

Overview of Financial Results for the 1st Quarter FY2020

CMIC HOLDINGS Co.,Ltd.
February 3, 2020

Business segments and group companies

Blue indicates overseas.
*indicates affiliated company

Segment	Products and services	CMIC Group companies(as of end of Dec,2019)
CRO Business	Services related to pharmaceutical development support, 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 (Beijing) Pharmaceutical Services Co., Ltd. CMIC (Beijing) Co., Ltd. CMIC DATA SCIENCE VIETNAM COMPANY LIMITED CMIC Pharma Science Co., Ltd. CMIC, INC. CMIC (Suzhou) Pharmaceutical Technology Co., Ltd.
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 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	Site Support Institute Co., Ltd. CMIC Healthcare Co., Ltd. CMIC Career 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 “Project Phoenix -Initiatives to achieve sustainable growth-” and start “2019-2021 Mid-term Plan”

Focus activities

- ◆ In addition to the PVC model, we will accelerate the IPM solution business that combines the marketing authorization licenses
- ◆ Strengthening Area Competitiveness and promoting Globalization
- ◆ Creation of healthcare business

CRO Business

- ▶ Promoting our order-receiving activities for global studies and PVC projects, and improving the expertise and technical capabilities of our human resources.

CDMO Business

- ▶ Promoting our order-receiving activities for the injectable drug manufacturing facility for high pharmacologically active agents at Ashikaga Plant

CSO Business

- ▶ Fostering MRs with advanced expertise and detailing skills

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
- ▶ Promoting the development of the "harmo" business, the electronic prescription record service

IPM Business

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

Consolidated income statement(overview)

	2019/1Q		2020/1Q		YoY change (¥ millions)	Percent change (%)
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
Sales	17,399	100.0	19,800	100.0	2,400	13.8
Operating income	965	5.5	923	4.7	(42)	(4.4)
Ordinary income	861	5.0	911	4.6	50	5.8
Profit attributable to owners of parent	536	3.1	481	2.4	(55)	(10.3)
Earnings per share	¥28.89		¥26.63			

Sales was 19.8 billion (grew 13.8% year-on-year) driven by the CDMO and CSO business growth. Operating income was 923 million (down 4.4% year-on-year) mainly due to decrease in profits of CRO business, despite the improvements of CDMO business and CSO business. 4

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

(¥million)	2019/1Q	2020/1Q		2019/1Q	2020/1Q
Non-operating income	32	51	Extraordinary income	6	3
Interest income	1	1	Gain on sales of non-current assets	6	3
Foreign exchange gains	-	20			
Rent income	5	5	Extraordinary losses	47	25
Other	25	23	Loss on retirement of non-current assets	47	25
Non-operating expenses	135	63			
Interest expenses	32	30	Income taxes	551	416
Share of loss of entities accounted for using equity method	56	-	Current	36	59
Foreign exchange losses	35	15	Deferred	514	357
Other	11	16			

Sales & Operating income by segment

		2019/1Q	2020/1Q	Change	Percent change
		Amount (¥ millions)	Amount (¥ millions)	(¥ millions)	(%)
CRO Business	Sales	9,106	9,193	87	1.0
	Operating income	2,051	1,541	(509)	(24.9)
CDMO Business	Sales	3,384	5,081	1,696	50.1
	Operating income	(377)	(42)	335	—
CSO Business	Sales	1,782	2,188	406	22.8
	Operating income	(44)	233	277	—
Healthcare Business	Sales	2,347	2,392	45	1.9
	Operating income	177	97	(79)	(45.1)
IPM Business	Sales	954	1,149	194	20.4
	Operating income	(12)	51	64	—
Adjustments	Sales	(176)	(205)	(29)	—
	Operating income	(828)	(958)	(130)	—
Consolidated	Sales	17,399	19,800	2,400	13.8
	Operating income	965	923	(42)	(4.4)

