

IR Materials

Q3 FY03/24

February 8, 2024

NIPRO CORPORATION



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Business Overview

Manufacturing, Purchasing, Logistics

The new installation of dialyzer lines (India and Odate, Akita) in FY03/24 is shown below. The eighth line of the Odate, Akita Plant started operation in October as scheduled, and the ninth line is scheduled to begin operation in April 2024.

2023												2024			
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
	India Operation of 4th line of dialyzers started	Odate 5th Plant Part of dialyzer production line damaged due to fire							Odate Plant Operation of 8th line of dialyzers started						Odate Plant Operation of 9th line of dialyzers to be started

Sales

Dialysis medical devices : Sales of dialyzers remained strong in China, Europe and Asia while sales in North America have been temporarily stagnant due to efforts for reducing the inventory of the product that local distributors increased in case of a logistics delay during the pandemic period. Dialysis centers expanded in Central and South America.

Cardiovascular medical devices : Sales of drug-eluting balloons decreased due to the impact of the entry of other companies into the domestic market, in which we were dominant.

Surgical medical devices : HeartMate 3, including conservative sales, remained steady.

Pharmaceuticals (own brand) : Sales of the oral drug Nexium AG were robust, while sales of injections grew significantly due to higher NHI drug prices of re-priced unprofitable products.

Pharmaceuticals (contract manufacturing) : In Japan, sales of oral drugs fell YoY due to customers' inventory adjustments, while those of injections increased mainly because the shipment of newly consigned products started. Overseas, JMI Pharma enjoyed steady sales.

Pharma packaging : In the U.S. and Europe, sales of glass tubes increased due to the yen's depreciation and the pass-through of costs to sales prices.

A raise in vial prices in the U.S. and an increase in ampoule demand in Europe contributed to higher sales.

Clinical trials

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

Issuance of 13th Series of Unsecured Corporate Bonds (With Inter-bond Pari Passu Clause) (Social Bonds) (October 6)

The full amount will be allocated, as capital expenditures for domestic and international projects described in the Social Finance Framework, to expanding the dialyzer production line at the Company's Odate 7th Plant by the end of September 2024.

Q3 FY03/24 Results

	Q3 FY03/23	Q3 FY03/24	Change	FY03/23 Forecast as of May (% achievement)	FY03/24 Forecast as of November (% achievement)	FY03/24				
						FY03/23	FY03/24			
						Q4	Q1	Q2	Q3	
(¥100 million)										
Net sales	4,063.0	4,391.3	+328.3 +8.1%	5,992.4	5,992.4	1,272.3	1,405.9	1,452.7	1,532.7	
Cost of sales	2,843.5	3,070.6	+227.0 +8.0%	4,194.6	4,199.1	886.2	975.3	1,025.3	1,070.0	
Gross profit (*1)	1,219.4	1,320.7	+101.2	1,797.7	1,793.3	386.1	430.6	427.4	462.7	
	30.0%	30.1%	+8.3%	30.0%	29.9%	30.3%	30.6%	29.4%	30.2%	
SG&A expenses	1,087.6	1,097.0	+9.4	1,557.7	1,553.3	317.4	357.2	365.9	373.9	
	26.8%	25.0%	+0.9%	69.8%	70.6%	24.9%	25.4%	25.2%	24.4%	
Operating profit	131.7	223.6	+91.8	240.0	240.0	68.7	73.3	61.5	88.8	
	3.2%	5.1%	+69.7%	4.0%	4.0%	5.4%	5.2%	4.2%	5.8%	
Ordinary profit (*2)	137.7	200.1	+62.3	206.5	206.5	81.1	89.0	58.3	52.8	
	3.4%	4.6%	+45.3%	3.4%	3.4%	6.4%	6.3%	4.0%	3.4%	
Profit attributable to owners of parent	69.6	126.2	+56.6	112.0	112.0	37.3	40.9	58.4	26.9	
	1.7%	2.9%	+81.4%	1.9%	1.9%	2.9%	2.9%	4.0%	1.8%	
Profit in accordance with IFRS (estimate)	86.6	143.8	+57.2 +66.1%	133.0	133.0					

*1: Impact of unrealized gains on gross profit
 Q3 FY03/23 (¥1,485) million
 Q3 FY03/24 (¥608) million

*2: Foreign exchange gains and losses
 Q3 FY03/23 ¥3,075 million
 Q3 FY03/24 ¥1,311 million

● Net sales

Drug sales in Japan increased due to strong sales of Nexium AG and an increase in NHI drug prices of injections as a result of unprofitable product re-pricing.

In overseas markets, sales of medical devices were strong in overall markets and sales of pharma packaging were boosted by increased sales of glass tubes in Europe and the U.S., due mainly to the yen's depreciation.

● Gross profit

Gross profit slightly increased year on year as purchase costs decreased while labor costs, energy costs, and depreciation rose.

