

**Mitsubishi Tanabe Pharma Corporation**



Mitsubishi Tanabe Pharma

# **Q3 FY2017 Business Results**

## **(April-December, 2017)**

**February 5, 2018**

**Eizo Tabaru**  
**Board Director, Managing Executive officer**

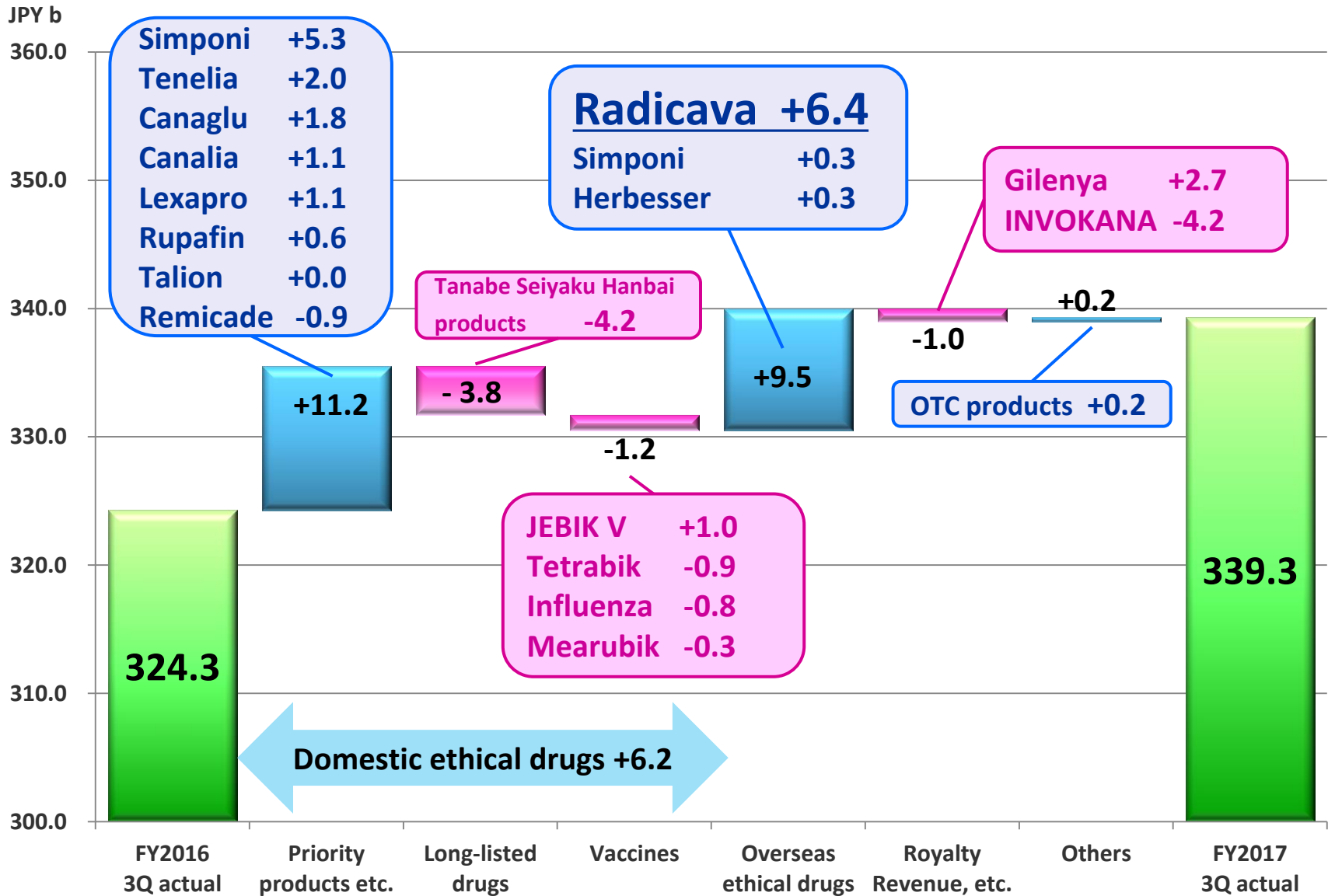
# **Q3 FY2017 Business Results (April-December, 2017)**

## Q3 FY2017 Financial Results

- Revenue increased due to an increase in domestic ethical drugs revenue and the launch of Radicava in the U.S., etc.
- Core operating profit decreased due to an increase in SG&A expenses of Radicava and R&D expenses.

