

Hisamitsu Pharmaceutical Co., Inc.

Q3 FY02/2015 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. 9th, 2015

Care of People Around the World with Patch

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Agenda

1. Looking back on the Q3 FY02/2015
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. Minivelle[®]
8. R&D Pipeline

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1. Looking back on the Q3 FY02/2015

Japan / Rx products	Mohrus®Tape20mg, Mohrus®TapeL40mg, Mohrus®Pap30mg, Mohrus®Pap60mg and Fentos®Tape(all strengths) won the Good Design Award for 2014
Japan / OTC products	Launch of Lifecella®Dermabeaute® Launch of Feitas®5.0Hot and Feitas®5.0Hot Large-size
US / Noven	Noven received FDA approval of a new indication with a new dose for Minivelle® (Estradiol Transdermal System) Noven filed a patent infringement lawsuit on Brisdelle® against Actavis
Others	Hisamitsu Springs won second place at the 69th National Sports Festival



Lifecella®Dermabeaute®



Feitas®5.0Hot



Feitas®5.0Hot Large-size

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

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q3)	Actual performance for FY02/15 (Q1-Q3)	Change	Percentage Change	Earnings forecast for FY02/15 (Q1-Q4) *
Net sales	115,129	114,940	-189	-0.2%	161,900
CoGS	41,112	40,954	-158	-0.4%	59,500
as a % of sales	35.7%	35.6%	-	-	36.8%
SG&A costs	55,529	58,348	+2,819	+5.1%	82,000
Sales promotion costs	10,776	13,361	+2,585	+24.0%	18,700
Advertising costs	9,482	9,288	-194	-2.0%	13,000
R&D spending	10,327	10,602	+275	+2.7%	14,000
Others	24,944	25,097	+153	+0.6%	36,300
Operating profits	18,487	15,637	-2,850	-15.4%	20,400
Recurring profits	25,513	22,637	-2,876	-11.3%	27,800
Net profits	19,188	14,476	-4,712	-24.6%	18,000

* As of Apr 10, 2014

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

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q3)	Actual performance for FY02/15 (Q1-Q3)	Change	Main factors
Net sales	115,129	114,940	-189	
Hisamitsu (Non-consolidated)	95,335	90,012	-5,323	•Decrease in sales of Rx Business.
Noven	12,555	16,336	+3,781	•Increase in sales of major products. •Influence of currency exchange rate.
Others *	7,240	8,592	+1,352	•Increase in sales of overseas subsidiaries.
CoGS	41,112	40,954	-158	•Decrease in Net sales.
as a % of sales	35.7%	35.6%	-	•Change of sales mix.
SG&A costs	55,529	58,348	+2,819	•Increase in SG&A costs of Noven. •Influence of currency exchange rate.
Operating profits	18,487	15,637	-2,850	
Non-operating balance	7,026	7,000	-26	•Decrease in Equity-method investment profits.
Recurring profits	25,513	22,637	-2,876	
Extraordinary balance	5,040	834	-4,206	•[Previous year] License revenue.
Net profits	19,188	14,476	-4,712	

* "Others" includes consolidated adjustment. 5

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

Unit:¥ million

	Actual performance for FY02/14 (Q1-Q3)	Actual performance for FY02/15 (Q1-Q3)	Change	Percentage Change	Earnings forecast for FY02/15 (Q1-Q4) *
Net sales	95,335	90,012	-5,323	-5.6%	127,300
Rx Business	74,266	68,547	-5,719	-7.7%	97,700
OTC Business	15,573	16,172	+599	+3.8%	21,200
Intl Business	5,495	5,292	-203	-3.7%	8,400
CoGS	31,114	29,256	-1,858	-6.0%	44,000
as a % of sales	32.6%	32.5%	-	-	34.6%
SG&A costs	40,460	40,010	-450	-1.1%	56,200
Sales promotion costs	8,615	8,170	-445	-5.2%	12,500
Advertising costs	7,147	6,860	-287	-4.0%	8,400
R&D spending	7,482	8,092	+610	+8.2%	10,300
Others	17,216	16,888	-328	-1.9%	25,000
Operating profits	23,761	20,745	-3,016	-12.7%	27,100
Recurring profits	24,765	22,072	-2,693	-10.9%	27,800
Net profits	19,088	14,194	-4,894	-25.6%	18,200

