

Mitsubishi Tanabe Pharma Corporation

Half-Year FY2007

Business Results

2007. 11. 5

President
Representative Director
Natsuki Hayama

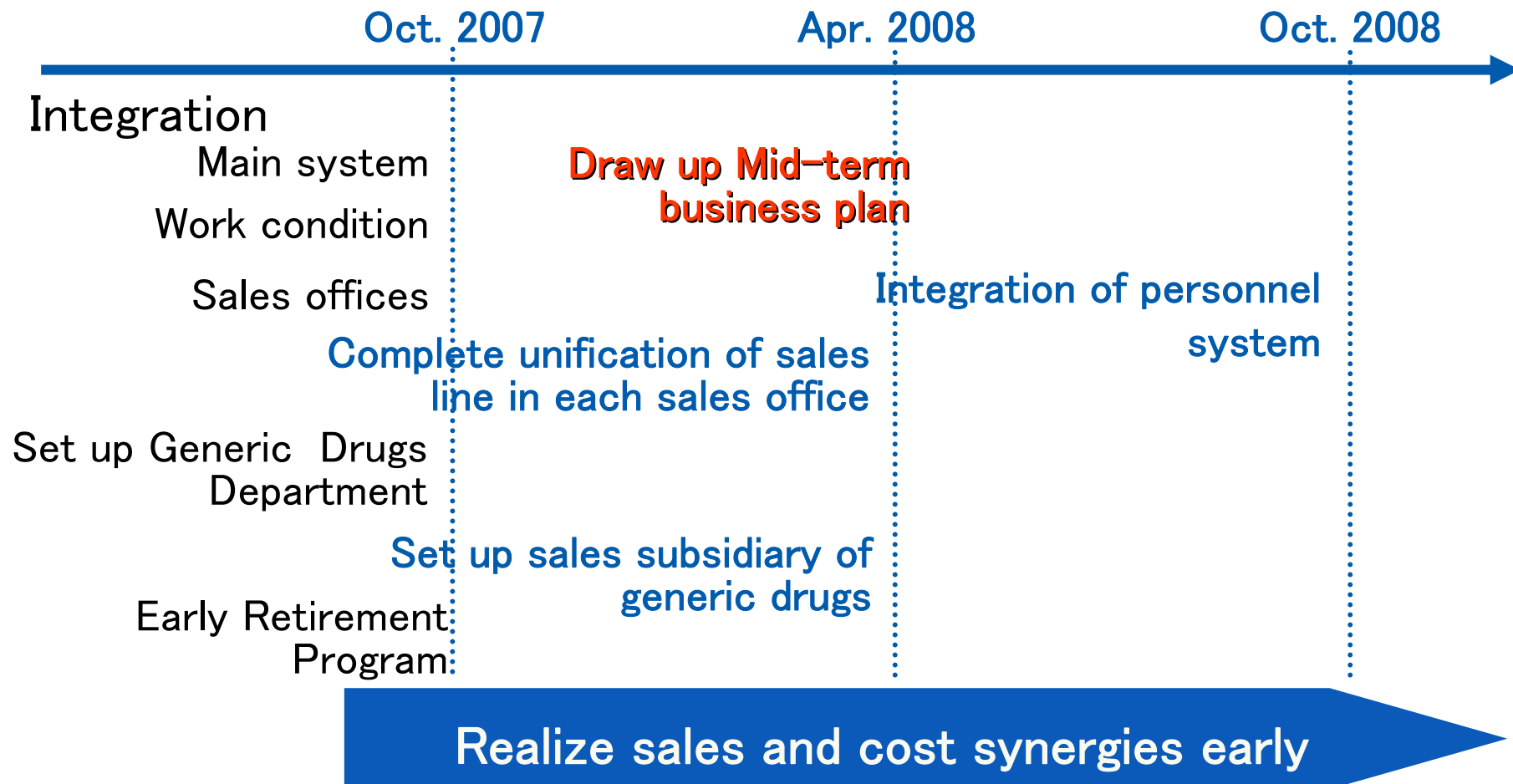


Mitsubishi Tanabe Pharma Corporation Get Started on October 1, 2007

Mitsubishi Tanabe Pharma Get Started



Establishment of Mitsubishi Tanabe Pharma



Realize Sales Synergies at Early Stage

— Enhance the presence of the company in the domestic market —



- 15 Branches, 142 Sales offices
- Number of MRs: 2600
- Strengthen strategic marketing areas (Immunology diseases and Cerebrovascular diseases) and specialist organization
 - Increase the number of Remicade area managers
 - Increase the number of cerebrovascular disease area specialist MRs
- Start the joint promotion for four products
 - Mutual education

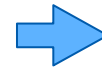
- Urso: Approval for hepatitis C (Mar. 2007)
- Talion OD tablets: Launch (Jul. 2007)
- Anplag: Approval of downsized tablets (Aug. 2007)
- Remicade: Approved for CD maintenance (within 2007)
- Remicade: Application for RA dose-up (Sep. 2007)
- Medway (Re-NSA Human albumin): Approved (Oct. 2007)

Create Sales Synergies at Early Stage



■ Labor cost reductions

- Tightening in the employment of new graduates
- Support for external transfers



*Participants of early retirement
118 employees*

■ Various cost reductions

- Improvement in efficiencies of promotional and advertisement expenses
- Reduction of redundant costs
- Reduction of IT costs



