



Mitsubishi Tanabe Pharma Corporation

Dynamic Synergy for 2015

February 24, 2009
The 6th Annual CLSA Japan Forum

Board Director
Executive Vice President
Michihiro Tsuchiya, Ph.D.

Agenda

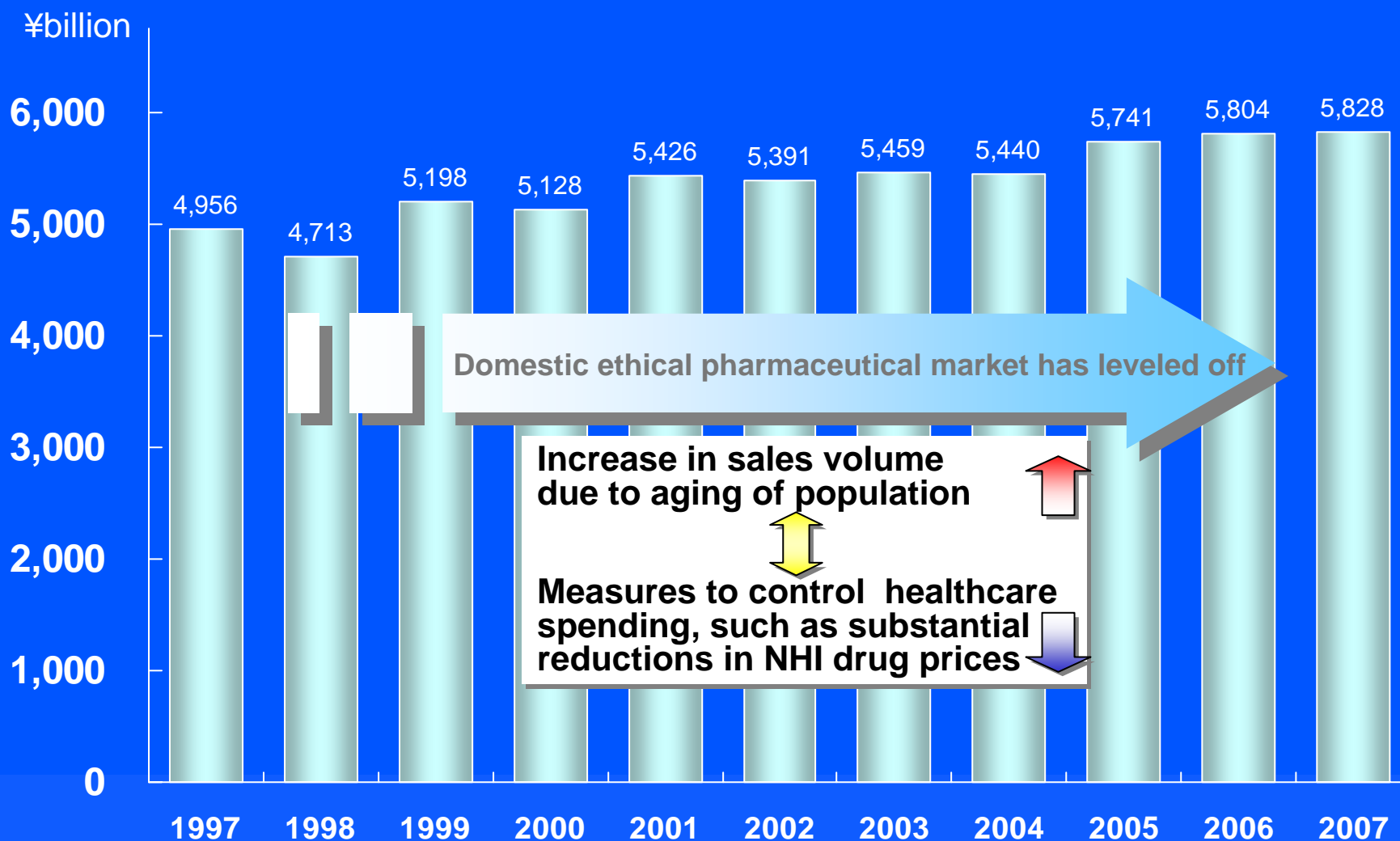
- **Mitsubishi Tanabe Pharma Start**
 - **Pharmaceutical Market Environment**
 - **Background to the Merger**
- **Medium-Term Management Plan 08-10**
 - **Numerical Targets**
 - **Steady Income Base**
 - **New Growth Drivers**





