



# **Q1 FY2016 Business Results**

## **(April-June, 2016)**

**August 2, 2016**

**Eizo Tabaru**

**Board Director, Managing Executive officer  
General Manager of Finance & Accounting Dept.**

# Q1 FY2016 Business Results

The Company has voluntarily applied IFRS from FY2016 and discloses based on IFRS from Q1 FY2016.

Amounts less than ¥100 million are rounded down.

## Overview

**Sales revenue**

¥ 105.4 billion +6.9%, year-on-year

**Core operating profit**

¥ 29.0 billion +15.1%, year-on-year

**Net profit attributable to  
owners of the Company**

¥ 21.9 billion +18.4%, year-on-year

### Topics

- Year-on-year increase in sales revenue and profits at all levels
- Sales revenue of priority products: increased by ¥7.0b, y-o-y
- Royalty income of Gilenya and INVOKANA: increased by ¥3.4b, y-o-y, in despite of strong yen
- MCI-186 for ALS: NDA filed in the US in June
- Remicade: approved for increased dose in psoriasis in May
- Canagliflozin: received “Minister of Economy, Trade and Industry Award” at the FY2016 National Commendation for Invention

## Q1 FY2016 Financial Results



	FY2016	FY2015	Increase/decrease		1H forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Sales revenue	105.4	98.6	+ 6.8	+ 6.9	193.0	54.7
(Overseas sales revenue)	25.0	22.2	+2.8	+12.8	48.1	52.1
Overseas sales ratio	23.8%	22.5%			24.9%	
Cost of sales	40.0	35.4	+4.5	+12.8	72.5	55.2
Sales cost ratio	38.0%	36.0%			37.6%	
Gross profit	65.4	63.1	+ 2.2	+ 3.6	120.5	54.3
Core operating profit	29.0	25.2	+ 3.8	+ 15.1	38.0	76.4
Net profit attributable to owners of the Company	21.9	18.4	+ 3.4	+ 18.4	28.5	76.9

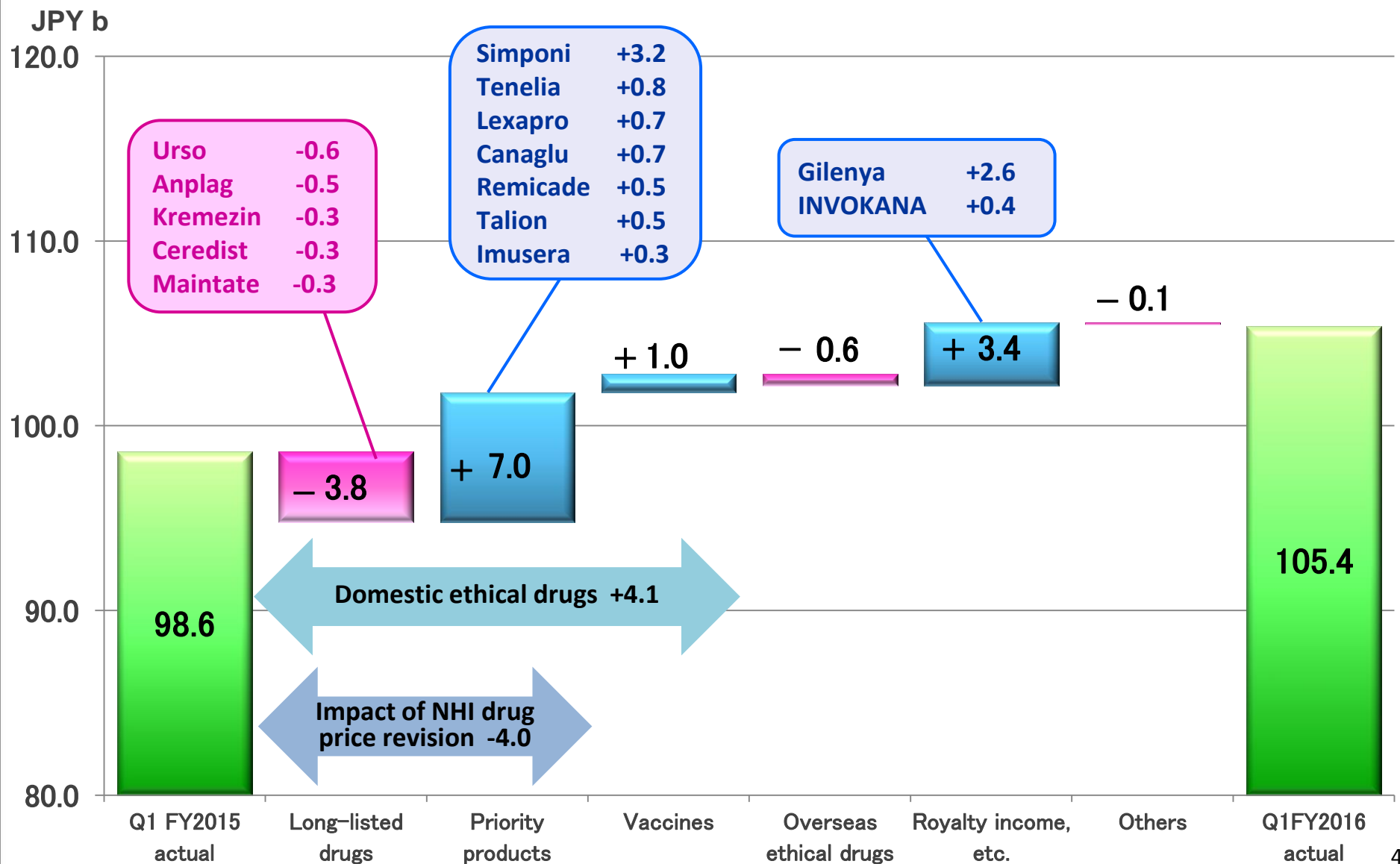
&lt;Average exchange rate&gt;