*Complete main system
integration*

■ Base integration



15 Branches 142 sales offices

- Integration of branch and sales offices
- Consolidation of domestic and overseas sites

Forecasts for FY2007 Ending March 31, 2008



	Forecasts for FY2007	Target FY2010
	Billion yen	Billion yen
Net sales	411.8	480.0
Operating income (after amortization of goodwill)	70.4	100.0
Net income	35.9	60.0
R&D expenses	75.5	87.0

(Simple sum basis)

TANABE SEIYAKU CO.,LTD.

Half-Year FY2007

(Fiscal Year Ending March 31, 2008)

Overview of the Business Results

Interim Financial Results for the Period ended Sep. 30, 2007

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】



Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase (Decrease)		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	85.5	93.8	+8.3	+9.7	88.5	106.0
Cost of sales	32.2	37.1	+4.9	+15.3	34.7	107.1
Sales cost ratio	37.7%	39.6%			39.2%	
SG&A	39.2	38.2	-1.0	-2.5	39.8	96.0
Operating Income	14.1	18.4	+4.3	+30.9	14.0	131.4
Ordinary Income	15.2	19.2	+4.0	+26.4	14.5	132.6
Net Income	9.5	9.9	+0.4	+4.4	7.5	132.5

Published forecasts: Published on May 9, 2007 at Financial Results of FY2006

Sales by Type of Business

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net Sales	85.5	93.8	+8.3	+9.7	88.5	106.0
Pharmaceuticals	78.9	87.3	+8.4	+10.7	82.2	106.3
Ethical drugs	76.1	84.3	+8.2	+10.8	79.3	106.3
OTC drugs	2.8	3.1	+0.2	+8.2	2.9	106.3
Other businesses	6.6	6.4	-0.1	-1.8	6.3	102.3
[Overseas sales]	[8.5]	[9.6]	[+1.1]	[+13.4]	[8.6]	[111.5]

