

February 2, 2007

Mitsubishi Chemical Holdings Corporation

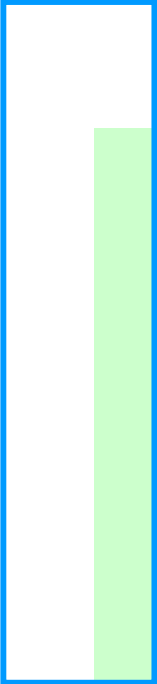
**Mitsubishi Pharma Corporation reaches a basic agreement
to merge with Tanabe Seiyaku Co., Ltd.**

— Presentation Material —

The attached document is the presentation material for the press and analysts at the briefing session held today.

For further information, please contact:

Public Relations and Investor Relations Office
Mitsubishi Chemical Holdings Corporation
TEL: +81-(0)3-6414-4870



Joint Conference on the Merger of Tanabe Seiyaku, Co., Ltd. and Mitsubishi Pharma Corporation

February 2, 2007
Venue: Hotel Okura, Tokyo

Tanabe Seiyaku Co., Ltd. Mitsubishi Pharma Corporation

Global Novel Drug Discovery and Challenge to New Business Opportunities

Natsuki Hayama

President & Representative Director
Tanabe Seiyaku, Co., Ltd.



Background

The pharmaceutical industry is one of the most important industries for supporting Japanese economic growth

- Increased medical needs in an aging society
- Progress of technological innovations of life science

- Penetration of medical cost reduction policy
- Intensifying global competition over novel drug R&D



For continuous growth in the midst of a conflicting future environmental outlook,

expansion of the scale and strengthening the business infrastructure are necessary



Background of the Merger

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- Take on the challenges of business and growth opportunities that meet medical needs

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Goal of the Merger

Common Goals

- Enhance drug discovery capabilities
- Accelerate overseas business development
- Pursue business opportunities to respond to the changing medical environment

To realize the goals

- Expand business scale and strengthen business infrastructure
- Become a top-tier pharmaceutical company in Japan

Merger



Financial Summary

(Fiscal year ending March 2006; on a consolidated basis)

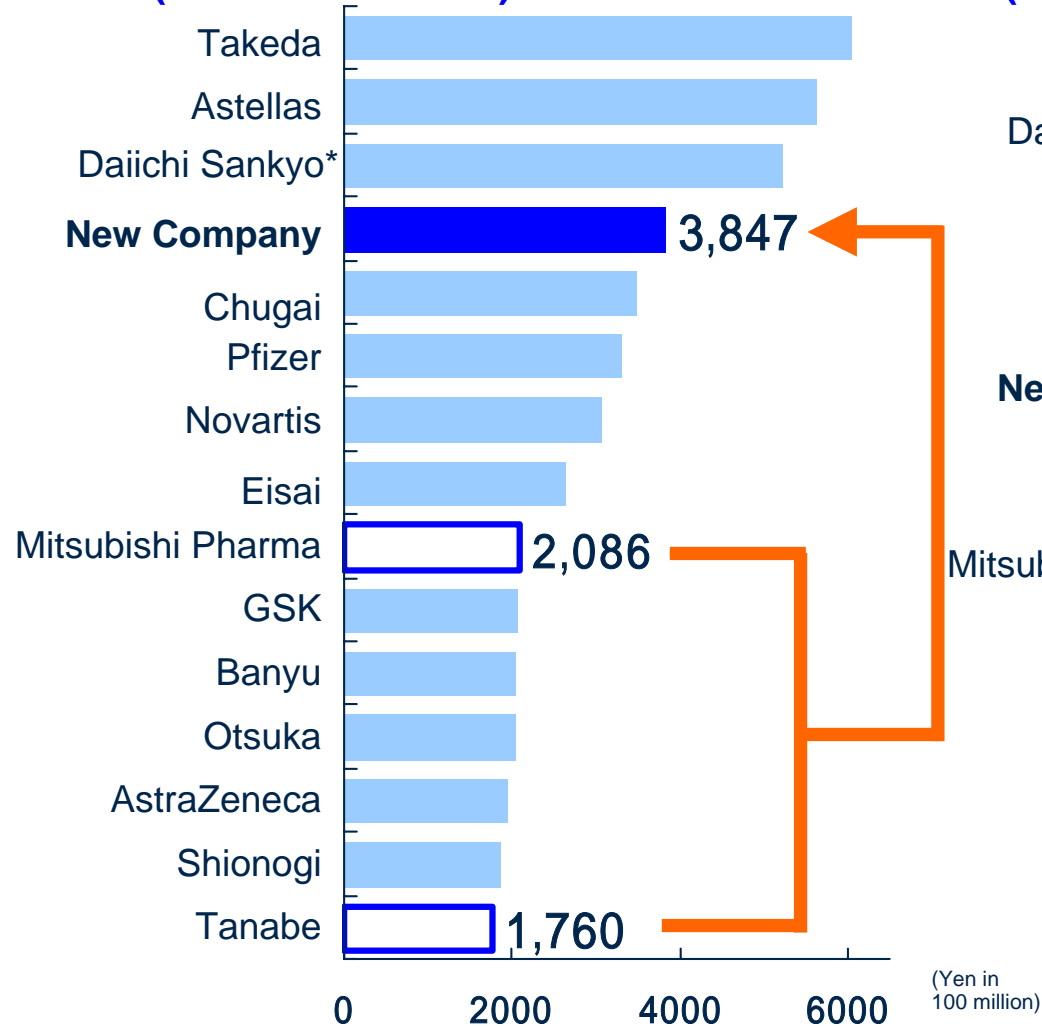
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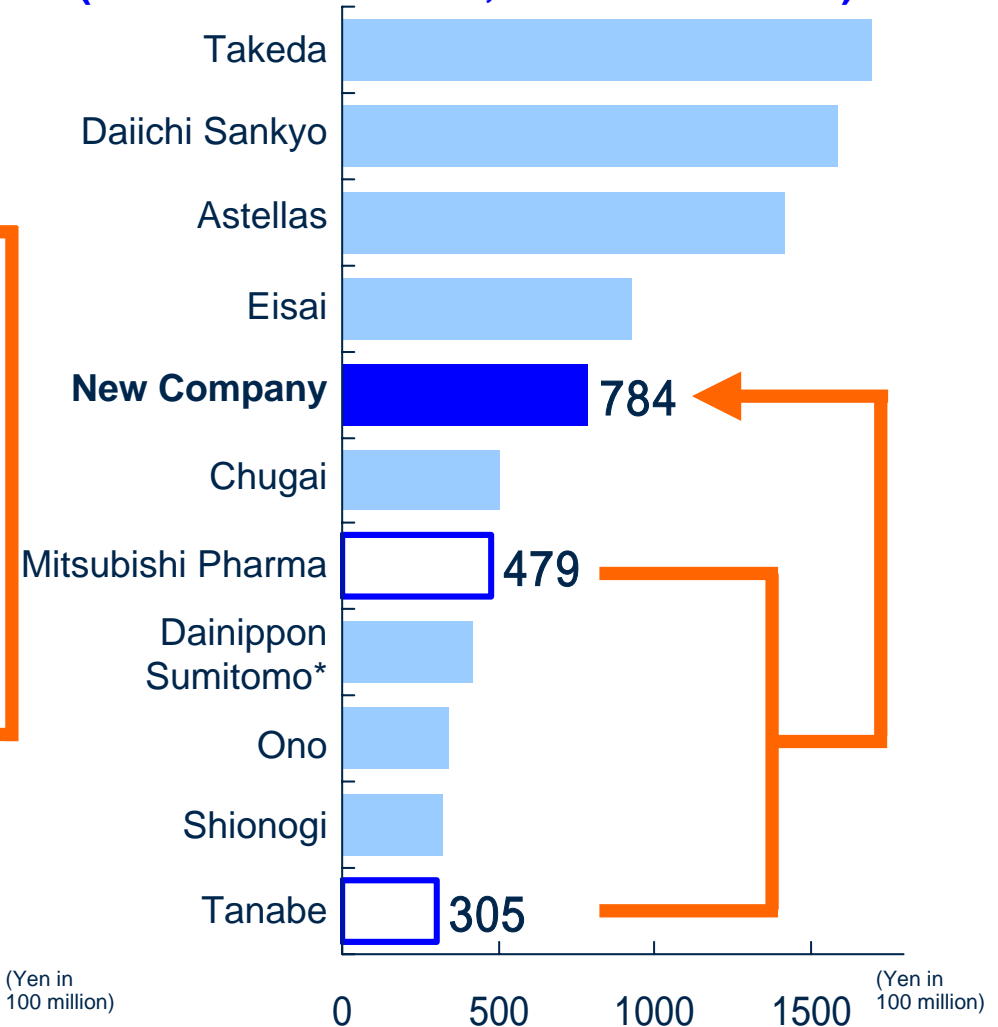


Positioning of the New Company

**Domestic Ethical Pharmaceutical Sales
(Fiscal Year 2005)**



**R&D Expenses
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Outline of the New Company

- Company name: Mitsubishi Tanabe Pharma Corporation
(Tentative)
- Effective date of the merger: October 1, 2007 (plan)
- Surviving company: Tanabe Seiyaku, Co., Ltd.
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(Ratio based on shareholder value:
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4 Directors from Tanabe Seiyaku
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(Incl. Mitsubishi Chemical Holdings)
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In addition, the New Company plans to introduce an operating officer system.



Schedule of the Merger

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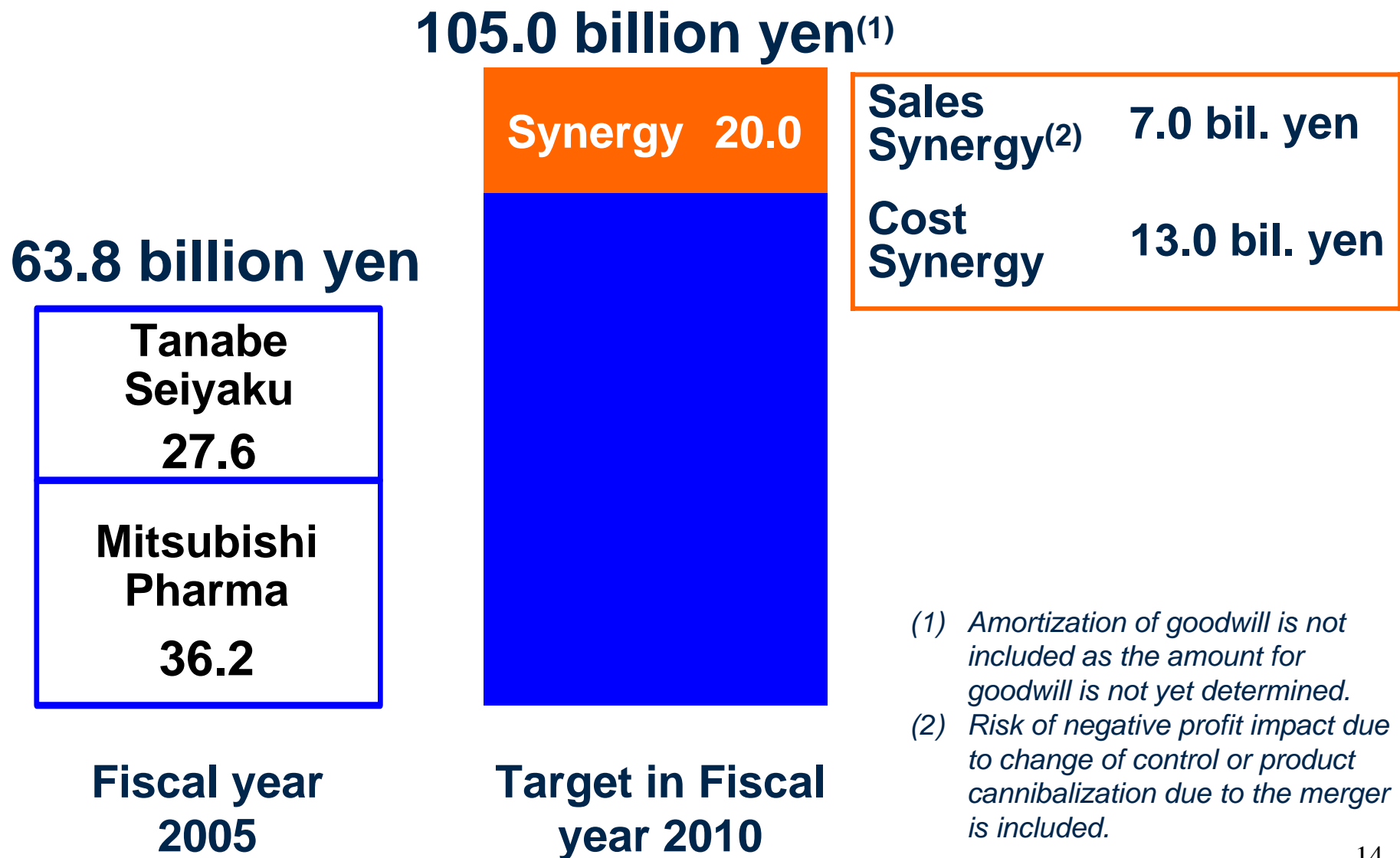


Basic Strategies of the New Company

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Towards Over 100 billion yen (Real) Operating Income





Business Management Goal —Financial Targets for Fiscal 2010

(Yen in 100 million)

	Results for Fiscal Year 2005 (Combined)	Targets for Fiscal Year 2010
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R&D Expense	784	850
Operating Income*	638	1,050

* Amortization of goodwill is not included as the amount of goodwill is not yet determined.



