

# IR Materials

Q3 FY03/25

February 7, 2025

NIPRO CORPORATION



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# Business Overview

## Manufacturing, Purchasing, Logistics

The new installation of dialyzer lines (Odate, Akita, and Hefei, China) in FY03/25 is shown below. The 10th line at the Odate Plant in Akita prefecture started operation in October 2024, and the 11th line will be put in operation in April 2025. The 7th line of FB dialyzers will also be implemented in April 2025.

2024												2025						
1	2	3		4	5	6	7	8	9	10		11	12	1	2	3	4	
		<b>Hefei Plant</b>	<b>Odate Plant</b>							<b>Odate Plant</b>							<b>Odate Plant</b>	<b>Odate Plant</b>
		Dialyzers	Dialyzers							Dialyzers							FB Dialyzers	Dialyzers
		4th line	9th line							10th line							7th line	11th line
		began	began							began							will begin	will begin
		operations	operations							operations							operations	operations

## Sales

- Dialysis medical devices : Sales of dialyzers increased as we captured large projects in North America and commenced shipments for Egyptian government tenders, while there was also a switch from other companies in Europe. In Asia, single-use applications spread and shipments for government tenders started. Dialysis centers increased in Central and South America and China.
- Vascular-related products : Sales of drug-eluting balloons whose sales were down in the previous quarter due to a competitor putting new products on the market increased due to the recovering of market share resulting from the indication expansion.
- SD-related products : Sales remained steady due to stronger sales and increased maintenance contracts of HeartMate 3, resulting from an indication expansion.
- Pharmaceuticals (own brand) : Sales of oral drugs decreased due to a fall in prices of drugs although quantity increased as Treatment of Patient's Choice has started. Sales of injection products and external preparation increased respectively due to launch of new products for injection products and an increase of shipment for external preparation products.
- Pharmaceuticals (contract manufacturing) : In Japan, sales of GE products fell due to a decline in orders and contract terminations, but sales of brand-name/long-listed products grew due to an increase in orders and the commencement of deliveries of new consigned products. Overseas, JMI Pharma enjoyed steady sales.
- Pharma Packaging : Sales of Pharma Packaging increased due to the increasing demand of sterilized syringes in Europe, glass tubes, ampules and vials in India, and infusion related products and glass tubes in Japan in spite of the decreasing demand of vials and glass tubes in the U.S. and vials and ampules in China.

## Acquisition of Dialysis RO Equipment Manufacturing Company in China (December 26th)

A consolidated Nipro subsidiary, Nipro Trading (Shanghai) Co., Ltd. has acquired Sichuan Pure Science and Technology Co., Ltd., a manufacturer of dialysis RO equipment, as of October 6, 2024. This acquisition will enable Nipro Group to enhance lineup of dialysis-related products, strengthen Nipro's presence in the growing Chinese market, and capture a leading market share.

# Q3 FY03/25 Results

						Quarterly Results					
	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (as of May)	FY03/25 Forecast (as of November)	FY03/24		FY03/25			
						Q3	Q4	Q1	Q2	Q3	
(¥ 100 million)											
Net sales	4,391.3	<b>4,792.8</b>	+401.4 +9.1%	<b>6,450.0</b>	<b>6,450.0</b>	1,532.6	1,476.5	1,523.9	1,596.2	<b>1,672.6</b>	
Cost of sales	3,070.6	<b>3,335.5</b>	+264.9 +8.6%	<b>4,525.0</b>	<b>4,525.0</b>	1,070.0	1,084.0	1,064.8	1,111.8	<b>1,158.8</b>	
Gross profit <small>(※1)</small>	1,320.7 30.1%	<b>1,457.2</b> 30.4%	+136.5 +10.3%	<b>1,925.0</b> 29.8%	<b>1,925.0</b> 29.8%	462.6 30.2%	392.4 26.6%	459.0 30.1%	484.3 30.3%	<b>513.8</b> 30.7%	
SG&A expenses	1,097.0 25.0%	<b>1,235.1</b> 25.8%	+138.0 +12.6%	<b>1,600.0</b> 24.8%	<b>1,600.0</b> 24.8%	373.9 24.4%	392.7 26.6%	401.1 26.3%	407.6 25.5%	<b>426.3</b> 25.5%	
Operating profit	223.6 5.1%	<b>222.0</b> 4.6%	-1.5 -0.7%	<b>325.0</b> 5.0%	<b>325.0</b> 5.0%	88.7 5.8%	-0.2 -0.0%	57.8 3.8%	76.7 4.8%	<b>87.4</b> 5.2%	
Ordinary profit <small>(※2)</small>	200.1 4.6%	<b>140.0</b> 2.9%	-60.0 -30.0%	<b>276.0</b> 4.3%	<b>223.0</b> 3.5%	52.7 3.4%	-5.0 -0.3%	64.2 4.2%	-19.2 -1.2%	<b>95.1</b> 5.7%	
Profit attributable to owners of parent	126.2 2.9%	<b>65.9</b> 1.4%	-60.3 -47.8%	<b>158.0</b> 2.4%	<b>158.0</b> 2.4%	26.9 1.8%	-15.2 -1.0%	26.2 1.7%	-24.9 -1.6%	<b>64.6</b> 3.9%	

- **Net sales** In the medical devices, sales overseas were strong in the B2B business and dialyzers in North America, Europe and Asia in addition to the weaker yen. In the pharmaceutical business, net sales of GE products fell because of the decreasing demand of oral drugs and injection products, but for the brand-name/long-listed drugs, an increasing demand of all dosage forms helped net sales grow. Pharma Packaging enjoyed steady sales in Japan and Europe. As a whole, net sales increased 9.1% YoY.
- **Gross profit** Gross profit margin increased 10.3% YoY as raw material costs and electricity charges were restrained whereas there were increases in the amount deducted of unrealized gain and depreciation resulting from continuous capital investment.
- **Operating profit** Operating profit dropped marginally YoY due to the increases in personnel expenses and commission expenses and a rise in depreciation for the dialysis centers in North, Central and South America.
- **Ordinary profit** Ordinary profit decreased ¥6,000 million YoY due to an equity method investment loss and higher interest expenses. In addition, ¥1,310 million of foreign exchange gain was recorded in the previous fiscal year whereas ¥1,400 million foreign exchange loss was recorded this fiscal year, resulting in a net deterioration of ¥2,710 million.
- **Profit** Profit decreased ¥6,030 million YoY as there were gains from the sale of cross-held stocks and fixed assets in the previous fiscal year, which were not accounted this fiscal year.

