

MEDICAL SYSTEM NETWORK Co., Ltd.

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

Data Book

(February 6, 2024)



Table of Contents

1. Consolidated Statement of Income and Comprehensive Income	• • • 1
(1) Consolidated Statement of Income	
(2) Consolidated Statement of Comprehensive Income	
2. Consolidated Balance Sheet	• • • 3
3. Community Pharmacy Network Segment	• • • 4
(1) Community Pharmacy Business	
(2) Pharmaceutical Network Business	
4. Consolidated Earnings Forecast	• • • 6

■ 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)

	FY3/2022 3rd Quarter 4/2021~12/2021	FY3/2023 3rd Quarter 4/2022~12/2022		FY3/2024 3rd Quarter 4/2023~12/2023	
			Change		Change
Net sales	79,868	81,878	2,009	86,175	4,297
(YoY)	2.2%	2.5%	—	5.2%	—
Community Pharmacy Network Segment	75,986	78,078	2,092	82,105	4,027
Leasing and Facility related Segment	2,461	2,448	(12)	2,560	111
Meal Catering Segment	1,752	1,701	(51)	1,781	80
Home Visit Nursing Segment	232	228	(3)	237	8
Adjustments	(563)	(579)	(15)	(510)	69
Cost of sales	46,425	47,591	1,165	50,292	2,701
(% of Net sales)	58.1%	58.1%	—	58.4%	—
Gross profit	33,443	34,287	843	35,882	1,595
(YoY)	5.6%	2.5%	—	4.7%	—
(% of Net sales)	41.9%	41.9%	—	41.6%	—
SG&A expenses	30,379	31,942	1,563	32,813	870
(% of Net sales)	38.0%	39.0%	—	38.1%	—
Labor costs	17,457	18,349	892	18,776	426
Depreciation	807	901	94	982	81
Amortization of goodwill	845	847	2	846	(1)
EBITDA	5,173	4,525	(648)	5,406	880
Operating profit	3,063	2,344	(719)	3,069	725
(YoY)	10.5%	(23.5%)	—	30.9%	—
(% of Net sales)	3.8%	2.9%	—	3.6%	—
Community Pharmacy Network Segment	4,663	4,299	(364)	※3 4,965	666
Leasing and Facility related Segment	53	(97)	(150)	※3 129	226
Meal Catering Segment	7	(55)	(63)	(24)	31
Home Visit Nursing Segment	(10)	(14)	(3)	(30)	(15)
Adjustments	(1,650)	(1,787)	(136)	(1,970)	(183)
Non-operating profit	647	423	(223)	275	(147)
Interest income and Dividend income	6	5	(1)	5	(0)
Other	※1 641	※2 418	(222)	270	(147)
Non-operating expenses	225	268	42	300	31
Interest expenses	140	206	66	221	15
Other	85	62	(23)	78	16
Ordinary profit	3,485	2,499	(985)	3,044	545
(YoY)	25.8%	(28.3%)	—	21.8%	—
(% of Net sales)	4.4%	3.1%	—	3.5%	—
Extraordinary income	131	7	(123)	41	33
Extraordinary losses	136	103	(32)	31	(72)
Profit before income taxes	3,480	2,403	(1,077)	3,054	651
Income taxes	1,353	1,194	(159)	1,352	158
Profit attributable to non-controlling interests	(18)	14	32	8	(6)
Profit attributable to owners of parent	2,144	1,195	(949)	1,693	498
(YoY)	6.5%	(44.3%)	—	41.7%	—
(% of Net sales)	2.7%	1.5%	—	2.0%	—

※1 Includes subsidy income related with COVID-19 of 398 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 110 million yen

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2022 3rd Quarter 4/2021~12/2021	FY3/2023 3rd Quarter 4/2022~12/2022	FY3/2024 3rd Quarter 4/2023~12/2023	
			Change	Change
Profit	2,126	1,209	(917)	1,701 492
Other comprehensive income	29	26	(2)	29 2
Valuation difference on available-for-sale securities	14	5	(8)	11 5
Deferred gains or losses on hedges	2	6	3	(1) (7)
Remeasurements of defined benefit plans, net of tax	11	14	2	19 4
Comprehensive income	2,155	1,235	(919)	1,730 494
(YoY)	7.6%	(42.7%)	–	40.0% –
Comprehensive income attributable to owners of parent	2,173	1,221	(951)	1,722 500
Comprehensive income attributable to non-controlling interests	(18)	14	32	8 (6)

