



Mitsubishi Tanabe Pharma Corporation

FY2008 Business Results

(April 1, 2008 – March 31, 2009)

May 8, 2009

Kunihiko Shimojuku
Board Director
Executive Vice President

FY2008 Business Results Outline

(April 1, 2008 – March 31, 2009)

FY2008 Financial Results



	FY2007	FY2008	Increase Decrease		Published Forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	409.4	414.8	+5.3	+1.3	420.0	98.8
Cost of sales	150.5	158.2	+7.6	+5.1	161.5	97.9
Sales cost ratio	36.8%	38.1%			38.5%	
SG&A	186.4	184.9	-1.5	-0.8	185.5	99.7
Operating income	72.5	71.7	-0.8	-1.1	73.0	98.2
Ordinary income	73.6	72.6	-1.1	-1.4	74.5	97.4
Net income	31.9	26.5	-5.4	-16.9	27.0	98.3

Published forecasts : revised forecasts for FY2008 announce on April 13, 2009

Sales by Segment

【FY2008 Financial Results】



	FY2007	FY2008	Increase Decrease		Published forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	409.4	414.8	+5.3	+1.3	420.0	98.8
[Overseas sales]	[37.3]	[35.2]	[-2.1]	[-5.6]	[37.4]	[94.0]
Pharmaceuticals	379.5	387.2	+7.7	+2.0	390.6	99.1
Ethical drugs domestic sales	331.9	335.4	+3.5	+1.1	337.1	99.5
Ethical drugs overseas sales	23.6	25.3	+1.6	+6.9	26.7	94.7
OTC	5.8	5.3	-0.5	-9.4	5.6	94.5
Others	18.1	21.2	+3.2	+17.4	21.3	99.9
Other Businesses	29.9	27.5	-2.4	-8.0	29.4	93.8

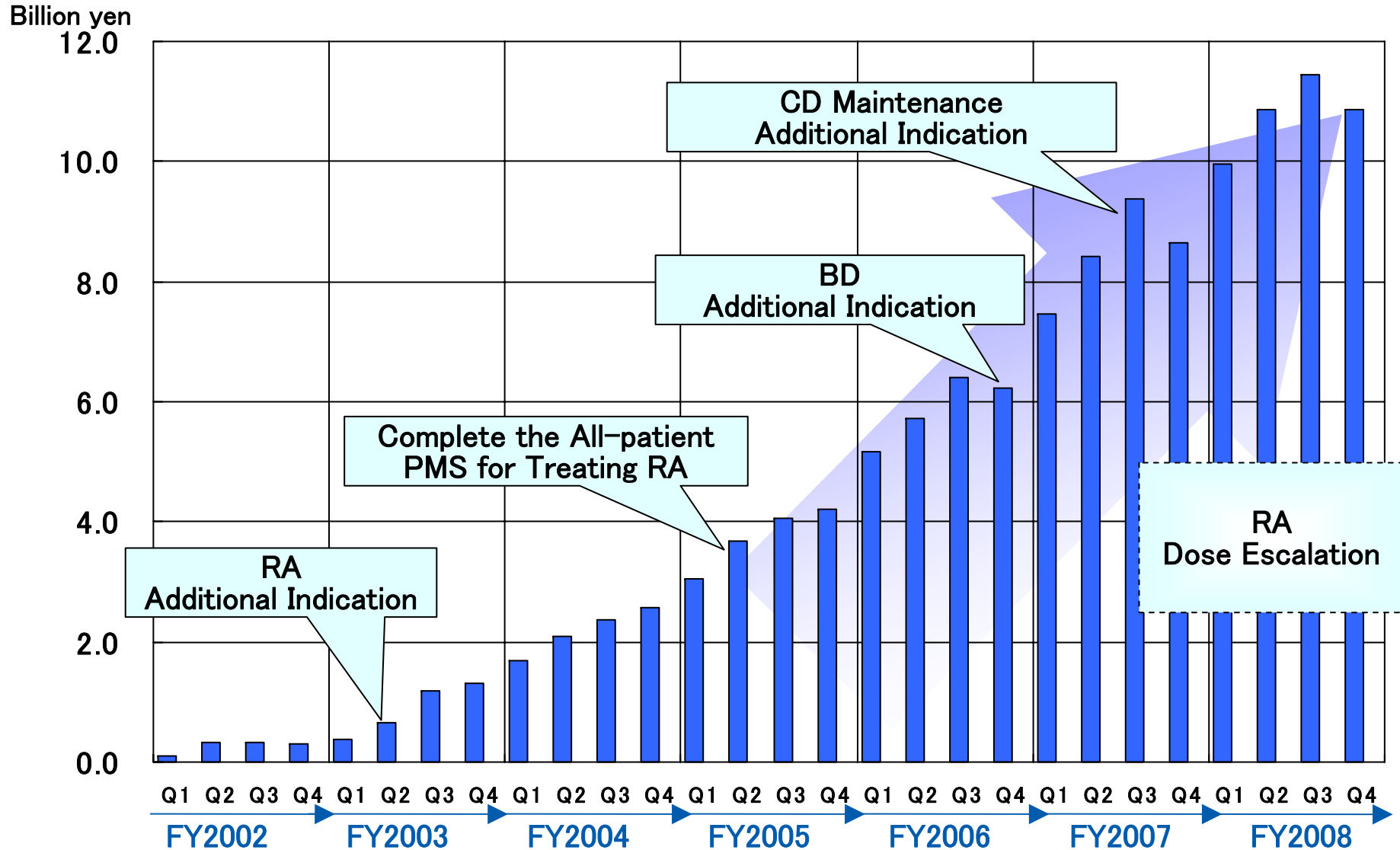
Ethical Drugs Domestic Sales of Main Products 【FY2008 Financial Results】



