

IR Materials

Q1 FY03/23

August 9, 2022

Nipro Corporation



Table of Contents

Business Impact of COVID-19.....	2
Q1 FY03/23 Results	3
SG&A Expenses	4
P&L Excluding Forex Impact.....	5
Net Sales and Operating Profit by Segment	6
Segment Results – (1) Medical-Related (Domestic)	7
Segment Results – (1) Medical-Related (Overseas)	8
Segment Results – (2) Pharmaceutical-Related	9
Segment Results – (3) PharmaPackaging	10
Net Sales by Segment and Product Category	11
Net Sales by Segment and Region	12
Product Category	13
Net Sales by Product Category	14, 15
Exchange Rate Sensitivity	16
Capex and Depreciation	17

Business Impact of COVID-19

Manufacturing, Purchasing, Logistics

Timeline of plant shutdowns in FY03/23 and construction plans for new dialyzer lines (China Hefei and India plants) are shown below. Other domestic and overseas plants are operating normally.

2022												2023		
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
		Shanghai, China Impact of lockdown March 13–15: Operations suspended March 16–20: Limited the share of commuting employees to 10% or less	Shanghai, China April 1–May 31: Operations completely halted	Shanghai, China Operations resumed in phases from June 1	Hefei, China July 15: Third dialyzer line began operations						India Third dialyzer line scheduled for launch		India Fourth dialyzer line scheduled for launch	

Sales

Dialysis medical devices

Sales of dialyzers were brisk in Japan, China, and North America, but sluggish in Europe. Dialysis centers expanded in Central and South America.

Cardiovascular medical devices

Sales of catheters, both mainstay and new products, grew YoY on the back of recovery in the number of surgeries as the impact of COVID-19 pandemic eased.

Surgical medical devices

Sales of cardiovascular bypass products increased as demand held firm, but sales of cardiac assist devices and orthopedic products lagged.

Medical consumables

Sales increased, backed by expanded sales of syringes for vaccines in North America.

Pharmaceuticals (own brand)

Sales were up YoY, owing to increased NHI drug prices for injections and higher sales volume.

Pharmaceuticals (contract manufacturing)

Sales were down in FY03/22 due to damages at Kagamiishi Plant, but recovered in Q1 FY03/23. Sales also benefited from increased demand for brand-name drugs amid quality issues surrounding generics of other companies.

PharmaPackaging

Sales were robust in the US, France, and India for glass tubes, in the US for vials for vaccines, and in Europe for syringes for biologics.

Clinical trials

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

Q1 FY03/23 Results

	Q1 FY03/22	Q1 FY03/23	Change	Plan (% progress)	FY03/23 Forecast	Quarterly Results				
						FY03/22				FY03/23
						Q1	Q2	Q3	Q4	Q1
(¥100 million)										
Net sales	1,180.0	1,278.9	+98.9	2,625.0	5,400.0	1,180.0	1,241.1	1,272.3	1,254.3	1,278.9
			+8.4%	48.7%	23.7%					
Cost of sales	817.9	886.8	+68.9	1,797.0	3,707.0	817.9	866.2	886.2	884.8	886.8
			+8.4%	49.3%	23.9%					
Gross profit ^(*2)	362.0	392.0	+29.9	828.0	1,693.0	362.0	374.9	386.1	369.4	392.0
	30.7%	30.7%	+8.3%	47.3%	23.2%	30.7%	30.2%	30.3%	29.5%	30.7%
SG&A expenses	306.9	362.5	+55.6	713.0	1,418.0	306.9	301.4	317.4	328.0	362.5
	26.0%	28.3%	+18.1%	50.8%	25.6%	26.0%	24.3%	24.9%	26.2%	28.3%
Operating profit	55.1	29.5	△25.6	115.0	275.0	55.1	73.4	68.7	41.4	29.5
	4.7%	2.3%	△46.5%	25.7%	10.7%	4.7%	5.9%	5.4%	3.3%	2.3%
Ordinary profit ^(*3)	52.3	73.3	+21.0	114.0	266.0	52.3	72.0	81.1	70.3	73.3
	4.4%	5.7%	+40.3%	64.3%	27.6%	4.4%	5.8%	6.4%	5.6%	5.7%
Profit attributable to owners of parent	33.0	52.7	+19.7	67.0	156.0	33.0	40.0	37.3	24.1	52.7
	2.8%	4.1%	+59.8%	78.7%	33.8%	2.8%	3.2%	2.9%	1.9%	4.1%
Profit in accordance with IFRS (estimate)	40.4	58.1	+17.7	-	185.0					
			+43.8%	-	31.4%					

