

Summary of 1st Quarter Financial Results for year ended March 31, 2012 (Japan GAAP) (Unaudited)

July 29, 2011

Company name: Mitsubishi Tanabe Pharma Corporation
 Stock exchange listings (Section): Tokyo, Osaka (First Sections)
 Securities code number: 4508
 URL: <http://www.mt-pharma.co.jp/>
 Representative: Name: Michihiro Tsuchiya
 Title: President and Representative Director
 For further information, please contact: Name: Yoshihisa Sasou
 Title: General Manager, Corporate Communications Department
 Telephone: (06) 6205-5211

Planned date of filing of quarterly securities report: August 4, 2011

Planned date of start of dividend payments: —

Provision of supplementary explanatory materials for quarterly results: Yes

Quarterly results presentation: Yes (for institutional investors and investment analysts)

Notes: Amounts less than ¥ 1 million have been rounded.

Percentage changes in the list show change in comparison with the previous 1st quarter.

1. Results for 1st Quarter (April 1, 2011 to June 30, 2011)

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
1st Quarter of Fiscal 2011	102,255	(6.0)	22,738	(14.5)	22,985	(14.2)
1st Quarter of Fiscal 2010	108,761	7.9	26,581	17.7	26,790	16.1

	Net income		Net income per share	Net income per share (diluted)
	Yen million	% change	Yen	Yen
1st Quarter of Fiscal 2011	11,424	(22.1)	20.36	-
1st Quarter of Fiscal 2010	14,669	28.8	26.14	-

(Note) Comprehensive Income ¥11,312 million, (16.9)% (¥13,615 million, —% in 1st Quarter of fiscal 2010)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Yen million	Yen million	%
30-Jun-11	806,314	699,366	86.0
31-Mar-11	818,705	695,959	84.3

(Note) Shareholders' equity ¥693,441 million (¥690,201 million in fiscal 2010)

2. Dividends

(Record date)	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
Fiscal 2010	-	14.00	-	14.00	28.00
Fiscal 2011	-	-	-	-	-
Fiscal 2011 (projected)	-	14.00	-	14.00	28.00

(Note) Revision to recently announced dividend forecast: No

3. Forecasts for Fiscal 2011 (April 1, 2011 to March 31, 2012)

	Net sales		Operating income		Ordinary income	
	Yen million	% change	Yen million	% change	Yen million	% change
1st half	199,000	(2.8)	32,000	(20.3)	32,000	(20.9)
Full year	405,000	(1.1)	68,000	(11.2)	68,000	(11.3)

	Net income		Net income per share
	Yen million	% change	Yen
1st half	16,500	(27.3)	29.41
Full year	37,500	(0.7)	66.84

(Note) Revision to recently announced consolidated results forecast: Yes

4. Other

(1) Significant change involving subsidiaries during the period: No
(Change in designated subsidiaries accompanying changes in the scope of consolidation)

(2) Application of special accounting methods in the preparation of quarterly financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, restatements

1. Change accompanying revision of accounting standards: No

2. Other changes: No

3. Change in accounting estimates: No

4. Restatements: No

(4) Number of shares issued (common stock)

1. Number of shares issued at the end of the period (including treasury stock)

1st Quarter of fiscal 2011	561,417,916 shares	Fiscal 2010	561,417,916 shares
----------------------------	--------------------	-------------	--------------------

2. Number of shares of treasury stock at the end of the period

1st Quarter of fiscal 2011	353,453 shares	Fiscal 2010	353,152 shares
----------------------------	----------------	-------------	----------------

3. Average number of shares of during the period (quarter)

1st Quarter of fiscal 2011	561,064,594 shares	1st Quarter of fiscal 2010	561,159,048 shares
----------------------------	--------------------	----------------------------	--------------------

*Note regarding implementation of quarterly review procedures

At the time when this summary of 1st quarter financial results was released, the review procedures were in progress for the quarterly financial statements in accordance with the Financial Instruments and Exchange Act.

*Explanation regarding the appropriate use of results forecasts and other matters of special note

(Note about forward-looking information)

In these materials, forecasts of results and other statements about the future are forward-looking statements based on a number of assumptions and beliefs in light of the information available to management as of the date of release of the materials and are subject to risks and uncertainties. Actual financial results may differ materially from these forecasts depending on a number of important factors.

For matters related to results forecasts, please see page 4.

(Methods of obtaining the supplementary materials and the content of the results presentation)

·Supplementary materials are included from page 12 of this document in section "3. Supplementary information."

·The Company plans to hold a results presentation (conference call) for institutional investors and securities analysts on July 29, 2011 (Friday).

The Company plans to make available on its website the content of the presentation (sound) and the presentation materials immediately after the presentation is held.

Contents of supplement

- 1. Qualitative Information, Financial Statements, etc.1
 - (1) Qualitative information about consolidated results of operations1
 - (2) Qualitative information about consolidated financial position3
 - (3) Qualitative information about consolidated results forecasts.....4
- 2. Consolidated Financial Statements6
 - (1) Consolidated Balance Sheets.....6
 - (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income8
 - Consolidated Statements of Income8
 - Consolidated Statements of Comprehensive Income9
 - (3) Consolidated Statements of Cash Flows 10
 - (4) Note regarding going concern assumption 11
 - (5) Note regarding substantial change in shareholders' equity..... 11
 - (6) Subsequent Event..... 11
- 3. Supplementary information..... 12
 - (1) Revisions of Forecasts for FY2011 Ending March 31, 2012 12
 - (2) Consolidated Financial Indicators for 1st Quater of FY2011 14
 - (3) State of New Product Development 18

1. [Qualitative Information, Financial Statements, etc.]

(1) Qualitative information about consolidated results of operations

Consolidated results in the first quarter of the fiscal year ended March 31, 2012 (April 1, 2011 to June 30, 2011) were as follows.

(millions of yen)

	1 st quarter of previous fiscal year	1 st quarter of current fiscal year	Increase/ decrease	% change
Net Sales	108,761	102,255	(6,506)	(6.0)
Cost of sales	41,317	37,357	(3,960)	(9.6)
Cost of sales ratio	38.0%	36.5%		
Gross profit	67,444	64,898	(2,546)	(3.8)
SG&A expenses	40,863	42,160	1,297	3.2
Operating Income	26,581	22,738	(3,843)	(14.5)
Non-operating income/loss	209	247	38	
Ordinary Income	26,790	22,985	(3,805)	(14.2)
Extraordinary income/loss	(2,457)	(3,165)	(708)	
Net Income	14,669	11,424	(3,245)	(22.1)

【Net sales】

Net sales decreased 6.0%, or ¥6.5 billion, year-on-year, to ¥102.2 billion.

(millions of yen)

	1 st quarter of previous fiscal year	1 st quarter of current fiscal year	Increase/ decrease	% change
Pharmaceuticals	106,005	99,751	(6,254)	(5.9)
Domestic ethical drugs	96,098	89,757	(6,341)	(6.6)
Overseas ethical drugs	5,662	4,679	(983)	(17.4)
OTC products	1,289	1,426	137	10.6
Others in Pharmaceuticals	2,956	3,889	933	31.6
Others	2,756	2,504	(252)	(9.1)

- In the pharmaceuticals segment, net sales were ¥99.7 billion, down 5.9%, or ¥6.2 billion, year-on-year.
- Although favorable sales were recorded by such products as Remicade, an anti-TNF α monoclonal antibody; Talion, a treatment for allergic disorders; and Maintate, a selective β 1 antagonist, there was a rebound from a temporary increase in orders that was recorded at the end of the previous fiscal year due to the influence of the Great East Japan Earthquake, which occurred in March. As a result, the domestic sales of ethical drugs were ¥89.7 billion, down 6.6%, year-on-year.

