REVISED FY2019 FINANCIAL AND DIVIDEND FORECASTS

(Year ending March 31, 2020)

Nippon Chemiphar Co., Ltd. (4539)
October 11, 2013

Reflecting recent business performance, Nippon Chemiphar Co., Ltd. has revised its forecasts issued on October 31, 2020.

Revised: Consolidated Forecasts for FY2019 (April 1, 2019– March 31, 2020)

	Net Sales (¥mn)	Operating Income (¥mn)	Net Income attributable to owners of the parent (¥mn)	Earnings per Share (¥)
Previous forecast (A)	33,200	800	500	139.07
Revision (B)	31,800	150	200	55.63
Difference (B-A)	(1,400)	(650)	(300)	
% change	(4.2)	(81.3)	(60.0)	
(Ref.) FY2018	34,182	1,464	881	245.11

Reasons for Revisions

The Nippon Chemiphar Group aims to expand generics sales through various efforts, including informative activities that accompany the promotion of new drugs and sales channel diversification. However, sales are expected to fall below our previous forecast due to three factors: First, we forecast that we will be unable to compensate for the impact of NHI drug price revisions implemented in October 2019 due to large-scale new product launches that were postponed until the following fiscal year or later, intensified market competition caused by the rise of authorized generics, and other factors. Second, we no longer expect to receive some licensing proceeds from our development pipeline in this fiscal year that we had anticipated in our initial forecast. The third factor is uncertainty concerning demand in the face of upcoming NHI drug price revisions in April 2020. As a result of these circumstances, we also expect all profit lines to fall below our initial forecast.

Revised: Dividend Forecasts

	Dividend per share at the End of (¥)				
	1Q	2Q	3Q	4Q	Total
Previous forecast (announced on May 13, 2019)	—	0.00	—	75.00	75.00
Current forecast	—	—	—	40.00	40.00
Actual amount for the current fiscal year	—	0.00	—		
Actual amount for the previous fiscal year	—	0.00	—	100.00	100.00

Reasons for Revisions

Nippon Chemiphar regards the return of profit to its shareholders as one of its most important management policies. Accordingly, we have fundamentally worked to issue stable dividends while balancing with our efforts to conduct investment that contributes to future growth and improve our financial strength by accumulating capital.

Unfortunately, in response to the aforementioned changes to our earnings forecast, we have revised our year-end dividend forecast to ¥40 per share, down from our initial projection of ¥75 per share.

* The forecasts are based on currently available information, but the figures may change to reflect future conditions, thus causing results to differ.

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