



To become a global research-driven pharmaceutical company, we will strengthen our domestic business foundation and accelerate overseas business development.

Strengthening Our Domestic Business Foundation

To achieve our vision of being a global research-driven pharmaceutical company, we must first bolster our domestic business foundation. Profits earned through domestic operations will be the driving force behind the realization of our vision.

The market in the domestic pharmaceutical industry is growing increasingly challenging. The Japanese government is strengthening measures to reduce spending on drugs in order to control rising social welfare expenditures, and competition among pharmaceutical companies is intensifying. In this setting, the Company has taken steps to expand sales, centered on its six priority products—Remicade, Radicut, Anplag, Talion, Urso, and Tanatril. Through continued implementation of four action plans—maximizing the product potential of Remicade, increasing specialized knowledge in the cerebral field, reinforcing the promotion system, and strengthening cooperation in Group marketing—we will maximize marketing synergies and enhance our presence in the domestic market.

Maximizing the Product Potential of Remicade

We have positioned Remicade as the current driver of our earnings growth, and we are taking steps to maximize Remicade's product value. A number of competing biological products are being launched, and competition is intensifying. In this setting, we have substantially increased the number of MRs specializing in Remicade since the October 2007 merger. At the same time, we are working to differentiate

Remicade by enhancing the capabilities of each specialist and by leveraging clinical experience and evidence with Japanese patients. Moreover, to maximize the product value of Remicade, we are moving forward steadily with additional dosages and usages for RA as well as with additional indications. Through these initiatives, in fiscal 2010 we expect to greatly exceed the goal in the medium-term management plan of Remicade sales of ¥50.0 billion.

(For more information, please see "Close Up: Aiming to Further Increase the Product Value of Remicade" on page 22.)

Increasing Specialized Knowledge in Cerebral Field

In Japan, currently, there are about 1.5 million stroke patients, and it is estimated that there are about 250,000 new stroke patients each year. The majority of stroke patients have ischemic stroke, in which the initial treatment has a substantial effect on the prognosis. The drugs that can be used to treat ischemic stroke vary based on how much time has passed from the onset of symptoms. We are the only company with a lineup of cerebrovascular drugs that extends from the hyper-acute phase to the chronic phase. This lineup includes Grtpa, for the hyper-acute phase; Radicut and Novastan, for the acute phase; and Sermion, for the chronic phase. With this lineup, we have established a solid position in the cerebral field. To further increase our specialized knowledge, we have assigned MRs specializing in the cerebral field to each sales branch. With a team of about 50 of these MRs, we are providing consistent information for the proper use of these products in strokes from the acute phase to the chronic phase. In May 2010, we launched an additional dosage form for Radicut, an IV infusion bag formulation. We have high expectations for this product, which is highly convenient because it can be administered easily and will reduce the burden on health care professionals. To increase our contribution to acute phase treatment of ischemic stroke, we will work to foster the market penetration of this product as rapidly as possible.

Reinforcing the Promotion System

As of April 2010, including MRs specialized in the specific fields, the Group had a total of 2,400 MRs, placing us in the top ranks in Japan. By making full use of the capabilities of this sales force, we are strengthening our promotion system. At the time of the merger, we had completed the consolidation of the branches and sales offices of our two predecessor companies, and in April 2008, we completely integrated the two promotion systems of the former companies. In the hospital sales channel, we have introduced a system of overlapping MRs by clinical department, and in the general practitioner sales channel, we have introduced a system of assigning MRs by district. We are endeavoring to strengthen the ties between these MRs and the MRs specializing in specific fields. In this way, we are working to strengthen our promotion system. To increase the productivity of promotion activities, we have streamlined the number of products slated for focused promotion initiatives. We have also established a system of product

lifecycle management by the Sales & Marketing Division and the Global Product Strategy Department. In these ways, we are working to achieve continual increases in the product value of key products.

Leveraging Alliances

To increase the number of products in our lineup, we are relying not only on products developed in-house but also on the active use of alliances. In November 2009, we acquired a license from Kureha, of Japan, to market Kremezin (chronic kidney disease) in Japan, and in January 2010, we acquired a license from Mochida Pharmaceutical, of Japan, to co-market Escitalopram (depression) in Japan. We also sell vaccines from BIKEN (The Research Foundation for Microbial Diseases of Osaka University). We began sales of JEBIK V, a freeze-dried, cell-culture-derived Japanese encephalitis vaccine, in June 2009. In fiscal 2009, in addition to seasonal flu vaccine, we also provided the H1N1 HA flu vaccine.

