

Financial Results for 2nd Quarter of the Year Ending March 31, 2017 <Supplement>

As of November 1, 2016

Mitsubishi Tanabe Pharma Corporation



Mitsubishi Tanabe Pharma

Table of Contents

1	Summary of Financial Results for the 2nd Quarter of FY2016 Ending March 31, 2017 and Forecasts for FY2016	
	1. Summary of Financial Results for 2nd Quarter of FY2016	2
	2. Summary of Forecasts for FY2016 3. Dividends	...
2	Consolidated Financial Indicators for the 2nd Quarter of FY2016	
	1. Profit and Loss	3
	(1) Profit and Loss	3
	(2) Sales Revenue of Main Products	4
	2. Financial Statement	5
	(1) Balance Sheet	5
	(2) Cash Flow Statement	6
	(3) Investment in Property, Plant and Equipment and Investment in Development of Information Systems	7
	(4) Depreciation Costs	7
	3. Financial Data & Employee Numbers of Major Consolidated Subsidiaries	7
3	Forecasts for FY2015 Ending March 31, 2016	
	(1) Consolidated Forecasts of Profit and Loss	8
	(2) Sales Revenue Forecasts for Main Products	9
	(3) Forecast for Investment in Property, Plant and Equipment and Information Systems	10
	(4) Forecasts for Depreciation Costs	10
4	Five-Year Financial Data	
	Japan GAAP (1) Profit and Loss (2) Balance Sheet (3) Other Financial Data	11
	IFRS (1) Profit and Loss (2) Balance Sheet (3) Other Financial Data (4) Number of Employees	12
5	Quarterly Trend	
	(1) Profit and Loss	13
	(2) Sales Revenue of Main Products	14
6	State of New Product Development (As of November 1, 2016)	
	(1) Autoimmune diseases (2) Diabetes and kidney diseases	15
	(3) Central nervous system diseases (4) Vaccines	16
	(5) Other diseases	17
	Changes Since Previous Announcement on August 2, 2016	18
	Additional Information for State of New Product Development (As of November 1, 2016)	19
	(1) Autoimmune diseases (2) Diabetes and kidney diseases	19
	(3) Central nervous system diseases (4) Vaccines (5) Other diseases	20
7	Others	
	1. Subsidiaries and Affiliated Companies	21
	(1) Number of Subsidiaries and Affiliated Companies (2) Consolidated Subsidiaries	21
	(3) Affiliated Companies Accounted for by the Equity Method and Joint Ventures	21
	2. Status of Shareholders	22
	(1) Number of Outstanding Shares	22
	(2) Status of Major Shareholders (3) Ownership and Distribution of Shares	22
	(4) Trend of Dividend and Stock Price	22
	Reference	23
	Major Ethical Drugs / News Releases	23

Summary of Financial Results for the 2nd Quarter of FY2016 Ending March 31, 2017 and Forecasts for FY2016

(Amounts less than ¥ 100 million are rounded off.)

1. Summary of Financial Results for the 2nd Quarter of FY2016

				[Billion yen]
Revenue	204.1	Y-on-Y	2.0	1.0 %
Domestic	155.4	Y-on-Y	4.2	2.8 %
Overseas	48.6	Y-on-Y	(2.1)	(4.3 %)

Revenue increased by 1.0%, or ¥2.0 billion, year-on-year, to ¥204.1 billion.

Revenue of domestic ethical drugs increased by 3.2%, year-on-year, to ¥151.9 billion due to the following reasons:

- Decrease in revenue of domestic ethical drugs due to the revision of NHI drug price standards in April 2016
- Increase in revenue of SIMPONI, for the treatment agent of Rheumatoid arthritis, because the distribution of SIMPONI has been undertaken solely by the Company
- Increase in revenue of high-priority products such as TENELIA and CANAGLU, type 2 diabetes mellitus, and vaccines

Royalty revenue, etc. increased by 2.7%, year-on-year, to ¥38.5 billion due to the following reasons:

- Increase in royalty revenue from Gilenya, for the treatment of multiple sclerosis, licensed to Novartis
- Decrease in royalty revenue from INVOKANA and the fixed dose combination with metformin (IR), for the treatment of type 2 diabetes mellitus, licensed to Janssen Pharmaceuticals due to the effect of exchange rates

				[Billion yen]
Core Operating Profit	47.9	Y-on-Y	(1.7)	(3.5 %)

Core operating profit decreased by 3.5%, or ¥1.7 billion, year-on-year, to ¥47.9 billion because the decrease in gross profit accompanying a higher cost of sales ratio due to the revision of NHI drug price standards exceeded the decrease in labor cost related to the implementation of early retirement program in the last year and the decrease in R&D expenses.

				[Billion yen]
Operating Profit	47.8	Y-on-Y	(1.4)	(3.0 %)

Operating profit was down 3.0%, or ¥1.4 billion, year-on-year, to ¥47.8 billion. The Group recorded income of ¥0.1 billion associated with a business transfer of a certain subsidiary and restructuring expenses of ¥0.3 billion as non-recurring items excluded from core operating profit.

				[Billion yen]
Profit before Tax	49.4	Y-on-Y	(0.3)	(0.6 %)

				[Billion yen]
Net Income Attributable to owners of the Company	36.2	Y-on-Y	0.5	1.6 %

Profit before tax was down 0.6%, or ¥0.3 billion, year-on-year, to ¥49.4 billion. And net profit attributable to owners of the Company was up 1.6%, or ¥0.5 billion, year-on-year, to ¥36.2 billion.

2. Summary of Forecasts for FY2016

				[Billion yen]
Revenues	414.0	Y-on-Y	(11.7)	(2.8 %)
Core Operating Profit	85.0	Y-on-Y	(21.9)	(20.5 %)
Operating Profit	84.0	Y-on-Y	2.1	2.7 %
Profit before Tax	86.0	Y-on-Y	2.7	3.3 %
Net Income Attributable to owners of the Company	64.0	Y-on-Y	4.6	7.9 %

3. Dividends

	FY2016		FY2015	
	End of 1st Half	For the Year (Estimate)	End of 1st Half	For the Year
Dividends per Share (¥)	24	48	22	46
Dividends Payout Ratio	-	42.1%	-	43.5%

(Dividends payout ratio is calculated based on IFRS.)

2 Consolidated Financial Indicators for the 2nd Quarter of FY2016

(Amounts less than ¥ 100 million are rounded off.)

1. Profit and Loss

(1) Profit and Loss

[Billion yen]

	1H FY2016	Y-on-Y			Comparison to previous forecasts			Notes [Y-on-Y comparison]
		1H FY2015	Increase (decrease)	Change %	Forecasts*	Increase (decrease)	Change %	
Revenue	204.1	202.0	2.0	1.0	193.0	11.1	5.8	Overseas sales ratio 1H FY2015: 25.2% 1H FY2016: 23.9%
Domestic	155.4	151.2	4.2	2.8	144.9	10.5	7.3	
Overseas	48.6	50.8	(2.1)	(4.3)	48.1	0.5	1.2	
Cost of sales	78.3	73.1	5.2	7.2	72.5	5.8	8.1	Increased due to NHI drug price revision and product mix change including growth of Simponi sales
Sales cost ratio	38.4%	36.2%			37.6%			
Gross profit	125.7	128.9	(3.2)	(2.5)	120.5	5.2	4.4	
SG&A expense	46.6	46.3	0.3	0.6	48.0	(1.3)	(2.7)	
% of revenue	22.9%	23.0%			24.9%			
R&D expenses	30.3	31.8	(1.5)	(4.9)	33.5	(3.1)	(9.5)	
% of revenue	14.9%	15.8%			17.4%			
Amortization of intangible assets associated with products	0.7	0.7	(0.0)	(0.1)	0.7	0.0	5.3	
Other income (expense) *2	(0.0)	(0.2)	0.1	-	(0.3)	0.2	-	
Core operating profit	47.9	49.7	(1.7)	(3.5)	38.0	9.9	26.2	
Non-recurring items	(0.1)	(0.4)	0.2	-	-	-	-	
Operating profit	47.8	49.2	(1.4)	(3.0)	38.0	9.8	25.8	
Financial income	1.8	1.5	0.3	25.1	0.0	0.0	0.0	
Interest income and dividends income	1.3	1.4	(0.0)	(6.0)	-	-	-	
Foreign exchange income	0.5	-	0.5	-	-	-	-	
Others	0.0	0.0	(0.0)	(92.7)	-	-	-	
Financial expense	0.2	1.0	(0.7)	(72.8)	-	-	-	
Interest expense	0.0	0.1	(0.0)	(12.6)	-	-	-	
Foreign exchange loss	-	0.6	(0.6)	(100.0)	-	-	-	
Others	0.2	0.3	(0.0)	(32.6)	-	-	-	
Profit before tax	49.4	49.7	(0.3)	(0.6)	38.5	10.9	28.3	
Income taxes	14.1	14.9	(0.8)	(5.4)	11.4	2.7	24.4	
Net profit for the period	35.2	34.7	0.5	1.5	27.1	8.1	30.0	
Net profit attributable to owners of the Company	36.2	35.7	0.5	1.6	28.5	7.7	27.4	
Total labor cost	35.7	39.7	(3.9)	(10.1)	37.5	(1.7)	(4.6)	

*1: Published forecasts announced on May 11, 2016 in the financial results for FY2015.

