



Mitsubishi Tanabe Pharma Corporation FY2009 Second Quarter Business Results Briefing

November 4, 2009
Hotel Metropolitan Edmont

Michihiro Tsuchiya
President
Representative Director

FY2009 Second Quarter

(Ended September 30, 2009)

Overview of Business Results

1st Half of FY2009 Financial Results

【April to September, 2009】



	FY2008	FY2009	Increase Decrease		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	206.3	198.2	-8.1	-3.9	199.5	99.4
Cost of sales	78.9	71.0	-7.9	-10.1	74.0	96.0
Sales cost ratio	38.3%	35.8%			37.1%	
SG&A	93.3	99.8	+6.5	+6.9	103.0	96.9
Operating income	34.1	27.5	-6.6	-19.4	22.5	122.0
Ordinary income	35.1	27.9	-7.2	-20.6	22.5	124.0
Net income	16.4	13.6	-2.8	-17.3	10.0	135.5

Published forecasts : forecasts for 1st half of FY2009 announced in FY2008 Business Results Briefing on May 8, 2009

Sales by Business Segment

[1st Half of FY2009 Financial Results]



	FY2008	FY2009	Increase Decrease		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	206.3	198.2	-8.1	-3.9	199.5	99.4
[Overseas sales]	[19.0]	[13.5]	[-5.5]	[-29.1]	[13.5]	[100.0]
Pharmaceuticals	191.0	193.4	+2.5	+1.3	193.0	100.2
Ethical drugs domestic sales	165.1	172.1	+7.0	+4.2	172.5	99.8
Ethical drugs overseas sales	13.4	11.3	-2.1	-15.4	11.0	103.0
OTC	2.9	2.7	-0.2	-7.0	3.0	88.7
Others	9.6	7.3	-2.3	-23.5	6.5	113.0
Other Businesses	15.4	4.8	-10.6	-68.8	6.5	73.9

