



# Overview of Financial Results for FY2022 2<sup>nd</sup> Quarter/1H

**CMIC HOLDINGS Co., Ltd.**  
**April 28, 2022**



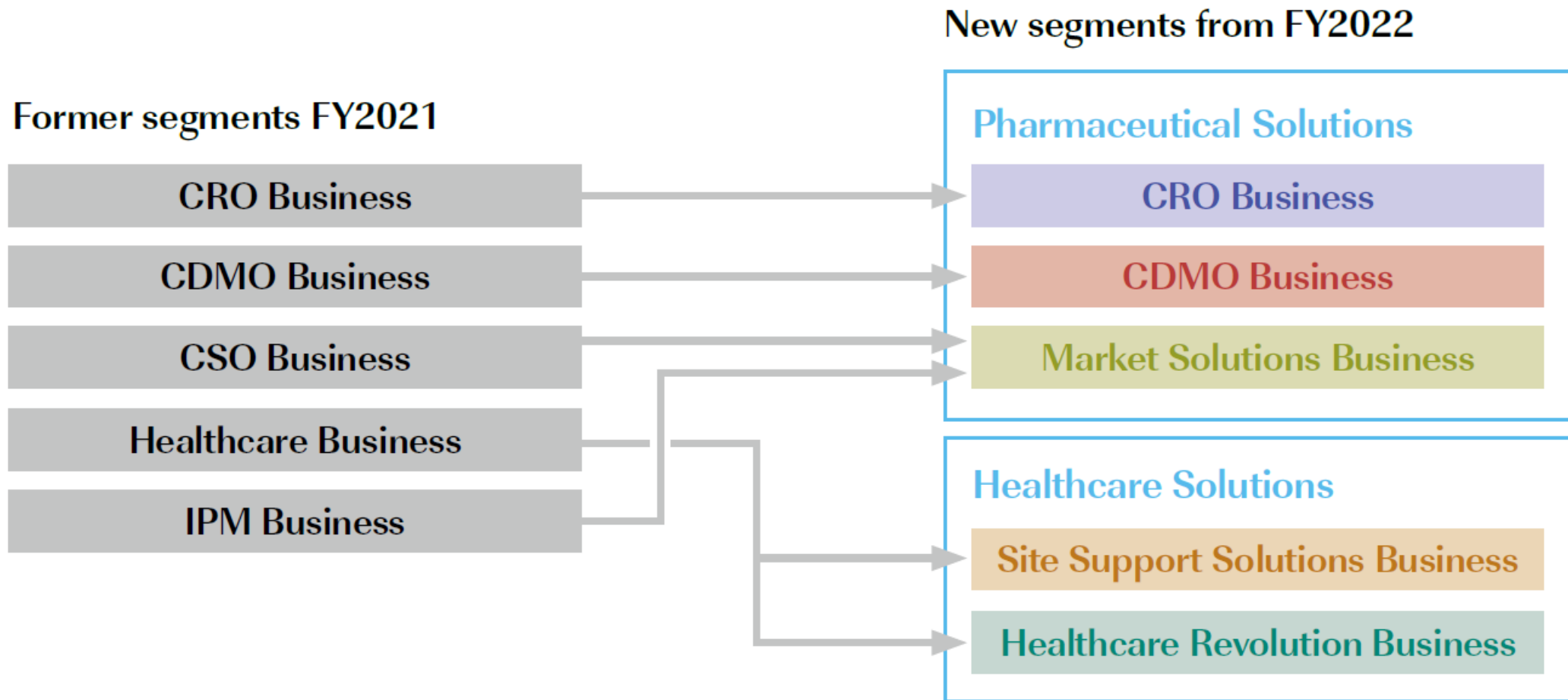
# CMIC Group Network

25 group companies, 61 sites (48 offices, 6 factories, 7 laboratories)  
Japan: 12 companies  
Overseas: 13 companies



# Change in reportable segment

From FY22, there will be two reportable segments: Pharmaceutical Solutions, which expands PVC models, and Healthcare Solutions, which contributes to the health of individuals through medical institutions and local governments, etc.



# Focus Activities of Mid-term Management Plan (FY2022-25)



Evolution of healthcare business

Comprehensive support for disease prevention, treatment R&D, and marketing

Contribution to sustainable society through services with high social benefits





## Evolution of healthcare business



- Support for COVID vaccination and PCR testing by local governments
  - Utilization of the COVID-19 vaccination information management system “harmo<sup>®</sup> vaccine care”
  - Call center (to consult about adverse reactions), human resources support (Physician and nurse reference, admin staff) , launch of antigen test kits
- Collaboration with local governments
  - VRS Vaccination Records used by all Citizens: “harmo<sup>®</sup> vaccine care ” in Hokuto City, Yamanashi Prefecture
  - Comprehensive Collaborative Agreement with Myoko City, Niigata Prefecture, on measures against new coronavirus infection and health promotion
  - "harmo<sup>®</sup> vaccine care" app used in seven towns and villages at the foot of Mt. Yotei to prevent accidental vaccination of children



# Progress of 2<sup>nd</sup> quarter of FY2022

## Comprehensive support for disease prevention, treatment R&D, and marketing



- Accelerating & streamlining drug and device development
  - Partnership with Science 37<sup>®</sup> to accelerate Decentralized Clinical Trials (DCTs) and speed up drug development
- In the bioanalysis business, CMIC supports drug discovery in cutting-edge areas where modalities are diversifying, such as next-generation biopharmaceuticals and gene therapy drugs

# Progress of 2<sup>nd</sup> quarter of FY2022



## Contribution to sustainable society through services with high social benefits

- CMIC acquires "Kurumin Certification" as a company that supports child-rearing
- Presentation of the 18th "Society Prize (CMIC Prize) of the AIDS Society of Japan" and co-sponsorship of the 13th "International Children's Drawing Contest
- Support of Rare Disease Day (the world rare and intractable disease day) activities



# Consolidated income statement (overview)



	2021/Q2		2022/Q2		Change	Percent Change
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
<b>Sales</b>	38,645	100.0	<b>51,769</b>	100.0	+13,123	+34.0
<b>Operating income</b>	2,158	5.6	<b>5,743</b>	11.1	+3,584	+166.1
<b>Ordinary income</b>	2,368	6.1	<b>6,169</b>	11.9	+3,800	+160.5
<b>Profit attributable to owners of parent</b>	1,222	3.2	<b>3,503</b>	6.8	+2,281	+186.6
<b>Earnings per share</b>	¥67.58		¥194.07			

The impact of the situation in Ukraine on our Group through the first half of the current fiscal year has been minimal.

