



Mitsubishi Tanabe Pharma Corporation FY2010 Second Quarter Business Results Briefing

November 1, 2010
Hotel Metropolitan Edmont

Michihiro Tsuchiya
President
Representative Director

FY2010 Second Quarter

(April to September, 2010)

Overview of Business Results

2nd Quarter of FY2010 Financial Results

【April to September, 2010】



	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	198.2	204.7	+6.4	+3.3
Cost of sales	71.0	77.8	+6.8	+9.6
Sales cost ratio	35.8%	38.0%		
SG&A	99.8	86.7	-13.1	-13.1
Operating income	27.5	40.2	+12.7	+46.3
Ordinary income	27.9	40.5	+12.6	+45.0
Net income	13.6	22.7	+9.2	+67.5

Sales by Business Segment

【Q2 FY2010 Financial Results】



	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	198.2	204.7	+6.4	+3.3
[Overseas sales]	(13.5)	(13.7)	(+0.2)	(+1.7)
Pharmaceuticals	193.4	199.8	+6.4	+3.3
Ethical drugs domestic sales	172.1	179.1	+7.0	+4.1
Ethical drugs overseas sales	11.3	11.3	0.0	-0.3
OTC	2.7	2.9	+0.2	+7.9
Others	7.3	6.5	-0.8	-11.1
Others	4.8	4.8	0.0	+0.9

Ethical Drugs Domestic Sales

Main Products

[Q2 FY2010 Financial Results]

