



Overview of Financial Results for the 1st Quarter FY2018

CMIC HOLDINGS Co., Ltd.
February 1, 2018

Business segments and group companies

Blue indicates overseas.
*indicates affiliated company

Segment	Products and services	CMIC Group companies (as of end of Dec. 2017)
CRO Business	Services related to pharmaceutical development support, analytical chemistry services, and healthcare for pharmaceutical companies, and BPO and personnel services for the pharmaceutical industry	CMIC HOLDINGS Co., Ltd. CMIC Co., Ltd. CMIC-PMS 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 (Beijing) Pharmaceutical Services Co., Ltd. CMIC (Beijing) Co., Ltd. CMIC Pharma Science Co., Ltd. CMIC, INC. CMIC (Suzhou) Pharmaceutical Technology Co., Ltd. CMIC Career 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 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. MDS-CMG, Inc.*
Healthcare Business	Support services primarily for medical institutions and treating, maintaining, and promoting the health of patients and general consumers, such as SMO services and healthcare information services	Site Support Institute Co., Ltd. CMIC Healthcare Co., Ltd. CMIC VIETNAM COMPANY LIMITED
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

Execution of Project Phoenix

- ✓ Expansion of solution business through PVC model
- ✓ Promoted the activities of cross organizational team “Hayabusa (Falcon)” towards agile management
- ✓ Work style reforms: Company-wide introduction of “Telework program” to promote various ways of working

CRO Business

- ✓ Participated in the Technology Consortium aiming at the clinical application of platelet preparations derived from human iPS cells
- ✓ Enhanced analytical services for Nucleic acid drugs, expected as candidates for next-generation drugs
- ✓ Started services to support generic drug application for approval in China

CDMO Business

- ✓ Built a new injection building outfitted with state-of-the-art equipment at the Ashikaga plant to increase orders to manufacture anti-cancer drugs

CSO Business

- ✓ Provision of comprehensive commercial solution that combines various services

Healthcare Business

- ✓ Launched services to support spinal muscular atrophy (SMA) patients together with Biogen and Welby
- ✓ Expanded new service models such as Medical Concierge Services

IPM Business

- ✓ Transferred domestic manufacturing and marketing license from Novartis for hypertension drug “Rasilez Tablets® (Aliskiren Fumarate) 150mg”

Consolidated income statement (overview)

	2017/1Q		2018/1Q		YoY change	Percent change
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
Sales	15,389	100.0	16,637	100.0	1,248	8.1
Operating income	501	3.3	1,013	6.1	512	102.0
Ordinary income	619	4.0	1,035	6.2	415	67.1
Profit attributable to owners of parent	200	1.3	544	3.3	343	170.9
Earnings per share	¥10.74		¥29.09			

Breakdown of Non-operating income and expenses /Extraordinary losses

(¥ millions)

	2017/1Q	2018/1Q		2017/1Q	2018/1Q
Non-operating income	180	59	Extraordinary losses	102	18
Foreign exchange gains	153	26	Loss on sales of non-current assets	21	—
Interest income	8	1	Loss on retirement of non-current assets	9	13
Share of profit of entities accounted for using equity method	—	16	Provision of allowance for doubtful accounts	70	—
Other	18	14	Loss on valuation of investment securities	—	4
Non-operating expenses	62	37			
Interest expenses	30	28			
Share of loss of entities accounted for using equity method	6	—			
Other	24	9			

