

Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2020 <Supplement>

As of October 30, 2019

Mitsubishi Tanabe Pharma Corporation



Mitsubishi Tanabe Pharma

(Note about forward-looking information)

The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the company and is subject to significant risks and uncertainties. It contains information about pharmaceuticals (Include products under development), but is not intended for advertising or medical advice.

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Summary of Financial Results for the 2nd Quarter of FY2019 Ended March 31, 2020 and Forecasts for FY2019

(Amounts less than ¥100 million are rounded off)

1. Summary of Financial Results for the 2nd Quarter of FY2019

[Billion yen]

| | | | | |
|----------|-------|--------|--------|----------|
| Revenue | 188.1 | Y-on-Y | (21.6) | (10.3 %) |
| Domestic | 154.6 | Y-on-Y | 8.1 | 5.6 % |
| Overseas | 33.4 | Y-on-Y | (29.7) | (47.0 %) |

Revenue of domestic ethical drugs increased by 5.4%, year-on-year, to ¥149.1 billion due to 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.

Royalty revenue, etc. decreased by 74.6%, year-on-year, to ¥9.2 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 second 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.

[Billion yen]

| | | | | |
|------------------------|------|--------|--------|----------|
| Core Operating Profit* | 11.6 | Y-on-Y | (22.8) | (66.1 %) |
|------------------------|------|--------|--------|----------|

Core operating profit decreased by 66.1%, or ¥22.8 billion, year-on-year, to ¥11.6 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

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

| | | | | |
|--|------|--------|--------|----------|
| Operating Profit | 12.5 | Y-on-Y | (21.9) | (63.6 %) |
| Profit before Tax for the period | 12.1 | Y-on-Y | (22.6) | (65.1 %) |
| Net Income Attributable to owners of the Company | 8.3 | Y-on-Y | (16.6) | (66.7 %) |

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 %) |

(Note) Revisions to recently announced consolidated earnings forecasts on May 10, 2019: No

3. Dividends

| | FY2019 | | | FY2018 | | |
|-------------------------|-----------------|--------------------------|-------------------------|-----------------|---------------|--------------|
| | End of 1st Half | End of FY2019 (Estimate) | For the Year (Estimate) | 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 the 2nd Quarter of FY2019

1. Profit and Loss

(Amounts less than ¥ 100 million are rounded off)

(1) Profit and Loss

[Billion yen]

| | 1H FY2019 | Y-on-Y | | | Comparison to forecasts | | | Notes [Y-on-Y comparison] |
|--|--------------|--------------|------------------------|----------|-------------------------|------------------------|----------|---|
| | | 1H FY2018 | Increase (decrease) | Change % | Forecasts *1 | Increase (decrease) | Change % | |
| Revenue | 188.1 | 209.7 | (21.6) | (10.3) | 187.0 | 1.1 | 0.6 | See "(2) Sales Revenue of Main Products" on page 4 |
| Domestic | 154.6 | 146.4 | 8.1 | 5.6 | 153.6 | 0.9 | 0.6 | |
| Overseas | 33.4 | 63.2 | (29.7) | (47.0) | 33.3 | 0.1 | 0.5 | |
| Overseas sales ratio | 17.8% | 30.1% | | | 17.8% | | | |
| Cost of sales | 88.5 | 86.1 | 2.3 | 2.8 | 87.5 | 1.0 | 1.2 | Increase in the sales cost ratio due to decrease of royalty revenue, etc. |
| Sales cost ratio | 47.1% | 41.1% | | | 46.8% | | | |
| Gross profit | 99.6 | 123.5 | (23.9) | (19.4) | 99.5 | 0.1 | 0.1 | |
| SG&A expenses | 46.8 | 47.7 | (0.9) | (1.9) | 49.0 | (2.1) | (4.4) | |
| % of revenue | 24.9% | 22.8% | | | 26.2% | | | |
| R&D expenses | 39.7 | 39.5 | 0.2 | 0.6 | 44.5 | (4.7) | (10.6) | |
| % of revenue | 21.2% | 18.9% | | | 23.8% | | | |
| Amortization of intangible assets associated with products | 1.2 | 1.4 | (0.2) | (14.5) | 1.3 | (0.0) | (3.5) | |
| Other income (expense)*2 | (0.0) | (0.3) | 0.2 | - | (0.2) | 0.1 | - | |
| Core operating profit | 11.6 | 34.5 | (22.8) | (66.1) | 4.5 | 7.1 | 159.9 | |
| Non-recurring items*2 | 0.8 | - | 0.8 | - | 0.5 | 0.3 | 73.0 | |
| Operating profit | 12.5 | 34.5 | (21.9) | (63.6) | 5.0 | 7.5 | 151.2 | |
| Financial income | 0.5 | 0.5 | (0.0) | (4.6) | | | | |
| Interest income and dividends income | 0.5 | 0.5 | (0.0) | (4.3) | | | | |
| Financial expense | 0.9 | 0.2 | 0.7 | 262.3 | | | | |
| Foreign exchange loss | 0.7 | 0.1 | 0.5 | 338.9 | | | | |
| Others | 0.1 | 0.0 | 0.1 | 517.4 | | | | |
| Profit before tax for the period | 12.1 | 34.8 | (22.6) | (65.1) | 5.5 | 6.6 | 120.9 | |
| Income taxes | 5.9 | 11.6 | (5.6) | (48.8) | | | | |
| Net profit for the period | 6.1 | 23.1 | (16.9) | (73.3) | 1.0 | 5.1 | 518.8 | |
| Net profit attributable to owners of the Company | 8.3 | 24.9 | (16.6) | (66.7) | 4.0 | 4.3 | 107.9 | |
| Total labor cost | 38.1 | 35.8 | 2.3 | 6.6 | 38.4 | (0.2) | (0.6) | |

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

*2: Brackets indicate expense and loss

[Yen]

| Exchange rate | 1H FY2019 average | 1H FY2018 average | FY2019 planned |
|---------------|----------------------|----------------------|-------------------|
| USD | 108.67 | 110.71 | 110.00 |
| CAD | 81.73 | 85.08 | 85.00 |
| EUR | 120.91 | 129.78 | 125.00 |

