

Hisamitsu Pharmaceutical Co., Inc.

Q3 FY02/2016 Results

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.

Jan. 8th, 2016

Care of People Around the World with Patch

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Agenda

1. MOHRUS[®] PAP XR 120mg
2. Hisamitsu Springs
3. Consolidated PL
4. Non Consolidated PL
5. Noven PL
6. Sales results by product
7. Trends of Second-generation non-steroidal anti-inflammatory patch in Japan
8. R&D Pipeline

Additional data

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1. MOHRUS[®] PAP XR120mg

December 15, 2015: Released

<Strength>

- ① “High adhesion and hardly peeling off.”
- ② Feeling of cold as well as conventional gel patch
- ③ Indicated for the topical treatment of 9 different symptoms such as “Relief of pain and inflammation in Lumbago” and “Relief of local joint pain in rheumatoid arthritis.”

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2. Hisamitsu Springs

- Emperor · Empress’s Cup All Japan Volleyball Championship
 - The first-ever held the championship of Empress’s Cup for four years running
- V·Premier league of ladies 2015/16
 - Currently first place



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3. Consolidated PL (1) - Comparison with the previous period performance -

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)	Actual performance for FY02/16 (Q1-Q3)	Change	Percentage Change
Net sales	114,940	122,283	+7,343	+6.4%
CoGS	40,954	42,431	+1,477	+3.6%
as a % of sales	35.6%	34.7%	-	-
SG&A costs	58,348	56,527	-1,821	-3.1%
Sales promotion costs	13,361	12,582	-779	-5.8%
Advertising costs	9,288	8,289	-999	-10.7%
R&D spending	10,602	10,915	+313	+3.0%
Others	25,097	24,738	-359	-1.4%
Operating profits	15,637	23,324	+7,687	+49.2%
Recurring profits	22,637	23,467	+830	+3.7%
Net profits	14,476	15,318	+842	+5.8%

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

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)	Actual performance for FY02/16 (Q1-Q3)	Change	Main factor
Net sales	114,940	122,283	+7,343	
Hisamitsu (Non consolidated)	90,012	90,287	+275	•Decrease in sales of Rx Business(1Q). •Increase in sales of OTC and Intl Business.
Noven	16,336	23,163	+6,827	•Increase in sales of major products. •Influence of the currency exchange.
Others *	8,592	8,833	+241	
CoGS	40,954	42,431	+1,477	•Increase in Net sales.
as a % of sales	35.6%	34.7%	-	•Decrease in royalty payment.
SG&A costs	58,348	56,527	-1,821	•Decrease in Advertising costs of Hisamitsu. •Increase in Sales promotion and Advertising costs of Noven.
Operating profits	15,637	23,324	+7,687	
Non-operating balance	7,001	143	-6,858	•Decrease in Equity-method investment profits of Noven.
Recurring profits	22,637	23,467	+830	
Extraordinary balance	835	-28	-863	•[Previous year]assigns rights for Lithobid®
Net profits	14,476	15,318	+842	

* "Others" includes consolidated adjustment. 6

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4. Non Consolidated PL - Comparison with the previous period performance -

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)	Actual performance for FY02/16 (Q1-Q3)	Change	Percentage Change
Net sales	90,012	90,287	+275	+0.3%
Rx Business	68,547	66,578	-1,969	-2.9%
OTC Business	16,172	17,235	+1,063	+6.6%
Intl Business	5,292	6,473	+1,181	+22.3%
CoGS	29,256	29,342	+86	+0.3%
as a % of sales	32.5%	32.5%	-	-
SG&A costs	40,010	39,757	-253	-0.6%
Sales promotion costs	8,170	8,233	+63	+0.8%
Advertising costs	6,860	6,552	-308	-4.5%
R&D spending	8,092	8,101	+9	+0.1%
Others	16,888	16,870	-18	-0.1%
Operating profits	20,745	21,187	+442	+2.1%
Recurring profits	22,072	22,034	-38	-0.2%
Net profits	14,194	14,605	+411	+2.9%

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5. Noven PL - Comparison with the previous period performance -

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)	Actual performance for FY02/16 (Q1-Q3)	Change	Percentage Change
Net sales *	16,336	23,163	+6,827	+41.8%
Noven Women's Health	10,299	17,571	+7,272	+70.6%
Noven Others	6,036	5,591	-445	-7.4%
CoGS	8,246	10,049	+1,803	+21.9%
as a % of sales	50.5%	43.4%	-	-
SG&A costs	13,941	11,937	-2,004	-14.4%
Sales promotion costs	3,836	2,555	-1,281	-33.4%
Advertising costs	1,407	601	-806	-57.3%
R&D spending	2,515	2,817	+302	+12.0%
Others	6,181	5,962	-219	-3.5%
Operating profits	-5,851	1,177	+7,028	-
Nonoperating balance	6,912	32	-6,880	-99.5%
Equity in earnings of Novogyne	7,229	0	-7,229	-
Amortization of fair value adjustment to investment in Novogyne	-1,194	0	+1,194	-
Pretax profits	1,061	1,209	+148	+13.9%
Net profits	675	942	+267	+39.6%

* Results before consolidated adjustment.

