

Overview of Financial Results for the FY2018

CMIC HOLDINGS Co., Ltd.
November 15, 2018



FY18 Financial highlights

(October 1, 2017-September 30, 2018)



CMIC HOLDINGS Co., Ltd.
Wataru Mochizuki, CFO

CMIC Overview

CMIC's unique business model (PVC)

CSO business

(Contract Sales Organization)

Sales and marketing support

Healthcare business

(Healthcare)

Business that enhances individual health value

Pharmaceutical Value Creator

Strategic partner for pharmaceutical companies

CDMO business

(Contract Development Manufacturing Organization)

Formulation development and manufacturing support

IPM business

(Innovative Pharma Model)

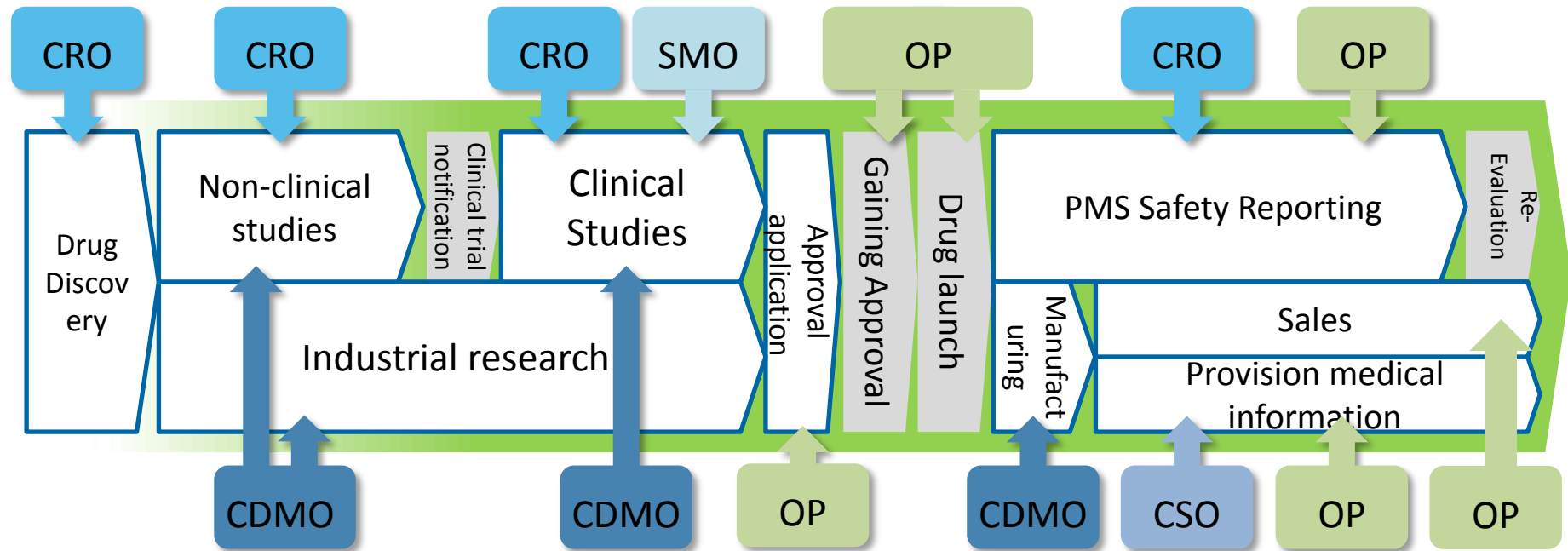
Pharmaceutical company that exists for the benefit of pharmaceutical companies

CRO business

(Contract Research Organization)

Drug development support

Comprehensively support the value chains of pharmaceutical companies



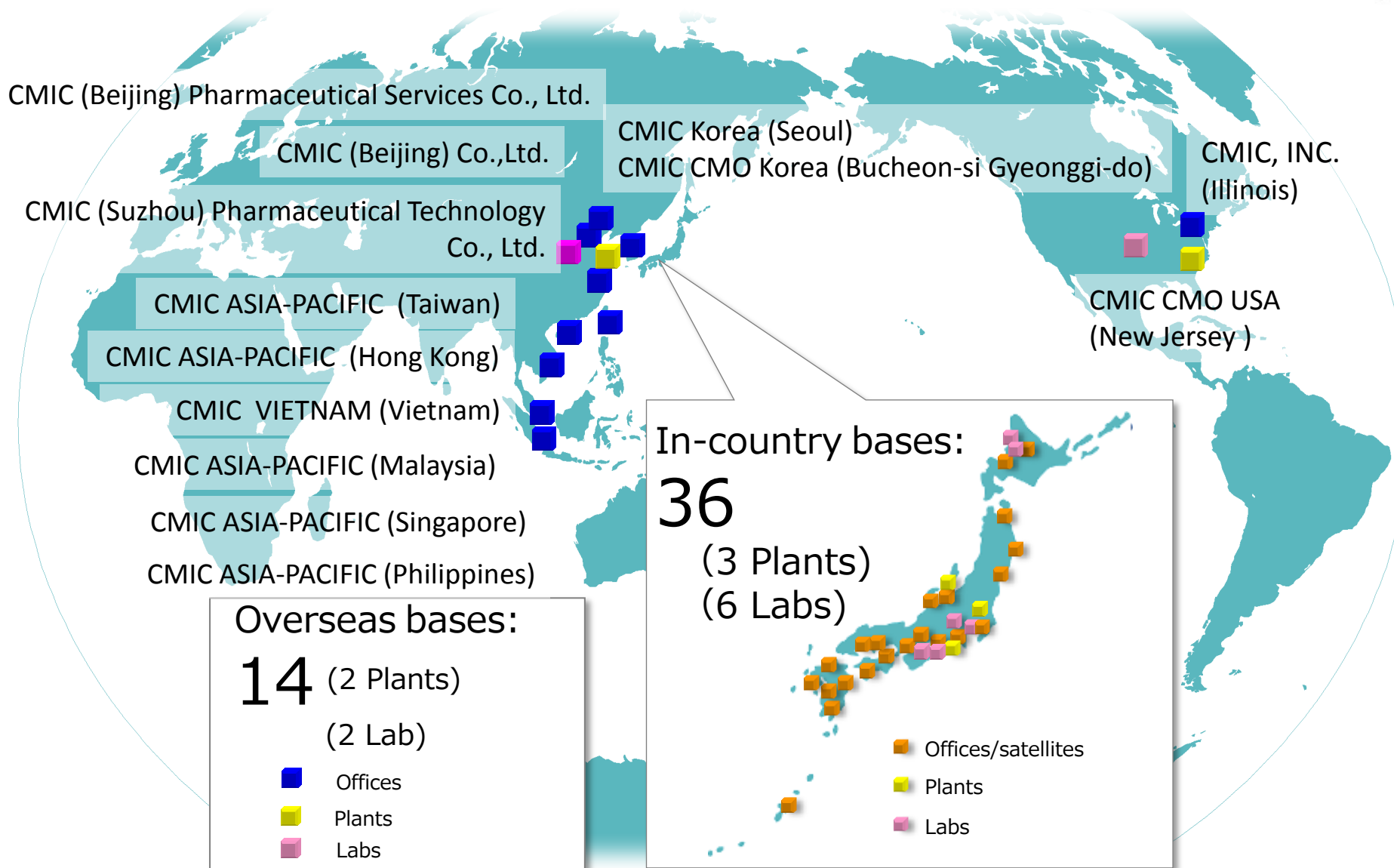
IPM

Platform-type pharmaceutical business

HC

Business to enhance individual health value

CMIC Group Global Coverage



Business segments and group companies

Blue indicates overseas.
*indicates affiliated company

Segment	Products and services	CMIC Group companies (as of end of Sep. 2018)
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 DATA SCIENCE VIETNAM COMPANY LIMITED 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. McCann MDS 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

Promotion of “Project Phoenix -Initiatives to achieve sustainable growth”

Project Phoenix 2.0 achievements

- Establishment of the agile management system and started providing IPM solution
- Organizational and functional changes for top management in the group (two-top execution by CEO-COO)

Start of Project Phoenix 3.0

- Expansion of healthcare business through industry-government-academia-citizen collaboration
- Enhancement and promotion of global business deployment

CRO Business

- ✓ Enhancement of Post-marketing surveillance (PMS) and Clinical research support business using medical database
- ✓ Promoted readiness for evolving fields including biologics and regenerative medicine (Enhanced analytical services for Nucleic acid drugs and development support for regenerative medicine products in Kobe Medical Industrial City, participated in the Technology Consortium aiming at the clinical application of platelet preparations derived from human iPS cells)

CDMO Business

- ✓ Enhanced competitiveness via capital and business tie-up with DBJ
- ✓ Opened a new parenteral facility and focused on preparation for commercial production

CSO Business

- ✓ Acquired new large-scale projects using PVC model
- ✓ Service expansion in the area of Medical Affairs

Healthcare Business

- ✓ Launched the 24/7 primary response call center to promote efficiency and quality of SMO operations
- ✓ Established the portal site "HelC+" to provide information of the hospitals specialized in oncology and clinical trials

IPM Business

- ✓ Launched hypertension drug “Rasilez Tablets® (Aliskiren Fumarate) 150mg” transferred from Novartis Pharma

Consolidated income statement (overview)

	2017/9		2018/9		YoY change	Percent change
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Sales	65,282	100.0	69,869	100.0	4,586	7.0
Operating income	3,897	6.0	4,321	6.2	424	10.9
Ordinary income	3,732	5.7	4,061	5.8	329	8.8
Profit attributable to owners of parent	1,550	2.4	1,487	2.1	(63)	(4.1)
Earnings per share	¥82.90		¥79.71			

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

(¥ millions)

	2017/9	2018/9		2017/9	2018/9
Non-operating income	168	98	Extraordinary income	-	233
Interest income	16	6	Gain on abolishment of retirement benefit plan	-	233
Foreign exchange gains	96	17	Extraordinary losses	463	346
Rent income	8	20	Loss on sales of non-current assets	27	0
Subsidy income	1	14	Loss on retirement of non-current assets	125	59
Refunded consumption taxes	15	14	Provision of allowance for doubtful accounts	310	-
Other	29	26	Loss on revision of pay Regulations	-	280
Non-operating expenses	332	357	Loss on valuation of investment securities	-	4
Interest expenses	121	116	Income taxes	1,596	2,187
Share of loss of entities accounted for using equity method	147	182	Current	2,111	2,260
Other	63	58	Deferred	(515)	(72)

Sales & Operating income by segment

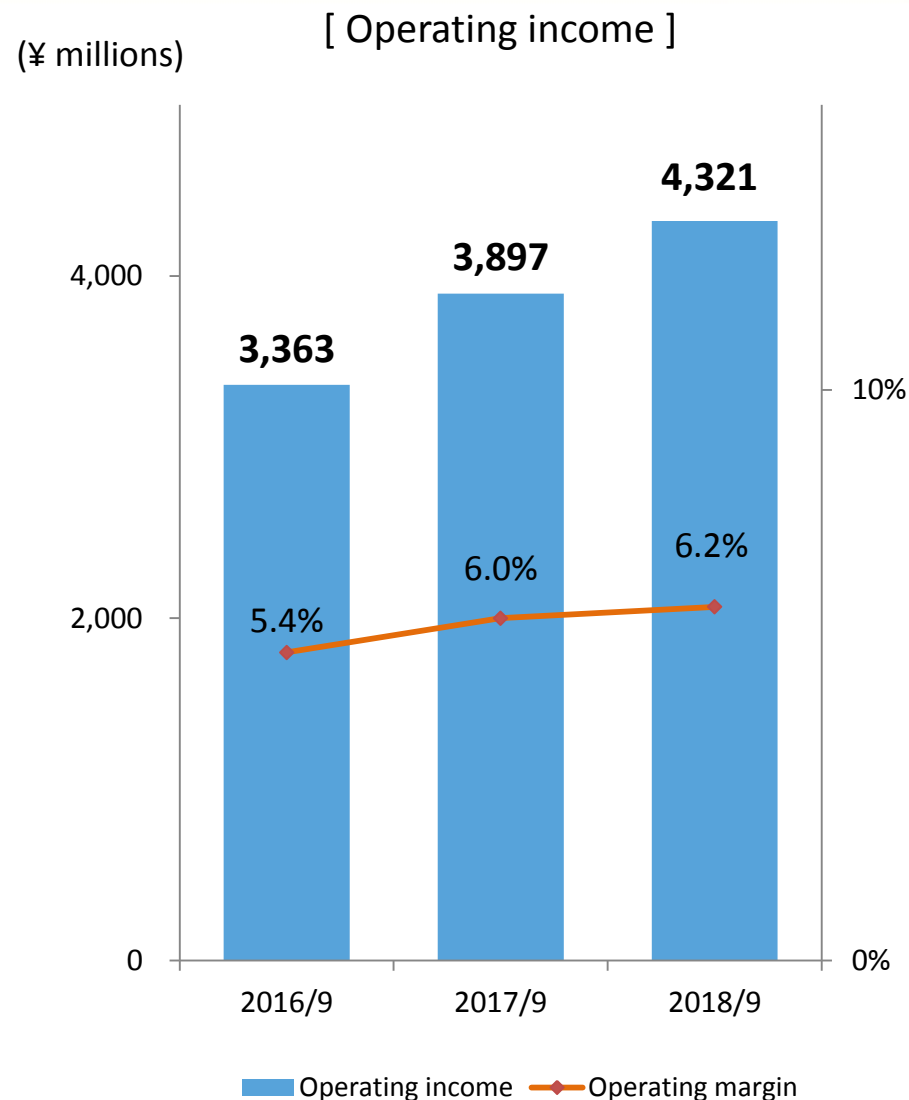
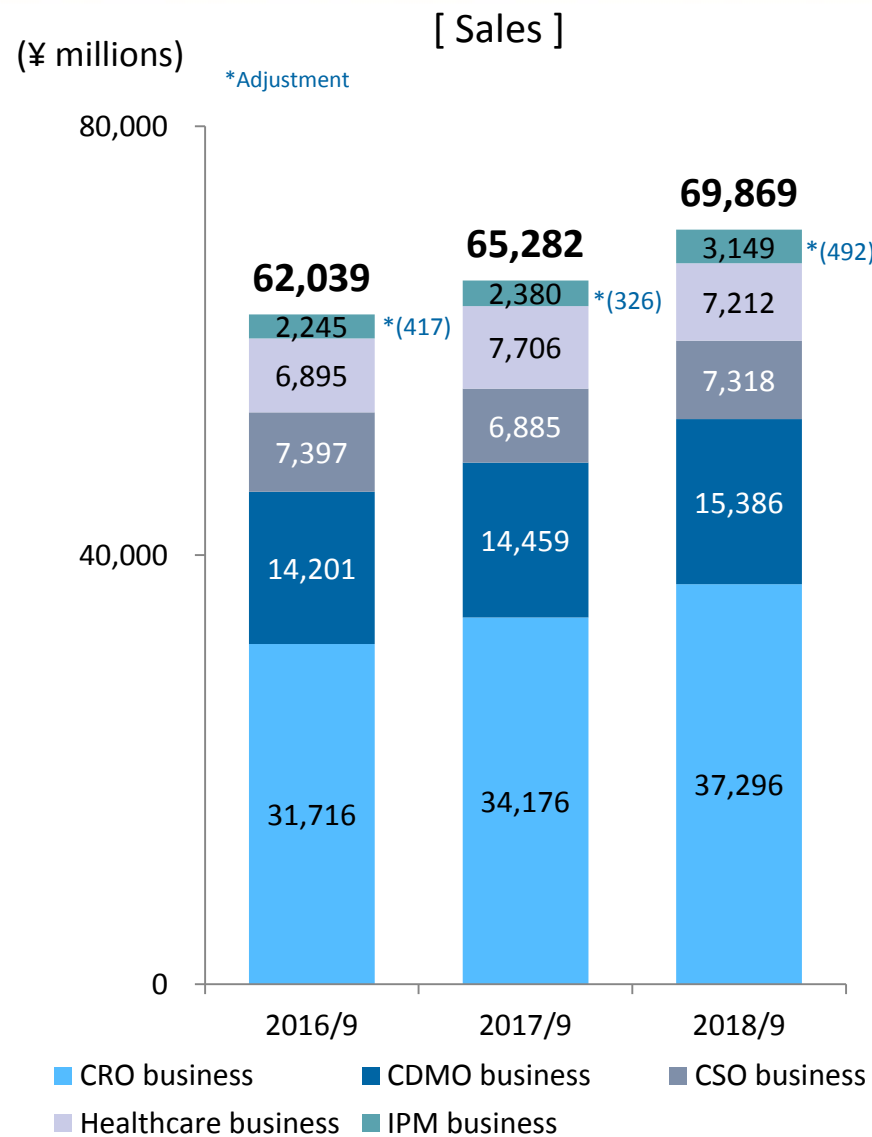
		2017/9 Amount (¥ millions)	2018/9 Amount (¥ millions)	Change (¥ millions)	Percent change (%)
CRO Business	Sales	34,176	37,296	3,119	9.1
	Operating income	5,844	6,650	805	13.8
CDMO Business	Sales	14,459	15,386	927	6.4
	Operating income	462	4	(457)	(99.1)
CSO Business	Sales	6,885	7,318	432	6.3
	Operating income	415	335	(79)	(19.1)
Healthcare Business	Sales	7,706	7,212	(494)	(6.4)
	Operating income	988	822	(166)	(16.9)
IPM Business	Sales	2,380	3,149	768	32.3
	Operating income	(627)	(360)	267	-
Adjustments	Sales	(326)	(492)	(166)	-
	Operating income	(3,186)	(3,130)	55	-
Consolidated	Sales	65,282	69,869	4,586	7.0
	Operating income	3,897	4,321	424	10.9

