

# Mitsubishi Tanabe Pharma Corporation

## FY2008 Third Quarter

### Business Results Outline

(April 1, 2008 – December 31, 2008)

January 29, 2009

Kunihiko Shimojuku  
Board Director  
Executive Vice President

# FY2008 3<sup>rd</sup> Quarter Financial Results

## 【April to December, 2008】



	FY2007	FY2008	Increase Decrease		Published forecasts	achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Net sales</b>	323.5	325.3	+1.8	+0.6	420.0	77.5
<b>Cost of sales</b>	118.4	123.9	+5.5	+4.7	161.5	76.7
<b>Sales cost ratio</b>	36.6%	38.1%			38.5%	
<b>SG&amp;A</b>	135.6	136.3	+0.7	+0.5	185.5	73.5
<b>Operating income</b>	69.5	65.1	-4.4	-6.4	73.0	89.2
<b>Ordinary income</b>	70.9	66.4	-4.5	-6.3	74.5	89.1
<b>Net income</b>	37.6	32.1	-5.5	-14.5	33.0	97.3

Published forecasts : revised forecasts for FY2008 (see page 7)

# Sales by Segment

【Q3 FY2008 Financial Results, April to December, 2008】



Mitsubishi Tanabe Pharma

	FY2007	FY2008	Increase Decrease		Published forecasts	achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Net sales</b>	<b>323.5</b>	<b>325.3</b>	<b>+1.8</b>	<b>+0.6</b>	<b>420.0</b>	<b>77.5</b>
[Overseas sales]	[27.7]	[ 27.9]	[ +0.3]	[ +0.9]	[ 37.4]	[74.6]
<b>Pharmaceuticals</b>	<b>301.1</b>	<b>302.5</b>	<b>+1.4</b>	<b>+0.5</b>	<b>390.6</b>	<b>77.4</b>
Ethical drugs domestic sales	265.3	263.6	-1.6	-0.6	337.1	78.2
Ethical drugs overseas sales	17.7	19.5	+1.9	+10.6	26.7	73.3
OTC	4.6	4.2	-0.4	-8.7	5.6	75.3
Others	13.5	15.1	+1.5	+11.3	21.3	70.9
<b>Other Businesses</b>	<b>22.4</b>	<b>22.9</b>	<b>+0.5</b>	<b>+2.1</b>	<b>29.4</b>	<b>77.9</b>

