

Mitsubishi Tanabe Pharma Corporation

3rd Quarter of FY2012

Business Results

(April – December, 2012)

February 1, 2013

Kenkichi Kosakai

Board Director

Managing Executive Officer



Mitsubishi Tanabe Pharma

Overview of Q3 FY2012 Business Results

Sales

¥ 322.5 billion +2.2%, year-on-year

Up 2.2% due to Remicade, new products and royalty, etc.
Down ¥ 14.0 billion due to the NHI drug prices revision

Operating income

¥ 58.8 billion -1.8%, year-on-year

Net income

¥ 35.2 billion -1.7%, year-on-year

- Growth of Remicade sales: ¥ 56.5 billion, up 10.9%, ¥ 5.5 billion
- FTY720 (Gilenya) becomes blockbuster :
Sales of \$ 1,195 million in 2012 → MTPC royalty of ¥13.9 billion
- Growth of 6 new products sales: ¥ 16.1 billion, up ¥ 14.7 billion
- TA-7284: recommended approval by FDA Advisory Committee (Jan. 2013)
- Provision of reserve for HCV litigation: ¥ 2.0 billion

Q3 FY2012 Business Results Outline

A decorative horizontal bar with a blue-to-teal gradient, starting as a solid blue bar on the left and fading into a light teal gradient on the right.

Q3 FY2012 Financial Results

【April to December, 2012】

New Value Creation



	FY2012	FY2011	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	322.5	315.7	+6.8	+2.2	425.0	75.9
Cost of sales	126.7	119.3	+7.4	+6.2	167.0	75.9
Sales cost ratio	39.3%	37.8%			39.3%	
Gross operation profit	195.8	196.4	-0.5	-0.3	258.0	75.9
SG&A	136.9	136.4	+0.4	+0.4	188.0	72.9
Operating income	58.8	59.9	-1.0	-1.8	70.0	84.1
Ordinary income	60.1	60.3	-0.2	-0.4	71.0	84.7
Extraordinary income&loss	-4.1	-3.3	-0.8		-5.0	83.0
Net income	35.2	35.8	-0.6	-1.7	40.5	87.0

*: Published forecasts announced on October 29, 2012 in the financial results for Q2 FY2012.

Sales by Business Segment

New Value Creation



[Q3 FY2012 Financial Results]

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Net sales	322.5	315.7	+6.8	+2.2	425.0	75.9
[Overseas sales]	[31.9]	[20.5]	[+11.4]	[+55.5]	[41.0]	[77.9]
Pharmaceuticals	318.9	308.3	+10.5	+3.4	420.5	75.8
Ethical drugs domestic sales	278.5	278.5	0.0	0.0	369.0	75.5
Ethical drugs overseas sales	15.2	13.8	+1.3	+9.8	23.5	64.7
OTC	4.2	4.3	0.0	-1.9	5.5	77.8
Others	20.8	11.5	+9.3	+80.8	22.5	92.7
Other Businesses	3.6	7.4	-3.7	-50.7	4.5	81.2

