Financial Results for the Year Ended March 31, 2014 <Supplement>

As of May 8, 2014

Mitsubishi Tanabe Pharma Corporation

Mitsubishi Tanabe Pharma

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1 Summary of Financial Results for FY2013 Ended March 31, 2014 and Forecasts for FY2014

(Amounts less than ¥100 million are rounded.)

1. Summary of Financial Results for FY2013

[Billion yen]

Net Sales	412.7	Y-on-Y	(6.5)	(1.6 %)
Pharmaceuticals	411.6	Y-on-Y	(3.1)	(0.7 %)
Other Businesses	1.0	Y-on-Y	(3.4)	(76.8 %)

In the pharmaceuticals segment, net sales were ¥411.6 billion, down 0.7%, or ¥3.1 billion, year-on-year.
In the domestic sales of ethical drugs, favorable sales growth was recorded by Remicade, an anti-TNF α monoclonal antibody and its subcutaneous injection, SIMPONI. However, there were the growing impact of generics and the cancellation of alliance in generics. As a result, the domestic sales of ethical drugs decreased 4.2%, year-on-year, to ¥341.7 billion.
Overseas sales of ethical drugs were ¥22.0 billion, down 5.8%, year-on-year, and sales of OTC products decreased 15.6%, to ¥4.5 billion.
Sales of others in pharmaceuticals increased 47.4%, year-on-year, to ¥43.4 billion, due to the increase in royalty revenue from Gilenya, for the treatment of multiple sclerosis, licensed to Novartis.
In others, sales were down 76.8% or ¥3.4 billion, year-on-year, due to the transfer of fine chemical operations in July, 2012.

The Principal Products and Businesses in Each Business Segment
Pharmaceuticals: Ethical drugs, over-the-counter-drugs
Other businesses: Fine chemicals, real-estate leasing, information services, advertising, etc

[Billion yen]

Operating Income	59.1	Y-on-Y	(9.8)	(14.3 %)

Operating income was ¥59.1 billion, down 14.3%, or ¥9.8 billion, year-on-year.
Gross profit decreased ¥9.5 billion, year-on-year, to ¥243.3 billion because plasma fractionation products were changed from the own products to other company's products after the integration of the plasma fractionation operations in October 2012, change of product mix, and write-down of inventory.
The cost of sales ratio worsened by 1.3 percentage points, year-on-year.
SG&A expenses increased ¥0.4 billion, year-on-year, to ¥184.2 billion, due to the increase in R&D expenses despite the decrease in expenses related to the plasma fractionation operations caused by the above integration. R&D expenses were ¥184.1 billion, up ¥0.3 billion.

[Billion yen]

Ordinary Income	61.9	Y-on-Y	(7.5)	(10.8 %)
Net Income	45.4	Y-on-Y	3.5	8.4 %

Ordinary income was down 10.8%, or ¥7.5 billion, year-on-year, to ¥61.9 billion, and net income was up 8.4%, or ¥3.5 billion, year-on-year, to ¥45.4 billion.
Foreign exchange gain was ¥2.5 billion (foreign exchange loss was ¥1.1 billion in the previous fiscal year). As a result, non-operating profit and loss improved ¥2.3 billion, year-on-year.
Extraordinary income was ¥15.3 billion, including profit on arbitration award and gain on sales of investment in securities. In the previous fiscal year, the Company recorded extraordinary income of ¥4.2 billion, such as gain on sales of property, plant and equipment.
Extraordinary loss was ¥4.8 billion, including special retirement expenses and loss on impairment of fixed assets. In the previous fiscal year, the Company recorded extraordinary loss of ¥5.9 billion, such as loss on business integration.

2. Summary of Forecasts for FY2013

[Billion yen]

Net Sales	409.0	Y-on-Y	(3.7)	(0.9 %)
Operating Income	60.0	Y-on-Y	0.9	1.5 %
Ordinary Income	61.5	Y-on-Y	(0.4)	(0.6 %)
Net Income	40.5	Y-on-Y	(4.9)	(10.8 %)

3. Dividends

	FY2014 (Estimate)		FY2013	
	End of 1st Half	For the Year	End of 1st Half	For the Year
Dividends per Share (¥)	20	40	20	40
Dividends Payout Ratio	-	55.4%	-	49.4%
prior to amortization of goodwill	-	44.4%	-	40.5%

2 Consolidated Financial Indicators for FY2013

(Amounts less than ¥100 million are rounded.)

1. Profit and Loss

(1) Profit and Loss

[Billion yen]

	FY2013	Y-on-Y			Comparison to Forecasts		
		FY2012	Increase (Decrease)	Change %	Forecast*	Increase (Decrease)	Change %
Net sales	**412.7**	419.2	(6.5)	(1.6)	419.0	(6.3)	(1.5)
Cost of sales	**169.4**	166.4	3.0	1.8	170.0	(0.6)	(0.4)
Sales cost ratio	**41.0%**	39.7%			40.6%		
Gross operation profit	**243.3**	252.8	(9.5)	(3.7)	249.0	(5.7)	(2.3)
SG&A expenses	**184.2**	183.8	0.4	0.2	186.0	(1.8)	(1.0)
% of net sales	**44.6%**	43.9%			44.4%		
Operating income	**59.1**	69.0	(9.8)	(14.3)	63.0	(3.9)	(6.2)
Ordinary income	**61.9**	69.4	(7.5)	(10.8)	65.5	(3.6)	(5.5)
Extraordinary income and loss	**10.6**	(1.7)	12.3	-	4.0	6.6	-
Net income	**45.4**	41.9	3.5	8.4	45.0	0.4	0.9

(2) Sales by Business Segments

[Billion yen]

	FY2013	Y-on-Y			Comparison to Forecasts			Notes [Y-on-Y Comparison]
		FY2012	Increase (Decrease)	Change %	Forecast*	Increase (Decrease)	Change %	
Pharmaceuticals	**411.6**	414.7	(3.1)	(0.7)	418.0	(6.4)	(1.5)	Ethical drugs domestic sales (14.8) Ethical drugs overseas sales (1.4) Contracted manufacturing products (1.0) Licensing fee, etc. 14.9 OTC drugs (0.8) See "Sales of Main Products"on page 5.
% Composition	**99.7%**	98.9%			99.8%			
Domestic	**352.8**	369.1	(16.3)	(4.4)	365.1	(12.3)	(3.4)	
Overseas	**58.8**	45.6	13.2	29.0	52.9	5.9	11.1	
Others	**1.0**	4.5	(3.4)	(76.8)	1.0	0.1	6.9	Decrease due to transfer of fine chemical operations
% Composition	**0.3%**	1.1%			0.2%			
Domestic	**0.5**	2.4	(1.9)	(79.8)	0.4	0.0	7.9	
Overseas	**0.6**	2.1	(1.6)	(73.4)	0.5	0.0	6.0	
Total	**412.7**	419.2	(6.5)	(1.6)	419.0	(6.3)	(1.5)	Overseas sales ratio FY2012: 11.4% FY2013: 14.4% Average exchange rate FY2012: 1$= ¥82.61 FY2013: 1$= ¥100.49
% Composition	**100.0%**	100.0%			100.0%			
Domestic	**353.3**	371.4	(18.1)	(4.9)	365.5	(12.2)	(3.3)	
Overseas	**59.4**	47.7	11.6	24.4	53.5	5.9	11.1	

(3) Cost of Sales and Selling, General and Administrative Expenses

[Billion yen]

	FY2013	Y-on-Y			Comparison to Forecasts			Notes [Y-on-Y Comparison]
		FY2012	Increase (Decrease)	Change %	Forecast*	Increase (Decrease)	Change %	
Cost of sales	**169.4**	166.4	3.0	1.8	170.0	(0.6)	(0.4)	The sales cost ratio is worsened because plasma fractionation products were changed to other company's products after the transfer of plasma fractionation operations.
% of Net sales	**41.0%**	39.7%			40.6%			
SG&A expenses	**184.2**	183.8	0.4	0.2	186.0	(1.8)	(1.0)	
% of Net sales	**44.6%**	43.9%			44.4%			
R&D expenses	**70.4**	66.5	3.9	5.8	71.0	(0.6)	(0.8)	
% of Net sales	**17.1%**	15.9%			16.9%			
Except R&D expenses	**113.8**	117.3	(3.5)	(3.0)	115.0	(1.2)	(1.1)	
Labor cost	**48.4**	51.9	(3.5)	(6.8)	48.3	0.1	0.1	Decrease due to transfer of plasma fractionation operations, etc.
Amortization of goodwill	**10.6**	10.3	0.3	3.3	10.4	0.2	2.3	
Others	**54.8**	55.1	(0.3)	(0.6)	56.3	(1.5)	(2.7)	
Total labor cost	**85.0**	90.0	(5.0)	(5.6)	83.8	1.2	1.4	

*: Published forecasts announced on October 30, 2013 in the financial results of Q2 FY2013

(4) Non-operating Income and Loss

[Billion yen]

	FY2013	FY2012	Increase (Decrease)	Notes
Non-operating income	**6.9**	4.5	2.4	
Interest income	**1.5**	1.7	(0.2)	
Dividend income	**0.8**	0.8	0.1	
Equity in earnings of affiliates	**0.6**	0.4	0.2	
Rent income	**0.3**	0.3	0.0	
Foreign exchang gain	**2.5**	-	2.5	
Others	**1.0**	1.3	(0.3)	
Non-operating expenses	**4.1**	4.1	0.1	
Adjustment for salaries for employees on secondment	**0.8**	0.5	0.3	
Donations	**0.7**	0.5	0.2	
Foreign exchange loss	**-**	1.1	(1.1)	
Others	**2.7**	2.0	0.7	

(5) Extraordinary Income and Loss

[Billion yen]

	FY2013	FY2012	Increase (Decrease)	Notes
Extraordinary income	**15.3**	4.2	11.1	
Profit on arbitration award	**11.0**	**-**	**11.0**	Reimbursed as the overpayment caused by the arbitration award of Remicade, etc
Gain on sales of investment in securities	**2.4**	**0.9**	**1.5**	
Gain on sales of property, plant and equipment	**1.0**	**3.0**	**(2.0)**	
Gain on step acquisitions	**0.9**	**-**	**0.9**	Gain on market value of stock holdings accompanied with acquisition of Medicago's stocks
Gain on transfer of business	**-**	**0.4**	**(0.4)**	FY2012: Gain on transfer of fine chemical operations
Extraordinary Loss	**4.8**	5.9	(1.2)	
Special retirement expenses	**2.6**	-	2.6	Extra retirement expenses accompanied with employment transfer to JB and CMIC AMO, Ashikaga
Impairment loss	**1.4**	0.8	0.6	FY2013: Yoshitomi research office, Nihonbashi building, etc. FY2012: Hirakata research office, Nabari trraining center, etc.
Loss on valuation of investment in securities	**0.6**	0.3	0.3	
Loss on sale of investment in securities	**0.0**	0.4	(0.4)	FY2012: Choseido Pharmaceutical
Loss on business integration	**-**	2.3	(2.3)	FY2012: Loss according to transfer of plasma fractionation operations
Provision of reserve for HCV litigation	**-**	2.0	(2.0)	FY2012: Additional provision according to the extension of the Relief Law
Others	**0.2**	0.3	(0.1)	

