

Hisamitsu Pharmaceutical Co., Inc. FY02/2013 Results and Future outlook

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. 11th, 2013

Patch and Care of People around the World

Business Performance for the FY02/2013

Consolidated PL

Unit:¥ million

	FY02/12	FY02/13	YoY	Consolidated / Non-consolidated
Net sales	137,794	142,772	+3.6%	1.17
CoGS	46,785	51,659	+10.4%	
as a % of sales	34.0%	36.2%		
SG&A costs	65,070	65,786	+1.1%	
Advertising costs	9,565	10,086	+5.4%	
R&D spending	14,758	12,662	-14.2%	
Operating profits	25,937	25,326	-2.4%	0.84
Recurring profits	33,494	33,051	-1.3%	1.07
Net profits	18,439	18,809	+2.0%	1.02

2

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Summary of Profit and Loss

Unit:¥ million

	①FY02/12	②FY02/13	②-①	Main factor
Net sales	137,794	142,772	+4,978	
Rx Business	95,036	98,002	+2,966	•[Last year] Impact of Disaster. •Increase in sales of major products.
OTC Business	18,424	18,037	-387	•Intensified competitive environment.
Intl Business	5,865	6,393	+528	•Increase in sales of major products.
Noven	11,675	12,441	+766	•Increase in sales of major products.
Others	6,794	7,899	+1105	•Increase in sales of overseas subsidiaries.
CoGS	46,785	51,659	+4,874	•Increase in Net sales. •Change of sales structure.
as a % of sales	34.0%	36.2%	+2.2%	•Increase in CoGS ratio due to National Health Insurance price reduction.
SG&A costs	65,070	65,786	+716	•Increase in SG&A costs of US subsidiaries.
Operating profits	25,937	25,326	-611	
Non-operating balance	7,556	7,725	+169	
Recurring profits	33,494	33,051	-443	
Extraordinary balance	-1,114	-1,060	+54	
Net profits	18,439	18,809	+370	

3

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Non-consolidated PL

Unit: ¥ million

	FY02/12	FY02/13	YoY
Net sales	119,326	122,433	+2.6%
Rx Business	95,036	98,002	+3.1%
OTC Business	18,424	18,037	-2.1%
Intl Business	5,865	6,393	+9.0%
CoGS	37,009	40,610	+9.7%
as a % of sales	31.0%	33.2%	
SG&A costs	52,335	51,815	-1.0%
Advertising costs	8,728	8,853	+1.4%
R&D spending	10,628	9,546	-10.2%
Operating profits	29,980	30,006	+0.1%
Recurring profits	30,628	30,999	+1.2%
Net profits	16,761	18,467	+10.2%

4

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Noven PL

Unit: ¥ million

Unit: \$ thousand

	FY02/12	FY02/13	YoY	FY02/12	FY02/13	YoY
Net sales	11,675	12,441	+6.6%	146,623	155,286	+5.9%
Daytrana	4,625	4,895	+5.8%	58,089	61,098	+5.2%
Vivelle-dot	3,780	4,234	+12.0%	47,482	52,851	+11.3%
Noven Therapeutics	1,926	1,534	-20.4%	24,191	19,158	-20.8%
Others	1,344	1,778	+32.3%	16,861	22,179	+31.5%
CoGS	6,685	7,708	+15.3%	83,959	96,214	+14.6%
as a % of sales	57.3%	62.0%		57.3%	62.0%	
SG&A costs	9,027	9,796	+8.5%	113,367	122,267	+7.9%
R&D spending	4,150	3,130	-24.6%	52,116	39,075	-25.0%
Others	4,877	6,665	+36.7%	61,251	83,192	+35.8%
Operating profits	-4,037	-5,063	-	-50,703	-63,195	-
Nonoperating balance	5,427	6,504	+19.8%	68,154	81,188	+19.1%
Equity in earnings of Novogyne	6,549	8,359	+27.6%	82,251	104,333	+26.8%
Amortization of fair value adjustment to investment in Novogyne	-1,053	-1,907	-	-13,230	-23,804	-
Recurring profits	1,389	1,441	+3.7%	17,451	17,993	+3.1%
Net profits	992	880	-11.3%	12,459	10,987	-11.8%
Exchange rate (¥/USD)	¥79.63	¥80.12				