Exchange rate (¥/USD)	¥103.27	¥120.89
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6. Sales results by product (1) - Rx Business -

Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)			Actual performance for FY02/16 (Q1-Q3)		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	85,101	68,547	16,553	90,291	66,578	23,712
New products	5,661	5,661	+6.1% 0	7,144	7,144	0
Fentos [®] Tape	3,338	3,338	0	4,602	4,602	0
Norspan [®] Tape	1,530	1,530	0	1,679	1,679	0
Neoxy [®] Tape	673	673	0	715	715	0
Abstral [®]	118	118	0	146	146	0
Mohrus[®] products+Others	63,300	62,886	413	60,193	59,434	759
Mohrus [®] Tape	52,600	52,536	63	49,896	49,814	81
Mohrus [®] Pap	4,786	4,786	0	4,248	4,248	0
Others	5,913	5,563	349	6,049	5,371	678
Noven Women's Health	10,299	0	10,299	17,571	0	17,571
Minivelle [®]	5,643	0	5,643	7,956	0	7,956
Vivelle-Dot [®] products	3,106	0	3,106	4,090	0	4,090
CombiPatch [®] products	954	0	954	3,869	0	3,869
Brisdelle [®]	595	0	595	1,655	0	1,655
Noven Others	5,841	0	5,841	5,380	0	5,380
Daytrana [®]	4,950	0	4,950	4,916	0	4,916
Others of Noven products	890	0	890	464	0	464

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6. Sales results by product (2) - OTC Business -

