

## Outline of Consolidated Financial Results for the First Quarter Ended June 30, 2011

August 5, 2011

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  
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 Scheduled date for submission of quarterly Securities Report: August 9, 2011  
 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, 2011 (April 1, 2011 to June 30, 2011)

	(¥ million)							
	Net sales		Operating income		Ordinary income		Net income for quarter	
Quarter ended June 30, 2011	16,005	1.1%	1,706	(9.6%)	1,808	(6.6%)	1,311	(2.2%)
Quarter ended June 30, 2010	15,827	0.3%	1,888	(11.1%)	1,935	(13.9%)	1,341	(9.1%)

Note: Comprehensive income

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

As of June 30, 2010: ¥425 million (—%)

	Net income per share (¥)	
	Basic	Diluted
Quarter ended June 30, 2011	19.42	—
Quarter ended June 30, 2010	19.85	—

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, 2011	105,075	82,246	78.1%	1,215.69
As of March 31, 2011	102,737	81,692	79.3	1,207.43

Note: Owners' equity

As of June 30, 2011: ¥ 82,067 million

As of March 31, 2011: ¥ 81,515 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, 2011	—	¥9.00	—	¥10.00	¥19.00
Year ending March 31, 2012	—	—	—	—	—
Year ending March 31, 2012 (forecast)	—	¥9.00	—	¥10.00	¥19.00

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

### 3. Business Forecast for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

	(¥ million)								
	Net sales		Operating income		Ordinary income		Net income		Net income per share (¥)
First-half period	31,900	4.9%	2,500	12.1%	2,700	11.5%	1,700	17.2%	25.18
Full term	66,500	4.7%	5,500	6.2%	5,800	5.9%	3,600	(9.1%)	53.33

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, 2011: 70,251,484 shares

As of March 31, 2011: 70,251,484 shares

Number of shares of treasury stock

As of June 30, 2011: 2,744,503 shares

As of March 31, 2011: 2,740,568 shares

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

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

As of June 30, 2010: 67,543,276 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 consolidated fiscal year ended March 31, 2011	As of 1st quarter ended June 30, 2011
<b>Assets</b>		
Current assets:		
Cash and deposits	¥11,424	¥11,207
Notes and accounts receivable	27,573	28,053
Marketable securities	7,009	9,239
Merchandise and products	6,908	7,520
Partially finished products	1,029	777
Work in process	362	369
Materials and supplies	3,248	2,974
Deferred tax assets	1,518	2,002
Other current assets	1,675	1,671
Allowance for doubtful accounts	(0)	(0)
Total current assets	60,749	63,816
Fixed assets:		
Tangible fixed assets:		
Buildings and structures (net)	8,224	8,029
Land	8,118	8,118
Other (net)	2,480	2,335
Total tangible fixed assets	18,823	18,484
Intangible fixed assets	672	632
Investments and other assets:		
Investment securities	11,002	10,846
Deferred tax assets	450	469
Long-term prepaid expenses	8,866	8,661
Other	2,210	2,202
Allowance for doubtful accounts	(37)	(37)
Total investments and other assets	22,492	22,141
Total fixed assets	41,988	41,258
Total assets	¥102,737	¥ 105,075

(¥ million)

	As of previous consolidated fiscal year ended March 31, 2011	As of 1st quarter ended June 30, 2011
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable	¥5,297	¥5,446
Accrued liabilities	2,805	2,856
Income taxes payable	598	975
Reserve for bonuses	2,319	3,477
Other current liabilities	1,881	1,998
Total current liabilities	12,902	14,754
Long-term liabilities:		
Deferred tax liability	0	0
Reserve for retirement benefits	7,718	7,631
Other long-term liabilities	423	443
Total long-term liabilities	8,142	8,074
Total liabilities	21,044	22,828
<b>Net assets</b>		
Shareholders' equity:		
Common stock	5,174	5,174
Capital surplus	4,444	4,444
Retained earnings	71,108	71,744
Treasury stock	(2,058)	(2,062)
Total shareholders' equity	78,669	79,301
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	2,880	2,799
Deferred gain on derivatives under hedge accounting	2	1
Foreign currency translation adjustments	(36)	(34)
Total accumulated other comprehensive income	2,845	2,765
Minority interests	177	178
Total net assets	81,692	82,246
Total liabilities and net assets	¥102,737	¥105,075

(2) Consolidated Statements of Income for the Quarter  
(Total for the consolidated period ended June 30, 2011)

(¥ million)

	1st quarter ended June 30, 2010	1st quarter ended June 30, 2011
Net sales	¥ 15,827	¥16,005
Cost of sales	7,264	7,481
Gross profit	8,562	8,524
Reversal of reserve for sales returns	25	—
Balance of gross profit	8,587	8,524
Selling, general and administrative expenses:		
Salaries and benefits	1,522	1,563
Provision for bonuses	759	742
Sales promotion expenses	262	201
Provision for retirement benefits	261	266
Depreciation	92	91
R&D expenses	1,979	2,129
Other	1,823	1,823
Total general, selling, and administrative expenses	6,699	6,818
Operating income	1,888	1,706
Non-operating income:		
Interest income	9	4
Dividend received	224	129
Rent income	92	81
Other	91	50
Total non-operating income	418	266
Non-operating expenses:		
Interest expenses	2	2
Donation	21	25
Foreign exchange loss	294	36
Loss on disposal of fixed assets	4	0
Rent expenses	27	31
Other	20	68
Total non-operating expenses	371	164
Ordinary income	1,935	1,808
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations	133	—
Total extraordinary loss	133	—
Income before income taxes and minority interests	1,802	1,808
Income taxes – current	951	930
Income taxes – deferred	(495)	(439)
Total income taxes	456	490
Income before minority interests	1,346	1,317
Minority net income	5	6
Net income	¥1,341	¥1,311

(Consolidated Statements of Comprehensive Income)  
(Total for the consolidated period ended June 30, 2011)

(¥ million)

	1st quarter ended June 30, 2010	1st quarter ended June 30, 2011
Income before minority interests	¥1,346	¥1,317
Other comprehensive income		
Unrealized loss on available-for-sale securities	(911)	(80)
Deferred loss on derivatives under hedge accounting	(10)	(0)
Foreign currency translation adjustments	1	1
Total other comprehensive income	(920)	(79)
Comprehensive income	425	1,237
(Item)		
Comprehensive income attributable to owners of the parent	420	1,231
Comprehensive income attributable to minority interests	¥5	¥6