Mitsubishi Tanabe Pharma Corporation



Q1 FY2017 Business Results

(April-June, 2017)

July 31, 2017

Eizo Tabaru Board Director, Managing Executive officer

Q1 FY2017 Financial Results





	FY2017 Q1	FY2016 Q1	Increase/decrease		
	Billion yen	Billion yen	Billion yen	%	
Sales revenue	107.7	105.4	+2.2	+2.1	
(overseas sales revenue)	25.6	25.0	+0.5	+2.2	
Overseas sales ratio	23.8%	23.8%			
Cost of sales	42.5	40.0	+2.5	+6.3	
Sales cost ratio	39.5%	38.0%			
Gross profit	65.1	65.4	-0.3	-0.5	
Core operating profit	21.9	29.0	-7.0	-24.2	
Operating profit	21.0	29.2	-8.1	-27.9	
Net profit attributable to owners of the Company	16.9	21.9	-4.9	-22.5	

1H Forecasts*	Achieved
Billion yen	%
212.5 53.7 25.3%	50.7 47.7
82.5 38.8%	51.6
130.0	50.1
41.5	53.0
40.5	52.0
32.5	52.2

Average exchange rate

¥111.42

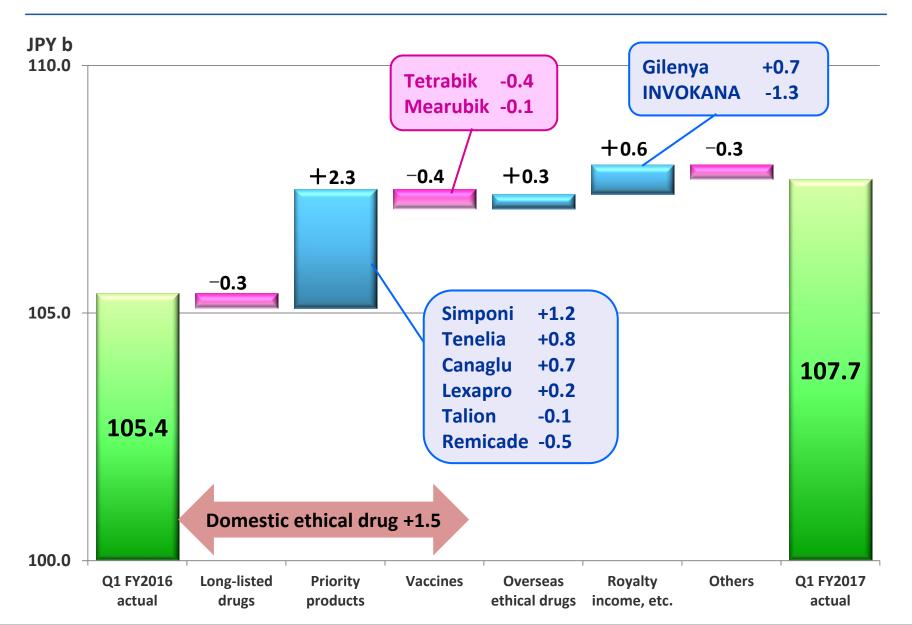
¥107.87

¥110.00

^{*} Announced on May 10, 2017 in the financial results of FY2016

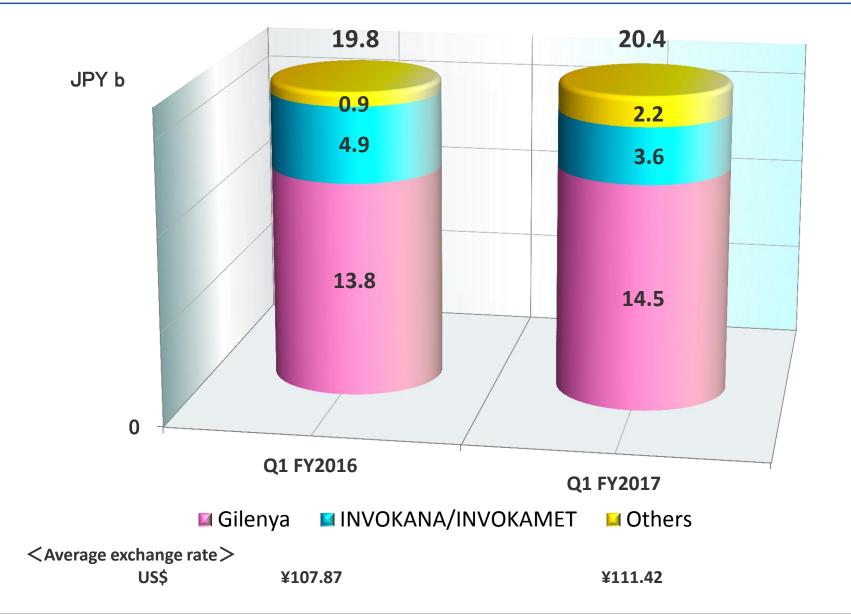
Mitsubishi Tanabe Pharma

Sales Revenues Trends



Royalty income, etc.





Cost of Sales, SG&A Expense, Core Operating Progit Mitsubishi Tanabe Pharma



	FY2017 Q1	FY2016 Q1	Increase/d	se/decrease 1H for		Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Sales revenue	107.7	105.4	+2.2	+2.1	212.5	50.7
Cost of Sales	42.5	40.0	+2.5 +6.3		82.5	51.6
Sales cost ratio	39.5%	38.0%		+1.5	38.8	
Gross profit	65.1	65.4	-0.3	-0.5	130.0	50.1
SG&A expense	24.4	21.5	+2.8	+13.1	52.0	47.0
R&D expense	18.0	14.5	+3.5	+24.7	35.5	51.0
Amortization of intangible assets associated with products	0.5	0.3	+0.1	+42.8	1.0	52.7
Other income and expense*2	-0.1	+0.0	-0.1	_	-	-
Core operating profit	21.9	29.0	-7.0 -24.2		41.5	53.0
Total labor costs	18.2	17.1	+1.1	+6.4	36.3	50.3

^{*1} Announced on May 10, 2017 in the financial results of FY2016

^{*2:} Negative signs indicate expense and loss.