Ethical Drugs Sales of Main Products

【Q3 FY2012 Financial Results】

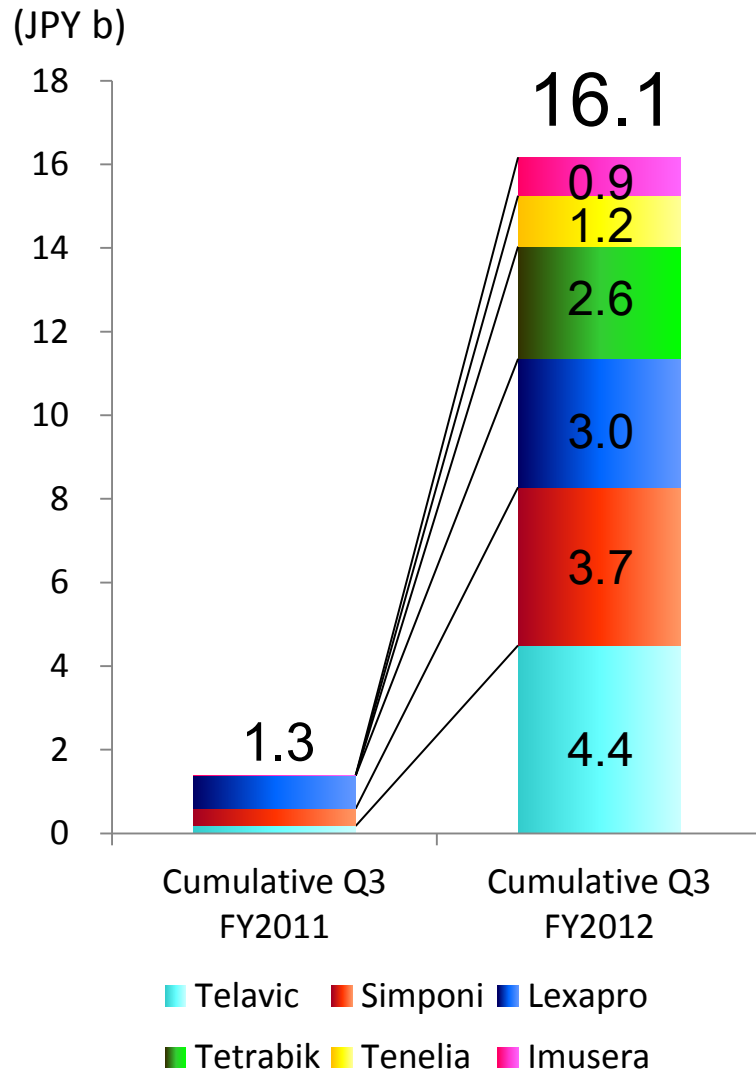
New Value Creation



		FY2012	FY2011	Increase/decrease		Full-year forecasts	Achieved
		Billion yen	Billion yen	Billion yen	%		%
Ethical drugs domestic sales		278.5	278.5	0.0	0.0	369.0	75.5
Priority products	Remicade	56.5	50.9	+5.5	+10.9	75.0	75.4
	Maintate	10.9	10.6	+0.2	+2.7	15.0	72.9
	Kremezin	9.4	9.0	+0.4	+4.7	12.5	76.0
	Talion	8.9	9.2	-0.2	-2.7	15.0	59.8
New	Telavic	4.4	0.1	+4.3	-	8.5	52.9
	Simponi	3.7	0.4	+3.3	-	7.0	54.0
	Lexapro	3.0	0.7	+2.2	-	5.5	55.9
Vaccines		23.9	24.5	-0.5	-2.2	29.5	81.3
	[Mearubik]	[6.1]	[7.4]	[-1.2]	[-17.4]	[8.0]	[77.0]
	[Influenza]	[8.3]	[8.7]	[-0.4]	[-4.9]	[8.5]	[98.1]
	[JEBIK V]	[4.1]	[6.1]	[-2.0]	[-33.1]	[6.0]	[68.9]
Generics*		14.6	13.4	+1.2	+9.0	19.0	76.9
Licensing fee, etc		15.8	5.0	+10.8	+216.1	15.5	102.0
	[Royalty from Gilenya]	[13.9]	[3.3]	[+10.5]	[+314.0]	[-]	[-]

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

New Products Sales Trends



■ Telavic (Chronic Hepatitis C)

- Thorough information provision for appropriate usage
- Patient registration : 8,256 (as of Dec. 31, 2012)

■ Simponi (RA)

- Successful market penetration because of easy administration and high efficacy
- Used in about 7,000 patients (total of Janssen and MTPC, estimated by MTPC)

■ Lexapro (Depression)

- Favorable growth of sales and market share after the removal of the ban on long-term prescription in Aug. 2012
- Steady market penetration

■ Tenelia (Type 2 Diabetes Mellitus)

- Launched (Sep. 10, 2012)
- Strategic sales alliance with Daiichi Sankyo (total 4,000 MRs)
- Working toward prompt market penetration and expansion of its prescriptions through the alliance with Daiichi Sankyo

■ Tetrabik (Tetra Vaccine)

