Year Ending March 31, 2019
Results of 2nd Quarter
Settlement of Accounts Supplementary Material
(Apr.1 to Sep.30 2018)

November, 2018

NICHI-IKO 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.

Obelisk 2019

THEME

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

IFRS : Results -YOY-

(¥million)

	FY2017 H1	vs Sales (%)	FY2018 H1	vs Sales (%)	YOY
Sales	83,060	-	82,346	-	99.1%
COGS	64,202	77.3%	64,166	77.9%	99.9%
Gross Profit	18,858	22.7%	18,179	22.1%	96.4%
SG&A	11,813	14.2%	11,615	14.1%	98.3%
R&D Expenses	1,977	2.4%	1,915	2.3%	96.9%
Other Income	657	0.8%	273	0.3%	41.6%
Other Expense	3,029	3.6%	202	0.2%	6.7%
Operating Profit	2,695	3.2%	4,720	5.7%	175.1%
Pretax	2,613	3.1%	5,727	7.0%	219.2%
Net Income Attributable to Parent	2,446	2.9%	4,620	5.6%	188.9%
Capital Expense	5,834		2,236		38.3%
R&D Investment	3,982		5,180		130.1%
Depreciation	4,176		4,601		110.2%

IFRS：Results -vs Forecast-

(¥million)

	FY2018 Forecast	vs Sales (%)	FY2018 H1 Forecast	vs Sales (%)	FY2018 H1 Actual	vs Sales (%)	vs Forecast Full Year	vs Forecast H1
Sales	172,000	-	82,000	-	82,346	-	*47.9%*	*100.4%*
COGS	136,000	*79.1%*	65,000	*79.3%*	64,166	*77.9%*	*47.2%*	*98.7%*
Gross Profit	36,000	*20.9%*	17,000	*20.7%*	18,179	*22.1%*	*50.5%*	*106.9%*
Operating Profit	8,000	*4.7%*	3,000	*3.7%*	4,720	*5.7%*	*59.0%*	*157.3%*
Pretax	7,700	*4.5%*	4,200	*5.1%*	5,727	*7.0%*	*74.4%*	*136.4%*
Quarterly Net Profit Attributable to Parent	5,000	*2.9%*	2,800	*3.4%*	4,620	*5.6%*	*92.4%*	*165.0%*
Capital Expense	8,000				2,236		*28.0%*	
R&D Investment	11,500				5,180		*45.0%*	
Depreciation	9,500				4,601		*48.4%*	

IFRS：Results -Segment-

(￥ million)

	Japan + Others			Sagent			Consolidated		
	FY2017 H1	FY2018 H1	YOY	FY2017 H1	FY2018 H1	YOY	FY2017 H1	FY2018 H1	YOY
Sales	64,184	63,853	99.5%	18,875	18,493	98.0%	83,060	82,346	99.1%
COGS	48,088	50,009	104.0%	※16,113	14,157	87.9%	64,202	64,166	99.9%
vs Sales	*74.9%*	*78.3%*		*85.4%*	*76.6%*		*77.3%*	*77.9%*	
Gross Profit	16,095	13,843	86.0%	2,762	4,335	157.0%	18,858	18,179	96.4%
vs Sales	*25.1%*	*21.7%*		*14.6%*	*23.4%*		*22.7%*	*22.1%*	
SG&A	8,601	8,474	98.5%	3,212	3,140	97.8%	11,813	11,615	98.3%
R&D Expense	1,278	1,203	94.1%	698	711	101.9%	1,977	1,915	96.9%
Other Income	671	273	40.7%	-14	-	-	657	273	41.6%
Other Expense	54	90	166.7%	※ 2,975	111	3.7%	3,029	202	6.7%
Operating Profit	6,834	4,348	63.6%	-4,138	372	-	2,695	4,720	175.1%
vs Sales	*10.6%*	*6.8%*		*-21.9%*	*2.0%*		*3.2%*	*5.7%*	

