



Overview of Financial Results for FY2019 3rd Quarter

CMIC HOLDINGS Co., Ltd.

July 29, 2019

Business segments and group companies

Blue indicates overseas.
*indicates affiliated company

Segment	Products and services	CMIC Group companies (as of end of June 2019)
CRO Business	Services related to pharmaceutical development support and analytical chemistry services for pharmaceutical companies, and BPO and personnel services for the pharmaceutical and healthcare industry	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. 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 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	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. SSI-CP 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

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

- ✓ **Established a local affiliate in Australia to increase area competitiveness in Asia and Oceania**
- ✓ Enhanced Post-marketing surveillance (PMS) and Clinical research support business using medical database
- ✓ Promoted readiness for evolving fields including biologics and regenerative medicine

CDMO Business

- ✓ **Succeeded Astellas Pharma Tech Nishine Plant to increase the manufacturing capabilities of oral solid dosage forms**
- ✓ Launched a new parenteral drug manufacturing facility with capabilities to manufacture high-potency drugs and started producing clinical-trial materials
- ✓ Formed business alliances with U.S.-based corporations that possess 3DP technology platform and sophisticated flexible dosing tablet technology

CSO Business

- ✓ Opened “MA academy”, the first private sector institution to train Medical Affairs (MA) personnel, and expanded services in the Medical Affairs arena

Healthcare Business

- ✓ **BELL24-Cell Product, Inc. became our group company to further enhance our presence in Hokkaido**
- ✓ **Started "harmo", the electronic prescription record service transferred from Sony Corporation**
- ✓ Started services for self-collect HPV test “SelCheck Cervical Cancer”

IPM Business

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

Consolidated income statement (overview)

	2018/3Q		2019/3Q		YoY change (¥ millions)	Percent change (%)
	Amount	Composition ratio	Amount	Composition ratio		
	(¥ millions)	(%)	(¥ millions)	(%)		
Sales	51,624	100.0	54,855	100.0	3,231	6.3
Operating income	4,016	7.8	4,028	7.3	12	0.3
Ordinary income	3,805	7.4	3,643	6.6	(162)	(4.3)
Profit attributable to owners of parent	1,229	2.4	1,909	3.5	679	55.3
Earnings per share	¥65.75		¥103.04			

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



(¥ millions)	2018/3Q	2019/3Q		2018/3Q	2019/3Q
Non-operating income	56	73	Extraordinary income	-	7
Interest income	4	3	Gain on sales of non-current assets	-	7
Rent income	14	17			
Insurance income	-	15	Extraordinary losses	333	190
Refunded consumption taxes	12	15	Impairment loss	-	124
Other	24	23	Loss on sales of non-current assets	0	1
			Loss on retirement of non-current assets	46	65
Non-operating expenses	266	458	Loss on valuation of investment securities	4	-
Interest expenses	87	84	Loss on revision of pay regulations	280	-
Share of loss of entities accounted for using equity method	91	162			
Foreign exchange losses	39	173	Income taxes	2,194	1,823
Other	48	38	Current	1,282	1,080
			Deferred	912	742

