

Hisamitsu Pharmaceutical Co., Inc.

FY02/2015 Results

and Outlook for the FY02/2016

This presentation material contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors including changes in material circumstances.

Hisamitsu Pharmaceutical Co., Inc.

Apr. 8th, 2015

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Care of People Around the World with Patch

1. Looking back on the FY02/2015

Domestic/ Ethical products	<p>Approval of the additional indication for chronic pain of the Fentos[®] Tape (development code:HFT-290) in Japan. Mohrus[®] Tape20mg, Mohrus[®] TapeL40mg, Mohrus[®] Pap30mg, Mohrus[®] Pap60mg and Fentos[®] Tape(all strengths) won the Good Design Award for 2014</p> <p>Completion of Phase II clinical study on HP-3060 in Japan (a transdermal system for the treatment of allergic rhinitis)</p>
Domestic/ OTC products	<p>Launch of Feitas[®] Z DICSAS[®], Feitas[®] Z DICSAS[®](large size), Feitas[®] Z cream and Feitas[®] Z α lotion in Japan.</p> <p>Launch of Feitas[®]5.0Hot and Feitas[®]5.0Hot Large-size</p> <p>Launch of Butenalock[®] L powder gel</p> <p>Launch of Lifecella[®]Dermabeaute[®]</p>
US/ Noven	<p>Noven received FDA approval of a new indication with a new dose for Minivelle[®] (Estradiol Transdermal System)</p> <p>The commencement of Phase I clinical trial of HP-3070 in the United States (a transdermal system for the treatment of schizophrenia)</p>
Others	<p>The Establishment of the 5th Medium-term Management Plan</p> <p>2014 National Commendation for Invention "The Prize of the Commissioner of Japan Patent Office" - For Invention of anti-inflammatory analgesic patch superior in percutaneous absorbability -</p> <p>"Hisamitsu Springs" The Empress cup all-Japan volleyball championship three-peat AVC Women's Club Championship 2014 (Nakhonpathom,Thailand) ranked at 1st 2013-14 season V- Premium League(for women) ranked at 1st</p>

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Care of People Around the World with Patch

2. Consolidated PL (1) - Performance comparison with the previous period -

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)	Actual performance for FY02/15 (Q1-Q4)	Change	Percentage Change	Earnings forecast for FY02/15 (Q1-Q4) *
Net sales	150,635	156,743	+6,108	+4.1%	161,900
CoGS	55,471	57,063	+1,592	+2.9%	59,500
as a % of sales	36.8%	36.4%	-	-	36.8%
SG&A costs	76,040	79,153	+3,113	+4.1%	82,000
Sales promotion costs	15,291	18,411	+3,120	+20.4%	18,700
Advertising costs	11,950	13,134	+1,184	+9.9%	13,000
R&D spending	13,924	13,718	-206	-1.5%	14,000
Others	34,875	33,889	-986	-2.8%	36,300
Operating profits	19,123	20,527	+1,404	+7.3%	20,400
Recurring profits	28,910	28,489	-421	-1.5%	27,800
Net profits	21,357	18,784	-2,573	-12.0%	18,000

* As of Apr 10, 2014 3

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2. Consolidated PL (2) - Summary of Profit and Loss -

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)	Actual performance for FY02/15 (Q1-Q4)	Change	Main factors
Net sales	150,635	156,743	+6,108	
Hisamitsu (Non-consolidated)	123,977	119,971	-4,006	•Decrease in sales of Rx Business.
Noven	16,862	24,892	+8,030	•Increase in sales of major products. •Influence of currency exchange rate.
Others *	9,796	11,880	+2,084	•Increase in sales of overseas subsidiaries.
CoGS	55,471	57,063	+1,592	•Increase in Net sales. •Change of sales mix.
as a % of sales	36.8%	36.4%	-	
SG&A costs	76,040	79,153	+3,113	•Increase in SG&A costs of Noven. •Influence of currency exchange rate.
Operating profits	19,123	20,527	+1,404	
Non-operating balance	8,878	7,962	-916	•Decrease in Equity-method investment profits.
Recurring profits	28,910	28,489	-421	
Extraordinary balance	4,816	927	-3,889	•[Previous year] License revenue.
Net profits	21,357	18,784	-2,573	

