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Securities code number: 4508
May 28, 2015

To Our Shareholders:

Masayuki Mitsuka
President & Representative Director
Chief Executive Officer
Mitsubishi Tanabe Pharma Corporation
3-2-10, Dosho-machi, Chuo-ku, Osaka, Japan

Notice of Convocation of the 8th Ordinary General Meeting of Shareholders
(This document is purely for informational purposes)

Mitsubishi Tanabe Pharma Corporation (the "Company") respectfully invites you to attend the 8th Ordinary General Meeting of Shareholders of the Company for the term ended March 31, 2015 to be held as detailed below (the "Meeting").

If you are unable to attend the Meeting, you can exercise your voting rights in writing or electronically (via the Internet or other means), as described in section 4 below. In that case, please review the "Reference Materials for General Meeting of Shareholders" (page 3 to page 13), and exercise your voting rights by 5:00 pm on Thursday, June 18, 2015.

1. Date and Time

10:00 a.m., Friday, June 19, 2015

2. Venue

Hilton Osaka hotel, 5th Floor, "Sakura" Meeting Room,
8-8, Umeda 1-chome, Kita-ku, Osaka, Japan

3. Meeting Agenda

Reports

1. Reports on the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the 8th fiscal year (from April 1, 2014 to March 31, 2015).
2. Reports on the Audit Reports on the Consolidated Financial Statements from the Accounting Auditor and the Board of Corporate Auditors.

Resolutions

Proposed Resolution 1: Appropriation of Surplus
Proposed Resolution 2: Election of eight (8) Board Directors
Proposed Resolution 3: Election of three (3) Corporate Auditors
Proposed Resolution 4: Election of one (1) Substitute Corporate Auditor

4. Exercise of voting rights in writing or electronically (via the Internet or other means)

[Exercising your voting rights in writing]

Please indicate your approval or disapproval for the proposals on the enclosed Voting Right Exercise

Form (the "Voting Form") and return the Voting Form so that it arrives by the voting deadline listed above.

[Exercising your voting rights over the Internet, etc.]

Please access the voting site specified by the Company (http://www.evote.jp/) and enter your approval or disapproval for the proposals in accordance with the instructions on the screen by the voting deadline listed above. (Internet voting is also possible using cellular phones.)

Note: This site is available only in Japanese.

5. Handling of multiple votes

(1) In the event that a duplicate vote is received—through a mailed Voting Form and through the Internet, etc.—the vote received through the Internet, etc., will be counted.

(2) In the event of multiple votes received through the Internet, etc., the last vote received will be counted. Also, in the event that multiple votes are received—through the Internet, smartphones, and mobiles—the last one will be counted.

6. Internet disclosure

(1) In accordance with laws and Article 15 of the Articles of Incorporation of the Company, the "Consolidated Notes" and "Consolidated Statements of Changes in Net Assets" for the Consolidated Financial Statements and the "Non-Consolidated Notes" and "Non- Consolidated Statements of Changes in Net Assets" for the Non-Consolidated Financial Statements are posted on the Company's website, and accordingly they are not included in this Convocation Notice.

(2) The Consolidated Financial Statements and the Non-Consolidated Financial Statements that have been audited by the Board of Corporate Auditors and the Accounting Auditor comprise the documents in this Convocation Notice and the "Consolidated Notes", "Consolidated Statements of Changes in Net Assets", "Non-consolidated Notes", and "Non-Consolidated Statements of Changes in Net Assets", which are available on the Company's website.

(3) In regard to the General Meeting of Shareholders Reference Materials, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements, in the event that revisions are necessary, the details of the revisions will be made available on the Company's website.

Company's website: http://www.mt-pharma.co.jp/

End

If you are attending the Meeting, please submit the enclosed Voting Form to the reception staff at the Meeting site.

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Reference Materials for General Meeting of Shareholders

Proposed Resolutions and Reference Items

Proposed Resolution 1: Appropriation of Surplus

The following is an explanation of Appropriation of Surplus

Year-end dividend

The Company's basic policy calls for providing a stable and continuous return to shareholders while striving to maximize enterprise value by aggressively investing for future growth. Under the Medium-Term Management Plan 11-15, in addition to profit growth, the basic for the dividend payout ratio is 50% (the basic for the dividend payout ratio, before amortization of goodwill, is 40%), and the Company will work to provide an enhanced return to shareholders.

In the fiscal year, net income was slightly lower than the forecast because the Company recorded a significant extraordinary loss, such as restructuring expenses. On the other hand, operating income was largely exceed the forecast due to the growth of the priority ethical pharmaceuticals, the increase in royalty revenue, and the cost saving effective related to the reorganizing operations. As a result, the Company forwards with the strengthening our earnings structure.

In accordance with this situation and its basic policy on the distribution of earnings, the Company sets year-end dividends at ¥22.0 per share. In conjunction with the interim dividends, this resulted in annual dividends of ¥42.0 per share.

(1) Type of dividend property

Cash

(2) Allotment of cash dividend to shareholders, and cash dividend total amount

¥22 per common share

Total amount ¥ 12,341,770,672

(3) Date dividends from retained earnings become effective

June 22, 2015

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Proposed Resolution 2: Election of eight (8) Board Directors

The terms of office of all eight (8) of the current Board Directors will expire at the conclusion of the Meeting.

Therefore, the Company proposes the nomination of eight (8) Board Directors.

The following are the candidates for Board Director.

(* stands for significant concurrent posts)

Candidate No.	Name (Date of birth)	Main Posts Held, Other Corporate Officer Positions Held	Shares of the Company Owned
1	Michihiro Tsuchiya (July 12, 1947) **Reappointed**	April 1976 Entered the Company June 2001 Board Director, General Manager of Corporate Strategic Planning Department of the Company June 2003 Managing Board Director, Division Manager of Research Division of the Company June 2005 Board Director, Managing Executive Officer, Division Manager of Research Division of the Company June 2006 Representative Director, Senior Managing Executive Officer of the Company October 2007 Board Director, Vice President of the Company June 2008 Board Director of Mitsubishi Chemical Holdings Corporation June 2009 President & Representative Director, Chief Executive Officer of the Company April 2011 Board Director of The KAITEKI Institute Inc. June 2014 Chairman of the Board & Representative Director of the Company (current)	45,600
2	Masayuki Mitsuka (October 30, 1954) **Reappointed**	April 1982 Entered Mitsubishi Chemical Industries Ltd.（currently, Mitsubishi Chemical Corporation） October 1999 General Manager of Pharmaceuticals Discovery Laboratory of Yokohama Research Center of Mitsubishi-Tokyo Pharmaceuticals, Inc. April 2004 President and Board Director of ZOEGENE Corporation April 2007 Associate Director, General Manager of Product Strategy Department of Mitsubishi Pharma Corporation October 2007 General Manager of Global Product Strategy Department of the Company June 2008 Executive Officer, General Manager of Global Product Strategy Department of the Company June 2009 Board Director, Executive Officer, General Manager of Global Product Strategy Department of the Company	21,700

		April 2012 April 2014 June 2014	Board Director, Managing Executive Officer, Division Manager of Development Division of the Company Representative Director, Senior Managing Executive Officer, in charge of Management Strategy & Business Management of the Company President & Representative Director, Chief Executive Officer of the Company (current) Board Director of Mitsubishi Chemical Holdings Corporation (current)* Board Director of The KAITEKI Institute Inc. (current)*	

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Candidate No.	Name (Date of birth)	Main Posts Held, Other Corporate Officer Positions Held	Shares of the Company Owned
3	Takashi Kobayashi (September 28, 1955) **Reappointed**	April 1980 Entered the Company January 2003 General Manager of Secretary's office, Administrative Division of the Company April 2004 General Manager of Pharmaceuticals Sales & Marketing Department of Marketing Planning Division of the Company October 2007 Executive Officer, General Manager of Corporate Management Department of the Company June 2009 Board Director, Executive Officer, General Manager of Corporate Strategic Planning Department of the Company April 2012 Board Director, Managing Executive Officer (current), in charge of Business Unit, responsible for Special Assignments from the President of the Company April 2014 Division Manager of Research Division of the Company (current) October 2014 In charge of R&D Transformation Department of the Company (current)	16,600
4	Yoshiaki Ishizaki (April 10, 1955) **Reappointed**	April 1978 Entered Yoshitomi Pharmaceutical Industries Ltd. October 2007 General Manager of Tokyo Branch of Sales & Marketing Division of the Company June 2008 Associate Director, General Manager of Tokyo Branch of Sales & Marketing Division of the Company June 2009 Executive Officer, General Manager of Tokyo Branch of Sales & Marketing Division of the Company June 2011 Executive Officer, Division Manager of Pharmacovigilance & Quality Assurance Division of the Company April 2012 Managing Executive Officer, Division Manager of Pharmacovigilance & Quality Assurance Division of the Company (current) April 2014 In charge of Internal Controls & Compliance Department of the Company (current) Chief Compliance Officer of the Company (current) June 2014 Board Director of the Company (current)	6,100

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(* stands for significant concurrent posts)

Candidate No.	Name (Date of birth)	Main Posts Held, Other Corporate Officer Positions Held	Shares of the Company Owned
5	Seiichi Murakami (March 5, 1957) **Newly appointed**	April 1980 Entered the Company July 2003 General Manager of Remicade Department of Pharmaceuticals Sales & Marketing Division of the Company April 2006 Executive Officer, Deputy Division Manager of Pharmaceuticals Sales & Marketing Department of the Company General Manager of Product Marketing Department of the Company June 2009 Executive Officer, Division Manager of Development Division of the Company April 2012 Managing Executive Officer, in charge of Management Strategy of the Company October 2012 Managing Executive Officer, in charge of Management Strategy of the Company General Manager of Business Development & Licensing Department of the Company October 2013 Managing Executive Officer, in charge of Management Strategy of the Company General Manager of Vaccine Business Development Department of the Company April 2014 Managing Executive Officer, Division Manager of Sales & Marketing Division (current), in charge of Tokyo Head Office of the Company (current)	7,700
6	Eizo Tabaru (July 3, 1958) **Newly appointed**	April 1981 Entered Mitsubishi Chemical Industries Ltd. （currently, Mitsubishi Chemical Corporation） April 2010 General Manager of Finance and Accounting Department of Mitsubishi Chemical Corporation June 2010 Associate Director, General Manager of Finance and Accounting Department of Mitsubishi Chemical Corporation April 2012 Executive Officer, General Manager of Finance and Accounting Department of Mitsubishi Chemical Corporation April 2014 Executive Officer, General Manager of Finance & Accounting Department of the Company (current)	1,100