Orders received / Backlog

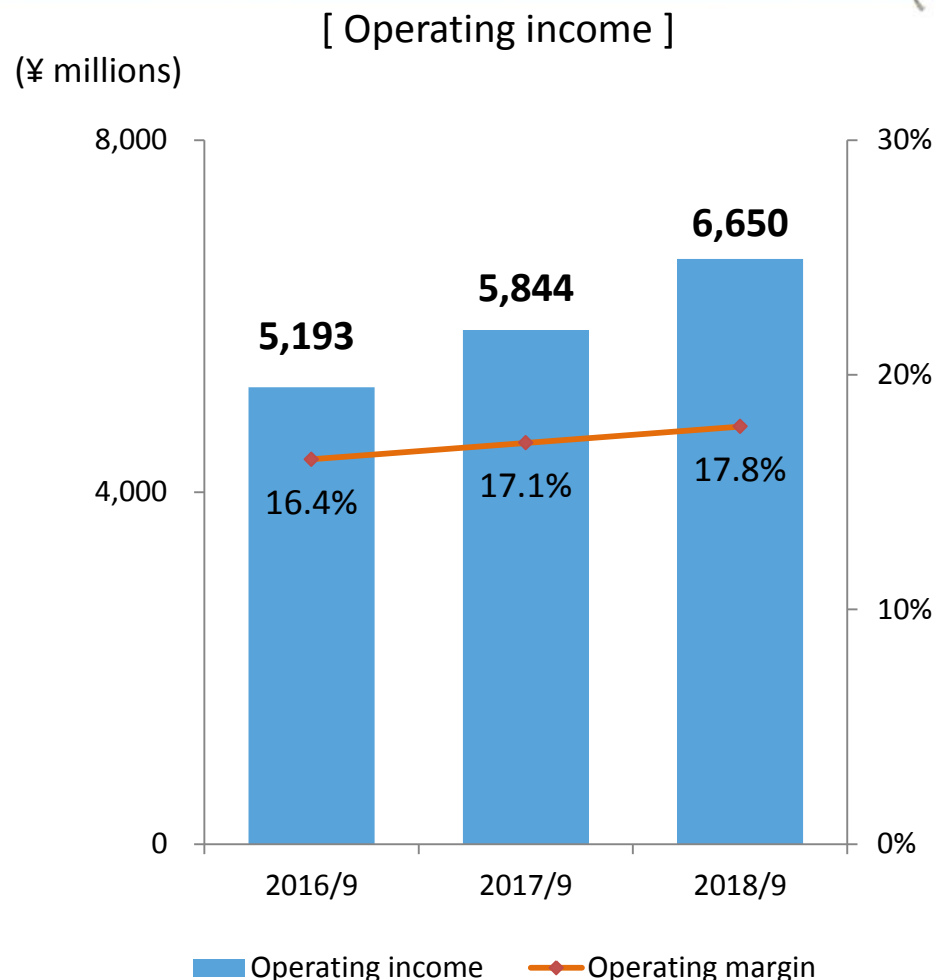
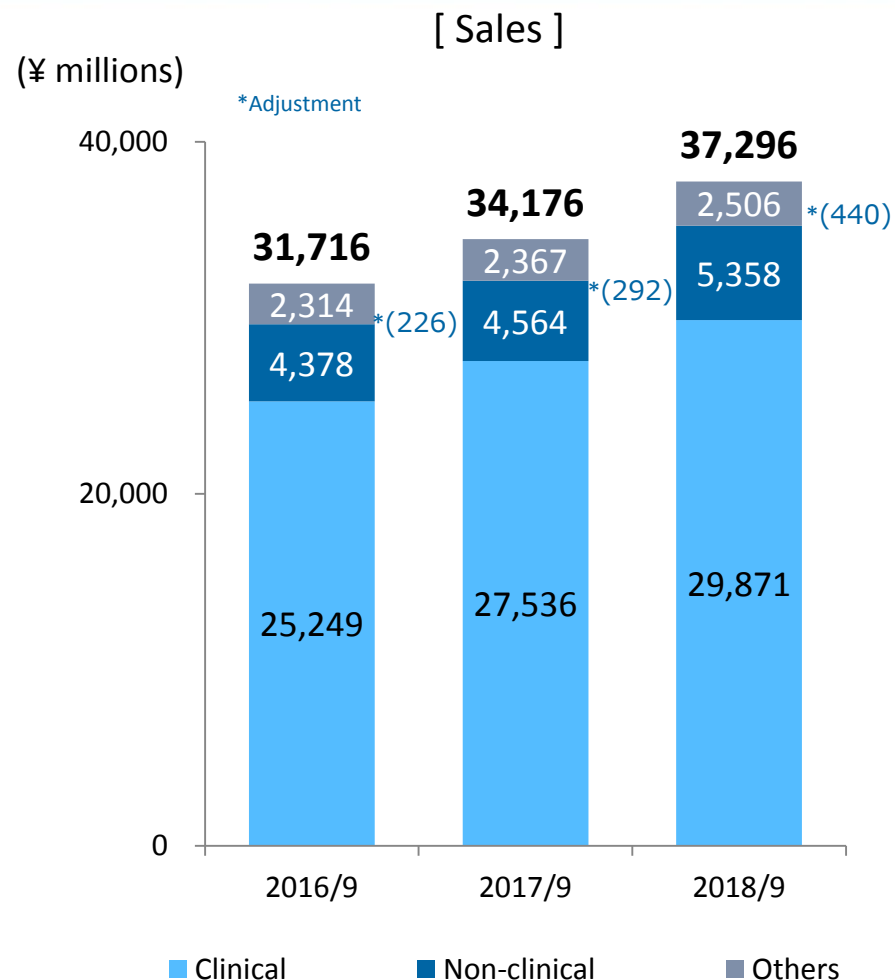
	2017/9		2018/9			
	Orders received	Backlog	Orders received	Percent change	Backlog	Percent change
	(¥ millions)	(¥ millions)	(¥ millions)	(%)	(¥ millions)	(%)
CRO Business	43,372	54,935	37,873	(12.7)	55,805	1.6
CDMO Business	14,695	3,619	15,463	5.2	3,827	5.8
CSO Business	4,386	3,095	7,482	70.6	3,261	5.4
Healthcare Business	7,267	9,129	7,654	5.3	9,639	5.6
Total	69,722	70,779	68,474	(1.8)	72,534	2.5

- Although orders received for CRO business decreased compared with the previous year due to the reaction to the acquisition of large projects in the previous year, the backlog increased due to robust demand.
- 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

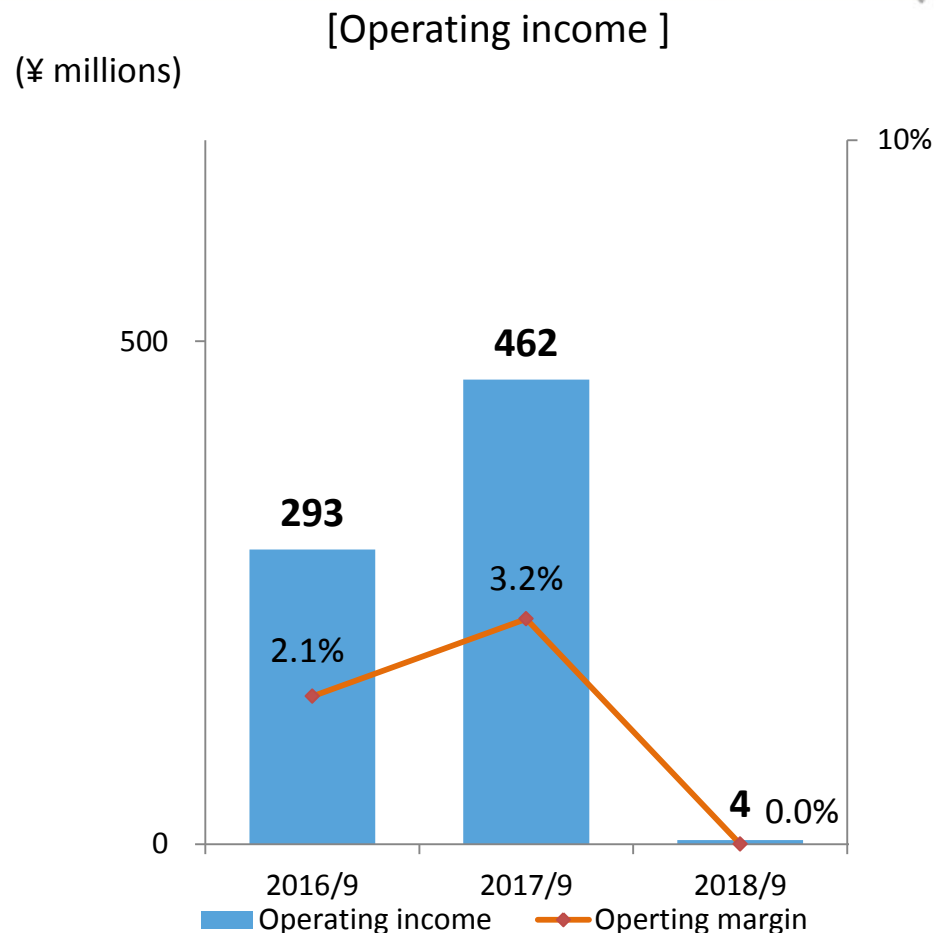
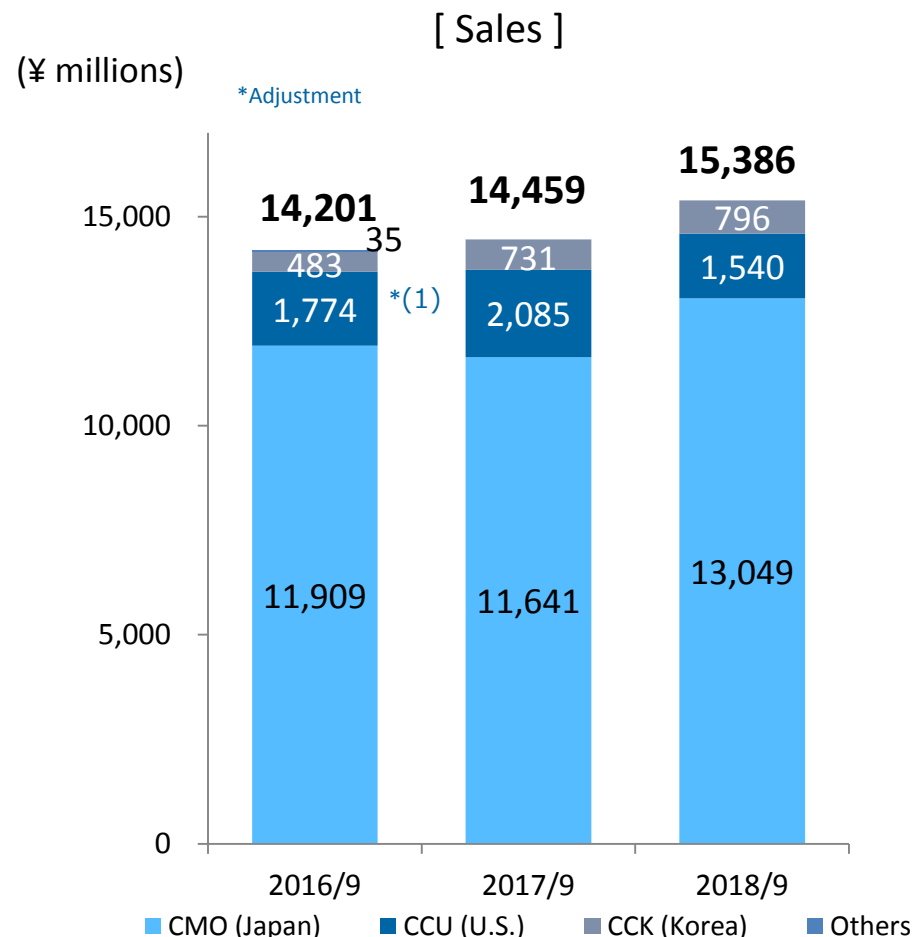


