

Material for Financial Announcement Q1 FY 2024

FY2024 Q1 : Financial Overview

Operating profit was ¥30.7 billion, a decrease of ¥10.7 billion (25.8%), mainly due to the revision of the National Health Insurance(NHI) drug price, a decrease in royalty rates from Merck and others, and an increase in expenses associated with the acquisition of Deciphera, despite increases in sales of Forxiga Tablet and royalty revenue from Bristol-Myers Squibb.

¥ Billion	FY2023Q1	FY2024Q1	YoY		FY2024 (Forecast)
			Change	Change (%)	
Revenue	120.0	117.7	(2.3)	(1.9%)	450.0
Cost of sales	30.2	29.7	0.5	(1.7%)	113.0
R&D expenses	24.6	28.9	4.3	17.4%	112.0
SG&A expenses	23.5	27.9	4.4	18.8%	100.0
Other income	0.1	0.0	(0.1)	(68.5%)	0.5
Other expenses	0.6	0.6	0.1	10.1%	3.5
Operating profit	41.3	30.7	(10.7)	(25.8%)	122.0
Net financial income	1.0	2.6	1.6	153.7%	1.0
Profit before tax	42.4	33.3	(9.1)	(21.4%)	123.0
Profit for the period (attributable to owners of the Company)	31.8	24.8	(7.0)	(22.1%)	91.0

YoY Breakdown

(Profit up)(Profit down)

Sales revenue ¥-2.3 billion

- Sales of OPD: ¥-5.7 billion (37.8→32.1)
- Sales of FXG: ¥4.6 billion (17.5→22.2)
- Royalty revenue from BMS: ¥5.9 billion (22.6→28.5)
- Royalty revenue from Merck: ¥-5.9 billion (122→63)

R&D Expenses ¥+4.3 billion (R&D ratio : 24.5%)

Main reasons

- Increases in research costs
- Increases in development costs for clinical trials