(\*1) Effect of unrealized gains on gross profit  
 Q3 FY03/24 -¥600 million  
 Q3 FY03/25 -¥1,930 million

(\*2) Foreign exchange gains  
 Q3 FY03/24 +¥1,310 million  
 Q3 FY03/25 -¥1,400 million

# SG&A Expenses: Major Accounts

(¥ 100 million)	Q3 FY03/24	Q3 FY03/25		Change (Change %)	FY03/25 Forecast (Achievement %)
		Actual	% of Total		
Personnel	362.2	<b>418.9</b>	33.9%	+56.7 +15.7%	<b>514.4</b> 81.4%
R&D (*1)	133.3	<b>137.6</b>	11.1%	+4.3 +3.3%	<b>190.0</b> 72.5%
Transportation	105.3	<b>118.8</b>	9.6%	+13.4 +12.8%	<b>176.4</b> 67.4%
Depreciation (*2)	97.9	<b>116.4</b>	9.4%	+18.5 +18.9%	<b>132.7</b> 87.7%
Commission expenses (*3)	49.2	<b>78.5</b>	6.4%	+29.3 +59.6%	<b>99.8</b> 78.7%
Promotion (*4)	74.0	<b>62.6</b>	5.1%	-11.4 -15.4%	<b>96.5</b> 64.9%
Travel & transportation	32.2	<b>35.7</b>	2.9%	+3.5 +10.9%	<b>52.2</b> 68.4%
Storage	27.9	<b>30.0</b>	2.4%	+2.1 +7.5%	<b>31.9</b> 94.1%
Other	214.7	<b>236.1</b>	19.1%	+21.3 +10.0%	<b>305.7</b> 77.2%
<b>Total</b>	<b>1,097.0</b>	<b>1,235.1</b>	<b>100.0%</b>	<b>+138.0</b> <b>+12.6%</b>	<b>1,600.0</b> <b>77.2%</b>

\*1: R&D expenses, experimentation and research expenses, and development amortization  
\*2: Depreciation, goodwill amortization  
\*3: Sales commissions, samples, advertising, and entertainment expenses  
\*4: Commission expenses, consulting expenses

- **Personnel expenses** Personnel expenses increased ¥5,670 million YoY due to a base salary hike and the increased number of employees in Japan, and the impact of foreign exchange and the increased number of employees overseas.
- **Transportation expenses** Transportation expenses increased ¥1,340 million YoY due to the freight hike in Europe and North, Central and South America.
- **Depreciation** Depreciation increased ¥1,850 million YoY due to the increase of goodwill amortization and the introduction of dialysis equipment in the newly-acquired dialysis clinics in North, Central and South America.
- **Commission expenses** Commission expenses increased ¥2,930 million YoY due to a rise in expenses related to software license contract fees for dialysis management system as well as expenses related to logistics improvement and to the obtaining of certification for dialysis devices in Europe.

# SG&A Expenses: R&D Expenses

(¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
<b>Medical (*1)</b>	76.4	<b>90.0</b>	+13.5 +17.8%	101.6 88.6%
<b>Pharmaceutical</b>	67.7	<b>57.4</b>	-10.2 -15.2%	85.0 67.6%
<b>Pharma Packaging</b>	2.2	<b>2.6</b>	+0.3 +13.4%	3.4 76.6%
<b>Total (*2)</b>	146.4	<b>150.0</b>	+3.5 +2.5%	190.0 79.0%

\*1: Figures for the previous fiscal year have been revised since research and development expenses for outsourcing were recorded from the current fiscal year.

\*2: Including research and development expenses in manufacturing costs

- **Medical-Related** Up ¥1,350 million YoY due to the development of new vascular products.
- **Pharmaceutical-Related** Down ¥1,020 million YoY due to a decrease in depreciation and labor costs.
- **Pharma Packaging** Up ¥30 million YoY due to an increase of development expenses for new products.

# Capex and Depreciation

	Capex						Depreciation			
	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast as of May (Achievement %)	FY03/25 Forecast as of November (Achievement %)	FY03/25 Forecast as of February (Achievement %)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
(¥ 100 million)										
<b>Medical-Related</b>	332.4	<b>257.3</b>	-75.1 -22.6%	384.0 67.0%	384.0 67.0%	384.0 67.0%	206.3	<b>249.7</b>	+43.4 +21.0%	318.1 78.5%
<b>Pharmaceutical-Related</b>	166.1	<b>150.7</b>	-15.4 -9.3%	103.0 146.4%	143.0 105.4%	(*) 165.5 91.1%	110.0	<b>113.8</b>	+3.8 +3.5%	156.1 73.0%
<b>Pharma Packaging</b>	102.2	<b>61.8</b>	-40.3 -39.5%	125.0 49.5%	125.0 49.5%	125.0 49.5%	47.0	<b>56.4</b>	+9.4 +20.1%	67.7 83.4%
<b>Other</b>	59.8	<b>17.3</b>	-42.4 -71.0%	12.0 144.4%	12.0 144.4%	12.0 144.4%	40.5	<b>37.7</b>	-2.8 -7.0%	56.2 67.2%
<b>Total</b>	660.6	<b>487.2</b>	-173.4 -26.2%	624.0 78.1%	664.0 73.4%	686.5 71.0%	403.9	<b>457.8</b>	+53.8 +13.3%	598.1 76.6%

\*: Although ¥2,250 million in subsidy was expected to be received in Q4 of the current fiscal year, it was confirmed that it will be received from the next fiscal year, and the full-year forecast has been changed from ¥14,300 million to ¥16,550 million.

## ● Capex

In Medical-Related, capex decreased ¥7,510 million YoY due to the completion of the ¥15,800 million of building construction at the Odate Plant whereas total capex was ¥25,730 including the implementation of a new dialyzer line of ¥3,780 million at the Hefei Plant, China, ¥10,270 million at the Odate Plant, and capital investment of ¥1,320 million in insulin needles due to increased demand for GLP-1 at Nipro Thailand Corporation.

In Pharmaceutical-Related, the Ohmi Plant of Nipro Pharma spent ¥8,960 million on a new antibiotic building and a vial building, bringing the total to ¥15,070 million, but the Izumi Plant of Zensei Pharmaceutical, which invested ¥1,410 million in the previous year, has been completed, resulting in a decrease of ¥1,540 million YoY.

In Pharma Packaging, capex decreased ¥4,030 million YoY. The total capex was ¥6,180 million, including ¥1,000 million for plant expansion and line additions in the U.S. and ¥1,700 million for a syringe line in Germany, but the completion of the ¥2,000 million of new line expansion in Germany and the ¥2,800 million of introduction of all-oxyfuel combustion furnace in France made the total capex fell YoY.

In Other items, capex was down ¥4,240 million YoY as the construction of buildings was completed at the Saitama Pharmaceutical Research Institute in the previous fiscal year.

## ● Depreciation

Depreciation finished as planned as there were no substantial delays in construction in all segments, and all facilities began operations.