For the 2nd quarter of FY2019, the impact of fluctuations in the foreign exchange rate was as follows;

Revenue: decrease by ¥1.1 billion

Core operating profit: Increase by ¥0.7 billion

(2) Sales Revenue of Main Products

[Billion yen]

| | 1H FY2019 | Y-on-Y | | | Comparison to forecasts | | |
|-----------------------------|--------------|-----------|------------------------|----------|-------------------------|------------------------|----------|
| | | 1H FY2018 | Increase (decrease) | Change % | Forecasts *1 | Increase (decrease) | Change % |
| Domestic ethical drugs | 149.1 | 141.5 | 7.5 | 5.4 | 147.5 | 1.5 | 1.1 |
| Remicade | 27.6 | 29.9 | (2.3) | (7.8) | 26.9 | 0.6 | 2.4 |
| Simponi | 20.4 | 18.5 | 1.9 | 10.4 | 21.2 | (0.7) | (3.7) |
| Stelara | 12.5 | 4.7 | 7.8 | 164.1 | 11.0 | 1.4 | 13.5 |
| Tenelia | 8.0 | 7.2 | 0.8 | 12.0 | 8.0 | 0.0 | 0.0 |
| Canaglu | 4.1 | 3.0 | 1.0 | 34.9 | 4.6 | (0.5) | (12.2) |
| Canalia | 3.7 | 3.0 | 0.6 | 22.2 | 4.1 | (0.3) | (9.3) |
| Kremezin | 3.3 | 3.3 | (0.0) | (0.4) | 4.3 | (0.9) | (22.3) |
| Lexapro | 7.4 | 6.8 | 0.6 | 9.0 | 7.4 | 0.0 | 0.6 |
| Ceredist | 3.8 | 4.6 | (0.8) | (17.4) | 4.5 | (0.7) | (15.5) |
| Rupafin | 2.4 | 0.3 | 2.1 | 551.4 | 2.3 | 0.1 | 5.0 |
| Talion | 2.1 | 2.5 | (0.3) | (15.5) | 2.7 | (0.5) | (20.8) |
| Vaccine [BIKEN products] | 15.7 | 15.5 | 0.1 | 1.0 | 14.4 | 1.3 | 9.2 |
| Influenza | 1.7 | 0.9 | 0.8 | 82.1 | 1.0 | 0.7 | 71.0 |
| Tetrabik | 4.5 | 4.1 | 0.4 | 9.7 | 4.9 | (0.4) | (8.2) |
| Varicella vaccine | 2.5 | 2.6 | (0.1) | (4.6) | 2.6 | (0.1) | (5.8) |
| Overseas ethical drugs | 24.8 | 27.4 | (2.5) | (9.4) | 24.1 | 0.7 | 3.0 |
| Radicava | 11.6 | 13.9 | (2.2) | (16.2) | 11.0 | 0.5 | 5.3 |
| Herbesser | 3.4 | 3.3 | 0.1 | 4.7 | 3.5 | (0.0) | (1.7) |
| Simponi | 1.0 | 0.9 | 0.0 | 5.8 | 1.0 | 0.0 | 1.6 |
| Argatroban | 0.9 | 1.0 | 0.0 | (5.8) | 0.8 | 0.0 | 9.8 |
| Tanatril | 0.7 | 0.8 | (0.1) | (14.1) | 0.8 | (0.1) | (14.6) |
| Royalty revenue, etc. | 9.2 | 36.3 | (27.0) | (74.6) | 9.8 | (0.5) | (6.1) |
| Royalty from Gilenya | 3.2 | 29.9 | (26.6) | (89.1) | Undisclosed | - | - |
| Royalty from INVOKANA | 4.0 | 4.9 | (0.8) | (17.7) | Undisclosed | - | - |
| OTC products | 2.3 | 2.2 | 0.1 | 7.0 | 2.5 | (0.1) | (6.0) |
| Others *3 | 2.4 | 2.1 | 0.3 | 15.3 | 2.9 | (0.4) | (15.3) |
| Total sales revenue | 188.1 | 209.7 | (21.6) | (10.3) | 187.0 | 1.1 | 0.6 |

*1: The Company announced its first half year 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. Financial Statement

(1) Balance Sheet

[Billion Yen]