*2: Impact of unrealized gains on gross profit
Q1 FY03/22: ¥790 million
Q1 FY03/23: ¥470 million
*3: Foreign exchange gains and losses
Q1 FY03/22: ¥470 million
Q1 FY03/23: ¥5.07 billion

Net sales In medical devices, the pandemic had no impact and sales of dialysis-related and vascular products grew steadily. Meanwhile, sales of needles increased in the Americas on the back of extraordinary vaccine-related demand. In domestic pharmaceuticals, sales of needles were robust, and in contract manufacturing, demand for orally administered drugs was strong, leading to higher sales.

Gross profit Despite higher net sales, GPM was flat YoY due to sharp increases in materials and electricity costs.

Operating profit Operating profit fell due to increases in promotion and travel & transportation expenses accompanying resumption of sales activities and a substantial rise in shipping costs overseas.

Ordinary profit Ordinary profit grew owing to a ¥4.60 billion increase in forex gains.

Profit Profit increased, supported by extraordinary gains on sales of real estate.



SG&A Expenses

SG&A Expenses

(¥100 million)	Q1 FY03/22	Q1 FY03/23		Change	Change (%)	FY03/23 Forecast
		Actual	% of Total			
Personnel	104.7	110.2	30.4%	+5.5	+5.3%	442.5
R&D (*1)	44.9	54.2	15.0%	+9.3	+20.7%	197.5
Transportation	28.6	53.7	14.8%	+25.1	+87.8%	215.0
Depreciation (*2)	26.0	24.7	6.8%	△1.3	△5.0%	108.0
Promotion (*3)	21.6	28.0	7.7%	+6.4	+29.6%	92.0
Travel & transportation	7.2	9.9	2.7%	+2.7	+37.5%	34.0
Storage	7.1	8.7	2.4%	+1.6	+22.5%	27.0
Other	66.4	72.7	20.1%	+6.3	+9.5%	302.0
Total	306.9	362.5	100.0%	+55.6	+18.1%	1,418.0

*1: R&D expenses, experimentation and research expenses, and development amortization

*2: Depreciation, goodwill amortization

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

SG&A expenses

Transportation (shipping) expenses were up sharply YoY due to soaring energy costs. Travel & transportation and promotion expenses rose YoY as COVID-related restrictions were eased.

R&D expenses

Medical Up YoY, due to increases in development costs for dialysis information management system and clinical trial costs for drug-eluting stents

Pharmaceutical Down slightly YoY, despite a rise in clinical trial costs in addition to the purchase of high-priced active ingredients under development, owing to a decline in development costs for orally administered drugs

R&D Expenses (consolidated)*

(¥100 million)	Q1 FY03/22	Q1 FY03/23	FY03/23 Forecast (% achievement)
Medical	22.1	23.7	89.5 26.5%
Pharmaceutical	22.8	30.5	108.0 28.2%
Total	44.9	54.2	197.5 27.4%

*Includes R&D expenses included in manufacturing spending



P&L Excluding Forex Impact

	Q1 FY03/22	Q1 FY03/23	Exchange rate Impact*	FY03/23 Results Excl. Impact	Change (%)
(¥100 million)	[a]	[b]	[c]	[d=b-c]	[d÷a]
Net sales	1,180.0	1,278.9	+39.5	1,239.4	+5.0%
Cost of sales	817.9	886.8	+19.2	867.6	
Gross profit	362.0	392.0	+20.3	371.7	+2.7%
(%)	30.7%	30.7%		30.0%	
SG&A expenses	306.9	362.5	+9.6	352.9	
Operating profit	55.1	29.5	+10.7	18.8	△65.9%
(%)	4.7%	2.3%		1.5%	
Non-operating income	12.3	60.0	+45.9	14.1	
Non-operating expenses	15.1	16.2		16.2	
Ordinary profit	52.3	73.3	+56.6	16.7	△68.1%
Extraordinary income	4.5	19.4		19.4	
Extraordinary losses	3.9	2.7		2.7	
Profit before tax	52.8	90.0	+56.6	33.4	△36.7%
Income taxes	17.4	32.6	+20.5	12.1	
Profit attributable to non-controlling interests	2.3	4.6		4.6	
Profit	33.0	52.7	+36.1	16.6	△49.7%

*Total foreign currency transactions converted to yen using the difference from previous year's rate.
Forex impact on yen-denominated transactions has not been taken into account.

