

# **Material for Financial Announcement Q3 FY 2019**

**January 31, 2020**

# Cautionary Notes

***Forecasts and other forward-looking statements included in this document are based on information currently available and certain assumptions that the Company deems reasonable.***

***Actual performance and other results may differ significantly due to various factors. Such factors include, but are not limited to:***

- ( i ) failures in new product development***
- ( ii ) changes in general economic conditions due to reform of medical insurance system***
- ( iii ) failures in obtaining the expected results due to effects of competing products or generic drugs***
- ( iv ) infringements of the Company's intellectual property rights by third parties***
- ( v ) stagnation of product supply from the delay in production due to natural disasters, fires and so on***
- ( vi ) onset of new side effect of post-licensure medical product***
- and, ( vii ) currency exchange rate fluctuations and interest rate trend.***

***Information about pharmaceutical products (including products currently in development) included in this document is not intended to constitute an advertisement of medical advice.***

# **Financial Results Summary for Q3 FY 2019**

(April 1 to December 31, 2019)

# Revenue

| Revenue         | YoY     |
|-----------------|---------|
| ¥ 225.3 billion | + 0.9 % |

## Breakdown of Revenue

(Billion yen)

|                                  | FY 2018 Q3     | FY 2019 Q3     | YoY                  |
|----------------------------------|----------------|----------------|----------------------|
| Revenue of Goods and Products    | 163.8          | 161.1          | - 1.7 %              |
| Royalty & Other Revenue (Opdivo) | 59.4<br>(43.3) | 64.2<br>(46.0) | + 8.1 %<br>(+ 6.1 %) |
| Total                            | 223.2          | 225.3          | + 0.9 %              |

# Revenue

## Sales of Major Products

(Billion yen)

|                | FY 2018 Q3 | FY 2019 Q3 | YoY      |
|----------------|------------|------------|----------|
| Opdivo         | 71.3       | 68.0       | - 4.7 %  |
| Glactiv        | 21.2       | 20.5       | - 3.0 %  |
| Orencia SC     | 13.4       | 15.2       | + 13.1 % |
| Forxiga        | 11.1       | 13.8       | + 24.5 % |
| Emend/Proemend | 8.2        | 8.9        | + 7.9 %  |
| Rivastach      | 7.0        | 6.7        | - 4.0 %  |
| Parsabiv       | 4.4        | 5.5        | + 23.7 % |
| Kyprolis       | 3.9        | 4.6        | + 18.0 % |
| Onoact         | 3.6        | 4.0        | + 10.2 % |
| Staybla        | 2.9        | 2.5        | - 16.0 % |

# Revenue

## Sales of Long-term Listed Products

(Billion yen)

|                       | FY 2018 Q3 | FY 2019 Q3 | YoY             |
|-----------------------|------------|------------|-----------------|
| <b>Opalmon</b>        | 8.3        | 6.7        | - <b>19.0 %</b> |
| <b>Recalbon</b>       | 6.1        | 3.9        | - <b>36.7 %</b> |
| <b>Onon Capsule</b>   | 3.0        | 2.5        | - <b>18.6 %</b> |
| <b>Onon Dry Syrup</b> | 2.0        | 1.7        | - <b>17.0 %</b> |

# Operating Profit

| Operating Profit | YoY      |
|------------------|----------|
| ¥ 66.0 billion   | + 26.7 % |

## Costs, etc.

(Billion yen)

|                  | FY 2019 Q3 | YoY           |
|------------------|------------|---------------|
| • Cost of Sales  | 61.6       | ( - 7.6% )    |
| • R&D Expenses   | 45.4       | ( - 11.3% ) ① |
| • SG&A Expenses  | 50.9       | ( - 2.4% ) ②  |
| ①+② Total        | 96.3       | ( - 6.8% )    |
| • Other Income   | 0.6        | ( + 0.2% )    |
| • Other Expenses | 2.0        | ( + 16.0% )   |

# Profit before Tax

| Profit before Tax | YoY      |
|-------------------|----------|
| ¥ 68.7 billion    | + 24.4 % |

## Net Financial Income

+ ¥ 2.6 billion ( - ¥ 0.4 billion YoY )

**Finance Income :** ¥ 3.0 billion

( Interest and dividend income received, etc. )

**Finance Costs :** ¥ 0.4 billion

( Interest expense arising from lease obligations and employee retirement benefit, exchange losses etc. )



# Profit for the Period (Owners of the Parent Company)

| Profit for the Period<br>(Owners of the Parent Company) | YoY      |
|---|----------|
| ¥ 51.8 billion  | + 20.2 % |