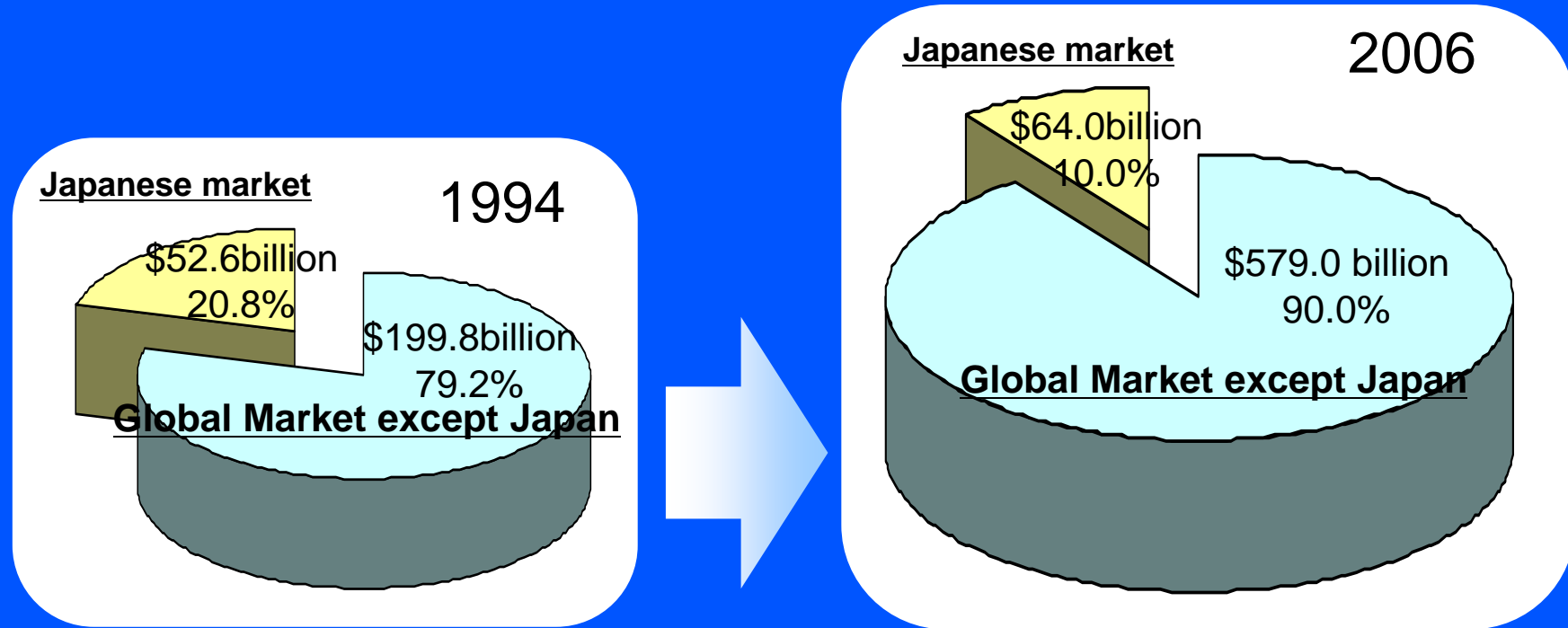
Mitsubishi Tanabe Pharma
Start on
October 1, 2007

Ethical Pharmaceutical Production in Japan



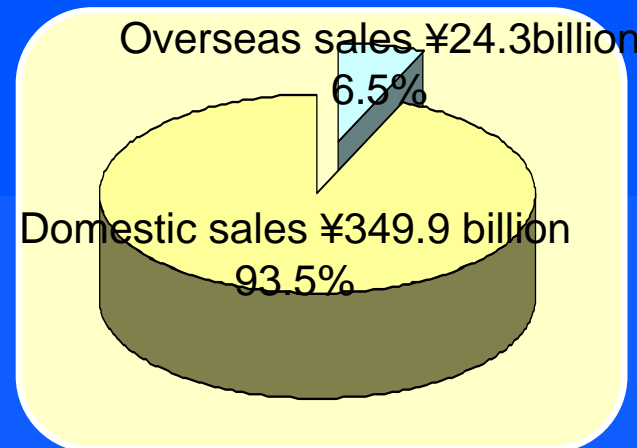
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Drug price revision		-4.4%	-9.7%	-7.0%		-6.3%		-4.2%		-6.2%	

Japanese Share of the Global Market



News release, IMS Health

FY2006
Mitsubishi Tanabe Pharma
Pharmaceutical Business
¥374.2billion



Background to the Merger

Pharmaceutical industry is one of the most important industries for supporting Japanese economic growth

- Increased medical needs in an aging population
- Progress of technological innovations of life science

- Medical cost reduction policy
- Intensifying global competitiveness in R&D

Sustainable growth

Drug discovery capabilities
Overseas business development
Business opportunities responding the changing medical environment

- Expand the business scale & Strengthen the business base
- Become a top-tier pharmaceutical company in Japan

Mitsubishi Tanabe Pharma





Medium-Term Management Plan 08-10

Dynamic Synergy for 2015

Fiscal 2010 Numerical Targets

Unit: ¥billion

	FY2007 (actual)*	FY2010 (targets)	Increase Decrease
Net sales	409.4	460.0	+ 50.6
Operating income	72.5	95.0	+ 22.5
Net income	31.9	56.0	+ 24.1
R&D expenses	72.3	82.0	+ 9.7
Number of employees	10,361 employees	9,400 employees	-961 employees
Cost Synergies		24.0	

*FY2007 figures are simple sums except number of employees (total number of employees before the merger).



Steady Income Base

- ◆ **Enhancing our presence in domestic marketing**
- ◆ **Maximizing the product value of Remicade**
- ◆ **Early realization of the merger cost synergy**



New Growth Drivers

- ◆ **Steady progress in key development projects**
 - Multiple sclerosis (FTY720, T-0047)
 - Diabetes mellitus (MP-513, TA-7284)
 - Chronic hepatitis C (MP-424)
 - Renal diseases in the U.S. & EU
(MCI-196, MP-146, CTA018)