Building Upon the Strengths of the New Company

- Advanced R&D Capabilities
- Top-tier Domestic Presence
- Collaboration with Mitsubishi Chemical Group
- Aggressive Challenge to Respond to Environmental Changes



Individual Strategies

- Sales Synergy
- Cost Synergy
- R&D Synergy
- Accelerate Overseas Business Development
- Challenges to New Business Opportunities

Takeshi Komine,
President & Representative Director,
Mitsubishi Pharma Corporation



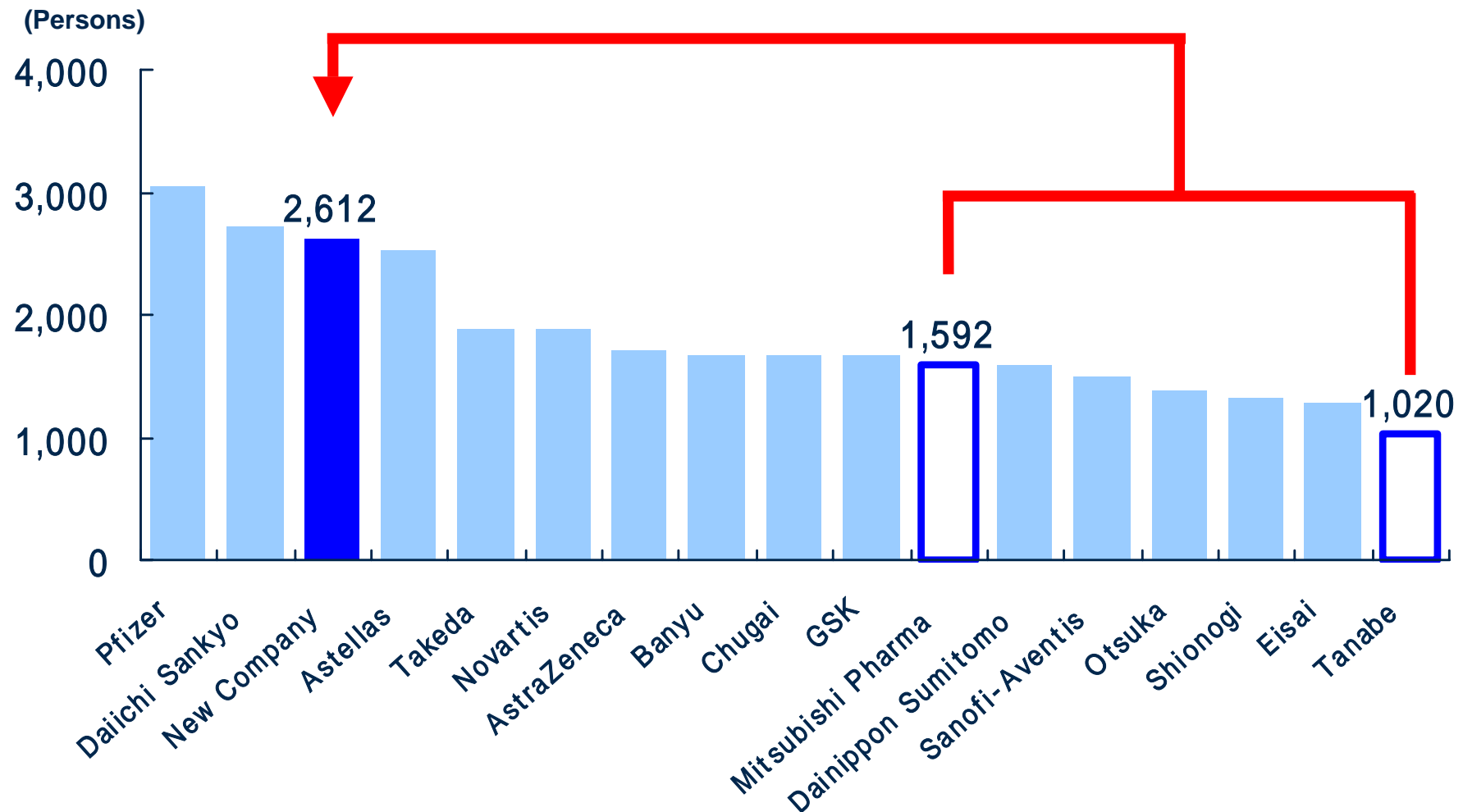
Sales Synergy

Synergy Factors	Synergy value in FY 2010
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■ Complement the ability in franchise area	
■ Maximize organization's power in special therapeutic areas	
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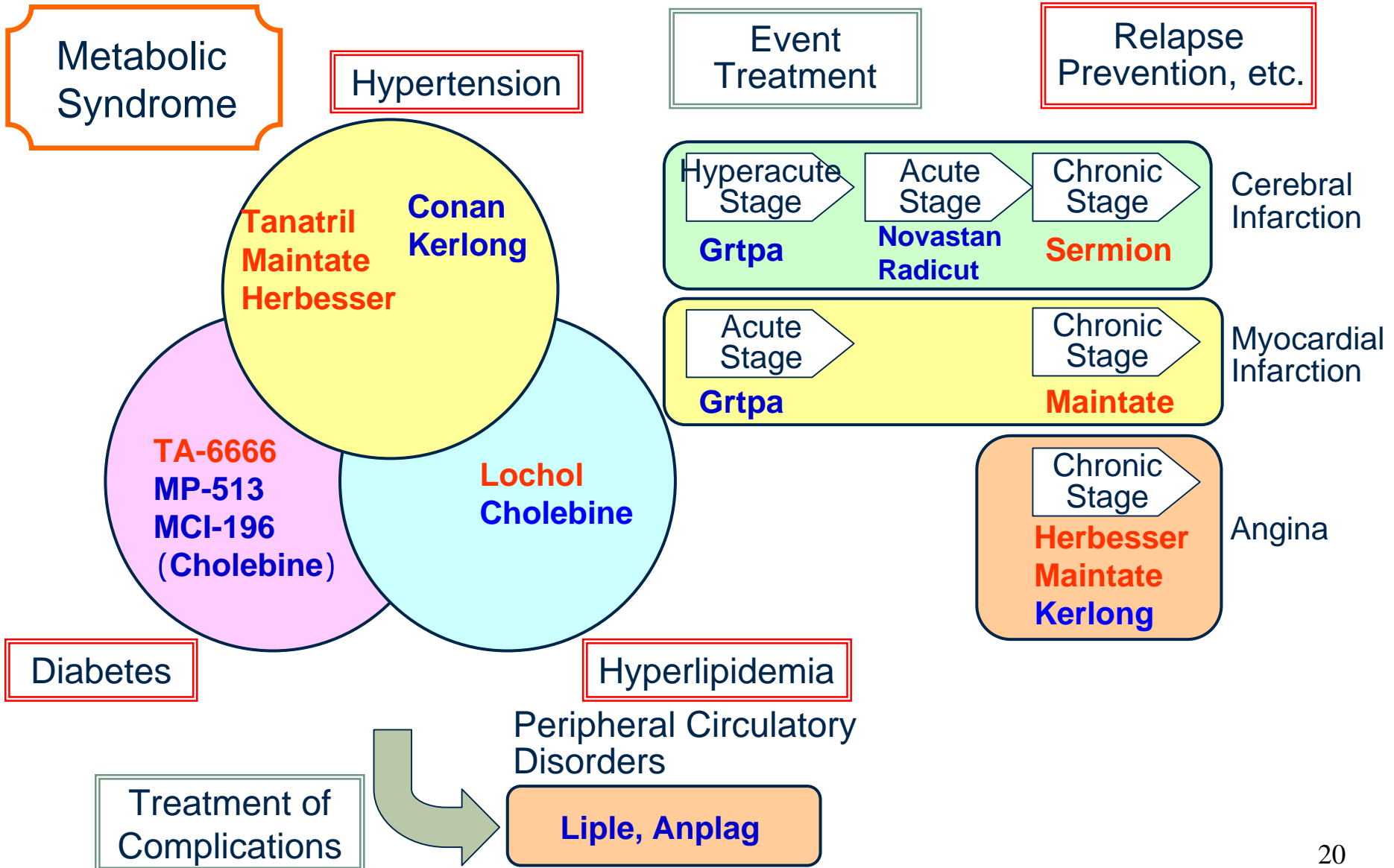
Sales Synergy (Numbers of MRs: Enhance Presence)





Sales Synergy

(Complement the ability in Marketing in Cardiovascular Area)





Sales Synergy

(Maximize organization's power in special therapeutic areas)

