

# Financial Results for the First Nine Months of the Fiscal year ending March 31, 2019 (IFRS, Consolidated)

February 4, 2019

Company name:	Mitsubishi Tanabe Pharma Corporation
Stock exchange listings:	Tokyo
Securities code number:	4508
URL:	<a href="https://www.mt-pharma.co.jp/">https://www.mt-pharma.co.jp/</a>
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Planned date of filing of quarterly securities report: February 12, 2019  
 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, 2018 to December 31, 2018)

### (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 2018	332,479	(2.0)	55,574	(20.3)	56,446	(17.6)
3rd Quarter of Fiscal year 2017	339,313	4.6	69,700	(12.8)	68,473	(14.2)

(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 2018	56,565	(19.5)	38,010	(23.0)	41,468	(20.4)
3rd Quarter of Fiscal year 2017	70,236	(13.8)	49,377	(15.7)	52,108	(13.4)

	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 2018	43,245	(33.4)	73.95	73.95
3rd Quarter of Fiscal year 2017	64,950	7.5	92.90	—

### (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, 2018	1,051,513	910,499	898,360	85.4	1,601.99
As of March 31, 2018	1,048,444	894,827	882,808	84.2	1,574.26

## 2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2017	—	38.00	—	28.00	66.00
Fiscal 2018	—	28.00	—		
Fiscal 2018(forecasts)				28.00	56.00

(Note) Revisions to recently announced dividend forecasts: No

## 3. Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

	Revenue		Core Operating profit		Operating profit	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
Full year	435,000	0.3	70,000	(10.9)	67,000	(13.3)

	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	67,500	(14.3)	44,500	(17.6)	47,000	(18.9)

Basic earnings per share: Full year ¥83.81

(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: Yes

2. Changes in accounting policies other than the above: No

3. Change in accounting estimates: No

(Note) Please refer to "2. Condensed Consolidated Financial Statements and Main Notes (6) Notes to Condensed Consolidated Financial Statements (Changes in Accounting Policies)."

(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 2018	561,417,916 shares	Fiscal year 2017	561,417,916 shares
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2. Number of treasury shares at the end of the period

3rd Quarter of Fiscal year 2018	640,305 shares	Fiscal year 2017	642,309 shares
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3. Average number of shares during the period (cumulative total)

3rd Quarter of Fiscal year 2018	560,776,653 shares	3rd Quarter of Fiscal year 2017	560,882,206 shares
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(Note) The Company introduced the executive compensation BIP Trust. The shares that the trust account holds are included in treasury shares (208,655 shares at the end of the first nine months of the fiscal year ending March 31, 2019, compared to 211,100 shares at the end of the fiscal year ended March 31, 2018).

\*This financial results report is exempt from the quarterly review procedures performed by Certified Public Accountants and auditing firm.

\*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 assure 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 2018 (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 4, 2019 (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.

(Other information)

The Company finalized the provisional accounting treatment for the business combinations in the first six months of the fiscal year ending March 31, 2019. As a result, the comparative amount of previous fiscal year listed in the Condensed Consolidated Financial Statements reflected the revision of the initial purchase price allocation. For details, please see "2. Condensed Consolidated Financial Statements and Main Notes (6) Notes to Condensed Consolidated Financial statements (Business Combinations)."

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# 1. Qualitative Information for 3rd Quarter of Fiscal year 2018

## (1) Explanation about Results of Operations

Consolidated operating results for the first nine months of the fiscal year ending March 31, 2019 (April 1, 2018 to December 31, 2018) were as follows.

(Millions of yen)

	3rd quarter of Fiscal year 2017	3rd quarter of Fiscal year 2018	Increase / Decrease	% change
Revenue	339,313	332,479	(6,834)	(2.0)
Core operating profit	69,700	55,574	(14,126)	(20.3)
Operating profit	68,473	56,446	(12,027)	(17.6)
Profit before income tax	70,236	56,565	(13,671)	(19.5)
Profit attributable to owners of the Company	52,108	41,468	(10,640)	(20.4)

### 【Revenue】

Revenue decreased by 2.0%, or ¥6.8 billion, year-on-year, to ¥332.4 billion.

(Millions of yen)

	3rd quarter of Fiscal year 2017	3rd quarter of Fiscal year 2018	Increase / Decrease	% change
Pharmaceuticals	339,313	332,479	(6,834)	(2.0)
Domestic ethical drugs	249,622	229,264	(20,358)	(8.2)
Overseas ethical drugs	25,748	41,953	16,205	62.9
Royalty revenue, etc.	59,545	54,979	(4,566)	(7.7)
OTC products	3,155	3,209	54	1.7
Others	1,243	3,074	1,831	147.3

• Revenue of domestic ethical drugs decreased by 8.2%, year-on-year, to ¥229.2 billion. Despite the sales of priority products increased, contributed by SIMPONI, the treatment agent of Rheumatoid arthritis (RA), and CANALIA, a type 2 diabetes mellitus treatment agent launched in September 2017, as well as STELARA, a treatment for Crohn's disease jointly promoted with Janssen Pharmaceutical K.K., updated the co-promotion framework in July 2018, the NHI drug price revision in April 2018 and the transfer of generic drug business in October 2017 caused a net negative impact on revenue.

• Revenue of overseas ethical drugs increased by 62.9%, year-on-year, to ¥41.9 billion mainly driven by the launch of RADICAVA, the treatment of ALS (amyotrophic lateral sclerosis) in the U.S. in August 2017.

