

Mitsubishi Tanabe Pharma Corporation

FY2011 Business Results

(April 1, 2011 – March 31, 2012)

Michihiro Tsuchiya

President and Representative Director



Mitsubishi Tanabe Pharma

May 10, 2012

FY2011 Business Results Outline

(Ended March 31, 2012)



FY2011 Financial Results

【April 1, 2011 to March 31, 2012】

New Value Creation



	FY2011	FY2010	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	407.1	409.5	-2.3	-0.6	405.0	100.5
Cost of sales	152.2	154.5	-2.2	-1.5	150.0	101.5
Sales cost ratio	37.4%	37.7%			37.0%	
Gross operation profit	254.8	254.9	-0.1	0.0	255.0	99.9
SG&A	185.8	178.3	+7.4	+4.2	187.0	99.4
Operating income	69.0	76.5	-7.5	-9.8	68.0	101.5
Ordinary income	68.7	76.6	-7.9	-10.3	68.0	101.1
Net income	39.0	37.7	1.2	3.4	37.5	104.0

* : Full-year forecasts announced on Jul. 29, 2011 in the financial results for Q1 FY2011

Sales by Business Segment

New Value Creation



Mitsubishi Tanabe Pharma

【FY2011 Financial Results】

	FY2011	FY2010	Increase/decrease		Full-year forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	407.1	409.5	-2.3	-0.6	405.0	100.5
[Overseas sales]	[28.3]	[25.7]	[+2.5]	[+9.9]	[27.0]	[104.9]
Pharmaceuticals	397.5	400.2	-2.6	-0.7	395.5	100.5
Ethical drugs domestic sales	355.4	361.6	-6.2	-1.7	358.0	99.3
Ethical drugs overseas sales	18.4	21.3	-2.8	-13.4	18.5	99.8
OTC	5.4	5.4	0.0	-0.6	5.0	108.0
Others	18.2	11.8	+6.4	+54.5	14.0	130.5
Other Businesses	9.5	9.3	+0.2	+3.1	9.5	101.0

Ethical Drugs Domestic Sales of Main Products

New Value Creation



【FY2011 Financial Results】

		FY2011	FY2010	Increase/decrease		Full-year forecasts	Achieved
		Billion yen	Billion yen	Billion yen	%		%
Ethical drugs domestic sales		355.4	361.6	-6.2	-1.7	358.0	99.3
Priority products	Remicade	66.3	60.4	+5.9	+9.8	66.4	99.8
	Radicut	22.4	28.7	-6.2	-21.6	23.7	94.8
	Anplag	15.2	16.4	-1.1	-7.2	15.0	101.5
	Maintate	13.6	12.3	+1.3	+11.3	13.4	101.5
	Talion	13.3	13.4	0.0	-0.6	14.5	91.8
	Tanatril	8.3	9.6	-1.3	-13.7	8.2	101.6
New	Kremezin*1	11.6	-	+11.6	-	12.2	95.5
Vaccines		28.8	29.6	-0.8	-2.8	29.5	97.3
[Mearubik]		[9.5]	[12.2]	[-2.7]	[-22.3]	[10.0]	[95.3]
[Influenza]		[9.0]	[7.1]	[+1.8]	[+26.6]	[8.2]	[109.3]
[JEVIK V]		[7.1]	[6.9]	[+0.1]	[+2.9]	[8.5]	[83.5]
Generics*2		17.4	14.0	+3.4	+24.4	17.3	100.9
Licensing fee, etc		9.5	2.4	+7.1	+293.0	6.0	159.9

*1: In FY2010, Daiichi Sankyo sold Kremezin on consignment from Mitsubishi Tanabe Pharma (MTPC), however, we do not disclose this sales

