



Encise Quarterly Snapshot

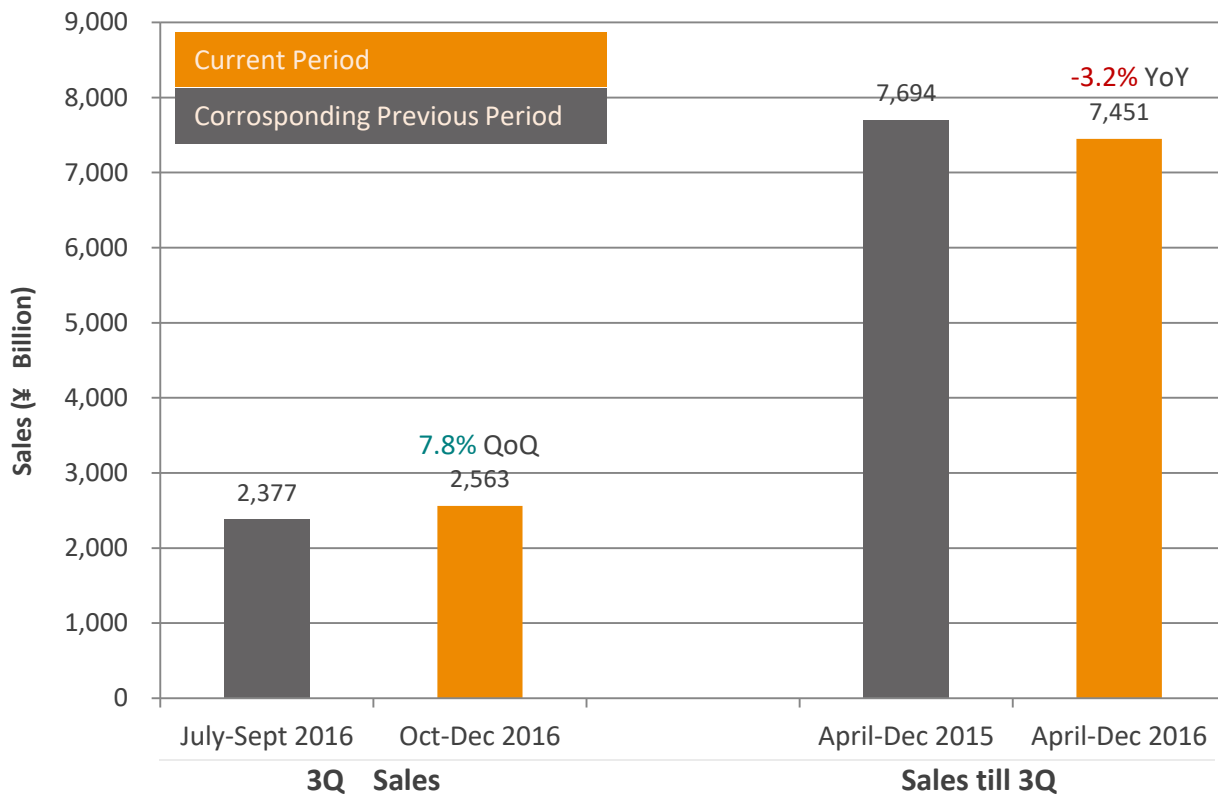
(NHI Price Based)

