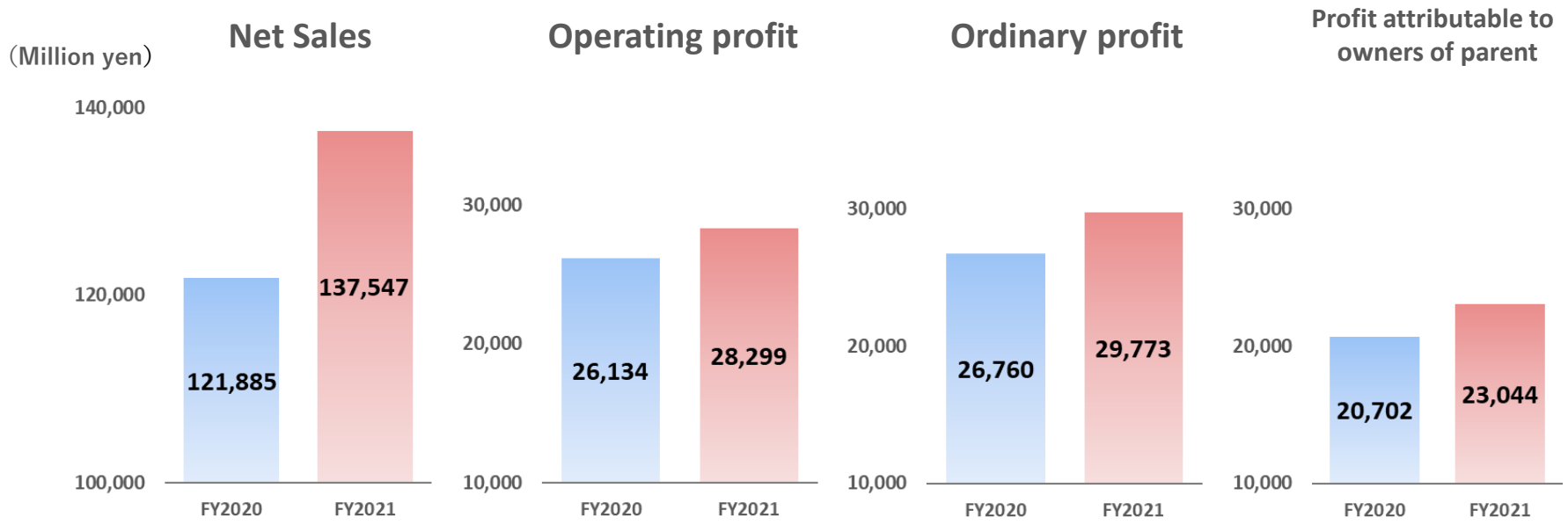
Outline of Consolidated Financial Results for the Year Ended March 31, 2022

May 13, 2022
NIPPON SHINYAKU CO., LTD.

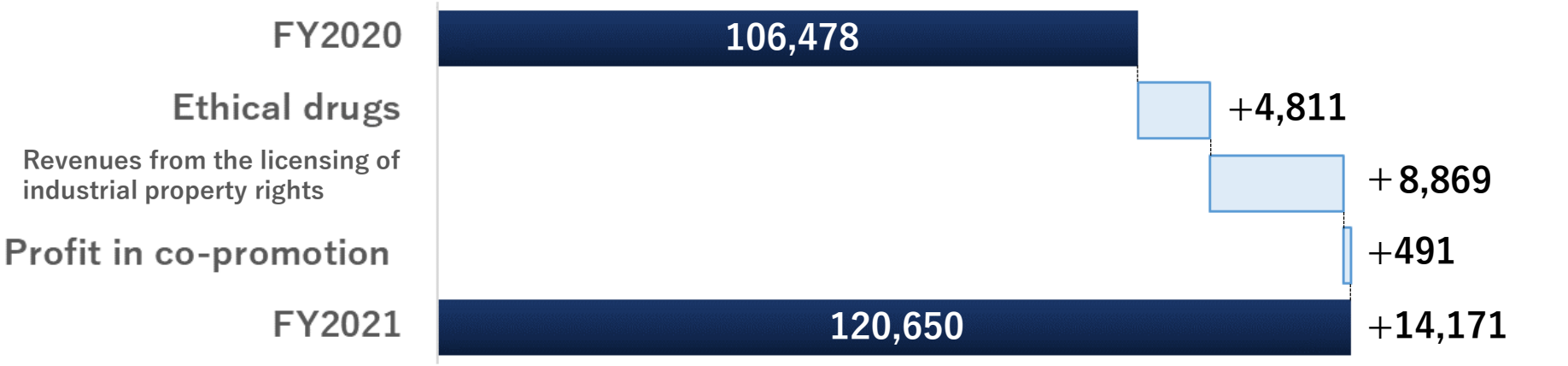
NIPPON SHINYAKU CO., LTD.

FY2021 Summary

- **Net sales** : 137,547 million yen (+12.8%)
- **Operating profit** : 28,299 million yen (+ 8.3%)
- **Ordinary profit** : 29,773 million yen (+11.3%)
- **Profit attributable to owners of parent** : 23,044 million yen (+11.3%)



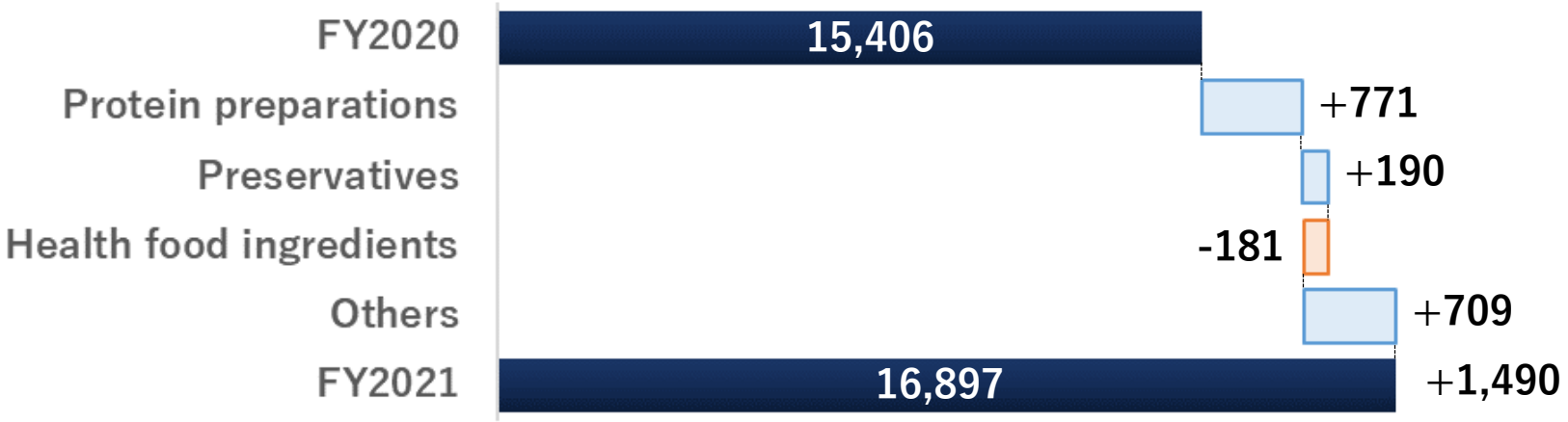
Segmental Review - Pharmaceuticals -



(Million yen)	FY2020		FY2021		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	73,697	69.2%	78,508	65.1%	+4,811	+6.5%
Revenues from the licensing of industrial property rights	24,338	22.9%	33,207	27.5%	+8,869	+36.4%
Profit in co-promotion	8,442	7.9%	8,934	7.4%	+491	+5.8%
Net sales	106,478	100.0%	120,650	100.0%	+14,171	+13.3%

Net sales increased by 13.3% through growth of ethical drugs such as “Vidaza”, “Uptravi”, “Viltepso”, and revenues from the licensing of industrial property rights which contains of royalty revenue from Uptravi’s overseas sales and gain on sales from the priority review voucher.