Ethical Drugs Domestic Sales

Main Products

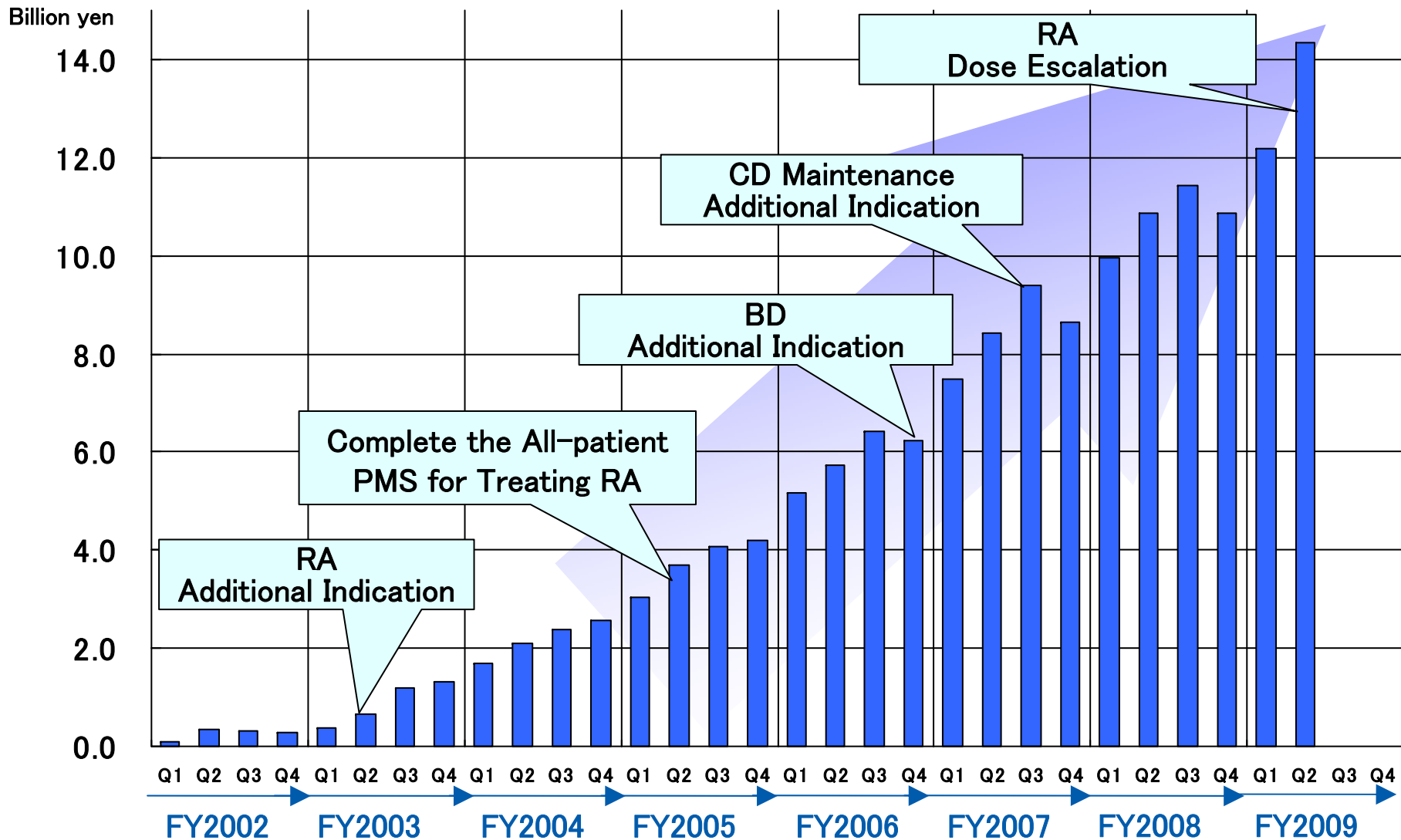
【1st Half of FY2009 Financial Results】



	FY2008	FY2009	Increase Decrease		Published forecasts	% Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Ethical drugs domestic sales	165.1	172.1	+7.0	+4.2	172.5	99.8
Remicade	17.7	22.7	+5.0	+28.1	22.7	100.2
Radicut	13.9	13.9	0	+0.1	13.8	100.3
Anplag	9.1	9.5	+0.4	+4.8	9.9	96.4
Urso	8.0	8.3	+0.2	+2.7	8.2	100.1
Tanatril	6.1	5.8	-0.3	-4.7	6.0	96.0
Talion	3.5	4.1	+0.6	+17.5	4.1	100.5
Ceredist	8.2	8.4	+0.2	+3.0	8.6	98.3
Herbesser	6.0	5.6	-0.4	-7.4	5.7	96.9
Depas	5.9	5.9	0	-0.4	5.9	100.1
Maintate	5.0	5.5	+0.4	+8.6	5.3	104.0
Venoglobulin-IH	5.6	4.9	-0.6	-10.8	5.2	95.2
Vaccines	10.3	13.1	+2.8	+27.1	10.5	125.0
[Mearubik]	[7.2]	[7.8]	[+0.6]	[+8.3]	[7.3]	[106.4]
[Influenza]	[1.4]	[2.4]	[+1.1]	[+78.4]	[1.2]	[202.7]

Remicade Sales Trend (NHI Drug Price Basis)

【 1st Half of FY2009 Financial Results 】



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Cost of Sales/SG&A Expenses

【1st Half of FY2009 Financial Results】



	FY2008	FY2009	Increase Decrease		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	206.3	198.2	-8.1	-3.9	199.5	99.4
Cost of sales	78.9	71.0	-7.9	-10.1	74.0	96.0
Sales cost ratio	38.3%	35.8%			37.1%	
SG&A	93.3	99.8	+6.5	+6.9	103.0	96.9
R&D expenses	37.6	44.6	+7.0	+18.5	47.0	94.8
Labor costs	25.2	26.2	+1.0	+3.9	25.6	102.4
Sales promotion expenses	5.7	5.6	-0.1	-1.6	5.8	97.1
Amortization of goodwill	5.0	5.1	0.0	+0.8	5.0	101.3
Others	19.7	18.3	-1.4	-7.2	19.6	93.3
Operating income	34.1	27.5	-6.6	-19.4	22.5	122.0

Non-operating Income and Expenses/ Extraordinary Income and Losses

【1st Half of FY2009 Financial Results】



Mitsubishi Tanabe Pharma

	FY2008	FY2009	Increase Decrease		Published forecasts	% achieve
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	34.1	27.5	-6.6	-19.4	22.5	122.0
Non-operating income & expenses	1.1	0.5	-0.6	-57.4	.	
Ordinary income	35.1	27.9	-7.2	-20.6	22.5	124.0
Extraordinary income	0.1	0.1	0.0		-	-
Extraordinary losses	4.8	4.7	-0.2		2.5	186.7
Losses due to impairment	0.6	1.8	+1.2			
Loss related to business suspension	-	1.7	+1.7			
Restructuring expenses	-	0.5	+0.5			
Special retirement expenses	3.9	-	-3.9			
Net income	16.4	13.6	-2.8	-17.3	10.0	135.5

