

IR Materials

- Q3 FY03/22 -

February 8, 2022
Nipro Corporation



Table of Contents

Business Impact of COVID-19	2
Q3 FY03/22 Results	3
P&L Excluding Impact of New Revenue Recognition Standard and Exchange Rates	4
Net Sales and Operating Profit by Segment	5
Segment Results – (1) Medical-Related (Domestic)	6
Segment Results – (1) Medical-Related (Overseas)	7
Segment Results – (2) Pharmaceutical-Related	8
Segment Results – (3) PharmaPackaging	9
Net Sales by Segment and Product Category	10
Net Sales by Segment and Region	11
Product Category	12
Net Sales by Product Category	13, 14
Exchange Rate Sensitivity	15
SG&A Expenses	16
Capex and Depreciation	17
FY03/22 Capex for Key Companies	18

Business Impact of COVID-19

Manufacturing, Purchasing, Logistics

India Plant (dialyzers)	Existing lines operating normally. Construction of new line to resume in spring 2022, operation to start around the end of 2022.
China Hefei Plant (dialyzers)	New line scheduled to start operation around the end of 2022.
Fukushima Kagamiishi Plant	Suspended operations on 2/13 due to earthquake damage, resumed operations in stages from 3/7, and nearly fully operational at the end of July.
Thailand Plant	Suspended operations on June 2 due to an increase in COVID-19 cases, resumed operations on June 10 in stages, and started full-scale operations on July 1.
Vietnam Plant	Suspended operations on 7/15 due to an increase in COVID-19 cases, and resumed operations in stages from 10/18.
Other domestic and overseas plants	Operating normally.

Sales

Dialysis medical devices	Demand for dialyzers was strong in Japan and China, and earnings rose on the acquisition of a dialysis center in South America.
Cardiovascular medical devices	Domestic sales of mainstay products grew as the impact of COVID-19 tapered, while demand continued to rise overseas in China.
Surgical medical devices	COVID-19 related demand for both mechanical circulatory support and cardiopulmonary bypass products fell.
Medical consumables	Product prices trended downward both in Japan and overseas as demand boost from COVID-19 phased out.
Pharmaceuticals (own brand)	Sales grew owing to market-wide tightness to meet demand for all formulations due to quality issues of competing products.
Pharmaceuticals (contract manufacturing)	Sales fell owing to customer inventory adjustments in response to the continued drop in demand for antibiotics and cold medicines associated with COVID-19 since FY03/21.
PharmaPackaging	Demand for vials for vaccines in China, Europe, and Americas, as well as syringes for biopharmaceutical drugs in Europe continued to rise.

Clinical trials

There were no significant impacts on carrying out clinical trials or submitting applications for approval.

Established a new end-to-end production plant for CTA dialyzers in collaboration with Toyobo Corporation (November 5)

We will establish a new end-to-end CTA (cellulose triacetate) dialyzer production line at our Odate Plant in Akita Prefecture, with the aim of launching operations in July 2024. Production efficiency will be dramatically improved by establishing an end-to-end production system where the production processes of Toyobo and Nipro are seamlessly linked.



Q3 FY03/22 Results

	Q3 FY03/21	Q3 FY03/22	Change	Plan (% progress)
(¥100 million)				
Net sales	3,410.8	3,693.5 (*1)	+282.7 +8.3%	4,950.0 74.6%
Cost of sales	2,357.9	2,570.3	+212.4 +9.0%	3,430.0 74.9%
Gross profit (*2)	1,052.9 30.9%	1,123.2 30.4%	+70.2 +6.7%	1,520.0 73.9%
SG&A expenses	821.8 24.1%	925.8 25.1%	+104.0 +12.7%	1,245.0 74.4%
Operating profit	231.0 6.8%	197.3 5.3%	△33.7 △14.6%	275.0 71.7%
Ordinary profit (*3)	197.1 5.8%	205.5 5.6%	+8.3 +4.2%	267.0 77.0%
Profit attributable to owners of parent	103.7 3.0%	110.3 3.0%	+6.6 +6.4%	148.0 74.5%
Profit in accordance with IFRS (estimate)	126.9	132.3	+5.4 +4.3%	182.0 72.7%

