
MEDICAL SYSTEM NETWORK Co., Ltd.

Second Quarter of Fiscal Year Ending March 2024
Standard Market of Tokyo Stock Exchange; Securities Code: 4350

Data Book

(November 7, 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)

	FY3/2022 2nd Quarter 4/2021~9/2021	FY3/2023 2nd Quarter 4/2022~9/2022		FY3/2024 2nd Quarter 4/2023~9/2023	
				Change	Change
Net sales	52,169	53,340	1,170	56,461	3,121
(YoY)	2.2%	2.2%	—	5.9%	—
Community Pharmacy Network Segment	49,663	50,792	1,155	53,765	2,972
Leasing and Facility related Segment	1,536	1,673	146	1,687	14
Meal Catering Segment	1,166	1,135	(31)	1,189	54
Home Visit Nursing Segment	152	151	(1)	155	4
Adjustments	(350)	(412)	(55)	(336)	75
Cost of sales	30,307	31,024	716	33,008	1,983
(% of Net sales)	58.1%	58.2%	—	58.5%	—
Gross profit	21,861	22,315	453	23,453	1,137
(YoY)	6.6%	2.1%	—	5.1%	—
(% of Net sales)	41.9%	41.8%	—	41.5%	—
SG&A expenses	19,999	21,215	1,216	21,740	524
(% of Net sales)	38.3%	39.8%	—	38.5%	—
Labor costs	11,615	12,258	643	12,520	261
Depreciation	521	584	63	633	48
Amortization of goodwill	564	565	1	561	(3)
EBITDA	3,253	2,537	(716)	3,247	710
Operating profit	1,862	1,099	(762)	1,712	612
(YoY)	37.4%	(40.9%)	—	55.7%	—
(% of Net sales)	3.6%	2.1%	—	3.0%	—
Community Pharmacy Network Segment	2,885	2,384	(508)	※3 2,947	563
Leasing and Facility related Segment	32	(65)	(95)	※3 69	134
Meal Catering Segment	1	(33)	(34)	(23)	10
Home Visit Nursing Segment	(12)	(10)	2	(20)	(9)
Adjustments	(1,043)	(1,175)	(129)	(1,261)	(85)
Non-operating profit	520	325	(194)	179	(146)
Interest income and Dividend income	4	3	(1)	3	(0)
Other	※1 515	※2 322	(192)	176	(146)
Non-operating expenses	146	182	35	199	17
Interest expenses	95	138	43	157	18
Other	51	43	(7)	42	(1)
Ordinary profit	2,235	1,242	(992)	1,692	449
(YoY)	60.0%	(44.4%)	—	36.2%	—
(% of Net sales)	4.3%	2.3%	—	3.0%	—
Extraordinary income	113	7	(105)	22	15
Extraordinary losses	112	85	(27)	9	(75)
Profit before income taxes	2,236	1,165	(1,071)	1,705	540
Income taxes	812	653	(159)	839	186
Profit attributable to non-controlling interests	—	10	10	5	(4)
Profit attributable to owners of parent	1,431	502	(929)	861	359
(YoY)	147.2%	(64.9%)	—	71.5%	—
(% of Net sales)	2.7%	0.9%	—	1.5%	—

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

※2 Includes 114 million yen in subsidy income related to online qualification verification

※3 Transferring expenses related to the development of pharmacies from the Leasing and Equipment Related Business to the Community Pharmacy Business from FY3/2024. Transfer of expenses 78 million yen

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2022 2nd Quarter 4/2021~9/2021	FY3/2023 2nd Quarter 4/2022~9/2022	FY3/2024 2nd Quarter 4/2023~9/2023	
			Change	Change
Profit	1,424	512	(912)	866 354
Other comprehensive income	27	11	(15)	25 14
Valuation difference on available-for-sale securities	17	0	(17)	12 12
Deferred gains or losses on hedges	1	1	(0)	0 (1)
Remeasurements of defined benefit plans, net of tax	7	9	1	12 3
Comprehensive income	1,451	523	(928)	892 368
(YoY)	153.1%	(63.9%)	-	70.3% -
Comprehensive income attributable to owners of parent	1,458	513	(945)	887 373
Comprehensive income attributable to non-controlling interests	(6)	10	17	5 (4)

2. Consolidated Balance Sheet

(million yen)

