

IR Materials

Q1 FY03/24

August 9, 2023

Nipro Corporation



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Business Overview

Manufacturing, Purchasing, Logistics

The new installation of dialyzer lines (India and Odate, Akita) in FY03/24 is shown below.

The two lines that caught fire at the Odate, Akita No. 5 Plant will be replaced in the future. Production of the other two lines at the No. 5 Plant resumed on April 6, 2023.

Although some substitutes were used for domestic sales, the current situation has been normalized.

2023											
1	2	3	4	5	6	7	8	9	10	11	12
	India Dialyzers fourth line began operations	Odate, Akita Fire broke out Dialyzers two lines partially damaged							Odate, Akita Dialyzers eighth line scheduled to begin operations		

Sales

- Dialysis medical devices : Although sales of dialyzers remained weak in Japan and China, they were steady in other regions. Dialysis equipment was generally weak.
- Cardiovascular medical devices : Sales of drug-eluting balloons, which used to be an exclusive market in Japan, decreased due to the impact of the entry of other companies.
- Surgical medical devices : HeartMate 3 and artificial lung products remained firm.
- Pharmaceuticals (own brand) : Sales of the oral drug Nexium AG were robust, while sales of injections grew significantly due to increased NHI drug prices of re-priced unprofitable products and higher sales volumes.
- Pharmaceuticals
(contract manufacturing) : Sales in Japan were down YoY due to a decline in orders associated with customers' inventory adjustments despite the progress of pass-through of costs related to rising raw materials and energy costs. In overseas sales, JMI Pharma enjoyed steady sales.
- Pharma packaging : Sales of glass tubes and vials were up YoY due to the progress of pass-through of costs in Europe and the United States related to rising raw material prices, although demand related to COVID-19 declined in India. Sales of ampoules increased due to the impact of a review of products sold by competitors in Europe.

Clinical trials

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

Business Improvement Order to Nipro Pharma (June 26)

In response to the business improvement order issued by Akita Prefecture to Nipro Pharma on February 24, 2023, we submitted an improvement plan and improvement implementation report. We received a judgment of "compliance" on June 22, 2023.

We will continue to promote quality-related initiatives, including improvement plans, among all employees, and the entire company will strive to continue to provide medicines that patients can use confidently. The impact of this matter on our consolidated financial results for the fiscal year ended March 31, 2024, is immaterial.

Q1 FY03/24 Results

	Q1 FY03/23	Q1 FY03/24	Change	Plan (% progress)	FY03/24 Forecast (% achievement)	Quarterly Results				
						FY03/23				FY03/24
						Q1	Q2	Q3	Q4	Q1
(¥100 million)										
Net sales	1,278.9	1,405.9	+127.0 +9.9%	2,943.9 47.8%	5,992.4	1,278.9	1,324.4	1,459.6	1,254.3	1,405.9
Cost of sales	886.8	975.3	+88.4 +10.0%	2,050.5 47.6%	4,194.6	886.8	927.9	1,028.7	884.8	975.3
Gross profit (*1)	392.0 30.7%	430.6 30.6%	+38.5 +9.8%	893.3 48.2%	1,797.7 30.0%	392.0 30.7%	396.5 29.9%	430.8 29.5%	369.4 29.5%	430.6 30.6%
SG&A expenses	362.5 28.3%	357.2 25.4%	△5.2 △1.5%	779.2 45.8%	1,557.7 23.3%	362.5 28.3%	362.3 27.4%	362.7 24.9%	328.0 26.2%	357.2 25.4%
Operating profit	29.5 2.3%	73.3 5.2%	+43.8 +148.4%	114.1 64.2%	240.0 4.0%	29.5 2.3%	34.1 2.6%	68.0 4.7%	41.4 3.3%	73.3 5.2%
Ordinary profit	73.3 5.7%	89.0 6.3%	+15.6 +21.3%	94.6 94.1%	206.5 3.4%	73.3 5.7%	42.6 3.2%	21.6 1.5%	70.3 5.6%	89.0 6.3%
Profit attributable to owners of parent	52.7 4.1%	40.9 2.9%	△11.7 △22.3%	54.2 75.5%	112.0 1.9%	52.7 4.1%	9.7 0.7%	7.0 0.5%	24.1 1.9%	40.9 2.9%
Profit in accordance with IFRS (estimate)	58.1	46.1	△12.0 △20.7%	64.7 71.3%	133.0					

*1: Impact of unrealized gains on gross profit
Q1 FY03/23 + ¥470 million
Q1 FY03/24 (¥1,840) million

