



Mitsubishi Tanabe Pharma Corporation FY2007 Business Results Briefing

May 9, 2008
Keidanren Kaikan

Natsuki Hayama
President
Representative Director

FY2007

(Fiscal Year Ended March 31, 2008)

Overview of Business Results

FY2007 Financial Results

【Simple Sum, Consolidated】



	FY2006	FY2007	Increase Decrease		Published forecasts for FY2007	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	405.0	409.4	+4.4	+1.1	411.8	99.4
Cost of sales	149.0	150.5	+1.6	+1.1	150.1	100.3
Sales cost ratio	36.8%	36.8%			36.5%	
SG&A	185.7	186.4	+0.7	+0.4	191.2	97.5
Operating income	70.4	72.5	+2.1	+2.9	70.4	102.9
Ordinary income	71.7	73.6	+2.0	+2.8	71.2	103.4
Net income	44.5	31.9	-12.5	-28.2	35.9	88.9

Published forecasts for FY2007: Announced on November 1, 2007 in the Interim Financial Results of FY2007

Reference

FY2007 Financial Results [Accounting Standard Basis]



Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase Decrease		Published forecasts for FY2007	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	177.5	315.6	+138.1	+77.8	318.0	99.3
Cost of sales	69.0	113.4	+44.4	+64.4	113.0	100.3
Sales cost ratio	38.8%	35.9%			35.5%	
SG&A	78.1	148.2	+70.1	+89.7	153.0	96.9
Operating income	30.5	54.0	+23.6	+77.4	52.0	103.9
Ordinary income	32.3	54.4	+22.1	+68.2	52.0	104.6
Net income	20.2	22.0	+1.8	+9.0	26.0	84.6

Sales by Segment

【FY2007 Financial Results (Simple Sum)】



	FY2006	FY2007	Increase Decrease		Published forecasts for FY2007	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	405.0	409.4	+4.4	+1.1	411.8	99.4
Pharmaceuticals	374.2	379.5	+5.3	+1.4	381.5	99.5
Ethical drugs domestic sales	327.0	331.9	+5.0	+1.5	333.2	99.6
Ethical drugs overseas sales	20.7	23.6	+3.0	+14.4	24.4	96.8
OTC	5.6	5.8	+0.3	+4.7	5.7	102.6
Others	21.0	18.1	-2.9	-13.7	18.2	99.5
Other Businesses	30.9	29.9	-0.9	-3.0	30.3	98.7
[Overseas sales]	[33.6]	[37.3]	[+3.7]	[+11.0]	[38.2]	[97.6]