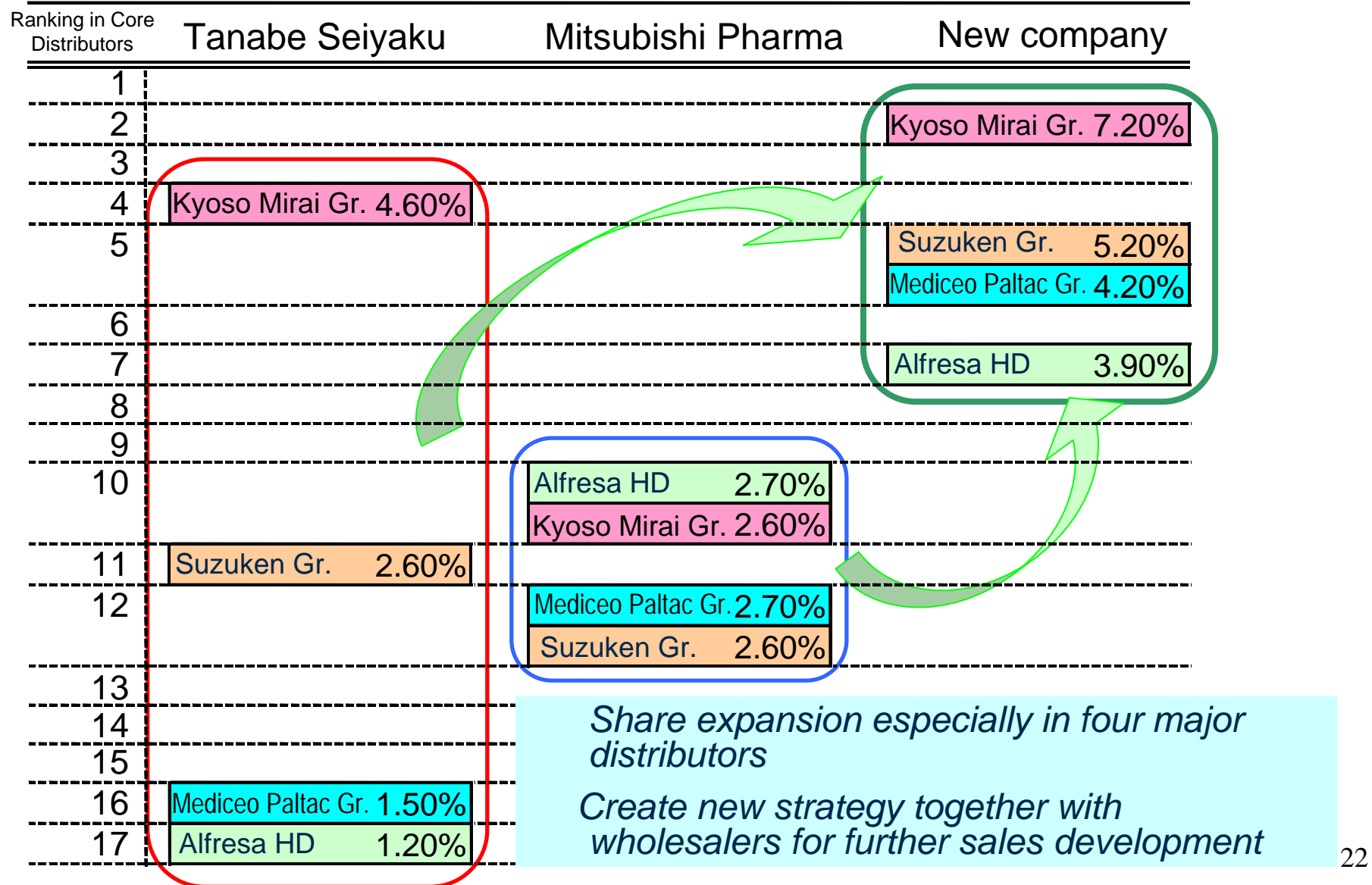
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Sales Synergy

(Create new cooperative strategy in wholesale business)





Cost Synergy

Synergy Factors	Synergy value In FY 2010
Cost Reduction <ul style="list-style-type: none">■ Improvement in efficiencies of sales and marketing expenses■ Integration of domestic and overseas sites■ Reduction of redundant costs■ IT cost reduction■ Cost reduction for procurement, etc.	13 billion yen
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R&D Synergy

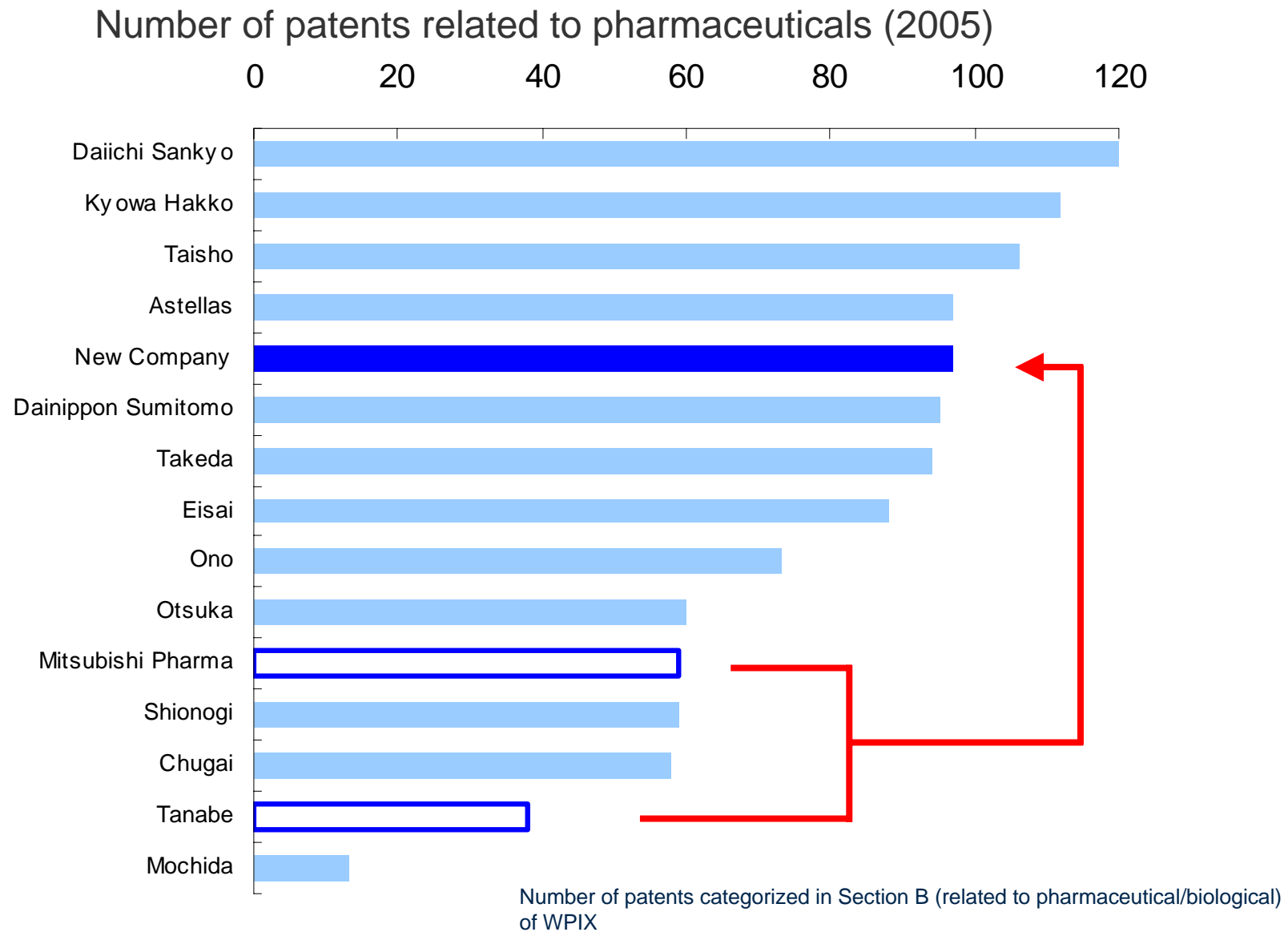
- Enhancement of drug discovery capability
- Bolstering pipeline
- Collaboration with Mitsubishi Chemical Group companies



Sustainable growth by
strengthening R&D
organization

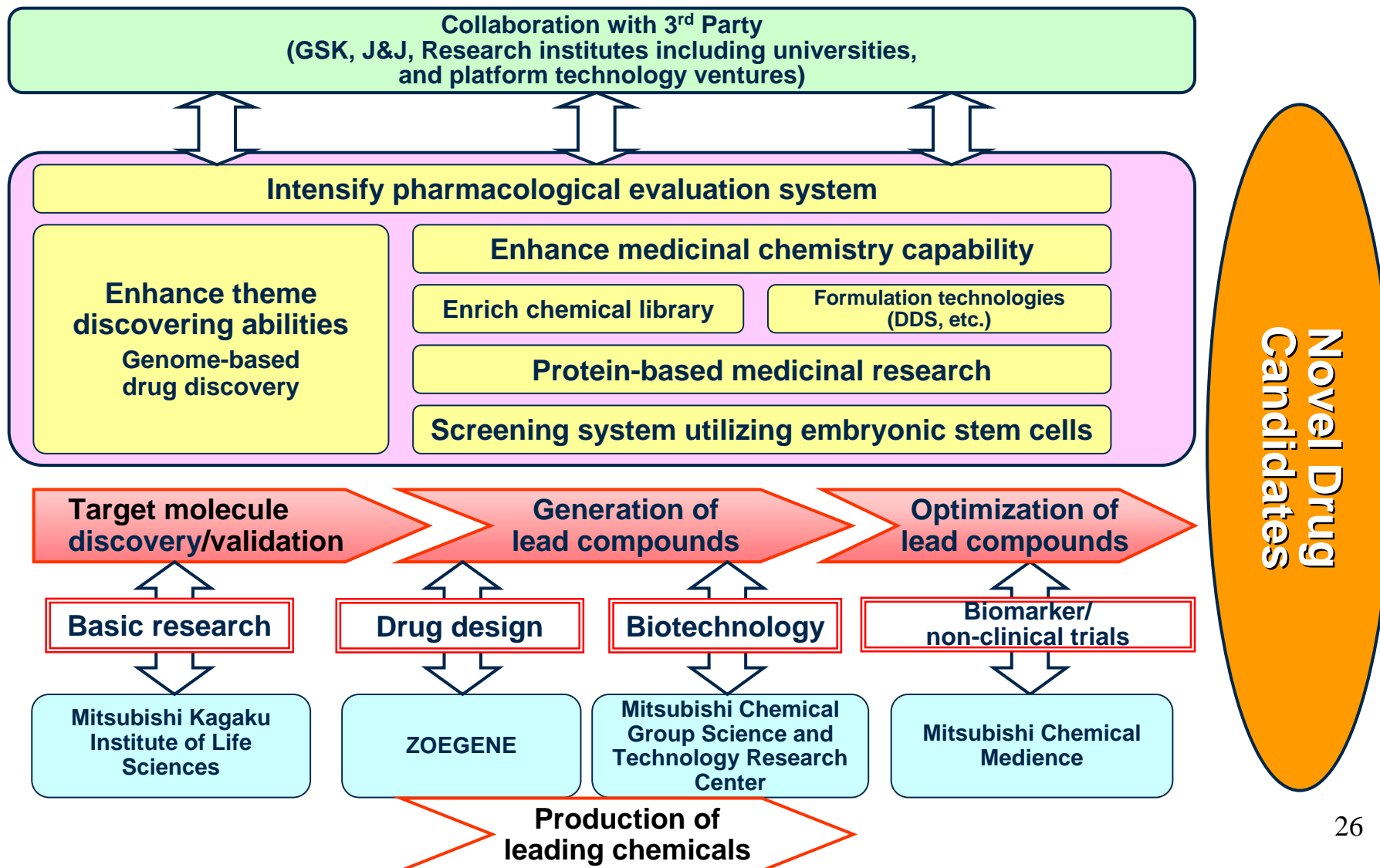


R&D Synergy (Drug Discovery Capability)



R&D Synergy (Discovery Research Capability)

Enhance discovery research capability by integration of strengths of the two companies



