

# Summary of 1st Quarter Financial Results for year ended March 31, 2011 (Japan GAAP) (Unaudited)

July 29, 2010

Company name: Mitsubishi Tanabe Pharma Corporation  
 Stock exchange listings (Section): Tokyo, Osaka (First Sections)  
 Securities code number: 4508  
 URL: <http://www.mt-pharma.co.jp/>  
 Representative: Name: Michihiro Tsuchiya  
 Title: President and Representative Director  
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Planned date of filing of quarterly securities report: August 4, 2010  
 Planned date of start of dividend payments: —  
 Provision of supplementary explanatory materials for quarterly results: Yes  
 Quarterly results presentation: Yes (for institutional investors and investment analysts)

Note: Amounts less than ¥ 1 million have been rounded.

## 1. Results for 1st Quarter (April 1, 2010 to June 30, 2010 )

### (1) Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
1st Quarter of Fiscal 2010	108,761	7.9	26,581	17.7	26,790	16.1
1st Quarter of Fiscal 2009	100,786	(6.9)	22,585	(11.0)	23,067	(11.1)

	Net income		Net income per share	Net income per share (diluted)
	Yen million	% change	Yen	Yen
1st Quarter of Fiscal 2010	14,669	28.8	26.14	-
1st Quarter of Fiscal 2009	11,388	(22.3)	20.29	-

(Note) Percentage changes in the above list show change in comparison with the previous 1st quarter.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen million	Yen million	%	Yen
30-Jun-10	795,506	682,544	85.0	1,205.23
31-Mar-10	796,858	676,813	84.1	1,194.79

(Note) Shareholders' equity ¥676,321 million (¥670,470 million in fiscal 2009)

## 2. Dividends

(Record date)	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2009	-	14.00	-	14.00	28.00
Fiscal 2010	-	-	-	-	-
Fiscal 2010 (projected)	-	14.00	-	14.00	28.00

(Note) Revision to dividend forecast in the quarter under review: No

### 3. Forecasts for Fiscal 2010 (April 1, 2010 to March 31, 2011)

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
1st half	198,000	(0.1)	31,000	12.9	31,000	11.1
Full year	380,000	(6.1)	55,000	(10.5)	55,000	(10.8)

	Net income		Net income per share
	Yen million	% change	Yen
1st half	16,000	18.1	28.51
Full year	27,000	(10.8)	48.11

(Note) Revision to consolidated results forecast in the quarter under review: Yes

### 4. Other

(For details, please see "Others" on page 6 of the summary of 1st quarter financial results (supplement))

(1) Significant change involving subsidiaries during the period: No

Note: Indicates whether or not there was any change in designated subsidiaries accompanying changes in the scope of consolidation in the quarter under review.

(2) Application of simplified accounting methods or of special accounting methods in the preparation of quarterly financial statements: Yes

Note: Indicates whether or not the Company applied simplified accounting methods or special accounting methods in the preparation of quarterly financial statements.

(3) Changes in accounting principles, procedures, method of presentation

1. Change accompanying revision of accounting standards: Yes

2. Other changes: No

Note: Indicates whether or not there were any changes in accounting principles, procedures, or method of presentation associated with the preparation of the quarterly consolidated financial statements.

(Items noted in the Changes in the Basis of Presenting Quarterly Consolidated Financial Statements section)

(4) Number of shares issued (common stock)

1. Number of shares issued at the end of the period (including treasury stock)

1st Quarter of fiscal 2010	561,417,916 shares	Fiscal 2009	561,417,916 shares
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2. Number of shares of treasury stock at the end of the period

1st Quarter of fiscal 2010	260,887 shares	Fiscal 2009	256,440 shares
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3. Average number of shares of during the period (quarter)

1st Quarter of fiscal 2010	561,159,048 shares	1st Quarter of fiscal 2009	561,163,571 shares
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\*Note regarding implementation of quarterly review procedures

At the time when this summary of 1st quarter financial results was released, the review procedures were in progress for the quarterly financial statements in accordance with the Financial Instruments and Exchange Act.

\*Explanation regarding the appropriate use of results forecasts and other matters of special note

In these materials, forecasts of results and other statements about the future are forward-looking statements based on a number of assumptions and beliefs in light of the information available to management as of the date of release of the materials and are subject to risks and uncertainties. Actual financial results may differ materially from these forecasts depending on a number of important factors, including economic conditions in the Company's fields of business. For matters related to results forecasts, please see page 5.

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## 1. [Qualitative Information, Financial Statements, etc.]

### (1) Qualitative information about consolidated results of operations

In the pharmaceutical industry, market conditions remain challenging. In April 2010, NHI drug prices were revised and a system offering a pricing premium for newly developed drugs was introduced on a trial basis. Consequently, NHI drug prices were reduced by an industrywide average of 5.75%, and additional price cuts were implemented for long-term listed drugs.

On April 13, 2010, Mitsubishi Tanabe Pharma Corporation and its consolidated subsidiary Bipha Corporation received an administrative action (suspension of business and an order for improvement), from the Minister of Health, Labour and Welfare in regard to a violation of the Pharmaceutical Affairs Act. As a result, the Company suspended operations for 25 days, from April 17 to May 11, and Bipha suspended its operations for 30 days, from April 14 to May 13. In June, the Company and Bipha submitted business improvements plans to the Minister of Health, Labour and Welfare. With the implementation of the business improvement plans positioned as the Group's highest management priorities, the entire Group will work to implement thorough recurrence prevention measures and to do its utmost to regain the trust of society as a pharmaceutical company.

Consolidated results in the first quarter of the fiscal year ended March 31, 2011 (April 1, 2010 to June 30, 2010) were as follows.

(millions of yen)

	1 <sup>st</sup> quarter of previous fiscal year	1 <sup>st</sup> quarter of current fiscal year	Increase/ decrease	% change
Net Sales	100,786	108,761	7,975	7.9
Cost of sales	35,910	41,317	5,407	15.1
Cost of sales ratio	35.6%	38.0%		
Gross profit	64,876	67,444	2,568	4.0
SG&A expenses	42,291	40,863	(1,428)	(3.4)
Operating Income	22,585	26,581	3,996	17.7
Non-operating income/loss	482	209	(273)	
Ordinary Income	23,067	26,790	3,723	16.1
Extraordinary income/loss	(3,018)	(2,457)	561	
Net Income	11,388	14,669	3,281	28.8

## 【Net sales】

Net sales increased 7.9%, or ¥7.9 billion, year-on-year, to ¥108.7 billion.

