

Year Ended March 31, 2015
Results of Full year
Settlement of Accounts Supplementary Material
(Apr.1 2014 to Mar.31 2015)

Pyramid

Challenge Globally with Power of Creation

May, 2015

Nichi-Iko Pharmaceutical Co., Ltd.

(Code No. 4541 1st section of TSE)





- We, Nichi-Iko, make great efforts by ourselves to be sustainable for providing value-added, high quality generic products which meet various requirements from patients, pharmacists, doctors, wholesalers and pharmaceutical companies in the global market as one of the most respected, well established generic companies in the world.

Pyramid

Furthering Our Mission Statement

Vision → **Global Top 10 Generic Maker**





Consolidated Fiscal Year YOY

Year ended March 31, 2014 and 2015

(¥ million)

	2014	VS Sales (%)	2015	VS Sales (%)	YOY
Sales	103,622	-	127,021	-	122.6%
COGS	63,947	61.7%	79,935	62.9%	125.0%
Gross Profit	39,666	38.3%	47,103	37.1%	118.7%
SG&A Expenses	32,282	31.2%	37,484	29.5%	116.1%
Labor Expenses	5,147	5.0%	5,712	4.5%	111.0%
R&D Expenses	4,441	4.3%	4,984	3.9%	112.2%
Sales Promotion Cost	13,705	13.2%	16,174	12.7%	118.0%
Others	8,988	8.7%	10,613	8.4%	118.1%
Operating Profit	7,383	7.1%	9,619	7.6%	130.3%
Ordinary Profit	7,085	6.8%	9,615	7.6%	135.7%
Net Profit	4,588	4.4%	6,592	5.2%	143.7%
Capital Expenses	4,586		5,949		129.7%
Depreciation	5,797		4,784		82.5%



Consolidated Fiscal Year VS Forecast

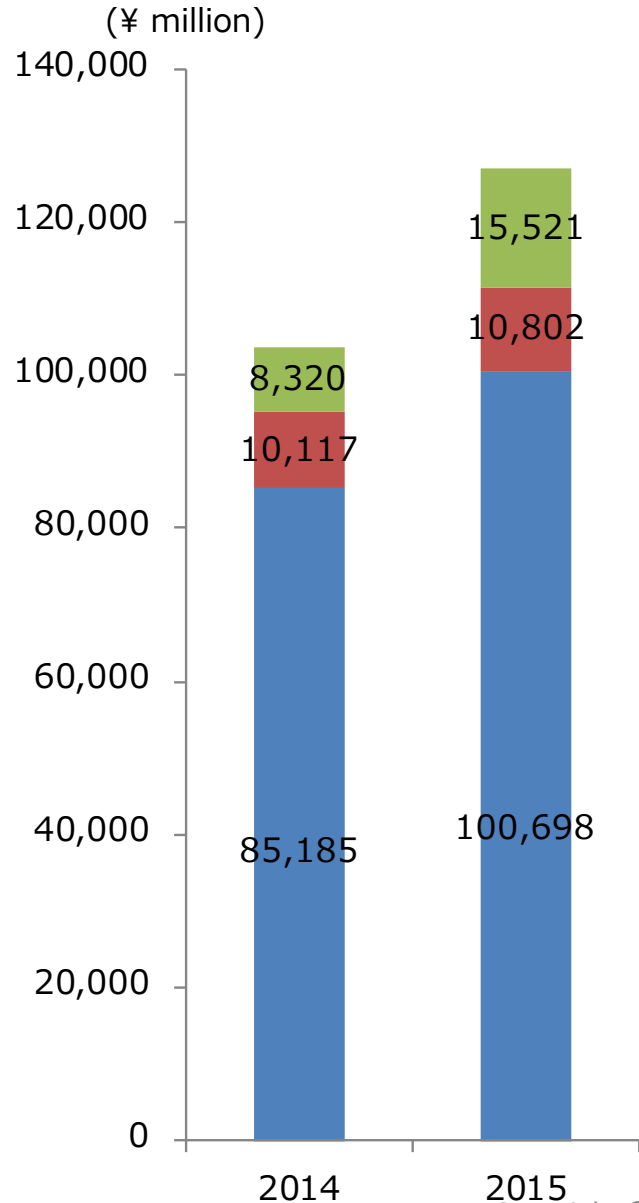
Year ended March 31, 2015

(¥ million)