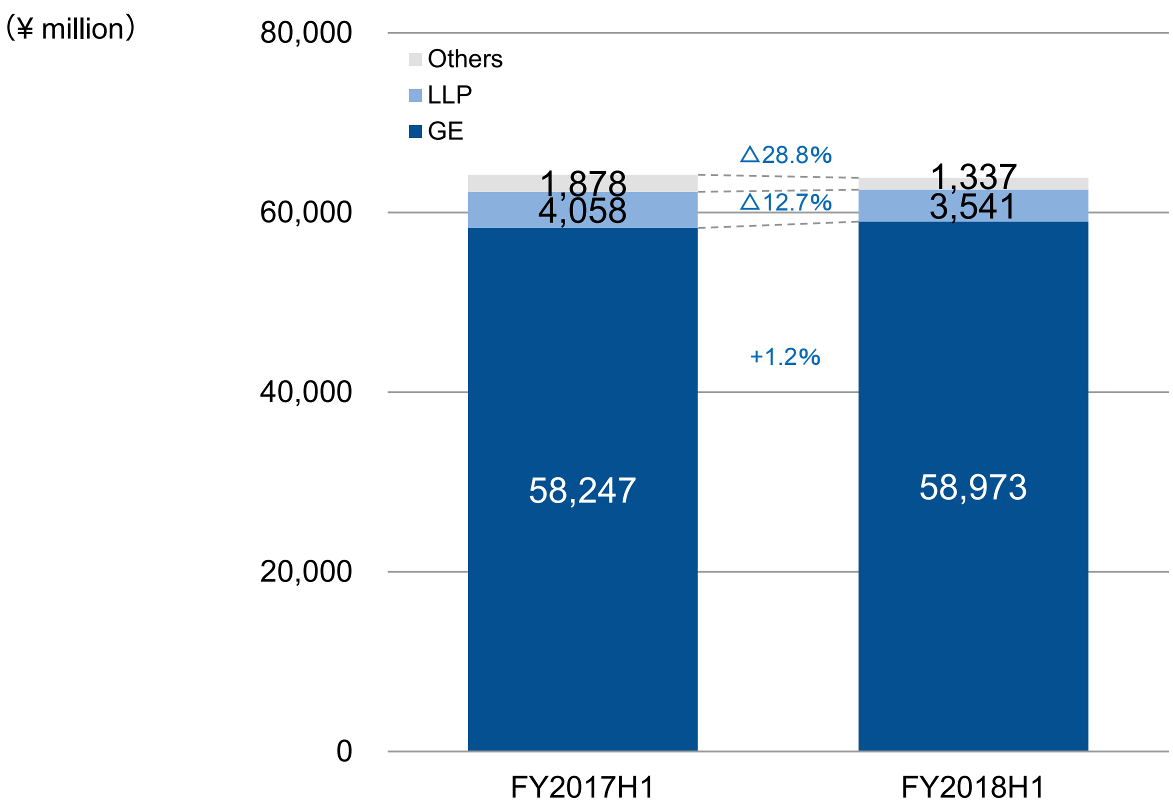
※ Sagent impairment

	FY2018/3 H1	FY2018/3 H2	FY2018/3 Full	Note
COGS	2,753	-2,144	609	Reversed in impairment test in Jan. 2018
Other Expense	2,975	443	3,418	
Total	5,728	-1,701	4,027	

