

# **FY2019 First-Half results Briefing Session**

Financial Results - Six Months Ended Sep.30, 2019 (2Q FY2019) -

November 6, 2019

**JCR Pharmaceuticals co., Ltd.**

(Unit: Million yen)

Consolidated	Six Months Ended Sep.30, 2018	Six Months Ended Sep. 30, 2019		FY2019 (Apr. 1, 2019- Mar. 31, 2020)	
		A	Year-on-Year	Initial Forecast B	Expected progress rate A/B
Net Sales	10,275	<b>11,236</b>	9.3%	26,400	42.6%
Cost of Sales	2,995	<b>3,173</b>	5.9%	7,300	43.5%
Gross Profit	7,280	<b>8,063</b>	10.8%	19,100	42.2%
SG&A	3,510	<b>3,809</b>	8.5%	7,630	49.9%
R&D Expenses	1,824	<b>3,255</b>	78.4%	6,330	51.4%
Operating Income	1,945	<b>998</b>	(48.7%)	5,140	19.4%
Ordinary Income	2,006	<b>981</b>	(51.1%)	5,150	19.0%
Profit*	1,377	<b>922</b>	(33.0%)	4,080	22.6%

\*Profit attributable to owners of parent

(Reference)

R&D Expenses**	2,407	<b>3,539</b>	47.0%	6,921	51.1%
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\*\*R&D expenses before deducting contribution amount by collaborative R&D partners

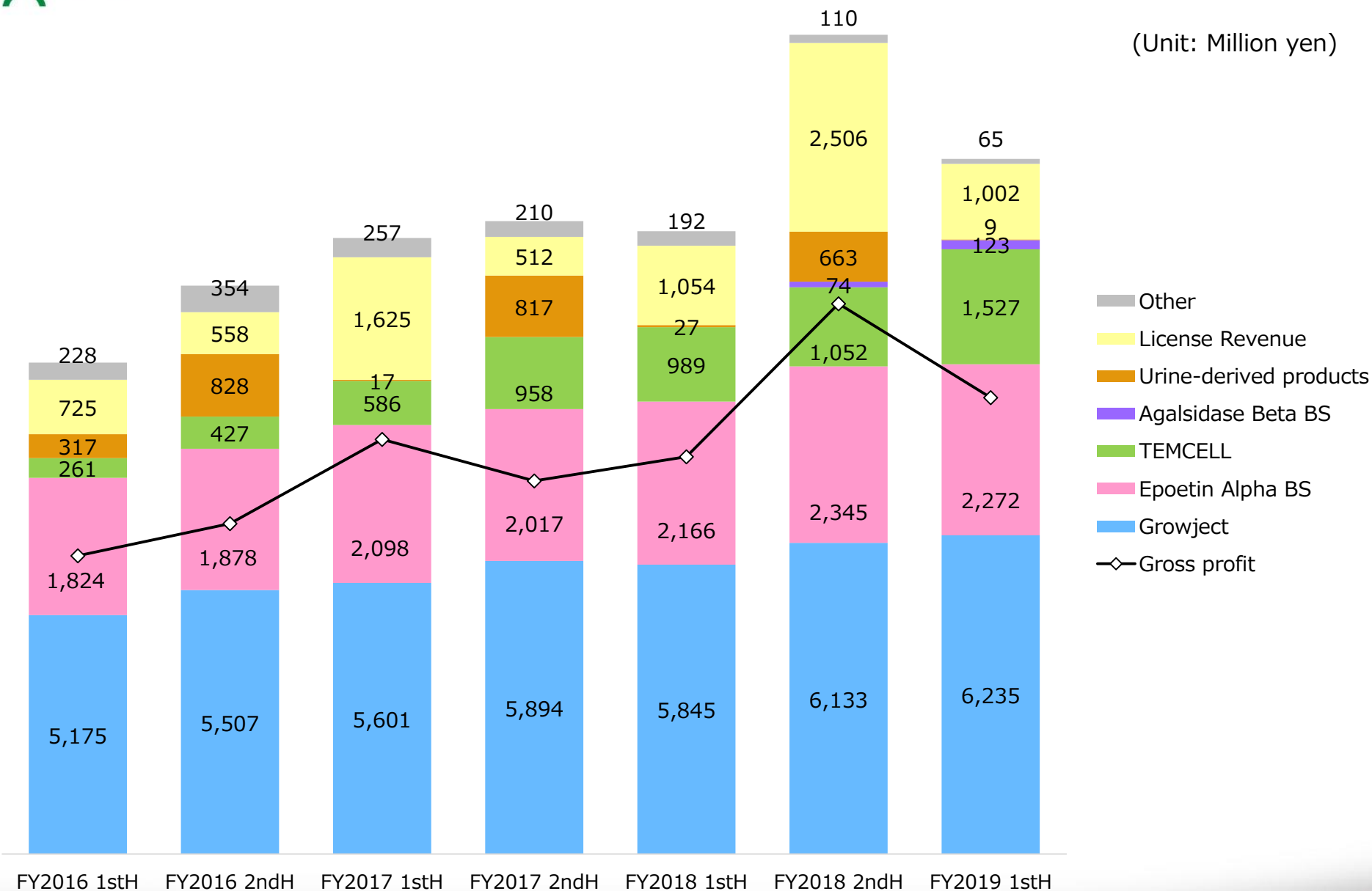
# Sales by business Segments (Consolidated)

