

Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2021

August 10, 2021

Name of the listed company: **NIPPON SHINYAKU CO., LTD.**

Listing stock exchange: Tokyo

Code No.: 4516

URL <http://www.nippon-shinyaku.co.jp/>

Representative: Toru Nakai, President and Representative Director

Contact: Hideyuki Fujii, Department Manager and Finance & Accounting Dept.

Tel. +81-75-321-9114

Scheduled date for submission of quarterly Securities Report: August 12, 2021

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, 2021 (April 1, 2021 to June 30, 2021)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Quarter ended June 30, 2021	41,157	37.6%	16,448	118.6%	16,598	114.9%	12,341	111.5%
Quarter ended June 30, 2020	29,913	1.8%	7,522	16.6%	7,723	17.3%	5,835	17.9%

Note: Comprehensive income

As of June 30, 2021: ¥11,289 million 64.1%

As of June 30, 2020: ¥6,880 million 77.1%

	Net income per share (¥)	
	Basic	Diluted
Quarter ended June 30, 2021	183.24	—
Quarter ended June 30, 2020	86.64	—

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 (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of June 30, 2021	200,114	170,465	85.0%	2,526.55
As of March 31, 2021	197,028	162,543	82.4%	2,409.01

Note: Owners' equity

As of June 30, 2021: ¥170,171 million

As of March 31, 2021: ¥162,254 million

2. Dividends

	Cash dividends per share (¥)				
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Annual
Year ended March 31, 2021	—	¥49.00	—	¥50.00	¥99.00
Year ending March 31, 2022	—				
Year ending March 31, 2022 (forecast)		¥51.00	—	¥52.00	¥103.00

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

3. Business Forecast for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share (¥)
First-half period	69,500	20.2%	18,000	61.6%	18,200	61.8%	13,000	61.0%	193.01
Full term	135,000	10.8%	28,000	7.1%	28,500	6.5%	21,000	1.4%	311.79

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, 2021: 70,251,484 shares

As of March 31, 2021: 70,251,484 shares

Number of shares of treasury stock

As of June 30, 2021: 2,898,203 shares

As of March 31, 2021: 2,898,183 shares

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

As of June 30, 2021: 67,353,291 shares

As of June 30, 2020: 67,353,706 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

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	47,770	49,415
Notes and accounts receivable	39,289	41,318
Electronically recorded monetary claims	508	453
Securities	13,029	13,029
Merchandise and finished goods	18,292	17,227
Semi-finished goods	6,050	6,292
Work in process	890	1,092
Raw materials and supplies	10,291	10,888
Other	2,968	3,287
Allowance for doubtful accounts	(0)	(0)
Total current assets	139,090	143,004
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,010	8,900
Land	7,430	7,430
Other, net	4,866	5,238
Total property, plant and equipment	21,306	21,569
Intangible assets	677	711
Investments and other assets		
Investment securities	22,113	20,476
Deferred tax assets	1,518	2,004
Long-term prepaid expenses	9,390	9,016
Retirement benefit asset	621	1,022
Other	2,310	2,307
Total investments and other assets	35,954	34,827
Total non-current assets	57,937	57,109
Total assets	197,028	200,114

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable	9,543	9,069
Accounts payable	8,131	5,612
Income taxes payable	6,679	4,319
Provision for bonuses	3,096	4,630
Other	4,064	2,958
Total current liabilities	31,514	26,590
Non-current liabilities		
Retirement benefit liability	2,646	2,733
Other	324	324
Total non-current liabilities	2,970	3,058
Total liabilities	34,485	29,648
Net assets		
Shareholders' equity		
Share capital	5,174	5,174
Capital surplus	4,445	4,445
Retained earnings	147,391	156,366
Treasury shares	(2,476)	(2,476)
Total shareholders' equity	154,535	163,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,911	7,779
Deferred gains or losses on hedges	11	6
Foreign currency translation adjustment	(96)	(72)
Remeasurements of defined benefit plans	(1,107)	(1,051)
Total accumulated other comprehensive income	7,719	6,661
Non-controlling interests	288	294
Total net assets	162,543	170,465
Total liabilities and net assets	197,028	200,114

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	29,913	41,157
Cost of sales	12,818	13,231
Gross profit	17,094	27,925
Selling, general and administrative expenses		
Salaries and allowances	1,913	2,068
Provision for bonuses	990	1,022
Promotion expenses	1,223	1,311
Retirement benefit expenses	139	127
Depreciation	89	92
Research and development expenses	2,836	3,699
Other	2,379	3,156
Total selling, general and administrative expenses	9,571	11,477
Operating profit	7,522	16,448
Non-operating income		
Interest income	3	3
Dividend income	261	231
Rental income	117	115
Other	44	20
Total non-operating income	427	369
Non-operating expenses		
Interest expenses	0	0
Donations	151	130
Rental expenses	35	32
Foreign exchange losses	5	26
Other	33	29
Total non-operating expenses	226	220
Ordinary profit	7,723	16,598
Profit before income taxes	7,723	16,598
Income taxes - current	2,425	4,263
Income taxes - deferred	(543)	(12)
Total income taxes	1,882	4,250
Profit	5,841	12,347
Profit attributable to non-controlling interests	5	5
Profit attributable to owners of parent	5,835	12,341

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	5,841	12,347
Other comprehensive income		
Valuation difference on available-for-sale securities	983	(1,132)
Deferred gains or losses on hedges	9	(5)
Foreign currency translation adjustment	(0)	24
Remeasurements of defined benefit plans, net of tax	46	56
Total other comprehensive income	1,038	(1,057)
Comprehensive income	6,880	11,289
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,874	11,284
Comprehensive income attributable to non-controlling interests	5	5