

Mitsubishi Tanabe Pharma Corporation

FY2008 First Quarter

Business Results Outline

(April 1, 2008 – June 30, 2008)

July 30, 2008

Kunihiko Shimojuku
Board Director
Executive Vice President

FY2008 First Quarter Financial Results



	First Quarter		Increase Decrease		Published forecasts for 1 st half of FY2008	% achieve
	FY2007	FY2008	Billion yen	%		
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	104.9	108.2	+3.3	+3.2	206.0	52.5
Cost of sales	38.8	39.6	+0.7	+1.9	74.5	53.1
Sales cost ratio	37.0%	36.6%			36.2%	
SG&A	44.3	43.3	-1.0	-2.2	98.0	44.2
Operating income	21.8	25.4	+3.6	+16.5	33.5	75.8
Ordinary income	22.7	25.9	+3.2	+14.3	34.0	76.3
Net income	12.9	14.6	+1.7	+13.3	15.0	97.7

FY2007; simple sum basis of former Tanabe Seiyaku and former Mitsubishi Pharma Corporation

Published forecasts for 1st half of FY2008; accumulated forecasts from Q1 to Q2 published in May 7, 2008 in the business results briefing

Sales by Segment



	First Quarter		Increase Decrease		Published forecasts for 1 st half of FY2008	% achieve
	FY2006	FY2007	Billion yen	%		
Net sales	Billion yen 104.9	Billion yen 108.2	Billion yen +3.3	% +3.2	Billion yen 206.0	% 52.5
[Overseas sales]	[8.2]	[9.1]	[+0.9]	[+11.0]	[21.5]	[42.2]
Pharmaceuticals	97.5	100.6	+3.2	+3.2	191.2	52.6
Ethical drugs domestic sales	86.5	88.0	+1.4	+1.7	163.5	53.8
Ethical drugs overseas sales	5.8	6.6	+0.8	+13.5	12.6	52.1
OTC	1.4	1.3	-0.1	-8.6	2.6	48.8
Others	3.8	4.8	+1.1	+28.2	12.6	38.5
Other Businesses	7.5	7.6	+0.2	+2.3	14.8	51.5

