

Year Ending March 31, 2019
Results of 1st Quarter
Settlement of Accounts Supplementary Material
(Apr.1 to Jun.30 2018)

August, 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

Cost Reduction Effect of “Profit Management Plan” led to Profit Steady Performance compared to the plan

(¥billion)

Sales

42.2

- (+) Domestic GE Sales Up
- (-) Sagent Sales Down
- (-) LLP, Others Sales Down

**Operating
Profit**

2

- (+) Cost Reduction Effect of “Profit Management Plan”

**Quarterly
Net Profit**

2.4

- (+) Equity Gains of Affiliated Company

IFRS : Results -YOY-



(¥million)

	FY2017Q1	vs Sales (%)	FY2018Q1	vs Sales (%)	YOY
Sales	42,927	-	42,278	-	98.5%
COGS	31,174	72.6%	33,359	78.9%	107.0%
Gross Profit	11,753	27.4%	8,918	21.1%	75.9%
SG&A	6,154	14.3%	5,869	13.9%	95.4%
R&D Expenses	1,130	2.6%	1,220	2.9%	108.0%
Other Income	571	1.3%	224	0.5%	39.2%
Other Expense	31	0.1%	16	0.0%	51.6%
Operating Profit	5,008	11.7%	2,036	4.8%	40.7%
Pretax	5,006	11.7%	2,897	6.9%	57.9%
Net Income Attributable to Parent	3,433	8.0%	2,461	5.8%	71.7%
Capital Expense	3,882		1,050		27.0%
R&D Investment	2,049		2,722		132.8%
Depreciation	2,129		2,334		109.6%

IFRS : Results -Segment-



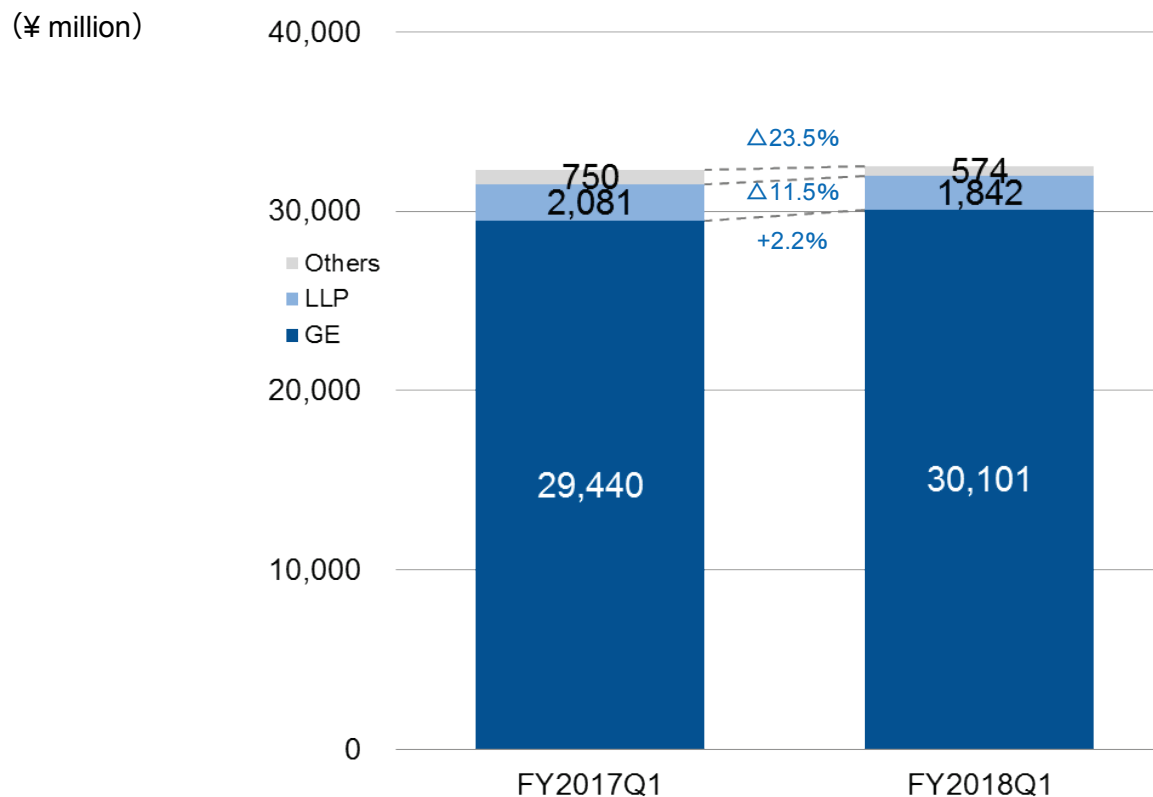
(¥ million)