*2: Brackets indicate expense and loss

Exchange rate

[Yen]

	1H FY2016 average	1H FY2015 average	FY2016 planed
US \$	105.39	121.73	110.00
Euro	117.69	135.32	120.00

(2) Sales Revenue of Main Products

[Billion yen]

	1H FY2016	Y-on-Y			Comparison to forecasts		
		1H FY2015	Increase (decrease)	Change %	Forecasts* ¹	Increase (decrease)	Change %
Domestic ethical drugs	151.9	147.3	4.6	3.2	141.1	10.7	7.6
Remicade	33.8	34.5	(0.6)	(1.9)	31.6	2.1	6.9
Simponi	12.1	6.1	6.0	97.4	11.2	0.9	8.2
Talion	7.4	6.4	1.0	16.1	6.6	0.7	11.7
Tenelia ^{*2}	8.0	6.6	1.3	20.8	8.3	(0.2)	(3.1)
Lexapro	5.5	4.3	1.1	26.3	5.6	(0.1)	(2.0)
Ceredist	6.4	7.3	(0.8)	(12.1)	6.2	0.2	3.7
Maintate	6.1	6.9	(0.8)	(11.5)	5.4	0.7	13.5
Kremezin	3.9	4.8	(0.8)	(17.5)	3.7	0.1	4.7
Depas	3.2	3.7	(0.4)	(11.5)	3.1	0.1	4.2
Urso	3.2	4.4	(1.1)	(26.5)	3.4	(0.2)	(7.0)
Radicut	3.0	3.4	(0.4)	(12.2)	2.9	0.1	3.5
BIKEN products [vaccine]	16.5	14.4	2.0	13.9	13.7	2.7	20.0
Influenza	2.5	2.7	(0.2)	(9.2)	2.0	0.4	23.7
Tetrabik	5.0	3.6	1.4	39.1	3.9	1.0	27.4
Mearubik	3.2	2.5	0.7	30.2	2.3	0.9	42.1
Varicella vaccine	2.8	3.3	(0.5)	(15.2)	2.9	0.0	(3.3)
Tanabe Seiyaku Hanbai products ^{*3}	6.8	6.6	0.2	3.3	6.9	(0.1)	(1.5)
Overseas ethical drugs	10.6	13.9	(3.2)	(23.2)	10.2	0.4	4.3
Herbesser	2.8	3.1	(0.2)	(7.7)	2.9	(0.0)	(2.8)
Argatroban (Novastan)	1.0	1.2	(0.2)	(20.3)	0.8	0.1	18.4
Tanatril	0.9	0.8	0.1	13.8	0.9	0.0	2.8
Simponi	0.6	0.6	0.0	7.5	0.7	(0.0)	(7.6)
Royalty revenue, etc.	38.5	37.4	1.0	2.7	38.2	0.2	0.6
Royalty from Gilenya	27.5	25.8	1.7	6.6	Undisclosed	-	-
Royalty from INVOKANA	9.0	9.9	(0.8)	(8.8)	Undisclosed	-	-
OTC products	1.9	2.0	(0.1)	(7.4)	2.2	(0.3)	(13.8)
Others ^{*4}	0.9	1.2	(0.2)	(20.0)	1.0	0.0	(4.7)
Total sales revenue	204.1	202.0	2.0	1.0	193.0	11.1	5.8

*1: Published forecasts announced on May 11, 2016 in the financial results for FY2014.

*2: The sales of Tenelia of FY2015 indicate total of previous scheme and new scheme

*3: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*4: Active pharmaceutical ingredients and others ordered by other companies.

2. Financial Statement

(1) Balance Sheet

[Billion Yen]

	End of Q2 FY2016	Composition %	End of FY2014	Increase (decrease)	Notes
Assets	965.4	100.0	958.4	6.9	
Non-current assets	299.0	31.0	308.2	(9.1)	
Property, plant and equipment	86.6	9.0	84.0	2.5	Investment for property, plant and equipment, 7.4; depreciation costs, (3.5); disposal (0.3)
Goodwill	79.8	8.3	80.5	(0.6)	
Intangible assets	52.6	5.5	55.9	(3.3)	Impact of exchange rate fluctuations and amortization of intangible assets with products
Investments accounted for using equity method	0.2	0.0	0.2	(0.0)	
Other financial assets	56.8	5.9	65.5	(8.6)	Market valuation of domestic listed shares, (4.3)
Net defined benefit assets	7.6	0.8	8.1	(0.5)	
Other non-current assets	0.5	0.1	0.6	(0.1)	
Deferred tax assets	14.7	1.5	13.1	1.5	
Current assets	666.3	69.0	650.1	16.1	
Inventories	75.3	7.8	75.6	(0.3)	
Trade and other receivables *1	126.0	13.1	121.2	4.8	
[Trade receivable rotation number]	3.71		3.42		
Other financial assets	304.7	31.6	351.6	(46.8)	Transfer to cash and cash equivalents
Other current assets	9.6	1.0	12.6	(2.9)	
Cash and cash equivalents	150.4	15.6	88.9	61.4	See "(2) Cash Flow Statement" on page 6.
Liabilities	125.8	13.0	132.1	(6.3)	
Non-current liabilities	29.7	3.1	33.2	(3.4)	
Borrowings	0.5	0.1	0.7	(0.1)	
Other financial liabilities	2.4	0.3	2.6	(0.2)	
Net defined benefit liabilities	1.2	0.1	1.3	(0.1)	
Provision	7.9	0.8	9.1	(1.1)	
Other non-current liabilities	11.0	1.1	11.9	(0.9)	
Deferred tax liabilities	6.5	0.7	7.4	(0.8)	
Current liabilities	96.0	9.9	98.9	(2.8)	
Borrowings	0.1	0.0	0.1	(0.0)	
Trade and other payables	36.0	3.7	32.6	3.4	
Other financial liabilities	25.3	2.6	27.4	(2.0)	
Income taxes payable	13.3	1.4	16.3	(2.9)	
Provisions	0.1	0.0	0.1	(0.0)	
Other current liabilities	21.0	2.2	22.1	(1.1)	
Equity	839.6	87.0	826.3	13.2	
Share capital	50.0	5.2	50.0	-	
Capital surplus	451.1	46.7	451.1	-	
Treasury shares	(0.4)	(0.1)	(0.4)	(0.0)	
Retained earnings	327.0	33.9	304.9	22.1	Net profit for the period, 36.2; Payment for dividends, (13.4)
Other components of equity	1.8	0.2	9.8	(8.0)	
Non-controlling interests	10.0	1.0	10.7	(0.7)	

*1: Trade and other receivables=bills+accounts receivable+allowance for doubtful accounts

*2: Trade receivable rotation number=bills(except non-operating bills)+accounts payable

(2) Cash Flow Statement

[Billion yen]

	1H FY2016	1H FY2015	Increase (decrease)
Cash and cash equivalents at beginning of year	88.9	73.3	15.5
Cash flows from operating activities	31.3	28.3	2.9
Profit before tax	49.4	49.7	(0.3)
Depreciation and amortization	5.0	5.1	(0.1)
Loss on impairment of fixed assets	0.0	0.6	(0.6)
Interest and dividends income	(1.3)	(1.4)	0.0
Share of loss(profit) of affiliates accounted for using equity method	(0.0)	(0.0)	(0.0)
Loss(gain) on sales of property, plant and equipment	(0.1)	(0.2)	0.0
Decrease(increase) in trade and other receivables	(5.2)	0.9	(6.2)
Decrease(increase) in inventories	(0.0)	4.9	(5.0)
Increase(decrease) in trade and other payables	3.7	(5.6)	9.4
Increase(decrease) in provisions	(1.2)	(0.6)	(0.5)
Decrease(increase) in net defined benefit asset	(0.4)	(0.8)	0.3
Interest and dividends received	1.4	1.5	(0.0)
Interest paid	(0.0)	(0.1)	0.0
Income taxes paid	(16.9)	(19.6)	2.6
Other	(2.7)	(6.0)	3.2
Cash flows from investing activities	43.9	82.3	(38.4)
Payments into time deposits	(0.6)	(0.9)	0.3
Proceeds from withdrawal of time deposits	117.5	24.6	92.8
Purchase of property, plant and equipment	(5.5)	(7.7)	2.1
Proceeds from sales of property, plant and equipment	0.5	1.9	(1.3)
Purchase of intangible assets	(0.9)	(5.9)	4.9
Purchase of investments	(121.6)	(36.0)	(85.5)
Proceeds from sales and redemption of investments	54.5	102.9	(48.4)
Proceeds from company split	-	3.3	(3.3)
Other, net	0.0	0.0	(0.0)
Cash flows from financing activities	(12.0)	(10.8)	(1.1)
Proceeds from share issuance to non-controlling shareholders	1.6	1.6	(0.0)
Dividends paid	(13.4)	(12.3)	(1.1)
Other, net	(0.1)	(0.1)	(0.0)
Effect of exchange rate changes on cash and cash equivalents	(1.7)	(0.5)	(1.2)
Net increase(decrease) in cash and cash equivalents	61.4	99.3	(37.8)
Cash and cash equivalents at the end of period	150.4	172.6	(22.2)