Non-recurring items, Net Profit



	FY2017 Q1	FY2016 Q1	Increase/de	ecrease
	Billion yen	Billion yen	Billion yen	%
Core operating profit	21.9	29.0	-7.0	-24.2
Non-recurring items*2	-0.9	+0.1	-1.1	-
Operating profit	21.0	29.2	-8.1	-27.9
Financial income	1.0	1.2	-0.2	-21.3
Financial expense	0.0	0.2	-0.1	-67.2
Net profit attributable to owners of the Company	16.9	21.9	-4.9	-22.5

1H forecasts*1	Achieved
Billion yen	%
41.5	53.0
-1.0	-
40.5	52.0
-	-
-	-
32.5	52.2

*2 : Negative signs indicate expense and loss

^{*1} Announced on May 10, 2017 in the financial results of FY2016

Development Pipeline etc.

Progress of Development Pipeline



Progress after May 10, 2017, the financial results for FY2016

Product name / Development code	Indications (MoA)	Region	P1	P2	Р3	Filed	Approved
Remicade	Anti-human TNFα monoclonal antibody (Crohn's disease:shortened administration interval)	JP					
MT-2412	Fixed-dose combination of DPP-4 inhibitor and SGLT2 inhibitor (Type 2 diabetes mellitus)	JP					
MT-2990	Inflammatory diseases, autoimmune diseases, etc.	EU	•				

Topics

Open Up the Future

Mitsubishi Tanabe Pharma

MTPC to Acquire NeuroDerm Ltd.

The Advantages of NeuroDerm are Creating ideas and R&D capabilities for next-generation treatments for Parkinson's disease that will make a clinically meaningful difference in patients' lives



Development of new administration routes with new formulations to overcome current limitations



New drug with significant clinical advantages for patient QOL improvement



Strong IP portfolio backed by R&D capabilities



Accelerated lower risk regulatory pathway and short time to market

Innovative Pipeline to
Challenge Unmet Needs of
Parkinson's disease
ND0612
ND0701

- -





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



Appendix

Appendix

Details of Revenue (Q1 FY2017)