*1: The impact of adopting the new revenue recognition standard is -¥1.62 billion on net sales and +¥50 million on operating profit

Quarterly Results				
FY03/21		FY03/22		
Q3	Q4	Q1	Q2	Q3
1,188.3	1,144.7	1,180.0	1,241.1	1,272.3
819.9	809.2	817.9	866.2	886.2
368.5	335.5	362.0	374.9	386.1
31.0%	29.3%	30.7%	30.2%	30.3%
282.7	290.3	306.9	301.4	317.4
23.8%	25.4%	26.0%	24.3%	24.9%
85.7	45.2	55.1	73.4	68.7
7.2%	3.9%	4.7%	5.9%	5.4%
72.1	65.5	52.3	72.0	81.1
6.1%	5.7%	4.4%	5.8%	6.4%
49.0	38.3	33.0	40.0	37.3
4.1%	3.3%	2.8%	3.2%	2.9%

*2: Impact of unrealized gains on gross profit
Q3 FY03/21: ¥210 million
Q3 FY03/22: -¥1.29 billion

*3: Foreign exchange gains and losses
Q3 FY03/21: -¥1.46 billion
Q3 FY03/22: ¥2.22 billion

Net sales

Net sales rose as the drop in demand stemming from COVID-19 subsided.

Gross profit

Gross margin fell slightly owing to higher material costs and additional year-end bonuses paid in FY03/21.

Operating profit

Operating profit decreased due to higher personnel and logistics expenses.

Ordinary profit

Ordinary profit grew reflecting a ¥3.69bn improvement in foreign exchange gains and losses.

Profit

Profit increased YoY due to the absence of extraordinary losses from a lawsuit in the US recorded in FY03/21.



P&L Excluding Impact of New Revenue Recognition Standard and Exchange Rates

	Q3 FY03/21	Q3 FY03/22	New Revenue Recognition Standard Impact	Exchange rate Impact (*1)	Q3 FY03/22 Results Excl. Impact	Change (%)
(¥100 million)	[a]	[b]	[c]	[d]	[e=b-c-d]	[e÷a]
Net sales	3,410.8	3,693.5	△16.2	+64.7	3,645.0	+6.9%
Cost of sales	2,357.9	2,570.3	△16.7	+24.1	2,562.9	
Gross profit	1,052.9	1,123.2	+0.5	+40.6	1,082.1	+2.8%
(%)	30.9%	30.4%			29.7%	
SG&A expenses	821.8	925.8	+0.0	+14.4	911.4	
Operating profit	231.0	197.3	+0.5	+26.2	170.6	△26.1%
(%)	6.8%	5.3%			4.7%	
Non-operating income	30.4	56.9	+0.0	+36.9	20.0	
Non-operating expenses	64.3	48.7	+0.0		48.7	
Ordinary profit	197.1	205.5	+0.5	+63.1	141.9	△28.0%
Extraordinary income	16.6	5.5	+0.0		5.5	
Extraordinary losses	36.0	20.1	+0.0		20.1	
Profit before tax	177.7	190.9	+0.5	+63.1	127.3	△28.4%
Income taxes	68.7	69.0	△0.4	+22.8	46.6	
Profit attributable to non-controlling interests	5.2	11.5			11.5	
Profit	103.7	110.3	+0.9	+40.3	69.1	△33.4%

(*1) Total foreign currency transactions converted to yen using the difference from previous year's rate.

Average
exchange rate

1 USD

1 EUR

1 CNY

Jan-Sep
2021

107.25

121.13

15.31

Jan-Sep
2022

109.11

130.27

16.86



Net Sales and Operating Profit by Segment

Net sales

		(¥100 million)	Change	Change (%)	Forecast (as of May)	Forecast (as of November)
Medical-Related	Q3 FY03/22	2,800.2	+239.8	+9.4%	3,738.9	3,725.0
	Q3 FY03/21	2,560.4				
Pharmaceutical-Related	Q3 FY03/22	543.5	$\triangle 10.9$	$\triangle 2.0\%$	763.0	749.3
	Q3 FY03/21	554.4				
PharmaPackaging	Q3 FY03/22	345.3	+52.4	+17.9%	446.3	472.4
	Q3 FY03/21	292.9				