(3) Investment in Property, Plant and Equipment and Investment in Development of Information Systems

[Billion yen]

	1H FY2016	1H FY2015	Increase (decrease)	FY2015
Investment in property, plant and equipment / occurring basis	7.4	4.6	2.7	11.2
Investment in information systems/ occurring basis	0.8	0.4	0.3	0.9

[Billion yen]

Major investment in property, plant and equipment in 1H FY2016		Major investment in development of information systems in 1H FY2016	
Mitsubishi Tanabe Pharma	0.9	Mitsubishi Tanabe Pharma	0.5
Mitsubishi Tanabe Pharma Factory	5.7		
[Construction of new manufacturing facility at Yoshitomi plant]	[5.0]		

(4) Depreciation and Amortization Costs

[Billion yen]

	1H FY2016	1H of FY2015	Increase (decrease)	FY2015
Property, plant and equipment	3.5	3.6	(0.1)	7.2
Intangible assets (except for Intangible assets with products)	0.8	0.7	0.0	1.5
Intangible assets with products	0.7	0.7	(0.0)	1.4

3. Financial Data & Employee Numbers of Major Consolidated Subsidiaries

[Billion yen]

	Companies	Mitsubishi Tanabe Pharma Factory Ltd.	Tanabe Seiyaku Hanbai Co., Ltd.	Mitsubishi Tanabe Pharma Holdings America, Inc.	Medicago, Inc.	Tianjin Tanabe Seiyaku Co., Ltd.	Mitsubishi Tanabe Pharma Korea Co., Ltd.
Revenue	1H FY2016	14.8	6.8	2.7	0.1	2.4	2.2
	FY2015	28.9	13.8	4.4	0.2	5.2	4.5
	1H FY2015	14.8	6.6	1.9	0.1	2.5	2.3
Operating profit	1H FY2016	1.4	0.1	0.1	(2.8)	0.1	0.1
	FY2015	1.3	(0.7)	(0.0)	(6.1)	0.2	0.2
	1H FY2015	1.7	(0.1)	0.1	(2.6)	0.2	0.1
Net profit	1H FY2016	1.0	0.0	0.0	(2.9)	(0.0)	0.1
	FY2015	0.9	(0.6)	(0.2)	(6.3)	(0.0)	0.2
	1H FY2015	1.1	(0.1)	0.0	(2.6)	0.0	0.1
R&D expenses	1H FY2016	0.3	-	1.4	2.9	0.1	-
	FY2015	0.7	-	3.2	6.2	0.2	-
	1H FY2015	0.4	-	1.4	2.8	0.1	-
Depreciation of property, plant and equipment	1H FY2016	0.8	0.0	0.0	0.1	0.0	0.0
	FY2015	1.8	0.0	0.1	0.4	0.1	0.0
	1H FY2015	0.8	0.0	0.0	0.2	0.0	0.0
Total assets	End of 1H FY2016	50.4	5.5	16.0	30.4	4.9	3.5
	End of FY2015	48.5	6.3	17.8	33.1	5.3	3.6
	End of 1H FY2015	44.5	5.3	18.9	34.5	5.8	3.5
Total equity	End of 1H FY2016	37.7	0.2	14.8	21.0	2.7	2.6
	End of FY2015	37.1	0.1	16.5	22.6	3.2	2.8
	End of 1H FY2015	37.2	(0.0)	17.7	24.0	3.7	2.8
Number of employees	End of 1H FY2016	755	130	108	307	558	127
	End of FY2015	839	156	85	291	562	128
	End of 1H FY2015	873	161	82	285	564	121

Note: Prior to elimination of internal transactions

3 Forecasts for FY2016 Ending March 31, 2017

(Amounts less than ¥ 100 million are rounded off.)

(1) Consolidate Forecasts of Profit and Loss

[Billion yen]

	FY2015 revised forecasts ^{*1}	Comparison to previous forecasts			Comparison to previous fiscal year			Notes [Y-on-Y comparison]
		Previous forecasts ^{*2}	Increase (decrease)	Change %	FY2015 actual	Increase (decrease)	Change %	
Revenue	414.0	406.5	7.5	1.9	425.7	(11.7)	(2.8)	Overseas sales ratio FY2015: 25.9% FY2016 estimation : 22.7%
Domestic	319.9	307.8	12.1	3.9	315.4	4.4	1.4	
Overseas	94.1	98.7	(4.5)	(4.6)	110.3	(16.2)	(14.7)	
Cost of sales	163.0	159.0	4.0	2.5	155.8	7.1	4.6	Increased due to NHI drug price revision and product mix change including growth of Simponi sales
Sales cost ratio	39.4%	39.1%			36.6%			
Gross profit	251.0	247.5	3.5	1.4	269.9	(18.9)	(7.0)	
SG&A expense	97.9	98.5	(0.6)	(0.6)	96.3	1.5	1.6	
% of revenue	23.6%	24.2%			22.6%			
R&D expenses	66.0	70.0	(4.0)	(5.7)	64.6	1.3	2.1	
% of revenue	15.9%	17.2%			15.2%			
Amortization of intangible assets associated with products	1.5	1.5	-	-	1.4	0.0	1.8	
Other income (expense) ^{*3}	(0.6)	(0.5)	(0.1)	0.0	(0.5)	0.0	-	
Core operating profit	85.0	77.0	8.0	10.4	106.9	(21.9)	(20.5)	
Non-recurring items	(1.0)	(1.5)	0.5	-	(25.1)	24.1	-	
Operating profit	84.0	75.5	8.5	11.3	81.8	2.1	2.7	
Profit before tax	86.0	77.0	9.0	11.7	83.2	2.7	3.3	
Net profit attributable to owners of the Company	64.0	57.0	7.0	12.3	59.3	4.6	7.9	
Total labor cost	72.0	75.0	(3.0)	(4.0)	80.7	(8.7)	(10.8)	

*1: The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2017" on October 25, 2016.

*2: Published forecasts announced on May 11, 2016 in the financial results of FY2014

*3: Brackets indicate expense and loss

Exchange rate

[Yen]

	FY2016 average	FY2015 average
US \$	100.00	120.16
Euro	110.00	132.53

(2) Sales Revenue Forecasts for Main Products

[Billion yen]

	FY2016 revised forecasts*1	Comparison to previous forecasts			Comparison to previous fiscal year		
		Previous forecasts*2	Increase (decrease)	Change %	FY2015 actual	Increase (decrease)	Change %
Domestic ethical drugs	313.0	300.8	12.2	4.1	308.0	5.0	1.6
Remicade	66.4	62.5	3.8	6.2	69.4	(3.0)	(4.3)
Simponi	25.4	23.3	2.1	9.1	12.9	12.5	97.4
Talion	19.1	17.3	1.8	10.4	16.8	2.2	13.4
Tenelia ^{*3}	17.4	17.4	(0.0)	(0.3)	14.1	3.2	23.2
Lexapro	12.5	12.6	(0.1)	(0.8)	9.5	3.0	31.8
Ceredist	12.3	12.2	0.0	0.5	14.1	(1.8)	(13.2)
Maintate	11.4	10.7	0.7	6.8	13.4	(2.0)	(15.1)
Kremezin	7.4	7.3	0.1	1.4	9.2	(1.8)	(19.6)
Depas	6.2	6.2	0.0	0.2	7.2	(1.0)	(14.1)
Urso	6.0	6.7	(0.7)	(10.9)	8.1	(2.1)	(26.5)
Radicut	5.9	5.7	0.1	2.5	7.2	(1.3)	(18.5)
BIKEN products [vaccine]	37.6	33.6	4.0	12.0	39.0	(1.4)	(3.6)
Influenza	12.0	11.1	0.8	7.9	13.7	(1.7)	(12.8)
Tetrabik	9.7	8.5	1.1	13.7	9.5	0.2	2.5
Mearubik	5.7	4.0	1.6	40.4	4.9	0.7	15.2
Varicella vaccine	5.5	5.5	(0.0)	(0.6)	6.3	(0.8)	(13.4)
Tanabe Seiyaku Hanbai products ^{*4}	14.4	14.2	0.1	0.8	13.8	0.6	4.4
Overseas ethical drugs	21.2	21.7	(0.5)	(2.6)	24.7	(3.4)	(14.1)
Herbesser	5.8	6.1	(0.2)	(4.2)	6.4	(0.6)	(9.8)
Argatroban (Novastan)	1.7	1.8	(0.1)	(5.7)	2.3	(0.5)	(25.1)
Tanatril	1.5	1.6	0.0	(4.3)	1.5	0.0	(0.2)
Simponi	1.3	1.5	(0.2)	(13.7)	1.2	0.0	0.8
Royalty revenue, etc.	74.1	77.9	(3.7)	(4.9)	86.6	(12.4)	(14.4)
Royalty from Gilenya	Undisclosed	Undisclosed	-	-	51.7	-	-
Royalty from INVOKANA	Undisclosed	Undisclosed	-	-	20.6	-	-
OTC products	4.3	4.1	0.2	5.9	3.7	0.5	15.4
Others ^{*5}	1.1	1.7	(0.5)	(32.1)	2.5	(1.3)	(53.3)
Total sales revenue	414.0	406.5	7.5	1.9	425.7	(11.7)	(2.8)

*1: The Company announced "Revision to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2017" on October 25, 2016.

