

Year Ending March 31, 2020
Results of 4th Quarter
Settlement of Accounts Supplementary Material
(Apr.1 2019 to Mar. 31 2020)

May, 2020



Nichi-Iko Pharmaceutical Co., Ltd.

TSE : 4541

We shall excel
as the outstanding generic pharmaceutical company,
making every effort to continue to serve and deliver our products needed
by our patients and their families, pharmacists, doctors, distributors
and other pharma companies around the world.

NEXUS
Better than the Best.



(million JPY)

	FY2018	vs Sales (%)	FY2019	vs Sales (%)	YOY
Sales	166,592	-	190,076	-	114.1%
COGS	133,434	80.1%	152,756	80.4%	114.5%
Gross Profit	33,157	19.9%	37,319	19.6%	112.6%
SG&A	22,504	13.5%	25,614	13.5%	113.8%
R&D Expenses	3,503	2.1%	4,261	2.2%	121.6%
Other Income	1,528	0.9%	303	0.2%	19.8%
Other Expense	455	0.3%	4,873	2.6%	1071.0%
Core Operating Profit	13,320	8.0%	8,020	4.2%	60.2%
Operating Profit	8,223	4.9%	2,873	1.5%	34.9%
Pretax	8,903	5.3%	7,396	3.9%	83.1%
Net Income Attributable to Parent	6,864	4.1%	5,133	2.7%	74.8%
Capital Expense	5,053		8,405		166.3%
R&D Investment	10,841		13,743		126.8%
Depreciation	9,401		11,871		126.3%

(¥million)

	FY2019 Forecast ※	vs Sales (%)	FY2019 Actual	vs Sales (%)	VS Forecast (%)
Sales	194,000	-	190,076	-	98.0%
COGS	155,000	79.9%	152,756	80.4%	98.6%
Gross Profit	39,000	20.1%	37,319	19.6%	95.7%
Core Operating Profit	8,500	4.4%	8,020	4.2%	94.4%
Operating Profit	8,500	4.4%	2,873	1.5%	33.8%
Ordinary Profit	9,000	4.6%	7,396	3.9%	82.2%
Net Profit Attributable to Parent	6,000	3.1%	5,133	2.7%	85.6%
Capital Expense	9,000		8,405		93.4%
R&D Investment	10,500		13,743		130.9%
Depreciation	10,900		11,871		108.9%

※Revised forecast announced on November 12,2019

(¥ million)

Reported P&L	Nichi-Iko			Sagent			Adjustment	Consolidated		
	FY2018	FY2019	YOY	FY2018	FY2019	YOY	FY2017 H1	FY2018	FY2019	YOY
Sales	131,076	154,912	118.2%	35,515	35,163	99.0%		166,592	190,076	114.1%
COGS	101,321	126,875	125.2%	32,113	25,881	80.6%		133,434	152,756	114.5%
<i>vs Sales</i>	<i>77.3%</i>	<i>81.9%</i>		<i>90.4%</i>	<i>73.6%</i>			<i>80.1%</i>	<i>80.4%</i>	
Gross Profit	29,755	28,037	94.2%	3,402	9,282	272.8%		33,157	37,319	112.6%
<i>vs Sales</i>	<i>22.7%</i>	<i>18.1%</i>		<i>9.6%</i>	<i>26.4%</i>			<i>19.9%</i>	<i>19.6%</i>	
SG&A	16,450	19,670	119.6%	6,054	5,944	98.2%		22,504	25,614	113.8%
R&D Expense	2,050	2,431	118.6%	1,453	1,830	125.9%		3,503	4,261	121.6%
Other Income	571	310	54.3%	957	-6	-		1,528	303	19.8%
Other Expense	455	2,465	541.8%	0	2,407	-		455	4,873	1071.0%
Operating Profit	11,370	3,780	33.2%	-3,147	-907	-		8,223	2,873	34.9%
<i>vs Sales</i>	<i>8.7%</i>	<i>2.4%</i>		<i>-8.9%</i>	<i>-2.6%</i>			<i>4.9%</i>	<i>1.5%</i>	

<Exchange Rate>

(JPY Per \$)

	FY 2018	FY 2019
Q1	109.07	109.90
Q2	111.46	107.35
Q3	112.90	108.76
Q4	110.20	108.92

(¥ million)

