

Announcement of Corporate Behavior Charter and Medium-Term Management Plan

Mitsubishi Tanabe Pharma Corporation (President & Representative Director Natsuki Hayama) has established a Corporate Behavior Charter and formulated a medium-term management plan.

The operating environment in the pharmaceutical industry is undergoing dramatic changes, and Mitsubishi Tanabe Pharma, by making full use of the abundant management resources of its predecessor companies, will strive to achieve sustained growth and to maximize its enterprise value.

An overview is provided below.

I. Corporate Behavior Charter

Based on the Company's philosophy, the charter spells out the top priority activities for all directors, officers and employees in the Mitsubishi Tanabe Pharma in the implementation of business activities targeting the realization of the Company's vision.

Specifically, to meet the needs of various stakeholders and become a global research-driven pharmaceutical company that is trusted by communities, every director, officer and employee will maintain high ethical standards, place priority on fairness and integrity in all activities, and act in accordance with four key phrases; Pride and Sense of Mission, Challenge and Innovation, Trust and Teamwork, and Harmonious Coexistence with Society.

In addition, the charter, in accordance with the final report compiled by the HIV affair investigative committee and completed in July 2007, incorporates the Company's commitment to doing its utmost to secure product safety and quality.

In the future, "the Mitsubishi Tanabe Pharma Group Compliance Declaration", which was formulated at the same time as the charter, will form the core of the Company's internal compliance program. By promoting this program and implementing a range of education and internal training activities, the Group will work to make the charter know to every member and put it into practice.

<Philosophy>

We contribute to the healthier lives of people around the world through the creation of pharmaceuticals.

<Vision>

We strive to be a global research-driven pharmaceutical company that is trusted by communities.

<Corporate Behavior Charter>

We will maintain high ethical standards, place priority on fairness and integrity in all activities, and act in accordance with the following guidelines.

Pride and Sense of Mission

As people involved in the creation of pharmaceuticals, we will work with pride and a sense of mission as we endeavor to research and develop pharmaceuticals that are needed by society and to ensure product safety and quality.

Challenge and Innovation

With acute sensitivity and a broad perspective, we will focus on our future direction, decisively take on the challenge of meeting higher goals, and strive to create innovative value.

Trust and Teamwork

Through free and open communication, we will promote mutual understanding and respect, and we will emphasize teamwork as we strive to maximize our results based on strong relationships of trust.

Harmonious Coexistence with Society

We will work to achieve harmonious coexistence with society by acting with consideration for local communities and the environment.

II. Medium-Term Management Plan

1. Name and Period

Name: Medium-Term Management Plan 08-10 - Dynamic Synergy for 2015 -

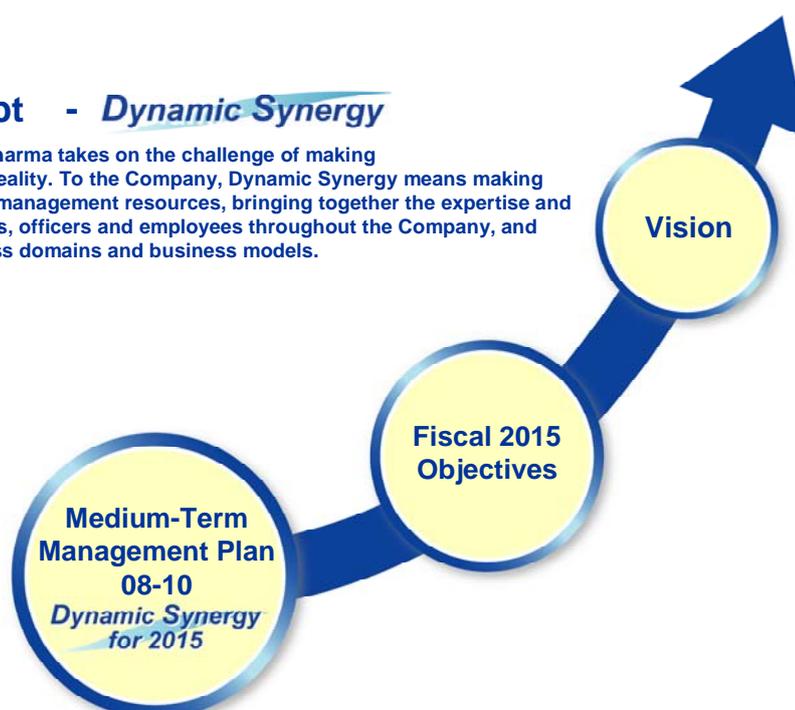
Period: 3 years (fiscal 2008 to fiscal 2010)

2. Overview of Medium-Term Management Plan

To cope with changes in the operating environment over the medium to long term and establish a position as global, research-driven pharmaceutical company, the Company established fiscal 2015 objectives and formulated the Medium-Term Management Plan 08-10 as an action plan for fiscal 2010, which is positioned as a key milestone point on the course to 2015.