● Operating profit

Operating profit increased ¥9,180 million YoY due to a decrease in transportation costs owing to a decline in container costs overseas, as well as reduced R&D expenses.

● Ordinary profit

Ordinary profit grew ¥6,230 million YoY despite a decrease in foreign exchange gains of ¥1,760 million.

● Profit

Despite a loss on the transfer of interests of subsidiaries of ¥1,670 million, profit increased by ¥5,660 million YoY due to a gain on the sale of cross-held stocks of ¥3,180 million.



SG&A Expenses

SG&A Expenses

	Q3 FY03/23 (¥100 million)	Q3 FY03/24		Change	Change (%)	FY03/24	FY03/24
		Actual	% of Total			Forecast as of May	Forecast as of
Personnel	321.1	362.2	33.0%	+41.1	+12.8%	474.2	504.2
R&D (*1)	157.5	133.3	12.2%	△24.2	△15.4%	190.5	170.8
Transportation	167.4	105.3	9.6%	△62.1	△37.1%	186.4	140.0
Depreciation (*2)	86.5	97.9	8.9%	+11.4	+13.2%	115.3	132.0
Promotion (*3)	75.4	74.0	6.7%	△1.4	△1.9%	102.0	102.0
Travel & transportation	33.6	41.0	3.7%	+7.4	+22.0%	47.2	53.0
Storage	26.5	27.9	2.5%	+1.4	+5.3%	35.3	35.3
Other	219.3	255.1	23.3%	+35.8	+16.3%	406.6	416.0
Total	1,087.6	1,097.0	100.0%	+9.4	+0.9%	1,557.7	1,553.3

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

*2: Depreciation, goodwill amortization

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

- **Personnel expenses** Personnel expenses grew ¥4,110 million YoY, due to the impact of the yen's depreciation overseas and response to inflation, as well as an increase in the number of employees.
- **R&D expenses** R&D expenses decreased ¥2,420 million YoY. The main factors are explained in the next slide.
- **Transportation costs** Overseas container freight costs, etc., have declined since the end of last year. As a result, transportation costs fell ¥6,210 million YoY.
- **Depreciation** Depreciation increased ¥1,140 million YoY due to license amortization of Nexium AG, etc.
- **Travel and transportation expenses** Travel and transportation expenses grew ¥740 million YoY due to the gradual resumption of face-to-face sales and business travel as the impact of COVID-19 eased.
- **Accounts other than the above** The main factors for the increases are explained in the next part.

SG&A Expenses: Additional Information

	3Q FY03/23	3Q FY03/24		Change	Change (%)	FY03/24 Forecast (as of May)	FY03/24 Forecast (as of November)
		Actual	% of Total				
(¥100 million)							
Commission expenses	39.6	41.8	3.8%	+2.2	+5.6%	62.6	67.0
Rent expenses	35.5	37.8	3.4%	+2.3	+6.5%	60.6	51.0
Enterprise taxes	9.4	11.1	1.0%	+1.7	+18.1%	19.7	17.0
Meeting expenses	5.0	6.6	0.6%	+1.6	+32.0%	9.2	9.2
Packaging expenses	1.0	2.5	0.2%	+1.5	+150.0%	3.3	3.3
Other	128.5	155.0	14.1%	+26.5	+20.6%	251.2	268.5
Total	219.3	255.1	23.3%	+35.8	+16.3%	406.6	416.0

- **Commission expenses** Commission expenses grew ¥220 million YoY. The reasons for this were increases in processing fees for sales consignment and consignment costs for the development and maintenance of dialysis equipment.
- **Rent expenses** Rent expenses rose ¥230 million YoY due to the relocation and expansion of logistics warehouses for medical devices and pharmaceutical products in Japan.
- **Enterprise taxes** Enterprise taxes grew ¥170 million YoY due to capital increase.
- **Meeting expenses** Meeting expenses were up ¥160 million YoY since we began to resume face-to-face meetings as the impact of COVID-19 eased.
- **Packaging expenses** Packaging expenses rose ¥150 million due to a fee for a revision caused by the change of address of the head office that has been relocated.

SG&A Expenses: R&D Expenses

R&D Expenses (consolidated)*

(¥100 million)	Q3 FY03/23	Q3 FY03/24	Change (Change %)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Medical	68.4	65.3	△3.0 △4.4%	88.1 74.2%	81.2 80.5%
Pharmaceutical	86.4	65.7	△20.7 △24.0%	99.5 66.0%	86.5 75.9%
Pharma Packaging	2.8	2.3	△0.5 △17.5%	2.9 79.1%	3.1 74.0%
Total	157.5	133.3	△24.2 △15.4%	190.5 70.0%	170.8 78.1%

- **Medical** Down ¥300 million YoY this year, because we posted clinical trial expenses related to drug-eluting stents for coronary arteries last year.
- **Pharmaceutical** Down ¥2,070 million YoY due to more clinical trials being conducted in the previous year.
- **PP** The cost for developing new glass products decreased ¥50 million YoY.

