

Mitsubishi Tanabe Pharma Corporation

Q&A, FY2009 Business Results

May 14, 2010 (Fri) 18:30 – 19:30

[Attendees]

Michihiro Tsuchiya, President and Representative Director

Kunihiro Shimojuku, Representative Director and Executive Vice President

Ken-ichi Yanagisawa, Board Director, Managing Executive Officer and Division Manager,
Sales & Marketing Division

Masayuki Mitsuka, Board Director, Head of Global Product Strategy Department

Takashi Kobayashi, Board Director, Head of Corporate Strategic Planning Department

Seiichi Murakami, Executive Officer and Division Manager, Development Division

[Settlement of accounts for fiscal 2009 and results forecasts for fiscal 2010]

Impact of the government's administrative punishment

Q: What will the impact on results of the series of problems related to Medway be like?

A: As a company, we would like to limit the impact on results to a minimum by obtaining the understanding of medical facilities and other related parties, but we have only just restarted sales activities from May 12 and we cannot forecast the impact on results until we see the situation for the 1st quarter. We would like people to understand that it will take some time until we can get a grasp of the overall impact.

Q: Has any concrete impact or anything appeared to the present time?

A: Because we did not carry out any sales activities during the period when business was suspended, we were totally unable to gather information. Only 2 days has passed since the resumption of business and at the present time we have grasped that the company has been penalized slightly.

Results forecast for fiscal year 2010

Q: Sales of Anplag were weak in the 4th quarter of fiscal year 2009 (January to March). Was that due to the impact of buying restraint prior to the drug price revision? Also, there are concerns that switchovers to generic products will progress from now on due to the fallout from the administrative punishment. Are there any signs like that?

A: It is a fact that generic products were released in November last year and it cannot be denied that this drug was affected by generic products by the end of March. In regard to impacts arising from the administrative punishment, I do not think that we are being affected in particular at the moment just looking at the situation to yesterday. However, we are unable to gather sufficient information at the present time and want to make efforts to gather information from now on.

In regard to countermeasures against generic products, the promotions conducted by the company for this drug are regarded very highly and if we had been able to carry out our original sales activities since April, we think that we would have been able to implement sufficient measures. The company has already implemented a number of measures and will continue

them in the future so we think that we can respond to generic products sufficiently in the activities we pursue following the resumption of business.

Q: Could you tell us the forecast for sales expenses and general and administrative expenses in fiscal year 2010?

A: In comparison to fiscal year 2009, the forecast is for a reduction of about 16 billion yen. As factors in this decrease, we forecast the disappearance of about 10 billion yen in payments that were generated in fiscal year 2009 in association with the revision of the contract for MP-424, and synergistic effects of about 5 billion yen because of expense and personnel adjustments based on the thoroughgoing implementation of cost cutting measures. In addition, we forecast employee retirement benefit expenses to decrease by about 1 billion yen because fund management was good in fiscal year 2009.

Q: Could you tell us the forecast for R&D expenses in fiscal year 2010?

A: We think that R&D expenses will return to a level seen in normal years in fiscal year 2010. R&D expenses in fiscal year 2009 included payments of about 10 billion yen in association with the revision of the contract for MP-424. In addition to this reduction, we also forecast a slight decrease due to synergistic effects.

Q: Could you tell us the forecast for extraordinary losses in fiscal year 2010?

A: As the company keeps restructuring, we forecast expenses arising from that as well as special retirement benefits associated with early retirement. In addition, we think that the losses related to the suspension of business caused by Medway that were posted in fiscal year 2009 will continue to be generated in fiscal year 2010 as well. Combined, we think that we will end up with losses on a scale slightly below those for fiscal year 2009.

[Development Pipeline]

Roflumilast

Q: Could you tell us about the Roflumilast situation?

A: The FDA Advisory Committee recommended against approval in the US in April. We guess at present that additional data might be called for. On the other hand, there was an announcement at the EMEA in Europe that it would recommend approval. We are now considering how to follow recommended indication in Europe (Roflumilast has been recommended as maintenance therapy for adult patients with exacerbated chronic bronchitis and severe COPD and as an add-on for bronchodilators), and analyzing estimated sales in case the same approval is obtained in Japan.

MP-424

Q: In the clinical trials in Europe and America, there are two types of combination trials being implemented in regard to the combinations of peg-interferon and ribavirin used concomitantly with telaprevir - Pegintron and Rebetol, and Pegasys and Copegus. However, in Japan, there

is only the combination trial using PegINTRON and RebETOL. If the drug is approved in Japan, will it be possible to use it concomitantly with PEGASYS and COPEGUS? Does the company plan to implement a trial for a combination treatment with PEGASYS, COPEGUS, and MP-424 in the future?

A: PegINTRON is used widely in Japan so we think that it is in a superior position in the marketplace. We will end up consulting with the regulatory authorities over the use of MP-424 in other combinations after its approval when we submit the application. However, we are not planning trials with new combinations at the present time.

Q: What is the situation like in regard to the development plan for MP-424 in China? Will the drug be developed in-house?

A: There is a system for the company to develop the drug in-house in China and there have been no changes in the policy that we aim to acquire approval in China as soon as the approval in Japan.

-End-