

Financial Results for the First Nine Months of the Fiscal year ending March 31, 2020 (IFRS, Consolidated)

February 4, 2020

Company name:	Mitsubishi Tanabe Pharma Corporation
Stock exchange listings:	Tokyo
Securities code number:	4508
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Planned date of filing of quarterly securities report: February 10, 2020
 Planned date of start of dividend payments: —
 Provision of supplementary explanatory materials for quarterly results: Yes
 Quarterly results presentation: Yes (for institutional investors and securities analysts)

Notes; Amounts less than ¥1 million have been rounded.

Percentage changes in the list show change in comparison with the same period of the previous fiscal year.

1. Results for 3rd Quarter (April 1, 2019 to December 31, 2019)

(1) Consolidated Business Results

	Revenue		Core operating profit		Operating profit	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
3rd Quarter of Fiscal year 2019	297,414	(10.5)	24,187	(56.5)	24,984	(55.7)
3rd Quarter of Fiscal year 2018	332,479	(2.0)	55,574	(20.3)	56,446	(17.6)

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

	Profit before income tax		Profit for the period		Profit attributable to owners of the Company	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
3rd Quarter of Fiscal year 2019	24,605	(56.5)	15,308	(59.7)	18,223	(56.1)
3rd Quarter of Fiscal year 2018	56,565	(19.5)	38,010	(23.0)	41,468	(20.4)

	Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of Yen	% change	Yen	Yen
3rd Quarter of Fiscal year 2019	11,631	(73.1)	32.50	32.49
3rd Quarter of Fiscal year 2018	43,245	(33.4)	73.95	73.95

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2019	1,077,547	890,716	878,095	81.5	1,565.83
As of March 31, 2019	1,056,286	910,332	897,604	85.0	1,600.64

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2018	—	28.00	—	28.00	56.00
Fiscal 2019	—	28.00	—		
Fiscal 2019 (forecasts)				0.00	28.00

(Note) Revisions to recently announced dividend forecasts: No

3. Forecasts for Fiscal 2019 (April 1, 2019 to March 31, 2020)

	Revenue		Core Operating profit		Operating profit	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
Full year	376,000	(11.5)	10,000	(82.1)	11,500	(77.1)

	Profit before income tax		Profit for the period		Profit attributable to owners of the Company	
	Millions of Yen	% change	Millions of Yen	% change	Millions of Yen	% change
Full year	12,000	(76.2)	4,000	(87.6)	5,000	(86.6)

Basic earnings per share: Full year ¥ 8.92

(Note) Revisions to recently announced consolidated earnings forecasts: No

※ Notes

(1) Significant change involving subsidiaries during the period: No

(Change in designated subsidiaries accompanying changes in the scope of consolidation)

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS: Yes

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

3. Change in accounting estimates: No

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

(3) Number of shares issued (ordinary shares)

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

3rd Quarter of Fiscal year 2019	561,417,916 shares	Fiscal year 2018	561,417,916 shares
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2. Number of treasury shares at the end of the period

3rd Quarter of Fiscal year 2019	633,695 shares	Fiscal year 2018	640,305 shares
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3. Average number of shares during the period (cumulative total)

3rd Quarter of Fiscal year 2019	560,781,818 shares	3rd Quarter of Fiscal year 2018	560,776,653 shares
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(Note) The Company introduced the executive compensation BIP Trust. The shares that the trust account holds are included in treasury shares (200,279 shares at the end of the first nine months of the fiscal year ending March 31, 2020, compared to 208,655 shares at the end of the first nine months of the fiscal year ended March 31, 2019 and 208,655 shares at the end of the fiscal year ended March 31, 2019, respectively).

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

*Explanation regarding the appropriate use of earnings forecasts and other matters of special note

(Note about forward-looking information)

In these materials, earnings forecasts and other statements about the future are forward-looking statements based on the information currently available and certain assumptions that the Company regards as reasonable. Accordingly, the Company cannot make promises to achieve such forecasts. Actual financial results may differ materially from these forecasts due to uncertainty and risk of the future circumstances. Please see "1. Qualitative Information for 3rd Quarter of Fiscal year 2019 (3) Explanation about Future Prediction Information of Consolidated Earnings Forecasts" for information regarding the forecast of consolidated financial results.

(Methods of obtaining the supplementary materials and the content of the results presentation)

• Supplementary materials are shown in section "3. Supplementary Information."

• The Company plans to hold a results presentation (conference call) for institutional investors and securities analysts on February 4, 2020 (Tuesday).

The Company plans to make the presentation materials available on its website at the same time as the release of this document, and the audio materials are provided on the website immediately after the presentation is held.

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1. Qualitative Information for 3rd Quarter of Fiscal year 2019

(1) Explanation about Results of Operations

Consolidated operating results for the first nine months of the fiscal year ending March 31, 2020 (April 1, 2019 to December 31, 2019) were as follows.

(Millions of yen)

	3rd quarter of Fiscal year 2018	3rd quarter of Fiscal year 2019	Increase / Decrease	% change
Revenue	332,479	297,414	(35,065)	(10.5)
Core operating profit	55,574	24,187	(31,387)	(56.5)
Operating profit	56,446	24,984	(31,462)	(55.7)
Profit before income tax	56,565	24,605	(31,960)	(56.5)
Profit attributable to owners of the Company	41,468	18,223	(23,245)	(56.1)

【Revenue】

Revenue decreased by 10.5%, or ¥35.0 billion, year-on-year, to ¥297.4 billion.

(Millions of yen)

	3rd quarter of Fiscal year 2018	3rd quarter of Fiscal year 2019	Increase / Decrease	% change
Pharmaceuticals	332,479	297,414	(35,065)	(10.5)
Domestic ethical drugs	229,264	239,646	10,382	4.5
Overseas ethical drugs	41,953	37,520	(4,433)	(10.6)
Royalty revenue, etc.	54,979	13,614	(41,365)	(75.2)
OTC products	3,209	3,305	96	3.0
Others	3,074	3,329	255	8.3

• Revenue of domestic ethical drugs increased by 4.5%, year-on-year, to ¥239.6 billion. Despite the impact of the NHI drug price revision in October 2019, the sales growth of priority products contributed by SIMPONI, the treatment agent of Rheumatoid arthritis (RA) and three type 2 diabetes mellitus treatment agents of TENELIA, CANAGLU, and CANALIA, as well as RUPAFIN, an allergy treatment agent with the dismantling of prescription limitation in December 2018 and STELARA, a treatment for Crohn's disease jointly promoted with Janssen Pharmaceutical K.K., updated the co-promotion framework in July 2018 caused a net positive impact on revenue.

