

Hisamitsu Pharmaceutical Co., Inc.

Q1 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.

Jul. 10th, 2015

Care of People Around the World with Patch

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Agenda

1. Looking back on the Q1 FY02/2016
2. Consolidated PL
3. Non Consolidated PL
4. Noven PL
5. Sales results by product
6. Trends of Second-generation non-steroidal anti-inflammatory patch in Japan
7. R&D Pipeline

Additional data

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1. Looking back on the Q1 FY02/2016

Japan / Developed products	The commencement of a Phase III clinical study of HP-3000 in Japan (a transdermal drug for the treatment of Parkinson's disease)
Japan / OTC products	Launch of Salonpas®
US / Noven 「Minivelle®」	Noven files patent infringement lawsuit against ACTAVIS
Others	<p>The replacement of president</p> <p>2015 the award for intellectual property「Minister Prize of Economic, Trade and Industry」</p> <p>Supporting the exhibition of Roger Mello</p> <p>"Hisamitsu Springs" 2014-15 season V•Premium League(for women) ranked at 2nd FIVB Women's Club World Championship 2015 (Zurich,Switzerland) ranked at 5th</p>

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

Unit:¥ million

	Actual performance for FY02/15 (Q1)	Actual performance for FY02/16 (Q1)	Change	Percentage Change
Net sales	37,756	39,680	+1,924	+5.1%
CoGS	13,931	14,512	+581	+4.2%
as a % of sales	36.9%	36.6%	-	-
SG&A costs	19,234	19,430	+196	+1.0%
Sales promotion costs	4,790	4,047	-743	-15.5%
Advertising costs	2,493	3,581	+1,088	+43.7%
R&D spending	3,466	3,421	-45	-1.3%
Others	8,485	8,379	-106	-1.2%
Operating profits	4,590	5,737	+1,147	+25.0%
Recurring profits	6,656	5,663	-993	-14.9%
Net profits	3,998	3,535	-463	-11.6%

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

Unit:¥ million

	Actual performance for FY02/15 (Q1)	Actual performance for FY02/16 (Q1)	Change	Main factor
Net sales	37,756	39,680	+1,924	
Hisamitsu (Non consolidated)	29,968	28,867	-1,101	•Decrease in sales of Rx Business.
Noven	4,875	7,871	+2,996	•Increase in sales of major products. •Influence of the currency exchange.
Others *	2,913	2,942	+29	
CoGS	13,931	14,512	+581	•Increase in Net sales. •Decrease in royalty payment.
as a % of sales	36.9%	36.6%	-	
SG&A costs	19,234	19,430	+196	•Increase in Advertising costs of Hisamitsu & Noven. •Decrease in Sales promotion costs of Noven.
Operating profits	4,590	5,737	+1,147	
Non-operating balance	2,065	-75	-2,140	•Decrease in Equity-method investment profits of Noven.
Recurring profits	6,656	5,663	-993	
Extraordinary balance	-6	-24	-18	
Net profits	3,998	3,535	-463	

* "Others" includes consolidated adjustment. 5

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

Unit:¥ million

	Actual performance for FY02/15 (Q1)	Actual performance for FY02/16 (Q1)	Change	Percentage Change
Net sales	29,968	28,867	-1,101	-3.7%
Rx Business	22,615	20,753	-1,862	-8.2%
OTC Business	6,005	6,289	+284	+4.7%
Intl Business	1,347	1,824	+477	+35.4%
CoGS	9,955	9,627	-328	-3.3%
as a % of sales	33.2%	33.3%	-	-
SG&A costs	13,425	13,544	+119	+0.9%
Sales promotion costs	2,867	2,578	-289	-10.1%
Advertising costs	2,248	2,736	+488	+21.7%
R&D spending	2,716	2,555	-161	-5.9%
Others	5,594	5,674	+80	+1.5%
Operating profits	6,587	5,695	-892	-13.5%
Recurring profits	6,744	6,108	-636	-9.4%
Net profits	4,336	4,069	-267	-6.2%

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

	Actual performance for FY02/15 (Q1)	Actual performance for FY02/16 (Q1)	Change	Percentage Change	Unit:¥ million
Net sales *	4,875	7,871	+2,996	+61.5%	
Noven Women's Health	2,712	5,687	+2,975	+109.7%	
Noven Others	2,162	2,183	+21	+1.0%	
CoGS	2,685	3,755	+1,070	+39.9%	
as a % of sales	55.1%	47.7%	-	-	
SG&A costs	4,472	4,329	-143	-3.2%	
Sales promotion costs	1,439	817	-622	-43.2%	
Advertising costs	25	525	+500	21times	
R&D spending	751	868	+117	+15.6%	
Others	2,255	2,118	-137	-6.1%	
Operating profits	-2,282	-213	+2,069	-	
Nonoperating balance	2,192	7	-2,185	-99.7%	
Equity in earnings of Novogyne	2,676	0	-2,676	-	
Amortization of fair value adjustment to investment in Novogyne	-474	0	+474	-	
Recurring profits	-90	-205	-115	-	
Net profits	-54	-127	-73	-	

* Results before consolidated adjustment.