Sales & Operating income by segment

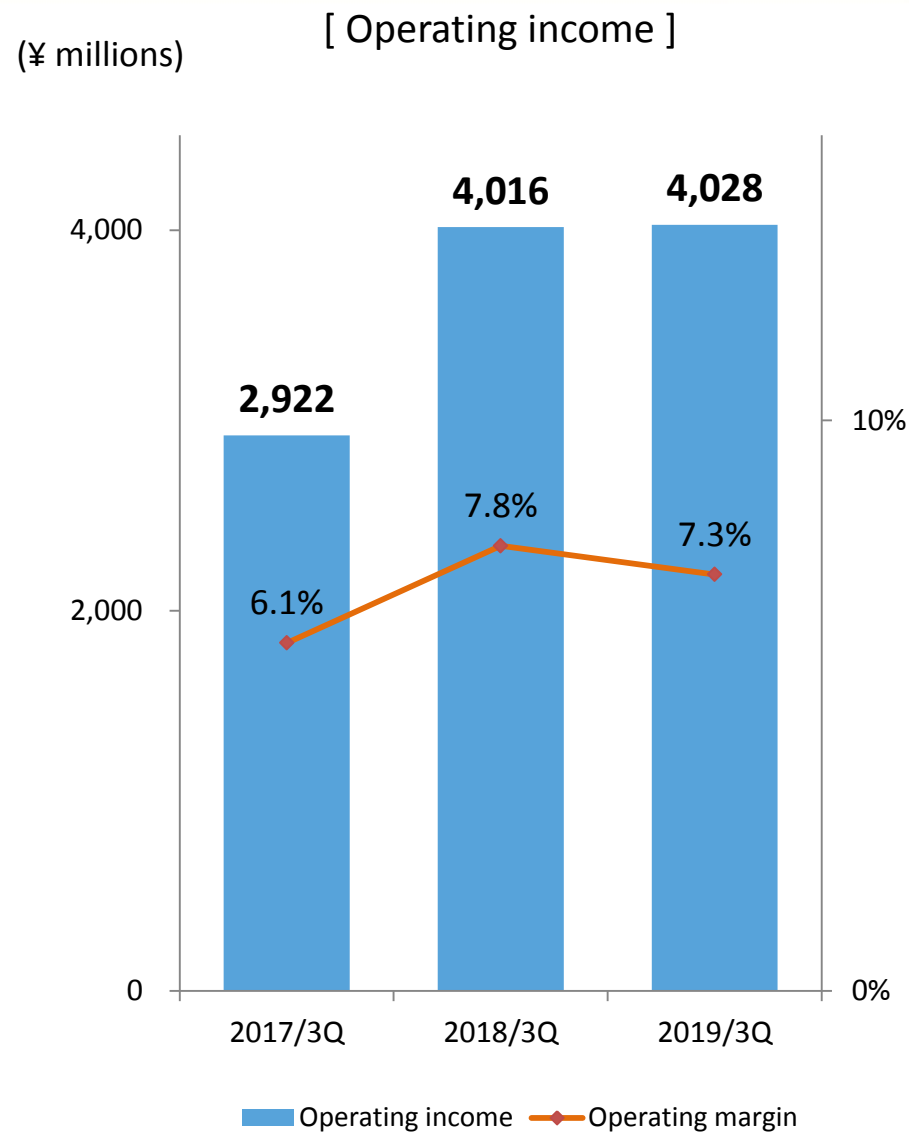
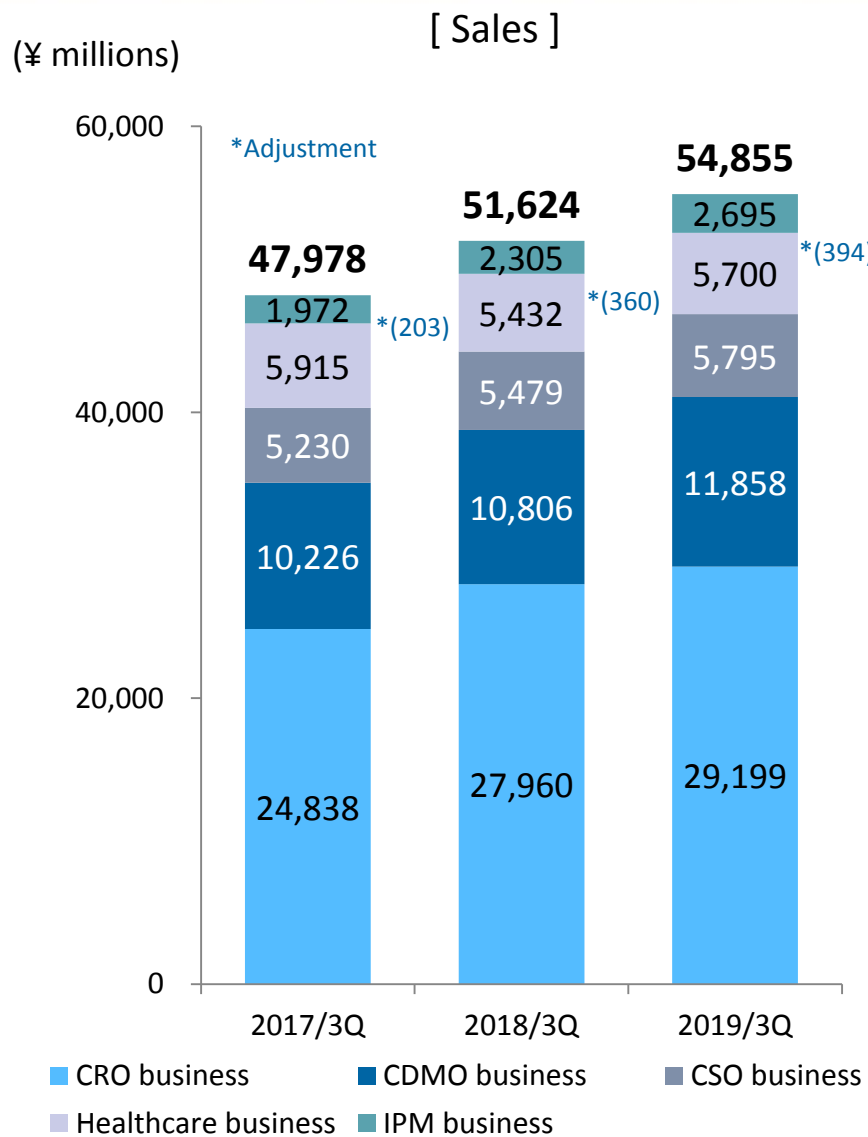
		2018/3Q Amount (¥ millions)	2019/3Q Amount (¥ millions)	Change (¥ millions)	Percent change (%)
CRO Business	Sales	27,960	29,199	1,239	4.4
	Operating income	5,904	5,962	57	1.0
CDMO Business	Sales	10,806	11,858	1,052	9.7
	Operating income	(473)	(156)	317	-
CSO Business	Sales	5,479	5,795	316	5.8
	Operating income	349	100	(248)	(71.1)
Healthcare Business	Sales	5,432	5,700	267	4.9
	Operating income	668	703	35	5.2
IPM Business	Sales	2,305	2,695	390	17.0
	Operating income	(185)	(199)	(13)	-
Adjustments	Sales	(360)	(394)	(34)	-
	Operating income	(2,246)	(2,381)	(135)	-
Consolidated	Sales	51,624	54,855	3,231	6.3
	Operating income	4,016	4,028	12	0.3

