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Revision to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2018

Mitsubishi Tanabe Pharma Corporation announced today a revision to its 2Q and full-year consolidated financial forecasts for fiscal year 2017 ending March 31, 2018, which were announced on May 10, 2017, in view of recent developments in business performance.

1. Revised consolidated financial forecast for 2Q

(April 1, 2017 to September 30, 2017)

(Millions of Yen)

	Revenue	Core operating profit	Operating profit	Profit before tax	Net profit for the period	Net profit attributable to owners of the Company
Previous forecast (A)	212,500	41,500	40,500	41,000	31,000	32,500
Revised forecast (B)	213,000	39,500	36,500	37,000	28,000	29,500
Difference (B-A)	500	(2,000)	(4,000)	(4,000)	(3,000)	(3,000)
Percentage change (%)	0.2	(4.8)	(9.9)	(9.8)	(9.7)	(9.2)
(Reference) FY2016 2Q (results, cumulative)	204,115	47,953	47,816	49,402	35,225	36,297

•Net profit per share 2Q (cumulative forecast): ¥57.93 (previous) , ¥52.59 (current)

2. Revised consolidated financial forecast for FY2017

(April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Revenue	Core operating profit	Operating profit	Profit before tax	Net profit for the period	Net profit attributable to owners of the Company
Previous forecast (A)	441,000	90,000	90,000	91,000	68,000	71,500
Revised forecast (B)	433,000	80,000	81,000	82,000	60,000	63,500
Difference (B-A)	(8,000)	(10,000)	(9,000)	(9,000)	(8,000)	(8,000)
Percentage change(%)	(1.8)	(11.1)	(10.0)	(9.9)	(11.8)	(11.2)
(Reference) FY2016 4Q (results, cumulative)	423,977	94,510	94,083	96,059	68,922	71,263

•Net profit per share FY2017 (cumulative forecast): ¥127.45 (previous), ¥113.22 (current)

* In adopting IFRS, the Group introduced “core operating profit” to indicate the recurring profitability of the Company, and positions it as an important indicator of business management, etc.

“Core operating profit” is operating profit minus income and loss from non-recurring factors, which are defined by the Group.

3. Reasons for the revision

In cumulative 2Q, we expect revenue to be roughly in line with the previous forecast, due to a drop in overseas royalty income on the back of sales at licensees of INVOKANA falling short of expectations, despite an increase in domestic ethical drugs revenue due to robust results of key products such as Simponi.

Core operating profit and other profits are expected to fall short of the levels of the previous forecast due to this decrease in overseas royalty income.

For the full year, we expect revenue to fall short of the level of the previous forecast due to the significant drop in overseas royalty income continuing from the first half.

Core operating profit and other profits are also expected to fall short of the levels of the previous forecast due to an increase in R&D expenses following the acquisition of NeuroDerm Ltd. and making it a consolidated subsidiary from the second half, in addition to a drop in revenue.

Note: The above results forecasts reflect judgments and assumptions that are based on information available as of the date of this announcement. For any of number of reasons, actual results might differ materially from these forecasts.

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