For the period until 3Q FY 2016

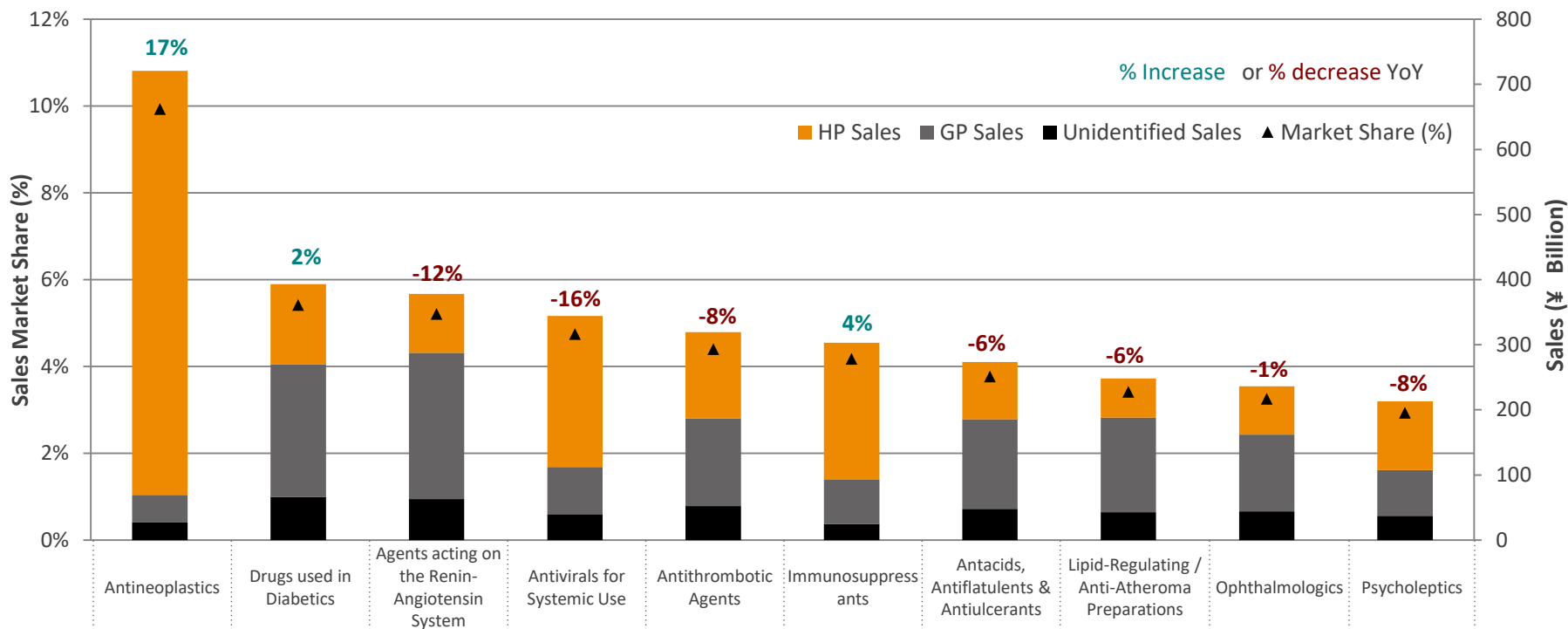
(04/2016 to 12/2016)

Disclaimer: Encise has prepared these reports by processing, editing, and developing estimates based on the ethical drug information we have collected. We do not guarantee the accuracy or completeness of this information, or that it meets any specific threshold in terms of content and/or quality.

Period at Glance (QoQ and YoY)