• Royalty revenue, etc. decreased by 7.7%, year-on-year, to ¥54.9 billion due to decline 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 (\*) and Operating profit】

Core operating profit decreased by 20.3%, or ¥14.1 billion, year-on-year, to ¥55.5 billion due to the following results:

- Sales growth of domestic priority products and RADICAVA in the U.S.
  - Decrease in SG&A expenses owing to the promotion of operational productivity reforming.
  - Negative impact of the NHI drug price revision, and the decline in long-listed drug sales and royalty revenue.
  - Increase in R&D expenses associated with the advance to the late stage of development and the acquisition of NeuroDerm Ltd.
- Operating income recorded ¥56.4 billion, reduced 17.6%, or ¥12.0 billion, compared to the corresponding period of the prior year.

(\*) With adoption of IFRS, the Company, its subsidiaries and its affiliates (collectively, "the Group") has introduced "core operating profit" as a major profit index to demonstrate its recurring profitability and positioned as an important indicator of business management, etc. "Core operating profit" is a profit excluding the income and loss recorded by non-recurring items specified by the Group (hereinafter "non-recurring items") from operating profit. Non-recurring items include gain or loss associated with a business transfer, restructuring loss, impairment losses on intangible assets associated with products, losses on disaster and others.

#### 【R&D activities】

Research and development expenses were ¥61.9 billion, accounting for 18.6% of revenue. The major progress of clinical development activities during the first nine months of the fiscal year ending March 31, 2019 is as follows;

##### Acquisition of approval

- In June 2018, an anti-fungal agent, Jublia for the treatment of onychomycosis was approved in Taiwan.
- In August 2018, an additional pediatric indication for the prevention of cytomegalovirus disease in organ transplant patients for Valixa was approved in Japan.
- In October 2018, MCI-186 (generic name: edaravone, U.S. product name: RADICAVA), the treatment for ALS was approved in Canada.

##### Application of approval

- Applications of MCI-186, the treatment for ALS were filed in Canada in April 2018, and Europe in May 2018.
- Applications were filed for the treatment of schizophrenia, MP-214 (cariprazine, dopamine D3/D2 receptor partial agonist) in Singapore in June 2018, Thailand in August 2018, and Indonesia in December 2018.
- Applications were filed for MP-513 (generic name: teneligliptin, domestic product name: TENELIA), the treatment for type 2 diabetes mellitus in Singapore in July 2018, Thailand in September 2018, and Malaysia in December 2018.
- In August 2018, an application of Azanin, the treatment for autoimmune hepatitis was filed in Japan.
- In November 2018, an application of TAU-284 (generic name: Bepotastine, domestic product name: Talion), the treatment for allergic rhinitis and urticaria was filed in Thailand.

##### Start of clinical trials (from phase 2)

- In July 2018, the Company started phase 2 clinical trials of MT-7117 for erythropoietic protoporphyria in the U.S.
- In September 2018, phase 3 clinical trials of MT-2271 (plant-based VLP vaccine), prophylaxis of seasonal influenza in elderly adults started in the U.S., Europe and Canada etc.

##### Development status of licensing-out products

- Licensee Novartis received approval for FTY720 (generic name: fingolimod, product name: Gilenya), for pediatric multiple sclerosis in the U.S in May 2018, and Europe in November 2018.
- Licensee Janssen Pharmaceuticals, Inc. received approval for TA-7284 (generic name: canagliflozin, product name: INVOKANA), for composite risk reduction of CV death, nonfatal MI and stroke in type 2 diabetes with established, or risk for cardiovascular disease (CANVAS/CANVAS-R) in Europe in September 2018.
- Licensee Janssen Pharmaceuticals, Inc. received approval for TA-7284, for composite risk reduction of CV death, nonfatal MI and stroke in type 2 diabetes with established cardiovascular disease (CANVAS/CANVAS-R) in the U.S. in October 2018.

## (2) Explanation about Financial Position

### 【Statement of financial position】

(Millions of yen)

	End of Fiscal year 2017 (As of March 31, 2018)	End of 3rd quarter of Fiscal year 2018 (As of December 31, 2018)	Increase / Decrease
Non-current assets	462,919	467,529	4,610
Current assets	585,525	583,984	(1,541)
Total assets	1,048,444	1,051,513	3,069
Liabilities	153,617	141,014	(12,603)
Equity	894,827	910,499	15,672
Total liabilities and equity	1,048,444	1,051,513	3,069

Total assets at the end of the third quarter of the fiscal year ending March 31, 2019 were ¥1,051.5 billion, an increase of ¥3.0 billion from the end of the fiscal year ended March 31, 2018. Major factors causing changes in the consolidated statement of financial position in comparison with the previous fiscal year-end were as follows.

- Non-current assets increased by ¥4.6 billion, to ¥467.5 billion, reflecting the increase resulting from the currency fluctuation relating to intangible assets associated with products, increase in other financial assets and decrease in net defined benefit assets deriving from fair value remeasurement of domestic listed shares and pension plan assets.
- Current assets decreased by ¥1.5 billion, to ¥583.9 billion resulting from the decrease in cash and cash equivalents and inventories in spite of the increase in trade and other receivables.
- Liabilities decreased by ¥12.6 billion, to ¥141.0 billion, due to decline in income taxes payable in spite of the increase in trade and other payables.
- Equity increased by ¥15.6 billion, to ¥910.4 billion, as a result of profit for the period recorded, the decrease in the fair value of net defined benefit assets, and dividends paid.