# Breakdown of Non-operating income and expenses/Extraordinary income and losses/Income taxes/Profit (loss) attributable to non-controlling interests



(¥ millions)	2021/Q2	2022/Q2
Non-operating income	326	530
Interest income	1	1
Foreign exchange gains	159	467
Share of profit of entities accounted for using equity method	20	—
Other	145	61
Non-operating expenses	116	104
Interest expenses	64	74
Other	52	29

(¥ millions)	2021/Q2	2022/Q2
Extraordinary income	116	—
Gain on forgiveness of debts	116	—
Extraordinary losses	58	51
Loss on retirement of non-current assets	25	43
Loss on valuation of investment securities	32	8
Income taxes	1,004	2,631
Profit (loss) attributable to non-controlling interests	199	(17)

# Sales & Operating income by reportable segment



		2021/Q2 Amount (¥ millions)	2022/Q2 Amount (¥ millions)	Change (¥ millions)	Percent change (%)
Pharmaceutical Solutions	Sales	33,566	36,820	+3,254	+9.7
	Operating income	2,686	2,326	(359)	(13.4)
Healthcare Solutions	Sales	5,348	15,262	+9,913	+185.4
	Operating income	152	4,182	+4,030	+2,650.4
Adjustments	Sales	(269)	(314)	(44)	—
	Operating income	(679)	(765)	(86)	—
Consolidated	Sales	38,645	51,769	+13,123	+34.0
	Operating income	2,158	5,743	+3,584	+166.1

## \*Adjustments

Sales are internal elimination of transactions between reporting segments

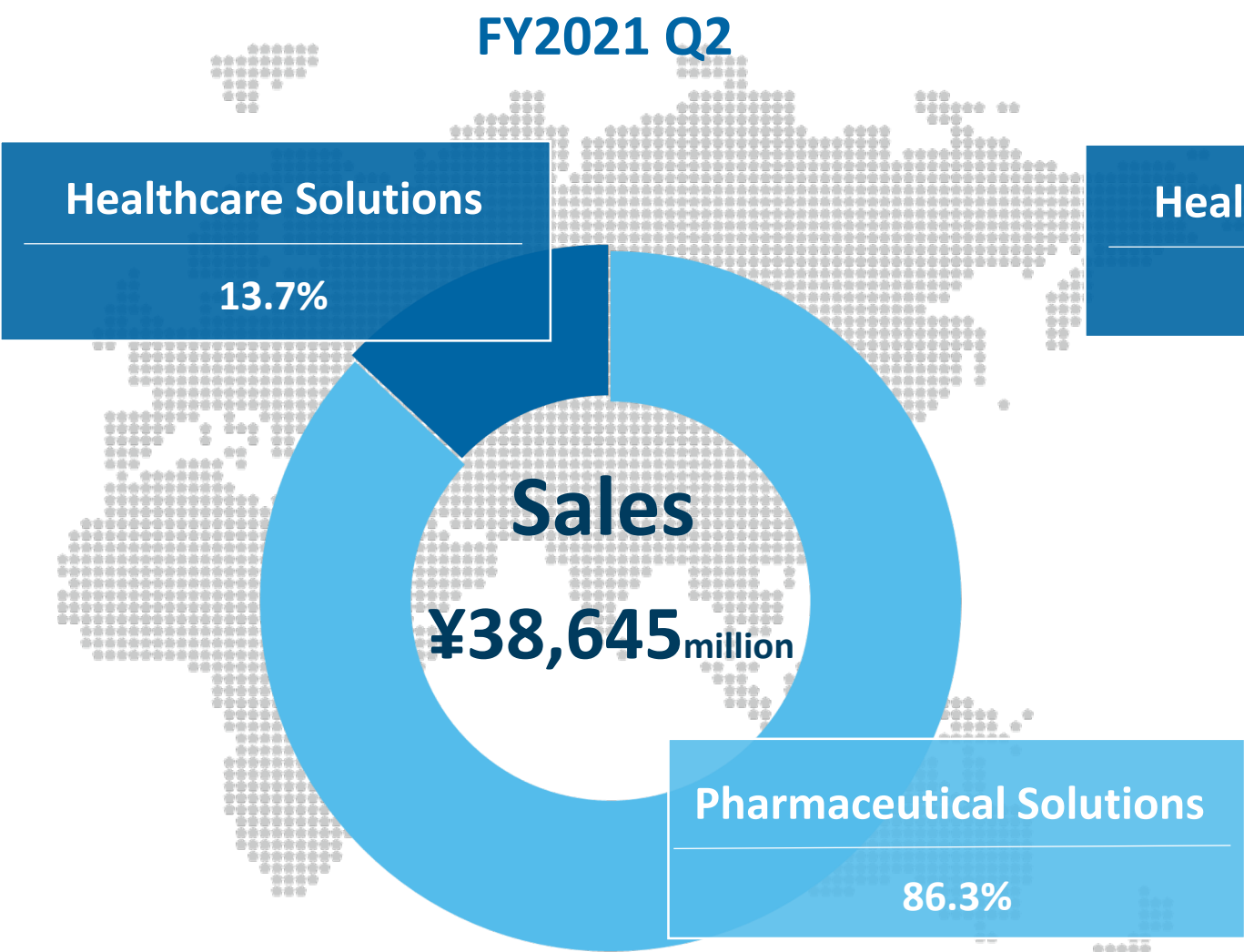
Operating income represents corporate expenses that are not allocated to each reportable segment and are related to the Company (holding company).

