

FY2017 Q2

Consolidated Financial Results

(Six Months Ended June 30, 2017)
【IFRS】

August 8, 2017
Otsuka Holdings Co., Ltd.

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- 1 Consolidated Financial Results (FY2017 Q2)**
- 2 Business Segment Analysis**
- 3 Pharmaceutical Segment Analysis**
- 4 Sales of Key Growth Drivers**
- 5 Nutraceutical Segment Analysis**
- 6 FY2017 Forecast**

1. Consolidated Financial Results (FY2017 Q2)

The impact of ABILIFY's patent expiration has ended within FY2016 and got back on the growth path in FY2017

- Net Sales : +34.1 billion yen vs FY2016 by continuing growth of Global Products & New Drugs in Japan
- Operating Profit : 73.3 billion yen excluding Impairment Loss (exceeds the plan), R&D Expenses for growth investment increased

(100 million yen)	FY2016 Jan – Jun	FY2017 Jan – Jun	Change	FY2017 Jan – Jun Forecast as of February	Achievement
Net Sales	5,877	5,954	+77	6,050	▲96
(Sales of Global Products & New Drugs in Japan *1)	1,246	1,587	+341	1,606	▲19
(Sales of ABILIFY)	574	354	▲220	355	▲1
Operating Profit (Excl. Impairment Loss)	823	733	▲90	580	+153
Less : Impairment Loss (SGA + R&D)	▲0	▲238	▲237	-	-
Operating Profit (Incl. Impairment Loss)	823	495	▲328	580	▲85
(Equity income)	92	107	+15	80	+27
Profit attributable to owners of the Company	496	424	▲72	420	+4
R&D Expenses*2	712	808	+96	850	▲42
(Impairment Loss related to R&D intangible assets)	-	5	+5	-	-
Impairment Loss related to ONZETRA	-	231	+231	-	-

【Foreign Exchange Impact】 (100 million yen)

Net Sales	approx. ▲25
Operating Profit	approx. ▲10

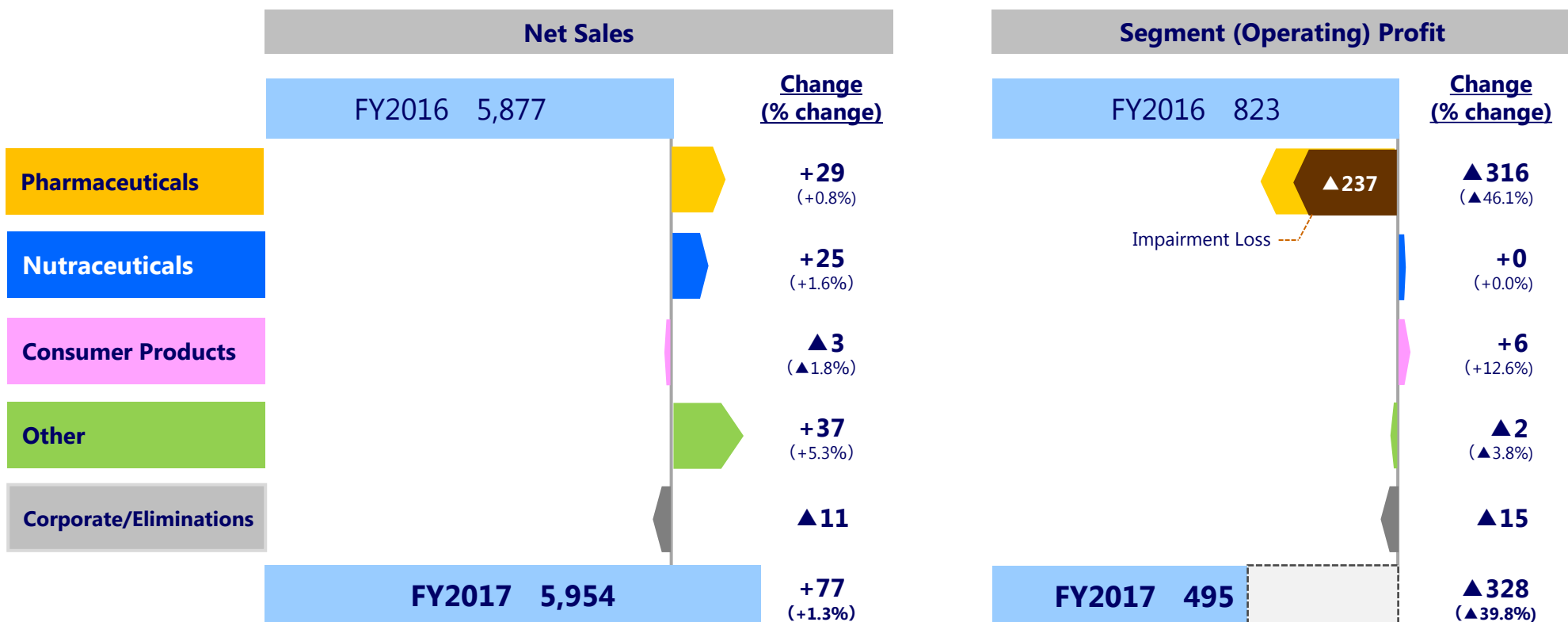
Average Rate	FY2016	FY2017
1USD	111.69 yen	112.33 yen
1EUR	124.51 yen	121.66 yen

