

**Year Ended March 31, 2019 Results
Settlement of Accounts Supplementary Material
(Apr.1 2018 to Mar.31 2019)**

May, 2019



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, pharmacists, doctors, 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)

	FY2017	vs Sales (%)	FY2018	vs Sales (%)	YOY
Sales	164,717	-	166,592	-	101.1%
COGS	123,914	75.2%	133,434	80.1%	107.7%
Gross Profit	40,803	24.8%	33,157	19.9%	81.3%
SG&A	23,136	14.0%	22,504	13.5%	97.3%
R&D Expenses	4,467	2.7%	3,503	2.1%	78.4%
Other Income	948	0.6%	1,528	0.9%	161.2%
Other Expense	3,845	2.3%	455	0.3%	11.8%
Core Operating Profit	14,368	8.7%	13,320	8.0%	92.7%
Operating Profit	10,301	6.3%	8,223	4.9%	79.8%
Pretax	9,067	5.5%	8,903	5.3%	98.2%
Net Income Attributable to Parent	8,070	4.9%	6,864	4.1%	85.1%
Capital Expense	12,705		5,053		39.8%
R&D Investment	9,045		10,841		119.9%
Depreciation	8,979		9,401		104.7%

※ Core Operating Profit means Operating Profit excluding Impairment of intangible assets, temporary impact of M&A and restructuring expense

IFRS : Results -vs Forecast-



	FY2018 Forecast	vs Sales (%)	FY2018 Actual	vs Sales (%)	(¥million) vs Forecast (%)
Sales	170,000	-	166,592	-	98.0%
COGS	132,500	77.9%	133,434	80.1%	100.7%
Gross Profit	37,500	22.1%	33,157	19.9%	88.4%
Operating Profit	9,500	5.6%	8,223	4.9%	86.6%
Pertax	9,300	5.5%	8,903	5.3%	95.7%
Net Income Attributable to Parent	7,000	4.1%	6,864	4.1%	98.1%
Capital Expense	8,000		5,053		63.2%
R&D Investment	11,500		10,841		94.3%
Depreciation	9,500		9,401		99.0%

IFRS : Results -Segment-

Reported
P&L

(¥ million)

	Nichi-Iko			Sagent			Consolidated		
	FY2017	FY2018	YOY	FY2017	FY2018	YOY	FY2017	FY2018	YOY
Sales	128,659	131,076	101.9%	36,058	35,515	98.5%	164,717	166,592	101.1%
COGS	97,816	101,321	103.6%	26,097	32,113	123.1%	123,914	133,434	107.7%
vs Sales	76.0%	77.3%		72.4%	90.4%		75.2%	80.1%	
Gross Profit	30,842	29,755	96.5%	9,961	3,402	34.2%	40,803	33,157	81.3%
vs Sales	24.0%	22.7%		27.6%	9.6%		24.8%	19.9%	
SG&A	16,584	16,575	99.9%	6,551	5,928	90.5%	23,136	22,504	97.3%
R&D Expense	2,766	2,050	74.1%	1,701	1,453	85.4%	4,467	3,503	78.4%
Other Income	947	601	63.5%	0	927	-	948	1,528	161.2%
Other Expense	404	455	112.5%	3,441	0	0.0%	3,845	455	11.8%
Operating Profit	12,034	11,275	93.7%	-1,733	-3,052	-	10,301	8,223	79.8%
vs Sales	9.4%	8.6%		-4.8%	-8.6%		6.3%	4.9%	

<Sagent Impairment>

(¥ million)

<Exchange Rate>

(JPY Per \$)

	FY2017	FY2018		FY2017	FY2018
COGS	609	5,577	Q1	111.09	109.07
Other Expense	3,418	※ △924	Q2	111.03	111.46
Total	4,027	4,653	Q3	112.98	112.90
			Q4	108.30	110.20

※Recognized reversal of impairment as Other Income based on feasibility reevaluation for intangible assets.