*2: Published forecasts announced on May 11, 2016 in the financial results for FY2015.

*3: The sales of Tenelia of FY2015 indicate total of previous scheme and new scheme.

*4: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*5: Active pharmaceutical ingredients and others ordered by other companies

(3) Forecasts of Investment for Property, Plant and Equipment and Information Systems

[Billion yen]

	FY2016 forecasts	FY2015 actual	Increase (decrease)	Change %
Investment in property, plant and equipment/occurring basis	14.6	11.2	3.3	29.8
Investment for information systems/occurring basis	1.8	0.9	0.8	92.3

[Billion yen]

Major investment in property, plant and equipment in FY2016		Major investment for information systems in FY2016	
Production facilities	10.8	R&D related systems	0.5
[Construction of new manufacturing facility at Yoshitomi plant]	[6.2]	Production related system	0.4
Facilities & equipment for R&D	3.4	Others	0.9
Others	0.4		

(4) Forecasts for Depreciation and Amortization Costs

[Billion yen]

	FY2016 forecasts	FY2015 actual	Increase (decrease)	Change %
Property, plant and equipment	7.5	7.2	0.2	2.8
Intangible assets (except for intangible assets with products)	1.6	1.5	0.0	2.0
Intangible assets with products	1.5	1.4	0.0	1.8

4 Five-Year Financial Data

Japan GAAP (Amounts less than ¥100 million are rounded.)

(1) Profit and Loss

[Billion yen]

	FY2012	FY2013	FY2014	FY2015
Net sales	419.2	412.7	415.1	431.7
Cost of sales	166.4	169.4	169.6	155.8
Gross operation profit	252.8	243.3	245.5	275.9
SG&A expenses	183.8	184.2	178.4	181.0
R&D expenses	66.5	70.4	69.6	75.3
Operating income	69.0	59.1	67.1	94.9
Ordinary income	69.4	61.9	67.7	94.8
Extraordinary income	4.2	15.3	13.7	14.1
Extraordinary loss	5.9	4.8	18.6	24.6
Net income attributable to shareholders of the Company	41.9	45.4	39.5	56.4

(2) Balance Sheet

[Billion yen]

	End of FY2012	End of FY2013	End of FY2014	End of FY2015
Total assets	866.8	886.5	929.3	930.2
Current assets	476.7	540.5	603.6	657.3
Fixed assets	390.1	346.0	325.7	273.0
Total liabilities	113.9	108.6	128.9	113.5
Current liabilities	86.1	81.8	105.4	91.3
Fixed liabilities	27.7	26.8	23.5	22.2
Net assets	752.9	777.8	800.4	816.7

(3) Other Financial Data

[Billion yen]

	FY2012	FY2013	FY2014	FY2015
Cash flows from operating activities	60.6	69.9	68.2	65.2
Cash flows from investing activities	(35.0)	(24.3)	(59.8)	(26.6)
Cash flows from financing activities	(23.7)	(21.1)	(21.9)	(22.2)
Investments in property, plant and equipment	9.2	12.6	15.7	11.2
Investments for development of information systems	2.2	2.1	1.6	0.9
Depreciation costs	8.4	9.2	9.0	8.8
Equity ratio (%)	86.3	86.4	84.9	86.6
ROE (%)	5.7	6.0	5.1	7.1
Net income per share (¥)	74.67	80.92	70.41	100.60
Net assets per share (¥)	1,333.22	1,365.52	1,406.41	1,436.63

IFRS (Amounts less than ¥100 million are rounded off.)

(1) Profit and Loss

[Billion yen]

	FY2015	1H FY2016	FY2016 forecasts
Revenues	425.7	204.1	414.0
Cost of sales	155.8	78.3	163.0
Gross operation profit	269.9	125.7	251.0
SG&A expenses	96.3	46.6	97.9
R&D expenses	64.6	30.3	66.0
Core operating profit	106.9	47.9	85.0
Operating income	81.8	47.8	84.0
Profit before income taxes	83.2	49.4	86.0
Net profit for the period	57.0	35.2	62.0
Net profit attributable to owners of the Company	59.3	36.2	64.0

(2) Balance Sheet

[Billion yen]

	End of FY2015	End of 1H FY2016
Assets	958.4	965.4
Non-current assets	308.2	299.0
Current assets	650.1	666.3
Liabilities	132.1	125.8
Non-current liabilities	33.2	29.7
Current liabilities	98.9	96.0
Equity	826.3	839.6

(3) Other Financial Data

[Billion yen]

	FY2015	1H FY2016	FY2016 forecasts
Cash flows from operating activities	80.8	31.3	-
Cash flows from investing activities	(42.2)	43.9	-
Cash flows from financing activities	(22.2)	(12.0)	-
Investments in property, plant and equipment	11.2	7.4	14.6
Investments for development of information systems	0.9	0.8	1.8
Depreciation and Amortization Costs	10.3	5.0	10.6
Ratio of equity attributable to owners of the Company to total assets(%)	85.1	85.9	-
ROE (%)	7.4	8.8	-
Basic earnings per share (¥)	105.72	64.70	114.08
Equity attributable to owners of the Company per share (¥)	1,453.71	1,478.82	-

(4) Number of Employees

	End of FY2012	End of FY2013	End of FY2014	End of FY2015	End of 1H FY2016	Forecasts for end of FY2016
Consolidated	8,835	9,065	8,457	8,125	7,373	7,375
Non-consolidated	4,850	4,867	4,844	4,780	4,319	4,278

5 Quarterly Trend

(Amounts less than ¥ 100 million are rounded off.)

(1) Profit and Loss

[Billion yen]

	FY2015					FY2016			
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	Full year Actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	2H forecasts	Full year forecasts*1
Revenue	98.6 23.2%	103.4 24.3%	132.4 31.1%	91.2 21.4%	425.7 100.0%	105.4 25.5%	98.6 23.8%	209.9 50.7%	414.0 100.0%
Domestic	76.4 24.2%	74.7 23.7%	95.1 30.2%	69.0 21.9%	315.4 100.0%	80.4 25.1%	74.9 23.4%	164.4 51.4%	319.9 100.0%
Overseas	22.2 20.1%	28.6 26.0%	37.2 33.8%	22.2 20.1%	110.3 100.0%	25.0 26.6%	23.6 25.1%	45.4 48.3%	94.1 100.0%
Cost of sales	35.4	37.6	47.7	34.9	155.8	40.0	38.3	84.6	163.0
Sales cost ratio	36.0%	36.4%	36.0%	38.3%	36.6%	36.6%	38.9%	40.3%	39.4%
Gross profit	63.1 23.4%	65.7 24.4%	84.7 31.4%	56.2 20.8%	269.9 100.0%	65.4 26.1%	60.3 24.0%	125.2 49.9%	251.0 100.0%
SG&A expense	21.7 22.5%	24.6 25.6%	24.0 24.9%	25.9 26.9%	96.3 100.0%	21.5 22.1%	25.0 25.6%	51.2 52.3%	97.9 100.0%
R&D expense	15.6 24.2%	16.2 25.1%	14.7 22.8%	17.9 27.8%	64.6 100.0%	14.5 22.0%	15.8 24.0%	35.6 54.1%	66.0 100.0%
Amortization of intangible assets associated with products	0.3 25.1%	0.3 25.1%	0.3 25.1%	0.3 24.8%	1.4 100.0%	0.3 24.6%	0.3 24.5%	0.7 50.9%	1.5 100.0%
Other income (expense) ^{*2}	(0.2) -	(0.0) -	(0.0) -	(0.2) -	(0.5) -	0.0 -	(0.0) -	(0.5) -	(0.6) -
Core operating profit	25.2 23.6%	24.5 22.9%	45.5 42.6%	11.6 10.9%	106.9 100.0%	29.0 34.1%	18.9 22.3%	37.0 43.6%	85.0 100.0%
Operating profit	25.2 30.8%	24.0 29.4%	30.5 37.3%	1.9 2.4%	81.8 100.0%	29.2 34.8%	18.6 22.2%	36.1 43.1%	84.0 100.0%
Profit before tax	25.4 30.6%	24.2 29.1%	31.3 37.7%	2.1 2.6%	83.2 100.0%	30.2 35.2%	19.1 22.2%	36.5 42.6%	86.0 100.0%
Net profit attributable to owners of the Company	18.4 31.2%	17.2 29.0%	23.4 39.6%	0.1 0.2%	59.3 100.0%	21.9 34.2%	14.3 22.5%	27.7 43.3%	64.0 100.0%

The each figure (excluding "cost of sales") in the lower displays the progress rate.