	Japan + Others			Sagent			Consolidated		
	FY2017Q1	FY2018Q1	YOY	FY2017Q1	FY2018Q1	YOY	FY2017Q1	FY2018Q1	YOY
Sales	32,272	32,518	100.8%	10,654	9,759	91.6%	42,927	42,278	98.5%
COGS	23,915	25,537	106.8%	7,258	7,822	107.8%	31,174	33,359	107.0%
vs Sales	74.1%	78.5%		68.1%	80.2%		72.6%	78.9%	
Gross Profit	8,356	6,980	83.5%	3,396	1,937	57.0%	11,753	8,918	75.9%
vs Sales	25.9%	21.5%		31.9%	19.8%		27.4%	21.1%	
SG&A	4,539	4,368	96.2%	1,614	1,501	93.0%	6,154	5,869	95.4%
R&D Expense	705	897	127.2%	424	322	75.9%	1,130	1,220	108.0%
Other Income	575	225	39.1%	-3	0	-	571	224	39.2%
Other Expense	31	16	51.6%	0	-	-	31	16	51.6%
Operating Profit	3,655	1,923	52.6%	1,352	113	8.4%	5,008	2,036	40.7%
vs Sales	11.3%	5.9%		12.7%	1.2%		11.7%	4.8%	

IFRS : Sales Performance by Category of Products

(¥ million)

	FY2017Q1	FY2018Q1		
	Actual	Actual	Variance	%
GE	29,440	30,101	660	102.2%
LLP	2,081	1,842	-238	88.5%
Others	750	574	-175	76.5%
Total	32,272	32,518	246	100.8%

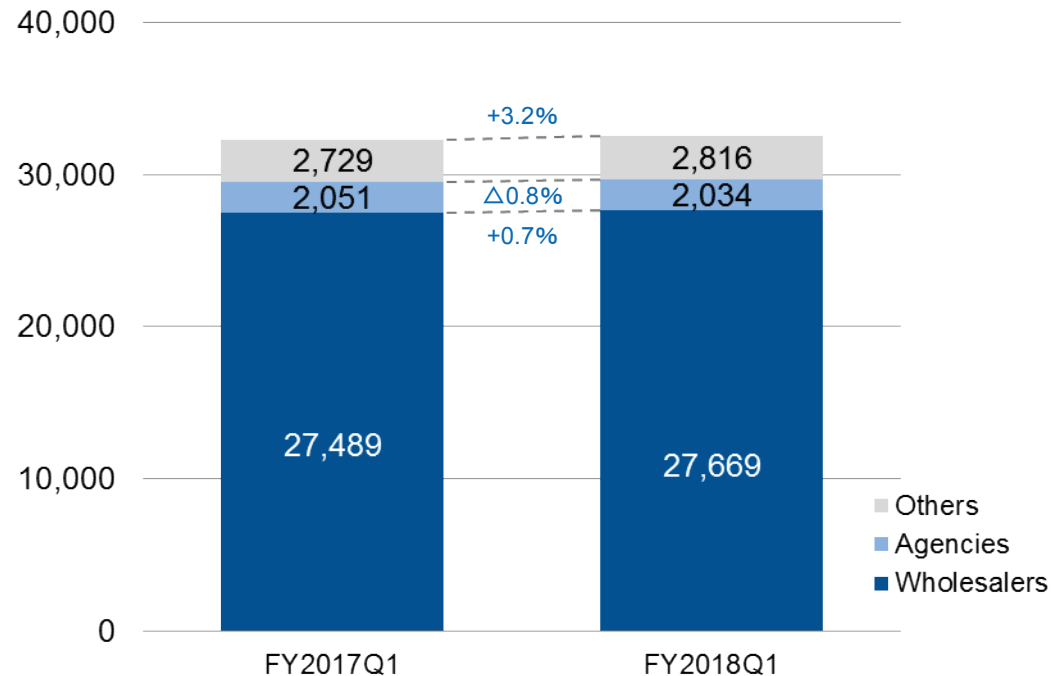


IFRS : Sales Performance by Distribution Channel

(¥million)