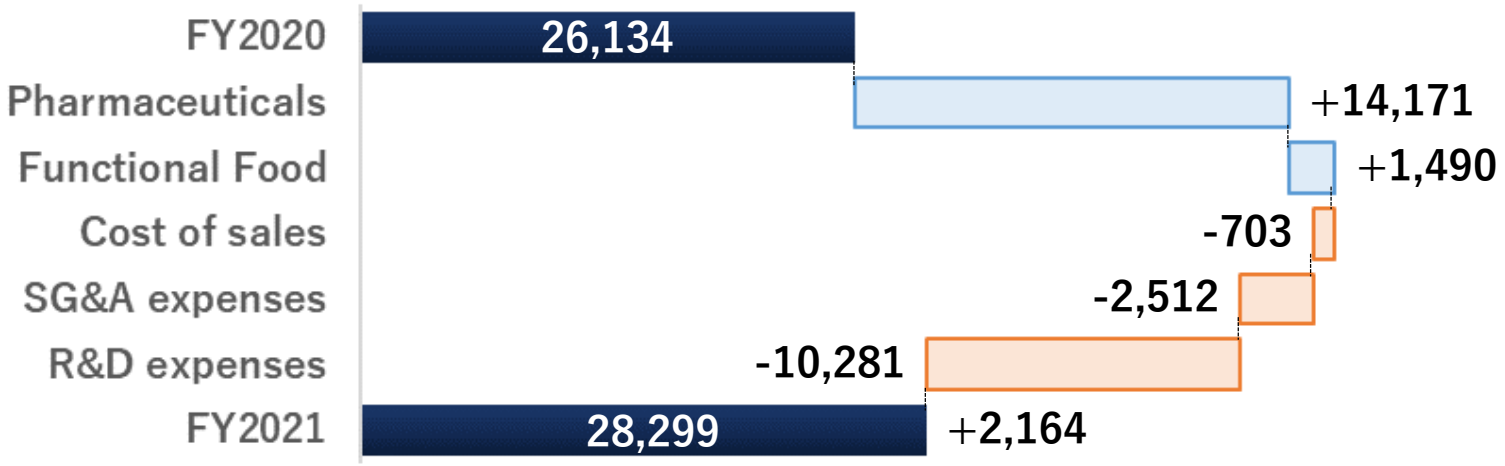
Segmental Review - Functional Food -



(Million yen)	FY2020		FY2021		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Protein preparations	10,121	65.7%	10,892	64.5%	+771	+7.6%
Preservatives	2,597	16.9%	2,787	16.5%	+190	+7.3%
Health food ingredients	1,257	8.2%	1,075	6.4%	-181	-14.4%
Others	1,431	9.2%	2,140	12.6%	+709	+49.6%
Net sales	15,406	100.0%	16,897	100.0%	+1,490	+9.7%

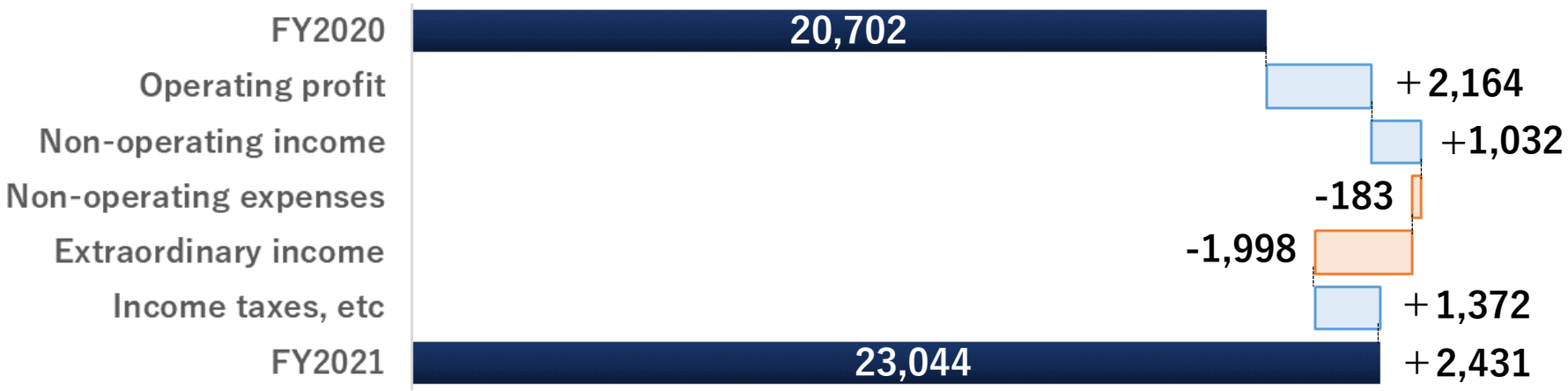
Net sales increased by 9.7% through sales from functional food products such as protein preparations, preservatives, etc.

Operating profit



(Million yen)	FY2020		FY2021		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	**121,885**	**100.0%**	**137,547**	**100.0%**	**+15,662**	**+12.8%**
(Pharmaceuticals)	(106,478)	(87.4%)	(120,650)	(87.7%)	(+14,171)	(+13.3%)
(Functional Food)	(15,406)	(12.6%)	(16,897)	(12.3%)	(+1,490)	(+9.7%)
Operating expenses	**95,750**	**78.6%**	**109,248**	**79.4%**	**+13,497**	**+14.1%**
Cost of sales	**49,954**	**41.0%**	**50,657**	**36.8%**	**+703**	**+1.4%**
SG&A expenses	**29,691**	**24.4%**	**32,204**	**23.4%**	**+2,512**	**+8.5%**
R&D expenses	**16,104**	**13.2%**	**26,386**	**19.2%**	**+10,281**	**+63.8%**
Operating profit	**26,134**	**21.4%**	**28,299**	**20.6%**	**+2,164**	**+8.3%**

Profit attributable to owners of parent



(Million yen)	FY2020 Results	FY2021 Results	YoY Change Amt	YoY Change %
Operating profit	26,134	28,299	+2,164	+8.3%
Non-operating income	1,326	2,359	+1,032	+77.8%
Non-operating expenses	701	884	+183	+26.2%
Ordinary profit	26,760	29,773	+3,013	+11.3%
Extraordinary income	1,998	-	-1,998	-
Income taxes, etc	8,056	6,729	-1,327	-16.5%
Profit attributable to owners of parent	20,702	23,044	+2,341	+11.3%

Business Forecast for FY2022 (IFRS)

(Million yen)	FY2021 Results*	FY2022 Forecast	YoY Change Amt	YoY Change %
Revenue	137,484	134,000	-3,484	-2.5%
Operating profit	32,936	27,000	-5,936	-18.0%
Profit before tax	33,266	27,500	-5,766	-17.3%
Profit attributable to owners of parent	25,011	21,500	-3,511	-14.0%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

In order to improve international comparability, the company will voluntarily adopt International Financial Reporting Standards (IFRS) starting with the consolidated financial statements in the annual Securities Report for the year ended March 31, 2022.