# P&L Excluding Forex Impact

(¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Exchange rate Impact*	FY03/25 Results Excl. Impact	Change %
	[a]	[b]	[c]	[d=b-c]	[d÷a]
<b>Net sales</b>	4,391.3	4,792.8	+169.5	<b>4,623.2</b>	+5.3%
<b>Cost of sales</b>	3,070.6	3,335.5	+90.4	<b>3,245.1</b>	
<b>Gross profit</b>	1,320.7	1,457.2	+79.1	<b>1,378.0</b>	+4.3%
(%)	30.1%	30.4%		<b>29.8%</b>	
<b>SG&amp;A expenses</b>	1,097.0	1,235.1	+47.7	<b>1,187.4</b>	
<b>Operating profit</b>	223.6	222.0	+31.4	<b>190.6</b>	-14.8%
(%)	5.1%	4.6%		<b>4.1%</b>	
<b>Non-operating income</b>	51.7	37.5	+27.2	<b>10.3</b>	
<b>Non-operating expenses</b>	75.2	119.5		<b>119.5</b>	
<b>Ordinary profit</b>	200.1	140.0	+58.6	<b>81.4</b>	-59.3%
<b>Extraordinary income</b>	51.6	18.4		<b>18.4</b>	
<b>Extraordinary losses</b>	30.9	14.5		<b>14.5</b>	
<b>Profit before tax</b>	220.8	143.9	+58.6	<b>85.3</b>	-61.4%
<b>Income taxes</b>	85.8	64.3	+26.2	<b>38.1</b>	
<b>Profit attributable to non-controlling interests</b>	8.7	13.6		<b>13.6</b>	
<b>Profit</b>	126.2	65.9	+32.4	<b>33.5</b>	-73.5%

\*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-Sep 2023	Jan-Sep 2024	FY-end rate	Dec. 2022	Mar. 2023	Jun. 2023	Sep. 2023	Dec. 2023	Mar. 2024	Jun. 2024	Sep. 2024	Dec. 2024
<b>1 USD</b>	139.55	151.59	<b>1 USD</b>	132.70	133.53	144.99	149.58	141.83	151.41	161.07	142.73	158.18
<b>1 EUR</b>	151.20	164.61	<b>1 EUR</b>	141.47	145.72	157.60	158.00	157.12	163.24	172.33	159.43	164.92
<b>1 CNY</b>	19.72	21.05	<b>1 CNY</b>	19.01	19.42	19.94	20.46	19.93	20.83	22.04	20.46	21.67



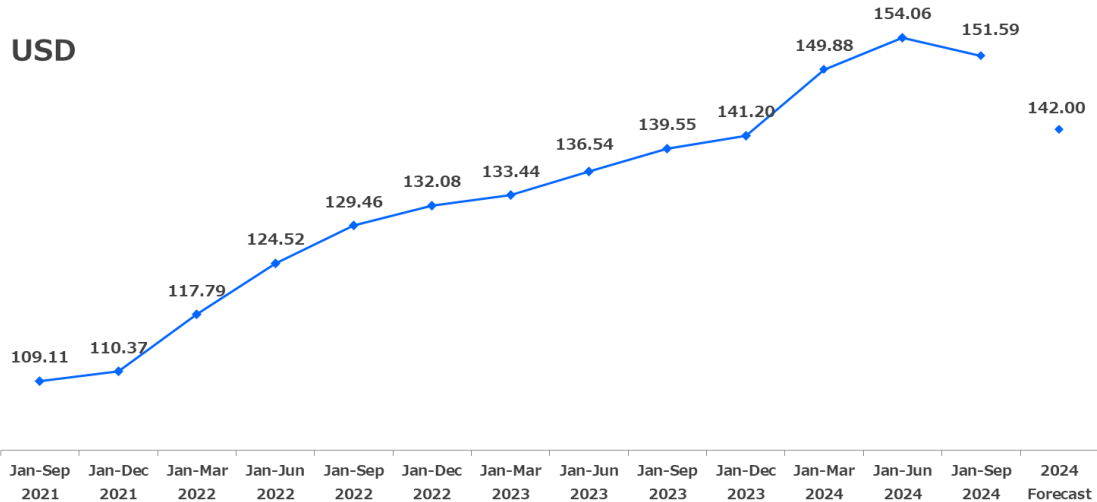
# Exchange Rate Sensitivity

## Annual impact of a ¥1 change in exchange rate

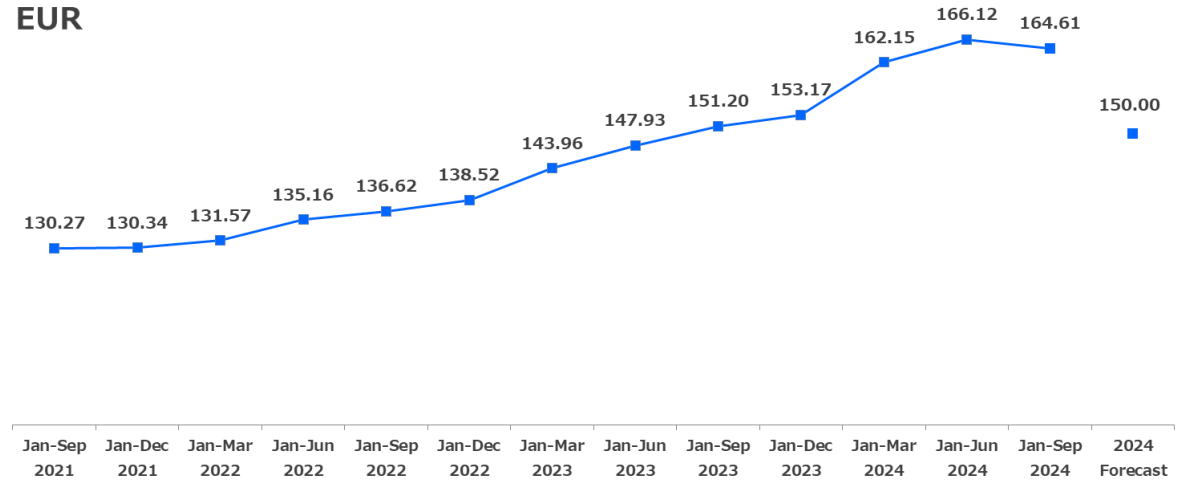
(¥ 100 million)	USD	EUR	CNY
Net sales	9.6	5.7	17.0
Operating profit	0.9	2.2	8.4