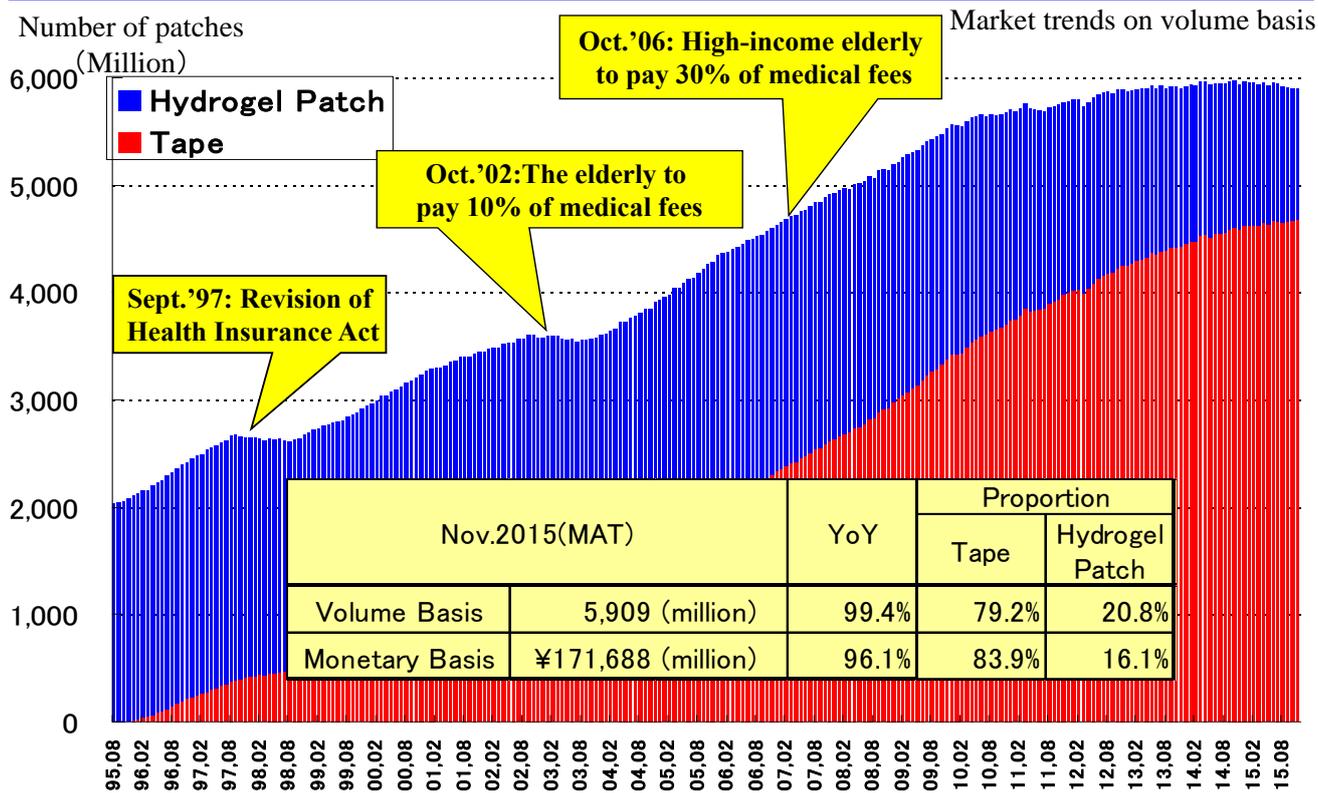
Unit:¥ million

	Actual performance for FY02/15 (Q1-Q3)			Actual performance for FY02/16 (Q1-Q3)		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	27,510	16,172	+7.7% 11,337	29,632	17,235	12,396
Salonpas [®] products	14,318	5,652	8,665	16,307	6,600	9,707
Salonsip [®] products	3,808	2,555	1,253	3,904	2,537	1,366
Air [®] Salonpas [®] products	1,703	1,096	606	1,672	1,110	561
Feitas [®] products	3,283	3,283	0	3,506	3,506	0
Butenalock [®] products	1,627	1,627	0	1,491	1,491	0
Allegra [®] FX	988	988	0	866	866	0
Others	1,780	967	812	1,883	1,123	759

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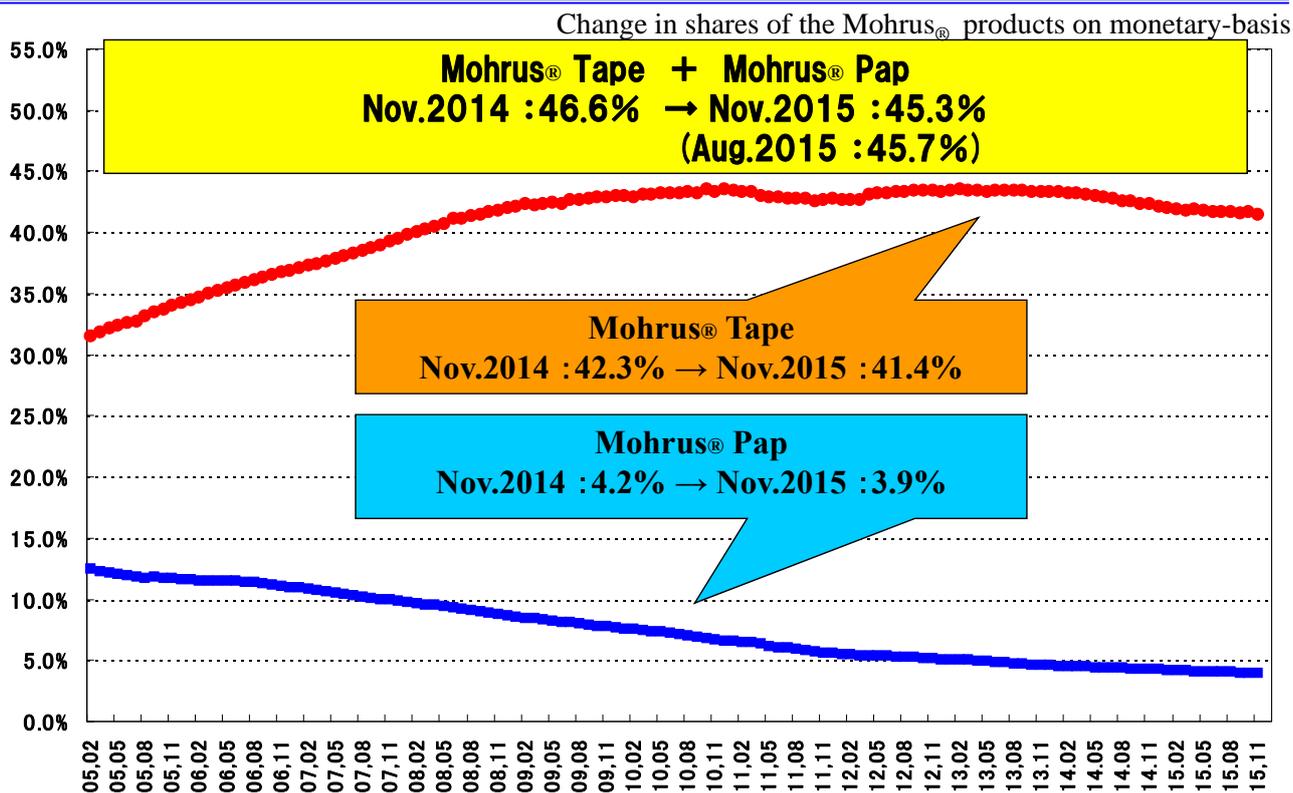
7. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (1)