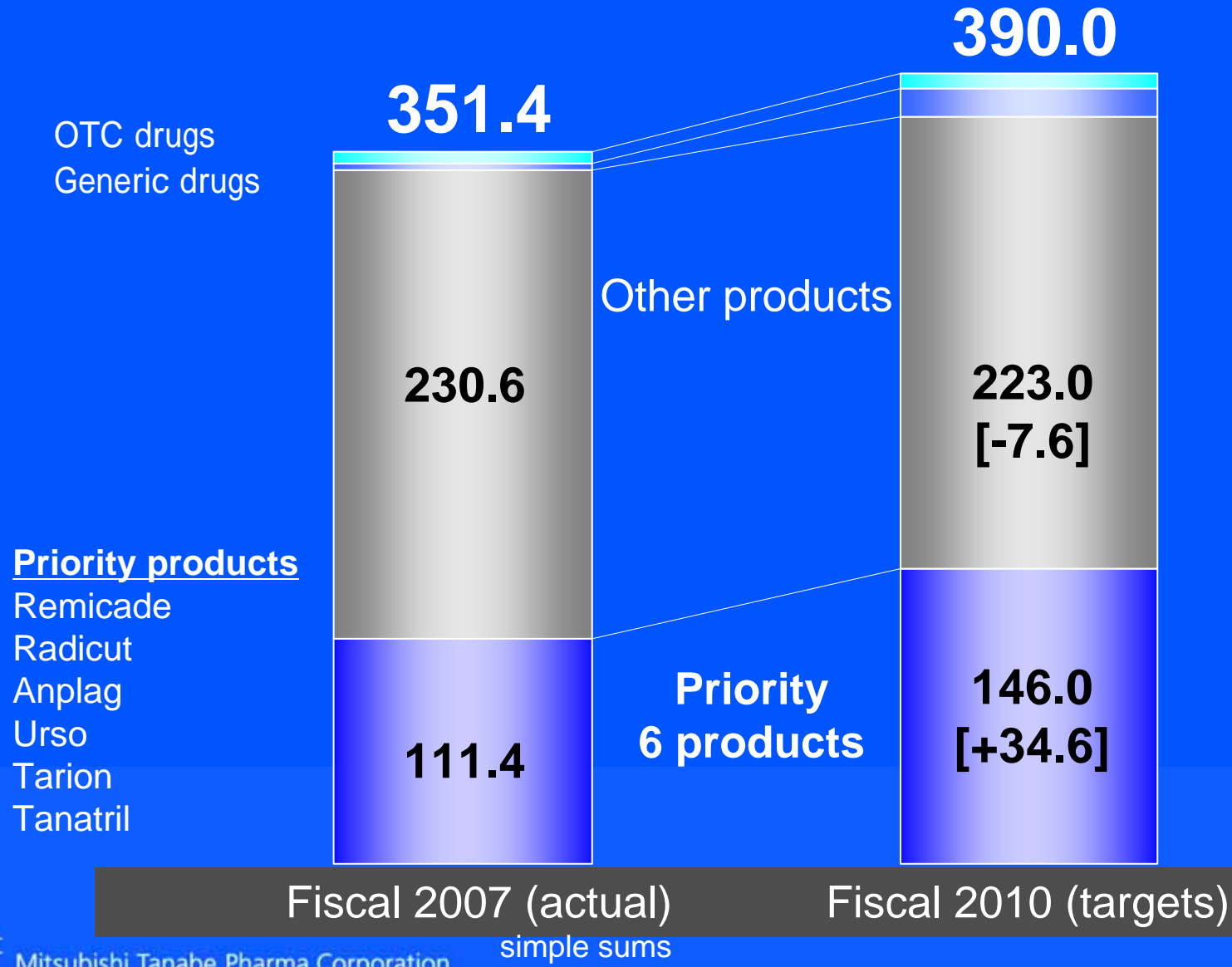
- ◆ **Progress in developing overseas pharmaceutical operations**



