

N O B O R D E R

Going beyond it all, to the future of medicine.

**Outline of Consolidated Financial Results
for the 1st Quarter Ended June 30, 2018**

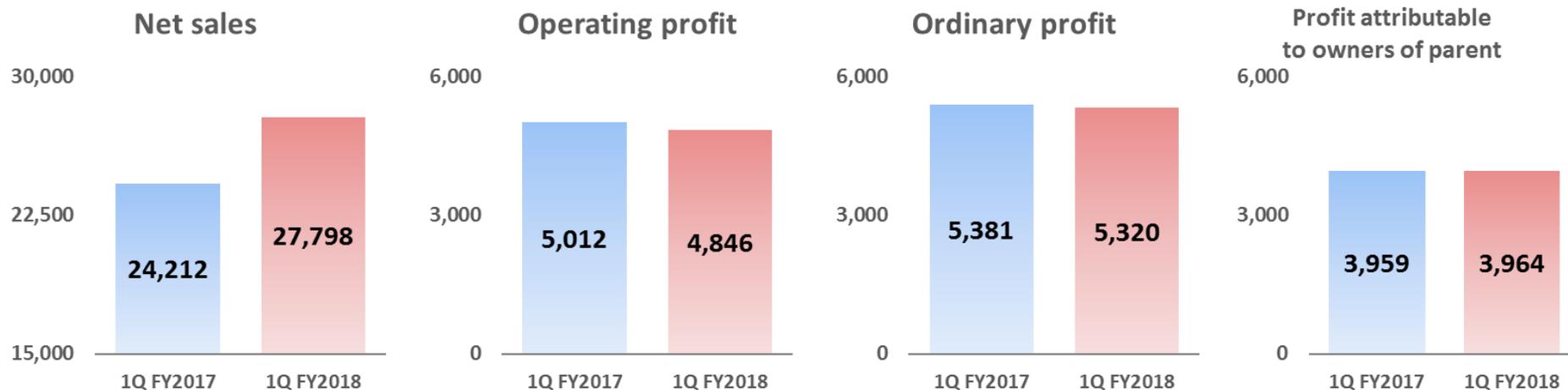
**August 7, 2018
NIPPON SHINYAKU CO., LTD.**

1Q FY2018 Summary

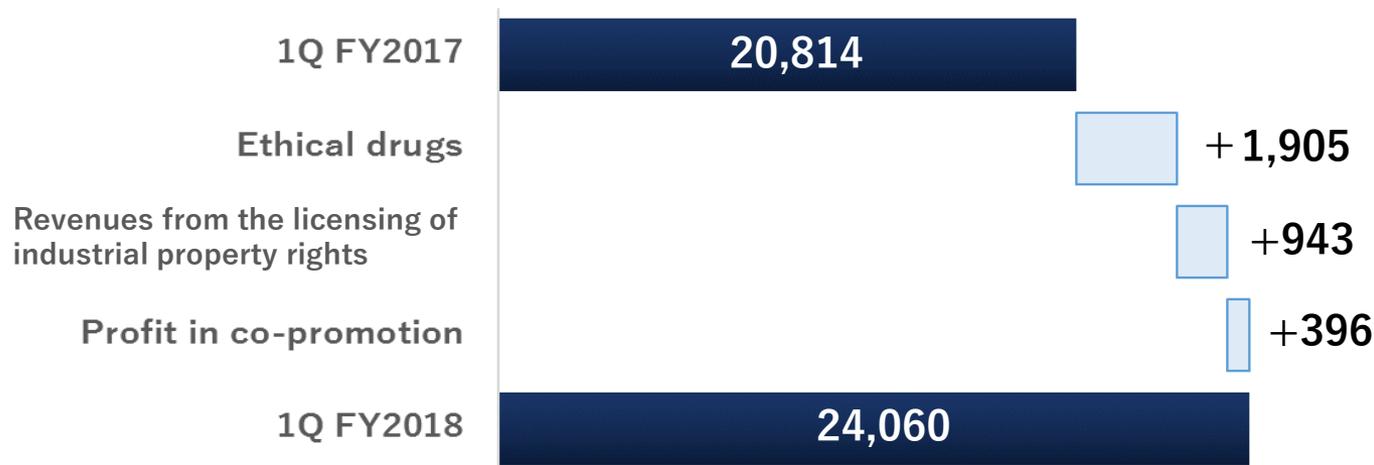


◆ Net sales	:	27,798 million yen	(+14.8%)
◆ Operating profit	:	4,846 million yen	(-3.3%)
◆ Ordinary profit	:	5,320 million yen	(-1.1%)
◆ Profit attributable to owners of parent	:	3,964 million yen	(+0.1%)

