

Outline of Consolidated Financial Results for the 1st Quarter Ended June 30, 2014

August 8, 2014
NIPPON SHINYAKU CO., LTD.



Operating Results

(Million yen)

	1QFY2013		1QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt chg	%
Net sales	17,616	100.0%	17,939	100.0%	322	1.8%
Operating income	1,401	8.0%	814	4.5%	-587	-41.9%
Ordinary income	1,549	8.8%	1,030	5.7%	-519	-33.5%
Net income for the Quarter	1,173	6.7%	692	3.9%	-480	-41.0%



Segmental Review

— Pharmaceuticals —

(Million yen)

	1QFY2013		1QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt chg	%
Ethical drugs	14,087	97.6%	14,324	99.2%	237	1.7%
Revenues from the licensing of industrial property rights	15	0.1%	7	0.1%	-8	-52.7%
Prulifloxacin	265	1.8%	107	0.7%	-157	-59.5%
Contract manufacturing business	63	0.5%	4	0.0%	-59	-92.7%
Net sales for the Quarter	14,431	100.0%	14,444	100.0%	12	0.1%

Increase in sales:

- **Tramal (+373 Million yen, +245.2%)**
(Remedy for cancer pain and chronic pain)
- **Vidaza (+196 Million yen, +8.9%)**
(Remedy for myelodysplastic syndrome)

New product:

- **Zalutia (+497 Million yen)**
(Remedy for urinary disorder caused by benign prostatic hyperplasia)

etc.

Decrease in sales:

- **Gaslon N (-274 Million yen, -22.9%)**
(Remedy for gastric ulcer and gastritis)
- **Hypen (-233 Million yen, -30.0%)**
(Non-steroidal analgesic and anti-inflammatory agent)

etc.