## Average exchange rate

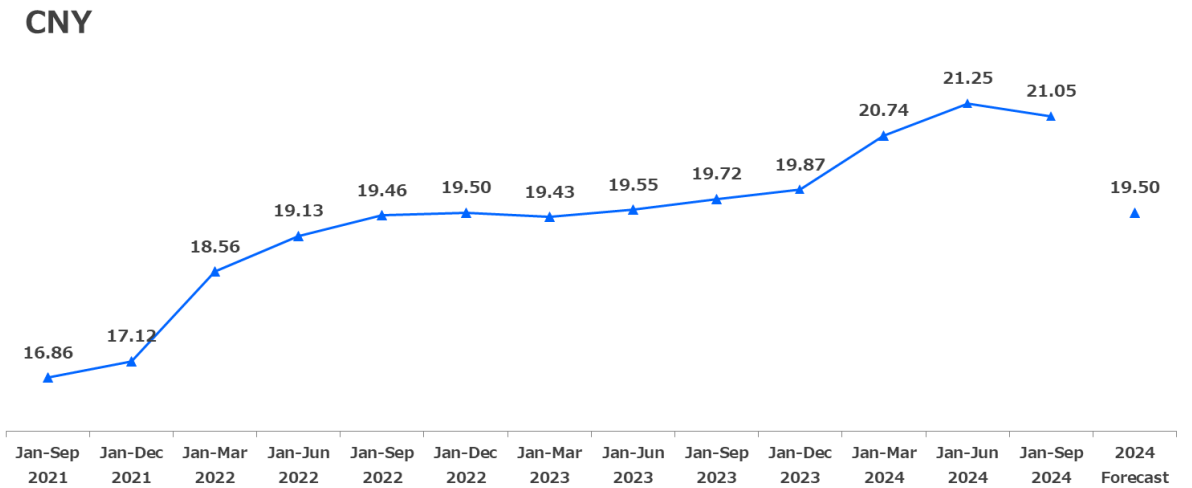
### USD



### EUR



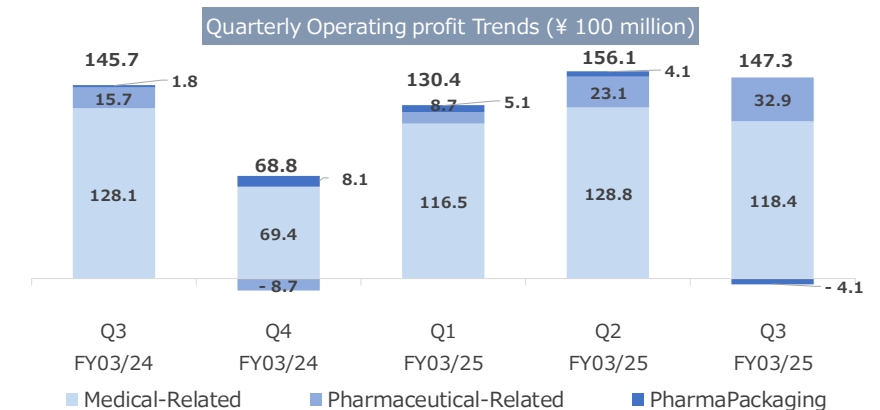
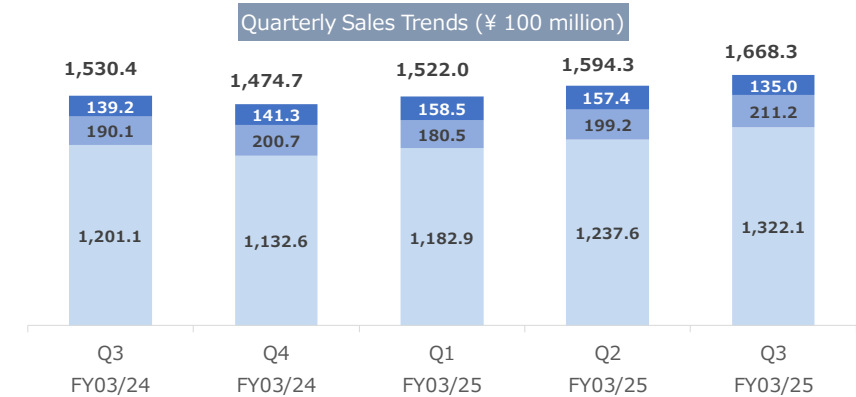
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# Net Sales and Operating Profit by Segment

Net sales (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
Medical-Related	3,403.4	3,742.6	+339.1 +10.0%	5,013.0 74.7%
Pharmaceutical-Related	542.4	591.0	+48.5 +9.0%	812.5 72.7%
Pharma Packaging	439.0	451.0	+11.9 +2.7%	618.2 73.0%

Operating profit (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast as of May (Profit ratio)	FY03/25 Forecast as of February (Profit ratio)
Medical-Related	353.7 10.4%	363.8 9.7%	+10.1 +2.9%	471.0 9.4%	494.1 +9.9%
Pharmaceutical-Related	53.0 9.8%	64.9 11.0%	+11.8 +22.3%	90.3 11.1%	90.3 +11.1%
Pharma Packaging	16.3 3.7%	5.2 1.2%	-11.1 -68.2%	26.0 4.2%	2.9 +0.5%



- **Medical-Related**

Operating profit increased ¥1,010 million YoY due to strong sales of medical devices overseas despite there was an increase in depreciation, personnel expenses, and commission expenses.

- **Pharmaceutical-Related**

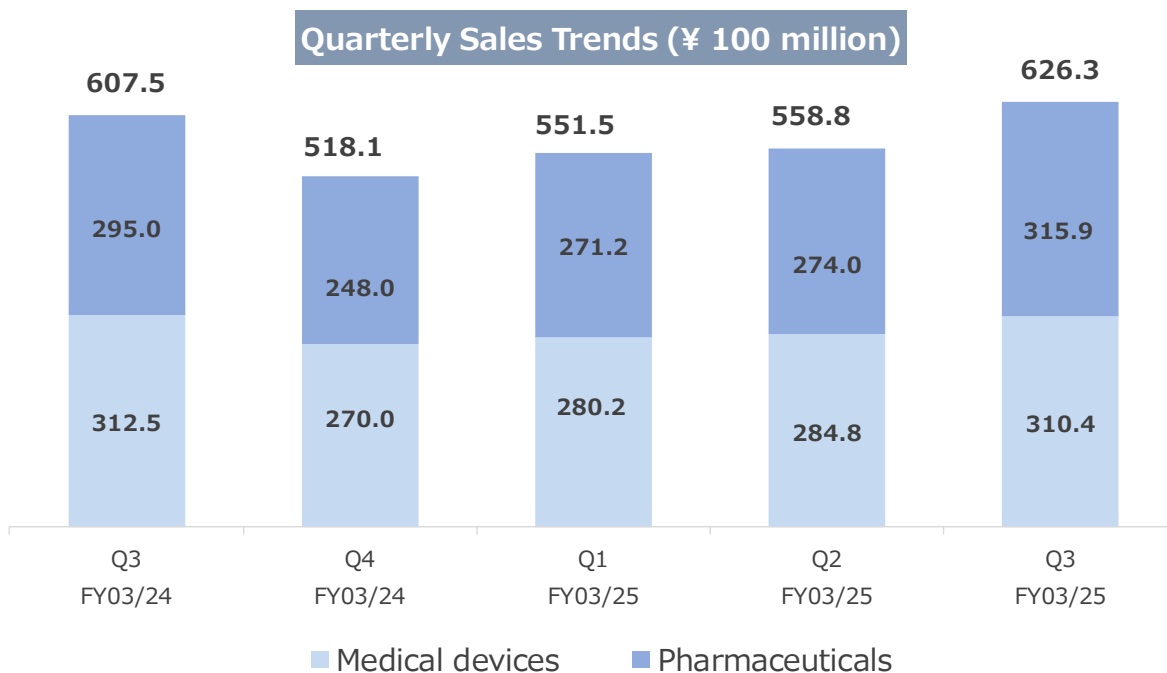
Net sales increased caused by the strong sales of newly-contracted injection and external preparation products of brand-name/long-listed drugs although generic drugs were down due to the decreasing orders. Personnel expenses, depreciation, and utility costs relating to establishing the Ohmi Plant increased, but the cost of raw materials were down, making the operating profit up ¥1,180 million YoY.