Orders received / Backlog

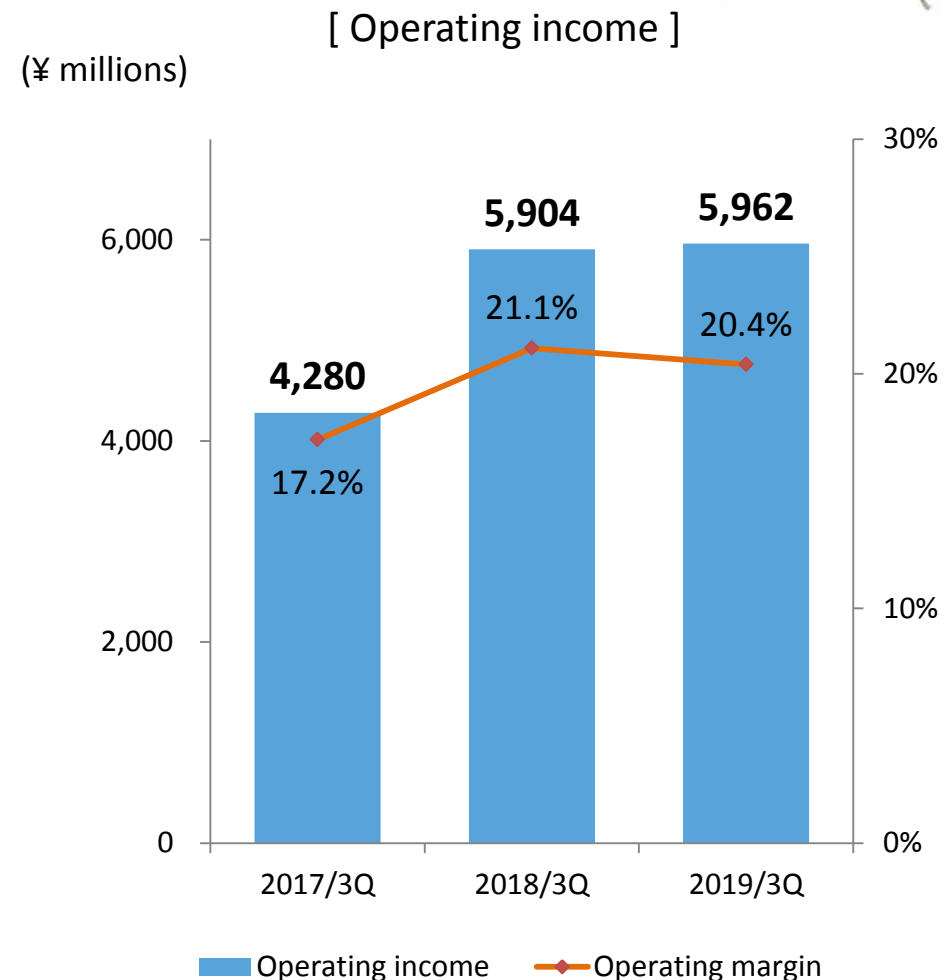
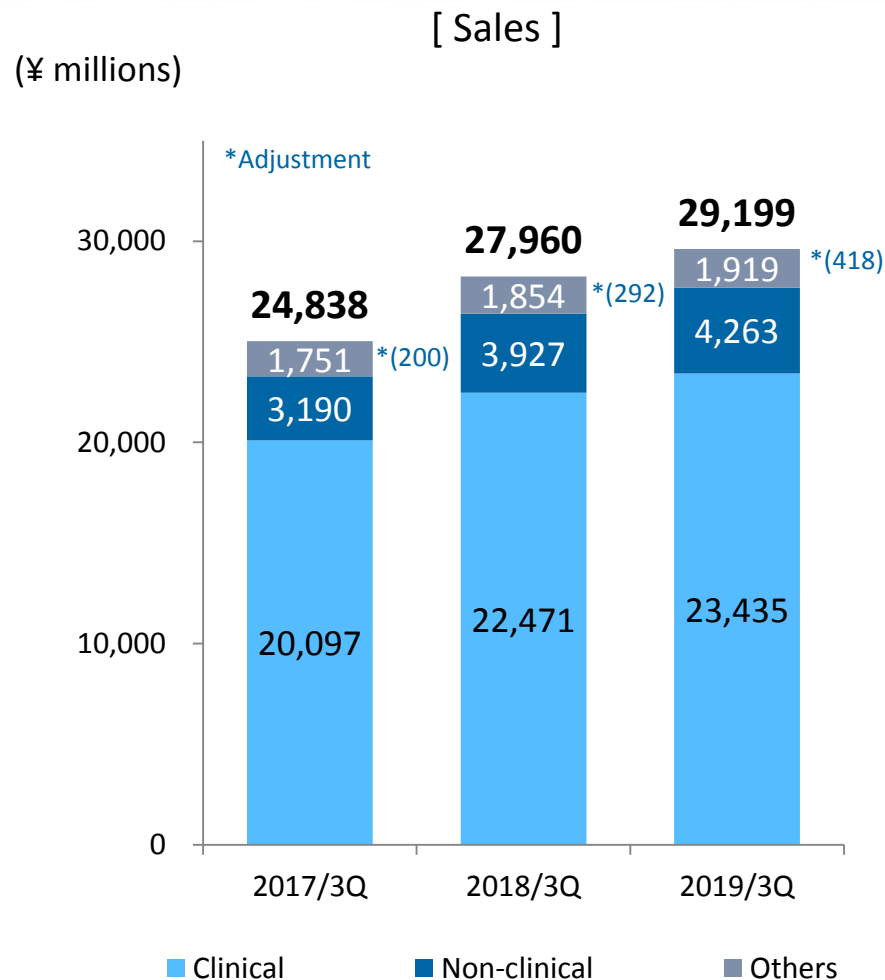
	2018/3Q		2019/3Q			
	Orders received (¥ millions)	Backlog (¥ millions)	Orders received (¥ millions)	Percent Change (%)	Backlog (¥ millions)	Percent Change (%)
CRO Business	33,567	60,718	28,163	(16.1)	55,046	(9.3)
CDMO Business	11,279	4,190	14,104	25.0	6,121	46.1
CSO Business	6,077	3,693	7,279	19.8	4,747	28.5
Healthcare Business	4,521	8,305	6,635	46.8	10,642	28.1
Total	55,446	76,907	56,183	1.3	76,557	(0.5)

- New orders dropped as a rebound from the acquisition of large-scale projects from the same period of the previous year, and the number of inquiries remains high. New orders for Healthcare significantly exceeded that of 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

