

Outline of Consolidated Financial Results for the Year Ended March 31, 2013

NIPPON SHINYAKU CO., LTD.



Operating Results

(Million yen)

	FY2011		FY2012		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	67,304	100.0%	69,941	100.0%	2,636	3.9%
Operating income	6,012	8.9%	6,901	9.9%	888	14.8%
Ordinary income	6,193	9.2%	7,209	10.3%	1,015	16.4%
Net income	3,715	5.5%	4,647	6.6%	931	25.1%



Segmental Review

— Pharmaceuticals —

(Million yen)

	FY2011		FY2012		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	54,235	97.3%	57,344	98.3%	3,109	5.7%
Revenues from the licensing of industrial property rights	116	0.2%	104	0.2%	Δ 12	Δ 10.8%
Prulifloxacin	1,209	2.2%	664	1.1%	Δ 544	Δ 45.0%
Contract manufacturing business	185	0.3%	204	0.4%	19	10.7%
Net sales	55,746	100.0%	58,318	100.0%	2,572	4.6%

Increase in sales:

- **Vidaza (+2,438 million yen, +53.3%)**
(Remedy for myelodysplastic syndromes)
- **Erizas (+1,419 million yen, +195.3%)**
(Dry Powder Inhaler for Allergic Rhinitis)
- **Lunabell (+875 million yen, +23.3%)**
(Remedy for dysmenorrhea)
- **Adcirca (+787 million yen, +69.9%)**
(Pulmonary arterial hypertension treatment agent)

etc.

Decrease in sales:

- **Hypen (Δ1,027 million yen, Δ23.5%)**
(Non-steroidal analgesic and anti-inflammatory agent)
- **Eviprostat (Δ791 million yen, Δ13.3%)**
(Remedy for benign prostatic hyperplasia)

etc.