	Forecasts for 2015	VS Sales (%)	2015	VS Sales (%)	VS Forecats
Sales	123,000	-	127,021	-	103.3%
COGS	76,500	62.2%	79,935	62.9%	104.5%
Gross Profit	46,500	37.8%	47,103	37.1%	101.3%
SG&A Expenses	37,200	30.2%	37,484	29.5%	100.8%
Operating Profit	9,300	7.6%	9,619	7.6%	103.4%
Ordinary Profit	9,000	7.3%	9,615	7.6%	106.8%
Net Profit	5,900	4.8%	6,592	5.2%	111.7%
Capital Expenses	6,800		5,949		87.5%
R&D Expenses	5,800		4,984		85.9%
Depreciation	5,000		4,784		95.7%



Sales Performance by Distribution Channel



Years ended March 31, 2014 and 2015 (¥ million)

Distribution Channel	2014	2015	Variance	YOY
Wholesalers	85,185	100,698	15,513	118.2%
Agencies	10,117	10,802	685	106.8%
Others	8,320	15,521	7,201	186.6%
Total	103,622	127,021	23,399	122.6%

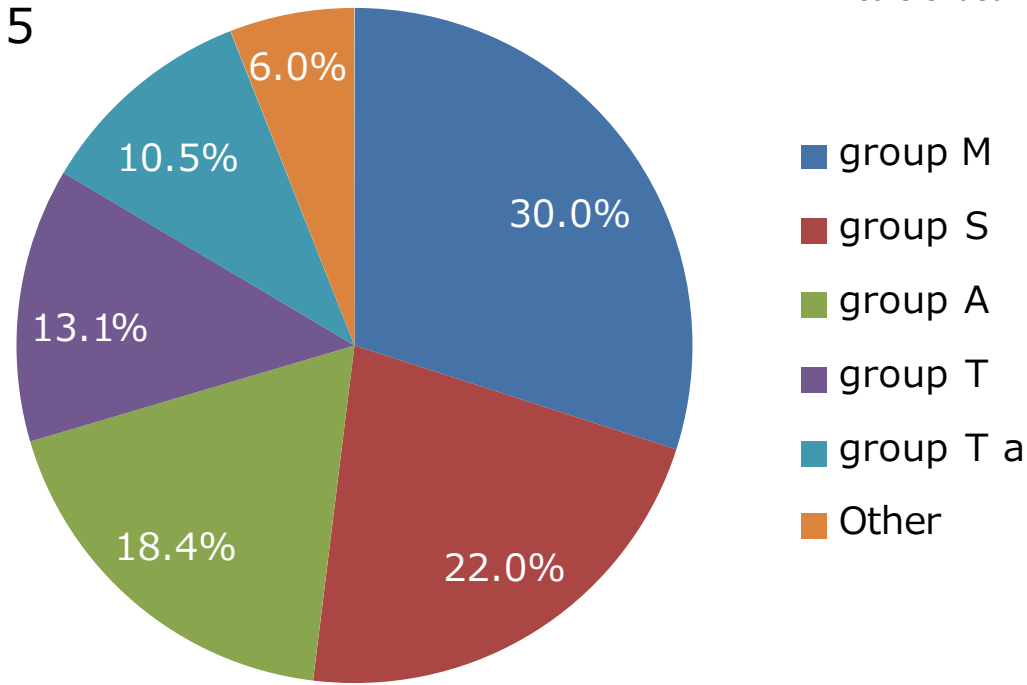
- Others
- Agencies
- Wholesalers



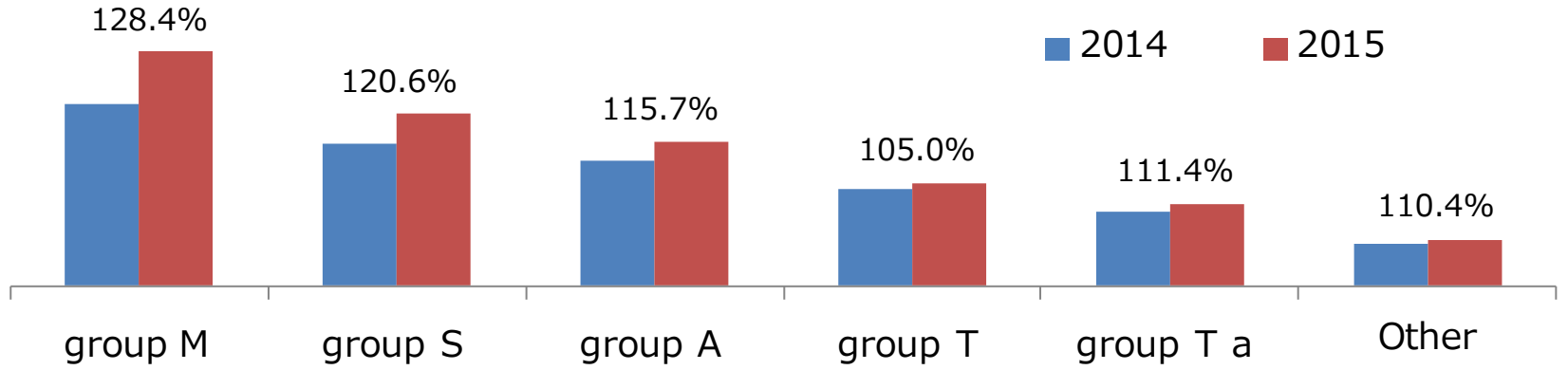
Comparison of Performance by Wholesalers