(millions of yen)

	1 <sup>st</sup> quarter of previous fiscal year	1 <sup>st</sup> quarter of current fiscal year	Increase/ decrease	% change
Pharmaceuticals	98,197	106,005	7,808	8.0
Domestic ethical drugs	88,855	96,098	7,243	8.2
Overseas ethical drugs	5,251	5,662	411	7.8
OTC products	1,138	1,289	151	13.3
Others	2,953	2,956	3	0.1
Other businesses	2,589	2,756	167	6.5

- In the pharmaceuticals segment, net sales were ¥106.0 billion, up 8.0%, or ¥7.8 billion, year-on-year.
- The domestic sales of ethical drugs were up 8.2% year-on-year. Although NHI drug prices were revised in April 2010, favorable sales were recorded by such products as Remicade, an anti-TNF $\alpha$  monoclonal antibody; Radicut, a cerebral neuroprotectant; Maintate, a selective  $\beta$ 1 antagonist; and Talion, a treatment for allergic disorders. In addition, higher sales were recorded by JEBIK V, a freeze-dried, cell-culture derived Japanese encephalitis vaccine that was launched in June 2009, and by generic drugs.
- Overseas sales of ethical drugs were up 7.8% year on year, and sales of OTC products increased 13.3%.
- In other businesses, sales of fine chemical increased in Japan and overseas. As a result, sales of other businesses were ¥2.7 billion, up 6.5% year-on-year.

## 【Operating income】

Operating income increased 17.7%, or ¥3.9 billion, year-on-year, to ¥26.5 billion.

- As a result of the increase in net sales, the Company's gross profit was ¥67.4 billion, an increase of 4.0%, or ¥2.5 billion. Due to the revised drug prices, the cost of sales ratio worsened by 2.4 percentage points, to 38.0%.
- Salaries and wages declined as a result of lower retirement benefits expense. Due in part to the business suspension, sales promotion expenses declined, and SG&A expenses were down 3.4%, or ¥1.4 billion, to ¥40.8 billion. R&D expenses were ¥15.9 billion, accounting for 14.7% of net sales.

### 【Ordinary income and net income】

Ordinary income was up 16.1%, or ¥3.7 billion, year-on-year, to ¥26.7 billion, and net income was up 28.8%, or ¥3.2 billion, year-on-year, to ¥14.6 billion.

- Extraordinary losses were ¥2.4 billion, including loss on valuation of investment in securities of ¥1.6 billion and loss related to business suspension for Medway injection recombinant human serum albumin preparation of ¥0.7 billion.

### (2) Qualitative information about consolidated financial position

Balance sheets

(millions of yen)

	End of 1 <sup>st</sup> quarter (End of June 2010)	End of previous fiscal year (End of March 2010)	Increase/ decrease
Current assets	340,185	344,249	(4,064)
Fixed assets	455,321	452,609	2,712
Total assets	795,506	796,858	(1,352)
Liabilities	112,962	120,045	(7,083)
Net assets	682,544	676,813	5,731
Total liabilities and net assets	795,506	796,858	(1,352)

Total assets at the end of the first quarter were ¥795.5 billion, a decrease of ¥1.3 billion from the end of the previous fiscal year. Major factors causing changes in the balance sheet in comparison with the previous year-end were as follows.

- Notes and accounts receivable-trade increased, but marketable securities and inventories declined. Consequently, total current assets were down ¥4.0 billion, to ¥340.1 billion.
- Fixed assets were up ¥2.7 billion from the previous fiscal year-end, to ¥455.3 billion, increasing investment in securities due to the investment of funds in government bonds, etc.
- Notes and accounts payable-trade increased, but accounts payable-other, income taxes payable, reserve for employees' bonuses, and reserve for HCV litigation declined. Consequently, total liabilities were down by ¥7.0 billion, to ¥112.9 billion.
- Total net assets were up by ¥5.7 billion, to ¥682.5 billion. Net income was ¥14.6 billion, and dividends paid totaled ¥7.8 billion. As a result, retained earnings increased ¥6.8 billion. In addition, total valuation and translation adjustments declined by ¥0.9 billion. The equity ratio was 85.0%, compared with 84.1% a year earlier.

## Cash flows

(millions of yen)

		1 <sup>st</sup> quarter of previous fiscal year	1 <sup>st</sup> quarter of current fiscal year	Increase/ decrease
	Operating activities	(6,487)	8,050	14,537
	Investing activities	(34,295)	3,210	37,505
	Financing activities	(9,003)	(7,737)	1,266
	Change in cash and cash equivalents	(49,146)	3,534	52,680
	At beginning of year	116,903	62,958	(53,945)
	At end of year	67,947	66,556	(1,391)

Net increase in cash and cash equivalents was ¥3.5 billion, and the balance of cash and cash equivalents at the end of the period under review was ¥66.5 billion (down ¥1.3 billion year-on-year).

**【Cash flows from operating activities】**

Net cash provided by operating activities was ¥8.0 billion. Cash inflows included income before income taxes and minority interests of ¥24.3 billion, depreciation and amortization of ¥2.9 billion, and amortization of goodwill of ¥2.5 billion, decrease in inventories of ¥3.0 billion, and increase in notes and accounts payable-trade of ¥4.9 billion, while cash outflows included income taxes paid of ¥10.5 billion, decrease in reserve for HCV litigation of ¥1.1 billion, increase in notes and accounts receivable-trade of ¥11.8 billion, and decrease in accounts payable-other of ¥4.5 billion.

**【Cash flows from investing activities】**

Net cash provided by investing activities was ¥3.2 billion, due in part to proceeds from sales and redemption of marketable securities and proceeds from sales and redemption of investment in securities for investment purposes.

**【Cash flows from financing activities】**

Net cash used in financing activities was ¥7.7 billion, due in part to dividends paid of ¥7.8 billion.

### (3) Qualitative information about consolidated results forecasts

As of May 12, 2010, when the Company announced the consolidated results forecasts for the fiscal year ending March 31, 2011, the influence of the administrative action related to Medway Injection was considered to be uncertain. Consequently, at that time the Company did not provide results forecasts for the first half of the fiscal year ending March 31, 2011.

At this time, taking into account the consolidated results in 1<sup>st</sup> quarter of the fiscal year ending March 31, 2011, the Company's consolidated results forecasts for the first half of the current fiscal year are as follows.

The influence of the administrative action related to Medway Injection remains uncertain, and as a result, at this time, there are no revisions to the consolidated results forecasts for the current fiscal year.

Consolidated results forecasts for first half of the current fiscal year.

(millions of yen)

	Results in first half of previous fiscal year	Forecast for first half of current fiscal year	Increase/decrease	% change
Net Sales	198,239	198,000	(239)	(0.1)
Operating Income	27,456	31,000	3,544	12.9
Ordinary Income	27,910	31,000	3,090	11.1
Net Income	13,552	16,000	2,448	18.1

(Reference): Results forecasts for current fiscal year

(millions of yen)

	Results in previous fiscal year	Forecast for current fiscal year	Increase/decrease	% change
Net Sales	404,747	380,000	(24,747)	(6.1)
Operating Income	61,475	55,000	(6,475)	(10.5)
Ordinary Income	61,649	55,000	(6,649)	(10.8)
Net Income	30,253	27,000	(3,253)	(10.8)



## 2. Other

- (1) Significant changes involving subsidiaries during the period (changes in designated subsidiaries accompanying changes in the scope of consolidation)

Not applicable.

