Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2019 <Supplement>

As of October 30, 2018

Mitsubishi Tanabe Pharma Corporation

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

Table of Contents

1 Summary of Financial Results for the 2nd Quarter of FY2018 Ended March 31, 2019 and Forecasts for FY2018

(Amounts less than ¥100 million are rounded off)

1. Summary of Financial Results for the 2nd Quarter of FY2018

[Billion yen]

Revenue	209.7	Y-on-Y	(3.6)	(1.7 %)
Domestic	146.4	Y-on-Y	(14.2)	(8.9 %)
Overseas	63.2	Y-on-Y	10.6	20.1 %

Revenue decreased by 1.7%, or \3.6 billion, year-on-year, to \209.7 billion.
Revenue of domestic ethical drugs decreased by 10.0%, year-on-year, to \141.5 billion. Sales of priority products increased, including SIMPONI, the treatment agent of Rheumatoid arthritis (RA) and CANALIA, a type 2 diabetes mellitus treatment agent launched in September 2017, as well as STELARA, a treatment for Crohn's disease which is jointly promoted with Janssen Pharmaceutical K.K., updated the co-promotion framework in July 2018. On the contrary, the NHI drug price revision started in April 2018 and the transfer of the generic drug business in October 2017 caused a net negative impact on revenue.
Revenue of overseas ethical drugs increased by 96.2%, year-on-year, to \27.4 billion, mainly driven by the launch of RADICAVA, the treatment for amyotrophic lateral sclerosis (ALS) in the U.S in August 2017.
Royalty revenue, etc. decreased by 8.4%, year-on-year, to \36.3 billion. The continuous increase of royalty revenue from Gilenya, the treatment of multiple sclerosis licensed to Novartis was offset by the decrease of royalty revenue from INVOKANA and the fixed dose combination with metformin, the treatment of type 2 diabetes mellitus licensed to Janssen Pharmaceuticals.

[Billion yen]

Core Operating Profit*	34.5	Y-on-Y	(5.2)	(13.1 %)
Operating Profit	34.5	Y-on-Y	(2.3)	(6.4 %)

Core operating profit decreased by 13.1%, or \5.2 billion, year-on-year, to \34.5 billion due to the following results:
- Sales growth of domestic priority products and RADICAVA in the U.S.
- Decrease in SG&A expenses owing to the promotion of operational productivity reforming.
- Negative impact of the NHI drug price revision, and the decline in long-listed drug sales and royalty revenue.
- Increase in R&D expenses relating to the late stage development initiation and the acquisition of NeuroDerm Ltd.

Operating profit was equal to core operating profit, recorded \34.5 billion (reduced 6.4%, or \2.3 billion, compared to the corresponding period of the prior year).

[Billion yen]

Profit before Tax for the period	34.8	Y-on-Y	(2.7)	(7.3 %)
Net Income Attributable to owners of the Company	24.9	Y-on-Y	(4.8)	(16.2 %)

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.

2. Summary of Forecasts for FY2018

[Billion yen]

Revenues	435.0	Y-on-Y	1.1	0.3 %
Core Operating Profit	70.0	Y-on-Y	(8.5)	(10.9 %)
Operating Profit	67.0	Y-on-Y	(10.2)	(13.3 %)
Profit before Tax	67.5	Y-on-Y	(11.2)	(14.3 %)
Net Income Attributable to owners of the Company	47.0	Y-on-Y	(10.9)	(18.9 %)

(Note) Revisions to recently announced consolidated earnings forecasts on May 9, 2018: No

3. Dividends

	FY2018			FY2017		
	End of 1st Half	End of FY2018	For the Year	End of 1st Half	End of FY2017	For the Year
Dividends per Share [\]	28	28	56	38	28	66
[Commemorative Dividend]	-	-	-	(10.0)	-	(10.0)
Dividends Payout Ratio	-	-	66.8%	-	-	63.9%

The Company distributed a commemorative dividend to shareholders at the end of 1st half in FY2017 for celebrating its 10th anniversary.

2 Consolidated Financial Indicators for the 2nd Quarter of FY2018

1. Profit and Loss

(Amounts less than ¥100 million are rounded off)

(1) Profit and Loss

[Billion yen]

	1H FY2018	Y-on-Y			Comparison to forecasts			Notes [Y-on-Y comparison]
		1H FY2017	Increase (decrease)	Change %	Forecasts*1	Increase (decrease)	Change %	
Revenue	**209.7**	213.3	(3.6)	(1.7)	210.0	(0.2)	(0.1)	See "(2) Sales Revenue of Main Products" on page 4.
Domestic	**146.4**	160.7	(14.2)	(8.9)	145.7	0.7	0.5	
Overseas	**63.2**	52.6	10.6	20.1	64.2	(1.0)	(1.7)	
Overseas sales ratio	**30.1%**	24.7%			30.6%			
Cost of sales	**86.1**	84.5	1.6	1.9	84.0	2.1	2.5	Increase due to the influence of NHI price revision.
Sales cost ratio	**41.1%**	39.6%			40.0%			
Gross profit	**123.5**	128.8	(5.2)	(4.1)	126.0	(2.4)	(1.9)	
SG&A expenses	**47.7**	51.4	(3.7)	(7.2)	50.0	(2.2)	(4.5)	Decrease due to the transfer of generic drug business and the promotion of reforming operational productivity.
% of revenue	**22.8%**	24.1%			23.8%			
R&D expenses	**39.5**	36.3	3.1	8.7	44.5	(4.9)	(11.1)	Increase due to the late stage development initiation and the acquisition of NeuroDerm Ltd.
% of revenue	**18.9%**	17.1%			21.2%			
Amortization of intangible assets associated with products	**1.4**	1.0	0.4	39.2	1.5	(0.0)	(2.2)	
Other income (expense)*2	**(0.3)**	(0.2)	(0.0)	-	-	(0.3)	-	
Core operating profit	**34.5**	39.7	(5.2)	(13.1)	30.0	4.5	15.0	
Non-recurring items*2	**-**	(2.8)	2.8	-	(1.5)	1.5	-	
Operating profit	**34.5**	36.8	(2.3)	(6.4)	28.5	6.0	21.1	
Financial income	**0.5**	1.2	(0.6)	(52.3)				
Interest income and dividends income	**0.5**	0.6	(0.0)	(12.2)				
Foreign exchange income	**-**	0.2	(0.2)	-				
Others	**0.0**	0.2	(0.2)	(99.3)				
Financial expense	**0.2**	0.5	(0.2)	(47.0)				
Interest expense	**0.0**	0.0	(0.0)	(17.9)				
Foreign exchange loss	**0.1**	-	0.1	-				
Others	**0.0**	0.4	(0.3)	(94.4)				
Profit before tax for the period	**34.8**	37.5	(2.7)	(7.3)	29.0	5.8	20.1	
Income taxes	**11.6**	9.3	2.3	24.9				
Net profit for the period	**23.1**	28.2	(5.0)	(18.0)	18.5	4.6	25.2	
Net profit attributable to owners of the Company	**24.9**	29.8	(4.8)	(16.2)	19.5	5.4	28.2	
Total labor cost	**35.8**	35.9	(0.1)	(0.4)	37.0	(1.1)	(3.2)	

*1: The Company announced full year forecasts on May 9, 2018.

