

Standard Chem & Pharm Co., Ltd.
Stock Symbol : 1720

2025 Investor Conference
11/20/2025



生達化學製藥

Standard Chem & Pharm CO., LTD.

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Agenda

- Introduction of Standard Group
- 2025 Q1-Q3 Operating Results
- Future Operation Strategy
- Environmental, Social, and Governance(ESG)

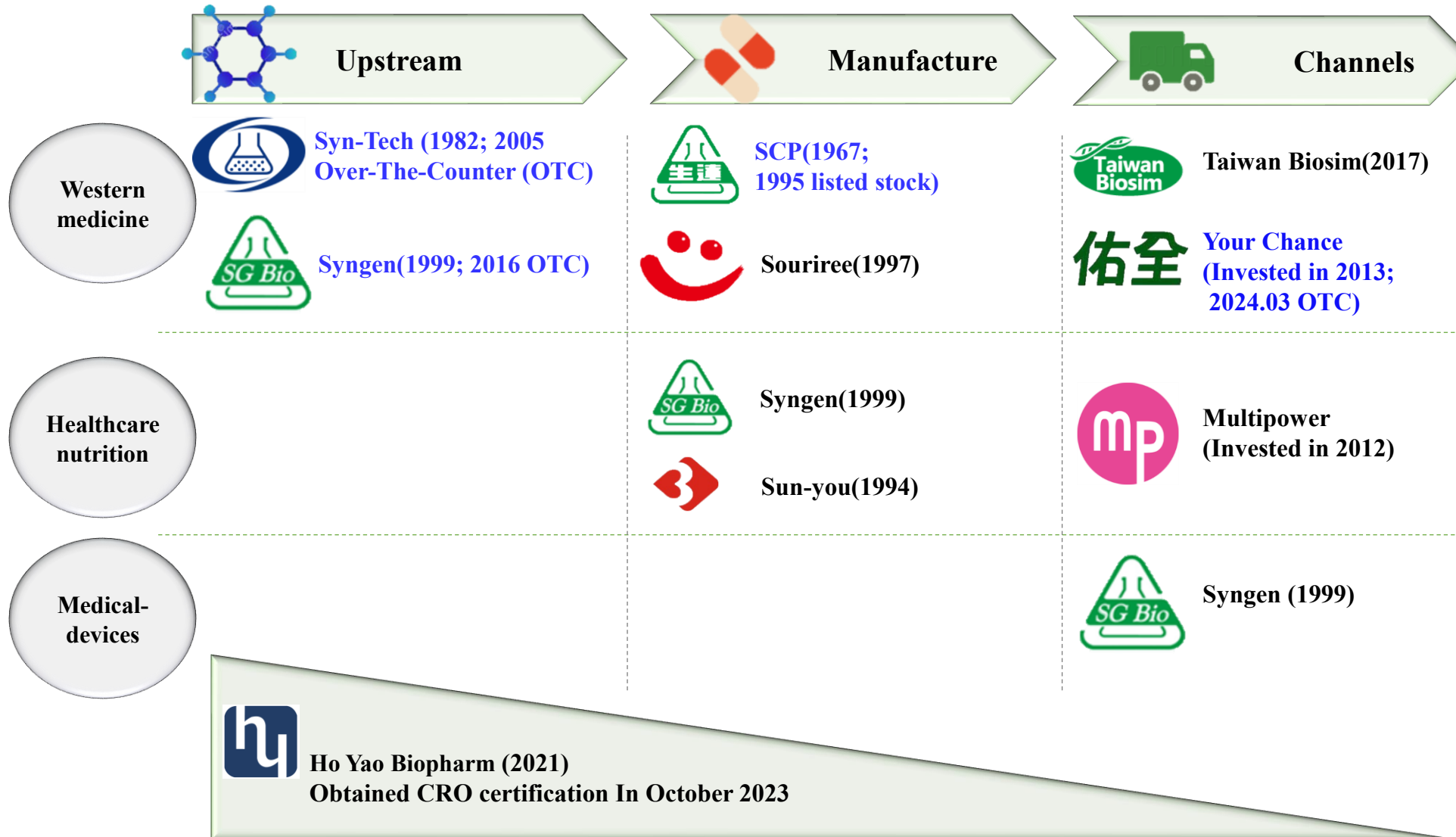


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SCP and Related / Affiliated Companies



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International Accreditation



The first pharmaceutical company in Taiwan to receive ISO 9001 certification in 1998.



