

Summary of 1st Quarter Financial Results for year ended March 31, 2010 (Unaudited)

July 30, 2009

Company name: Mitsubishi Tanabe Pharma Corporation
 Stock exchange listings (Section): Tokyo, Osaka (First Sections)
 Securities code number: 4508
 URL: <http://www.mt-pharma.co.jp/>
 Representative: Name: Michihiro Tsuchiya
 Title: President and Representative Director
 For further information, please contact: Name: Yoshihisa Sasou
 Title: General Manager, Corporate Communications Department
 Telephone: (06) 6205-5211

Planned date of filing of quarterly securities report: August 7, 2009

Note: Amounts less than ¥ 1 million have been rounded.

1. Results for 1st Quarter (April 1, 2009 to June 30, 2009)

(1) Consolidated Business Results

| | Net sales | | Operating income | | Ordinary income | |
|----------------------------|-------------|----------|------------------|----------|-----------------|----------|
| | Yen million | % change | Yen million | % change | Yen million | % change |
| 1st Quarter of Fiscal 2009 | 100,786 | (6.9) | 22,585 | (11.0) | 23,067 | (11.1) |
| 1st Quarter of Fiscal 2008 | 108,249 | - | 25,389 | - | 25,940 | - |

| | Net income | | Net income per share | Net income per share (diluted) |
|----------------------------|-------------|----------|----------------------|--------------------------------|
| | Yen million | % change | Yen | Yen |
| 1st Quarter of Fiscal 2009 | 11,388 | (22.3) | 20.29 | - |
| 1st Quarter of Fiscal 2008 | 14,648 | - | 26.10 | - |

(Note) Percentage changes in the above list show change in comparison with the previous 1st quarter.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-----------|--------------|-------------|--------------|----------------------|
| | Yen million | Yen million | % | Yen |
| 30-Jun-09 | 781,146 | 666,774 | 84.4 | 1,174.78 |
| 31-Mar-09 | 810,756 | 666,220 | 80.5 | 1,162.69 |

(Note) Shareholders' equity ¥659,241 million (¥652,462 million in fiscal 2008)

2. Dividends

| (Record date) | Dividends per share | | | | |
|-------------------------|---------------------|-------------|-------------|----------|--------------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | Year-end | For the year |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2008 | - | 14.00 | - | 14.00 | 28.00 |
| Fiscal 2009 | - | - | - | - | - |
| Fiscal 2009 (projected) | - | 14.00 | - | 14.00 | 28.00 |

(Note) Revision to dividend forecast in the quarter under review: No

3. Forecasts for Fiscal 2009 (April 1, 2009 to March 31, 2010)

| | Net sales | | Operating income | | Ordinary income | |
|-----------|-------------|----------|------------------|----------|-----------------|----------|
| | Yen million | % change | Yen million | % change | Yen million | % change |
| 1st half | 199,500 | (3.3) | 22,500 | (34.0) | 22,500 | (36.0) |
| Full year | 408,000 | (1.6) | 63,500 | (11.4) | 63,500 | (12.5) |

| | Net income | | Net income per share |
|-----------|-------------|----------|-------------------------|
| | Yen million | % change | Yen |
| 1st half | 10,000 | (39.0) | 17.82 |
| Full year | 32,500 | 22.5 | 57.91 |

(Note) Revision to consolidated results forecast in the quarter under review: No

4. Other

(1) Significant change involving subsidiaries during the period (changes in designated subsidiaries accompanying changes in the scope of consolidation) [Yes/No]: No

(2) Application of simplified accounting methods or of special accounting methods in the preparation of quarterly financial statements: Yes

Note: For details, please see page 6, Quantitative Information / Financial Statements, etc., 4. Other.

(3) Changes in accounting principles, procedures, method of presentation associated with the preparation of the quarterly consolidated financial statements

(Items noted in the Changes in the Basis of Presenting Quarterly Consolidated Financial Statements section)

1. Change accompanying revision of accounting standards: No

2. Other changes: Yes

Note: For details, please see page 7, Quantitative Information / Financial Statements, etc., 4. Other.

(4) Number of shares issued (common stock)

1. Number of shares issued at the end of the period (including treasury stock)

| | | | |
|----------------------------|--------------------|-------------|--------------------|
| 1st Quarter of fiscal 2009 | 561,417,916 shares | Fiscal 2008 | 561,417,916 shares |
|----------------------------|--------------------|-------------|--------------------|

2. Number of shares of treasury stock at the end of the period

| | | | |
|----------------------------|----------------|-------------|----------------|
| 1st Quarter of fiscal 2009 | 256,052 shares | Fiscal 2008 | 252,197 shares |
|----------------------------|----------------|-------------|----------------|

3. Average number of shares of during the period (quarter)

| | | | |
|----------------------------|--------------------|----------------------------|--------------------|
| 1st Quarter of fiscal 2009 | 561,163,571 shares | 1st Quarter of fiscal 2008 | 561,212,034 shares |
|----------------------------|--------------------|----------------------------|--------------------|

(Notes)

All these estimates are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and are subject to risks and uncertainties.

Actual financial results may differ materially depending on a number of factors, including economic conditions and currency exchange rate fluctuations.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative information about consolidated results of operations

In the first quarter (April 1, 2009 to June 30, 2009), business confidence in Japan continued to decline due to the worsening of the global financial crisis from fall 2008. In the second half of the quarter, certain sectors of the economy stopped declining, but nonetheless there was still cause for concern, such as fluctuations in the employment situation and in the financial and capital markets. The future course of the economy remains unclear.

In the pharmaceutical industry, the market environment remained difficult, with an increase in the number of diagnosis-procedure combination (DPC) hospitals and further advances in a range of measures to control healthcare spending, such as the promotion of the use of generics.

In this environment, the Company worked to implement its action plans for the achievement of the fiscal 2010 management objectives and five key challenges in the Medium-Term Management Plan 08-10—Dynamic Synergy for 2015, the three year business plan that was formulated in the previous fiscal year.

Consolidated results in the first quarter of the fiscal year ended March 31, 2010 (April 1, 2009 to June 30, 2009) were as follows.

(millions of yen)

| | First three months of previous fiscal year | First three months of current fiscal year | Increase/ decrease | % change |
|------------------|--|--|-----------------------|----------|
| Net sales | 108,249 | 100,786 | (7,463) | (6.9) |
| Cost of sales | 39,576 | 35,910 | (3,666) | (9.3) |
| SG&A expenses | 43,284 | 42,291 | (993) | (2.3) |
| Operating income | 25,389 | 22,585 | (2,804) | (11.0) |
| Ordinary income | 25,940 | 23,067 | (2,873) | (11.1) |
| Net income | 14,648 | 11,388 | (3,260) | (22.3) |

【Net sales】

Net sales declined ¥7.4 billion year-on-year, to ¥100.7 billion.

(millions of yen)

| | First three months of previous fiscal year | First three months of current fiscal year | Increase/ decrease | % change |
|-------------------------------------|--|--|-----------------------|----------|
| Pharmaceuticals | 100,626 | 98,197 | (2,429) | (2.4) |
| Domestic ethical pharmaceuticals | 87,969 | 88,855 | 886 | 1.0 |
| Overseas ethical pharmaceuticals | 6,552 | 5,251 | (1,301) | (19.9) |
| OTC Products | 1,268 | 1,138 | (130) | (10.3) |
| Others | 4,837 | 2,953 | (1,884) | (38.9) |
| Other businesses | 7,623 | 2,589 | (5,034) | (66.0) |

- Due to the transition on April 1 of API Corporation (hereinafter referred to as APIC) from consolidated subsidiary to equity-method affiliate, net sales declined by ¥7.2 billion (pharmaceuticals, ¥3.1 billion; other business, ¥4.1 billion).
- In the pharmaceuticals segment, net sales were ¥98.1 billion, down 2.4%, or ¥2.4 billion, year-on-year.
- In domestic sales of ethical pharmaceuticals, favorable sales were recorded by such products as Remicade, an anti-TNF α monoclonal antibody; Talion, a treatment for allergic disorders; and Anplag, an anti-platelet. In addition, sales of vaccines and generic drugs increased.
- On the other hand, the appreciation of the yen had an adverse influence, and overseas sales of ethical pharmaceuticals declined. Moreover, due to the application of the equity method to APIC, other pharmaceutical sales declined by a large margin.
- In the other business segment, in addition to the effect of the application of the equity method to APIC, sales of fine chemical declined in Japan and overseas. As a result, sales were down ¥5.0 billion year-on-year, to ¥2.5 billion.