Operating profit

		(¥100 million)	Change	Change (%)	Forecast (as of May)	Forecast (as of November)
Medical-Related	Q3 FY03/22	309.9	+1.8	+0.6%	383.6	392.4
	Q3 FY03/21	308.1				
Pharmaceutical-Related	Q3 FY03/22	61.2	$\triangle 23.7$	$\triangle 28.0\%$	102.3	92.4
	Q3 FY03/21	85.0				
PharmaPackaging	Q3 FY03/22	25.2	+8.9	+54.8%	21.2	35.0
	Q3 FY03/21	16.3				

Impact of adopting new revenue recognition standard in FY03/22

Net sales

Medical-Related	: -¥1,252 million	Total: -¥1,629 million
Pharmaceutical-Related	: -¥314 million	
PharmaPackaging	: -¥62 million	

Operating profit

Medical-Related	: +¥47 million	Total: +¥50 million
Pharmaceutical-Related	: -¥0.5 million	
PharmaPackaging	: +¥3 million	



Segment Results – (1) Medical-Related (Domestic)

		(¥100 million)	Change	Change (%)	Forecast (as of May)	Forecast (as of November)
Domestic business	Q3 FY03/22	1,534.6				
	Q3 FY03/21	1,439.4	+95.2	+6.6%	2,087.2	2,042.8
Medical devices	Q3 FY03/22	860.9				
	Q3 FY03/21	814.8	+46.1	+5.7%	1,273.6	1,157.8
Pharmaceuticals	Q3 FY03/22	673.7				
	Q3 FY03/21	624.6	+49.1	+7.9%	813.5	885.0
Dialyzer domestic sales	Q3 FY03/22	170.5				
	Q3 FY03/21	169.1	+1.4	+0.8%	234.2	224.0

Medical devices

Sales of dialyzers were firm following the resumption of production following a halt to expand capacity.

Dialysis machine sales through intermediaries fell YoY owing to the new revenue recognition standard.

Sales of catheters grew substantially YoY on the back of higher sales of mainstay products such as drug-eluting balloon catheters (SQP) and the NSE balloon series, as the impact of COVID-19 subsided and surgery numbers rebounded to previous year levels.

Sales of needles rose due to sales of syringes and needles used for vaccinations to the government.

Sales of infusion-related products were up YoY thanks to lower impact of COVID-19 compared to FY03/21.

Domestic pharmaceuticals

Sales rose on the back of an overall increase in demand across all formations as a result of suspension of supply at a competitor.

Segment Results – (1) Medical-Related (Overseas)

		(¥100 million)	Change	Change (%)	Forecast (as of May)	Forecast (as of November)
Overseas business	Q3 FY03/22	1,236.6	+141.2	+12.9%	1,616.8	1,645.2
	Q3 FY03/21	1,095.1				
B2B (other brands)	Q3 FY03/22	172.6	+26.4	+18.1%	201.6	231.5
	Q3 FY03/21	145.8				
Nipro brands	Q3 FY03/22	1,064.0	+114.8	+12.1%	1,415.1	1,413.7
	Q3 FY03/21	949.2				
Americas	Q3 FY03/22	458.3	+36.8	+8.8%	590.8	605.7
	Q3 FY03/21	420.4				
Europe	Q3 FY03/22	278.3	+20.5	+7.9%	382.6	388.0
	Q3 FY03/21	259.0				
Asia	Q3 FY03/22	179.3	+17.8	+11.0%	241.7	237.7
	Q3 FY03/21	161.5				
China	Q3 FY03/22	147.9	+39.7	+36.7%	200.0	182.3
	Q3 FY03/21	108.2				
Dialyzer overseas sales	Q3 FY03/22	404.2	+33.0	+8.9%	530.1	542.2
	Q3 FY03/21	370.9				

B2B

Sales of winged needles and insulin needles were firm.

Nipro brands

Dialyzer sales volume continued to grow sharply in China.

In Latin America, sales recovered to FY03/21 levels in Q2 and marked a YoY increase in Q3.

Sales in North America have not recovered to FY03/21 levels but are nevertheless on a recovery track.

In Europe, sales in the three month period of Q3 recovered to FY03/21 levels, but remained weak for the full year.