The first TW company to pass **US** FDA inspection in 2000

Subsequent US FDA GMP inspections : no 483 Last Inspection : 2022/10/31



SCP received **JP** PMDA's "Certificate of Foreign Drug Manufacturer" in 2008

Passed **JP** PMDA GMP inspection in 2018(Follow-up inspection passed in May 2025)



2009

SCP's API plant passed **AU** TGA inspection



2010 SCP passed **TW** PIC/S GMP inspection
2012 SCP is certified GDP by the T-FDA



2012 SCP passed **K**-FDA inspection



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Consolidated Income Statement

Items (Unless otherwise specified, expressed in thousands of New Taiwan Dollars)	2025 Q1-Q3	2024 Q1-Q3	Diff.	Annual changes (%)
Operating revenue	5,237,638	5,116,081	121,557	2.4%
Gross profit	2,172,791	2,249,073	(76,282)	(3.4%)
Gross profit margin	41.48%	43.96%		(2.48%)
Operating expenses	1,162,804	1,188,288	(25,484)	(2.1%)
Operating profit	1,009,987	1,060,785	(50,798)	(4.8%)
Non-operating income and expenses	109,056	206,577	(97,521)	(47.2%)
Profit before income tax	1,119,043	1,267,362	(148,319)	(11.7%)
Profit for the year	940,652	1,004,028	(63,376)	(6.3%)
Profit attributable to Shareholders of the parent	698,452	685,865	12,587	1.8%
EPS(NTD)	3.91	3.84	0.07	1.8%



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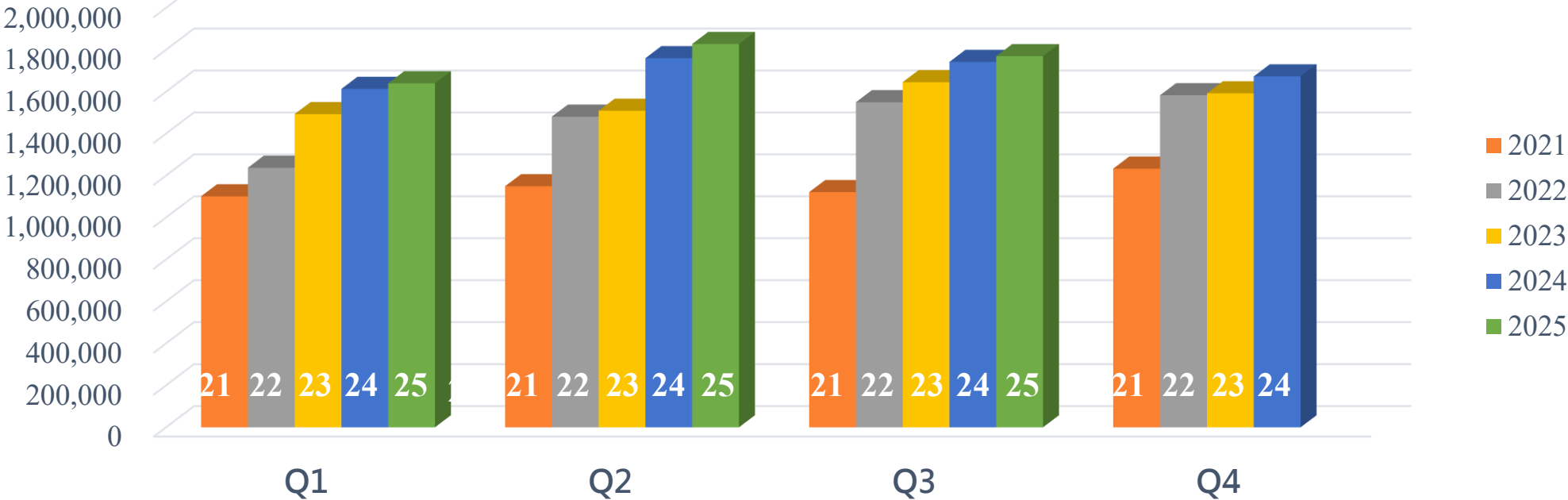
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Comparison of Quarterly Revenue of Past 5 Years (Consolidated)

