

*Growth Toward a  
World-Class Pharmaceutical Company  
With Japanese Origin*

*2006 — 2010 Medium-Term Management Plan*

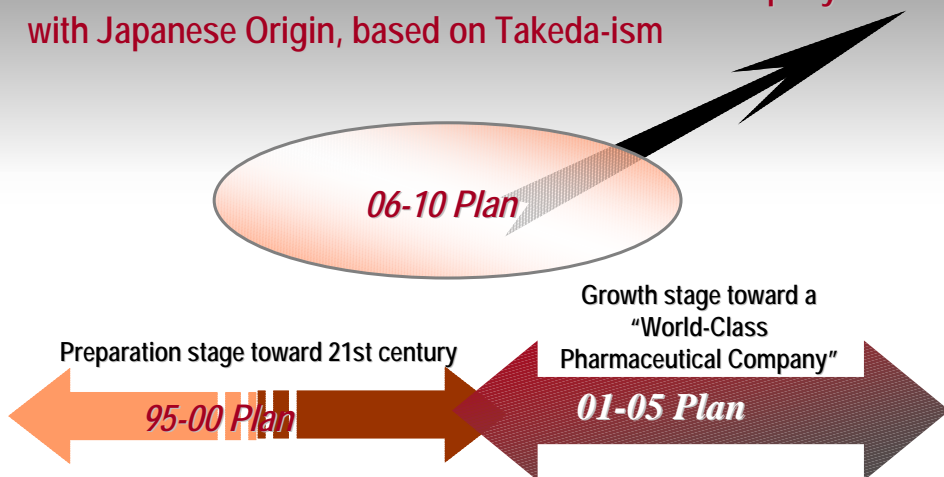
Yasuchika Hasegawa, President  
Takeda Pharmaceutical Company Limited

June 14, 2006

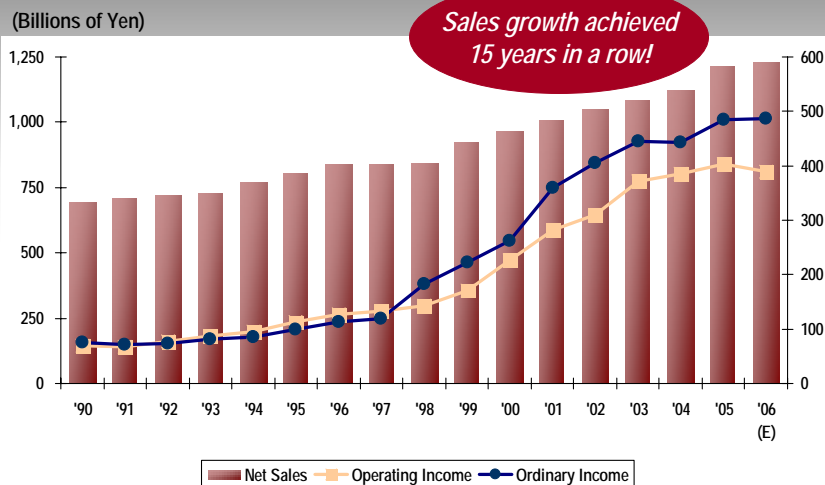


*2006 — 2010 Medium-Term Management Plan*

**Growth toward a World-Class Pharmaceutical Company  
with Japanese Origin, based on Takeda-ism**



## Financial Performance: Sales Growth Achieved 15 Years In A Row!



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3

## Review of 01—05 Medium-Term Management Plan

(Billions of Yen)	FY01	→	FY05	CAGR
Net Sales	1,005.1		1,212.2	4.8%
R&D Expenses	100.3		169.6	14.0%
Net Income	235.7		313.2	7.4%

	FY01	→	FY05	CAGR
EPS (Yen)	267.0		353.6	7.3%
ROE	17.9%		14.4%	
Payout Ratio	22.5%		30.0%	