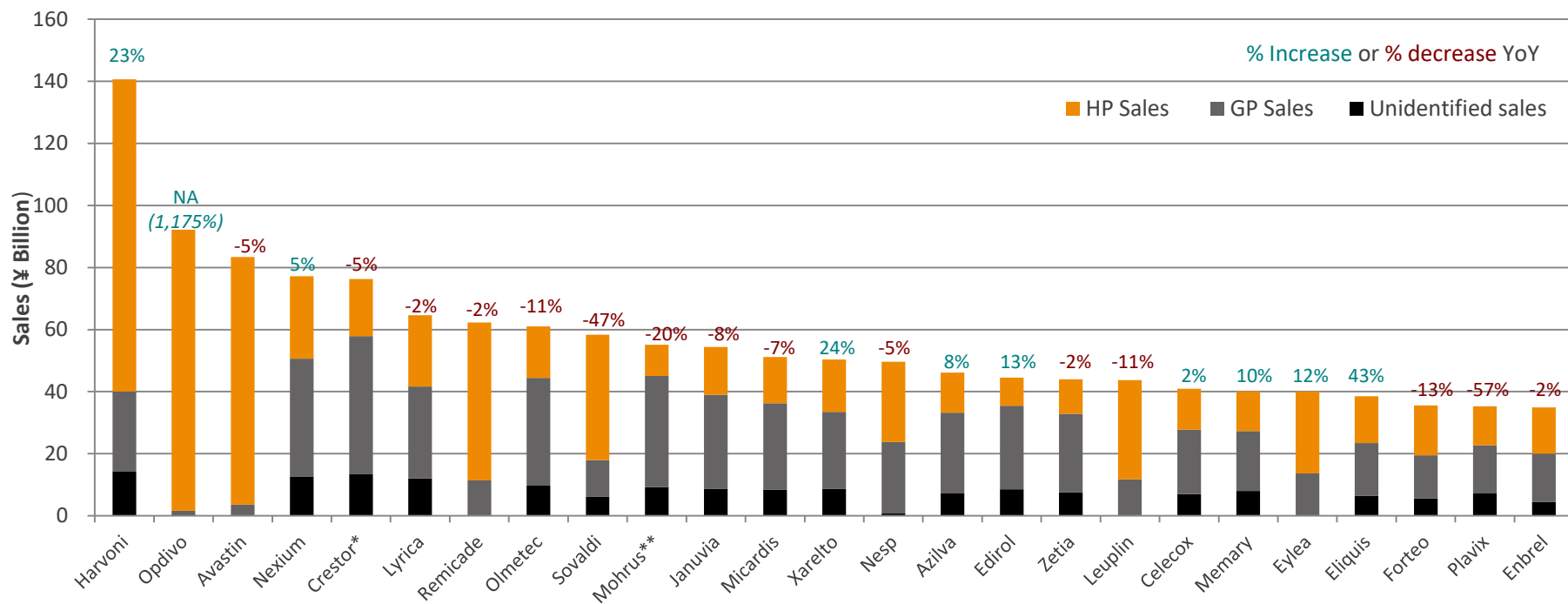
Top-10 Therapeutic Classes by Sales



Sales Break-up Definition: **Hospital (HP) sales:** All sales generated to the pharmacies from hospitals of 100+ beds, plus their in-house purchase | **General Practitioners (GP) Sales:** All sales generated to the pharmacies from general practitioners and all clinics/ hospitals of <100beds, plus their in-house purchase | **Unidentified Sales:** Sales not clearly linked to above two categories

- Top-10 Therapeutic Classes form ~47% of total Japan Pharma sales (¥3,429.5 Billion; -2% YoY).
- Antineoplastics (Oncology):** witnessed a robust ~17% YoY growth largely backed on sales of **Ono's Opdivo** (¥92.2 Billion). Ex-Opdivo, the class was merely ~3% up YoY. Among others, **Eli Lilly's Cyramza** (¥23.2 Billion) and **Chugai's Alecensa** (¥11.4 Billion) were key contributors. We expect the class continue to grow - new indications of Opdivo, launch of **MSD's Keytruda**, and multiple new candidates in pipeline promise to drive growth.
- Antivirals:** -16% decline YoY was recorded due to – drop in sales of **Sovaldi** (-¥52.4 Billion than previous year) and ~vanishing sales of **BMS Hepatitis-C drugs (Daklinza and Sunvepra)** together lost ~¥70 Billion of sales).
- Agents working on renin-angiotensin system (predominated by ARBs):** saw decline as a leading contributor **Candesartan** went off-patent and the entire franchise (**Blopress, Ecard and Unisia** together) lost ~¥23 Billion. All other major ARB brands also posted a sluggish sales.