(6) Taxes

[Billion yen]

	FY2013	FY2012	Increase (Decrease)	Notes
Income before income taxes and minority interests	**72.4**	67.7	4.8	
Income taxes-current	**22.4**	26.9	(4.5)	
Income taxes-deferred	**4.7**	(1.2)	5.8	
Minority interests	**0.0**	0.1	0.0	
Net Income	**45.4**	41.9	3.5	

(7) Sales of Main Products

[Billion yen]

	FY2013	Y-on-Y			Comparison to Forecasts		
		FY2012	Increase (Decrease)	Change %	Forecasts *1	Increase (Decrease)	Change %
Ethical drugs	**407.2**	409.4	(2.2)	(0.5)	413.5	(6.3)	(1.5)
Ethical drugs domestic sales	**341.7**	356.6	(14.8)	(4.2)	354.4	(12.7)	(3.6)
Remicade	**76.3**	73.5	2.8	3.9	79.0	(2.7)	(3.4)
Ceredist	**17.8**	18.4	(0.6)	(3.4)	17.8	(0.1)	(0.3)
Maintate	**15.5**	14.1	1.3	9.6	16.2	(0.8)	(4.7)
Talion	**13.7**	14.3	(0.6)	(4.4)	15.6	(1.9)	(12.4)
Kremezin	**12.6**	12.2	0.4	3.0	12.9	(0.4)	(2.7)
Urso	**12.4**	13.3	(0.9)	(6.6)	12.6	(0.2)	(1.4)
Venoglobulin IH	**11.1**	11.0	0.1	1.2	11.5	(0.4)	(3.8)
Anplag	**11.2**	13.0	(1.8)	(14.0)	11.4	(0.2)	(1.9)
Radicut	**10.9**	13.3	(2.3)	(17.6)	10.3	0.6	6.1
Depas	**9.8**	10.4	(0.6)	(5.5)	9.8	0.0	0.2
Simponi	**9.4**	5.3	4.1	77.5	10.1	(0.8)	(7.5)
Lexapro	**6.5**	4.6	1.9	42.0	7.5	(1.1)	(14.3)
Herbesser	**6.9**	7.6	(0.8)	(9.9)	6.8	0.0	0.4
Tanatril	**6.2**	7.1	(0.9)	(13.2)	6.1	0.1	1.0
BIKEN Products [Vaccine]	**28.4**	28.8	(0.4)	(1.3)	30.7	(2.3)	(7.4)
Tetrabik	**6.7**	4.5	2.2	48.3	8.4	(1.7)	(20.0)
Influenza	**7.2**	7.7	(0.4)	(5.9)	8.2	(1.0)	(12.1)
Mearubik	**6.0**	8.0	(2.0)	(25.1)	6.3	(0.3)	(4.1)
Tanabe Seiyaku Hanbai Products *2	**14.1**	19.0	(4.9)	(25.9)	14.0	0.0	0.2
Ethical drugs overseas sales	**22.0**	23.4	(1.4)	(5.8)	20.3	1.7	8.5
Herbesser	**5.8**	5.9	(0.2)	(2.9)	5.6	0.2	4.0
Argatroban (Novastan)	**2.7**	2.9	(0.2)	(8.0)	2.3	0.3	14.3
Tanatril	**1.8**	2.1	(0.2)	(11.9)	1.8	0.0	1.7
Contracted manufacturing products *3	**5.8**	6.8	(1.0)	(14.1)	5.5	0.3	6.3
Lincensing Fee, etc.	**37.6**	22.7	14.9	65.8	33.3	4.3	13.0
Royalty from Gilenya	**32.2**	19.5	12.6	64.8	-	-	-
OTC products	**4.5**	5.3	(0.8)	(15.6)	4.6	(0.1)	(1.9)
Total pharmaceuticals	**411.6**	414.7	(3.1)	(0.7)	418.0	(6.4)	(1.5)

*1: Published forecasts announced on October 30, 2013 in the financial results of Q2 FY2013.

*2: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*3:Active pharmaceutical ingredients and others ordered by other companies.

2. Financial Statement

(1) Balance Sheet

[Billion Yen]

	End of FY2013	Composition %	End of FY2012	Increase (Decrease)	Notes
Total Aseets	**886.5**	**100.0**	866.8	19.7	
Current Assets	**540.5**	**61.0**	476.7	63.8	
Cash and deposits	**27.2**	**3.1**	20.3	6.9	See Page 7, (2) Cash Flows Statement
Marketable securities	**106.5**	**12.0**	64.0	42.5	Increase in negotiable deposit and goverment bonds, etc.
Notes and accounts receivable*1	**123.5**	**13.9**	129.9	(6.3)	
[Months/Revolution]	**3.59**		3.72	(0.13)	
Inventories	**93.7**	**10.6**	92.8	0.9	
Deposits	**172.1**	**19.4**	151.6	20.6	
Deferred income taxes	**8.2**	**0.9**	8.4	(0.2)	
Others	**9.3**	**1.0**	9.8	(0.5)	
Fixed Assets	**346.0**	**39.0**	390.1	(44.1)	
Property, plant and equipment	**98.3**	**11.1**	92.3	6.1	Investment for plant and equipment, 12.6; Depreciation, (7.9); Retirement, sale, impairment and others, (1.7); Increase accompanied with acquisition of Medicago, 2.7, etc.
Intangible fixed assets	**133.1**	**15.0**	104.2	28.9	Investment for information system, 2.1; Depreciation, (1.3); Increase accompanied with acquisition of Medicago [In-process R&D, 30.9; Record of goodwill 7.0]; Amortization of goodwill of the merger, (10)
Investment in securities	**71.6**	**8.1**	121.0	(49.4)	Decrease in government bonds, etc.
Deferred income taxes	**0.7**	**0.1**	4.2	(3.5)	
Prepaid pension expenses	**-**	**-**	36.9	(36.9)	
Net defined benefit asset	**16.3**	**1.8**	-	16.3	
Other investments	**26.0**	**2.9**	31.6	(5.6)	
Total Liabilities	**108.6**	**12.3**	113.9	(5.2)	
Current Liabilities	**81.8**	**9.2**	86.1	(4.3)	
Notes and accounts payable*2	**34.0**	**3.8**	38.1	(4.1)	
Short-term debt	**1.2**	**0.1**	1.2	0.1	
Current maturities of long-term debt	**0.1**	**0.0**	-	0.1	
Accounts payable, other	**16.8**	**1.9**	15.6	1.2	
Income taxes payable	**10.2**	**1.1**	16.2	(6.0)	
Other current liabilities	**19.6**	**2.2**	15.1	4.5	
Long-term Liabilities	**26.8**	**3.0**	27.7	(0.9)	
Long-term debts	**1.0**	**0.1**	-	1.0	
Deferred income taxes	**13.4**	**1.5**	8.4	5.0	
Accrued retirement benefits for employees	**-**	**-**	9.4	(9.4)	
Reserve for health management allowances for HIV compensation	**1.6**	**0.2**	1.6	(0.1)	
Reserve for health management allowances for SMON compensation	**3.0**	**0.3**	3.2	(0.2)	
Reserve for HCV litigation	**2.6**	**0.3**	3.6	(1.0)	
Net defined benefit liability	**2.1**	**0.2**	-	2.1	
Other long-term liabilities	**3.2**	**0.4**	1.5	1.6	
Net Assets	**777.8**	**87.7**	752.9	24.9	
Shareholders' equity	**767.3**	**86.6**	744.3	23.0	
Common stock	**50.0**	**5.6**	50.0	-	
Capital surplus	**451.2**	**50.9**	451.2	-	
Retained earnings	**266.6**	**30.1**	243.6	23.0	Net income, 45.4; Payment for dividends, (22.4)
Treasury stock, at cost	**(0.5)**	**(0.1)**	(0.5)	0.0	
Accumulated other comprehensive loss	**(1.2)**	**(0.1)**	3.6	(4.8)	
Unrealized holding (losses) gains on securities	**8.7**	**1.0**	7.2	1.6	
Deffered (losses) gains on hedges	**0.5**	**0.1**	1.6	(1.1)	
Translation adjustments	**(2.4)**	**(0.3)**	(5.2)	2.8	
Remeasurements of defined benefit plans	**(8.1)**	**(0.9)**	-	(8.1)	
Minority interests	**11.8**	**1.3**	5.0	6.8	

*1: Notes and accounts receivable = Bills + Accounts receivable

*2: Notes and account payable=Bills(except non-operating bills)+Accounts payable

(2) Cash Flow Statement

[Billion yen]

	FY2013	FY2012	Increase (Decrease)
Cash and cash equivalents at beginning of year	**58.7**	54.3	4.4
Cash flows from operating activities	**69.9**	60.6	9.3
Income before income taxes and minority interests	**72.4**	67.7	4.8
Depreciation and amortization	**9.1**	8.4	0.7
Impairment loss	**1.4**	0.8	0.6
Amortization of goodwill	**10.6**	10.3	0.3
Increase (decrease) in accrued retirement benefit for employees	**(9.4)**	(1.2)	(8.2)
Increase (decrease) in net defined benefit liability	**7.9**	-	7.9
Decrease (increase) in prepaid pension expenses	**36.9**	5.2	31.7
Decrease (increase) in net defined benefit asset	**(34.5)**	-	(34.5)
Increase (decrease) in reserve for HCV litigation	**(1.0)**	1.1	(2.0)
Interest and dividend income	**(2.4)**	(2.5)	0.1
Loss (gain) on sales and disposal of fixed assets	**(0.7)**	(2.8)	2.1
Loss (gain) on transfer of business	**-**	(0.4)	0.4
Profit on arbitration award	**(11.0)**	-	(11.0)
Loss (gain) on step acquisitions	**(0.9)**	-	(0.9)
Loss (gain) on sale of investment in securities	**(2.4)**	(0.5)	(1.9)
Loss (gain) on valuation of investment in securities	**0.6**	0.3	0.3
Equity in losses (earnings) of affiliates	**(0.6)**	(0.4)	(0.2)
Loss on business integration	**-**	2.3	(2.3)
Decrease(increase) in notes and accounts receivable-trade	**6.6**	(1.9)	8.4
Decrease (increase) in inventories	**(0.7)**	(17.7)	17.0
Increase (decrease) in notes and accounts payable-trade	**(4.1)**	8.6	(12.7)
Increase(decrease) in accounts payable, other	**0.8**	(0.7)	1.5
Interest and dividends received	**3.5**	2.7	0.7
Proceeds from arbitration award	**12.2**	-	12.2
Income taxes paid	**(28.1)**	(17.9)	(10.2)
Other, net	**3.7**	(0.8)	4.5
Cash flows from investing activities	**(24.3)**	(35.0)	10.6
Purchase/sales etc. of marketable securities	**22.4**	(9.3)	31.7
Increase/decrease in time deposits	**(1.9)**	0.4	(2.2)
Increase in deposits	**(20.7)**	(20.7)	0.0
Increase/decrease in long-term deposits	**-**	1.9	(1.9)
Purchase/sales of property, plant and equipment	**(9.4)**	1.5	(10.9)
Purchase of intangible fixed assets	**(2.0)**	(2.1)	0.1
Purchase/sales of investment in securities	**8.9**	(0.5)	9.5
Purchase of investment in subsidiaries	**(3.7)**	(6.0)	2.3
Purchase of investment in subsidiaries resulting in consolidation scope change	**(17.9)**	-	(17.9)
Proceeds from transfer of business	**-**	1.4	(1.4)
Other, net	**(0.1)**	(1.3)	1.3
Cash flows from financing activities	**(21.1)**	(23.7)	2.6
Increase (decrease) in short-term debt, net	**(0.2)**	(1.2)	1.0
Increase in long-term debt	**1.0**	-	1.0
Proceeds from share issuance to minority shareholders	**0.6**	-	0.6
Cash dividends paid	**(22.4)**	(22.4)	-
Other, net	**(0.1)**	0.0	(0.1)
Effect of exchange rate change on cash and cash equivalents	**1.8**	2.5	(0.7)
Net increase (decrease) in cash and cash equivalents	**26.2**	4.4	21.8
Cash and cash equivalents at end of the year	**85.0**	58.7	26.2