• Royalty revenue, etc. decreased by 75.2%, year-on-year, to ¥13.6 billion due to the decline in royalty revenue from GILENYA, the treatment for multiple sclerosis licensed to Novartis Pharma AG (hereinafter referred to as "Novartis") and INVOKANA and its fixed dose combination with metformin, the treatment for type 2 diabetes mellitus licensed to Janssen Pharmaceuticals, Inc.

With regard to "GILENYA Royalty" amounts, given the arbitration proceedings initiated in February 2019, a part of the royalty income of "GILENYA Royalty" has not been recognized as sales revenue in accordance with IFRS 15. Since the arbitration proceedings were ongoing during the third quarter of the fiscal year ending March 31, 2020, there was a decrease in revenue because of not recognizing a part of the royalty income. The Company maintains it is entitled to receive the full royalty amounts due according to the license agreement with Novartis, and the Company will rigorously pursue its rights in the arbitration. As for 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.

【Core operating profit (*) and Operating profit】

Core operating profit decreased by 56.5%, or ¥31.3 billion, year-on-year, to ¥24.1 billion due to the following results:

- Sales growth of domestic priority products,
- The decline of royalty revenue and long listed drugs sales,
- Increase in R&D expenses arising from the high level of investments in R&D continuing from the prior year

Operating profit recorded ¥24.9 billion, reduced 55.7%, or ¥31.4 billion, compared to the corresponding period of the prior year.

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

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

Profit before income tax decreased by 56.5%, or ¥31.9 billion, year-on-year, to ¥24.6 billion and profit attributable to owners of the Company decreased by 56.1%, or ¥23.2 billion, year-on-year, to ¥18.2 billion.

【R&D activities】

Research and development expenses were ¥57.5 billion, accounting for 19.4% of revenue. The major progress of clinical development activities during the first nine months of the fiscal year ending March 31, 2020 is as follows;

Acquisition of approval

- A dopamine D3/D2 receptor partial agonist, MP-214 (generic name: cariprazine) for the treatment of schizophrenia was approved in Singapore and Thailand in July 2019.
- A free-radical scavenger, MCI-186 (generic name: edaravone, U.S. product name: RADICAVA) for the treatment for ALS (amyotrophic lateral sclerosis) was approved in China in July 2019.
- A selective histamine H1 receptor antagonist, anti-allergic agent, TAU-284 (generic name: bepotastine, product name: TALION) for the treatment for adults and children aged seven or older with allergic rhinitis, urticaria, pruritus resulting from dermatosis (eczema or dermatitis, prurigo, pruritus cutaneous) was approved in Thailand in December 2019.

Application of approval

- Applications of a free-radical scavenger, MCI-186 for the treatment for ALS were filed in China and Asia in April 2019.
- An application of a hypoxia inducible factor prolyl hydroxylase inhibitor, MT-6548 (generic name: vadadustat) for the treatment of renal anemia was filed in Japan in July 2019.
- An application of a DPP-4 inhibitor, MP-513 (generic name: teneligliptin, product name: TENELIA) for the treatment of type 2 diabetes mellitus was filed in China in September 2019.
- An application of a plant-based Virus-Like Particle (VLP) vaccine, MT-2271, prophylaxis of seasonal influenza for adults was filed in Canada in September 2019.

Start of clinical trials (from phase 2)

- A global phase 3 clinical trial of a continuous subcutaneous pump, ND0612 (generic name: levodopa/carbidopa) for patients with Parkinson's disease started in August 2019.
- A global phase 3 clinical trial of a free-radical scavenger, MT-1186 (generic name: edaravone (oral suspension formulation)) for patients with ALS started in November 2019.

Development status of licensing-out products

- Licensee Kyowa Kirin Co., Ltd. submitted an application for a Ca sensing receptor agonist, MT-4580 (generic name: evocalcet, product name: ORKEDIA) for the treatment of hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism in Japan in April 2019 and received its approval in December 2019. In addition, Kyowa Kirin Co., Ltd. started phase 3 clinical trials for secondary hyperparathyroidism patients in China and Asia in May 2019.
- Licensee Janssen Pharmaceuticals, Inc. received an approval for a SGLT2 inhibitor, TA-7284 (generic name: canagliflozin, U.S. product name: INVOKANA) for the treatment of diabetic nephropathy in the U.S. in September 2019, and also submitted its application in Europe in July 2019.

(2) Explanation about Financial Position

【Statement of financial position】

(Millions of yen)

	End of Fiscal year 2018 (As of March 31, 2019)	End of 3rd quarter of Fiscal year 2019 (As of December 31, 2019)	Increase / Decrease
Non-current assets	467,853	473,614	5,761
Current assets	588,433	603,933	15,500
Total assets	1,056,286	1,077,547	21,261
Liabilities	145,954	186,831	40,877
Equity	910,332	890,716	(19,616)
Total liabilities and equity	1,056,286	1,077,547	21,261

Total assets at the end of the third quarter of the fiscal year ending March 31, 2020 were ¥1,077.5 billion, an increase of ¥21.2 billion from the end of the fiscal year ended March 31, 2019. Major factors causing changes in the consolidated statement of financial position in comparison with the previous fiscal year-end were as follows.

- Non-current assets increased by ¥5.7 billion, to ¥473.6 billion, reflecting the increase in property, plant and equipment following the adoption of IFRS 16 "Leases" in addition to the decrease in other financial assets and the increase in net defined benefit assets deriving from fair value remeasurement of domestic listed shares and pension plan assets.
- Current assets increased by ¥15.5 billion, to ¥603.9 billion resulting from the increase in trade and other receivables and other current assets in spite of the decrease in cash and cash equivalents as a consequence of the payment of corporate income tax and dividends.
- Liabilities increased by ¥40.8 billion, to ¥186.8 billion, reflecting the increase in other financial liabilities following the adoption of IFRS 16 "Leases," other non-current liabilities, and trade and other payables.
- Equity decreased by ¥19.6 billion, to ¥890.7 billion, as a result of the payment of dividends and the decrease in the fair value of financial assets regarding domestic listed shares, exceeded profit for the period recorded.