# Orders received / Backlog



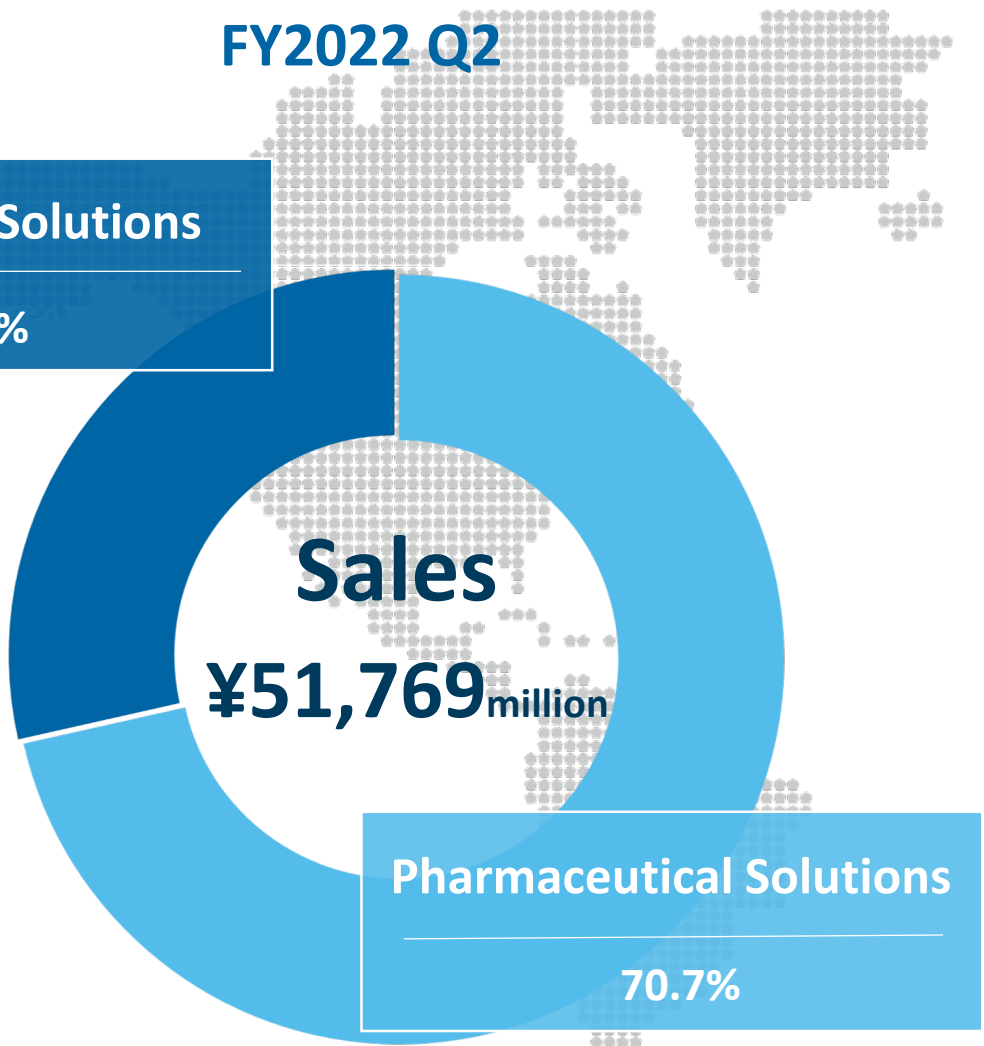
	2021/Q2		2022/Q2			
	Orders received	Backlog	Orders received	Percent Change	Backlog	Percent Change
	(¥ millions)	(¥ millions)	(¥ millions)	(%)	(¥ millions)	(%)
P h a r m a c e u t i c a l S o l u t i o n s	33,156	66,227	<b>44,327</b>	+33.7	<b>77,688</b>	+17.3
H e a l t h c a r e S o l u t i o n s	7,249	14,026	<b>15,334</b>	+111.5	<b>16,947</b>	+20.8
T o t a l	40,405	80,254	<b>59,661</b>	+47.7	<b>94,636</b>	+17.9

# Sales composition ratio



Operating income ¥2,158million

Operating margin 5.6%



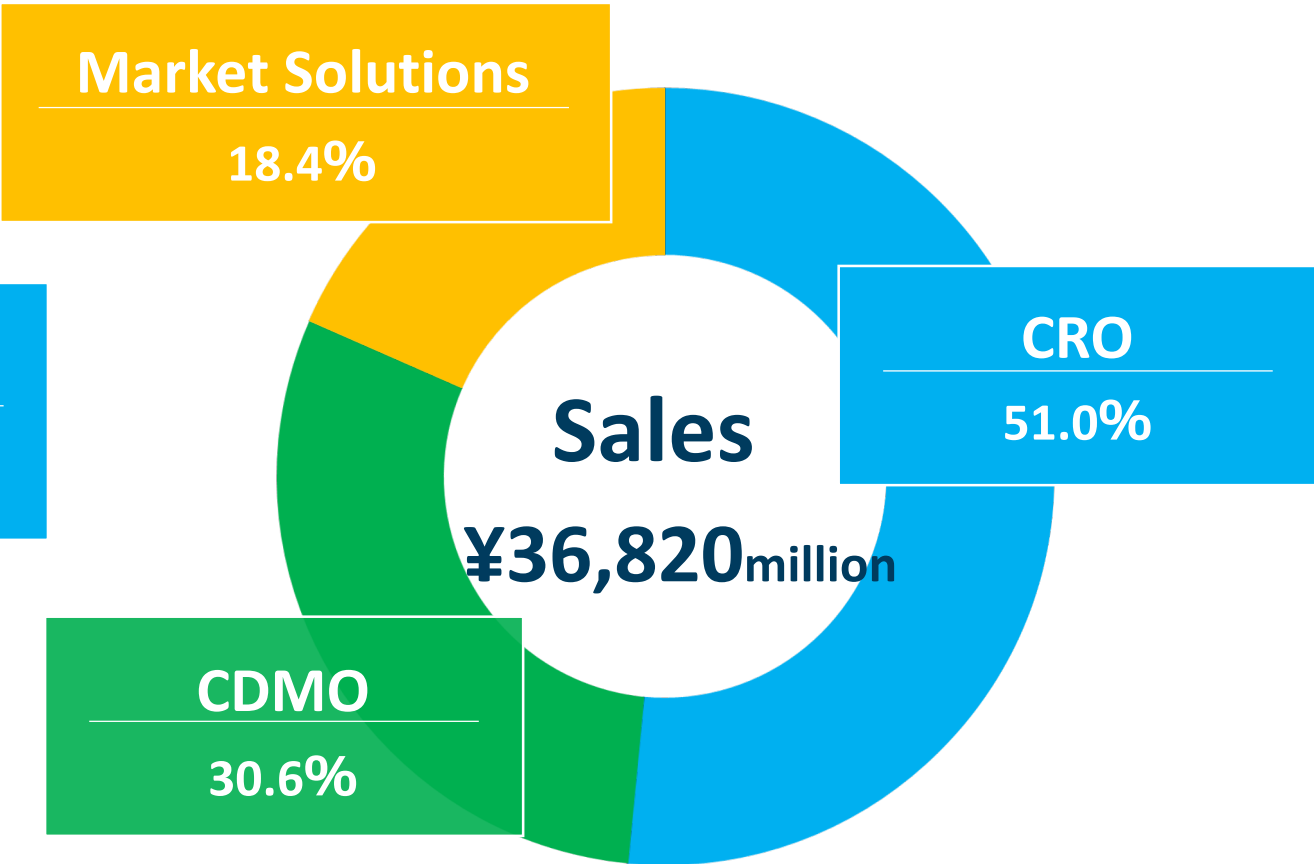
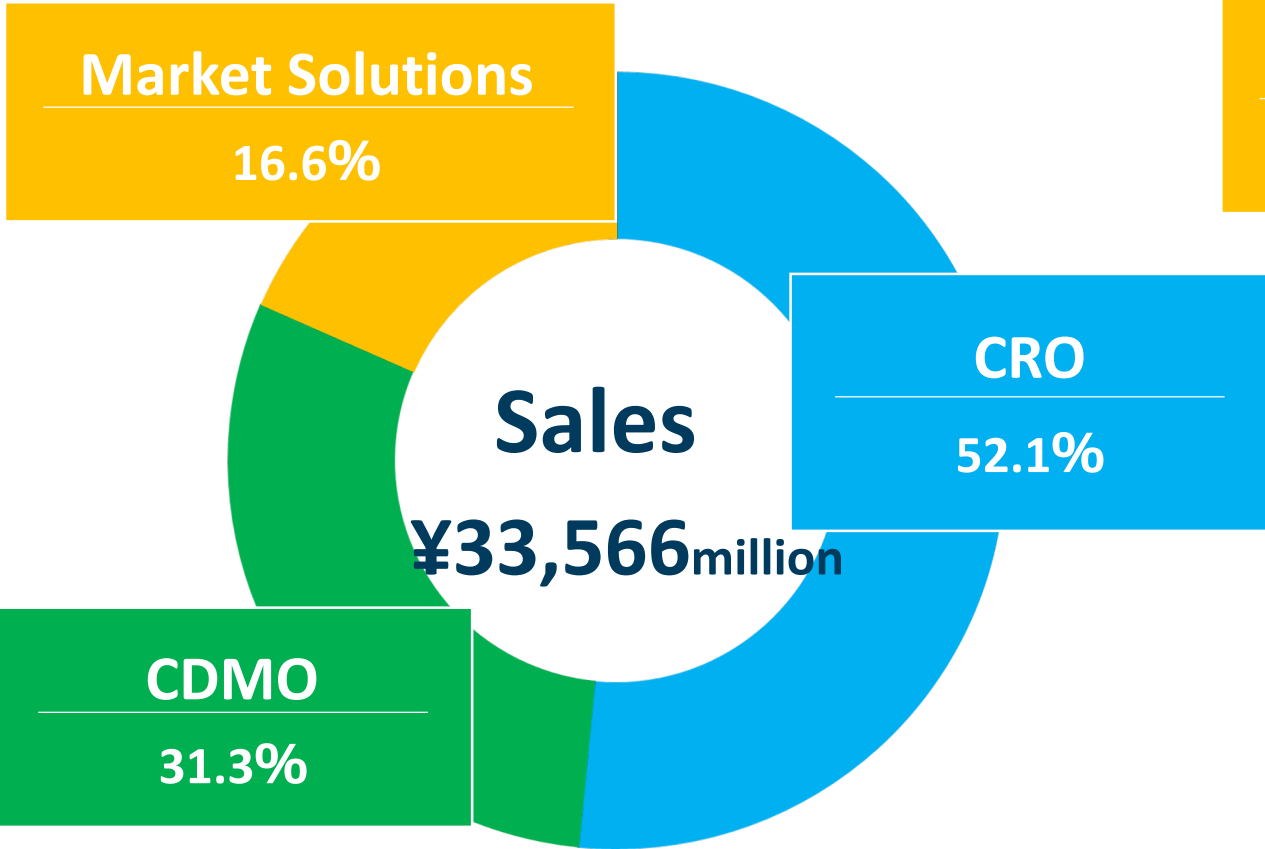
Operating income ¥5,743million