- (2) Application of simplified accounting methods or of special accounting methods in the preparation of quarterly financial statements:

- Method of calculation of income taxes, deferred tax assets, and deferred tax liabilities

The calculation of income tax payments, deferred tax assets, and deferred tax liabilities is based on the sum of important adjustment and tax credit items.

In regard to judgments about the recoverability of deferred tax assets, in the event that there are no marked changes in the management environment, etc., since the end of the previous fiscal year and there are no marked changes in the occurrence of temporary differences, the judgments utilize a method based on the future results forecasts used in the previous consolidated settlement of accounts and on tax planning. In the event that there are marked changes in the management environment, etc., since the end of the previous fiscal year or there are marked changes in the occurrence of temporary differences, the judgments utilize the a method based on the future results forecasts used in the previous consolidated settlement of accounts and on tax planning as well as the influence of the marked changes.

- (3) Changes in accounting principles, procedures, method of presentation associated with the preparation of the quarterly consolidated financial statements

- Application of Accounting Standards for Asset Retirement Obligations

From the first quarter under review, the Company applies "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008). This change will not have a significant effect on results.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(millions of yen)

Year Accounts	As of June 30, 2010	As of March 31, 2010
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	22,480	22,792
Notes and accounts receivable-trade	138,151	126,227
Marketable securities	49,221	59,726
Merchandise and finished goods	50,995	52,774
Work in process	1,513	1,298
Raw materials and supplies	17,684	19,094
Deposits	45,330	46,271
Deferred income taxes	10,179	11,394
Other	4,673	4,714
Allowance for doubtful receivables	(41)	(41)
<b>Total current assets</b>	<b>340,185</b>	<b>344,249</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	40,560	41,359
Machinery, equipment and vehicles, net	17,900	18,932
Tools, furniture and fixtures, net	4,124	4,489
Land	51,150	50,931
Lease assets, net	29	31
Construction in progress	1,908	1,476
<b>Total property, plant and equipment</b>	<b>115,671</b>	<b>117,218</b>
<b>Intangible fixed assets</b>		
Goodwill	123,294	125,765
Other	3,770	3,849
<b>Total intangible fixed assets</b>	<b>127,064</b>	<b>129,614</b>
<b>Investments and other assets</b>		
Investment in securities	147,329	139,133
Deferred income taxes	13,704	14,300
Prepaid pension expenses	37,700	36,730
Other	13,897	15,658
Allowance for doubtful receivables	(44)	(44)
<b>Total investments and other assets</b>	<b>212,586</b>	<b>205,777</b>
<b>Total fixed assets</b>	<b>455,321</b>	<b>452,609</b>
<b>Total assets</b>	<b>795,506</b>	<b>796,858</b>

(millions of yen)

Year Accounts	As of June 30, 2010	As of March 31, 2010
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	32,477	27,557
Short-term loans	2,749	2,410
Current maturities of long-term loans	30	30
Accounts payable-other	14,334	20,202
Income taxes payable	6,993	11,080
Reserve for employees' bonuses	5,670	11,155
Other reserves	174	172
Other	9,683	5,161
<b>Total current liabilities</b>	<b>72,110</b>	<b>77,767</b>
<b>Long-term liabilities</b>		
Deferred income taxes	11,012	11,267
Accrued retirement benefits for employees	12,876	13,159
Accrued retirement benefits for directors and corporate auditors	5	4
Reserve for health management allowances for HIV compensation	1,627	1,627
Reserve for health management allowances for SMON compensation	4,097	4,205
Reserve for HCV litigation	9,531	10,689
Other	1,704	1,327
<b>Total long-term liabilities</b>	<b>40,852</b>	<b>42,278</b>
<b>Total liabilities</b>	<b>112,962</b>	<b>120,045</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	50,000	50,000
Capital surplus	451,186	451,185
Retained earnings	186,222	179,409
Treasury stock, at cost	(283)	(277)
<b>Total shareholders' equity</b>	<b>687,125</b>	<b>680,317</b>
<b>Valuation and translation adjustments</b>		
Unrealized holding gains on securities	(3,843)	(3,218)
Deferred (losses) gains on hedges	(969)	(378)
Translation adjustments	(5,992)	(6,251)
<b>Total valuation and translation adjustments</b>	<b>(10,804)</b>	<b>(9,847)</b>
<b>Minority interests</b>	<b>6,223</b>	<b>6,343</b>
<b>Total net assets</b>	<b>682,544</b>	<b>676,813</b>
<b>Total liabilities and net assets</b>	<b>795,506</b>	<b>796,858</b>

## (2) Consolidated Statements of Income

(millions of yen)

Year Accounts	April 1, 2009 - June 30, 2009	April 1, 2010 - June 30, 2010
	Amount	Amount
<b>Net sales</b>	<b>100,786</b>	<b>108,761</b>
Cost of sales	35,910	41,317
Gross profit	64,876	67,444
Selling, general and administrative expenses		
Advertising expenses	637	503
Sales promotion expenses	2,297	1,749
Salaries and allowances	6,862	6,844
Provision for bonuses	3,043	2,940
Retirement benefit expenses	1,230	917
Depreciation and amortization	432	436
Research and development expenses	16,154	15,950
Amortization of goodwill	2,532	2,535
Other	9,104	8,989
Total selling, general and administrative expenses	42,291	40,863
<b>Operating income</b>	<b>22,585</b>	<b>26,581</b>
Non-operating income		
Interest income	479	432
Dividend income	431	469
Equity in earnings of affiliates	171	-
Other	254	231
Total non-operating income	1,335	1,132
Non-operating expenses		
Interest expense	10	6
Equity in losses of affiliates	-	113
Taxes and dues	-	202
Donations	142	136
Foreign exchange loss	258	107
Loss on disposal of property, plant and equipment	117	34
Other	326	325
Total non-operating expenses	853	923
<b>Ordinary income</b>	<b>23,067</b>	<b>26,790</b>
Extraordinary income		
Gain on sales of investment in securities	77	-
Total extraordinary income	77	-
Extraordinary loss		
Loss on valuation of investment in securities	209	1,602
Loss related to business suspension	626	737
Restructuring expenses	435	118
Impairment loss	1,824	-
Other	1	-
Total extraordinary losses	3,095	2,457
<b>Income before income taxes and minority interests</b>	<b>20,049</b>	<b>24,333</b>
Income taxes-current	4,264	7,400
Income taxes-deferred	4,811	2,401
Total income taxes	9,075	9,801
Income before minority interests	10,974	14,532
Minority interests	(414)	(137)
<b>Net income</b>	<b>11,388</b>	<b>14,669</b>

### (3) Consolidated Statements of Cash Flows

(millions of yen)