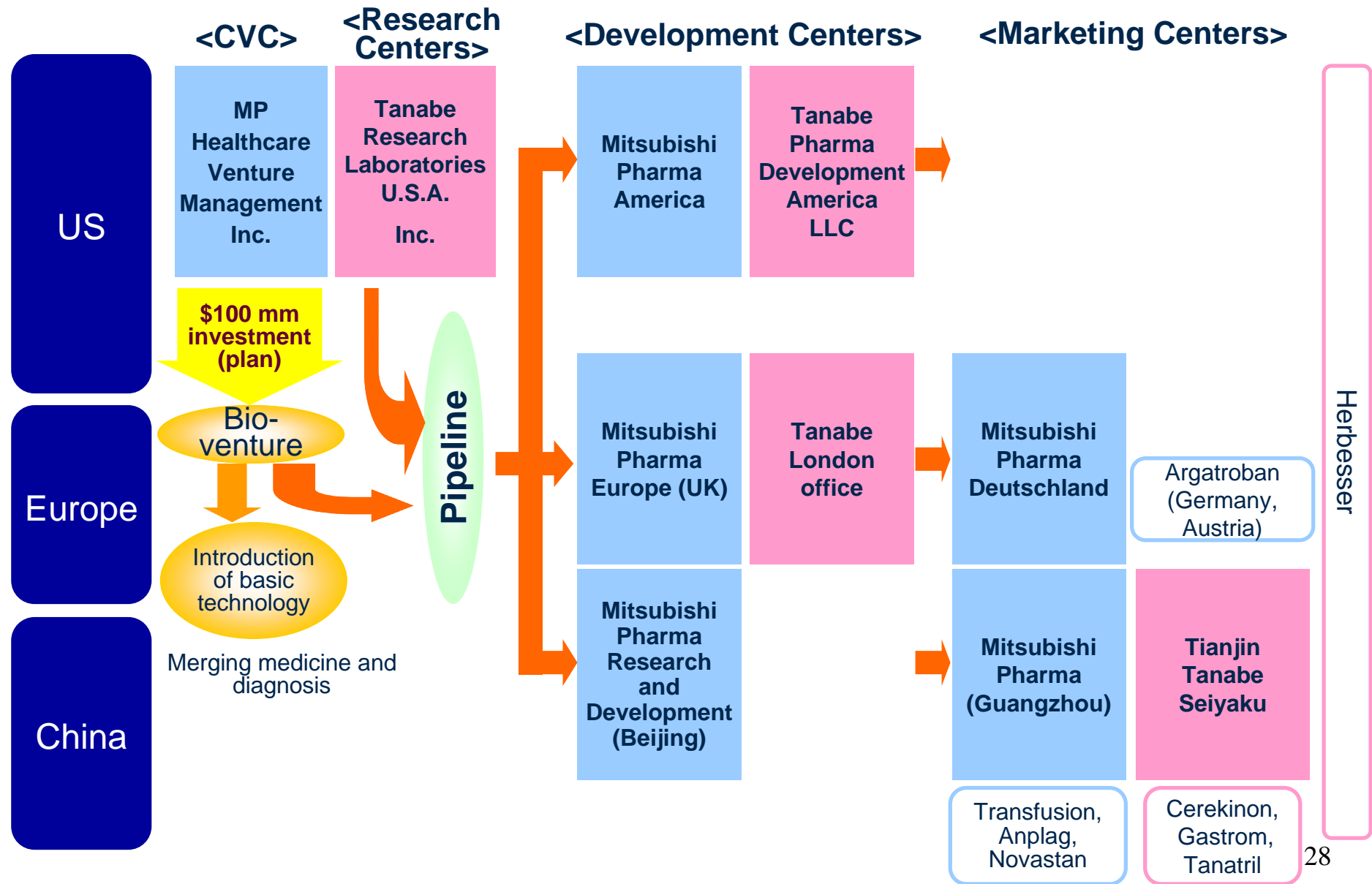
R&D Synergy (Pipeline)

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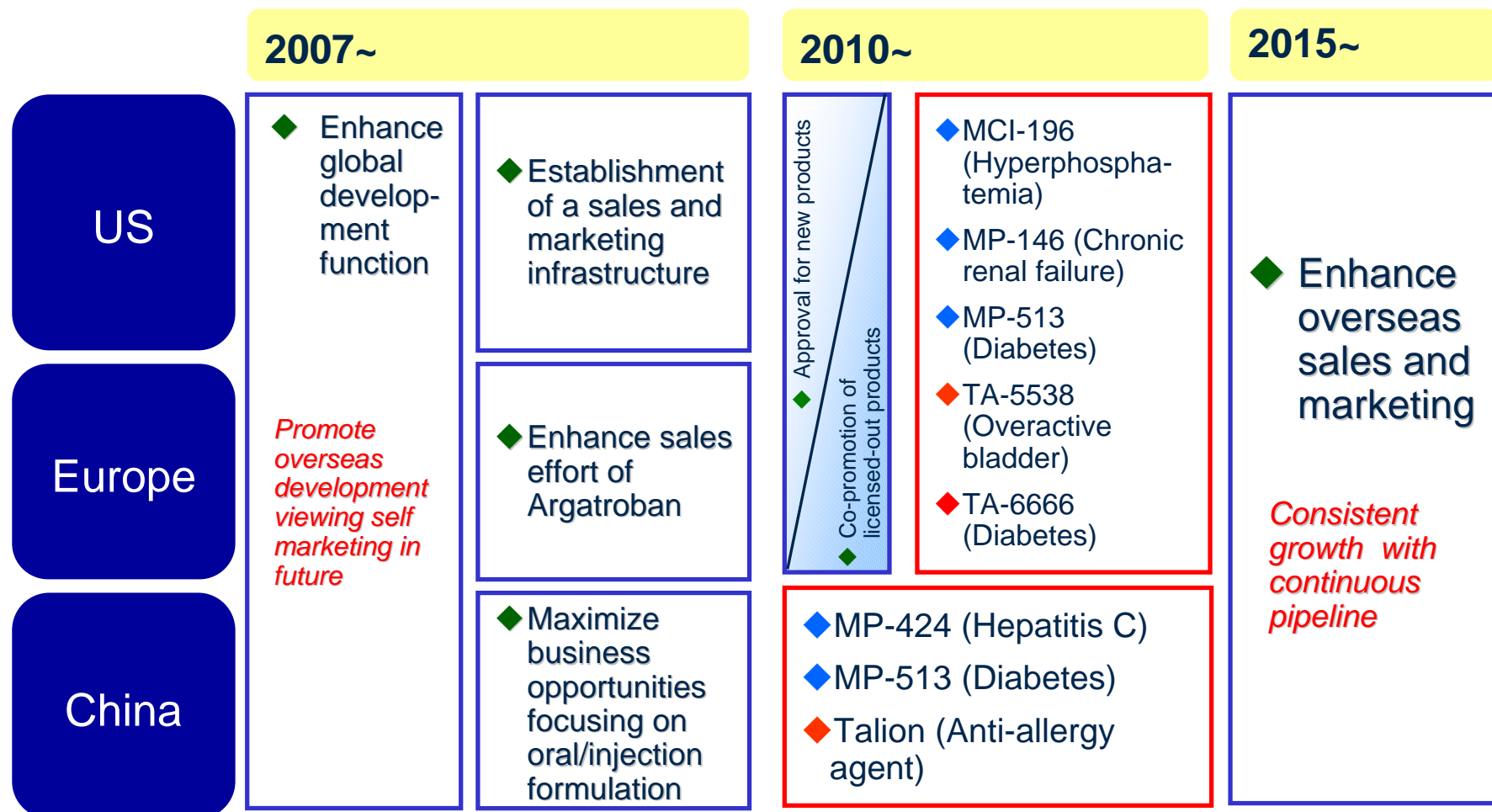
Acceleration of Overseas Business Development (Current Major Sites)





Acceleration of Overseas Business Development (Roadmap)

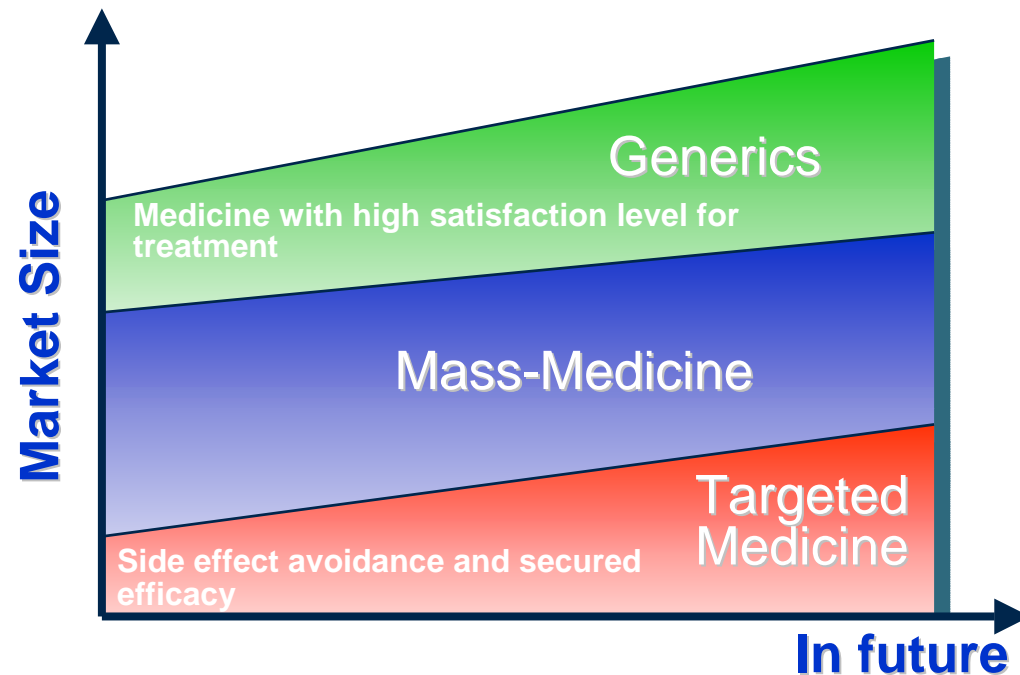
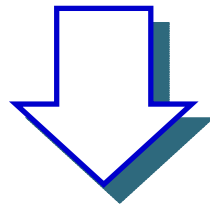
Bolster pipeline and accelerate establishment of global presence in US, Europe, and China



Challenge to Explore New Business Opportunities (Future Domestic Pharmaceutical Market)

Environmental Outlook

- Increase of aging population
- Pressure on medical cost reduction policy
- Increase of QOL needs
- Advancement of biotechnology



1. Market expansion of generics

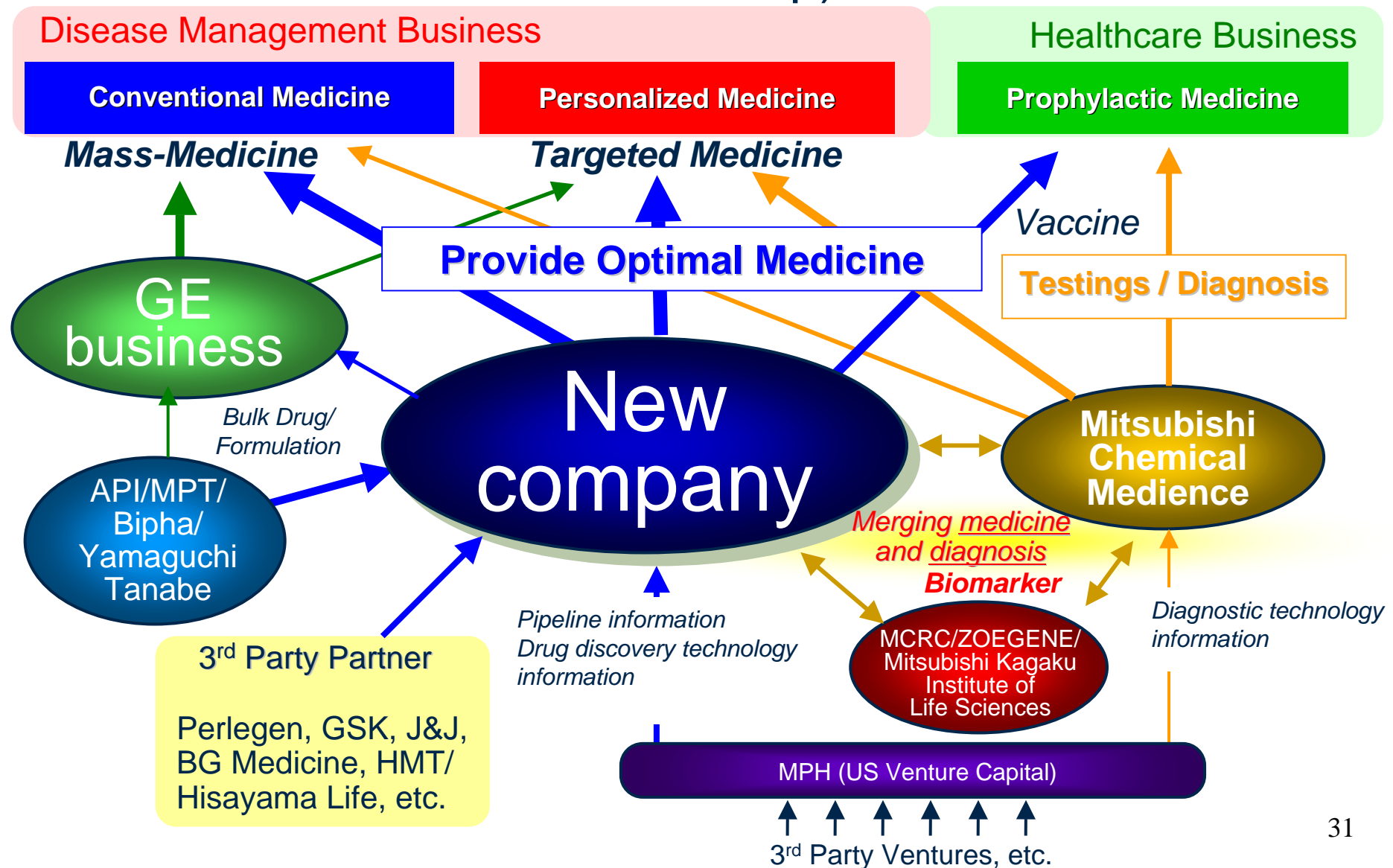
Out of conventional mass-medicine, medicines with high patient satisfaction level for treatment are to be provided by generics