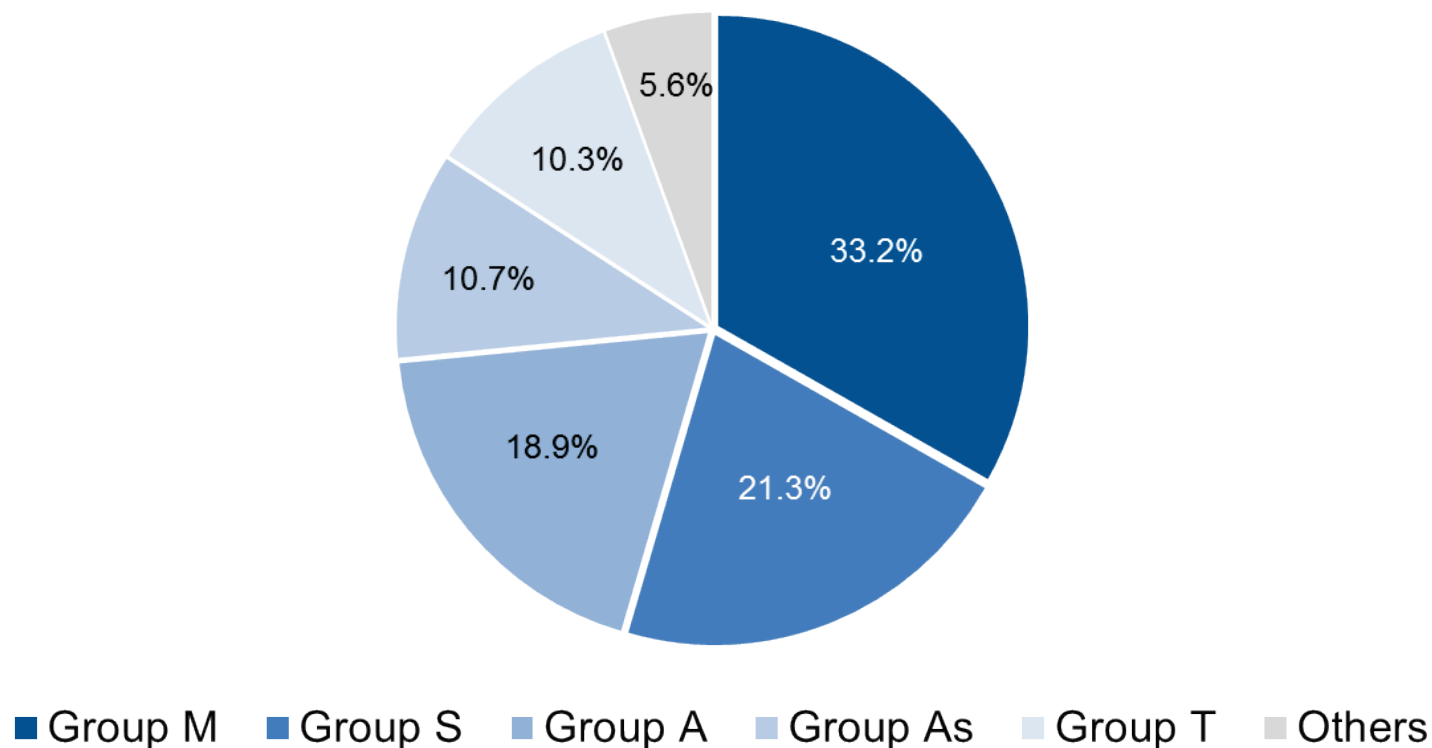
Distribution Channel	FY2017Q1		FY2018Q1			
	Actual		Actual		YOY	
	Sales	%	Sales	%	Variance	%
Wholesalers	27,489	85.2%	27,669	85.1%	180	100.7%
Agencies	2,051	6.4%	2,034	6.3%	-17	99.2%
Others	2,729	8.5%	2,816	8.7%	87	103.2%
Total	32,272	100.0%	32,518	100.0%	246	100.8%