Contract Research Organization (CRO) Business



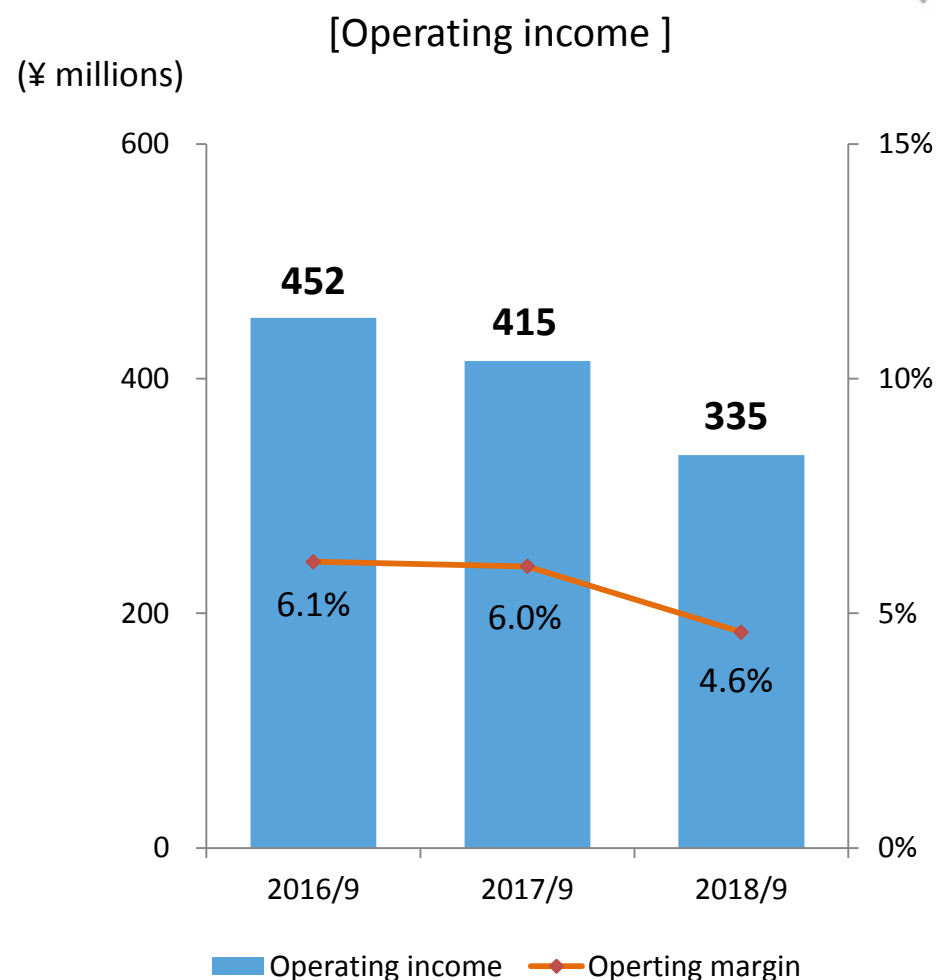
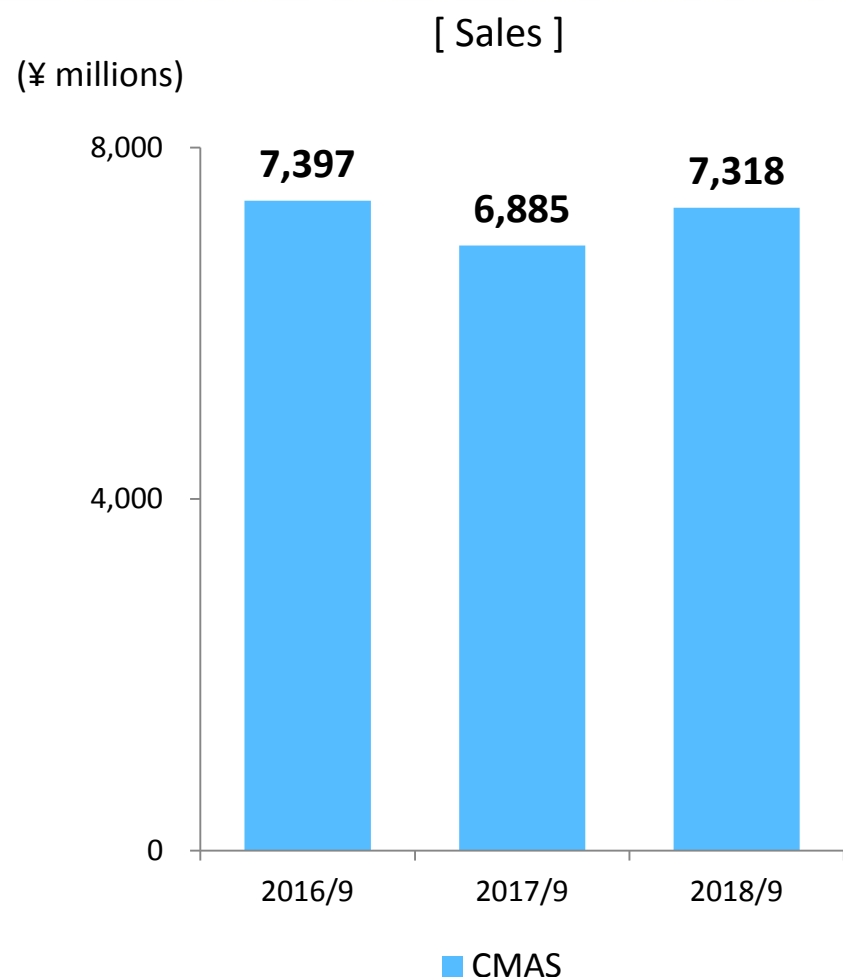
Secured human resources to meet robust demand in clinical services. CMIC Co., Ltd. and CMIC-PMS Co., Ltd. were integrated in October to enhance PMS and clinical research operations and provide end-to-end support that covers from clinical trial to PMS. For non-clinical services, our laboratories in Japan and the United States are collaborating to provide drug discovery support for next-generation drugs including nucleic acid drugs and regenerative medicine to enhance seamless services for pharmaceutical development needs in Japan and the United States. Sales and operating income exceeded those from 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 start-up and preparation for commercial production of the new injection building. Announced a capital and business tie-up agreement with Development Bank of Japan Inc. (DBJ) to promote broader strategies and expand our business through as a global manufacturing platform utilization of DBJ funding, personnel, and network in Japan and overseas, in addition to our growth based on existing business. Sales exceeded previous year's results thanks to the progress of new contract manufacturing projects, however, operating profit was less than previous year due to temporary production volume decrease of existing orders in the United States and the commercial production start-up expenses for the new injection building in Ashikaga.

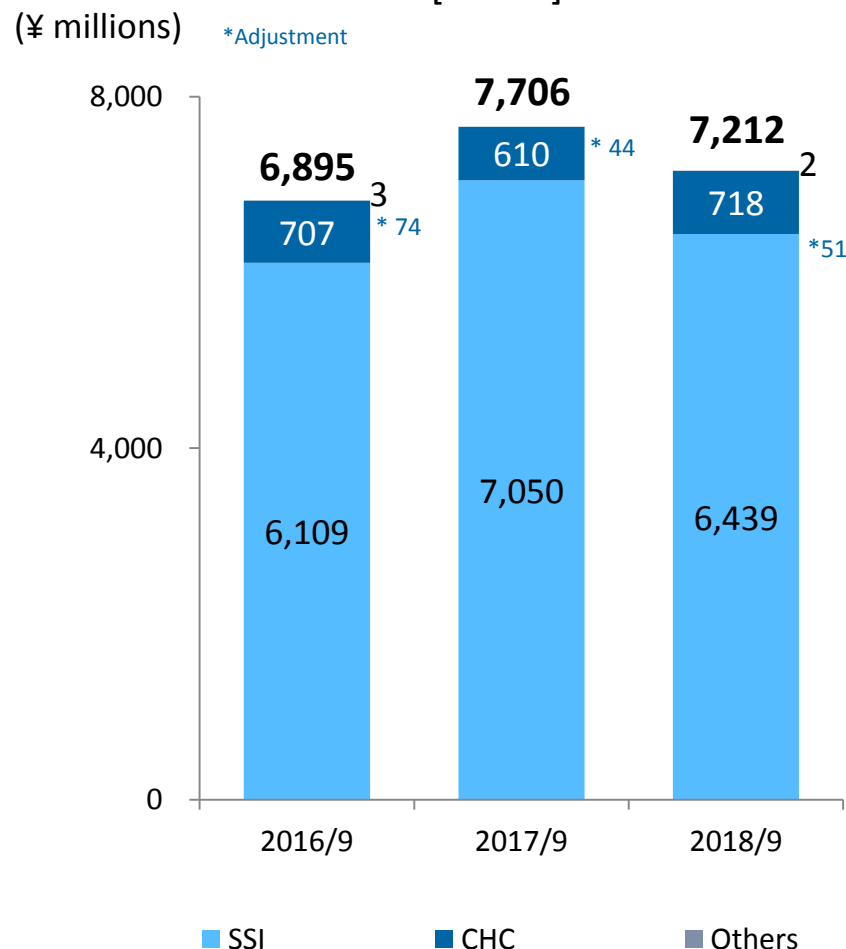
Contract Sales Organization (CSO) Business



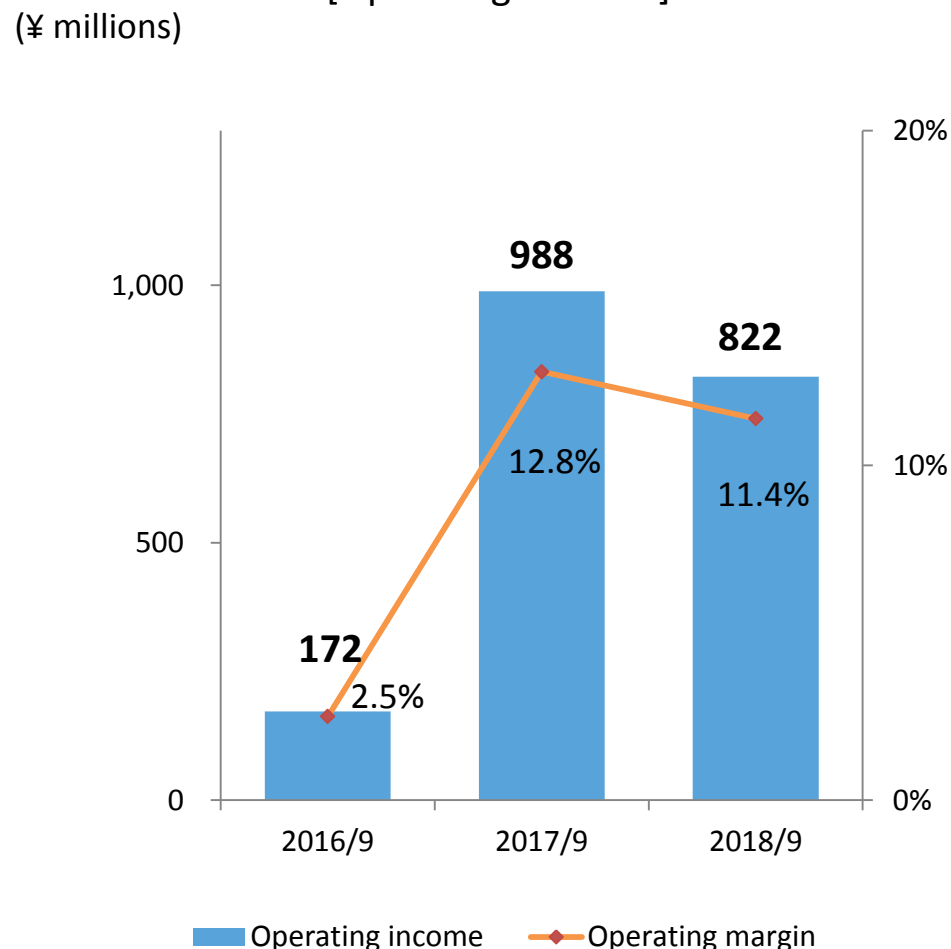
CMIC Ashfield Co., Ltd. has worked steadily to strengthen its capacity to take new orders and move through existing projects, they are also providing comprehensive solution that combines various services to meet customer demands including the service expansion in the Medical Affairs arena. Sales exceeded that of the previous year thanks to robust progress of new contract projects including large projects utilizing our PVC model, but operating income was less than that of previous year due to the costs generated to take on large-scale projects.

Healthcare Business

[Sales]

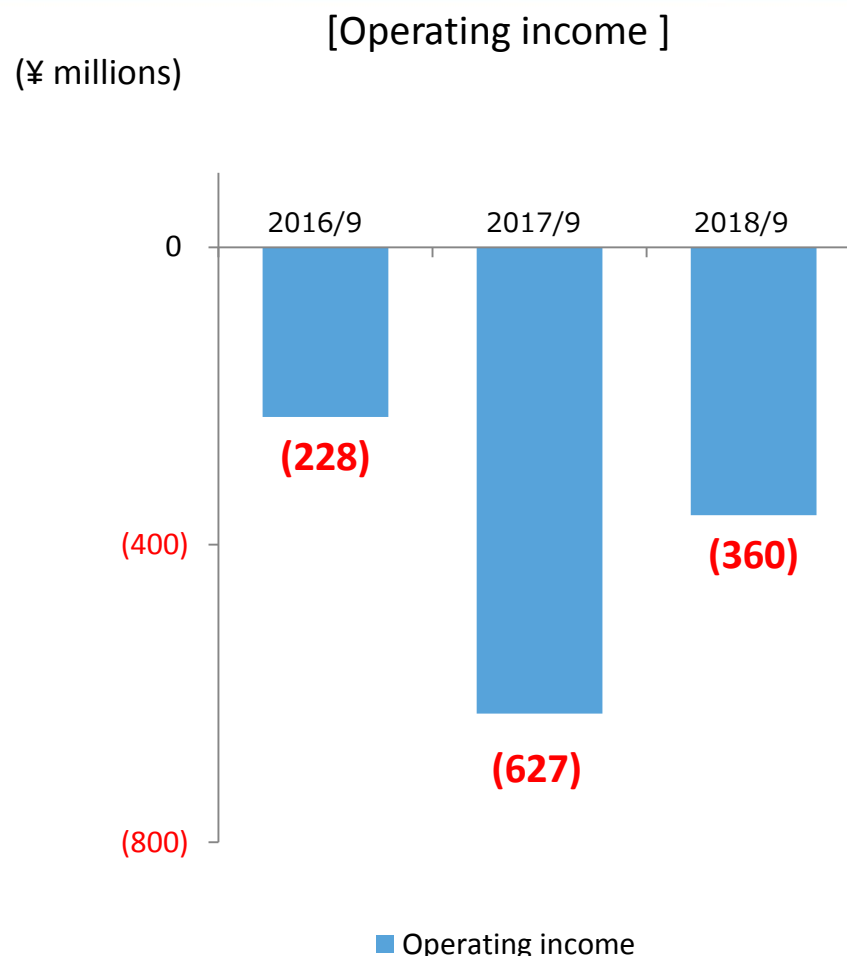
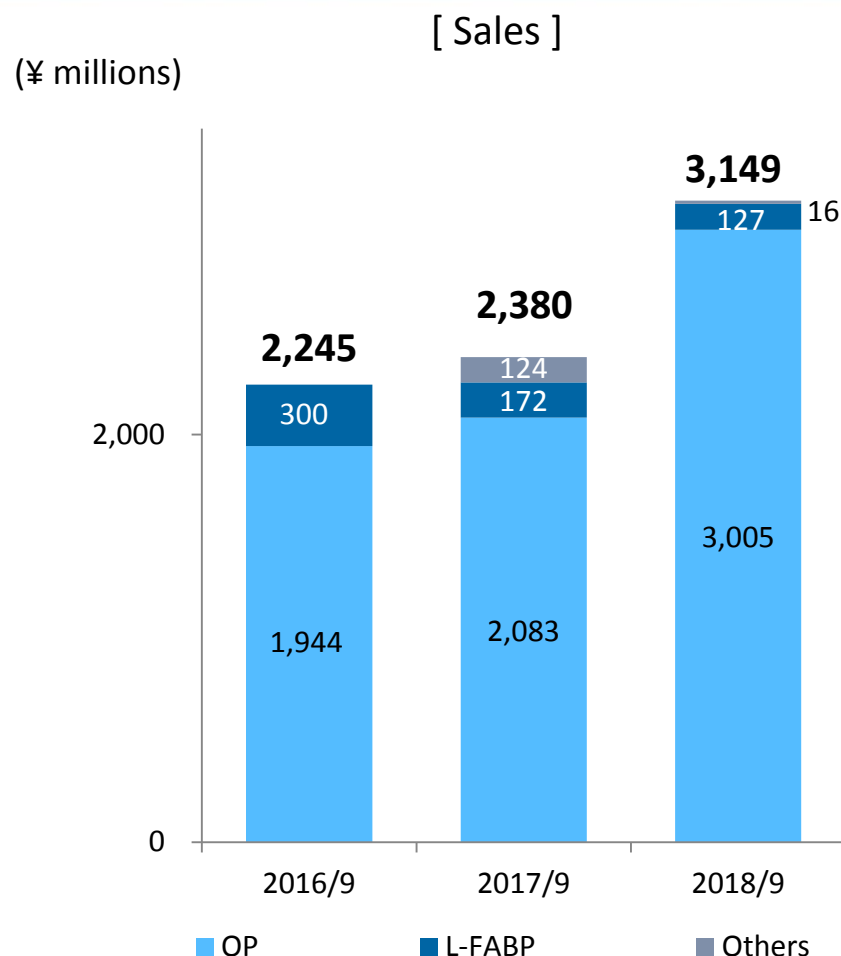


[Operating income]



Site Support Institute Co., Ltd. has acquired new orders and provided new services such as Medical Concierge Services. Launched the 24/7 primary response call center to promote efficiency and quality of SMO operations. Established the portal site "HelC+" to provide information of the hospitals specialized in oncology and clinical trials. Sales and operating income are below that of the previous year due to losing some large-scale SMO projects we had in the previous year and discontinuation of contract studies.