(Unit: Million yen)

Number of business segment	Six Months Ended Sep. 30, 2018		Six Months Ended Sep. 30 2019			FY2019 (Apr. 1, 2019- Mar. 31, 2020)		Reference
		Composition ratio	A	Composition ratio	Year-on-Year	Forecast (after fixing) B	Expected progress rate A/B	Forecast (before fixing)
Growject®	5,845	56.8%	<b>6,235</b>	55.5%	+6.7%	12,580	49.6%	12,580
Epoetin Alpha BS Inj. [JCR]	2,166	21.1%	<b>2,272</b>	20.3%	+4.9%	3,900	58.3%	3,410
TEMCELL®HS Inj.	989	9.6%	<b>1,527</b>	13.6%	+54.3%	2,800	54.5%	2,050
Agalsidase Beta BS I.V. Infusion [JCR]	—	—	<b>123</b>	1.1%	—	450	27.3%	990
Urine-derived products	27	0.3%	<b>9</b>	0.1%	(63.5%)	1,000	0.9%	1,080
License Revenue	1,054	10.3%	<b>1,002</b>	8.9%	(4.9%)	4,200	23.9%	4,200
Other	—	—	<b>26</b>	0.2%	—	1,400	1.9%	2,020
<b>Total sales of Finished Goods</b>	<b>10,083</b>	<b>98.1%</b>	<b>11,197</b>	<b>99.7%</b>	<b>+11.0%</b>	<b>26,330</b>	<b>42.5%</b>	26,330
<b>Medical devices &amp; laboratory equipment</b>	<b>192</b>	<b>1.9%</b>	<b>39</b>	<b>0.3%</b>	<b>(79.6%)</b>	<b>70</b>	<b>55.7%</b>	70
<b>Total Net Sales</b>	<b>10,275</b>	<b>100%</b>	<b>11,236</b>	<b>100%</b>	<b>+9.3%</b>	<b>26,400</b>	<b>42.6%</b>	26,400

# Transition in Sales by business Segments (Consolidated)

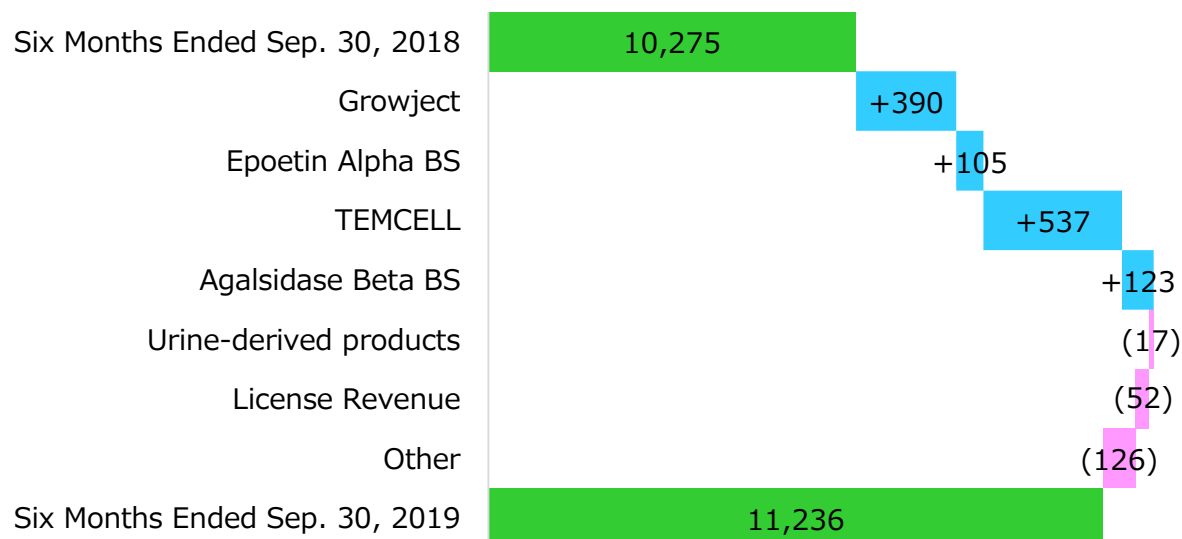
(Unit: Million yen)