IFRS : Results -Segment-

Core based
P&L

(¥ million)

	Nichi-Iko			Sagent			Consolidated		
	FY2017	FY2018	YOY	FY2017	FY2018	YOY	FY2017	FY2018	YOY
Sales	128,659	131,076	101.9%	36,058	35,515	98.5%	164,717	166,592	101.1%
COGS	97,816	101,321	103.6%	25,487	26,535	104.1%	123,304	127,857	103.7%
vs Sales	76.0%	77.3%		70.7%	74.7%		74.9%	76.7%	
Gross Profit	30,842	29,755	96.5%	10,570	8,980	85.0%	41,412	38,735	93.5%
vs Sales	24.0%	22.7%		29.3%	25.3%		25.1%	23.3%	
SG&A	16,584	16,208	97.7%	6,551	5,928	90.5%	23,136	22,137	95.7%
R&D Expense	2,766	2,050	74.1%	1,701	1,453	85.4%	4,467	3,503	78.4%
Other Income	947	601	63.5%	0	2	466.9%	948	604	63.8%
Other Expense	365	378	103.5%	22	0	0.1%	387	378	97.5%
Core Operating Profit	12,073	11,720	97.1%	2,294	1,600	69.7%	14,368	13,320	92.7%
vs Sales	9.4%	8.9%		6.4%	4.5%		8.7%	8.0%	

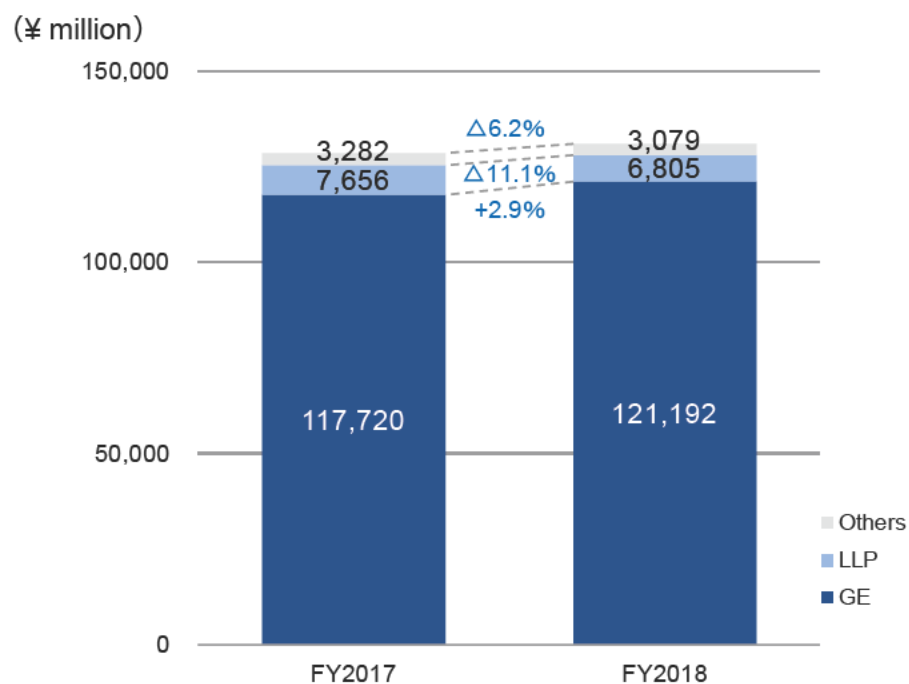
<Excluded following items from Reported P&L>

	Nichi-Iko		Sagent		Note
	FY2017	FY2018	FY2017	FY2018	
COGS			609	5,577	Impairment of current marketed products
SG&A		367			Integration cost
Other Income				924	Reversal of IPRD impairment
Other Expense	39	76	3,418		Impairment of IPRD, etc.