The Reconciliation of Cash and Cash Equivalents in the Consolidated Balance Sheets and Cash and Cash Equivalents in the Consolidated Statements of Cash Flows at the End of the Period [Billion yen]

	FY2013	FY2012
Cash and time deposits	27.2	20.3
Time deposits maturing after three months	(4.8)	(2.4)
Short-term investments in marketable securities maturing within three months of acquisition	42.0	20.6
Cash equivalents included in short-term loans receivable*	0.6	0.2
Cash equivalents included in deposits	20.0	20.1
Cash and cash equivalents in the consolidated statements of cash flows	85.0	58.7

*: Short-term loans are included in "Others, Current Assets" on page 6.

(3) Investment in Property, Plant and Equipment and Investment in Development of Information Systems

[Billion yen]

	FY2013	FY2012	Increase (Decrease)
Investment in property, plant and equipment / occuring basis	12.6	9.2	3.4
Investment in information systems/ occuring basis	2.1	2.2	(0.1)

[Billion yen]

Major investment in property, plant and equipment in FY2013		Major investment in development of information systems in FY2013	
Mitsubishi Tanabe Pharma	6.4	Mitsubishi Tanabe Pharma	2.0
[Construction of new head office and Kashima office building]	[1.6]		
Mitsubishi Tanabe Pharma Factory	4.0		

(4)Depreciation Costs

[Billion yen]

	FY2013	FY2012	Increase (Decrease)
Property, plant and equipment	7.9	7.3	0.6
Intangible fixed assets	1.3	1.1	0.1

3. Financial Data & Employee Numbers of Major Consolidated Subsidiaries

[Billion yen]

	Companies	Mitsubishi Tanabe Pharma Factory Ltd.	Tanabe Seiyaku Hanbai Co., Ltd.	Mitsubishi Tanabe Pharma Korea Co., Ltd.*1	Medicago, Inc.*3	Tianjin Tanabe Seiyaku Co., Ltd.*2	P.T. Tanabe Indonesia*1
Net sales	FY2013	47.2	14.1	4.1	0.0	3.6	2.3
	FY2012	52.4	19.0	4.2	-	3.4	2.4
Operating income	FY2013	1.2	0.4	0.3	(1.3)	0.1	0.3
	FY2012	2.2	1.0	0.3	-	0.1	0.3
Ordinary income	FY2013	1.1	0.4	0.4	(1.2)	0.1	0.3
	FY2012	1.9	1.0	0.4	-	0.1	0.3
Net income and loss	FY2013	0.7	0.3	0.3	(1.2)	0.0	0.2
	FY2012	1.3	0.5	0.3	-	0.1	0.1
R&D expenses	FY2013	1.2	-	-	1.4	0.0	0.0
	FY2012	1.1	-	-	-	-	0.0
Depreciation of property, plant and equipment	FY2013	2.4	0.0	0.1	0.1	0.1	0.1
	FY2012	2.0	0.0	0.1	-	0.1	0.1
Total assets	FY2013	57.6	6.3	3.3	36.5	4.4	3.6
	FY2012	63.7	8.5	2.7	-	2.4	2.1
Net assets	FY2013	39.8	0.5	2.6	24.1	3.0	1.6
	FY2012	39.7	0.5	2.1	-	1.8	1.5
Number of employees	FY2013	1,394	172	125	189	456	480
	FY2012	1,369	164	122	-	430	455

*1: In 2012, the settling days of overseas subsidiaries are changed from end of December to that of March, thus their accounting periods are for fifteen months from January, 2012 to March, 2013.

*2: In China, the legal settling day should be end of December and its revision is not allowed. Therefore, provisional settlement of account is used in Tianjin Tanabe Seiyaku. In FY2012, data in January, 2012 to March, 2013 were used.

*3: Regarding Medicago which was acquired in September, 2013, financial date of Q4 (October to December, 2013) is consolidated. Its settling day is end of December.

3 Forecasts for FY2014 Ending March 31, 2015

(Amounts less than ¥100 million are rounded.)

(1) Consolidated Forecasts of Profit and Loss

[Billion yen]

	1st Half of FY2014 Forecasts	1st Half of FY2013 Actual	Increase (Decrease)	Change %	FY2014 Forecasts	FY2013 Actual	Increase (Decrease)	Change %	Notes
Net Sales	201.0	202.8	(1.8)	(0.9)	409.0	412.7	(3.7)	(0.9)	Foreign sales ratio FY2013: 14.4% FY2014 estination: 17.1% Exchange rate planned: 1US$=¥105
Domestic	167.2	176.7	(9.5)	(5.4)	339.2	353.3	(14.1)	(0.4)	
Overseas	33.8	26.2	7.6	29.2	69.8	59.4	10.4	17.6	
Cost of Sales	78.5	82.4	(3.9)	(4.7)	161.5	169.4	(7.9)	(4.6)	
Sales cost ratio	39.1%	40.6%			39.5%	41.0%			
Gross Operatin Profit	122.5	120.4	2.1	1.7	247.5	243.3	4.2	1.7	
SG & A Expenses	93.0	90.0	3.0	3.4	187.5	184.2	3.3	1.8	
% of Net Sales	46.3%	44.4%			45.8%	44.6%			
Operating Income	29.5	30.5	(1.0)	(3.1)	60.0	59.1	0.9	1.5	
Ordinary Income	30.5	32.2	(1.7)	(5.3)	61.5	61.9	(0.4)	(0.6)	
Extraordinary Income or loss	1.0	11.1	(10.1)	-	0.0	10.6	(10.6)	-	
Net Income	21.0	28.5	(7.5)	(26.4)	40.5	45.4	(4.9)	(10.8)	

(3) Forecasts of Cost of Sales and SG&A Expenses

[Billion yen]

	1st Half of FY2014 Forecasts	1st Half of FY2013 Actual	Increase (Decrease)	Change %	FY2014 Forecasts	FY2013 Actual	Increase (Decrease)	Change %	Notes
Cost of Sales	78.5	82.4	(3.9)	(4.7)	161.5	169.4	(7.9)	(4.6)	
Sales cost ratio	39.1%	40.6%			39.5%	41.0%			
SG & A Expenses	93.0	90.0	3.0	3.4	187.5	184.2	3.3	1.8	
% of Net sales	46.3%	44.4%			45.8%	44.6%			
R&D Expenses	36.0	34.3	1.7	5.0	73.0	70.4	2.6	3.7	
% of Net sales	17.9%	16.9%			17.8%	17.1%			
Except R&D Expenses	57.0	55.7	1.3	2.4	114.5	113.8	0.7	0.6	
Labor Cost	23.5	23.9	(0.4)	(1.5)	47.0	48.4	(1.4)	(2.8)	
Amortization of Goodwill	5.4	5.3	0.1	2.6	10.8	10.6	0.2	1.5	
Others	28.1	26.6	1.5	5.8	56.7	54.8	1.9	3.5	
Total Labor Cost	40.1	41.8	(1.7)	(4.0)	81.0	85.0	(4.0)	(4.7)	

(4) Sales Forecasts for Main Products [Billion yen]

	1st Half of FY2014 Forecasts	1st Half of FY2013 Actual	Increase (Decrease)	Change %	FY2014 Forecasts	FY2013 Actual	Increase (Decrease)	Change %
Ethical drugs	**198.6**	199.6	(1.0)	(0.5)	**404.3**	407.2	(2.9)	(0.7)
Ethical drugs domestic sales	**157.9**	171.0	(13.1)	(7.6)	**326.0**	341.7	(15.7)	(4.6)
Remicade	**33.3**	39.0	(5.7)	(14.7)	**68.7**	76.3	(7.6)	(10.0)
Maintate	**7.9**	7.7	0.2	2.2	**16.0**	15.5	0.5	3.5
Talion	**5.6**	5.1	0.5	9.2	**15.7**	13.7	2.0	14.6
Ceredist	**7.9**	9.1	(1.2)	(13.6)	**15.3**	17.8	(2.5)	(14.0)
Kremezin	**6.0**	6.4	(0.4)	(6.3)	**12.0**	12.6	(0.6)	(4.4)
Simponi	**5.4**	4.4	1.0	22.1	**12.0**	9.4	2.6	28.1
Venoglobulin IH	**6.3**	5.6	0.7	11.7	**11.8**	11.1	0.7	6.2
Urso	**5.6**	6.4	(0.8)	(12.3)	**11.0**	12.4	(1.4)	(11.4)
Lexapro	**4.2**	2.4	1.8	72.4	**9.4**	6.5	2.9	45.5
Anplag	**4.8**	5.9	(1.1)	(18.2)	**9.2**	11.2	(2.0)	(17.5)
Depas	**4.5**	5.0	(0.5)	(9.5)	**8.9**	9.8	(0.9)	(9.1)
Radicut	**3.7**	5.7	(2.0)	(35.3)	**7.0**	10.9	(3.9)	(36.0)
Tenelia	**3.1**	0.0	3.1	-	**6.7**	0.8	5.9	743.8
Herbesser	**3.0**	3.5	(0.5)	(15.4)	**5.8**	6.9	(1.1)	(15.6)
Tanatril	**2.7**	3.2	(0.5)	(15.9)	**5.2**	6.2	(1.0)	(15.8)
BIKEN Products [Vaccine]	**10.5**	14.0	(3.5)	(24.9)	**27.3**	28.4	(1.1)	(3.9)
Tetrabik	**3.9**	3.4	0.5	14.7	**7.6**	6.7	0.9	13.1
Influenza	**0.8**	1.1	(0.3)	(28.1)	**7.5**	7.2	0.3	3.9
Tanabe Seiyaku Hanbai Products *1	**6.6**	6.7	(0.1)	(1.2)	**14.4**	14.1	0.3	2.5
Ethical drugs overseas sales	**11.3**	10.4	0.9	8.4	**21.5**	22.0	(0.5)	(2.4)
Herbesser	**3.3**	2.8	0.5	19.2	**6.0**	5.8	0.2	3.9
Argatroban (Novastan)	**1.3**	1.4	(0.1)	(3.9)	**2.4**	2.7	(0.3)	(9.5)
Tanatril	**1.1**	0.8	0.3	30.5	**2.0**	1.8	0.2	10.4
Contracted manufacturing products *2	**1.7**	2.9	(1.2)	(42.2)	**3.2**	5.8	(2.6)	(45.1)
Lincensing Fee, etc.	**27.7**	15.3	12.4	81.2	**53.6**	37.6	16.0	42.6
OTC products	**2.2**	2.4	(0.2)	(9.6)	**4.3**	4.5	(0.2)	(3.7)
Total Pharmaceuticals	**200.8**	202.1	(1.3)	(0.6)	**408.6**	411.6	(3.0)	(0.7)

*1: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*2:Active pharmaceutical ingredients and others ordered by other companies.