	FY2016	FY2015	FY2016, planned
US \$	¥107.87	¥121.73	¥110

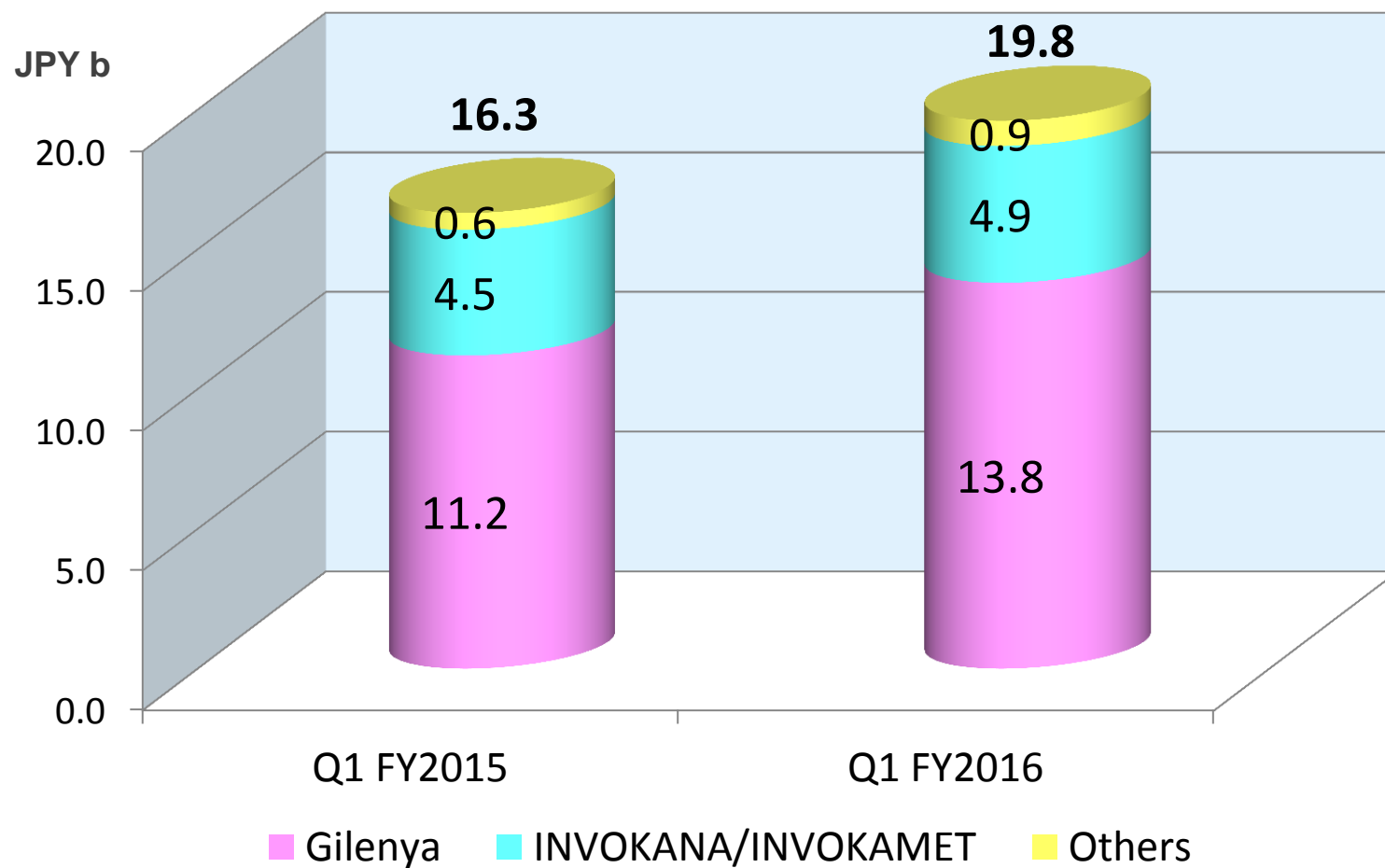
\*: Announced on May 11, 2016 in the financial results of FY2015