Ethical Drugs Domestic Sales Sales of Main Products

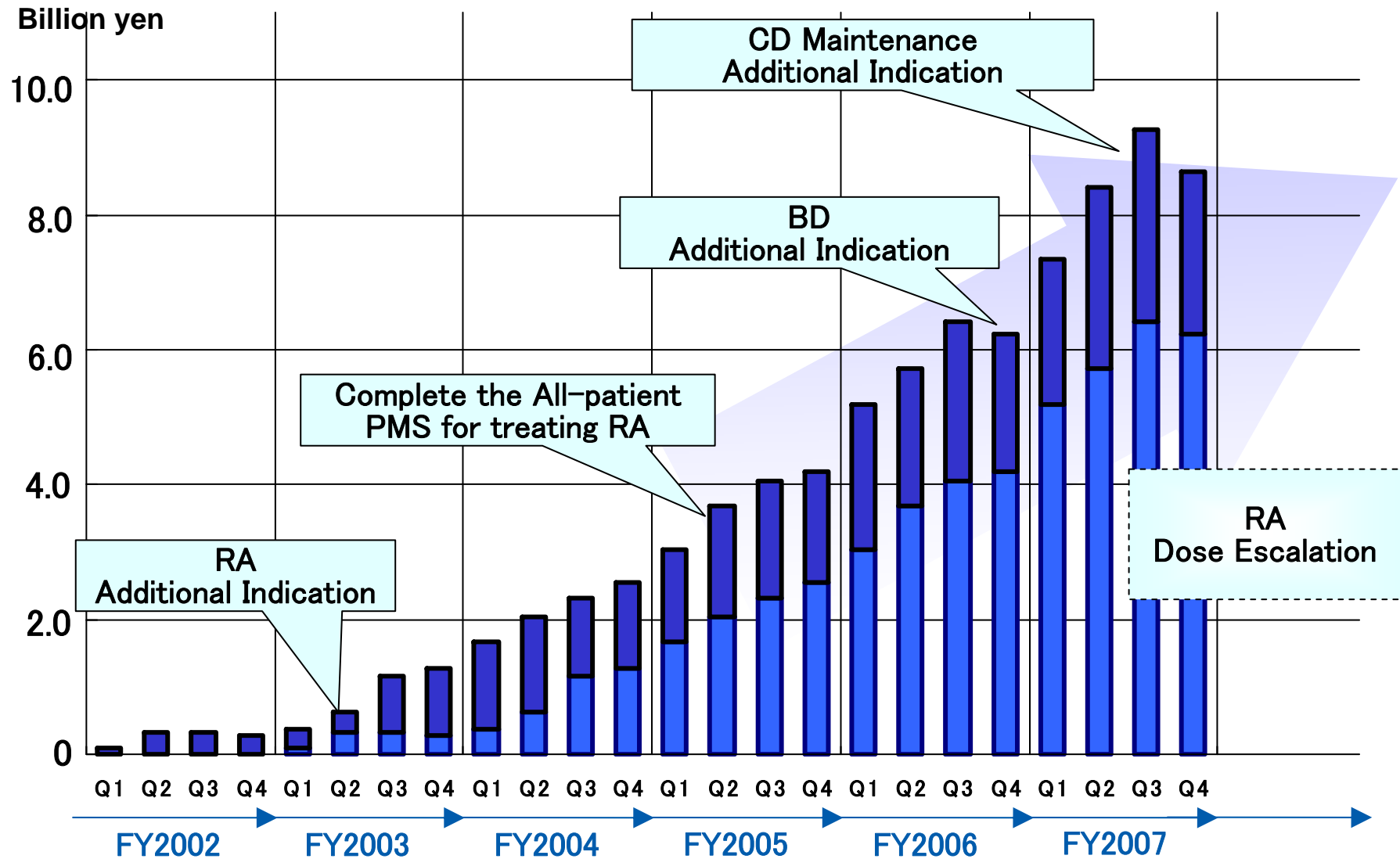
【FY2007 (Simple Sum)】



Mitsubishi Tanabe Pharma

	FY2006	FY2007	Increase Decrease		Published forecasts for FY2007	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs domestic sales	327.0	331.9	+5.0	+1.5	333.2	99.6
Remicade	20.5	28.6	+8.1	+39.6	28.2	101.1
Radicut	20.5	27.9	-0.7	-2.4	29.0	96.2
Anplag	16.5	17.6	+1.1	+6.5	18.3	95.8
Urso	15.9	16.6	+0.7	+4.7	17.8	93.6
Tanatril	12.8	12.4	-0.4	-2.9	12.4	100.2
Talion	6.7	8.3	+1.6	+23.9	8.4	99.0
Herbesser	13.4	13.0	-0.4	-3.1	12.8	101.5
Ceredist	14.5	15.2	+0.7	+4.9	15.1	100.7
Venoglobulin-IH	13.2	11.8	-1.4	-10.7	12.5	94.8
Depas	11.2	11.5	+0.3	+2.3	11.5	99.5
Vaccine	14.2	16.9	+2.7	+19.0	14.6	116.0

Remicade Sales Trend (Drug Price Basis) [FY2007 Financial Results (Simple Sum)]



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Cost of Sales/SG&A Expenses

【FY2007 Financial Results (Simple Sum)】



	FY2006	FY2007	Increase Decrease		Published forecasts for FY2007	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	405.0	409.4	+4.4	+1.1	411.8	99.4
Cost of sales	149.0	150.5	+1.6	+1.1	150.1	100.3
Sales cost ratio	36.8%	36.8%			36.5%	
SG&A	185.7	186.4	+0.7	+0.4	191.2	97.5
R&D expenses	75.8	72.3	-3.4	-4.5	75.5	95.8
Labor costs	55.3	53.0	-2.3	-4.1	52.7	100.7
Amortization of goodwill	0.1	5.1	+5.1	—	5.0	102.7
Other selling expenses	12.5	13.3	+0.8	+6.2	} 5.8	96.4
Others	42.1	42.7	-0.6	+1.4		
Operating income	70.4	72.5	+2.1	+2.9	70.4	102.9

