Financial Results for the 2nd Quarter of the Year Ending March 31, 2015 <Supplement>

As of October 29, 2014

Mitsubishi Tanabe Pharma Corporation

Mitsubishi Tanabe Pharma

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1 Summary of Financial Results for the 2nd Quarter of FY2014 Ending March 31, 2015 and Forecasts for FY2014

(Amounts less than ¥100 million are rounded.)

1. Summary of Financial Results for the 2nd Quarter of FY2014

[Billion yen]

Net Sales	198.9	Y-on-Y	(4.0)	(1.9 %)
Domestic sales	165.0	Y-on-Y	(11.7)	(6.6 %)
Overseas sales	33.9	Y-on-Y	7.7	29.5 %

Net sales decreased 1.9%, or ¥4.0 billion, year-on-year, to ¥198.9 billion.
Domestic sales of ethical drugs decreased 9.2%, year-on-year, to ¥155.2 billion due to the influence of NHI drug price revision in April 2014 and the growing impact of generics.
Royalty income, etc. increased 82.3%, year-on-year, to ¥27.9 billion due to the increase in royalty revenue from Gilenya, for the treatment of multiple sclerosis, licensed to Novartis and from INVOKANA, for the treatment of type2 diabetes mellitus, licensed to Janssen Pharmaceuticals.

Operating Income	35.0	Y-on-Y	4.5	14.8 %

Operating income increased 14.8%, or ¥4.5 billion, year-on-year, to ¥35.0 billion.
Gross profit remained the same level as the previous second quarter at ¥120.7 billion, due to the increase in royalty revenue, despite the influence of NHI drug price revision and the impact of generics. As a result, the cost of sales ratio improved by 1.3 percentage points.
SG&A expenses decreased ¥4.2 billion, year-on-year, to ¥85.8 billion, due to the decrease in R&D expenses and the labor cost accompanying the decrease in retirement benefit expenses. R&D expenses were ¥31.9 billion, accounting for 16.1% of net sales.

[Billion yen]

Ordinary Income	35.5	Y-on-Y	3.3	10.1 %

Net Income	32.5	Y-on-Y	4.0	13.9 %

Ordinary income was up 10.1%, or ¥3.3 billion, year-on-year, to ¥35.5 billion, and net income was up 13.9%, or ¥4.0 billion, year-on-year, to ¥32.5 billion.
In extraordinary income, gain on sales of property, plant and equipment and gain on sales of investment in securities were ¥13.6 billion. In the previous fiscal year, the Company recorded extraordinary income of ¥11.9 billion, such as profit on arbitration award. Extraordinary loss was ¥2.7 billion, including loss on liquidation of subsidiaries and affiliates and loss on valuation of investment in securities.

2. Summary of Forecasts for FY2014

[Billion yen]

Net Sales	406.0	Y-on-Y	(6.7)	(1.6 %)
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		FY2013	
	End of 1st Half	For the Year (Estimate)	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 the 2nd Quarter of FY2014

(Amounts less than ¥100 million are rounded.)

1. Profit and Loss

(1) Profit and Loss

[Billion yen]

	1st Half of FY2014	Y-on-Y			Comparison to Previous Forecasts			Notes [Y-on-Y Comparison]
		1st Half of FY2013	Increase (Decrease)	Change %	Forecast*	Increase (Decrease)	Change %	
Net sales	**198.9**	202.8	(4.0)	(1.9)	201.0	(2.1)	(1.1)	See "Sales of Main Products" on page 5. Overseas sales ratio 1st half of FY2013: 12.9% 1st half of FY2014: 17.0% Average exchange rate 1st half of FY2013:1US$=¥98.65 1st half of FY2014: 1US$ = ¥103.61
Domestic sales	**165.0**	176.7	(11.7)	(6.6)	167.2	(2.2)	(1.3)	
Overseas sales	**33.9**	26.2	7.7	29.5	33.8	0.1	0.2	
Cost of sales	**78.2**	82.4	(4.2)	(5.1)	78.5	(0.3)	(0.4)	
Sales cost ratio	**39.3%**	40.6%			39.1%			
Gross operation profit	**120.7**	120.4	0.3	0.2	122.5	(1.8)	(1.5)	
SG&A expenses	**85.8**	90.0	(4.2)	(4.7)	93.0	(7.2)	(7.8)	
% of net sales	**43.1%**	44.4%			46.3%			
Operating income	**35.0**	30.5	4.5	14.8	29.5	5.5	18.5	
Ordinary income	**35.5**	32.2	3.3	10.1	30.5	5.0	16.2	
Extraordinary income and loss	**10.9**	11.1	(0.2)	-	1.0	9.9	-	
Net income	**32.5**	28.5	4.0	13.9	21.0	11.5	54.8	

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

[Billion yen]

	1st Half of FY2014	Y-on-Y			Comparison to Previous Forecasts			Notes [Y-on-Y Comparison]
		1st Half of FY2013	Increase (Decrease)	Change %	Forecast*	Increase (Decrease)	Change %	
Cost of sales	**78.2**	82.4	(4.2)	(5.1)	78.5	(0.3)	(0.4)	
% of Net sales	**39.3%**	40.6%			39.1%			
SG&A expenses	**85.8**	90.0	(4.2)	(4.7)	93.0	(7.2)	(7.8)	
% of Net sales	**43.1%**	44.4%			46.3%			
R&D expenses	**31.9**	34.3	(2.4)	(6.9)	36.0	(4.1)	(11.3)	
% of Net sales	**16.1%**	16.9%			17.9%			
Except R&D expenses	**53.8**	55.7	(1.9)	(3.3)	57.0	(3.2)	(5.6)	
Labor cost	**23.0**	23.9	(0.8)	(3.5)	23.5	(0.5)	(2.0)	Decrease in retirement benefit expenses, etc.
Amortization of goodwill	**5.4**	5.3	0.1	2.5	5.4	0.0	(0.1)	
Others	**25.4**	26.6	(1.2)	(4.4)	28.1	(2.7)	(9.6)	
Total labor cost	**39.8**	41.8	(1.9)	(4.7)	40.1	(0.3)	(0.6)	

*: Published forecasts announced on May 8, 2014 in the financial results of FY2013

The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending march 31, 2015" on October 21, 2014.

The revised forecasts are as follows; ¥198.5 billion of sales, down by ¥2.5 billion compared to the previous forecasts, ¥34.5 billion of operating income, up by ¥5.0 billion, ¥35.0 of ordinary income, up by ¥4.5 billion, and ¥32.5 of net income, up by ¥11.5 billion.