### 【Cash flows】

(Millions of yen)

	3rd quarter of Fiscal year 2017	3rd quarter of Fiscal year 2018	Increase / Decrease
Operating activities	45,174	29,468	(15,706)
Investing activities	(33,485)	(20,093)	13,392
Financing activities	(33,719)	(27,905)	5,814
Change in cash and cash equivalents	(21,199)	(17,844)	3,355
At the beginning of the year	113,215	127,030	13,815
At the end of the period	92,024	109,186	17,162

Net decrease in cash and cash equivalents was ¥17.8 billion, and the balance of cash and cash equivalents at the end of the third quarter of the fiscal year ending March 31, 2019 was ¥109.1 billion.

- Net cash provided by operating activities was ¥29.4 billion since cash inflows including profit before income tax of ¥56.5 billion and decrease in inventories of ¥16.0 billion exceeded cash outflows including an increase in trade and other receivables of ¥17.0 billion and income taxes paid of ¥33.6 billion.
- Net cash used in investing activities was ¥20.0 billion mainly due to investment of cash reserves.
- Net cash used in financing activities was ¥27.9 billion primarily resulting from dividend paid.

## (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, 2019 announced on May 9, 2018.

## 2. Condensed Consolidated Financial Statements and Main Notes

### (1) Condensed Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Revenue	339,313	332,479
Cost of sales	134,232	139,201
Gross profit	205,081	193,278
Selling, general and administrative expenses	77,640	73,181
Research and development expenses	56,119	61,906
Amortization of intangible assets associated with products	1,719	2,201
Other income	6,342	1,309
Other expense	7,492	779
Share of profit of affiliates accounted for using equity method	20	—
Share of loss of affiliates accounted for using equity method	—	74
Operating profit	68,473	56,446
Financial income	2,014	984
Financial expense	251	865
Profit before income tax	70,236	56,565
Income tax expenses	20,859	18,555
Profit for the period	49,377	38,010
Profit attributable to:		
Owners of the Company	52,108	41,468
Non-controlling interests	(2,731)	(3,458)
Profit for the period	49,377	38,010
Earnings per share		
Basic earnings per share (Yen)	92.90	73.95
Diluted earnings per share (Yen)	—	73.95



**(2) Condensed Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit for the period	49,377	38,010
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	4,929	2,408
Remeasurements of defined benefit plans	6,268	(2,212)
Subtotal	11,197	196
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	3,320	5,048
Effective portion of changes in fair value of cash flow hedges	1,033	—
Share of other comprehensive income of associates and joint ventures accounted for using equity method	23	(9)
Subtotal	4,376	5,039
Other comprehensive income (loss), net of tax	15,573	5,235
Comprehensive income	64,950	43,245
Comprehensive income (loss) attributable to:		
Owners of the Company	66,928	46,923
Non-controlling interests	(1,978)	(3,678)
Comprehensive income	64,950	43,245

**(3) Condensed Consolidated Statements of Financial Position**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Non-current assets		
Property, plant and equipment	80,457	78,404
Goodwill	91,136	91,567
Intangible assets	200,940	207,041
Investments in associates and joint ventures accounted for using equity method	16,445	16,307
Other financial assets	46,109	47,921
Net defined benefit assets	22,711	19,268
Other non-current assets	379	296
Deferred tax assets	4,742	6,725
Total non-current assets	462,919	467,529
Current assets		
Inventories	81,998	66,313
Trade and other receivables	123,537	140,635
Other financial assets	246,733	257,349
Other current assets	6,227	10,501
Cash and cash equivalents	127,030	109,186
Total current assets	585,525	583,984
Total assets	1,048,444	1,051,513

	As of March 31, 2018	As of December 31, 2018
Liabilities and equity		
Liabilities		
Non-current liabilities		
Borrowings	420	205
Other financial liabilities	2,199	2,188
Net defined benefit liabilities	868	869
Provisions	8,571	6,826
Other non-current liabilities	5,505	5,248
Deferred tax liabilities	37,861	39,172
Total non-current liabilities	55,424	54,508
Current liabilities		
Borrowings	122	32
Trade and other payables	35,631	39,042
Other financial liabilities	20,737	19,756
Income taxes payable	18,093	5,578
Provisions	1,934	3,326
Other current liabilities	21,676	18,772
Total current liabilities	98,193	86,506
Total liabilities	153,617	141,014
Equity		
Share capital	50,000	50,000
Capital surplus	451,228	451,255
Treasury shares	(1,045)	(1,040)
Retained earnings	382,122	390,606
Other components of equity	503	7,539
Total equity attributable to owners of the Company	882,808	898,360
Non-controlling interests	12,019	12,139
Total equity	894,827	910,499
Total liabilities and equity	1,048,444	1,051,513

#### (4) Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the Company						
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
					Exchange differences on translation of foreign operations	Effective portion of changes in fair value of cash flow hedges	Net changes in financial assets measured at fair value through other comprehensive income
Balance 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	—	0	0	—	—	—	—
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)
Balance as of December 31, 2017	50,000	451,221	(1,045)	375,847	(2,099)	—	14,969
Balance as of April 1, 2018	50,000	451,228	(1,045)	382,122	(13,194)	—	13,717
Profit for the period	—	—	—	41,468	—	—	—
Other comprehensive income	—	—	—	—	5,268	—	2,408
Total comprehensive income	—	—	—	41,468	5,268	—	2,408
Acquisition of treasury shares	—	—	(1)	—	—	—	—
Disposal of treasury shares	—	(7)	6	—	—	—	—
Dividends	—	—	—	(31,403)	—	—	—
Share-based payments	—	34	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(1,581)	—	—	(631)
Transfer from other components of equity to non-financial assets	—	—	—	—	—	—	—
Total contributions by and distributions to owners	—	27	5	(32,984)	—	—	(631)
Issuance of new shares	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries and others	—	—	—	—	—	—	—
Total transactions with owners	—	27	5	(32,984)	—	—	(631)
Balance as of December 31, 2018	50,000	451,255	(1,040)	390,606	(7,926)	—	15,494