In other regions, sales rose substantially on the back of the opening of dialysis centers mainly in Latin America. Sales of syringes in North America, Latin America, and Asia, and sales of dialysis machines in Asia and China remained strong.



Segment Results – (2) Pharmaceutical-Related

			Change	Change (%)	Forecast (as of May)	Forecast (as of November)
			(¥100 million)			
Pharmaceutical-Related	Q3 FY03/22	543.5	△10.9	△2.0%	763.0	749.3
	Q3 FY03/21	554.4				
Breakdown of contract manufacturing sales						
Generic drugs	Q3 FY03/22	299.3	△8.9	△2.9%	409.8	408.5
	Q3 FY03/21	308.2				
Brand-name drugs Long-listed drugs	Q3 FY03/22	183.7	△2.6	△1.4%	269.9	253.7
	Q3 FY03/21	186.3				
OTC drugs Active ingredients, etc.	Q3 FY03/22	26.0	△5.8	△18.2%	43.0	42.1
	Q3 FY03/21	31.8				
JMI Pharma	Q3 FY03/22	34.4	+6.2	+22.0%	40.3	45.1
	Q3 FY03/21	28.2				

Generic drugs

Sales fell owing to customer inventory adjustments for antibiotics and cold medicines stemming from the impact of COVID-19.

Brand-name/long-listed drugs

Sales fell owing to customer inventory adjustments for antibiotics and cold medicines stemming from the impact of COVID-19.

OTC/active ingredients, etc.

Sales dropped YoY as there was a concentration of trial production and validation of products for contract manufacturing in FY03/21.

JMI Pharma

Sales rose on the back of sales channel expansions achieved by boosting sales personnel as well as the addition of three new products to the market.

Segment Results – (3) PharmaPackaging

		(¥100 million)	Change	Change (%)	Forecast (as of May)	Forecast (as of November)
Pharma Packaging	Q3 FY03/22	345.3				
	Q3 FY03/21	292.9	+52.4	+17.9%	446.3	472.4
Sales by region						
Japan	Q3 FY03/22	86.6				
	Q3 FY03/21	85.2	+1.4	+1.6%	109.6	108.9
Overseas	Q3 FY03/22	258.7				
	Q3 FY03/21	207.6	+51.1	+24.6%	336.7	363.5
Europe	Q3 FY03/22	124.8				
	Q3 FY03/21	104.2	+20.6	+19.8%	170.0	177.1
Americas	Q3 FY03/22	71.6				
	Q3 FY03/21	68.4	+3.2	+4.7%	93.4	96.4
China	Q3 FY03/22	53.1				
	Q3 FY03/21	26.9	+26.2	+97.4%	62.8	78.6
India	Q3 FY03/22	9.0				
	Q3 FY03/21	8.0	+1.0	+12.5%	10.5	11.5

Japan

Sales fell YoY owing to special demand for glass tubing for use in vials for vaccines in FY03/21 and lower orders for glass tubing from vial processors in FY03/22 stemming from inventory adjustments for antibiotics and cold medicines by drug manufacturers. On the other hand, shipments of dental needles and dental anesthetics recovered in the medical device related business.

Overseas

Sales of vials for vaccines in China, Europe, and Americas, syringes for vaccines in China, and syringes for biopharmaceutical drugs in Europe were robust. In addition, sales of ampoules in Europe rose this year following the acquisition of a Croatian company.

Net Sales by Segment and Product Category

Segment		Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
Product	(¥100 million)					
Medical devices	Q3 FY03/22	2,068.0	0.0	23.0	0.0	2,091.1
	Q3 FY03/21	1,892.9	0.0	20.9	0.0	1,913.8
Pharmaceuticals	Q3 FY03/22	731.6	543.5	3.2	0.0	1,278.3
	Q3 FY03/21	666.8	554.4	2.3	0.0	1,223.6
Pharma packaging	Q3 FY03/22	0.2	0.0	318.4	0.0	318.6
	Q3 FY03/21	0.1	0.0	268.7	0.0	268.8
Other	Q3 FY03/22	0.3	0.0	0.6	4.4	5.4
	Q3 FY03/21	0.4	0.0	0.9	3.0	4.4
Total	Q3 FY03/22	2,800.2	543.5	345.3	4.4	3,693.5
	Q3 FY03/21	2,560.4	554.4	292.9	3.0	3,410.8