(3) Non-operating Income and Loss

[Billion yen]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)	Notes
Non-operating income	**1.8**	3.6	(1.8)	
Interest income	**0.8**	0.8	0.0	
Dividend income	**0.4**	0.5	0.0	
Equity in earnings of affiliates	**0.0**	0.3	(0.3)	
Foreign exchang gain	**0.0**	1.1	(1.1)	
Others	**0.6**	1.0	(0.4)	
Non-operating expenses	**1.3**	1.8	(0.6)	
Adjustment for salaries for employees on secondment	**0.1**	0.0	0.1	
Donations	**0.3**	0.2	0.1	
Others	**0.8**	1.6	(0.7)	

(4) Extraordinary Income and Loss

[Billion yen]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)	Notes
Extraordinary income	**13.6**	11.9	1.6	
Gain on sales of property, plant and equipment	**11.9**	-	11.9	Gain on the sale of a vacant lot of the former Nihonbashi building
Gain on sales of investment in securities	**1.1**	-	1.1	
Gain on sales of shares of subsidiaries and affiliates	**0.6**	-	0.6	Gain on the sales of shares of API Corporation and CMIC CMO, Ashikaga
Profit on arbitration award	**-**	11.0	(11.0)	FY2013: Reimbursed as the overpayment caused by the arbitration award of Remicade, etc
Gain on step acquisitions	**-**	0.9	(0.9)	FY2013: Gain on market value of stock holdings accompanied with acquisition of Medicago's shares
Extraordinary Loss	**2.7**	0.9	1.8	
Impairment loss	**0.9**	0.8	0.1	FY2014: Toda dormitory, etc. FY2013: Yoshitomi research office, etc.
Loss on valuation of investment in securities	**0.1**	-	0.1	
Loss on liquidation of subsidiaries and affiliates	**1.4**	-	1.4	Loss according to the transfer of Mitsubishi Pharma (Guangzhou)
Others	**0.2**	0.1	0.2	

(5) Taxes

[Billion yen]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)	Notes
Income before income taxes and minority interests	**46.4**	43.3	3.1	
Income taxes-current	**16.1**	14.4	1.7	
Income taxes-deferred	**(1.5)**	0.3	(1.8)	
Minority interests	**(0.8)**	0.0	(0.8)	
Net Income	**32.5**	28.5	4.0	

(6) Sales of Main Products

[Billion yen]

	1st Half of FY2014	Y-on-Y			Comparison to Forecasts		
		1st half of FY2013	Increase (Decrease)	Change %	Forecasts *1	Increase (Decrease)	Change %
Ethical drugs	**196.5**	199.6	(3.1)	(1.6)	198.6	(2.1)	(1.1)
Ethical drugs domestic sales	**155.2**	171.0	(15.8)	(9.2)	157.9	(2.7)	(1.7)
Remicade	**35.2**	39.0	(3.8)	(9.8)	33.3	1.9	5.8
Talion	**6.1**	5.1	1.0	18.6	5.6	0.5	8.6
Ceredist	**7.9**	9.1	(1.2)	(13.6)	7.9	0.0	0.0
Maintate	**7.2**	7.7	(0.6)	(7.4)	7.9	(0.7)	(9.4)
Simponi	**5.0**	4.4	0.6	13.8	5.4	(0.4)	(6.7)
Venoglobulin IH	**5.7**	5.6	0.0	0.2	6.3	(0.6)	(10.3)
Kremezin	**5.4**	6.4	(1.0)	(15.4)	6.0	(0.6)	(9.7)
Urso	**5.1**	6.4	(1.3)	(20.4)	5.6	(0.5)	(9.2)
Anplag	**4.4**	5.9	(1.5)	(25.8)	4.8	(0.4)	(9.3)
Depas	**4.1**	5.0	(0.9)	(17.7)	4.5	(0.4)	(9.1)
Lexapro	**3.4**	2.4	1.0	40.1	4.2	(0.8)	(18.8)
Radicut	**3.8**	5.7	(1.9)	(33.6)	3.7	0.1	2.6
Tenelia	**2.7**	0.0	2.6	-	3.1	(0.4)	(14.0)
Herbesser	**2.8**	3.5	(0.7)	(19.9)	3.0	(0.2)	(5.4)
Tanatril	**2.4**	3.2	(0.8)	(24.8)	2.7	(0.3)	(10.6)
BIKEN products [vaccine]	**11.1**	14.0	(2.9)	(20.6)	10.5	0.6	5.7
Influenza	**0.9**	1.1	(0.2)	(20.2)	0.8	0.1	10.9
Tetrabik	**3.6**	3.4	0.2	4.8	3.9	(0.3)	(8.6)
Varicella vaccine	**1.9**	1.9	0.0	-0.4	1.2	0.7	60.4
Tanabe Seiyaku Hanbai products *2	**6.4**	6.7	(0.2)	(3.5)	6.6	(0.2)	(2.4)
Ethical drugs overseas sales	**11.3**	10.4	0.9	8.7	11.3	0.0	0.3
Herbesser	**3.5**	2.8	0.7	25.1	3.3	0.2	4.9
Argatroban (Novastan)	**1.3**	1.4	(0.1)	(7.2)	1.3	0.0	(3.4)
Tanatril	**1.0**	0.8	0.2	22.1	1.1	(0.1)	(6.5)
Contracted manufacturing products *3	**2.1**	2.9	(0.9)	(29.3)	1.7	0.4	22.3
Royalty income, etc.	**27.9**	15.3	12.6	82.3	27.7	0.2	0.6
Royalty from Gilenya	**18.8**	14.1	4.8	33.9	Undisclosed	-	-
OTC products	**2.2**	2.4	(0.3)	(10.3)	2.2	0.0	(0.8)
Total pharmaceuticals	**198.9**	202.8	(4.0)	(1.9)	201.0	(2.1)	(1.1)

*1: Published forecasts announced on May 8, 2014 in the financial results of 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 Q2 of FY2014	Composition %	End of FY2013	Increase (Decrease)	Notes
Total Aseets	**903.1**	**100.0**	886.5	16.6	
Current Assets	**580.5**	**64.3**	540.5	40.0	
Cash and deposits	**24.1**	**2.7**	27.2	(3.1)	See Page 7, (2) Cash Flows Statement
Marketable securities	**128.2**	**14.2**	106.5	21.7	Increase in negotiable deposit, etc.
Notes and accounts receivable*1	**127.0**	**14.1**	123.5	3.5	
[Months/Revolution]	**3.83**		3.59	0.24	
Inventories	**97.8**	**10.8**	93.7	4.1	
Deposits	**182.5**	**20.2**	172.1	10.3	
Deferred income taxes	**11.0**	**1.2**	8.2	2.8	
Others	**9.9**	**1.1**	9.3	0.6	
Fixed Assets	**322.6**	**35.7**	346.0	(23.4)	
Property, plant and equipment	**97.2**	**10.8**	98.3	(1.2)	Investment for plant and equipment, 6.2; Depreciation, (3.7); Retirement, sale, impairment and others, (1.3), etc.
Intangible fixed assets	**126.3**	**14.0**	133.1	(6.8)	Investment for information system, 0.8; Depreciation, (0.8); Amortization of goodwill of the merger, (5.0), etc.
Investment in securities	**67.8**	**7.5**	71.6	(3.8)	Decrease due to sales of shares of API Corporation, etc.
Deferred income taxes	**0.5**	**0.1**	0.7	(0.2)	
Net defined benefit asset	**6.6**	**0.7**	16.3	(9.8)	
Other investments	**24.3**	**2.7**	26.0	(1.7)	
Total Liabilities	**110.8**	**12.3**	108.6	2.1	
Current Liabilities	**87.3**	**9.7**	81.8	5.4	
Notes and accounts payable*2	**32.4**	**3.6**	34.0	(1.6)	
Short-term debt	**-**	**-**	1.2	(1.2)	
Current maturities of long-term debt	**0.1**	**0.0**	0.1	0.0	
Accounts payable, other	**16.7**	**1.8**	16.8	(0.1)	
Income taxes payable	**16.5**	**1.8**	10.2	6.3	
Provision for bonuses	**9.9**	**1.1**	10.2	(0.3)	
affiliates	**1.4**	**0.2**	-	1.4	
Other current liabilities	**10.4**	**1.1**	9.4	1.0	
Long-term Liabilities	**23.5**	**2.6**	26.8	(3.3)	
Long-term debts	**0.9**	**0.1**	1.0	0.0	
Deferred income taxes	**9.8**	**1.1**	13.4	(3.5)	
Reserve for health management allowances for HIV compensation	**1.6**	**0.2**	1.6	-	
Reserve for health management allowances for SMON compensation	**2.8**	**0.3**	3.0	(0.2)	
Reserve for HCV litigation	**2.4**	**0.3**	2.6	(0.3)	
Net defined benefit liability	**3.0**	**0.3**	2.1	0.8	
Other long-term liabilities	**3.1**	**0.3**	3.2	(0.1)	
Net Assets	**792.3**	**87.7**	777.8	14.4	
Shareholders' equity	**780.3**	**86.4**	767.3	13.0	
Common stock	**50.0**	**5.5**	50.0	-	
Capital surplus	**451.2**	**50.0**	451.2	-	
Retained earnings	**279.6**	**31.0**	266.6	13.0	Net income, 32.5; Payment for dividends, (11.2)
Treasury stock, at cost	**(0.5)**	**(0.1)**	(0.5)	0.0	
Accumulated other comprehensive loss	**0.1**	**0.0**	(1.2)	1.3	
Unrealized holding (losses) gains on securities	**9.0**	**1.0**	8.7	0.2	
Deffered (losses) gains on hedges	**-**	**-**	0.5	(0.5)	
Translation adjustments	**(1.4)**	**(0.2)**	(2.4)	1.0	
Remeasurements of defined benefit plans	**(7.5)**	**(0.8)**	(8.1)	0.6	
Minority interests	**12.0**	**1.3**	11.8	0.2	