*2: Brackets indicate expense and loss

[Yen]

Exchange rate	1H FY2018 average	1H FY2017 average	FY2018 planed
US $	**110.71**	111.29	105.00
Euro	**129.78**	127.77	130.00

For the 2nd quarter of FY2018, the impact of fluctuations in the foreign exchange rate was as follows;
Revenue: decrease by \0.3 billion
Core operating profit: decrease by \0.0 billion

(2) Sales Revenue of Main Products

[Billion yen]

	1H FY2018	Y-on-Y			Comparison to forecasts		
		1H FY2017	Increase (decrease)	Change %	Forecasts*1	Increase (decrease)	Change %
Domestic ethical drugs	141.5	157.2	(15.7)	(10.0)	141.2	0.2	0.2
Remicade	29.9	32.9	(2.9)	(9.0)	28.4	(1.4)	5.1
Simponi	18.5	15.3	3.2	20.9	17.2	1.2	7.3
Tenelia	7.2	9.3	(2.1)	(22.9)	8.4	(1.1)	(14.2)
Stelara	4.7	0.0	4.7	-	4.9	(0.1)	(3.9)
Lexapro	6.8	6.2	0.6	9.6	6.4	0.3	5.8
Ceredist	4.6	5.6	(0.9)	(17.2)	4.8	(0.1)	(3.9)
Kremezin	3.3	3.3	0.0	0.6	3.5	(0.1)	(4.3)
Canaglu	3.0	2.6	0.3	13.6	3.6	(0.6)	(16.9)
Talion	2.5	7.9	(5.3)	(67.5)	3.5	(0.9)	(26.7)
Rupafin	0.3	-	0.3	-	1.2	(0.8)	(69.2)
Maintate	2.6	5.5	(2.9)	(52.5)	2.7	(0.0)	(3.0)
Vaccine [BIKEN products]	15.5	14.4	1.1	7.7	14.3	1.2	8.5
Influenza	0.9	1.1	(0.1)	(10.7)	1.3	(0.3)	(25.2)
Tetrabik	4.1	4.4	(0.2)	(6.0)	4.5	(0.3)	(7.4)
Varicella vaccine	2.6	2.7	(0.0)	(3.0)	2.8	(0.2)	(7.1)
Mearubik	4.1	2.9	1.2	41.6	2.9	1.2	41.6
Tanabe Seiyaku Hanbai products*2	-	6.6	(6.6)	(100.0)	-	-	-
Overseas ethical drugs	27.4	13.9	13.4	96.2	29.2	(1.7)	(6.0)
Radicava	13.9	1.1	12.7	-	14.1	(0.2)	(2.1)
Herbesser	3.3	3.1	0.1	5.8	3.4	(0.1)	(4.3)
Argatroban	1.0	0.9	0.0	2.8	1.1	(0.0)	(8.4)
Simponi	0.9	0.9	0.0	6.2	1.0	(0.0)	(2.4)
Royalty revenue, etc.	36.3	39.6	(3.3)	(8.4)	35.4	0.8	2.4
Royalty from Gilenya	29.9	29.4	0.4	1.6	Undisclosed	-	-
Royalty from INVOKANA	4.9	7.2	(2.3)	(31.8)	Undisclosed	-	-
OTC products	2.2	2.1	0.0	1.5	2.3	(0.1)	(7.8)
Others*3	2.1	0.2	1.9	749.8	1.6	0.5	31.3
Total sales revenue	209.7	213.3	(3.6)	(1.7)	210.0	(0.2)	(0.1)

*1: The Company announced full year forecasts on May 9, 2018.

*2: The Company transferred all of the shares of Tanabe Seiyaku Hanbai to Nipro Corporation on October 1, 2017.

*3: Contracted manufacturing products of other companies.

2. Financial Statement

(1) Balance Sheet

[Billion Yen]

	End of Q2 FY2018	Composition %	End of FY2017 *1	Increase (decrease)	Notes
Assets	**1070.9**	**100.0**	1048.4	22.4	
Non-current assets	**481.7**	**45.0**	462.9	18.8	
Property, plant and equipment	**79.1**	**7.4**	80.4	(1.3)	Investment for property, plant and equipment, 2.0; depreciation costs, (3.6)
Goodwill	**92.2**	**8.6**	91.1	1.0	
Intangible assets	**212.4**	**19.8**	200.9	11.5	Increase due to the impact of fluctuation in the foreign exchange rate.
Investments accounted for using equity method	**16.4**	**1.5**	16.4	(0.0)	
Other financial assets	**50.3**	**4.7**	46.1	4.2	Increase due to fair value remeasurement of investment in securities
Net defined benefit assets	**25.2**	**2.4**	22.7	2.5	Increase due to fair value measurement of pension plan assets
Other non-current assets	**0.3**	**0.0**	0.3	(0.0)	
Deferred tax assets	**5.6**	**0.5**	4.7	0.9	
Current assets	**589.1**	**55.0**	585.5	3.6	
Inventories	**74.6**	**7.0**	81.9	(7.3)	
Trade and other receivables *2 [Trade receivable rotation number]	**125.1** **[3.58]**	**11.7**	123.5 [3.47]	1.5	
Other financial assets	**258.8**	**24.2**	246.7	12.1	
Other current assets	**8.4**	**0.8**	6.2	2.2	
Cash and cash equivalents	**122.0**	**11.4**	127.0	(4.9)	See "(2) Statements of Cash Flow" on page 6
Liabilities	**149.8**	**14.0**	153.6	(3.8)	
Non-current liabilities	**58.6**	**5.5**	55.4	3.2	
Borrowings	**0.1**	**0.0**	0.4	(0.2)	
Other financial liabilities	**2.2**	**0.2**	2.1	0.0	
Net defined benefit liabilities	**0.8**	**0.1**	0.8	(0.0)	
Provision	**7.8**	**0.7**	8.5	(0.7)	
Other non-current liabilities	**5.4**	**0.5**	5.5	(0.0)	
Deferred tax liabilities	**42.1**	**3.9**	37.8	4.3	
Current liabilities	**91.1**	**8.5**	98.1	(7.0)	
Borrowings	**0.3**	**0.0**	0.1	0.1	
Trade and other payables *3	**34.7**	**3.2**	35.6	(0.9)	
Other financial liabilities	**20.4**	**1.9**	20.7	(0.2)	
Income taxes payable	**12.1**	**1.1**	18.0	(5.9)	
Provisions	**3.4**	**0.3**	1.9	1.5	
Other current liabilities	**20.0**	**1.9**	21.6	(1.6)	
Equity	**921.1**	**86.0**	894.8	26.3	
Share capital	**50.0**	**4.7**	50.0	-	
Capital surplus	**451.2**	**42.1**	451.2	0.0	
Treasury shares	**(1.0)**	**(0.1)**	(1.0)	0.0	
Retained earnings	**393.9**	**36.8**	382.1	11.7	Net profit for the period, 24.9; Payment for dividends, (15.7)
Other components of equity	**14.0**	**1.3**	0.5	13.5	
Non-controlling interests	**12.9**	**1.2**	12.0	0.9	

*1: The Company has finalized the purchase price allocation in connection with the acquisition of NeuroDerm Ltd. during the first six months of the fiscal year ending March 31, 2019. Hence, a retroactive adjustment of the comparative amount for previous fiscal year listed in Condensed Consolidated Statements of Financial Position was made. For details, please see "2. Condensed Consolidated Financial Statements and Main Notes (6) Notes to Condensed Consolidated Financial statements (Business Combinations)" in Financial Results for the First Six Months of the Fiscal year ending March 31, 2019 (IFRS, Consolidated) on page 12.