* As of Oct 9, 2014 6

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

	Unit:¥ million				Unit:\$ thousand			
	Actual performance for FY02/14 (Q1-Q3)	Actual performance for FY02/15 (Q1-Q3)	Change	Percentage Change	Actual performance for FY02/14 (Q1-Q3)	Actual performance for FY02/15 (Q1-Q3)	Change	Percentage Change
Net sales *	12,555	16,336	+3,781	+30.1%	129,942	158,192	+28,250	+21.7%
Noven Women's Health	5,958	10,299	+4,341	+72.9%	61,672	99,734	+38,062	+61.7%
Noven Others	6,597	6,037	-560	-8.5%	68,270	58,458	-9,812	-14.4%
CoGS	7,109	8,246	+1,137	+16.0%	73,582	79,856	+6,274	+8.5%
as a % of sales	56.6%	50.5%	-	-	56.6%	50.5%	-	-
SG&A costs	11,347	13,941	+2,594	+22.9%	117,439	134,998	+17,559	+15.0%
Sales promotion costs	1,670	3,837	+2,167	+129.8%	17,287	37,150	+19,863	+114.9%
Advertising costs	1,691	1,407	-284	-16.8%	17,508	13,633	-3,875	-22.1%
R&D spending	2,851	2,515	-336	-11.8%	29,515	24,361	-5,154	-17.5%
Others	5,133	6,181	+1,048	+20.4%	53,128	59,853	+6,725	+12.7%
Operating profits	-5,901	-5,851	+50	-	-61,079	-56,662	+4,417	-
Nonoperating balance	6,353	6,912	+559	+8.8%	65,755	66,936	+1,181	+1.8%
Equity in earnings of Novogyne	8,791	7,229	-1,562	-17.8%	90,987	70,004	-20,983	-23.1%
Amortization of fair value adjustment to investment in Novogyne	-2,587	-1,194	+1,393	-	-26,783	-11,562	+15,221	-
Recurring profits	451	1,061	+610	+135.3%	4,676	10,274	+5,598	+119.7%
Net profits	422	675	+253	+60.0%	4,370	6,545	+2,175	+49.8%
Exchange rate (¥/USD)	¥96.62	¥103.27						

* Results before consolidated adjustment. 7

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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-Q3)			Actual performance for FY02/15 (Q1-Q3)		
	Total	Japan	Overseas	Total	Japan	Overseas
Rx Business	87,242	74,264	12,978	85,094	68,544	16,550
New products	5,174	5,174	-	5,953	5,953	-
Fentos [®] Tape	2,867	2,867	-	3,338	3,338	-
Norspan [®] Tape	1,355	1,355	-	1,530	1,530	-
Neoxy [®] Tape	643	643	-	673	673	-
Other new products	309	309	-	412	412	-
Mohrus[®] products+Others	69,686	69,090	596	63,003	62,591	412
Mohrus [®] Tape	58,292	58,129	163	52,599	52,536	63
Mohrus [®] Pap	5,500	5,500	-	4,786	4,786	-
Others	5,894	5,461	433	5,618	5,269	349
Noven Women's Health	5,957	-	5,957	10,298	-	10,298
Minivelle [®]	1,689	-	1,689	5,643	-	5,643
Vivelle-Dot [®] products	3,422	-	3,422	3,106	-	3,106
CombiPatch [®] products	846	-	846	954	-	954
Brisdelle [®]	0	-	0	595	-	595
Noven Others	6,425	-	6,425	5,840	-	5,840
Daytrana [®]	4,561	-	4,561	4,950	-	4,950
Other Noven products	1,864	-	1,864	890	-	890

