

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 11, 2018

Company name: Nissui Pharmaceutical Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4550 URL <https://www.nissui-pharm.co.jp>  
 Representative: President Tokuya Ono  
 Inquiries: Board Member, Executive Officer Seiichi Yatsu TEL 03-5846-5611  
 Scheduled date of ordinary general meeting of shareholders: June 22, 2018  
 Scheduled date to file Securities Report: June 22, 2018  
 Scheduled date to commence dividend payments: June 4, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

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	%
Year ended March 31, 2018	12,329	(3.9)	1,427	(15.9)	1,535	(16.5)	1,175	(38.2)
Year ended March 31, 2017	12,825	–	1,697	–	1,839	–	1,902	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	52.50	–	3.6	4.3	11.6
Year ended March 31, 2017	84.97	–	6.0	5.3	13.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	35,860	32,974	92.0	1,472.40
As of March 31, 2017	35,478	32,641	92.0	1,457.52

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	865	362	(929)	15,029
Year ended March 31, 2017	1,095	11,694	(928)	14,731

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	–	20.00	–	20.00	40.00	895	47.1	2.8
Year ended March 31, 2018	–	20.00	–	20.00	40.00	895	76.2	2.7
Year ending March 31, 2019 (Forecast)	–	20.00	–	20.00	40.00		81.4	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	6,400	4.0	660	(15.4)	670	(20.3)	470	(30.1)	20.99
Full year	13,000	5.4	1,550	8.6	1,570	2.3	1,100	(6.4)	49.12

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2018	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 March 31, 2018	151,997 shares	As of March 31, 2017	151,828 shares
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Average number of shares during the period

Year ended March 31, 2018	22,395,254 shares	Year ended March 31, 2017	22,395,495 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	11,334	7,565
Notes and accounts receivable - trade	3,230	3,214
Securities	300	–
Merchandise and finished goods	1,640	1,882
Work in process	400	371
Raw materials and supplies	788	873
Deferred tax assets	149	113
Advance payments - trade	35	–
Deposit paid in subsidiaries and associates	9,947	14,964
Other	946	144
Allowance for doubtful accounts	(47)	(47)
Total current assets	28,725	29,080
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,569	1,487
Machinery, equipment and vehicles, net	372	362
Land	1,933	1,752
Leased assets, net	74	54
Construction in progress	72	70
Other, net	155	164
Total property, plant and equipment	4,177	3,893
Intangible assets		
Software	27	38
Leased assets	58	43
Software in progress	–	23
Other	12	6
Total intangible assets	98	111
Investments and other assets		
Investment securities	2,282	2,513
Deferred tax assets	7	–
Other	229	300
Allowance for doubtful accounts	(42)	(39)
Total investments and other assets	2,476	2,775
Total non-current assets	6,752	6,780
Total assets	35,478	35,860

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,237	1,458
Lease obligations	37	37
Income taxes payable	339	246
Accrued consumption taxes	53	–
Provision for bonuses	226	196
Provision for directors' bonuses	20	17
Provision for rebates	4	2
Other	410	420
Total current liabilities	2,329	2,380
Non-current liabilities		
Net defined benefit liability	2	2
Lease obligations	105	68
Deferred tax liabilities	25	51
Long-term guarantee deposited	373	372
Other	–	10
Total non-current liabilities	507	505
Total liabilities	2,836	2,885
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,449	4,449
Capital surplus	5,378	5,378
Retained earnings	22,791	23,071
Treasury shares	(99)	(99)
Total shareholders' equity	32,520	32,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121	174
Total accumulated other comprehensive income	121	174
Total net assets	32,641	32,974
Total liabilities and net assets	35,478	35,860