Sales of Main Products

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】

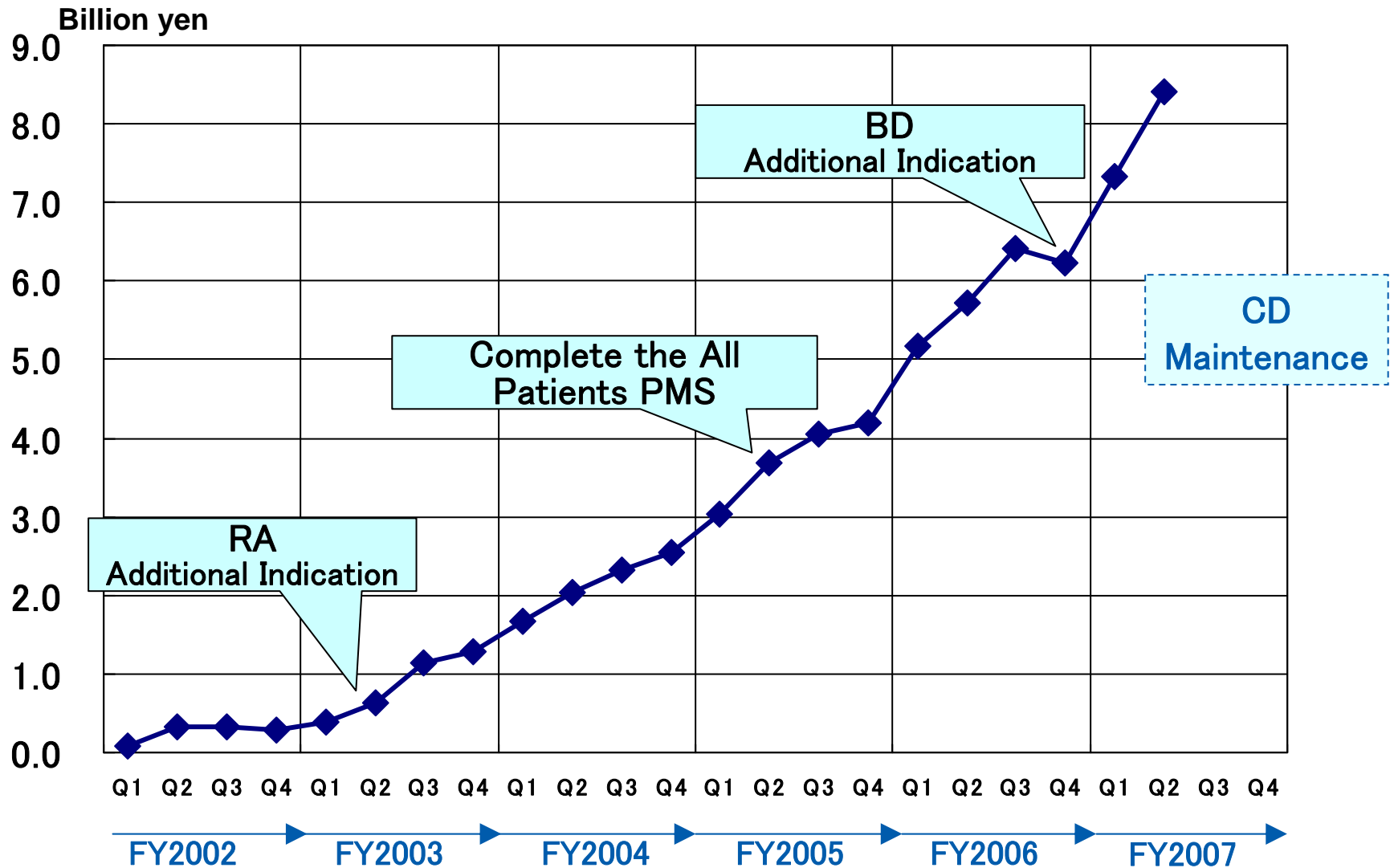


Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs	76.1	84.3	+8.2	+10.8	79.3	106.3
Remicade	9.3	13.5	+4.2	+45.4	12.6	107.3
Herbesser	9.3	9.1	-0.2	-1.7	8.8	103.4
Ceredist	7.3	7.9	+0.6	+8.3	7.7	102.5
Tanatril	7.4	7.5	+0.1	+1.1	7.1	106.2
Maintate	5.0	5.2	+0.3	+5.2	5.1	102.1
Sermion	5.2	5.1	-0.2	-3.1	4.7	107.7
Talion	2.6	3.3	+0.7	+28.4	2.9	115.8
Gastrom	3.1	3.0	-0.0	-1.4	3.0	100.5
Vaccine/domestic [Influenza) [Mearubik)	5.0 [1.0] [2.9]	6.9 [0.9] [4.4]	+1.9 [-0.1] [+1.6]	+37.9 [-13.9] [+55.0]	5.5 [1.4] [2.9]	125.5 [65.6] [150.8]