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity			Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Total			
Balance 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	—	—	—	0	—	0
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)
Balance as of December 31, 2017	—	(25)	12,845	888,868	12,976	901,844
Balance as of April 1, 2018	—	(20)	503	882,808	12,019	894,827
Profit for the period	—	—	—	41,468	(3,458)	38,010
Other comprehensive income	(2,212)	(9)	5,455	5,455	(220)	5,235
Total comprehensive income	(2,212)	(9)	5,455	46,923	(3,678)	43,245
Acquisition of treasury shares	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	(1)	—	(1)
Dividends	—	—	—	(31,403)	(278)	(31,681)
Share-based payments	—	—	—	34	—	34
Transfer from other components of equity to retained earnings	2,212	—	1,581	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	—	—	—
Total contributions by and distributions to owners	2,212	—	1,581	(31,371)	(278)	(31,649)
Issuance of new shares	—	—	—	—	4,076	4,076
Changes in ownership interests in subsidiaries and others	—	—	—	—	4,076	4,076
Total transactions with owners	2,212	—	1,581	(31,371)	3,798	(27,573)
Balance as of December 31, 2018	—	(29)	7,539	898,360	12,139	910,499

## (5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities:		
Profit before income tax	70,236	56,565
Depreciation and amortization	8,540	8,640
Impairment losses	3,609	11
Interest and dividends income	(1,099)	(982)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(20)	74
Loss (gain) on sales of property, plant and equipment	(2,110)	(6)
Loss (gain) on sales of investments in subsidiaries	(3,565)	—
Decrease (increase) in trade and other receivables	(33,226)	(17,039)
Decrease (increase) in inventories	5,957	16,048
Increase (decrease) in trade and other payables	5,855	2,804
Increase (decrease) in provisions	3,624	(446)
Decrease (increase) in net defined benefit asset	266	150
Restructuring expenses	2,143	—
Other	(2,494)	(3,563)
Subtotal	57,716	62,256
Interest received	397	407
Dividends received	761	675
Interest paid	(139)	(179)
Income taxes paid	(13,561)	(33,691)
Net cash flows provided by operating activities	45,174	29,468
Cash flows from investing activities:		
Payments into time deposits	(284)	(1,447)
Proceeds from withdrawal of time deposits	1,916	4,945
Purchase of property, plant and equipment	(5,929)	(4,050)
Proceeds from sales of property, plant and equipment	3,349	69
Purchase of intangible assets	(17,044)	(3,225)
Purchase of investments	(247,554)	(321,169)
Proceeds from sales and redemption of investments	357,076	304,759
Proceeds from sales of subsidiaries	10,935	—
Purchase of subsidiaries	(119,724)	—
Purchase of investments in associates and joint ventures accounted for using equity method	(16,149)	—
Other	(77)	25
Net cash flows provided by (used in) investing activities	(33,485)	(20,093)
Cash flows from financing activities:		
Purchase of treasury shares	(549)	(1)
Proceeds from stock issuance to non-controlling interests	4,153	4,076
Dividends paid	(37,017)	(31,403)
Other	(306)	(577)
Net cash flows used in financing activities	(33,719)	(27,905)
Effect of exchange rate changes on cash and cash equivalents	831	686
Net increase (decrease) in cash and cash equivalents	(21,199)	(17,844)
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	113,215	127,030
Cash and cash equivalents at the end of period	92,024	109,186

## **(6) Notes to Condensed Consolidated Financial Statements**

### **(Note regarding Going Concern Assumption)**

Not applicable.

### **(Changes in Accounting Policies)**

Significant accounting policies that the Group has adopted in the condensed consolidated financial statements under review are the same as those that were adopted in the consolidated financial statements for the fiscal year ended March 31, 2018 except the following.

Besides, income tax expenses were calculated using the estimated annual effective income tax rate.

The Group has adopted the following standard from the first quarter of the fiscal year ending March 31, 2019. In the application of this standard, the Group recognized the cumulative effect retrospectively at the date of initial application (modified retrospective approach), which was permitted as a transitional measure.

IFRS		Description of new standards and revisions
IFRS 15	Revenue from Contracts with Customers	Revision of accounting treatment for revenue recognition

The Group adopted IFRS 15 "Revenue from Contracts with Customers" (issued in May 2014) and "Clarifications to IFRS 15" (issued in April 2016) (hereinafter collectively referred to as "IFRS 15") from the first quarter of the fiscal year ending March 31, 2019.

With the adoption of IFRS 15, except revenue including interest and dividends income under IFRS 9 "Financial Instruments", revenue was recognized by applying the following five steps.

Step 1: Identify the contract with a customer.

Step 2: Identify the separate performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the separate performance obligations.

Step 5: Recognize revenue when the entity satisfies performance obligations.

There was no significant impact on the Group's condensed consolidated financial statements arising from the adoption of IFRS 15.

**(Business Combinations)**

(Acquisition of NeuroDerm Ltd.)

The Company acquired all of the outstanding shares (including shares underlying options) of NeuroDerm Ltd. which carries out development of treatments for CNS disorders including Parkinson's disease, and made it a wholly-owned subsidiary on October 18, 2017 (IDT: Israel Daylight Time).

