



— FACT BOOK —

Supplementary Materials

Financial Results <2Q FY2017>

Otsuka Holdings Co., Ltd.

Corporate Philosophy

Otsuka-people creating new products for better health worldwide

These words embody our commitment to:

- Creating our own unique and innovative products
- Improving human health and well-being
- Contributing to the lives of people worldwide

In keeping with this corporate philosophy and Otsuka's mottoes "*JISSHO*" (Proof through Execution) and "*SOZOSEI*" (Creativity), we strive to utilize our Group's unique assets and skills to develop differentiating scientific solutions which contribute to the lives of people worldwide in the form of innovative and creative products ranging from pharmaceuticals to consumer products.

Otsuka Group is striving to cultivate a culture and a dynamic corporate climate reflecting our vision as a health-care company. As such we are dedicated to achieving global sustainability, to our relationships with local communities and to the protection of the natural environment.

Corporate profile

Company name	Otsuka Holdings Co., Ltd.
Established	July 8, 2008
President and Representative Director, CEO	Tatsuo Higuchi
Capital	JPY 81,690 million
Registered address	2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan
Tokyo headquarters	Shinagawa Grand Central Tower, 2-16-4 Konan, Minato-ku, Tokyo 108-8241, Japan
URL	https://www.otsuka.com/en/

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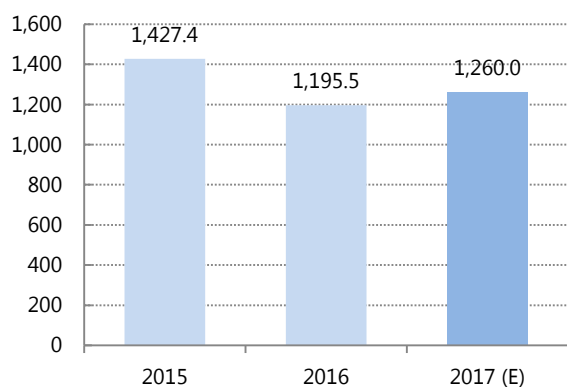
Note

• As of the fiscal year ended December 31, 2016, Otsuka Holdings voluntarily adopted International Financial Reporting Standards (IFRS) for consolidated financial statements, in place of Japanese Generally Accepted Accounting Principles (J-GAAP) previously adopted.

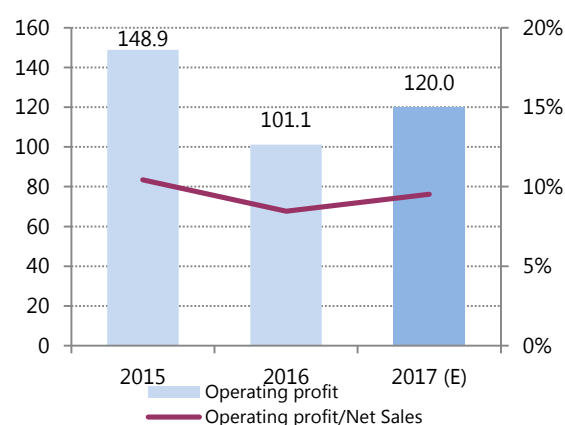
• From FY2014, domestic subsidiaries changed their fiscal year end from March 31 to December 31 in order to standardize its global activities.

I. Financial Highlights

Net Sales (Billions of yen)

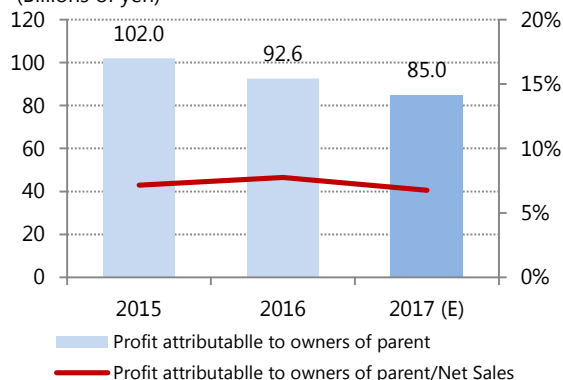


Operating Profit (Billions of yen)

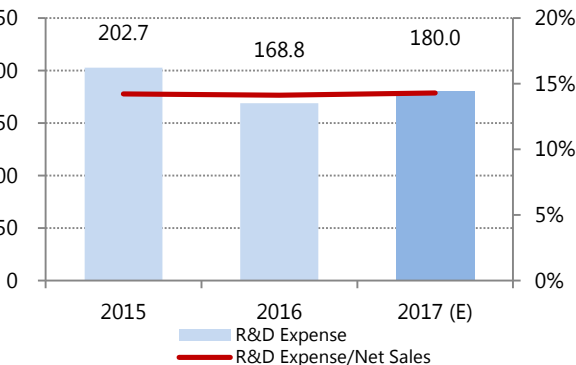


Profit attributable to owners of parent

(Billions of yen)



R&D expenses (Billions of yen)



