

Summary of 3rd Quarter Financial Results for year ended March 31, 2012 (Japan GAAP) (Unaudited)

January 31, 2012

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
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Planned date of filing of quarterly securities report: February 6, 2012
 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 3rd quarter

1. Results for 3rd Quarter (April 1, 2011 to December 31, 2011)

(1) Consolidated Operating Results

| | Net sales | | Operating income | | Ordinary income | |
|----------------------------|-------------|----------|------------------|----------|-----------------|----------|
| | Yen million | % change | Yen million | % change | Yen million | % change |
| 3rd Quarter of Fiscal 2011 | 315,747 | (1.2) | 59,936 | (13.0) | 60,392 | (13.0) |
| 3rd Quarter of Fiscal 2010 | 319,559 | (0.2) | 68,875 | 14.9 | 69,395 | 14.9 |

| | Net income | | Net income per share | | Net income per share (diluted) | |
|----------------------------|-------------|----------|----------------------|--|--------------------------------|--|
| | Yen million | % change | Yen | | Yen | |
| 3rd Quarter of Fiscal 2011 | 35,853 | (8.7) | 63.90 | | - | |
| 3rd Quarter of Fiscal 2010 | 39,257 | 20.3 | 69.96 | | - | |

(Note) Comprehensive Income ¥33,347 million, down 7.3% (¥35,967 million, - % in 3rd Quarter of Fiscal 2010)

(2) Consolidated Financial Position

| | Total assets | | Net assets | | Equity ratio | |
|-------------------------|--------------|--|-------------|--|--------------|--|
| | Yen million | | Yen million | | % | |
| As of December 31, 2011 | 818,987 | | 712,984 | | 86.4 | |
| As of March 31, 2011 | 818,705 | | 695,959 | | 84.3 | |

(Note) Shareholders' equity* ¥707,347 million (¥690,201 million as of March 31, 2011)

*Net assets excluding minority interests

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 | - | 15.00 | - | - | - |
| Fiscal 2011 (projected) | - | - | - | 15.00 | 30.00 |

(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 |
| Full year | 405,000 | (1.1) | 68,000 | (11.2) | 68,000 | (11.3) |

| | Net income | | Net income per share | |
|-----------|-------------|----------|----------------------|--|
| | Yen million | % change | Yen | |
| Full year | 37,500 | (0.7) | 66.84 | |

(Note) Revision to recently announced consolidated results forecast: No

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)

| | | | |
|----------------------------|--------------------|-------------|--------------------|
| 3rd 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

| | | | |
|----------------------------|----------------|-------------|----------------|
| 3rd Quarter of Fiscal 2011 | 353,956 shares | Fiscal 2010 | 353,152 shares |
|----------------------------|----------------|-------------|----------------|

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

| | | | |
|----------------------------|--------------------|----------------------------|--------------------|
| 3rd Quarter of Fiscal 2011 | 561,064,357 shares | 3rd Quarter of Fiscal 2010 | 561,124,543 shares |
|----------------------------|--------------------|----------------------------|--------------------|

*Note regarding implementation of quarterly review procedures

At the time when this summary of 3rd 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 11 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 Tuesday, January 31, 2012

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 the Attachment

| | |
|--|----|
| 1. Qualitative Information for the Third Quarter of Fiscal Year 2011 | 1 |
| (1) Qualitative Information about Consolidated Operating Results..... | 1 |
| (2) Qualitative Information about Consolidated Financial Position..... | 3 |
| (3) Qualitative Information about Consolidated Operating Results Forecasts | 4 |
| 2. Consolidated Financial Statements..... | 5 |
| (1) Consolidated Balance Sheets | 5 |
| (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income | 7 |
| (Consolidated Statements of Income) | 7 |
| (Consolidated Statements of Comprehensive Income) | 8 |
| (3) Consolidated Statements of Cash Flows | 9 |
| (4) Note regarding going concern assumption | 10 |
| (5) Note regarding substantial change in shareholders' equity | 10 |
| 3. Supplementary information | 11 |
| (1) Consolidated Financial Indicators for 3rd Quarter of FY2011 | 11 |
| (2) State of New Product Development | 16 |

1. Qualitative Information for the Third Quarter of Fiscal Year 2011

(1) Qualitative Information about Consolidated Operating Results

Consolidated operating results in the third quarter of the fiscal year ended March 31, 2012 (April 1, 2011 to December 31, 2011) were as follows.

(Millions of yen)

| | 3rd quarter of FY 2010 | 3rd quarter of FY 2011 | Increase/ decrease | % change |
|---------------------------|---------------------------|---------------------------|-----------------------|----------|
| Net Sales | 319,559 | 315,747 | (3,812) | (1.2) |
| Cost of sales | 122,423 | 119,325 | (3,098) | (2.5) |
| Cost of sales ratio | 38.3% | 37.8% | | |
| Gross profit | 197,136 | 196,422 | (714) | (0.4) |
| SG&A expenses | 128,261 | 136,486 | 8,225 | 6.4 |
| Operating Income | 68,875 | 59,936 | (8,939) | (13.0) |
| Non-operating income/loss | 520 | 456 | (64) | |
| Ordinary Income | 69,395 | 60,392 | (9,003) | (13.0) |
| Extraordinary income/loss | (5,761) | (3,345) | 2,416 | |
| Net Income | 39,257 | 35,853 | (3,404) | (8.7) |

[Net sales]

Net sales decreased 1.2%, or ¥3.8 billion, year-on-year, to ¥315.7 billion.

(Millions of yen)

| | 3rd quarter of FY 2010 | 3rd quarter of FY 2011 | Increase/ decrease | % change |
|---------------------------|---------------------------|---------------------------|-----------------------|----------|
| Pharmaceuticals | 312,352 | 308,336 | (4,016) | (1.3) |
| Domestic ethical drugs | 282,689 | 278,584 | (4,105) | (1.5) |
| Overseas ethical drugs | 16,339 | 13,857 | (2,482) | (15.2) |
| OTC products | 4,402 | 4,359 | (43) | (1.0) |
| Others in Pharmaceuticals | 8,922 | 11,536 | 2,614 | 29.3 |
| Others | 7,207 | 7,411 | 204 | 2.8 |
| Total | 319,559 | 315,747 | (3,812) | (1.2) |

In the pharmaceuticals segment, net sales were ¥308.3 billion, down 1.3%, or ¥4.0 billion, year-on-year.

Although favorable sales were recorded by such products as Remicade, an anti-TNF α monoclonal antibody; and Maintate, a selective β 1 antagonist and new products, such as Lexapro, an anti-depressant were launched, 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

¥278.5 billion, down 1.5%, year-on-year.

Overseas sales of ethical drugs were down 15.2%, year-on-year, and sales of OTC products decrease 1.0%.

Sales of others in pharmaceuticals increased 29.3%, year-on-year, to ¥11.5 billion, due to the increase in royalty revenue from Gilenya.

