Encise Annual Snapshot

（NHI Price Based）

For FY 2016

（04/2016 to 03/2017）

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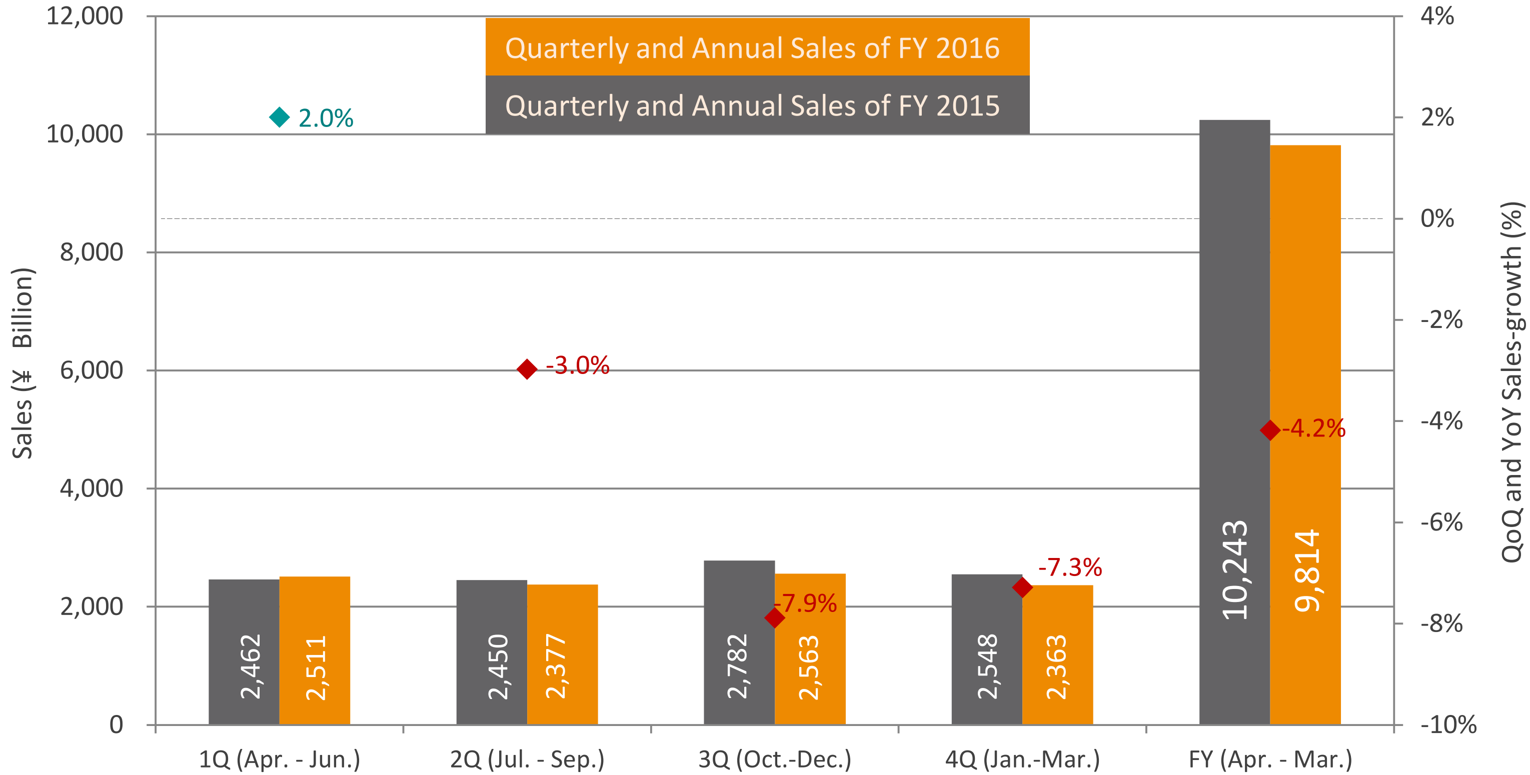
Period at Glance (QoQ and YoY)



