

Outline of Consolidated Financial Results for the Year Ended March 31, 2024(IFRS)

May 10, 2024

Name of the listed company: **NIPPON SHINYAKU CO., LTD.**

Code No.: 4516

Representative: Toru Nakai, President and Representative Director

Contact: Hideyuki Fujii, Department Manager and Finance & Accounting Dept.

Scheduled date of annual general meeting of shareholders: June 27, 2024

Scheduled date to commence dividend payments: June 28, 2024

Scheduled date to file annual securities report: June 28, 2024

Preparation of supplementary material on financial results: Yes

Financial result meeting: Yes (for institutional investors and securities analysts)

Listing stock exchange: Tokyo

URL <https://www.nippon-shinyaku.co.jp/>

Tel. +81-75-321-9116

* All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Operating results (¥ million)												
	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
		%		%		%		%		%		%
Year ended March 31, 2024	148,255	2.8	33,295	10.8	33,616	10.3	25,853	13.3	25,851	13.3	32,616	42.7
Year ended March 31, 2023	144,175	4.9	30,049	(8.8)	30,489	(8.4)	22,819	(8.7)	22,812	(8.7)	22,861	(5.7)

	Earnings per share (¥)		Return on equity attributable to owners of parent		Profit before tax to total assets		Operating profit to revenue	
	Basic	Diluted						
Year ended March 31, 2024	383.82	—		12.4%		13.4%		22.5%
Year ended March 31, 2023	338.70	—		12.1%		13.3%		20.8%

Note: Equity-method investments: not applicable

(2) Financial position (¥ million)					
	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share (¥)
As of March 31, 2024	263,404	220,534	220,224	83.6%	3,269.72
As of March 31, 2023	237,451	195,933	195,625	82.4%	2,904.49

(3) Cash flows (¥ million)				
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2024	16,289	(9,921)	(9,719)	58,094
Year ended March 31, 2023	26,170	(17,631)	(9,605)	60,047

2. Dividends

	Annual dividends per share (¥)			Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends as a percentage of net assets (consolidated)
	2 nd quarter	Year-end	Annual			
Year ended March 31, 2023	57.00	57.00	114.00	7,678	33.7%	4.1%
Year ended March 31, 2024	62.00	62.00	124.00	8,351	32.3%	4.0%
Year ending March 31, 2025(forecast)	62.00	62.00	124.00		34.1%	

3. Business Forecast for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(¥ million)									
	Revenue		Operating profit		Profit before tax		Net income attributable to owners of the parent		Basic earnings per share (¥)
		%		%		%		%	
First-half period	73,300	(0.0)	12,500	(40.1)	12,700	(39.9)	9,900	(38.8)	146.99
Full term	150,000	1.2	31,000	(6.9)	31,500	(6.3)	24,500	(5.2)	363.76

4. Others

(1) Changes in the scope of consolidation

Inclusion: None

Exclusion: None

Note: Changes in specified subsidiaries involved changes in the scope of consolidation

(2) Changes in accounting policies and accounting estimates, and restatement

1. Changes in accounting policies arising from revision of accounting standards: None

2. Changes in arising from other factors: None

3. Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

Number of shares outstanding (including treasury stock)

As of March 31, 2024: 70,251,484 shares

As of March 31, 2023: 70,251,484 shares

Number of shares of treasury stock

As of March 31, 2024: 2,898,726 shares

As of March 31, 2023: 2,898,610 shares

Average number of shares outstanding (total for the consolidated period)

As of March 31, 2024: 67,352,808 shares

As of March 31, 2023: 67,352,967 shares

Note:

This summary of financial results is exempt from the audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure, published figures in this financial release have not been completed to a review of financial statements based on the Financial Instruments and Exchange Law.

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future. Readers are advised that actual results may differ substantially from the above forecasts due to various unforeseeable factors.

