

Medium-term management plan (FY2025 - FY2027)

Nipro Corporation

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Reflections on the previous medium-term management plan

Reflections on the previous medium-term management plan

- The sales growth rate averaged 7.8% per year during the medium-term management plan period, achieving the target.
- The operating profit margin bottomed out at 3.3% in FY2022 and has been improving since FY2023, but the target was not achieved at 4.1% in FY2024.
- ROE remained sluggish due to high costs of goods caused by inflation and yen depreciation, soaring logistics costs for overseas transportation, and losses incurred by a subsidiary due to the earthquake, ended up at 2.1% in FY2024, which did not achieve the target.
- Interest-bearing debt increased noticeably due to investments in new dialyzer lines and other manufacturing facilities that exceeded the plan over the past 5 years. EBITDA was lower than planned, resulting in a Net Debt/EBITDA multiple of 5.7x in FY2024, not achieving the target.

KPI targets and results in the previous medium-term plan

	FY2024 Target	FY2024 Actual	
Sales growth rate	Annual ave. 7.0% +	Annual ave. 7.8%	Sales of Pharmaceuticals decreased due to the contract termination for unprofitable items and a decline in orders due to customers' inventory adjustments. Sales of Vascular declined due to the entry of other company in the market for drug-eluting balloons, a core product. On the other hand, in Medical Device, sales growth rate achieved the target due to large contracts for dialyzers and dialysis equipment overseas, winning of government tenders, strong sales of insulin needles in response to increased demand for GLP-1, and increased sales of high value-added products and vials for vaccines in Pharma Packaging.
Operating profit margin	9.0%	4.1%	The target of 9.0% has not been achieved in any year since FY2020, when it peaked at 6.1%, due to the high cost of sales including raw material costs and energy costs resulting from inflation and yen depreciation, increased logistics costs of procuring containers overseas, sluggish operating income from regenerative medicine, and the earthquakes offshore of Fukushima Prefecture in 2021 and 2022.
ROE	14.0%	2.1%	In FY2020, ROE was 9.2%, an outlier due to a decrease in shareholders' equity resulting from a loss in FY2019; in FY2021, ROE decreased to 7.8%; in FY2022, operating income decreased due to higher SG&A expenses caused by inflation, and net income decreased due to tax effects from loss-making subsidiaries, resulting in ROE of 2.3%; from FY2023, in addition to the impact of exchange rates, efforts were made to increase net income through asset sales, resulting in an improvement trend. However, the target was not achieved with the result of 2.1% in FY2024.
Net Debt/ EBITDA multiple	< 5.0x	5.7x	Interest-bearing debt increased due to capital investments exceeding the plan resulting from the addition of new dialyzer lines, the acquisition of dialysis centers, the construction of a new pharmaceutical plant, and the addition of glass container facilities in Europe and the U.S. Although the Net debt/EBITDA multiple peaked at 7.7x in FY2022 and has been improving since then, the target has not been achieved.

Reflections on the previous medium-term management plan

As for the achievement of sales growth rate by division, the Domestic Division remained on par with the target, while the International Division and the Pharma Packaging Division each significantly exceeded their targets due to strong sales of dialysis products and increased demand for vials for vaccines, respectively. On the other hand, the Vascular Division, the Pharmaceutical Division, and the Regenerative Medicine Division missed their targets due to the entry of new competing products, declining sales of GE drugs, and sluggish case volume, respectively.

Reflections by division (sales growth rate)

	FY2024 Target	FY2024 Actual	
Domestic Division	Annual ave. 5.0%	Annual ave. 5.0%	Achieved the target due to strong sales of HDF filters in dialyzers, anti-infection products, and injectable infusion-related products in addition to indication expansion of HeartMate3. In Pharmaceutical, sales of Nexium AG were strong.
International Division	Annual ave. 8.0%	Annual ave. 13.6%	Achieved the target due to strong sales of dialysis-related products such as dialyzers and dialysis equipment in Europe, the U.S., China, India and Asia, as well as strong sales of insulin needles in Europe and the U.S. due to increased demand for GLP-1.
Vascular Division	Annual ave. 15.0%	Annual ave. 0.8%	Missed the target due to a decrease in the number of cases treated in the coronavirus disaster, the entry of other companies in the market for drug-eluting balloons, a core product, and the transfer of sales in China to a subsidiary under the jurisdiction of the International Division from Q4 of FY2023. *Although sales in China were transferred to a subsidiary under the jurisdiction of the International Division from Q4 of FY2023, the figures are calculated under the same conditions as those used when the targets were formulated.
Pharmaceutical Division	Annual ave. 5.0%	Annual ave. 2.4%	Missed the target due to a decrease in the use of pharmaceuticals caused by the outbreak of new coronavirus infection, damage from the earthquakes at the oral drug plant in Fukushima Prefecture, a decrease in the volume of orders for existing products, and the termination of contract manufacturing.
Pharma Packaging Division	Annual ave. 8.0%	Annual ave. 10.3%	Achieved the target due to increased sales of vials for vaccines from 2020 due to special demand caused by Coronavirus pandemic, as well as significant sales of high value-added products such as glass tubes, vials, and sterile syringes for biopharmaceuticals in the U.S. and Europe.
Regenerative Medicine Division	Annual ave. 249.8%	Annual ave. 16.3%	Missed the target because the securing of the number of administration sites and cases was behind planned progress at the time the medium-term management plan was formulated.

Reflections on the previous medium-term management plan -Capex and EBITDA-

- The five-year capital expenditure amount was ¥409.6 billion, exceeding the plan by about ¥89.6 billion. EBITDA was ¥380.9 billion, failing to achieve the plan by about ¥60.8 billion.
- Although the capital investment increased in order to respond to the increasing demand for dialyzers and expand sales of pharmaceuticals and pharma packaging products, the planned operating income was not generated due to higher facility construction costs caused by inflation and soaring raw material and energy costs, resulting in EBITDA target not being achieved.

(¥ 100 million)		FY2020-FY2024 Plan	FY2020-FY2024 Actual
Medical Device	Capex	1,680	1,935
	EBITDA	2,324	2,480
Pharmaceutical	Capex	920	1,315
	EBITDA	1,506	1,112
Pharma Packaging	Capex	300	586
	EBITDA	359	368
Regenerative Medicine	Capex	300	258
	EBITDA	228	-151
Total	Capex	3,200	4,096
	EBITDA	4,417	3,809

■ Medical Device

Capital investments exceeded the plan due to intense investments, including a 1.5-fold increase in dialyzer production capacity over 5 years. Overseas sales and profits increased due to yen depreciation and sales expansion, but domestic medical device profits were sluggish, resulting in failure to generate EBITDA to cover increased capital investment.

■ Pharmaceuticals

Aiming to expand both in-house and contract sales, increased capital investment in new production lines to increase production and the establishment of an analysis center to strengthen quality control systems but missed the initial EBITDA target.

■ Pharma Packaging

Due to the large increase in operating income from special demand for Coronavirus pandemic, capital investments were doubled from the planned level for 5 years to capture sales demand, but EBITDA generation for the increased capital investments was not achieved.

■ Regenerative Medicine

During the two years of the Corona Disaster, it remained difficult to administer Stemirac® due to the priority given to patients with severe disease, unable to generate the originally planned sales profit and missed its original EBITDA target.

*Business seeds are allocated to each segment as they are mainly laboratory expenses.



New medium-term management plan – Company-Wide Policy –

Management Policy

NIPRO Group's Management Philosophy

In looking toward our future as a truly global comprehensive medical manufacturer, we believe our current and future responsibility to society is to develop innovative, value-added products and technologies that improve patient outcomes and healthcare worldwide.

NIPRO's 10 Key Policies

1. Increase sales prices per unit toward a Group-wide operating profit ratio of 9% or more in FY2023.
2. Increase product competitiveness for all products through improvements, expansion of product lineups, and DX. Furthermore, work forward automated production for each product, aiming for fully automated inspection and full automation for all products.
3. Promote DX in administration, logistics, and production for efficiency, productivity, and labor savings as well as reduce costs and contribute to higher operation margin.
4. Treat specialists the same as line managers with performance-based distribution through the implementation of policies 2 and 3.
5. Maintain corporate culture that provides opportunities to people exhibiting "Willingness".
6. Adopt thorough risk management measures for both natural and man-made disasters.
7. Steadily share relevant information related to the PDCA Cycle among all involved parties.
8. Adhere to "Sanpo-Yoshi" Principle based on the idea of "Good for everyone (3 parties)—the company, users, and society".
9. Promote the concept of local production for local consumption.
10. Put priorities on operating profit above sales, on full automation above operating profit, on risk management above full automation, and on compliance above risk management.

5 Specific Measures to Strengthen

1. Ensure a stable supply of dialysis products, especially dialyzers.
2. Significantly improve productivity and global sales of vascular products.
3. Strive for profitability for all products running deficits.
4. Strongly promote developed products to establish them as a business promptly.
5. Promote greater product lineup variability, systematization, and DX for all products, and enhance informational materials to bolster technology sales, aiming to enhance product competitiveness.

Brand Strategy



NIPRO

Live Longer. Live Better.

The provision of products and services that enable people worldwide to **live better** and **live longer**



To be a brand selected because of **quality and trust**



ONE NIPRO, ONE VOICE

- Transmitting useful medical information to the world
- Improving our global presence



iMEP - Improving the quality of medical care

- Contributing to medical care through education



ESG

- Sustainable management considering the environment, society, and governance

*iMEP・・・Institute of Medical Practice



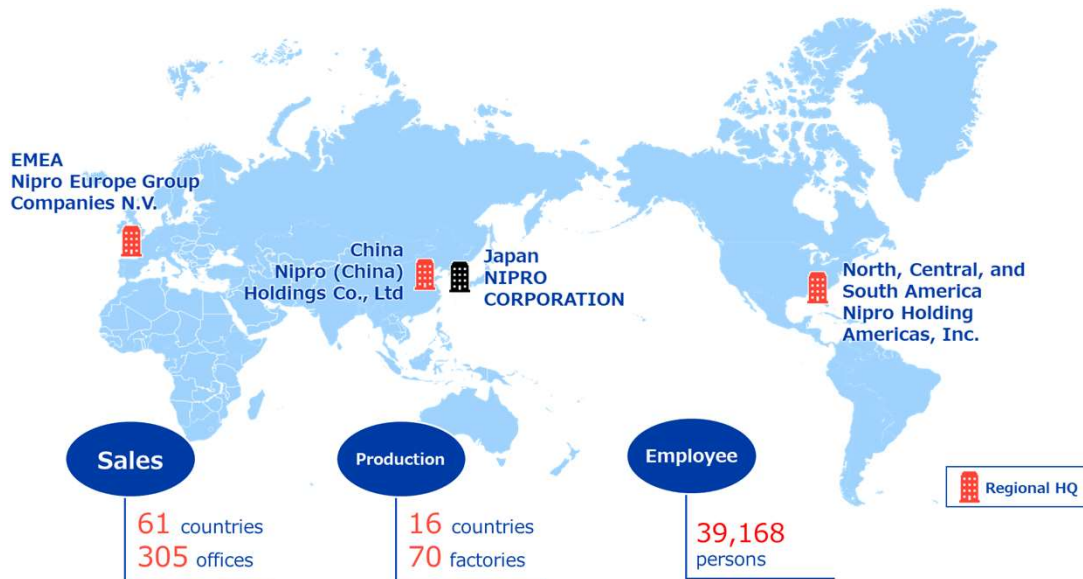
Regional Strategy

We promote rapid adaptation to **regional needs** and **local production for local consumption** to diversify global markets

We will further strengthen the global sales and production systems we have built and realize local production for local consumption and stable supply through further localization and effective investment.
We will work on continuous business expansion with the creation of profits and funds and the promotion of technology sales.



- Strengthening activities for **integrated** manufacturing and sales
- Expanding the **sales network**
- Enhancing **production systems**
- Optimizing **distribution systems**



- Manage the world as a whole by region at three business bases overseas and in Japan
- Sales bases in Japan: 87 locations *
- Manufacturing bases in Japan: 35 locations *
- Sales bases overseas: **218** locations (**60** countries) *
- Manufacturing bases overseas: **35** locations (**15** countries) *
- Number of employees: 39,186 employees *
- Global deployment of iMEP education and training facilities, support for improving medical technology

*As of March 2025



Regional Strategy

North America / South and Central America / EMEA

EMEA

Medical Device

- Strengthen value-added sales and provide high value-added products and services
- Expand the dialysis centers
- Local development of next-generation dialysis machines by instrument centers (Belgium and Sweden)
- Improve the strategy line to secure profit and cash flow
- Optimize logistics

Pharma Packaging

- Supply high-quality glass tubes for biologics
- Production of high value-added products including pre-fillable syringes
- Optimize resources by concentrating the production of ampules and vials
- Increase sales of devices centered on preparation devices

North America

Medical Device

- Establish a new standard for dialysis treatment by introducing type-IIa dialyzers
- Expand dialysis treatment options by introducing HDF dialysis machines
- Establish a plant in the U.S. (North Carolina)
- Expand vascular business by expanding sales of cardiovascular imaging devices and scoring balloons
- Open an iMEP, an education and training facility

Pharma Packaging

- Acquire new products of large vials and low elution vials (VIALEX)
- Promote the production of intranasal vials (Unit Dose)
- Locally produce pre-fillable syringes and consider the realization of local production for local consumption

South and Central America

Medical Device

- Proposals for new therapeutic areas based on the introduction of type-IIa dialyzers
- Establish dialysis centers as reference centers in the region
- Introduce high-value-added products and promote technology sales through education
- Enable quick responses to needs through regional bases

Pharma Packaging

- Promote new market development in North America

Regional Strategy

China / India / Asia

Medical Device

- Promote local production for local consumption using plants in Asia
- Transformation to value-added sales in association with economic development
- Promote the conversion to single-use dialyzers
- Disseminate safe products with a needlestick accident prevention mechanism
- Expand the company's dialysis centers

Pharma Packaging

- Deploy ready-to-use products to each pharmaceutical (CMO) manufacturer
- Proposals for low elution vials (VIALEX), rubber stoppers, injection needles (CURACASE), injection sets, intranasal devices, etc., to pharmaceutical manufacturers
- Develop new markets

China

Medical Device

- Strengthen value-added products and sales
- Switch to domestic production of dialysis machines, digitalization of dialysis treatment
- Increase sales of acquired peripheral products (RO machines, dialysis powder)
- Introduce new products anticipating the strengthening of sales capabilities and diversification

Pharma Packaging

- Focus on manufacturing and sales of global standard products and resource optimization
- Sales of pre-fillable syringes in the hyaluronic acid and vaccine fields
- Start production of low elution vials (VIALEX) and intranasal vials (Unit Dose)

Medical Device

- Create added value through promoting the digitalization of dialysis treatment
- Promote education and training for healthcare professionals using mobile iMEP
- Sales of infection prevention products throughout India using the hospital product sales network
- For vascular products, promote the introduction of diagnostic imaging devices to reference hospitals in major cities and strengthen cooperation with Key Opinion Leaders (KOL)

Pharma Packaging

- Stop the production of glass tubes. Focus on processed products to capture demand in and around India
- Supply vials for Thailand, intranasal vials (Unit Dose), and cartridges for drug products for the U.S.

