

Mitsubishi Tanabe Pharma Corporation

Dynamic Synergy for 2015

Aiming for a global research-driven
pharmaceutical company

Deutsche Securities Inc.
Japan Pharmaceutical Conference 2008
September 29, 2008
The Ritz-Carlton, Tokyo

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

Agenda

1. Medium-Term Management Plan 08-10 Dynamic Synergy for 2015
 - 1) Fiscal 2015 Objectives and the Path to Growth
 - 2) Fiscal 2010 Numerical Targets

2. Medium-Term Management Plan 08-10 Updates
 - 1) Fiscal 2008 Business Forecasts
 - 2) Key Management Issues and the Action Plan for the Term



**1. Medium-Term Management Plan 08-10
Dynamic Synergy for 2015**

Medium-Term Management Plan 08-10 - Dynamic Synergy for 2015 -

Vision

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

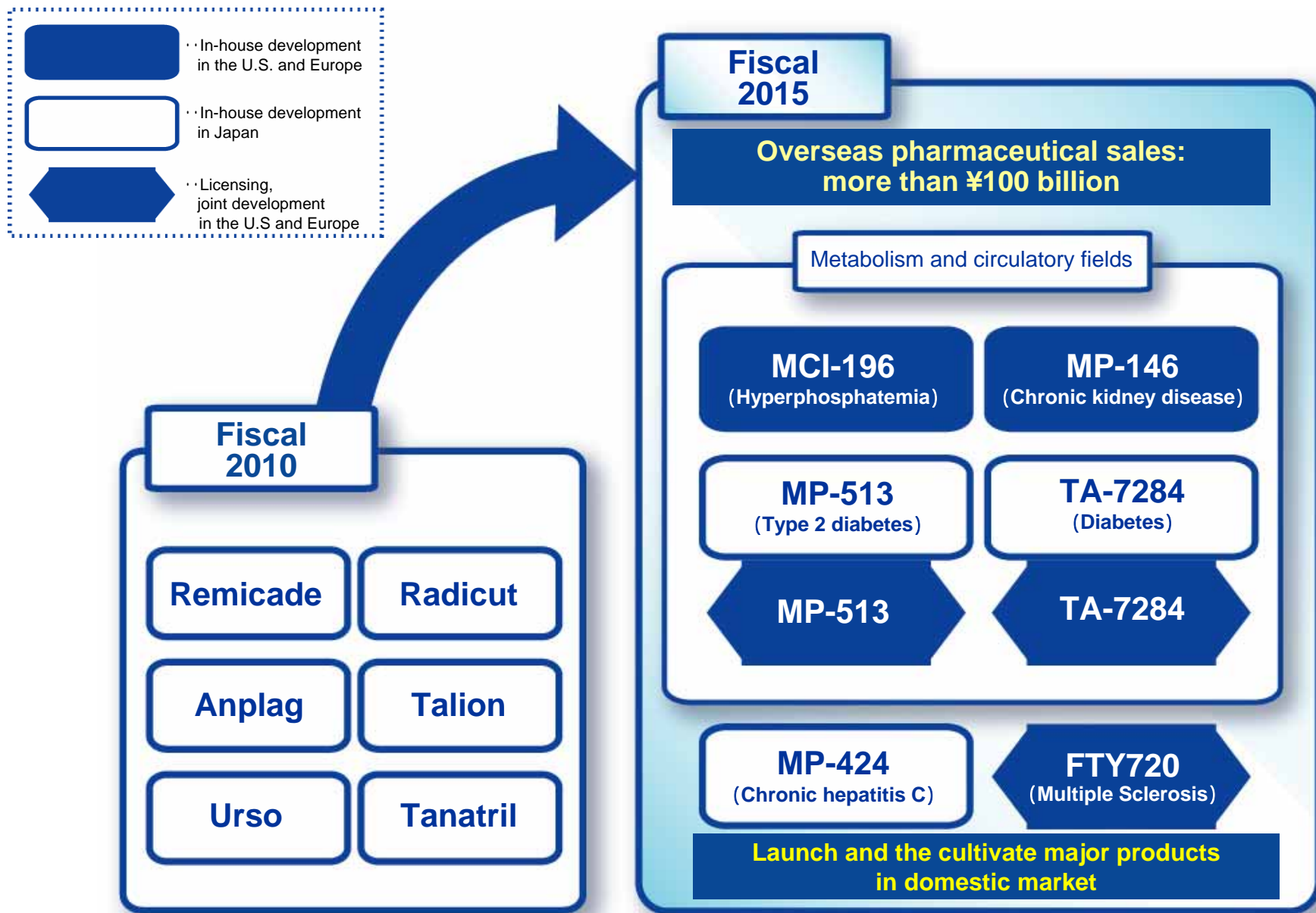
Fiscal 2015 Objectives

- Establish a R&D pipeline capable of launching one product every two years, with a focus on the metabolic and circulatory disease areas
- Establish a top level position in the domestic ethical drug market by launching and cultivating major products
- Establish in-house sales structure in the U.S. and achieve overseas sales of more than ¥100 billion
- Establish competitive superiority through the creation of differentiated business models

Key Management Issues for the 08-10 Medium-Term Period

- Enhancing our presence in domestic marketing
- Steady progress in key development projects
- Progress in developing overseas pharmaceutical operations
- Progress in generic operations
- Creating an efficient organization and cost structure

