



Overview of Financial Results for FY2022

CMIC HOLDINGS Co., Ltd.
November 8, 2022

CMIC Group Business



CMIC Group Network



26 group companies, 62 sites (49 offices, 6 factories, 7 laboratories)

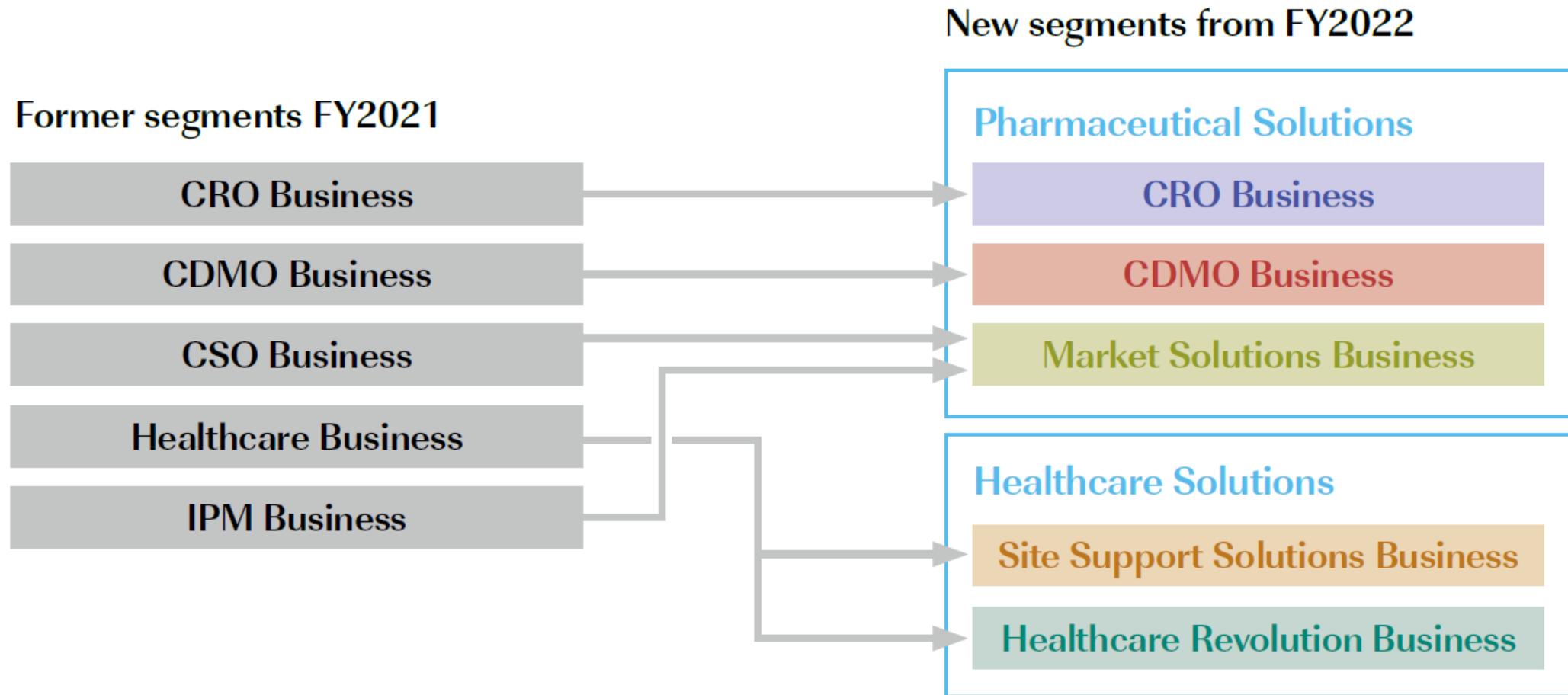
Japan: 13 companies

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 • Following up on COVID patients including health observation
 - Utilization of the COVID-19 vaccination information management system “harmo[®] vaccine care”
 - Call center (to consult about adverse reactions), human resources support (Physician and nurse reference, admin staff) , launch of antigen and antibody test kits
- Collaboration with local governments
 - VRS Vaccination Records used by all Citizens: “harmo[®] 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[®] vaccine care" app used in seven towns and villages at the foot of Mt. Yotei to prevent accidental vaccination of children
 - Antigen test kits distributed using "drive-through" system in Fujinomiya City, Shizuoka Prefecture

➤ Deployment of "Selcheck®" self-check service

- Contributing to disease prevention and early detection by utilizing IoT, bio-sensing data obtained from wearable devices, and self-sampling tests by mail—
- The launch of test kits to self-check the risks of cervical cancer, chronic kidney disease aggravation, frailty, etc.
- Started a POC (Proof of Concept) for stress check



➤ harmo® enhancements

- Electronic Medication Record function –Development for new version (app) release
- Provision of survey information
 - "Survey on Trends and Attitudes toward the COVID Vaccine"
 - "Questionnaire on Medication and Driving"



➤ Efforts to utilize PHR (Personal Health Record)

June 2022: Joined "PHR Service Business Association (tentative name)"

Study on standardization for effective utilization of data held by various entities related to health and medical care, and development of rules to promote quality improvement of PHR services

Participating companies: A total of 15 companies in the PHR service business (SOMPO Holdings, KDDI, Eisai, Shionogi, Omron, Welby, MICIN, etc.)



CMIC, as coordinator of "Subcommittee 2", will address issues related to standardization and portability of information handled in PHRs.