*2: Foreign exchange gains and losses
Q1 FY03/23 ¥5,070 million
Q1 FY03/24 ¥2,800 million

- **Net sales** Domestic drug sales increased due to strong sales of Nexium AG and an increase in NHI drug prices of injections as a result of unprofitable product re-pricing.
Sales volume of international medical devices B2B and pharma packaging in Europe and the United States grew, and sales increased.
Overseas net sales increased YoY due to the yen's depreciation.
- **Gross profit** Gross profit increased ¥3,850 million, although GPM dipped slightly YoY due to increasing raw materials and energy costs.
- **Operating profit** Transportation costs decreased due to a decline in container costs overseas. Operating profit increased ¥4,380 million YoY as R&D and promotion expenses were reduced.
- **Ordinary profit** While foreign exchange gains decreased ¥2,260 million, and interest expenses increased ¥360 million, ordinary profit grew ¥1,560 million YoY.
- **Profit** Although gain of ¥1,700 million was posted on the sale of cross-held stocks, profit decreased ¥1,170 million YoY. The reasons for this included the tax adjustment of ¥1,400 billion, including valuation allowance for deferred tax assets, in addition to a loss on the transfer of interests of subsidiaries of ¥1,670 million.

SG&A Expenses

	Q1 FY03/23	Q1 FY03/24		Change	Change (%)	FY03/24 Forecast
		Actual	% of Total			
(¥100 million)						
Personnel	110.2	119.1	33.3%	+8.9	+8.1%	474.2
R&D (*1)	54.2	39.8	11.1%	△14.4	△26.6%	190.5
Transportation	53.7	34.4	9.6%	△19.3	△35.9%	186.4
Depreciation (*2)	24.7	31.8	8.9%	+7.1	+28.7%	115.3
Promotion (*3)	28.0	26.0	7.3%	△2.0	△7.1%	102.0
Travel & transportation	9.9	13.1	3.7%	+3.2	+32.3%	47.2
Storage	8.7	8.4	2.4%	△0.3	△3.4%	35.3
Other	72.7	84.1	23.5%	+11.4	+15.7%	406.6
Total	362.5	357.2	100.0%	△5.3	△1.5%	1,557.7

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

*2: Depreciation, goodwill amortization

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

● Personnel expenses

Personnel expenses grew ¥890 million YoY. The reasons for this were wage increases in response to rising prices in Europe and the United States and increases in the number of employees.

● R&D expenses

R&D expenses decreased ¥1,440 million YoY. The main factors are explained in the next slide.

● Transportation costs

Overseas container freight costs, etc., have declined since the end of last year. As a result, transportation costs fell ¥1,930 million YoY.

● Depreciation

Depreciation increased ¥710 million YoY due to license amortization of Nexium AG, etc.

● Travel & transportation expenses

Travel & transportation expenses were up ¥320 million YoY due to the gradual resumption of face-to-face sales and business travel as the impact of COVID-19 eased.

● Accounts other than the above

The main factors for the increase are explained in the next slide.



SG&A Expenses: Additional Information

	Q1 FY03/23	Q1 FY03/24		Change	Change (%)	FY03/24 Forecast
		Actual	% of Total			
(¥100 million)						
Commission expenses	13.8	15.9	4.5%	+2.1	+15.3%	62.6
Rent expenses	10.1	12.4	3.5%	+2.3	+22.8%	60.6
Taxes and dues	5.1	4.4	1.2%	△0.7	△13.5%	19.4
Provision of allowance for doubtful accounts	4.2	3.0	0.8%	△1.2	△27.0%	6.7
Meeting expenses	1.0	2.2	0.6%	+1.1	+120.0%	9.2
Other	38.0	45.6	12.8%	+7.6	+20.0%	248.1
Total	72.4	83.8	23.5%	+11.4	+15.7%	406.6

- **Commission expenses** Commission expenses grew ¥210 million YoY. The reasons for this were increases in processing fees for sales consignment and consignment costs for the development and maintenance of dialysis equipment.
- **Rent expenses** Rent expenses rose ¥230 million YoY due to the relocation and expansion of logistics warehouses for medical devices and pharmaceutical products in Japan.
- **Taxes and dues** Taxes and dues decreased ¥70 million YoY this year, because the consumption tax on land sales increased last year.
- **Provision of allowance for doubtful accounts** Provision of allowance for doubtful accounts fell ¥120 million YoY this year because it increased due to the provision for long-term accounts receivables by European sales companies last year.
- **Meeting expenses** Meeting expenses were up ¥110 million YoY since we began to resume face-to-face meetings as the impact of COVID-19 eased.

