Financial Results for the First Nine Months of the Fiscal year ending March 31, 2018 (IFRS, Consolidated)

February 5, 2018

Company name: Mitsubishi Tanabe Pharma Corporation
Stock exchange listings: Tokyo
Securities code number: 4508
URL: https://www.mt-pharma.co.jp/
Representative: Name: Masayuki Mitsuka
Title: President and Representative Director
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Planned date of filing of quarterly securities report: February 9, 2018
Planned date of start of dividend payments: －
Provision of supplementary explanatory materials for quarterly results: Yes
Quarterly results presentation: Yes (for institutional investors and securities analysts)

Notes; Amounts less than ¥1 million have been rounded.
Percentage changes in the list show change in comparison with the same period of the previous fiscal year.

1. Results for 3rd Quarter (April 1, 2017 to December 31, 2017)

(1) Consolidated Business Results

	Revenue		Core operating profit		Operating profit	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
3rd Quarter of Fiscal year 2017	339,313	4.6	69,700	(12.8)	68,473	(14.2)
3rd Quarter of Fiscal year 2016	324,352	(3.0)	79,946	(16.1)	79,777	(0.0)

(Note) "Core operating profit" is a profit except the income and loss recorded by non-recurring items specified by the Group from operating profit.

	Profit before income tax		Profit for the period		Profit attributable to owners of the Company	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
3rd Quarter of Fiscal year 2017	70,236	(13.8)	49,377	(15.7)	52,108	(13.4)
3rd Quarter of Fiscal year 2016	81,488	0.5	58,541	1.5	60,196	1.7

	Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of Yen	% change	Yen	Yen
3rd Quarter of Fiscal year 2017	64,950	7.5	92.90	－
3rd Quarter of Fiscal year 2016	60,446	(6.5)	107.30	－

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2017	1,027,890	901,844	888,868	86.5	1,585.07
As of March 31, 2017	984,537	871,430	860,505	87.4	1,533.91

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	－	24.00	－	28.00	52.00
Fiscal 2017	－	38.00	－		
Fiscal 2017(forecasts)				28.00	66.00

(Note) Revisions to recently announced dividend forecasts: No
Breakdown of dividend at the end of the 2nd quarter of the fiscal year ending March 31, 2018:
ordinary dividend ¥28.00, commemorative dividend ¥10.00

3. Forecasts for Fiscal 2017 (April 1, 2017 to March 31, 2018)

	Revenue		Core Operating profit		Operating profit	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
Full year	433,000	2.1	80,000	(15.4)	81,000	(13.9)

	Profit before income tax		Profit for the period		Profit attributable to owners of the Company	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
Full year	82,000	(14.6)	60,000	(12.9)	63,500	(10.9)

Basic earnings per share: Full year 113.22
(Note) Revisions to recently announced consolidated earnings forecasts: No

※ Notes

(1) Significant change involving subsidiaries during the period: No
(Change in designated subsidiaries accompanying changes in the scope of consolidation)

(2) Changes in accounting policies and accounting estimates
1. Changes in accounting policies required by IFRS: No
2. Other changes: No
3. Change in accounting estimates: No

(3) Number of shares issued (ordinary shares)
1. Number of shares issued at the end of the period (including treasury shares)

3rd Quarter of Fiscal year 2017	561,417,916 shares	Fiscal year 2016	561,417,916 shares

2. Number of treasury shares at the end of the period

3rd Quarter of Fiscal year 2017	641,805 shares	Fiscal year 2016	429,753 shares

3. Average number of shares during the period (cumulative total)

3rd Quarter of Fiscal year 2017	560,882,206 shares	3rd Quarter of Fiscal year 2016	560,988,819 shares

(Note) The Company introduces the executive compensation BIP Trust since the fiscal year ending March 31, 2018. The shares that the trust account holds are included in treasury shares (211,100 shares at the end of the first nine months of the fiscal year ending March 31, 2018).

*This financial results report is exempt from the audit procedures.

*Explanation regarding the appropriate use of earnings forecasts and other matters of special note
(Note about forward-looking information)
In these materials, earnings forecasts and other statements about the future are forward-looking statements based on the information currently available and certain assumptions that the Company regards as reasonable. Accordingly, the Company cannot make promises to achieve such forecasts. Actual financial results may differ materially from these forecasts depending on a number of important factors.
Please see “1. Qualitative Information for 3rd Quarter of Fiscal year 2017 (3) Explanation about Future Prediction Information of Consolidated Earnings Forecasts” for information regarding the forecast of consolidated financial results.

(Methods of obtaining the supplementary materials and the content of the results presentation)
・Supplementary materials are shown in section “3. Supplementary Information.”
・The Company plans to hold a results presentation (conference call) for institutional investors and securities analysts on February 5, 2018 (Monday).
The Company plans to make the presentation materials available on its website at the same time as the release of this document, and the audio materials are provided on the website immediately after the presentation is held.

Contents of supplement

1. Qualitative Information for 3rd Quarter of Fiscal year 2017

Mitsubishi Tanabe Pharma Corporation (hereinafter "the Company"), its subsidiaries and its affiliates (collectively, "the Group", including the Company) have adopted the International Financial Reporting Standards (hereinafter "IFRS").

In applying IFRS, the Group has introduced "core operating profit" as a major profit item showing its recurring profitability and positioned it an important indicator of business management, etc. "Core operating profit" is a profit except the income and loss recorded by non-recurring items (hereinafter "non-recurring items") specified by the Group from operating profit. The Company assumes income associated with a business transfer, restructuring expenses, impairment losses on intangible assets associated with products, losses on disaster and others as non-recurring items.

(1) Explanation about Results of Operations

Consolidated operating results for the first nine months of the fiscal year ending March 31, 2018 (April 1, 2017 to December 31, 2017) were as follows.

(Millions of yen)

	3rd quarter of Fiscal year 2016	3rd quarter of Fiscal year 2017	Increase / Decrease	% change
Revenue	324,352	339,313	14,961	4.6
Core operating profit	79,946	69,700	(10,246)	(12.8)
Operating profit	79,777	68,473	(11,304)	(14.2)
Profit before income tax	81,488	70,236	(11,252)	(13.8)
Profit attributable to owners of the Company	60,196	52,108	(8,088)	(13.4)

< Research and development expenses>

(Millions of yen)

	3rd quarter of Fiscal year 2016	3rd quarter of Fiscal year 2017	Increase / Decrease	% change
Research and development expenses	45,068	56,119	11,051	24.5

【Revenue】

Revenue increased by 4.6%, or ¥14.9 billion, year-on-year, to ¥339.3 billion.

