

July 31, 2018

For Immediate Release

Company name	Otsuka Holdings Co., Ltd.
Representative	Tatsuo Higuchi President and Representative Director, CEO
Code number	4578 First Section, Tokyo Stock Exchange
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Notice concerning amendments to the forecasts (IFRS) for the first half of FY2018

Based on our recent business results, Otsuka Holdings Co., Ltd. (the Company) hereby amends our consolidated financial forecasts for the first half of FY2018, previously announced on February 14, 2018.

1. Amendments to the consolidated financial forecasts for the first half of FY2018 (January 1 to June 30)

	Revenue	Operating profit	Profit before taxes	Profit for the period	Profit attributable to owners of the Company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	620,000	60,000	59,000	47,000	46,000	84.89
Revised forecast (B)	618,000	78,000	80,000	65,000	63,000	116.26
Amount of change (B-A)	(-) 2,000	18,000	21,000	18,000	17,000	
Change (%)	(-) 0.3	30.0	35.6	38.3	37.0	
(Reference) Consolidated results for first half of FY2017	595,361	49,506	48,437	43,368	42,426	78.29

Foreign currency exchange rate assumptions;
 Previous: US\$ 1=¥110.00, Euro 1=¥ 130.00
 Revised: US\$ 1=¥108.67, Euro 1=¥ 131.55

2. Reasons for the amendments

During the first half of FY2018, we are going to recognize an impairment loss of around ¥9 billion in in-process research & development assets mainly related to centanafadine, which is included in research & development expenses. On the other hand, sales promotion and advertising expenses will be much less than we originally expected, and also we are going to recognize around ¥17 billion remeasurement gain related to the transaction in which we acquired the remaining shares of our associate company, ReCor Medical Inc, and made the company a wholly owned subsidiary. In this process we remeasured our existing shareholding and contractual right with the company according to IFRS. As a result, our operating profit, profit before taxes, profit for the period, and profit attributable to owners of the Company will exceed our original forecasts for the first half of FY2018.

Please note that the full-year forecasts for FY 2018 (fiscal year ending December 31, 2018) will be announced on August 8, 2018 along with the first half actual financial results.

Note:

The above forecasts are based on information available and certain assumptions that the Company deems reasonable at the time of the announcement. Actual operating results may differ from these projections due to various factors.