- **Pharma Packaging**

Whereas net sales grew, operating profit fell ¥1,110 million YoY due to the increased labor costs and depreciation.

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

Net sales (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
<b>Domestic business</b>	1,745.5	<b>1,736.6</b>	-8.8 -0.5%	2,367.0 73.4%
<b>Medical devices</b>	885.9	<b>875.4</b>	-10.4 -1.2%	1,194.0 73.3%
<b>Pharmaceuticals</b>	859.5	<b>861.1</b>	+1.5 +0.2%	1,173.0 73.4%



## ● Medical devices

Sales of needles increased ¥1,490 million YoY due to the increase in shipping caused by competitors' limited shipments and the rapid expansion of the flu. Infusion-related products increased ¥710 million YoY due to the passing on of higher costs to sales prices and a rebound from the slump thanks to the easing of COVID-19.

Sales of SD-related products in Q3 solely fell ¥40 million YoY as there was temporary decrease in demand of HeartMate 3. However, sales in Q3 cumulatively increased ¥600 million YoY as HeartMate 3 enjoyed steady sales associated with an indication expansion for DT cases.

In vascular-related products, sales of drug-eluting balloons decreased in Q1 and Q2 in FY2023 as our competitor launched its new products, but recovery of market share resulted from indication expansion helped its sales grow ¥770 million YoY.

In China, net sales were down ¥4,210 million YoY due to the transfer of sales from a subsidiary under the domestic Medical-Related business to a subsidiary under the overseas Medical-Related business. As a result, the sales of vascular-related products decreased ¥3,470 million YoY.

## ● Pharmaceuticals

Sales of oral drugs decreased ¥1,950 million YoY as the impact of the decline in the NHI drug prices, including that of Nexium AG, continued although the volume of oral drugs increased due to the promotion of the switch to generic drugs following the start of the Treatment of Patient's Choice.

Sales of injections and infusions increased ¥1,170 million YoY due to the increased shipment of Pegfilgrastim BS, a drug to prevent development of cancer chemotherapy-induced febrile neutropenia.

Sales of external preparations increased ¥740 million YoY due to the increased shipment.

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

Net sales (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
<b>Overseas business</b>	1,622.0	<b>1,970.1</b>	+348.0 +21.5%	2,594.0 75.9%
<b>B2B (other brands)</b>	200.3	<b>240.1</b>	+39.7 +19.8%	312.5 76.8%
<b>Nipro brands</b>	1,421.6	<b>1,729.9</b>	+308.3 +21.7%	2,281.5 75.8%
<b>Americas</b>	604.5	<b>758.4</b>	+153.8 +25.5%	997.0 76.1%
<b>Europe</b>	340.6	<b>388.7</b>	+48.0 +14.1%	469.4 82.8%
<b>Asia</b>	270.1	<b>336.0</b>	+65.9 +24.4%	447.0 75.2%
<b>China</b>	206.3	<b>246.7</b>	+40.4 +19.6%	368.0 67.0%

## ● B2B

Sales of insulin needles were strong due to higher demand for GLP-1 in Europe, resulting in a ¥3,970 million YoY increase.

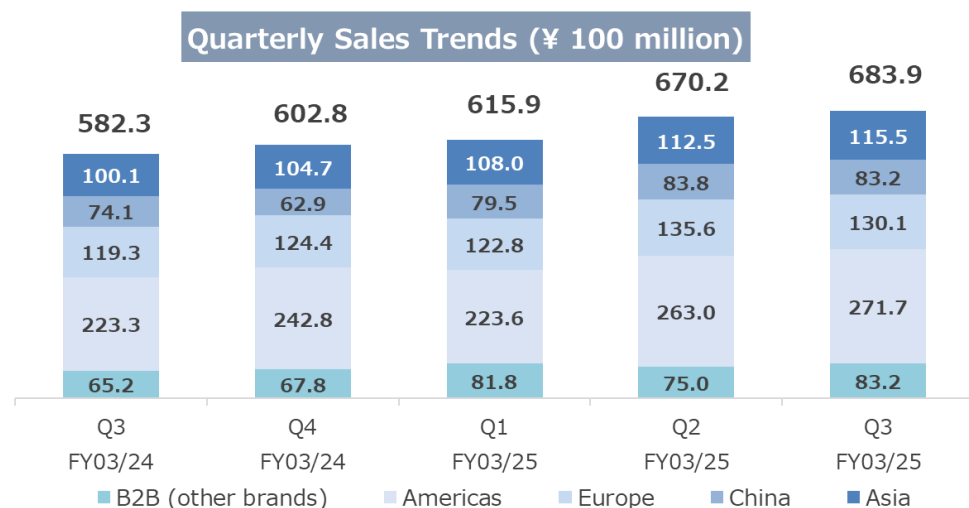
## ● Nipro brand

In the Americas, net sales rose ¥15,380 million YoY due to a large contract of dialyzers and dialysis equipment and increasing demand of AVF and blood circuit whose demand was temporarily down because of inventory adjustment of customers in North America. In Central and South America, net sales grew due to an expansion in dialysis centers in Chile and Guatemala, and the capturing of government tenders for dialysis equipment, needles and infusion related products in Honduras and Mexico. In addition, weaker yen was another factor of sales growth.