Year Accounts	April 1, 2009 - June 30, 2009	April 1, 2010 - June 30, 2010
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	20,049	24,333
Depreciation and amortization	3,072	2,975
Impairment loss	1,824	-
Amortization of goodwill	2,532	2,535
Increase (decrease) in accrued retirement benefits for employees	(261)	(292)
Decrease (increase) in prepaid pension expenses	579	(970)
Increase (decrease) in allowance for doubtful receivables	1	(1)
Increase (decrease) in reserve for HCV litigation	(7,039)	(1,158)
Interest and dividend income	(910)	(901)
Interest expense	10	6
Loss (gain) on sales and disposal of fixed assets	93	16
Loss (gain) on sales of investment in securities	(77)	-
Loss (gain) on devaluation of investment in securities	209	1,602
Equity in (earnings) losses of affiliates	(171)	113
Decrease (increase) in notes and accounts receivable, trade	(7,671)	(11,889)
Decrease (increase) in inventories	(3,571)	3,000
Increase (decrease) in notes and accounts payable, trade	5,585	4,948
Increase (decrease) in accounts payable, other	(3,689)	(4,563)
Other, net	(3,349)	(2,065)
Subtotal	7,216	17,689
Interest and dividends received	818	866
Interest paid	(8)	(5)
Subsidy received	400	-
Income taxes paid	(14,913)	(10,500)
<b>Net cash provided by (used in) operating activities</b>	<b>(6,487)</b>	<b>8,050</b>
<b>Cash flows from investing activities:</b>		
Purchase of marketable securities	(29,480)	(5,523)
Proceeds from sales and redemption of marketable securities	6,578	29,487
Increase in time deposits	(708)	(4,500)
Decrease in time deposits	642	8,516
Decrease in long-term deposits	-	569
Purchase of property, plant and equipment	(2,259)	(2,523)
Proceeds from sales of property, plant and equipment	8	131
Purchase of intangible fixed assets	(754)	(237)
Purchase of investment in securities	(10,679)	(24,899)
Proceeds from sales and redemption of investment in securities	1,020	2,162
Proceeds from sales of subsidiaries' shares resulting in consolidation scope change	511	-
Other, net	826	27
<b>Net cash provided by (used in) investing activities</b>	<b>(34,295)</b>	<b>3,210</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term debt, net	(474)	150
Repayments of long-term debt	(644)	-
Purchases of treasury stock	(5)	-
Cash dividends paid	(7,856)	(7,856)
Other, net	(24)	(31)
<b>Net cash provided by (used in) financing activities</b>	<b>(9,003)</b>	<b>(7,737)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>639</b>	<b>11</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(49,146)</b>	<b>3,534</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>116,903</b>	<b>62,958</b>
<b>Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	<b>190</b>	<b>5</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>-</b>	<b>59</b>
<b>Cash and cash equivalents at end of period</b>	<b>67,947</b>	<b>66,556</b>

**(4) Note regarding going concern assumption**

Not applicable.

**(5) Segment Information**

Previous fiscal year (April 1, 2009 - June 30, 2009)

1. Segment information by business segment

Since net sales and operating income from the pharmaceuticals segment account for more than 90% of the consolidated total net sales and operating income, the disclosure of segment information by type of business has been omitted.

2. Segment information by geographical area

Since net sales outside Japan of all segments constituted less than 10% of the consolidated totals, the disclosure of geographical segment information has been omitted.

3. Overseas sales

(millions of yen)

Overseas sales	Consolidated net sales	Rate of overseas sales to consolidated net sales
6,249	100,786	6.2%

(Notes)

1. Overseas sales include export sales of the Company and its domestic subsidiaries and sales of its foreign consolidated subsidiaries other than exports to Japan.
2. Since overseas sales of each segment constituted less than 10% of the consolidated totals for the period, the disclosure of overseas sales by region has been omitted.

Current fiscal year (April 1, 2010 - June 30, 2010)

1. Overview of reportable segments

The Company mainly conducts R&D, manufacturing, purchasing, and sales of pharmaceuticals. And the "pharmaceuticals" segment is the Company's reportable segment. In the pharmaceuticals segment, the Company conducts business activities of ethical drugs and OTC products in Japan and overseas.

2. Information regarding sales and profit/loss for each reportable segment

The Company's reportable segments consist of only "pharmaceuticals" segment, and as a result the disclosure has been omitted.

3. Information regarding impairment loss and goodwill for each reportable segment

Not applicable.

(Additional information)

From the first quarter under review, the Company applies "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, March 21, 2008).

**(6) Note regarding substantial change in shareholders' equity**

Not applicable.

## 4. Reference

### (1) Forecasts for FY2010 Ending March 31, 2011

#### 1. Consolidated Forecasts of Profit and Loss

[Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 Forecasts	Increase (Decrease)	Change%
Net Sales	198.2	198.0	(0.2)	(0.1)
Cost of Sales	71.0	77.0	6.0	8.4
Sales cost ratio%	35.8%	38.9%		
SG & A Expenses	99.8	90.0	(9.8)	(9.8)
% of Net Sales	50.3%	45.5%		
Operating Income	27.5	31.0	3.5	12.9
Ordinary Income	27.9	31.0	3.1	11.1
Extraordinary Income	0.1	-	(0.1)	(100.0)
Extraordinary Losses	4.7	3.0	(1.7)	(35.7)
Net Income	13.6	16.0	2.4	18.1

#### 2. Sales Forecasts by Business Segments

[Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 Forecasts	Increase (Decrease)	Change%
Pharmaceuticals	193.4	192.6	(0.8)	(0.4)
% Composition	97.6%	97.3%		
[Domestic]	[181.2]	[180.5]	[(0.8)]	[(0.4)]
[Overseas]	[12.2]	[12.1]	[(0.1)]	[(0.5)]
Other Businesses	4.8	5.4	0.6	12.4
% Composition	2.4%	2.7%		
[Domestic]	[3.5]	[3.7]	[0.2]	[5.3]
[Overseas]	[1.3]	[1.7]	[0.4]	[31.7]
Total	198.2	198.0	(0.2)	(0.1)
% Composition	100.0%	100.0%		
[Domestic]	[184.7]	[184.2]	[(0.6)]	[(0.3)]
[Overseas]	[13.5]	[13.8]	[0.3]	[2.6]

#### 3. Forecasts of SG&A Expenses / Total Labor Cost

[Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 Forecasts	Increase (Decrease)	Change%
SG&A expenses	99.8	90.0	(9.8)	(9.8)
R&D Expenses	44.6	35.5	(9.1)	(20.3)
Labor Costs	26.2	25.5	(0.7)	(2.7)
Sales promotion expenses	5.6	5.5	(0.1)	(2.3)
Goodwill Amortization	5.1	5.0	(0.1)	(1.3)
Others	18.3	18.5	0.2	1.1
Total Labor Costs	44.6	44.0	(0.6)	(1.4)

Forecasts for FY2010 Ending March 31, 2011: The influence of the administrative action related to Medway Injection remains uncertain, and as a result, at this time, there are no revisions to the consolidated results forecasts for the current fiscal year, which was announced on May 12, 2010.