(5) Forecasts of Investment for Property, Plant and Equipment and Information Systems

[Billion yen]

	1st Half of FY2014 Forecasts	1st Half of FY2013 Actual	Increase (decrease)	Change %	FY2014 Forecasts	FY2013 Actual	Increase (decrease)	Change %
Investment in property, plant and equipment/occuring basis	6.9	6.8	0.1	2.0	13.6	12.6	1.0	7.8
Investment for information systems/occuring basis	1.0	1.1	(0.1)	(5.4)	1.9	2.1	(0.2)	(10.1)

[Billion yen]

Major investment in property, plant and equipment in FY2014		Major investment for information systems in FY2014	
Production facilities	3.9	R&D related systems	0.8
Facilities & equipment for R&D	2.9	Production related system	0.1
Others	6.8	Others	1.0
[New head office and Kashima office]	[6.0]		

(6) Forecasts for Depreciation Costs

[Billion yen]

	1st Half of FY2014 Forecasts	1st Half of FY2013 Actual	Increase (decrease)	Change %	FY2014 Forecasts	FY2013 Actual	Increase (decrease)	Change %
Property, plant and equipment	3.6	3.7	(0.1)	(3.2)	7.5	7.9	(0.4)	(5.0)
Intangible fixed assets	0.8	0.6	0.2	36.5	1.6	1.3	0.3	26.1

4 Five-Year Financial Data

(Amounts less than ¥100 million are rounded.)

(1) Profit and Loss

[Billion yen]

	FY2009	FY2010	FY2011	FY2012	FY2013	Forecast for FY2014
Net sales	404.7	409.5	407.2	419.2	412.7	409.0
Cost of sales	147.8	154.6	152.3	166.4	169.4	161.5
Gross operation profit	256.9	255.0	254.9	252.8	243.3	247.5
SG&A expenses	195.5	178.4	185.8	183.8	184.2	187.5
R&D expenses	83.1	65.8	70.2	66.5	70.4	73.0
Operating income	61.5	76.6	69.0	69.0	59.1	60.0
Ordinary income	61.6	76.7	68.8	69.4	61.9	61.5
Extraordinaly income	0.1	0.6	1.2	4.2	15.3	-
Extraordinaly loss	10.8	13.2	6.1	5.9	4.8	
Net income	30.3	37.7	39.0	41.9	45.4	40.5

(2) Balance Sheet

[Billion yen]

	End of FY2009	End of FY2010	End of FY2011	End of FY2012	End of FY2013
Total assets	796.9	818.7	819.9	866.8	886.5
Current assets	344.2	391.6	419.7	476.7	540.5
Fixed assets	452.6	427.1	400.3	390.1	346.0
Total liabilities	120.0	122.7	98.4	113.9	108.6
Current liabilities	77.8	87.7	69.6	86.1	81.8
Fixed liabilities	42.3	35.0	28.9	27.7	26.8
Net assets	676.8	696.0	721.5	752.9	777.8

(3) Other Financial Data

[Billion yen]

	End of FY2009	End of FY2010	End of FY2011	End of FY2012	End of FY2013	Forecast for End of FY2014
Cash flows from operating activities	23.9	59.1	37.2	60.6	69.9	-
Cash flows from investing activities	(61.2)	(7.7)	(63.2)	(35.0)	(24.3)	-
Cash flows from financing activities	(17.1)	(15.4)	(17.2)	(23.7)	(21.1)	-
Investments in property, plant and equipment	8.4	10.2	7.1	9.2	12.6	13.6
Investments for development of information systems	0.8	0.8	1.2	2.2	2.1	1.9
Depreciation costs	13.3	12.4	12.5	8.4	9.2	9.1
Equity ratio (%)	84.1	84.3	87.3	86.3	86.4	-
ROE (%)	4.6	5.5	5.5	5.7	6.0	-
Net income per share (¥)	53.91	67.27	69.54	74.67	80.92	72.19
Net assets per share (¥)	1,194.79	1,230.16	1,275.85	1,333.22	1,365.52	-

(4) Number of Employees

	End of FY2009	End of FY2010	End of FY2011	End of FY2012	End of FY2013	Forecast for End of FY2014
Consolidated	9,266	9,198	9,180	8,835	9,065	9,006
Non-consolodated	5,186	4,957	4,826	4,850	4,867	4,872

5 Quarterly Trend

(Amounts less than ¥100 million are rounded.)

(1) Profit and Loss

[Billion yen]

	FY2012					FY2013					FY2014
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	FY2012 Actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	FY2013 Actual	Forecasts
Net sales	104.4	99.4	118.7	96.6	419.2	103.9	98.9	120.4	89.5	412.7	409.0
	24.9%	23.7%	28.3%	23.0%	100.0%	25.2%	24.0%	29.2%	21.7%	100.0%	
Domestic	95.6	89.8	105.2	80.8	371.4	91.4	85.3	103.3	73.4	353.3	339.2
	25.7%	24.2%	28.3%	21.8%	100.0%	25.9%	24.1%	29.2%	20.8%	100.0%	
Overseas	8.8	9.6	13.5	15.8	47.7	12.5	13.7	17.1	16.1	59.4	69.8
	18.4%	20.2%	28.3%	33.1%	100.0%	21.0%	23.0%	28.8%	27.1%	100.0%	
Pharmaceuticals	101.9	98.8	118.2	95.8	414.7	103.4	98.6	120.2	89.4	411.6	408.6
	24.6%	23.8%	28.5%	23.1%	100.0%	25.1%	24.0%	29.2%	21.7%	100.0%	
Domestic	93.7	89.7	105.1	80.7	369.1	91.3	85.1	103.1	73.2	352.8	338.8
	25.4%	24.3%	28.5%	21.9%	100.0%	25.9%	24.1%	29.2%	20.8%	100.0%	
Overseas	8.2	9.2	13.1	15.1	45.6	12.1	13.5	17.1	16.1	58.8	69.8
	18.0%	20.1%	28.8%	33.1%	100.0%	20.6%	22.9%	29.0%	27.4%	100.0%	
Others	2.5	0.6	0.6	0.8	4.5	0.5	0.3	0.2	0.1	1.0	0.4
	54.9%	13.9%	12.5%	18.7%	100.0%	47.5%	26.7%	14.9%	10.8%	100.0%	
Domestic	1.9	0.1	0.2	0.2	2.4	0.1	0.1	0.1	0.1	0.5	0.4
	80.4%	5.8%	7.3%	6.6%	100.0%	27.2%	23.4%	25.7%	23.6%	100.0%	
Overseas	0.6	0.5	0.4	0.7	2.1	0.4	0.2	0.0	-	0.6	-
	26.7%	23.0%	18.2%	32.2%	100.0%	64.7%	29.5%	5.8%	-	100.0%	
Cost of sales	40.6	38.6	47.5	39.7	166.4	43.5	38.9	50.6	36.4	169.4	161.5
Sales Cost Ratio	38.9%	38.8%	40.0%	41.0%	39.7%	41.9%	39.3%	42.0%	40.7%	41.0%	39.5%
Gross operating profit	63.7	60.8	71.3	57.0	252.8	60.4	60.0	69.8	53.1	243.3	247.5
	25.2%	24.1%	28.2%	22.5%	100.0%	24.8%	24.7%	28.7%	21.8%	100.0%	
SG&A expenses	44.9	47.4	44.7	46.8	183.8	44.2	45.8	44.8	49.5	184.2	187.5
	24.4%	25.8%	24.3%	25.5%	100.0%	24.0%	24.9%	24.3%	26.9%	100.0%	
R&D expenses	16.9	17.3	17.0	15.3	66.5	17.6	16.7	17.1	19.0	70.4	73.0
	25.4%	26.0%	25.5%	23.0%	100.0%	24.9%	23.8%	24.3%	27.0%	100.0%	
Non-R&D expenses	28.0	30.1	27.7	31.5	117.3	26.6	29.1	27.7	30.5	113.8	114.5
	23.9%	25.7%	23.6%	26.9%	100.0%	23.4%	25.6%	24.3%	26.8%	100.0%	
Labor costs	12.9	13.0	12.5	13.5	51.9	11.9	12.0	12.4	12.1	48.4	47.0
	24.9%	25.1%	24.0%	25.9%	100.0%	24.5%	24.8%	25.6%	25.1%	100.0%	
Amortization of goodwill	2.5	2.5	2.6	2.6	10.3	2.6	2.7	2.6	2.8	10.6	10.8
	24.6%	24.6%	25.5%	25.3%	100.0%	24.5%	25.0%	24.5%	26.0%	100.0%	
Others	12.5	14.5	12.6	15.5	55.1	12.1	14.4	12.7	15.6	54.8	56.7
	22.8%	26.3%	22.8%	28.1%	100.0%	22.2%	26.3%	23.1%	28.4%	100.0%	
Operating income	18.8	13.4	26.6	10.1	69.0	16.2	14.2	25.1	3.6	59.1	60.0
	27.3%	19.4%	38.6%	14.7%	100.0%	27.5%	24.1%	42.4%	6.1%	100.0%	
Ordinary income	19.6	13.5	27.0	9.3	69.4	17.1	15.1	25.6	4.1	61.9	61.5
	28.3%	19.4%	38.9%	13.3%	100.0%	27.6%	24.5%	41.3%	6.6%	100.0%	
Net income	10.8	8.7	15.8	6.6	41.9	10.4	18.1	15.3	1.5	45.4	40.5
	25.8%	20.7%	37.6%	15.9%	100.0%	22.9%	39.9%	33.7%	3.4%	100.0%	