Average exchange rate	Jan-Mar 2022	Jan-Mar 2023
1 USD	107.15	117.79
1 EUR	128.48	131.57
1 CNY	16.45	18.56

Net Sales and Operating Profit by Segment

Net sales

(¥100 million)

			Change	Change (%)	FY03/23 Forecast
Medical-Related	Q1 FY03/23	976.5	+70.1	+7.7%	4,095.0
	Q1 FY03/22	906.3			
Pharmaceutical-Related	Q1 FY03/23	178.7	+14.8	+9.0%	790.0
	Q1 FY03/22	163.8			
PharmaPackaging	Q1 FY03/23	122.1	+13.9	+12.9%	512.0
	Q1 FY03/22	108.2			

Operating profit

(¥100 million)

			Change	Change (%)	FY03/23 Forecast
Medical-Related	Q1 FY03/23	84.6	△10.4	△11.0%	407.0
	Q1 FY03/22	95.0			
Pharmaceutical-Related	Q1 FY03/23	4.0	△1.7	△30.6%	99.0
	Q1 FY03/22	5.8			
PharmaPackaging	Q1 FY03/23	10.1	+1.6	+19.9%	33.0
	Q1 FY03/22	8.4			

Medical-Related

Net sales grew, but operating profit declined due to soaring shipping costs, primarily overseas, and increased promotion and travel & transportation expenses as COVID-related restrictions were eased.

Pharmaceutical-Related

Net sales were up, but operating profit fell due to sharp increases in material and utility costs.

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

		(¥100 million)	Change	Change (%)	FY03/23 Forecast
Domestic business	Q1 FY03/23	517.6			
	Q1 FY03/22	499.4	+18.2	+3.6%	2,220.0
Medical devices	Q1 FY03/23	289.7			
	Q1 FY03/22	279.4	+10.3	+3.7%	1,258.5
Pharmaceuticals	Q1 FY03/23	227.9			
	Q1 FY03/22	220.0	+7.9	+3.6%	961.5
Dialyzer domestic sales	Q1 FY03/23	55.4			
	Q1 FY03/22	53.4	+2.0	+3.7%	229.6

Medical devices

Sales of dialyzers held firm. YoY increase in sales was also attributed to sluggish sales a year ago, due to temporary suspension of production lines to facilitate production capacity expansion.

Catheter sales rose sharply YoY, supported by growth in sales of mainstay drug-eluting balloons and newly launched PTCA balloon catheters against a backdrop of recovery in the number of surgeries as COVID-related impacts lessened.

Sales of needles grew YoY, despite diminished sales of syringes as COVID-related demand tapered off, owing to robust sales of other products. Sales of gloves fell as COVID-related demand waned.

Domestic pharmaceuticals

Sales rose YoY, notwithstanding price cuts to orally administered drugs in general as a result of NHI drug price revisions, thanks to price increases for injections that were classified as unprofitable and were subject to reevaluation, and higher sales volume.

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

		(¥100 million)	Change	Change (%)	FY03/23 Forecast
Overseas business	Q1 FY03/23	445.7	+48.6	+12.2%	1,828.0
	Q1 FY03/22	397.4			
B2B (other brands)	Q1 FY03/23	56.5	△2.7	△4.9%	229.9
	Q1 FY03/22	60.0			
Nipro brands	Q1 FY03/23	389.0	+51.2	+15.0%	1,598.0
	Q1 FY03/22	337.3			
Americas	Q1 FY03/23	173.8	+31.0	+21.7%	694.1
	Q1 FY03/22	142.7			
Europe	Q1 FY03/23	89.7	△5.4	△5.4%	359.8
	Q1 FY03/22	94.8			
Asia	Q1 FY03/23	66.9	+10.3	+18.2%	289.4
	Q1 FY03/22	56.6			
China	Q1 FY03/23	58.4	+15.3	+35.5%	254.6
	Q1 FY03/22	43.1			
Dialyzer overseas sales	Q1 FY03/23	140.4	+14.2	+11.0%	582.0
	Q1 FY03/22	129.0			

B2B

Sales of butterfly needles were brisk, but sales of needles for insulins declined.

