



# Management Policy

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

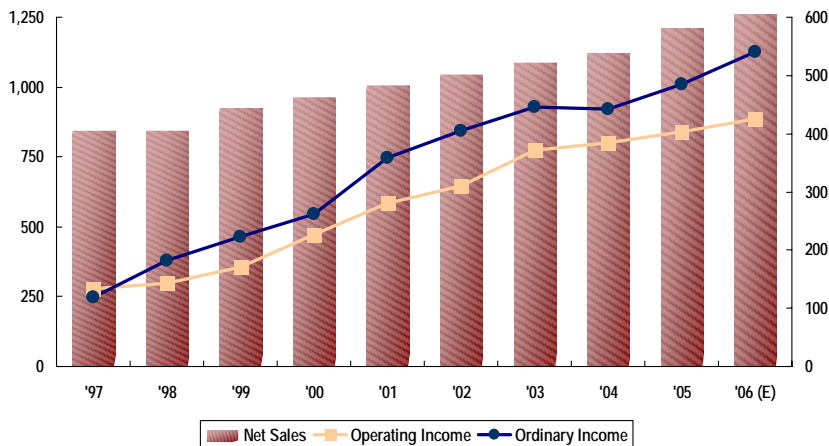
Takeda Pharmaceutical Company Limited  
Yasuchika Hasegawa, President



Merrill Lynch Global Conference 2007.2.6

## Solid Financial Performance

(Billions of Yen)



## Performance Summary 3rd quarter and Outlook for FY06

	First 3Q's 2006		Outlook for FY 2006	
	(Billions of yen)	(Percentage increase)	(Billions of yen)	(Percentage increase)
Net sales	1,003.8	(+7.3%)	1,300.0	(+7.2%)
Operating income	382.8	(+10.5%)	425.0	(+5.5%)
Ordinary income	475.7	(+13.6%)	540.0	(+11.3%)
Net income	266.2	( 5.3%)	310.0	( 1.0%)
R&D cost	139.4	(+20.1%)	215.0	(+26.7%)
E P S	304.9yen	( 4.0%)	357.5yen	(+1.1%)

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## 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 ➔ To be conducted flexibly

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# 2006-2010 Medium-Term Management Plan Strategic Goals

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

Enhancement of  
R&D pipeline

Recruit and groom  
high caliber people

Improvement of  
geographical presence

Take full advantage of high performing Japanese companies' strengths

- Establish precise strategies based on the long term perspective and execute them in perfection
- Continue to improve productivity and efficiency throughout organization

## Improvement of in-house Research Productivity - Collective efforts for Enhancement of capability to create new drugs -

2011-15: Launch of 5 new products including the projects currently in clinical development

2016 and thereafter: Launch of one new product every year from in-house research

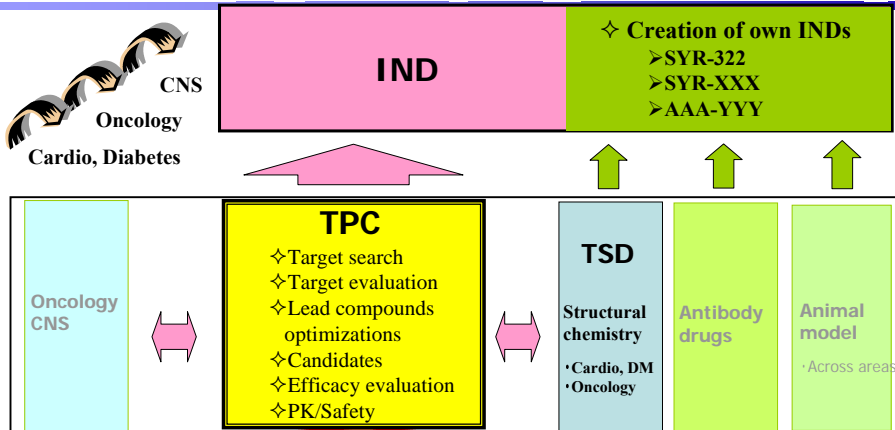
2006-10: Start of clinical development for priority projects  
Creation of potential projects

Re-establishment  
of research  
strategies

Reform of  
research structure  
and scheme

Reform of  
culture and  
awareness

# Multi IND Engines



## IND Engines

- ◇ Bio-venture with specific platform technologies
- ◇ Ability to create IND candidates of its own
- ◇ Accelerate TPC's projects with its platform technologies

