

Year Ended March 31, 2018 Results  
Settlement of Accounts Supplementary Material  
(Apr.1 2017 to Mar.31 2018)

May, 2018



**Nichi-Iko Pharmaceutical Co.,Ltd.**

TSE : 4541

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



## THEME

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

# IFRS : Results -YOY-



(¥million)

|                                      | FY2016  | vs Sales (%) | FY2017  | vs Sales (%) | YOY    |
|--------------------------------------|---------|--------------|---------|--------------|--------|
| Sales                                | 149,263 | -            | 164,717 | -            | 110.4% |
| COGS                                 | 111,652 | 74.8%        | 123,914 | 75.2%        | 111.0% |
| Gross Profit                         | 37,610  | 25.2%        | 40,803  | 24.8%        | 108.5% |
| SG&A                                 | 21,519  | 14.4%        | 23,136  | 14.0%        | 107.5% |
| R&D Expenses                         | 7,281   | 4.9%         | 4,467   | 2.7%         | 61.4%  |
| Other Income                         | 471     | 0.3%         | 948     | 0.6%         | 201.3% |
| Other Expese                         | 2,895   | 1.9%         | 3,845   | 2.3%         | 132.8% |
| Operating Profit                     | 6,385   | 4.3%         | 10,301  | 6.3%         | 161.3% |
| Pretax                               | 5,963   | 4.0%         | 9,067   | 5.5%         | 152.1% |
| Net Income<br>Attributable to Parent | 4,796   | 3.2%         | 8,070   | 4.9%         | 168.3% |
| Capital Expense                      | 11,633  |              | 12,705  |              | 109.2% |
| R&D Investment                       | 7,281   |              | 9,045   |              | 124.2% |
| Depreciation                         | 7,066   |              | 8,979   |              | 127.1% |