Nipro brands

Sales volume of dialyzers continued to grow sharply, as demand for products manufactured at Hefei Plant expanded supported by China's promotion of domestically manufactured products.
Sales in North America were favorable buoyed by increased demand. Sales in Europe remained sluggish due to the impact of Russia-Ukraine conflict.

In other regions, progress was made in opening dialysis centers primarily in Central and South America, and sales of dialysis-related products among others held firm.

Sales were up in North America as demand for syringes for vaccines expanded in Canada.
Sales of dialysis machines were up, as increased demand in China made up for lackluster sales in Europe.



Segment Results – (2) Pharmaceutical-Related

			(¥100 million)	Change	Change (%)	FY03/23 Forecast
Pharmaceutical-Related	Q1 FY03/23	178.7		+14.8	+9.0%	790.0
	Q1 FY03/22	163.8				
Breakdown of contract manufacturing sales						
Generic drugs	Q1 FY03/23	102.6		+13.2	+14.8%	400.6
	Q1 FY03/22	89.4				
Brand-name drugs Long-listed drugs	Q1 FY03/23	53.2		+0.4	+0.8%	289.8
	Q1 FY03/22	52.8				
OTC drugs Active ingredients, etc.	Q1 FY03/23	9.5		△1.4	△12.8%	46.7
	Q1 FY03/22	10.9				
JMI Pharma	Q1 FY03/23	13.2		+2.7	+25.7%	52.9
	Q1 FY03/22	10.5				

Generic drugs

Sales were up YoY, owing to recovery from a year-ago slump caused by damages to Kagamiishi Plant and start of shipments for new contract manufactured products.

Brand-name/long-listed drugs

Sales were robust on increased demand for brand-name drugs amid quality issues surrounding generic drugs of other companies.

OTC drugs, active ingredients, etc.

Sales declined YoY, as orders for active ingredients were concentrated in FY03/22.

JMI Pharma

Sales rose YoY, thanks to an increase in sales personnel and acquisition of new customers supported by higher promotional spending.

Segment Results – (3) PharmaPackaging

		(¥100 million)	Change	Change (%)	FY03/23 Forecast
Pharma Packaging	Q1 FY03/23	122.1			
	Q1 FY03/22	108.2	+13.9	+12.9%	512.0
Sales by region					
Japan	Q1 FY03/23	29.0			
	Q1 FY03/22	27.4	+1.6	+5.8%	111.0
Overseas	Q1 FY03/23	93.0			
	Q1 FY03/22	80.7	+12.3	+15.2%	401.0
Europe	Q1 FY03/23	48.5			
	Q1 FY03/22	39.6	+8.9	+22.5%	195.5
Americas	Q1 FY03/23	25.7			
	Q1 FY03/22	23.2	+2.5	+10.8%	105.0
China	Q1 FY03/23	13.8			
	Q1 FY03/22	14.8	△1.0	△6.8%	87.0
India	Q1 FY03/23	4.8			
	Q1 FY03/22	2.9	+1.9	+65.5%	13.5

Japan

Sales of glass tubes for vials grew YoY on higher demand.
Sales of vials for antibiotics were up YoY on a recovery in demand.
Sales of testing-related products such as sponge swabs increased YoY.

Overseas

Sales of glass tubes were strong in Q1 FY03/23, recovering from FY03/22, when sales fell in the Americas, France, and India due to kiln renovations.
Sales of vials for vaccines were brisk in the US, while sales of syringes for biologics were firm in Europe.
Sales of ampoules in Europe increased thanks to acquisition of a Croatian company.
Sales lagged in China as demand for vials for vaccines slowed.