Segmental Forecast - Pharmaceuticals (IFRS) -

(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Ethical drugs	78,508	65.1%	75,700	65.8%	-2,808	-3.6%
Revenues from the licensing of industrial property rights	33,207	27.5%	29,800	25.9%	-3,407	-10.3%
Profit in co-promotion	8,934	7.4%	9,500	8.3%	+566	+6.3%
Revenue	120,650	100.0%	115,000	100.0%	-5,650	-4.7%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

We look for sales of new products including “Viltepso” and “Upravi”, revenues from the licensing of industrial property rights containing royalty revenue from Uptravi’s overseas sales, and profit in co-promotion to grow. However, due to price revision by MHLW, launch of generic drugs for “Vidaza”, and a backlash from the loss of sales revenue from the priority review voucher booked in FY2021, we predict net sales to decline.

MHLW : Ministry of Health, Labour and Welfare

Segmental Forecast - Functional Food (IFRS) -

(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Protein preparations	10,870	64.6%	13,000	68.4%	+2,130	+19.6%
Preservatives	2,788	16.6%	2,900	15.3%	+112	+4.0%
Health food ingredients	1,078	6.4%	1,100	5.8%	+22	+2.0%
Others	2,096	12.4%	2,000	10.5%	-96	-4.6%
Revenue	16,834	100.0%	19,000	100.0%	+2,166	+12.9%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

We will enhance our research and development toward new products and continue to launch highly valued products with market needs to increase our revenue.

Forecast of Consolidated Statements of Income (IFRS)

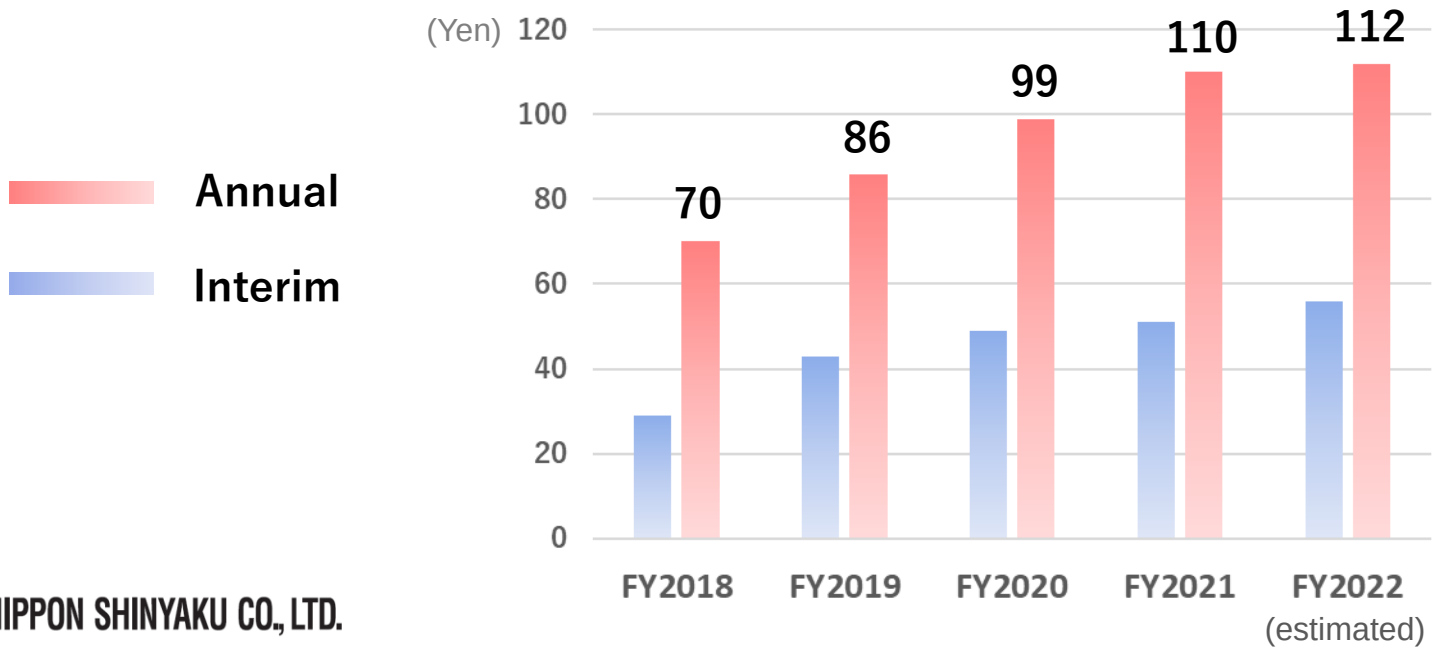
(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Revenue	137,484	100.0%	134,000	100.0%	-3,484	-2.5%
(Pharmaceuticals)	(120,650)	(87.8%)	(115,000)	(85.8%)	(-5,650)	(-4.7%)
(Functional Food)	(16,834)	(12.2%)	(19,000)	(14.2%)	(+2,166)	(+12.9%)
Cost of sales	50,188	36.5%	51,000	38.1%	+812	+1.6%
SG&A expenses	32,195	23.4%	31,900	23.8%	-295	-0.9%
R&D expenses	22,870	16.6%	24,400	18.2%	+1,530	+6.7%
Other income	1,578	1.1%	800	0.6%	-778	-49.3%
Other expenses	872	0.6%	500	0.4%	-372	-42.7%
Operating profit	32,936	24.0%	27,000	20.1%	-5,936	-18.0%
Finance income	472	0.3%	500	0.4%	+28	+5.8%
Finance costs	142	0.1%	-	-	-142	-
Profit before tax	33,266	24.2%	27,500	20.5%	-5,766	-17.3%
Income tax expense, etc	8,254	6.0%	6,000	4.5%	-2,254	-27.3%
Profit attributable to owners of parent	25,011	18.2%	21,500	16.0%	-3,511	-14.0%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

Dividends Forecast

		FY2021	FY2022
Dividends per share	Interim	¥51	¥56
	Annual	¥110	¥112
Net income per share / Basic earnings per share		¥342.14	¥319.21
Payout ratio (consolidated)		32.2 %	35.1 %

*Year-end dividend for FY 2021 is raised from 52 yen to 59 yen
*Basic earnings per share and payout ratio (consolidated) is calculated based on International Financial Reporting Standards (IFRS)



R&D Pipeline

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R&D Pipeline (Domestic) ①

Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for PI/II	PII	Preparation for PIII	PIII	NDA	Preparation for launch	Launch
NS-065/NCNP-01 (viltolarsen) <in-house>	NME	Duchenne muscular dystrophy					PIII in progress			
NS-32 (ferric derisomaltose) <in-license>	NME	Iron deficiency anemia								
ZX008 (fenfluramine hydrochloride) <in-license>	NME	Dravet syndrome								
ZX008 (fenfluramine hydrochloride) <in-license>	NME	Lennox-Gastaut syndrome								
GA101 (obinutuzumab) <in-license>	New indication	Lupus nephritis								

■ : Changes from 3rd Quarter FY2021

R&D Pipeline (Domestic) ②

Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for PI/II	PII	Preparation for PIII	PIII	NDA	Preparation for launch	Launch
NS-304 (selexipag) <in-house>	New indication	Arteriosclerosis obliterans								
	New dose	Pediatric pulmonary arterial hypertension								
NS-580 <in-house>	NME	Endometriosis								
NS-87 (daunorubicin / cytarabine) <in-license>	New combi-nation	Secondary acute myeloid leukemia								
NS-401 (tagraxofusp) <in-license>	NME	Blastic plasmacytoid dendritic cell neoplasm								
NS-229 <in-house>	NME	Inflammatory diseases								
NS-917 (radgocitabine) <in-license>	NME	Relapsed/refractory acute myeloid leukemia								

■ : Changes from 3rd Quarter FY2021

R&D Pipeline (Overseas)

Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for P II	PII	Preparation for PIII	PIII	Launch
NS-065/NCNP-01 (viltolarsen) <in-house>	NME	Duchenne muscular dystrophy					PIII in progress	
CAP-1002 <partnership>	NME	Duchenne muscular dystrophy						
NS-018 (ilginatinib) <in-house>	NME	Myelofibrosis						

Reference Materials

NIPPON SHINYAKU CO., LTD.