Financial Highlights

		2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Estimate 2017
Net sales	(Billions of yen)	1,427.4	1,195.5	587.7	595.4	1,260.0
	YoY		-16.2%		1.3%	5.4%
Cost of sales	(Billions of yen)	452.5	406.3	197.4	200.2	435.0
	YoY		-10.2%		1.4%	7.1%
Selling, general and administrative expenses	(Billions of yen)	636.4	535.9	248.1	276.2	540.0
	YoY		-15.8%		11.3%	0.8%
R&D expenses	(Billions of yen)	202.7	168.8	71.2	80.8	180.0
	YoY		-16.7%		13.5%	6.6%
Share of profit of associates accounted for using equity method	(Billions of yen)	12.4	16.0	9.2	10.7	15.0
	YoY		29.1%		16.1%	-6.1%
Operating profit	(Billions of yen)	148.9	101.1	82.3	49.5	120.0
	YoY		-32.1%		-39.8%	18.7%
Profit attributable to owners of parent	(Billions of yen)	102.0	92.6	49.6	42.4	85.0
	YoY		-9.2%		-14.5%	-8.2%
Overseas net sales	(Billions of yen)	804.9	571.5	290.8	290.7	611.0
	% of net sales	56.4%	47.8%	49.5%	48.8%	48.5%

		2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)
Total assets	(Billions of yen)	2,575.3	2,478.3	2,357.8	2,430.8
Total equity	(Billions of yen)	1,727.4	1,738.4	1,732.9	1,744.0
Equity ratio	(%)	66.0%	69.0%	68.3%	70.6%

I. Financial Highlights

(Billions of yen)

Net sales by business segment	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
Net sales	1,427.4	1,195.5	587.7	595.4	1.3%	1,260.0
Pharmaceutical business*	973.5	753.0	370.8	373.8	0.8%	780.0
Nutraceutical business*	315.4	311.6	151.8	154.3	1.6%	340.0
Consumer products business*	38.5	35.5	17.2	16.9	-1.8%	37.5
Other business*	145.2	141.3	70.1	73.8	5.3%	149.0
Eliminations/corporate	-45.2	-45.7	-22.3	-23.4		-46.5

*Intersegment sales are included.

(Billions of yen)

Operating profit by business segment	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
Operating profit	148.9	101.1	82.3	49.5	-39.8%	120.0
Pharmaceutical business	146.9	92.0	68.6	37.0	-46.1%	
Nutraceutical business	34.4	32.5	20.0	20.0	0.0%	
Consumer products business	6.3	5.5	4.7	5.3	12.6%	
Other business	1.0	7.8	6.5	6.2	-3.8%	
Eliminations/corporate	-39.7	-36.6	-17.5	-18.9		

(Reference) Exchange rates used to translate operating results of overseas subsidiaries

(yen)

Exchange rate (Yen)	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
US Dollar	121.10	108.77	111.69	112.33	0.6	115.00
Euro	134.30	120.25	124.51	121.66	-2.9	120.00

ROE / EPS / Dividend	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
ROE (Return on equity)	6.1%	5.4%	3.0%	2.5%	-0.5%	4.9%
EPS (Earnings per share: yen)	188.2	170.8	91.6	78.3	-13.3	156.9
Annual dividends per share (yen)	100.0	100.0	50.0	50.0	0.0	100.0
Payout ratio	53.1%	58.5%	54.6%	63.9%	9.3%	63.7%

(Billions of yen)

Cash flow information	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Net cash provided by operating activities	257.9	142.0	95.6	55.9	-39.7
Net cash used in investing activities	-422.6	-135.1	-71.7	0.2	71.9
Net cash provided by (used in) financing activities	175.0	-93.1	-43.3	-48.5	-5.2
Cash and cash equivalents at end of period	460.6	369.9	415.6	373.6	-42.0

II. Consolidated Statements of Income

(Billions of yen)

	2015	%	2016	%	2Q 2016 (Jan-Jun)	%	2Q 2017 (Jan-Jun)	%	Change
Net sales	1,427.4	100.0%	1,195.5	100.0%	587.7	100.0%	595.4	100.0%	1.3%
Cost of sales	452.5	31.7%	406.3	34.0%	197.4	33.6%	200.2	33.6%	1.4%
Gross profit	974.9	68.3%	789.2	66.0%	390.3	66.4%	395.2	66.4%	1.3%
Selling, general and administrative expenses	636.4	44.6%	535.9	44.8%	248.1	42.2%	276.2	46.4%	11.3%
Personnel expenses	172.9		167.8		80.6		80.3		
Depreciation and amortization expenses	33.8		32.8		16.4		16.3		
Advertisement expenses	33.3		41.5		21.2		22.0		
Promotion expenses	176.8		97.8		44.3		46.7		
Impairment loss	18.9		16.3		0.0		23.3		
Other	200.6		179.6		85.6		87.6		
Research and development expenses	202.7	14.2%	168.8	14.1%	71.2	12.1%	80.8	13.6%	13.5%
Share of profit of associates accounted for using equity method	12.4		16.0		9.2		10.7		
Other income	5.3		4.6		2.7		2.2		
Other expenses	4.6		3.9		0.7		1.6		
Operating profit	148.9	10.4%	101.1	8.5%	82.3	14.0%	49.5	8.3%	-39.8%
Finance income	10.0		3.8		3.4		2.2		
Finance costs	7.8		13.1		19.1		3.7		
Other non-operating expenses (income)	-0.7		24.8		-		0.4		
Profit before tax	150.3	10.5%	116.7	9.8%	66.5	11.3%	48.4	8.1%	-27.2%
Income tax expenses	50.9		23.3		16.2		5.1		
Profit for the year	99.4	7.0%	93.3	7.8%	50.4	8.6%	43.4	7.3%	-13.9%
Profit attributable to owners of parent	102.0	7.1%	92.6	7.7%	49.6	8.4%	42.4	7.1%	-14.5%
Profit attributable to non-controlling interests	-2.6		0.8		0.8		0.9		