Key Concept - *Dynamic Synergy*

Mitsubishi Tanabe Pharma takes on the challenge of making **Dynamic Synergy** a reality. To the Company, **Dynamic Synergy** means making full use of abundant management resources, bringing together the expertise and energy of all directors, officers and employees throughout the Company, and creating new business domains and business models.



1) Key Concept: Dynamic Synergy

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2) Fiscal 2015 Objectives

To realize a global, research-driven pharmaceutical company, we formulated the following fiscal 2015 objectives:

Establish a R&D pipeline capable of launching one product every two years, with a focus on the metabolic and circulatory disease areas

Establish a top level position in the domestic ethical drug market by launching and cultivating major products

Establish in-house sales structure in the U.S. and achieve overseas sales of more than ¥100 billion

Establish competitive superiority through the creation of differentiated business models.

3) Fiscal 2010 Management Targets (consolidated)

	Fiscal 2010 Targets	(Reference) Fiscal 2010 Targets announced in May 2007
Net sales	460 billion	480 billion
Operating income	95 billion	100 billion
Net income	56 billion	60 billion
R&D expenses	82 billion	87 billion

The fiscal 2010 objectives announced in May 2007 were net sales of ¥480.0 billion, operating income of ¥100.0 billion, and net income of ¥60.0 billion. In formulating the plan, the Group examined numerical objectives in light of changes in the market environment and reevaluated the profit/cost structure to achieve the optimal allocation of resources to R&D. As a result, objectives were revised to net sales of ¥460.0 billion, operating income of ¥95.0 billion, and net income of ¥56.0 billion.

4) Policies for returning profits

In order to accelerate the growth and development of Mitsubishi Tanabe Pharma, the basic policy on the distribution of earnings will call for providing a stable, ongoing distribution of earnings to shareholders while striving to maximize enterprise value by investing aggressively to bolster R&D and marketing activities from a medium-to-long-term perspective. In regard to dividends, the Company will emphasize stability and safety while working to achieve sustained increases. The Company's objective for the consolidated dividend payout ratio is 35% (based on net income before amortization of goodwill), and over long timethe Company will provide a more aggressive return to shareholders.

5) 2008-2010 Medium-Term Issues and Action Plan

Targeting the achievement of its fiscal 2015 objectives, the Group has identified the key management issues for period to fiscal 2010, and will strive to make steady progress.

i) Enhancing the Company's domestic sales presence

With maximization of the product value of Remicade--an anti-TNF-alpha monoclonal antibody and the Company's chief growth driver through 2010--playing a key role, the Group will work to increase specialized knowledge of cerebrovascular drugs, particularly for Grtpa(tissue plasminogen activator) and Radicut (brain protecting agent) and Novastan (selective thrombin inhibitor), and, following the completely integration of MR systems, work to expand sales of key products through tie-ups with institution-based MRs and field-specialists and through separate acute/chronic promotion systems.

ii) Steady progress in key development projects

Targeting the launch of a new growth driver from fiscal 2011, the Company has positioned MC-196 (hyperphosphatemia) and MP-146 (chronic kidney disease), in the U.S. and European markets, and MP-424 (chronic kidney disease) and MP-513 (type 2 diabetes) and TA-7284(diabetes), in Japan, as key development projects and will strive to make steady progress in their development.

iii) Progress in developing overseas pharmaceutical operations

Targeting the launch of MCI-196 and MP-146, the Company will start to build a U.S. sales structure and to conduct pre-marketing activities targeting nephrologists and dialysis specialists. In Europe, the Company will reinforce the market position of Argatra (Japanese product name; Novastan), which has already been launched in 6 countries, and will proceed with preparations for the concurrent launch as well as U.S. of MCI-196 and MP-146. In Asia, the Company will reinforce its operational foundation in China, Korea, Taiwan, and Indonesia to increase sales of products sold via its own sales network.

iv) Progress in generic operations

In April 2008, the Company established Tanabe Seiyaku Hanbai Co., Ltd., a generic drug marketing subsidiary. The Company will work to further strengthen its back-up systems to provide health care professionals and patients with reliable generics that they can trust. Through alliances, the Mitsubishi Tanabe Parma will work to enhance its lineup, including injections, as rapidly as possible.

v) Creating an efficient organization and cost structure

The first post-merger issue the Company addressed is the achievement of a lean, efficient organization and cost structure through the pursuit of cost synergies. The Company has defined the directions it will take in the consolidation of bases, centered on head offices (Osaka, Tokyo) and research facilities, the consolidation of production

related companies and domestic service companies, and the establishment of an optimally sized workforce, and the Company will move forward accordingly.

To make steady progress in the implementation of the Medium-Term Management Plan 08-10 and to realize the key concept "Dynamic Synergy" the Company will establish the Medium-Term Management Plan 08-10 Follow-Up Committee, which is led by President Natsuki Hayama. The committee will follow up on the progress of the plan overall. At the same time, it will promote common goals and shared information, create an efficient organization and cost structure, and develop a new business model that is focused on the future.