Remicade Sales Trend (Drug Price Basis)

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】



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Cost of Sales/SG&A Expenses

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	85.5	93.8	+8.3	+9.7	88.5	106.0
Cost of sales	32.2	37.1	+4.9	+15.3	34.7	107.1
Sales cost ratio	37.7%	39.6%			39.2%	
SG&A	39.2	38.2	-1.0	-2.5	39.8	96.0
R&D expenses	14.0	12.5	-1.5	-10.8	13.7	91.4
Labor costs	11.2	11.4	+0.1	+1.2	11.5	99.0
Other sales costs	2.7	3.5	+0.7	+27.2	3.2	108.6
Others	11.1	10.8	-0.3	-3.0	11.4	94.8
Operating income	14.1	18.4	+4.3	+30.9	14.0	131.7

Non-operating Income and Expenses/ Special Gains and Losses

【Tanabe Seiyaku, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	14.1	18.4	+4.3	+30.9	14.0	131.7
Non-operating income	1.5	1.3	-0.2		1.0	129.4
Foreign exchange gains	0.6	-	-0.6			
Non-operating expenses	0.4	0.5	+0.1		0.5	101.3
Foreign exchange loss	-	0.1	+0.1			
Ordinary income	15.2	19.2	+4.0	+26.4	14.5	132.6
Special gains	0.1	0.0	-0.0		-	-
Special losses	0.0	2.9	+2.9		2.5	
Merger-related expenses	-	2.0	+2.0		} 2.5	
Special retirement expenses	-	0.7	+0.7			-
Net income	9.5	9.9	+0.4	+4.4	7.5	132.5

Mitsubishi Pharma Corporation

Half-Year FY2007

(Fiscal Year Ending March 31, 2008)

Overview of the Business Results

Interim Financial Results for the Period ended Sep. 30, 2007

【Mitsubishi Pharma, Summary of Interim Financial Results for FY2007】

Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase (Decrease)		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	112.2	113.9	+1.7	+1.5	116.5	97.8
Cost of sales	39.2	38.6	-0.6	-1.5	39.8	97.0
Sales cost ratio	34.9%	33.9%			34.2%	
SG&A	52.5	54.0	+1.6	+3.0	56.2	96.2
Operating Income	20.6	21.3	+0.7	+3.5	20.5	103.9
Ordinary Income	20.2	21.0	+0.7	+3.6	20.0	104.9
Net Income	13.6	10.4	-3.2	-23.5	10.0	104.2

Published forecasts: Published on May 9, 2007 at Financial Results of FY2006

Sales by Type of Business

【Mitsubishi Pharma, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net Sales	112.2	113.9	+1.7	+1.5	116.5	97.8
Pharmaceuticals	103.7	105.4	+1.7	+1.6	—	—
Other businesses	8.5	8.6	+0.1	+0.7	—	—
[Overseas sales]	[7.7]	[9.3]	[+1.7]	[+21.6]	[—]	[—]

Sales of Main Products

【Mitsubishi Pharma, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs	103.7	105.4	+1.7	+1.6	—	—
Radicut	14.1	14.6	+0.5	+3.5	14.9	97.8
Anplag	8.2	9.3	+1.1	+13.2	9.6	96.7
Urso	8.0	8.4	+0.5	+5.7	9.2	91.5
Venoglobulin-IH	6.5	6.9	+0.4	+5.8	6.6	103.8
Depas	5.7	5.8	+0.2	+3.2	5.9	99.0
Liple	5.0	5.3	+0.3	+6.2	5.3	100.4
Omeprazon	2.9	3.2	+0.3	+11.1	3.2	100.6
Theodur	3.9	3.0	-0.9	-22.4	3.3	89.9
Neuart	2.9	2.9	0.0	-0.5	2.9	99.5
Dral	2.3	2.3	0.0	-0.1	2.3	99.1
Novastan	1.8	2.2	+0.4	+23.3	1.9	116.0