- Overseas sales of ethical drugs were down 17.4%, year-on-year, to ¥4.6 billion, and sales of OTC products increased 10.6%, year-on-year, to ¥1.4 billion.
- Sales of others in pharmaceuticals increased 31.6%, year-on-year, to ¥3.8 billion due to the royalty revenue of FTY720.

【Operating income】

Operating income decreased 14.5%, or ¥3.8 billion, year-on-year, to ¥22.7 billion.

- As a result of the decrease in net sales, gross profit was ¥64.8 billion, a decrease of 3.8%, or ¥2.5 billion.
- Labor costs rose as a result of increased retirement benefits expense. Moreover, sales promotion expenses increased. Consequently, SG&A expenses were up 3.2%, or ¥1.2 billion, year-on-year, to ¥42.1 billion.
- R&D expenses were ¥15.7 billion, down 1.3%, or ¥0.2 billion, year-on-year, accounting for 15.4% of net sales.

【Ordinary income and net income】

Due to the decrease of operating income, ordinary income was down 14.2%, or ¥3.8 billion, year-on-year, to ¥22.9 billion, and net income was down 22.1%, or ¥3.2 billion, year-on-year, to ¥11.4 billion.

- Extraordinary losses were ¥3.1 billion, including loss on impairment of fixed assets of ¥2.9 billion. In the previous fiscal year, the Company recorded extraordinary losses of ¥2.4 billion, such as loss on valuation of investment in securities of ¥1.6 billion.

【Comprehensive income】

Net income before minority interests was ¥11.5 billion, due to other comprehensive loss of ¥0.2 billion, and comprehensive income of ¥11.3 billion. Comprehensive income attributable to shareholders of the Company was ¥11.0 billion.

【Other】

In January 2011, the Group confirmed that the Ashikaga Plant of Mitsubishi Tanabe Pharma Factory Ltd., a consolidated subsidiary of the Company, had not performed certain tests related to the shipping of products. Immediately after the announcement of this problem, multiple initiatives, including comprehensive quality tests, were implemented at the Group's domestic manufacturing facilities. In addition, the Company instituted the Risk Management Committee for Quality Control Problems (hereinafter, the Risk Management Committee), which is composed of outside experts. On April 27, 2011, the Company released the Comprehensive Report on Quality Control Problem, which was based on the results of these tests, on successive improvement measures that were implemented following the detection of problems, and on advice from the Risk Management Committee regarding the investigation of the cause of the incident and measures to prevent a recurrence. In these ways, the

Group has worked to prevent a recurrence.

In regard to this problem, on July 19, 2011, the Ashikaga Plant of Mitsubishi Tanabe Pharma Factory Ltd. received a 10-day business suspension order for manufacturing of pharmaceuticals (July 20 to July 29, 2011) from Tochigi Prefecture in accordance with the Pharmaceutical Affairs Law 75-1 on account of a violation of the Good Manufacturing Practice (GMP) ministerial ordinance. Furthermore, on the same day the Company received a business improvement order from the Minister of Health, Labour and Welfare in accordance with the Pharmaceutical Affairs Law 72-4-1 on account of a violation of the Good Quality Practice (GQP) ministerial ordinance related to operations that failed to follow GQP.

In consideration of these actions, moving forward the Group will work earnestly to prevent a recurrence and will do its utmost to regain the trust of society.

(2) Qualitative information about consolidated financial position

【Balance sheets】

(millions of yen)

	End of previous fiscal year (End of March 2011)	End of 1 st quarter (End of June 2011)	Increase/ decrease
Current assets	391,581	388,283	(3,298)
Fixed assets	427,124	418,031	(9,093)
Total assets	818,705	806,314	(12,391)
Liabilities	122,746	106,948	(15,798)
Net assets	695,959	699,366	3,407
Total liabilities and net assets	818,705	806,314	(12,391)

Total assets at the end of the first quarter were ¥806.3 billion, a decrease of ¥12.3 billion from the end of the previous fiscal year. Major factors causing changes in the balance sheet in comparison with the previous year-end were as follows.

- Notes and accounts receivable-trade, inventories and deposits increased. On the other hand, cash and time deposits and marketable securities declined. Consequently, total current assets were down ¥3.2 billion, to ¥388.2 billion.
- Fixed assets were down ¥9.0 billion from the previous fiscal year-end, to ¥418.0 billion, as property, plant and equipment decreased by the depreciation or impairment, and goodwill decreased by the amortization.
- Notes and accounts payable-trade increased. On the other hand, income taxes payable, reserve for employees' bonuses, accounts payable-other, and reserve for HCV litigation declined. Consequently, total liabilities were down by ¥15.7 billion, to ¥106.9 billion.
- Total net assets were up by ¥3.4 billion, to ¥699.3 billion. Net income was ¥11.4 billion, and dividends paid totaled ¥7.8 billion. As a result, retained earnings increased ¥3.5 billion. In addition, total accumulated other comprehensive loss declined by ¥0.3 billion. The equity ratio was 86.0%, compared with 84.3% a year earlier.

【Cash flows】

(millions of yen)

		1 st quarter of previous fiscal year	1 st quarter of current fiscal year	Increase/ decrease
	Operating activities	8,050	(322)	(8,372)
	Investing activities	3,210	(53,551)	(56,761)
	Financing activities	(7,737)	(8,565)	(828)
	Change in cash and cash equivalents	3,534	(62,129)	(65,663)
	At beginning of year	62,958	97,880	34,922
	At end of year	66,556	35,751	(30,805)

Net decrease in cash and cash equivalents was ¥62.1 billion, and the balance of cash and cash equivalents at the end of the period under review was ¥35.7 billion.

- Net cash used in operating activities was ¥0.3 billion. Cash inflows included income before income taxes and minority interests of ¥19.8 billion, depreciation and amortization of ¥2.8 billion, loss on impairment of fixed assets of ¥2.9 billion, amortization of goodwill of ¥2.5 billion, and increase in notes and accounts payable-trade of ¥6.3 billion, while cash outflows included income taxes paid of ¥15.0 billion, decrease in reserve for HCV litigation of ¥1.4 billion, increase in notes and accounts receivable-trade of ¥7.4 billion, increase in inventories of ¥5.0 billion, and decrease in accounts payable-other of ¥2.1 billion.
- Net cash used in investing activities was ¥53.5 billion, due to increase in deposits for investment purposes.
- Net cash used in financing activities was ¥8.5 billion, due in part to dividends paid of ¥7.8 billion.

(3) Qualitative information about consolidated results forecasts

In consideration of recent market trends and other factors, the Company has revised its first half and full-year results forecasts for the fiscal year ending March 31, 2012, which were announced on May 10, 2011. The forecasts have been revised as follows.