* 1 Three global products (Abilify Maintena, Samsca/JINARC, REXULTI), LONSURF, and New Drugs in Japan (Products newly launched in Japan after 2009)

* 2 Impairment Loss related to R&D intangible assets is included in R&D Expenses

2. Business Segment Analysis

(100 million yen)

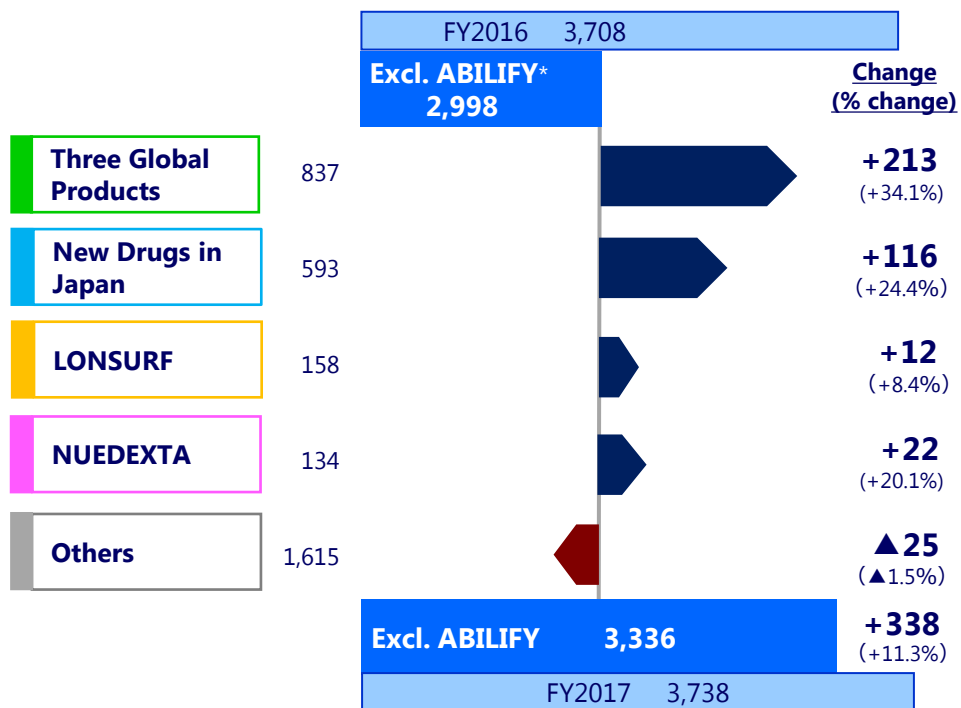


	Net Sales		Operating Profit		Operating Margin (%)		(Ref) Equity income	
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Pharmaceuticals	3,708	3,738	686	370	18.5%	9.9%	6	16
Nutraceuticals	1,518	1,543	200	200	13.2%	12.9%	4	5
Consumer Products	172	169	47	53	27.1%	31.1%	55	60
Other	701	738	65	62	9.2%	8.4%	27	26
Corporate/Eliminations	(223)	(234)	(175)	(189)	-	-	-	-
Consolidated	5,877	5,954	823	495	14.0%	8.3%	92	107

