

Eleven-Year Financial Data

Nippon Shinyaku Co., Ltd. and Consolidated Subsidiaries

JGAAP

	(FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
For the year											
Net sales		69,941	76,517	79,991	84,209	98,781	101,448	114,716	116,637	121,885	137,547
Pharmaceuticals		58,318	63,345	66,340	70,489	85,315	87,416	100,223	101,643	106,478	120,650
Functional Food		11,622	13,172	13,651	13,720	13,466	14,031	14,492	14,994	15,406	16,897
Cost of sales		34,776	39,033	41,226	44,016	44,835	46,929	50,952	53,155	49,954	50,657
Gross profit		35,165	37,483	38,764	40,192	53,946	54,519	63,764	63,481	71,931	86,890
Total selling, general and administrative expenses		28,263	29,445	30,202	31,643	38,666	37,439	43,119	41,813	45,796	58,591
Selling, general and administrative expenses		19,214	19,914	21,233	21,904	23,762	24,217	26,418	27,819	29,692	32,204
R&D expenses		9,049	9,530	8,968	9,739	14,903	13,221	16,701	13,994	16,104	26,386
Operating income		6,901	8,038	8,562	8,549	15,280	17,079	20,644	21,668	26,134	28,299
Net income attributable to owners of the parent		4,647	5,750	5,882	6,340	11,749	12,953	16,302	16,866	20,702	23,044
Depreciation and amortization		2,759	2,704	2,665	2,452	2,648	2,773	3,418	3,468	3,550	2,933
Capital investment		1,332	1,072	1,239	3,554	3,949	2,811	1,242	2,500	2,583	4,264
Cash flows from operating activities		3,767	6,015	6,113	8,915	18,916	6,719	15,310	12,737	21,388	16,018
Cash flows from investing activities		(2,026)	(3,357)	(3,718)	(3,978)	(5,750)	(11,342)	511	(2,339)	(1,564)	(6,359)
Cash flows from financing activities		(1,413)	(1,606)	(1,773)	(1,907)	(2,193)	(3,787)	(3,708)	(5,660)	(6,199)	(6,801)

End of the year

Total assets	113,730	118,188	129,757	135,370	150,905	155,887	168,763	175,017	197,028	210,052
Interest-bearing debt	35	—	—	—	—	—	—	—	—	—
Net assets	89,529	93,186	101,207	102,762	114,316	125,689	135,190	145,760	162,543	176,767

Financial information per share (yen)

Earnings per share (EPS)	68.87	85.25	87.26	94.10	174.42	192.31	242.04	250.42	307.37	342.14
Net assets per share	1,323.87	1,378.93	1,498.88	1,522.33	1,693.81	1,862.54	2,003.39	2,160.11	2,409.01	2,620.02
Dividend per share	21	23	25	28	48	52	70	86	99	110

Major financial indicators regarding profitability and valuation

Operating income to net sales (%)	9.9	10.5	10.7	10.2	15.5	16.8	18.0	18.6	21.4	20.6
R&D expenses to net sales (%)	12.9	12.5	11.2	11.6	15.1	13.0	14.6	12.0	13.2	19.2
Equity ratio (%)	78.5	78.7	77.8	75.8	75.6	80.5	80.0	83.1	82.4	84.0
Return on assets (ROA) (%)	6.3	6.9	7.0	6.5	10.8	11.2	12.7	12.6	14.0	13.9
Return on equity (ROE) (%)	5.4	6.3	6.1	6.2	10.8	10.8	12.5	12.0	13.5	13.6
Price book value ratio (PBR) (times)	1.0	1.4	2.9	2.9	3.3	3.8	4.0	3.9	3.4	3.2
Price earnings ratio (PER) (times)	19.4	23.0	50.1	46.8	32.5	37.0	33.3	33.9	26.8	24.4
Payout ratio (%)	30.5	27.0	28.7	29.8	27.5	27.0	28.9	34.3	32.2	32.2
Number of outstanding shares (shares)	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484	70,251,484
Market capitalization (millions of yen)	93,856	137,482	307,350	309,107	398,326	500,191	566,227	595,733	578,170	585,195

* IFRS adopted from the fiscal year ended March 31, 2022.

