

Outline of Consolidated Financial Results for the 1st Quarter Ended June 30, 2016

August 8, 2016
NIPPON SHINYAKU CO., LTD.



Operating Result

(Million yen)

	1QFY2015		1QFY2016		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	19,260	100.0%	23,743	100.0%	4,483	23.3%
Operating income	636	3.3%	4,424	18.6%	3,787	595.0%
Ordinary income	888	4.6%	4,138	17.4%	3,250	365.9%
Net income attributable to owners of the parent	609	3.2%	3,078	13.0%	2,468	404.7%



Segmental Review

-Pharmaceuticals-

(Million yen)

	1QFY2015		1QFY2016		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	15,509	98.2%	16,594	81.5%	1,084	7.0%
Profit in co-promotion	-	-	406	2.0%	406	-
Revenues from the licensing of industrial property rights	7	0.0%	3,114	15.3%	3,106	40,351.9%
Active Pharmaceutical Ingredients	284	1.8%	249	1.2%	-35	-12.5%
Net sales	15,802	100.0%	20,364	100.0%	4,562	28.9%

Increased in sales:

- **Zaltia (+764 million yen, +65.5%)**
(urinary disorder caused by benign prostatic hyperplasia)
- **Vidaza (+461 million yen, +16.1%)**
(myelodysplastic syndromes)
- **A milestone payment received based on the marketing authorization in EU and royalty payments based on overseas sales regarding our original product out-licensed, selexipag**

Decreased in sales:

- **Lunabell (-299 million yen, -18.1%)**



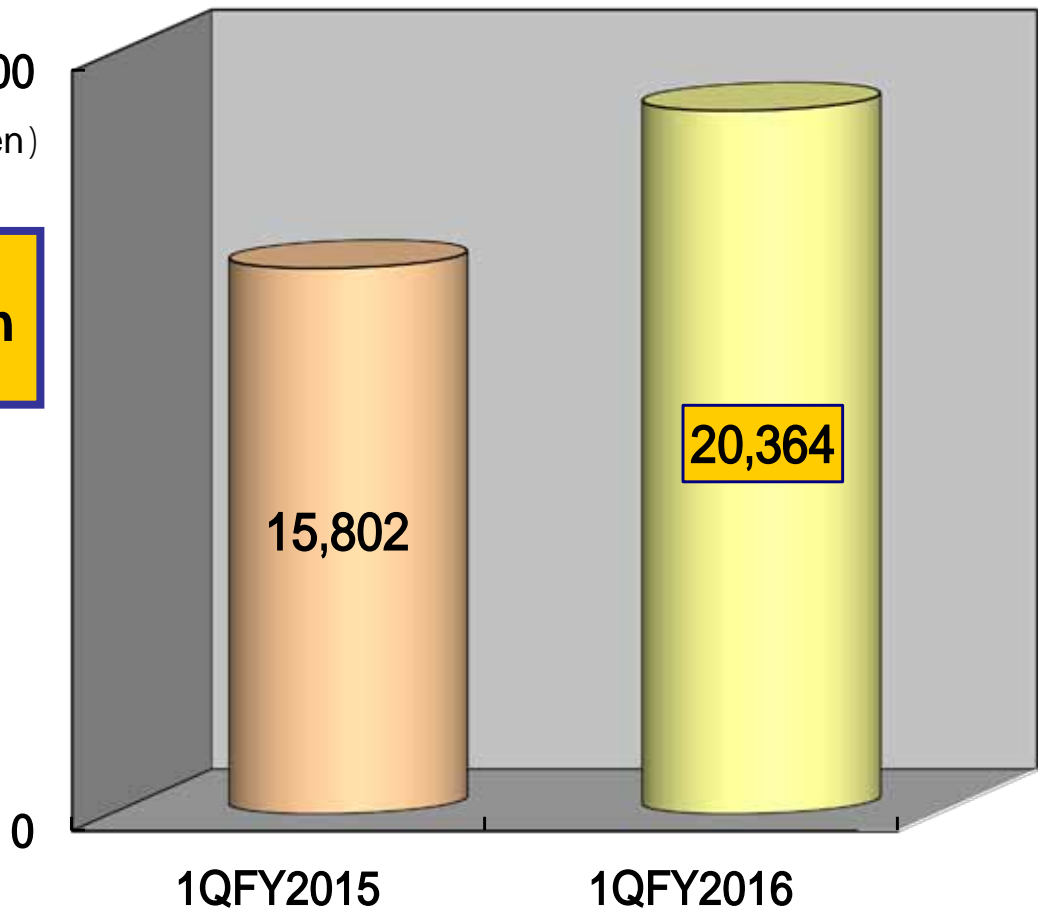
Segmental Review

-Pharmaceuticals-

Net sales 20,364 million yen

Year-on-Year change
+4,562 million yen (+28.9%)

22,000
(Million yen)





Segmental Review

-Functional Food-

(Million yen)

	1QFY2015		1QFY2016		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Health food ingredients	191	5.5%	174	5.2%	-17	-9.2%
Preservatives	427	12.4%	510	15.1%	82	19.3%
Protein preparations	1,866	54.0%	1,894	56.1%	28	1.5%
Nutritional ingredients	630	18.2%	446	13.2%	-184	-29.3%
Others	341	9.9%	353	10.4%	12	3.6%
Net sales	3,457	100.0%	3,378	100.0%	-79	-2.3%