* "Others" includes consolidated adjustment. 4

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3. Non Consolidated PL - Performance comparison with the previous period -

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)	Actual performance for FY02/15 (Q1-Q4)	Change	Percentage Change	Earnings forecast for FY02/15 (Q1-Q4) *
Net sales	123,977	119,971	-4,006	-3.2%	127,300
Rx Business	96,251	90,379	-5,872	-6.1%	97,700
OTC Business	20,049	21,379	+1,330	+6.6%	21,200
Intl Business	7,676	8,212	+536	+7.0%	8,400
CoGS	41,168	40,756	-412	-1.0%	44,000
as a % of sales	33.2%	34.0%	-	-	34.6%
SG&A costs	54,259	52,903	-1,356	-2.5%	56,200
Sales promotion costs	11,900	11,447	-453	-3.8%	12,500
Advertising costs	8,873	8,612	-261	-2.9%	8,400
R&D spending	10,197	10,113	-84	-0.8%	10,300
Others	23,289	22,731	-558	-2.4%	25,000
Operating profits	28,549	26,311	-2,238	-7.8%	27,100
Recurring profits	29,645	27,836	-1,809	-6.1%	27,800
Net profits	22,235	18,413	-3,822	-17.2%	18,200

* As of Oct 9, 2014

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4. Noven PL - Performance comparison with the previous period -

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)	Actual performance for FY02/15 (Q1-Q4)	Change	Percentage Change	Earnings forecast for FY02/15 (Q1-Q4) *1
Net sales *2	16,862	24,892	+8,030	+47.6%	22,900
Noven Women's Health	8,139	17,109	+8,970	+110.2%	15,300
Noven Others	8,723	7,782	-941	-10.8%	7,600
CoGS	10,507	11,635	+1,128	+10.7%	11,200
as a % of sales	62.3%	46.7%	-	-	48.9%
SG&A costs	16,443	20,043	+3,600	+21.9%	19,400
Sales promotion costs	1,685	4,817	+3,132	+185.9%	4,800
Advertising costs	1,983	3,162	+1,179	+59.5%	3,000
R&D spending	3,730	3,608	-122	-3.3%	3,700
Others	9,045	8,456	-589	-6.5%	7,900
Operating profits	-10,088	-6,786	+3,302	-	-7,700
Nonoperating balance	8,685	7,103	-1,582	-18.2%	6,700
Equity in earnings of Novogyne	12,002	7,270	-4,732	-39.4%	7,000
Amortization of fair value adjustment to investment in Novogyne	-3,499	-1,230	+2,269	-	-1,100
Recurring profits	-1,402	316	+1,718	-	-1,000
Net profits	-686	28	+714	-	-600

Exchange rate (¥/USD)	¥97.99	¥106.46
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¥100.00

* 1 As of Oct 9, 2014

* 2 Results before consolidated adjustment.

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5. Sales results by product (1) Rx Business / Performance comparison with the previous period

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)			Actual performance for FY02/15 (Q1-Q4)		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	113,661	96,251	17,409	116,002	90,379	25,622
New products	6,517	6,517	-	7,744	7,744	-
Fentos [®] Tape	3,944	3,944	-	4,577	4,577	-
Norspan [®] Tape	1,834	1,834	-	2,087	2,087	-
Neoxy [®] Tape	690	690	-	913	913	-
Abstral [®]	49	49	-	165	165	-
Mohrus[®] products+Others	90,514	89,734	780	83,637	82,635	1,001
Mohrus [®] Tape	75,733	75,449	283	69,292	69,209	82
Mohrus [®] Pap	6,935	6,935	-	6,141	6,141	-
Others	7,846	7,350	496	8,203	7,284	918
Noven Women's Health	8,139	-	8,139	17,109	-	17,109
Minivelle [®]	2,858	-	2,858	9,083	-	9,083
Vivelle-Dot [®] products	4,251	-	4,251	4,942	-	4,942
CombiPatch [®] products	1,042	-	1,042	2,009	-	2,009
Brisdelle [®]	-12	-	-12	1,074	-	1,074
Noven Others	8,489	-	8,489	7,511	-	7,511
Daytrana [®]	5,973	-	5,973	6,509	-	6,509
Others	2,515	-	2,515	1,002	-	1,002

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5. Sales results by product (2) OTC Business & Others / Performance comparison with the previous period