	FY2017 Q3	FY2016 Q3	Increase/decrease		Full year Forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Sales revenue	339.3	324.3	+14.9	+4.6	433.0	78.4
(overseas sales revenue)	83.9	75.6	+8.2	+10.9	108.3	77.5
Overseas sales ratio	24.7%	23.3%			25.0%	
Cost of sales	134.2	126.9	+7.2	+5.7	169.5	79.2
Sales cost ratio	39.6%	39.1%			39.1%	
Gross profit	205.0	197.3	+7.6	+3.9	263.5	77.8
Core operating profit	69.7	79.9	-10.2	-12.8	80.0	87.1
Operating profit	68.4	79.7	-11.3	-14.2	81.0	84.5
Net profit attributable to owners of the Company	52.1	60.1	-8.0	-13.4	63.5	82.1

# Revenues Trends



## Cost of Sales, SG&amp;A Expenses, Core Operating Profit

	FY2017	FY2016	Increase/decrease		Full year	Achieved
	Q3	Q3			Forecasts	
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Sales revenue	339.3	324.3	+14.9	+4.6	433.0	78.4
Cost of Sales	134.2	126.9	+7.2	+5.7	169.5	79.2
Sales cost ratio	39.6%	39.1%			39.1%	
Gross profit	205.0	197.3	+7.6	+3.9	263.5	77.8
SG&A expense	77.6	71.0	+6.5	+9.2	104.0	74.7
R&D expense	56.1	45.0	+11.0	+24.5	76.5	73.4
Amortization of intangible assets associated with products	1.7	1.1	+0.6	+55.3	2.5	68.8
Other income and expense*	0.0	-0.1	+0.2	-	-0.5	-
Core operating profit	69.7	79.9	-10.2	-12.8	80.0	87.1

\*: Negative signs (-) indicate expense and loss.

## Non-recurring items, Net Profit

	FY2017 Q3	FY2016 Q3	Increase/decrease		Full year Forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Core operating profit	69.7	79.9	-10.2	-12.8	80.0	87.1
Non-recurring items*	-1.2	-0.1	-1.0	-	1.0	-
Operating profit	68.4	79.7	-11.3	-14.2	81.0	84.5
Financial income	2.0	1.8	+0.1	+8.8	-	-
Financial expense	0.2	0.1	+0.1	+79.3	-	-
Net profit attributable to owners of the Company	52.1	60.1	-8.0	-13.4	63.5	82.1

\*: Negative signs (-) indicate expense and loss.



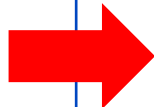

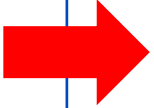
# Development Pipeline



# Progress of Development Pipeline

Progress after Nov. 1, 2017, the financial results for Q2 FY2017

As of Jan. 31, 2018

Development code / Product name (Generic name)	Category (Indications)	Region	P1	P2	P3	Filed
MCI-186 / Radicava (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis)	Switzerland				
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Korea Taiwan				
MT-6548 (Vadadustat)	Hypoxia inducible factor prolyl hydroxylase inhibitor (Renal anemia)	Japan				
MT-5547 (Fasinumab)	Fully human anti-NGF monoclonal antibody (Osteoarthritis)	Japan				
MT-8554	Nervous system, etc. (Vasomotor symptoms associated with menopause)	US				