## Income Tax Expense

¥ 16.7 billion ( + 38.9 % YoY )

### (Major Change Factors)

|                               |                |
|-------------------------------|----------------|
| Increase in profit before tax | ¥ 13.5 billion |
| Increase in corporate tax     | ¥ 4.7 billion  |

# Full Year Financial Forecast for FY 2019

(Year ending March 31, 2020)

# Revenue (Forecasts)

| Revenue         | YoY     |
|-----------------|---------|
| ¥ 290.0 billion | + 0.5 % |

## Breakdown of Revenue

(Billion yen)

|                                  | FY 2018<br>(Result) | FY 2019<br>( Forecast ) | YoY      |
|----------------------------------|---------------------|-------------------------|----------|
| Revenue of<br>Goods and Products | 208.9               | 202.0                   | - 3.3 %  |
| Royalty & Other Revenue          | 79.7                | 88.0                    | + 10.4 % |
| Total                            | 288.6               | 290.0                   | + 0.5 %  |

# Revenue (Forecasts)

## Sales Forecasts of Major Products

(Billion yen)

|                       | FY 2018<br>(Result) | FY 2019<br>( Forecast ) | YoY             |
|-----------------------|---------------------|-------------------------|-----------------|
| <b>Opdivo</b>         | 90.6                | <b>85.0</b>             | - <b>6.2</b> %  |
| <b>Glactiv</b>        | 26.9                | <b>26.5</b>             | - <b>1.5</b> %  |
| <b>Orencia SC</b>     | 17.4                | <b>19.0</b>             | + <b>9.0</b> %  |
| <b>Forxiga</b>        | 14.5                | <b>16.5</b>             | + <b>13.8</b> % |
| <b>Emend/Proemend</b> | 10.6                | <b>11.5</b>             | + <b>8.4</b> %  |
| <b>Rivastach</b>      | 8.9                 | <b>9.5</b>              | + <b>6.8</b> %  |
| <b>Parsabiv</b>       | 5.7                 | <b>7.0</b>              | + <b>22.4</b> % |
| <b>Kyprolis</b>       | 4.9                 | <b>5.5</b>              | + <b>11.8</b> % |
| <b>Onoact</b>         | 4.6                 | <b>4.5</b>              | - <b>1.8</b> %  |
| <b>Staybla</b>        | 3.7                 | <b>3.5</b>              | - <b>5.3</b> %  |

# Revenue (Forecasts)

## Sales Forecasts of Long-term Listed Products

(Billion yen)

|                       | FY 2018<br>(Result) | FY 2019<br>( Forecast ) | YoY      |
|-----------------------|---------------------|-------------------------|----------|
| <b>Opalmon</b>        | 10.4                | 9.0                     | - 13.1 % |
| <b>Recalbon</b>       | 7.3                 | 5.0                     | - 31.9 % |
| <b>Onon Capsule</b>   | 4.4                 | 3.5                     | - 19.9 % |
| <b>Onon Dry Syrup</b> | 2.7                 | 2.0                     | - 25.9 % |

# Operating Profit (Forecasts)

| Operating Profit | YoY      |
|------------------|----------|
| ¥ 71.0 billion   | + 14.5 % |

## Costs, etc.

(Billion yen)

|                  | FY 2019<br>( Forecast ) | YoY           |
|------------------|-------------------------|---------------|
| • Cost of Sales  | 77.0                    | ( - 8.1 % )   |
| • R&D Expenses   | 70.0                    | ( - 0.0 % ) ① |
| • SG&A Expenses  | 70.0                    | ( - 0.0 % ) ② |
| ①+② Total        | 140.0                   | ( - 0.0 % )   |
| • Other Income   | 0.5                     | ( - 22.6 % )  |
| • Other Expenses | 2.5                     | ( - 26.5 % )  |

# Profit before Tax (Forecasts)

| Profit before Tax | YoY      |
|-------------------|----------|
| ¥ 73.0 billion    | + 12.1 % |

## Net Financial Income

+ ¥ 2.0 billion ( - 36.2 % YoY )

# Profit for the Period /Owners of the Parent Company (Forecasts)

| Profit for the Period<br>(Owners of the Parent Company) | YoY     |
|---|---------|
| ¥ 55.0 billion  | + 6.7 % |

## Income Tax Expense

¥ 17.9 billion ( + 33.0 % YoY )

## (Major Change Factors)

Increase in profit before tax ¥ 7.9 billion

Increase in corporate tax ¥ 4.4 billion





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