Expressed in thousands of NTD



	Q1	Q2	Q3	Q4	Total	Growth(%)
2021	1,101,113	1,149,060	1,120,840	1,233,069	4,604,082	+6.9%
2022	1,237,170	1,481,061	1,549,872	1,583,265	5,851,368	+27.1%
2023	1,493,025	1,509,004	1,645,531	1,592,208	6,239,768	+6.6%
2024	1,613,535	1,760,104	1,742,442	1,673,142	6,789,223	+8.8%
2025	1,640,034	1,827,915	1,769,689		5,237,638	+2.4%



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Consolidated Balance Sheet

Items <i>(Expressed in thousands of NTD)</i>	2025/09/30		2024/09/30		Diff.	Annual changes(%)
	Amount	%	Amount	%		
Cash and cash equivalents	1,675,668	14.4%	1,465,665	13.1%	210,003	14.3%
Accounts receivable	1,419,091	12.2%	1,384,362	12.4%	34,729	2.5%
Inventories	1,590,061	13.7%	1,628,251	14.6%	(38,190)	(2.3%)
Investments	1,700,735	14.6%	1,694,628	15.2%	6,107	0.4%
Property, plant and equipment	4,233,108	36.4%	4,025,128	36.1%	207,980	5.2%
Others	1,004,774	8.6%	964,910	8.6%	39,864	4.1%
Total Assets	11,623,437	100.0%	11,162,944	100.0%	460,493	4.1%
Current Liabilities	2,217,355	19.1%	1,685,380	15.1%	531,975	31.6%
Non-current Liabilities	384,656	3.3%	597,177	5.3%	(212,521)	(35.6%)
Total liabilities	2,602,011	22.4%	2,282,557	20.4%	319,454	14.0%
Total shareholder's equity	9,021,426	77.6%	8,880,387	79.6%	141,039	1.6%
Debt Ratio(Liabilities/Assets)		22.4%		20.4%		



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Consolidated Cash Flows

Items	2025 Q1-Q3	2024 Q1-Q3
<i>(Expressed in thousands of NTD)</i>		
Cash at beginning of year	1,520,128	2,036,743
Cash flows from operating activities	1,241,731	1,154,134
Investment	(379,969)	(130,376)
Acquisition of property, plant and equipment	(371,821)	(360,646)
Cash dividends	(500,349)	(482,479)
Short & long-term borrowings	475,729	(549,308)
Others	(309,781)	(202,403)
Cash at end of year	1,675,668	1,465,665
Free cash flow (Cash flows from operating activities-Acquisition of property, plant and equipment)	869,910	793,488



