

Outline of Consolidated Financial Results for the 1st Quarter Ended June 30, 2017

August 9, 2017
NIPPON SHINYAKU CO., LTD.



Operating Result

(Million yen)

	1Q FY2016		1Q FY2017		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Net sales	23,743	100.0%	24,212	100.0%	468	2.0%
Operating income	4,424	18.6%	5,012	20.7%	587	13.3%
Ordinary income	4,138	17.4%	5,381	22.2%	1,243	30.0%
Net income attributable to owners of the parent	3,078	13.0%	3,959	16.4%	880	28.6%



Segmental Review

-Pharmaceuticals-

(Million yen)

	1Q FY2016		1Q FY2017		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Ethical drugs	16,844	82.7%	17,724	85.2%	880	5.2%
Profit in co-promotion	406	2.0%	940	4.5%	534	131.5%
Revenues from the licensing of industrial property rights	3,114	15.3%	2,148	10.3%	-965	-31.0%
Net sales	20,364	100.0%	20,814	100.0%	449	2.2%

Increased in sales:

- **Zalutia (+512 million yen, +26.6%)**
(urinary disorder caused by benign prostatic hyperplasia)
- **Vidaza (+474 million yen, +14.3%)**
(myelodysplastic syndromes)
- **Uptravi (+426 million yen, -)**
(pulmonary arterial hypertension)
- **Royalty payments based on overseas sales of our original product Uptravi**

Decreased in sales:

- **Eviprostat (-176 million yen, -18.8%)**
(benign prostatic hyperplasia)
- **Gaslon N (-111 million yen, -16.4%)**
(gastric ulcer, gastritis)



