



Year Ending March 31, 2017
Results of 1st Quarter
Settlement of Accounts Supplementary Material
(Apr.1 to Jun.30 2016)

August, 2016

Nichi-Iko Pharmaceutical Co., Ltd.

(Code No. 4541 1st section of TSE)



Mission Statement: The 7th Medium-term Business Plan

Our mission is to provide value-added, high quality generic products which meet the needs of patients, doctors, pharmacists, wholesalers and pharmaceutical companies in the global market as one of the most respected, well established generic companies in the world.



Obelisk
2019

VISION

Use our creativity to establish a commanding presence and expand in the global marketplace

Results -YOY-

(¥million)

	FY2015 1Q	vs Sales (%)	FY2016 1Q	vs Sales (%)	YOY
Sales	35,049	-	38,029	-	108.5%
COGS	21,929	62.6%	23,948	63.0%	109.2%
Gross Profit	13,137	37.5%	14,085	37.0%	107.2%
SG&A	9,967	28.4%	11,049	29.1%	110.9%
Labor Expense	1,680	4.8%	1,688	4.4%	100.5%
R&D Expense	1,128	3.2%	1,567	4.1%	138.9%
Sales Promotion †	4,411	12.6%	5,045	13.3%	114.4%
Others	2,746	7.8%	2,749	7.2%	100.1%
Operating Profit	3,169	9.0%	3,036	8.0%	95.8%
Ordinary Profit	3,234	9.2%	※ 2,526	6.6%	78.1%
Quarterly Net Profit Attributable to Parent	2,295	6.5%	2,000	5.3%	87.2%
Capital Expense	2,827		2,082		73.7%
Depreciation	1,200		1,308		109.0%