| | End of Q2 FY2019 | Composition % | End of FY2018 | Increase (decrease) | Notes |
|---|---------------------|---------------|------------------|------------------------|--|
| Assets | 1055.8 | 100.0 | 1056.2 | (0.4) | |
| Non-current assets | 465.7 | 44.1 | 467.8 | (2.0) | |
| Property, plant and equipment | 80.8 | 7.7 | 73.3 | 7.4 | Capital investments, 5.7; Depreciation, (3.5); Impact of the adoption of IFRS 16, 9.7; Transfer to assets held for sale, (5.7) |
| Goodwill | 89.9 | 8.5 | 91.6 | (1.7) | Decrease due to the impact of fluctuation in the foreign exchange rate |
| Intangible assets | 203.7 | 19.3 | 206.9 | (3.1) | Decrease due to the impact of fluctuation in the foreign exchange rate |
| Investments accounted for using equity method | 16.1 | 1.5 | 16.2 | (0.1) | |
| Other financial assets | 41.6 | 3.9 | 46.2 | (4.5) | Decrease due to fair value remeasurement of investment in securities |
| Net defined benefit assets | 22.6 | 2.1 | 21.4 | 1.1 | |
| Other non-current assets | 0.1 | 0.0 | 0.2 | (0.0) | |
| Deferred tax assets | 10.6 | 1.0 | 11.6 | (1.0) | |
| Current assets | 590.1 | 55.9 | 588.4 | 1.6 | |
| Inventories | 78.6 | 7.4 | 75.5 | 3.0 | |
| Trade and other receivables* ¹ [Trade receivable rotation number] | 114.3 [3.65] | 10.8 | 116.9 [3.35] | (2.6) | |
| Other financial assets | 287.4 | 27.2 | 271.4 | 15.9 | |
| Other current assets | 15.4 | 1.5 | 11.0 | 4.4 | |
| Cash and cash equivalents | 88.5 | 8.4 | 111.8 | (23.3) | See "(2) Statements of Cash Flow" on page 6 |
| Assets held for sale | 5.7 | 0.5 | 1.6 | 4.1 | Mainly assets related to sale of Toda Office |
| Liabilities | 162.2 | 15.4 | 145.9 | 16.3 | |
| Non-current liabilities | 73.4 | 7.0 | 54.2 | 19.1 | |
| Borrowings | 0.1 | 0.0 | 0.1 | (0.0) | |
| Other financial liabilities | 8.5 | 0.8 | 2.1 | 6.4 | |
| Net defined benefit liabilities | 0.5 | 0.1 | 0.6 | (0.0) | |
| Provision | 6.6 | 0.6 | 6.9 | (0.2) | |
| Other non-current liabilities | 20.4 | 1.9 | 5.1 | 15.3 | |
| Deferred tax liabilities | 36.9 | 3.5 | 39.2 | (2.2) | |
| Current liabilities | 88.8 | 8.4 | 91.6 | (2.8) | |
| Trade and other payables* ² | 33.3 | 3.2 | 31.4 | 1.8 | |
| Other financial liabilities | 28.7 | 2.7 | 27.0 | 1.7 | |
| Income taxes payable | 2.9 | 0.3 | 9.5 | (6.6) | |
| Provisions | 2.4 | 0.2 | 1.6 | 0.8 | |
| Other current liabilities | 20.8 | 2.0 | 21.6 | (0.7) | |
| Equity | 893.5 | 84.6 | 910.3 | (16.7) | |
| Share capital | 50.0 | 4.7 | 50.0 | - | |
| Capital surplus | 449.6 | 42.6 | 451.2 | (1.6) | |
| Treasury shares | (1.0) | (0.1) | (1.0) | 0.0 | |
| Retained earnings | 381.7 | 36.2 | 387.9 | (6.1) | Net profit for the period, 8.3; Payment for dividends, (15.7) |
| Other components of equity | 1.1 | 0.1 | 9.4 | (8.2) | |
| Non-controlling interests | 12.0 | 1.1 | 12.7 | (0.6) | |

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

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

(2) Cash Flow Statement

[Billion yen]

| | 1H FY2019 | 1H FY2018 | Increase (decrease) |
|---|---------------|-----------|------------------------|
| Cash and cash equivalents at beginning of year | 111.8 | 127.0 | (15.1) |
| Cash flows from operating activities | 19.4 | 23.4 | (4.0) |
| Profit before tax | 12.1 | 34.8 | (22.6) |
| Depreciation and amortization | 7.5 | 5.8 | 1.6 |
| Reversal of impairment losses | (1.7) | - | (1.7) |
| Interest and dividends income | (0.5) | (0.5) | 0.0 |
| Share of loss(profit) of affiliates accounted for using equity method | (0.0) | (0.0) | 0.0 |
| Decrease(increase) in trade and other receivables | 2.5 | (1.2) | 3.8 |
| Decrease(increase) in inventories | (3.8) | 8.1 | (12.0) |
| Increase(decrease) in trade and other payables | 2.5 | (2.1) | 4.6 |
| Increase(decrease) in provisions | 0.5 | 0.6 | (0.0) |
| Decrease(increase) in net defined benefit asset | 0.3 | 0.0 | 0.2 |
| Interest and dividends received | 0.5 | 0.6 | (0.0) |
| Interest paid | (0.1) | (0.1) | 0.0 |
| Income taxes paid | (10.4) | (19.3) | 8.9 |
| Other | 9.9 | (3.1) | 13.1 |
| Cash flows from investing activities | (21.9) | (16.8) | (5.1) |
| Payments into time deposits | - | (1.1) | 1.1 |
| Proceeds from withdrawal of time deposits | 0.4 | 3.7 | (3.3) |
| Purchase of property, plant and equipment | (6.4) | (2.1) | (4.2) |
| Proceeds from sales of property, plant and equipment | 1.5 | 0.0 | 1.5 |
| Purchase of intangible assets | (2.4) | (0.8) | (1.5) |
| Purchase of investments | (235.7) | (147.6) | (88.0) |
| Proceeds from sales and redemption of investments | 219.7 | 131.2 | 88.4 |
| Proceeds from sales of subsidiaries | 1.0 | - | 1.0 |
| Other | (0.1) | 0.0 | (0.1) |
| Cash flows from financing activities | (19.7) | (13.3) | (6.3) |
| Repayments of lease liabilities | (3.9) | (0.0) | (3.8) |
| Proceeds from share issuance to non-controlling shareholders | - | 2.4 | (2.4) |
| Dividends paid | (15.7) | (15.7) | (0.0) |
| Other | (0.1) | (0.0) | (0.0) |
| Effect of exchange rate changes on cash and cash equivalents | (1.1) | 1.7 | (2.9) |
| Net increase(decrease) in cash and cash equivalents | (23.3) | (4.9) | (18.4) |
| Increase(decrease) in cash and cash equivalents due to transfer to assets held for sale | 0.0 | - | 0.0 |
| Cash and cash equivalents at the end of period | 88.5 | 122.0 | (33.5) |

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

[Billion yen]

| | 1H FY2019 | 1H FY2018 | Increase (decrease) | FY2018 |
|--|------------|-----------|------------------------|--------|
| Investment in property, plant and equipment / occurring basis | 5.7 | 2.0 | 3.6 | 6.8 |
| Investment in information systems / occurring basis | 0.5 | 0.9 | (0.4) | 1.7 |

[Billion yen]

| Major investment in property, plant and equipment in 1H FY2019 | | Major investment in development of information systems in 1H FY2019 | |
|---|-----|--|-----|
| Mitsubishi Tanabe Pharma | 0.7 | Mitsubishi Tanabe Pharma | 0.3 |
| Medicago | 3.5 | | |
| Mitsubishi Tanabe Pharma Factory | 1.0 | | |

(4) Depreciation and Amortization Costs

[Billion yen]

| | 1H FY2019 | 1H FY2018 | Increase (decrease) | FY2018 |
|---|------------|-----------|------------------------|--------|
| Property, plant and equipment | 5.6 | 3.6 | 2.0 | 7.1 |
| Intangible assets (except for Intangible assets with products) | 0.6 | 0.7 | (0.1) | 1.4 |
| Intangible assets with products | 1.2 | 1.4 | (0.2) | 2.9 |