【Cash flows】

(Millions of yen)

	3rd quarter of Fiscal year 2018	3rd quarter of Fiscal year 2019	Increase / Decrease
Operating activities	29,468	32,292	2,824
Investing activities	(20,093)	(10,382)	9,711
Financing activities	(27,905)	(35,726)	(7,821)
Change in cash and cash equivalents	(17,844)	(14,283)	3,561
At the beginning of the year	127,030	111,850	(15,180)
At the end of the period	109,186	97,657	(11,529)

Net decrease in cash and cash equivalents was ¥14.2 billion, and the balance of cash and cash equivalents at the end of the third quarter of the fiscal year ending March 31, 2020 was ¥97.6 billion.

- Net cash provided by operating activities was ¥32.2 billion attributed to cash inflows including profit before income tax, partially offset by cash outflows including income taxes paid.
- Net cash used in investing activities was ¥10.3 billion mainly generated from investment of cash reserves and capital investments.
- Net cash used in financing activities was ¥35.7 billion primarily resulting from dividends paid.

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

There has been no change to the consolidated forecasts for the full-year of the fiscal year ending March 31, 2020 announced on May 10, 2019.

Mitsubishi Chemical Holdings Corporation (“MCHC”), the parent company of the Company, conducted a tender offer for common shares of the Company from November 19, 2019, and, as a result, MCHC became a special controlling shareholder of the Company.

The Company has received from MCHC a notice regarding the demand for the sale of common shares of the Company (the “Demand for Sale of Shares”) as of January 17, 2020 and resolved at its board of directors meeting held on January 17, 2020 to approve the Demand for Sale of Shares.

In addition, common shares of the Company will come to fall under the delisting criteria of the Tokyo Stock Exchange, Inc. upon the approval of the Demand for Sale of Shares. Therefore, common shares of the Company will be delisted on February 27, 2020.

Please refer to “2. Condensed Consolidated Financial Statements and Main Notes (6) Notes to Condensed Consolidated Financial Statements (Subsequent Event).”

2. Condensed Consolidated Financial Statements and Main Notes

(1) Condensed Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Revenue	332,479	297,414
Cost of sales	139,201	143,065
Gross profit	193,278	154,349
Selling, general and administrative expenses	73,181	71,279
Research and development expenses	61,906	57,554
Amortization of intangible assets associated with products	2,201	1,871
Other income	1,309	2,506
Other expenses	779	1,173
Share of profit (loss) of associates and joint ventures accounted for using equity method	(74)	6
Operating profit	56,446	24,984
Financial income	984	903
Financial expenses	865	1,282
Profit before income tax	56,565	24,605
Income tax expenses	18,555	9,297
Profit for the period	38,010	15,308
Profit attributable to:		
Owners of the Company	41,468	18,223
Non-controlling interests	(3,458)	(2,915)
Profit for the period	38,010	15,308
Earnings per share		
Basic earnings per share (Yen)	73.95	32.50
Diluted earnings per share (Yen)	73.95	32.49

(2) Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit for the period	38,010	15,308
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net changes in financial assets measured at fair value through other comprehensive income	2,408	(4,492)
Remeasurements of defined benefit plans	(2,212)	2,633
Subtotal	196	(1,859)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	5,048	(1,854)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(9)	36
Subtotal	5,039	(1,818)
Other comprehensive income (loss), net of tax	5,235	(3,677)
Comprehensive income	43,245	11,631
Comprehensive income (loss) attributable to:		
Owners of the Company	46,923	14,425
Non-controlling interests	(3,678)	(2,794)
Comprehensive income	43,245	11,631

(3) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	73,338	83,782
Goodwill	91,640	90,234
Intangible assets	206,918	209,071
Investments in associates and joint ventures accounted for using equity method	16,294	16,149
Other financial assets	46,245	39,230
Net defined benefit assets	21,474	24,779
Other non-current assets	257	416
Deferred tax assets	11,687	9,953
Total non-current assets	467,853	473,614
Current assets		
Inventories	75,559	72,935
Trade and other receivables	116,951	132,523
Other financial assets	271,432	271,679
Other current assets	11,011	23,357
Cash and cash equivalents	111,850	97,657
Subtotal	586,803	598,151
Assets held for sale	1,630	5,782
Total current assets	588,433	603,933
Total assets	1,056,286	1,077,547

	As of March 31, 2019	As of December 31, 2019
Liabilities and equity		
Liabilities		
Non-current liabilities		
Borrowings	150	1,920
Other financial liabilities	2,151	9,565
Net defined benefit liabilities	629	602
Provisions	6,975	6,613
Other non-current liabilities	5,116	30,298
Deferred tax liabilities	39,234	37,590
Total non-current liabilities	54,255	86,588
Current liabilities		
Borrowings	45	16
Trade and other payables	31,477	41,070
Other financial liabilities	27,032	32,153
Income taxes payable	9,576	1,400
Provisions	1,638	3,472
Other current liabilities	21,682	21,684
Subtotal	91,450	99,795
Liabilities directly related to assets held for sale	249	448
Total current liabilities	91,699	100,243
Total liabilities	145,954	186,831
Equity		
Share capital	50,000	50,000
Capital surplus	451,253	448,704
Treasury shares	(1,040)	(1,022)
Retained earnings	387,964	377,592
Other components of equity	9,427	2,821
Total equity attributable to owners of the Company	897,604	878,095
Non-controlling interests	12,728	12,621
Total equity	910,332	890,716
Total liabilities and equity	1,056,286	1,077,547

(4) Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

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

(Millions of yen)

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

(Millions of yen)