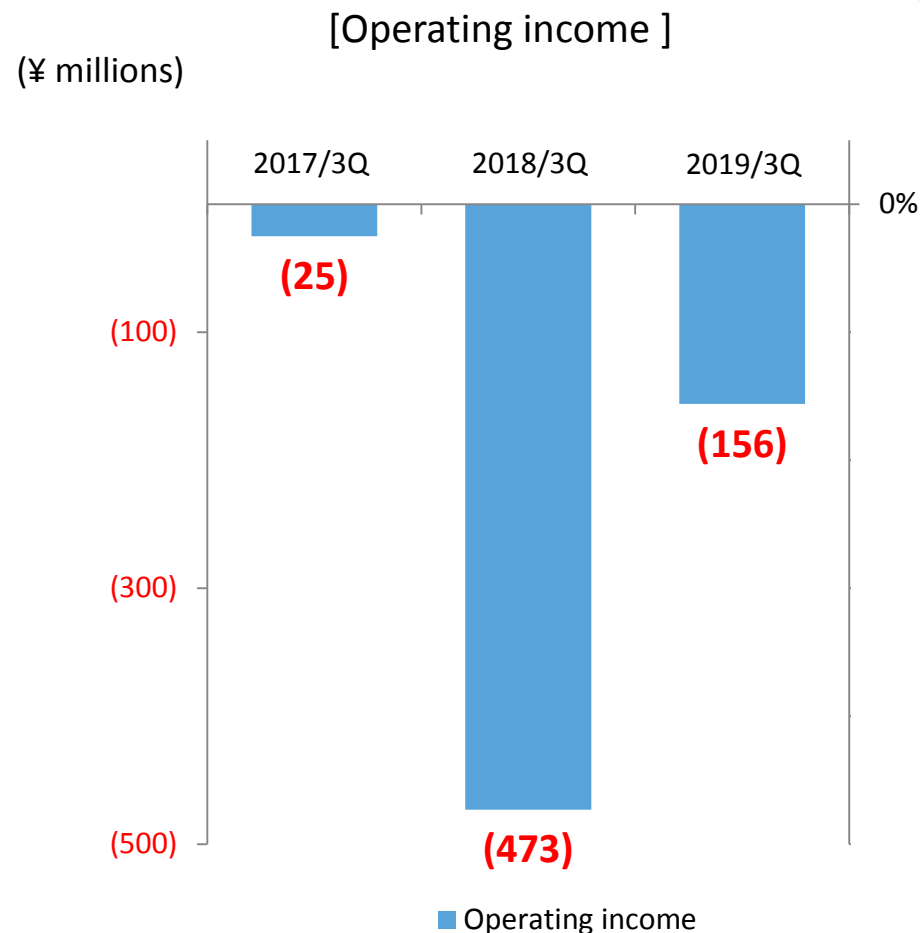
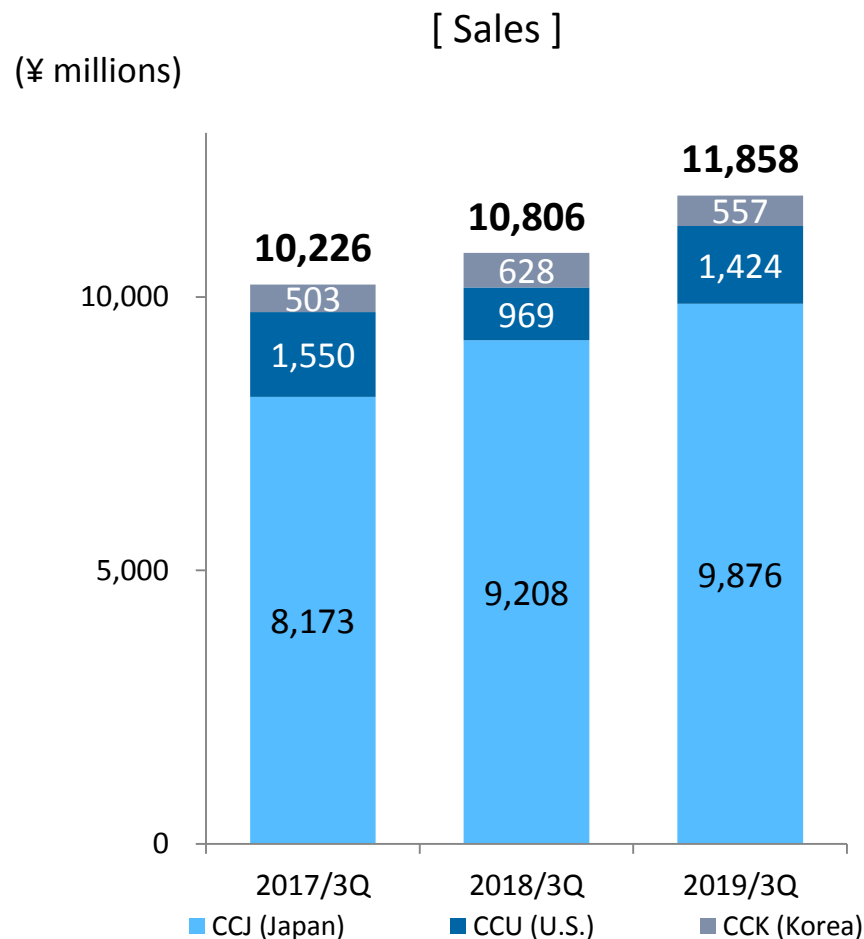