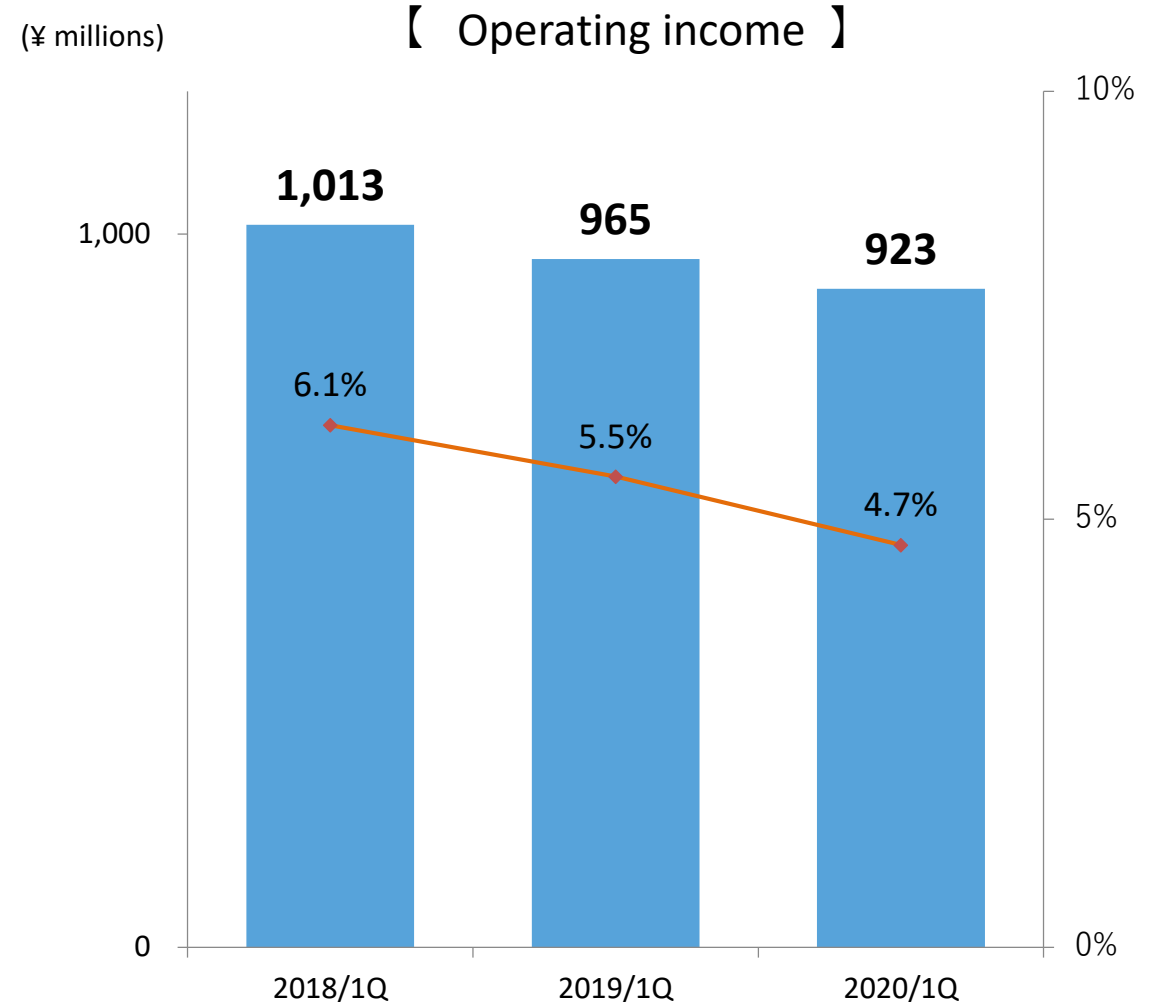
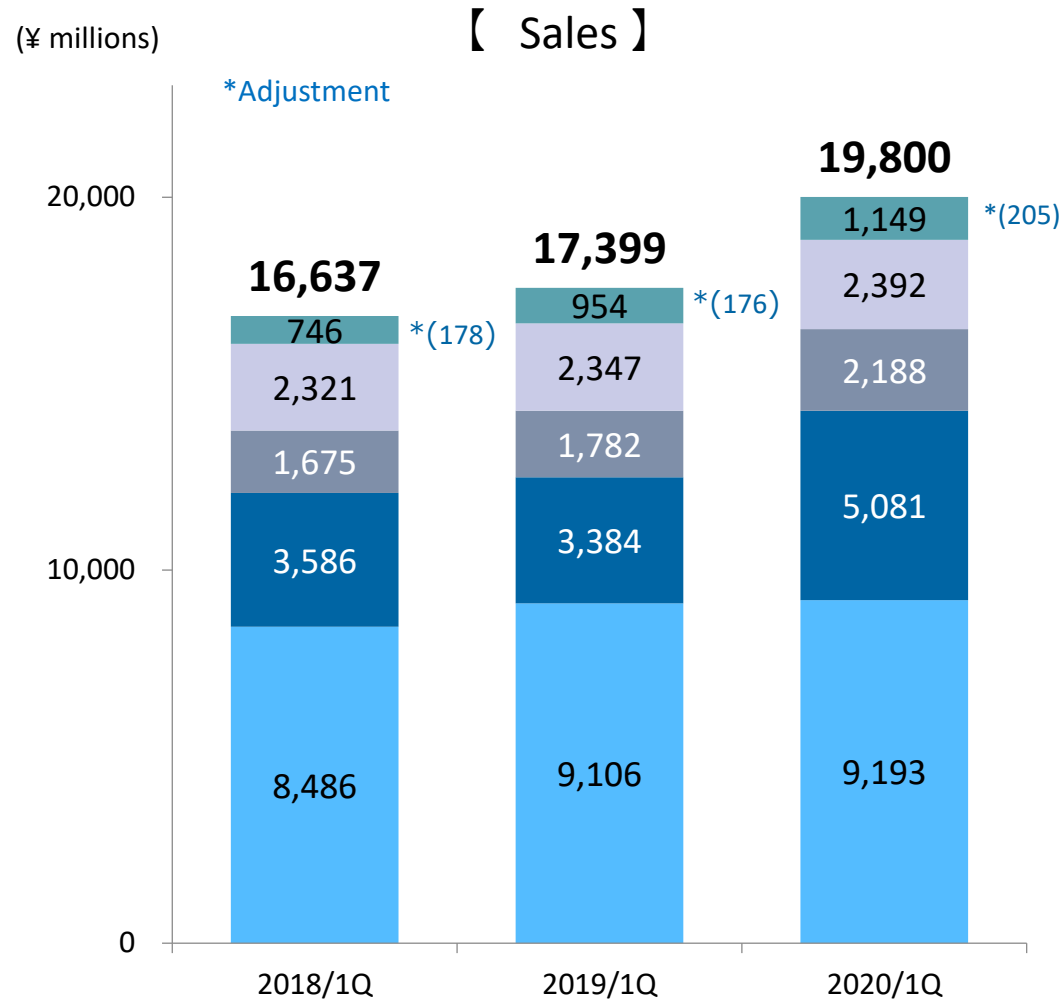
The reported segment was partly changed. The percentage change in sales and operating income by segment versus the same period during the previous year are compared using the segments after the changes as the basis.

Orders received / Backlog

	2019/1Q		2020/1Q			
	Orders received	Backlog	Orders received	Percent change	Backlog	Percent change
	(¥ millions)	(¥ millions)	(¥ millions)	(%)	(¥ millions)	(%)
CRO Business	7,903	54,312	9,187	16.2	53,668	(1.2)
CDMO Business	4,195	4,657	5,062	20.7	5,313	14.1
CSO Business	2,595	4,075	1,988	(23.4)	3,823	(6.2)
Healthcare Business	2,717	10,456	2,984	9.8	11,927	14.1
Total	17,411	73,501	19,222	10.4	74,733	1.7

The reported segment was partly changed. The percentage change in orders received and backlog by segment versus the same period during the previous year are compared using the segments after the changes as the basis. CDMO business grew due to the contribution of CMIC CMO Nishine, which became a CMIC Group company in June 2019. CSO business decreased compared to the same quarter of the previous year due to the impact of some large-scale projects we had in the previous year.