Operating margin 11.1%

# Sales composition ratio of Pharmaceutical Solutions

FY2021 Q2

FY2022 Q2



Operating income    ¥2,686million

Operating margin    8.0%

Operating income    ¥2,326million

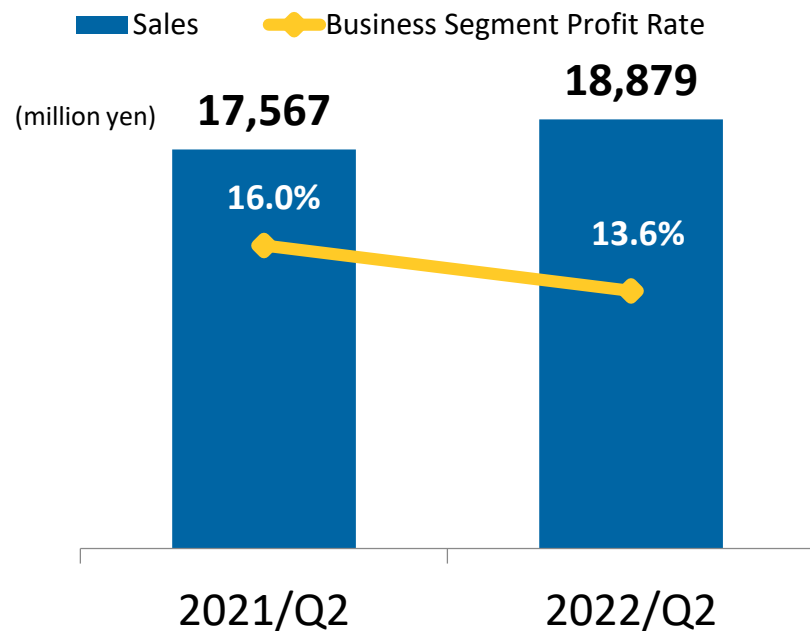
Operating margin    6.3%

## Business Segment: CRO Business

Comprehensive support for research and development of disease prevention and treatment

### Business Overview

- Sales increased from the same period of the previous year
- Increase in inquiries for development projects
- Partnership with Science 37® to Promote Decentralized Clinical Trials (DCTs) and Accelerate Drug Development
- In the bioanalysis business, CMIC supports drug discovery in cutting-edge areas where modalities are diversifying, such as next-generation biopharmaceuticals and gene therapy drugs



### Focus activities

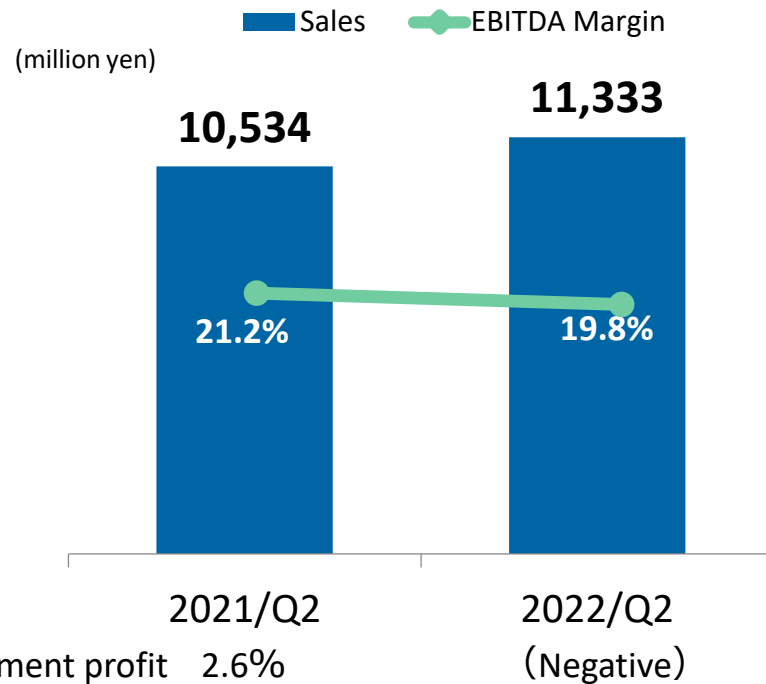
- Enhanced development support for advanced therapies such as biologics and regenerative medicine (full support for filing by Academia and BV)
- Digital applications such as DCT and RWD
- Proactive take on nucleic acid medicine projects via collaboration of laboratories in Japan and the U.S.
- Proactive take on global clinical studies (clinical trials in Asia, Japan-US bioanalysis business)
- Business expansion to the U.S. and Asia
- Aim for the #1 share in Japan

# Business Segment: CDMO Business

Development and manufacturing support for pharmaceutical products and biopharmaceutical API from clinical to commercial

## Business Overview

- Sales increased from the same period of the previous year
- Energy costs on the rise
- Growing need to ensure stable supply in response to the spread of new coronavirus infections and generic quality issues
- Focus on acquiring new projects in the U.S.



