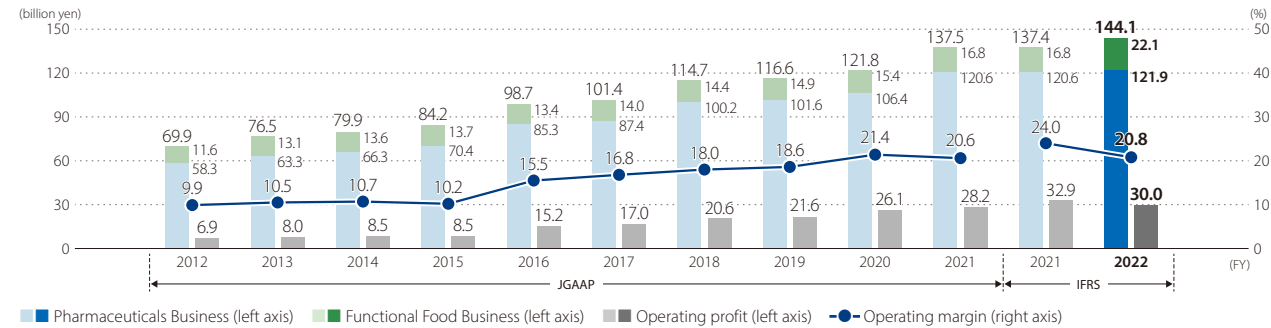


# Financial and Non-Financial Highlights

## Financial highlights

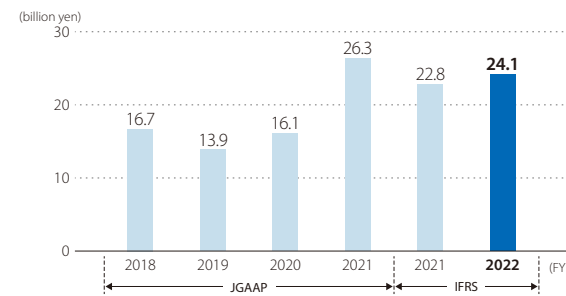
Nippon Shinyaku adopted the International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2022 (FY 2021). Financial figures up to the fiscal year ended March 31, 2022 (FY2021) are also presented in accordance with the previously applied Japanese GAAP (JGAAP).

### Net sales & Revenue / Operating income & Operating profit / Operating margin



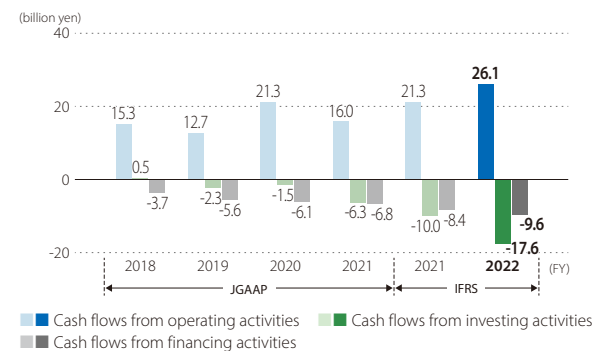
In FY2022, revenue stood at ¥144,175 million, up 4.9% year on year. Operating profit was ¥30,049 million, down 8.8% year on year, due to reactionary decline from the loss of sales revenue from the priority review voucher, and the operating margin was 20.8%. In the Pharmaceuticals business, sales of leading products such as Uptravi and Viltepso, as well as royalty revenue from overseas sales of Uptravi, contributed to results. In the Functional Food business, sales of protein preparations and preservatives increased.

### R&D expenses



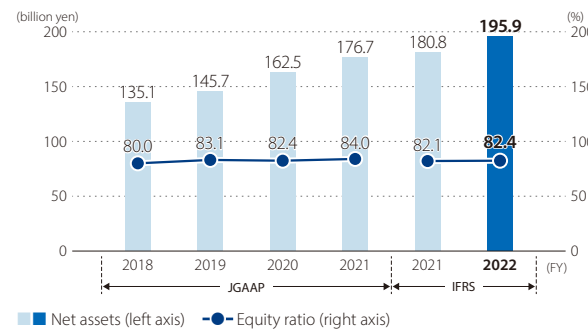
In FY2022, the amount of investment increased due to increases in expenses for the manufacturing of nucleic acid drugs and contract research expenses, in line with the progress of clinical trials. Nippon Shinyaku endeavored to expand the development pipeline in its focus disease areas based on the R&D approaches of in-house drug discovery, in-licensing, and product life cycle management (PLCM) with the aim of launching new drugs steadily and continuously.

