

Outline of Consolidated Financial Results for the 3rd Quarter Ended December 31, 2014

February 6, 2015
NIPPON SHINYAKU CO., LTD.



Operating Results

(Million yen)

	3QFY2013		3QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	55,813	100.0%	58,690	100.0%	2,877	5.2%
Operating income	5,425	9.7%	5,997	10.2%	572	10.5%
Ordinary income	5,950	10.7%	6,444	11.0%	494	8.3%
Net income	3,899	7.0%	4,340	7.4%	441	11.3%



Segmental Review

— Pharmaceuticals —

(Million yen)

	3QFY2013		3QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	45,012	98.5%	45,083	93.8%	70	0.2%
Revenues from the licensing of industrial property rights	40	0.1%	2,501	5.2%	2,461	6,069.0%
Prulifloxacin	518	1.1%	444	0.9%	-73	-14.2%
Contract manufacturing business	137	0.3%	30	0.1%	-107	-78.2%
Net sales	45,709	100.0%	48,059	100.0%	2,350	5.1%

Increase in sales:

- **Tramal (+1,150 Million yen, +138.5%)**
(cancer pain, chronic pain)
- **Vidaza (+683 Million yen, +9.6%)**
(myelodysplastic syndrome)

New Product:

- **Zalutia (+1,152 Million yen)**
(urinary disorder caused by benign prostatic hyperplasia)

etc.

Decrease in sales:

- **GaslonN (-831 Million yen, -23.0%)**
(gastric ulcer, gastritis)
- **Hypen (-733 Million yen, -32.4%)**
(non-steroidal analgesic and anti-inflammatory agent)

etc.