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

(2) Sales of Main Products

[Billion yen]

	FY2012 Q1 Apr. to Jun.	FY2012 Q2 Jul. to Sep.	FY2012 Q3 Oct. to Dec.	FY2012 Q4 Jan. to Mar.	FY2012 Actual	FY2013 Q1 Apr. to Jun.	FY2013 Q2 Jul. to Sep.	FY2013 Q3 Oct. to Dec.	FY2013 Q4 Jan. to Mar.	FY2013 Actual	FY2014 Forecasts
Ethical drugs	100.6	97.4	116.7	94.8	409.4	102.3	97.3	119.1	88.4	407.2	404.3
	24.6%	23.8%	28.5%	23.1%	100.0%	25.1%	23.9%	29.3%	21.7%	100.0%	
Ethical drugs domestic sales	90.5	86.1	102.0	78.0	356.6	88.5	82.4	100.5	70.2	341.7	326.0
	25.4%	24.1%	28.6%	21.9%	100.0%	25.9%	24.1%	29.4%	20.5%	100.0%	
Remicade	17.9	18.8	19.8	17.0	73.5	19.2	19.9	21.9	15.4	76.3	68.7
	24.4%	25.6%	27.0%	23.1%	100.0%	25.1%	26.0%	28.7%	20.2%	100.0%	
Ceredist	5.0	4.5	5.0	3.9	18.4	4.7	4.4	5.0	3.6	17.8	15.3
	27.2%	24.6%	27.0%	21.3%	100.0%	26.5%	24.9%	28.4%	20.2%	100.0%	
Maintate	3.6	3.3	4.0	3.2	14.1	4.0	3.8	4.4	3.3	15.5	16.0
	25.8%	23.6%	28.1%	22.6%	100.0%	25.7%	24.3%	28.6%	21.4%	100.0%	
Talion	3.1	2.2	3.7	5.3	14.3	2.7	2.4	4.4	4.2	13.7	15.7
	21.3%	15.5%	25.8%	37.3%	100.0%	19.9%	17.5%	31.9%	30.7%	100.0%	
Kremezin	3.1	2.9	3.5	2.7	12.2	3.2	3.2	3.5	2.6	12.6	12.0
	25.7%	23.6%	28.7%	22.0%	100.0%	25.8%	25.2%	28.1%	20.9%	100.0%	
Urso	3.5	3.3	3.7	2.9	13.3	3.3	3.1	3.5	2.5	12.4	11.0
	26.3%	24.6%	27.6%	21.6%	100.0%	26.5%	25.0%	28.2%	20.3%	100.0%	
Venoglobulin IH	2.9	2.7	3.2	2.2	11.0	2.9	2.7	3.4	2.1	11.1	11.8
	26.1%	24.4%	29.2%	20.3%	100.0%	26.2%	24.6%	30.3%	18.9%	100.0%	
Anplag	3.7	3.1	3.5	2.7	13.0	3.1	2.8	3.2	2.1	11.2	9.2
	28.3%	24.3%	27.0%	20.5%	100.0%	27.7%	24.9%	28.3%	19.1%	100.0%	
Radicut	3.7	3.3	3.7	2.6	13.3	3.0	2.7	3.2	2.1	10.9	7.0
	28.0%	24.6%	27.7%	19.8%	100.0%	27.1%	25.1%	28.9%	18.9%	100.0%	
Depas	2.8	2.5	2.8	2.2	10.4	2.6	2.4	2.7	2.1	9.8	8.9
	26.7%	24.4%	27.4%	21.5%	100.0%	26.1%	24.7%	27.4%	21.8%	100.0%	
Simponi	1.0	1.2	1.6	1.5	5.3	2.1	2.4	2.8	2.1	9.4	12.0
	19.7%	22.5%	29.5%	28.3%	100.0%	22.1%	25.2%	29.8%	22.9%	100.0%	
Lexapro	0.8	0.9	1.4	1.5	4.6	1.0	1.4	2.3	1.7	6.5	9.4
	16.5%	20.0%	31.0%	32.5%	100.0%	15.9%	21.8%	35.4%	26.9%	100.0%	
Herbesser	2.1	1.8	2.1	1.6	7.6	1.9	1.7	1.9	1.4	6.9	5.8
	27.7%	23.7%	27.9%	20.8%	100.0%	26.9%	24.7%	28.2%	20.2%	100.0%	
Tanatril	2.0	1.7	2.0	1.5	7.1	1.7	1.5	1.8	1.2	6.2	5.2
	27.7%	24.3%	27.6%	20.5%	100.0%	27.4%	24.6%	28.4%	19.6%	100.0%	
BIKEN products [vaccines]	6.1	6.5	11.4	4.8	28.8	8.8	5.2	9.6	4.9	28.4	27.3
	21.3%	22.6%	39.5%	16.6%	100.0%	30.9%	18.3%	33.7%	17.1%	100.0%	
Tetrabik	-	-	2.7	1.8	4.5	2.9	0.5	1.2	2.2	6.7	7.6
	-	-	59.3%	40.7%	100.0%	43.1%	7.5%	17.3%	32.2%	100.0%	
Influenza	0.0	1.6	6.8	(0.7)	7.7	(0.1)	1.2	6.5	(0.4)	7.2	7.5
	(0.5%)	20.5%	88.7%	(8.7%)	100.0%	(0.7%)	16.2%	90.6%	(6.1%)	100.0%	
Mearubik	3.4	2.1	0.7	1.9	8.0	3.2	1.2	0.3	1.2	6.0	4.0
	41.9%	25.6%	9.2%	23.3%	100.0%	54.0%	20.3%	5.4%	20.3%	100.0%	
Tanabe Seiyaku Hanbai products *1	4.8	4.2	5.5	4.3	19.0	3.5	3.2	4.1	3.2	14.1	14.4
	25.5%	22.3%	29.2%	22.9%	100.0%	25.0%	22.5%	29.4%	23.1%	100.0%	
Ethical drugs overseas sales *2	4.5	5.6	5.0	8.2	23.4	5.1	5.3	5.9	5.7	22.0	21.5
	19.5%	24.0%	21.6%	35.0%	100.0%	23.3%	24.1%	26.9%	25.8%	100.0%	
Herbesser	1.1	1.2	1.1	2.5	5.9	1.5	1.3	1.5	1.6	5.8	6.0
	19.3%	19.4%	19.1%	42.2%	100.0%	25.3%	22.6%	25.1%	26.9%	100.0%	
Argatroban (Novastan)	0.7	0.7	0.5	1.0	2.9	0.7	0.7	0.7	0.6	2.7	2.4
	24.8%	23.5%	17.2%	34.6%	100.0%	24.8%	26.3%	25.3%	23.7%	100.0%	
Tanatril	0.5	0.4	0.4	0.8	2.1	0.5	0.4	0.5	0.5	1.8	2.0
	21.9%	20.2%	20.6%	37.3%	100.0%	25.8%	20.8%	27.2%	26.3%	100.0%	
Contracted manufacturing products *3	1.7	2.1	1.3	1.7	6.8	1.5	1.4	1.4	1.5	5.8	3.2
	25.3%	30.2%	18.8%	25.6%	100.0%	25.9%	24.5%	24.0%	25.6%	100.0%	
Lincensing fee, etc.	3.8	3.6	8.4	6.9	22.7	7.1	8.2	11.3	11.0	37.6	53.6
	16.7%	15.9%	37.2%	30.3%	100.0%	18.9%	21.8%	30.0%	29.3%	100.0%	
Royalty from Gilenya	2.7	3.3	7.9	5.6	19.5	6.5	7.6	9.5	8.6	32.2	Undisclosed
	14.0%	16.9%	40.6%	28.6%	100.0%	20.1%	23.6%	29.6%	26.6%	100.0%	
OTC products	1.4	1.5	1.5	1.0	5.3	1.1	1.3	1.1	0.9	4.5	4.3
	25.6%	27.5%	27.8%	19.1%	100.0%	25.5%	29.0%	24.4%	21.1%	100.0%	
Total pharmaceuticals	101.9	98.8	118.2	95.8	414.7	103.4	98.6	120.2	89.4	411.6	408.6
	24.6%	23.8%	28.5%	23.1%	100.0%	25.1%	24.0%	29.2%	21.7%	100.0%	

The each figure in the lower displays the progress rate.

*1: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*2: In 2012, the settling days of overseas subsidiaries are changed from end of December to end of March, thus their accounting periods are fo fifteen months from January, 2012 to March, 2013.

*3: Active pharmaceutical ingredients and others ordered by other companies.

6 State of New Product Development (As of May 8, 2014)

i. New Drugs

Development code (Generic name)	Category (Indications)	Region	Stage	Origin
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type 2 diabetes mellitus)	Japan	Filed (May, 2013)	In-house
MP-424 (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C)	Taiwan	Filed (Jan., 2013)	US:Vertex Pharmaceuticals
		Korea	Phase 1	
MT-4666	α7nACh receptor agonist (Dementia of Alzheimer's type)	Multinational study *1	Phase 3	US: FORUM Pharmaceuticals*2
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Japan	Phase 2b/3	Hungary: Gedeon Richter
MT-9938 (Nalfurafine)	κ-opioid receptor agonist (Refractory pruritus in Hemodialysis patients)	US	Phase 2	Japan:Toray
MP-513 (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Europe	Phase 2	In-house
		US	Phase 1	
MT-3995	Selective mineralocorticoid receptor antagonist (Diabetic nephropathy)	Europe	Phase 2	In-house
		Japan	Phase 2	
		US	Phase 1	
MT-1303	S1P receptor functional antagonist (Multiple sclerosis)	Europe	Phase 2	In-house
	(Psoriasis)	Europe	Phase 2	
	(Inflammatory disease, autoimmune disease)	Japan,Europe, US	Phase1	
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H5N1 influenza)	Canada	Phase 2	In-house
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of seasonal influenza)	US	Phase 1/2	In-house
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Canada	Phase 1	In-house
GB-1057 (Recombinant human serum albumin)	Recombinant human serum albumin (Stabilizing agent)	US	Phase 1	In-house
MP-124	PARP inhibitor (Acute ischemic stroke)	US	Phase 1	In-house
MP-157	Angiotensin type 2 receptor agonist (Hypertension)	Europe	Phase 1	In-house

*1: Co-developed with FORUM Pharmaceuticals.