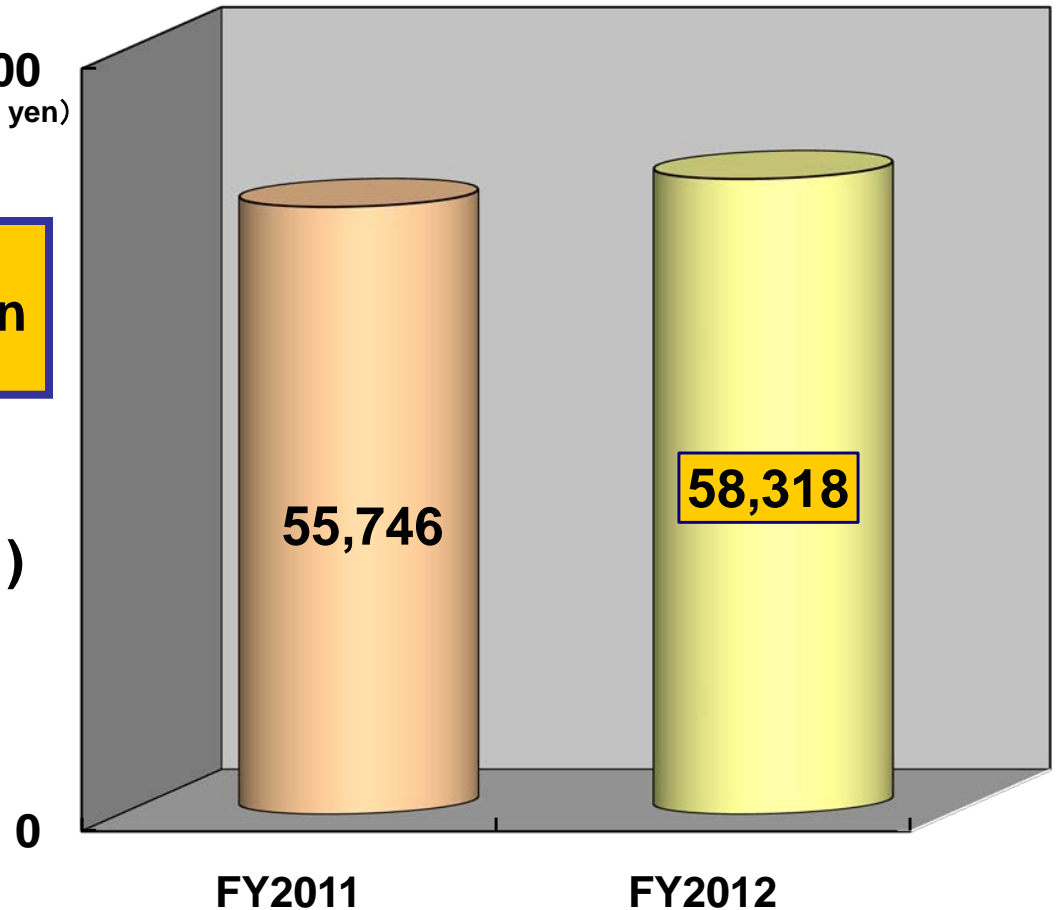
Segmental Review

— Pharmaceuticals —

Net sales 58,318 million yen

**Year-on-Year change
+ 2,572 million yen (+4.6%)**

70,000
(Million yen)





Segmental Review

— Functional Food —

(Million yen)

	FY2011		FY2012		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Health food ingredients	904	7.8%	886	7.6%	△ 18	△2.0%
Preservatives	1,566	13.6%	1,682	14.5%	115	7.4%
Protein preparations	5,818	50.3%	5,820	50.1%	1	0.0%
Nutritional ingredients	1,736	15.0%	1,817	15.6%	80	4.6%
Others	1,534	13.3%	1,417	12.2%	△ 114	△7.5%
Net sales	11,558	100.0%	11,622	100.0%	64	0.6%