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(* stands for significant concurrent posts)

Candidate No.	Name (Date of birth)	Main Posts Held, Other Corporate Officer Positions Held		Shares of the Company Owned
7	Shigehiko Hattori (August 21, 1941) **Outside Board Director Candidate** **Reappointed**	April 1964 June 1993 June 1997 June 2003 June 2009 June 2011 March 2012 June 2012 July 2012	Entered Shimadzu Corporation Board Director of Shimadzu Corporation Managing Board Director of Shimadzu Corporation President & Representative Director of Shimadzu Corporation Chairman of the Board and Representative Director of Shimadzu Corporation (current)* Outside Board Director of the Company (current) Outside Board Director of Sapporo Holdings Ltd. (current)* Outside Board Director of Brother Industries, Ltd. (current)* Outside Board Director of Meiji Yasuda Life Insurance Company (current)*	6,600
8	Shigetaka Sato (May 7, 1941) **Outside Board Director Candidate** **Reappointed**	April 1965 June 1995 June 1999 June 2001 June 2003 June 2007 June 2009 March 2010 June 2011 June 2012 June 2013	Entered Keihan Electric Railway Co., Ltd. Board Director of Keihan Electric Railway Co., Ltd. Managing Board Director of Keihan Electric Railway Co., Ltd. President & Representative Director of Keihan Electric Railway Co., Ltd. President & Representative Director, Chief Executive Officer of Keihan Electric Railway Co., Ltd. Representative Director, CEO of Keihan Electric Railway Co., Ltd. Outside Corporate Auditor of Asahi Kogyosha Co., Ltd. (current)* Chairman of Osaka Chamber of Commerce and Industry (current)* Board Director, Senior Adviser & Chairman of Keihan Electric Railway Co., Ltd. Outside Corporate Auditor of Asahi Broadcasting Corporation (current)* Outside Board Director of the Company (current) Chairman Advisory Council of Keihan Electric Railway Co., Ltd. (current)*	1,300

(Note) 1. There are no conflicts of interest between any of the candidates and the Company.

2. Mitsubishi Chemical Holdings Corporation is the parent company of the Company, and Mitsubishi Chemical Corporation and The KAITEKI Institute Inc. are subsidiaries of Mitsubishi Chemical Holdings Corporation.

3. Shigehiko Hattori and Shigetaka Sato are Outside Board Director candidates.

4. Outside Board Director candidates Shigehiko Hattori and Shigetaka Sato have been designated as Independent Directors as per the rules set by the Tokyo Stock Exchange, Inc. (TSE), and the Company has reported them as Independent Board Director to the TSE.

5. Outside Board Director candidate Shigehiko Hattori plans to step down as Chairman of the Board and Representative Director of Shimadzu Corporation on June 26, 2015 and plans to be appointed as an Advisor to Shimadzu Corporation.

6. Special instructions regarding Outside Board Director candidates are as follows:

(1) The reasons for nomination of Outside Board Director candidates are as follows.

(i) The reason for the nomination of Shigehiko Hattori as a candidate for Outside Board Director was the Company's judgment that his abundant experience as a corporate manager and his wide-ranging knowledge in science and technology would be useful in the Company's management.

(ii) The reason for the nomination of Shigetaka Sato as a candidate for Outside Board Director was the Company's judgment that his abundant experience as a corporate manager and his wide-ranging knowledge in corporate governance would be useful in the Company's management.

(2) The incidents of improper business conduct occurring in the period in which an Outside Board Director candidate has served in the past five (5) years as a Board Director, Executive Officer, or Corporate Auditor of another corporation

(i) In January, 2013, at which time Outside Board Director candidate, Shigehiko Hattori, was a Representative Director of Shimadzu Corporation, Shimadzu Corporation had overcharged Japan's Ministry of Defense for aircraft equipment and was suspended from participating in contracts with Japan's Ministry of Defense. Shimadzu Corporation returned such overcharged amount in March, 2014 and was removed from the measure.

(ii) In March, 2014, at which time Outside Board Director, Shigetaka Sato, was an Outside Corporate Auditor of Asahi Kogyosha Co., Ltd., Asahi Kogyosha Co., Ltd., was suspended from participating in contracts with Japan's Ministry of Land, Infrastructure, Transport and Tourism, in violation of the antitrust laws relating to being engaged in bid-rigging for machine and equipment work of snow melting facilities for the Hokuriku Shinkansen.

(3) Number of years since Outside Board Director candidates became Outside Board Directors of the Company

Outside Board Director candidates, Shigehiko Hattori and Shigetaka Sato, are currently Outside Board Directors of the Company, and at the conclusion of this year's General Meeting of Shareholders, the period of service as Outside Board Director of Shigehiko Hattori will be four (4) years and the period of service as Outside Board Director of Shigetaka Sato will be two (2) years.

(4) Overview of contents of the liability limitation contract concluded with Outside Board Director candidates

The Company has entered into liability limitation contracts with Outside Board Director candidates, Shigehiko Hattori and Shigetaka Sato, that limit the liability of Outside Board Directors for damages under Article 423, Paragraph 1 of the Companies Act, within the limits stipulated by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act and Article 27, Paragraph 2 of the articles of incorporation of the Company. If the Outside Board Director candidates are reappointed, the Company plans to continue the liability limitation contracts with them.

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Proposed Resolution 3: Election of three (3) Corporate Auditors

The terms of office of Kouichi Fujisawa, Masanao Iechika and Takashi Nishida, current Corporate Auditors, will expire at the conclusion of the Meeting.

Therefore, the Company proposes the nomination of three (3) Corporate Auditors.

This submission of this Proposed Resolution has been approved in advance by the Board of Corporate Auditors. The following is the candidate for the Corporate Auditors.

Name (Date of birth)	Main Posts Held, Other Corporate Officer Positions Held		Shares of the Company Owned
Kouichi Fujisawa (July 13, 1951) **Reappointed**	April 1975 October 2005 June 2006 April 2009 April 2011 June 2011 June 2011	Entered Mitsubishi Petrochemical Co., Ltd. （currently, Mitsubishi Chemical Corporation） Associate Director, General Manager of Administration & Human Resources, and CSR Offices of Mitsubishi Chemical Holdings Corporation Executive Officer, General Manager of Administration & Human Resources, and CSR Offices of Mitsubishi Chemical Holdings Corporation President and Chief Executive Officer of Dia Rix Corporation Executive Consultant of Mitsubishi Chemical Corporation Senior Corporate Advisor of the Company Standing Corporate Auditor of the Company (current)	10,000
Masanao Iechika (July 18, 1933) **Outside Corporate Auditor Candidate** **Reappointed**	April 1962 June 1994 December 2007	Bar Admission (Osaka Bar Association) Outside Corporate Auditor of the Company (current) Executive Partner of DAIICHI LAW OFFICE, P.C. (current)*	0
Takashi Nishida (September 28, 1953) **Outside Corporate Auditor Candidate** **Reappointed**	April 1976 June 2004 January 2006 June 2007 October 2007	Entered the Mitsubishi Bank, Ltd. （currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.） Executive Officer, General Manager of Treasury & Investment Division of The Bank of Tokyo-Mitsubishi, Ltd. (currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Executive Officer, General Manager of Treasury & Investment Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Corporate Auditor of Mitsubishi Chemical Holdings Corporation (current)* Outside Corporate Auditor of the Company (current)	3,400

(Note) 1. There are no conflicts of interest between any of the candidates and the Company.

2. Mitsubishi Chemical Holdings Corporation is the parent company of the Company, and Mitsubishi Chemical Corporation is a subsidiary of Mitsubishi Chemical Holdings Corporation. Additionally, Dia Rix Corporation is a subsidiary of Mitsubishi Chemical Corporation.
3. Masanao Iechika and Takashi Nishida are Outside Corporate Auditor candidates.
4. Outside Corporate Auditor candidates Masanao Iechika and Takashi Nishida have been designated as Independent Board Directors as per the rules set by the Tokyo Stock Exchange, Inc. (TSE), and the Company has reported them as Independent Board Director to the TSE.
5. Special instructions regarding Outside Corporate Auditor candidates are as follows:

(1) The reasons for nomination of Outside Corporate Auditor candidates are as follows.

(i) The reason for the nomination of Masanao Iechika as a candidate for Outside Corporate Auditor was the Company's judgment that his abundant experience as an attorney and his focused knowledge in social responsibility would be useful in the Company's management. Also, although Masanao Iechika does not have direct experience in corporate management, for the reasons stated above, in the Company's judgment he will appropriately execute his duties as Outside Corporate Auditor.

(ii) The reason for the nomination of Takashi Nishida as a candidate for Outside Corporate Auditor was the Company's judgment that his abundant experience with financial institutions and his wide-ranging knowledge in financial affairs would be useful in the Company's management. Also, although Takashi Nishida does not have direct experience in corporate management, for the reasons stated above, in the Company's judgment he will appropriately execute his duties as Outside Corporate Auditor. Additionally, Takashi Nishida plans to step down as Outside Corporate Auditor for Mitsubishi Chemical Holdings Corporation on June 24 of this year.

(2) Incidents of improper business conduct occurring since Outside Corporate Auditor candidates were last elected and preventative and post-incident measures taken by candidates with regards to the incidents

Since Masanao Iechika and Takashi Nishida were last elected Outside Corporate Auditor to the Company, the Company has been given the following improvement orders:

i) Orders regarding partially-unimplemented quality control testing by subsidiary company Mitsubishi Tanabe Pharma Factory Ltd. in July 2011.

ii) Orders regarding deviations in packaging processes conducted by Benesis Corporation, a subsidiary company at the time, in September 2012.

iii) Orders regarding the production and sales by subsidiary company Bipha Corporation, of "Medway Injection," recombinant human serum albumin preparations, after having added an ingredient not listed in its authorization, in September 2013.

Both Masanao Iechika and Takashi Nishida regularly express their opinions and indicate issues requiring attention in regard to strengthening the Group's internal systems from the perspectives of compliance, governance, etc. at both meetings of the Board of Directors and the Board of Corporate Auditors, and particularly expressed their opinions regarding the necessity of identifying the cause and the need for rigorous measures to prevent a recurrence after the discovery of the above incidents i)-iii).