	FY2017 Q1	FY2016 Q1	Increase/d	ecrease	1H forecasts*	Achieved
	Billion yen	Billion yen	Billion yen %		Billion yen	%
Sales revenue	107.7	105.4	+2.2	+2.1	212.5	50.7
(overseas sales revenue)	25.6	25.0	+0.5	+0.5 +2.2		47.7
Domestic ethical drugs	79.9	78.4	+1.5 +2.0		154.2	51.8
Overseas ethical drugs	5.9	5.5	+0.3 +6.5		12.9	46.0
Royalty revenue, etc.	20.4	19.8	+0.6 +3.4		41.7	49.0
OTC products	1.1	1.0	+0.1 +14.3		3.2	35.6
Others	0.1	0.6	-0.5 -76.6		0.3	50.5

^{* :} Announced on May 10, 2017 in the financial results of FY2016

Appendix

Sales Revenue of Domestic Ethical Drugs





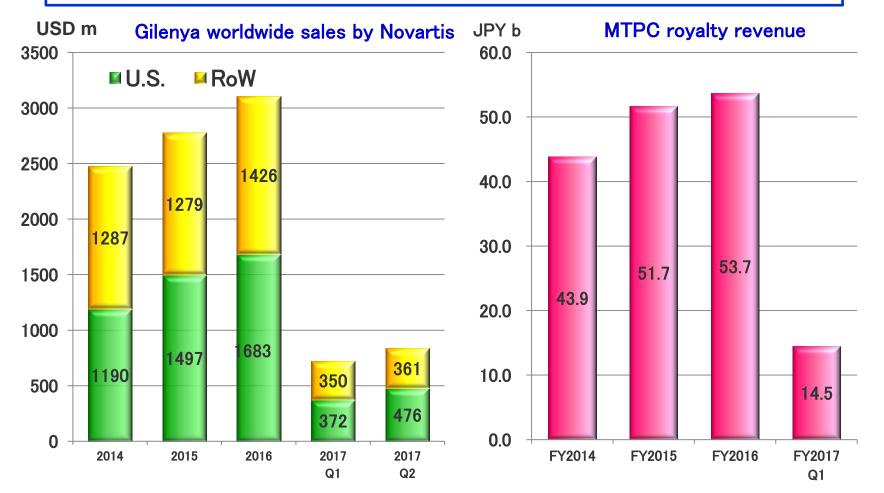
	FY2017 Q1	FY2016 Q1	Increase/decrease			H asts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billio	n yen	%
Remicade	16.8	17.3	-0.5	-3.2		32.6	51.5
Simponi	7.5	6.3	+1.2	+19.5		13.9	53.9
Tenelia	4.6	3.8	+0.8	+20.9		8.6	54.0
Talion	4.0	4.1	-0.1	-2.5		8.2	48.7
Lexapro	3.1	2.8	+0.2	+9.2		6.1	50.9
Canaglu	1.4	0.7	+0.7	+102.1		3.0	48.5
Imusera	1.2	1.3	-0.0	-1.0		2.4	51.8
Total of priority products	38.9	36.5	+2.3	+6.5		75.1	51.8
Tetrabik	2.3	2.7	-0.4	-15.1		4.4	52.5
Mearubik	1.5	1.7	-0.1	-8.4		2.6	58.5
Varicella vaccine	1.4	1.4	+0.0	+0.3		2.8	50.7
JEBIK V	1.3	1.2	+0.0	+1.1		2.1	60.9
Influenza vaccine	-0.0	-0.1	+0.0	-		2.4	-
Total of vaccines	6.8	7.3	-0.4	-6.7		15.0	45.4
Total of priority products and vaccines	45.7	43.8	+1.8	+4.3		90.2	50.7

^{* :} Announced on May 10, 2017 in the financial results of FY2016

Gilenya



- Gilenya worldwide sales by Novartis in April to June, 2017: \$837 m
 (\$811m, the same period of previous year)
- MTPC royalty revenue in Q1 FY2017 (April to June, 2017): ¥14.5 b