*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]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)
Cash and cash equivalents at beginning of year	**85.0**	58.7	26.2
Cash flows from operating activities	**25.4**	36.8	(11.4)
Income before income taxes and minority interests	**46.4**	43.3	3.1
Depreciation and amortization	**4.5**	4.3	0.2
Impairment loss	**0.9**	0.8	0.1
Amortization of goodwill	**5.4**	5.3	0.1
Increase (decrease) in accrued retirement benefit for employees	**-**	(0.6)	0.6
Decrease (increase) in prepaid pension expenses	**-**	1.2	(1.2)
Decrease (increase) in net defined benefit asset	**(2.1)**	-	(2.1)
Increase (decrease) in reserve for HCV litigation	**(0.3)**	(0.4)	0.1
Interest and dividend income	**(1.2)**	(1.2)	0.1
Increase (decrease) in loss on liquidation of subsidiaries and affiliates	**1.4**	-	1.4
Loss (gain) on sales of shares of subsidiaries and affiliates	**(0.6)**	-	(0.6)
Loss (gain) on sales and disposal of fixed assets	**(11.8)**	-	(11.8)
Profit on arbitration award	**-**	(11)	11.0
Loss (gain) on step acquisitions	**-**	(0.9)	0.9
Loss (gain) on sale of investment in securities	**(1.1)**	-	(1.1)
Decrease(increase) in notes and accounts receivable-trade	**(3.3)**	2.1	(5.4)
Decrease (increase) in inventories	**(4.0)**	(3.4)	(0.5)
Increase (decrease) in notes and accounts payable-trade	**(1.7)**	(0.7)	(1.0)
Increase(decrease) in accounts payable, other	**(1.3)**	(1.2)	(0.1)
Interest and dividends received	**1.2**	1.3	(0.1)
Proceeds from arbitration award	**-**	12.2	(12.2)
Income taxes paid	**(9.7)**	(15.8)	6.1
Other, net	**2.7**	1.6	1.1
Cash flows from investing activities	**(7.3)**	(9.1)	1.8
Purchase/sales etc. of marketable securities	**(13.3)**	22.8	(36.1)
Increase/decrease in time deposits	**2.1**	(7.1)	9.2
Increase in deposits	**(10.3)**	(0.3)	(10.1)
Purchase/sales of property, plant and equipment	**6.2**	(5.0)	11.2
Purchase of intangible fixed assets	**(0.8)**	(1.1)	0.2
Purchase/sales of investment in securities	**1.2**	3.0	(1.8)
Purchase of investment in subsidiaries	**-**	(3.5)	3.5
Proceeds from sales of shares of subsidiaries and associates	**7.6**	-	7.6
Purchase of investment in subsidiaries resulting in consolidation scope change	**-**	(17.9)	17.9
Other, net	**0.0**	(0.1)	0.1
Cash flows from financing activities	**(11.4)**	(10.9)	(0.5)
Increase (decrease) in short-term debt, net	**(1.2)**	0.0	(1.2)
Increase in long-term debt	**-**	0.4	(0.4)
Proceeds from share issuance to minority shareholders	**1.1**	-	1.1
Cash dividends paid	**(11.2)**	(11.2)	-
Other, net	**(0.1)**	0.0	0.0
Effect of exchange rate change on cash and cash equivalents	**0.7**	0.6	0.1
Net increase (decrease) in cash and cash equivalents	**7.4**	17.5	(10.1)
Cash and cash equivalents at end of the year	**92.3**	76.2	16.1

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]

	1st Half of FY2014	1st Half of FY2013
Cash and time deposits	24.1	33.8
Time deposits maturing after three months	(2.9)	(9.6)
Short-term investments in marketable securities maturing within three months of acquisition	50.5	31.5
Cash equivalents included in short-term loans receivable*	0.6	0.4
Cash equivalents included in deposits	20.0	20.1
Cash and cash equivalents in the consolidated statements of cash flows	92.3	76.2

*: 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]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)	FY2013
Investment in property, plant and equipment / occuring basis	6.2	6.8	(0.6)	12.6
Investment in information systems/ occuring basis	0.8	1.1	(0.3)	2.1

[Billion yen]

Major investment in property, plant and equipment in 1st half FY2014		Major investment in development of information systems in 1st half of FY2014	
Mitsubishi Tanabe Pharma	3.5	Mitsubishi Tanabe Pharma	0.7
[Construction of new head office and Kashima office building]	[2.8]		
Mitsubishi Tanabe Pharma Factory	1.8		

(4) Depreciation Costs

[Billion yen]

	1st Half of FY2014	1st Half of FY2013	Increase (Decrease)	FY2013
Property, plant and equipment	3.7	3.7	0.0	7.9
Intangible fixed assets	0.8	0.6	0.2	1.3