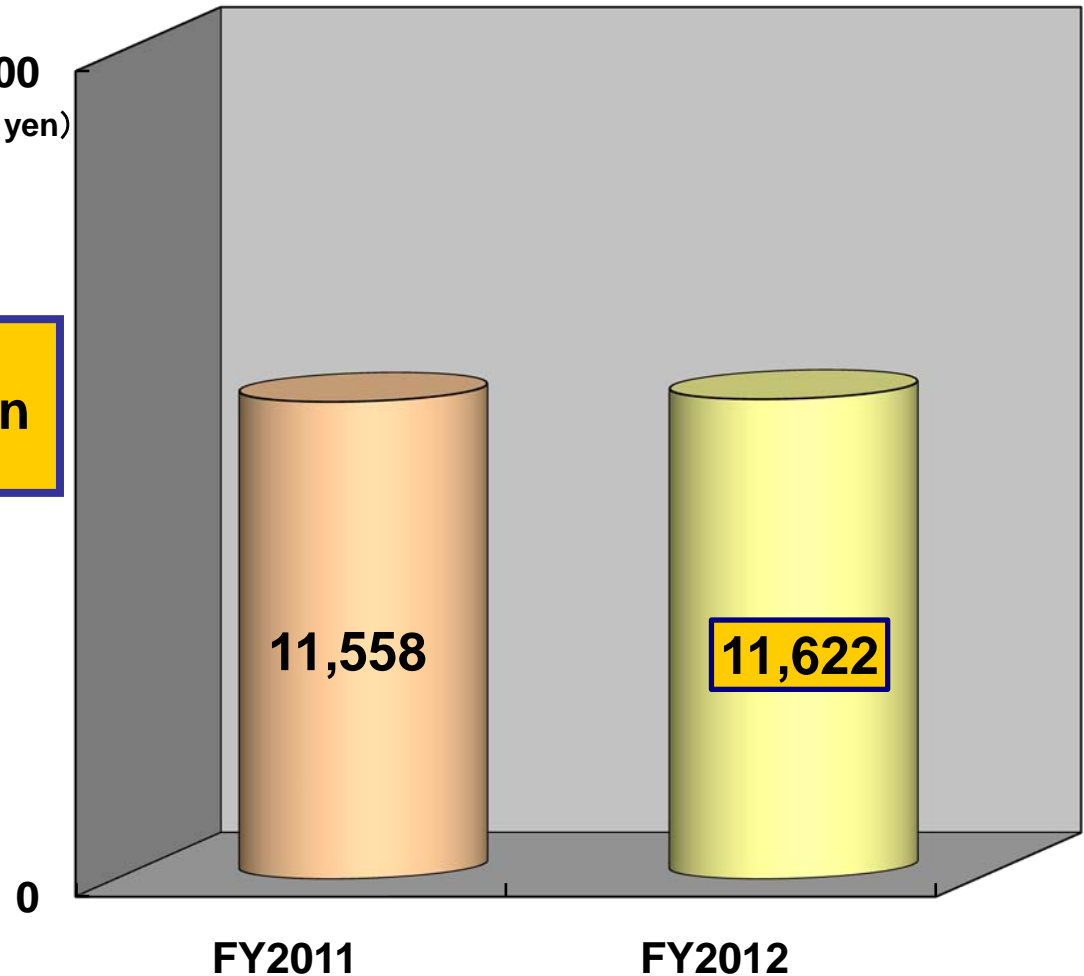
Segmental Review

— Functional Food —

Net sales 11,622 million yen

Year-on-Year change
+ 64 million yen (+0.6%)

20,000
(Million yen)



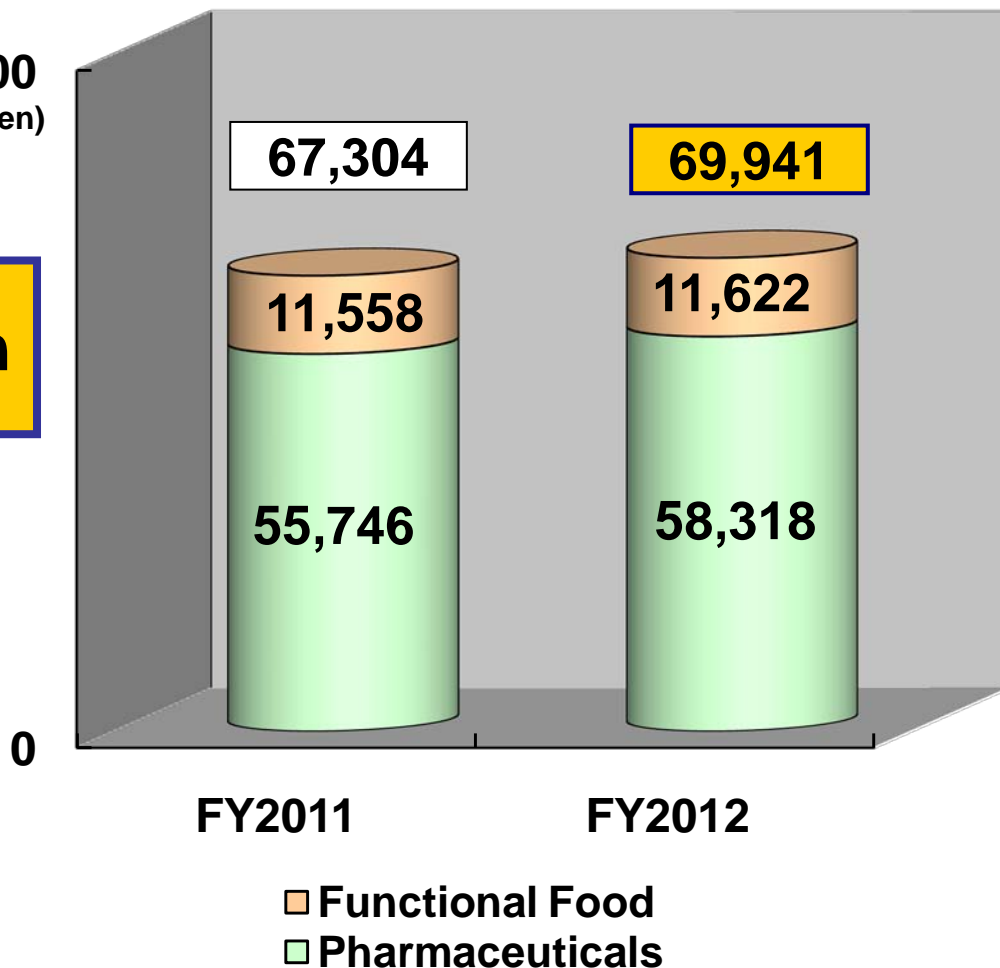


Net Sales

100,000
(Million yen)

Net sales 69,941 million yen

Year-on-Year change
+ 2,636 million yen (+3.9%)





Consolidated Statements of Income ①

(Million yen)