India

Asia

Regional Strategy

Japan

Medical Device

- Expand Nipro's comprehensive medical network system
- Strengthen business that leads Japan including dialysis, regenerative medicine, etc.
- Increase sales of infusion pumps and syringe pumps in the critical care field
- Stable production and promotion of sales of vascular products
- Deploy treatment and diagnostic catheters to new areas

Pharmaceutical

- Newly establish an antibiotics manufacturing plant (Shiga Prefecture)
- Conversion to the internal manufacturing of antibiotics
- Introduce new authorized generic (AG) and biosimilars (BS)
- Expand domestic supply by strengthening the production system for injections and oral agents
- Strengthen the antibiotics supply chain
- License out overseas, focusing on Europe and the U.S. by strengthening QA/QC systems

Pharma Packaging

- Strengthen collaboration with CDMOs in Japan and overseas, including Nipro Pharma
- Develop home care products
- Establish pre-fillable syringe production lines in anticipation of the progress of drug products switching to pre-filled syringes
- With low elution vials (VIALEX) as the standard, create a full line of laminated rubber stopper products that have cleared PFAS regulations to meet demand for high-value-added products
- Increase sales of single-use bags for domestic pharmaceutical manufacturers
- Increase sales of intranasal devices as vaccine administration devices

Japan

Long-Term Strategy

Toward **sales of 1 trillion yen** by FY 2030

Details of efforts/strengthening items		FY2025-FY2027	FY2028-FY2030
Medical Device	Dialysis	<ul style="list-style-type: none"> Expand dialyzer share overseas In Japan, establish a stable supply system and expand the share of HDF dialyzers and dialysis machines 	<ul style="list-style-type: none"> Overseas, continuously improve the performance and quality of dialyzers and dialysis products in general, DX of dialysis treatment, and strengthen the dialysis machine maintenance system globally In Japan, enable full-scale entry into the acute-phase market
	Hospital	<ul style="list-style-type: none"> Overseas, increase sales of safety products and high-performance products in addition to basic products (needles, syringes, intravenous catheters, etc.) In Japan, expand the Nipro comprehensive medical network system and the share of related devices For SD-related products, increase sales of products related to the artificial heart-lung system 	<ul style="list-style-type: none"> Overseas, continue to expand safety and highly functional products, develop new products, and strengthen sales In Japan, expand product lines in each therapeutic area and prompt market introductions For SD-related products, new entry into other fields such as respiratory surgery, spine surgery, endoscopy, artificial joints, ophthalmology, etc.
	Vascular	<ul style="list-style-type: none"> Increase sales of coronary artery/peripheral scoring balloon catheters Expand the introduction of venous/peripheral/dialysis access products 	<ul style="list-style-type: none"> Add products to the cerebrovascular area
	Regenerative Medicine	<ul style="list-style-type: none"> Acquire approval and secure administration cases 	<ul style="list-style-type: none"> Expand indications for regenerative medicine products, etc.
Pharmaceutical	Own-brand GE	<ul style="list-style-type: none"> Increase sales by introducing new authorized generic (AG) and biosimilar drugs (BS) 	<ul style="list-style-type: none"> Expand the antibiotics field (drug substances)
	Contract Manufacturing	<ul style="list-style-type: none"> Steady launch of new plants 	<ul style="list-style-type: none"> Expand production items centered on new plants
Pharma Packaging		<ul style="list-style-type: none"> Establish presence as a container manufacturer for biologics 	<ul style="list-style-type: none"> Use sterilized syringes to drive growth

New medium-term management plan

- Focus on expanding its market share overseas and strengthen the earnings base in Japan to achieve both sales growth and profit margin improvement.
- In addition to securing profits, aim to accelerate the financial soundness by promoting cash flow-oriented management through improvement of working capital and optimization of investment amount.
- To strengthen risk management related to investments and implement selection and concentration of management resources.

KPI targets of the new medium-term management plan

	FY2027 Target	Setting grounds
Sales growth rate	Annual ave. 6.0 %+	Continuous sales expansion in growth markets with a target of achieving ¥1 trillion in FY2030
Operating profit margin	7.0 %+	Establish a profitable structure by strengthening the revenue base, targeting 9% in FY2030
Net Debt/ EBITDA multiple	< 4.0 x	Complete disciplined growth investments, targeting less than 3.0x in FY2030
ROE	10.0 %+	Achieve FY2027 target through sales expansion and profitability improvement; target ROE of 14.0% in FY2030

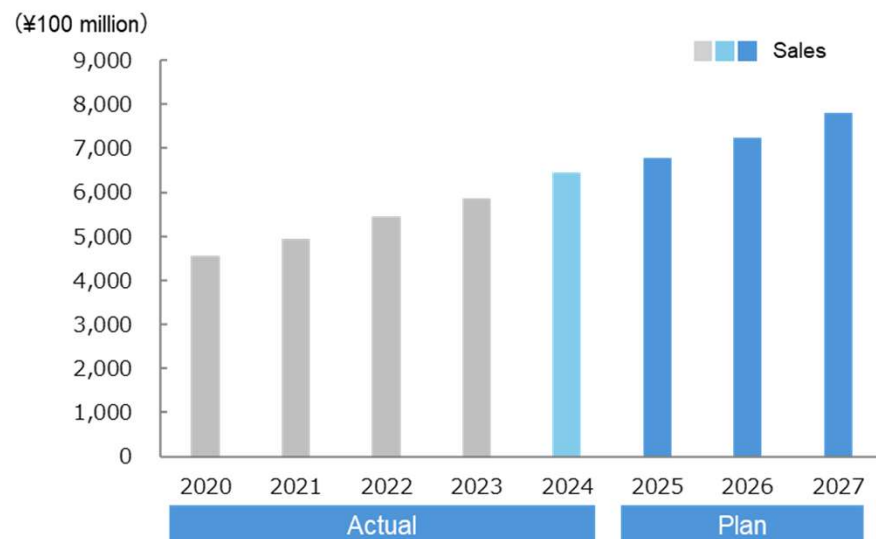
New medium-term management plan

Details of Key KPIs (1)

Growth rate

Sales growth rate Annual ave. **6.0%**+

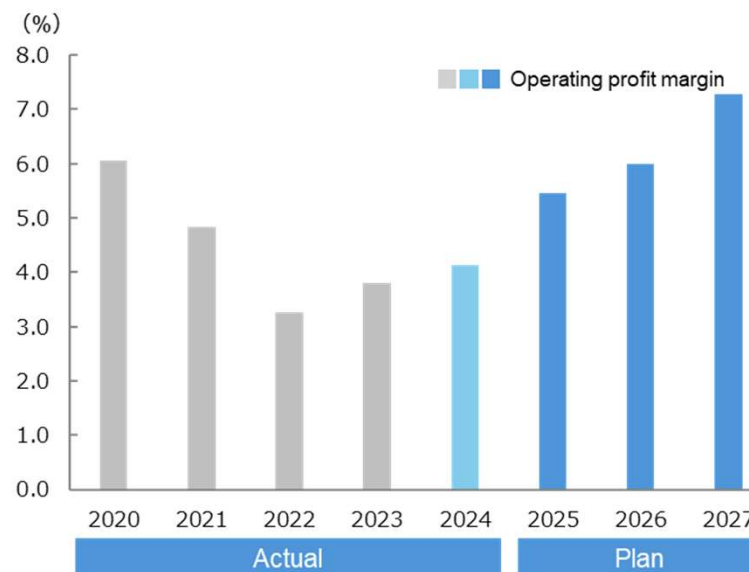
- We will promote the expansion of the dialyzer share in overseas regions; acquire for insulin needles for GLP-1, marketing rights for biosimilars, and new contracts for long-listed products in CDMO business; aim to increase sales of high-value-added products such as sterile syringes; and work on increasing sales overall.



Profitability

Operating profit margin **7.0%**

- In addition to promoting highly profitable products and business, and advancing price pass-through, we will work on improving the operating profit margin by reducing cost.



New medium-term management plan

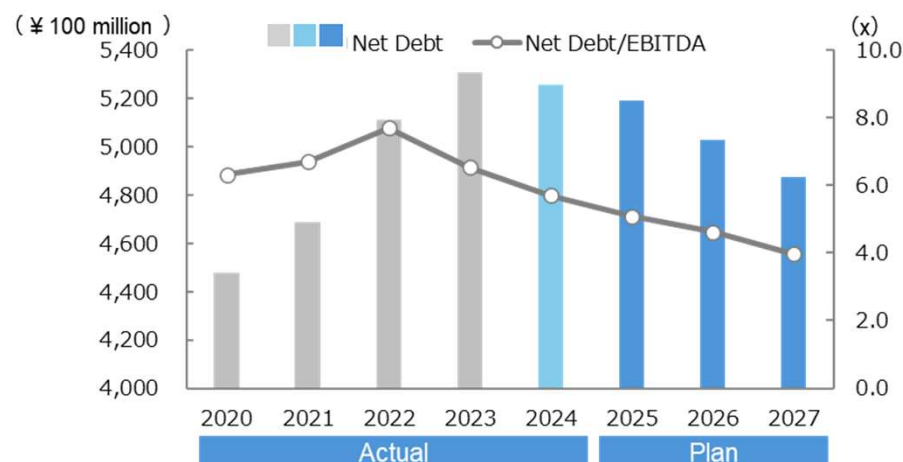
Details of Key KPIs (2)

Financial Soundness

Net Debt
(net interest-bearing debt) **¥487** billion

Net Debt/EBITDA multiple **< 4x**

- In addition to controlling capital expenditure and optimizing investment, we will reduce interest-bearing liabilities by striving for the reduction of inventories. For repaying interest-bearing liabilities and optimizing the net debt/EBITDA multiple, we will increase EBITDA by reducing working capital through promoting price pass-through corresponding to increased costs, and collecting accounts receivable

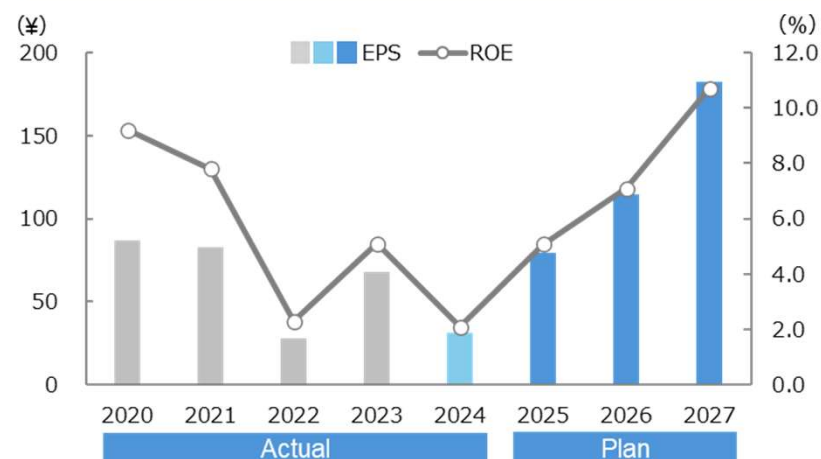


Asset Efficiency

EPS **¥180+**

ROE **10.0%+**

- We will work on improving ROE by limiting capital expenditure to new investments in highly profitable business and investments in existing facilities, and limiting R&D expenses to necessary R&D after considering the effects of investment.
- We will work on improving EPS by expanding sales and promoting cost reductions to increase current net income.