	FY3/2023 2nd Quarter End of 9/2022	FY3/2023		FY3/2024	
		End of 3/2023	Change	End of 9/2023	Change
Total current assets	18,721	20,265	1,543	19,668	(596)
Cash and deposits	6,774	8,141	1,367	7,643	(497)
Accounts receivable - trade	3,328	3,437	108	3,676	239
Inventories	5,315	5,255	(60)	5,720	464
Other	3,304	3,431	127	2,628	(802)
Total non-current assets	45,402	45,958	555	46,586	628
Property, plant and equipment	26,307	27,060	752	28,128	1,068
Buildings and structures, net	13,257	13,164	(93)	13,285	121
Land	8,901	8,916	14	9,031	115
Leased assets	2,434	3,323	888	4,114	791
Construction in progress	151	165	13	145	(19)
Other	1,563	1,491	(71)	1,551	59
Intangible assets	12,292	11,807	(485)	11,272	(534)
Goodwill	11,689	11,183	(505)	10,622	(561)
Other	603	623	20	650	26
Investment and other assets	6,802	7,090	288	7,185	94
Investment securities	156	159	3	177	17
Guarantee deposits	3,067	3,222	154	3,303	81
Deferred tax assets	2,865	2,926	60	2,927	1
Other	712	783	70	777	(5)
Total assets	64,124	66,223	2,099	66,255	31
Total current liabilities	20,966	21,349	383	22,158	808
Accounts payable - trade	9,830	9,937	107	10,135	198
Short-term borrowings	1,516	1,016	(500)	1,136	120
Current portion of long-term borrowings	4,662	5,152	490	4,905	(247)
Lease obligations	162	209	47	390	181
Income taxes payable	603	600	(3)	687	86
Other	4,191	4,432	241	4,903	470
Total non-current liabilities	29,561	30,385	824	28,899	(1,486)
Long-term borrowings	20,592	20,226	(366)	17,843	(2,382)
Lease obligations	2,988	3,913	924	4,687	773
Provision for retirement benefits for directors (and other officers)	620	637	16	648	11
Retirement benefit liability	3,913	4,157	244	4,299	142
Other	1,445	1,451	5	1,420	(30)
Total liabilities	50,527	51,735	1,207	51,057	(677)
Shareholders' equity	13,665	14,590	925	15,268	677
Share capital	2,128	2,128	—	2,128	—
Capital surplus	1,182	1,182	—	1,182	—
Retained earnings	10,681	11,606	925	12,284	677
Treasury shares	(326)	(326)	—	(326)	—
Accumulated other comprehensive income	(97)	(139)	(42)	(113)	25
Non-controlling interests	28	37	9	42	5
Total net assets	13,596	14,488	892	15,197	708

3. Consolidated Statement of Cash Flows

(million yen)

	FY3/2022 2nd Quarter 4/2021~9/2021	FY3/2023 2nd Quarter 4/2022~9/2022	FY3/2024 2nd Quarter 4/2023~9/2023
Cash flows from operating activities	913	1,701	3,611
Profit before income taxes	2,236	1,165	1,705
Depreciation	827	872	972
Impairment loss	90	18	5
Amortization of goodwill	564	565	561
Increase (decrease) in provision	(44)	265	261
Loss(gain)on disposal of assets and valuation of securities	(96)	39	(21)
Interest and dividend income, Interest expenses	90	135	131
Decrease (increase) in notes and accounts receivable - trade	(7)	(437)	(239)
Decrease (increase) in inventories	(531)	(456)	(470)
Increase (decrease) in notes and accounts payable - trade	1	150	198
Increase (decrease) in accrued consumption taxes	45	(98)	772
Other	(281)	190	506
Subtotal	2,893	2,410	4,385
Interest and dividend income received, interest expenses paid	(90)	(136)	(130)
Income taxes paid	(1,889)	(572)	(644)
Cash flows from investing activities	(832)	(902)	(1,209)
Purchase of tangible fixed assets	(927)	(670)	(968)
Proceeds from sales of tangible fixed assets	19	22	0
Purchase of intangible fixed assets	(112)	(156)	(122)
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	11	—	31
Payments for guarantee deposits	(54)	(49)	(132)
Proceeds from collection of guarantee deposits	18	30	35
Other	41	(78)	(54)
Cash flows from financing activities	(1,982)	(2,226)	(2,899)
Net increase (decrease) in short-term loans payable	498	500	120
Repayments of long-term loans payable	(2,195)	(2,392)	(2,630)
Repayments of lease obligations	(134)	(120)	(205)
Cash dividends paid	(152)	(213)	(182)
Net increase (decrease) in cash and cash equivalents	(1,902)	(1,427)	(497)
Cash and cash equivalents at beginning of period	10,088	8,171	8,111
Cash and cash equivalents at end of period	8,185	6,743	7,613

