

August 1, 2013

Press release:

Mitsubishi Tanabe Pharma Corporation

**Notice regarding the reorganization of Mitsubishi Tanabe Pharma Factory Ltd.'s domestic production sites and the conclusion of a basic agreement regarding the transfer of its Ashikaga Plant**

Mitsubishi Tanabe Pharma Corporation (head office: Osaka, Japan; President and Representative Director: Michihiro Tsuchiya) announced today the decision to reorganize its domestic production sites and to transfer one of its plants. These actions are part of Mitsubishi Tanabe Pharma's efforts to "accelerate operational and structural reforms," one of the strategic challenges of its Medium-Term Management Plan 11-15 New Value Creation.

Specifically, after comprehensive deliberation regarding the manufacturing capabilities that will be necessary in the future, the decision was reached that the current five existing production sites of Mitsubishi Tanabe Pharma's consolidated subsidiary, Mitsubishi Tanabe Pharma Factory Ltd. (head office: Osaka, Japan; President and Representative Director: Koji Nakamura) will be consolidated into the Onoda and Yoshitomi plants, and the other plants will be reorganized, including a transfer.

At the same time, Mitsubishi Tanabe Pharma announced that it had agreed to transfer Mitsubishi Tanabe Pharma Factory's Ashikaga Plant in Ashikaga, Tochigi, to CMIC HOLDINGS Co., Ltd. (head office: Tokyo; Chairman & CEO: Kazuo Nakamura) on April 1, 2014, and that a basic agreement with CMIC had been concluded.

**1. Aims and overview of production site reorganizing**

As part of efforts to accelerate operational and structural reforms, with the aim of setting up a new pharmaceutical supply system at a global level and shifting to a flexible and effective production system that is resistant to changes in the business environment, Mitsubishi Tanabe Pharma will consolidate its production sites into a two-plant system comprising the Onoda and Yoshitomi plants.

As part of this reorganizing, the Ashikaga Plant will be transferred to CMIC as described below. The plant will continue to manufacture Mitsubishi Tanabe Pharma products, and it will also spread out contract manufacturing business for other companies.

Mitsubishi Tanabe Pharma plans to close the Kashima and Osaka plants by the end of the fiscal year ending March 2018 and is making preparations, including transferring product lines manufactured at these plants. However, the Company will work to provide continued employment for the employees at these plants, such as by transferring them to the two consolidated plants.

## **2. Aims and overview of Ashikaga Plant transfer**

### (1) Aims of transfer

In deliberations concerning the reorganizing of Mitsubishi Tanabe Pharma Factory's production sites, it was decided that the best measure for the Ashikaga Plant would be to transfer the plant to CMIC, one of the leading domestic companies providing contract manufacturing business. This decision, which was based on the Ashikaga Plant's strengths and operational scale, targets the reinforcement of stable supply and competitiveness of the Ashikaga Plant's products.

### (2) Transfer method

In October 2013, Mitsubishi Tanabe Pharma will establish a wholly-owned subsidiary (name undecided, referred to below as "new Ashikaga company"). Through a corporate split, the new Ashikaga company will acquire all of the pharmaceutical production business at the Ashikaga Plant, and Mitsubishi Tanabe Pharma will transfer all of its stock in the new Ashikaga company to CMIC on April 1, 2014 (planned),.

The employees at the Ashikaga Plant will continue to be employed by the new Ashikaga company. Also, after the stock transfer, Mitsubishi Tanabe Pharma will continue to contract out manufacturing of its products to the new Ashikaga company.

### (3) Transfer schedule

October 2013: Establishment of new Ashikaga company by Mitsubishi Tanabe Pharma (planned)

November 2013: Final signing of contract (planned)

April 1, 2014: Split in Mitsubishi Tanabe Pharma Factory, transfer of new Ashikaga company stock, and start of new company operations (planned)

## **3. Overview of companies and Ashikaga Plant**

### **• Mitsubishi Tanabe Pharma Factory Ltd.**

Head Office:	2-6-18, Kitahama, Chuo-ku Osaka
Representative:	Koji Nakamura, President and Representative Director
Capital:	¥1,130 million (as of March 31, 2013)
Net sales:	¥52.4 billion (fiscal year ending March 2013)
Business activities:	Manufacturing, sales, and export/import of pharmaceuticals
Number of employees:	1,369 (as of March 31, 2013)
Production sites:	Ashikaga Plant (see below) Kashima Plant (14-1, Sunayama, Kamisu Ibaraki) Osaka Plant (3-16-89, Kashima, Yodogawa-ku, Osaka) Onoda Plant (7473-2, Oaza-Onoda, Sanyo-Onoda, Yamaguchi) Yoshitomi Plant (955, Oaza-Koiwai, Yoshitomi, Chikujo, Fukuoka)

### **• Mitsubishi Tanabe Pharma Factory Ltd., Ashikaga Plant**

Location:	588-3, Kubota, Ashikaga, Tochigi
Plant manager:	Takeshi Mitani
Number of employees:	279 (as of March 31, 2013)
Production results:	approximately 2 billion pills; approximately 30 tons of powders and granules; approximately 2.8 million syringes of injection drugs, etc. (fiscal year ending March 2013)

- CMIC HOLDINGS Co., Ltd.

Head Office: 7-10-4 Nishigotanda, Shinagawa-ku, Tokyo

Representative: Kazuo Nakamura, Chairman & CEO

Capital: ¥3,087 million (as of March 31, 2013)

Net sales: ¥50.3 billion (on a consolidated basis,  
fiscal year ending September 2012)

Business activities: Management and control of business activities in business subsidiaries  
(pharmaceutical development, manufacturing, and sales support, etc).

Number of employees: 4,850 (on a consolidated basis, as of June, 2013)