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. Launched hypertension drug Rasilez[®] Tablets 150mg in March 2018. Expanded the market and strengthen promotions of the kidney disease biomarker “human L-type fatty acid-binding protein (L-FABP) kit”. Sales exceeded that of the previous year due to sales increase of orphan drugs. Operating loss was recorded because of 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

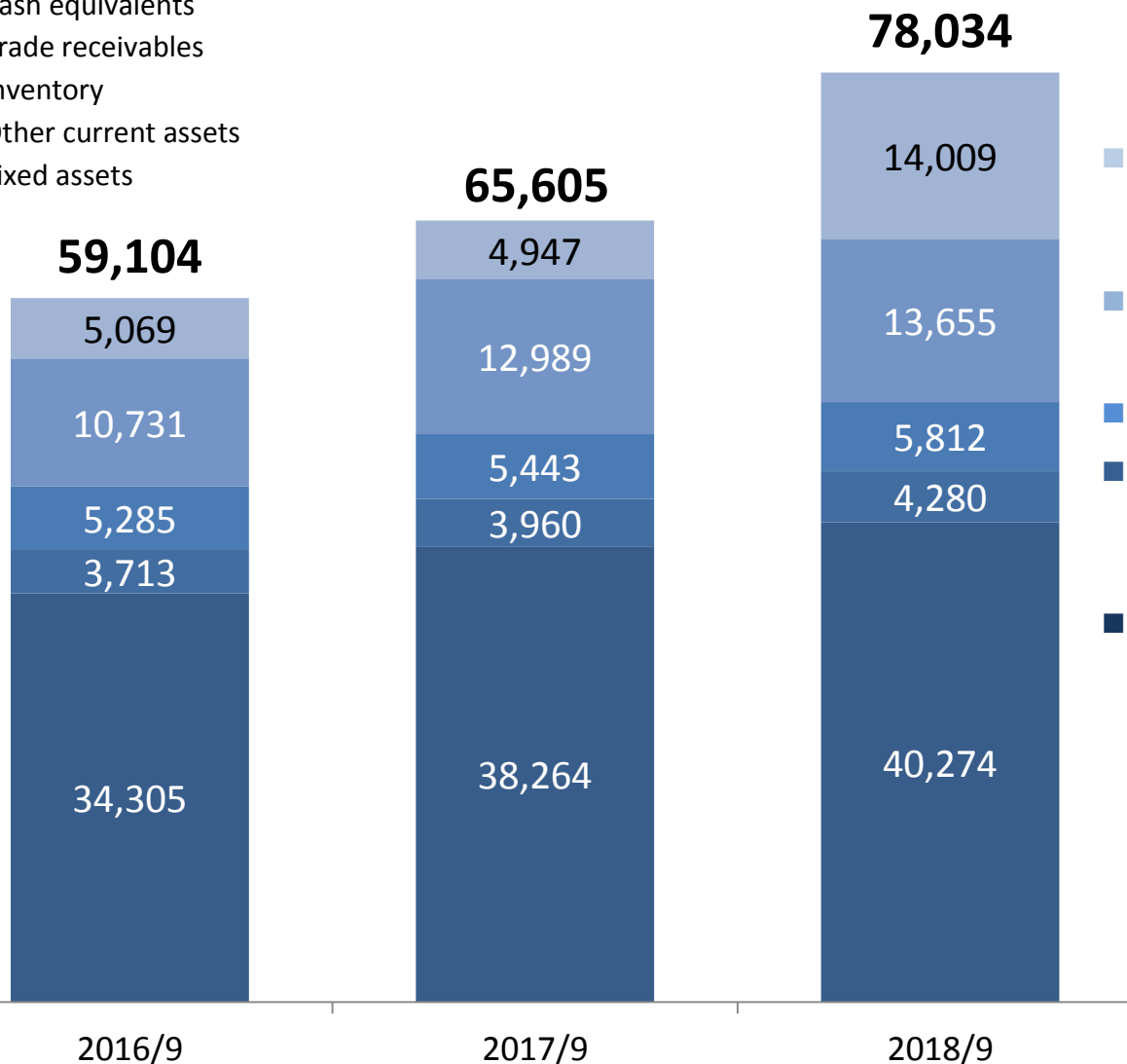
60,000

40,000

20,000

0

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



Total assets +12,428

■ Cash equivalents +9,061

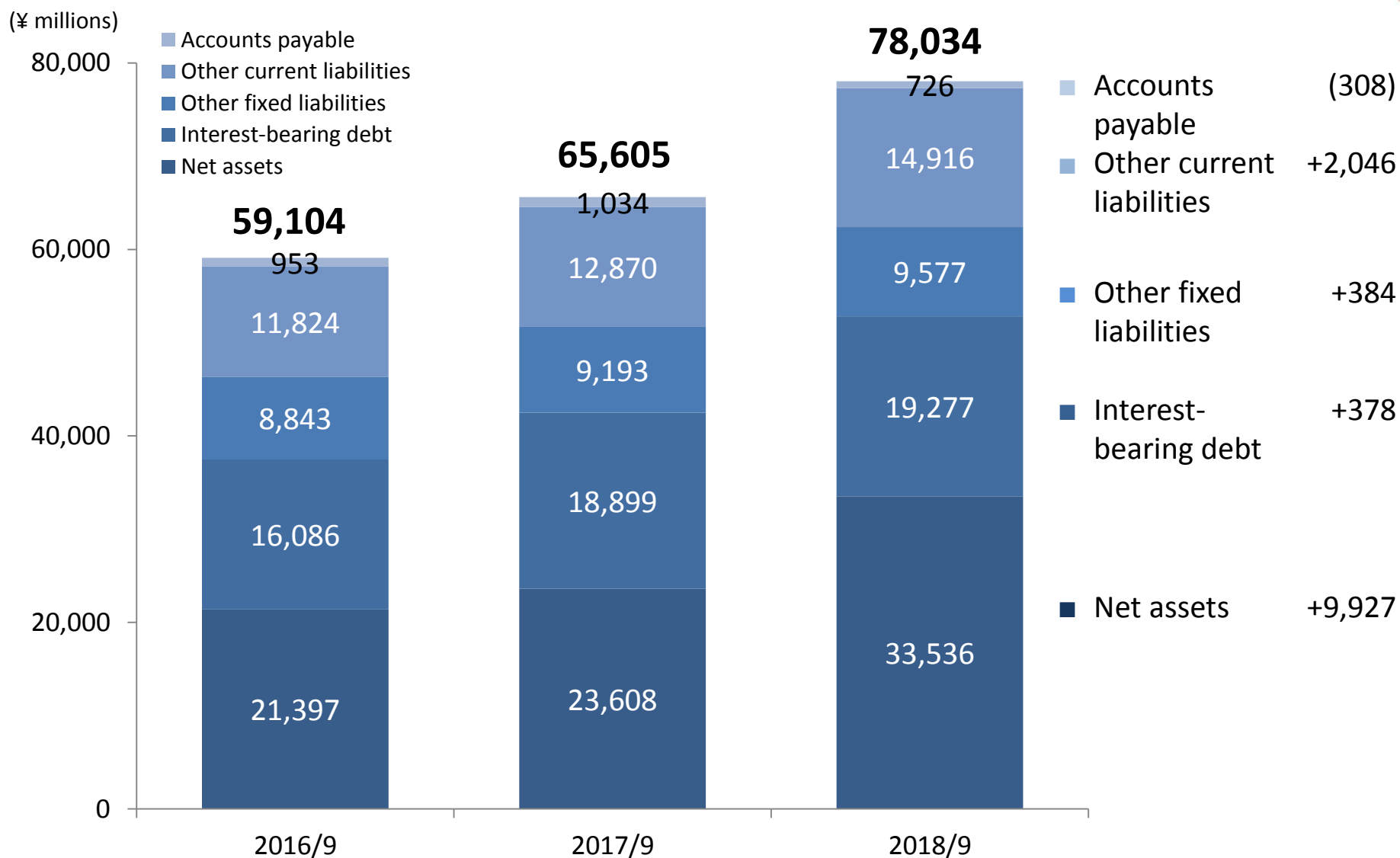
■ Trade receivables +666

■ Inventory +369

■ Other current assets +320

■ Fixed assets +2,010

Balance sheet (liabilities and net assets)



Cash Flows

			(¥ millions)	
	2017/9	2018/9	Increase (decrease)	
Cash flows from operating activities	4,937	7,488	2,550	[Key factor] (Cash flow from operating activities)
Cash flows from investing activities	(7,541)	(6,203)	1,338	<ul style="list-style-type: none"> • Net income before taxes, depreciation expenses, and capital increase due to an increase in deposits • Income taxes paid
Cash flows from financing activities	2,458	7,770	5,311	(Cash flow from investing activities)
Effect of exchange rate change on cash and cash equivalents	126	(26)	(153)	<ul style="list-style-type: none"> • Outflow from purchase of property, plant and equipment
Net increase(decrease) in cash and cash equivalents	(19)	9,028	9,047	(Cash flow from financing activities)
Cash and cash equivalents at beginning of period	4,946	4,928	(17)	<ul style="list-style-type: none"> • Proceeds from share issuance to non-controlling shareholders following the CMIC CMO third party allotment, proceeds from long-term loans payable • Expenditure due to the decrease of the commercial paper and repayment of long-term loans
Increase in cash and cash equivalents from newly consolidated subsidiary	1	19	17	
Cash and cash equivalents at end of period	4,928	13,976	9,048	

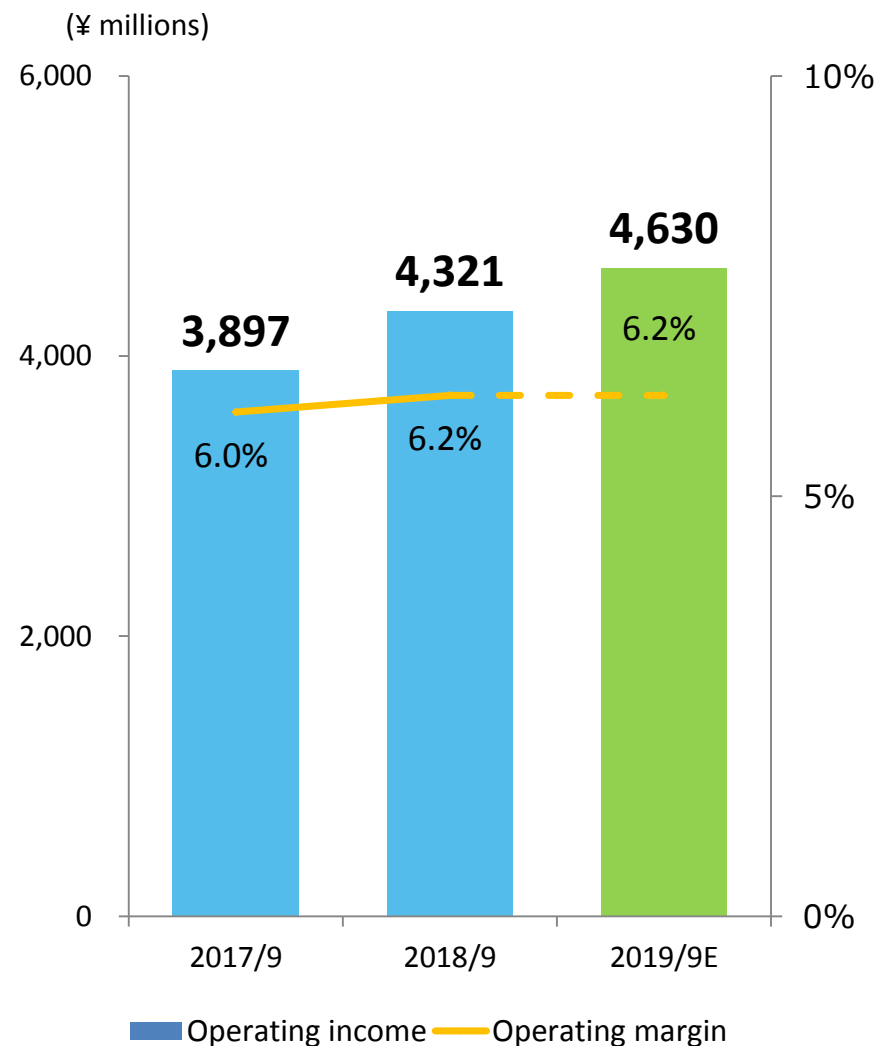


Forecast for FY ending Sep. 2019



Forecast for FY ending Sep. 2019

	2018/9 Actual (¥ millions)	2019/9 Forecast (¥ millions)	Change (%)
Sales	69,869	74,400	6.5
Operating income	4,321	4,630	7.1
Ordinary income	4,061	4,170	2.7
Profit attributable to owners of parent	1,487	2,000	34.4
Earnings per share	¥79.71	¥107.69	



Forecast for FY ending Sep. 2019 (by segment)

		2018/9 results (¥ millions)	2019/9 forecast (¥ millions)	Change (¥ millions)	Change (%)
CRO Business	Sales	37,296	39,500	2,203	5.9
	Operating income	6,650	7,250	599	9.0
CDMO Business	Sales	15,386	16,500	1,113	7.2
	Operating income	4	(55)	(59)	-
CSO Business	Sales	7,318	7,320	1	0.0
	Operating income	335	350	14	4.3
Healthcare Business	Sales	7,212	8,200	987	13.7
	Operating income	822	950	127	15.6
IPM Business	Sales	3,149	3,400	250	8.0
	Operating income	(360)	(350)	10	-
Adjustments	Sales	(492)	(520)	(27)	-
	Operating income	(3,130)	(3,515)	(384)	-
Consolidated	Sales	69,869	74,400	4,530	6.5
	Operating income	4,321	4,630	308	7.1



Mid-term Business Plan

(FY2019-FY2021)

CMIC HOLDINGS Co., Ltd.

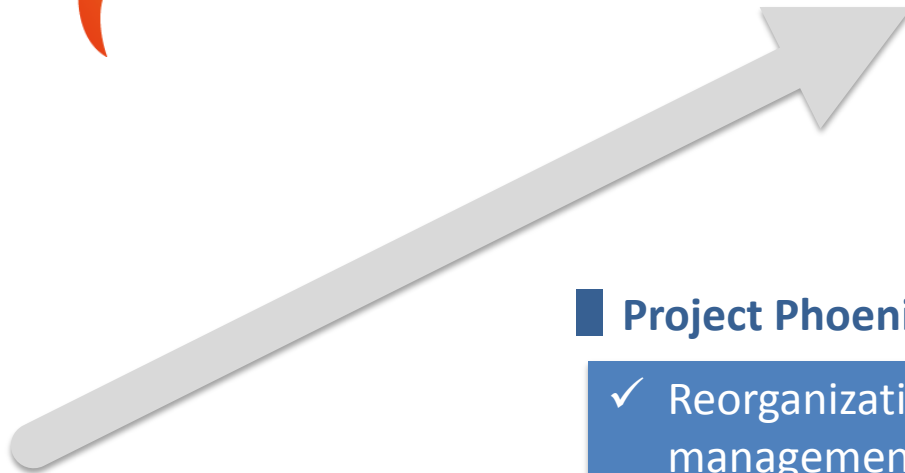
Keiko Oishi, COO



Evolution of Project Phoenix



Project Phoenix to achieve profit driven growth



■ Project Phoenix 3.0 (2018.4~)

- ✓ CMIC's take on healthcare Revolution

■ Project Phoenix 2.0 (2016.4~)

- ✓ Reorganization and personnel training for agile management (Management style transformation)
- ✓ Providing solutions using PVC functions
- ✓ Provision of Innovative Pharma Model platform

■ Project Phoenix 1.0 (2014.10~)

- ✓ Establishment of corporate culture (CMIC'S CREED)
- ✓ Positive turnaround of unprofitable business

Look back at the previous mid-term plan

Previous mid-term plan (FY2016 - FY2018)

	FY2015	FY2018		
	Actual	Actual	mid-term plan	Achievement rate
Sales	55.9billion	69.8billion	71.7billion	97.4%
Operating Profit	1.4billion	4.3billion	4.8billion	89.6%
OP Rate (%)	2.5%	6.2%	6.7%	△0.5%

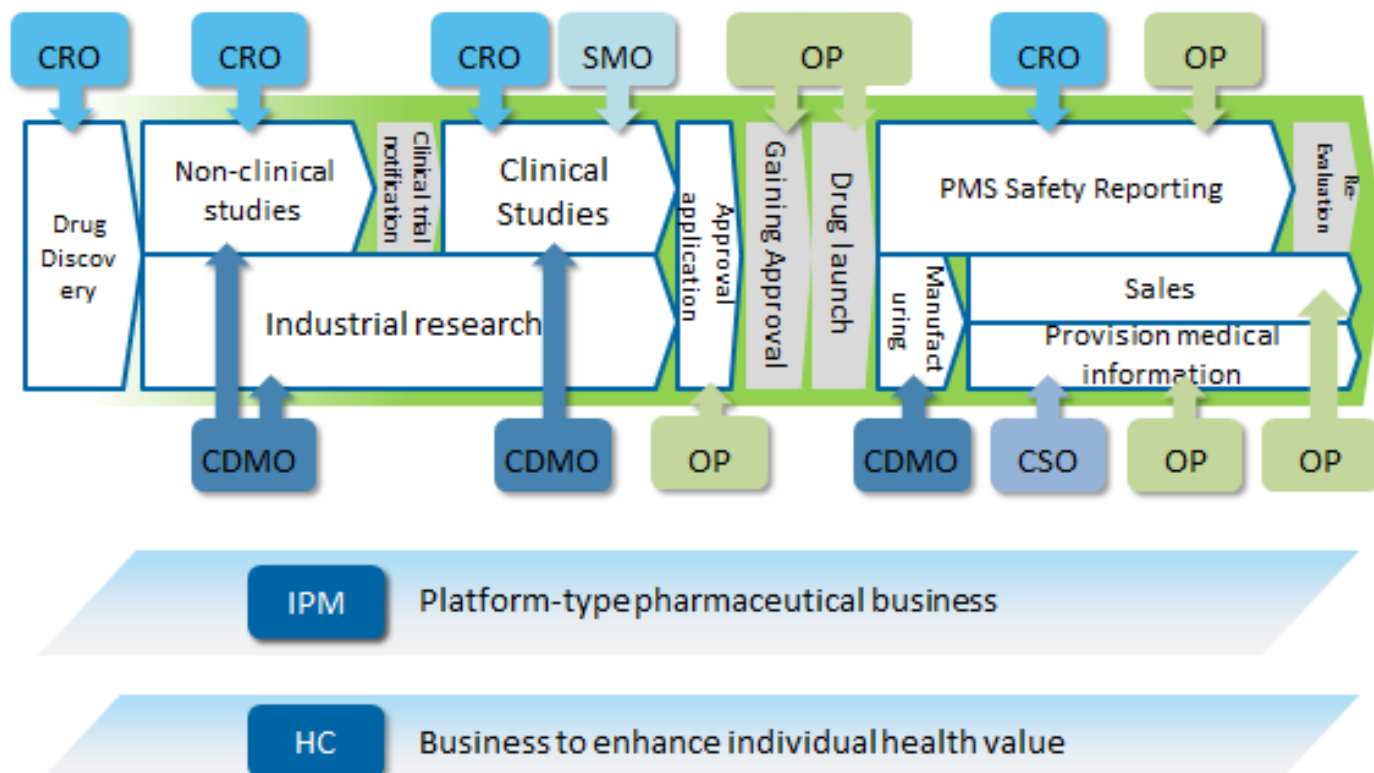
► Delay in CDMO business growth

Production volume of the existing contract manufacturing products did not reach the expected level due to measures to promote further use of generic medicines (80%) and reduced NHI drug prices.