Core based P&L	Nichi-Iko			Sagent			Adjustment	Consolidated		
	FY2018	FY2019	YOY	FY2018	FY2019	YOY	FY2017 H1	FY2018	FY2019	YOY
Sales	131,076	155,288	118.5%	35,515	35,163	99.0%		166,592	190,452	114.3%
COGS	101,321	126,317	124.7%	26,535	26,341	99.3%		127,857	152,658	119.4%
<i>vs Sales</i>	<i>77.3%</i>	<i>81.3%</i>		<i>74.7%</i>	<i>74.9%</i>			<i>76.7%</i>	<i>80.2%</i>	
Gross Profit	29,755	28,971	97.4%	8,980	8,822	98.2%		38,735	37,793	97.6%
<i>vs Sales</i>	<i>22.7%</i>	<i>18.7%</i>		<i>25.3%</i>	<i>25.1%</i>			<i>23.3%</i>	<i>19.8%</i>	
SG&A	16,153	18,883	116.9%	5,984	5,944	99.3%		22,137	24,827	112.2%
R&D Expense	2,050	2,431	118.6%	1,453	1,830	125.9%		3,503	4,261	121.6%
Other Income	571	310	54.3%	32	-6	-		604	303	50.2%
Other Expense	378	986	260.8%	0	0	-		378	987	261.1%
Core Operating Profit	11,745	6,980	59.4%	1,575	1,040	66.0%		13,320	8,020	60.2%
<i>vs Sales</i>	<i>9.0%</i>	<i>4.5%</i>		<i>4.4%</i>	<i>3.0%</i>			<i>8.0%</i>	<i>4.2%</i>	

<Excluded following items from Reported P&L>

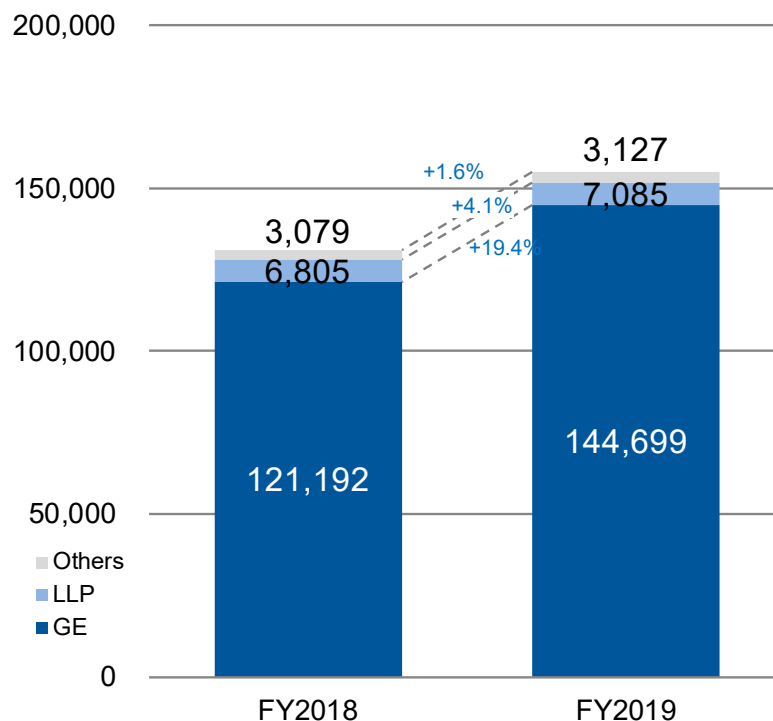
(million JPY)

	Nichi-Iko			Sagent		
	FY 2018	FY 2019	Note	FY 2018	FY 2019	Note
Sales (+)	-	376	Voluntary Recall Costs	-	-	-
COGS	-	557	Voluntary Recall Costs	5,578	△460	Sagent Impairment of Currently Marketed Products
SG&A expense	297	787	Elmed Integration Cost Voluntary Recall Costs	70	-	Acquisition cost of Raleigh Site
Other income (+)	-	-	-	△924	-	-
Other expense	76	1,479	Nichi-Iko Impairment of IPRD Loss on sales of Trastuzumab	-	2,407	Sagent Impairment of IPRD