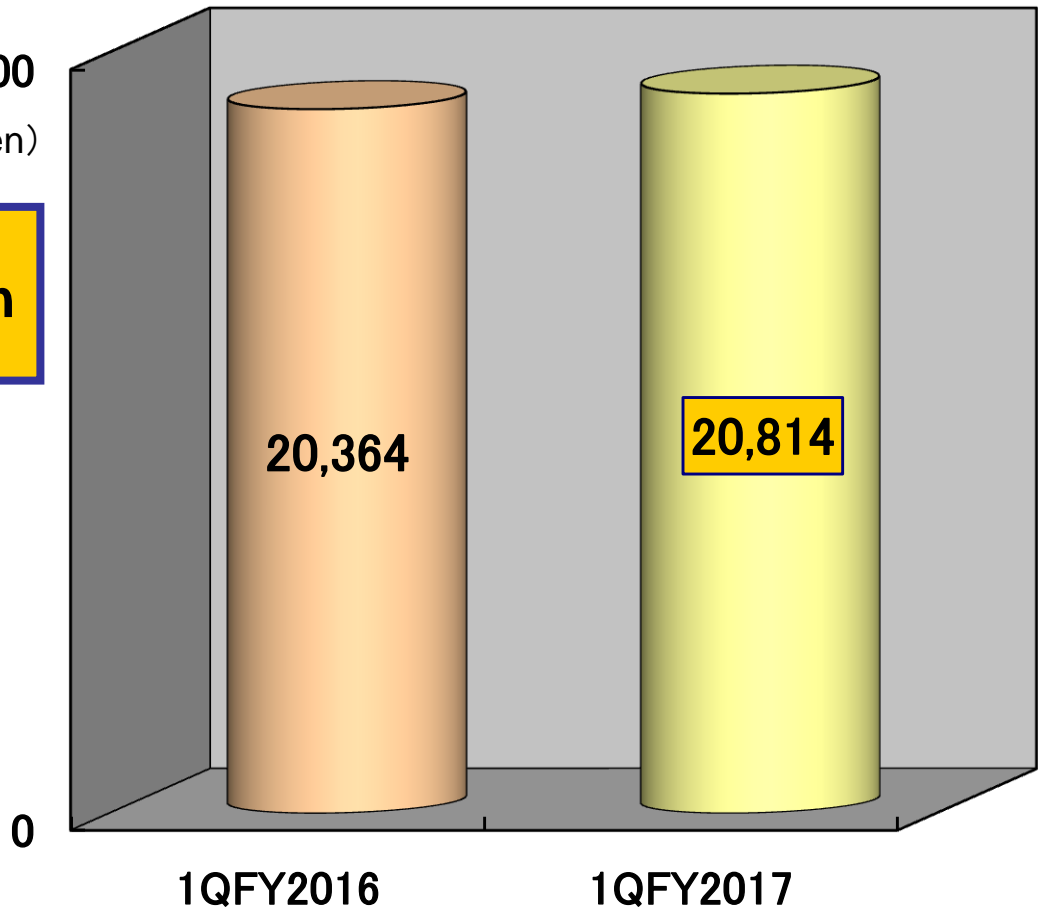
Segmental Review

-Pharmaceuticals-

Net sales 20,814 million yen

Year-on-Year change
+449 million yen (+2.2%)

22,000
(Million yen)





Segmental Review

-Functional Food-

(Million yen)

	1Q FY2016		1Q FY2017		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Health food ingredients	174	5.2%	197	5.8%	23	13.5%
Preservatives	510	15.1%	550	16.2%	40	7.9%
Protein preparations	2,340	69.3%	2,303	67.8%	-37	-1.6%
Others	353	10.4%	346	10.2%	-6	-2.0%
Net sales	3,378	100.0%	3,398	100.0%	19	0.6%



Segmental Review

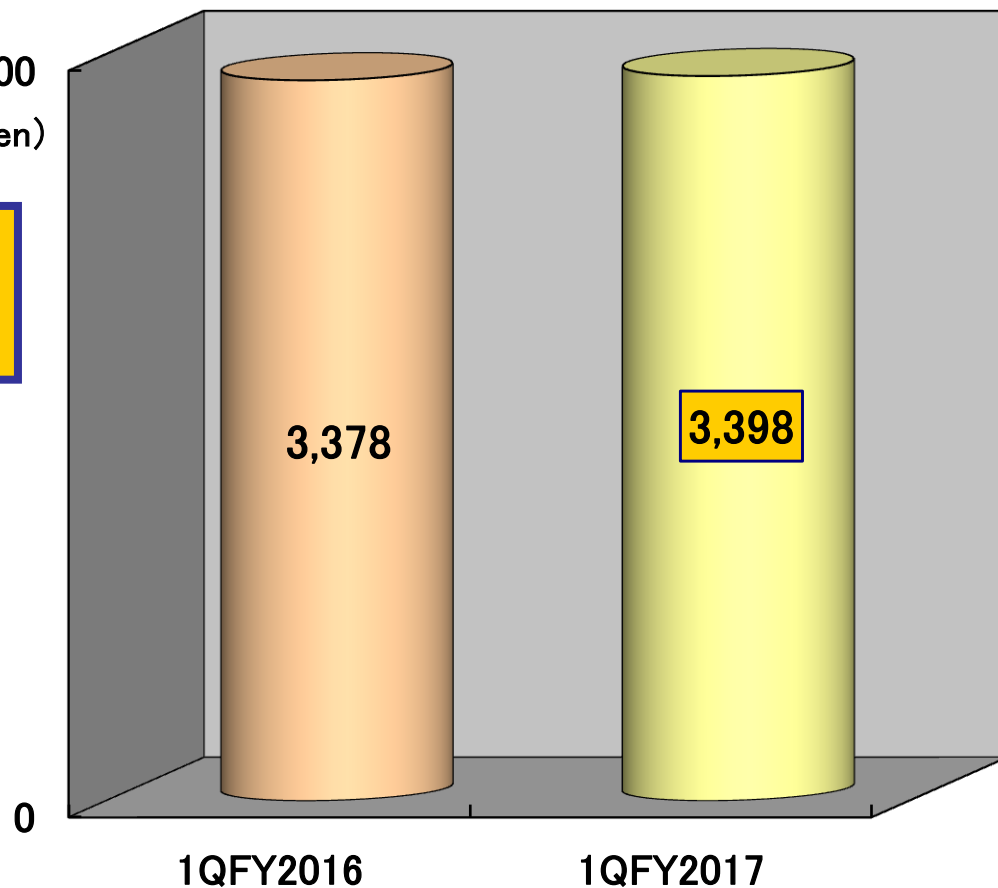
-Functional Food-

Net sales 3,398 million yen

Year-on-Year change

+19 million yen (+0.6%)