Cost of Sales/SG&A Expenses

【Mitsubishi Pharma, Summary of Interim Financial Results for FY2007】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	112.2	113.9	+1.7	+1.5	116.5	97.8
Cost of sales	39.2	38.6	-0.6	-1.5	39.8	97.0
Sales cost ratio	34.9%	33.9%			34.2%	
SG&A	52.5	54.0	+1.6	+3.0	56.2	96.1
R&D expenses	22.2	24.1	+1.9	+8.7	25.4	94.9
Labor costs	16.4	15.8	-0.6	-3.9	-	-
Other sales costs	3.2	3.6	+0.5	+14.5	-	-
Others	10.6	10.5	-0.2	-1.5	-	-
Operating income	20.6	21.3	+0.7	+3.5	20.5	103.9

Non-operating Income and Expenses/ Special Gains and Losses

【Mitsubishi Pharma, Summary of Interim Financial Results for FY2007】

Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	20.6	21.3	+0.7	+3.5	20.5	103.9
Non-operating income	0.7	0.7	0.0		—	—
Non-operating expenses	1.0	1.0	0.0		—	—
Ordinary income	20.2	21.0	+0.7	+3.6	20.0	105.0
Special gains	2.7	0.2	-2.5		—	—
Special losses	0.4	3.9	+3.5		—	—
Merger-related expenses	—	1.6	+1.6		} 2.5	
Special retirement benefit	0.2	0.9	+0.7			
Plant closure	—	1.4	+1.4			
Net income	13.6	10.4	-3.2	-23.5	10.0	104.0

Mitsubishi Tanabe Pharma Corporation
Full-Year Forecasts for FY2007

Forecasts for FY2007 Ending March 31, 2007

【Accounting Standard Basis】



	FY2006	FY2007	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	%
Net sales	177.5	318.0	+140.5	+79.1
Cost of sales	69.0	113.0	+44.0	+63.9
Sales cost ratio	38.8%	35.5%		
SG&A	78.1	153.0	+74.9	+95.9
Operating Income	30.5	52.0	+21.5	+70.7
Ordinary Income	32.3	52.0	+19.7	+60.8
Net Income	20.2	26.0	+5.8	+28.9

FY2006: Tanabe Seiyaku

FY2007: 1st Half Results, Mitsubishi Pharma + 2nd Half Forecasts, Mitsubishi Tanabe Pharma

Forecasts for FY2007 Ending March 31, 2007

【Simple Sum】



	FY2006	FY2007	Increase (Decrease)		Published forecasts	Difference
	Billion yen	Billion yen	Billion yen	%	Billion yen	Billion yen
Net sales	405.0	411.8	+6.7	+1.7	418.5	-6.7
Cost of sales	149.0	150.1	+1.2	+0.8	153.5	-3.4
Sales cost ratio	36.8%	36.5%			36.7%	
SG&A	185.7	191.2	+5.5	+3.0	196.0	-4.8
Operating Income	70.4	70.4	0.0	0.0	69.0	+1.4
Ordinary Income	71.7	71.2	-0.4	-0.6	69.5	+1.7
Net Income	44.5	35.9	-8.5	-19.2	37.5	-1.6

Published forecasts: Published on May 9, 2007 at Financial Results of FY2006

Sales of Main Products

【FY2007 Sales Forecasts (Simple Sum)】



	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs	374.2	381.5	+7.3	+1.9	—	—
Radicut	28.6	29.0	+0.4	+1.4	29.7	-2.3
Remicade	20.5	28.3	+7.8	+38.0	27.0	4.5
Anplag	16.7	18.6	+1.9	+11.7	19.1	-2.7
Urso	15.9	17.8	+1.9	+11.8	19.5	-8.8
Tanatril	14.5	14.3	-0.1	-1.0	14.2	1.2
Talion	7.0	8.9	+1.9	+27.2	8.4	5.8
Herbesser	18.0	17.7	-0.3	-1.9	17.4	1.5
Ceredist	14.5	15.1	+0.6	+4.1	15.3	-1.5
Venoglobulin-IH	13.2	13.6	+0.3	+2.5	13.3	1.9
Depas	11.3	11.6	+0.3	+2.7	11.8	-1.9
Vaccine	16.2	16.6	+0.4	+2.4	14.8	12.1