*2: Generics, and the long-listed drugs which were transferred from MTPC

Cost of Sales/SG&A Expenses

New Value Creation

【FY2011 Financial Results】



	FY2011	FY2010	Increase/decrease		Full-year forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	407.1	409.5	-2.3	-0.6	405.0	100.5
Cost of sales	152.2	154.5	-2.2	-1.5	150.0	101.5
Sales cost ratio	37.4%	37.7%			37.0%	
Gross operation profit	254.8	254.9	-0.1	0.0	255.0	99.9
SG&A	185.8	178.3	+7.4	+4.2	187.0	99.4
R&D expenses	70.2	65.7	+4.4	+6.8	69.0	101.8
Labor cost	51.9	52.5	-0.5	-1.1	51.5	100.9
Amortization of goodwill	10.1	10.1	0.0	-0.2	10.0	101.3
Others	53.4	49.9	+3.5	+7.1	56.5	94.7
Operating income	69.0	76.5	-7.5	-9.8	68.0	101.5

Non-operating Income and Loss/ Extraordinary Income and Loss

【FY2011 Financial Results】

New Value Creation



Mitsubishi Tanabe Pharma

	FY2011	FY2010	Increase/decrease		Full-year forecasts	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	69.0	76.5	-7.5	-9.8	68.0	101.5
Non-operating income & loss	-0.2	0.1	-0.3			
Ordinary income	68.7	76.6	-7.9	-10.3	68.0	101.1
Extraordinary income	1.1	0.6	0.5		-	
Extraordinary loss	6.1	13.2	-7.0		4.5	136.4
Impairment loss	3.3	0.8	+2.5			
Loss on valuation investments in securities	2.1	8.0	-5.8			
Others	0.6	4.4	-3.7			
Net income	39.0	37.7	1.2	3.4	37.5	104.0

Forecasts for FY2012

(Fiscal Year Ending March 31, 2013)



Forecasts for FY2012

	FY2012 (Estimate)	FY2011 (Achieved)	Increase/decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	429.0	407.1	+21.8	+5.4
Cost of sales	165.0	152.2	+12.7	+8.4
Sales cost ratio	38.5%	37.4%		
Gross operation profit	264.0	254.8	+9.1	+3.6
SG&A	194.0	185.8	+8.1	+4.4
Operating income	70.0	69.0	+0.9	+1.4
Ordinary income	70.0	68.7	+1.2	+1.8
Extraordinary income	-	1.1	-1.1	-
Extraordinary loss	4.0	6.1	-2.1	-
Net income	40.5	39.0	+1.4	+3.8

Sales by Business Segment

New Value Creation



Mitsubishi Tanabe Pharma

【Forecast for FY2012】

	FY2012 (Estimate)	FY2011 (Achieved)	Increase/decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	429.0	407.1	21.8	+5.4
[Overseas sales]	[38.5]	[28.3]	[+10.1]	[+35.9]
Pharmaceuticals	424.0	397.5	+26.4	+6.7
Ethical drugs domestic sales	375.0	355.4	+19.5	+5.5
Ethical drugs overseas sales	22.5	18.4	+4.0	+21.9
OTC	5.5	5.4	0.0	+1.8
Others	21.0	18.2	+2.7	+15.0
Other Businesses	5.0	9.5	-4.5	-47.9