Sales & Operating income by segment

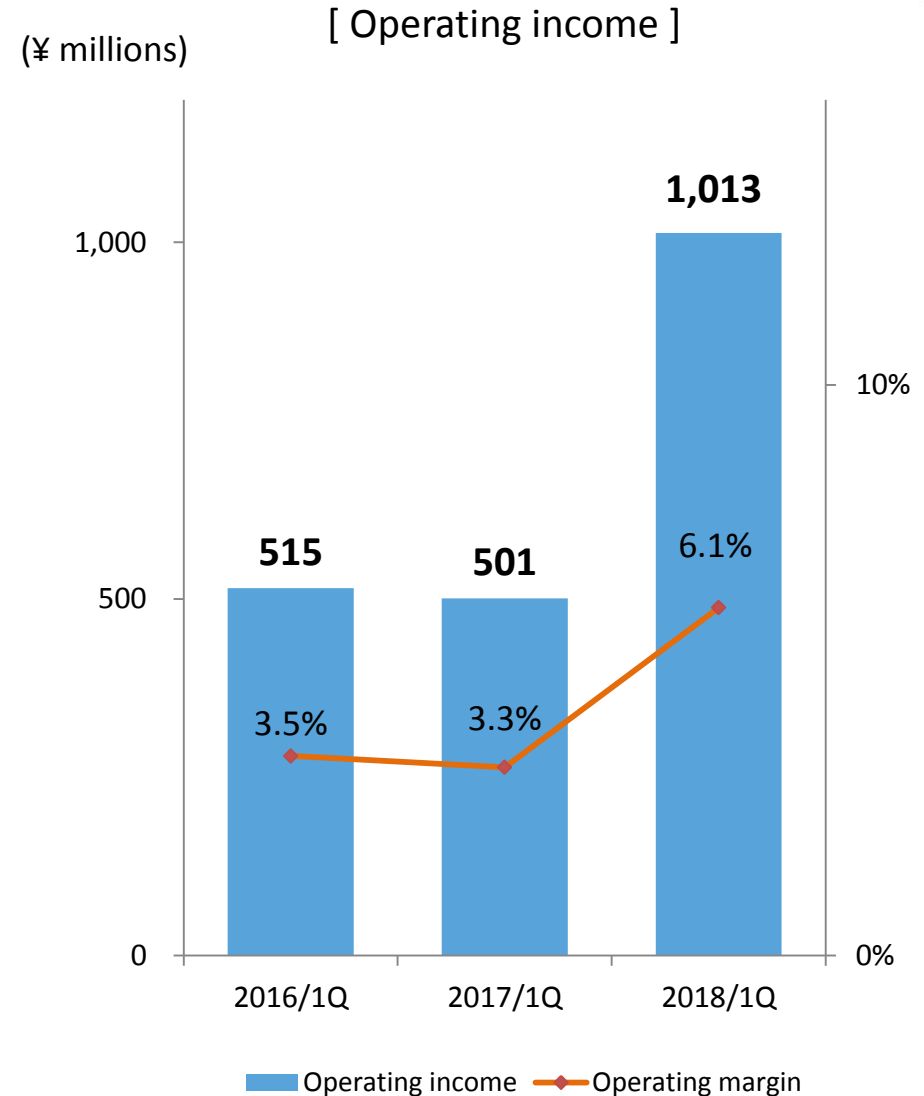
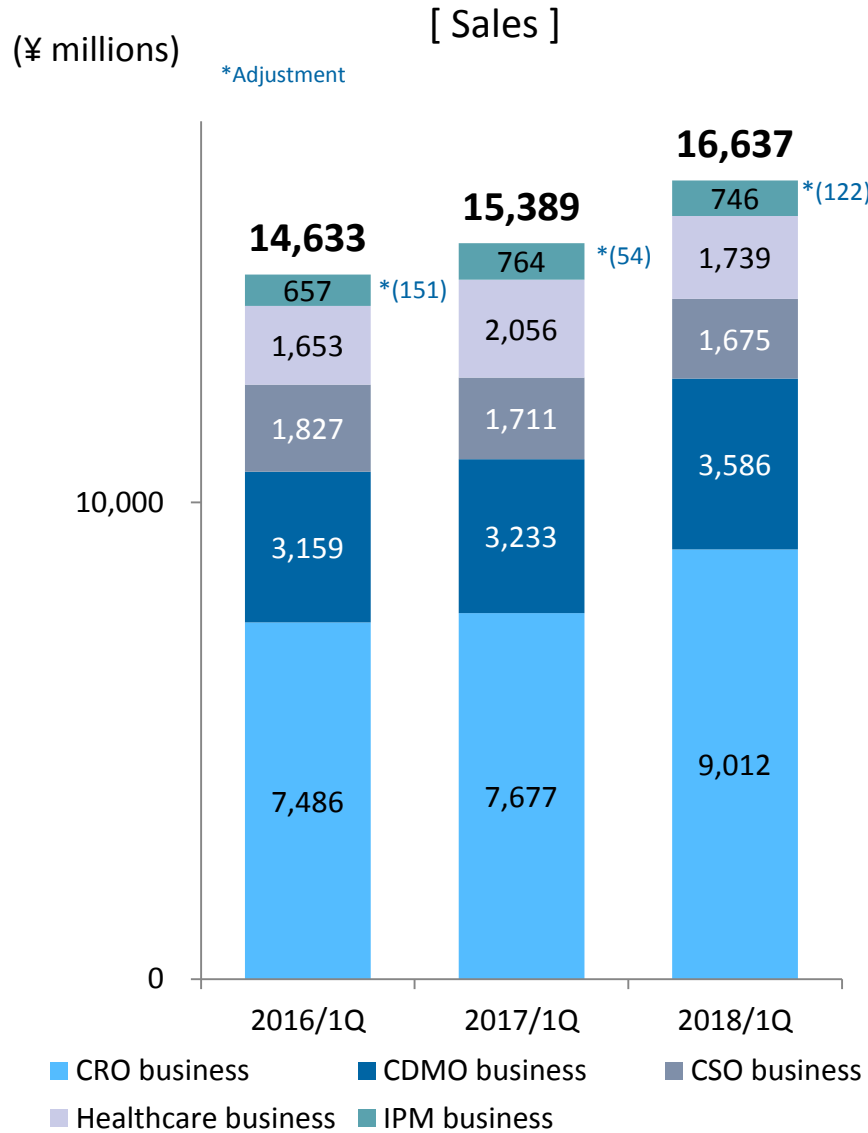
		2017/1Q Amount (¥ millions)	2018/1Q Amount (¥ millions)	Change (¥ millions)	Percent change (%)
CRO Business	Sales	7,677	9,012	1,334	17.4
	Operating income	1,157	1,812	655	56.7
CDMO Business	Sales	3,233	3,586	353	10.9
	Operating income	(192)	(184)	7	-
CSO Business	Sales	1,711	1,675	(35)	(2.1)
	Operating income	83	56	(27)	(32.6)
Healthcare Business	Sales	2,056	1,739	(317)	(15.4)
	Operating income	194	149	(45)	(23.4)
IPM Business	Sales	764	746	(18)	(2.4)
	Operating income	1	(65)	(66)	-
Adjustments	Sales	(54)	(122)	(67)	-
	Operating income	(742)	(755)	(12)	-
Consolidated	Sales	15,389	16,637	1,248	8.1
	Operating income	501	1,013	512	102.0