Segmental Review

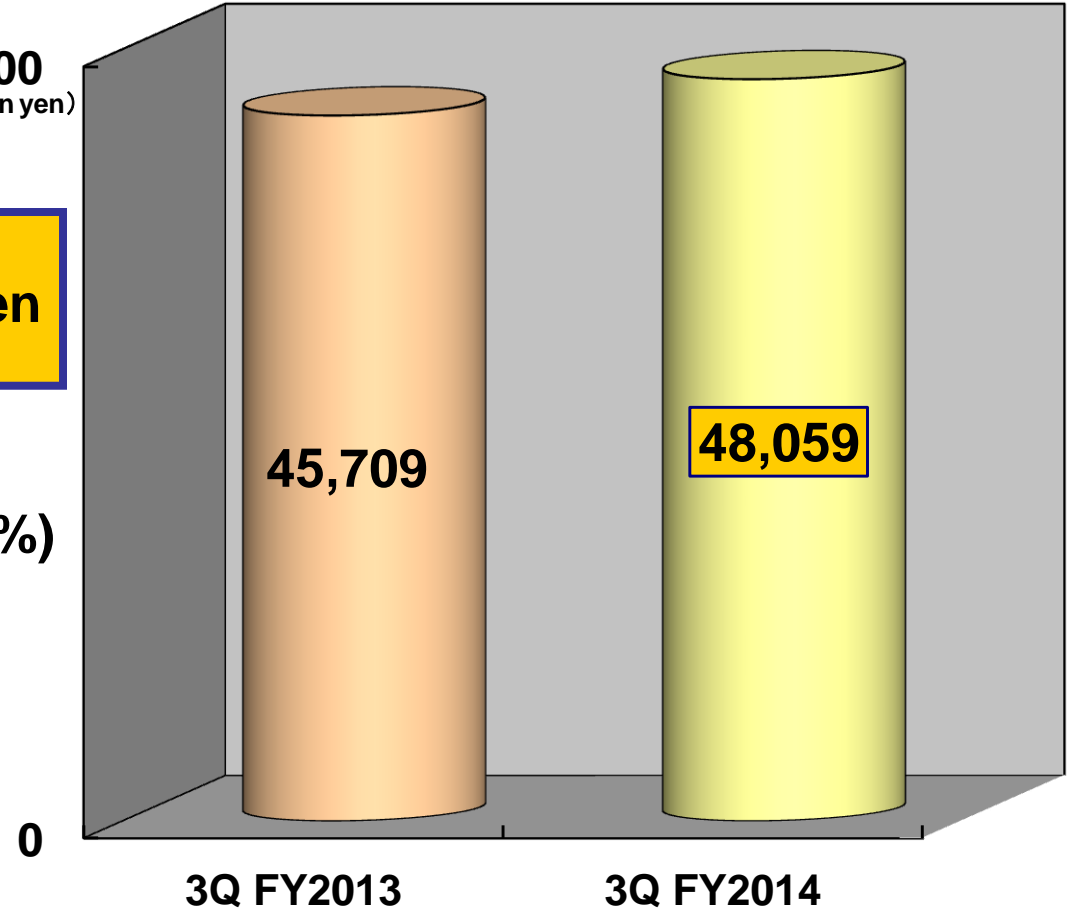
— Pharmaceuticals —

Net sales 48,059 million yen

Year-on-Year change

+ 2,350 million yen (+5.1%)

50,000
(Million yen)





Segmental Review

— Functional Food —

(Million yen)

	3QFY2013		3QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Health food ingredients	653	6.5%	539	5.1%	-114	-17.5%
Preservatives	1,363	13.5%	1,464	13.8%	101	7.4%
Nutritional ingredients	1,476	14.6%	1,730	16.3%	254	17.2%
Protein preparations	5,531	54.8%	5,772	54.3%	241	4.3%
Others	1,077	10.6%	1,124	10.5%	47	4.3%
Net sales	10,103	100.0%	10,630	100.0%	527	5.2%