*1: The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2017" on October 25, 2016.

*2: Brackets indicate expense and loss

(2) Sales Revenue of Main Products

[Billion yen]

	FY2015					FY2016				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	1H forecasts	Full year	
	Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Jan. to Mar.	actual	Apr. to Jun.	Jul. to Sep.		forecasts ^{*1}	
Domestic ethical drugs	74.2 24.1%	73.0 23.7%	93.3 30.3%	67.3 21.9%	308.0 100.0%	78.4 25.0%	73.5 23.5%	161.1 51.5%	313.0 100.0%	
Remicade	16.8 24.3%	17.6 25.4%	19.5 28.1%	15.4 22.2%	69.4 100.0%	17.3 26.1%	16.4 24.8%	32.5 49.1%	66.4 100.0%	
Simponi	3.0 23.4%	3.1 24.4%	3.6 28.0%	3.1 24.2%	12.9 100.0%	6.3 24.8%	5.8 23.1%	13.2 52.2%	25.4 100.0%	
Talion	3.5 21.1%	2.8 17.0%	4.7 28.1%	5.7 33.8%	16.8 100.0%	4.1 21.5%	3.3 17.5%	11.6 61.0%	19.1 100.0%	
Tenelia ^{*2}	2.9 21.0%	3.7 26.1%	4.2 30.1%	3.2 22.8%	14.1 100.0%	3.8 22.2%	4.1 24.0%	9.3 53.7%	17.4 100.0%	
Lexapro	2.1 22.5%	2.2 23.6%	3.0 31.9%	2.0 22.0%	9.5 100.0%	2.8 22.8%	2.6 21.3%	7.0 55.8%	12.5 100.0%	
Ceredist	3.8 27.4%	3.4 24.6%	4.0 28.7%	2.7 19.3%	14.1 100.0%	3.5 28.8%	2.9 23.8%	5.8 47.3%	12.3 100.0%	
Maintate	3.6 27.4%	3.2 24.0%	3.7 27.9%	2.8 20.8%	13.4 100.0%	3.3 29.3%	2.7 24.2%	5.3 46.5%	11.4 100.0%	
Kremezin	2.5 27.2%	2.2 24.8%	2.5 27.7%	1.8 20.3%	9.2 100.0%	2.1 28.5%	1.8 24.9%	3.4 46.6%	7.4 100.0%	
Depas	1.9 26.7%	1.7 24.3%	2.0 27.7%	1.5 21.2%	7.2 100.0%	1.7 27.9%	1.5 24.7%	2.9 47.5%	6.2 100.0%	
Urso	2.3 29.0%	2.0 24.8%	2.2 27.1%	1.5 19.0%	8.1 100.0%	1.7 29.1%	1.4 24.7%	2.7 46.2%	6.0 100.0%	
Radicut	1.6 22.8%	1.7 24.3%	2.1 30.2%	1.6 22.7%	7.2 100.0%	1.5 26.9%	1.4 23.8%	2.9 49.3%	5.9 100.0%	
BIKEN products [vaccines]	6.2 16.1%	8.2 21.0%	17.0 43.6%	7.5 19.3%	39.0 100.0%	7.3 19.5%	9.1 24.4%	21.1 56.2%	37.6 100.0%	
Influenza	(0.0) (0.2%)	2.8 20.4%	9.2 67.5%	1.7 12.4%	13.7 100.0%	(0.1) (1.0%)	2.6 21.9%	9.4 79.0%	12.0 100.0%	
Tetrabik	1.9 20.3%	1.7 18.1%	3.5 37.7%	2.2 23.9%	9.5 100.0%	2.7 28.2%	2.3 23.9%	4.6 47.9%	9.7 100.0%	
Mearubik	1.4 29.0%	1.0 21.4%	1.2 25.7%	1.1 23.8%	4.9 100.0%	1.7 30.0%	1.5 27.1%	2.4 43.0%	5.7 100.0%	
Varicella vaccine	1.7 28.1%	1.5 24.3%	1.6 25.8%	1.3 21.8%	6.3 100.0%	1.4 26.3%	1.3 25.1%	2.6 48.7%	5.5 100.0%	
Tanabe Seiyaku Hanbai products ^{*3}	3.4 24.7%	3.1 23.2%	3.9 28.7%	3.2 23.4%	13.8 100.0%	3.5 24.3%	3.3 23.0%	7.5 52.6%	14.4 100.0%	
Overseas ethical drugs	6.1 25.0%	7.7 31.3%	5.3 21.8%	5.4 21.9%	24.7 100.0%	5.5 26.3%	5.0 24.0%	10.5 49.7%	21.2 100.0%	
Herbesser	1.5 23.2%	1.6 24.7%	1.5 24.5%	1.7 27.6%	6.4 100.0%	1.5 25.8%	1.3 23.2%	2.9 51.0%	5.8 100.0%	
Argatroban (Novastan)	0.4 20.5%	0.7 34.3%	0.5 23.4%	0.5 21.8%	2.3 100.0%	0.5 30.5%	0.4 27.8%	0.7 41.7%	1.7 100.0%	
Tanatril	0.4 28.9%	0.3 23.6%	0.4 25.8%	0.3 21.7%	1.5 100.0%	0.5 37.2%	0.3 22.7%	0.6 40.2%	1.5 100.0%	
Simponi	0.3 23.8%	0.3 23.2%	0.3 26.1%	0.3 26.9%	1.2 100.0%	0.3 24.2%	0.3 26.0%	0.6 49.8%	1.3 100.0%	
Royalty revenue, etc.	16.3 18.9%	21.1 24.4%	32.2 37.2%	16.9 19.6%	86.6 100.0%	19.8 26.7%	18.7 25.2%	35.6 48.1%	74.1 100.0%	
Royalty from Gilenya	11.2 21.7%	14.6 28.2%	14.0 27.1%	11.8 22.9%	51.7 100.0%	13.8 -	13.7 -	Undisclosed -	Undisclosed -	
Royalty from INVOKANA	4.5 22.1%	5.3 26.0%	6.7 32.8%	3.9 19.2%	20.6 100.0%	4.9 -	4.0 -	Undisclosed -	Undisclosed -	
OTC products	1.1 31.0%	0.9 24.8%	0.9 25.3%	0.7 18.9%	3.7 100.0%	1.0 23.4%	0.9 21.4%	2.4 55.2%	4.3 100.0%	
Others ^{*4}	0.6 26.2%	0.5 22.3%	0.5 20.8%	0.7 30.7%	2.5 100.0%	0.6 57.3%	0.3 25.7%	0.2 17.0%	1.1 100.0%	
Total sales revenue	98.6 23.2%	103.4 24.3%	132.4 31.1%	91.2 21.4%	425.7 100.0%	105.4 25.5%	98.6 23.8%	209.9 50.7%	414.0 100.0%	

The each figure in the lower displays the progress rate.

*1: The Company announced "Revision to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2017" on October 25, 2016.

*2: The sales revenue of Tenelia of FY2015 indicate total of previous scheme and new scheme.

*3: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*4: Active pharmaceutical ingredients and others ordered by other companies.