【Operating income】

Operating income declined 11.0%, or ¥2.8 billion, year-on-year, to ¥22.5 billion.

- Due to such factors as changes in the product mix, decline in overseas sales, and the transition of APIC to equity-method affiliate, gross profit was down 5.5%, or ¥3.7 billion, year-on-year, to ¥64.8 billion.
- Labor costs have increased due to higher retirement benefits expense. However, due to thorough cost reductions, and the effect of APIC, SG&A expenses were down 2.3%, or ¥0.9 billion, to ¥42.2 billion. R&D expenses were ¥16.1 billion.

【Ordinary income and net income】

Ordinary income was down 11.1%, or ¥2.8 billion, year-on-year, to ¥23.0 billion, and net income was down 22.3%, or ¥3.2 billion, year-on-year, to ¥11.3 billion.

- Extraordinary loss was ¥3.0 billion with major items including impairment loss on idle assets accompanying head office relocation of ¥1.8 billion, restructuring expenses of ¥0.4 billion, such as expenses related to moving the head office, and loss related to business suspension of ¥0.6 billion, which was related to Medway, a recombinant human serum albumin preparation.

2. Qualitative information about consolidated financial position

(1) Balance sheets

(millions of yen)

| | End of 1 st quarter (End of June 2009) | End of previous fiscal year (End of March 2009) | Increase/ decrease |
|-------------------------------------|--|---|-----------------------|
| Current assets | 336,107 | 364,444 | (28,337) |
| Fixed assets | 445,039 | 446,312 | (1,273) |
| Total assets | 781,146 | 810,756 | (29,610) |
| Liabilities | 114,372 | 144,536 | (30,164) |
| Net assets | 666,774 | 666,220 | 554 |
| Total liabilities and net assets | 781,146 | 810,756 | (29,610) |

Total assets at the end of the first quarter were ¥781.1 billion, a decrease of ¥29.6 billion from the end of the previous fiscal year. Major factors causing changes in the balance sheet in comparison with the previous year-end were as follows.

- The application of the equity method to APIC had the effect of reducing current assets by ¥11.3 billion, fixed assets by ¥4.3 billion, liabilities by ¥9.8 billion, and net assets by ¥5.8 billion.
- Current assets were down ¥28.3 billion from the end of the previous fiscal year, to ¥336.1 billion due to decreases in cash and deposits, and marketable securities.
- Fixed assets were down ¥1.2 billion from the previous fiscal year-end, to ¥445.0 billion. Excluding the influence of APIC, investment in securities increased due to the investment of funds in government bonds, etc.
- Total liabilities declined ¥30.1 billion, to ¥114.3 billion, due to decreases in income taxes payable, reserve for employees' bonuses, and reserve for HCV litigation
- Total net assets at the end of the period were up ¥0.5 billion from the end of the previous fiscal year, to ¥666.7 billion. Net income was ¥11.3 billion, and dividends paid were ¥7.8 billion. In addition, unrealized holding losses on securities decreased ¥2.0 billion and foreign currency translation adjustments increased ¥1.2 billion. Due to the application of the equity method to APIC, minority interests declined substantially. The equity ratio was 84.4%, compared with 80.5% at the end of the previous fiscal year.

(2) Cash flows

(millions of yen)

| | | 1 st quarter of previous fiscal year | 1 st quarter | Increase/ decrease |
|--|--|--|-------------------------|-----------------------|
| | Operating activities | 5,572 | (6,487) | (12,059) |
| | Investing activities | (59,944) | (34,295) | 25,649 |
| | Financing activities | (8,673) | (9,003) | (330) |
| | Change in cash and cash equivalents | (64,466) | (49,146) | 15,320 |
| | At beginning of year | 160,096 | 116,903 | (43,193) |
| | At end of year | 95,630 | 67,947 | (27,683) |

Net decrease in cash and cash equivalents was ¥49.1 billion, and the balance of cash and cash equivalents at the end of the period under review was ¥67.9 billion (down ¥27.6 billion year-on-year).

【Cash flows from operating activities】

Net cash used in operating activities was ¥6.4 billion. Cash inflows included income before income taxes and minority interests of ¥20.0 billion, depreciation and amortization of ¥3.0 billion, and amortization of goodwill of ¥2.5 billion, while cash outflows included income taxes paid of ¥14.9 billion, decrease in reserve for HCV litigation of ¥7.0 billion, increase in notes and accounts receivable, trade of ¥7.6 billion, and decrease in accounts payable, other of ¥3.6 billion.

【Cash flows from investing activities】

Net cash used in investing activities was ¥34.2 billion, due in part to purchase of marketable securities and purchase of investment in securities for investment purposes.

【Cash flows from financing activities】

Net cash used in financing activities was ¥9.0 billion, due in part to dividends paid of ¥7.8 billion.

3. Qualitative information about consolidated results forecasts

There are no revisions to the consolidated results forecasts that were announced on May 8, 2009.

4. Other

- (1) Significant changes involving subsidiaries during the period (changes in designated subsidiaries accompanying changes in the scope of consolidation)

Not applicable.

- (2) Application of simplified accounting methods or of special accounting methods in the preparation of quarterly financial statements:

- Method of calculation of income taxes, deferred tax assets, and deferred tax liabilities

The calculation of income tax payments, deferred tax assets, and deferred tax liabilities is

based on the sum of important adjustment and tax credit items.

In regard to judgments about the recoverability of deferred tax assets, in the event that there are no marked changes in the management environment, etc., since the end of the previous fiscal year and there are no marked changes in the occurrence of temporary differences, the judgments utilize a method based on the future results forecasts used in the previous consolidated settlement of accounts and on tax planning. In the event that there are marked changes in the management environment, etc., since the end of the previous fiscal year or there are marked changes in the occurrence of temporary differences, the judgements utilize the a method based on the future results forecasts used in the previous consolidated settlement of accounts and on tax planning as well as the influence of the marked changes.

(3) Changes in accounting principles, procedures, method of presentation associated with the preparation of the quarterly consolidated financial statements

- Application of accounting standards for business combinations

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released December 26, 2008), and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) can be applied to business combinations or business divestitures implemented in fiscal years beginning on or after April 1, 2009. Accordingly, from the first quarter under review, the Company has applied these standards and guidance. In accordance with “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), the Cabinet Office Ordinance partially revising financial statement regulations (March 24, 2009, Cabinet Office Ordinance No.5) can be applied from the beginning of fiscal years beginning on or after April 1, 2009. Accordingly, from the first quarter under review, a new line item is presented “Income before minority interests”.

5. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(Millions of yen)

| Year Accounts | As of June 30, 2009 | As of March 31, 2009 |
|--|------------------------|-------------------------|
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and time deposits | 21,821 | 23,931 |
| Notes and accounts receivable, trade | 130,807 | 128,130 |
| Marketable securities | 48,577 | 67,680 |
| Merchandise and finished goods | 50,615 | 59,317 |
| Work in process | 1,450 | 2,687 |
| Raw materials and supplies | 19,696 | 15,688 |
| Short-term loans | 49,952 | 50,410 |
| Deferred income taxes | 9,370 | 12,975 |
| Other | 3,880 | 3,676 |
| Allowance for doubtful receivables | (61) | (50) |
| Total current assets | 336,107 | 364,444 |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 42,564 | 47,126 |
| Machinery, equipment and vehicles, net | 19,370 | 23,552 |
| Tools, furniture and fixtures, net | 4,697 | 5,256 |
| Land | 50,950 | 53,524 |
| Lease equipment, net | 24 | 21 |
| Construction in progress | 2,513 | 2,318 |
| Total property, plant and equipment | 120,118 | 131,797 |
| Intangible fixed assets | | |
| Goodwill | 133,369 | 135,494 |
| Other | 4,309 | 4,157 |
| Total intangible fixed assets | 137,678 | 139,651 |
| Investments and other assets | | |
| Investment in securities | 133,007 | 114,785 |
| Deferred income taxes | 9,032 | 13,734 |
| Prepaid pension expenses | 34,896 | 35,475 |
| Other | 10,371 | 10,893 |
| Allowance for doubtful receivables | (63) | (23) |
| Total investments and other assets | 187,243 | 174,864 |
| Total fixed assets | 445,039 | 446,312 |
| Total assets | 781,146 | 810,756 |

(Millions of yen)

| Year Accounts | As of | As of |
|--|-----------------|-----------------|
| | June 30, 2009 | March 31, 2009 |
| | Amount | Amount |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 31,894 | 26,093 |
| Short-term debt | 2,351 | 7,299 |
| Current maturities of long-term debt | 70 | 140 |
| Accounts payable, other | 15,081 | 20,944 |
| Income taxes payable | 3,723 | 14,621 |
| Reserve for employees' bonuses | 5,814 | 12,436 |
| Other reserves | 170 | 588 |
| Other | 9,209 | 7,029 |
| Total current liabilities | 68,312 | 89,150 |
| Long-term liabilities | | |
| Long-term debt, less current maturities | 241 | 30 |
| Deferred income taxes | 11,030 | 11,673 |
| Accrued retirement benefits for employees | 13,990 | 15,944 |
| Accrued retirement benefits for directors and corporate auditors | 3 | 21 |
| Reserve for health management allowances for HIV compensation | 1,658 | 1,728 |
| Reserve for health management allowances for SMON compensation | 4,519 | 4,634 |
| Reserve for HCV litigation | 12,961 | 20,000 |
| Other | 1,658 | 1,356 |
| Total long-term liabilities | 46,060 | 55,386 |
| Total liabilities | 114,372 | 144,536 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 50,000 | 50,000 |
| Capital surplus | 451,185 | 451,186 |
| Retained earnings | 168,343 | 164,712 |
| Treasury stock, at cost | (279) | (275) |
| Total shareholders' equity | 669,249 | 665,623 |
| Valuation and translation adjustments | | |
| Unrealized holding (losses) gains on securities | (3,570) | (5,605) |
| Deferred (losses) gains on hedges | (832) | (747) |
| Translation adjustments | (5,606) | (6,809) |
| Total valuation and translation adjustments | (10,008) | (13,161) |
| Minority interests | 7,533 | 13,758 |
| Total net assets | 666,774 | 666,220 |
| Total liabilities and net assets | 781,146 | 810,756 |

(2) CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

| Year Accounts | April 1, 2008 - June 30, 2008 | April 1, 2009 - June 30, 2009 |
|--|----------------------------------|----------------------------------|
| | Amount | Amount |
| Net sales | 108,249 | 100,786 |
| Cost of sales | 39,576 | 35,910 |
| Gross profit | 68,673 | 64,876 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 694 | 637 |
| Sales promotion expenses | 2,321 | 2,297 |
| Salaries and allowances | 6,904 | 6,862 |
| Provision for bonuses | 3,506 | 3,043 |
| Provision for directors' bonuses | 2 | - |
| Retirement benefit expenses | 95 | 1,230 |
| Provision for directors' retirement benefits | 4 | - |
| Depreciation and amortization | 508 | 432 |
| Research and development expenses | 16,283 | 16,154 |
| Amortization of goodwill | 2,513 | 2,532 |
| Other | 10,454 | 9,104 |
| Total selling, general and administrative expenses | 43,284 | 42,291 |
| Operating income | 25,389 | 22,585 |
| Non-operating income | | |
| Interest income | 476 | 479 |
| Dividend income | 462 | 431 |
| Foreign exchange gain | 46 | - |
| Equity in earnings of affiliates | 49 | 171 |
| Other | 126 | 254 |
| Total non-operating income | 1,159 | 1,335 |
| Non-operating expenses | | |
| Interest expense | 24 | 10 |
| Donations | 173 | 142 |
| Foreign exchange loss | - | 258 |
| Loss on disposal of property, plant and equipment | 148 | 117 |
| Other | 263 | 326 |
| Total non-operating expenses | 608 | 853 |
| Ordinary income | 25,940 | 23,067 |
| Extraordinary income | | |
| Gain on sales of investment in securities | - | 77 |
| Gain on sales of property, plant and equipment | 16 | - |
| Gain on transfer of business | 40 | - |
| Total extraordinary income | 56 | 77 |
| Extraordinary loss | | |
| Impairment loss | 639 | 1,824 |
| Loss related to business suspension | - | 626 |
| Restructuring expenses | - | 435 |
| Loss on valuation of investment in securities | 96 | 209 |
| Other | 6 | 1 |
| Total extraordinary losses | 741 | 3,095 |
| Income before income taxes and minority interests | 25,255 | 20,049 |
| Income taxes-current | 8,065 | 4,264 |
| Income taxes-deferred | 2,365 | 4,811 |
| Total income taxes | 10,430 | 9,075 |
| Income before minority interests | - | 10,974 |
| Minority interests | 177 | (414) |
| Net income | 14,648 | 11,388 |

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

| Year Accounts | April 1, 2008 - June 30, 2008 | April 1, 2009 - June 30, 2009 |
|---|----------------------------------|----------------------------------|
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | 25,255 | 20,049 |
| Depreciation and amortization | 3,433 | 3,072 |
| Impairment loss | 639 | 1,824 |
| Amortization of goodwill | 2,513 | 2,532 |
| Increase (decrease) in accrued retirement benefits for employees | 188 | (261) |
| Decrease (increase) in prepaid pension expenses | (427) | 579 |
| Increase (decrease) in allowance for doubtful receivables | 28 | 1 |
| Increase (decrease) in reserve for HCV litigation | - | (7,039) |
| Interest and dividend income | (938) | (910) |
| Interest expense | 24 | 10 |
| Loss (gain) on sales and disposal of fixed assets | 100 | 93 |
| Loss (gain) on sales of investment in securities | - | (77) |
| Loss (gain) on devaluation of investment in securities | 96 | 209 |
| Equity in (earnings) losses of affiliates | (19) | (171) |
| Decrease (increase) in notes and accounts receivable, trade | (12,696) | (7,671) |
| Decrease (increase) in inventories | (4,132) | (3,571) |
| Increase (decrease) in notes and accounts payable, trade | 8,923 | 5,585 |
| Increase (decrease) in accounts payable, other | (1,612) | (3,689) |
| Other, net | (2,978) | (3,349) |
| Subtotal | 18,397 | 7,216 |
| Interest and dividends received | 1,046 | 818 |
| Interest paid | (25) | (8) |
| Subsidy received | 1,027 | 400 |
| Income taxes paid | (14,873) | (14,913) |
| Net cash provided by (used in) operating activities | 5,572 | (6,487) |
| Cash flows from investing activities: | | |
| Purchase of marketable securities | (42,002) | (29,480) |
| Proceeds from sales and redemption of marketable securities | 14,500 | 6,578 |
| Increase in time deposits | (513) | (708) |
| Decrease in time deposits | 26 | 642 |
| Purchase of property, plant and equipment | (2,362) | (2,259) |
| Proceeds from sales of property, plant and equipment | 21 | 8 |
| Purchase of intangible fixed assets | (153) | (754) |
| Purchase of investment in securities | (30,082) | (10,679) |
| Proceeds from sales and redemption of investment in securities | 500 | 1,020 |
| Proceeds from sales of subsidiaries' shares resulting in consolidation scope change | - | 511 |
| Other, net | 121 | 826 |
| Net cash provided by (used in) investing activities | (59,944) | (34,295) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt, net | (1,039) | (474) |
| Repayments of long-term debt | (278) | (644) |
| Purchases of treasury stock | (9) | (5) |
| Cash dividends paid | (7,296) | (7,856) |
| Other, net | (51) | (24) |
| Net cash provided by (used in) financing activities | (8,673) | (9,003) |
| Effect of exchange rate change on cash and cash equivalents | (1,421) | 639 |
| Net increase (decrease) in cash and cash equivalents | (64,466) | (49,146) |
| Cash and cash equivalents at beginning of period | 160,096 | 116,903 |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | - | 190 |
| Cash and cash equivalents at end of period | 95,630 | 67,947 |

