
MEDICAL SYSTEM NETWORK Co., Ltd.

Fiscal Year Ending March 2023

Prime Market of Tokyo Stock Exchange; Securities Code: 4350

Data Book

(May 9, 2023)



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- ※ 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 4/2020~3/2021	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023	
				Change	Change
Net sales	104,257	106,685	2,427	109,551	2,866
(YoY)	(0.9%)	2.3%	—	2.7%	—
Community Pharmacy Network Segment	99,214	101,457	2,243	104,399	2,941
Leasing and Facility related Segment	2,940	3,326	385	3,494	168
Meal Catering Segment	2,474	2,322	(151)	2,289	(33)
Home Visit Nursing Segment	229	305	75	304	(0)
Adjustments	(601)	(727)	(126)	(937)	(209)
Cost of sales	61,844	62,256	411	63,629	1,373
(% of Net sales)	59.3%	58.4%	—	58.1%	—
Gross profit	42,412	44,429	2,016	45,921	1,492
(YoY)	5.5%	4.8%	—	3.4%	—
(% of Net sales)	40.7%	41.6%	—	41.9%	—
SG&A expenses	38,982	40,576	1,594	42,758	2,181
(% of Net sales)	37.4%	38.0%	—	39.0%	—
Labor costs	22,431	23,252	820	24,539	1,287
Depreciation	1,212	1,116	(96)	1,250	134
Amortization of goodwill	1,136	1,128	(8)	1,132	3
EBITDA	6,426	6,708	282	6,122	(586)
Operating profit	3,429	3,852	422	3,163	(688)
(YoY)	112.3%	12.3%	—	(17.9%)	—
(% of Net sales)	3.3%	3.6%	—	2.9%	—
Community Pharmacy Network Segment	5,703	6,117	413	5,887	(229)
Leasing and Facility related Segment	32	39	7	(92)	(132)
Meal Catering Segment	(21)	1	22	(65)	(66)
Home Visit Nursing Segment	(31)	(12)	19	(22)	(10)
Adjustments	(2,253)	(2,293)	(40)	(2,542)	(248)
Non-operating profit	361	758	396	550	(208)
Interest income and Dividend income	9	7	(2)	5	(1)
Other	352	※ 750	398	544	(206)
Non-operating expenses	312	296	(15)	358	61
Interest expenses	215	183	(31)	277	93
Other	96	113	16	81	(32)
Ordinary profit	3,479	4,313	833	3,355	(957)
(YoY)	123.0%	24.0%	—	(22.2%)	—
(% of Net sales)	3.3%	4.0%	—	3.1%	—
Extraordinary income	914	146	(767)	7	(138)
Extraordinary losses	426	447	20	343	(103)
Profit before income taxes	3,967	4,012	45	3,019	(992)
Income taxes	1,769	1,624	(145)	1,389	(234)
Profit attributable to non-controlling interests	△0	(5)	(4)	19	24
Profit attributable to owners of parent	2,198	2,394	195	1,610	(783)
(YoY)	—	8.9%	—	(32.7%)	—
(% of Net sales)	2.1%	2.2%	—	1.5%	—

※ Includes subsidy income related with COVID-19 of 421 million yen

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2021 4/2020~3/2021	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023	
				Change	Change
Profit	2,197	2,388	191	1,630	(758)
Other comprehensive income	(6)	(1)	4	(30)	(28)
Valuation difference on available-for-sale securities	13	17	4	4	(12)
Deferred gains or losses on hedges	(0)	4	4	1	(2)
Remeasurements of defined benefit plans, net of tax	(18)	(23)	(4)	(37)	(13)
Comprehensive income	2,191	2,386	195	1,599	(787)
(YoY)	-	8.9%	-	(33.0%)	-
Comprehensive income attributable to owners of parent	2,192	2,392	199	1,580	(812)
Comprehensive income attributable to non-controlling interests	(0)	(5)	(4)	19	24

