



March 28, 2017

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Split off and transfer of
Generic Drugs and Part of Long-Listed Products Business and
Change of Subsidiary

Mitsubishi Tanabe Pharma Corporation (hereinafter “MTPC”) resolved at its Board of Directors meeting held today that it will have Tanabe Seiyaku Hanbai Co., Ltd. (hereinafter “TSH”) succeed MTPC’s business of generic drugs and part of long-listed products (hereinafter collectively “the Business”) by way of a an absorption-type of company split (hereinafter “the Transaction”) and subsequently transfer all of the TSH shares (hereinafter “the transfer of shares”) to Nipro Corporation (Head office: 3-9-3 Honjo-nishi, Kita-ku, Osaka city; President & Representative Director: Yoshihiko Sano; hereinafter “Nipro”). The outline of the Transaction is as follows.

Since the company split will be carried out between MTPC and its wholly-owned subsidiary, part of the disclosure items and contents are omitted in the statement below.

1. Objective of the Transaction

Since establishing TSH as a distribution company of the Business in 2008, MTPC has been engaged in sales and promotion of “reliable generic drugs” with “high quality,” “stable supply” and “information provision.” The target rate of the substitution of generic drugs in place of long-listed drugs in Japan is expected to grow to 80% in volume by 2020 with the active measures implemented by the government to promote more use of generic drugs. On the other hand, some dozen of companies attempt to sell the same product and the competition becomes even fiercer, that the future environment will be changeable. Given that market environment, MTPC considered the optimizing of its generic drugs business and reached a conclusion that further market share expansion and business efficiency are extremely important. In this regard, MTPC decided that, rather than continuing this business, stable supply will be effectively secured by transfer the business of generic drugs and part of the long-listed products to Nipro, which has rich development experience and

diverse production platforms.

Nipro is a pharmaceutical company that provides pharmaceutical products, medical devices, and pharma packaging (packaging materials for medical use). In the area of pharmaceutical business, the company has advantage of supply chain from manufacturing to sales, and provides various products of injections, oral and external use drugs, and has excellent business relations with MTPC especially in the contract manufacturing of generic drugs and long-listed products.

After the Transaction, MTPC will further strengthen its efforts to open up the future of medicine through providing innovative new drugs and has been contributing to the healthier lives of people around the world.

2. Details of the Company Split and the Transfer of Shares

(1) Schedule of the company split and the transfer of shares

Decision by the Board of Directors of the Transaction	March 28, 2017
Date of conclusion of the agreement of transfer of shares	
Date of conclusion of the agreement of company split	July 1, 2017 (planned)
Effective date of the company split	October 1, 2017 (planned)
Closing date of the transfer of shares	

(Note) The company split will be conducted without obtaining approval of the general meetings of shareholders at each company because it will be executed through a simplified company split for MTPC and through a short-form company split for TSH as defined in Paragraph 2, Article 784 and Paragraph 1, Article 796, of the Companies Act respectively.

The resolution of the company split agreement will be authorized on late June 2017.

(2) Method of company split

It is an absorption-type split in which MTPC is a splitting company and TSH is the succeeding company.

(3) Details of stock allocationAs the succeeding company is a wholly-owned subsidiary of the splitting company, no allocation of shares or delivery of other consideration will take place.

(4) Treatment of stock options and corporate bonds with stock options for the splitting company MTPC issues neither stock options nor corporate bonds with stock options.

(5) Increase or decrease of capital stock due to the company splitThere will be no change in MTPC's capital stock due to the company split.

(6) Rights and obligations to be succeeded by the succeeding companyIn principle, TSH will succeed the assets relating to the Business, as well as liabilities, manufacturing and marketing approvals, status of the related contracts and the rights and obligations incidental thereto on the effective date of the company split, which is defined in the company split agreement.

(7) Capability of satisfying liabilities

It has been judged that TSH will not have any problem in performing its obligations relating to the liabilities it will bear following the effective date of the company split.