4. Key Financial Indicators (consolidated)

	FY3/2023 2nd Quarter 4/2022~9/2022	FY3/2023 4/2022~3/2023	FY3/2024 2nd Quarter 4/2023~9/2023
No. of Shares outstanding (including treasury stocks)	30,642,600	30,642,600	30,642,600
No. of Shares outstanding (excluding treasury stocks)	30,178,545	30,178,545	30,178,545
Stock price as of the end of the period (yen)	395	400	408
Market cap (million yen)	11,920	12,071	12,312
E P S (yen)	16.64	53.38	28.54
B P S (yen)	449.60	478.86	502.18
P E R (times)	—	7.5	—
P B R (times)	0.9	0.8	0.8
R O E (%)	—	11.6	—
R O A (%)	—	5.2	—
Equity ratio (%)	21.2	21.8	22.9

5. Dividends

<plan>

	FY3/2022	FY3/2023	FY3/2024
Annual dividend (yen)	12.00	12.00	12.00
Interim (yen)	5.00	6.00	6.00
Year-end (yen)	7.00	6.00	6.00
Total dividends (million yen)	366	366	366
Payout ratio (%)	15.1	22.5	21.9
Dividend yield (%)	2.2	3.0	2.9

6. No. of Employees (consolidated)

(persons)

	FY3/2023 2nd Quarter End of 9/2022	FY3/2023 End of 3/2023		FY3/2024 2nd Quarter End of 9/2023	
			change		change
Community Pharmacy Network Segment	3,692	3,657	(35)	3,741	83
Full-time employees	3,194	3,145	(49)	3,231	86
(Pharmacists)	1,543	1,488	(55)	1,555	67
Temporary employees	498	512	14	510	(3)
(Pharmacists)	280	287	7	288	1
Leasing and Facility related Segment	153	148	(5)	152	4
Full-time employees	138	134	(4)	140	6
Temporary employees	15	14	(1)	12	(2)
Meal Catering Segment	433	418	(16)	406	(12)
Full-time employees	179	168	(11)	167	(1)
Temporary employees	254	250	(5)	239	(11)
Home Visit Nursing Segment	51	50	0	57	7
Full-time employees	39	38	(1)	44	6
Temporary employees	12	12	1	13	1
Corporate	144	144	0	152	7
Full-time employees	134	134	0	139	5
Temporary employees	10	10	0	13	2
Total	4,473	4,417	(56)	4,507	90
Full-time employees	3,684	3,619	(65)	3,721	102
Temporary employees	789	798	9	786	(12)

※The number of full-time employees is as of the end of each fiscal year. The number of temporary employees is yearly average number of persons employed based on 8-hour conversion.

7. Community Pharmacy Network Segment

(1) Community Pharmacy Business

①No.of pharmacies

	FY3/2022				FY3/2023				FY3/2024			
	4/2021~3/2022				4/2022~3/2023				2nd Quarter 4/2023~9/2023			
	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	12	3	6	425	8	2	7	428	8	—	2	434
Hokkaido area	4	1	1	124	2	—	4	122	2	—	1	123
Tohoku area	1	—	—	24	—	—	—	24	1	—	—	25
Kanto/Koshinetsu area	3	2	1	96	3	2	—	101	2	—	—	103
Tokai/Hokuriku area	1	—	2	44	—	—	—	44	—	—	—	44
Kinki area	—	—	2	53	3	—	3	53	1	—	1	53
Chugoku/Shikoku area	—	—	—	21	—	—	—	21	—	—	—	21
Kyushu area	3	—	—	63	—	—	—	63	2	—	—	65
Care plan centers	—	—	—	1	—	—	—	1	—	—	—	1
Drug/cosmetic stores	—	—	—	9	—	—	—	9	1	—	—	10

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

	FY3/2022		FY3/2023		FY3/2024		
	2nd Quarter 4/2021~9/2021		2nd Quarter 4/2022~9/2022		2nd Quarter 4/2023~9/2023		
			Change	Change(%)	Change	Change(%)	
No. of prescriptions(a)(1,000)	4,367	4,517	149	3.4%	4,777	260	5.8%
Unit price(b) (yen)	10,254	10,061	(193)	(1.9%)	10,033	(28)	(0.3%)
Drug charge per prescription	7,819	7,634	(185)	(2.4%)	7,687	54	0.7%
Technical fee per prescription	2,435	2,427	(8)	(0.3%)	2,346	(81)	(3.3%)
Dispensing fee(a)×(b)(million yen)	44,784	45,448	663	1.5%	47,935	2,487	5.5%

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

(million yen)

