



Management Policy

FY2005

*Toward a world-class pharmaceutical Company
with Japanese origin*

Establishing a Foundation for
Next Medium-Term Management Plan

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Summary of FY2004 Interim Results and Outlook for FY2005

FY2005 Interim Results






Net sales	¥599.8 billion	(+5.8%)	7 consecutive terms
Operating income	¥215.2 billion	(-1.7%)	(first decline in these 7 terms)
Ordinary income	¥259.4 billion	(+1.9%)	7 consecutive terms
Net income	¥181.3 billion	(+11.0%)	7 consecutive terms

Outlook for FY2005

¥1,195.0 billion
¥380.0 billion
¥465.0 billion
¥310.0 billion

Outlook in FY2005 for core products

U.S.

- TPNA - Actos+ACTOplus met  More than 10% growth
- Rozerem  Approved and launched as scheduled Growth
- Niaspan, Advicor Co-promotion 
- TAP - Prevacid  Plateau
- Lupron  Slight decrease

Japan

- Stable growth of Blopress, Takepron, Actos, Basen

2001-2005 Medium-Term Management Plan

<Basic Initiatives> <Numerical Targets>

Basic Initiatives

Realize **1 trillion yen in sales of in-house ethical drugs**

Create sources of growth to make Takeda a world-class pharmaceutical company

Promote total independence of non-pharmaceutical businesses

Build systems and a framework as a world-class pharmaceutical company

Market share in regions entered

$\geq 3\%$

U.S.
2.7%

Operating margin

35%

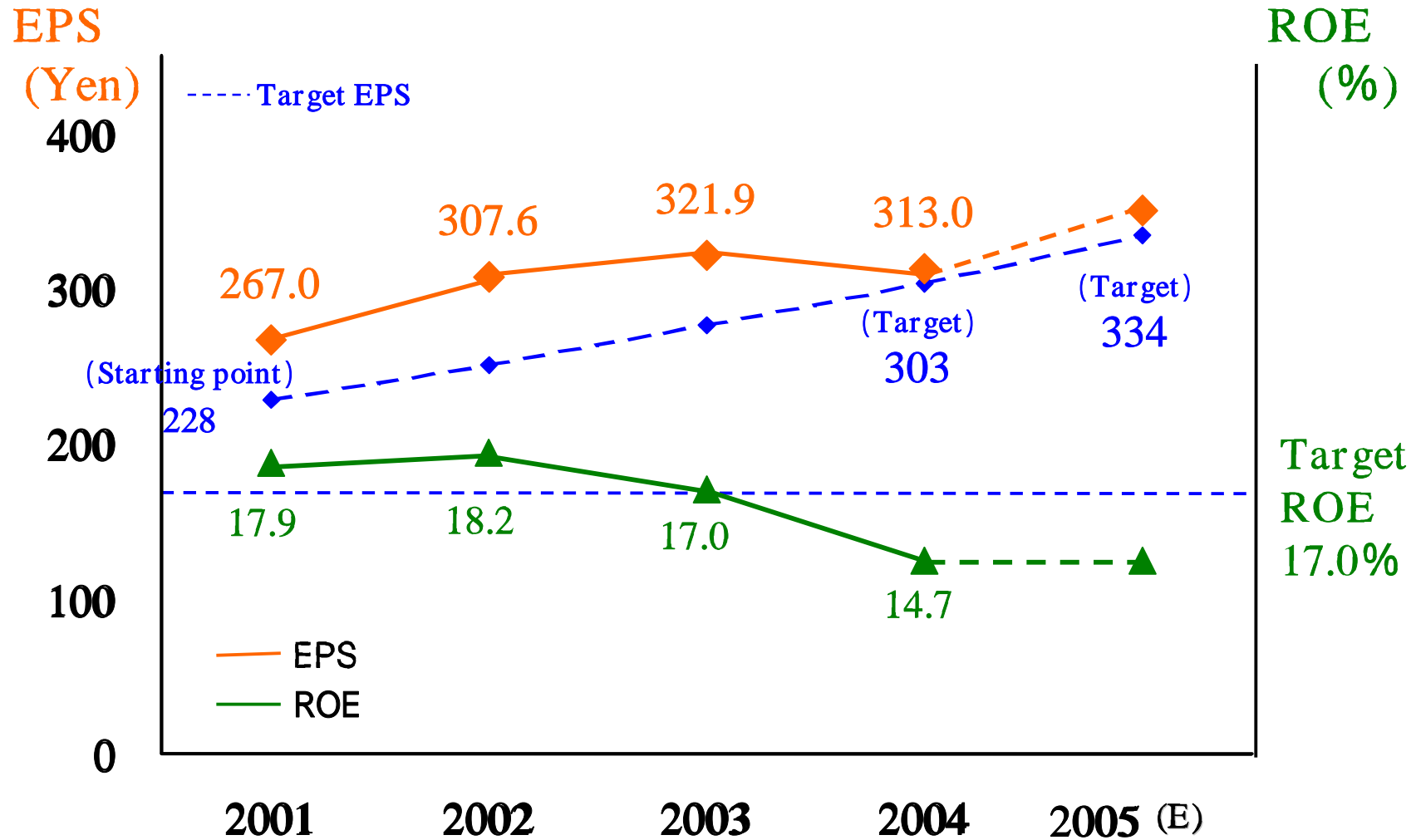
Consolidated earnings per share (excluding extraordinary gain and loss)

average increase $\geq 10\%$ p.a.