II-1. Sales of Major Products

[Pharmaceutical business]

(Billions of yen)

Product name	Company	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
Antipsychotic agent	Otsuka	347.5	95.4	57.4	35.4	-38.3%	66.0
ABILIFY	Pharmaceutical						
US		242.1	27.8	19.2	6.7	-65.0%	11.5
<US\$ million>		<1,999>	<255>	<172>	<60>	-65.2%	<100>
Japan		35.6	31.7	15.7	14.9	-5.2%	30.0
Others		69.7	35.9	22.4	13.8	-38.5%	24.5
Antipsychotic agent/ Depot injection	Otsuka	40.4	57.2	27.7	33.3	20.2%	72.5
Abilify Maintena	Pharmaceutical						
US		29.9	37.4	18.4	20.4	11.0%	44.0
Japan		1.3	4.3	1.8	2.9	62.0%	7.5
Others		9.2	15.5	7.6	10.0	32.7%	21.0
Antipsychotic agent	Otsuka	4.6	29.8	11.6	21.4	84.8%	48.0
REXULTI	Pharmaceutical						
Agent for pseudobablar affect (PBA)	Otsuka	19.2	23.6	11.1	13.4	20.1%	31.0
NUDEXTA	Pharmaceutical						
Anti-platelet agent	Otsuka	31.5	23.6	12.3	10.5	-14.5%	20.0
Pletaal/Pletal	Pharmaceutical						
Japan		23.3	16.2	8.5	6.5	-23.7%	12.5
Others		8.2	7.4	3.7	4.0	6.7%	7.5
Anti-gastritis and anti-gastric ulcer agent	Otsuka	15.8	12.5	6.7	5.9	-12.3%	9.0
Mucosta	Pharmaceutical						
Japan		11.4	8.2	4.3	3.4	-21.4%	4.5
Others		4.4	4.3	2.4	2.5	4.4%	4.5
Anti-metabolite	Taiho	29.3	26.9	14.0	12.5	-10.2%	21.0
TS-1	Pharmaceutical						
Anti-metabolite	Taiho	7.5	6.5	3.3	2.8	-14.4%	5.5
UFT	Pharmaceutical						
Reduced folic acid formulation	Taiho	10.5	9.7	5.0	3.0	-39.3%	7.0
Uzel	Pharmaceutical						
Antineoplastic	Taiho	9.4	30.1	14.5	15.8	8.4%	34.0
LONSURF	Pharmaceutical						
US		6.0	23.5	12.1	11.6	-4.0%	26.5
Japan		3.3	3.9	1.9	2.0	5.2%	4.0
Others		0.1	2.8	0.6	2.2	276.8%	3.5
5-HT ₃ receptor antagonist	Taiho	12.9	14.0	6.7	6.8	1.5%	14.5
Aloxi	Pharmaceutical						
Antineoplastic	Taiho	20.6	20.7	10.1	10.2	1.4%	20.5
Abraxane	Pharmaceutical						
Antiepileptic	Otsuka	23.3	28.5	13.1	15.4	17.5%	32.5
E Keppra	Pharmaceutical						
V ₂ vasopressin receptor antagonist	Otsuka	41.6	48.9	23.1	29.0	25.3%	60.0
Samsca/JINARC	Pharmaceutical						
Japan		25.7	30.5	14.3	18.5	29.1%	39.0
US		11.8	12.1	6.0	6.0	-0.2%	13.0
Others (including JINARC)		4.0	6.2	2.8	4.5	60.6%	8.0
Agent for dry eye	Otsuka	4.5	4.8	2.3	2.4	3.9%	5.0
Mucosta ophthalmic suspension	Pharmaceutical						
Parkinsons' disease, RLS* treatment	Otsuka	8.3	10.7	4.9	5.6	13.6%	12.5
Neupro Patch	Pharmaceutical						
Anticancer	Otsuka	31.2	29.3	13.8	15.5	12.0%	31.0
Sprycel (collaboration with BMS)	Pharmaceutical						
Antibiotic	Taiho	13.4	8.8	3.8	3.7	-2.5%	5.5
Zosyn/Tazocin (bulk supply)	Pharmaceutical						
Diagnostics	Otsuka	12.2	13.7	7.3	6.1	-16.6%	13.5
-total	Pharmaceutical						
Parenteral nutrition	Otsuka	106.2	107.4	51.7	53.0	2.5%	111.0
(clinical nutrition) -total	Pharmaceutical						
Japan	Factory	88.2	86.7	40.8	41.9	2.7%	89.0
Others		18.0	20.7	10.9	11.1	1.8%	22.0
Pharmaceutical business	Japan	386.1	387.9	184.8	192.6	4.2%	397.0
-total (excluding exports)							
Pharmaceutical business	Total	973.5	753.0	370.8	373.8	0.8%	780.0
-total							
Milestone and upfront revenue		66.0	18.5	13.7	4.7	-65.6%	14.0

*RLS: Restless legs syndrome

【Nutraceutical business】

(10 thousand cases)