(Million yen)



Segmental Review - Pharmaceuticals -



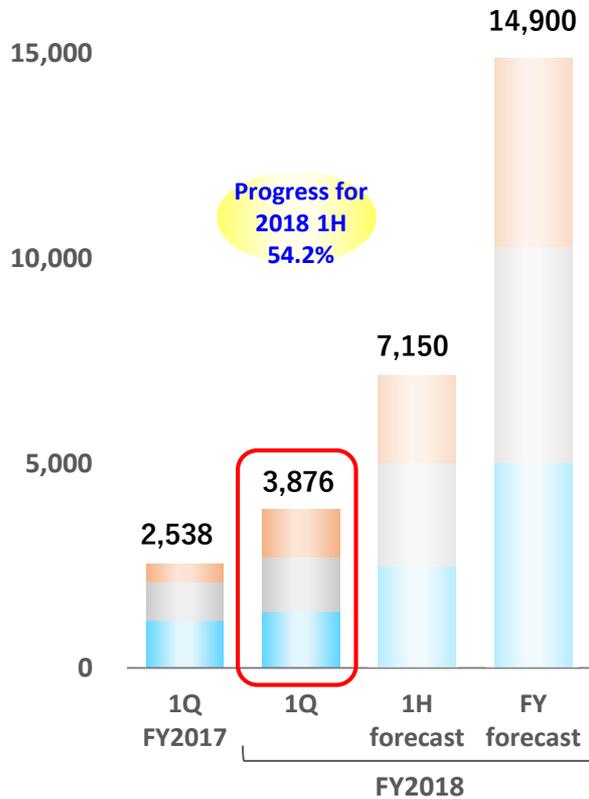
(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	17,724	85.2%	19,630	81.5%	+1,905	+10.8%
Revenues from the licensing of industrial property rights	2,148	10.3%	3,092	12.9%	+943	+43.9%
Profit in co-promotion	940	4.5%	1,337	5.6%	+396	+42.1%
Net sales	20,814	100.0%	24,060	100.0%	+3,245	+15.6%

Three Main Fields of Focus



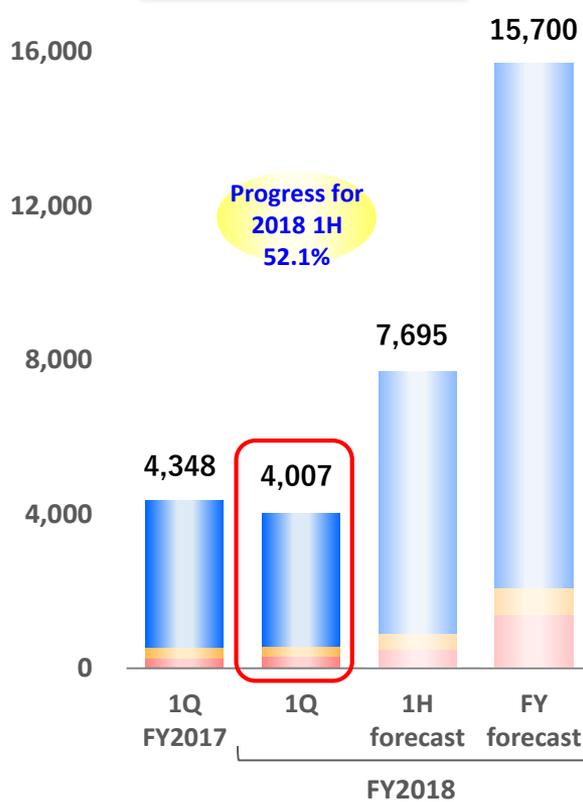
(million yen)

PAH



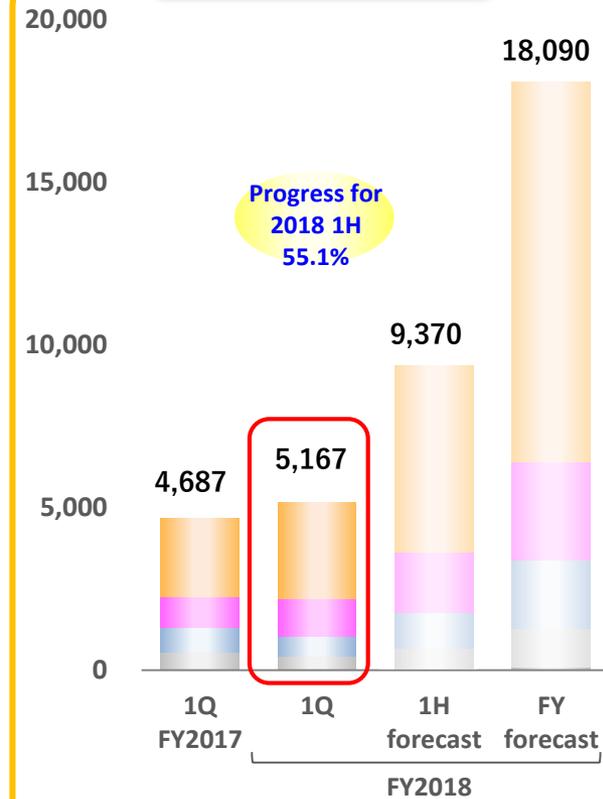
- Upravi (domestic)
- Opsumit (Profit in co-promotion)
- Adcirca

