

## Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2012

August 6, 2012

Name of the listed company: **NIPPON SHINYAKU CO., LTD.** Listing stock exchange: Tokyo, Osaka  
 Code No.: 4516 URL <http://www.nippon-shinyaku.co.jp/>  
 Representative: Shigenobu Maekawa, President and Representative Director  
 Contact: Taro Sakurai, General Manager and Finance & Accounting Dept. Tel. +81-75-321-9114  
 Scheduled date for submission of quarterly Securities Report: August 8, 2012  
 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, 2012 (April 1, 2012 to June 30, 2012)

|                             | Net sales   |      | Operating income |        | Ordinary income |        | Net income for quarter |        |
|-----------------------------|-------------|------|------------------|--------|-----------------|--------|------------------------|--------|
|                             | (¥ million) |      |                  |        |                 |        |                        |        |
| Quarter ended June 30, 2012 | 16,554      | 3.4% | 1,718            | 0.7%   | 1,912           | 5.8%   | 1,282                  | (2.2%) |
| Quarter ended June 30, 2011 | 16,005      | 1.1% | 1,706            | (9.6%) | 1,808           | (6.6%) | 1,311                  | (2.2%) |

Note: Comprehensive income

As of June 30, 2012: ¥820 million (33.7%) As of June 30, 2011: ¥1,237 million 190.9%

|                             | Net income per share (¥) |         |
|-----------------------------|--------------------------|---------|
|                             | Basic                    | Diluted |
| Quarter ended June 30, 2012 | 19.00                    | —       |
| Quarter ended June 30, 2011 | 19.42                    | —       |

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 (¥) |
|----------------------|--------------|------------|--------------|--------------------------|
|                      | (¥ million)  |            |              |                          |
| As of June 30, 2012  | 108,035      | 84,703     | 78.2%        | 1,252.18                 |
| As of March 31, 2012 | 106,304      | 84,566     | 79.4%        | 1,250.11                 |

Note: Owners' equity

As of June 30, 2012: ¥84,510 million As of March 31, 2012: ¥84,374 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, 2012             | —                            | ¥9.00                   | —                       | ¥10.00   | ¥19.00 |
| Year ending March 31, 2013            | —                            | —                       | —                       | —        | —      |
| Year ending March 31, 2013 (forecast) | —                            | ¥10.00                  | —                       | ¥11.00   | ¥21.00 |

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

### 3. Business Forecast for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

|                   | Net sales   |      | Operating income |         | Ordinary income |         | Net income |         | Net income per share (¥) |
|-------------------|-------------|------|------------------|---------|-----------------|---------|------------|---------|--------------------------|
|                   | (¥ million) |      |                  |         |                 |         |            |         |                          |
| First-half period | 33,000      | 2.6% | 2,500            | (17.0%) | 2,600           | (17.0%) | 1,600      | (20.5%) | 23.71                    |
| Full term         | 69,100      | 2.7% | 6,400            | 6.4%    | 6,600           | 6.6%    | 4,200      | 13.0    | 62.23                    |

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: Yes

2. Changes in arising from other factors: None

3. Changes in accounting estimates: Yes

4. Restatement: None

(4) Number of shares outstanding (ordinary shares)

Number of shares outstanding (including treasury stock)

As of June 30, 2012: 70,251,484 shares

As of March 31, 2012: 70,251,484 shares

Number of shares of treasury stock

As of June 30, 2012: 2,760,640 shares

As of March 31, 2012: 2,757,573 shares

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

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

As of June 30, 2011: 67,509,004

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.

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future. 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<br>consolidated fiscal<br>year ended March<br>31, 2012 | As of 1st quarter<br>ended June 30, 2012 |
|------------------------------------|---|--|
| <b>Assets</b>                      |   |  |
| Current assets:                    |   |  |
| Cash and deposits                  | ¥12,387   | ¥13,635                                  |
| Notes and accounts receivable      | 31,988  | 31,568                                   |
| Marketable securities              | 7,599   | 7,649                                    |
| Merchandise and products           | 6,843   | 7,387                                    |
| Partially finished products        | 1,247   | 1,107                                    |
| Work in process                    | 189   | 403                                      |
| Materials and supplies             | 3,644   | 3,684                                    |
| Deferred tax assets                | 1,635   | 1,965                                    |
| Other current assets               | 796   | 1,200                                    |
| Allowance for doubtful accounts    | (0)   | (0)                                      |
| Total current assets               | 66,333  | 68,601                                   |
| Fixed assets:                      |   |  |
| Tangible fixed assets:             |   |  |
| Buildings and structures (net)     | 7,629   | 7,560                                    |
| Land                               | 8,030   | 8,030                                    |
| Other (net)                        | 2,175   | 2,190                                    |
| Total tangible fixed assets        | 17,835  | 17,780                                   |
| Intangible fixed assets            | 566   | 516                                      |
| Investments and other assets:      |   |  |
| Investment securities              | 11,170  | 10,468                                   |
| Deferred tax assets                | 199   | 451                                      |
| Long-term prepaid expenses         | 8,111   | 8,156                                    |
| Other                              | 2,123   | 2,083                                    |
| Allowance for doubtful accounts    | (37)  | (23)                                     |
| Total investments and other assets | 21,568  | 21,136                                   |
| Total fixed assets                 | 39,971  | 39,433                                   |
| Total assets                       | ¥106,304  | ¥108,035                                 |