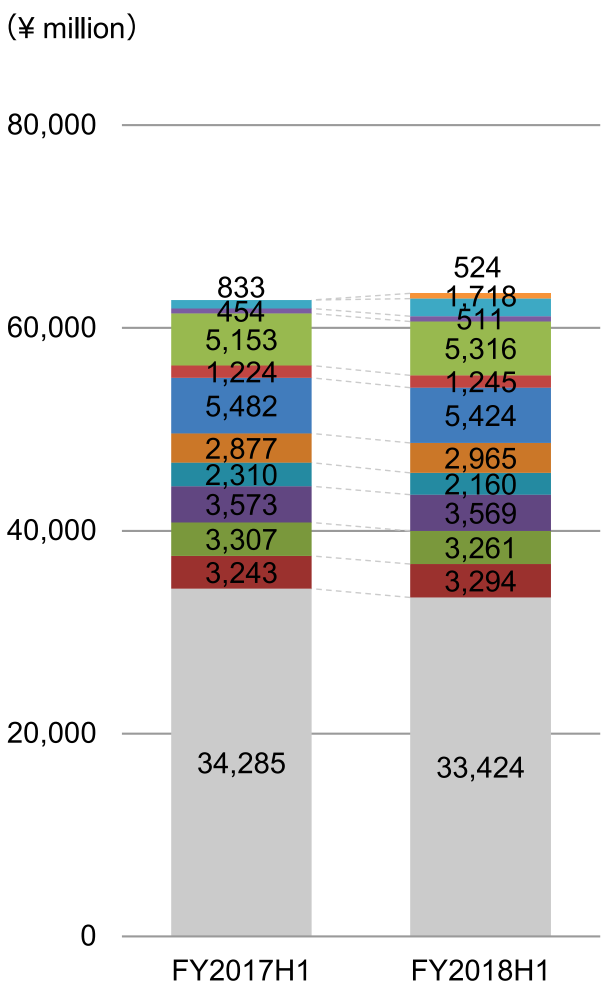
IFRS： Sales Performance by Category of Products

(￥million)

	FY2017H1 Actual	FY2018H1 Actual	YOY Variance	YOY %
GE	58,247	58,973	726	*101.2%*
LLP	4,058	3,541	-516	*87.3%*
Others	1,878	1,337	-541	*71.2%*
Total	64,184	63,853	-331	*99.5%*



IFRS： Sales Performance by NHI Listed Year



(￥million)

	FY2017 H1	FY2018 H1	Variance	YOY
Listed in 2018	-	524	524	-
Listed in 2017	833	1,718	885	*206.2%*
Listed in 2016	454	511	57	*112.6%*
Listed in 2015	5,153	5,316	163	*103.2%*
Listed in 2014	1,224	1,245	21	*101.7%*
Listed in 2013	5,482	5,424	-58	*98.9%*
Listed in 2012	2,877	2,965	88	*103.1%*
Listed in 2011	2,310	2,160	-150	*93.5%*
Listed in 2010	3,573	3,569	-4	*99.9%*
Listed in 2009	3,307	3,261	-46	*98.6%*
Listed in 2008	3,243	3,294	51	*101.6%*
Others	34,285	33,424	-861	*97.5%*
Total	62,745	63,416	670	*101.1%*

Sales Performance by Medical Institutions

GE	FY2017H1 No. of Clients	FY2017H1 YOY Sales	FY2017H1 YOY No. of Clients	FY2018H1 No. of Clients	FY2018H1 YOY Sales	FY2018H1 YOY No. of Clients
All	107,186	*108.1%*	*100.9%*	108,004	*102.0%*	*100.8%*
DPC Hospital	1,713	*108.9%*	*100.0%*	1,713	*97.8%*	*100.0%*
Pharmacy	56,296	*109.1%*	*101.3%*	57,268	*102.0%*	*101.7%*

All Products	Total No. of Institutions in Japan	FY2017H1 Sales Composition	FY2017H1 No. of Clients	FY2018H1 Sales Composition	FY2018H1 No. of Clients	FY2018H1 Covered Ratio	YOY Sales	YOY No. of Clients
All	-	*100.0%*	125,445	*100.0%*	125,751	-	*99.9%*	*100.2%*
Hospital	8,444	*17.4%*	8,272	*16.9%*	8,277	*98.0%*	*96.8%*	*100.1%*
DPC Hospital	1,742	*11.4%*	1,715	*11.0%*	1,714	*98.4%*	*97.1%*	*99.9%*
Clinic	103,905	*10.3%*	60,427	*9.7%*	59,836	*57.6%*	*94.3%*	*99.0%*
Pharmacy	59,777	*65.2%*	56,746	*65.9%*	57,638	*96.4%*	*101.1%*	*101.6%*
Others	-	*7.1%*	-	*7.5%*	-	-	*105.3%*	-

Forward-Looking Statements

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

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Contact information for any questions:

Nichi-Iko Pharmaceutical Co., Ltd.
Corporate Planning Office
Phone: +81-76-442-7026
E-mail: ir@nichiiko.co.jp