Years ended March 31, 2014 and 2015

Share of 2015

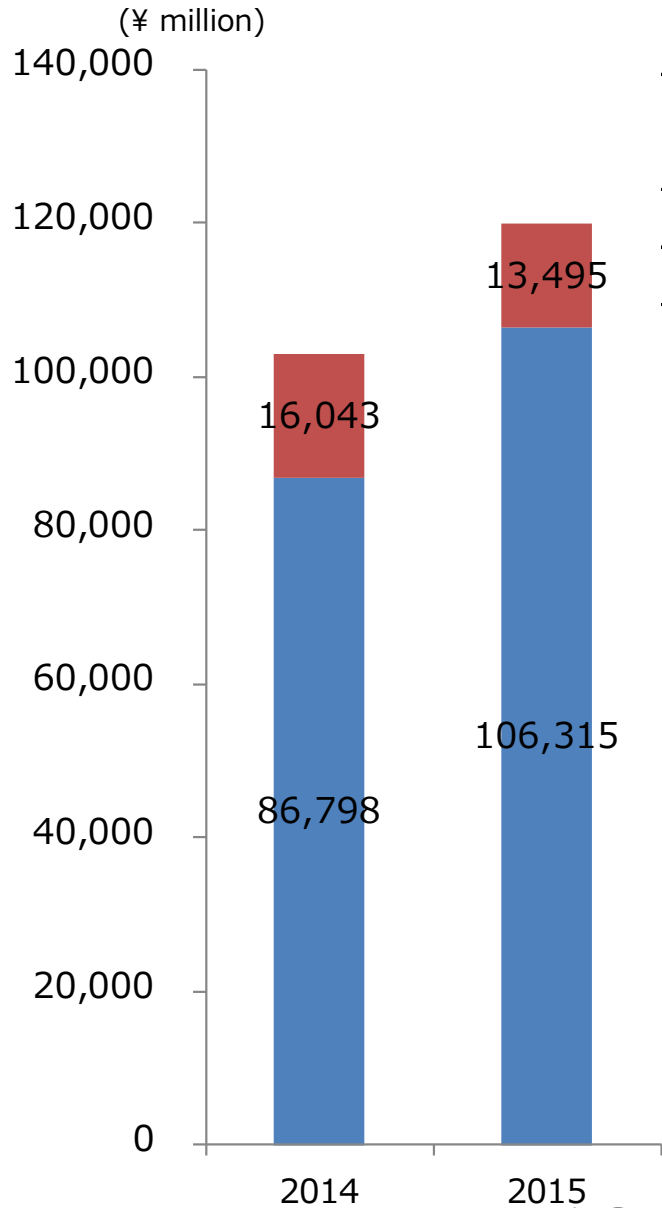


YOY





Sales Performance by Category of Products



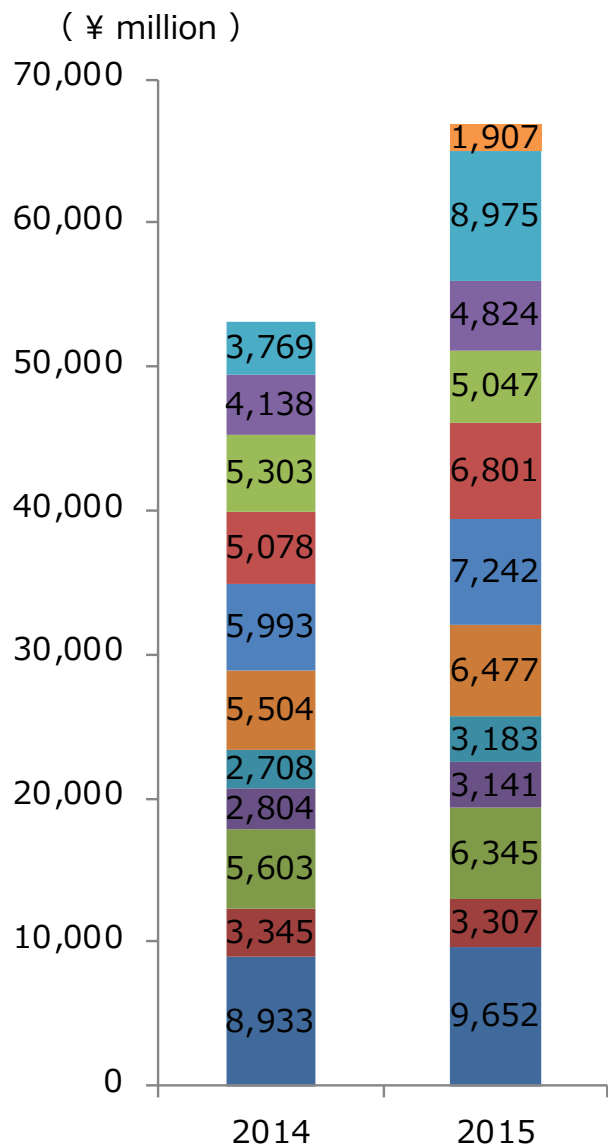
Year ended March 31, 2014 and 2015

(¥ million)

Category of Product	2014	2015	Variance	YOY
G E	86,798	106,315	19,517	122.5%
LLP	16,043	13,495	-2,548	84.1%

LLP : Long-Listed Pharmaceuticals

Sales Performance of Generic Products by NHI Listed Year



Years ended March 31, 2014 and 2015 (¥ million)

Listed Year	2014	2015	Variance	YOY
Listed in 2014	0	1,907		
Listed in 2013	3,769	8,975	5,206	238.1%
Listed in 2012	4,138	4,824	686	116.6%
Listed in 2011	5,303	5,047	-256	95.2%
Listed in 2010	5,078	6,801	1,723	133.9%
Listed in 2009	5,993	7,242	1,249	120.8%
Listed in 2008	5,504	6,477	973	117.7%
Listed in 2007	2,708	3,183	475	117.5%
Listed in 2006	2,804	3,141	337	112.0%
Listed in 2005	5,603	6,345	742	113.2%
Listed in 2004	3,345	3,307	-38	98.9%
Listed in 2003	8,933	9,652	719	108.0%

Years ended March 31, 2014 and 2015

Institution (All Product Category)	Total No. of Institutions in Japan	2014		2015			YOY	
		Sales Composition	No. of Clients	Sales Composition	No. of Clients	Covered Ratio	Sales	No. of Clients
ALL	-	100.0%	-	100.0%	128,765	-	116.5%	100.6%
Hospitals	8,557	12.5%	8,392	12.2%	8,401	98.2%	113.8%	100.1%
DPC Hospitals	1,580	12.2%	1,557	11.9%	1,561	98.8%	114.2%	100.3%
Pre-DPC Hospitals	148	0.3%	144	0.3%	145	98.0%	98.0%	100.7%
Clinics	104,421	16.8%	65,816	14.0%	65,312	62.5%	96.6%	99.2%
Pharmacies	57,473	63.8%	54,318	67.0%	55,608	96.8%	122.3%	102.4%
Others	-	6.9%	-	6.8%	-	-	115.3%	-