3. Outline of the Splitting Company and Succeeding Company (As of March 31, 2016)

	Splitting company		Succeeding company		
(1) Company name	Mitsubishi Tanabe Pharma Corporation		Tanabe Seiyaku Hanbai Co., Ltd		
(2) Address	3-2-10 Dosho-machi, Chuo-ku, Osaka city 541-8505, Japan		3-2-10 Dosho-machi, Chuo-ku, Osaka city 541-8505, Japan		
(3) Representative	Masayuki Mitsuka, President & Representative Director		Masao Hatta, President & Representative Director		
(4) Scope of business	Manufacture and sale of pharmaceuticals, centered on ethical drugs		Manufacture and sale of of generic drugs and promotion		
(5) Capital (as of December 31, 2016)	50,000 million yen		100 million yen		
(6) Date established	December 15, 1933		April 1, 2008		
(7) Number of shares issued (as of September 31, 2016)	561,417,916 shares		8,301 shares		
(8) Fiscal year end	March 31		March 31		
(9) Major shareholders and ratio of shares held (as of March 31, 2016)	Mitsubishi Chemical Holdings Corporation	56.34%	Mitsubishi Tanabe Pharma Corporation	100.00%	
	The Master Trust Bank of Japan, Ltd.	4.53%			
	Nippon Life Insurance Company	2.15%			
	Japan Trustee Services Bank, Ltd.	1.99%			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.29%			
(10) Financial results of the previous fiscal year (in million yen unless otherwise stated)					
	Splitting company (consolidated)		Succeeding company (non-consolidated)		
	FY2016		FY2014	FY2015	FY2016
Net assets	816,713		492	251	175
Total assets	930,242		6,348	6,042	6,578
Net assets per share	1,436.63yen		59,757.88 yen	30,575.75 yen	21,138.81 yen
Sales	431,701		14,051	13,598	13,812
Operating income (loss)	94,907		433	(69)	(497)
Ordinary income (loss)	94,763		437	(67)	(499)
Net income (loss) attributable to owners of parent Company	56,434		251	(101)	(736)
Net income (loss) of the Company per share	100.60 yen		30,578.78 yen	(12,356.65) yen	(88,702.33) yen

4. Outline of the Business Unit to be Split off from MTPC to TSH

(1) Details of business unit to be split off

The business to be split off MTPC's generic drugs and part of long-listed products.

The products scheduled to be transferred to the succeeding company include;

Generic products: Allopurinol (name of original drug: ZYLORIC), Donepezil (ARICEPT), Rebamipide (MUCOSTA), Quetiapine (SEROQUEL), etc. 51 products (including of revised indication in June 2017)

Authorized generic products: TALION AG

Long listed products: ADONA, ASPARA-CA, ASVERIN, etc. 14 products treated by TSH and 12 products treated by MTPC.

(2) Financial results of the business unit to be split off (FY2015)

Sales 12,893 million yen

Sales include sales of generic products by MTPC to TSH and sales of part of long listed products by MTPC to third parties.

(3) Items and amounts of split assets and liabilities (FY 2015)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	10,268 million yen	Current liabilities	2,110 million yen

The actual amounts to be split may differ from the amounts above as they are estimates based on actual amounts as of the end of FY2015.

(4) Status after company split

There are no changes to be made in the name, address, representative title / name, capital and fiscal year end of MTPC. The name and address of TSH will be changed but not specifically determined yet, representative title / name, capital and fiscal year end will not be changed.

Fiscal result and status of TSH (succeeding company) as follows:

	Succeeding company (non-consolidated)
	End of FY2016
Net assets	8,332 million yen
Total assets	11,668 million yen
Sales	15,503 million yen
Operating profit	2,338 million yen

5. Outline of Nipro

(1) Company name		Nipro Corporation	
(2) Address		3-9-3 Honjo-nishi, Kita-ku, Osaka city 531-8510, Japan	
(3) Representative		Yoshihiko Sano, President & Representative Director	
(4) Scope of business		Manufacture and sale of medical devices, pharmaceutical products and glass products for medical use and vacuum flasks	
(5) Capital (as of December 31, 2016)		84,397 million yen	
(6) Date established		July 8, 1954	
(7) Consolidated net assets (as of March 31, 2016)		175,507 million yen	
(8) Consolidated total assets (as of March 31, 2016)		708,882 million yen	
(9) Major shareholders and ratio of shares held (as of March 31, 2016)		Nippon Electric Glass Co. , Ltd.	14.00%
		Japan Trustee Services Bank, Ltd.	10.20%
		Resona Bank, Limited.	3.13%
		The Master Trust Bank of Japan, Ltd.	2.70%
		Trust & Custody Services Bank, Ltd.	2.38%
(10) Relationship between MTPC and Nipro	Capital	Nipro owns 3,821,700 of MTPC's shares as of March 31, 2016	
	Personnel	None	
	Business	Contracted manufacturer of MTPC on part of generic products and long listed products	
	Applicability to related parties	None	