Contract Research Organization (CRO) Business



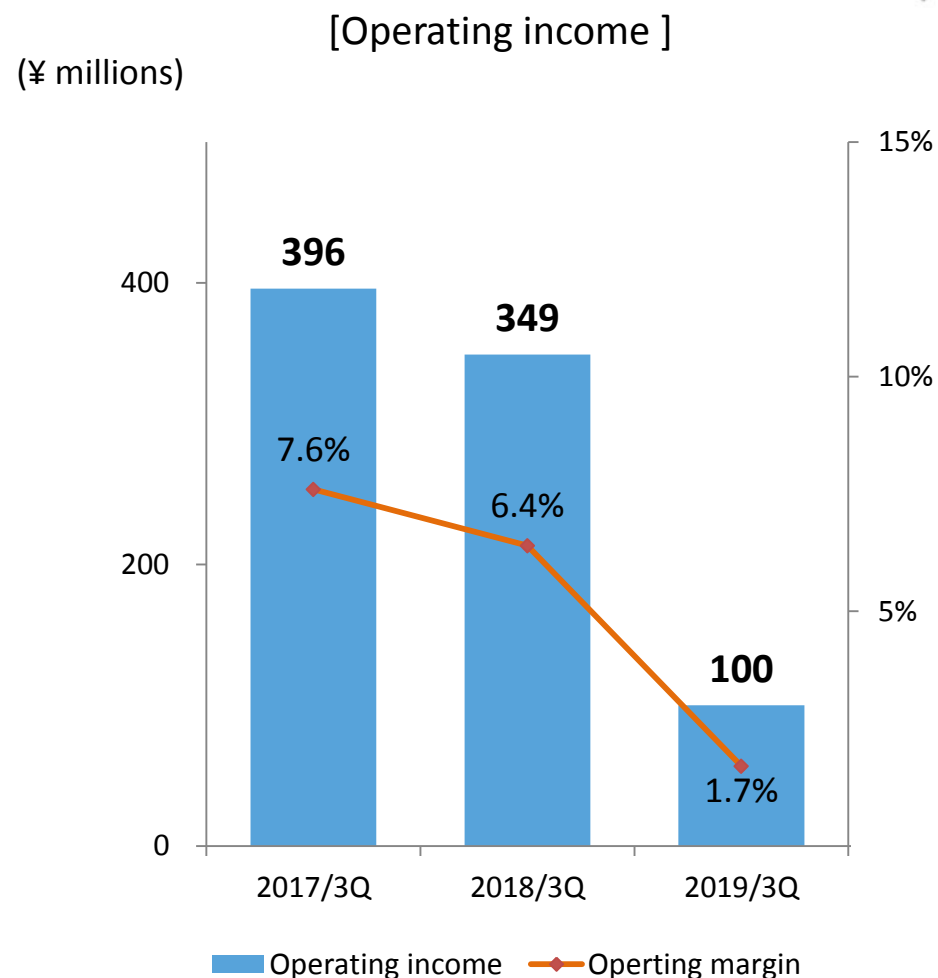
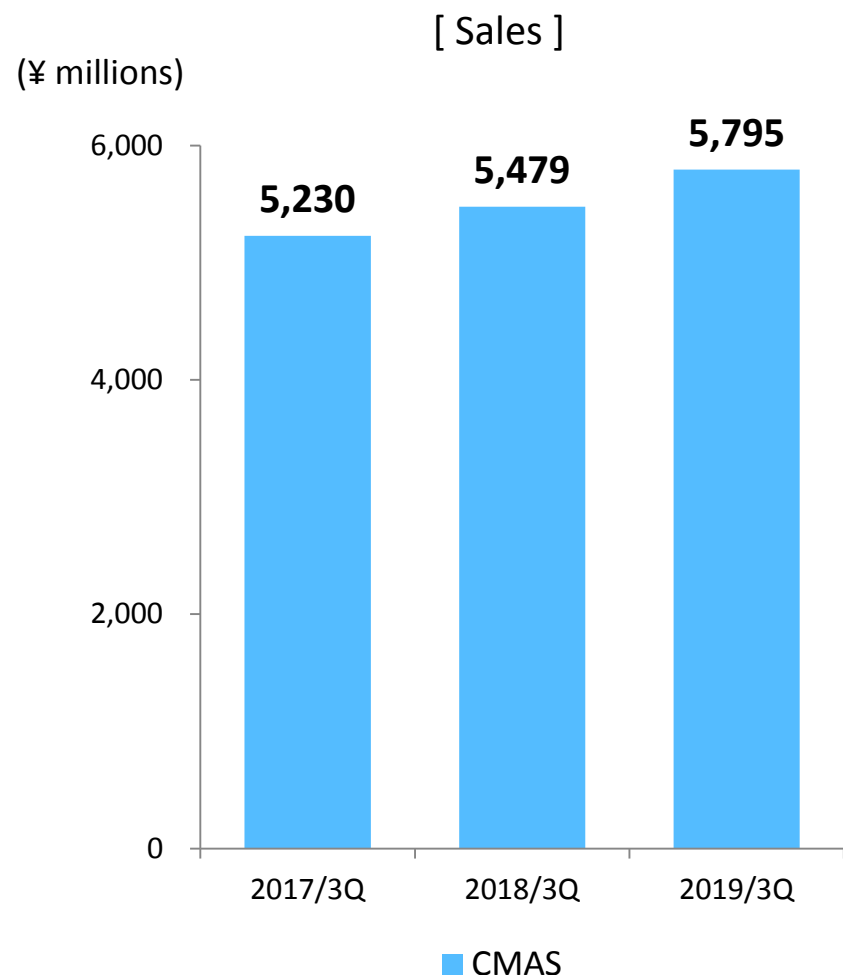
Supported overseas companies entering the Japanese market, non-healthcare companies entering the healthcare sphere, and promoted measures to address sophisticating development needs including biopharmaceuticals and regenerative medicine. Sales and operating income exceeded those from the same period of the previous year thanks to robust growth in new and existing contracts.

Contract Development Manufacturing Organization (CDMO) Business



Launched a new parenteral drug manufacturing facility in Ashikaga and started producing clinical-trial materials. Succeeded Astellas Pharma Tech Nishine Plant and CMIC CMO NISHINE Co., Ltd. started its operations to increase the manufacturing capabilities of oral solid dosage forms. Sales exceeded that of the same period last year mainly due to increase of contract production sales in Japan and the United States. While operating loss was recorded due to commercial production start-up expenses and increased depreciation cost for the new parenteral drug manufacturing facility in Ashikaga, the loss amount shows decreasing trend.