Capex and Depreciation

	Capex						Depreciation				
	Q3 FY03/22	Q3 FY03/23	Change (Change %)	FY03/24 Forecast as of May (% achievement)	FY03/24 Forecast as of November (% achievement)	FY03/24 Forecast as of February (% achievement)	Q3 FY03/22	Q3 FY03/23	FY03/23 Forecast as of May	FY03/24 Forecast as of May (% achievement)	FY03/24 Forecast as of November (% achievement)
(¥100 million)											
Medical-Related	341.7	332.4	△9.3 △2.7%	197.1 168.6%	306.8 108.3%	381.7 87.1%	161.5	206.3	+44.8 +27.7%	252.6 81.7%	265.4 77.7%
Pharmaceutical- Related	157.6	166.1	+8.5 +5.4%	277.0 60.0%	162.1 102.5%	277.0 3.1%	98.0	110.0	+12.0 +12.2%	154.9 71.0%	147.5 74.6%
PharmaPackaging	107.3	102.2	△5.1 △4.8%	96.3 106.1%	96.3 106.1%	131.3 77.8%	37.8	47.0	+9.2 +24.3%	60.4 77.8%	63.7 73.8%
Other	21.2	59.8	+38.6 +182.1%	50.9 117.5%	56.1 106.6%	59.8 100.0%	35.4	40.5	+5.1 +14.4%	55.7 72.7%	58.0 69.8%
Total	628.0	660.6	+32.6 +5.2%	621.3 106.3%	621.3 106.3%	849.8 77.7%	332.9	403.9	+71.0 +21.3%	523.6 77.1%	534.6 75.6%

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

● Capex

In Medical-Related, capex decreased ¥930 million YoY due to the Company's investment-restraint policy.

In Pharmaceutical-Related, capex increased ¥850 million YoY as Nipro Pharma continued to post expansion expenses related to the construction of a new Nipro Pharma Ohmi Plant, a syringe line at the Ise Plant, and a new QC center of the Saitama Plant.

In Pharma Packaging, capex decreased ¥510 million YoY due to the Company's investment-restraint policy.

Other capex increased ¥3,860 million YoY as expenses related to the construction of a new research lab for medical products in Saitama were incurred.

● Depreciation

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

P&L Excluding Forex Impact

	Q3 FY03/23	Q3 FY03/24	Exchange rate Impact*	Q3 FY03/24 Results Excl. Impact	Change (%)
(¥100 million)	[a]	[b]	[c]	[d=b-c]	[d÷a]
Net sales	4,063.0	4,391.3	+135.0	4,256.3	+4.8%
Cost of sales	2,843.5	3,070.6	+88.1	2,982.5	
Gross profit	1,219.4	1,320.7	+46.9	1,273.8	+4.5%
(%)	30.0%	30.1%		29.9%	
SG&A expenses	1,087.6	1,097.0	+31.0	1,066.0	
Operating profit	131.7	223.6	+15.9	207.7	+57.7%
(%)	3.2%	5.1%		4.9%	
Non-operating income	64.7	51.7	△17.6	69.3	
Non-operating expenses	58.7	75.2		75.2	
Ordinary profit	137.7	200.1	△1.7	201.8	+46.6%
Extraordinary income	37.3	51.6		51.6	
Extraordinary losses	27.8	30.9		30.9	
Profit before tax	147.2	220.8	△1.7	222.5	+51.2%
Income taxes	66.5	85.8	△0.7	86.5	
Profit attributable to non-controlling interests	11.0	8.7		8.7	
Profit	69.6	126.2	△1.0	127.2	+82.8%