(3) Number of years since Outside Corporate Auditor candidates became Outside Corporate Auditors of the Company

Outside Corporate Auditor candidates, Masanao Iechika and Takashi Nishida, are currently Outside Corporate Auditors of the Company, and at the conclusion of this year's General Meeting of Shareholders, the period of service as Outside Corporate Auditor of Masanao Iechika will be twenty-one (21) years and the period of service as Outside Corporate Auditor of Takashi Nishida will be seven (7) years and eight (8) months.

(4) Overview of contents of the liability limitation contract concluded with Outside Corporate Auditor candidates

The Company has entered into liability limitation contracts with Outside Corporate Auditor candidates, Masanao Iechika and Takashi Nishida, that limit the liability of Outside Corporate Auditors for damages under Article 423, Paragraph 1 of the Companies Act, within the limits stipulated by laws

and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act and Article 35, Paragraph 2 of the articles of incorporation of the Company. If the Outside Corporate Auditor candidates are reappointed, the Company plans to continue the liability limitation contracts with them.

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Proposed Resolution 4: Election of one (1) Substitute Corporate Auditor

The term of the current Substitute Corporate Auditor expires at the start of the Meeting. Accordingly, to prevent a decline in the number of Corporate Auditor below the level stipulated by law, the election of one (1) Substitute Corporate Auditor is proposed.

This submission of this Proposed Resolution has been approved in advance by the Board of Corporate Auditors.

The following is the candidate for the Corporate Auditor.

(* stands for significant concurrent posts)

Name (Date of birth)	Brief History, Positions, and Important Concurrent Posts		Shares of the Company Owned
Hidetaka Tomita （February 16, 1939） Substitute Outside Corporate Auditor Candidate	October 1965 May 1989 July 2001 June 2004 June 2007 June 2009 July 2013	Registered Certified Public Accountant Representative partner of Showa Ota & Co. (currently, Ernst & Young ShinNihon LLC) Representative partner of Ernst & Young ShinNihon (currently, Ernst & Young ShinNihon LLC) Tomita office of Certified Public Accountant (current)* Outside Corporate Auditor of OUG Holdings, Inc. (current)* Outside Corporate Auditor of Sakai Moving Service Co., Ltd (current)* Executive Partner of ICS Tax Accountant Corporation (current)*	1,000

Note:

1. There are no conflicts of interest between the candidate and the Company.
2. Hidetaka Tomita is a Substitute Outside Corporate Auditor candidate.
3. If the Substitute Outside Corporate Auditor candidate Hidetaka Tomita is appointed as Corporate Auditor, the Company plans to report him as Independent Corporate Auditor as per the rules set by the Tokyo Stock Exchange, Inc. (TSE) to the TSE.
4. The reason why Hidetaka Tomita has been proposed as a candidate for Substitute Outside Corporate Auditor is that his specialized knowledge and experience as a Certified Public Accountant will be used in management of the Company. Also, although Hidetaka Tomita does not have direct experience in corporate management, for the reasons stated above, in the Company's judgment he will appropriately execute his duties as Outside Corporate Auditor.
5. If the Substitute Outside Corporate Auditor candidate Hidetaka Tomita is appointed as Outside Corporate Auditor, the Company plans to enter into the liability limitation contract with him, that will limit the liability of Outside Corporate Auditor for damages under Article 423, Paragraph 1 of the Companies Act, within the limits stipulated by laws and regulations, pursuant to Article 427, Paragraph 1 of the Companies Act and Article 35, Paragraph 2 of the articles of incorporation of the Company.

End

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Business Report
（From April 1, 2014 to March 31, 2015）

1. Current Status of Corporate Group
（1） Business Progressives and Results
① Overview of business results

In this fiscal year under review (April 1, 2014 to March 31, 2015), the domestic economy showed signs of a gradual recovery and corporate profits show an improvement against the background of economic and financial policies by the Government and the Bank of Japan. However, slowing down of overseas economies is still downside risk of the Japanese economy. Accordingly, it remains difficult to predict the future course of business conditions.
In the pharmaceutical industry, with such factors as strengthened drug cost-cutting measures, increased R&D expenses, a decline of success probability in creating new drugs and a changing of medical needs, market conditions are drastically challenging.
Under this circumstance, consolidated operating results in this fiscal year were as follows.

(millions of yen)

	Fiscal 2013	Fiscal 2014	Increase/ decrease	% change
Net Sales	412,675	415,124	2,449	0.6
Cost of sales	169,363	169,605	242	0.1
Cost of sales ratio	41.0	40.9		
Gross profit	243,312	245,519	2,207	0.9
SG&A expenses	184,193	178,386	(5,807)	(3.2)
Operating Income	59,119	67,133	8,014	13.6
Non-operating income/loss	2,754	521	(2,233)	
Ordinary Income	61,873	67,654	5,781	9.3
Extraordinary income/loss	10,568	(4,977)	(15,545)	
Net Income	45,393	39,502	(5,891)	(13.0)

【Net sales】

Net sales increased 0.6%: ¥2.4 billion, to ¥415.1 billion.

(millions of yen)

	Fiscal 2013	Fiscal 2014	Increase/ decrease	% change
Pharmaceuticals	411,631	414,686	3,055	0.7
Domestic ethical drugs	341,733	323,910	(17,823)	(5.2)
Overseas ethical drugs	22,025	23,031	1,006	4.6
OTC products	4,465	3,997	(468)	(10.5)
Others in Pharmaceuticals	43,408	63,748	20,340	46.9
Others	1,044	438	(606)	(58.0)

In the pharmaceuticals segment, net sales were ¥414.6 billion, up 0.7%: ¥3.0 billion, year-on-year.

- In the domestic sales of ethical drugs, favorable sales growth was recorded by REMICADE, an anti-TNF α monoclonal antibody and TENELIA, for the treatment of type2 diabetes mellitus. However, there were the growing impact of generics and NHI price revision in April 2014. As a result, the domestic sales of ethical drugs decreased 5.2%, year-on-year, to

¥323.9 billion.

- Overseas sales of ethical drugs were ¥23.0 billion, up 4.6%, year-on-year, due to depreciation of the yen.
- Sales of others in pharmaceuticals increased 46.9%, year-on-year, to ¥63.7 billion due to the increase in royalty revenue from GILENYA, for the treatment of multiple sclerosis, licensed to Novartis and from INVOKANA and the fixed dose combination with metformin (IR), for the treatment of type2 diabetes mellitus, licensed to Janssen Pharmaceuticals.

【Operating income】

Operating income was ¥67.1 billion, up 13.6%: 8.0 billion, year-on-year.

- Despite the influence of NHI drug price revision, gross profit increased ¥2.2 billion, year-on-year, to ¥245.5 billion due to the increase in royalty revenue. As a result, the cost of sales ratio improved by 0.1 percentage points, year-on-year, to 40.9%.
- SG&A expenses decreased ¥5.8 billion, year-on-year, to ¥178.3 billion due to the decrease in the labor cost accompanying the decrease in retirement benefit expenses and R&D expenses related to the progress of development phase.

【Ordinary income/ Net income】

Ordinary income was up 9.3%: ¥5.7 billion, year-on-year, to ¥67.6 billion, and net income was down 13.0%: ¥5.8 billion, year-on-year, to ¥39.5 billion.

- Foreign exchange gain decreased to ¥0.3 billion (foreign exchange gain was ¥2.5 billion in the previous fiscal year). As a result, non-operating income and loss worsened by ¥2.2 billion, year-on-year.
- Extraordinary income was ¥13.6 billion, mainly because the Company recorded gain on sales of property, plant and equipment, such as sales of former Nihonbashi Building. In the previous fiscal year, the Company recorded extraordinary income of ¥15.3 billion, such as profit on arbitration award.
- Extraordinary loss was ¥18.6 billion, including restructuring expenses, such as sales of Kashima Plant and the closing of Kazusa Office, related to one of the strategic challenges of Medium-Term Management Plan; "accelerating operational and structural reforms." In the previous fiscal year, the Company recorded extraordinary loss of ¥4.7 billion, such as special retirement expenses.

② R&D activities

The Group is advancing R&D activities in Japan and other various countries in order to continuously provide global new drug. The Company strives for providing unique value earlier than others with focus on four primary disease areas, autoimmune disorders, diabetes/renal diseases, central nervous system diseases and vaccines. And the Company will keep on strenghening the pipeline through the aggressive introduction of products and technologies.

In this fiscal year, with regard to TA-7284 (Canagliflozin, SGLT2 inhibitor), the Company received approval and launched CANAGLU for an indication of type2 diabetes mellitus in Japan. In the meantime, phase 3 clinical trials for the fixed dose combination of Teneligliptin (product name: TENELIA, in-house product, DPP-4 inhibitor) and Canagliflozin were commenced in Japan. In addition, the Company joined the global clinical study for diabetic nephropathy of TA-7284 conducted by Janssen pharmaceuticals, Inc.

Concerning central nervous system diseases, Asian clinical trial of MP-214 for schizophrenia in the late stage of clinical development and the global clinical study of MT-4666 for Alzheimer's disease are ongoing.

In March 2015, the Company was introduced NBI-98854 (MT-5199) inhibits VMAT2 from Neurocrine Biosciences, Inc. and strengthened the pipeline of central nervous system disease area. Hereafter the Company plans to move ahead with the development of NBI-98854 for indications of Huntington's disease and tardive dyskinesia.

For the fiscal year, R&D expenses were ¥69.6 billion, accounting for 16.8% of net sales. Progress in major clinical development activities in the year under review was as follows:

<u>Acquisition of approval</u>

- In July 2014, approval was received for type 2 diabetes mellitus for TA-7284 in Japan.

- In September 2014, approval was received for an indication of Chronic hepatitis C (genotype 2) for TELAVIC, in Japan.

Applications filed

- In May 2014, the Company filed an NDA for an additional indication of pediatric diseases for TALION in Japan.
- In October 2014, the Company filed an NDA for an indication of Bechet's disease with special lesions for REMICADE in Japan.
- In October 2014, the Company filed an NDA for an indication of amyotrophic lateral sclerosis for RADICUT in Japan.
- In March 2015, the Company filed an NDA for an indication of type 2 diabetes mellitus for TA-7284 in Taiwan.