Product name	Company	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Pocari Sweat 1 case: 24 bottles, and other (10 thousand cases)	Otsuka Pharmaceutical					
Japan		2,625	2,846	1,264	1,249	-1.2%
Overseas		2,608	2,391	1,296	1,143	-11.8%
SOYJOY 1 case: 48 bars (10 thousand cases)	Otsuka Pharmaceutical					
Japan		126	136	76	66	-13.7%
Overseas		20	19	11	8	-26.1%
Oronamin C 1 case: 50 bottles (10 thousand cases)	Otsuka Pharmaceutical	1,025	993	465	467	0.5%
Calorie Mate 1 case: 4 bars×30, and other (10 thousand cases)	Otsuka Pharmaceutical	381	402	195	193	-0.8%
Tiovita Drink 1 case: 50 bottles (10 thousand cases)	Taiho Pharmaceutical	345	350	160	151	-5.7%
Solmack (10 thousand of bottles)	Taiho Pharmaceutical	1,501	1,525	628	650	3.4%

* Overseas sales include sales of consolidated subsidiaries only.

【Consumer business】

(10 thousand cases)

Product name	Company	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Bottled Water 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	504	488	242	225	-6.9%
Match 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	527	554	253	251	-0.6%
Other (tea drinks and other) 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	232	240	105	104	-1.1%

【Other business】

(Billions of yen)

Product name	Company	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Functional chemicals	Otsuka Chemical	34.3	34.1	18.0	19.2	6.7%
Fine chemicals	Otsuka Chemical	10.8	10.3	4.9	5.6	13.0%

II-2. Segment Information

Sales to Customers by Market

(Billions of yen)

Net sales by business segment	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Consolidated sales	1,427.4	1,195.5	587.7	595.4	1.3%
Pharmaceutical business	973.5	753.0	370.8	373.8	0.8%
Japan	386.1	387.9	184.8	192.6	4.2%
North America	368.1	218.7	104.3	104.9	0.5%
Others	219.3	146.4	81.7	76.3	-6.6%
Nutraceutical business	306.7	300.9	146.7	148.8	1.5%
Japan	128.7	133.8	62.1	61.8	-0.5%
North America	86.4	79.2	36.7	40.1	9.3%
Others	91.6	87.8	47.9	46.9	-2.0%
Consumer products business	38.2	35.2	17.0	16.8	-1.4%
Japan	28.0	26.4	12.4	12.1	-1.8%
North America	9.7	8.3	4.5	4.5	0.5%
Others	0.5	0.5	0.2	0.1	-19.6%
Other business	108.9	106.5	53.1	56.0	5.4%
Japan	79.7	75.9	37.5	38.1	1.6%
North America	1.9	2.9	1.5	1.4	-5.7%
Others	27.4	27.6	14.1	16.5	16.7%
Japan -total	622.5	624.0	296.8	304.6	2.6%
North America - total	466.1	309.2	147.0	150.9	2.6%
Others - total	338.7	262.3	143.8	139.9	-2.8%
Overseas net sales	804.9	571.5	290.8	290.7	0.0%
Overseas net sales ratio	56.4%	47.8%	49.5%	48.8%	

Net Sales and Operating Income by Geographical Segment

	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Net sales	1,427.4	1,195.5	587.7	595.4	1.3%
Japan*	818.6	768.2	367.7	366.9	-0.2%
North America*	542.5	363.0	178.0	184.7	3.7%
Others*	257.7	230.6	121.1	122.9	1.4%
Eliminations/corporate	-191.5	-166.2	-79.2	-79.0	

*Intersegment sales are included.

	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change
Operating income	148.9	101.1	82.3	49.5	-39.8%
Japan	85.2	83.1	57.5	42.0	-27.0%
North America	2.1	2.2	10.8	-11.4	
Others	20.8	12.2	18.7	13.5	-27.9%
Eliminations/corporate	40.7	3.7	-4.7	5.5	

II-3. Selling, General and Administrative Expenses

(Billions of yen)						
Selling, general and administrative expenses	2015	2016	2Q 2016 (Jan-Jun)	2Q 2017 (Jan-Jun)	Change	Estimate 2017
Net sales	1,427.4	1,195.5	587.7	595.4	1.3%	1,260.0
Selling, general and administrative expenses	636.4	535.9	248.1	276.2	11.3%	540.0
(% of net sales)	44.6%	44.8%	42.2%	46.4%		42.9%
Personnel expenses	172.9	167.8	80.6	80.3	-0.5%	
Depreciation and amortization expenses	33.8	32.8	16.4	16.3	-0.2%	
Advertisement expenses	33.3	41.5	21.2	22.0	4.0%	
Promotion expenses	176.8	97.8	44.3	46.7	5.4%	
Impairment loss	18.9	16.3	0.0	23.3		
other	200.6	179.6	85.6	87.6	2.4%	
Research and development expenses	202.7	168.8	71.2	80.8	13.5%	180.0
(% of net sales)	14.2%	14.1%	12.1%	13.6%		14.3%
R&D expenses of pharmaceutical business	193.0	159.4	66.5	76.0	14.3%	170.0

Number of employees (consolidated)	2015	2016
Japan	14,082	13,909
Overseas	17,858	17,878
Pharmaceutical business	18,743	18,647
Number of sales representatives (Japan)	2,492	2,453
Nutraceutical business	7,469	7,493
Consumer products business	526	541
Other business	3,505	3,457
Corporate	1,697	1,649
Number of employees (consolidated)	31,940	31,787