3. Pharmaceutical Segment Analysis

(100 million yen)

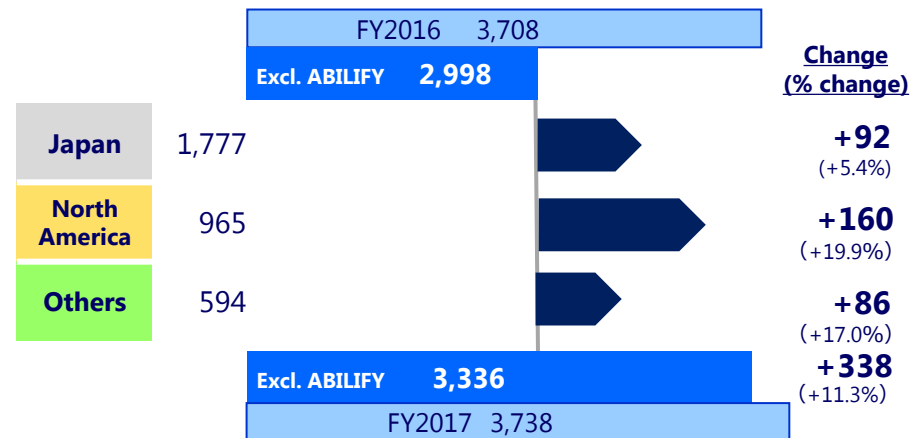
Net Sales



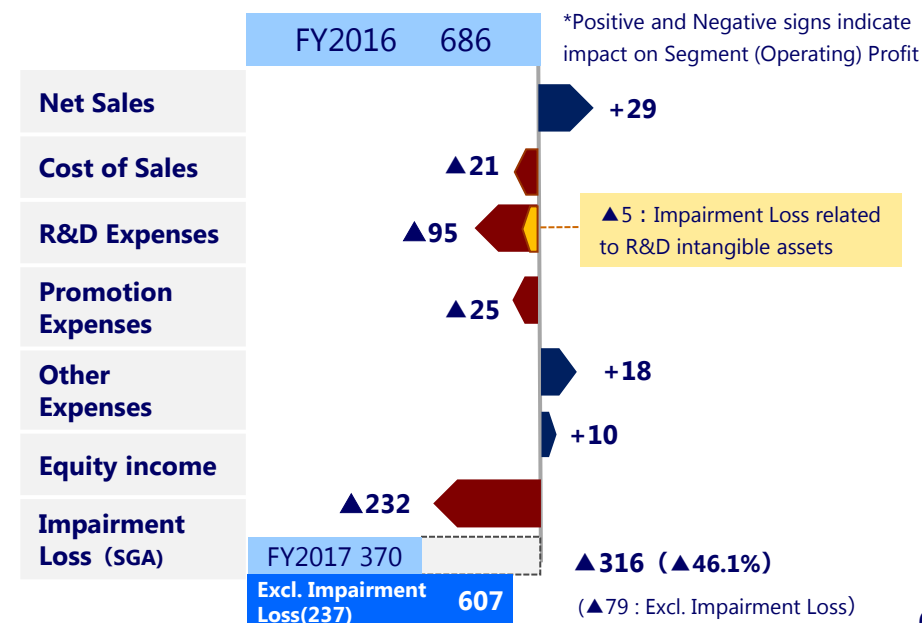
Products	FY2016	FY2017	Change	% Change
ABILIFY	574	354	▲ 220	▲ 38.3%
Milestone/Upfront revenue	137	47	▲ 89	▲ 65.3%
Abilify Maintena	277	333	+56	+20.2%
Samsca/JINARC	231	290	+59	+25.3%
REXULTI	116	214	+98	+84.8%
New Drugs in Japan	477	593	+116	+24.4%
LONSURF	145	158	+12	+8.4%
NUEDEXTA	111	134	+22	+20.1%
Others	1,640	1,615	▲ 25	▲ 1.5%
(Pletaal/Mucosta)	190	164	▲ 26	▲ 13.7%
Total excluding ABILIFY	2,998	3,336	+338	+11.3%
Pharma Total	3,708	3,738	+29	+0.8%

*"Excluding ABILIFY" in this material represents Net sales excluding ABILIFY and Milestone/Upfront revenue.

