

May 22, 2024

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## Notice Regarding Revisions of Consolidated Results for the first half of FY2024 and Impairment Loss for intangible assets

Based on our recent business results, Otsuka Holdings Co., Ltd. (the “Company”) hereby revised our consolidated financial forecasts for the first half of FY2024, previously announced on February 14, 2024.

The Company also announces that it recorded an impairment loss for intangible assets for the first half of FY2024.

### 1. Revision of the consolidated financial forecasts for the first half of FY2024

	Revenue	Business profit	Operating profit	Profit before tax	Profit for the period	Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast(A)	1,037,000	164,500	168,000	164,000	128,000	126,000	232.17
Revised forecast(B)	1,100,000	185,000	95,000	96,000	76,000	74,000	136.35
Amount of change(B-A)	63,000	20,500	-73,000	-68,000	-52,000	-52,000	
Change (%)	6.1%	12.5%	-43.5%	-41.5%	-40.6%	-41.3%	
(Reference) Consolidated results for the first half of FY2023	947,537	155,047	130,690	138,833	105,058	102,594	189.06

### 2. Reasons for the revision

The Company expects to record an impairment loss of approximately ¥100 billion in the financial forecasts for the first half of FY2024 due to the discontinuation of development of AVP-786, which is being developed for agitation associated with dementia due to Alzheimer’s disease. On the other hand, revenue and business profit are expected to increase their sales by approximately ¥63 billion and ¥20 billion, respectively, due to the revised foreign exchange assumptions from ¥138/US dollar to ¥150/US dollar as previously announced and milestone income that was not factored into the previous forecast. As a result, operating income is expected to decrease by ¥73 billion from the previous forecast, and profit for the period and profit attributable to owners of the company are also expected to be lower than previously announced forecasts.

The Company will announce the consolidated financial forecast for the fiscal year ending December 2024 at the time of the announcement of financial results on July 31, 2024, taking into account the strong performance

of four global products, the long acting antipsychotic agent *ABILIFY MAINTENA/ABILIFY ASIMTUFII*, the antipsychotic agent *REXULTI/RXULTI*, the V<sub>2</sub>-receptor antagonist *JINARC/JYNARQUE*, the anti-cancer agent *LONSURF* and robust revenue of nutraceutical business and the expected depreciation of the yen in the exchange rate assumed in the full-year plan.

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.

### 3. Details of impairment loss

The Company expects to record an impairment loss of approximately ¥100 billion in the financial forecasts for the first half of FY2024 due to the discontinuation of development of AVP-786, which is being developed for agitation associated with dementia due to Alzheimer's disease. As a result, the carrying amount of the impairment loss (in-process research and development) of AVP-786 is zero.