6 State of New Product Development (As of November 1, 2016)

(1) Autoimmune diseases

Development code Product name (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
Remicade (infliximab)	Anti-human TNF α monoclonal antibody (Crohn's disease: increased dose)	Japan	NDA filed (Sep., 2016)	Licensed from Janssen Biotech (US)
Imusera/Gilenya (fingolimod)	S1P receptor functional antagonist (Chronic inflammatory demyelinating polyradiculoneuropathy)	Japan, US, Europe, and others	Phase 3 (Global clinical trial)	Discovered in-house Co-developed with Novartis Pharma (Japan) in Japan, licensed to Novartis (Switzerland) overseas
MT-1303 (amiselimod)	S1P receptor functional antagonist (Multiple sclerosis)	Europe	Phase 2	In-house
	(Psoriasis)	Europe	Phase 2	
	(Crohn's disease)	Japan, Europe	Phase 2	
	(Inflammatory diseases, autoimmune diseases)	Japan, Europe, US	Phase 1	
MT-7117	Dermatologicals, etc. (Inflammatory diseases, autoimmune diseases, etc.)	Europe	Phase 1	In-house

(2) Diabetes and kidney diseases

Development code Product name (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
TA-7284 (canagliflozin)	SGLT2 inhibitor (Type 2 diabetes mellitus)	Taiwan	Filed (Mar., 2015)	In-house
	(Diabetic nephropathy)	Japan, US, Europe, and others	Phase 3 (Global clinical trial)	Discovered in-house Sponsor: Janssen Research & Development (US)
	(Type 1 Diabetes Mellitus)	US, Canada	Phase 2	Discovered in-house Licensed to Janssen Pharmaceuticals (US)
	(Obesity / co-administration with phentermine)	US	Phase 2	
MP-513 (teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Indonesia	Filed (Apr., 2015)	In-house
		Europe	Phase 2	
		US	Phase 1	
MT-2412 (teneligliptin, canagliflozin)	Fixed-dose combination of DPP-4 inhibitor and SGLT2 inhibitor (Type 2 diabetes mellitus)	Japan	Filed (Aug., 2016)	In-house
MT-3995	Selective mineralocorticoid receptor antagonist (Diabetic nephropathy)	Europe	Phase 2	In-house
		Japan	Phase 2	
		US	Phase 1	

(3) Central nervous system diseases

Development code (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
MCI-186 (edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis)	US	NDA filed (June, 2016)	In-house
MP-214 (cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Japan,Asia	Phase 2b/3	Licensed from Gedeon Richter(Hungary)
MT-210	5-HT2A/ Sigma 2 receptor antagonist (Schizophrenia)	Europe	Phase 2	Licensed to Minerva Neurosciences(US)
Wf-516	Multiple mechanisms on several receptors* (Depression)	Europe	Phase 2	Licensed to Minerva Neurosciences(US)
MP-124	Nervous system	US	Phase 1	In-house
MT-8554	Nervous system, etc.	Europe	Phase 1	In-house
MT-5199	Nervous system	Japan	Phase 1	Licensed from Neurocrine Biosciences(US)

*SSRI, 5-HT1A, dopamine transporter, and alpha-1A and B

(4) Vaccines

Development code (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
MT-2301	Haemophilus influenza type b (Hib) vaccine (Prophylaxis of pediatric Hib infection)	Japan	Phase 2	Licensed from Nuron Biotech(US)
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H5N1 influenza)	Canada	Phase 2	In-house
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of seasonal influenza)	US, Canada	Phase 2	In-house
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Canada	Phase 1	In-house

(5) Other diseases

Development code (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
TAU-284 (bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Pediatric allergic rhinitis, Pediatric atopic dermatitis)	China	Filed (Mar., 2016)	Licensed from Ube Industries (Japan)
MT-4580	Ca sensing receptor agonist (Secondary hyperparathyroidism in hemodialysis patients)	Japan	Phase 3	Licensed to Kyowa Hakko Kirin(Japan)
Y-39983	ROCK (rho-kinase) inhibitor (Glaucoma)	Japan	Phase 2	Licensed to Senju Pharmaceutical (Japan)
MCC-847 (masilukast)	Leukotriene D4 receptor antagonist (Asthma)	Korea	Phase 2	Licensed to SAMA Pharma (Korea)
GB-1057 (recombinant human serum albumin)	Blood and blood forming organs	US	Phase 1	In-house
MP-157	Cardiovascular system	Europe	Phase 1	In-house
MT-0814	Ophthalmologicals	Japan	Phase 1	In-house
sTU-199 (tenatoprazole)	Alimentary tract and metabolism	Europe	Phase 1	Licensed to Negma/Sidem (France)

Changes Since Previous Announcement on August 2, 2016

Development code Product name (Generic name)	Category (Indications)	Region	As of Aug. 2, 2016	As of Nov. 1, 2016	Origin/licensee
Valixa (valganciclovir)	Anti-cytomegalovirus chemotherapeutic agent (Prevention of cytomegalovirus disease in organ transplant patients)	Japan	None	Approved (Aug., 2016)	Licensed from F. Hoffmann-La Roche (Switzerland)
TA-7284 (canagliflozin)	(Type2 diabetes mellitus / fixed dose combination with metformin, XR)	US	NDA filed (Nov., 2015)	Approved (Sep., 2016)	Discovered in-house Licensed to Janssen Pharmaceuticals (US)
Remicade (infliximab)	Anti-human TNF α monoclonal antibody (Crohn's disease:-shortened administration interval)	Japan	None	NDA filed (Sep., 2016)	Licensed from Janssen Biotech (US)
	(Pediatric Crohn's disease)		Phase 3	Deleted (Responded by the revision of the package insert precautions for use)	
	(Pediatric ulcerative colitis)		Phase 3		
MT-2412 (teneligliptin, canagliflozin)	Fixed-dose combination of DPP-4 inhibitor and SGLT2 inhibitor (Type 2 diabetes mellitus)	Japan	Phase 3	Filed (Aug., 2016)	In-house

Additional Information for State of New Product Development (As of November 1, 2016)

(1) Autoimmune diseases

Development code Product name (Generic name)	Information
Remicade (infliximab)	Remicade is an anti-human TNF α monoclonal antibody. In Japan, it was launched as a treatment for Crohn's disease in 2002, followed by rheumatoid arthritis, intractable uveoretinitis caused by Behcet's disease, psoriasis, ankylosing spondylitis, ulcerative colitis, and entero-, neuro-, vasculo-Behcet's disease.
FTY720 Imusera / Gilenya (fingolimod)	Imusera is a sphingosine-1-phosphate receptor functional antagonist, which keeps lymphocytes sequestered in the lymph nodes and prevents them from attacking the myelin of the nerve cells in multiple sclerosis. It was launched as a treatment for multiple sclerosis in 2011 in Japan under the brandname of Imusera. It is also marketed under the brand name of Gilenya by Novartis. Imusera had been jointly developed with Novartis Pharma for the domestic market. Global Phase 3 study for chronic inflammatory demyelinating polyradiculoneuropathy is underway. It has been jointly developed with Novartis Pharma for the domestic market.
MT-1303 (amiselimod)	MT-1303 is a sphingosine-1-phosphate receptor functional antagonist, which keeps lymphocytes sequestered in the lymph nodes and prevents them from contributing to autoimmune reactions. It's a successor of Imusera/Gilenya.

(2) Diabetes and kidney diseases

Development code Product name (Generic name)	Information
TA-7284 Canaglu / INVOKANA (canagliflozin)	As a selective SGLT2 inhibitor, TA-7284 decreases blood glucose levels by inhibiting reabsorption of glucose in the kidney. It was launched in Japan for the treatment of type2 diabetes mellitus in September 2014, under the brand name of CANAGLU. And it was also launched for the treatment of type2 diabetes mellitus under the brand name of INVOKANA by Janssen Pharmaceuticals, Inc. in the US and its affiliate in Europe. The fixed dose combination with metformin (IR) was approved in Europe (April, 2014) and the US (August, 2014). The fixed dose combination with metformin (XR) was approved in the US (September, 2016).
MP-513 (teneligliptin)	MP-513 selectively inhibits DPP-4, thus accelerates the insulin secretion after meal intake without effect on the fasting insulin secretion. It was launched in Japan for the treatment of type2 diabetes mellitus in September 2012, under the brand name of TENELIA.
MT-2412 (teneligliptin, canagliflozin)	MT-2412 is a fixed-dose combination of teneligliptin(DPP-4 inhibitor) and canagliflozin(SGLT2 inhibitor).
MT-3995	MT-3995 is a selective mineralocorticoid receptor antagonist, which shows renoprotective effect on diabetic nephropathy.

(3) Central nervous system diseases

Development code (Generic name)	Information
MCI-186 (edaravone)	MCI-186 is a free radical scavenger. In Japan, it was launched under the brand name of Radicut® for the treatment of the acute stage of cerebral infarction in 2001, followed by inhibition on progression of functional disorder in patients with amyotrophic lateral sclerosis (ALS) in Japan in June, 2015 and in Korea in December, 2015.
MP-214 (cariprazine)	MP-214 is a dopamine D3/D2 receptor partial agonist, licensed from Gedeon Richter (Hungary). Efficacy on negative symptoms and cognitive functions in addition to positive symptoms for schizophrenia is expected.
MT-210	MT-210 is a 5-HT2A/ Sigma 2 receptor antagonist.
Wf-516	Wf-516 acts through multiple mechanisms on several receptors* associated with the control of mood. *SSRI, 5-HT1A, dopamine transporter, and alpha-1A and B

(4) Vaccines

Development code (Generic name)	Information
MT-2301	MT-2301 is a Haemophilus influenza type b (Hib) vaccine, licensed from Nuron Biotech(US).
Influenza vaccine	Plant-based VLP influenza vaccine for prophylaxis of H5N1 influenza.
Influenza vaccine	Plant-based VLP influenza vaccine for prophylaxis of seasonal influenza.
Influenza vaccine	Plant-based VLP influenza vaccine for prophylaxis of H7N9 influenza.