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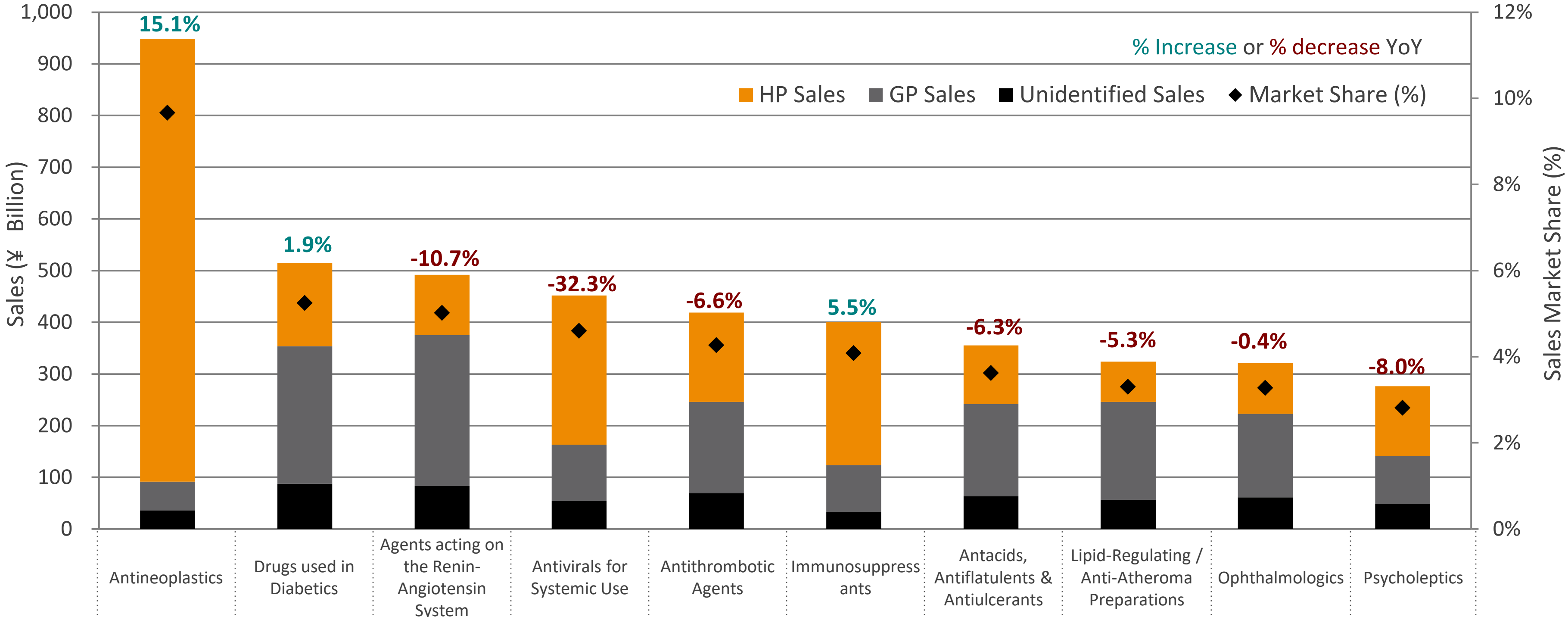
Top-10 Therapeutic Classes by Sales



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 ~46% of total Japan Pharma sales (¥4,502.8 Billion; -4.9% YoY).
- **Antineoplastics (Oncology):** witnessed a robust ~15% YoY growth largely backed on sales of **Ono's Opdivo** (¥117.6 Billion). Ex-Opdivo, the class was merely ~3% up YoY. Among others, **Eli Lilly's Cyramza** (¥33.2 Billion) was key contributor to the growth. The key brands shown decline in sales were – **Yakult's Elplat** (¥ 23.2 Billion, -26% YoY), **Chugai's Avastin** (¥109.5 Billion, -6% YoY), and **Janssen's Velcade** (¥21.4 Billion, -22% YoY). 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 the growth.
- **Antivirals:** -32% decline YoY was recorded due to – drop in sales of **Harvoni** (¥156.5 Billion, -40% YoY), **Sovaldi** (¥65.6 Billion, -56% YoY) and ~vanishing sales of **BMS Hepatitis-C drugs** (**Daklinza** and **Sunvepra** together lost ~¥74.3 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 ~¥29 Billion. All other major ARB brands also posted a sluggish sales.