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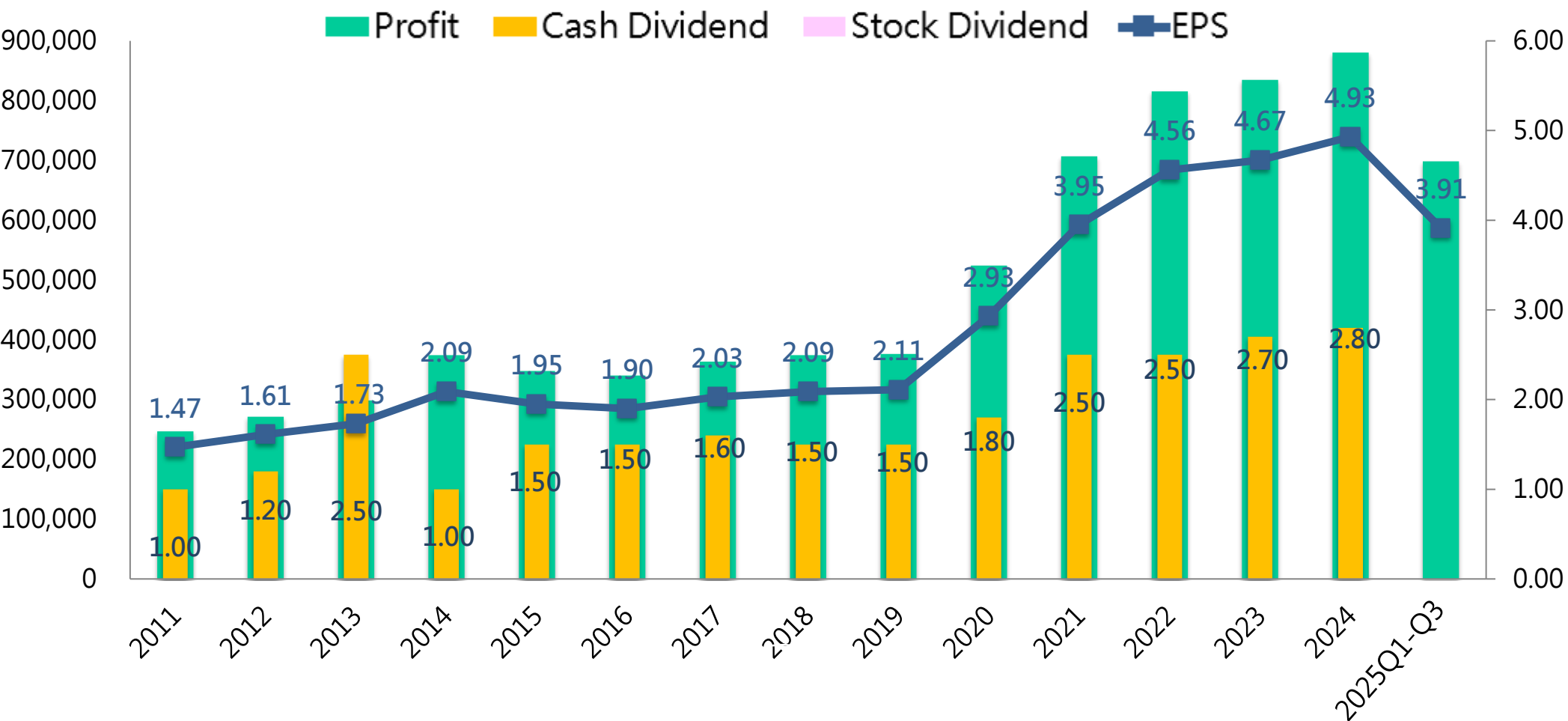
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1720 SCP net profit after tax and EPS in 2025 Q1-Q3

