

# Financial Results for the Year Ended March 31, 2019 <Supplement>

As of May 10, 2019

Mitsubishi Tanabe Pharma Corporation



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# 1 Summary of Financial Results for FY2018 and Forecasts for FY2019

## <Regarding GILENYA Royalty>

As Mitsubishi Tanabe Pharma Corporation (hereinafter, "MTPC") announced on April 24, 2019 in the "Revision to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2019", MTPC is currently in the arbitration proceedings with Novartis Pharma AG (hereinafter "Novartis"), and among the GILENYA Royalty amounts that MTPC is going to receive from Novartis, MTPC has decided not to recognize some of those amounts, which correspond to the clauses in the 1997 License Agreement of which Novartis has protested the validity, as our revenue because such payments do not satisfy one of the requirements under IFRS15, i.e., "Revenue under contract with customers". During the period of the arbitration proceedings, MTPC will continue the same accounting practice as MTPC does in fiscal year 2018. For fiscal year 2019, the forecast is prepared on the assumption that the arbitration procedure to continue in the coming year. MTPC maintains it is entitled to receive the full royalty amounts due according to the 1997 License Agreement with Novartis, and MTPC will rigorously pursue its rights in the arbitration. As for the amounts among the GILENYA Royalty amounts which will not be recognized as sales revenue, those will be recognized as revenue at the end of the arbitration, depending on the outcome of the arbitration.

## 1. Summary of Financial Results for FY2018

[Billion yen]

|          |       |        |        |         |
|----------|-------|--------|--------|---------|
| Revenue  | 424.7 | Y-on-Y | (9.0)  | (2.1 %) |
| Domestic | 307.7 | Y-on-Y | (13.1) | (4.1 %) |
| Overseas | 117.0 | Y-on-Y | 4.0    | 3.6 %   |

·Revenue of domestic ethical drugs decreased by 3.4%, year-on-year, to ¥298.7 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 42.9%, year-on-year, to ¥55.1 billion mainly driven by the launch of RADICAVA, the treatment of ALS in the U.S. in August 2017.

·Royalty revenue, etc. decreased by 20.3%, year-on-year, to ¥63.1 billion due to the decline in royalty revenue from GILENYA, the treatment for multiple sclerosis licensed to Novartis and INVOKANA and its fixed dose combination with metformin, the treatment for type 2 diabetes mellitus licensed to Janssen Pharmaceuticals, Inc (hereinafter referred to as "Janssen Pharmaceuticals").

[Billion yen]

|                        |      |        |        |          |
|------------------------|------|--------|--------|----------|
| Core Operating Profit* | 55.8 | Y-on-Y | (22.7) | (28.9 %) |
|------------------------|------|--------|--------|----------|

Core operating profit decreased by 28.9%, or ¥22.7 billion, year-on-year, to ¥55.8 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 royalty revenue.
- Increase in R&D expenses arising from advance to late stage of development and the acquisition of NeuroDerm Ltd.

\*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. The Company assumes gain or loss associated with a business transfer, restructuring loss, impairment losses on intangible assets associated with products and others as non-recurring items.

[Billion yen]

|                  |      |        |        |          |
|------------------|------|--------|--------|----------|
| Operating Profit | 50.3 | Y-on-Y | (26.9) | (34.9 %) |
|------------------|------|--------|--------|----------|

Operating profit decreased by 34.9%, or ¥26.9 billion, year-on-year, to ¥50.3 billion. In non-recurring items, restructuring expenses and impairment losses were recorded.

[Billion yen]

|  |      |        |        |          |
|--|------|--------|--------|----------|
| Profit before Tax                                | 50.4 | Y-on-Y | (28.3) | (36.0 %) |
| Net Income Attributable to owners of the Company | 37.3 | Y-on-Y | (20.5) | (35.5 %) |

## 2. Summary of Forecasts for FY2019

[Billion yen]

|  |       |        |        |          |
|--|-------|--------|--------|----------|
| Revenues   | 376.0 | Y-on-Y | (48.7) | (11.5 %) |
| Core Operating Profit                            | 10.0  | Y-on-Y | (45.8) | (82.1 %) |
| Operating Profit                                 | 11.5  | Y-on-Y | (38.8) | (77.1 %) |
| Profit before Tax                                | 12.0  | Y-on-Y | (38.4) | (76.2 %) |
| Net Income Attributable to owners of the Company | 5.0   | Y-on-Y | (32.3) | (86.6 %) |

In the fiscal year ending March 31, 2020, the Company is endeavoring to strengthen the sales in priority products to cover the sales decline affected by the continuing NHI drug price revision along with the consumption tax hike in October 2019 in domestic market. However, revenue is expected to drop substantially in comparison with the previous fiscal year since a part of "GILENYA Royalty" amounts will not be recognized as sales revenue, presuming the arbitration process will continue in the coming fiscal year, and new patients who are waiting for the treatment of RADICAVA in the U.S. will decrease.

From the viewpoint of profit, besides all the factors above mentioned causing decline in revenue, in order to achieve the revised Medium-Term Management Plan 2023, the Company intends to keep the high R&D expenditure thus the core operating profit with all profit items from operating profit below are expected to decrease significantly compared to the previous fiscal year.

## 3. Dividends

|                         | FY2019 (Estimate) |               |              | FY2018          |               |              |
|-------------------------|-------------------|---------------|--------------|-----------------|---------------|--------------|
|                         | End of 1st Half   | End of FY2019 | For the Year | End of 1st Half | End of FY2018 | For the Year |
| Dividends per Share [¥] | 28                | 28            | 56           | 28              | 28            | 56           |
| Dividends Payout Ratio  | -                 | -             | 628.1%       | -               | -             | 84.0%        |

## 2 Consolidated Financial Indicators for FY2018

(Amounts less than ¥100 million are rounded off)

### 1. Profit and Loss

#### (1) Profit and Loss

[Billion yen]

|  | FY2018 | Y-on-Y |                        |          | Comparison to forecasts |                        |          | Notes<br>[Y-on-Y comparison]   |
|--|--------|--------|------------------------|----------|-------------------------|------------------------|----------|--|
|  |        | FY2017 | Increase<br>(decrease) | Change % | Forecasts*1             | Increase<br>(decrease) | Change % |  |
| Revenue  | 424.7  | 433.8  | (9.0)                  | (2.1)    | 435.0                   | (10.2)                 | (2.4)    | See "(2) Sales Revenue of Main Products" on page 4   |
| Domestic   | 307.7  | 320.8  | (13.1)                 | (4.1)    | 304.7                   | 2.9                    | 1.0      |  |
| Overseas   | 117.0  | 112.9  | 4.0                    | 3.6      | 130.2                   | (13.2)                 | (10.1)   |  |
| Overseas sales ratio                                       | 27.6%  | 26.0%  |                        |          | 29.9%                   |                        |          |  |
| Cost of sales  | 180.6  | 169.7  | 10.8                   | 6.4      | 176.0                   | 4.6                    | 2.6      | Increase due to the influence of NHI price revision and decrease of royalty revenue                        |
| Sales cost ratio   | 42.5%  | 39.1%  |                        |          | 40.5%                   |                        |          |  |
| Gross profit   | 244.1  | 264.1  | (19.9)                 | (7.6)    | 259.0                   | (14.8)                 | (5.7)    |  |
| SG&A expenses  | 98.2   | 104.0  | (5.8)                  | (5.6)    | 101.0                   | (2.7)                  | (2.7)    | Decrease due to the progress of reforming operational productivity   |
| % of revenue   | 23.1%  | 24.0%  |                        |          | 23.2%                   |                        |          |  |
| R&D expenses   | 86.5   | 79.0   | 7.4                    | 9.4      | 84.5                    | 2.0                    | 2.4      | Increase due to the late stage development initiation and the acquisition of NeuroDerm Ltd.                |
| % of revenue   | 20.4%  | 18.2%  |                        |          | 19.4%                   |                        |          |  |
| Amortization of intangible assets associated with products | 2.9    | 2.4    | 0.4                    | 19.7     | 3.0                     | (0.0)                  | (2.2)    |  |
| Other income (expense) *2                                  | (0.5)  | 0.0    | (0.6)                  | -        | (0.5)                   | 0.0                    | -        |  |
| Core operating profit                                      | 55.8   | 78.5   | (22.7)                 | (28.9)   | 70.0                    | (14.1)                 | (20.2)   |  |
| Non-recurring items *2                                     | (5.5)  | (1.2)  | (4.2)                  | -        | (3.0)                   | (2.5)                  | -        | Restructuring expenses, including impairment losses, associated with the decision to close the Toda office |
| Operating profit   | 50.3   | 77.2   | (26.9)                 | (34.9)   | 67.0                    | (16.6)                 | (24.9)   |  |
| Financial income   | 1.2    | 1.8    | (0.6)                  | (33.4)   |                         |                        |          |  |
| Interest income and dividends income                       | 1.1    | 1.2    | (0.0)                  | (7.6)    |                         |                        |          |  |
| Foreign exchange income                                    | -      | 0.0    | (0.0)                  | (100.0)  |                         |                        |          |  |
| Others   | 0.1    | 0.6    | (0.4)                  | (82.0)   |                         |                        |          |  |
| Financial expense  | 1.1    | 0.4    | 0.7                    | 177.9    |                         |                        |          |  |
| Interest expense   | 0.1    | 0.1    | (0.0)                  | (8.6)    |                         |                        |          |  |
| Foreign exchange loss                                      | 0.8    | -      | 0.8                    | -        |                         |                        |          |  |
| Others   | 0.0    | 0.2    | (0.1)                  | (68.0)   |                         |                        |          |  |
| Profit before tax  | 50.4   | 78.7   | (28.3)                 | (36.0)   | 67.5                    | (17.0)                 | (25.3)   |  |
| Income taxes   | 18.2   | 24.7   | (6.5)                  | (26.4)   |                         |                        |          |  |
| Net profit for the period                                  | 32.2   | 53.9   | (21.7)                 | (40.3)   |                         |                        |          |  |
| Net profit attributable to owners of the Company           | 37.3   | 57.9   | (20.5)                 | (35.5)   | 47.0                    | (9.6)                  | (20.5)   |  |
| Total labor cost   | 74.1   | 72.7   | 1.3                    | 1.8      | 75.4                    | (1.2)                  | (1.7)    |  |

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

\*2: Brackets indicate expense and loss

[Yen]

| Exchange rate | FY2018<br>average | FY2017<br>average | FY2018pla<br>ned |
|---------------|-------------------|-------------------|------------------|
| US \$         | 111.07            | 110.70            | 105.00           |
| Euro          | 128.26            | 130.25            | 130.00           |

Effect of fluctuations in exchange rate for the 4th quarter of FY2018

Decrease in revenue by ¥0.2 billion

Increase in core operating profit by ¥0.3 billion

## (2) Sales Revenue of Main Products

[Billion yen]