3,500
(Million yen)



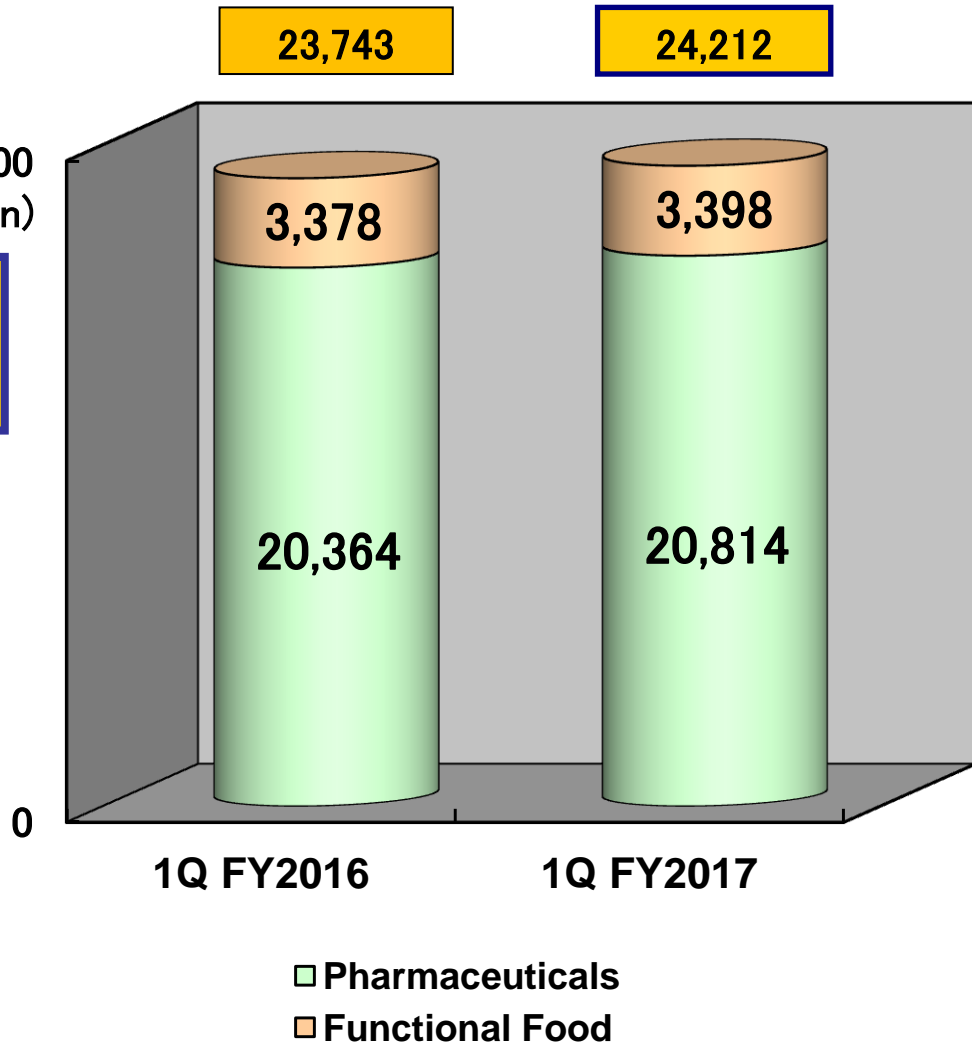


Net Sales

Net sales 24,212 million yen

**Year-on-Year change
+468 million yen (+2.0%)**

25,000
(Million yen)