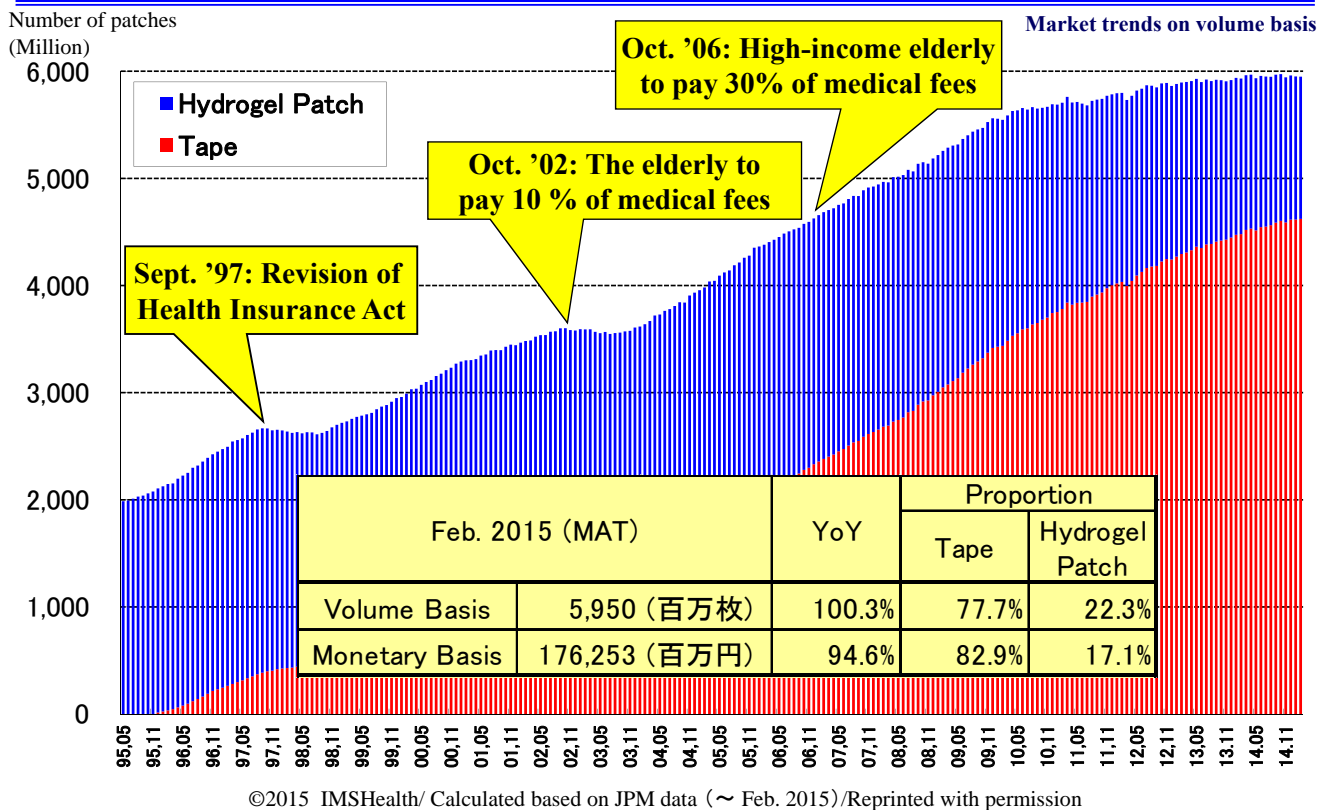
Unit:¥ million

	Actual performance for FY02/14 (Q1-Q4)			Actual performance for FY02/15 (Q1-Q4)		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business & Others	33,777	20,049	13,728	37,597	21,379	16,218
Salonpas [®] products	17,150	6,754	10,396	19,780	7,334	12,446
Salonsip [®] products	4,568	3,016	1,552	4,919	3,127	1,792
Air [®] Salonpas [®] products	2,039	1,263	775	2,097	1,239	857
Feitas [®] products	3,543	3,543	-	4,104	4,104	-
Butenalock [®] products	1,704	1,704	-	1,836	1,836	-
Allegra [®] FX	2,512	2,512	-	2,409	2,409	-
Others	2,259	1,255	1,004	2,450	1,327	1,122