|  | FY2018       | Y-on-Y       |                     |              | Comparison to forecasts |                     |              |
|--|--------------|--------------|---------------------|--------------|-------------------------|---------------------|--------------|
|  |              | FY2017       | Increase (decrease) | Change %     | Forecasts <sup>*1</sup> | Increase (decrease) | Change %     |
| <b>Domestic ethical drugs</b>                | 298.7        | 309.3        | (10.5)              | (3.4)        | 296.2                   | 2.5                 | 0.9          |
| Remicade                                     | 58.8         | 64.6         | (5.8)               | (9.1)        | 55.5                    | 3.2                 | 5.8          |
| Simponi                                      | 37.4         | 32.1         | 5.3                 | 16.7         | 35.0                    | 2.4                 | 6.9          |
| Tenelia                                      | 15.2         | 17.5         | (2.3)               | (13.3)       | 17.0                    | (1.8)               | (10.8)       |
| Stelara                                      | 15.2         | 0.3          | 14.8                | -            | 15.1                    | 0.0                 | 0.5          |
| Lexapro                                      | 14.0         | 12.7         | 1.2                 | 9.7          | 13.1                    | 0.8                 | 6.4          |
| Ceredist                                     | 8.9          | 10.8         | (1.8)               | (17.4)       | 9.3                     | (0.4)               | (4.3)        |
| Kremezin                                     | 6.6          | 6.5          | 0.1                 | 2.1          | 8.4                     | (1.7)               | (21.0)       |
| Canaglu                                      | 6.7          | 5.6          | 1.1                 | 19.9         | 7.6                     | (0.9)               | (12.1)       |
| Talion                                       | 6.4          | 16.9         | (10.5)              | (62.1)       | 7.3                     | (0.9)               | (12.8)       |
| Rupafin                                      | 3.4          | 0.4          | 3.0                 | -            | 6.8                     | (3.4)               | (49.7)       |
| Maintate                                     | 5.1          | 10.3         | (5.2)               | (50.6)       | 5.3                     | (0.2)               | (3.9)        |
| Canalia                                      | 7.4          | 1.8          | 5.6                 | 310.8        | 3.2                     | 4.1                 | 128.8        |
| Vaccines [BIKEN products]                    | 37.3         | 35.0         | 2.2                 | 6.4          | 36.5                    | 0.7                 | 2.1          |
| Influenza vaccine                            | 10.2         | 9.9          | 0.3                 | 3.1          | 11.2                    | (0.9)               | (8.6)        |
| Tetrabik                                     | 8.5          | 8.7          | (0.1)               | (2.1)        | 9.1                     | (0.5)               | (6.1)        |
| Varicella vaccine                            | 5.1          | 5.2          | (0.1)               | (3.5)        | 5.5                     | (0.4)               | (7.4)        |
| Mearubik                                     | 6.8          | 5.0          | 1.8                 | 37.0         | 5.5                     | 1.3                 | 23.3         |
| JEBIK V                                      | 5.5          | 5.2          | 0.3                 | 5.8          | 4.3                     | 1.1                 | 27.5         |
| Tanabe Seiyaku Hanbai products <sup>*2</sup> | -            | 6.6          | (6.6)               | (100.0)      | -                       | -                   | -            |
| <b>Overseas ethical drugs</b>                | 55.1         | 38.5         | 16.5                | 42.9         | 61.1                    | (6.0)               | (9.8)        |
| Radicava                                     | 27.0         | 12.3         | 14.7                | 119.9        | 31.5                    | (4.4)               | (14.2)       |
| Herbesser                                    | 6.8          | 6.5          | 0.3                 | 6.1          | 7.2                     | (0.3)               | (4.5)        |
| Argatroban                                   | 1.9          | 2.0          | (0.1)               | (7.9)        | 2.2                     | (0.3)               | (14.7)       |
| Simponi                                      | 2.0          | 1.8          | 0.1                 | 7.6          | 2.1                     | (0.1)               | (4.8)        |
| Tanatril                                     | 1.5          | 1.7          | (0.2)               | (12.7)       | 1.4                     | 0.0                 | 0.9          |
| <b>Royalty revenue, etc.</b>                 | 63.1         | 79.1         | (16.0)              | (20.3)       | 69.8                    | (6.7)               | (9.7)        |
| Royalty from GILENYA <sup>*3</sup>           | 49.7         | 57.7         | (7.9)               | (13.8)       | Undisclosed             | -                   | -            |
| Royalty from INVOKANA                        | 10.5         | 13.9         | (3.4)               | (24.4)       | Undisclosed             | -                   | -            |
| <b>OTC products</b>                          | 3.7          | 3.7          | 0.0                 | 1.0          | 4.3                     | (0.5)               | (13.4)       |
| <b>Others<sup>*4</sup></b>                   | 3.9          | 3.0          | 0.9                 | 30.9         | 3.3                     | 0.6                 | 18.3         |
| <b>Total sales revenue</b>                   | <b>424.7</b> | <b>433.8</b> | <b>(9.0)</b>        | <b>(2.1)</b> | <b>435.0</b>            | <b>(10.2)</b>       | <b>(2.4)</b> |

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

\*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: MTPC is currently in the arbitration proceedings with Novartis, and among the GILENYA Royalty amounts that MTPC is going to receive from Novartis, MTPC has decided not to recognize some of those amounts as our revenue for FY2018 because such payments do not satisfy one of the requirements under IFRS15. The same accounting treatment will be continued during the period of the arbitration proceedings. Regardless of the disclosed amounts, MTPC maintains it is entitled to receive the full royalty amounts due according to the 1997 License Agreement with Novartis, and MTPC will rigorously pursue its rights in the arbitration.

\*4: Contracted manufacturing products by other companies.

## 2. Financial Statement

### (1) Balance Sheet

[Billion yen]

|   | End of FY2018   | Composition % | End of FY2017 <sup>*1</sup> | Increase (decrease) | Notes  |
|---|-----------------|---------------|-----------------------------|---------------------|--|
| <b>Assets</b>   | <b>1056.2</b>   | <b>100.0</b>  | <b>1048.4</b>               | <b>7.8</b>          |  |
| <b>Non-current assets</b>   | <b>467.8</b>    | <b>44.3</b>   | <b>462.9</b>                | <b>4.9</b>          |  |
| Property, plant and equipment   | 73.3            | 6.9           | 80.4                        | (7.1)               | Investment for property, plant and equipment, 6.8; depreciation costs, (7.1) |
| Goodwill  | 91.6            | 8.7           | 91.1                        | 0.5                 |  |
| Intangible assets   | 206.9           | 19.6          | 200.9                       | 5.9                 |  |
| Investments accounted for using equity method                                   | 16.2            | 1.5           | 16.4                        | (0.1)               |  |
| Other financial assets  | 46.2            | 4.4           | 46.1                        | 0.1                 |  |
| Net defined benefit assets  | 21.4            | 2.0           | 22.7                        | (1.2)               |  |
| Other non-current assets  | 0.2             | 0.0           | 0.3                         | (0.1)               |  |
| Deferred tax assets   | 11.6            | 1.1           | 4.7                         | 6.9                 |  |
| <b>Current assets</b>   | <b>588.4</b>    | <b>55.7</b>   | <b>585.5</b>                | <b>2.9</b>          |  |
| Inventories   | 75.5            | 7.2           | 81.9                        | (6.4)               |  |
| Trade and other receivables <sup>*2</sup><br>[Trade receivable rotation number] | 116.9<br>[3.30] | 11.1          | 123.5<br>[3.42]             | (6.5)               |  |
| Other financial assets  | 271.4           | 25.7          | 246.7                       | 24.6                |  |
| Other current assets  | 11.0            | 1.0           | 6.2                         | 4.7                 |  |
| Cash and cash equivalents   | 111.8           | 10.6          | 127.0                       | (15.1)              | See <sup>(2)</sup> "Statements of Cash Flow" on page 6                       |
| Assets held for sale  | 1.6             | 0.2           | -                           | 1.6                 |  |
| <b>Liabilities</b>  | <b>145.9</b>    | <b>13.8</b>   | <b>153.6</b>                | <b>(7.6)</b>        |  |
| <b>Non-current liabilities</b>  | <b>54.2</b>     | <b>5.1</b>    | <b>55.4</b>                 | <b>(1.1)</b>        |  |
| Borrowings  | 0.1             | 0.0           | 0.4                         | (0.2)               |  |
| Other financial liabilities   | 2.1             | 0.2           | 2.1                         | (0.0)               |  |
| Net defined benefit liabilities   | 0.6             | 0.1           | 0.8                         | (0.2)               |  |
| Provisions  | 6.9             | 0.7           | 8.5                         | (1.5)               |  |
| Other non-current liabilities   | 5.1             | 0.5           | 5.5                         | (0.3)               |  |
| Deferred tax liabilities  | 39.2            | 3.7           | 37.8                        | 1.3                 |  |
| <b>Current liabilities</b>  | <b>91.6</b>     | <b>8.7</b>    | <b>98.1</b>                 | <b>(6.4)</b>        |  |
| Borrowings  | 0.0             | 0.0           | 0.1                         | (0.0)               |  |
| Trade and other payables <sup>*3</sup>  | 31.4            | 3.0           | 35.6                        | (4.1)               |  |
| Other financial liabilities   | 27.0            | 2.6           | 20.7                        | 6.2                 |  |
| Income taxes payable  | 9.5             | 0.9           | 18.0                        | (8.5)               |  |
| Provisions  | 1.6             | 0.2           | 1.9                         | (0.2)               |  |
| Other current liabilities   | 21.6            | 2.1           | 21.6                        | 0.0                 |  |
| Liabilities directly related to assets held for sale                            | 0.2             | 0.0           | -                           | 0.2                 |  |
| <b>Equity</b>   | <b>910.3</b>    | <b>86.2</b>   | <b>894.8</b>                | <b>15.5</b>         |  |
| Share capital   | 50.0            | 4.7           | 50.0                        | -                   |  |
| Capital surplus   | 451.2           | 42.7          | 451.2                       | 0.0                 |  |
| Treasury shares   | (1.0)           | (0.1)         | (1.0)                       | 0.0                 |  |
| Retained earnings   | 387.9           | 36.7          | 382.1                       | 5.8                 | Net profit for the period, 37.3; Payment for dividends, (31.4)               |
| Other components of equity  | 9.4             | 0.9           | 0.5                         | 8.9                 |  |
| Non-controlling interests   | 12.7            | 1.2           | 12.0                        | 0.7                 |  |

\*1: MTPC has finalized the purchase price allocation in connection with the acquisition of NeuroDerm Ltd. 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. For details, please see "Financial Results for the Fiscal Year ended March 31, 2019 (IFRS, Consolidated)" on page 26.

\*2: Trade and other receivables = bills + accounts receivable + allowance for doubtful accounts

\*3: Trade receivable rotation number = bills (except non - operating bills) + accounts payable

## (2) Cash Flow Statement

[Billion yen]

|   | FY2018        | FY2017        | Increase<br>(decrease) |
|---|---------------|---------------|------------------------|
| Cash and cash equivalents at beginning of year  | 127.0         | 113.2         | 13.8                   |
| <b>Cash flows from operating activities</b>   | <b>41.4</b>   | <b>66.9</b>   | <b>(25.4)</b>          |
| Profit before tax   | 50.4          | 78.7          | (28.3)                 |
| Depreciation and amortization   | 11.5          | 11.5          | (0.0)                  |
| Loss on impairment of fixed assets  | 0.0           | 3.7           | (3.7)                  |
| Interest and dividends income   | (1.1)         | (1.2)         | 0.0                    |
| Share of loss(profit) of affiliates accounted for using equity method                   | 0.0           | (0.0)         | 0.1                    |
| Loss(gain) on sales of property, plant and equipment                                    | (0.0)         | (2.2)         | 2.2                    |
| Loss(gain) on sales of investments in subsidiaries                                      | -             | (3.5)         | 3.5                    |
| Restructuring expenses  | 5.6           | 2.1           | 3.5                    |
| Decrease(increase) in trade and other receivables                                       | 6.5           | (6.1)         | 12.6                   |
| Decrease(increase) in inventories   | 6.6           | (2.6)         | 9.3                    |
| Increase(decrease) in trade and other payables  | (4.7)         | 0.0           | (4.7)                  |
| Increase(decrease) in provisions  | (1.9)         | 2.5           | (4.5)                  |
| Decrease(increase) in net defined benefit asset   | 0.1           | 1.1           | (0.9)                  |
| Increase(decrease) in net defined benefit liabilities                                   | (0.2)         | (0.9)         | 0.6                    |
| Increase(decrease) in deferred revenue  | (0.6)         | (0.4)         | (0.2)                  |
| Interest and dividends received   | 1.2           | 1.2           | (0.0)                  |
| Interest paid   | (0.2)         | (0.1)         | (0.0)                  |
| Income taxes paid   | (35.5)        | (13.8)        | (21.6)                 |
| Other   | 3.6           | (2.9)         | 6.5                    |
| <b>Cash flows from investing activities</b>   | <b>(31.2)</b> | <b>(19.1)</b> | <b>(12.0)</b>          |
| Payments into time deposits   | (1.7)         | (3.7)         | 2.0                    |
| Proceeds from withdrawal of time deposits   | 5.2           | 8.4           | (3.1)                  |
| Purchase of property, plant and equipment   | (5.7)         | (6.4)         | 0.6                    |
| Proceeds from sales of property, plant and equipment                                    | 0.0           | 3.7           | (3.6)                  |
| Purchase of intangible assets   | (3.7)         | (22.0)        | 18.2                   |
| Purchase of investments   | (450.6)       | (391.7)       | (58.9)                 |
| Proceeds from sales and redemption of investments                                       | 422.3         | 428.7         | (6.3)                  |
| Proceeds from withdrawal of deposits  | -             | 70.0          | (70.0)                 |
| Proceeds from sales of subsidiaries   | -             | 10.8          | (10.8)                 |
| Purchase of subsidiaries  | -             | (119.7)       | 119.7                  |
| Proceeds from business transfer   | 3.0           | 3.0           | -                      |
| Other   | (0.0)         | (0.1)         | 0.1                    |
| <b>Cash flows from financing activities</b>   | <b>(25.8)</b> | <b>(32.5)</b> | <b>6.6</b>             |
| Purchase of treasury shares   | (0.0)         | (0.5)         | 0.5                    |
| Proceeds from share issuance to non-controlling shareholders                            | 6.2           | 5.4           | 0.8                    |
| Dividends paid  | (31.4)        | (37.0)        | 5.6                    |
| Other   | (0.7)         | (0.3)         | (0.3)                  |
| Effect of exchange rate changes on cash and cash equivalents                            | 0.5           | (1.4)         | 1.9                    |
| Net increase(decrease) in cash and cash equivalents                                     | (15.0)        | 13.8          | (28.8)                 |
| Increase(decrease) in cash and cash equivalents due to transfer to assets held for sale | (0.0)         | 0.0           | (0.0)                  |
| Cash and cash equivalents at the end of period  | 111.8         | 127.0         | (15.1)                 |