	Equity attributable to owners of the Company					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Exchange differences on translation of foreign operations	Net changes in financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2019	50,000	451,253	(1,040)	387,964	(7,771)	17,234
Profit for the period	—	—	—	18,223	—	—
Other comprehensive income	—	—	—	—	(1,975)	(4,492)
Total comprehensive income	—	—	—	18,223	(1,975)	(4,492)
Acquisition of treasury shares	—	—	(4)	—	—	—
Disposal of treasury shares	—	(23)	22	—	—	—
Dividends	—	—	—	(31,403)	—	—
Share-based payments	—	9	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,808	—	(175)
Total contributions by and distributions to owners	—	(14)	18	(28,595)	—	(175)
Issuance of new shares	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	(2,535)	—	—	—	—
Changes in ownership interests in subsidiaries and others	—	(2,535)	—	—	—	—
Total transactions with owners	—	(2,549)	18	(28,595)	—	(175)
Balance as of December 31, 2019	50,000	448,704	(1,022)	377,592	(9,746)	12,567

(Millions of yen)

	Equity attributable to owners of the Company					
	Other components of equity			Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Total			
Balance as of April 1, 2019	—	(36)	9,427	897,604	12,728	910,332
Profit for the period	—	—	—	18,223	(2,915)	15,308
Other comprehensive income	2,633	36	(3,798)	(3,798)	121	(3,677)
Total comprehensive income	2,633	36	(3,798)	14,425	(2,794)	11,631
Acquisition of treasury shares	—	—	—	(4)	—	(4)
Disposal of treasury shares	—	—	—	(1)	—	(1)
Dividends	—	—	—	(31,403)	(135)	(31,538)
Share-based payments	—	—	—	9	—	9
Transfer from other components of equity to retained earnings	(2,633)	—	(2,808)	—	—	—
Total contributions by and distributions to owners	(2,633)	—	(2,808)	(31,399)	(135)	(31,534)
Issuance of new shares	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	(2,535)	2,822	287
Changes in ownership interests in subsidiaries and others	—	—	—	(2,535)	2,822	287
Total transactions with owners	(2,633)	—	(2,808)	(33,934)	2,687	(31,247)
Balance as of December 31, 2019	—	—	2,821	878,095	12,621	890,716

(5) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from operating activities:		
Profit before income tax	56,565	24,605
Depreciation and amortization	8,640	11,292
Reversal of impairment losses	—	(1,720)
Interest and dividends income	(982)	(903)
Share of loss (profit) of associates and joint ventures accounted for using equity method	74	(6)
Decrease (increase) in trade and other receivables	(17,039)	(15,339)
Decrease (increase) in inventories	16,048	2,254
Increase (decrease) in trade and other payables	2,804	9,940
Increase (decrease) in provisions	(446)	1,434
Decrease (increase) in net defined benefit asset	150	484
Other	(3,558)	21,539
Subtotal	62,256	53,580
Interest received	407	364
Dividends received	675	545
Interest paid	(179)	(175)
Income taxes paid	(33,691)	(22,022)
Net cash flows provided by operating activities	29,468	32,292
Cash flows from investing activities:		
Payments into time deposits	(1,447)	(5,000)
Proceeds from withdrawal of time deposits	4,945	613
Purchase of property, plant and equipment	(4,050)	(9,854)
Proceeds from sales of property, plant and equipment	69	1,574
Purchase of intangible assets	(3,225)	(2,807)
Purchase of investments	(321,169)	(341,253)
Proceeds from sales and redemption of investments	304,759	345,783
Proceeds from sales of subsidiaries	—	1,065
Other	25	(503)
Net cash flows used in investing activities	(20,093)	(10,382)
Cash flows from financing activities:		
Proceeds from long-term borrowings	—	1,752
Repayments of lease liabilities	(81)	(5,897)
Proceeds from stock issuance to non-controlling interests	4,076	—
Dividends paid	(31,403)	(31,403)
Other	(497)	(178)
Net cash flows used in financing activities	(27,905)	(35,726)
Effect of exchange rate changes on cash and cash equivalents	686	(467)
Net increase (decrease) in cash and cash equivalents	(17,844)	(14,283)
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	—	90
Cash and cash equivalents at the beginning of period	127,030	111,850
Cash and cash equivalents at the end of period	109,186	97,657

(6) Notes to Condensed Consolidated Financial Statements

(Note regarding Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

Significant accounting policies that the Group has adopted in the condensed consolidated financial statements under review are the same as those that were adopted in the consolidated financial statements for the fiscal year ended March 31, 2019 except the following.

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

The Group has adopted the following standard from the first quarter of the fiscal year ending March 31, 2020.

IFRS		Description of new standards and revisions
IFRS 16	Leases	IFRS 16 describes that revision of current accounting treatment for lease and disclosure. Mainly, IFRS 16 introduces a single lessee accounting model and requires lessees to recognize its right to use the underlying leased assets and a lease liability representing its obligation to make lease payments for all leases with a term of more than 12 months in principle.

The adoption of IFRS 16 increased the carrying amounts of the Group's lease-related assets by ¥10,570 million while increasing lease liabilities by ¥10,570 million. Right-of-use assets are included in "property, plant and equipment" and lease liabilities are included in non-current and current "other financial liabilities."

In adopting IFRS 16, the Group applied a method to retrospectively recognize the cumulative impact of the standard's adoption, a permitted transitional measure, on the commencement date, although there was no cumulative impact.

(Subsequent Event)

Results of the tender offer for shares of the Company and approval of the demand for sale of shares of the Company

As the Company announced in the release titled “Announcement Concerning Results of the Tender Offer of Our Shares by Mitsubishi Chemical Holdings Corporation which is Our Controlling Shareholder”, dated January 8, 2020, Mitsubishi Chemical Holdings Corporation (“MCHC”) conducted a tender offer for common shares of the Company from November 19, 2019 to January 7, 2020 (that tender offer, the “Tender Offer”), and, as a result, MCHC came to own 513,675,239 common shares of the Company (Voting Rights Ownership Ratio (please see Note): 91.57%) as of January 15, 2020, which is the commencement date of settlement of the Tender Offer, and became a special controlling shareholder of the Company (the “Special Controlling Shareholder”) as defined in the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same applies).

