



# Mitsubishi Tanabe Pharma Corporation

## FY2010 First Quarter

### Business Results Outline

(April 1, 2010 – June 30, 2010)

July 29, 2010

Kenkichi Kosakai  
Board Director  
Managing Executive Officer  
Head of Finance & Accounting Dept.

# FY2010 1st Quarter Financial Results



	FY2009	FY2010	Increase Decrease		Forecasts for 1 <sup>st</sup> half of FY2010	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Net sales</b>	<b>100.8</b>	<b>108.8</b>	<b>+8.0</b>	<b>+7.9</b>	<b>198.0</b>	<b>54.9</b>
Cost of sales	35.9	41.3	+5.4	+15.1	77.0	53.7
Sales cost ratio	35.6%	38.0%			38.9%	
<b>SG&amp;A</b>	<b>42.3</b>	<b>40.9</b>	<b>-1.4</b>	<b>-3.4</b>	<b>90.0</b>	<b>45.4</b>
Operating income	22.6	26.6	+4.0	+17.7	31.0	85.7
Ordinary income	23.1	26.8	+3.7	+16.1	31.0	86.4
<b>Net income</b>	<b>11.4</b>	<b>14.7</b>	<b>+3.3</b>	<b>+28.8</b>	<b>16.0</b>	<b>91.7</b>

# Sales by Segment

[Q1 FY2010 Financial Results, April to June, 2010]



	FY2009	FY2010	Increase Decrease		Forecasts for 1 <sup>st</sup> half of FY2010	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
<b>Net sales</b>	<b>100.8</b>	<b>108.8</b>	<b>+8.0</b>	<b>+7.9</b>	<b>198.0</b>	<b>54.9</b>
[Overseas sales]	[6.2]	[6.7]	[+0.5]	[+7.7]	13.8	48.6
<b>Pharmaceuticals</b>	<b>98.2</b>	<b>106.0</b>	<b>+7.8</b>	<b>+8.0</b>	<b>192.6</b>	<b>55.0</b>
Ethical drugs domestic sales	88.9	96.1	+7.2	+8.2	172.4	55.7
Ethical drugs overseas sales	5.3	5.7	+0.4	+7.8	11.4	49.7
OTC	1.1	1.3	+0.2	+13.3	2.7	48.0
Others	3.0	3.0	0.0	+0.1	6.1	48.3
<b>Other Businesses</b>	<b>2.6</b>	<b>2.8</b>	<b>+0.2</b>	<b>+6.5</b>	<b>5.4</b>	<b>51.0</b>