【Consolidated results forecasts for first half of the current fiscal year】

(April 1, 2011 to September 30, 2011)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Forecast announced previously (A)	194,500	22,500	22,500	11,500	20.50
Revision of forecast (B)	199,000	32,000	32,000	16,500	29.41
Increase/decrease (B)-(A)	4,500	9,500	9,500	5,000	-
% change	2.3	42.2	42.2	43.5	-
(Reference)Results in first half of previous fiscal year (First half of fiscal 2010)	204,684	40,155	40,473	22,704	40.46

【Consolidated results forecasts for the current fiscal year】

(April 1, 2011 to March 31, 2012)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Forecast announced previously (A)	403,000	63,000	63,000	35,500	63.27
Revision of forecast (B)	405,000	68,000	68,000	37,500	66.84
Increase/decrease (B)-(A)	2,000	5,000	5,000	2,000	-
% change	0.5	7.9	7.9	5.6	-
(Reference)Results of previous fiscal year (Fiscal 2010)	409,540	76,584	76,684	37,747	67.27

【Reason for the revision】

In regard to the forecast for the first half of the fiscal year ending March 31, 2012, the effect of the Great East Japan Earthquake was not as significant as initially expected. Consequently, the previously announced forecast for net sales has been revised upward. In addition, certain R&D expenses and other SG&A expenses are expected to be shifted to the second half of the fiscal year. Consequently, the previously announced forecasts for operating income, ordinary income, and net income for the first half of the fiscal year have all been revised upward.

In regard to the full-year results forecasts, in consideration of the results forecasts for the first half of the fiscal year ending March 31, 2012, the previously announced full-year forecasts have been revised.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

Year Accounts	As of March 31, 2011	As of June 30, 2011
	Amount	Amount
Assets		
Current assets		
Cash and time deposits	27,409	21,151
Notes and accounts receivable, trade	128,375	135,956
Marketable securities	84,788	40,573
Merchandise and finished goods	57,173	62,188
Work in process	1,417	1,134
Raw materials and supplies	19,112	19,533
Deposits	56,356	94,927
Deferred income taxes	12,551	9,035
Other	4,445	3,829
Less allowance for doubtful receivables	(45)	(43)
Total current assets	391,581	388,283
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	40,975	39,788
Machinery, equipment and vehicles, net	15,929	15,502
Tools, furniture and fixtures, net	4,269	3,961
Land	50,009	47,571
Leased equipment, net	31	88
Construction in progress	2,299	1,961
Total property, plant and equipment	113,512	108,871
Intangible fixed assets		
Goodwill	115,682	113,148
Other	3,567	3,462
Total intangible fixed assets	119,249	116,610
Investments and other assets		
Investment in securities	127,602	126,466
Deferred income taxes	13,789	13,100
Prepaid pension expenses	40,449	40,870
Other	12,562	12,153
Less allowance for doubtful receivables	(39)	(39)
Total investments and other assets	194,363	192,550
Total fixed assets	427,124	418,031
Total assets	818,705	806,314

(millions of yen)

Year Accounts	As of March 31, 2011	As of June 30, 2011
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable, trade	29,617	36,095
Short-term debt	2,891	2,234
Accounts payable, other	20,373	15,832
Income taxes payable	15,212	4,314
Reserve for employees' bonuses	11,467	5,476
Other reserve	1,698	1,206
Other	6,464	9,704
Total current liabilities	87,722	74,861
Long-term liabilities		
Deferred income taxes	11,450	10,394
Accrued retirement benefits for employees	11,853	11,568
Accrued retirement benefits for directors and corporate auditors	5	6
Reserve for health management allowances for HIV compensation	1,513	1,485
Reserve for health management allowances for SMON compensation	3,835	3,731
Reserve for HCV litigation	4,627	3,145
Other	1,741	1,758
Total long-term liabilities	35,024	32,087
Total liabilities	122,746	106,948
Net assets		
Shareholders' equity		
Common stock	50,000	50,000
Capital surplus	451,186	451,186
Retained earnings	201,424	204,994
Treasury stock, at cost	(407)	(407)
Total shareholders' equity	702,203	705,773
Accumulated other comprehensive loss		
Unrealized holding (losses) gains on securities	(2,712)	(3,403)
Deferred (losses) gains on hedges	(1,010)	(1,242)
Translation adjustments	(8,280)	(7,687)
Total accumulated other comprehensive loss	(12,002)	(12,332)
Minority interests	5,758	5,925
Total net assets	695,959	699,366
Total liabilities and net assets	818,705	806,314

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(millions of yen)

Year Accounts	April 1, 2010 - June 30, 2010	April 1, 2011 - June 30, 2011
	Amount	Amount
Net sales	108,761	102,255
Cost of sales	41,317	37,357
Gross profit	67,444	64,898
Selling, general and administrative expenses		
Advertising expenses	503	709
Sales promotion expenses	1,749	1,977
Salaries and allowances	6,844	6,727
Provision for bonuses	2,940	2,903
Retirement benefit expenses	917	1,315
Depreciation and amortization	436	409
Research and development expenses	15,950	15,747
Amortization of goodwill	2,535	2,534
Other	8,989	9,839
Total selling, general and administrative expenses	40,863	42,160
Operating income	26,581	22,738
Non-operating income		
Interest income	432	340
Dividend income	469	430
Other	231	343
Total non-operating income	1,132	1,113
Non-operating expenses		
Interest expense	6	2
Equity in losses of affiliates	113	81
Taxes and dues	202	210
Donations	136	172
Foreign exchange loss	107	71
Loss on disposal of fixed assets	34	38
Other	325	292
Total non-operating expenses	923	866
Ordinary income	26,790	22,985
Extraordinary loss		
Loss on impairment of fixed assets	-	2,923
Loss on valuation of investment in securities	1,602	-
Loss related to business suspension	737	-
Restructuring loss	118	-
Other	-	242
Total extraordinary losses	2,457	3,165
Income before income taxes and minority interests	24,333	19,820
Income taxes-current	7,400	4,485
Income taxes-deferred	2,401	3,793
Total income taxes	9,801	8,278
Net income before minority interests	14,532	11,542
Minority interests	(137)	118
Net income	14,669	11,424

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

Year Accounts	April 1, 2010 - June 30, 2010	April 1, 2011 - June 30, 2011
	Amount	Amount
Net income before minority interests	14,532	11,542
Other comprehensive income (loss)		
Unrealized holding (losses) gains on securities	(654)	(673)
Deferred (losses) gains on hedges	(592)	(231)
Translation adjustments	331	656
Other comprehensive loss of equity method companies attributable to the Company	(2)	18
Total other comprehensive income (loss)	(917)	(230)
Comprehensive income	13,615	11,312
Comprehensive income (loss) attributable to:		
Shareholders of the Company	13,712	11,094
Minority interests	(97)	218

(3) Consolidated Statements of Cash Flows

(millions of yen)

Year Accounts	April 1, 2010 - June 30, 2010	April 1, 2011 - June 30, 2011
Cash flows from operating activities:		
Income before income taxes and minority interests	24,333	19,820
Depreciation and amortization	2,975	2,885
Loss on impairment of fixed assets	-	2,923
Amortization of goodwill	2,535	2,534
Increase (decrease) in accrued retirement benefits for employees	(292)	(293)
Decrease (increase) in prepaid pension expenses	(970)	(421)
Increase (decrease) in allowance for doubtful receivables	(1)	(2)
Increase (decrease) in reserve for HCV litigation	(1,158)	(1,482)
Interest and dividend income	(901)	(770)
Interest expense	6	2
Loss (gain) on sales or disposal of fixed assets, net	16	5
Loss (gain) on valuation of investment in securities	1,602	-
Equity in (earnings) losses of affiliates	113	81
Decrease (increase) in notes and accounts receivable, trade	(11,889)	(7,435)
Decrease (increase) in inventories	3,000	(5,049)
Increase (decrease) in notes and accounts payable, trade	4,948	6,314
Increase (decrease) in accounts payable, other	(4,563)	(2,191)
Other, net	(2,065)	(2,904)
Subtotal	17,689	14,017
Interest and dividends received	866	730
Interest paid	(5)	(2)
Income taxes paid	(10,500)	(15,067)
Net cash provided by (used in) operating activities	8,050	(322)
Cash flows from investing activities:		
Purchase of marketable securities	(5,523)	(18,897)
Proceeds from sales and redemption of marketable securities	29,487	39,100
Increase in time deposits	(4,500)	(624)
Decrease in time deposits	8,516	5,100
Increase in deposits	-	(74,915)
Decrease in long-term deposits	569	-
Purchase of property, plant and equipment	(2,523)	(3,121)
Proceeds from sales of property, plant and equipment	131	49
Purchase of intangible fixed assets	(237)	(165)
Purchase of investment in securities	(24,899)	(48)
Proceeds from sales and redemption of investment in securities	2,162	2
Other, net	27	(32)
Net cash provided by (used in) investing activities	3,210	(53,551)
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	150	(657)
Cash dividends paid	(7,856)	(7,854)
Other, net	(31)	(54)
Net cash provided by (used in) financing activities	(7,737)	(8,565)
Effect of exchange rate change on cash and cash equivalents	11	309
Net increase (decrease) in cash and cash equivalents	3,534	(62,129)
Cash and cash equivalents at beginning of the year	62,958	97,880
Increase in cash and cash equivalents resulting from merger with an unconsolidated subsidiary	5	-
Increase in cash and cash equivalents resulting from inclusion of a consolidated subsidiary	59	-
Cash and cash equivalents at end of the period	66,556	35,751