SG&A Expenses: R&D Expenses

	Q1 FY03/23	Q1 FY03/24	Change Change (%)	FY03/24 Forecast (% achievement)
(¥100 million)				
Medical	22.6	19.8	△2.8 △12.5%	88.1 21.5%
Pharmaceutical	30.5	19.2	△11.3 △36.9%	99.5 20.4%
Pharma Packaging	1.1	0.8	△0.3 △29.6%	2.9 24.1%
Total	54.2	39.8	△14.4 △26.6%	190.5 20.9%

- Medical** Down ¥280 million YoY this year, because we posted clinical trial expenses related to drug-eluting stents for coronary arteries last year.
- Pharmaceutical** Down ¥1,130 million YoY this year, because we had the large number of clinical trials conducted in the previous year. In addition, the cost of the syringe project at the Nipro Pharma Ise Plant ended in the previous year.
- PP** The cost for developing new glass products decreased ¥30 million YoY.

P&L Excluding Forex Impact

	Q1 FY03/23	Q1 FY03/24	Exchange rate Impact*	Q1 FY03/24 Results Excl. Impact 【d=b-c】	Change (%) 【d÷a】
(¥100 million)	【a】	【b】	【c】		
Net sales	1,278.9	1,405.9	+55.8	1,350.1	+5.6%
Cost of sales	886.8	975.3	+31.9	943.4	
Gross profit	392.0	430.6	+23.9	406.7	+3.8%
(%)	30.7%	30.6%		30.1%	
SG&A expenses	362.5	357.2	+13.1	344.1	
Operating profit	29.5	73.3	+10.8	62.5	+111.9%
(%)	2.3%	5.2%		4.6%	
Non-operating income	60.0	38.5	△22.6	61.1	
Non-operating expenses	16.2	22.9		22.9	
Ordinary profit	73.3	89.0	△11.8	100.8	+37.5%
Extraordinary income	19.4	23.9		23.9	
Extraordinary losses	2.7	19.3		19.3	
Profit before tax	90.0	93.6	△11.8	105.4	+17.1%
Income taxes	32.6	49.3	△6.2	55.5	
Profit attributable to non-controlling interests	4.6	3.3		3.3	
Profit	52.7	40.9	△5.6	46.5	△11.8%

*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	FY-end rate	Dec. 2021	Mar. 2022	Jun. 2022	Dec. 2022	Mar. 2023	Jun. 2023
1 USD	117.79	133.44	1 USD	115.02	122.39	136.68	132.70	133.53	144.99
1 EUR	131.57	143.96	1 EUR	130.51	136.70	142.67	141.47	145.72	157.60
1 CNY	18.56	19.43	1 CNY	18.06	19.26	20.38	19.01	19.42	19.94

Net Sales and Operating Profit by Segment

Net sales

		(¥100 million)	Change	Change (%)	FY03/24 Forecast
Medical-Related	Q1 FY03/24	1,079.8	+103.2	+10.6%	4,602.0
	Q1 FY03/23	976.5			
Pharmaceutical-Related	Q1 FY03/24	174.1	△4.5	△2.5%	797.0
	Q1 FY03/23	178.7			
PharmaPackaging	Q1 FY03/24	150.0	+27.9	+22.9%	589.1
	Q1 FY03/23	122.1			

Operating profit

		(¥100 million)	Change	Change (%)	FY03/24 Forecast
Medical-Related	Q1 FY03/24	118.1	+33.5	+39.7%	433.1
	Q1 FY03/23	84.6			
Pharmaceutical-Related	Q1 FY03/24	31.8	+27.7	+679.8%	71.7
	Q1 FY03/23	4.0			
PharmaPackaging	Q1 FY03/24	5.6	△4.4	△44.1%	23.2
	Q1 FY03/23	10.1			

● Medical-Related

Net sales in both Japan and overseas increased. Operating profit for both domestic and overseas medical devices was almost unchanged YoY. However, sales increased due to strong sales of Nexium AG and higher NHI drug prices of unprofitable injection products.

● Pharmaceutical-Related

Despite declining net sales, operating profit rose sharply due to the pass-through of costs related to rising raw materials and energy costs.

● Pharma Packaging Business

Net sales increased, and we implemented the pass-through of costs related to rising raw material prices. However, operating profit decreased due to increased amortization costs associated with investment in production facilities.