# Ethical Drugs Domestic Sales of Main Products

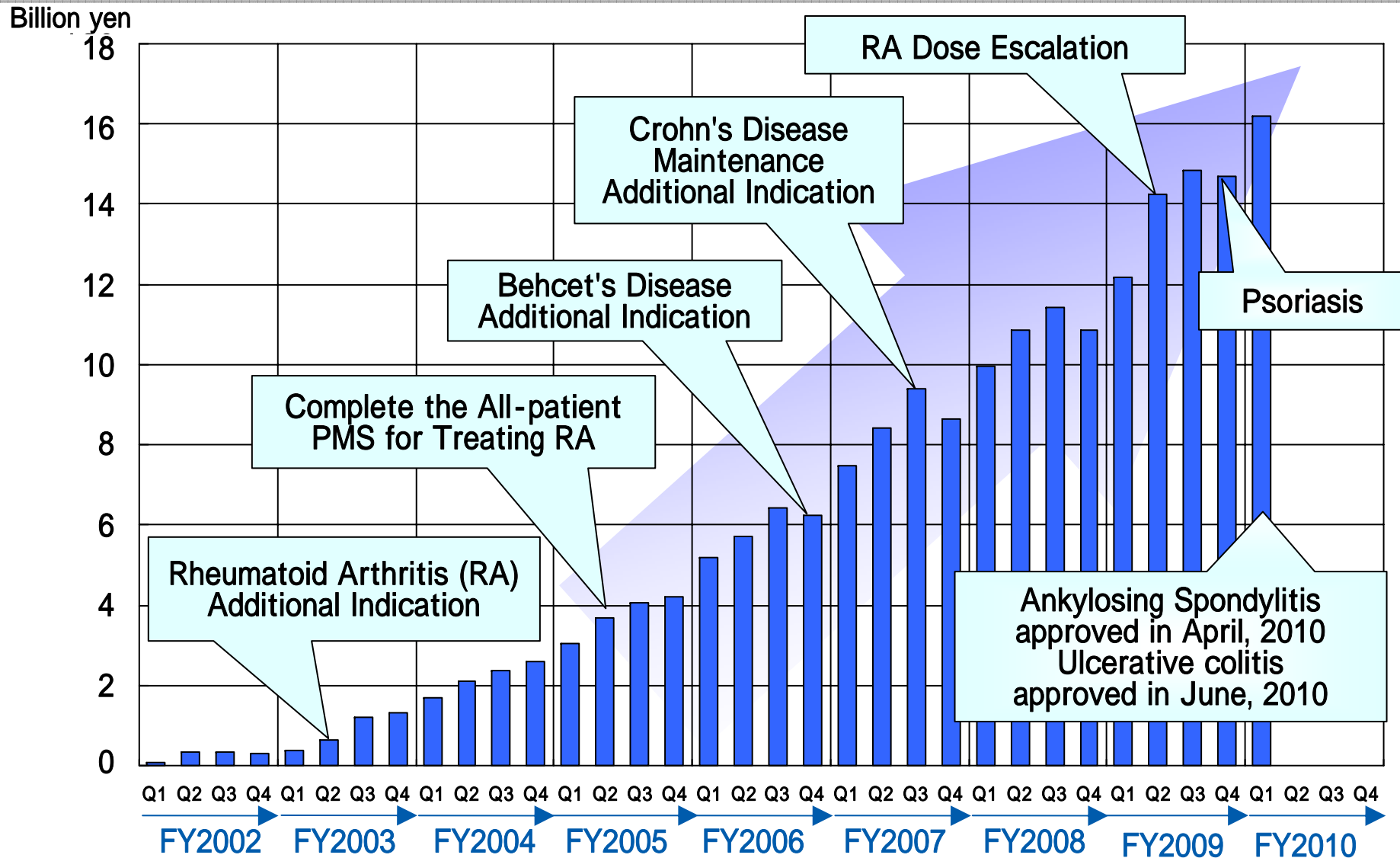
[Q1 FY2010 Financial Results, April to June, 2010]



	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	88.9	96.1	+7.2	+8.2
Remicade	10.3	14.4	+4.0	+38.9
Radicut	7.2	8.0	+0.8	+11.3
Anplag	5.1	4.5	-0.6	-11.4
Urso	4.3	4.1	-0.2	-4.3
Tanatril	3.2	2.8	-0.4	-13.3
Talion	2.4	2.7	+0.3	+12.4
Ceredist	4.4	4.8	+0.4	+8.9
Maintate	2.9	3.2	+0.3	+12.1
Depas	3.1	3.1	0.0	-0.4
Herbesser	3.0	2.7	-0.3	-10.1
Vaccines	6.3	7.7	+1.5	+23.3
[Mearubik]	(4.9)	(5.0)	(+0.1)	(+1.6)
[JEBIK V]	(0.4)	(1.8)	(+1.4)	(+351.0)

# Remicade Sales Trend (Drug Price Basis)

[Q1 FY2010 Financial Results, April to June, 2010]



# Cost of Sales/SG&A Expenses

[Q1 FY2010 Financial Results, April to June, 2010]



	FY2009	FY2010	Increase Decrease		Forecasts for 1 <sup>st</sup> half of FY2010	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	100.8	108.8	+8.0	+7.9	198.0	54.9
Cost of sales	35.9	41.3	+5.4	+15.1	77.0	53.7
Sales cost ratio	35.6%	38.0%			38.9%	
SG&A	42.3	40.9	-1.4	-3.4	90.0	45.4
R&D expenses	16.2	16.0	-0.2	-1.3	35.5	44.9
Labor costs	12.7	12.4	-0.3	-2.5	25.5	48.5
Sales promotion expenses	2.3	1.7	-0.5	-23.9	5.5	31.8
Amortization of goodwill	2.5	2.5	0.0	+0.1	5.0	50.7
Others	8.6	8.3	-0.4	-4.2	18.5	44.7
Operating income	22.6	26.6	+4.0	+17.7	31.0	85.7