Sales Targets for Domestic Pharmaceutical Business

- Steady Income Base -

Unit: ¥billion



Remicade Sales Growth and LCM

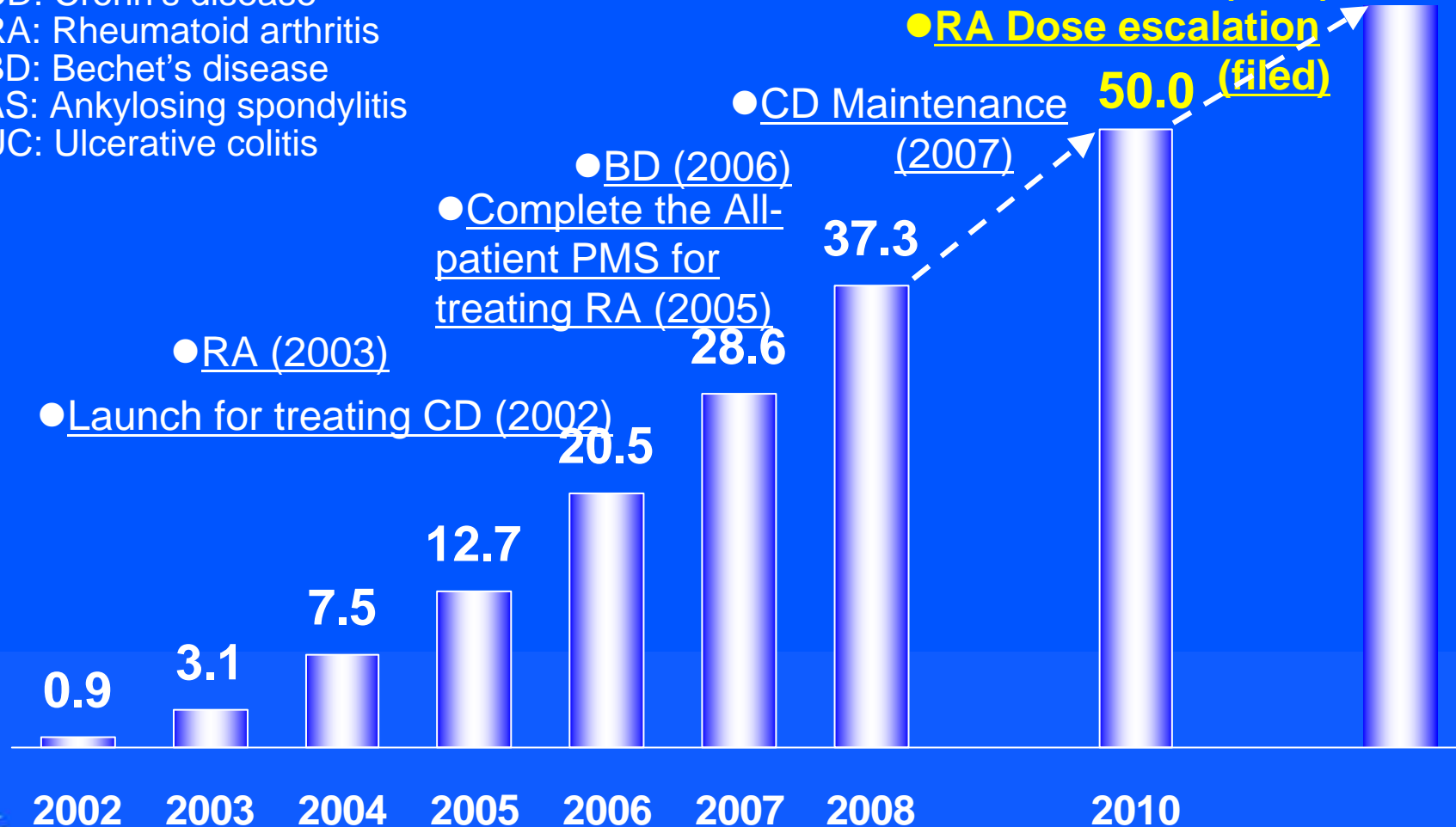
- Steady Income Base -

Unit: ¥billion

CD: Crohn's disease
 RA: Rheumatoid arthritis
 BD: Bechet's disease
 AS: Ankylosing spondylitis
 UC: Ulcerative colitis

○ CD Dose escalation
 ○ UC (P3) (P3)

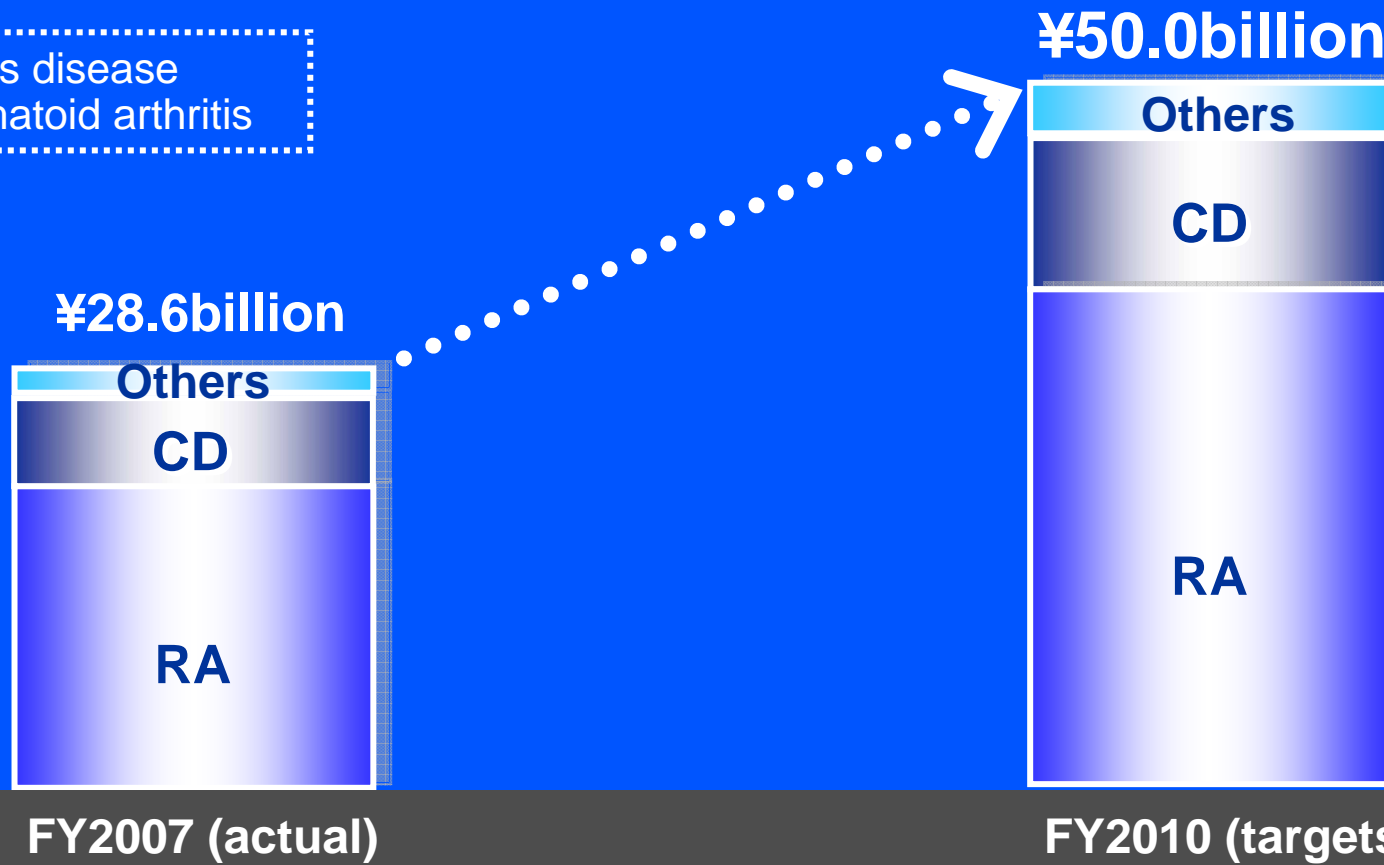
● AS (filed)
 ● Psoriasis (filed)
 ● RA Dose escalation (filed)



