



Takeda Pharmaceuticals North America, Inc. (from left) Bob Bowdish, Sandy Rodriguez, Casandra Smith, Sam Kim

Takeda is actively working to establish a strong corporate culture that encourages all employees to work with energy and enthusiasm.

Achievements in fiscal 2005

- Implementation of a survey on corporate culture and employee satisfaction
- Enhancement of employee training, including the launch of an e-learning program that was made available to all employees in Japan

SURVEY ON CORPORATE CULTURE AND EMPLOYEE SATISFACTION IN JAPAN

Takeda implemented an employee survey on corporate culture and employee satisfaction in June 2005. With 92.4 percent of employees responding, the survey aimed to identify needs that foster a corporate culture where all employees are encouraged to work with energy and enthusiasm. The survey was also an opportunity to understand what issues need to be addressed in order to improve strategies in the corporate culture and help Takeda employees realize the corporate business

strategy with a sense of unity. The survey questions were prepared based on our Corporate Values under the Corporate Philosophy, and the results were analyzed by classifying the Corporate Values into 18 indicators, breaking them down into concrete actions. Based on the survey results, we were able to successfully isolate what we should further develop as strengths and what challenges need to be resolved, as well as to obtain information about the causes of issues, both company-wide and on an each division/section basis.

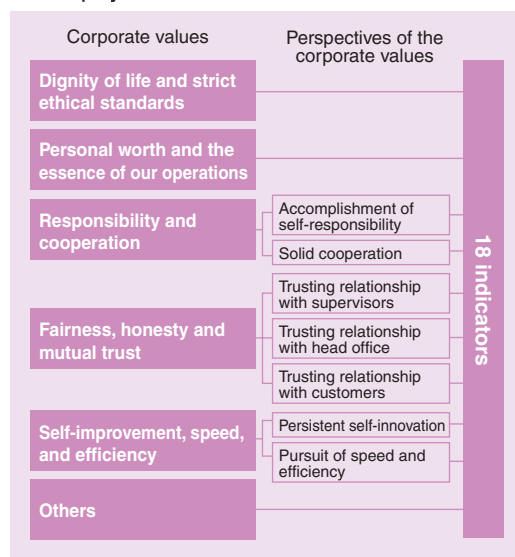
Following the survey, in July 2005, a briefing session regarding the survey on corporate culture and employee awareness was held, with the president and department heads. During the session, the group discussed issues to focus on in future and directions toward resolving such issues, based on the survey results.

In addition, various department heads shared ways they were seeking to enhance employee motivation, providing ideas and promoting collab-

oration in the company. After the meeting, we communicated to all employees about the key learnings based on the feedback and candid discussion about the survey. Finally, respective departments discussed the survey results and improvements needed in order to define improvement strategies and establish a plan to follow up on such issues.

Every Takeda employee holds a responsibility toward the improvement of the corporate culture. Takeda sincerely acknowledges the areas for improvement and strives to establish a challenging and lively corporate culture, based on the participation of all employees.

Connecting perspectives toward corporate culture and employee awareness.



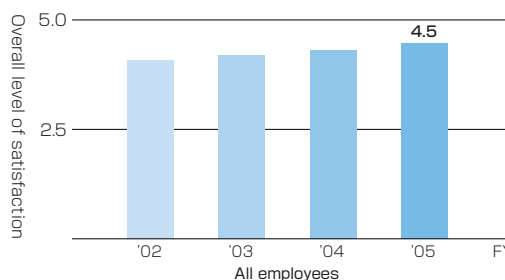
SURVEY ON EMPLOYEE SATISFACTION IN THE UNITED STATES

Takeda Pharmaceuticals North America, Inc. (TPNA) has conducted an employee survey since 2002. The most recent survey, conducted in December 2005, received a 91 percent response rate, and an overall satisfaction score of 4.5 points out of five. This score marked the TPNA's highest since the start of the survey.

Based on the results, the following items were identified as advantages at TPNA: "leadership and direction," "communication," "cooperation and teamwork" and "attracting excellent human re-

sources." These results showcased the success of TPNA, and further strengthened the spirit of a company that has made *Actos* the number one product in its class.

Employee Satisfaction Survey Conducted at TPNA



HUMAN RESOURCE DEVELOPMENT

Takeda is focused on cultivating independent 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. A six-month training program for Takeda medical representatives (MRs) in Japan, reflects one area of the Company's efforts to ensure newly recruited MRs learn diversified specialist knowledge and compliance requirements, as well as work well with customers.

In addition, Takeda provides a wide range of training regardless of an employee's specialty or level to teach professional skills, logical thinking and English. An e-learning course: "Let's Begin Learning," which is available for all employees in Japan, was launched in fiscal 2005. The Company aims to enhance the organization by strengthening employees' individual capabilities through these training courses.