New Growth Drivers for Fiscal 2015



Fiscal 2010 Numerical Targets

Unit:¥billion

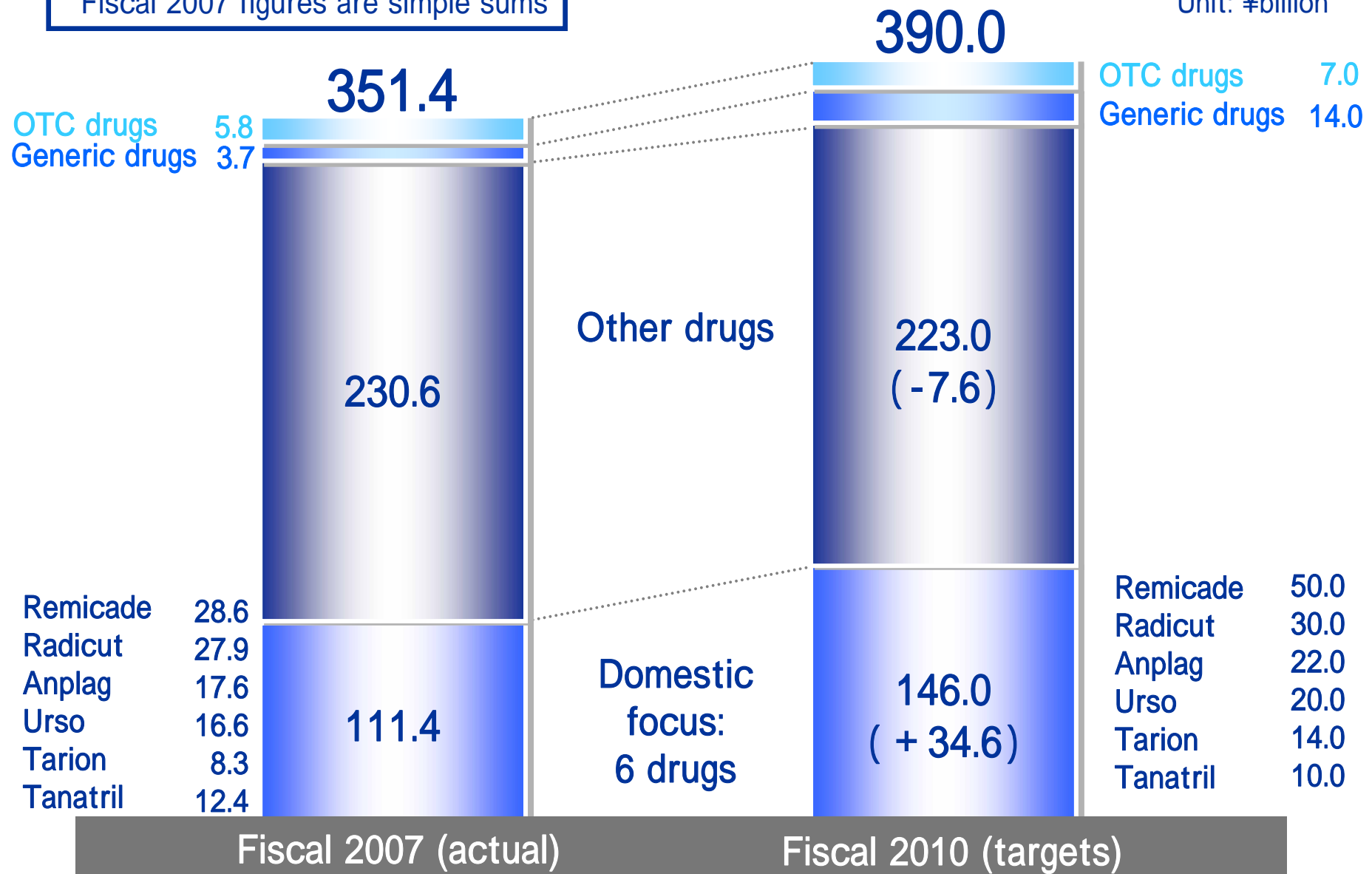
	FY2007 (actual)*	FY2010 (targets)	Increase Decrease
Net sales	4 0 9 . 4	4 6 0 . 0	+ 5 0 . 6
Operating income	7 2 . 5	9 5 . 0	+ 2 2 . 5
Net income	3 1 . 9	5 6 . 0	+ 2 4 . 1
R&D expenses	7 2 . 3	8 2 . 0	+ 9 . 7
Number of employees	1 0 , 3 6 1 employees	9 , 4 0 0 employees	- 9 6 1
Cost Synergies		2 4 . 0	

*FY2007 figures are simple sums

Fiscal 2010 Numerical Targets -Sales targets for domestic pharmaceutical operations-

*Fiscal 2007 figures are simple sums

Unit: ¥billion



2. Medium-Term Management Plan 08-10 Updates

1) Fiscal 2008 Business Forecasts

2) Key Management Issues and the Action Plan for the Term

1) Fiscal 2008 Business Forecasts

	FY2007 (Simple sums)	FY2008	Increase Decrease		1 Q Apr. to Jun.	% achieve	Year-to- year
	¥billion	¥billion	¥billion	%	¥billion	%	%
Net sales	409.4	425.0	+15.6	+3.8	108.2	25.5	+3.2
Cost of sales	150.5	159.0	+8.5	+5.6	39.6	24.9	+1.9
Sales cost ratio	36.8%	37.4%			36.6%		
SG&A	186.4	191.0	+4.6	+2.5	43.3	22.7	-2.2
R&D expenses	72.3	77.5	+5.2	+7.1	16.3	21.0	-8.4
Operating income	72.5	75.0	+2.5	+3.5	25.4	33.9	+16.5
Ordinary income	73.6	76.0	+2.4	+3.2	25.9	34.1	+14.3
Extraordinary income	2.0	-	-2.0	-	0.1	-	-
Extraordinary losses	20.3	8.0	-12.3	-	0.7	-	-
Net income	31.9	39.0	+7.1	+22.1	14.6	37.6	+13.3

1) Fiscal 2008 Business Forecasts - Sales by Segment, Sales of Main Products -

	FY2007 (Simple sums)	FY2008	Increase Decrease		1 Q Apr. to Jun.	% achieve	Year-to- year
	¥billion	¥billion	¥billion	%	¥billion	%	%
Net sales	409.4	425.0	+15.6	+3.8	108.2	25.5	+3.2
Pharmaceuticals	379.5	395.6	+16.1	+4.2	100.6	25.4	+3.2
Ethical drugs domestic sales	331.9	339.1	+7.2	+2.2	88.0	25.9	+1.7
Remicade	28.6	35.7	+7.1	+24.8	8.9	24.8	+41.2
Radicut	27.9	29.3	+1.4	+5.1	7.3	25.0	+1.2
Anplag	17.6	20.2	+2.6	+15.0	4.9	24.2	+8.8
Urso	16.6	18.0	+1.4	+8.5	4.3	23.7	+1.9
Tanatril	12.4	12.6	+0.2	+1.6	3.4	27.0	-1.2
Talion	8.3	10.8	+2.5	+30.3	2.1	19.0	+24.7
Ethical drugs overseas sales	23.6	26.3	+2.7	+11.4	6.6	24.9	+13.5
OTC	5.8	5.7	0.1	-2.2	1.3	22.2	-8.6
Others	18.1	24.4	+6.3	+35.0	4.8	19.8	+28.2
Other businesses	29.9	29.4	-0.5	-1.8	7.6	25.9	+2.3

2) Key Management Issues and the Action Plan for the Term

- i. Enhancing our presence in domestic marketing**
- ii. Steady progress in key development projects**
- iii. Progress in developing overseas pharmaceutical operations**
- iv. Progress in generic operations**
- v. Creating an efficient organization and cost structure**

i. Enhancing our presence in domestic marketing

Maximizing the Product value of Remicade

- Change in RA usages/dosages
- Additional indications
 - Psoriasis (February), ankylosing spondylitis, ulcerative colitis, and etc.
- Increase in specialized Remicade area managers (170)

Increasing specialized knowledge in cerebral field

- Increase in specialized MRs in stroke field (45)
- Market expansion (opportunity)
 - Increase in number of patients (about 2% a year)
 - Reimbursement incentives for stroke treatment extending from hyperacute phase to convalescence
- Promote use of our products at each phase
 - Hyperacute phase (Grtpa)
 - Acute phase (Radicut / Novastan)
 - Chronic phase (Sermion)

Promotion system (unification of sales lines)

- Cooperation between MRs responsible for each institution and specialists
- Hospital sales channel:
 - Overlapping by department
 - Responsibility centered on internal medicine (Primary-MR)
 - Responsibility centered on surgery (Acute-MR)
- General practitioner sales channel:
 - Introduce system of overlapping MR responsibility by area