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

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

(2) Cash Flow Statement

[Billion yen]

	1H FY2018	1H FY2017	Increase (decrease)
Cash and cash equivalents at beginning of year	127.0	113.2	13.8
Cash flows from operating activities	23.4	29.7	(6.2)
Profit before tax	34.8	37.5	(2.7)
Depreciation and amortization	5.8	5.6	0.2
Loss on impairment of fixed assets	0.0	1.1	(1.0)
Interest and dividends income	(0.5)	(0.6)	0.0
Share of loss(profit) of affiliates accounted for using equity method	(0.0)	(0.0)	0.0
Loss on valuation of investment in securities	0.0	0.3	(0.3)
Decrease(increase) in trade and other receivables	(1.2)	(14.5)	13.3
Decrease(increase) in inventories	8.1	0.9	7.1
Increase(decrease) in trade and other payables	(2.1)	0.0	(2.1)
Increase(decrease) in provisions	0.6	0.0	0.5
Decrease(increase) in net defined benefit asset	0.0	0.1	(0.0)
Interest and dividends received	0.6	0.7	(0.0)
Interest paid	(0.1)	(0.0)	(0.0)
Income taxes paid	(19.3)	(3.9)	(15.4)
Other	(3.1)	2.3	(5.5)
Cash flows from investing activities	(16.8)	126.3	(143.1)
Payments into time deposits	(1.1)	(0.1)	(1.0)
Proceeds from withdrawal of time deposits	3.7	0.0	3.6
Purchase of property, plant and equipment	(2.1)	(5.0)	2.8
Purchase of intangible assets	(0.8)	(8.1)	7.2
Purchase of investments	(147.6)	(178.0)	30.3
Proceeds from sales and redemption of investments	131.2	333.7	(202.5)
Purchase of investments in associates and joint ventures accounted for using equity method	-	(16.1)	16.1
Other	0.0	0.0	0.0
Cash flows from financing activities	(13.3)	(13.5)	0.2
Purchase of treasury shares	(0.0)	(0.5)	0.5
Proceeds from share issuance to non-controlling shareholders	2.4	2.9	(0.4)
Dividends paid	(15.7)	(15.7)	0.0
Other	(0.1)	(0.2)	(0.0)
Effect of exchange rate changes on cash and cash equivalents	1.7	0.5	1.1
Net increase(decrease) in cash and cash equivalents	(4.9)	143.0	(147.9)
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	122.0	256.1	(134.0)

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

[Billion yen]

	1H FY2018	1H FY2017	Increase (decrease)	FY2017
Investment in property, plant and equipment / occurring basis	**2.0**	2.5	(0.4)	4.4
Investment in information systems / occurring basis	**0.9**	0.5	0.3	1.6

[Billion yen]

Major investment in property, plant and equipment in 1H FY2018		Major investment in development of information systems in 1H FY2018	
Mitsubishi Tanabe Pharma	0.9	Mitsubishi Tanabe Pharma	0.7
Medicago, Inc.	0.4		

(4) Depreciation and Amortization Costs

[Billion yen]

	1H FY2018	1H FY2017	Increase (decrease)	FY2017
Property, plant and equipment	**3.6**	3.7	(0.1)	7.5
Intangible assets (except for Intangible assets with products)	**0.7**	0.7	(0.0)	1.4
Intangible assets with products	**1.4**	1.0	0.4	2.4

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.	Tianjin Tanabe Seiyaku Co., Ltd.	Mitsubishi Tanabe Pharma Korea Co., Ltd.
Revenue	**1H FY2018**	**13.3**	**16.7**	**0.3**	**2.9**	**3.1**
	FY2017	29.5	18.4	0.5	5.3	5.9
	1H FY2017	14.8	4.3	0.1	2.5	3.0
Operating profit	**1H FY2018**	**0.5**	**0.9**	**(4.9)**	**0.2**	**0.3**
	FY2017	3.0	(2.0)	(10.7)	0.2	0.5
	1H FY2017	1.8	(2.0)	(4.4)	0.0	0.4
Net profit	**1H FY2018**	**0.3**	**0.7**	**(4.9)**	**0.1**	**0.2**
	FY2017	2.2	(1.7)	(10.8)	0.1	0.4
	1H FY2017	1.2	(1.2)	(4.5)	0.1	(0.3)
R&D expenses	**1H FY2018**	**0.5**	**2.0**	**5.3**	**0.0**	**-**
	FY2017	0.8	3.9	11.1	0.1	-
	1H FY2017	0.2	1.9	4.5	0.1	-
Depreciation of property, plant and equipment	**1H FY2018**	**1.1**	**0.0**	**0.2**	**0.1**	**0.0**
	FY2017	2.4	0.1	0.4	0.2	0.0
	1H FY2017	1.2	0.0	0.2	0.1	0.0
Total assets	**End of 1H FY2018**	**44.6**	**47.1**	**38.0**	**5.6**	**4.4**
	End of FY2017	47.3	41.7	35.3	5.5	4.5
	End of 1H FY2017	45.8	37.1	38.2	5.6	4.2
Total equity	**End of 1H FY2018**	**38.2**	**21.2**	**27.1**	**3.3**	**3.5**
	End of FY2017	39.0	19.1	24.5	3.2	3.4
	End of 1H FY2017	38.2	20.7	27.1	3.2	3.2
Number of employees	**End of 1H FY2018**	**652**	**269**	**365**	**517**	**143**
	End of FY2017	680	174	350	521	137
	End of 1H FY2017	704	157	328	552	135

Note: Prior to elimination of internal transactions

3 Forecasts for FY2018 Ending March 31, 2019

(Amounts less than \ 100 million are rounded off)

(1) Consolidate Forecasts of Profit and Loss

[Billion yen]

	FY2018 forecasts*1	Comparison to previous fiscal year			Notes [Y-on-Y Comparison]
		FY2017 actual	Increase (decrease)	Change %	
Revenue	435.0	433.8	1.1	0.3	See p9 "(2) Sales Forecasts for Main Products".
Domestic	304.7	320.8	(16.1)	(5.0)	
Overseas	130.2	112.9	17.2	15.3	
Overseas sales ratio	29.9%	26.0%			
Cost of sales	176.0	169.7	6.2	3.7	Increase due to the influence of NHI price revision.
Sales cost ratio	40.5%	39.1%			
Gross profit	259.0	264.1	(5.1)	(1.9)	
SG&A expenses	101.0	104.0	(3.0)	(2.9)	
% of revenue	23.2%	24.0%			
R&D expenses	84.5	79.0	5.4	6.8	Increase due to the progress of late-stage development products.
% of revenue	19.4%	18.2%			
Amortization of intangible assets associated with products	3.0	2.4	0.5	22.4	
Other income (expense)*2	(0.5)	0.0	(0.5)	-	
Core operating profit	70.0	78.5	(8.5)	(10.9)	
Non-recurring items*2	(3.0)	(1.2)	(1.7)	-	
Operating profit	67.0	77.2	(10.2)	(13.3)	
Profit before tax	67.5	78.7	(11.2)	(14.3)	
Net profit for the period	44.5	53.9	(9.4)	(17.6)	
Net profit attributable to owners of the Company	47.0	57.9	(10.9)	(18.9)	
Total labor cost	75.4	72.7	2.6	3.6	

*1: The Company announced full year forecasts on May 9, 2018.
*2: Brackets indicate expense and loss.