New medium-term management plan

Capital Expenditure Policy

Guidelines

CAPEX* **¥200 billion**

*Capital expenditures are based on capitalized assets
(Intangible assets included)

EBITDA **¥330 billion**

*Capital expenditures are based on capitalized assets

Free Cash Flow **¥70 billion**

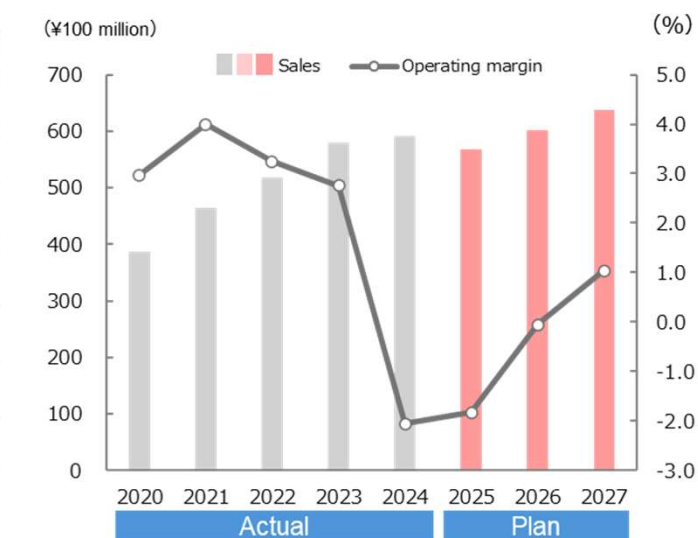
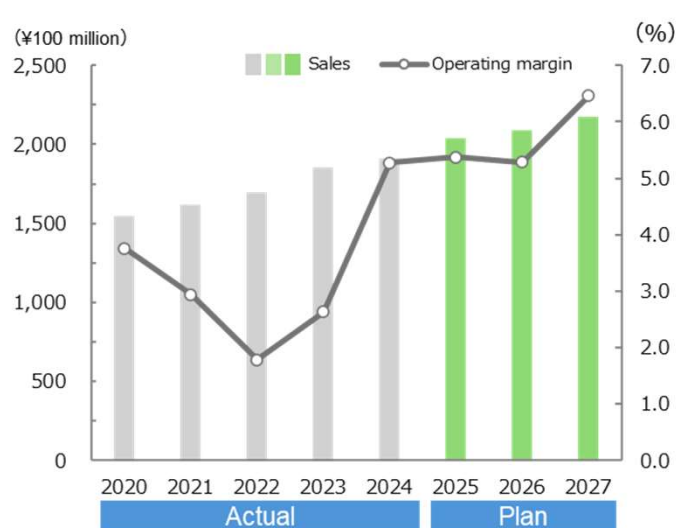
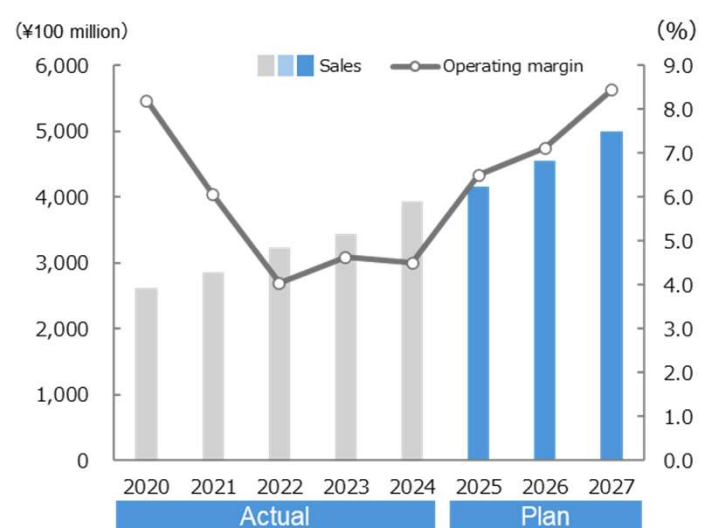
*Cumulative total for FY2025-FY2027

CAPEX Plan FY2025-FY2027

	CAPEX	EBITDA	Details
Dialysis/Hospital	¥101 billion	¥202 billion	Construct a plant in the U.S. Expand dialyzer lines at plants in Vietnam, India, and Odate (Akita Prefecture)
Vascular	¥5 billion	¥12 billion	Expand intravascular imaging devices (NIRS-IVUS) and balloon catheter (Aperta NSE PTA) production facilities as well as sterilization machines
Regenerative Medicine	¥1 billion	-¥11 billion	There will be no major capital expenditure.
Pharmaceutical	¥73 billion	¥96 billion	Newly construct the Ohmi Plant (Shiga Prefecture) and renew old lines
Pharma Packaging	¥20 billion	¥31 billion	Limited to investments that contribute to quality improvements and automation

KPI by Product

FY2027 Target	Medical Device	Pharmaceutical	Pharma Packaging
Sales	¥499 billion	¥218 billion	¥64 billion
Operating Profit	¥42 billion	¥14 billion	¥0.7 billion
Operating Profit Margin	8.4%	6.4%	1.1%



NIPRO Group's Sustainability

NIPRO Group's Materiality

Materiality identification process

- STEP 1

Interview internal and external stakeholders to identify risks, opportunities, and impacts unique to the Nipro Group
- STEP 2

Weight (score) the importance of the risks, opportunities, and impacts to the Nipro Group
- STEP 3

Identify the risks, opportunities, and impacts with high scores as being material (important) to the Nipro Group

Identified materiality

Environment	<ul style="list-style-type: none">■ Climate Change■ Biodiversity and Ecosystems■ Circular Economy
Social	<ul style="list-style-type: none">■ Human Capital Management■ Human Rights in the Value Chain■ Data Privacy and Cyber Security■ Patient Safety and Product Quality
Governance	<ul style="list-style-type: none">■ Instillation and Establishment of Code of Conduct■ Sustainable Value Chain■ Prevention of Corruption and Bribery



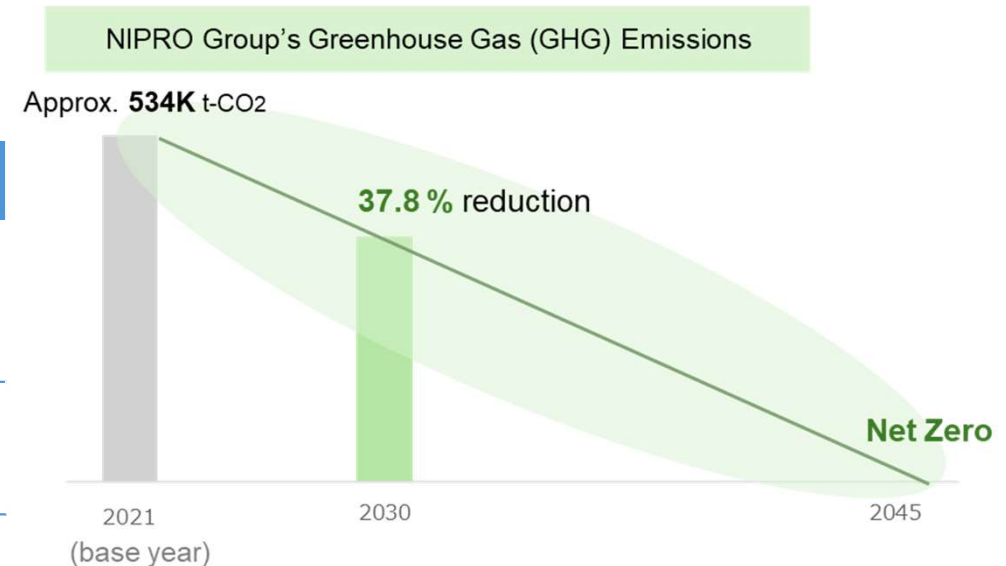
In future, we will promote our ESG information, formulate the sustainability report, and disclose ESG initiatives on our website.

NIPRO Group's Sustainability – Environment –

Policy

Net zero GHG emissions in 2045, conservation of biodiversity, and the promotion of waste reduction and recycling

Materiality	Measures
Climate Change	<ul style="list-style-type: none"> • Purchase non-fossil certificates in Japan and overseas • Switch to renewable energy-derived electricity at manufacturing bases • Self-generate energy • Understand and reduce Scope 3 emissions
Biodiversity and Ecosystems	<ul style="list-style-type: none"> • Understand manufacturing bases within biodiversity priority areas • Collect information on potential impacts on biodiversity and ecosystems, and their prevention • Comply with related regulations
Circular Economy	<ul style="list-style-type: none"> • Apply recycled materials to packaging • Reduce waste



Since the current proportions of GHG emissions at the Nipro Group are about 1/3 for Scope 1 emissions and 2/3 for Scope 2 emissions, we will focus on reducing Scope 2 emissions first.

NIPRO Group's Sustainability – Social –

Policy

Focus on human capital management and prioritize work on human rights issues

Materiality	Measures
Human Capital Management	<ul style="list-style-type: none">• Obtain the Great Place to Work certification• Expand training opportunities for all employees• Ensure the transparency of evaluations by clarifying the roles of all positions• Establish a common global compensation system• Assure confidentiality for whistle-blowers and whistle-blowing based on the Whistleblower Protection Act• Hire without regard to gender, age, nationality, race, religion, or disability• Implement risk assessments and safety education to ensure the safety of work environments
Human Rights in the Value Chain	<ul style="list-style-type: none">• Conduct human rights due diligence• Implement human rights seminars and workshops• Establish a contact point for whistle-blowing, relief, and consultation• Participate in human rights activities undertaken by international organizations, NGOs, human rights advocacy groups, etc.
Data Privacy and Cyber Security	<ul style="list-style-type: none">• Establish an Information Security Committee for incident responses• Implement information security training for employees
Patient Safety and Product Quality	<ul style="list-style-type: none">• Establish a contact point for product and quality inquiries• Implement training for healthcare professionals

NIPRO Group's Sustainability – Governance –

Policy

Strengthen management foundations and implement sound business management

Materiality	Measures
Instillation and Establishment of Code of Conduct	<ul style="list-style-type: none">• Improvement of issues based on effectiveness evaluation of the board of directors.• Improve social trust and evaluations through dialogue with stakeholders and information disclosure• Enhance compliance training for employees• Expanding a whistle-blowing system
Sustainable Value Chain	<ul style="list-style-type: none">• Building appropriate relationships with business partners• Establish a supplier hotline
Prevention of Corruption and Bribery	<ul style="list-style-type: none">• Comply with laws and regulations in each country and region where we implement business activities• Implement regular risk assessments• Establish a hotline (contact point for external reporting)

New medium-term management plan –Policies by Business –

Dialysis Business

Dialysis Business: Sales Trends by Major Product Group

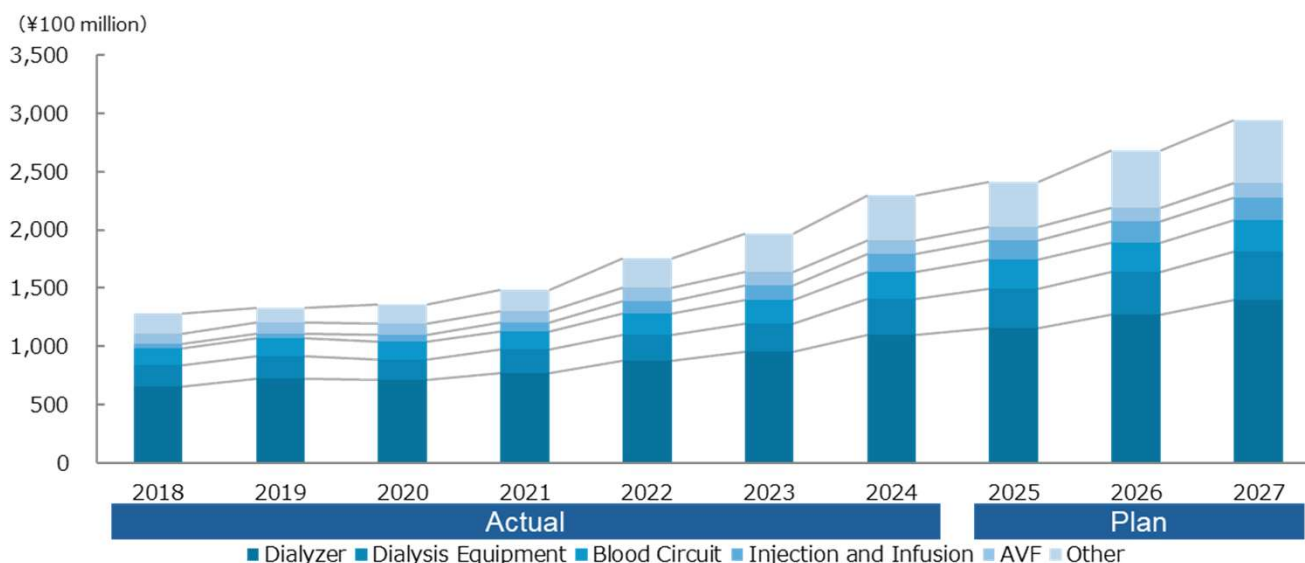
[Domestic]

- Although sales of dialyzers are decreasing, we expect our HDF filter share to increase because of growth in the HDF ratio.
- In dialysis machines, we will improve product competitiveness by launching new products and adding functions to existing products. We expect an increase in market share based on this.

[Overseas]

- We will continuously improve the performance and quality of dialyzers. Strengthen the promotion of sales of our globally unique dialyzers (CTA and ATA membranes), increase sales of the type IIa dialyzer (Elisio-HX), raise awareness of single-use in Asia and Central and South America, and build clinical data with global KOLs. Also promote technology sales.
- Launch the new dialysis machines (Surdial fleX, Surdial Xpro, and Diamax WOW). Strengthen the service business by enhancing the global maintenance system for dialysis machines.
- DX of dialysis treatment based on NephroFlow.
- Ensure cost competitiveness through the automated production of blood circuits. Launch AVF with a check valve and increase sales of safe indwelling needles for dialysis.

Dialysis Business : Sales trends by major product



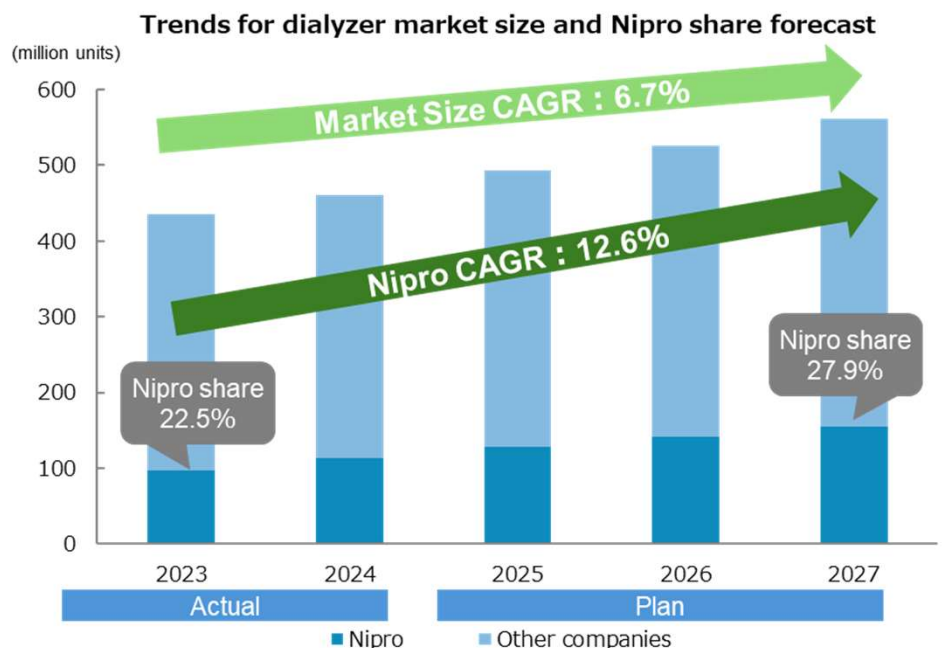
Status of changes in sales

(¥100 million)

Product Categories	FY2018- FY2024	FY2024- FY2027
Dialysis Business Total	+1,007	+650
Dialyzer	+446	+303
Dialysis Equipment	+121	+108
Blood Circuit	+93	+32
AVF	+109	+38
Injection and Infusion	+31	+11
Other	+206	+158



Dialysis Business: Market Size Trends and Share Forecasts (Dialyzer: Global Market)



* Source: In-house research

Market size (FY2027: forecast)	560 million units
Market growth rate (FY2023 – FY2027) *CAGR	6.7%
Nipro share (FY2027: forecast)	27.9%
Nipro growth rate (FY2023 – FY2027) *CAGR	12.6%

Market characteristics

The number of dialysis patients is increasing continuously because of global population increases and economic development.