3 main features of CMIC Group (1)

✓ Providing solutions using PVC functions

- ✓ One-stop service from development, manufacturing, to sales support
- ✓ Support overseas companies entering the Japanese market
- ✓ Support the companies from different industries starting pharmaceutical business
- ✓ Academia support
- ✓ Support pharmaceutical companies using marketing authorization licenses (IPM solutions)

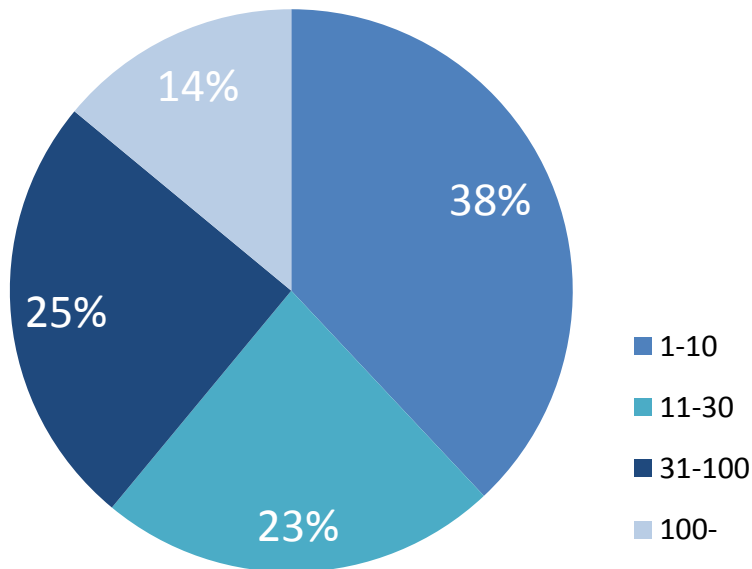


3 main features of CMIC Group (2)

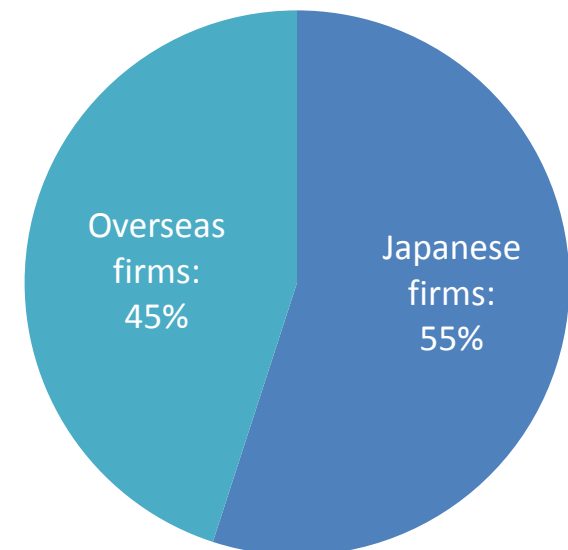
✓ Diverse customer base

- ✓ Support pharmaceutical companies inside and outside of Japan, bioventures, academia, medical device manufacturers, overseas CRO, and companies newly entering the pharmaceutical industry
- ✓ Provide broad range of services according to customer needs and stages
- ✓ Among the total number of customers we had business with in FY2018 (approx. 900 companies), top 10 customers account for about 40 % of sales

Customer ranking



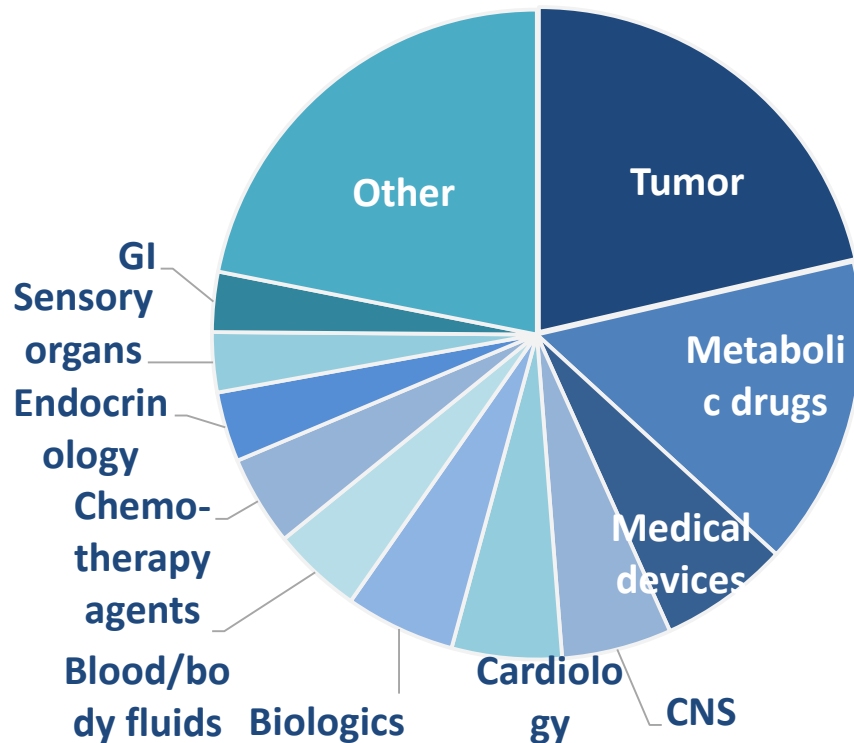
Sales of overseas firms



*Overseas firms: Firms with their head offices located outside of Japan

3 main features of CMIC Group (3)

- ✓ **Wide coverage of therapeutic area and cutting-edge technology**
 - ✓ Support almost all therapeutic areas including oncology, nucleic acid drugs, and regenerative medicine



Therapeutic areas covered by our CRA



Participating in Megakaryon consortium
(Non-clinical testing of human iPS derived products)

Design and manufacturing process development of the next generation Multi-specific antibody



Top class contracting record for nucleic acid drugs among analytical laboratories in the U.S.

Business environment

Group-wide capability must improve to address rapidly changing business environment

■ Increase in medical expenditure

■ Shift to personalized medicine

■ NHI price reform

■ Community-based integrated care systems

■ Treatment based on individual values

■ Aging society and labor shortage

■ Technology advances

□ Flexibly and agilely respond to such changes

- Management Excellence
- BD Excellence
- Operational Excellence

□ Provision of solutions that meet customers' unmet changes

- Maximum utilization of wide range of tangible and intangible assets possessed by CMIC Group

3 key focuses of the new mid-term management plan from fiscal year 2019 to 2021

1

In addition to the PVC model, we will accelerate the IPM solution business that combines the marketing authorization licenses

2

Strengthening Area Competitiveness and promoting Globalization

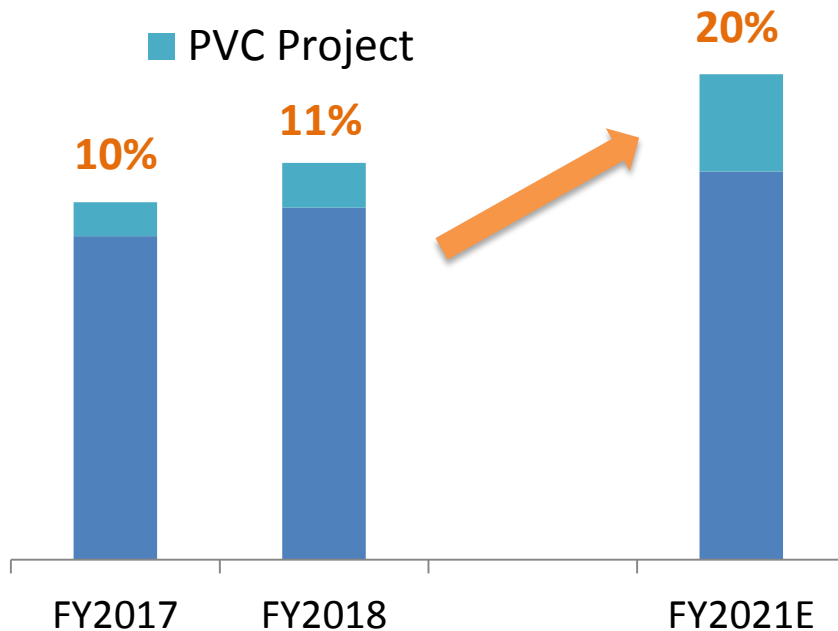
3

Creation of healthcare business

3 key focuses of the new mid-term management plan (1)

In addition to the PVC model, we will accelerate the IPM solution business that combines the marketing authorization licenses

Aim to extend the PVC project ratio to 20% of the total sales

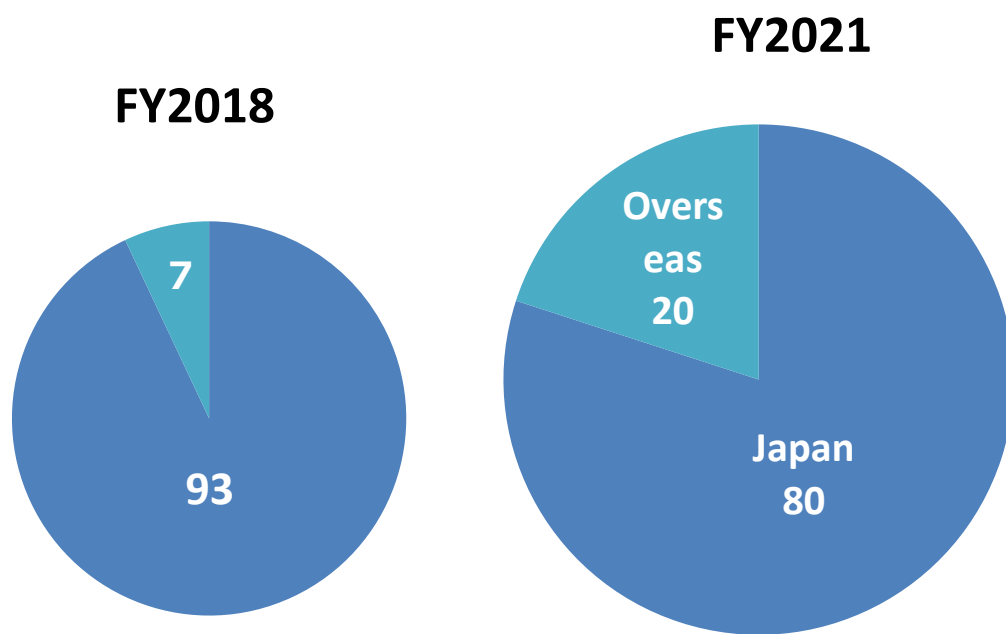


- Specific measures to achieve our goal
 - ▶ Strengthen comprehensive proposal skills
 - ▶ Enhance development of specialty talents
 - ▶ Enhance formulation technologies
 - ▶ Support from early development phase
 - ▶ Pursue productivity and efficiency

3 key focuses of the new mid-term management plan (2)

Strengthening Area Competitiveness and promoting Globalization

Aim to the overseas sales to 20% of the total sales



- Specific measures to achieve our goal
 - ▶ Expansion to Asian and European markets
 - ▶ Enhance expertise to address their regulations and environments
 - ▶ Strengthen organizational skills with diverse talents

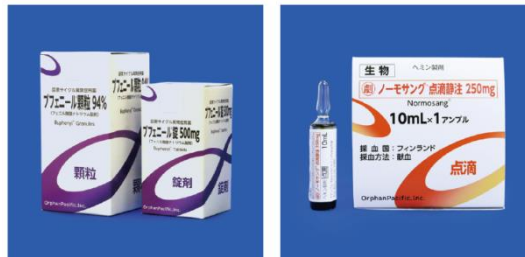
Overseas sales: Sales by our overseas subsidiaries

3 key focuses of the new mid-term management plan (3)

Creation of healthcare business

Identify potential needs

- Specific measures to achieve our goal
 - ▶ Create health support business through industry-government academia-citizens collaboration (support establishment of regional medical network)
 - ▶ Utilize technology to create business to support people's health (self-screening service for cancers and other diseases)
 - ▶ Contribute to prevention and treatment of diseases through provision of orphan drugs and other drugs



Kofu "IKIGAI" Healthcare Consortium

(Private Sector + Government + Academy + Community)

- Japan Initiative (Platform based on the Technology from Private Sector · Academia)
- Technology Combination to solve environmental & health demands
- Success cases as models to support overseas projects as Japan Initiative

KONICA MINOLTA
KONICA MINOLTA

Panasonic
ideas for life
Panasonic Smart Factory Solutions

MDV
Medical Data Vision

JSR
JSR

McCANN
HEALTH McCANN Health



Ventforet Yamanashi Sports Club

山梨中央銀行
The Yamanashi Chuo Bank

Shutoken Kofukai
CMIC PMO:CMIC

Segment — CRO Business —

Services related to pharmaceutical development support, analytical chemistry, and BPO and personnel services for the pharmaceutical industry

CMIC's unique advantages

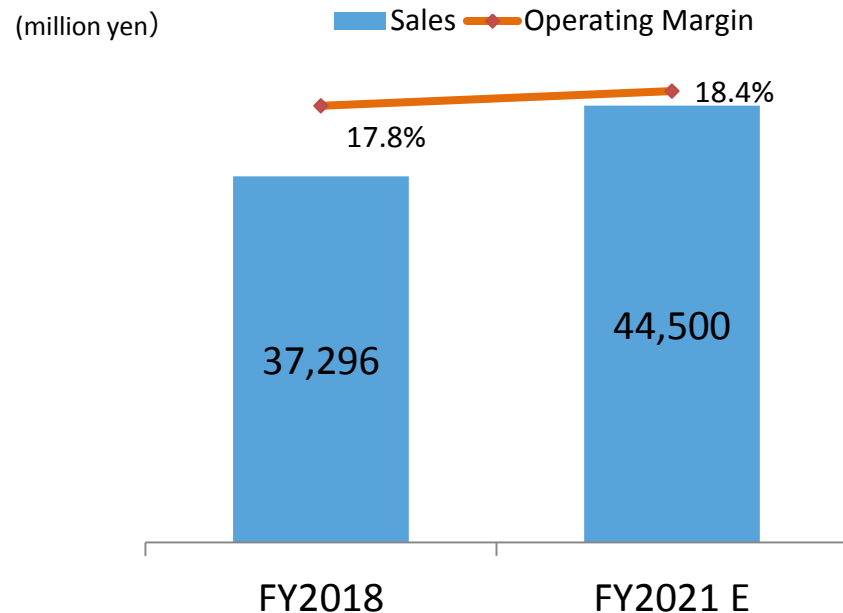
- One of the largest CRO in the industry in Japan
- Expertise in regulatory consulting
- Diverse customer base inside and outside of Japan
- Experience in wide range of therapeutic areas