IFRS

(Millions of yen)

	(FY)	2021	2022
For the year			
Revenue		137,484	144,175
Pharmaceuticals		120,650	121,988
Functional Food		16,834	22,187
Cost of sales		50,191	55,980
Gross profit		87,293	88,195
Selling, general and administrative expenses		32,173	34,812
R&D expenses		22,863	24,135
Operating profit		32,948	30,049
Profit attributable to owners of parent		24,986	22,812
Depreciation and amortization		4,588	5,041
Capital expenditures (Including investment in intangible assets)		10,744	13,034
Cash flows from operating activities		21,316	26,170
Cash flows from investing activities		(10,037)	(17,631)
Cash flows from financing activities		(8,407)	(9,605)

End of the year

Total assets	219,943	237,451
Interest-bearing debt (Including lease liabilities)	2,713	2,665
Total equity	180,886	195,933

Financial information per share (yen)

Basic earnings per share (EPS)	370.97	338.70
Equity attributable to owners of parent per share	2,681.18	2,904.49
Dividends	110	114

Major financial indicators regarding profitability and valuation

Operating profit to revenue (%)	24.0	20.8
R&D expenses to revenue (%)	16.6	16.7
Ratio of equity attributable to owners of parent to total assets (%)	82.1	82.4
Profit before tax to total assets (ROA) (%)	15.7	13.3
Return on equity attributable to owners of parent (ROE) (%)	14.5	12.1
Price book value ratio (PBR) (times)	3.1	2.0
Price earnings ratio (PER) (times)	22.5	17.2
Payout ratio (%)	29.7	33.7
Number of outstanding shares (shares)	70,251,484	70,251,484
Market capitalization (millions of yen)	585,195	409,566

Non-Financial Data

Environment

Material Flow Data

INPUT	Classification	FY2020		FY2021		FY2022
	Materials	Raw materials (t)	225	244		288
		Packaging materials (t)	232	302		245
	Energy	Electricity (1,000 kWh)	15,251	15,350		15,881
		Heavy oil (kL)	0	0		0
		Kerosene (kL)	4	1		0
		City gas (1,000 m³)	1,549	1,523		1,562
		LPG (m³)	1	9		6
		Gasoline (kL)	389	428		398
		Diesel (kL)	2	3		3
	Water consumption	Tap water (1,000 m³)	59	58		54
		Well water (1,000 m³)	101	107		101
OUTPUT	Products	Shipped products (t)	461	483		479
		Transported products (10,000 t-km)	13	10		13
	Gas & Water emissions	CO ₂ emissions*1 (Scope1,2)(t-CO ₂)	10,496	9,686		9,182
		Wastewater (1,000 m³)	161	165		155
	Waste substances	Amount generated (t)	428	363		388
		Final amount of landfilled waste (t)	3.9	4.7*2		2.3
	Container and package recycling*3	Waste containers and packages (Amount contracted out as post-consumer recovered waste) (t)	195	170		172
	Class I Designated Chemical Substances handled*4	Acetonitrile (kg)	5,557	6,633		5,558
		Dichloromethane (kg)	2,075	2,483		1,349
		N-hexane (kg)	2,697	2,729		2,575
		Toluene (kg)	—	1,346		203

*1 Although electricity consumption increased slightly, CO₂ emissions decreased year on year due to the introduction of renewable energy in part of the Head Office area power grid.
*2 The figure includes approximately 0.9t of unused equipment and other landfilled waste arising from the dismantling of buildings on the site of Odawara Central Factory in addition to normal business activities.
*3 Waste containers and packaging (FY2020 entrusted amount for recycling)
*4 Lists Class I Designated Chemical Substances based on the Pollutant Release and Transfer Register (PRTR) system under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management thereof with a handling amount of 1,000kg or more.

Putting Environmental Management System Certification into Action

Office name	Acquired certifications	Date of certification acquisition	Last 3rd-party review
Odawara Central Factory	ISO14001	August 2004	February 2023 (Regular review)
Head Office area business office	KES Step2	June 2012	June 2023 (Review for renewal)