(4) Note regarding going concern assumption

Not applicable.

(5) Segment Information

1. Segment information by business segment

| Previous fiscal year (April 1, 2008 - June 30, 2008) | | | | | (Millions of yen) |
|--|----------------------|---------------------|---------|-------------|-------------------|
| | Pharma- ceuticals | Other businesses | Total | Elimination | Consolidated |
| Net sales | | | | | |
| 1. Sales to third parties | 100,626 | 7,623 | 108,249 | (-) | 108,249 |
| 2. Intra-group sales or transfers | - | 1,236 | 1,236 | (1,236) | - |
| Total | 100,626 | 8,859 | 109,485 | (1,236) | 108,249 |
| Operating income | 24,586 | 767 | 25,353 | 36 | 25,389 |

(Notes)

1. The business segments are classified into "Pharmaceuticals" and "Other businesses" on the basis of the kind and character of products and merchandise.
2. The principal products in each of the business segment are as follows:

| Business segment | Principal products |
|------------------|--|
| Pharmaceuticals | Ethical drugs, over-the-counter drugs, etc. |
| Other businesses | Fine chemicals, real-estate leasing, information services, advertising, etc. |

3. As noted in "Changes in Accounting Principles, Procedures, Method of Presentation associated with the Preparation of the Quarterly Consolidated Financial Statements," accompanying the adoption of new accounting standards for the valuation of inventories, ("Accounting Standard for Measurement of Inventories," ASBJ Statement No. 9, July 5, 2006) from the first quarter of the current fiscal year, the Company has principally changed from the previous method —under which merchandise and finished goods were principally handled by the lower of cost or market method using weighted average cost, and raw materials and others were principally handled by the cost method using weighted average cost— to the cost method using weighted average cost (method of reducing book value in accordance with declines in profitability). This change will not have a significant effect on business segment information.

Fiscal year under review (April 1, 2009 - June 30, 2009)

Since net sales and operating income from the pharmaceuticals segment account for more than 90% of the consolidated total net sales and operating income, the disclosure of segment information by type of business has been omitted.

2. Segment information by geographical area

Since net sales outside Japan of all segments constituted less than 10% of the consolidated totals for the first quarter of the fiscal years ended March 31, 2009 and 2010, respectively, the disclosure of geographical segment information has been omitted.

3. Overseas sales

Previous fiscal year (April 1, 2008 - June 30, 2008)

(Millions of yen)

| Overseas sales | Consolidated net sales | Rate of overseas sales to consolidated net sales |
|----------------|------------------------|--|
| 9,076 | 108,249 | 8.4% |

Fiscal year under review (April 1, 2009 - June 30, 2009)

(Millions of yen)

| Overseas sales | Consolidated net sales | Rate of overseas sales to consolidated net sales |
|----------------|------------------------|--|
| 6,249 | 100,786 | 6.2% |

(Notes)

1. Overseas sales include export sales of the Company and its domestic subsidiaries and sales of its foreign consolidated subsidiaries other than exports to Japan.
2. Since overseas sales of each segment constituted less than 10% of the consolidated totals for the period, the disclosure of overseas sales by region has been omitted.

(6) Note regarding substantial change in shareholders' equity

Not applicable.

Reference

1. Profit and Loss

(Million yen)

| | Q1/FY2008 | | Q1/FY2009 | | Increase (Decrease) | Change % | Forecasts for 1st half of FY2009 | | Achieved % |
|---|-------------------|--------|-------------------|--------|------------------------|----------|-------------------------------------|--------|---------------|
| | (Apr.-Jun., 2008) | | (Apr.-Jun., 2009) | | | | (Apr.-Sep., 2009) | | |
| Net Sales | 108,249 | 100.0 | 100,786 | 100.0 | (7,463) | (6.9) | 199,500 | 100.0 | 50.5 |
| [Domestic] | [99,173] | [91.6] | [94,537] | [93.8] | [(4,636)] | [(4.7)] | [186,000] | [93.2] | [50.8] |
| [Overseas] | [9,076] | [8.4] | [6,249] | [6.2] | [(2,827)] | [(31.1)] | [13,500] | [6.8] | [46.3] |
| Pharmaceuticals | 100,626 | 93.0 | 98,197 | 97.4 | (2,429) | (2.4) | 193,000 | 96.7 | 50.9 |
| [Domestic] | [93,683] | [86.6] | [92,777] | [92.0] | [(906)] | [(1.0)] | [181,500] | [91.0] | [51.1] |
| [Overseas] | [6,943] | [6.4] | [5,420] | [5.4] | [(1,523)] | [(21.9)] | [11,500] | [5.7] | [47.1] |
| Other Businesses | 7,623 | 7.0 | 2,589 | 2.6 | (5,034) | (66.0) | 6,500 | 3.3 | 39.8 |
| [Domestic] | [5,490] | [5.1] | [1,760] | [1.8] | [(3,730)] | [(67.9)] | [4,500] | [2.3] | [39.1] |
| [Overseas] | [2,133] | [1.9] | [829] | [0.8] | [(1,304)] | [(61.1)] | [2,000] | [1.0] | [41.5] |
| Cost of Sales | 39,576 | 36.6 | 35,910 | 35.6 | (3,666) | (9.3) | 74,000 | 37.1 | 48.5 |
| SG & A expenses | 43,284 | 40.0 | 42,291 | 42.0 | (993) | (2.3) | 103,000 | 51.6 | 41.1 |
| R&D expenses | 16,283 | 15.0 | 16,154 | 16.0 | (129) | (0.8) | 47,000 | 23.6 | 34.4 |
| Labor costs | 12,551 | 11.6 | 12,679 | 12.6 | 128 | 1.0 | 25,600 | 12.8 | 49.5 |
| Sales promotion expenses | 2,321 | 2.2 | 2,297 | 2.3 | (24) | (1.0) | 5,800 | 2.9 | 39.6 |
| Amortization of goodwill | 2,513 | 2.3 | 2,532 | 2.5 | 19 | 0.8 | 5,000 | 2.5 | 50.6 |
| Other | 9,616 | 8.9 | 8,629 | 8.6 | (987) | (10.3) | 19,600 | 9.8 | 44.0 |
| Operating Income | 25,389 | 23.5 | 22,585 | 22.4 | (2,804) | (11.0) | 22,500 | 11.3 | 100.4 |
| Non-operating income | 1,159 | | 1,335 | | 176 | | | | |
| Interest income | 476 | | 479 | | 3 | | | | |
| Dividends income | 462 | | 431 | | (31) | | | | |
| Foreign exchange gain | 46 | | - | | (46) | | | | |
| Equity in earnings of affiliates | 49 | | 171 | | 122 | | | | |
| Other | 126 | | 254 | | 128 | | | | |
| Non-operating Expenses | 608 | | 853 | | 245 | | | | |
| Interest expenses | 24 | | 10 | | (14) | | | | |
| Donations | 173 | | 142 | | (31) | | | | |
| Foreign exchange losses | - | | 258 | | 258 | | | | |
| Loss on disposal of property, plant and equipment | 148 | | 117 | | (31) | | | | |
| Other | 263 | | 326 | | 63 | | | | |
| Ordinary income | 25,940 | 24.0 | 23,067 | 22.9 | (2,873) | (11.1) | 22,500 | 11.3 | 102.5 |
| Extraordinary income | 56 | | 77 | | 21 | | - | | - |
| Gains on sale of investments in securities | - | | 77 | | 77 | | | | |
| Gain on sales of property, plant and equipment | 16 | | - | | (16) | | | | |
| Gain on transfer of business | 40 | | - | | (40) | | | | |
| Extraordinary loss | 741 | | 3,095 | | 2,354 | | 2,500 | | 123.8 |
| Impairment loss | 639 | | 1,824 | | 1,185 | | | | |
| Loss related to business suspension | - | | 626 | | 626 | | | | |
| Restructuring expenses | - | | 435 | | 435 | | | | |
| Loss on valuation of investment in securities | 96 | | 209 | | 113 | | | | |
| Other | 6 | | 1 | | (5) | | | | |
| Net income | 14,648 | 13.5 | 11,388 | 11.3 | (3,260) | (22.3) | 10,000 | 5.0 | 113.9 |
| Total Labor Costs | 23,069 | 21.3 | 21,776 | 21.6 | (1,293) | (5.6) | 44,500 | 22.3 | 48.9 |