## Year-on-year changes

### ◆ Net sales 11,236 million yen, year-on-year +960 million yen

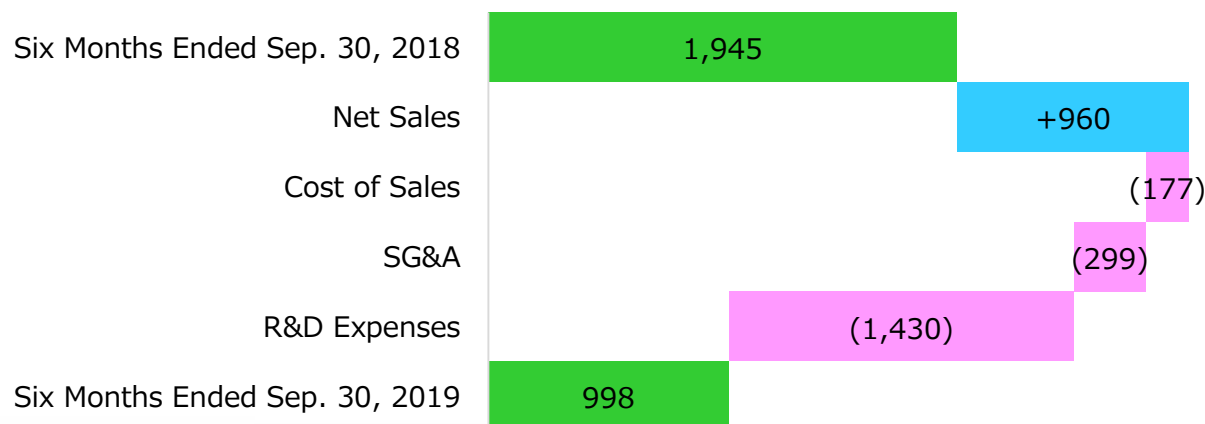
(Unit: Million yen)



#### Main increase/decrease

- Growject +390 million yen
- TEMCELL +537 million yen
- License Revenue (52) million yen

### ◆ Operating income 998 million yen, year-on-year (946) million yen



#### Main increase/decrease

- Net Sales +960 million yen
- R&D expenses (1,430) million yen

# Balance Sheets (Consolidated)

(Unit: Million yen)

	Mar. 2019	Sep. 2019	Main increase/decrease		Mar. 2019	Sep. 2019	Main increase/decrease
<b>Current assets</b>	27,368	<b>27,635</b>	Cash and deposit +2,176	<b>Current liabilities</b>	8,684	<b>9,686</b>	Short-term loans payable +1,350
			Notes and accounts receivable-trade (2,098)				Income taxes payable (229)
			Inventories +858	<b>Non-current liabilities</b>	2,957	<b>4,663</b>	Long-term loans payable +1,850
			Securities (230)				
<b>Non-current assets</b>	15,147	<b>17,990</b>	Deferred tax assets +363	<b>Total liabilities</b>	11,642	<b>14,350</b>	+2,707
			Property, plant and equipment +2,555	<b>Total net assets</b>	30,874	<b>31,276</b>	Net income +922
			Investment securities (301)				Dividend (525)
<b>Total</b>	42,516	<b>45,626</b>	+3,109	<b>Total</b>	42,516	<b>45,626</b>	+3,109