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

[Billion yen]

|  | FY2018 | FY2017 | Increase<br>(decrease) |
|--|--------|--------|------------------------|
| Investment in property, plant and equipment /<br>occurring basis | 6.8    | 4.4    | 2.3                    |
| Investment in information systems /<br>occurring basis           | 1.7    | 1.6    | 0.0                    |

[Billion yen]

| Major investment in property, plant and equipment in FY2018 | Major investment in development of information systems in<br>FY2018 |
|---|---|
| Mitsubishi Tanabe Pharma                                    | Mitsubishi Tanabe Pharma  |
| Medicago, Inc.  |   |
| [Construction of a new plant in Quebec]                     |   |
| 1.8   | 1.2   |
| 2.8   |   |
| [1.8]   |   |

(4) Depreciation and Amortization Costs

[Billion yen]

|   | FY2018 | FY2017 | Increase<br>(decrease) |
|---|--------|--------|------------------------|
| Property, plant and equipment                                     | 7.1    | 7.5    | (0.4)                  |
| Intangible assets<br>(except for Intangible assets with products) | 1.4    | 1.4    | (0.0)                  |
| Intangible assets with products                                   | 2.9    | 2.4    | 0.4                    |

3. Financial Data & Employee Numbers of Major Consolidated Subsidiarie

[Billion yen]

| Companies   | Mitsubishi<br>Tanabe Pharma<br>Factory Ltd. | Mitsubishi Tanabe<br>Pharma Holdings<br>America, Inc. | Medicago, Inc. | Tianjin Tanabe<br>Seiyaku Co., Ltd. | Mitsubishi<br>Tanabe Pharma<br>Korea Co., Ltd. |     |
|---|---|---|----------------|-------------------------------------|--|-----|
| Revenue   | FY2018                                      | 26.3  | 33.9           | 0.6                                 | 5.8  | 6.4 |
|   | FY2017                                      | 29.5  | 18.4           | 0.5                                 | 5.3  | 5.9 |
| Operating profit                                    | FY2018                                      | 1.6   | 3.4            | (13.6)                              | 0.4  | 0.5 |
|   | FY2017                                      | 3.0   | (2.0)          | (10.7)                              | 0.2  | 0.5 |
| Net profit  | FY2018                                      | 1.2   | 2.9            | (13.7)                              | 0.1  | 0.4 |
|   | FY2017                                      | 2.2   | (1.7)          | (10.8)                              | 0.1  | 0.4 |
| R&D expenses  | FY2018                                      | 0.8   | 4.0            | 14.2                                | 0.0  | -   |
|   | FY2017                                      | 0.8   | 3.9            | 11.1                                | 0.1  | -   |
| Depreciation of<br>property, plant and<br>equipment | FY2018                                      | 2.4   | 0.1            | 0.5                                 | 0.2  | 0.0 |
|   | FY2017                                      | 2.4   | 0.1            | 0.4                                 | 0.2  | 0.0 |
| Total assets  | End of FY2018                               | 45.1  | 54.0           | 38.9                                | 5.6  | 4.7 |
|   | End of FY2017                               | 47.3  | 41.7           | 35.3                                | 5.5  | 4.5 |
| Total equity  | End of FY2018                               | 39.0  | 22.9           | 26.3                                | 3.2  | 3.5 |
|   | End of FY2017                               | 39.0  | 19.1           | 24.5                                | 3.2  | 3.4 |
| Number of employees                                 | End of FY2018                               | 633   | 265            | 421                                 | 508  | 143 |
|   | End of FY2017                               | 680   | 174            | 350                                 | 521  | 137 |

Note: Prior to elimination of internal transactions



### 3 Forecasts for FY2019 Ending March 31, 2020

(Amounts less than ¥ 100 million are rounded off)

#### (1) Consolidate Forecasts of Profit and Loss

[Billion yen]

|  | 1H FY2019 forecasts | FY2019 forecasts | Comparison to previous fiscal year |                     |          | Notes<br>[Y-on-Y Comparison]                   |
|--|---------------------|------------------|------------------------------------|---------------------|----------|--|
|  |                     |                  | FY2018 actual                      | Increase (decrease) | Change % |  |
| Revenue  | 187.0               | 376.0            | 424.7                              | (48.7)              | (11.5)   | See p9 "(2) Sales Forecasts for Main Products" |
| Domestic   | 153.6               | 308.3            | 307.7                              | 0.6                 | 0.2      |  |
| Overseas   | 33.3                | 67.6             | 117.0                              | (49.3)              | (42.2)   |  |
| Overseas sales ratio                             | 17.8%               | 18.0%            | 27.6%                              |                     |          |  |
| Cost of sales                                    | 87.5                | 178.5            | 180.6                              | (2.1)               | (1.2)    | Increase due to product mix change             |
| Sales cost ratio                                 | 46.8%               | 47.5%            | 42.5%                              |                     |          |  |
| Gross profit                                     | 99.5                | 197.5            | 244.1                              | (46.6)              | (19.1)   |  |
| SG&A expenses                                    | 49.0                | 99.0             | 98.2                               | 0.7                 | 0.8      |  |
| % of revenue                                     | 26.2%               | 26.3%            | 23.1%                              |                     |          |  |
| R&D expenses                                     | 44.5                | 85.5             | 86.5                               | (1.0)               | (1.2)    |  |
| % of revenue                                     | 23.8%               | 22.7%            | 20.4%                              |                     |          |  |
| assets associated with products                  | 1.3                 | 2.5              | 2.9                                | (0.4)               | (14.8)   |  |
| Other income (expense)*                          | (0.2)               | (0.5)            | (0.5)                              | 0.0                 | -        |  |
| Core operating profit                            | 4.5                 | 10.0             | 55.8                               | (45.8)              | (82.1)   |  |
| Non-recurring items*                             | 0.5                 | 1.5              | (5.5)                              | 7.0                 | -        |  |
| Operating profit                                 | 5.0                 | 11.5             | 50.3                               | (38.8)              | (77.1)   |  |
| Profit before tax                                | 5.5                 | 12.0             | 50.4                               | (38.4)              | (76.2)   |  |
| Net profit for the period                        | 1.0                 | 4.0              | 32.2                               | (28.2)              | (87.6)   |  |
| Net profit attributable to owners of the Company | 4.0                 | 5.0              | 37.3                               | (32.3)              | (86.6)   |  |
| Total labor cost                                 | 38.4                | 74.5             | 74.1                               | 0.3                 | 0.5      |  |

\*Brackets indicate expense and loss

#### Exchange rate

[Yen]

|       | FY2019 planned | FY2018 average |
|-------|----------------|----------------|
| US \$ | 110.00         | 111.07         |
| Euro  | 125.00         | 128.26         |

## (2) Sales Revenue Forecasts for Main Products

[Billion yen]

|                                    | 1H FY2019<br>forecasts | FY2019<br>forecasts <sup>*1</sup> | Comparison to previous fiscal year |                        |               |
|------------------------------------|------------------------|-----------------------------------|------------------------------------|------------------------|---------------|
|                                    |                        |                                   | FY2018 actual                      | Increase<br>(decrease) | Change %      |
| Domestic ethical drugs             | 147.5                  | 298.1                             | 298.7                              | (0.6)                  | (0.2)         |
| Remicade                           | 26.9                   | 53.1                              | 58.8                               | (5.7)                  | (9.7)         |
| Simponi                            | 21.2                   | 43.0                              | 37.4                               | 5.5                    | 14.8          |
| Stelara                            | 11.0                   | 21.6                              | 15.2                               | 6.4                    | 42.4          |
| Tenelia                            | 8.0                    | 16.1                              | 15.2                               | 0.8                    | 5.9           |
| Lexapro                            | 7.4                    | 15.2                              | 14.0                               | 1.2                    | 9.2           |
| Canaglu                            | 4.6                    | 10.9                              | 6.7                                | 4.1                    | 62.1          |
| Ceredist                           | 4.5                    | 8.8                               | 8.9                                | (0.1)                  | (1.4)         |
| Kremezin                           | 4.3                    | 8.7                               | 6.6                                | 2.0                    | 30.6          |
| Rupafin                            | 2.3                    | 7.8                               | 3.4                                | 4.4                    | 128.9         |
| Canalia                            | 4.1                    | 7.6                               | 7.4                                | 0.2                    | 3.7           |
| Talion                             | 2.7                    | 5.7                               | 6.4                                | (0.6)                  | (10.5)        |
| Vaccines [BIKEN products]          | 14.4                   | 36.2                              | 37.3                               | (1.0)                  | (2.9)         |
| Influenza vaccine                  | 1.0                    | 10.7                              | 10.2                               | 0.5                    | 5.1           |
| Tetrabik                           | 4.9                    | 10.0                              | 8.5                                | 1.4                    | 17.4          |
| Varicella vaccine                  | 2.6                    | 5.1                               | 5.1                                | 0.0                    | 1.7           |
| Overseas ethical drugs             | 24.1                   | 49.6                              | 55.1                               | (5.4)                  | (9.9)         |
| Radicava                           | 11.0                   | 22.0                              | 27.0                               | (5.0)                  | (18.6)        |
| Herbesser                          | 3.5                    | 7.2                               | 6.8                                | 0.3                    | 5.3           |
| Simponi                            | 1.0                    | 2.0                               | 2.0                                | 0.0                    | 4.8           |
| Argatroban                         | 0.8                    | 1.7                               | 1.9                                | (0.1)                  | (6.6)         |
| Tanatril                           | 0.8                    | 1.6                               | 1.5                                | 0.1                    | 7.4           |
| Royalty revenue, etc.              | 9.8                    | 19.2                              | 63.1                               | (43.8)                 | (69.5)        |
| Royalty from GILENYA <sup>*2</sup> | Undisclosed            | Undisclosed                       | 49.7                               | -                      | -             |
| Royalty from INVOKANA              | Undisclosed            | Undisclosed                       | 10.5                               | -                      | -             |
| OTC products                       | 2.5                    | 4.3                               | 3.7                                | 0.5                    | 14.6          |
| Others <sup>*3</sup>               | 2.9                    | 4.6                               | 3.9                                | 0.6                    | 16.2          |
| <b>Total sales revenue</b>         | <b>187.0</b>           | <b>376.0</b>                      | <b>424.7</b>                       | <b>(48.7)</b>          | <b>(11.5)</b> |

\*1: The impact of the NHI drug price revision accompanying the consumption tax increase in October 2019 is factored into the overall sales forecast but not into the individual domestic product forecasts.

\*2: MTPC is currently in the arbitration proceedings with Novartis, and among the GILENYA Royalty amounts that MTPC is going to receive from Novartis, MTPC has decided not to recognize some of those amounts as our revenue for FY2018 because such payments do not satisfy one of the requirements under IFRS15. The same accounting treatment will be continued during the period of the arbitration proceedings. Regardless of the disclosed amounts, MTPC maintains it is entitled to receive the full royalty amounts due according to the 1997 License Agreement with Novartis, and MTPC will rigorously pursue its rights in the arbitration.

\*3: Contracted manufacturing products by other companies.