	FY2011		FY2012		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	67,304	100.0%	69,941	100.0%	2,636	3.9%
Pharmaceuticals	55,746	82.8%	58,318	83.4%	2,572	4.6%
Functinal Food	11,558	17.2%	11,622	16.6%	64	0.6%
Operating expenses	61,291	91.1%	63,040	90.1%	1,748	2.9%
Cost of sales	32,702	48.6%	34,776	49.7%	2,073	
SG&A expenses	19,174	28.5%	19,214	27.5%	39	
R&D expenses	9,414	14.0%	9,049	12.9%	△ 364	
Operating income	6,012	8.9%	6,901	9.9%	888	14.8%



Consolidated Statements of Income ②

(Million yen)

	FY2011		FY2012		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Operating income	6,012	8.9%	6,901	9.9%	888	14.8%
Non-operating income	858	1.3%	846	1.2%	△ 11	△1.4%
Non-operating expenses	677	1.0%	538	0.8%	△ 139	△20.5%
Ordinary income	6,193	9.2%	7,209	10.3%	1,015	16.4%
Extraordinary profit	-	-	77	0.1%	77	-
Extraordinary loss	-	-	-	-	-	-
Net income	3,715	5.5%	4,647	6.6%	931	25.1%



Dividends

		FY2011	FY2012
Dividends per share	Interim	¥9	¥10
	Year-end	¥10	¥11
	Annual	¥19	¥21
EPS		¥55.04	¥68.87
Dividends payout ratio		34.5 %	30.5 %
DOE		1.5 %	1.6 %



Consolidated Balance Sheet

(Million yen)

	FY2011	FY2012	YoY Change		FY2011	FY2012	YoY Change
	4Q	4Q	Amt		4Q	4Q	Amt
Assets	106,304	113,730	7,426	Liabilities	21,738	24,201	2,462
(Current assets)	66,333	70,932	4,599	(Current liabilities)	13,961	15,677	1,716
(Fixed assets)	39,971	42,798	2,827	(Long-term liabilities)	7,776	8,523	746
				Net assets	84,566	89,529	4,963
Total Assets	106,304	113,730	7,426	Total liabilities and net assets	106,304	113,730	7,426



Consolidated Statements of Cash Flows

(Million yen)

	FY2011	FY2012	YoY Change
	Results	Results	Amt
Operating activities	3,658	3,767	109
Investing activities	Δ 759	Δ 2,026	Δ 1,267
Financing activities	Δ 1,341	Δ 1,413	Δ 72
Cash and cash equivalents at end of year	19,665	20,044	379



Capital Investment

(Million yen)

	Results		
	FY2011	FY2012	Amt Chg
Capital investment	967	1,332	365
Depreciation	2,948	2,759	△ 189

Breakdown of Capital Investment

(Million yen)

	Results		
	FY2011	FY2012	Amt Chg
<NIPPON SHINYAKU CO.,LTD.>	841	1,182	341
Production	415	193	△ 222
R&D	342	532	190
Others	84	457	373
<Sioe Pharmaceutical Co.,Ltd.>	70	49	△ 21
<Tajima Shokuhin Kogyo Co.,Ltd.>	56	101	45
Total capital investment	967	1,332	365



Business Forecast for FY2013

(Million yen)

	FY2012		FY2013		YoY Change	
	Results	Ratio	Forecast	Ratio	Amt	%
Net sales	69,941	100.0%	74,300	100.0%	4,359	6.2%
Operating income	6,901	9.9%	7,600	10.2%	699	10.1%
Ordinary income	7,209	10.3%	7,900	10.6%	691	9.6%
Net income	4,647	6.6%	5,400	7.3%	753	16.2%



