

Material for Financial Announcement FY 2018

May 10, 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 FY 2018

(Year ended March 31, 2019)

Revenue

Revenue	YoY Change
¥ 288.6 billion	+ 10.2 %

Breakdown of Revenue

(Billion yen)

	FY 2017	FY 2018	YoY Change
Revenue of Goods and Products	205.9	208.9	+ 1.5 %
Royalty & other revenue (Opdivo)	55.9 (39.8)	79.7 (58.5)	+ 42.4 % (+ 46.9 %)
Total	261.8	288.6	+ 10.2 %

Revenue

Sales of Major Products

(Billion yen)

	FY 2017	FY 2018	YoY Change
Opdivo	90.1	90.6	+ 0.5 %
Glactiv	27.4	26.9	- 1.8 %
Orencia SC	14.1	17.4	+ 23.3 %
Forxiga	11.1	14.5	+ 31.0 %
Emend/Proemend	9.9	10.6	+ 6.6 %
Rivastach	8.9	8.9	+ 0.2 %
Kyprolis	5.5	4.9	- 11.1 %
Parsabiv	3.4	5.7	+ 66.8 %
Onoact	5.6	4.6	- 18.5 %
Staybla	4.1	3.7	- 10.6 %

Revenue

Sales of Long-term Listed Products

(Billion yen)

	FY 2017	FY 2018	YoY Change
Opalmon	14.4	10.4	- 27.9 %
Recalbon	10.9	7.3	- 32.8 %
Onon capsule	5.5	4.4	- 20.0 %
Onon dry syrup	3.3	2.7	- 19.1 %

Operating Profit

Operating Profit	YoY Change
¥ 62.0 billion	+ 2.2 %

Costs, etc.

		(YoY Change)
• Cost of sales	¥ 83.8 billion	(+ 28.2%)
• R&D expenses	¥ 70.0 billion	(+ 1.7%) ①
• SG&A expenses	¥ 70.0 billion	(+ 2.9%) ②
①+② Total	¥ 140.0 billion	(+ 2.3%)
• Other income	¥ 0.6 billion	(- 80.1%)
• Other expenses	¥ 3.4 billion	(+ 58.9%)

Profit before Tax

Profit before Tax	YoY Change
¥ 65.1 billion	+ 1.9 %

Net financial income

+ ¥ 3.1 billion (- ¥ 0.1 billion)

Finance income : ¥ 3.3 Billion

(Interest and dividend income received, etc.)

Finance costs : ¥ 0.2 billion

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

Profit for the Period (Owners of the Parent Company)

Profit for the Period (Owners of the Parent Company)	YoY Change
¥ 51.5 billion	+ 2.5 %

Income tax expense

¥ 13.5 billion	(YoY Change - 0.5 %)
Statutory effective tax rate	30.6 % (30.8 % prior year)
Actual av. burden tax rate	20.7 % (21.2 % prior year)

(Major change factors)

Various tax credit

Financial Forecasts for FY 2019

(Year ending March 31, 2020)

Revenue (Forecasts)

Revenue	YoY Change
¥ 290.0 billion	+ 0.5 %

Breakdown of Revenue

(Billion yen)

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

Revenue (Forecasts)

Sales Forecasts of Long-term listed products

(Billion yen)

	FY 2018 (Result)	FY 2019 (Forecast)	YoY Change
Opalmon	10.4	9.0	- 13.1 %
Recalbon	7.3	5.0	- 31.9 %
Onon capsule	4.4	3.5	- 19.9 %
Onon dry syrup	2.7	2.0	- 25.9 %

Operating Profit (Forecasts)

Operating Profit	YoY Change
¥ 67.0 billion	+ 8.0 %

Costs, etc.

		(YoY Change)
• Cost of sales	¥ 77.0 billion	(- 8.1 %)
• R&D expenses	¥ 72.0 billion	(+ 2.8 %) ①
• SG&A expenses	¥ 72.0 billion	(+ 2.8 %) ②
①+② Total	¥ 144.0 billion	(+ 2.8 %)
• Other income	¥ 0.5 billion	(- 22.6 %)
• Other expenses	¥ 2.5 billion	(- 26.5 %)

Profit before Tax (Forecasts)

Profit before Tax	YoY Change
¥ 70.0 billion	+ 7.5 %

Net financial income

+ ¥ 3.0 billion (YoY Change - 4.2 %)

Finance income : ¥ 3.1 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
¥ 53.0 billion	+ 2.8 %

Income tax expense

¥ 16.9 billion (YoY Change + 25.5 %)

(Major change factors)

Increase in profit before tax ¥ 4.9 billion

Increase in corporate tax ¥ 3.4 billion

Status of Cross-shareholdings

Status of Cross-shareholdings

	March 2018	March 2019	YoY Change
Number of listed brands	111	86	(- 22.5%)
Balance sheet amount	¥ 167.1 billion	¥ 148.1 billion	(- 11.4%)

Development Pipeline Progress Status

Current road map for application (Japan)

Oncology

Non-oncology

			<p>OPDIVO 〔1L-Malignant pleural mesothelioma〕</p> <p>OPDIVO 〔1L- Esophageal cancer 〕</p> <p>OPDIVO 〔Adjuvant-Gastric cancer〕</p> <p>OPDIVO 〔Neoadjuvant -Non-small cell lung cancer 〕</p> <p>OPDIVO 〔Adjuvant -Urothelial cancer〕</p> <p>OPDIVO 〔2L-Ovarian cancer〕</p>
<p>ONO-2370 〔Parkinson's disease〕 Feb 2019</p> <p>ONO-1162 〔Chronic heart failure〕 Dec 2018</p> <p>OPDIVO 〔MSI-High Colorectal cancer〕 Mar 2019</p> <p>ONO-7643 〔Cancer cachexia 〕 Nov 2018</p>	<p>Onoact 〔Tachyarrhythmia upon sepsis〕</p> <p>ONO-4059 〔Primary testicular lymphoma〕</p> <p>OPDIVO 〔1L-Gastric cancer〕</p> <p>OPDIVO 〔2L-Esophageal cancer〕</p>	<p>ONO-5704 〔Osteoarthritis〕</p> <p>OPDIVO 〔1L-Head and neck cancer〕</p> <p>OPDIVO 〔1L-Hepatocellular carcinoma〕</p> <p>OPDIVO 〔1L-Non-small cell lung cancer 〕</p>	
FY2018 (Results)	FY2019 (1H)	FY2019 (2H)	FY2020