## Sales Revenues Trends



# Royalty income, etc.



<Average exchange rate>

	FY2015	FY2016
US\$	¥121.73	¥107.87



# Cost of Sales, SG&A Expense , Core Operating Profit

	FY2016	FY2015	Increase/decrease		Forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	
Sales revenue	105.4	98.6	+ 6.8	+ 6.9	193.0	54.7
Cost of Sales	40.0	35.4	+ 4.5	+ 12.8	72.5	55.2
Sales cost ratio	38.0%	36.0%			37.6%	
Gross profit	65.4	63.1	+ 2.2	+ 3.6	120.5	54.3
SG&A expense	21.5	21.7	-0.1	-0.6	48.0	45.0
R&D expense	14.5	15.6	-1.1	-7.3	33.5	43.3
Other income and expense*2	- 0.3	- 0.5	+ 0.2	-	- 1.0	-
Core operating profit	29.0	25.2	+ 3.8	+ 15.1	38.0	76.4
Total labor costs	17.1	19.5	-2.4	-12.3	37.5	45.8

\*1: Announced on May 11, 2016 in the financial results of FY2015

\*2: Negative signs indicate expense and loss.

## Non-recurring items, Net Profit

	FY2016	FY2015	Increase/decrease		Forecasts* <sup>1</sup>	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Core operating profit	29.0	25.2	+ 3.8	+ 15.1	38.0	76.4
Non-recurring items* <sup>2</sup>	0.1	-	+ 0.1	-	-	-
Operating profit	29.2	25.2	+ 3.9	+ 15.9	38.0	76.9
Financial income	1.2	1.1	+ 0.1	+ 9.4	0.6	214.7
Financial expense	0.2	0.9	- 0.7	-78.1	0.1	201.0
Net profit attributable to owners of the Company	21.9	18.4	+ 3.4	+ 18.4	28.5	76.9

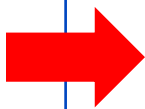
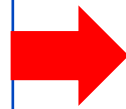
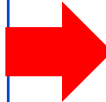
\*1: Announced on May 11, 2016 in the financial results of FY2015

\*2: Negative signs indicate expense and loss.



# Development Pipeline



	Product name/ development code	MOA (indications)	Area	P1	P2	P3	Filed	Appro ved
In-house	Remicade	Anti-human TNF $\alpha$ monoclonal antibody (Psoriasis: increased dose)	Japan					
	MCI-186	Free radical scavenger (ALS)	US					
	MT-7117	Dermatologicals, etc. (Inflammatory diseases, autoimmune diseases, etc.)	Europe					

# *Open Up the Future*

Becoming a company that works with a sense  
of speed and is the first to deliver differentiated value



Mitsubishi Tanabe Pharma

# Appendix

# Breakdown of Sales Revenue

	FY2016	FY2015	Increase/decrease		1H forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Sales revenue	105.4	98.6	+ 6.8	+ 6.9	193.0	54.7
(Overseas)	25.0	22.2	+ 2.8	+ 12.8	48.1	52.1
Domestic ethical drugs	78.4	74.2	+ 4.1	+ 5.6	141.1	55.5
Overseas ethical drugs	5.5	6.1	- 0.6	- 9.8	10.2	54.5
Royalty income, etc.	19.8	16.3	+ 3.4	+ 20.8	38.2	51.7
OTC products	1.0	1.1	- 0.1	- 13.0	2.2	45.0
Others	0.6	0.6	0.0	+ 2.4	1.0	65.8

\*: Announced on May 11, 2016 in the financial results of FY2015.