(5) Other diseases

Development code (Generic name)	Information
TAU-284 (bepotastine)	Talion is a selective histamine H1 receptor antagonist. It was launched as an anti-allergic agent for adult in 2000.
MT-4580	MT-4580 is a Ca sensing receptor agonist.
Y-39983	Y-39983 is a ROCK (Rho-kinase) inhibitor, which relaxes vascular smooth muscles.
MCC-847 (masilukast)	MCC-847 is a leukotriene D4 receptor antagonist.
Y-803	Y-803 is a bromodomain inhibitor.

7 Others

1 Subsidiaries and Affiliated Companies

(1) Number of Subsidiaries and Affiliated Companies

	End of 1H FY2016	End of FY2015	Increase (Decrease)	Notes
Consolidated subsidiaries	28	28	-	
Non-consolidated subsidiaries	-	-	-	
Affiliated companies	1	1	-	
Total	29	29	-	

(2) Consolidated Subsidiaries

[As of September 30, 2016]

	Company Name	Paid-in Capital	% Voting Control [% Indirect Ownership]	Settling Day	Description of Business
1	Yoshitomiyaquin Corporation	JPY 385 million	100.0 [-]	End of Mar.	Provision of information about pharmaceuticals
2	Bipha Corporation	JPY 100 million	100.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
3	Mitsubishi Tanabe Pharma Factory Ltd.	JPY 1,130 million	100.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
4	Tanabe Seiyaku Yoshiki Factory Co., Ltd.	JPY 400 million	100.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
5	Tanabe Seiyaku Hanbai., Ltd.	JPY 100 million	100.0 [-]	End of Mar.	Sale of generic pharmaceuticals, etc.
6	Tanabe R&D Service Co., Ltd.	JPY 44 million	100.0 [-]	End of Mar.	Support of R&D regarding pharmaceuticals
7	Tanabe Total Service Co., Ltd.	JPY 90 million	100.0 [-]	End of Mar.	Real estate management and creation of promotion materials, etc.
8	Mitsubishi Tanabe Pharma Holdings America, Inc.	USD 167	100.0 [-]	End of Mar.	Management of group companies in US
9	Mitsubishi Tanabe Pharma Development America, Inc.	USD 200	100.0 [100.0]	End of Mar.	R&D of pharmaceuticals
10	MT Pharma America, Inc.	USD 100	100.0 [100.0]	End of Mar.	Sale of pharmaceuticals
11	MP Healthcare Venture Management, Inc.	USD 100	100.0 [100.0]	End of Mar.	Investments in bio-ventures
12	Tanabe Research Laboratories U.S.A., Inc.	USD 3 Mill.	100.0 [100.0]	End of Mar.	R&D of pharmaceuticals
13	MTPC Holdings Canada Inc.	CAD 316.9 Mill.	100.0 [-]	End of Mar.	Investments in Medicago Group
14	Medicago Inc.	CAD 377.0 Mill.	60.0 [56.8]	End of Mar.	Manufacture and sale of vaccines
15	Medicago USA Inc.	CAD 99	60.0 [60.0]	End of Mar.	Manufacture of vaccines
16	Medicago R&D Inc.	CAD 500	60.0 [60.0]	End of Mar.	R&D of vaccines
17	Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd.	USD 1Mill.	100.0 [-]	End of Dec.	R&D of pharmaceuticals
18	Tianjin Tanabe Seiyaku Co., Ltd.	USD 16.2 Mill.	75.4 [-]	End of Dec.	Manufacture and sale of pharmaceuticals
19	Taiwan Tanabe Seiyaku Co., Ltd.	TWD 90 Mill.	65.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
20	Tai Tien Pharmaceuticals Co., Ltd.	TWD 20 Mill.	65.0 [-]	End of Mar.	Sale of pharmaceuticals
21	P.T. Tanabe Indonesia	USD 2.5 Mill.	99.6 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
22	MT Pharma Singapore Pte. Ltd.	SGD 300,000	100.0 [-]	End of Mar.	R&D of pharmaceuticals
23	Mitsubishi Tanabe Pharma Korea Co., Ltd.	KRW 2,100 Mill.	100.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
24	Mitsubishi Tanabe Pharma Europe Ltd.	GBP 4.6 Mill.	100.0 [-]	End of Mar.	R&D of pharmaceuticals
25	Mitsubishi Tanabe Pharma GmbH	EUR 25,000	100.0 [100.0]	End of Mar.	Sale of pharmaceuticals

Note: Aside from the companies mentioned above, there are three consolidated companies under the liquidations.

(3) Affiliated Companies Accounted for by the Equity Method

[As of September 30, 2016]

	Company Name	Paid-in Capital	% Voting Control [% Indirect Ownership]	Settling Day	Description of Business
1	Synthelabo-Tanabe Chimie S.A.	EUR 1.6 Mill.	50.0 [-]	End of Dec.	Manufacture and sale of pharmaceuticals

2 Status of Shareholders

(1) Number of Outstanding Shares

	End of September, 2016	End of March, 2016
Issued	561,417,916	561,417,916
The company's own shares at the end of the period	429,225	428,945
Number of shares outstanding at the end of the period	560,988,691	560,988,971
Average number of the company's own share in the period	429,022	428,670
Average number of shares outstanding in the period	560,988,894	560,989,246

(2) Status of Major Shareholders

Rank	Name of Shareholders	End of September, 2016		End of March, 2016		
		Number of Shares (Thousands)	Percentage of Total	Rank	Number of Shares (Thousands)	Percentage of Total
1	Mitsubishi Chemical Holdings Corporation	316,320	56.34%	1	316,320	56.34%
2	The Master Trust of Japan, Ltd.	25,689	4.58%	2	25,438	4.53%
3	Nippon Life Insurance Company	12,065	2.15%	3	12,065	2.15%
4	Japan Trustee Services Bank, Ltd.	11,796	2.10%	4	11,199	1.99%
5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,254	1.29%	5	7,254	1.29%
6	STATE STREET BANK AND TRUST COMPANY 505225	6,393	1.14%	7	5,602	1.00%
7	Japan Trustee Services Bank, Ltd. (Trust Account 9)	6,227	1.11%	6	6,176	1.10%
8	STATE STREET BANK WEST CLIENT-TREATY 505234	3,949	0.70%	8	4,552	0.81%
9	Nipro	3,821	0.68%	10	3,821	0.68%
10	Employee Stock Ownership Plan	3,685	0.66%	9	4,002	0.71%

Employee Stock Ownership Plan

(3) Ownership and Distribution of Shares

	End of September, 2016			End of March, 2016		
	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total
Financial institutions	85	100,006	17.82%	79	101,203	18.03%
Foreign corporations and others	558	102,964	18.34%	515	97,796	17.42%
Individuals and others	15,386	24,136	4.30%	16,396	25,295	4.51%
Other corporations	242	331,084	58.98%	265	332,740	59.28%
Securities firms	29	3,118	0.56%	36	4,276	0.76%
Total	16,300	561,309	100.00%	17,291	561,311	100.00%
Less than trading unit	-	108	-	-	106	-

* The trading unit of the Company's stock is 100 shares.

* Individuals and Others include treasury stocks (429 thousands shares at the end of September, 2016 and 428 thousands shares at the end of March, 2016)

(4) Trend of Dividend and Stock Price

(Japan GAAP)

	FY2012	FY2013	FY2014	FY2015
Dividends per share (yen)	40	40	42	46
Dividend payout ratio(%)	53.6	49.4	59.6	45.7
[prior to amortization of goodwill]	43.2	40.5	47.6	43.2
Stock price at the end of FY	1,445	1,443	2,062	1,957
Market capitalization (billion yen)	8,112	8,101	11,576	10,987

(IFRS)

	FY2015	1H FY2016	FY2016 Estimate
Dividends per share (yen)	46	24	48
Dividend payout ratio(%)	43.5	37.1	42.1
Stock price at the end of FY	1,957	2,155	-
Market capitalization (billion yen)	10,987	12,098	-