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

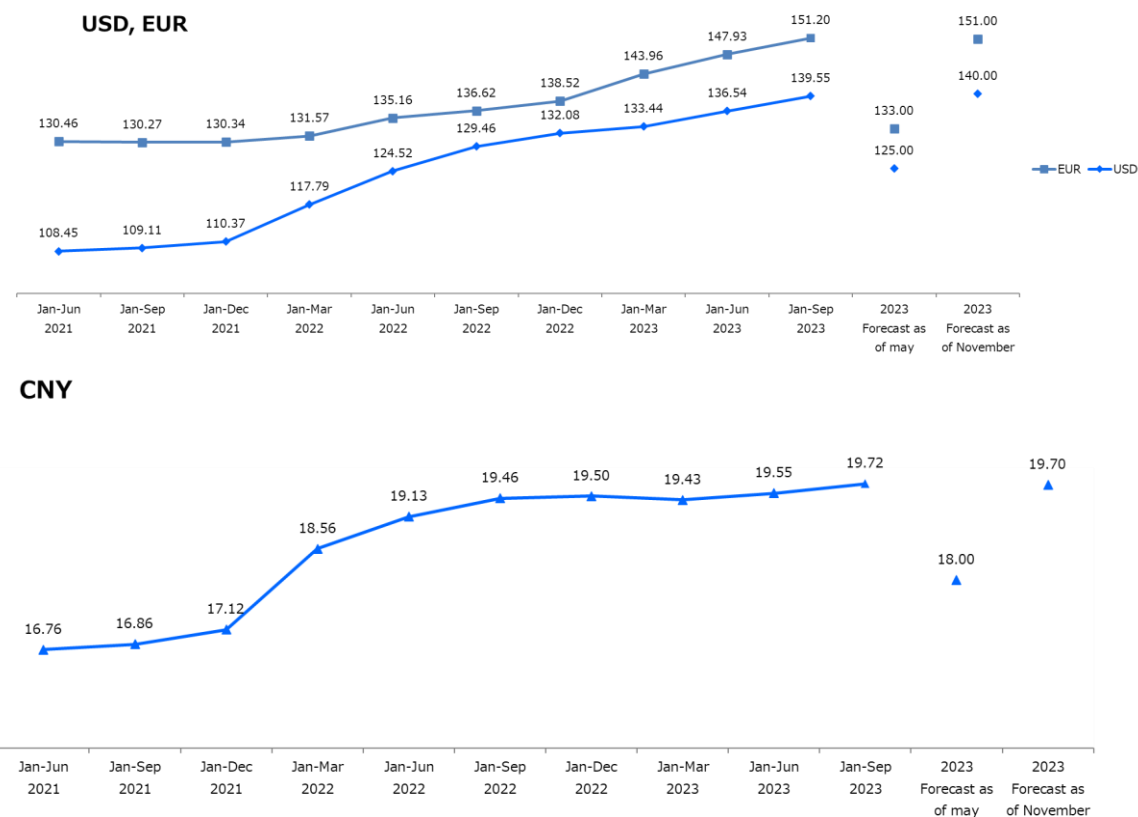
Average exchange rate	Jan-Sep 2022	Jan-Sep 2023	FY-end rate	Dec. 2021	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023	Sep. 2023	Dec. 2023
1 USD	129.46	139.55	1 USD	115.02	122.39	136.68	144.81	132.70	133.53	144.99	149.58	141.83
1 EUR	136.62	151.20	1 EUR	130.51	136.70	142.67	142.32	141.47	145.72	157.60	158.00	157.12
1 CNY	19.46	19.72	1 CNY	18.06	19.26	20.38	20.37	19.01	19.42	19.94	20.46	19.93

Exchange Rate Sensitivity

Annual impact of a ¥1 change in exchange rate

(¥100 million)	USD	EUR	CNY
Net sales	8.8	5.1	20.2
Operating profit	0.4	1.7	7.0

Average exchange rate



Net Sales and Operating Profit by Segment

Net sales

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Medical-Related	Q3 FY03/24	3,403.4	+261.1	+8.3%	4,602.0	4,664.9
	Q3 FY03/23	3,142.2				
Pharmaceutical-Related	Q3 FY03/24	542.4	+6.9	+1.3%	797.0	715.0
	Q3 FY03/23	535.5				
PharmaPackaging	Q3 FY03/24	439.0	+59.1	+15.6%	589.1	608.1
	Q3 FY03/23	379.9				

Operating profit

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Medical-Related	Q3 FY03/24	353.7	+45.8	+14.9%	433.1	453.4
	Q3 FY03/23	307.8				
Pharmaceutical-Related	Q3 FY03/24	53.0	+31.0	+140.4%	71.7	36.0
	Q3 FY03/23	22.0				
PharmaPackaging	Q3 FY03/24	16.3	△8.9	△35.4%	23.2	23.4
	Q3 FY03/23	25.3				

● Medical-Related

Despite rising raw materials prices and depreciation, operating profit increased YoY due to strong sales of Nexium AG and higher NHI drug prices of unprofitable injection products.

● Pharmaceutical-Related

Operating profit increased YoY due to the pass-through of costs related to high prices to sales prices as well as suppressed raw materials costs and energy costs.

● Pharma Packaging Business

Operating profit decreased YoY due to increased depreciation, labor costs, and energy costs despite an increase in sales.

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

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Domestic business	Q3 FY03/24	1,745.5	+102.6	+6.2%	2,423.7	2,325.0
	Q3 FY03/23	1,642.9				
Medical devices	Q3 FY03/24	885.9	△17.0	△1.9%	1,314.2	1,215.5
	Q3 FY03/23	902.9				
Pharmaceuticals	Q3 FY03/24	859.5	+119.6	+16.2%	1,109.5	1,109.5
	Q3 FY03/23	739.9				
Dialyzer domestic sales	Q3 FY03/24	176.8	+2.1	+1.2%	230.4	228.1
	Q3 FY03/23	174.7				

● Medical devices

Net sales of dialyzers in Japan increased ¥210 million YoY due to an increase in sales. Sales of dialysis equipment fell ¥820 million YoY due to a decrease in the number of installation projects.