Actual Results for FY2022

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

- Accelerating & streamlining drug and device development
 - Partnership with Science 37[®] to accelerate Decentralized Clinical Trials (DCTs) and speed up drug development
 - Increase in trials partially incorporating DCT (telemedicine, home nursing, ePRO, etc.)

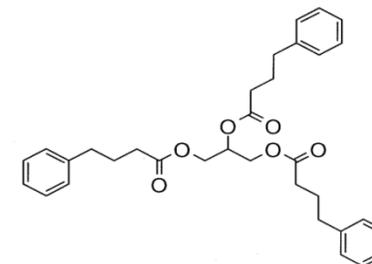


- In the bioanalysis business, CMIC supports drug discovery in cutting-edge areas where modalities are diversifying, such as next-generation biopharmaceuticals and gene therapy drugs
- Best CRO Award (Pharma Intelligence Award 2022)
Contribution to the approval and launch of pharmaceutical products, activities to combat Covid-19, partnerships with several companies, and other multifaceted business activities that resulted in a significant increase in profit.
- Launched the development of glycerol phenylbutyrate (overseas trade name: Ravicti®) for the treatment of urea cycle disorders in Japan



*Urea Cycle Disorders (UCD)

A congenital deficiency of an enzyme in the urea cycle of the liver results in hyperammonemia, a failure to metabolize ammonia



Actual Results for 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
- Support for athletes with disabilities



Consolidated income statement (overview)



	FY2021		FY2022		Change	Percent Change
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
Sales	85,788	100.0	108,461	100.0	+22,672	+26.4
Operating income	4,920	5.7	11,845	10.9	+6,924	+140.7
Ordinary income	5,091	5.9	13,450	12.4	+8,358	+164.2
Profit attributable to owners of parent	2,023	2.4	8,387	7.7	+6,364	+314.5
Earnings per share	¥111.85		¥469.44			

The situation in Ukraine had no significant direct impact on the Group during the period under review.

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



(¥ millions)	FY2021	FY2022
Non-operating income	399	1,830
Interest income	2	3
Foreign exchange gains	190	1,720
Share of profit of entities accounted for using equity method	20	—
Other	187	106
Non-operating expenses	228	225
Interest expenses	133	152
Commission fee	19	29
Other	76	43

(¥ millions)	FY2021	FY2022
Extraordinary income	714	139
Gain on sales of investment securities	577	—
Gain on sales of shares of subsidiaries and associates	19	—
Gain on forgiveness of debts	117	—
Gain on reversal of loss of asset retirement obligations	—	139
Extraordinary losses	2,331	1,550
Impairment loss	2,102	1,386
Loss on retirement of non-current assets	107	155
Loss on valuation of investment securities	122	8
Income taxes	2,397	2,994
Current	3,947	6,066
Deferred	(1,550)	(3,071)
Profit attributable to non-controlling interests	(946)	657

Sales & Operating income by reportable segment



		FY2021 Amount (¥ millions)	FY2022 Amount (¥ millions)	Change (¥ millions)	Percent change (%)
Pharmaceutical Solutions	Sales	68,392	78,188	+9,796	+14.3
	Operating income	3,127	4,752	+1,625	+52.0
Healthcare Solutions	Sales	17,958	31,007	+13,048	+72.7
	Operating income	3,159	8,660	+5,500	+174.1
Adjustments	Sales	(562)	(735)	(173)	—
	Operating income	(1,365)	(1,566)	(201)	—
Consolidated	Sales	85,788	108,461	+22,672	+26.4
	Operating income	4,920	11,845	+6,924	+140.7

*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



	FY2021		FY2022			
	Orders received	Backlog	Orders received	Percent Change	Backlog	Percent Change
	(¥ millions)	(¥ millions)	(¥ millions)	(%)	(¥ millions)	(%)
Pharmaceutical Solutions	67,851	68,338	80,907	+19.2	74,742	+9.4
Healthcare Solutions	22,164	16,581	29,982	+35.3	16,139	(2.7)
T o t a l	90,015	84,920	110,890	+23.2	90,882	+7.0

