

MEDICAL SYSTEM NETWORK Co., Ltd.

Fiscal Year Ending March 2024

Standard Market of Tokyo Stock Exchange; Securities Code: 4350

Data Book

(May 10, 2024)



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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 4/2021~3/2022	FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024	
			Change		Change
Net sales	106,685	109,551	2,866	115,361	5,809
(YoY)	2.3%	2.7%	—	5.3%	—
Community Pharmacy Network Segment	101,457	104,399	2,941	109,904	5,504
Leasing and Facility related Segment	3,326	3,494	168	3,611	116
Meal Catering Segment	2,322	2,289	(33)	2,360	70
Home Visit Nursing Segment	305	304	(0)	314	9
Adjustments	(727)	(937)	(209)	(828)	108
Cost of sales	62,256	63,629	1,373	67,435	3,805
(% of Net sales)	58.4%	58.1%	—	58.5%	—
Gross profit	44,429	45,921	1,492	47,925	2,004
(YoY)	4.8%	3.4%	—	4.4%	—
(% of Net sales)	41.6%	41.9%	—	41.5%	—
SG&A expenses	40,576	42,758	2,181	44,093	1,334
(% of Net sales)	38.0%	39.0%	—	38.2%	—
Labor costs	23,252	24,539	1,287	25,279	739
Depreciation	1,116	1,250	134	1,356	105
Amortization of goodwill	1,128	1,132	3	1,132	—
EBITDA	6,708	6,122	(586)	6,997	875
Operating profit	3,852	3,163	(688)	3,832	669
(YoY)	12.3%	(17.9%)	—	21.1%	—
(% of Net sales)	3.6%	2.9%	—	3.3%	—
Community Pharmacy Network Segment	6,117	5,887	(229)	※2 6,433	546
Leasing and Facility related Segment	39	(92)	(132)	※2 158	250
Meal Catering Segment	1	(65)	(66)	(43)	22
Home Visit Nursing Segment	(12)	(22)	(10)	(43)	(21)
Adjustments	(2,293)	(2,542)	(248)	(2,671)	(129)
Non-operating profit	758	550	(208)	384	(165)
Interest income and Dividend income	7	5	(1)	5	(0)
Other	※1 750	544	(206)	378	(165)
Non-operating expenses	296	358	61	392	33
Interest expenses	183	277	93	288	11
Other	113	81	(32)	103	22
Ordinary profit	4,313	3,355	(957)	3,825	469
(YoY)	24.0%	(22.2%)	—	14.0%	—
(% of Net sales)	4.0%	3.1%	—	3.3%	—
Extraordinary income	146	7	(138)	119	112
Extraordinary losses	447	343	(103)	493	150
Profit before income taxes	4,012	3,019	(992)	3,451	431
Income taxes	1,624	1,389	(234)	1,579	190
Profit attributable to non-controlling interests	(5)	19	24	10	(8)
Profit attributable to owners of parent	2,394	1,610	(783)	1,860	250
(YoY)	8.9%	(32.7%)	—	15.5%	—
(% of Net sales)	2.2%	1.5%	—	1.6%	—

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

※2 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 147 million yen

(2) Consolidated Statement of Comprehensive Income

(million yen)

	FY3/2022 4/2021~3/2022	FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024	
			Change		Change
Profit	2,388	1,630	(758)	1,871	241
Other comprehensive income	(1)	(30)	(28)	26	57
Valuation difference on available-for-sale securities	17	4	(12)	21	17
Deferred gains or losses on hedges	4	1	(2)	(0)	(1)
Remeasurements of defined benefit plans, net of tax	(23)	(37)	(13)	5	42
Comprehensive income	2,386	1,599	(787)	1,898	299
(YoY)	8.9%	(33.0%)	—	18.7%	—
Comprehensive income attributable to owners of parent	2,392	1,580	(812)	1,887	307
Comprehensive income attributable to non-controlling interests	(5)	19	24	10	(8)

2. Consolidated Balance Sheet

(million yen)