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Care of People Around the World with Patch

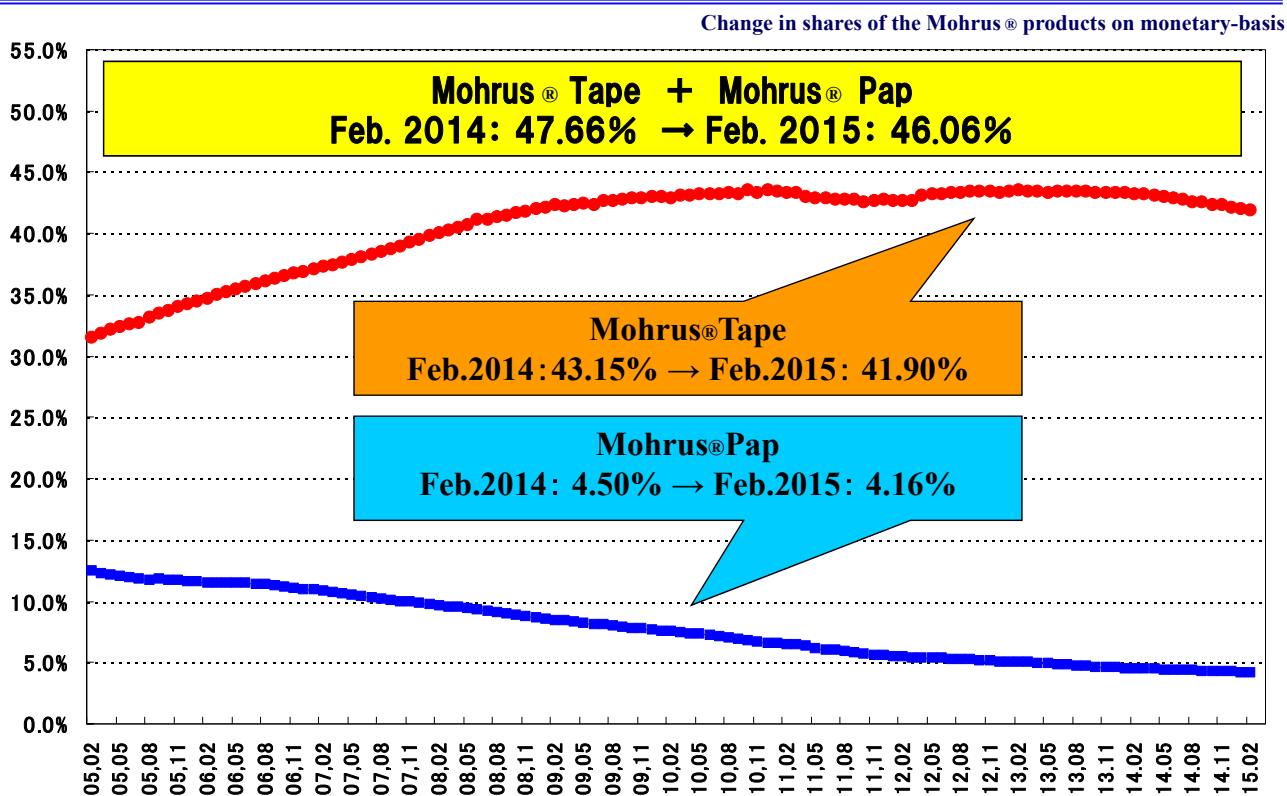
6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (1)



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6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (2)



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7. R&D Pipeline

	Stage	Theme	Target	Dosage Form	Characteristics	Next Step
1	Filed (ANDA)	HP-1010	USA	Adhesive skin patch	Relief of pain associated with post-herpetic neuralgia	To be approved in FY15
2	Filed (ANDA)	HP-1030	USA	Adhesive skin patch	Alzheimer's disease	No disclosure
3	Phase3	HP-3000	JPN	Adhesive skin patch	Parkinson's disease	To be filed in FY17
4	Phase3 being prepared	ATS	USA	Adhesive skin patch	Attention Deficit Hyperactivity Disorder (ADHD)	Phase3 in FY15
5	Phase3 being prepared	HP-3060	JPN	Adhesive skin patch	Allergic rhinitis	Phase3 in FY15
6	Phase3 being prepared	HP-3000	JPN	Adhesive skin patch	Idiopathic restless legs syndrome	Phase3 in FY15
7	Phase1	HP-3070	USA	Adhesive skin patch	Schizophrenia	Phase2 in FY15