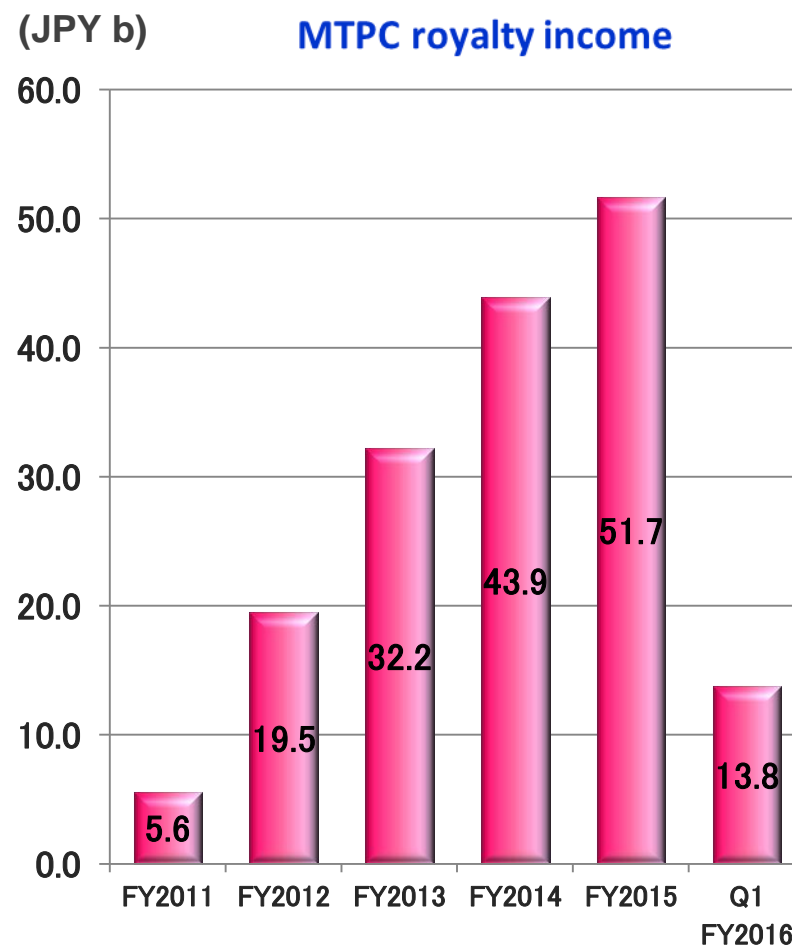
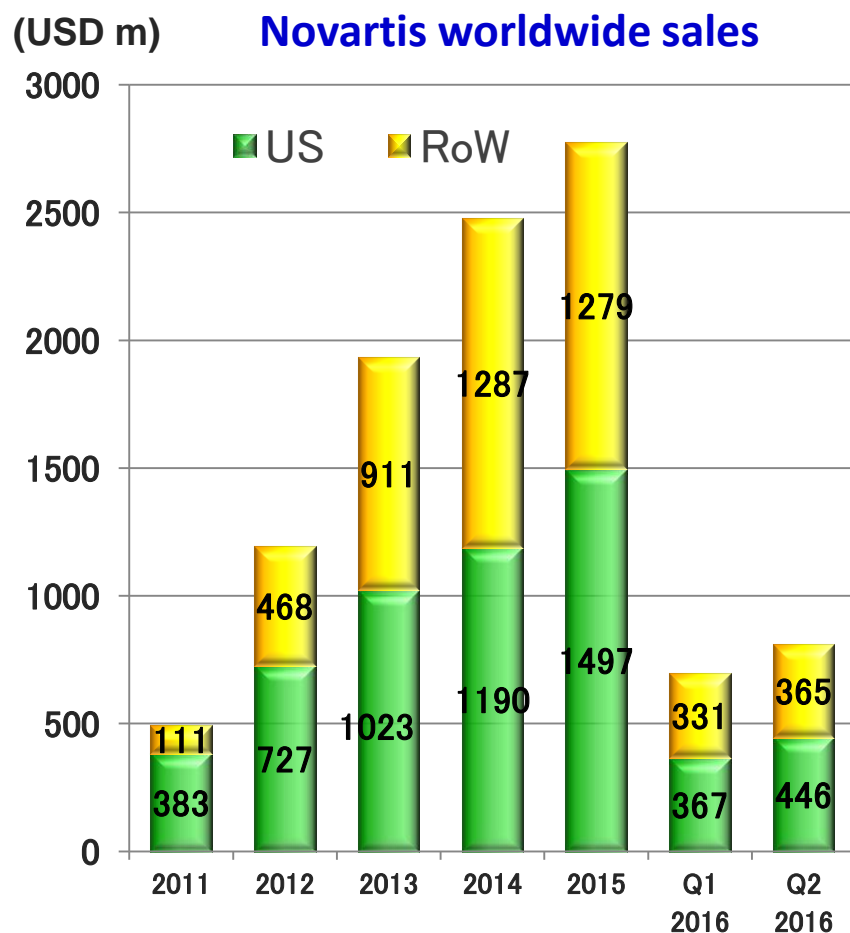


