

## Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2013

August 7, 2013

Name of the listed company: **NIPPON SHINYAKU CO., LTD.** Listing stock exchange: Tokyo  
 Code No.: 4516 URL <http://www.nippon-shinyaku.co.jp/>  
 Representative: Shigenobu Maekawa, President and Representative Director  
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 Scheduled date for submission of quarterly Securities Report: August 9, 2013  
 Scheduled start of payment: —  
 Supplementary material: Yes  
 Financial result meeting: Yes (for institutional investors and securities analysts on conference call)

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

### 1. Consolidated Results for the Year Ended June 30, 2013 (April 1, 2013 to June 30, 2013)

	Net sales		Operating income		Ordinary income		Net income for quarter	
	(¥ million)		(¥ million)		(¥ million)		(¥ million)	
Quarter ended June 30, 2013	17,616	6.4%	1,401	(18.4%)	1,549	(19.0%)	1,173	(8.5%)
Quarter ended June 30, 2012	16,554	3.4%	1,718	0.7%	1,912	5.8%	1,282	(2.2%)

Note: Comprehensive income  
 As of June 30, 2013: ¥1,244 million 51.6% As of June 30, 2012: ¥820 million (33.7%)

	Net income per share (¥)	
	Basic	Diluted
Quarter ended June 30, 2013	17.39	—
Quarter ended June 30, 2012	19.00	—

Notes: 1. Percentage figures for net sales, operating income, ordinary income and net income represent year-on-year comparisons.  
 2. Equity-method investments: not applicable

### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of June 30, 2013	113,329	90,013	79.2%	1,331.20
As of March 31, 2013	113,730	89,529	78.5%	1,323.87

Note: Owners' equity  
 As of June 30, 2013: ¥89,812 million As of March 31, 2013: ¥89,330 million

### 2. Dividends

	Cash dividends per share (¥)				
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	Year-end	Annual
Year ended March 31, 2013	—	¥10.00	—	¥11.00	¥21.00
Year ending March 31, 2014	—	—	—	—	—
Year ending March 31, 2014 (forecast)	—	¥11.00	—	¥12.00	¥23.00

Note: Revisions to forecast for the current quarter: None.

### 3. Business Forecast for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (¥)
	(¥ million)		(¥ million)		(¥ million)		(¥ million)		(¥)
First-half period	34,600	4.4%	3,200	4.2%	3,400	2.5%	2,300	9.9%	34.09
Full term	74,300	6.2%	7,600	10.1%	7,900	9.6%	5,400	16.2%	80.04

Notes: 1. Percentage figures represent the percentage of increase or decrease against the same period of the previous year.  
 2. Revisions to forecast for the current quarter: None.

#### 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) Adoption of special accounting methods for preparation of quarterly financial statements: None

(3) 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
4. Restatement: None

(4) Number of shares outstanding (ordinary shares)

Number of shares outstanding (including treasury stock)

As of June 30, 2013: 70,251,484 shares

As of March 31, 2013: 70,251,484 shares

Number of shares of treasury stock

As of June 30, 2013: 2,784,136 shares

As of March 31, 2013: 2,774,507 shares

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

As of June 30, 2013: 67,472,654 shares

As of June 30, 2012: 67,492,165 shares

Note:

This summary of quarterly financial results is exempt from the quarterly review 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 quarterly review of financial statements based on the Financial Instruments and Exchange Law.

This financial release contains certain statements about the future, which are based information available and deemed reasonable to Nippon Shinyaku at the time of announcement, and are not the commitments made by Nippon Shinyaku. Readers are advised that actual results may differ substantially from the above forecasts due to various unforeseeable factors.