(4) Note regarding going concern assumption

Not applicable.

(5) Note regarding substantial change in shareholders' equity

Not applicable.

(6) Subsequent Event

As announced in January 2011, the Ashikaga Plant of Mitsubishi Tanabe Pharma Factory Ltd., a consolidated subsidiary of the Company, had not performed certain tests related to the shipping of products. As a result, on July 19, 2011, the Ashikaga Plant of Mitsubishi Tanabe Pharma Factory Ltd. received a business suspension order for manufacturing of pharmaceuticals (10 days starting July 20, 2011) from Tochigi Prefecture on account of a violation of the Good Manufacturing Practice (GMP) ministerial ordinance. Furthermore, on the same day the Company received a business improvement order from the Minister of Health, Labour and Welfare on account of a violation of the Good Quality Practice (GQP) ministerial ordinance related to operations that failed to follow GQP.

As a result of these administrative actions, it is possible that the Company's financial position and results of operations could be affected, but at this time it is difficult to reasonably estimate the amount of that influence.

3. Reference

(1) Revisions of Forecasts for FY2011 Ending March 31, 2012

(Amounts less than ¥ 100 million is rounded down.)

i. Forecasts of PL

[Billion yen]

	1st half of FY2011				FY2011			
	Previous forecasts	Revised forecasts	Increase (decrease)	Change %	Previous forecasts	Revised forecasts	Increase (decrease)	Change %
Net sales	194.5	199.0	4.5	2.3	403.0	405.0	2.0	0.5
[Domestic]	[181.8]	[186.5]	[4.6]	[2.6]	[376.0]	[378.0]	[1.9]	[0.5]
[Overseas]	[12.6]	[12.5]	[(0.1)]	[(1.5)]	[26.9]	[27.0]	[0.0]	[0.1]
Pharmaceuticals	189.3	194.0	4.6	2.4	392.9	395.5	2.5	0.6
[Domestic]	[178.1]	[183.0]	[4.8]	[2.7]	[368.7]	[371.0]	[2.2]	[0.6]
[Overseas]	[11.2]	[11.0]	[(0.2)]	[(1.9)]	[24.2]	[24.5]	[0.2]	[1.1]
Others	5.1	5.0	(0.1)	(2.3)	10.0	9.5	(0.5)	(5.4)
[Domestic]	[3.6]	[3.5]	[(0.1)]	[(3.8)]	[7.2]	[7.0]	[(0.2)]	[(4.1)]
[Overseas]	[1.4]	[1.5]	[0.0]	[1.4]	[2.7]	[2.5]	[(0.2)]	[(9.0)]
Cost of sales	75.5	75.5	-	-	150.5	150.0	(0.5)	(0.3)
Sales cost ratio	38.8%	37.9%			37.3%	37.0%		
Gross operation profit	119.0	123.5	4.5	3.8	252.5	255.0	2.5	1.0
SG&A expenses	96.5	91.5	(5.0)	(5.2)	189.5	187.0	(2.5)	(1.3)
R&D expenses	36.0	34.5	(1.5)	(4.2)	69.0	69.0	-	-
Except R&D expenses	60.5	57.0	(3.5)	(5.8)	120.5	118.0	(2.5)	(2.1)
Labor cost	25.6	25.5	(0.1)	(0.4)	51.3	51.5	0.2	0.4
Amortization of goodwill	5.1	5.0	(0.1)	(2.0)	10.1	10.0	(0.1)	(1.0)
Others	29.8	26.5	(3.3)	(11.1)	59.1	56.5	(2.6)	(4.4)
Operating income	22.5	32.0	9.5	42.2	63.0	68.0	5.0	7.9
Ordinary income	22.5	32.0	9.5	42.2	63.0	68.0	5.0	7.9
Extraordinary income and loss	(0.5)	(3.5)	(3.0)		(1.0)	(4.5)	(3.5)	
Net income	11.5	16.5	5.0	43.5	35.5	37.5	2.0	5.6
Total labor cost	44.3	44.5	0.2	0.5	88.9	89.0	0.1	0.1

ii. Sales of Main Products

[Billion yen]

	1st half of FY2011				FY2011			
	Previous forecasts	Revised forecasts	Increase (decrease)	Change %	Previous forecasts	Revised forecasts	Increase (decrease)	Change %
Ethical drugs	186.6	191.5	4.8	2.6	387.7	390.5	2.7	0.7
Ethical drugs domestic sales	171.1	176.5	5.3	3.1	355.0	358.0	2.9	0.8
Ethical drugs overseas sales	9.0	8.5	(0.5)	(6.2)	18.9	18.5	(0.4)	(2.3)
Herbesser	2.8	2.2	(0.5)	(18.7)	5.6	4.5	(1.0)	(19.4)
Argatroban (Novastan)	2.0	1.5	(0.5)	(25.6)	3.9	2.8	(1.0)	(27.3)
Tanatril	1.2	0.8	(0.3)	(29.2)	2.5	1.7	(0.7)	(28.9)
Vaccine	0.9	0.9	-	-	1.8	1.8	-	-
Contracted manufacturing products *	4.1	4.0	(0.1)	(4.0)	8.3	8.0	(0.3)	(3.6)
Licensing Fee, etc.	2.2	2.5	0.2	9.7	5.4	6.0	0.5	9.8
OTC products	2.7	2.5	(0.2)	(8.7)	5.2	5.0	(0.2)	(4.4)
Total Pharmaceuticals	189.3	194.0	4.6	2.4	392.9	395.5	2.5	0.6

*: Active pharmaceutical ingredients, and others ordered by other companies.

iii. Forecasts of PL/ Year-on-Year Comparison

[Billion yen]