# Sales Revenue of Domestic Ethical Drugs

	FY2016	FY2015	Increase/decrease		1H forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Remicade	17.3	16.8	+ 0.5	+ 3.0	31.6	54.8
Simponi	6.3	3.0	+ 3.2	+ 108.9	11.2	56.0
Talion	4.1	3.5	+ 0.5	+ 15.6	6.6	61.6
Tenelia	3.8	2.9	+ 0.8	+ 30.1	8.3	46.6
Lexapro	2.8	2.1	+ 0.7	+ 34.0	5.6	50.7
Imusera	1.3	0.9	+ 0.3	+ 34.1	2.2	59.0
Canaglu	0.7	0.0	+ 0.7	-	1.6	42.7
Total of priority products	36.5	29.5	+ 7.0	+ 23.7	67.4	54.2
Tetrabik	2.7	1.9	+ 0.8	+ 42.7	3.9	69.0
Mearubik	1.7	1.4	+ 0.2	+ 18.9	2.3	74.7
Varicella vaccine	1.4	1.7	- 0.3	- 19.2	2.9	49.5
JEBIK V	1.2	0.9	+ 0.3	+ 35.6	2.1	61.1
Influenza vaccine	-0.1	-0.0	-0.0	-	2.0	-
Total of vaccines	7.3	6.2	+ 1.0	+ 16.6	13.7	53.3
Total of priority products and vaccines	43.8	35.8	+ 8.0	+ 22.5	81.2	54.0