2. Sales of Main Products

(Billion yen)

| | Q1/FY2008 (Apr.-Jun., 2008) | Q1/FY2009 (Apr.-Jun., 2009) | Increase (Decrease) | Change % | Forecasts for 1st half of FY2009 (Apr.-Sep., 2009) | Achieved % |
|-------------------------------------|--------------------------------|--------------------------------|------------------------|----------|--|------------|
| Ethical drugs | 99.4 | 97.1 | (2.3) | (2.3) | 190.0 | 51.1 |
| Ethical drugs domestic sales | 88.0 | 88.9 | 0.9 | 1.0 | 172.5 | 51.5 |
| Remicade | 8.9 | 10.3 | 1.5 | 16.8 | 22.7 | 45.6 |
| Radicut | 7.3 | 7.2 | (0.2) | (2.1) | 13.8 | 51.8 |
| Anplag | 4.9 | 5.1 | 0.2 | 4.1 | 9.9 | 51.7 |
| Ceredist | 4.3 | 4.4 | 0.1 | 1.8 | 8.6 | 51.6 |
| Urso | 4.3 | 4.3 | 0.0 | 1.0 | 8.2 | 52.4 |
| Tanatril | 3.4 | 3.2 | (0.2) | (6.8) | 6.0 | 52.7 |
| Depas | 3.1 | 3.1 | 0.0 | (0.4) | 5.9 | 52.8 |
| Herbesser | 3.3 | 3.0 | (0.3) | (8.4) | 5.7 | 52.5 |
| Maintate | 2.7 | 2.9 | 0.2 | 6.2 | 5.3 | 54.8 |
| Venoglobulin-IH | 2.9 | 2.5 | (0.4) | (12.6) | 5.2 | 49.0 |
| Talion | 2.1 | 2.4 | 0.3 | 15.1 | 4.1 | 57.5 |
| Liple | 2.3 | 2.2 | (0.1) | (4.4) | 4.2 | 53.0 |
| Sermion | 2.3 | 2.1 | (0.2) | (10.0) | 3.8 | 54.6 |
| Omeprazon | 1.6 | 1.5 | 0.0 | (1.4) | 2.8 | 55.2 |
| Neuart | 1.4 | 1.4 | (0.1) | (3.5) | 2.8 | 49.6 |
| Novastan | 0.8 | 0.8 | 0.0 | (1.1) | 1.6 | 49.4 |
| Vaccine | 5.4 | 6.3 | 0.8 | 15.5 | 10.5 | 60.1 |
| [Mearubik] | [4.6] | [4.9] | [0.3] | [6.9] | [7.3] | [67.0] |
| [Influenza] | [0.0] | [0.0] | [0.0] | [-] | [1.2] | [(0.3)] |
| Generic Drugs*1 | 1.0 | 1.8 | 0.8 | 79.1 | 3.6 | 49.3 |
| Ethical drugs overseas sales | 6.6 | 5.3 | (1.3) | (19.9) | 11.0 | 47.7 |
| Herbesser | 1.5 | 1.2 | (0.3) | (18.5) | 2.3 | 51.0 |
| Argatroban (Novastan) | 1.0 | 0.8 | (0.1) | (15.0) | 1.7 | 48.5 |
| Tanatril | 0.7 | 0.4 | (0.2) | (37.3) | 1.1 | 36.7 |
| Vaccine | 0.5 | 0.3 | (0.2) | (33.7) | 0.6 | 55.6 |
| Contracted manufacturing products*2 | 3.7 | 2.6 | (1.1) | (29.3) | 5.1 | 51.3 |
| Licensing Fee, etc. | 1.1 | 0.3 | (0.8) | (70.4) | 1.4 | 24.1 |
| OTC drugs | 1.3 | 1.1 | (0.1) | (10.3) | 3.0 | 37.9 |
| Pharmaceuticals | 100.6 | 98.2 | (2.4) | (2.4) | 193.0 | 50.9 |
| Other businesses | 7.6 | 2.6 | (5.0) | (66.0) | 6.5 | 39.8 |
| Total | 108.2 | 100.8 | (7.5) | (6.9) | 199.5 | 50.5 |

*1: Sold by Tanabe Seiyaku Hanbai Co., Ltd

*2: Active pharmaceutical ingredients, etc. ordered by other companies

3. Quarterly Trend for FY2008 and FY2009 (P/L)

(Billion yen)