Ethical Drugs Domestic Sales of Main Products

New Value Creation



【Forecast for FY2012】

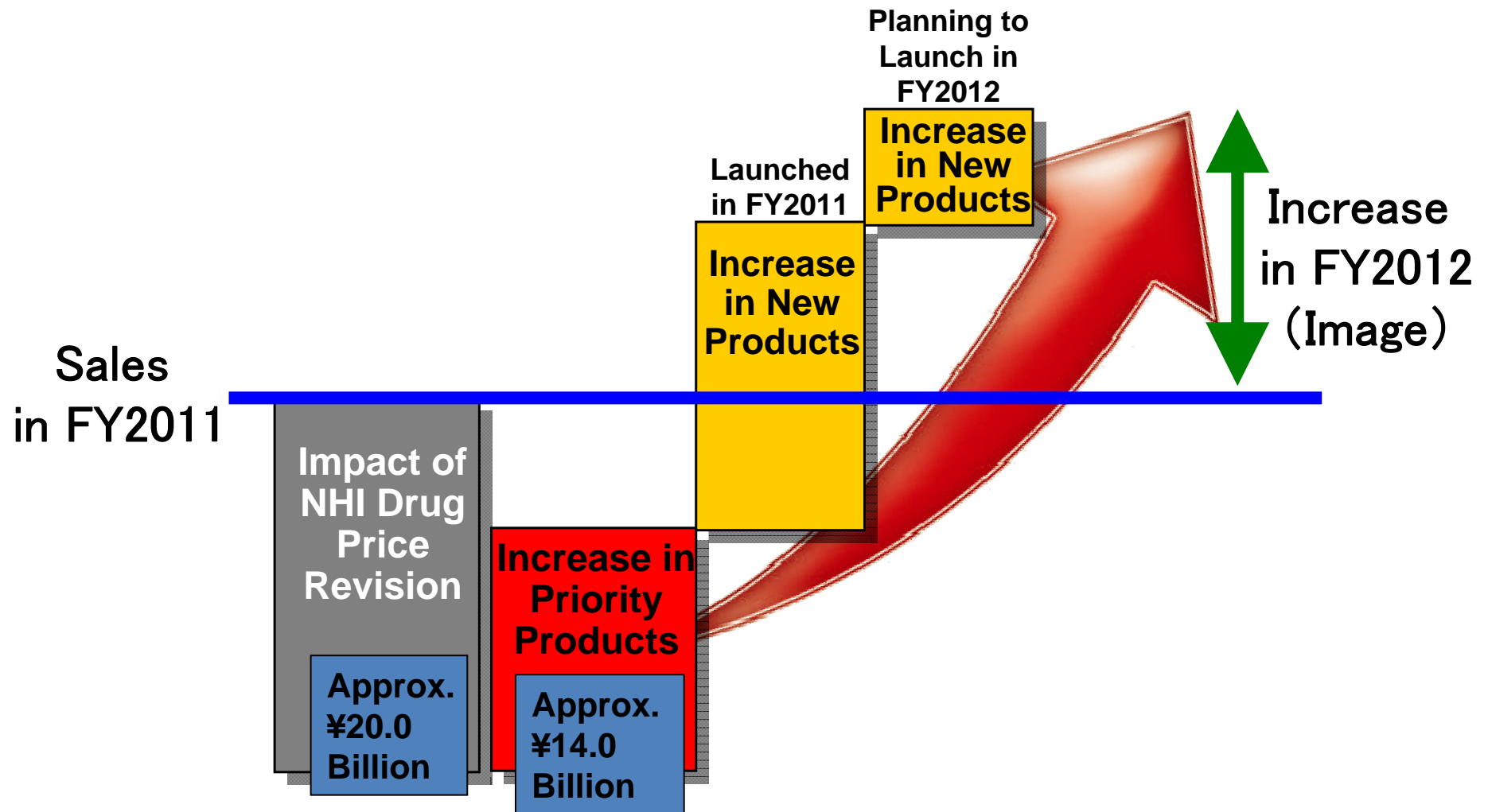
		FY2012 (Estimate)	FY2011 (Achieved)	Increase/decrease	
		Billion yen	Billion yen	Billion yen	%
Ethical drugs domestic sales		375.0	355.4	+19.5	+5.5
Priority products	Remicade	76.0	66.3	+9.6	+14.6
	Talion	16.5	13.3	+3.1	+23.7
	Maintate	14.5	13.6	+0.8	+5.9
	Kremezin	12.5	11.6	+0.8	+7.3
New	Telavic	10.0	1.4	+8.5	+572.5
	Lexapro	6.0	1.2	+4.7	+377.7
	Simponi	5.5	0.9	+4.5	+477.1
Vaccines		28.0	28.8	-0.8	-2.8
	[Mearubik]	[9.5]	[9.5]	[0.0]	[-0.5]
	[Influenza]	[9.0]	[9.0]	[0.0]	[-0.3]
	[JEVIK V]	[6.5]	[7.1]	[-0.6]	[-9.0]
Generics*		18.0	17.4	+0.5	+2.9
Licensing fee, etc		14.0	9.5	+4.4	+45.9

