



Overview of Financial Results for FY2020 3rd Quarter

CMIC HOLDINGS Co., Ltd.
Jul 31, 2020

Business segments and group companies

Blue indicates overseas. *indicates affiliated company



Segment	Products and services	CMIC Group companies (as of end of Mar. 2020)
CRO Business	Services related to pharmaceutical development support and analytical chemistry services	CMIC HOLDINGS Co., Ltd. CMIC Co., Ltd. CMIC ShiftZero K.K. CMIC Korea Co., Ltd. CMIC ASIA-PACIFIC, PTE. LTD. CMIC ASIA PACIFIC (MALAYSIA) SDN. BHD. CMIC Asia-Pacific (Hong Kong) Limited CMIC ASIA-PACIFIC (PHILIPPINES), INC. CMIC ASIA-PACIFIC (AUSTRALIA)PTY LTD CMIC ASIA-PACIFIC (THAI LAND) LIMITED CMIC (Beijing) Co., Ltd. CMIC DATA SCIENCE VIETNAM COMPANY LIMITED CMIC Pharma Science Co., Ltd. CMIC, INC.
CDMO Business	Services related to drug formulation development and manufacturing support, from formulation design to investigational new drug manufacturing to commercial production of ethical drugs and nonprescription drugs for pharmaceutical companies	CMIC CMO Co., Ltd. CMIC CMO NISHINE Co., Ltd. CMIC CMO Korea Co., Ltd. CMIC CMO USA Corporation CMIC Bio Co., Ltd. CMIC JSR Biologics Co., Ltd.*
CSO Business	Services provided to pharma companies related to sales & marketing support	CMIC Ashfield Co., Ltd. McCann MDS Inc.*
Healthcare Business	SMO services, healthcare services related to treating, maintaining, and promoting the health for medical institutions, patients and general consumer, and services related to BPO and human resources	CMIC HealthCare Institute Co., Ltd. CMIC Career Co., Ltd. CMIC Well Co., Ltd.
IPM Business	Provision of new business solution to pharmaceutical companies that combines the system to support all value chains and manufacturing authorization and other licenses (intellectual properties) held by CMIC Group	CMIC HOLDINGS Co., Ltd. CMIC CMO Co., Ltd. OrphanPacific, Inc.

Main initiatives of the current term



✓ **Push forward focus activities "2019-2021 Mid-term Plan"**

- ◆ In addition to the PVC model, we will accelerate the IPM solution business that combines the marketing authorization licenses
 - Increasing need for IPM platform from overseas pharmaceutical companies
- ◆ Strengthening Area Competitiveness and promoting Globalization
 - Expansion of Asian bases (THAI LAND)
- ◆ Creation of healthcare business
 - Promotion of the electronic prescription record service "harmo" , self-inspection service "SelCheck"

✓ **COVID-19 related activities/responses**

- ◆ Sales activities toward winning new projects of COVID-19 treatment drug development support operations etc.
- ◆ COVID-19 related work and support activities
 - Drug development projects including clinical trials and manufacturing support for the anti-influenza virus drug
 - Sales of antibody test kit for COVID-19 research
 - Distribution of COVID-19 related information through "harmo"

✓ **Introduction of Shareholder Benefit Program**

- ◆ Introduce for shareholders as holding 100 shares (one unit) or more in our shareholder register as of March 31, 2020.

Main initiatives of the current term (By segment)



CRO Business

- ▶ Promotion of Virtual Clinical Trial (Joint development of Virtual Clinical Trial system with MICIN)
- ▶ Utilization of Real World Data (CMIC and SUSMED launch simplified analytics solutions for big data using AI)
- ▶ Expanding post-marketing studies and clinical researches

CDMO Business

- ▶ Promotion of order-taking activities in the US and for the new parenteral drug manufacturing building in Ashikaga
- ▶ Expansion of US production capability

CSO Business

- ▶ Fostering MRs with advanced expertise and detailing skills
- ▶ Expand services in the field of medical affairs

Healthcare Business

- ▶ As of January 2020, SMO and a healthcare information service subsidiary were merged. Creating new healthcare business by fusing expertise in clinical trial support with disease prevention / health information and IT technology
- ▶ Accelerated promotion of the "harmo" business, the electronic prescription record service for over a million users, through partnership and collaboration
- ▶ Started a joint research with Keio University on immunization management solutions using the "harmo" platform
- ▶ Expanded the "Selcheck" self-screening test kit series

IPM Business

- ▶ Supported foreign pharmaceutical companies entering the Japanese market through provision of the IPM platform

Consolidated income statement (Overview)



	2019/Q3		2020/Q3		YoY change (¥ millions)	Percent Change (%)
	Amount	Composition ratio	Amount	Composition Ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
Sales	54,855	100.0	56,736	100.0	1,881	3.4
Operating income	4,028	7.3	3,137	5.5	(890)	(22.1)
Ordinary income	3,643	6.6	3,486	6.1	(157)	(4.3)
Profit attributable to owners of parent	1,909	3.5	2,373	4.2	464	24.3
Earnings per share	¥103.04		¥131.26			

Breakdown of Non-operating income and expenses /Extraordinary income and losses/Income taxes



	2019/Q3	2020/Q3		2019/Q3	2020/Q3
Non-operating income	73	519	Extraordinary income	7	46
Interest income	3	3	Gain on sales of non-current assets	7	5
Share of profit of entities accounted for using equity method	-	401	Gain on sales of investment securities	-	10
Other	70	115	Gain on sales of shares of subsidiaries	-	30
Non-operating expenses	458	170	Extraordinary losses	190	75
Interest expenses	84	89	Impairment loss	124	-
Share of loss of entities accounted for using equity method	162	-	Loss on sales of non-current assets	1	-
Foreign exchange losses	173	45	Loss on retirement of non-current assets	65	75
Other	38	35	Tax expense	1,823	877
			Income taxes-current	1,080	290
			Income taxes-deferred	742	587

Sales & Operating income by segment



		2019/Q3 Amount (¥ millions)	2020/Q3 Amount (¥ millions)	Change (¥ millions)	Percent change (%)
CRO Business	Sales	27,523	25,605	(1,918)	(7.0)
	Operating income	5,718	4,288	(1,430)	(25.0)
CDMO Business	Sales	11,858	15,199	3,340	28.2
	Operating income	(156)	15	172	-
CSO Business	Sales	5,795	6,516	720	12.4
	Operating income	100	768	667	661.6
Healthcare Business	Sales	7,613	7,463	(149)	(2.0)
	Operating income	946	586	(360)	(38.1)
IPM Business	Sales	2,695	2,564	(131)	(4.9)
	Operating income	(199)	121	320	-
Adjustments	Sales	(631)	(612)	19	-
	Operating income	(2,381)	(2,642)	(260)	-
Consolidated	Sales	54,855	56,736	1,881	3.4
	Operating income	4,028	3,137	(890)	(22.1)