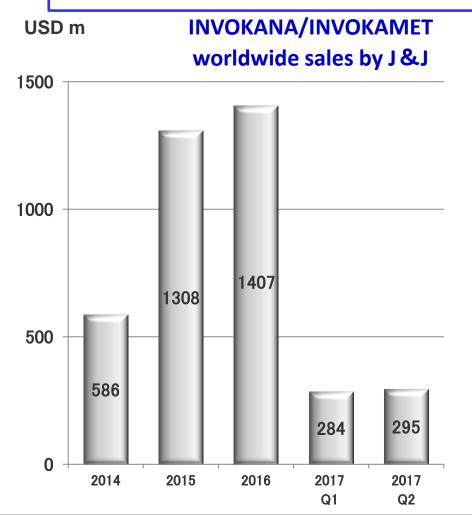


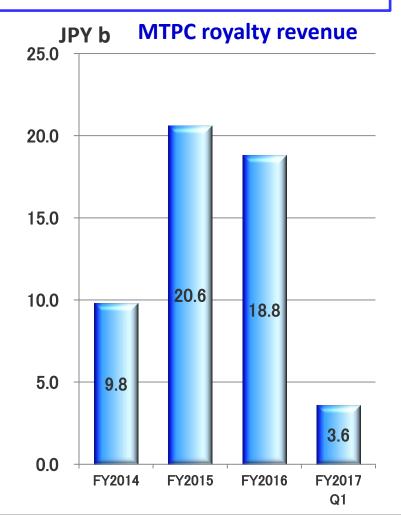


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INVOKANA/INVOKAMET

- **INVOKANA/INVOKAMET** sales by Johnson & Johnson in April to June, 2017: \$295m (\$383m, the same period of previous year)
- MTPC royalty revenue in Q1 FY2017 (April to June, 2017): ¥3.6b





Appendix

Pipeline Status





Red: progress after May 10, 2017, the financial results for FY2016

Phase 1

MT-1303 (JP,EU,US)

Inflammatory diseases / Autoimmune diseases

MP-513 (US)

Type2 diabetes mellitus

MT-3995 (US)

Diabetic nephropathy

Influenza vaccine (Canada)

Prophylaxis of H7N9 influenza

■GB-1057 (US)

Blood and blood forming

organs

MP-124 (US)

Nervous system

■ MP-157 (EU)

Cardiovascular system

MT-0814 (JP)

Ophthalmologicals

MT-8554 (EU)

Nervous system, etc.

MT-5199 (JP)

Tardive dyskinesia

MT-7117 (EU)

Dermatologicals, etc.

MT-4129 (EU)

Cardiovascular system, etc.

MT-2990 (EU)

Inflammatory diseases / Autoimmune diseases, etc. Phase 2

MT-1303 (EU)

Multiple sclerosis

Psoriasis

MT-1303 (EU,JP)

Crohn's disease

MP-513 (EU)

Type2 diabetes mellitus

MT-3995 (EU, JP)

Diabetic nephropathy

Influenza vaccine (Canada)

Prophylaxis of H5N1 influenza

Influenza vaccine (US,Canada)

Prophylaxis of seasonal influenza

MT-3995 (JP)

NASH

MT-6548 (JP)

Renal anemia

Phase 3

Imusera (Global clinical study) *1

Chronic inflammatory demyelinating polyradiculoneuropathy (CIDP)

Canaglu (Global clinical study) *2

Diabetic nephropathy

MP-214 (JP,Asia)

Schizophrenia

MP-513 (China)

Type2 diabetes mellitus

MT-2355 (JP) *3

5 combined vaccine

(4 combined + Hib)

Filed

Approved

MP-513 (Indonesia)

Type2 diabetes mellitus

Novastan (China)

Acute cerebral infarction

Remicade (JP)

CD: shortened administration interval

As of July 31, 2017

MT-2412 (JP)

Type2 diabetes mellitus

Major license-out products (post Phase 3)

Filed

chronic kidney disease patients on maintenance

Phase

FTY720 (Global clinical study)*1 CIDP

■ TA-7284 (Global clinical study)*2

Diabetic nephropathy

Disease area

■: Autoimmune disease ■: Diabetes and kidney disease

: CNS disease : Vaccines : Other

*1: Global clinical study, co-developed with Novartis Pharma in Japan, licensed to Novartis overseas

*2: Sponsor: Janssen Research & Development, LLC

*3: Co-developed with The Research Foundation for Microbial Diseases of Osaka University (JP)

MT-4580(JP) Secondary hyperparathyroidism in

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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.