## Focus activities

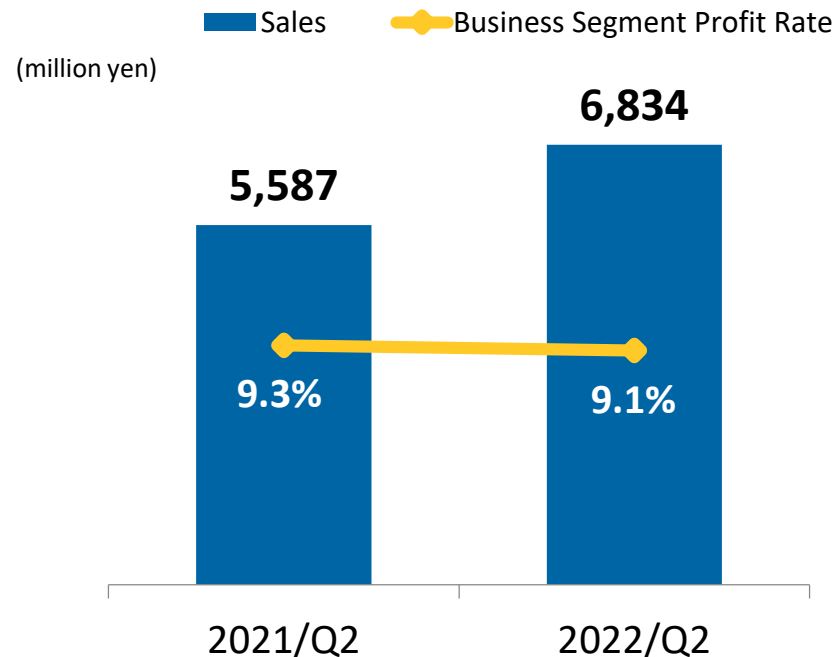
- Steady implementation of production at the Ashikaga injectable facility and its contribution to earnings
- Full-scale development of licensing business for formulation technologies (microneedles, etc.)
- Expand business at the new U.S. site
- Strengthen our position as a strategic partner for domestic pharmaceutical companies

# Business Segment: Market Solutions Business

Medical, sales and marketing support for pharmaceuticals, and orphan drugs development to commercialization

## Business Overview

- Sales increased from the same period of the previous year
- Acquired new projects and made steady progress in existing projects in MR dispatch services



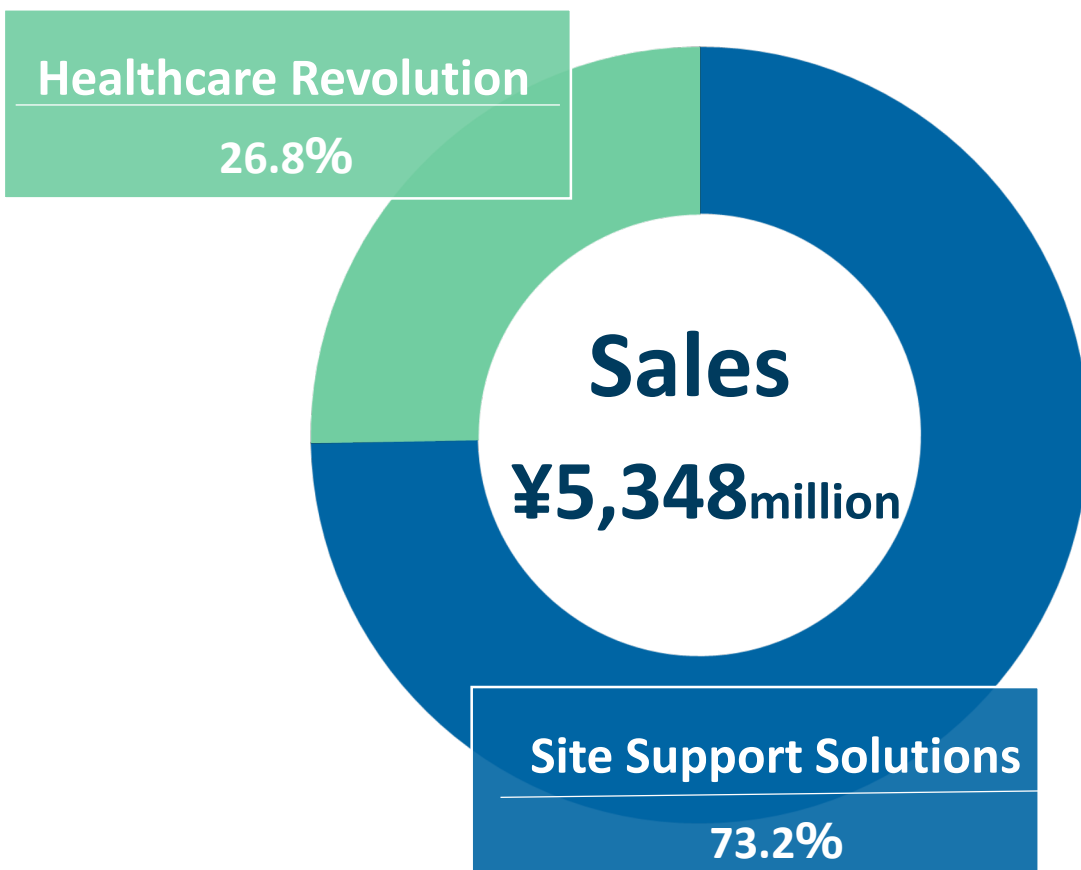
## Focus activities

- Expand positioning in the MR dispatch business
- Efficient recruitment of MRs and MSLs
- Provision of hybrid services
- Promotion of multi-channel