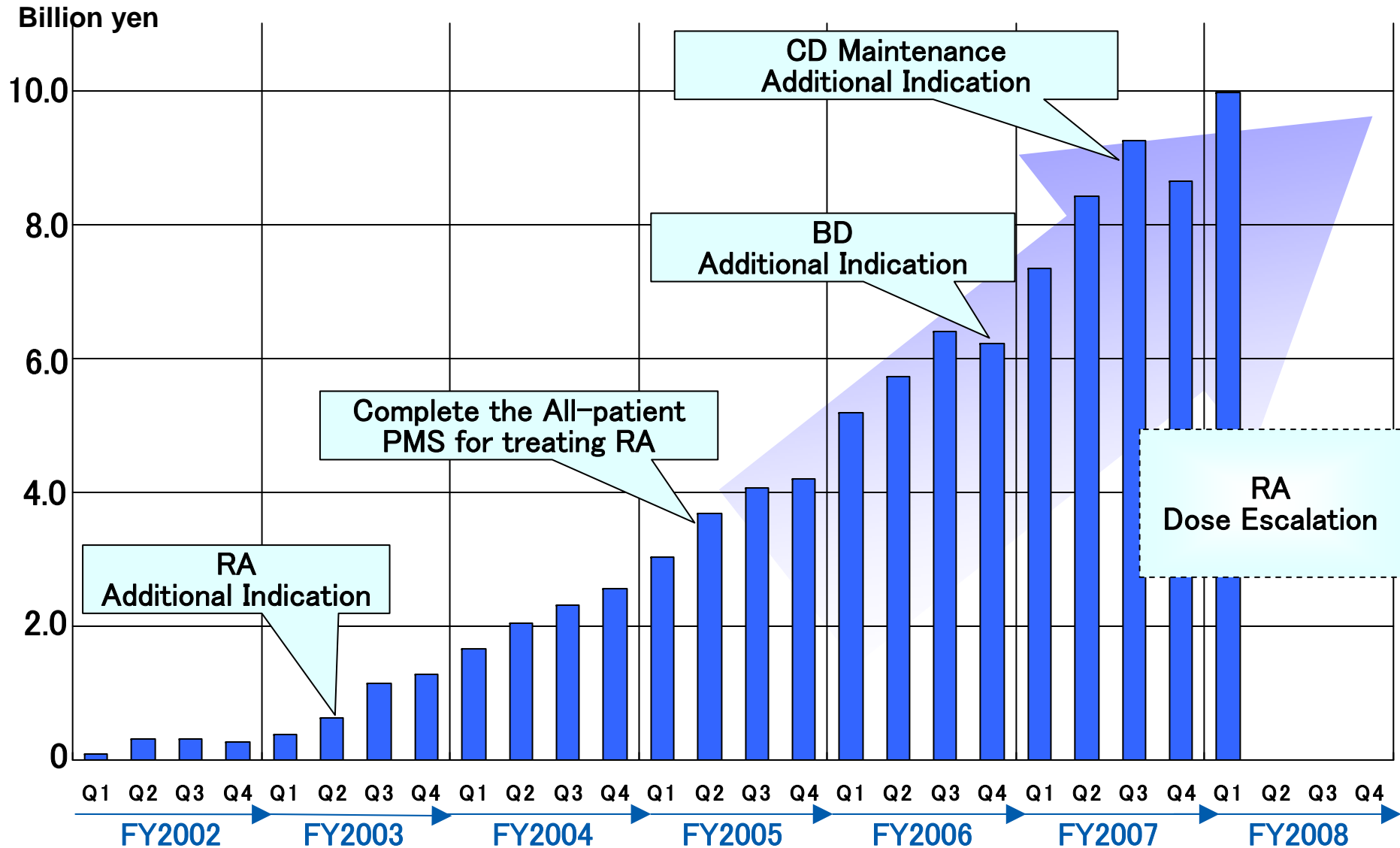
Ethical Drugs Domestic Sales

Sales of Main Products



	First Quarter		Increase Decrease		Published forecasts for 1 st half of FY2008	% achieve
	FY2006	FY2007	Billion yen	%		
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs domestic sales	86.5	88.0	+1.4	+1.7	163.5	53.8
Remicade	6.3	8.9	+2.6	+41.2	16.7	53.0
Radicut	7.2	7.3	+0.1	+1.2	14.4	50.9
Anplag	4.5	4.9	+0.4	+8.8	9.8	49.9
Urso	4.2	4.3	+0.1	+1.9	8.9	48.0
Tanatril	3.4	3.4	0	-1.2	6.4	53.4
Talion	1.6	2.1	+0.4	+24.7	3.8	53.5
Ceredist	4.1	4.3	+0.3	+6.4	7.7	56.2
Herbesser	3.6	3.3	-0.3	-9.1	6.1	54.2
Venoglobulin-IH	3.2	2.9	-0.3	-8.5	6.0	48.8
Depas	2.9	3.1	+0.2	+6.2	6.1	50.9
Vaccine	4.0	5.4	+1.4	+34.8	6.5	84.1

Remicade Sales Trend (Drug Price Basis)



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Cost of Sales/SG&A Expenses



Mitsubishi Tanabe Pharma

	First Quarter		Increase Decrease		Published forecasts for 1 st half of FY2008	% achieve
	FY2006	FY2007	Billion yen	%		
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	104.9	108.2	+3.3	+3.2	206.0	52.5
Cost of sales	38.8	39.6	+0.7	+1.9	74.5	53.1
Sales cost ratio	37.0%	36.6%			36.2%	
SG&A	44.3	43.3	-1.0	-2.2	98.0	44.2
R&D expenses	17.8	16.3	-1.5	-8.4	39.5	41.2
Labor costs	13.5	12.6	-0.9	-6.8	25.0	50.2
Amortization of goodwill	0	2.5	+2.5	—	5.0	50.3
Sales promotion expenses	2.7	2.3	-0.4	-13.7	7.4	31.4
Others	10.3	9.6	-0.7	-6.8	21.1	45.6
Operating income	21.8	25.4	+3.6	+16.5	33.5	75.8