Business environment

- Increasing number of global clinical trials and reducing number of Japanese subjects
- Utilization of Real World Data (RWD)
- Productivity improvement using RPA and AI for routine/non-routine operations
- Alliance for global development

Focus activities

- Enhanced support for advanced therapies including biologics and regenerative medicine (full support for filing by academia and BV)
- Proactive take on nucleic acid medicine projects through collaboration of laboratories in Japan and the United States
- Proactive take on global clinical studies (clinical trials in Asia, Japan-US bioanalysis business)
- Business expansion to US and Asia
- Aim for Number 1 share in Japan

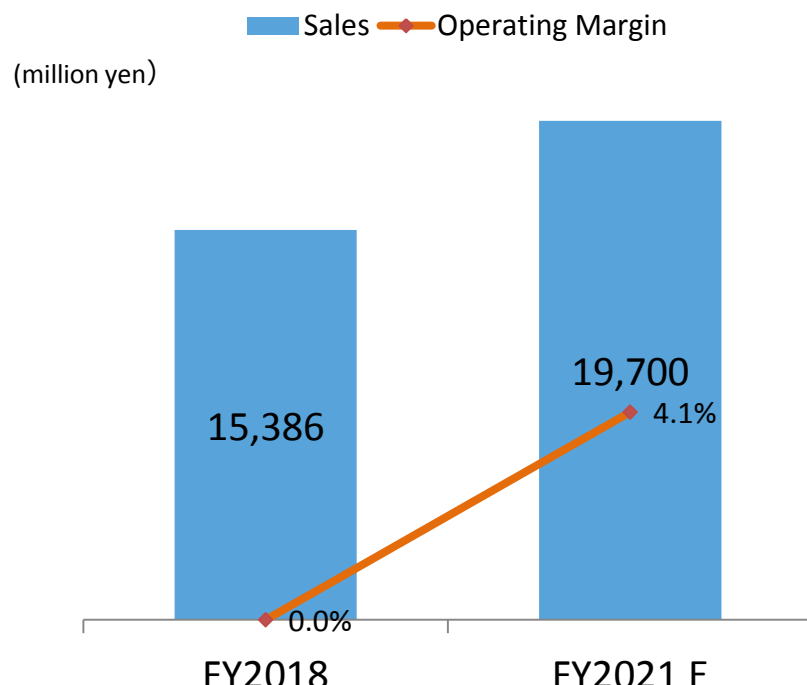


Segment — CDMO Business —

Services related to drug formulation development and manufacturing support, from formulation design, investigational new drug manufacturing to commercial production of ethical drugs and nonprescription drugs for pharmaceutical companies

CMIC's unique advantages

- Covers almost all formulations
- Capability to manufacture special formulations (including high potency drugs)
- Formulation development technologies (synergy with CRO business)
- Manufacturing base in the United States (only CDMO in Japan with the US factory)



Business environment

- Changes in contract manufacturing products
Reduced production volume following the NHI price reduction
Capabilities to manufacture biologics and other drugs
- Low cost operations
Change in production system, High-mix low-volume production
- Global alliance

Focus activities

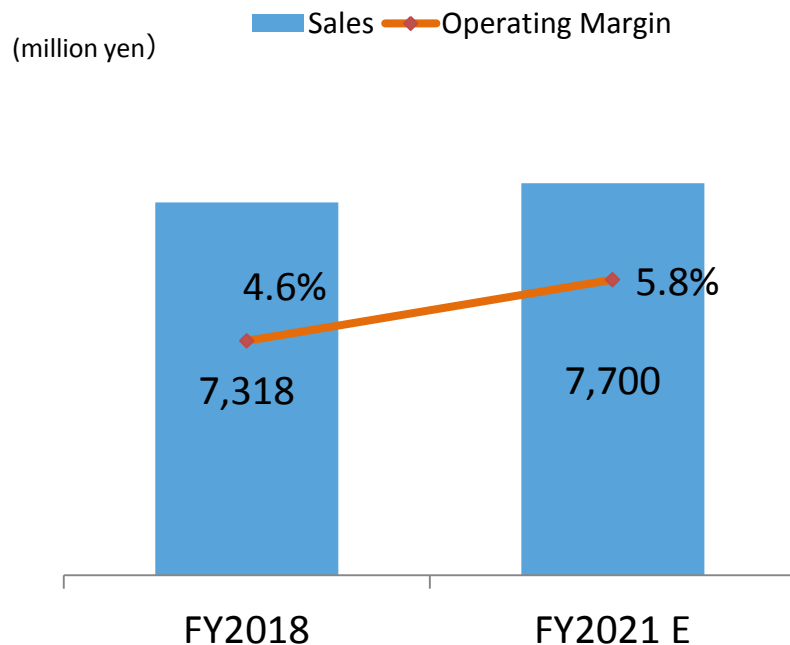
- Readiness for biopharmaceutical production (preparation for the launch of parental drug manufacturing building in Ashikaga)
- Enhance formulation technologies (including the use of 3D printers)
- Expansion of production lines in the US
- Network expansion inside and outside Japan through collaboration with DBJ

Segment — CSO Business —

Services provided to pharma companies related to sales & marketing support

CMIC's unique advantages

- Multi-channel service
- No.2 positioning for the contract MR business
- Expansion to Medical Affairs arena (providing the first MA training course by the private sector)



Business environment

- Reduced demand for CMR following the divestment of long-listed products
- Heightening needs for specialty (MSL)
- Change in promotion following the growth of comprehensive regional care

Focus activities

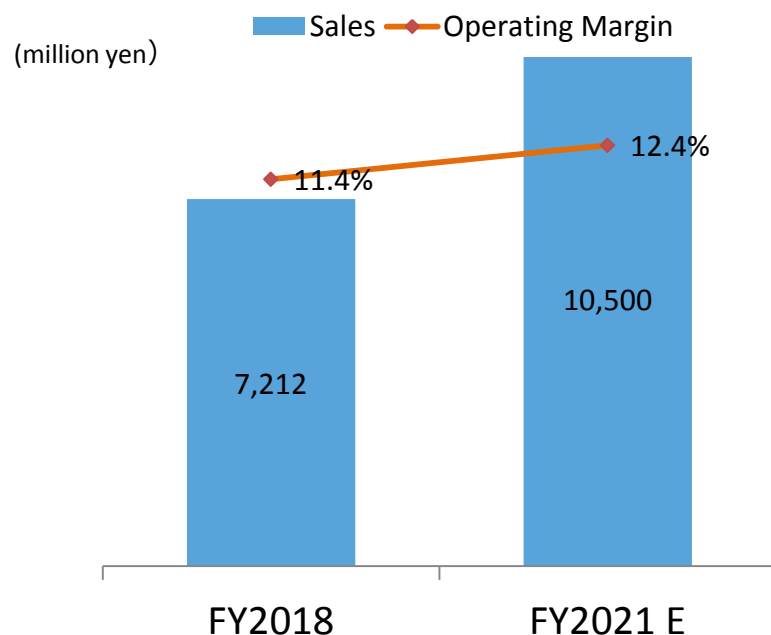
- Expand MA business (training)
- Expand positioning in MR dispatch business
- Promotion of multi-channel

Segment — Healthcare Business —

Site management organization (SMO) and healthcare information services, primarily to medical institutions, patients, and general consumers, to support maintaining and promoting health and healthcare.

CMIC's unique advantages

- Medical institutions network and highly specialized talents
- Experience in broad range of therapeutic areas from large-scale clinical trials for lifestyle-related diseases to intractable/orphan diseases



Business environment

- Increasing number of highly difficult development areas
- Increasing number of new services that use new technologies
- Productivity improvement using RPA and AI for routine/non-routine operations
- New entry to healthcare service and increase in alliance

Focus activities

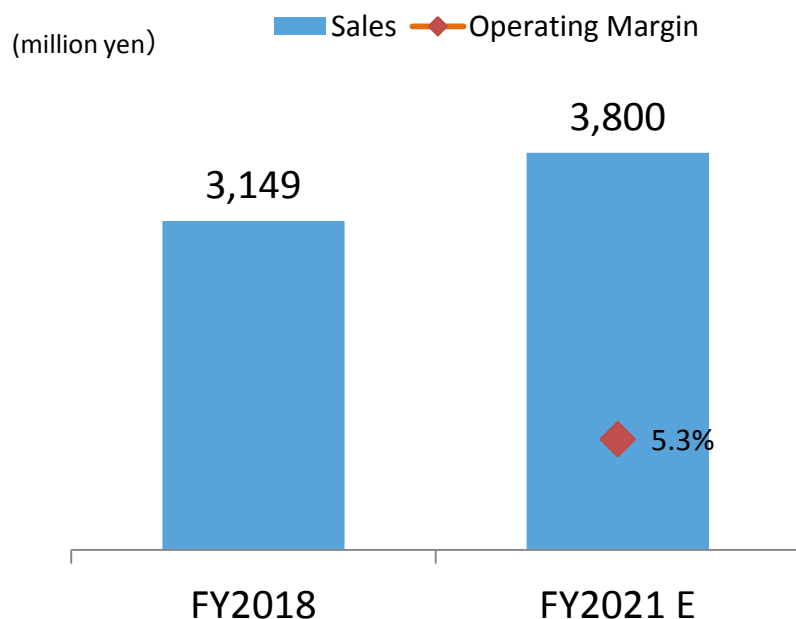
- Shifting from treatment to prevention/prognosis market (prophylaxis treatment and treatment using apps)
- Expansion of self-screening services (for cancers and other diseases)
- Providing support for University Hospital network and other networks

Segment — IPM Business —

IPM business provides new business solutions that combine marketing authorization licenses and value chains possessed by CMIC Group

CMIC's unique advantages

- Addressing the needs for the IPM platform following the changes in pharmaceutical companies' business models
- Supporting the launch of academia/bio-venture seeds
 - Providing strategic options to pharmaceutical companies
 - Providing support to overseas pharmaceutical companies including MAH



Business environment

- Review of profit structure for long-listed product and premium to promote the development of new drugs (PMP)
- Review of development/promotion focus items by pharmaceutical companies, accelerated license-out activities
- Increasing number of joint development projects with Academia.

Focus activities

- Address unmet medical business needs with our IPM model
- Expansion of business scale and R&D activities toward the positive turnaround of orphan drugs and diagnostic drugs.

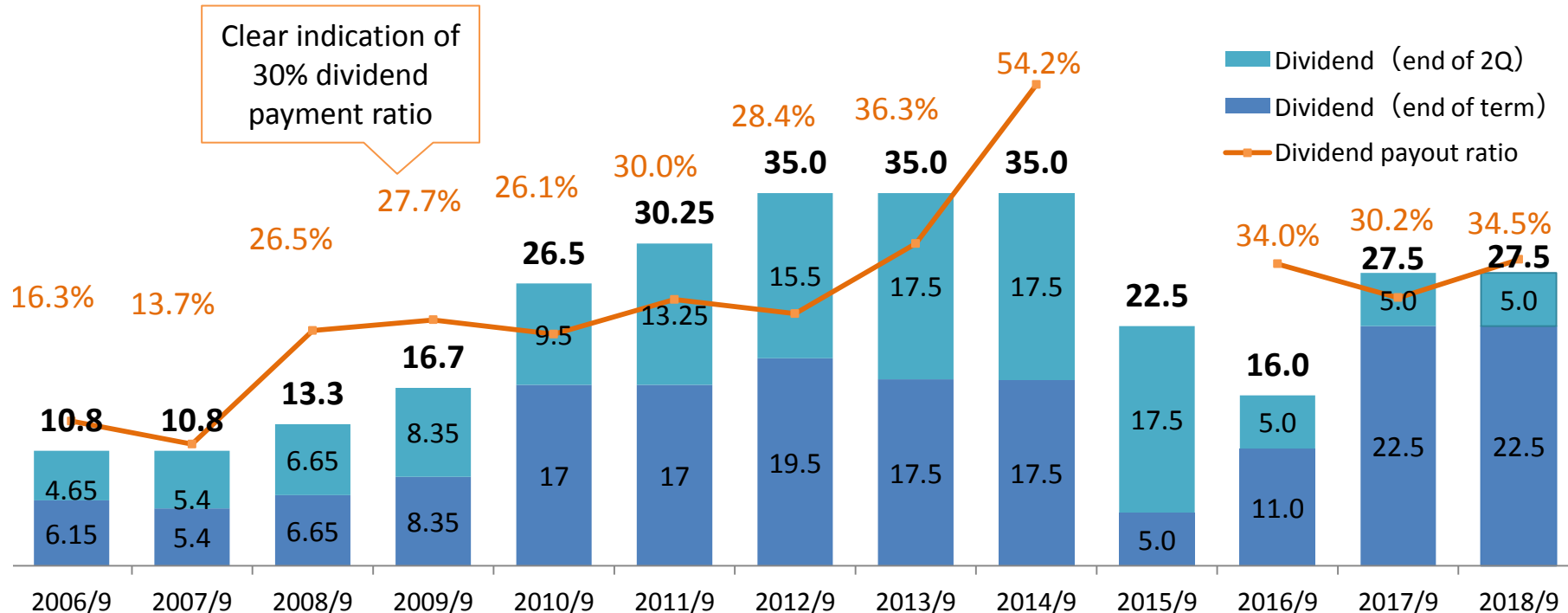
Mid-term plan Quantitative targets

	FY2018	FY2021	
	Actual	Target	Growth Rate
Sales	69.8 billion yen	85.5 billion yen	7.0 %
Operating Profit	4.3 billion yen	6.8 billion yen	16.6 %
OP Rate	6.2 %	8.0 %	
ROE	6.5%	12% MIN	

※Starting point for the growth rate calculation is FY 2018 ending in September 2018.