2. Consolidated Balance Sheet

(million yen)

	FY3/2022 End of 3/2021	FY3/2022 End of 3/2022		FY3/2023 End of 3/2023	
			Change		Change
Total current assets	19,313	18,701	(612)	20,265	1,564
Cash and deposits	10,118	8,201	(1,916)	8,141	(59)
Accounts receivable - trade	2,646	2,891	244	3,437	545
Inventories	4,485	4,858	373	5,255	396
Other	2,064	2,750	685	3,431	681
Total fixed assets	45,134	44,239	(894)	45,958	1,718
Total tangible fixed assets	24,634	24,624	(10)	27,060	2,436
Buildings and structures	13,608	13,408	(200)	13,164	(244)
Land	9,091	8,847	(243)	8,916	68
Leased assets	525	520	(4)	3,323	2,802
Construction in progress	64	202	138	165	(37)
Other	1,345	1,645	299	1,491	(153)
Total intangible fixed assets	13,572	12,767	(805)	11,807	(960)
Goodwill	13,145	12,254	(891)	11,183	(1,070)
Other	426	513	86	623	110
Investment and other assets	6,926	6,848	(78)	7,090	242
Investment securities	397	155	(242)	159	3
Guarantee deposits	2,748	3,052	303	3,222	169
Deferred tax assets	2,958	2,894	(63)	2,926	31
Other	822	745	(76)	783	37
Total assets	64,448	62,941	(1,506)	66,223	3,282
Total current liabilities	25,418	20,435	(4,983)	21,349	913
Accounts payable - trade	9,258	9,680	421	9,937	257
Short-term loans payable	3,916	1,016	(2,900)	1,016	—
Current portion of long-term loans payable	6,045	4,756	(1,288)	5,152	395
Lease obligations	249	163	(85)	209	45
Income taxes payable	1,556	617	(938)	600	(17)
Other	4,392	4,201	(191)	4,432	231
Total fixed liabilities	27,841	29,219	1,377	30,385	1,166
Long-term loans payable	21,556	22,891	1,334	20,226	(2,664)
Lease obligations	792	740	(52)	3,913	3,173
Provision for retirement benefits for directors (and other officers)	798	600	(198)	637	36
Retirement benefit liability	3,347	3,752	405	4,157	404
Other	1,346	1,234	(112)	1,451	217
Total liabilities	53,260	49,654	(3,605)	51,735	2,080
Shareholders' equity	11,270	13,377	2,106	14,590	1,213
Capital stock	2,128	2,128	—	2,128	—
Capital surplus	1,182	1,182	—	1,182	—
Retained earnings	8,305	10,393	2,088	11,606	1,213
Treasury stock	(344)	(326)	18	(326)	—
Accumulated other comprehensive income	(106)	(108)	(1)	(139)	(30)
Non-controlling interests	23	17	(5)	37	19
Total net assets	11,187	13,286	2,099	14,488	1,201

3. Consolidated Statement of Cash Flows

(million yen)