Non-operating Income and Expenses/ Extraordinary Income and Losses



	First Quarter		Increase Decrease		Published forecasts for 1 st half of FY2008	% achieve
	FY2006	FY2007				
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	21.8	25.4	+3.6	+16.5	33.5	75.8
Non-operating income & expenses	0.9	0.6	-0.4	-40.0	0.5	110.2
Ordinary income	22.7	25.9	+3.2	+14.3	34.0	76.3
Extraordinary income	0.1	0.1	0.0	—	—	—
Extraordinary losses	0.2	0.7	+0.6	—	6.5	11.4
Merger-related expenses	0.1	—	-0.1		—	—
Special retirement expenses	0.1	—	-0.1			
Restructuring expenses	—	0.6	+0.6			
Loss on valuation of investment in securities	0	0.1	+0.1			
Net income	12.9	14.6	+1.7	+13.3	15.0	97.7

Status of New Product Development

Changes since previous announcement on May 7, 2008



- ◆ Novastan (Argatroban)
Antithrombin agent
Heparin-Induced Thrombocytopenia (HIT)
Additional indication Approved in Japan, July 2008

- ◆ Ceredist (Taltirelin hydrate)
Agent for treating spinocerebellar degeneration
Additional formulation sNDA Filed in Japan, July 2008

- ◆ Modiodal (Modafinil)
Psychoneurotic agent
Obstructive sleep apnea
Additional indication sNDA Filed in Japan, May 2008

- ◆ Valixa (Valganciclovir)
Antiviral agent
Post-transplantation cytomegalovirus infection
Additional indication sNDA Filed in Japan, June 2008

Status of New Product Development

Changes since previous announcement on May 7, 2008



- ◆ Pazucross (Pazufloxacin mesilate)
Injectable quinolone synthetic antibacterial agent
Severe intractable case Additional dose Phase 3 in Japan, July 2008
Sepsis, Pneumococcus Additional indication Phase 3 in Japan, July 2008
- ◆ CNTO148 (Golimumab)
Anti-TNF α monoclonal antibody
Rheumatoid arthritis Phase 2/3 in Japan, June 2008
- ◆ MP-214
D3/D2 antagonist
Schizophrenia Phase 2 in Japan, May 2008
- ◆ Y-39983
ROCK (rho-kinase) inhibitor
Glaucoma Phase 2 in Japan, May 2008

License Agreement with Cytochroma for CTA018



- ◆ A therapeutic agent for the treatment of secondary hyperparathyroidism (SHPT) associated with chronic kidney disease (CKD)
- ◆ CTA018 is a novel vitamin D analog that is expected to reduce serum intact parathyroid hormone level significantly with less hypercalcemic profile compared to currently available therapies (preparing Phase 2 in North America).
- ◆ Exclusive rights to develop and commercialize CTA018 in the US and Asia including Japan are granted
- ◆ Up to a total of CDN\$105 million, which includes an upfront payment, milestone payments, and an equity investment

✂About Cytochroma

Cytochroma, located in Ontario, Canada with approximately forty employees, is a specialty pharmaceutical company focused on developing CKD therapeutic drugs. Currently, Cytochroma is developing CTA018 and CTAP201 for the treatment of SHPT and CTAP101 for the treatment of vitamin D deficiency.

FY2015 Objectives – Medium-Term Management Plan -

Build up our own marketing structure in the U.S. and achieve overseas Pharmaceuticals sales of over ¥100 billion

- ◆ Enhance renal product pipeline in the U.S.
 - CTA018 is the third product following MCI-196 for the treatment of hyperphosphatemia and MP-146 for the treatment of CKD, both products are under phase 3 clinical trial in North America.
- ◆ Strengthen the business platform in the U.S.
 - Access to the valuable expertise of Cytochroma's management team having extensive and successful track records in research, development and commercializing products for the treatment of CKD in North America

Medium-Term Management Plan 08-10 Update



- ◆ Enhancing Our Presence in Domestic Marketing
 - Unification of sales lines; April
 - Launch of Medway Injection; May
 - Co-marketing of Glucobay Tablet; September

- ◆ Progress in Generic Operations
 - Basic agreement with Choseido Pharmaceutical on a capital and business alliance; May
 - Launch of generic drugs for 9 products, 15 standards; July

- ◆ Creating an Efficient Organization and Cost Structure
 - Consolidate production companies; October
 - Implement early retirement support program; July

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.