Sales composition ratio

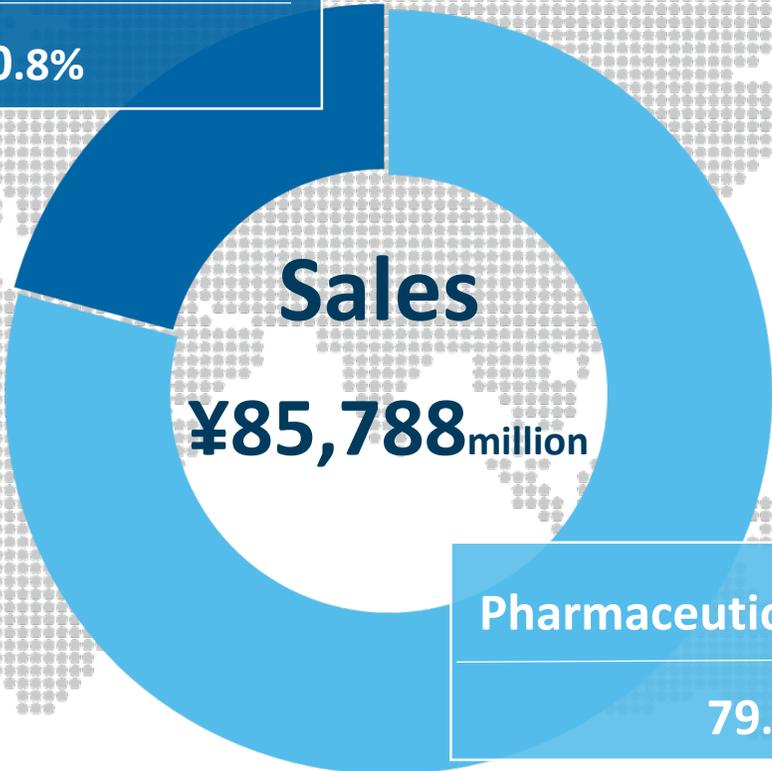


FY2021

FY2022

Healthcare Solutions

20.8%

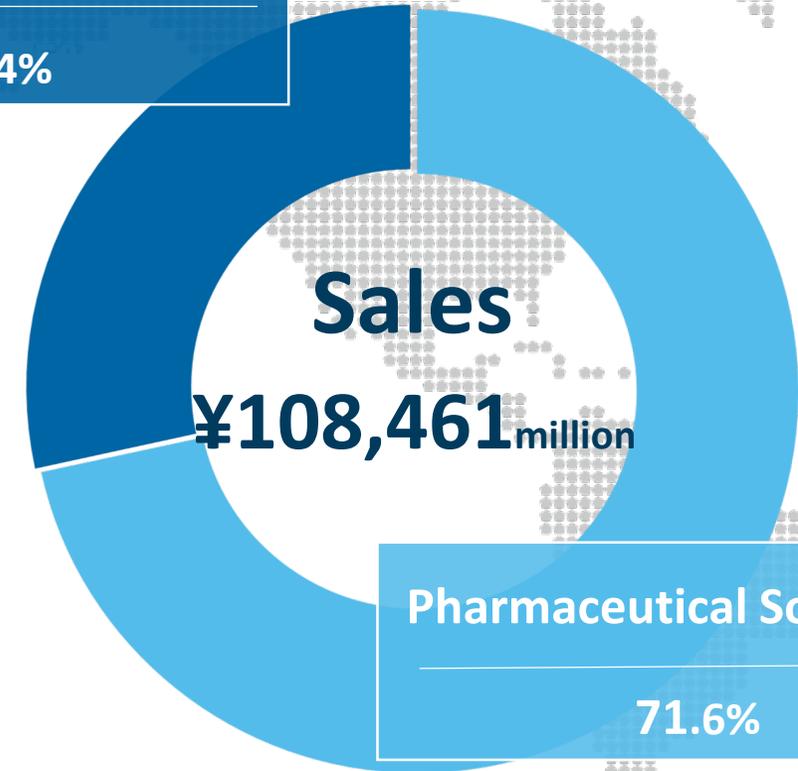


Sales

¥85,788 million

Healthcare Solutions

28.4%



Sales

¥108,461 million

Pharmaceutical Solutions

79.2%

Pharmaceutical Solutions

71.6%

Operating income ¥4,920 million

Operating margin 5.7%

Operating income ¥11,845 million

Operating margin 10.9%

Sales composition ratio of Pharmaceutical Solutions

FY2021

FY2022

Market Solutions

18.1%

CRO

50.9%

Sales

¥68,392million

CDMO

31.0%

Market Solutions

17.3%

CRO

51.2%

Sales

¥78,188million

CDMO

31.5%

Operating income ¥3,127million

Operating margin 4.6%

Operating income ¥4,752million

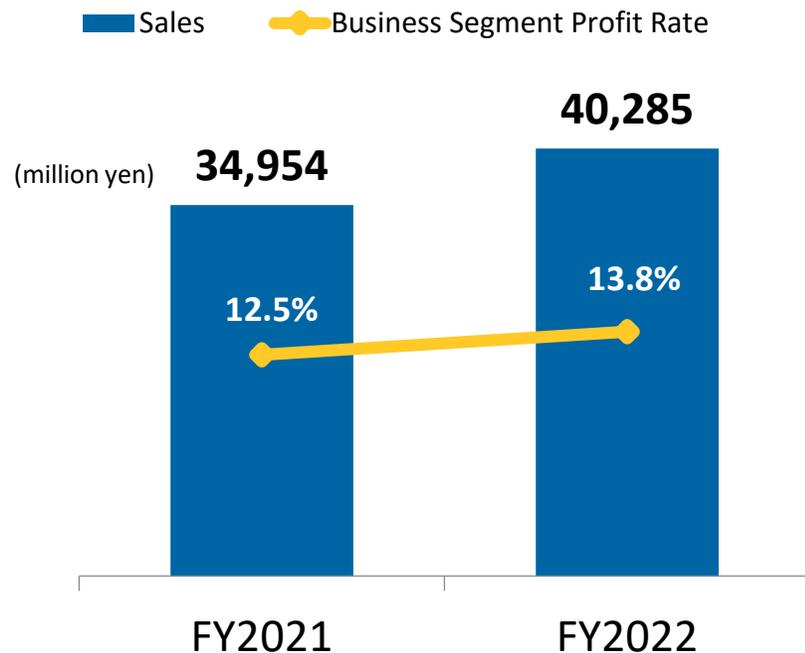
Operating margin 6.1%

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 consolidated fiscal year. Increase in inquiries for development projects
- Partnership with Science 37[®] to Promote Decentralized Clinical Trials (DCTs) and Accelerate Drug Development, Increased number of trials incorporating DCT (telemedicine, home nursing, ePRO, etc.)
- 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