<b>Capital investment</b>	1,517	<b>3,376</b>
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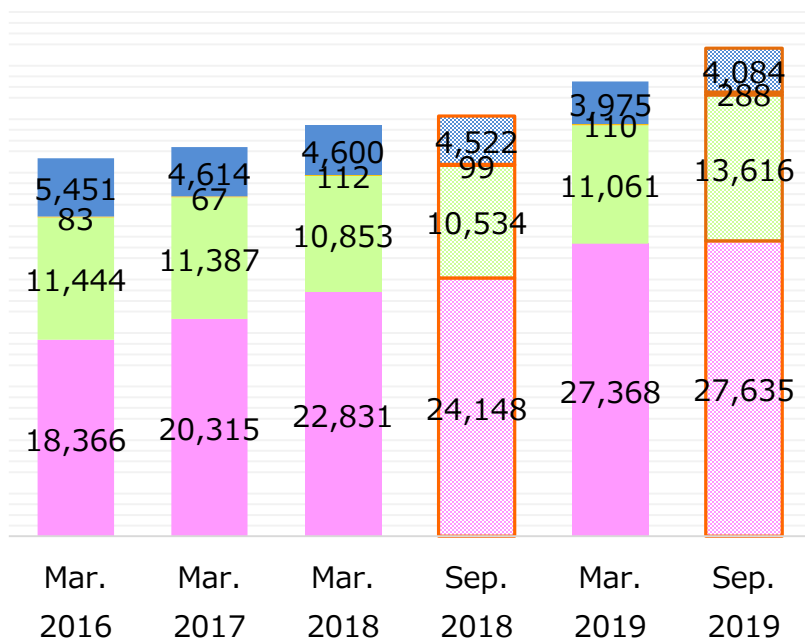
<b>Equity ratio</b>	71.1%	<b>66.9%</b>
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# Transition in Balance Sheets (Consolidated)

(Unit: Million yen)

## Assets

- Investments and other assets
- Intangible assets
- Property, plant and equipment
- Current assets

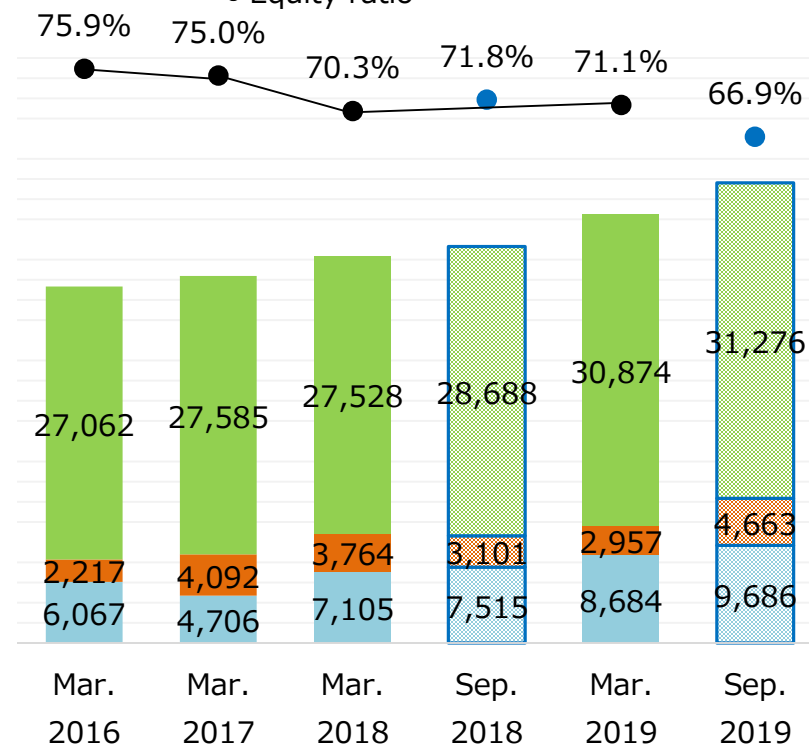


### Main increase/decrease

- Increase in Property, plant and equipment due to expansion of research-related facilities

## Liabilities and net assets

- Current liabilities
- Non-current liabilities
- Total net assets
- Equity ratio