# *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



## Details of Revenue (Q3 FY2017, Cumulative Total)

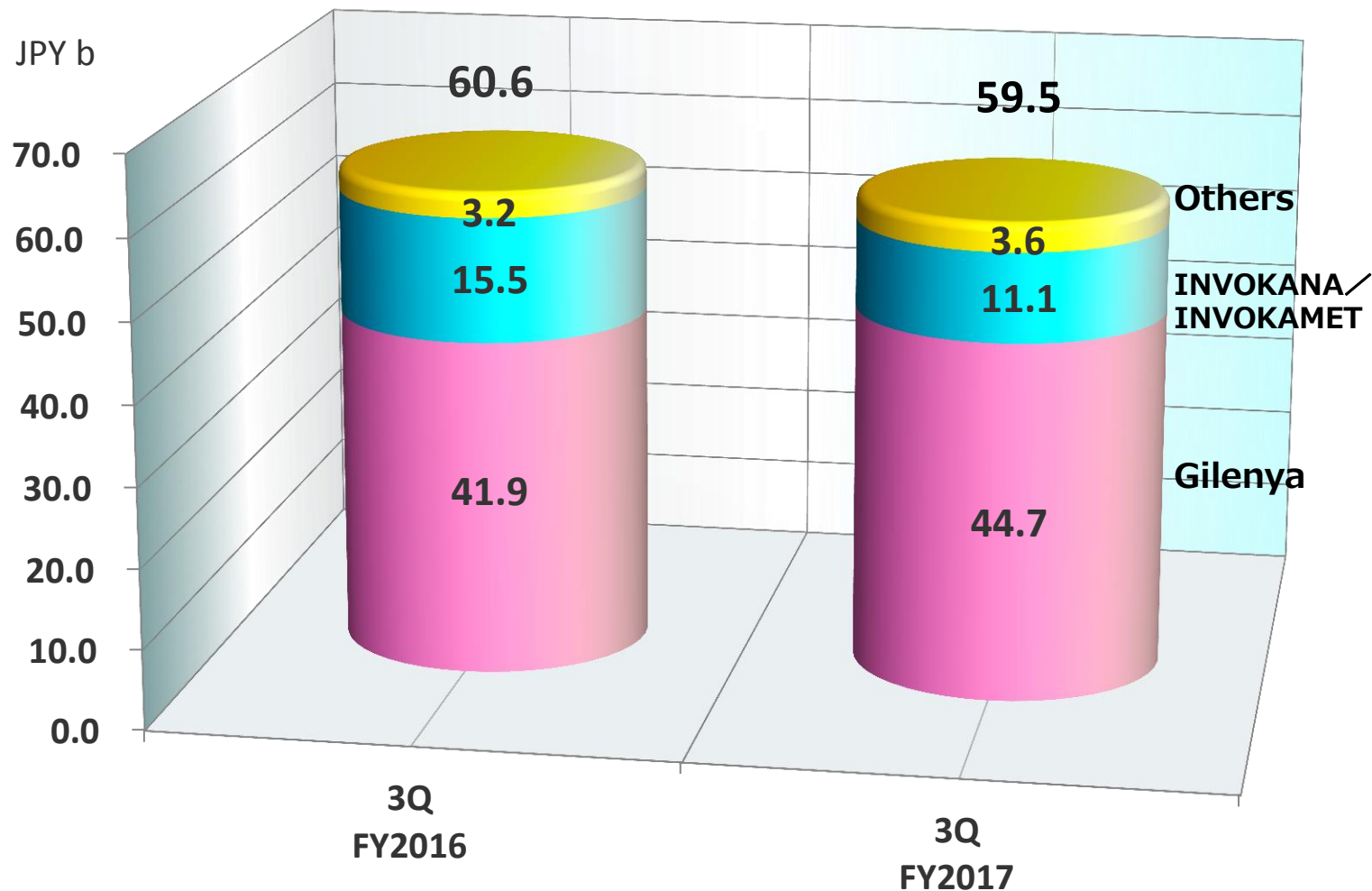
	FY2017 Q3	FY2016 Q3	Increase/decrease		Full year Forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Sales revenue</b>	<b>339.3</b>	<b>324.3</b>	<b>+14.9</b>	<b>+4.6</b>	<b>433.0</b>	<b>78.4</b>
(overseas sales revenue)	83.9	75.6	+8.2	+10.9	108.3	77.5
Domestic ethical drugs	249.6	243.3	+6.2	+2.6	315.4	79.1
Overseas ethical drugs	25.7	16.1	+9.5	+59.1	32.4	79.2
Royalty revenue, etc.	59.5	60.6	-1.0	-1.7	80.2	74.2
OTC products	3.1	2.8	+0.2	+9.2	4.1	75.2
Others	1.2	1.2	-0.0	-3.9	0.5	208.6