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.	Medicago, Inc.	Tianjin Tanabe Seiyaku Co., Ltd.	P.T. Tanabe Indonesia
Net sales	1st Half of FY2014	19.1	6.4	2.1	0.9	2.1	1.6
	FY2013	47.2	14.1	4.1	0.0	3.6	2.3
	1st Half of FY2013	24.2	6.7	2.1	-	1.8	1.2
Operating income	1st Half of FY2014	1.6	(0.1)	0.2	(1.2)	0.2	0.2
	FY2013	1.2	0.4	0.3	(1.3)	0.1	0.3
	1st Half of FY2013	0.3	0.2	0.2	-	0.0	0.2
Ordinary income	1st Half of FY2014	1.7	(0.1)	0.2	(1.3)	0.3	0.2
	FY2013	1.1	0.4	0.4	(1.2)	0.1	0.3
	1st Half of FY2013	0.3	0.2	0.2	-	0.0	0.1
Net income	1st Half of FY2014	1.3	(0.1)	0.1	(1.4)	0.2	0.1
	FY2013	0.7	0.3	0.3	(1.2)	0.0	0.2
	1st Half of FY2013	0.2	0.1	0.1	-	0.0	0.1
R&D expenses	1st Half of FY2014	0.7	-	-	2.1	0.1	0.0
	FY2013	1.2	-	-	1.4	0.0	0.0
	1st Half of FY2013	0.6	-	-	-	-	0.0
Depreciation of property, plant and equipment	1st Half of FY2014	1.1	0.0	0.0	0.2	0.0	0.0
	FY2013	2.4	0.0	0.1	0.1	0.1	0.1
	1st Half of FY2013	1.1	0.0	0.0	-	0.0	0.0
Total assets	End of Q2 FY2014	50.1	5.3	3.5	35.7	5.5	3.2
	End of FY2013	57.6	6.3	3.3	36.5	4.4	3.6
	End of Q2 FY2013	62.3	5.3	3.0	-	3.7	2.5
Net assets	End of Q2 FY2014	37.5	0.3	2.8	24.7	3.4	1.7
	End of FY2013	39.8	0.5	2.6	24.1	3.0	1.6
	End of Q2 FY2013	39.3	0.3	2.4	-	2.9	1.4
Number of employees	End of Q2 FY2014	1,099	173	123	226	468	463
	End of FY2013	1,394	172	125	189	456	480
	End of Q2 FY2013	1,409	171	126	-	446	488

3 Forecasts for FY2014 Ending March 31, 2015

(Amounts less than ¥100 million are rounded.)

(1) Consolidated Forecasts of Profit and Loss

[Billion yen]

	FY2014 Revised Forecasts *1	Comparison to Previous Forecasts			Comparison to Previous Fiscal Year			Notes [Y-on-Y Comparison]
		Previous Forecasts*2	Increase (Decrease)	Change %	FY2013 Actual	Increase (Decrease)	Change %	
Net Sales	406.0	409.0	(3.0)	(0.7)	412.7	(6.7)	(1.6)	Overseas sales ratio FY2013: 14.4% FY2014 estination: 17.3% Exchange rate planned: 1US$=¥105
Domestic	335.7	339.2	(3.5)	(1.0)	353.3	(17.6)	(5.0)	
Overseas	70.3	69.8	0.5	0.7	59.4	10.9	18.4	
Cost of Sales	164.0	161.5	2.5	1.5	169.4	(5.4)	(3.2)	
Sales cost ratio	40.4%	39.5%			41.0%			
Gross Operatin Profit	242.0	247.5	(5.5)	(2.2)	243.3	(1.3)	(0.5)	
SG & A Expenses	182.0	187.5	(5.5)	(2.9)	184.2	(2.2)	(1.2)	
% of Net Sales	44.8%	45.8%			44.6%			
Operating Income	60.0	60.0	0.0	0.0	59.1	0.9	1.5	
Ordinary Income	61.5	61.5	0.0	0.0	61.9	(0.4)	(0.6)	
Extraordinary Income and loss	0.0	0.0	0.0	-	10.6	(10.6)	-	
Net Income	40.5	40.5	0.0	0.0	45.4	(4.9)	(10.8)	

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

[Billion yen]

	FY2014 Revised Forecasts *1	Comparison to Previous Forecasts			Comparison to Previous Fiscal Year			Notes [Y-on-Y Comparison]
		Previous Forecasts*2	Increase (Decrease)	Change %	FY2013 Actual	Increase (Decrease)	Change %	
Cost of Sales	164.0	161.5	2.5	1.5	169.4	(5.4)	(3.2)	
Sales cost ratio	40.4%	39.5%			41.0%			
SG & A Expenses	182.0	187.5	(5.5)	(2.9)	184.2	(2.2)	(1.2)	
% of Net sales	44.8%	45.8%			44.6%			
R&D Expenses	72.5	73.0	(0.5)	(0.7)	70.4	2.1	3.0	
% of Net sales	17.9%	17.8%			17.1%			
Except R&D Expenses	109.5	114.5	(5.0)	(4.4)	113.8	(4.3)	(3.8)	
Labor Cost	46.2	47.0	(0.8)	(1.7)	48.4	(2.2)	(4.5)	
Amortization of Goodwill	10.8	10.8	0.0	0.0	10.6	0.2	1.5	
Others	52.5	56.7	(4.2)	(7.4)	54.8	(2.3)	(4.2)	
Total Labor Cost	80.0	81.0	(1.0)	(1.2)	85.0	(5.0)	(5.9)	

*1: The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending march 31, 2015" on October 21, 2014.

*2: Published forecasts announced on May 8, 2014 in the financial results of FY2013

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

	FY2014 Revised Forecasts*1	Comparison to Previous Forecasts			Comparison to Previous Fiscal Year		
		Previous Forecasts*2	Increase (Decrease)	Change %	FY2013 Actual	Increase (Decrease)	Change %
Ethical drugs	**401.3**	404.3	(3.0)	(0.7)	407.2	(5.9)	(1.4)
Ethical drugs domestic sales	**322.5**	326.0	(3.5)	(1.1)	341.7	(19.3)	(5.6)
Remicade	**70.3**	68.7	1.6	2.4	76.3	(6.0)	(7.9)
Talion	**16.4**	15.7	0.7	4.3	13.7	2.7	19.6
Ceredist	**15.4**	15.3	0.1	0.7	17.8	(2.4)	(13.4)
Maintate	**14.5**	16.0	(1.5)	(9.7)	15.5	(1.0)	(6.5)
Simponi	**11.5**	12.0	(0.5)	(3.9)	9.4	2.2	23.2
Venoglobulin IH	**11.5**	11.8	(0.3)	(2.9)	11.1	0.3	3.1
Kremezin	**10.5**	12.0	(1.5)	(12.4)	12.6	(2.0)	(16.2)
Urso	**9.9**	11.0	(1.1)	(10.1)	12.4	(2.5)	(20.4)
Anplag	**8.4**	9.2	(0.8)	(9.2)	11.2	(2.8)	(25.1)
Depas	**8.1**	8.9	(0.8)	(9.1)	9.8	(1.7)	(17.4)
Lexapro	**8.0**	9.4	(1.4)	(14.8)	6.5	1.6	24.0
Radicut	**7.2**	7.0	0.2	2.8	10.9	(3.7)	(34.2)
Tenelia	**6.5**	6.7	(0.2)	(3.5)	0.8	5.7	714.4
Herbesser	**5.5**	5.8	(0.3)	(4.5)	6.9	(1.3)	(19.4)
Tanatril	**4.6**	5.2	(0.6)	(11.3)	6.2	(1.6)	(25.3)
BIKEN products [vaccine]	**28.2**	27.3	0.9	3.3	28.4	(0.2)	(0.7)
Influenza	**7.6**	7.5	0.1	1.2	7.2	0.4	5.1
Tetrabik	**7.1**	7.6	(0.5)	(7.1)	6.7	0.3	5.1
Varicella vaccine	**5.2**	4.2	1.0	24.4	3.6	1.6	45.7
Tanabe Seiyaku Hanbai products *3	**13.7**	14.4	(0.7)	(4.9)	14.1	(0.4)	(2.5)
Ethical drugs overseas sales	**22.0**	21.5	0.5	2.1	22.0	(0.1)	(0.3)
Herbesser	**6.0**	6.0	0.0	0.2	5.8	0.2	4.1
Argatroban (Novastan)	**2.2**	2.4	(0.2)	(7.0)	2.7	(0.4)	(15.8)
Tanatril	**2.1**	2.0	0.1	4.3	1.8	0.3	15.1
Contracted manufacturing products *4	**3.3**	3.2	0.1	3.7	5.8	(2.5)	(43.1)
Royalty income, etc.	**53.6**	53.6	0.0	0.0	37.6	16.0	42.5
Royalty from Gilenya	**Undisclosed**	Undisclosed	-	-	32.2	-	-
OTC products	**4.3**	4.3	0.0	(0.3)	4.5	(0.2)	(4.0)
Total pharmaceuticals	**406.0**	409.0	(3.0)	(0.7)	412.7	(6.7)	(1.6)

*1: The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2015" on October 21, 2014.