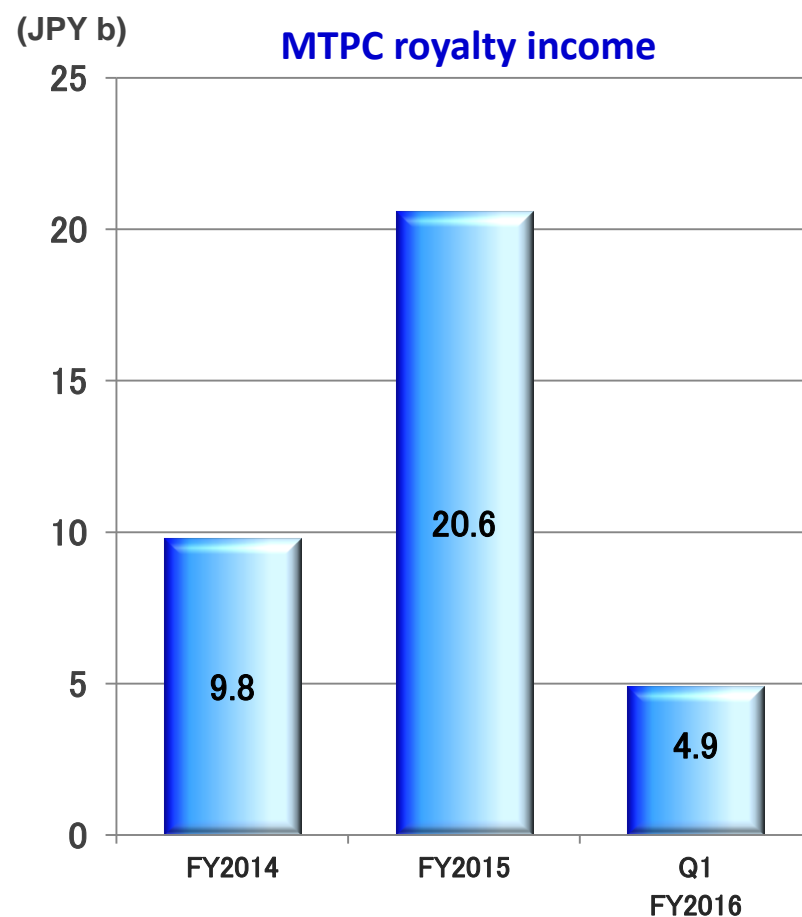
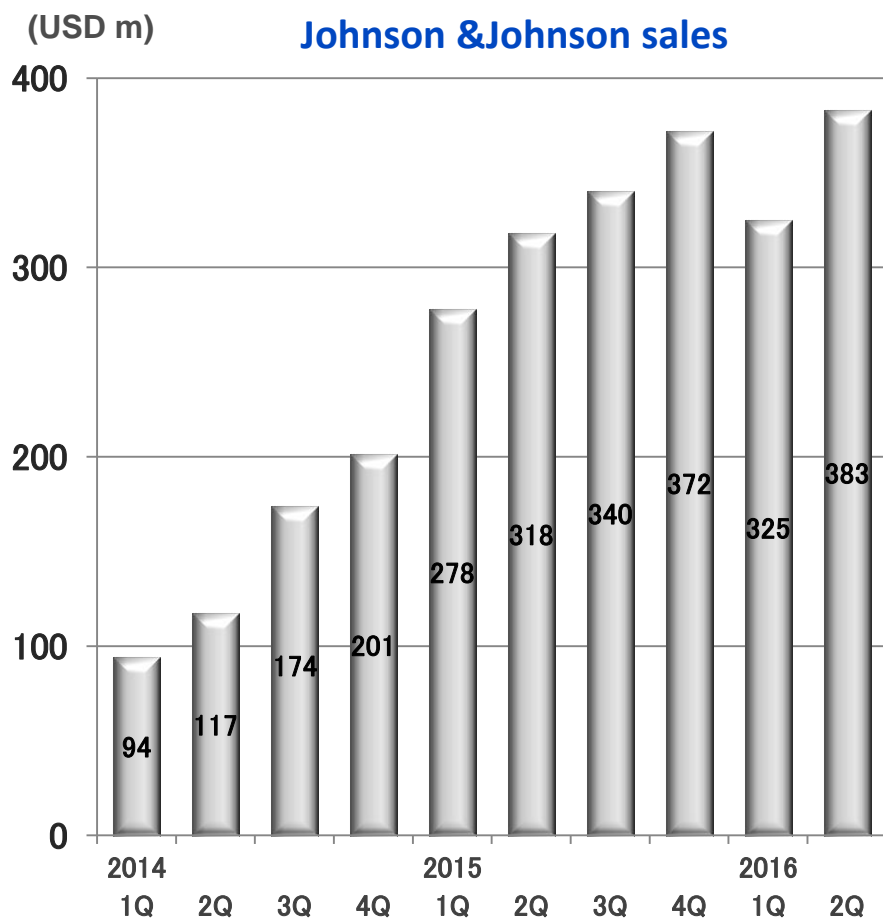
\*: Announced on May 11, 2016 in the financial results of FY2015

- ◆ Novartis worldwide sales in April to June, 2016: \$811m (\$700m, the same period of the last year)
- ◆ MTPC royalty income in Q1 FY2016: ¥13.8b



# INVOKANA/INVOKAMET

- ◆ Johnson & Johnson sales in April to June, 2016: \$383m (the same period the last year: \$318m)
- ◆ INVOKANA/INVOKAMET TRx share 6.3% in defined U.S. T2D market
- ◆ MTPC royalty income in Q1 FY2016: ¥4.9b





### **Cautionary Statement**

**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.**