2. Consolidated Balance Sheet

(million yen)

	FY3/2023 3rd Quarter End of 12/2022	FY3/2023		FY3/2024	
		End of 3/2023	Change	3rd Quarter End of 12/2023	Change
Total current assets	22,893	20,265	(2,628)	21,024	758
Cash and deposits	9,594	8,141	(1,452)	8,536	395
Accounts receivable - trade	3,866	3,437	(429)	3,198	(238)
Inventories	6,042	5,255	(787)	6,458	1,203
Other	3,391	3,431	40	2,830	(601)
Total non-current assets	45,626	45,958	331	46,479	521
Property, plant and equipment	26,838	27,060	221	28,159	1,099
Buildings and structures, net	13,280	13,164	(116)	13,185	21
Land	8,929	8,916	(12)	9,139	223
Leased assets	2,938	3,323	385	4,023	700
Construction in progress	138	165	26	313	148
Other	1,552	1,491	(60)	1,497	5
Intangible assets	12,151	11,807	(344)	11,238	(568)
Goodwill	11,527	11,183	(344)	10,558	(625)
Other	623	623	(0)	679	56
Investment and other assets	6,636	7,090	454	7,081	(9)
Investment securities	164	159	(4)	174	15
Guarantee deposits	3,119	3,222	102	3,327	105
Deferred tax assets	2,566	2,926	359	2,788	(137)
Other	786	783	(3)	790	7
Total assets	68,520	66,223	(2,296)	67,503	1,279
Total current liabilities	24,341	21,349	(2,992)	23,736	2,386
Accounts payable - trade	12,300	9,937	(2,363)	11,911	1,973
Short-term borrowings	2,664	1,016	(1,648)	1,847	831
Current portion of long-term	4,871	5,152	281	4,703	(448)
Lease obligations	188	209	21	391	181
Income taxes payable	104	600	496	384	(215)
Other	4,212	4,432	220	4,497	64
Total non-current liabilities	30,053	30,385	331	28,159	(2,226)
Long-term borrowings	20,441	20,226	(215)	17,113	(3,112)
Lease obligations	3,514	3,913	398	4,588	675
Provision for retirement benefits for directors (and other officers)	630	637	6	657	20
Retirement benefit liability	3,998	4,157	158	4,387	229
Other	1,468	1,451	(16)	1,412	(39)
Total liabilities	54,395	51,735	(2,660)	51,896	160
Shareholders' equity	14,174	14,590	415	15,672	1,081
Share capital	2,128	2,128	—	2,128	—
Capital surplus	1,182	1,182	—	937	(245)
Retained earnings	11,190	11,606	415	12,933	1,326
Treasury shares	(326)	(326)	—	(326)	—
Accumulated other comprehensive income	(81)	(139)	(57)	(110)	29
Non-controlling interests	32	37	5	45	8
Total net assets	14,125	14,488	363	15,607	1,118

3. Community Pharmacy Network Segment

(1) Community Pharmacy Business

①No.of pharmacies

	FY3/2022				FY3/2023				FY3/2024 3rd Quarter			
	4/2021~3/2022				4/2022~3/2023				4/2023~12/2023			
	Openings	M & A	Closings Transfers	No.of outlets	Openings	M & A	Closings Transfers	No.of outlets	Openings	M & A	Closings Transfers	No.of outlets
No.of pharmacies	12	3	6	425	8	2	7	428	9	3	4	436
Hokkaido area	4	1	1	124	2	—	4	122	2	—	2	122
Tohoku area	1	—	—	24	—	—	—	24	1	—	—	25
Kanto/Koshinetsu area	3	2	1	96	3	2	—	101	3	1	—	105
Tokai/Hokuriku area	1	—	2	44	—	—	—	44	—	—	—	44
Kinki area	—	—	2	53	3	—	3	53	1	—	2	52
Chugoku/Shikoku area	—	—	—	21	—	—	—	21	—	—	—	21
Kyushu area	3	—	—	63	—	—	—	63	2	2	—	67
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			
	3rd Quarter	3rd Quarter		3rd Quarter			
	4/2021~12/2021	4/2022~12/2022		4/2023~12/2023			
		Change	Change(%)	Change	Change(%)		
No.of prescriptions(a)(1,000)	6,625	6,828	203	3.1%	7,266	437	6.4%
Unit price(b) (yen)	10,309	10,173	(135)	(1.3%)	10,070	(103)	(1.0%)
Drug charge per prescription	7,882	7,733	(149)	(1.9%)	7,709	(24)	(0.3%)
Technical fee per prescription	2,426	2,440	14	0.6%	2,361	(79)	(3.3%)
Dispensing fee(a)×(b)(million yen)	68,296	69,472	1,175	1.7%	73,168	3,695	5.3%