### Cash flows from operating activities / Cash flows from investing activities / Cash flows from financing activities



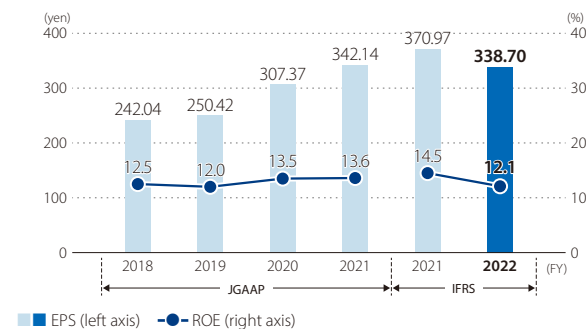
Net cash provided by operating activities stood at ¥26,170 million. The main components included profit before tax of ¥30,489 million in cash inflows and income taxes paid of ¥7,169 million in cash outflows. Net cash used by investing activities stood at ¥17,631 million, mainly due to purchase of property, plant, and equipment, and intangible assets. Net cash used in financing activities stood at ¥9,605 million, mainly due to dividends paid. As a result, cash and cash equivalents at the end of the period totaled ¥60,047 million.

### Net assets & Total equity / Equity ratio & Ratio of equity attributable to owners of parent to total assets



Total equity amounted to ¥195,933 million, an increase of ¥15,047 million year on year. Total assets stood at ¥237,451 million, and equity attributable to owners of parent amounted to 82.4%.

### EPS & Basic earnings per share / ROE & Return on equity attributable to owners of parent

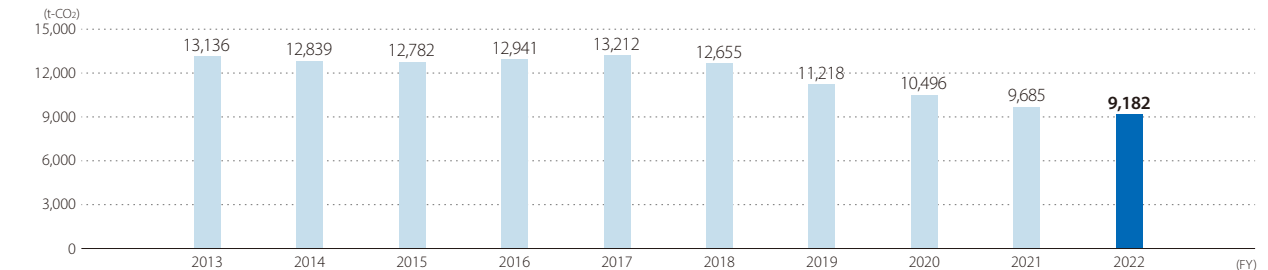


Profit attributable to owners of parent amounted to ¥22,812 million, down 8.7% year on year, with EPS of ¥338.7. ROE stood at 12.1%. The Company is aiming for ROE of 10% or more throughout the term of the 6th Five-Year Medium-term Management Plan, and exceeded the target again in FY2022.

## Non-financial highlights

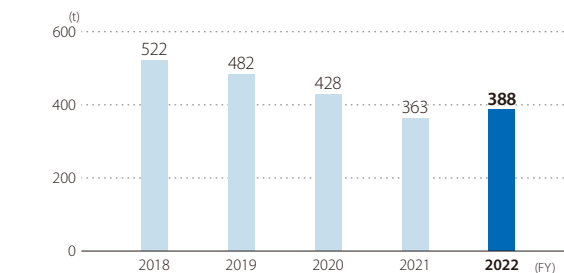
Entities covered: Non-consolidated Nippon Shinyaku