	FY2007	FY2008	Increase Decrease		Published forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs domestic sales	331.9	335.4	+3.5	+1.1	337.1	99.5
Remicade	28.6	37.4	+8.8	+30.9	37.3	100.2
Radicut	27.9	28.1	+0.2	+0.7	28.7	97.8
Anplag	17.6	18.5	+0.9	+5.2	18.6	99.6
Urso	16.6	16.2	-0.4	-2.6	16.4	98.9
Tanatril	12.4	11.9	-0.5	-3.9	11.9	100.3
Talion	8.3	10.4	+2.1	+25.3	10.2	101.6
Ceredist	15.2	16.2	+1.0	+6.7	16.3	99.4
Herbesser	13.0	11.9	-1.1	-8.7	12.0	99.2
Depas	11.5	11.8	+0.3	+2.9	11.9	98.8
Venoglobulin-IH	11.8	11.0	-0.8	-6.8	11.0	99.8
Vaccines	16.9	21.5	+4.6	+27.0	20.7	104.1
[Mearubik]	[7.6]	[11.8]	[+4.2]	[+55.7]	[11.0]	[107.9]
[Influenza]	[6.6]	[6.7]	[0.0]	[+0.7]	[6.8]	[98.5]

Remicade Sales Trend (Drug Price Basis)

【FY2008 Financial Results】



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Cost of Sales/SG&A Expenses

【FY2008 Financial Results】



	FY2007	FY2008	Increase Decrease		Published forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	409.4	414.8	+5.3	+1.3	420.0	98.8
Cost of sales	150.5	158.2	+7.6	+5.1	161.5	97.9
Sales cost ratio	36.8%	38.1%			38.5%	
SG&A	186.4	184.9	-1.5	-0.8	185.5	99.7
R&D expenses	72.3	73.1	+0.8	+1.1	74.0	98.8
Labor costs	53.0	50.0	-3.0	-5.7	49.4	101.3
Sales promotion expenses	13.3	11.7	-1.6	-11.9	11.8	99.0
Amortization of goodwill	5.1	10.1	+4.9	+95.8	10.0	100.6
Others	42.7	40.0	-2.7	-6.3	40.3	99.2
Operating income	72.5	71.7	-0.8	-1.1	73.0	98.2

Non-operating Income and Expenses/ Extraordinary Income and Losses

【FY2008 Financial Results】



	FY2007	FY2008	Increase Decrease		Published forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	72.5	71.7	-0.8	-1.1	73.0	98.2
Non-operating income & expenses	1.2	0.9	-0.3	-24.2		
Ordinary income	73.6	72.6	-1.1	-1.4	74.5	97.4
Extraordinary income	2.0	1.2	-0.8			
Extraordinary losses	20.3	25.8	+5.5			
Provision for reserve for HCV litigation	9.1	8.8	-0.3			
Loss on valuation of investment in securities	0.1	6.6	+6.6			
Special retirement expenses	1.8	4.3	+2.5			
Impairment loss	-	3.4	+3.4			
Net income	31.9	26.5	-5.4	-16.9	27.0	98.3

Forecasts for FY2009

(Fiscal Year Ending March 31, 2010)