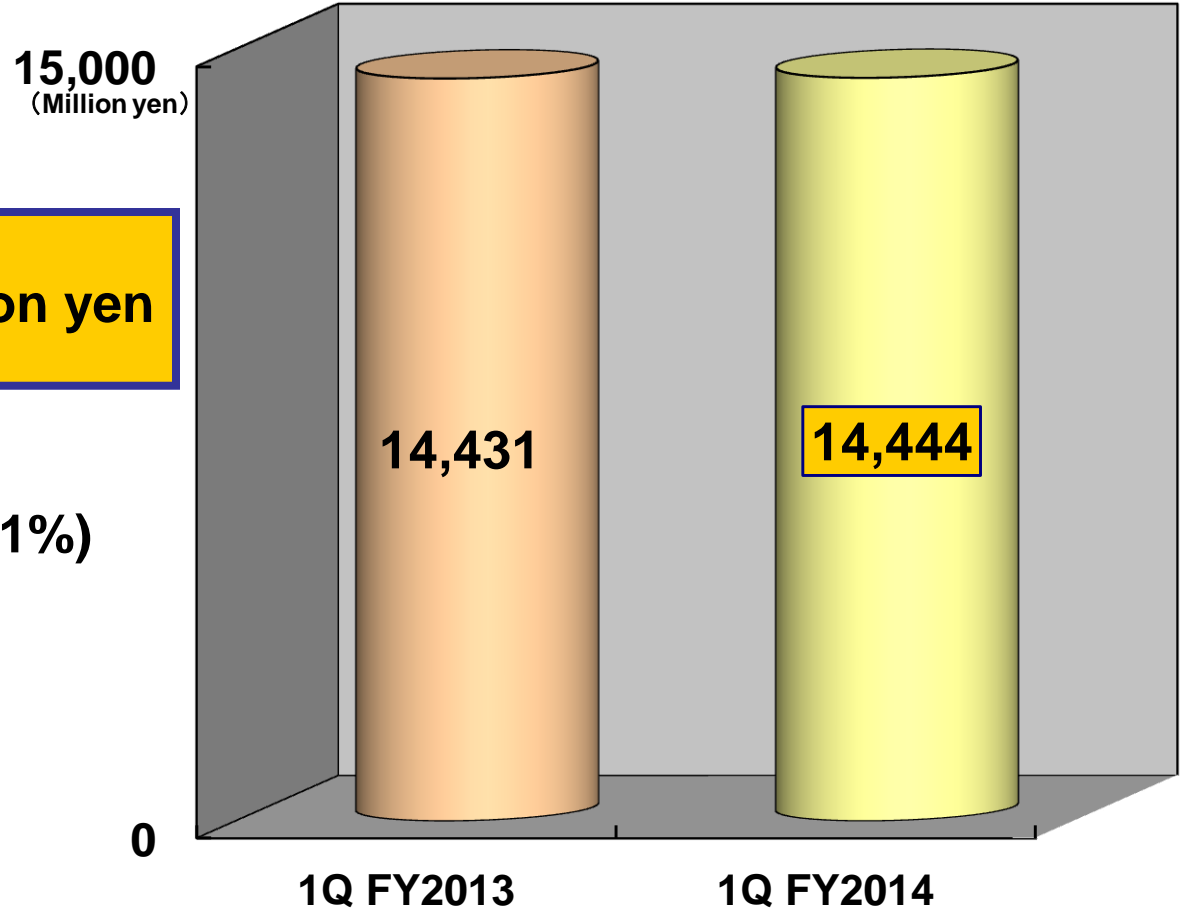


Segmental Review

— Pharmaceuticals —

Net sales 14,444 million yen

**Year-on-Year change
+ 12 million yen (+0.1%)**





Segmental Review

— Functional Food —

(Million yen)

	1QFY2013		1QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt chg	%
Health food ingredients	207	6.5%	182	5.2%	-24	-11.7%
Preservatives	406	12.8%	439	12.6%	33	8.2%
Nutritional ingredients	477	15.0%	606	17.4%	129	27.2%
Protein preparations	1,740	54.6%	1,873	53.6%	132	7.6%
Others	353	11.1%	392	11.2%	38	10.9%
Net sales for the Quarter	3,184	100.0%	3,494	100.0%	310	9.7%