## Sales Revenue of Domestic Ethical Drugs, Priority Products, etc.

	FY2017 Q3	FY2016 Q3	Increase/decrease		Full year Forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Remicade	51.1	52.0	-0.9	-1.8	64.7	79.1
Simponi	24.5	19.1	+5.3	+28.2	30.3	80.8
Tenelia	15.2	13.2	+2.0	+15.4	19.1	79.7
Talion	12.7	12.7	+0.0	+0.1	20.8	61.2
Lexapro	9.9	8.7	+1.1	+13.6	12.9	76.7
Canaglu	4.4	2.5	+1.8	+69.8	6.9	63.3
Imusera	3.7	3.8	-0.0	-1.7	5.1	74.1
<b>Total of priority products</b>	<b>121.7</b>	<b>112.3</b>	<b>+9.4</b>	<b>+8.4</b>	<b>159.9</b>	<b>76.1</b>
(New Products) Canalia	1.1	-	+1.1	-	-	-
Rupafin	0.6	-	+0.6	-	-	-
Tetrabik	6.6	7.6	-0.9	-12.5	9.2	72.6
Mearubik	4.1	4.4	-0.3	-8.2	5.2	78.0
Varicella vaccine	4.0	4.1	-0.1	-2.5	5.7	70.5
JEBIK V	4.2	3.1	+1.0	+34.8	4.9	85.0
Influenza vaccine	10.1	11.0	-0.8	-7.7	10.0	101.5
<b>Total of vaccines</b>	<b>29.9</b>	<b>31.1</b>	<b>-1.2</b>	<b>-3.9</b>	<b>36.1</b>	<b>82.9</b>
<b>Total of priority products and vaccines*</b>	<b>151.6</b>	<b>143.4</b>	<b>+8.2</b>	<b>+5.7</b>	<b>196.0</b>	<b>77.4</b>