Cost of Sales/SG&A Expenses

【 FY2007 Sales Forecasts (Simple Sum)】



Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	405.0	411.8	+6.7	+1.7	418.5	-1.6
Cost of sales	149.0	150.1	+1.2	+0.8	153.5	-2.2
Sales cost ratio	36.8%	36.5%			36.7%	
SG&A	185.7	191.2	+5.5	+3.0	196.0	-2.5
R&D expenses	75.8	75.5	-0.2	-0.3	78.5	-3.8
Labor costs	55.3	52.7	-2.6	-4.7	-	-
Amortization of goodwill	-	5.0	+5.0	-	5.0	-
Others	54.6	58.0	3.4	+6.1	-	-
Operating income	70.4	70.4	0.0	0.0	69.0	+2.1

Non-operating Income and Expenses/ Special Gains and Losses

【 FY2007 Sales Forecasts (Simple Sum)】



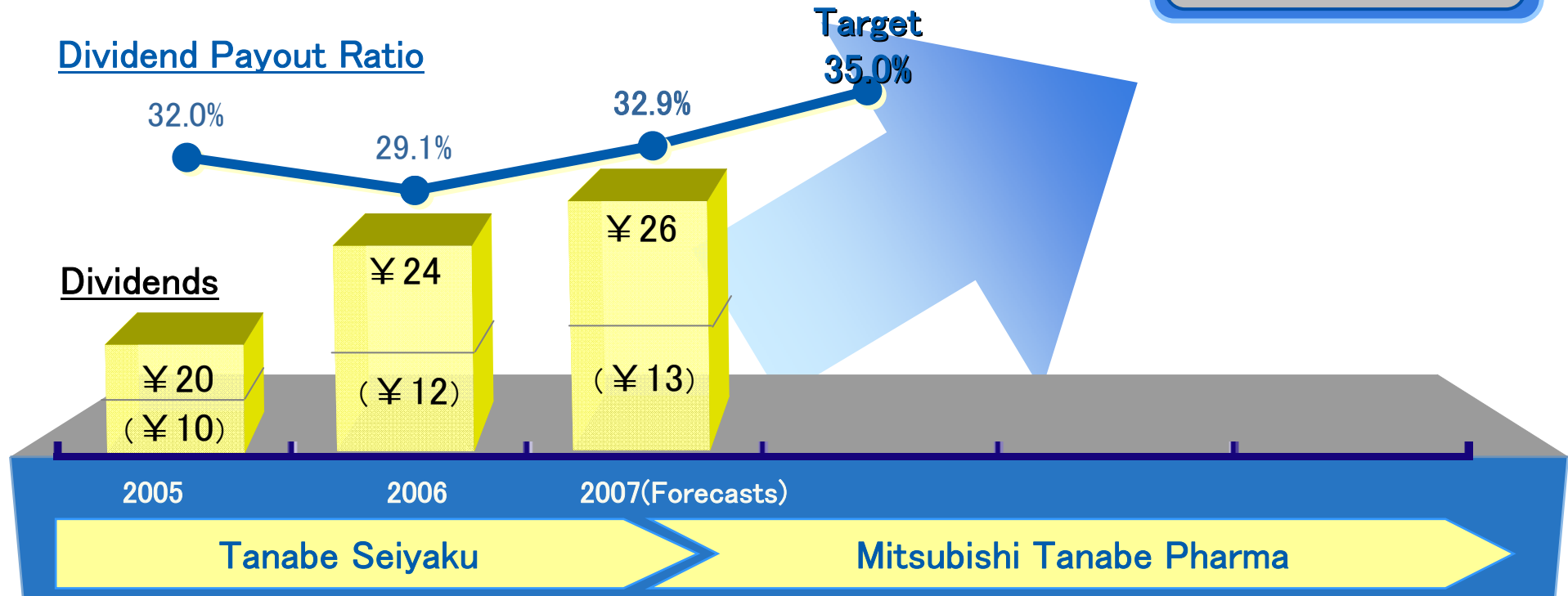
	FY2006	FY2007	Increase (Decrease)		Published Forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	70.4	70.4	0.0	0.0	69.0	+2.1
Non-operating income & expenses	1.2	0.8	-0.4	-35.5	0.5	+60.0
Ordinary income	71.7	71.2	-0.4	-0.6	69.5	+2.5
Special gains	5.6	0.2	-5.5	-96.9	-	-
Special losses	3.7	10.1	+6.4	-	-	-
Special retirement benefit	0.3	1.6	+1.3	-	} -	+20.0
Merger-related expenses	0.7	6.4	+5.7	-		
Net income	44.5	35.9	-8.5	-19.2	37.5	-4.2