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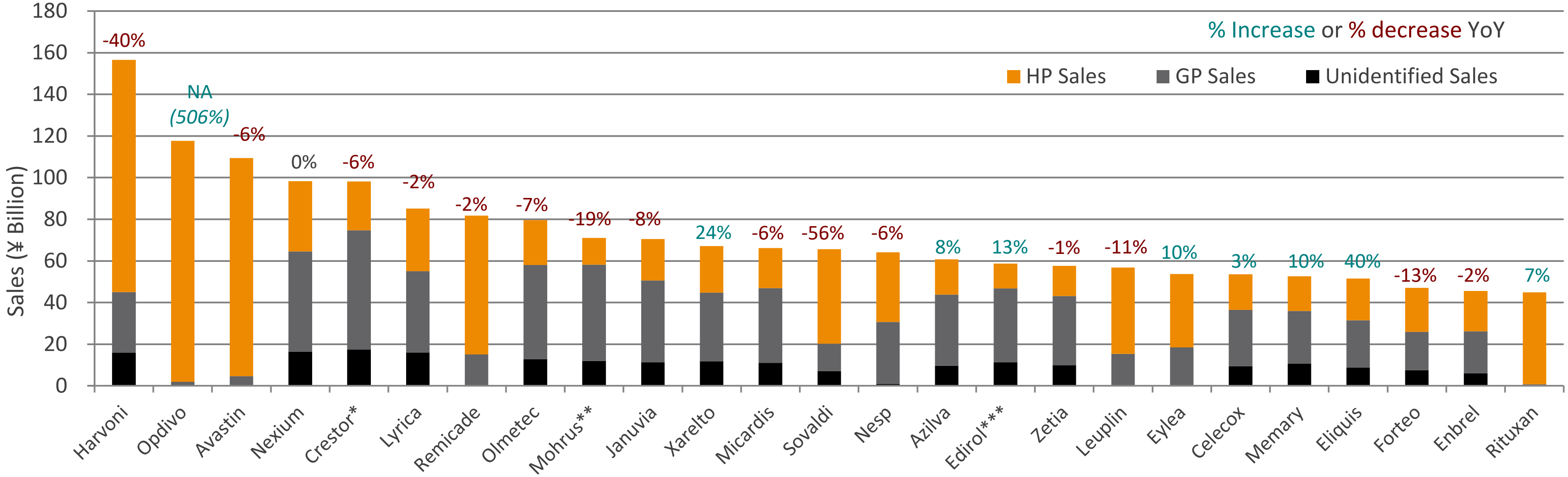
Top-25 Brands by Sales



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* Combined sales (from Shionogi and AstraZeneca), ** Combined sales (from Hisamitsu and Yutoku), ***Combined sales (from Chugai and Taisho-Toyama)

- The combined sales of top-25 pharmaceuticals brands for the FY 2016 totaled ¥1,814.2 Billion and constituted ~18.5% of the total Japan Pharma sales for the period (¥9,813.8 Billion).
- The combined sales of top-25 pharmaceuticals brands for the FY 2016 dropped by 1.6 PP compared to FY 2015 - largely due to biennial price-cuts held in April-2016, and special price-cuts imposed on select brands later.
- **Major Growing Brands:** **Opdivo** (high growth was 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:** **Harvoni** (growth has decelerated following 'huge-seller re-pricing'), **Sovaldi** (Sales reached peak ~a year ago, and declining following the launch of Harvoni), **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.
- **Brands Entering 'Top-25 Club' in FY 2016**: are **Opdivo** (¥117.6 Billion), **Eylea** (¥53.7 Billion), **Memary** (¥52.6 Billion), **Eliquis** (¥51.5 Billion), **Enbrel** (¥45.5 Billion) and **Rituxan** (¥44.8 Billion) were the new entries into top 25 Brands.
- **Brands Exiting 'Top-25 Club' in FY 2016:** **Plavix** (¥44.0 Billion), **Zyprexa** (¥40.6 Billion), **Loxonin** (¥43.9 Billion), **Aricept** (¥40.3 Billion), **Singulair** (¥39.6 Billion) and **Kipres** (¥38.2 Billion) were the brands which lost their position in top-25 in FY 2016.