※Recorded foreign exchange loss : 446 million yen

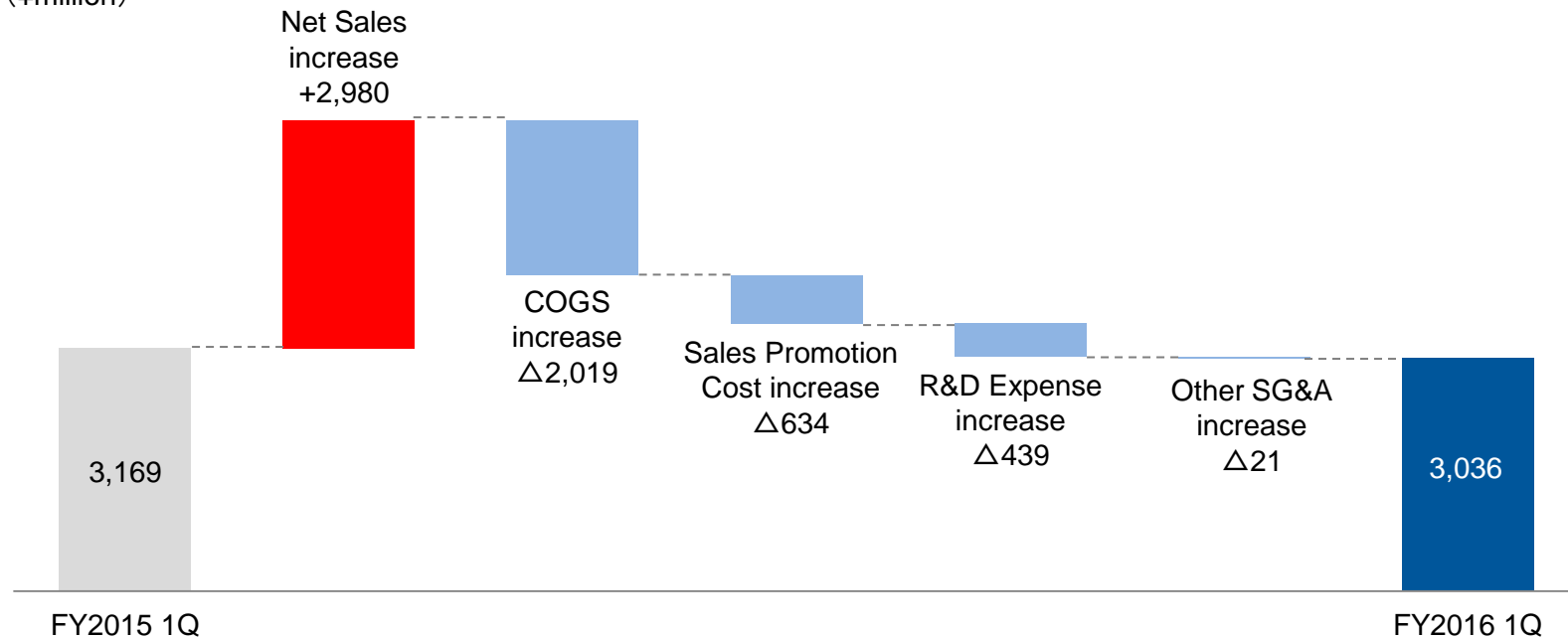
Results -vs Forecast-

	(¥million)							
	FY2016 Forecast	vs Sales (%)	FY2016 1H Forecast	vs Sales (%)	FY2016 1Q Actual	vs Sales (%)	vs Forecast Full Year	1H
Sales	159,000	-	75,000	-	38,029	-	23.9%	50.7%
Operating Profit	14,200	8.9%	6,000	8.0%	3,036	8.0%	21.4%	50.6%
Ordinary Profit	14,200	8.9%	6,000	8.0%	※2,526	6.6%	17.8%	42.1%
Quarterly Net Profit Attributable to Parent	9,000	5.7%	4,000	5.3%	2,000	5.3%	22.2%	50.0%
Capital Expense	14,000				2,082		14.9%	
R&D Expense	6,700				1,567		23.4%	
Depreciation	6,000				1,308		21.8%	

※Recorded foreign exchange loss : 446 million yen

Operating Profit

(¥million)



Major factors behind changes in net sales

- Increase in quantity of GE
- Effect of NHI drug price revision
- Decrease in quantity of long-listed products

Major factors behind changes in COGS

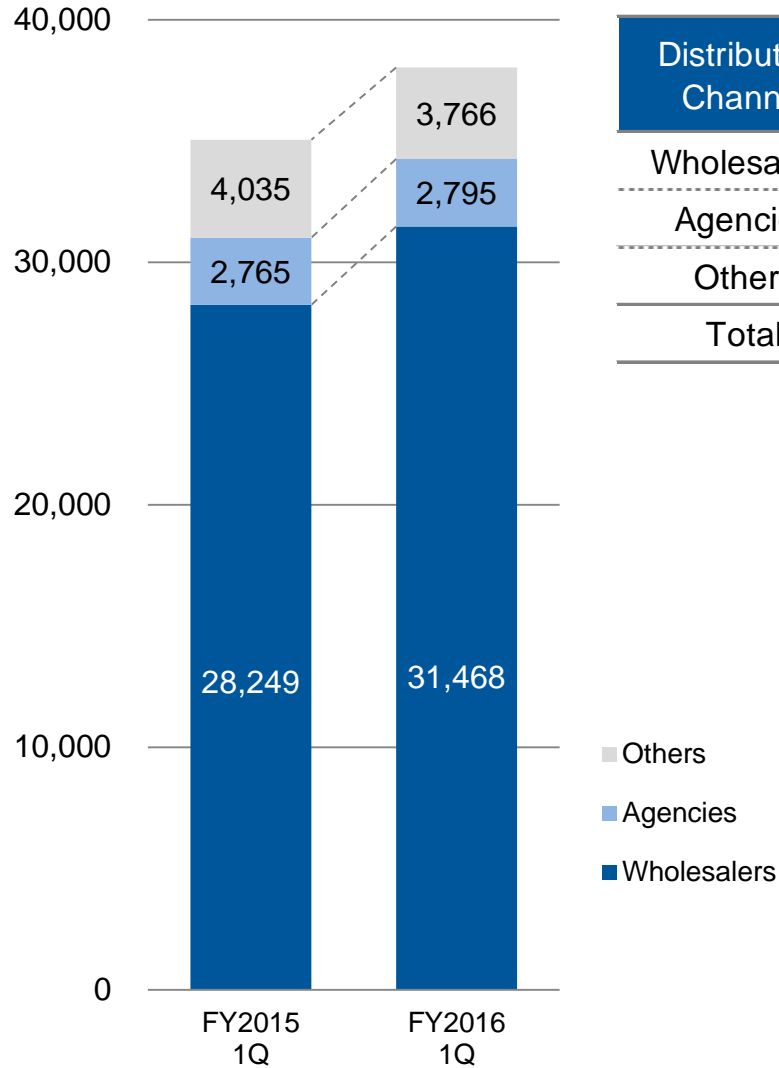
- Increase in depreciation due to launch of new operation system
- Reduction of COGS in the subsidiary