*1: In-house generic drugs

*2: Contract manufacturing of pharmaceuticals

*3: Needles, infusion-related products, testing products

Net Sales by Segment and Region

Segment		Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
Region	(¥100 million)					
Japan	Q3 FY03/22	1,508.4	505.1	86.9	4.2	2,104.7
	Q3 FY03/21	1,426.7	520.1	83.9	2.9	2,033.9
Overseas total	Q3 FY03/22	1,291.8	38.3	258.4	0.2	1,588.8
	Q3 FY03/21	1,133.6	34.2	208.9	0.1	1,376.9
Americas	Q3 FY03/22	508.1	0.2	68.5	0.0	576.9
	Q3 FY03/21	464.4	0.0	65.4	0.0	529.8
Europe	Q3 FY03/22	326.7	2.2	123.3	0.2	452.5
	Q3 FY03/21	291.0	2.9	101.0	0.1	395.1
China	Q3 FY03/22	189.9	0.1	52.0	0.0	242.2
	Q3 FY03/21	137.0	0.0	26.9	0.0	163.9
Other Asia	Q3 FY03/22	266.9	35.7	14.4	0.0	317.1
	Q3 FY03/21	241.1	31.2	15.3	0.0	287.8
Total	Q3 FY03/22	2,800.2	543.5	345.3	4.4	3,693.5
	Q3 FY03/21	2,560.4	554.4	292.9	3.0	3,410.8

By region

In Q3 FY03/22, 56.0% of sales were generated in Japan and 43.0% overseas, and sales remained steady in each region, both in Japan and overseas.

By segment

Sales of dialyzers and needles in the Medical-Related business and vials and syringes in the PharmaPackaging business were strong both in Japan and overseas, and sales rose YoY in all regions.



Product Category

Medical devices

Dialyzers	Dialyzers (artificial kidneys), HDF filters
Dialysis equipment	Dialysis systems, maintenance, dialysis equipment parts
Other dialysis-related products	Blood circuits, AVF needles, etc.
Needles	PSV needles, safetouch needles, etc.
Vascular products	Catheter sets for cardiovascular treatments, thrombus aspiration catheters, etc.
Infusion-related products	Infusion sets, IV cannulas, etc.
Testing products	Neotube (vacuum blood collection tube), blood collection needles, etc.
Diabetes-related products	Insulin needles, blood glucose meters (for overseas markets), lancets
Surgical device-related products	Mechanical circulatory support, cardiopulmonary bypass products
Other products	Medical instruments, blood-related products, cell culture-related products, gloves, etc.

Pharmaceuticals

Oral drugs	Oral drugs
Injection and infusion products	Syringe kits, vial formulations, dual chamber bags (PLW), powdered dialysate, dialysis fluids, etc.
External preparations and patches	External preparations, patches
Others, in vitro diagnostics, etc.	Reagents, pharmaceuticals, blood glucose meters, etc.

Pharma packaging

Glass tube-related products	Medical-use glass tubes, non-medical use glass tubes, glass raw materials
Glass ampoules	Ampoules (single tip, double tip)
Glass vials	Vials (blowback, screw, sterilized, etc.)
Glass syringes	Syringes (luer lock, luer slip, sterilized, etc.)
Rubber stoppers and plugs	Rubber stoppers, plugs, closures, and caps
Plastic containers	Plastics
Thermos bottles	Glass for thermos bottles
Other products	Glass containers and others, special glass containers, cartridge glass and others, etc.