Contract Sales Organization (CSO) Business

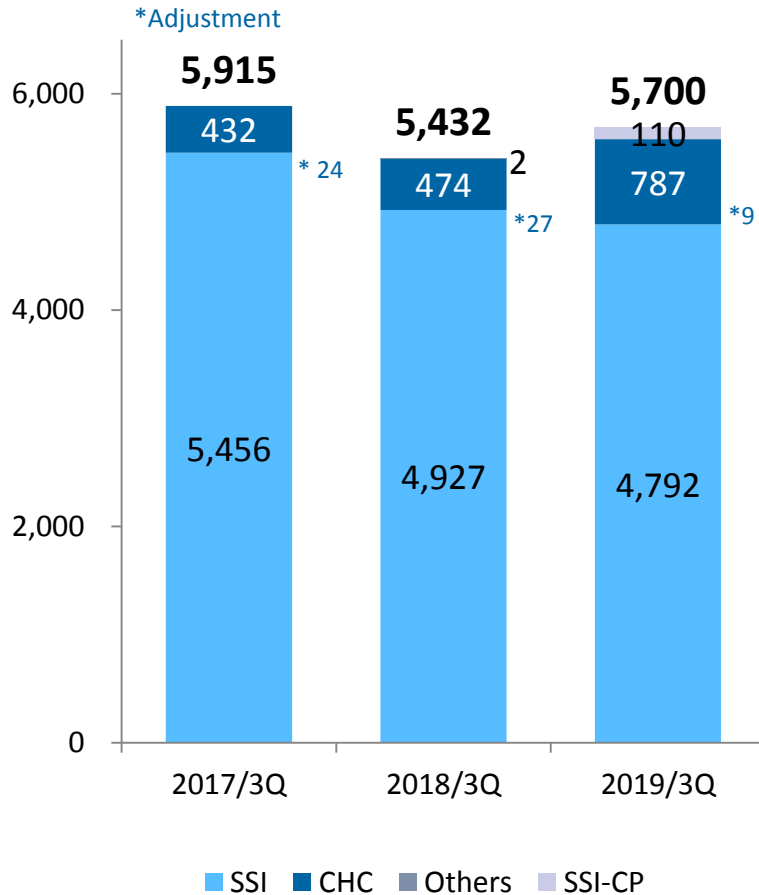


Enhanced the sales activities for Medical Affairs-related operations. Sales exceeded that of the same period of the previous year thanks to the steady execution of both new and existing projects. However, operating profit was below that of the same period last year due to the preceding costs generated to take on new projects.

Healthcare Business

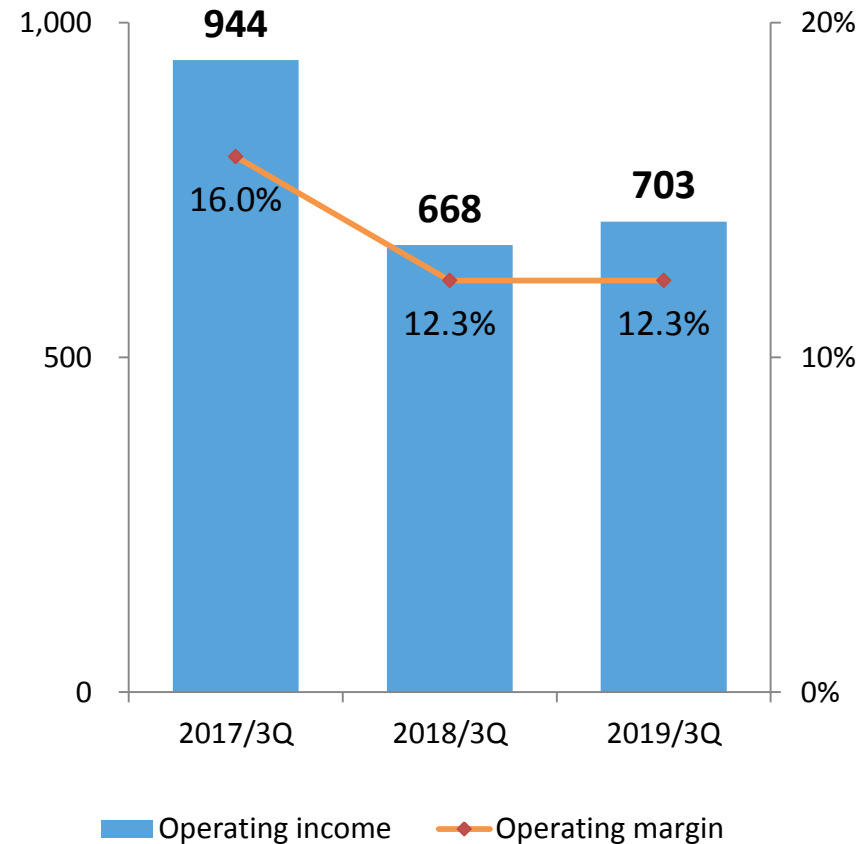
[Sales]

(¥ millions)