3. Financial Data & Employee Numbers of Major Consolidated Subsidiaries

[Billion yen]

| Companies | Mitsubishi Tanabe Pharma Factory Ltd. | Mitsubishi Tanabe Pharma Holdings America, Inc. | Medicago, Inc. | NeuroDerm Ltd. | Tianjin Tanabe Seiyaku Co., Ltd. | Mitsubishi Tanabe Pharma Korea Co., Ltd. |
|---|---|--|----------------|-------------------|-------------------------------------|--|
| Revenue | | | | | | |
| 1H FY2019 | 14.1 | 14.9 | 0.0 | - | 2.9 | 3.1 |
| FY2018 | 26.3 | 33.9 | 0.6 | - | 5.8 | 6.4 |
| 1H FY2018 | 13.3 | 16.7 | 0.3 | - | 2.9 | 3.1 |
| Operating profit | | | | | | |
| 1H FY2019 | 1.2 | 0.9 | (6.3) | (4.9) | 0.5 | 0.3 |
| FY2018 | 1.6 | 3.4 | (13.6) | (7.7) | 0.4 | 0.5 |
| 1H FY2018 | 0.5 | 0.9 | (4.9) | (3.6) | 0.2 | 0.3 |
| Net profit | | | | | | |
| 1H FY2019 | 0.8 | 0.6 | (6.3) | (5.0) | 0.2 | 0.3 |
| FY2018 | 1.2 | 2.9 | (13.7) | (7.7) | 0.1 | 0.4 |
| 1H FY2018 | 0.3 | 0.7 | (4.9) | (3.5) | 0.1 | 0.2 |
| R&D expenses | | | | | | |
| 1H FY2019 | 0.5 | 2.0 | 6.4 | 4.9 | 0.0 | - |
| FY2018 | 0.8 | 4.0 | 14.2 | 7.7 | 0.0 | - |
| 1H FY2018 | 0.5 | 2.0 | 5.3 | 3.5 | 0.0 | - |
| Depreciation of property, plant and equipment | | | | | | |
| 1H FY2019 | 1.2 | 0.2 | 0.3 | 0.0 | 0.0 | 0.0 |
| FY2018 | 2.4 | 0.1 | 0.5 | 0.0 | 0.2 | 0.0 |
| 1H FY2018 | 1.1 | 0.0 | 0.2 | 0.0 | 0.1 | 0.0 |
| Total assets | | | | | | |
| End of 1H FY2019 | 45.9 | 42.0 | 39.9 | 133.0 | 5.9 | 4.3 |
| End of FY2018 | 45.1 | 54.0 | 38.9 | 137.5 | 5.6 | 4.7 |
| End of 1H FY2018 | 44.6 | 47.1 | 38.0 | 141.0 | 5.6 | 4.4 |
| Total equity | | | | | | |
| End of 1H FY2019 | 39.2 | 23.0 | 27.7 | 99.0 | 3.3 | 3.3 |
| End of FY2018 | 39.0 | 22.9 | 26.3 | 103.5 | 3.2 | 3.5 |
| End of 1H FY2018 | 38.2 | 21.2 | 27.1 | 105.6 | 3.3 | 3.5 |
| Number of employees | | | | | | |
| End of 1H FY2019 | 603 | 263 | 451 | 114 | 523 | 149 |
| End of FY2018 | 633 | 265 | 421 | 100 | 508 | 143 |
| End of 1H FY2018 | 652 | 269 | 365 | 88 | 517 | 143 |

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]

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

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

*2: Brackets indicate expense and loss

Exchange rate

[Yen]

| | FY2019 planned | FY2018 average |
|-----|----------------|----------------|
| USD | 110.00 | 111.07 |
| CAD | 85.00 | 84.47 |
| EUR | 125.00 | 128.26 |

(2) Sales Revenue Forecasts for Main Products

[Billion yen]

| | FY2019 forecasts* ¹ | Comparison to previous fiscal year | | |
|------------------------------------|--------------------------------|------------------------------------|---------------------|----------|
| | | FY2018 actual | Increase (decrease) | Change % |
| Domestic ethical drugs | 298.1 | 298.7 | (0.6) | (0.2) |
| Remicade | 51.5 | 58.8 | (7.2) | (12.3) |
| Simponi | 42.2 | 37.4 | 4.7 | 12.6 |
| Stelara | 21.6 | 15.2 | 6.4 | 42.4 |
| Tenelia | 15.0 | 15.2 | (0.1) | (0.9) |
| Canaglu | 10.4 | 6.7 | 3.6 | 54.4 |
| Canalia | 7.2 | 7.4 | (0.2) | (2.7) |
| Kremezin | 8.3 | 6.6 | 1.6 | 24.7 |
| Lexapro | 14.7 | 14.0 | 0.7 | 5.6 |
| Ceredist | 8.5 | 8.9 | (0.4) | (4.5) |
| Rupafin | 7.5 | 3.4 | 4.0 | 118.7 |
| Talion | 5.4 | 6.4 | (0.9) | (14.6) |
| Vaccine [BIKEN products] | 36.2 | 37.3 | (1.0) | (2.9) |
| Influenza | 10.7 | 10.2 | 0.5 | 5.0 |
| Tetrabik | 10.0 | 8.5 | 1.4 | 17.3 |
| Varicella vaccine | 5.1 | 5.1 | 0.0 | 1.7 |
| Overseas ethical drugs | 49.6 | 55.1 | (5.4) | (9.9) |
| Radicava | 22.0 | 27.0 | (5.0) | (18.6) |
| Herbesser | 7.2 | 6.8 | 0.3 | 5.3 |
| Simponi | 2.0 | 2.0 | 0.0 | 4.8 |
| Argatroban | 1.7 | 1.9 | (0.1) | (6.6) |
| Tanatril | 1.6 | 1.5 | 0.1 | 7.4 |
| Royalty revenue, etc. | 19.2 | 63.1 | (43.8) | (69.5) |
| Royalty from Gilenya* ² | Undisclosed | 49.7 | - | - |
| Royalty from INVOKANA | Undisclosed | 10.5 | - | - |
| OTC products | 4.3 | 3.7 | 0.5 | 14.6 |
| Others* ³ | 4.6 | 3.9 | 0.6 | 16.2 |
| Total sales revenue | 376.0 | 424.7 | (48.7) | (11.5) |

*1: The Company announced forecasts for FY2019 on May 10, 2019. As for the impact of the NHI drug price revision accompanying the consumption tax increase in October 2019, it is reflected in the overall sales forecast announced on May 10. Therefore, it remains the same. On the other hand, the individual domestic product forecasts have been changed to reflect the impact of the NHI drug price revision this time.