5. Consolidated Financial Statement

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	60,047	58,094
Trade and other receivables	44,686	47,237
Inventories	36,358	39,111
Other financial assets	11,554	10,609
Other current assets	5,225	9,232
Total current assets	157,873	164,285
Non-current assets		
Property, plant and equipment	32,215	33,582
Intangible assets	17,155	25,120
Right-of-use assets	2,779	2,971
Other financial assets	22,308	32,862
Deferred tax assets	3,241	1,766
Other non-current assets	1,877	2,817
Total non-current assets	79,578	99,119
Total assets	237,451	263,404

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,538	24,706
Other financial liabilities	314	372
Lease liabilities	1,516	1,720
Income taxes payable	6,131	3,594
Other current liabilities	6,682	6,941
Total current liabilities	35,183	37,336
Non-current liabilities		
Other financial liabilities	232	232
Lease liabilities	1,148	1,152
Retirement benefit liability	4,895	4,090
Other non-current liabilities	57	58
Total non-current liabilities	6,334	5,533
Total liabilities	41,518	42,870
Equity		
Share capital	5,174	5,174
Capital surplus	4,445	4,445
Retained earnings	180,433	198,260
Treasury shares	(2,480)	(2,480)
Other components of equity	8,052	14,825
Total equity attributable to owners of parent	195,625	220,224
Non-controlling interests	307	310
Total equity	195,933	220,534
Total liabilities and equity	237,451	263,404

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	144,175	148,255
Cost of sales	55,980	50,234
Gross profit	88,195	98,021
Selling, general and administrative expenses	34,812	34,959
Research and development expenses	24,135	31,676
Other income	1,908	3,163
Other expenses	1,106	1,252
Operating profit	30,049	33,295
Finance income	575	650
Finance costs	136	329
Profit before tax	30,489	33,616
Income tax expense	7,669	7,762
Profit	22,819	25,853
Profit attributable to		
Owners of parent	22,812	25,851
Non-controlling interests	7	2
Profit	22,819	25,853
Earnings per share		
Basic earnings per share	338.70	383.82

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	22,819	25,853
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	516	6,649
Remeasurements of defined benefit plans	(111)	(14)
Total of items that will not be reclassified to profit or loss	404	6,634
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(362)	128
Total of items that may be reclassified to profit or loss	(362)	128
Other comprehensive income, net of tax	41	6,762
Comprehensive income	22,861	32,616
Comprehensive income attributable to		
Owners of parent	22,854	32,614
Non-controlling interests	7	2
Comprehensive income	22,861	32,616

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	5,174	4,445	165,303	(2,478)	(253)	8,394
Profit	-	-	22,812	-	-	-
Other comprehensive income	-	-	-	-	(362)	516
Total	-	-	22,812	-	(362)	516
Purchase of treasury shares	-	-	-	(1)	-	-
Disposal of treasury shares	-	0	-	0	-	-
Dividends of surplus	-	-	(7,812)	-	-	-
Transfer from other components of equity to retained earnings	-	-	129	-	-	(241)
Total transactions with owners	-	0	(7,683)	(1)	-	(241)
Balance at end of period	5,174	4,445	180,433	(2,480)	(616)	8,669

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total			
Balance at beginning of period	-	8,140	180,585	300	180,886
Profit	-	-	22,812	7	22,819
Other comprehensive income	(111)	41	41	-	41
Total	(111)	41	22,854	7	22,861
Purchase of treasury shares	-	-	(1)	-	(1)
Disposal of treasury shares	-	-	0	-	0
Dividends of surplus	-	-	(7,812)	-	(7,812)
Transfer from other components of equity to retained earnings	111	(129)	-	-	-
Total transactions with owners	111	(129)	(7,814)	-	(7,814)
Balance at end of period	-	8,052	195,625	307	195,933

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	5,174	4,445	180,433	(2,480)	(616)	8,669
Profit	-	-	25,851	-	-	-
Other comprehensive income	-	-	-	-	128	6,649
Total	-	-	25,851	-	128	6,649
Purchase of treasury shares	-	-	-	(0)	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends of surplus	-	-	(8,014)	-	-	-
Transfer from other components of equity to retained earnings	-	-	(9)	-	-	(5)
Total transactions with owners	-	-	(8,024)	(0)	-	(5)
Balance at end of period	5,174	4,445	198,260	(2,480)	(488)	15,313

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total			
Balance at beginning of period	-	8,052	195,625	307	195,933
Profit	-	-	25,851	2	25,853
Other comprehensive income	(14)	6,762	6,762	-	6,762
Total	(14)	6,762	32,614	2	32,616
Purchase of treasury shares	-	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-	-
Dividends of surplus	-	-	(8,014)	-	(8,014)
Transfer from other components of equity to retained earnings	14	9	-	-	-
Total transactions with owners	14	9	(8,015)	-	(8,015)
Balance at end of period	-	14,825	220,224	310	220,534

