

Material for Financial Announcement Q3 FY 2018

February 1, 2019

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 2018

(April 1 to December 31, 2018)

Revenue

Revenue	YoY Change
¥ 223.2 billion	+ 11.3 %

Breakdown of Revenue

(Billion yen)

	FY 2017 Q3	FY 2018 Q3	YoY Change
Revenue of Goods and Products	159.9	163.8	+ 2.4 %
Royalty & other revenue (Opdivo)	40.6 (28.4)	59.4 (43.3)	+ 46.2 % (+ 52.4 %)
Total	200.6	223.2	+ 11.3 %

Revenue

Sales of Major Products

(Billion yen)

	FY 2017 Q3	FY 2018 Q3	YoY Change
Opdivo	69.0	71.3	+ 3.4 %
Glactiv	22.3	21.2	- 5.2 %
Orencia SC	10.9	13.4	+ 23.5 %
Forxiga	8.5	11.1	+ 30.6 %
Emend/Proemend	7.8	8.2	+ 5.8 %
Rivastach	7.0	7.0	- 0.4 %
Kyprolis	4.5	3.9	- 12.7 %
Parsabiv	2.5	4.4	+ 77.6 %
Onoact	4.6	3.6	- 20.6 %
Staybla	3.3	2.9	- 11.2 %

Revenue

Sales of Long-term Listed Products

(Billion yen)

	FY 2017 Q3	FY 2018 Q3	YoY Change
Opalmon	11.6	8.3	- 28.7 %
Recalbon	8.5	6.1	- 28.3 %
Onon capsule	3.9	3.0	- 22.6 %
Onon dry syrup	2.6	2.0	- 21.2 %

Operating Profit

Operating Profit	YoY Change
¥ 52.1 billion	- 0.1 %

Costs, etc.

		(YoY Change)
• Cost of sales	¥ 66.6 billion	(+ 32.6%)
• R&D expenses	¥ 51.2 billion	(+ 5.8%) ①
• SG&A expenses	¥ 52.2 billion	(+ 5.4%) ②
①+② Total	¥ 103.3 billion	(+ 5.6%)
• Other income	¥ 0.6 billion	(+ 49.6%)
• Other expenses	¥ 1.7 billion	(+ 146.6%)

Profit before Tax

Profit before Tax	YoY Change
¥ 55.2 billion	- 0.2 %

Net financial income

+ ¥ 3.1 billion (- ¥ 0.05 billion)

Finance income : ¥ 3.2 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 Change
¥ 43.1 billion	+ 4.1 %

Income tax expense

¥ 12.0 billion (YoY Change - 12.8 %)

(Major change factors)

Reduction in expected tax rate

Financial Forecasts for FY 2018

(Year ending March 31, 2019)

Revenue (Forecasts)

Revenue	YoY Change
¥ 280.0 billion	+ 6.9 %

Sales Forecasts of Major Products

(Billion yen)

	FY 2017 (Result)	FY 2018 (Forecast)	YoY Change
Opdivo	90.1	90.0	- 0.1 %
Glactiv	27.4	26.0	- 5.1 %
Orencia SC	14.1	17.0	+ 20.3 %
Forxiga	11.1	14.5	+ 31.0 %
Emend/Proemend	9.9	10.5	+ 5.5 %
Rivastach	8.9	9.0	+ 1.3 %
Kyprolis	5.5	6.5	+ 17.4 %
Parsabiv	3.4	5.5	+ 60.4 %
Onoact	5.6	4.0	- 28.8 %
Staybla	4.1	3.5	- 15.3 %

Revenue (Forecasts)

Sales Forecasts of Long-term listed products

(Billion yen)

	FY 2017 (Result)	FY 2018 (Forecast)	YoY Change
Opalmon	14.4	10.5	- 26.9 %
Recalbon	10.9	7.5	- 31.3 %
Onon capsule	5.5	4.5	- 17.6 %
Onon dry syrup	3.3	2.5	- 25.0 %

Operating Profit (Forecasts)

Operating Profit	YoY Change
¥ 63.5 billion	+ 4.6 %

Costs, etc.

		(YoY Change)
• Cost of sales	¥ 77.0 billion	(+ 17.8 %)
• R&D expenses	¥ 70.0 billion	(+ 1.7 %) ①
• SG&A expenses	¥ 69.0 billion	(+ 1.4 %) ②
①+② Total	¥ 139.0 billion	(+ 1.6 %)
• Other income	¥ 1.0 billion	(- 69.3 %)
• Other expenses	¥ 1.5 billion	(- 29.9 %)

Profit before Tax (Forecasts)

Profit before Tax	YoY Change
¥ 67.0 billion	+ 4.8 %

Net financial income

+ ¥ 3.5 billion (YoY Change + 8.0 %)

Finance income : ¥ 3.6 Billion

Finance costs : ¥ 0.1 billion

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

Profit for the Period (Owners of the Parent Company)	YoY Change
¥ 52.0 billion	+ 3.4 %

Income tax expense

¥ 14.9 billion (YoY Change + 10.2 %)

(Major change factors)

Increase in profit before tax ¥ 3.1 billion

Increase in corporate tax ¥ 1.4 billion



ONO PHARMACEUTICAL CO.,LTD.

Dedicated to Man's Fight against Disease and Pain