

Takeda's Answer



Takeda creates annual policies and implements comprehensive measures to ensure the health and safety of its employees.

Safety and Health of Employees

Takeda allocates a Safety and Health Officer for every business unit, where all members participate in activities to ensure safety and health in their workplace.

Occupational Safety and Health Management Policy, Fiscal 2004

1. Enhancement of Safety

- 1) Promotion of Occupational Safety and Health Management
 - ① Risk assessments are conducted for facilities, equipment, operations, chemical substances, etc. based on the standards of risk assessment for occupational safety and health, and any facilities, equipment and operations found to be at risk of serious accidents are systematically improved.
 - ② An occupational safety and health management system is tested.
 - ③ Training for an occupational safety and health management system is conducted for staff in charge of safety and health and all employees.
- 2) Prior to the introduction of a new facility, technology or chemical substance, a safety assessment is performed to prepare and facilitate safety measures.
- 3) Occupational traffic accidents are proactively prevented.
 - ① Sales sites provide training for employees having caused serious traffic accidents resulting in injury as well as those who have had more than one accident.
 - ② Traffic accident prevention measures are taken to protect employees who commute by car.

2. Intensification of Health Management

- 1) The following four programs of "Mental Health Management" are promoted for the sake of all employees.
 - ① Training is actively provided for officers, general employees and staff.
 - ② Stress checks for all employees and health checks and follow-ups, intended for employees with long working hours, are further strengthened.
 - ③ Coordination between the lines and their staff is further improved.
 - ④ The use of outside consultation services is extensively encouraged.
- 2) A health consultation system is expanded in quality to prevent "lifestyle-related diseases."
 - ① Guidance and follow-ups are further enhanced for employees diagnosed with lifestyle-related diseases.
 - ② Preventive measures to combat lifestyle-related diseases, including obesity, hypertension, hyperlipemia and diabetes, are actively promoted.

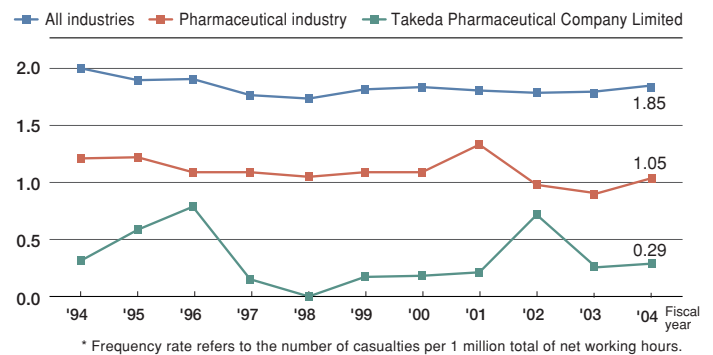
3. Promotion of Occupational Hygiene Measures

- 1) Control over chemical substances is promoted. When laws and regulations concerning chemical substances are revised, appropriate responses are made.
- 2) An optimum working environment is pursued.
 - ① Initiatives to alleviate fatigue and stress of the employees are facilitated, including the implementation of measures to prevent back pain and noise, improvement of spaces for relaxation, introduction of optimum illumination and displays, etc.
 - ② Preventive measures against passive smoking at work sites are promoted.

4. Uplift of Awareness of Safety and Health

- Education and measures to raise awareness of safety and health are systematically implemented in a promotional manner.
- 1) Existing measures to prevent workplace injuries and occupational traffic accidents are further improved.
 - 2) Training on safety and health is comprehensively implemented when a new facility, technology or chemical substance is introduced.

Trend of Frequency Rate of Occupational Accidents



Approach to Accident Prevention

Based on the annually prepared "Policies on Accident Prevention," each business unit makes a concrete plan to implement preventive measures against accidents and disasters. The performance and progress of these preventive measures are closely checked by the internal environmental protection and accident prevention audit. Takeda adopts both "hard" and "soft" approaches to accident prevention. The "hard" approach includes intensive control of facilities, including a phased plan for the refurbishment of aging facilities and specific measures against static electricity, flammable substances, etc. In addition, the internal environmental protection and accident prevention audit and the safety diagnosis designed for manufacturing plants are used to identify potential risks and measures are prepared and implemented to curb or eliminate any such risks. The "soft" approach includes the implementation of various education and training programs to prevent accidents and occupational disasters, using the "Accident Prevention Manual," a set of descriptions of potential failure conditions and detailed means to resolve them, and the "Manual for Intermittent Operation," a set of instructions for safety checks before starting intermittent operations and safety procedures. In regard to the anti-earthquake measures, various programs for disaster readiness, including complete implementation of overturn and fall prevention measures, strengthened management of emergency goods and disaster readiness materials/equipment, and an employees' safety confirmation system are introduced. Relevant manuals and disaster drills are developed and improved to minimize the risks of accidents and disasters.