Reference

Major Ethical Drugs

Remicade (Infliximab)	Launch: May 2002	Category	Anti-TNF α monoclonal antibody
<p>Remicade is an anti-TNFα antibody, which targets TNFα, an important inflammatory cytokine. It is very fast-acting and its efficacy is sustained for eight weeks with a single administration. It has indications for the treatment of rheumatoid arthritis, Crohn's disease, Behcet's disease with refractory uveoretinitis, psoriasis, ankylosing spondylitis, and ulcerative colitis. In addition, in July 2009 and August 2011, changes in usage/dosage were approved for rheumatoid arthritis, and Crohn's disease, respectively.</p> <p>Entero-Behcet's disease, neuro-Behcet's disease, and vasculo-Behcet's disease in cases where existing treatment is inadequate were approved in August, 2015. And Kawasaki disease was approved in December 2015. Partial change in dosage and usage (increased dose) for psoriasis was approved in May 2016.</p> <p>Origin: Janssen Biotech</p>			
Talion (Bepotastine)	Launch: Oct. 2000	Category	Agent for treatment of allergic disorders
<p>Talion has rapid onset of anti-histamine(H1) effects and has been demonstrated to be effective for allergic rhinitis, urticaria, and pruritus accompanying dermatitis. It has minimal incidence of sedation. An additional formulation, orally disintegrating tablets was launched in July 2007. Pediatric indications (from seven to fifteen years old) was approved in May 2015.</p> <p>Origin: Ube Industries</p>			
Ceredist (Taltirelin)	Launch: Sep. 2000	Category	Agent for treatment of spinocerebellar degeneration
<p>Thyrotropin releasing hormone (TRH) was known to be effective against ataxia caused by spinocerebellar degeneration, but it was previously administered only through injection. Ceredist is the world's first oral TRH derivative drug by in-house development. An additional formulation, orally disintegrating tablets, was launched in October 2009.</p>			
Tenelia (Teneligliptin)	Launch: Sep. 2012	Category	Selective DPP-IV inhibitor
<p>Tenelia, which Mitsubishi Tanabe has created and developed, is the first DPP-4 inhibitor originating in Japan. It inhibits the function of dipeptidyl peptidase-4 (DPP-4), which selectively breaks down glucagon-like peptide-1(GLP-1), a hormone secreted from the gastrointestinal tract in response to food intake. In this way, Tenelia promotes insulin secretion and suppresses glucagon secretion, thereby demonstrating blood glucose lowering action.</p>			
Maintate (Bisoprolol)	Launch: Nov. 1990	Category	Selective β 1 antagonist (Treatment of hypertension, angina pectoris, and arrhythmias, chronic heart failure)
<p>Maintate is a representative β-blocker used in more than 100 countries around the world. It exhibits high selectivity for β 1 receptor and excellent pharmacokinetics profiles. It has high efficacy and safety, and evidence-based cardioprotective action. In addition to the indication of chronic heart failure which was approved in May 2011, the indication of atrial fibrillation has been newly approved in June 2013 . Maintate is the only β-blocker with both indications of chronic heart failure and atrial fibrillation in Japan.</p> <p>Origin: Merck Serono (Germany)</p>			
Simponi (Golimumab)	Launch: Sep. 2011	Category	Anti-TNF α monoclonal antibody
<p>Simponi is a human anti-TNFα monoclonal antibody for the treatment of rheumatoid arthritis (including prevention of articular structural damage). It shows a long acting efficacy by subcutaneous injection once every four weeks. Additional indication of ulcerative colitis was filed in April 2016 by Janssen Pharmaceutical.</p> <p>Origin: Janssen Biotech</p>			
Lexapro (Escitalopram)	Launch: Aug. 2011	Category	Selective serotonin reuptake inhibitor (SSRI)
<p>Lexapro, a highly selective serotonin reuptake inhibitor (SSRI), has been globally approved in 98 countries and regions. It shows good efficacy and tolerability in patients with depressive disorder. Moreover, due to simple dosage and administration, it is expected to improve adherence of the treatment. Social anxiety disorder (SAD) was approved in November 2015.</p> <p>Origin: H. Lundbeck A/S (Denmark), Manufacturer and distributor: Mochida Pharmaceutical Co., Ltd</p>			
Kremezin	Launch: Apr. 2011	Category	Agent for treatment of Chronic renal failure
<p>Kremezin is an oral absorptive charcoal consisting of porous spherical activated carbon of high purity. It absorbs and excretes uremic toxins out of the body. Keremezin was introduced to the Japanese market in December 1991 as the first pharmaceuticals drug in the world for proactive treatment of chronic renal failure (progressive). In April 2011, the marketing rights were transferred from Daiichi Sankyo to MTPC.</p> <p>Origin, Manufacturer and distributor: Kureha</p>			

Urso (Ursodeoxycholic Acid)	Launch: July 1962	Category	Agent for improving hepatic, biliary and digestive functions
Ursodeoxycholic acid (UDCA), principal ingredient of Urso, had been extracted from blackbear's gallbladder in the past and has been used in the treatment of various digestive diseases. It is one of the bile acids existing in the human body. Urso has effects of hepatic protection and indications of improvement of liver function in chronic liver disease and hepatitis C, and dissolution of gallstones.			
Depas (Etizolam)	Launch: Mar. 1984	Category	Antianxiety agent
Depas is the most widely used anxiolytic agent in Japan. Due to its broad pharmacological properties, Depas shows reasonable effectiveness for psychosomatic disease, neurosis, low back pain, neck pain and muscle-contraction headache, depression and sleep disorder.			
Radicut (Edaravone)	Launch: Jun. 2001	Category	Free radical scavenger (Cerebral neuroprotectant)
Radicut is the world's first brain protecting agent (free radical scavenger) shown to improve neurological symptoms, interference with activities of daily living, and disability (at hospital discharge) in patients at acute stage of cerebral infarction. Specific indications include the treatment of various types of infarction (cerebral lacunar, atherothrombotic and cardiogenic infarction) It is initiated administration within 24 hours after onset, and is not administered for more than 14 days. An additional formulation, Radicut bag for I.V. Infusion, was launched in May 2010. It was designated as an orphan drug of amyotrophic lateral sclerosis (ALS) and approved for ALS in June, 2015.			
TETRABIK (Absorbed Diphtheria-purified Pertussis-tetanus inactivated polio)	Launch: Oct. 2012	Category	Prevention of diphtheria, pertussis, tetanus and polio
TETRABIK is a combined vaccine that prevents acute poliomyelitis (polio), pertussis, diphtheria and tetanus. It is used at 1st term (initial 3 times) and 1st term (additional 1 time), in total 4 times, of the regular vaccination. By using TETRABIK, It is expected to avoid the very rare occurrence of paralytic symptoms similar to those in natural polio due to live-attenuated oral polio vaccine. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)			
Mearubik (Live Attenuated Measles and Rubella Vaccine)	Launch: Dec. 2005	Category	Prevention of measles and rubella
Mearubik is the combination vaccine for measles and rubella, and children are able to receive both measles and rubella shot at a time with Mearubik, which is used at the 1st term and the 2nd term of its regular vaccination. By both reducing the number of injections and relieving physical pain on people to be vaccinated, It is expected to contribute enhancement of immunization rate for measles and rubella in Japan. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)			
Infulenza vaccine	Launch: Sep. 1972	Category	Prevention of influenza
It is for prevention of seasonal influenza. It was changed from trivalent vaccine to quadrivalent vaccine in 2015. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)			
Varicella vaccine	Launch: Mar. 1987	Category	Prevention of varicella and shingles in people 50 or older
It is for prevention of varicella and included in regular vaccination from 2014. An indication for prevention of shingles in people 50 or older was approved in 2016. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)			

News Releases

The major news releases after April, 2016 are as follows.

Please refer to the Company's website for the details. (<http://www.mt-pharma.co.jp/e/release/index.php>)

Date	Contents
April 4, 2016	MT Pharma Singapore Pte. Ltd. Starts Business Operations Mitsubishi Tanabe Pharma's Subsidiary in Singapore
April 27, 2016	Change of Representative Director, Director and Corporate Auditor
May 13, 2016	Approval of REMICADE for I.V. Infusion 100, an Anti-Human TNF α Monoclonal Antibody, for a Partial Change in Dosage and Usage in Psoriasis
June 6, 2016	Mitsubishi Tanabe Pharma contribute funding to Global Health Innovative Technology Fund
June 20, 2016	Mitsubishi Tanabe Pharma Submits New Drug Application for Edaravone to Treat ALS in the United States
June 22, 2016	Regarding Nomination Committee and Compensation Committee
August 23, 2016	Application filed in Japan for type 2 diabetes mellitus treatment agent combination drug - Combination of selective DPP-4 inhibitor TENELIA Tablets and SGLT2 inhibitor CANAGLU Tablets
August 26, 2016	Valixa Tablet 450mg Approval for Additional Indication in Japan for the Prevention of CMV disease in organ transplant patients
August 30, 2016	FDA Accepts Mitsubishi Tanabe Pharma's NDA Filing for Edaravone to Treat ALS
September 6, 2016	Application for partial change in administration/dosage for Crohn's disease for REMICADE for I.V. Infusion 100, an anti-human TNF α monoclonal antibody
October 4, 2016	Execution of Basic Agreement for Sales Anti-Allergy Agent, Rupatadine Tablets
October 5, 2016	Joint research identifies hit compounds for the development of a new treatment for malaria Mitsubishi Tanabe Pharma uses its compound library in joint research activities with Medicines for Malaria Venture –Targeting treatments for infectious diseases that burden the developing world–



Mitsubishi Tanabe Pharma