In other businesses, sale of fine chemical increased in Japan and overseas. As a result sales of other businesses were ¥7.4 billion, up 2.8%, or ¥0.2 billion, year-on-year.

[Operating income]

Operating income decreased 13.0%, or ¥8.9 billion, year-on-year, to ¥59.9 billion.

Gross profit declined ¥0.7 billion, year-on-year to ¥196.4 billion, due to decrease of ¥3.8 billion in net sales. Cost of sales ratio decreased 0.5 percentage points to 37.8%, due to the increase in royalty revenue and influence of currency exchange.

SG&A expenses were up 6.4%, or ¥8.2 billion, year-on-year, to ¥136.4 billion, due primarily to increase in R&D expenses such as upfront fees for in-licensing. R&D expenses were ¥51.6 billion, or 16.4% of net sales.

[Ordinary income and net income]

Due to decrease in operating income, ordinary income was down 13.0%, or ¥9.0 billion, year-on-year, to ¥60.3 billion, and net income was down 8.7%, or ¥3.4 billion, year-on-year, to ¥35.8 billion.

Extraordinary losses were ¥3.3 billion, including loss on impairment of fixed assets of ¥2.9 billion. In the previous fiscal year, the Company recorded extraordinary losses of ¥6.3 billion, such as loss on valuation of investment in securities of ¥4.2 billion. Consequently, in the period under review, the net balance of extraordinary items improved by 2.4 billion year-on-year.

[Comprehensive income]

Net income before minority interests was ¥36.0 billion, due to other comprehensive loss of ¥2.7 billion, and comprehensive income of ¥33.3 billion. Comprehensive income attributable to shareholders of the Company was ¥33.4 billion.

(2) Qualitative Information about Consolidated Financial Position

[Balance sheets]

(Millions of yen)

| | End of FY 2010 (As of March 31, 2011) | End of 3rd quarter FY 2011 (As of December 31, 2011) | Increase/ decrease |
|-------------------------------------|--|---|-----------------------|
| Current assets | 391,581 | 407,704 | 16,123 |
| Fixed assets | 427,124 | 411,283 | (15,841) |
| Total assets | 818,705 | 818,987 | 282 |
| Liabilities | 122,746 | 106,003 | (16,743) |
| Net assets | 695,959 | 712,984 | 17,025 |
| Total liabilities and net assets | 818,705 | 818,987 | 282 |

Total assets at the end of the third quarter were ¥818.9 billion, an increase of ¥0.2 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.

Marketable securities and cash and time deposits declined. On the other hand, deposits and notes and accounts receivable-trade increased. Consequently, total current assets were up ¥16.1 billion, to ¥407.7 billion.

Fixed assets were down ¥15.8 billion from the previous fiscal year-end, to ¥411.2 billion, as property, plant and equipment, intangible fixed assets including goodwill, and investment in securities decreased.

Notes and accounts payable-trade increased. On the other hand, income taxes payable, accounts payable-other, and reserve for employees' bonuses declined. Consequently, total liabilities were down by ¥16.7 billion, to ¥106.0 billion.

Total net assets were up by ¥17.0 billion, to ¥712.9 billion. Net income was ¥35.8 billion, and dividends paid totaled ¥16.2 billion. As a result, retained earnings increased ¥19.5 billion. In addition, total accumulated other comprehensive income declined by ¥2.4 billion. The equity ratio was 86.4%, compared with 84.3% a year earlier.

[Cash flows]

(Millions of yen)

| | 3rd quarter of FY 2010 | 3rd quarter of FY 2011 | Increase/ decrease |
|-------------------------------------|---------------------------|---------------------------|-----------------------|
| Operating activities | 38,307 | 14,745 | (23,562) |
| Investing activities | (24,472) | (57,685) | (33,213) |
| Financing activities | (15,499) | (17,289) | (1,790) |
| Change in cash and cash equivalents | (2,581) | (60,743) | (58,162) |
| At beginning of year | 62,958 | 97,880 | 34,922 |
| At end of year | 60,441 | 37,137 | (23,304) |

Net decrease in cash and cash equivalents was ¥60.7 billion, and the balance of cash and cash equivalents at the end of the period under review was ¥37.1 billion.

Net cash provided by operating activities was ¥14.7 billion. Cash inflows included income before income taxes and minority interests of ¥57.0 billion, depreciation and amortization of ¥9.0 billion, amortization of goodwill of ¥7.5 billion, and increase in notes and accounts payable-trade of ¥10.0 billion, while cash outflows included income taxes paid of ¥28.2 billion, increase in notes and accounts receivable-trade of ¥17.9 billion, and increase in inventories of ¥5.7 billion.

Net cash used in investing activities was ¥57.6 billion, due to increase in deposits for investment purposes.

Net cash used in financing activities was ¥17.2 billion, due in part to dividends paid of ¥16.2 billion.

(3) Qualitative Information about Consolidated Operating Results Forecasts

There are no revisions to the consolidated operating results forecasts that were announced on July 29, 2011.

Consolidated operating results forecasts for current fiscal year (released on July 29, 2011)

(Millions of yen)

| | Results in FY 2010 | Forecast for FY 2011 | Increase/ decrease | % change |
|------------------|-----------------------|-------------------------|-----------------------|----------|
| Net Sales | 409,540 | 405,000 | (4,540) | (1.1) |
| Operating Income | 76,584 | 68,000 | (8,584) | (11.2) |
| Ordinary Income | 76,684 | 68,000 | (8,684) | (11.3) |
| Net Income | 37,747 | 37,500 | (247) | (0.7) |

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2011 | As of December 31, 2011 |
|--|-------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and time deposits | 27,409 | 17,073 |
| Notes and accounts receivable, trade | 128,375 | 146,135 |
| Marketable securities | 84,788 | 30,870 |
| Merchandise and finished goods | 57,173 | 61,189 |
| Work in process | 1,417 | 1,000 |
| Raw materials and supplies | 19,112 | 21,129 |
| Deposits | 56,356 | 116,728 |
| Deferred income taxes | 12,551 | 8,369 |
| Other | 4,445 | 5,254 |
| Less allowance for doubtful receivables | (45) | (43) |
| Total current assets | 391,581 | 407,704 |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 40,975 | 38,452 |
| Machinery, equipment and vehicles, net | 15,929 | 14,972 |
| Tools, furniture and fixtures, net | 4,269 | 4,097 |
| Land | 50,009 | 47,524 |
| Leased equipment, net | 31 | 73 |
| Construction in progress | 2,299 | 1,561 |
| Total property, plant and equipment | 113,512 | 106,679 |
| Intangible fixed assets | | |
| Goodwill | 115,682 | 108,085 |
| Other | 3,567 | 3,471 |
| Total intangible fixed assets | 119,249 | 111,556 |
| Investments and other assets | | |
| Investment in securities | 127,602 | 118,682 |
| Deferred income taxes | 13,789 | 11,931 |
| Prepaid pension expenses | 40,449 | 41,696 |
| Other | 12,562 | 20,741 |
| Less allowance for doubtful receivables | (39) | (2) |
| Total investments and other assets | 194,363 | 193,048 |
| Total fixed assets | 427,124 | 411,283 |
| Total assets | 818,705 | 818,987 |