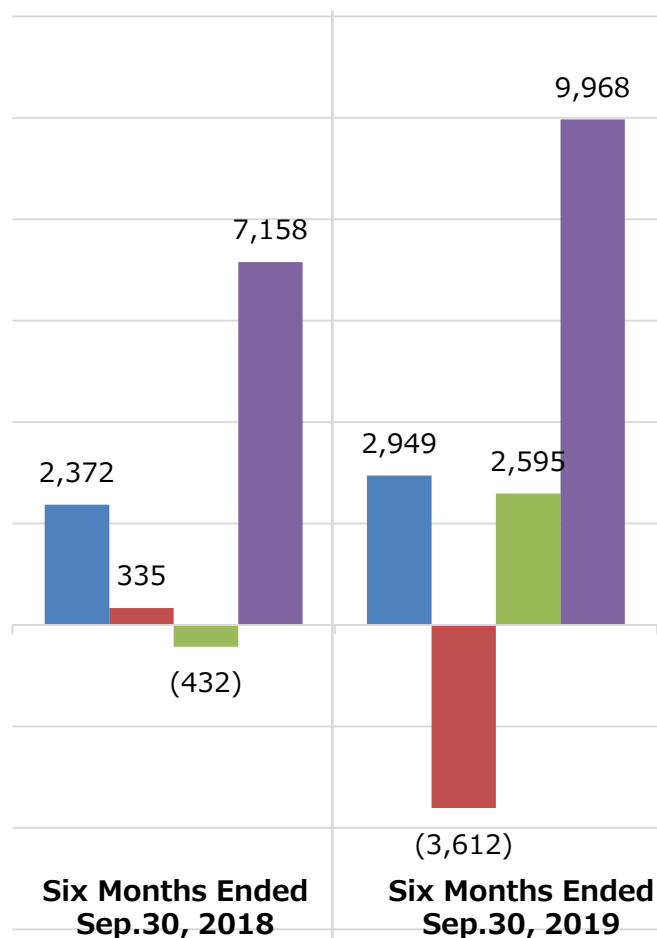
### Main increase/decrease

- Increase in current/non-current liabilities due to expansion of research-related facilities
- Increase in net assets by recording Profit attributable to owners of parent

# Cash Flows (Consolidated)

(Unit: Million yen)

- Operating Activities
- Investing Activities
- Financing Activities
- Cash and Cash Equivalents at End of Period

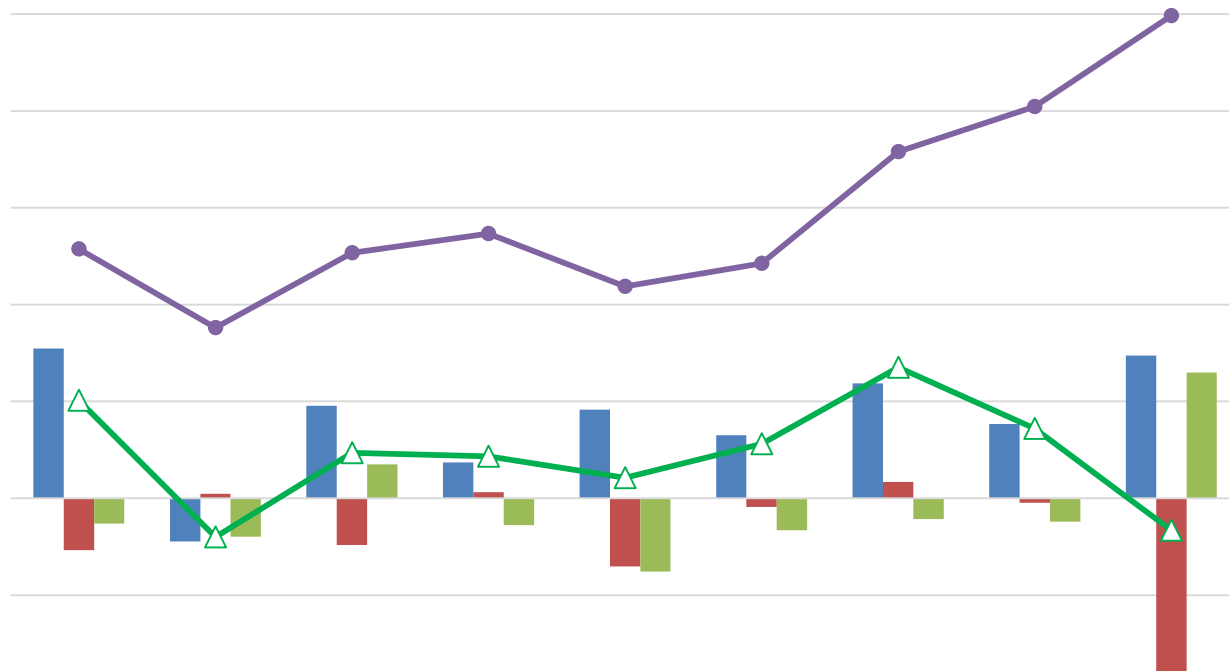


	Six Months Ended Sep.30, 2018 A	Six Months Ended Sep.30, 2019 B	Year-on-year B - A
Income before income taxes	1,855	1,098	(757)
Depreciation and amortization	642	658	16
Accounts receivable-trade	462	2,098	1,636
Inventories	115	(860)	(975)
Other	(702)	(45)	657
<b>Operating Activities</b>	<b>2,372</b>	<b>2,949</b>	<b>577</b>
Securities	613	239	(373)
Capital investment	(280)	(3,852)	(3,571)
Other	3	0	(3)
<b>Investing Activities</b>	<b>335</b>	<b>(3,612)</b>	<b>(3,947)</b>
Loans payable	86	3,200	3,114
Dividends-treasury stock	(418)	(515)	(97)
Other	(100)	(89)	11
<b>Financing Activities</b>	<b>(432)</b>	<b>2,595</b>	<b>3,027</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>7,158</b>	<b>9,968</b>	<b>2,810</b>