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

		(¥100 million)	Change	Change (%)	FY03/24 Forecast
Domestic business	Q1 FY03/24	563.3			
	Q1 FY03/23	517.6	+45.7	+8.8%	2,423.7
Medical devices	Q1 FY03/24	280.2			
	Q1 FY03/23	289.7	△9.5	△3.3%	1,314.2
Pharmaceuticals	Q1 FY03/24	283.1			
	Q1 FY03/23	227.9	+55.2	+24.2%	1,109.5
Dialyzer domestic sales	Q1 FY03/24	54.9			
	Q1 FY03/23	55.4	△0.5	△0.9%	230.4

● Medical devices

Dialyzers decreased slightly by ¥50 million YoY due to a decrease in sales. Dialysis equipment fell ¥240 million YoY due to a decrease in the number of projects installed. Sales of infusion-related products increased ¥200 million YoY owing to market share increase and price revision.

Sales of catheter-related products were down ¥970 million YoY due to the impact of other companies' entry into the market for drug-eluting balloons, which used to be an exclusive market in Japan.

As for surgical products, sales of HeartMate 3 and associated maintenance contracts grew due to the greater number of new patients registered for transplants and expanded use for destination therapy with left ventricular assist devices for long-term home healthcare. Sales of artificial lung-related products grew ¥390 million in total YoY due to increased device rentals.

● Domestic pharmaceuticals

Sales of existing oral drugs fell despite increased sales volumes due to the effect of price cuts. Overall sales increased ¥3,600 million YoY due to strong sales of Nexium AG, which was launched in December, and new products.

Sales rose ¥1,660 million YoY thanks to price increases for injection products like antibiotic drugs and infusion solutions, which were classified as unprofitable and were subject to re-evaluation, as well as higher sales volume.

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

		(¥100 million)	Change	Change (%)	FY03/24 Forecast
Overseas business	Q1 FY03/24	506.4	+60.8	+13.6%	2,114.3
	Q1 FY03/23	445.6			
B2B (other brands)	Q1 FY03/24	71.0	+19.1	+31.9%	291.9
	Q1 FY03/23	56.5			
Nipro brands	Q1 FY03/24	435.2	+41.5	+10.8%	1,822.4
	Q1 FY03/23	389.0			
Americas	Q1 FY03/24	192.4	+18.6	+10.7%	797.6
	Q1 FY03/23	173.8			
Europe	Q1 FY03/24	105.6	+11.2	+12.9%	396.5
	Q1 FY03/23	89.7			
Asia	Q1 FY03/24	77.1	+10.2	+15.2%	357.5
	Q1 FY03/23	66.9			
China	Q1 FY03/24	60.0	+1.6	+2.7%	270.7
	Q1 FY03/23	58.4			
Dialyzer overseas sales	Q1 FY03/24	158.7	+16.5	+11.5%	685.3
	Q1 FY03/23	140.4			

● B2B

Sales of blood collection needle related products and insulin needles were strong in Europe, resulting in a ¥1,910 million YoY increase in overall B2B sales.

● Nipro brand

Dialyzers volume remained weak in China due to the effects of the Chinese New Year, but remained strong in other regions. As a result, sales of dialyzers in the total international business increased ¥1,880 million YoY.

In the Americas, special demand for vaccine syringes ended in Canada, and sales of gloves declined due to the easing of the impact of COVID-19. However, sales rose ¥1,860 million YoY. The reasons for this were the effect of the yen's depreciation, the expansion of dialysis centers in Latin America, and strong sales of blood circuits, Safety AVFs, and dialysis fluids.

In Europe, sales were up ¥1,120 million YoY due to the effect of the yen's depreciation and increases in sales of blood circuits and syringes.

In Asia, sales increased ¥1,020 million YoY due to the effect of the yen's depreciation, strong sales of Surefuser, and the acquisition of a bid for IV cannulas.

In China, sales of dialysis equipment declined due to the preferential purchasing policy of domestic equipment for public hospitals by the Chinese authorities.

However, sales increased ¥160 million YoY due to the effect of the yen's depreciation.