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4

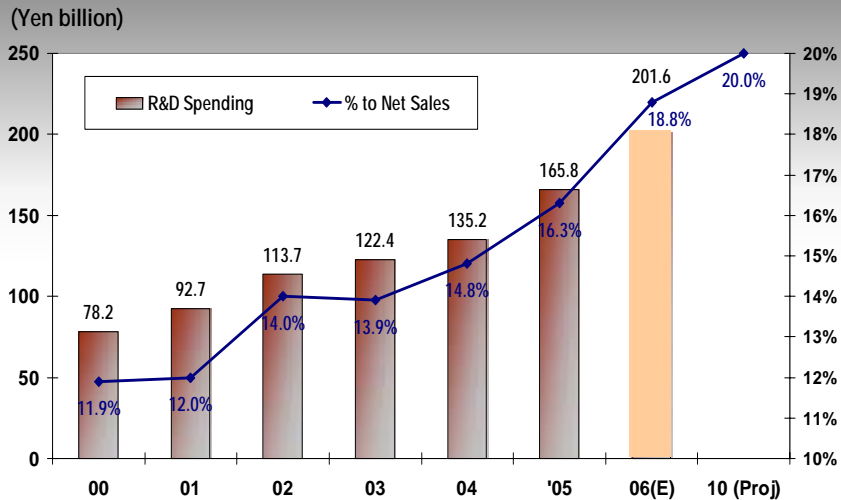
## *2006 — 2010 Medium-Term Management Plan: Strategic Goals*

1. Pipeline Enhancement
2. Drive Regional Sales and Marketing operations toward mutually leaning environment  
**US, EU and Japan**
3. Establish a global management structure in Takeda Way
4. Improve global Strategic Products Planning and executing function
5. HR pipeline enhancement

## *2006 — 2010 Medium-Term Management Plan: Financial Goals*

- **Sales**: mid-single digit growth
- **R&D**: high-single digit increase
- **Net income**: low-single digit growth
- **EPS**: more than **7%** increase per year on average
- **ROE**: maintenance of the current level (14% — 15%)
- **Dividend payout ratio**: 30% ➔ **45%**
- **Share buyback**: 0 ➔ **?**

## R&D Spending (Ethical Pharmaceutical)



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7

## Enhancement Of Capability To Create New Drugs Through In-House R&D Activities

Building a structure that will enable continued launch of **one new product from its in-house R&D every year** in and after fiscal 2011

In-licensing and alliance activities as supportive measures for in-house research

Enhancement of the R&D pipeline to a level where the company can expect sales of in-house ethical products of **2 trillion Yen in fiscal 2015**

Core Areas

Cardiovascular  
Diabetes

Challenging Areas

Oncology  
Urology, CNS

Other Areas

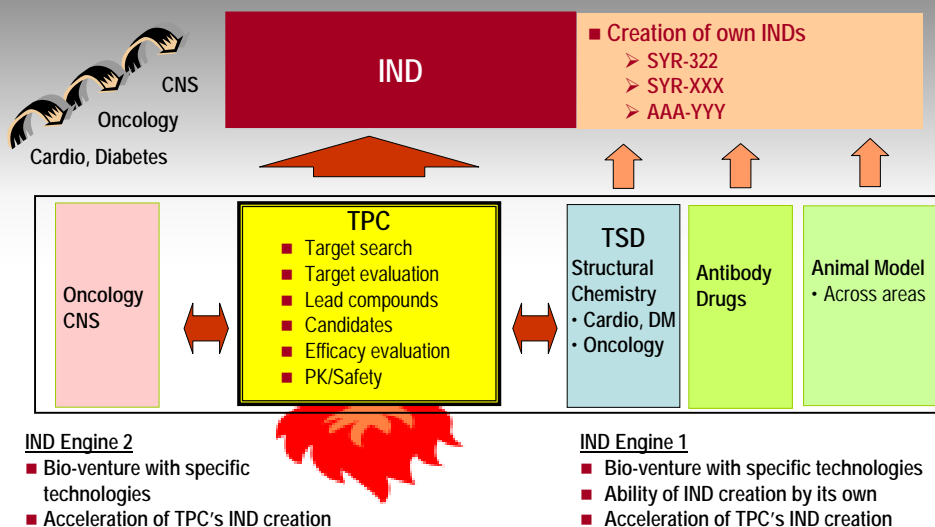
Digestive diseases

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8

# Multi IND Engines

In addition to TSD, the target bio-ventures will include those creating targets based on the animal model (across the therapeutic areas), those engaged in antibody drugs, or those having strengths in oncology and CNS.