IFRS : Sales Performance by Category of Products *Obevisk*

(¥ million)

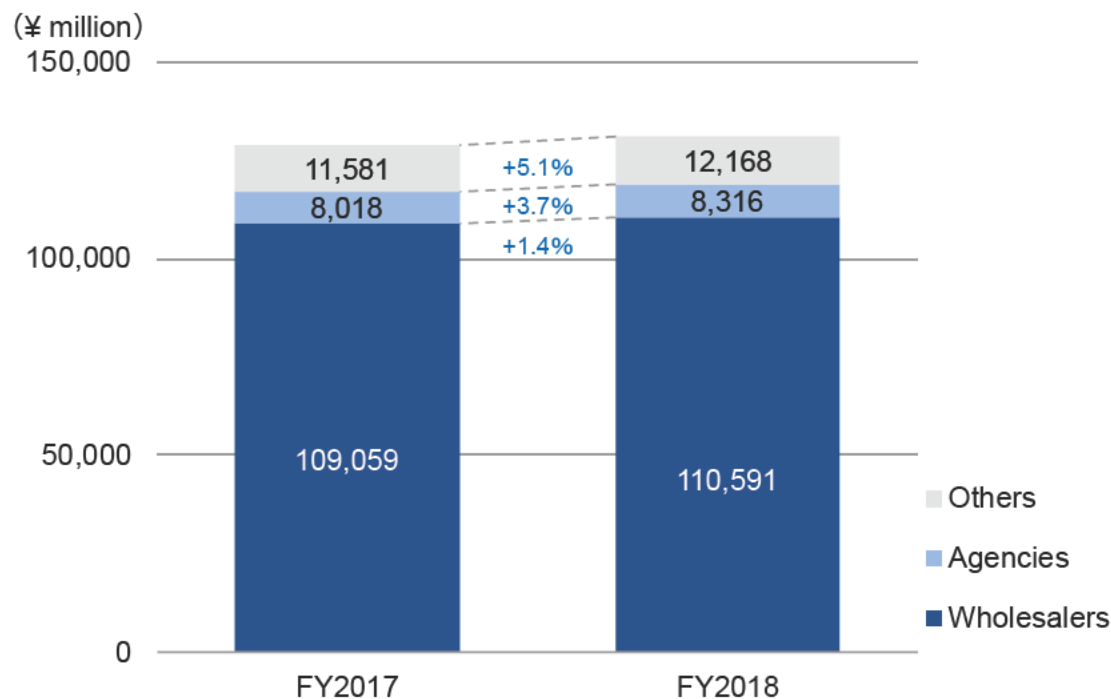
	FY2017	FY2018	YOY	
	Actual	Actual	Variance	%
GE	117,720	121,192	3,471	102.9%
LLP	7,656	6,805	-851	88.9%
Others	3,282	3,079	-203	93.8%
Total	128,659	131,076	2,417	101.9%