*: Generics, and the long-listed drugs which were transferred from MTPC

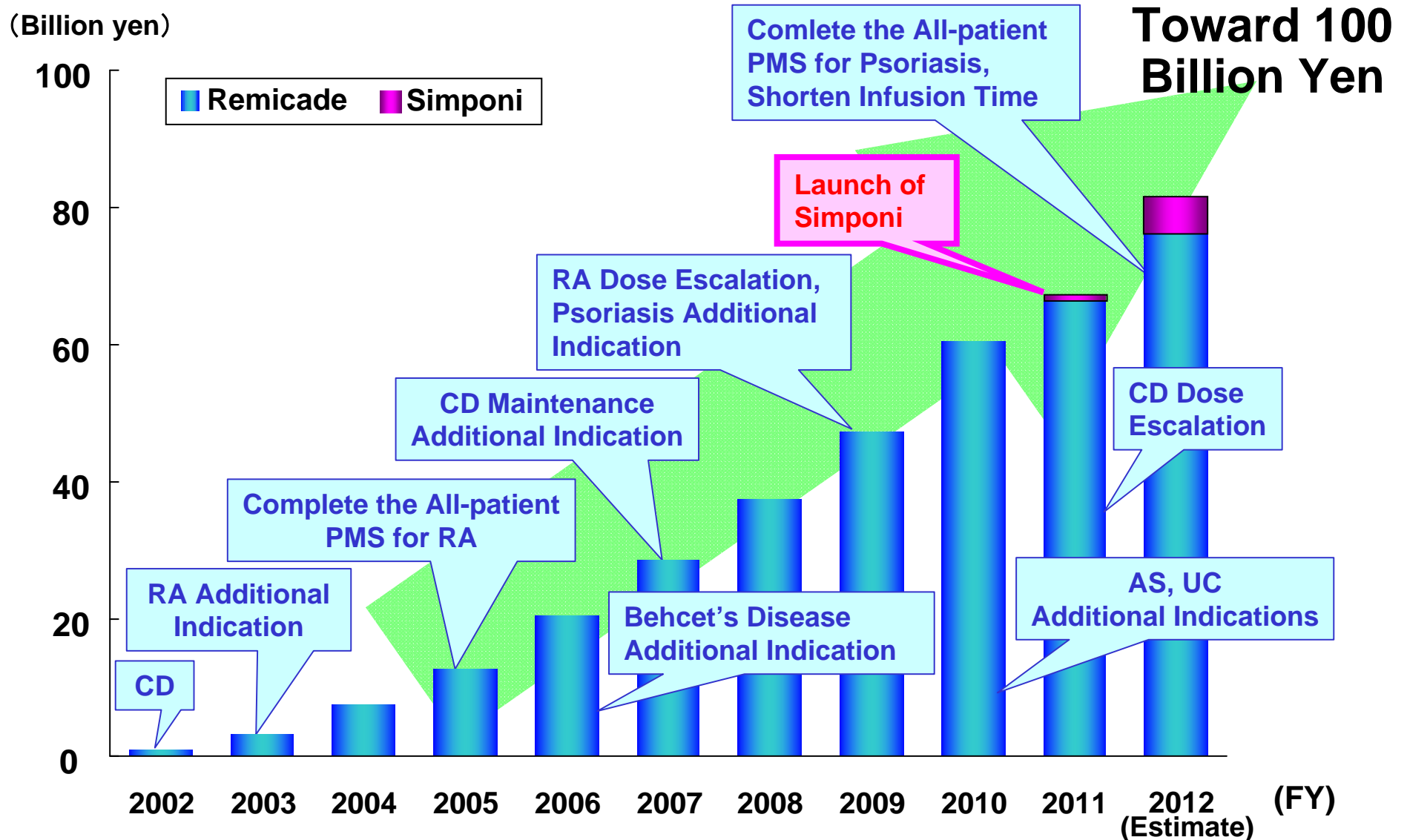
Growth Drivers in Ethical Drugs

Domestic Sales in FY2012

New Value Creation



Remicade and Simponi Sales Trend



CD: Crohn's Disease, RA: Rheumatoid Arthritis, AS: Ankylosing Spondylitis, UC: Ulcerative Colitis