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9

# Takeda Pipeline

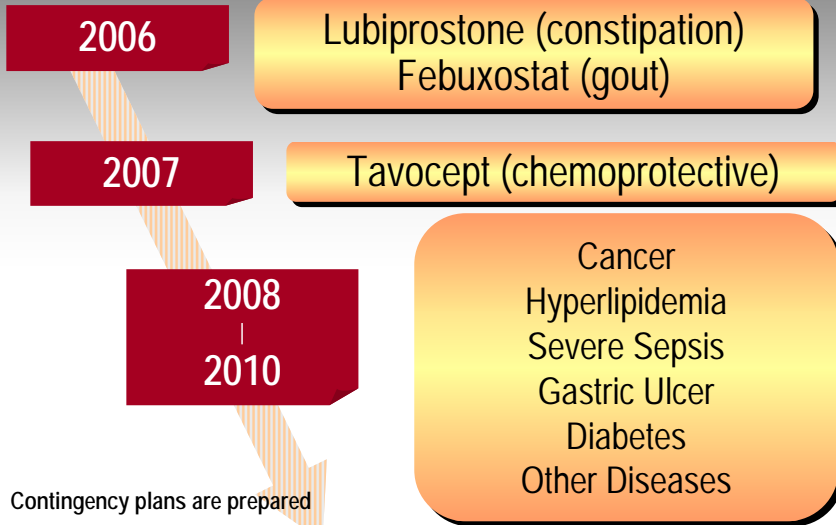
Project	Source	Indication	Stage
Rozerem™ (ramelteon; TAK-375)	In-house	Insomnia, CRSD	Marketed US / Phase 3 Europe & Japan; Phase 2
Amitiza™ (lubiprostone)	Sucampo	Chronic constipation C-IBS	Launched (US); Phase 3 (US)
Tavocept™ (dimesna)	BioNumerik	Chemoprotective Agent	Phase 3
TAK-242	In-house	Sepsis	Phase 3
TAK-475	In-house	Hyperlipidemia	Phase 3
SYR-322	Syrrx (TSD)	Diabetes	Phase 3
TAK-390MR	In-house	Gastroenterology	Phase 3 (TAP)
EMD-72000 (matuzumab)	Merck KGaA	Oncology	Phase 2
TAK-128	Mitsubishi	Diabetic neuropathy	Phase 2
TAK-428	In-house	Diabetic neuropathy	Phase 2
TAK-654	In-house	Diabetes	Phase 2
TAK-536	In-house	Hypertension	Phase 2
TAK-583	In-house	Post-herpetic neuralgia	Phase 2
LY-333531 (ruboxistaurin)	Eli Lilly	Diabetic maculopathy	Phase 2 (Japan)
ATL-962 (cetilistat)	Alizyme	Obesity	Phase 2 (Japan)
R-851	3M	High-risk cervical HPV	Phase 2
TAK-715	In-house	Rheumatoid Arthritis	Phase 2

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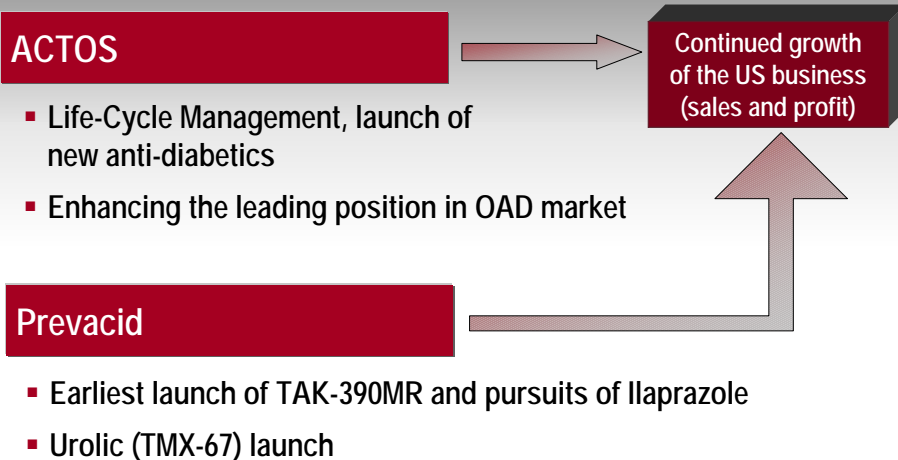
*In-house discovered compounds shown in red*

10

## Projected Launch Of New Products (Targeted Launch Schedule In The US)



## Counter Measures For Patents Expiry



## 2006 — 2010 Medium-Term Management Plan

### Concepts behind Strategic and Financial Goals to solidify accomplishment

- Precise Mid-Term Management Plan
- Perseverance and perfection in execution
- Pursuits of highest productivity and efficiency in every aspect of business

## Corporate Philosophy Headed By "Takeda-ism"



Integrity = fairness, honesty, perseverance

Commitment to building trust and confidence in all the people around us and our determination to continue to expand the business.

"Strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products."



Increase corporate value both in economic/social aspects



*Toward a World-Class Pharmaceutical Company with Japanese origin*

## *Forward-Looking Statements*

This presentation contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at this time.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this presentation. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business; competitive pressure; relative laws and regulations; product development programs; and changes in exchange rates.

We assume no obligation to update or reverse any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events, or otherwise.