#### 4. Forecasts of Investment in Property, Plant and Equipment [Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 forecasts	Increase (Decrease)	% Change
Investment in Property, Plant and Equipment (Occurring basis)	3.1	3.5	0.3	11.1

#### <Major Investment in Property, Plant and Equipment for 1st Half of FY2010> [Billion yen]

Production Facilities	1.5
Facilities & Equipment in Laboratories	1.5
Others	0.5

#### 5. Forecasts of Investment for Development of Information Systems [Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 forecasts	Increase (Decrease)	% Change
Investment for Information Systems (Occurring basis)	1.0	0.9	(0.2)	(16.9)

#### <Major Investment in Information System for 1st Half of FY2010> [Billion yen]

R&D Related System	0.3
Production Related System	0.3
Others	0.3

#### 6. Forecasts for Depreciation Costs [Billion yen]

	1st Half FY2009 Actual	1st Half FY2010 forecasts	Increase (Decrease)	% Change
Property, Plant and Equipment	5.9	5.6	(0.3)	(5.2)
Intangible Fixed Assets	0.5	0.5	0.0	1.5

## (2) Consolidated Financial Indicators for 1st Quarter of FY2010

### 1. Profit and Loss

(Million yen)

	Q1/FY2009		Q1/FY2010		Increase (Decrease)	Change %	Forecasts for 1st half of FY2010		Achieved %
	(Apr.-Jun., 2009)		(Apr.-Jun., 2010)				(Apr.-Sep., 2010)		
Net Sales	100,786	100.0	108,761	100.0	7,975	7.9	198,000	100.0	54.9
[Domestic]	[94,537]	[93.8]	[102,031]	[93.8]	[7,494]	[7.9]	[184,200]	[93.0]	[55.4]
[Overseas]	[6,249]	[6.2]	[6,730]	[6.2]	[481]	[7.7]	[13,800]	[7.0]	[48.8]
Pharmaceuticals	98,197	97.4	106,005	97.5	7,808	8.0	192,600	97.3	55.0
[Domestic]	[92,777]	[92.0]	[100,208]	[92.1]	[7,431]	[8.0]	[180,500]	[91.2]	[55.5]
[Overseas]	[5,420]	[5.4]	[5,797]	[5.3]	[377]	[7.0]	[12,100]	[6.1]	[47.9]
Other Businesses	2,589	2.6	2,756	2.5	167	6.5	5,400	2.7	51.0
[Domestic]	[1,760]	[1.8]	[1,823]	[1.7]	[63]	[3.6]	[3,700]	[1.9]	[49.3]
[Overseas]	[829]	[0.8]	[933]	[0.9]	[104]	[12.5]	[1,700]	[0.9]	[54.9]
Cost of Sales	35,910	35.6	41,317	38.0	5,407	15.1	77,000	38.9	53.7
SG & A expenses	42,291	42.0	40,863	37.6	(1,428)	(3.4)	90,000	45.5	45.4
R&D expenses	16,154	16.0	15,950	14.7	(204)	(1.3)	35,500	17.9	44.9
Labor costs	12,679	12.6	12,363	11.4	(316)	(2.5)	25,500	12.9	48.5
Sales promotion expenses	2,297	2.3	1,749	1.6	(548)	(23.9)	5,500	2.8	31.8
Amortization of goodwill	2,532	2.5	2,535	2.3	3	0.1	5,000	2.5	50.7
Others	8,629	8.6	8,266	7.6	(363)	(4.2)	18,500	9.3	44.7
Operating Income	22,585	22.4	26,581	24.4	3,996	17.7	31,000	15.7	85.7
Non-operating income	1,335		1,132		(203)				
Interest income	479		432		(47)				
Dividends income	431		469		38				
Equity in earnings of affiliates	171		-		(171)				
Others	254		231		(23)				
Non-operating Expenses	853		923		70				
Interest expenses	10		6		(4)				
Equity in losses of affiliates	-		113		113				
Tax and dues	-		202		202				
Donations	142		136		(6)				
Foreign exchange losses	258		107		(151)				
Loss on disposal of property, plant and equipment	117		34		(83)				
Others	326		325		(1)				
Ordinary income	23,067	22.9	26,790	24.6	3,723	16.1	31,000	15.7	86.4
Extraordinary income	77		-		(77)		-		-
Gains on sale of investments in securities	77		-		(77)				
Extraordinary loss	3,095		2,457		(638)		3,000		81.9
Loss on valuation of investment in securities	209		1,602		1,393				
Loss related to business suspension	626		737		111				
Restructuring expenses	435		118		(317)				
Impairment loss	1,824		-		(1,824)				
Others	1		-		(1)				
Net income	11,388	11.3	14,669	13.5	3,281	28.8	16,000	8.1	91.7
Total Labor Costs	21,776	21.6	21,399	19.7	(377)	(1.7)	44,000	22.2	48.6

## 2. Sales of Main Products

[Billion yen]

	Q1/FY2009 (Apr.-Jun., 2009)	Q1/FY2010 (Apr.-Jun., 2010)	Increase (Decrease)	Change %	Forecasts for 1st half of FY2010 (Apr.-Sep., 2010)	Achieved %
Ethical drugs	97.1	104.7	7.7	7.9	189.9	55.1
Ethical drugs domestic sales	88.9	96.1	7.2	8.2	172.4	55.7
Remicade	10.3	14.4	4.0	38.9	-	-
Radicut	7.2	8.0	0.8	11.3	-	-
Ceredist	4.4	4.8	0.4	8.9	-	-
Anplag	5.1	4.5	(0.6)	(11.4)	-	-
Urso	4.3	4.1	(0.2)	(4.3)	-	-
Maintate	2.9	3.2	0.3	12.1	-	-
Depas	3.1	3.1	0.0	(0.4)	-	-
Tanatril	3.2	2.8	(0.4)	(13.3)	-	-
Herbesser	3.0	2.7	(0.3)	(10.1)	-	-
Talion	2.4	2.7	0.3	12.4	-	-
Venoglobulin-IH	2.5	2.4	(0.1)	(5.8)	-	-
Liple	2.2	2.0	(0.2)	(8.3)	-	-
Sermion	2.1	1.8	(0.2)	(11.5)	-	-
Neuart	1.4	1.5	0.1	5.1	-	-
Omeprazon	1.5	1.4	(0.1)	(9.5)	-	-
Novastan	0.8	0.9	0.1	17.4	-	-
Vaccine	6.3	7.7	1.5	23.3	-	-
[Mearubik]	[4.9]	[5.0]	[0.1]	[1.6]	[-]	[-]
[JEBIK V]	[0.4]	[1.8]	[1.4]	351.0	[-]	[-]
[Influenza]	[0.0]	[0.0]	[0.0]	[-]	[-]	[-]
Generic Drugs*1	1.8	2.9	1.1	59.4	-	-
Ethical drugs overseas sales	5.3	5.7	0.4	7.8	11.4	49.7
Herbesser	1.2	1.2	0.0	0.9	-	-
Argatroban (Novastan)	0.8	1.0	0.2	22.0	-	-
Tanatril	0.4	0.5	0.1	31.7	-	-
Anplag	0.4	0.1	(0.2)	(62.8)	-	-
Vaccine	0.3	0.3	(0.1)	(24.5)	-	-
Contracted manufacturing products*2	2.6	2.7	0.1	2.5	5.2	51.7
Licensing Fee, etc.	0.3	0.3	(0.1)	(18.3)	0.9	29.4
OTC drugs	1.1	1.3	0.2	13.3	2.7	48.0
Pharmaceuticals	98.2	106.0	7.8	8.0	192.6	55.0
Other businesses	2.6	2.8	0.2	6.5	5.4	51.0
Total	100.8	108.8	8.0	7.9	198.0	54.9

\*1: Sold by Tanabe Seiyaku Hanbai Co., Ltd.