Sales of injection needles increased ¥530 million YoY owing to a demand increase and price revisions.

Sales of infusion-related products increased ¥1,060 million YoY owing to price revisions. Sales of testing products grew ¥140 million YoY due to an increase in the sales volume of vacuum blood collection tubes, which had fallen because of the Shanghai lockdown. Sales of catheter-related products were down ¥3,530 million YoY due to the impact of other companies' entry into the domestic market for drug-eluting balloons, in which we were dominant.

● Domestic pharmaceuticals

Sales of oral drugs, mainly Nexium AG, were strong. Overall sales rose ¥6,800 million YoY despite a decrease in sales of other existing drugs due to a fall in drug prices. Sales rose ¥3,740 million YoY thanks to price increases for injection products like antibiotic drugs and infusion solutions, which were classified as unprofitable and were subject to re-evaluation.

Sales of Other and in-vitro diagnostics increased ¥1,140 million YoY due to sales of a SARS coronavirus antigen kit launched in October last year.

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

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Overseas business	Q3 FY03/24	1,622.2	+159.1	+10.9%	2,114.3	2,285.0
	Q3 FY03/23	1,463.1				
B2B (other brands)	Q3 FY03/24	226.7	+24.6	+12.2%	291.9	310.2
	Q3 FY03/23	202.1				
Nipro brands	Q3 FY03/24	1,395.3	+134.3	+10.7%	1,822.4	1,974.7
	Q3 FY03/23	1,261.0				
Americas	Q3 FY03/24	604.5	+29.2	+5.1%	797.6	853.9
	Q3 FY03/23	575.3				
Europe	Q3 FY03/24	314.3	+50.1	+19.0%	396.5	440.7
	Q3 FY03/23	264.2				
Asia	Q3 FY03/24	270.1	+42.7	+18.8%	357.5	396.4
	Q3 FY03/23	227.4				
China	Q3 FY03/24	206.3	+12.2	+6.3%	270.7	283.8
	Q3 FY03/23	194.1				
Dialyzer overseas sales	Q3 FY03/24	518.0	+51.7	+11.1%	685.3	729.3
	Q3 FY03/23	466.3				

● **B2B**

Sales of insulin needles were strong in Europe, resulting in a ¥2,460 million YoY increase.

● **Nipro brand**

Sales of dialyzers remained strong in China, Europe and Asia while sales in North America have been temporarily stagnant due to efforts for reducing the inventory of the product that local distributors increased in case of a logistics delay during the pandemic period, resulting in ¥5,170 million YoY increase.

In the Americas, special demand for vaccine syringes ended in Canada, and sales of gloves declined due to the easing of the impact of COVID-19. However, sales rose ¥2,920 million YoY due to the effect of the yen's depreciation, the expansion of dialysis centers in Central and South America, and an increase in sales of dialysate in Mexico. Sales in Europe increased ¥5,010 million YoY due to the yen's depreciation and an increase in sales of blood circuits and Safetouch PSV.

In Asia, sales grew ¥4,270 million YoY due to the effect of the yen's depreciation, an increase in sales of IV Cath and Surefuser, and winning the bid for IV cannulas.

In China, sales of dialysis equipment declined due to the preferential purchasing policy of domestic equipment for public hospitals by the Chinese authorities. However, sales rose ¥1,220 million YoY due to an increase in sales of dialyzers and an expansion of dialysis centers.



Segment Results – (2) Pharmaceutical-Related

Pharmaceutical-Related

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
	Q3 FY03/24	542.4				
	Q3 FY03/23	535.5	+6.9	+1.3%	797.0	715.0
Breakdown of contract manufacturing sales						
Generic drugs	Q3 FY03/24	284.0	△7.6	△2.6%	402.6	389.3
	Q3 FY03/23	291.6				
Brand-name drugs Long-listed drugs	Q3 FY03/24	184.2	+16.9	+10.1%	305.6	223.4
	Q3 FY03/23	167.3				
OTC drugs Active ingredients, etc.	Q3 FY03/24	28.1	△5.8	△17.1%	33.0	45.3
	Q3 FY03/23	33.9				
JMI Pharma	Q3 FY03/24	45.9	+3.5	+8.3%	55.7	56.6
	Q3 FY03/23	42.4				

- **Generic drugs** Sales of oral drugs fell ¥1,430 million YoY due to a decline in orders associated with customers' inventory adjustments.
The number of injectables increased ¥1,110 million from the previous year due to the recovery of orders after inventory adjustment by customers.
Sales of topical formulations fell ¥450 million YoY due a decline in orders associated with the end of consignment of products.
- **Brand-name/long-listed drugs**
Sales of oral drugs fell ¥580 million YoY due to a decline in orders associated with customers' inventory adjustments.
Sales of injectables rose ¥2,540 million YoY due to the start of shipments of newly consigned products and the recovery in product shipments that decreased in the previous year.
Sales of topical formulations fell ¥270 million YoY due to the end of consignment of products.
- **OTC drugs, active ingredients, etc.**
Sales of active ingredients fell ¥460 million YoY due to a decline in orders.
- **JMI Pharma** Up 17.9% YoY on a local currency basis due to increased promotion to physicians and a focus on chronic disease drugs. However, up only 7.9% on a Japanese yen basis due to the effect of the yen's appreciation. As a result, sales increased ¥350 million YoY.