Segment Results – (2) Pharmaceutical-Related

Pharmaceutical-Related		(¥100 million)	Change	Change (%)	FY03/24 Forecast
	Q1 FY03/24	174.1			
	Q1 FY03/23	178.7	△4.5	△2.5%	797.0
Breakdown of contract manufacturing sales					
Generic drugs	Q1 FY03/24	94.5			
	Q1 FY03/23	102.6	△8.1	△7.9%	402.6
Brand-name drugs Long-listed drugs	Q1 FY03/24	57.5			
	Q1 FY03/23	53.2	+4.3	+8.1%	305.6
OTC drugs Active ingredients, etc.	Q1 FY03/24	7.2			
	Q1 FY03/23	9.5	△2.3	△24.2%	33.0
JMI Pharma	Q1 FY03/24	14.8			
	Q1 FY03/23	13.2	+1.6	+12.1%	55.7

- **Generic drugs** Sales of oral drugs fell ¥70 million YoY due to a decline in orders as customers restructured their products. Sales of injections fell ¥780 million YoY due to a decline in orders as customers restructured their products and shipment delays as a result of quality enhancements.
- **Brand-name/long-listed drugs** Sales of oral drugs fell ¥320 million YoY due to a decline in orders associated with customers' inventory adjustments. Sales of injections increased ¥940 million YoY due to the pass-through of costs related to rising raw materials and energy costs. Sales of topical formulations fell ¥190 million YoY as customers restructured their products.
- **OTC drugs, active ingredients, etc.** Sales dropped ¥230 million YoY due to a decrease in one-time income for experimental production costs.
- **JMI Pharma** Up 21.0% YoY on a local currency basis due to increased promotion to physicians and a focus on chronic disease drugs. However, up only 12.1% on a Japanese yen basis due to the effect of exchange rate fluctuations. As a result, sales increased ¥160 million YoY.

Segment Results – (3) PharmaPackaging

		(¥100 million)	Change	Change (%)	FY03/24 Forecast
Pharma Packaging	Q1 FY03/24	150.0			
	Q1 FY03/23	122.1	+27.9	+22.9%	589.1
Sales by region					
Japan	Q1 FY03/24	32.3			
	Q1 FY03/23	29.0	+3.3	+11.4%	124.2
Overseas	Q1 FY03/24	117.7			
	Q1 FY03/23	93.0	+24.7	+26.6%	465.0
Europe	Q1 FY03/24	60.0			
	Q1 FY03/23	48.5	+11.5	+23.7%	251.5
Americas	Q1 FY03/24	36.4			
	Q1 FY03/23	25.7	+10.7	+41.6%	136.2
China	Q1 FY03/24	18.3			
	Q1 FY03/23	13.8	+4.5	+32.6%	57.5
India	Q1 FY03/24	2.9			
	Q1 FY03/23	4.8	△1.9	△39.6%	19.7

- **Japan** Sales of plastic containers grew ¥50 million YoY owing to an increase in shipments of contact-related products. Sales were up ¥140 million YoY owing to an increase in shipments of infusion-related products.
- **Overseas** In Europe, sales of glass tubes increased by ¥350 million YoY and sales of vials by ¥390 million YoY due to the pass-through of costs related to high prices to sales prices.
Sales of ampoules increased ¥460 million YoY due to the impact of a review of products sold by competitors. In the U.S., sales of glass tubes increased ¥430 million YoY due to the pass-through of costs related to high prices to sales prices.
Sales of vials were up ¥490 million YoY thanks to steady orders.
In China, sales increased ¥450 million YoY as sales from January to May 2023 were posted due to the exclusion of consolidated subsidiaries associated with the transfer of equity interests.
In India, sales of glass tubes fell by ¥210 million YoY and sales of vials by ¥110 million YoY due to a decrease in demand for products for vaccines.

Net Sales by Segment and Product Category

Segment Product	(¥100 million)	Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
Medical devices	Q1 FY03/24	768.2	0.0 (*3)	10.0	0.0	778.3
	Q1 FY03/23	725.1	0.0	8.2	0.0	733.3
Pharmaceuticals	Q1 FY03/24 (*1)	311.1 (*2)	174.1	2.0	0.0	487.3
	Q1 FY03/23	251.3	178.7	0.8	0.0	430.9
Pharma packaging	Q1 FY03/24	0.3	0.0	137.7	0.0	138.1
	Q1 FY03/23	0.0	0.0	112.2	0.0	112.2
Other	Q1 FY03/24	0.0	0.0	0.2	1.8	2.1
	Q1 FY03/23	0.0	0.0	0.8	1.5	2.4
Total	Q1 FY03/24	1,079.8	174.1	150.0	1.8	1,405.9
	Q1 FY03/23	976.5	178.7	122.1	1.5	1,278.9