Forecasts for FY2009

(Fiscal Year Ending March 31, 2010)

Forecasts for FY2009

【Year on Year Comparison】



	FY2008 Actual	FY2009 Forecasts	Increase Decrease		Published forecasts	Increase Decrease
	Billion yen	Billion yen	Billion yen	%	Billion yen	Billion yen
Net sales	414.8	408.0	-6.8	-1.6	408.0	-
Pharmaceuticals	387.2	398.1	+10.9	+2.8	395.5	+2.6
Other businesses	27.5	9.9	-17.6	-64.0	12.5	-2.6
Cost of sales	158.2	148.5	-9.7	-6.1	147.5	+1.0
Sales cost ratio	38.1%	36.4%			36.2%	
SG&A	184.9	196.0	+11.1	+6.0	197.0	-1.0
R&D expenses	73.1	84.0	+10.9	+14.9	86.0	-2.0
Labor cost	50.0	52.3	+2.3	+4.6	50.7	+1.6
Others	61.7	59.7	-2.0	-3.3	60.3	-0.6
Operating income	71.7	63.5	-8.2	-11.4	63.5	-
Ordinary income	72.6	63.5	-9.1	-12.5	63.5	-
Extraordinary income	1.2	0.1	-1.1	-91.7	-	+0.1
Extraordinary losses	25.8	8.1	-17.7	-68.6	4.5	+3.6
Net income	26.5	32.5	+6.0	+22.5	32.5	-

Forecasts for Ethical Drugs Domestic Sales

Main Products

[Year on Year Comparison]