# Transition in Cash Flows (Consolidated)

(Unit: Million yen)



	FY2015 1stH	FY2015 2ndH	FY2016 1stH	FY2016 2ndH	FY2017 1stH	FY2017 2ndH	FY2018 1stH	FY2018 2ndH	FY2019 1stH
Operating Activities	3,093	(892)	1,909	742	1,830	1,303	2,372	1,533	2,949
Investing Activities	(1,073)	93	(967)	126	(1,407)	(180)	335	(95)	(3,612)
Financing Activities	(522)	(792)	698	(552)	(1,511)	(664)	(432)	(485)	2,595
cash and Cash Equivalents at End of Period	5,148	3,523	5,068	5,464	4,377	4,850	7,158	8,091	9,968
FCF	2,020	(799)	942	868	423	1,123	2,707	1,438	(663)

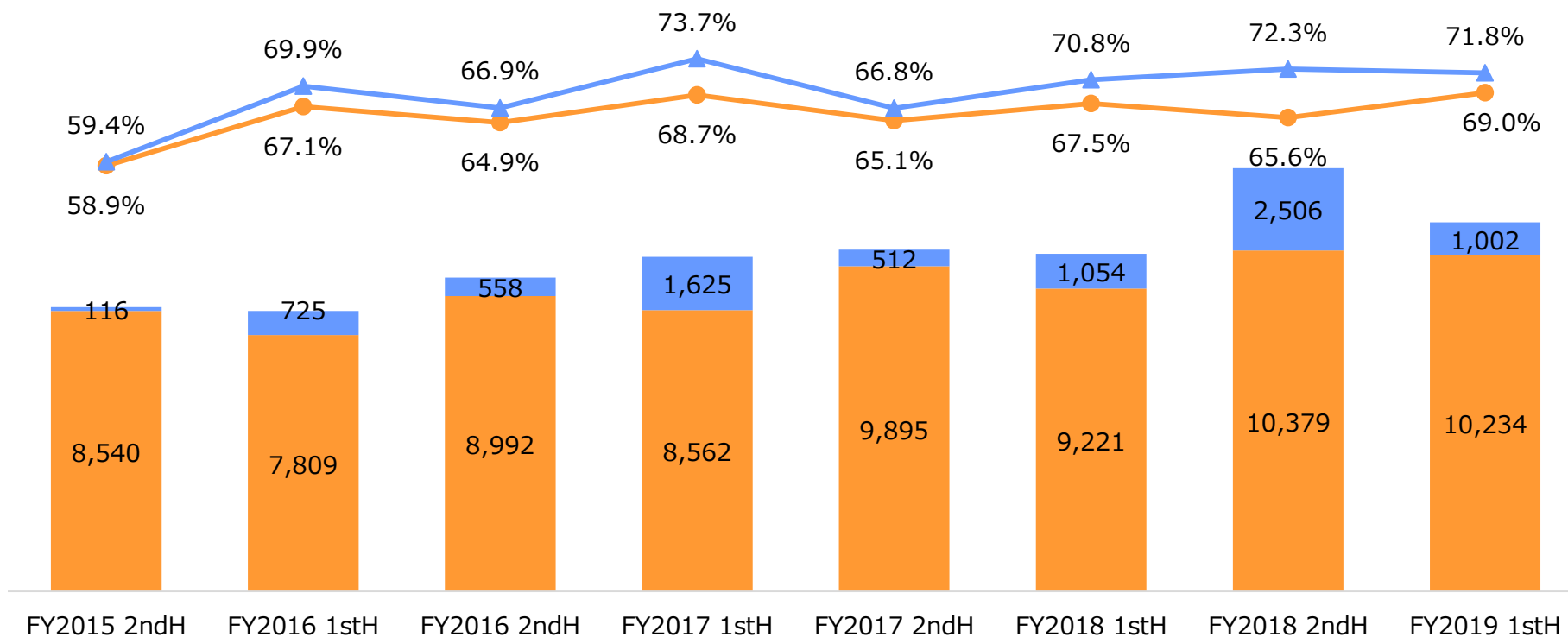
## Main increase/decrease

- Net cash used in investing activities was 3,612 million. The main factor was using for the purchase of property, plant and equipment of 3,746 million yen.
- Net cash provided by in financing activities was 2,595 million yen (an increase of 3,027 million yen from the same period of the previous fiscal year). Despite the payment of cash dividends of 525 million yen, short-term loans payable of 1,000 million yen and long-term loans payable of 2,200 million yen were increased.