(¥ million)

|   | As of previous<br>consolidated fiscal<br>year ended March<br>31, 2012 | As of 1st quarter<br>ended June 30, 2012 |
|---|---|--|
| <b>Liabilities</b>                                  |   |  |
| Current liabilities:                                |   |  |
| Notes and accounts payable                          | ¥5,019  | ¥5,729                                   |
| Accrued liabilities                                 | 3,104   | 3,112                                    |
| Income taxes payable                                | 1,294   | 965                                      |
| Reserve for bonuses                                 | 2,366   | 3,524                                    |
| Other current liabilities                           | 2,177   | 2,197                                    |
| Total current liabilities                           | 13,961  | 15,528                                   |
| Long-term liabilities:                              |   |  |
| Deferred tax liability                              | 0   | 0  |
| Reserve for retirement benefits                     | 7,357   | 7,394                                    |
| Other long-term liabilities                         | 418   | 409                                      |
| Total long-term liabilities                         | 7,776   | 7,803                                    |
| Total liabilities                                   | 21,738  | 23,332                                   |
| <b>Net assets</b>                                   |   |  |
| Shareholders' equity:                               |   |  |
| Common stock  | 5,174   | 5,174                                    |
| Capital surplus                                     | 4,445   | 4,445                                    |
| Retained earnings                                   | 73,541  | 74,149                                   |
| Treasury stock                                      | (2,075)   | (2,078)                                  |
| Total shareholders' equity                          | 81,085  | 81,690                                   |
| Accumulated other comprehensive income:             |   |  |
| Unrealized gain on available-for-sale securities    | 3,328   | 2,856                                    |
| Deferred gain on derivatives under hedge accounting | 1   | (0)                                      |
| Foreign currency translation adjustments            | (41)  | (35)                                     |
| Total accumulated other comprehensive income        | 3,289   | 2,820                                    |
| Minority interests                                  | 191   | 192                                      |
| Total net assets                                    | 84,566  | 84,703                                   |
| Total liabilities and net assets                    | ¥106,304  | ¥108,035                                 |

(2) Consolidated Statements of Income for the Quarter  
(Total for the consolidated period ended June 30, 2012)

(¥ million)

|   | 1st quarter ended<br>June 30, 2011 | 1st quarter ended<br>June 30, 2012 |
|---|------------------------------------|------------------------------------|
| Net sales   | ¥16,005                            | ¥16,554                            |
| Cost of sales                                       | 7,481                              | 8,111                              |
| Gross profit  | 8,524                              | 8,442                              |
| Selling, general and administrative expenses:       |                                    |                                    |
| Salaries and benefits                               | 1,563                              | 1,540                              |
| Provision for bonuses                               | 742                                | 756                                |
| Sales promotion expenses                            | 201                                | 204                                |
| Provision for retirement benefits                   | 266                                | 263                                |
| Depreciation  | 91                                 | 80                                 |
| R&D expenses  | 2,129                              | 1,993                              |
| Other   | 1,823                              | 1,886                              |
| Total general, selling, and administrative expenses | 6,818                              | 6,724                              |
| Operating income                                    | 1,706                              | 1,718                              |
| Non-operating income:                               |                                    |                                    |
| Interest income                                     | 4                                  | 6                                  |
| Dividend received                                   | 129                                | 141                                |
| Rent income   | 81                                 | 85                                 |
| Other   | 50                                 | 18                                 |
| Total non-operating income                          | 266                                | 251                                |
| Non-operating expenses:                             |                                    |                                    |
| Interest expenses                                   | 2                                  | 2                                  |
| Donation  | 25                                 | 9                                  |
| Foreign exchange loss                               | 36                                 | —                                  |
| Rent expenses                                       | 31                                 | 26                                 |
| Other   | 69                                 | 19                                 |
| Total non-operating expenses                        | 164                                | 57                                 |
| Ordinary income                                     | 1,808                              | 1,912                              |
| Income before income taxes and minority interests   | 1,808                              | 1,912                              |
| Income taxes – current                              | 930                                | 974                                |
| Income taxes – deferred                             | (439)                              | (351)                              |
| Total income taxes                                  | 490                                | 622                                |
| Income before minority interests                    | 1,317                              | 1,289                              |
| Minority net income                                 | 6                                  | 7                                  |
| Net income  | ¥1,311                             | ¥1,282                             |

(Consolidated Statements of Comprehensive Income)  
(Total for the consolidated period ended June 30, 2012)

(¥ million)

|   | 1st quarter ended<br>June 30, 2011 | 1st quarter ended<br>June 30, 2012 |
|---|------------------------------------|------------------------------------|
| Income before minority interests                          | ¥1,317                             | ¥1,289                             |
| Other comprehensive income                                |                                    |                                    |
| Unrealized loss on available-for-sale securities          | (80)                               | (472)                              |
| Deferred loss on derivatives under hedge accounting       | (0)                                | (1)                                |
| Foreign currency translation adjustments                  | 1                                  | 5                                  |
| Total other comprehensive income                          | (79)                               | (468)                              |
| Comprehensive income                                      | 1,237                              | 820                                |
| (Item)  |                                    |                                    |
| Comprehensive income attributable to owners of the parent | 1,231                              | 813                                |
| Comprehensive income attributable to minority interests   | ¥6                                 | ¥7                                 |