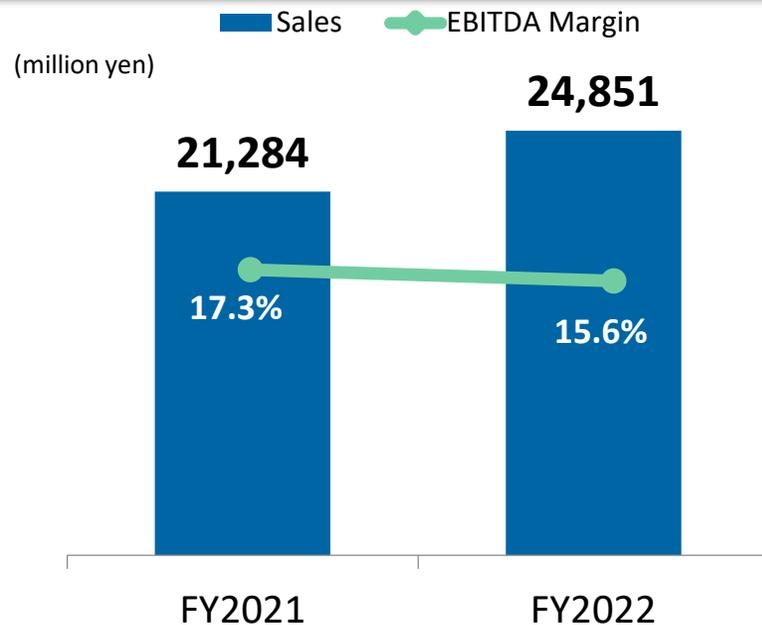
- Enhanced development support for advanced therapies such as biologics and regenerative medicine (full support for filing by Academia and BV)
- Digital applications such as DCT and RWD
- Proactive take on nucleic acid medicine projects via collaboration of laboratories in Japan and the U.S.
- Proactive 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 previous consolidated fiscal year
- Growing need to ensure stable supply in response to the spread of new coronavirus infections and generic quality issues
- Responding to supply shortage risks such as rising prices of energy, raw materials, packaging materials, etc., and longer delivery times in manufacturing
- Delayed recovery in US performance, focus on acquiring new projects



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 profit (Negative)

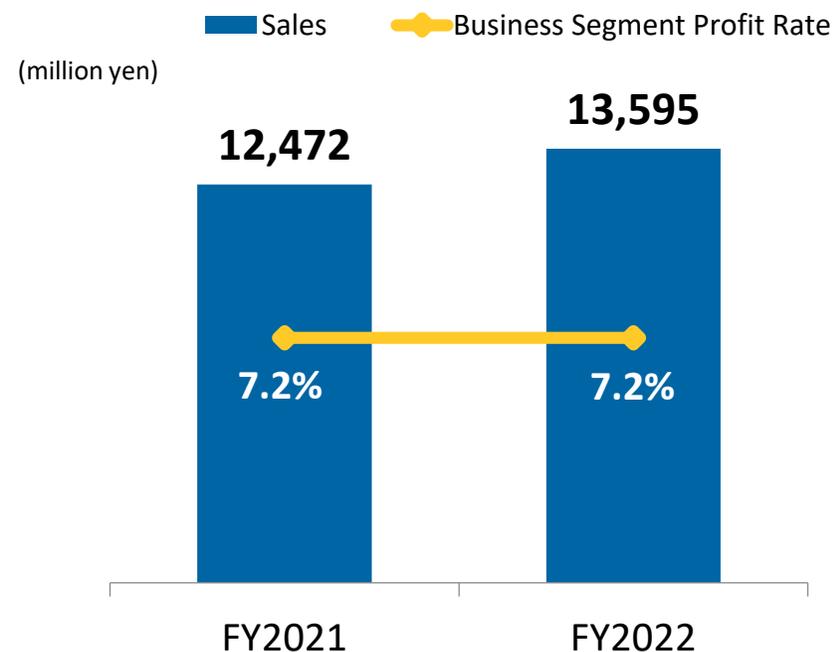
0.3%

Business Segment: Market Solutions Business

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

Business Overview

- Sales increased from the previous consolidated fiscal year
- Acquired new projects and made steady progress in existing projects in MR dispatch services
- Launched the development of glycerol phenylbutyrate (overseas trade name Ravicti®) for the treatment of urea cycle disorders in Japan