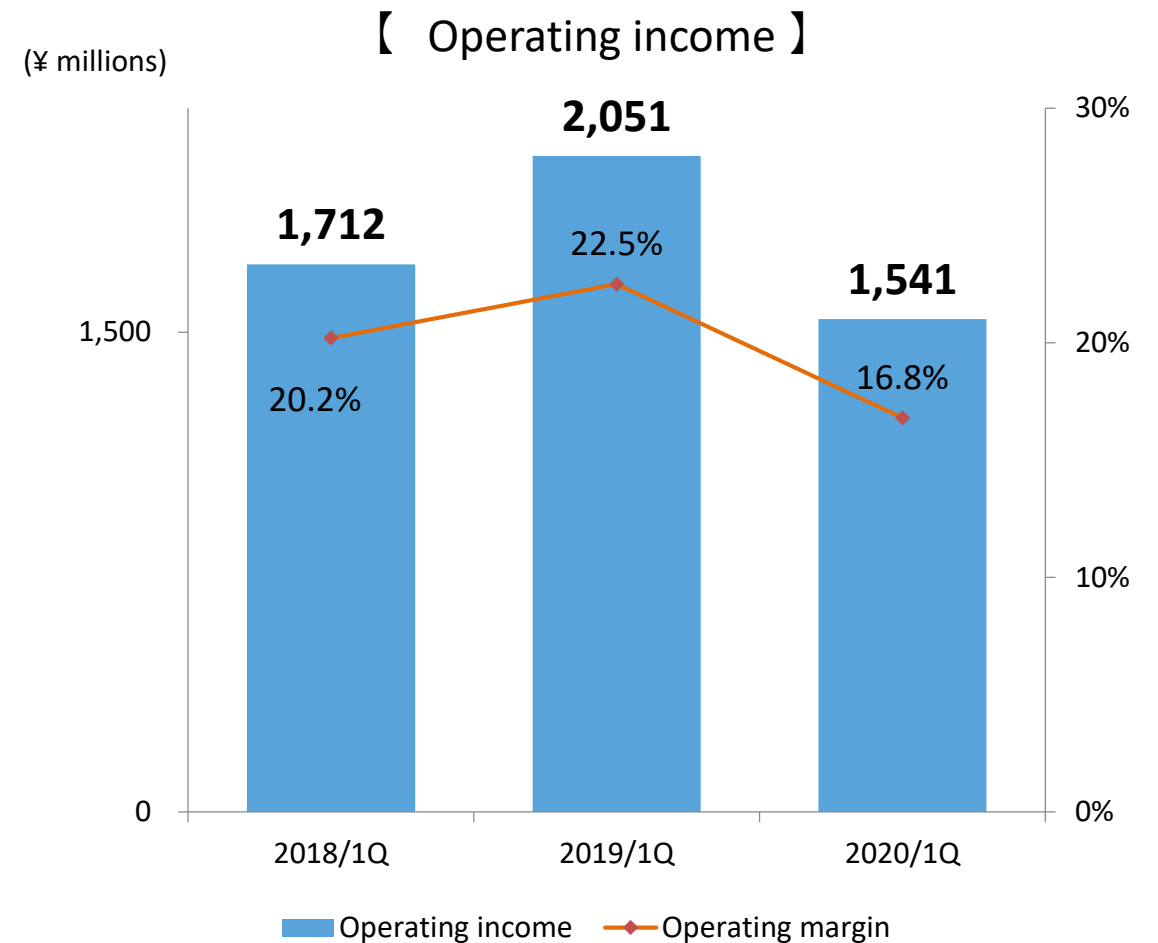
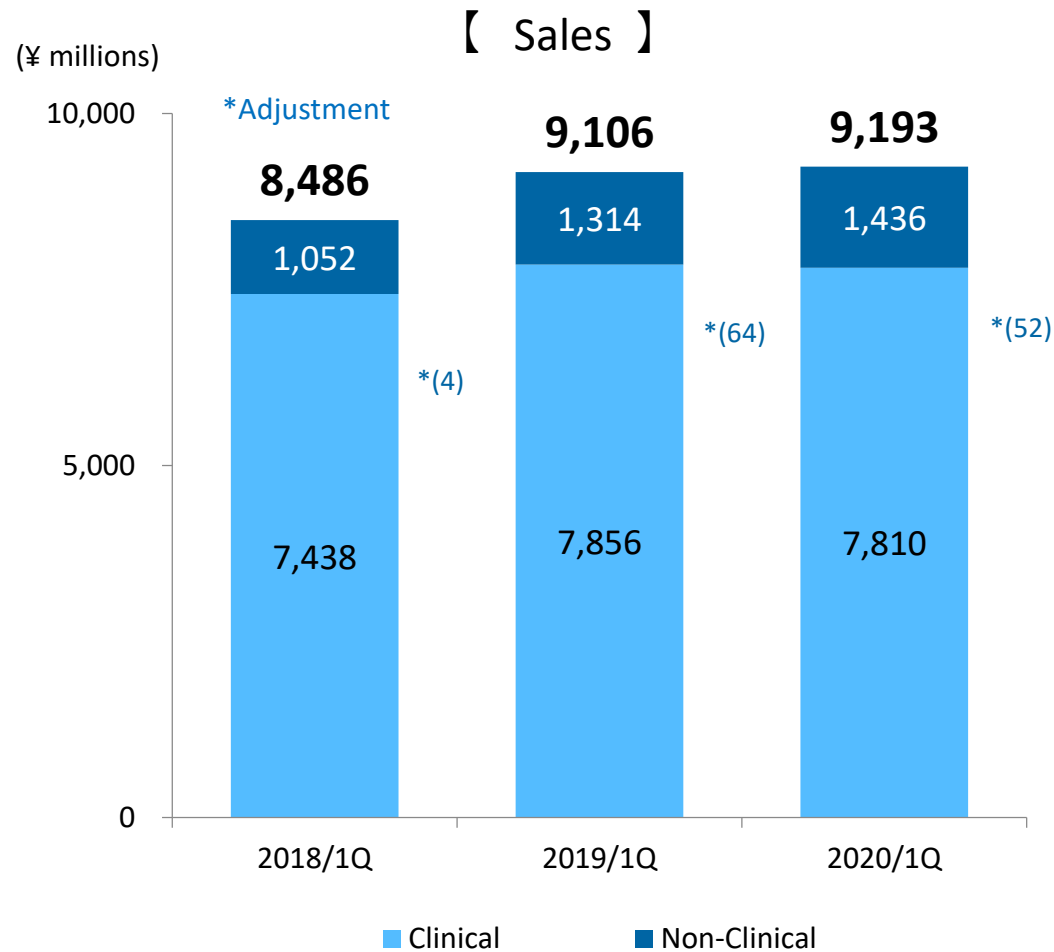
Trends in consolidated sales & operating income



■ CRO Business ■ CDMO Business ■ CSO Business ■ Healthcare Business ■ IPM Business