Financial policies and indicators

- ✓ Securing solid financial basis for agile and efficient actions to abundant growth opportunities, while fully considering stable return to shareholders
 - ✓ Maintain sustainable payment of dividends based on the dividend payout target of 30%
 - ✓ Proactive investment for business growth (human resources and equipment)
 - ✓ Decision-making based on clear priorities (capital cost, business risk, opportunity cost)



Our Healthcare Business

CMIC HOLDINGS Co., Ltd.
Kazuo Nakamura, CEO



Project Phoenix started in October 2014 to achieve profit driven growth

Phoenix 1.0 (October 2014 — March 2016)

- ▶ Establishment of corporate culture (CMIC'S CREED)
- ▶ Positive turnaround of unprofitable business

Phoenix 2.0 (April 2016—March 2018)

- ▶ Reorganization and personnel training for agile management
- ▶ Providing solutions using PVC functions
- ▶ Started providing Innovative Pharma Model platform

Phoenix 3.0 (started in April 2018)



Project Phoenix 3.0

Toward “Healthcare Revolution”

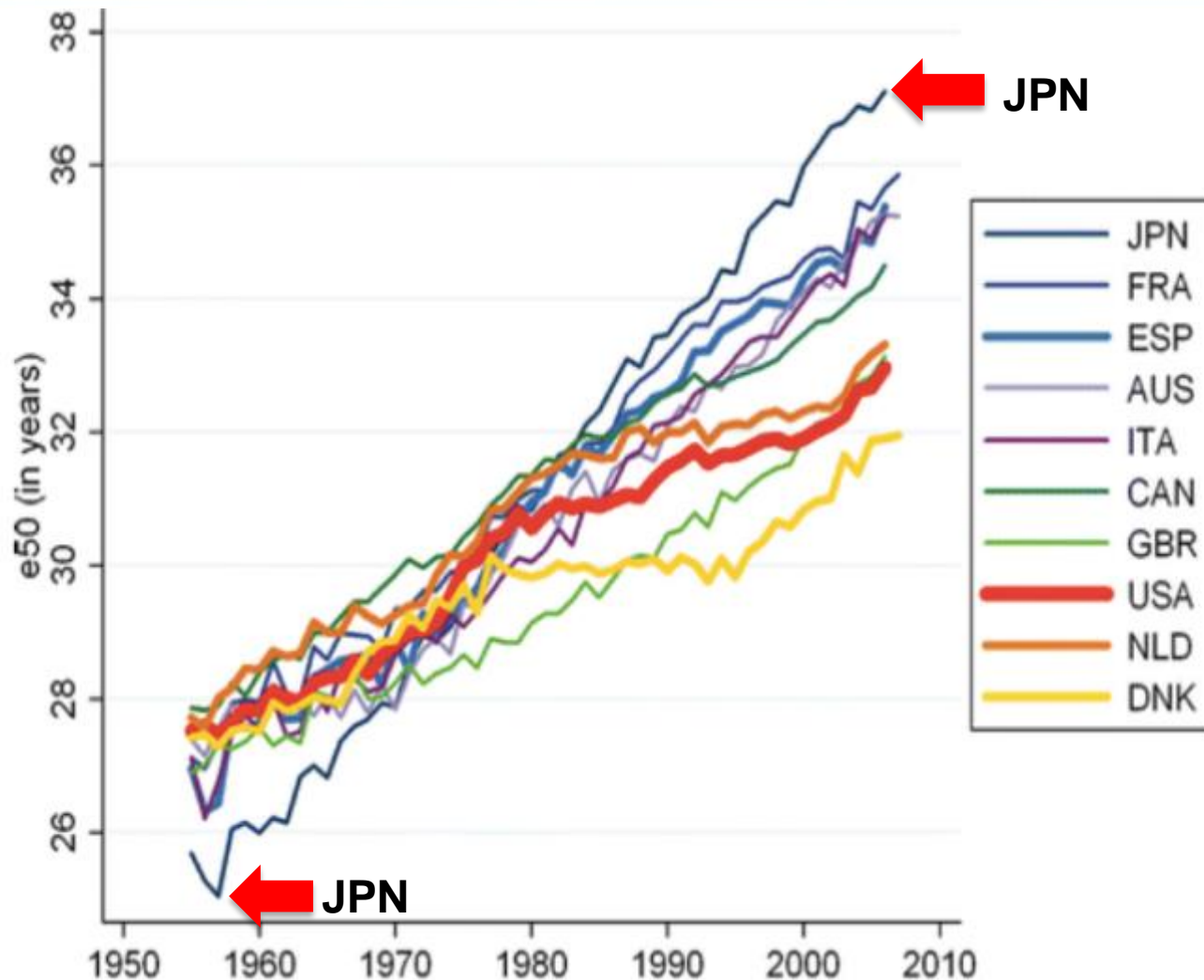
Started in
April 2018



Healthcare Revolution



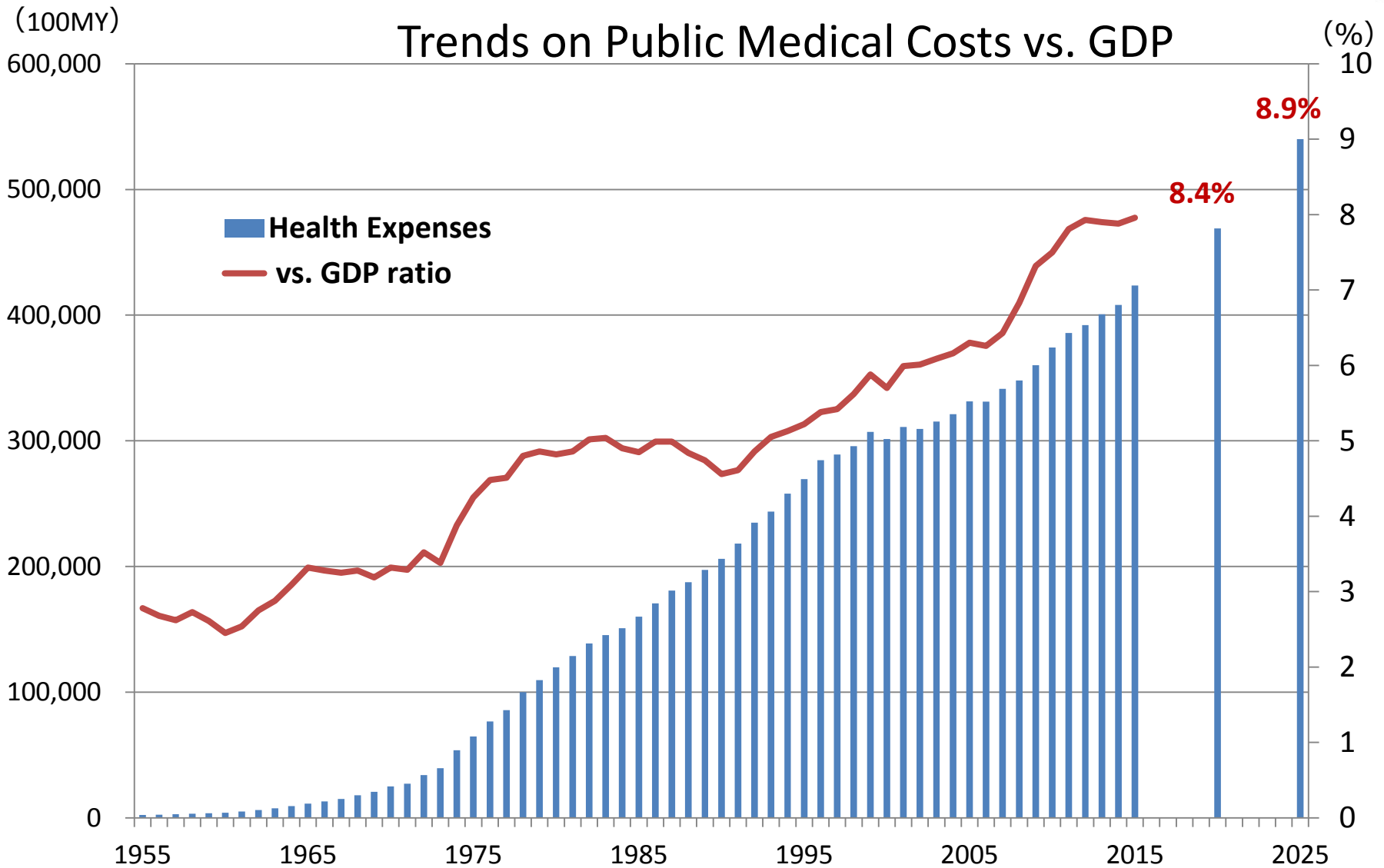
Japan's Mean Life Expectancy : From the bottom to the top



Bezruchka S. 2012.

Annu. Rev. Public Health. 33:157-73

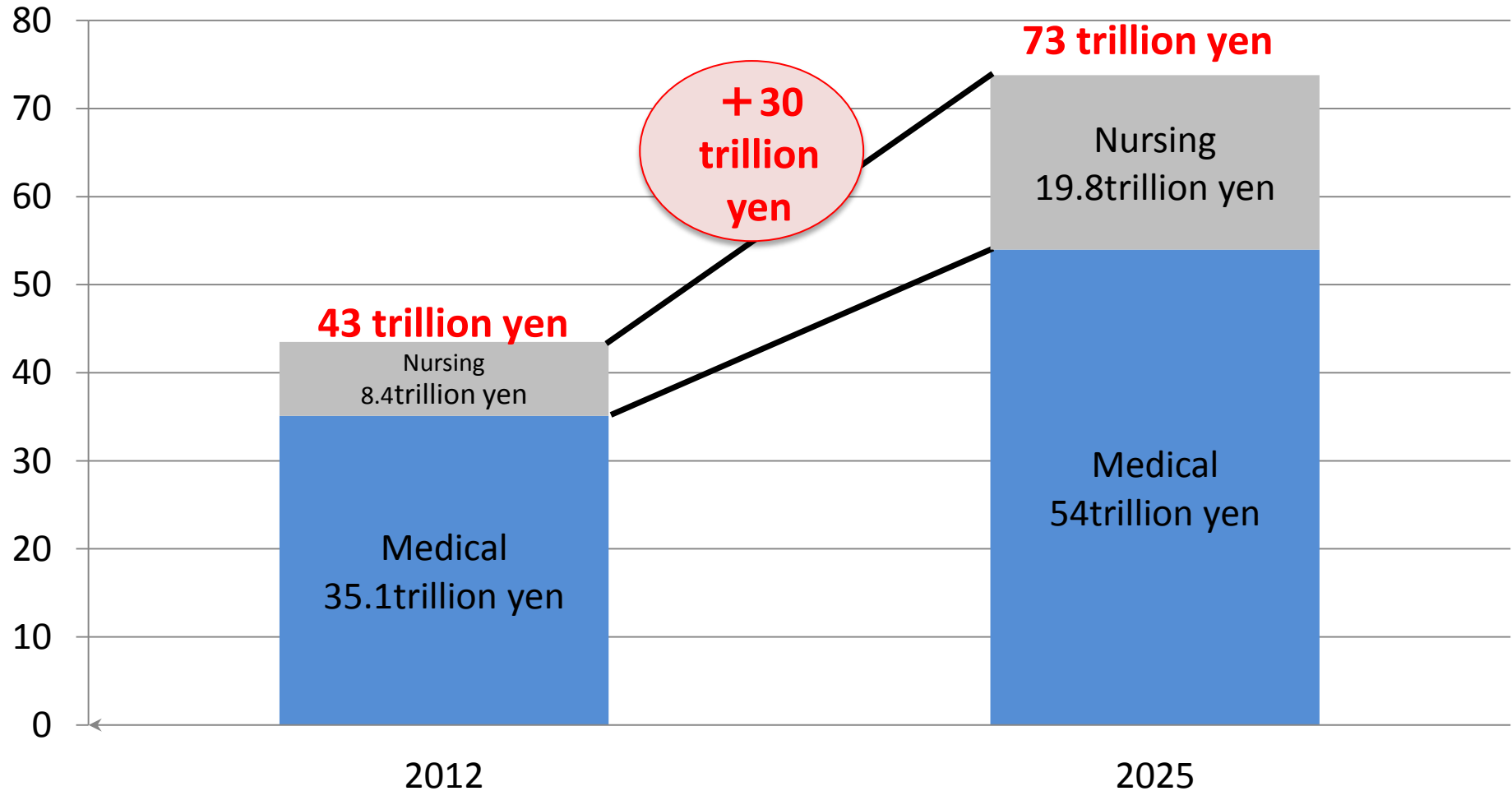
Environment – Continuous increase of healthcare cost



30 trillion yen increase of medical/nursing fee by 2025

The “Baby boomers” reach the age of 75 or above, and the increase of social security cost will accelerate

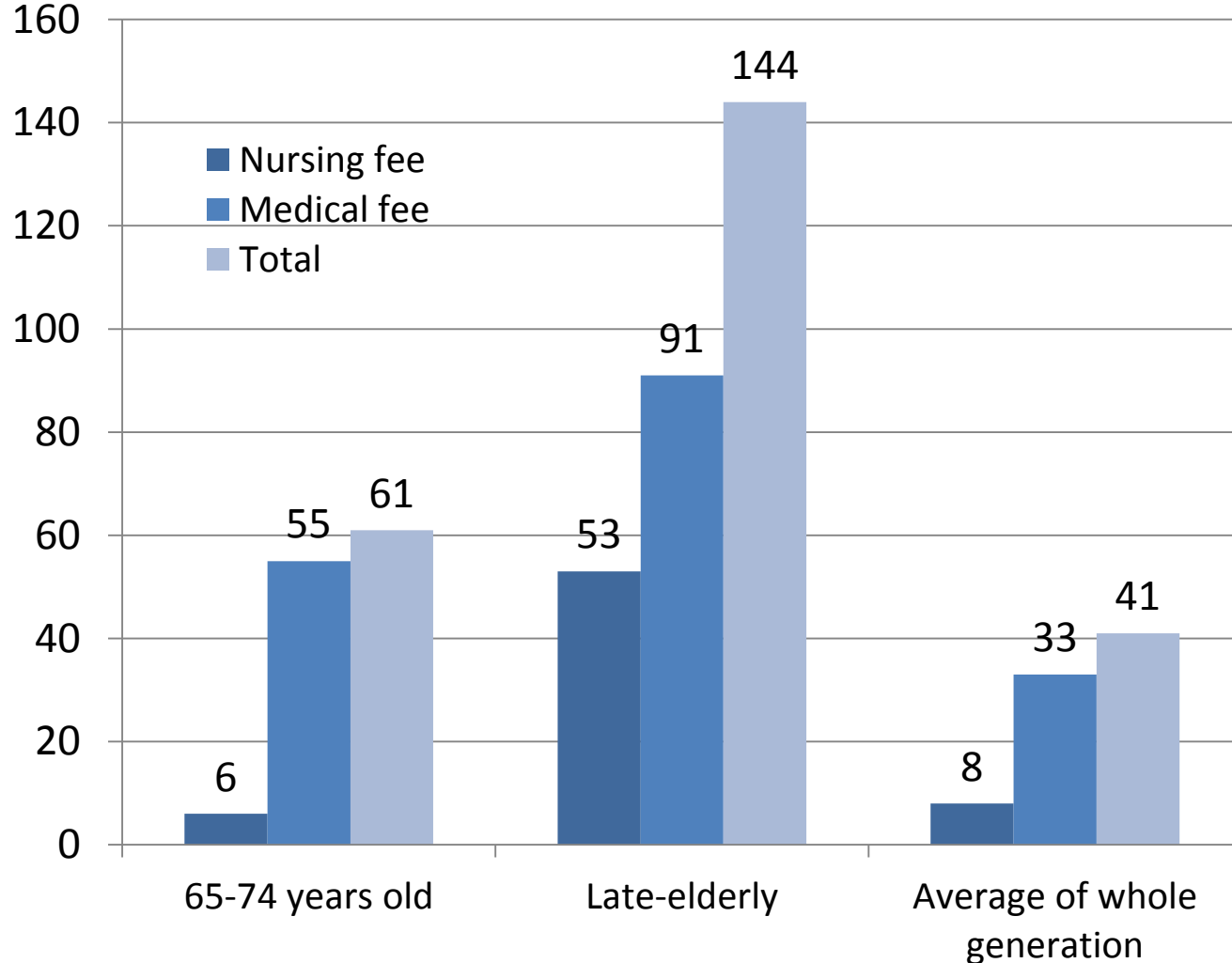
(trillion yen)



Dramatic increase of medical/nursing fee for late elderly

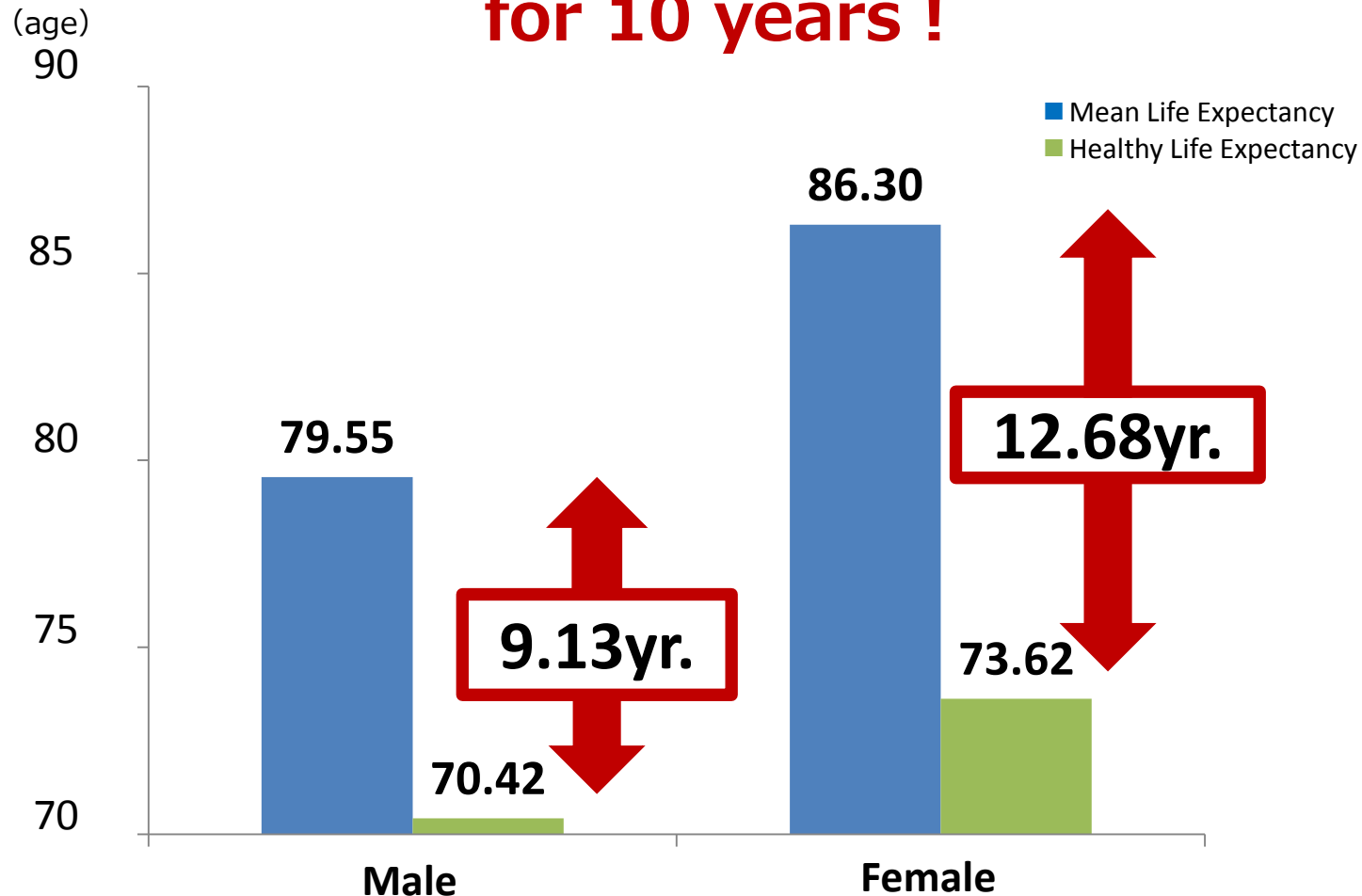
Annual medical/nursing fee per person by generation (2015)

(0.1million yen)



Mean Life Expectancy vs. Healthy Life Expectancy

Limitation on Daily Living 「Time with Disability」 for 10 years !