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	12,825	12,329
Cost of sales	6,441	6,476
Gross profit	6,383	5,853
Selling, general and administrative expenses	4,685	4,425
Operating profit	1,697	1,427
Non-operating income		
Interest income	12	20
Interest on securities	20	17
Dividend income	133	28
Gain on sales of investment securities	832	–
Gain on valuation of derivatives	–	3
Foreign exchange gains	0	–
system usage fee	–	12
Other	24	29
Total non-operating income	1,024	112
Non-operating expenses		
Interest expenses	0	0
Loss on sales of investment securities	880	–
Loss on valuation of derivatives	2	–
Foreign exchange losses	–	4
Other	0	–
Total non-operating expenses	882	4
Ordinary profit	1,839	1,535
Extraordinary income		
Gain on sales of non-current assets	800	–
Gain on sales of shares of subsidiaries and associates	–	161
Total extraordinary income	800	161
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on disposal of non-current assets	0	5
Loss on valuation of investment securities	54	–
Total extraordinary losses	55	5
Profit before income taxes	2,583	1,691
Income taxes - current	696	469
Income taxes - deferred	(15)	46
Total income taxes	681	515
Profit	1,902	1,175
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,902	1,175

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	1,902	1,175
Other comprehensive income		
Valuation difference on available-for-sale securities	750	53
Total other comprehensive income	750	53
Comprehensive income	2,652	1,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,652	1,229
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,449	5,378	21,783	(98)	31,513
Changes of items during period					
Dividends of surplus			(895)		(895)
Profit attributable to owners of parent			1,902		1,902
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,007	(0)	1,006
Balance at end of current period	4,449	5,378	22,791	(99)	32,520

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of current period	(628)	(628)	30,884
Changes of items during period			
Dividends of surplus			(895)
Profit attributable to owners of parent			1,902
Purchase of treasury shares			(0)
Net changes of items other than shareholders' equity	750	750	750
Total changes of items during period	750	750	1,756
Balance at end of current period	121	121	32,641

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,449	5,378	22,791	(99)	32,520
Changes of items during period					
Dividends of surplus			(895)		(895)
Profit attributable to owners of parent			1,175		1,175
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	279	(0)	279
Balance at end of current period	4,449	5,378	23,071	(99)	32,799

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of current period	121	121	32,641
Changes of items during period			
Dividends of surplus			(895)
Profit attributable to owners of parent			1,175
Purchase of treasury shares			(0)
Net changes of items other than shareholders' equity	53	53	53
Total changes of items during period	53	53	333
Balance at end of current period	174	174	32,974



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,583	1,691
Depreciation	405	388
Increase (decrease) in provision	17	(26)
Interest and dividend income	(167)	(66)
Interest expenses	0	0
Loss (gain) on sales of investment securities	47	–
Loss (gain) on valuation of derivatives	2	(3)
Loss (gain) on valuation of investment securities	54	–
Loss (gain) on sales of non-current assets	(799)	0
Loss (gain) on sales of shares of subsidiaries and associates	–	(161)
Decrease (increase) in notes and accounts receivable - trade	(282)	(70)
Decrease (increase) in inventories	(261)	(576)
Increase (decrease) in notes and accounts payable - trade	27	231
Other, net	91	(2)
Subtotal	1,719	1,404
Income taxes paid	(623)	(538)
Net cash provided by (used in) operating activities	1,095	865
Cash flows from investing activities		
Decrease increase deposit paid in subsidiaries and affiliates	(4,000)	(950)
Proceeds from sales and redemption of securities	–	300
Purchase of property, plant and equipment	(455)	(510)
Proceeds from sales of property, plant and equipment	2,036	68
Purchase of intangible assets	(13)	(14)
Purchase of investment securities	(1,332)	(150)
Proceeds from sales and redemption of investment securities	15,327	818
Interest and dividend income received	166	64
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	805
Other, net	(34)	(69)
Net cash provided by (used in) investing activities	11,694	362
Cash flows from financing activities		
Interest expenses paid	(0)	(0)
Repayments of lease obligations	(35)	(37)
Cash dividends paid	(892)	(891)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(928)	(929)
Net increase (decrease) in cash and cash equivalents	11,861	298
Cash and cash equivalents at beginning of period	2,869	14,731
Cash and cash equivalents at end of period	14,731	15,029