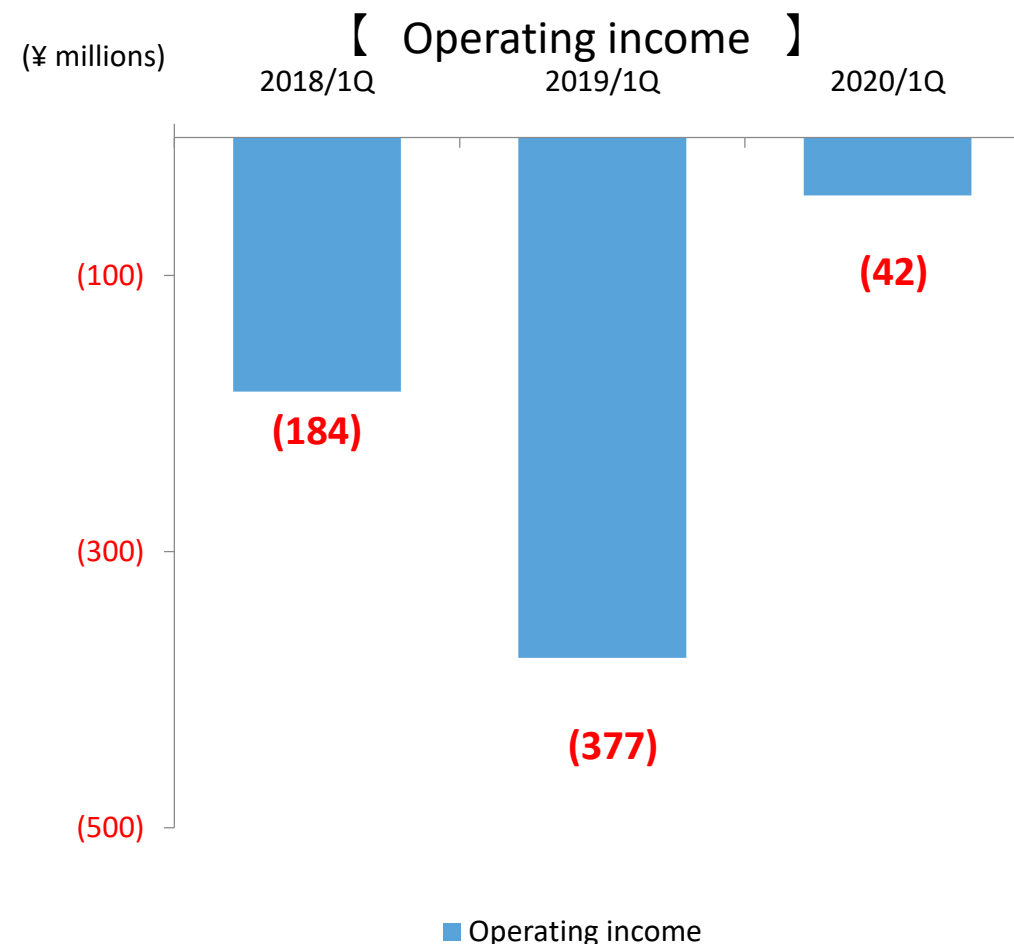
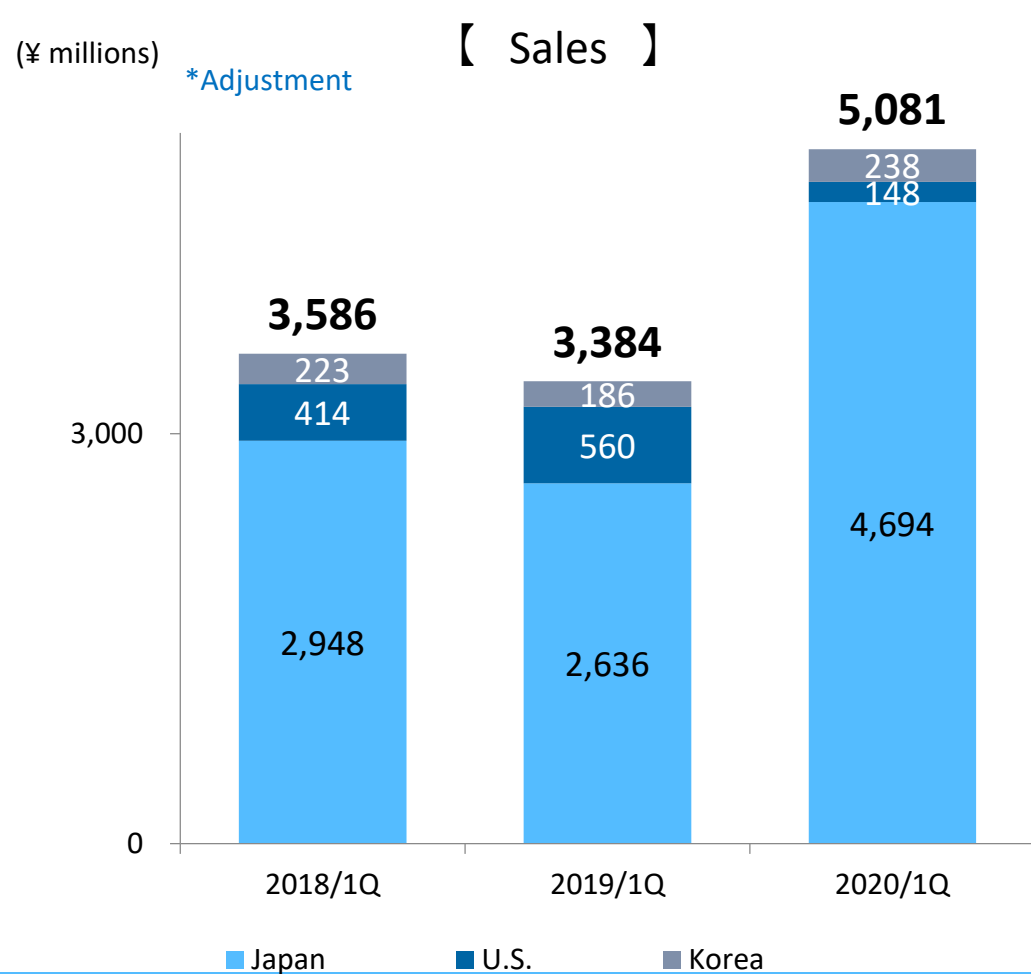
■ Operating income ◆ Operating margin

Contract Research Organization(CRO) Business



Supported overseas companies entering the Japanese market, non-healthcare companies entering the healthcare sphere, and promoted measures to address sophisticated development needs including biopharmaceuticals and regenerative medicine. Focus on PVC projects involving multiple businesses in the same project, strengthening orders for global trials, and improving the expertise and technical capabilities of human resources. Sales was about the same as 1Q 2019, but operating income was below that of the same period of the previous year due to lower occupancy rates and listing of unprofitable projects.