※Healthy Life Expectancy : The Time that one can live with no limitations due to disabilities

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Our path to become the Personal Health Value Creator

A cluster of colorful, irregular glass shards in shades of red, orange, green, blue, and black, located in the bottom left corner of the slide.

Project Phoenix 3.0

► “Toward to Healthcare Revolution”

CMIC's ideal state

(excerpt from 2005 material)

CMIC has promoted the concept of “Healthcare Value Creator” since 2005



PHVC
Personal Health Value Creator

Corporate values = Sound profits

1st stage: Pioneer of Clinical Research Organization (CRO) in Japan

2nd stage: Business centering on supporting the value chain of pharmaceutical companies by utilizing the extensive experience and know-how accumulated as a Clinical Research Organization (CRO)

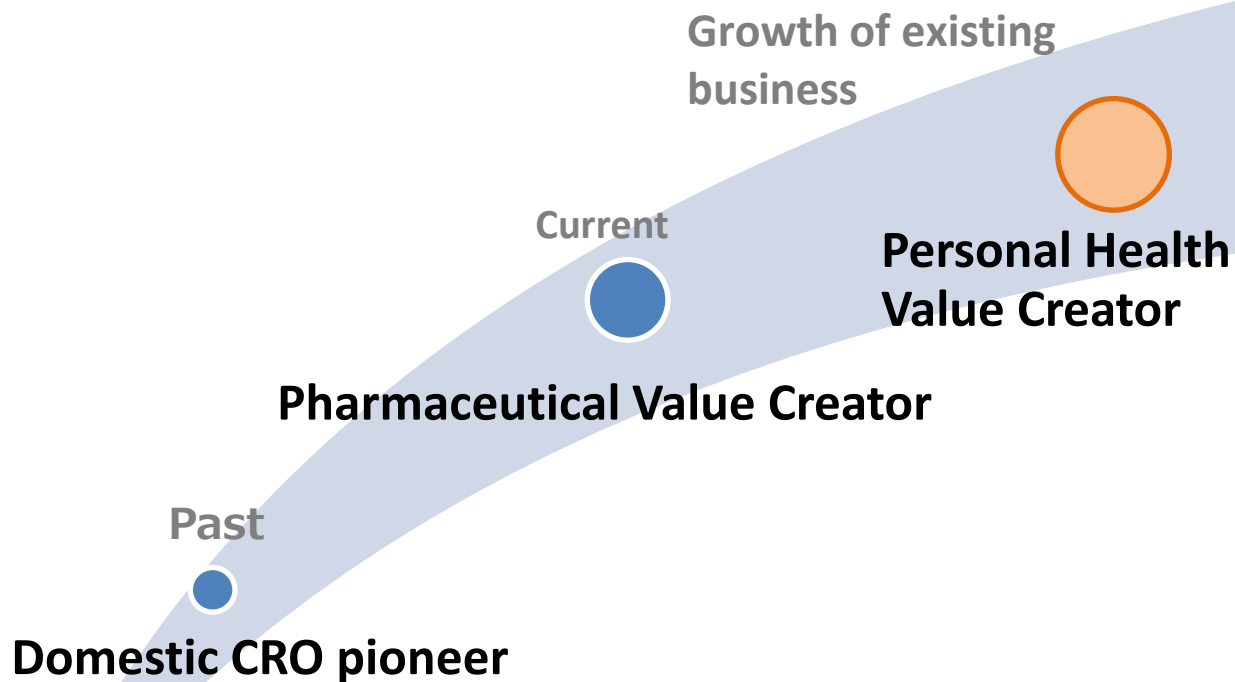
3rd stage: Launch a new business (HVC: Healthcare Value Creator) toward contribution to disease prevention, treatment, and maintenance of healthy lives

CMIC Pharmaceutical Value Creator

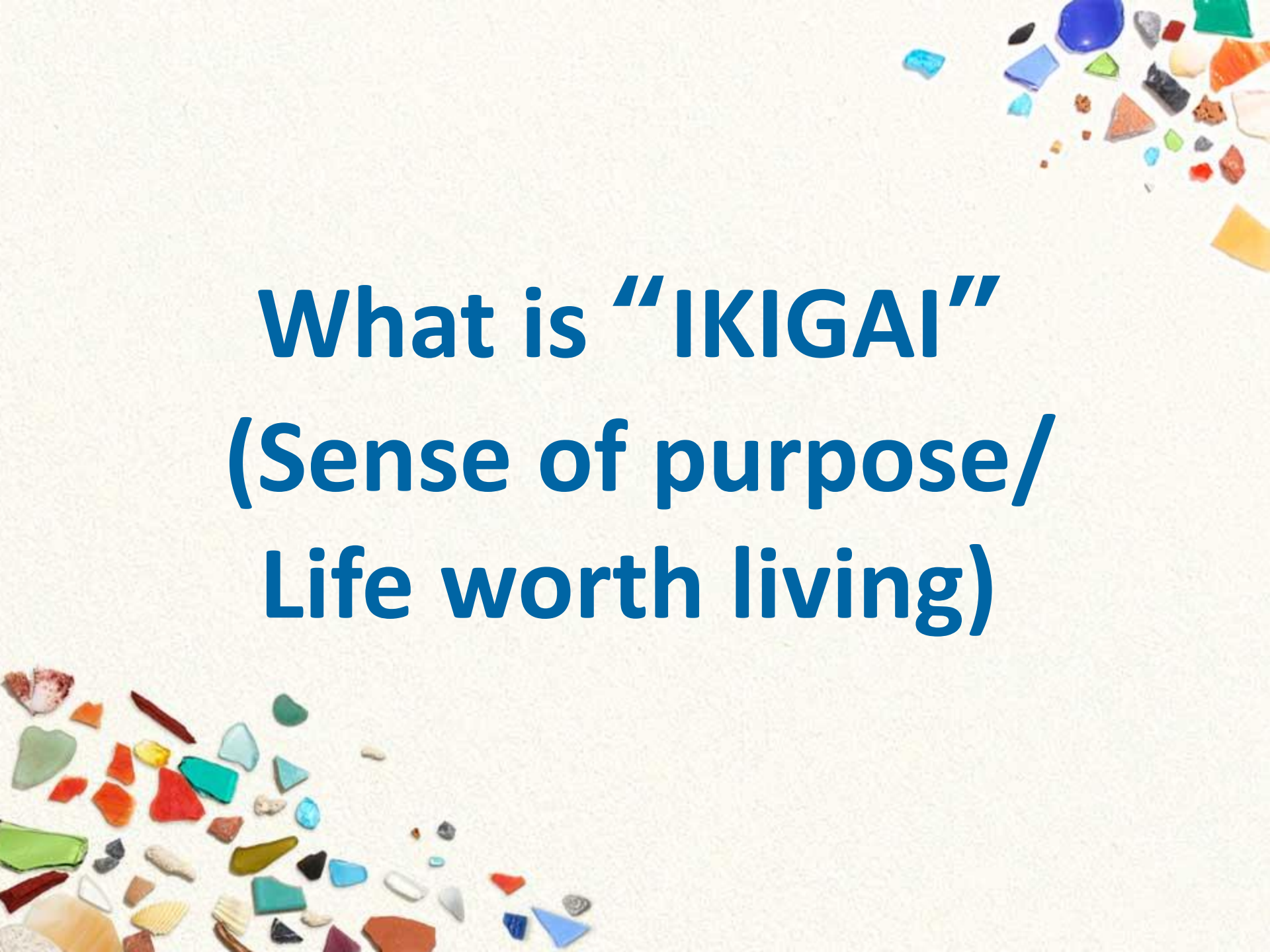
81

Future path

FROM the “Strategic partner for pharmaceutical companies”
(Pharmaceutical Value Creator) that provides end-to-end support from
pharmaceutical drug development, manufacturing, and sales
To “Partner for improving individual health value”
aiming towards Personal Health Value Creator



- ✓ Sustainable growth achieved through further presence in the existing market and identification of potential markets
- ✓ Promoting wide-range of alliance with external partners in a flexible manner through strategic collaborations and M&A

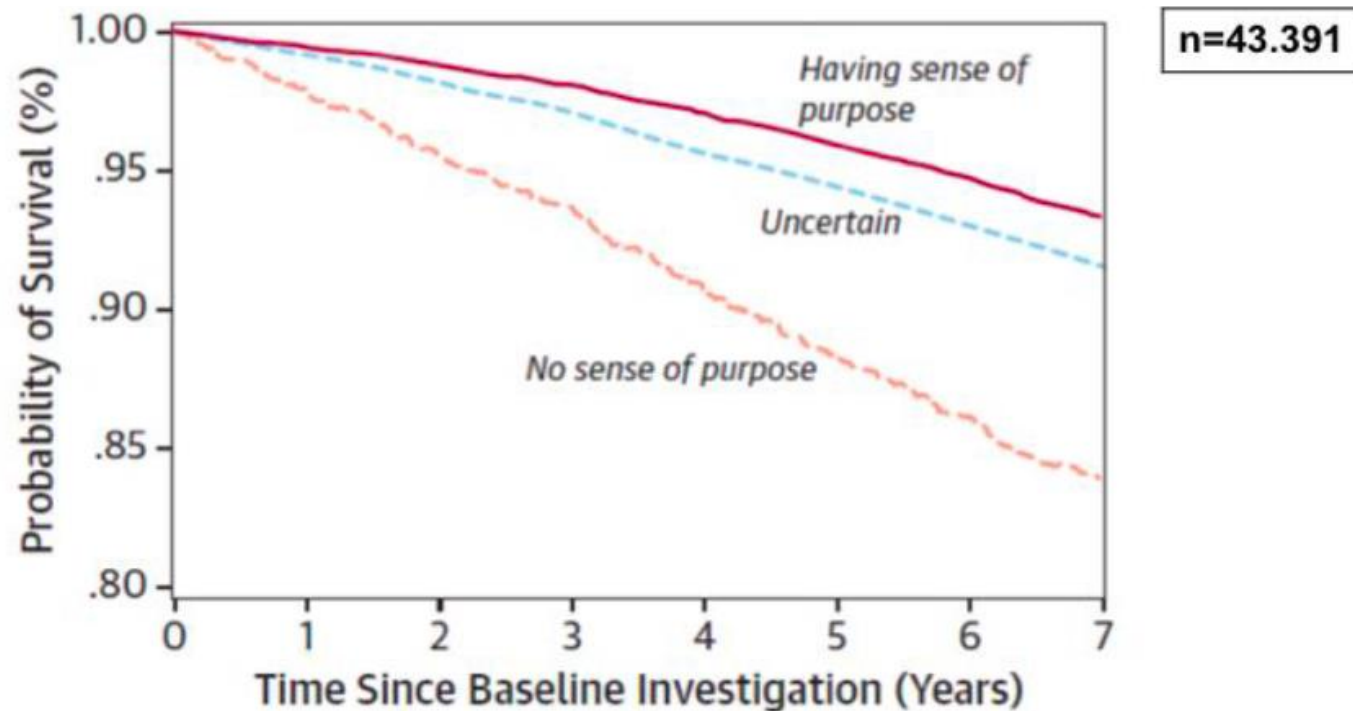
The background of the slide is a light cream color. In the top right and bottom left corners, there are clusters of small, irregularly shaped, colorful glass shards or sea glass. The shards come in various colors including blue, green, orange, red, yellow, and grey. The text is centered in the middle of the slide in a bold, blue, sans-serif font.

What is “IKIGAI” (Sense of purpose/ Life worth living)

How do we control healthcare cost in the era of ultra longevity?

We need to satisfy both hard aspects (drug, device) **and soft aspects** (what you enjoy doing, mission, and social connection)

Global Mortality according to Ikigai (Sense of Life Worth Living)



Sone T et al. Psychosomatic Medicine 2008;70:709-715

Rozanski A. J Am Coll Cardiol 2014;64:100-10

What is “IKIGAI”?



Kofu “IKIGAI” Healthcare Consortium

Establishing the new Healthcare Consortium in collaboration with local government



[Characteristics of Kofu-City, Yamanashi-Prefecture]

- ▶ Kofu city is a mid-size city with population of around one hundred and ninety thousand people. Kofu city is the No.1 healthy life expectancy in Japan, and the satisfaction of life is high.
- ▶ On the other hand, the population is decreasing recently, especially the working generation, and is rapidly aging.

Participating companies

Kofu “IKIGAI” Healthcare Consortium

(Private Sector + Government + Academy + Community)

- Japan Initiative (Platform based on the Technology from Private Sector + Academia)
- Technology Combination to solve environmental & health demands
- Success cases as models to support overseas projects as Japan Initiative



KONICA MINOLTA



Panasonic Smart Factory Solutions



Medical Data Vision



JSR



McCANN Health



Ventforest Yamanashi Sports Club



The Yamanashi Chuo Bank

Shutoken Kofukai



CMIC
Pharmaceutical Value Creator

PMO:CMIC

CMIC'S CREED

With unchanging determination at heart, we change



Because we are at the turning point, customer needs are becoming more diverse and advanced than ever.

To satisfy such needs, we must be willing to change the way we do business. But there is one thing that should not change:

That is “CMIC’S CREED”.

CMIC'S CREED

Our CREED

We are determined to bring innovation to healthcare so that all people, regardless of age and gender, can live their precious lives according to their will. This is our aspiration as the CMIC Group.

Whether in childhood, when brilliance has yet to blossom, or in late adulthood, when potential has bloomed, we respect every individual's drive to live fully in the moment. We shall sincerely address each and every life. We shall overlook no one.

To achieve this, we shall continually challenge ourselves to strive for a better future. We shall transform ourselves, seek new vantage points, turn our unwavering passion into values, and continue to contribute to individuals and society.

With unchanging determination at heart, we change



CMIC's Culture "Wellbeing" and "3Cs" to support the culture



Wellbeing

Fully live every moment

Challenge

Liberate opportunity by changing our vantage point

Change

Transform without seeking refuge in conventional wisdom

Communication

Proactively reach out to people and society


With unchanging determination at heart, we change



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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.

A cluster of colorful, translucent glass shards in shades of red, orange, green, blue, and black, scattered in the bottom left corner of the page.