

N O B O R D E R

Going beyond it all, to the future of medicine.

Outline of Consolidated Financial Results for the 1st Quarter Ended June 30, 2018

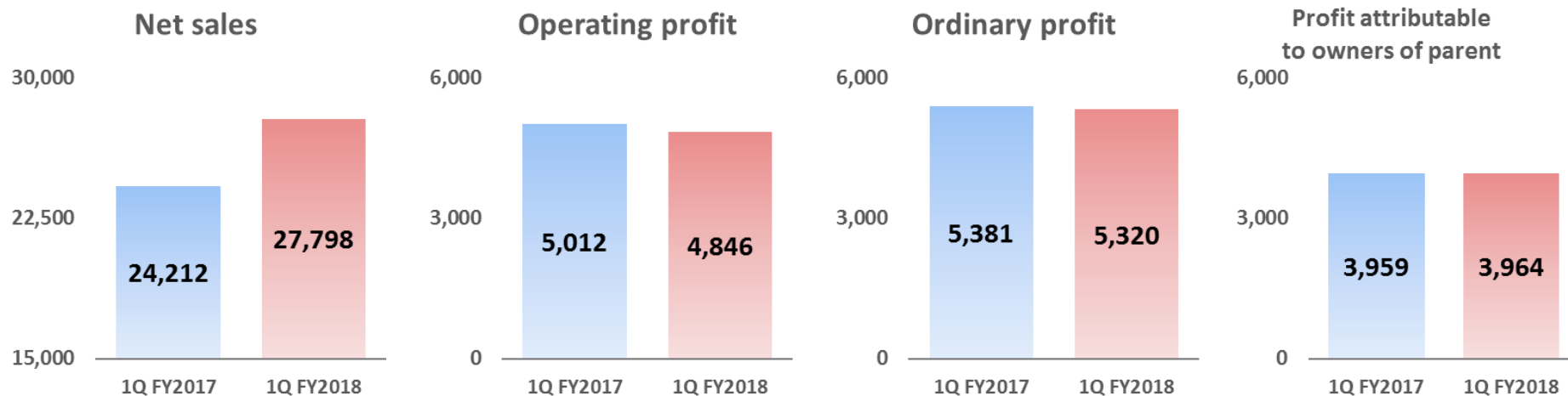
**August 7, 2018
NIPPON SHINYAKU CO., LTD.**

1Q FY2018 Summary

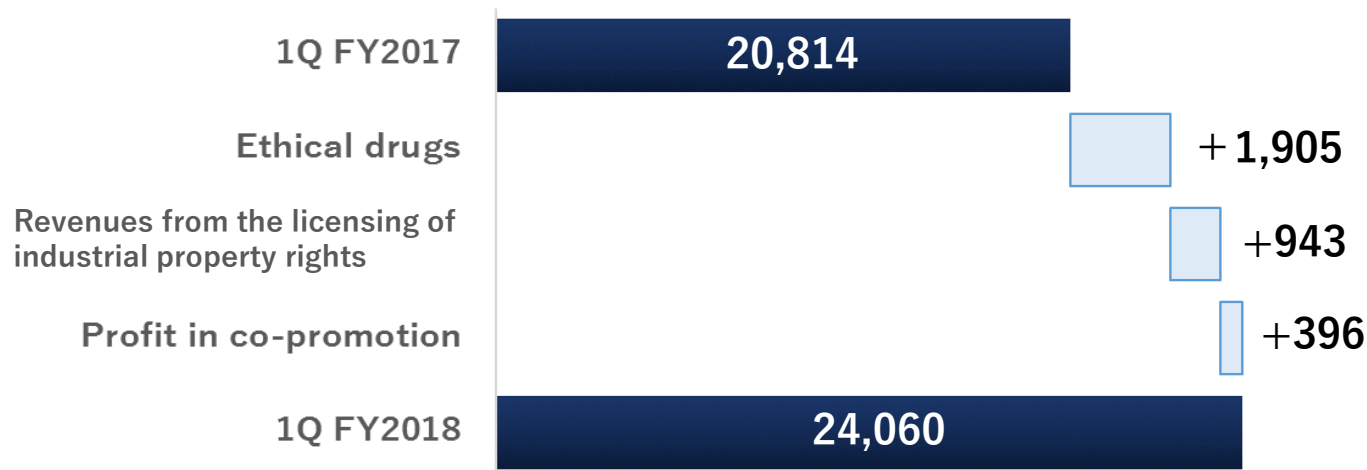


◆ Net sales	:	27,798 million yen	(+14.8%)
◆ Operating profit	:	4,846 million yen	(-3.3%)
◆ Ordinary profit	:	5,320 million yen	(-1.1%)
◆ Profit attributable to owners of parent	:	3,964 million yen	(+0.1%)

