
MEDICAL SYSTEM NETWORK Co., Ltd.

Second Quarter of Fiscal Year Ending March 2023

Prime Market of Tokyo Stock Exchange; Securities Code: 4350

Data Book

(November 4, 2022)



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■ About contents covered

- ※ The contents of this report pertaining future earnings described are based on information the company has held, and on certain assumptions supervising rational judgement, and are not what the company promises to achieve. There are numerous factors that may cause actual earnings to differ.
- ※ Caution is given to the accuracy of information, and we do not take responsibility for loss etc., as a result of misinformed information.
- ※ Furthermore, this report is not prepared for the purposes of investment solicitation. Readers are responsible for their own judgement in any decision regarding investments.

1. Consolidated Statement of Income and Comprehensive Income

(1) Consolidated Statement of Income

(million yen)

	FY3/2021 2nd Quarter 4/2020~9/2020	FY3/2022 2nd Quarter 4/2021~9/2021		FY3/2023 2nd Quarter 4/2022~9/2022	
			Change		Change
Net sales	51,045	52,169	1,124	53,340	1,170
(YoY)	(2.2%)	2.2%	–	2.2%	–
Community Pharmacy Network Segment	48,540	49,663	1,122	50,792	1,155
Leasing and Facility related Segment	1,438	1,536	97	1,673	146
Meal Catering Segment	1,248	1,166	(81)	1,135	(31)
Home Visit Nursing Segment	110	152	42	151	(1)
Adjustments	(292)	(350)	(57)	(412)	(55)
Cost of sales	30,542	30,307	(234)	31,024	716
(% of Net sales)	59.8%	58.1%	–	58.2%	–
Gross profit	20,502	21,861	1,359	22,315	453
(YoY)	3.4%	6.6%	–	2.1%	–
(% of Net sales)	40.2%	41.9%	–	41.8%	–
SG&A expenses	19,147	19,999	852	21,215	1,216
(% of Net sales)	37.5%	38.3%	–	39.8%	–
Labor costs	11,156	11,615	459	12,258	643
Depreciation	534	521	(13)	584	63
Amortization of goodwill	572	564	(8)	565	1
EBITDA	2,787	3,253	466	2,537	(716)
Operating profit	1,355	1,862	506	1,099	(762)
(YoY)	70.1%	37.4%	–	(40.9%)	–
(% of Net sales)	2.7%	3.6%	–	2.1%	–
Community Pharmacy Network Segment	2,369	2,885	516	2,384	(508)
Leasing and Facility related Segment	16	32	15	(65)	(95)
Meal Catering Segment	(13)	1	14	(33)	(34)
Home Visit Nursing Segment	(13)	(12)	0	(10)	2
Adjustments	(1,003)	(1,043)	(40)	(1,175)	(129)
Non-operating profit	207	520	312	325	(194)
Interest income and Dividend income	5	4	(0)	3	(1)
Other	202	※ 515	312	322	(192)
Non-operating expenses	165	146	(18)	182	35
Interest expenses	111	95	(16)	138	43
Other	54	51	(2)	43	(7)
Ordinary profit	1,397	2,235	838	1,242	(992)
(YoY)	78.1%	60.0%	–	(44.4%)	–
(% of Net sales)	2.7%	4.3%	–	2.3%	–
Extraordinary income	6	113	107	7	(105)
Extraordinary losses	183	112	(71)	85	(27)
Profit before income taxes	1,219	2,236	1,016	1,165	(1,071)
Income taxes	640	812	171	653	(159)
Profit attributable to non-controlling interests	–	–	–	10	10
Profit attributable to owners of parent	578	1,431	852	502	(929)
(YoY)	165.1%	147.2%	–	(64.9%)	–
(% of Net sales)	1.1%	2.7%	–	0.9%	–