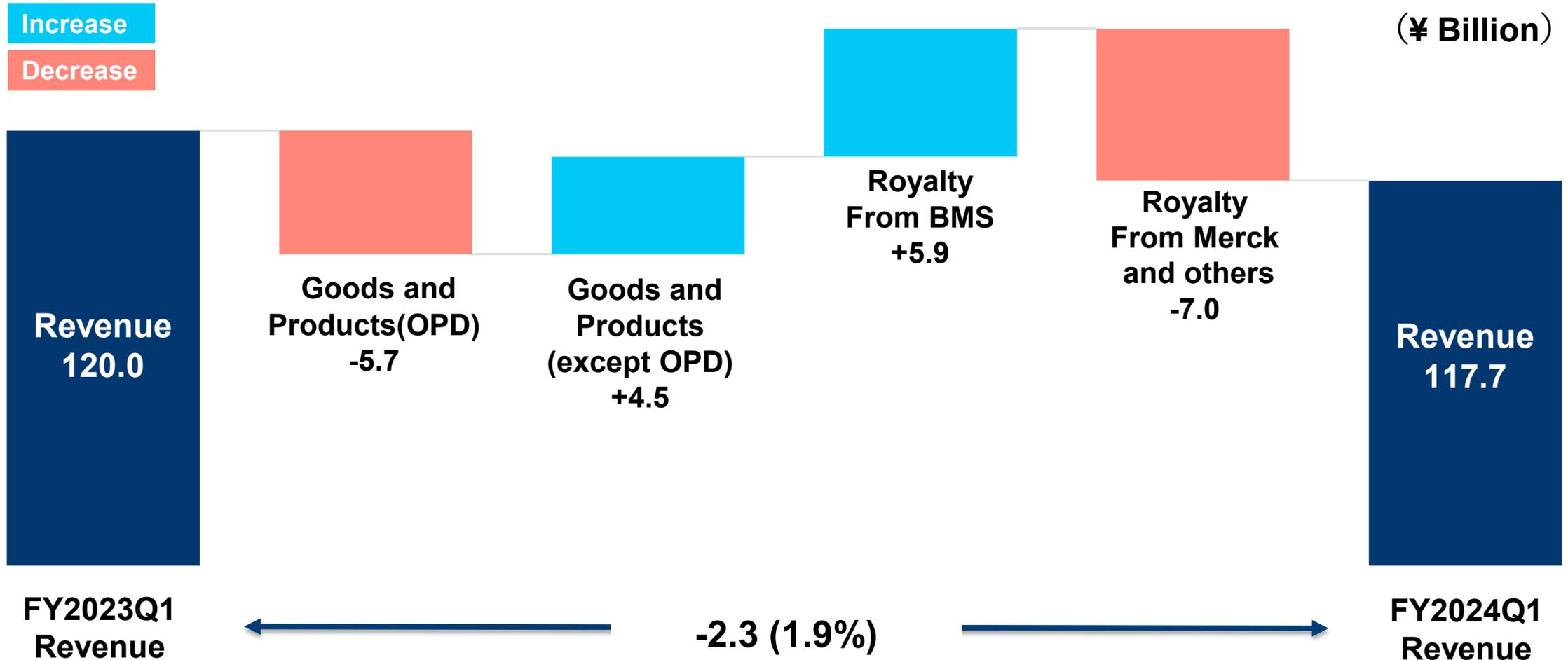
SG&A Expenses ¥+4.4 billion yen

Main reasons

- Expenses associated with the acquisition of Deciphera
- Co-promotion fees for Forxiga Tablets

FY2024 Q1 : Sales Revenue (Breakdown)

Revenue totaled ¥117.7 billion, a decrease of ¥2.3 billion (1.9%), mainly due to the revision of the National Health Insurance(NHI) drug price and a decrease in royalty rates from Merck, etc., despite increases in sales of Forxiga Tablets and royalty revenue from Bristol-Myers Squibb.



FY2024 Q1 : Sales Revenue



¥ Billion	FY2023Q1	FY2024Q1	YoY		FY2024 Forecast
			Change	Change (%)	
Revenue	120.0	117.7	(2.3)	(1.9%)	450.0
Goods and products	80.5	79.3	(1.2)	(1.5%)	304.0
Royalty and others	39.5	38.3	(1.1)	(2.9%)	146.0
OPDIVO	22.6	28.5	5.9	25.9%	
KEYTRUDA®	12.2	6.3	(5.9)	(48.5%)	
Sales of Main Products (Gross Sales Basis)	FY2023Q1	FY2024Q1	YoY		FY2024 Forecast
			Change	Change (%)	
Opdivo Intravenous Infusion	37.8	32.1	(5.7)	(15.1%)	125.0
Forxiga Tablets	17.5	22.2	4.6	26.4%	83.0
Orencia for Subcutaneous Injection	6.6	6.9	0.3	4.5%	27.0
Glactiv Tablets	5.6	5.0	(0.6)	(10.7%)	18.5
Velexbro Tablets	2.6	2.7	0.1	3.9%	10.0
Kyprolis for Intravenous Infusion	2.2	2.3	0.1	3.0%	9.5
Parsabiv Intravenous Injection	2.1	2.1	(0.0)	(0.3%)	8.5
Ongentys Tablets	1.6	1.9	0.4	23.2%	7.5

FY2024 : Financial Forecasts

No changes from the consolidated financial forecasts, announced on May 9, 2024.
The impact of the acquisition of Deciphera on the consolidated financial results is currently being reviewed.

¥ Billion	FY2023 (Actual)	FY2024 (Forecast)	Change	Change (%)
Revenue	502.7	450.0	(52.7)	(10.5%)
Cost of sales	127.1	113.0	(14.1)	(11.1%)
R&D expenses	112.2	112.0	(0.2)	(0.2%)
Ratio of R&D to revenue	22.3%	24.9%		
SG&A expenses	100.3	100.0	(0.3)	(0.3%)
Other income	1.2	0.5	(0.7)	(57.5%)
Other expenses	4.3	3.5	(0.8)	(19.4%)
Operating profit	159.9	122.0	(37.9)	(23.7%)
Net financial income	3.8	1.0	(2.8)	(73.7%)
Profit before tax	163.7	123.0	(40.7)	(24.9%)
Profit for the period (attributable to owners of the Company)	128.0	91.0	(37.0)	(28.9%)

- The annual exchange rate assumed in this forecast is 1 USD = 145 yen. Foreign exchange sensitivity in case of a depreciation of 1 yen may increase revenue and operating profit by ¥0.6 billion and ¥ 0.2 billion, respectively.

Fair value of assets acquired, liabilities assumed and purchase consideration transferred at the acquisition date



- During the first quarter, the difference between the purchase consideration transferred and the equity was recorded as goodwill (Provisional accounting treatment) .
- Intangible assets and others as of the acquisition date will be recognized through fair value assessments by the end of third quarter.