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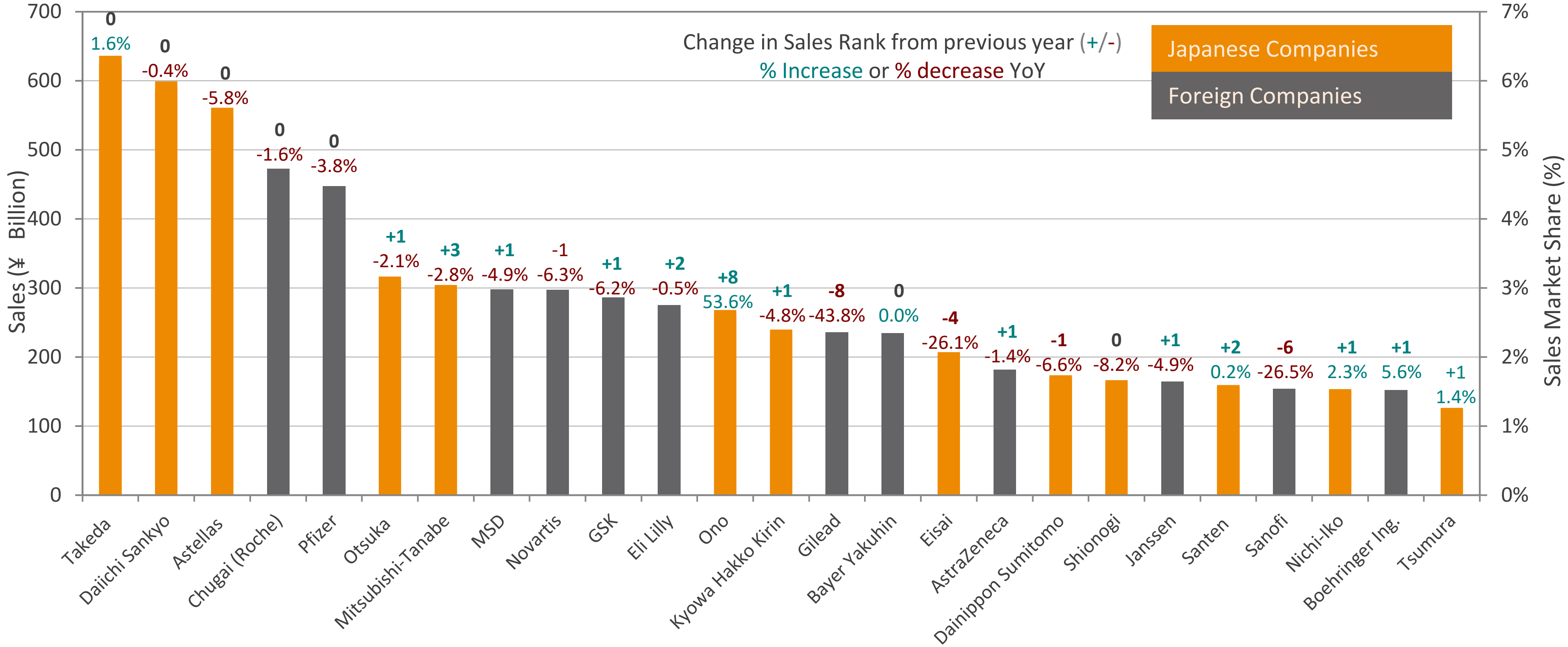
Top-25 Companies by Sales*



* Sales by Marketing Authorization Holder

- Combined sales of top-25 ‘marketing-companies‘ constitute 71.1% (-1.1PP YoY) of total Japan pharma sales to ¥6,978.5 Billion (-5.7% YoY) in FY 2016.
- Among top-25 companies - sales ratio of Japanese Companies to Foreign Companies was ~55:45. Total sales of Japanese Companies among top-25 companies was ¥3,838.0 Billion (1.8% YoY), while for Foreign Companies was ¥3,140.5 Billion (-13.4% 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 14th position from 6th position previous year as revenue from Sovaldi and Harvoni together declined by ~¥180.4 Billion; partially due to huge-seller price cuts), **Sanofi** (mainly due to patent expiry of Plavix) and **Eisai** (mainly due to continued losing sales of mainstay products Aricept, Pariet and Methycobal).

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