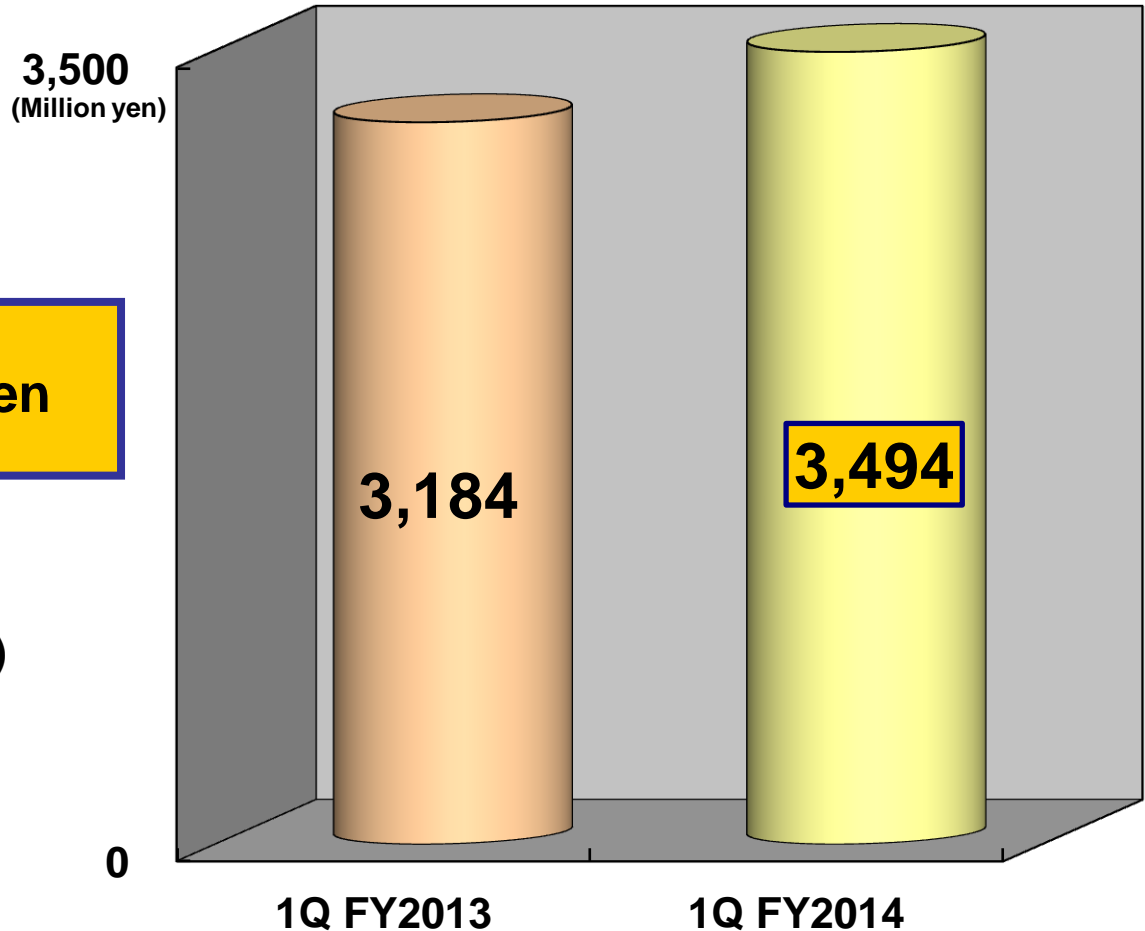
Segmental Review

— Functional Food —

Net sales 3,494 million yen

Year-on-Year change

+310 million yen (+9.7%)