(Millions of yen)

	3rd quarter of Fiscal year 2016	3rd quarter of Fiscal year 2017	Increase / Decrease	% change
Pharmaceuticals	324,352	339,313	14,961	4.6
Domestic ethical drugs	243,378	249,622	6,244	2.6
Overseas ethical drugs	16,188	25,748	9,560	59.1
Royalty revenue, etc.	60,603	59,545	(1,058)	(1.7)
OTC products	2,890	3,155	265	9.2
Others	1,293	1,243	(50)	(3.9)

・Revenue of domestic ethical drugs increased by 2.6%, year-on-year, to ¥249.6 billion because of an increase in revenue of high-priority products such as SIMPONI, for the treatment agent of Rheumatoid arthritis (RA), and TENELIA and CANAGLU, type 2 diabetes mellitus, while there was a decrease due to the transfer of generic drug business in October 2017.

・Revenue of overseas ethical drugs increased by 59.1%, year-on-year, to ¥25.7 billion because of the launch of RADICAVA, for the treatment of ALS (amyotrophic lateral sclerosis) in the U.S. in August 2017, and the effect of exchange rates due to depreciation of the yen.

・Royalty revenue, etc. decreased by 1.7%, year-on-year, to ¥59.5 billion due to the following reasons:

- Increase in royalty revenue from Gilenya, for the treatment of multiple sclerosis, licensed to Novartis,
- Positive impact of exchange rates,
- Decrease in royalty revenue from INVOKANA and the fixed dose combination with metformin, for the treatment of type2 diabetes mellitus, licensed to Janssen Pharmaceuticals.

【Core operating profit】

Core operating profit decreased by 12.8%, or ¥10.2 billion, year-on-year, to ¥69.7 billion due to an increase in R&D expenses associated with the advance to the next stage of development or the acquisition of NeuroDerm Ltd., and SG&A expenses of Mitsubishi Tanabe Pharma America, Inc., the sales subsidiary in the U.S., while revenue increased.

【Operating profit】

Operating profit decreased by 14.2%, or ¥11.3 billion, year-on-year, to ¥68.4 billion. The Group recorded gain on sales of shares of Tanabe Seiyaku Hanbai Co., Ltd. (currently Nipro ES Pharma Co., Ltd.), the former sales subsidiary of generic drugs, gain on sales of property, plant and equipment, the impairment losses, the restructuring expenses associated with the business termination of Bipha Corporation, the manufacturing subsidiary, and provision of reserve for HCV litigation as non-recurring items excluded from core operating profit.

【Profit before income tax and net profit attributable to owners of the Company】

Profit before income tax decreased by 13.8%, or ¥11.2 billion, year-on-year, to ¥70.2 billion. And profit attributable to owners of the Company decreased by 13.4%, or ¥8.0 billion, year-on-year, to ¥52.1 billion

【R&D activities】

Research and development expenses were ¥56.1 billion, accounting for 16.5% of revenue. The major progress of clinical development activities during the first nine months of the fiscal year ending March 31, 2018 is as follows;

Acquisition of approval

- In May 2017, MCI-186 (generic name: edaravone, U.S. product name: RADICAVA, Japanese product name: RADICUT) was approved for ALS (amyotrophic lateral sclerosis) in the U.S.
- In May 2017, REMICADE was approved for a partial change on administration / dosage (a shortened administration interval) for Crohn's diseases in Japan.
- In July 2017, MT-2412, the fixed dose combination of TENELIA (DPP-4 inhibitor) and CANAGLU (SGLT2 inhibitor), (Japanese product name: CANALIA combination tablets) was approved for type 2 diabetes mellitus in Japan.
- In December 2017, NOVASTAN was approved for acute cerebral thrombosis in China.

Application of approval

- In August 2017, an application was submitted in Indonesia for type2 diabetes mellitus for TA-7284 (generic name: canagliflozin, Japanese product name: CANAGLU).
- In December 2017, an application was submitted in Korea and Taiwan for schizophrenia for MP-214 (dopamine D3/D2 receptor partial agonist).
- In December 2017, an application was submitted in Switzerland for ALS for MCI-186.

Start of clinical trials

- In August 2017, the Company started phase 2/3 clinical trials for an indication of tardive dyskinesia for MT-5199 (VMAT2 inhibitor) in Japan.
- In August 2017, the Company started phase 3 clinical trials for an indication of prophylaxis of seasonal influenza for MT-2271 (plant-based VLP vaccine) in the U.S., Europe, Canada, and others.
- In August 2017, the Company started phase 2 clinical trials for painful diabetic peripheral neuropathy for MT-8554 in Europe.
- In November 2017, the Company started phase 2/3 clinical trials for an indication of osteoarthritis for MT-5547 (fully human anti-NGF monoclonal antibody) in Japan.
- In November 2017, the Company started phase 2 clinical trials for vasomotor symptoms associated with menopause for MT-8554 in the U.S.
- In November 2017, the Company started phase 3 clinical trials for an indication of renal anemia for MT-6548 (hypoxia inducible factor prolyl hydroxylase inhibitor) in Japan.

Development status of licensing-out products

- In April 2017, licensee Kyowa Hakko Kirin Co., Ltd. filed an NDA for an indication of secondary hyperparathyroidism on maintenance dialysis for MT-4580 (Ca sensing receptor agonist) in Japan.
- Licensee Janssen Pharmaceuticals, Inc. filed NDAs for risk reduction of death in type 2 diabetes with established, or risk for, cardiovascular disease (CANVAS/CANVAS-R) for TA-7284 (generic name: canagliflozin, U.S. product name: INVOKANA) in the U.S. in September 2017, and in Europe in October 2017.
- In October 2017, licensee Kyowa Hakko Kirin Co., Ltd. started phase 3 clinical trials for an indication of hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism for MT-4580 in Japan.
- In November 2017, licensee Novartis filed NDAs for pediatric multiple sclerosis for FTY720 (generic name: fingolimod, Japanese product name: Gilenya) in the U.S. and Europe.
- In December 2017, licensee Minerva Neurosciences started phase 3 clinical trials for schizophrenia for MT-210 (5-HT2A/ Sigma 2 receptor antagonist) in the U.S. and Europe.