According to MCHC, since it came to own 90% or more of the voting rights of all shareholders of the Company, MCHC decided as of January 17, 2020 to demand all shareholders of the Company (excluding MCHC and the Company) sell all of their common shares of the Company to MCHC (the “Demand for Sale of Shares”) under Article 179, Paragraph 1 of the Companies Act as part of the transaction intended to make the Company a wholly-owned subsidiary of MCHC by acquiring all of common shares of the Company (excluding those held by MCHC and the treasury shares held by the Company) as stated in “(5) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to So-called “Two-step Acquisition”)” in “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” in “Announcement of Mitsubishi Tanabe Pharma Corporation’s Opinion Regarding Tender Offer for Shares in Mitsubishi Tanabe Pharma Corporation by the Controlling Shareholder Mitsubishi Chemical Holdings Corporation, and Recommendation to Tender Shares” released by the Company on November 18, 2019.

The Company has received from MCHC a notice regarding the Demand for Sale of Shares as of January 17, 2020 and resolved at its board of directors meeting held on January 17, 2020 to approve the Demand for Sale of Shares.

In addition, common shares of the Company will come to fall under the delisting criteria of the Tokyo Stock Exchange, Inc. (the “TSE”) upon the approval of the Demand for Sale of Shares. Therefore, common shares of the Company will be designated as stock to be delisted for the period from January 17, 2020 through February 26, 2020, and they will be delisted on February 27, 2020. After the delisting, common shares of the Company may not be traded on the First Section of the TSE.

(Note) “Voting Rights Ownership Ratio” means the proportion of the number of the voting rights (i.e., 5,609,862 voting rights) represented by the total number of issued shares of the Company as of September 30, 2019 (i.e., 561,417,916 shares), as set forth in the Second Quarterly Earnings Release for FY 2019 (IFRS) (Consolidated) disclosed by the Company on October 30, 2019 (referred to as “the Company’s FY 2019 Second Quarterly Earnings Release”), less the number of treasury shares (excluding the 200,279 shares that are held by the Officer Remuneration BIP (Board Incentive Plan) Trust as of September 30, 2019) held by the Company as set forth in the Company’s FY 2019 Second Quarterly Earnings Release (i.e., 431,636 shares) (equating to 560,986,280 shares) (voting rights ownership ratios are rounded up or down to two decimal places), and hereinafter the same shall apply.

(1) Outline of the Special Controlling Shareholder

(1) Name	Mitsubishi Chemical Holdings Corporation
(2) Location	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and title of representative	Hitoshi Ochi, Representative Corporate Executive Officer, President & Chief Executive Officer
(4) Description of business	Management of group companies (Development of the group strategies and allocation of financial resource)
(5) Capital	50,000 million yen (as of June 25, 2019)
(6) Date of incorporation	October 3, 2005

(7) Major shareholders and shareholding ratios (as of March 31, 2019)	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.27%
	Japan Trustee Services Bank, Ltd. (Trust Account)	5.78%
	Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.)	4.52%
	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.99%
	Japan Trustee Services Bank, Ltd. (Trust Account 4)	1.99%
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.81%
	Japan Trustee Services Bank, Ltd. (Trust Account 7)	1.80%
	SSBTC Client Omnibus Account (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department)	1.51%
	MUFG Bank, Ltd.	1.44%
	State Street Bank West Client – Treaty 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.44%
(8) Relationship between the Company and MCHC		
Capital relationship	MCHC holds 513,675,239 common shares of the Company (Voting Rights Ownership Ratio: 91.57%) as of January 17, 2020.	
Personnel relationship	Three of the Company's eight directors have worked at the Other MCHC Group Companies (Note); one of those three directors currently holds a position as director at a wholly-owned subsidiary of MCHC, and one of the other five directors holds positions as executive officer at MCHC and director at a wholly-owned subsidiary of MCHC. Also, one statutory auditor of the Company has worked at the Other MCHC Group Companies. In addition to the above, 63 employees of the Group are seconded to the Other MCHC Group Companies, and eight employees of the Other MCHC Group Companies are seconded to the Group.	
Business relationship	The Company deposits funds with MCHC and receives interest on those funds.	
Status as related party	MCHC is the Company's parent company, and therefore, a related party of the Company.	

(Note) "Other MCHC Group Companies" means companies that constitute the MCHC Group, excluding the companies that constitute the Group. "MCHC Group" means MCHC, its 552 subsidiaries, and its 169 affiliated companies (as of the date of September 30, 2019) in which MCHC serves as its holding company, and "the Group" means the Company and its 33 subsidiaries and its one equity-method affiliate (as of the date of September 30).

(2) Schedule of the Demand for Sale of Shares

Date of the demand for the sale of shares	Friday, January 17, 2020
Date when the resolution was passed at the Company's board of directors meeting	Friday, January 17, 2020
Last trading day	Wednesday, February 26, 2020
Delisting date	Thursday, February 27, 2020
Acquisition date	Monday, March 2, 2020

(3) Sale Consideration

2,010 yen per common share

3. Supplementary Information

(1) Consolidated Financial Indicators for 3rd Quarter of FY2019

i. Profit and Loss

(Amounts less than ¥ 100 million are rounded off)

[Billions of yen]