*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 FY03/24	551.4	158.1	32.4	1.8	744.0
	Q1 FY03/23	503.0	164.9	29.2	1.5	698.7
Overseas total	Q1 FY03/24	528.3	15.9	117.5	0.0	661.9
	Q1 FY03/23	473.4	13.7	92.9	0.0	580.1
Americas	Q1 FY03/24	218.2	0.0	33.8	0.0	252.0
	Q1 FY03/23	195.0	0.0	24.6	0.0	219.7
Europe	Q1 FY03/24	125.1	0.4	62.2	0.0	187.8
	Q1 FY03/23	111.3	0.1	48.2	0.0	159.7
China	Q1 FY03/24	76.9	0.0	18.3	0.0	95.4
	Q1 FY03/23	74.6	0.0	13.1	0.0	87.8
Other Asia	Q1 FY03/24	108.0	15.3	3.2	0.0	126.6
	Q1 FY03/23	92.4	13.5	6.8	0.0	112.8
Total	Q1 FY03/24	1,079.8	174.1	150.0	1.8	1,405.9
	Q1 FY03/23	976.5	178.7	122.1	1.5	1,278.9

- By region
- By segment

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

In Medical-Related, regarding medical devices in Japan, sales of catheter-related products and dialysis equipment decreased. On the other hand, sales of pharmaceuticals grew due to strong sales of Nexium AG and an increase in NHI drug prices of re-priced unprofitable injection products.

Sales of international medical devices increased overall due to the effect of the yen's depreciation. B2B sales were particularly strong.

In Pharmaceutical-Related, although JMI Pharma enjoyed steady sales overseas, sales dropped YoY in Japan due to a decline in orders associated with customers' restructuring of their GE products and customers' inventory adjustments.

In Pharma Packaging, sales were robust in Europe for glass tubes, ampoules, and vials, and in the U.S. for glass tubes and vials due to the effect of the yen's depreciation and the pass-through of costs to sales prices.



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 FY03/23	Q1 FY03/24	Change	Change %	Q1 FY03/23	Q1 FY03/24	Change	Change %	Q1 FY03/23	Q1 FY03/24	Change	Change %
Medical devices	Dialyzers	195.9	213.7	+17.7	+9.0%	140.4	158.7	+18.2	+13.0%	55.5	54.9	△0.5	△1.0%
	Dialysis equipment	51.5	48.2	△3.2	△6.4%	33.2	32.2	△0.9	△2.8%	18.3	15.9	△2.3	△12.9%
	Other dialysis-related products	100.2	127.3	+27.1	+27.1%	79.8	106.8	+26.9	+33.8%	20.3	20.5	+0.1	+0.8%
	Dialysis-related products total	347.7	389.3	+41.5	+12.0%	253.5	297.8	+44.3	+17.5%	94.2	91.4	△2.7	△2.9%
	Needles	118.5	113.9	△4.5	△3.9%	81.2	76.7	△4.5	△5.6%	37.2	37.2	0.0	△0.0%
	Vascular products	87.5	77.8	△9.6	△11.0%	16.0	17.1	+1.0	+6.3%	71.4	60.7	△10.6	△14.9%
	Infusion-related products	41.4	48.0	+6.5	+15.9%	14.2	18.9	+4.6	+32.3%	27.2	29.1	+1.9	+7.2%
	Testing products	25.9	32.4	+6.4	+24.8%	17.4	23.3	+5.9	+34.3%	8.5	9.0	+0.4	+5.6%
	Diabetes-related products	19.7	24.9	+5.2	+26.4%	17.0	20.9	+3.9	+23.0%	2.6	3.9	+1.2	+48.4%
	Surgical device-related products	15.7	21.6	+5.9	+37.4%	2.6	4.5	+1.9	+74.2%	13.1	17.0	+3.9	+30.0%
	Other products	75.5	68.3	△7.2	△9.6%	47.6	40.2	△7.3	△15.4%	27.9	28.0	0.0	+0.3%
Category Total		732.5	776.6	+44.1	+6.0%	449.9	499.8	+49.8	+11.1%	282.5	276.8	△5.6	△2.0%
Pharmaceuticals (own brand)	Oral drugs	96.4	132.5	+36.1	+37.5%	0.0	0.1	+0.1	+245.8%	96.3	132.3	+36.0	+37.4%
	Injection and infusion products	115.4	136.4	+21.0	+18.2%	22.6	27.1	+4.4	+19.7%	92.7	109.3	+16.5	+17.9%
	External preparations and patches	16.3	17.9	+1.5	+9.6%	-	-	-	-	16.3	17.9	+1.5	+9.6%
	Others, in vitro diagnostics, etc.	23.1	24.2	+1.0	+4.6%	0.7	0.8	0.0	+13.2%	22.4	23.3	+0.9	+4.3%
	Category Total	251.3	311.1	+59.8	+23.8%	23.4	28.1	+4.6	+19.9%	227.8	283.0	+55.1	+24.2%
Regenerative medicines	Regenerative medicine products	0.8	1.6	+0.8	+108.3%	-	-	-	-	0.8	1.6	+0.8	+108.3%