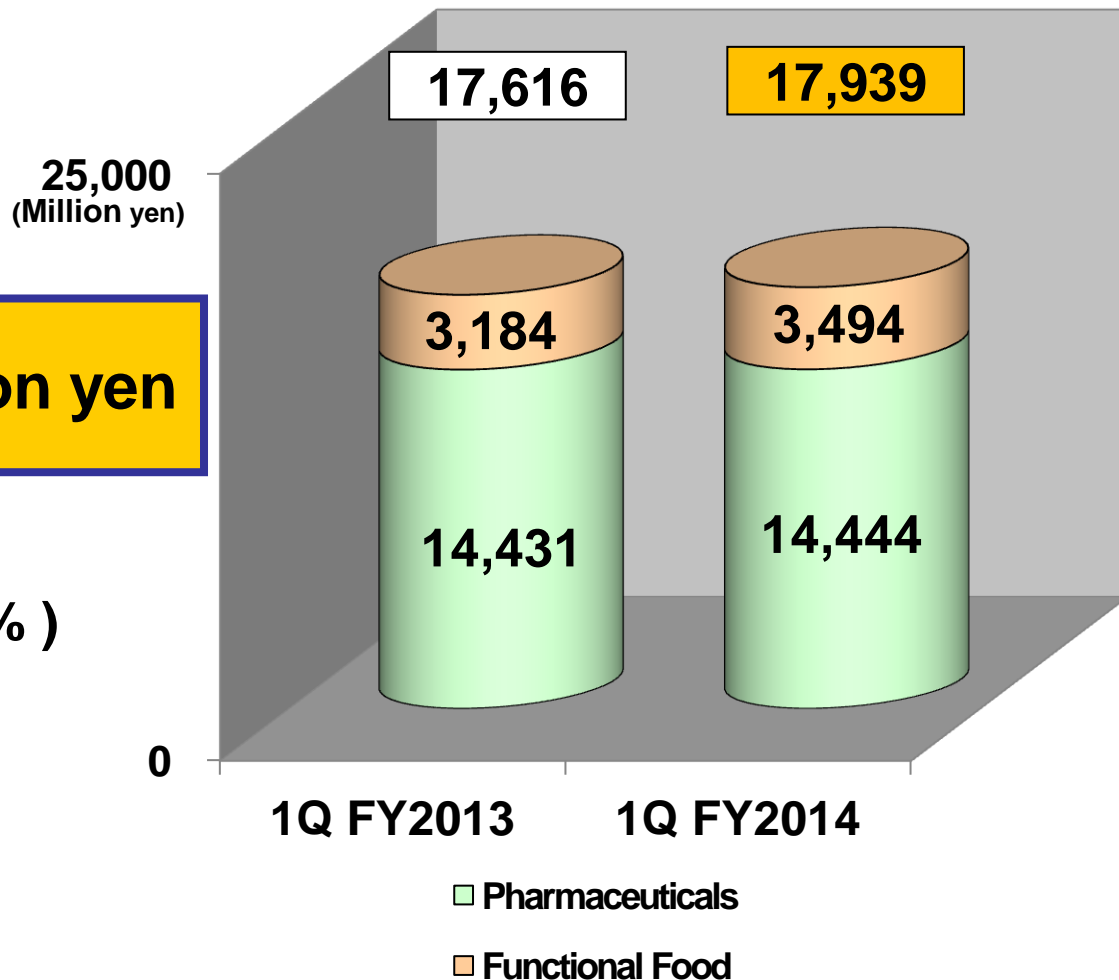




Net Sales

Net sales 17,939 million yen

**Year-on-Year change
+322 million yen (+1.8%)**





Consolidated Statements of Income for the Quarter

(Million yen)

	1QFY2013		1QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt chg	%
Revenue						
Net sales	17,616	100.0%	17,939	100.0%	322	1.8%
Pharmaceuticals	14,431	81.9%	14,444	80.5%	12	0.1%
Functinal Food	3,184	18.1%	3,494	19.5%	310	9.7%
Operating expenses	16,214	92.0%	17,124	95.5%	909	5.6%
Cost of sales	9,113	51.7%	9,513	53.0%	399	
SG&A expenses	4,777	27.1%	5,405	30.2%	627	
R&D expenses	2,323	13.2%	2,206	12.3%	-117	
Operating income	1,401	8.0%	814	4.5%	-587	-41.9%



Consolidated Statements of Income for the Quarter

(Million yen)

	1QFY2013		1QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt chg	%
Operating income	1,401	8.0%	814	4.5%	-587	-41.9%
Non-operating income	265	1.5%	302	1.7%	37	14.2%
Non-operating expenses	117	0.7%	87	0.5%	-30	-25.8%
Ordinary income	1,549	8.8%	1,030	5.7%	-519	-33.5%
Income taxes	376	2.1%	337	1.9%	-38	-10.2%
Net income for the Quarter	1,173	6.7%	692	3.9%	-480	-41.0%



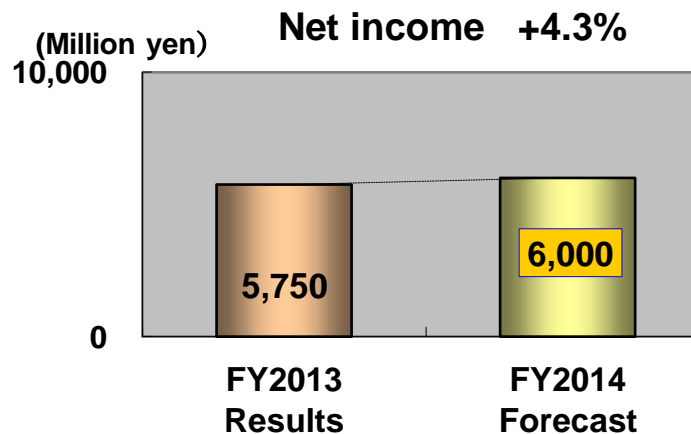
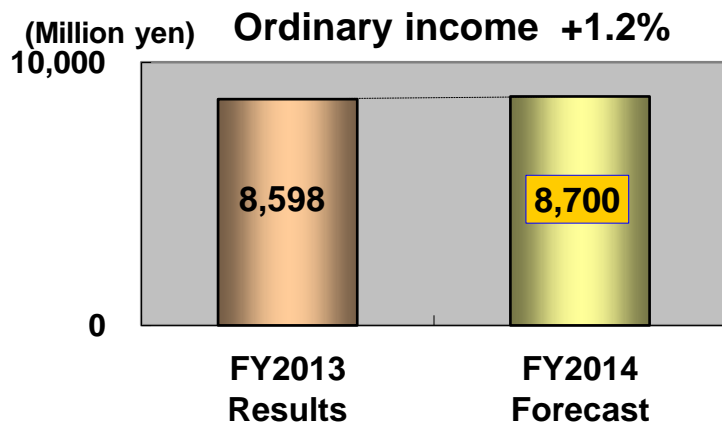
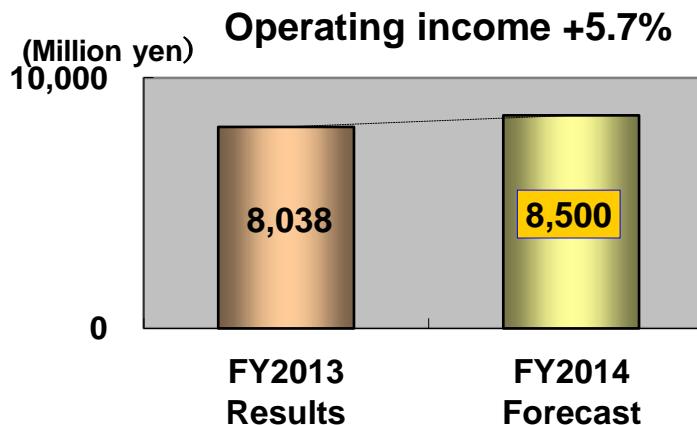
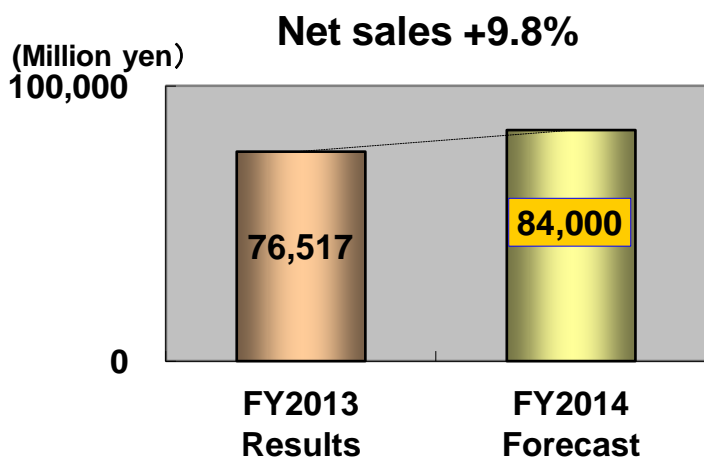
Consolidated Balance Sheet for the Quarter