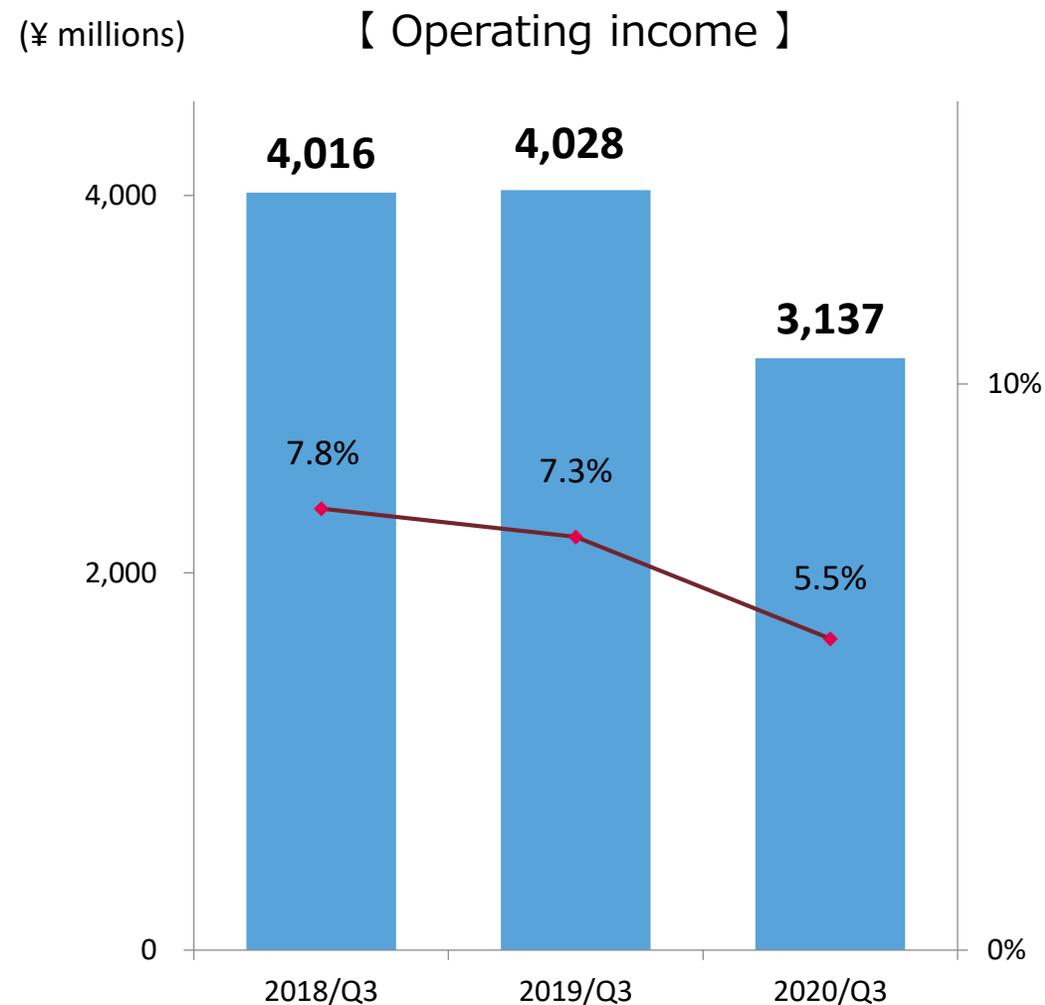
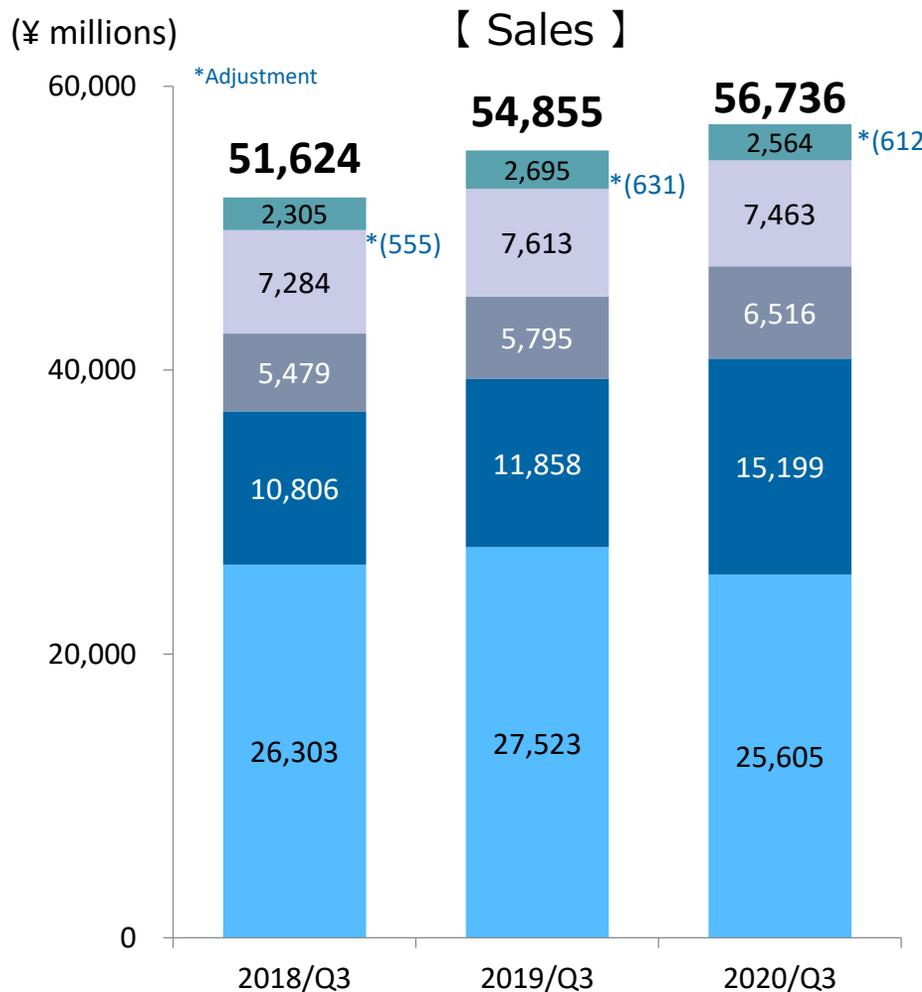
Orders received / Backlog



	2019/Q3		2020/Q3			
	Orders received	Backlog	Orders received	Percent Change	Backlog	Percent Change
	(¥ millions)	(¥ millions)	(¥ millions)	(%)	(¥ millions)	(%)
CRO Business	26,539	54,667	25,310	(4.6)	53,552	(2.0)
CDMO Business	14,104	6,121	15,576	10.4	5,728	(6.4)
CSO Business	7,279	4,747	6,298	(13.5)	3,805	(19.9)
Healthcare Business	8,259	11,021	7,369	(10.8)	11,458	4.0
Total	56,183	76,557	54,555	(2.9)	74,544	(2.6)

- New orders for CSO business dropped as a rebound from the acquisition of large-scale projects from the same period of the previous year
- Accounts for only the backlog of firm CDMO business orders. There is customer demand for scheduled orders but these are different from firm orders so we have not included these in the backlog.
- Order status is not included for IPM Business because its business conditions are different from those of contract business.