(Millions of yen)

| | As of March 31, 2011 | As of December 31, 2011 |
|--|-------------------------|----------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 29,617 | 39,518 |
| Short-term debt | 2,891 | 1,934 |
| Accounts payable, other | 20,373 | 15,588 |
| Income taxes payable | 15,212 | 3,292 |
| Reserve for employees' bonuses | 11,467 | 5,651 |
| Other reserve | 1,698 | 1,117 |
| Other | 6,464 | 9,326 |
| Total current liabilities | 87,722 | 76,426 |
| Long-term liabilities | | |
| Deferred income taxes | 11,450 | 9,303 |
| Accrued retirement benefits for employees | 11,853 | 10,907 |
| 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 | 3,459 |
| Reserve for HCV litigation | 4,627 | 2,667 |
| Other | 1,741 | 1,750 |
| Total long-term liabilities | 35,024 | 29,577 |
| Total liabilities | 122,746 | 106,003 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 50,000 | 50,000 |
| Capital surplus | 451,186 | 451,186 |
| Retained earnings | 201,424 | 221,070 |
| Treasury stock, at cost | (407) | (408) |
| Total shareholders' equity | 702,203 | 721,785 |
| Accumulated other comprehensive income | | |
| Unrealized holding (losses) gains on securities | (2,712) | (3,813) |
| Deferred gains (losses) on hedges | (1,010) | (1,287) |
| Foreign currency translation adjustments | (8,280) | (9,338) |
| Total accumulated other comprehensive income | (12,002) | (14,438) |
| Minority interests | 5,758 | 5,637 |
| Total net assets | 695,959 | 712,984 |
| Total liabilities and net assets | 818,705 | 818,987 |

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

(Millions of yen)

| | April 1, 2010 - December 31, 2010 | April 1, 2011 - December 31, 2011 |
|---|--------------------------------------|--------------------------------------|
| Net sales | 319,559 | 315,747 |
| Cost of sales | 122,423 | 119,325 |
| Gross profit | 197,136 | 196,422 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 2,093 | 2,742 |
| Sales promotion expenses | 8,065 | 8,135 |
| Salaries and allowances | 26,310 | 25,989 |
| Provision for bonuses | 2,989 | 3,044 |
| Retirement benefit expenses | 2,722 | 3,896 |
| Provision for directors' retirement benefits | 1 | 1 |
| Depreciation and amortization | 1,309 | 1,221 |
| Research and development expenses | 47,594 | 51,625 |
| Amortization of goodwill | 7,607 | 7,597 |
| Other | 29,571 | 32,236 |
| Total selling, general and administrative expenses | 128,261 | 136,486 |
| Operating income | 68,875 | 59,936 |
| Non-operating income | | |
| Interest income | 1,201 | 1,146 |
| Dividend income | 791 | 776 |
| Equity in earnings of affiliates | 363 | 633 |
| Other | 564 | 750 |
| Total non-operating income | 2,919 | 3,305 |
| Non-operating expenses | | |
| Interest expense | 11 | 13 |
| Foreign exchange loss | 837 | 745 |
| Loss on disposal of fixed assets | 310 | 312 |
| Taxes and dues | 219 | 222 |
| Donations | 320 | 349 |
| Other | 702 | 1,208 |
| Total non-operating expenses | 2,399 | 2,849 |
| Ordinary income | 69,395 | 60,392 |
| Extraordinary income | | |
| Gain on sales of property, plant and equipment | 302 | - |
| Reversal of past year patent royalties | 179 | - |
| Gain on sales of investment in securities | 144 | - |
| Total extraordinary income | 625 | - |
| Extraordinary loss | | |
| Loss on impairment of fixed assets | 370 | 2,923 |
| Loss on valuation of investment in securities | 4,270 | 103 |
| Loss related to business suspension | 737 | - |
| Special retirement expenses | 448 | - |
| Loss on sales of property, plant and equipment | 351 | - |
| Restructuring loss | 146 | - |
| Other | 64 | 319 |
| Total extraordinary losses | 6,386 | 3,345 |
| Income before income taxes and minority interests | 63,634 | 57,047 |
| Income taxes-current | 20,629 | 16,725 |
| Income taxes-deferred | 3,869 | 4,270 |
| Total income taxes | 24,498 | 20,995 |
| Income before minority interests | 39,136 | 36,052 |
| Minority interests | (121) | 199 |
| Net income | 39,257 | 35,853 |

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | April 1, 2010 - December 31, 2010 | April 1, 2011 - December 31, 2011 |
|--|--------------------------------------|--------------------------------------|
| Income before minority interests | 39,136 | 36,052 |
| Other comprehensive income (loss) | | |
| Unrealized holding gains (losses) on securities | (17) | (1,112) |
| Deferred gains (losses) on hedges | (1,169) | (276) |
| Foreign currency translation adjustments | (1,942) | (1,313) |
| Share of other comprehensive income (loss) of affiliates | (41) | (4) |
| Total other comprehensive income (loss) | (3,169) | (2,705) |
| Comprehensive income | 35,967 | 33,347 |
| Comprehensive income (loss) attributable to: | | |
| Shareholders of the Company | 36,470 | 33,417 |
| Minority interests | (503) | (70) |

(3) Consolidated Statements of Cash Flows

(Millions of yen)