Net Sales by Market

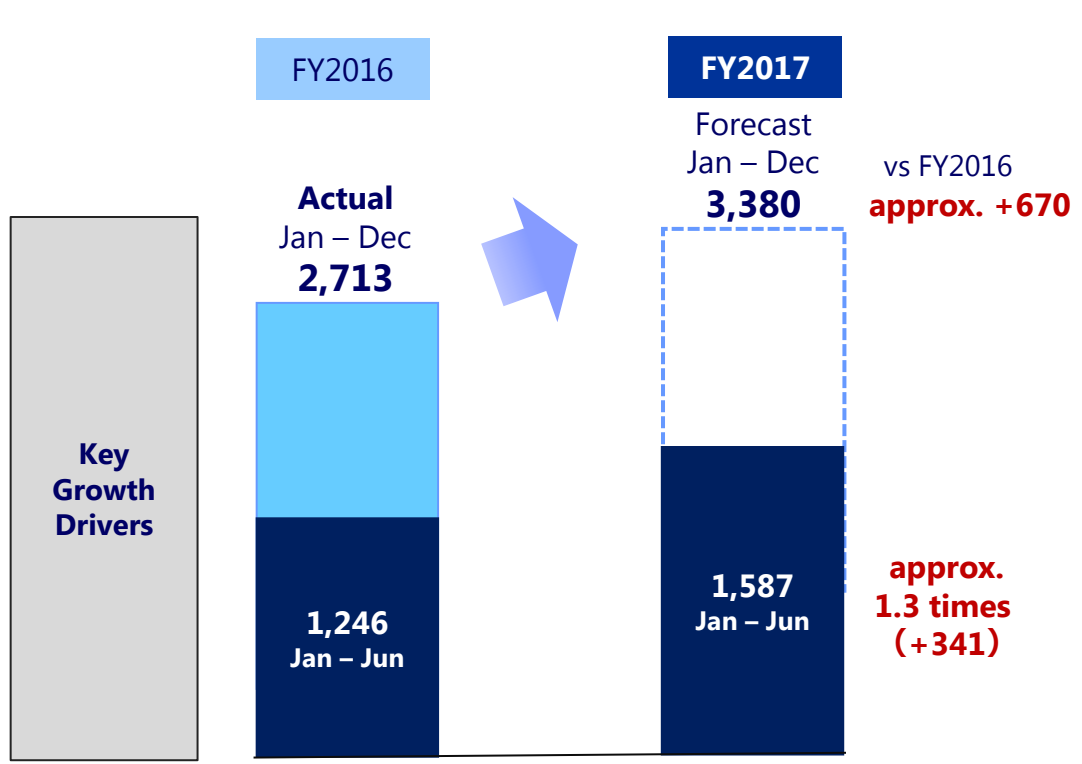


Segment (Operating) Profit



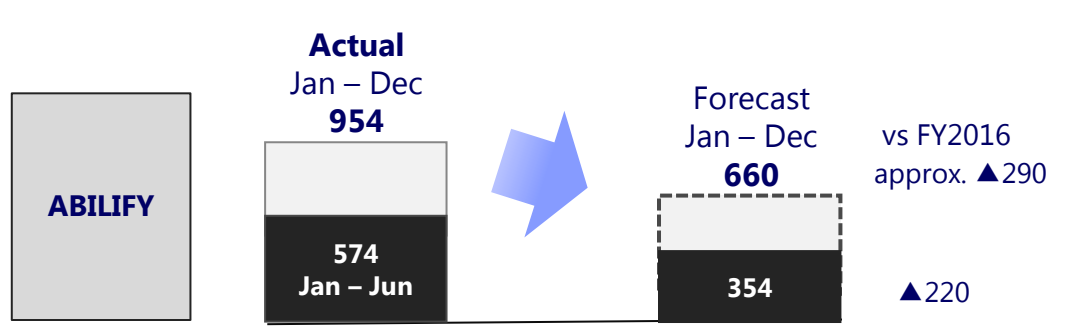
4. Sales of Key Growth Drivers

Key Growth Drivers ("Three global products", "LONSURF" & "New drugs in Japan") **contributed to the growth of net sales.**