Orders received / Backlog

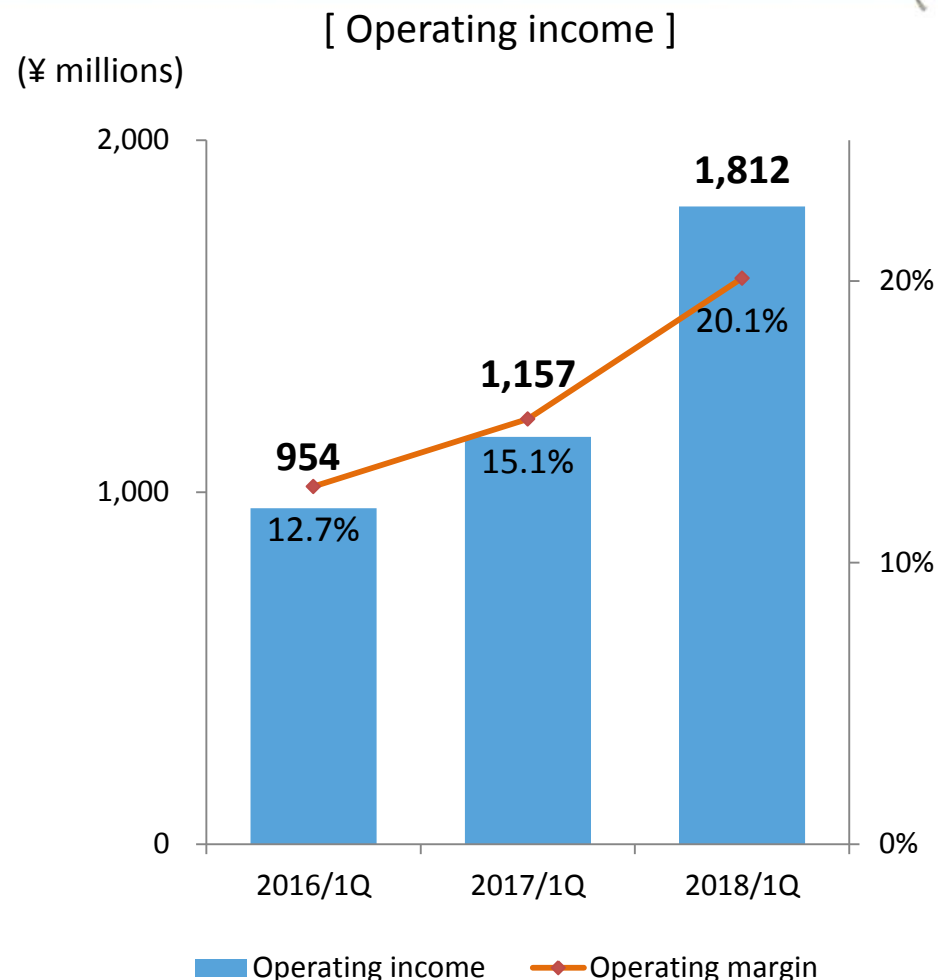
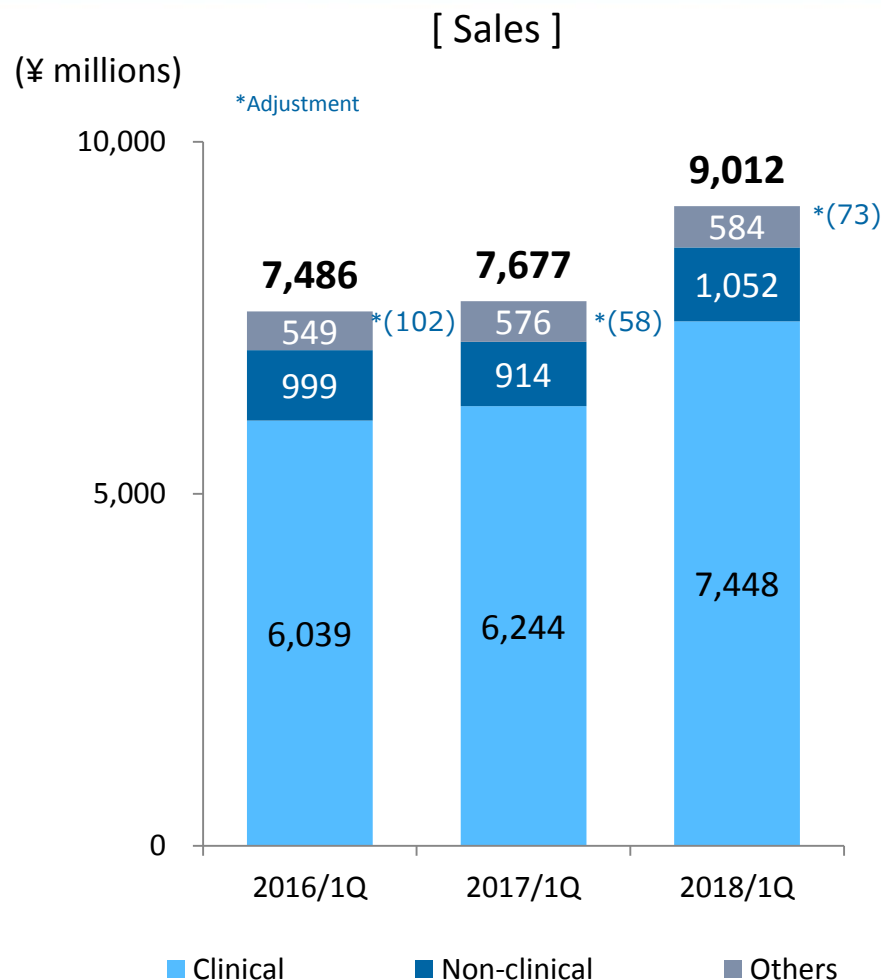
	2017/1Q		2018/1Q			
	Orders received (¥ millions)	Backlog (¥ millions)	Orders received (¥ millions)	Percent change (%)	Backlog (¥ millions)	Percent change (%)
CRO Business	13,789	51,719	10,479	(24.0)	56,440	9.1
CDMO Business	3,519	3,593	3,523	0.1	3,582	(0.3)
CSO Business	1,045	4,929	1,663	59.1	3,084	(37.4)
Healthcare Business	1,999	9,448	1,606	(19.7)	9,054	(4.2)
Total	20,354	69,690	17,272	(15.1)	72,161	3.5

- 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

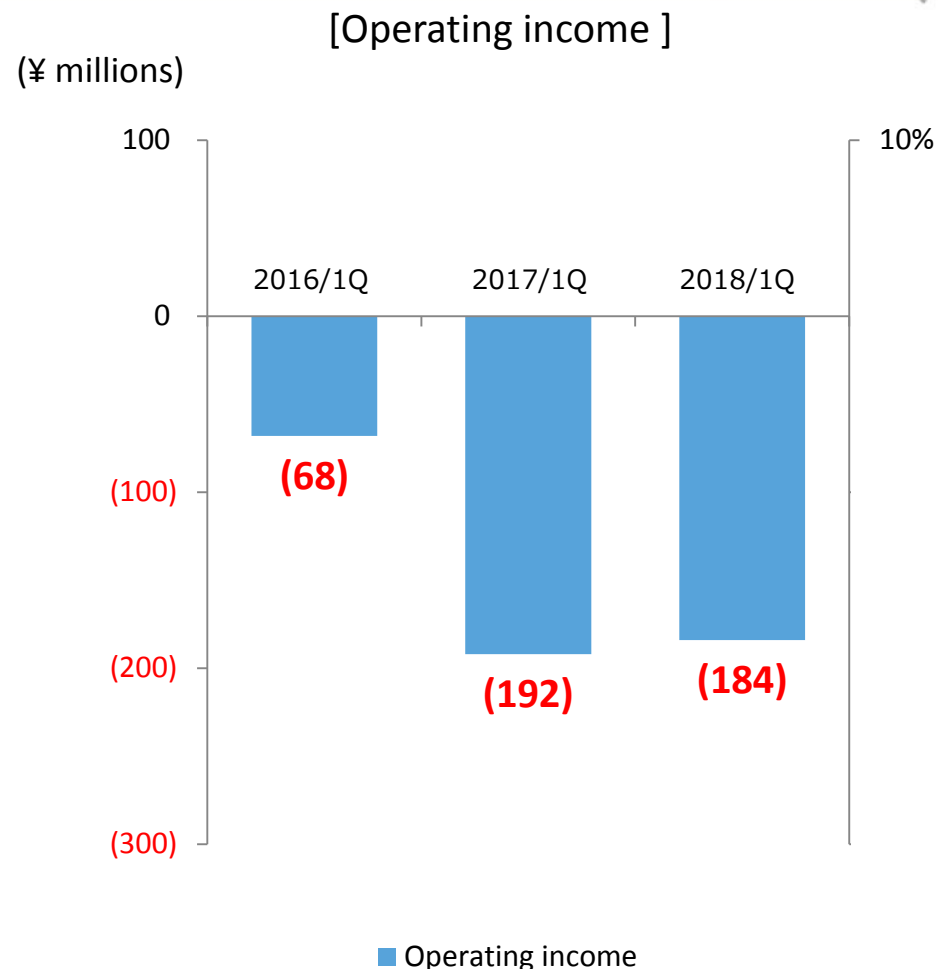
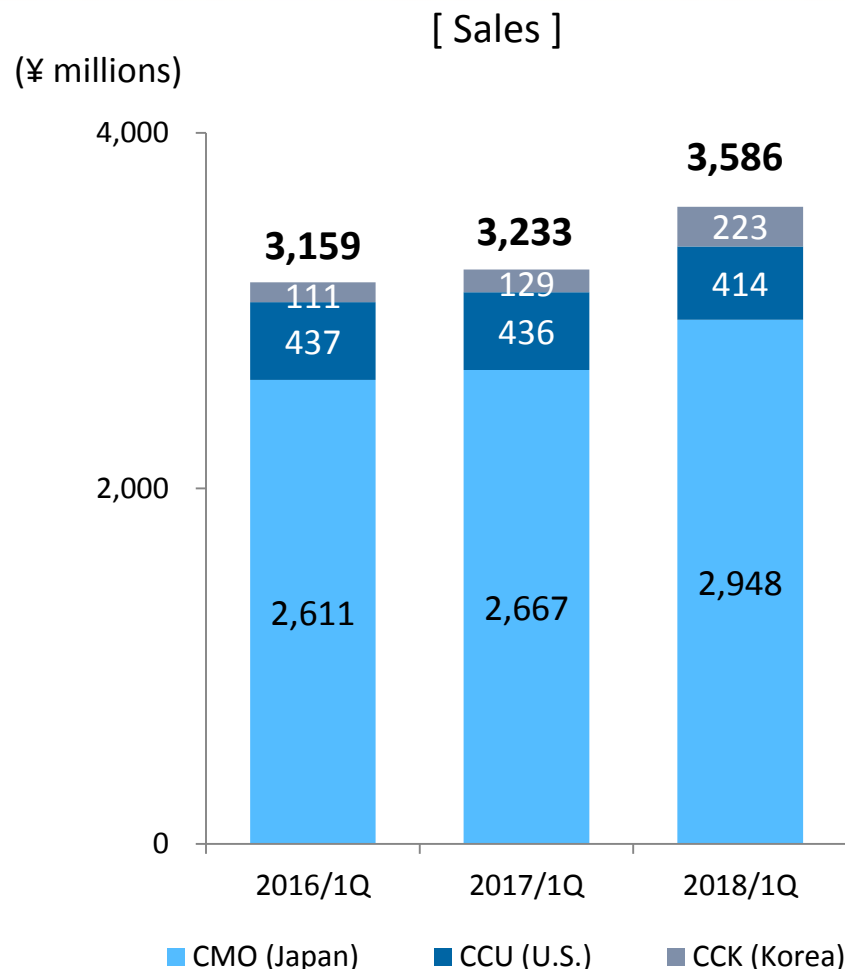