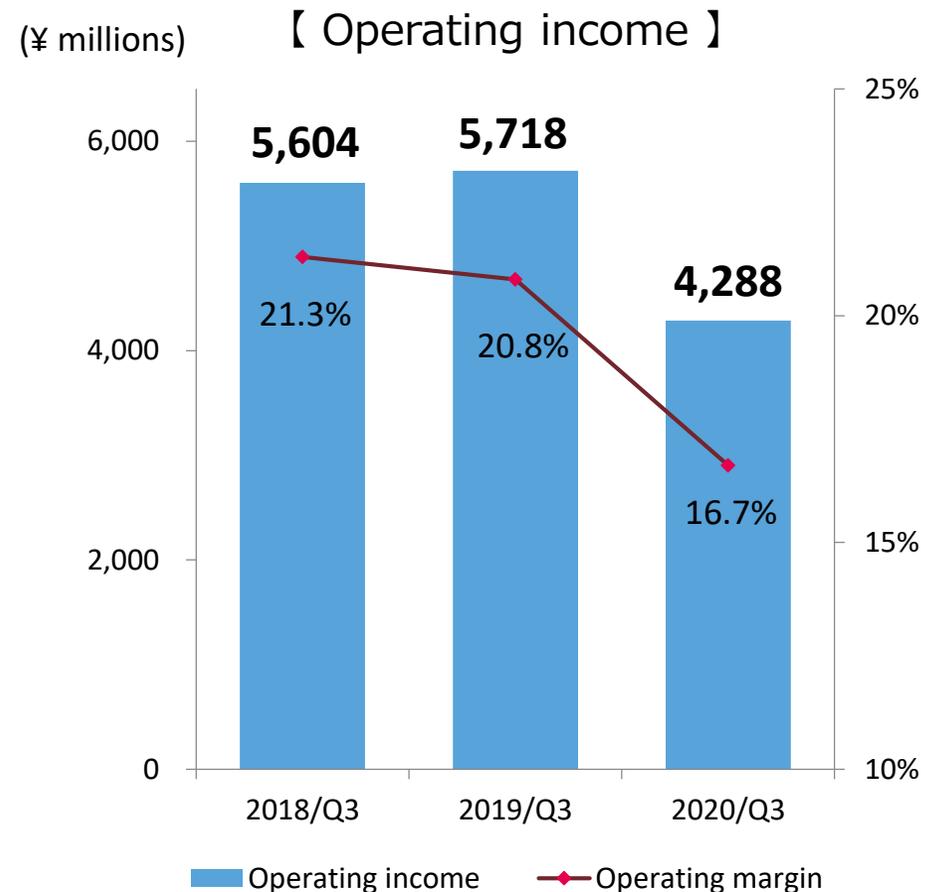
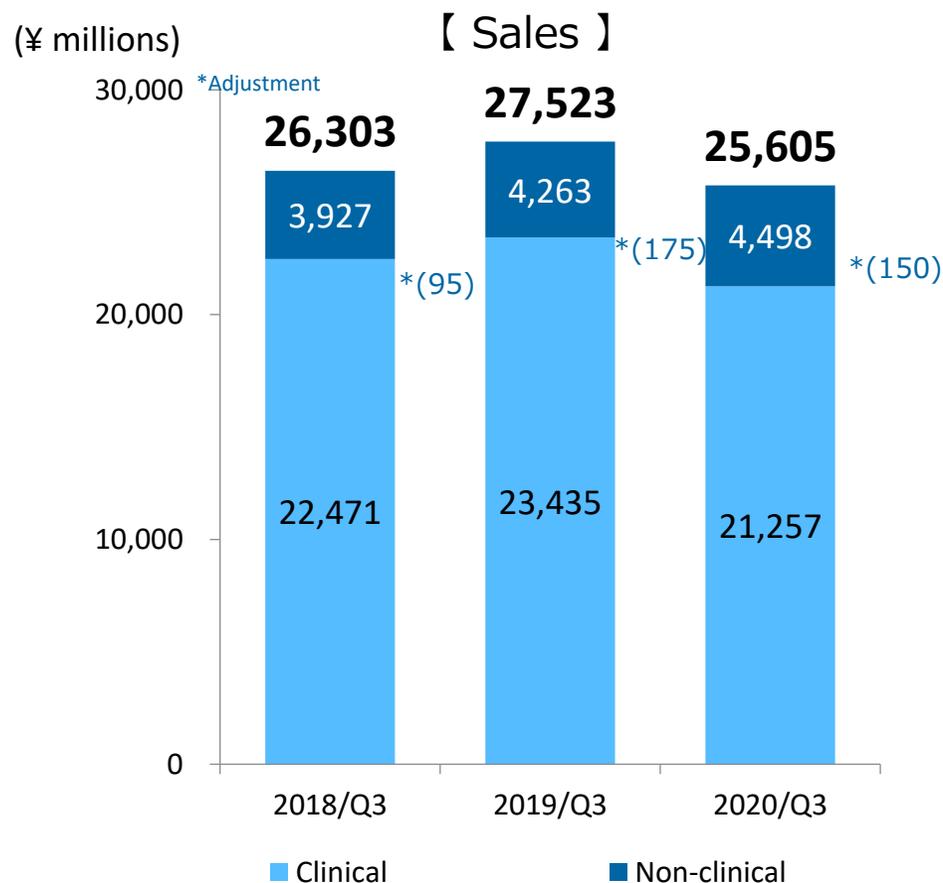
Trend in consolidated Sales & Operating income



■ CRO business ■ CDMO business ■ CSO business
■ Healthcare business ■ IPM business