Net Sales by Segment and Product Category

Segment		Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
Product	(¥100 million)					
Medical devices	Q1 FY03/23	725.1	0.0	8.2	0.0	733.3
	Q1 FY03/22	668.1	0.0	(*)3 7.4	0.0	675.5
Pharmaceuticals	Q1 FY03/23	251.3	178.7	0.8	0.0	430.9
	Q1 FY03/22	(*)1 237.8	(*)2 163.8	0.8	0.0	402.6
Pharma packaging	Q1 FY03/23	0.0	0.0	112.2	0.0	112.2
	Q1 FY03/22	0.0	0.0	99.6	0.0	99.7
Other	Q1 FY03/23	0.0	0.0	0.8	1.5	2.4
	Q1 FY03/22	0.2	0.0	0.2	1.5	2.0
Total	Q1 FY03/23	976.5	178.7	122.1	1.5	1,278.9
	Q1 FY03/22	906.3	163.8	108.2	1.5	1,180.0

*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	Q1 FY03/23	503.0	164.9	29.2	1.5	698.7
	Q1 FY03/22	489.2	152.0	27.5	1.4	670.3
Overseas total	Q1 FY03/23	473.4	13.7	92.9	0.0	580.1
	Q1 FY03/22	417.0	11.8	80.7	0.0	509.7
Americas	Q1 FY03/23	195.0	0.0	24.6	0.0	219.7
	Q1 FY03/22	159.2	0.2	22.1	0.0	181.6
Europe	Q1 FY03/23	111.3	0.1	48.2	0.0	159.7
	Q1 FY03/22	112.7	0.6	39.5	0.0	153.1
China	Q1 FY03/23	74.6	0.0	13.1	0.0	87.8
	Q1 FY03/22	59.2	0.0	14.8	0.0	74.1
Other Asia	Q1 FY03/23	92.4	13.5	6.8	0.0	112.8
	Q1 FY03/22	85.7	10.8	4.1	0.0	100.7
Total	Q1 FY03/23	976.5	178.7	122.1	1.5	1,278.9
	Q1 FY03/22	906.3	163.8	108.2	1.5	1,180.0

By region Sales were strong in all regions in Q1 FY03/23, with Japan making up 54.6% of net sales and overseas 45.4%.

By segment In Medical-Related, sales of dialyzers, needles, and vascular products were firm both in Japan and overseas.
 In Pharmaceutical-Related, sales recovered from a year-ago slump caused by damages to Kagamiishi Plant and rose YoY.
 In PharmaPackaging, sales of vials for vaccines declined in China, but sales were robust in Japan for vials and glass tubes, in the Americas for vials for vaccines, and in Europe for ampoules and syringes for biologics.

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, orthopedic 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			
		Q1 FY03/22	Q1 FY03/23	Change	Change %	Q1 FY03/22	Q1 FY03/23	Change	Change %	Q1 FY03/22	Q1 FY03/23	Change	Change %
Medical devices	Dialyzers	182.4	195.9	+13.4	+7.4%	129.0	140.4	+11.4	+8.9%	53.4	55.4	+2.0	+3.8%
	Dialysis equipment	51.5	51.5	0.0	△0.0%	33.0	33.2	+0.1	+0.4%	18.4	18.3	△0.1	△0.7%
	Other dialysis-related products	83.6	100.3	+16.6	+19.9%	64.3	79.8	+15.5	+24.2%	19.3	20.4	+1.0	+5.6%
	Dialysis-related products total	317.6	347.7	+30.0	+9.5%	226.4	253.5	+27.0	+12.0%	91.2	94.2	+2.9	+3.3%
	Needles	98.1	118.5	+20.4	+20.8%	62.1	81.2	+19.1	+30.7%	35.9	37.2	+1.3	+3.6%
	Vascular products	77.7	87.5	+9.8	+12.7%	13.5	16.0	+2.5	+19.1%	64.2	71.4	+7.2	+11.3%
	Infusion-related products	38.7	41.4	+2.7	+7.1%	11.4	14.2	+2.7	+24.3%	27.2	27.2	0.0	△0.1%
	Testing products	25.4	25.9	+0.4	+1.9%	17.6	17.4	△0.2	△1.2%	7.8	8.5	+0.6	+8.8%
	Diabetes-related products	21.8	19.7	△2.0	△9.5%	17.5	17.0	△0.5	△2.9%	4.2	2.6	△1.5	△36.7%
	Surgical device-related products (*1)	16.0	15.7	△0.2	△1.5%	1.7	2.6	+0.9	+52.7%	14.2	13.1	△1.1	△8.1%
	Other products	79.3	75.5	△3.8	△4.8%	48.5	47.6	△0.8	△1.8%	30.8	27.9	△2.9	△9.5%
	Category Total	675.0	732.5	+57.4	+8.5%	399.0	449.9	+50.8	+12.7%	275.9	282.5	+6.5	+2.4%
Pharmaceuticals (own brand)	Oral drugs	98.7	96.4	△2.3	△2.3%	0.0	0.0	0.0	△25.9%	98.6	96.3	△2.3	△2.3%
	Injection and infusion products	99.9	115.4	+15.4	+15.4%	17.1	22.6	+5.5	+32.3%	82.8	92.7	+9.8	+11.9%
	External preparations and patches	16.5	16.3	△0.2	△1.3%	-	-	-	-	16.5	16.3	△0.2	△1.3%
	Others, in vitro diagnostics, etc.	22.5	23.1	+0.5	+2.6%	0.7	0.7	0.0	△1.9%	21.8	22.4	+0.6	+2.8%
	Category Total	237.8	251.3	+13.4	+5.7%	17.9	23.4	+5.5	+30.7%	219.9	227.8	+7.9	+3.6%
Regenerative medicines	Regenerative medicine products	0.5	0.8	+0.2	+44.4%	-	-	-	-	0.5	0.8	+0.2	+44.4%