Environmental Accounting

Environmental conservation costs*5 (excluding our sales offices)	Costs	FY2021		FY2022	
		Investments	Expenses	Investments	Expenses
	Costs within our business areas (Thousands of yen)	222,012	323,720	197,014	304,493
	• Pollution prevention costs*6 (Thousands of yen)	2,156	18,383	130,743	55,918
	• Global environmental conservation costs*7 (Thousands of yen)	219,856	244,715	66,270	198,527
	• Resource recycling costs*8 (Thousands of yen)	0	60,622	0	50,047
	Upstream & downstream costs*9 (Thousands of yen)	0	6,653	0	5,499
	Management activity costs*10 (Thousands of yen)	1,070	72,911	0	73,905
	R&D costs (Thousands of yen)	0	0	0	0
	Social activity costs*11 (Thousands of yen)	0	809	0	34,384
	Environmental remediation costs (Thousands of yen)	0	0	0	0
	Total (Thousands of yen)	223,082	404,093	197,014	418,281
Environmental conservation benefits	Benefit verification	FY2021	FY2022	Year on year change	Year on year rate
	CO ₂ emissions (t-CO ₂)	9,685	9,182	-503	-5.2%
	• Electricity usage (1,000 kWh)	15,350	15,881	531	3.5%
	• Heavy oil & kerosene usage (kL)	1	0	-1	-100.0%
	• City gas & LPG usage (1,000 m³)	1,532	1,562	30	2.0%
	• Gasoline & diesel usage (kL)	431	401	-30	-7.0%
	Water consumption (main business locations) (1,000 m³)	165	155	-10	-6.1%
	Waste substances generated (main business locations) (t)	363	389	26	7.2%
	Final amount of landfilled waste (main business locations) (t)	5.0	2.3	-2.7	-54.0%

*5 Costs aimed at reducing the environmental impact caused by business activities. We compiled them based on "Environmental Accounting Guidelines 2005" published by the Ministry of the Environment.
*6 Costs related to environmental damage prevention due to pollution such as water pollution, soil pollution, air pollution, etc.
*7 Costs related to global warming prevention, energy-saving activities, etc.
*8 Costs related to proper disposal of waste, recycling etc.
*9 Consignment fee for recycling of containers and packaging (costs for collection and recycling of packaging containers for pharmaceuticals, etc. in Nippon Shinyaku), etc.
*10 Costs related to maintenance and operation of EMS (Environmental Management System) and environmental education of employees.
*11 Costs related to offering classes to elementary schools in Kyoto city, greening in the workplace, regional cleanup activities, etc.

Nippon Shinyaku Today	A New Way of Life	In Pursuit of Originality	ESG as the Foundation for Growth	Corporate Data
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*12 Main business locations: Head Office area, Odawara Central Factory, Discovery Research Laboratories in Tsukuba.
*13 The calculation of emissions in FY2022 is incomplete as a portion of the data of the relevant pharmaceutical wholesalers is undisclosed at calculation time.

Social

	FY2018	FY2019	FY2020	FY2021	FY2022
Employee Numbers and the Promotion of Women in the Workplace (persons)					
Number of employees (parent company)	1,761	1,793	1,806	1,827	1,857
Number of female employees	494	516	529	552	565
Ratio of female employees (%)	28.1	28.8	29.3	30.2	30.4
Number of executives	555	554	555	571	596
Number of female executives	72	78	84	92	100
Ratio of female executives (%)	13.0	14.1	15.1	16.1	16.8
Number of managers	321	329	331	343	301
Number of female managers	25	32	34	38	40
Ratio of female managers (%)	7.8	9.7	10.3	11.1	13.3
Number of recruits	72	79	76	57	62
Number of female recruits	25	28	33	28	20
Ratio of female recruits (%)	34.7	35.4	43.4	49.1	32.3
Average number of years of service	17.5	17.8	17.3	17.4	17.5
Average number of years of service of female employees (years)	17.3	18.1	16.7	16.5	16.6
Average number of years of service of male employees (years)	17.5	17.7	17.6	17.8	17.8
Number of employees taking parental leave for childcare (Male)	0	7	14	30	61
Rate of uptake of parental leave for childcare (Male %)	0.0	9.7	20.3	50.0	69.3
Number of employees taking parental leave for childcare (Female)	18	22	19	19	25
Rate of uptake of parental leave for childcare (Female %)	100	100	100	100	100
Paid annual leave acquisition rate (%)	70.6	71.3	63.5	63.5	69.6
Total annual working hours (hours)	1804.22	1791.6	1821.96	1819.89	1841.69
Employee turnover (%)	1.49	1.68	1.97	1.66	1.92
Human Resources Development (hours)					
Training hours by level per employee				7.23	10.01
Hours of self-development training per employee				10.73	10.32
Education and research expenses per employee (Thousands of yen)				79	83

Governance

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of directors (persons)					
Number of outside directors	12	12	12	12	12
Number of female directors	4	4	4	4	4
Ratio of female directors (%)	1	1	1	3	25
Number of audit & supervisory board members (persons)					
Number of outside audit & supervisory board members	4	4	4	4	4
Ratio of outside audit & supervisory board members (%)	2	2	2	2	2
	50	50	50	50	50