IFRS : Sales Performance by Distribution Channel

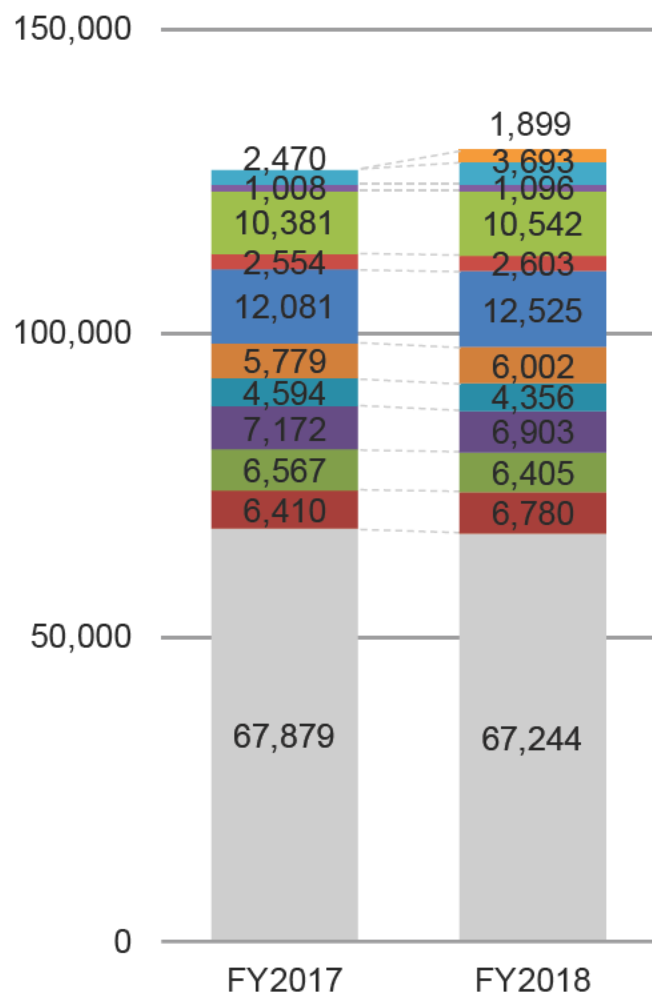
(¥ million)

Distribution Channel	FY2017		FY2018			
	Actual		Actual		YOY	
	Sales	%	Sales	%	Variance	%
Wholesalers	109,059	84.8%	110,591	84.4%	1,532	101.4%
Agencies	8,018	6.2%	8,316	6.3%	298	103.7%
Others	11,581	9.0%	12,168	9.3%	587	105.1%
Total	128,659	100.0%	131,076	100.0%	2,417	101.9%



IFRS : Sales Performance by NHI Listed Year

(¥ million)



(¥ million)

	FY2017	FY2018	Variance	YOY
Listed in 2018	-	1,899	1,899	-
Listed in 2017	2,470	3,693	1,223	149.5%
Listed in 2016	1,008	1,096	88	108.7%
Listed in 2015	10,381	10,542	161	101.6%
Listed in 2014	2,554	2,603	49	101.9%
Listed in 2013	12,081	12,525	444	103.7%
Listed in 2012	5,779	6,002	223	103.9%
Listed in 2011	4,594	4,356	-238	94.8%
Listed in 2010	7,172	6,903	-269	96.2%
Listed in 2009	6,567	6,405	-162	97.5%
Listed in 2008	6,410	6,780	370	105.8%
Others	67,879	67,244	-635	99.1%
Total	126,900	130,053	3,153	102.5%

Sales Performance by Medical Institutions

GE	FY2017			FY2018		
	No. of Clients	YOY Sales	YOY No. of Clients	No. of Clients	YOY Sales	YOY No. of Clients
All	113,484	108.3%	100.6%	114,324	100.5%	100.7%
DPC Hospital	1,717	107.7%	100.0%	1,716	97.1%	99.9%
Pharmacy	57,311	109.8%	101.3%	58,214	101.7%	101.6%

All Products	Total No. of Institutions in Japan	FY2017		FY2018			YOY	
		Sales Composition	No. of Clients	Sales Composition	No. of Clients	Covered Ratio	Sales	No. of Clients
All	-	100.0%	131,251	100.0%	131,697	-	99.6%	100.3%
Hospital	8,426	17.0%	8,288	16.4%	8,289	98.4%	96.4%	100.0%
DPC Hospital	1,742	11.2%	1,719	10.8%	1,717	98.6%	96.7%	99.9%
Clinic	103,925	10.3%	65,324	9.7%	64,928	62.5%	93.9%	99.4%
Pharmacy	60,104	65.7%	57,639	66.5%	58,480	97.3%	100.8%	101.5%
Others	-	7.0%	-	7.4%	-	-	105.0%	-

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.

President Office

Phone: +81-76-442-7026

E-mail: ir@nichiiko.co.jp