| | FY2008 | | | | | FY2009 | | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------------|----------------------------|
| | Q1 Apr. to Jun. | Q2 Jul. to Sep. | Q3 Oct. to Dec. | Q4 Jan. to Mar. | Total | Q1 Apr. to Jun. | Forecasts for 1st half | Forecasts for full year |
| Net sales | 108.2 26.1% | 98.1 23.7% | 119.0 28.7% | 89.4 21.6% | 414.8 100.0% | 100.8 24.7% | 199.5 48.9% | 408.0 100.0% |
| [Domestic] | [99.2] [26.1%] | [88.1] [23.2%] | [110.1] [29.0%] | [82.2] [21.6%] | [379.5] [100.0%] | [94.5] [24.8%] | [186.0] [48.9%] | [380.5] [100.0%] |
| [Overseas] | [9.1] [25.8%] | [10.0] [28.3%] | [8.9] [25.3%] | [7.3] [20.6%] | [35.2] [100.0%] | [6.2] [22.7%] | [13.5] [49.1%] | [27.5] [100.0%] |
| Pharmaceuticals | 100.6 26.0% | 90.3 23.3% | 111.5 28.8% | 84.8 21.9% | 387.2 100.0% | 98.2 24.8% | 193.0 48.8% | 395.5 100.0% |
| [Domestic] | [93.7] [26.1%] | [82.7] [23.0%] | [104.6] [29.1%] | [78.4] [21.8%] | [359.4] [100.0%] | [92.8] [24.9%] | [181.5] [48.8%] | [372.0] [100.0%] |
| [Overseas] | [6.9] [24.9%] | [7.6] [27.4%] | [6.9] [24.9%] | [6.3] [22.7%] | [27.9] [100.0%] | [5.4] [23.1%] | [11.5] [48.9%] | [23.5] [100.0%] |
| Other businesses | 7.6 27.7% | 7.8 28.2% | 7.5 27.1% | 4.7 17.0% | 27.5 100.0% | 2.6 20.7% | 6.5 52.0% | 12.5 100.0% |
| [Domestic] | [5.5] [27.2%] | [5.5] [27.0%] | [5.5] [27.3%] | [3.7] [18.5%] | [20.2] [100.0%] | [1.8] [20.7%] | [4.5] [52.9%] | [8.5] [100.0%] |
| [Overseas] | [2.1] [29.0%] | [2.3] [31.4%] | [2.0] [26.7%] | [0.9] [12.9%] | [7.4] [100.0%] | [0.8] [20.7%] | [2.0] [50.0%] | [4.0] [100.0%] |
| Cost of sales | 39.6 | 39.4 | 45.0 | 34.3 | 158.2 | 35.9 | 74.0 | 147.5 |
| % of net sales | 36.6% | 40.1% | 37.8% | 38.3% | 38.1% | 35.6% | 37.1% | 36.2% |
| SG & A expenses | 43.3 23.4% | 50.0 27.1% | 43.0 23.3% | 48.6 26.3% | 184.9 100.0% | 42.3 21.5% | 103.0 52.3% | 197.0 100.0% |
| R&D expenses | 16.3 22.3% | 21.3 29.2% | 16.3 22.3% | 19.2 26.3% | 73.1 100.0% | 16.2 18.8% | 47.0 54.7% | 86.0 100.0% |
| Labor costs | 12.6 25.1% | 12.7 25.4% | 12.3 24.5% | 12.5 25.0% | 50.0 100.0% | 12.7 25.0% | 25.6 50.5% | 50.7 100.0% |
| Sales promotion expenses | 2.3 19.9% | 3.4 29.1% | 3.0 25.5% | 3.0 25.5% | 11.7 100.0% | 2.3 20.0% | 5.8 50.4% | 11.5 100.0% |
| Amortization of goodwill | 2.5 25.0% | 2.5 25.0% | 2.5 25.0% | 2.5 25.0% | 10.1 100.0% | 2.5 25.3% | 5.0 50.0% | 10.0 100.0% |
| Other | 9.6 24.0% | 10.1 25.3% | 8.9 22.3% | 11.3 28.4% | 40.0 100.0% | 8.6 22.2% | 19.6 50.5% | 38.8 100.0% |
| Operating income | 25.4 35.4% | 8.7 12.1% | 31.0 43.3% | 6.6 9.2% | 71.7 100.0% | 22.6 35.6% | 22.5 35.4% | 63.5 100.0% |
| Ordinary income | 25.9 35.7% | 9.2 12.7% | 31.2 43.0% | 6.2 8.5% | 72.6 100.0% | 23.1 36.3% | 22.5 35.4% | 63.5 100.0% |
| Net income | 14.6 55.2% | 1.7 6.5% | 15.7 59.3% | (5.6) (21.0%) | 26.5 100.0% | 11.4 35.0% | 10.0 30.8% | 32.5 100.0% |

The each figure (excluding Cost of sales) in the lower displays the progress rate.

4. Quarterly Trend for FY2008 and FY2009 (Sales of Main Products)

(Billion yen)