→ Basic strategy of new company : **Enter into the generic drug business**

2. Side effect avoidance and secured efficacy by personalized medicine (targeted medicine)

→ Basic strategy of new company : **Establish new business models (personalized medicine, etc.)**

Challenge to Explore New Business Opportunities (New Business Model Through Collaboration with Mitsubishi Chemical Group)

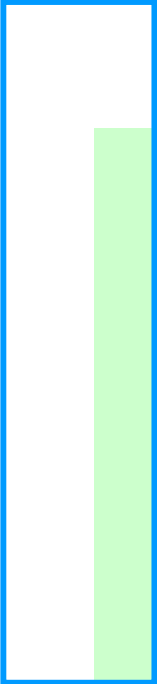


Global Novel Drug Discovery and Challenge to New Business Opportunities

Cautionary Statement

The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the two companies and is subject to significant risks and uncertainties.

Information on the companies, excluding the two companies and the new company, is generally based on and referring directly to publicly available information, and the companies have not assumed any responsibility for independently verifying and makes no warranties or representations with respect to the accuracy and completeness of such information.



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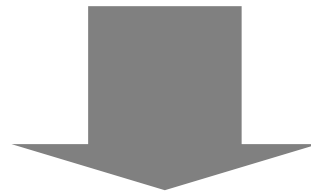


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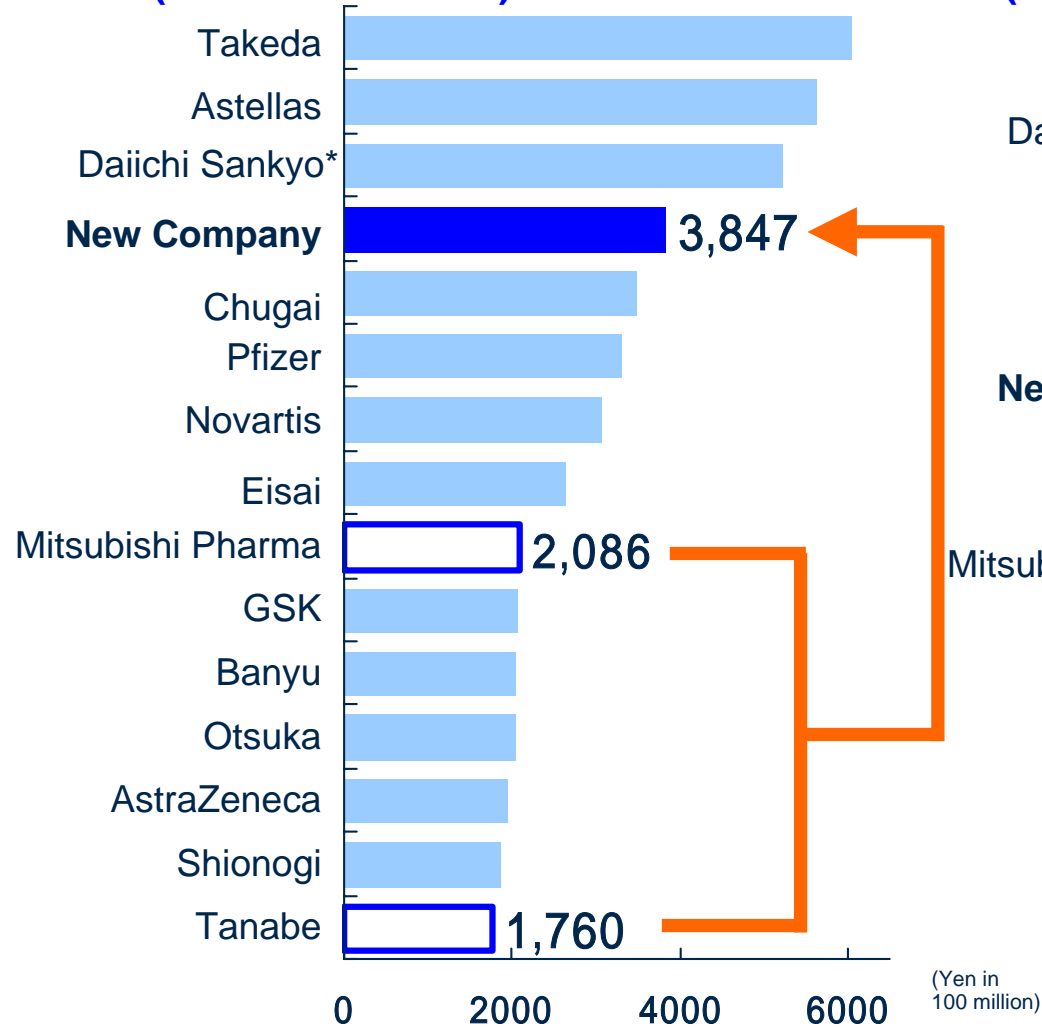
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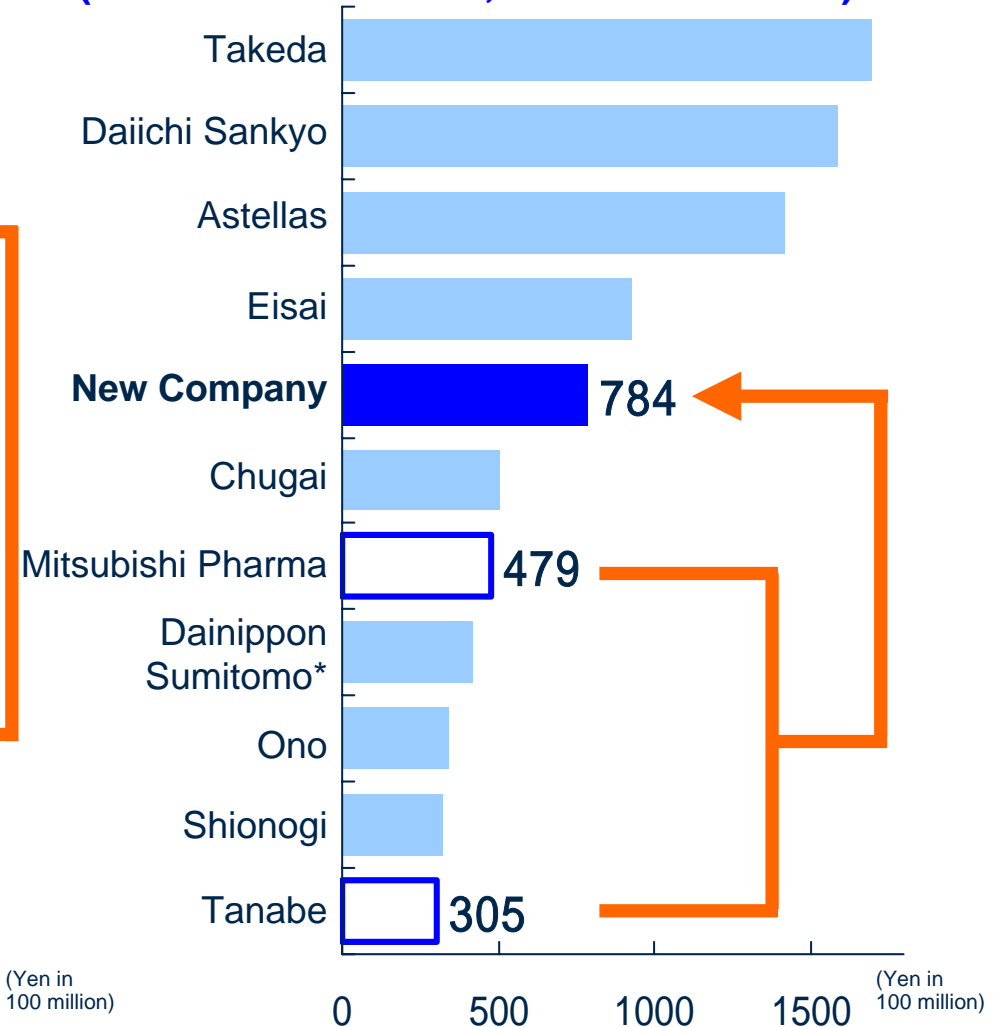


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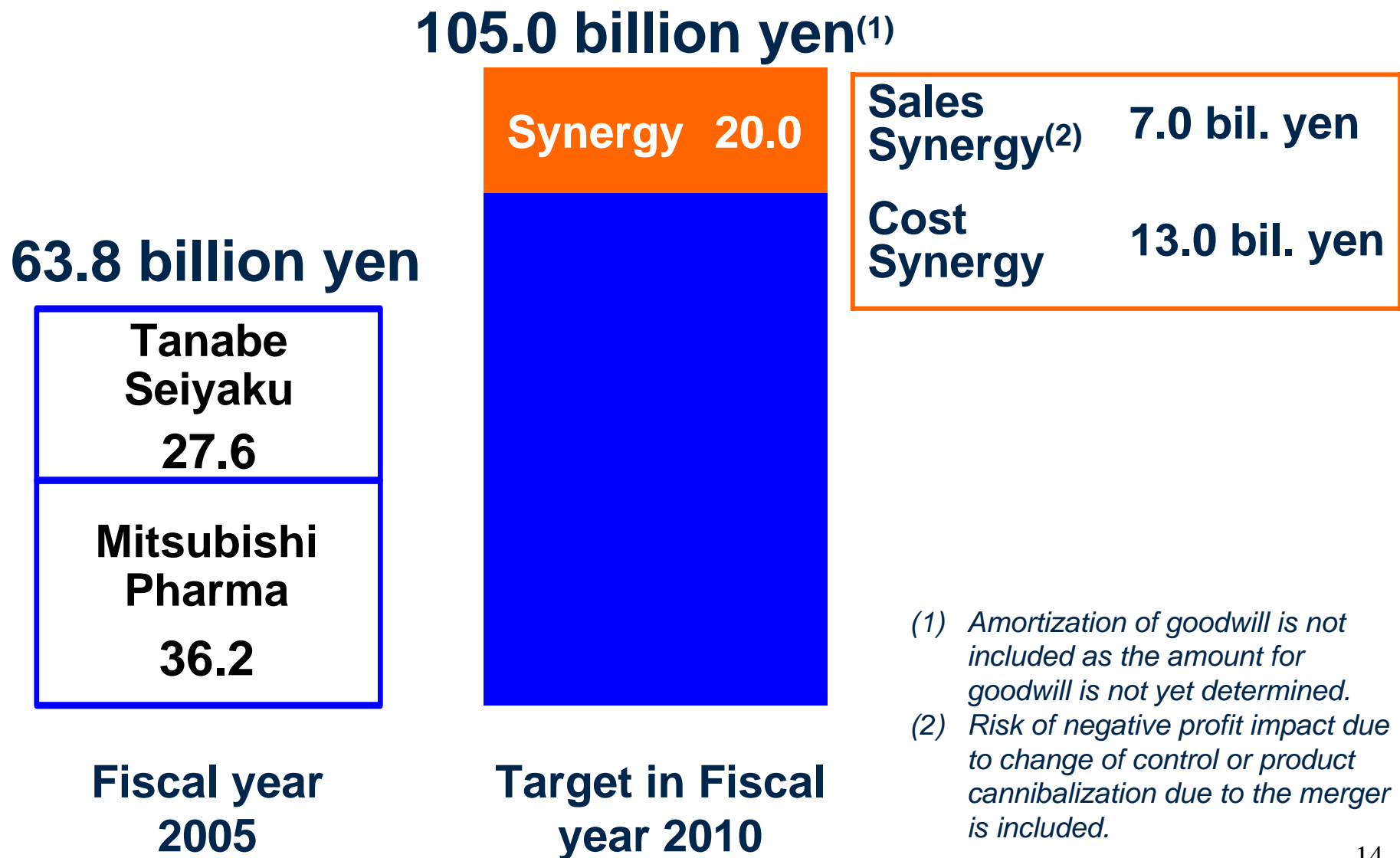