In addition, in April 2015, the Company filed an NDA for an indication of prophylaxis of pertussis, diphtheria, and tetanus; stage 2 vaccination for TRIBIC in Japan. Moreover, in the same month, the Company filed an NDA for an indication of type 2 diabetes mellitus for MP-513 (Teneligliptin) in Indonesia.

Clinical trials started and advanced

- In April 2014, the Company started phase 3 clinical trials for an indication of prophylaxis of pertussis, diphtheria, and tetanus; stage 2 vaccination for TRIBIK jointly with the Research Foundation for Microbial Disease of Osaka University in Japan.
- In May 2014, the Company started phase 2 clinical trials for MT-2301 (Hib vaccine) in Japan.
- In August 2014, the Company started phase 2 clinical trials for seasonal influenza vaccine (plant-based VLP vaccine) in the U.S. and Canada.
- In September 2014, the Company started phase 3 clinical trials for MT-2412 (the fixed dose combination of Teneligliptin and Canagliflozin / type 2 diabetes mellitus) in Japan.

In addition, the Company participated in the global clinical trial of diabetic nephropathy for CANAGLU held by Janssen Pharmaceuticals.

Development of Out-Licensed Products

- Licensee Janssen Pharmaceuticals received approval for the fixed dose combination of Canagliflozin with metformin (IR) in EU in April 2014 and in the U.S. in August 2014 (European product name: VOKANAMET / American product name: INVOKAMET).
- In April 2014, licensee Handok Pharmaceuticals received approval for type2 diabetes mellitus for MP-513 (Teneligliptin) in Korea. In addition, Handok Pharmaceuticals filed an NDA for three dosages of fixed dose combination of metformin (XR) with MP-513 (Teneligliptin) from October to December 2014, and received these approvals in March 2015 in Korea.
- In August 2014, licensee Kyowa Hakko Kirin started phase 2 clinical trials for an indication of secondary heyperparathyrodism in hemodialysis patients for MT-4580 in Japan.

③ Alliances

The Group is promoting not only utilization of the management resources, but also, strategic alliances with others to carry out the management tasks.

Main alliances are as follows:

GILENYA business with Novartis Pharma AG

The Company grants Novartis the license for development and commercialization of GILENYA in worldwide except for Japan. Novartis has received marketing approval and launched in the U.S. and EU.

The Company receives the royalty income based on GILENYA sales in U.S. and EU from Novartis.

INVIKANA business with Janssen Pharmaceuticals, Inc.

The Company grants Janssen the license for development and commercialization of INVOKANA in worldwide except for Japan

and some Asian countries. Janssen has received marketing approval for Invokana and the fixed dose combination with Metformin (IR) and launched in the U.S. and EU.
The Company receives the royalty income based on INVOKANA and the fixed dose combination from Janssen.

Sales alliance with Daiichi Sankyo Co., Ltd.
Daiichi Sankyo and the Company are promoting strategic alliance in respect to TENELIA and CANAGLU, type 2 diabetes mellitus for the purpose of contribution to type 2 diabetes mellitus treatment in Japan.

Sales alliance with Mochida Pharmaceutical Co., Ltd.
The Company and Yoshitomi Yakuhin conduct collaborative sales and promotion for LEXAPRO, antidepressants, with Mochida.

Collaborative research with AstraZeneca
The Company and AstraZeneca conduct collaborative research in the area of diabetic nephropathy. The aim of the research collaboration is to leverage complementary strengths, expertise and assets to validate and progress novel research targets and molecules into clinical development.

Collaborative research with Kyoto University
Kyoto University and the Company conduct research and development alliance regarding “Basic and clinical research project for Discovering Innovative Treatment for Chronic Kidney Disease”.

（2） Investment in Property, Plant and Equipment and Information systems

Total capital investment amounted to ¥15.7 billion (¥12.6 billion in the previous fiscal year), which was allocated principally to production equipment and R&D facilities. The Company invested ¥1.5 billion in information system development (¥2.1 billion in the previous fiscal year), centered on management system constructing.

Principal property, plant and equipment projects completed during the fiscal year

- Mitsubishi Tanabe Pharma Corporation Construction of new Head Office building
  Capital investment in the fiscal year under review: ¥4.4 billion
- Mitsubishi Tanabe Pharma Corporation Construction of Kashima Office building
  Capital investment in the fiscal year under review: ¥1.4 billion

Principal capital investment projects ongoing in the fiscal year under review

- Mitsubishi Tanabe Pharma Factory Ltd. Construction of Yoshitomi plant pharmaceutical production facility
  Capital investment in the fiscal year under review: ¥1.7 billion
- Mitsubishi Tanabe Pharma Factory Ltd. Reinforcement against earthquakes of Onoda plant pharmaceutical production facility
  Capital investment in the fiscal year under review: ¥0.4 billion
- Tianjin Tanabe Seiyaku Co., Ltd. Construction of Pharmaceutical production facility
  Capital investment in the fiscal year under review: ¥0.2 billion

Principal property, plant and equipment sold during the fiscal year

- Mitsubishi Tanabe Pharma Factory Ltd. Ashikaga Plant
  Book value at time of sale ¥2.5 billion
- Mitsubishi Pharma (Guangzhou) Co., Ltd. Development Area Plant
  Book value at time of sale ¥2.8 billion

（3） Financing activities

There are no particular items.

（4） Status of major business combinations

There are no particular items.

（5） Overview of specific challenges and the status of our initiatives

(1) Fundamental Corporate Policy

The Mitsubishi Tanabe Pharma Group has formulated a corporate philosophy of "contributing to the healthier lives of people around the world through the creation of pharmaceuticals." In accordance with that philosophy, the Group will strive to achieve its vision of "becoming a global research-driven pharmaceutical company that is trusted by communities." To that end, the Group is taking on the challenges of creating new global drugs, developing overseas operations, and seizing new business opportunities by responding to medical needs.

In addition, the Corporate Behavior Charter positions the fair and honest implementation of business activities, with high ethical standards, as the highest priority for all of the Group's directors, officers and employees. Together, the corporate philosophy, vision, and Corporate Behavior Charter comprise the fundamental corporate management policy.

(2) Medium-Term Management Plan 11-15 ～New Value Creation

In 2011, the Group formulated "Medium-Term Management Plan 11-15 ～New Value Creation" (From April, 2011 to March, 2016). The Group is working to discover new drugs that respond to unmet medical needs and to establish a foundation for the provision of those drugs on global basis.

As a final year of this mid-term plan, the company is intending to keep on dealing with 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 in FY2015.

In addition, the Group accelerates innovative changes of corporate culture in order to cope with rapid changes in the business environment.

With emphasis on the key word of “Move”, the Group deals with four Innovative Changes of: (1) Research and Development, (2) Domestic Sales and Marketing, (3) The U.S. Operations Expansion, and (4) Organizations and Actions. Efforts to address these four innovative changes will accelerate the performance of the strategic challenges of the mid-term plan. Moreover, the efforts will establish management foundation to promote the next mid-term plan formulated in this autumn.

The details of these Innovative Changes are as follows.

① Innovative changes of Research and Development

In the mid-term plan, the Group defines four areas, “autoimmune disorder “, “diabetes and renal disease”, “central nervous system diseases” and “vaccine” as priority disease areas.

In October 2014, the Company filed an NDA in Japan for an indication of amyotrophic lateral sclerosis for RADICUT. In March 2014, the Company and Neurocrine Biosciences, Inc. have concluded a license agreement on NBI-98854. Through this agreement, the Company has acquired exclusive development and commercialization rights for NBI-98854 in Japan and Asian countries. NBI-98854(MT-5199) inhibits VMAT2 and it is acceptable Huntington’s disease and tardive dyskinesia.

Moreover, the Company established R&D Transformation Department in October 2014 to set up a structure to strength R&D capability and started the innovative changes.

Moving forward, the Company strives for providing unique value earlier than others and bolsters the ability to discover new drugs. In order to actively enrich the drug pipeline, the Group will continue to reinforce its foundation for the in-house drug discovery process and will promote open innovation to actively work in cooperation with the best fit partners in all scenes of drug discovery process for optimization and speed-up.

② Innovative changes of domestic sales structure

In addition to priority products including REMICADE, the Group will also provide products newly launched in future with accurate drug information based on global evidences to as many patients in the world.

In this fiscal year, the Company had been under severe business situation mainly caused by NHI price revisions and

accelerated market penetration by generic products.

Under such situation, to maximize the product's value of priority products and newly launched products promptly, the Company will implement the collaboration with other companies and the steady approach of life-cycle management. Furthermore, the Company will handle of increasing product's value of highly-vaunted drugs which are widely used in medical front, and drugs which have no alternatives. Moreover, the Company established Sales Innovation and Strategy Department on October, 2014. The Company promotes the innovation changes such as strengthening business partnership, maximizing the new product's value and strengthening sales foundations in priority therapeutic area.

Four areas, "autoimmune disorder ", "diabetes and renal disease", "central nervous system diseases" and "vaccine" are defined as priority disease areas, as well as R&D activities. Especially, in the diabetes area, the Company launched TA-7284 (Canagliflozine) as SGLT2 inhibitor, following TENERIA as DPP-4 inhibitor on September, 2014. The Company will strive to make a further contribution to the diabetes treatment area by implementing activities to ensure the provision of accurate and detailed information regarding these two type 2 diabetes treatment agents with different mechanisms of action utilizing the information provision system established by strategic sales alliance with Daiichi Sankyo Co., Ltd.

The Group will continue to contribute the improvements in the treatment and QOL of patients through the post-marketing development of priority products and these new products.

③ Innovative changes of the U.S. operations expansion

The U.S. market is the largest pharmaceutical market of the world and the center of new technologies creating new drugs. To improve U.S. business as major source of earnings, the Company keeps on in-house development and promotes acquisition of products, pipeline products and sales foundations.

By utilizing U.S. subsidiaries, Tanabe Research Laboratories U.S.A. Inc. and MP Healthcare Venture Management, Inc., the Company is intending to promote open innovation, strength of business development in U.S. and enrich the drug pipeline.

For the promotion of these innovative changes, the Company appointed an executive officer to manage U.S. business on October, 2014 and reorganized the Group companies in U.S. in December, 2014.