	Cumulative Q3 FY2019	Y-on-Y			Comparison to full year forecasts		Notes [Y-on-Y comparison]
		Cumulative Q3 FY2018	Increase (decrease)	Change %	Forecasts ^{*1}	Achieved %	
Revenue	297.4	332.4	(35.0)	(10.5)	376.0	79.1	See " ii. Sales Revenue of Main Products " on page 18.
Domestic	247.2	236.4	10.8	4.6	308.3	80.2	
Overseas	50.1	96.0	(45.9)	(47.8)	67.6	74.1	
Overseas sales ratio	16.9%	28.9%			18.0%		
Cost of sales	143.0	139.2	3.8	2.8	178.5	80.1	Increase in the sales cost ratio due to decrease of royalty revenue, etc.
Sales cost ratio	48.1%	41.9%			47.5%		
Gross profit	154.3	193.2	(38.9)	(20.1)	197.5	78.2	
SG&A expense	70.5	73.1	(2.6)	(3.6)	99.0	71.3	Decrease due to the progress of reforming operational productivity
% of revenue	23.7%	22.0%			26.3%		
R&D expense	57.5	61.9	(4.3)	(7.0)	85.5	67.3	
% of revenue	19.4%	18.6%			22.7%		
assets associated with products	1.8	2.2	(0.3)	(15.0)	2.5	74.8	
Other income (expense) ^{*2}	(0.1)	(0.4)	0.2	-	(0.5)	-	
Core operating profit	24.1	55.5	(31.3)	(56.5)	10.0	241.9	
Non-recurring items ^{*2}	0.7	0.8	(0.0)	(8.6)	1.5	53.1	
Operating profit	24.9	56.4	(31.4)	(55.7)	11.5	217.3	
Financial income	0.9	0.9	(0.0)	(8.2)	-	-	
Interest income and dividends income	0.9	0.9	(0.0)	(8.0)	-	-	
Others	-	0.0	(0.0)	-	-	-	
Financial expense	1.2	0.8	0.4	48.2	-	-	
Interest expense	0.1	0.1	0.0	48.7	-	-	
Foreign exchange loss	0.8	0.6	0.2	35.4	-	-	
Others	0.2	0.1	0.1	114.0	-	-	
Profit before tax for the period	24.6	56.5	(31.9)	(56.5)	12.0	205.0	
Income taxes	9.2	18.5	(9.2)	(49.9)	-	-	
Net profit for the period	15.3	38.0	(22.7)	(59.7)	4.0	382.7	
Net profit attributable to owners of the Company	18.2	41.4	(23.2)	(56.1)	5.0	364.5	
Total labor cost	56.3	54.1	2.2	4.1	74.5	75.7	

*1: The Company announced full year forecasts on May 10, 2019.

*2: Brackets indicate expense and loss

[Yen]

Exchange rate	Q3 FY2019 average	Q3 FY2018 average	FY2019 planned
USD	108.89	111.33	110.00
CAD	82.14	84.87	85.00
EUR	121.12	129.25	125.00

For the 3rd quarter of FY2019, the impact of fluctuations in the foreign exchange rate was as follows;

Revenue: decrease by ¥1.6 billion

Core operating profit: Increase by ¥1.2 billion

ii. Sales Revenue of Main Products

(Amounts less than ¥ 100 million are rounded off)

[Billions of yen]

	Cumulative Q3 FY2019	Y-on-Y			Comparison to full year forecasts	
		Cumulative Q3 FY2018	Increase (decrease)	Change %	Forecasts ^{*1}	Achieved %
Domestic ethical drugs	239.6	229.2	10.3	4.5	298.1	80.4
Remicade	42.4	45.9	(3.4)	(7.5)	51.5	82.4
Simponi	31.6	28.7	2.9	10.2	42.2	75.1
Stelara	20.3	10.4	9.9	94.9	21.6	94.0
Tenelia	12.0	11.1	0.9	8.4	15.0	80.2
Canaglu	6.5	5.0	1.5	31.2	10.4	63.3
Canalia	5.5	5.3	0.1	2.4	7.2	76.4
Kremezin	5.2	5.2	0.0	0.2	8.3	62.7
Lexapro	11.6	10.7	0.8	8.3	14.7	78.6
Ceredist	6.0	7.1	(1.0)	(15.2)	8.5	70.8
Rupafin	4.1	0.9	3.2	334.8	7.5	55.3
Talion	3.3	4.1	(0.7)	(18.7)	5.4	61.8
Vaccines [BIKEN products]	32.9	30.4	2.4	8.0	36.2	90.8
Influenza vaccine	12.4	9.5	2.8	30.4	10.7	115.4
Tetrabik	7.0	6.4	0.6	9.5	10.0	70.5
Varicella vaccine	3.7	3.9	(0.1)	(3.8)	5.1	73.0
Overseas ethical drugs	37.5	41.9	(4.4)	(10.6)	49.6	75.5
Radicava	17.3	20.6	(3.2)	(15.9)	22.0	78.8
Herbesser	5.1	5.0	0.0	0.9	7.2	70.2
Simponi	1.6	1.4	0.1	8.3	2.0	76.5
Argatroban	1.4	1.5	(0.1)	(7.4)	1.7	80.0
Tanatril	1.0	1.2	(0.1)	(12.1)	1.6	66.6
Royalty revenue, etc.	13.6	54.9	(41.3)	(75.2)	19.2	70.7
Royalty from Gilenya ^{*2}	4.6	44.6	(40.0)	(89.6)	Undisclosed	-
Royalty from INVOKANA	6.4	8.1	(1.6)	(20.7)	Undisclosed	-
OTC products	3.3	3.2	0.0	3.0	4.3	76.5
Others ^{*3}	3.3	3.0	0.2	8.3	4.6	72.3
Total sales revenue	297.4	332.4	(35.0)	(10.5)	376.0	79.1

*1: The Company announced full year forecasts on May 10, 2019.

*2: Mitsubishi Tanabe Pharma (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 because such payments do not satisfy one of the requirements under IFRS 15. 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 of other companies

iii. Quarterly Trend (PL)

(Amounts less than ¥ 100 million are rounded off)

[Billions of yen]