Exchange rate

[Yen]

	FY2018 planned	FY2017 average
US $	105.00	110.70
Euro	130.00	130.25

(2) Sales Revenue Forecasts for Main Products

[Billion yen]

	FY2018 forecasts *1	Comparison to previous fiscal year		
		FY2017 actual	Increase (decrease)	Change %
Domestic ethical drugs	296.2	309.3	(13.1)	(4.2)
Remicade	55.5	64.6	(9.1)	(14.1)
Simponi	35.0	32.1	2.9	9.2
Tenelia	17.0	17.5	(0.4)	(2.8)
Stelara	15.1	0.3	14.7	-
Lexapro	13.1	12.7	0.3	3.1
Ceredist	9.3	10.8	(1.4)	(13.7)
Kremezin	8.4	6.5	1.9	29.2
Canaglu	7.6	5.6	2.0	36.5
Talion	7.3	16.9	(9.5)	(56.6)
Rupafin	6.8	0.4	6.4	-
Maintate	5.3	10.3	(5.0)	(48.6)
Vaccine [BIKEN products]	36.5	35.0	1.4	4.2
Influenza	11.2	9.9	1.2	12.8
Tetrabik	9.1	8.7	0.3	4.2
Varicella vaccine	5.5	5.2	0.2	4.2
Mearubik	5.5	5.0	0.5	11.1
Tanabe Seiyaku Hanbai products *2	-	6.6	(6.6)	(100.0)
Overseas ethical drugs	61.1	38.5	22.5	58.5
Radicava	31.5	12.3	19.2	156.1
Herbesser	7.2	6.5	0.7	11.1
Argatroban	2.2	2.0	0.1	8.0
Simponi	2.1	1.8	0.2	13.1
Royalty revenue, etc.	69.8	79.1	(9.2)	(11.7)
Royalty from Gilenya	Undisclosed	57.7	-	-
Royalty from INVOKANA	Undisclosed	13.9	-	-
OTC products	4.3	3.7	0.6	16.6
Others *3	3.3	3.0	0.3	10.6
Total sales revenue	435.0	433.8	1.1	0.3

*1: The Company announced full year forecasts on May 9, 2018.

*2: The Company transferred all of the shares of Tanabe Seiyaku Hanbai to Nipro Corporation on October 1, 2017.

*3: Contracted manufacturing products of other companies.

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

[Billion yen]

	1H FY2018 forecasts	FY2017 actual	Increase (decrease)	Change %
Investment in property, plant and equipment / occurring basis	**10.4**	4.4	5.9	131.7
Investment for information systems / occurring basis	**3.1**	1.6	1.4	82.8

[Billion yen]

Major investment in property, plant and equipment in FY2018		Major investment for information systems in FY2018	
Production facilities	6.0	R&D related systems	1.6
[edicago, Inc./ Construction of a new plant in Quebec]	[1.3]	Others	1.5
Facilities & equipment for R&D	3.1		
Others	1.3		

(4) Forecasts for Depreciation and Amortization Costs

[Billion yen]

	FY2018 forecasts	FY2017 actual	Increase (decrease)	Change %
Property, plant and equipment	**7.9**	7.5	0.3	4.2
Intangible assets (except for intangible assets with products)	**1.6**	1.4	0.1	6.7
Intangible assets with products	**3.0**	2.4	0.5	22.4

4 Five-Year Financial Data

Japan GAAP (Amounts less than \100 million are rounded)

(1) Profit and Loss

[Billion yen]

	FY2013	FY2014	FY2015
Net sales	412.7	415.1	431.7
Cost of sales	169.4	169.6	155.8
Gross operation profit	243.3	245.5	275.9
SG&A expenses	184.2	178.4	181.0
R&D expenses	70.4	69.6	75.3
Operating income	59.1	67.1	94.9
Ordinary income	61.9	67.7	94.8
Extraordinary income	15.3	13.7	14.1
Extraordinary loss	4.8	18.6	24.6
Net income attributable to shareholders of the Company	45.4	39.5	56.4

(2) Balance Sheet

[Billion yen]

	End of FY2013	End of FY2014	End of FY2015
Total assets	886.5	929.3	930.2
Current assets	540.5	603.6	657.3
Fixed assets	346.0	325.7	273.0
Total liabilities	108.6	128.9	113.5
Current liabilities	81.8	105.4	91.3
Fixed liabilities	26.8	23.5	22.2
Net assets	777.8	800.4	816.7

(3) Other Financial Data

[Billion yen]

	FY2013	FY2014	FY2015
Cash flows from operating activities	69.9	68.2	65.2
Cash flows from investing activities	(24.3)	(59.8)	(26.6)
Cash flows from financing activities	(21.1)	(21.9)	(22.2)
Investments in property, plant and equipment	12.6	15.7	11.2
Investments for development of information systems	2.1	1.6	0.9
Depreciation costs	9.2	9.0	8.8
Equity ratio (%)	86.4	84.9	86.6
ROE (%)	6.0	5.1	7.1
Net income per share (\)	80.92	70.41	100.60
Net assets per share (\)	1,365.52	1,406.41	1,436.63

IFRS (Amounts less than \100 million are rounded off)

(1) Profit and Loss

[Billion yen]

	FY2015	FY2016	FY2017	1H FY2018	FY2018 forecasts
Revenues	425.7	423.9	433.8	209.7	435.0
Cost of sales	155.8	164.3	169.7	86.1	176.0
Gross operation profit	269.9	259.5	264.1	123.5	259.0
SG&A expenses	96.3	98.3	104.0	47.7	101.0
R&D expenses	64.6	64.7	79.0	39.5	84.5
Core operating profit	106.9	94.5	78.5	34.5	70.0
Operating income	81.8	94.0	77.2	34.5	67.0
Profit before income taxes	83.2	96.0	78.7	34.8	67.5
Net profit for the period	57.0	68.9	53.9	23.1	44.5
Net profit attributable to owners of the Company	59.3	71.2	57.9	24.9	47.0

(2) Balance Sheet

[Billion yen]

	End of FY2015	End of FY2016	End of FY2017	End of 1H FY2018
Assets	958.4	984.5	1,048.4	1,070.9
Non-current assets	308.2	300.7	462.9	481.7
Current assets	650.1	683.7	585.5	589.1
Liabilities	132.1	113.1	153.6	149.8
Non-current liabilities	33.2	24.7	55.4	58.6
Current liabilities	98.9	88.4	98.1	91.1
Equity	826.3	871.4	894.8	921.1