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

[Billion yen]

|   | 1H FY2019<br>forecasts | FY2019<br>forecasts | FY2018<br>actual | Increase<br>(decrease) | Change % |
|---|------------------------|---------------------|------------------|------------------------|----------|
| Investment in property, plant and equipment / occurring basis | 11.1                   | 22.3                | 6.8              | 15.4                   | 224.9    |
| Investment for information systems / occurring basis          | 1.0                    | 1.7                 | 1.7              | (0.0)                  | (3.8)    |

[Billion yen]

| Major investment in property, plant and equipment in FY2019 |        | Major investment for information systems in FY2019 |     |
|---|--------|--|-----|
| Production facilities                                       | 19.7   | R&D related systems                                | 0.3 |
| [Medicago Inc.]   | [13.5] | Facilities & equipment for R&D                     | 0.4 |
| [Mitsubishi Tanabe Pharma Factory Ltd.]                     | [2.5]  | Others   | 1.0 |
| Facilities & equipment for R&D                              | 1.7    |  |     |
| Others  | 0.9    |  |     |

### (4) Forecasts for Depreciation and Amortization Costs

[Billion yen]

|  | 1H FY2019<br>forecasts | FY2019<br>forecasts | FY2018<br>actual | Increase<br>(decrease) | Change % |
|--|------------------------|---------------------|------------------|------------------------|----------|
| Property, plant and equipment                                  | 5.4                    | 11.0                | 7.1              | 3.8                    | 53.9     |
| Intangible assets (except for intangible assets with products) | 0.7                    | 1.5                 | 1.4              | 0.0                    | 3.6      |
| Intangible assets with products                                | 1.3                    | 2.5                 | 2.9              | (0.4)                  | (14.8)   |

## 4 Five-Year Financial Data

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

### (1) Profit and Loss

[Billion yen]

|  | FY2014 | FY2015 |
|--|--------|--------|
| Net sales  | 415.1  | 431.7  |
| Cost of sales  | 169.6  | 155.8  |
| Gross operation profit                                 | 245.5  | 275.9  |
| SG&A expenses  | 178.4  | 181.0  |
| R&D expenses   | 69.6   | 75.3   |
| Operating income                                       | 67.1   | 94.9   |
| Ordinary income  | 67.7   | 94.8   |
| Extraordinary income                                   | 13.7   | 14.1   |
| Extraordinary loss                                     | 18.6   | 24.6   |
| Net income attributable to shareholders of the Company | 39.5   | 56.4   |

### (2) Balance Sheet

[Billion yen]

|                     | End of FY2014 | End of FY2015 |
|---------------------|---------------|---------------|
| Total assets        | 929.3         | 930.2         |
| Current assets      | 603.6         | 657.3         |
| Fixed assets        | 325.7         | 273.0         |
| Total liabilities   | 128.9         | 113.5         |
| Current liabilities | 105.4         | 91.3          |
| Fixed liabilities   | 23.5          | 22.2          |
| Net assets          | 800.4         | 816.7         |

### (3) Other Financial Data

[Billion yen]

|  | FY2014   | FY2015   |
|--|----------|----------|
| Cash flows from operating activities               | 68.2     | 65.2     |
| Cash flows from investing activities               | (59.8)   | (26.6)   |
| Cash flows from financing activities               | (21.9)   | (22.2)   |
| Investments in property, plant and equipment       | 15.7     | 11.2     |
| Investments for development of information systems | 1.6      | 0.9      |
| Depreciation costs                                 | 9.0      | 8.8      |
| Equity ratio (%)                                   | 84.9     | 86.6     |
| ROE (%)  | 5.1      | 7.1      |
| Net income per share (¥)                           | 70.41    | 100.60   |
| Net assets per share (¥)                           | 1,406.41 | 1,436.63 |

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

(1) Profit and Loss

[Billion yen]

|  | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 forecasts |
|--|--------|--------|--------|--------|------------------|
| Revenues   | 425.7  | 423.9  | 433.8  | 424.7  | 376.0            |
| Cost of sales                                    | 155.8  | 164.3  | 169.7  | 180.6  | 178.5            |
| Gross profit                                     | 269.9  | 259.5  | 264.1  | 244.1  | 197.5            |
| SG&A expenses                                    | 96.3   | 98.3   | 104.0  | 98.2   | 99.0             |
| R&D expenses                                     | 64.6   | 64.7   | 79.0   | 86.5   | 85.5             |
| Core operating profit                            | 106.9  | 94.5   | 78.5   | 55.8   | 10.0             |
| Operating profit                                 | 81.8   | 94.0   | 77.2   | 50.3   | 11.5             |
| Profit before tax                                | 83.2   | 96.0   | 78.7   | 50.4   | 12.0             |
| Net profit for the period                        | 57.0   | 68.9   | 53.9   | 32.2   | 4.0              |
| Net profit attributable to owners of the Company | 59.3   | 71.2   | 57.9   | 37.3   | 5.0              |

(2) Balance Sheet

[Billion yen]

|                         | End of FY2015 | End of FY2016 | End of FY2017 | End of FY2018 |
|-------------------------|---------------|---------------|---------------|---------------|
| Assets                  | 958.4         | 984.5         | 1,048.4       | 1,056.2       |
| Non-current assets      | 308.2         | 300.7         | 462.9         | 467.8         |
| Current assets          | 650.1         | 683.7         | 585.5         | 588.4         |
| Liabilities             | 132.1         | 113.1         | 153.6         | 145.9         |
| Non-current liabilities | 33.2          | 24.7          | 55.4          | 54.2          |
| Current liabilities     | 98.9          | 88.4          | 98.1          | 91.6          |
| Equity                  | 826.3         | 871.4         | 894.8         | 910.3         |

(3) Other Financial Data

[Billion yen]

|   | FY2015   | FY2016   | FY2017   | FY2018   | FY2019 forecasts |
|---|----------|----------|----------|----------|------------------|
| Cash flows from operating activities                                      | 80.8     | 59.7     | 66.9     | 41.4     | -                |
| Cash flows from investing activities                                      | (42.2)   | (10.5)   | (19.1)   | (31.2)   | -                |
| Cash flows from financing activities                                      | (22.2)   | (24.4)   | (32.5)   | (25.8)   | -                |
| Investments in property, plant and equipment                              | 11.2     | 12.6     | 4.4      | 6.8      | 22.3             |
| Investments for development of information systems                        | 0.9      | 1.8      | 1.6      | 1.7      | 1.7              |
| Depreciation and Amortization Costs                                       | 10.3     | 10.4     | 11.5     | 11.5     | 15.0             |
| Ratio of equity attributable to owners of the Company to total assets [%] | 85.1     | 87.4     | 84.2     | 85.0     | -                |
| ROE [%]   | 7.4      | 8.5      | 6.6      | 4.2      | -                |
| Basic earnings per share [¥]  | 105.72   | 127.03   | 103.35   | 66.64    | 8.92             |
| Equity attributable to owners of the Company per share [¥]                | 1,453.71 | 1,533.91 | 1,574.26 | 1,600.64 | -                |

(4) Number of Employees

|                  | End of FY2014 | End of FY2015 | End of FY2016 | End of FY2017 | End of FY2018 | Forecasts for end of FY2019 |
|------------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| Consolidated     | 8,457         | 8,125         | 7,280         | 7,187         | 7,228         | 7,200                       |
| Non-consolidated | 4,844         | 4,780         | 4,239         | 4,222         | 4,111         | 3,960                       |

## 5 Quarterly Trend

(Amounts less than ¥ 100 million are rounded off)

### (1) Profit and Loss

[Billion yen]

|  | FY2017             |                    |                    |                    |                     | FY2018             |                    |                    |                    |                     | FY2019                 |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|------------------------|
|  | Q1<br>Apr. to Jun. | Q2<br>Jul. to Sep. | Q3<br>Oct. to Dec. | Q4<br>Jan. to Mar. | Full year<br>Actual | Q1<br>Apr. to Jun. | Q2<br>Jul. to Sep. | Q3<br>Oct. to Dec. | Q4<br>Jan. to Mar. | Full year<br>Actual | Full year<br>forecasts |
| Revenue  | 107.7<br>24.8%     | 105.6<br>24.4%     | 125.9<br>29.0%     | 94.5<br>21.8%      | 433.8<br>100.0%     | 105.3<br>24.8%     | 104.3<br>24.6%     | 122.7<br>28.9%     | 92.2<br>21.7%      | 424.7<br>100.0%     | 376.0                  |
| Domestic   | 82.0<br>25.6%      | 78.6<br>24.5%      | 94.6<br>29.5%      | 65.5<br>20.4%      | 320.8<br>100.0%     | 74.1<br>24.1%      | 72.3<br>23.5%      | 89.9<br>29.2%      | 71.3<br>23.2%      | 307.7<br>100.0%     | 308.3                  |
| Overseas   | 25.6<br>22.7%      | 26.9<br>23.9%      | 31.3<br>27.7%      | 29.0<br>25.7%      | 112.9<br>100.0%     | 31.1<br>26.6%      | 32.0<br>27.4%      | 32.8<br>28.1%      | 20.9<br>17.9%      | 117.0<br>100.0%     | 67.6                   |
| Cost of sales  | 42.5               | 41.9               | 49.7               | 35.5               | 169.7               | 42.3               | 43.7               | 53.0               | 41.4               | 180.6               | 178.5                  |
| Sales cost ratio   | 39.5%              | 39.7%              | 39.5%              | 37.6%              | 39.1%               | 40.2%              | 42.0%              | 43.2%              | 44.9%              | 42.5%               | 47.5%                  |
| Gross profit   | 65.1<br>24.7%      | 63.7<br>24.1%      | 76.2<br>28.9%      | 59.0<br>22.3%      | 264.1<br>100.0%     | 63.0<br>25.8%      | 60.5<br>24.8%      | 69.7<br>28.6%      | 50.8<br>20.8%      | 244.1<br>100.0%     | 197.5                  |
| SG&A expenses  | 24.4<br>23.5%      | 27.0<br>26.0%      | 26.1<br>25.2%      | 26.4<br>25.4%      | 104.0<br>100.0%     | 23.1<br>23.6%      | 24.5<br>25.0%      | 25.4<br>25.9%      | 25.0<br>25.5%      | 98.2<br>100.0%      | 99.0                   |
| R&D expenses   | 18.0<br>22.9%      | 18.2<br>23.1%      | 19.7<br>25.0%      | 22.9<br>29.0%      | 79.0<br>100.0%      | 19.6<br>22.7%      | 19.9<br>23.0%      | 22.3<br>25.8%      | 24.6<br>28.5%      | 86.5<br>100.0%      | 85.5                   |
| Amortization of intangible assets associated with products | 0.5<br>21.5%       | 0.5<br>21.5%       | 0.6<br>27.1%       | 0.7<br>29.9%       | 2.4<br>100.0%       | 0.7<br>25.0%       | 0.7<br>25.0%       | 0.7<br>25.0%       | 0.7<br>25.0%       | 2.9<br>100.0%       | 2.5                    |
| Other income (expense) <sup>1</sup>                        | (0.1)<br>-         | (0.1)<br>-         | 0.3<br>-           | (0.0)<br>-         | 0.0<br>-            | (0.1)<br>-         | (0.1)<br>-         | (0.0)<br>-         | (0.1)<br>-         | (0.5)<br>-          | (0.5)                  |
| Core operating profit                                      | 21.9<br>28.0%      | 17.7<br>22.6%      | 29.9<br>38.2%      | 8.8<br>11.3%       | 78.5<br>100.0%      | 19.3<br>34.6%      | 15.1<br>27.2%      | 21.0<br>37.7%      | 0.2<br>0.5%        | 55.8<br>100.0%      | 10.0                   |
| Operating profit   | 21.0<br>27.2%      | 15.8<br>20.5%      | 31.6<br>40.9%      | 8.8<br>11.4%       | 77.2<br>100.0%      | 19.3<br>38.4%      | 15.1<br>30.2%      | 21.9<br>43.6%      | (6.1)<br>(12.2%)   | 50.3<br>100.0%      | 11.5                   |
| Profit before tax  | 21.9<br>27.9%      | 15.5<br>19.8%      | 32.6<br>41.5%      | 8.5<br>10.8%       | 78.7<br>100.0%      | 19.7<br>39.1%      | 15.0<br>29.9%      | 21.7<br>43.1%      | (6.1)<br>(12.1%)   | 50.4<br>100.0%      | 12.0                   |
| Net profit attributable to owners of the Company           | 16.9<br>29.3%      | 12.8<br>22.2%      | 22.2<br>38.4%      | 5.8<br>10.1%       | 57.9<br>100.0%      | 13.9<br>37.4%      | 11.0<br>29.5%      | 16.4<br>44.1%      | (4.0)<br>(11.0%)   | 37.3<br>100.0%      | 5.0                    |

