October 21, 2014

Press release:

Mitsubishi Tanabe Pharma Corporation

Revisions to Consolidated Financial Forecasts for Fiscal Year Ending March 31, 2015

Osaka, Japan, October 21, 2014 --- Mitsubishi Tanabe Pharma Corporation (Head office: Chuo-ku, Osaka, President and Representative Director, CEO: Mitsuka Masayuki) announced today revisions to the consolidated financial forecasts for 2Q and full-year of the fiscal year ending March 31, 2015, which were announced on May 8, 2014.

1. Revised consolidated financial forecasts for 2Q of the fiscal year ending March 31, 2015 (April 1, 2014 to September 30, 2014)

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	Millions of yen 201,000	Millions of yen 29,500	Millions of yen 30,500	Millions of yen 21,000	Yen 37.43
Revised forecast (B)	198,500	34,500	35,000	32,500	57.93
Difference (B-A)	(2,500)	5,000	4,500	11,500	—
Percentage change (%)	(1.2)	16.9	14.8	54.8	—
(Reference) Results in the same period of the previous fiscal year	202,834	30,459	32,198	28,544	50.88

2. Revised consolidated financial forecasts for full-year of the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	Millions of yen 409,000	Millions of yen 60,000	Millions of yen 61,500	Millions of yen 40,500	Yen 72.19
Revised forecast (B)	406,000	60,000	61,500	40,500	72.19
Difference (B-A)	(3,000)	0	0	0	—
Percentage change (%)	(0.7)	0.0	0.0	0.0	—
(Reference) Results in the same period of the previous fiscal year	412,675	59,119	61,873	45,393	80.92

3. Reason for revision

In the 2Q of the fiscal year, growth in the influence of generics exceeded expectations, and as a result sales of long-listed drugs declined. Due in part to this decline, net sales are not expected to reach the level of the previously announced forecast.
In profits, due to reductions in expenses and to the recording of certain expenses after the close of the period, SG&A expenses for the 2Q declined. In addition, gain on the sale of the former Nihonbashi Building was recorded as extraordinary income. Consequently, operating income, ordinary income, and net income all exceeded the previously announced forecasts.
For the full fiscal year, the influence of generics is expected to continue to expand, and as a result the Company will make a downward revision to its forecast for net sales. However, SG&A expenses are expected to decrease due to a reduction in expenses, and consequently the forecasts for operating income and ordinary income are unchanged, at ¥60.0 billion and ¥61.5 billion, respectively.
Moreover, in the second half of the fiscal year, the Company expects to record extraordinary losses due to the reorganization of manufacturing bases accompanying structural reforms, which the Company is currently accelerating. The forecast for net income is unchanged, at ¥40.5 billion.

Note: The above results forecasts reflect judgments and assumptions that are based on information available at the present point in time. For any of a number of reasons, actual results might differ materially from these forecasts.