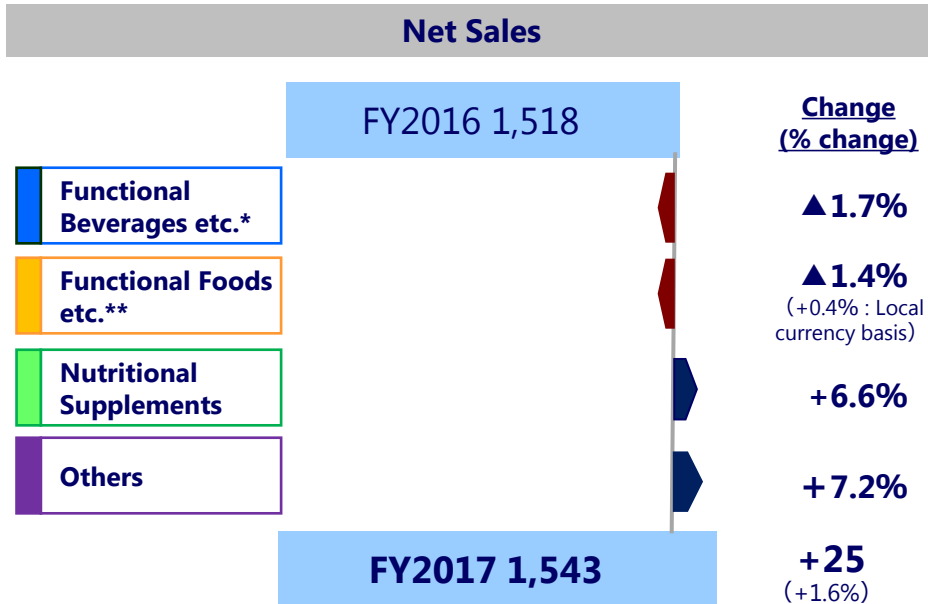
(100 million yen)

	Jan - Jun		Jan - Dec	
	FY2016 (Actual)	FY2017 (Actual)	FY2016 (Actual)	FY2017 (Forecast)
Abilify Maintena	277	333	572	725
Samsca/JINARC	231	290	489	600
REXULTI	116	214	298	480
LONSURF	145	158	301	340
New Drugs in Japan	477	593	1,054	1,235
Total	1,246	1,587	2,713	3,380
Share of Pharma Segment Sales	approx. 34%	approx. 43%	approx. 36%	approx. 43%