Hematology



- Vidaza
- Cylocide
- Others

Urology



- Zalutia
- Cialis
- Eviprostat
- Others

Segmental Review - Functional Food -



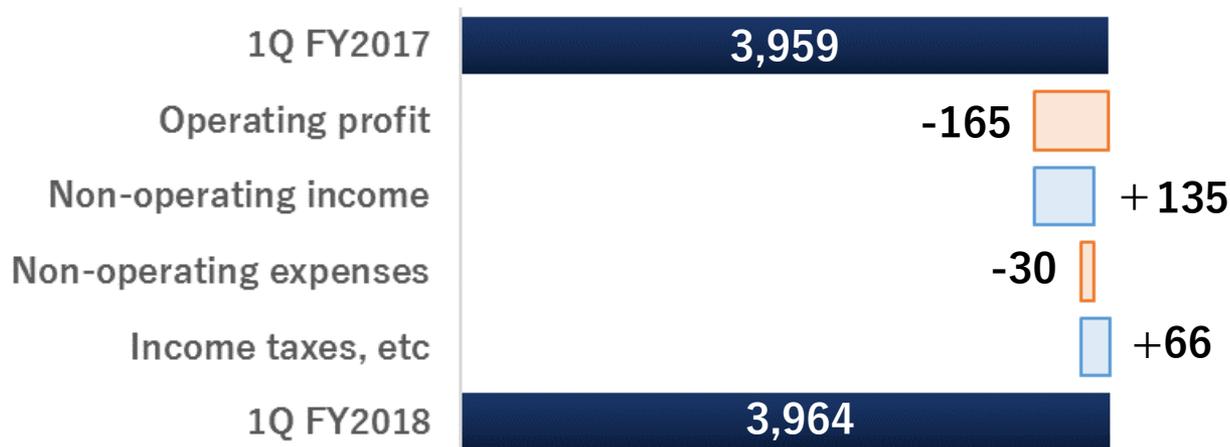
(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Protein preparations	2,303	67.8%	2,519	67.4%	+215	+9.4%
Preservatives	550	16.2%	563	15.1%	+13	+2.4%
Health food ingredients	197	5.8%	281	7.5%	+84	+42.7%
Others	346	10.2%	373	10.0%	+26	+7.7%
Net sales	3,398	100.0%	3,738	100.0%	+340	+10.0%

Operating profit



(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	24,212	100.0%	27,798	100.0%	+3,585	+14.8%
Pharmaceuticals	20,814	86.0%	24,060	86.6%	+3,245	+15.6%
Functional Food	3,398	14.0%	3,738	13.4%	+340	+10.0%
Operating expenses	19,200	79.3%	22,951	82.6%	+3,751	+19.5%
Cost of sales	11,125	46.0%	13,220	47.6%	+2,094	+18.8%
SG&A expenses	5,872	24.2%	6,665	24.0%	+793	+13.5%
R&D expenses	2,202	9.1%	3,065	11.0%	+863	+39.2%
Operating profit	5,012	20.7%	4,846	17.4%	-165	-3.3%

Profit attributable to owners of parent



(Million yen)	1Q FY2017	1Q FY2018	YoY Change	
	Results	Results	Amt	%
Operating profit	5,012	4,846	-165	-3.3%
Non-operating income	447	582	+135	+30.2%
Non-operating expenses	77	108	+30	+39.5%
Ordinary profit	5,381	5,320	-61	-1.1%
Income taxes, etc	1,422	1,356	-66	-4.6%
Profit attributable to owners of the parent	3,959	3,964	+4	+0.1%