| | April 1, 2010 - December 31, 2010 | April 1, 2011 - December 31, 2011 |
|---|--------------------------------------|--------------------------------------|
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | 63,634 | 57,047 |
| Depreciation and amortization | 9,124 | 9,022 |
| Loss on impairment of fixed assets | 370 | 2,923 |
| Amortization of goodwill | 7,607 | 7,597 |
| Increase (decrease) in accrued retirement benefits for employees | (909) | (931) |
| Decrease (increase) in prepaid pension expenses | (2,816) | (1,247) |
| Increase (decrease) in allowance for doubtful receivables | 5 | (37) |
| Increase (decrease) in reserve for HCV litigation | (3,713) | (1,959) |
| Interest and dividend income | (1,992) | (1,922) |
| Interest expense | 11 | 13 |
| Loss (gain) on sales or disposal of fixed assets, net | 243 | 122 |
| Loss (gain) on sales of investment in securities | (144) | - |
| Loss (gain) on devaluation of investment in securities | 4,270 | 103 |
| Equity in losses (earnings) of affiliates | (363) | (633) |
| Decrease (increase) in notes and accounts receivable, trade | (18,339) | (17,965) |
| Decrease (increase) in inventories | (4,279) | (5,757) |
| Increase (decrease) in notes and accounts payable, trade | 11,106 | 10,062 |
| Increase (decrease) in accounts payable, other | (5,478) | (2,213) |
| Other, net | (7) | (13,182) |
| Subtotal | 58,330 | 41,043 |
| Interest and dividends received | 2,026 | 1,982 |
| Interest paid | (10) | (5) |
| Income taxes paid | (22,039) | (28,275) |
| Net cash provided by (used in) operating activities | 38,307 | 14,745 |
| Cash flows from investing activities: | | |
| Purchase of marketable securities | (67,334) | (34,648) |
| Proceeds from sales and redemption of marketable securities | 72,503 | 69,542 |
| Increase in time deposits | (13,610) | (1,939) |
| Decrease in time deposits | 14,739 | 11,172 |
| Increase in deposits | - | (96,692) |
| Increase in long-term deposits | (548) | (406) |
| Decrease in long-term deposits | 569 | - |
| Purchase of property, plant and equipment | (5,535) | (7,282) |
| Proceeds from sales of property, plant and equipment | 863 | 77 |
| Purchase of intangible fixed assets | (564) | (692) |
| Purchase of investment in securities | (29,547) | (1,252) |
| Proceeds from sales and redemption of investment in securities | 3,934 | 4,449 |
| Other, net | 58 | (14) |
| Net cash provided by (used in) investing activities | (24,472) | (57,685) |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term debt, net | 385 | (952) |
| Repayments of long-term debt | (15) | - |
| Cash dividends paid | (15,711) | (16,270) |
| Other, net | (158) | (67) |
| Net cash provided by (used in) financing activities | (15,499) | (17,289) |
| Effect of exchange rate change on cash and cash equivalents | (917) | (514) |
| Net increase (decrease) in cash and cash equivalents | (2,581) | (60,743) |
| 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 | 60,441 | 37,137 |

(4) Note regarding going concern assumption

Not applicable.

(5) Note regarding substantial change in shareholders' equity

Not applicable.

3. Reference

(1) Consolidated Financial Indications for 3rd Quarter of FY2011

i. PL (cumulative 3rd quarter)

[Billion yen]

| | Cumulative Q3/FY2011 | | Cumulative Q3/FY2010 | | Year-on-year | | Comparison to forecasts | | Notes [year-on-year comparison] |
|---|----------------------|---------------|----------------------|---------------|---------------------|----------|-------------------------|------------|---|
| | | Composition % | | Composition % | Increase (decrease) | Change % | Forecasts for FY2011*1 | Achieved % | |
| Net sales | 315.7 | 100.0 | 319.5 | 100.0 | (3.8) | (1.2) | 405.0 | 78.0 | Average exchange rate Cumulative Q3 FY2011: 1US \$ = ¥ 80.21 Cumulative Q3 FY2010: 1US \$ = ¥ 89.02 |
| [Domestic] | [295.1] | [93.5] | [299.9] | [93.9] | [(4.7)] | [(1.6)] | [378.0] | [78.1] | |
| [Overseas] | [20.5] | [6.5] | [19.6] | [6.1] | [0.9] | [4.7] | [27.0] | [76.1] | |
| Pharmaceuticals | 308.3 | 97.7 | 312.3 | 97.7 | (4.0) | (1.3) | 395.5 | 78.0 | Ethical drugs domestic sales (4.1) Ethical drugs overseas sales (2.4) Licensing fee, etc. +3.2 See page 12, Sales of Main Products |
| [Domestic] | [289.7] | [91.8] | [294.6] | [92.2] | [(4.8)] | [(1.6)] | [371.0] | [78.1] | |
| [Overseas] | [18.5] | [5.9] | [17.7] | [5.5] | [0.8] | [4.7] | [24.5] | [75.7] | |
| Others | 7.4 | 2.3 | 7.2 | 2.3 | 0.2 | 2.8 | 9.5 | 78.0 | |
| [Domestic] | [5.4] | [1.7] | [5.2] | [1.7] | [0.1] | [2.1] | [7.0] | [77.2] | |
| [Overseas] | [2.0] | [0.6] | [1.9] | [0.6] | [0.0] | [4.8] | [2.5] | [80.2] | |
| Cost of sales | 119.3 | 37.8 | 122.4 | 38.3 | (3.0) | (2.5) | 150.0 | 79.6 | |
| Gross operation profit | 196.4 | 62.2 | 197.1 | 61.7 | (0.7) | (0.4) | 255.0 | 77.0 | |
| SG&A expenses | 136.4 | 43.2 | 128.2 | 40.1 | 8.2 | 6.4 | 187.0 | 73.0 | |
| R&D expenses | 51.6 | 16.4 | 47.5 | 14.9 | 4.0 | 8.5 | 69.0 | 74.8 | |
| Non-R&D expenses | 84.8 | 26.9 | 80.6 | 25.2 | 4.1 | 5.2 | 118.0 | 71.9 | |
| Labor cost | 38.8 | 12.3 | 38.2 | 12.0 | 0.5 | 1.5 | 51.5 | 75.4 | Increase in retirement benefit expenses, etc. |
| Amortization of goodwill*2 | 7.5 | 2.4 | 7.6 | 2.4 | 0.0 | (0.1) | 10.0 | 76.0 | |
| Others | 38.4 | 12.2 | 34.8 | 10.9 | 3.6 | 10.4 | 56.5 | 68.0 | Increase in sales expenses etc. |
| Operating income | 59.9 | 19.0 | 68.8 | 21.6 | (8.9) | (13.0) | 68.0 | 88.1 | |
| Non-operating income | 3.3 | | 2.9 | | 0.3 | | | | |
| Interest income | 1.1 | | 1.2 | | 0.0 | | | | |
| Dividend income | 0.7 | | 0.7 | | 0.0 | | | | |
| Equity in earnings of income | 0.6 | | 0.3 | | 0.2 | | | | |
| Others | 0.7 | | 0.5 | | 0.1 | | | | |
| Non-operating expenses | 2.8 | | 2.3 | | 0.4 | | | | |
| Currency exchange loss | 0.7 | | 0.8 | | 0.0 | | | | |
| Donations | 0.3 | | 0.3 | | 0.0 | | | | |
| Tax and dues | 0.2 | | 0.2 | | 0.0 | | | | |
| Others | 1.5 | | 1.0 | | 0.5 | | | | |
| Ordinary income | 60.3 | 19.1 | 69.3 | 21.7 | (9.0) | (13.0) | 68.0 | 88.8 | |
| Extraordinary income | - | | 0.6 | | (0.6) | | - | | |
| Extraordinary loss | 3.3 | | 6.3 | | (3.0) | | 4.5 | 74.3 | |
| Impairment loss | 2.9 | | 0.3 | | 2.5 | | | | Sanbanchou office in Tokyo |
| Loss on valuation of investment in securities | 0.1 | | 4.2 | | (4.1) | | | | |
| Loss related to business suspension | - | | 0.7 | | (0.7) | | | | |
| Special retirement expenses | - | | 0.4 | | (0.4) | | | | |
| Loss on sale of property, plant and equipment | - | | 0.3 | | (0.3) | | | | |
| Restructuring expenses | - | | 0.1 | | (0.1) | | | | |
| Others | 0.3 | | 0.0 | | 0.2 | | | | |
| Net income | 35.8 | 11.4 | 39.2 | 12.3 | (3.4) | (8.7) | 37.5 | 95.6 | |
| Total labor cost | 66.5 | 21.1 | 65.2 | 20.4 | 1.3 | 2.0 | 89.0 | 74.8 | Increase in retirement benefit expenses, etc. |