Net Sales by Product Category (1)

Business Category (¥100 million)		Overall				Overseas				Japan			
		Q3 FY03/21	Q3 FY03/22	Change	Change %	Q3 FY03/21	Q3 FY03/22	Change	Change %	Q3 FY03/21	Q3 FY03/22	Change	Change %
Medical devices	Dialyzers	540.0	574.5	+34.5	+6.4%	370.9	404.2	+33.0	+8.9%	169.1	170.5	+1.4	+0.9%
	Dialysis equipment	139.3	151.0	+11.6	+8.4%	73.7	95.3	+21.6	+29.3%	65.6	55.6	△9.9	△15.1%
	Other dialysis-related products	235.0	260.4	+25.4	+10.8%	177.8	200.6	+22.8	+12.9%	57.2	59.7	+2.5	+4.5%
	Dialysis-related products total	914.4	986.0	+71.6	+7.8%	622.5	700.3	+77.5	+12.5%	291.9	286.0	△5.8	△2.0%
	Needles	262.4	310.4	+47.9	+18.3%	157.1	192.5	+35.3	+22.5%	105.3	117.9	+12.6	+12.0%
	Vascular products	205.5	234.4	+28.8	+14.0%	22.7	34.7	+12.0	+52.8%	182.8	199.6	+16.8	+9.2%
	Infusion-related products	112.1	126.4	+14.2	+12.7%	35.9	41.0	+5.0	+14.1%	76.1	85.3	+9.1	+12.1%
	Testing products	73.9	83.0	+9.1	+12.4%	50.0	57.0	+7.3	+14.7%	23.9	25.7	+1.8	+7.6%
	Diabetes-related products	64.8	66.3	+1.4	+2.2%	53.0	55.1	+2.1	+4.1%	11.8	11.1	△0.7	△6.0%
	Surgical device-related products	28.3	26.4	△1.9	△6.8%	3.2	5.0	+1.7	+51.7%	25.0	21.4	△3.6	△14.5%
	Other products	249.4	255.9	+6.4	+2.6%	146.1	147.4	+1.2	+0.9%	103.3	108.5	+5.1	+5.0%
	Category Total	1,911.2	2,089.2	+177.9	+9.3%	1,090.9	1,233.4	+142.5	+13.1%	820.3	855.7	+35.4	+4.3%
Pharmaceuticals (own brand)	Oral drugs	286.6	300.9	+14.3	+5.0%	0.0	0.2	+0.1	+222.5%	286.5	300.7	+14.1	+5.0%
	Injection and infusion products	270.8	309.0	+38.2	+14.1%	40.8	55.5	+14.7	+36.0%	230.0	253.5	+23.5	+10.2%
	External preparations and patches	38.3	51.6	+13.3	+34.8%	-	-	-	-	38.3	51.6	+13.3	+34.8%
	Others, in vitro diagnostics, etc.	71.0	69.9	△1.1	△1.6%	1.4	2.3	+0.9	+63.9%	69.6	67.5	△2.0	△3.0%
	Category Total	666.8	731.6	+64.7	+9.7%	42.3	58.1	+15.8	+37.4%	624.4	673.4	+48.9	+7.8%
Regenerative medicines	Regenerative medicine products	2.6	1.9	△0.6	△26.7%	-	258.3	-	-	2.6	1.9	△0.6	△26.7%

Net Sales by Product Category (2)