6. Change in ownership before and after the transfer of shares

(1) Number of shares before the transfer	8,301 shares (Number of voting rights:8,301) (Percentage of voting rights: 100.00%)
(2) Number of shares to be transferred	8,301 shares (Number of voting rights:8,301)
(3) Number of shares after the transfer	0 share (Number of voting rights:0) (Percentage of voting rights: 0.00%)

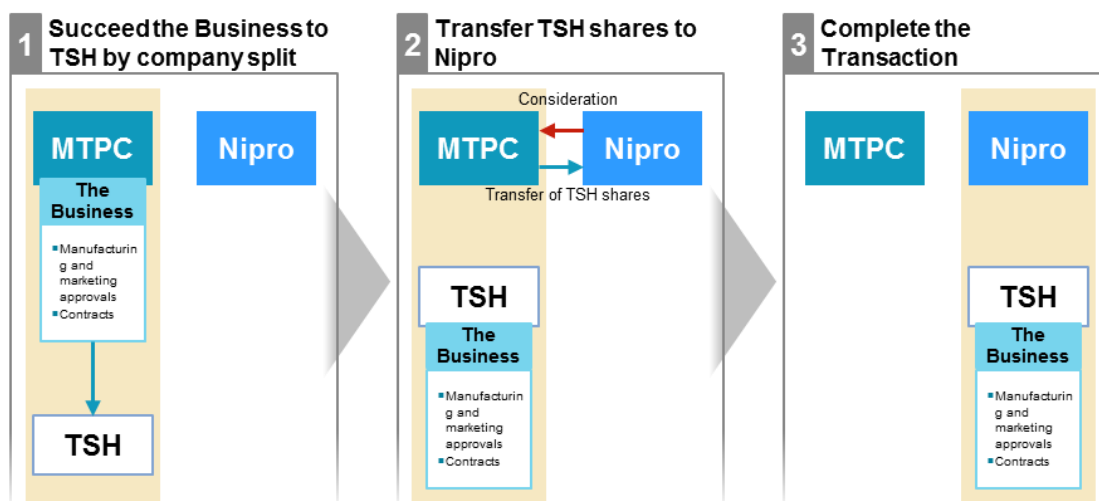
7. Future Outlook

There is no impact on MTPC's consolidated results for FY2016.

End

(Reference)

Overview flow chart of transaction to be held on October 1, 2017 (Effective date of the company split and the transfer of shares)



MTPC: Mitsubishi Tanabe Pharma Corporation,

TSH: Tanabe Seiyaku Hanbai, which will change its name in October 2017, not specified yet.

The Business: Generics and part of long listed products

Long listed products treated by MTPC are follows

Therapeutic Area	Product
General anesthetics	RAVONAL Injection 0.3, 0.5g
Antipyretics and analgesics	DISOPAIN Tablets 75mg
Antispasmodics	ATROPINE SULFATE Injection 0.5mg TANABE
Antitussives	METHY-F Powder 10%, Injection 40mg
Antitussives	HUSTAZOL Powder 10%, Tablets for Children 2.5mg, Sugar-Coated Tablets 10mg
Expectorants	CYSTANIN Sugar-Coated Tablets 100mg
Thyroid and parathyroid hormone preparations	THIURAGYL Tablets 50mg
Hormones (miscellaneous)	HYPOCRINE Injection 1.2, 2.4mg
Alkylating agents	CTMERIN Injection 50mg, 100mg
Various function testing reagents	LH-RH Injection 0.1 mg TANABE
Various function testing reagents	TRH Injection 0.5mg TANABE
Various function testing reagents	hCRH Injection 100 μg TANABE

Consolidated earnings forecast for this fiscal year and results of previous year (IFRS)

(in million yen)

	Sales	Operating profit	Profit before taxes	Net profit attributable to owners of the Company
Forecast for FY 2016	425,000	96,000	97,500	72,000
Results for FY 2015	425,764	81,803	83,255	59,306

(Note) Consolidated earnings forecast of FY2016 and results of FY2015 is based on IFRS