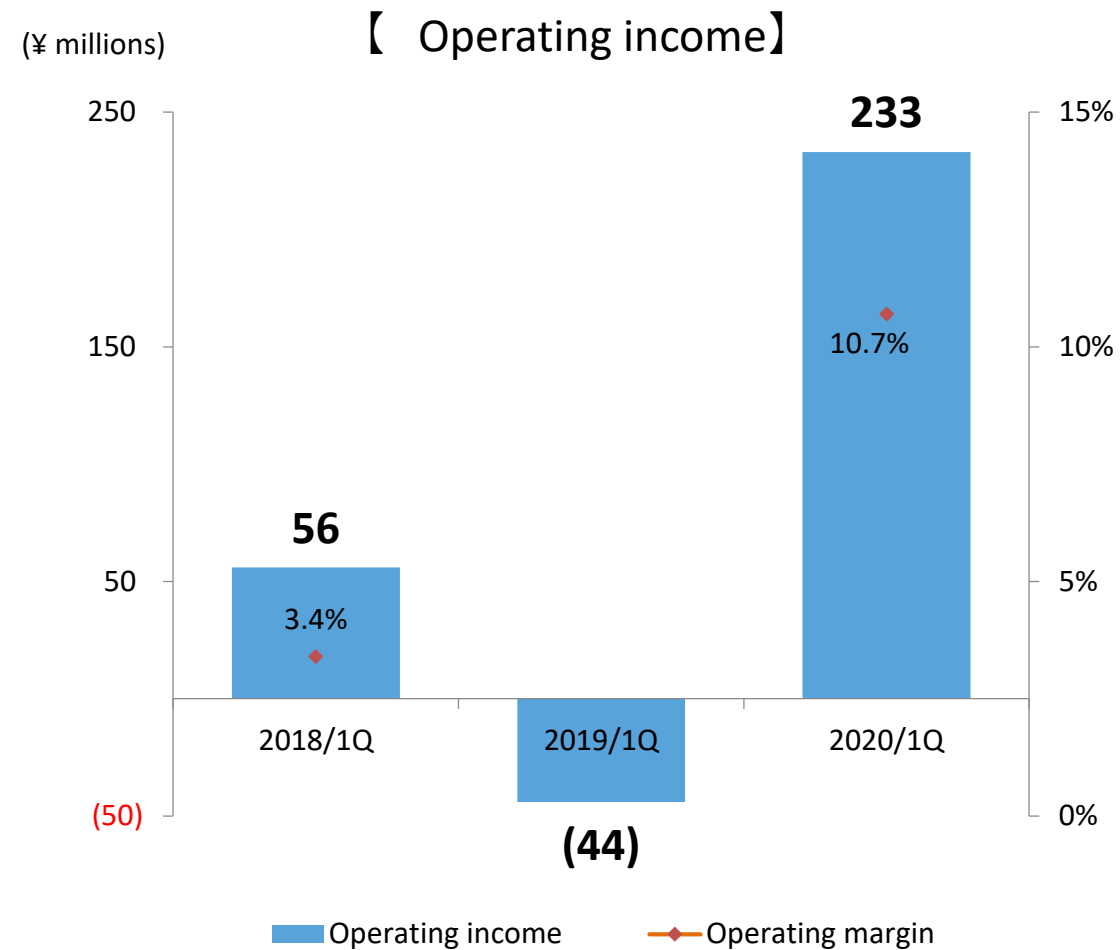
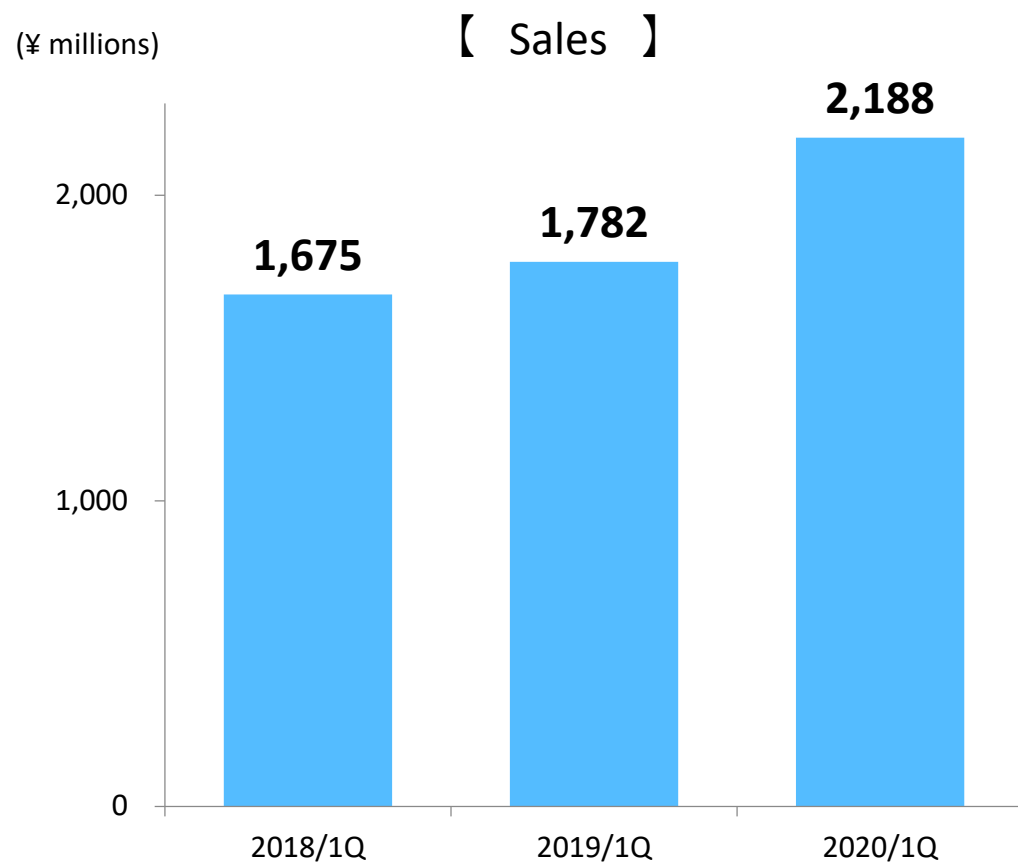
Contract Development Manufacturing Organization (CDMO) Business



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

Sales exceeded that of the same period of the previous year mainly due to increase of contract production sales in Japan and the contribution of CMIC CMO Nishine, which became a CMIC Group company in June 2019. While operating loss was recorded due to listing of depreciation cost for the new injectable drug manufacturing facility in Ashikaga and the decrease of contract production sales in the United States, the loss amount has decreased.

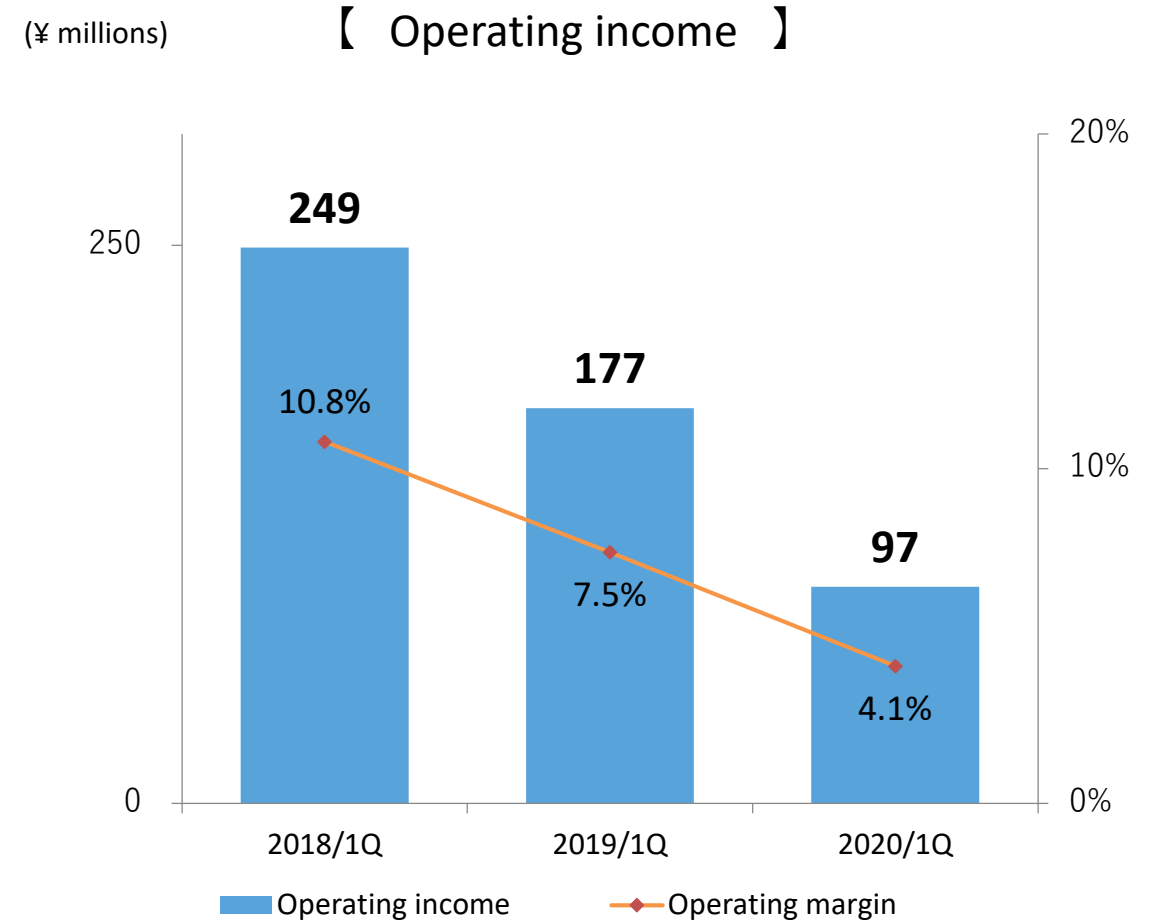
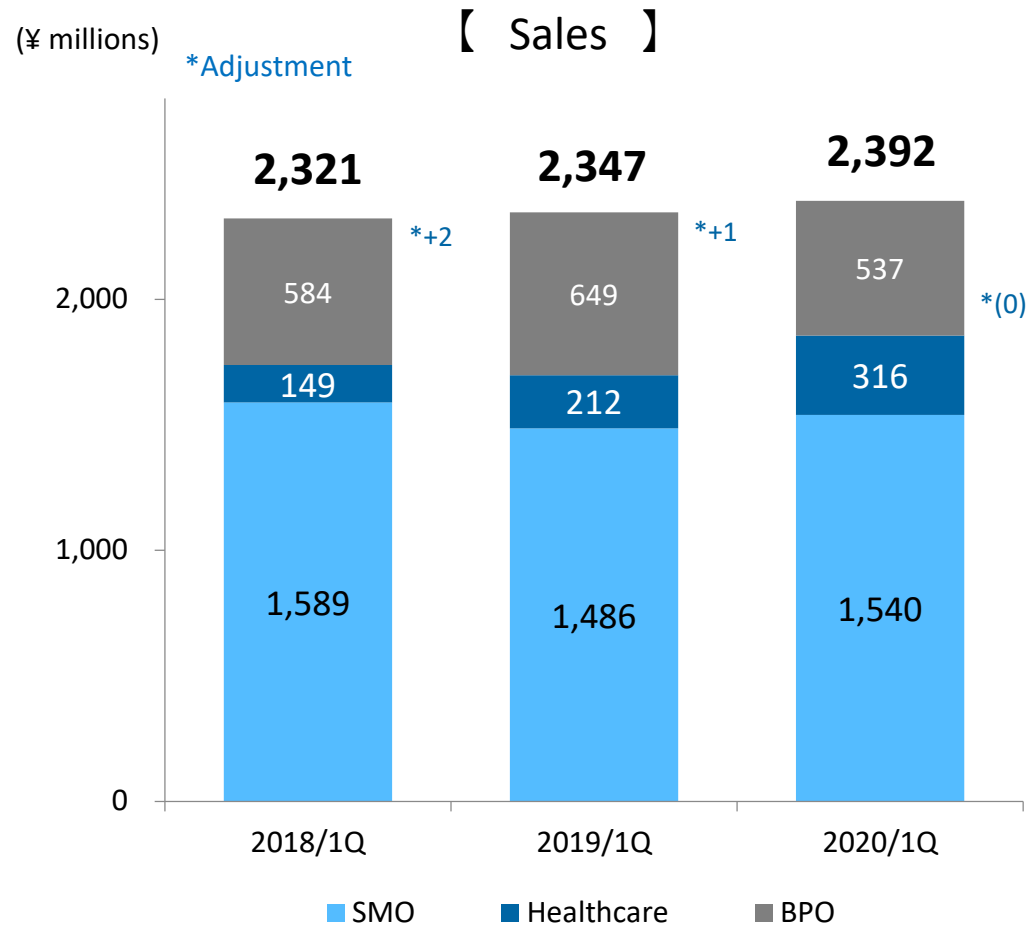
Contract Sales Organization (CSO) Business