Consolidated Statements of Income

(Million yen)	FY2020		FY2021		YoY change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	121,885	100.0%	137,547	100.0%	+15,662	+12.8%
(Pharmaceuticals)	(106,478)	(87.4%)	(120,650)	(87.7%)	(+14,171)	(+13.3%)
(Functional Food)	(15,406)	(12.6%)	(16,897)	(12.3%)	(+1,490)	(+9.7%)
Cost of sales	49,954	41.0%	50,657	36.8%	+703	+1.4%
SG&A expenses	29,691	24.4%	32,204	23.4%	+2,512	+8.5%
R&D expenses	16,104	13.2%	26,386	19.2%	+10,281	+63.8%
Operating profit	26,134	21.4%	28,299	20.6%	+2,164	+8.3%
Non-operating income	1,326	1.1%	2,359	1.7%	+1,032	+77.8%
Non-operating expenses	701	0.5%	884	0.7%	+183	+26.2%
Ordinary profit	26,760	22.0%	29,773	21.6%	+3,013	+11.3%
Extraordinary income	1,998	1.6%	-	-	-1,998	-
Income taxes, etc	8,056	6.6%	6,729	4.9%	-1,327	-16.5%
Profit attributable to owners of parent	20,702	17.0%	23,044	16.8%	+2,341	+11.3%

Consolidated Balance Sheet

(Million yen)	End of FY2020	End of FY2021	YoY Change Amt		End of FY2020	End of FY2021	YoY Change Amt
Assets	197,028	210,052	+13,024	Liabilities	34,485	33,285	-1,199
Current assets	139,090	149,632	+10,542	Current liabilities	31,514	29,288	-2,225
Fixed assets	57,937	60,419	+2,482	Long-term liabilities	2,970	3,997	+1,026
				Net assets	162,543	176,767	+14,223
Total assets	197,028	210,052	+13,024	Total liabilities and net assets	197,028	210,052	+13,024

＝Assets＝

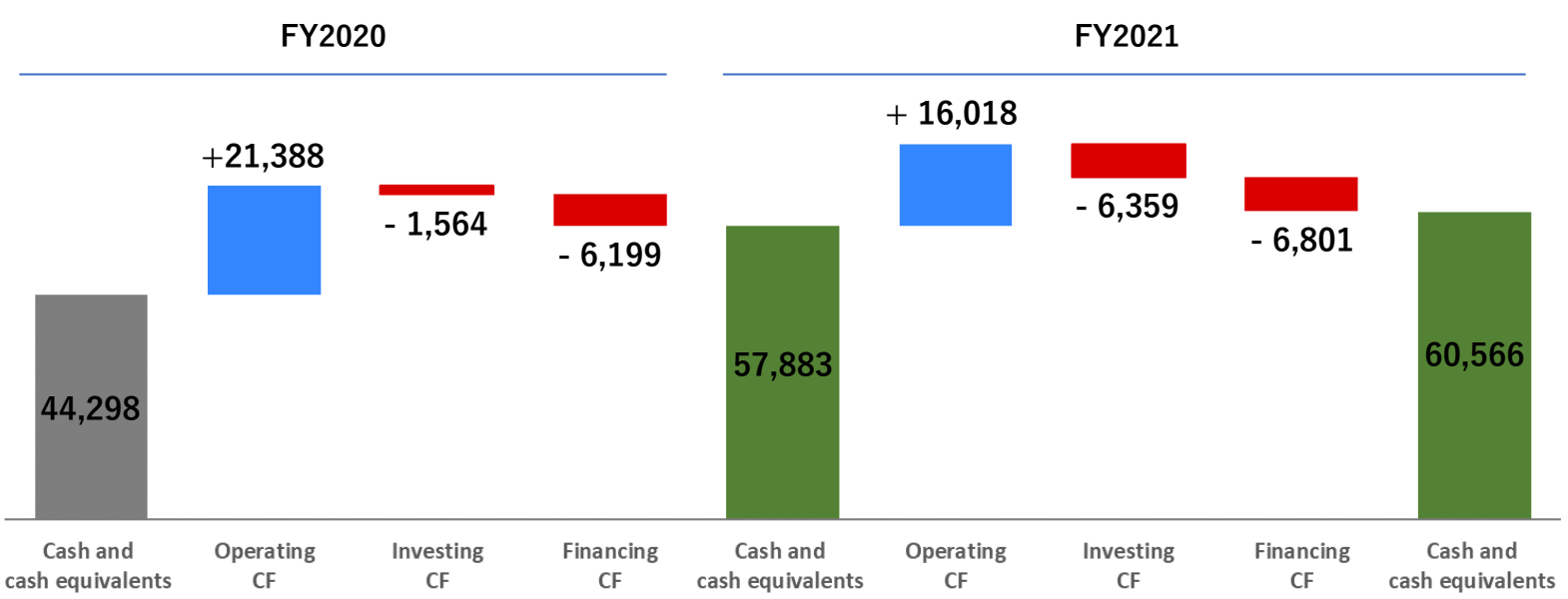
Cash and deposits	+2,643
Notes and accounts receivable	+2,839
Inventories	+2,329
Property, plant and equipment	+2,574
Deferred tax asset	+1,305

＝Liabilities and Net assets＝

Accounts payable	+2,956
Income taxes payable	-3,497
Accrued consumption taxes	-381
Net defined benefit liability	+1,033
Retained earnings	+16,241

Consolidated Statements of Cash Flows

(Million yen)	FY2020 Results	FY2021 Results	YoY Change Amt
Operating activities	21,388	16,018	-5,369
Investing activities	-1,564	-6,359	-4,795
Financing activities	-6,199	-6,801	-602
Cash and cash equivalents at end of period	57,883	60,566	+2,683



NS-065/NCNP-01 (viltolarsen)
- Treatment for Duchenne muscular dystrophy -

Development Phase	・Japan : Launch ・USA : Launch ・Global : PIII in progress
Origin	Co-development : National Center of Neurology and Psychiatry
Development	Nippon Shinyaku
Mechanism of action	Exon 53 Skipping
Indication	Duchenne muscular dystrophy
Dosage form	Injection
Feature	・Improvement in symptoms and prevention of the disease progression by recovery of dystrophin protein expression ・Morpholino based oligonucleotide with possible high safety profile and maximized activity

NS-32 (ferric derisomaltose)
- Treatment for iron deficiency anemia -

Development Phase	Japan : Preparation for launch
Origin	[Dec. 2016] Licensed-in from : Pharmacosmos A/S
Development	Nippon Shinyaku
Mechanism of action	Iron
Indication	Iron deficiency anemia
Dosage form	IV bolus injection or IV drip infusion
Feature	・Can be administered in high doses allowing full iron correction in the majority of patients ・Good safety profile with no dose dependent ADRs ・Minimal potential toxicity from release of labile iron due to tight iron binding in a matrix structure of interchanging isomaltoside and iron ・No profound hypophosphatemia