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

<sup>1</sup>Brackets indicate expense and loss

## (2) Sales Revenue of Main Products

[Billion yen]

|   | FY2017       |              |              |              |               | FY2018       |              |              |              |               | FY2019                  |
|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|-------------------------|
|   | Q1           | Q2           | Q3           | Q4           | Full year     | Q1           | Q2           | Q3           | Q4           | Full year     | Full year               |
|   | Apr. to Jun. | Jul. to Sep. | Oct. to Dec. | Jan. to Mar. | actual        | Apr. to Jun. | Jul. to Sep. | Oct. to Dec. | Jan. to Mar. | actual        | forecasts <sup>*1</sup> |
| Domestic ethical drugs                          | 79.9         | 77.3         | 92.3         | 59.7         | 309.3         | 71.6         | 69.9         | 87.6         | 69.5         | 298.7         | 298.1                   |
|   | 25.9%        | 25.0%        | 29.8%        | 19.3%        | 100.0%        | 24.0%        | 23.4%        | 29.3%        | 23.3%        | 100.0%        |                         |
| Remicade  | 16.8         | 16.1         | 18.2         | 13.5         | 64.6          | 15.1         | 14.8         | 16.0         | 12.8         | 58.8          | 53.1                    |
|   | 26.0%        | 24.9%        | 28.2%        | 20.9%        | 100.0%        | 25.7%        | 25.2%        | 27.2%        | 21.9%        | 100.0%        |                         |
| Simponi   | 7.5          | 7.7          | 9.2          | 7.6          | 32.1          | 9.0          | 9.5          | 10.2         | 8.7          | 37.4          | 43.0                    |
|   | 23.5%        | 24.2%        | 28.6%        | 23.7%        | 100.0%        | 24.0%        | 25.4%        | 27.3%        | 23.3%        | 100.0%        |                         |
| Tenelia   | 4.6          | 4.6          | 5.8          | 2.2          | 17.5          | 4.4          | 2.7          | 3.9          | 4.0          | 15.2          | 16.1                    |
|   | 26.7%        | 26.8%        | 33.4%        | 13.1%        | 100.0%        | 29.5%        | 18.0%        | 25.8%        | 26.7%        | 100.0%        |                         |
| Stelara   | -            | 0.0          | 0.0          | 0.2          | 0.3           | 0.2          | 4.5          | 5.6          | 4.7          | 15.2          | 21.6                    |
|   | -            | 6.9%         | 18.9%        | 74.2%        | 100.0%        | 1.4%         | 30.0%        | 37.3%        | 31.3%        | 100.0%        |                         |
| Lexapro   | 3.1          | 3.1          | 3.6          | 2.8          | 12.7          | 3.4          | 3.4          | 3.8          | 3.2          | 14.0          | 15.2                    |
|   | 24.5%        | 24.3%        | 28.8%        | 22.4%        | 100.0%        | 24.4%        | 24.4%        | 27.8%        | 23.4%        | 100.0%        |                         |
| Ceredist  | 3.0          | 2.6          | 3.1          | 2.0          | 10.8          | 2.4          | 2.2          | 2.4          | 1.8          | 8.9           | 8.8                     |
|   | 28.3%        | 23.9%        | 28.8%        | 19.0%        | 100.0%        | 27.7%        | 24.6%        | 27.4%        | 20.3%        | 100.0%        |                         |
| Kremezin  | 1.7          | 1.5          | 1.7          | 1.4          | 6.5           | 1.7          | 1.6          | 1.8          | 1.4          | 6.6           | 8.7                     |
|   | 26.9%        | 24.3%        | 26.8%        | 22.0%        | 100.0%        | 25.5%        | 24.9%        | 27.6%        | 22.0%        | 100.0%        |                         |
| Canaglu   | 1.4          | 1.2          | 1.7          | 1.2          | 5.6           | 1.4          | 1.5          | 1.9          | 1.7          | 6.7           | 10.9                    |
|   | 25.9%        | 21.7%        | 30.8%        | 21.6%        | 100.0%        | 22.2%        | 22.9%        | 29.4%        | 25.5%        | 100.0%        |                         |
| Talion  | 4.0          | 3.9          | 4.7          | 4.1          | 16.9          | 1.4          | 1.1          | 1.5          | 2.2          | 6.4           | 5.7                     |
|   | 23.7%        | 23.2%        | 28.3%        | 24.8%        | 100.0%        | 22.3%        | 17.9%        | 24.7%        | 35.1%        | 100.0%        |                         |
| Rupafin   | -            | -            | 0.6          | (0.2)        | 0.4           | 0.1          | 0.2          | 0.5          | 2.4          | 3.4           | 7.8                     |
|   | -            | -            | 158.4%       | (58.4%)      | 100.0%        | 5.0%         | 6.1%         | 16.7%        | 72.2%        | 100.0%        |                         |
| Maintate  | 2.9          | 2.6          | 3.0          | 1.7          | 10.3          | 1.4          | 1.2          | 1.3          | 1.0          | 5.1           | Undisclosed             |
|   | 28.8%        | 25.1%        | 29.6%        | 16.4%        | 100.0%        | 27.7%        | 24.1%        | 27.1%        | 21.0%        | 100.0%        |                         |
| Canalia   | -            | 1.1          | 0.0          | 0.6          | 1.8           | 1.4          | 1.6          | 2.3          | 2.0          | 7.4           | 7.6                     |
|   | -            | 61.0%        | 2.3%         | 36.7%        | 100.0%        | 19.1%        | 22.3%        | 31.1%        | 27.5%        | 100.0%        |                         |
| Vaccines<br>[BIKEN products]                    | 6.8          | 7.6          | 15.4         | 5.1          | 35.0          | 8.8          | 6.7          | 14.8         | 6.8          | 37.3          | 36.2                    |
|   | 19.5%        | 21.7%        | 44.0%        | 14.7%        | 100.0%        | 23.7%        | 18.1%        | 39.9%        | 18.4%        | 100.0%        |                         |
| Influenza<br>vaccine                            | (0.0)        | 1.1          | 9.0          | (0.2)        | 9.9           | (0.1)        | 1.0          | 8.5          | 0.7          | 10.2          | 10.7                    |
|   | (0.3%)       | 11.4%        | 91.4%        | (2.5%)       | 100.0%        | (1.1%)       | 10.6%        | 83.4%        | 7.0%         | 100.0%        |                         |
| Tetrabik  | 2.3          | 2.0          | 2.2          | 2.0          | 8.7           | 2.2          | 1.9          | 2.3          | 2.0          | 8.5           | 10.0                    |
|   | 26.7%        | 23.9%        | 25.6%        | 23.7%        | 100.0%        | 25.7%        | 23.0%        | 26.9%        | 24.4%        | 100.0%        |                         |
| Varicella<br>vaccine                            | 1.4          | 1.2          | 1.3          | 1.2          | 5.2           | 1.4          | 1.2          | 1.3          | 1.1          | 5.1           | 5.1                     |
|   | 27.4%        | 23.8%        | 25.6%        | 23.1%        | 100.0%        | 27.7%        | 23.8%        | 25.7%        | 22.9%        | 100.0%        |                         |
| Mearubik  | 1.5          | 1.3          | 1.2          | 0.9          | 5.0           | 3.3          | 0.7          | 1.2          | 1.5          | 6.8           | 4.8                     |
|   | 31.3%        | 26.3%        | 24.3%        | 18.0%        | 100.0%        | 48.0%        | 11.5%        | 17.4%        | 23.0%        | 100.0%        |                         |
| JEBIK V   | 1.3          | 1.5          | 1.3          | 0.9          | 5.2           | 1.6          | 1.4          | 1.3          | 1.0          | 5.5           | 4.5                     |
|   | 25.0%        | 30.0%        | 26.2%        | 18.9%        | 100.0%        | 30.0%        | 25.8%        | 24.5%        | 19.7%        | 100.0%        |                         |
| Tanabe Seiyaku Hanbai<br>products <sup>*2</sup> | 3.4          | 3.2          | -            | -            | 6.6           | -            | -            | -            | -            | -             | -                       |
|   | 51.4%        | 48.6%        | -            | -            | 100.0%        | -            | -            | -            | -            | -             | -                       |
| Overseas ethical drugs                          | 5.9          | 8.0          | 11.7         | 12.8         | 38.5          | 12.9         | 14.5         | 14.4         | 13.1         | 55.1          | 49.6                    |
|   | 15.4%        | 20.9%        | 30.5%        | 33.3%        | 100.0%        | 23.5%        | 26.3%        | 26.3%        | 23.9%        | 100.0%        |                         |
| Radicava  | -            | 1.1          | 5.2          | 5.8          | 12.3          | 6.4          | 7.4          | 6.7          | 6.4          | 27.0          | 22.0                    |
|   | -            | 9.5%         | 42.9%        | 47.6%        | 100.0%        | 23.7%        | 27.7%        | 25.0%        | 23.7%        | 100.0%        |                         |
| Herbesser                                       | 1.5          | 1.6          | 1.5          | 1.7          | 6.5           | 1.6          | 1.6          | 1.7          | 1.8          | 6.8           | 7.2                     |
|   | 23.1%        | 25.4%        | 24.2%        | 27.3%        | 100.0%        | 24.4%        | 23.9%        | 24.9%        | 26.7%        | 100.0%        |                         |
| Argatroban                                      | 0.4          | 0.5          | 0.6          | 0.4          | 2.0           | 0.5          | 0.4          | 0.5          | 0.3          | 1.9           | 1.7                     |
|   | 23.0%        | 25.3%        | 31.0%        | 20.8%        | 100.0%        | 29.4%        | 24.5%        | 26.7%        | 19.3%        | 100.0%        |                         |
| Simponi   | 0.4          | 0.4          | 0.4          | 0.4          | 1.8           | 0.4          | 0.5          | 0.4          | 0.5          | 2.0           | 2.0                     |
|   | 24.4%        | 25.4%        | 25.5%        | 24.7%        | 100.0%        | 24.2%        | 25.0%        | 24.8%        | 26.1%        | 100.0%        |                         |
| Tanatril  | 0.3          | 0.4          | 0.4          | 0.4          | 1.7           | 0.3          | 0.4          | 0.4          | 0.2          | 1.5           | 1.6                     |
|   | 20.7%        | 25.4%        | 25.9%        | 28.0%        | 100.0%        | 23.7%        | 30.7%        | 27.1%        | 18.5%        | 100.0%        |                         |
| Royalty revenue, etc.                           | 20.4         | 19.1         | 19.9         | 19.6         | 79.1          | 18.5         | 17.7         | 18.6         | 8.1          | 63.1          | 19.2                    |
|   | 25.9%        | 24.2%        | 25.2%        | 24.8%        | 100.0%        | 29.3%        | 28.2%        | 29.6%        | 12.9%        | 100.0%        |                         |
| Royalty from<br>GILENYA <sup>*3</sup>           | 14.5         | 14.9         | 15.2         | 12.9         | 57.7          | 15.3         | 14.5         | 14.7         | 5.0          | 49.7          | Undisclosed             |
|   | 25.3%        | 25.8%        | 26.5%        | 22.4%        | 100.0%        | 30.9%        | 29.3%        | 29.6%        | 10.2%        | 100.0%        |                         |
| Royalty from<br>INVOKANA                        | 3.6          | 3.6          | 3.8          | 2.8          | 13.9          | 2.4          | 2.4          | 3.2          | 2.3          | 10.5          | Undisclosed             |
|   | 25.7%        | 26.3%        | 27.6%        | 20.4%        | 100.0%        | 23.6%        | 23.4%        | 30.5%        | 22.5%        | 100.0%        |                         |
| OTC products                                    | 1.1          | 1.0          | 0.9          | 0.5          | 3.7           | 1.2          | 0.9          | 1.0          | 0.5          | 3.7           | 4.3                     |
|   | 31.1%        | 27.0%        | 26.4%        | 15.5%        | 100.0%        | 31.9%        | 26.4%        | 26.8%        | 14.9%        | 100.0%        |                         |
| Others <sup>*4</sup>                            | 0.1          | 0.0          | 0.9          | 1.7          | 3.0           | 1.0          | 1.1          | 0.9          | 0.8          | 3.9           | 4.6                     |
|   | 5.3%         | 3.1%         | 32.7%        | 58.9%        | 100.0%        | 25.9%        | 28.8%        | 22.9%        | 22.4%        | 100.0%        |                         |
| <b>Total sales revenue</b>                      | <b>107.7</b> | <b>105.6</b> | <b>125.9</b> | <b>94.5</b>  | <b>433.8</b>  | <b>105.3</b> | <b>104.3</b> | <b>122.7</b> | <b>92.2</b>  | <b>424.7</b>  | <b>376.0</b>            |
|   | <b>24.8%</b> | <b>24.4%</b> | <b>29.0%</b> | <b>21.8%</b> | <b>100.0%</b> | <b>24.8%</b> | <b>24.6%</b> | <b>28.9%</b> | <b>21.7%</b> | <b>100.0%</b> |                         |

Note: The each figure in the lower displays the progress rate.