	FY2018					FY2019			
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	Full year Actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Full year forecasts ^{*1}
Revenue	105.3 24.8%	104.3 24.6%	122.7 28.9%	92.2 21.7%	424.7 100.0%	98.1 26.1%	89.9 23.9%	109.3 29.1%	376.0 100.0%
Domestic	74.1 24.1%	72.3 23.5%	89.9 29.2%	71.3 23.2%	307.7 100.0%	80.7 26.2%	73.8 24.0%	92.6 30.0%	308.3 100.0%
Overseas	31.1 26.6%	32.0 27.4%	32.8 28.1%	20.9 17.9%	117.0 100.0%	17.3 25.6%	16.1 23.8%	16.6 24.7%	67.6 100.0%
Cost of sales	42.3	43.7	53.0	41.4	180.6	44.7	43.7	54.5	178.5
Sales cost ratio	40.2%	42.0%	43.2%	44.9%	42.5%	45.6%	48.6%	49.9%	47.5%
Gross profit	63.0 25.8%	60.5 24.8%	69.7 28.6%	50.8 20.8%	244.1 100.0%	53.3 27.0%	46.2 23.4%	54.7 27.7%	197.5 100.0%
SG&A expense	23.1 23.6%	24.5 25.0%	25.4 25.9%	25.0 25.5%	98.2 100.0%	22.9 23.2%	23.8 24.1%	23.7 24.0%	99.0 100.0%
R&D expense	19.6 22.7%	19.9 23.0%	22.3 25.8%	24.6 28.5%	86.5 100.0%	19.9 23.3%	19.8 23.2%	17.7 20.8%	85.5 100.0%
Amortization of intangible assets associated with products	0.7 25.0%	0.7 25.0%	0.7 25.0%	0.7 25.0%	2.9 100.0%	0.6 25.9%	0.6 24.3%	0.6 24.6%	2.5 100.0%
Other income (expense) ^{*2}	(0.1) -	(0.1) -	(0.1) -	(0.1) -	(0.5) -	(0.0) -	0.0 -	(0.1) -	(0.5) -
Core operating profit	19.3 34.6%	15.1 27.2%	21.0 37.7%	0.2 0.5%	55.8 100.0%	9.7 97.5%	1.9 19.5%	12.4 124.9%	10.0 100.0%
Operating profit	19.3 38.4%	15.1 30.2%	21.9 43.6%	(6.1) (12.2%)	50.3 100.0%	9.6 83.7%	2.9 25.6%	12.4 108.0%	11.5 100.0%
Profit before tax	19.7 39.1%	15.0 29.9%	21.7 43.1%	(6.1) (12.1%)	50.4 100.0%	9.2 76.7%	2.9 24.5%	12.4 103.8%	12.0 100.0%
Net profit attributable to owners of the Company	13.9 37.4%	11.0 29.5%	16.4 44.1%	(4.0) (11.0%)	37.3 100.0%	6.8 137.6%	1.4 28.7%	9.9 198.1%	5.0 100.0%

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

*1: The Company announced full year forecasts on May 10, 2019.

*2: Brackets indicate expense and loss

iv. Quarterly Trend (Sales Revenue of Main Products)

(Amounts less than ¥100 million are rounded off)

[Billions of yen]

		FY2018					FY2019			
		Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	Full year actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Full year forecasts ^{*1}
Domestic ethical drugs		71.6 24.0%	69.9 23.4%	87.6 29.3%	69.5 23.3%	298.7 100.0%	78.1 26.2%	71.0 23.8%	90.4 30.3%	298.1 100.0%
	Remicade	15.1 25.7%	14.8 25.2%	16.0 27.2%	12.8 21.9%	58.8 100.0%	14.4 28.0%	13.1 25.5%	14.8 28.8%	51.5 100.0%
	Simponi	9.0 24.0%	9.5 25.4%	10.2 27.3%	8.7 23.3%	37.4 100.0%	10.5 24.9%	9.9 23.5%	11.2 26.6%	42.2 100.0%
	Stelara	0.2 1.4%	4.5 30.0%	5.6 37.3%	4.7 31.3%	15.2 100.0%	6.1 28.6%	6.3 29.5%	7.7 35.9%	21.6 100.0%
	Tenelia	4.4 29.5%	2.7 18.0%	3.9 25.8%	4.0 26.7%	15.2 100.0%	4.7 31.2%	3.3 22.5%	4.0 26.5%	15.0 100.0%
	Canaglu	1.4 22.2%	1.5 22.9%	1.9 29.4%	1.7 25.5%	6.7 100.0%	2.1 20.7%	1.9 18.6%	2.4 23.9%	10.4 100.0%
	Canalia	1.4 19.1%	1.6 22.3%	2.3 31.1%	2.0 27.5%	7.4 100.0%	2.2 30.5%	1.5 21.5%	1.7 24.3%	7.2 100.0%
	Kremezin	1.7 25.5%	1.6 24.9%	1.8 27.6%	1.4 22.0%	6.6 100.0%	1.7 21.0%	1.6 19.3%	1.8 22.4%	8.3 100.0%
	Lexapro	3.4 24.4%	3.4 24.4%	3.8 27.8%	3.2 23.4%	14.0 100.0%	3.8 26.3%	3.5 24.1%	4.1 28.2%	14.7 100.0%
	Ceredist	2.4 27.7%	2.2 24.6%	2.4 27.4%	1.8 20.3%	8.9 100.0%	2.1 25.4%	1.7 19.9%	2.1 25.5%	8.5 100.0%
	Rupafin	0.1 5.0%	0.2 6.1%	0.5 16.7%	2.4 72.2%	3.4 100.0%	1.2 16.6%	1.2 16.6%	1.6 22.2%	7.5 100.0%
	Talion	1.4 22.3%	1.1 17.9%	1.5 24.7%	2.2 35.1%	6.4 100.0%	1.2 22.6%	0.9 17.2%	1.2 22.0%	5.4 100.0%
	Vaccines [BIKEN products]	8.8 23.7%	6.7 18.1%	14.8 39.9%	6.8 18.4%	37.3 100.0%	7.3 20.2%	8.4 23.3%	17.1 47.4%	36.2 100.0%
	Influenza vaccine	(0.1) (1.1%)	1.0 10.6%	8.5 83.4%	0.7 7.0%	10.2 100.0%	(0.0) (0.2%)	1.8 16.8%	10.6 98.8%	10.7 100.0%
	Tetrabik	2.2 25.7%	1.9 23.0%	2.3 26.9%	2.0 24.4%	8.5 100.0%	2.3 23.6%	2.2 21.9%	2.5 25.0%	10.0 100.0%
	Varicella vaccine	1.4 27.7%	1.2 23.8%	1.3 25.7%	1.1 22.9%	5.1 100.0%	1.2 24.8%	1.2 23.4%	1.2 24.7%	5.1 100.0%
	Overseas ethical drugs	12.9 23.5%	14.5 26.3%	14.4 26.3%	13.1 23.9%	55.1 100.0%	12.5 25.4%	12.2 24.7%	12.6 25.4%	49.6 100.0%
	Radicava	6.4 23.7%	7.4 27.7%	6.7 25.0%	6.4 23.7%	27.0 100.0%	6.1 27.8%	5.5 25.0%	5.7 26.0%	22.0 100.0%
	Herbesser	1.6 24.4%	1.6 23.9%	1.7 24.9%	1.8 26.7%	6.8 100.0%	1.7 24.7%	1.7 23.4%	1.6 22.1%	7.2 100.0%
	Simponi	0.4 24.2%	0.5 25.0%	0.4 24.8%	0.5 26.1%	2.0 100.0%	0.5 24.5%	0.5 25.2%	0.5 26.8%	2.0 100.0%
	Argatroban	0.5 29.4%	0.4 24.5%	0.5 26.7%	0.3 19.3%	1.9 100.0%	0.4 27.0%	0.4 27.4%	0.4 25.5%	1.7 100.0%
	Tanatril	0.3 23.7%	0.4 30.7%	0.4 27.1%	0.2 18.5%	1.5 100.0%	0.3 21.7%	0.3 21.7%	0.3 23.2%	1.6 100.0%
	Royalty revenue, etc.	18.5 29.3%	17.7 28.2%	18.6 29.6%	8.1 12.9%	63.1 100.0%	5.0 26.2%	4.1 21.6%	4.3 22.8%	19.2 100.0%
	Royalty from Gilenya ^{*2}	15.3 30.9%	14.5 29.3%	14.7 29.6%	5.0 10.2%	49.7 100.0%	1.6 -	1.5 -	1.3 -	Undisclosed -
	Royalty from INVOKANA	2.4 23.6%	2.4 23.4%	3.2 30.5%	2.3 22.5%	10.5 100.0%	2.0 -	2.0 -	2.4 -	Undisclosed -
	OTC products	1.2 31.9%	0.9 26.4%	1.0 26.8%	0.5 14.9%	3.7 100.0%	1.2 30.0%	1.0 24.5%	0.9 22.0%	4.3 100.0%
	Others ^{*3}	1.0 25.9%	1.1 28.8%	0.9 22.9%	0.8 22.4%	3.9 100.0%	1.0 22.0%	1.4 32.3%	0.8 18.0%	4.6 100.0%
Total sales revenue		105.3 24.8%	104.3 24.6%	122.7 28.9%	92.2 21.7%	424.7 100.0%	98.1 26.1%	89.9 23.9%	109.3 29.1%	376.0 100.0%