NTD Thousand



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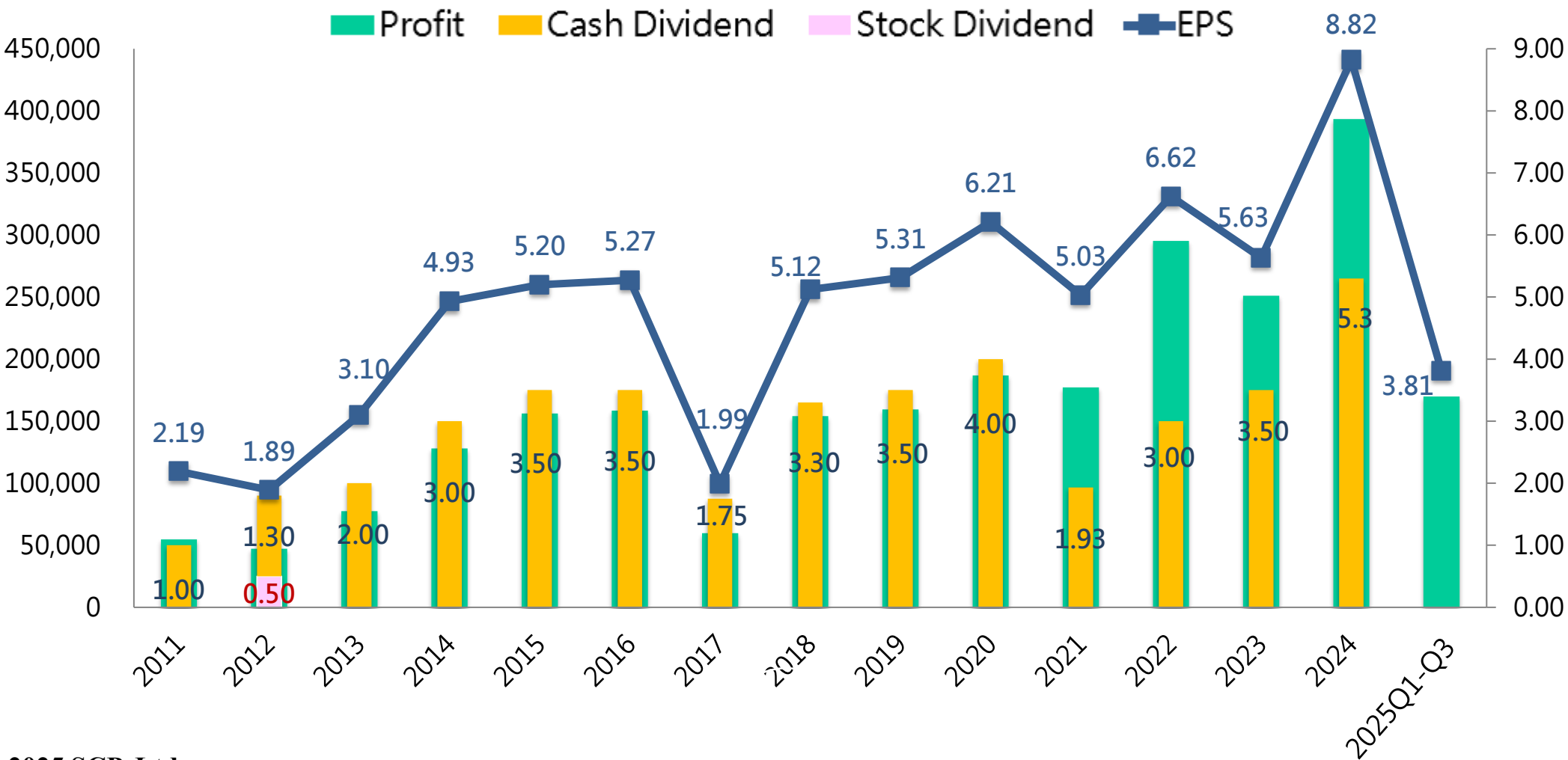
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1777 SYN-TECH's net profit after tax and EPS in 2025 Q1-Q3

NTD Thousand



NTD

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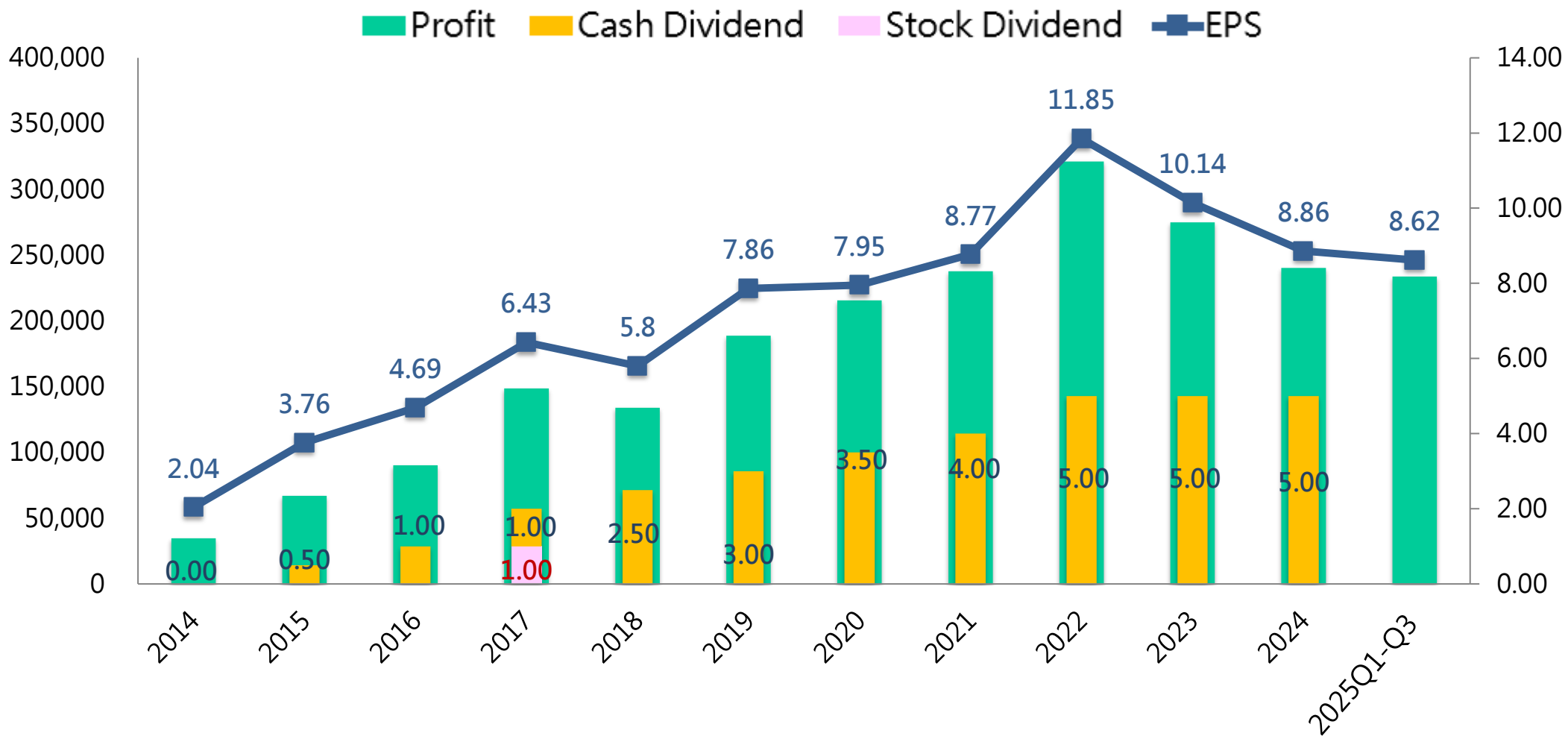
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8279 Syngen’s net profit after tax and EPS in 2025 Q1-Q3

