

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

October 31, 2017

Company name: Nissui Pharmaceutical Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4550 URL <http://www.nissui-pharm.co.jp>  
 Representative: President Tokuya Ono  
 Inquiries: Board Member, Executive Officer Seiichi Yatsu TEL 03-5846-5611  
 Scheduled date to file Quarterly Securities Report: November 10, 2017  
 Scheduled date to commence dividend payments: November 30, 2017  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors, analysts and the press)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2017	6,152	(1.4)	780	15.4	840	(16.2)	672	90.6
Six months ended September 30, 2016	6,239	–	676	–	1,003	–	352	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	30.03		–	
Six months ended September 30, 2016	15.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2017	35,948	32,905	91.5	1,469.32
As of March 31, 2017	35,478	32,641	92.0	1,457.52

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	20.00	–	20.00	40.00
Year ending March 31, 2018	–	20.00	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	13,500	5.3	1,600	(5.8)	1,600	(13.0)	1,120	(41.1)	50.01

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2017	22,547,140 shares	As of March 31, 2017	22,547,140 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	151,880 shares	As of March 31, 2017	151,828 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	22,395,302 shares	Six months ended September 30, 2016	22,395,584 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	11,334	13,355
Notes and accounts receivable - trade	3,230	3,090
Securities	300	–
Merchandise and finished goods	1,640	1,583
Work in process	400	384
Raw materials and supplies	788	824
Deferred tax assets	149	134
Advance payments - trade	35	35
Deposit paid in subsidiaries and associates	9,947	9,959
Other	946	141
Allowance for doubtful accounts	(47)	(46)
Total current assets	28,725	29,461
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,569	1,332
Machinery, equipment and vehicles, net	372	404
Land	1,933	1,752
Leased assets, net	74	64
Construction in progress	72	107
Other, net	155	185
Total property, plant and equipment	4,177	3,846
Intangible assets		
Software	27	32
Leased assets	58	51
Other	12	6
Total intangible assets	98	90
Investments and other assets		
Investment securities	2,282	2,344
Deferred tax assets	7	–
Other	229	247
Allowance for doubtful accounts	(42)	(42)
Total investments and other assets	2,476	2,550
Total non-current assets	6,752	6,486
Total assets	35,478	35,948

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,237	1,400
Lease obligations	37	37
Income taxes payable	339	351
Accrued consumption taxes	53	32
Provision for bonuses	226	205
Provision for directors' bonuses	20	17
Provision for rebates	4	9
Other	410	482
Total current liabilities	2,329	2,537
Non-current liabilities		
Net defined benefit liability	2	1
Lease obligations	105	87
Deferred tax liabilities	25	42
Long-term guarantee deposited	373	372
Total non-current liabilities	507	504
Total liabilities	2,836	3,042
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,449	4,449
Capital surplus	5,378	5,378
Retained earnings	22,791	23,015
Treasury shares	(99)	(99)
Total shareholders' equity	32,520	32,744
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121	161
Total accumulated other comprehensive income	121	161
Total net assets	32,641	32,905
Total liabilities and net assets	35,478	35,948

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	6,239	6,152
Cost of sales	3,177	3,140
Gross profit	3,061	3,011
Selling, general and administrative expenses	2,385	2,231
Operating profit	676	780
Non-operating income		
Interest income	16	19
Dividend income	78	18
Gain on sales of investment securities	346	–
Gain on valuation of derivatives	–	3
Foreign exchange gains	1	–
Compensation income	–	10
Other	14	13
Total non-operating income	457	65
Non-operating expenses		
Interest expenses	0	0
Loss on sales of investment securities	125	–
Loss on valuation of derivatives	4	–
Foreign exchange losses	–	5
Other	0	0
Total non-operating expenses	130	5
Ordinary profit	1,003	840
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	161
Total extraordinary income	–	161
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on disposal of non-current assets	0	1
Loss on valuation of investment securities	371	–
Total extraordinary losses	372	1
Profit before income taxes	630	1,000
Income taxes - current	282	306
Income taxes - deferred	(4)	22
Total income taxes	277	328
Profit	352	672
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	352	672

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	352	672
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	39
Total other comprehensive income	(94)	39
Comprehensive income	257	712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	257	712
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	630	1,000
Depreciation	189	183
Increase (decrease) in provision	17	(8)
Interest and dividend income	(94)	(38)
Interest expenses	0	0
Decrease (increase) in notes and accounts receivable - trade	(285)	49
Decrease (increase) in inventories	(58)	(241)
Increase (decrease) in notes and accounts payable - trade	17	173
Loss (gain) on sales of investment securities	(220)	-
Loss (gain) on valuation of investment securities	371	-
Loss (gain) on valuation of derivatives	4	(3)
Loss (gain) on sales of non-current assets	-	0
Loss (gain) on sales of shares of subsidiaries and associates	-	(161)
Other, net	17	(62)
Subtotal	591	891
Income taxes paid	(226)	(272)
Net cash provided by (used in) operating activities	365	619
Cash flows from investing activities		
Decrease increase deposit paid in subsidiaries and affiliates	-	3,350
Proceeds from sales and redemption of securities	-	300
Purchase of property, plant and equipment	(195)	(145)
Proceeds from sales of property, plant and equipment	-	68
Purchase of intangible assets	(5)	(10)
Proceeds from sales and redemption of investment securities	4,103	818
Purchase of investment securities	(1,332)	-
Interest and dividend income received	95	41
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	805
Other, net	175	1
Net cash provided by (used in) investing activities	2,840	5,228
Cash flows from financing activities		
Repayments of lease obligations	(16)	(18)
Cash dividends paid	(447)	(445)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(464)	(464)
Net increase (decrease) in cash and cash equivalents	2,741	5,383
Cash and cash equivalents at beginning of period	2,869	14,731
Cash and cash equivalents at end of period	5,610	20,115