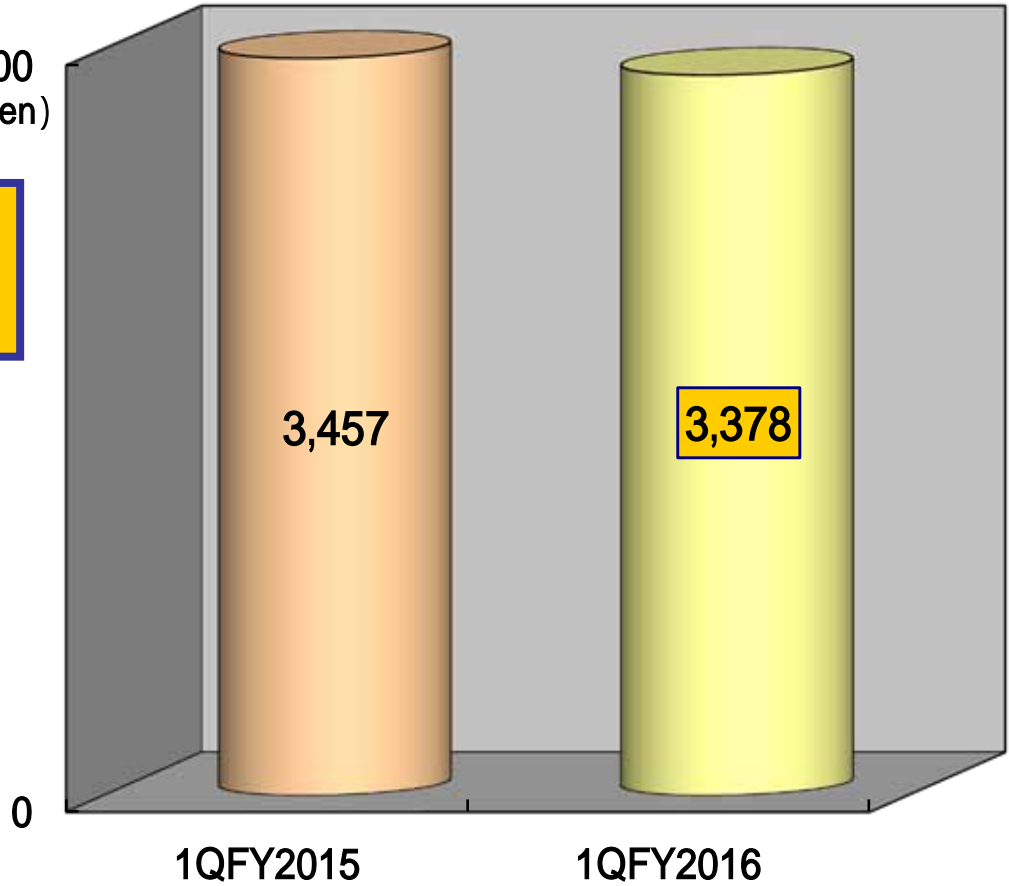
Segmental Review

-Functional Food-

Net sales 3,378 million yen

Year-on-Year change
-79 million yen (-2.3%)

3,500
(Million yen)



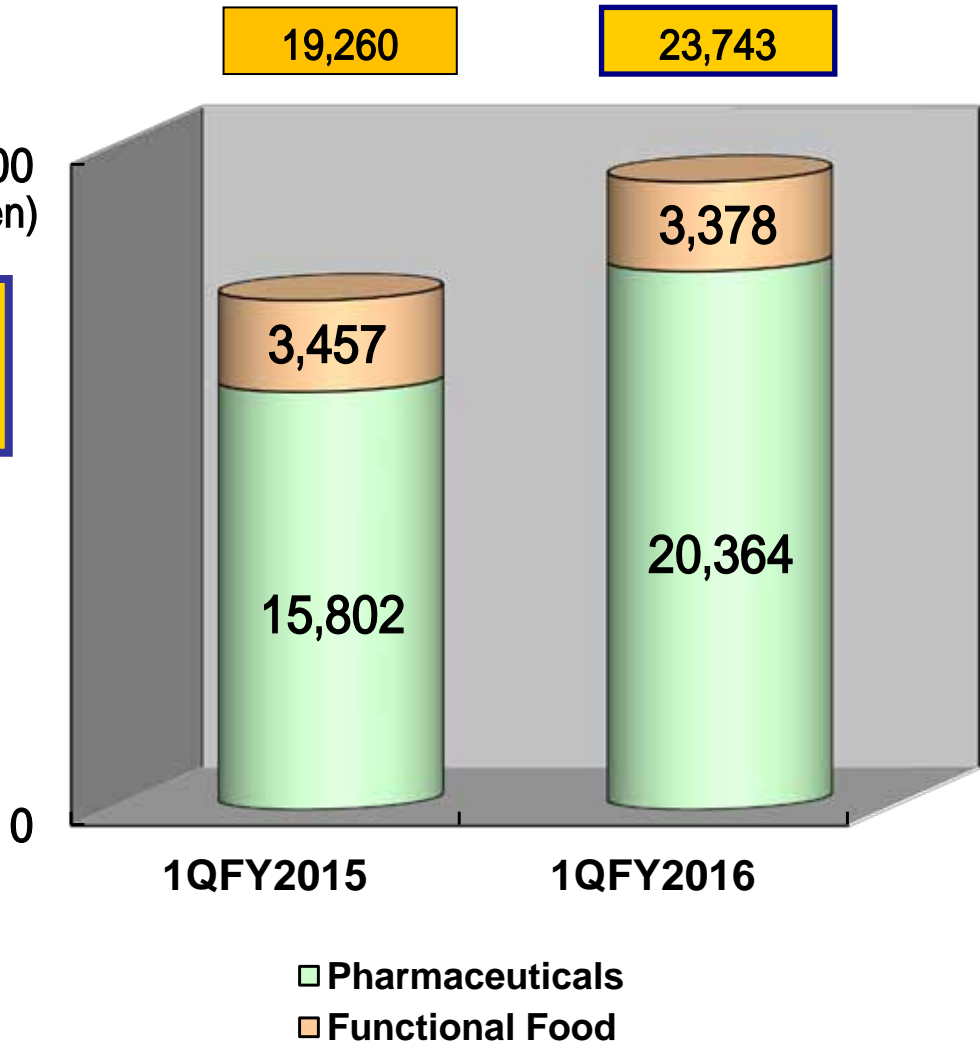


Net Sales

Net sales 23,743 million yen

**Year-on-Year change
+4,483 million yen (+23.3%)**

25,000
(Million yen)