NTD Thousand



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Future Milestone



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Revenue Growth Strategy - Taiwan



Company	EPS 2025 Q1~Q3
SCP (1720)	3.91
Syn-Tech (1777)	3.81
Syngen (8279)	8.62

- Focusing on four key business areas with excellent operational capabilities and a strong management team.
 - Western medicine formulations, APIs, health supplements, and retail chain channels.



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Significant Business Activities in Recent Years

Taiwan



- 4 product launches planned in 2025.
3 first-to-market items (including 1 P4 product)
1 for hypertension and 3 for diabetes.
- 2025 Marketing Team Expansion:
Taiwan team: 180 members
Vietnam team: 25 members
Philippines team: 19 members

China



- New product licenses obtained through importation within one year. 3 cases (Erectile dysfunction, diabetes, and ALS)
- Accumulated technology transfer licenses: 3 cases
- Consistency Evaluation (GQCE) reviews in progress: 1 case.

Japan



- Continues to be sold: 2 cases (bronchiolitis and oral anti-inflammatory and pain relief medications.)
- Contracts in progress: 2 cases
- Under Development: 3 cases
- New in-licensed drug: 1 case



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International Market Expansion and Collaboration Model

International Market Expansion

- Primary sales markets: Southeast Asian countries, South Korea, Japan, and China.
- Actively expanding into Europe and Latin America.

Licensing Collaboration

- Adopting a diversified collaboration approach by licensing registered products to local partners for sales.
- Seeking original brand agency rights to enhance competitiveness in the Taiwan market.

CDMO / CMO

- In recent years, collaboration with major Japanese pharmaceutical companies on CDMO projects has laid a solid foundation for SCP presence in the Japanese market.
- Actively pursuing additional CDMO / CMO partnerships to continuously drive revenue growth.



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China's Generic Pharmaceutical Market - Fierce Rivalry Intensifies

Market Overview

- The generic drug market is vast but highly competitive, heavily influenced by national centralized procurement, volume-based purchasing, and consistency evaluation policies. These factors have rapidly transformed the market structure, intensifying competition and squeezing profit margins.
- Due to fierce price competition, the medical community has expressed concerns that some products—though having passed the consistency evaluation—are still questioned for their clinical efficacy.
- Traditional hospital channels are becoming more restricted, while e-commerce and online medical services are emerging, accelerating the transformation of sales models.
- Frequent policy changes create numerous uncertainties in the industry environment.