*2: Published forecasts announced on May 8, 2014 in the financial results for FY2013.

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

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

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

[Billion yen]

	FY2014 Forecasts	FY2013 Actual	Increase (decrease)	Change %
Investment in property, plant and equipment/occuring basis	**14.9**	**12.6**	**2.3**	**18.1**
Investment for information systems/occuring basis	**1.5**	**2.1**	**(0.6)**	**(29.0)**

[Billion yen]

Major investment in property, plant and equipment in FY2014		Major investment for information systems in FY2014	
Production facilities	4.3	R&D related systems	0.7
Facilities & equipment for R&D	4.0	Production related system	0.1
Others	6.6	Others	0.7
[New head office and Kashima office]	[6.0]		

(5) Forecasts for Depreciation Costs

[Billion yen]

	FY2014 Forecasts	FY2013 Actual	Increase (decrease)	Change %
Property, plant and equipment	**7.8**	**7.9**	**(0.1)**	**(1.2)**
Intangible fixed assets	**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]

	FY2010	FY2011	FY2012	FY2013	1st Half of FY2014	Forecast for FY2014
Net sales	409.5	407.2	419.2	412.7	198.9	406.0
Cost of sales	154.6	152.3	166.4	169.4	78.2	164.0
Gross operation profit	255.0	254.9	252.8	243.3	120.7	242.0
SG&A expenses	178.4	185.8	183.8	184.2	85.8	182.0
R&D expenses	65.8	70.2	66.5	70.4	31.9	72.5
Operating income	76.6	69.0	69.0	59.1	35.0	60.0
Ordinary income	76.7	68.8	69.4	61.9	35.5	61.5
Extraordinaly income	0.6	1.2	4.2	15.3	13.6	0.0
Extraordinaly loss	13.2	6.1	5.9	4.8	2.7	
Net income	37.7	39.0	41.9	45.4	32.5	40.5

(2) Balance Sheet

[Billion yen]

	End of FY2010	End of FY2011	End of FY2012	End of FY2013	End of 1st Half of FY2014
Total assets	818.7	819.9	866.8	886.5	903.1
Current assets	391.6	419.7	476.7	540.5	580.5
Fixed assets	427.1	400.3	390.1	346.0	322.6
Total liabilities	122.7	98.4	113.9	108.6	110.8
Current liabilities	87.7	69.6	86.1	81.8	87.3
Fixed liabilities	35.0	28.9	27.7	26.8	23.5
Net assets	696.0	721.5	752.9	777.8	792.3

(3) Other Financial Data

[Billion yen]

	End of FY2010	End of FY2011	FY2012	FY2013	1st Half of FY2014	Forecast for FY2014
Cash flows from operating activities	59.1	37.2	60.6	69.9	25.4	-
Cash flows from investing activities	(7.7)	(63.2)	(35.0)	(24.3)	(7.3)	-
Cash flows from financing activities	(15.4)	(17.2)	(23.7)	(21.1)	(11.4)	-
Investments in property, plant and equipment	10.2	7.1	9.2	12.6	6.2	14.9
Investments for development of information systems	0.8	1.2	2.2	2.1	0.8	1.5
Depreciation costs	12.4	12.5	8.4	9.2	4.5	9.4
Equity ratio (%)	84.3	87.3	86.3	86.4	86.4	-
ROE (%)	5.5	5.5	5.7	6.0	8.4	-
Net income per share (¥)	67.27	69.54	74.67	80.92	57.97	72.19
Net assets per share (¥)	1,230.16	1,275.85	1,333.22	1,365.52	1,390.96	-

(4) Number of Employees

	End of FY2010	End of FY2011	End of FY2012	End of FY2013	End of 1st half of FY2014	Forecast for End of FY2014
Consolidated	9,198	9,180	8,835	9,065	8,843	8,477
Non-consolidated	4,957	4,826	4,850	4,867	4,903	4,853

5 Quarterly Trend

(Amounts less than ¥100 million are rounded.)

(1) Profit and Loss

[Billion yen]

	FY2013					FY2014			
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	Full year Actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Forecasts for 2nd Half of FY2014	Forecasts for full-year
Net sales	103.9	98.9	120.4	89.5	412.7	94.6	104.3	207.1	406.0
	25.2%	24.0%	29.2%	21.7%	100.0%	23.3%	25.7%	51.0%	100.0%
Domestic	91.4	85.3	103.3	73.4	353.3	79.8	85.3	170.7	335.7
	25.9%	24.1%	29.2%	20.8%	100.0%	23.8%	25.4%	50.8%	100.0%
Overseas	12.5	13.7	17.1	16.1	59.4	14.8	19.1	36.4	70.3
	21.0%	23.0%	28.8%	27.1%	100.0%	21.1%	27.1%	51.8%	100.0%
Cost of sales	43.5	38.9	50.6	36.4	169.4	39.2	39.0	85.8	164.0
Sales Cost Ratio	41.9%	39.3%	42.0%	40.7%	41.0%	41.4%	37.4%	41.4%	40.4%
Gross operating profit	60.4	60.0	69.8	53.1	243.3	55.4	65.3	121.3	242.0
	24.8%	24.7%	28.7%	21.8%	100.0%	22.9%	27.0%	50.1%	100.0%
SG&A expenses	44.2	45.8	44.8	49.5	184.2	41.7	44.1	96.2	182.0
	24.0%	24.9%	24.3%	26.9%	100.0%	22.9%	24.2%	52.9%	100.0%
R&D expenses	17.6	16.7	17.1	19.0	70.4	16.3	15.6	40.6	72.5
	24.9%	23.8%	24.3%	27.0%	100.0%	22.5%	21.5%	56.0%	100.0%
Non-R&D expenses	26.6	29.1	27.7	30.5	113.8	25.3	28.5	55.7	109.5
	23.4%	25.6%	24.3%	26.8%	100.0%	23.1%	26.0%	50.8%	100.0%
Labor costs	11.9	12.0	12.4	12.1	48.4	11.1	11.9	23.2	46.2
	24.5%	24.8%	25.6%	25.1%	100.0%	24.0%	25.8%	50.2%	100.0%
Amortization of goodwill	2.6	2.7	2.6	2.8	10.6	2.7	2.7	5.4	10.8
	24.5%	25.0%	24.5%	26.0%	100.0%	25.0%	25.0%	50.0%	100.0%
Others	12.1	14.4	12.7	15.6	54.8	11.5	13.9	27.1	52.5
	22.2%	26.3%	23.1%	28.4%	100.0%	22.0%	26.4%	51.6%	100.0%
Operating income	16.2	14.2	25.1	3.6	59.1	13.7	21.3	25.0	60.0
	27.5%	24.1%	42.4%	6.1%	100.0%	22.8%	35.5%	41.7%	100.0%
Ordinary income	17.1	15.1	25.6	4.1	61.9	14.6	20.9	26.0	61.5
	27.6%	24.5%	41.3%	6.6%	100.0%	23.7%	34.0%	42.3%	100.0%
Net income	10.4	18.1	15.3	1.5	45.4	9.6	22.9	8.0	40.5
	22.9%	39.9%	33.7%	3.4%	100.0%	23.7%	56.6%	19.7%	100.0%