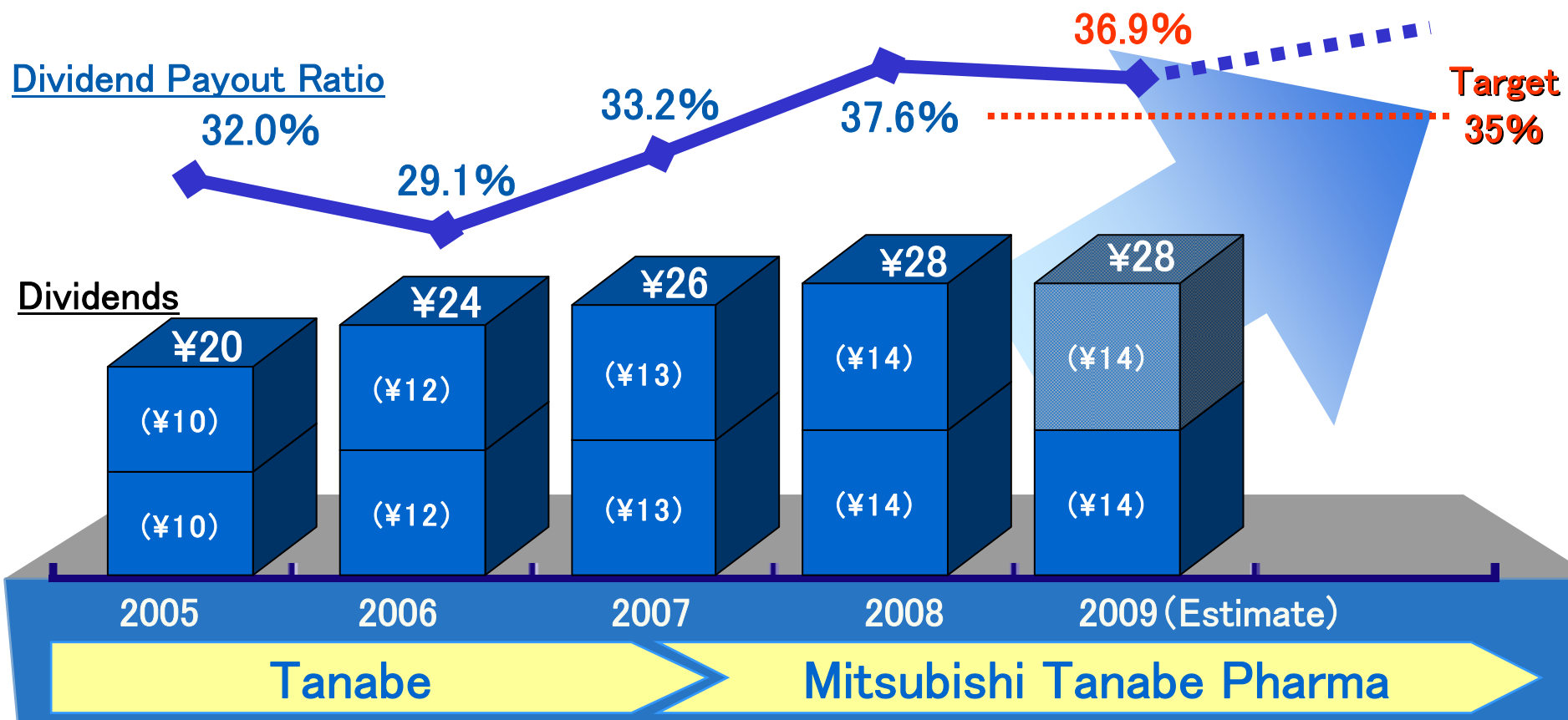
Mitsubishi Tanabe Pharma

	FY2008 Actual	FY2009 Forecasts	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	335.4	356.3	+20.9	+6.2
Remicade	37.4	46.8	+9.4	+25.2
Radicut	28.1	27.8	-0.3	-1.0
Anplag	18.5	18.9	+0.4	+2.4
Urso	16.2	16.6	+0.4	+2.6
Tanatril	11.9	11.2	-0.7	-5.8
Talion	10.4	12.2	+1.8	+17.6
Ceredist	16.2	17.0	+0.7	+4.5
Herbesser	11.9	11.1	-0.8	-6.9
Depas	11.8	11.8	-0.0	-0.0
Maintate	10.2	11.0	+0.8	+7.4
Venoglobulin-IH	11.0	10.3	-0.7	-6.6
Vaccines	21.5	23.2	+1.7	+8.0
[Mearubik]	[11.8]	[12.5]	[+0.6]	[+5.4]
[Influenza]	[6.7]	[6.5]	[-0.2]	[-2.8]

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.

Medium-Term Management Plan 08-10 Updates

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



Enhancing Our Presence in Domestic Marketing

Steady Progress in Key Development Projects

Progress in Developing Overseas Pharmaceutical Operations

Progress in Generic Operations

Creating an Efficient Organization and Cost Structure

Updates of Key Management Issues

Changes since previous announcement on May 8, 2009



◆ Enhancing Presence in Domestic Marketing

- Generate marketing synergies in Remicade, Talion, etc.
- Launched JEBIK V, Japanese encephalitis vaccine (Jun. 2009)
- Launched CEREDIST OD* Tablets (Oct. 2009)

◆ Progress in Developing Overseas Pharmaceutical Operations

- Established Mitsubishi Tanabe Pharma America., Inc. (Jul. 2009)
- Licensing agreement with Kowa Co., Ltd. for a hypercholesterolemia treatment agent on development and marketing right in Asia (Aug. 2009)

*OD Tablets; orally disintegrating tablets

Updates of Key Management Issues

Changes since previous announcement on May 8, 2009



◆ Steady Progress in Key Development Projects

□ Steady progress in diabetes projects with different mechanisms of action

◆ MP-513 (teneligliptin), DPP4 inhibitor

Overseas: P2 in EU (Aug. 2009)

Japan: P3 (Oct. 2009)

◆ TA-7284 (canagliflozin), SGLT2 inhibitor

Overseas (Developed by Johnson & Johnson Pharmaceutical Research & Development LLC) P3 in U.S. and EU (Sep. 2009)

Japan: Preparing to enter P2

□ Steady progress in renal disease projects, MCI-196 and MP-146 in U.S., EU

Steady progress in MP-424 in Japan

□ Maximizing the product potential of Remicade by LCM

◆ UC; additional indication sNDA filed (Jun. 2009)

◆ RA; dose escalation Approved (Jul. 2009)

Updates of Key Management Issues

Changes since previous announcement on May 8, 2009



◆Progress in Generic Operations

- New launch generic drugs of 6 ingredients in 13 standards (May 2009)
- Transfer the promotion and marketing of long-term listing drugs to Tanabe Seiyaku Hanbai. (Oct. 2009)
- Strengthen the sales force (Oct. 2009)

◆Creating an Efficient Organization and Cost Structure

- Consolidate and relocate Osaka Head Office (Oct. 2009)
- Consolidate Osaka Factory to Mitsubishi Tanabe Pharma Factory Ltd. (Oct. 2009)
- Generate cost synergy, ¥16.5 billion (accumulated total since the merger)

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.