ZX008 (fenfluramine hydrochloride)
- Treatment for rare intractable epilepsy -

Development Phase	Japan : NDA filing　(Dravet syndrome) Japan : PIII　(Lennox-Gastaut syndrome)
Origin	[Mar. 2019] Commercial rights from : Zogenix, Inc.
Development	Zogenix, Inc.
Mechanism of action	Serotonin agonist
Indication	Dravet syndrome and Lennox-Gastaut syndrome
Dosage form	Oral liquid agent
Feature	・Effective for Dravet syndrome and Lennox-Gastaut syndrome patients refractory to existing treatment options ・ZX008 can be used in combination with other drugs, as standard of care for intractable epilepsy based on combination therapy

CAP-1002
- Treatment for Duchenne muscular dystrophy -

Development Phase	USA : Preparation for PIII
Origin	[Jan. 2022] Partnership for commercialization : Capricor Therapeutics, Inc.
Development	Capricor Therapeutics, Inc.
Mechanism of action	Exosomes released from cardiosphere-derived cells
Indication	Duchenne muscular dystrophy
Dosage form	Injection
Feature	・Exosomes released from this drug are expected to reduce oxidative stress, inflammation, fibrosis, and increase cell energy and myocyte generation, resulting in improvement of motor and cardiac functions ・Its broad applicability makes it suitable for patients regardless of the type of genetic mutation

GA101 (Obinutuzumab)
- Treatment for lupus nephritis -

Development Phase	Japan : Preparation for PIII
Origin	[Nov. 2012] Licensed-in from : Chugai Pharmaceutical Co., Ltd.
Development	Co-development : Chugai Pharmaceutical Co., Ltd.
Mechanism of action	Anti-CD20 monoclonal antibody
Indication	Lupus nephritis
Dosage form	Injection
Feature	Anti-CD20 monoclonal antibody, increased antibody-dependent cellular cytotoxicity (ADCC) activity and direct cytotoxicity

NS-304 (selexipag)

- Treatment for pulmonary hypertension, arteriosclerosis obliterans -

Development Phase	Japan : PIIb （ASO） Japan : PII （Pediatric PAH）
Origin	Nippon Shinyaku
Development	・Nippon Shinyaku （ASO） ・Co-development : Janssen Pharmaceutical K.K. (Pediatric PAH)
Mechanism of action	Selective IP receptor agonist
Indication	・Arteriosclerosis obliterans (ASO) ・Pediatric pulmonary arterial hypertension (Pediatric PAH)
Dosage form	Tablet
Feature	Long-acting oral drug

NS-580
- Treatment for endometriosis -

Development Phase	Japan : PIIa
Origin	Nippon Shinyaku
Development	Nippon Shinyaku
Mechanism of action	Inhibition of membrane-associated prostaglandin E synthase-1
Indication	Endometriosis
Dosage form	Oral agent
Feature	Treatment for endometriosis without hormonal effect and with possible analgesic potency

NS-018 (ilginatinib)
- Treatment for myelofibrosis -

Development Phase	USA : Preparation for PII
Origin	Nippon Shinyaku
Development	Nippon Shinyaku
Mechanism of action	JAK2 inhibitor
Indication	Myelofibrosis
Dosage form	Tablet
Feature	・Potent and highly selective JAK2 inhibitor ・High efficacy and safety are expected for myelofibrosis (MF) patients with low platelet count, for whom QOL improvement can't be obtained because no treatment is available

NS-87 (daunorubicin / cytarabine)
- Treatment for secondary acute myeloid leukemia -

Development Phase	Japan : PI/II
Origin	[Mar. 2017] Licensed-in from: Jazz Pharmaceuticals plc
Development	Nippon Shinyaku
Mechanism of action	Liposomal combination of daunorubicin and cytarabine
Indication	Secondary acute myeloid leukemia (secondary AML)
Dosage form	Injection
Feature	・NS-87 is the first therapy for the treatment of secondary AML in Japan ・The enhancement of antitumor activity and reducing adverse events are expected by NS-87 accumulated in bone marrow

NS-401 (tagraxofusp)

- Treatment for blastic plasmacytoid dendritic cell neoplasm -

Development Phase	Japan : Preparation for PI/II
Origin	[Mar. 2021] Licensed-in from: The Menarini Group
Development	Nippon Shinyaku
Mechanism of action	Induction apoptosis of cells by inhibiting protein synthesis by specifically targeting cancer cells expressing CD123
Indication	Blastic plasmacytoid dendritic cell neoplasm (BPDCN)
Dosage form	Injection
Feature	・Composed of diphtheria toxin (DT) fusion protein and recombinant human IL-3 ・Novel targeted therapy directed to CD123 on tumor cells ・IL-3 binds to CD123-expressing tumor cells and delivers the cytotoxic diphtheria toxin to the cells, resulting in the blockage of protein synthesis in the cell and causing cell death in CD123-expressing cells

NS-229
- Treatment for inflammatory diseases -

Development Phase	Japan : PI
Origin	Nippon Shinyaku
Development	Nippon Shinyaku
Mechanism of action	JAK1 inhibitor
Indication	Inflammatory diseases (to be determined)
Dosage form	Oral agent
Feature	・Potent and highly selective JAK1 inhibitor ・High efficacy and good safety profiles are expected in the treatment for inflammatory diseases

NS-917 (radgocitabine)

- Treatment for relapsed or refractory acute myeloid leukemia -

Development Phase	Japan : PI
Origin	[Mar. 2017] Licensed-in from : Delta-Fly Pharma, Inc.
Development	Nippon Shinyaku
Mechanism of action	DNA strand-break by incorporating itself into DNA
Indication	Relapsed or refractory (r/r) acute myeloid leukemia (AML)
Dosage form	Injection
Feature	・Significant anti-leukemic activity with unique mechanism of action from other nucleoside analogs at low dose continuous infusion ・Tolerable safety profile available to elderly patients with r/r AML

Safe Harbor Statement

- Materials and information provided during this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.
- Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, technological advances and patents attained by competitors; challenges inherent in new product development, including completion or failure of clinical trials; claims and concerns about product safety and efficacy; regulatory agency’s examination, obtaining regulatory approvals; domestic and foreign social security reforms; trends toward healthcare cost containment; and governmental laws and regulations affecting domestic and foreign operations.
- Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials, and competition with others.
- The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.
- This English presentation was translated from the original Japanese version.
  In the event of any inconsistency between the statements in the two versions, the statements in the Japanese version shall prevail.

NIPPON SHINYAKU CO., LTD.

Nippon Shinyaku Co., Ltd.