Contract Research Organization (CRO) Business



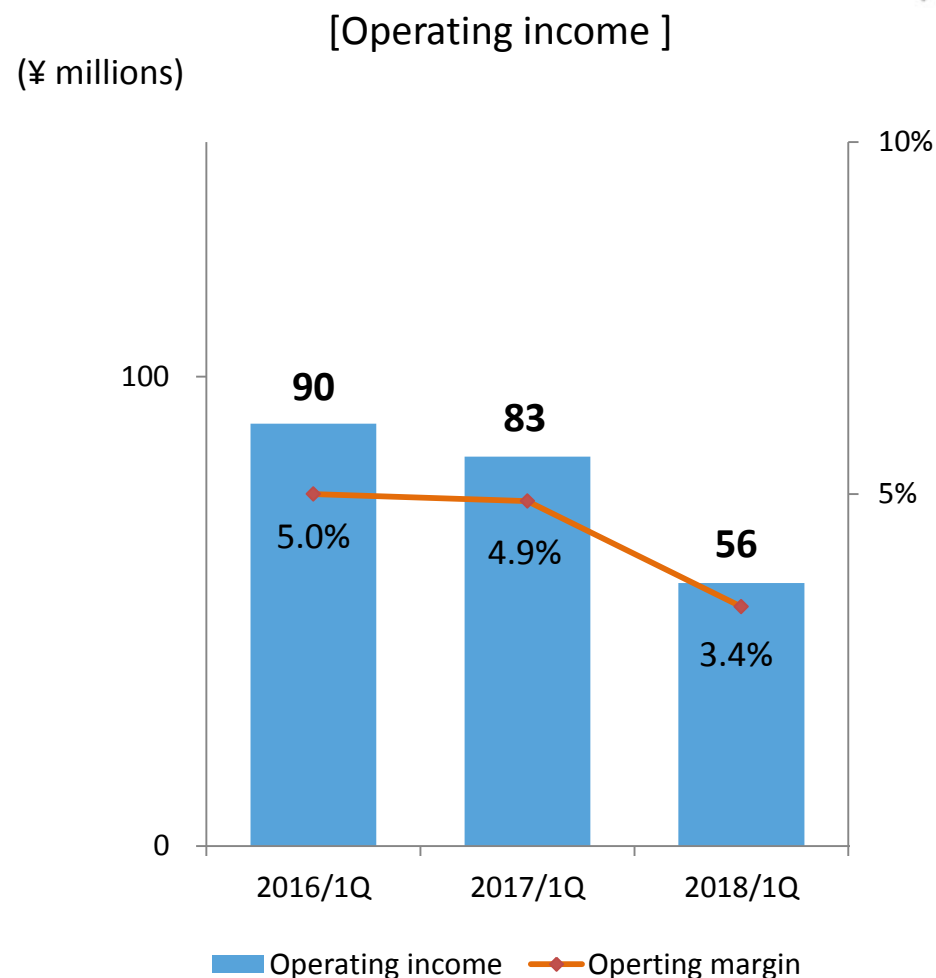
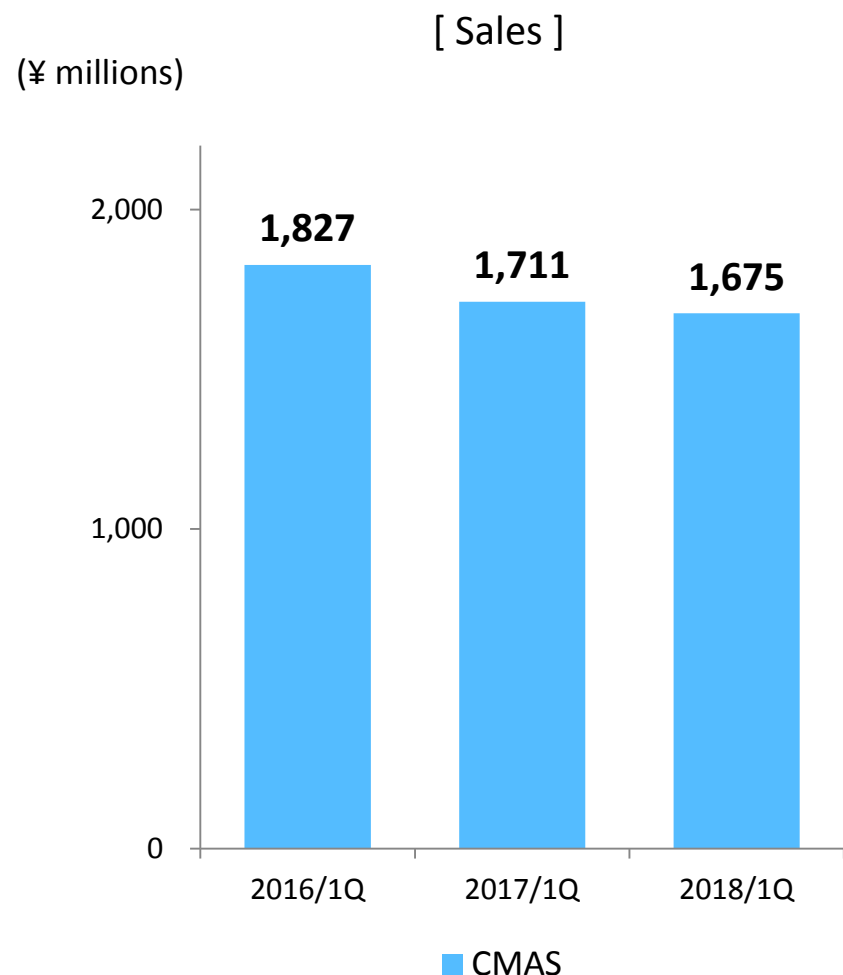
Secured human resources to meet robust demand in clinical services and studied the feasibility of post-marketing support business utilizing clinical research and database. For non-clinical services, Japan-US collaboration was enhanced to support Japanese companies entering the US market. Provided drug discovery support for next-generation drugs including nucleic acid drugs and regenerative medicine. Sales and operating income exceeded those from the same period of the previous year thanks to robust growth in new and existing contracts.

Contract Development Manufacturing Organization (CDMO) Business



Continued an effort to establish a low-cost production structure in the pursuit of productivity and efficiency through total service provision for drug manufacturing. Focused on the preparation towards the full-scale operation of the new injection building. Sales and operating income exceeded those from the previous consolidated fiscal year thanks to robust growth in new and existing contract manufacturing projects, but operating loss was unchanged from the previous corresponding period due to start-up expenses for the new injection building in Ashikaga, which incurred before the business is running.