Business Category (¥100 million)		Overall				Overseas				Japan			
		Q3 FY03/21	Q3 FY03/22	Change	Change %	Q3 FY03/21	Q3 FY03/22	Change	Change %	Q3 FY03/21	Q3 FY03/22	Change	Change %
Pharmaceuticals (contract manufacturing)	Oral drugs	230.5	219.5	△11.0	△4.8%	1.3	-	△0.6	△50.9%	229.2	218.9	△10.3	△4.5%
	Injection and infusion products	235.4	234.1	△1.2	△0.5%	0.6	0.6	+1.2	+192.3%	234.8	232.3	△2.4	△1.1%
	External preparations and patches	43.6	41.5	△2.1	△4.9%	1.5	1.8	△0.9	△61.9%	42.1	40.9	△1.2	△2.9%
	Others, in vitro diagnostics, etc.	18.7	16.9	△1.7	△9.6%	2.4	0.5	△1.6	△65.8%	16.3	16.1	△0.1	△1.2%
	Category Total	528.5	512.2	△16.2	△3.1%	5.9	0.8	△2.0	△34.2%	522.5	508.3	△14.1	△2.7%
Pharmaceuticals (JMI Pharma)	Oral drugs	27.9	34.0	+6.0	+21.7%	27.9	3.9	+6.0	+21.7%	-	-	-	-
	Injection and infusion products	0.3	0.3	0.0	+25.6%	0.3	34.0	0.0	+25.6%	-	-	-	-
	Category Total	28.2	34.4	+6.1	+21.8%	28.2	0.3	+6.1	+21.8%	-	-	-	-
Pharma packaging	Glass tube-related products	72.1	70.0	△2.1	△3.0%	54.8	34.4	△0.8	△1.6%	17.3	16.0	△1.2	△7.4%
	Glass ampoules	27.1	36.0	+8.8	+32.7%	27.0	53.9	+8.8	+32.9%	0.1	0.0	0.0	△11.4%
	Glass vials	91.8	124.7	+32.8	+35.8%	78.6	35.9	+32.9	+41.9%	13.2	13.1	△0.1	△0.8%
	Glass syringes	34.2	39.2	+5.0	+14.7%	34.2	111.5	+4.8	+14.1%	-	0.2	+0.2	-
	Rubber stoppers and plugs	14.0	13.9	△0.1	△0.9%	4.6	39.0	0.0	+0.5%	9.4	9.3	△0.1	△1.6%
	Plastic containers	14.6	15.3	+0.6	+4.8%	1.0	5	△0.9	△92.9%	13.6	15.3	+1.6	+12.4%
	Thermos bottles	3.2	3.0	△0.2	△6.5%	-	0.0	-	-	3.2	3.0	△0.2	△6.5%
	Other products	11.4	16.2	+4.8	+41.9%	8.6	-	+4.5	+53.1%	2.8	3.0	+0.2	+8.3%
	Category Total	268.8	318.6	+49.7	+18.5%	209.0	13.1	+49.3	+23.6%	59.8	60.2	+0.3	+0.6%
Other	Sales of production machinery and	4.4	5.4	+0.9	+22.2%	0.4	0.4	0.0	+13.6%	4.0	4.9	+0.9	+23.1%
Consolidated Total		3,410.8	3,693.5	+282.7	+8.3%	1,376.9	1,588.8	+211.9	+15.4%	2,033.9	2,104.7	+70.7	+3.5%

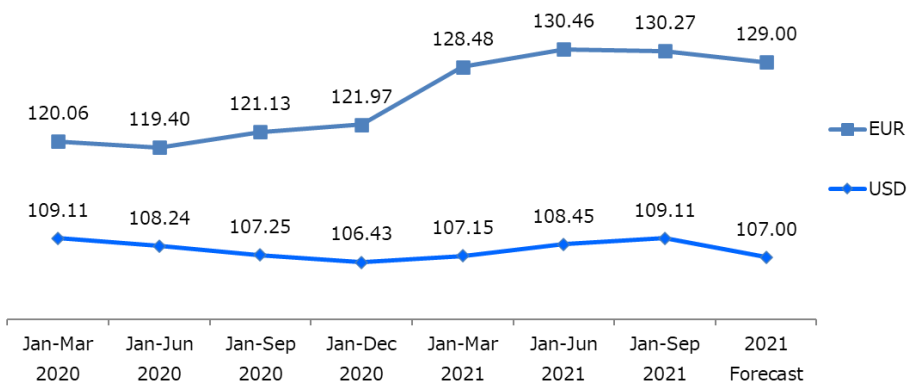
Exchange Rate Sensitivity

Annual impact of a ¥1 change in exchange rate

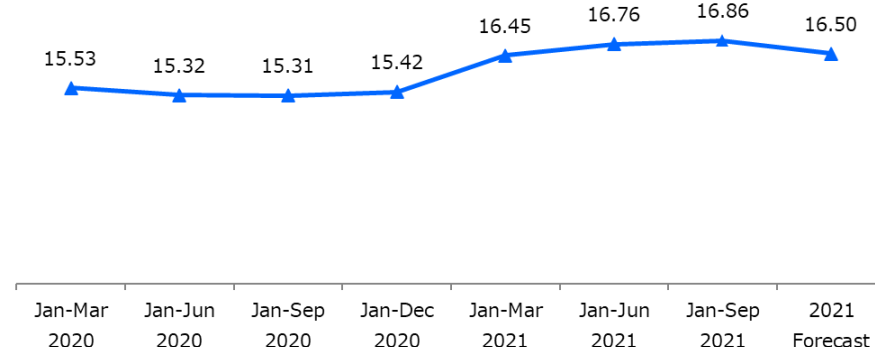
(¥100 million)	USD	EUR	CNY
Net sales	7.7	4.8	16.7
Operating profit	0.6	1.6	11.2