Major factors behind changes in SG&A

- Increase in sales promotion cost due to increase in the ratio of GE sales to total sales
- Increase in biosimilar R&D cost

Sales Performance by Distribution Channel

(¥million)

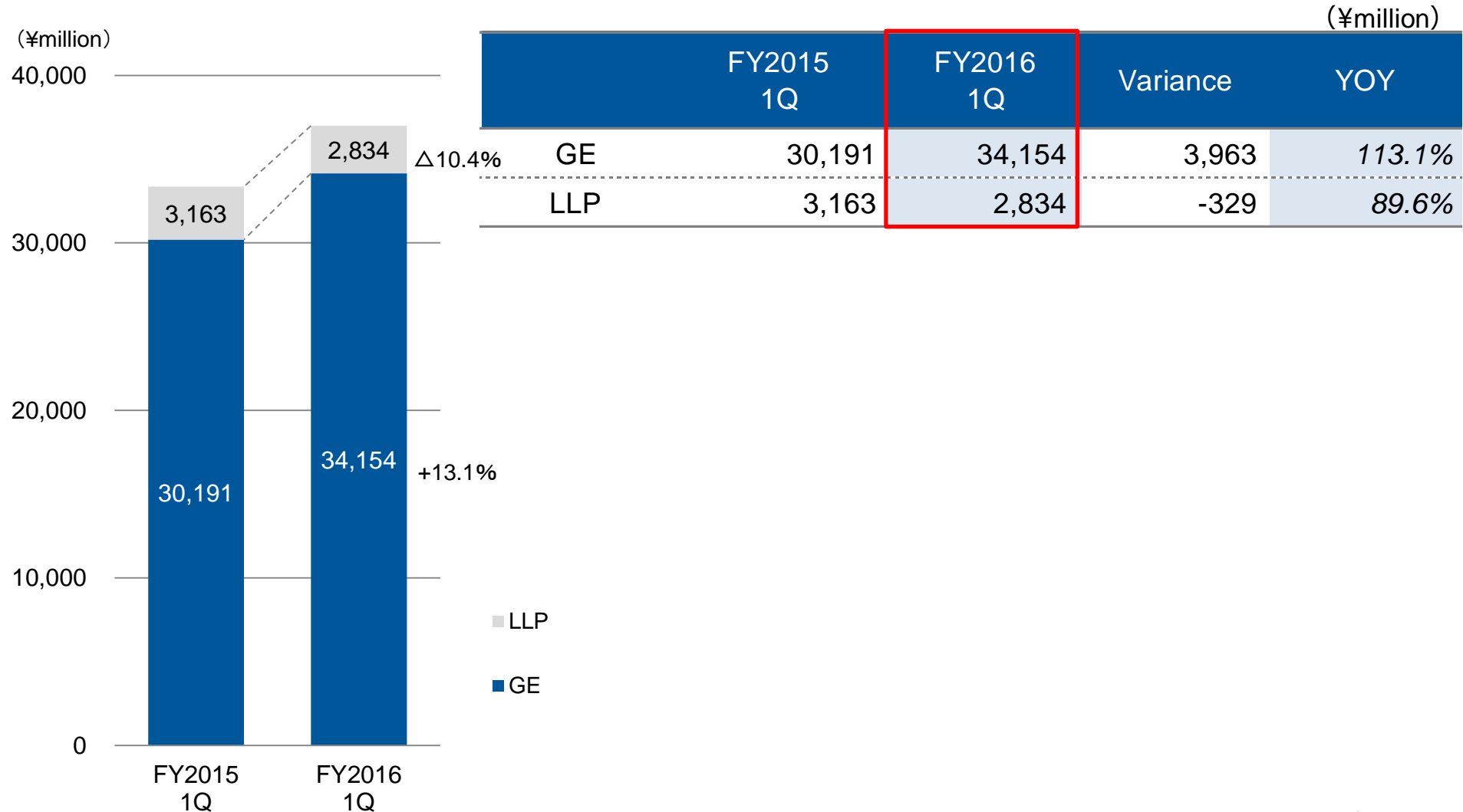


(¥million)