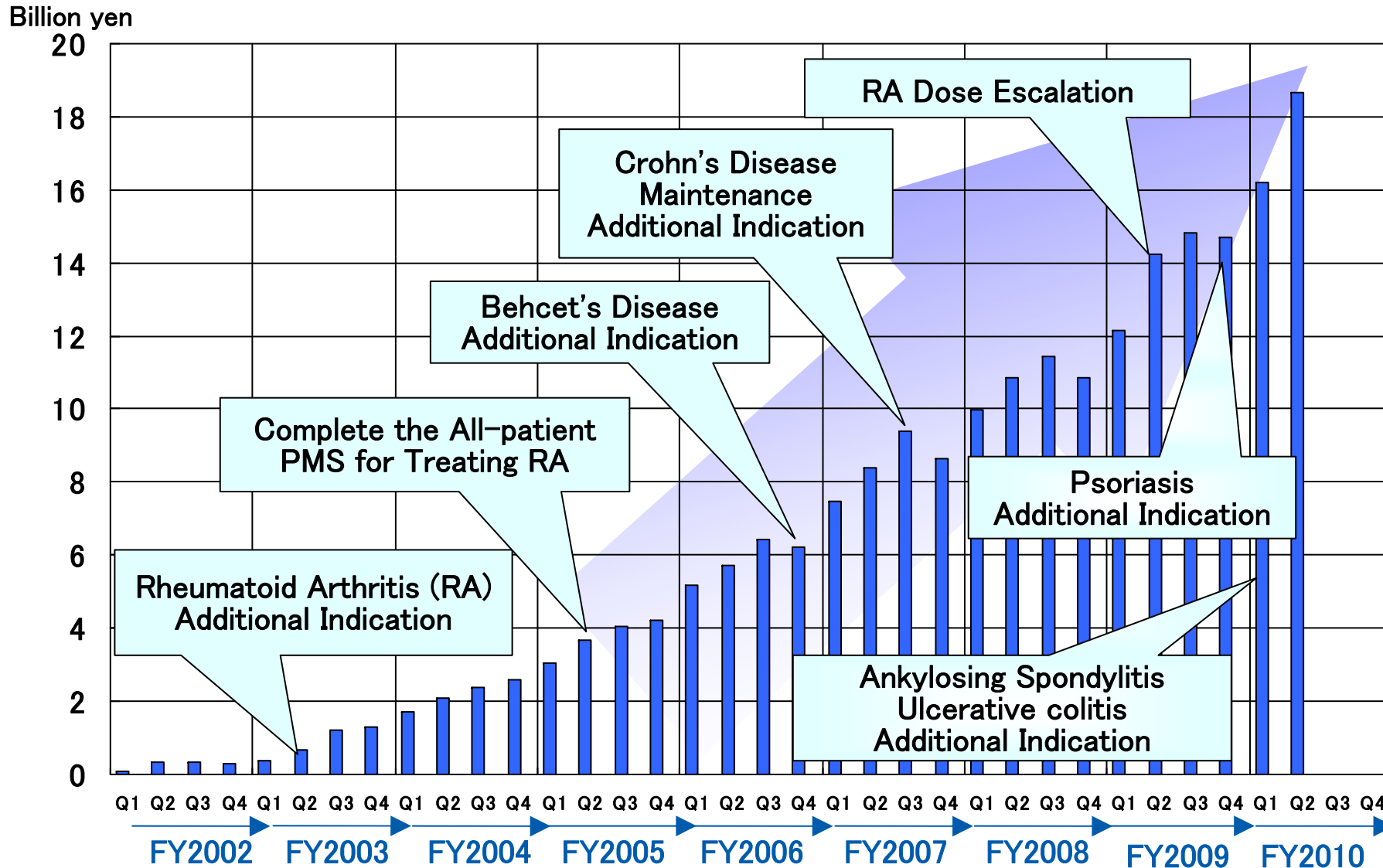


	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	172.1	179.1	+7.0	+4.1
Remicade	22.7	29.3	+6.6	+29.0
Radicut	13.9	14.3	+0.4	+2.9
Anplag	9.5	8.3	-1.2	-13.0
Urso	8.3	7.7	-0.5	-6.5
Tanatril	5.8	5.0	-0.8	-13.5
Talion	4.1	4.7	+0.6	+14.8
Ceredist	8.4	9.0	+0.6	+6.6
Maintate	5.5	6.0	+0.5	+9.1
Depas	5.9	5.7	-0.2	-2.6
Herbesser	5.6	4.9	-0.7	-12.2
Vaccines	13.1	15.1	+2.0	+15.4
[Mearubik]	[7.8]	[7.6]	[-0.2]	[-2.8]
[Influenza]	[2.4]	[1.9]	[-0.5]	[-19.3]
[JEBIK V]	[1.1]	[3.7]	[+2.6]	[+246.5]

Sales of H1N1 flu vaccines are not included in sales of vaccines and influenza vaccines.

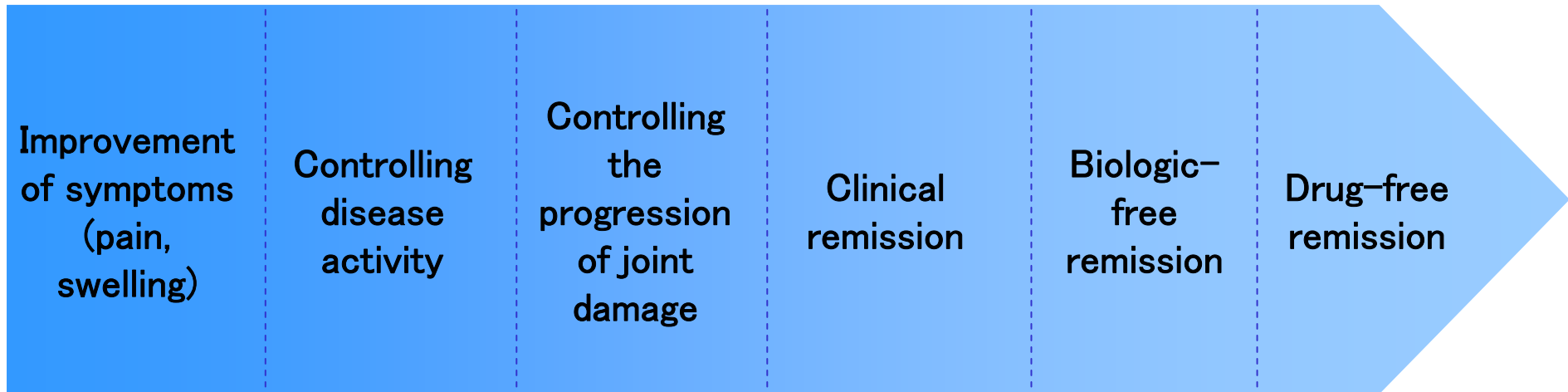
Remicade Sales Trend (Drug Price Basis)