| | FY2008 | | | | | FY2009 | | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|----------|--------------------|---------------------------|----------------------------|
| | Q1 Apr. to Jun. | Q2 Jul. to Sep. | Q3 Oct. to Dec. | Q4 Jan. to Mar. | Total | Q1 Apr. to Jun. | Forecasts for 1st half | Forecasts for full year |
| Ethical drugs | 99.4 | 88.7 | 110.2 | 83.7 | 381.9 | 97.1 | 190.0 | 390.0 |
| | 26.0% | 23.2% | 28.8% | 21.9% | 100.0% | 24.9% | 48.7% | 100.0% |
| Ethical drugs domestic sales | 88.0 | 77.1 | 98.5 | 71.8 | 335.4 | 88.9 | 172.5 | 353.5 |
| | 26.2% | 23.0% | 29.4% | 21.4% | 100.0% | 25.1% | 48.8% | 100.0% |
| Remicade | 8.9 | 8.9 | 10.9 | 8.7 | 37.4 | 10.3 | 22.7 | 46.8 |
| | 23.7% | 23.8% | 29.2% | 23.4% | 100.0% | 22.1% | 48.4% | 100.0% |
| Radicut | 7.3 | 6.5 | 8.4 | 5.8 | 28.1 | 7.2 | 13.8 | 27.6 |
| | 26.1% | 23.3% | 30.0% | 20.7% | 100.0% | 26.0% | 50.1% | 100.0% |
| Anplag | 4.9 | 4.2 | 5.4 | 4.0 | 18.5 | 5.1 | 9.9 | 19.6 |
| | 26.5% | 22.5% | 29.1% | 21.8% | 100.0% | 26.0% | 50.2% | 100.0% |
| Ceredist | 4.3 | 3.8 | 4.7 | 3.4 | 16.2 | 4.4 | 8.6 | 17.0 |
| | 26.7% | 23.6% | 28.7% | 21.0% | 100.0% | 26.0% | 50.4% | 100.0% |
| Urso | 4.3 | 3.8 | 4.6 | 3.5 | 16.2 | 4.3 | 8.2 | 16.8 |
| | 26.4% | 23.3% | 28.6% | 21.8% | 100.0% | 25.8% | 49.2% | 100.0% |
| Tanatril | 3.4 | 2.7 | 3.5 | 2.4 | 11.9 | 3.2 | 6.0 | 11.6 |
| | 28.6% | 22.3% | 29.0% | 20.1% | 100.0% | 27.3% | 51.7% | 100.0% |
| Depas | 3.1 | 2.8 | 3.4 | 2.5 | 11.8 | 3.1 | 5.9 | 11.9 |
| | 26.4% | 23.6% | 28.4% | 21.5% | 100.0% | 26.1% | 49.4% | 100.0% |
| Herbesser | 3.3 | 2.7 | 3.4 | 2.4 | 11.9 | 3.0 | 5.7 | 11.5 |
| | 27.7% | 22.9% | 28.9% | 20.5% | 100.0% | 26.2% | 49.9% | 100.0% |
| Maintate | 2.7 | 2.3 | 2.9 | 2.2 | 10.2 | 2.9 | 5.3 | 10.6 |
| | 26.6% | 22.7% | 28.8% | 22.0% | 100.0% | 27.1% | 49.4% | 100.0% |
| Venoglobulin-IH | 2.9 | 2.6 | 3.4 | 2.1 | 11.0 | 2.5 | 5.2 | 10.4 |
| | 26.4% | 23.9% | 31.0% | 18.7% | 100.0% | 24.4% | 49.8% | 100.0% |
| Talion | 2.1 | 1.5 | 2.5 | 4.4 | 10.4 | 2.4 | 4.1 | 12.2 |
| | 19.8% | 14.1% | 24.1% | 42.0% | 100.0% | 19.4% | 33.7% | 100.0% |
| Liple | 2.3 | 2.0 | 2.5 | 1.9 | 8.7 | 2.2 | 4.2 | 8.5 |
| | 26.6% | 22.7% | 29.3% | 21.5% | 100.0% | 25.9% | 48.9% | 100.0% |
| Sermion | 2.3 | 1.9 | 2.3 | 1.6 | 8.1 | 2.1 | 3.8 | 7.4 |
| | 28.2% | 23.2% | 28.7% | 19.9% | 100.0% | 27.7% | 50.7% | 100.0% |
| Omeprazon | 1.6 | 1.3 | 1.7 | 1.2 | 5.7 | 1.5 | 2.8 | 5.6 |
| | 27.1% | 22.7% | 29.2% | 21.0% | 100.0% | 27.4% | 49.7% | 100.0% |
| Neuart | 1.4 | 1.4 | 1.8 | 1.0 | 5.7 | 1.4 | 2.8 | 5.7 |
| | 25.4% | 24.0% | 32.3% | 18.3% | 100.0% | 24.3% | 49.1% | 100.0% |
| Novastan | 0.8 | 0.7 | 0.9 | 0.6 | 3.0 | 0.8 | 1.6 | 2.9 |
| | 26.3% | 23.6% | 30.2% | 19.9% | 100.0% | 26.9% | 54.4% | 100.0% |
| Vaccine | 5.4 | 4.8 | 7.3 | 4.0 | 21.5 | 6.3 | 10.5 | 21.2 |
| | 25.3% | 22.5% | 33.8% | 18.4% | 100.0% | 29.6% | 49.3% | 100.0% |
| [Mearubik] | [4.6] | [2.6] | [1.9] | [2.7] | [11.8] | [4.9] | [7.3] | [11.5] |
| | [38.8%] | [22.1%] | [16.0%] | [23.1%] | [100.0%] | [42.7%] | [63.7%] | [100.0%] |
| [Influenza] | [0.0] | [1.4] | [4.9] | [0.5] | [6.7] | [0.0] | [1.2] | [6.4] |
| | [(0.2%)] | [20.4%] | [72.8%] | [7.0%] | [100.0%] | [(0.0%)] | [18.6%] | [100.0%] |
| Generic Drugs*2 | 1.0 | 0.9 | 1.1 | 0.9 | 4.0 | 1.8 | 3.6 | 9.0 |
| | 25.3% | 23.7% | 28.0% | 23.1% | 100.0% | 20.0% | 40.5% | 100.0% |
| Ethical drugs overseas sales | 6.6 | 6.8 | 6.1 | 5.7 | 25.3 | 5.3 | 11.0 | 22.5 |
| | 25.9% | 27.1% | 24.3% | 22.6% | 100.0% | 23.3% | 48.9% | 100.0% |
| Herbesser | 1.5 | 1.6 | 1.1 | 1.2 | 5.4 | 1.2 | 2.3 | 4.5 |
| | 27.4% | 29.8% | 20.5% | 22.3% | 100.0% | 26.3% | 51.7% | 100.0% |
| Argatroban (Novastan) | 1.0 | 1.0 | 0.8 | 0.9 | 3.7 | 0.8 | 1.7 | 3.5 |
| | 26.9% | 26.2% | 21.5% | 25.4% | 100.0% | 24.4% | 50.3% | 100.0% |
| Tanatril | 0.7 | 0.6 | 0.5 | 0.5 | 2.3 | 0.4 | 1.1 | 2.2 |
| | 29.1% | 25.9% | 23.5% | 21.5% | 100.0% | 18.8% | 51.2% | 100.0% |
| Vaccine | 0.5 | 0.7 | 0.3 | 0.3 | 1.7 | 0.3 | 0.6 | 1.2 |
| | 29.6% | 38.1% | 17.1% | 15.3% | 100.0% | 27.4% | 49.2% | 100.0% |
| Contracted Manufacturing Products*3 | 3.7 | 3.6 | 4.8 | 5.4 | 17.5 | 2.6 | 5.1 | 10.3 |
| | 21.1% | 20.7% | 27.6% | 30.7% | 100.0% | 25.4% | 49.5% | 100.0% |
| Licensing Fee, etc. | 1.1 | 1.1 | 0.6 | 0.8 | 3.7 | 0.3 | 1.4 | 3.7 |
| | 30.9% | 30.8% | 17.1% | 21.1% | 100.0% | 9.1% | 37.8% | 100.0% |
| OTC Drugs | 1.3 | 1.6 | 1.3 | 1.1 | 5.3 | 1.1 | 3.0 | 5.5 |
| | 24.0% | 30.2% | 25.5% | 20.3% | 100.0% | 20.7% | 54.5% | 100.0% |
| Pharmaceuticals | 100.6 | 90.3 | 111.5 | 84.8 | 387.2 | 98.2 | 193.0 | 395.5 |
| | 26.0% | 23.3% | 28.8% | 21.9% | 100.0% | 24.8% | 48.8% | 100.0% |
| Other Businesses | 7.6 | 7.8 | 7.5 | 4.7 | 27.5 | 2.6 | 6.5 | 12.5 |
| | 27.7% | 28.2% | 27.1% | 17.0% | 100.0% | 20.7% | 52.0% | 100.0% |
| Total | 108.2 | 98.1 | 119.0 | 89.4 | 414.8 | 100.8 | 199.5 | 408.0 |
| | 26.1% | 23.7% | 28.7% | 21.6% | 100.0% | 24.7% | 48.9% | 100.0% |

*1: The each figure in the lower displays the progress rate.

*2: Sold by Tanabe Seiyaku Hanbai Co., Ltd.

*3: Active pharmaceutical ingredients, etc. ordered by other companies

State of New Product Development (as of July 30, 2009)

1. Pipeline in Japan

(1) New Molecular Entities

| Development code (Generic name) | Category (Indications) | Stage | Origin | Remarks |
|---------------------------------------|---|--------------------------|-----------------------------|---|
| TA-8317 / ACREF (Fentanyl citrate) | Narcotic analgesic (Breakthrough cancer pain: oral transmucosal) | NDA filed (Aug. 2008) | US:Cephalon | |
| MCC-847 (Masilukast) | Leukotriene D4 antagonist (Asthma) (Allergic rhinitis) | Phase 3 Phase 2 | UK: AstraZeneca | |
| MP-424 (Telaprevir) | NS3-4A protease inhibitor (Chronic hepatitis C) | Phase 3 | US:Vertex | |
| APTA-2217 (Roflumilast) | PDE4 inhibitor (Asthma) (COPD) | Phase 2/3 Phase 2/3 | Switzerland: Nycomed | Co-development -Nycomed |
| CNT0148 (Golimumab) | Anti-TNF α monoclonal antibody (Rheumatoid arthritis) | Phase 2/3 | US:Centocor | Co-development -Janssen Pharma |
| FTY720 (Fingolimod hydrochloride) | Sphingosine-1-phosphate receptor modulator (Multiple Sclerosis*) | Phase 2 | In-house | Co-development -Novartis Pharma -Mitsui Sugar |
| MP-513 (Teneligliptin) | DPP4 Inhibitor (Type 2 Diabetes mellitus) | Phase 2 | In-house | |
| MP-214 (Cariprazine) | D3/D2 antagonist (Schizophrenia) | Phase 2 | Hungary: Gedeon- Richter | |
| MP-435 | C5a antagonist (Rheumatoid arthritis) | Phase 1 | In-house | |
| TA-6666 | DPP4 inhibitor (Type 2 Diabetes mellitus) | Phase 1 | In-house | |
| TA-7284 (Canagliflozin) | SGLT2 inhibitor (Diabetes mellitus) | Phase 1 | In-house | |