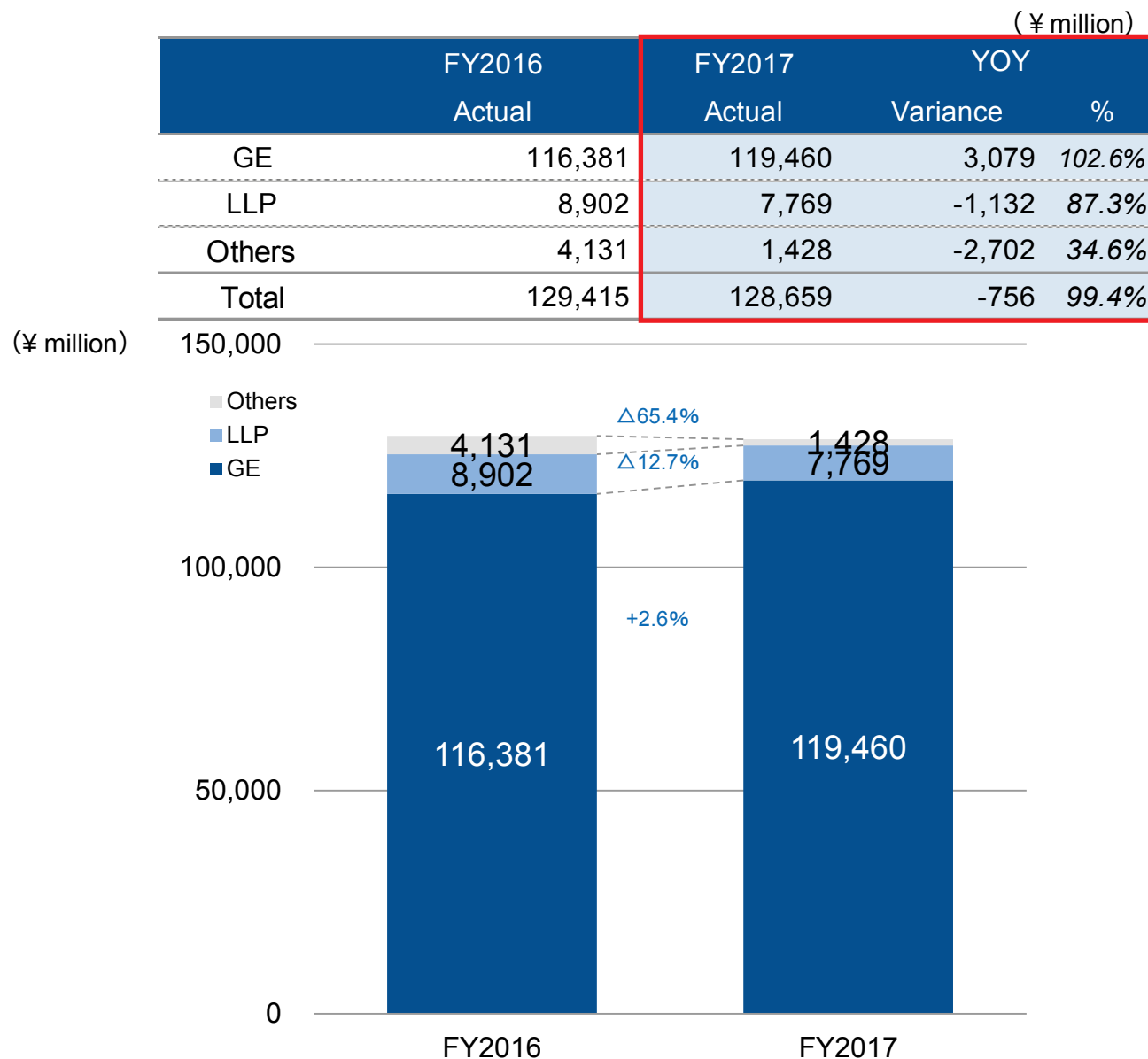
# IFRS : Results -Segment-



( ¥ million)

|                  | Japan + Others |         |        | Sagent |        |        | Consolidated |         |        |
|------------------|----------------|---------|--------|--------|--------|--------|--------------|---------|--------|
|                  | FY2016         | FY2017  | YOY    | FY2016 | FY2017 | YOY    | FY2016       | FY2017  | YOY    |
| Sales            | 129,415        | 128,659 | 99.4%  | 19,847 | 36,058 | 181.7% | 149,263      | 164,717 | 110.4% |
| COGS             | 95,882         | 97,816  | 102.0% | 15,769 | 26,097 | 165.5% | 111,652      | 123,914 | 111.0% |
| vs Sales         | 74.1%          | 76.0%   |        | 79.5%  | 72.4%  |        | 74.8%        | 75.2%   |        |
| Gross Profit     | 33,533         | 30,842  | 92.0%  | 4,077  | 9,961  | 244.3% | 37,610       | 40,803  | 108.5% |
| vs Sales         | 25.9%          | 24.0%   |        | 20.5%  | 27.6%  |        | 25.2%        | 24.8%   |        |
| SG&A             | 17,952         | 16,584  | 92.4%  | 3,566  | 6,551  | 183.7% | 21,519       | 23,136  | 107.5% |
| R&D Expense      | 6,360          | 2,766   | 43.5%  | 921    | 1,701  | 184.7% | 7,281        | 4,467   | 61.4%  |
| Other Income     | 471            | 947     | 201.1% | -      | 0      | -      | 471          | 948     | 201.3% |
| Other Expense    | 676            | 404     | 59.8%  | 2,219  | 3,441  | 155.1% | 2,895        | 3,845   | 132.8% |
| Operating Profit | 9,015          | 12,034  | 133.5% | -2,629 | -1,733 | 65.9%  | 6,385        | 10,301  | 161.3% |
| vs Sales         | 7.0%           | 9.4%    |        | -13.2% | -4.8%  |        | 4.3%         | 6.3%    |        |