※ Includes subsidy income related with COVID-19 of 366 million yen

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2021 2nd Quarter 4/2020~9/2020	FY3/2022 2nd Quarter 4/2021~9/2021	FY3/2023 2nd Quarter 4/2022~9/2022	
			Change	Change
Profit	578	1,424	845	512 (912)
Other comprehensive income	(5)	27	32	11 (15)
Valuation difference on available-for-sale securities	(9)	17	26	0 (17)
Deferred gains or losses on hedges	(2)	1	3	1 (0)
Remeasurements of defined benefit plans, net of tax	5	7	2	9 1
Comprehensive income	573	1,451	878	523 (928)
(YoY)	332.7%	153.1%	-	(63.9%) -
Comprehensive income attributable to owners of parent	573	1,458	885	513 (945)
Comprehensive income attributable to non-controlling interests	-	(6)	(6)	10 17

2. Consolidated Balance Sheet

(million yen)

	FY3/2022 2nd Quarter End of 9/2021	FY3/2022		FY3/2023	
		End of 3/2022		2nd Quarter End of 9/2022	
			Change		Change
Total current assets	18,086	18,701	614	18,721	20
Cash and deposits	8,215	8,201	(14)	6,774	(1,427)
Accounts receivable - trade	2,684	2,891	207	3,328	437
Inventories	5,020	4,858	(161)	5,315	456
Other	2,166	2,750	583	3,304	554
Total fixed assets	44,346	44,239	(106)	45,402	1,162
Total tangible fixed assets	24,727	24,624	(102)	26,307	1,683
Buildings and structures	13,408	13,408	0	13,257	(150)
Land	9,087	8,847	(239)	8,901	53
Leased assets	464	520	56	2,434	1,914
Construction in progress	234	202	(31)	151	(51)
Other	1,533	1,645	112	1,563	(81)
Total intangible fixed assets	13,134	12,767	(366)	12,292	(475)
Goodwill	12,657	12,254	(402)	11,689	(565)
Other	477	513	35	603	90
Investment and other assets	6,484	6,848	363	6,802	(46)
Investment securities	156	155	(0)	156	0
Guarantee deposits	2,775	3,052	276	3,067	15
Deferred tax assets	2,761	2,894	133	2,865	(29)
Other	791	745	(46)	712	(32)
Total assets	62,433	62,941	508	64,124	1,182
Total current liabilities	24,116	20,435	(3,681)	20,966	530
Accounts payable - trade	9,280	9,680	399	9,830	150
Short-term loans payable	4,416	1,016	(3,400)	1,516	500
Current portion of long-term loans payable	5,663	4,756	(906)	4,662	(94)
Lease obligations	203	163	(39)	162	(1)
Income taxes payable	619	617	(1)	603	(13)
Other	3,934	4,201	266	4,191	(10)
Total fixed liabilities	25,811	29,219	3,407	29,561	342
Long-term loans payable	19,757	22,891	3,133	20,592	(2,298)
Lease obligations	703	740	37	2,988	2,248
Provision for retirement benefits for directors (and other officers)	581	600	19	620	20
Retirement benefit liability	3,533	3,752	219	3,913	160
Other	1,236	1,234	(2)	1,445	211
Total liabilities	49,928	49,654	(273)	50,527	872
Shareholders' equity	12,567	13,377	809	13,665	288
Capital stock	2,128	2,128	-	2,128	-
Capital surplus	1,182	1,182	-	1,182	-
Retained earnings	9,583	10,393	809	10,681	288
Treasury stock	(326)	(326)	-	(326)	-
Accumulated other comprehensive income	(79)	(108)	(29)	(97)	11
Non-controlling interests	16	17	1	28	10
Total net assets	12,504	13,286	781	13,596	309

3. Consolidated Statement of Cash Flows

(million yen)