Contract Sales Organization (CSO) Business

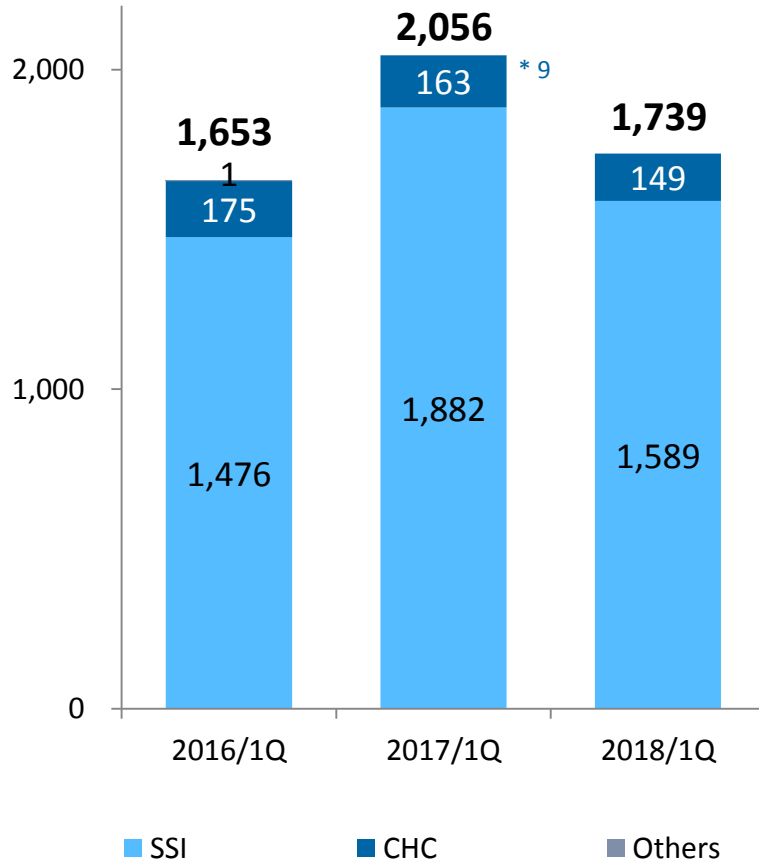


CMIC Ashfield Co., Ltd. has worked steadily to strengthen its capacity to take new orders and move through existing projects, they are also providing comprehensive commercial solution that combines various services to meet customer demands. Sales and operating income are below the prior year level due to outsourcing needs of MR dispatch business facing the adjustment phase, but order intake exceeded those from the previous consolidated fiscal year.

Healthcare Business

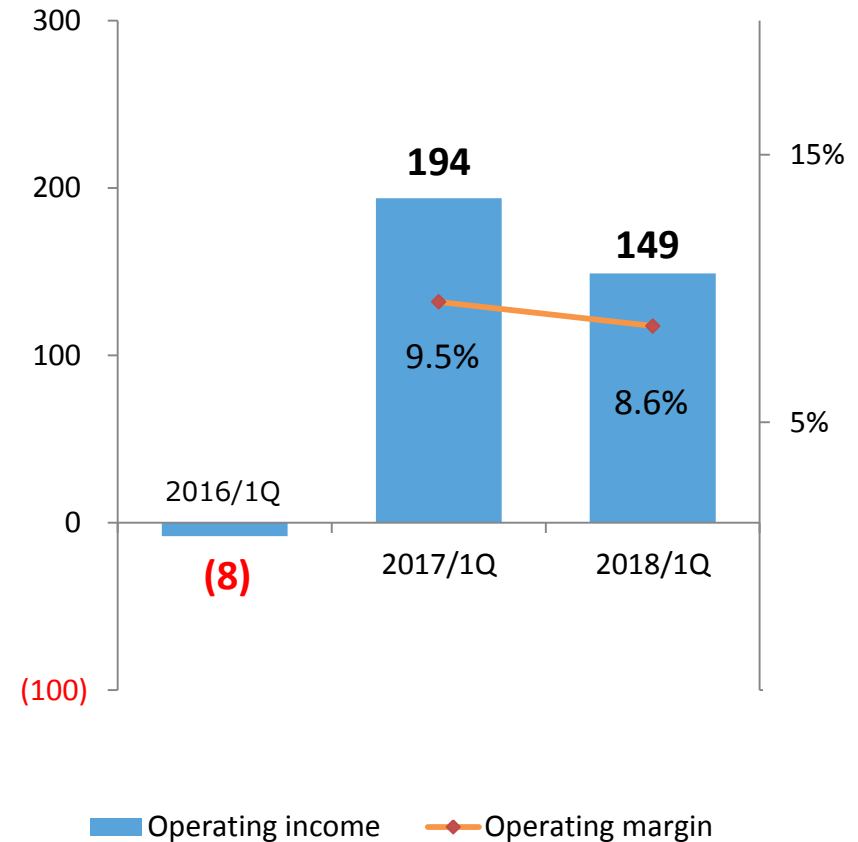
[Sales]