Royalties of GILENYA (Novartis) and INVOKANA (Janssen) are currently quite major earnings drivers for the Group. The Group will actively reinvest such revenues into next innovative changes and lead to growth of the future.

④ Innovative changes of organizations and actions

The Group will accelerate the consolidation and reorganization of the functions and facilities of research, production, and head office and establish the business organization to realize improved functions/productivity and lower costs. In addition, to focus the resources on the pharmaceutical business, the Group will implement operational restructuring measures in order to maximize enterprise value. Furthermore, by strengthening human resources / organizations, the Group will become a company continuously creates new value.

In reorganization of laboratory sites, the Company decided to close down Kazusa Office at end of FY2015 according to the reorganization plan to consolidate domestic research functions to Yokohama and Toda.

In reorganization of manufacturing sites, the Company transferred Mitsubishi Tanabe Pharma Factory's Ashikaga Factory to CMIC HOLDINGS Co., Ltd. on April 1, 2014 in accordance with the reorganization plan to consolidate manufacturing sites into Onoda and Yoshitomi. On November 2014, the Company concluded the final agreement with Sawai Pharmaceutical Co .,Ltd. regarding the transfer of the Kashima Plant and this transfer was completed on April 1, 2014. In addition, the Company is planning to close Osaka plants by the end of FY2017 and promoting to transfer the products to other manufacturing sites.

On the other hand, in Asia, overseas subsidiaries, Tianjin Tanabe Seiyaku Co., Ltd. and P.T. Tanabe Indonesia, built pharmaceutical production buildings on January, 2015. As a result, these companies as local manufacturing bases, will strive to ensure products quality and maintain stable supply.

In reorganization of head office functions, Kashima Office was established on July 2014, and Osaka Head Office was

established on February 2015, respectively to strengthen and streamline headquarters functions.

Furthermore, the Group is addressing the business restructuring plan. According to this plan, the Company will transform its management culture into strong and lean one through the following actions without exceptions, such as re-examination of business process, reform of purchase system, personnel system review, improvement of the organization and needed personnel and further re-examination of poorly-performing business.

In FY2014, the Company succeeded reducing cost of ¥5.5 billion exceeding the plan and is expecting effect of ¥8.0 billion or more over on accumulated basis.

In this way, with "contributing to patients" as its highest priority, the Group will strive to provide pharmaceuticals that meet medical needs in the optimal form for patients and will work to further strengthen its management systems.

(6) Business Result & Progress of Status of Assets of the Company Group

Description		The 5th April 2011 to March 2012	The 6th April 2012 to March 2013	The 7th April 2013 to March 2014	The 8th April 2014 to March 2015
Net Sales	(millions of yen)	407,156	419,179	412,675	415,124
Ordinary Income	(millions of yen)	68,759	69,392	61,873	67,654
Net Income	(millions of yen)	39,014	41,892	45,393	39,502
Net Income per Share		¥69.54	¥74.67	¥80.92	¥70.41
Total Assets	(millions of yen)	819,925	866,774	886,476	929,301
Net Assets	(millions of yen)	721,485	752,922	777,837	800,434

(Notes) For calculation of net income per share, the Company uses the average number of shares of the fiscal year after deduction of the number shares of treasury stock.

(7) Purpose of Business of the Company Group (as of March 31, 2015)

Manufacturing and sales of pharmaceutical products

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(8) Major Offices and Factories (as of March 31, 2015)

	Name and Location	
Domestic	Headquarters	Osaka
	Tokyo Head Office	Chuo-ku, Tokyo
	Sales Network	Sapporo / Sendai / Saitama / Chiba / Chuo-ku, Tokyo / Yokohama / Nagoya / Kyoto / Osaka / Kobe / Hiroshima / Takamatsu, Kagawa / Fukuoka
	Research Centers	Toda Office (Toda, Saitama Prefecture) / Kazusa Office (Kisarazu, Chiba Prefecture)*2 / Yokohama Office (Yokohama) / Kashima Office (Osaka)
	Production Bases *1	Kashima Factory (Kamisu, Ibaraki Prefecture)*3 / Osaka Factory (Osaka) / Onoda Factory (Sanyoonoda, Yamaguchi Prefecture) / Yoshitomi Factory (Chikujou-gun, Fukuoka Prefecture)
Overseas *1	Sales Network	Europe: United Kingdom, Germany Asia: China, South Korea, Taiwan, Indonesia
	Production Bases	Asia: China, South Korea, Taiwan, Indonesia
	Research Centers	North America: United States, Canada Europe: United Kingdom Asia: China

*1: Bases of subsidiaries

*2: Company decided to close down Kazusa Office at end of FY2015

*3: Company transferred Mitsubishi Tanabe Pharma Factory's Kashima Factory to Sawai Pharmaceutical Co., Ltd. on April 1, 2015

(9) Status of Employees (as of March 31, 2015)

①The Company Group

Number of Employees	(Comparison with Previous Fiscal Year)
8,457	△608

(Note) The number of employees excludes those employees temporarily transferred out of the Group and includes those employees temporarily transferred into the Group.

②The Company

Number of Employees	(Comparison with Previous Fiscal year)	Average Age	Average Service Year
4,844	△23	44.5	20.3

(Note) The number of employees excludes those employees temporarily transferred out of the Company and includes those employees temporarily transferred into the Company.

（10） Important information related to Parent Company and Subsidiaries (as of March 31, 2015)

①Matters Related to the Parent Company

Mitsubishi Chemical Holdings Corporation, the Company's parent company, holds 316,320 thousand shares of the Company's stock (56.4%).

The Mitsubishi Chemical Holdings Group is a corporate group composed of business companies such as Mitsubishi Tanabe Pharma Corporation, Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., Mitsubishi Rayon Co., Ltd., Life Science

Institute, Inc., and Taiyo Nippon Sanso Corporation, and conducts business activities in the three business domains of Performance Products, Health Care and Industrial Materials, as the five segments of Electronics Applications, Designed Materials, Health Care, Chemicals and Polymers.

Mitsubishi Chemical Holdings Corporation acts as a pure holding company for the above business companies under the corporate brand, "THE KAITEKI COMPANY," and conducts corporate management across the entire group, determining strategy and distribution of resources across the entire group with the intent of realizing a "KAITEKI society."

In regard to the relationship between the Company and Mitsubishi Chemical Holdings Corporation, it has been agreed that the Company will maintain its stock exchange listing, that Mitsubishi Chemical Holdings Corporation will, in principle, maintain its stockholding ratio in the Company for ten (10) years from the effective date of the merger (October 1, 2007), and that the Company will be operated based on the principle of independent decisions and judgment as a publicly listed company.

②Matters Related to Subsidiaries

Company Name	Capital	Investment ratio	Outline of Business
Mitsubishi Tanabe Pharma Factory Ltd.	¥1,130 million	100.0%	Manufacture & Sale of Pharmaceuticals
Yoshitomi Yakuhin Corporation	¥385million	100.0%	Provision of Academic Information of Pharmaceuticals
Tanabe Seiyaku Hanbai Co., Ltd.	¥169 million	100.0%	Sale of Pharmaceuticals
Tianjin Tanabe Seiyaku Co., Ltd.	US$ 16,230 thousand	75.4%	Manufacture & Sale of Pharmaceuticals
Mitsubishi Tanabe Pharma Korea Co., Ltd.	KRW 2,100 million	100.0%	Manufacture & Sale of Pharmaceuticals
Tai Tien Pharmaceuticals Co., Ltd.	NT$ 20,000 thousand	65.0%	Sale of Pharmaceuticals
Medicago, Inc.	C$187 million	60.0%	Manufacture, Research & Development of Pharmaceuticals
Mitsubishi Tanabe Pharma Europe Ltd.	£ 4,632 thousand	100.0%	Research, Development & Sale of Pharmaceuticals

(Note) At the end the fiscal year under review, the Company had 28 consolidated subsidiaries, including 8 major subsidiaries listed above and 1 affiliate accounted for by the equity method.

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2. **Status of Stocks** (as of March 31, 2015)

（1） Status of Stocks

① Number of Shares Authorized by the Company 2,000,000,000 shares

② Number of Shares Issued by the Company 561,417,916 shares

③ Number of Stockholders 15,790 stockholders (△2,657)

④ Major 10 Stockholders

Name of Stockholder	Number of Shares (thousand shares)	Percentage * Ownership (%)
Mitsubishi Chemical Holdings Corporation	316,320	56.4
The Master Trust Bank of Japan, Ltd. (Trust)	24,137	4.3
Nippon Life Insurance Company	12,065	2.2
Japan Bank Trustee Services Bank, Ltd. (Trust)	10,669	1.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,254	1.3
State Street Bank and Trust Company 505225	5,488	1.0
Mitsubishi Tanabe Pharma Employee Shareholder's Association	4,505	0.8
State Street Bank Client Omnibus OM04	4,172	0.7
Nipro Corporation	3,821	0.7
State Street Bank West Client - Treaty 505234	3,635	0.6

(Notes) 1. Percentage ownership; Number of owned shares / Number of issued shares (excluding treasury stock: 428,340)

2. Percentage ownership is rounded to the nearest one-tenth of one percent.

(2) Company equity warrants

There are no corresponding items.

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3. Information Related to Company Management

(1) Directors & Auditors (as of March 31, 2015)

Title	Name	Responsibilities, Significant Concurrent Posts
Chairman of the Board & Representative Director	Michihiro Tsuchiya	
President & Representative Director, Chief Executive Officer	Masayuki Mitsuka	Board Director, Mitsubishi Chemical Holdings Corporation Board Director, The KAITEKI Institute, Inc.
Board Director, Senior Managing Executive Officer	Kouji Nakamura	Division Manager of Production Division In charge of Environment & Safety Department
Board Director, Managing Executive Officer	Takashi Kobayashi	Division Manager of Research Division In charge of R&D Transformation Department
Board Director, Managing Executive Officer	Yoshiaki Ishizaki	Division Manager of Pharmacovigilance & Quality Assurance Division In charge of Internal Controls & Compliance Department
Board Director	Kenkichi Kosakai	Managing Executive Officer of Mitsubishi Chemical Holdings Corporation President & Representative Director of Mitsubishi Chemical Holdings Corporate Staff, Inc.
Outside Board Director	Shigehiko Hattori	Chairman of the Board and Representative Director, Shimadzu Corporation Outside Board Director, Sapporo Holdings Ltd. Outside Board Director, Brother Industries, Ltd. Outside Board Director, Meiji Yasuda Life Insurance Company
Outside Board Director	Shigetaka Sato	Chairman Advisory Council, Keihan Electric Railway Co., Ltd. Outside Corporate Auditor, Asahi Kogyosha Co., Ltd. Chairman, Osaka Chamber of Commerce and Industry Outside Corporate Auditor, Asahi Broadcasting Corporation
Standing Corporate Auditor	Kouichi Fujisawa	
Standing Corporate Auditor	Kenichi Yanagisawa	
Outside Corporate Auditor	Masanao Iechika	Executive Partner, Daiichi Law Office, P.C.
Outside Corporate Auditor	Takashi Nishida	Outside Corporate Auditor, Mitsubishi Chemical Holdings Corporation

(Notes) 1. At the 7th Ordinary General Meeting of Shareholders held on June 20, 2014, the following changes were made.