※Yellow-highlighted parts are changes from the previous announcement made on Jan.9th, 2015

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Outlook for the FY02/2016

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8. Forecast of Consolidated PL

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q4)	Full-year earnings forecast for FY02/16 (Q1-Q4)	Change	Percentage Change
Net sales	156,743	164,300	+7,557	+4.8%
CoGS	57,063	57,900	+837	+1.5%
as a % of sales	36.4%	35.2%	-	-
SG&A costs	79,153	79,000	-153	-0.2%
Sales promotion costs	18,411	17,900	-511	-2.8%
Advertising costs	13,134	11,300	-1,834	-14.0%
R&D spending	13,718	17,100	+3,382	+24.7%
Others	33,889	32,700	-1,189	-3.5%
Operating profits	20,527	27,400	+6,873	+33.5%
Recurring profits	28,489	28,500	+11	+0.0%
Net profits	18,784	18,300	-484	-2.6%

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9. Forecast of Non-consolidated PL

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q4)	Full-year earnings forecast for FY02/16 (Q1-Q4)	Change	Percentage Change
Net sales	119,971	122,400	+2,429	+2.0%
Rx Business	90,379	90,900	+521	+0.6%
OTC Business	21,379	22,000	+621	+2.9%
Intl Business	8,212	9,500	+1,288	+15.7%
CoGS	40,756	40,600	-156	-0.4%
as a % of sales	34.0%	33.2%	-	-
SG&A costs	52,903	55,800	+2,897	+5.5%
Sales promotion costs	11,447	12,000	+553	+4.8%
Advertising costs	8,612	8,700	+88	+1.0%
R&D spending	10,113	12,800	+2,687	+26.6%
Others	22,731	22,300	-431	-1.9%
Operating profits	26,311	26,000	-311	-1.2%
Recurring profits	27,836	27,100	-736	-2.6%
Net profits	18,413	18,000	-413	-2.2%

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10. Forecast of Noven PL

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q4)	Full-year earnings forecast for FY02/16 (Q1-Q4)	Change	Percentage Change
Net sales	24,892	28,700	+3,808	+15.3%
Noven Women's Health	17,109	21,750	+4,641	+27.1%
Noven Others	7,782	6,950	-832	-10.7%
CoGS	11,635	12,400	+765	+6.6%
as a % of sales	46.7%	43.2%	-	-
SG&A costs	20,043	16,100	-3,943	-19.7%
Sales promotion costs	4,817	3,550	-1,267	-26.3%
Advertising costs	3,162	750	-2,412	-76.3%
R&D spending	3,608	4,300	+692	+19.2%
Others	8,456	7,500	-956	-11.3%
Operating profits	-6,786	200	+6,986	-
Nonoperating balance	7,103	-	-7,103	-
Equity in earnings of Novogyne	7,270	-	-7,270	-
Amortization of fair value adjustment to investment in Novogyne	-1,230	-	+1,230	-
Recurring profits	316	200	-116	-36.7%
Net profits	28	100	+72	+257.1%
Exchange rate (¥/USD)	¥106.46	¥115.00		15

Care of People Around the World with Patch

11. Forecast of Sales results of major products①

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q4)			Actual performance for FY02/16 (Q1-Q4)		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	116,002	90,379	25,622	120,300	90,900	29,400
New products	7,744	7,744	-	10,400	10,400	-
Fentos® Tape	4,577	4,577	-	6,150	6,150	-
Norspan® Tape	2,087	2,087	-	2,650	2,650	-
Neoxy® Tape	913	913	-	1,350	1,350	-
Abstral®	165	165	-	250	250	-
Mohrus®products+Others	83,637	82,635	1,001	81,500	80,500	1,000
Mohrus® Tape	69,292	69,209	82	67,250	67,150	100
Mohrus® Pap	6,141	6,141	-	5,950	5,950	-
Others	8,203	7,284	918	8,300	7,400	900
Noven Women's Health	17,109	-	17,109	21,750	-	21,750
Minivelle®	9,083	-	9,083	10,150	-	10,150
Vivelle-Dot® products	4,942	-	4,942	5,000	-	5,000
CombiPatch® products	2,009	-	2,009	4,150	-	4,150
Brisdelle®	1,074	-	1,074	2,450	-	2,450
Noven Others	7,511	-	7,511	6,650	-	6,650
Daytrana®	6,509	-	6,509	6,150	-	6,150
Others	1,002	-	1,002	500	-	500