In Europe, net sales increased ¥4,800 million YoY due to the start of shipments of dialyzers for the Egyptian government's tenders and a switch from other companies as well as the impact of the yen's depreciation.

In Asia, net sales increased ¥6,590 million YoY due to the shift to single use in Indonesia, the effect of the yen's depreciation, the increases in sales of dialysis equipment shipped to the Saudi Arabian, UAE's and Indian government, and needles and infusion sets in Thailand.

In China, although the sales of dialyzers decreased due to the restrained buying and fall in unit prices following the commencement of centralized purchasing, net sales rose ¥4,040 million as dialysis centers expanded and sales of vascular-related products were transferred from a subsidiary under the domestic Medical-Related business to a subsidiary under the overseas Medical-Related business.



# Segment Results – (2) Pharmaceutical-Related

Net sales (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
<b>Pharmaceutical-Related</b>	542.4	<b>589.9</b>	+47.4 +8.7%	812.5 72.6%
<b>Generic drugs</b>	284.0	<b>258.2</b>	-25.7 -9.1%	347.0 74.4%
<b>Brand-name drugs</b>	184.2	<b>244.6</b>	+60.3 +32.7%	334.9 73.0%
<b>Long-listed drugs</b>				
<b>OTC drugs</b>	28.1	<b>31.5</b>	+3.3 +11.8%	63.5 49.6%
<b>Active ingredients, etc.</b>				
<b>JMI Pharma</b>	45.9	<b>55.4</b>	+9.5 +20.8%	67.0 82.8%

## ● Generic drugs

Sales of oral drugs fell ¥440 million YoY due to a decline in orders.

Sales of injections dropped ¥1,900 million YoY due to the termination of consignment of products and a decrease in orders of main anticancer drugs because of the overstock of customers.

Sales of external preparations rose ¥240 million YoY due to items for which the contract was terminated.

## ● Brand-name/long-listed drugs

Sales of oral drugs rose ¥1,240 million YoY due to an increase in orders.

Sales of injections grew ¥3,680 million YoY due to the start of deliveries of new consigned products and an increase in orders for existing items.

Sales of external preparations rose ¥1,120 million YoY due to the commencement of deliveries of new consigned products.

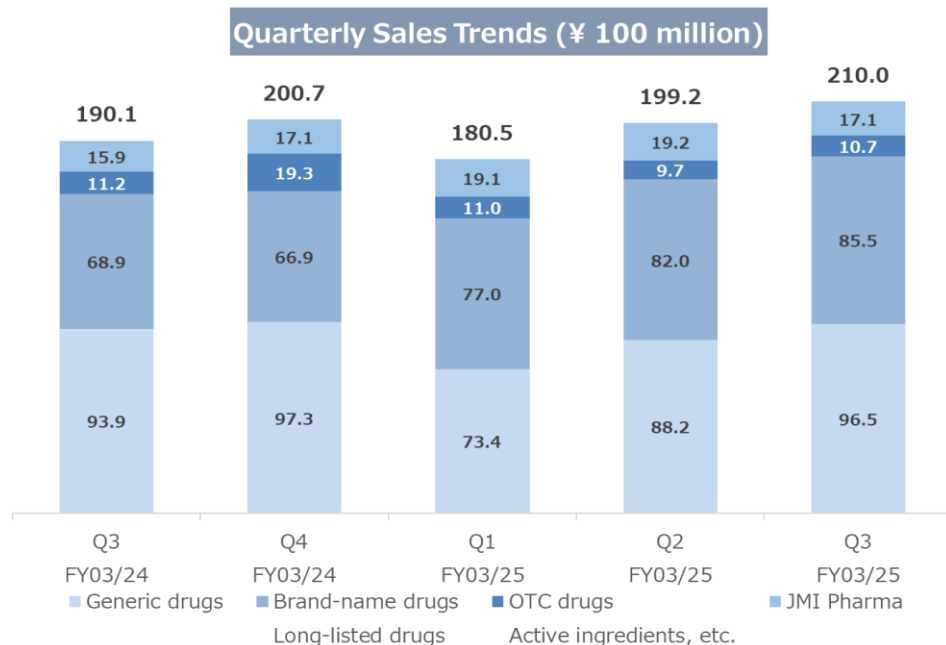
## ● OTC drugs, active ingredients, etc.

Sales grew ¥330 million YoY due to an increase in orders and price hike for OTC topical formulations.

## ● JMI Pharma

Net sales of JMI Pharma grew 18.9% YoY on a local currency basis as a result of putting 22 new products on the market and a growing number of adopting institutions in addition to increased promotion to physicians and a focus on chronic disease drugs.

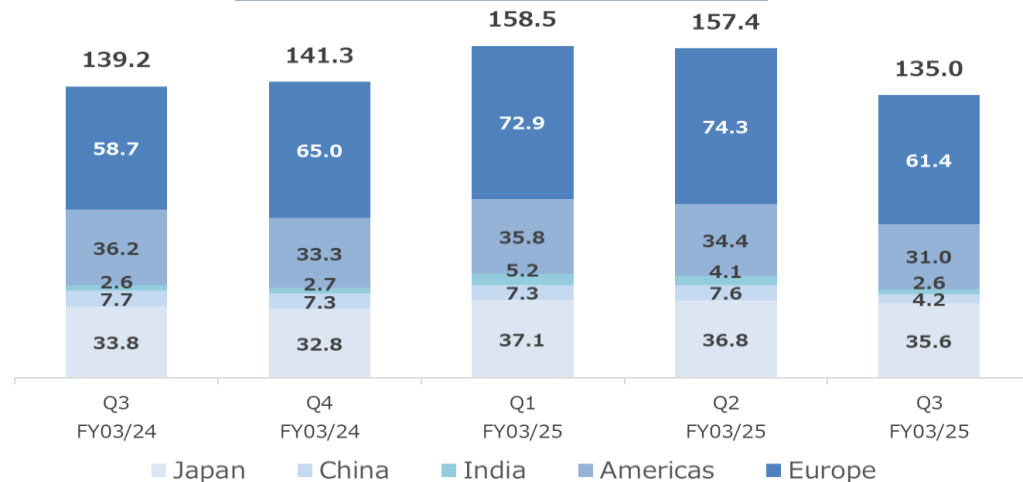
Net sales increased 20.8% YoY on a Japanese yen basis due to the impact of exchange rate fluctuations.