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	30,489	33,616
Depreciation and amortization	5,041	5,023
Interest and dividend income	(575)	(650)
Interest expenses	50	20
Foreign exchange loss (gain)	(1,165)	(1,479)
Loss on retirement of fixed assets	87	104
Decrease (increase) in trade and other receivables	(1,425)	(2,225)
Decrease (increase) in inventories	1,782	(2,580)
Increase (decrease) in trade and other payables	81	(706)
Increase (decrease) in retirement benefit liability	(771)	(862)
Other	(781)	(2,859)
Subtotal	32,815	27,401
Interest and dividends received	575	654
Interest paid	(50)	(20)
Income taxes paid	(7,169)	(11,744)
Net cash provided by (used in) operating activities	26,170	16,289
Cash flows from investing activities		
Payments into time deposits	(1,162)	(1,622)
Proceeds from withdrawal of time deposits	1,102	1,462
Purchase of property, plant and equipment	(5,660)	(5,058)
Purchase of intangible assets	(6,068)	(4,591)
Purchase of investments	(11,918)	(10,500)
Proceeds from sale and redemption of investments	6,064	10,380
Other	11	7
Net cash provided by (used in) investing activities	(17,631)	(9,921)
Cash flows from financing activities		
Repayments of lease liabilities	(1,794)	(1,706)
Purchase of treasury shares	(1)	(0)
Proceeds from sale of treasury shares	0	—
Dividends paid	(7,809)	(8,011)
Net cash provided by (used in) financing activities	(9,605)	(9,719)
Effect of exchange rate changes on cash and cash equivalents	547	1,397
Net increase (decrease) in cash and cash equivalents	(518)	(1,953)
Cash and cash equivalents at beginning of period	60,566	60,047
Cash and cash equivalents at end of period	60,047	58,094

Performance (consolidated)

(¥ million)

	2018 (JGAAP)	2019 (JGAAP)	2020 (IFRS)	2021 (IFRS)	2022 (IFRS)	2023 (IFRS)	2024 (IFRS) (estimated)
Revenue	114,716	116,637	121,859	137,484	144,175	148,255	150,000
Operating profit	20,644	21,668	27,702	32,948	30,049	33,295	31,000
Profit before tax	21,540	22,442	27,608	33,301	30,489	33,616	31,500
Profit attributable to owners of parent	16,302	16,866	19,540	24,986	22,812	25,851	24,500

(¥ million)

Brand name	Active Ingredient	Indications	Launch Date	Sales 2022 (IFRS)	Sales 2023 (IFRS)	Sales 2024 (IFRS) (estimated)	
						Apr-Sep	Annual
Viltepso				14,341	17,530	9,800	20,100
(Japan)	viltolarsen	Duchenne muscular dystrophy	Japan May-2020 U.S. Aug-2020	(4,139)	(4,407)	(2,300)	(4,600)
(U.S.)				(10,201)	(13,123)	(7,500)	(15,500)
Upravi	selexipag	pulmonary arterial hypertension/ chronic thromboembolic pulmonary hypertension	Nov-2016/ Aug-2021	10,543	12,918	7,600	15,400
Vidaza	azacitidine	myelodysplastic syndrome/ acute myeloid leukemia	Mar-2011/ Mar-2021	15,951	10,383	2,600	4,800
Gazyva	obinutuzumab	CD20-positive follicular lymphoma/ CD20-positive chronic lymphocytic leukemia	Aug-2018/ Dec-2022	4,904	4,695	2,500	5,100
Tramal, Onetram	tramadol hydrochloride	cancer pain, chronic pain	Sep-2010	5,358	3,927	1,400	2,700
Cialis	tadalafil	erectile dysfunction	Jul-2009	2,938	2,499	1,400	2,700
Erizas	dexamethasone cipeclate	allergic rhinitis	Dec-2009	2,640	2,284	700	2,100
Zalutia	tadalafil	urinary disorder caused by benign prostatic hyperplasia	Apr-2014	2,826	2,256	850	1,600
Addcirca	tadalafil	pulmonary arterial hypertension	Dec-2009	2,649	2,255	900	1,700
Defitelio	defibrotide sodium	sinusoidal obstruction syndrome	Sep-2019	2,524	2,221	1,100	2,300
Profit in co-promotion				9,520	8,658	4,550	9,100
Revenues from the licensing of industrial property rights				30,714	40,304	20,600	41,700
Pharmaceuticals				121,988	125,105	62,800	128,500
Functional Food				22,187	23,150	10,500	21,500
Revenue				144,175	148,255	73,300	150,000