	FY3/2022 End of 3/2022	FY3/2023 End of 3/2023		FY3/2024 End of 3/2024	
			Change		Change
Total current assets	18,701	20,265	1,564	20,773	507
Cash and deposits	8,201	8,141	(59)	8,273	131
Accounts receivable - trade	2,891	3,437	545	4,239	802
Inventories	4,858	5,255	396	5,541	286
Other	2,750	3,431	681	2,718	(712)
Total non-current assets	44,239	45,958	1,718	47,376	1,418
Property, plant and equipment	24,624	27,060	2,436	28,336	1,276
Buildings and structures, net	13,408	13,164	(244)	12,996	(167)
Land	8,847	8,916	68	9,290	374
Leased assets	520	3,323	2,802	4,184	861
Construction in progress	202	165	(37)	325	160
Other	1,645	1,491	(153)	1,539	47
Intangible assets	12,767	11,807	(960)	11,281	(525)
Goodwill	12,254	11,183	(1,070)	10,613	(570)
Other	513	623	110	668	44
Investment and other assets	6,848	7,090	242	7,759	668
Investment securities	155	159	3	184	24
Guarantee deposits	3,052	3,222	169	3,419	197
Deferred tax assets	2,894	2,926	31	3,339	413
Other	745	783	37	815	32
Total assets	62,941	66,223	3,282	68,149	1,926
Total current liabilities	20,435	21,349	913	23,213	1,864
Accounts payable - trade	9,680	9,937	257	10,935	997
Short-term borrowings	1,016	1,016	—	588	(428)
Current portion of long-term	4,756	5,152	395	5,122	(29)
Lease obligations	163	209	45	406	197
Income taxes payable	617	600	(17)	999	399
Other	4,201	4,432	231	5,160	727
Total non-current liabilities	29,219	30,385	1,166	29,716	(669)
Long-term borrowings	22,891	20,226	(2,664)	18,309	(1,916)
Lease obligations	740	3,913	3,173	4,754	841
Provision for retirement benefits for directors (and other officers)	600	637	36	691	54
Retirement benefit liability	3,752	4,157	404	4,534	376
Other	1,234	1,451	217	1,426	(25)
Total liabilities	49,654	51,735	2,080	52,930	1,195
Shareholders' equity	13,377	14,590	1,213	15,284	693
Share capital	2,128	2,128	—	2,128	—
Capital surplus	1,182	1,182	—	937	(245)
Retained earnings	10,393	11,606	1,213	13,100	1,493
Treasury shares	(326)	(326)	—	(882)	(555)
Accumulated other comprehensive income	(108)	(139)	(30)	(112)	26
Non-controlling interests	17	37	19	47	10
Total net assets	13,286	14,488	1,201	15,219	730

3. Consolidated Statement of Cash Flows

(million yen)

	FY3/2022 4/2021~3/2022	FY3/2023 4/2022~3/2023	FY3/2024 4/2023~3/2024
Cash flows from operating activities	4,010	4,973	7,725
Profit before income taxes	4,012	3,019	3,451
Depreciation	1,727	1,825	2,031
Impairment loss	392	247	426
Amortization of goodwill	1,128	1,132	1,132
Increase (decrease) in provision	178	433	601
Loss(gain)on disposal of assets and valuation of securities	(114)	50	(22)
Interest and dividend income, Interest expenses	176	271	259
Decrease (increase) in notes and accounts receivable - trade	(214)	(505)	(421)
Decrease (increase) in inventories	(406)	(377)	(192)
Increase (decrease) in notes and accounts payable - trade	400	211	735
Other	(228)	231	1,244
Subtotal	7,053	6,539	9,248
Interest and dividend income received, interest expenses paid	(176)	(272)	(259)
Income taxes paid	(2,866)	(1,294)	(1,263)
Cash flows from investing activities	(2,511)	(2,114)	(3,649)
Payments into time deposits	(0)	(0)	—
Purchase of tangible fixed assets	(1,934)	(1,373)	(1,862)
Proceeds from sales of tangible fixed assets	33	30	97
Purchase of intangible fixed assets	(194)	(234)	(248)
Proceeds from sales of investment securities	379	—	6
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(209)	(54)	(728)
Payments for acquisition of businesses	(293)	(80)	(501)
Proceeds from sale of businesses	90	4	43
Payments for guarantee deposits	(401)	(296)	(308)
Proceeds from collection of guarantee deposits	65	110	63
Other	(54)	(95)	(168)
Cash flows from financing activities	(3,415)	(2,918)	(3,944)
Net increase (decrease) in short-term loans payable	(2,901)	—	(428)
Proceeds from long-term loans payable	6,100	3,200	3,500
Repayments of long-term loans payable	(6,067)	(5,469)	(5,446)
Repayments of lease obligations	(241)	(253)	(403)
Purchase of treasury shares	—	—	(555)
Cash dividends paid	(304)	(395)	(365)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	—	(245)
Net increase (decrease) in cash and cash equivalents	(1,916)	(59)	131
Cash and cash equivalents at beginning of period	10,088	8,171	8,111
Cash and cash equivalents at end of period	8,171	8,111	8,242