Maximizing the Product Value of Remicade

- Steady Income Base -

CD: Crohn's disease
RA: Rheumatoid arthritis



Sales forces

Increase in number of Specialists

Improving quality

LCM

RA Dose escalation

Psoriasis

Ulcerative colitis

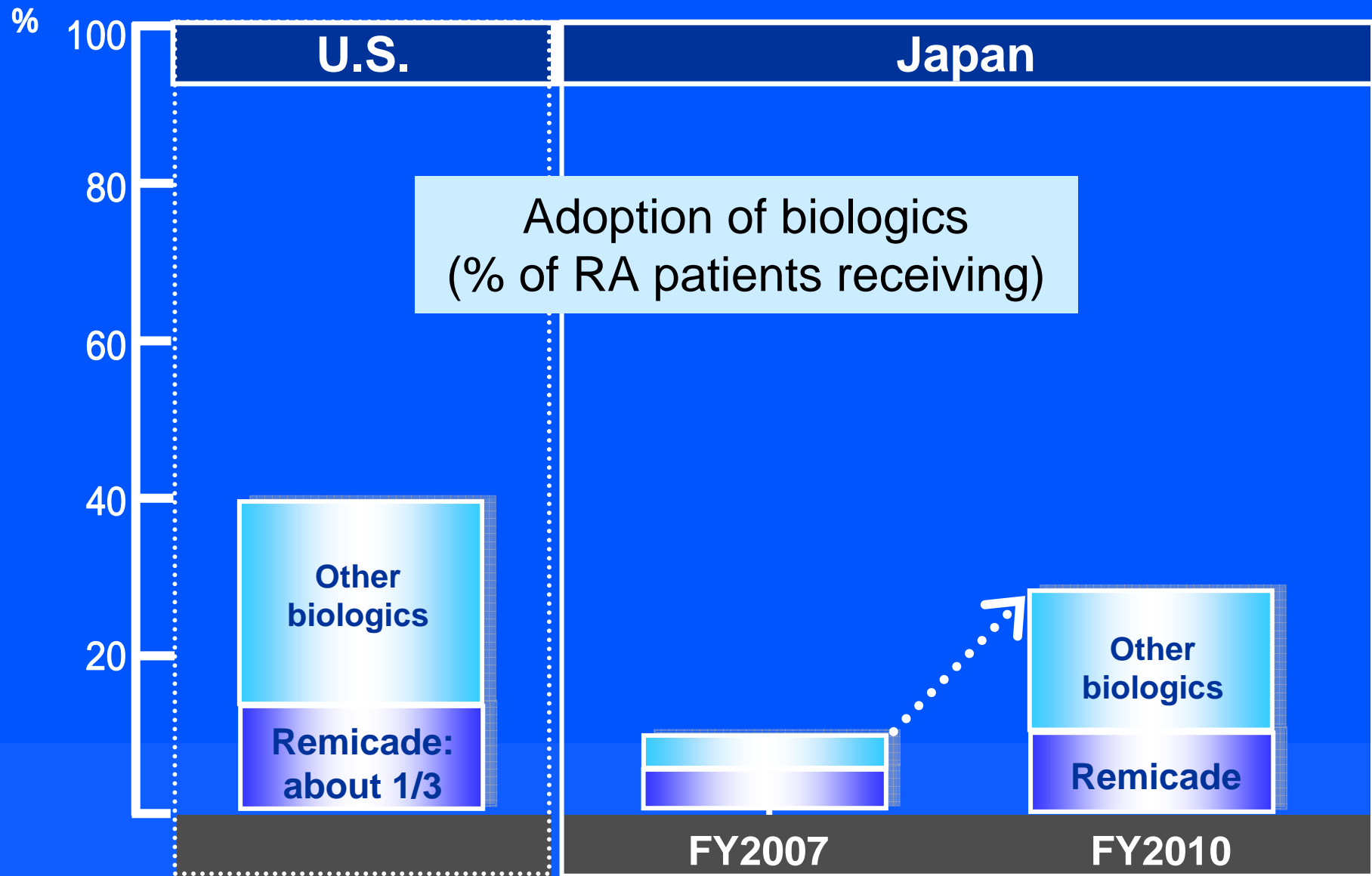
Ankylosing spondylitis

CD Dose escalation



Market potential of biological agents in RA market

- Steady Income Base -



Cost Synergy

- Steady Income Base -

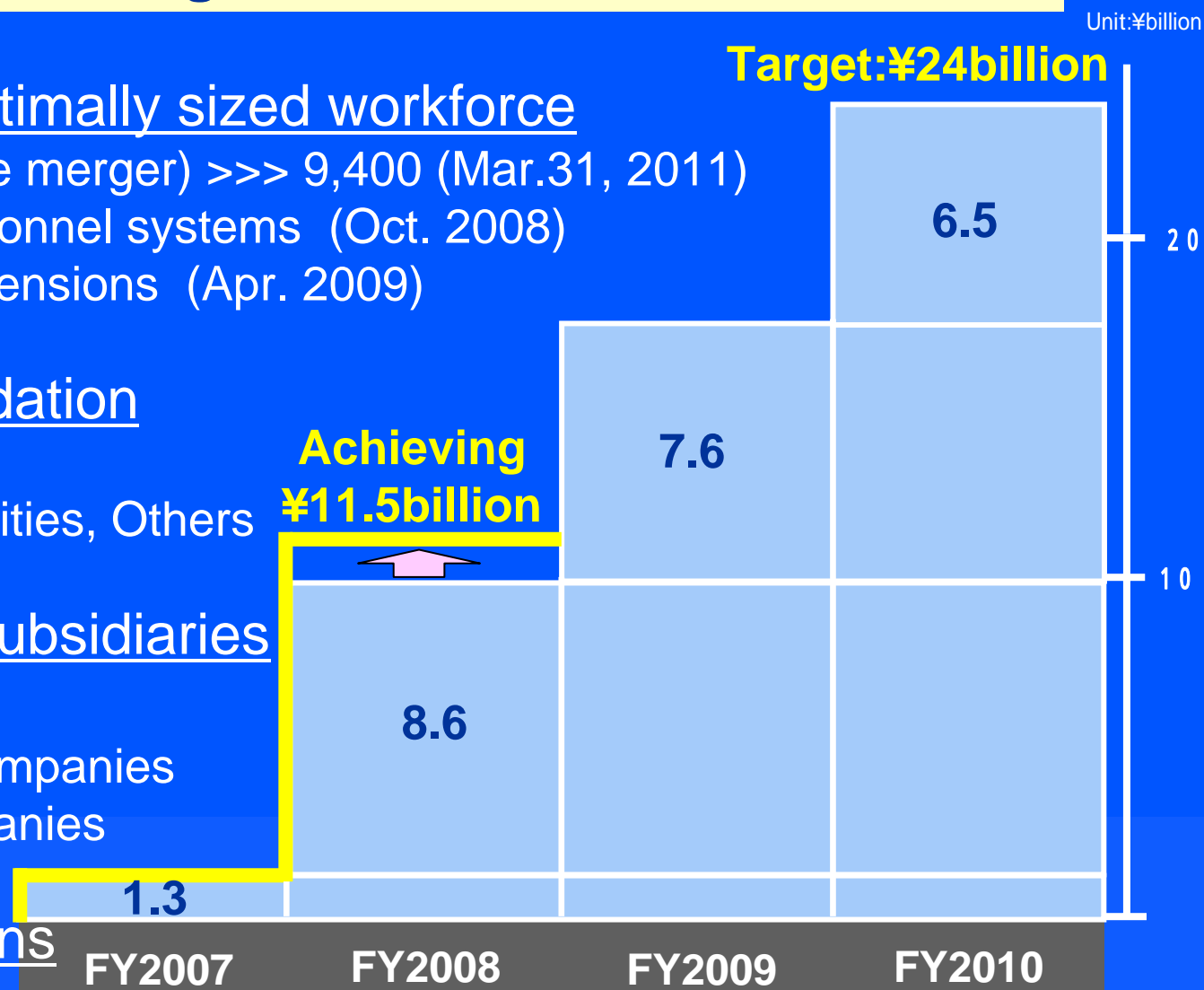
Creating an efficient organization and cost structure

- ◆ Ensure an optimally sized workforce
 - 10,500 (before merger) >>> 9,400 (Mar.31, 2011)
 - Integrate personnel systems (Oct. 2008)
 - Consolidate pensions (Apr. 2009)

- ◆ Base consolidation
 - Head office, Research facilities, Others

- ◆ Reorganize subsidiaries and affiliates
 - Production companies
 - Service companies

- ◆ Cost reductions



New Growth Drivers

Fiscal 2010

Domestic pharmaceutical operations
(Key products)

Remicade (RA, CD, BD)
(Anti-TNF monoclonal antibody)

Radicut (Cerebral neuroprotectant)
(Free radical scavenger)

Anplag
(Anti-platelet)

Talion
(Agent for treating allergic disorders)

Urso
(Agent for improving hepatic,
biliary and digestive functions)

Tanatril (hypertension)
(ACE Inhibitor)

Fiscal 2015

Overseas pharmaceutical sales:
more than ¥100 billion

Multiple sclerosis [Licensing-out]

FTY720

T-0047

Diabetes mellitus [Licensing-out]

MP-513

TA-7284

Renal disease area

[Our own development & marketing]

MCI-196

MP-146

CTA018

Launch and cultivate major products
in domestic market

Chronic hepatitis C

MP-424

Diabetes mellitus

MP-513

TA-7284



Multiple Sclerosis (MS) 1

- New Growth Drivers -

Multiple Sclerosis (MS)

