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PRESS RELEASE

[Mitsubishi Tanabe Pharma Corporation](#)

Formulation of Medium-Term Management Plan 11-15 -New Value Creation-

Osaka, Japan, October 17, 2011---Mitsubishi Tanabe Pharma Corporation (President & Representative Director Michihiro Tsuchiya) announced today the Company has formulated the "Medium-term Management Plan 11-15 -New Value Creation-," which covers the period to fiscal 2015.

1. Overview of Medium-Term Management Plan 11-15

The key concept of the Medium-term Management Plan 08-10, which was formulated in 2008, was "Dynamic Synergy -focusing the expertise and energy-." Guided by that concept, the Company generated steady results linked to future growth.

Based on those results, the Company has formulated "Medium-Term Management Plan 11-15 -New Value Creation-" as the road map to the next new growth stage.

To build a foundation for future growth, the Company is working to discover new drugs that respond to unmet medical needs and to establish a foundation for the provision of those drugs on a global basis. The Company is targeting sustained growth by aggressively investing profits. In addition to priority products, centered on Remicade[®], the Company will also strive to achieve steady results in promoting appropriate usage of new products that are nearing their launch date, and to nurture those drugs.

The new plan contains four strategic challenges: (1) Bolstering Our Ability to Discover New Drugs; (2) Advancing Domestic Operations, Centered on New Products, (3) Building a Foundation for the Expansion of Overseas Operations, and (4) Accelerating Operational and Structural Reforms. Through the steady implementation of these issues, we will become a "Company that Can Continue to Create New Value."

(1) Name and period

Name: Medium-Term Management Plan 11-15 -New Value Creation-
Becoming a "Company that Can Continue to Create New Value"

Period: April 2011 to March 2016 (five years)

(2) Key Concept

New Value Creation

Mitsubishi Tanabe Pharma will move on to a new growth stage under the Medium-Term Management Plan 11-15.

The key concept of that new stage is *New Value Creation*. Guided by that concept, we will become a company that can continue to create new value.

We will build a management foundation for the discovery and global provision of new drugs that respond to unmet medical needs, and we will strive to contribute to improving the quality of life for large numbers of patients around the world.

This is our mission: providing a wide-range of value to society.

* Unmet medical needs: Medical needs for which there are no effective treatments or drugs

2. Strategic Challenges

(1) Bolstering Our Ability to Discover New Drugs

- During the period of the plan, our targets are to launch 10 new products, advance 8 products to late-stage development, and commence clinical trials for 3 development products. We will strive to continually strengthen our pipeline.
- Throughout the process extending from the discovery of targets to the discovery of development compounds, we will utilize our strengths in compound optimization to enhance our ability to discover compounds that respond to unmet medical needs. To that end, we will work in cooperation with external resources, such as academic institutions in clinical development and venture companies.
- The Company has established marketing and R&D foundations in such areas as autoimmune diseases, diabetes, and kidney diseases. We have positioned our areas of strength—in which we have accumulated a variety of evidence data, and know-how—as “marketing franchise areas.” In addition, in conjunction with new disease areas that pose a high level of unmet medical needs, we will take on the challenge of drug discovery and work to continually bolster our pipeline from the research stage.

(2) Advancing Domestic Operations, Centered on New Products

- In addition to priority products, we will also provide accurate information based on global evidence for products newly launched during the period of the plan, and provide them to as many patients as possible.
- In our marketing organization, we will establish a “T-shaped” marketing system in which specialized MRs will backup generalist MRs. In addition, we will establish an information provision system that can provide on-demand responses to customer needs in a wide range of fields.

(3) Building a Foundation for the Expansion of Overseas Operations

- In the U.S. and Europe, which are industrially developed markets, we will conduct in-house promotion focused on specialist doctors for products in the kidney disease field, such as MCI-196 and MP-146. We will also establish new focus areas in addition to kidney diseases. We will take steps to aggressively secure management resources and products in order to bolster and expand our operating base.
- In China and Asia, which are emerging markets, we will work to rapidly launch products that have been approved in industrially developed markets and we will aggressively promote products that match market characteristics and needs.

(4) Accelerating Operational and Structural Reforms

- The Company will accelerate the consolidation and reorganization of the research, production, and head office functions, thereby establishing an organization with both improved functions / productivity and lower costs. In addition, through operational restructuring measures, the Company will strive to maximize enterprise value and achieve overall optimization of the Mitsubishi Tanabe Pharma Group. Furthermore, by strengthening human resources / organizations that can contribute to global business development, we will become a company that can continue to create new value.
- In generic drug operations, the Company will make full use of the production functions of Choseido Pharmaceutical. We will also work to maximize sales of large-scale new products through cooperative initiatives within the Group, centered on Tanabe Seiyaku Hanbai. With consideration for further strategic cooperation, the Company is targeting generic drug sales of ¥50.0 billion in fiscal 2015.

3. Numerical Targets

	Fiscal 2015 objectives	Note: Fiscal 2011 (forecast)
Net sales	¥500.0 billion	¥405.0 billion
Operating income	¥100.0 billion	¥68.0 billion

R&D expenses	¥80.0 billion	¥69.0 billion
Overseas sales ratio:	15%+	6%

* On an operating income basis, we are aiming for an overseas sales ratio of 40% in fiscal 2015.

4. Dividend policy

The Company's basic policy calls for providing a stable return to shareholders while striving to maximize enterprise value by aggressively investing in future growth.

Under this plan, in addition to profit growth, we will steadily raise the consolidated dividend payout ratio (prior to amortization of goodwill) to 40% and expand shareholder return.

5. Contributing to *KAITEKI* Society

As the core health care company in the Mitsubishi Chemical Holdings Group, we will contribute to realization of *KAITEKI* society by providing pharmaceuticals that contribute to raising patients' QOL.

Moreover, we will contribute to the provision of the Mitsubishi Chemical Holdings Group's "Health Care Solutions" through orchestrating with other members of that group.

6. Striving to be a Company That is Trusted by Communities

By steadily implementing the business improvement plans related to the Medway problem and the quality control problem, we will strive to strengthen the management foundation and on-site capabilities of the entire Mitsubishi Tanabe Pharma Group, reform our organizational culture, prevent a recurrence, and regain the trust of society. We have had outside committees conduct investigations and provide advice in regard to this situation in an objective, appropriate manner. In this way, we are working to raise the effectiveness of our improvement plans, and, by releasing that advice the public, to ensure transparency.

We will reinforce our foundation of "regaining the trust of society" and "securing quality and safety" and be a company that fulfills its social mission—contributing to improvements in patients' QOL by "manufacturing and providing pharmaceuticals."

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