(Million yen)



Segmental Review - Pharmaceuticals -



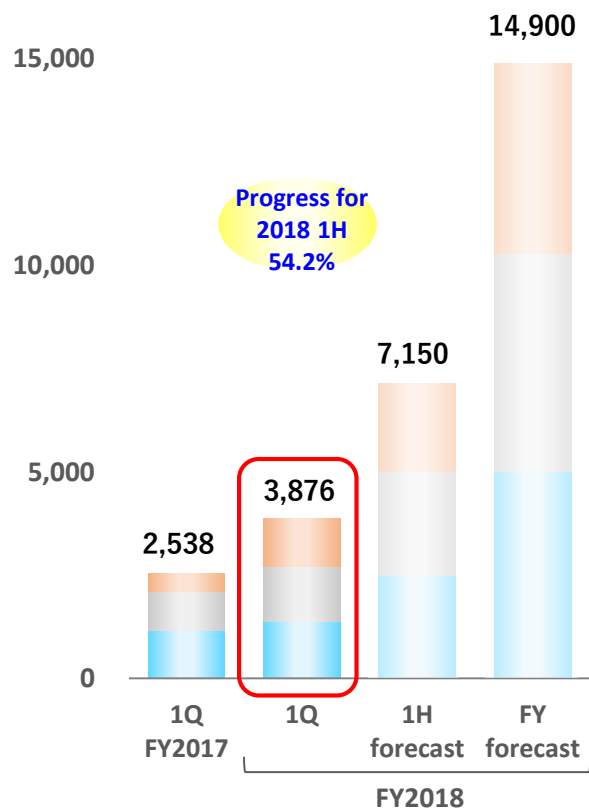
(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	17,724	85.2%	19,630	81.5%	+1,905	+10.8%
Revenues from the licensing of industrial property rights	2,148	10.3%	3,092	12.9%	+943	+43.9%
Profit in co-promotion	940	4.5%	1,337	5.6%	+396	+42.1%
Net sales	20,814	100.0%	24,060	100.0%	+3,245	+15.6%

Three Main Fields of Focus



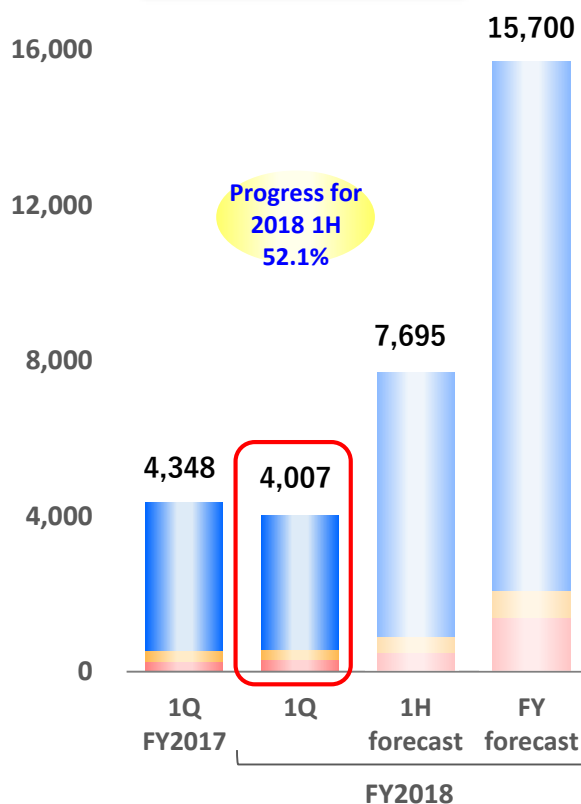
(million yen)

PAH



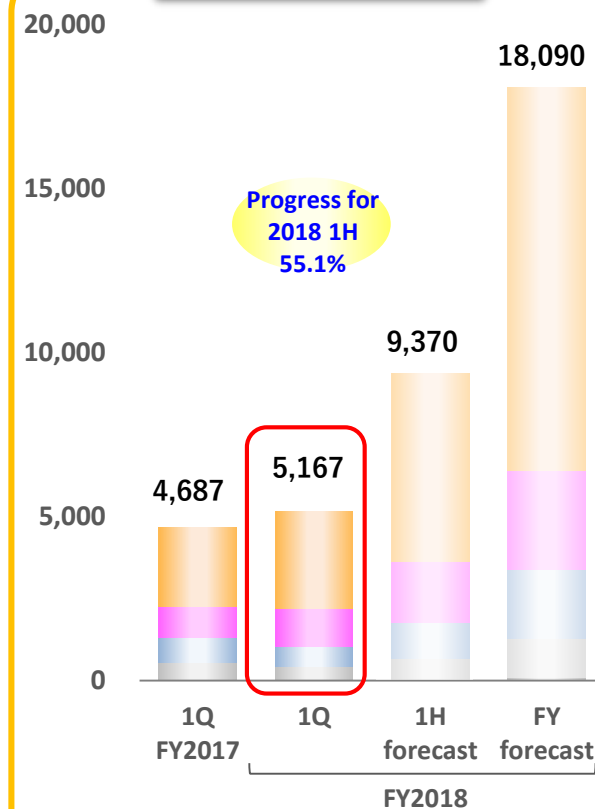
■ Upravi (domestic)
 ■ Opsumit (Profit in co-promotion)
 ■ Adcirca