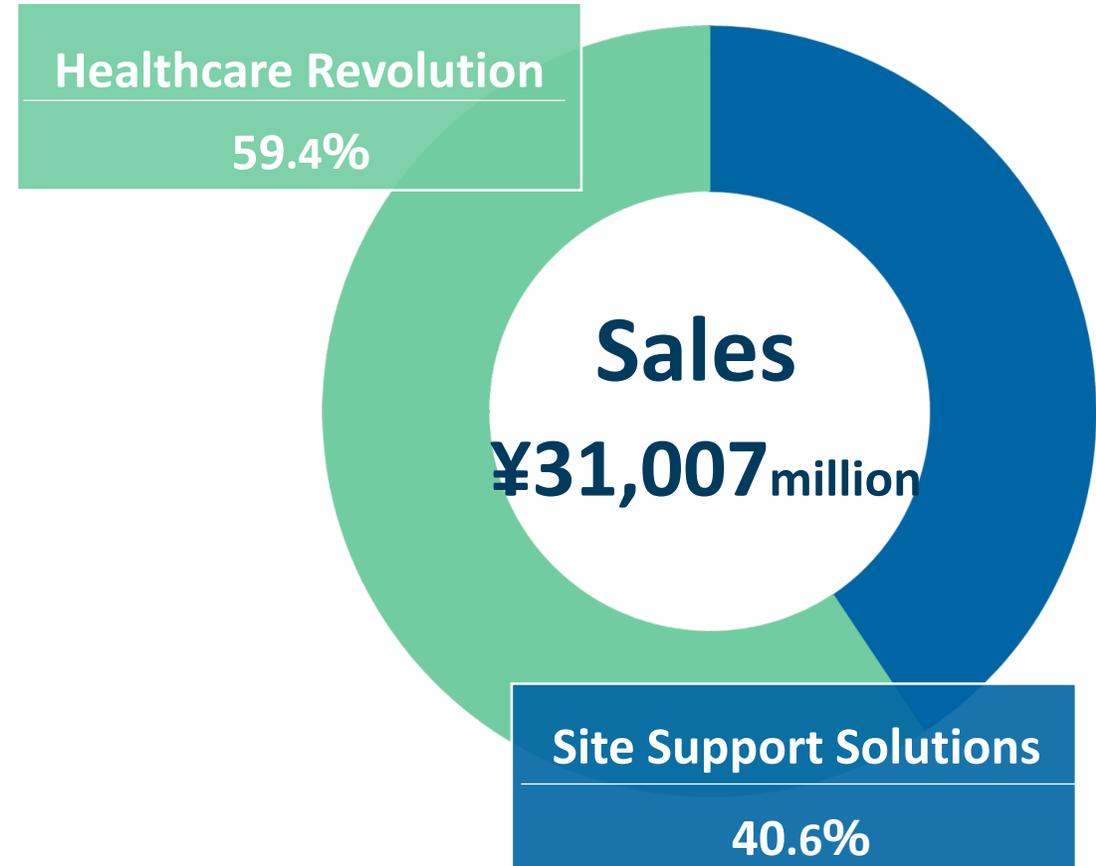
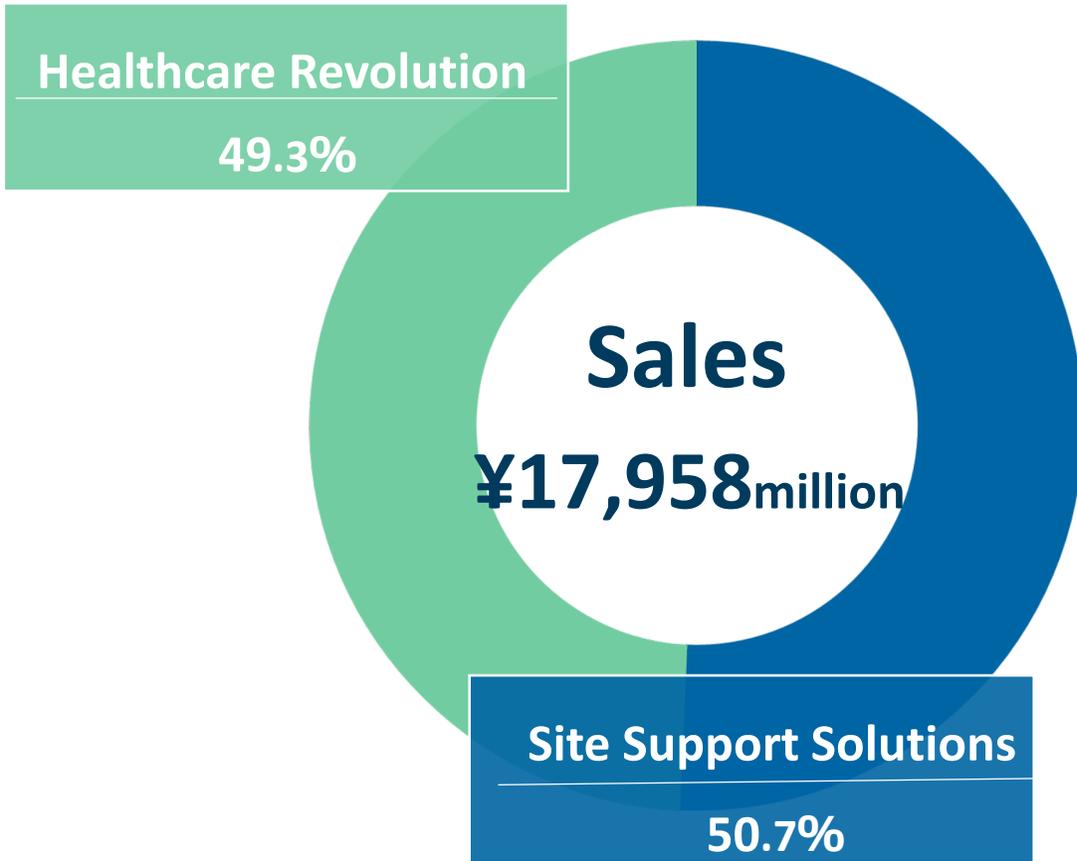
Focus activities

- Expand positioning in the MR dispatch business
- Efficient recruitment of MRs and MSLs
- Provision of hybrid services
- Promotion of multi-channel
- Development of new orphan drugs
- Supporting foreign pharmaceutical companies entering the Japanese market