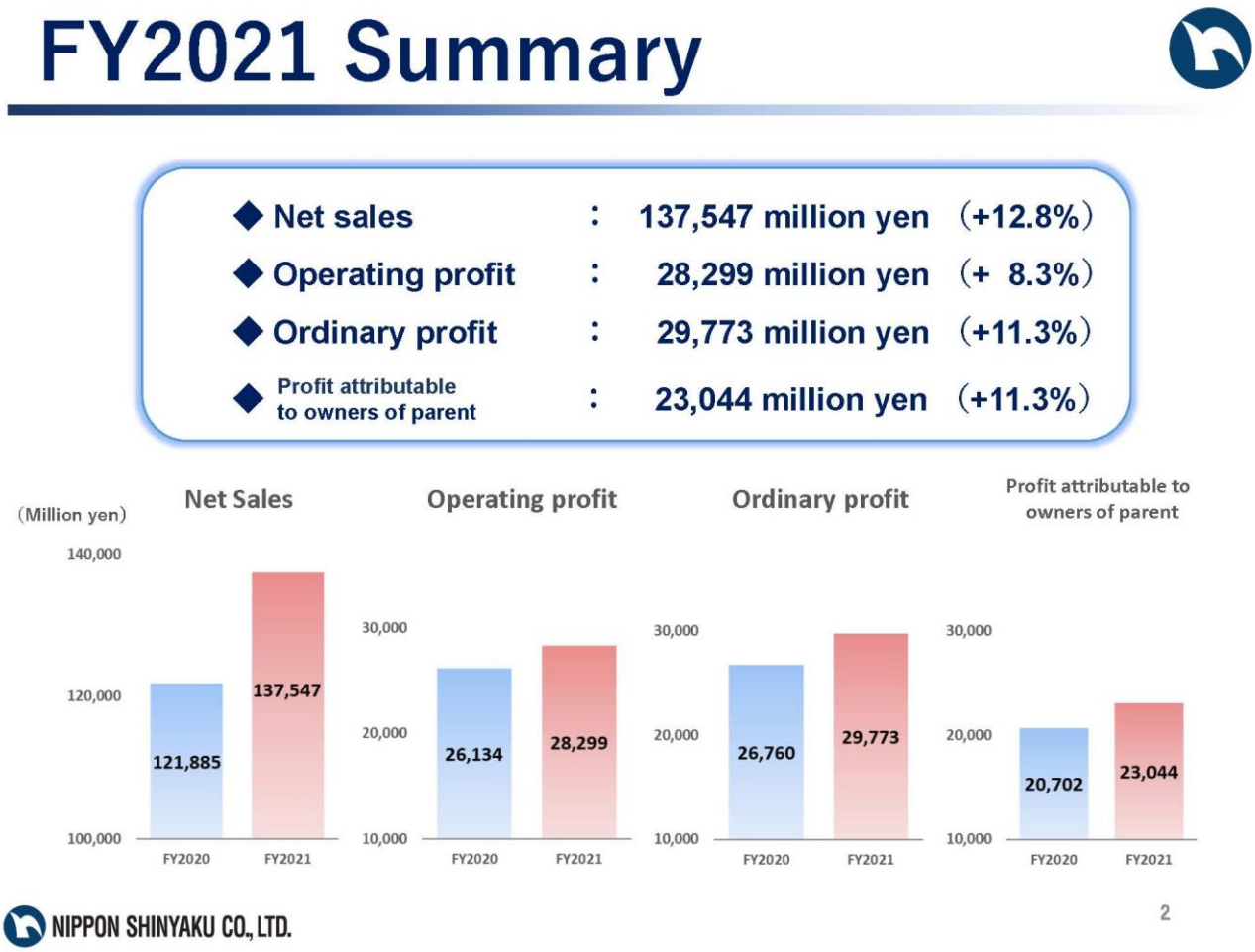
Financial Results Briefing for the Fiscal Year Ended March 2022

May 13, 2022

Nakai: I am Toru Nakai, President of Nippon Shinyaku.

Thank you very much for participating in our financial results briefing for FY2021 today. I appreciate it very much.

Today, I would like to report on our business performance for FY2021 and our full-year business forecast for FY2022, and Mr. Takagaki will explain you the progress of our R&D items.



For our financial results for FY2022, consolidated net sales were JPY137.547 billion, operating profit was JPY28.299 billion, ordinary income was JPY29.773 billion, and net profit was JPY23.044 billion.

Segmental Review - Pharmaceuticals -

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Profit in co-promotion	8,442	7.9%	8,934	7.4%	+491	+5.8%
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NIPPON SHINYAKU CO., LTD.

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In the Pharmaceuticals business, sales of Vidaza, a treatment for myelodysplastic syndrome and acute myeloid leukemia, Uptravi, a treatment for pulmonary arterial hypertension and chronic thromboembolic pulmonary hypertension, and Viltepso, a treatment for Duchenne muscular dystrophy, grew.

In addition, royalty income from overseas sales of Uptravi and revenues from the sale of priority review voucher contributed to consolidated net sales of the pharmaceutical business of JPY120,650 million, up by 13.3% YoY.

Segmental Review - Functional Food -

(Million yen)	FY2020		FY2021		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Protein preparations	10,121	65.7%	10,892	64.5%	+771	+7.6%
Preservatives	2,597	16.9%	2,787	16.5%	+190	+7.3%
Health food ingredients	1,257	8.2%	1,075	6.4%	-181	-14.4%
Others	1,431	9.2%	2,140	12.6%	+709	+49.6%
Net sales	15,406	100.0%	16,897	100.0%	+1,490	+9.7%

Net sales increased by 9.7% through sales from functional food products such as protein preparations, preservatives, etc.

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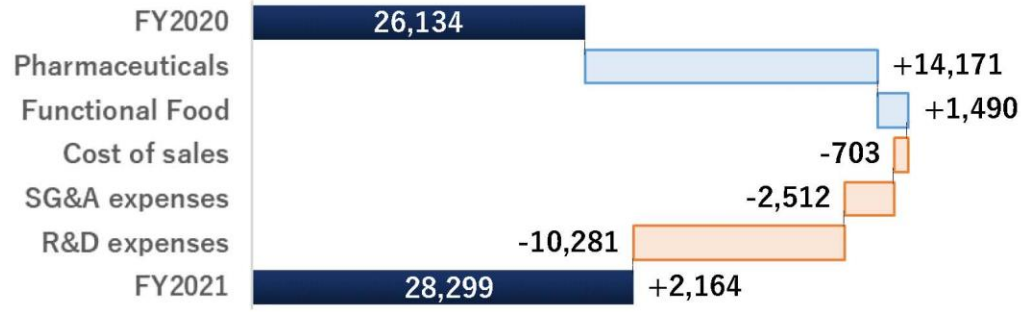
In the Functional Food business, consolidated net sales increased by 9.7% YoY to JPY16,897 million due to increased sales of protein preparations and preservatives.

Operating profit



(Million yen)	FY2020		FY2021		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	121,885	100.0%	137,547	100.0%	+15,662	+12.8%
(Pharmaceuticals)	(106,478)	(87.4%)	(120,650)	(87.7%)	(+14,171)	(+13.3%)
(Functional Food)	(15,406)	(12.6%)	(16,897)	(12.3%)	(+1,490)	(+9.7%)
Operating expenses	95,750	78.6%	109,248	79.4%	+13,497	+14.1%
Cost of sales	49,954	41.0%	50,657	36.8%	+703	+1.4%
SG&A expenses	29,691	24.4%	32,204	23.4%	+2,512	+8.5%
R&D expenses	16,104	13.2%	26,386	19.2%	+10,281	+63.8%
Operating profit	26,134	21.4%	28,299	20.6%	+2,164	+8.3%

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Next, as for operating expenses, the cost of sales ratio improved by 4.2 percentage points YoY to 36.8%, due to factors such as the sales mix, which include an increase in revenues from the licensing of industrial property rights.

SG&A expenses increased to JPY32,204 million, up by 8.5% YoY, from the increase of sales activities that had been restrained due to COVID-19, sales promotion fees associated with increased domestic sales of Uptravi, and expenses associated with strengthening sales in the functional food business.

R&D expenses totaled JPY26,386 million, up by 63.8% YoY, due to an increase in manufacturing costs for investigational nucleic acid drugs in line with progress in clinical trials, as well as upfront payments for DYN101 for which an option agreement was concluded last November and CAP-1002 for which a commercialization and distribution agreement in the US was concluded in January this year.