*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.

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

[Billion yen]

| | FY2019 forecasts | FY2018 actual | Increase (decrease) | Change % |
|---|------------------|---------------|---------------------|----------|
| Investment in property, plant and equipment / occurring basis | 22.3 | 6.8 | 15.4 | 224.9 |
| Investment for information systems / occurring basis | 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 | Production related systems | 0.3 |
| [Medicago, Inc.] | [13.5] | R&D related systems | 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]

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

*: Including the impact for the application of IFRS 16

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 | 1H FY2019 | FY2019 forecasts |
|--|--------|--------|--------|--------|-----------|------------------|
| Revenues | 425.7 | 423.9 | 433.8 | 424.7 | 188.1 | 376.0 |
| Cost of sales | 155.8 | 164.3 | 169.7 | 180.6 | 88.5 | 178.5 |
| Gross operation profit | 269.9 | 259.5 | 264.1 | 244.1 | 99.6 | 197.5 |
| SG&A expenses | 96.3 | 98.3 | 104.0 | 98.2 | 46.8 | 99.0 |
| R&D expenses | 64.6 | 64.7 | 79.0 | 86.5 | 39.7 | 85.5 |
| Core operating profit | 106.9 | 94.5 | 78.5 | 55.8 | 11.6 | 10.0 |
| Operating income | 81.8 | 94.0 | 77.2 | 50.3 | 12.5 | 11.5 |
| Profit before income taxes | 83.2 | 96.0 | 78.7 | 50.4 | 12.1 | 12.0 |
| Net profit for the period | 57.0 | 68.9 | 53.9 | 32.2 | 6.1 | 4.0 |
| Net profit attributable to owners of the Company | 59.3 | 71.2 | 57.9 | 37.3 | 8.3 | 5.0 |

(2) Balance Sheet

[Billion yen]

| | End of FY2015 | End of FY2016 | End of FY2017 | End of FY2018 | End of 1H FY2019 |
|-------------------------|---------------|---------------|---------------|---------------|------------------|
| Assets | 958.4 | 984.5 | 1,048.4 | 1,056.2 | 1,055.8 |
| Non-current assets | 308.2 | 300.7 | 462.9 | 467.8 | 465.7 |
| Current assets | 650.1 | 683.7 | 585.5 | 588.4 | 590.1 |
| Liabilities | 132.1 | 113.1 | 153.6 | 145.9 | 162.2 |
| Non-current liabilities | 33.2 | 24.7 | 55.4 | 54.2 | 73.4 |
| Current liabilities | 98.9 | 88.4 | 98.1 | 91.6 | 88.8 |
| Equity | 826.3 | 871.4 | 894.8 | 910.3 | 893.5 |

(3) Other Financial Data

[Billion yen]

| | FY2015 | FY2016 | FY2017 | FY2018 | 1H FY2019 | FY2019 forecasts |
|---|----------|----------|----------|----------|-----------|------------------|
| Cash flows from operating activities | 80.8 | 59.7 | 66.9 | 41.4 | 19.4 | - |
| Cash flows from investing activities | (42.2) | (10.5) | (19.1) | (31.2) | (21.9) | - |
| Cash flows from financing activities | (22.2) | (24.4) | (32.5) | (25.8) | (19.7) | - |
| Investments in property, plant and equipment | 11.2 | 12.6 | 4.4 | 6.8 | 5.7 | 22.3 |
| Investments for development of information systems | 0.9 | 1.8 | 1.6 | 1.7 | 0.5 | 1.7 |
| Depreciation and Amortization Costs | 10.3 | 10.4 | 11.5 | 11.5 | 7.5 | 15.0 |
| Ratio of equity attributable to owners of the Company to total assets [%] | 85.1 | 87.4 | 84.2 | 85.0 | 83.5 | - |
| ROE [%] | 7.4 | 8.5 | 6.6 | 4.2 | 1.9 | - |
| Basic earnings per share [¥] | 105.72 | 127.03 | 103.35 | 66.64 | 14.83 | 8.92 |
| Equity attributable to owners of the Company per share [¥] | 1,453.71 | 1,533.91 | 1,574.26 | 1,600.64 | 1,571.99 | - |

(4) Number of Employees

| | End of FY2014 | End of FY2015 | End of FY2016 | End of FY2017 | End of FY2018 | End of 1H FY2019 | Forecasts for end of FY2019 |
|------------------|---------------|---------------|---------------|---------------|---------------|------------------|-----------------------------|
| Consolidated | 8,457 | 8,125 | 7,280 | 7,187 | 7,228 | 7,100 | 7,200 |
| Non-consolidated | 4,844 | 4,780 | 4,239 | 4,222 | 4,111 | 3,924 | 3,960 |

5 Quarterly Trend

(Amounts less than ¥ 100 million are rounded off)

(1) Profit and Loss

[Billion 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. | 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% | 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% | 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% | 67.6 100.0% |
| Cost of sales | 42.3 | 43.7 | 53.0 | 41.4 | 180.6 | 44.7 | 43.7 | 178.5 |
| Sales cost ratio | 40.2% | 42.0% | 43.2% | 44.9% | 42.5% | 45.6% | 48.6% | 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% | 197.5 100.0% |
| SG&A expenses | 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% | 99.0 100.0% |
| R&D expenses | 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% | 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% | 2.5 100.0% |
| Other income (expense)* ² | (0.1) - | (0.1) - | (0.0) - | (0.1) - | (0.5) - | (0.0) - | 0.0 - | (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% | 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% | 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% | 12.0 100.0% |
| 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% | 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

(2) Sales Revenue of Main Products

[Billion 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. | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 36.2 100.0% |
| Influenza | (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% | 10.7 100.0% |
| 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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% | 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 - | 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 - | 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% | 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% | 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% | 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. As for the impact of the NHI drug price revision accompanying the consumption tax increase in October 2019, it is reflected in the overall sales forecast announced on May 10. Therefore, it remains the same. On the other hand, the individual domestic product forecasts have been changed to reflect the impact of the NHI drug price revision this time.