Net Sales by Product Category (2)

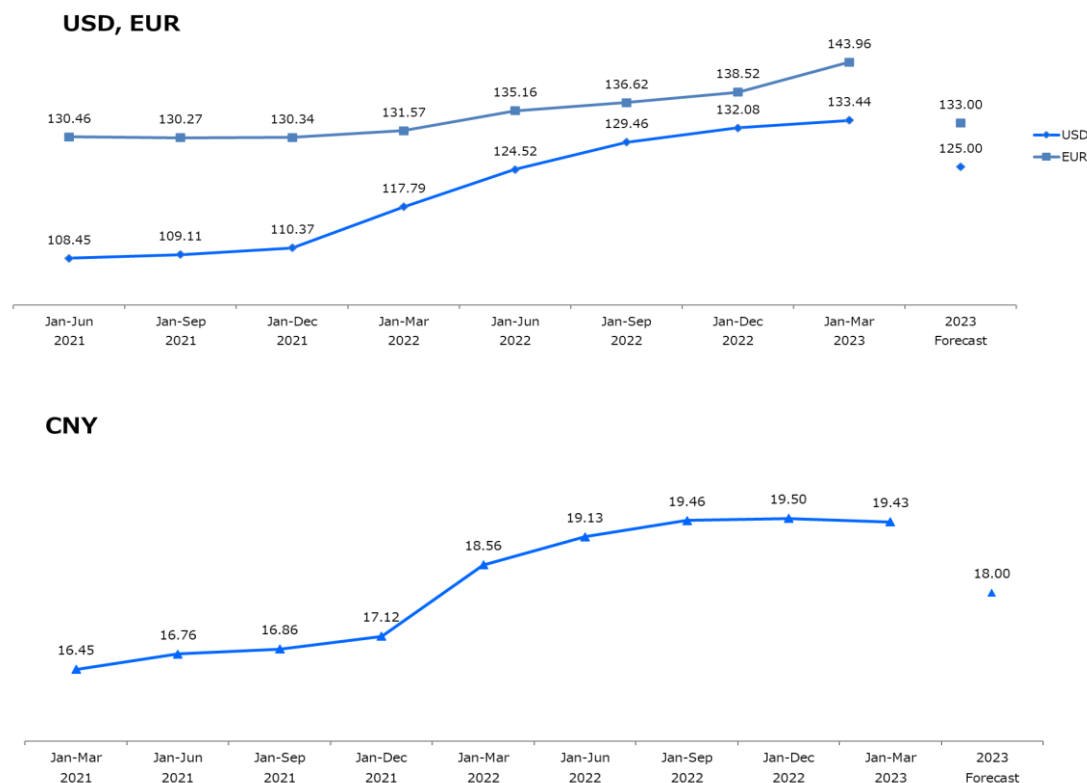
Business Category (¥100 million)		Overall				Overseas				Japan			
		Q1 FY03/23	Q1 FY03/24	Change	Change %	Q1 FY03/23	Q1 FY03/24	Change	Change %	Q1 FY03/23	Q1 FY03/24	Change	Change %
Pharmaceuticals (contract manufacturing)	Oral drugs	78.2	74.4	△3.8	△4.9%	0.1	0.1	0.0	△1.9%	78.1	74.2	△3.8	△4.9%
	Injection and infusion products	69.3	72.0	+2.6	+3.8%	0.3	0.8	+0.5	+134.5%	68.9	71.1	+2.1	+3.1%
	External preparations and patches	12.6	11.0	△1.6	△12.7%	-	-	-	-	12.6	11.0	△1.6	△12.7%
	Others, in vitro diagnostics, etc.	6.0	3.8	△2.2	△36.7%	0.0	0.1	+0.1	+568.9%	5.9	3.6	△2.3	△38.7%
	Category Total	166.3	161.3	△5.0	△3.0%	0.5	1.1	+0.6	+114.7%	165.8	160.1	△5.6	△3.4%
Pharmaceuticals (JMI Pharma)	Oral drugs	13.0	14.7	+1.6	+12.6%	13.0	14.7	+1.6	+12.6%	-	-	-	-
	Injection and infusion products	0.1	0.1	0.0	△19.5%	0.1	0.1	0.0	△19.5%	-	-	-	-
	Category Total	13.2	14.8	+1.6	+12.2%	13.2	14.8	+1.6	+12.2%	-	-	-	-
Pharma packaging	Glass tube-related products	27.8	33.0	+5.2	+18.7%	22.5	27.5	+5.0	+22.5%	5.2	5.4	+0.1	+2.7%
	Glass ampoules	15.7	21.8	+6.0	+38.6%	15.7	21.7	+6.0	+38.5%	0.0	0.0	0.0	+53.1%
	Glass vials	40.4	51.7	+11.3	+27.9%	35.6	47.4	+11.7	+32.9%	4.7	4.3	△0.4	△9.5%
	Glass syringes	13.7	14.8	+1.0	+7.7%	13.6	14.7	+1.0	+8.0%	0.0	0.0	0.0	△68.8%
	Rubber stoppers and plugs	4.5	4.4	0.0	△1.2%	1.3	1.2	△0.1	△8.8%	3.1	3.2	0.0	+2.2%
	Plastic containers	4.5	5.1	+0.5	+11.9%	0.0	-	0.0	△100.0%	4.5	5.1	+0.5	+12.0%
	Thermos bottles	0.9	1.3	+0.4	+48.5%	-	-	-	-	0.9	1.3	+0.4	+48.5%
	Other products	4.4	5.7	+1.2	+28.0%	3.7	5.0	+1.2	+34.4%	0.7	0.6	0.0	△5.1%
	Category Total	112.2	138.1	+25.8	+23.0%	92.7	117.8	+25.1	+27.1%	19.5	20.2	+0.6	+3.6%
Other	Sales of production machinery and real estate leasing	2.4	2.1	△0.2	△10.6%	0.2	0.0	△0.1	△61.5%	2.1	2.0	△0.1	△5.2%
Consolidated Total		1,278.9	1,405.9	+127.0	+9.9%	580.1	661.9	+81.7	+14.1%	698.7	744.0	+45.2	+6.5%

