

October 25, 2019

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Revision to the First Half Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2020

Mitsubishi Tanabe Pharma Corporation has revised the first half business forecasts for fiscal year ending March 31, 2020, which were announced on May 10, 2019, considering the recent trend of business results, as follow.

1. Revised the first half consolidated financial forecasts for fiscal year ending March 31, 2020 (from April 1, 2019 to September 30, 2019)

(Unit: million JPY)

	Revenue	Core operating profit	Operating profit	Profit before tax	Net profit for the period	Net profit attributable to owners of the Company
Previous forecast (A)	187,000	4,500	5,000	5,500	1,000	4,000
Revised forecast (B)	188,000	11,500	12,500	12,000	6,000	8,000
Difference (B-A)	1,000	7,000	7,500	6,500	5,000	4,000
Percentage change (%)	0.5	155.6	150.0	118.2	500.0	100.0
(Reference) Results of the previous year (first half of FY2018)	209,710	34,503	34,503	34,820	23,171	24,991

Net profit per share the first half (forecast): ¥7.13 (previous), ¥14.27 (current)

※In applying IFRS, our group has introduced "core operating profit" as a staged profit that indicates the company's ordinary profitability, and has positioned it as an important indicator of business management. "core operating profit" is the operating income excluding profits and losses due to non-recurring factors as defined by our group.

2. Reason for the revision

In the first half of the consolidated financial period, revenue of domestic ethical drugs including Stelara is expected to increase steadily, exceeding the previously-announced forecast. With regards to profit, in addition to revenue growth, R&D and SG&A expenses are expected to be transferred from the first half to the second half, and consequently the profits at each stage below core operating profit are expected to exceed the previously-announced forecast.

The full-year consolidated financial forecasts remain unchanged from the previous announcement. If it becomes necessary to revise its forecasts, the Company will announce as soon as possible.

(Note) The above forecasts are based on judgments and assumptions based on the information available as of the date of release of this statement, and actual performance may differ greatly depending on various factors in the future.

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