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

^{*1}: The Company announced forecasts for FY2019 on May 10, 2019.

^{*2}: Mitsubishi Tanabe Pharma (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 because such payments do not satisfy one of the requirements under IFRS 15. 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 of other companies

(2) State of New Product Development (as of January 31, 2020)

i. Immuno-inflammation

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

ii. Diabetes and kidney

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

Asia: excluding Japan and China

iii. Central nervous system

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS)	Asia Filed	In-house
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Asia Filed	Licensed from Gedeon Richter (Hungary)
MT-210 (Risperidone)	5-HT2A/Sigma 2 receptor antagonist (Schizophrenia)	US, Europe Phase 3	Licensed to Minerva Neurosciences (US)
MT-5199 (Valbenazine)	Vesicular monoamine transporter type 2 inhibitor (Tardive dyskinesia)	Japan Phase 2/3	Licensed from Neurocrine Biosciences (US)
ND0612 (Levodopa/Carbidopa)	Continuous SC pump (Parkinson's disease)	Global Phase 3	In-house
MT-0551 (Inebilizumab)	Humanized anti-CD19 monoclonal antibody (Neuromyelitis optica spectrum disorder: NMOSD)	Japan, Asia Phase 3	Licensed from Viela Bio (US)
MT-1186 (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS / Oral suspension)	Global Phase 3	In-house
MT-8554 (Elismetrep)	TRPM8 antagonist (Painful diabetic peripheral neuropathy)	Europe Phase 2	In-house
	(Vasomotor symptoms associated with menopause)	Global Phase 2	
ND0701 (Apomorphine)	Continuous SC pump (Parkinson's disease)	Phase 1	In-house
MT-6345	Nervous system	Phase 1	Co-developed with Ube Industries (Japan)
MT-3921	Anti-RGMA antibody (Spinal cord injury)	Phase 1	Co-developed with Osaka University (Japan)

iv. Vaccines

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
MT-2355	Combined vaccine (Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants)	Japan Phase 3	Co-developed with The Research Foundation for Microbial Diseases of Osaka University (Japan)
MT-2271	Plant-based VLP vaccine (Prophylaxis of seasonal influenza/adults)	Canada Filed (Sep. 2019)	Medicago product (Canada)
		US, Europe Phase 3	
	(Prophylaxis of seasonal influenza/elderly)	US, Europe Phase 3	
MT-8972	Plant-based VLP vaccine (Prophylaxis of H5N1 influenza)	Canada Phase 2	Medicago product (Canada)
MT-7529	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Phase 1	Medicago product (Canada)
MT-5625	Plant-based VLP vaccine (Prophylaxis of rotavirus gastroenteritis)	Phase 1	Medicago product (Canada)

Asia: excluding Japan and China

v. Others

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
TAU-284 Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Allergic rhinitis, Urticaria)	Asia Filed	Licensed from Ube Industries (Japan)
MT-4580 Orkedia (Evocalcet)	Ca sensing receptor agonist (Secondary Hyperparathyroidism)	China, Asia Phase 3	Licensed to Kyowa Kirin (Japan)
MT-4129	Cardiovascular system, etc.	Phase 1	In-house
MT-8633/TR1801-ADC	Anti-c-Met ADC* (Solid tumor)	Phase 1	In-house Collaborate with Open Innovation Partners (Japan)

*Antibody drug conjugate

Asia: excluding Japan and China

Changes Since Previous Announcement

Development code Product name (Generic name)	Category (Indications)	Previous Announcement	As of Jan. 31, 2020	Origin / licensee
TAU-284 Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (adults/children ^{*1} with allergic rhinitis, urticaria, pruritus resulting from dermatosis ^{*2})	Asia Filed	Thailand Approved (Dec. 2019)	Licensed from Ube Industries (Japan)
MT-4580 Orkedia (Evocalcet)	Ca sensing receptor agonist (Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism)	Japan Filed (Apr. 2019)	Japan Approved (Dec. 2019)	Licensed to Kyowa Kirin (Japan)
MT-1186 (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS / Oral suspension)	Phase 1	Global Phase 3	In-house

*1: ≥ 7 years old *2: eczema or dermatitis, prurigo, pruritus cutaneous

Asia: excluding Japan and China