Board Directors who retired: Kuniaki Kaga, Kenichi Yanagisawa

Corporate Auditor who retied: Junji Hamaoka

New Board Directors: Kouji Nakamura, Yoshiaki Ishizaki

New Corporate Auditor: Kenichi Yanagisawa

2. Mr. Takashi Nishida, an Outside Corporate Auditor, has abundant experience in the banking and securities industries, and has financial and accounting expertise appropriate to his position as Corporate Auditor.

3. Mr. Yoshiaki Ishizaki, Board Director, Managing Executive Officer, sits on a Chief Compliance Officer.
4. All the Outside Board Directors and the Outside Corporate Auditors have been designated as Independent Director and Independent Corporate Auditor in accordance with the requirements of the Tokyo Stock Exchange (TSE), and the Company has filed notice with TSE.
5. As of April 1, 2015, the "Positions" and the "Main Posts and Significant Concurrent Posts" of Board Directors were changed as follows.

Title	Name	Responsibilities, Significant Concurrent Posts
Board Director	Kouji Nakamura	
Board Director	Kenkichi Kosakai	Senior Managing Executive Officer, Mitsubishi Chemical Holdings Corporation President & Representative Director, Chief Executive Officer, Mitsubishi Chemical Holdings Corporate Staff, Inc.

(2) Compensation (from salaries, bonuses and retirement benefits) for Directors and Auditors

	Number of Directors / Auditors	Amount paid for fiscal year	Upper limits on compensation paid to Directors and Auditors
Directors	10 (2 outside)	¥315million (¥20 million for outside)	¥500 million per fiscal year (excluding Outside Board Directors) (Outside Board Directors: upper limit of ¥50 million) Resolved at June, 2007, General Meeting of Shareholders
Auditors	5 (2 outside)	¥92 million (¥21 million for outside)	¥100 million per fiscal year Resolved at June 2005, General Meeting of Shareholders
Total	15	¥407million	

(Notes) 1. The above includes salaries and bonuses for 2 Board Directors and 1 Corporate Auditor who retired at the conclusion of the 7th Ordinary General Meeting of Shareholders held on June 20, 2014. The number at the end of FY2014 is 8 Board Directors (2 Outside) and 4 Corporate Auditors (2 Outside).

2. The total of compensation of 4 Outside Board Directors and Outside Corporate Auditors received from the parent company or from other subsidiaries of the parent company was ¥25 million.

(3) Matters concerning Outside Directors and Corporate Auditors

i) Significant concurrent positions of Outside Board Directors and Outside Corporate Auditors and relationships with the Company

The significant concurrent positions of Outside Board Directors and Outside Corporate Auditors and relationships with the Company are as follows.

- Outside Board Director, Shigehiko Hattori, is Representative Director, Chairman of the Board of Shimadzu Corporation and Outside Director of Sapporo Holdings Ltd, Brother Industries, Ltd and Meiji Yasuda Life Insurance Company. There are no special conflicts of interest between the Company and these companies.
- Outside Board Director, Shigetaka Sato, is Chairman Advisory Council of Keihan Electric Railway Co., Ltd., Outside Corporate Auditor of Asahi Kogyosha Co., Ltd. and Asahi Broadcasting Corporation, and Chairman of Osaka Chamber of Commerce and Industry. There are no special conflicts of interest between the Company and these entities.
- Outside Corporate Auditor, Masanao Iechika, is Executive Partner at Daiichi Law Office P.C. There are no special conflicts of interest between the Company and Daiichi Law Office P.C.
- Outside Corporate Auditor, Takashi Nishida, is an Outside Corporate Auditor at Mitsubishi Chemical Holdings Corporation, which is the parent company of the Company.

ii) Principal activities in the Company

Name	Positions	Principal activities
Shigehiko Hattori	Outside Board Director	Shigehiko Hattori attended all 16 of the Board of Directors meetings held in the year under review. He offered appropriate remarks regarding the Company's management based on his abundant experience as a corporate manager and his wide-ranging knowledge in science and technology.
Shigetaka Sato	Outside Board Director	Shigetaka Sato attended 12 of 16 of the Board of Directors meetings held in the year under review. He offered appropriate remarks regarding the Company's management based on his abundant experience as a corporate manager and his wide-ranging knowledge in corporate governance.
Masanao Iechika	Outside Corporate Auditor	Masanao Iechika attended 14 of the 16 Board of Directors meetings and 14 of the 15 Board of Corporate Auditors meetings held in the year under review. He offered appropriate remarks regarding the Company's management from his viewpoint as a legal specialist.
Takashi Nishida	Outside Corporate Auditor	Takashi Nishida attended all 16 of the Board of Directors meetings and all 15 of the Board of Corporate Auditors meetings held in the year under review. He offered appropriate remarks regarding the Company's management based on his abundant experience in the banking and securities industries and on the knowledge acquired in those industries.

iii) Overview of contents of liability limitation contracts

The Company has entered into contracts (liability limitation contracts) with Outside Board Directors and Outside Corporate Auditors that limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, within the limits stipulated by law and regulations.

4. Accounting Auditor

(1) Name of Accounting Auditor: Ernst & Young ShinNihon LLC

(2) Amount of Compensation for Accounting Auditor for the Fiscal year

① Amount of Compensation for Accounting Auditor for the Fiscal year	Ernst & Young ShinNihon LLC ¥75 million
② Total amount of moneys to be paid by the Company or its subsidiaries, and other financial profits	Ernst & Young ShinNihon LLC ¥133 million

(Note) Based on the contract between the Accounting Auditor and the Company, compensation paid to the Accounting Auditor for audits conducted according to the Companies Act and compensation paid for audits conducted according to the Financial Instruments and Exchange Act are not paid separately. Therefore, as it is impossible to properly separate the compensation paid for these different auditing activities, the amount of compensation listed for ① is the total compensation for all auditing activities.

(3) Content of Non Auditing Service

Advice about introducing IFRS to the Company

(4) Policy on Decisions to Dismiss or Not to Reappoint the Accounting Auditors

The Company's policy is to dismiss or not reappoint the Accounting Auditors in the following situations; for actions corresponding to the Company Act Article 340 Clause 1 'Reasons for dismissal', or for occasions when the Company deems it necessary.

Note: Audits of financial related statements of Tianjin Tanabe Seiyaku Co., Ltd., Tai Tien Pharmaceuticals Co., Ltd., Medicago, Inc. and Mitsubishi Tanabe Pharma Europe Ltd. are conducted by certified public accountant or auditing company other than an Accounting Auditor of the Company.

5. Company Systems and Policies

(1) Systems to ensure business compliance

Details of the Company's system for ensuring business compliance, as determined by the Board of Directors, are outlined below.

The Company's corporate philosophy is to contribute to the healthier lives of people around the world through the creation of pharmaceuticals, and its vision is to become a global research-driven pharmaceutical company that can be trusted by communities. To successfully realize these corporate objectives, as outlined below, the Company has created fundamental policies for the maintenance of internal control systems at the corporate group (hereinafter the "Group") which is composed of the Company and subsidiaries, and the Company have implemented initiatives to strengthen our corporate governance and internal control systems.

1. Systems to ensure that Board Directors and employees comply with laws, regulations, and the Company's Articles of Incorporation when executing their duties

(1) To ensure sound business activities, the Board Directors will formulate the Corporate Behavior Charter, which will identify the top priorities for the Directors and employees in the implementation of business activities, and the Mitsubishi Tanabe Pharma Declaration on Compliance and Behavior, which will provide specific behavioral guidelines. Board Directors will take the lead and set examples through their strict compliance with laws, regulations, and the Company's Articles of Incorporation, and a companywide compliance system will be established.

(2) Under the overall control of the Chief Compliance Officer for the compliance structure, the Compliance Committee and the Internal Controls & Compliance Department will be formed and a spirit of compliance and a keen sense of ethics will be established in the Company.

(3) For internal auditing, the Internal Audit Department will be established, and it will operate independently of the business executive departments and audit the internal control systems in operational divisions.

(4) As an internal reporting system for legal and regulatory violations and other compliance-related matters, the Internal Reporting System will be established and will be managed according to separately defined regulations regarding compliance. assume a resolute attitude to

(5) In accordance with disclosure rules, company information will be announced in a timely and appropriate manner.

(6) In accordance with the Declaration on Compliance and Behavior of the Mitsubishi Tanabe Pharma Group, the Company will assume a resolute attitude to groups that act in an anti-social group and cease, without exception, all relationships with them.

(7) To ensure the trustworthiness of financial reporting, the Company will establish an internal control system for financial reporting, and work to ensure its appropriate operation and management.

2. Systems for the storage and management of information relating to the Board Directors' executing their duties

Based on the basic rules for information security and management of internal documents, which determine the basic policies for the handling of information held by the Company, the Company will store and manage information relating to

the Board Directors' execution of their duties appropriately, and enable it to be inspected when necessary.

3. Crisis management regulations and other related systems

(1) In accordance with the risk management regulations, the Company will identify and classify risks that may occur as the Company conducts its operations, and the Company will ensure each department is ready to implement necessary countermeasures. To facilitate a group-wide response to risks, the Company will establish the Risk Management Committee and work to reduce risks.

(2) When it appears that risk events may occur, giving rise to serious damage, the Company will respond swiftly and accurately in accordance with its risk management regulations.

4. Systems to ensure the Board Directors execute their duties efficiently

(1) Board of Directors meetings will be held regularly, providing for efficient administrative execution.