(Billions of yen)						
Capital expenditures	2015	2016	2Q 2016	2Q 2017	Change	Estimate 2017
Capital expenditures	526.5	75.5	32.0	78.6	145.9%	60.0
Pharmaceutical business	491.0	52.2	21.1	63.0	198.7%	
Nutraceutical business	18.8	11.6	4.5	6.1	36.4%	
Consumer products business	6.0	2.9	1.7	0.4	-76.9%	
Other business	8.0	6.3	3.8	7.7	103.9%	
Corporate	2.7	2.5	0.9	1.4	53.2%	

(Billions of yen)						
Depreciation	2015	2016	2Q 2016	2Q 2017	Change	Estimate 2017
Depreciation	59.2	59.6	29.7	30.7	3.6%	65.0
Pharmaceutical business	39.2	39.7	19.5	21.0	7.7%	
Nutraceuticals business	10.4	10.2	5.1	5.4	5.9%	
Consumer products business	1.1	1.1	0.6	0.6	2.7%	
Other business	4.8	5.3	2.7	2.6	-4.2%	
Eliminations/corporate	3.7	3.3	1.8	1.2	-34.8%	

III. Consolidated Balance Sheets

<Assets>

(Billions of yen)

	(IFRS Transition Date) As of January 1, 2015	As of December 31, 2015	As of December 31, 2016	As of June 30, 2017	Composition
Current assets	1,206.4	1,140.6	1,113.9	1,046.8	43.1%
Cash and cash equivalents	459.1	460.6	369.9	373.6	
Trade and other receivables	412.3	387.8	353.2	330.9	
Inventories	143.3	135.8	133.8	149.0	
Income tax receivables	17.8	2.6	14.4	6.6	
Other financial assets	137.7	109.0	209.3	149.4	
Other current assets	36.2	44.7	33.0	37.0	
Assets held for sale	-	-	0.3	0.3	
Non-current assets	1,032.2	1,434.7	1,364.4	1,384.1	56.9%
Property, plant and equipment	350.5	359.6	358.8	370.7	
Goodwill	92.3	244.7	231.8	234.8	
Intangible assets	206.6	481.2	447.0	436.2	
Investments accounted for using equity method	183.0	175.8	166.6	174.0	
Other financial assets	154.1	155.6	143.3	153.2	
Deferred tax assets	39.7	9.6	6.9	7.4	
Other non-current assets	6.1	8.2	10.0	7.9	
Total assets	2,238.7	2,575.3	2,478.3	2,430.8	100.0%

III. Consolidated Balance Sheets

<Liabilities and equity>

(Billions of yen)

	(IFRS Transition Date) As of January 1, 2015	As of December 31, 2015	As of December 31, 2016	As of June 30, 2017	Composition
Liabilities	553.0	847.9	739.8	686.8	28.3%
Current liabilities	452.6	480.0	436.6	390.8	16.1%
Trade and other payables	234.0	150.1	162.3	148.9	
Bonds and borrowings	72.1	80.5	79.3	76.9	
Other financial liabilities	2.3	2.8	3.9	5.3	
Income taxes payables	14.0	19.0	21.5	5.5	
Provisions	-	2.1	0.6	-	
Other current liabilities	130.2	225.6	169.1	154.3	
Non-current liabilities	100.4	367.9	303.2	296.0	12.2%
Bonds and borrowings	22.7	234.3	194.0	175.6	
Other financial liabilities	16.6	9.1	11.9	23.8	
Net defined benefit liabilities	38.2	31.2	15.3	15.5	
Provisions	0.5	0.5	0.5	0.5	
Deferred tax liabilities	13.0	83.5	70.3	69.3	
Other non-current liabilities	9.4	9.4	11.2	11.3	
Equity	1,685.7	1,727.4	1,738.4	1,744.0	71.7%
Equity attributable to owners of parent	1,653.0	1,698.5	1,710.5	1,715.7	70.6%
Share capital	81.7	81.7	81.7	81.7	
Share premium	502.9	503.4	504.0	504.2	
Treasury shares	-47.4	-47.3	-47.3	-47.3	
Retained earnings	1,105.7	1,159.5	1,209.1	1,224.6	
Other components of equity	10.1	1.1	-37.0	-47.5	
Non-controlling interests	32.7	28.9	27.9	28.3	1.2%
Total liabilities and equity	2,238.7	2,575.3	2,478.3	2,430.8	100.0%

IV. Consolidated Statements of Cash Flows

(Billions of yen)