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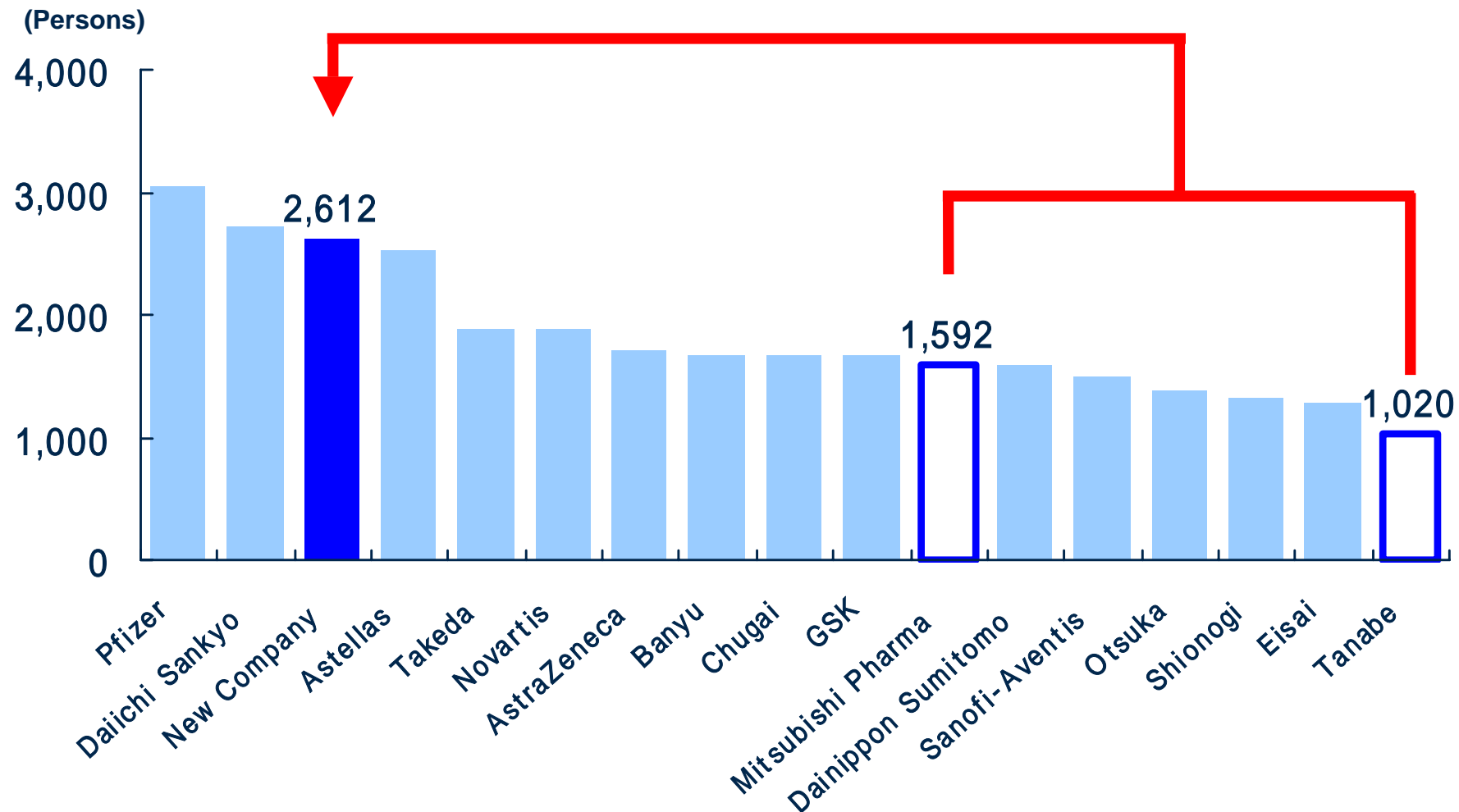
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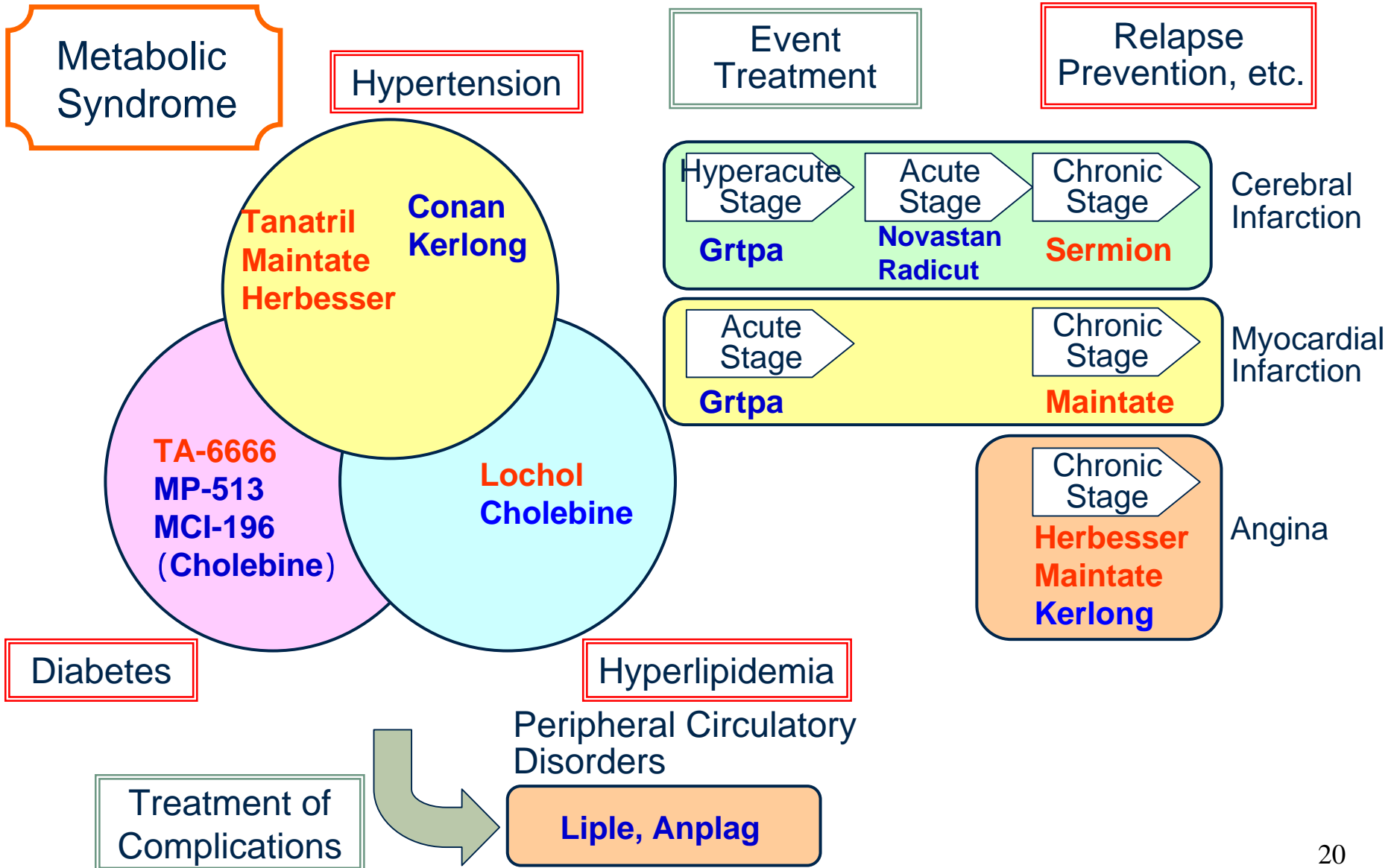
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Sales Synergy

(Complement the ability in Marketing in Cardiovascular Area)





Sales Synergy

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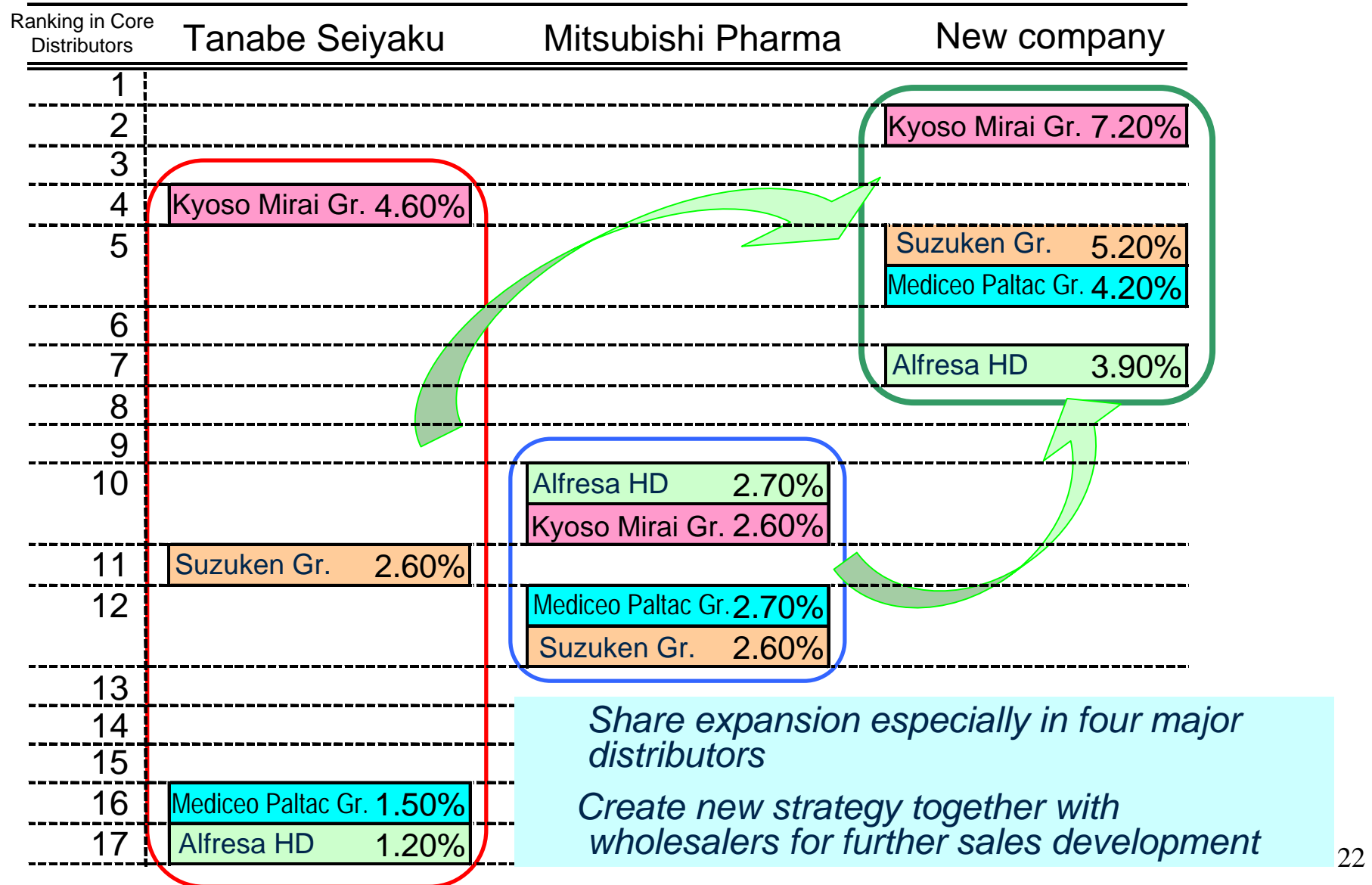
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R&D Synergy