	FY3/2021 4/2020~3/2021	FY3/2022 4/2021~3/2022	FY3/2023 4/2022~3/2023
Cash flows from operating activities	5,205	4,010	4,973
Profit before income taxes	3,967	4,012	3,019
Depreciation	1,859	1,727	1,825
Impairment loss	360	392	247
Amortization of goodwill	1,136	1,128	1,132
Increase (decrease) in provision	592	178	433
Loss(gain)on disposal of assets and valuation of securities	(873)	(114)	53
Interest and dividend income, Interest expenses	206	176	271
Decrease (increase) in notes and accounts receivable - trade	(239)	(214)	(505)
Decrease (increase) in inventories	72	(406)	(377)
Increase (decrease) in notes and accounts payable - trade	(864)	400	211
Other	179	(228)	228
Subtotal	6,397	7,053	6,539
Interest and dividend income received, interest expenses paid	(204)	(176)	(272)
Income taxes paid	(987)	(2,866)	(1,294)
Cash flows from investing activities	(1,485)	(2,511)	(2,114)
Payments into time deposits	(1)	(0)	(0)
Proceeds from withdrawal of time deposits	12	—	—
Purchase of tangible fixed assets	(1,375)	(1,934)	(1,373)
Proceeds from sales of tangible fixed assets	57	33	30
Purchase of intangible fixed assets	(154)	(194)	(234)
Proceeds from sales of investment securities	18	379	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8)	(209)	(54)
Gain on sales of shares of subsidiaries and associates	960	—	—
Payments for acquisition of businesses	(191)	(293)	(80)
Proceeds from sale of businesses	30	90	4
Payments of loans receivable	(239)	(2)	(130)
Collection of loans receivable	6	9	6
Payments for guarantee deposits	(550)	(401)	(296)
Proceeds from collection of guarantee deposits	58	65	110
Other	(108)	(54)	(95)
Cash flows from financing activities	(5,312)	(3,415)	(2,918)
Net increase (decrease) in short-term loans payable	—	(2,901)	—
Proceeds from long-term loans payable	—	6,100	3,200
Repayments of long-term loans payable	(4,634)	(6,067)	(5,469)
Repayments of lease obligations	(368)	(241)	(253)
Cash dividends paid	(304)	(304)	(395)
Proceeds from share issuance to non-controlling shareholders	24	—	—
Purchase of treasury shares	(30)	—	—
Net increase (decrease) in cash and cash equivalents	(1,592)	(1,916)	(59)
Cash and cash equivalents at beginning of period	11,681	10,088	8,171
Cash and cash equivalents at end of period	10,088	8,171	8,111

4. Key Financial Indicators (consolidated)

	FY3/2021 4/2020~3/2021	FY3/2022 4/2021~3/2022	FY3/2023 4/2022~3/2023
No. of Shares outstanding (including treasury stocks)	30,642,600	30,642,600	30,642,600
No. of Shares outstanding (excluding treasury stocks)	30,153,545	30,178,545	30,178,545
Stock price as of the end of the period (yen)	712	547	400
Market cap (million yen)	21,469	16,507	12,071
E P S (yen)	72.51	79.35	53.38
B P S (yen)	370.23	439.67	478.86
P E R (times)	9.8	6.9	7.5
P B R (times)	1.9	1.2	0.8
R O E (%)	21.35	19.6	11.6
R O A (%)	5.3	6.8	5.2
Equity ratio (%)	17.3	21.1	21.8

5. Dividends

<Forecast>

	FY3/2021	FY3/2022	FY3/2023	FY/2024
Annual dividend (yen)	10.00	12.00	12.00	10.00
Interim (yen)	5.00	6.00	6.00	5.00
Year-end (yen)	5.00	7.00	6.00	5.00
Total dividends (million yen)	305	366	366	305
Payout ratio (%)	13.8	15.1	22.5	30.2
Dividend yield (%)	1.4	2.2	3.0	2.5

6. No. of Employees (consolidated)

(persons)

	FY3/2021 End of 3/2021	FY3/2022 End of 3/2022		FY3/2023 End of 3/2023	
			change		change
Community Pharmacy Network Segment	3,352	3,528	176	3,657	129
Full-time employees	2,866	3,031	165	3,145	114
(Pharmacists)	1,376	1,459	83	1,488	29
Temporary employees	486	497	11	512	15
(Pharmacists)	285	279	(6)	287	8
Leasing and Facility related Segment	135	146	11	148	2
Full-time employees	120	130	10	134	4
Temporary employees	15	16	1	14	(2)
Meal Catering Segment	462	441	(20)	418	(24)
Full-time employees	184	185	1	168	(17)
Temporary employees	278	256	(21)	250	(7)
Home Visit Nursing Segment	39	50	11	50	0
Full-time employees	27	37	10	38	1
Temporary employees	12	13	1	12	(1)
Corporate	137	140	3	144	4
Full-time employees	129	131	2	134	3
Temporary employees	8	9	1	10	1
Total	4,125	4,306	181	4,417	111
Full-time employees	3,326	3,514	188	3,619	105
Temporary employees	799	792	(7)	798	6

※No. of full-time employees are as of the end of each fiscal year. No. of temporary employees are yearly average no. of persons employed based on 8-hour conversion.