*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.

6 State of New Product Development (as of October 25, 2019)

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 | Dermatologicals, etc. (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-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-1186 (Edaravone) | Free radical scavenger (Amyotrophic lateral sclerosis: ALS / Oral suspension) | Phase 1 | In-house |
| MT-6345 | Nervous system | Phase 1 | Co-developed with Ube Industries (Japan) |
| 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 (Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism) | Japan Filed (Apr. 2019) | Licensed to Kyowa Kirin (Japan) |
| | (Secondary Hyperparathyroidism) | China, Asia Phase 3 | |
| 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 Oct 25, 2019 | Origin / licensee |
|--|--|-------------------------------|-------------------------------------|---|
| MCI-186 Radicut/Radicava (Edaravone) | Free radical scavenger (Amyotrophic lateral sclerosis: ALS) | China Filed (Apr. 2019) | China Approved (Jul. 2019) | In-house |
| MP-214 (Cariprazine) | Dopamine D3/D2 receptor partial agonist (Schizophrenia) | Asia Filed | Thailand Approved (Jul. 2019) | Licensed from Gedeon Richter (Hungary) |
| TA-7284 Canaglu/INVOKANA (Canagliflozin) | SGLT2 inhibitor (Diabetic nephropathy) | US Filed (Mar. 2019) | US Approved (Sep. 2019) | Licensed to Janssen Pharmaceuticals (US) |
| | | None | Europe Filed (Jul. 2019) | |
| MP-513 Tenelia (Teneligliptin) | DPP-4 inhibitor (Type 2 diabetes mellitus) | China Phase 3 | China Filed (Sep. 2019) | In-house |
| MT-2271 | Plant-based VLP vaccine (Prophylaxis of seasonal influenza/adults) | None | Canada Filed (Sep. 2019) | Medicago product (Canada) |
| ND0612 (Levodopa/Carbidopa) | Continuous SC pump (Parkinson's disease) | Global Phase 2 | Global Phase 3 | In-house |
| MT-0551 (Inebilizumab) | Humanized anti-CD19 monoclonal antibody (Neuromyelitis optica spectrum disorder: NMOSD) | None | Japan, Asia Phase 3 | Licensed from Viela Bio (US) |
| MT-4580 Orkedia (Evocalcet) | Ca sensing receptor agonist (Secondary Hyperparathyroidism) | None | China, Asia Phase 3 | Licensed to Kyowa Kirin (Japan) |
| MT-8633/TR1801-ADC | Anti-c-Met ADC* (Solid tumor) | None | Phase 1 | In-house Collaborate with Open Innovation Partners (Japan) |

*Antibody drug conjugate

※ Asia: excluding Japan and China

7 Others

1. Subsidiaries and Affiliated Companies

(1) Number of Subsidiaries and Affiliated Companies

| | End of 1H FY2019 | End of FY2018 | Increase (Decrease) | Notes |
|-------------------------------|---------------------|---------------|------------------------|--|
| Consolidated subsidiaries | 33 | 34 | (1) | Decrease: Tanabe Seiyaku Yoshiki Factory Co., Ltd. |
| Associates and joint ventures | 1 | 2 | (1) | Decrease: Synthelabo-Tanabe Chimie S.A. |
| Total | 34 | 36 | (2) | |

(2) Consolidated Subsidiaries

[As of September 30, 2019]

| | Company Name | Paid-in Capital | % Voting Control [% Indirect Ownership] | | Settling Day | Description of Business |
|----|--|-------------------|---|---------|--------------|---|
| 1 | Yoshitomiya-kuhin 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 | 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. |
| 4 | Tanabe Palm Service Co., Ltd. | JPY 10 million | 100.0 | [100.0] | End of Mar. | Servicing office support, in-house mail and printing. |
| 5 | Stelic Institute & Co., Inc. | JPY 1 million | 100.0 | [100.0] | End of Mar. | R&D of pharmaceuticals |
| 6 | Mitsubishi Tanabe Pharma Holdings America, Inc. | USD 167 | 100.0 | [-] | End of Mar. | Managing the US business |
| 7 | Mitsubishi Tanabe Pharma Development America, Inc. | USD 200 | 100.0 | [100.0] | End of Mar. | R&D of pharmaceuticals |
| 8 | Mitsubishi Tanabe Pharma America, Inc. | USD 100 | 100.0 | [100.0] | End of Mar. | Sale of pharmaceuticals |
| 9 | MP Healthcare Venture Management, Inc. | USD 100 | 100.0 | [100.0] | End of Mar. | Investments in bio-ventures |
| 10 | Tanabe Research Laboratories U.S.A., Inc. | USD 3 Mill. | 100.0 | [100.0] | End of Mar. | R&D of pharmaceuticals |
| 11 | Mitsubishi Tanabe Pharma Canada, Inc. | CAD 4 Mill. | 100.0 | [100.0] | End of Mar. | Sale of pharmaceuticals |
| 12 | MTPC Holdings Canada Inc. | CAD 641.3 Mill. | 100.0 | [-] | End of Mar. | Investments in Medicago Group |
| 13 | Medicago Inc. | CAD 851.0 Mill. | 64.7 | [63.0] | End of Mar. | Manufacture and sale of vaccines |
| 14 | Medicago USA Inc. | USD 99 | 64.7 | [64.7] | End of Mar. | Manufacture of vaccines |
| 15 | Medicago R&D Inc. | CAD 500 | 64.7 | [64.7] | End of Mar. | R&D of vaccines |
| 16 | Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd. | USD 1 Mill. | 100.0 | [-] | End of Dec. | R&D of pharmaceuticals |
| 17 | Tianjin Tanabe Seiyaku Co., Ltd. | USD 16.2 Mill. | 75.4 | [-] | End of Dec. | Manufacture and sale of pharmaceuticals |
| 18 | Taiwan Tanabe Seiyaku Co., Ltd. | TWD 90 Mill. | 65.0 | [-] | End of Mar. | Manufacture and sale of pharmaceuticals |
| 19 | Tai Tien Pharmaceuticals Co., Ltd. | TWD 20 Mill. | 65.0 | [-] | End of Mar. | Sale of pharmaceuticals |
| 20 | P.T. Mitsubishi Tanabe Pharma Indonesia | USD 2.5 Mill. | 99.6 | [-] | End of Mar. | Manufacture and sale of pharmaceuticals |
| 21 | Mitsubishi Tanabe Pharma Singapore Pte. Ltd. | SGD 2 Mill. | 100.0 | [-] | End of Mar. | Managing the ASEAN business |
| 22 | Mitsubishi Tanabe Pharma Malaysia Sdn. Bhd. | MYR 5 Mill. | 100.0 | [100.0] | End of Mar. | Sale of pharmaceuticals |
| 23 | Mitsubishi Tanabe Pharma (Thailand) Co., Ltd. | THB 103 Mill. | 100.0 | [2.0] | End of Mar. | Sale of pharmaceuticals |
| 24 | Mitsubishi Tanabe Pharma Korea Co., Ltd. | KRW 2,100 Mill. | 100.0 | [-] | End of Mar. | Manufacture and sale of pharmaceuticals |
| 25 | NeuroDerm Ltd. | USD 58,000 | 100.0 | [-] | End of Mar. | R&D of pharmaceuticals |
| 26 | Mitsubishi Tanabe Pharma Europe Ltd. | GBP 4.6 Mill. | 100.0 | [-] | End of Mar. | R&D of pharmaceuticals |
| 27 | 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 September 30, 2019]