Forecasts for FY2009



	FY2008	FY2009	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	414.8	408.0	-6.8	-1.6
Cost of sales	158.2	147.5	-10.7	-6.8
Sales cost ratio	38.1%	36.2%		
SG&A	184.9	197.0	+12.1	+6.6
Operating income	71.7	63.5	-8.2	-11.4
Ordinary income	72.6	63.5	-9.1	-12.5
Net income	26.5	32.5	+6.0	+22.5

Sales by Segment

【FY2009 Forecasts】



	FY2008	FY2009	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	414.8	408.0	-6.8	-1.6
[Overseas sales]	[35.2]	[27.5]	[-7.7]	[-21.9]
Pharmaceuticals	387.2	395.5	+8.3	+2.1
Ethical drugs domestic sales	335.4	353.5	+18.1	+5.4
Ethical drugs overseas sales	25.3	22.5	-2.8	-10.9
OTC	5.3	5.5	+0.2	+4.2
Others	21.2	14.0	-7.2	-34.0
Other Businesses	27.5	12.5	-15.0	-54.6

Ethical Drugs Domestic Sales of Main Products 【FY2009 Forecasts】



	FY2008	FY2009	Increase/Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	335.4	353.5	+18.1	+5.4
Remicade	37.4	46.8	+9.4	+25.2
Radicut	28.1	27.6	-0.5	-1.6
Anplag	18.5	19.6	+1.2	+6.3
Urso	16.2	16.8	+0.6	+3.5
Tanatril	11.9	11.6	-0.3	-2.4
Talion	10.4	12.2	+1.8	+17.6
Ceredist	16.2	17.0	+0.7	+4.6
Herbesser	11.9	11.5	-0.4	-3.1
Depas	11.8	11.9	+0.1	+0.6
Venoglobulin-IH	11.0	10.4	-0.6	-5.3
Vaccines	21.5	21.2	-0.3	-1.4
[Mearubik]	[11.8]	[11.5]	[-0.3]	[-2.7]
[Influenza]	[6.7]	[6.4]	[-0.3]	[-4.1]

Cost of Sales/SG&A Expenses 【FY2009 Forecasts】



	FY2008	FY2009	Increase/Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	414.8	408.0	-6.8	-1.6
Cost of sales	158.2	147.5	-10.7	-6.8
Sales cost ratio	38.1%	36.2%		
SG&A	184.9	197.0	+12.1	+6.6
R&D expenses	73.1	86.0	+12.9	+17.6
Labor costs	50.0	50.7	+0.7	+1.4
Sales promotion expenses	11.7	11.5	-0.2	-1.5
Amortization of goodwill	10.1	10.0	-0.1	-0.5
Others	40.0	38.8	-1.2	-3.0
Operating income	71.7	63.5	-8.2	-11.4

Non-operating Income and Expenses/ Extraordinary Income and Losses 【FY2009 Forecasts】



	FY2008	FY2009	Increase/Decrease	
	Billion yen	Billion yen	Billion yen	%
Operating income	71.7	63.5	-8.2	-11.4
Non-operating income & expenses	0.9	-	-0.9	-100.0
Ordinary income	72.6	63.5	-9.1	-12.5
Extraordinary income	1.2	-	-1.2	-100.0
Extraordinary losses	25.8	4.5	-21.3	-82.6
Net income	26.5	32.5	+6.0	+22.5

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



◆ Progress in Generics Business Operations

- ❑ Strengthen Tanabe Seiyaku Hanbai's GE sales structure by merger with Chosei Yakuhin Co., Ltd. (Apr. 2009)
Active ingredients, 114; MRs, 120

◆ Creating an Efficient Organization and Cost Structure

- ❑ Early retirement, 218 applicants (Sep. 2008, and Mar. 2009)
- ❑ Integrate personnel systems (Oct. 2008) and pension plans (Apr. 2009)
- ❑ Close Hirakata Office (Dec. 2008) and Nabari Training Centers (May 2008, Mar. 2009)
- ❑ Integrate Kashima factory with MTPF, accompanied with transfer of 140 employees (Apr. 2009)
- ❑ Restructure domestic service subsidiaries (Apr. 2009)
- ❑ Make API Corporation an affiliated company based on application of the equity (Apr. 2009)

➡ Generate Cost Synergy 12.7 billion yen (Oct. 2007 to Mar. 2009)

- ❑ Move of Osaka Headquarter to “YODOYABASHI SQUARE” (Oct. 2009)