(¥ million)

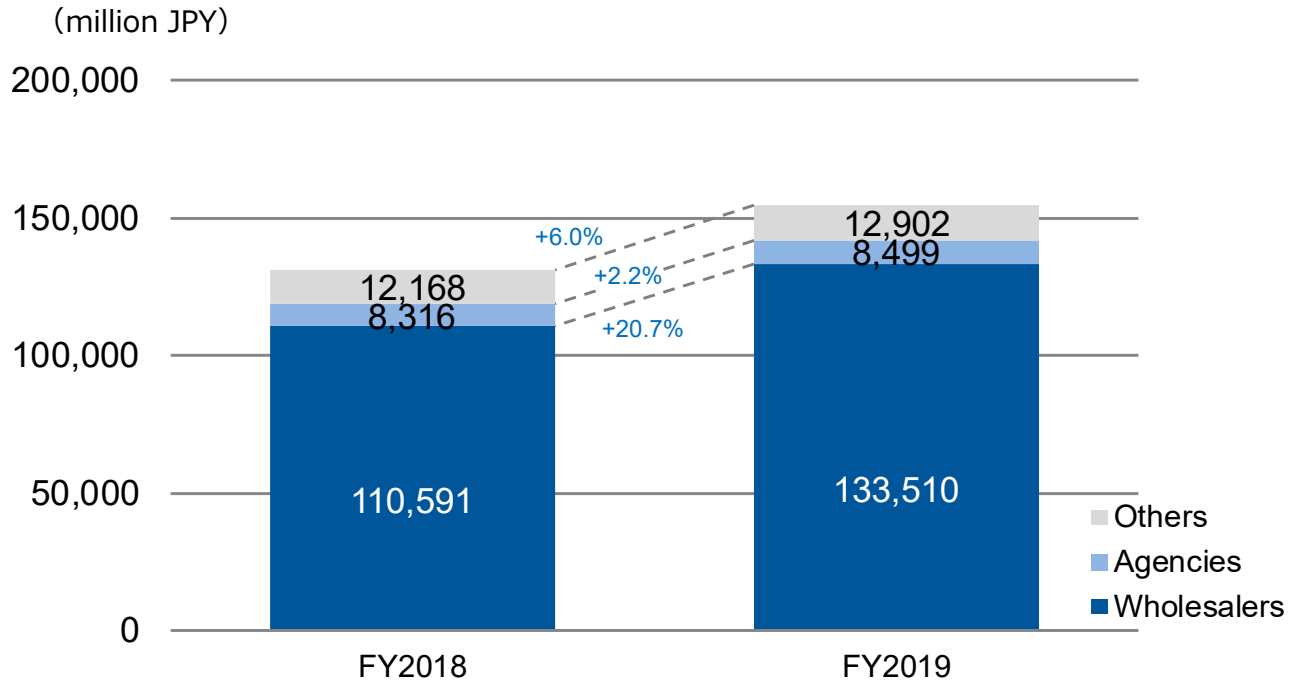
	FY2018	FY2019	YOY	
	Actual	Actual	Variance	%
GE	121,192	144,699	23,507	119.4%
LLP	6,805	7,085	280	104.1%
Others	3,079	3,127	48	101.6%
Total	131,076	154,912	23,836	118.2%

(million JPY)