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Care of People Around the World with Patch

11. Forecast of Sales results of major products②

Unit:¥ million

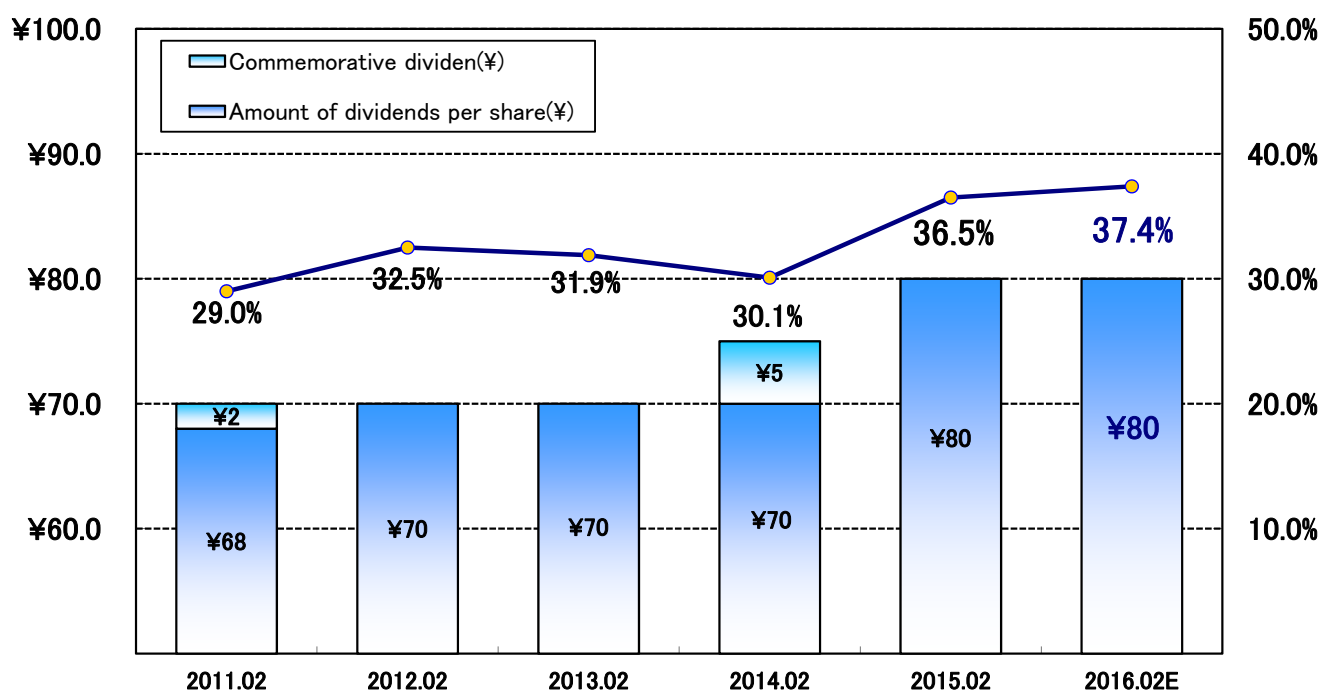
	Actual performance for FY02/15 (Q1-Q4)			Actual performance for FY02/16 (Q1-Q4)		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business & Others	37,597	21,379	16,218	40,500	22,000	18,500
Salonpas® products	19,780	7,334	12,446	21,850	7,450	14,400
Salonsip® products	4,919	3,127	1,792	5,400	3,450	1,950
Air® Salonpas® products	2,097	1,239	857	2,150	1,200	950
Feitas® products	4,104	4,104	-	4,450	4,450	-
Butenalock® products	1,836	1,836	-	1,750	1,750	-
Allegra® FX	2,409	2,409	-	2,150	2,150	-
Others	2,450	1,327	1,122	2,750	1,550	1,200

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Care of People Around the World with Patch

12. Forecast of dividends

➤ For the term ending February 2016, the consolidated dividend payout ratio is predicted to be 37.4% and the payout is expected to be ¥80. (* Midterm dividend ¥40.0 predicted.)



