

## Annual Flash Report (unaudited)

Fiscal Year ended March 31, 2018

### Future Outlook

Ono Pharmaceutical Co., Ltd. and Consolidated Subsidiaries

	Six months ending		Year ending	
	September 30, 2018		March 31, 2019	
	Millions of yen	Thousands of US\$	Millions of yen	Thousands of US\$
Revenue	¥ 134,500	\$ 1,268,868	¥ 277,000	\$ 2,613,208
Operating profit	28,500	268,868	61,500	580,189
Profit before tax	30,000	283,019	65,000	613,208
Profit	23,000	216,981	50,500	476,415
<b>(Owners of the parent company)</b>				
	Yen	US\$	Yen	US\$
Basic earnings per share	¥ 44.74	\$ 0.42	¥ 98.23	\$ 0.93

#### [Revenue]

In the fiscal year ending March 31, 2019, despite the National Health Insurance (NHI) drug price reduction and policies to promote the use of generics, it is expected that the use of Opdivo increases for the treatment of renal cell cancer and head and neck cancer approved two fiscal years ago, gastric cancer approved a fiscal year ago, and etc. Also, royalty revenue for Opdivo from Bristol-Myers Squibb and Merck is expected to increase. In addition, sales of main products, Forxiga, Orenzia, and Parsabiv, are expected to increase. Therefore, sales revenue is expected to be 277,000 millions of yen, an increase of 152 hundreds of millions of yen (5.8%) from the fiscal year ended March 31, 2018.

#### [Profit]

Research and development costs are expected to be 700 hundreds of millions of yen, an increase of 12 hundreds of millions of yen (1.7%) from the fiscal year ended March 31, 2018, due to active investment to achieve sustainable growth. Selling, general, and administrative expenses (except for research and development costs) are expected to be 690 hundreds of millions of yen, an increase of 9 hundreds of millions of yen (1.4%) from the fiscal year ended March 31, 2018, due to an increase of operating activity costs for Opdivo and etc. Therefore, operating profit is expected to be 61,500 millions of yen, an increase of 8 hundreds of millions of yen (1.3%) from the fiscal year ended March 31, 2018. Profit attributable to owners of parent company is expected to be 50,500 millions of yen, an increase of 2 hundreds of millions of yen (0.4%) from the fiscal year ended March 31, 2018.

Note: IFRS 15 "Revenue from Contracts with Customers" is applied from the fiscal year ending March 31, 2019. With the application of this standard, upfront payment received, which was formerly recognized over time as deferred income, will be recognized as onetime income on out-licensing. Therefore, deferred revenue as of March 31, 2018 will not be recognized in revenue in the future. Also, certain items which were formerly deducted from revenue are treated as cost of sales. Calculating revenue and operating profit for the fiscal year ended March 31, 2018 using the same standards, growth rates in the forecast of consolidated business results would be an increase of 2.3% for revenue and an increase of 1.2% for operating profit, respectively.

(\*)The foregoing are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and are subject to risks and uncertainties. Actual financial results may differ materially depending on a number of economic factors, including conditions and currency exchange rate fluctuations.