(3) Other Financial Data

[Billion yen]

	FY2015	FY2016	FY2017	1H FY2018	FY2018 forecasts
Cash flows from operating activities	80.8	59.7	66.9	23.4	-
Cash flows from investing activities	(42.2)	(10.5)	(19.1)	(16.8)	-
Cash flows from financing activities	(22.2)	(24.4)	(32.5)	(13.3)	-
Investments in property, plant and equipment	11.2	12.6	4.4	2.0	10.4
Investments for development of information systems	0.9	1.8	1.6	0.9	3.1
Depreciation and Amortization Costs	10.3	10.4	11.5	5.8	12.5
Ratio of equity attributable to owners of the Company to total assets [%]	85.1	87.4	84.2	84.8	-
ROE [%]	7.4	8.5	6.6	5.6	-
Basic earnings per share [\]	105.72	127.03	103.35	44.57	83.81
Equity attributable to owners of the Company per share [\]	1,453.71	1,533.91	1,574.26	1,619.57	-

(4) Number of Employees

	End of FY2013	End of FY2014	End of FY2015	End of FY2016	End of FY2017	End of 1H FY2018	Forecasts for end of FY2018
Consolidated	9,065	8,457	8,125	7,280	7,187	7,258	7,400
Non-consolidated	4,867	4,844	4,780	4,239	4,222	4,175	4,230

5 Quarterly Trend

(Amounts less than \ 100 million are rounded off)

(1) Profit and Loss

[Billion yen]

	FY2017					FY2018		
	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	107.7	105.6	125.9	94.5	433.8	105.3	104.3	435.0
	24.8%	24.4%	29.0%	21.8%	100.0%	24.2%	24.0%	100.0%
Domestic	82.0	78.6	94.6	65.5	320.8	74.1	72.3	304.7
	25.6%	24.5%	29.5%	20.4%	100.0%	24.3%	23.7%	100.0%
Overseas	25.6	26.9	31.3	29.0	112.9	31.1	32.0	130.2
	22.7%	23.9%	27.7%	25.7%	100.0%	23.9%	24.6%	100.0%
Cost of sales	42.5	41.9	49.7	35.5	169.7	42.3	43.7	176.0
Sales cost ratio	39.5%	39.7%	39.5%	37.6%	39.1%	40.2%	42.0%	40.5%
Gross profit	65.1	63.7	76.2	59.0	264.1	63.0	60.5	259.0
	24.7%	24.1%	28.9%	22.3%	100.0%	24.3%	23.4%	100.0%
SG&A expenses	24.4	27.0	26.1	26.4	104.0	23.1	24.5	101.0
	23.5%	26.0%	25.2%	25.4%	100.0%	23.0%	24.3%	100.0%
R&D expenses	18.0	18.2	19.7	22.9	79.0	19.6	19.9	84.5
	22.9%	23.1%	25.0%	29.0%	100.0%	23.3%	23.6%	100.0%
Amortization of intangible assets associated with products	0.5	0.5	0.6	0.7	2.4	0.7	0.7	3.0
	21.5%	21.5%	27.1%	29.9%	100.0%	24.5%	24.4%	100.0%
Other income (expense)*2	(0.1)	(0.1)	0.3	(0.0)	0.0	(0.1)	(0.1)	(0.5)
	-	-	-	-	-	-	-	-
Core operating profit	21.9	17.7	29.9	8.8	78.5	19.3	15.1	70.0
	28.0%	22.6%	38.2%	11.3%	100.0%	27.6%	21.7%	100.0%
Operating profit	21.0	15.8	31.6	8.8	77.2	19.3	15.1	67.0
	27.2%	20.5%	40.9%	11.4%	100.0%	28.8%	22.7%	100.0%
Profit before tax	21.9	15.5	32.6	8.5	78.7	19.7	15.0	67.5
	27.9%	19.8%	41.5%	10.8%	100.0%	29.2%	22.3%	100.0%
Net profit attributable to owners of the Company	16.9	12.8	22.2	5.8	57.9	13.9	11.0	47.0
	29.3%	22.2%	38.4%	10.1%	100.0%	29.7%	23.5%	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 9, 2018.
*2: Brackets indicate expense and loss

(2) Sales Revenue of Main Products

[Billion yen]

	FY2017					FY2018		
	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	79.9	77.3	92.3	59.7	309.3	71.6	69.9	296.2
	25.9%	25.0%	29.8%	19.3%	100.0%	24.2%	23.6%	100.0%
Remicade	16.8	16.1	18.2	13.5	64.6	15.1	14.8	55.5
	26.0%	24.9%	28.2%	20.9%	100.0%	27.2%	26.6%	100.0%
Simponi	7.5	7.7	9.2	7.6	32.1	9.0	9.5	35.0
	23.5%	24.2%	28.6%	23.7%	100.0%	25.7%	27.1%	100.0%
Tenelia	4.6	4.6	5.8	2.2	17.5	4.4	2.7	17.0
	26.7%	26.8%	33.4%	13.1%	100.0%	26.3%	16.1%	100.0%
Stelara	-	0.0	0.0	0.2	0.3	0.2	4.5	15.1
	-	6.9%	18.9%	74.2%	100.0%	1.4%	30.1%	100.0%
Lexapro	3.1	3.1	3.6	2.8	12.7	3.4	3.4	13.1
	24.5%	24.3%	28.8%	22.4%	100.0%	25.9%	26.0%	100.0%
Ceredist	3.0	2.6	3.1	2.0	10.8	2.4	2.2	9.3
	28.3%	23.9%	28.8%	19.0%	100.0%	26.5%	23.6%	100.0%
Kremezin	1.7	1.5	1.7	1.4	6.5	1.7	1.6	8.4
	26.9%	24.3%	26.8%	22.0%	100.0%	20.2%	19.7%	100.0%
Canaglu	1.4	1.2	1.7	1.2	5.6	1.4	1.5	7.6
	25.9%	21.7%	30.8%	21.6%	100.0%	19.5%	20.1%	100.0%
Talion	4.0	3.9	4.7	4.1	16.9	1.4	1.1	7.3
	23.7%	23.2%	28.3%	24.8%	100.0%	19.4%	15.6%	100.0%
Rupafin	-	-	0.6	(0.2)	0.4	0.1	0.2	6.8
	-	-	158.4%	(58.4%)	100.0%	2.5%	3.1%	100.0%
Maintate	2.9	2.6	3.0	1.7	10.3	1.4	1.2	5.3
	28.8%	25.1%	29.6%	16.4%	100.0%	26.6%	23.2%	100.0%
Vaccines [BIKEN products]	6.8	7.6	15.4	5.1	35.0	8.8	6.7	36.5
	19.5%	21.7%	44.0%	14.7%	100.0%	24.2%	18.5%	100.0%
Influenza	(0.0)	1.1	9.0	(0.2)	9.9	(0.1)	1.0	11.2
	(0.3%)	11.4%	91.4%	(2.5%)	100.0%	(1.0%)	9.7%	100.0%
Tetrabik	2.3	2.0	2.2	2.0	8.7	2.2	1.9	9.1
	26.7%	23.9%	25.6%	23.7%	100.0%	24.1%	21.6%	100.0%
Varicella vaccine	1.4	1.2	1.3	1.2	5.2	1.4	1.2	5.5
	27.4%	23.8%	25.6%	23.1%	100.0%	25.7%	22.0%	100.0%
Mearubik	1.5	1.3	1.2	0.9	5.0	3.3	0.7	5.5
	31.3%	26.3%	24.3%	18.0%	100.0%	59.2%	14.2%	100.0%
Tanabe Seiyaku Hanbai products*2	3.4	3.2	-	-	6.6	-	-	-
	51.4%	48.6%	-	-	100.0%	-	-	-
Overseas ethical drugs	5.9	8.0	11.7	12.8	38.5	12.9	14.5	61.1
	15.4%	20.9%	30.5%	33.3%	100.0%	21.2%	23.7%	100.0%
Radicava	-	1.1	5.2	5.8	12.3	6.4	7.4	31.5
	-	9.5%	42.9%	47.6%	100.0%	20.3%	23.8%	100.0%
Herbesser	1.5	1.6	1.5	1.7	6.5	1.6	1.6	7.2
	23.1%	25.4%	24.2%	27.3%	100.0%	23.3%	22.9%	100.0%
Argatroban	0.4	0.5	0.6	0.4	2.0	0.5	0.4	2.2
	23.0%	25.3%	31.0%	20.8%	100.0%	25.0%	20.9%	100.0%
Simponi	0.4	0.4	0.4	0.4	1.8	0.4	0.5	2.1
	24.4%	25.4%	25.5%	24.7%	100.0%	23.0%	23.8%	100.0%
Royalty revenue, etc.	20.4	19.1	19.9	19.6	79.1	18.5	17.7	69.8
	25.9%	24.2%	25.2%	24.8%	100.0%	26.5%	25.4%	100.0%
Royalty from Gilenya	14.5	14.9	15.2	12.9	57.7	15.3	14.5	Undisclosed
	25.3%	25.8%	26.5%	22.4%	100.0%	-	-	-
Royalty from INVOKANA	3.6	3.6	3.8	2.8	13.9	2.4	2.4	Undisclosed
	25.7%	26.3%	27.6%	20.4%	100.0%	-	-	-
OTC products	1.1	1.0	0.9	0.5	3.7	1.2	0.9	4.3
	31.1%	27.0%	26.4%	15.5%	100.0%	27.7%	22.9%	100.0%
Others*3	0.1	0.0	0.9	1.7	3.0	1.0	1.1	3.3
	5.3%	3.1%	32.7%	58.9%	100.0%	30.6%	34.1%	100.0%
Total sales revenue	107.7	105.6	125.9	94.5	433.8	105.3	104.3	435.0
	24.8%	24.4%	29.0%	21.8%	100.0%	24.2%	24.0%	100.0%