(¥ million)

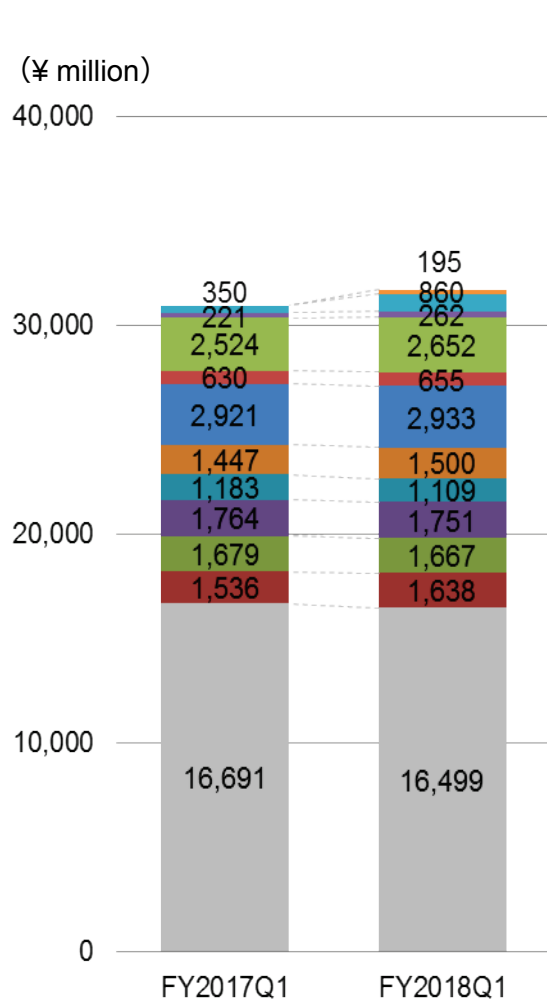


IFRS : Comparison of Performance by Wholesalers

Share of FY2018Q1



IFRS : Sales Performance by NHI Listed Year



(¥ million)

	FY2017Q1	FY2018Q1	Variance	YOY
Listed in 2018	-	195	195	-
Listed in 2017	350	860	510	245.7%
Listed in 2016	221	262	41	118.6%
Listed in 2015	2,524	2,652	128	105.1%
Listed in 2014	630	655	25	104.0%
Listed in 2013	2,921	2,933	12	100.4%
Listed in 2012	1,447	1,500	53	103.7%
Listed in 2011	1,183	1,109	-74	93.7%
Listed in 2010	1,764	1,751	-13	99.3%
Listed in 2009	1,679	1,667	-12	99.3%
Listed in 2008	1,536	1,638	102	106.6%
Others	16,691	16,499	-192	98.8%
Total	31,615	32,129	775	101.6%

Sales Performance by Medical Institutions

GE	FY2017Q1			FY2018Q1		
	No. of Clients	YOY Sales	YOY No. of Clients	No. of Clients	YOY Sales	YOY No. of Clients
All	101,088	107.2%	100.9%	101,970	103.3%	100.9%
DPC Hospital	1,712	110.3%	100.0%	1,714	98.5%	100.1%
Pharmacy	55,443	107.6%	101.2%	56,423	105.0%	101.8%

All Products	Total No. of Institutions in Japan	FY2017Q1		FY2018Q1			YOY	
		Sales Composition	No. of Clients	Sales Composition	No. of Clients	Covered Ratio	Sales	No. of Clients
All	-	100.0%	118,758	100.0%	119,304	-	102.3%	100.5%
Hospital	8,469	17.5%	8,257	16.7%	8,268	97.6%	97.6%	100.1%
DPC Hospital	1,742	11.4%	1,716	10.9%	1,716	98.5%	97.5%	100.0%
Clinic	103,881	10.3%	54,497	9.7%	54,141	52.1%	96.4%	99.3%
Pharmacy	59,828	64.9%	56,004	66.0%	56,895	95.1%	104.1%	101.6%
Others	-	7.3%	-	7.6%	-	-	106.4%	-

Forward-Looking Statements

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