\* Except new products

# Royalty income, etc.

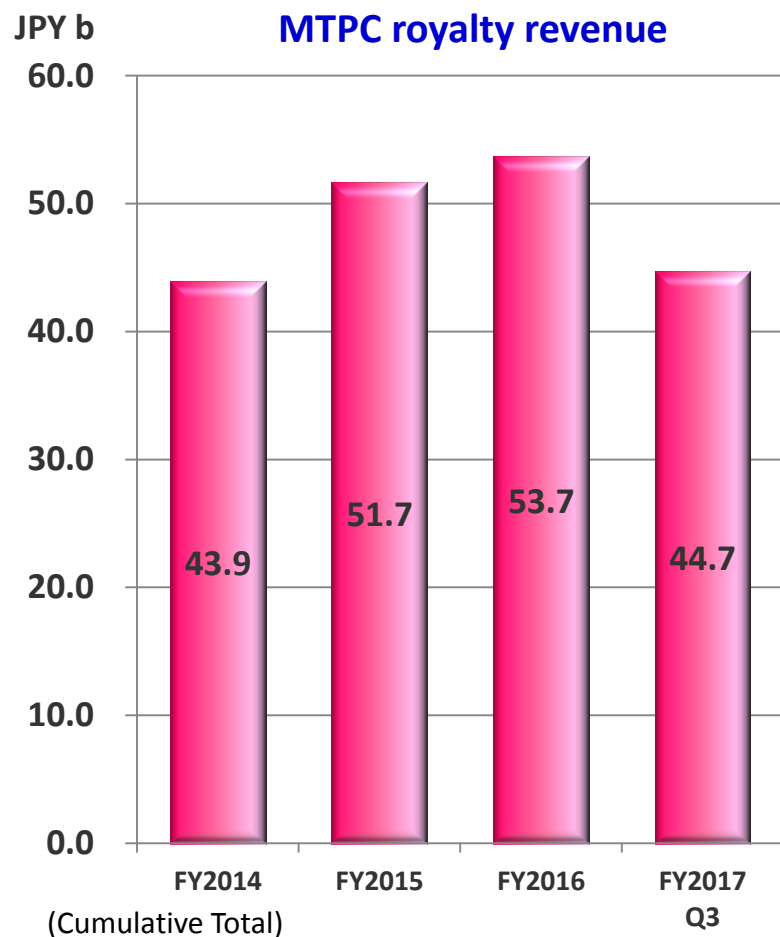
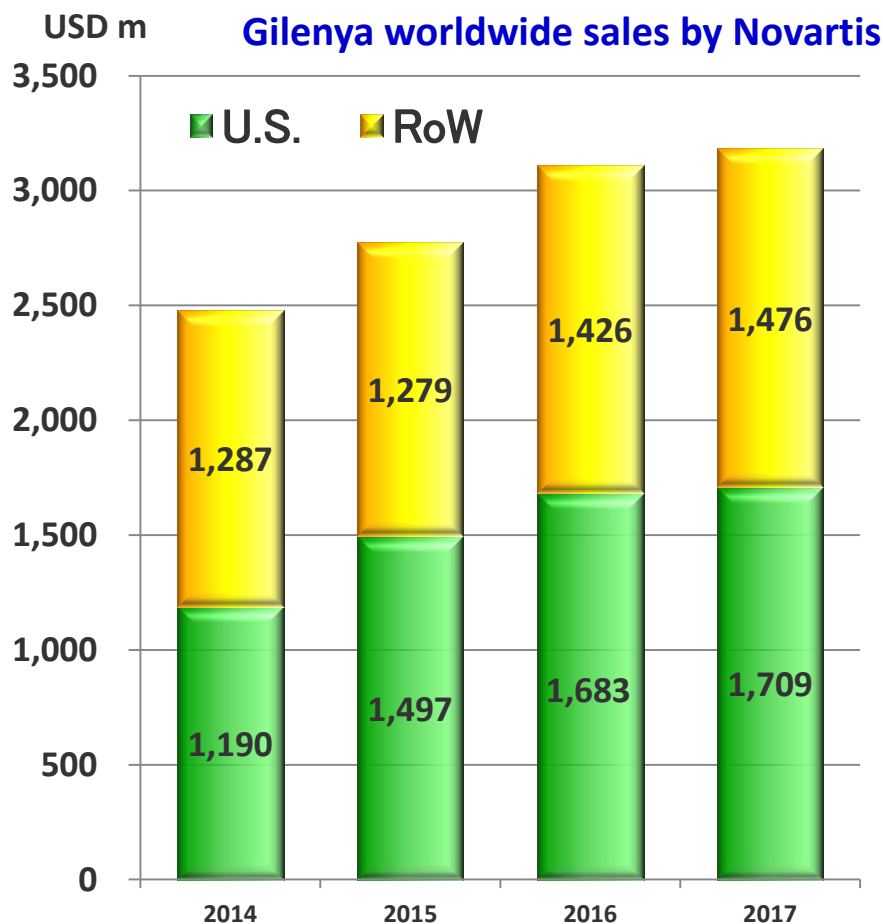