## 5. Consolidated Financial Statement for the Quarter

### (1) Consolidated Balance Sheet for the Quarter

(¥ million)

	As of previous consolidated fiscal year ended March 31, 2013	As of 1st quarter ended June 30, 2013
<b>Assets</b>		
Current assets:		
Cash and deposits	¥11,787	¥10,845
Notes and accounts receivable	34,266	33,899
Marketable securities	8,499	8,999
Merchandise and products	8,019	8,338
Partially finished products	1,686	1,339
Work in process	155	348
Materials and supplies	3,404	3,141
Deferred tax assets	1,637	1,995
Other current assets	1,474	1,651
Allowance for doubtful accounts	(0)	(0)
Total current assets	70,932	70,560
Fixed assets:		
Tangible fixed assets:		
Buildings and structures (net)	7,322	6,725
Land	7,888	7,433
Other (net)	1,927	1,835
Total tangible fixed assets	17,138	15,994
Intangible fixed assets	667	641
Investments and other assets:		
Investment securities	13,873	14,042
Deferred tax assets	62	61
Long-term prepaid expenses	8,829	8,786
Other	2,230	3,245
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	24,992	26,133
Total fixed assets	42,798	42,769
Total assets	¥113,730	¥113,329

(¥ million)

	As of previous consolidated fiscal year ended March 31, 2013	As of 1st quarter ended June 30, 2013
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable	¥5,028	¥5,175
Accrued liabilities	4,492	3,178
Income taxes payable	1,665	783
Reserve for bonuses	2,364	3,548
Other current liabilities	2,126	2,195
Total current liabilities	15,677	14,881
Long-term liabilities:		
Deferred tax liability	715	721
Reserve for retirement benefits	7,418	7,336
Other long-term liabilities	389	376
Total long-term liabilities	8,523	8,434
Total liabilities	24,201	23,316
<b>Net assets</b>		
Shareholders' equity:		
Common stock	5,174	5,174
Capital surplus	4,445	4,445
Retained earnings	76,839	77,270
Treasury stock	(2,092)	(2,107)
Total shareholders' equity	84,366	84,782
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	4,989	5,043
Deferred gain on derivatives under hedge accounting	4	6
Foreign currency translation adjustments	(30)	(20)
Total accumulated other comprehensive income	4,964	5,029
Minority interests	198	200
Total net assets	89,529	90,013
Total liabilities and net assets	¥113,730	¥113,329

(2) Consolidated Statements of Income for the Quarter  
(Total for the consolidated period ended June 30, 2013)

(¥ million)

	1st quarter ended June 30, 2012	1st quarter ended June 30, 2013
Net sales	¥16,554	¥17,616
Cost of sales	8,111	9,113
Gross profit	8,442	8,503
Selling, general and administrative expenses:		
Salaries and benefits	1,540	1,550
Provision for bonuses	756	773
Sales promotion expenses	204	189
Provision for retirement benefits	263	244
Depreciation	80	91
R&D expenses	1,993	2,323
Other	1,886	1,927
Total general, selling, and administrative expenses	6,724	7,101
Operating income	1,718	1,401
Non-operating income:		
Interest income	6	5
Dividend received	141	152
Rent income	85	92
Other	18	13
Total non-operating income	251	265
Non-operating expenses:		
Interest expenses	2	1
Donation	9	36
Foreign exchange loss	—	31
Rent expenses	26	25
Other	19	22
Total non-operating expenses	57	117
Ordinary income	1,912	1,549
Income before income taxes and minority interests	1,912	1,549
Income taxes – current	974	738
Income taxes – deferred	(351)	(367)
Total income taxes	622	370
Income before minority interests	1,289	1,179
Minority net income	7	5
Net income	¥1,282	¥1,173

(Consolidated Statements of Comprehensive Income)  
(Total for the consolidated period ended June 30, 2013)

(¥ million)

	1st quarter ended June 30, 2012	1st quarter ended June 30, 2013
Income before minority interests	¥1,289	¥1,179
Other comprehensive income		
Unrealized gain or loss on available-for-sale securities	(472)	53
Deferred gain or loss on derivatives under hedge accounting	(1)	1
Foreign currency translation adjustments	5	10
Total other comprehensive income	(468)	65
Comprehensive income	820	1,244
(Item)		
Comprehensive income attributable to owners of the parent	813	1,239
Comprehensive income attributable to minority interests	¥7	¥5