

TSE.4540

# Supplementary Materials

The Third Quarter Term Ending March 2018

February 7, 2018

**TSUMURA & CO.**

Consolidated Statements of Income	• • • • •	1
Capital investments, R&D expenses, etc.	• • • • •	1
Growth rates of 129 prescription Kampo products	• • • • •	1
Product sales	• • • • •	2
Consolidated Balance Sheets	• • • • •	3
Consolidated Statements of Cash Flows	• • • • •	3
Quarterly data		
Consolidated Statements of Income	• • • • •	4
Consolidated Balance Sheets	• • • • •	5
Consolidated Statements of Cash Flows	• • • • •	5
Product sales	• • • • •	6

## Consolidated Statements of Income

(Million yen)

	FY 3/2017 3Q cumulative		FY 3/2018 3Q cumulative		Year-on-year		Full-year forecast for FY 3/2018			
	Amount	% of sales	Amount	% of sales	Amount	%	Amount	% of sales	Year-on-year (Amount)	Year-on-year (%)
Net sales	87,959	100.0%	90,911	100.0%	2,951	3.4%	120,700	100.0%	5,745	5.0%
Cost of sales	37,423	42.5%	37,755	41.5%	332	0.9%	51,200	42.4%	1,745	3.5%
Gross profit on sales	50,535	57.5%	53,155	58.5%	2,619	5.2%	69,500	57.6%	4,000	6.1%
Selling, general and administrative expenses	36,550	41.6%	38,020	41.8%	1,470	4.0%	51,900	43.0%	2,383	4.8%
Operating profit	13,985	15.9%	15,135	16.6%	1,149	8.2%	17,600	14.6%	1,616	10.1%
Ordinary profit	14,626	16.6%	15,684	17.3%	1,058	7.2%	18,100	15.0%	1,700	10.4%
Profit attributable to owners of parent	11,163	12.7%	12,302	13.5%	1,138	10.2%	12,700	10.5%	211	1.7%

## Capital investments, R&amp;D expenses, etc.

(Million yen)

	FY 3/2017 3Q cumulative		FY 3/2018 3Q cumulative		Year-on-year		Full-year forecast for FY 3/2018			
	Amount	% of sales	Amount	% of sales	Amount	%	Amount	% of sales	Year-on-year (Amount)	Year-on-year (%)
Capital investments	4,129	4.7%	7,703	8.5%	3,574	86.6%	15,100	12.5%	8,644	133.9%
R&D expenses	4,240	4.8%	4,468	4.9%	227	5.4%	6,500	5.4%	412	6.8%
Advertising cost	437	0.5%	341	0.4%	-95	-21.8%	900	0.7%	189	26.7%
Depreciation	4,039	4.6%	4,586	5.0%	546	13.5%	6,200	5.1%	570	10.1%
Personnel expenses	22,026	25.0%	22,403	24.6%	376	1.7%	30,500	25.3%	964	3.3%

## Growth rates of 129 prescription Kampo products

	FY 3/2013	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018 1Q	FY 3/2017 2Q cumulative	FY 3/2018 3Q cumulative
Amount	10.6%	3.2%	2.4%	2.3%	1.9%	1.2%	3.4%	3.4%
Number of items with higher yen sales	125	66	81	68	95	62	77	76

Product sales

(Million yen)

Rank		No.	Product Name	FY 3/2017 3Q cumulative	FY 3/2018 3Q cumulative	Year-on-year (Amount)	Year-on-year (%)
1	☆	100	Daikenchuto	7,961	8,225	263	3.3%
2	☆	54	Yokukansan	5,659	5,903	243	4.3%
3	G	41	Hochuekkito	5,469	5,588	118	2.2%
4	☆	43	Rikkunshito	5,298	5,494	196	3.7%
5	G	68	Shakuyakukanzoto	3,786	3,988	201	5.3%
6	G	24	Kamishoyosan	3,471	3,577	105	3.0%
7	G	29	Bakumondoto	3,383	3,382	-0	-0.0%
8	☆	17	Goreisan	2,615	2,913	297	11.4%
9	G	107	Goshajinkigan	2,888	2,892	3	0.1%
10		114	Saireito	2,667	2,714	47	1.8%
21	☆	14	Hangeshashinto	985	1,055	70	7.1%
			Total of "Drug Fostering" Program formulations	22,794	23,570	776	3.4%
			Total of Growing formulations	18,726	19,449	722	3.9%
			Total of 129 prescription Kampo products	83,965	86,780	2,815	3.4%

☆ : "Drug Fostering" Program formulations

G : Growing formulations

## Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of December 31, 2017	Increase / decrease
Total assets	222,008	288,142	66,134
Current assets	134,679	198,763	64,084
Liquid assets	70,278	136,476	66,198
Inventories	52,138	49,738	-2,399
Non-current assets	87,329	89,379	2,049
Property, plant and equipment	64,686	68,321	3,634
Total liabilities	64,611	92,677	28,065
Current liabilities	31,883	43,875	11,992
Non-current liabilities	32,727	48,801	16,073
Total net assets	157,397	195,465	38,068