Focused on securing human resources in response to strong inquiries regarding MR dispatch services. Strengthening medical affairs-related business activities.

Sales and operating income exceeded significantly that of the same period of the previous year thanks to the steady progress in MR dispatch projects acquired in the previous period.

Healthcare Business

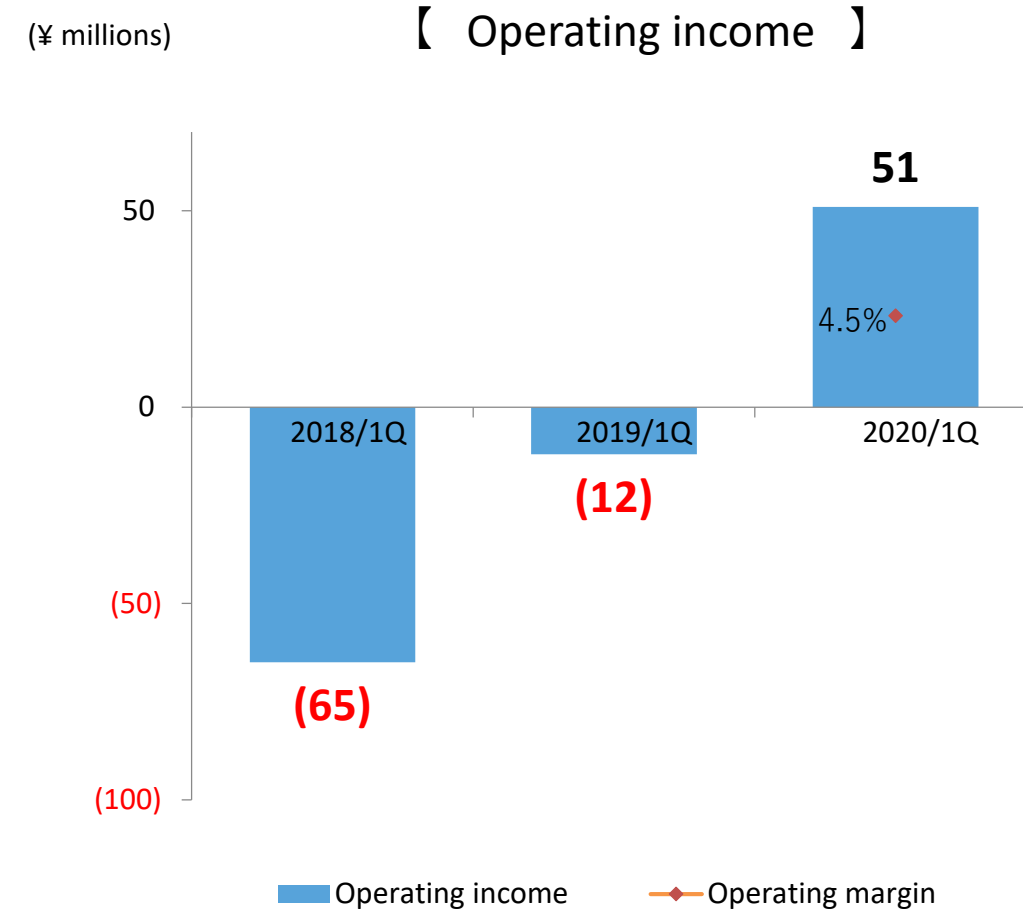
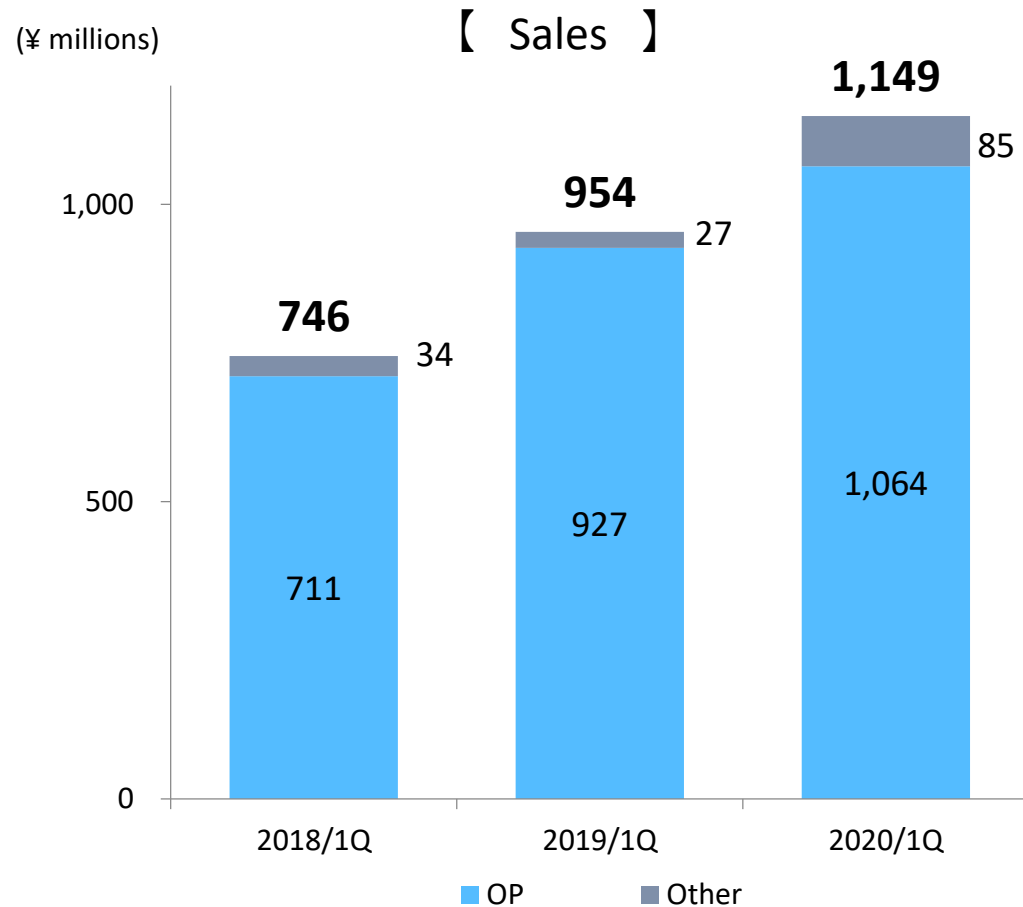