(2) The Company will introduce the executive officer system to clarify distinctions between the policy making/auditing function and the executive function. Board Directors responsible for executing business duties may also serve as executive officers.

(3) The Company will establish the Executive Committee to deliberate on important matters relating to the execution of operations for management as a whole.

(4) The Company and each department will manage budgets and performance based on the medium-term management plan and the annual plan and budget.

5. Systems to ensure business compliance for the corporate group

Based on regulations on group management, in addition to sharing the internal control system, such as the compliance structure and risk management structure, across the entire Group, business compliance for the Group will be ensured through reports and approvals, etc., regarding important items for management of the Group.

6. Systems to ensure that the Corporate Auditors conduct audits effectively

(1) As employees to provide support for the work of the Corporate Auditors, a Corporate Auditors Office independent from business execution departments will be established, and the Board of Corporate Auditors will be consulted on Corporate Auditors Office employee's appointments, evaluations, and transfers, and their opinions will be respected.

(2) Regarding the business execution status of Board Directors and employees, a structure will be established to allow for periodic reports to the Corporate Auditors, and in the event that facts arise or may arise that may cause serious damage to the Group, or dishonest acts or facts that conflict with laws and regulations or the Articles of Incorporation occur regarding the execution of duties Board Directors or employees, a report will be made to the Corporate Auditors without delay.

(3) It will be stipulated that parties who report to the Corporate Auditors under the previous items cannot be penalized due to such reporting.

(4) On a group-wide basis, the Group will establish systems to allow audits by the Corporate Auditors to be performed effectively, including attending all important meetings, investigating related departments, reviewing documents related to important matters, responding to interview requests from the Corporate Auditors, and responding proactively to information disclosure requests from the Corporate Auditors.

(5) Expenses required for the Corporate Auditors to execute duties will be budgeted based on the opinions of the Corporate Auditors, and will be a system to ensure that Corporate Auditors are able to execute duties without impediment.

*The Basic Policy was approved by resolution at a Board of Directors meeting held on April 27, 2015.

(2) Basic Policy relating to Ownership of the Company

There are no corresponding items.

(3) Basic Policy on the Distribution of Earnings / Dividends in the Fiscal Year under Review and the Current Fiscal Year

The Company's basic policy calls for providing a stable and continuous return to shareholders while striving to maximize enterprise value by aggressively investing for future growth. Under the Medium-Term Management Plan 11-15, in addition to profit growth, the basic for the dividend payout ratio is 50% (the basic for the dividend payout ratio, before amortization of goodwill, is 40%), and the Company will work to provide an enhanced return to shareholders.

In the fiscal year, net income was slightly lower than the forecast because the Company recorded a significant extraordinary loss, such as restructuring expenses. On the other hand, operating income was largely exceed the forecast due to the growth of the priority ethical pharmaceuticals, the increase in royalty revenue, and the cost saving effective related to the reorganizing operations. As a result, the Company forwards with the strengthening our earnings structure.

In accordance with this situation and its basic policy on the distribution of earnings, the Company set year-end dividends at ¥22.0 per share. In conjunction with the interim dividends, this resulted in annual dividends of ¥42.0 per share.

For the current fiscal year, dividends of ¥44.0 per share are planned, including interim dividends of ¥22.0 per share.

6. Other materials regarding to Company group

The situation in major court action was as follows:

【Court action for compensation by patients infected with HCV (hepatitis C virus)】

After "the Special Relief Law Concerning the Payment of Benefits to Relieve the Patients of Hepatitis C Infected through Specified Fibrinogen Preparations and Specified Blood-Coagulation Factor IX Preparations Contaminated by Hepatitis C Virus" ("the Special Law" promulgated on January 16, 2008) was put into effect, in accordance with the procedures determined by the law the patients allegedly suffered through HCV (hepatitis C virus) infection following use of a fibrinogen product or a blood coagulant factor IX product (Christmassin) sold by the former Green Cross Corporation, one of the predecessors of the Company, filed a lawsuit against the government and established their eligibility for relief. Subsequently, a settlement with the government was reached, and the relief for the patients was provided through the payment of benefits.

On September 28, 2008, a "basic agreement" for the conclusion of the previous court action was signed with the nationwide plaintiff group and legal team. In regard to the expense of relief payments under the Special Law, the burden of that expense and the method of sharing that burden were the subject of discussions with the Ministry of Health, Labour and Welfare, and those standards were announced by the Ministry of Health, Labour and Welfare on April 10, 2009, and the Company incurs the expenses in accordance with the standards. On January 16, 2013, a partial amendment was made to the Special Law and promulgated, and the period for claimants to file lawsuits was extended.

In order to reach a full resolution of the issue of HCV infection through use of specific fibrinogen products or specific coagulation factor IX products, the Company is committed to continued earnest engagement in the future.

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Consolidated Financial Statements

Consolidated Balance Sheets

(million ¥)

Accounts	3/31/2015	3/31/2014
Assets	**929,301**	**886,476**
Current assets	**603,649**	**540,492**
Cash and time deposits	50,203	27,187
Notes and accounts receivable, trade	130,331	123,537
Marketable securities	118,805	106,470
Merchandise and finished goods	63,566	70,406
Work in process	582	998
Raw materials and supplies	20,943	22,296
Deposits	192,758	172,149
Deferred income taxes	8,319	8,153
Other	18,186	9,335
Less allowance for doubtful receivables	△44	△39
Fixed assets	**325,652**	**345,984**
(Property, plant and equipment)	(92,497)	(98,340)
Buildings and structures	34,480	33,398
Machinery, equipment and vehicles	11,904	16,384
Tools, furniture and fixtures	6,045	6,017
Land	34,689	38,346
Leased equipment	782	542
Construction in progress	4,597	3,653
(Intangible fixed assets)	(116,919)	(133,092)
Goodwill	81,517	96,180
Software	4,275	3,891
Other	31,127	33,021
(Investments and other assets)	(116,236)	(114,552)
Investment in securities	76,328	71,583
Deferred income taxes	763	677
Net defined benefit asset	15,730	16,305
Other	23,417	25,989
Less allowance for doubtful receivables	△2	△2
Total Assets	929,301	886,476

Accounts	3/31/2015	3/31/2014
Liabilities	**128,867**	**108,639**
Current liabilities	**105,399**	**81,837**
Notes and accounts payable, trade	34,620	33,986
Short-term debt	-	1,225
Current maturities of long-term debt	132	128
Accounts payable, other	25,386	16,773
Income taxes payable	19,758	10,161
Reserve for employees' bonuses	9,957	10,169
Reserve for Sales Returns	127	106
Reserve for Sales Rebates	11	10
Other	15,408	9,279
Long-term liabilities	23,468	26,802
Long-term debt, less current maturities	894	958
Deferred income taxes	9,776	13,356
Reserve for health management allowances for HIV compensation	1,700	1,576
Reserve for health management allowances for SMON compensation	2,731	2,976
Reserve for HCV litigation	2,036	2,634
Net defined benefit liability	2,456	2,146
Other	3,875	3,156
Net assets	800,434	777,837
Shareholders' equity	776,018	767,271
Common stock	50,000	50,000
Capital surplus	451,186	451,186
Retained earnings	275,325	266,575
Treasury stock, at cost	△493	△490
Accumulated other comprehensive income	12,961	△1,225
Unrealized holding gains (losses) on securities	14,929	8,747
Deferred (losses) gains on hedges	105	493
Translation adjustments	105	△2,399
Remeasurements of defined benefit plans	△2,178	△8,066
Minority interests	11,455	11,791
Total liabilities and Net Assets	929,301	886,476

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Consolidated Statements of Income

(million ¥)

Account	From 04/01/2014 to 03/31/2015	From 04/01/2013 to 03/31/2014
Net sales	**415,124**	**412,675**
Cost of sales	169,584	169,397
Provision for sales returns	21	-
Reversal of reserve for sales returns	-	34
Gross profit	**245,519**	**243,312**
Selling, general and administrative expenses	**178,386**	**184,193**
Operating income	**67,133**	**59,119**
Non-operating income	**3,761**	**6,868**
Interest income and dividend income	2,351	2,375
Foreign exchange income	379	2,527
Other	1,031	1,966
Non-operating expenses	**3,240**	**4,114**
Interest expense	223	90
Donations	1,522	659
Other	1,495	3,365
Ordinary income	**67,654**	**61,873**
Extraordinary gain	**13,652**	**15,347**
Gain on sales of property, plant and equipment	12,023	994
Gain on sales of investment in securities	1,069	2,412
Gain on sales of shares of subsidiaries and affiliates	560	-
Profit on arbitration award	-	11,011
Gain on step acquisitions	-	930
Extraordinary loss	**18,629**	**4,779**
Loss on impairment of fixed assets	2,565	1,372
Restructuring expenses	12,294	-
Amortization of goodwill	3,504	-
Loss on valuation of investment in securities	130	594
Special retirement expenses	-	2,603
Other	136	210
Income before income taxes and minority interests	**62,677**	**72,441**
Income taxes-current	29,805	22,377
Income taxes-deferred	△4,416	4,655
Net income before minority interests	37,288	45,409
Minority interests	△2,214	16
Net income	**39,502**	**45,393**

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Non-Consolidated Balance Sheets

(million ¥)

Accounts	3/31/2015	3/31/2014
Assets	**804,725**	**757,144**
Current assets	**558,063**	**494,357**
Cash and time deposits	31,180	6,333
Notes	164	176
Accounts receivable, trade	127,850	120,797
Marketable securities	118,805	106,469
Merchandise and finished goods	50,247	55,813
Raw materials and supplies	11,151	8,192
Prepaid expenses	6,207	2,334
Short-term loans receivable from subsidiaries and associates	1,940	5,170
Accounts receivable - other	9,864	7,556
Deposits	192,760	172,149
Deferred income taxes	6,203	6,250
Other	1,702	3,124
Less allowance for doubtful receivables	△14	△11
Fixed assets	**246,662**	**262,786**
(Property, plant and equipment)	(43,765)	(42,786)
Buildings	21,693	18,189
Structures	1,164	1,150
Machinery and equipment	3,475	3,889
Vehicles	12	15
Tools, furniture and fixtures	4,891	4,397
Land	12,480	13,363
Leased equipment	20	7
Construction in progress	27	1,773
(Intangible fixed assets)	(4,649)	(4,753)
Software	4,070	3,553
Other	578	1,199
(Investments and other assets)	(198,248)	(215,247)
Investment in securities	68,861	60,134
Shares of subsidiaries and associates	80,032	106,200
Investments in capital of subsidiaries and associates	2,115	7,398
Long-term loans receivable from subsidiaries and associates	1,541	1,429
Long-term prepaid expenses	7,270	6,903
Prepaid pension cost	19,768	30,388
Net defined benefit asset	3,062	-
Other	15,597	2,794
Less allowance for doubtful receivables	△1	△1
Total Assets	804,725	757,144