# Transition in Gross profit margin

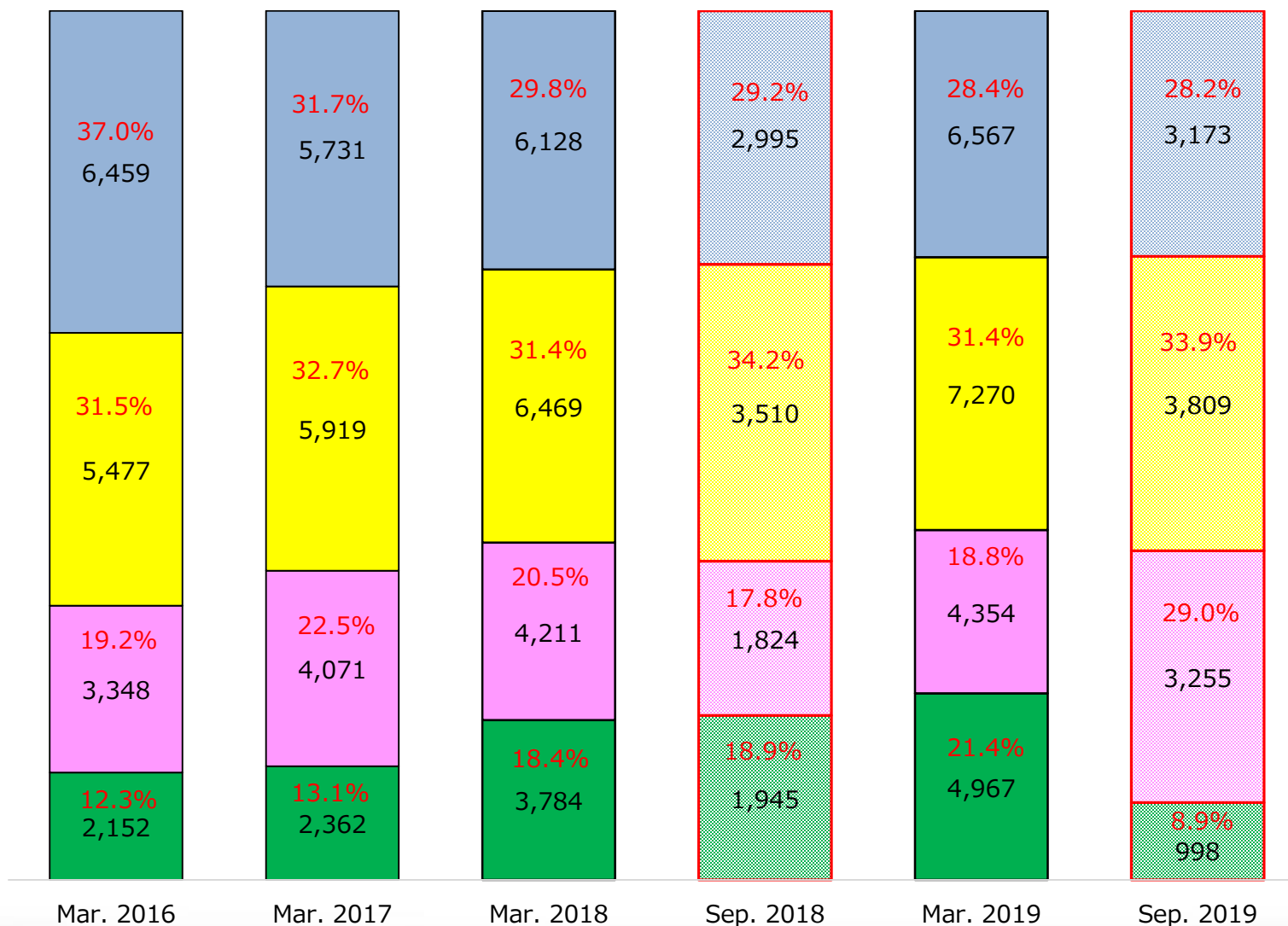
(Unit: Million yen)

- Product sales
- Gross profit margin (Product sales)
- License Revenue
- Gross profit margin (including License Revenue)



# Transition in composition ratio of cost/expense

■ Operating Income ■ R&D Expenses ■ SG&A ■ Cost of Sales



Above number (%)  
rate of sales  
Lower number  
(Million yen)  
Amount of money