*2: EnVivo changed its company name to FORUM Pharmaceuticals in April, 2014.

ii. Additional Indications

Product name (Generic name)	Category (Indications)	Region	Stage	Origin	Notes
Telavic (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C, [genotype2])	Japan	sNDA filed (Dec., 2013)	US:Vertex Pharmaceuticals	
	(Chronic hepatitis C, [combination with Pegasys])		Phase 3		
	(Chronic hepatitis C, [combination with Feron])		Phase 3		
Radicut (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis*)	Japan	Phase 3	In-house	
Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Pediatric allergic rhinitis)	Japan	Phase 3	Japan: Ube Industries	
	(Pediatric atopic dermatitis)		Phase 3		
Remicade (Infliximab [recombinant])	Anti-human TNFα monoclonal antibody (Refractory Kawasaki disease*)	Japan	Phase 3	US:Janssen Biotech	
	(Behcet's disease with special lesions*)		Phase 3		
	(Pediatric Crohn's disease)		Phase 3		
	(Pediatric ulcerative colitis)		Phase 3		
	(Psoriasis: increased dose)		Phase 3		
Imusera (Fingolimod)	S1P receptor functional antagonist (Chronic inflammatory demyelinating polyradiculoneuropathy)	Multinational study	Phase 3	In-house	Co-developed with Novartis Pharma in Japan, licensed to Novartis overseas
Tribik (Adsorbed diphtheria-purified pertussis-tetanus combined vaccine)	Vaccine (Prophylaxis of pertussis, diphtheria, and tetanus; Stage 2 vaccination)	Japan	Phase 3	Japan:The Research Foundation for Microbial Diseases of Osaka University	Co-developed with The Research Foundation for Microbial Diseases of Osaka University
BindRen (Colestilan[INN])	Non-absorbed phosphate binder (Pediatric hyperphosphatemia)	Europe	Phase 3	In-house	
Cholebine (Colestimide[JAN])	Bile acid signal regulation (Type 2 diabetes mellitus)	Japan	Phase 2	In-house	
	Non-absorbed phosphate binder (Hyperphosphatemia)		Phase 1		

* Orphan drug designated

iii. Licensing-out

Development code (Generic name)	Category (Indications)	Region	Stage	Licensee (Notes)
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type2 diabetes mellitus / fixed dose combination with metformin, IR)	US	FDA Complete Response (Dec., 2013)	US: Janssen Pharmaceuticals
	(Type2 diabetes mellitus / fixed dose combination with metformin, XR)	US	Phase 3	
	(Diabetic nephropathy)	Multinational study	Phase 3	
MP-513 (Teneligliptin)	DPP-4 inhibitor (Type 2 diabetes mellitus)	Korea	NDA filed (Sep., 2013)	Korea: Handok
FTY720 (Fingolimod)	S1P receptor functional antagonist (Chronic inflammatory demyelinating polyradiculoneuropathy)	Multinational study	Phase 3	Switzerland: Novartis (Co-developed with Novartis Pharma in Japan)
T-0047 (Firategrast)	Cell adhesion inhibitor [α4β7/α4β1 inhibitor] (Multiple sclerosis)	Europe	Phase 2	UK: GlaxoSmithKline
Y-39983	ROCK (rho-kinase) inhibitor (Glaucoma)	Japan	Phase 2	Japan: Senju Pharmaceutical
MT-210	5-HT2A/ Sigma 2 receptor antagonist (Schizophrenia)	Europe	Phase 2	US:Minerva Neuroscience
TA-7906	PDE4 inhibitor (Atopic dermatitis)	Japan	Phase 2	Japan: Maruho
MCC-847	Leukotriene D4 receptor antagonist (Asthma)	Korea	Phase 2	Korea: SAMA Pharma
TA-8995	CETP inhibitor (Dyslipidemia)	Netherlands, Danmark	Phase 2	Netherlands: DEZIMA Pharma
MT-4580	Ca sensing receptor agonist (Secondary hyperparathyroidism in hemodialysis patients)	Japan	Phase 1/2	Japan: Kyowa Hakko Kirin
sTU-199 (Tenatoprazole)	Proton pump inhibitor (Gastroesophageal reflux disease)	Europe	Phase 1	France: Negma/Sidem
Wf-516	SSRI / 5HT1A receptor antagonists (Depression)	Europe	Phase 1	US:Minerva Neuroscience
Y-803	Bromodomain inhibitor (Hematological cancer)	US, Europe	Phase 1	Switzerland: OncoEthix (Development code: OTX015)

iv. Changes Since Previous Announcement on February 3, 2014

In-house Development

Development code/Product name (Generic name)	Category (Indications)	Region	As of February 3, 2014	As of May 8, 2014
Tribik (Adsorbed diphtheria-purified pertussis-tetanus combined vaccine)	Vaccine (Prophylaxis of pertussis, diphtheria, and tetanus; Stage 2 vaccination)	Japan	None	Phase 3
MT-3995	Selective mineralocorticoid receptor antagonist (Diabetic nephropathy)	US	None	Phase 1
MT1303	S1P receptor functional antagonist (Inflammatory disease, autoimmune disease)	US	None	Phase 1
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Canada	None	Phase 1

Licensing-out

Development code (Generic name)	Category (Indications)	Region	As of February 3, 2014	As of May 8, 2014
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type2 diabetes mellitus / fixed dose combination with metformin, IR)	Europe	MAA filed (Mar., 2013)	Approved (Apr. 2014)
	(Type2 diabetes mellitus / fixed dose combination with metformin, XR)	US	None	Phase 3
	(Diabetic nephropathy)	Multinational study	None	Phase 3
MKC-242	5-HT1A receptor agonist (Insomnia)	US	Phase 2	Termination of license agreement
TT-138	β3 receptor agonist (Pollakiuria, urinary incontinence)	US	Phase 1	Termination of license agreement

5. Additional Information for State of New Product Development (as of May 8, 2014)

(1) New Drugs

Development code (Generic name)	Information
TA-7284 (Canagliflozin)	As a selective SGLT2 inhibitor, TA-7284 decreases blood glucose levels by inhibiting reabsportion of glucose in the kidney. It was filed for type2 diabetes mellitus in Japan.
MP-424 (Telaprevir)	MP-424, licensed from Vertex Pharmaceuticals(US), orally-available, is NS3-4A protease inhibitor, which reduces the amount of HCV in the body by inhibiting protease of the HCV. It was filed in Taiwan, and Phase1 is conducted in Korea. It was launched as a treatment for chronic hepatitis C (genotype1) in Japan under the brand name, TELAVIC®.
MT-4666	MT-4666, licensed from FORUM Pharmaceuticals(US), is an α7nACh receptor agonist, which ameliorates cognitive dysfunction by activation of both the cholinergic system and the glutamatergic system. Clinical stage is Phase 3 for dementia of Alzheimer's type. It is a multinational study and co-developed with FORUM Pharmaceuticals.
MP-214 (Cariprazine)	MP-214 is a dopamine D3/D2 receptor partial agonist, licensed from Gedeon Richter (Hungary). Efficacy on negative symptoms and cognitive functions in addition to positive symptoms for schizophrenia is expected. Clinical stage is Phase 2b/3 for schizophrenia in Japan.
MT-9938 (Nalfurafine)	MT-9938 is a κ-opioid receptor agonist, licensed from Toray (Japan). Clinical stage is Phase 2 for refractory pruritus in hemodialysis patients in the US and Canada.
MP-513 （Teneligliptin）	MP-513 selectively inhibits DPP-4, thus accelerates the insulin secretion after meal intake without effect on the fasting insulin secretion. Clinical stages in the US and Europe are Phase 1 and Phase 2, respectively. It was launched in Japan for the treatment of type2 diabetes mellitus in September 2012, under the brand name of TENELIA®.
MT-3995	MT-3995 is a selective mineralocorticoid receptor antagonist, which shows renoprotective effect on diabetic nephropathy. Clinical stages are Phase2 for diabetic nephropathy in Europe and Japan, and Phase1 in US.
MT-1303	MT-1303 is a sphingosine-1-phosphate receptor functional antagonist, which keeps lymphocytes sequestered in the lymph nodes and prevents them from contributing to autoimmune reactions. It's a successor of Imusera/Gilenya. Clinical stages are Phase2 for Multiple sclerosis in EU and Canada, Phase2 for Psoriasis in EU, and Phase1 for inflammatory, autoimmune diseases in Japan, EU and US.
GB-1057(Recombinant human serum albumin)	GB-1057 is a recombinant human serum albumin. Clinical stage is Phase 1 as a stabilizing agent in the US.
MP-124	MP-124 is a PARP inhibitor that has neuroprotective effect. Clinical stages are Phase 1 in the US and Canada .
MP-157	MP-157 is an angiotensin type2 receptor agonist. Clinical stage is Phase 1 in Europe.
Influenza vaccine	Plant-based H5 VLP influenza vaccine is Phase 2 in Canada for prophylaxis of H5N1 influenza.
Influenza vaccine	Plant-based seasonal quadrivalent VLP influenza vaccine is Phase 1/2 in the US for prophylaxis of seasonal influenza.
Influenza vaccine	Plant-based H7 VLP influenza vaccine is Phase 1 in Canada for prophylaxis of H7N9 influenza.

(2) Additional Indications

Product name (Generic name)	Information
Telavic (Telaprevir)	Telavic was launched as a treatment for chronic hepatitis C (genotype1) in 2011. sNDA has been filed for Chronic hepatitis C (genotype2) in Japan. Clinical stage is Phase 3 in Japan for Chronic hepatitis C (combination with Pegasys) and Chronic hepatitis C (combination with Feron).
Radicut (Edaravone)	(Amyotrophic lateral sclerosis [Orphan drug designated in June, 2005]) Radicut is a free radical scavenger. In 2001, it was launched for improvement neurological symptoms at the acute stage of cerebral infarction, interference with activities of daily living and functional disability. Clinical stage is Phase 3 in Japan for ALS.
Talion (Bepotastine)	Talion is a selective histamine H1 receptor antagonist. It was launched as an anti-allergic agent for adult in 2000. Clinical stage is Phase 3 in Japan for Pediatric allergic rhinitis and Pediatric atopic dermatitis.
Remicade (Infliximab[recombinant])	Remicade is an anti-human TNFα monoclonal antibody. In Japan, it was launched as a treatment for Crohn's disease in 2002, followed by rheumatoid arthritis, intractable uveoretinitis caused by Behcet's disease, psoriasis, ankylosing spondylitis, and ulcerative colitis. Clinical stage is Phase 3 in Japan for refractory Kawasaki disease [orphan drug designated in September, 2012], Behcet's disease with special lesions [orphan drug designated in September, 2012], pediatric Crohn's disease, pediatric ulcerative colitis and psoriasis: inceased dose.
Imusera (Fingolimod)	Imusera is a sphingosine-1-phosphate receptor functional antagonist, which keeps lymphocytes sequestered in the lymph nodes and prevents them from attacking the myelin of the nerve cells in multiple sclerosis. It was launched as a treatment for multiple sclerosis in 2011 in Japan. Imusera had been jointly developed with Novaltis Pharma for the domestic market. Clinical stage is Phase 3 for chronic inflammatory demyelinating polyradiculoneuropathy, multinational study. It has been jointly developed with Novartis Pharma for the domestic market.
Tribik (Adsorbed diphtheria-purified pertussis-tetanus combined vaccine)	Tribik is a diphtheria-purified pertussis-tetanus combined vaccine. Clinical stage is Phase 3 in Japan for prophylaxis of pertussis, diphtheria, and tetanus (Stage 2 vaccination). It has been jointly developed with the Research Foundation for Microbial Diseases of Osaka University.
BindRen/Cholebine (Colestilan[INN]/Colestimide[JAN])	Colestilan/Colestimide is an anion exchange resin. Colestilan was launched in Germany/Austria/UK as a treatment for hyperphosphatemia in dialysis patients in 2013, under the brand name of BindRen®. Clinical stage in EU is Phase 3 for pediatric hypophosphatemia. In Japan, Colestimide was launched as a treatment for hypercholesterolemia in 1999, under the brand name of Cholebine®. Clinical stage in Japan is Phase 2 for type 2 diabetes mellitus and Phase 1 for hypophosphatemia.