\*1: The impact of the NHI drug price revision accompanying the consumption tax increase in October 2019 is factored into the overall sales forecast but not into the individual domestic product forecasts.

\*2: Tanabe Seiyaku Hanbai products are composed of generic drugs and the long-listed drugs which were transferred from MTPC. MTPC's business of generic drugs and part of long-listed drugs was transferred to Nipro Corporation as of October 1, 2017.

\*3: MTPC is currently in the arbitration proceedings with Novartis, and among the GILENYA Royalty amounts that MTPC is going to receive from Novartis, MTPC has decided not to recognize some of those amounts as our revenue for FY2018 because such payments do not satisfy one of the requirements under IFRS15. The same accounting treatment will be continued during the period of the arbitration proceedings. Regardless of the disclosed amounts, MTPC maintains it is entitled to receive the full royalty amounts due according to the 1997 License Agreement with Novartis, and MTPC will rigorously pursue its rights in the arbitration.

\*4: Contracted manufacturing products by other companies.

## 6 State of New Product Development (as of April 30, 2019)

### i. Autoimmune diseases

| Development code<br>Product name<br>(Generic name) | Category<br>(Indications)   | Region<br>Stage    | Origin/licensee              |
|--|---|--------------------|------------------------------|
| MT-5547<br>(Fasinumab)                             | Fully human anti-NGF monoclonal antibody<br>(Osteoarthritis)                      | Japan<br>Phase 2/3 | Licensed from Regeneron (US) |
| MT-1303<br>(Amiselimod)                            | S1P receptor functional antagonist<br>(Multiple sclerosis)                        | Europe<br>Phase 2  | In-house                     |
|  | (Crohn's disease)   | Japan<br>Phase 2   |                              |
| MT-7117  | Dermatologicals, etc.<br>(Erythropoietic protoporphyria)                          | Global<br>Phase 2  | In-house                     |
| MT-2990  | Fully human anti-interleukin-33 (IL-33)<br>monoclonal antibody<br>(Endometriosis) | Global<br>Phase 2  | In-house                     |
|  | (Seasonal Allergic Rhinitis)  | Phase 1            |                              |

### ii. Diabetes and kidney diseases

| Development code<br>Product name<br>(Generic name) | Category<br>(Indications)  | Region<br>Stage         | Origin/licensee                             |
|--|--|-------------------------|---|
| TA-7284<br>Canaglu/INVOKANA<br>(Canagliflozin)     | SGLT2 inhibitor<br>(Type 2 diabetes mellitus)                                | Asia<br>Filed           | In-house                                    |
|  | (Diabetic nephropathy)   | US<br>Filed (Mar. 2019) | Licensed to Janssen<br>Pharmaceuticals (US) |
|  |  | Japan<br>Phase 3        | In-house                                    |
| MP-513<br>Tenelia<br>(Teneligliptin)               | DPP-4 inhibitor<br>(Type 2 diabetes mellitus)                                | Asia<br>Filed           | In-house                                    |
|  |  | China<br>Phase 3        |   |
|  |  | Europe<br>Phase 2       |   |
| MT-6548<br>(Vadadustat)                            | Hypoxia inducible factor prolyl<br>hydroxylase inhibitor<br>(Renal anemia)   | Japan<br>Phase 3        | Licensed from Akebia (US)                   |
| MT-3995<br>(Apararenone)                           | Selective mineralocorticoid receptor<br>antagonist<br>(Diabetic nephropathy) | Europe<br>Phase 2       | In-house                                    |
|  |  | Japan<br>Phase 2        |   |
|  | (Non-alcoholic steatohepatitis: NASH)  | Japan<br>Phase 2        |   |

Asia: excluding Japan and China



iii. Central nervous system diseases

| Development code<br>Product name<br>(Generic name) | Category<br>(Indications)   | Region<br>Stage            | Origin/licensee                              |
|--|---|----------------------------|--|
| MCI-186<br>Radicut/Radicava<br>(Edaravone)         | Free radical scavenger<br>(Amyotrophic lateral sclerosis: ALS)                      | Europe<br>Filed (May 2018) | In-house                                     |
|  |   | China<br>Filed (Apr. 2019) |  |
|  |   | Asia<br>Filed              |  |
| MP-214<br>(Cariprazine)                            | Dopamine D3/D2 receptor partial agonist<br>(Schizophrenia)                          | Asia<br>Filed              | Licensed from Gedeon<br>Richter (Hungary)    |
| MT-210<br>(Risperidone)                            | 5-HT2A/Sigma 2 receptor antagonist<br>(Schizophrenia)                               | US, Europe<br>Phase 3      | Licensed to Minerva<br>Neurosciences (US)    |
| MT-5199<br>(Valbenazine)                           | Vesicular monoamine transporter type 2<br>inhibitor (Tardive dyskinesia)            | Japan<br>Phase 2/3         | Licensed from Neurocrine<br>Biosciences (US) |
| MT-8554  | Nervous system, etc.<br>(Painful diabetic peripheral neuropathy)                    | Europe<br>Phase 2          | In-house                                     |
|  | (Vasomotor symptoms associated with<br>menopause)                                   | Global<br>Phase 2          |  |
| ND0612<br>(Levodopa/Carbidopa)                     | Continuous SC pump/patch pump<br>(Parkinson's disease)                              | Global<br>Phase 2          | In-house                                     |
| ND0701<br>(Apomorphine)                            | Continuous SC pump<br>(Parkinson's disease)   | Phase 1                    | In-house                                     |
| MT-1186<br>(Edaravone)                             | Free radical scavenger<br>(Amyotrophic lateral sclerosis: ALS / Oral<br>suspension) | Phase 1                    | In-house                                     |
| MT-6345  | Nervous system  | Phase 1                    | Co-developed with Ube<br>Industries (Japan)  |

iv. Vaccines

| Development code | Category<br>(Indications)  | Region<br>Stage       | Origin/licensee   |
|------------------|--|-----------------------|---|
| MT-2355          | Combined vaccine<br>(Prophylaxis of pertussis, diphtheria, tetanus,<br>poliomyelitis and prophylaxis of Hib infection<br>in infants) | Japan<br>Phase 3      | Co-developed with The<br>Research Foundation for<br>Microbial Diseases of Osaka<br>University (Japan) |
| MT-2271          | Plant-based VLP vaccine<br>(Prophylaxis of seasonal influenza/adults)  | US, Europe<br>Phase 3 | Medicago product<br>(Canada)  |
|                  | (Prophylaxis of seasonal influenza/elderly)  | US, Europe<br>Phase 3 |   |
| MT-8972          | Plant-based VLP vaccine<br>(Prophylaxis of H5N1 influenza)   | Canada<br>Phase 2     | Medicago product<br>(Canada)  |
| MT-7529          | Plant-based VLP vaccine<br>(Prophylaxis of H7N9 influenza)   | Phase 1               | Medicago product<br>(Canada)  |
| MT-5625          | Plant-based VLP vaccine<br>(Prophylaxis of rotavirus gastroenteritis)  | Phase 1               | Medicago product<br>(Canada)  |

Asia: excluding Japan and China

v. Other diseases

| Development code<br>Product name<br>(Generic name) | Category<br>(Indications)  | Region<br>Stage            | Origin/licensee                          |
|--|--|----------------------------|--|
| TAU-284<br>Talion<br>(Bepotastine)                 | Selective histamine H1 receptor antagonist, anti-allergic agent<br>(Allergic rhinitis, Urticaria)                    | Asia<br>Filed              | Licensed from Ube Industries<br>(Japan)  |
| MT-4580<br>Orkedia<br>(Evocalcet)                  | Ca sensing receptor agonist<br>(Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism) | Japan<br>Filed (Apr. 2019) | Licensed to Kyowa Hakko Kirin<br>(Japan) |
| MT-4129  | Cardiovascular system, etc.  | Phase 1                    | In-house                                 |

Asia: excluding Japan and China

Changes Since Previous Announcement

| Development code<br>Product name<br>(Generic name) | Category<br>(Indications)  | Previous<br>Announcement   | As of Apr 30,<br>2019  | Origin / licensee                                 |
|--|--|--|--|---|
| Azanin<br>(Azathioprine)                           | Immunosuppressant<br>(Autoimmune hepatitis)  | Japan<br>Filed (Aug. 2018)   | Japan<br>Approved (Feb. 2019)                                  | Licensed from<br>GlaxoSmithKline<br>(UK)          |
| MCI-186<br>Radicut/Radicava<br>(Edaravone)         | Free radical scavenger<br>(Amyotrophic lateral sclerosis:<br>ALS)  | Switzerland<br>Filed (Dec. 2017)                                       | Switzerland<br>Approved (Jan. 2019)                            | In-house  |
|  |  | None   | China<br>Filed (Apr. 2019)                                     |   |
|  |  | None   | Asia<br>Filed  |   |
| TA-7284<br>Canaglu/INVOKANA<br>(Canagliflozin)     | SGLT2 inhibitor<br>(Diabetic nephropathy)  | Japan, US, Europe,<br>and others<br>Phase 3<br>(Global clinical trial) | US<br>Filed (Mar. 2019)  | Licensed to<br>Janssen<br>Pharmaceuticals<br>(US) |
| MT-4580<br>Orkedia<br>(Evocalcet)                  | Ca sensing receptor agonist<br>(Hypercalcemia in patients<br>with parathyroid carcinoma or<br>primary hyperparathyroidism) | Japan<br>Phase 3   | Japan<br>Filed (Apr. 2019)                                     | Licensed to Kyowa<br>Hakko Kirin<br>(Japan)       |
| MT-2990  | Fully human anti-interleukin-<br>33 (IL-33) monoclonal<br>antibody<br>(Endometriosis)                                      | Phase 1  | Global<br>Phase 2  | In-house  |
| Y-803  | Bromodomain inhibitor<br>(Cancer)  | Europe,Canada<br>Phase 2   | Deleted<br>(Termination of<br>license agreement<br>with Merck) | Licensed to Merck<br>(US)                         |

Asia: excluding Japan and China

## 7 Others

### 1. Subsidiaries and Affiliated Companies

#### (1) Number of Subsidiaries and Affiliated Companies

|                               | End of FY2018 | End of FY2017 | Increase<br>(Decrease) | Notes   |
|-------------------------------|---------------|---------------|------------------------|---|
| Consolidated subsidiaries     | 34            | 33            | 1                      | Increase: Mitsubishi Tanabe Pharma Malaysia Sdn. Bhd. |
| Associates and joint ventures | 2             | 2             | -                      |   |
| Total                         | 36            | 35            | 1                      |   |

