

Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2022

Web Conference Q&A (Held on January 31, 2022)

CMIC HOLDINGS CO., Ltd.

Q. What is the breakdown between vaccine projects and other projects in the full-year forecast?

⇒The upward revision is mostly due to the vaccine factor and incorporates the projects expected in Q1 and Q2.

Q. What is the impact of the generic quality issue on the CDMO business?

⇒There are inquiries for contract manufacturing. We are able to respond quickly to existing orders, but production of new items requires a certain amount of time, which it will contribute to FY23 rather than FY22.

Q. When will the large-scale project for the Ashikaga injection drug building make a full-fledged contribution to your business performance?

⇒As the plant will be in operation in the second half of the year, it will not make a full-scale contribution until FY23.

Q. Why did the EBITDA of the CDMO business decline year on year?

⇒The level was high in the previous fiscal year due to price adjustments and other factors. The current term is progressing smoothly as planned.

Q. What was the orders received and order backlog on a segment basis (CRO, CDMO, CSO) in the previous fiscal year?

⇒All (former)segments performed well

Q. Will the Omicron epidemic cause delays in order fulfillment?

⇒We are not affected by the Omicron at this point.

Q. Which has the greater positive effect of vaccination, Q1 or Q2?

⇒Q2 is expected to have about the same impact as Q1.

Q. Now that the vaccination of children has been approved, is there any possibility that the vaccination support service will continue for another term?

⇒I think there is a possibility, and we will reflect it in the forecast when it becomes concrete. We will proceed with sales activities to acquire projects.

Q. Some people think that vaccination is short term, but I think it has led to building relationships with local governments. How do you see your business developing in the future?

⇒As you pointed out, we are working to make the most of the relationships built through the vaccination. For example, we have been working with seven towns and villages at the foot of Mt. Yotei, discussing not only COVID vaccination but also regional medical care including the use of harmo.

Q. What is the degree of recovery in the environment for clinical orders in the CRO business?

⇒There are many post-marketing projects for vaccines, and work is expected to be ongoing rather than for a single year. While inquiries for other clinical trials are increasing, there is a problem of securing resources, so we will acquire projects while considering the timing of orders.