As a result, operating profit was JPY28,299 million, up by 8.3% YoY.

Profit attributable to owners of parent

(Million yen)	FY2020 Results	FY2021 Results	YoY Change Amt	YoY Change %
Operating profit	26,134	28,299	+2,164	+8.3%
Non-operating income	1,326	2,359	+1,032	+77.8%
Non-operating expenses	701	884	+183	+26.2%
Ordinary profit	26,760	29,773	+3,013	+11.3%
Extraordinary income	1,998	-	-1,998	-
Income taxes, etc	8,056	6,729	-1,327	-16.5%
Profit attributable to owners of parent	20,702	23,044	+2,341	+11.3%

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Ordinary profit was JPY29,773 million, up by 11.3% YoY, and net profit was JPY23,044 million, up by 11.3% YoY.

Business Forecast for FY2022 (IFRS)

(Million yen)	FY2021 Results*	FY2022 Forecast	YoY Change Amt	YoY Change %
Revenue	137,484	134,000	-3,484	-2.5%
Operating profit	32,936	27,000	-5,936	-18.0%
Profit before tax	33,266	27,500	-5,766	-17.3%
Profit attributable to owners of parent	25,011	21,500	-3,511	-14.0%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

In order to improve international comparability, the company will voluntarily adopt International Financial Reporting Standards (IFRS) starting with the consolidated financial statements in the annual Securities Report for the year ended March 31, 2022.

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I will now explain our full-year business forecast for FY2022.

Since the percentage of foreign investors in our shareholder composition continues to be high, we have decided to adopt International Financial Reporting Standards on a voluntary basis beginning with the consolidated financial statements in the Annual Securities Report for the fiscal year ending March 31, 2022, in order to improve the international comparability of our financial information.

Based on this, for the full year of FY2022, we forecast consolidated net sales of JPY134 billion, and consolidated profit of JPY27 billion for operating profit, JPY27.5 billion for profit before tax, and JPY21.5 billion for profit attributable to owners of parent.

Segmental Forecast - Pharmaceuticals (IFRS) -

(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Ethical drugs	78,508	65.1%	75,700	65.8%	-2,808	-3.6%
Revenues from the licensing of industrial property rights	33,207	27.5%	29,800	25.9%	-3,407	-10.3%
Profit in co-promotion	8,934	7.4%	9,500	8.3%	+566	+6.3%
Revenue	120,650	100.0%	115,000	100.0%	-5,650	-4.7%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

We look for sales of new products including "Viltepso" and "Upravi", revenues from the licensing of industrial property rights containing royalty revenue from Uptravi's overseas sales, and profit in co-promotion to grow. However, due to price revision by MHLW, launch of generic drugs for "Vidaza", and a backlash from the loss of sales revenue from the priority review voucher booked in FY2021, we predict net sales to decline.

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MHLW : Ministry of Health, Labour and Welfare 8

In the Pharmaceutical business, we forecast net sales of JPY115 billion, a YoY decrease of 4.7%.

In addition to growth of new products such as Viltepso and Uptravi, revenues from the licensing of industrial property rights which include of royalty revenue from overseas sales of Uptravi, and profit in co-promotion are expected to grow. However, due to the drug price revision by MHLW, launch of generic drugs for Vidaza and the loss of sales revenue of the priority review voucher in the previous fiscal year, sales are expected to decrease.

Segmental Forecast - Functional Food (IFRS) -

(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Protein preparations	10,870	64.6%	13,000	68.4%	+2,130	+19.6%
Preservatives	2,788	16.6%	2,900	15.3%	+112	+4.0%
Health food ingredients	1,078	6.4%	1,100	5.8%	+22	+2.0%
Others	2,096	12.4%	2,000	10.5%	-96	-4.6%
Revenue	16,834	100.0%	19,000	100.0%	+2,166	+12.9%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

We will enhance our research and development toward new products and continue to launch highly valued products with market needs to increase our revenue.

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The Functional Food business is expected to post sales of JPY19 billion, a YoY increase of 12.9%. We expect an increase in sales by further focusing on new product development and strengthening our efforts in priority products.

Forecast of Consolidated Statements of Income (IFRS)

(Million yen)	FY2021		FY2022		YoY Change	
	Results*	Ratio	Forecast	Ratio	Amt	%
Revenue	137,484	100.0%	134,000	100.0%	-3,484	-2.5%
(Pharmaceuticals)	(120,650)	(87.8%)	(115,000)	(85.8%)	(-5,650)	(-4.7%)
(Functional Food)	(16,834)	(12.2%)	(19,000)	(14.2%)	(+2,166)	(+12.9%)
Cost of sales	50,188	36.5%	51,000	38.1%	+812	+1.6%
SG&A expenses	32,195	23.4%	31,900	23.8%	-295	-0.9%
R&D expenses	22,870	16.6%	24,400	18.2%	+1,530	+6.7%
Other income	1,578	1.1%	800	0.6%	-778	-49.3%
Other expenses	872	0.6%	500	0.4%	-372	-42.7%
Operating profit	32,936	24.0%	27,000	20.1%	-5,936	-18.0%
Finance income	472	0.3%	500	0.4%	+28	+5.8%
Finance costs	142	0.1%	-	-	-142	-
Profit before tax	33,266	24.2%	27,500	20.5%	-5,766	-17.3%
Income tax expense, etc	8,254	6.0%	6,000	4.5%	-2,254	-27.3%
Profit attributable to owners of parent	25,011	18.2%	21,500	16.0%	-3,511	-14.0%

*Results for FY2021 are converted from JGAAP to IFRS
(Converted results for FY2021 are unaudited provisional values)

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Next, regarding operating expenses, the cost to sales ratio is expected to be 38.1%, a deterioration of 1.6 percentage points YoY.

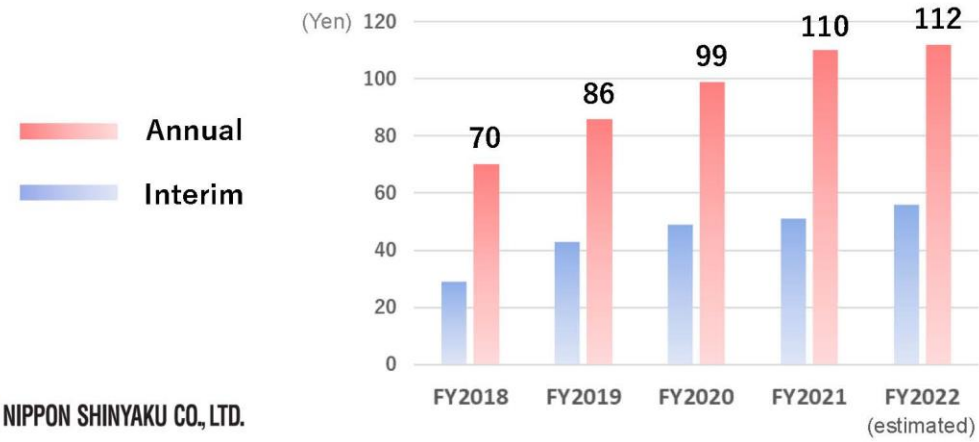
SG&A expenses are expected to be JPY31.9 billion, and R&D expenses is expected to be JPY24.4 billion.

As a result, operating profit is expected to be JPY27 billion, profit before tax JPY27.5 billion, and profit attributable to owners of parent JPY21.5 billion.