Note: The each figure in the lower displays the progress rate.

*1: The Company announced full year forecasts on May 9, 2018.

*2: The Company transferred all of the shares of Tanabe Seiyaku Hanbai to Nipro Corporation on October 1, 2017.

*3: Contracted manufacturing products of other companies.

6 State of New Product Development (as of October 25, 2018)

i. Autoimmune diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
FTY720 Imusera/Gilenya (Fingolimod)	S1P receptor functional antagonist (Pediatric multiple sclerosis)	Europe Filed (Nov. 2017)	Licensed to Novartis (Switzerland)
Azanin (Azathioprine)	Immunosuppressant (Autoimmune hepatitis)	Japan Filed (Aug. 2018)	Licensed from GlaxoSmithKline (UK)
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
	(Psoriasis)	Europe Phase 2	
	(Crohn's disease)	Japan, Europe Phase 2	
MT-7117	Dermatologicals, etc. (Erythropoietic protoporphyria)	US Phase 2	In-house
MT-2990	Inflammatory diseases, autoimmune diseases, etc.	Phase 1	In-house

ii. Diabetes and kidney diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
TA-7284 Canaglu/INVOKANA (Canagliflozin)	SGLT2 inhibitor (Type 2 diabetes mellitus)	Indonesia Filed (Aug. 2017)	In-house
	(Reduce the composite risk of CV death, MI or stroke in type 2 diabetes with established, or risk for, cardiovascular disease (CANVAS /CANVAS-R))	US Filed (Sep. 2017)	Licensed to Janssen Pharmaceuticals (US)
	(Diabetic nephropathy)	Japan, US, Europe, and others Phase 3 (Global clinical trial)	Discovered in-house Sponsor: Janssen Research & Development (US)
MP-513 Tenelia (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Indonesia Filed (Apr. 2015)	In-house
		Singapore Filed (Jul. 2018)	
		Thailand Filed (Sep. 2018)	
		China Phase 3	
		Europe Phase 2	
MT-6548 (Vadadustat)	Hypoxia inducible factor prolyl hydroxylase inhibitor (Renal anemia)	Japan Phase 3	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	

iii. Central nervous system diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS)	Switzerland Filed (Dec. 2017)	In-house
		Europe Filed (May 2018)	
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Korea Filed (Dec. 2017)	Licensed from Gedeon Richter (Hungary)
		Taiwan Filed (Dec. 2017)	
		Singapore Filed (Jun. 2018)	
		Thailand Filed (Aug. 2018)	
MT-210 (Roluperidone)	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)
Wf-516	Multiple mechanisms on several receptors* (Major depressive disorder)	US, Europe Phase 2	Licensed to Minerva Neurosciences (US)
MT-8554	Nervous system, etc. (Painful diabetic peripheral neuropathy)	Europe Phase 2	In-house
	(Vasomotor symptoms associated with menopause)	US Phase 2	
ND0612 (Levodopa/Carbidopa)	Continuous SC pump/patch pump (Parkinson's disease)	US, Europe Phase 2	In-house
MP-124	Nervous system	Phase 1	In-house
ND0701 (Apomorphine)	Continuous SC pump (Parkinson's disease)	Phase 1	In-house
MT-1186 (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis / New administration route)	Phase 1	In-house

*SSRI, 5-HT1A, dopamine transporter, and alpha-1A and B

iv. Vaccines

Development code	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)	US, Europe, Canada, and others Phase 3	Medicago product (Canada)
	(Prophylaxis of seasonal influenza/elderly)	US, Europe, Canada, and others 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)

v. Other diseases

Development code Product name (Generic name)	Category (Indications)	Region Stage	Origin/licensee
MT-4580 Orkedia (Evocalcet)	Ca sensing receptor agonist (Hypercalcemia in patients with parathyroid carcinoma or primary hyperparathyroidism)	Japan Phase 3	Licensed to Kyowa Hakko Kirin (Japan)
MCC-847 (Masilukast)	Leukotriene D4 receptor antagonist (Asthma)	Korea Phase 2	Licensed to SAMA Pharma (Korea)
Y-803	Bromodomain inhibitor (Cancer)	Europe,Canada Phase 2	Licensed to Merck (US)
GB-1057 (Recombinant human serum albumin)	Blood and blood forming organs	Phase 1	In-house
MT-0814	Ophthalmologicals	Phase 1	In-house
MT-4129	Cardiovascular system, etc.	Phase 1	In-house
MT-2765	Cardiovascular system, etc.	Phase 1	Co-researched with Shanghai Pharmaceuticals Holding (China)

