

October 25, 2016

Mitsubishi Tanabe Pharma Corporation

Revision to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2017

Osaka, Japan, October 25, 2016 --- Mitsubishi Tanabe Pharma Corporation (Head office: Chuo-ku, Osaka, President and Representative Director: Masayuki Mitsuka) announced today a revision to the 2Q and full-year consolidated financial forecasts for the fiscal year 2016 ending March 31, 2017, which were announced on May 11, 2016.

1. Revised consolidated financial forecasts for 2Q (April 1, 2016 to September 30, 2016) (Millions of Yen)

	Revenue	Operating profit	Profit before tax	Net profit for the period	Net profit attributable to owners of the Company	Net profit per share (Yen)
Previous forecast (A)	193,000	38,000	38,500	27,100	28,500	50.80
Revised forecast (B)	204,000	47,500	49,000	35,000	36,000	64.17
Difference (B-A)	11,000	9,500	10,500	7,900	7,500	—
Percentage change (%)	5.7	25.0	27.3	29.2	26.3	—
(Reference)FY2015 2Q (results, cumulative)	202,065	49,284	49,703	34,719	35,713	63.66

Core operating profit* 2Q (cumulative forecast, Millions of Yen): ¥38,000 (previous) ¥47,500 (current)

*"Core operating profit" is the one that excludes our defined non-recurring income and loss from operating profit. We set it up as indicating recurring profitability when IFRS was installed. FY2015 was also based on IFRS.

2. Revised consolidated financial forecasts for FY2016 (April 1, 2016 to March 31, 2017) (Millions of Yen)

	Revenue	Operating profit	Profit before tax	Net profit for the period	Net profit attributable to owners of the Company	Net profit per share (Yen)
Previous forecast (A)	406,500	75,500	77,000	54,200	57,000	101.61
Revised forecast (B)	414,000	84,000	86,000	62,000	64,000	114.08
Difference (B-A)	7,500	8,500	9,000	7,800	7,000	—
Percentage change (%)	1.8	11.3	11.7	14.4	12.3	—
(Reference)FY2015 4Q (results, cumulative)	425,764	81,803	83,255	57,034	59,306	105.72

Core operating profit FY2016(cumulative forecast, Millions of Yen): ¥77,000 (previous) ¥85,000 (current)

3. Reasons for revision:

In cumulative 2Q, we expect that sales revenue surpasses the level of the previously announced forecast due to favorable domestic sales of main products; Simponi, and vaccines, etc.

In profits, addition to the reason above, decline of expenses due to SG&A and R&D expenses deferred and effect of appreciation of JPY, we estimate that all levels of profits under the operating profit surpass the previously announced forecasts.

In regard to the full-year forecast, we anticipate decrease in oversea royalty income due to appreciation of JPY and favorable sales of main products; Simponi, and vaccines, etc. The total sales are expected to surpass the previously announced forecast.

In profits, addition to the reason above, a part of R&D expenses will be incurred in the next fiscal year and be declined by the appreciation of JPY. We estimate that all level of profits under the operating profit surpass those we disclosed earlier.

Note: The above results forecasts reflect judgments and assumptions that are based on information available at the present point in time. For any of a number of reasons, actual results might differ materially from these forecasts.

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