4. Key Financial Indicators (consolidated)

	FY3/2022 4/2021~3/2022	FY3/2023 4/2022~3/2023	FY3/2024 4/2023~3/2024
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	29,228,545
Stock price as of the end of the period (yen)	547	400	665
Market cap (million yen)	16,507	12,071	19,436
E P S (yen)	79.35	53.38	61.89
B P S (yen)	439.67	478.86	519.06
P E R (times)	6.9	7.5	10.7
P B R (times)	1.2	0.8	1.3
R O E (%)	19.60	11.6	12.6
R O A (%)	6.8	5.2	5.7
Equity ratio (%)	21.1	21.8	22.3

5. Dividends

<Forecast>

	FY3/2022	FY3/2023	FY3/2024	FY/2025
Annual dividend (yen)	12.00	12.00	12.00	12.00
Interim (yen)	5.00	6.00	6.00	6.00
Year-end (yen)	7.00	6.00	6.00	6.00
Total dividends (million yen)	366	366	361	355
Payout ratio (%)	15.1	22.5	19.4	17.5
Dividend yield (%)	2.2	3.0	1.8	—

6. No. of Employees (consolidated)

(persons)

	FY3/2022 End of 3/2022	FY3/2023 End of 3/2023		FY3/2024 End of 3/2024	
			change		change
Community Pharmacy Network Segment	3,528	3,657	129	3,794	137
Full-time employees	3,031	3,145	114	3,267	122
(Pharmacists)	1,459	1,488	29	1,529	41
Temporary employees	497	512	15	527	15
(Pharmacists)	279	287	8	296	9
Leasing and Facility related Segment	146	148	2	146	(2)
Full-time employees	130	134	4	134	0
Temporary employees	16	14	(2)	12	(2)
Meal Catering Segment	441	418	(24)	398	(20)
Full-time employees	185	168	(17)	160	(8)
Temporary employees	256	250	(7)	238	(12)
Home Visit Nursing Segment	50	50	0	59	9
Full-time employees	37	38	1	46	8
Temporary employees	13	12	(1)	13	1
Corporate	140	144	4	149	5
Full-time employees	131	134	3	137	3
Temporary employees	9	10	1	12	2
Total	4,306	4,417	111	4,546	129
Full-time employees	3,514	3,619	105	3,744	125
Temporary employees	792	798	6	802	4

※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

	FY3/2022 4/2021~3/2022				FY3/2023 4/2022~3/2023				FY3/2024 4/2023~3/2024			
	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	13	18	9	450
Hokkaido area	4	1	1	124	2	—	4	122	3	—	5	120
Tohoku area	1	—	—	24	—	—	—	24	1	7	—	32
Kanto/Koshinetsu area	3	2	1	96	3	2	—	101	5	1	2	105
Tokai/Hokuriku area	1	—	2	44	—	—	—	44	—	—	—	44
Kinki area	—	—	2	53	3	—	3	53	1	—	2	52
Chugoku/Shikoku area	—	—	—	21	—	—	—	21	1	—	—	22
Kyushu area	3	—	—	63	—	—	—	63	2	10	—	75
Care plan centers	—	—	—	1	—	—	—	1	—	—	—	1
Drug/cosmetic stores	—	—	—	9	—	—	—	9	1	—	1	9

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

	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024	
			Change	Change(%)	Change	Change(%)
No. of prescriptions(a)(1,000)	8,746	9,088	342	3.9%	9,640	551 6.1%
Unit price(b) (yen)	10,410	10,236	(175)	(1.7%)	10,141	(95) (0.9%)
Drug charge per prescription	7,984	7,789	(195)	(2.4%)	7,773	(16) (0.2%)
Technical fee per prescription	2,426	2,446	20	0.8%	2,368	(79) (3.2%)
Dispensing fee(a)×(b)(million yen)	91,056	93,029	1,973	2.2%	97,765	4,735 5.1%

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

(million yen)

	FY3/2023 4/2022~3/2023		FY3/2024 4/2023~3/2024	
	% of Net sales	% of Net sales	Change	
Dispensing fee	93,029	100.0%	97,765	100.0% 4,735
Existing pharmacies (Openings~2022.3)	90,952	97.8%	93,742	95.9% 2,790
New openings (4/2022~3/2023)	1,317	1.4%	2,473	2.5% 1,155
M&A (4/2022~3/2023)	111	0.1%	594	0.6% 483
New openings (4/2023~9/2023)	—	—	413	0.4% 413
M&A (4/2023~9/2023)	—	—	296	0.3% 296
Closings / Transfers	649	0.7%	245	0.3% (403)