*1: From FY03/23, orthopedic products which had previously been classified as "Other products" under "Medical devices" are classified as "Surgical device-related products."

Net Sales by Product Category (2)

Business Category (¥100 million)		Overall				Overseas				Japan			
		Q1 FY03/22	Q1 FY03/23	Change	Change %	Q1 FY03/22	Q1 FY03/23	Change	Change %	Q1 FY03/22	Q1 FY03/23	Change	Change %
Pharmaceuticals (contract manufacturing)	Oral drugs	66.5	78.2	+11.7	+17.6%	0.3	0.1	△0.1	△56.5%	66.2	78.1	+11.8	+17.9%
	Injection and infusion products	65.8	69.3	+3.5	+5.4%	0.7	0.3	△0.3	△48.5%	65.1	68.9	+3.8	+6.0%
	External preparations and patches	14.1	12.6	△1.4	△10.3%	-	-	-	-	14.1	12.6	△1.4	△10.3%
	Others, in vitro diagnostics, etc.	7.5	6.0	△1.5	△20.9%	0.1	0.0	△0.1	△90.3%	7.3	5.9	△1.4	△19.1%
	Category Total	154.1	166.3	+12.1	+7.9%	1.2	0.5	△0.7	△57.3%	152.9	165.8	+12.9	+8.4%
Pharmaceuticals (JMI Pharma)	Oral drugs	10.4	13.0	+2.6	+25.1%	10.4	13.0	+2.6	+25.1%	-	-	-	-
	Injection and infusion products	0.1	0.1	0.0	+20.2%	0.1	0.1	0.0	+20.2%	-	-	-	-
	Category Total	10.5	13.2	+2.6	+25.1%	10.5	13.2	+2.6	+25.1%	-	-	-	-
Pharma packaging	Glass tube-related products	22.4	27.8	+5.3	+23.9%	17.4	22.5	+5.1	+29.4%	5.0	5.2	+0.2	+5.0%
	Glass ampoules	10.9	15.7	+4.7	+43.4%	10.9	15.7	+4.7	+43.2%	0.0	0.0	0.0	+146.3%
	Glass vials	38.5	40.4	+1.8	+4.8%	34.9	35.6	+0.7	+2.2%	3.6	4.7	+1.0	+29.5%
	Glass syringes	13.8	13.7	0.0	△0.4%	13.5	13.6	+0.1	+0.8%	+0.2	0.0	△0.1	△76.6%
	Rubber stoppers and plugs	4.2	4.5	+0.2	+7.1%	1.2	1.3	0.0	+6.3%	2.9	3.1	+0.2	+7.4%
	Plastic containers	5.3	4.5	△0.7	△14.0%	0.0	0.0	0.0	△99.2%	5.2	4.5	△0.6	△12.7%
	Thermos bottles	0.9	0.9	0.0	△6.5%	-	-	-	-	0.9	0.9	0.0	△6.5%
	Other products	3.4	4.4	+1.0	+32.1%	2.4	3.7	+1.3	+55.2%	0.9	0.7	△0.2	△25.2%
	Category Total	99.7	112.2	+12.5	+12.6%	80.6	92.7	+12.0	+15.0%	19.0	19.5	+0.4	+2.3%
Other	Sales of production machinery and real estate leasing	2.0	2.4	+0.3	+17.5%	0.1	0.2	0.0	+21.2%	1.8	2.1	+0.3	+17.2%
Consolidated Total		1,180.0	1,278.9	+98.9	+8.4%	509.7	580.1	+70.4	+13.8%	670.3	698.7	+28.4	+4.2%