7. Community Pharmacy Network Segment

(1) Community Pharmacy Business

① No. of pharmacies

	FY3/2021 4/2020~3/2021				FY3/2022 4/2021~3/2022				FY3/2023 4/2022~3/2023			
	Openings	M & A	Closings Transfers	End of FY	Openings	M & A	Closings Transfers	End of FY	Openings	M & A	Closings Transfers	End of FY
No. of pharmacies	7	6	13	416	12	3	6	425	8	2	7	428
Hokkaido area	—	—	5	120	4	1	1	124	2	—	4	122
Tohoku area	1	—	—	23	1	—	—	24	—	—	—	24
Kanto/Koshinetsu area	2	6	4	92	3	2	1	96	3	2	—	101
Tokai/Hokuriku area	1	—	2	45	1	—	2	44	—	—	—	44
Kinki area	1	—	2	55	—	—	2	53	3	—	3	53
Chugoku/Shikoku area	—	—	—	21	—	—	—	21	—	—	—	21
Kyushu area	2	—	—	60	3	—	—	63	—	—	—	63
Care plan centers	—	—	—	1	—	—	—	1	—	—	—	1
Drug/cosmetic stores	—	—	—	9	—	—	—	9	—	—	—	9

② Dispensing fee breakdown (No. of prescriptions / Unit price)

	FY3/2021 4/2020~3/2021	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023	
		Change	Change(%)	Change	Change(%)
No. of prescriptions(a)(1,000)	8,289	8,746	457	9,088	342
Unit price(b) (yen)	10,655	10,410	(245)	10,236	(175)
Drug charge per prescription	8,279	7,984	(295)	7,789	(195)
Technical fee per prescription	2,376	2,426	50	2,446	20
Dispensing fee(a)×(b)(million yen)	88,320	91,056	2,736	93,029	1,973

③ Dispensing fee breakdown by new openings and M&A period

(million yen)

	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023		Change
	% of Net sales	% of Net sales	% of Net sales	% of Net sales	
Dispensing fee	91,056	100.0%	93,029	100.0%	1,973
Existing pharmacies (Openings~2021.3)	88,337	97.0%	88,556	95.2%	218
New openings (4/2021~3/2022)	320	0.4%	1,458	1.6%	1,137
M&A (4/2021~3/2022)	1,003	1.1%	1,304	1.4%	300
New openings (4/2022~3/2023)	—	—	1,317	1.4%	1,317
M&A (4/2022~3/2023)	—	—	111	0.1%	111
Closings / Transfers	1,396	1.5%	283	0.3%	(1,110)

④ Monthly dispensing fee(All / Existing) (YoY) (%)

All pharmacies (YoY)	4/2022	5/2022	6/2022	7/2022	8/2022	9/2022	FY3/2023 1st half total	10/2022	11/2022	12/2022	1/2023	2/2023	3/2023	FY3/2023 2nd half total	FY3/2023 Total
	Dispensing fee	(1.7)	3.2	0.9	(1.1)	5.2	2.7	1.5	0.3	4.5	1.8	2.5	4.3	3.7	2.8
No. of prescriptions	(0.5)	5.6	1.4	2.1	8.0	4.4	3.4	1.7	2.7	2.8	4.5	8.1	6.9	4.4	3.9
Unit price	(1.2)	(2.3)	(0.5)	(3.1)	(2.6)	(1.7)	(1.9)	(1.4)	1.8	(1.0)	(2.0)	(3.6)	(3.0)	(1.5)	(1.7)