Institution (GE)	2014			2015		
	No. of Clients	YOY Sales	YOY No. of Clients	No. of Clients	YOY Sales	YOY No. of Clients
ALL	113,246	116.7%	102.0%	115,069	121.5%	101.6%
DPC Hospitals	1,550	109.6%	100.7%	1,558	125.0%	100.5%
Pharmacies	53,410	121.3%	103.4%	54,965	129.3%	102.9%



Year ended March 31, 2015 and 2016

(¥ million)

	2015	VS Sales (%)	Forecasts for 2016	VS Sales (%)	YOY
Sales	127,021	-	137,200	-	103.3%
COGS	79,935	62.9%	84,100	61.3%	104.5%
Gross Profit	47,103	37.1%	53,100	38.7%	101.3%
SG&A Expenses	37,484	29.5%	40,600	29.6%	100.8%
Operating Profit	9,619	7.6%	12,500	9.1%	103.4%
Ordinary Profit	9,615	7.6%	12,100	8.8%	106.8%
Net Profit	6,592	5.2%	8,000	5.8%	111.7%
Capital Expenses	5,949		11,200		87.5%
R&D Expenses	4,984		5,900		85.9%
Depreciation	4,784		5,400		95.7%





Generic products to be Launched in Jun. and Dec. 2015

Products between 2014 and 2017

Years ended March 31, 2014, 2015, 2016 and 2017.

Launching Year	2014	2015	2016	2017
Number of products to be launched	20 ingredients 39 product listing	14 ingredients 30 product listing	(19 ingredients 38 product listing)	(10 ingredients)
Original products	Livalo [®] Calblock [®] Valtrex [®]	Diovan [®] Blopress [®] Preminent [®]	Plavix [®] Glivec (Gleevec) [®] J Zoloft [®]	Zyprexa [®] Co-DIO [®] (Combination Tablets)

- Scheduled generic products to be launched in Jun.2016: 9 ingredients 17 products
 - Naftpidil Tablets 25mg / 50mg / 75mg (Flivas[®] Generic)
 - Naftpidil OD Tablets 25mg / 50mg / 75mg (Flivas[®] Generic)
 - Levofloxacin Tablets 250mg/500mg (Cravit[®] Generic)
 - Metformin Hydrochride Tablets 250mgMT (METGLUCO[®] Generic)
 - Zolmitriptan Tablets OD 2.5mg (Zomig[®] Generic)
 - Imatinib Tablets 100mg / 200mg (Glivec[®] Generic)
 - Letrozole Tablets 2.5mg (Femara[®] Generic)
 - Etizolam Tablets 0.25mg (DEPAS[®] Generic)
 - Oxaliplatin INTRAVENOUS INFUSION 200mg (Elplat[®] Generic)
 - Clopidogrel 25mg / 75mg (Plavix[®] Authorized Generic)

- Scheduled generic products to be launched in Dec.2016: 10 ingredients 21products

About Clopidogrel Tablet 25mg/75mg 「SANIK」

- Originator drug: Plavix[®] (manufactured and distributed by Sanofi K.K.)
- Market size: 128.7 billion yen (2014) *Data published by IMS Japan K.K.
- Reached agreement in February 2015 with the Sanofi Group on the exclusive distribution rights for the authorized generic of Plavix[®]
- Drug based on patents and other licenses from the Sanofi Group
- “Auto generic drug”, not only with the authorization from originator but also with the same drug substance, excipients, and manufacturing methods as the originator drug.