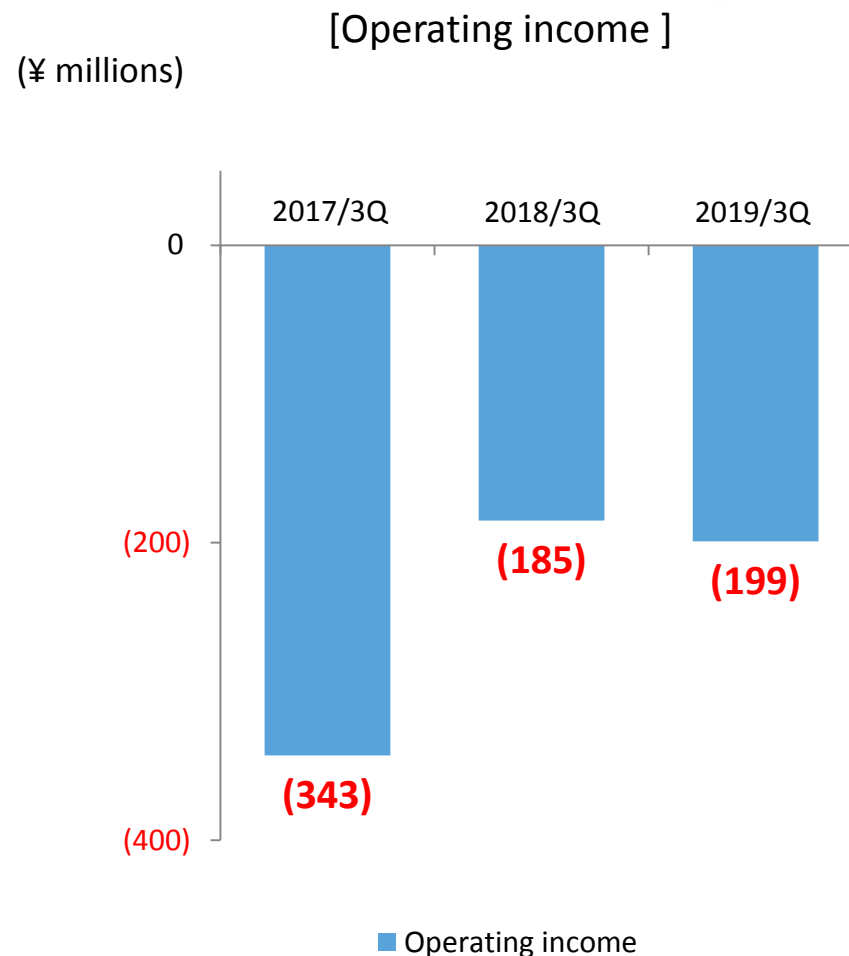
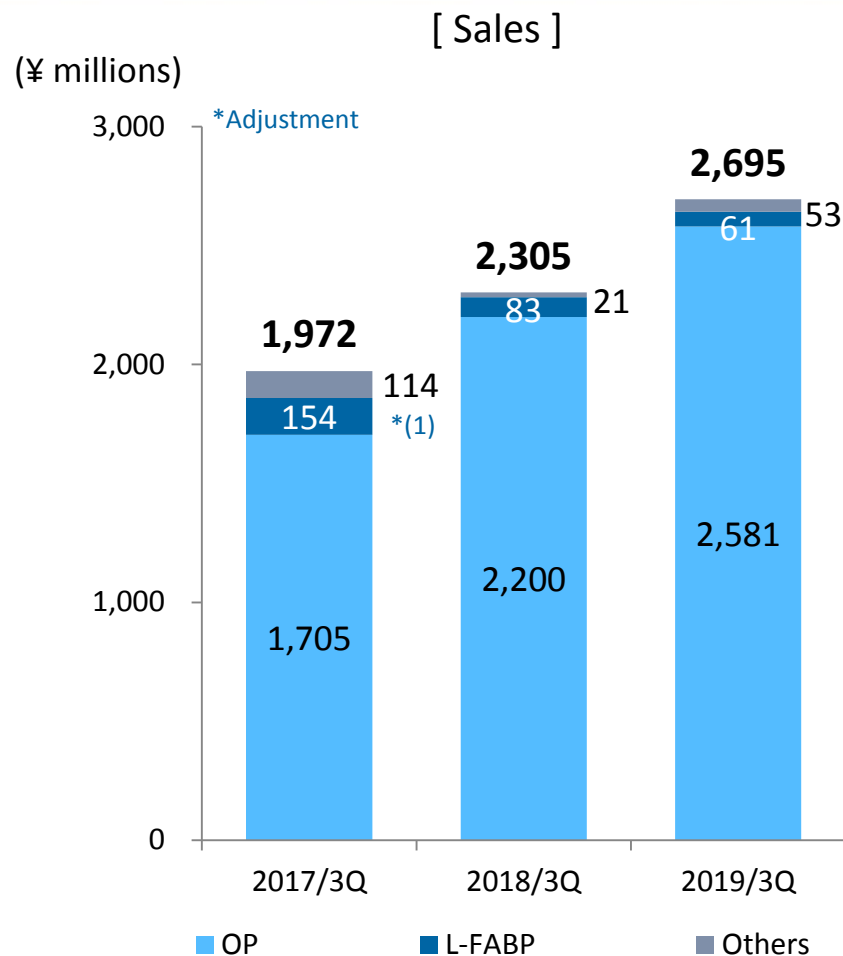
[Operating income]

(¥ millions)



BELL24-Cell Product, Inc. became our group company to further enhance our presence in Hokkaido. Commenced services for self-collect HPV test "SelCheck Cervical Cancer" and succeeded "harmo", the electronic prescription record service, from Sony Corporation to enhance patient support programs. Sales and operating income both exceeded those of the same period of the previous year thanks to the steady execution of new projects.