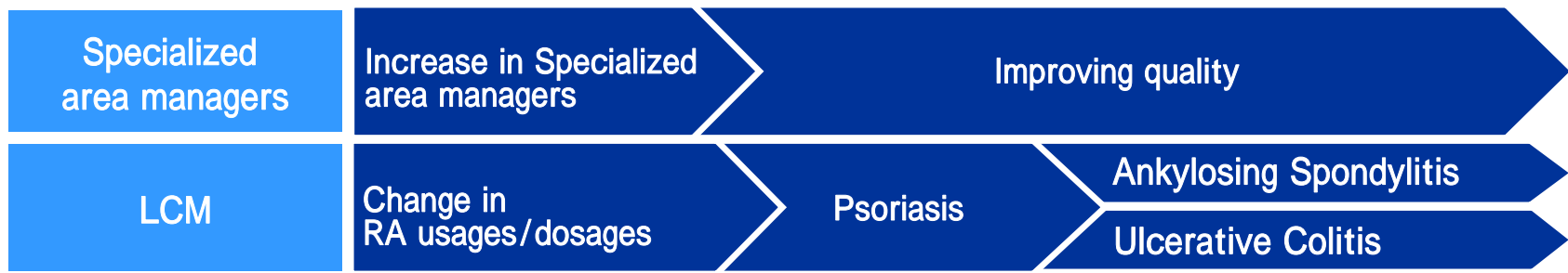
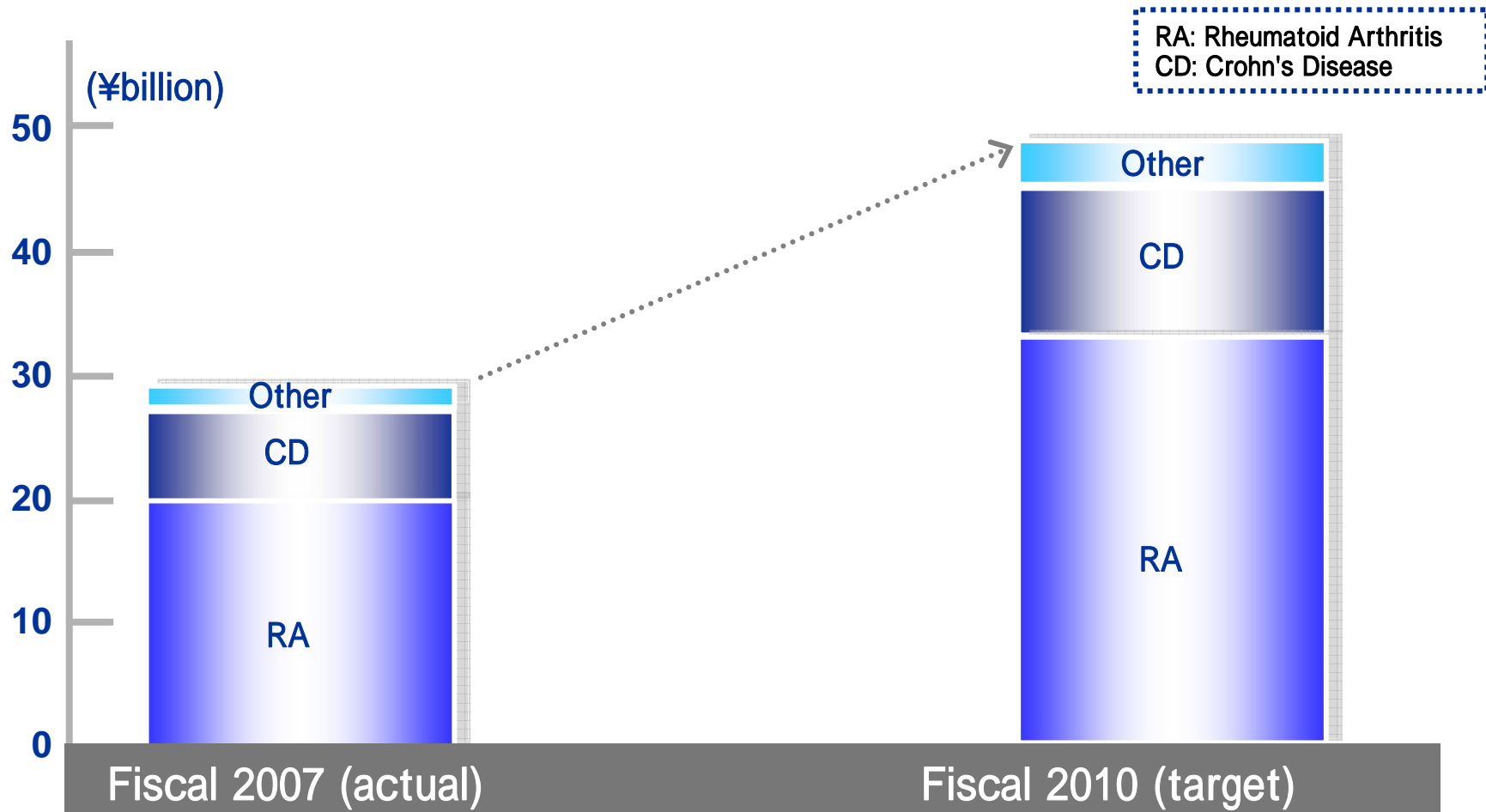
Strengthen Group marketing cooperation

- Yoshitomiya Corporation (Psychiatric field)
- Benesis Corporation (Plasma fraction preparations)
 - Consider integrated production sales systems
- Tanabe Seiyaku Hanbai Co., Ltd. (Generic drugs)
 - Established on April 1

