

This PDF document is an updated note on the company. A comprehensive version of the report on the company, including this latest update, is available on [our website](#) and various professional platforms.

On **March 25 2020**, Medical System Network Co., Ltd. announced revisions to its full-year forecast for FY03/20 consolidated results.

Revised company forecast for FY03/20 consolidated results

| | |
|---|--------------------------------------|
| Sales: | JPY105.0bn (previously JPY103.0bn) |
| Operating profit: | JPY1.5bn (JPY2.5bn) |
| Recurring profit: | JPY1.5bn (JPY2.4bn) |
| Net loss*: | JPY250mn (versus profit of JPY650mn) |
| Loss per share: | JPY8.23 (versus EPS of JPY21.39) |
| * Net loss attributable to owners of the parent | |

Reasons for forecast revision

The company's revised forecast sees full-year consolidated sales finishing JPY2.0bn ahead of its initial estimate but is projecting shortfalls in earnings at all levels. Compared with its initial projections, the company has cut its full-year operating profit estimate by JPY970mn, recurring profit estimate by JPY900mn, and net income estimate by JPY900mn. The upward revision to the company's projection for sales reflects solid growth in network member counts at its Pharmaceuticals Network business and, at its Dispensing Pharmacy business, increases in the number of high-value prescriptions filled and an accompanying increase in the average value of prescriptions filled. The higher sales notwithstanding, earnings are expected to fall short of initial projections as a result of a smaller-than-expected number of prescriptions. The measures being taken to prevent the spread of the novel coronavirus have led to a smaller number of people than usual going in for medical checkups. The lower-than-usual attack rate of seasonal influenza also affected results. According to the company, since the start of Q4 (January-March 2020) the number of prescriptions filled has been running 10.3% below plan, translating into roughly JPY600mn less in gross profit. Further aggravating the shortfall in earnings are the larger-than-expected cuts in NHI drug reimbursement prices for generic drugs initiated in October 2019.

This note is the most recent addition to the [full report](#).

We offer corporate clients comprehensive report coverage, a service that allows them to better inform investors and other stakeholders by presenting a continuously updated third-party view of business fundamentals, independent of investment biases. Shared Research can be found on the web at <https://sharedresearch.jp>.

Disclaimer

This document is provided for informational purposes only. No investment opinion or advice is provided, intended, or solicited. Shared Research Inc. offers no warranty, either expressed or implied, regarding the veracity of data or interpretations of data included in this report. We shall not be held responsible for any damage caused by the use of this report.

The copyright of this report and the rights regarding the creation and exploitation of the derivative work of this and other Shared Research Reports belong to Shared Research. This report may be reproduced or modified for personal use; distribution, transfer, or other uses of this report are strictly prohibited and a violation of the copyright of this report. Our officers and employees may currently, or in the future, have a position in securities of the companies mentioned in this report, which may affect this report's objectivity.

Japanese Financial Instruments and Exchange Law (FIEL) Disclaimer

The report has been prepared by Shared Research under a contract with the company described in this report ("the company"). Opinions and views presented are ours where so stated. Such opinions and views attributed to the company are interpretations made by Shared Research. We represent that if this report is deemed to include an opinion from us that could influence investment decisions in the company, such an opinion may be in exchange for consideration or promise of consideration from the company to Shared Research.

Contact Details

Shared Research Inc.

3-31-12 Sendagi Bunkyo-ku Tokyo, Japan

<https://sharedresearch.jp>

Phone: +81 (0)3 5834-8787

Email: info@sharedresearch.jp