[Japan] The market is gradually decreasing, but the tendency of the HDF ratio to increase continues.

[North America] Market oligopoly by two major dialysis providers.

[Central and South America] Acceleration of entry by Chinese manufacturers.

[Europe] High demand for highly functional products because of high quality demands for dialysis treatment.

[China] Centralized purchase by the Chinese government has started, and the selection of manufacturers is progressing.

[Asia] While some countries use dialyzers multiple times for economic reasons, countries shifting to their single use have emerged alongside economic development.

[India] The number of dialysis patients is increasing along with economic development. Facilities and healthcare professionals are lacking.

Changes in the market environment

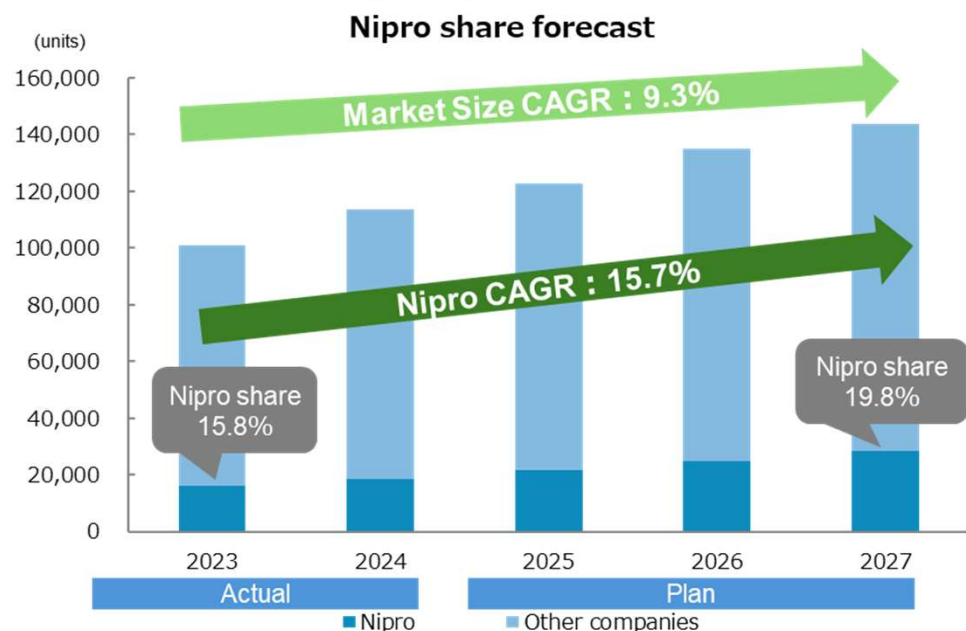
- Recovery of the number of dialysis patients after the COVID-19 pandemic.
- Traditional competitors are tending to shrink their dialysis business (significant impact of inflation, etc.).
- Trend toward a preference for home country production (China, India, Indonesia, etc.).
- Demand for stable supply increasing due to the risk of distribution being divided (Suez problem, Red Sea problem, etc.).
- In the U.S., momentum for the improvement of treatment prognosis will increase due to the introduction of HDF.
- In some Asian countries, the single use of dialyzers will become national policy (Indonesia, etc.).
- Software demand such as DX and AI analysis will increase in dialysis treatment.

Nipro policies

- Expand the market share of HDF filters (Maxiflux) in Japan
- Promote activities to appeal to added value by developing technology sales based on clinical effects
- Continuously develop and launch new technologies and products incorporating user needs
- Continue the global expansion of CTA and ATA membranes that only Nipro has
- Global deployment of HDx using type IIa dialyzers
- Continuous awareness-raising activities on the switch to single use to improve patient prognosis
- Expand dialyzer production capacity (Japan, China, India, Vietnam, the U.S., etc.)
- Promote locally driven sales initiatives and local production for local consumption

Dialysis Business: Market Size Trends and Share Forecasts (Dialysis Equipment: Global Market)

Trends for dialysis equipment market size and



* Source: In-house research

Market size (FY2027: forecast)	144,000 units
Market growth rate (FY2023 – FY2027) *CAGR	9.3%
Nipro share (FY2027: forecast)	19.8%
Nipro growth rate (FY2023 – FY2027) *CAGR	15.7%

Market characteristics

The number of dialysis patients is increasing continuously because of global population increases and economic development.

[Japan] The size of the market is gradually tending to decrease, but the tendency for machines to increase in number in cities continues.

[North America] Demand for the introduction of dialysis machines for HDF treatment will increase.

[Central and South America] Acceleration of entry by Chinese manufacturers.

[Europe] High demand for highly functional products because of high quality demands for dialysis treatment.

[China] Preference for domestic production.

[Asia] Because requirements differ by country, it is necessary to respond with a wide range of specifications.

[India] Preference for domestic production.

Changes in the market environment

- Recovery of the number of dialysis patients after the COVID-19 pandemic.
- Traditional competitors are tending to shrink their dialysis business (significant impact of inflation, etc.).
- Trend toward a preference for home country production (China, India, Indonesia, etc.).
- Demand for stable supply increasing due to the risk of distribution being divided (Suez problem, Red Sea problem, etc.).
- In the U.S., momentum for the improvement of treatment prognosis will increase due to the introduction of HDF.
- Tendency to require more systemization such as DX and AI data analysis of medical devices including dialysis machines, centered on advanced countries.

Nipro policies

- In Japan, aim to launch new products, add functions to existing products, and enter the acute phase market.
- Expand market share by introducing new dialysis machines
- Strengthen the global maintenance system
- Promote DX, improve patient QOL, and reduce treatment problems through the global deployment of dialysis management systems.
- Strengthen the traceability system and improve preventive maintenance through data management.
- Promote the switch to domestic production of dialysis machines in China and India.
- Aim to improve QOL and the safety and efficiency of dialysis treatment overall, including data analysis using AI.



Hospital Business

Hospital Business: Sales Trends by Major Product Group

[Domestic]

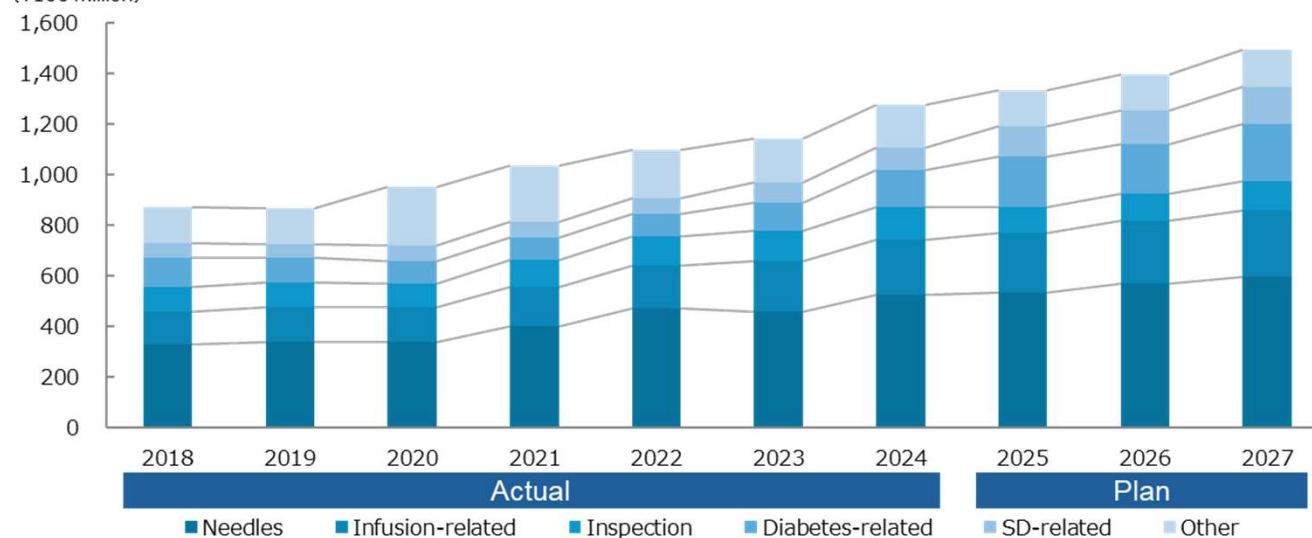
- Expand Nipro's comprehensive medical network system in response to changes in the medical care environment and increase market share.
- Acquire the highest upstream system market share for ICU fluid management using the SafeTech® Pro infusion system.
- Among SD-related products, aim to continue holding the No. 1 market share in the artificial heart field and to expand share and increase sales in markets in the artificial lung field.

[Overseas]

- Products that support the fundamentals of medical practice, such as needles, syringes, and intravenous catheters, will be made more sophisticated and safer, and a stable supply will be ensured.
- Strengthen the global deployment of the portable Surefuser continuous infusion pump and peripheral devices to improve the QOL of cancer patients, whose numbers are increasing globally.
- Strengthen the global deployment of CL Fine ionless hypochlorous acid for infection prevention (space spraying, surface sterilization, etc.).
- Expand production of insulin needles and strengthen the stable supply system in association with the increased demand for GLP-1 preparations as measures against diabetes mellitus and obesity.

Hospital Business : Sales trends by major product

(¥100 million)



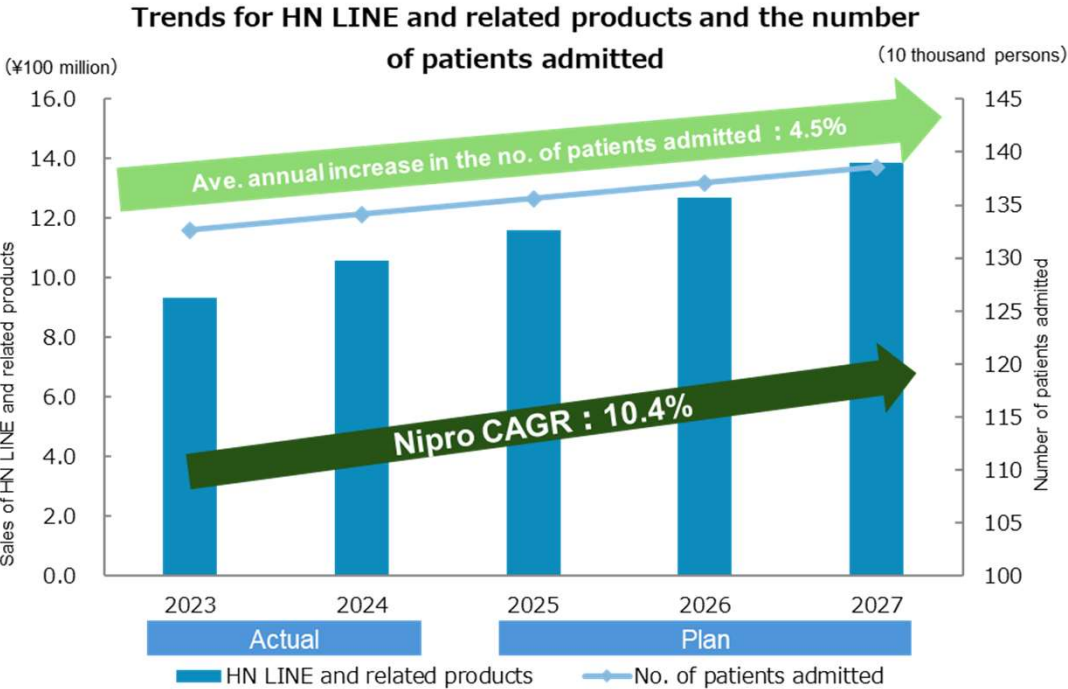
Status of changes in sales

(¥100 million)

Product Categories	FY2018-FY2024	FY2024-FY2027
Hospital Business Total	+405	+215
Needles	+194	+72
Infusion-related	+89	+44
Inspection	+35	-14
Diabetes-related	+27	+80
SD-related	+32	+56
Other	+27	-22



Hospital Business: Sales Trends (HN LINE*: Domestic Market)



* Source: In-house research

No. of patients admitted (FY2027: forecast)	Approx.1,386,000
Increase in the no of patients admitted (FY2023 – FY2027)	4.5%
Sales of HN LINE and related products(FY2027: forecast)	¥1,390 million
Nipro growth rate (FY2023 – FY2027) *CAGR	10.4%

Market characteristics

- The “baby boomer generation” has entered the late elderly stage, and Japan’s aging rate has reached 30% in 2025.
- With the increase in the number of inpatients as a result of the super-aged society, the securing of healthcare professionals and work style reforms are an urgent issue, and greater work efficiency using ICT is being promoted.

Changes in the market environment

- Due to the progress of aging, the medical device market will be maintained in the medium term but will tend to decrease gradually thereafter.
- It has become mainstream for vital measurement devices and various other devices to have communication functions.