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China's Generic Pharmaceutical Market - Opportunities for SCP

Differentiation Strategy

- Centering on “high quality and flexible collaboration”, the Company focuses on high-barrier segments and avoids low-price generic competition. It strengthens competitiveness through strategic alliances and deep partnerships with API manufacturers.
- By establishing a model of “manufactured in Taiwan, imported to China,” the Company differentiates its imported products through quality reputation, compliant manufacturing, and international experience.



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Japan's Generic Pharmaceutical Market - Ongoing Drug Shortages in 2025

Causes of Drug Shortages

1. Short-term Factors: Quality Issues in Pharmaceuticals

- In recent years, several generic drug manufacturers have been ordered by regulatory authorities to suspend operations or make improvements due to poor quality management.
- As other manufacturers were unable to expand production capacity in a short time, market supply was disrupted.

2. Long-term Factors: Rising Costs and Low Drug Prices

- The costs of active pharmaceutical ingredients, excipients, and packaging materials have continued to rise amid global inflation.
- Although an aging population has driven up healthcare expenditures, drug prices have continued to decline year by year.
- As profit margins shrink, manufacturers' willingness to invest decreases, resulting in unstable long-term supply.



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Japan's Generic Pharmaceutical Market - Future Trends of Generic Pharmaceutical Companies

Reorganization of the Generic Drug Industry

1. Short-Term Direction:

- Large corporations are leading consolidation efforts based on active ingredients, strengthening production facilities and workforce allocation to accelerate industry concentration.
- Venture capital firms are driving mergers and reorganizations among companies.

2. Mid-to Long-Term Direction:

- Generic drug manufacturers are adjusting their strategies, reviewing product portfolios, and assessing potential synergies following integration.
- Industry-wide optimization will be achieved as each company's improvements become interlinked, forming cooperative alliances across the sector.



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Japan's Generic Pharmaceutical Market - Opportunities for SCP

Market Positioning and Differentiation Strategy

1. Establish deep collaborations and strategic alliances with API manufacturers to ensure stable supply and effective cost control.
2. Focus on high-margin generic drugs by avoiding originator patents and filing applications at the earliest opportunity, while pursuing formulation differentiation to meet the needs of an aging market.

“Centering on technology and R&D, the Company focuses on differentiated generic drugs and strengthens cost and supply chain competitiveness through strategic alliances with API manufacturers. By partnering with CDMO collaborators, it aims to expand production capacity and broaden its presence in the Japanese market.”



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Revenue Growth Strategy - China



Strategy

- Own brand and tech transfer simultaneously
- CDMO
- Expand the number of collaborative projects and pharmaceutical companies



Medium-term targets

- Self-developed products submission
- Tech transfer profit sharing revenue



Cooperation

- Tech-transfer
- Joint ownership of License
- Cooperative production and marketing
- Profit-sharing Partnerships



Achievements in getting licenses

- 3 cases for tech transfer
- 3 case for import license



NMPA Consistency Evaluation

- 1 cases submitted for evaluation



Project initiation/Research in progress

- 3 cases in progress



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Revenue Growth Strategy - Japan



Collaboration Model

- CDMO
- Japan marketing partner
- Self-owned license



Strategy

- Agent for brand new drugs.
- Collaborating with Japan pharmaceutical company to enter other markets.
- Strategic alliance with API manufacturer.
- API Vertical Integration with Syn-Tech.



Current State

- 2 items continue sales
- 2 new signed CDMO collaboration
- 3 products currently under development
- Actively pursuing new drug in-licensing opportunities



On Going

- CDMO/CMO
- Common items for China/ Southeast Asia/ Japan are under discussion



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Strategies for Addressing Globalization Challenges

Strategic Alliance

**Strengthen Supply
Stability and Cost
Advantage**

Self-Challenge

**Complex / Patent-
Challenged
Generics**

First-to-File

**Gaining the Early
Market Entry
Advantage**

Agency for Branded Drugs

**Fulfilling Market
Needs for
Pharmaceuticals**



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- **Environmental, Social, and Governance(ESG)**

Net Zero Emissions and Sustainable Development

Energy Management

- Replacement of 180 T5 fluorescent grid ceiling lights with LED panel lights
- Upgrade of 25HP fixed-speed air compressor to 30HP variable-speed air compressor at the Liquid High Plant
- By implementing regular maintenance, conducting wastewater quality testing, improving system parameters, and optimizing water production conditions, we effectively reduce carbon emissions, enhance cost efficiency, and conserve energy.