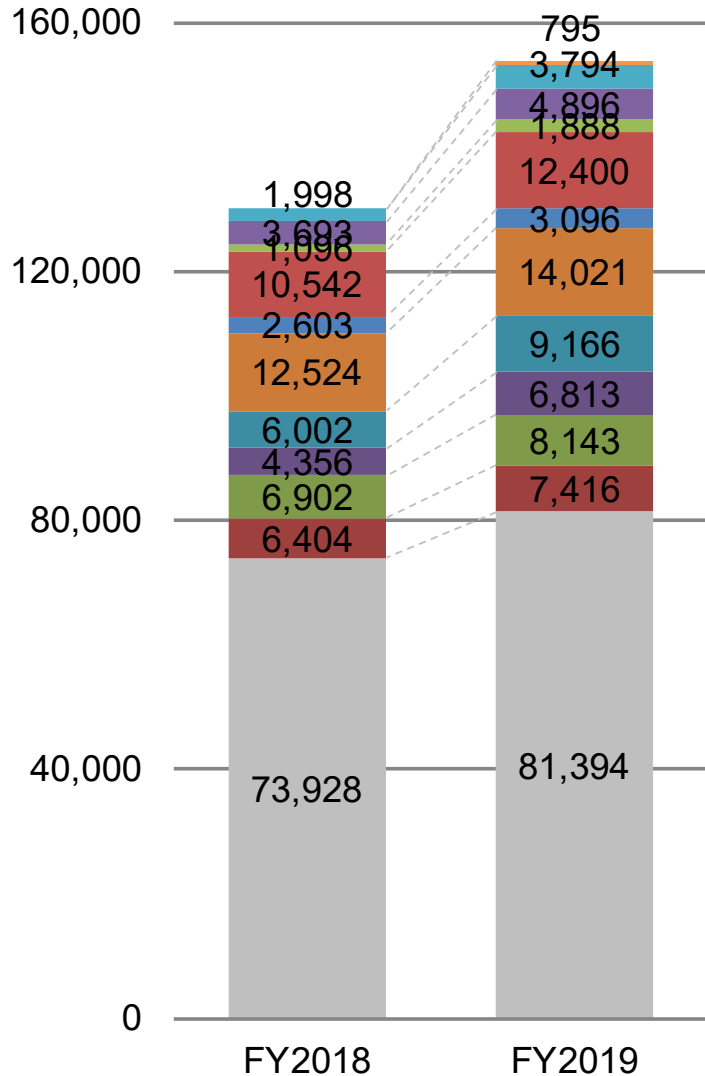
(¥million)

Distribution Channel	FY2018		FY2019			
	Actual		Actual		YOY	
	Sales	%	Sales	%	Variance	%
Wholesalers	110,591	84.4%	133,510	86.2%	22,919	120.7%
Agencies	8,316	6.3%	8,499	5.5%	183	102.2%
Others	12,168	9.3%	12,902	8.3%	734	106.0%
Total	131,076	100.0%	154,912	100.0%	23,836	118.2%



IFRS : Sales Performance by NHI Listed Year

(million JPY)



(¥ million)

	FY2018	FY2019	Variance	YOY
Listed in 2019	-	795	795	-
Listed in 2018	1,998	3,794	1,796	189.9%
Listed in 2017	3,693	4,896	1,203	132.6%
Listed in 2016	1,096	1,888	792	172.3%
Listed in 2015	10,542	12,400	1,858	117.6%
Listed in 2014	2,603	3,096	493	118.9%
Listed in 2013	12,524	14,021	1,497	112.0%
Listed in 2012	6,002	9,166	3,164	152.7%
Listed in 2011	4,356	6,813	2,457	156.4%
Listed in 2010	6,902	8,143	1,241	118.0%
Listed in 2009	6,404	7,416	1,012	115.8%
Others	73,928	81,394	7,466	110.1%
Total	130,053	153,827	23,774	118.3%

※Others: Products launched before 2008

GE	No. of Clients	FY2018		FY2019		
		YOY Sales	YOY No. of Clients	No. of Clients	YOY Sales	YOY No. of Clients
All	114,324	100.5%	100.7%	121,897	123.1%	106.6%
DPC Hospital	1,716	97.1%	99.9%	1,716	127.5%	100.0%
Pharmacy	58,214	101.7%	101.6%	59,084	126.6%	101.5%

All Products	Total No. of Institutions in Japan	FY2018		FY2019			YOY	
		Sales Composition	No. of Clients	Sales Composition	No. of Clients	Covered Ratio	Sales	No. of Clients
All	-	100.0%	131,697	100.0%	134,776	-	121.0%	102.3%
Hospital	8,342	16.4%	8,289	16.4%	8,241	98.8%	120.9%	99.4%
DPC Hospital	1,753	10.8%	1,717	11.0%	1,716	97.9%	122.7%	99.9%
Clinic	104,236	9.7%	64,928	8.5%	67,304	64.6%	106.5%	103.7%
Pharmacy	60,679	66.5%	58,480	68.8%	59,231	97.6%	125.2%	101.3%
Others	-	7.4%	-	6.3%	-	-	102.5%	-

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

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