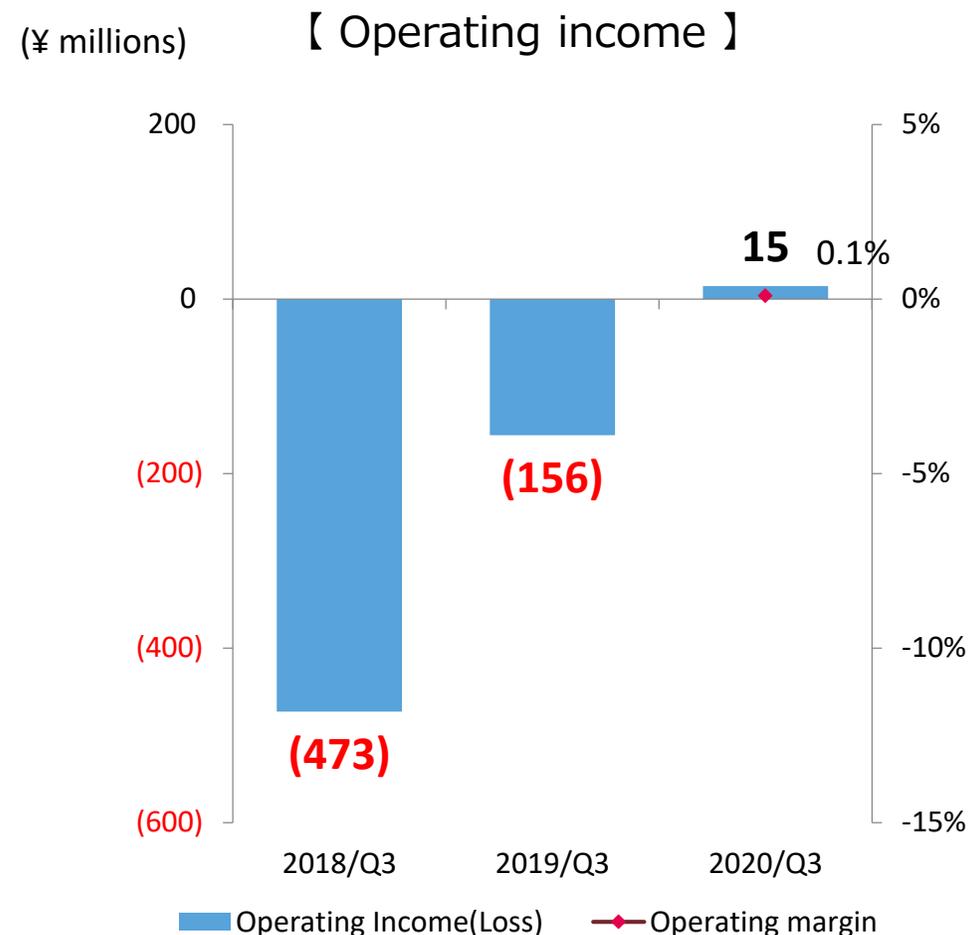
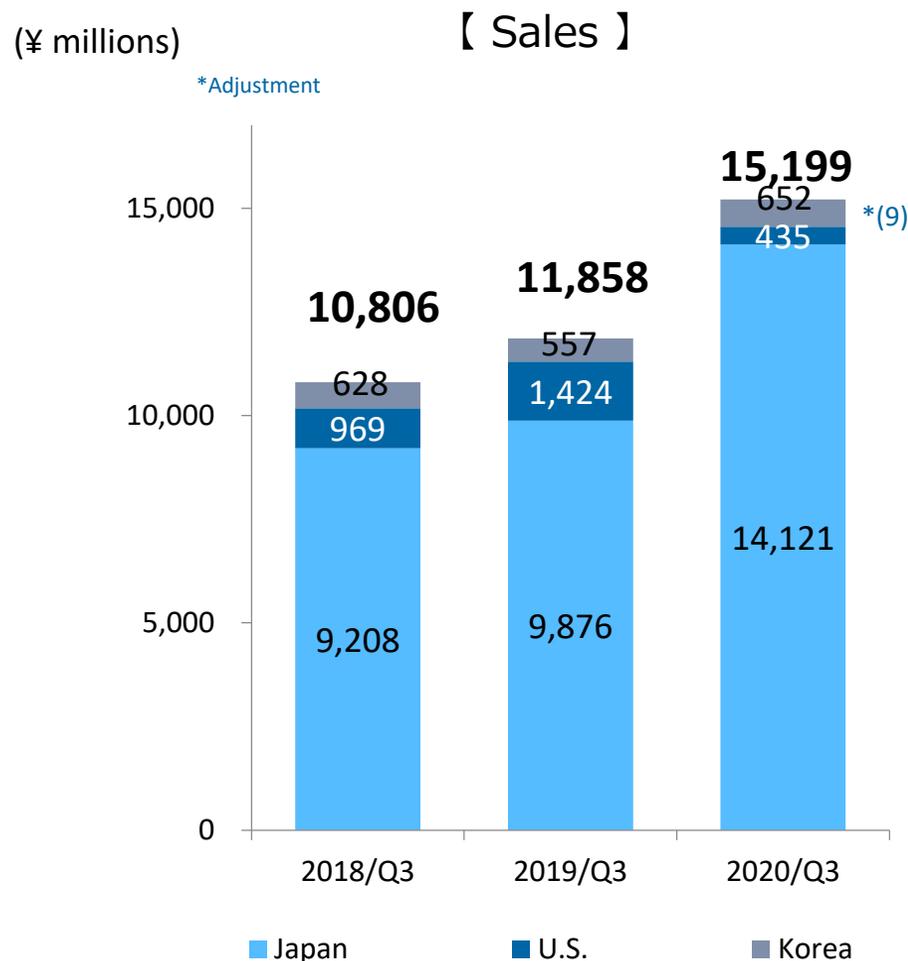
■ Operating income ◆ Operating margin

Contract Research Organization (CRO) Business



Support overseas companies entering the Japanese market, non-healthcare companies entering the healthcare sphere, and promoted measures to address sophisticating development needs including biopharmaceuticals and regenerative medicine. For clinical services, we are promoting PVC projects involving multiple business units, clinical trials with the latest method and technologies (e.g. Virtual clinical trials with on-line doctor consultation, improving the efficiency of clinical trials with electronic prescription records), and improving the expertise and technical capabilities of our talents. Sales were below the same period last year due to the impact of delay in receiving orders and cancellation/postponement of existing projects following the global pandemic of COVID-19 and downsizing/increased complexity of development projects.

Contract Development Manufacturing Organization (CDMO) Business



Enhance its technological capabilities, advance its low-cost production system, and strengthen its competitiveness through strategic capital investment as a pharmaceutical manufacturing platform that expands globally, from formulation studies to investigational drug production and commercial production.

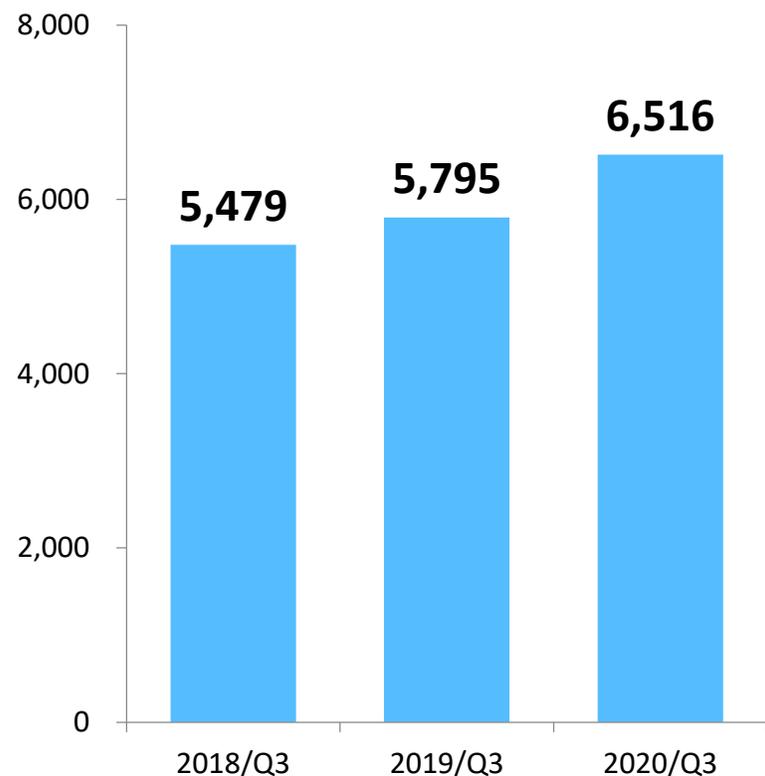
Sales and operating income exceeded the same period last year thanks to increased contract volume in Japan and the sales contribution by CMIC CMO Nishine Co., Ltd., despite the reduction of contract volume following the inventory adjustment by customers in the United States.