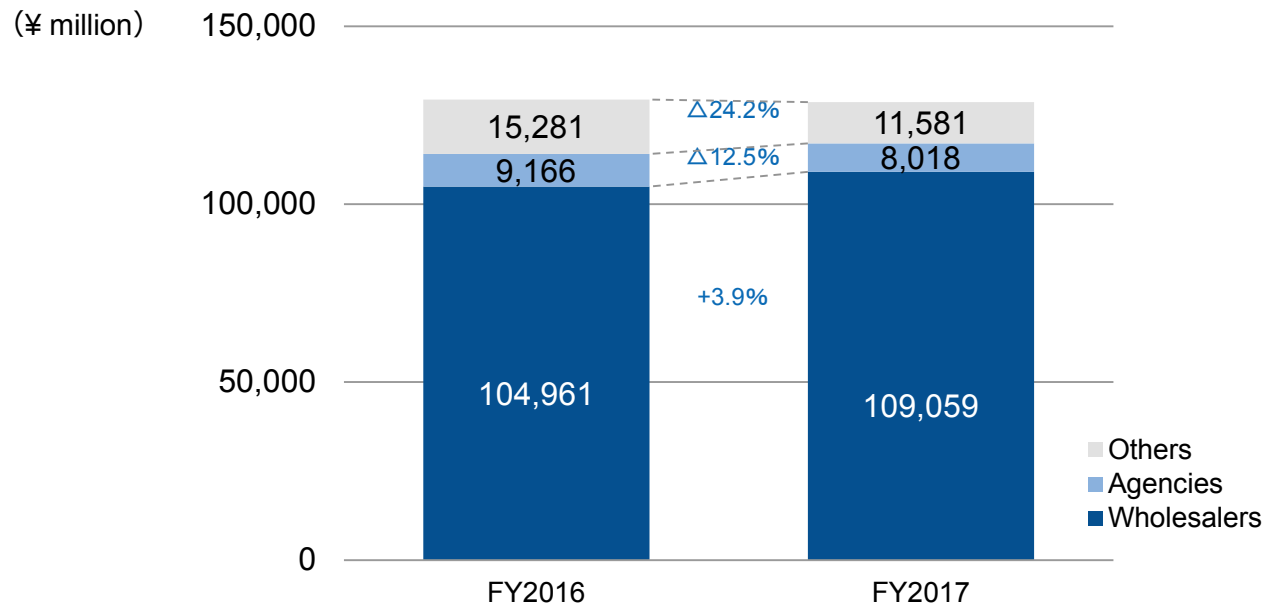
## IFRS : Sales Performance by Category of Products



# IFRS : Sales Performance by Distribution Channel

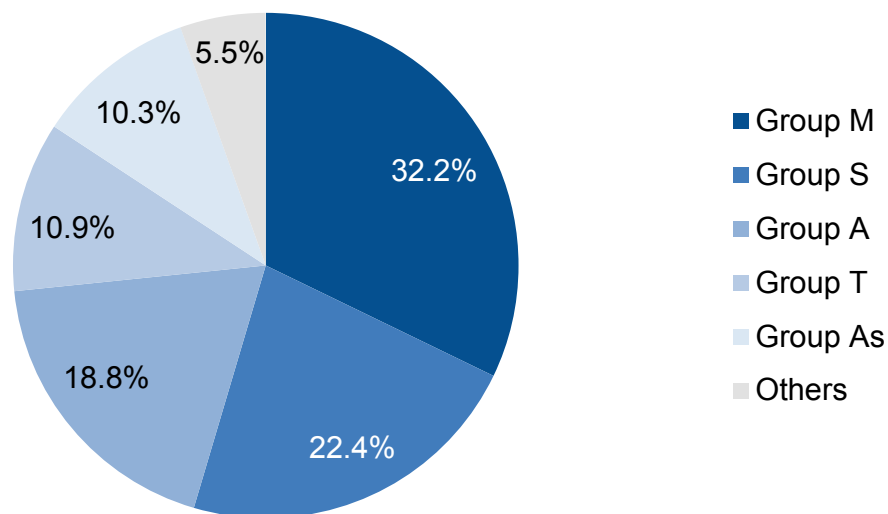
(¥million)