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

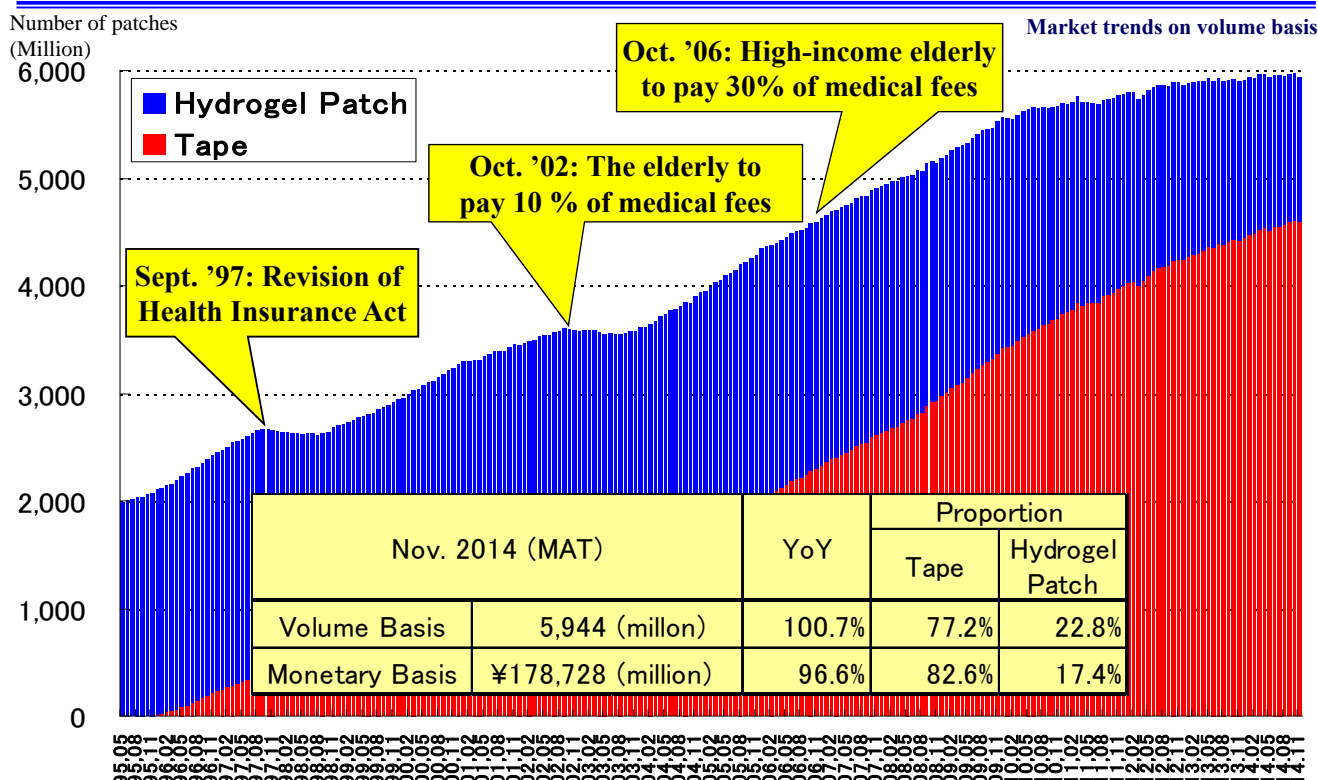
Unit: ¥ million

	Actual performance for FY02/14 (Q1-Q3)			Actual performance for FY02/15 (Q1-Q3)		
	Total	Japan	Overseas	Total	Japan	Overseas
OTC Business	25,487	15,571	9,916	27,507	16,168	11,339
Salonpas® products	12,753	5,290	7,463	14,318	5,652	8,666
Salonsip® products	3,531	2,418	1,113	3,808	2,555	1,253
Air® Salonpas® products	1,695	1,140	555	1,703	1,096	607
Feitas® products	2,939	2,939	-	3,283	3,283	-
Butenolock® products	1,481	1,481	-	1,627	1,627	-
Allegra® FX	1,323	1,323	-	988	988	-
Others	1,765	980	785	1,780	967	813