	2015	2016	2Q 2017 (Jan-Jun)
Operating activities:			
Profit before tax	150.3	116.7	48.4
Depreciation and amortization expenses	59.2	59.6	30.7
Impairment loss and reversal of impairment loss	22.1	32.1	23.8
Share of loss (profit) of associates accounted for using equity method	-12.4	-16.0	-10.7
Finance income	-10.0	-3.8	-2.2
Finance costs	7.8	13.1	3.7
Other non-operating expenses (income)	0.7	-24.8	-0.4
Decrease (increase) in inventories	12.8	-0.6	-16.5
Decrease (increase) in trade and other receivables	26.9	22.8	22.5
Increase (decrease) in trade and other payables	-62.8	11.6	-10.8
Other	76.3	-30.4	-11.5
(Subtotal)	271.0	180.3	77.0
Interest and dividends received	8.9	9.2	4.1
Interest paid	-3.9	-3.5	-1.5
Income taxes paid	-18.2	-43.9	-23.7
Net cash flows from (used in) operating activities	257.9	142.0	55.9
Investing activities:			
Proceeds from sales of property, plant and equipment	1.7	1.7	0.4
Payments for acquisition of property, plant and equipment	-56.9	-44.4	-27.0
Payments for acquisition of intangible assets	-18.6	-27.2	-18.1
Proceeds from sales and redemption of investments	47.5	100.1	42.8
Payments for acquisition of investments	-51.2	-72.1	-19.7
Payments for acquisition of subsidiaries	-392.4	-	-11.1
Decrease (increase) in time deposits	29.6	-111.1	28.5
Other	17.8	17.9	4.5
Net cash flows from (used in) investing activities	-422.6	-135.1	0.2
Financing activities:			
Purchase of treasury shares	-0.0	-0.0	-0.0
Increase (decrease) in current borrowings	-16.4	-2.6	0.7
Proceeds from non-current borrowings	266.7	1.9	2.2
Repayments of non-current borrowings	-24.5	-35.8	-22.4
Dividends paid	-49.2	-54.7	-27.7
Other	-1.6	-1.8	-1.3
Net cash flows from (used in) financing activities	175.0	-93.1	-48.5
Increase (decrease) in cash and cash equivalents	10.3	-86.2	7.6
Cash and cash equivalents at beginning of period	459.1	460.6	369.9
Effect of exchange rate changes on cash and cash equivalents	-8.8	-4.6	-3.9
Cash and cash equivalents at end of period	460.6	369.9	373.6

V. Shareholders

【Classification of shareholders】

(As of June 30, 2017)

Classification	Shareholder Information								Less than trading unit
	National and local government	Financial institutions	Financial instruments firms	Other institutions	Foreign investors		Private investors and others	Total	
					Other than individuals	Individuals			
Number of shareholders	0	130	44	373	686	33	46,812	48,078	-
Number of shares held (shares)	0	1,921,160	188,900	978,578	1,246,569	128	1,241,656	5,576,991	136,517
% of outstanding shares	0.00%	34.45%	3.39%	17.55%	22.35%	0.00%	22.26%	100.00%	-

*Out of 15,986,511 shares of treasury stock, 159,865 share units are included in "Private investors and others", and 11 shares are included in "Less than trading unit"

**Shareholders who only own a number of shares that is less than a trading unit are included in "Number of shareholders".

【Principal shareholders】

(As of June 30, 2017)

Names	Address	Number of shares held	% of outstanding shares
		(thousand shares)	
The Nomura Trust & Banking Co. Otsuka Founders Shareholding Fund Trust Account	2-2-2 Otemachi, Chiyoda-ku, Tokyo	61,965	11.11%
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	58,715	10.53%
The Master Trust Bank of Japan, Co., Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	32,554	5.84%
Otsuka Estate Limited	3-3-3 Ote-Dori, Chuo-ku, Osaka	23,281	4.17%
Otsuka Group Employee Shareholding Fund	2-16-4 Konan, Minato-ku, Tokyo	13,570	2.43%
The Awa Bank, Limited	2-24-1 Nishisemba-cho, Tokushima	10,971	1.97%
STATE STREET BANK WEST CLIENT-TREATY 505234 (standing proxy: Mizuho Bank)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, USA (Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo)	8,615	1.54%
Trust & Custody Services Bank, Ltd. (Trust Account)	Harumi Triton Square towerZ, 1-8-12 Harumi, Chuo-ku, Tokyo	8,456	1.52%
Otsuka Asset Co., Ltd.	17-4 Aza-Fukuike, Tosadomariura, Naruto-cho, Naruto City, Tokushima	7,380	1.32%
GOLDMAN SACHS & CO. REG (standing proxy: Goldman Sachs Japan Co., Ltd.)	200 WEST STREET NEW YORK, NY, USA (BPO service, Japan Information Processing Service Co., Ltd, 2-5-4, Fukuzumi, Koto-ku, Tokyo)	7,006	1.26%
ALL		232,512	41.68%

*Shares of Japan Trustee Services Bank, Ltd., The Master Trust Bank of Japan, Co., Ltd. and Trust & Custody Services Bank, Ltd. are the sum of plural Trust Account.

**15,986,511 shares of treasury stock are excluded from principal shareholders, but included in calculating percentage of outstanding shares.