Existing pharmacies (YoY)	4/2022	5/2022	6/2022	7/2022	8/2022	9/2022	FY3/2023 1st half total	10/2022	11/2022	12/2022	1/2023	2/2023	3/2023	FY3/2023 2nd half total	FY3/2023 Total
	Dispensing fee	(2.2)	2.0	(0.7)	(2.6)	3.3	0.9	0.1	(1.8)	2.4	(0.5)	0.0	1.5	0.9	0.4
No. of prescriptions	(1.7)	3.7	(0.8)	(0.4)	5.5	1.9	1.3	(0.9)	0.0	0.4	1.8	5.4	4.3	1.8	1.5
Unit price	(0.6)	(1.7)	0.1	(2.1)	(2.1)	(0.9)	(1.2)	(0.9)	2.4	(0.9)	(1.8)	(3.7)	(3.3)	(1.4)	(1.3)

※ Existing pharmacies definition : Pharmacies that have been continuously open since April 1, 2021 for the current FY

(2) Pharmaceutical Network Business

①No.of Network affiliates

Attribute Area	FY3/2022			FY3/2023		
	MSNW community pharmacies	General network affiliates	Total	MSNW community pharmacies	General network affiliates	Total
Hokkaido	124	195	319	122	219	341
Tohoku	24	456	480	24	619	643
Kanto/Koshinetsu	96	2,210	2,306	101	2,641	2,742
Tokai/Hokuriku	44	1,287	1,331	44	1,444	1,488
Kinki	53	1,032	1,085	53	1,412	1,465
Chugoku/Shikoku	21	761	782	21	902	923
Kyushu/Okinawa	63	1,035	1,098	63	1,247	1,310
Total	425	6,976	7,401	428	8,484	8,912

②Ordering volume of pharmaceuticals

(million yen)

	FY3/2021 4/2020~3/2021	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023			
		Change	Change(%)	Change	Change(%)		
Ordering volume of pharmaceuticals	391,712	449,281	57,569	14.7%	526,204	76,922	17.1%

4. Consolidated Earnings Forecast

(million yen)

	FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024		
	Results	% of Net sales	Forecast	% of Net sales	(YoY)
Net sales	109,551	100.0%	112,500	100.0%	2.7%
Community Pharmacy Network Segment	104,399	95.3%	106,824	95.0%	2.3%
Leasing and Facility related Segment	3,494	3.2%	3,772	3.4%	7.9%
Meal Catering Segment	2,289	2.1%	2,406	2.1%	5.1%
Home Visit Nursing Segment	304	0.3%	339	0.3%	11.5%
Adjustments	(937)	-	(842)	-	-
Gross profit	45,921	41.9%	46,910	41.7%	2.2%
SG&A expenses	42,758	39.0%	44,310	39.4%	3.6%
Labor costs	24,539	22.4%	25,388	22.6%	3.5%
Depreciation	1,250	1.1%	1,319	1.2%	5.5%
Amortization of goodwill	1,132	1.0%	1,150	1.0%	1.6%
EBITDA	6,122	5.6%	5,600	5.0%	(8.5%)
Operating profit	3,163	2.9%	2,600	2.3%	(17.8%)
Community Pharmacy Network Segment	5,887	※ 5.6%	4,977	※ 4.7%	(15.5%)
Leasing and Facility related Segment	(92)	-	221	※ 5.9%	-
Meal Catering Segment	(65)	-	13	※ 0.6%	-
Home Visit Nursing Segment	(22)	-	(14)	-	-
Adjustments	(2,542)	-	(2,597)	-	-
Ordinary profit	3,355	3.1%	2,550	2.3%	(24.0%)
Profit attributable to owners of parent	1,610	1.5%	1,000	0.9%	(37.9%)

※ % of Segment sales



【 Contact us 】

MEDICAL SYSTEM NETWORK Co., Ltd.
Corporate Management Division

E-mail : info@msnw.co.jp