# Ethical Drugs Domestic Sales of Main Products

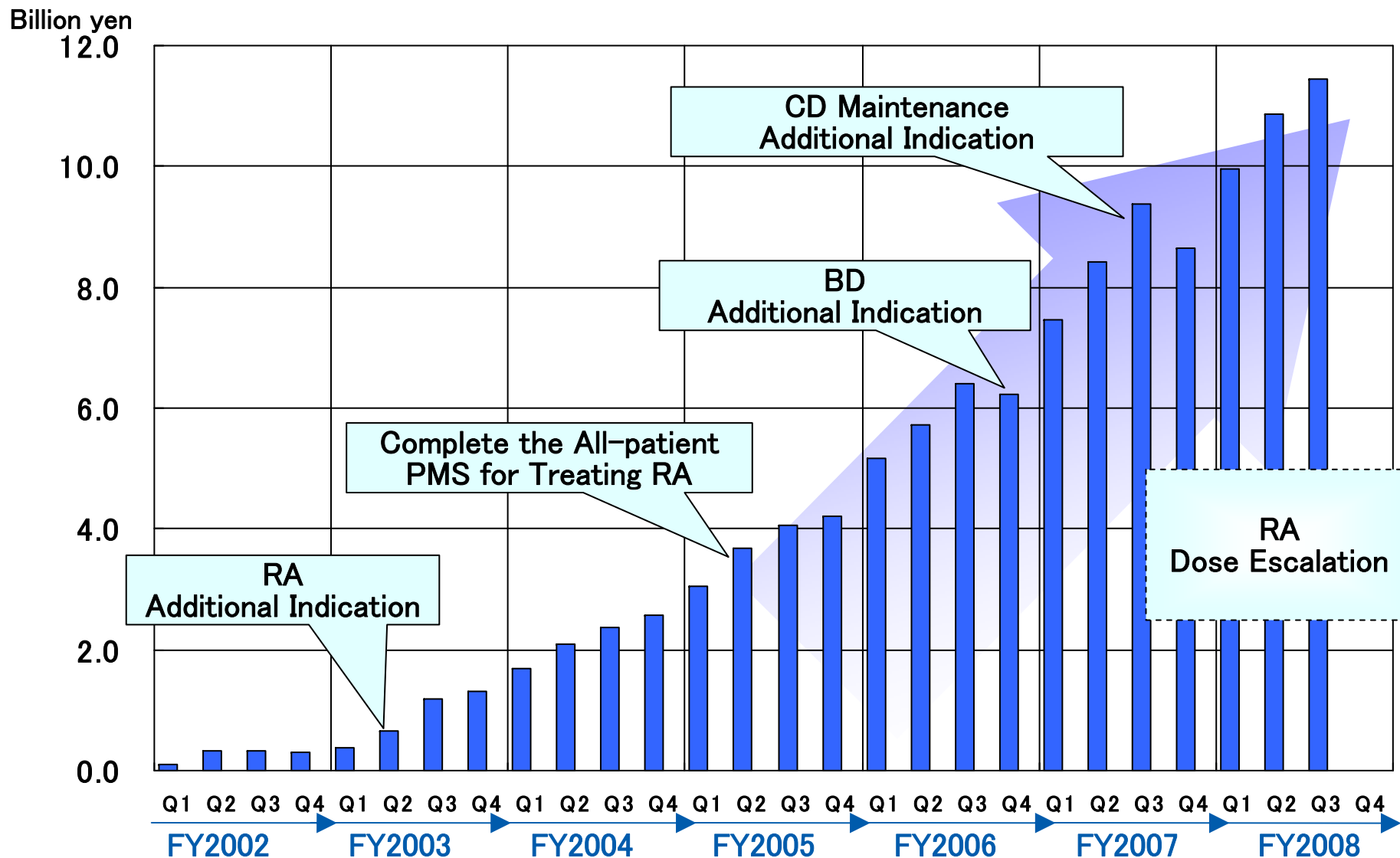
## 【Q3 FY2008 Financial Results, April to December, 2008】



	FY2007	FY2008	Increase Decrease		Published forecasts	achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Ethical drugs domestic sales</b>	265.3	263.6	-1.6	-0.6	337.1	78.2
Remicade	22.2	28.6	+6.4	+28.9	37.3	76.8
Radicut	22.6	22.3	-0.3	-1.5	28.7	77.6
Anplag	14.0	14.5	+0.5	+3.5	18.6	77.8
Urso	13.1	12.7	-0.4	-3.3	16.4	77.4
Tanatril	10.1	9.5	-0.6	-6.0	11.9	80.2
Talion	5.1	6.0	+0.9	+17.4	10.2	58.9
Ceredist	12.2	12.8	+0.6	+4.8	16.3	78.5
Herbesser	10.5	9.4	-1.1	-10.4	12.0	78.9
Depas	9.0	9.3	+0.3	+2.9	11.9	77.5
Venoglobulin-IH	9.7	9.0	-0.7	-7.5	11.0	81.2
Vaccines	13.7	17.6	+3.8	+27.8	20.7	85.0
[Influenza]	[6.5]	[6.2]	[-0.2]	[-3.6]	[6.8]	[91.6]
[Mearubik]	[5.4]	[9.1]	[+3.7]	[+69.8]	[11.0]	[83.0]

# Remicade Sales Trend (Drug Price Basis)

## 【Q3 FY2008 Financial Results, April to December, 2008】



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# Cost of Sales/SG&A Expenses