(Average exchange rate)  
 US\$

¥107.34

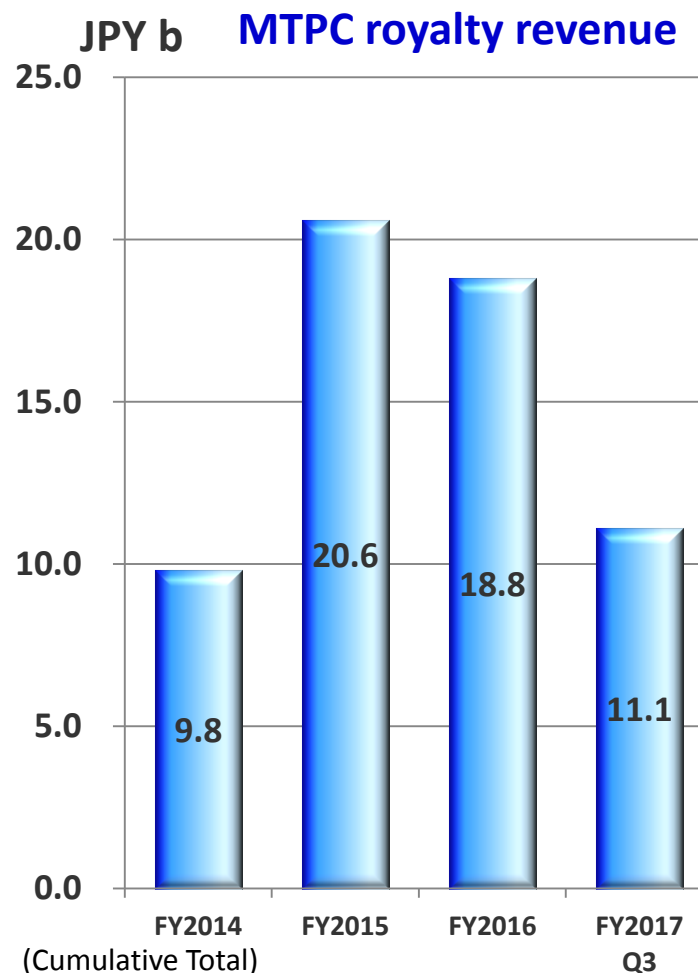
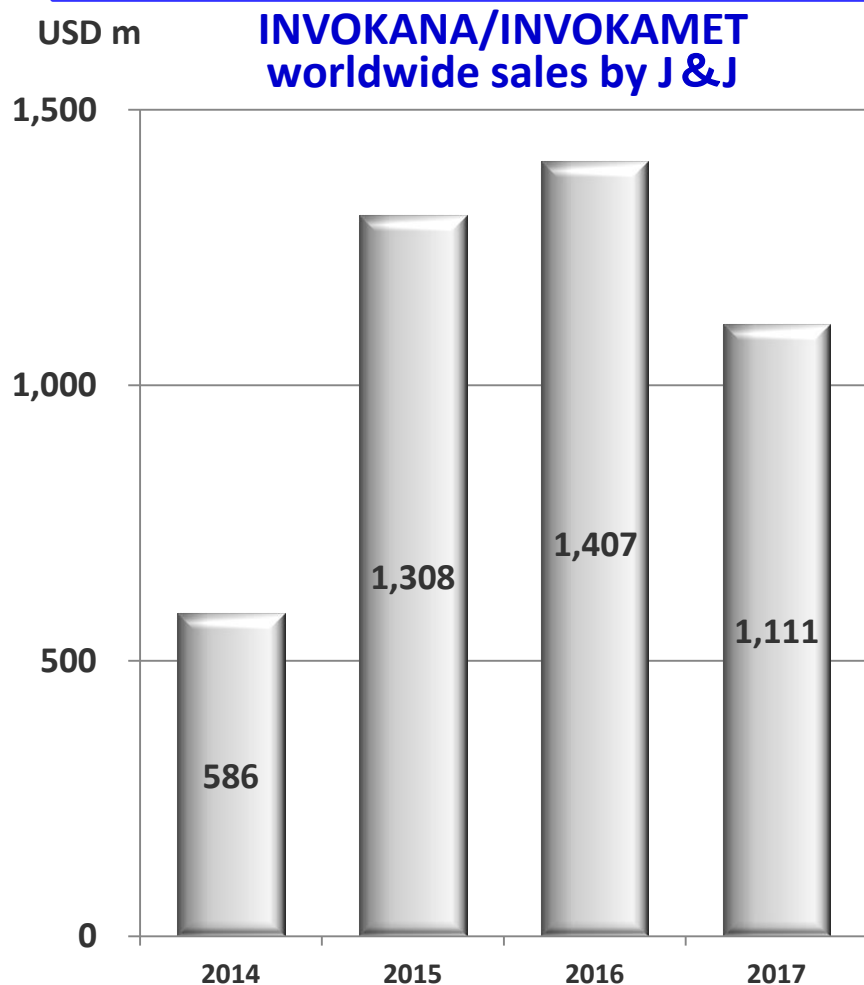
¥111.77

- ◆ Gilenya worldwide sales by Novartis in October to December, 2017 : \$825 m (\$810m, the same period of previous year)
- ◆ MTPC royalty revenue in Q3 FY2017 (April to December, 2017) : ¥44.7 b