| | Company Name | Paid-in Capital | % Voting Control [% Indirect Ownership] | | Settling Day | Description of Business |
|---|-----------------|-----------------|---|-----|--------------|--|
| 1 | 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 September, 2019 | End of March, 2019 |
|---|------------------------|--------------------|
| Issued | 561,417,916 | 561,417,916 |
| The company's own shares at the end of the period * | 631,915 | 640,305 |
| Number of shares outstanding at the end of the period | 560,786,001 | 560,777,611 |
| Average number of the company's own share in the period | 637,599 | 641,042 |
| Average number of shares outstanding in the period | 560,780,317 | 560,776,874 |

*The Company introduces the executive compensation BIP Trust. The shares that the trust account holds are included in treasury shares (200,279 shares at the end of September 2019, compared to 208,655 shares at the end of March 2019).

(2) Status of Major Shareholders

| Rank | Name of Shareholders | End of September, 2019 | | End of March, 2019 | | |
|------|---|------------------------------|-----------------------|--------------------|------------------------------|-----------------------|
| | | 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. | 26,210 | 4.67 | 2 | 26,596 | 4.74 |
| 3 | Japan Trustee Services Bank, Ltd. | 13,226 | 2.36 | 3 | 14,679 | 2.62 |
| 4 | Nippon Life Insurance Company | 12,065 | 2.15 | 4 | 12,065 | 2.15 |
| 5 | STATE STREET BANK WEST CLIENT-TREATY 505234 | 6,596 | 1.18 | 5 | 7,826 | 1.40 |
| 6 | JPMorgan Securities Japan | 5,888 | 1.05 | 14 | 3,410 | 0.61 |
| 7 | Japan Trustee Services Bank, Ltd. (Trust Account 9) | 5,648 | 1.01 | 6 | 4,627 | 0.82 |
| 8 | STATE STREET BANK AND TRUST COMPANY 505103 | 4,723 | 0.84 | 9 | 3,928 | 0.70 |
| 9 | Japan Trustee Services Bank, Ltd. (Trust Account 5) | 4,645 | 0.83 | 7 | 4,113 | 0.73 |
| 10 | STATE STREET BANK AND TRUST COMPANY 505225 | 4,010 | 0.71 | 8 | 4,029 | 0.72 |

(3) Ownership and Distribution of Shares

| | End of September, 2019 | | | End of March, 2019 | | |
|---------------------------------|------------------------|------------------------------|-----------------------|------------------------|------------------------------|-----------------------|
| | Number of Shareholders | Number of Shares (Thousands) | Percentage of Total % | Number of Shareholders | Number of Shares (Thousands) | Percentage of Total % |
| Financial institutions | 64 | 89,424 | 15.93 | 74 | 90,932 | 16.20 |
| Foreign corporations and others | 612 | 97,311 | 17.34 | 624 | 101,801 | 18.14 |
| Individuals and others* | 28,009 | 32,699 | 5.83 | 24,964 | 29,762 | 5.30 |
| Other corporations | 293 | 329,666 | 58.73 | 285 | 330,056 | 58.80 |
| Securities firms | 39 | 12,201 | 2.17 | 44 | 8,754 | 1.56 |
| Total | 29,017 | 561,303 | 100.00 | 25,991 | 561,307 | 100.00 |
| Less than trading unit | - | 114 | - | - | 110 | - |

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

* Individuals and Others include treasury stocks (431 thousands shares at the end of September, 2019 and 431 thousands shares at the end of March, 2019)

(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 | 1H FY2019 | FY2019 Estimate |
|-------------------------------------|---------|---------|---------|--------|-----------|-----------------|
| Dividends per share [yen] | 46 | 52 | 66* | 56 | 28 | 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 | 1,185 | - |
| Market capitalization [billion yen] | 1,098.7 | 1,301.4 | 1,167.7 | 830.3 | 665.3 | - |