Accident Prevention Readiness Investment in Facility and Equipment in Fiscal 2004

1,747 million yen

Takeda has computed the amount invested in accident prevention preparedness measures. In fiscal 2004, the above amount was used for earthquake retrofitting, the refurbishment of old facilities and others. Takeda continues implementing safety measures; including those for accident prevention and seismic safety.

Coverage of calculation: Shonan Plant, Osaka Plant, Hikari Plant and Tsukuba Research Center

Stakeholders' Question



Is Takeda committed to creating a safe working environment?

Policies and Achievements on Accident Prevention and Achievements in Fiscal 2004

Theme	Policies on Accident Prevention	Achievements in Fiscal 2004
Enhancement and improvement of accident prevention management	Implementation of accident prevention and safety measures in line with relevant laws and regulations	Revised regulations and procedures where necessary and implemented accident prevention and safety measures in line with relevant laws and regulations.
	Improvement of the Accident Prevention Manual and other associated manuals, and comprehensive implementation of accident prevention management	Reviewed the Accident Prevention Manual, and revised and added clauses where necessary.
	Comprehensive implementation of safety measures based on the Manual for Intermittent Operation to eliminate accidents and disasters	Provided operational instructions and safety training utilizing the Manual for Intermittent Operation, and ensured that safety measures were comprehensively implemented.
	Review of earthquake-related manuals to ensure safety and comprehensive implementation of measures to prevent secondary disasters from occurring and expanding	Review and improved earthquake-related manuals, and provided training, using the Earthquake Preparedness Handbook as a training material to prevent accidents.
	Comprehensive implementation of facility control by appropriate maintenance, systematic refurbishment of aging facilities and safety management of unused facilities	Conducted an emergency checkup and systematic maintenance on steam piping. Posted displays of unused facilities, isolated electricity and implemented various other actions, including a safety confirmation inspection.
Enhancement of accident prevention measures	Comprehensive implementation of measures to prevent electrical fires	Ensured that accident prevention measures were comprehensively implemented by, for example, carrying out in-house inspection of electrical equipment to check for any deterioration.
	Comprehensive implementation of measures against static electricity and safety confirmation to prevent accidents	Periodically measured to check leakage resistances and electric potentials of charged equipment, and confirmed that the equipment worked properly.
	Enhancement of measures to prevent hazardous materials from leaking to ensure safety	Made inspection rounds to monitor storage facilities of hazardous materials and periodically examined leakage detectors to enhance leakage prevention measures.
	Comprehensive implementation of measures to eliminate potential risks associated with hazardous nature of flammable substances and safety confirmation measures	Installed nitrogen sealing to reactors and confirmed their safety.
	Safety confirmation by initiating overturn and fall prevention measures, confirmation of escape routes and improvement of protection materials/equipment and communication means to prevent earthquake injury and damage	Implemented overturn prevention measures for newly installed equipment and seismic upgrade of equipment not fitted with overturn devices.
	Comprehensive implementation of overhauls and completion inspections after upgrading facilities to prevent accidents at start-up	Comprehensively implemented operation checkouts with facility operators during post-construction start-up to prevent initial accidents.
Enhancement of Accident Prevention Training	Prevention of and readiness for accidents and disasters by providing training; using the Accident Prevention Manual and relevant documents	Implemented a demonstration of disaster procedures in line with the Accident Prevention Manual, revised the contents and provided training to make sure employees have a working knowledge of disaster readiness.
	Implementation of safety training using the Manual for Intermittent Operation as a training document to prevent accidents arising from intermittent operations	Provided safety training in line with the Irregular Operation Manual.
	Implementation of accident prevention training and disaster drills relevant to the unique characteristics of each business or production site; to ensure employees have the skills and working knowledge of methods to prevent and prepare for accidents and disasters	Conducted fire drills in cooperation with local fire departments to heighten awareness of accident prevention and ensure that employees have accident prevention skills.
	Implementation of enhanced earthquake drills to ensure that employees evacuate appropriately in the event of an earthquake and efficiently respond to emergencies	Implemented earthquake drills based on the scenario of an overnight earthquake and emergency drills in the event of power failure. Functional initial responses were confirmed through evacuation and reporting drills.
	Enhancement of safety and accident prevention training for partner companies and other related companies	Strengthened safety and accident prevention training by expanding the coverage from representative staff to operators.