*1: Revised forecasts announced on Jul. 29, 2011 in the financial results for 1st quarter of FY2011

*2: Clear off 150.5 billion yen within 15 years

ii. Sales of Main Products (cumulative 3rd quarter)

[Billion yen]

| | Cumulative Q3/FY2011 | Year-on-year | | | Comparison to forecasts | |
|---|-------------------------|-------------------------|------------------------|----------|---------------------------|---------------|
| | | Cumulative Q3/FY2010 | Increase (decrease) | Change % | Forecasts for FY2011*1 | Achieved % |
| Ethical drugs | 303.9 | 307.9 | (3.9) | (1.3) | 390.5 | 77.8 |
| Ethical drugs domestic sales | 278.5 | 282.6 | (4.1) | (1.5) | 358.0 | 77.8 |
| Remicade | 50.9 | 46.7 | 4.2 | 9.1 | 66.4 | 76.7 |
| Radicut | 18.7 | 22.3 | (3.6) | (16.3) | 23.7 | 79.0 |
| Ceredist | 14.0 | 14.0 | 0.0 | (0.4) | 18.1 | 77.2 |
| Anplag | 12.1 | 13.0 | (0.8) | (6.2) | 15.0 | 81.1 |
| Talion | 9.2 | 8.3 | 0.9 | 11.1 | 14.5 | 63.5 |
| Urso | 11.3 | 11.9 | (0.5) | (4.9) | 14.2 | 80.0 |
| Maintate | 10.6 | 9.4 | 1.1 | 12.5 | 13.4 | 78.9 |
| Kremezin *2 | 9.0 | - | 9.0 | - | 12.2 | 74.3 |
| Depas | 8.5 | 8.8 | (0.3) | (3.9) | 10.8 | 78.8 |
| Venoglobulin IH | 8.3 | 7.4 | 0.8 | 11.8 | 10.2 | 81.3 |
| Herbesser | 6.8 | 7.7 | (0.8) | (11.0) | 8.6 | 79.2 |
| Tanatril | 6.6 | 7.7 | (1.0) | (13.9) | 8.2 | 81.2 |
| Liple | 4.8 | 5.7 | (0.8) | (14.9) | 6.1 | 79.2 |
| Sermion | 4.4 | 5.0 | (0.6) | (12.9) | 5.4 | 80.7 |
| Neuart | 4.2 | 4.4 | (0.1) | (4.1) | 5.1 | 82.6 |
| Omeprazon | 3.4 | 3.8 | (0.4) | (11.5) | 4.0 | 84.0 |
| BIKEN Products [Vaccine] | 24.5 | 24.3 | 0.1 | 0.8 | 29.5 | 82.9 |
| Mearubik | 7.4 | 9.0 | (1.5) | (17.3) | 10.0 | 74.4 |
| JEBIK V | 6.1 | 5.3 | 0.8 | 15.1 | 8.5 | 72.3 |
| Influenza | 8.7 | 7.6 | 1.0 | 14.2 | 8.2 | 106.1 |
| Tanabe Seiyaku Hanbai Products *3 | 13.4 | 10.1 | 3.2 | 32.2 | 17.3 | 77.4 |
| Ethical drugs overseas sales | 13.8 | 16.3 | (2.4) | (15.2) | 18.5 | 74.9 |
| Herbesser | 3.6 | 3.5 | 0.0 | 2.7 | 4.6 | 78.6 |
| Argatroban (Novastan) | 2.4 | 2.6 | (0.2) | (9.7) | 2.8 | 85.8 |
| Tanatril | 1.3 | 1.4 | (0.1) | (8.1) | 1.7 | 76.2 |
| Vaccine | 1.2 | 0.8 | 0.3 | 42.9 | 1.6 | 77.8 |
| Contracted manufacturing products *4 | 6.5 | 7.1 | (0.6) | (8.9) | 8.0 | 81.7 |
| Licensing Fee, etc. | 5.0 | 1.7 | 3.2 | 186.7 | 6.0 | 83.3 |
| OTC products | 4.3 | 4.4 | 0.0 | (1.0) | 5.0 | 87.2 |
| Total Pharmaceuticals | 308.3 | 312.3 | (4.0) | (1.3) | 395.5 | 78.0 |

*1: Revised forecasts announced on Jul. 29, 2011, in the financial results for 1st quarter of FY2011

*2: In FY2010, Daiichi Sankyo sold Kremezin on consignment from MTPC. We recorded amount of money we sold Kremezin to Daiichi Sankyo in "ethical drugs: domestic sales" in FY2010, however, we do not disclose this sales.

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

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

iii. Sales of Main Products (3rd quarter)

[Billion yen]