(2) Explanation about Financial Position

【Statement of financial position】 (Millions of yen)

	End of Fiscal year 2016 (As of March 31, 2017)	End of 3rd quarter of Fiscal year 2017 (As of December 31, 2017)	Increase / Decrease
Non-current assets	300,778	446,433	145,655
Current assets	683,759	581,457	(102,302)
Total assets	984,537	1,027,890	43,353
Liabilities	113,107	126,046	12,939
Equity	871,430	901,844	30,414
Total liabilities and equity	984,537	1,027,890	43,353

Total assets at the end of the third quarter of the fiscal year ending March 31, 2018 were ¥1,027.8 billion, an increase of ¥43.3 billion from the end of the fiscal year ended March 31, 2017. Major factors causing changes in the consolidated statement of financial position in comparison with the previous year-end were as follows.

- Non-current assets increased by ¥145.6 billion, to ¥446.4 billion, due to increase in an acquisition of shares of NeuroDerm Ltd., a consolidated subsidiary, an acquisition of shares of BIKEN Co., LTD., an affiliate accounted for by equity method, and intangible assets associated with products.
- Current assets decreased by ¥102.3 billion, to ¥581.4 billion because the decrease in cash and cash equivalents and other financial assets in spite of the increase in trade and other receivables.
- Liabilities increased by ¥12.9 billion, to ¥126.0 billion, due to increase in income taxes payable and other payables in spite of the decrease in other financial liabilities.
- Equity increased by ¥30.4 billion, to ¥901.8 billion, as a result of posting net profit for the period and dividends payment, and an increase in the fair value of pension assets.

【Cash flows】 (Millions of yen)

	3rd quarter of Fiscal year 2016	3rd quarter of Fiscal year 2017	Increase / Decrease
Operating activities	33,912	45,174	11,262
Investing activities	65,247	(33,485)	(98,732)
Financing activities	(24,994)	(33,719)	(8,725)
Change in cash and cash equivalents	74,150	(21,199)	(95,349)
At the beginning of the year	88,919	113,215	24,296
At the end of the period	163,069	92,024	(71,045)

Net decrease in cash and cash equivalents was ¥21.1 billion, and the balance of cash and cash equivalents at the end of the third quarter of the fiscal year ending March 31, 2018 was ¥92.0 billion.

- Net cash provided by operating activities was ¥45.1 billion because cash inflows including profit before income tax of ¥70.2 billion exceeded cash outflows including an increase in trade and other receivables of ¥33.2 billion and income taxes paid of ¥13.5 billion.
- Net cash used in investing activities was ¥33.4 billion mainly because of the acquisition of NeuroDerm Ltd.
- Net cash used in financing activities was ¥33.7 billion mainly due to the increase of dividends paid accompanying commemorative dividend to celebrate the Company's 10th anniversary.

(3) Explanation about Future Prediction Information of Consolidated Earnings Forecasts

There has been no change to the consolidated forecasts for the full-year of the fiscal year ending March 31, 2018 announced on November 1, 2017.

2. Condensed Consolidated Financial Statements and Main Notes

(1) Condensed Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Revenue	324,352	339,313
Cost of sales	126,968	134,232
Gross profit	197,384	205,081
Selling, general and administrative expenses	71,069	77,640
Research and development expenses	45,068	56,119
Amortization of intangible assets associated with products	1,107	1,719
Other income	793	6,342
Other expense	1,169	7,492
Share of profit of affiliates accounted for using equity method	13	20
Operating profit	79,777	68,473
Financial income	1,851	2,014
Financial expense	140	251
Profit before income tax	81,488	70,236
Income taxes	22,947	20,859
Net profit for the period	58,541	49,377
Net profit attributable to:		
Owners of the Company	60,196	52,108
Non-controlling interests	(1,655)	(2,731)
Net profit for the period	58,541	49,377
Earnings per share		
Basic earnings per share (Yen)	107.30	92.90
Diluted earnings per share (Yen)	—	—

(2) Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net profit for the period	58,541	49,377
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net changes in financial assets measured at fair value through other comprehensive income	(2,022)	4,929
Remeasurements of defined benefit plans	3,494	6,268
Subtotal	1,472	11,197
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	489	3,320
Effective portion of changes in fair value of cash flow hedges	(19)	1,033
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(37)	23
Subtotal	433	4,376
Other comprehensive income (loss), net of tax	1,905	15,573
Comprehensive income	60,446	64,950
Comprehensive income (loss) attributable to:		
Owners of the Company	62,092	66,928
Non-controlling interests	(1,646)	(1,978)
Comprehensive income	60,446	64,950

(3) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	85,836	82,222
Goodwill	80,328	195,186
Intangible assets	61,209	71,222
Investments in associates and joint ventures accounted for using equity method	245	16,437
Other financial assets	51,623	53,062
Net defined benefit assets	14,769	23,598
Other non-current assets	482	432
Deferred tax assets	6,286	4,274
Total non-current assets	300,778	446,433
Current assets		
Inventories	79,168	73,336
Trade and other receivables	116,856	151,065
Other financial assets	354,255	257,049
Other current assets	9,183	7,983
Cash and cash equivalents	113,215	92,024
Subtotal	672,677	581,457
Assets held for sale	11,082	－
Total current assets	683,759	581,457
Total assets	984,537	1,027,890

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities and equity		
Liabilities		
Non-current liabilities		
Borrowings	581	476
Other financial liabilities	2,405	2,296
Net defined benefit liabilities	1,092	1,623
Provisions	7,890	8,600
Other non-current liabilities	5,576	5,645
Deferred tax liabilities	7,156	7,646
Total non-current liabilities	24,700	26,286
Current liabilities		
Borrowings	127	120
Trade and other payables	35,741	41,430
Other financial liabilities	24,135	18,658
Income taxes payable	4,815	15,210
Provisions	86	3,000
Other current liabilities	20,358	21,342
Subtotal	85,262	99,760
Liabilities directly related to assets held for sale	3,145	―
Total current liabilities	88,407	99,760
Total liabilities	113,107	126,046
Equity		
Share capital	50,000	50,000
Capital surplus	451,187	451,221
Treasury shares	(496)	(1,045)
Retained earnings	353,427	375,847
Other components of equity	6,387	12,845
Total equity attributable to owners of the Company	860,505	888,868
Non-controlling interests	10,925	12,976
Total equity	871,430	901,844
Total liabilities and equity	984,537	1,027,890