Top-25 Brands by Sales

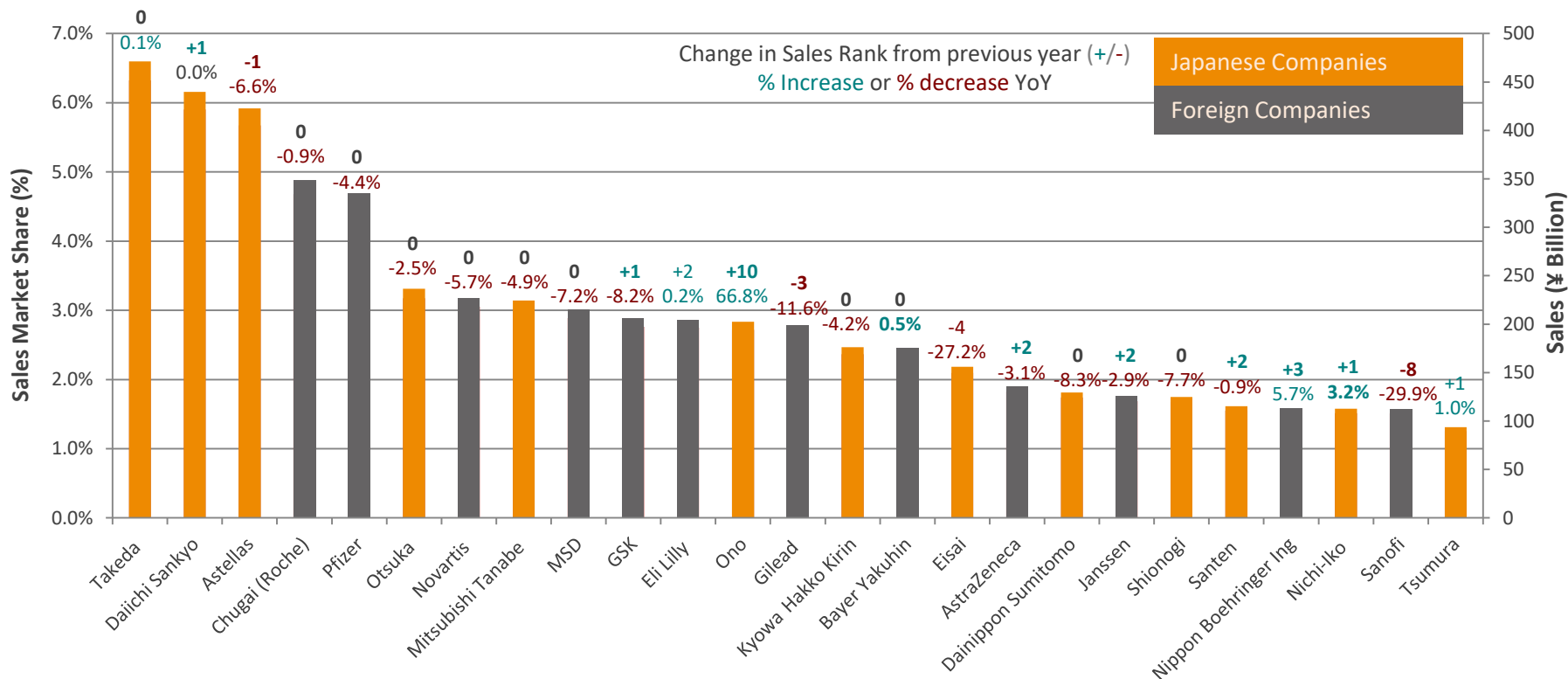


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* Combined sales (from Shionogi and AstraZeneca), ** Combined sales (from Hisamitsu and Yutoku)

- The top-25 Pharmaceutical brands constituted 18.3% (down by 0.5PP YoY) of total pharma sales for the first nine months (April to Dec) of FY 2016.
- The total sales for the period was ¥7,451.2 Billion (-3.2% YoY) – decline was observed largely due to biennial price-cuts held in April-2016 .
- **Major Growing Brands:** **Harvoni** (growth has decelerated following ‘huge-seller re-pricing’), **Opdivo** (high growth due to base impact; sales likely to maintain momentum and multiple new indications are still underway) and **Xarelto** and **Eliquis** (leaders in factor-Xa inhibitors class, fetching Plavix market following its patent expiry) were key among growing brands.
- **Major Declining Brands:** **Sovaldi** (Sales reached peak ~a year ago, and declining following the launch of Harvoni), **Plavix** (generics entry), **Mohrus** (largely price cuts impact) and **Forteo** (largely due to whopping ~19% NHI price cuts, while it continues to grow by volume) were among key products that declined for the period.

Top-25 Companies by Sales*



* Sales by Marketing Authorization Holder

- Combined sales of top-25 'marketing-companies' constitute 71.2% (-1.3PP YoY) of total Japan pharma sales ¥5,305 Billion (-4.4% YoY) until third quarter of FY 2016 (April to Dec).
- Among top-25 companies - sales ratio of Japanese Companies to Foreign Companies was ~50:50. Total sales of Japanese Companies among top-25 companies was ¥2,663 Billion (1.9% YoY), while for Foreign Companies was ¥2,642 Billion (-10% YoY) for the period.
- The only company posted remarkable growth YoY is - **Ono**, which continues to post robust growth backed on Opdivo. On the other hand, the companies lost significant sales YoY include - **Gilead** (which slipped to 13th position from 10th position as revenue from Sovaldi declined by -47% YoY to ~¥58 Billion), **Sanofi** (mainly due to patent expiry of Plavix) and **Eisai** (mainly due to continued losing sales of mainstay products Aricept, Pariet and Methycobal).