*: Orphan drug designated

(2) Additional Indications

| Product name (Generic name) | Category (Indications) | Stage | Origin | Remarks |
|--|--|---------------------------|---------------------------|------------------------------------|
| Venoglobulin-IH (Polyethylene glycol treated human normal immunoglobulin) | Human immunoglobulin G (IgG2 deficiency) | sNDA filed (Dec. 1997) | In-house | |
| | (Polymyositis, Dermatomyositis*) | sNDA filed (May 2003) | | |
| | (Hypo and gammagloblinemia: additional dose) | sNDA filed (Mar. 2008) | | |
| | (Systemic scleroderma) | Phase 3 | | |
| | (Myasthenia gravis) | Phase 3 | | |
| Remicade (Infliximab(recombinant)) | Anti-TNF α monoclonal antibody (Psoriasis) | sNDA filed (Feb. 2008) | US:Centocor | |
| | (Ankylosing spondylitis*) | sNDA filed (Sep. 2008) | | |
| | (Ulcerative colitis) | sNDA filed (June 2009) | | |
| | (Crohn's disease: dose escalation) | Phase 3 | | |
| | | | | |
| Pazucross (Pazufloxacin mesilate) | New quinolone antibacterial agent (Severe or intractable case: additional dose) (Sepsis, Pneumococcus) | sNDA filed (June 2009) | Japan: Toyama Chemical | Co-development -Toyama Chemical |
| Modiodal (Modafinil) | Psychoneurotic agent (Obstructive sleep apnea) | Phase 3 | US:Cephalon | Co-development -Alfresa Pharma |
| Radicut (Edaravone) | Free radical scavenger (Amyotrophic lateral sclerosis*) | Phase 3 | In-house | |
| Maintate (Bisoprolol) | Selective β 1 antagonist (Chronic heart failure) | Phase 3 | Germany: Merck KGaA | |
| Cholebine (Colestimide(JAN)) | Bile acid signal regulation (Type 2 Diabetes mellitus) | Phase 2 | In-house | |
| | Non-absorbed phosphate binder (Hyperphosphatemia) | Phase 1 | | |

*: Orphan drug designated

2. Pipeline Overseas

(1) New Molecular Entities

| Development code (Generic name) | Category (Indications) | Region | Stage | Origin | Region |
|---|--|------------|---------|-----------------------|--------|
| MCI-196 (Colestilan(INN)) | Non-absorbed phosphate binder (Hyperphosphatemia) | US, EU | Phase 3 | In-house | |
| MP-146 | Uremic toxin adsorbent (Chronic kidney disease) | US, EU | Phase 3 | Japan:Kureha | |
| TA-6666 | DPP4 inhibitor (Type 2 Diabetes mellitus) | US | Phase 2 | In-house | |
| TA-5538 | NK-1 receptor antagonist (Overactive bladder) | EU | Phase 2 | In-house | |
| MCC-135 (Caldaret) | Intracellular Ca handling modulator (Myocardial infarction) | US, EU | Phase 2 | In-house | |
| MCC-257 | Neurotrophin enhancer (Diabetic neuropathy) | US | Phase 2 | In-house | |
| MT-2832 | Vitamin D analog (Secondary hyperparathyroidism) | US, Canada | Phase 2 | Canada: Cytochroma | |
| MCI-186 (Edaravone) | Free radical scavenger (Acute Ischemic Stroke) | EU | Phase 2 | In-house | |
| TA-5493 | p38 inhibitor (Rheumatoid arthritis, Psoriasis) | EU | Phase 1 | In-house | |
| MP-513 (Teneligliptin) | DPP4 inhibitor (Type 2 Diabetes mellitus) | US, EU | Phase 1 | In-house | |
| GB-1057 (Human serum albumin [recombinant]) | Recombinant human serum albumin (Stabilizing agent) | US | Phase 1 | In-house | |
| TA-8995 | CETP inhibitor (Dyslipidemia) | EU | Phase 1 | In-house | |
| MP-124 | PARP inhibitor (Acute Ischemic Stroke) | US | Phase 1 | In-house | |
| MP-136 | PPAR alpha agonist (Dyslipidemia) | EU | Phase 1 | In-house | |

(2) Additional Indications

| Development code (Generic name) | Category (Indications) | Region | Stage | Origin | Remarks |
|------------------------------------|---|--------|-----------------------|----------|---------|
| MCI-9038 (Argatroban) | Thrombin inhibitor (HIT Patients undergoing percutaneous coronary intervention(PCI): additional dose) | EU | sNDA (May 2009) | In-house | |
| | (Heparin-induced thrombocytopenia (HIT)) | EU | Preparing for sNDA | | |

3. Licensing-out

| Development code (Generic name) | Category (Indications) | Region | Stage | Licensee |
|--------------------------------------|---|--------|---------|---|
| FTY720 (Fingolimod hydrochloride) | Sphingosine 1-phosphate receptor agonist (Multiple sclerosis) | US, EU | Phase 3 | Switzerland:Novartis Pharma |
| TA-1790 (Avanafil) | PDE5 inhibitor (Erectile dysfunction) | US | Phase 3 | US:VIVUS |
| | | Korea | Phase 3 | Korea:Choongwae Pharma |
| T-0047 (Fingolimod) | Cell adhesion inhibitor[$\alpha4\beta7/\alpha4\beta1$ inhibitor] (Multiple sclerosis) | EU | Phase 2 | UK:GlaxoSmithKline |
| TA-7284 (Canagliflozin) | SGLT2 inhibitor (Diabetes mellitus, Obesity) | EU, US | Phase 2 | US: Johnson & Johnson Pharmaceutical Research & Development, L.L.C. |
| MKC-242 | 5-HT1A receptor agonist (Insomnia) | US | Phase 2 | US:MediciNova |
| TA-2005 Carmoterol | Long-acting $\beta2$ agonist (Asthma, COPD) | EU | Phase 2 | Italy:Chiesi Farmaceutici |
| MKC-231 | Neurogenesis enhancer (Depression/Anxiety) | US | Phase 2 | US:BrainCells |
| Y-39983 | ROCK (rho-kinase) inhibitor (Glaucoma) | Japan | Phase 2 | Japan: Senju Pharmaceutical |
| MT-210 | 5-HT2A/ Sigma 2 antagonist (Schizophrenia) | EU | Phase 2 | France: Index/Cyrenaic |
| T-0128 | DNA Topoisomerase I inhibitor[DDS drug camptothecin derivative] (Malignant tumor) | EU | Phase 1 | Italy:Menarini |
| sTU-199 (Tenatoprazole) | Proton pump inhibitor (Gastroesophageal reflux disease) | EU | Phase 1 | France:Negma (Sidem) |
| MP-412 | Tyrosine kinase inhibitor (Malignant tumor) | US | Phase 1 | US:AVEO Pharmaceuticals |
| TT-138 | $\beta3$ receptor agonist (Pollakiuria, Anischuria) | US | Phase 1 | US:MediciNova |

4. Changes Since Previous Announcement on May 8, 2009

| Product name Development code (Generic name) | Category (Indications) | As of May. 8, 2009 | As of July 30, 2009 |
|--|--|---------------------------|---------------------------|
| Valixa (Valganciclovir) | Antiviral (Post- transplantation cytomegalovirus infection) | sNDA filed (June 2008) | Approved (May, 2009) |
| Ceredist (Taltirelin hydrate) | Spinocerebellar degeneration remedy (Orally disintegrating tablet: additional formulation) | sNDA filed (July 2008) | Approved (June, 2009) |
| Remicade (Infliximab(recombinant)) | Anti-TNF α monoclonal antibody (Rheumatoid arthritis: dose escalation) (Rheumatoid arthritis (including prevention of structural joint damage: additional indication) | sNDA filed (Sep. 2007) | Approved (July, 2009) |
| | (Ulcerative colitis) | Phase 3 in Japan | sNDA filed (June 2009) |
| Pazucross (Pazufloxacin mesilate) | New quinolone antibacterial agent (Severe or intractable case: additional dose) (Sepsis, Pneumococcus) | Phase 3 in Japan | sNDA filed (June 2009) |
| TA-1790 (Avanafil) | PDE5 inhibitor (Erectile dysfunction) | Phase 2 in Korea | Phase 3 in Korea |
| MCI-186 (Edaravone) | Free radical scavenger (Acute Ischemic Stroke) | Phase 1 in EU | Phase 2 in EU |
| MT-210 | 5-HT _{2A} / Sigma 2 antagonist (Schizophrenia) | None | Phase 2 in EU |