	1st half				FY			
	FY2010 actual	Revised forecasts for FY2011	Increase (decrease)	Change %	FY2010 actual	Revised forecasts for FY2011	Increase (decrease)	Change %
Net sales	204.6	199.0	(5.6)	(2.8)	409.5	405.0	(4.5)	(1.1)
[Domestic]	[190.9]	[186.5]	[(4.4)]	[(2.3)]	[383.7]	[378.0]	[(5.7)]	[(1.5)]
[Overseas]	[13.7]	[12.5]	[(1.2)]	[(8.9)]	[25.7]	[27.0]	[1.2]	[4.8]
Pharmaceuticals	199.8	194.0	(5.8)	(2.9)	400.2	395.5	(4.7)	(1.2)
[Domestic]	[187.4]	[183.0]	[(4.4)]	[(2.4)]	[376.8]	[371.0]	[(5.8)]	[(1.6)]
[Overseas]	[12.3]	[11.0]	[(1.3)]	[(11.0)]	[23.3]	[24.5]	[1.1]	[4.8]
Others	4.8	5.0	0.1	3.1	9.3	9.5	0.1	2.0
[Domestic]	[3.4]	[3.5]	[0.0]	[0.6]	[6.9]	[7.0]	[0.0]	[1.2]
[Overseas]	[1.3]	[1.5]	[0.1]	[9.6]	[2.3]	[2.5]	[0.1]	[4.4]
Cost of sales	77.8	75.5	(2.3)	(3.0)	154.5	150.0	(4.5)	(3.0)
Sales cost ratio	38.0%	37.9%			37.7%	37.0%		
Gross operation profit	126.8	123.5	(3.3)	(2.6)	254.9	255.0	0.0	0.0
SG&A expenses	86.6	91.5	4.8	5.5	178.3	187.0	8.6	4.8
R&D expenses	32.4	34.5	2.0	6.2	65.7	69.0	3.2	4.9
Except R&D expenses	54.2	57.0	2.7	5.2	112.6	118.0	5.3	4.8
Labor cost	25.8	25.5	(0.3)	(1.2)	52.5	51.5	(1.0)	(1.9)
Amortization of goodwill	5.0	5.0	0.0	(1.4)	10.1	10.0	(0.1)	(1.5)
Others	23.3	26.5	3.1	13.7	49.9	56.5	6.5	13.1
Operating income	40.1	32.0	(8.1)	(20.3)	76.5	68.0	(8.5)	(11.2)
Ordinary income	40.4	32.0	(8.4)	(20.9)	76.6	68.0	(8.6)	(11.3)
Extraordinary losses	(3.2)	(3.5)	(0.2)		(12.5)	(4.5)	8.0	
Net income	22.7	16.5	(6.2)	(27.3)	37.7	37.5	(0.2)	(0.7)
Total labor cost	44.0	44.5	0.4	1.0	88.6	89.0	0.3	0.4

iv. Sales of Main Products/ Year-on-Year Comparison

[Billion yen]

	1st half				FY			
	FY2010 actual	Revised forecasts for FY2011	Increase (decrease)	Change %	FY2010 actual	Revised forecasts for FY2011	Increase (decrease)	Change %
Ethical drugs	196.9	191.5	(5.4)	(2.8)	394.7	390.5	(4.2)	(1.1)
Ethical drugs domestic sales	179.1	176.5	(2.6)	(1.5)	361.6	358.0	(3.6)	(1.0)
Ethical drugs overseas sales	11.2	8.5	(2.7)	(24.7)	21.3	18.5	(2.8)	(13.2)
Herbesser	2.4	2.2	(0.1)	(6.1)	4.6	4.5	(0.1)	(2.9)
Argatroban (Novastan)	1.8	1.5	(0.3)	(16.8)	3.4	2.8	(0.5)	(17.1)
Tanatril	0.9	0.8	0.0	(9.4)	1.8	1.7	0.0	(2.3)
Vaccine	0.6	0.9	0.2	36.0	1.3	1.8	0.4	32.9
Contracted manufacturing products *	5.2	4.0	(1.2)	(23.3)	9.3	8.0	(1.3)	(14.7)
Licensing Fee, etc.	1.3	2.5	1.1	90.3	2.4	6.0	3.5	145.7
OTC products	2.8	2.5	(0.3)	(12.9)	5.4	5.0	(0.4)	(8.0)
Total Pharmaceuticals	199.8	194.0	(5.8)	(2.9)	400.2	395.5	(4.7)	(1.2)

*: Active pharmaceutical ingredients, and others ordered by other companies.

(2) Consolidates Financial Indications for 1st Quarter of FY2011

i. PL

[Billion yen]

	Q1/FY2011		Year-on-year				Comparison to forecasts		Notes [year-on-year comparison]
			Q1/FY2010		Increase (decrease)	Change %	Forecasts for 1st half of FY2011*1	Achieved %	
Net sales	102.2	100.0 %	108.7	100.0 %	(6.5)	(6.0)	199.0	51.4	Foreign sales ratio Q1 FY2010: 6.2% Q1 FY2011: 6.4% Average exchange rate Q1 FY2010: 1US \$ = ¥ 90.75 Q1 FY2011: 1US \$ = ¥ 82.33
[Domestic]	95.7	93.6	102.0	93.8	(6.3)	(6.2)	186.5	51.3	
[Overseas]	6.5	6.4	6.7	6.2	(0.1)	(2.6)	12.5	52.4	
Pharmaceuticals	99.7	97.6	106.0	97.5	(6.2)	(5.9)	194.0	51.4	Ethical drugs domestic sales (6.3) Ethical drugs overseas sales (0.9) Licensing fee, etc. +1.1
[Domestic]	93.7	91.7	100.2	92.1	(6.4)	(6.5)	183.0	51.2	See page 15, (2) Sales of Main Products
[Overseas]	6.0	5.9	5.7	5.3	0.2	3.8	11.0	54.7	
Others	2.5	2.4	2.7	2.5	(0.2)	(9.1)	5.0	50.1	
[Domestic]	1.9	1.9	1.8	1.7	0.1	8.0	3.5	56.2	
[Overseas]	0.5	0.5	0.9	0.9	(0.3)	(42.6)	1.5	35.7	
Cost of sales	37.3	36.5	41.3	38.0	(3.9)	(9.6)	75.5	49.5	
Gross operation profit	64.8	63.5	67.4	62.0	(2.5)	(3.8)	123.5	52.5	
SG&A expenses	42.1	41.2	40.8	37.6	1.2	3.2	91.5	46.1	
R&D expenses	15.7	15.4	15.9	14.7	(0.2)	(1.3)	34.5	45.6	
Except R&D expenses	26.4	25.8	24.9	22.9	1.5	6.0	57.0	46.3	
Labor cost	12.6	12.3	12.3	11.4	0.2	1.9	25.5	49.4	Increase in retirement benefit expenses, etc.
Amortization of goodwill*2	2.5	2.5	2.5	2.3	0.0	0.0	5.0	50.7	
Others	11.2	11.0	10.0	9.2	1.2	12.6	26.5	42.6	Increase in sales expenses etc.
Operating income	22.7	22.2	26.5	24.4	(3.8)	(14.5)	32.0	71.1	
Non-operating income	1.1		1.1		0.0				
Interest income	0.3		0.4		0.0				
Dividend income	0.4		0.4		0.0				
Others	0.3		0.2		0.1				
Non-operating expenses	0.8		0.9		0.0				
Equity in losses of affiliates	0.0		0.1		0.0				
Tax and dues	0.2		0.2		0.0				
Donations	0.1		0.1		0.0				
Exchange loss	0.0		0.1		0.0				
Others	0.3		0.3		0.0				
Ordinary income	22.9	22.5	26.7	24.6	(3.8)	(14.2)	32.0	71.8	
Extraordinary losses	3.1		2.4		0.7		3.5	90.4	
Impairment loss	2.9		-		2.9				Sanbanchou office in Tokyo
Loss on valuation of investment in securities	-		1.6		(1.6)				
Loss related to business suspension	-		0.7		(0.7)				
Restructuring expenses	-		0.1		(0.1)				
Others	0.2		-		0.2				
Net income	11.4	11.2	14.6	13.5	(3.2)	(22.1)	16.5	69.2	
Total labor cost	21.7	21.3	21.3	19.7	0.3	1.7	44.5	48.9	