(¥ millions) *Adjustment



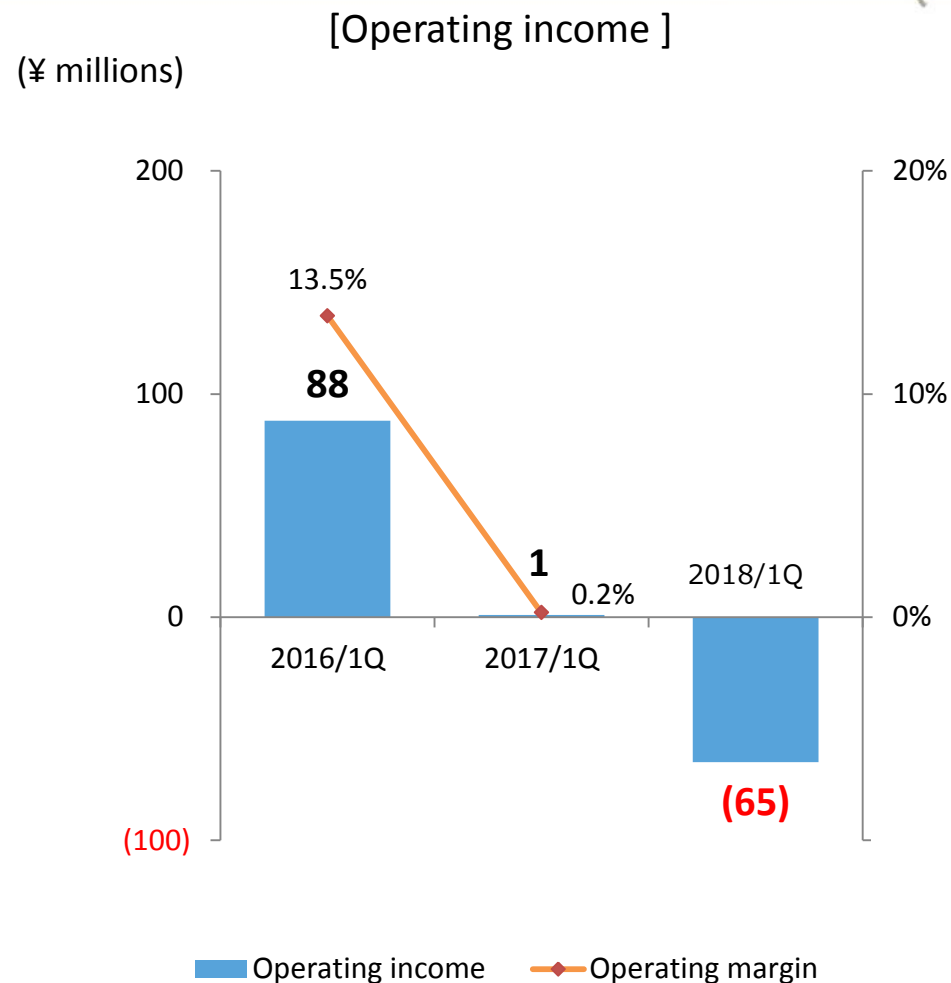
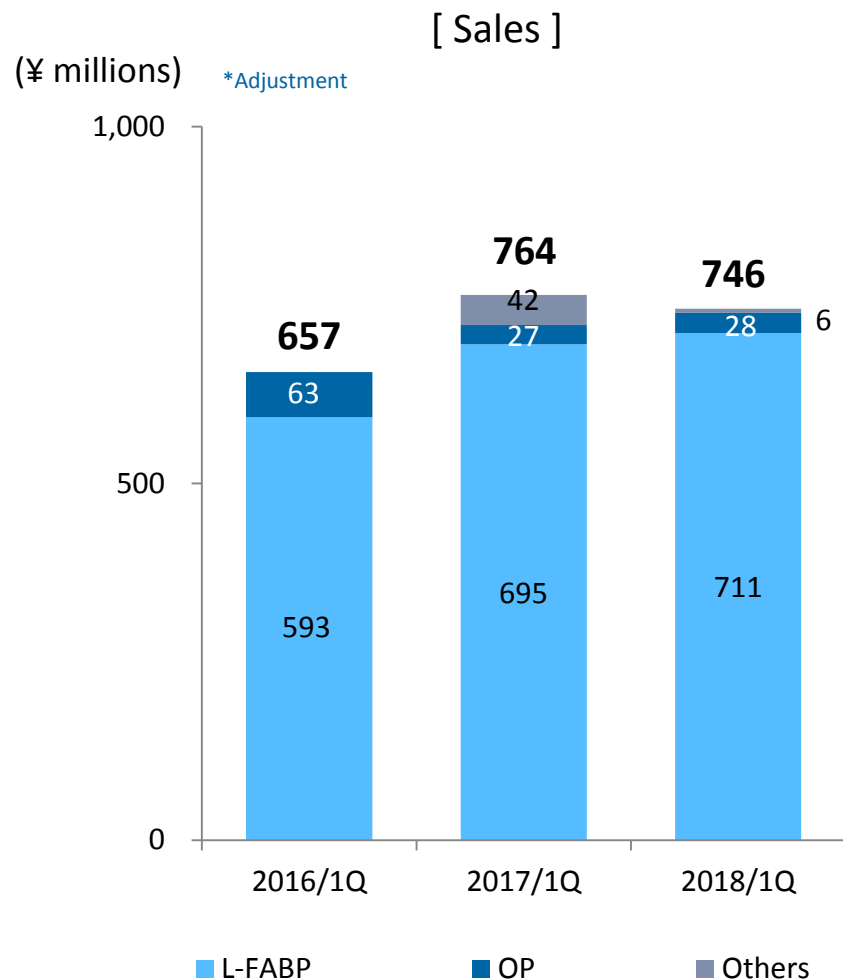
[Operating income]

(¥ millions)



Site Support Institute Co., Ltd. has acquired new orders and provided new services such as Medical Concierge Services. Sales and operating income are below that of the same period last year due to losing some large-scale projects we had in the same period last year.

Innovative Pharma Model (IPM) Business



Strengthened IPM business foundation through provision of IPM platform such as selling orphan drugs including the products developed in-house and supporting foreign companies entering the Japanese market. Expanded the market and strengthen promotions of the kidney disease biomarker "human L-type fatty acid-binding protein (L-FABP) kit". Sales and operating income were lower than that of the same period last year due to sales promotion expenses for "Zanmira Nail" (toe nail repair solution). Continued to expand our business scale through provision of new solutions towards positive turnaround of sales.

Balance sheet (assets)

(¥ millions)