| Distribution Channel | FY2016  |        | FY2017  |        |          |        |
|----------------------|---------|--------|---------|--------|----------|--------|
|                      | Actual  |        | Actual  |        | YOY      |        |
|                      | Sales   | %      | Sales   | %      | Variance | %      |
| Wholesalers          | 104,961 | 81.1%  | 109,059 | 84.8%  | 4,098    | 103.9% |
| Agencies             | 9,166   | 7.1%   | 8,018   | 6.2%   | -1,148   | 87.5%  |
| Others               | 15,281  | 11.8%  | 11,581  | 9.0%   | -3,700   | 75.8%  |
| Total                | 129,415 | 100.0% | 128,659 | 100.0% | -756     | 99.4%  |

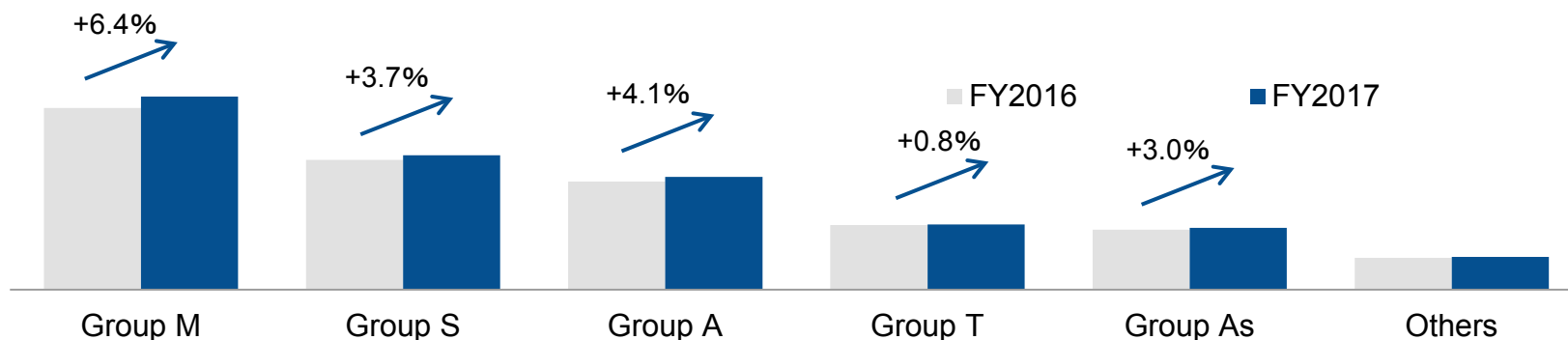


## IFRS : Comparison of Performance by Wholesalers

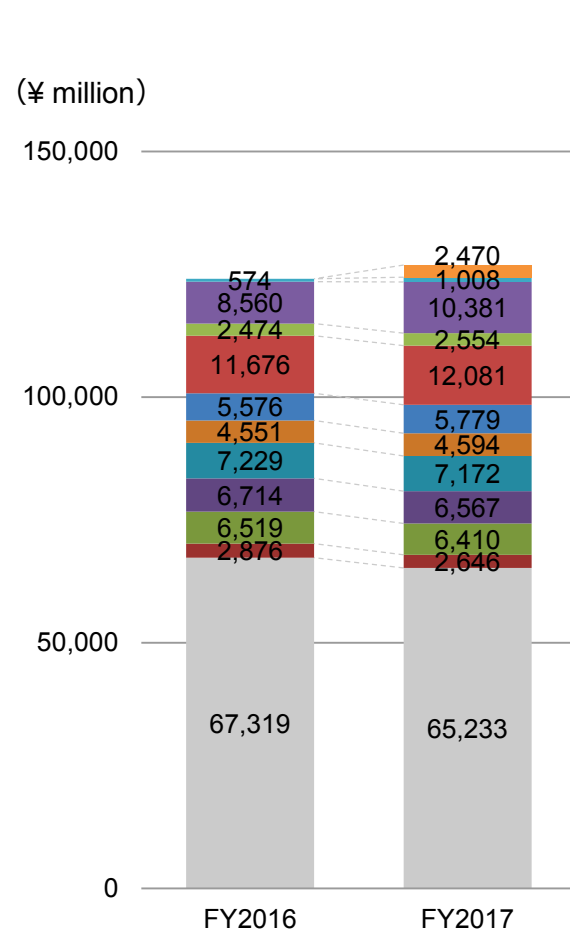
## Share of FY2017



## YOY



## IFRS : Sales Performance by NHI Listed Year



( ¥ million)

|                | FY2016         | FY2017         | Variance     | YOY           |
|----------------|----------------|----------------|--------------|---------------|
| Listed in 2017 | -              | 2,470          | 2,470        | -             |
| Listed in 2016 | 574            | 1,008          | 434          | 175.6%        |
| Listed in 2015 | 8,560          | 10,381         | 1,821        | 121.3%        |
| Listed in 2014 | 2,474          | 2,554          | 80           | 103.2%        |
| Listed in 2013 | 11,676         | 12,081         | 405          | 103.5%        |
| Listed in 2012 | 5,576          | 5,779          | 203          | 103.6%        |
| Listed in 2011 | 4,551          | 4,594          | 43           | 100.9%        |
| Listed in 2010 | 7,229          | 7,172          | -57          | 99.2%         |
| Listed in 2009 | 6,714          | 6,567          | -147         | 97.8%         |
| Listed in 2008 | 6,519          | 6,410          | -109         | 98.3%         |
| Listed in 2007 | 2,876          | 2,646          | -230         | 92.0%         |
| Others         | 67,319         | 65,233         | -2,086       | 96.9%         |
| <b>Total</b>   | <b>124,073</b> | <b>126,900</b> | <b>2,827</b> | <b>102.3%</b> |



# Sales Performance by Medical Institutions

| GE           | FY2016         |           |                    | FY2017         |           |                    |