## Consolidated Statements of Cash Flows

(Million yen)

	FY 3/2017 3Q cumulative	FY 3/2018 3Q cumulative	Year-on-year
Cash flows from operating activities	15,332	14,655	-677
Cash flows from investing activities	-5,077	-18,433	-13,356
Cash flows from financing activities	-9,496	50,416	59,912
Cash and cash equivalents at the end of the quarter	24,709	76,573	51,864

## Quarterly data

### Consolidated Statements of Income

(Million yen)

	FY 3/2017				FY 3/2018			
	1Q	2Q cumulative	3Q cumulative	4Q cumulative	1Q	2Q cumulative	3Q cumulative	4Q cumulative
Net sales	28,692	56,359	87,959	114,954	29,068	58,282	90,911	
Cost of sales	12,272	24,256	37,423	49,454	12,366	24,404	37,755	
Gross profit on sales	16,419	32,102	50,535	65,499	16,701	33,878	53,155	
Selling, general and administrative expenses	11,930	24,234	36,550	49,516	12,259	24,893	38,020	
Operating profit	4,489	7,868	13,985	15,983	4,441	8,985	15,135	
Ordinary profit	4,168	7,366	14,626	16,399	4,579	9,248	15,684	
Profit attributable to owners of parent	2,952	5,311	11,163	12,488	3,194	6,614	12,302	

## Consolidated Balance Sheets

(Million yen)

	FY 3/2017				FY 3/2018			
	The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q	The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q
Total assets	218,226	214,635	216,177	222,008	255,385	258,464	288,142	
Current assets	131,796	129,116	131,582	134,679	166,090	166,825	198,763	
Liquid assets	65,731	66,305	68,008	70,278	102,889	104,303	136,476	
Inventories	51,905	49,586	50,280	52,138	50,312	48,887	49,738	
Non-current assets	86,430	85,519	84,595	87,329	89,295	91,639	89,379	
Property, plant and equipment	64,261	63,545	62,903	64,686	65,508	68,141	68,321	
Total liabilities	65,247	65,184	62,633	64,611	96,877	96,014	92,677	
Current liabilities	42,119	41,971	30,030	31,883	49,198	48,200	43,875	
Non-current liabilities	23,128	23,213	32,603	32,727	47,678	47,813	48,801	
Total net assets	152,979	149,450	153,544	157,397	158,508	162,450	195,465	

## Consolidated Statements of Cash Flows

(Million yen)

	FY 3/2017				FY 3/2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash flows from operating activities	5,520	13,513	15,332	21,065	8,631	11,413	14,655	
Cash flows from investing activities	-4,122	-4,644	-5,077	-6,451	-1,219	-19,011	-18,433	
Cash flows from financing activities	-2,195	-5,613	-9,496	-9,572	25,436	25,317	50,416	
Cash and cash equivalents at end of period	24,470	27,876	24,709	29,901	62,504	47,439	76,573	

## Product sales

(Million yen)

No. / Product Name	FY 3/2017				FY 3/2018			
	1Q	2Q cumulative	3Q cumulative	4Q cumulative	1Q	2Q cumulative	3Q cumulative	4Q cumulative
100 / Daikenchuto	2,649	5,212	7,961	10,328	2,661	5,351	8,225	
54 / Yokukansan	1,884	3,712	5,659	7,330	1,922	3,864	5,903	
43 / Rikkunshito	1,709	3,431	5,298	6,863	1,742	3,577	5,494	
107 / Goshajinkigan	975	1,901	2,888	3,733	946	1,889	2,892	
14 / Hangeshashinto	329	642	985	1,276	344	692	1,055	
Total of "Drug Fostering" Program formulations	7,548	14,900	22,794	29,532	7,617	15,375	23,570	
41 / Hochuekkito	1,748	3,630	5,469	6,947	1,739	3,699	5,588	
68 / Shakuyakukanzoto	1,240	2,506	3,786	4,853	1,292	2,660	3,988	
29 / Bakumondoto	1,060	1,986	3,383	4,511	1,073	2,002	3,382	
24 / Kamishoyosan	1,142	2,258	3,471	4,465	1,148	2,342	3,577	
17 / Goreisan	833	1,715	2,615	3,363	907	1,921	2,913	
Total of Growing formulations	6,025	12,097	18,726	24,141	6,161	12,627	19,449	
Total of "Drug Fostering" Program formulations and Growing formulations	13,573	26,998	41,520	53,674	13,778	28,002	43,020	
Total of 129 prescription Kampo products	27,498	53,974	83,965	109,647	27,827	55,784	86,780	