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

(2) Sales of Main Products

[Billion yen]

	FY2013					FY2014			
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	Full Year Actual	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Forecasts for 2nd Half*1	Forecasts for Full Year*1
Ethical drugs	102.3	97.3	119.1	88.4	407.2	93.2	103.3	204.8	401.3
	25.1%	23.9%	29.3%	21.7%	100.0%	23.2%	25.7%	51.0%	100.0%
Ethical drugs domestic sales	88.5	82.4	100.5	70.2	341.7	77.5	77.7	167.3	322.5
	25.9%	24.1%	29.4%	20.5%	100.0%	24.0%	24.1%	51.9%	100.0%
Remicade	19.2	19.9	21.9	15.4	76.3	17.3	17.9	35.1	70.3
	25.1%	26.0%	28.7%	20.2%	100.0%	24.7%	25.4%	49.9%	100.0%
Talion	2.7	2.4	4.4	4.2	13.7	3.3	2.8	10.3	16.4
	19.9%	17.5%	31.9%	30.7%	100.0%	19.8%	17.3%	62.9%	100.0%
Ceredist	4.7	4.4	5.0	3.6	17.8	4.1	3.8	7.5	15.4
	26.5%	24.9%	28.4%	20.2%	100.0%	26.9%	24.4%	48.7%	100.0%
Maintate	4.0	3.8	4.4	3.3	15.5	3.8	3.4	7.3	14.5
	25.7%	24.3%	28.6%	21.4%	100.0%	26.1%	23.4%	50.5%	100.0%
Simponi	2.1	2.4	2.8	2.1	9.4	2.5	2.6	6.5	11.5
	22.1%	25.2%	29.8%	22.9%	100.0%	21.3%	22.3%	56.3%	100.0%
Venoglobulin IH	2.9	2.7	3.4	2.1	11.1	2.8	2.8	5.8	11.5
	26.2%	24.6%	30.3%	18.9%	100.0%	24.7%	24.7%	50.6%	100.0%
Kremezin	3.2	3.2	3.5	2.6	12.6	2.8	2.6	5.1	10.5
	25.8%	25.2%	28.1%	20.9%	100.0%	26.6%	24.9%	48.5%	100.0%
Urso	3.3	3.1	3.5	2.5	12.4	2.7	2.4	4.8	9.9
	26.5%	25.0%	28.2%	20.3%	100.0%	27.0%	24.4%	48.6%	100.0%
Anplag	3.1	2.8	3.2	2.1	11.2	2.4	2.0	4.0	8.4
	27.7%	24.9%	28.3%	19.1%	100.0%	28.4%	23.7%	47.9%	100.0%
Depas	2.6	2.4	2.7	2.1	9.8	2.1	2.0	4.0	8.1
	26.1%	24.7%	27.4%	21.8%	100.0%	25.8%	24.8%	49.4%	100.0%
Lexapro	1.0	1.4	2.3	1.7	6.5	1.7	1.7	4.6	8.0
	15.9%	21.8%	35.4%	26.9%	100.0%	21.0%	21.6%	57.4%	100.0%
Radicut	3.0	2.7	3.2	2.1	10.9	2.0	1.8	3.4	7.2
	27.1%	25.1%	28.9%	18.9%	100.0%	27.4%	25.4%	47.2%	100.0%
Tenelia	0.0	0.0	0.5	0.3	0.8	1.1	1.6	3.8	6.5
	0.1%	3.8%	64.0%	32.1%	100.0%	17.3%	24.0%	58.8%	100.0%
Herbesser	1.9	1.7	1.9	1.4	6.9	1.5	1.3	2.7	5.5
	26.9%	24.7%	28.2%	20.2%	100.0%	27.0%	24.2%	48.8%	100.0%
Tanatril	1.7	1.5	1.8	1.2	6.2	1.3	1.1	2.2	4.6
	27.4%	24.6%	28.4%	19.6%	100.0%	28.0%	24.3%	47.7%	100.0%
BIKEN products [vaccines]	8.8	5.2	9.6	4.9	28.4	4.9	6.2	17.1	28.2
	30.9%	18.3%	33.7%	17.1%	100.0%	17.4%	21.9%	60.6%	100.0%
Influenza	(0.1)	1.2	6.5	(0.4)	7.2	(0.1)	0.9	6.7	7.6
	(0.7%)	16.2%	90.6%	(6.1%)	100.0%	(0.7%)	12.4%	88.3%	100.0%
Tetrabik	2.9	0.5	1.2	2.2	6.7	1.8	1.8	3.5	7.1
	43.1%	7.5%	17.3%	32.2%	100.0%	25.2%	25.3%	49.5%	100.0%
Varicella vaccine	1.0	0.9	0.7	1.0	3.6	0.6	1.3	3.3	5.2
	28.9%	25.0%	19.3%	26.8%	100.0%	11.9%	24.9%	63.2%	100.0%
Tanabe Seiyaku Hanbai products *2	3.5	3.2	4.1	3.2	14.1	3.4	3.1	7.3	13.7
	25.0%	22.5%	29.4%	23.1%	100.0%	24.7%	22.4%	53.0%	100.0%
Ethical drugs overseas sales	5.1	5.3	5.9	5.7	22.0	5.3	6.0	10.6	22.0
	23.3%	24.1%	26.9%	25.8%	100.0%	24.1%	27.5%	48.4%	100.0%
Herbesser	1.5	1.3	1.5	1.6	5.8	1.6	1.9	2.6	6.0
	25.3%	22.6%	25.1%	26.9%	100.0%	26.3%	31.3%	42.4%	100.0%
Argatroban (Novastan)	0.7	0.7	0.7	0.6	2.7	0.7	0.6	1.0	2.2
	24.8%	26.3%	25.3%	23.7%	100.0%	31.0%	25.3%	43.8%	100.0%
Tanatril	0.5	0.4	0.5	0.5	1.8	0.5	0.6	1.1	2.1
	25.8%	20.8%	27.2%	26.3%	100.0%	21.7%	27.6%	50.6%	100.0%
Contracted manufacturing products *3	1.5	1.4	1.4	1.5	5.8	0.9	1.2	1.2	3.3
	25.9%	24.5%	24.0%	25.6%	100.0%	27.5%	35.2%	37.4%	100.0%
Royalty income, etc.	7.1	8.2	11.3	11.0	37.6	9.5	18.4	25.7	53.6
	18.9%	21.8%	30.0%	29.3%	100.0%	17.7%	34.3%	48.0%	100.0%
Royalty from Gilenya	6.5	7.6	9.5	8.6	32.2	7.7	11.1	Undisclosed	Undisclosed
	20.1%	23.6%	29.6%	26.6%	100.0%	-	-	-	-
OTC products	1.1	1.3	1.1	0.9	4.5	1.2	1.0	2.1	4.3
	25.5%	29.0%	24.4%	21.1%	100.0%	28.3%	22.6%	49.1%	100.0%
Total sales	103.9	98.9	120.4	89.5	412.7	94.6	104.3	207.1	406.0
	25.2%	24.0%	29.2%	21.7%	100.0%	23.3%	25.7%	51.0%	100.0%

The each figure in the lower displays the progress rate.