## 【Q3 FY2008 Financial Results, April to December, 2008】



	FY2007	FY2008	Increase Decrease		Published forecasts	achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	323.5	325.3	+1.8	+0.6	420.0	77.5
Cost of sales	118.4	123.9	+5.5	+4.7	161.5	76.7
Sales cost ratio	36.6%	38.1%			38.5%	
SG&A	135.6	136.3	+0.7	+0.5	185.5	73.5
R&D expenses	52.8	53.9	+1.1	+2.1	74.0	72.9
Labor costs	39.9	37.5	-2.4	-6.0	49.4	75.9
Sales promotion expenses	9.6	8.7	-0.9	-9.2	11.8	73.8
Amortization of goodwill	2.6	7.5	+4.9	—	10.0	75.4
Others	30.7	28.7	-2.0	-6.7	40.3	71.1
Operating income	69.5	65.1	-4.4	-6.4	73.0	89.2

# Non-operating Income and Expenses/ Extraordinary Income and Losses

【Q3 FY2008 Financial Results, April to December, 2008】



Mitsubishi Tanabe Pharma

	FY2007	FY2008	Increase Decrease		Published forecasts	achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	69.5	65.1	-4.4	-6.4	73.0	89.2
Non-operating income & expenses	1.4	1.3	-0.1	-4.9		
Ordinary income	70.9	66.4	-4.5	-6.3	74.5	89.1
Extraordinary income	0.3	0.2	-0.1		0.1	-
Extraordinary losses	8.9	10.0	+1.1		14.1	70.9
Additional retirement allowance	1.6	3.9	+2.3			
Impairment loss	-	3.0	+3.0			
Loss on valuation of investment in securities	0.0	2.9	+2.9			
Merger-related expenses	5.6	-	-5.6			
Losses on plant shutdown	1.4	-	-1.4			
Net income	37.6	32.1	-5.5	-14.5	33.0	97.3

# Revision of Forecasts for FY2008



	Published forecasts	Current forecasts	Revision		FY2007	Increase Decrease
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Net sales</b>	420.0	420.0	—	—	409.4	+2.6
<b>Operating income</b>	73.0	73.0	—	—	72.5	+0.7
<b>Ordinary income</b>	74.5	74.5	—	—	73.6	+1.2
<b>Extraordinary losses</b>	10.5	14.1	+3.6	+34.3	20.3	-30.6
<b>Net income</b>	35.5	33.0	-2.5	-7.0	31.9	+3.3

# Status of New Product Development

Changes since previous announcement on October 30, 2008



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- ◆ MP-424 (Telaprevir)  
NS3-4A protease inhibitor  
Chronic hepatitis C Phase 3 in Japan, Nov. 2008

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  - ◆ Remicade (Infliximab)  
Anti-TNF  $\alpha$  monoclonal antibody  
Crohn's disease, dose escalation Phase 3 in Japan, Jan. 2009

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  - ◆ TA-1790 (Avanafil)  
PDE5 inhibitor  
Erectile dysfunction Phase 3 overseas, Dec. 2008

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  - ◆ MP-124  
PARP inhibitor  
Acute ischemic stroke Phase 1 overseas, Dec. 2008

# Key Management Issues and the Action Plan for the 08–10 Medium–Term Period

(Update from Oct. 2008)



## ◆ Creating an Efficient Organization and Cost Structure

- Early retirement; 217 applicants in the end of Sep. 2008
- Introduce the Personnel–management System (Oct. 2008)  
[Integrate personnel systems]
- Close Hirakata Office (Dec. 2008) and Nabari Training Center (Mar. 2009)

Expect cost synergy of ¥11.5 billion

- Integrate Kashima factory with MTPF (Apr. 2009),  
Early retirement (the end of Mar. 2009)
- Restructure domestic service subsidiaries (Apr. 2009)

## ◆ Progress in Generic Operations

- Strengthen Tanabe Seiyaku Hanbai' s GE sales structure by merger with Chosei Yakuhin.Co.Ltd. (Apr. 2009)

### **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.**