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Notice of Dividend of Retained Earnings

Mitsubishi Tanabe Pharma Corporation (hereinafter "the Company") announced today that the Company resolved to pay dividend of retained earnings, of which the record date is March 31, 2017 at the board of directors held on May 10, 2017 as follows. And, this will be determined by the resolution at the tenth annual general meeting of shareholders scheduled on June 21, 2017

The Company announced as well that it will distribute commemorative dividend in the interim dividend of FY2017 to celebrate its 10th anniversary.

I. Dividend of FY2016

1. Description of Dividend of Retained Earnings

	Determined amount	Latest dividend forecast (announced on February 6, 2017)	Results of Previous Year ended March, 2016
Record date	March 31, 2017	March 31, 2017	March 31, 2016
Dividend per share	JPY 28.00	JPY 24.00	JPY 24.00
Total the dividend	JPY15,707million	—	JPY13,463 million
Effective date	June 22, 2017	—	June 23, 2016
Dividend resource	Retained earnings	—	Retained earnings

2. Reason for Dividend of Retained Earnings

The Company's basic policy calls for enhancing the return to shareholders in a stable, ongoing manner while striving to increase corporate value through aggressively implement of strategic business investment and research and development investment.

In FY2016, domestic sales of high-priority products contributed, however, those negative impacts, such as NHI drug price revision, decrease of sales of long-listed products, increase of start-up expenses in the US market and lump-sum revenue earned in the previous year, reduced core operating profit comparing to that of previous year. On the other hand, non-recurring items improved drastically since main restructuring projects proceeded smoothly, operating profit increased and net income attributable to owners of the Company hits record high. In consideration of this performance and of the basic policy for shareholder return, the Company increased the per-share year-end dividend for FY 2016 by ¥4, to ¥28. Consequently, including the interim dividend of ¥24, the per-share annual dividend is ¥52, increased by ¥6 per share.

II. Estimation of Dividend for FY2017

The Company will mark its 10th anniversary on October 1, 2017 and we sincerely appreciate support from stockholders and other parties involved in our business. The Company plans to distribute commemorative dividend of ¥10.00 on interim dividend for FY2017, in expressing appreciation to its shareholders. The amount of annual dividend will therefore be ¥66 per share, including ordinary dividend in FY2017.

(Description of Dividend of Retained Earnings)

	Dividend per share		
	End of 2 nd quarter	Year-end	Annual
FY2017 (Estimation)	Ordinary ¥ 28.00 Commemorative ¥10.00 (total: ¥38.00)	Ordinary ¥ 28.00 (total: ¥28.00)	Ordinary ¥56.00 Commemorative ¥10.00 (total: ¥66.00)
Results of FY2016	Ordinary ¥24.00 (total: ¥ 24.00)	Ordinary ¥28.00 (total: ¥28.00)	Ordinary ¥52.00 (total: ¥52.00)
Results of FY2015	Ordinary ¥22.00 (total: ¥22.00)	Ordinary ¥ 24.00 (total: ¥24.00)	Ordinary ¥46.00 (total: ¥46.00)

End