# Takeda Pipeline

Development code	Drug Class	Indications	Stage
SPI-0211	Chloride channel opener	Constipation-predominant Irritable Bowel Syndrome	P-III (U.S.)
TAK-242	TLR4 signal transduction inhibitor	Severe sepsis	P-III (Jpn, U.S, EU)
TAK-375	MT <sub>1</sub> /MT <sub>2</sub> receptor agonist	Insomnia Alzheimer's sleep / wake disturbance Circadian rhythm sleep disorder (CRSD)	P-III (Jpn, EU) P-II (U.S.) P-II (U.S.)
TAK-475	Squalene synthase inhibitor	Hypercholesterolemia	P-III (U.S.) P-II (Jpn)
TAK-390MR	Proton pump inhibitor	Erosive esophagitis and non-erosive gastro-esophageal reflux disease	P-III (U.S.) P-I (Jpn)
SYR-322	DPP-4 inhibitor	Diabetes mellitus	P-III (U.S, EU) P-I (Jpn)
TAK-428	Neurotrophic factor production accelerator	Diabetic neuropathy	P-II (U.S, EU)
TAK-536	Angiotensin II receptor antagonist	Hypertension	P-II (U.S, EU) P-I (Jpn)
AF37702	Synthetic, peptide-based erythropoiesis-stimulating agent	Chronic kidney disease (CKD) / cancer-related anemia	P-II (U.S, EU) P-I (Jpn)
TAK-583	Neuropathic pain-improving drug	Post-herpetic neuralgia, Diabetic neuropathy	P-II (U.S, EU) P-I (Jpn)
LY333531	PKCβ inhibitor	Diabetic maculopathy	P-II (Jpn)
R-851	Immune response modifier	Human papillomavirus (HPV) infection	P-II (U.S.)
EMD72000	Humanized, monoclonal antibody (MAb) against the human EGFR	Gastric cancer, non-small cell lung cancer (NSLC), colorectal cancer	P-II (Jpn, U.S, EU)
ATL-962	Lipase inhibitor	Obesity	P-II (Jpn)
TAK-491	Angiotensin II receptor antagonist	Hypertension	P-II (U.S, EU)

# Counter Measures For Patents Expiry (1)

New products launch

2007

2010

Contingency plans are prepared

SPI-0211 (c-IBS) ( )  
TMX-67 ( )  
TAK-242 ( )  
TAK-475 ( )  
SYR-322 ( )  
Actos/DPP4,  
Actos/ARB,  
TAK-475/Statin • •  
TAK-390MR ( )  
EMD-72000 ( )  
AF37702 ( )  
• • •

# Counter Measures For Patents Expiry (2)

Best in class compounds in each Metabolic Syndrome

## Hypertension

Candesartan  
TAK-491  
TAK-536  
ARB Family

Actos/TAK-536

Actos  
Actos Family  
SYR-322

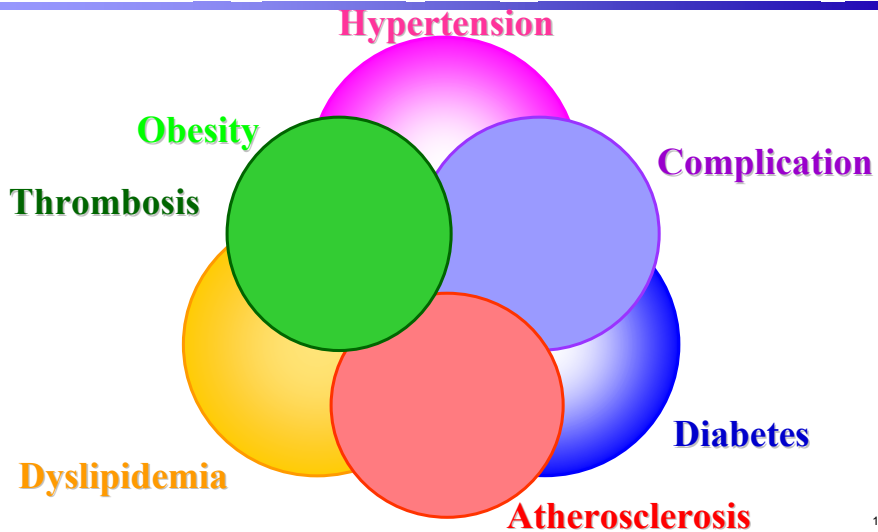
## Diabetes

TAK-475  
TAK-475 Family  
TAK-085

## Dyslipidemia

# Counter Measures For Patents Expiry (3)

Build a Metabolic Syndrome Power House



## “Takeda-ism”



World-Class  
Pharmaceutical Company  
With Japanese Origin

< Takeda-ism >  
Integrity = fairness, honesty,  
perseverance

< Mission > “Strive toward better  
health for individuals and progress in  
medicine by developing superior  
pharmaceutical products.”

# Forward-Looking Statements

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