*1: The Company announced "Revisions to Consolidated Financial Forecasts for Fiscal Year Ending march 31, 2015" on October 21, 2014.

*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.

6 State of New Product Development (As of October 29, 2014)

i. New Drugs

Development code (Generic name)	Category (Indications)	Region	Stage	Origin
MT-4666	α7nACh receptor agonist (Dementia of Alzheimer's type)	Multinational study*	Phase 3	US: FORUM Pharmaceuticals
MT-2412 (Teneligliptin, Canagliflozin)	Fixed-dose combination of DPP-4 inhibitor and SGLT2 inhibitor (Type 2 diabetes mellitus)	Japan	Phase 3	In-house
MP-214 (Cariprazine)	Dopamine D3/D2 receptor partial agonist (Schizophrenia)	Japan	Phase 2b/3	Hungary: Gedeon Richter
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 diseases, Autoimmune diseases)	Japan,Europe, US	Phase1	
MT-2301	Haemophilus influenza type b (Hib) vaccine (Prophylaxis of Pediatric Hib)	Japan	Phase 2	US: Nuron Biotech
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, Canada	Phase 2	In-house
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of H7N9 influenza)	Canada	Phase 1	In-house
MP-424 (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C)	Korea	Phase 1	US:Vertex Pharmaceuticals
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
MT-0814	CC chemokine receptor 3 antagonist (Age-related macular degeneration)	Japan	Phase 1	In-house

*: Co-developed with FORUM Pharmaceuticals.

ii. Additional Indications

Product name (Generic name)	Category (Indications)	Region	Stage	Origin	Notes
Telavic (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C, [combination with Pegasys])	Japan	Phase 3	US:Vertex Pharmaceuticals	
	(Chronic hepatitis C, [combination with Feron])		Phase 3		
Talion (Bepotastine)	Selective histamine H1 receptor antagonist, anti-allergic agent (Pediatric allergic rhinitis)	Japan	sNDA filed (May, 2014)	Japan: Ube Industries	
	(Pediatric atopic dermatitis)		sNDA filed (May, 2014)		
Radicut (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis*)	Japan	Phase 3	In-house	
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
Canaglu (Canagliflozin)	SGLT2 inhibitor (Diabetic nephropathy)	Multinational study	Phase 3	In-house	Sponsor: Janssen Research & Development, LLC
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, XR)	US	Phase 3	US: Janssen Pharmaceuticals, Inc
	(Diabetic nephropathy)	Multinational study	Phase 3	
FTY720 (Fingolimod)	S1P receptor functional antagonist (Chronic inflammatory demyelinating polyradiculoneuropathy)	Multinational study	Phase 3	Switzerland: Novartis (Co-developed with Novartis Pharma in Japan)
	(Primary progressive multiple sclerosis)	Multinational study	Phase 3	Switzerland: Novartis
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 (Masilukast)	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 2	Japan: Kyowa Hakko Kirin
MP-513 (Teneligliptin)	DPP-4 inhibitor (Type2 diabetes mellitus / fixed dose combination with metformin, XR)	Korea	Phase 1	Korea: Handok
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 July 29, 2014

In-house Development

Development code/Product name (Generic name)	Category (Indications)	Region	As of July 29, 2014	As of October 29, 2014
Telavic (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C, [genotype2])	Japan	sNDA filed (Dec., 2013)	Approved (Sep., 2014)
MP-424 (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C)	Taiwan	Filed (Jan., 2013)	Approved (Oct., 2014)
MT-2412 (Teneligliptin, Canagliflozin)	Fixed-dose combination of DPP-4 inhibitor and SGLT2 inhibitor (Type 2 diabetes mellitus)	Japan	None	Phase 3
Influenza vaccine	Plant-based VLP vaccine (Prophylaxis of seasonal influenza)	US	Phase 1/2	Phase2
		Canada	None	Phase 2
MT-0814	CC chemokine receptor 3 antagonist (Age-related macular degeneration)	Japan	None	Phase 1
MT-9938 (Nalfurafine)	κ-opioid receptor agonist (Refractory pruritus in Hemodialysis patients)	US	Phase 2	Termination of license agreement

Licensing-out

Development code (Generic name)	Category (Indications)	Region	As of July 29, 2014	As of October 29, 2014
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type2 diabetes mellitus / fixed dose combination with metformin, IR)	US	FDA Complete Response (Dec., 2013)	Approved (Aug., 2014)
MT-4580	Ca sensing receptor agonist (Secondary hyperparathyroidism in hemodialysis patients)	Japan	Phase 1/2	Phase 2

5. Additional Information for State of New Product Development (as of October 29, 2014)

(1) New Drugs

Development code (Generic name)	Information
MP-424 (Telaprevir)	MP-424, licensed from Vertex Pharmaceuticals(US), is an orally-available NS3-4A protease inhibitor, which reduces the amount of HCV in the body by inhibiting protease of the HCV. It was approved in Taiwan in October, 2014, and Phase 1 is conducted in Korea. It was launched as a treatment for chronic hepatitis C (genotype1 and 2) 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.
MT-2412	MT-2412 is a fixed-dose combination of Teneligliptin(DPP-4 inhibitor) and Canagliflozin(SGLT2 inhibitor). Clinical stage is Phase 3 in Japan for type2 diabetes mellitus.
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.
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 Phase 2 for diabetic nephropathy in Europe and Japan, and Phase 1 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.
MT-2301	MT-2301 is a Haemophilus influenza type b (Hib) vaccine, licensed from Nuron Biotech(US). Clinical stage is Phase 2 in Japan for the prevention of pediatric infectious diseases caused by Hib.
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 2 in the US and Canada for prophylaxis of seasonal influenza.
Influenza vaccine	Plant-based H7 VLP influenza vaccine is Phase 1 in Canada for prophylaxis of H7N9 influenza.
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.
MT-0814	MT-0814 is a CC chemokine receptor 3 antagonist. Clinical stage is Phase 1 in Japan.

(2) Additional Indications

Product name(Generic name)	Information
Telavic (Telaprevir)	Telavic was launched in Japan for the treatment of chronic hepatitis C (genotype1) in 2011, followed by Chronic hepatitis C (genotype2) in September, 2014. Clinical stage is Phase 3 in Japan for Chronic hepatitis C (combination with Pegasys) and Chronic hepatitis C (combination with Feron).
Talion (Bepotastine)	Talion is a selective histamine H1 receptor antagonist. It was launched as an anti-allergic agent for adult in 2000. sNDA has been filed for Pediatric allergic rhinitis and Pediatric atopic dermatitis in Japan.
Radicut (Edaravone)	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 amyotrophic lateral sclerosis(Orphan drug designated in June, 2005) .
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. Multinational Phase 3 study for chronic inflammatory demyelinating polyradiculoneuropathy is underway. 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.
CANAGLU (Canagliflozin)	As a selective SGLT2 inhibitor, CANAGLU decreases blood glucose levels by inhibiting reabsportion of glucose in the kidney. It was launched in Japan for the treatment of type2 diabetes mellitus in September, 2014. It was launched for the treatment of type2 diabetes mellitus under the brand name of INVOKANA® by Janssen Pharmaceuticals, Inc. in the US and its affiliate in Europe. Phase 3 multinational study of diabetic nephropathy is underway.
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 hyperphosphatemia. 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 hyperphosphatemia.