Dividends Forecast

		FY2021	FY2022
Dividends per share	Interim	¥51	¥56
	Annual	¥110	¥112
Net income per share / Basic earnings per share		¥342.14	¥319.21
Payout ratio (consolidated)		32.2 %	35.1 %

*Year-end dividend for FY 2021 is raised from 52 yen to 59 yen
*Basic earnings per share and payout ratio (consolidated) is calculated based on International Financial Reporting Standards (IFRS)



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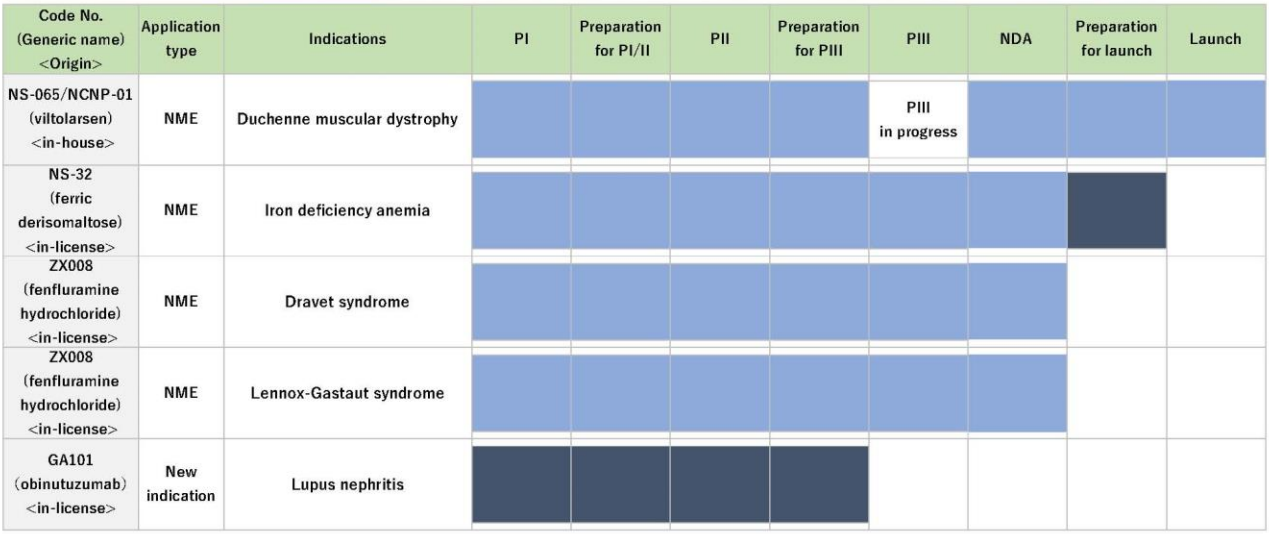
As for dividends, we plan to pay dividends with a consolidated payout ratio of around 35% as a performance-linked dividend for the period of the Sixth Mid-Term Management Plan.

In accordance with this dividend policy, we plan to pay an interim dividend of JPY56 per share and a year-end dividend of JPY56 per share, for an annual dividend of JPY112 per share.

The Company also plans to increase the year-end dividend for the previous fiscal year from JPY52 to JPY59, raising the annual dividend from JPY103 to JPY110.

This concludes my presentation for the financial results for FY2021 and the forecast for FY2022.

R&D Pipeline (Domestic) ①



Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for PI/II	PII	Preparation for PIII	PIII	NDA	Preparation for launch	Launch
NS-065/NCNP-01 (viltolarsen) <in-house>	NME	Duchenne muscular dystrophy					PIII in progress			
NS-32 (ferric derisomaltose) <in-license>	NME	Iron deficiency anemia								
ZX008 (fenfluramine hydrochloride) <in-license>	NME	Dravet syndrome								
ZX008 (fenfluramine hydrochloride) <in-license>	NME	Lennox-Gastaut syndrome								
GA101 (obinutuzumab) <in-license>	New indication	Lupus nephritis								

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■ : Changes from 3rd Quarter FY2021 13

Takagaki: I will continue with the progress of R&D items.

First, I would like to explain the development situation in Japan.

NS-065/NCNP-01, a treatment for Duchenne muscular dystrophy, was approved in March 2020 and launched in May 2020. A global Phase III study is currently underway.

In March this year, we obtained manufacturing and marketing approval for NS-32, an iron deficiency anemia treatment, and are currently preparing for its launch.

For ZX008, a drug for the treatment of intractable epilepsy, which we have in-licensed from Zogenix, Inc., has been submitted for approval in December 2021 for the treatment of Dravet syndrome by the company.

In addition, a Phase III study for Lennox-Gastaut syndrome is underway by the in-licensed company, Zogenix, Inc.

A Phase III study of GA101 for lupus nephritis is under preparation in collaboration with Chugai Pharmaceutical Co.

R&D Pipeline (Domestic) ②

Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for PI/II	PII	Preparation for PIII	PIII	NDA	Preparation for launch	Launch
NS-304 (selexipag) <in-house>	New indication	Arteriosclerosis obliterans								
	New dose	Pediatric pulmonary arterial hypertension								
NS-580 <in-house>	NME	Endometriosis								
NS-87 (daunorubicin / cytarabine) <in-license>	New combi-nation	Secondary acute myeloid leukemia								
NS-401 (tagraxofusp) <in-license>	NME	Blastic plasmacytoid dendritic cell neoplasm								
NS-229 <in-house>	NME	Inflammatory diseases								
NS-917 (radgocitabine) <in-license>	NME	Relapsed/refractory acute myeloid leukemia								

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■ : Changes from 3rd Quarter FY2021 14

In February of this year, Nippon Shinyaku independently initiated a Phase IIb study of NS-304 for the indication of arteriosclerosis obliterans. In addition, a Phase II study for pediatric pulmonary arterial hypertension is underway in collaboration with Janssen Pharmaceutical K.K.

Phase IIa study is underway for NS-580, an endometriosis treatment.

A Phase I/II study of NS-87, a treatment for secondary acute myeloid leukemia, is underway.

A Phase I/II study of NS-401 for the treatment of blastic plasmacytoid dendritic cell neoplasm is in preparation.

A Phase I study of the JAK1 inhibitor NS-229 is underway for the treatment of inflammatory diseases.

In February of this year, we started Phase I trials for NS-917 for the treatment of relapsed/refractory acute myeloid leukemia.

R&D Pipeline (Overseas)

Code No. (Generic name) <Origin>	Application type	Indications	PI	Preparation for P II	PII	Preparation for PIII	PIII	Launch
NS-065/NCNP-01 (viltolarsen) <in-house>	NME	Duchenne muscular dystrophy					PIII in progress	
CAP-1002 <partnership>	NME	Duchenne muscular dystrophy						
NS-018 (ilginatinib) <in-house>	NME	Myelofibrosis						

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Next, I will explain the status of overseas development.

The Duchenne muscular dystrophy treatment NS-065/NCNP-01 was approved and launched in the US in August 2020. A global Phase III study is currently underway.

It was also designated as an orphan drug in Europe in June 2020.

In China, we submitted an application for approval in June 2021, but in consultation with the Chinese authorities, the application was temporarily withdrawn because they recommended resubmitting the application with the results of the global Phase III study due to the small number of cases in Japan and the US as the product was approved through the early approval system.

As of Europe, we plan to submit another application for approval based on the results of the global Phase III study.

In January of this year, we entered into an exclusive partnership for commercialization and distribution of CAP-1002 for the treatment of Duchenne musucular dystrophy in the US with Capricor Therapeutics.

Capricor Therapeutics is currently preparing for Phase III trials in the US.

We are currently preparing for the following study in the US for NS-018, a drug for myelofibrosis.

This concludes the overview of our R&D activities.