The Company measured the provisional fair value of assets acquired and liabilities assumed as of the acquisition date in connection with this business combination in the fiscal year ended March 31, 2018. However, during the first six months of the fiscal year ending March 31, 2019, the Company carried out an additional verification regarding the assets acquired and liabilities assumed as of the acquisition date based on the newly obtained information. As a result, the fair value of certain liabilities is revised as follows:

Consideration for the acquisition, fair value of assets acquired and liabilities assumed, and goodwill as of the acquisition date

(Millions of yen)

	Provisional fair value (as of March 31, 2018)	Adjustments	Revised fair value
Consideration for the acquisition	124,410	—	124,410
Assets acquired and liabilities assumed			
Non-current assets	136,395	—	136,395
Intangible assets associated with products	136,178	—	136,178
Other non-current assets	217	—	217
Current assets	13,694	—	13,694
Other financial assets	8,705	—	8,705
Other current assets	303	—	303
Cash and cash equivalents	4,686	—	4,686
Non-current liabilities	(32,692)	—	(32,692)
Deferred tax liabilities	(32,692)	—	(32,692)
Current liabilities	(3,697)	(874)	(4,571)
Goodwill	10,710	874	11,584

The Company has finalized the purchase price allocation during the first six months of the fiscal year ending March 31, 2019. Hence, a retroactive adjustment of the comparative amount for previous fiscal year listed in Condensed Consolidated Statements of Financial Position was made. Comparing to results before the retroactive adjustment, both goodwill and current liabilities as of March 31, 2018 increased by ¥823 million, respectively.

**(Subsequent Event)**

Not applicable.



### 3. Supplementary Information

#### (1) Consolidated Financial Indicators for 3rd Quarter of FY2018

##### i. Profit and Loss

(Amounts less than ¥ 100 million are rounded off)

[Billion yen]

	Cumulative Q3 FY2018	Y-on-Y			Comparison to full year forecasts		Notes [Y-on-Y comparison]
		Cumulative Q3 FY2017	Increase (decrease)	Change %	Forecasts *1	Achieved %	
Revenue	<b>332.4</b>	339.3	(6.8)	(2.0)	435.0	76.4	See " ii. Sales Revenue of Main Products " on page 14.
Domestic	<b>236.4</b>	255.3	(18.9)	(7.4)	304.7	77.6	
Overseas	<b>96.0</b>	83.9	12.1	14.4	130.2	73.8	
Overseas sales ratio	<b>28.9%</b>	24.7%			29.9%		
Cost of sales	<b>139.2</b>	134.2	4.9	3.7	176.0	79.1	Increase due to the influence of NHI price revision.
Sales cost ratio	<b>41.9%</b>	39.6%			40.5%		
Gross profit	<b>193.2</b>	205.0	(11.8)	(5.8)	259.0	74.6	
SG&A expense	<b>73.1</b>	77.6	(4.4)	(5.7)	101.0	72.5	Decrease due to the transfer of generic drug business and the promotion of reforming operational productivity.
% of revenue	<b>22.0%</b>	22.9%			23.2%		
R&D expense	<b>61.9</b>	56.1	5.7	10.3	84.5	73.3	Increase due to the late stage development initiation and the acquisition of NeuroDerm Ltd.
% of revenue	<b>18.6%</b>	16.5%			19.4%		
assets associated with products	<b>2.2</b>	1.7	0.4	28.0	3.0	73.4	
Other income (expense) *2	<b>(0.3)</b>	0.0	(0.4)	-	(0.5)	-	
Core operating profit	<b>55.5</b>	69.7	(14.1)	(20.3)	70.0	79.4	
Non-recurring items *2	<b>0.8</b>	(1.2)	2.0	-	(3.0)	-	
Operating profit	<b>56.4</b>	68.4	(12.0)	(17.6)	67.0	84.2	
Financial income	<b>0.9</b>	2.0	(1.0)	(51.1)	-	-	
Interest income and dividends income	<b>0.9</b>	1.0	(0.1)	(10.6)	-	-	
Foreign exchange income	-	0.2	(0.2)	-	-	-	
Others	<b>0.0</b>	0.6	(0.6)	(99.7)	-	-	
Financial expense	<b>0.8</b>	0.2	0.6	244.6	-	-	
Interest expense	<b>0.1</b>	0.1	(0.0)	(14.4)	-	-	
Foreign exchange loss	<b>0.6</b>	-	0.6	-	-	-	
Others	<b>0.1</b>	0.1	0.0	8.0	-	-	
Profit before tax for the period	<b>56.5</b>	70.2	(13.6)	(19.5)	67.5	83.8	
Income taxes	<b>18.5</b>	20.8	(2.3)	(11.0)	-	-	
Net profit for the period	<b>38.0</b>	49.3	(11.3)	(23.0)	44.5	85.4	
Net profit attributable to owners of the Company	<b>41.4</b>	52.1	(10.6)	(20.4)	47.0	88.2	
Total labor cost	<b>54.1</b>	53.6	0.5	1.0	75.4	71.9	

\*1: The Company announced full year forecasts on May 9, 2018.