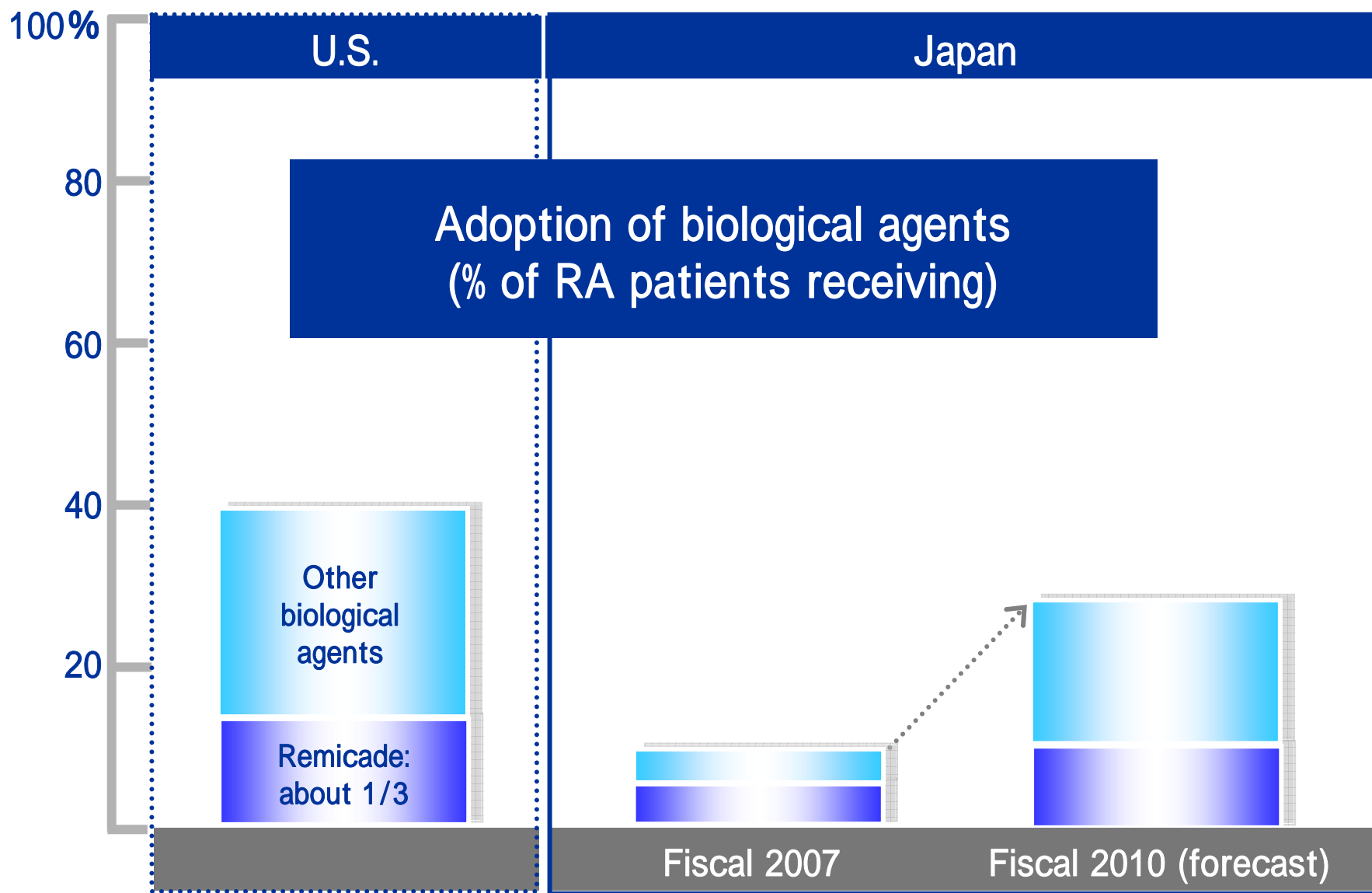
Maximize marketing synergies



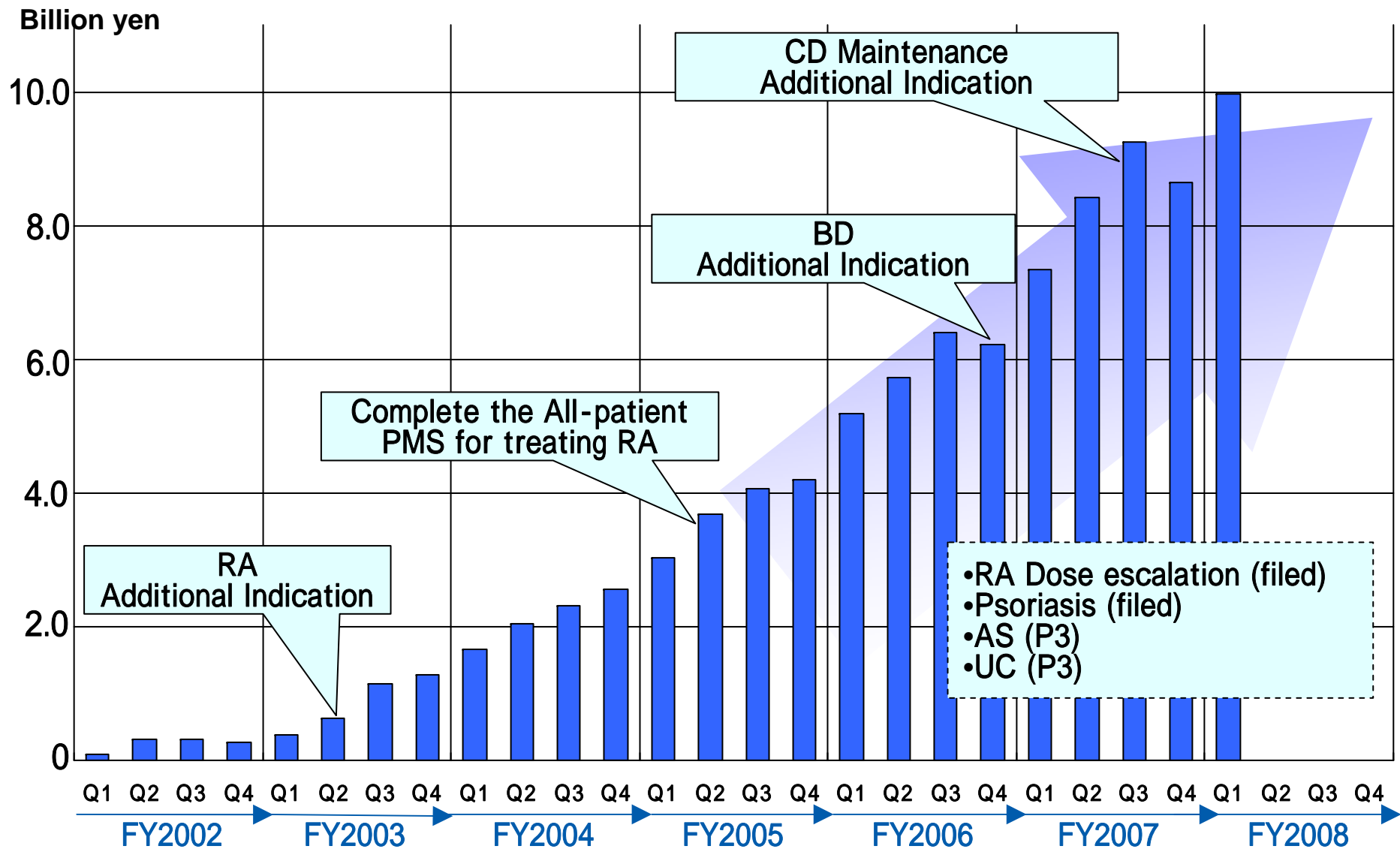
Maximizing the Product Value of Remicade