Segmental Review

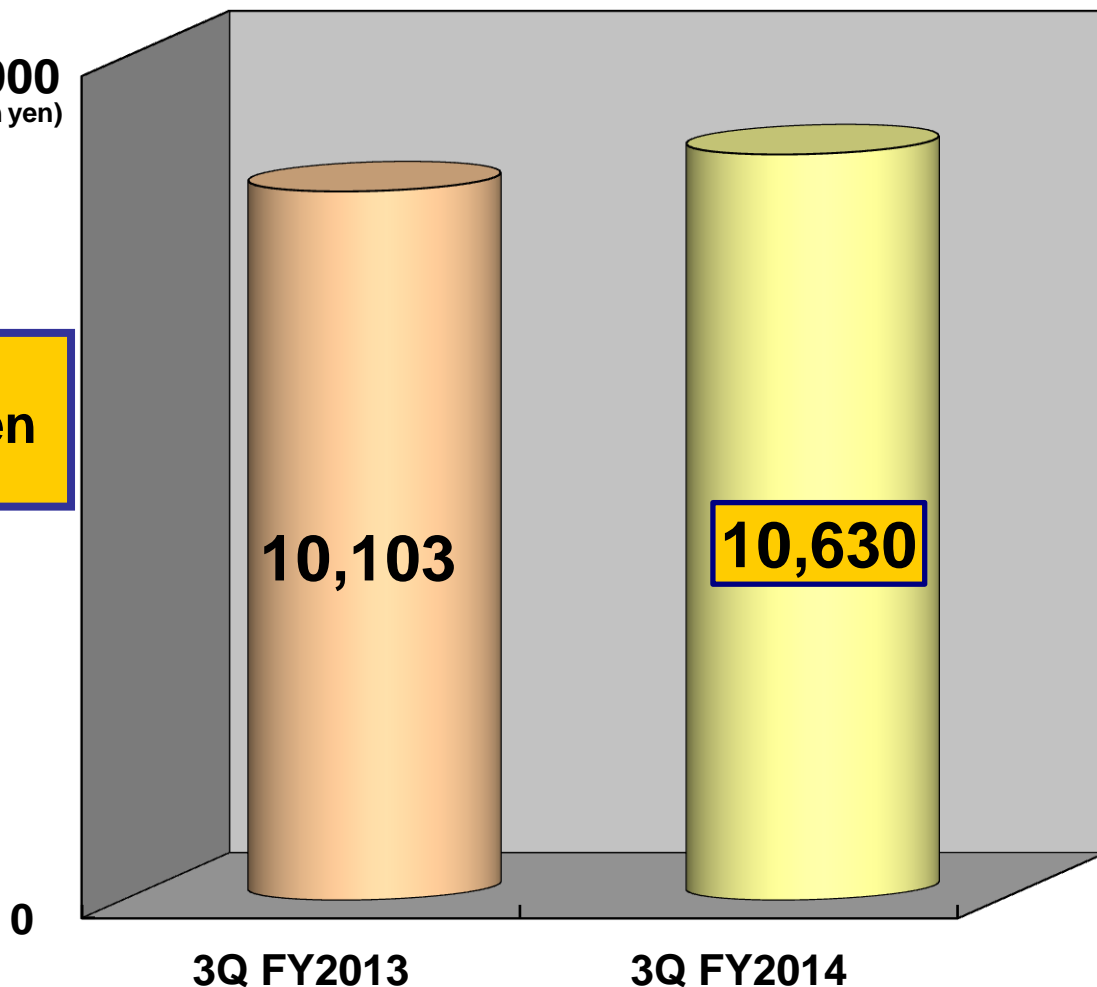
— Functional Food —

12,000
(Million yen)

Net sales 10,630 million yen

Year-on-Year change

+527 million yen (+5.2%)