|--------------|----------------|-----------|--------------------|----------------|-----------|--------------------|
|              | No. of Clients | YOY Sales | YOY No. of Clients | No. of Clients | YOY Sales | YOY No. of Clients |
| All          | 112,996        | 107.6%    | 101.3%             | 113,858        | 108.3%    | 100.8%             |
| DPC Hospital | 1,652          | 105.3%    | 100.4%             | 1,649          | 107.4%    | 99.8%              |
| Pharmacy     | 56,813         | 109.9%    | 101.7%             | 57,718         | 109.8%    | 101.6%             |

| All Products | Total No. of Institutions in Japan | FY2016            |                | FY2017            |                |               | YOY    |                |
|--------------|------------------------------------|-------------------|----------------|-------------------|----------------|---------------|--------|----------------|
|              |                                    | Sales Composition | No. of Clients | Sales Composition | No. of Clients | Covered Ratio | Sales  | No. of Clients |
| All          | -                                  | 100.0%            | 131,004        | 100.0%            | 131,680        | -             | 106.8% | 100.5%         |
| Hospital     | 8,480                              | 17.3%             | 8,332          | 17.0%             | 8,325          | 98.2%         | 104.9% | 99.9%          |
| DPC Hospital | 1,742                              | 11.0%             | 1,653          | 11.0%             | 1,651          | 94.8%         | 106.6% | 99.9%          |
| Clinic       | 103,609                            | 10.8%             | 65,459         | 10.2%             | 65,264         | 63.0%         | 101.3% | 99.7%          |
| Pharmacy     | 59,635                             | 64.5%             | 57,213         | 65.4%             | 58,091         | 97.4%         | 108.4% | 101.5%         |
| Others       | -                                  | 7.5%              | -              | 7.4%              | -              | -             | 106.3% | -              |

## 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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