

July 29, 2019

To Whom It May Concern,

Company Name: Taisho Pharmaceutical Holdings Co., Ltd.
 Head Office: 3-24-1, Takada, Toshima-ku, Tokyo
 Representative: Akira Uehara, Chief Executive Officer
 (First Section of TSE: Code 4581)
 Contact: Hideki Iuchi, General Manager
 Corporate Communications
 (Tel: +81-3-3985-2020)

Notice of Revision of Half-Year and Full-Year Forecasts for the Fiscal Year Ending March 31, 2020

Taisho Pharmaceutical Holdings Co., Ltd. (hereinafter “the Company”) has decided to revise its half-year and full-year forecasts of its consolidated operating results for fiscal 2019, the year ending March 31, 2020, which were announced on May 13, 2019. These revisions were made in light of recent business performance, future prospects and other factors. Details are as follows.

1. Revision of Operating Results

Revised Half-Year Operating Results for Fiscal 2019 (April 1, 2019 to September 30, 2019)

(Millions of yen, unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A)	126,500	16,500	20,000	13,500	169.15
Revised forecast (B)	131,000	14,000	14,500	15,500	194.21
Change (B-A)	+4,500	-2,500	-5,500	+2,000	—
Change (%)	+3.6	-15.2	-27.5	+14.8	—
(Reference) Fiscal 2018 half-year consolidated operating results	129,491	16,991	22,710	42,434	531.62

Revised Full-Year Operating Results for Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Millions of yen, unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A)	253,500	35,500	42,500	28,500	357.11
Revised forecast (B)	293,500	33,000	37,000	29,500	369.64
Change (B-A)	+40,000	-2,500	-5,500	+1,000	—
Change (%)	+15.8	-7.0	-12.9	+3.5	—
(Reference) Fiscal 2018 full-year consolidated operating results	261,551	31,211	40,851	48,593	608.80

2. Reasons for Revisions

As a result of Duoc Hau Giang Pharmaceutical JSC (hereinafter “DHG”) and UPSA SAS (hereinafter “UPSA”) becoming consolidated subsidiaries as announced on May 20, 2019 and July 2, 2019, respectively, the group expects the consolidated operating results from the second quarter onward to change.

- (1) As a result of DHG becoming a consolidated subsidiary, as announced in “Duoc Hau Giang Pharmaceutical JSC became a consolidated subsidiary of Taisho” on May 20, 2019, the consolidated operating results are expected to change from the second quarter onward.
- (2) As a result of UPSA becoming a consolidated subsidiary, as announced in “Taisho Completed Procedures for the Acquisition of UPSA SAS, A French Pharmaceutical Manufacturer, and its Business Assets, Previously Owned by Bristol-Myers Squibb Company” on July 2, 2019, the consolidated operating results are expected to change from the third quarter onward.

The new forecast of operating results takes into account the fact that both companies have been included in the scope of consolidation and the M&A related expenses of DHG and UPSA. The forecast also takes into account the recognition of foreign exchange loss and gain on step acquisitions in the first three months ended June 30, 2019 in non-operating expenses (income) and extraordinary loss (income), respectively.

Due mainly to the above, compared with the previously announced forecast, the group has downwardly revised operating profit and ordinary profit, upwardly revised profit attributable to owners of parent.

Specific forecasts for the Prescription Pharmaceutical Operation Group and the domestic operations of the Self-Medication Operation Group are unchanged from the previous announcement.

Note: The forecast statements shown in these materials are based on the information available at the time of preparation and certain assumptions that the Company deems rational. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors.