

July 26, 2022

Company Name	Otsuka Holdings Co., Ltd.
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Code Number	4578, Prime market of the Tokyo Stock Exchange
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Notice Regarding Revisions of Consolidated Results Forecast for the first half of FY2022

Based on our recent business results, Otsuka Holdings Co., Ltd. (the “Company”) hereby revised our consolidated financial forecasts for the first half of FY2022, previously announced on February 10, 2022 and May 13, 2022.

1. Revision of the consolidated financial forecasts for the first half of FY2022

	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)	767,000	111,000	112,500	112,000	87,500	86,000	158.55
Revised forecast (B)	814,000	78,000	67,000	92,800	71,500	69,800	128.50
Amount of change (B-A)	47,000	(33,000)	(45,500)	(19,200)	(16,000)	(16,200)	
Change (%)	6.1%	(29.7%)	(40.4%)	(17.1%)	(18.3%)	(18.8%)	
(Reference) Consolidated results for the first half of FY2021	718,815	104,271	111,169	119,207	93,700	91,407	167.68

2. Reasons for the revision

For the six-month period ended June 30, 2022, business performance was driven by the four global products of the pharmaceutical business (*ABILIFY MAINTENA*, *REXULTI/RXULTI*, *JINARC/JYNARQUE* and *LONSURF*), as well as the nutraceutical business, and consolidated revenue is progressing ahead of the plan, even if the impact of the yen’s depreciation is excluded.

However, the impact of the sudden depreciation of the yen on the elimination of unrealized gains on inventories in the pharmaceutical business is expected to be approximately ¥20.0 billion and cost of sales is expected to increase significantly. In addition, although the Company expects to record a valuation gain of approximately ¥10.0 billion on shares of Cullinan Pearl Corp. (hereinafter referred to as “Cullinan Pearl”) it already owns as a result of making Cullinan Pearl, which had been an equity-method affiliate of the Company, a wholly owned subsidiary, the Company expects to record one-time expenses of approximately ¥7.0 billion including expenses associated with the termination of its global license agreements with Akebia Therapeutics, Inc. (hereinafter referred to as “Akebia Therapeutics”) in the second quarter of FY2022, in addition to the impairment losses of ¥23.8 billion recorded in the first quarter of FY2022 for

vadadustat, a drug candidate for the treatment of anemia associated with chronic kidney disease, and others. Therefore, business profit, operating profit, profit for the period and profit attributable to owners of the Company are expected to be lower than the previous forecast. There will be no further payments to Akebia Therapeutics associated with the termination of the global license agreements.

Please note that the full-year forecasts for FY2022 (fiscal year ending December 31, 2022) will be announced on July 29, 2022 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.