Exchange rate (¥/USD)	¥102.57	¥119.23
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5. Sales results by product (1) - Rx Business -

Unit:¥ million

	Actual performance for FY02/15 (Q1)			Actual performance for FY02/16 (Q1)		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	27,463	22,615	4,852	28,682	20,753	7,928
New products	1,437	1,439	0	2,255	2,255	0
Fentos [®] Tape	746	746	0	1,462	1,462	0
Norspan [®] Tape	498	498	0	523	523	0
Neoxy [®] Tape	157	157	0	224	224	0
Abstral [®]	36	36	0	45	45	0
Mohrus[®] products+Others	21,212	21,176	37	18,631	18,497	133
Mohrus [®] Tape	17,794	17,771	23	15,549	15,525	23
Mohrus [®] Pap	1,596	1,596	0	1,307	1,307	0
Others	1,821	1,807	14	1,773	1,664	109
Noven Women's Health	2,710	0	2,710	5,687	0	5,687
Minivelle [®]	1,578	0	1,578	2,433	0	2,433
Vivelle-Dot [®] products	806	0	806	1,597	0	1,597
CombiPatch [®] products	221	0	221	1,218	0	1,218
Brisdelle [®]	105	0	105	437	0	437
Noven Others	2,105	0	2,105	2,107	0	2,107
Daytrana [®]	1,725	0	1,725	1,955	0	1,955
Others of Noven products	380	0	380	152	0	152