Consolidated Statements of Income (1)

(Million yen)

	1Q FY2016		1Q FY2017		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Revenue						
Net sales	23,743	100.0%	24,212	100.0%	468	2.0%
Pharmaceuticals	20,364	85.8%	20,814	86.0%	449	2.2%
Functional Food	3,378	14.2%	3,398	14.0%	19	0.6%
Operating expenses	19,319	81.4%	19,200	79.3%	-119	-0.6%
Cost of sales	11,138	46.9%	11,125	46.0%	-12	
SG&A expenses	5,659	23.9%	5,872	24.2%	212	
R&D expenses	2,521	10.6%	2,202	9.1%	-319	
Operating income	4,424	18.6%	5,012	20.7%	587	13.3%



Consolidated Statements of Income (2)

(Million yen)

	1Q FY2016		1Q FY2017		YoY Change	
	Results	Ratio	Results	Ratio	Amt	%
Operating income	4,424	18.6%	5,012	20.7%	587	13.3%
Non-operating income	345	1.5%	447	1.8%	101	29.4%
Non-operating expenses	631	2.7%	77	0.3%	-553	-87.7%
Ordinary income	4,138	17.4%	5,381	22.2%	1,243	30.0%
Income taxes, etc	1,059	4.4%	1,422	5.8%	362	34.2%
Net income attributable to owners of the parent	3,078	13.0%	3,959	16.4%	880	28.6%



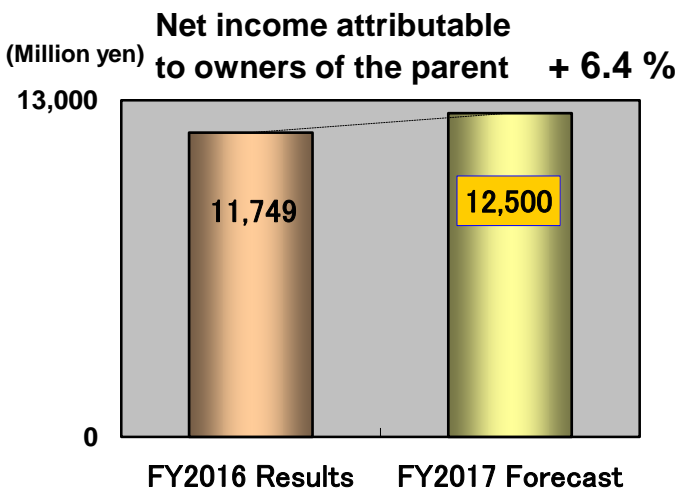
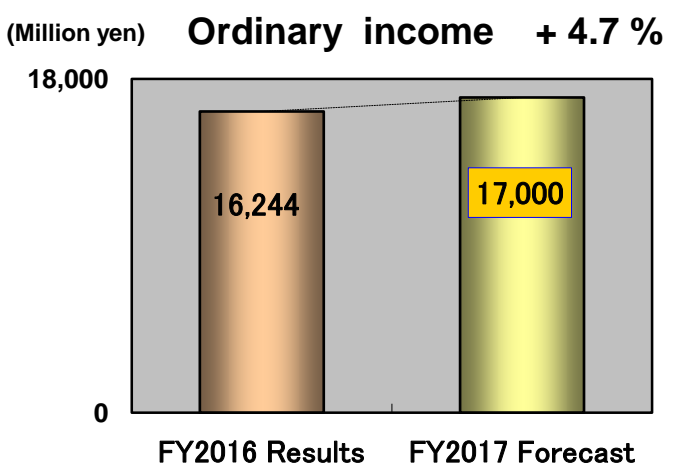
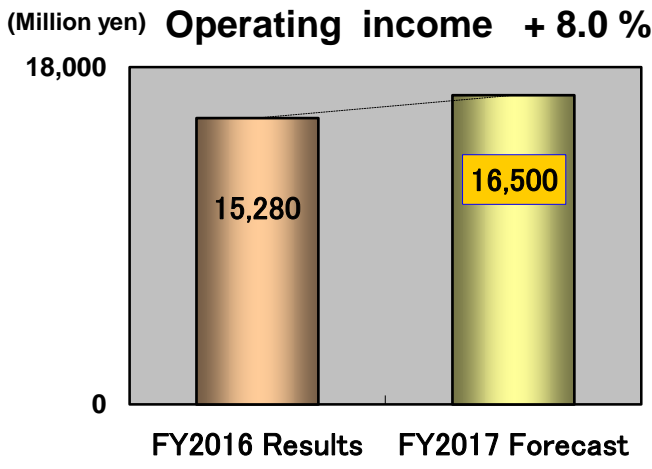
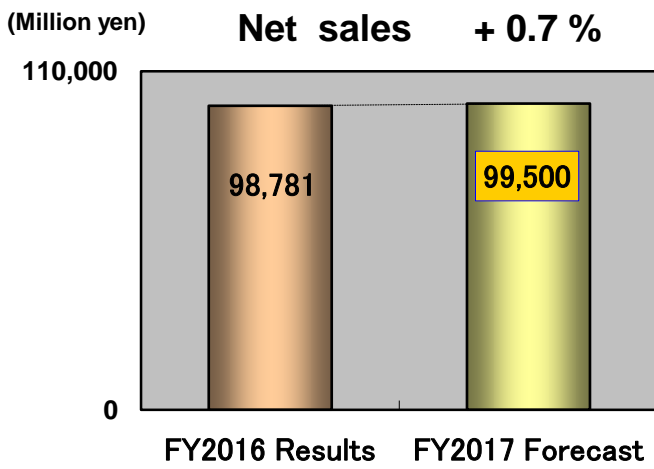
Consolidated Balance Sheet