# INVOKANA/INVOKAMET

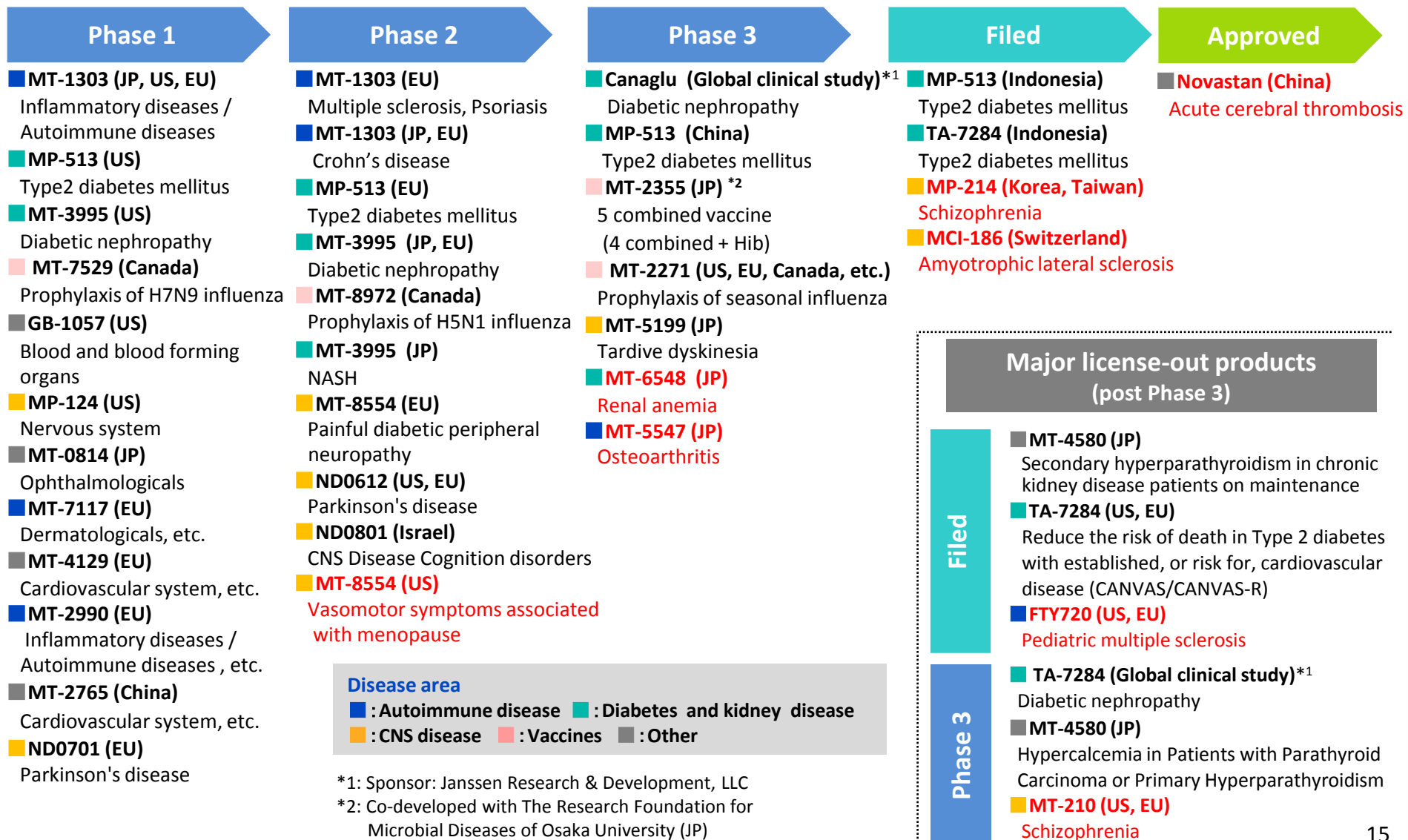
- ◆ INVOKANA/INVOKAMET sales by Johnson & Johnson in October to December, 2017: \$267m (\$371m, the same period of previous year)
- ◆ MTPC royalty revenue in Q3 FY2017 (April to December, 2017) : ¥11.1b



# Pipeline Status

Red: Progress after Nov. 1, 2017, the financial results for Q2 FY2017

As of Jan. 31, 2018





## **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.**