

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 27, 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 to file Quarterly Securities Report: August 9, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	2,864	(5.6)	241	(29.7)	261	(32.3)	199	(12.8)
Three months ended June 30, 2017	3,034	–	343	–	387	–	228	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	8.90	–
Three months ended June 30, 2017	10.20	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	35,413	32,700	92.3
As of March 31, 2018	35,809	32,974	92.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	20.00	–	20.00	40.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	20.00	–	20.00	40.00

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 three months ended June 30, 2018
 (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 June 30, 2018	22,547,140 shares	As of March 31, 2018	22,547,140 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	152,201 shares	As of March 31, 2018	151,997 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	22,395,000 shares	Three months ended June 30, 2017	22,395,312 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	7,565	7,027
Notes and accounts receivable - trade	3,214	2,945
Securities	–	503
Merchandise and finished goods	1,882	1,865
Work in process	371	332
Raw materials and supplies	873	1,000
Deposit paid in subsidiaries and associates	14,964	14,975
Other	144	149
Allowance for doubtful accounts	(47)	(30)
Total current assets	28,966	28,768
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,487	1,481
Machinery, equipment and vehicles, net	362	392
Land	1,752	1,752
Leased assets, net	54	49
Construction in progress	70	70
Other, net	164	156
Total property, plant and equipment	3,893	3,903
Intangible assets		
Software	38	38
Leased assets	43	39
Software in progress	23	24
Other	6	6
Total intangible assets	111	110
Investments and other assets		
Investment securities	2,513	2,228
Deferred tax assets	61	131
Other	300	310
Allowance for doubtful accounts	(39)	(37)
Total investments and other assets	2,836	2,631
Total non-current assets	6,842	6,645
Total assets	35,809	35,413

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	1,458	1,460
Lease obligations	37	37
Income taxes payable	246	137
Accrued consumption taxes	–	47
Provision for bonuses	196	48
Provision for directors' bonuses	17	8
Provision for rebates	2	6
Other	420	522
Total current liabilities	2,380	2,268
Non-current liabilities		
Net defined benefit liability	2	2
Lease obligations	68	59
Long-term guarantee deposited	372	372
Other	10	10
Total non-current liabilities	454	444
Total liabilities	2,834	2,713
Net assets		
Shareholders' equity		
Capital stock	4,449	4,449
Capital surplus	5,378	5,378
Retained earnings	23,071	22,822
Treasury shares	(99)	(99)
Total shareholders' equity	32,799	32,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	174	150
Total accumulated other comprehensive income	174	150
Total net assets	32,974	32,700
Total liabilities and net assets	35,809	35,413

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	3,034	2,864
Cost of sales	1,531	1,525
Gross profit	1,502	1,338
Selling, general and administrative expenses	1,159	1,097
Operating profit	343	241
Non-operating income		
Interest income	11	9
Dividend income	14	4
Gain on valuation of derivatives	2	–
Compensation income	10	–
system usage fee	–	4
Other	7	4
Total non-operating income	44	23
Non-operating expenses		
Interest expenses	0	0
Loss on valuation of derivatives	–	1
Foreign exchange losses	1	0
Other	–	0
Total non-operating expenses	1	2
Ordinary profit	387	261
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	386	261
Income taxes - current	69	120
Income taxes - deferred	88	(58)
Total income taxes	157	62
Profit	228	199
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	228	199

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	228	199
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(24)
Total other comprehensive income	21	(24)
Comprehensive income	249	174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	249	174
Comprehensive income attributable to non-controlling interests	—	—