

TSE.4540

# Supplementary Materials

The Second Quarter Term Ending March 2018

November 8, 2017

**TSUMURA & CO.**

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## Consolidated Statements of Income

(Million yen)

	FY 3/2017 2Q cumulative		FY 3/2018 2Q cumulative		Year-on-year		2Q cumulative plan		Vs.planned		Full-year forecast for FY 3/2018			
	Amount	% of sales	Amount	% of sales	Amount	%	Amount	% of sales	Amount	%	Amount	% of sales	Year-on-year (Amount)	Year-on-year (%)
Net sales	56,359	100.0%	58,282	100.0%	1,923	3.4%	58,600	100.0%	-317	-0.5%	120,700	100.0%	5,745	5.0%
Cost of sales	24,256	43.0%	24,404	41.9%	147	0.6%	24,400	41.6%	4	0.0%	51,200	42.4%	1,745	3.5%
Gross profit on sales	32,102	57.0%	33,878	58.1%	1,775	5.5%	34,200	58.4%	-321	-0.9%	69,500	57.6%	4,000	6.1%
Selling, general and administrative expenses	24,234	43.0%	24,893	42.7%	658	2.7%	26,000	44.4%	-1,106	-4.3%	51,900	43.0%	2,383	4.8%
Operating profit	7,868	14.0%	8,985	15.4%	1,116	14.2%	8,200	14.0%	785	9.6%	17,600	14.6%	1,616	10.1%
Ordinary profit	7,366	13.1%	9,248	15.9%	1,882	25.6%	8,400	14.3%	848	10.1%	18,100	15.0%	1,700	10.4%
Profit attributable to owners of parent	5,311	9.4%	6,614	11.3%	1,302	24.5%	6,100	10.4%	514	8.4%	12,700	10.5%	211	1.7%

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

(Million yen)

	FY 3/2017 2Q cumulative		FY 3/2018 2Q cumulative		Year-on-year		2Q cumulative plan		Vs.planned		Full-year forecast for FY 3/2018			
	Amount	% of sales	Amount	% of sales	Amount	%	Amount	% of sales	Amount	%	Amount	% of sales	Year-on-year (Amount)	Year-on-year (%)
Capital investments	2,864	5.1%	6,305	10.8%	3,441	120.1%	8,500	14.5%	-2,194	-25.8%	15,100	12.5%	8,644	133.9%
R&D expenses	2,829	5.0%	2,984	5.1%	155	5.5%	3,300	5.6%	-315	-9.6%	6,500	5.4%	412	6.8%
Advertising cost	290	0.5%	250	0.4%	-40	-14.0%	600	1.0%	-349	-58.3%	900	0.7%	189	26.7%
Depreciation	2,593	4.6%	3,028	5.2%	435	16.8%	3,000	5.1%	28	0.9%	6,200	5.1%	570	10.1%
Personnel expenses	14,765	26.2%	14,839	25.5%	74	0.5%	15,100	25.8%	-260	-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 3/2018 2Q
Amount	10.6%	3.2%	2.4%	2.3%	1.9%	1.2%	3.4%
Number of items with higher yen sales	125	66	81	68	95	62	77

Product sales

(Million yen)

Rank		No.	Product Name	FY 3/2017 2Q	FY 3/2018 2Q	Year-on-year (Amount)	Year-on-year (%)
1	☆	100	Daikenchuto	5,212	5,351	138	2.7%
2	☆	54	Yokukansan	3,712	3,864	151	4.1%
3	G	41	Hochuekkito	3,630	3,699	68	1.9%
4	☆	43	Rikkunshito	3,431	3,577	146	4.3%
5	G	68	Shakuyakukanzoto	2,506	2,660	153	6.1%
6	G	24	Kamishoyosan	2,258	2,342	84	3.7%
7	G	29	Bakumondoto	1,986	2,002	16	0.8%
8	G	17	Goreisan	1,715	1,921	206	12.0%
9	☆	107	Goshajinkigan	1,901	1,889	-12	-0.6%
10		114	Saireito	1,771	1,812	40	2.3%
21	☆	14	Hangeshashinto	642	692	49	7.8%
			Total of "Drug Fostering" Program formulations	14,900	15,375	474	3.2%
			Total of Growing formulations	12,097	12,627	529	4.4%
			Total of 129 prescription Kampo products	53,974	55,784	1,810	3.4%