*1: Revised forecasts announced on Jul. 29, 2011

*2: Clear off 150.5 billion yen within 15 years

ii. Sales of Main Products

[Billion yen]

	Q1/FY2011	Year-on-year			Comparison to forecasts	
		Q1/FY2010	Increase (decrease)	Change %	Forecasts for 1st half of FY2011*1	Achieved %
Ethical drugs	98.3	104.7	(6.3)	(6.1)	191.5	51.3
Ethical drugs domestic sales	89.7	96.0	(6.3)	(6.6)	176.5	50.9
Remicade	15.8	14.3	1.4	10.2	-	-
Radicut	6.7	7.9	(1.2)	(15.7)	-	-
Ceredist	4.6	4.8	(0.1)	(3.3)	-	-
Anplag	4.0	4.5	(0.4)	(9.3)	-	-
Urso	3.7	4.1	(0.3)	(8.3)	-	-
Maintate	3.4	3.2	0.1	5.4	-	-
Talion	3.0	2.6	0.4	15.0	-	-
Kremezin	2.8	-	2.8	-	-	-
Depas	2.8	3.0	(0.2)	(9.1)	-	-
Venoglobulin IH	2.4	2.3	0.0	4.0	-	-
Herbesser	2.3	2.7	(0.3)	(13.7)	-	-
Tanatril	2.2	2.7	(0.4)	(17.4)	-	-
Liple	1.6	2.0	(0.3)	(18.3)	-	-
Sermion	1.5	1.8	(0.3)	(16.9)	-	-
Neuart	1.2	1.4	(0.1)	(12.2)	-	-
Omeprazon	1.1	1.3	(0.2)	(18.6)	-	-
BIKEN Products [Vaccine]	7.0	7.7	(0.7)	(9.1)	-	-
Mearubik	4.1	4.9	(0.8)	(16.6)	-	-
JEBIK V	2.0	1.7	0.3	17.8	-	-
Influenza	0.0	0.0	0.0	-	-	-
Tanabe Seiyaku Hanbai Products *2	4.3	2.8	1.4	52.1	-	-
Ethical drugs overseas sales	4.6	5.6	(0.9)	(17.4)	8.5	55.0
Herbesser	1.1	1.2	0.0	(0.7)	2.2	52.4
Argatroban (Novastan)	0.9	1.0	0.0	(3.1)	1.5	64.8
Tanatril	0.3	0.5	(0.1)	(28.8)	0.8	44.3
Vaccine	0.4	0.2	0.2	84.0	0.9	52.3
Contracted manufacturing products *3	2.4	2.6	(0.2)	(8.6)	4.0	61.3
Licensing Fee, etc.	1.4	0.2	1.1	421.4	2.5	57.6
OTC products	1.4	1.2	0.1	10.6	2.5	57.0
Total Pharmaceuticals	99.7	106.0	(6.2)	(5.9)	194.0	51.4

*1: Revised forecasts announced on Jul. 29, 2011

*2: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC

*3: Active pharmaceutical ingredients, and others ordered by other companies.

iii. Quarterly Trend/ PL

[Billion yen]

	FY2010					FY2011		
	Q1 Apr. to Jun.	Q2 Jul. to Sep.	Q3 Oct. to Dec.	Q4 Jan. to Mar.	FY2010 Actual	Q1 Apr. to Jun.	1st Half Forecasts	FY2011 Forecasts
Net sales	108.7	95.9	114.8	89.9	409.5	102.2	199.0	405.0
	26.6%	23.4%	28.0%	22.0%	100.0%	25.2%	49.1%	100.0%
[Domestic]	[102.0]	[88.9]	[108.9]	[83.8]	[383.7]	[95.7]	[186.5]	[378.0]
	[26.6%]	[23.2%]	[28.4%]	[21.8%]	[100.0%]	[25.3%]	[49.3%]	[100.0%]
[Overseas]	[6.7]	[6.9]	[5.9]	[6.1]	[25.7]	[6.5]	[12.5]	[27.0]
	[26.1%]	[27.1%]	[22.9%]	[23.8%]	[100.0%]	[24.3%]	[46.3%]	[100.0%]
Pharmaceuticals	106.0	93.8	112.5	87.8	400.2	99.7	194.0	395.5
	26.5%	23.4%	28.1%	22.0%	100.0%	25.2%	49.1%	100.0%
[Domestic]	[100.2]	[87.2]	[107.1]	[82.2]	[376.8]	[93.7]	[183.0]	[371.0]
	[26.6%]	[23.2%]	[28.4%]	[21.8%]	[100.0%]	[25.3%]	[49.3%]	[100.0%]
[Overseas]	[5.7]	[6.5]	[5.3]	[5.6]	[23.3]	[6.0]	[11.0]	[24.5]
	[24.8%]	[28.1%]	[22.9%]	[24.2%]	[100.0%]	[24.6%]	[44.9%]	[100.0%]
Others	2.7	2.0	2.3	2.1	9.3	2.5	5.0	9.5
	29.6%	22.5%	25.3%	22.6%	100.0%	26.4%	52.6%	100.0%
[Domestic]	[1.8]	[1.6]	[1.8]	[1.6]	[6.9]	[1.9]	[3.5]	[7.0]
	[26.4%]	[24.0%]	[26.2%]	[23.5%]	[100.0%]	[28.1%]	[50.0%]	[100.0%]
[Overseas]	[0.9]	[0.4]	[0.5]	[0.4]	[2.3]	[0.5]	[1.5]	[2.5]
	[39.0%]	[18.2%]	[22.8%]	[20.1%]	[100.0%]	[21.4%]	[60.0%]	[100.0%]
Cost of sales	41.3	36.5	44.5	32.1	154.5	37.3	75.5	150.0
Sales cost ratio	38.0%	38.1%	38.8%	35.7%	37.7%	36.5%	37.9%	37.0%
Gross operation profit	67.4	59.4	70.2	57.8	254.9	64.8	123.5	255.0
	26.5%	23.3%	27.6%	22.7%	100.0%	25.5%	48.4%	100.0%
SG & A expenses	40.8	45.8	41.5	50.1	178.3	42.1	91.5	187.0
	22.9%	25.7%	23.3%	28.1%	100.0%	22.5%	48.9%	100.0%
R&D expenses	15.9	16.5	15.1	18.1	65.7	15.7	34.5	69.0
	24.2%	25.1%	23.0%	27.7%	100.0%	22.8%	50.0%	100.0%
Except R&D expenses	24.9	29.2	26.4	31.9	112.6	26.4	57.0	118.0
	22.1%	26.0%	23.5%	28.4%	100.0%	22.4%	48.3%	100.0%
Labor costs	12.3	13.4	12.4	14.2	52.5	12.6	25.5	51.5
	23.5%	25.6%	23.7%	27.2%	100.0%	24.5%	49.5%	100.0%
Amortization of goodwill	2.5	2.5	2.5	2.5	10.1	2.5	5.0	10.0
	25.0%	25.0%	25.0%	25.0%	100.0%	25.3%	50.0%	100.0%
Others	10.0	13.2	11.5	15.1	49.9	11.2	26.5	56.5
	20.1%	26.6%	23.0%	30.3%	100.0%	20.0%	46.9%	100.0%
Operating income	26.5	13.5	28.7	7.7	76.5	22.7	32.0	68.0
	34.7%	17.7%	37.5%	10.1%	100.0%	33.4%	47.1%	100.0%
Ordinary income	26.7	13.6	28.9	7.2	76.6	22.9	32.0	68.0
	34.9%	17.8%	37.7%	9.5%	100.0%	33.8%	47.1%	100.0%
Net income	14.6	8.0	16.5	(1.5)	37.7	11.4	16.5	37.5
	38.9%	21.3%	43.9%	(4.0%)	100.0%	30.5%	44.0%	100.0%