# Non-operating Income and Expenses/ Extraordinary Income and Losses

[Q1 FY2010 Financial Results, April to June, 2010]



	FY2009	FY2010	Increase Decrease		Forecasts for 1 <sup>st</sup> half of FY2010	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	22.6	26.6	+4.0	+17.7	31.0	85.7
Non-operating income & expenses	0.5	0.2	-0.3			
Ordinary income	23.1	26.8	+3.7	+16.1	31.0	86.4
Extraordinary income	0.1	-	-0.1		-	-
Extraordinary losses	3.1	2.5	-0.6		3.0	81.9
Loss on valuation of investment in securities	0.2	1.6	+1.4			
Loss related to business suspension	0.6	0.7	+0.1			
Restructuring expenses	0.4	0.1	-0.3			
Impairment loss	1.8	-	-1.8			
Net income	11.4	14.7	+3.3	+28.8	16.0	91.7

# Forecasts for First Half FY2010



	1 <sup>st</sup> half of FY2009	1 <sup>st</sup> half of FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
<b>Net sales</b>	<b>198.2</b>	<b>198.0</b>	<b>-0.2</b>	<b>-0.1</b>
<b>Cost of sales</b>	<b>71.0</b>	<b>77.0</b>	<b>+6.0</b>	<b>+8.4</b>
Sales cost ratio	35.8%	38.9%		
<b>SG&amp;A</b>	<b>99.8</b>	<b>90.0</b>	<b>-9.8</b>	<b>-9.8</b>
[R&D expenses]	[44.6]	[35.5]	[-9.1]	[-20.3]
<b>Operating income</b>	<b>27.5</b>	<b>31.0</b>	<b>+3.5</b>	<b>+12.9</b>
<b>Ordinary income</b>	<b>27.9</b>	<b>31.0</b>	<b>+3.1</b>	<b>+11.1</b>
<b>Extraordinary income or loss</b>	<b>-4.6</b>	<b>-3.0</b>	<b>+1.6</b>	
<b>Net income</b>	<b>13.6</b>	<b>16.0</b>	<b>+2.4</b>	<b>+18.1</b>



# Status of New Product Development (1)

Changes Since Previous Announcement on May 12, 2010



## 【MTPC Development】

◆ Venoglobulin-IH (Polyethylene glycol treated human immunoglobulin)

Hypo and agammaglobulinemia: Additional dose      Approved (May, 2010)

---

◆ Remicade (Anti-THF $\alpha$  monoclonal antibody)

Ulcerative colitis: Additional indication      Approved (June, 2010)

---

◆ LIVALO (HMG-CoA reductase inhibitor)

Hypercholesterolemia      Filed in Taiwan (April, 2010) Tai Tien Pharmaceuticals  
Filed in Indonesia (June, 2010) Tanabe Indonesia

---

◆ MT-3995 (Selective mineralocorticoid receptor antagonist)

Hypertension      Phase1 in Europe (June, 2010)

# Status of New Product Development (2)

Changes Since Previous Announcement on May 12, 2010



## 【Joint Application and Co-Development】

### ◆ Omeprazole (Proton pump inhibitor)

Eradication of *Helicobacter pylori* in 3 diseases ( ): Additional indication

Gastric MALT lymphoma, idiopathic thrombocytopenic purpura,  
the stomach after endoscopic resection of early stage gastric cancer

Approved (June, 2010)

Filed by 9 companies, consisting of  
the said published evidences

### ◆ Pazucross (New quinolone antibacterial agent)

Severe or intractable case: Additional dose

Approved (July, 2010)

Sepsis, pneumococcus: Additional indication

(Toyama Chemical)

### ◆ Modiodal (Psychoneurotic agent)

Obstructive sleep apnea: Additional indication

Filed (May, 2010)

(Alfresa Pharma)

### ◆ CNTO148 ( Anti-THF $\alpha$ monoclonal antibody )

Rheumatoid arthritis

Filed (June, 2010)

(Janssen Pharma)

### **Cautionary Statement**

**The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the company and is subject to significant risks and uncertainties. Actual financial results may differ materially from these forecasts depending on a number of important factors.**