(Million yen)

	FY2016	FY2017	YoY Change		FY2016	FY2017	YoY Change
	4Q Results	1Q Results	Amt		4Q Results	1Q Results	Amt
Assets	150,905	147,051	-3,854	Liabilities	36,589	29,663	-6,925
(Current assets)	98,787	93,838	-4,949	(Current liabilities)	27,001	19,846	-7,155
(Fixed assets)	52,118	53,213	1,095	(Long-term liabilities)	9,587	9,817	230
				Net assets	114,316	117,387	3,071
Total assets	150,905	147,051	-3,854	Total liabilities and net assets	150,905	147,051	-3,854



Business Forecast for the Year Ending March 31, 2018



Status of Development Pipeline






R&D Pipeline (Domestic)

Code No. (Generic name) <Origin>	Application type	Indications	Stage	FY2015	FY2016	FY2017	FY2018
NS-304 (selexipag) <in-house>	new indication	Chronic thromboembolic pulmonary hypertension	PIII	PII		PIII	
		Arteriosclerosis obliterans	PII				
GA101 (obinutuzumab) <in-license>	NME	Indolent non-Hodgkin's lymphoma	PIII	PIII		NDA Filing	
NS-580 <in-house>	NME	Endometriosis	PII	PI		PII	
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy	PI/II	PI/II			
NS-32 <in-license>	NME	Iron deficiency anemia	PI		PI		
NS-917 <in-license>	NME	Relapsed/refractory acute myeloid leukemia	Preparation for development				
NS-73 <in-license>	NME	Veno-occlusive disease	Preparation for development				
NS-87 <in-license>	NME	Secondary acute myeloid leukemia	Preparation for development				



R&D Pipeline (Overseas)

Code No. <Origin>	Application type	Indications	Stage	FY2015	FY2016	FY2017	FY2018
prulifloxacin <in-house>	NME	Bacterial infections	China Preparation for NDA	Lee's Pharma 		NDA Filing	
NS-065/NCNP-01 <in-house>	NME	Duchenne muscular dystrophy	USA PII		PII 		
NS-018 <in-house>	NME	Myelofibrosis	USA PI/II				



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