(4) Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the Company						
					Other components of equity		
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Cash flow hedges	Fair value changes of financial assets measured through other comprehensive income
As of April 1, 2016	50,000	451,186	(494)	304,931	(3,911)	4	13,832
Profit for the period	—	—	—	60,196	—	—	—
Other comprehensive income	—	—	—	—	480	(19)	(2,022)
Total comprehensive income	—	—	—	60,196	480	(19)	(2,022)
Acquisition of treasury shares	—	—	(1)	—	—	—	—
Disposal of treasury shares	—	1	0	—	—	—	—
Dividends	—	—	—	(26,927)	—	—	—
Share-based payments	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	3,481	—	—	13
Transfer from other components of equity to non-financial assets	—	—	—	—	—	—	—
Total contributions by and distributions to owners	—	1	(1)	(23,446)	—	—	13
Issuance of new shares	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries and others	—	—	—	—	—	—	—
Total transactions with owners	—	1	(1)	(23,446)	—	—	13
As of December 31, 2016	50,000	451,187	(495)	341,681	(3,431)	(15)	11,823
As of April 1, 2017	50,000	451,187	(496)	353,427	(4,666)	—	11,101
Profit for the period	—	—	—	52,108	—	—	—
Other comprehensive income	—	—	—	—	2,567	1,033	4,929
Total comprehensive income	—	—	—	52,108	2,567	1,033	4,929
Acquisition of treasury shares	—	—	(549)	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—	—
Dividends	—	—	—	(37,017)	—	—	—
Share-based payments	—	34	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	7,329	—	—	(1,061)
Transfer from other components of equity to non-financial assets	—	—	—	—	—	(1,033)	—
Total contributions by and distributions to owners	—	34	(549)	(29,688)	—	(1,033)	(1,061)
Issuance of new shares	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries and others	—	—	—	—	—	—	—
Total transactions with owners	—	34	(549)	(29,688)	—	(1,033)	(1,061)
As of December 31, 2017	50,000	451,221	(1,045)	375,847	(2,099)	—	14,969

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Share of other comprehensive income of affiliates accounted for using equity method	Total	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2016	—	(30)	9,895	815,518	10,798	826,316
Profit for the period	—	—	—	60,196	(1,655)	58,541
Other comprehensive income	3,494	(37)	1,896	1,896	9	1,905
Total comprehensive income	3,494	(37)	1,896	62,092	(1,646)	60,446
Acquisition of treasury shares	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	1	—	1
Dividends	—	—	—	(26,927)	(77)	(27,004)
Share-based payments	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	(3,494)	—	(3,481)	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	—	—	—
Total contributions by and distributions to owners	(3,494)	—	(3,481)	(26,927)	(77)	(27,004)
Issuance of new shares	—	—	—	—	2,182	2,182
Changes in ownership interests in subsidiaries and others	—	—	—	—	2,182	2,182
Total transactions with owners	(3,494)	—	(3,481)	(26,927)	2,105	(24,822)
As of December 31, 2016	—	(67)	8,310	850,683	11,257	861,940
As of April 1, 2017	—	(48)	6,387	860,505	10,925	871,430
Profit for the period	—	—	—	52,108	(2,731)	49,377
Other comprehensive income	6,268	23	14,820	14,820	753	15,573
Total comprehensive income	6,268	23	14,820	66,928	(1,978)	64,950
Acquisition of treasury shares	—	—	—	(549)	—	(549)
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	(37,017)	(124)	(37,141)
Share-based payments	—	—	—	34	—	34
Transfer from other components of equity to retained earnings	(6,268)	—	(7,329)	—	—	—
Transfer from other components of equity to non-financial assets	—	—	(1,033)	(1,033)	—	(1,033)
Total contributions by and distributions to owners	(6,268)	—	(8,362)	(38,565)	(124)	(38,689)
Issuance of new shares	—	—	—	—	4,153	4,153
Changes in ownership interests in subsidiaries and others	—	—	—	—	4,153	4,153
Total transactions with owners	(6,268)	—	(8,362)	(38,565)	4,029	(34,536)
As of December 31, 2017	—	(25)	12,845	888,868	12,976	901,844

(5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities:		
Profit before income tax	81,488	70,236
Depreciation and amortization	7,686	8,540
Impairment losses	106	3,609
Interest and dividends income	(1,729)	(1,099)
Share of profits of associates and joint ventures accounted for using equity method	(13)	(20)
Loss (gain) on sales of property, plant and equipment	(188)	(2,110)
Loss (gain) on sales of investments in subsidiaries	―	(3,565)
Decrease (increase) in trade and other receivables	(30,935)	(33,226)
Decrease (increase) in inventories	(114)	5,957
Increase (decrease) in trade and other payables	11,905	5,855
Increase (decrease) in provisions	790	3,624
Decrease (increase) in net defined benefit asset	(648)	266
Restructuring expenses	341	2,143
Other	(4,452)	(2,494)
Subtotal	64,237	57,716
Interest received	1,071	397
Dividends received	736	761
Interest paid	(135)	(139)
Income taxes paid	(31,997)	(13,561)
Net cash flows from operating activities	33,912	45,174
Cash flows from investing activities:		
Payments into time deposits	(641)	(284)
Proceeds from withdrawal of time deposits	117,851	1,916
Purchase of property, plant and equipment	(11,901)	(5,929)
Proceeds from sales of property, plant and equipment	592	3,349
Purchase of intangible assets	(6,464)	(17,044)
Purchase of investments	(141,697)	(247,554)
Proceeds from sales and redemption of investments	107,635	357,076
Proceeds from sales of subsidiaries	―	10,935
Purchase of subsidiaries	―	(119,724)
Purchase of associates and joint ventures accounted for using equity method	―	(16,149)
Other	(128)	(77)
Net cash flows provided by (used in) investing activities	65,247	(33,485)
Cash flows from financing activities:		
Purchase of treasury shares	(1)	(549)
Proceeds from stock issuance to non-controlling interests	2,182	4,153
Dividends paid	(26,927)	(37,017)
Other	(248)	(306)
Net cash flows used in financing activities	(24,994)	(33,719)
Effect of exchange rate changes on cash and cash equivalents	(15)	831
Net increase in cash and cash equivalents	74,150	(21,199)
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	―	8
Cash and cash equivalents at the beginning of period	88,919	113,215
Cash and cash equivalents at the end of period	163,069	92,024

(6) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable.