Business Forecast for FY2018



(Million yen)	FY 2017		FY 2018				FY 2018 (5 th MMP)
	1 Q Results	FY Results	1 Q Results	Progress for 1H	1H Forecast	FY Forecast	
Net sales	24,212	101,448	27,798	53.5%	52,000	108,000	110,000
Pharmaceuticals	20,814	87,416	24,060	53.6%	44,900	93,600	-
Functional Food	3,398	14,031	3,738	52.7%	7,100	14,400	-
Operating profit	5,012	17,079	4,846	74.6%	6,500	18,500	18,000
Ordinary profit	5,381	17,451	5,320	78.2%	6,800	19,000	-
Profit attributable to owners of the parent	3,959	12,953	3,964	80.9%	4,900	14,000	12,000

MMP: Medium-Term Management Plan

Status of Development Pipeline

R&D Compounds (Domestic)



Code No. (Generic name) <Origin>	Application type	Indications	Preparation for development	PI	PII	PIII	Preparation for NDA	Preparation for launching
GA101 (obinutuzumab) <in-license>	NME	CD20-positive follicular lymphoma						
NS-73 (defibrotide) <in-license>	NME	Veno-occlusive disease (treatment)						
	New indication	Veno-occlusive disease (prevention)						
NS-304 (selexipag) <in-house>	New indication	Chronic thromboembolic pulmonary hypertension						
		Arteriosclerosis obliterans						
		Lumbar spinal stenosis						
NS-580 <in-house>	NME	Endometriosis						
NS-17 (azacitidine) <in-license>	New indication	Acute myeloid leukemia						
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy						
NS-32 <in-license>	NME	Iron deficiency anemia						
NS-917 <in-license>	NME	Relapsed/refractory acute myeloid leukemia						
NS-87 <in-license>	NME	Secondary acute myeloid leukemia						

■ : changes from the Fiscal Year Ended March 31, 2018 10

R&D Compounds (Overseas)



Code No. <Origin>	Application type	Indications	Preparation for development	PI	PII	PIII	Preparation for NDA	NDA filing
prulifloxacin <in-house>	NME	Bacterial infections						
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy						
NS-018 <in-house>	NME	Myelofibrosis						

Reference Materials

Consolidated Balance Sheet



(Million yen)	FY2017	FY2018	YoY Change		FY2017	FY2018	YoY Change
	4Q Results	1Q Results	Amt		4Q Results	1Q Results	Amt
Assets	155,887	156,779	+892	Liabilities	30,197	29,444	-753
Current assets	95,176	97,120	+1,944	Current liabilities	22,454	22,032	-421
Fixed assets	60,710	59,659	-1,051	Long-term liabilities	7,743	7,412	-331
				Net assets	125,689	127,335	+1,645
Total assets	155,887	156,779	+892	Total liabilities and net assets	155,887	156,779	+892

= Assets =

Cash and deposits	-1,615
Notes and accounts receivable	+3,394
Inventories	-700
Total property, plant and equipment	-230
Investments and other assets	-791

= Liabilities and Net assets =

Notes and accounts payable	-1,812
Accounts payable	-545
Income taxes payable	-392
Provision for bonuses	+1,426
Retained earnings	+2,212

GA101 (Obinutuzumab)

- Treatment for CD20-positive follicular lymphoma -



Development Phase	<ul style="list-style-type: none">•EU, USA : Approval (Roche)•Japan : Approval [Jul. 2018] (Chugai Pharmaceutical Co., Ltd.)
Origin	[Nov. 2012] Licensed-in from : Chugai Pharmaceutical Co., Ltd.
Development	Co-development in Japan : Chugai Pharmaceutical Co., Ltd.
Mechanism of action	Anti-CD20 monoclonal antibody
Indication	CD20-positive follicular lymphoma (FL)
Dosage form	Injection
Feature	Anti-CD20 monoclonal antibody, increased antibody-dependent cellular cytotoxicity (ADCC) activity and direct cytotoxicity

NS-73 (Defibrotide)



- Treatment of hepatic veno-occlusive disease -

Development Phase	Japan : Preparation for NDA (treatment) Japan : PIII (prevention)
Origin	[Mar. 2017] Licensed-in from : Jazz Pharmaceuticals
Development	Nippon Shinyaku in Japan (treatment) Co-development in Japan : Jazz Pharmaceuticals (prevention)
Mechanism of action	Protective action on vascular endothelium, normalization of the coagulation/fibrinolysis balance
Indication	Hepatic veno-occlusive disease (VOD)
Dosage form	Injection
Feature	<ul style="list-style-type: none">· VOD is a life-threatening complication which develops in patients following HSCT, and in severe cases, leading to death at high rates.· NS-73 is the only drug for the treatment of VOD (EU/US guideline). It has been launched in 35 countries.· NS-73 is the only drug for the prevention of VOD.

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