Market potential of biological agents in RA market

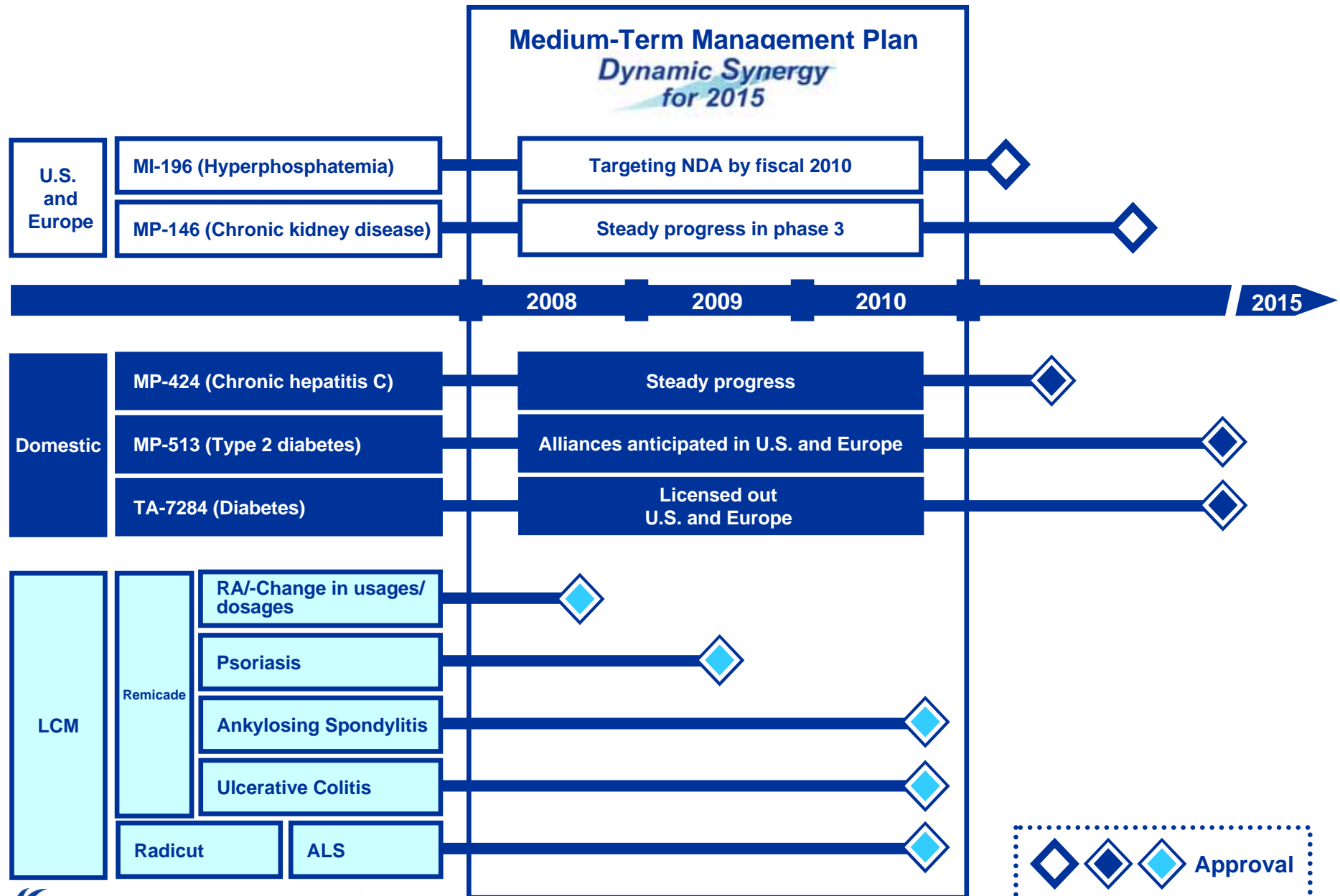


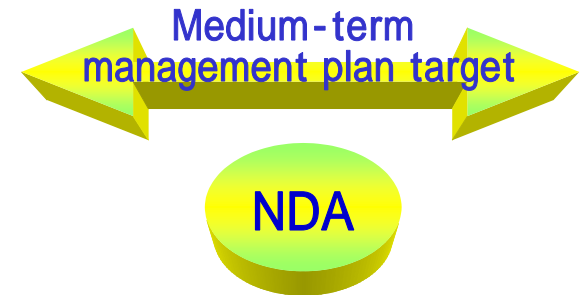
Remicade Sales Trend (Drug Price Basis)



Source: © 2008 IMS Japan April 2002 – June2008 JPM All rights reserved

ii. Steady progress in key development projects





US/EU

MCI-196 Hyperphosphatemia

Stage : Phase 3

Mode of action : phosphate adsorption and excretion

MP-146 Chronic kidney disease

Stage : Phase 3

Mode of action : Oral adsorption hydrocarbon, adsorbs and excrete GI uremic toxins

Steady implementation

US

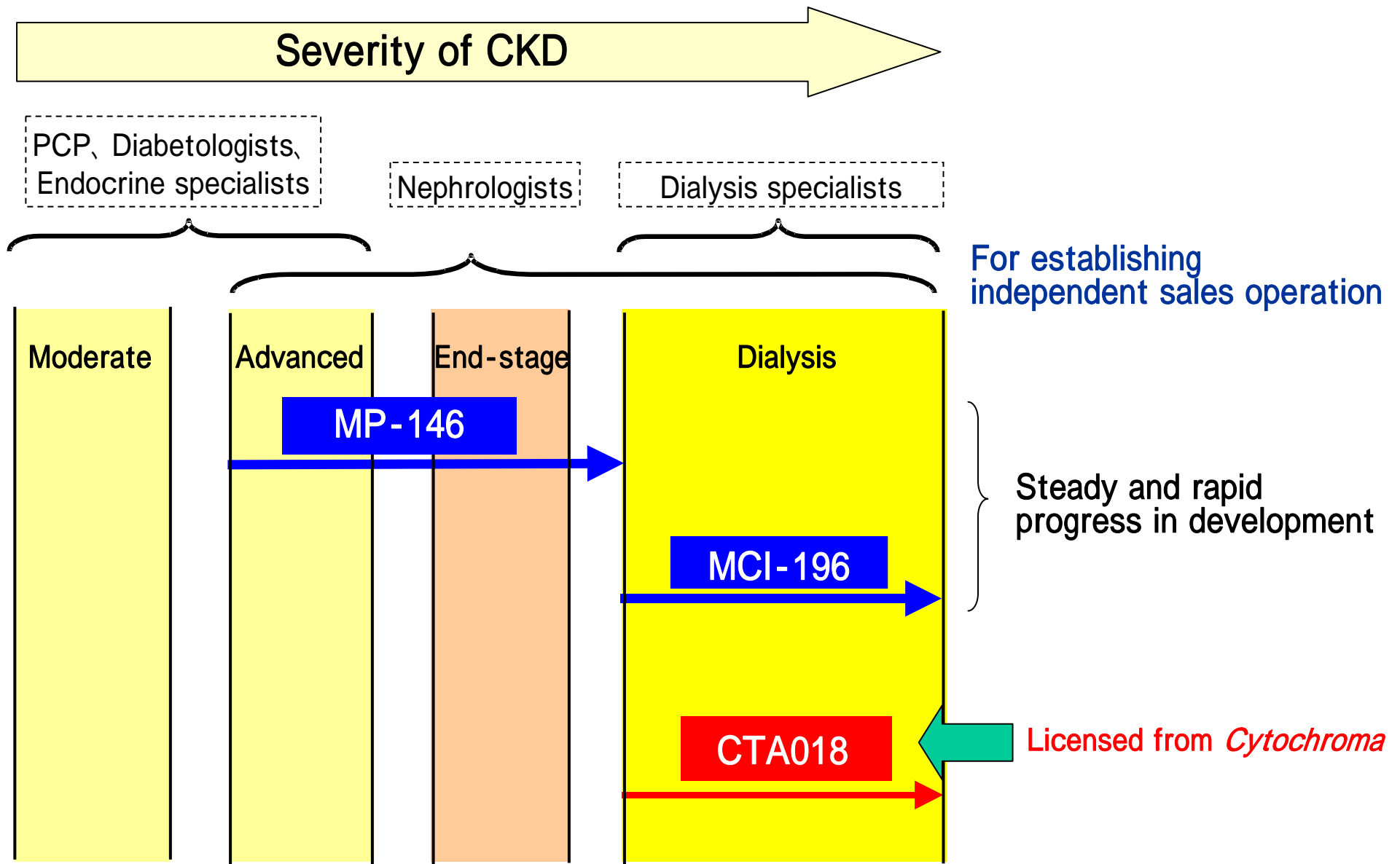
CTA018 Secondary hyperparathyroidism

Stage : Phase 2 (underway in Canada)