Hematology



■ Vidaza ■ Cylocide ■ Others

Urology



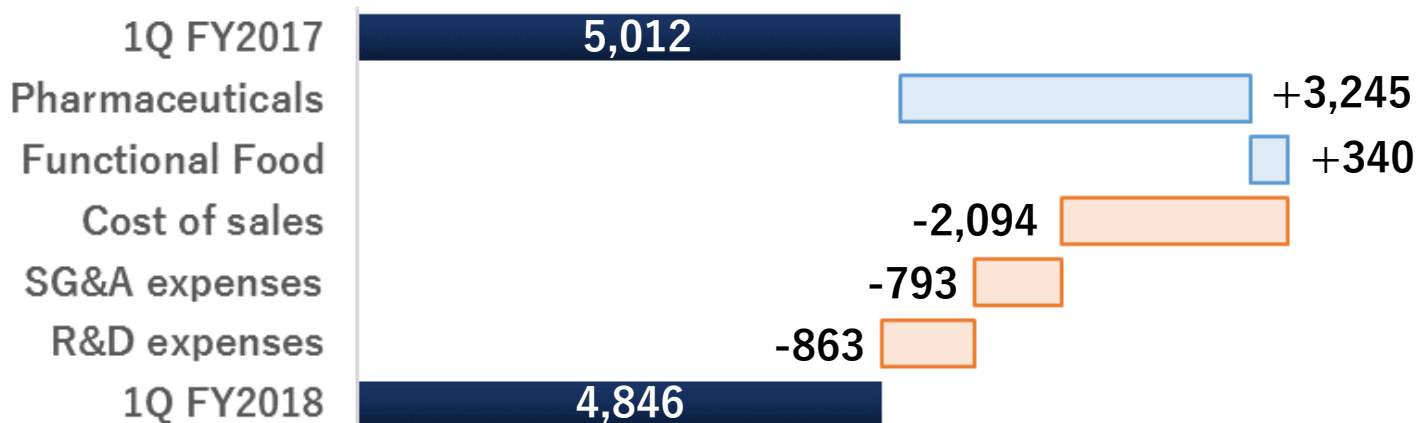
■ Zalutia ■ Cialis
 ■ Eviprostat ■ Others

Segmental Review - Functional Food -



(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Protein preparations	2,303	67.8%	2,519	67.4%	+215	+9.4%
Preservatives	550	16.2%	563	15.1%	+13	+2.4%
Health food ingredients	197	5.8%	281	7.5%	+84	+42.7%
Others	346	10.2%	373	10.0%	+26	+7.7%
Net sales	3,398	100.0%	3,738	100.0%	+340	+10.0%

Operating profit



(Million yen)	1Q FY2017		1Q FY2018		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	24,212	100.0%	27,798	100.0%	+3,585	+14.8%
Pharmaceuticals	20,814	86.0%	24,060	86.6%	+3,245	+15.6%
Functional Food	3,398	14.0%	3,738	13.4%	+340	+10.0%
Operating expenses	19,200	79.3%	22,951	82.6%	+3,751	+19.5%
Cost of sales	11,125	46.0%	13,220	47.6%	+2,094	+18.8%
SG&A expenses	5,872	24.2%	6,665	24.0%	+793	+13.5%
R&D expenses	2,202	9.1%	3,065	11.0%	+863	+39.2%
Operating profit	5,012	20.7%	4,846	17.4%	-165	-3.3%

Profit attributable to owners of parent



(Million yen)	1Q FY2017	1Q FY2018	YoY Change	
	Results	Results	Amt	%
Operating profit	5,012	4,846	-165	-3.3%
Non-operating income	447	582	+135	+30.2%
Non-operating expenses	77	108	+30	+39.5%
Ordinary profit	5,381	5,320	-61	-1.1%
Income taxes, etc	1,422	1,356	-66	-4.6%
Profit attributable to owners of the parent	3,959	3,964	+4	+0.1%