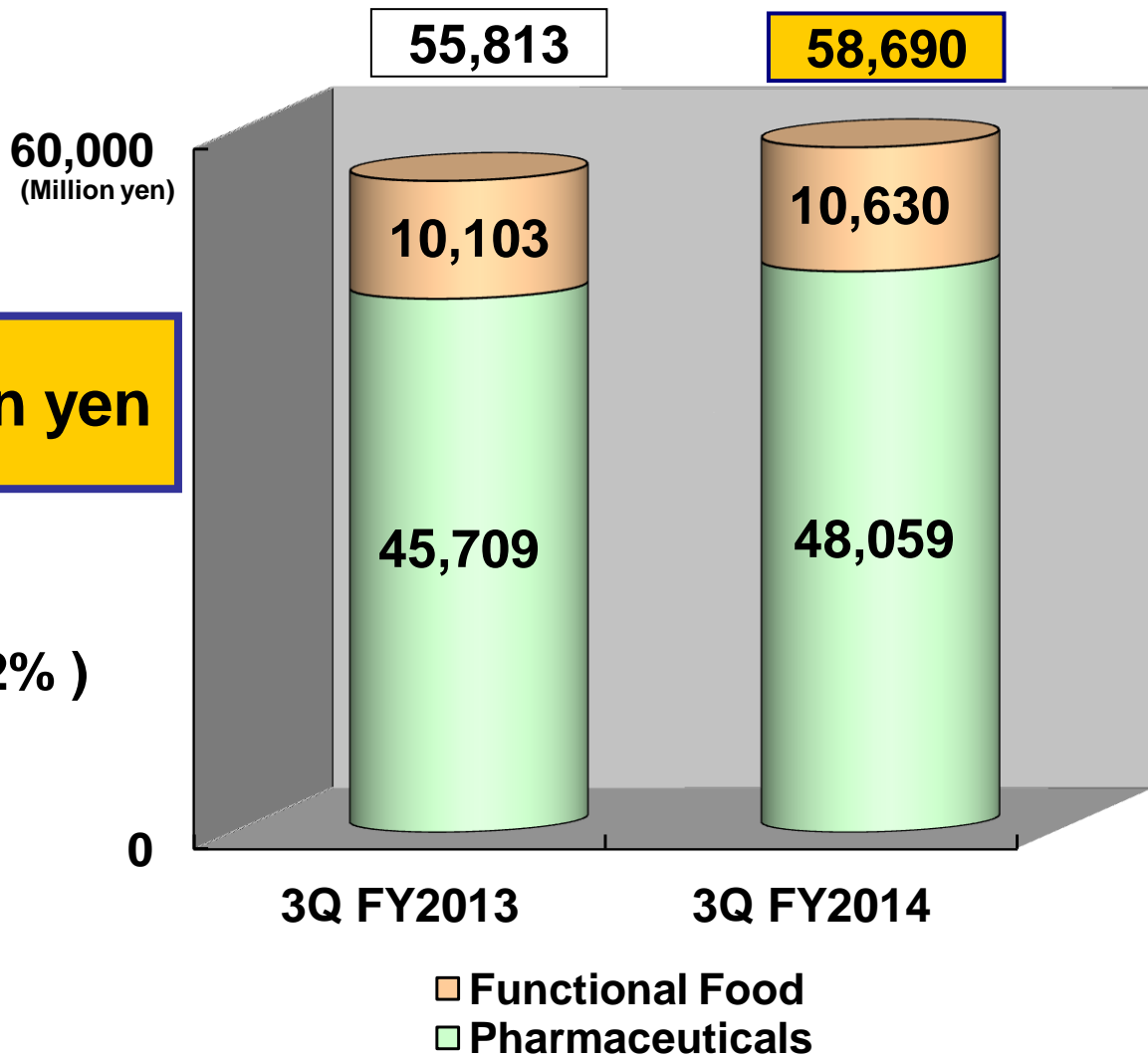


Net Sales

Net sales 58,690 million yen

Year-on-Year change

+2,877 million yen (+5.2%)





Consolidated Statements of Income

(Million yen)

	3QFY2013		3QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	55,813	100.0%	58,690	100.0%	2,877	5.2%
Pharmaceuticals	45,709	81.9%	48,059	81.9%	2,350	5.1%
Functional Food	10,103	18.1%	10,630	18.1%	527	5.2%
Operating expenses	50,388	90.3%	52,693	89.8%	2,305	4.6%
Cost of sales	28,477	51.0%	30,020	51.1%	1,542	
SG&A expenses	14,807	26.6%	15,948	27.2%	1,140	
R&D expenses	7,102	12.7%	6,724	11.5%	-377	
Operating income	5,425	9.7%	5,997	10.2%	572	10.5%



Consolidated Statements of Income for the Quarter

(Million yen)

	3QFY2013		3QFY2014		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Operating income	5,425	9.7%	5,997	10.2%	572	10.5%
Non-operating income	880	1.6%	831	1.4%	-49	-5.6%
Non-operating expenses	355	0.6%	383	0.6%	28	8.1%
Ordinary income	5,950	10.7%	6,444	11.0%	494	8.3%
Total income taxes	2,051	3.7%	2,103	3.6%	52	2.6%
Net income	3,899	7.0%	4,340	7.4%	441	11.3%