Changes Since Previous Announcement

Development code Product name (Generic name)	Category (Indications)	Previous Announcement	As of October 25, 2018	Origin / licensee
Valixa (Valganciclovir)	Anti-cytomegalovirus chemotherapeutic agent (Prevention of cytomegalovirus disease in pediatric organ transplant patients)	Japan Filed (Feb. 2018)	Japan Approved (Aug. 2018)	Licensed from F. Hoffmann-La Roche (Switzerland)
TA-7284 Canaglu/ INVOKANA (Canagliflozin)	SGLT2 inhibitor (Reduce the composite risk of CV death, MI or stroke in type 2 diabetes with established, or risk for, cardiovascular disease (CANVAS /CANVAS-R))	Europe Filed (Oct. 2017)	Europe Approved (Sep. 2018)	Licensed to Janssen Pharmaceuticals (US)
MCI-186 Radicut/Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis: ALS)	Canada Filed (Apr. 2018)	Canada Approved (Oct. 2018)	In-house
MP-513 Tenelia (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	None	Singapore Filed (Jul. 2018)	In-house
		None	Thailand Filed (Sep. 2018)	
Azanin (Azathioprine)	Immunosuppressant (Autoimmune hepatitis)	None	Japan Filed (Aug. 2018)	Licensed from GlaxoSmithKline (UK)
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	None	Thailand Filed (Aug. 2018)	Licensed from Gedeon Richter (Hungary)
MT-2271	Plant-based VLP vaccine (Prophylaxis of seasonal influenza/ elderly)	None	US, Europe, Canada, and others Phase 3	Medicago product (Canada)

7 Others

1. Subsidiaries and Affiliated Companies

(1) Number of Subsidiaries and Affiliated Companies

	End of 1H FY2018	End of FY2017	Increase (Decrease)	Notes
Consolidated subsidiaries	33	33	-	
Associates and joint ventures	2	2	-	
Total	35	35	-	

(2) Consolidated Subsidiaries

[As of September 30, 2018]

	Company Name	Paid-in Capital	% Voting Control [% Indirect Ownership]	Settling Day	Description of Business
1	Yoshitomiyakuhin 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	Tanabe Seiyaku Yoshiki Factory Co., Ltd.	JPY 400 million	100.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
4	Tanabe Total Service Co., Ltd.	JPY 90 million	100.0 [-]	End of Mar.	Office services etc.
5	Tanabe Palm Service Co., Ltd.	JPY 10 million	100.0 [100.0]	End of Mar.	Servicing office support, in-house mail and printing.
6	Stelic Institute & Co., Inc.	JPY 1 million	100.0 [100.0]	End of Sep.	R&D of pharmaceuticals
7	Mitsubishi Tanabe Pharma Holdings America, Inc.	USD 167	100.0 [-]	End of Mar.	Management of group companies in US
8	Mitsubishi Tanabe Pharma Development America, Inc.	USD 200	100.0 [100.0]	End of Mar.	R&D of pharmaceuticals
9	Mitsubishi Tanabe Pharma America, Inc.	USD 100	100.0 [100.0]	End of Mar.	Sale of pharmaceuticals
10	MP Healthcare Venture Management, Inc.	USD 100	100.0 [100.0]	End of Mar.	Investments in bio-ventures
11	Tanabe Research Laboratories U.S.A., Inc.	USD 3 Mill.	100.0 [100.0]	End of Mar.	R&D of pharmaceuticals
12	Mitsubishi Tanabe Pharma Canada, Inc.	CAD 4 Mill.	100.0 [100.0]	End of Mar.	Sale of pharmaceuticals
13	MTPC Holdings Canada Inc.	CAD 475.0 Mill.	100.0 [-]	End of Mar.	Investments in Medicago Group
14	Medicago Inc.	CAD 640.0 Mill.	60.0 [57.8]	End of Mar.	Manufacture and sale of vaccines
15	Medicago USA Inc.	USD 99	60.0 [60.0]	End of Mar.	Manufacture of vaccines
16	Medicago R&D Inc.	USD 500	60.0 [60.0]	End of Mar.	R&D of vaccines
17	Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd.	USD 1 Mill.	100.0 [-]	End of Dec.	R&D of pharmaceuticals
18	Tianjin Tanabe Seiyaku Co., Ltd.	USD 16.2 Mill.	75.4 [-]	End of Dec.	Manufacture and sale of pharmaceuticals
19	Taiwan Tanabe Seiyaku Co., Ltd.	TWD 90 Mill.	65.0 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
20	Tai Tien Pharmaceuticals Co., Ltd.	TWD 20 Mill.	65.0 [-]	End of Mar.	Sale of pharmaceuticals
21	P.T. Tanabe Indonesia	USD 2.5 Mill.	99.6 [-]	End of Mar.	Manufacture and sale of pharmaceuticals
22	Mitsubishi Tanabe Pharma Singapore Pte. Ltd.	SGD 300,000	100.0 [-]	End of Mar.	R&D of pharmaceuticals
23	MT 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.	KRW 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, 2018]

	Company Name	Paid-in Capital	% Voting Control [% Indirect Ownership]	Settling Day	Description of Business
1	Synthelabo-Tanabe Chimie S.A.	EUR 1.6 Mill.	50.0 [-]	End of Dec.	Manufacture and sale of pharmaceuticals
2	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, 2018	End of March, 2018
Issued	561,417,916	561,417,916
The company's own shares at the end of the period*	640,231	642,309
Number of shares outstanding at the end of the period	560,777,685	560,775,607
Average number of the company's own share in the period	641,692	560,272
Average number of shares outstanding in the period	560,776,224	560,857,644

* 208,655 shares held by the executive compensation BIP Trust are included in treasury shares at the end of September, 2018.

(2) Status of Major Shareholders

Rank	Name of Shareholders	End of September, 2018		End of March, 2018		
		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.	27,215	4.85	2	27,144	4.84
3	Japan Trustee Services Bank, Ltd.	15,099	2.69	3	12,733	2.27
4	Nippon Life Insurance Company	12,065	2.15	4	12,065	2.15
5	STATE STREET BANK WEST CLIENT-TREATY 505234	7,090	1.26	6	7,118	1.27
6	Japan Trustee Services Bank, Ltd. (Trust Account 5)	4,415	0.79	8	4,662	0.83
7	Japan Trustee Services Bank, Ltd. (Trust Account 7)	3,915	0.70	9	3,833	0.68
8	Nipro	3,821	0.68	10	3,821	0.68
9	STATE STREET BANK AND TRUST COMPANY 505103	3,707	0.66	20	2,113	0.38
10	Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,687	0.66	7	4,822	0.86

(3) Ownership and Distribution of Shares

	End of March, 2018			End of March, 2017		
	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total %	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total %
Financial institutions	77	93,932	16.73	79	92,006	16.39
Foreign corporations and others	624	104,176	18.56	608	108,658	19.36
Individuals and others*	20,534	26,821	4.78	18,126	25,240	4.50
Other corporations	266	330,065	58.80	268	330,078	58.81
Securities firms	38	6,313	1.12	40	5,325	0.95
Total	21,539	561,309	100.00	19,121	561,310	100.00
Less than trading unit	-	108	-	-	107	-