*Noven Therapeutics: Pexeva, Lithobid, Stavzor

5

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Sales results of major products

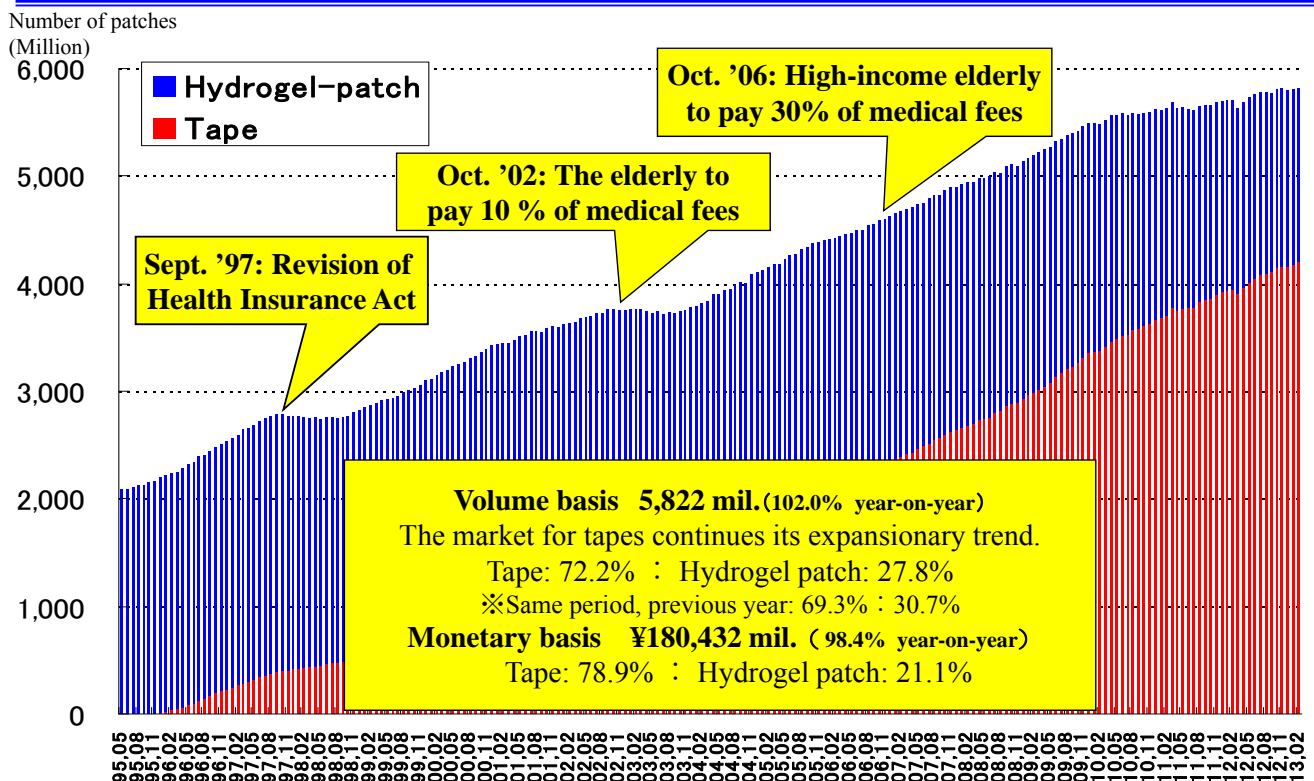
Unit:¥ million

		FY02/12	FY02/13	YoY
Ethical drugs	Mohrus Tape	75,369	77,678	+3.1%
	Mohrus Pap	8,240	7,846	-4.8%
	Fentos Tape	3,272	3,792	+15.9%
	Naboaal	2,046	1,762	-13.9%
	Norspan Tape	320	1,330	+315.6%
	Estrana Tape	1,133	1,248	+10.2%
	Daytrana	4,625	4,895	+5.8%
	Vivelle-Dot	3,780	4,234	+12.0%
	Noven Therapeutics	1,926	1,534	-20.4%
	OTC drugs	Salonpas products	6,658	6,852
Salonship products		3,688	3,805	+3.2%
Feitas products		3,548	3,439	-3.1%
Air Salonpas products		1,804	1,707	-5.4%
Butenalock products		1,779	1,394	-21.6%
Allegra FX		-	970	-