【Q2 FY2010 Financial Results】



Transition of the RA Treatment Goals

【Q2 FY2010 Financial Results】



Anti-inflammatory drugs

Antirheumatic drugs

Remicade is the only biological agent of achieving drug-free remission.

By starting early diagnosis and earlier treatment, making it possible to achieve clinical remission, biologic-free remission, and drug-free remission

Cost of Sales/SG&A Expenses

【Q2 FY2010 Financial Results】



	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	198.2	204.7	+6.4	+3.3
Cost of sales	71.0	77.8	+6.8	+9.6
Sales cost ratio	35.8%	38.0%		
SG&A	99.8	86.7	-13.1	-13.1
R&D expenses	44.6	32.5	-12.1	-27.1
Labor costs	26.2	25.8	-0.4	-1.5
Sales promotion expenses	5.6	5.3	-0.3	-5.6
Amortization of goodwill	5.1	5.1	0.0	+0.1
Others	18.3	18.0	-0.3	-1.6
Operating income	27.5	40.2	+12.7	+46.3

Non-operating Income and Expenses/ Extraordinary Income and Losses

[Q2 FY2010 Financial Results]



	FY2009	FY2010	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Operating income	27.5	40.2	+12.7	+46.3
Non-operating income & expenses	0.5	0.3	-0.1	-30.0
Ordinary income	27.9	40.5	+12.6	+45.0
Extraordinary income	0.1	0.5	+0.4	
Extraordinary losses	4.7	3.8	-0.9	
Loss on valuation of investment in securities	0.3	2.4	+2.2	
Loss related to business suspension	1.7	0.7	-1.0	
Special retirement expenses	-	0.4	+0.4	
Restructuring expenses	0.5	0.1	-0.4	
Impairment loss	1.8	-	-1.8	
Net income	13.6	22.7	+9.2	+67.5

Forecasts for FY2010

(April 2009 to March 2011)

Forecasts for FY2010 [April 2009 to March 2010]

[Year on Year Comparison]



	FY2009 Actual	FY2010 Forecasts	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	404.7	401.0	-3.7	-0.9
Pharmaceuticals	395.7	390.7	-5.0	-1.3
Others	9.0	10.3	+1.3	+14.3
Cost of sales	147.8	154.0	+6.2	+4.2
Sales cost ratio	36.5%	38.4%		
SG&A	195.5	180.0	-15.5	-7.9
R&D expenses	83.1	70.0	-13.1	-15.7
Labor cost	53.0	51.0	-2.0	-3.8
Others	59.4	59.0	-0.4	-0.6
Operating income	61.5	67.0	+5.5	+9.0
Ordinary income	61.6	67.0	+5.4	+8.7
Extraordinary income	0.1	0.5	+0.4	+488.2
Extraordinary losses	10.8	7.5	-3.3	-30.3
Net income	30.3	35.5	+5.2	+17.3