Steady Progress in Key Development Projects



◆ U.S. and Europe

MCI-196 (Hyperphosphatemia)	P3
MP-146 (Chronic kidney disease)	P3
MT-2832 (Secondary hyperparathyroidism)	
Licensed from Cytochroma Inc.	P2 (July 2008)

◆ Domestic

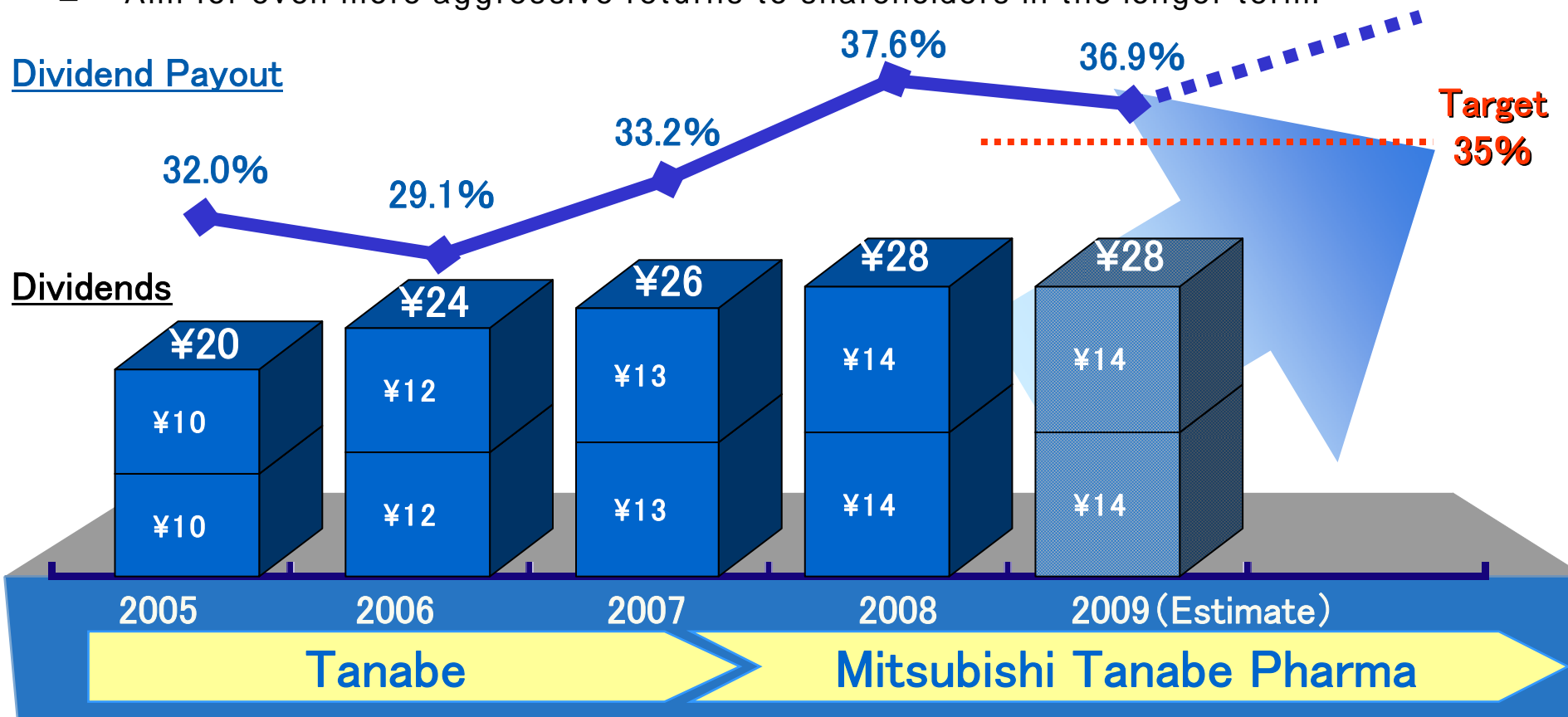
MP-424 (Chronic hepatitis C)	P2 ⇒ P3 (Nov. 2008)
MP-513 (Type 2 diabetes)	P2
Alliances anticipated in U.S. and Europe	
TA-7284 (Diabetes)	P1
Licensed-out in U.S. and Europe	P2

◆ Lifecycle Management

Remicade	Maximize its product potential by additional indications and change in usages/dosages
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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 the longer 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 for FY2007 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.

For FY2008 and FY2009 dividend payout ratio, they are calculated exclusive of the amortization of goodwill and provision for reserve for HCV litigation from net income of the period, and with an annual 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.