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



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8. 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 FY16
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 FY18
4	Phase3	HP-3060	JPN	Adhesive skin patch	Allergic rhinitis	To be filed in FY16
5	Phase2/3	HP-3150	JPN	Adhesive skin patch	Cancer pain	To be filed in FY16
6	Phase3 being prepared	HP-3070	USA	Adhesive skin patch	Schizophrenia	Phase3 in FY16
7	Phase3 being prepared	ATS	USA	Adhesive skin patch	Attention Deficit Hyperactivity Disorder (ADHD)	Phase3 in FY16
8	Phase3 being prepared	HP-3000	JPN	Adhesive skin patch	Idiopathic restless legs syndrome	Phase3 in FY18
9	Phase2	HP-3150	JPN	Adhesive skin patch	Lowback pain	Phase3 in FY17

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

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Improving Quality of Life Around the World

Q3 FY02/2016 Results

Jan. 8th, 2016

Hisamitsu Pharmaceutical Co., Inc.

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Additional data

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Noven PL - Performance comparison with the previous period -

Unit:\$ thousand

	Actual performance for FY02/15 (Q1-Q3)	Actual performance for FY02/16 (Q1-Q3)	Change	Percentage Change
Net sales *	158,192	191,607	+33,414	+21.1%
Noven Women's Health	99,734	145,352	+45,618	+45.7%
Noven Others	58,458	46,254	-12,203	-20.9%
CoGS	79,856	83,125	+3,269	+4.1%
as a % of sales	50.5%	43.4%	-	-
SG&A costs	134,998	98,744	-36,253	-26.9%
Sales promotion costs	37,150	21,141	-16,008	-43.1%
Advertising costs	13,633	4,979	-8,654	-63.5%
R&D spending	24,361	23,302	-1,058	-4.3%
Others	59,853	49,321	-10,531	-17.6%
Operating profits	-56,662	9,737	+66,399	-
Nonoperating balance	66,936	270	-66,666	-99.6%
Equity in earnings of Novogyne	70,004	0	-70,004	-
Amortization of fair value adjustment to investment in Novogyne	-11,562	0	+11,562	-
Pretax profits	10,274	10,007	-266	-2.6%
Net profits	6,545	7,798	+1,252	+19.1%

* Results before consolidated adjustment. 16

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Sales results by product (1)

Rx Business /
Performance comparison with the previous period



Unit:¥ million

	Change			Percentage Change		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	+5,189	-1,969	+7,158	+6.1%	-2.9%	+43.2%
New products	+1,483	+1,483	-	+26.2%	+26.2%	-
Fentos [®] Tape	+1,264	+1,264	-	+37.9%	+37.9%	-
Norspan [®] Tape	+149	+149	-	+9.8%	+9.8%	-
Neoxy [®] Tape	+41	+41	-	+6.2%	+6.2%	-
Abstral [®]	+27	+27	-	+23.6%	+23.6%	-
Mohrus[®] products+Others	-3,106	-3,452	+346	-4.9%	-5.5%	+83.9%
Mohrus [®] Tape	-2,703	-2,721	+17	-5.1%	-5.2%	+27.6%
Mohrus [®] Pap	-538	-538	-	-11.3%	-11.3%	-
Others	+136	-192	+329	+2.3%	-3.5%	+94.2%
Noven Women's Health	+7,272	-	+7,272	+70.6%	-	+70.6%
Minivelle [®]	+2,313	-	+2,313	+41.0%	-	+41.0%
Vivelle-Dot [®] products	+983	-	+983	+31.7%	-	+31.7%
CombiPatch [®] products	+2,914	-	+2,914	+305.3%	-	+305.3%
Brisdelle [®]	+1,060	-	+1,060	+178.3%	-	+178.3%
Noven Others	-460	-	-460	-7.9%	-	-7.9%
Daytrana [®]	-34	-	-34	-0.7%	-	-0.7%
Others	-426	-	-426	-47.8%	-	-47.8%

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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	+2,121	+1,062	+1,058	+7.7%	+6.6%	+9.3%
Salonpas [®] products	+1,989	+947	+1,042	+13.9%	+16.8%	+12.0%
Salonsip [®] products	+96	-17	+113	+2.5%	-0.7%	+9.1%
Air [®] Salonpas [®] products	-31	+13	-44	-1.8%	+1.2%	-7.4%
Feitas [®] products	+222	+222	-	+6.8%	+6.8%	-
Butenalock [®] products	-136	-136	-	-8.4%	-8.4%	-
Allegra [®] FX	-122	-122	-	-12.3%	-12.3%	-
Others	+102	+155	-52	+5.8%	+16.1%	-6.5%

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