Policy for Returning Profits to Shareholders



- Target 35% for consolidated dividend payout ratio based on net income before amortization of goodwill.
- Aim for even more aggressive returns to shareholders in medium to long term.

More aggressive returns of profit



Note : Tanabe Seiyaku's first-half figures and Mitsubishi Tanabe Pharma's second-half figures have been used for the FY 2007 dividends and dividend payout ratio.
 Also, the dividend payout ratio has been calculated exclusive of the amortization of goodwill and merger costs.

Creating a New Model for Growth

– The Birth of Mitsubishi Tanabe Pharma Corporation –

Promptly establish the position of a global research-driven Pharmaceutical company

- Establishing the construction of continual creation of new drugs
- Accelerating overseas business development

Enhance the presence of the company in the domestic market

- A top-tier domestic sales force

Aim to be a distinctive pharmaceutical company

- Entry into the generics business
- Initiatives for personalized medicine

Strengthening our discovery research capabilities and targeting disease areas



■ High-priority Diseases

Diabetes and Lipid Metabolism Disorders

Brain & nerve disease

Renal and Urinary system diseases

■ Merging and further enhancing the companies' strengths

Strong optimization capabilities
• Medicinal Chemistry

×

Strong theme-discovering abilities
• Genome Science
• Computational Science

Tanabe Seiyaku

Mitsubishi Pharma

■ Strengthen alliance with Mitsubishi Chemical Holdings Group

Domestic R&D Pipeline

- Immunology/Inflammation
- Diabetes and lipid metabolism disorders
- Liver

Overseas R&D Pipeline

- Promote phase III clinical trials in the U.S. and Europe, with a focus on the renal area.
- Following the renal area, select the globally developed disease areas by 2010
 - Diabetes and lipid metabolism disorders
 - Brain & nerve, renal and urinary system diseases

Challenge to New Business Opportunities



Discovery research business

R&D for medicines with less-satisfactory treatment level

Challenge to explore personalized medicine

Avoiding adverse drug events and non-responder

Generic business opportunities

Offering medicines with satisfactory treatment level at lower price

Challenge to explore new business opportunities

Keys to Mid-term Business Plan



Realize merger synergy at early stage

**Direction of R&D
Specific plan for global business strategy**

**Integrate logistics ▪ manufacture ▪ laboratory bases
Restructure of domestic subsidiaries**

**Strategy for expand Generics drug business
Challenge to personalized medicine**

**We contribute to healthier lives of people around
the world through creating pharmaceuticals.**



Mitsubishi Tanabe Pharma

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 two companies and is subject to significant risks and uncertainties.

Information on the companies, excluding the two companies and the new company, is generally based on and referring directly to publicly available information, and the companies have not assumed any responsibility for independently verifying and makes no warranties or representations with respect to the accuracy and completeness of such information.