Consolidated return on equity

17%


EPS & ROE



Dividend Policy

Fundamental Policy:

Our policy is to **return profits to shareholders according to consolidated results for each accounting period**. The Company seeks to increase distribution of profits, taking into overall consideration its **financial condition and medium- to long-term capital requirements for business investments** to increase the value of the Company.

F Y2000	¥50	
F Y2001	¥60 (+¥10 year-on-year)	
F Y2002	¥65 (+¥5 year-on-year)	
F Y2003	¥77 (+¥12 year-on-year)	
F Y2004	¥88 (+¥11 year-on-year)	
F Y2005 interim	¥53 (+¥9 year-on-year)	
full-year	¥106 (+¥18 year-on-year)	
		<Consolidated Payout Ratio>
		28.1%
		
		30.3%

Fiscal 2005 Tasks

Final year of 2001-05 Medium-Term Management Plan

Step board for well establishing the foundation next 5 years

- Thoroughly strengthen **research and development pipeline**
- **Maintaining growth potential and expanding market share** of existing core products
- Building global **operating infrastructure and system**
- Establishing a **solid business structure** free from influence by environmental changes

Thoroughly strengthening pipeline

New products for **TPNA** with targeted launch by 2010

FY2005 **Rozerem (launched on September 26)**

~ FY2006 **Lubiprostone (NDA filed for constipation in
Mar. 2005)**

~ FY2007 **Tavocept (Ph.III)**

~ FY2010 **EMD72000 (Ph.II), TAK-475 (Ph.III),
TAK-242 (Ph.III)**

Strategies for strengthening pipeline

Establishing further efficient **research** management scheme

Building a global **development** management scheme

Building a “Global One Team” for **in-licensing/alliances**

Promotion of **Life Cycle Management**

R&D Pipeline (Ph.III)

Product	Indication	Region	Stage
Rozerem® (TAK-375)	Insomnia	U.S.	Approved (Jul.'05)
		Jpn	Ph
		EU	Ph
Lubiprostone (SPI-0211)	Chronic constipation c-IBS	US	Filed
		US	Ph
TAK-475	Hyperlipemia	US	Ph
		EU	Ph
		Jpn	Ph
TAK-242	Severe sepsis	Jpn, US, EU	Ph
TAK-390MR	Peptic ulcer	US	Ph
Tavocept®	Chemoprotective agent	US	Ph

In-licensing and Alliance

Product Name	Licensed from	Action or class/ indication	Territory	Stage
TAK-128	Mitsubishi (Japan)	diabetic neuropathy	US	Ph.II
Glufast®	Kissei (Japan)	short-acting insulin secretagogue	Japan	Launched (April 2004)
EnbreI®	Wyeth (US)	rheumatoid arthritis	Japan	NDA filed
LY333531	Eli Lilly (US)	diabetic complications (microvascular)	Japan	Ph.II
ATL-962	Alizyme (UK)	obesity	Japan	Ph.I
Actos®+Fortamet®	Andrx (US)	diabetes	US	Under preparation of clinical trials
Niaspan®	Kos (US)	hyperlipemia	US	Co-promotion started (January 2004)
Advicor®	Kos (US)	hyperlipemia	US	Co-promotion started (January 2004)
Tavocept®	BioNumerik (US)	chemoprotective agent	US	Ph.III
Lubiprostone (SPI-0211)	Sucampo (US)	chronic constipation c-IBS	North America	Filed Ph.III
SYR-322	Takeda San Diego	diabetes	US	Ph.II
R-851	3M (US)	HPV infection	US	Ph.II
TAK-363	Toray (Japan)	frequent urination urinary incontinence	US	Ph.I
EMD72000	Merck (Germany)	Stomach cancer, NSCLS, CRC (except Japan)	Japan, US, EU	Ph.II (Jpn: Ph.I)
Omacor®	Pronova (Norway)	Hypertriglyceridaemia	Japan	Under preparation of clinical trials

U.S. Operations (TPNA, TAP)

TPNA

- **Actos** (including **ACTOplus Met** launched in Nov.)
 - more than 10% increase
 - Differentiation from competitors (*GLAI Study, PROactive*)
- **Rozerem** (launched on Sep. 26) successfully launched
- Preparation for future launch **Lubiprostone, Tavocept**
- Growth of Kos products: **Niaspan, Advicor** (co-promotion)

TAP

- **Lupron** steady share but **slightly decreased** sales due to destocking
- **Prevacid** steady share and the **flat** sales
- **Febuxostat (TMX-67)** **Approvable letter** received on Oct. 14
- **Asoprisnil (J867)** NDA submission as early as possible

Tasks for next Medium-term Management Plan

~ Toward a **world-class pharmaceutical Company**
with Japanese origin ~

For achieving the continued growth more than market growth;

- * Enhancement of the R&D pipeline
- * Growth in the markets with relatively lower presence

For realization of the global management structure;

- * Implementing efficient management structure of Takeda origin and its evolution

For global operation;

- * Securing and training of human resources

“Takeda-ism” & CSR initiatives

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

➡ *Promotion of CSR Management*



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