Products expected in FY2012

■ MP-513 (DPP4 inhibitor/Type 2 diabetes mellitus)

- ✓ Expected to be effective ameliorating hyperglycemia with once-a-day oral administration
- ✓ Expected not to unnecessary to adjust the dosage for patients with impaired renal function
- ✓ Accepted to approval in Pharmaceutical Affairs and Food Sanitation Council on April 27
- ✓ Strategic sales alliance with Daiichi Sankyo
 - Strongest marketing capabilities, mutual visits to medical institutions

■ BK-4SP (Pertussis-diphtheria-tetanus-inactivated polio combined vaccine)

- ✓ Filed* by the Research Foundation for Microbial Diseases of Osaka University, BIKEN, in December 2011 (First combined vaccine including inactivated polio filed in Japan)
- ✓ High demand for inactivated polio vaccine because of its safety

*Co-developed with MTPC

Cost of Sales/SG&A Expenses

New Value Creation

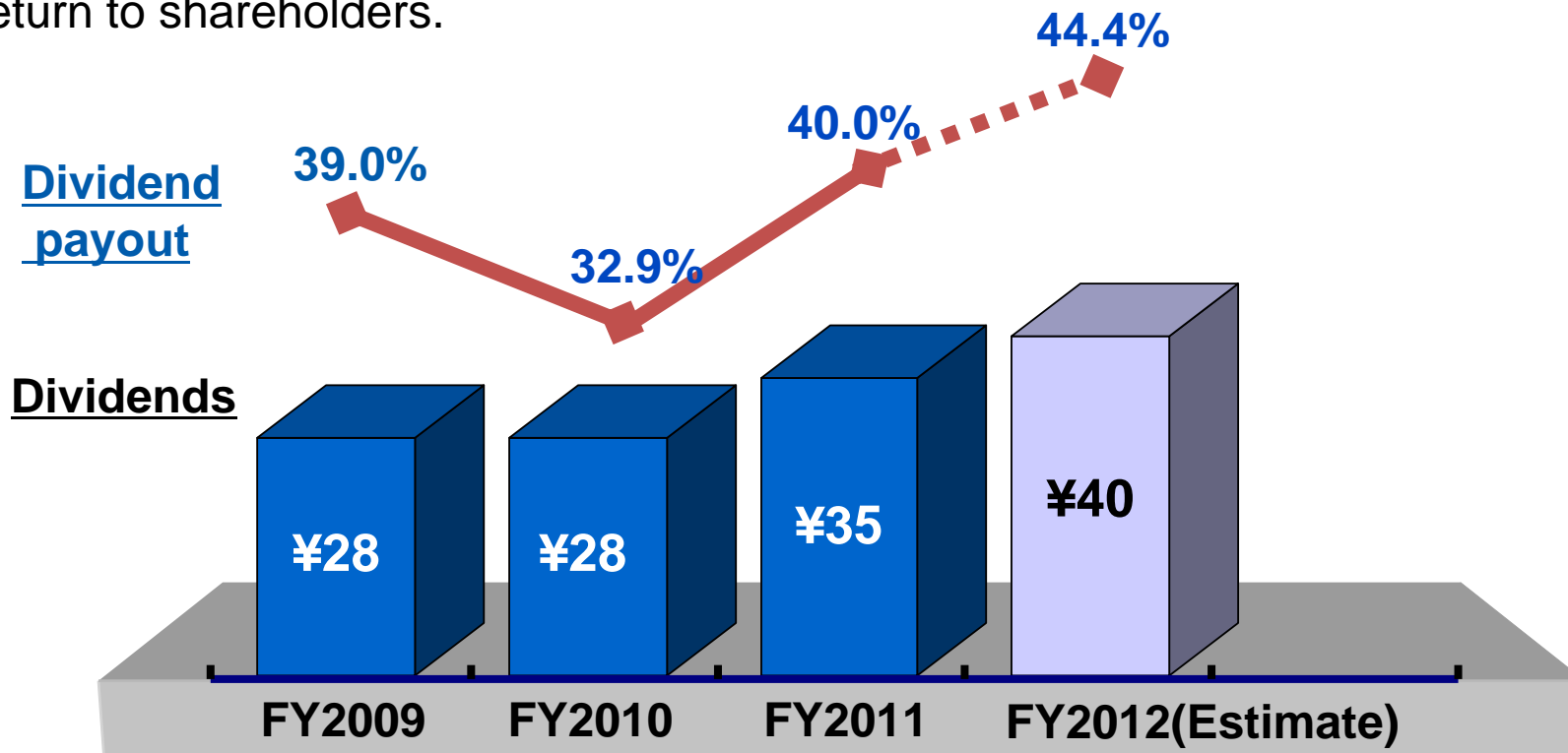
【Forecast for FY2012】



	FY2012 (Estimate)	FY2011 (Achieved)	Increase/decrease	
	Billion yen	Billion yen	Billion yen	%
Net sales	429.0	407.1	+21.8	+5.4
Cost of sales	165.0	152.2	+12.7	+8.4
Sales cost ratio	38.5%	37.4%		
Gross operation profit	264.0	254.8	+9.1	+3.6
SG&A	194.0	185.8	+8.1	+4.4
R&D expenses	72.0	70.2	+1.7	+2.5
Labor cost	52.0	51.9	0.0	+0.1
Amortization of goodwill	10.0	10.1	-0.1	-1.3
Others	60.0	53.4	+6.5	+12.2
Operating income	70.0	69.0	+0.9	+1.4

Shareholders Return

- MTPC's basic policy calls for providing a stable and continuous return to shareholders while striving to maximize enterprise value by aggressively investing in future growth.
- Under this medium-term management plan, in addition to profit growth, the basic for the dividend payout ratio (prior to amortization of goodwill) is 40% (that after amortization of goodwill is 50%), and MTPC will work to provide an enhanced return to shareholders.