6

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Trends of second-generation non-steroidal anti-inflammatory patch market (volume-basis)

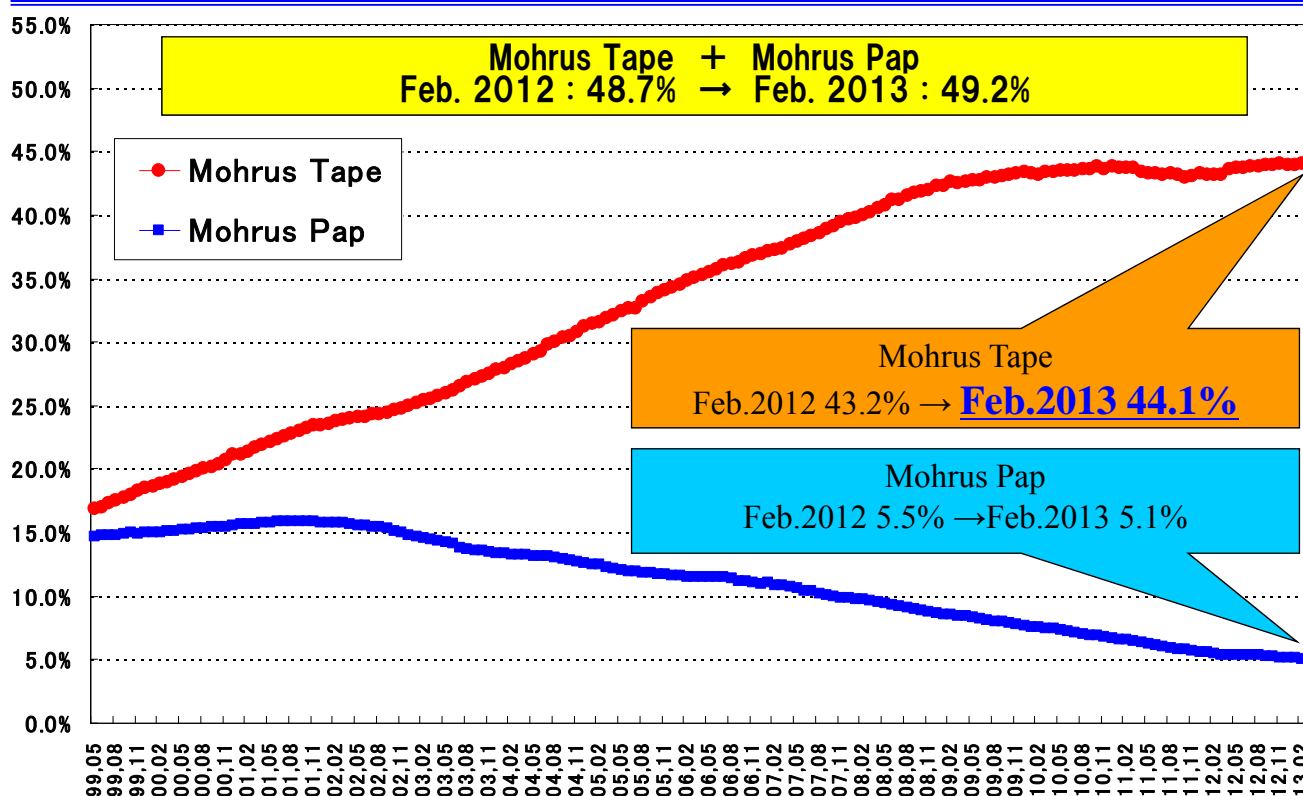


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7

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Changes in shares of second-generation non-steroidal anti-inflammatory patch