* 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

| | | | |
|--|----------------------|----------|--|
| Remicade (Infliximab) | Launch: May 2002 | Category | Anti-TNF α monoclonal antibody |
| 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. Origin: Janssen Biotech | | | |
| Simponi (Golimumab) | Launch: Sep. 2011 | Category | Anti-TNF α monoclonal antibody |
| Simponi is a human anti-TNF α 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. Autoinjector was released in May 2019. Origin: Janssen Biotech | | | |
| Stelara (Ustekinumab) | Launch: Mar. 2011 | Category | Anti-IL12/23p40 monoclonal antibody |
| 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. 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. Origin: Janssen Biotech | | | |
| Imusera (Fingolimod) | Launch: Nov. 2011 | Category | Agent for treatment for multiple sclerosis (MS) |
| 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. | | | |
| Tenelia (Teneligliptin) | Launch: Sep. 2012 | Category | Selective DPP-IV inhibitor -Agent for treatment of type2 diabetes mellitus- |
| 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. | | | |
| Canaglu (Canagliflozin) | Launch: Sep. 2014 | Category | SGLT2 Inhibitor -Agent for treatment of type2 diabetes mellitus- |
| 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. | | | |
| Canalia (Teneligliptin/Canagliflozin) | Launch: Sep. 2017 | Category | Selective DPP-IV inhibitor/SGLT2 Inhibitor combination tablets -Agent for treatment of type2 diabetes mellitus- |
| 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. | | | |
| Kremezin | Launch: Dec. 1991 | Category | Agent for treatment of Chronic renal failure |
| 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. Origin, Manufacturer and distributor: Kureha . | | | |
| Lexapro (Escitalopram) | Launch: Aug. 2011 | Category | Selective serotonin reuptake inhibitor (SSRI) |
| Lexapro, a highly selective serotonin reuptake inhibitor (SSRI), has been globally approved in 101 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. Origin: H. Lundbeck A/S (Denmark), Manufacturer and distributor: Mochida Pharmaceutical Co., Ltd | | | |

| | | | |
|--|----------------------|----------|---|
| Radicut / Radicava (Edaravone) | Launch: Jun. 2001 | Category | Free radical scavenger (Cerebral neuroprotectant) |
| Radicut is the world's first brain protecting agent (free radical scavenger) shown to improve neurological symptoms, interference with activities of daily living, and disability (at hospital discharge) in patients at acute stage of cerebral infarction. Specific indications include the treatment of various types of infarction (cerebral lacunar, atherothrombotic and cardiogenic infarction) It is initiated administration within 24 hours after onset, and is not administrated for more than 14 days. An additional formulation, Radicut bag for I.V. Infusion, was launched in May 2010. It was designated as an orphan drug of amyotrophic lateral sclerosis (ALS) and approved for ALS in Japan in June 2015, followed by approval in Korea (December 2015), the United States (May 2017), Canada (October 2018), Switzerland (January 2019) and China (July 2019). | | | |
| Ceredist (Taltirelin) | Launch: 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. | | | |
| Rupafin (Rupatadine) | Launch: Nov. 2017 | Category | Agent for treatment of allergic disorders |
| Rupafin has Anti-PAF※ activity and anti-Histamine activity. Histamine and PAF lead to early phase reaction and PAF leads to 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). ※PAF: platelet activating factor Origin: Uriach (Spain), Manufacturer and distributor: Teikoku Seiyaku | | | |
| Talion (Bepotastine) | Launch: Oct. 2000 | Category | Selective histamine H1 receptor antagonist 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. Origin: Ube Industries | | | |
| Influenza vaccine | Launch: Sep. 1972 | Category | Viral vaccines |
| It is for prevention of seasonal influenza. It was changed from trivalent vaccine to quadrivalent vaccine in 2015. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University) | | | |
| Tetrabik | Launch: 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. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University) | | | |
| Varicella vaccine | Launch: 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. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University) | | | |
| Mearubik | Launch: Dec. 2005 | Category | Viral vaccines combined formulation |
| Mearubik is for prevention of measles and rubella. 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. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University) | | | |
| JEBIK V | Launch: 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. Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University) | | | |

News Releases

The major news releases after April, 2019 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 |
|--------------------|---|
| 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 |
| May 29, 2019 | Launch of SIMPONI Subcutaneous Injection 50mg Autoinjector |
| May 30, 2019 | Withdrawal of Marketing Authorization Application of edaravone for ALS in the European Union |
| July 23, 2019 | Submission of Vadadustat (MT-6548) New Drug Application in Japan for renal anemia |
| August 6, 2019 | Commencement of R&D of Gene Therapy Product for Hemophilia B |
| August 7, 2019 | NMPA approved Japan-originated ALS treatment Edaravone in China |
| August 8, 2019 | Regulatory Approval for Marketing Cariprazine (MP-214) for the Treatment of Schizophrenia in Part of the ASEAN (Singapore and Thailand) |
| August 8, 2019 | Phase I Clinical Trial study protocol for MT-3921 in Patients with Spinal Cord Injury submitted to the US IND |
| August 28, 2019 | The Start of a Phase 3 Clinical Trial of Continuous Subcutaneous Liquid levodopa/carbidopa Administration (ND0612) for patients with fluctuating Parkinson's disease |
| September 4, 2019 | Notice regarding the launch of Collategene intramuscular injection 4 mg, an HGF gene therapy product |
| September 17, 2019 | Mitsubishi Tanabe Pharma and Daiichi Sankyo announce alliance for ALS treatment agent edaravone in Brazil |
| September 20, 2019 | Notice Regarding the Conclusion of Joint Sales Promotion Contract Concerning Alesion Ophthalmic Solution 0.05% and Alesion LX Ophthalmic Solution 0.1% between Mitsubishi Tanabe Pharma and Santen Pharmaceutical Co., Ltd. |
| September 24, 2019 | NMPA accepts our filing for TENELIA, a treatment agent for type 2 diabetes mellitus in China |
| September 30, 2019 | Mitsubishi Tanabe Pharma to participate in new screening program through the Global Health Innovative Technology Fund ~Targeting treatments for infectious diseases that burden the developing countries~ |
| October 2, 2019 | Notification of acceptance of the New Drug Submission for Scientific Review of VLP Seasonal Influenza Vaccines (MT-2271) by Health Canada |
| October 9, 2019 | Mitsubishi Tanabe Pharma enters into a licensing agreement with Viela Bio for inebilizumab, a treatment agent for neuromyelitis optica spectrum disorder, in Japan and other Asian regions |
| October 25, 2019 | Vadadustat (MT-6548) Japan Phase 3 results for treatment of renal anemia to be presented at ASN Kidney Week 2019 |



Mitsubishi Tanabe Pharma

Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2020

<Supplement>