(Other Income)

The breakdown of other income is as follows:

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Gain on sales of investments in subsidiaries	－	3,565
Gain on sales of property, plant and equipment	188	2,110
Rental income from property, plant and equipment	180	157
Others	425	510
Total other income	793	6,342

(Other Expenses)

The breakdown of other expenses is as follows:

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Restructuring loss (Note 1)	341	2,143
Provision of reserve for HCV litigation (Note 2)	－	1,170
Impairment loss of property, plant and equipment	106	460
Impairment loss of intangible assets	－	3,149
Loss on sale and disposal of property, plant and equipment	276	140
Others	446	430
Total other expenses	1,169	7,492

(Note 1) The breakdown of major items of restructuring loss is as follows:

As of December 31 2016 : Extra retirement payments accompanying operational and structural reforms

As of December 31 2017 : Extra retirement payments and expenses for re-employment support associated with the business termination of Bipha Corporation, the manufacturing subsidiary, and extra retirement payments associated with the transfer of shares of Tanabe Seiyaku Hanbai Co., Ltd., the subsidiary of generic drug business

(Note 2) Provision of reserve for HCV litigation represents the estimated amount to be paid by the Company due to the 5-year extension of the period for filing an action under "the Special Relief Law Concerning the Payment of Benefits to Relieve the Patients of Hepatitis C Infected through Specified Fibrinogen Preparations and Specified Blood-Coagulation Factor IX Preparations Contaminated by Hepatitis C Virus" by partial revision of such Law in December 2017.

(Subsequent Event)

Not applicable.

(Additional Information)

In accordance with enactment of "The Tax Cuts and Jobs Act" on December 22, 2017 in the U.S., federal tax rate was reduced since January 1, 2018. Due to the tax reform, deferred tax assets and liabilities as of December 31, 2017 were measured by effective tax rate for the fiscal year when the temporary differences might be realized.

As a result, income taxes for the third quarter of the fiscal year ending March 31, 2018 increased by ¥1,217 million in comparison with the measurement by the former tax rate.

3. Supplementary Information

(1) Consolidated Financial Indicators for 3rd Quarter of FY2017

i. Profit and Loss (Amounts less than ¥100 million are rounded off.)

[Billion yen]

	Cumulative Q3 FY2017	Y-on-Y			Comparison to full year forecasts		Notes [Y-on-Y comparison]
		Cumulative Q3 FY2016	Increase (decrease)	Change %	Forecasts *1	Achieved %	
Revenue	**339.3**	324.3	14.9	4.6%	433.0	78.4%	Ethical drugs domestic sales 6.2 Ethical drugs overseas sales 9.5 Royalty income, etc. (1.0) See "Sales Revenue of Main Products" on page 14.
Domestic	**255.3**	248.6	6.6	2.7%	324.6	78.7%	
Overseas	**83.9**	75.6	8.2	10.9%	108.3	77.5%	
Overseas sales ratio	**24.7%**	23.3%			25.0%		
Cost of sales	**134.2**	126.9	7.2	5.7%	169.5	79.2%	Increase due to product mix change including growth of Simponi sales.
Sales cost ratio	**39.6%**	39.1%			39.1%		
Gross profit	**205.0**	197.3	7.6	3.9%	263.5	77.8%	
SG&A expense	**77.6**	71.0	6.5	9.2%	104.0	74.7%	Increase in expenses related U.S. business operation.
% of revenue	**22.9%**	21.9%			24.0%		
R&D expense	**56.1**	45.0	11.0	24.5%	76.5	73.4%	Increase in expenses due to the progress of the late-stage products development and an acquisition of shares of NeuroDerm Ltd.
% of revenue	**16.5%**	13.9%			17.7%		
Amortization of intangible assets associated with products	**1.7**	1.1	0.6	55.3%	2.5	68.8%	
Other income (expense) *2	**0.0**	(0.1)	0.2	-	(0.5)	-	
Core operating profit	**69.7**	79.9	(10.2)	(12.8%)	80.0	87.1%	
Non-recurring items *2	**(1.2)**	(0.1)	(1.0)	-	1.0	-	The Company recorded the gain on transfer of generic drug business, impairment losses and restructuring expenses associated with the business termination of Bipha Corporation.
Operating profit	**68.4**	79.7	(11.3)	(14.2%)	81.0	84.5%	
Financial income	**2.0**	1.8	0.1	8.8%	-	-	
Interest income and dividends income	**1.0**	1.7	(0.6)	(36.4%)	-	-	
Foreign exchange income	**0.2**	0.1	0.1	166.7%	-	-	
Others	**0.6**	0.0	0.6	-	-	-	
Financial expense	**0.2**	0.1	0.1	79.3%	-	-	
Profit before tax for the period	**70.2**	81.4	(11.2)	(13.8%)	82.0	85.7%	
Income taxes	**20.8**	22.9	(2.0)	(9.1%)	-	-	
Net profit for the period	**49.3**	58.5	(9.1)	(15.7%)	-	-	
Net profit attributable to owners of the Company	**52.1**	60.1	(8.0)	(13.4%)	63.5	82.1%	

Total labor cost	**53.6**	53.9	(0.3)	(0.6%)	73.2	73.3%	

*1: The Company announced revised forecasts on November 1, 2017.

*2: Brackets indicate expense and loss

Exchange rate

[Yen]

	Q3 FY2017 average	Q3 FY2016 average	FY2017 planned
US $	**111.77**	107.34	110.00
Euro	**129.57**	118.18	115.00

Effect of fluctuations in exchange rate for the 3rd quarter of FY2017

Increase in revenue by ¥3.2 billion

Increase in core operating profit by ¥0.4 billion

ii. Sales Revenue of Main Products

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

[Billion yen]

