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For Immediate Release

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Notice Regarding Revisions of Consolidated Results Forecast for FY2021

It is hereby notified that Otsuka Holdings Co., Ltd. (the “Company”), in light of recent developments of its business results, has revised its consolidated financial forecasts for FY2021, previously announced on November 12, 2021.

1. Revision of the consolidated financial forecasts for FY2021

	Revenue	Business profit	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	1,480,000	200,000	203,000	210,000	165,000	161,000	296.84
Revised forecast (B)	1,498,000	157,000	154,000	163,000	129,000	125,000	230.46
Amount of change (B-A)	18,000	(43,000)	(49,000)	(47,000)	(36,000)	(36,000)	
Change (%)	1.2%	(21.5%)	(24.1%)	(22.4%)	(21.8%)	(22.4%)	
(Reference) Consolidated results for FY2020	1,422,826	216,887	198,582	189,988	151,733	148,137	273.15

2. Reasons for the revision

In the fourth quarter of FY2021, the cost of sales is expected to exceed approximately 10 billion yen from the recent forecast due to one-time factors, such as approximately 8 billion yen of additional costs related to the co-promotion agreement of TREMFYA, and the impact of exchange rate fluctuations incurred by the elimination of unrealized gains on inventories in the pharmaceutical business. Meanwhile, aggressive upfront investments in new brands for FY2022 of Pharmavite, which is currently increasing sales steadily, and in launching new pharmaceutical products have been made, and research and development expenses have increased due to the execution of the collaboration and license agreement for joint development and commercialization with Sumitomo Dainippon Pharma Co., Ltd. and Sunovion Pharmaceuticals Inc. As a result, business profit is expected to be lower than the recent forecast.

Operating profit is expected to be lower than the recent forecast due to the changes in the fair value of contingent consideration for centanafadine and an impairment loss on fixed assets.

The forecast for profit before taxes, net profit for the year and profit attributable to owners of the company have been revised downward in line with the above-mentioned revision of the operating profit.

Please note that the results for FY 2021 (fiscal year ending December 31, 2021) and the forecasts for FY 2022 (fiscal year ending December 31, 2022) will be announced on February 10, 2022.

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.