Segment Results – (3) PharmaPackaging

		(¥100 million)	Change	Change (%)	FY03/24 Forecast as of May	FY03/24 Forecast as of November
Pharma Packaging	Q3 FY03/24	439.0				
	Q3 FY03/23	379.9	+59.1	+15.6%	589.1	608.1
Sales by region						
Japan	Q3 FY03/24	98.4				
	Q3 FY03/23	87.3	+11.1	+12.7%	124.2	127.3
Overseas	Q3 FY03/24	340.5				
	Q3 FY03/23	292.5	+48.0	+16.4%	465.0	480.8
Europe	Q3 FY03/24	186.6				
	Q3 FY03/23	154.5	+32.1	+20.8%	251.5	267.5
Americas	Q3 FY03/24	108.0				
	Q3 FY03/23	87.8	+20.2	+23.0%	136.2	144.3
China	Q3 FY03/24	35.6				
	Q3 FY03/23	37.8	△2.2	△5.8%	57.5	51.5
India	Q3 FY03/24	10.1				
	Q3 FY03/23	12.3	△2.2	△17.9%	19.7	17.5

- Japan** Sales of infusion-related products grew ¥530 million YoY owing to a greater market share in injection sets. Sales of needles rose ¥280 million due to an increase in sales of products for other companies. Sales of injections and infusions were up ¥220 million YoY owing to increased shipment of alternative products due to competitors' supply issues.
- Overseas** Sales of ampoules increased ¥1,010 million YoY in Europe due to the impact of a review of products sold by competitors. Sales of glass tubes grew ¥720 million YoY due to the pass-through of higher costs to sales prices and increased orders. Sales of syringe glass rose ¥530 million YoY due to an increase in sales of high-value-added sterilized syringes. In the U.S., sales of vials increased ¥1,230 million YoY due to the price revision in consideration of the impact of inflation. Sales of glass tubes increased ¥770 million YoY due to the pass-through of higher costs to sales price. In China, sales of glass tubes fell ¥140 million YoY due to a decrease in sales caused by weaker demand for vaccine vials. Sales of vial glass decreased ¥80 million YoY resulting from the gradual termination of production and sales of low-margin vials. In India, sales of glass tubes fell ¥330 million YoY due to customers' inventory adjustment and termination of a contract with them.

Net Sales by Segment and Product Category

Product	Segment	Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
	(¥100 million)					
Medical devices	Q3 FY03/24	2,449.1	0.0	(*3) 31.6	0.0	2,480.7
	Q3 FY03/23	2,325.4	0.0	25.3	0.0	2,350.7
Pharmaceuticals	Q3 FY03/24	(*1) 953.5	(*2) 542.4	5.3	0.0	1,501.3
	Q3 FY03/23	816.2	535.5	3.0	0.0	1,354.8
Pharma packaging	Q3 FY03/24	0.7	0.0	401.0	0.0	401.7
	Q3 FY03/23	0.2	0.0	350.0	0.0	350.3
Other	Q3 FY03/24	0.0	0.0	0.9	6.4	7.4
	Q3 FY03/23	0.2	0.0	1.4	5.3	7.0
Total	Q3 FY03/24	3,403.4	542.4	439.0	6.4	4,391.3
	Q3 FY03/23	3,142.2	535.5	379.9	5.3	4,063.0

*1: In-house generic drugs

*2: Contract manufacturing of pharmaceuticals

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

Net Sales by Segment and Region

Segment		Medical-Related	Pharmaceutical-Related	Pharma Packaging	Other	Total
Region	(¥100 million)					
Japan	Q3 FY03/24	1,707.3	491.7	98.7	6.3	2,304.1
	Q3 FY03/23	1,597.0	490.5	87.8	5.2	2,180.8
Overseas total	Q3 FY03/24	1,696.1	50.7	340.2	0.0	2,087.2
	Q3 FY03/23	1,545.1	44.9	292.0	0.0	1,882.1
Americas	Q3 FY03/24	678.9	0.0	102.4	0.0	781.5
	Q3 FY03/23	640.2	0.0	86.0	0.0	726.2
Europe	Q3 FY03/24	387.5	2.3	188.9	0.0	578.7
	Q3 FY03/23	349.9	0.9	151.3	0.0	502.2
China	Q3 FY03/24	256.2	0.2	35.7	0.0	292.1
	Q3 FY03/23	244.7	0.1	36.7	0.0	281.5
Other Asia	Q3 FY03/24	373.4	48.1	13.1	0.0	434.7
	Q3 FY03/23	310.2	43.9	17.9	0.0	372.0
Total	Q3 FY03/24	3,403.4	542.4	439.0	6.4	4,391.3
	Q3 FY03/23	3,142.2	535.5	379.9	5.3	4,063.0

● **By region** Sales were strong in all regions in FY03/24, with Japan making up 52.5% of net sales and overseas 47.5%.