Water Resource Management

- Give priority to the use of water-saving equipment to reduce water loss.
- Ensure regular maintenance and inspection of pipelines to minimize water leakage and wastage.
- Periodically disclose the company's water consumption to raise employee awareness on the importance of conserving water resources.

Waste Management

- Engaged qualified waste disposal and recycling companies for waste removal and resource recovery.
- A waste disposal plan is submitted in accordance with regulations and implemented upon official approval. Only legally registered waste transporters and treatment facilities with Class A certification are selected for handling and processing.

- Optimize production processes and product design to reduce water usage and enhance production efficiency.
- The plant's treated effluent is supplied to the Environmental Protection Bureau for use in street washing.



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Awarded the Taiwan BIO Awards – Outstanding Company of the Year

Awarded the Gold Award 3 times (2014, 2021, and 2025)



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Protecting the Ocean : Beach Cleanup Activity

- For two consecutive years, employees have voluntarily initiated beach cleanup activities, with a total of 108 participants. A cumulative 1,092 meters of shoreline were cleaned, and 126 kilograms of trash were removed.



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Social Care and Engagement - Fan Dao Nan Foundation



Introduction to the foundation

- Established in 1987
- Endowment Fund: NT\$202.26 Million
- Annual Budget: NT\$13 Million

Principal Activities

- Cultural and educational development activities
- Scholarships and Talent Cultivation
- Public education affairs
- Children's education and happiness



Rewards and Honors Received

- 2011: Special Recognition Award – Ministry of Education
- 2012: Tainan City Govt. Grant for Scholarship Program
- 2013: National Special Selection Award for After-School Program – Dept. of Education
- 2022: Group Award on Social Education Contribution by Ministry Of Education



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Social Care and Participation - Social Welfare Contributions as of October 2025: NT\$12.6 Million



Scholarships

- High school :
6 schools, totaled 113 students
- Middle school :
50 schools, totaled 670 students
- Elementary school :
193 schools, totaled 2,205 students

NTD 6.48 million



Hope After-school Class

- Weekday afternoons
- 18 schools, 1,017 students

NTD 1.04 million



Sunflower Wednesdays

- Every Wednesday afternoons
- 5 Schools, 193 students

NTD 0.25 million



Other Sponsorships

- Sponsor 11 public welfare organizations.
(Chi Po-lin Foundation、Tainan City Social Affairs Bureau – Child and Youth Savings Account Program, Donations for Typhoon Danas Relief – Xinying District Office, Yijhu Township Office, and others)

NTD 1.60 million



Meal-Assistance

- Provided 6,630 meals



NTD 0.45 million



Charity

- SCP Children's Drawing Competition NTD 0.66 million
- SCP National Table Tennis Competition NTD 2 million
(Estimated Expenses)

NTD 2.66 million



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Social Care and Engagement - The 40th SCP Children's Drawing Competition

- Held on September 27, 2025, at Wanpi World Safari Zoo, with 530 participating students and 576 accompanying teachers and parents, totaling 1,106 people.



Kindergarten Category -
Gold Award



Lower Grade Category -
Gold Award



Middle Grade Category -
Gold Award



Upper Grade Category -
Gold Award



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Social Care and Engagement - The 40th SCP National Table Tennis Competition



Will be held from December 5 to 7, 2025, at the Tainan Municipal Xinying Stadium, with a total of 293 teams and 2,177 participants.



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Social Care and Engagement - Senior Gym - Dotcom Sports & Health Center



January to October 2025

- Total usage reached 132,583 visits.
- Held 33 “Healthy and Active Living” seminars (Including 21 physical fitness classes.), providing nutritional care education, strength training, and fitness programs for the elderly.
- Awarded the 2024 Tainan City Public Health Bureau Silver Club Program – Sustainable Management Award



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Q & A