# Sales composition ratio of Healthcare Solutions

Healthcare  
Solutions

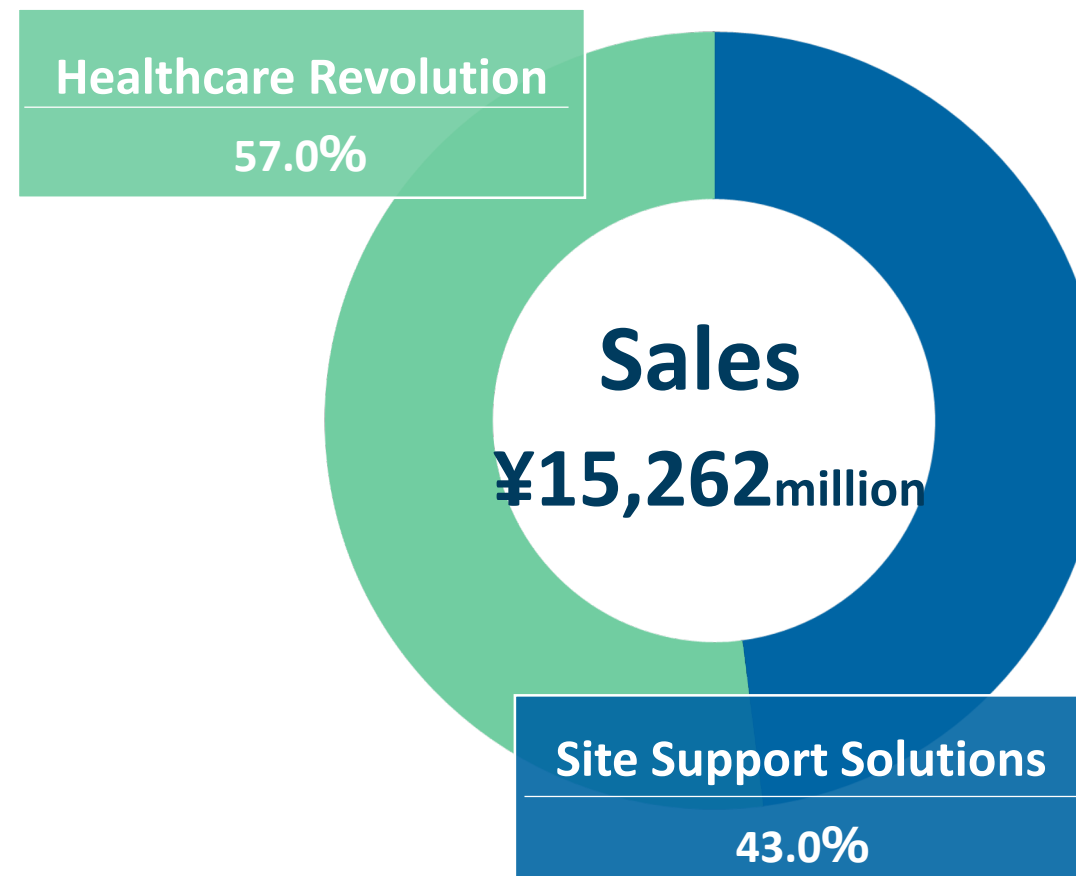
FY2021 Q2



Operating income ¥152million

Operating margin 2.8%

FY2022 Q2



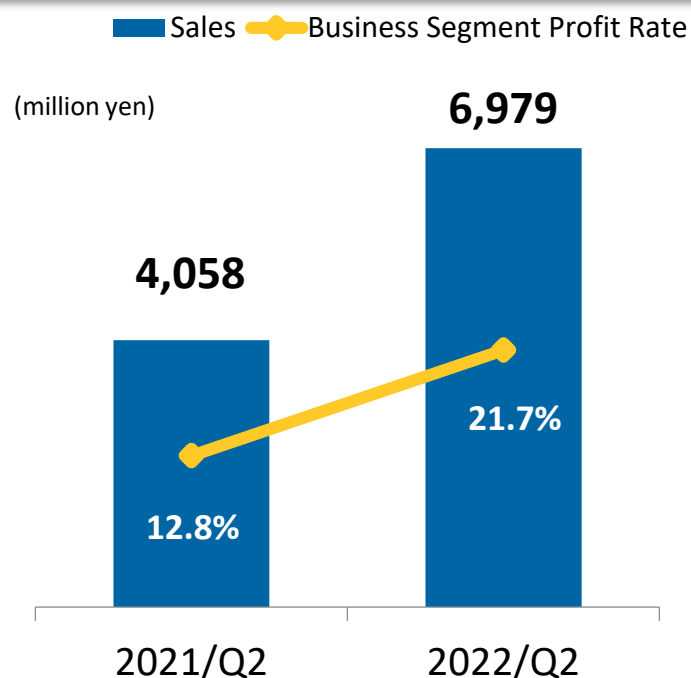
Operating income ¥4,182million

Operating margin 27.4%

## Comprehensive support of medical institutes and medical staff

### Business Overview

- Sales significantly exceeded the same period of the previous year
- Increase in development projects for vaccines and therapeutic drugs for new coronavirus infections
- Needs for clinical trials (researches) and other support for medical institutions are expanding
- Promote collaboration with academia



### Focus activities

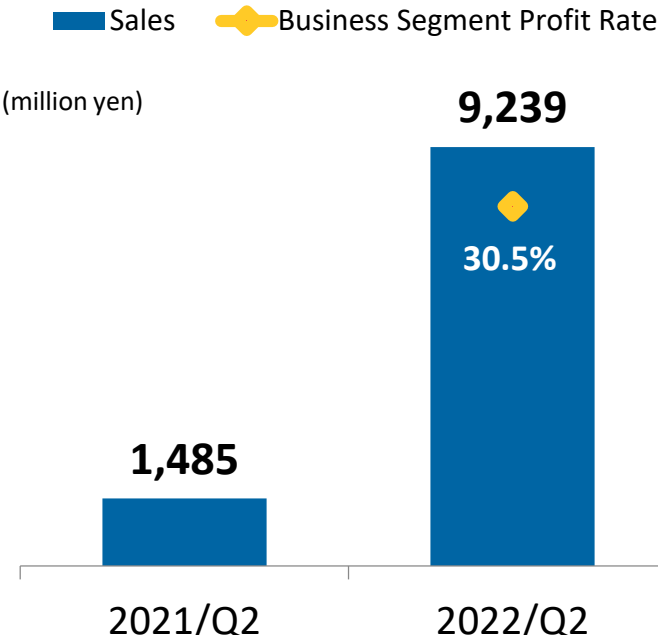
- Shifting from treatment to prevention/prognosis market (prophylaxis treatment agents and clinical trials using apps)
- Providing support for university hospital network, etc.
- Providing services in community healthcare

# Business Segment: Healthcare Revolution Business

Support individuals, local governments, etc. with solutions using a new ecosystem of health care

## Business Overview

- Sales significantly exceeded the same period of the previous year
- Significant increase in vaccination support services for new coronavirus infections, etc.
- Expansion of businesses that integrate disease prevention, health information, and IT technologies
- Promote cooperation with local governments
- Promote the use of harmo<sup>®</sup> as a Healthcare Communication Channel in PHRs, etc.