Non-operating Income and Expenses/ Special Gains and Losses

【FY2007 Financial Results (Simple Sum)】



	Third Quarter		Increase Decrease		Published forecasts for FY2007	% achieve
	FY2006	FY2007	Billion yen	%		
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	70.4	72.5	+2.1	+2.9	70.4	102.9
Non-operating income & expenses	1.2	1.2	-0.1			
Ordinary income	71.7	73.6	+2.0	+2.8	71.2	103.4
Special gains	5.6	2.0	-3.7	—	0.2	—
Special losses	3.7	20.3	+16.6	—	10.1	201.2
Provision for reserve for HCV litigation	2.1	9.1	+7.0	—	—	—
Merger-related expenses	0.7	7.0	+6.3	—	} 7.8	113.5
Special retirement expenses	0.3	1.8	+1.5	—		
Net income	44.5	31.9	-12.5	-28.2	35.9	88.9

Forecasts for FY2008

(Fiscal Year Ending March 31, 2009)

Forecasts for FY2008



	FY2007	FY2008	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	409.4	425.0	+15.6	+3.8
Cost of sales	150.5	159.0	+8.5	+5.6
Sales cost ratio	36.8%	37.4%		
SG&A	186.4	191.0	+4.6	+2.5
Operating income	72.5	75.0	+2.5	+3.5
Ordinary income	73.6	76.0	+2.4	+3.2
Net income	31.9	39.0	+7.1	+22.1

Sales by Segment

【Forecasts for FY2008】



	FY2007	FY2008	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	409.4	425.0	+15.6	+3.8
Pharmaceuticals	379.5	395.6	+16.1	+4.2
Ethical drugs domestic sales	331.9	339.1	+7.2	+2.2
Ethical drugs overseas sales	23.6	26.3	+2.7	+11.4
OTC	5.8	5.7	-0.1	-2.2
Others	18.1	24.4	+6.3	+35.0
Other Businesses	29.9	29.4	-0.5	-1.8
[Overseas sales]	[37.3]	[42.0]	[+4.7]	[+12.7]

Ethical Drugs Domestic Sales Sales of Main Products

【Forecasts for FY2008】



Mitsubishi Tanabe Pharma

	FY2007	FY2008	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	331.9	339.1	+7.2	+2.2
Remicade	28.6	35.7	+7.1	+24.8
Radicut	27.9	29.3	+1.4	+5.1
Anplag	17.6	20.2	+2.6	+15.0
Urso	16.6	18.0	+1.4	+8.5
Tanatril	12.4	12.6	+0.2	+1.6
Talion	8.3	10.8	+2.5	+30.3
Herbesser	13.0	12.0	-1.0	-7.4
Ceredist	15.2	15.3	+0.1	+0.8
Venoglobulin-IH	11.8	12.2	+0.4	+3.1
Depas	11.5	12.3	+0.8	+7.0
Vaccine	16.9	16.3	-0.6	-3.8

Cost of Sales/SG&A Expenses

【Forecasts for FY2008】



Mitsubishi Tanabe Pharma

	FY2007	FY2008	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	409.4	425.0	+15.6	+3.8
Cost of sales	150.5	159.0	+8.5	+5.6
Sales cost ratio	36.8%	37.4%		
SG&A	186.4	191.0	+4.6	+2.5
R&D expenses	72.3	77.5	+5.2	+7.1
Labor costs	53.0	48.4	-4.6	-8.7
Amortization of goodwill	5.1	10.0	+4.9	+94.7
Other selling expenses	13.3	14.4	+1.1	+8.6
Others	42.7	40.7	-2.0	-4.6
Operating income	72.5	75.0	+2.5	+3.5