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

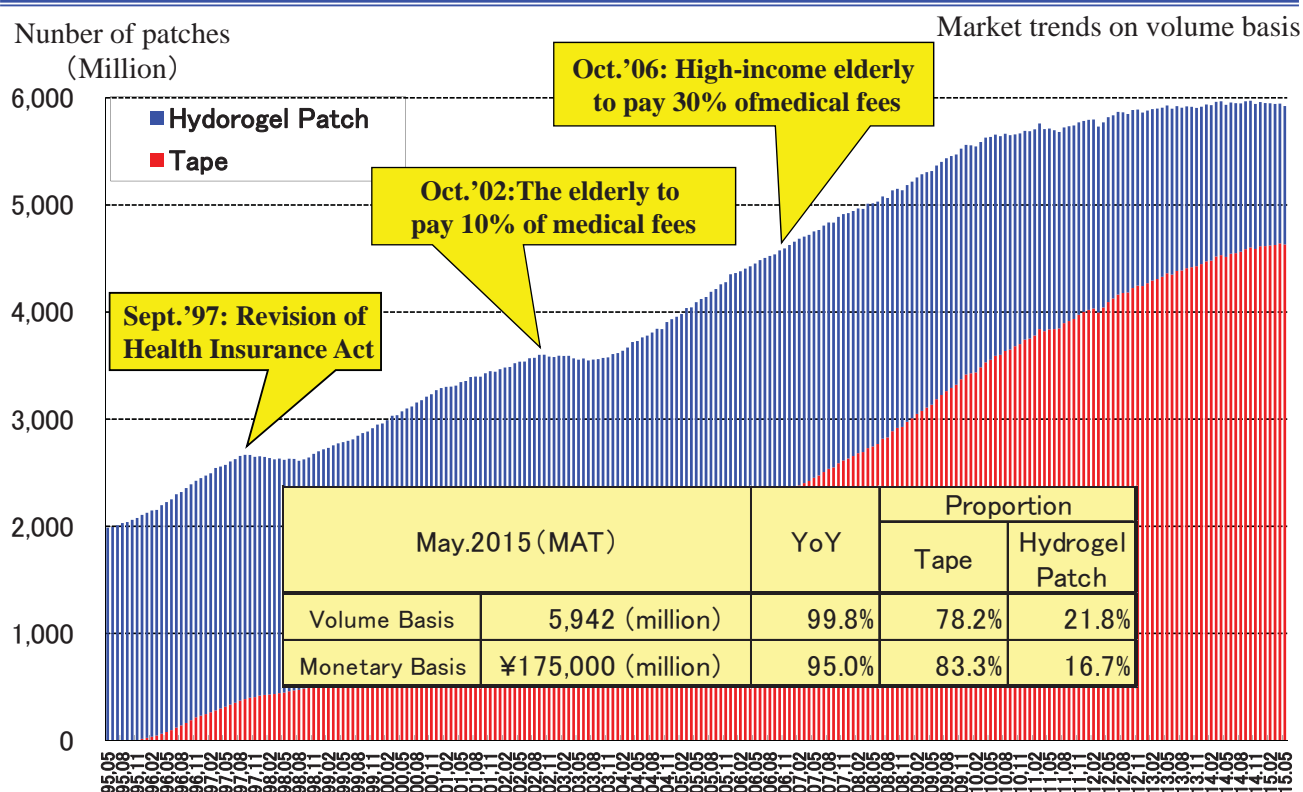
Unit:¥ million

	Actual performance for FY02/15 (Q1)			Actual performance for FY02/16 (Q1)		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	9,488	6,003	3,485	10,205	6,289	3,915
Salonpas® products	4,371	1,727	2,644 (+7.6%)	5,106	2,024	3,082
Salonsip® products	1,104	739	365	1,179	764	414
Air® Salonpas® products	514	351	163	501	363	137
Feitas® products	848	848	0	1,066	1,066	0
Butenalock® products	1,291	1,291	0	1,055	1,055	0
Allegra® FX	723	723	0	657	657	0
Others	637	324	313	638	357	281

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

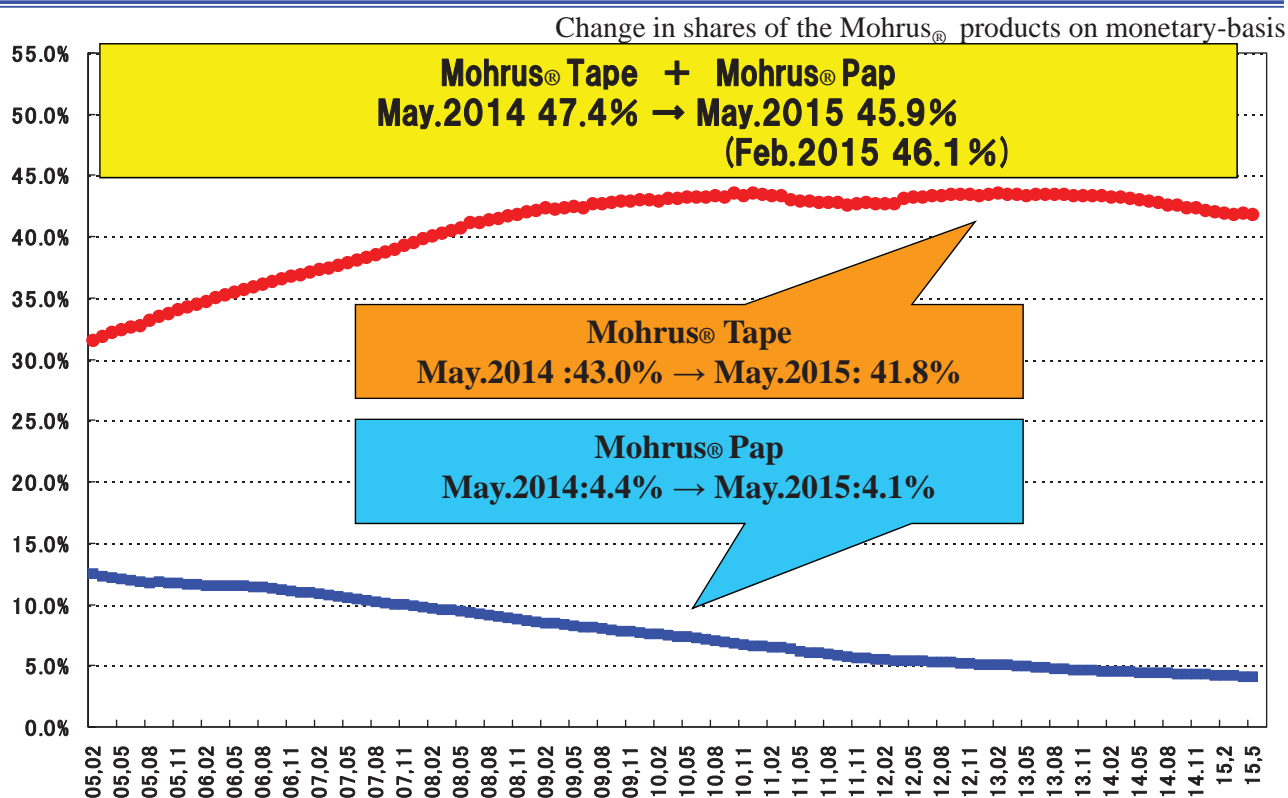


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6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (2)