### CO<sub>2</sub> emissions



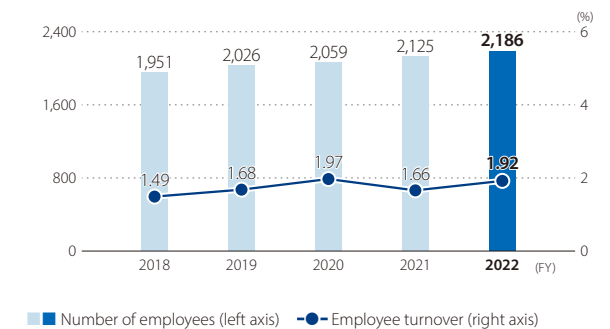
In order to achieve the target of a 42% reduction in CO<sub>2</sub> emissions compared to FY2020 by 2030 set in the 7th Nippon Shinyaku Environmental Targets Plan, since 2021 Nippon Shinyaku has been reducing CO<sub>2</sub> emissions by switching to electricity derived from renewable energy sources. In order to obtain SBTi validation, it also started calculating emissions of Group companies in Japan in FY2022.

### Waste substances generated



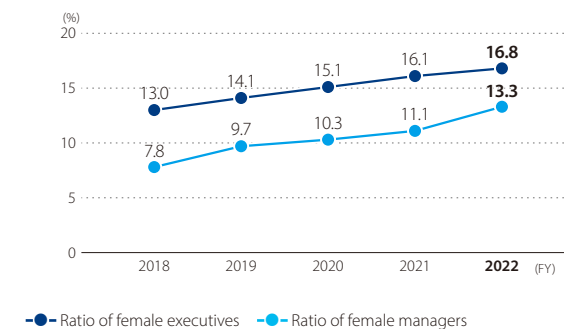
The waste substances generated in 2022 increased by 25 tons year on year, mainly due to the full-scale operation of the building for highly active solid formulations within the Odawara Central Factory. Nippon Shinyaku will continue to promote waste reduction efforts by reviewing its waste generation processes while promoting proper disposal of waste.

### Number of employees (consolidated) / Employee turnover



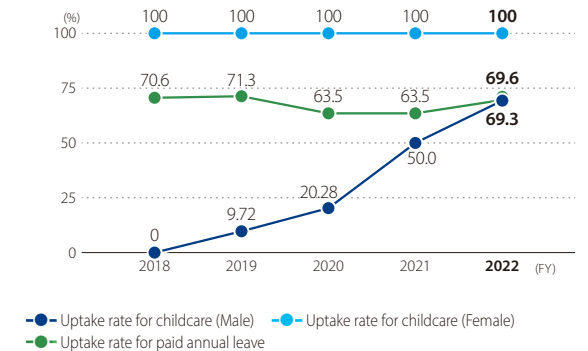
Nippon Shinyaku actively recruits new graduates and experienced mid-career professionals to respond to business expansion, and the number of its employees is increasing year by year. The Company has kept employee turnover due to personal reasons and early retirement low in the 1% range by ensuring that employees have a deep understanding of its Business Philosophy and promoting the establishment of a supportive working environment.

### Ratio of female executives / Female managers



Nippon Shinyaku has established "promoting diversity, equity & inclusion" as one of its issues of materiality, and is working to develop a workplace environment in which each and every employee can utilize their diverse individuality to thrive and succeed. It is reviewing its personnel system and making efforts to promote diverse work styles. The Company will continue to further strengthen its efforts to draw on the perspectives of diverse human resources, including women, for Nippon Shinyaku's sustainable growth.

### Uptake rate for childcare leave / Paid annual leave



Since April 2022, when the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members was revised, childcare leave has been partially paid (up to a total of 14 days paid when taken for at least 5 consecutive working days). Nippon Shinyaku has been promoting the uptake of childcare leave by male employees, and the male uptake rate reached 69.3% in FY2022. To continue increasing the uptake rate, it will take such measures as enhancing the childcare leave system and sharing the experiences of employees who have taken childcare leave. The Company has also established a number of periods during the year when it recommends employees take consecutive days of paid annual leave to encourage uptake of leave.