Status of New Products Development

New Value Creation



【 Main changes since previous announcement on Jan. 31, 2012】

Licensing-out

To: Vivus

◆ TA-1790 (PDE5 inhibitor)

Erectile dysfunction

Filed in EU (Mar. 2012)

Approved in US (Apr. 2012)

LCM

◆ Remicade (Anti-human TNF α monoclonal antibody)

Additional Indications:

Subtype Behcet's disease

P3 in Japan (Jan. 2012)

Pediatric Crohn's disease

P3 in Japan (Apr. 2012)

Achievements in FY2011 toward the Medium-term Management Plan 11-15



Progresses in Domestic Operations Centering on New Products

→ ◆ ● Progresses

		FY2011	FY2012-
New Products	Simponi	Rheumatoid Arthritis, launch (Sep)	Ulcerative colitis developed by Janssen Pharmaceutical
	Imsera	Multiple Sclerosis, launch (Nov)	
	Telavic	Chronic hepatitis C, Genotype 2, P3 (Dec)	Expansion of combination therapy
	Lexapro	Depression, launch (Aug)	
	MP-513	Type 2 diabetes mellitus, filed (Aug)	Approved
	TA-7284	Type 2 diabetes mellitus, P3 (May)	
	MP-214	Schizophrenia, P2	P2b/3
LCM	Remicade	Crohn's disease, dose escalation (Aug)	Subtype Behcet's disease, P3 (Jan) Pediatric Crohn's disease, P3 (Apr) Severe Kawasaki disease
	Talion	Pediatric allergic rhinitis, P3 (Sep)	
	Radicut	Amyotrophic lateral sclerosis, P3	
	Maintate	Heart failure (May)	Chronic atrial fibrillation, P3 (Aug)

- **Establishment of New Organization in the Plasma Fractionation Operations**
 - ✓ A basic agreement between the Japanese Red Cross Society and Benesis, MTPC's consolidated subsidiary, regarding the integration of their plasma fractionation operations (June 17, 2011)
 - ✓ Planning to establish new organization "Japan Blood Products Organization"
 - ✓ Commence to its operation on October 1, 2012
 - ✓ Aim to achieve national self-sufficiency in blood products through the use of economies of scale to reduce costs and through efficient management