# Correlation between R&D expenses and main R&D pipeline

(Unit: Million yen)

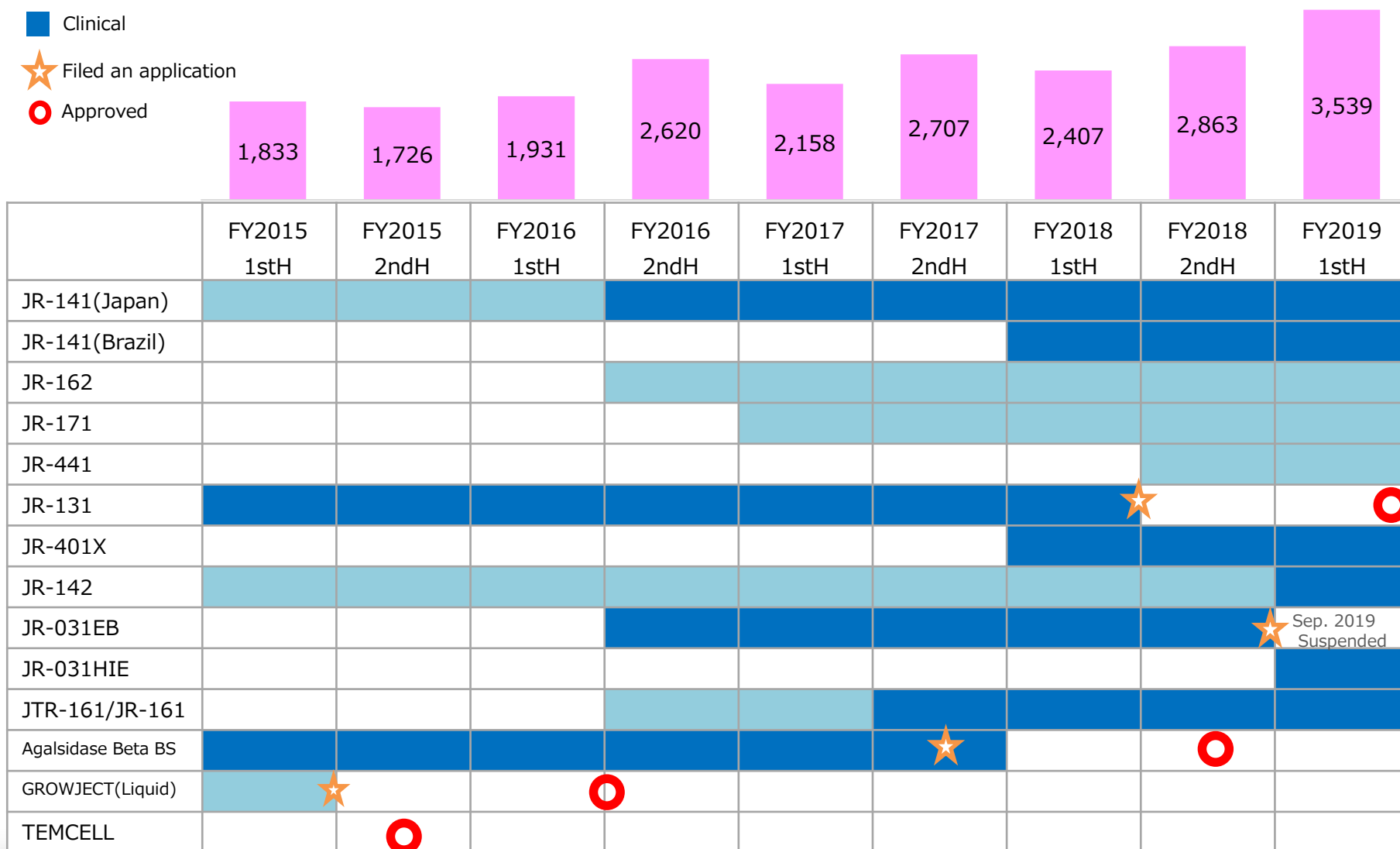
Preclinical

Clinical

★ Filed an application

○ Approved

R&D expenses (before deduction)



# FORWARD- LOOKING STATEMENT

This presentation contains, and answers given to questions that may be asked today may constitute, forward-looking statements that are subject to a number of risks and uncertainties, many of which are outside our control. All forward-looking statements regarding our plans, outlook, strategy and future performance are based on judgments derived from the information available to us at this time.

All forward-looking statements speak only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the factors that could cause actual results to differ materially, even if new information becomes available in the future.



– JCR Biotech for a New Tomorrow –