Takeda's Answer



Takeda properly evaluates each individual's potential and is focused on creating an optimal working environment.

Evaluation System, Compensation System and Welfare Program

Takeda has introduced personnel systems designed to reflect the basic policy of pursuit of a transparent evaluation system and result-oriented compensation system.

Each employee conducts self-evaluation based on the notified evaluation items and standards and has an evaluation interview with their supervisor. This result is reflected in their salary and bonus, regardless of sex, age or educational background, in a manner that ensures "better results are more highly rewarded." With this clear-cut performance-related merit system, Takeda provides an optimum working environment, where employees who dare to face difficulties and challenges can reach their full growth. In addition, as well as performance-based evaluation alone, it is also important to evaluate each employee's work behavior and capability. For instance, Takeda Italia enhances employees' incentives by evaluating various skills, including those of communication, teamwork development and the practicing of corporate values in a balanced manner.

Takeda also offers reliable safety nets, such as nursing leave, sick leave and other welfare programs to ensure the creation of a supportive working environment where employees capitalize on their own capabilities with a sense of security.

Performance-based Compensation System

In 1998, Takeda introduced a performance-based compensation system, the first of its kind in the Japanese pharmaceutical industry. When a product is manufactured based on an individual employee's invention, they receive a performance-based compensatory payment; calculated based on a certain rate of product sales in the global market. In fiscal 2004, the calculation method was revised. The upper limit for such compensation (30,000,000 yen) was removed and the system became applicable to inventions retroactively back 10 years. In addition, employees who while not actual inventors, made extraordinarily great contributions to inventions, are also entitled to receive separately specified compensation.

Support of Career Development

Takeda strives to develop a system for career development that each employee can form themselves to play an active role in multiple fields as a professional.

During the annual evaluation interview, employees have the opportunity to report their personal ideas concerning career development and exchange opinions with their supervisors. This information is used to understand their capabilities and also reflected in reviews to place them in suitable positions. The supervisors support their self-directed career progress based on the information obtained in interviews so that they can effectively develop their skills.

In fiscal 2004, Takeda established a system to share information on career development, including job histories, skills and qualifications, between employees and their supervisors with the aim of ensuring smooth progress of their career development on a daily basis.

In addition, Takeda has implemented an in-house recruiting system to provide an opportunity for employees to select jobs themselves. This system contributes to an uplift in career awareness and professionalism among employees and support for self-directed career progress as well as development of a corporate culture embracing the spirit of challenge.



Rika Nakata (Pharmaceutical Marketing Div. Tokyo Branch Ikebukuro Branch Office II)

Stakeholders' Question



Does Takeda place a high priority on its employees?

Education

Takeda is focused on cultivating independent-minded professionals who are capable of fulfilling the Management Mission: "we strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products," and provides suitable training to strengthen the expertise and skills required.

Among them is a training program for MRs, who communicate with physicians as Takeda representatives. Newly recruited MRs learn diversified specialist knowledge and compliance requirements as well as how to deal with physicians through comprehensive training, which runs for almost half a year.

Takeda provides not only specialist but also general training on the common knowledge and skills required for business persons, aiming to increase the organization's power by strengthening employees' individual capabilities as well as the management potential of the supervisors (or officers.) General training is divided into "hierarchical training" courses, designed for employees at specific levels in the organization, and "subject-oriented training" courses, designed to foster logical thinking and provide the specific knowledge and skills required to manage each project. The latter training includes various English courses, based on purpose and level, to improve the English proficiency of the employees, which is indispensable for the global expansion of the Company.

In 2004, Takeda introduced a new training course to provide basic knowledge on business management, not just to cultivate professionals but to systematically nurture future leaders who will drive the Company to the next stage of growth on the global market.