Accounts	3/31/2015	3/31/2014
Liabilities	**123,527**	**107,609**
Current liabilities	**110,915**	**91,195**
Accounts payable, trade	37,937	35,238
Short-term loans payable to subsidiaries and associates	6,700	5,550
Accounts payable, other	24,340	16,350
Income taxes payable	19,076	9,495
Accrued consumption taxes	3,707	649
Accrued expenses	8,110	4,662
Deposits received	2,424	10,032
Reserve for employees' bonuses	7,701	7,712
Reserve for Sales Returns	125	103
Reserve for Sales Rebates	11	10
Other	780	1,391
Long-term liabilities	12,611	16,414
Long-term deposits received	787	715
Provision for retirement benefits	5,300	6,394
Deferred income taxes	-	2,054
Reserve for health management allowances for HIV compensation	1,700	1,576
Reserve for health management allowances for SMON compensation	2,731	2,976
Reserve for HCV litigation	2,036	2,634
Other	56	62
Net assets	681,198	649,534
Shareholders' equity	656,288	630,991
(Common stock)	(50,000)	(50,000)
(Capital surplus)	(121,824)	(121,824)
Legal capital surplus	48,036	48,036
Other capital surplus	73,788	73,788
(Retained earnings)	(484,956)	(459,656)
Earned surplus reserve	10,695	10,695
Other retained earnings	474,260	448,960
Fixed asset reduction reserve	4,220	1,616
Reserve for special account for advanced depreciation of non-current assets	-	2,576
General reserve	199,693	199,693
Retained earnings carried forward	270,347	245,075
(Treasury stock, at cost)	(△493)	(△490)
Valuation and translation adjustment	24,910	18,543
(Unrealized holding gains (losses) on securities)	(24,804)	(18,050)
(Deferred (losses) gains on hedges)	(105)	(492)
Total liabilities and Net Assets	804,725	757,144

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Non-Consolidated Statements of Income

(million ¥)

Account	From 04/01/2014 to 03/31/2015	From 04/01/2013 to 03/31/2014
Net sales	**395,235**	**391,232**
Cost of sales	167,054	161,264
Provision for sales returns	22	-
Reversal of reserve for sales returns	-	33
Gross profit	**228,158**	**230,001**
Selling, general and administrative expenses	**149,598**	**165,056**
Operating income	**78,559**	**64,945**
Non-operating income	**5,446**	**8,466**
Interest income and dividend income	4,069	4,840
Rent income	654	687
Foreign exchange income	286	2,490
Other	435	448
Non-operating expenses	**2,534**	**2,612**
Interest expense	14	13
Donations	1,500	654
Loss on retirement of non-current assets	200	209
Other	818	1,735
Ordinary income	**81,471**	**70,798**
Extraordinary gain	**17,295**	**14,711**
Gain on sales of property, plant and equipment	11,967	618
Gain on extinguishment of tie-in shares	3,850	-
Gain on sales of shares of subsidiaries and affiliates	1,477	-
Profit on arbitration award	-	11,010
Gain on sales of investment in securities	-	3,082
Extraordinary loss	**17,063**	**3,326**
Loss on impairment of fixed assets	7,320	1,372
Loss on valuation of shares of subsidiaries and associates	4,727	-
Loss on sales of shares of subsidiaries and associates	3,280	-
Loss on sales of investment securities	71	395
Special retirement expenses	-	1,419
Other	1,664	139
Income before income taxes and minority interests	**81,703**	**82,184**
Income taxes-current	28,199	21,880
Income taxes-deferred	△1,914	3,899
Net income	**55,418**	**56,404**

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Audit Report

Transcript of Report of Accounting Auditor regarding Consolidated Financial Statements

Independent Auditor's Report

(Translation)

May 7, 2015

The Board of Directors of
Mitsubishi Tanabe Pharma Corporation

Ernst & Young ShinNihon LLC

Yoshio Ogawa (Seal)
Certified Public Accountant
Designated and Engagement Partner

Kenji Endo (Seal)
Certified Public Accountant
Designated and Engagement Partner

Hiroyuki Kurihara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the Consolidated Financial Statements, which comprise the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to Consolidated Financial Statements of Mitsubishi Tanabe Pharma Corporation (the "Company") for the fiscal year from April 1, 2014 to March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion independently on the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit according to the plan to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected and applied depend on the auditors' judgment, that of the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control, but, in making these risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements so as to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies and the method of applying the policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group, which comprise the Company and its consolidated subsidiaries, for the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

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Transcript of Report of Accounting Auditor regarding Consolidated Financial Statements

Independent Auditor's Report

(Translation)

May 7, 2015

The Board of Directors of
Mitsubishi Tanabe Pharma Corporation

Ernst & Young ShinNihon LLC

Yoshio Ogawa (Seal)
Certified Public Accountant
Designated and Engagement Partner

Kenji Endo (Seal)
Certified Public Accountant
Designated and Engagement Partner

Hiroyuki Kurihara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the Non-consolidated Financial Statements, which comprise the Balance Sheets, the Statements of Income, the Statements of Changes in Net Assets, the Notes to Non-consolidated Financial Statements, and the related supplementary schedules of Mitsubishi Tanabe Pharma Corporation (the "Company") for the 8th fiscal year from April 1, 2014 to March 31, 2015.

Management's Responsibility for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-consolidated Financial Statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion independently on the Non-consolidated Financial Statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit according to the plan to obtain reasonable assurance about whether the Non-consolidated Financial Statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Non-consolidated Financial Statements and the related supplementary schedules. The procedures selected and applied depend on the auditors' judgment, that of the assessment of the risks of material misstatement of the Non-consolidated Financial Statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control, but, in making these risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the Non-consolidated Financial Statements and the related supplementary schedules so as to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies and the method of applying the policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Non-consolidated Financial Statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Non-consolidated Financial Statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company for the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

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Transcript of Report of the Board of Corporate Auditors

Audit Report

The Board of Corporate Auditors, upon deliberation, prepared this audit report regarding the Board Directors' execution of their duties during the 8th fiscal year, from April 1, 2014 to March 31, 2015, based on the audit reports prepared by each Corporate Auditor and hereby reports as follows.

1. Auditing Method Employed by Corporate Auditors and the Board of Corporate Auditors and Contents Thereof

The Board of Corporate Auditors established audit policies, audit plans, etc. and received reports from all the Corporate Auditors regarding the execution of audits and the results thereof. In addition, we received reports, and seek explanations as necessary, from Board Directors, etc. and the Accounting Auditor regarding the execution of their duties.

In reference to auditor's audit established by the Board of Corporate Auditors, in accordance with the audit policies, audit plans, etc. of Corporate Auditors, each Corporate Auditor worked to communicate with Board Directors, the Internal Audit Department, and other employees, etc., gather information, and establish an auditing environment, and we attended the Board of Directors meetings and other important meetings, received reports from the Board Directors and other employees, etc., regarding the execution of their duties, requested reports as required, inspected documents, etc., related to important decisions, and examined the operations and assets at the Company's Head Office and primary Business Offices. Furthermore, with respect to the resolution of the Board of Directors concerning the development of the system to ensure the compliance of Board Directors with laws, regulations and the Articles of Incorporation in the execution of their duties and other systems required to ensure the properness of the operations of joint stock company (kabushiki-kaisha) as stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, as well as the system (internal control system) developed based on such resolution of the Board of Directors, we received regular reports regarding the status of formulation and operation of such system from the Board Directors and other employees, etc., sought explanations as necessary, and expressed opinion thereon.

Concerning internal controls for financial reporting, the Board of Corporate Auditors received reports on the evaluation of the internal control system and the status of audits from Board Directors, etc., and Ernst & Young ShinNihon LLC, and sought explanations as necessary. With regard to the Company's subsidiaries, the Board of Corporate Auditors communicated and exchanged information with Board Directors, Corporate Auditors, etc., of the subsidiary, and received reports from them when necessary, including on the establishment status of the internal control system. Based on the foregoing methods, we examined the Business Report and the related supplementary schedules for the fiscal year under review.

Moreover, we confirmed whether the Accounting Auditor had maintained its independence and conducted audits appropriately, and received reports regarding the execution of their duties, and sought explanations as necessary. We received notification from the Accounting Auditor that "Systems for Ensuring Appropriate Execution of Duties" have been established in accordance with "Quality Control Standards for Auditing," etc., and sought explanations as necessary. Based on the above, we examined the Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheets, the Non-Consolidated Statements of Income, the Non-Consolidated Statements of Changes in Net Assets, and the Non-Consolidated Notes for the Non-consolidated Financial Statements) and the related supplementary schedules, as well as the Consolidated Financial Statements (the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets, and the Consolidated Notes for the Consolidated Financial Statements) for the fiscal year under review.

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2. Audit Results

(1) Results of Audit of Business Report, etc.

1) In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.

2) No inappropriate conduct concerning the execution of duties by Board Directors or material facts in violation of laws, regulations or the Articles of Incorporation were found.

3) We found that the Board of Directors' resolutions concerning the internal control system are appropriate in content. We also found no matters requiring note on our part with respect to the execution of duties by Board Directors concerning the internal control system, including internal controls related to financial reporting.

(2) Results of Audit of Non-Consolidated Financial Statements and Related Supplementary Schedules

We found that the methods and the results of the audit conducted by Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We found that the methods and the results of the audit conducted by Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 7, 2015

Board of Corporate Auditors
Mitsubishi Tanabe Pharma Corporation

Standing Corporate Auditor	Koichi Fujisawa
Standing Corporate Auditor	Kenichi Yanagisawa
Outside Corporate Auditor	Masanao Iechika
Outside Corporate Auditor	Takashi Nishida