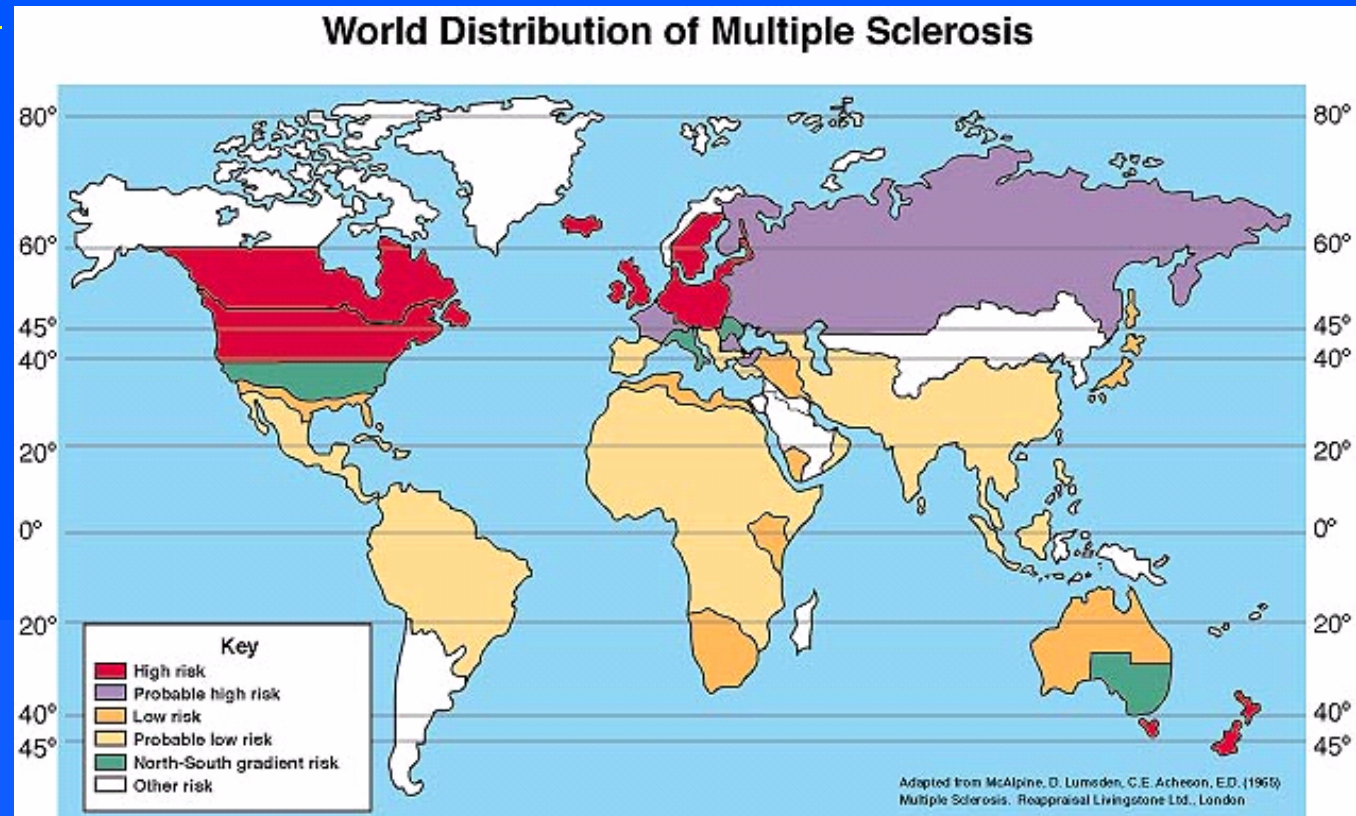
Multiple sclerosis (MS) is caused by demyelination in central nervous system. MS presents acute attacks of diverse neurological dysfunction followed by remission of functions.

Number of patients

2,500,000

U.S.A.	400,000
Canada	50,000
U.K.	85,000
France	80,000
Germany	122,000
Italy	54,000
Spain	40,000
Japan	10,000

(MSIF2009 All right reserved)



Multiple Sclerosis (MS) 2

- New Growth Drivers -

Current treatment (injection only)

Avonex	Rebif	Betaferon	Copaxone (glatiramer acetate)	Tysabri (natalizumab)
Interferon 1a	Interferon 1a	Interferon 1b	Synthetic polypeptides	MAB to 4integrin
IM 1/week	SC 3/week	SC Alternate-day	SC 1/day	IV 1/month
\$2,203million	€1,218million	€1,028million	\$1,713million	\$589million

Unmet needs for MS treatment

High efficacy

High safety

Administration / New preparation → Oral



FTY720

- Generic name : Fingolimod
- Mechanism of action : S1PR agonist
- Development stage :
 - [Overseas] Licensed to Novartis Pharma AG, Ph3
(NDA planned during 2009)
 - [Japan] Co-development with Novartis K.K., Ph2
- Features Oral

T-0047

- Generic name : Finategrast
- Mechanism of action : Cell adhesion inhibitor
(Integrin $\alpha 4 \beta 7 / \alpha 4 \beta 1$ inhibitor)
- Development stage :
 - [Overseas] Licensed to GSK, Ph 2
- Features Oral



Number of patients

Worldwide:246million patients

380million by 2025; prevalence in adults, 7%
(19th World Diabetes Congress, IDF)

Japan:22.1million patients

(MHLW National Health and Nutrition Examination Survey, 2007)

Oral antidiabetes market

Worldwide : \$12,996MM

Japan : \$1,323MM

(2007, ex-factory price, IMS World Review)



Current treatment (oral)

- Promote insulin secretion

Sulfonylurea agent(SU) / Glimepiride, Glibenclamide

Rapid-acting insulin secretagogue / Nateglinide, Mitiglinide

- Suppress Glucose absorption

-glucosidase inhibitor / Voglibose, Acarbose, Miglitol

- Insulin sensitizer

Biguanides(BG) / Metformin

Thiazolidines / Pioglitazone

Unmet needs for diabetes treatment

Reduce the risk of hypoglycemia, obesity, etc.