Consolidated Statements of Income for the Quarter

(Million yen)

	1QFY2015		1QFY2016		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	19,260	100.0%	23,743	100.0%	4,483	23.3%
Pharmaceuticals	15,802	82.0%	20,364	85.8%	4,562	28.9%
Functional Food	3,457	18.0%	3,378	14.2%	-79	-2.3%
Operating expenses	18,623	96.7%	19,319	81.4%	695	3.7%
Cost of sales	10,422	54.1%	11,138	46.9%	716	
SG&A expenses	5,610	29.1%	5,659	23.9%	49	
R&D expenses	2,591	13.5%	2,521	10.6%	-70	
Operating income	636	3.3%	4,424	18.6%	3,787	595.0%



Consolidated Statements of Income for the Quarter

(Million yen)

	1QFY2015		1QFY2016		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Operating income	636	3.3%	4,424	18.6%	3,787	595.0%
Non-operating income	354	1.8%	345	1.5%	-9	-2.6%
Non-operating expenses	103	0.5%	631	2.7%	528	511.3%
Ordinary income	888	4.6%	4,138	17.4%	3,250	365.9%
Income taxes, etc	278	1.4%	1,059	4.4%	781	280.8%
Net income attributable to owners of the parent	609	3.2%	3,078	13.0%	2,468	404.7%



Consolidated Balance Sheet for the Quarter

(Million yen)

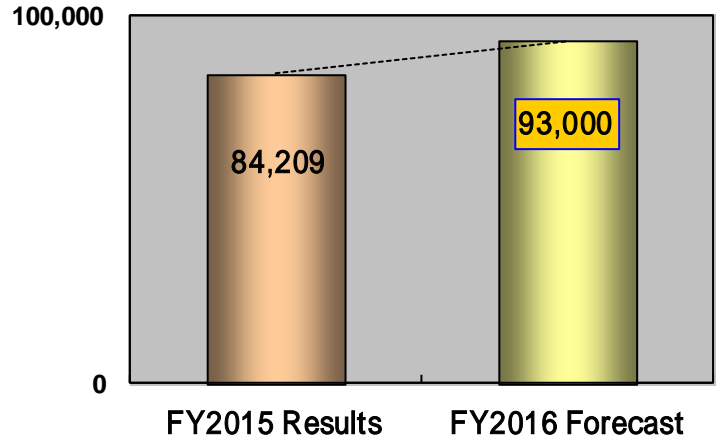
	FY2015	FY2016	YoY Change		FY2015	FY2016	YoY Change
	4Q Results	1Q Results	Amt		4Q Results	1Q Results	Amt
Assets	135,370	135,766	396	Liabilities	32,607	31,122	-1,485
(Current assets)	85,401	87,311	1,910	(Current liabilities)	20,569	19,722	-847
(Fixed assets)	49,968	48,455	-1,513	(Long-term liabilities)	12,037	11,400	-637
				Net assets	102,762	104,644	1,881
Total assets	135,370	135,766	396	Total liabilities and net assets	135,370	135,766	396