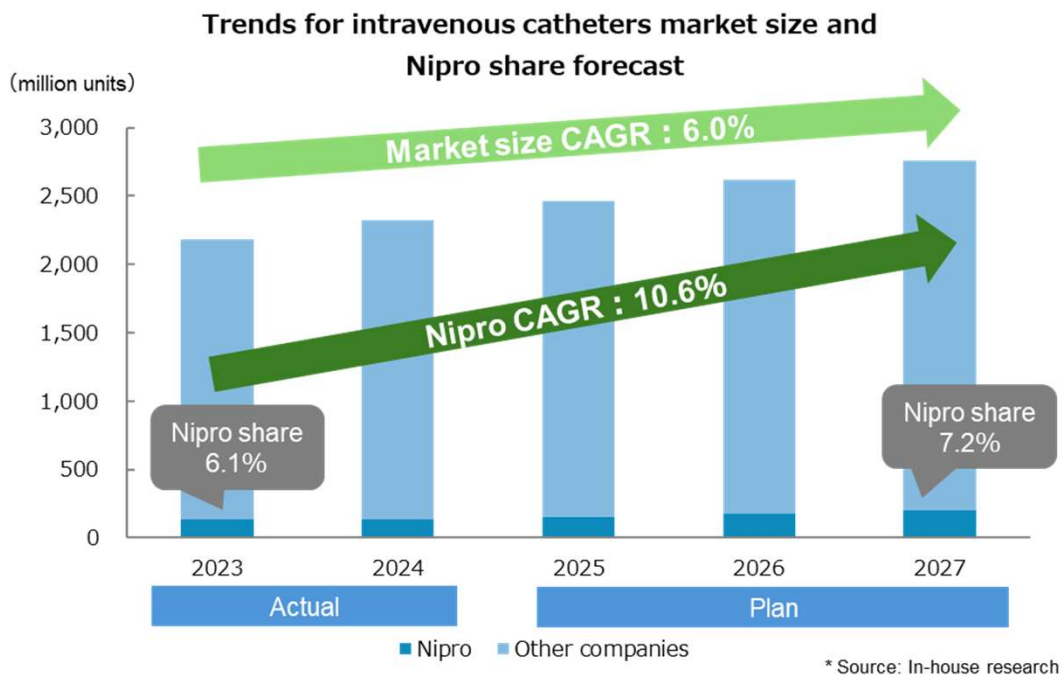
Nipro policies

- Improve the work efficiency of healthcare professionals through the further expansion of system functions.
- Promote the resolution of issues via comprehensive proposals including peripheral devices.
- Build a maintenance and support system in anticipation of an expanding share.

* HN LINE(Hospital Network Line) : Medical Device Data Communication Support System



Hospital Business: Market Size Trends and Share Forecasts (Intravenous catheters: Global Market)



Market characteristics

- Medical needs are expanding not only in advanced countries, but also in emerging and developing ones.
- Treatment and care management using intravenous catheters tends to increase due to aging in developed countries and improvements in the quality of care in emerging and developing ones.

Changes in the market environment

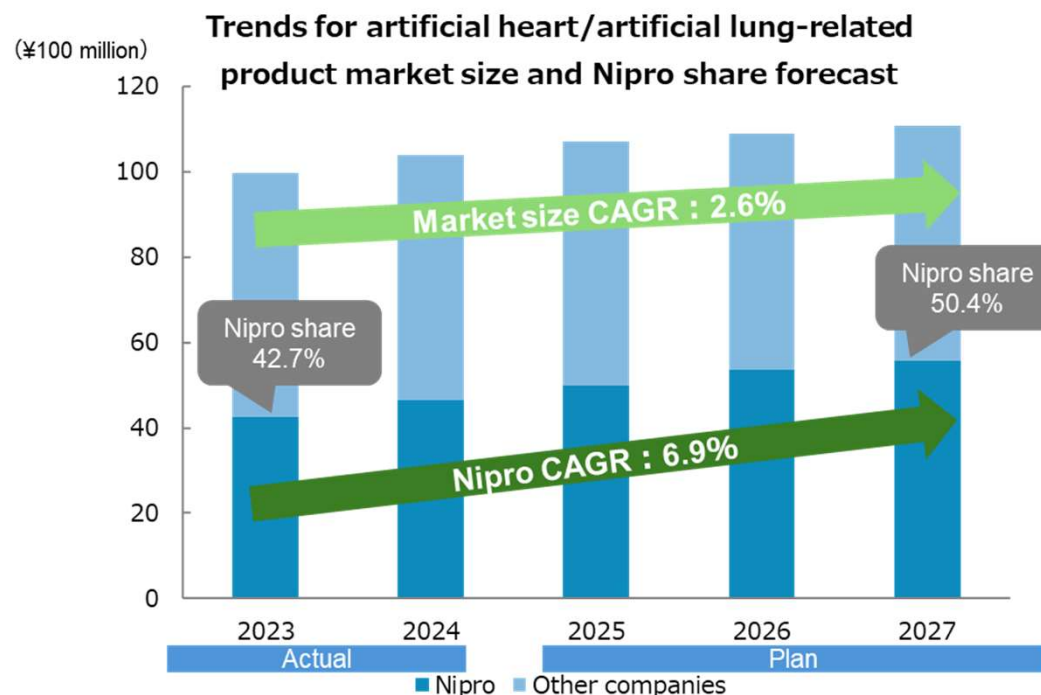
- In developed countries, intravenous catheters with a safety mechanism aimed at preventing needlestick injuries are mainstream.
- Regular intravenous catheters are the mainstream in emerging and developing countries, but due to the expiration of the patents for the original mechanism and changes in medical needs, demand for intravenous catheters with a safety mechanism is expected to increase.

Nipro policies

- Strengthen production capacity through automatic production in Thailand, Indonesia, and Brazil to ensure the stable supply of intravenous catheters that support the foundations of medical practice.
- Strengthen our line of vascular catheters with a safety mechanism to provide intravenous catheters that meet the medical needs of advanced, emerging, and developing countries.

Market size (FY 2027: forecast)	2,700 million units
Market growth rate (FY 2023–FY 2027) *CAGR	6.0%
Nipro share (FY 2027: forecast)	7.2%
Nipro growth rate (FY 2023–FY 2027) *CAGR	10.6%

SD Business: Market Size Trends and Share Forecasts (Cardiac surgery field: Artificial heart/artificial lung-related)



* Source: In-house research

Market size (FY 2027: forecast)	¥11,070 million
Market growth rate (FY 2023–FY 2027) *CAGR	2.6%
Nipro share (FY 2027: forecast)	50.4%
Nipro growth rate (FY 2023–FY 2027) *CAGR	6.9%

Market characteristics

- [Artificial hearts]
- Nipro has acquired a 95% market share.
- [Artificial lungs]
- Terumo holds a market share of more than 50%.
 - If there is no business potential, overseas manufacturers ignore users and stop supply or withdraw from the business.

Changes in the market environment

- [Artificial hearts]
- The market for extracorporeal implants is almost flat, and implantable implant market is expanding.
 - Movements indicate that overseas manufacturers are considering entering the domestic market and it is possible that especially Chinese manufacturers may sell products at low prices.
- [Artificial lungs]
- The sales method for artificial lungs is shifting from sales of an artificial lung alone to that of an integrated artificial heart-lung circuit.
 - The market is expanding from about 50,000 cases in FY2022 to about 60,000 cases in FY2027.

Nipro policies

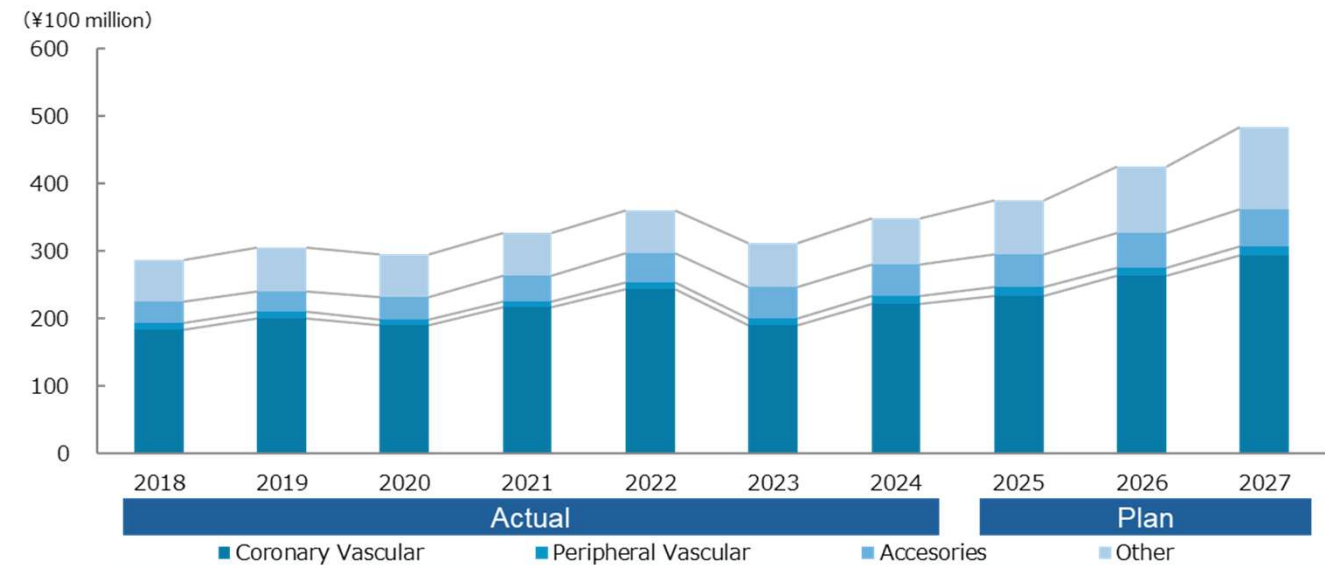
- [Artificial hearts]
- Increase sales and profit by increasing the number of facilities using products by implementing awareness raising activities.
 - Extracorporeal implants are moving from the pulsatile to centrifugal type, and we will grow sales volume as the only centrifugal-type manufacturer. We will proceed with product improvement and so on matched to user needs.
- [Artificial lungs]
- Increase sales and profit by increasing sales volume and reducing manufacturing costs through mass production.
 - In both the extracorporeal and assisted circulation areas, we will increase product power by combining with peripheral devices.

Vascular Business

Vascular Business: Sales Trends by Major Product Group

- [Domestic]
 - Coronary vascular Fields: Positioned as a core field. Promote market development and product introduction of drug-eluting balloons, balloon catheters (Aperta), thrombus aspiration catheters, thrombus trapping catheters, intravascular imaging products, etc.
 - Peripheral vascular field: Promote sales of balloon catheters (Aperta), PTA balloon catheters, guiding sheaths, peripheral thrombus aspiration catheters, etc.
 - Accessories: Expand sales of Y-connector (OKAY connector) and inflation device (GM30)
- [Overseas]
 - Coronary vascular Fields: Increase the number of users by adding sales regions for balloon catheters (Aperta) and promoting awareness of endovascular imaging products
 - Peripheral vascular field: Full-scale entry into the peripheral vascular field with the introduction of balloon catheters (Aperta PTA) and peripheral imaging products, mainly in the U.S.
 - Accessories: Expand market share of Y connector (OKAY connector) and inflation device (GM30), which are highly evaluated worldwide.

Vascular Business : Sales trends by major product

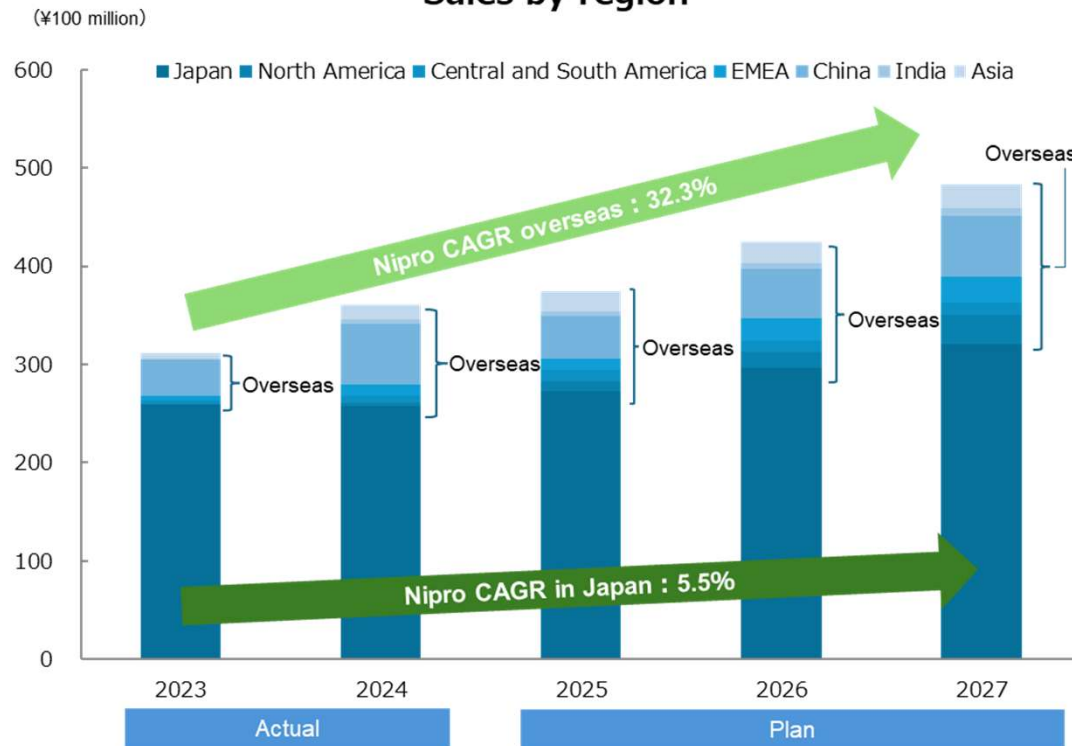


Status of changes in sales

Product Categories	(¥100 million)	
	FY2018-FY2024	FY2024-FY2027
Vascular Business Total	+62	+134
Coronary vascular field	+37	+72
Peripheral vascular field	+2	+0
Accessories	+15	+9
Other	+7	+53

Vascular Business: Market Size Trends and Share Forecasts

Sales by region



Market characteristics

Domestic: The environment in the cardiac and peripheral vascular field is difficult due to revisions of reimbursement prices and the intensification of competition.