Contract Sales Organization (CSO) Business



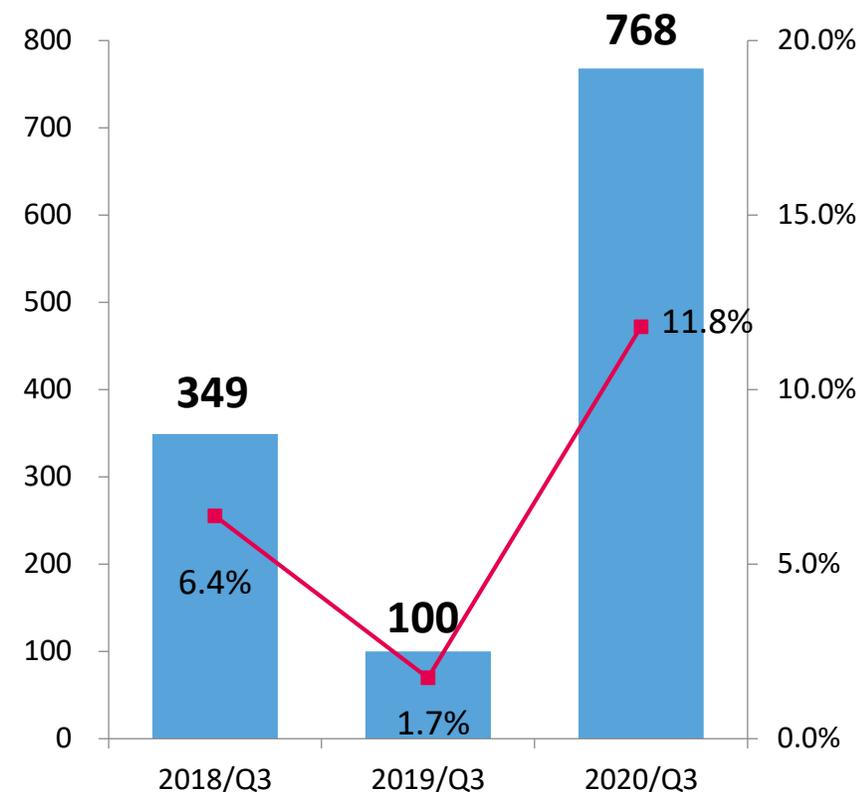
(¥ millions)

【 Sales 】



(¥ millions)

【 Operating income 】



Operating income Operating margin

In addition to the medical representative (MR) dispatch and other related services, provide comprehensive solution that combines multiple communication channels and various services including dispatch and training of Medical Affairs personnel.

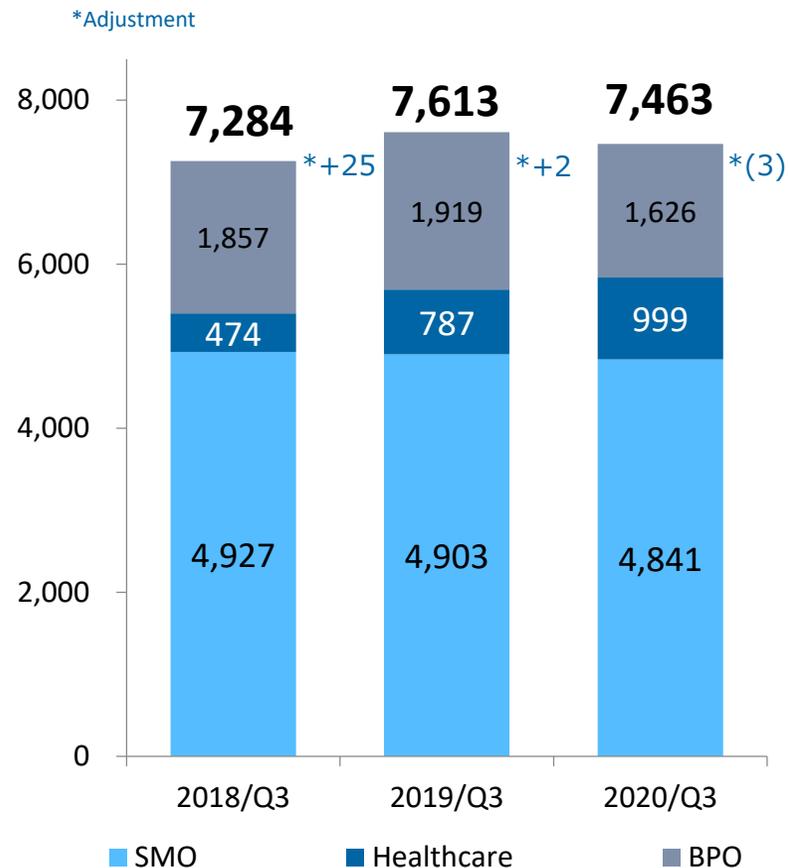
Sales and operating income exceeded the same period last year thanks to the steady progress in MR dispatch projects acquired in the previous period and the operation rates maintained at the high level.

