

October 30, 2015

Press release

Company name: Mitsubishi Tanabe Pharma Corporation
Representative: Masayuki Mitsuka
President and Representative Director
Code number: 4508, First Section, Tokyo Stock Exchange
Contact: Yoshifumi Mifune, General Manager,
Corporate Communications Department
(Osaka: TEL: +81-6-6205-5211)
(Tokyo: TEL: +81-3-6748-7664)

Notice Regarding Implementation of Early Retirement Program

At a meeting held on October 30, 2015, the Board of Directors of Mitsubishi Tanabe Pharma Corporation decided to implement an early retirement program, as described below.

1. Reason for implementation of early retirement program

Aiming to become a company that continues to create new value, the Company has been implementing the Medium-Term Management Plan 11–15. Under this plan, the Company's urgent challenges include the implementation of reforms targeting the establishment of a robust business structure that will succeed in a changing environment. Accordingly, to become a company that can record sustained growth, we are implementing reforms in four areas — R&D Reforms, Domestic Sales Reforms, U.S. Operations Reforms, and Organizations and Activities Reforms.

With the operating environment in the domestic pharmaceutical industry becoming increasingly severe, the Company believes that decisive business restructuring measures will be necessary from the next fiscal year.

Accordingly, targeting the future implementation of domestic restructuring initiatives, the Company is working from the perspective that it is necessary to optimize its workforce. On that basis, the Company decided to implement the early retirement program.

2. Overview

(1) Eligible employees

Employees who are 45 or older as of April 1, 2016 (excluding certain Group companies)

(2) Number of employees who can be accepted into the program

Not specified

(3) Application period

December 1, 2015, to December 25, 2015 (planned)

(4) Date of retirement

March 31, 2016

(5) Preferential benefits

In addition to the normal retirement allowance, an extra retirement allowance will be paid. Furthermore, support for reemployment will be provided to those who request it.

3. Forecasts

The Company plans to record the extra retirement allowances that are incurred as a result of the program as extraordinary losses in the fiscal year ending March 31, 2016. The forecasts announced today in the Summary of 2nd Quarter Financial Results for year ended March 31, 2016, include a certain level of extra retirement allowances. However, at this point the number of employees who will be accepted into the program has not yet been determined. Accordingly, information on the influence of the program on the Company's results will be provided after the number of employees accepted into the program has been determined.

End

(Reference)

Forecasts for the current fiscal year (announced October 30, 2015) and results for the previous fiscal year

(Unit: ¥ million)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to shareholders of the Company
Consolidated results forecasts for the current fiscal year (Fiscal year ending March 31, 2016)	418,000	82,000	81,000	46,000
Consolidated results in previous fiscal year (Fiscal year ended March 31, 2015)	415,124	67,133	67,654	39,502