Overseas: Demand for intravascular diagnosis and treatment is tending to increase because of population growth and economic development.

- [U.S.] In this market, state-of-the-art technologies and products are created, and clinical results are required for entry.
- [Europe] Following the introduction of MDR, market entry is difficult, and companies are being eliminated.
- [China] While the market is expanding, there is also the risk of sudden changes in market prices due to the centralized purchasing system.
- [Asia] Markets are expanding with economic growth, and competition is intensifying in terms of many companies entering the market and prices.

Changes in the market environment

- The number of cases in Japan is currently increasing slightly, but a decreasing trend is expected in the future.
- Large-scale acquisitions among companies are actively progressing to acquire new technologies and sales networks.
- The introduction of new technologies in Europe, the U.S., and China requires many clinical trials, and investment costs are tending to increase.
- There are moves to break away from some drug-stent treatments that have been mainstream until now (use of drug-eluting balloons).
- The market for peripheral vascular and cerebrovascular diagnosis and treatment through the application of cardiac treatment and diagnostic technology is expanding.

Nipro policies

- Reorganized headquarters to strengthen overseas sales and marketing functions.
- Combine product and regional strategy to meet detailed market needs.
- Introduce new high-value-added products such as scoring balloons and intravascular imaging.
- Promote the introduction of peripheral vascular and cerebrovascular products in Japan and other countries overseas.
- Balance the sales ratio by region, which is biased to China, through the deployment of business to other markets.
- Promote cost reductions corresponding to revisions to reimbursement prices.

Nipro growth rate in Japan (FY2023-FY2027) *CAGR	5.5%
Nipro growth rate overseas (FY2023-FY2027) *CAGR	32.3%

Regenerative Medicine Business

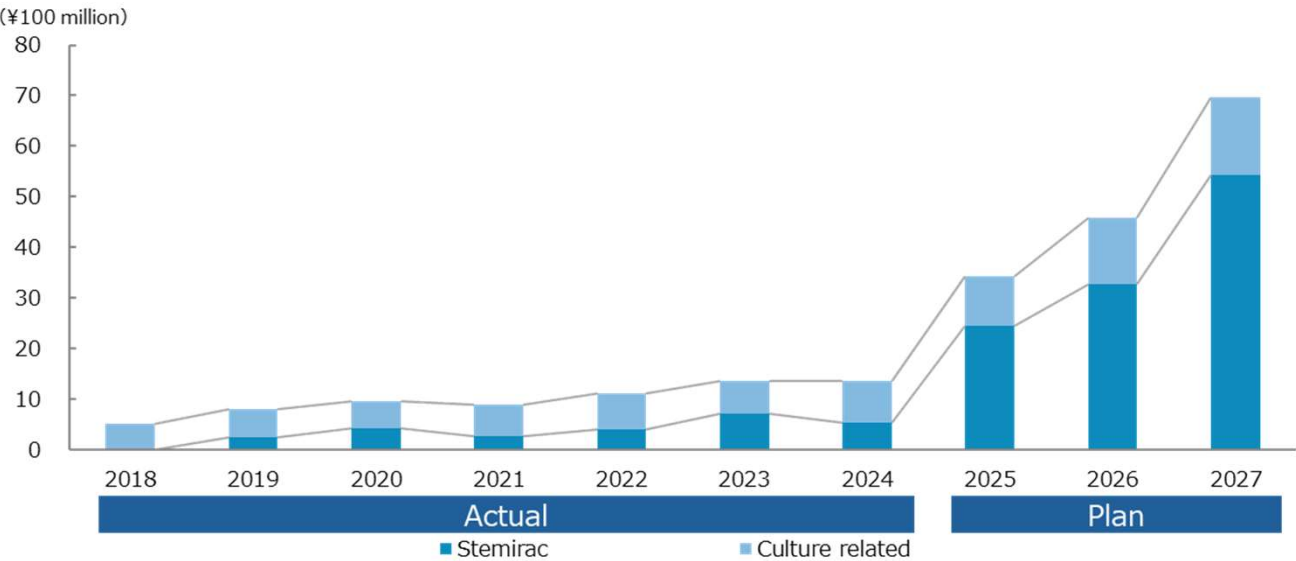
Regenerative Medicine Business: Sales Trends by Major Product Group

- Based on the comparative survey of the usage results, we expect to apply for approval for the Stemirac® again by December 2025 and to obtain (official) approval in 2026.
- Work on expanding our administration sites and the stable supply of products, and secure orders for the Stemirac®.
- Promote company-initiated clinical trials to extend indications (multiple doses) to other diseases including chronic spinal cord injury.

Regenerative Medicine Business: Sales trends by major product

Status of changes in sales

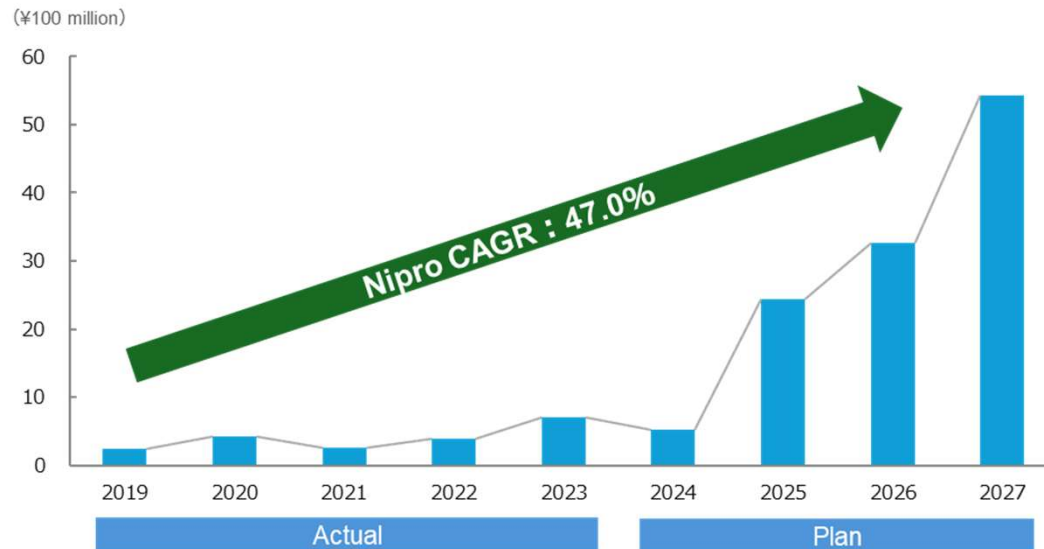
(¥100 million)



Product Categories	FY2018- FY2024	FY2024- FY2027
Regenerative Medicine Total	+9	+56
Stemirac®	+5	+49
Culture related	+3	+7

Regenerative Medicine Business: Sales Trends (Stemirac®)

Sales trend of Stemirac®



Market characteristics

- Spinal cord injury occurs in about 6,000 patients per year in Japan, and more than 100,000 patients suffer with sequelae such as severe paralysis.
- The only current standard therapy is surgery performed immediately after injury and subsequent rehabilitation. Apart from regenerative medicine, multiple clinical trials have been conducted in relation to the development of therapeutic drugs for spinal cord injury in fields such as biologics (the Stemirac® is the only drug launched thus far).

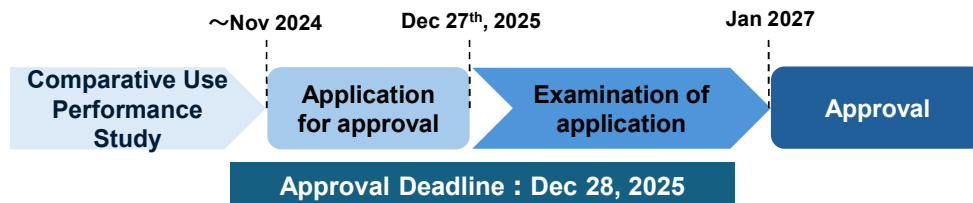
Changes in the market environment

- In the regenerative medicine field, research and development of stem cell and gene therapy is being actively advanced for various diseases, and market growth is expected.

Nipro policies

- Based on the results of the comparative survey of use, we will again submit an approval application to obtain (official) approval.
- Accretive cases for administration by establishing the treatment environment through the nationwide expansion of administration facilities.
- Promote company-initiated clinical trials to extend indications to other diseases and aim for an early launch.

Schedule of approval of Stemirac®



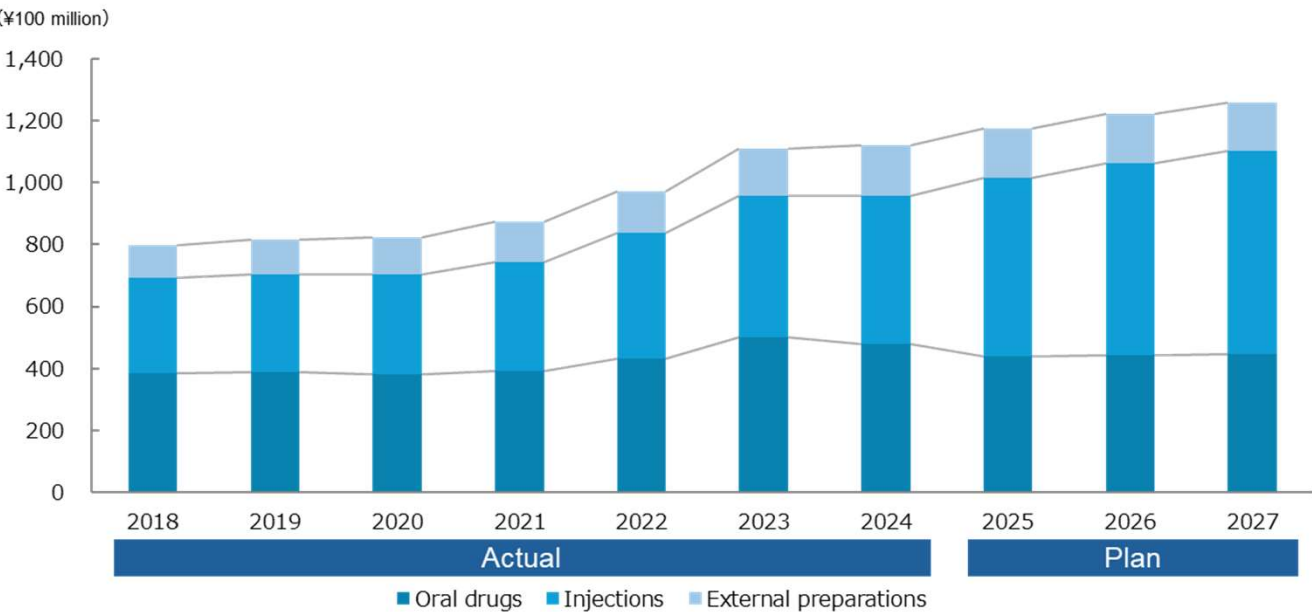
* Presenting the sales trend of Nipro product (Stemirac®) since there is no other competing product in the market for the treatment of subacute spinal cord injury.

Own-Brand Generic (GE) Business

Own-Brand GE Business: Sales Trends by Major Product Group

- Take on the challenge of introducing new authorized generic (AG) and biosimilars (BS) in addition to internally developed products to further increase sales.
- Establish a stable revenue base and supply system with basic drugs and drugs that require stable supply.
- Strengthen the stable supply system for antibiotics through initiatives to switch to internal manufacture of their active pharmaceutical ingredients.

Own-Brand GE Business: Sales trends by major product

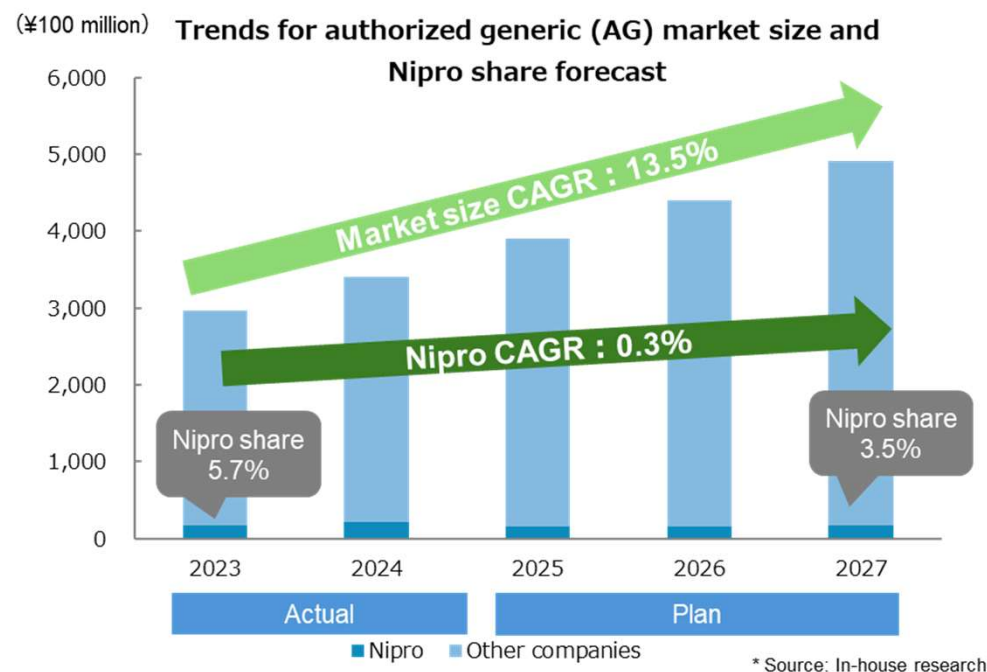


Status of changes in sales

(¥100 million)

Product Categories	FY2018-FY2024	FY2024-FY2027
Own-Brand GE Total	+321	+140
Oral drugs	+96	-34
Injection and infusion	+171	+176
External preparations	+54	-2

Own-Brand GE Business: Market Size Trends and Share Forecasts (Authorized Generic (AG))



Market characteristics

- Drugs will switch to generics in a short period when generic drugs are newly launched due to the penetration of the government's measures to promote their use.
- Currently, the share by volume of generic drugs exceeds 80%.
- Limited or suspended shipments are a problem with many drugs, and a stable supply is an industry issue.
- There is a sense of trust and security for AGs in generic drugs, and AGs will acquire a high share thereof.