\*2: Contracted manufacturing products, etc. ordered by other companies.

## 3. Quarterly Trend (P/L)

[Billion yen]

	FY2009					FY2010		
	1Q Apr. to Jun.	2Q Jul. to Sep.	3Q Oct. to Dec.	4Q Jan. to Mar.	FY2009 Actual	1Q Apr. to Jun.	1st Half Forecasts	FY2010 Forecasts
Net Sales	100.8 24.9%	97.5 24.1%	122.0 30.1%	84.5 20.9%	404.7 100.0%	108.8 28.6%	198.0 52.1%	380.0 100.0%
[Domestic]	[94.5] [25.0%]	[90.2] [23.9%]	[115.6] [30.6%]	[77.5] [20.5%]	[377.9] [100.0%]	[102.0] [-]	[184.2] [-]	[-] [-]
[Overseas]	[6.2] [23.3%]	[7.2] [27.0%]	[6.4] [23.8%]	[7.0] [26.0%]	[26.9] [100.0%]	[6.7] [-]	[13.8] [-]	[-] [-]
Pharmaceuticals	98.2 24.8%	95.2 24.1%	119.6 30.2%	82.7 20.9%	395.7 100.0%	106.0 -	192.6 -	- -
[Domestic]	[92.8] [25.0%]	[88.5] [23.8%]	[113.8] [30.7%]	[76.1] [20.5%]	[371.1] [100.0%]	[100.2] [-]	[180.5] [-]	[-] [-]
[Overseas]	[5.4] [22.0%]	[6.8] [27.5%]	[5.8] [23.7%]	[6.6] [26.8%]	[24.6] [100.0%]	[5.8] [-]	[12.1] [-]	[-] [-]
Other Business	2.6 28.7%	2.2 24.6%	2.4 26.3%	1.8 20.4%	9.0 100.0%	2.8 -	5.4 -	- -
[Domestic]	[1.8] [25.9%]	[1.7] [25.7%]	[1.8] [26.9%]	[1.5] [21.5%]	[6.8] [100.0%]	[1.8] [-]	[3.7] [-]	[-] [-]
[Overseas]	[0.8] [37.4%]	[0.5] [21.0%]	[0.5] [24.6%]	[0.4] [17.0%]	[2.2] [100.0%]	[0.9] [-]	[1.7] [-]	[-] [-]
Cost of Sales	35.9	35.1	45.8	31.0	147.8	41.3	77.0	-
Sales cost ratio %	35.6%	36.0%	37.5%	36.7%	36.5%	38.0%	38.9%	-
SG & A Expenses	42.3 21.6%	57.5 29.4%	43.7 22.4%	52.0 26.6%	195.5 100.0%	40.9 -	90.0 -	- -
R&D Expenses	16.2 19.4%	28.4 34.2%	16.5 19.9%	22.0 26.5%	83.1 100.0%	16.0 -	35.5 -	- -
Labor Costs	12.7 23.9%	13.5 25.5%	13.1 24.7%	13.7 25.9%	53.0 100.0%	12.4 -	25.5 -	- -
Sales Promotion Expenses	2.3 19.2%	3.3 27.9%	2.9 24.5%	3.4 28.5%	12.0 100.0%	1.7 -	5.5 -	- -
Amortization of Goodwill	2.5 25.0%	2.5 25.0%	2.5 25.0%	2.5 25.0%	10.1 100.0%	2.5 -	5.0 -	- -
Others	8.6 23.2%	9.7 25.9%	8.7 23.3%	10.3 27.6%	37.3 100.0%	8.3 -	18.5 -	- -
Operating Income	22.6 36.7%	4.9 7.9%	32.5 52.9%	1.5 2.5%	61.5 100.0%	26.6 48.3%	31.0 56.4%	55.0 100.0%
Ordinary Income	23.1 37.4%	4.8 7.9%	32.5 52.7%	1.3 2.0%	61.6 100.0%	26.8 48.7%	31.0 56.4%	55.0 100.0%
Net Income	11.4 37.6%	2.2 7.2%	19.1 63.0%	(2.4) (7.8%)	30.3 100.0%	14.7 54.3%	16.0 59.3%	27.0 100.0%

The each figure (excluding Cost of Sales) in the lower displays the progress rate.

## 4. Quarterly Trend (Sales of Main Products)

[Billion yen]