(3) Licensing-out

Development code (Generic name)	Information
TA-7284 (Canagliflozin)	As a selective SGLT2 inhibitor, TA-7284 decreases blood glucose levels by inhibiting reabsorption of glucose in the kidney. It was launched for the treatment of type2 diabetes mellitus under the brand name of INVOKANA® by Janssen Pharmaceuticals in the US and its affiliate in Europe. The fixed dose combination with metformin (IR) was approved in Europe (April, 2014) and a complete response letter was issued by FDA in the US (December, 2013). Phase 1 bioequivalence trials of the fixed dose combination with metformin (XR) are underway in the US. Phase3 multinational study of diabetic nephropathy is underway.
MP-513 (Teneligliptin)	MP-513 selectively inhibits DPP-4, thus accelerates the insulin secretion after meal intake without effect on the fasting insulin secretion. In Korea, NDA was submitted by Handok in Kore in September 2013.
FTY720 (Fingolimod)	Sphingosine-1-phosphate receptor functional antagonist. It was launched as a treatment for multiple sclerosis under the brandname of Imusera by Mitsubishi Tanabe Pharma in Japan. It is also marketed under the brand name of Gilenya by Novartis. (Chronic inflammatory demyelinating polyradiculoneuropathy) Multinational study is Phase 3, co-development with Novartis Pharma in Japan.
T-0047 (Firategrast)	T-0047 is an $\alpha 4\beta 1/\alpha 4\beta 7$ integrin antagonist, which inhibits the cell adhesion and cell migration processes of white blood cells in inflammatory region. Phase 2 for multiple sclerosis is conducted by GSK in Europe, etc.
Y-39983	Y-39983 is a ROCK (Rho-kinase) inhibitor, which relaxes vascular smooth muscles. Clinical stage is Phase 2 for glaucoma in Japan by Senju Pharmaceutical.
MT-210	MT-210 is a 5-HT2A/ Sigma 2 receptor antagonist. Clinical stage is Phase 2 for schizophrenia in Europe by Minerva Neuroscience (US).
TA-7906	TA-7906 is a PDE4 inhibitor. Clinical stage is Phase 2 for the topical treatment of atopic dermatitis in Japan by Maruho.
MCC-847 (Masilukast)	MCC-847 is a Leukotriene D4 receptor antagonist. Clinical stage is Phase 2 for the treatment of asthma in Korea by SAMA Pharma (Korea).
TA-8995	TA-8995 is a CETP inhibitor, which raises HDL-C levels and lowers LDL-C levels. Clinical stage is Phase2 for the treatment of dyslipidemia in Netherlands and Denmark by Dezima Pharma.
MT-4580	MT-4580 is a Ca sensing receptor agonist. Clinical stage is Phase 1/2 for the treatment of secondary hyperparathyroidism in Hemodialysis patients in Japan by Kyowa Hakko Kirin (Japan).
sTU-199 (Tenatoprazole)	sTU-199 is an isomer of TU-199, developed in Japan, and licensed to Negma (France). Pharmacokinetic/pharmacodynamic results from Phase 1 in Europe and the US demonstrated that sTU-199 controlled gastric acid secretion at nighttime in patients receiving this compound once-daily, with the long half-life. It is expected that this compound could reveal rapid improvement for non-erosive reflux disease. Sidem Pharma, a subsidiary of Negma, is conducting phase 1 in Europe.
Wf-516	Wf-516 is a SSRI / 5HT1A receptor antagonists. Clinical stage is Phase 1 for the treatment of depression in Europe by Minerva Neuroscience (US).
Y-803	Y-803 is a Bromodomain inhibitor. Clinical stage is Phase 1 for the treatment of hematological cancer in the US and Europe by OncoEthix (Switzerland).

7 Others

1 Subsidiaries and Affiliated Companies

(1) Number of Subsidiaries and Affiliated Companies

	End of 1st Half of FY2013	End of FY2012	Increase (Decrease)	Notes
Consolidated subsidiaries	**31**	28	3	Increase: MTPC Holdings Canada, Medicago, Medicago USA, Medicago R&D Decrease: Tanabe Europe
Non-consolidated subsidiaries	**2**	1	1	Increase: CMIC CMO, Ashikaga
Affiliated companies	**5**	3	2	Increase: Mapic Europe (former Tanabe Europe), Mapic India
Total	**38**	32	6	

(2) Consolidated Subsidiaries [As of March 31, 2014]

	Company Name	Paid-in Capital (Million yen)	% Voting Control [% Indirect Ownership]		Settling Day	Description of Business
1	Mitsubishi Tanabe Pharma Factory Ltd.	1,130	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
2	Mitsubishi Tanabe Pharma Korea Co., Ltd.	KRW 2,100,000,000	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
3	Mitsubishi Pharma (Guangzhou) Co., Ltd.	US$48,500,000	100.0	[-]	End of Dec.	Manufacture and sale of pharmaceuticals
4	Tianjin Tanabe Seiyaku Co., Ltd.	US$16,230,000	75.4	[-]	End of Dec.	Manufacture and sale of pharmaceuticals
5	Yoshitomiyakuhin Corporation	385	100.0	[-]	End of Mar.	Provision of information about pharmaceuticals
6	Bipha Corporation	100	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
7	Tanabe Seiyaku Yoshiki Factory Co., Ltd.	400	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
8	Tanabe Seiyaku Hanbai., Ltd.	169	100.0	[-]	End of Mar.	Sale of generic pharmaceuticals, etc.
9	Tanabe R&D Service Co., Ltd.	44	100.0	[-]	End of Mar.	Support of R&D regarding pharmaceuticals
10	Tanabe Total Service Co., Ltd.	90	100.0	[-]	End of Mar.	Real estate management, etc.
11	Benesis Corporation	100	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
12	MP-Logistics Corporation	95	100.0	[-]	End of Mar.	Distribution, warehouse operations
13	MP Healthcare Venture Management, Inc.	US$100	100.0	[-]	End of Mar.	Investments in bio-ventures
14	Mitsubishi Tanabe Pharma Holdings America, Inc.	US$166	100.0	[-]	End of Mar.	Management of group companies in US
15	Mitsubishi Tanabe Pharma Development America, Inc.	US$100	100.0	[100.0]	End of Mar.	R&D of pharmaceuticals
16	Tanabe Research Laboratories U.S.A., Inc.	US$3,000,000	100.0	[100.0]	End of Mar.	R&D of pharmaceuticals
17	Tanabe U.S.A., Inc.	US$1,400,000	100.0	[100.0]	End of Mar.	Sale of chemicals, etc.
18	Mitsubishi Tanabe Pharma America, Inc.	US$100	100.0	[100.0]	End of Mar.	Sale of pharmaceuticals
19	MTPC Holdings Canada Inc.	CAD 201,708,697	100.0	[-]	End of Mar.	Investments in Medicago Group
20	Medicago Inc.	CAD 187,041,900	60.0	[54.3]	End of Dec.	Manufacture and sale of vaccines
21	Medicago USA Inc.	US$99	60.0	[60.0]	End of Dec.	Manufacture of vaccines
22	Medicago R&D Inc.	CAD 500	60.0	[60.0]	End of Dec.	R&D of vaccines
23	Mitsubishi Pharma Research & Development (Beijing) Co., Ltd.	US$1,000,000	100.0	[-]	End of Dec.	R&D of pharmaceuticals
24	Guangdong Tanabe Pharmaceutical Co., Ltd.	CNY 7,000,000	100.0	[-]	End of Dec.	Sale of pharmaceuticals
25	Taiwan Tanabe Seiyaku Co., Ltd.	NT$90,000,000	65.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
26	Tai Tien Pharmaceuticals Co., Ltd.	NT$20,000,000	65.0	[-]	End of Mar.	Sale of pharmaceuticals
27	P.T. Tanabe Indonesia	US$2,500,000	99.6	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
28	Mitsubishi Pharma Europe Ltd.	£4,632,000	100.0	[-]	End of Mar.	R&D of pharmaceuticals
29	Mitsubishi Pharma Deutschland GmbH	EUR 25,000	100.0	[100.0]	End of Mar.	Sale of pharmaceuticals

Note: Aside from the companies mentioned above, there are two consolidated companies under the liquidations.

(3) Affiliated Companies Accounted for by the Equity Method [As of March 31, 2014]

	Company Name	Paid-in Capital (Million yen)	% Voting Control [% Indirect Ownership]		Settling Day	Description of Business
1	API Corporation	4,000	47.7	[-]	End of Mar.	Manufacture and sale of API, etc.
2	Synthelabo-Tanabe Chimie S.A.	EUR 1,600,000	50.0	[-]	End of Dec.	Manufacture and sale of pharmaceuticals

Note: The Company sold all of the API Corporation shares to API Corporation at its request on April 1st, 2014.

2 Status of Shareholders

(1) Number of Outstanding Shares

	End of March, 2014	End of March, 2013
Issued	**561,417,916**	561,417,916
The company's own shares at the end of the period	**426,862**	424,977
Number of shares outstanding at the end of the period	**560,991,054**	560,992,939
Average number of the company's own share in the period	**425,775**	423,959
Average number of shares outstanding in the period	**560,992,141**	560,993,957

(2) Status of Major Shareholders

Rank	Name of Shareholders	End of March, 2014		End of March, 2013		
		Number of Shares (Thousands)	Percentage of Total	Rank	Number of Shares (Thousands)	Percentage of Total
1	Mitsubishi Chemical Holdings Corporation	316,320	56.34%	1	316,320	56.34%
2	The Master Trust of Japan, Ltd.	22,305	3.97%	2	26,235	4.67%
3	Nippon Life Insurance Company	13,574	2.42%	4	15,082	2.69%
4	Japan Trustee Services Bank, Ltd.	9,406	1.68%	3	16,153	2.88%
5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,254	1.29%	6	7,254	1.29%
6	JP Morgan Chase Bank, N.A., 385147	7,100	1.26%	7	7,100	1.26%
7	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	6,650	1.18%	-	-	-
8	The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	5,238	0.93%	-	-	-
9	Employee Stock Ownership Plan	4,779	0.85%	9	4,747	0.85%
10	State Street Trust and Banking Company, Ltd, 505225	4,432	0.79%	21	2,202	0.39%

* Previously, major shareholders were listed, combined with trust assets and special accounts, etc. In this fiscal year, they are listed as described in a shareholder list.