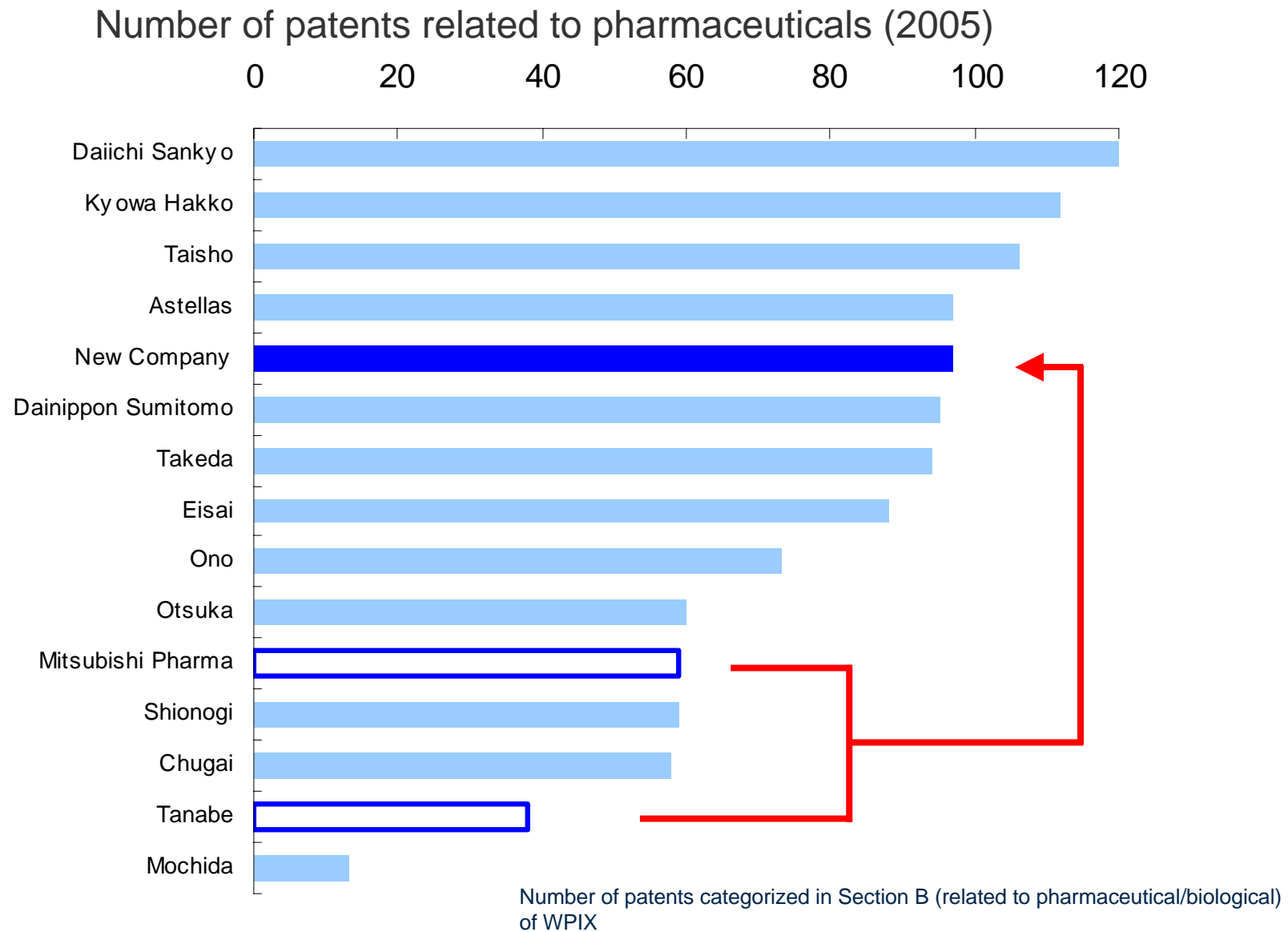
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Sustainable growth by
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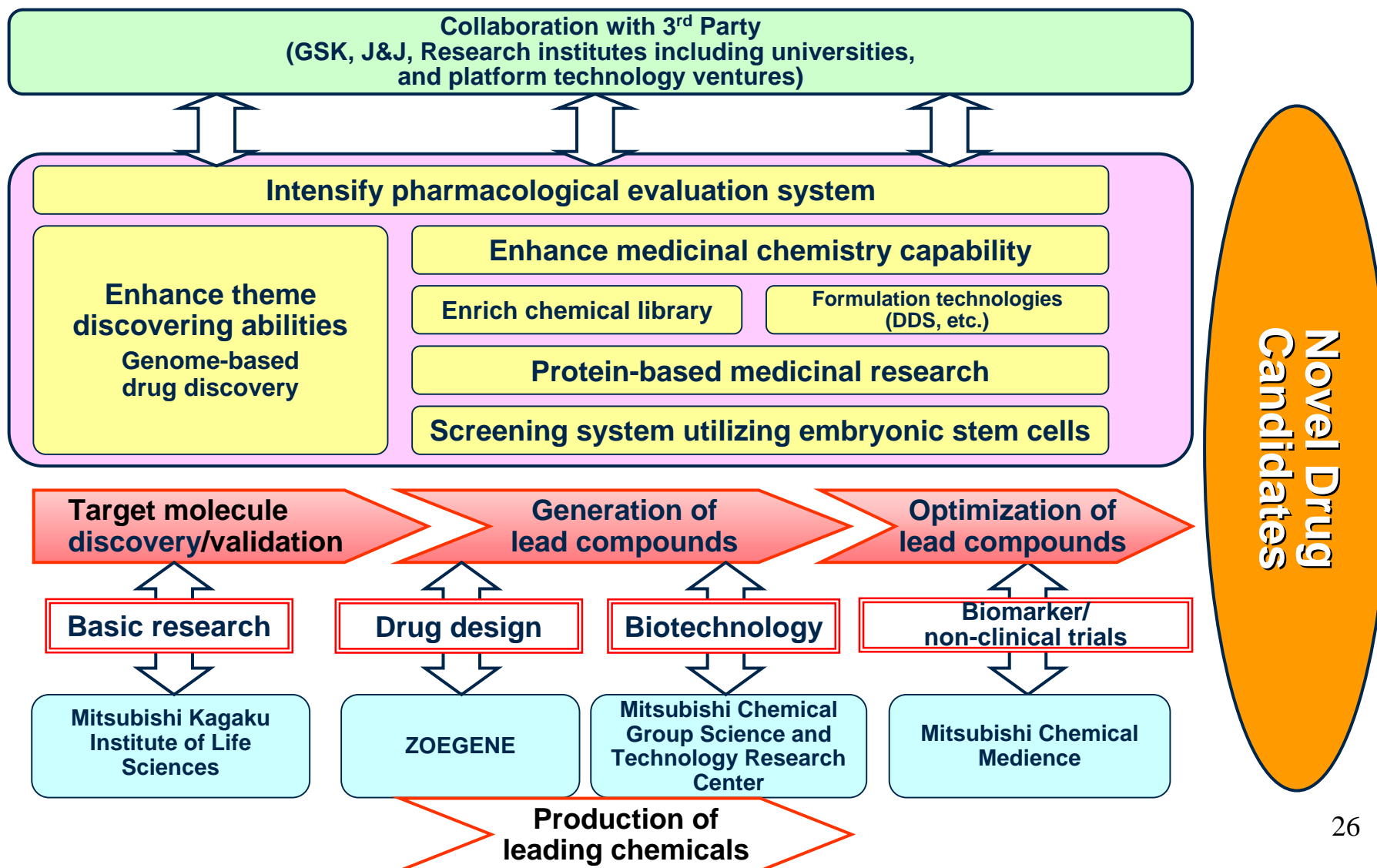


R&D Synergy (Drug Discovery Capability)



R&D Synergy (Discovery Research Capability)

Enhance discovery research capability by integration of strengths of the two companies