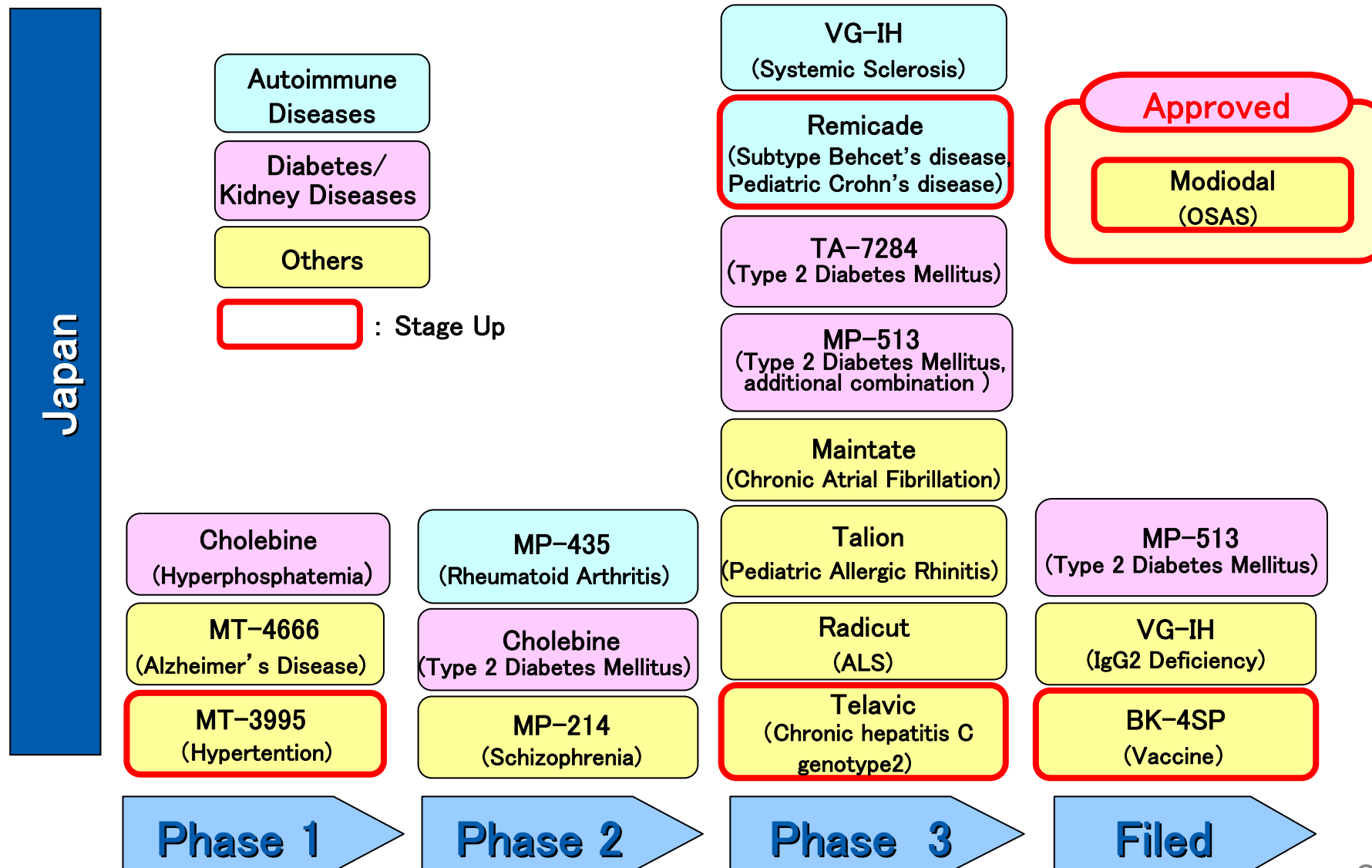
New Value Creation

Becoming a “Company that Can Continue to Create New Value”

Appendix: Development Pipeline Status <Japan>

As of May 8, 2012

Changes since announcement of Financial Results for FY2011 2Q (31 Oct, 2011)