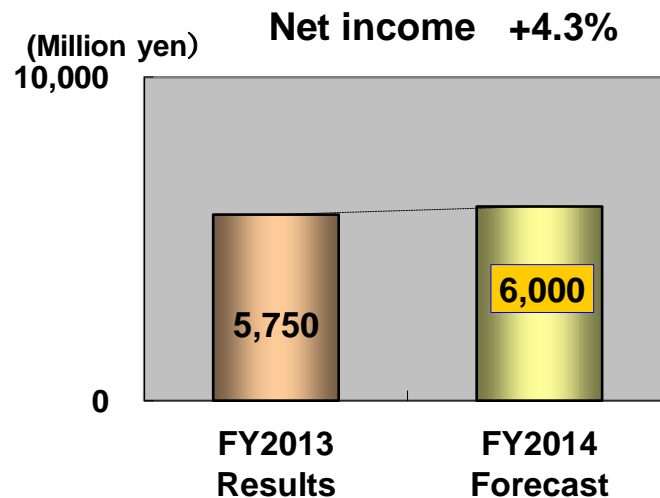
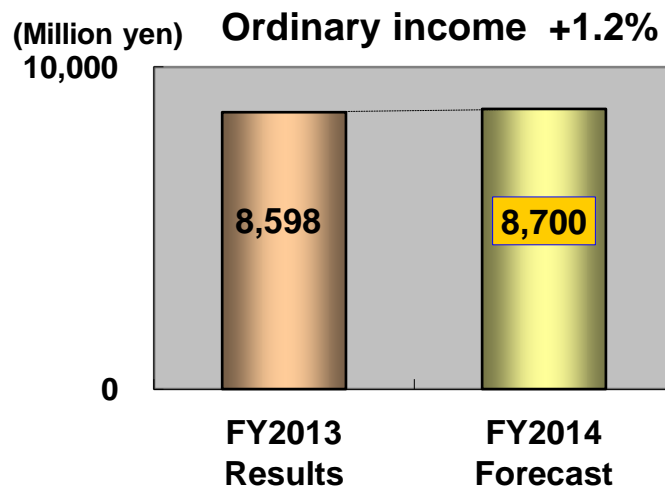
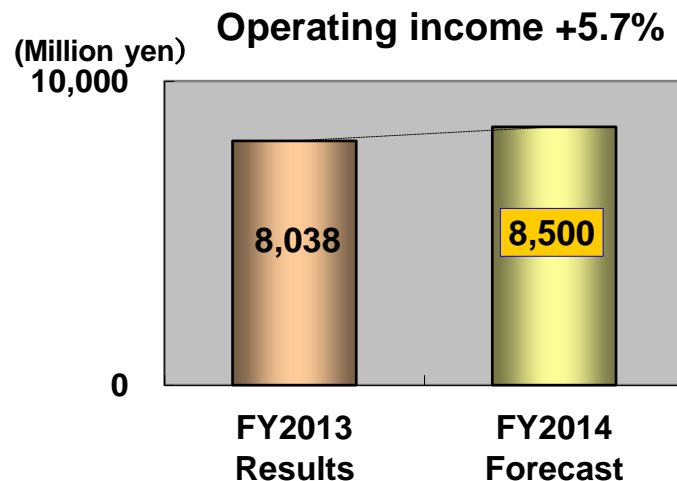
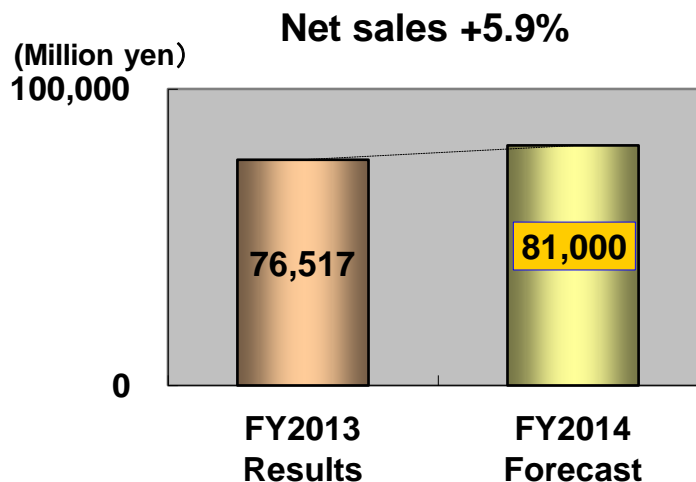
Consolidated Balance Sheet for the Quarter

(Million yen)

	FY2013	FY2014			FY2013	FY2014	
	4Q Results	3Q Results	Amt Chg		4Q Results	3Q Results	Amt Chg
Assets	118,188	123,501	5,312	Liabilities	25,002	26,136	1,134
(Current assets)	74,683	77,116	2,432	(Current liabilities)	15,257	15,887	629
(Fixed assets)	43,504	46,385	2,880	(Long-term liabilities)	9,744	10,249	504
				Net assets	93,186	97,365	4,178
Total Assets	118,188	123,501	5,312	Total liabilities and net assets	118,188	123,501	5,312









Business Forecast for the Year Ending March 31, 2015



Status of Development Pipeline



R&D Compounds(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			
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 		



R&D Compounds(Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2012	FY2013	FY2014	FY2015
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 Compounds(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 Application	Actelion P III		NDA Filing	
prulifloxacin <in-house>	NME	bacterial infections	China P III	Lee's Pharma P III			NDA Filing
NS-018 <in-house>	NME	myelofibrosis	US P I / II	P I / II			



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