- Launched (Oct. 31, 2012)
- Routine vaccination from Nov. 1, 2012

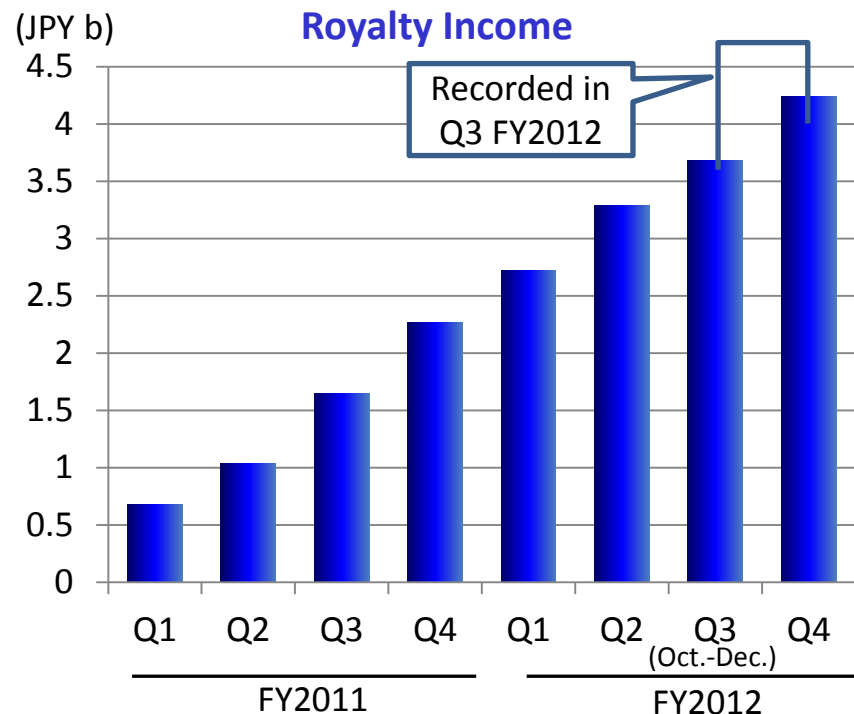
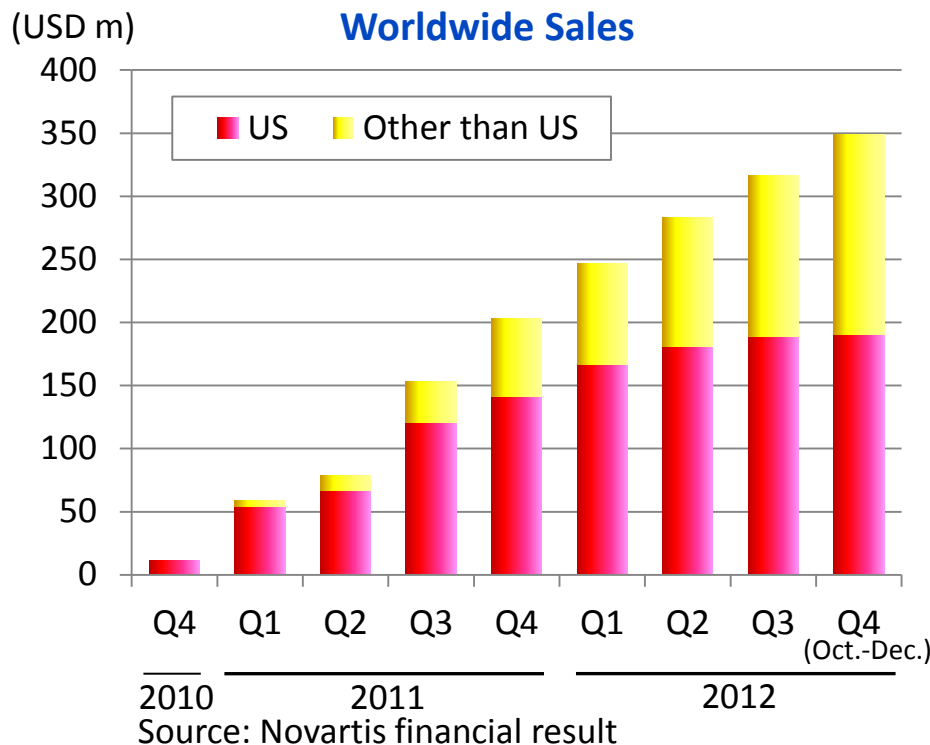
Imusera/Gilenya

- ◆ Novartis 2012 worldwide sales: about \$1.2 billion
- ◆ Approved in more than 65 countries
- ◆ Used in the treatment of more than 53,000 patients after marketing

Japan

- ◆ The ban on long-term prescription was removed on Dec. 1, 2012
 - 49%* increase in sales in Dec. 2012, based on drug price, month-to-month
 - 35%* of market share in Dec. 2012

*: total of Novartis Pharma and MTPC
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Cost of Sales/SG&A Expenses

New Value Creation



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Sales cost ratio	39.3%	37.8%			39.3%	
Gross operation profit	195.8	196.4	-0.5	-0.3	258.0	75.9
SG&A	136.9	136.4	+0.4	+0.4	188.0	72.9
R&D expenses	51.2	51.6	-0.3	-0.8	70.0	73.2
Labor costs	38.4	38.8	-0.4	-1.1	51.5	74.6
Amortization of goodwill	7.6	7.5	0.0	+1.2	10.2	75.4
Others	39.6	38.4	+1.2	+3.1	56.3	70.4
Operating income	58.8	59.9	-1.0	-1.8	70.0	84.1