Yuichi Tamura, President and CEO of Nichi-Iko (Right) and
Fabrice Baschiera, President and Representative Director of Sanofi K.K. (Left)

- Construction of “The 50 Building” (HPAPI building)
 - Enhancement of development capabilities for anticancer drug and other HPAPI

*HPAPI: High Potency Active Pharmaceutical Ingredients
- Equipment of Toyama Plant (“Pyramid” Building)
 - Establishment of a production system to deal with growing demand of generic drugs
- Shizuoka Plant Upgrades, Machinery Purchases
 - Introduction of machinery and equipment for manufacturing Nichi-Iko pharmaceutical products
- Installation of New Operation System
 - Company-wide improvement of operational efficacy
 - System integration of Shizuoka Plant (formerly Astellas Pharma Tech Plant) with Nichi-Iko

- Construction of “The 50 Building” (HPAPI building)
 - Commenced in 2015, planned for completion in February 2017
 - On the premise of Nichi-Iko Toyama Plant 1



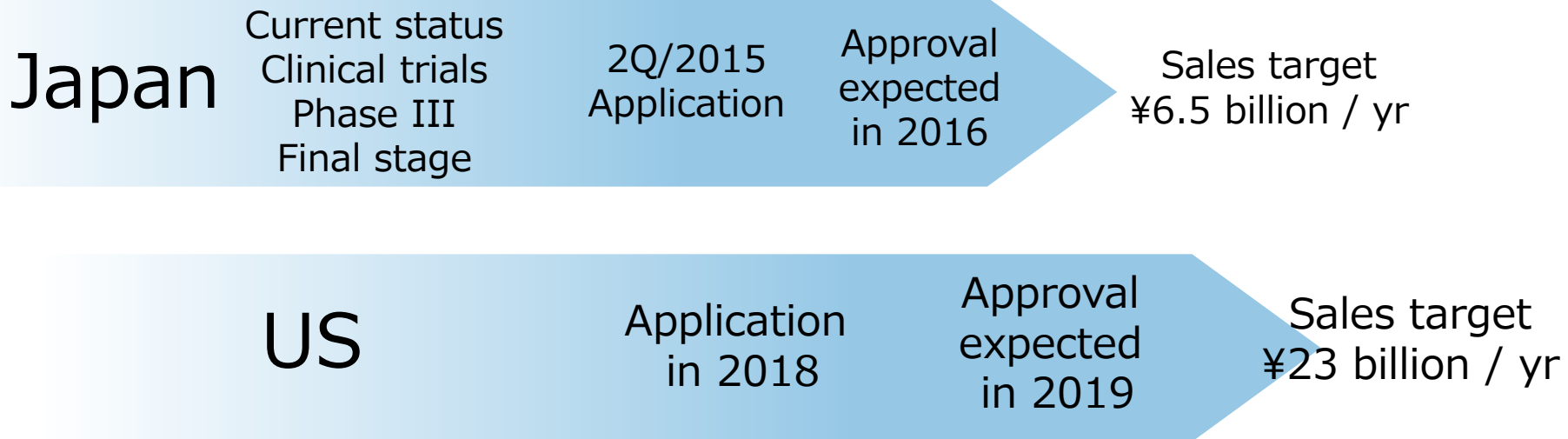
- Oncology & Biosimilar Group has been newly formed in the Oncology Nationwide Hospitals Department
 - Conducting sales & marketing activities as MRs who are specialized in pharmaceuticals related to the oncology
- Oncology Group has been newly formed in the Marketing Department
 - Conducting market researches on the drugs in Oncology area, planning its marketing strategies
 - Collecting information through meetings with KOL (Key Opinion Leaders)
- Cancer treatment information site

ONCOLOGY MedNavi has been Launched

- Providing support by offering information to everyone involved in cancer treatment

About Infliximab

- Originator drug: Remicade®
(Japan: Mitsubishi Tanabe Pharma, US: Johnson & Johnson)
- Market size: 76.3 billion yen (Japan), 9,940 million dollars (global)
- Development schedule



- Organizing specialized Biosimilar team in Sales & Marketing Division anticipating domestic sales
Conducting market researches, meetings with KOL (Key Opinion Leaders), sales & marketing strategies, etc.

Nichi-Iko's "Premium quality" to the world!

- Three-year plan looking ahead to ten years later
- To be announced in March 2016

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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