Average exchange rate

USD, EUR



CNY



SG&A Expenses

SG&A Expenses

	Q3 FY03/21 (¥100 million)	Q3 FY03/22		Change	Change (%)
		Actual	% of Total		
Personnel	274.0	310.9	33.6%	+36.9	+13.5%
Travel & transportation	19.0	23.3	2.5%	+4.3	+22.6%
Promotion (*1)	49.0	60.1	6.5%	+11.1	+22.7%
Logistics (*2)	95.7	115.4	12.5%	+19.7	+20.6%
R&D	136.0	136.4	14.7%	+0.4	+0.3%
Depreciation (*3)	74.5	83.7	9.0%	+9.2	+12.3%
Other	173.3	195.7	21.1%	+22.4	+12.9%
Total	821.8	925.8	100.0%	+104.0	+12.7%

*1: Sales commissions, samples, advertising, and entertainment expenses

*2: Transportation and storage fees

*3: Depreciation, goodwill amortization, and development amortization

SG&A expenses

Personnel	Personnel expenses were up YoY owing to increase in headcount due to opening of dialysis center and M&A.
Promotion	Promotion expenses rose YoY due to the resumption of sales activities.
Logistics	Logistics expenses grew YoY owing to the continued rise in transportation costs.
R&D expenses	
Medical	Expenses for clinical evaluation of new products at a subsidiary that makes vascular products increased.
Pharmaceutical	Development expenses related to oral drugs rose.

R&D Expenses (consolidated)

	Q3 FY03/20 (¥100 million)	Q3 FY03/21	Progress vs. Plan
Medical	62.7	64.5	84.0 76.8%
Pharmaceutical	72.8	74.0	106.0 69.8%
Total	135.5	138.5	190.0 72.9%



Capex and Depreciation

	Capex*			Depreciation		
	Q3 FY03/21	Q3 FY03/22	Progress vs. Plan	Q3 FY03/21	Q3 FY03/22	Progress vs. Plan
(¥100 million)						
Medical-Related	294.1	118.6	198.5 59.7%	135.9	145.6	207.5 70.2%
Pharmaceutical-Related	67.7	168.7	200.5 84.1%	90.5	94.4	141.0 67.0%
PharmaPackaging	28.0	29.2	95.5 30.6%	30.9	36.2	45.0 80.4%
Other	12.5	24.3	33.5 72.5%	37.3	35.5	34.0 104.4%
Total	402.4	341.0	528.0 64.6%	294.8	311.8	427.5 72.9%

* Capex figures are based on acceptance inspection.

Capex

Capex was substantially lower YoY in the Medical-Related business, reflecting a reactionary drop from investment in regenerative medicine manufacturing facilities in FY03/21.

Pharmaceutical-Related capex rose due mainly to the construction of a new building at Nipro Pharma's Ise Plant.

Progress for each business segment fell short of plan due to an increase in inactive facilities resulting from construction delays caused by COVID-19.

Depreciation

Progress in the Medical-Related and Pharmaceutical-Related businesses was below plan due to delays in capital expenditures stemming from COVID-19.



FY03/22 Capex for Key Companies

Company	Amount (¥100 million)	Description
Nipro	69.1	Odate Plant (26.8): Dialyzer-related facilities, etc. Saitama Research Laboratory (2.6): Renovation of research building
Nipro Pharma	158.6	Odate Plant (21.6): Expansion of testing building, etc. Ise Plant (101.6): Construction of new vial manufacturing building and facilities, construction of new syringe manufacturing building, etc. Kagamiishi Plant (11.6): Facilities to expand production of oral drugs, etc.
Nipro Medical Corporation	33.5	Dialysis equipment, real estate and facilities for dialysis centers, etc.
Nipro (Thailand) Corporation	11.4	Blood circuit assembly equipment, etc.
Nipro PharmaPackaging Germany	7.1	Casting machines, assembly lines, etc.

Forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company believes to be reasonable.

Actual results may differ materially from those described in this document due to various factors that may arise in the future.