	FY2009					FY2010		
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	FY2009 Actual	Q1 Apr. to Jun.	1st Half Forecasts	FY2010 Forecasts
Ethical drugs	97.1 24.8%	93.7 24.0%	118.4 30.3%	81.6 20.9%	390.8 100.0%	104.7 -	189.9 -	-
Ethical drugs domestic sales	88.9 25.1%	83.2 23.5%	110.2 31.1%	72.3 20.4%	354.6 100.0%	96.1 -	172.4 -	-
Remicade	10.3 21.9%	12.4 26.3%	13.2 28.0%	11.2 23.8%	47.2 100.0%	14.4 -	-	-
Radicut	7.2 25.6%	6.7 24.0%	8.4 30.0%	5.7 20.4%	28.0 100.0%	8.0 -	-	-
Ceredist	4.4 26.2%	4.0 23.7%	5.1 30.2%	3.4 19.9%	16.9 100.0%	4.8 -	-	-
Anplag	5.1 27.7%	4.4 23.9%	5.8 31.4%	3.1 17.0%	18.4 100.0%	4.5 -	-	-
Urso	4.3 26.5%	3.9 24.2%	4.8 29.5%	3.2 19.7%	16.3 100.0%	4.1 -	-	-
Maintate	2.9 26.2%	2.6 23.4%	3.3 30.2%	2.2 20.2%	11.0 100.0%	3.2 -	-	-
Depas	3.1 26.7%	2.8 24.0%	3.3 28.7%	2.4 20.6%	11.6 100.0%	3.1 -	-	-
Tanatril	3.2 28.5%	2.6 23.4%	3.4 30.4%	2.0 17.7%	11.1 100.0%	2.8 -	-	-
Herbesser	3.0 28.0%	2.6 23.7%	3.2 29.5%	2.0 18.9%	10.8 100.0%	2.7 -	-	-
Talion	2.4 22.3%	1.8 16.6%	3.0 28.4%	3.5 32.7%	10.6 100.0%	2.7 -	-	-
Venoglobulin-IH	2.5 26.4%	2.4 24.9%	2.9 30.3%	1.8 18.4%	9.6 100.0%	2.4 -	-	-
Liple	2.2 27.5%	1.9 23.9%	2.3 28.5%	1.6 20.0%	8.0 100.0%	2.0 -	-	-
Sermion	2.1 28.3%	1.8 24.2%	2.2 29.7%	1.3 17.8%	7.2 100.0%	1.8 -	-	-
Neuart	1.4 24.3%	1.5 25.6%	1.8 32.1%	1.0 18.1%	5.7 100.0%	1.5 -	-	-
Omeprazon	1.5 27.6%	1.3 23.9%	1.7 30.3%	1.0 18.2%	5.5 100.0%	1.4 -	-	-
Novastan	0.8 26.9%	0.7 24.7%	0.8 28.4%	0.6 20.0%	2.9 100.0%	0.9 -	-	-
Vaccines*2	6.3 27.3%	6.8 29.5%	5.5 23.7%	4.5 19.4%	23.0 100.0%	7.7 -	-	-
[Mearubik]	[4.9] [41.7%]	[2.9] [24.5%]	[1.1] [9.2%]	[2.9] [24.6%]	[11.8] [100.0%]	[5.0] -	-	-
[JEBIK V]	[0.4] [19.5%]	[0.7] [33.6%]	[0.3] [15.6%]	[0.6] [31.3%]	[2.0] [100.0%]	[1.8] -	-	-
[Influenza]*2	[0.0] [0.0%]	[2.4] [38.0%]	[3.8] [59.0%]	[0.2] [3.1%]	[6.4] [100.0%]	[0.0] -	-	-
Generic Drugs*3	1.8 21.1%	1.7 20.2%	2.8 33.0%	2.2 25.8%	8.5 100.0%	2.9 -	-	-
Ethical drugs overseas sales	5.3 23.0%	6.1 26.6%	5.6 24.4%	5.9 25.9%	22.8 100.0%	5.7 -	11.4 -	-
Herbesser	1.2 25.6%	1.3 27.4%	1.1 24.1%	1.1 22.8%	4.7 100.0%	1.2 -	-	-
Argatroban (Novastan)	0.8 23.1%	0.9 24.8%	0.8 22.0%	1.1 30.2%	3.6 100.0%	1.0 -	-	-
Tanatril	0.4 23.1%	0.6 30.6%	0.4 23.2%	0.4 23.1%	1.8 100.0%	0.5 -	-	-
Anplag	0.4 33.1%	0.2 20.7%	0.4 30.9%	0.2 15.4%	1.1 100.0%	0.1 -	-	-
Vaccines	0.3 25.7%	0.3 25.5%	0.3 23.9%	0.3 24.9%	1.3 100.0%	0.3 -	-	-
Contracted Manufacturing Products*4	2.6 25.7%	2.7 26.4%	2.2 21.6%	2.7 26.4%	10.2 100.0%	2.7 -	5.2 -	-
Licensing Fee, etc.	0.3 10.8%	1.7 54.5%	0.4 12.6%	0.7 22.1%	3.1 100.0%	0.3 -	0.9 -	-
OTC Drugs	1.1 22.9%	1.5 30.6%	1.3 25.2%	1.1 21.3%	5.0 100.0%	1.3 -	2.7 -	-
Pharmaceuticals	98.2 24.8%	95.2 24.1%	119.6 30.2%	82.7 20.9%	395.7 100.0%	106.0 -	192.6 -	-
Other Businesses	2.6 28.7%	2.2 24.6%	2.4 26.3%	1.8 20.4%	9.0 100.0%	2.8 -	5.4 -	-
Total	100.8 24.9%	97.5 24.1%	122.0 30.1%	84.5 20.9%	404.7 100.0%	108.8 28.6%	198.0 52.1%	380.0 100.0%

\*1: The each figure in the lower displays the progress rate.

\*2: Vaccines and influenza vaccine in FY2009 do not include H1N1 flu vaccine(8.8 billion yen).

\*3: Sold by Tanabe Seiyaku Hanbai Co., Ltd.

\*4: Contracted manufacturing products, etc. ordered by other companies.

### (3) State of New Product Development (as of July 29, 2010)

#### 1. Pipeline in Japan

##### New Molecular Entities

Development code (Generic name)	Category (Indications)	Stage	Origin	Remarks
TA-8317 /Acref (Fentanyl citrate)	Narcotic analgesic (Breakthrough cancer pain: oral transmucosal)	NDA filed (Aug. 2008)	US:Cephalon	
CNTO148 (Golimumab)	Anti-TNF $\alpha$ monoclonal antibody (Rheumatoid arthritis)	NDA filed (June 2010)	US:Centocor Ortho Biotech	Co-development -Janssen Pharma
MP-424 (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C)	Phase 3	US:Vertex	
MP-513 (Teneligliptin)	DPP4 Inhibitor (Type 2 Diabetes mellitus)	Phase 3	In-house	
BK-4SP	Vaccine (Prophylaxis of pertussis, diphtheria, tetanus, an poliomvelitis)	Phase 3	The Research Foundation for Microbial Diseases of Osaka University	Co-development -The Research Foundation for Microbial Diseases of Osaka University
APTA-2217 (Roflumilast)	PDE4 inhibitor (Asthma)	Phase 2/3	Switzerland: Nycomed	Co-development -Nycomed
	(COPD)	Phase 2/3		
FTY720 (Fingolimod hydrochloride)	Sphingosine-1-phosphate receptor modulator (Multiple sclerosis*)	Phase 2	In-house	Co-development -Novartis Pharma
MP-214 (Cariprazine)	D3/D2 antagonist (Schizophrenia)	Phase 2	Hungary: Gedeon- Richter	
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Diabetes mellitus)	Phase 2	In-house	
MP-435	C5a antagonist (Rheumatoid arthritis)	Phase 1	In-house	
MT-4666	$\alpha$ 7nAChR agonist (Alzheimer's disease)	Phase 1	US: EnVivo Pharmaceuticals	