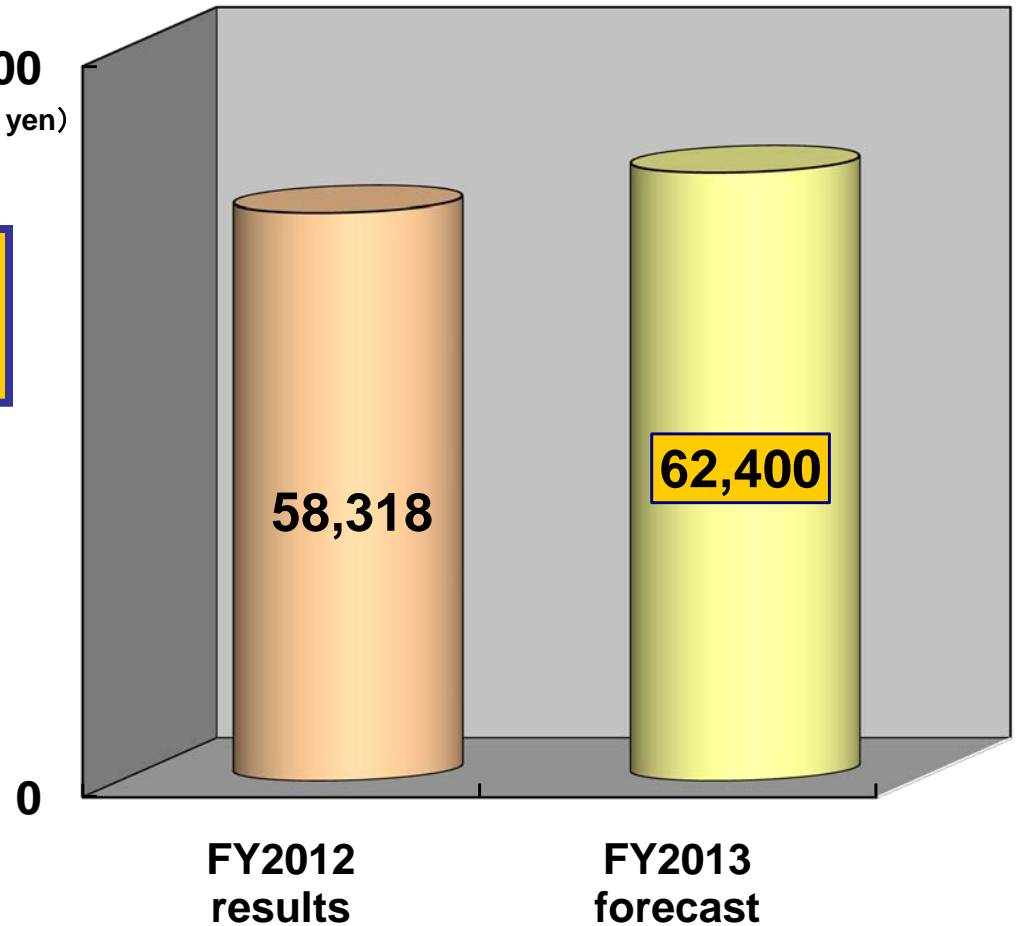
Segmental Forecast

— Pharmaceuticals —

Net sales 62,400 million yen

**Year-on-Year change
+4,082 million yen (+7.0%)**

75,000
(Million yen)





Segmental Forecast

— Pharmaceuticals —

(Million yen)

	FY2012		FY2013		YoY Change	
	Results	Ratio	Forecast	Ratio	Amt	%
Ethical drugs	57,344	98.3%	61,300	98.2%	3,956	6.9%
Revenues from the licensing of industrial property rights	104	0.2%	100	0.2%	Δ 4	Δ 3.9%
Prulifloxacin	664	1.1%	800	1.3%	136	20.3%
Contract manufacturing business	204	0.4%	200	0.3%	Δ 4	Δ 2.3%
Net sales	58,318	100.0%	62,400	100.0%	4,082	7.0%

YoY change(estimated)

- Vidaza (+42.5%)
- Lunabell (+12.4%)
- Cialis (+6.8%)
- Erizas (+39.8%)
- Adcirca (+41.1%)
- Tramal (+382.3%)