	Cumulative Q3 FY2017	Y-on-Y			Comparison to full year forecasts	
		Cumulative Q3 FY2016	Increase (decrease)	Change %	Forecasts*1	Achieved %
Domestic ethical drugs	**249.6**	243.3	6.2	2.6%	315.4	79.1%
Remicade	**51.1**	52.0	(0.9)	(1.8%)	64.7	79.1%
Simponi	**24.5**	19.1	5.3	28.2%	30.3	80.8%
Tenelia	**15.2**	13.2	2.0	15.4%	19.1	79.7%
Talion	**12.7**	12.7	0.0	0.1%	20.8	61.2%
Lexapro	**9.9**	8.7	1.1	13.6%	12.9	76.7%
Ceredist	**8.8**	9.8	(1.0)	(10.6%)	10.8	81.0%
Maintate	**8.6**	9.3	(0.6)	(7.5%)	10.2	84.4%
Kremezin	**5.1**	6.0	(0.9)	(15.0%)	6.6	76.9%
Radicut	**4.5**	4.6	(0.0)	(2.1%)	6.2	73.7%
Canaglu	**4.4**	2.5	1.8	69.8%	6.9	63.3%
Urso	**4.2**	4.8	(0.6)	(13.3%)	5.0	83.2%
Imusera	**3.7**	3.8	(0.0)	(1.7%)	5.1	74.1%
BIKEN products [vaccines]	**29.9**	31.1	(1.2)	(3.9%)	36.1	82.9%
Influenza vaccine	**10.1**	11.0	(0.8)	(7.7%)	10.0	101.5%
Tetrabik	**6.6**	7.6	(0.9)	(12.5%)	9.2	72.6%
Mearubik	**4.1**	4.4	(0.3)	(8.2%)	5.2	78.0%
Varicella vaccine	**4.0**	4.1	(0.1)	(2.5%)	5.7	70.5%
Tanabe Seiyaku Hanbai products *2	**6.6**	10.8	(4.2)	(38.8%)	6.6	100.0%
Overseas ethical drugs	**25.7**	16.1	9.5	59.1%	32.4	79.2%
Radicava	**6.4**	-	6.4	-	7.2	89.6%
Herbesser	**4.7**	4.4	0.3	7.0%	6.8	68.9%
Argatroban (Novastan)	**1.6**	1.5	0.1	8.4%	1.9	85.6%
Simponi	**1.4**	1.0	0.3	35.3%	1.6	85.6%
Tanatril	**1.2**	1.2	(0.0)	(3.3%)	1.5	78.7%
Royalty revenue, etc.	**59.5**	60.6	(1.0)	(1.7%)	80.2	74.2%
Royalty from Gilenya	**44.7**	41.9	2.7	6.7%	Undisclosed	-
Royalty from INVOKANA	**11.1**	15.3	(4.2)	(27.5%)	Undisclosed	-
OTC products	**3.1**	2.8	0.2	9.2%	4.1	75.2%
Others *3	**1.2**	1.2	(0.0)	(3.9%)	0.5	208.6%
Total sales revenue	**339.3**	324.3	14.9	4.6%	433.0	78.4%

*1: The Company announced revised forecasts on November 1, 2017.

*2: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC. The Company transferred all of the shares of Tanabe Seiyaku Hanbai to Nipro Corporation on October 1, 2017.

*3:Contracted manufacturing products by other companies.

iii. Quarterly Trend (PL)

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

[Billion yen]

	FY2016					FY2017			
	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.	Q3 Oct. to Dec.	Full year forecasts*1
Revenue	105.4	98.6	120.2	99.6	423.9	107.7	105.6	125.9	433.0
	24.9%	23.3%	28.4%	23.5%	100.0%	24.9%	24.4%	29.1%	100.0%
Domestic	80.4	74.9	93.2	71.6	320.3	82.0	78.6	94.6	324.6
	25.1%	23.4%	29.1%	22.4%	100.0%	25.3%	24.2%	29.1%	100.0%
Overseas	25.0	23.6	26.9	27.9	103.6	25.6	26.9	31.3	108.3
	24.2%	22.8%	26.0%	27.0%	100.0%	23.6%	24.9%	28.9%	100.0%
Cost of sales	40.0	38.3	48.6	37.4	164.3	42.5	41.9	49.7	169.5
Sales cost ratio	38.0%	38.9%	40.4%	37.6%	38.8%	39.5%	39.7%	39.5%	39.1%
Gross profit	65.4	60.3	71.6	62.1	259.5	65.1	63.7	76.2	263.5
	25.2%	23.2%	27.6%	24.0%	100.0%	24.7%	24.2%	28.9%	100.0%
SG&A expense	21.5	25.0	24.3	27.2	98.3	24.4	27.0	26.1	104.0
	22.0%	25.5%	24.8%	27.7%	100.0%	23.5%	26.0%	25.2%	100.0%
R&D expense	14.5	15.8	14.7	19.7	64.7	18.0	18.2	19.7	76.5
	22.4%	24.4%	22.8%	30.4%	100.0%	23.6%	23.9%	25.8%	100.0%
Amortization of intangible assets associated with products	0.3	0.3	0.3	0.4	1.5	0.5	0.5	0.6	2.5
	24.1%	24.1%	24.2%	27.6%	100.0%	21.1%	21.1%	26.6%	100.0%
Other income (expense)*2	0.0	(0.0)	(0.1)	(0.2)	(0.4)	(0.1)	(0.1)	0.3	(0.5)
	-	-	-	-	-	-	-	-	-
Core operating profit	29.0	18.9	31.9	14.5	94.5	21.9	17.7	29.9	80.0
	30.7%	20.0%	33.9%	15.4%	100.0%	27.5%	22.2%	37.5%	100.0%
Operating profit	29.2	18.6	31.9	14.3	94.0	21.0	15.8	31.6	81.0
	31.0%	19.8%	34.0%	15.2%	100.0%	26.0%	19.5%	39.0%	100.0%
Profit before tax	30.2	19.1	32.0	14.5	96.0	21.9	15.5	32.6	82.0
	31.5%	19.9%	33.4%	15.2%	100.0%	26.8%	19.0%	39.8%	100.0%
Net profit attributable to owners of the Company	21.9	14.3	23.8	11.0	71.2	16.9	12.8	22.2	63.5
	30.7%	20.2%	33.5%	15.5%	100.0%	26.7%	20.2%	35.1%	100.0%

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

*1: The Company announced revised forecasts on November 1, 2017.

*2: Brackets indicate expense and loss

iv. Quarterly Trend (Sales Revenue of Main Products)

(Amounts less than ¥100 million are rounded off.)
[Billion yen]

