Friday, February 1, 2013 from 6:30pm to 7:15pm

[Attendees]

Kenichi Yanagisawa, Board Director and Senior Managing Executive Officer, Division Manager of Sales & Marketing Division

Kenkichi Kosakai, Board Director and Managing Executive Officer, Corporate Management

Masayuki Mitsuka, Board Director and Managing Executive Officer, Division Manager of Development Division

[FY2012 Third Quarter Business Results]

Remicade & Simponi

Q: Although the sales of Remicade for the FY2012 third quarter (October to December) increased by 4.8% compared to the same period of the previous year, it seems to decrease a pace of growth. Is there market cannibalization with Simponi?

A: The disclosed change rate is the account settlement based on our shipment compared to the previous year, and it does not indicate a major change in the numbers of prescription of Remicade. There might be a shift from Remicade to Simponi to some extent. We are working in distinct marketing strategies for the two products; for Remicade, an intravenous injection, marketing focuses on its quick action and strong efficacy; for Simponi, efforts are made to promote shifting from other subcutaneous preparations injections and acquisition of new prescriptions, with a focus on its convenience as a subcutaneous injection). We would achieve sales growth for Remicade and Simponi as a total.

Q: What is the current situation in other indications than rheumatoid arthritis?

A: Remicade shows steady growth by constant progress for dose escalation for Crohn's disease and acquisition of new prescription of ulcerative colitis. Remicade shows a firm presence in the IBD (inflammatory bowel disease) area.

Q: Regarding the sales of Simponi, progress toward your full-year forecast seems to be tardy. Please describe the current situation?

A: Because we are working on a challenging plan, the progress seems to be somewhat tardy, but in the midst of severe competition among subcutaneous injection preparations, Simponi is highly appreciated for its advantages over competing products of the same kind, such as the once-per-4-week injection and the dose escalation.

Q: Self injection of Simponi is not permitted. Is this inferior to other subcutaneous injection preparations?

A: Simponi is administered every 4 weeks. We think it would be good for patients to visit their medical institutions for consultation in synchronization with its administration, and it is supported by doctors in this aspect. Since there are demands and advantages of self-injection, we would like to consider it in the future.

TENELIA

Q: You launched TENELIA last September. What is the current situation?

A: TENELIA is the fifth of commercially available DPP-4 inhibitors. In this increasingly harsh market environment, we think it unlikely to increase the prescription significantly until a long-term prescription is approved. Although the sales in the current third quarter is not so large, we are steadily acquiring new prescriptions through co-promotion with Daiichi Sankyo. By once-daily administration, TENELIA controls blood glucose levels all day, even after dinner through nighttime. In addition to doctors' favorable evaluation for high efficacy, we receive their voices appreciating TENELIA as the first Japanese original DPP-4 inhibitor created through the entire developmental process, from drug discovery to clinical development.

TELAVIC

Q: The sales of TELAVIC have been decreasing every quarter. Do you expect a recovery of the sales?

A: TELAVIC is currently under an all-patient post-marketing surveillance stage, so it is used only in limited medical institutions, strictly complying with the directions by the authorities. We are now endeavoring to collect and analyze the data, and will report the findings to the authorities and make consultation in pursuit of removal of the approval conditions. We expect the conditions to be lifted as early as possible. After completion of the surveillance, treatment by TELAVIC will be available to more patients.

Radicut

Q: How is Radicut influenced by generics? What is your current forecast?

A: We see the pace of erosion by generics to tend to decrease, and expect that the sales decline due to generics will stop in near future.

Royalty income from Gilenya

Q: You have changed the accounting procedure for the royalty income from Gilenya. Please

explain the change.

A: Previously, we had recorded the royalty income from Gilenya a quarter behind sales recognition at Novartis. Since the preparation has been completed in the current third quarter, we have reviewed conventional procedure to include the royalty income from Gilenya in the same period with sales recognition at Novartis. Hence, we estimated the royalty income for the 2012 October to December period (which was supposed to be included in the fourth quarter with the conventional procedure) and include it in the third quarter. Therefore, the royalty income for 6 months is included in the current third quarter, and the royalty income for 15 months will be included in FY2012.

Q: How do you estimate the royalty from Gilenya? And how about the exchange rate?

A: We receive the royalty every quarter. We calculate the royalty based on our estimation. And we use the quarterly average rate to calculate it.

Sales cost ratio and SG&A expenses

Q: Regarding the sales cost ratio for the current third quarter, you have additionally compiled the royalty income for three months, but despite this, the ratio has rose compared with the first half of the year. Why? Is there any influence of exchange rate fluctuation?

A: The increased ratio is due mainly to differences in product mix such as increased vaccine sales. Exchange rate fluctuation is not a major factor, its influence is small.

Q: Regarding R&D expenses and SG&A expenses, their progress toward your full-year forecast is tardy. Then, what is your current forecast?

A: We are implementing company-wide efforts for cutting various expenses, so the actual figures of cost would not reach the forecast.

Full-year forecast

Q: If the financial results for the current third quarter included the additionally compiled royalty income from Gilenya for three months, the figures seem to be rather week. What do you expect the target for FY2012 to be attained?

A: For our major ethical drugs in the domestic market, we are facing a harsher-than-expected situation with new products, so we would like to work hard mainly for the new products as well as the existing priority products. Also, we are implementing a company-wide campaign for cost reduction, with the aim to attain an operating profit of 70 billion yen.

[Development Pipeline]

MT-4666 (Alzheimer's disease)

Q: Regarding MT-4666, which was licensed from EnVivo, is Japan the only country covered in MTPC's territory? Is China included your territory?

A: Our territory covers Japan, Korea, Taiwan, Indonesia and some other Asian countries, but China is not included.

Q: EnVivo, which is engaged in its development overseas, has announced data on dose and efficacy (highly effective at the maximum dose). What is your future stance? Will you develop the drug based on this maximum dose in Japan as well?

A: We would like to confirm in the ongoing phase 2b study for the optimum dose for Japanese patients.

MT-3995 (diabetic nephropathy)/MT-1303 (multiple sclerosis)

Q: Regarding the European phase 2 studies of MT-3995 and MT-1303, you will develop them by yourself. What do you think about the timing of licensing out them to overseas companies?

A: Currently, we are planning to develop the two drugs until acquisition of POC or phase 2b.

TA-8995 (dyslipidemia)

Q: In January 2013, Dezima Pharma, a bio-venture in the Netherlands, announced that it had licensed in TA-8995, a CETP inhibitor, from MTPC. Will you receive milestones, royalty and the like?

A: We would like to refrain from mentioning the content of the agreement. Dezima Pharma will implement a development for an indication for dyslipidemia.

TA-1790 (erectile dysfunction)

Q: Regarding TA-1790 (Avanafil), which was licensed out to VIVUS, marketing approval in the US was gained in April 2012, but its marketing has not yet begun. In this regard, do you explain some progress?

A: We hear that VIVUS is negotiating with marketing partner candidates both in the US and Europe. We expect that the marketing partner will be determined as early as possible.