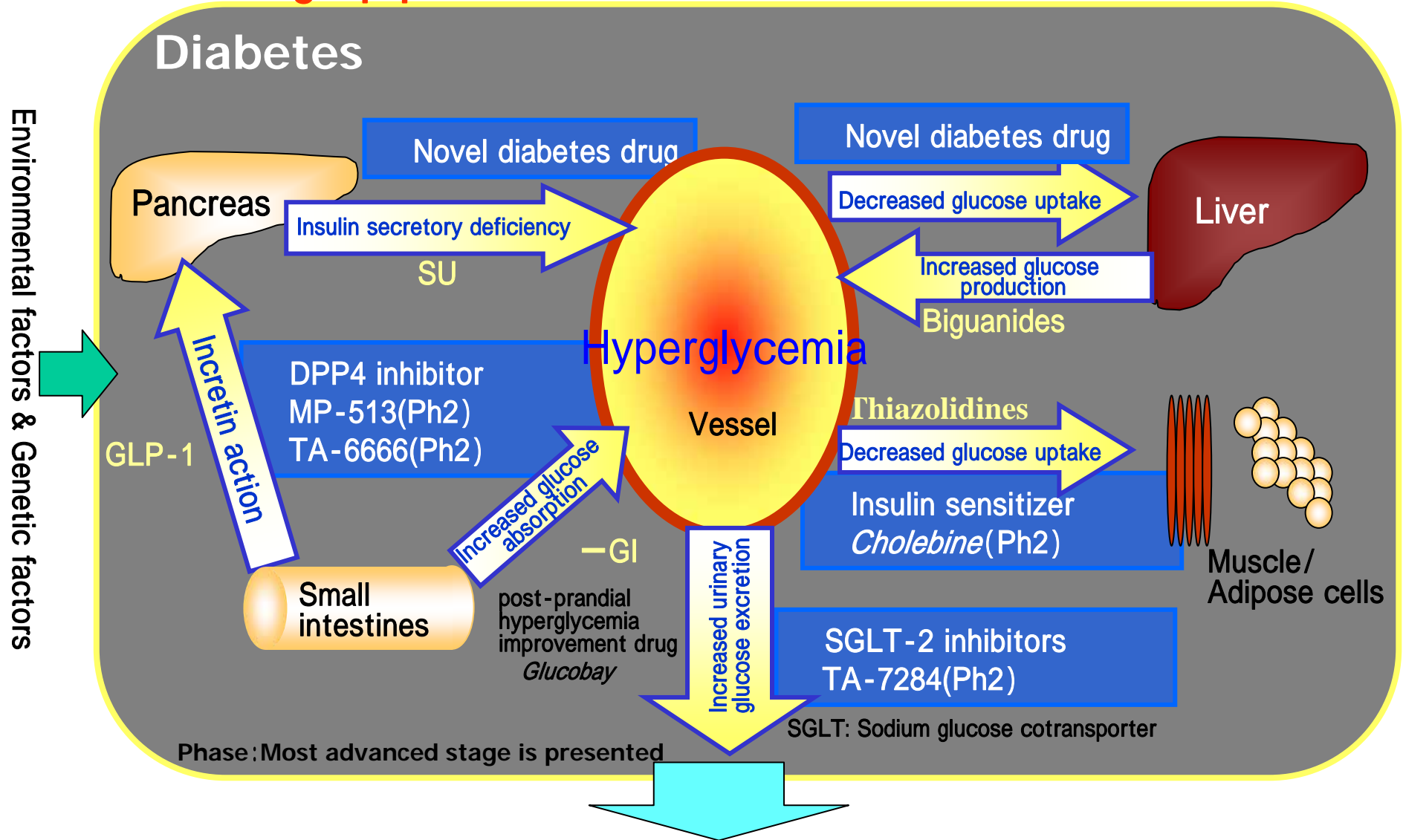
Mode of action : Novel activated vitamin D analog

Steady implementation

Enhancement of Product Pipelines in Chronic Kidney Disease Area



Diabetes drugs pipeline with different mechanism of action

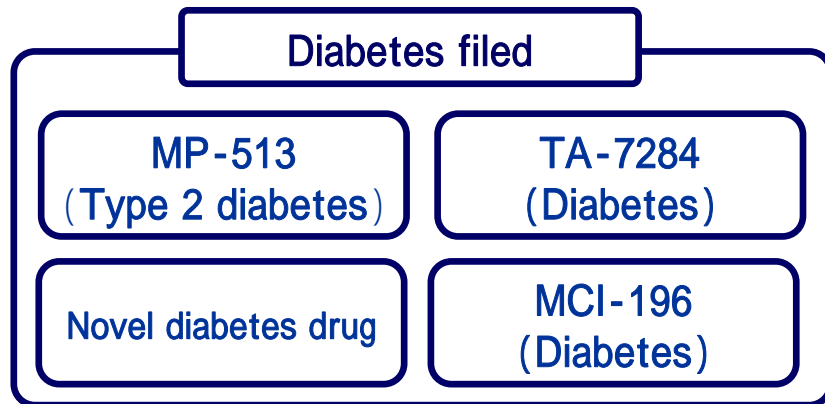


Expand to obesity & diabetic complication drug

Total Care Strategy from Diabetes to Kidney Disease

Pursue total care of disease considering Diabetes as the highest priority disease

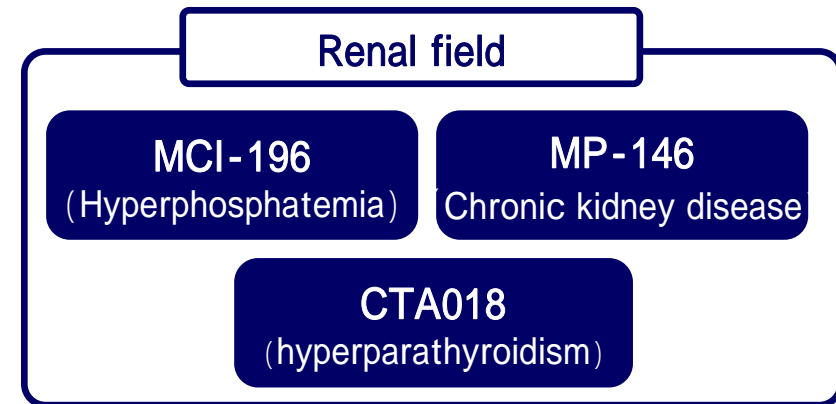
- From metabolic risk (obesity, hyperlipemia) to complications (kidney damage, dialysis)
- Expand discovery research multilaterally from hypoglycemia to vascular damage, kidney damage drugs



- Develop diabetes pipelines to become blockbusters
- For overseas; utilize licensing, co-development, co-marketing



• Implement strategic alliances to bolster the strategy (development, marketing, partnering)



- Obtain an earlier approval for 3 products in renal field
- Establish and enhance the independent sales operations



MP-424 HCV Protease Inhibitor

【Target efficacy & Features】

Improvement of viremia
(reduction in treatment period
and outstanding treatment efficacy)