#### (2) Consolidated Subsidiaries

[As of March 31, 2019]

|    | Company Name   | Paid-in Capital   | % Voting Control<br>[% Indirect<br>Ownership] | Settling Day | Description of Business   |
|----|--|-------------------|---|--------------|---|
| 1  | Yoshitomiyaquhin Corporation                             | JPY 385 million   | 100.0 [-]                                     | End of Mar.  | Provision of information about pharmaceuticals  |
| 2  | Mitsubishi Tanabe Pharma Factory Ltd.                    | JPY 1,130 million | 100.0 [-]                                     | End of Mar.  | Manufacture and sale of pharmaceuticals   |
| 3  | Tanabe Seiyaku Yoshiki Factory Co., Ltd.                 | JPY 400 million   | 100.0 [-]                                     | End of Mar.  | Manufacture and sale of pharmaceuticals   |
| 4  | Mitsubishi Tanabe Pharma Provision Co., Ltd.             | JPY 100 million   | 100.0 [-]                                     | End of Mar.  | Handling pharmacy information and accounting, general affairs and human resources management etc. |
| 5  | Tanabe Palm Service Co., Ltd.                            | JPY 10 million    | 100.0 [100.0]                                 | End of Mar.  | Servicing office support, in-house mail and printing.   |
| 6  | Stelic Institute & Co., Inc.                             | JPY 1 million     | 100.0 [100.0]                                 | End of Mar.  | R&D of pharmaceuticals  |
| 7  | Mitsubishi Tanabe Pharma Holdings America, Inc.          | USD 167           | 100.0 [-]                                     | End of Mar.  | Managing the US Business  |
| 8  | Mitsubishi Tanabe Pharma Development America, Inc.       | USD 200           | 100.0 [100.0]                                 | End of Mar.  | R&D of pharmaceuticals  |
| 9  | Mitsubishi Tanabe Pharma America, Inc.                   | USD 100           | 100.0 [100.0]                                 | End of Mar.  | Sale of pharmaceuticals   |
| 10 | MP Healthcare Venture Management, Inc.                   | USD 100           | 100.0 [100.0]                                 | End of Mar.  | Investments in bio-ventures   |
| 11 | Tanabe Research Laboratories U.S.A., Inc.                | USD 3 Mill.       | 100.0 [100.0]                                 | End of Mar.  | R&D of pharmaceuticals  |
| 12 | Mitsubishi Tanabe Pharma Canada, Inc.                    | CAD 4 Mill.       | 100.0 [100.0]                                 | End of Mar.  | Sale of pharmaceuticals   |
| 13 | MTPC Holdings Canada Inc.                                | CAD 542.2 Mill.   | 100.0 [-]                                     | End of Mar.  | Investments in Medicago Group   |
| 14 | Medicago Inc.  | CAD 752.0 Mill.   | 60.0 [58.1]                                   | End of Mar.  | Manufacture and sale of vaccines  |
| 15 | Medicago USA Inc.  | USD 99            | 60.0 [60.0]                                   | End of Mar.  | Manufacture of vaccines   |
| 16 | Medicago R&D Inc.  | USD 500           | 60.0 [60.0]                                   | End of Mar.  | R&D of vaccines   |
| 17 | Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd. | USD 1 Mill.       | 100.0 [-]                                     | End of Dec.  | R&D of pharmaceuticals  |
| 18 | Tianjin Tanabe Seiyaku Co., Ltd.                         | USD 16.2 Mill.    | 75.4 [-]                                      | End of Dec.  | Manufacture and sale of pharmaceuticals   |
| 19 | Taiwan Tanabe Seiyaku Co., Ltd.                          | TWD 90 Mill.      | 65.0 [-]                                      | End of Mar.  | Manufacture and sale of pharmaceuticals   |
| 20 | Tai Tien Pharmaceuticals Co., Ltd.                       | TWD 20 Mill.      | 65.0 [-]                                      | End of Mar.  | Sale of pharmaceuticals   |
| 21 | P.T. Tanabe Indonesia                                    | USD 2.5 Mill.     | 99.6 [-]                                      | End of Mar.  | Manufacture and sale of pharmaceuticals   |
| 22 | Mitsubishi Tanabe Pharma Singapore Pte. Ltd.             | SGD 2 Mill.       | 100.0 [-]                                     | End of Mar.  | Managing the ASEAN Business   |
| 23 | Mitsubishi Tanabe Pharma Malaysia Sdn. Bhd.              | MYR 5 Mill.       | 100.0 [100.0]                                 | End of Mar.  | Sale of pharmaceuticals   |
| 24 | MT Pharma (Thailand) Co., Ltd.                           | THB103 Mill.      | 100.0 [2.0]                                   | End of Mar.  | Sale of pharmaceuticals   |
| 25 | Mitsubishi Tanabe Pharma Korea Co., Ltd.                 | KRW 2,100 Mill.   | 100.0 [-]                                     | End of Mar.  | Manufacture and sale of pharmaceuticals   |
| 26 | NeuroDerm Ltd.   | KRW 58,000        | 100.0 [-]                                     | End of Mar.  | R&D of pharmaceuticals  |
| 27 | Mitsubishi Tanabe Pharma Europe Ltd.                     | GBP 4.6 Mill.     | 100.0 [-]                                     | End of Mar.  | R&D of pharmaceuticals  |
| 28 | Mitsubishi Tanabe Pharma GmbH                            | EUR 25,000        | 100.0 [100.0]                                 | End of Mar.  | Sale of pharmaceuticals   |

Note: Aside from the above, The Company own 5 consolidated subsidiaries. Among them, 2 companies are under the liquidation and 1 company is a dormant company. Besides, the executive compensation BIP Trust is included as one of the consolidated subsidiaries.

#### (3) Associates and Joint Ventures

[As of March 31, 2019]

|   | Company Name                  | Paid-in Capital | % Voting Control<br>[% Indirect<br>Ownership] | Settling Day | Description of Business  |
|---|-------------------------------|-----------------|---|--------------|--|
| 1 | Synthelabo-Tanabe Chimie S.A. | EUR 1.6 Mill.   | 50.0 [-]                                      | End of Dec.  | Manufacture and sale of pharmaceuticals                        |
| 2 | BIKEN Co., Ltd.               | JPY 100 million | 33.4 [-]                                      | End of Mar.  | Manufacture and sale of biological products including vaccines |

## 2. Status of Shareholders

### (1) Number of Outstanding Shares

|  | End of March, 2019 | End of March, 2018 |
|--|--------------------|--------------------|
| Issued   | 561,417,916        | 561,417,916        |
| The company's own shares at the end of the period <sup>*</sup> | 640,305            | 642,309            |
| Number of shares outstanding at the end of the period          | 560,777,611        | 560,775,607        |
| Average number of the company's own share in the period        | 641,042            | 560,272            |
| Average number of shares outstanding in the period             | 560,776,874        | 560,857,644        |

<sup>\*</sup>The Company introduces the executive compensation BIP Trust. The shares that the trust account holds are included in treasury shares (208,655 shares at the end of March 2019, compared to 211,100 shares at the end of March 2018).

### (2) Status of Major Shareholders

| Rank | Name of Shareholders                                | End of March, 2019           |                       | End of March, 2018 |                              |                       |
|------|---|------------------------------|-----------------------|--------------------|------------------------------|-----------------------|
|      |   | Number of Shares (Thousands) | Percentage of Total % | Rank               | Number of Shares (Thousands) | Percentage of Total % |
| 1    | Mitsubishi Chemical Holdings Corporation            | 316,320                      | 56.39                 | 1                  | 316,320                      | 56.39                 |
| 2    | The Master Trust of Japan, Ltd.                     | 26,596                       | 4.74                  | 2                  | 27,144                       | 4.84                  |
| 3    | Japan Trustee Services Bank, Ltd.                   | 14,679                       | 2.62                  | 3                  | 12,733                       | 2.27                  |
| 4    | Nippon Life Insurance Company                       | 12,065                       | 2.15                  | 4                  | 12,065                       | 2.15                  |
| 5    | STATE STREET BANK WEST CLIENT-TREATY 505234         | 7,826                        | 1.40                  | 6                  | 7,118                        | 1.27                  |
| 6    | Japan Trustee Services Bank, Ltd. (Trust Account 9) | 4,627                        | 0.82                  | 7                  | 4,822                        | 0.86                  |
| 7    | Japan Trustee Services Bank, Ltd. (Trust Account 5) | 4,113                        | 0.73                  | 8                  | 4,662                        | 0.83                  |
| 8    | STATE STREET BANK AND TRUST COMPANY 505225          | 4,029                        | 0.72                  | 16                 | 2,532                        | 0.45                  |
| 9    | STATE STREET BANK AND TRUST COMPANY 505103          | 3,928                        | 0.70                  | 20                 | 2,113                        | 0.38                  |
| 10   | Nipro   | 3,821                        | 0.68                  | 10                 | 3,821                        | 0.68                  |

### (3) Ownership and Distribution of Shares

|                                     | End of March, 2019     |                              |                       | End of March, 2018     |                              |                       |
|-------------------------------------|------------------------|------------------------------|-----------------------|------------------------|------------------------------|-----------------------|
|                                     | Number of Shareholders | Number of Shares (Thousands) | Percentage of Total % | Number of Shareholders | Number of Shares (Thousands) | Percentage of Total % |
| Financial institutions              | 74                     | 90,932                       | 16.20                 | 79                     | 92,006                       | 16.39                 |
| Foreign corporations and others     | 624                    | 101,801                      | 18.14                 | 608                    | 108,658                      | 19.36                 |
| Individuals and others <sup>*</sup> | 24,964                 | 29,762                       | 5.30                  | 18,126                 | 25,240                       | 4.50                  |
| Other corporations                  | 285                    | 330,056                      | 58.80                 | 268                    | 330,078                      | 58.81                 |
| Securities firms                    | 44                     | 8,754                        | 1.56                  | 40                     | 5,325                        | 0.95                  |
| Total                               | 25,991                 | 561,307                      | 100.00                | 19,121                 | 561,310                      | 100.00                |
| Less than trading unit              | -                      | 110                          | -                     | -                      | 107                          | -                     |

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

<sup>\*</sup> Individuals and Others include treasury stocks (431 thousands shares at the end of March 2019 and 431 thousands shares at the end of March 2018)

### (4) Trend of Dividend and Stock Price

| (Japan GAAP)                        | FY2014  | FY2015  |
|-------------------------------------|---------|---------|
| Dividends per share [yen]           | 42      | 46      |
| Dividend payout ratio [%]           | 59.6    | 45.7    |
| [prior to amortization of goodwill] | [47.6]  | [38.8]  |
| Stock price at the end of FY [yen]  | 2,062   | 1,957   |
| Market capitalization [billion yen] | 1,157.6 | 1,098.7 |

| (IFRS)                              | FY2015  | FY2016  | FY2017          | FY2018 | FY2019 Estimate |
|-------------------------------------|---------|---------|-----------------|--------|-----------------|
| Dividends per share [yen]           | 46      | 52      | 66 <sup>*</sup> | 56     | 56              |
| Dividend payout ratio [%]           | 43.5    | 40.9    | 63.9            | 84.0   | 628.1           |
| Stock price at the end of FY [yen]  | 1,957   | 2,318   | 2,080           | 1,479  | -               |
| Market capitalization [billion yen] | 1,098.7 | 1,301.4 | 1,167.7         | 830.3  | -               |

<sup>\*</sup> The Company distributed a commemorative dividend of ¥10 to shareholders at the end of 1st half in FY2017 for celebrating its 10th anniversary