Innovative Pharma Model (IPM) Business

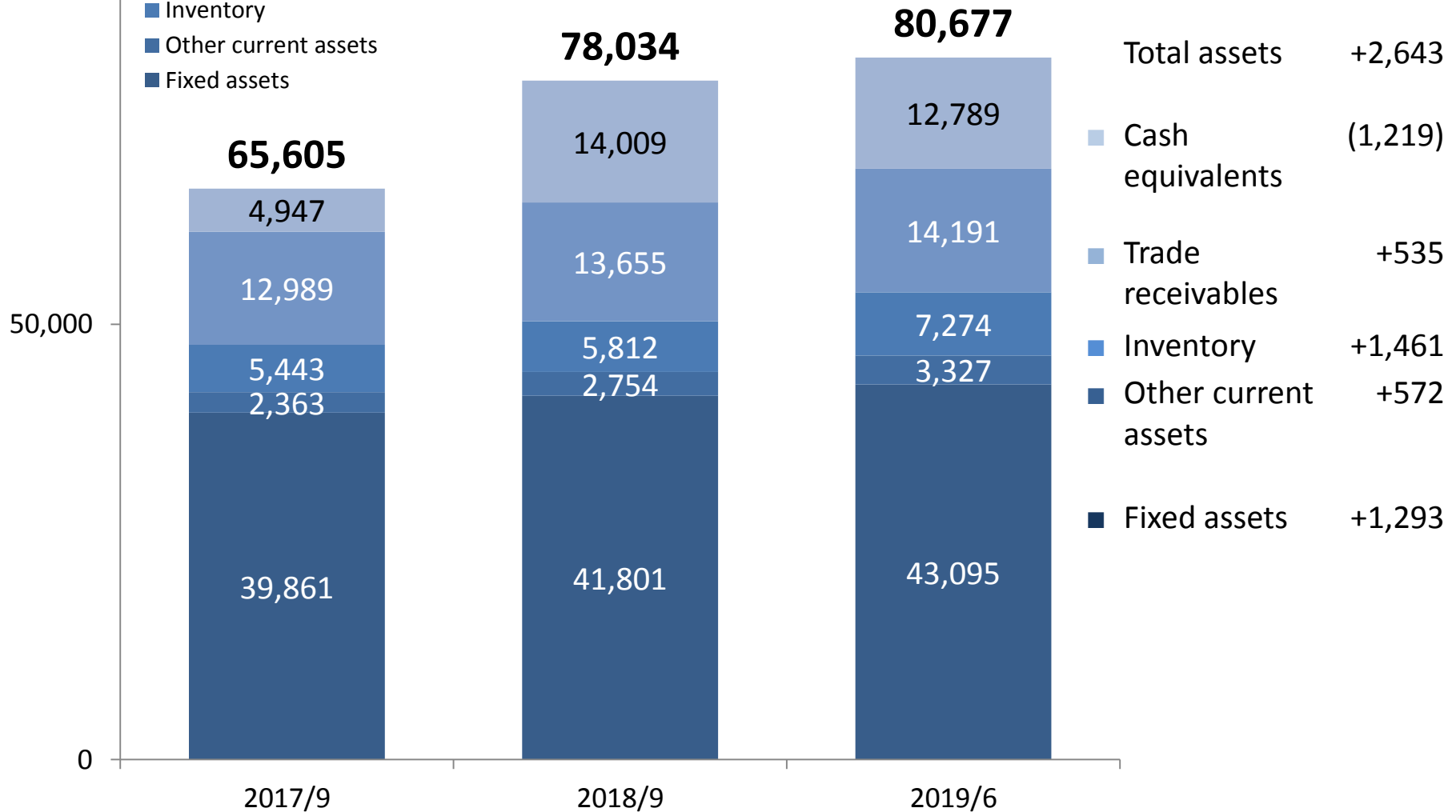


Marketed orphan drugs, including products developed in-house. Expanded the market and strengthened promotions of the kidney disease biomarker “human L-type fatty acid-binding protein (L-FABP) kit”. Sales exceeded that of the same period of the previous year due to sales increase of orphan drugs. Continued to expand our business scale through provision of new solutions towards positive turnaround of sales.

Balance sheet (assets)

(¥ millions)

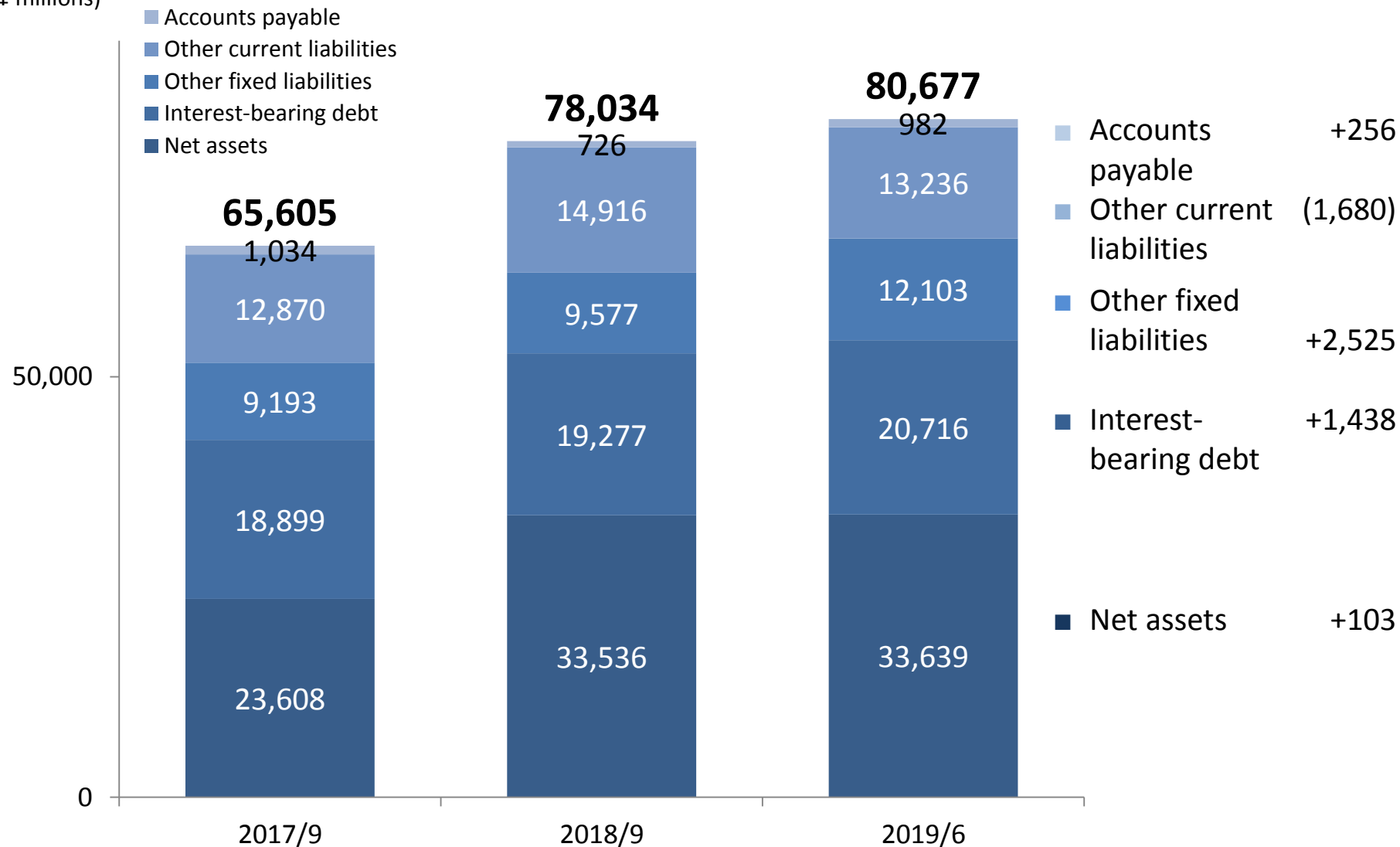
- Cash equivalents
- Trade receivables
- Inventory
- Other current assets
- Fixed assets




*Deferred assets in the past BSs are reclassified according to "Partial Amendments to Accounting Standard for Tax Effect Accounting"

Balance sheet (liabilities and net assets)

(¥ millions)





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.