\*: Orphan drug designated

### Additional Indications

Product name (Generic name)	Category (Indications)	Stage	Origin	Remarks
Venoglobulin-IH (Polyethylene glycol treated human normal immunoglobulin)	Human immunoglobulin G (IgG2 deficiency)	sNDA filed (Dec. 1997)	In-house	
	(Polymyositis, dermatomyositis* )	sNDA filed (May 2003)		
	(Systemic scleroderma)	Phase 3		
	(Myasthenia gravis*)	Phase 3		
Modiodal (Modafinil)	Psychoneurotic agent (Obstructive sleep apnea)	Filed (May, 2010)	US: Cephalon	Co-development -Alfresa Pharma
Remicade (Infliximab[recombinant])	Anti-TNF $\alpha$ monoclonal antibody (Crohn's disease: dose escalation)	Phase 3	US: Centocor Ortho Biotech	
Radicut (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis*)	Phase 3	In-house	
Maintate (Bisoprolol)	Selective $\beta$ 1 antagonist (Chronic heart failure)	Phase 3	Germany: Merck KGaA	
Cholebine (Colestimide(JAN))	Bile acid signal regulation (Type 2 diabetes mellitus)	Phase 2	In-house	
	Non-absorbed phosphate binder (Hyperphosphatemia)	Phase 1		

\*: Orphan drug designated

## 2. Pipeline Overseas

### New Molecular Entities

Development code (Generic name)	Category (Indications)	Region	Stage	Origin	Remarks
LIVALO (Pitavastatin calcium)	HMG-CoA reductase inhibitor (Hypercholesterolemia, Familial hypercholesterolemia)	Taiwan Indonesia	Filed (April 2010) Filed (June 2010)	Japan:Kowa	Filed by Tai Tien Pharmaceuticals Filed by Tanabe Indonesia
MCI-196 (Colestilan(INN))	Non-absorbed phosphate binder (Hyperphosphatemia)	US, Europe	Phase 3	In-house	
MP-146	Uremic toxin adsorbent (Chronic kidney disease)	US, Europe	Phase 3	Japan:Kureha	
MT-2832 (Lunacalcipol)	Vitamin D analog (Secondary hyperparathyroidism)	US, Canada	Phase 2	Canada: Cytochroma	
MCI-186 (Edaravone)	Free radical scavenger (Acute ischemic stroke)	Europe	Phase 2	In-house	
MP-513 (Teneligliptin)	DPP4 inhibitor (Type 2 diabetes mellitus)	Europe US	Phase 2 Phase 1	In-house	
GB-1057 (Human serum albumin[recombinant])	Recombinant human serum albumin (Stabilizing agent)	US	Phase 1	In-house	
TA-8995	CETP inhibitor (Dyslipidemia)	Europe	Phase 1	In-house	
MP-124	PARP inhibitor (Acute ischemic stroke)	US, Canada	Phase 1	In-house	
MP-136	PPAR alpha agonist (Dyslipidemia)	Europe	Phase 1	In-house	
MT-3995	Selective mineralocorticoid receptor antagonist (Hypertention)	Europe	Phase 1	In-house	

### Additional Indications

Development code (Generic name)	Category (Indications)	Region	Stage	Origin	Remarks
MCI-9038 (Argatroban)	Thrombin inhibitor (Heparin-induced thrombocytopenia (HIT))	Europe	Preparing for MAA	In-house	



### 3. Licensing-out

Development code (Generic name)	Category (Indications)	Region	Stage	Licensee
FTY720 (Fingolimod hydrochloride)	Sphingosine 1-phosphate receptor modulator (Multiple sclerosis)	US, Europe	Filed (Dec. 2009)	Switzerland:Novartis Pharma
TA-1790 (Avanafil)	PDE5 inhibitor (Erectile dysfunction)	US	Phase 3	US:Vivus
		Korea	Phase 3	Korea:Choongwae Pharma
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type2 Diabetes mellitus)	US, Europe	Phase 3	US: Johnson & Johnson Pharmaceutical Research & Development, L.L.C.
	(Obesity)	US, Europe	Phase 2	
T-0047 (Firategrast)	Cell adhesion inhibitor [ $\alpha$ 4 $\beta$ 7/ $\alpha$ 4 $\beta$ 1 inhibitor] (Multiple sclerosis)	Europe	Phase 2	UK:GlaxoSmithKline
MKC-242	5-HT1A receptor agonist (Insomnia)	US	Phase 2	US:MediciNova
TA-2005 (Carmoterol)	Long-acting $\beta$ 2 agonist (Asthma, COPD)	Europe	Phase 2	Italy:Chiesi Farmaceutici
MKC-231	Neurogenesis enhancer (Depression/anxiety)	US	Phase 2	US:BrainCells
Y-39983	ROCK (rho-kinase) inhibitor (Glaucoma)	Japan	Phase 2	Japan: Senju Pharmaceutical
MT-210	5-HT2A/ Sigma 2 antagonist (Schizophrenia)	Europe	Phase 2	France: Cyrenaic
sTU-199 (Tenatoprazole)	Proton pump inhibitor (Gastroesophageal reflux disease)	Europe	Phase 1	France:Negma (Sidem)
TT-138	$\beta$ 3 receptor agonist (Pollakiuria, urinary incontinence)	US	Phase 1	US:MediciNova

#### 4. Changes Since Previous Announcement on May. 12, 2010

Product name Development code (Generic name)	Category (Indications)	As of May 12, 2010	As of July 29, 2010
Venoglobulin-IH (Polyethylene glycol treated human normal immunoglobulin)	Human immunoglobulin G (Hypo and gammagloblinemia: additional dose)	sNDA filed in Japan (Mar. 2008)	Approved (May 2010)
Remicade (Infliximab[recombinant])	Anti-TNF $\alpha$ monoclonal antibody (Ulcerative colitis)	sNDA filed in Japan (June 2009)	Approved (June 2010)
Omeprazole (Omeprazole)	Proton pump inhibitor  (The eradication of <i>Helicobacter pylori</i> in 1. Gastric mucosa-associated lymphoid tissue ("MALT") lymphoma, 2. The stomach after endoscopic resection of early stage gastric cancer, 3. Idiopathic thrombocytopenic purpura ).	sNDA filed in Japan (Sep. 2009)	Approved (June 2010)
Pazucross (Pazufloxacin mesilate)	New quinolone antibacterial agent (Severe or intractable case: additional dose) (Sepsis, pneumococcus)	sNDA filed in Japan (June 2009)	Approved (July 2010)
Modiodal (Modafinil)	Psychoneurotic agent (Obstructive sleep apnea)	Phase 3 in Japan	Filed (May 2010)
CNT0148 (Golimumab)	Anti-TNF $\alpha$ monoclonal antibody (Rheumatoid arthritis)	Phase 2/3 in Japan	NDA filed (June 2010)
LIVALO (Pitavastain calcium)	HMG-CoA reductase inhibitor (Hypercholesterolemia, Familial hypercholesterolemia)	Not described	Filed in Taiwan (April 2010) Filed in Indonesia (June 2010)
MT-3995	Selective mineralocorticoid receptor antagonist (Hypertention)	Not described	Phase 1 in Europe (June 2010)
MCC-257	Neurotrophin enhancer (Diabetic neuropathy)	Phase 2 in U.S.	Discontinuation of development (Deleted)
TA-5493	p38 inhibitor (Rheumatoid arthritis, Psoriasis)	Phase 1 in Europe	Discontinuation of development (Deleted)