## Reference

### Major Ethical Drugs

|   |                      |          |  |
|---|----------------------|----------|--|
| <b>Remicade (Infliximab)</b>  | Launch:<br>May 2002  | Category | Anti-TNF monoclonal antibody   |
| <p>Remicade is very fast-acting and its efficacy is sustained for eight weeks with a single administration. It has indications for the treatment of rheumatoid arthritis, Crohn's disease, Behcet's disease with refractory uveoretinitis, psoriasis, ankylosing spondylitis, ulcerative colitis, Entero-Behcet's disease, neuro-Behcet's disease, and vasculo-Behcet's disease and Kawasaki disease. Partial change in dosage and usage (increased dose) for psoriasis was approved in May 2016. And partial change in administration / dosage of a shortened administration interval for Crohn's disease was approved in May 2017.</p> <p>Origin: Janssen Biotech</p> |                      |          |  |
| <b>Simponi (Golimumab)</b>  | Launch:<br>Sep. 2011 | Category | Anti-TNF monoclonal antibody   |
| <p>Simponi is a human anti-TNF monoclonal antibody for the treatment of rheumatoid arthritis (including prevention of articular structural damage). It shows a long acting efficacy by subcutaneous injection once every four weeks. Additional indication of ulcerative colitis was approved in March 2017 by Janssen Pharmaceutical. Self injection for rheumatoid arthritis was approved in April 2018.</p> <p>Origin: Janssen Biotech</p>   |                      |          |  |
| <b>Stelara (Ustekinumab)</b>  | Launch:<br>Mar. 2011 | Category | Anti-IL12/23p40 monoclonal antibody  |
| <p>Stelara is a human anti-IL12/23p40 monoclonal antibody. It shows a long acting efficacy by subcutaneous injection once every 12 weeks. (initial admin. is intravenous drip injection) Additional indication of Crohn's disease was approved in March 2017.</p> <p>Mitsubishi Tanabe Pharma and Janssen Pharmaceutical jointly promote STELARA on indication of Crohn's disease in Japan from April 2017. For the indication of psoriasis, promotion is handled solely by Janssen Pharmaceutical.</p> <p>Origin: Janssen Biotech</p>  |                      |          |  |
| <b>Tenelia (Teneligliptin)</b>  | Launch:<br>Sep. 2012 | Category | Selective DPP- inhibitor<br>-Agent for treatment of type2 diabetes mellitus-                                     |
| <p>Tenelia, which Mitsubishi Tanabe has created and developed, is the first DPP-4 inhibitor originating in Japan. It inhibits the function of dipeptidyl peptidase-4 (DPP-4), which selectively breaks down glucagon-like peptide-1 (GLP-1), a hormone secreted from the gastrointestinal tract in response to food intake. In this way, Tenelia promotes insulin secretion and suppresses glucagon secretion, thereby demonstrating blood glucose lowering action.</p>   |                      |          |  |
| <b>Canaglu (Canagliflozin)</b>  | Launch:<br>Sep. 2014 | Category | SGLT2 Inhibitor<br>-Agent for treatment of type2 diabetes mellitus-  |
| <p>Canaglu which was discovered by Mitsubishi Tanabe Pharma is a treatment for type 2 diabetes mellitus. It inhibits SGLT2 (sodium glucose co-transporter 2) of kidneys, suppresses the reabsorption of glucose, promotes the excretion of excessive glucose into the urine, and as a result, lowers the blood glucose level. In Overseas markets, licensee Janssen Pharmaceuticals (US) received approval in the US, EU, Australia and more than 80 countries, and this drug is sold under the brand name Invokana.</p>  |                      |          |  |
| <b>Canalia<br/>(Teneligliptin/Canagliflozin)</b>  | Launch:<br>Sep. 2017 | Category | Selective DPP- inhibitor/SGLT2 Inhibitor combination tablets<br>-Agent for treatment of type2 diabetes mellitus- |
| <p>Canalia is the first combination tablets containing DPP-4 inhibitor and SGLT2inhibitor in Japan,containing DPP-4 inhibitor "Tenelia" and SGLT2 inhibitor "Canaglu" which Mitsubishi Tanabe has created and developed. It expects that are long-term good control of blood glucose and improvement of adherence by reducing the number of taking medicine.</p>  |                      |          |  |
| <b>Kremezin</b>   | Launch:<br>Dec. 1991 | Category | Agent for treatment of Chronic renal failure   |
| <p>Kremezin is an oral absorptive charcoal consisting of porous spherical activated carbon of high purity. It absorbs and excretes uremic toxins out of the body. Kremezin was introduced to the Japanese market in December 1991 as the first pharmaceuticals drug in the world for proactive treatment of chronic renal failure (progressive). In April 2011, the marketing rights were transferred from Daiichi Sankyo to MTPC. In January 2018, Kremezin tablets was released.</p> <p>Origin, Manufacturer and distributor: Kureha .</p>  |                      |          |  |
| <b>Lexapro (Escitalopram)</b>   | Launch:<br>Aug. 2011 | Category | Selective serotonin reuptake inhibitor (SSRI)  |
| <p>Lexapro, a highly selective serotonin reuptake inhibitor (SSRI), has been globally approved in 98 countries and regions. It shows good efficacy and tolerability in patients with depressive disorder. Moreover, due to simple dosage and administration, it is expected to improve adherence of the treatment. Social anxiety disorder (SAD) was approved in November 2015.</p> <p>Origin: H. Lundbeck A/S (Denmark), Manufacturer and distributor: Mochida Pharmaceutical Co., Ltd</p>   |                      |          |  |
| <b>Imusera (Fingolimod)</b>   | Launch:<br>Nov. 2011 | Category | Agent for treatment for multiple sclerosis (MS)  |
| <p>Imusera is a first-in-class drug that controls inflammation in the brain and spinal cord in MS. It inhibits the receptor function of sphingosine-1-phosphate (S1P) receptor on the lymphocyte, and prevents auto-aggressive lymphocytes from invading the central nervous system. It can be administered orally (once daily), thereby lowering the burden on patients with MS. It was discovered by Mitsubishi Tanabe Pharma and developed jointly by Mitsubishi Tanabe Pharma and Novartis Pharma in Japan. Mitsubishi Tanabe Pharma is marketing this product under the name Imusera, while Novartis Pharma is marketing it under the name Gilenya.</p>            |                      |          |  |

|  |                      |          |   |
|--|----------------------|----------|---|
| <b>Radicut/Radicava<br/>(Edaravone)</b>  | Launch:<br>Jun. 2001 | Category | Free radical scavenger<br>(Cerebral neuroprotectant)                                    |
| Radicut is the world's first brain protecting agent (free radical scavenger) shown to improve neurological symptoms, interference with activities of daily living, and disability (at hospital discharge) in patients at acute stage of cerebral infarction. Specific indications include the treatment of various types of infarction (cerebral lacunar, atherothrombotic and cardiogenic infarction) It is initiated administration within 24 hours after onset, and is not administered for more than 14 days. An additional formulation, Radicut bag for I.V. Infusion, was launched in May 2010.<br>It was designated as an orphan drug of amyotrophic lateral sclerosis (ALS) and approved for ALS in Japan in June 2015, followed by approval in Korea (December 2015), the United States (May 2017), Canada (October 2018) and Switzerland (January 2019). |                      |          |   |
| <b>Rupafin (Rupatadine)</b>  | Launch:<br>Nov. 2017 | Category | Agent for treatment of allergic disorders   |
| Rupafin is synthesized to Hybrid structure Anti-PAF activity and anti-Histamine activity. Histamine and PAF lead to early phase reaction and late phase reaction in allergic disorder, Rupafin suppresses PAF and histamine. It has been approved for the treatment of allergic rhinitis, urticaria and itch associated with skin diseases (eczema/dermatitis, cutaneous pruritus).<br>PAF:platelet activating factor<br>Origin: Uriach(Spain),Manufacturer and distributor:Teikoku Seiyaku  |                      |          |   |
| <b>Talion (Bepotastine)</b>  | Launch:<br>Oct. 2000 | Category | Selective histamine H1 receptor antagonist<br>Agent for treatment of allergic disorders |
| Talion has rapid onset of anti-histamine (H1) effects and has been demonstrated to be effective for allergic rhinitis, urticaria, and pruritus accompanying dermatitis. It has minimal incidence of sedation. An additional formulation, orally disintegrating tablets was launched in July 2007. Pediatric indications (from seven to fifteen years old) was approved in May 2015.<br>Origin: Ube Industries  |                      |          |   |
| <b>Ceredist (Taltirelin)</b>   | Launch:<br>Sep. 2000 | Category | Agent for treatment of spinocerebellar degeneration                                     |
| Thyrotropin releasing hormone (TRH) was known to be effective against ataxia caused by spinocerebellar degeneration, but it was previously administered only through injection. Ceredist is the world's first oral TRH derivative drug by in-house development. An additional formulation, orally disintegrating tablets, was launched in October 2009.  |                      |          |   |
| <b>Maintate (Bisoprolol)</b>   | Launch:<br>Nov. 1990 | Category | Selective $\beta_1$ antagonist  |
| Maintate is a representative $\beta_1$ antagonist used in more than 100 countries around the world (Treatment of hypertension, angina pectoris, and arrhythmias, chronic heart failure). It exhibits high selectivity for $\beta_1$ receptor and excellent pharmacokinetics profiles. It has high efficacy and safety, and evidence-based cardioprotective action. In addition to the indication of chronic heart failure which was approved in May 2011, the indication of atrial fibrillation has been newly approved in June 2013. Maintate is the only $\beta$ -blocker with both indications of chronic heart failure and atrial fibrillation in Japan.<br>Origin: Merck Serono (Germany)   |                      |          |   |
| <b>Influenza vaccine</b>   | Launch:<br>Sep. 1972 | Category | Viral vaccines  |
| It is for prevention of seasonal influenza. It was changed from trivalent vaccine to quadrivalent vaccine in 2015.<br>Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)   |                      |          |   |
| <b>Tetrabik</b>  | Launch:<br>Oct. 2012 | Category | Vaccine toxoid combined formulation   |
| TETRABIK is a combined vaccine that prevents acute poliomyelitis (polio), pertussis, diphtheria and tetanus. It is used at 1st term (initial 3 times) and 1st term (additional 1 time), in total 4 times, of the regular vaccination. By using TETRABIK, It is expected to avoid the very rare occurrence of paralytic symptoms similar to those in natural polio due to live-attenuated oral polio vaccine.<br>Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)   |                      |          |   |
| <b>Varicella vaccine</b>   | Launch:<br>Mar. 1987 | Category | Viral vaccines  |
| It is for prevention of varicella and included in regular vaccination from 2014. An indication for prevention of shingles in people older than 50 was approved in 2016.<br>Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)  |                      |          |   |
| <b>Mearubik</b>  | Launch:<br>Dec. 2005 | Category | Viral vaccines combined formulation   |
| Mearubik is for prevention of measles and rubellathe. It is combination vaccine for measles and rubella, and children are able to receive both measles and rubella shot at a time with Mearubik, which is used at the 1st term and the 2nd term of its regular vaccination. By both reducing the number of injections and relieving physical pain on people to be vaccinated, It is expected to contribute enhancement of immunization rate for measles and rubella in Japan.<br>Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)  |                      |          |   |
| <b>JEBIK V</b>   | Launch:<br>Jun. 2009 | Category | Viral vaccines  |
| JEBIK V is for prevention of Japanese encephalitis. It is freeze-dried preparation containing inactivated Japanese encephalitis virus derived from Vero cells which were used in the manufacturing process as a host to increase the virus. It is used at the 1st term and 2nd term of the regular vaccination. It is expected to reduce the occurrence of ADEM by not using mice's brains in the manufacturing process.<br>Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)   |                      |          |   |

## News Releases

The major news releases after October, 2018 are as follows.

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

| Date              | Contents  |
|-------------------|---|
| October 5, 2018   | For the ALS patients in Canada, we hope to deliver Japan-originated ALS treatment Health Canada approves RADICAVA (edaravone) for the treatment of ALS  |
| October 9, 2018   | Astellas, Mitsubishi Tanabe Pharma, and Daiichi Sankyo Announce Second Public Recruitment Offering of "JOINUS®", a Joint Research Program to Discover New Drugs using Drug-Repositioning Compound Library |
| October 22, 2018  | Strategic Research Collaboration for the Development of Innovative Antibody Drug to Treat Autoimmune Diseases   |
| November 15, 2018 | Mitsubishi Tanabe Pharma to present New data on Investigational Oral Suspension of Edaravone for ALS at 29th International Symposium on ALS/MND   |
| November 19, 2018 | Notice Regarding Revision of Medium-Term Management Plan 16-20: Open Up the Future  |
| December 10, 2018 | Conduct a study to identify and measure specific biomarkers in ALS - we will strive to deliver a beneficial therapy option to patients -  |
| December 11, 2018 | HitGen and Mitsubishi Tanabe Pharma Enter DNA-Encoded Library Based Innovative Drug Discovery Research Collaboration  |
| February 4, 2019  | Notice Regarding Conclusion of Stock Transfer Agreement for Tanabe Seiyaku Yoshiki Factory Co., Ltd.  |
| February 6, 2019  | Swissmedic approves RADICAVA, Japan-originated ALS treatment  |
| February 12, 2019 | First Initiative in Digital Medicine Notice Regarding the Start of a Demonstration Project for TOMOCO, a Diabetes Care App  |
| February 14, 2019 | FDA accepted an Investigational New Drug Application for MT-8633, an ADC Targeting cMet Positive Solid Tumors   |
| February 20, 2019 | Mitsubishi Tanabe Pharma Received Notice of Request for Arbitration   |
| February 28, 2019 | Tianjin Tanabe and Servier Tianjin join hands to promote TENELIA® in China  |
| March 12, 2019    | Topline Results of Japanese Phase 3 Clinical Studies of the HIF-PH Inhibitor MT-6548 in Anemia due to CKD   |
| March 20, 2019    | Aiming to expand our sales and to strengthen our business foundations in the growing ASEAN market Establishment of sales subsidiary in Malaysia and Vietnam Representative Office                         |
| March 26, 2019    | AnGes Obtains Conditional Approval in Japan for HGF Gene Therapy to Treat Critical Limb Ischemia  |
| March 28, 2019    | The Global Health Innovative Technology Fund provides grant for joint research into anti-malarial drugs conducted by Mitsubishi Tanabe Pharma and a malaria research institution                          |
| April 11, 2019    | Notice Regarding Reorganization of Research, Production, and Technology Bases   |
| April 15, 2019    | For the ALS patients in the world, we hope to deliver Japan-originated ALS treatment NMPA accepts our filing for Radicut to treat ALS in China  |
| April 26, 2019    | Mitsubishi Tanabe Pharma and Salix enter into a licensing agreement for MT-1303, a therapeutic agent for autoimmune diseases  |



Mitsubishi Tanabe Pharma

Financial Results for the Year Ended March 31, 2019

<Supplement>