The each figure (excluding Cost of Sales) in the lower displays the progress rate

iv. Quarterly Trend/ Sales of Main Products

[Billion yen]

	FY2010					FY2011		
	Q1	Q2	Q3	Q4	FY2010	Q1	Q2	FY2011
	Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Jan. to Mar.	Actual	Apr. to Jun.	Jul. to Sep.	Forecasts
Ethical drugs	104.7	92.2	110.9	86.8	394.7	98.3	191.5	390.5
	26.5%	23.4%	28.1%	22.0%	100.0%	25.2%	49.0%	100.0%
Ethical drugs domestic sales	96.0	83.0	103.5	78.9	361.6	89.7	176.5	358.0
	26.6%	23.0%	28.6%	21.8%	100.0%	25.1%	49.3%	100.0%
Remicade	14.3	14.9	17.3	13.7	60.4	15.8	-	-
	23.8%	24.8%	28.8%	22.7%	100.0%	-	-	-
Radicut	7.9	6.2	8.0	6.3	28.7	6.7	-	-
	27.8%	21.9%	28.2%	22.1%	100.0%	-	-	-
Ceredist	4.8	4.1	5.1	3.9	18.0	4.6	-	-
	26.6%	23.0%	28.3%	22.0%	100.0%	-	-	-
Anplag	4.5	3.7	4.7	3.4	16.4	4.0	-	-
	27.5%	22.8%	28.8%	20.9%	100.0%	-	-	-
Urso	4.1	3.5	4.2	3.3	15.3	3.7	-	-
	26.9%	23.3%	27.8%	22.0%	100.0%	-	-	-
Maintate	3.2	2.7	3.4	2.8	12.3	3.4	-	-
	26.3%	22.2%	28.4%	23.1%	100.0%	-	-	-
Talion	2.6	2.0	3.5	5.1	13.4	3.0	-	-
	19.8%	15.6%	26.5%	38.1%	100.0%	-	-	-
Kremezin	-	-	-	-	-	2.8	-	-
	-	-	-	-	-	-	-	-
Depas	3.0	2.6	3.1	2.5	11.4	2.8	-	-
	27.0%	23.1%	27.7%	22.2%	100.0%	-	-	-
Venoglobulin IH	2.3	2.1	2.8	2.1	9.6	2.4	-	-
	24.9%	22.4%	29.9%	22.7%	100.0%	-	-	-
Herbesser	2.7	2.1	2.8	1.9	9.6	2.3	-	-
	28.1%	22.6%	29.3%	20.0%	100.0%	-	-	-
Tanatril	2.7	2.2	2.7	1.9	9.6	2.2	-	-
	28.5%	23.2%	28.3%	20.0%	100.0%	-	-	-
Liple	2.0	1.6	2.0	1.5	7.3	1.6	-	-
	27.7%	23.1%	27.7%	21.5%	100.0%	-	-	-
Sermion	1.8	1.5	1.7	1.2	6.3	1.5	-	-
	28.4%	23.5%	27.8%	20.3%	100.0%	-	-	-
Neuart	1.4	1.3	1.6	1.1	5.5	1.2	-	-
	26.1%	23.3%	30.1%	20.5%	100.0%	-	-	-
Omeprazon	1.3	1.1	1.3	1.0	4.8	1.1	-	-
	28.3%	22.7%	28.5%	20.5%	100.0%	-	-	-
BIKEN products [Vaccine]	7.7	7.3	9.2	5.2	29.6	7.0	-	-
	26.1%	24.8%	31.3%	17.8%	100.0%	-	-	-
Mearubik	4.9	2.5	1.4	3.2	12.2	4.1	-	-
	40.6%	21.1%	11.6%	26.6%	100.0%	-	-	-
JEBIK V	1.7	1.9	1.6	1.5	6.9	2.0	-	-
	25.6%	27.9%	23.9%	22.6%	100.0%	-	-	-
Influenza	0.0	1.9	5.7	(0.5)	7.1	0.0	-	-
	0.0%	27.4%	80.2%	(7.6%)	100.0%	-	-	-
Tanabe Seiyaku Hanbai products *1	2.8	2.5	4.7	3.9	14.0	4.3	-	-
	20.4%	18.1%	33.7%	27.9%	100.0%	-	-	-
Ethical drugs overseas sales	5.6	5.6	5.0	4.9	21.3	4.6	8.5	18.5
	26.6%	26.4%	23.7%	23.3%	100.0%	25.3%	45.9%	100.0%
Herbesser	1.2	1.2	1.0	1.1	4.6	1.1	2.2	4.5
	25.9%	26.4%	23.4%	24.3%	100.0%	26.5%	50.6%	100.0%
Argatroban (Novastan)	1.0	0.8	0.8	0.7	3.4	0.9	1.5	2.8
	29.5%	23.5%	24.3%	22.8%	100.0%	34.4%	53.1%	100.0%
Tanatril	0.5	0.4	0.4	0.3	1.8	0.3	0.8	1.7
	30.0%	23.2%	27.0%	19.8%	100.0%	21.9%	49.4%	100.0%
Vaccine	0.2	0.4	0.2	0.4	1.3	0.4	0.9	1.8
	18.9%	30.0%	16.5%	34.6%	100.0%	26.2%	50.0%	100.0%
Contracted manufacturing products *2	2.6	2.5	1.9	2.2	9.3	2.4	4.0	8.0
	28.6%	27.0%	20.9%	23.5%	100.0%	30.6%	50.0%	100.0%
Licensing fee, etc.	0.2	1.0	0.4	0.6	2.4	1.4	2.5	6.0
	11.3%	42.5%	17.6%	28.6%	100.0%	24.0%	41.7%	100.0%
OTC products	1.2	1.5	1.5	1.0	5.4	1.4	2.5	5.0
	23.7%	29.1%	28.2%	19.0%	100.0%	28.5%	50.0%	100.0%
Total pharmaceuticals	106.0	93.8	112.5	87.8	400.2	99.7	194.0	395.5
	26.5%	23.4%	28.1%	22.0%	100.0%	25.2%	49.1%	100.0%

The each figures in the lower displays the progress rate.

*1: Tanabe Seiyaku Hanbai Products are composed of generic drugs and the long-listed drugs which were transferred from MTPC.

*2: Active pharmaceutical ingredients, and others ordered by other companies.