(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, Inc. in the US and its affiliate in Europe. The fixed dose combination with metformin (IR) was approved in Europe (April, 2014) and the US (August, 2014). Phase 1 bioequivalence trials of the fixed dose combination with metformin (XR) are underway in the US. Phase 3 multinational study of diabetic nephropathy is underway.
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. Multinational Phase 3 studies for chronic inflammatory demyelinating polyradiculoneuropathy (CIDP) and primary progressive multiple sclerosis are underway by Novartis Pharma.
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 Phase 2 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 2 for the treatment of secondary hyperparathyroidism in Hemodialysis patients in Japan by Kyowa Hakko Kirin (Japan).
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, it was approved for the treatment of type2 diabetes mellitus by Handok in April 2014 and Phase 1 studies of the fixed-dose combination with metformin (XR) are underway.
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 FY2014	End of FY2013	Increase (Decrease)	Notes
Consolidated subsidiaries	**31**	31	-	
Non-consolidated subsidiaries	**1**	2	(1)	Decrease: CMIC CMO, Ashikaga
Affiliated companies	**1**	5	(4)	Decrease: API Corporation, Arkema Toshitomi, Mapic Europe, Mapic India
Total	**33**	38	(5)	

(2) Consolidated Subsidiaries [As of September 30, 2014]

	Company Name	Paid-in Capital	% Voting Control [% Indirect Ownership]		Settling Day	Description of Business
1	Mitsubishi Tanabe Pharma Factory Ltd.	¥1,130 million	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 million	100.0	[-]	End of Mar.	Provision of information about pharmaceuticals
6	Bipha Corporation	¥100 million	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
7	Tanabe Seiyaku Yoshiki Factory Co., Ltd.	¥400 million	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
8	Tanabe Seiyaku Hanbai., Ltd.	¥169 million	100.0	[-]	End of Mar.	Sale of generic pharmaceuticals, etc.
9	Tanabe R&D Service Co., Ltd.	¥44 million	100.0	[-]	End of Mar.	Support of R&D regarding pharmaceuticals
10	Tanabe Total Service Co., Ltd.	¥90 million	100.0	[-]	End of Mar.	Real estate management and creation of promotion items, etc.
11	Benesis Corporation *	¥100 million	100.0	[-]	End of Mar.	Manufacture and sale of pharmaceuticals
12	MP-Logistics Corporation	¥95 million	100.0	[-]	End of Mar.	Distribution, warehouse operations
13	MP Healthcare Venture Management, Inc.	US$100	100.0	[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 220,209 thousand	100.0	[-]	End of Mar.	Investments in Medicago Group
20	Medicago Inc.	CAD 217,042 thousand	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 Tanabe Pharma 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 Tanabe Pharma Europe Ltd.	£4,632,000	100.0	[-]	End of Mar.	R&D of pharmaceuticals
29	Mitsubishi Tanabe Pharma GmbH	EUR 25,000	100.0	[100.0]	End of Mar.	Sale of pharmaceuticals

*: Benesis was merged into the Company on October 1, 2014.

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 September 30, 2014]

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

2 Status of Shareholders

(1) Number of Outstanding Shares

	End of September, 2014	End of March, 2014
Issued	**561,417,916**	561,417,916
The company's own shares at the end of the period	**427,412**	426,862
Number of shares outstanding at the end of the period	**560,990,504**	560,991,054
Average number of the company's own share in the period	**427,089**	425,775
Average number of shares outstanding in the period	**560,990,827**	560,992,141

(2) Status of Major Shareholders

Rank	Name of Shareholders	End of September, 2014		End of March, 2014		
		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.	22,523	4.01%	2	22,305	3.97%
3	Nippon Life Insurance Company	12,065	2.15%	3	13,574	2.42%
4	Japan Trustee Services Bank, Ltd.	9,445	1.68%	4	9,406	1.68%
5	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	9,043	1.61%	7	6,650	1.18%
6	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,254	1.29%	5	7,254	1.29%
7	JP Morgan Chase Bank, N.A., 385147	6,231	1.11%	6	7,100	1.26%
8	NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	5,517	0.98%	11	4,167	0.74%
9	The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	5,293	0.94%	8	5,238	0.93%
10	State Street Trust and Banking Company, Ltd, 505225	4,970	0.89%	10	4,432	0.79%

* 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 September, 2014			End of March, 2014		
	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total	Number of Shareholders	Number of Shares (Thousands)	Percentage of Total
Financial institutions	73	85,806	15.29%	77	85,620	15.25%
Foreign corporations and others	437	110,031	19.60%	402	110,839	19.75%
Individuals and others	14,955	26,618	4.74%	16,660	28,217	5.03%
Other corporations	264	335,030	59.69%	270	334,919	59.67%
Securities firms	29	3,825	0.68%	28	1,716	0.31%
Total	15,758	561,313	100.00%	17,437	561,314	100.00%
Less than trading unit	-	104	-	-	103	-

* The trading unit of the Company's stock is 100 shares.
* Individuals and Others include treasury stocks (427 thousands shares at the end of September, 2014 and 426 thousands shares at the end of March, 2014)

(4) Trend of Divinded and Stock Price

	FY2010	FY2011	FY2012	FY2013	1st Half of FY2014	FY2014 Estimate
Dividends per share (yen)	28	35	40	40	20	40
Dividend payout ratio(%)	41.6	50.3	53.6	49.4	-	55.4
(prior to amortization of goodwill)	(32.9)	(40.0)	(43.2)	(40.5)	(-)	(44.4)
Stock price at the end of FY	1,350	1,161	1,445	1,443	1,609	-
Market capitalization (billion yen)	7,579	6,518	8,112	8,101	9,033	-

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

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

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 β1 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)

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

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.

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.

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.

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.			
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			
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.			
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.			
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.			
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)			

News Releases

The major news releases after April, 2014 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
May 28, 2014	Name Change of Consolidated Subsidiaries in Europe
May 29, 2014	Announcement of Merger (Simplified Merger and Short form Merger) of Consolidated Subsidiary
May 30, 2014	Name Change of Group Company in China
June 16, 2014	Positive Phase 3 Results of Canagliflozin in Japanese Patients with Type 2 Diabetes at American Diabetes Association
June 30, 2014	Notice Regarding Voluntary Adoption of International Financial Reporting Standards (IFRS)
June 30, 2014	Notice regarding conclusion of a basic agreement for the transfer of the Kashima Plant of Mitsubishi Tanabe Pharma Factory Ltd.
July 4, 2014	Marketing and Manufacturing Approval in Japan Received for CANAGLU Tablets 100mg
August 20, 2014	Mitsubishi Tanabe Pharma Coporation and Astrazeneca announce research collaboration in diabetic nephropathy
September 2, 2014	Launch of CANAGLU Tablets 100mg A SGLT2 inhibitor for Type2 Diabetes Mellitus
September 19, 2014	TELAVIC 250mg Tablets, Antiviral Approval of Additional indication for Chronic Hepatitis C Genotype 2