\*2: Brackets indicate expense and loss

#### Exchange rate

[Yen]

	Q3 FY2018 average	Q3 FY2017 average	FY2018 planned
US \$	<b>111.33</b>	111.77	105.00
Euro	<b>129.25</b>	129.57	130.00

Effect of fluctuations in exchange rate for the 3rd quarter of FY2018

Decrease in revenue by ¥0.6 billion

Increase in core operating profit by ¥0.2 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 <sup>*1</sup>	Achieved %
Domestic ethical drugs	<b>229.2</b>	249.6	(20.3)	(8.2)	296.2	77.4
Remicade	<b>45.9</b>	51.1	(5.2)	(10.2)	55.5	82.7
Simponi	<b>28.7</b>	24.5	4.2	17.3	35.0	82.0
Tenelia	<b>11.1</b>	15.2	(4.0)	(26.8)	17.0	65.5
Stelara	<b>10.4</b>	0.0	10.3	-	15.1	69.0
Lexapro	<b>10.7</b>	9.9	0.8	8.2	13.1	81.5
Ceredist	<b>7.1</b>	8.8	(1.6)	(18.7)	9.3	76.3
Kremezin	<b>5.2</b>	5.1	0.1	2.0	8.4	61.6
Canaglu	<b>5.0</b>	4.4	0.6	13.9	7.6	65.4
Talion	<b>4.1</b>	12.7	(8.5)	(67.3)	7.3	56.6
Rupafin	<b>0.9</b>	0.6	0.2	38.3	6.8	14.0
Maintate	<b>4.0</b>	8.6	(4.6)	(53.3)	5.3	75.9
Canalia	<b>5.3</b>	1.1	4.2	370.5	3.2	165.8
Vaccines [ BIKEN products ]	<b>30.4</b>	29.9	0.5	1.9	36.5	83.4
Influenza vaccine	<b>9.5</b>	10.1	(0.6)	(6.5)	11.2	85.0
Tetrabik	<b>6.4</b>	6.6	(0.2)	(3.0)	9.1	71.0
Varicella vaccine	<b>3.9</b>	4.0	(0.1)	(3.1)	5.5	71.4
Mearubik	<b>5.3</b>	4.1	1.1	28.7	5.5	94.9
Tanabe Seiyaku Hanbai products <sup>*2</sup>	-	6.6	(6.6)	(100.0)	-	-
Overseas ethical drugs	<b>41.9</b>	25.7	16.2	62.9	61.1	68.6
Radicava	<b>20.6</b>	6.4	14.2	220.2	31.5	65.5
Herbesser	<b>5.0</b>	4.7	0.3	7.0	7.2	70.0
Argatroban	<b>1.5</b>	1.6	(0.1)	(6.3)	2.2	68.8
Simponi	<b>1.4</b>	1.4	0.0	5.6	2.1	70.4
Royalty revenue, etc.	<b>54.9</b>	59.5	(4.5)	(7.7)	69.8	78.7
Royalty from Gilenya	<b>44.6</b>	44.7	(0.1)	(0.3)	Undisclosed	-
Royalty from INVOKANA	<b>8.1</b>	11.1	(2.9)	(26.5)	Undisclosed	-
OTC products	<b>3.2</b>	3.1	0.0	1.7	4.3	73.7
Others <sup>*3</sup>	<b>3.0</b>	1.2	(1.8)	147.3	3.3	91.8
<b>Total sales revenue</b>	<b>332.4</b>	339.3	(6.8)	(2.0)	435.0	76.4

\*1: The Company announced full year forecasts on May 9, 2018.

\*2: 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]

	FY2017					FY2018			
	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	107.7 24.8%	105.6 24.4%	125.9 29.0%	94.5 21.8%	433.8 100.0%	105.3 24.2%	104.3 24.0%	122.7 28.2%	435.0 100.0%
Domestic	82.0 25.6%	78.6 24.5%	94.6 29.5%	65.5 20.4%	320.8 100.0%	74.1 24.3%	72.3 23.7%	89.9 29.5%	304.7 100.0%
Overseas	25.6 22.7%	26.9 23.9%	31.3 27.7%	29.0 25.7%	112.9 100.0%	31.1 23.9%	32.0 24.6%	32.8 25.2%	130.2 100.0%
Cost of sales	42.5	41.9	49.7	35.5	169.7	42.3	43.7	53.0	176.0
Sales cost ratio	39.5%	39.7%	39.5%	37.6%	39.1%	40.2%	42.0%	43.2%	40.5%
Gross profit	65.1 24.7%	63.7 24.1%	76.2 28.9%	59.0 22.3%	264.1 100.0%	63.0 24.3%	60.5 23.4%	69.7 26.9%	259.0 100.0%
SG&A expense	24.4 23.5%	27.0 26.0%	26.1 25.2%	26.4 25.4%	104.0 100.0%	23.1 23.0%	24.5 24.3%	25.4 25.2%	101.0 100.0%
R&D expense	18.0 22.9%	18.2 23.1%	19.7 25.0%	22.9 29.0%	79.0 100.0%	19.6 23.3%	19.9 23.6%	22.3 26.5%	84.5 100.0%
Amortization of intangible assets associated with products	0.5 21.5%	0.5 21.5%	0.6 27.1%	0.7 29.9%	2.4 100.0%	0.7 24.5%	0.7 24.4%	0.7 24.5%	3.0 100.0%
Other income (expense)*2	(0.1) -	(0.1) -	0.3 -	(0.0) -	0.0 -	(0.1) -	(0.1) -	(0.0) -	(0.5) -
Core operating profit	21.9 28.0%	17.7 22.6%	29.9 38.2%	8.8 11.3%	78.5 100.0%	19.3 27.6%	15.1 21.7%	21.0 30.1%	70.0 100.0%
Operating profit	21.0 27.2%	15.8 20.5%	31.6 40.9%	8.8 11.4%	77.2 100.0%	19.3 28.8%	15.1 22.7%	21.9 32.8%	67.0 100.0%
Profit before tax	21.9 27.9%	15.5 19.8%	32.6 41.5%	8.5 10.8%	78.7 100.0%	19.7 29.2%	15.0 22.3%	21.7 32.2%	67.5 100.0%
Net profit attributable to owners of the Company	16.9 29.3%	12.8 22.2%	22.2 38.4%	5.8 10.1%	57.9 100.0%	13.9 29.7%	11.0 23.5%	16.4 35.1%	47.0 100.0%

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

\*1: The Company announced full year forecasts on May 9, 2018.

