Monday, February 3, 2014 from 6:00pm to 6:45pm

[Attendees]

Ken-kichi Kosakai, Board Director and Managing Executive Officer, Corporate Management

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

Tetsuo Yoshikawa, Executive Officer, Division Deputy Manager of Sales & Marketing Division

【Earnings results for Q3 of FY2013】

Sales cost ratio

Q/Would you explain why the sales cost ratio was high in Q3 of FY2013?

A/The sales cost ratio for Q3 included a special factor - a decrease in inventory valuation - which helped push up the ratio by 0.5%. The sales cost ratio for full-year of FY2013 is expected to come close to the initially forecast level.

SG&A expenses

Q/In view of the result for Q3 of FY2013, part of R&D expenses for full-year is likely to remain. Could you explain why that may happen?

A/The budget includes in-licensing costs. If this cost is not occurred, part of R&D expenses for FY2013 may remain. As for other costs, there are no significant gaps between the initial budgets and actual spending.

Q/Is the preparation cost for domestic sales of TA-7284 counted in Q4 of FY2013?

A/Yes. Such preparation has already started.

Royalty income

Q/Royalty income for Gilenya appears to be growing more than it should be. Is there any particular reason for that other than the exchange rates?

A/No. The yen's depreciation was the only reason for that.

Q/How much running royalty did your company receive for Invokana? Also, how much one-time income did the company receive following the drug's approval in Europe?

A/I cannot answer your question because that is a matter involving individual contracts. What I can say about your question is that running royalty for the drug's

July-September sales and one-time income for its European approval was booked in Q3 of FY2013.

【Forecasts for FY2013 and FY2014】

Q/Hold-off buying of Remicade and Simponi is expected to be occurred in Q4 because Remicade is subject to repricing for market expansion. In view of that trend, is it possible for the company to achieve 63 billion yen of the forecast of operating income for FY2013?

A/The market environment of domestic ethical drugs, including newly launched products, is much more severe than initially forecast. But the company is doing its utmost to achieve the forecast of operating income.

Q/The overall consensus by market analysts is 66 billion to 67 billion yen of operating income for FY2014. But that appears very difficult to achieve.

A/The NHI drug price revision will be a significant factor in pushing down our earnings next fiscal year. But we want to chalk up higher operating income in the year by expanding royalty revenue for Gilenya and Invokana, and by reducing business costs.

Q/Are there any effects on the profit and loss for FY2013 and FY2014 from the acquisition of Medicago?

A/Only the October-December financial results of Medicago will be reflected in our company's FY2013 results, specifically in Q4. But the effects are expected to be minimal. R&D expenses are expected to increase with progress of its pipelines from FY2014 onward.

【Effects of NHI drug price revision】

Q/Remicade becomes subject to repricing for market expansion. It will affect the achievement of the numerical targets of the current medium-term management plan. Do you have any plans to take additional cost-cutting measures to achieve the targets?

A/Other factors likely to affect the plan include sluggish sales of long-listed drugs. We will devise company-wide cost-cutting measures possibly by the end of March.

【Cost-cutting measures】

Q/Will the planned cost-cutting measures be implemented before the end of the current medium-term management plan?

A/Yes. The cost-cutting measures we are currently working on are meant for

implementation through the end of 2015.

Q/Do you expect the planned measures to generate the intended results in the first year?

A/Given the severe business environment surrounding our company, we will implement the measures ahead of schedule.

Q/Is your company thinking of introducing an early retirement plan?

A/We are considering many options to reduce costs, including personnel number.

【Others】

Remicade（Rheumatoid arthritis and others）

Q/Have you filed for permission to sell Remicade as an authorized generic (AG) drug through companies such as Tanabe Seiyaku Hanbai?

A/No, but we are considering various possibilities.

AGs

Q/Did Tanabe Seiyaku Hanbai receive any offers from other companies regarding the handling of AGs?

A/No, we have not heard anything about that. But our company is now formulating a business strategy regarding AGs.

Bipha/Medway

Q/Why did you set up an office aimed at promoting the drug Medway on January 1?

A/The office has been established at Mitsubishi Tanabe Pharma, in order to resume Medway production at an early time.

Q/Bipha is unlikely to go into the black soon. Why are you sticking so much to resuming Medway production?

A/We are considering it, while cautiously taking into account various factors, such as the drug's role as a virus-free product, a policy of self-sufficiency of albumin preparations by a domestic product and its commercial feasibility.