)	7.9	5.2	4.3	1.1
	Return on equity (%)	12.3	6.7	5.0	2.5
	Return on assets (%)	6.3	3.6	3.2	0.7
	Debt-to-equity ratio (%)	85.3	84.0	85.7	85.2
	Equity ratio (%)	36.9	37.4	38.0	37.9
	Dividend payout ratio (%)	18.9	31.7	40.8	41.2
Non-financial data	Number of employees	769	816	846	807
	Average length of employment				
	Nippon Chemiphar (years)	14.7	14.2	12.9	12.8
	Percentage of female managers[2]				
	Nippon Chemiphar (%)	11.2	10.4	11.5	11.4
	Nihon Pharmaceutical Industry (%)	—	—	—	—
	Male rate of childcare leave taken[3]				
	Nippon Chemiphar (%)	—	—	—	—
	Nihon Pharmaceutical Industry (%)	—	—	—	—

Notes:
1. We have disclosed sales of diagnostics since FY2021.
2. Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Law No. 64 of 2015).
3. With respect to the childcare leave utilization rate for male employees, the Company has established an internal policy requiring all eligible employees to take childcare leave—regardless of its duration—within two years of the birth of their child. Accordingly, the utilization rate is, in principle, 100%. However, when calculated on a fiscal-year basis, the rate may be higher or lower than 100%, depending on the timing of leave taken.
4. Because we have been applying the Accounting Standard for Revenue Recognition (Corporate Accounting Standard No. 29) since FY2021, it is not possible to make a simple comparison of indicators based on sales revenue before and after that fiscal year.
5. Announced on May 15, 2026.

(Millions of yen)

FY2020 (Ended March 31, 2021)	FY2021 (Ended March 31, 2022)	FY2022[4] (Ended March 31, 2023)	FY2023 (Ended March 31, 2024)	FY2024 (Ended March 31, 2025)	FY2025 (Ended March 31, 2026)	Forecast for FY2026[5] (Ending March 31, 2027)
31,541	32,506	31,559	30,748	32,570	33,090	35,000
30,423	31,501	30,543	29,611	31,386	31,868	—
25,532	26,283	24,803	22,766	23,968	24,396	24,700
1,790	1,754	1,345	1,326	1,303	968	1,990
	2,163	2,780	4,101	4,883	5,436	6,150
1,117	1,004	1,015	1,137	1,184	1,222	—
20,097	23,432	23,374	23,010	23,824	24,693	—
10,879	8,248	8,425	8,232	8,139	8,217	—
1,998	2,392	2,419	2,325	2,292	2,134	2,650
564	825	-241	-494	606	179	250
582	1,022	58	-219	443	227	100
495	700	339	-180	294	198	60
47,124	49,453	48,571	49,548	49,851	49,978	—
18,014	18,501	18,534	18,460	19,167	19,510	—
1,503	1,801	-916	296	-265	620	—
-1,024	35	-394	-3,139	-1,655	-661	—
29	-793	144	1,447	-305	-1,673	—
1,812	1,131	573	2,747	3,003	1,196	2,310
1,393	1,586	1,500	1,459	1,377	1,559	1,710
137.75	194.33	94.07	-50.14	81.72	54.81	16.60
5,006.49	5,119.99	5,130.65	5,116.02	5,312.46	5,382.52	—
50.00	50.00	50.00	50.00	50.00	50.00	50.00
2,099	2,727	1,682	1,391	2,018	2,0213	—
1.8	2.5	—	—	1.9	0.5	0.7
2.8	3.8	1.8	—	1.6	1.0	—
1.3	2.1	0.1		0.9	0.5	—
84.0	78.9	81.0	90.5	87.3	79.2	—
38.2	37.4	38.1	37.3	38.4	39.0	—
36.3	25.7	53.2	—	61.2	91.2	301.2
760	809	872	887	855	878	—
13.7	13.9	13.3	13.0	13.8	14.1	—
9.4	9.5	12.3	12.2	15.4	14.6	—
—	—	13.7	9.1	15.4	14.8	
—	40.0	92.3	116.7	87.5	75.0	
—	—	100.0	100.0	175.0	100.0	

I. Overview

Company Name: Nippon Chemiphar Co., Ltd.
Founded: June 16,1950
Capitalization: ¥4,304 million
Securities Exchange: Tokyo Stock Exchange (Standard Section)
Net sales: ¥33,900 million (Consolidated, FY2025)
Employees: 878 (Consolidated, as of March 31, 2026)
Website: https: //www.chemiphar.co.jp/english/

II. Domestic Locations

Head Office:
2-2-3, Iwamoto-cho, Chiyoda-ku, Tokyo 101-0032, Japan
Tel.: +81-3-3863-1211
Fax: +81-3-3864-5940
Discovery Research Laboratories:
1-22, Hikokawado, Misato City, Saitama Prefecture, 341-0005, Japan

III. Group Companies

Subsidiaries:
Nihon Pharmaceutical Industry Co., Ltd.
Safety Research Institute for Chemical Compounds Co., Ltd.
Nippon Chemiphar Vietnam Co., Ltd.
Affiliated Company:
Japan Sopharchim Co., Ltd.

IV. History

1950	Hitachi Chemical Co., Ltd. (as Chemiphar was formerly known) is set up
1969	Nihon Pharmaceutical Industry Co., Ltd. (NPI) becomes an affiliated company
1970	Company changes name to Nippon Chemiphar Co., Ltd.
1971	Listed on Tokyo Stock Exchange (Second Section)
1976	Listed on Tokyo Stock Exchange (First Section) and starts diagnostics business Establishes Japan Sopharchim Co., Ltd. (currently an affiliated company)
1986	Safety Research Institute for Chemical Compounds Co., Ltd. becomes a subsidiary
1988	Launches Uralyt-U (soluble powder)
1993	Launches Soleton 80
1995	Launches Calvan
2010	NPI becomes a wholly owned Chemiphar subsidiary; Chemiphar spins off its Ibaraki Factory to NPI (NPI's current Tsukuba Factory)
2014	New plant at NPI's Tsukuba Factory comes on line
2015	Establishes Nippon Chemiphar Vietnam Co., Ltd.
2017	Establishes West Japan Distribution Center, resulting in one base each in eastern and western Japan
2018	Vietnam factory starts exporting to Japan
2020	Launches DropScreen Concludes a license agreement with Delta-Fly Pharma, Inc. for DFP-17729
2021	Concludes a collaborative research and development agreement and an option agreement for NC-2800 with Sumitomo Pharma Co., Ltd.
2022	Concludes a license agreement with Delta-Fly Pharma for DFP-14323

Nippon Chemiphar Co., Ltd.

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