Strengthening the oncology capabilities in the SMO operations and providing new services, and creating new business for early detection and prevention of aggravation of disease.

Sales exceeded that of the same period of the previous year due to the growth of both SMO operations and healthcare service.

Operating income was below that of the same period of the previous year due to prior investment to create new healthcare business opportunities.

Innovative Pharma Model (IPM) Business

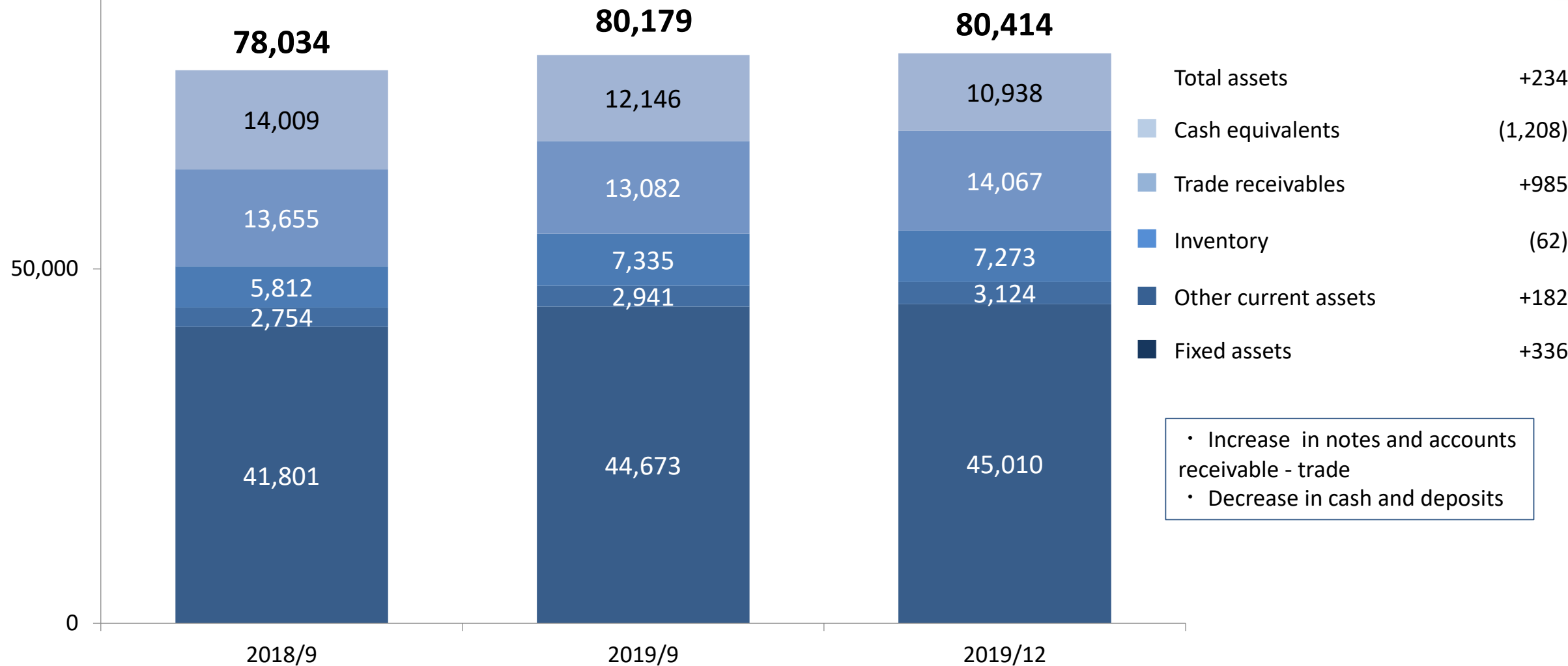


Selling orphan drugs, including products developed in-house, strengthening business foundation through provision of IPM platform such as supporting foreign companies entering the Japanese market and providing strategic options to pharmaceutical companies in accordance with their business model changes.

Sales exceeded that of the same period of the previous year due to sales increase of orphan drugs and achieved operating surplus.