Strengthening Cooperation in Group Marketing

Through cooperative initiatives with Group companies, Mitsubishi Tanabe Pharma offers many distinctive drugs. We are meeting a wide range of medical needs through cooperation with Group companies, such as Benesis, which conducts fractionation products operations; Yoshitomiyakuhin, which handles promotion of psychiatric medications; and Tanabe Seiyaku Hanbai, a generic drug sales company. In April 2009, we shifted our plasma fractionation products business marketing system based on Mitsubishi Tanabe Pharma to one based on Benesis. In August 2008, in the generic drug business we made Choseido Pharmaceutical our subsidiary. Choseido Pharmaceutical has extensive business experience and a strong operational foundation in the generic drug market. In April 2009, we completed the integration of the sales operations through a merger between Tanabe Seiyaku Hanbai and Chosei Yakuhin, a wholly owned subsidiary of Choseido Pharmaceutical. We are moving ahead with steps to strengthen our sales lineup. From April 2009 to May 2010, we added a total of 20 ingredients and 42 drugs to our lineup of generic products. In addition, in October 2009 we transferred to Tanabe Seiyaku Hanbai sales of four long-term listed products that have become standard drugs.

Accelerating Development of Overseas Operations

The Company's objectives for fiscal 2015 include the establishment of an in-house sales system in the U.S. and the achievement of overseas drug sales of more than ¥100.0 billion. To those ends, we are moving ahead with the establishment of a system for the sale of our own products in the U.S., the world's largest pharmaceutical market. The Group plans to expand its operations in the U.S. by first entering the renal disease market and rapidly launching MCI-196 (hyperphosphatemia) and MP-146 (chronic kidney disease). Targeting the rapid launch of these products, we established Mitsubishi Tanabe Pharma America, a drug sales company, in July 2009. We are conducting pre-marketing activities targeting nephrologists and dialysis specialists and taking steps to expand our local workforce. In Europe, we are aiming to expand sales of Argatroban and Tanatril, which are already on the market, and we are also moving ahead with preparations for the launch of MCI-196 and MP-146. In addition to Germany, where we already have an in-house sales base, we plan to move forward with preparations for sales systems in the U.K., France, Italy, and Spain, selecting the method that is best suited to each country.

In Asia, the Group already has an operational foundation in China, South Korea, Taiwan, and Indonesia, and we sell about 10 drugs through our in-house system. We are now working to increase the number of MRs and expand the number of products sold through in-house sales systems in each market. We have also acquired rights to pitavastatin calcium, a hypercholesterolemia treatment agent. In August 2009, we concluded exclusive licenses with Kowa, for the development and commercialization of this product in Taiwan and Indonesia. NDAs have been filed for pitavastatin calcium in these countries, and we planning to launch it in 2011 in Taiwan and 2012 in Indonesia. We are taking steps to enhance the Mitsubishi Tanabe brand presence in local markets. For example, in January 2010 the name of a manufacturing and sales subsidiary in South Korea was changed to Mitsubishi Tanabe Pharma Korea.

VACCINE OPERATIONS THAT MEET MEDICAL NEEDS

We have been involved in the vaccine business since 1960. Tanabe Seiyaku, one of our predecessor companies, concluded a contract with BIKEN and began to sell vaccines developed and manufactured by BIKEN. We have steadily expanded the lineup, and currently we offer 11 types of vaccines. In recent years, interest in preventive medicine has increased, due in part to the need to control health care spending, and the preventive effects of vaccines have drawn growing attention. In fiscal 2009, the Company's domestic vaccine sales were ¥23.0 billion (excluding H1N1 influenza vaccines sales of ¥8.8 billion). This marked the second consecutive year of sales in excess of ¥20.0 billion, giving us the number one position in Japan. In March 2010, we launched vaccine.net, a web site that provides support for educational activities for immunization in local municipal governments and educational institutions, such as schools. Moreover, together with BIKEN, we have started clinical development of BK-4SP, a combination vaccine against diphtheria, pertussis, tetanus, and polio. The Company will continue to aggressively conduct activities targeting the spread of vaccination and will take on the challenge of developing new vaccines.