| | Q3/FY2011 Oct. to Dec. | Year-on-year | | |
|--------------------------------------|---------------------------|---------------------------|------------------------|----------|
| | | Q3/FY2010 Oct. to Dec. | Increase (decrease) | Change % |
| Ethical drugs | 111.4 | 110.9 | 0.4 | 0.4 |
| Ethical drugs domestic sales | 102.8 | 103.5 | (0.6) | (0.6) |
| Remicade | 18.9 | 17.3 | 1.5 | 8.8 |
| Radicut | 5.9 | 8.0 | (2.1) | (26.5) |
| Ceredist | 5.1 | 5.1 | 0.0 | (0.1) |
| Anplag | 4.4 | 4.7 | (0.2) | (5.4) |
| Talion | 3.9 | 3.5 | 0.3 | 10.0 |
| Urso | 4.1 | 4.2 | 0.0 | (1.9) |
| Maintate | 4.0 | 3.4 | 0.5 | 15.9 |
| Kremezin *1 | 2.8 | - | 2.8 | - |
| Depas | 3.1 | 3.1 | 0.0 | (2.0) |
| Venoglobulin IH | 3.2 | 2.8 | 0.3 | 13.5 |
| Herbesser | 2.4 | 2.8 | (0.3) | (11.9) |
| Tanatril | 2.3 | 2.7 | (0.3) | (13.0) |
| Liple | 1.7 | 2.0 | (0.2) | (13.8) |
| Sermion | 1.5 | 1.7 | (0.1) | (10.9) |
| Neuart | 1.6 | 1.6 | 0.0 | 0.8 |
| Omeprazon | 1.2 | 1.3 | (0.1) | (8.1) |
| BIKEN Products [Vaccine] | 9.4 | 9.2 | 0.1 | 1.7 |
| Mearubik | 1.1 | 1.4 | (0.2) | (17.7) |
| JEBIK V | 1.2 | 1.6 | (0.3) | (22.6) |
| Influenza | 6.4 | 5.7 | 0.7 | 12.3 |
| Tanabe Seiyaku Hanbai Products *2 | 5.2 | 4.7 | 0.4 | 9.9 |
| Ethical drugs overseas sales | 4.7 | 5.0 | (0.3) | (6.7) |
| Herbesser | 1.3 | 1.0 | 0.2 | 21.4 |
| Argatroban (Novastan) | 0.7 | 0.8 | 0.0 | (7.1) |
| Tanatril | 0.4 | 0.4 | 0.0 | (3.9) |
| Vaccine | 0.3 | 0.2 | 0.1 | 49.3 |
| Contracted manufacturing products *3 | 1.7 | 1.9 | (0.2) | (10.7) |
| Licensing Fee, etc. | 2.0 | 0.4 | 1.6 | 388.1 |
| OTC products | 1.4 | 1.5 | 0.0 | (3.7) |
| Total Pharmaceuticals | 112.9 | 112.5 | 0.4 | 0.4 |

*1: In FY2010, Daiichi Sankyo sold Kremezin on consignment from MTPC. We recorded amount of money we sold Kremezin to Daiichi Sankyo in "ethical drugs domestic sales" in FY2010, however, we do not disclose this sales.

*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.

iv. 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. | Q2 Jul. to Sep. | Q3 Oct. to Dec. | Forecast for FY2011 |
| Net sales | 108.7 | 95.9 | 114.8 | 89.9 | 409.5 | 102.2 | 98.1 | 115.3 | 405.0 |
| | 26.6% | 23.4% | 28.0% | 22.0% | 100.0% | 25.2% | 24.2% | 28.5% | 100.0% |
| [Domestic] | [102.0] | [88.9] | [108.9] | [83.8] | [383.7] | [95.7] | [91.4] | [108.0] | [378.0] |
| | [26.6%] | [23.2%] | [28.4%] | [21.8%] | [100.0%] | [25.3%] | [24.2%] | [28.6%] | [100.0%] |
| [Overseas] | [6.7] | [6.9] | [5.9] | [6.1] | [25.7] | [6.5] | [6.6] | [7.3] | [27.0] |
| | [26.1%] | [27.1%] | [22.9%] | [23.8%] | [100.0%] | [24.3%] | [24.6%] | [27.2%] | [100.0%] |
| Pharmaceuticals | 106.0 | 93.8 | 112.5 | 87.8 | 400.2 | 99.7 | 95.6 | 112.9 | 395.5 |
| | 26.5% | 23.4% | 28.1% | 22.0% | 100.0% | 25.2% | 24.2% | 28.6% | 100.0% |
| [Domestic] | [100.2] | [87.2] | [107.1] | [82.2] | [376.8] | [93.7] | [89.8] | [106.2] | [371.0] |
| | [26.6%] | [23.2%] | [28.4%] | [21.8%] | [100.0%] | [25.3%] | [24.2%] | [28.6%] | [100.0%] |
| [Overseas] | [5.7] | [6.5] | [5.3] | [5.6] | [23.3] | [6.0] | [5.8] | [6.6] | [24.5] |
| | [24.8%] | [28.1%] | [22.9%] | [24.2%] | [100.0%] | [24.6%] | [23.8%] | [27.3%] | [100.0%] |
| Others | 2.7 | 2.0 | 2.3 | 2.1 | 9.3 | 2.5 | 2.4 | 2.4 | 9.5 |
| | 29.6% | 22.5% | 25.3% | 22.6% | 100.0% | 26.4% | 25.7% | 26.0% | 100.0% |
| [Domestic] | [1.8] | [1.6] | [1.8] | [1.6] | [6.9] | [1.9] | [1.6] | [1.8] | [7.0] |
| | [26.4%] | [24.0%] | [26.2%] | [23.5%] | [100.0%] | [28.1%] | [23.2%] | [25.9%] | [100.0%] |
| [Overseas] | [0.9] | [0.4] | [0.5] | [0.4] | [2.3] | [0.5] | [0.8] | [0.6] | [2.5] |
| | [39.0%] | [18.2%] | [22.8%] | [20.1%] | [100.0%] | [21.4%] | [32.5%] | [26.2%] | [100.0%] |
| Cost of sales | 41.3 | 36.5 | 44.5 | 32.1 | 154.5 | 37.3 | 37.0 | 44.8 | 150.0 |
| Sales Cost Ratio | 38.0% | 38.1% | 38.8% | 35.7% | 37.7% | 36.5% | 37.8% | 38.9% | 37.0% |
| Gross operating profit | 67.4 | 59.4 | 70.2 | 57.8 | 254.9 | 64.8 | 61.0 | 70.5 | 255.0 |
| | 26.5% | 23.3% | 27.6% | 22.7% | 100.0% | 25.5% | 23.9% | 27.6% | 100.0% |
| SG&A expenses | 40.8 | 45.8 | 41.5 | 50.1 | 178.3 | 42.1 | 47.7 | 46.6 | 187.0 |
| | 22.9% | 25.7% | 23.3% | 28.1% | 100.0% | 22.5% | 25.5% | 24.9% | 100.0% |
| R&D expenses | 15.9 | 16.5 | 15.1 | 18.1 | 65.7 | 15.7 | 17.8 | 18.0 | 69.0 |
| | 24.2% | 25.1% | 23.0% | 27.7% | 100.0% | 22.8% | 25.8% | 26.2% | 100.0% |
| Non-R&D expenses | 24.9 | 29.2 | 26.4 | 31.9 | 112.6 | 26.4 | 29.8 | 28.5 | 118.0 |
| | 22.1% | 26.0% | 23.5% | 28.4% | 100.0% | 22.4% | 25.3% | 24.2% | 100.0% |
| Labor costs | 12.3 | 13.4 | 12.4 | 14.2 | 52.5 | 12.6 | 13.3 | 12.9 | 51.5 |
| | 23.5% | 25.6% | 23.7% | 27.2% | 100.0% | 24.5% | 25.8% | 25.1% | 100.0% |
| Amortization of goodwill | 2.5 | 2.5 | 2.5 | 2.5 | 10.1 | 2.5 | 2.5 | 2.5 | 10.0 |
| | 25.0% | 25.0% | 25.0% | 25.0% | 100.0% | 25.3% | 25.3% | 25.3% | 100.0% |
| Other | 10.0 | 13.2 | 11.5 | 15.1 | 49.9 | 11.2 | 14.0 | 13.0 | 56.5 |
| | 20.1% | 26.6% | 23.0% | 30.3% | 100.0% | 20.0% | 24.9% | 23.2% | 100.0% |
| Operating income | 26.5 | 13.5 | 28.7 | 7.7 | 76.5 | 22.7 | 13.3 | 23.8 | 68.0 |
| | 34.7% | 17.7% | 37.5% | 10.1% | 100.0% | 33.4% | 19.6% | 35.1% | 100.0% |
| Ordinary income | 26.7 | 13.6 | 28.9 | 7.2 | 76.6 | 22.9 | 13.3 | 24.0 | 68.0 |
| | 34.9% | 17.8% | 37.7% | 9.5% | 100.0% | 33.8% | 19.7% | 35.3% | 100.0% |
| Net income | 14.6 | 8.0 | 16.5 | (1.5) | 37.7 | 11.4 | 8.5 | 15.8 | 37.5 |
| | 38.9% | 21.3% | 43.9% | (4.0%) | 100.0% | 30.5% | 22.8% | 42.4% | 100.0% |