Business Forecast for FY2018



(Million yen)	FY 2017		FY 2018				FY 2018 (5 th MMP)
	1 Q Results	FY Results	1 Q Results	Progress for 1H	1H Forecast	FY Forecast	
Net sales	24,212	101,448	27,798	53.5%	52,000	108,000	110,000
Pharmaceuticals	20,814	87,416	24,060	53.6%	44,900	93,600	-
Functional Food	3,398	14,031	3,738	52.7%	7,100	14,400	-
Operating profit	5,012	17,079	4,846	74.6%	6,500	18,500	18,000
Ordinary profit	5,381	17,451	5,320	78.2%	6,800	19,000	-
Profit attributable to owners of the parent	3,959	12,953	3,964	80.9%	4,900	14,000	12,000

MMP: Medium-Term Management Plan

Status of Development Pipeline



R&D Compounds (Domestic)



Code No. (Generic name) <Origin>	Application type	Indications	Preparation for development	PI	PII	PIII	Preparation for NDA	Preparation for launching
GA101 (obinutuzumab) <in-license>	NME	CD20-positive follicular lymphoma						
NS-73 (defibrotide) <in-license>	NME	Veno-occlusive disease (treatment)						
	New indication	Veno-occlusive disease (prevention)						
NS-304 (selexipag) <in-house>	New indication	Chronic thromboembolic pulmonary hypertension						
		Arteriosclerosis obliterans						
		Lumbar spinal stenosis						
NS-580 <in-house>	NME	Endometriosis						
NS-17 (azacitidine) <in-license>	New indication	Acute myeloid leukemia						
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy						
NS-32 <in-license>	NME	Iron deficiency anemia						
NS-917 <in-license>	NME	Relapsed/refractory acute myeloid leukemia						
NS-87 <in-license>	NME	Secondary acute myeloid leukemia						



: changes from the Fiscal Year Ended March 31, 2018

R&D Compounds (Overseas)



Code No. <Origin>	Application type	Indications	Preparation for development	PI	PII	PIII	Preparation for NDA	NDA filing
prulifloxacin <in-house>	NME	Bacterial infections						
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy						
NS-018 <in-house>	NME	Myelofibrosis						

Reference Materials



NIPPON SHINYAKU CO., LTD.

Consolidated Balance Sheet



(Million yen)	FY2017	FY2018	YoY Change		FY2017	FY2018	YoY Change
	4Q Results	1Q Results	Amt		4Q Results	1Q Results	Amt
Assets	155,887	156,779	+892	Liabilities	30,197	29,444	-753
Current assets	95,176	97,120	+1,944	Current liabilities	22,454	22,032	-421
Fixed assets	60,710	59,659	-1,051	Long-term liabilities	7,743	7,412	-331
				Net assets	125,689	127,335	+1,645
Total assets	155,887	156,779	+892	Total liabilities and net assets	155,887	156,779	+892

= Assets =

Cash and deposits	-1,615
Notes and accounts receivable	+3,394
Inventories	-700
Total property, plant and equipment	-230
Investments and other assets	-791

= Liabilities and Net assets =

Notes and accounts payable	-1,812
Accounts payable	-545
Income taxes payable	-392
Provision for bonuses	+1,426
Retained earnings	+2,212

GA101 (Obinutuzumab)

- Treatment for CD20-positive follicular lymphoma -



Development Phase	<ul style="list-style-type: none">• EU, USA : Approval (Roche)• Japan : Approval [Jul. 2018] (Chugai Pharmaceutical Co., Ltd.)
Origin	[Nov. 2012] Licensed-in from : Chugai Pharmaceutical Co., Ltd.
Development	Co-development in Japan : Chugai Pharmaceutical Co., Ltd.
Mechanism of action	Anti-CD20 monoclonal antibody
Indication	CD20-positive follicular lymphoma (FL)
Dosage form	Injection
Feature	Anti-CD20 monoclonal antibody, increased antibody-dependent cellular cytotoxicity (ADCC) activity and direct cytotoxicity

NS-73 (Defibrotide)



- Treatment of hepatic veno-occlusive disease -

Development Phase	Japan : Preparation for NDA (treatment) Japan : PIII (prevention)
Origin	[Mar. 2017] Licensed-in from : Jazz Pharmaceuticals
Development	Nippon Shinyaku in Japan (treatment) Co-development in Japan : Jazz Pharmaceuticals (prevention)
Mechanism of action	Protective action on vascular endothelium, normalization of the coagulation/fibrinolysis balance
Indication	Hepatic veno-occlusive disease (VOD)
Dosage form	Injection
Feature	<ul style="list-style-type: none">· VOD is a life-threatening complication which develops in patients following HSCT, and in severe cases, leading to death at high rates.· NS-73 is the only drug for the treatment of VOD (EU/US guideline). It has been launched in 35 countries.· NS-73 is the only drug for the prevention of VOD.

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