\*2: Brackets indicate expense and loss

## iv. Quarterly Trend (Sales Revenue of Main Products)

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

	FY2017					FY2018			
	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	79.9 25.9%	77.3 25.0%	92.3 29.8%	59.7 19.3%	309.3 100.0%	71.6 24.2%	69.9 23.6%	87.6 29.6%	296.2 100.0%
Remicade	16.8 26.0%	16.1 24.9%	18.2 28.2%	13.5 20.9%	64.6 100.0%	15.1 27.2%	14.8 26.6%	16.0 28.8%	55.5 100.0%
Simponi	7.5 23.5%	7.7 24.2%	9.2 28.6%	7.6 23.7%	32.1 100.0%	9.0 25.7%	9.5 27.1%	10.2 29.2%	35.0 100.0%
Tenelia	4.6 26.7%	4.6 26.8%	5.8 33.4%	2.2 13.1%	17.5 100.0%	4.4 26.3%	2.7 16.1%	3.9 23.0%	17.0 100.0%
Stelara	- -	0.0 6.9%	0.0 18.9%	0.2 74.2%	0.3 100.0%	0.2 1.4%	4.5 30.1%	5.6 37.5%	15.1 100.0%
Lexapro	3.1 24.5%	3.1 24.3%	3.6 28.8%	2.8 22.4%	12.7 100.0%	3.4 25.9%	3.4 26.0%	3.8 29.5%	13.1 100.0%
Ceredist	3.0 28.3%	2.6 23.9%	3.1 28.8%	2.0 19.0%	10.8 100.0%	2.4 26.5%	2.2 23.6%	2.4 26.2%	9.3 100.0%
Kremezin	1.7 26.9%	1.5 24.3%	1.7 26.8%	1.4 22.0%	6.5 100.0%	1.7 20.2%	1.6 19.7%	1.8 21.8%	8.4 100.0%
Canaglu	1.4 25.9%	1.2 21.7%	1.7 30.8%	1.2 21.6%	5.6 100.0%	1.4 19.5%	1.5 20.1%	1.9 25.8%	7.6 100.0%
Talion	4.0 23.7%	3.9 23.2%	4.7 28.3%	4.1 24.8%	16.9 100.0%	1.4 19.4%	1.1 15.6%	1.5 21.5%	7.3 100.0%
Rupafin	- -	- -	0.6 158.4%	(0.2) (58.4%)	0.4 100.0%	0.1 2.5%	0.2 3.1%	0.5 8.4%	6.8 100.0%
Maintate	2.9 28.8%	2.6 25.1%	3.0 29.6%	1.7 16.4%	10.3 100.0%	1.4 26.6%	1.2 23.2%	1.3 26.0%	5.3 100.0%
Canalia	- -	1.1 61.0%	0.0 2.3%	0.6 36.7%	1.8 100.0%	1.4 43.6%	1.6 51.1%	2.3 71.1%	3.2 100.0%
Vaccines	6.8 19.5%	7.6 21.7%	15.4 44.0%	5.1 14.7%	35.0 100.0%	8.8 24.2%	6.7 18.5%	14.8 40.8%	36.5 100.0%
[ BIKEN products ]	(0.0) (0.3%)	1.1 11.4%	9.0 91.4%	(0.2) (2.5%)	9.9 100.0%	(0.1) (1.0%)	1.0 9.7%	8.5 76.2%	11.2 100.0%
Influenza vaccine	2.3 26.7%	2.0 23.9%	2.2 25.6%	2.0 23.7%	8.7 100.0%	2.2 24.1%	1.9 21.6%	2.3 25.3%	9.1 100.0%
Tetrabik	1.4 27.4%	1.2 23.8%	1.3 25.6%	1.2 23.1%	5.2 100.0%	1.4 25.7%	1.2 22.0%	1.3 23.8%	5.5 100.0%
Varicella vaccine	1.5 31.3%	1.3 26.3%	1.2 24.3%	0.9 18.0%	5.0 100.0%	3.3 59.2%	0.7 14.2%	1.2 21.5%	5.5 100.0%
Mearubik	3.4 51.4%	3.2 48.6%	- -	- -	6.6 100.0%	- -	- -	- -	- -
Tanabe Seiyaku Hanbai products *2									
Overseas ethical drugs	5.9 15.4%	8.0 20.9%	11.7 30.5%	12.8 33.3%	38.5 100.0%	12.9 21.2%	14.5 23.7%	14.4 23.7%	61.1 100.0%
Radicava	- -	1.1 9.5%	5.2 42.9%	5.8 47.6%	12.3 100.0%	6.4 20.3%	7.4 23.8%	6.7 21.4%	31.5 100.0%
Herbesser	1.5 23.1%	1.6 25.4%	1.5 24.2%	1.7 27.3%	6.5 100.0%	1.6 23.3%	1.6 22.9%	1.7 23.8%	7.2 100.0%
Argatroban	0.4 23.0%	0.5 25.3%	0.6 31.0%	0.4 20.8%	2.0 100.0%	0.5 25.0%	0.4 20.9%	0.5 22.8%	2.2 100.0%
Simponi	0.4 24.4%	0.4 25.4%	0.4 25.5%	0.4 24.7%	1.8 100.0%	0.4 23.0%	0.5 23.8%	0.4 23.6%	2.1 100.0%
Royalty revenue, etc.	20.4 25.9%	19.1 24.2%	19.9 25.2%	19.6 24.8%	79.1 100.0%	18.5 26.5%	17.7 25.4%	18.6 26.7%	69.8 100.0%
Royalty from Gilenya	14.5 25.3%	14.9 25.8%	15.2 26.5%	12.9 22.4%	57.7 100.0%	15.3 -	14.5 -	14.7 -	Undisclosed -
Royalty from INVOKANA	3.6 25.7%	3.6 26.3%	3.8 27.6%	2.8 20.4%	13.9 100.0%	2.4 -	2.4 -	3.2 -	Undisclosed -
OTC products	1.1 31.1%	1.0 27.0%	0.9 26.4%	0.5 15.5%	3.7 100.0%	1.2 27.7%	0.9 22.9%	1.0 23.2%	4.3 100.0%
Others *3	0.1 5.3%	0.0 3.1%	0.9 32.7%	1.7 58.9%	3.0 100.0%	1.0 30.6%	1.1 34.1%	0.9 27.1%	3.3 100.0%
Total sales revenue	107.7 24.8%	105.6 24.4%	125.9 29.0%	94.5 21.8%	433.8 100.0%	105.3 24.2%	104.3 24.0%	122.7 28.2%	435.0 100.0%