Sales composition ratio of Healthcare Solutions

FY2021

FY2022



Operating income ¥3,159million
Operating margin 17.6%

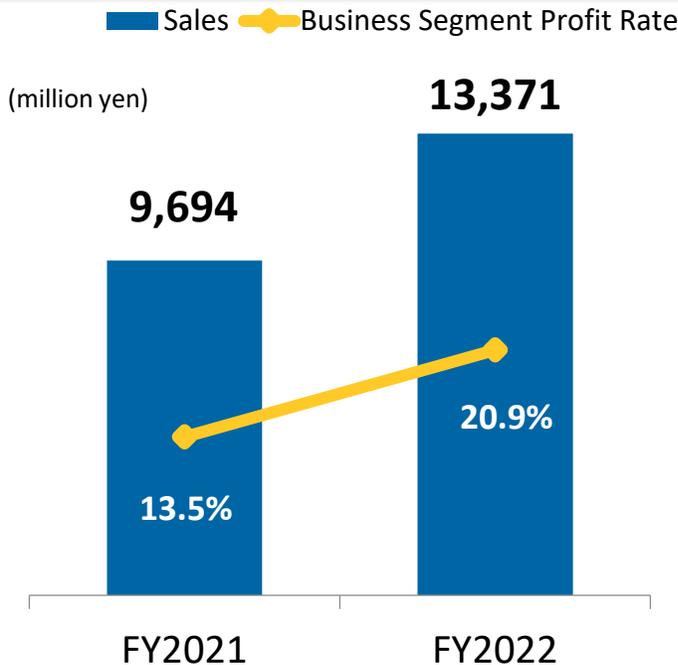
Operating income ¥8,660million
Operating margin 27.9%

Business Segment: Site Support Solutions Business

Comprehensive support of medical institutes and medical staff

Business Overview

- Sales significantly exceeded the previous consolidated fiscal 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

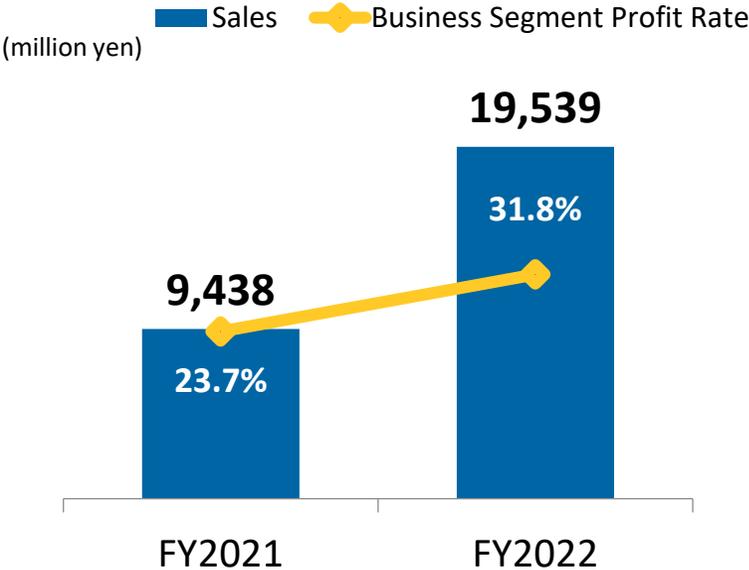
- Shifting from treatment to prevention/prognosis market (prophylaxis treatment agents and clinical trials using apps)
- Providing support for university hospital network, etc.
- Providing services in community healthcare

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 previous consolidated fiscal year
- Municipal support services greatly expanded from vaccination support services for new coronavirus infection
- Expansion of businesses that integrate disease prevention, health information, and IT technologies
 - OKEIOS Inc., a developer of data management platforms for healthcare information coordination, became an equity-method affiliate
 - Developing self-testing services such as the launch of the Frailty* testing kit "FrailSign" and POC (Proof of Concept) for stress check
- Promote the use of harmo® as a Healthcare Communication Channel in PHRs, etc.



Focus activities

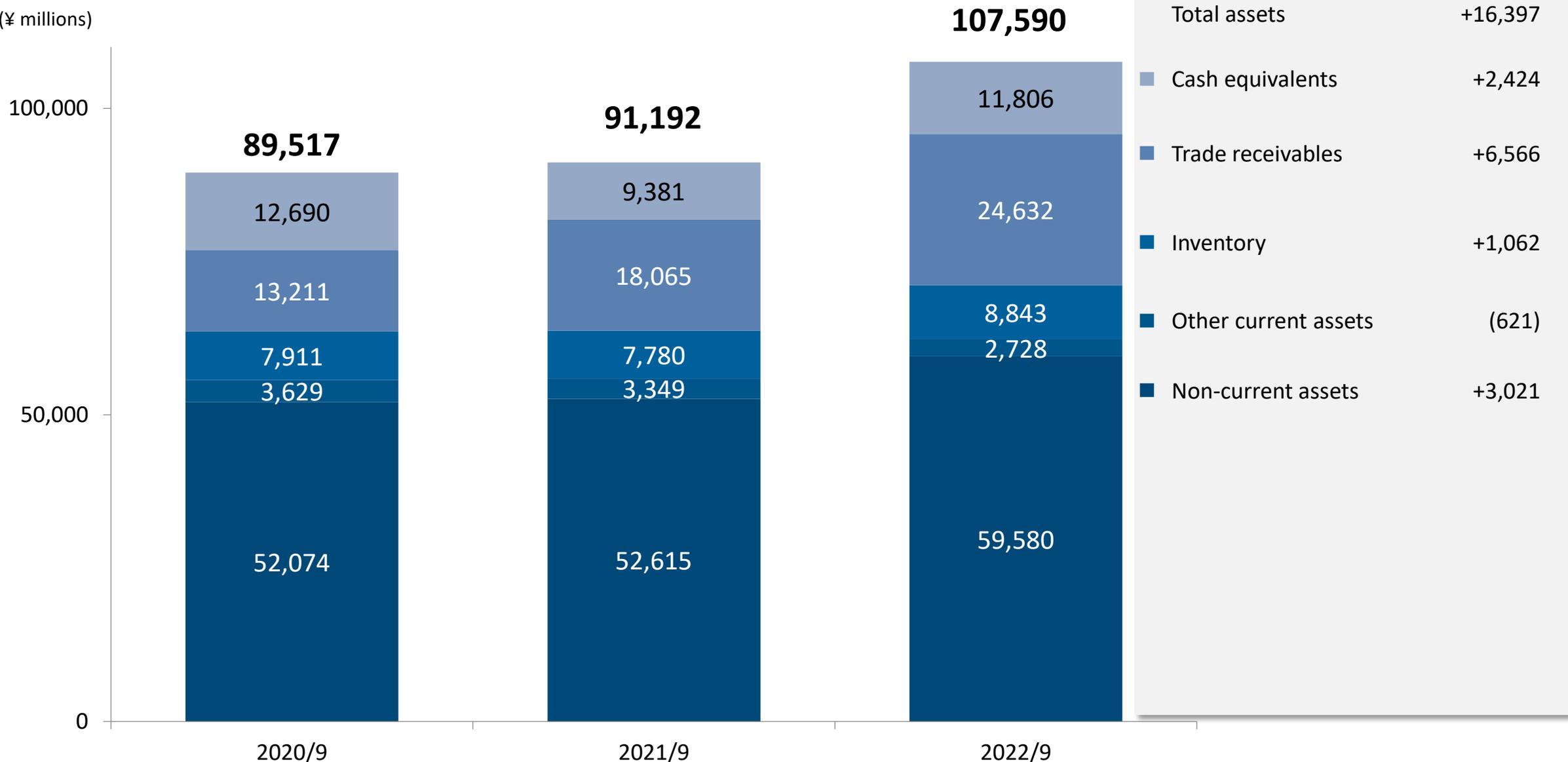
- Expansion of healthcare services & utilization of data by using harmo®
- Expansion of healthcare services for local governments and companies
- Expansion of self-screening services
- Nurture and secure healthcare human resources