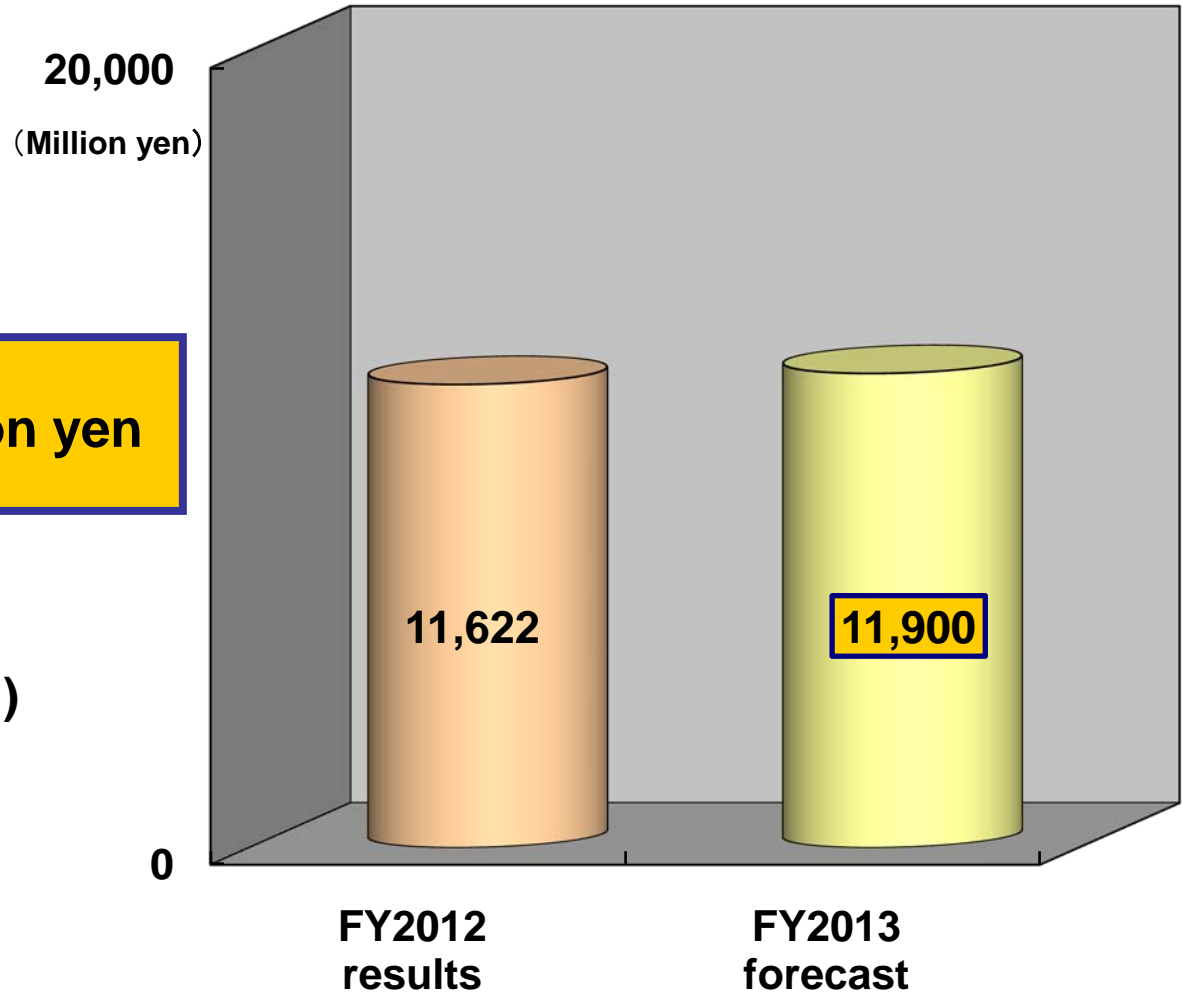


Segmental Forecast

— Functional Food —

Net sales 11,900 million yen

Year-on-Year change
+ 278 million yen (+2.4%)





Segmental Forecast

— Functional Food —

(Million yen)

	FY2012		FY2013		YoY Change	
	Results	Ratio	Forecast	Ratio	Amt	%
Health food ingredients	886	7.6%	900	7.6%	14	1.6%
Preservatives	1,682	14.5%	1,750	14.7%	68	4.0%
Protein preparations	5,820	50.1%	6,150	51.7%	330	5.7%
Nutritional ingredients	1,817	15.6%	1,620	13.6%	Δ 197	Δ 10.8%
Others	1,417	12.3%	1,480	12.4%	63	4.4%
Net sales	11,622	100.0%	11,900	100.0%	278	2.4%



Consolidated Statements of Income (Forecast) ①

(Million yen)