Nippon Shinyaku: R&D Pipeline List

< Domestic >

May 10, 2024

Stage	Code No. (Generic name)	Therapeutic field	Indications	Origin	Development
Launch Phase III	NS-065/NCNP-01 (viltolarsen)	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku
Preparation for launch	NS-87 (daunorubicin / cytarabine)	hematologic malignancies	high-risk acute myeloid leukemia	Licensed - in from Jazz Pharmaceuticals plc	Nippon Shinyaku
NDA filing	NS-304 (selexipag)	intractable disease・orphan disease	pediatric pulmonary arterial hypertension	Nippon Shinyaku	Co - development: Janssen Pharmaceutical K.K.
NDA filing Phase III	LY3527727 (pirtobrutinib)	hematologic malignancies	Mantle cell lymphoma	Alliance agreement in Japan : Eli Lilly Japan	Eli Lilly Japan
Phase III	ZX008 (fenfluramine hydrochloride)	intractable disease・orphan disease	CDKL5 deficiency disorder	Distribution partnership: UCB S.A. (former : Zogenix, Inc.)	UCB S.A. (former : Zogenix, Inc.)
Phase III	GA101 (obinutuzumab)	intractable disease・orphan disease	lupus nephritis	Licensed - in from Chugai Pharmaceutical Co., Ltd.	Co - development: Chugai Pharmaceutical Co., Ltd.
Phase III	GA101 (obinutuzumab)	intractable disease・orphan disease	pediatric nephrotic syndrome	Licensed - in from Chugai Pharmaceutical Co., Ltd.	Co - development: Chugai Pharmaceutical Co., Ltd.
Phase III	GA101 (obinutuzumab)	intractable disease・orphan disease	extra renal lupus	Licensed - in from Chugai Pharmaceutical Co., Ltd.	Co - development: Chugai Pharmaceutical Co., Ltd.
Phase III	LY3527727 (pirtobrutinib)	hematologic malignancies	Chronic lymphocytic leukemia	Alliance agreement in Japan : Eli Lilly Japan	Eli Lilly Japan
Phase II	NS-304 (selexipag)	cardiovascular	arteriosclerosis obliterans	Nippon Shinyaku	Nippon Shinyaku
Phase II	NS-580	gynecology	endometriosis	Nippon Shinyaku	Nippon Shinyaku
Phase II	NS-580	urological diseases	chronic prostatitis/chronic pelvic pain syndrome	Nippon Shinyaku	Nippon Shinyaku
Phase II	NS-089/NCNP-02 (brogidirsen)	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku
Preparation for Phase II	NS-229	intractable disease・orphan disease	Eosinophilic granulomatosis with polyangiitis	Nippon Shinyaku	Nippon Shinyaku
Phase I/II	NS-401 (tagraxofusp)	hematologic malignancies	blastic plasmacytoid dendritic cell neoplasm	Licensed - in from The Menarini Group	Nippon Shinyaku
Preparation for Phase I/II	NS-050/NCNP-03	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku
Phase I	NS-917 (radgocitabine)	hematologic malignancies	relapsed/refractory acute myeloid leukemia	Licensed - in from Delta-Fly Pharma, Inc.	Nippon Shinyaku
Phase I	NS-025	urological diseases	urological diseases	Nippon Shinyaku	Nippon Shinyaku
Phase I	NS-863	cardiovascular	cardiovascular diseases	Nippon Shinyaku	Nippon Shinyaku

< Overseas >

Stage	Code No. (Generic name)	Therapeutic field	Indications	Origin	Development
US Launch Phase III	NS-065/NCNP-01 (viltolarsen)	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku
Phase III	CAP-1002	intractable disease・orphan disease	Duchenne muscular dystrophy	Partnership: Capricor Therapeutics, Inc.	Capricor Therapeutics, Inc.
Phase II	NS-089/NCNP-02 (brogidirsen)	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku
Preparation for Phase II	NS-229	intractable disease・orphan disease	Eosinophilic granulomatosis with polyangiitis	Nippon Shinyaku	Nippon Shinyaku
Preparation for Phase I/II	NS-050/NCNP-03	intractable disease・orphan disease	Duchenne muscular dystrophy	Co - development: National Center of Neurology and Psychiatry	Nippon Shinyaku