* Frailty : Decline in physical and cognitive functions

Consolidated balance sheet (assets)



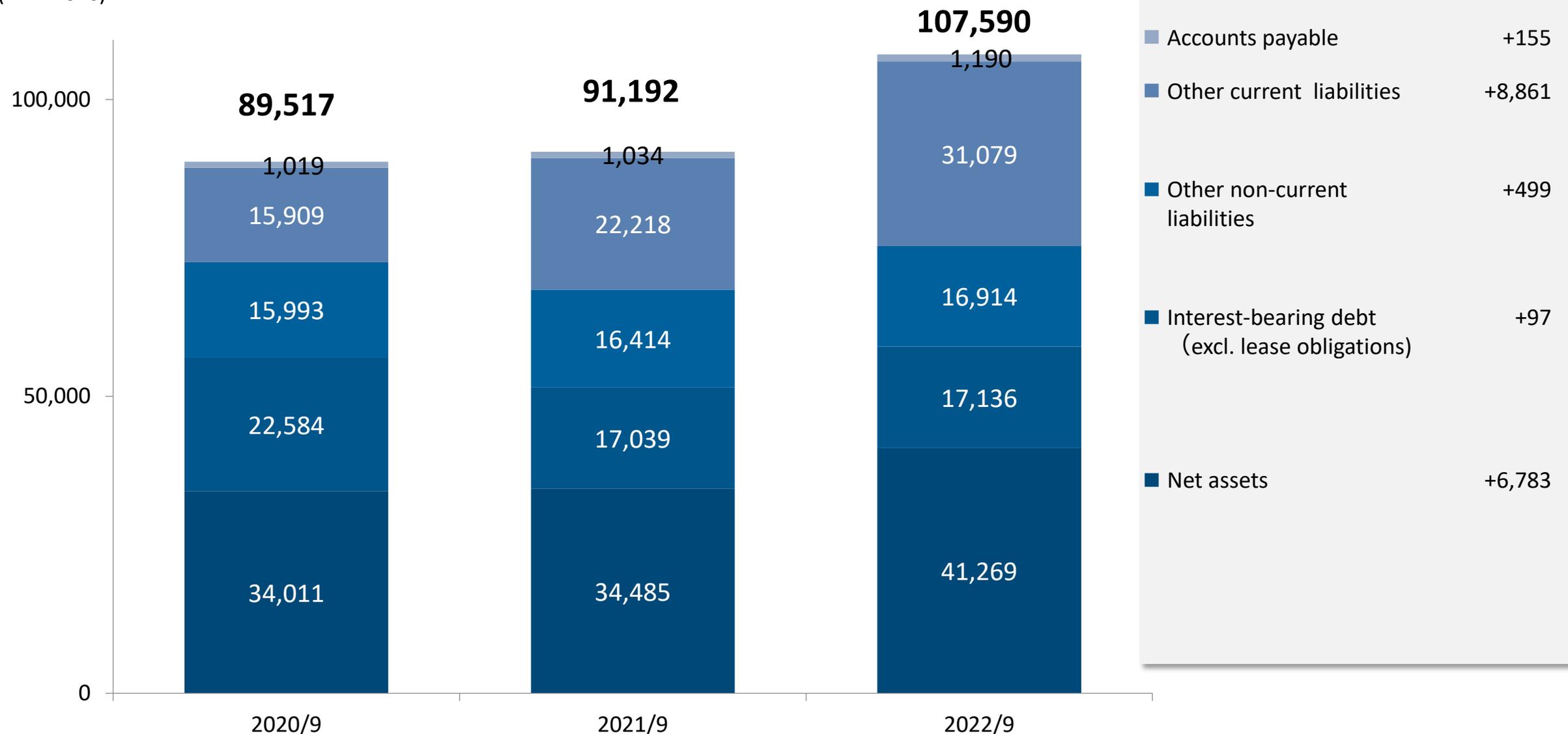
(¥ millions)