	FY3/2021 2nd Quarter 4/2020~9/2020	FY3/2022 2nd Quarter 4/2021~9/2021	FY3/2023 2nd Quarter 4/2022~9/2022
Cash flows from operating activities	803	913	1,701
Profit before income taxes	1,219	2,236	1,165
Depreciation	859	827	872
Impairment loss	143	90	18
Amortization of goodwill	572	564	565
Increase (decrease) in provision	321	(44)	265
Loss(gain)on disposal of assets and valuation of securities	20	(96)	39
Interest and dividend income, Interest expenses	106	90	135
Decrease (increase) in notes and accounts receivable - trade	(221)	(7)	(437)
Decrease (increase) in inventories	(346)	(531)	(456)
Increase (decrease) in notes and accounts payable - trade	(1,016)	1	150
Other	(180)	(236)	91
Subtotal	1,479	2,893	2,410
Interest and dividend income received, interest expenses paid	(105)	(90)	(136)
Income taxes paid	(570)	(1,889)	(572)
Cash flows from investing activities	(862)	(832)	(902)
Payments into time deposits	(1)	(0)	(0)
Proceeds from withdrawal of time deposits	12	-	-
Purchase of tangible fixed assets	(529)	(927)	(670)
Proceeds from sales of tangible fixed assets	56	19	22
Purchase of intangible fixed assets	(73)	(112)	(156)
Proceeds from sales of investment securities	-	379	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(209)	-
Proceeds from sale of businesses	13	11	-
Payments of loans receivable	(8)	(1)	(0)
Collection of loans receivable	2	6	3
Payments for guarantee deposits	(315)	(54)	(49)
Proceeds from collection of guarantee deposits	31	18	30
Other	(50)	36	(81)
Cash flows from financing activities	(2,716)	(1,982)	(2,226)
Net increase (decrease) in short-term loans payable	-	498	500
Repayments of long-term loans payable	(2,343)	(2,195)	(2,392)
Repayments of lease obligations	(190)	(134)	(120)
Cash dividends paid	(152)	(152)	(213)
Purchase of treasury shares	(30)	-	-
Net increase (decrease) in cash and cash equivalents	(2,775)	(1,902)	(1,427)
Cash and cash equivalents at beginning of period	11,681	10,088	8,171
Cash and cash equivalents at end of period	8,905	8,185	6,743

4. Consolidated Earnings Forecast

(million yen)

	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023		
	Results	% of Net sales	Forecast	% of Net sales	(YoY)
Net sales	106,685	100.0%	110,000	100.0%	3.1%
Community Pharmacy Network Segment	101,457	95.1%	104,701	95.2%	3.2%
Leasing and Facility related Segment	3,326	3.1%	3,508	3.2%	5.5%
Meal Catering Segment	2,322	2.2%	2,335	2.1%	0.6%
Home Visit Nursing Segment	305	0.3%	328	0.3%	7.7%
Adjustments	(727)	-	(874)	-	-
Gross profit	44,429	41.6%	46,453	42.2%	4.6%
SG&A expenses	40,576	38.0%	42,953	39.0%	5.9%
Labor costs	23,252	21.8%	24,417	22.2%	5.0%
Depreciation	1,116	1.0%	1,204	1.1%	7.8%
Amortization of goodwill	1,128	1.1%	1,130	1.0%	0.2%
EBITDA	6,708	6.3%	6,200	5.6%	(7.6%)
Operating profit	3,852	3.6%	3,500	3.2%	(9.1%)
Community Pharmacy Network Segment	6,117	※ 6.0%	6,026	※ 5.8%	(1.5%)
Leasing and Facility related Segment	39	※ 1.2%	38	※ 1.1%	(2.0%)
Meal Catering Segment	1	※ 0.0%	21	※ 0.9%	2009.2%
Home Visit Nursing Segment	(12)	-	0	※ 0.2%	-
Adjustments	(2,293)	-	(2,588)	-	-
Ordinary profit	4,313	4.0%	3,700	3.4%	(14.2%)
Profit attributable to owners of parent	2,394	2.2%	1,750	1.6%	(26.9%)

※ % of Segment Net sales



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