Healthcare Business



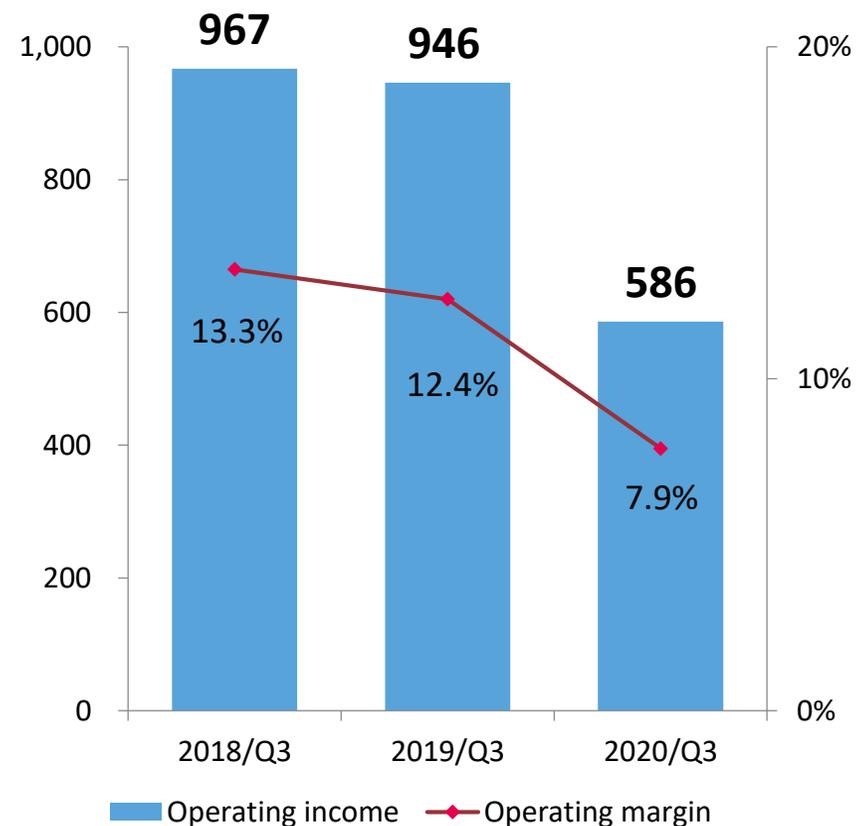
(¥ millions)

【 Sales 】



(¥ millions)

【 Operating income 】



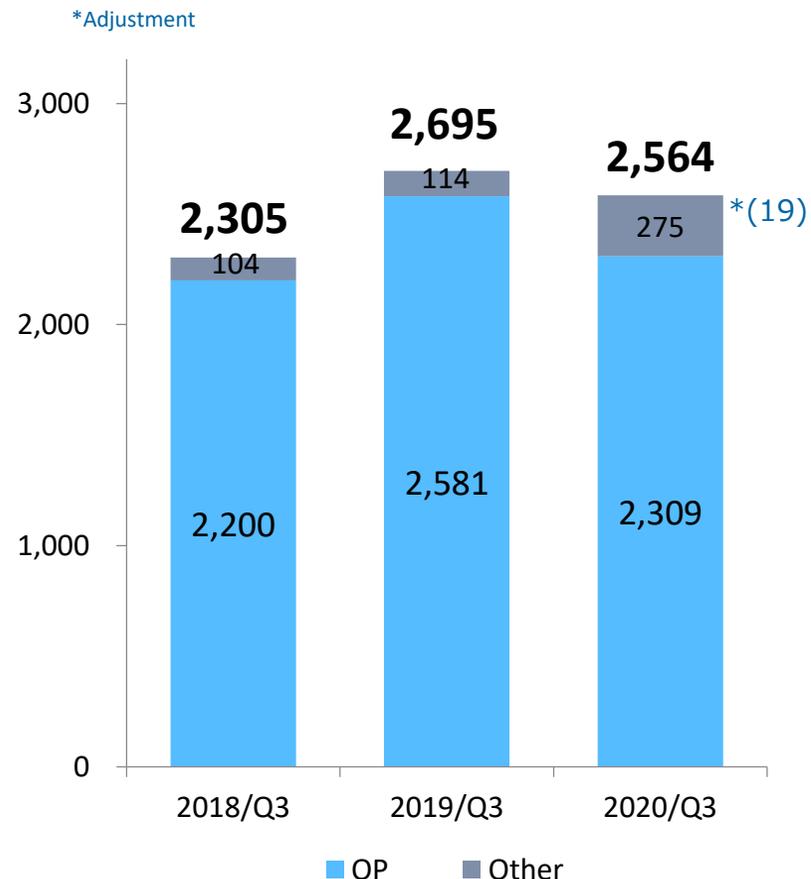
Striving to win new SMO business orders and aim to expedite the in-flow of income for the new healthcare business. Sales were below the corresponding period last year despite growth in healthcare services, due to reduction in work volume for some BPO/Staffing services. Operating income was below the same period last year impacted by lower sales of BPO/Staffing services and prior investment cost to create new healthcare business models.

Innovative Pharma Model (IPM) Business



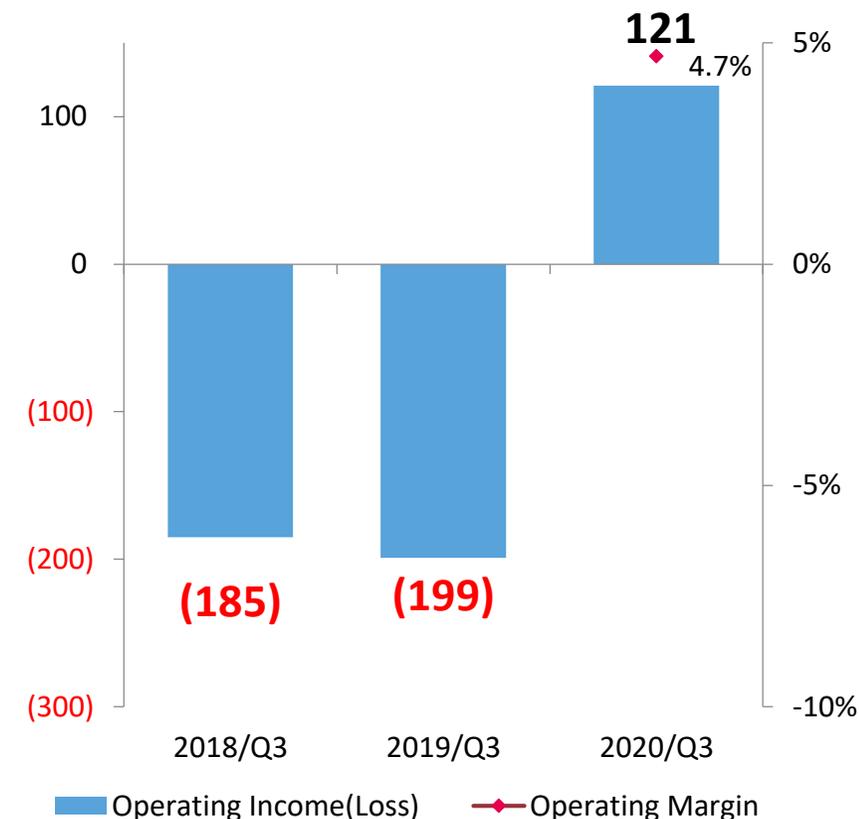
(¥ millions)

【 Sales 】



(¥ millions)