The each figure in the lower displays the progress rate.

\*1: The Company announced full year forecasts on May 9, 2018.

\*2: 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, 2019)

### i. Autoimmune diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
Azanin (Azathioprine)	Immunosuppressant (Autoimmune hepatitis)	Japan Filed (Aug. 2018)	Licensed from GlaxoSmithKline (UK)
MT-5547 (Fasimumab)	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	
MT-7117	Dermatologicals, etc. (Erythropoietic protoporphyria)	US Phase 2	In-house
MT-2990	Inflammatory diseases, autoimmune diseases, etc.	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
	(Diabetic nephropathy)	Japan, US, Europe, and others Phase 3 (Global clinical trial)	Discovered in-house Sponsor: Janssen Research & Development (US)
MP-513 Tenelia (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Indonesia Filed (Apr. 2015)	In-house
		Singapore Filed (Jul. 2018)	
		Thailand Filed (Sep. 2018)	
		Malaysia Filed (Dec. 2018)	
		China Phase 3	
		Europe Phase 2	
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	
	(Non-alcoholic steatohepatitis: NASH)	Japan Phase 2	

### iii. Central nervous system diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS)	Switzerland Filed (Dec. 2017)	In-house
		Europe Filed (May 2018)	
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Singapore Filed (Jun. 2018)	Licensed from Gedeon Richter (Hungary)
		Thailand Filed (Aug. 2018)	
		Indonesia Filed (Dec. 2018)	
MT-210 (Roluperidone)	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)	US, 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
MP-124	Nervous system	Phase 1	In-house
ND0701 (Apomorphine)	Continuous SC pump (Parkinson's disease)	Phase 1	In-house
MT-1186 (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS / Oral suspension)	Phase 1	In-house
MT-6345	Nervous system	Phase 1	Co-developed with Ube Industries (Japan)

\*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/adults)	US, Europe, Canada, and others Phase 3	Medicago product (Canada)
	(Prophylaxis of seasonal influenza/elderly)	US, Europe, Canada, and others Phase 3	
MT-8972	Plant-based VLP vaccine (Prophylaxis of H5N1 influenza)	Canada Phase 2	Medicago product (Canada)
MT-7529	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Phase 1	Medicago product (Canada)
MT-5625	Plant-based VLP vaccine (Prophylaxis of rotavirus gastroenteritis)	Phase 1	Medicago product (Canada)

v. Other diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
TAU-284 Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Allergic rhinitis, Urticaria)	Thailand Filed (Nov. 2018)	Licensed from Ube Industries (Japan)
MT-4580 Orkedia (Evocalcet)	Ca sensing receptor agonist (Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism)	Japan Phase 3	Licensed to Kyowa Hakko Kirin (Japan)
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)
MT-0814	Ophthalmologicals	Phase 1	In-house
MT-4129	Cardiovascular system, etc.	Phase 1	In-house

# Changes Since Previous Announcement

Development code Product name (Generic name)	Category (Indications)	Previous Announcement	As of Jan 31, 2019	Origin / licensee
TA-7284 Canaglu/ INVOKANA (Canagliflozin)	SGLT2 inhibitor (Reduce the composite risk of CV death, MI or stroke in type 2 diabetes with established cardiovascular disease (CANVAS /CANVAS-R))	US Filed (Sep. 2017)	US Approved (Oct. 2018)	Licensed to Janssen Pharmaceuticals (US)
FTY720 Imusera/Gilenya (Fingolimod)	S1P receptor functional antagonist (Pediatric multiple sclerosis)	Europe Filed (Nov. 2017)	Europe Approved (Nov. 2018)	Licensed to Novartis (Switzerland)
TAU-284 Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Allergic rhinitis, Urticaria)	None	Thailand Filed (Nov. 2018)	Licensed from Ube Industries (Japan)
MP-513 Tenelia (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	None	Malaysia Filed (Dec. 2018)	In-house
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	None	Indonesia Filed (Dec. 2018)	Licensed from Gedeon Richter (Hungary)
		Korea Filed (Dec. 2017)	Deleted (Change of license agreement with Gedeon Richter)	
		Taiwan Filed (Dec. 2017)		
MT-6345	Nervous system	None	Phase 1	Co-developed with Ube Industries (Japan)
MT-2765	Cardiovascular system, etc.	Phase 1	Deleted (Transfer of patent and know-how to Shanghai Pharmaceuticals Holding)	Co-researched with Shanghai Pharmaceuticals Holding (China)