



November 19, 2018

Company name: Mitsubishi Tanabe Pharma Corporation
 Representative: Masayuki Mitsuka,
 President and Representative Director
 Code number: 4508, First Section, Tokyo Stock Exchange
 Contact: Yoshifumi Mifune, Vice President,
 Head of Corporate Communications Department
 (TEL: +81-6-6205-5211)

Notice Regarding Revision of Medium-Term Management Plan 16-20: Open Up the Future

Mitsubishi Tanabe Pharma Corporation (Head Office: Osaka, President & Representative Director: Masayuki Mitsuka; hereafter "MTPC") formulated the "Medium-Term Management Plan 16-20: Open Up the Future" (hereafter "the Plan") in fiscal 2016. Since that time, MTPC has taken steps to implement the Plan. In consideration of the progress of the Plan, MTPC has made interim revision to the fiscal 2020 numerical objectives and future initiatives.

Please refer to the accompanying presentation materials.

1. Background to the Interim Revision

Under the Plan, four strategic priorities to open up the future have been identified as MTPC's growth strategies, and MTPC has worked to implement those strategies. In particular, MTPC has commenced in-house business operations in the U.S., including the U.S. launch of Radicava in August 2017 as a treatment agent for ALS. However, MTPC's operating environment has undergone dramatic change in number of factors. For example, in addition to fundamental reform of Japanese national health insurance (NHI) drug price system, the level of royalty revenues, which had been expected to make a contribution to earnings, has been below the forecasts. In consideration of this situation, MTPC has revised the numerical objectives and fiscal year plans as follows.

2. Revision of Fiscal 2020 Numerical Objectives and Future Initiatives

Unit: ¥ billion

	Fiscal 2020 numerical objectives		Difference (B - A)
	Initial objective(A)*	Revised objective (B)	
Revenue	500.0	430.0	-70.0
[of which, U.S. sales]	[80.0]	[40.0]	[-40.0]
Core operating profit	100.0	60.0	-40.0

*Announced on November 30, 2015

Moving forward, in the U.S. and Europe MTPC will work to strengthen the business centered on three growth drivers - the oral formulation of ALS treatment agent Radicava, the seasonal influenza VLP vaccine, and the Parkinson's treatment agent ND0612. In this way, MTPC will aim to achieve revenue of more than ¥500.0 billion and core operating profit of more than ¥100.0 billion in fiscal 2023.

In addition, MTPC is aggressively advancing strategic investment and steadily promoting the development of new drug candidates discovered in-house that are expected to be launched after the end of the Plan. By successively launching new drugs, MTPC will strive to further step up the pace of its global business development.

3. Materiality Assessment

In materiality assessment, MTPC Group has considered corporate philosophy and vision and identified seven material issues that will be given priority in conducting sustainable business activities. These are positioned as important guidelines of MTPC Group's business activities and of the process for making decisions on an individual basis. Moving forward, the entire MTPC Group will continue working to resolve social issues through its business activities, contribute to the extension of healthy lifespan and realization of a sustainable society.

Material Issues

- Pharmaceuticals and healthcare services with differentiated value
- Reliable products and sustainable supply
- Appropriate use of products
- Ethics, fairness and sincerity in business practices
- Stakeholder engagement
- Employee health, diversity and inclusion
- Social contribution activities for health

Please refer to the following URL introduces our materiality assessment process and major initiatives.
<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/materiality.html>

4. Shareholder Return Policy

MTPC will provide a stable, continuous return to shareholders while striving to maximize enterprise value through strategic investment and R&D investment. Under the Plan, there will be no change to our policy of paying dividends in accordance with profit growth over the medium to long term, with a target of 50% for the consolidated dividend payout ratio (IFRS). In addition, MTPC plan to maintain the current level of dividends (annual dividend of ¥56) during the period of the Plan.

End

(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 MTPC regards as reasonable. Accordingly, MTPC cannot make promises to achieve such forecasts. Actual financial results may differ materially from these forecasts depending on number of important factors.