

## **Spin Off of Osaka Factory Based on Corporate Divestiture**

Mitsubishi Tanabe Pharma Corporation (“MTPC” hereinbelow) hereby announces that the company has decided to undertake a corporate divestiture of the company’s Osaka Factory (Yodogawa-ku, Osaka) on October 1, 2009, and the factory is to be taken over by Mitsubishi Tanabe Pharma Factory Ltd. (“MTPF” hereinbelow), a MTPC’s consolidated subsidiary. Because of the divestiture format that the company adopted a simple absorption-type company split, the disclosed information is simplified and partially omitted.

1. Purpose of the corporate divestiture

MTPC will undertake a corporate divestiture of the company’s Osaka Factory as of October 1, 2009, and will then integrate the factory into MTPF in order to construct a production system that can handle environmental changes appropriately and realize the optimization of production bases. MTPF will aim for the further improvement of quality and productivity based on a high level of specialization and technological capabilities as the drug manufacturing company of the Mitsubishi Tanabe Pharma Group, which is developing its operations globally. The company is aiming to increase the corporate value of the Group through the stable supply of products.

2. Details of the corporate divestiture

(1) Schedule of the divestiture

Board of Directors meeting to approve divestiture contract: June 30, 2009

Conclusion of divestiture contract: July 1, 2009

Date of divestiture (effective date): October 1, 2009 (scheduled)

Registration of divestiture: October 1, 2009 (scheduled)

(Note) No approval resolution at a General Shareholders’ Meeting of the company is planned in regard to this divestiture based on Article 784.3 of the Company Law.

(2) Divestiture method

1. Divestiture method

The divestiture method shall be a simple absorption-type company split, with MTPC as the divesting company and MTPF, a 100% subsidiary of MTPC, as the inheriting company, with a split in which MTPF assigns the total number of shares issued due to the divestiture to MTPC.

2. Reason for adopting this divestiture method

MTPC adopted this divestiture method because it judged that this was the most appropriate divestiture method as a result of considering factors such as the scale of the asset to be divested and the maneuverability of the business transfer, etc.

(3) Decreased capital, etc., due to this divestiture

There will be no decreased capital, etc., due to this divestiture.

- (4) Rights and obligations that the inheriting company will inherit  
The inheriting company will succeed to all of the assets and liabilities related to drug manufacture at the MTPC's Osaka Factory and all rights and obligations based on the contractual position from the Company on the date of divestiture.
- (5) Possibility of performance of obligation  
MTPC judges on the divestiture that the performance of obligation which MTPC and the inheriting company need to share will pose no problem.

3. Outline of the divesting company

	Divesting company	Inheriting company
(1) Trade name	Mitsubishi Tanabe Pharma Corporation	Mitsubishi Tanabe Pharma Factory Ltd.
(2) Description of business	Manufacture, sale, import and export of pharmaceutical products, quasi drugs, industrial chemicals and chemical agents, etc.	Manufacture, sale, import and export of pharmaceutical products, quasi drugs, industrial chemicals and chemical agents, etc.
(3) Date of establishment	December 1933	September 1995
(4) Head office	3-2-10, Dosho-machi, Chuo-ku, Osaka	2-6-9 Hirano-machi, Chuo-ku, Osaka
(5) Representative	Michihiro Tsuchiya, President, Representative Director	Kojiro Hisatomi, President, Representative Director
(6) Capital	¥50,000 million	¥1,130 million
(7) Total assets	¥810,756 million (consolidated)	¥47,593 million
(8) Net assets	¥666,220 million (consolidated)	¥29,858 million
(9) Number of outstanding shares	561,417,916 shares	22,600 shares
(10) Date of settlement	March 31	March 31
(11) Number of employees	5,715	822
(12) Main transaction partner	SUZUKEN CO., LTD. Mediceo Paltac Holdings Co., Ltd. Alfresa Holdings Corporation Toho Pharmaceutical Co., Ltd.	Mitsubishi Tanabe Pharma Corporation API Corporation
(13) Major shareholders and proportion of holdings	Mitsubishi Chemical Holdings Corporation, 56.34% Japan Trustee Services Bank, Ltd., 5.04% The Master Trust Bank of Japan, Ltd., 4.52% Nippon Life Insurance Company, 2.90% The Bank of Tokyo-Mitsubishi UFJ, Ltd., 2.15%	Mitsubishi Tanabe Pharma Corporation, 100%

(14) Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(15) Relationships of the companies concerned	Capital relationship	The inheriting company is a 100% subsidiary of the divesting company.
	Human relationship	Personnel related to the divesting company will be transferred to the inheriting company in this corporate divestiture.
	Business relationship	The inheriting company is supplied a partial raw material, and manufactures the pharmaceutical products of the divesting company.

\*Of the above, the information given in sections (6) to (9), (11) and (13) is a summary of the situation as of March 31, 2009.

#### Results in the latest settlement of accounts of the divesting company

	MTPC (divesting company)(consolidated)
Date of settlement	Term ending March 2009
Sales (¥ million)	414,752
Operating profit (¥ million)	71,694
Ordinary profit (¥ million)	72,582
Net profit (¥ million)	26,532
Net profit per share (¥)	47.28
Dividend per share (¥)	28.00
Shareholder capital per share (¥)	1,162.69

#### 4. Details of operating division divested

##### (1) Details of Osaka Factory

Osaka Factory manufactures pharmaceutical products and investigational new drugs, etc.

##### (2) Sales and ordinary profit in the most recent completed fiscal year

The company does not prepare data on sales and ordinary profit at the factory level.

##### (3) Type and value of assets and liabilities to be divested (as of March 31, 2009)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥4,095 million	Current liabilities	¥1,777 million
Fixed assets	¥16 million	Fixed liabilities	¥7 million
Total	¥4,111 million	Total	¥1,783 million

\*The assets and liabilities will be finally decided by making addition or deletions of the changes in the period until the day before the effective date.

5. Status of MTPC after the divestiture

- (1) Trade name: Mitsubishi Tanabe Pharma Corporation
- (2) Description of business: Manufacture, sale, export and import of various drug products
- (3) Head office: 3-2-10, Dosho-machi, Chuo-ku, Osaka
- (4) Representative: Michihiro Tsuchiya, President, Representative Director
- (5) Capital: 50 billion yen
- (6) Date of settlement: March 31

6. Impact on financial results

Because the inheriting company is a 100% owned consolidated subsidiary of MTPC, the impact on the consolidated results of the Company due to this divestiture is anticipated to be minor in the foreseeable future.