

## Consolidated Financial Results for First Quarter of Fiscal Year Ending March 31, 2019

### 1. Revenue

Revenue totaled ¥71.2 billion, which was an increase of ¥10.3 billion (17.0%) year-on-year from the previous fiscal year.

Revenue of goods and products, primarily those of OPDIVO Intravenous Infusion for malignant tumors, steadily increased by ¥5.4 billion (11.2%) year-on-year to ¥53.9 billion, while some products were affected by drug price revisions. Royalty and other revenue increased by ¥4.9 billion (39.6%) year-on-year to ¥17.4 billion.

Royalty and other revenue include royalty revenue of OPDIVO from Bristol-Myers Squibb (BMS), co-promotion fee of ORENCIA Subcutaneous Injection for rheumatoid, etc. The royalty revenue of OPDIVO from BMS increased by ¥4.5 billion year-on-year to ¥13.4 billion.

Sales of OPDIVO increased by ¥3.0 billion (15.0%) year-on-year to ¥22.8 billion due to the use for expanded indications of renal cell carcinoma, and head & neck cancer both approved in FY2016, gastric cancer approved in FY2017, etc.

For sales of other key new products, sales of GLACTIV Tablets for type-2 diabetes increased by ¥0.1 billion year-on-year to ¥7.1 billion. Sales of ORENCIA Subcutaneous Injection for rheumatoid arthritis increased by ¥1.0 billion year-on-year to ¥4.3 billion. Sales of FORXIGA Tablets for type-2 diabetes increased by ¥1.0 billion year-on-year to ¥3.6 billion. The combined sales of EMEND Capsules and PROEMEND for Intravenous Injection for chemotherapy-induced nausea and vomiting increased by ¥0.2 billion year-on-year to ¥2.7 billion. Sales of RIVASTACH Patch for Alzheimer's disease increased by ¥0.1 billion year-on-year to ¥2.3 billion. Sales of KYPROLIS for Intravenous Infusion for multiple myeloma increased by ¥0.1 billion year-on-year to ¥1.3 billion. Sales of PARSABIV Intravenous Injection for Dialysis for secondary hyperparathyroidism on hemodialysis steadily increased by ¥0.7 billion year-on-year to ¥1.3 billion.

Sales of long-term listed products decreased due to the impact of drug price revision and generic drug use promotion policies.

## **2. Operating profit**

Operating profit was ¥18.0 billion, an increase of ¥3.7 billion (26.0%) year-on-year from the previous fiscal year.

Cost of sales increased by ¥5.0 billion (33.1%) year-on-year to ¥20.1 billion. Research and development (R&D) costs increased by ¥0.8 billion (5.2%) year-on-year to ¥15.7 billion due to the increase in expenses related to OPDIVO. Selling and general administrative (SG&A) expenses except R&D costs increased by ¥0.8 billion (4.8%) year-on-year to ¥17.0 billion due to the increase in operating expenses of major new products, such as OPDIVO and FORXIGA.

Operating profit increased by ¥3.7 billion year-on-year due to an increase of sales revenue of ¥10.3 billion due to influences, including the application of IFRS 15, while cost of sales, R&D costs, SG&A increased.

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

Profit for the period increased by ¥3.5 billion (29.4%) year-on-year to ¥15.2 billion in association with the increase of the profit before tax.

Finally, as for the change in accounting policy, our Group has applied IFRS 15 since the cumulative 1<sup>st</sup> quarter period. The effect on the consolidated income statement is that revenue increased by ¥2.5 billion, cost of sales by ¥2.5 billion, operating profit by ¥10 million, profit before tax ¥10 million, respectively, compared with those applied in the previous accounting criteria.

There is no revision in the consolidated financial forecasts for the cumulative 2<sup>nd</sup> quarter and the full year from those announced on May 10.