

Revisions of Consolidated Financial Forecasts

ONO PHARMACEUTICAL CO., LTD. (Osaka, Japan; President, Representative Director and CEO: Gyo Sagara) announced today that it has revised its consolidated financial forecasts for the full-year period ending March 2017 disclosed at the announcement of financial result ended March 2016, made on May 11, 2016, as a result of scrutiny of sales forecast and expenses forecasts in light of changes in environment surrounding the company and recent business trends.

1. Revisions to the full-year Consolidated Financial Forecasts Ending March 2017 (April 1, 2016 – March 31, 2017)

(Unit: Millions of yen, except basic earnings per share)

	Revenue	Operating profit	Profit before tax	Profit (Owners of the Parent Company)	Basic earnings per share (yen)
Previous Forecast (A)	259,000	72,500	75,000	55,800	105.28
Revised Forecast (B)	240,000	54,000	56,000	41,800	78.86
Change (B – A)	Δ19,000	Δ18,500	Δ19,000	Δ14,000	-
Change (%)	Δ7.3%	Δ25.5%	Δ25.3%	Δ25.1%	-
(Reference) Results of the previous period	160,284	30,507	33,272	24,979	47.13

(Note) The company conducted a stock split of common stocks at a ratio of 1:5 with an effective date of April 1, 2016. As for “Basic earnings per share”, it is calculated assuming that the stock split was conducted at the beginning of the previous period.

2. Reasons for Revisions

While one of key products, OPDIVO® Intravenous Infusion for malignant tumors received additional approval for the indication of renal cell cancer and Hodgkin lymphoma, sales forecast of OPDIVO is revised downward to ¥105 billion from ¥126 billion, taking future influence of the drug price revision and launch of a competitive drug into account. Revenue is revised downward, by ¥19 billion compared to the previous forecast, to ¥240 billion from ¥259 billion after scrutinizing the sales of other products.

With respect to expenses, while cost of sales is expected to decrease due to sales reduction, further active research and development investment, expenses related to the management of safety information, operating expenses in South Korea and Taiwan, etc. are expected to increase.

Consequently, operating profit is forecasted to be ¥54 billion (a decrease by ¥18.5 billion from the previous forecast), profit before tax to be ¥56 billion (a decrease by ¥19 billion from the previous forecast), profit for the year attributable to owners of the parent company to be ¥41.8 billion (a decrease by ¥14 billion from the previous forecast).

(Note) The above financial forecasts and statements contained in this announcement are made based on information available as of the announcement date. Actual results may differ materially from those set forth in the announcements due to various uncertain factors.

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