Non-operating Income and Loss/ Extraordinary Income and Loss

【Q3 FY2012 Financial Results】

New *Value* Creation












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Operating income	58.8	59.9	-1.0	-1.8	70.0	84.1
Non-operating income & loss	1.2	0.4	+0.8			
Ordinary income	60.1	60.3	-0.2	-0.4	71.0	84.7
Extraordinary income	1.2	-	+1.2			
Gains on sales of fixed assets	0.6	-	+0.6			
Gains on transfer of business	0.3	-	+0.3			
Extraordinary loss	5.3	3.3	+2.0			
Loss on business integration	2.2	-	+2.2			
Provision of reserve for HCV litigation	2.0	-	+2.0			
Loss on sales of investment in securities	0.3	-	+0.3			
Loss on impairment of fixed assets	0.3	2.9	-2.5			
Net income	35.2	35.8	-0.6	-1.7	40.5	87.0

Development Pipeline



Progress of Development Pipeline

→ : Changes since Oct. 29, 2012

		Category (Indications)	Region (Licensing out partners)	P1	P2	P3	Filed	Approved	
In-house	MCI-196/ BindRen	Non-absorbed phosphate binder (Hyperphosphatemia)	Europe						
	MP-424	NS3-4A protease inhibitor (Chronic hepatitis C)	Taiwan						
	MT-9938	κ-opioid receptor agonist (Refractory pruritus)	US						
	MT-4666	α7nACh receptor agonist (Alzheimer's disease)	Japan						
	MT-1303	S1P receptor functional antagonist (Multiple sclerosis)	Europe		P2 start soon				
	MT-3995	Selective mineralocorticoid receptor antagonist (Diabetic nephropathy)	Europe		P2 start soon				
Licensing-out	TA-7284/ INVOKANA	SGLT2 inhibitor (Type2 diabetes mellitus)	US (Janssen Pharmaceuticals)					FDA AdCom recommended approval	
	MCC-847	Leukotriene D4 receptor antagonist (Asthma)	Korea (SAMA Pharma)						
	MT-4580	Ca sensing receptor agonist (Secondary hyperparathyroidism)	Japan (Kyowa Hakko Kirin)						

TA-7284 / Canagliflozin (Type 2 Diabetes Mellitus)

US, Europe: licensing-out to Janssen Pharmaceuticals

- FDA Advisory Committee recommended its approval on Jan. 10, 2013 (PDUFA: Q1, 2013)
- Trade name in US: INVOKANA
- Europe file submitted in Jun. 2012, EMA decision expected in Q3, 2013
- Fixed dose combination with metformin: US file submitted in Dec. 2012

Japan: Developed by MTPC

- Phase 3 program is ongoing
- Planning to file in 1st half of FY2013 (Apr-Sep, 2013)

MCI-196/ Colestilan (Hyperphosphatemia)

- Approved in Europe (Jan. 2013)
- Brand name : BindRen (Brand name in Japan : CHOLEBINE)
- Planning to market in Apr, 2013 in Germany by Mitsubishi Pharma Deutschland

Progress in MT-4666 and MT-9938

MT-4666 (Alzheimer's disease)

- Licensed from EnVivo
- P2 in Japan (Dec. 2012-)
- $\alpha 7$ nicotinic acetylcholine ($\alpha 7$ nACh) receptor agonist
- $\alpha 7$ nACh receptor is mainly expressed in cerebral cortex and hippocampus which are involved in cognition

MT-9938 (Refractory pruritus)

- Licensed from Toray
- P2 in US (Dec, 2012-)
- κ -opioid receptor agonist
- For treatment of pruritus in hemodialysis patients
- Launched for hemodialysis patients in Japan in 2009 by Toray and Torii (brand name: REMITCH)
- No psychological and physical addiction, suggested by the usage experience in Japan

MT-3995 (Diabetic nephropathy)

- Preparing for first dosing of P2 study in Europe
- Selective mineralocorticoid receptor antagonist
- Expected to reduce hyperkalemia and side effects related to sex hormone, etc.
- P1 study is ongoing in Japan

MT-1303 (Multiple sclerosis)

- Preparing for first dosing of P2 study in Europe
- Second generation of S1P receptor functional antagonist, improved safety profile
- P1 study is ongoing in Japan

New Value Creation

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

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.