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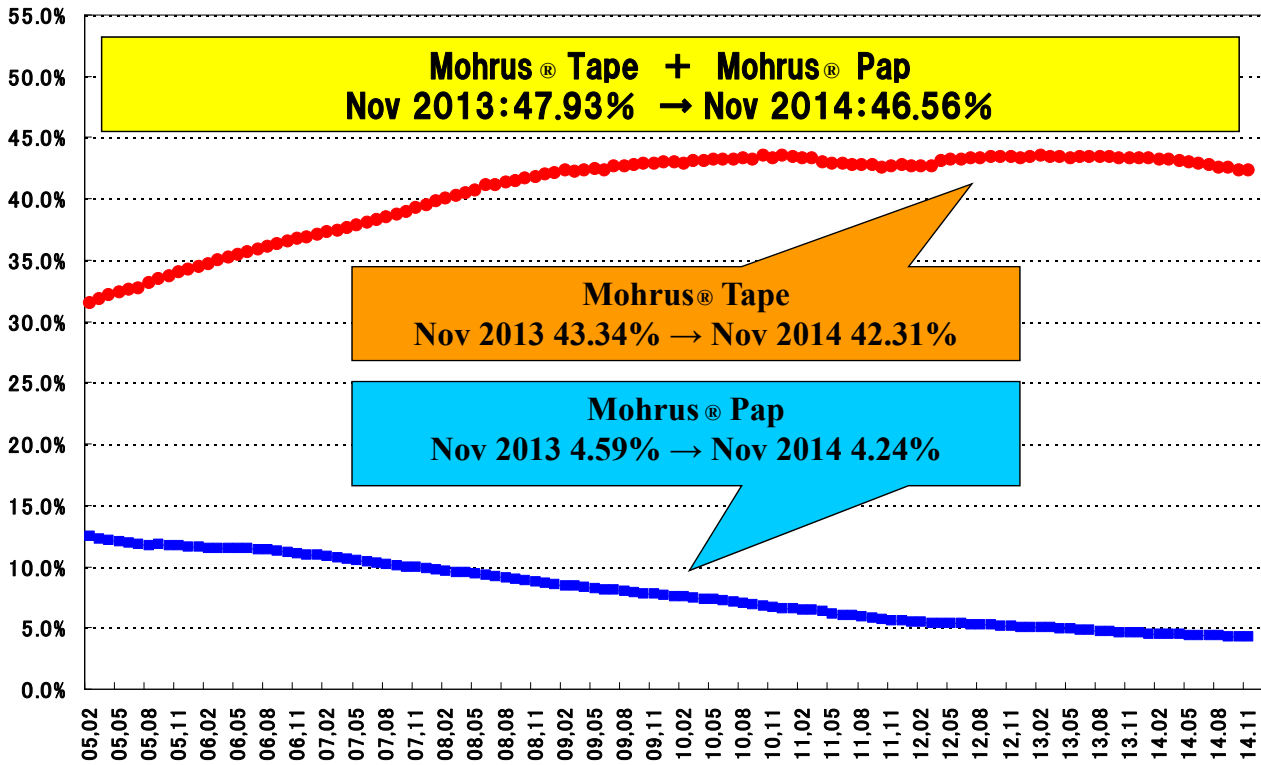
6. Trends of second-generation non-steroidal anti-inflammatory patch in Japan (1)



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

Change in shares of the Mohrus® products on monetary-basis



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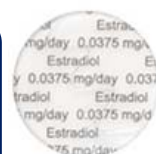
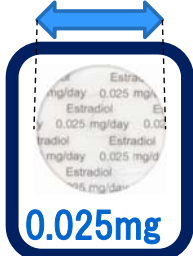
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7. Minivelle®

■ Dosage and Indication



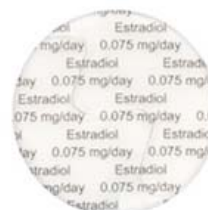
Approximately 1.5cm(0.6inch) in diameter



0.0375mg



0.05mg



0.075mg



0.1mg

Dosage

Indications

Treatment of moderate to severe vasomotor symptoms due to menopause

Prevention of post-menopausal osteoporosis

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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 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 FY14
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 Oct.9th, 2014

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Improving Quality of Life Around the World



Q3 FY02/2015 Results

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