Business Forecast for the Year Ending March 31, 2017

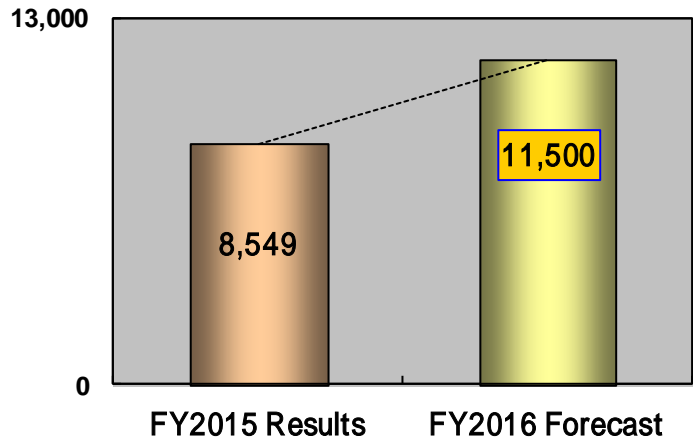
(Million yen)

Net sales +10.4%



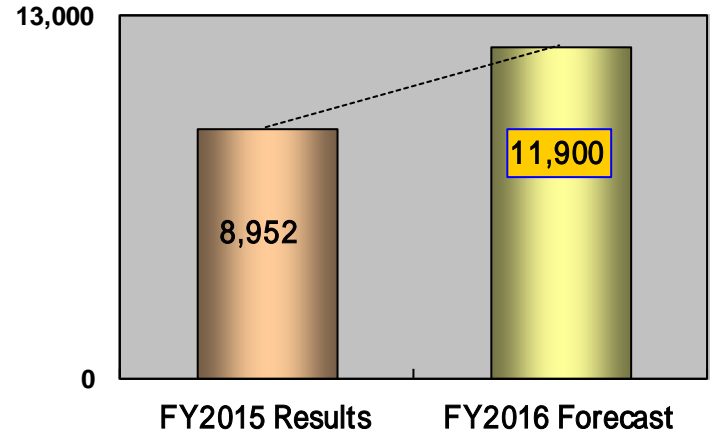
(Million yen)

Operating income +34.5%



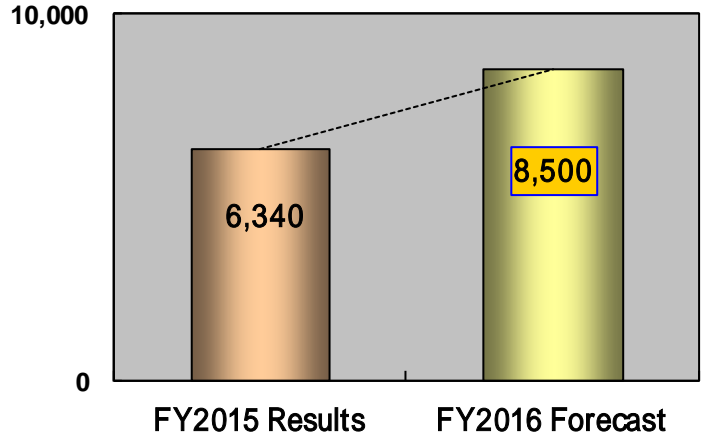
(Million yen)

Ordinary income +32.9%



(Million yen)

Net income attributable to owners of the parent +34.1%



Status of Development Pipeline






R&D Pipeline (Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2014	FY2015	FY2016	FY2017
NS-304 (selexipag) <in-house>	NME	Pulmonary arterial hypertension	NDA Filing	→		NDA Filing	
		Chronic thromboembolic pulmonary hypertension	P III			→	
		Arteriosclerosis obliterans	P II	→			
GA101 (obinutuzumab) <in-license>	NME	Indolent non-Hodgkin's lymphoma Aggressive non-Hodgkin's lymphoma	P III	→			NDA Filing
NS-065 <in-house>	NME	Duchenne muscular dystrophy	P I / II		→		
NS-580 <in-house>	NME	Endometriosis	P I	P I	→		



R&D Pipeline (Overseas)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2014	FY2015	FY2016	FY2017
prulifloxacin <in-house>	NME	Bacterial infections	China Preparation for NDA	Lee's Pharma			NDA Filing
NS-018 <in-house>	NME	Myelofibrosis	USA P I / II				
NS-065 <in-house>	NME	Duchenne muscular dystrophy	USA P II				



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