Consolidated balance sheet (liabilities and net assets)



(¥ millions)



Cash Flows



(¥ millions)	2021/9	2022/9	Increase (decrease)	【Key factors】
Cash flows from operating activities	9,804	11,213	+1,408	(Cash flow from operating activities) • Increase in funds due to recording of income before income taxes, etc.
Cash flows from investing activities	(6,685)	(8,045)	(1,360)	
Cash flows from financing activities	(6,348)	(1,230)	+5,117	(Cash flow from investing activities) • Expenditures for the acquisition of property, plant and equipment, etc. in the CDMO business
Effect of exchange rate change on cash and cash equivalents	(82)	325	+407	
Net increase(decrease) in cash and cash equivalents	(3,310)	2,263	+5,574	(Cash flow from financing activities) • Payment of dividends and purchase of treasury stock, etc.
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	9,379	11,703	+2,323	



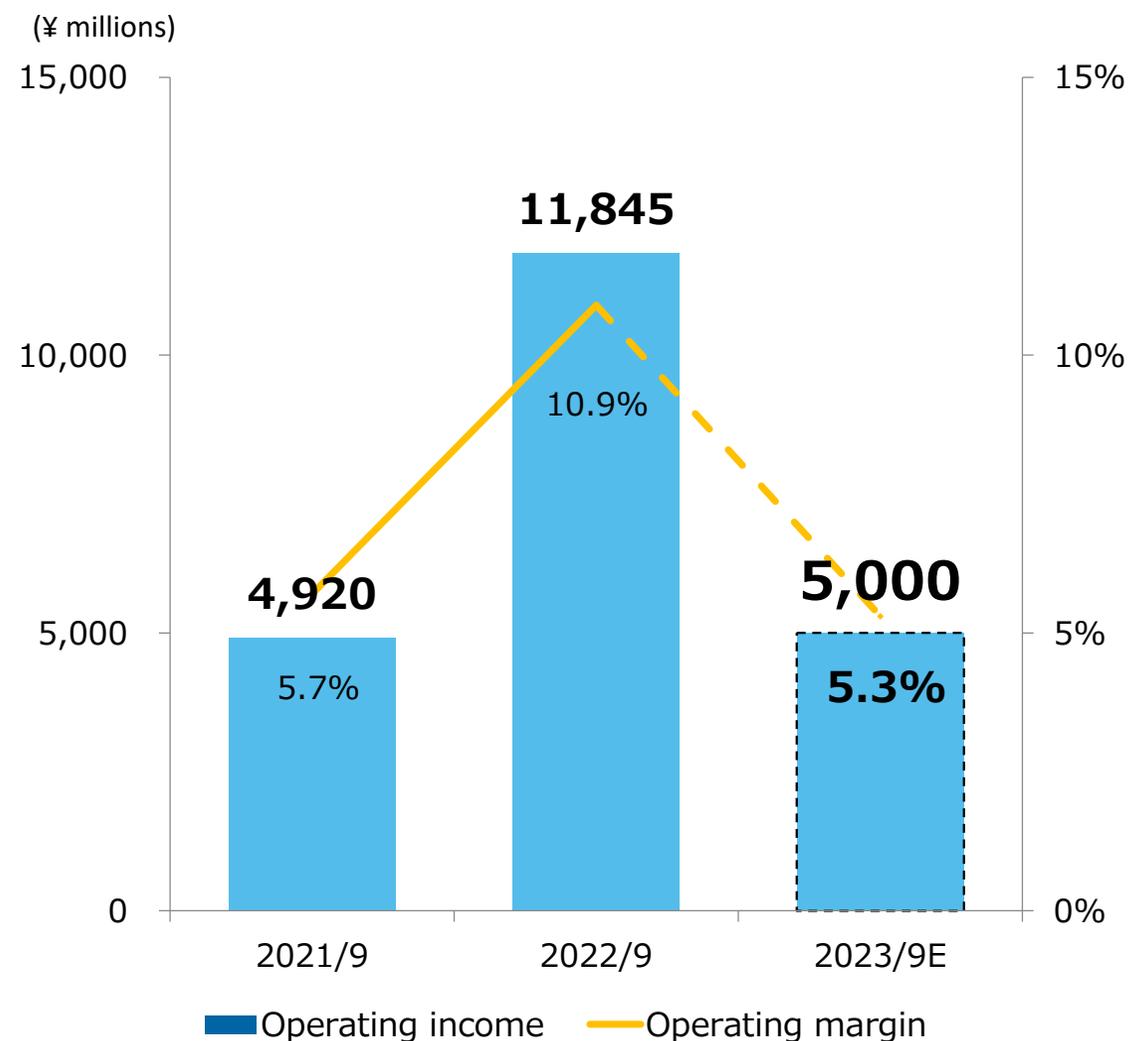
Forecast for FY ending Sep. 2023



Forecast for FY ending Sep. 2023



	2022/9 Actual	2023/9 Forecast	Change (%)
	(¥ millions)	(¥ millions)	
Net Sales	108,461	95,000	(12.4)
Operating income	11,845	5,000	(57.8)
Ordinary income	13,450	4,700	(65.1)
Profit attributable to owners of parent	8,387	2,900	(65.4)
Earnings per share	¥469.44	¥163.64	





Cautionary statement:

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