④ Monthly 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	10/2023	11/2023	12/2023	1/2024	2/2024	3/2024	FY3/2024 2nd half total	FY3/2024 Total
Dispensing fee	0.7	8.3	5.8	6.2	6.4	5.7	5.5	6.9	2.6	5.7	6.1	8.9	(0.8)	4.7	5.1
No. of prescriptions	1.2	9.6	9.2	6.1	2.7	5.9	5.8	8.8	5.5	8.6	7.9	8.7	(0.4)	6.4	6.1
Unit price	(0.5)	(1.2)	(3.2)	0.1	3.5	(0.2)	(0.3)	(1.8)	(2.8)	(2.7)	(1.6)	0.2	(0.4)	(1.6)	(0.9)

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	1/2024	2/2024	3/2024	FY3/2024 2nd half total	FY3/2024 Total
Dispensing fee	(0.8)	6.9	3.9	4.2	4.3	3.8	3.7	4.5	0.1	3.3	3.6	6.7	(2.6)	2.5	3.1
No. of prescriptions	0.0	8.5	7.5	4.0	0.6	3.8	4.0	6.3	2.7	5.7	5.1	6.0	(3.1)	3.7	3.8
Unit price	(0.8)	(1.4)	(3.3)	0.2	3.7	0.0	(0.3)	(1.7)	(2.5)	(2.3)	(1.4)	0.6	0.5	(1.1)	(0.7)

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

(2) Pharmaceutical Network Business

①No.of Network affiliates

Attribute Area	FY3/2023(End of 3/2023)			FY3/2024(End of 3/2024)		
	MSNW community pharmacies	General network affiliates	Total	MSNW community pharmacies	General network affiliates	Total
Hokkaido	122	219	341	120	240	360
Tohoku	24	619	643	32	655	687
Kanto/Koshinetsu	101	2,641	2,742	105	2,908	3,013
Tokai/Hokuriku	44	1,444	1,488	44	1,594	1,638
Kinki	53	1,412	1,465	52	1,547	1,599
Chugoku/Shikoku	21	902	923	22	963	985
Kyushu/Okinawa	63	1,247	1,310	75	1,399	1,474
Total	428	8,484	8,912	450	9,306	9,756

②Pharmaceuticals transactions volume

(million yen)

	FY3/2022 4/2021~3/2022		FY3/2023 4/2022~3/2023			FY3/2024 4/2023~3/2024	
			Change	Change(%)		Change	Change(%)
Pharmaceuticals transactions volume	449,281	526,204	76,922	17.1%	618,243	92,038	17.5%

8. Consolidated Earnings Forecast

(million yen)

	FY3/2024 4/2023~3/2024		FY3/2025 4/2024~3/2025		
	Results	% of Net sales	Forecast	% of Net sales	(YoY)
Net sales	115,361	100.0%	122,000	100.0%	5.8%
Community Pharmacy Network Segment	109,904	95.3%	116,819	95.8%	6.3%
Leasing and Facility related Segment	3,611	3.1%	3,532	2.9%	(2.2%)
Meal Catering Segment	2,360	2.0%	2,373	1.9%	0.6%
Home Visit Nursing Segment	314	0.3%	350	0.3%	11.4%
Adjustments	(828)	-	(1,075)	-	-
Gross profit	47,925	41.5%	52,023	42.6%	8.5%
SG&A expenses	44,093	38.2%	48,023	39.4%	8.9%
Labor costs	25,279	21.9%	27,087	22.2%	7.2%
Depreciation	1,356	1.2%	1,681	1.4%	23.9%
Amortization of goodwill	1,132	1.0%	1,144	0.9%	1.0%
EBITDA	6,997	6.1%	7,450	6.1%	6.5%
Operating profit	3,832	3.3%	4,000	3.3%	4.4%
Community Pharmacy Network Segment	6,433	※ 5.9%	6,435	※ 5.5%	0.0%
Leasing and Facility related Segment	158	※ 4.4%	187	※ 5.3%	18.7%
Meal Catering Segment	(43)	-	67	※ 2.9%	-
Home Visit Nursing Segment	(43)	-	(26)	-	-
Adjustments	(2,671)	-	(2,664)	-	-
Ordinary profit	3,825	3.3%	3,950	3.2%	3.3%
Profit attributable to owners of parent	1,860	1.6%	2,000	1.6%	7.5%

※ % of Segment sales



【 Contact us 】

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