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Care of People Around the World with Patch

Improving Quality of Life Around the World

FY02/2015 Results

And Outlook for the FY02/2016

Apr. 8th, 2015

Hisamitsu Pharmaceutical Co., Inc.

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Care of People Around the World with Patch

<reference materials>

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貼って手当てすることの良さを伝える

4. Noven PL - Performance comparison with the previous period -

Unit:\$ thousand

	Actual performance for FY02/14 (Q1-Q4)	Actual performance for FY02/15 (Q1-Q4)	Change	Percentage Change
Net sales *	172,086	233,819	+61,733	+35.9%
Noven Women's Health	83,067	160,715	+77,648	+93.5%
Noven Others	89,019	73,103	-15,916	-17.9%
CoGS	107,225	109,298	+2,073	+1.9%
as a % of sales	62.3%	46.7%	-	-
SG&A costs	167,812	188,270	+20,458	+12.2%
Sales promotion costs	17,205	45,253	+28,048	+163.0%
Advertising costs	20,238	29,705	+9,467	+46.8%
R&D spending	38,075	33,892	-4,183	-11.0%
Others	92,294	79,420	-12,874	-13.9%
Operating profits	-102,951	-63,750	+39,201	-
Nonoperating balance	88,634	66,724	-21,910	-24.7%
Equity in earnings of Novogyne	122,485	68,291	-54,194	-44.2%
Amortization of fair value adjustment to investment in Novogyne	-35,710	-11,562	+24,148	-
Recurring profits	-14,316	2,973	+17,289	-
Net profits	-7,008	265	+7,273	-

* Results before consolidated adjustment. 21

Care of People Around the World with Patch

5. Sales results by product (1) Rx Business / Performance comparison with the previous period

Unit:¥ million

	Chagen			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	+2,341	-5,872	+8,213	+2.1%	-6.1%	+47.2%
New products	+1,227	+1,227	-	+18.8%	+18.8%	-
Fentos [®] Tape	+633	+633	-	+16.0%	+16.0%	-
Norspan [®] Tape	+253	+253	-	+13.8%	+13.8%	-
Neoxy [®] Tape	+223	+223	-	+32.3%	+32.3%	-
Abstral [®]	+116	+116	-	+236.7%	+236.7%	-
Mohrus[®] products+Others	-6,877	-7,099	+221	-7.6%	-7.9%	+28.3%
Mohrus [®] Tape	-6,441	-6,240	-201	-8.5%	-8.3%	-71.0%
Mohrus [®] Pap	-794	-794	-	-11.4%	-11.4%	-
Others	+357	-66	+422	+4.6%	-0.9%	+85.1%
Noven Women's Health	+8,970	-	+8,970	+110.2%	-	+110.2%
Minivelle [®]	+6,225	-	+6,225	+217.8%	-	+217.8%
Vivelle-Dot [®] products	+691	-	+691	+16.3%	-	+16.3%
CombiPatch [®] products	+967	-	+967	+92.8%	-	+92.8%
Brisdelle [®]	+1,086	-	+1,086	-	-	-
Noven Others	-978	-	-978	-11.5%	-	-11.5%
Daytrana [®]	+536	-	+536	+9.0%	-	+9.0%
Others	-1,513	-	-1,513	-60.2%	-	-60.2%

Care of People Around the World with Patch

5. Sales results by product (2) OTC Business & Others / Performance comparison with the previous period

Unit:¥ million

	Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business & Others	+3,820	+1,330	+2,490	+11.3%	+6.6%	+18.1%
Salonpas [®] products	+2,630	+580	+2,050	+15.3%	+8.6%	+19.7%
Salonsip [®] products	+351	+111	+240	+7.7%	+3.7%	+15.5%
Air [®] Salonpas [®] products	+58	-24	+82	+2.8%	-1.9%	+10.6%
Feitas [®] products	+561	+561	-	+15.8%	+15.8%	-
Butenolock [®] products	+132	+132	-	+7.7%	+7.7%	-
Allegra [®] FX	-103	-103	-	-4.1%	-4.1%	-
Others	+191	+72	+118	+8.5%	+5.7%	+11.8%