

# **Material for Financial Announcement Q2 FY 2019**

**November 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 Q2 FY 2019**

(April 1 to September 30, 2019)

# Revenue

Revenue	YoY Change
¥ 149.0 billion	+ 3.2 %

## Breakdown of Revenue

(Billion yen)

	FY 2018 Q2	FY 2019 Q2	YoY Change
Revenue of Goods and Products	105.0	106.8	+ 1.6 %
Royalty & other revenue (Opdivo)	39.4 (28.1)	42.2 (30.7)	+ 7.3 % (+ 9.3 %)
Total	144.4	149.0	+ 3.2 %

# Revenue

## Sales of Major Products

(Billion yen)

	FY 2018 Q2	FY 2019 Q2	YoY Change
Opdivo	45.4	46.8	+ 3.1 %
Glactiv	13.7	13.3	- 3.3 %
Orencia SC	8.6	10.0	+ 16.0 %
Forxiga	7.0	8.7	+ 24.4 %
Emend/Proemend	5.3	5.9	+ 10.4 %
Rivastach	4.5	4.4	- 3.7 %
Parsabiv	2.7	3.5	+ 28.4 %
Kyprolis	2.6	2.9	+ 13.5 %
Onoact	2.2	2.4	+ 12.6 %
Staybla	1.9	1.6	- 15.4 %

# Revenue

## Sales of Long-term Listed Products

(Billion yen)

	FY 2018 Q2	FY 2019 Q2	YoY Change
<b>Opalmon</b>	5.5	4.5	- 19.2 %
<b>Recalbon</b>	4.4	2.6	- 41.1 %
<b>Onon capsule</b>	1.9	1.6	- 18.3 %
<b>Onon dry syrup</b>	1.2	1.0	- 14.2 %

# Operating Profit

Operating Profit	YoY Change
¥ 41.9 billion	+ 19.1 %

## Costs, etc.

		(YoY Change)
• Cost of sales	¥ 41.7 billion	( + 0.1% )
• R&D expenses	¥ 30.9 billion	( - 6.4% ) ①
• SG&A expenses	¥ 33.7 billion	( - 1.4% ) ②
①+② Total	¥ 64.7 billion	( - 3.8% )
• Other income	¥ 0.4 billion	( - 22.7% )
• Other expenses	¥ 1.2 billion	( + 33.9% )

# Profit before Tax

Profit before Tax	YoY Change
¥ 43.0 billion	+ 16.6 %

## Net financial income

+ ¥ 1.2 billion ( - ¥ 0.6 billion )

**Finance income :** ¥ 1.6 Billion

( Interest and dividend income received, etc. )

**Finance costs :** ¥ 0.4 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
¥ 32.8 billion	+ 13.8 %

## Income tax expense

¥ 10.1 billion ( YoY Change + 26.0 % )

### (Major change factors)

Increase in profit before tax      ¥ 6.1 billion  
Increase in corporate tax      ¥ 2.1 billion

# 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
<b>Opalmon</b>	10.4	<b>9.0</b>	<b>- 13.1 %</b>
<b>Recalbon</b>	7.3	<b>5.0</b>	<b>- 31.9 %</b>
<b>Onon capsule</b>	4.4	<b>3.5</b>	<b>- 19.9 %</b>
<b>Onon dry syrup</b>	2.7	<b>2.0</b>	<b>- 25.9 %</b>

# 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

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	End of March 2018	End of September 2019	YoY Change
<b>Number of listed brands</b>	111	84	(- 24.3 %)
<b>Balance sheet amount</b>	¥ 167.1 billion	¥ 146.1 billion	(- 12.6 %)
<b>the market price at the end of March 2018</b>	¥ 167.1 billion	¥ 147.2 billion	(- 11.9 %)

# External Evaluation of ONO's ESG Initiatives

# External Evaluation of ONO's ESG Initiatives

Index for Socially Responsible Investment	
<p>Listed in December 2018  <b>FTSE4Good Index Series</b>  <b>FTSE Blossom Japan Index</b></p>	 <p>FTSE4Good</p>  <p>FTSE Blossom Japan</p>
Climate Change A List Company in 2018	
<p>Selected in January 2019  As a global leader on Climate Change A List in CDP 2018</p>	
MSCI Japan ESG Select Leaders Index	
<p>Selected in May 2019  As a company with outstanding ESG performance</p>	
Science Based Targets (SBT) Initiative	
<p>Approved in August 2019  Mid- and long-term targets for greenhouse gas reduction based on SBT initiative</p>	 <p>SCIENCE BASED TARGETS</p> <p>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>



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