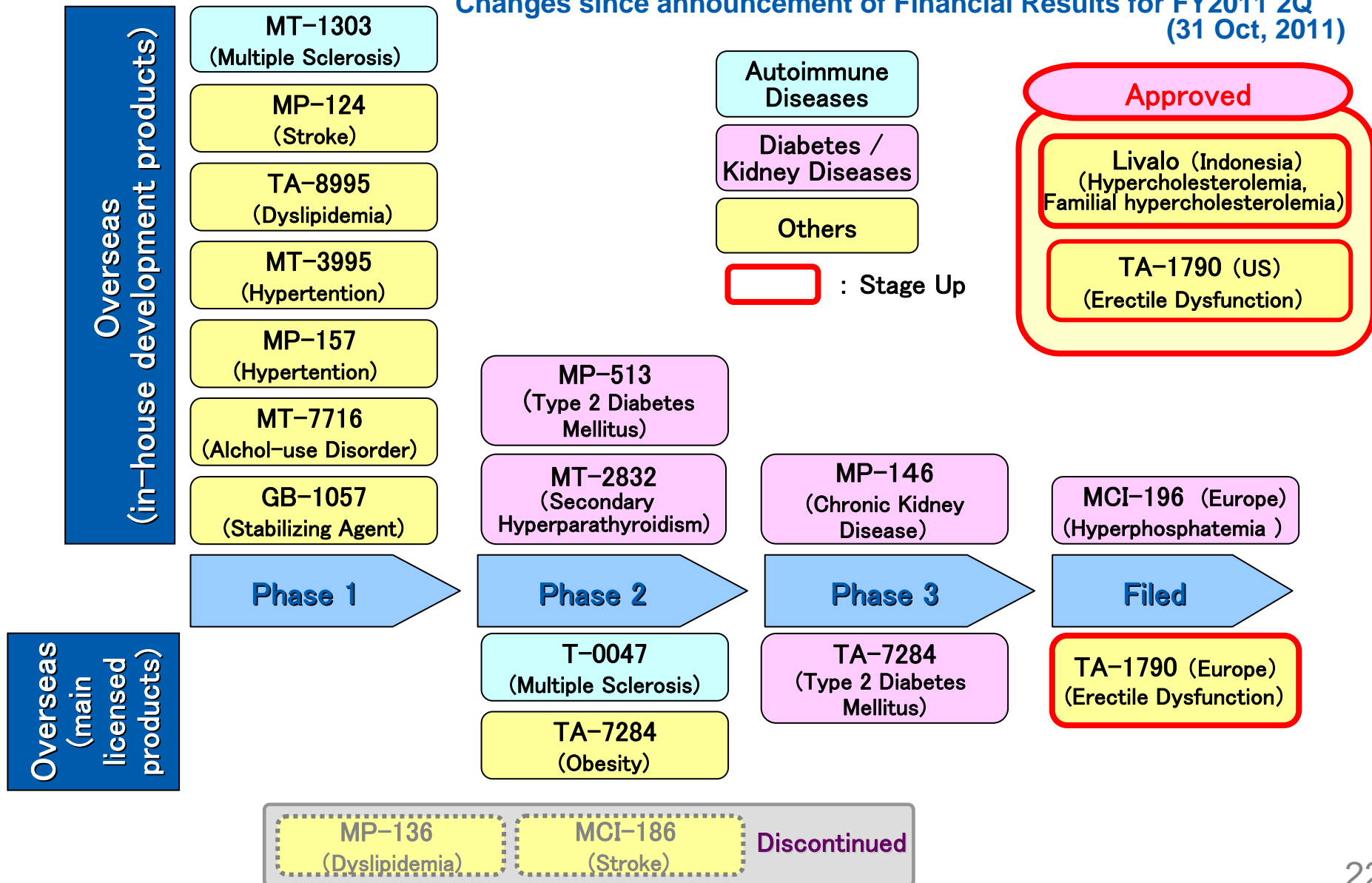
Appendix: Development Pipeline Status <Overseas>

As of May 8, 2012

New Value Creation



Changes since announcement of Financial Results for FY2011 2Q
(31 Oct, 2011)



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.