	FY3/2023		FY3/2024		Change
	2nd Quarter 4/2022~9/2022		2nd Quarter 4/2023~9/2023		
		% of Net sales		% of Net sales	
Dispensing fee	45,448	100.0%	47,935	100.0%	2,487
Existing pharmacies (Openings~2022.3)	44,737	98.4%	46,383	96.7%	1,645
New openings (4/2022~3/2023)	489	1.0%	1,121	2.3%	632
M&A (4/2022~3/2023)	—	—	287	0.6%	287
New openings (4/2023~9/2023)	—	—	111	0.2%	111
M&A (4/2023~9/2023)	—	—	—	—	—
Closings / Transfers	222	0.4%	31	0.0%	(190)

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

(%)

All pharmacies (YoY)	4/2023	5/2023	6/2023	7/2023	8/2023	9/2023	FY3/2024 1st half total
	Dispensing fee	0.7	8.3	5.8	6.2	6.4	
No. of prescriptions	1.2	9.6	9.2	6.1	2.7	5.9	5.8
Unit price	(0.5)	(1.2)	(3.2)	0.1	3.5	(0.2)	(0.3)

Existing pharmacies (YoY)	4/2023	5/2023	6/2023	7/2023	8/2023	9/2023	FY3/2024 1st half total
	Dispensing fee	(0.8)	6.9	3.9	4.2	4.2	
No. of prescriptions	0.0	8.5	7.5	4.1	0.6	3.8	4.0
Unit price	(0.8)	(1.4)	(3.3)	0.2	3.7	0.0	(0.3)

※Existing pharmacies definition :Pharmacies that have been continuously open since April 1,2022 for the current FY

(2) Pharmaceutical Network Business

① No. of Network affiliates

Attribute Area	FY3/2023(End of 3/2023)			FY3/2024(End of 9/2023)		
	MSNW community pharmacies	General network affiliates	Total	MSNW community pharmacies	General network affiliates	Total
Hokkaido	122	219	341	123	230	353
Tohoku	24	619	643	25	646	671
Kanto/Koshinetsu	101	2,641	2,742	103	2,786	2,889
Tokai/Hokuriku	44	1,444	1,488	44	1,549	1,593
Kinki	53	1,412	1,465	53	1,484	1,537
Chugoku/Shikoku	21	902	923	21	927	948
Kyushu/Okinawa	63	1,247	1,310	65	1,318	1,383
Total	428	8,484	8,912	434	8,940	9,374

② Ordering volume of pharmaceuticals

(million yen)

	FY3/2022 4/2021~9/2021	FY3/2023 4/2022~9/2022		FY3/2024 4/2023~9/2023			
		Change	Change(%)	Change	Change(%)		
Ordering volume of pharmaceuticals	215,041	249,358	34,317	16.0%	303,527	54,168	21.7%

4. Consolidated Earnings Forecast

(million yen)

	FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024		
	Results	% of Net sales	Forecast ※1	% of Net sales	(YoY)
Net sales	109,551	100.0%	113,800	100.0%	3.9%
Community Pharmacy Network Segment	104,399	95.3%	108,391	95.2%	3.8%
Leasing and Facility related Segment	3,494	3.2%	3,440	3.0%	(1.6%)
Meal Catering Segment	2,289	2.1%	2,354	2.1%	2.8%
Home Visit Nursing Segment	304	0.3%	325	0.3%	7.0%
Adjustments	(937)	-	(712)	-	-
Gross profit	45,921	41.9%	47,623	41.8%	3.7%
SG&A expenses	42,758	39.0%	44,123	38.8%	3.2%
Labor costs	24,539	22.4%	25,186	22.1%	2.6%
Depreciation	1,250	1.1%	1,395	1.2%	11.6%
Amortization of goodwill	1,132	1.0%	1,137	1.0%	0.4%
EBITDA	6,122	5.6%	6,600	5.8%	7.8%
Operating profit	3,163	2.9%	3,500	3.1%	10.6%
Community Pharmacy Network Segment	5,887	※2 5.6%	6,021	※2 5.6%	2.3%
Leasing and Facility related Segment	(92)	-	170	※2 5.0%	-
Meal Catering Segment	(65)	-	(27)	-	-
Home Visit Nursing Segment	(22)	-	(28)	-	-
Adjustments	(2,542)	-	(2,636)	-	-
Ordinary profit	3,355	3.1%	3,450	3.0%	2.8%
Profit attributable to owners of parent	1,610	1.5%	1,650	1.4%	2.4%

※1 Upwardly revised full-year forecasts on November 7, 2023

※2 % of Segment sales



【 Contact us 】

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