Changes in the market environment

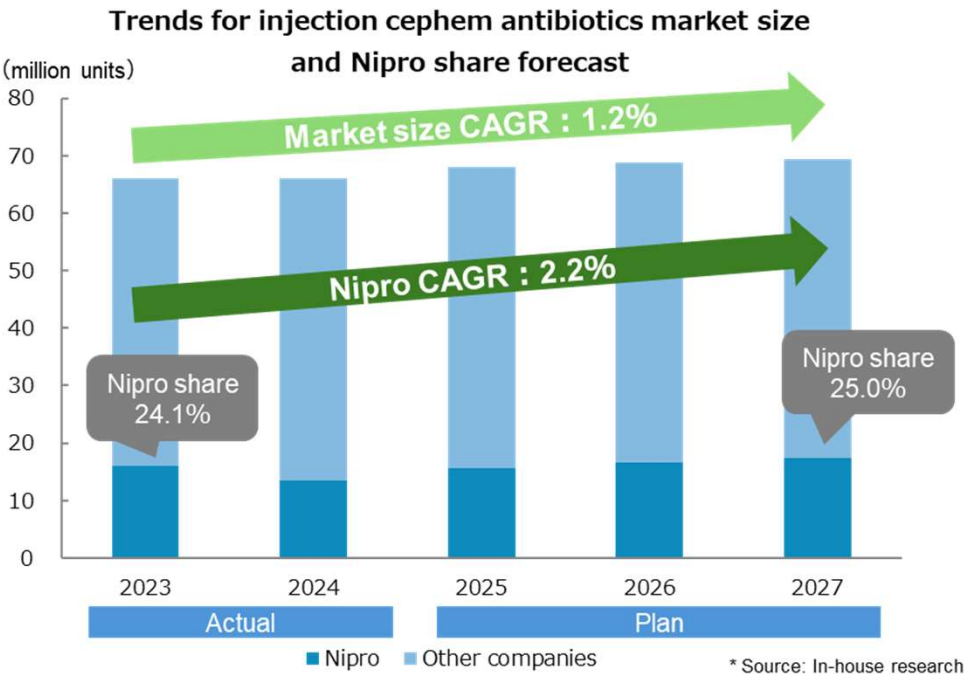
- With the start of Treatment of Patient's Choice, the replacement of long-listed products with generics will be further promoted.
- Due to the introduction of corporate evaluations, the results of evaluations of indicators related to a stable supply impacts drug prices, and generic drug companies have been strengthening initiatives for a stable supply.

Nipro policies

- Promote the acquisition of new AGs among ingredients whose patents will expire in the future.
- Strengthen the sales system to enable the acquisition of market share in a short period after launching a new product by strengthening relationships with distributors.
- Target not only switchovers from original drugs but also from other drugs with the same effects to increase market share.

Market size (FY 2027: forecast)	¥491,400 million
Market growth rate (FY 2023–FY 2027) *CAGR	13.5 %
Nipro share (FY 2027: forecast)	3.5 %
Nipro growth rate (FY 2023–FY 2027) *CAGR	0.3 %

Own-Brand GE Business: Market Size Trends and Share Forecasts (Injection cephem antibiotics market)



Market characteristics

- Cefazolin, cefmetazole, and ceftriaxone account for 75% of cephem antibiotics.
- This oligopolistic market is dominated by three companies, including Nipro, who account for 64% of the share of cephem antimicrobial agents.
- In recent years, there has been little development of new drugs, and the proper use of antibiotics has been required based on measures against drug resistance.
- Many drugs depend on ingredients from overseas.

Changes in the market environment

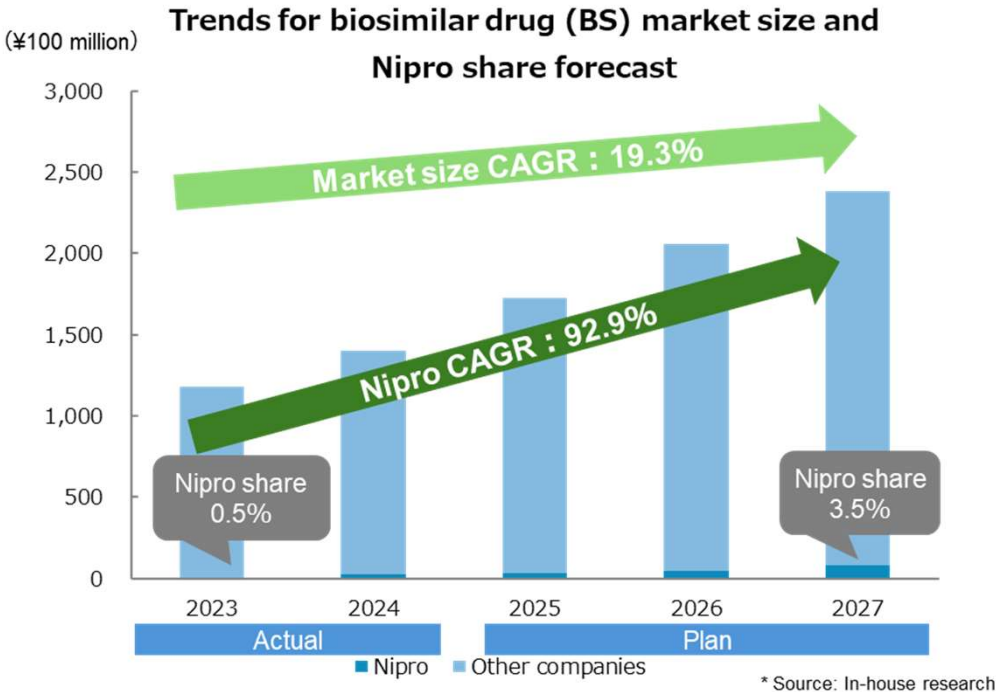
- Antibacterial agents have been designated as specified critical products.
- Establishment of a framework that supports government attempts to secure a stable supply of antibiotics.
- Provision of support for drug prices by re-evaluating unprofitable products and designations as basic drugs.

Nipro policies

- Increase the production volume of antibiotics through operations at the Ohmi Plant and increase share.
- Establish a stable supply system for antibiotics that does not depend on overseas drug ingredients by working toward converting to the internal production thereof.
- Construct a proper sales system aligned with the system of the Ministry of Health, Labour and Welfare, such as one that supports drug prices.

Market size (FY 2027: forecast)	69 million units
Market growth rate (FY 2023–FY 2027) *CAGR	1.2 %
Nipro share (FY 2027: forecast)	25.0 %
Nipro growth rate (FY 2023–FY 2027) *CAGR	2.2 %

Own-Brand GE Business: Market Size Trends and Share Forecasts (Injection biosimilar market)



Market characteristics

- Biopharmaceuticals have shown high growth potential in the Japanese pharmaceutical market, and the bio area is lively in new drug development.
- The biosimilar area is a remarkably growing market with a CAGR of 19.3%.
- Because biosimilars require greater development costs and capital investment than other generic drugs, fewer companies are entering the market, and many of the products launched were developed overseas.

Changes in the market environment

- A target quantity for biosimilars has been newly established in the “Roadmap for Appropriate Use of Generic Drugs on the Basis of Securing Stable Supply.”
- The “premium under the system for use of biosimilars” promotes the use of biosimilars.
- A public announcement of the post-marketing information needed for switching to biosimilars is scheduled for FY2025.

Nipro policies

- Sales of the G-lasta BS started in FY2024.
- Promote acquisition of new biosimilars in the future.

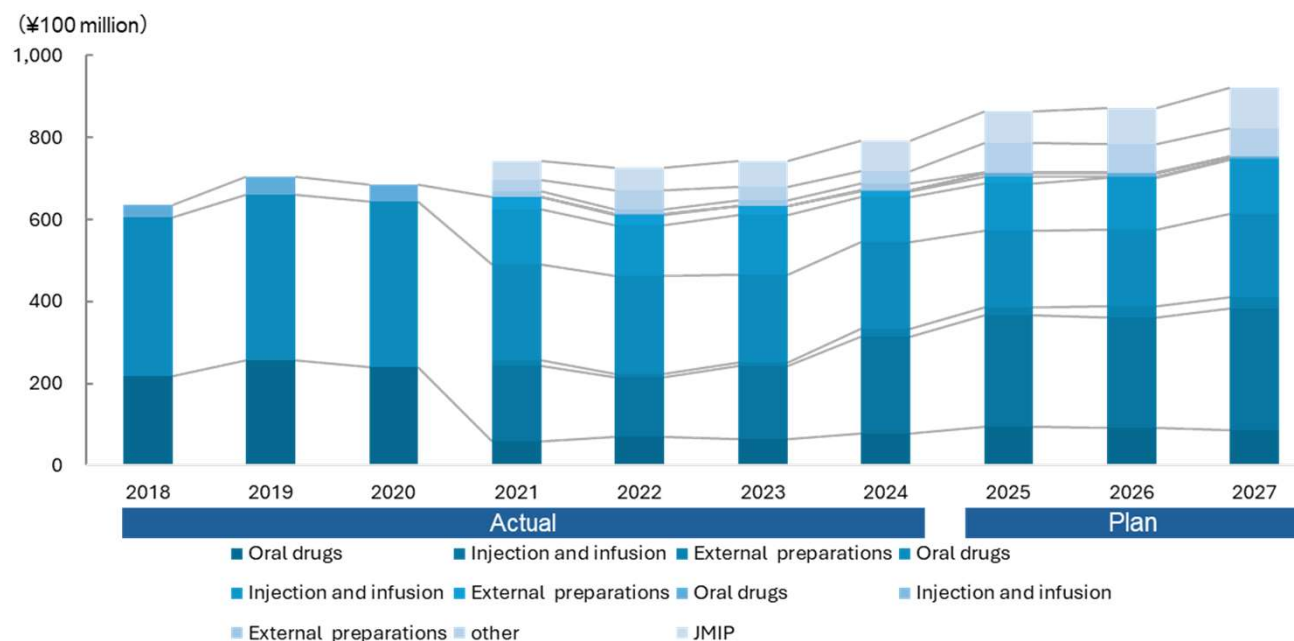
Market size (FY 2027: forecast)	¥238,400 million
Market growth rate (FY 2023–FY 2027) *CAGR	19.3 %
Nipro share (FY 2027: forecast)	3.5 %
Nipro growth rate (FY 2023–FY 2027) *CAGR	92.9 %

Contract Development and Manufacturing Organization (CDMO) Business

CDMO Business : Sales Trends by Major Product Group

- Nipro JMI Pharma, Bangladesh, transferred to the pharmaceutical business in FY2021.
- Sales of brand-name products increased due to an increase in contract manufacturing centered on injections. We will expand capital investment to increase manufacturing capacity.
- Generic products and OTC drugs decreased due to revenue deterioration and product arrangements by customers. A decrease in external preparations was particularly notable.
- Continue to acquire contract manufacturing for original drugs centered on injection drugs for which we have already made capital expenditures.
- Nipro Pharma Odate Plant obtained FDA certification and started shipments of injection agents for the U.S.

CDMO Business : Sales trends by major product



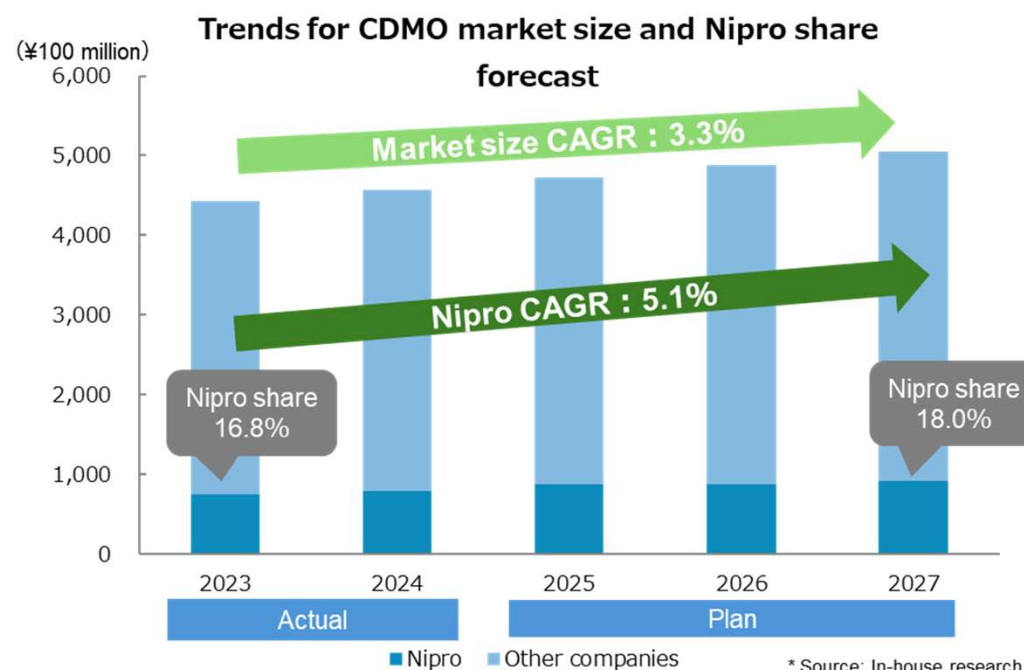
Status of changes in sales

(¥100 million)

Product Categories	FY2018-FY2024	FY2024-FY2027
CDMO Business Total	+47.3	+129.6
Brand-name/long-listed drugs	+79.3	+76.5
Oral drugs	+17.6	+10.0
Injection and infusion	+53.2	+59.4
External preparations	+8.4	+7.0
GE drugs	-63.7	+0.8
Oral drugs	-22.9	-7.9
Injection and infusion	-27.1	+22.5
External preparations	-13.6	-13.7
Others, OTC drugs	+6.0	+28.4
Oral drugs	±0.0	+6.0
Injection and infusion	+1.0	-1.1
External preparations	+2.0	-15.6
Other	+3.0	+39.1
JMIP	+25.7	+23.8



CDMO Business: Market Size Trends and Share Forecasts



Market characteristics

- Trend of mergers and alliances among major pharmaceutical companies in the domestic pharmaceutical market and intensified R&D
- Greater efficiency based on outsourcing of the Manufacturing Division for the continuous development of new drugs.