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

v. Quarterly Trend (Sales of Main Products)

[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. | Q2 Jul. to Sep. | Q3 Oct. to Dec. | Forecast for FY2011 |
| Ethical drugs | 104.7 26.5% | 92.2 23.4% | 110.9 28.1% | 86.8 22.0% | 394.7 100.0% | 98.3 25.2% | 94.2 24.1% | 111.4 28.5% | 390.5 100.0% |
| Ethical drugs domestic sales | 96.0 26.6% | 83.0 23.0% | 103.5 28.6% | 78.9 21.8% | 361.6 100.0% | 89.7 25.1% | 85.9 24.0% | 102.8 28.7% | 358.0 100.0% |
| Remicade | 14.3 23.8% | 14.9 24.8% | 17.3 28.8% | 13.7 22.7% | 60.4 100.0% | 15.8 23.8% | 16.2 24.4% | 18.9 28.4% | 66.4 100.0% |
| Radicut | 7.9 27.8% | 6.2 21.9% | 8.0 28.2% | 6.3 22.1% | 28.7 100.0% | 6.7 28.4% | 6.0 25.5% | 5.9 25.1% | 23.7 100.0% |
| Ceredist | 4.8 26.6% | 4.1 23.0% | 5.1 28.3% | 3.9 22.0% | 18.0 100.0% | 4.6 25.6% | 4.2 23.5% | 5.1 28.1% | 18.1 100.0% |
| Anplag | 4.5 27.5% | 3.7 22.8% | 4.7 28.8% | 3.4 20.9% | 16.4 100.0% | 4.0 27.2% | 3.6 24.1% | 4.4 29.8% | 15.0 100.0% |
| Talion | 2.6 19.8% | 2.0 15.6% | 3.5 26.5% | 5.1 38.1% | 13.4 100.0% | 3.0 21.1% | 2.2 15.5% | 3.9 26.9% | 14.5 100.0% |
| Urso | 4.1 26.9% | 3.5 23.3% | 4.2 27.8% | 3.3 22.0% | 15.3 100.0% | 3.7 26.6% | 3.4 24.0% | 4.1 29.4% | 14.2 100.0% |
| Maintate | 3.2 26.3% | 2.7 22.2% | 3.4 28.4% | 2.8 23.1% | 12.3 100.0% | 3.4 25.2% | 3.1 23.6% | 4.0 30.0% | 13.4 100.0% |
| Kremezin *1 | - - | - - | - - | - - | - - | 2.8 23.3% | 3.3 27.3% | 2.8 23.6% | 12.2 100.0% |
| Depas | 3.0 27.0% | 2.6 23.1% | 3.1 27.7% | 2.5 22.2% | 11.4 100.0% | 2.8 25.8% | 2.6 24.3% | 3.1 28.7% | 10.8 100.0% |
| Venoglobulin IH | 2.3 24.9% | 2.1 22.4% | 2.8 29.9% | 2.1 22.7% | 9.6 100.0% | 2.4 24.4% | 2.5 24.9% | 3.2 32.0% | 10.2 100.0% |
| Herbesser | 2.7 28.1% | 2.1 22.6% | 2.8 29.3% | 1.9 20.0% | 9.6 100.0% | 2.3 27.0% | 2.0 23.5% | 2.4 28.7% | 8.6 100.0% |
| Tanatril | 2.7 28.5% | 2.2 23.2% | 2.7 28.3% | 1.9 20.0% | 9.6 100.0% | 2.2 27.7% | 2.0 24.4% | 2.3 29.0% | 8.2 100.0% |
| Liple | 2.0 27.7% | 1.6 23.1% | 2.0 27.7% | 1.5 21.5% | 7.3 100.0% | 1.6 26.8% | 1.4 24.1% | 1.7 28.3% | 6.1 100.0% |
| Sermion | 1.8 28.4% | 1.5 23.5% | 1.7 27.8% | 1.2 20.3% | 6.3 100.0% | 1.5 27.4% | 1.3 24.5% | 1.5 28.8% | 5.4 100.0% |
| Neuart | 1.4 26.1% | 1.3 23.3% | 1.6 30.1% | 1.1 20.5% | 5.5 100.0% | 1.2 24.9% | 1.2 24.9% | 1.6 32.9% | 5.1 100.0% |
| Omeprazon | 1.3 28.3% | 1.1 22.7% | 1.3 28.5% | 1.0 20.5% | 4.8 100.0% | 1.1 27.5% | 1.0 25.2% | 1.2 31.3% | 4.0 100.0% |
| BIKEN products [Vaccine] | 7.7 26.1% | 7.3 24.8% | 9.2 31.3% | 5.2 17.8% | 29.6 100.0% | 7.0 23.8% | 8.0 27.3% | 9.4 31.8% | 29.5 100.0% |
| Mearubik | 4.9 40.6% | 2.5 21.1% | 1.4 11.6% | 3.2 26.6% | 12.2 100.0% | 4.1 41.6% | 2.1 21.1% | 1.1 11.7% | 10.0 100.0% |
| JEBIK V | 1.7 25.6% | 1.9 27.9% | 1.6 23.9% | 1.5 22.6% | 6.9 100.0% | 2.0 24.5% | 2.8 32.8% | 1.2 15.0% | 8.5 100.0% |
| Influenza | 0.0 0.0% | 1.9 27.4% | 5.7 80.2% | (0.5) (7.6%) | 7.1 100.0% | 0.0 (0.1%) | 2.3 28.4% | 6.4 77.8% | 8.2 100.0% |
| Tanabe Seiyaku Hanbai products *2 | 2.8 20.4% | 2.5 18.1% | 4.7 33.7% | 3.9 27.9% | 14.0 100.0% | 4.3 25.1% | 3.8 22.2% | 5.2 30.0% | 17.3 100.0% |
| Ethical drugs overseas sales | 5.6 26.6% | 5.6 26.4% | 5.0 23.7% | 4.9 23.3% | 21.3 100.0% | 4.6 25.3% | 4.4 24.2% | 4.7 25.5% | 18.5 100.0% |
| Herbesser | 1.2 25.9% | 1.2 26.4% | 1.0 23.4% | 1.1 24.3% | 4.6 100.0% | 1.1 26.1% | 1.0 23.9% | 1.3 28.7% | 4.6 100.0% |
| Argatroban (Novastan) | 1.0 29.5% | 0.8 23.5% | 0.8 24.3% | 0.7 22.8% | 3.4 100.0% | 0.9 35.1% | 0.6 22.9% | 0.7 27.8% | 2.8 100.0% |
| Tanatril | 0.5 30.0% | 0.4 23.2% | 0.4 27.0% | 0.3 19.8% | 1.8 100.0% | 0.3 22.1% | 0.4 27.3% | 0.4 26.8% | 1.7 100.0% |
| Vaccine | 0.2 18.9% | 0.4 30.0% | 0.2 16.5% | 0.4 34.6% | 1.3 100.0% | 0.4 29.0% | 0.4 28.4% | 0.3 20.5% | 1.6 100.0% |
| Contracted manufacturing products *3 | 2.6 28.6% | 2.5 27.0% | 1.9 20.9% | 2.2 23.5% | 9.3 100.0% | 2.4 30.6% | 2.3 29.2% | 1.7 21.9% | 8.0 100.0% |
| Licensing fee, etc. | 0.2 11.3% | 1.0 42.5% | 0.4 17.6% | 0.6 28.6% | 2.4 100.0% | 1.4 24.0% | 1.4 24.4% | 2.0 35.0% | 6.0 100.0% |
| OTC products | 1.2 23.7% | 1.5 29.1% | 1.5 28.2% | 1.0 19.0% | 5.4 100.0% | 1.4 28.5% | 1.4 29.2% | 1.4 29.5% | 5.0 100.0% |
| Total pharmaceuticals | 106.0 26.5% | 93.8 23.4% | 112.5 28.1% | 87.8 22.0% | 400.2 100.0% | 99.7 25.2% | 95.6 24.2% | 112.9 28.6% | 395.5 100.0% |