	FY2016					FY2017			
	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.	Q3 Oct. to Dec.	Full year forecasts*1
Domestic ethical drugs	78.4	73.5	91.3	70.8	314.2	79.9	77.3	92.3	315.4
	25.0%	23.4%	29.1%	22.5%	100.0%	25.4%	24.5%	29.3%	100.0%
Remicade	17.3	16.4	18.2	14.7	66.8	16.8	16.1	18.2	64.7
	26.0%	24.7%	27.3%	22.1%	100.0%	26.0%	24.9%	28.2%	100.0%
Simponi	6.3	5.8	6.9	5.7	24.9	7.5	7.7	9.2	30.3
	25.3%	23.6%	27.9%	23.2%	100.0%	24.8%	25.6%	30.3%	100.0%
Tenelia	3.8	4.1	5.1	3.3	16.5	4.6	4.6	5.8	19.1
	23.4%	25.3%	31.0%	20.3%	100.0%	24.5%	24.5%	30.6%	100.0%
Talion	4.1	3.3	5.2	6.2	18.9	4.0	3.9	4.7	20.8
	21.7%	17.7%	27.8%	32.9%	100.0%	19.3%	18.9%	23.1%	100.0%
Lexapro	2.8	2.6	3.1	2.5	11.2	3.1	3.1	3.6	12.9
	25.4%	23.7%	28.3%	22.6%	100.0%	24.2%	24.1%	28.4%	100.0%
Ceredist	3.5	2.9	3.3	2.4	12.3	3.0	2.6	3.1	10.8
	28.9%	23.8%	27.3%	20.0%	100.0%	28.3%	23.9%	28.8%	100.0%
Maintate	3.3	2.7	3.2	2.4	11.8	2.9	2.6	3.0	10.2
	28.3%	23.4%	27.3%	21.1%	100.0%	29.1%	25.4%	30.0%	100.0%
Kremezin	2.1	1.8	2.0	1.5	7.5	1.7	1.5	1.7	6.6
	28.1%	24.5%	27.1%	20.3%	100.0%	26.6%	23.9%	26.5%	100.0%
Radicut	1.5	1.4	1.6	1.1	5.8	1.4	1.4	1.6	6.2
	27.2%	24.1%	28.5%	20.3%	100.0%	23.1%	23.8%	26.8%	100.0%
Canaglu	0.7	0.7	1.0	0.9	3.4	1.4	1.2	1.7	6.9
	20.6%	22.8%	30.9%	25.8%	100.0%	20.9%	17.6%	24.9%	100.0%
Urso	1.7	1.4	1.6	1.2	6.1	1.4	1.2	1.4	5.0
	28.6%	24.2%	26.6%	20.5%	100.0%	28.6%	25.3%	29.3%	100.0%
Imusera	1.3	1.1	1.3	1.0	4.9	1.2	1.1	1.3	5.1
	26.6%	23.4%	28.5%	21.6%	100.0%	25.3%	22.9%	26.0%	100.0%
BIKEN products [vaccines]	7.3	9.1	14.6	7.8	38.9	6.8	7.6	15.4	36.1
	18.8%	23.5%	37.5%	20.1%	100.0%	19.0%	21.1%	42.8%	100.0%
Influenza vaccine	(0.1)	2.6	8.5	1.7	12.7	(0.0)	1.1	9.0	10.0
	(0.9%)	20.6%	66.6%	13.7%	100.0%	(0.3%)	11.3%	90.5%	100.0%
Tetrabik	2.7	2.3	2.5	2.3	9.9	2.3	2.0	2.2	9.2
	27.7%	23.4%	25.6%	23.3%	100.0%	25.4%	22.8%	24.4%	100.0%
Mearubik	1.7	1.5	1.2	1.4	5.9	1.5	1.3	1.2	5.2
	29.1%	26.2%	20.6%	24.1%	100.0%	29.8%	25.0%	23.1%	100.0%
Varicella vaccine	1.4	1.3	1.3	1.2	5.4	1.4	1.2	1.3	5.7
	26.5%	25.3%	24.6%	23.7%	100.0%	25.2%	21.8%	23.5%	100.0%
Tanabe Seiyaku Hanbai products *2	3.5	3.3	4.0	3.3	14.1	3.4	3.2	-	6.6
	24.8%	23.5%	28.3%	23.4%	100.0%	51.4%	48.6%	-	100.0%
Overseas ethical drugs	5.5	5.0	5.5	6.5	22.6	5.9	8.0	11.7	32.4
	24.6%	22.5%	24.3%	28.7%	100.0%	18.3%	24.8%	36.2%	100.0%
Radicava	-	-	-	-	-	-	1.1	5.2	7.2
	-	-	-	-	-	-	16.2%	73.5%	100.0%
Herbesser	1.5	1.3	1.5	1.6	6.0	1.5	1.6	1.5	6.8
	25.0%	22.4%	25.7%	26.9%	100.0%	21.9%	24.0%	22.9%	100.0%
Argatroban (Novastan)	0.5	0.4	0.4	0.4	1.9	0.4	0.5	0.6	1.9
	26.8%	24.5%	25.3%	23.4%	100.0%	24.9%	27.3%	33.5%	100.0%
Simponi	0.3	0.3	0.3	0.4	1.4	0.4	0.4	0.4	1.6
	21.5%	23.1%	25.7%	29.6%	100.0%	27.8%	28.9%	29.0%	100.0%
Tanatril	0.5	0.3	0.3	0.3	1.6	0.3	0.4	0.4	1.5
	34.7%	21.2%	20.5%	23.6%	100.0%	22.7%	27.7%	28.3%	100.0%
Royalty revenue, etc.	19.8	18.7	22.0	21.6	82.2	20.4	19.1	19.9	80.2
	24.1%	22.7%	26.9%	26.3%	100.0%	25.5%	23.9%	24.8%	100.0%
Royalty from Gilenya	13.8	13.7	14.4	11.7	53.7	14.5	14.9	15.2	Undisclosed
	25.8%	25.5%	26.9%	21.9%	100.0%	-	-	-	-
Royalty from INVOKANA	4.9	4.0	6.3	3.5	18.8	3.6	3.6	3.8	Undisclosed
	26.4%	21.5%	33.4%	18.6%	100.0%	-	-	-	-
OTC products	1.0	0.9	0.9	0.5	3.4	1.1	1.0	0.9	4.1
	29.7%	27.2%	27.7%	15.3%	100.0%	27.7%	24.0%	23.5%	100.0%
Others*3	0.6	0.3	0.2	0.1	1.4	0.1	0.0	0.9	0.5
	48.6%	21.8%	21.1%	8.6%	100.0%	27.0%	15.8%	165.8%	100.0%
Total sales revenue	105.4	98.6	120.2	99.6	423.9	107.7	105.6	125.9	433.0
	24.9%	23.3%	28.4%	23.5%	100.0%	24.9%	24.4%	29.1%	100.0%

The each figure in the lower displays the progress rate.

*1: The Company announced revised forecasts on November 1, 2017

*2: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC. The Company transferred all of the shares of Tanabe Seiyaku Hanbai to Nipro Corporation on October 1, 2017.

*3: Contracted manufacturing products by other companies.