(3) Ownership and Distribution of Shares

	End of March, 2014			End of March, 2013		
	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total
Financial institutions	77	85,620	15.25%	81	104,341	18.59%
Foreign corporations and others	402	110,839	19.75%	388	86,473	15.41%
Individuals and others	16,660	28,217	5.03%	16,331	29,397	5.24%
Other corporations	270	334,919	59.67%	286	339,197	60.43%
Securities firms	28	1,716	0.31%	44	1,900	0.34%
Total	17,437	561,314	100.00%	17,130	561,311	100.00%
Less than trading unit	-	103	-	-	106	-

* The trading unit of the Company's stock is 100 shares.

* Individuals and Others include treasury stocks (426 thousands shares at the end of March, 2014 and 424 thousands shares at the end of March, 2013)

(4) Trend of Divinded and Stock Price

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Estimate
Dividends per share (yen)	28	28	35	40	40	40
Dividend payout ratio(%)	51.9	41.6	50.3	53.6	49	55.4
(prior to amortization of goodwill)	(39.0)	(32.9)	(40.0)	(43.2)	(40.5)	(44.4)
Stock price at the end of FY	1,320	1,350	1,161	1,445	1,443	-
Market capitalization (billion yen)	7,411	7,579	6,518	8,112	8,101	-

Reference

Major Ethical Drugs

Remicade (Infliximab)	Launch: May 2002	Category	Anti-TNFα monoclonal antibody

Remicade is an anti-TNFα antibody, which targets TNFα, an important inflammatory cytokine. It is very fast-acting and its efficacy is sustained for eight weeks with a single administration. It has indications for the treatment of rheumatoid arthritis, Crohn's disease, Behcet's disease with refractory uveoretinitis, psoriasis, ankylosing spondylitis, and ulcerative colitis. In addtion, in July 2009 and August 2011, changes in usage/dosage were approved for rheumatoid arthritis, and Crohn's disease, respectively.
Origin: Jannsen Biotech

Ceredist (Taltirelin)	Launch: Sep. 2000	Category	Agent for treatment of spinocerebellar degeneration

Thyrotropin releasing hormone (TRH) was known to be effective against ataxia caused by spinocerebellar degeneration, but it was previously administered only through injection. Ceredist, developed by Tanabe, is the world's first oral TRH derivative drug. An additional formulation, orally disintegrating tablets, was launched in October 2009.

Maintate (Bisoprolol)	Launch: Nov. 1990	Category	Selective β1 antagonist (Treatment of hypertension, angina pectoris, and arrhythmias)

Maintate is a representative β -blocker used in more than 100 countries around the world. It exhibits high selectivity for β 1 receptor and excellent phamacokinetics profiles. It has high efficacy and safety, and there is evidence for its cardioprotective action. In addition to the indication of chronic heart failure which was approved in May, 2011, the indication of atrial fibrillation has been newly approved in June, 2013 . Maintate is the only β-blocker with both indications of chronic heart failure and atrial fibrillation in Japan.
Origin: Merck Serono (Germany)

Talion (Bepotastine)	Launch: Oct. 2000	Category	Agent for treatment of allergic disorders

Talion has rapid onset of anti-histamine(H1) effects and has been demonstrated to be effective for allergic rhinitis, urticaria, and pruritus accompanying dermatitis. It has minimal incidence of sedation. An additional formulation, orally disintegrating tablets, was approved in March and launched in July 2007.
Origin: Ube Industries

Kremezin	Launch: Apr. 2011	Category	Agent for treatment of Chronic renal failure

Kremezin is an oral absorptive charcoal consisting of porous spherical activated carbon of high purity. It absorbs and excretes uremic toxins out of the body. Keremezin was introduced to the Japanese market in December 1991 as the first pharmaceuticals drug in the world for proactive treatment of chronic renal failure (progressive). In April, 2011, the marketing rights were transferred from Daiichi Sankyo to MTPC.
Origin, Manufacturer and distributor: Kureha

Urso (Ursodeoxycholic Acid)	Launch: July 1962	Category	Agent for improving hepatic, biliary and digestive functions

Ursodeoxycholic acid (UDCA), principal ingredient of Urso, had been extracted from blackbear's gallbladder in the past and has been used in the treatment of various digestive diseases. It is one of the bile acids existing in the human body. Urso has effects of hapatic protection and indications of improvement of liver function in chronic liver disease and hepatitis C, and dissolution of gallstones.

Venoglobulin IH (Human immunoglobulin)	Launch: Jan. 1992	Category	Plasma derivatives

Venoglobulin IH is intravenous human immunoglobulin derived from donated plasma in Japan. It shows high efficacy on serious infectious diseases in combined administration with an anti-bacterial agent due to its opsonic, immuno-bacteriolytic and antibody-dependent cytotoxic effects and neutralizing effects on toxics and viruses. In October 2010 the indication of improvement of muscle weakness associated with polymyositis or dermatomyositis, in February 2011 the indication of generalized myasthenia gravis (only in case of insufficient response to steroids or immunosuppressants) , and in October 2011 the indication of improvement of muscle weakness associated with chronic inflammatory demyelinating polyneuropathy (including polydomous motion-neuropathy) were all approved. In addition, in August 2013, the indication of pemphigus (only in case of insufficient response to steroids) has been approved. Those additional indications are expected to contribute better QOL for the patients.

Anplag (Sarpogrelate)	Launch: Oct. 1993	Category	5-HT2 blocker (Anti-platelet agent)

Anplag, an oral anti-platelet, is used to patients with arteriosclerosis obliterans (ASO) to improve ischemic symptoms like as ulcer, pain and coldness of limbs associated with chronic arterial occlusion. Anplag especially improves the bloodstream of collateral circulation and inhibits platelet aggregation, vascular contraction and growth of vascular smooth muscle cell by antagonistic action to serotonin receptor in platelets and vessels.

Radicut (Edaravone)	Launch: Jun. 2001	Category	Free radical scavenger (Cerebral neuroprotectant)

Radicut is the world's first brain protecting agent (free radical scavemger) shown to improve neurological symptoms, interference with activities of daily living, and disability (at hospital discharge) in patients at acute stage of cerebral infarction. Specific indications include the treatment of various types of infarction (cerebral lacunar, atherothrombotic and cardiogenic infarction) It is initiated administration within 24 hours after onset, and is not administrated for more than 14 days. An additional formulation, Radicut bag for I.V. Infusion, was launched in May 2010.

Depas (Etizolam)	Launch: Mar. 1984	Category	Antianxiety agent

Depas is the most widely used anxiolytic agent in Japan. Due to its broad pharmacological properties, Depas shows reasonable effectiveness for psychosomatic disease, neurosis, low back pain, neck pain and muscle-contraction headache, depression and sleep disorder.

Simponi (Golimumab)	Launch: Sep. 2011	Category	Anti-TNFα monoclonal antibody

Simponi is a human anti-TNFα monoclonal antibody for the treatment of rheumatoid arthritis (including prevention of articular structural damage), and co-marketed with Janssen Pharmaceutical. It shows a long acting efficacy by subcutaneous injection once every four weeks, and currently is under development for the ulcerative colitis by Janssen Pharmaceutical.
Origin: Janssen Biotech

Lexapro (Escitalopram)	Launch: Aug. 2011	Category	Selective sertonin reuptake inhibitor (SSRI)

Lexapro is a selective serotonin reuptake inhibitor with high selectivity of serotonin transporter, and approved in more than 97 countries and regions. By having good efficacy and tolerability, in addition to simple administration, it is expected to contribute to the improvement of medication adherence for patients with depression.
Origin: H. Lundbeck, Manufacturer and distributor: Mochida Pharmaceutical

Herbesser (Diltiazem)	Launch: Feb. 1974	Category	Calcium antagonist (Treatment of angina pectoris and hypertension)

Herbesser is a representative calcium antagonist that is used in more than 110 countries around the world. In addition to a blood pressure lowering effect, it has a cardioprotective action in patients with hypertension or angina pectoris by reducing the cardiac load through a heart rate lowering effect and by increasing the oxygen supply through a coronary vasodilating effect.

Tanatril (Imidapril)	Launch: Dec. 1993	Category	ACE inhibitor (Treatment of hypertension)

Tanatril shows excellent blood pressure control with effective organ protection as well as minimal incidence of dry cough, a common side effect of ACE inhibitors. With the approval of an additional indication in January 2002, it became the first drug in Japan approved for diabetic nephropathy with type I diabetes mellitus.

Tenelia (Teneligliptin)	Launch: Sep. 2012	Category	Selective DPP-IV inhibitor

Tenelia, which Mitsubishi Tanabe has created and developed, is the first DPP-4 inhibitor originating in Japan that has ever been launched. It inhibits the function of dipeptidyl peptidase-4 (DPP-4), which selectively breaks down glucagon-like peptide-1(GLP-1), a hormone secreted from the gastrointestinal tract in response to food intake. In this way, Tenelia promotes insulin secretion and suppresses glucagon secretion, thereby demonstrating blood glucose lowering action.

TETRABIK (Absorbed Diphtheria-purified Pertussis-tetanus inactivated polio	Launch: Oct. 31. 2012	Category	Prevention of Diphtheria, Pertussis, Tetanus and polio

TETRABIK is a combined vaccine that prevents acute poliomyelitis (polio), pertussis, diphtheria and tetanus. It is used at 1st term (initial 3 times) and 1st term (additional 1 time), in total 4 times, of the regular vaccination. By using TETRABIK, It is expected to avoid the very rare occurrence of paralytic symptoms similar to those in natural polio due to live-attenuated oral polio vaccine.
Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)

Mearubik (Live Attenuated Measles and Rubella Vaccine)	Launch: Dec. 2005	Category	Prevention of measles and rubella

Mearubik is the combination vaccine for measles and rubella, and children are able to receive both measles and rubella shot at a time with Mearubik, which is used at the 1st term and the 2nd term of its regular vaccination. By both reducing the number of injections and relieving physical pain on people to be vaccinated, It is expected to contribute enhancement of immunization rate for measles and rubella in Japan.
Origin, Manufacturer and distributor: BIKEN (The Research Foundation for Microbial Diseases of Osaka University)

News Releases

The major news releases after October 2013 are as follows.
Please refer to the Company's website for the details. (http://www.mt-pharma.co.jp/e/release/index.php)

Date	Contents
December 20, 2013	TENELIA 20mg tablets, a Treatment for Type 2 Diabetes Mellitus Approval of Partial Change in Indication to Lift Restrictions in Combination Therapy
January 16, 2014	TELAVIC 250mg Tablets, Antiviral Application for additional Indication for Chronic Hepatitis C Genotype 2
February 3, 2014	MT-4666 in Alzheimer's Disease Start of Global Phase 3 Clinical Trial Program, COGNITIV AD
February 6, 2014	Change of Representative Directors