【Stage】

Phase 2

【Development implementation】

- Expedite applications
- Application of overseas data

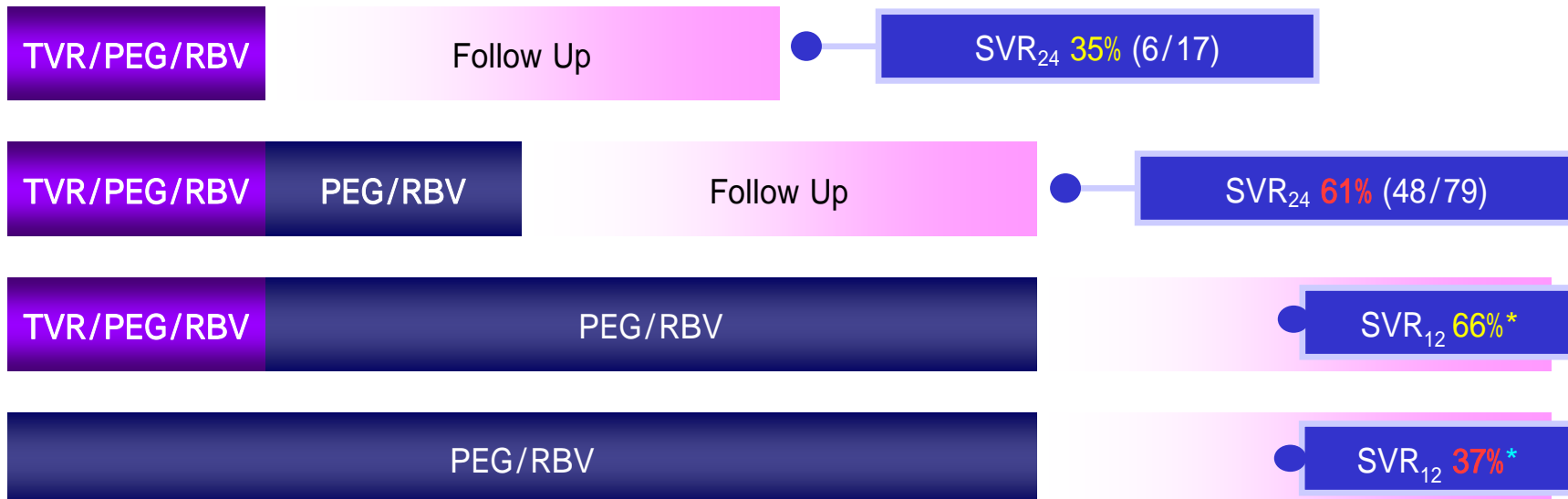
Week 12

Week 24

Week 36

Week 48

Week 72



Indication

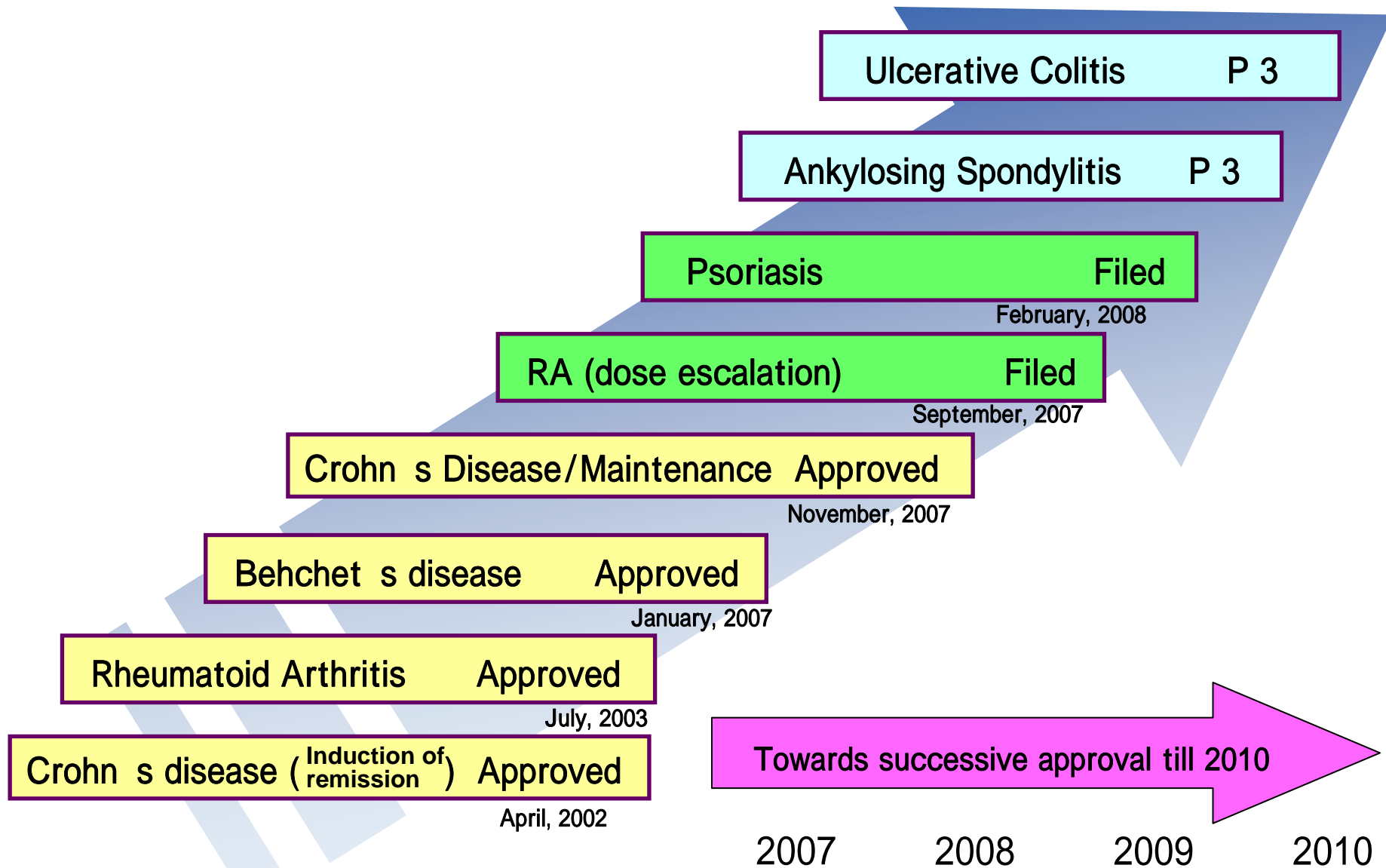
Patients with chronic hepatitis C (Genotype 1 , Treatment naive)

TVR : Telaprevir

PEG : Pegylated-interferon alfa-2a, RBV : Ribavirin

SVR24 : undetectable HCV RNA <10 IU/L at 24wk post-treatment

*Jan 23, 2008
Vertex Press Release



Multiple Sclerosis (FTY720, T-0047)



FTY 7 2 0 Sphingosine monophosphate receptor regulator

Stage : US/EU Phase 3 (Novartis)

Japan Phase 2 (Co-development with Novartis)

Mode of action: Suppression of lymphocyte egress from secondary lymphoid tissues and thymus

Launch

Steady implementation

T-0047 Oral 4 integrin antagonist

Stage : US/EU Phase 2 (GSK)