Balance sheet(assets)

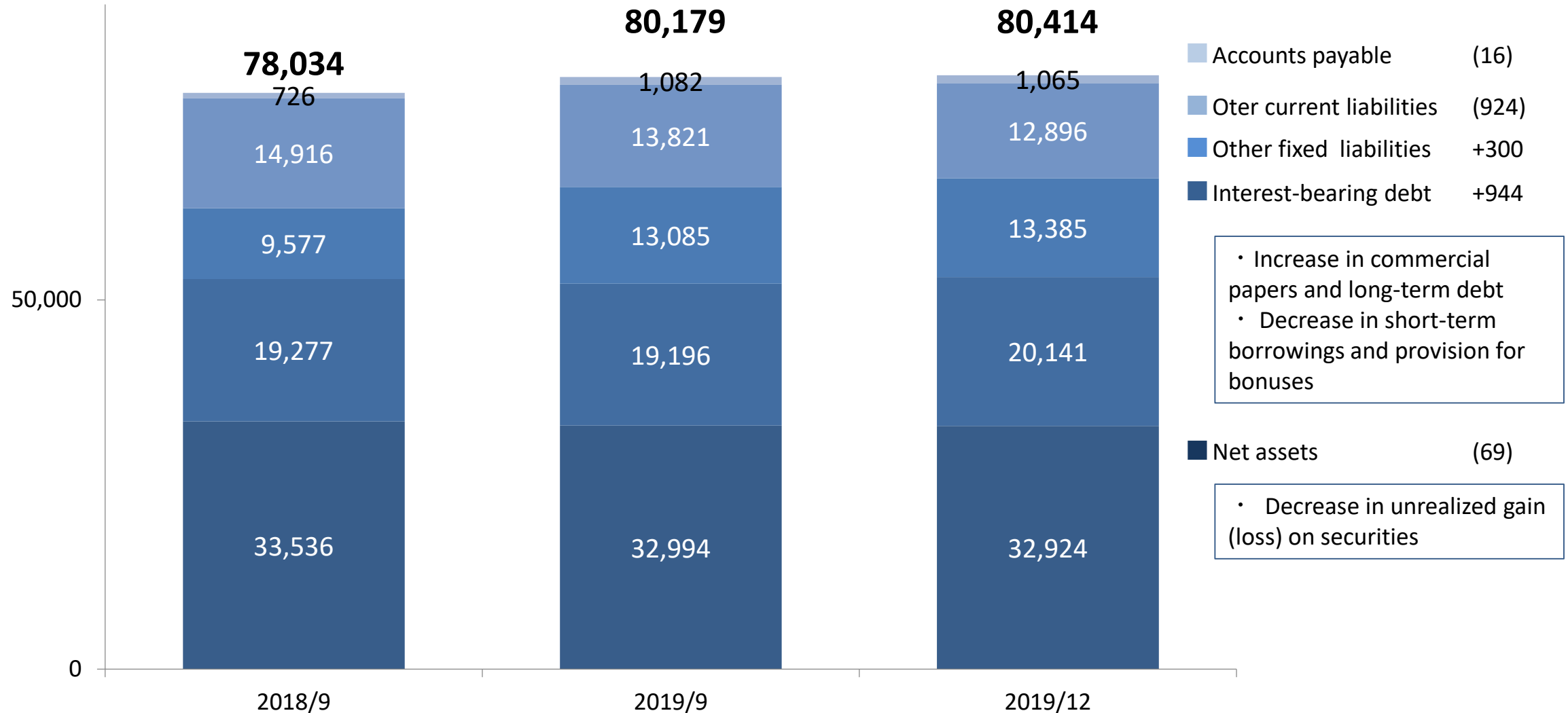
(¥ millions)



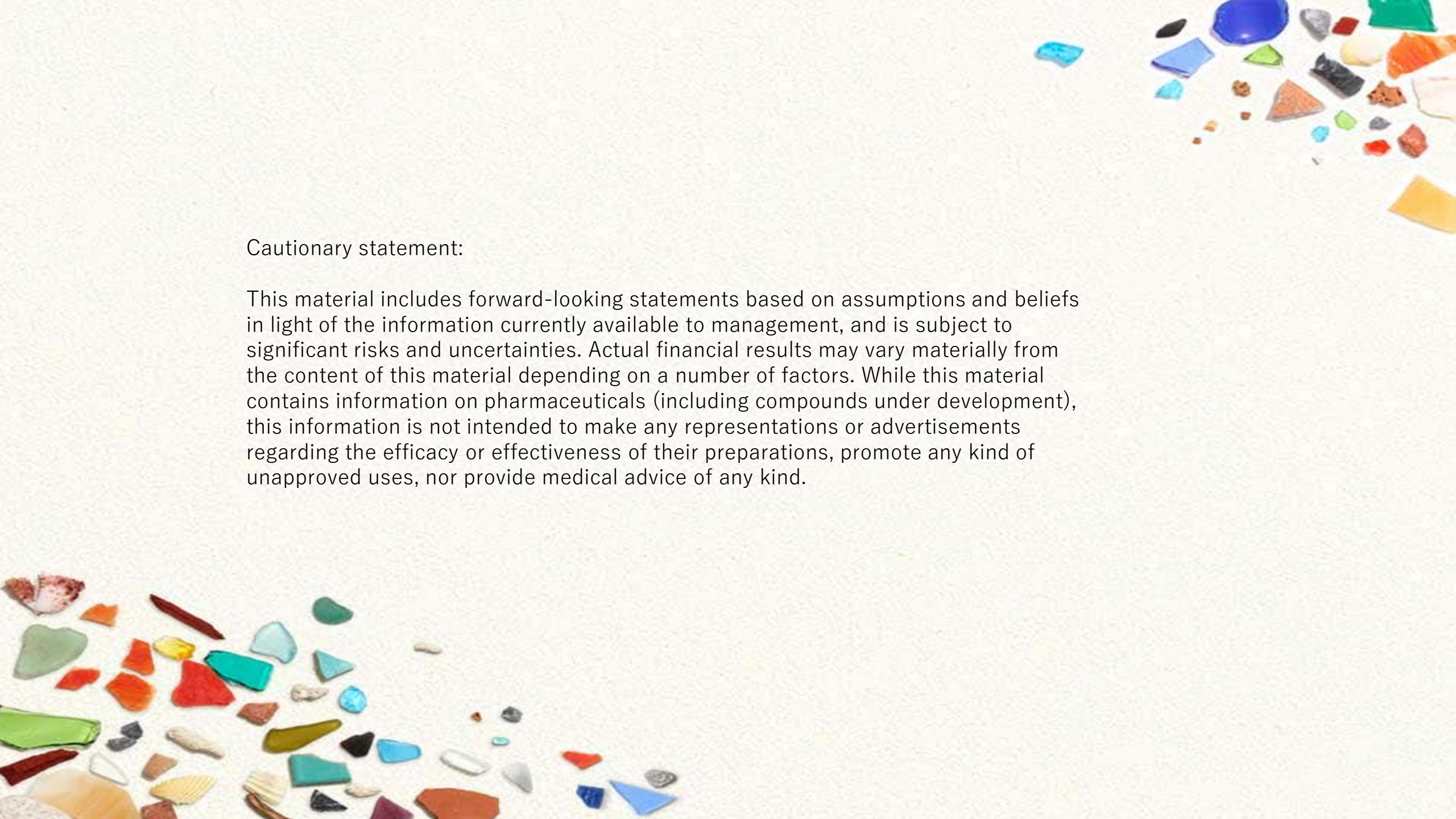
* Past figures have been retroactively revised based on a partial revision of the "Accounting Standard for Tax Effect Accounting".

Balance sheet(liabilities and net assets)

(¥ millions)



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A decorative background featuring clusters of colorful glass shards and pebbles in the top-right and bottom-left corners. The shards are in various colors including blue, green, red, orange, and yellow, while the pebbles are in shades of white, grey, and brown. The rest of the background is a plain, light beige color.

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.