

## Consolidated Financial Results for 1<sup>st</sup> Quarter of Fiscal Year Ended March 31, 2016

### (1) Revenue

Revenue totaled ¥35.7 billion, which was an increase of ¥3.9 billion (12.2%) from the same period of previous fiscal year.

Sales of long-term listed products decreased affected by the competitor drugs and the permeation of measures to promote the use of generics.

On the other hand, Sales of Recalbon Tablets for the treatment of osteoporosis, Rivastach Patch for the treatment of alzheimer's disease, Orenzia for Subcutaneous Injection for the treatment of rheumatoid arthritis, and so on increased steadily compared to the same period of previous fiscal year. Also, Sales of Forxiga Tablets for the treatment of type 2 diabetes, launched in May 2014, was ¥0.8 billion. Sales of Opdivo Intravenous Infusion for the treatment of malignant tumors, a human anti-human PD-1 monoclonal antibody launched in September 2014, was ¥1.4 billion.

### (2) Operating profit

Operating profit was ¥11.7 billion, which was an increase of ¥8.9 billion (320.4%) from the same period of previous fiscal year.

Sales revenue increased by ¥3.9 billion from the same period of previous fiscal year.

Research and development costs, and Selling, general and administrative expenses decreased due to the amortization of past service liabilities following revision of the retirement benefit scheme (¥6.3 billion decrease in retirement benefit expenses).

In addition, a decrease in past service liabilities following revision of the retirement benefit scheme is temporary, and you can see the overview of financial performance excluding the impact in the 10 page of the Flash Report as supplementary information of the Flash Report.

Cost of sales was ¥9.2 billion, which was an increase of ¥0.9 billion (11.2%) from the same period of previous fiscal year, and it would be ¥9.7 billion yen (an increase of 16.3%) excluding the revision of the retirement benefit scheme.

Research and development costs was ¥7.8 billion, which was a decrease of ¥1.4 billion (14.9%) from the same period of previous fiscal year, but it would be ¥10.1 billion yen (an increase of 9.2%) excluding the revision of the retirement benefit scheme.

Selling, general and administrative expenses was ¥6.8 billion, which was a decrease of ¥4.6 billion (40.1%) from the same period of previous fiscal year because business-related expenses

related to Forxiga Tablets which was launched in May last year decreased. Also, it would be ¥10.5 billion yen (a decrease of 8.2%) excluding the revision of the retirement benefit scheme.

(3) Profit for the period (attributable to owners of the parent company)

Profit for the period was ¥9.5 billion, which was an increase of ¥6.5 billion (225.0%) from the same period of previous fiscal year due to an increase in Profit before tax.

As the result of the earnings, profits of each stage are higher than the 2nd quarter forecast because of generated timing of sales and expenses, and so on, but financial results roughly progress as planned, there is no plan to be modified at present.