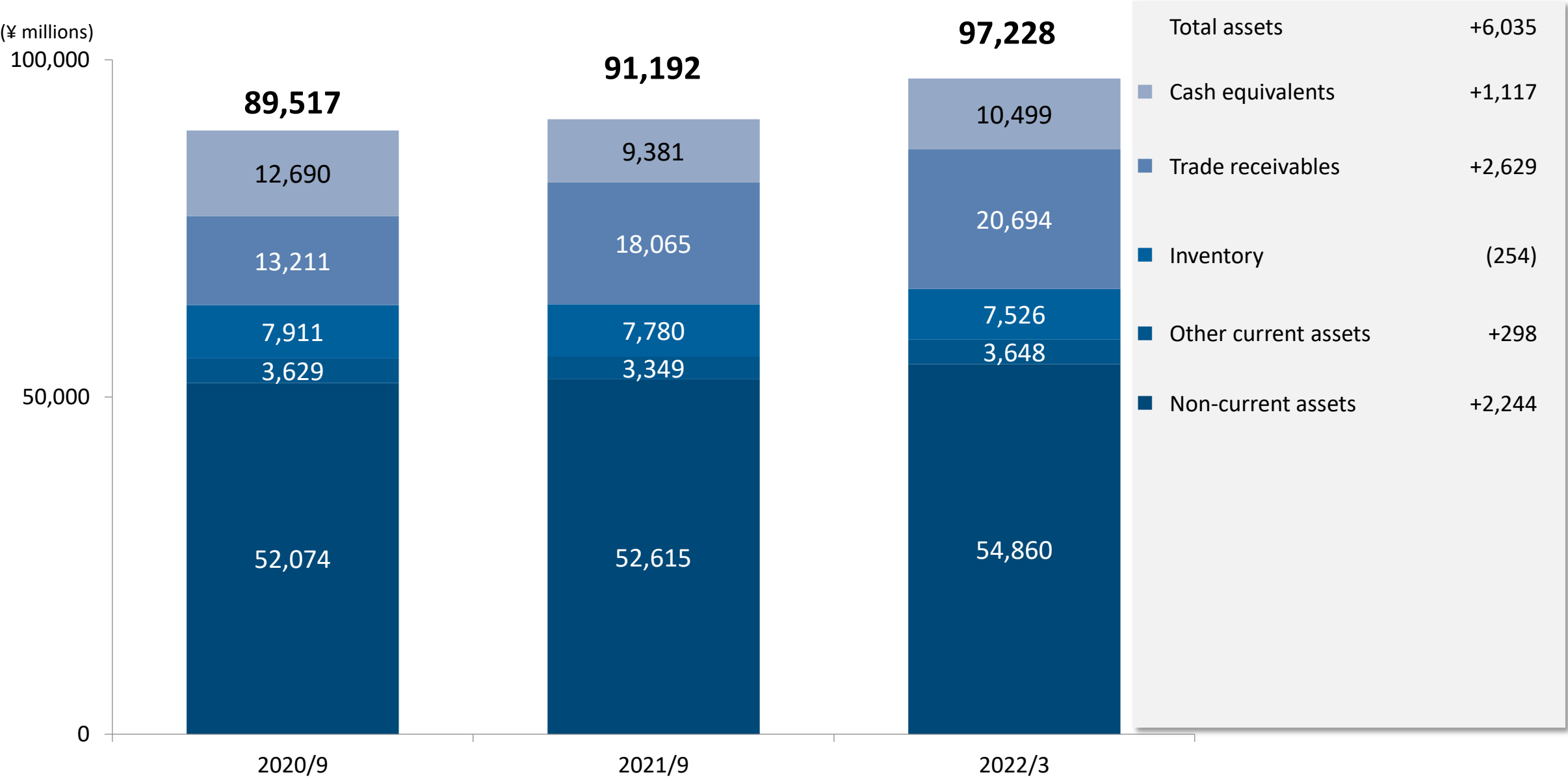


## Focus activities

- Expansion of healthcare services & utilization of data by using harmo
- Expansion of healthcare services for local governments and companies
- Expansion of self-screening services
- Nurture and secure healthcare human resources

\*Business segment profit (Negative)

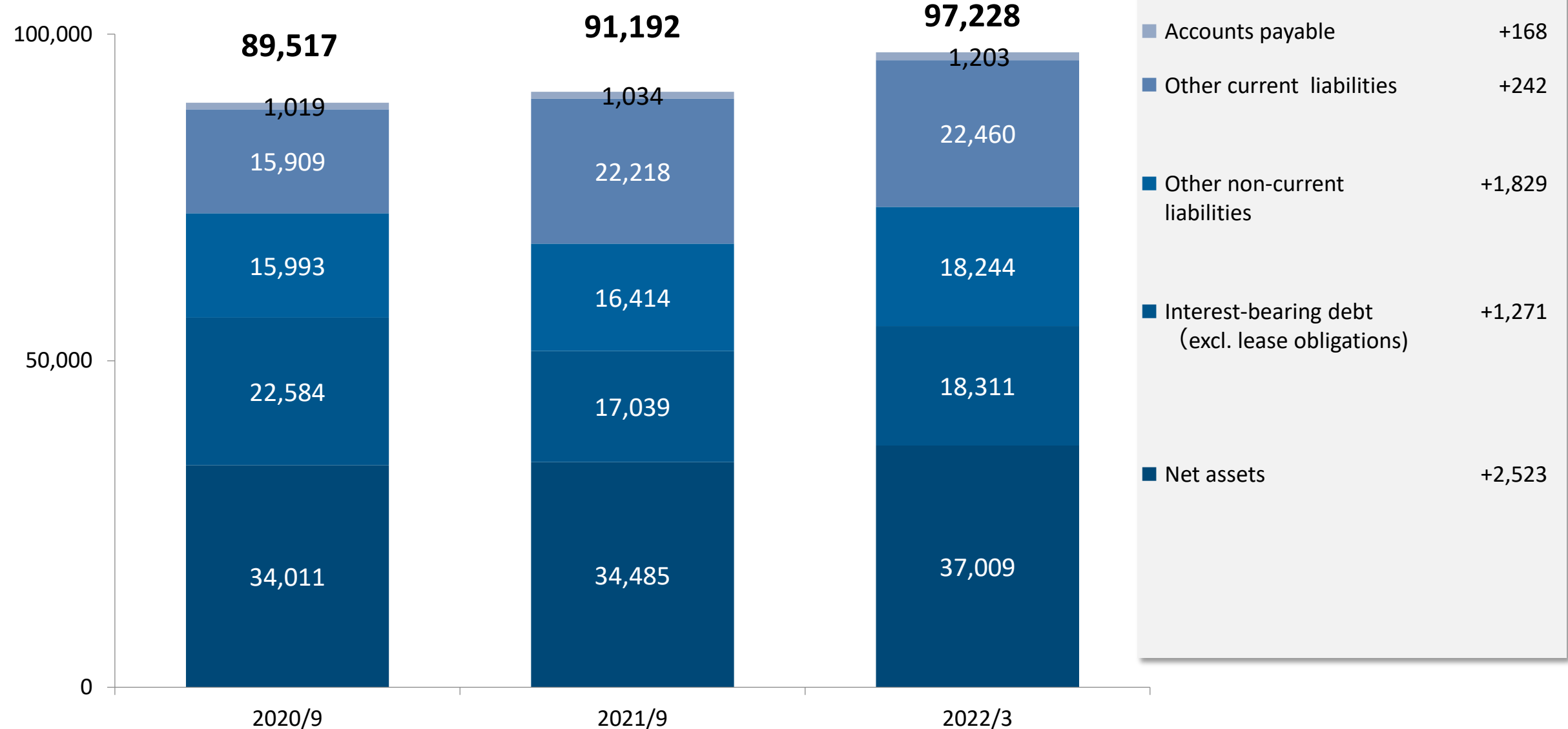
# Consolidated balance sheet (assets)