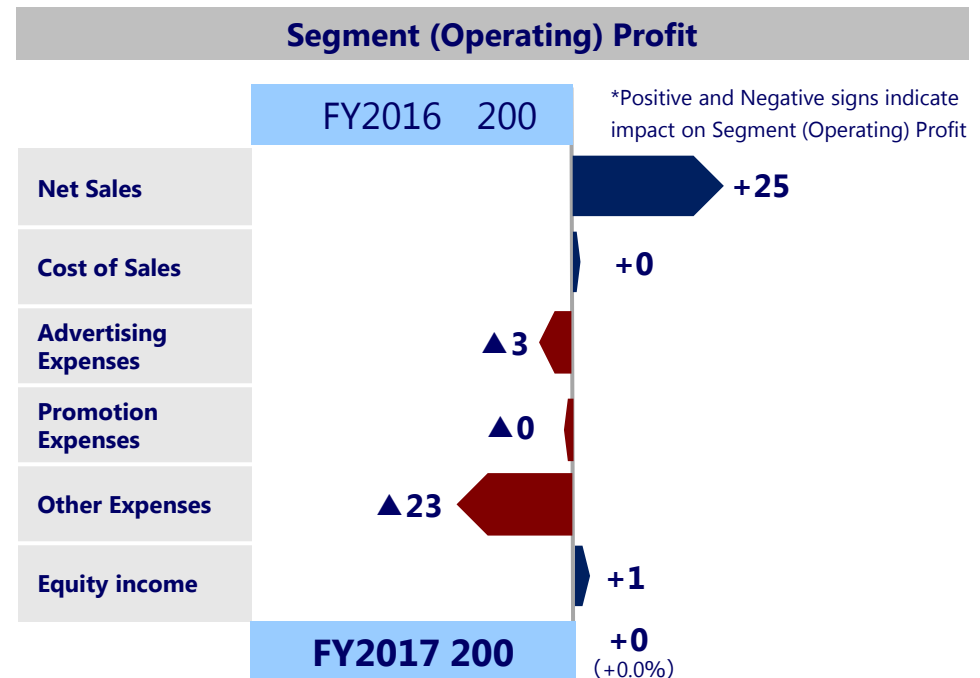
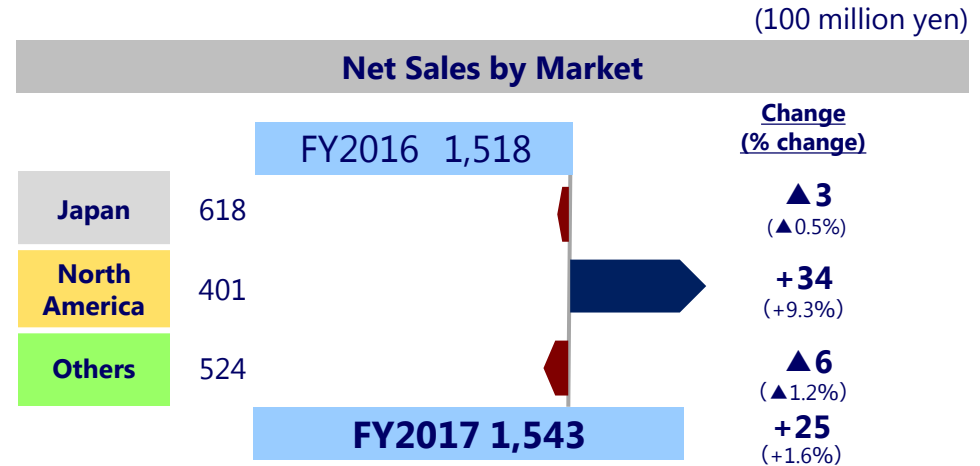
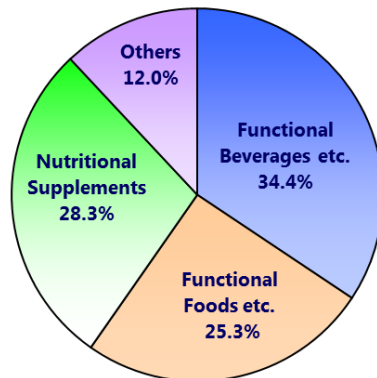
	Jan - Jun		Jan - Dec	
	FY2016 (Actual)	FY2017 (Actual)	FY2016 (Actual)	FY2017 (Forecast)
ABILIFY	574	354	954	660

5. Nutraceutical Segment Analysis



* Pocari Sweat, Oronamin C, Tioviata, FIBE-MINI

** Nutrition & Sante products, Calorie Mate, SOYJOY



6. FY2017 Forecast

(100 million yen)	Actual		Forecast as of February, 2017	
	FY2016 Jan – Jun	FY2017 Jan – Jun	FY2017 Jan – Dec	% Achievement
Net Sales	5,877	5,954	12,600	47.3%
Operating Profit	823	495	1,200	41.3%
Profit attributable to owners of the Company	496	424	850	49.9%
R&D Expenses	712	808	1,800	44.9%
Operating Profit + R&D Expenses	1,534	1,303	3,000	43.4%
(Ref) Operating Profit excluding Impairment loss + R&D Expenses	1,535	1,535	3,000	51.2%

Average Foreign Exchange rates

1USD

Actual

112.33 yen

Assumption

115.0 yen

1EUR

121.66 yen

120.0 yen