VI. Pipeline Information

Code / <Brand name>	Generic name	Origin	MOA	Indication / Dosage form	Country / Region	Development status
Psychiatry & Neurology						
<Abilify Maintena*> Depot injection	aripiprazole	Otsuka Pharmaceutical	Dopamine partial agonist	Bipolar I / Depot injection	US	Filed
OPC-34712 <REXULTI*>	brexpiprazole	Otsuka Pharmaceutical	Dopamine partial agonist	Major depressive disorder / Oral	EU	Phase III
				Schizophrenia / Oral	JP, EU	Filed
				Agitation associated with dementia of the Alzheimer's type / Oral	US, EU	Phase III
				Post traumatic stress disorder / Oral	US, EU	Phase II
				Schizophrenia / Depot injection	US	Phase I
ASC-01	aripiprazole, sertraline	Otsuka Pharmaceutical	Dopamine partial agonist / Selective serotonin reuptake inhibitor	Major depressive disorder / Oral	JP, Asia	Phase III
AVP-923	dextromethorphan, quinidine	Avanir	NMDA receptor antagonist / Sigma-1 receptor agonist	Dyskinesia associated with Parkinson's disease / Oral	US	Phase II
AVP-786	deuterium-modified dextromethorphan, quinidine	Avanir	NMDA receptor antagonist / Serotonin and norepinephrine reuptake inhibitor / Sigma-1 receptor agonist	Agitation associated with dementia of the Alzheimer's type / Oral	US, EU	Phase III
				Residual schizophrenia symptoms / Oral	US	Phase II
				Disinhibition syndrome in neurodegenerative disorders / Oral	US	Phase II
EB-1020	centanafadine	Neurovance	Norepinephrine, dopamine and serotonin reuptake inhibitor	Attention deficit hyperactivity disorder / Oral	US	Phase II
TAS-205		Taiho Pharmaceutical	PGD synthase inhibitor	Duchenne muscular dystrophy / Oral	JP	Phase II
Lu AA36143	nalmefene	Otsuka Pharmaceutical	Opioid receptor antagonist	alcohol dependence / Oral	JP	Phase III
Lu AF20513		Otsuka Pharmaceutical	β -amyloid vaccine	Alzheimer's demetia / Injection	EU	Phase I

Note: In general, Otsuka disclose compounds that are in Phase II or later stage of development, although some compounds in Phase I are disclosed in the above table.

*: Product names used outside Japan.

Code / <Brand name>	Generic name	Origin	MOA	Indication / Dosage form	Country / Region	Development status
Oncology						
TAS-102 <LONSURF [*] >	trifluridine, tipiracil	Taiho Pharmaceutical	Interference with the function of DNA	Colorectal cancer / Oral	Asia	Filed
				Gastric cancer / Oral	JP, US, EU	Phase III
TAS-118	tegafur, gimeracil, oteracil, folinate	Taiho Pharmaceutical	Anti-metabolite	Gastric cancer / Oral	JP, Asia	Phase III
Pro-NETU	fosnetupitant	Helsinn Healthcare	NK ₁ receptor antagonist	Chemotherapy-induced nausea and vomiting / Injection	JP	Phase II
SGI-110	guadecitabine	Astex	DNA methyltransferase inhibitor	Ovarian cancer / Injection	US, EU	Phase II
				Acute myeloid leukemia / Injection	JP, US, EU Asia	Phase III
				Myelodysplastic syndrome / Injection	JP, US, EU Asia	Phase III
ASTX727		Astex	DNA methyltransferase inhibitor	Myelodysplastic syndrome / Oral	US	Phase II
ASTX660		Astex		Solid tumors, Lymphomas / Oral	US	Phase I
OPB-111077		Otsuka Pharmaceutical		Solid tumors, Hematological cancers	US, Asia	Phase I
TAS-114		Taiho Pharmaceutical	dUTPase inhibitor	Non-small cell lung cancer / Oral	JP, US, EU	Phase II
TAS-115		Taiho Pharmaceutical	Multi-kinase inhibitor	Prostate cancer / Oral	JP	Phase II
TAS-116		Taiho Pharmaceutical	HSP90 inhibitor	Gastrointestinal stromal tumor / Oral	JP	Phase II
TAS-117		Taiho Pharmaceutical		Solid tumors / Oral	JP	Phase I
TAS-119		Taiho Pharmaceutical		Solid tumors / Oral	US, EU	Phase I
TAS-120		Taiho Pharmaceutical		Solid tumors / Oral	JP, US, EU	Phase I
TAS-121		Taiho Pharmaceutical		Solid tumors / Oral	JP	Phase I
TAS3681		Taiho Pharmaceutical		Prostate cancer / Oral	US, EU	Phase I
TAS4464		Taiho Pharmaceutical		Solid tumors, Hematological cancers / Injection	JP, US, EU	Phase I
ET-743	trabectedin	PharmaMar		Ovarian cancer / Injection	JP	Phase I
OCV-501		Otsuka Pharmaceutical	WT1 targeted cancer vaccine	Acute myeloid leukemia / Injection	JP, Asia	Phase II
OCV-C02		OncoTherapy Science		Colorectal cancer / Injection	JP	Phase I

Note: In general, Otsuka disclose compounds that are in Phase II or later stage of development, although some compounds in Phase I are disclosed in the above table.

*: Product names used outside Japan.