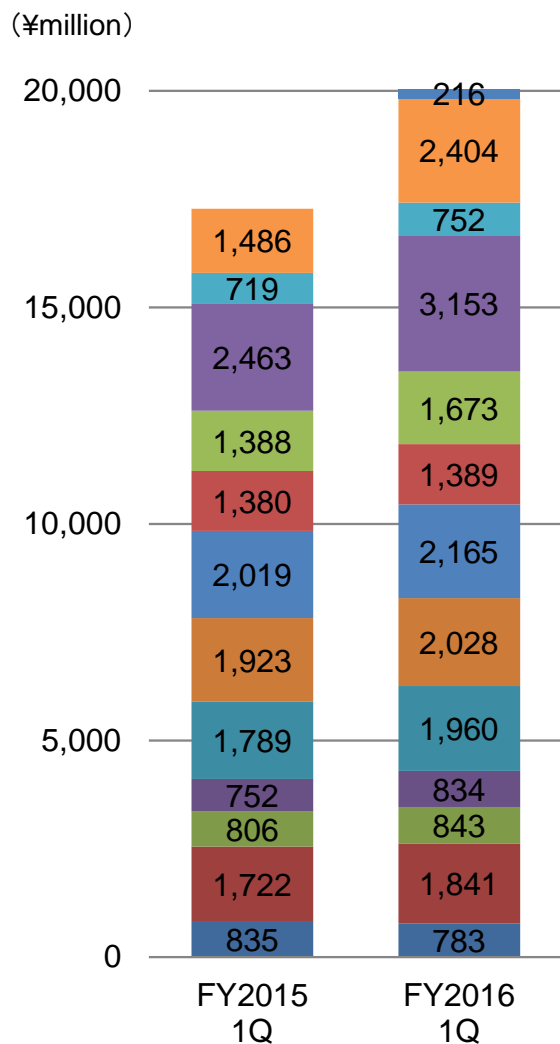
Distribution Channel	FY2015 1Q		FY2016 1Q		Variance	YOY
	Sales	%	Sales	%		
Wholesalers	28,249	80.6%	31,468	82.7%	3,219	111.4%
Agencies	2,765	7.9%	2,795	7.3%	30	101.1%
Others	4,035	11.5%	3,766	9.9%	-269	93.3%
Total	35,049	100.0%	38,029	100.0%	2,980	108.5%

- Others
- Agencies
- Wholesalers

Sales Performance by Category of Products



Sales Performance of Generic Products by NHI Listed Year



(¥million)

	FY2015 1Q	FY2016 1Q	Variance	YOY
Listed in 2016	-	216	-	-
Listed in 2015	1,486	2,404	918	161.8%
Listed in 2014	719	752	33	104.6%
Listed in 2013	2,463	3,153	690	128.0%
Listed in 2012	1,388	1,673	285	120.5%
Listed in 2011	1,380	1,389	9	100.7%
Listed in 2010	2,019	2,165	146	107.2%
Listed in 2009	1,923	2,028	105	105.5%
Listed in 2008	1,789	1,960	171	109.6%
Listed in 2007	752	834	82	110.9%
Listed in 2006	806	843	37	104.6%
Listed in 2005	1,722	1,841	119	106.9%
Listed in 2004	835	783	-52	93.8%

Forward-Looking Statements



The information contained in this document is not intended as solicitation material for buying or selling the company's shares.

Earnings forecasts and other future forecasts contained herein have been made by the company based on information available at the time the material was compiled and encompass potential risks and uncertainties.

Accordingly, actual results may differ from forecasts for a variety of reasons.

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