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R&D Pipeline

Stage	Theme	Target	Dosage form	Characteristics	Next step
Approval	HOB-294 (NEOXY Tape 73.5mg)	Japan	Adhesive skin patch	Overactive bladder	Launched in FY13
Filing (ANDA)	HP-1010	US	Adhesive skin patch	Relief of pain associated with post-herpetic neuralgia	No disclosure
Filing (ANDA)	HP-1030	US	Adhesive skin patch	Alzheimer's disease	No disclosure
Filing (NDA)	LDMP	US	Oral	Vasomotor symptoms (Hot flashes)	Approved in FY13
Application being prepared	HFT-290 (Additional Indication of FENTOS Tape)	Japan	Adhesive skin patch	Relief of non-malignant chronic pain	Filed in FY13
Phase3	HTU-520	Japan	Adhesive skin patch	Onychomycosis	Under consideration
Phase2	HTU-520	US	Adhesive skin patch	Onychomycosis	Phase3 in FY13
Phase2	ATS	US	Adhesive skin patch	Attention Deficit Hyperactivity Disorder (ADHD)	Phase3 in FY13
Phase2	HP-3000	Japan	Adhesive skin patch	Parkinson's disease	Phase3 in FY15

※Yellow-highlighted parts are changes from the previous announcement made on Jan.10th, 2013

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Outlook for the FY02/2014

10

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Forecast of Consolidated PL

Unit:¥ million

	FY02/13	FY02/14	YoY	Consolidated / Non-consolidated
Net sales	142,772	151,500	+6.1%	1.21
CoGS	51,659	54,900	+6.3%	
as a % of sales	36.2%	36.2%		
SG&A costs	65,786	76,300	+16.0%	
Advertising costs	10,086	12,300	+22.0%	
R&D spending	12,662	13,900	+9.8%	
Operating profits	25,326	20,300	-19.8%	0.70
Recurring profits	33,051	27,800	-15.9%	0.93
Net profits	18,809	20,600	+9.5%	0.94

11

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Forecast of Non-consolidated PL

Unit: ¥ million

	FY02/13	FY02/14	YoY
Net sales	122,433	125,500	+2.5%
Rx Business	98,002	99,000	+1.0%
OTC Business	18,037	19,400	+7.6%
Intl Business	6,393	7,100	+11.1%
CoGS	40,610	40,500	-0.3%
as a % of sales	33.2%	32.3%	
SG&A costs	51,815	56,000	+8.1%
Advertising costs	8,853	9,300	+5.0%
R&D spending	9,546	10,300	+7.9%
Operating profits	30,006	29,000	-3.4%
Recurring profits	30,999	29,800	-3.9%
Net profits	18,467	22,000	+19.1%

12

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Forecast of Noven PL

Unit: ¥ million

	FY02/13	FY02/14	YoY
Net sales	12,441	15,400	+23.8%
Daytrana	4,895	6,400	+30.7%
Vivelle-dot	4,234	4,100	-3.2%
Minivelle	-	2,150	-
Noven Therapeutics	1,534	1,200	-21.8%
Other	1,778	1,550	-12.8%
CoGS	7,708	9,500	+23.2%
as a % of sales	62.0%	61.7%	
SG&A costs	9,796	15,000	+53.1%
R&D spending	3,130	3,600	+15.0%
Other	6,665	11,400	+71.0%
Operating profits	-5,063	-9,100	-
Nonoperating balance	6,504	6,800	+4.6%
Equity in earnings of Novogyne	8,359	10,100	+20.8%
Amortization of fair value adjustment to investment in Novogyne	-1,907	-3,400	-
Recurring profits	1,441	-2,300	-
Net profits	880	-1,200	-
Exchange rate (¥/USD)	¥80.12	¥94.00	

*Noven Therapeutics: Pexeva, Lithobid, Stavzor

13

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Forecast of Sales results of major products