(Million yen)

	FY2013	FY2014	YoY Change		FY2013	FY2014	YoY Change
	4Q	1Q	Amt chg		4Q	1Q	Amt chg
Assets	118,188	118,917	728	Liabilities	25,002	25,475	473
(Current assets)	74,683	73,789	-894	(Current liabilities)	15,257	15,487	230
(Fixed assets)	43,504	45,128	1,623	(Long-term liabilities)	9,744	9,987	242
				Net assets	93,186	93,442	255
Total Assets	118,188	118,917	728	Total liabilities and net assets	118,188	118,917	728






Business Forecast for the Year Ending March 31, 2015



Status of Development Pipeline



R&D Pipeline (Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2012	FY2013	FY2014	FY2015
ACT-064992 (macitentan) <in-license>	NME	pulmonary arterial hypertension	Application	P III		NDA Filing	
NS-24 (tramadol hydrochloride) <in-license>	new formulation	cancer pain chronic pain	Application	P III		NDA Filing	
GA101 (obinutuzumab) <in-license>	NME	indolent non-Hodgkin's lymphoma aggressive non-Hodgkin's lymphoma	P III	P III			



R&D Pipeline (Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2012	FY2013	FY2014	FY2015
NS-304 (selexipag) <in-house>	NME	pulmonary arterial hypertension	P II	P II			NDA Filing
		chronic thromboembolic pulmonary hypertension	P II	P II			
		arteriosclerosis obliterans	P II		P II		
NS-141 <in-house>	NME	pruritus associated with cutaneous disease	P II	P II			
NS-986 <in-license>	NME	nocturia	P II		P II		



R&D Pipeline (Overseas)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2012	FY2013	FY2014	FY2015
NS-304 (selexipag) <in-house>	NME	pulmonary arterial hypertension	US/EU Preparation for NDA	Actelion P III		NDA Filing	
prulifloxacin <in-house>	NME	bacterial infections	China P III	Lee's Pharma P III		NDA Filing	
NS-187 (bafetinib) <in-house>	NME	B-cell chronic lymphocytic leukemia	US P II	CytRx P II			
NS-018 <in-house>	NME	myelofibrosis	US P I / II				



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