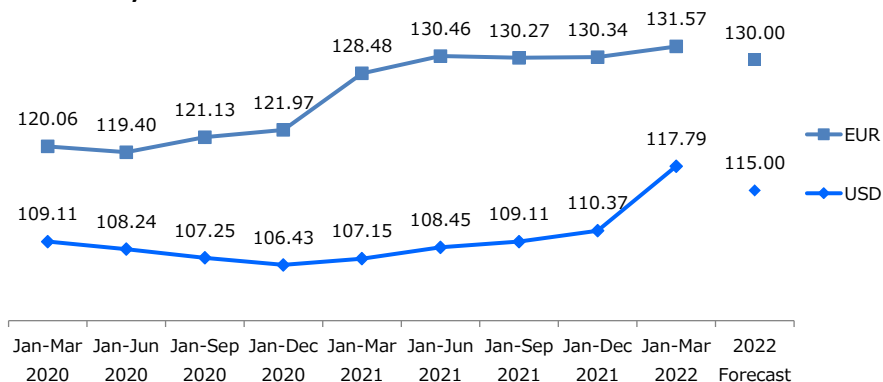
Exchange Rate Sensitivity

Annual impact of a ¥1 change in exchange rate

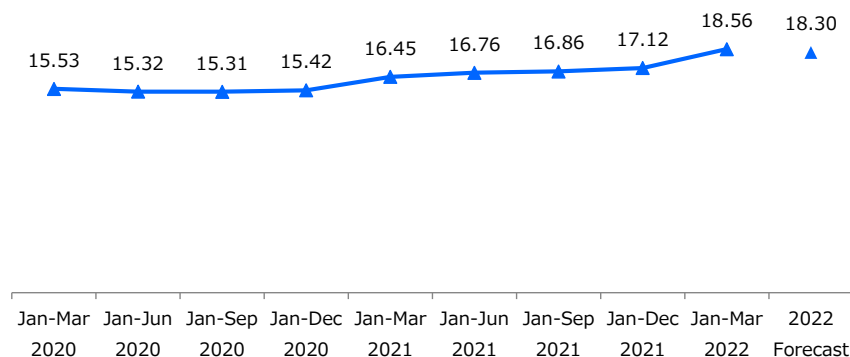
(¥100 million)	USD	EUR	CNY
Net sales	8.7	4.5	18.8
Operating profit	1.0	1.6	13.0

Average exchange rate

USD, EUR



CNY



Capex and Depreciation

	Capex			Depreciation		
	Q1 FY03/22	Q1 FY03/23	Progress vs. Plan	Q1 FY03/22	Q1 FY03/23	Progress vs. Plan
(¥100 million)						
Medical-Related	87.4	49.0	311.7 15.7%	45.5	49.6	192.0 25.8%
Pharmaceutical-Related	53.4	62.1	182.5 34.0%	30.4	31.0	141.0 22.0%
PharmaPackaging	16.4	25.8	123.0 21.0%	11.3	11.8	52.5 22.5%
Other	6.3	4.6	15.0 30.7%	11.3	11.4	36.5 31.2%
Total	163.7	141.7	632.2 22.4%	98.8	103.9	422.0 24.6%

*From FY03/23, capital expenditures are disclosed based on the timing of booking and not on the timing of acceptance inspections, as was the case previously.

Capex

In Medical-Related, capex fell substantially YoY as large-scale investments were made in FY03/22 for the purchase of real estate and addition of new production lines for dialyzers.

In Pharmaceutical-Related, capex rose YoY due to continued investment in construction of Nipro Pharma Ohmi Plant.

In PharmaPackaging, capex increased YoY as investment in glass kilns in France was pushed out to FY03/23.

Depreciation

Depreciation was within budget and flat YoY as there were no substantial delays in construction in all segments and all facilities were able to begin operations.

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.