Comprehensive Healthcare Administration

Takeda conducts periodic research and physical examinations to ascertain living conditions (for vision, hearing, chest and electrocardiogram, blood, urine etc.) for employees to promote comprehensive healthcare administration. Based on the results, Takeda provides exercise, nutrition and/or mental health counseling to promote and retain employee health and wellness. The results of the physical examination are fed back to each employee with details of the level of health condition and remarks from an industrial physician.

Training Held in Fiscal 2004

Name of Course	No. of courses held	No. of Participants
〈Hierarchical Training〉		
Leadership Development Training for Officers	3	42
Coaching Training for Officers	3	46
Training for New Officers	1	108
Self-empowerment Training (for new assistant section chiefs)	7	149
Brainstorming Training (problem solving and communication skills)	1	20
Knowledge Firm Training (problem solving)	2	28
Professional Challenge Training (for employees in the 4th year of service)	8	150
Freshman Training	1	238
〈Subject-oriented Training〉		
English Intensive Training	21	240
Logical Thinking Training	1	19
Project Management Training	1	17
Win-Win Negotiation Training	2	21

※ Takeda Pharmaceutical Company Limited

Mental Healthcare

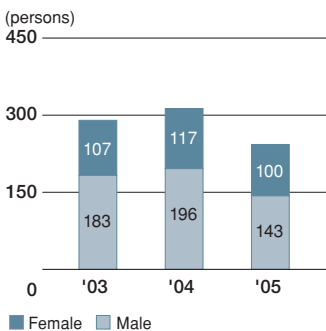
Takeda provides "Mental Health Management Training," based on instruction by an industrial healthcare counselor for senior staff (or officers). The Company also uses the intranet to offer information helpful in maintaining good mental health such as self-diagnosis to check the balance between mental and physical condition, ways of addressing mental problems and external telephone consultation services.

Takeda believes that leveraging diverse employees is the key to promoting CSR initiatives.

Recruitment and Employment

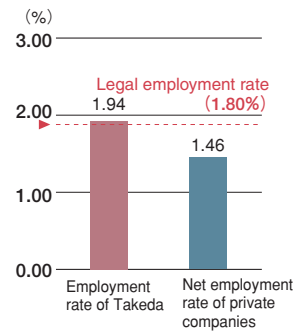
In Japan, Takeda adopts a gender-equal recruitment system; exclusively based on individual competencies in areas including sales, research, development and clerical work. It also implements active employment of physically handicapped persons.

Trends of Recruit Numbers



*Takeda Pharmaceutical Company Limited (As of June 1, 2005)

Trends in the Number of Physically Handicapped Employees



*Takeda Pharmaceutical Company Limited (As of March 31, 2005)

higher levels of capability, responsibility and personality, from various perspectives. LI Takeda is a company where all employees strive to respond to expectations and "live by the sweat of their brow" with the aim of standing on their own in society.

Respect for diversity of employees

In Takeda, diverse people and unique cultures are considered to be the source of a competitive advantage. Takeda's U.S. subsidiary, Takeda Pharmaceuticals North America, Inc. (TPNA) and Takeda Global Research & Development (TGRD) seek to develop personal qualities and capabilities. It uses "diversity" as a key word to capture the many ways in which individuals may differ from each other, in terms of gender and race to work habits and personal experiences. All of these attributes are valuable to Takeda. Takeda strives to be a company where creativity flows and new ideas are generated because of that diversity.

LI Takeda Ltd.

In June 1995, Takeda established LI Takeda Ltd. with the Management Mission of "being a friendly company for handicapped workers," the first exceptional subsidiary business to promote the employment of handicapped people in the Japanese pharmaceutical industry. LI Takeda includes twenty-two people with hearing handicaps and seventeen with intellectual handicapped of the total number of fifty-seven employees of the company. Since most of the workforce is handicapped, efforts are focused on providing mental health care and such efforts have also been highly appreciated outside the company. LI Takeda has received a steady stream of applications for apprenticeships as well as company tours, and the company marks its eleventh anniversary in business.

Takeda encourages employees to pursue



Jayne Forker, Pamela Mills, Jennifer Mann, Katy Cassidy, John Kovar (TPNA)

TPNA and TGRD provide employee programs and other opportunities to foster an inclusive environment where all the employees can perform at their best. These initiatives include a variety of diversity and work/life-focused training programs, adoption assistance, flexible work schedules and paid time off. Through these programs and training, TPNA and TGRD continue creating and nurturing a workplace where the contributions of each employee are fairly evaluated and responsibilities are shared.