Forecasts for Ethical Drugs Domestic Sales Main Products

【Year on Year Comparison】



	FY2009 Actual	FY2010 Forecasts	Increase Decrease	
	Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales	354.6	350.7	-3.9	-1.1
Remicade	47.2	60.7	+13.5	+28.7
Radicut	28.0	28.3	+0.3	+1.1
Anplag	18.4	16.0	-2.4	-13.3
Urso	16.3	15.0	-1.3	-7.7
Tanatril	11.1	9.3	-1.9	-16.7
Talion	10.6	12.6	+1.9	+18.2
Ceredist	16.9	17.8	+0.9	+5.4
Maintate	11.0	11.8	+0.8	+7.4
Depas	11.6	11.1	-0.5	-4.1
Herbesser	10.8	9.5	-1.3	-11.9
Vaccines	23.0	26.8	+3.8	+16.5
[Mearubik]	[11.8]	[11.8]	[0]	[+0.2]
[Influenza]	[6.4]	[7.3]	[+0.9]	[+14.6]
[JEBIK V]	[2.0]	[4.7]	[+2.7]	[+133.9]

In FY2009, sales of H1N flu vaccine are not included in sales of vaccine and influenza vaccine.
Seasonal vaccine of this year is composed of H1N1 flu vaccine and other seeds.

Dividend Policy

【Forecasts for FY2010】



- The basic concept for the dividend payout ratio is 35% (prior to amortization of goodwill), and the Company strives to return more aggressively to shareholders in the longer term.

	FY2007	FY2008	FY2009	FY2010 1 st Half	FY2010 (Estimate)
Dividends	¥ 26	¥ 28	¥ 28	¥ 14	¥ 28
Dividend Payout	44.0%	43.0%	39.0%	28.3%	34.5%

Tanabe Seiyaku's interim figures and Mitsubishi Tanabe Pharma's year-end figures were used for the FY 2007 dividends. The dividend payout ratio for FY2007 was calculated exclusive of the amortization of goodwill from Mitsubishi Tanabe Pharma's second-half net income, and with year-end dividends.

The dividend payout ratios from FY2008 are calculated exclusive of the amortization of goodwill from net income of the period, and with an annual dividends.

Progress in Development Projects and Creation of New Growth Drivers

Creation of New Growth Drivers



			P1	P2	P3	NDA filed	Approved	
FTY720	Multiple sclerosis	Japan	————●					Co-development with Novartis Pharma, (objective: filed in 2010)
		US, Russia Europe	————●					Licensed to Novartis Pharma, Approved in US, Russia in Sep. 2010 Filed in EU in Dec. 2009
MP-424	Chronic hepatitis C	Japan	————●					P3 started in Nov. 2008 (objective: filed in FY2010)
TA-7284	Diabetes mellitus	Japan	————●					P2 started in Nov. 2009
		US, EU	————●					Licensed to Johnson & Johnson, P3 started in Sep. 2009
MP-513	Type 2 diabetes mellitus	Japan	————●					P3 started in Oct. 2009
		EU	————●					P2 started in Aug. 2009, planning license-out
MCI-196	Hyperphosphatemia	US, EU	————●					P3 underway (objective: filed in FY2010)
MP-146	Chronic kidney disease	US, EU	————●					P3 underway
Escitalopram	Anti-depressant	Japan	————●					NDA by Mochida in Sep. 2010 Co-marketing with Mochida

Progress in Development Projects (1)

【Changes Since Previous Announcement on July 29, 2010】



【Licensing-out】

◆FTY720 (Sphingosine 1-phosphate receptor modulator)

- Licensed to Novartis Pharma A.G. (Switzerland)
- Multiple sclerosis Approved in US, Russia
(Sep, 2010)

◆TA-7906 (PDE4 inhibitor)

- Licensed to Maruho
- Atopic Dermatitis Phase 1 in Japan

Progress in Development Projects(2)

【Changes Since Previous Announcement on July 29, 2010】



【MTPC Development】

◆Acref (Oral transmucosal treatment for cancer pain)

Breakthrough cancer pain Approved in Japan (Oct., 2010)

◆Venoglobulin IH (Human immunoglobulin G)

Additional indication; polymyositis, dermatomyositis
Approved in Japan (Oct., 2010)

◆MP-435 (C5a receptor antagonist)

Rheumatoid arthritis Phase2 in Japan (July, 2010)



Mitsubishi Tanabe Pharma Corporation

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.