80,000

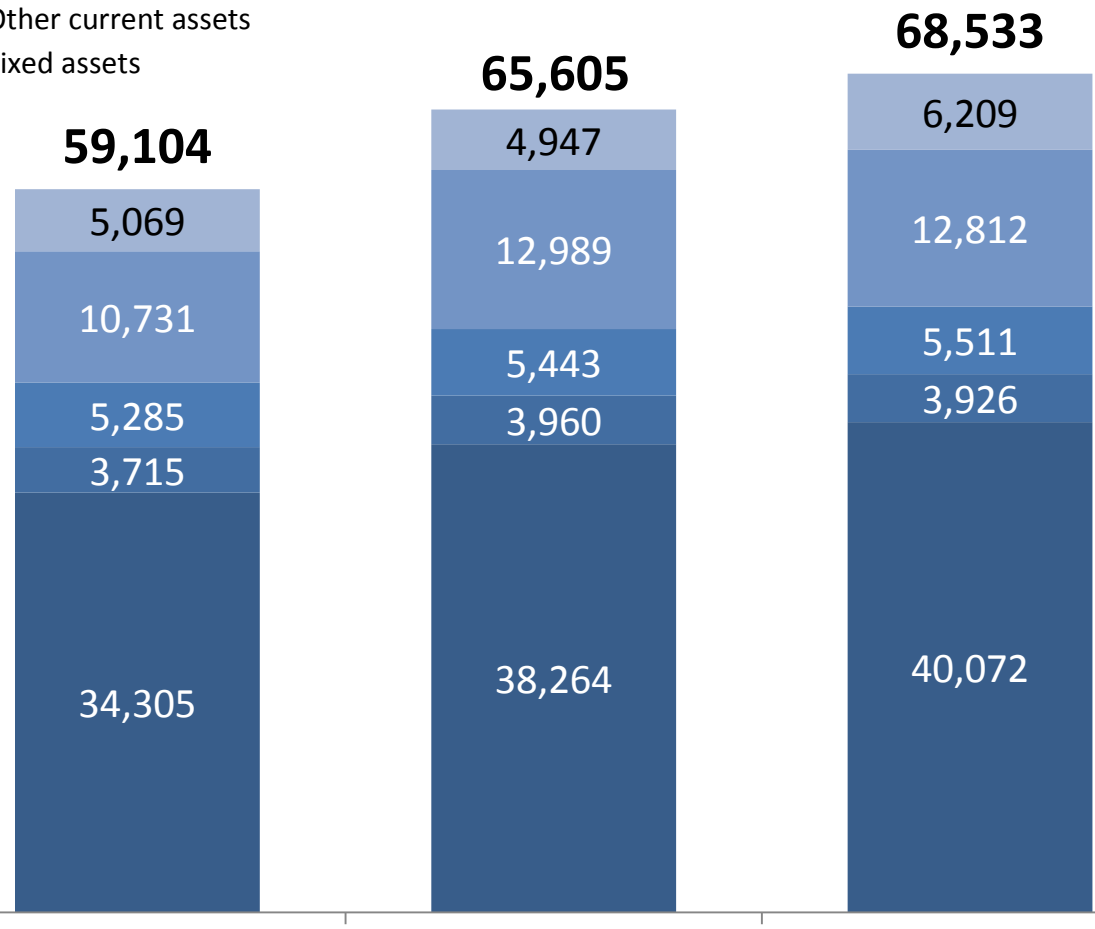
60,000

40,000

20,000

0

- Cash equivalents
- Trade receivables
- Inventory
- Other current assets
- Fixed assets



Total assets +2,927

■ Cash equivalents +1,261

■ Trade receivables (177)

■ Inventory +68

■ Other current assets (34)

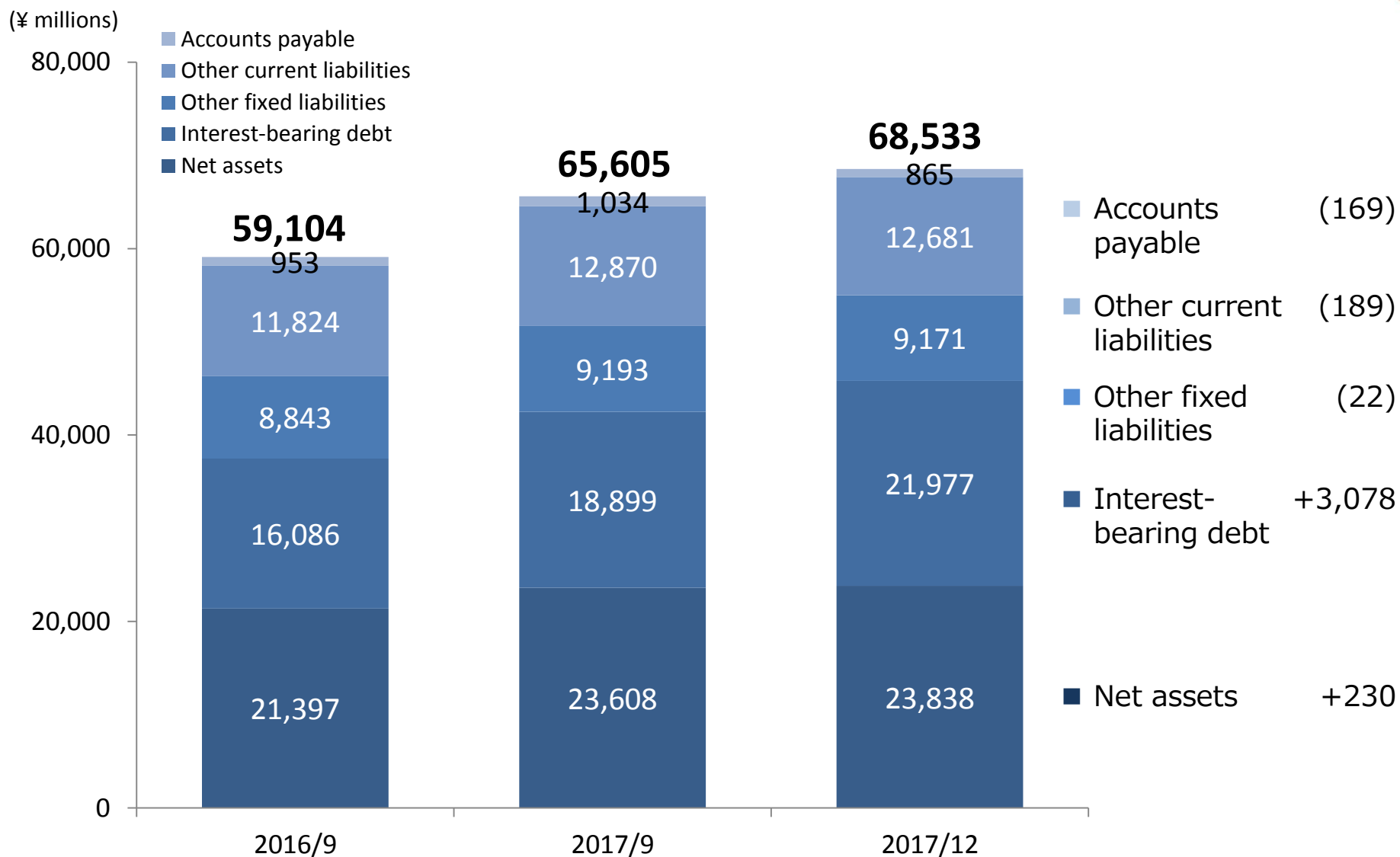
■ Fixed assets +1,808


2016/9

2017/9

2017/12

Balance sheet (liabilities and net assets)





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.