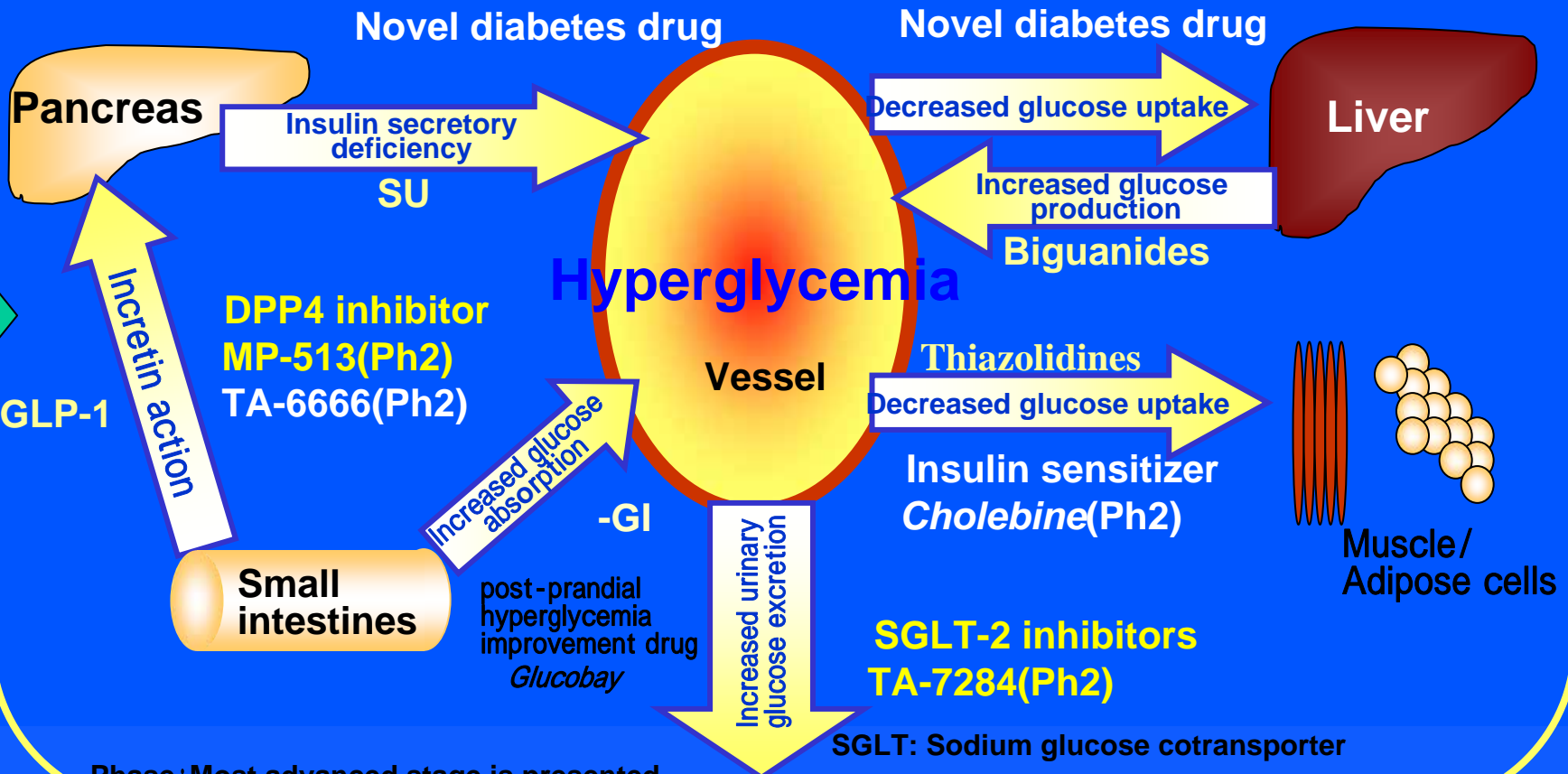
Diabetes Mellitus 3

- New Growth Drivers -

Diabetes drugs pipeline with various mechanisms of action

Environmental factors & Genetic factors

Diabetes



Expand to obesity & diabetic complication drug



TA-7284

- Mechanism of action : Selective SGLT2 inhibitor
- Development stage :
 - [Overseas] Licensed to Johnson & Johnson,
Ph2 for diabetes mellitus and obesity
 - [Japan] Ph1
- Features First in Class, Novel mechanism of action,
Superior hypoglycemic action,
Tolerated without hypoglycemia or weight gain,
Potential for weight loss

MP-513

- Mechanism of action : DPP4 inhibitor
- Development stage : [Overseas] Ph1 (plan to license)
[Japan] Ph2
- Features Best in Class, Superior inhibitory activity and
long-lasting effect



Sustainable Growth of Corporate Value

Vision

We strive to be a global research-driven pharmaceutical company that is trusted by communities

FY 2015

FY 2010

Medium-Term Management Plan 08-10

Dynamic Synergy for 2015

Oct 1, 2007

Mitsubishi Tanabe Pharma Corporation was established



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.