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

(million yen)

	FY3/2023		FY3/2024		
	3rd Quarter		3rd Quarter		
	4/2022~12/2022		4/2023~12/2023		Change
		% of Net sales	% of Net sales		
Dispensing fee	69,472	100.0%	73,168	100.0%	3,695
Existing pharmacies (Openings~2022.3)	68,227	98.2%	70,481	96.3%	2,254
New openings (4/2022~3/2023)	875	1.2%	1,787	2.4%	911
M&A (4/2022~3/2023)	—	—	437	0.5%	437
New openings (4/2023~12/2023)	—	—	243	0.3%	243
M&A (4/2023~12/2023)	—	—	124	0.1%	124
Closings / Transfers	369	0.5%	93	0.1%	(275)

④Monthly dispensing fee(YoY) (%)

All pharmacies (YoY)	4/2023	5/2023	6/2023	7/2023	8/2023	9/2023	FY3/2024 1st half total	10/2023	11/2023	12/2023
Dispensing fee	0.7	8.3	5.8	6.2	6.4	5.7	5.5	6.9	2.6	5.7
No.of prescriptions	1.2	9.6	9.2	6.1	2.7	5.9	5.8	8.8	5.5	8.6
Unit price	(0.5)	(1.2)	(3.2)	0.1	3.5	(0.2)	(0.3)	(1.8)	(2.8)	(2.7)

Existing pharmacies (YoY)	4/2023	5/2023	6/2023	7/2023	8/2023	9/2023	FY3/2024 1st half total	10/2023	11/2023	12/2023
Dispensing fee	(0.8)	6.9	3.9	4.2	4.2	3.8	3.7	4.5	0.1	3.2
No.of prescriptions	(0.0)	8.4	7.4	4.0	0.5	3.7	4.0	6.2	2.6	5.6
Unit price	(0.8)	(1.4)	(3.3)	0.2	3.7	0.1	(0.3)	(1.6)	(2.4)	(2.3)

※Definition of existing pharmacies in the chart above :Pharmacies that have been continuously open since April 1,2022

(2) Pharmaceutical Network Business

①No.of Network affiliates

Attribute Area	FY3/2023 (End of 3/2023)			FY3/2024 (End of 12/2023)		
	MSNW community pharmacies	General network affiliates	Total	MSNW community pharmacies	General network affiliates	Total
Hokkaido	122	219	341	122	235	357
Tohoku	24	619	643	25	658	683
Kanto/Koshinetsu	101	2,641	2,742	105	2,824	2,929
Tokai/Hokuriku	44	1,444	1,488	44	1,562	1,606
Kinki	53	1,412	1,465	52	1,502	1,554
Chugoku/Shikoku	21	902	923	21	938	959
Kyushu/Okinawa	63	1,247	1,310	67	1,348	1,415
Total	428	8,484	8,912	436	9,067	9,503

②Ordering volume of pharmaceuticals

(million yen)

	FY3/2022 3rd Quarter 4/2021~12/2021	FY3/2023 3rd Quarter 4/2022~12/2022		FY3/2024 3rd Quarter 4/2023~12/2023			
		Change	Change(%)	Change	Change(%)		
Ordering volume of pharmaceuticals	335,816	391,477	55,661	16.6%	465,073	73,596	18.8%

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 】

MEDICAL SYSTEM NETWORK Co., Ltd.
Corporate Management Division

E-mail : info@msnw.co.jp