(2) State of New Product Development (As of January 31, 2018)

i. Autoimmune diseases

Development code Product name (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
FTY720 Imusera/Gilenya (Fingolimod)	S1P receptor functional antagonist (Pediatric multiple sclerosis)	Europe	Filed (Nov., 2017)	Licensed to Novartis (Switzerland)
		US	Filed (Nov., 2017)	
MT-5547 (Fasinumab)	Fully human anti-NGF monoclonal antibody (Osteoarthritis)	Japan	Phase 2/3	Licensed from Regeneron (US)
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, US, Europe	Phase 1	
MT-7117	Dermatologicals, etc. (Inflammatory diseases, autoimmune diseases, etc.)	Europe	Phase 1	In-house
MT-2990	Inflammatory diseases, autoimmune diseases, etc.	Europe	Phase 1	In-house

ii. Diabetes and kidney diseases

Development code Product name (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
TA-7284 Canaglu/ INVOKANA (Canagliflozin)	SGLT2 inhibitor (Type 2 diabetes mellitus)	Indonesia	Filed (Aug., 2017)	In-house
	(Reduce the risk of death in type 2 diabetes with established, or risk for, cardiovascular disease (CANVAS/CANVAS-R))	US	Filed (Sep., 2017)	Licensed to Janssen Pharmaceuticals (US)
		Europe	Filed (Oct., 2017)	
	(Diabetic nephropathy)	Japan, US, Europe, and others	Phase 3 (Global clinical trial)	Discovered in-house Sponsor: Janssen Research & Development (US)
MP-513 (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Indonesia	Filed (Apr., 2015)	In-house
		China	Phase 3	
		Europe	Phase 2	
		US	Phase 1	
MT-6548 (Vadadustat)	Hypoxia inducible factor prolyl hydroxylase inhibitor (Renal anemia)	Japan	Phase 3	Licensed from Akebia (US)
MT-3995 (Apararenone)	Selective mineralocorticoid receptor antagonist (Diabetic nephropathy)	Europe	Phase 2	In-house
		Japan	Phase 2	
		US	Phase 1	
	(Non-alcoholic steatohepatitis: NASH)	Japan	Phase 2	

iii. Central nervous system diseases

Development code Product name (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Korea	Filed (Dec., 2017)	Licensed from Gedeon Richter (Hungary)
		Taiwan	Filed (Dec., 2017)	
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis)	Switzerland	Filed (Dec., 2017)	In-house
MT-210	5-HT2A/Sigma 2 receptor antagonist (Schizophrenia)	US, Europe	Phase 3	Licensed to Minerva Neurosciences (US)
MT-5199 (Valbenazine)	Vesicular monoamine transporter type 2 inhibitor (Tardive dyskinesia)	Japan	Phase 2/3	Licensed from Neurocrine Biosciences (US)
Wf-516	Multiple mechanisms on several receptors* (Major depressive disorder)	Europe	Phase 2	Licensed to Minerva Neurosciences (US)
MT-8554	Nervous system, etc. (Painful diabetic peripheral neuropathy)	Europe	Phase 2	In-house
	(Vasomotor symptoms associated with menopause)	US	Phase 2	
ND0612 (Levodopa/Carbidopa)	Continuous SC pump/patch pump (Parkinson's disease)	US, Europe	Phase 2	In-house
ND0801 (Nicotine/Opipramol)	Transdermal (CNS disease cognition disorders)	Israel	Phase 2	In-house
MP-124	Nervous system	US	Phase 1	In-house
ND0701 (Apomorphine)	Continuous SC pump (Parkinson's disease)	Europe	Phase 1	In-house

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

iv. Vaccines

Development code	Category (Indications)	Region	Stage	Origin/licensee
MT-2355	Combined vaccine (Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants)	Japan	Phase 3	Co-developed with The Research Foundation for Microbial Diseases of Osaka University (Japan)
MT-2271	Plant-based VLP vaccine (Prophylaxis of seasonal influenza)	US, Europe, Canada, and others	Phase 3	In-house
MT-8972	Plant-based VLP vaccine (Prophylaxis of H5N1 influenza)	Canada	Phase 2	In-house
MT-7529	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Canada	Phase 1	In-house

v. Other diseases

Development code (Generic name)	Category (Indications)	Region	Stage	Origin/licensee
MT-4580 (Evocalcet)	Ca sensing receptor agonist (Secondary hyperparathyroidism in chronic kidney disease patients on maintenance dialysis)	Japan	Filed (Apr., 2017)	Licensed to Kyowa Hakko Kirin(Japan)
	(Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism)	Japan	Phase 3	
MCC-847 (Masilukast)	Leukotriene D4 receptor antagonist (Asthma)	Korea	Phase 2	Licensed to SAMA Pharma (Korea)
Y-803	Bromodomain inhibitor (Cancer)	Europe, Canada	Phase 2	Licensed to Merck (US)
GB-1057 (Recombinant human serum albumin)	Blood and blood forming organs	US	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)
MT-4129	Cardiovascular system, etc.	Europe	Phase 1	In-house
MT-2765	Cardiovascular system, etc.	China	Phase 1	Co-researched with Shanghai Pharmaceuticals Holding (China)

Changes Since Previous Announcement on Nov 1, 2017

Development code Product name (Generic name)	Category (Indications)	Region	As of Nov 1, 2017	As of Jan 31, 2018	Origin / licensee
Novastan (Argatroban)	Selective antithrombin agent (Acute cerebral thrombosis)	China	Filed (Feb., 2017)	Approved (Dec., 2017)	In-house
FTY720 Imusera/Gilenya (Fingolimod)	S1P receptor functional antagonist (Pediatric multiple sclerosis)	Europe	None	Filed (Nov., 2017)	Licensed to Novartis (Switzerland)
		US	None	Filed (Nov., 2017)	
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Korea	None	Filed (Dec., 2017)	Licensed from Gedeon Richter (Hungary)
		Taiwan	None	Filed (Dec., 2017)	
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis)	Switzerland	None	Filed (Dec., 2017)	In-house
MT-6548 (Vadadustat)	Hypoxia inducible factor prolyl hydroxylase inhibitor (Renal anemia)	Japan	Phase 2	Phase 3	Licensed from Akebia (US)
MT-210	5-HT2A/ Sigma 2 receptor antagonist (Schizophrenia)	US, Europe	Phase 2	Phase 3	Licensed to Minerva Neurosciences (US)
MT-5547 (Fasinumab)	Fully human anti-NGF monoclonal antibody (Osteoarthritis)	Japan	None	Phase 2/3	Licensed from Regeneron (US)
MT-8554	Nervous system, etc. (Vasomotor symptoms associated with menopause)	US	None	Phase 2	In-house
MP-157	Cardiovascular system	Europe	Phase 1	Deleted (Discontinued)	In-house