# Segment Results – (3) Pharma Packaging

Net sales (¥ 100 million)	Q3 FY03/24	Q3 FY03/25	Change (Change %)	FY03/25 Forecast (Achievement %)
<b>Pharma Packaging</b>	439.0	<b>451.0</b>	+11.9 +2.7%	618.2 73.0%
<b>Japan</b>	98.4	<b>109.6</b>	+11.2 +11.4%	140.4 78.1%
<b>Overseas</b>	340.5	<b>341.3</b>	+0.7 +0.2%	477.7 71.4%
<b>Europe</b>	186.6	<b>208.8</b>	+22.1 +11.8%	289.9 72.0%
<b>Americas</b>	108.0	<b>101.2</b>	-6.7 -6.2%	147.5 68.6%
<b>China</b>	35.6	<b>19.3</b>	-16.3 -45.9%	19.4 99.5%
<b>India</b>	10.1	<b>11.9</b>	+1.7 +17.1%	20.8 57.4%

Quarterly Sales Trends (¥ 100 million)



## ● Japan

Net sales were up ¥1,120 million YoY. On a quarterly basis, H2 showed downward trend as a reaction to good performance in H1 with increasing order of infusion-related and plastic parts for kits in Q1 in addition to continuous and higher demand of vials. Sales of glass tubes fell, but its intense demand foreseeing the price hike in October, 2024 also helped sales in Japan grow.

## ● Overseas

In Europe, net sales rose ¥2,210 million YoY due to an increase in demands of higher profit products such as sterilized syringes.

In the U.S., net sales declined ¥670 million caused by the inventory adjustment of customers, leading to the lower demand of glass tubes and vials.

In China, net sales declined ¥1,630 million YoY as a result of excluding an entity from consolidation in Q1/FY2023 and of decreasing order of ampules and vials although they have been switched the sale from lower profit products to higher profit ones.

In India, net sales grew ¥170 million YoY due to growth in demand for glass tubes for physics and chemistry, ampules for Algeria, and stacked shipment of small quantity products of vials although quarterly sales are on a downward trend.

# Net Sales by Segment and Product Category

Segment		Medical -Related	Pharmaceutical -Related	Pharma Packaging	Other	Total
Product	(¥ 100 million)					
Medical devices	Q3 FY03/25	2,766.5	0.0	32.9	0.0	2,799.4
	Q3 FY03/24	2,449.1	0.0	31.6	0.0	2,480.7
Pharmaceuticals	Q3 FY03/25	974.3	591.0	5.0	0.0	1,570.4
	Q3 FY03/24	953.5	542.4	5.3	0.0	1,501.3
Pharma Packaging	Q3 FY03/25	1.7	0.0	411.9	0.0	413.6
	Q3 FY03/24	0.7	0.0	401.0	0.0	401.7
Other	Q3 FY03/25	0.0	0.0	1.1	8.1	9.2
	Q3 FY03/24	0.0	0.0	0.9	6.4	7.4
Total	Q3 FY03/25	3,742.6	591.0	451.0	8.1	4,792.8
	Q3 FY03/24	3,403.4	542.4	439.0	6.4	4,391.3

\*1: In-house generic drugs

\*2: Contract manufacturing of pharmaceuticals

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

# Net Sales by Segment and Region

Region	Segment	Medical -Related	Pharmaceutical -Related	Pharma Packaging	Other	Total
	(¥ 100 million)					
Japan	Q3 FY03/25	1,740.2	530.0	109.9	8.1	2,388.4
	Q3 FY03/24	1,707.3	491.7	98.7	6.3	2,304.1
Overseas total	Q3 FY03/25	2,002.3	60.9	341.0	0.0	2,404.3
	Q3 FY03/24	1,696.1	50.7	340.2	0.0	2,087.2
Americas	Q3 FY03/25	826.6	0.0	98.5	0.0	925.3
	Q3 FY03/24	678.9	0.0	102.4	0.0	781.5
Europe	Q3 FY03/25	478.2	2.4	205.5	0.0	686.3
	Q3 FY03/24	387.5	2.3	188.9	0.0	578.7
China	Q3 FY03/25	252.1	0.2	20.7	0.0	273.1
	Q3 FY03/24	256.2	0.2	35.7	0.0	292.1
Other Asia	Q3 FY03/25	445.2	58.2	16.1	0.0	519.5
	Q3 FY03/24	373.4	48.1	13.1	0.0	434.7
Total	Q3 FY03/25	3,742.6	591.0	451.0	8.1	4,792.8
	Q3 FY03/24	3,403.4	542.4	439.0	6.4	4,391.3

## ● By region

Net sales were strong in all regions, with Japan making up 49.8% of net sales and overseas 50.1%.

## ● By segment

Regarding medical devices in Japan, sales of needles and infusion-related products rose due to the passing on of higher costs to sales prices as well as the recovery of demand that had declined during the Covid-19 pandemic. In Pharmaceuticals, sales of oral drugs, including Nexium AG, fell, but sales of injection and external preparation increased with the increase in shipment.

In international medical devices, sales rose due to robust sale of dialyzers in Europe, America and Asia and needles for GLP-1 in Europe's B2B in addition to the yen's depreciation. Dialysis centers multiplied in Central and South America and China.

In Pharmaceutical-Related, overseas sales of JMI Pharma were steady. In Japan, sales increased due to the commencement of deliveries of new consigned products in brand-name/long-listed products and the increase in orders of existing products although sales of GE products decreased due to a decline in orders.

In Pharma Packaging, net sales grew due to higher demand for infusion-related products, plastic parts for kits, glass tubes, and vials in Japan. In Americas, sales of glass tubes and vials fell due to a decline in orders. Sales of sterilized syringes in Europe and glass tubes, ampules and vials in India were strong. In China, net sales declined YoY as a result of excluding an entity from consolidation, associated with the transfer of interest of subsidiaries.