● **By segment** In Medical-Related, regarding medical devices in Japan, sales of catheter-related products and dialysis equipment decreased.

On the other hand, sales of pharmaceuticals grew due to strong sales of Nexium AG and higher NHI drug prices of re-priced unprofitable injection products.

Sales of international medical devices increased due to the effect of the yen's depreciation and the expansion of dialysis centers in Central and South America.

In Pharmaceutical-Related, overseas sales of JMI Pharma were steady.

In Japan, while sales of oral drugs fell YoY due to a decline in orders associated with customers' inventory adjustments, overall sales increased due to a recovery of orders for injections.

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



Product Category

Medical devices	
Dialyzers	Dialyzers (artificial kidneys), HDF filters
Dialysis equipment	Dialysis systems, maintenance, dialysis equipment parts
Other dialysis-related products	Blood circuits, AVF needles, etc.
Needles	PSV needles, safetouch needles, etc.
Vascular products	Catheter sets for cardiovascular treatments, thrombus aspiration catheters, etc.
Infusion-related products	Infusion sets, IV cannulas, etc.
Testing products	Neotube (vacuum blood collection tube), blood collection needles, etc.
Diabetes-related products	Insulin needles, blood glucose meters (for overseas markets), lancets
Surgical device-related products	Mechanical circulatory support, cardiopulmonary bypass products, orthopedic products
Other products	Medical instruments, blood-related products, cell culture-related products, gloves, etc.
Pharmaceuticals	
Oral drugs	Oral drugs
Injection and infusion products	Syringe kits, vial formulations, dual chamber bags (PLW), powdered dialysate, dialysis fluids, etc.
External preparations and patches	External preparations, patches
Others, in vitro diagnostics, etc.	Reagents, pharmaceuticals, blood glucose meters, etc.
Pharma packaging	
Glass tube-related products	Medical-use glass tubes, non-medical use glass tubes, glass raw materials
Glass ampoules	Ampoules (single tip, double tip)
Glass vials	Vials (blowback, screw, sterilized, etc.)
Glass syringes	Syringes (luer lock, luer slip, sterilized, etc.)
Rubber stoppers and plugs	Rubber stoppers, plugs, closures, and caps
Plastic containers	Plastics
Thermos bottles	Glass for thermos bottles
Other products	Glass containers and others, special glass containers, cartridge glass and others, etc.

Net Sales by Product Category (1)