☆ : "Drug Fostering" Program formulations

G : Growing formulations

## Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of September 30, 2017	Increase / decrease
Total assets	222,008	258,464	36,456
Current assets	134,679	166,825	32,146
Liquid assets	70,278	104,303	34,025
Inventories	52,138	48,887	-3,251
Non-current assets	87,329	91,639	4,309
Property, plant and equipment	64,686	68,141	3,454
Total liabilities	64,611	96,014	31,402
Current liabilities	31,883	48,200	16,316
Non-current liabilities	32,727	47,813	15,086
Total net assets	157,397	162,450	5,053

## Consolidated Statements of Cash Flows

(Million yen)

	FY 3/2017 2Q	FY 3/2018 2Q	Year-on-year
Cash flows from operating activities	13,513	11,413	-2,100
Cash flows from investing activities	-4,644	-19,011	-14,367
Cash flows from financing activities	-5,613	25,317	30,930
Cash and cash equivalents at the end of the quarter	27,876	47,439	19,563

## 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		
Cost of sales	12,272	24,256	37,423	49,454	12,366	24,404		
Gross profit on sales	16,419	32,102	50,535	65,499	16,701	33,878		
Selling, general and administrative expenses	11,930	24,234	36,550	49,516	12,259	24,893		
Operating profit	4,489	7,868	13,985	15,983	4,441	8,985		
Ordinary profit	4,168	7,366	14,626	16,399	4,579	9,248		
Profit attributable to owners of parent	2,952	5,311	11,163	12,488	3,194	6,614		

## 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		
Current assets	131,796	129,116	131,582	134,679	166,090	166,825		
Liquid assets	65,731	66,305	68,008	70,278	102,889	104,303		
Inventories	51,905	49,586	50,280	52,138	50,312	48,887		
Non-current assets	86,430	85,519	84,595	87,329	89,295	91,639		
Property, plant and equipment	64,261	63,545	62,903	64,686	65,508	68,141		
Total liabilities	65,247	65,184	62,633	64,611	96,877	96,014		
Current liabilities	42,119	41,971	30,030	31,883	49,198	48,200		
Non-current liabilities	23,128	23,213	32,603	32,727	47,678	47,813		
Total net assets	152,979	149,450	153,544	157,397	158,508	162,450		

## 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		
Cash flows from investing activities	-4,122	-4,644	-5,077	-6,451	-1,219	-19,011		
Cash flows from financing activities	-2,195	-5,613	-9,496	-9,572	25,436	25,317		
Cash and cash equivalents at end of period	24,470	27,876	24,709	29,901	62,504	47,439		

## 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		
54 / Yokukansan	1,884	3,712	5,659	7,330	1,922	3,864		
43 / Rikkunshito	1,709	3,431	5,298	6,863	1,742	3,577		
107 / Goshajinkigan	975	1,901	2,888	3,733	946	1,889		
14 / Hangeshashinto	329	642	985	1,276	344	692		
Total of "Drug Fostering" Program formulations	7,548	14,900	22,794	29,532	7,617	15,375		
41 / Hochuekkito	1,748	3,630	5,469	6,947	1,739	3,699		
68 / Shakuyakukanzoto	1,240	2,506	3,786	4,853	1,292	2,660		
29 / Bakumondoto	1,060	1,986	3,383	4,511	1,073	2,002		
24 / Kamishoyosan	1,142	2,258	3,471	4,465	1,148	2,342		
17 / Goreisan	833	1,715	2,615	3,363	907	1,921		
Total of Growing formulations	6,025	12,097	18,726	24,141	6,161	12,627		
Total of "Drug Fostering" Program formulations and Growing formulations	13,573	26,998	41,520	53,674	13,778	28,002		
Total of 129 prescription Kampo products	27,498	53,974	83,965	109,647	27,827	55,784		