(3) State of New Product Development (as of Jul 29, 2011)

i. Pipeline in Japan New Molecular Entities

Development code (Generic name)	Category (Indications)	Stage	Origin	Remarks
FTY720 (Fingolimod)	Sphingosine-1-phosphate receptor modulator (Multiple sclerosis*)	NDA filed (Dec. 2010)	In-house	Co-development -Novartis Pharma K.K.
MP-424 (Telaprevir)	NS3-4A protease inhibitor (Chronic hepatitis C)	NDA filed (Jan. 2011)	US:Vertex	
MP-513 (Teneligliptin)	DPP4 Inhibitor (Type 2 Diabetes mellitus)	Phase 3	In-house	
BK-4SP	Vaccine (Prophylaxis of pertussis, diphtheria, tetanus, and poliomyelitis)	Phase 3	The Research Foundation for Microbial Diseases of Osaka University	Co-development -The Research Foundation for Microbial Diseases of Osaka University
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type 2 Diabetes mellitus)	Phase 3	In-house	
MP-214 (Cariprazine)	D3/D2 receptor antagonist (Schizophrenia)	Phase 2	Hungary: Gedeon- Richter	
MP-435	C5a receptor antagonist (Rheumatoid arthritis)	Phase 2	In-house	
MT-4666	α 7nAChR agonist (Alzheimer's disease)	Phase 1	US: EnVivo Pharmaceuticals	

Additional Indications

Development code/Product Name (Generic name)	Category (Indications)	Stage	Origin	Remarks
Venoglobulin IH (Polyethylene glycol treated human normal immunoglobulin)	Human immunoglobulin G (IgG2 deficiency)	sNDA filed (Dec. 1997)	In-house	
	(Systemic scleroderma)	Phase 3		
	(Myasthenia gravis*)	sNDA filed (Dec. 2010)		
Modiodal (Modafinil)	Psychoneurotic agent (Obstructive sleep apnea syndrome)	sNDA filed (May 2010)	US: Cephalon	Co-development -Alfresa Pharma
Remicade (Infliximab[recombinant])	Anti-TNF α monoclonal antibody (Crohn's disease*: dose escalation)	sNDA filed (Dec. 2010)	US: Janssen Biotech (ex-Centocor Ortho Biotech)	
Radicut (Edaravone)	Free radical scavenger (Amyotrophic lateral sclerosis*)	Phase 3	In-house	
Cholebine (Colestimide(JAN))	Bile acid signal regulation (Type 2 diabetes mellitus)	Phase 2	In-house	
	Non-absorbed phosphate binder (Hyperphosphatemia)	Phase 1		

*: Orphan drug designated

ii. Pipelines Overseas

New Molecular Entities

Development code (Generic name)	Category (Indications)	Region	Stage	Origin	Remarks
LIVALO (Pitavastatin)	HMG-CoA reductase inhibitor (Primary hyperlipidemia and mixed dyslipidemia)	Indonesia	NDA filed (Jun. 2010)	Japan: Kowa	Filed by Tanabe Indonesia
MCI-196 (Colestilan(INN))	Non-absorbed phosphate binder (Hyperphosphatemia)	US, Europe	Phase 3	In-house	
MP-146	Uremic toxin adsorbent (Chronic kidney disease)	US, Europe	Phase 3	Japan:Kureha	
MT-2832 (Lunacalcipol)	Vitamin D analog (Secondary hyperparathyroidism)	US, Canada	Phase 2	Canada: Cytochroma	
MCI-186 (Edaravone)	Free radical scavenger (Acute ischemic stroke)	Europe	Phase 2	In-house	
MP-513 (Teneligliptin)	DPP4 inhibitor (Type 2 diabetes mellitus)	Europe	Phase 2	In-house	
		US	Phase 1		
GB-1057 (Human serum albumin[recombinant])	Recombinant human serum albumin (Stabilizing agent)	US	Phase 1	In-house	
TA-8995	CETP inhibitor (Dyslipidemia)	Europe	Phase 1	In-house	
MP-124	PARP inhibitor (Acute ischemic stroke)	US, Canada	Phase 1	In-house	
MP-136	PPAR alpha agonist (Dyslipidemia)	Europe	Phase 1	In-house	
MT-3995	Selective mineralocorticoid receptor antagonist (Hypertention)	Europe	Phase 1	In-house	
MP-157	Angiotensin Type2 Receptor agonist (Hypertention)	Europe	Phase 1	In-house	
MT-1303	Sphingosine-1-phosphate receptor modulator (Multiple sclerosis)	Europe	Phase 1	In-house	

iii. Licensing-out

Development code (Generic name)	Category (Indications)	Region	Stage	Licensee
TA-1790 (Avanafil)	PDE5 inhibitor (Erectile dysfunction)	Korea	Filed	Korea: JW Pharmaceutical
		US	Filed	US: Vivus
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type2 Diabetes mellitus)	US, Europe	Phase 3	US: Johnson & Johnson Pharmaceutical Research & Development, L.L.C.
	(Obesity)	US, Europe	Phase 2	
T-0047 (Firategrast)	Cell adhesion inhibitor [$\alpha4\beta7/\alpha4\beta1$ inhibitor] (Multiple sclerosis)	Europe	Phase 2	UK:GlaxoSmithKline
MKC-242	5-HT1A receptor agonist (Insomnia)	US	Phase 2	US:MediciNova
MKC-231	Neurogenesis enhancer (Depression/anxiety)	US	Phase 2	US:BrainCells
Y-39983	ROCK (rho-kinase) inhibitor (Glaucoma)	Japan	Phase 2	Japan: Senju Pharmaceutical
MT-210	5-HT2A/ Sigma 2 receptor antagonist (Schizophrenia)	Europe	Phase 2	France: Cyrenaic
MKC-733	5-HT3 receptor agonist (Gastroesophageal reflux disease)	US	Phase 2	US: Edusa Pharmaceuticals
sTU-199 (Tenatoprazole)	Proton pump inhibitor (Gastroesophageal reflux disease)	Europe	Phase1	France:Negma (Sidem)
TT-138	$\beta3$ receptor agonist (Pollakiuria, urinary incontinence)	US	Phase 1	US:MediciNova
TA-7906	PDE4 inhibitor (Atopic dermatitis)	Japan	Phase1	Japan: Maruho

iv. Changes Since Previous Announcement on May 10, 2011
Own Development

Development code (Generic name)	Category (Indications)	As of May. 10, 2011	As of Jul. 29, 2011
CNTO148 (Golimumab)	Anti-TNF α monoclonal antibody (Rheumatoid arthritis)	NDA filed in Japan (Jun. 2010)	Approved in Japan (Jul. 2011)
TA-7284 (Canagliflozin)	SGLT2 inhibitor (Type 2 Diabetes mellitus)	Phase 2 in Japan	Phase 3 in Japan
MCI-9038 (Argatroban)	Thrombin inhibitor (Prevention of the blood clotting/coagulation in under dialysis and percutaneous coronary intervention in patients with heparin-induced thrombocytopenia [HIT] type II*1)	sNDA filed in Japan (Aug. 2010)	Approved in Japan (May 2011)
Maintate (Bisoprolol)	Selective β 1 antagonist (Chronic heart failure)	sNDA filed in Japan*2 (Nov. 2010)	Approved in Japan (May 2011)
AZANIN (Azathioprine)	Immunosuppressant (Systemic vasculitis, systemic lupus erythematosus, polymyositis[SLE], dermatomyositis, scleroderma, mixed connective tissue disease, intractable rheumatic disease)	sNDA filed in Japan*2 (Nov. 2010)	Approved in Japan (May 2011)
Anti-D Human Immunoglobulin	Anti-D Human Immunoglobulin (Suppression of immunization of the D(Rho) factor [post partum, treatment through pregnancy or for parturition, abdominal bruise etc., and pregnancy around 28 weeks])	sNDA filed in Japan*2 (Nov. 2010)	Approved in Japan (May 2011)
LIVALO (Pitavastatin)	HMG-CoA reductase inhibitor (Primary hypercholesterolemia and mixed dyslipidemia)	NDA filed in Taiwan (Apr. 2010)	Approved in Taiwan (Jan. 2011)

*1: Orphan drug designated

*2: Filed based on the said published evidence

Licensing-out

Development code (Generic name)	Category (Indications)	As of May 10, 2011	As of Jul. 29, 2011
TA-1790 (Avanafil)	PDE5 inhibitor (Erectile dysfunction)	Phase 3 in US	NDA Filed in US (Jun. 2011)