Exchange Rate Sensitivity

Annual impact of a ¥1 change in exchange rate

(¥100 million)	USD	EUR	CNY
Net sales	8.8	5.3	18.4
Operating profit	0.4	2.1	10.1

Average exchange rate



Capex and Depreciation

	Capex				Depreciation			
	Q1 FY03/23	Q1 FY03/24	Change (%)	FY03/24 Forecast (% achievement)	Q1 FY03/23	Q1 FY03/24	Change (%)	FY03/24 Forecast (% achievement)
(¥100 million)								
Medical-Related	41.4	64.4	+23.0 +55.6%	197.1 32.7%	49.6	60.9	+11.3 +22.8%	252.6 24.1%
Pharmaceutical-Related	62.1	44.8	△17.3 △27.9%	277.0 16.2%	31.0	33.9	+2.9 +9.4%	154.9 21.9%
PharmaPackaging	25.8	38.1	+12.3 +47.7%	96.3 39.6%	11.8	14.9	+3.1 +26.3%	60.4 24.7%
Other	12.2	15.9	+3.7 +30.3%	50.9 31.2%	11.4	12.5	+1.1 +9.6%	55.7 22.4%
Total	141.7	163.4	+21.7 +15.3%	621.3 26.3%	103.9	122.5	+18.6 +17.9%	523.6 23.4%

*From this fiscal year, the presentation format of capital expenditures has been changed from an acceptance basis to a recording basis.

● Capex

In Medical-Related, capex increased substantially YoY as expenses related to the construction of the Odate No. 7 Plant for dialyzers continued to be incurred.

In Pharmaceutical-Related, capex declined YoY, despite the posting of expansion expenses related to the construction of a new Nipro Pharma Ohmi Plant and a syringe line at the Ise Plant.

Capex is expected to increase as expenses related to the construction of new QC centers in Saitama and Osaka will be recorded in addition to expenses related to the Ohmi Plant in the future.

In Pharma Packaging, capex increased sharply YoY due to capital investment in sterilized glass syringe D2F® cleaning lines in Germany, as well as expenses for new production facilities for various glass products in France.

● Depreciation

Depreciation was within the budget as there were no substantial delays in construction in all segments, and all facilities began 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.