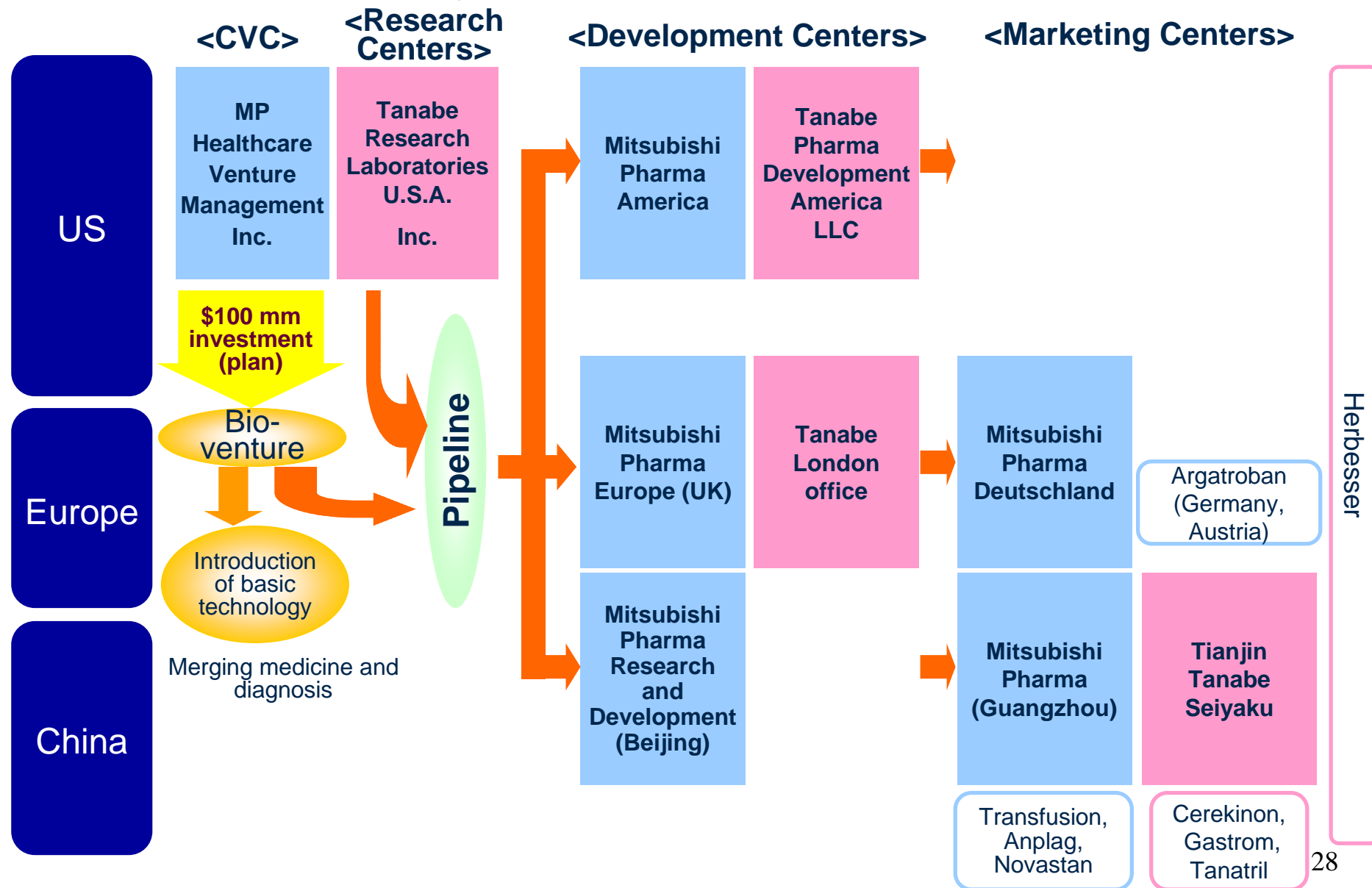


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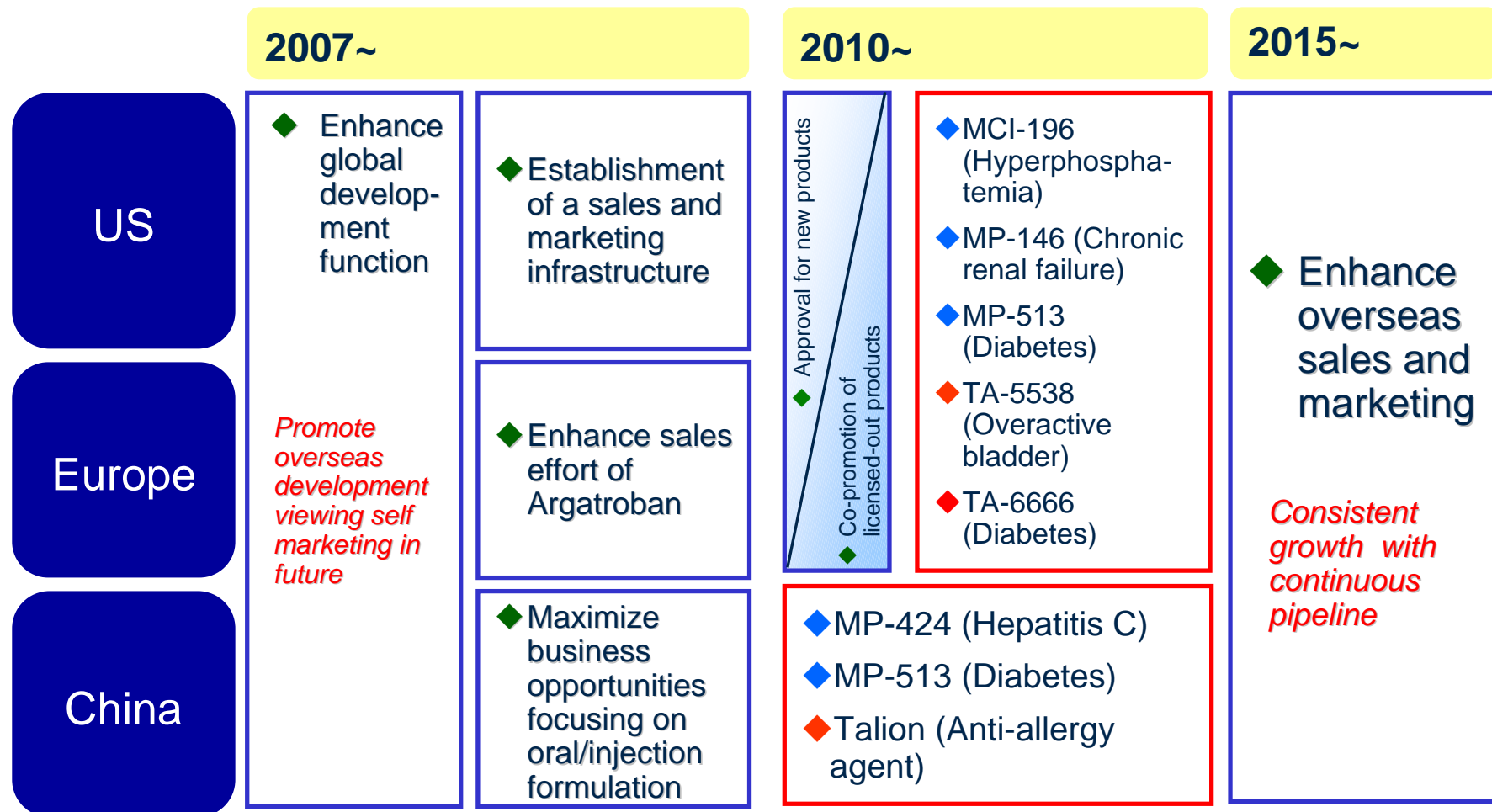
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Acceleration of Overseas Business Development (Roadmap)

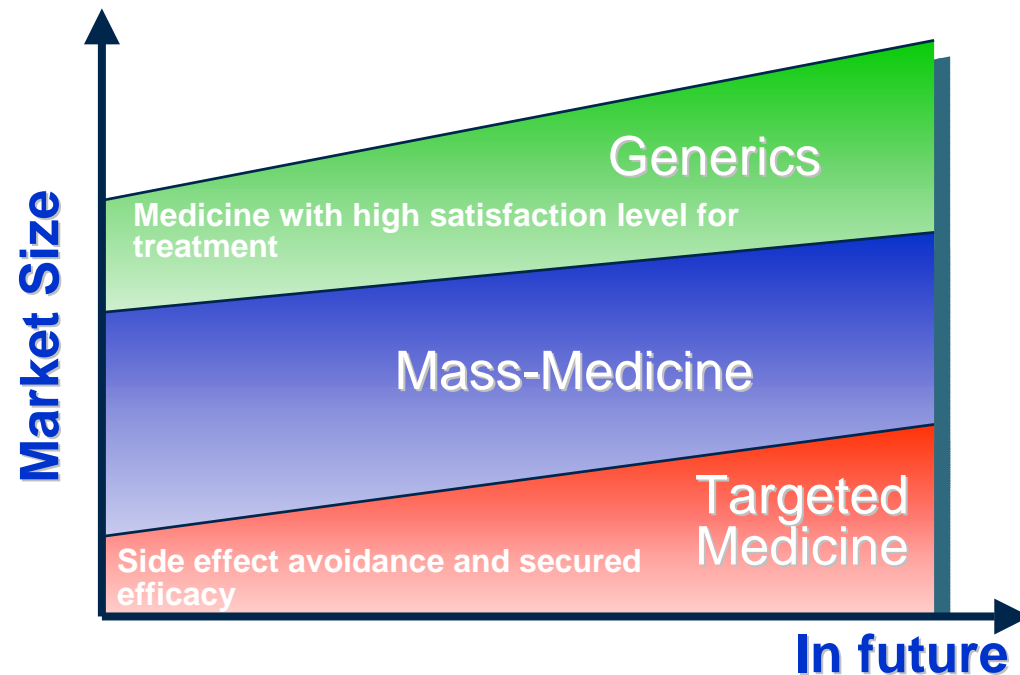
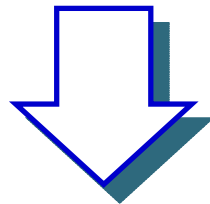
Bolster pipeline and accelerate establishment of global presence in US, Europe, and China



Challenge to Explore New Business Opportunities (Future Domestic Pharmaceutical Market)

Environmental Outlook

- Increase of aging population
- Pressure on medical cost reduction policy
- Increase of QOL needs
- Advancement of biotechnology



1. Market expansion of generics

Out of conventional mass-medicine, medicines with high patient satisfaction level for treatment are to be provided by generics

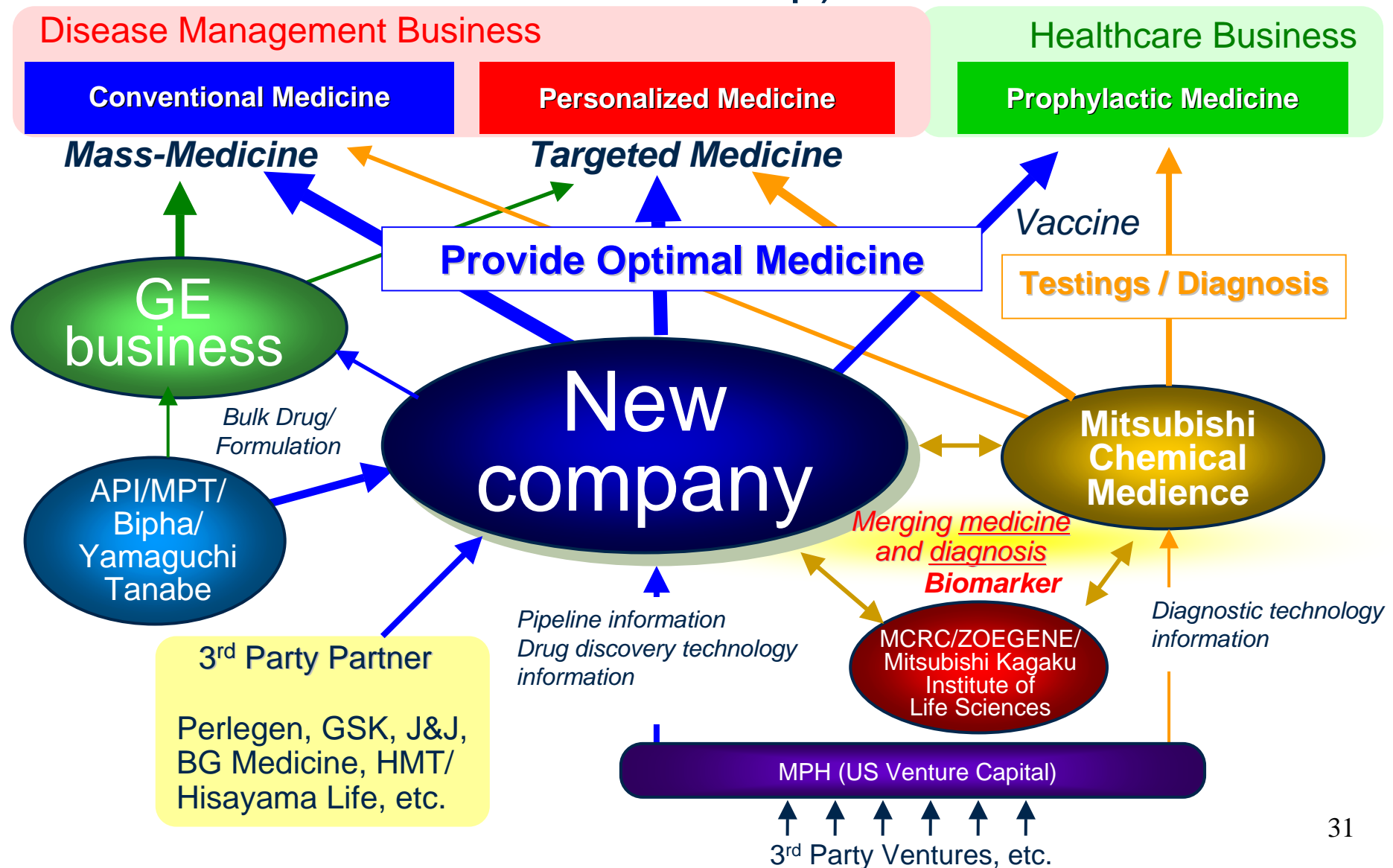
→ Basic strategy of new company : **Enter into the generic drug business**

2. Side effect avoidance and secured efficacy by personalized medicine (targeted medicine)

→ Basic strategy of new company : **Establish new business models (personalized medicine, etc.)**



Challenge to Explore New Business Opportunities (New Business Model Through Collaboration with Mitsubishi Chemical Group)



Global Novel Drug Discovery and Challenge to New Business Opportunities

Cautionary Statement

The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the two companies and is subject to significant risks and uncertainties.

Information on the companies, excluding the two companies and the new company, is generally based on and referring directly to publicly available information, and the companies have not assumed any responsibility for independently verifying and makes no warranties or representations with respect to the accuracy and completeness of such information.