Unit:¥ million

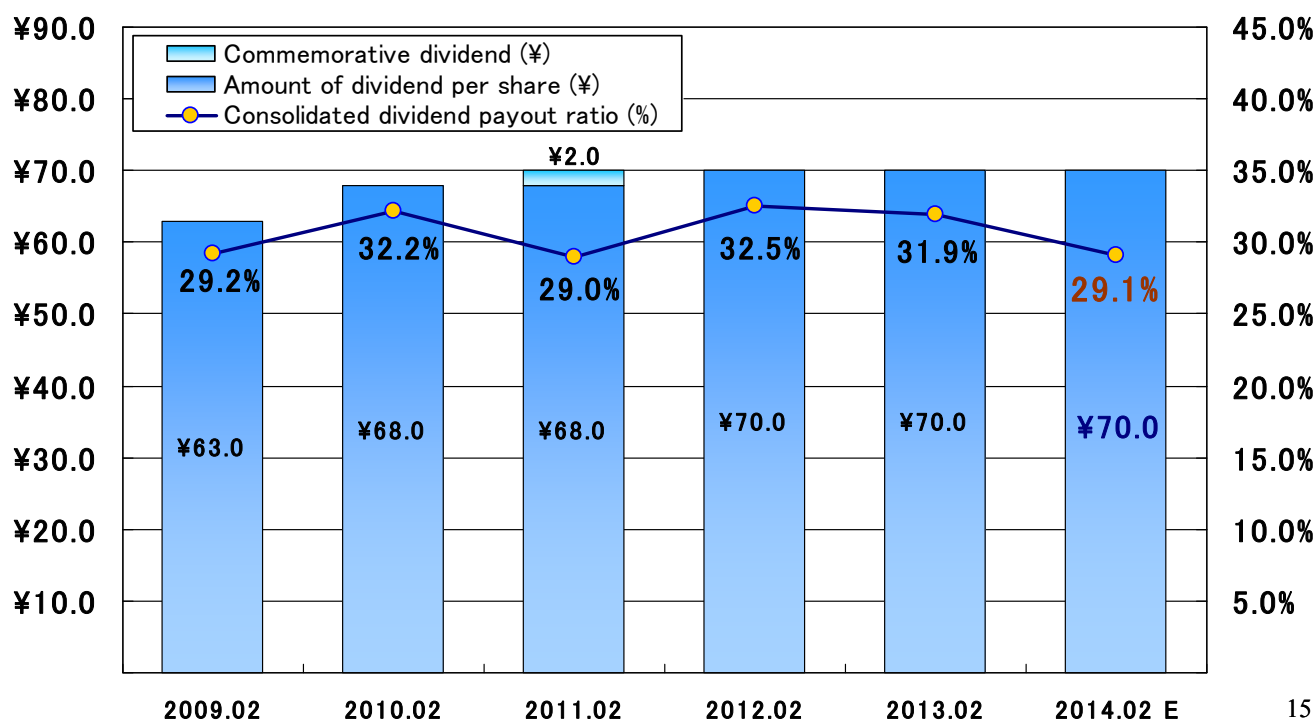
		FY02/13	FY02/14	YoY
Ethical drugs	Mohrus Tape	77,678	77,800	+0.2%
	Mohrus Pap	7,846	7,200	-8.2%
	Fentos Tape	3,792	3,900	+2.8%
	Norspan Tape	1,330	1,900	+42.9%
	Naboal	1,762	1,500	-14.9%
	Estrana Tape	1,248	1,300	+4.2%
	Daytrana	4,895	6,400	+30.7%
	Vivelle-Dot	4,234	4,100	-3.2%
	Minivelle	-	2,150	-
	Noven Therapeutics	1,534	1,200	-21.8%
OTC drugs	Salonpas products	6,852	7,000	+2.2%
	Salonship products	3,805	4,000	+5.1%
	Feitas products	3,439	3,600	+4.7%
	Butenolock products	1,394	1,800	+29.1%
	Air Salonpas products	1,707	1,700	-0.4%
	Allegra FX	970	1,400	+44.3%

14

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Forecast of dividends

➤For the term ending February 2014, the consolidated dividend payout ratio is predicted to be **29.1%** and the payout is expected to be **¥70**. (* Midterm dividend **¥35** predicted.)



15

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Aiming at improving the QOL of people around the world

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Hisamitsu Pharmaceutical Co., Inc.

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