【 Operating income 】



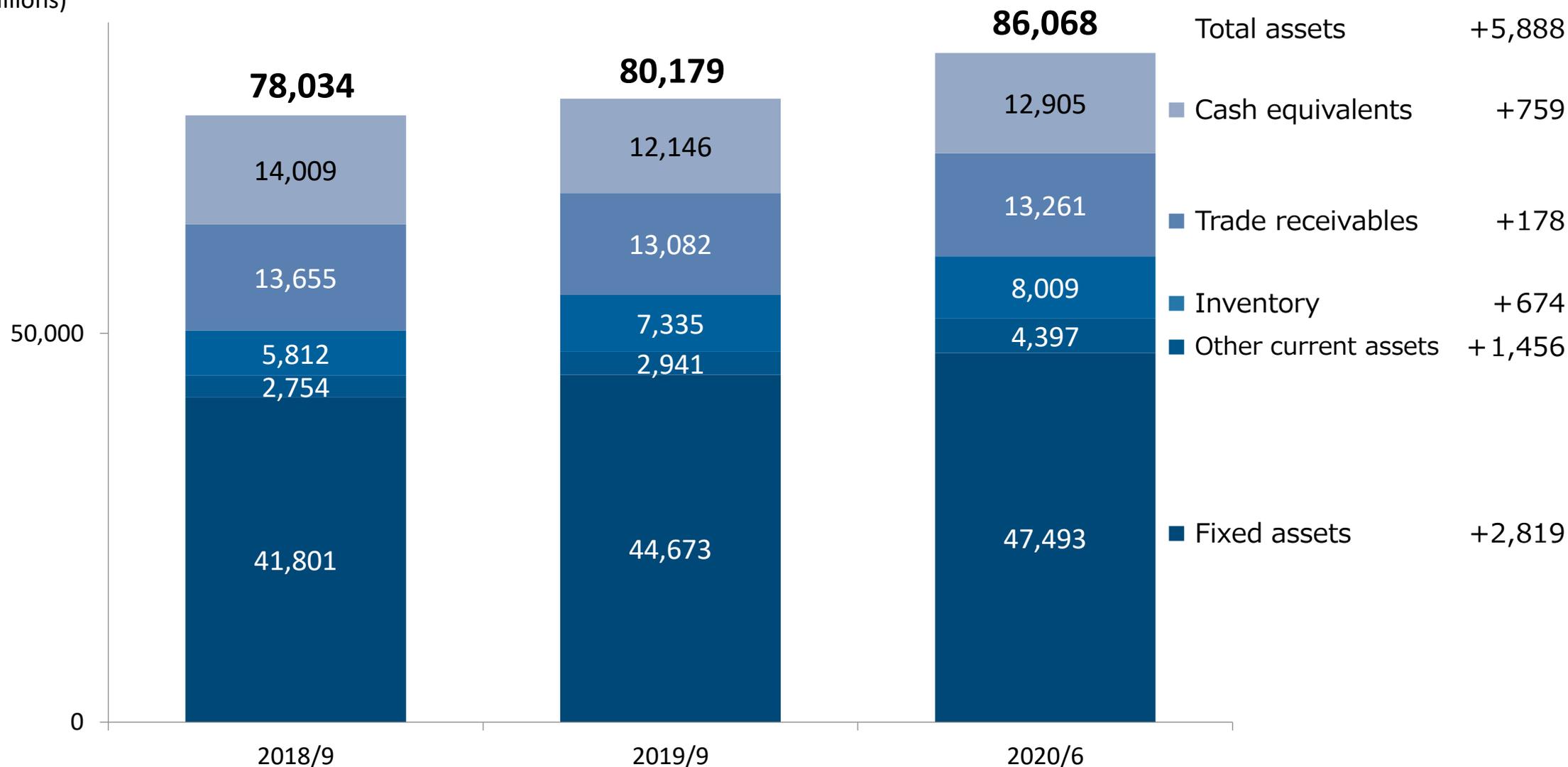
Selling orphan drugs, including products developed in-house, strengthening business foundation through provision of IPM platform such as supporting foreign companies entering the Japanese market and providing strategic options to pharmaceutical companies in accordance with their business model changes.

Though sales were below with the corresponding period last year due to reduction in sales volume of some products, operating surplus was recorded due to the effect of cost reduction and commission income.

Balance Sheet (Assets)



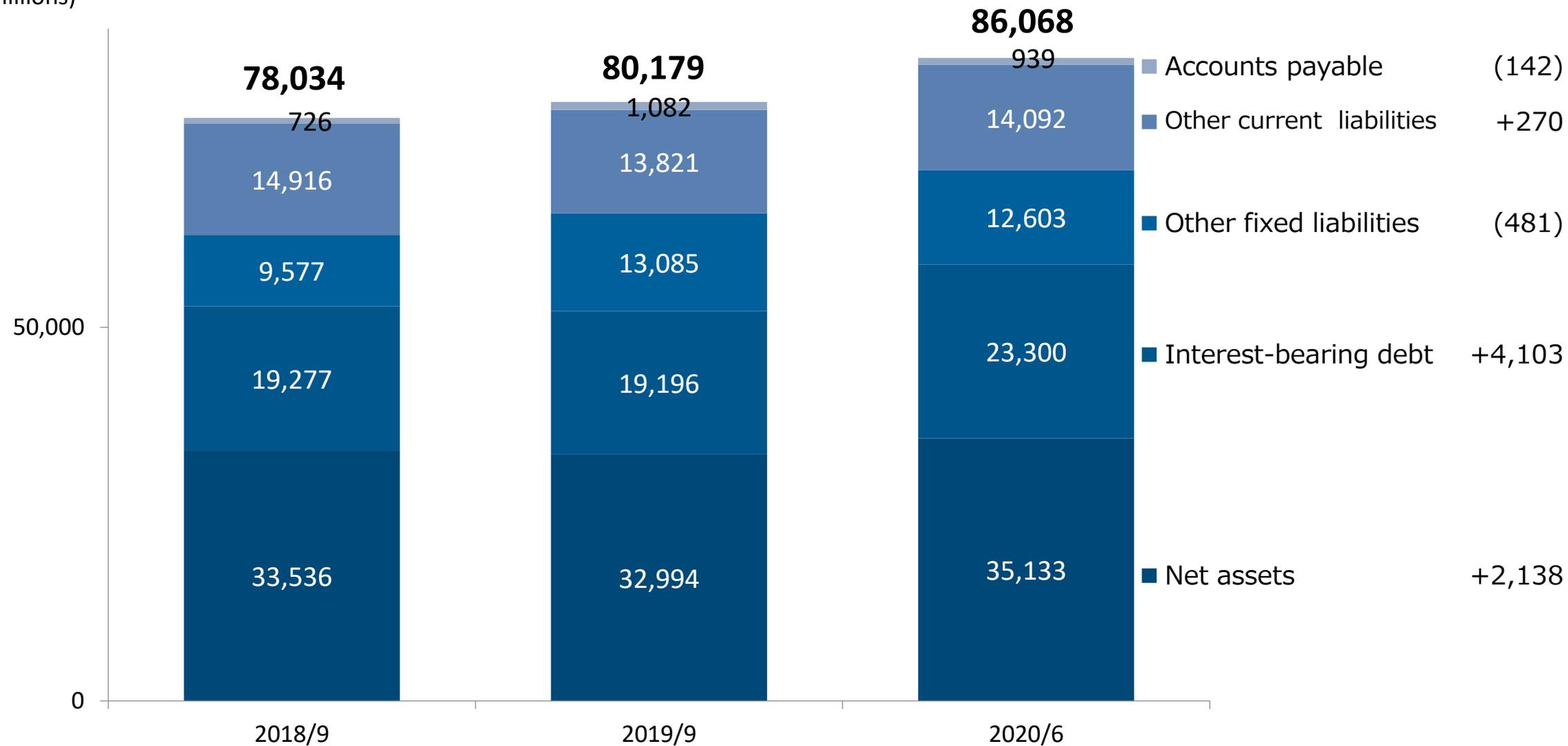
(¥ millions)