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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	Phase2/3	HP-3150	JPN	Adhesive skin patch	cancer pain	To be filed in FY16
5	Phase3 being prepared	ATS	USA	Adhesive skin patch	Attention Deficit Hyperactivity Disorder (ADHD)	Phase3 in FY15
6	Phase3 being prepared	HP-3060	JPN	Adhesive skin patch	Allergic rhinitis	Phase3 in FY15
7	Phase3 being prepared	HP-3000	JPN	Adhesive skin patch	Idiopathic restless legs syndrome	Phase3 in FY15
8	Phase 1	HP-3070	USA	Adhesive skin patch	Schizophrenia	Phase2 in FY15

※Yellow-highlighted parts are changes from the previous announcement made on Apr.8th, 2015

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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)	Actual performance for FY02/16 (Q1)	Change	Percentage Change
Net sales *	47,528	66,018	+18,490	+38.9%
Noven Women's Health	26,446	47,702	+21,256	+80.4%
Noven Others	21,081	18,315	-2,766	-13.1%
CoGS	26,182	31,494	+5,312	+20.3%
as a % of sales	55.1%	47.7%	-	-
SG&A costs	43,603	36,311	-7,291	-16.7%
Sales promotion costs	14,037	6,853	-7,184	-51.2%
Advertising costs	244	4,407	+4,162	18times
R&D spending	7,329	7,280	-49	-0.7%
Others	21,990	17,770	-4,219	-19.2%
Operating profits	-22,256	-1,787	+20,469	-
Nonoperating balance	21,370	59	-21,310	-99.7%
Equity in earnings of Novogyne	26,090	0	-26,090	-
Amortization of fair value adjustment to investment in Novogyne	-4,625	0	+4,625	-
Recurring profits	-886	-1,727	-841	-
Net profits	-534	-1,070	-536	-

* Results before consolidated adjustment. 14

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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	+1,219	-1,862	+3,076	+4.4%	-8.2%	+63.4%
New products	+818	+816	-	+56.9%	+56.7%	-
Fentos [®] Tape	+716	+716	-	+96.0%	+96.0%	-
Norspan [®] Tape	+25	+25	-	+5.0%	+5.0%	-
Neoxy [®] Tape	+67	+67	-	+42.7%	+42.7%	-
Abstral [®]	+9	+9	-	+25.0%	+25.0%	-
Mohrus[®] products+Others	-2,581	-2,679	+96	-12.2%	-12.7%	+259.5%
Mohrus [®] Tape	-2,245	-2,246	-	-12.6%	-12.6%	-
Mohrus [®] Pap	-289	-289	-	-18.1%	-18.1%	-
Others	-48	-143	+95	-2.6%	-7.9%	+678.6%
Noven Women's Health	+2,977	-	+2,977	+109.9%	-	+109.9%
Minivelle [®]	+855	-	+855	+54.2%	-	+54.2%
Vivelle-Dot [®] products	+791	-	+791	+98.1%	-	+98.1%
CombiPatch [®] products	+997	-	+997	+451.1%	-	+451.1%
Brisdelle [®]	+332	-	+332	+316.2%	-	+316.2%
Noven Others	+2	-	+2	+0.1%	-	+0.1%
Daytrana [®]	+230	-	+230	+13.3%	-	+13.3%
Others	-228	-	-228	-60.0%	-	-60.0%

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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	+717	+286	+430	+7.6%	+4.8%	+12.3%
Salonpas [®] products	+735	+297	+438	+16.8%	+17.2%	+16.6%
Salonsip [®] products	+75	+25	+49	+6.8%	+3.4%	+13.4%
Air [®] Salonpas [®] products	-13	+12	-26	-2.5%	+3.4%	-16.0%
Feitas [®] products	+218	+218	+0	+25.7%	+25.7%	-
Butenalock [®] products	-236	-236	+0	-18.3%	-18.3%	-
Allegra [®] FX	-66	-66	+0	-9.1%	-9.1%	-
Others	+1	+33	-32	+0.2%	+10.2%	-10.2%

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Improving Quality of Life Around the World

Q1 FY02/2016 Results

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