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 March, 2018 and 431 thousands shares at the end of September, 2018)

(4) Trend of Dividend and Stock Price

(Japan GAAP)	FY2013	FY2014	FY2015
Dividends per share [yen]	40	42	42
Dividend payout ratio [%]	49.4	49.4	59.6
[prior to amortization of goodwill]	[40.5]	[40.5]	[47.6]
Stock price at the end of FY [yen]	1,443	1,443	2,062
Market capitalization [billion yen]	810.1	810.1	1,157.6

(IFRS)	FY2015	FY2016	FY2017	1H FY2018	FY2018 Estimate
Dividends per share [yen]	46	52	66*	28	56
Dividend payout ratio [%]	43.5	40.9	63.9	-	66.8
Stock price at the end of FY [yen]	1,957	2,318	2,080	1,900	-
Market capitalization [billion yen]	1,098.7	1,301.4	1,167.7	1,066.7	-

* 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-TNFα monoclonal antibody

Remicade is an anti-TNFα antibody, which targets TNFα, an important inflammatory cytokine. It 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, and ulcerative colitis.
In addition, Entero-Behcet's disease, neuro-Behcet's disease, and vasculo-Behcet's disease in cases where existing treatment is inadequate were approved in August, 2015. And Kawasaki disease was approved in December 2015. 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-TNFα monoclonal antibody

Simponi is a human anti-TNFα 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.
Origin: Janssen Biotech

Tenelia (Teneligliptin)	Launch: Sep. 2012	Category	Selective DPP-IV inhibitor

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.

Stelara (Ustekinumab)	Launch: Sep. 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

Lexapro (Escitalopram)	Launch: Aug. 2011	Category	Selective serotonin reuptake inhibitor (SSRI)

Lexapro, a highly selective serotonin reuptake inhibitor (SSRI), has been globally approved in 98 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

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.

Kremezin	Launch: Apr. 2011	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.
Origin, Manufacturer and distributor: Kureha

Canaglu (Canagliflozin)	Launch: Sep. 2014	Category	SGLT2 Inhibitor

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 78 countries, and this drug is sold under the brand name Invokana (As of Mar. 2017).

Talion (Bepotastine)	Launch: Oct. 2000	Category	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

Rupafin (Rupatadine)	Launch: Nov. 2017	Category	Agent for treatment of allergic disorders

Rupafin is synthesized to Hybrid structure Anti-PAFactivity and anti-Histamine activity. Histamine and PAF lead to early phase reaction and late phase reaction in allergic disorder, Rupafin suppresses PAF and histamine at the same time. It has been approved for the treatment of allergic rhinitis, hives and itch associated with skin diseases (eczema/dermatitis, cutaneous pruritus).
※PAF:platlet activating factor
Origin: Uriach(Spain),Manufacturer and distributor:Teikoku Seiyaku

Maintate (Bisoprolol)	Launch: Nov. 1990	Category	Selective β 1 antagonist (Treatment of hypertension, angina pectoris, and arrhythmias, chronic heart failure)

Maintate is a representative β-blocker used in more than 100 countries around the world. It exhibits high selectivity for β 1 receptor and excellent pharmacokinetics profiles. It has high efficacy and safety, and evidence-based cardioprotective action. In addition to the indication of chronic heart failure which was approved in May 2011, the indication of atrial fibrillation has been newly approved in June 2013 . Maintate is the only β-blocker with both indications of chronic heart failure and atrial fibrillation in Japan.
Origin: Merck Serono (Germany)

Canalia (Teneligliptin/Canagliflozin)	Launch: Sep. 2014	Category	Selective DPP-IV inhibitor + SGLT2 Inhibitor

Canalia is the first combination tablets containing DPP-4inhibitor and SGLT2inhibitor in Japan,containing DPP-4inhibitor『Tenelia』and SGLT2inhibitor『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

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 the United States(May 2017), Canada(Octorber 2018) and Korea(December 2015).

Imusera (Fingolimod)	Launch: Nov. 2011	Category	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 receptor (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.

Influenza vaccine	Launch: Sep. 1972	Category	Prevention of influenza

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	Prevention of diphtheria, pertussis, tetanus and polio

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	Prevention of varicella and shingles(aged over 50 years)

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	Prevention of measles and rubella

Mearubik is the 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	Prevention of Japanese encephalitis

JEBIK V is a 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, 2018 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 10, 2018	To ALS patients in the world, we hope to deliver Japan-originated ALS treatment - Health Canada accepts our filing for Edaravone to treat ALS and we established commercializing company in Canada -
April 10, 2018	Update of Previous Disclosure - Announcement of Filing a Request for Arbitration on the Licensing Agreement with Kolon Life Science
May 18, 2018	Canagliflozin (Antidiabetic agent) wins The Technology Award Grand Prize from the Japan Chemical Industry Association (JCIA)
May 28, 2018	For the ALS patients in the world, we hope to deliver Japan-originated ALS treatment - EMA accepts our filing for Edaravone to treat ALS -
May 30, 2018	Notice Regarding Establishment of Immune-mediated Inflammatory Diseases Consortium for Drug Development - Start of collaborative/competitive drug discovery research by three academic institutions and three pharmaceutical companies -
June 14, 2018	TFDA approves Clenafin/Jublia for the treatment of Onychomycosis in Taiwan
June 28, 2018	Mitsubishi Tanabe Pharma and Janssen Pharmaceutical K.K. update co-promotion framework for STELARA, an anti-IL-12/23p40 monoclonal antibody. - Distribution will be transferred to Mitsubishi Tanabe Pharma, while the two companies will continue co-promotion of STELARA to treat adults with Crohn's disease in Japan -
July 2, 2018	Open Call for Applicants for investigator - Initiated Clinical Research Funds - We Ensure Transparency and Support Investigator - Initiated Research Based on Japan's Clinical Research Act -
July 2, 2018	Mitsubishi Tanabe Pharma and Osaka University co-found the "Department of Neuro-Medical Science" - Toward the Innovative Drug Discovery for refractory Neurological Diseases -
July 19, 2018	Mitsubishi Tanabe Pharma Receives The 43rd (FY2018) Inoue Harushige Prize - A challenge for the new drug against amyotrophic lateral sclerosis (ALS), research and development of edaravone -
July 27, 2018	Mitsubishi Tanabe Pharma's MT-7117 Receives U.S. FDA Fast Track Designation for the Investigational Treatment of Patients with the Ultra-Rare Disease, Erythropoietic Protoporphyria
September 18, 2018	Mitsubishi Tanabe Pharma Included in the Dow Jones Sustainability Asia Pacific Index
September 26, 2018	Company name changes of our oversea subsidiaries
October 5, 2018	For the ALS patients in Canada, we hope to deliver Japan-originated ALS treatment - Health Canada approves RADICAVA (edaravone) for the treatment of ALS -
October 9, 2018	Astellas, Mitsubishi Tanabe Pharma, and Daiichi Sankyo Announce Second Public Recruitment Offering of "JOINUS", a Joint Research Program to Discover New Drugs using Drug-Repositioning Compound Library
October 22, 2018	Strategic Research Collaboration for the Development of Innovative Antibody Drug to Treat Autoimmune Diseases