Non-operating Income and Expenses/ Special Gains and Losses

【Forecasts for FY2008】

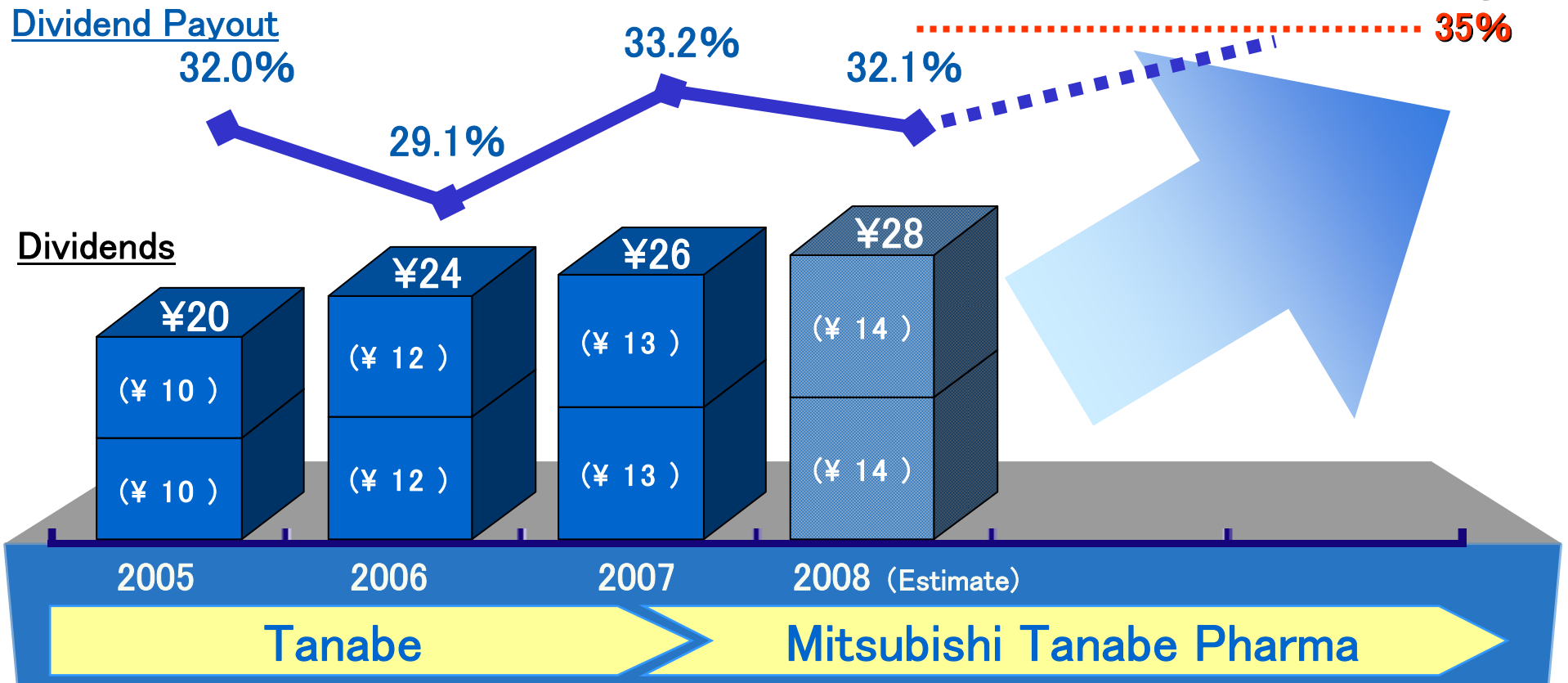


	FY2007	FY2008	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Operating income	72.5	75.0	+2.5	+3.5
Non-operating income & expenses	1.2	1.0	-0.2	-14.7
Ordinary income	73.6	76.0	+2.4	+3.2
Special gains	2.0	-	-2.0	-100.0
Special losses	20.3	8.0	-12.3	-60.6
Restructuring expenses	-	8.0	+8.0	-
Net income	31.9	39.0	+7.1	+22.1

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 long term.



Tanabe Seiyaku 's interim figures and Mitsubishi Tanabe Pharma 's estimated year-end figures are used for the FY 2007 dividends. The dividend payout ratio is calculated exclusive of the amortization of goodwill and provision for reserve for HCV litigation from Mitsubishi Tanabe Pharma's second-half net income, and with estimated year-end dividends.

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.