Mode of action: Suppression of lymphocyte invasion into CNS

Steady implementation

iii. Progress in Developing Overseas Pharmaceutical Operations

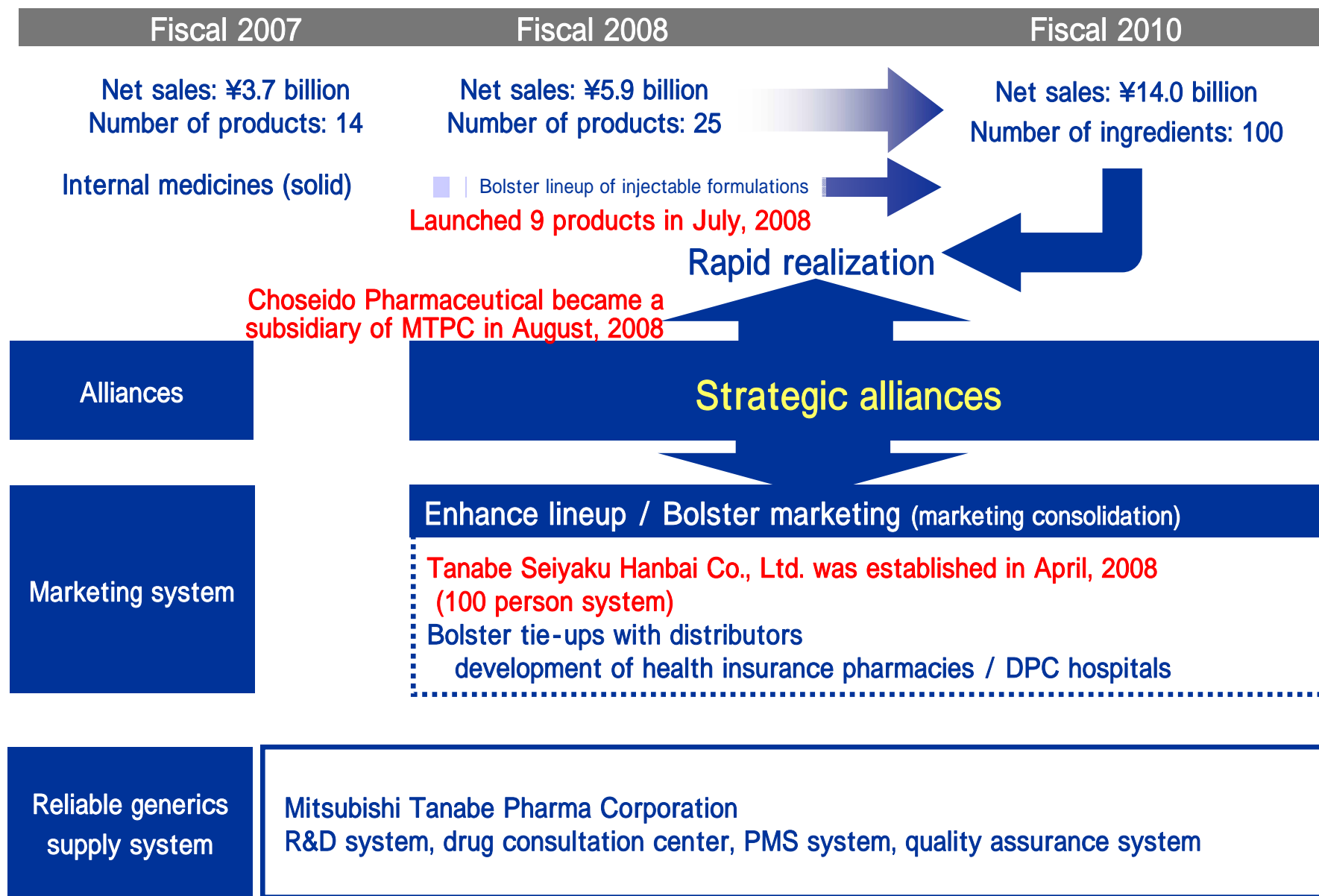
Prepare in-house sales system in the U.S. and Europe
for MCI-196, MP-146 and **CTA018**

Targeting initial in-house sales
in the U.S.,
start to establish sales
foundation

Start pre-marketing activities
for nephrologists and
dialysis specialists,
which will be
the target of promotions

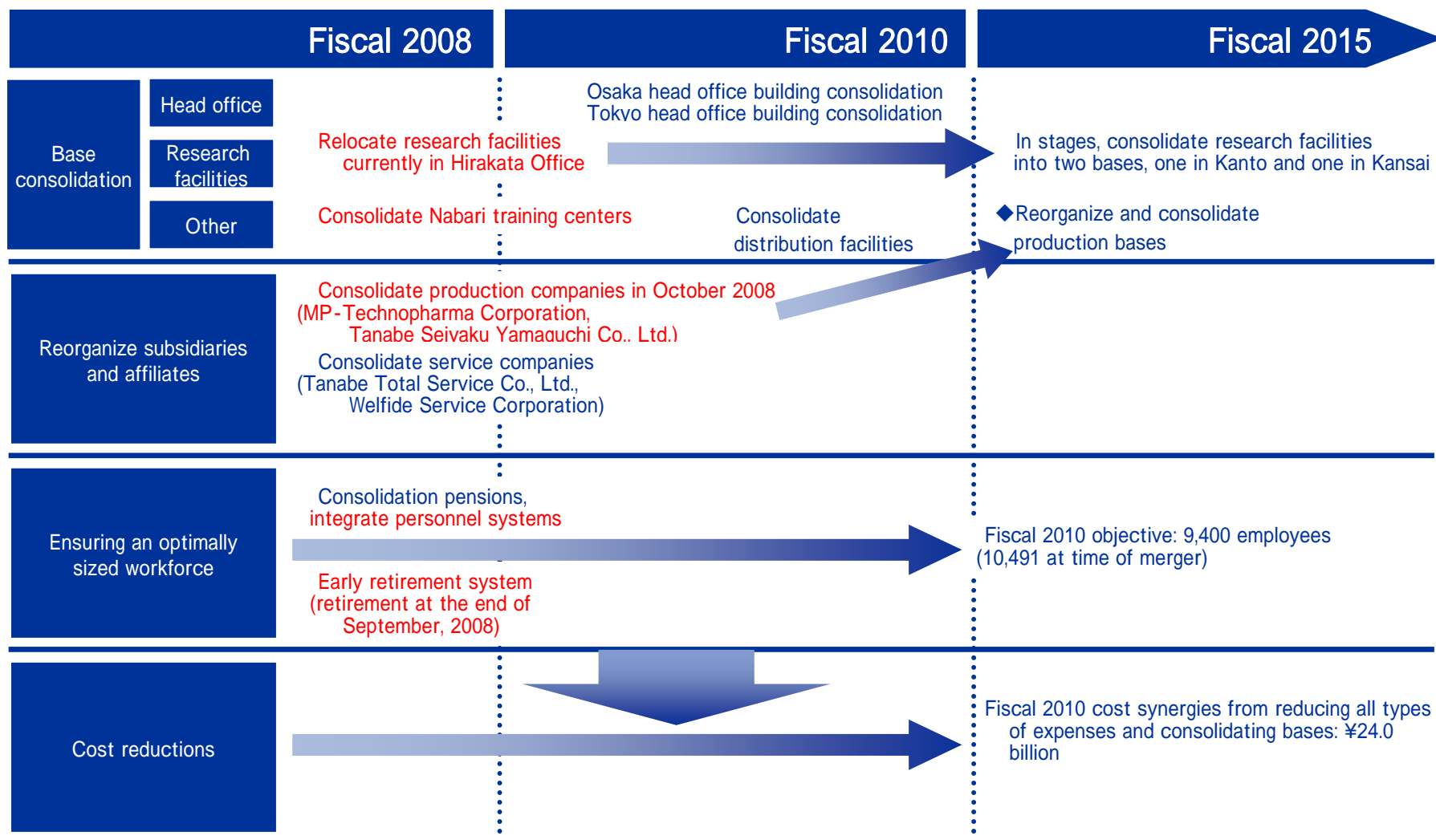
Targeting concurrent sales
in Europe as well,
establish sales foundation
(Use existing Argatroban
sales foundation)

iv. Progress in generic operations



v. Creating an efficient organization and cost structure

Time schedule (plan)



Dynamic Synergy for 2015



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.



Mitsubishi Tanabe Pharma Corporation