Changes in the market environment

- The requirements of contracting companies are becoming more sophisticated and diverse, thus CDMO companies make continuous capital expenditure.
- New entrants to the market are increasing, and balancing high quality and low price is an issue.
- The brand-name drug market is growing, and in particular, specialty drugs are significantly increasing.
- Long-listed products are being replaced with generic products because of the start of Treatment of Patient's Choice.
- Drug price revisions occurred because of the implementation of the interim annual revision. Sales in the generic market are slightly decreasing following the end of sales by contracting manufacturers in response to reduced drug prices.

Nipro policies

- Use the strengths of the Nipro Group to work on manufacturing high value-added drugs, including the development of administration devices and containers.
- Invest positively in facilities to secure a stable supply of drugs and strengthen our manufacturing capacity for antibiotics. In addition, we have established an analysis center to strengthen the quality control system.

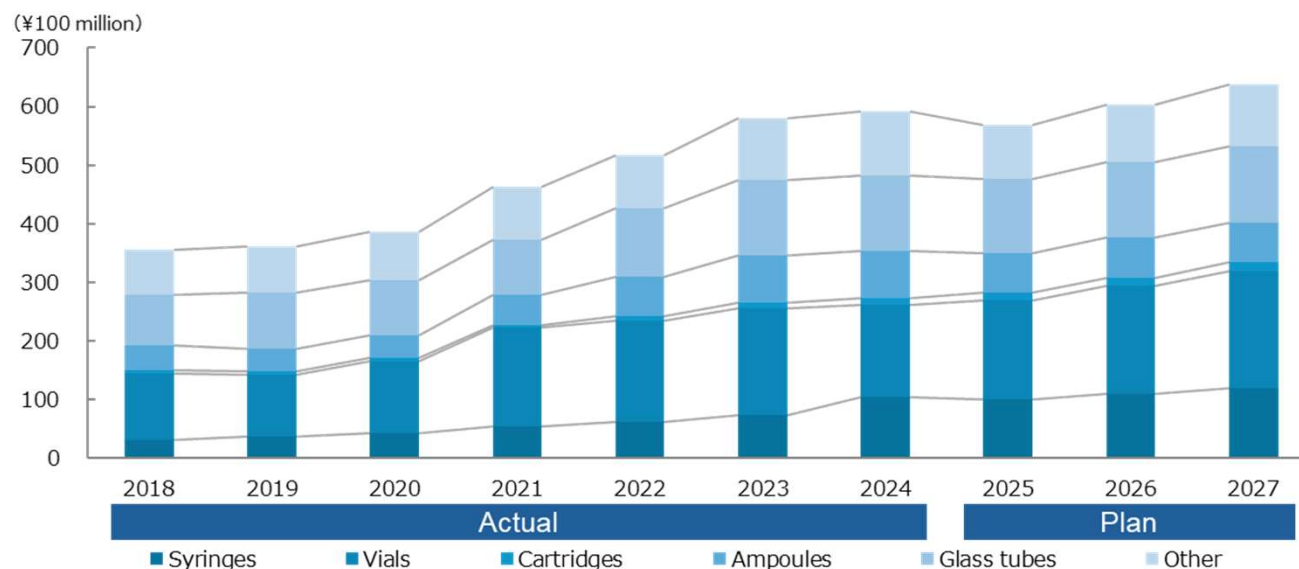
Market size (FY 2027: forecast)	¥504,800 million
Market growth rate (FY 2023–FY 2027) *CAGR	3.3%
Nipro share (FY 2027: forecast)	18.0%
Nipro growth rate (FY 2023–FY 2027) *CAGR	5.1%

Pharma Packaging (PP) Business

Pharma Packaging Business : Sales Trends by Major Product Group

- [Syringes] Positioned as a major product for the future, and in addition to D2F syringes with connectors or needles for vaccine applications, we will increase high value-added products used with high value drug products such as silicone-free syringes and syringes with RFID. We will also look ahead to local production for local consumption in the U.S., the major market in the future.
- [Vials] By maintaining the supply of existing products and arranging a line of highly functional products such as VIALEX, coated vials, low-protein adsorption vials, and water-repellent coated vials, we will realize a change to high value-added products and further promote ready-to-use products (D2F vials).
- [Cartridges] These will drive growth in both dental anesthetic applications and insulin administration pen cartridges.
- [Ampoules] Production is consolidated in Croatia, and Russia, China and India are handled in their respective markets. China also covers the Japanese market.
- [Glass tubes] Production of glass tubes for biologics is conducted in France and the U.S. We will increase the presence of internally manufactured glass tubes in markets in South Korea and Southeast Asia.

Pharma Packaging Business : Sales trends by major product

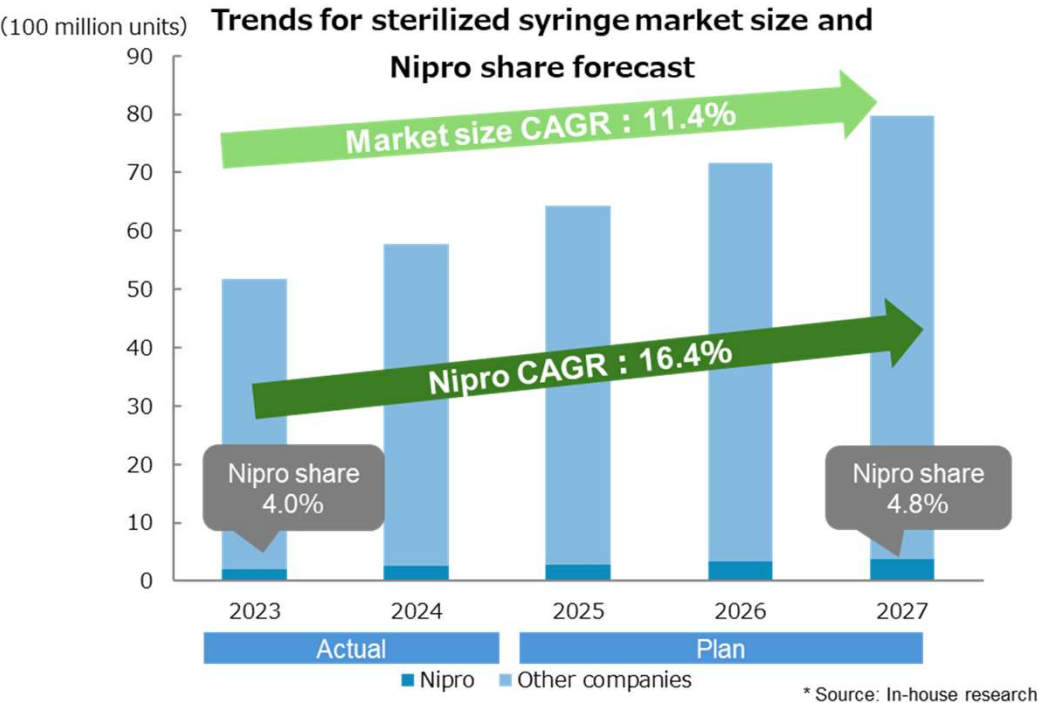


Status of changes in sales

(¥100 million)

Product Categories	FY2018-FY2024	FY2024-FY2027
Pharma Packaging Total	+237	+46
Syringes	+73	+16
Vials	+45	+41
Cartridges	+5	+4
Ampoules	+39	-14
Glass tubes	+42	+2
Other	+33	-3

Pharma Packaging Business: Market Size Trends and Share Forecasts (Sterile syringes)



Market size (FY 2027: forecast)	7,900 million units
Market growth rate (FY 2023–FY 2027) *CAGR	11.4%
Nipro share (FY 2027: forecast)	4.8%
Nipro growth rate (FY 2023–FY 2027) *CAGR	16.4%

Market characteristics

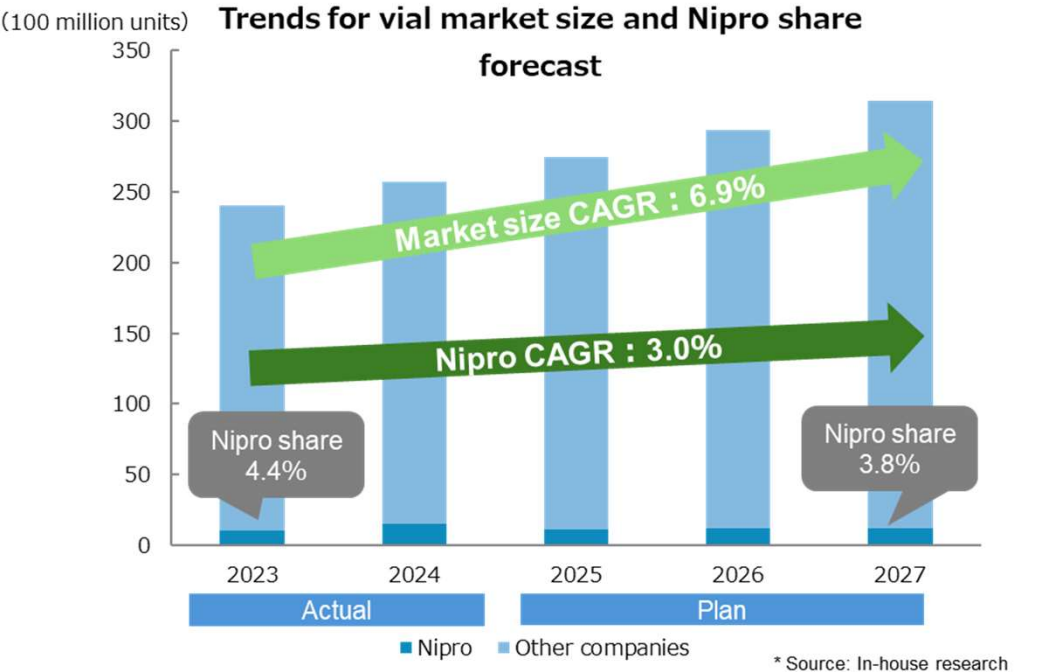
Changes in the market environment

Nipro policies

- [Japan]
- General introduction of nested syringe filling lines at pharmaceutical companies as done overseas.
- [Global]
- Global pre-fillable syringe market of 51.75 billion pieces (2023)
CAGR is predicted to be 11.4% (2023–2027).
 - As the development of biopharmaceuticals advances, line design assuming small quantity, high variety production is expected to penetrate further. Thus, demand for nested package syringes is expected to increase.
 - 2023 pre-fillable syringe market size:
 - Oncology area: About 210 million units
 - Immunology area: About 160 million units
 - Amount growth rate of biopharmaceuticals (injection drug products): 11%
 - Biologics such as mAb account for more than 80% of oncology drugs.
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- Market demand growth is associated with increased demand for new drugs.
 - Competitors like Ompi and Schott are expanding their share of the biotechnology product market.
 - In the U.S., ethylene oxide (EtO) regulation is being advanced by the Environmental Protection Agency (EPA), and demand for nested syringes using steam sterilization is expected to increase greatly.
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- Expand the manufacture and sales of high value-added pre-fillable syringes.
 - The proportion of products for biologics in the product portfolio is increasing.
 - The production of high value-added products and syringes for biotech will be consolidated in Germany.
 - Establish a D2F syringe production line using steam sterilization at Biwako Plant.
 - In Japan and Europe, we will increase sales of high value-added products by adding devices.
 - In the U.S. market, we will target large-volume drug products using high pressure steam sterilization as a strength to increase sales.
 - Consider pre-fillable syringe production in the U.S., which has the largest market size.



Pharma Packaging Business: Market Size Trends and Share Forecasts (Vials)



Market size (FY 2027: forecast)	31,400 million pieces
Market growth rate (FY 2023–FY 2027) *CAGR	6.9%
Nipro share (FY 2027: forecast)	3.8%
Nipro growth rate (FY 2023–FY 2027) *CAGR	3.0%

Market characteristics

- Due to the impacts of population growth and aging, diseases are diversifying and demand for biopharmaceuticals is increasing.
- Demand for high-quality packaging and containers suitable for macromolecular drugs such as biologics is increasing.
- A robust growth rate of 4% per year is expected for injection containers, but an annual growth rate of 15% is expected for packaging and containers suitable for biologics.
- Due to the stringent requirements for high-quality products, suppliers are being sorted.
- High-quality vial containers are used in the oncology area and for lyophilized products.
- Demand for vials with special shapes such as a intranasal vials (Unit Dose) and micro-vials is also increasing.

Changes in the market environment

- There are supply anxieties around vial demand, which increased due to COVID-19, and competition among pharmaceutical manufacturers is intensifying.
- Demand is decreasing after the control of COVID-19, resulting in excessive inventories, and the adjustment phase continues.
- Even if inventories normalize and demand recovers, the rise of Chinese manufacturers is a threat to existing products.

Nipro policies

- VIALEX is indispensable as a biotech vial suitable for polymeric formulations.
- After establishing the supply route for D2F vials using the Ompi platform, we will start building the supply of D2F vials at our plants.
- In the lyophilization area, wherein demand is high, the supply of low elution vials (VIALEX) , sterile syringes (D2F) is recommended.
- Advance the practical application and mass production of low protein adsorption and water-repellent coated vials.
- Production of general vials centered on low molecular products will be consolidated in Croatia and India.



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.

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