

Material for Financial Announcement Q2 FY 2020

October 30, 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 Q2 FY 2020

(April 1 to September 30, 2020)

Revenue

Revenue	YoY
¥ 150.5 billion	+ 1.0 %

Breakdown of Revenue

(Billion yen)

	FY 2019 Q2	FY 2020 Q2	YoY
Revenue of Goods and Products	106.8	106.5	- 0.2 %
Royalty & other revenue (Opdivo)	42.2 (30.7)	44.0 (29.2)	+ 4.1 % (- 5.1 %)
Total	149.0	150.5	+ 1.0 %

Revenue

Sales of Major Products

(Billion yen)

	FY 2019 Q2	FY 2020 Q2	YoY
Opdivo	46.8	49.1	+ 4.8 %
Glactiv	13.3	13.0	- 2.3 %
Forxiga	8.7	10.5	+ 20.5 %
Orencia SC	10.0	10.9	+ 8.9 %
Rivastach	4.4	4.1	- 7.0 %
Parsabiv	3.5	3.9	+ 11.9 %
Kyprolis	2.9	3.5	+ 19.8 %
Onoact	2.4	2.2	- 11.2 %
Proemend	1.3	1.3	- 1.9 %
New products (FY2020)	—	0.5	—

Revenue

Sales of Long-term Listed Products

(Billion yen)

	FY 2019 Q2	FY 2020 Q2	YoY
Opalmon	4.5	2.9	- 35.4 %
Emend	4.6	1.5	- 67.8 %
Onon capsule	1.6	1.2	- 24.6 %
Recalbon	2.6	1.5	- 41.3 %

Operating Profit

Operating Profit	YoY
¥ 52.4 billion	+ 25.1 %

Costs, etc.

(Billion yen)

	FY 2020 Q2	YoY
• Cost of sales	¥41.8	(+ 0.2%)
• R&D expenses	¥25.7	(- 16.8%) ①
• SG&A expenses	¥29.8	(- 11.6%) ②
①+② Total	¥55.6	(- 14.1%)
• Other income	¥0.4	(- 13.0%)
• Other expenses	¥1.1	(- 7.0%)

Profit before Tax

Profit before Tax	YoY
¥ 53.7 billion	+ 24.7 %

Net financial income

+ ¥ 1.3 billion (+ ¥ 0.1 Billion)

Finance income : ¥ 1.4 Billion

(Interest and dividend income received, etc.)

Finance costs : ¥ 0.1 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 (Owners of the Parent Company)	YoY
¥ 39.8 billion	+ 21.4 %

Income tax expense

¥ 13.8 billion (YoY + 36.1 %)

(Major change factors)

Increase in profit before tax	¥ 10.6 billion
Increase in corporate tax	¥ 3.7 billion

Financial Forecasts for FY 2020

(Year ending March 31, 2021)

Revenue (Forecasts)

Revenue	YoY
¥ 305.0 billion	+ 4.3 %

Breakdown of Revenue

(Billion yen)

	FY 2019 (Result)	FY 2020 (Forecast)	YoY
Revenue of Goods and Products	205.6	214.0	+ 4.1 %
Royalty & other revenue	86.8	91.0	+ 4.8 %
Total	292.4	305.0	+ 4.3 %

Revenue (Forecasts)

Sales Forecasts of Major Products

(Billion yen)

	FY 2019 (Result)	FY 2020 (Forecast)	YoY
Opdivo	87.3	98.0	+ 12.2 %
Glactiv	26.1	25.0	- 4.1 %
Forxiga	18.1	22.5	+ 24.6 %
Orencia SC	19.8	22.0	+ 11.0 %
Rivastach	8.5	7.5	- 12.0 %
Parsabiv	7.1	8.0	+ 13.1 %
Kyprolis	6.0	7.0	+ 16.7 %
Onoact	4.9	5.5	+ 13.1 %
Proemend	2.6	2.5	- 4.8 %
New products (FY2020)	—	3.0	—

Revenue (Forecasts)

Sales Forecasts of Long-term listed products

(Billion yen)

	FY 2019 (Result)	FY 2020 (Forecast)	YoY
Opalmon	8.3	5.0	- 40.0 %
Emend	8.1	2.5	- 69.1 %
Onon capsule	3.5	2.5	- 27.6 %
Recalbon	4.7	2.5	- 47.3 %

Operating Profit (Forecasts)

Operating Profit	YoY
¥ 87.0 billion	+ 12.3 %

Costs, etc.

(Billion yen)

	FY 2020 (Forecast)	YoY
• Cost of Sales	84.0	(+ 6.2 %)
• R&D Expenses	65.0	(- 2.3 %) ①
• SG&A Expenses	67.0	(- 1.0 %) ②
①+② Total	132.0	(- 1.6 %)
• Other Income	0.5	(- 39.2 %)
• Other Expenses	2.5	(- 0.5 %)

Profit before Tax (Forecasts)

Profit before Tax	YoY
¥ 88.5 billion	+ 11.0 %

Net financial income

+ ¥ 1.5 billion (- ¥ 0.7 billion YoY)

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

Profit for the Period (Owners of the Parent Company)	YoY
¥ 65.0 billion	+ 8.9 %

Income tax expense

¥ 23.3 billion (+ 17.6 % YoY)

(Major change factors)

Increase in profit before tax	¥ 8.8 billion
Increase in corporate tax	¥ 3.5 billion

Status of Cross-shareholdings

Status of Cross-shareholdings

	End of March 2018	End of September 2020	YoY
Number of listed brands	111	79	(- 28.8 %)
Balance sheet amount	¥ 167.1 billion	¥ 142.5 billion	(- 14.7 %)
the market price at the end of March 2018	¥ 167.1 billion	¥ 132.0 billion	(- 21.0 %)



ONO PHARMACEUTICAL CO.,LTD.

Dedicated to Man's Fight against Disease and Pain