Balance Sheet (Liabilities and Net Assets)



(¥ millions)



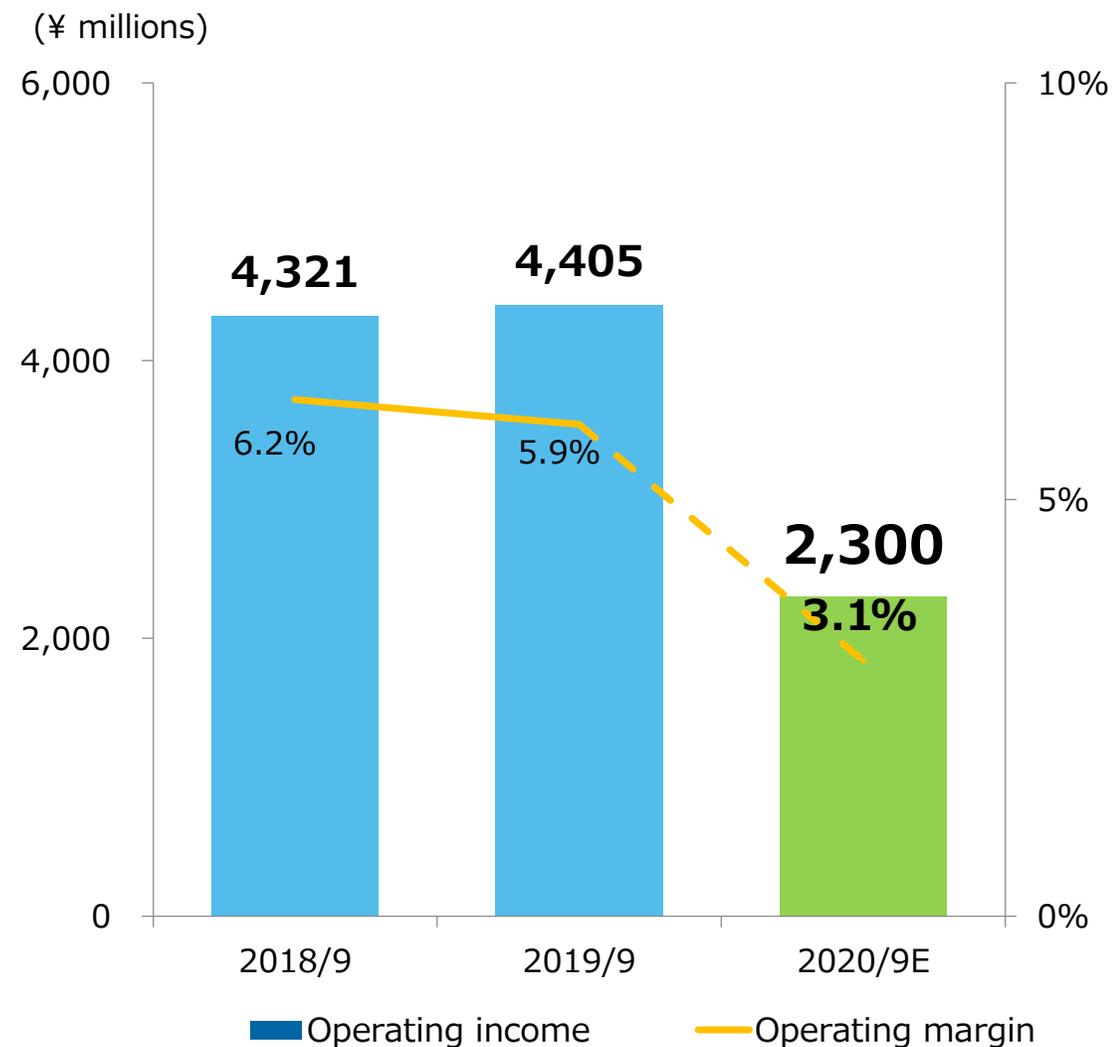


Forecast for FY ending Sep. 2020

FY2020 Performance Forecast



	2019/9 Actual (¥ millions)	2020/9 Initial plan (¥ millions)	2020/9 forecast (¥ millions)	Percent change (%)
Sales	74,373	81,500	75,000	0.8
Operating income	4,405	4,900	2,300	(47.8)
Ordinary income	3,841	4,600	2,600	(32.3)
Profit attributable to owners of parent	1,822	2,300	1,350	(25.9)
Earnings per share	¥98.93	¥127.26	¥74.66	



Forecast for FY ending Sep. 2020 (by segment)



		2019/9 results (¥ millions)	2020/9 forecast (¥ millions)	Change (¥ millions)	Change (%)
CRO Business	Sales	36,522	33,500	(3,022)	(8.3)
	Operating income	6,623	4,880	(1,743)	(26.3)
CDMO Business	Sales	17,292	20,500	3,207	18.5
	Operating income	116	(190)	(306)	-
CSO Business	Sales	7,929	8,600	670	8.5
	Operating income	236	770	533	225.5
Healthcare Business	Sales	10,107	9,970	(137)	(1.4)
	Operating income	1,158	610	(548)	(47.4)
IPM Business	Sales	3,368	3,260	(107)	(3.2)
	Operating income	(396)	80	476	-
Adjustments	Sales	(846)	(831)	15	-
	Operating income	(3,332)	(3,850)	(517)	-
Consolidated	Sales	74,373	75,000	626	0.8
	Operating income	4,405	2,300	(2,105)	(47.8)

FY2020 Dividend



Changed the year-end dividend forecast linked with full-year earnings forecast

	Annual dividends		
	End of second quarter	Term end	Total
	Yen	Yen	Yen
Previous forecast (Announced May 1, 2020)	5.00	undetermined	undetermined
New revised forecast		17.00	22.00
Results for the current fiscal year	5.00		
Results for the previous fiscal year (Fiscal year ended September 2019)	5.00	27.00	32.00

<The policy on the distribution of profits>

- Maintain sustainable payment of dividends based on the dividend payout target of 30%
- Pay a stable dividend with the minimum annual dividend set at ¥10 per share



Cautionary statement:

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management, and is subject to significant risks and uncertainties. Actual financial results may vary materially from the content of this material depending on a number of factors. While this material contains information on pharmaceuticals (including compounds under development), this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of their preparations, promote any kind of unapproved uses, nor provide medical advice of any kind.