Business Category (¥100 million)		Overall				Overseas				Japan			
		Q3 FY03/23	Q3 FY03/24	Change	Change %	Q3 FY03/23	Q3 FY03/24	Change	Change %	Q3 FY03/23	Q3 FY03/24	Change	Change %
Medical devices	Dialyzers	641.1	694.9	+53.8	+8.4%	466.3	518.0	+51.7	+11.1%	174.7	176.8	+2.0	+1.2%
	Dialysis equipment	166.1	167.4	+1.3	+0.8%	105.7	115.3	+9.5	+9.1%	60.3	52.0	△8.2	△13.7%
	Other dialysis-related products	341.4	402.5	+61.0	+17.9%	277.8	337.3	+59.5	+21.4%	63.6	65.2	+1.5	+2.5%
	Dialysis-related products total	1,148.7	1,264.9	+116.2	+10.1%	849.9	970.8	+120.8	+14.2%	298.7	294.1	△4.5	△1.5%
	Needles	368.4	362.1	△6.3	△1.7%	246.4	234.8	△11.6	△4.7%	121.9	127.3	+5.3	+4.4%
	Vascular products	260.7	236.1	△24.5	△9.4%	52.3	56.5	+4.1	+8.0%	208.3	179.6	△28.6	△13.8%
	Infusion-related products	136.3	161.8	+25.4	+18.7%	50.1	64.9	+14.7	+29.4%	86.2	96.9	+10.6	+12.4%
	Testing products	90.2	98.7	+8.4	+9.4%	63.7	70.6	+6.9	+10.9%	26.5	28.0	+1.4	+5.6%
	Diabetes-related products	65.2	80.6	+15.3	+23.6%	55.7	70.5	+14.7	+26.5%	9.4	10.0	+0.6	+6.4%
	Surgical device-related products	51.0	64.4	+13.3	+26.2%	10.7	15.0	+4.2	+39.9%	40.3	49.4	+9.0	+22.5%
	Other products	227.1	206.0	△21.1	△9.3%	139.0	117.9	△21.1	△15.2%	88.1	88.1	0.0	△0.0%
Category Total	2,348.0	2,474.9	+126.9	+5.4%	1,468.2	1,601.2	+133.0	+9.1%	879.7	873.7	△6.0	△0.7%	
Pharmaceuticals (own brand)	Oral drugs	320.0	388.2	+68.2	+21.3%	0.3	0.5	+0.1	+37.8%	319.6	387.7	+68.0	+21.3%
	Injection and infusion products	372.4	427.5	+55.1	+14.8%	73.8	91.5	+17.6	+24.0%	298.6	336.0	+37.4	+12.5%
	External preparations and patches	50.0	52.6	+2.6	+5.2%	-	-	-	-	50.0	52.6	+2.6	+5.2%
	Others, in vitro diagnostics, etc.	73.7	85.0	+11.2	+15.3%	2.2	2.1	△0.1	△7.2%	71.4	82.9	+11.4	+16.0%
Category Total	816.2	953.5	+137.2	+16.8%	76.4	94.1	+17.6	+23.1%	739.8	859.4	+119.5	+16.2%	
Pharmaceuticals (contract manufacturing)	Oral drugs	230.3	212.9	△17.4	△7.6%	0.3	0.3	0.0	△15.7%	229.9	212.6	△17.3	△7.6%
	Injection and infusion products	203.3	242.2	+38.8	+19.1%	1.2	3.1	+1.9	+162.0%	202.1	239.0	+36.8	+18.2%
	External preparations and patches	37.4	28.8	△8.6	△23.0%	0.3	0.2	△0.1	△26.5%	37.0	28.5	△8.5	△23.0%
	Others, in vitro diagnostics, etc.	24.8	17.8	△6.9	△28.1%	0.4	1.0	+0.5	+105.4%	24.3	16.8	△7.5	△30.8%
Category Total	496.0	501.8	+5.7	+1.2%	2.4	4.7	+2.3	+93.6%	493.6	497.0	+3.4	+0.7%	
Pharmaceuticals (JMI Pharma)	Oral drugs	42.1	45.4	+3.3	+8.0%	42.1	45.4	+3.3	+8.0%	-	-	-	-
	Injection and infusion products	0.3	0.4	+0.1	+28.0%	0.3	0.4	+0.1	+28.0%	-	-	-	-
	Category Total	42.4	45.9	+3.4	+8.2%	42.4	45.9	+3.4	+8.2%	-	-	-	-

Net Sales by Product Category (2)

Business Category (¥100 million)		Overall				Overseas				Japan			
		Q3 FY03/23	Q3 FY03/24	Change	Change %	Q3 FY03/23	Q3 FY03/24	Change	Change %	Q3 FY03/23	Q3 FY03/24	Change	Change %
Pharma packaging	Glass tube-related products	87.0	98.3	+11.2	+12.9%	70.7	81.3	+10.6	+15.1%	16.3	17.0	+0.6	+3.7%
	Glass ampoules	48.8	60.8	+11.9	+24.5%	48.7	60.7	+11.9	+24.5%	0.1	0.1	0.0	+14.7%
	Glass vials	122.1	137.1	+14.9	+12.3%	109.1	123.6	+14.4	+13.3%	13.0	13.5	+0.4	+3.8%
	Glass syringes	45.7	52.8	+7.0	+15.5%	45.4	52.8	+7.3	+16.2%	+0.3	0.0	△0.2	△90.1%
	Rubber stoppers and plugs	13.8	14.5	+0.7	+5.1%	4.5	4.9	+0.3	+7.5%	9.2	9.6	+0.3	+3.9%
	Plastic containers	13.9	14.2	+0.2	+2.0%	0.0	0.0	0.0	+105.1%	13.9	14.2	+0.2	+2.0%
	Thermos bottles	2.9	4.2	+1.2	+43.0%	-	-	-	-	2.9	4.2	+1.2	+43.0%
	Other products	15.6	19.5	+3.8	+24.9%	13.2	17.2	+3.9	+30.2%	2.3	2.2	△0.1	△4.3%
	Category Total	350.3	401.7	+51.4	+14.7%	291.8	340.7	+48.8	+16.7%	58.4	61.0	+2.6	+4.5%
Regenerative medicines	Regenerative medicine products	2.7	5.7	+3.0	+108.6%	-	-	-	-	2.7	5.7	+3.0	+108.6%
Other	Sales of production machinery and real estate leasing	7.0	7.4	+0.3	+5.1%	0.6	0.3	△0.2	△46.9%	6.4	7.0	+0.6	+10.2%
	Consolidated Total	4,063.0	4,391.3	+328.3	+8.1%	1,882.1	2,087.2	+205.0	+10.9%	2,180.8	2,304.1	+123.3	+5.7%

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