Code / <Brand name>	Generic name	Origin	MOA	Indication / Dosage form	Country / Region	Development status
Cardiovascular & Renal system						
OPC-41061 <Samsca [*] / JINARC [*] >	tolvaptan	Otsuka Pharmaceutical	V ₂ receptor antagonist	Hepatic edema / Oral	Asia	Filed
				Autosomal dominant polycystic kidney disease / Oral	US Asia	Phase III Filed
				Cardiac edema / Oral	Asia	Filed
				Carcinomatous edema / Oral	JP	Phase II
				Volume overload in hemodialysis / Oral	JP	Phase II
				Volume overload in peritoneal dialysis / Oral	JP	Phase II
				Syndrome of inappropriate antidiuretic hormone secretion / Oral	JP	Phase III
AKB-6548	vadadustat	Akebia	HIF-prolyl hydroxylase inhibitor	Anemia associated with chronic kidney disease / Oral	US, EU	Phase III
Other areas						
YP-18 <ZOSYN [*] >	tazobactam, piperacillin	Taiho Pharmaceutical	Penicillin antibiotic combined with b-lactamase inhibitor	Complicated skin and soft tissue infections (including diabetic foot infections) / Injection	JP	Approved
TAS-303		Taiho Pharmaceutical	Selective norepinephrine reuptake inhibitors	Stress urinary incontinence / Oral	JP	Phase II
OPC-67683 <Delyba [*] >	delamanid	Otsuka Pharmaceutical	Mycolic acid biosynthesis inhibitor	Multidrug-resistant tuberculosis / Oral	US	Phase III
				Multidrug-resistant tuberculosis for pediatrics / Oral	EU	Phase II
OPC-12759E <Mucosta Ophthalmic	rebamipide	Otsuka Pharmaceutical	Mucin secretagogue	Dry eyes / Eye drops MD (Multi dose)	JP	Phase III
OPF-105	Glucose, electrolyte, amino acid, fat and multivitamin	Otsuka Pharmaceutical Factory	Protein and amino acid preparation	Peripheral parenteral nutrition solution / Injection	JP	Phase III
OPA-15406		Otsuka Pharmaceutical	PDE4 inhibitor	Atopic dermatitis / Ointment	JP	Phase II
OPS-2071		Otsuka Pharmaceutical	New quinolone based antibacterial agent	Clostridium difficile infection, enteric infection / Oral	JP, Asia	Phase II
Diagnostics						
C13-CAC	13C-calcium carbonate breath test	Otsuka Pharmaceutical		Measurement of gastric acidity / In-vivo diagnostic agent	JP	Phase II
ODK-1003/ ODK-1003-CN	WT1 mRNA RT-PCR Assay Kit	Otsuka Pharmaceutical		Diagnosis for acute lymphoblastic leukemia / In-vitro diagnostic agent Diagnosis for Myelodysplastic syndrome / In-vitro diagnostic agent	JP Asia	Approved Filed

Note: In general, Otsuka disclose compounds that are in Phase II or later stage of development, although some compounds in Phase I are disclosed in the above table.

* Product names used outside Japan.

<Changes in Pipeline information Since March 2017>

Code / <Brand name>	Generic name	Origin	MOA	Indication / Dosage form	Country / Region	Development status	Change from 1Q FY2017
Oncology							
TAS-102 <LONSURF*>	trifluridine, tipiracil	Taiho Pharmaceutical	Interference with the function of DNA	Colorectal cancer / Oral	Asia	Filed	Filed June 2017
Cardiovascular & Renal system							
OPC-41061 「Samsca*/JINARC*」	tolvaptan	Otsuka Pharmaceutical	V ₂ receptot antagonist	Syndrome of inappropriate antidiuretic hormone secretion / Oral	JP	Phase III	Added
Other areas							
ODK-1003	WT1 mRNA RT-PCR Assay Kit	Otsuka Pharmaceutical		Diagnosis for acute lymphoblastic leukemia / In-vitro diagnostic agent	JP	Approved	Approved April 2017
YP-18 <ZOSYN*>	tazobactam, piperacillin	Taiho Pharmaceutical	Penicillin antibiotic combined with b-lactamase inhibitor	Complicated skin, Soft tissue infections / Injection	JP	Approved	Approved May 2017

<Event after Jul 1, 2017>

Code / <Brand name>	Generic name	Origin	Category	Indication / Dosage form	Country / Region	Development status	Change from 2Q FY2017
ASC-01	aripiprazole, sertraline	Otsuka Pharmaceutical	Dopamine partial agonist / Selective serotonin reuptake	Major depressive disorder / Oral	JP, Asia	Field	Filed July 2017
<Abilify Maintena*>: Depot injection	aripiprazole	Otsuka Pharmaceutical	Dopamine partial agonist	Bipolar I / Depot injection	US	Approved	Approved July 2017

<Discontinuation of project development>

Code / <Brand name>	Generic name	Origin	Category	Indication / Dosage form	Country / Region	Development status	
AT13387	onalespib	Astex	HSP90 inhibitor	Non-small cell lung cancer / Injection	US, EU	Phase II	
Reason for discontinuation: based on a comprehensive review of the Phase II results.							
AT7519		Astex	CDK inhibitor	Multiple myeloma / Injection	US	Phase II	
Reason for discontinuation: based on a comprehensive review of the Phase II results.							
OPB-111001		Otsuka Pharmaceutical		Solid tumors / Oral	EU	Phase I	
Reason for discontinuation: based on a comprehensive review of the Phase I results.							
OPC-12759	rebamipide	Otsuka Pharmaceutical	Mucin secretagogue	Stomatitis associated with cancer chemoradiotherapy / Solution	JP	Phase II	
Reason for discontinuation: based on a comprehensive review of the Phase II results.							
TAS-118	tegafur, gimeracil, oteracil, folinate	Taiho Pharmaceutical	Anti-metabolite	Pancreatic cancer / Oral	JP, Asia	Phase III	
Reason for discontinuation: based on a comprehensive review of the Phase III results.							

*: Product names used outside Japan.



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for better health worldwide