# Consolidated balance sheet (liabilities and net assets)



(¥ millions)



# Cash Flows



(¥ millions)	2021/3	2022/3	Increase (decrease)	【Key factors】
Cash flows from operating activities	2,089	4,011	+1,921	(Cash flow from operating activities) • Increase in funds due to recording of income before income taxes, etc.
Cash flows from investing activities	(2,730)	(3,682)	(951)	(Cash flow from investing activities) • Expenditures for the acquisition of property, plant and equipment, etc. in the CDMO business
Cash flows from financing activities	(1,412)	906	+2,318	(Cash flow from financing activities) • Proceeds from borrowing payable, etc.
Effect of exchange rate change on cash and cash equivalents	(47)	(278)	(231)	
Net increase(decrease) in cash and cash equivalents	(2,100)	956	+3,056	
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1	60	+58	
Cash and cash equivalents at beginning of period	12,688	9,379	(3,308)	
Cash and cash equivalents at end of period	10,589	10,395	(193)	



# Forecast for FY ending Sep. 2022



## COVID-19-related

- Therapeutic drug and vaccine development projects continue
- Large-scale vaccination projects expected to decline

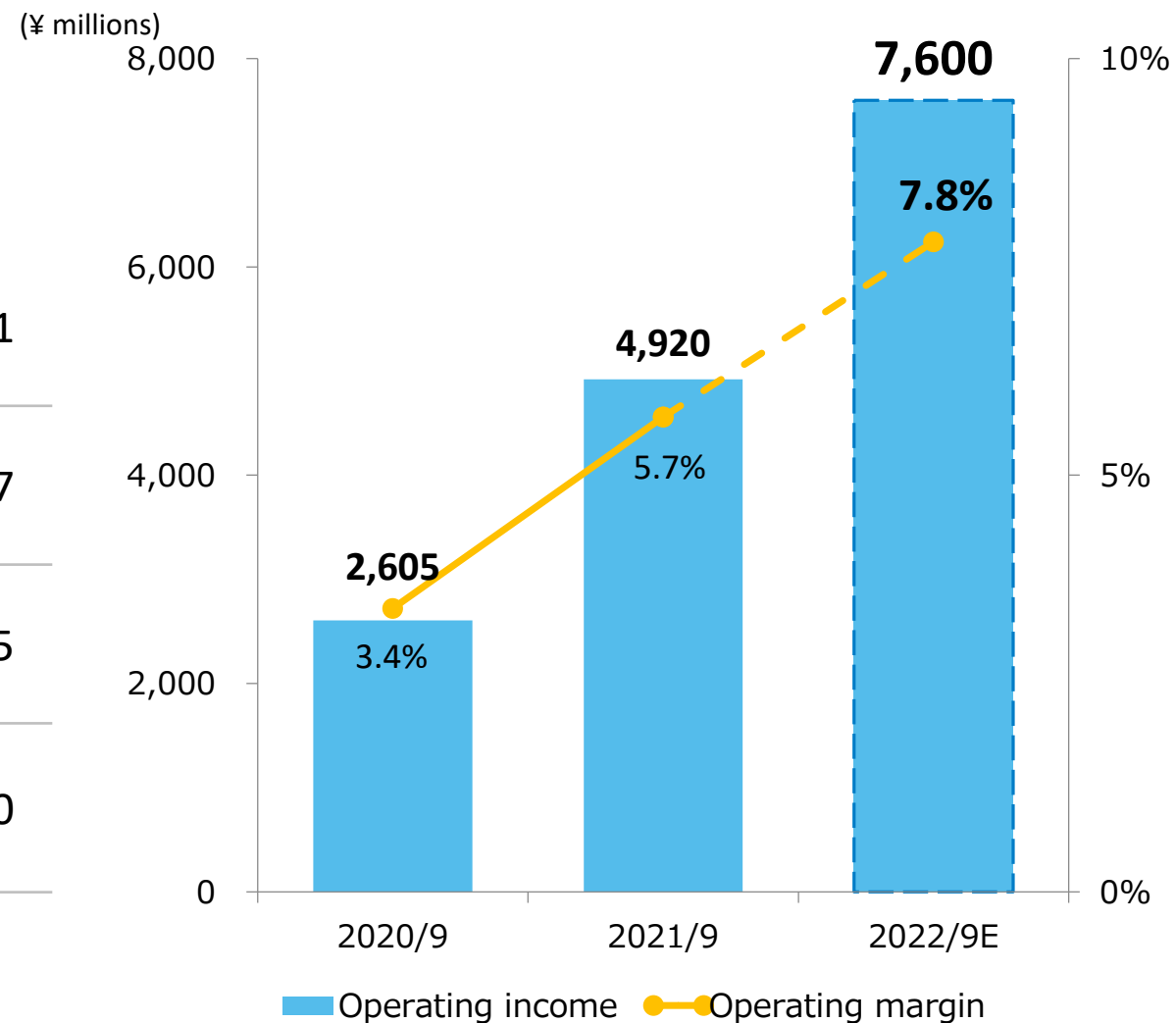
## Russia and Ukraine situation

- No group sites in Russia or Ukraine
- Impact on contracted projects
  - Cancellation or postponement of clinical trials in Russia and Ukraine
  - Delays in procurement of raw materials, medical equipment, and other materials due to logistics disruptions, etc.
- Impact on profits from higher energy and logistics costs

# Forecast for FY ending Sep. 2022



	2021/9 Actual (¥ millions)	2022/9 Previous Forecast (2022/1/31) (¥ millions)	2022/9 Revised Forecast (¥ millions)	Change from January Forecast (%)
Net Sales	85,788	95,000	<b>97,000</b>	2.1
Operating income	4,920	6,000	<b>7,600</b>	26.7
Ordinary income	5,091	5,800	<b>7,800</b>	34.5
Profit attributable to owners of parent	2,023	3,000	<b>3,900</b>	30.0
Earnings per share	¥ 111.85	¥ 165.82	<b>¥ 217.30</b>	





Cautionary statement:

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