The each figure in the lower displays the progress rate.

*1: In FY2010, Daiichi Sankyo sold Kremezin on consignment from MTPC. We recorded amount of money we sold Kremezin to Daiichi Sankyo in "ethical drugs domestic sales" in FY2010, however, we do not disclose this sales.

*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.

(2) State of New Product Development (As of Jan. 31, 2012)

i. Pipeline in Japan
New Molecular Entities

| Development code (Generic name) | Category (Indications) | Stage | Origin | Notes |
|------------------------------------|---|--------------------------|--|---|
| MP-513 (Teneligliptin) | DPP4 Inhibitor (Type 2 Diabetes mellitus) | NDA filed (Aug. 2011) | In-house | |
| | (Type 2 Diabetes mellitus, Additional combination) | Phase3 | | |
| BK-4SP | Vaccine (Prophylaxis of pertussis, diphtheria, tetanus, and poliomyelitis) | NDA filed (Dec. 2011) | 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 partial agonist (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

| Product name (Generic name) | Category (Indications) | Stage | Origin | Notes |
|--|--|---------------------------|-----------------------|-------|
| Venoglobulin IH (Polyethylene glycol treated human normal immunoglobulin) | Human immunoglobulin G (IgG2 deficiency) | sNDA filed (Dec. 1997) | In-house | |
| | (Systemic scleroderma) | Phase 3 | | |
| Radicut (Edaravone) | Free radical scavenger (Amyotrophic lateral sclerosis*) | Phase 3 | In-house | |
| Maintate (Bisoprolol) | Selective β 1 blocker (Chronic atrial fibrillation) | Phase 3 | In-house | |
| Talion (Bepotastine) | Selective histamine H1 receptor antagonist· anti-allergic agent (Pediatric allergic rhinitis) | Phase 3 | Japan: Ube Industries | |
| Telavic (Telaprevir) | NS3-4A protease inhibitor (Chronic hepatitis C, (genotype2)) | Phase 3 | US:Vertex | |
| 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. Pipeline Overseas

New Molecular Entities

| Development code (Generic name) | Category (Indications) | Region | Stage | Origin | Notes |
|---|--|------------|--------------------------|-----------------------|-------|
| MCI-196 (Colestilan(INN)) | Non-absorbed phosphate binder (Hyperphosphatemia) | Europe | MAA filed (Aug. 2011) | 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 functiona antagonist (Multiple sclerosis) | Europe | Phase 1 | In-house | |
| MT-7716 | NOP receptor agonist (Alcohol-use disorder) | US | Phase 1 | In-house | |

iii. Licensing-out

| Development code (Generic name) | Category (Indications) | Region | Stage | Licensee |
|------------------------------------|--|------------|--------------------------|------------------------------|
| TA-1790 (Avanafil) | PDE5 inhibitor (Erectile dysfunction) | US | NDA Filed (Jun. 2011) | US: Vivus |
| TA-7284 (Canagliflozin) | SGLT2 inhibitor (Type2 Diabetes mellitus) | US, Europe | Phase 3 | US: Janssen Pharmaceuticals* |
| | (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 |
| 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 |

*: A pharmaceutical company of Johnson & Johnson

iv. Changes Since Previous Announcement on Oct 31, 2011
In-house Development

| Development code/Product name (Generic name) | Category (Indications) | Region | As of Oct. 31, 2011 | As of Jan 31, 2012 |
|---|--|-----------|--------------------------|--------------------------|
| Modiodal (Modafinil) | Psychoneurotic agent (Obstructive sleep apnea syndrome) | Japan | sNDA filed (May 2010) | Approved (Nov. 2011) |
| Livalo (Pitavastatin) | HMG-CoA reductase inhibitor (Primary hyperlipidemia, mixed dyslipidemia) | Indonesia | NDA filed (Jun. 2010) | Approved (Nov. 2011) |
| BK-4SP | Vaccine (Prophylaxis of pertussis, diphtheria, tetanus, and poliomyelitis) | Japan | Phase 3 | NDA filed (Dec. 2011) |
| Telavic (Telaprevir) | NS3-4A protease inhibitor (Chronic hepatitis C, (genotype2)) | Japan | None | Phase 3 |

Licensing-out

| Development code (Generic name) | Category (Indications) | | As of Jul 29, 2011 | As of Jan 31, 2012 |
|------------------------------------|---|----|--------------------|-------------------------------------|
| MKC-733 | 5-HT3 receptor agonist (Gastroesophageal reflux disease) | US | Phase 2 | Termination of License Agreement |