# 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			
		Q3 FY03/24	Q3 FY03/25	Change	Change %	Q3 FY03/24	Q3 FY03/25	Change	Change %	Q3 FY03/24	Q3 FY03/25	Change	Change %
Medical devices	Dialyzers	700.2	799.1	+98.8	+14.1%	523.4	623.9	+100.5	+19.2%	176.8	175.1	-1.7	-1.0%
	Dialysis equipment	167.4	224.0	+56.5	+33.8%	115.3	171.6	+56.2	+48.8%	52.0	52.3	+0.3	+0.6%
	Other dialysis-related products	402.5	458.3	+55.7	+13.9%	337.3	392.0	+54.6	+16.2%	65.2	66.3	+1.1	+1.7%
	<b>Dialysis-related products total</b>	<b>1,270.2</b>	<b>1,481.5</b>	<b>+211.2</b>	<b>+16.6%</b>	<b>976.1</b>	<b>1,187.6</b>	<b>+211.5</b>	<b>+21.7%</b>	<b>294.1</b>	<b>293.8</b>	<b>-0.2</b>	<b>-0.1%</b>
	Needles	362.1	402.9	+40.8	+11.3%	234.8	261.6	+26.8	+11.4%	127.3	141.3	+14.0	+11.0%
	Vascular products	236.1	249.4	+13.2	+5.6%	56.5	62.2	+5.7	+10.2%	179.6	187.1	+7.5	+4.2%
	Infusion-related products	161.8	180.5	+18.7	+11.6%	64.9	74.9	+10.0	+15.4%	96.9	105.6	+8.7	+9.0%
	Testing products	93.4	98.3	+4.9	+5.3%	65.3	67.5	+2.2	+3.4%	28.0	30.7	+2.7	+9.8%
	Diabetes-related products	80.6	101.9	+21.2	+26.4%	70.5	92.7	+22.2	+31.5%	10.0	9.1	-0.9	-9.5%
	Surgical device-related products	64.4	73.6	+9.1	+14.2%	15.0	18.2	+3.2	+21.3%	49.4	55.3	+5.9	+12.0%
	Other products	206.0	207.2	+1.2	+0.6%	117.9	122.2	+4.2	+3.6%	88.1	85.0	-3.0	-3.5%
<b>Category Total</b>	<b>2,474.9</b>	<b>2,795.6</b>	<b>+320.6</b>	<b>+13.0%</b>	<b>1,601.2</b>	<b>1,887.3</b>	<b>+286.0</b>	<b>+17.9%</b>	<b>873.7</b>	<b>908.3</b>	<b>+34.5</b>	<b>+4.0%</b>	
Pharmaceuticals (own brand)	Oral drugs	388.2	368.3	-19.8	-5.1%	0.5	0.1	-0.3	-68.5%	387.7	368.1	-19.5	-5.0%
	Injection and infusion products	427.5	458.3	+30.7	+7.2%	91.5	110.4	+18.9	+20.8%	336.0	347.8	+11.7	+3.5%
	External preparations and patches	52.6	60.1	+7.4	+14.1%	-	-	-	-	52.6	60.1	+7.4	+14.1%
	Others, in vitro diagnostics, etc.	85.0	87.5	+2.5	+3.0%	2.1	2.6	+0.5	+24.1%	82.9	84.9	+2.0	+2.5%
	<b>Category Total</b>	<b>953.5</b>	<b>974.3</b>	<b>+20.8</b>	<b>+2.2%</b>	<b>94.1</b>	<b>113.2</b>	<b>+19.1</b>	<b>+20.3%</b>	<b>859.4</b>	<b>861.1</b>	<b>+1.7</b>	<b>+0.2%</b>
Regenerative medicines	Regenerative medicine products	5.7	3.7	-1.9	-34.4%	-	-	-	-	5.7	3.7	-1.9	-34.4%

# Net Sales by Product Category (2)

Business Category (¥ 100 million)		Overall				Overseas				Japan			
		Q3 FY03/24	Q3 FY03/25	Change	Change %	Q3 FY03/24	Q3 FY03/25	Change	Change %	Q3 FY03/24	Q3 FY03/25	Change	Change %
Pharmaceuticals (contract manufacturing)	Oral drugs	212.9	218.8	+5.9	+2.8%	0.3	0.4	+0.0	+25.6%	212.6	218.4	+5.8	+2.7%
	Injection and infusion products	242.2	259.6	+17.4	+7.2%	3.1	4.1	+0.9	+30.7%	239.0	255.4	+16.4	+6.9%
	External preparations and patches	28.8	42.7	+13.8	+48.2%	0.2	0.4	+0.1	+60.9%	28.5	42.2	+13.7	+48.0%
	Others, in vitro diagnostics, etc.	17.8	19.3	+1.4	+8.3%	1.0	0.4	-0.5	-57.7%	16.8	18.9	+2.0	+12.2%
	<b>Category Total</b>	<b>501.8</b>	<b>540.5</b>	<b>+38.6</b>	<b>+7.7%</b>	<b>4.7</b>	<b>5.4</b>	<b>+0.6</b>	<b>+13.5%</b>	<b>497.0</b>	<b>535.1</b>	<b>+38.0</b>	<b>+7.7%</b>
Pharmaceuticals (JMI Pharma)	Oral drugs	45.4	54.9	+9.4	+20.7%	45.4	54.9	+9.4	+20.7%	-	-	-	-
	Injection and infusion products	0.4	0.5	+0.1	+21.4%	0.4	0.5	+0.1	+21.4%	-	-	-	-
	<b>Category Total</b>	<b>45.9</b>	<b>55.4</b>	<b>+9.5</b>	<b>+20.8%</b>	<b>45.9</b>	<b>55.4</b>	<b>+9.5</b>	<b>+20.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pharma Packaging	Glass tube-related products	98.3	100.3	+1.9	+2.0%	81.3	81.2	-0.1	-0.2%	17.0	19.1	+2.1	+12.5%
	Glass ampoules	60.8	61.7	+0.9	+1.5%	60.7	61.6	+0.8	+1.4%	0.1	0.1	+0.0	+31.4%
	Glass vials	137.1	123.1	-14.0	-10.2%	123.6	106.5	-17.0	-13.8%	13.5	16.5	+3.0	+22.4%
	Glass syringes	52.8	77.0	+24.1	+45.7%	52.8	76.9	+24.0	+45.5%	0.0	0.1	+0.1	+332.7%
	Rubber stoppers and plugs	14.5	10.5	-4.0	-27.7%	4.9	0.0	-4.8	-99.7%	9.6	10.5	+0.8	+9.1%
	Plastic containers	14.2	15.3	+1.1	+7.8%	0.0	0.0	+0.0	-28.8%	14.2	15.3	+1.1	+7.8%
	Thermos bottles	4.2	4.3	+0.1	+2.4%	-	-	-	-	4.2	4.3	+0.1	+2.4%
	Other products	19.5	21.1	+1.6	+8.4%	17.2	16.1	-1.0	-6.1%	2.2	4.9	+2.6	+118.6%
	<b>Category Total</b>	<b>401.7</b>	<b>413.6</b>	<b>+11.8</b>	<b>+3.0%</b>	<b>340.7</b>	<b>342.5</b>	<b>+1.8</b>	<b>+0.5%</b>	<b>61.0</b>	<b>71.1</b>	<b>+10.0</b>	<b>+16.5%</b>
Other	Sales of production machinery and real estate leasing	7.4	9.2	+1.8	+24.5%	0.3	0.2	+0.0	-19.2%	7.0	8.9	+1.8	+26.6%
<b>Consolidated Total</b>		<b>4,391.3</b>	<b>4,792.8</b>	<b>+401.4</b>	<b>+9.1%</b>	<b>2,087.2</b>	<b>2,404.3</b>	<b>+317.1</b>	<b>+15.2%</b>	<b>2,304.1</b>	<b>2,388.4</b>	<b>+84.3</b>	<b>+3.7%</b>

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.