	FY2012		FY2013		YoY Change	
	Results	Ratio	Forecast	Ratio	Amt	%
Revenue						
Net sales	69,941	100.0%	74,300	100.0%	4,359	6.2%
Pharmaceuticals	58,318	83.4%	62,400	84.0%	4,082	7.0%
Functinal Food	11,622	16.6%	11,900	16.0%	278	2.4%
Operating expenses	63,040	90.1%	66,700	89.8%	3,660	5.8%
Cost of sales	34,776	49.7%	37,100	49.9%	2,324	
SG&A expenses	19,214	27.5%	19,900	26.8%	686	
R&D expenses	9,049	12.9%	9,700	13.1%	651	
Operating income	6,901	9.9%	7,600	10.2%	699	10.1%



Consolidated Statements of Income (Forecast) ②

(Million yen)

	FY2012		FY2013		YoY Change	
	Results	Ratio	Forecast	Ratio	Amt	%
Operating income	6,901	9.9%	7,600	10.2%	699	10.1%
Non-operating income	846	1.2%	800	1.1%	△ 46	△ 5.5%
Non-operating expenses	538	0.8%	500	0.7%	△ 38	△ 7.1%
Ordinary income	7,209	10.3%	7,900	10.6%	691	9.6%
Extraordinary profit	77	0.1%	-	-	△ 77	-
Extraordinary loss	-	-	-	-	-	-
Net income	4,647	6.6%	5,400	7.3%	753	16.2%



Dividends Forecast

		FY2012	FY2013
Dividends per share	Interim	¥10	¥11
	Year-end	¥11	¥12
	Annual	¥21	¥23
EPS		¥68.87	¥80.03
Dividends payout ratio		30.5 %	28.7 %



Capital Investment Plan

(Million yen)

	FY2012 Results	FY2013 Forecast	Amt Chg
Capital investment	1,332	1,200	Δ 132
Depreciation	2,759	2,800	40

Breakdown of Capital investment

(Million yen)

	FY2012 Results	FY2013 Forecast	Amt Chg
<NIPPON SHINYAKU CO.,LTD.>	1,182	1,070	Δ 112
Production	193	120	Δ 73
R&D	532	730	198
Others	457	220	Δ 237
<Sioe Pharmaceutical Co.,Ltd.>	49	40	Δ 9
<Tajima Shokuhin Kogyo Co.,Ltd.>	101	90	Δ 11
Total capital investment	1,332	1,200	Δ 132

Status of Development Pipeline







R&D Compounds(Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2011	FY2012	FY2013	FY2014
NS-11 (acamprosatecalcium) <in-licence>	NME	support maintenance of abstinence from alcohol in patients with alcohol dependence	Approval	NDA Filing	Approval		
NS-315 (tramadol hydrochloride) <in-licence>	new indication	chronic pain	Pre-registration	P III	NDA Filing	Approval Planned	
LY450190 (tadalafil) <in-licence>	new indication	urinary disorder caused by benign prostatic hyperplasia	Pre-registration	Eli Lilly Japan k.k. P III	NDA Filing		
NS-24 (tramadol hydrochloride) <in-licence>	new formulation	cancer pain chronic pain	P III	P I	P III		NDA Filing
ACT-064992 (macitentan) <in-licence>	NME	pulmonary arterial hypertension	P III		P III		NDA Filing
GA101 (obinutuzumab) <in-licence>	NME	indolent non-Hodgkin's lymphoma aggressive non-Hodgkin's lymphoma	P III	P III			



R&D Compounds(Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2011	FY2012	FY2013	FY2014
NS-304 (selexipag) <in-house>	NME	pulmonary arterial hypertension	P II				NDA Filing
		chronic thromboembolic pulmonary hypertension	P II				
NS-141 <in-house>	NME	pruritus associated with atopic dermatitis	P II				
NS-986 <in-licence>	NME	nocturia	Preparation for P II			P II Planned	



R&D Compounds(Overseas)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2011	FY2012	FY2013	FY2014
prulifloxacin <in-house>	NME	bacterial infections	Korea Approval	Yuhan			
			China Preparation for P III	Lee's Pharma	P III Planned		NDA Filing
NS-304 (selexipag) <in-house>	NME	pulmonary arterial hypertension	US/EU P III	Actelion P III			NDA Filing
NS-187 (bafetinib) <in-house>	NME	B-cell chronic lymphocytic leukemia	US P II	CytRx社 P II			
		chronic myelogenous leukemia	US/EU Preparation for P II				
NS-018 <in-house>	NME	myelofibrosis	US P I / P II				



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