Takeda also provides a training program for nurturing global leaders, designed to foster leadership as well as provide basic management knowledge. The aim is to systematically nurture future leaders who will drive the Company to the next stage of its growth in the global market. In fiscal 2005, the Company started to provide those who responded to the invitation with educational opportunities, specifically for a motivated and ambitious workforce.

Takeda believes that "safety comes before anything else," and creates annual policies and implements comprehensive measures to ensure the health and safety of its employees.

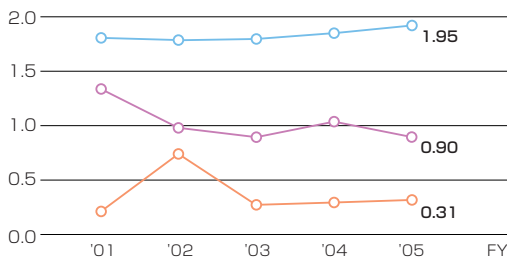
Achievements in fiscal 2005

- Reinforcement of efforts toward mental healthcare
- Removal of sprayed asbestos
- Maintenance and utilization of "accident prevention manual," etc.
- Promotion of countermeasures against earthquake disaster

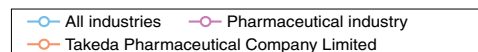
SAFETY AND HEALTH

Takeda strives to secure safety and health through participation by all members in their workplace, upholding respect for people's lives and dignity as its basic principle. Safety and Health Committee has been established at the head office and the branch offices as well as production sites and research centers, while promoting approaches toward the prevention of occupational accidents and improved health of employees by establishing every year a respective action program based on company-wide Occupational Safety and Health Management Policy. As for occupational accidents, we strive for accident prevention through the implementation of risk assessments to evaluate the nature of any hazards. For health administration, surveys on living circumstances, as well as health checkups, are implemented on a regular basis in order to provide exercise guidance, dietetic instruction and mental healthcare, etc., aiming to enhance health preservation and disease prevention.

Trend of Frequency Rate of Occupational Accidents



* Frequency rate refers to the number of casualties per 1 million total of net working hours.



MENTAL HEALTHCARE

Takeda provides "Mental Health Management Training," for managerial staff on an ongoing basis aiming to prevention and early detection/treatment of mental health disorders, and also promotes information provision regarding mental healthcare via house organ and the in-house intranet.

Clinical psychotherapist and psychiatrist physician are working on early treatment in the head office and the production sites, and in other business sites, the Company provides employees with counseling and consultants, offered by external specialized institutions through full-time safety and health administrators or responsible members of personnel, should their subordinates be suggested to be a mental health disorder. In addition, a suitable support system for employees who have been on extended sick leave has been established in collaboration with senior workplace staff, industrial physicians, public health nurses, clinical nurses, etc., full-time safety and health administrators and responsible members of personnel.

REMOVAL OF SPRAYED ASBESTOS

In accordance with Ordinance on the Prevention of Asbestos-Related Disorders, implemented on July 1, 2005, Takeda conducted an examination on the state of asbestos use and removed exposed insulation and refractory investment material. As for exposed portions of sprayed asbestos, we are also working to eliminate them as well as confirming that there is no degradation and deprecation by measuring the density of asbestos in the air.

Although there is no work involving the handling of asbestos within the company at the moment, as for asbestos building materials, such as sprayed asbestos and boards, which were already sealed off and impounded, appropriate treatment will be conducted based on the Ordinance on the Prevention of Asbestos-Related Disorders, when being dismantled.

Takeda's Major Policies and Achievements on Accident Prevention in Fiscal 2005

Theme	Policies	Achievements
Enhancement and improvement of accident prevention management	Improvement of the Accident Prevention Manual and comprehensive implementation of accident prevention management.	Reviewed the Accident Prevention Manual, and revised and provided new Manuals where necessary.
	Implementation of periodical inspection and maintenance of facilities and piping, systematic refurbishment of aging facilities and safety management of unused facilities.	Conducted systematic refurbishment of aging facilities and implemented inspection to confirm safety including management conditions of unused facilities.
Enhancement of accident prevention measures	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, working for the prevention of any accidents caused by static electricity.
	Comprehensive implementation of preventive measures to overturn and fall of furniture and equipments and avoiding mixing of chemicals, to prevent earthquake injury and damage.	Implemented preventive measures to overturn and fall-prevention by placing seismic isolation pad for PC related equipments, etc.
	Comprehensive implementation of completion inspections and confirmation after overhauls and upgrading facilities to prevent accidents at start-up.	Implemented operation checkouts at start-up and confirming safe conditions of employees to prevent accidents.
Enhancement of accident prevention training	Taking actions to prevent outbreak of accidents and disaster as well as expansion those damages, by providing training; using the Accident Prevention Manual and the Manual for Intermittent Operation.	Provided safety and disaster prevention training using the Accident Prevention Manual and the Manual for Intermittent Operation to learn accident prevention procedures as well as heightening of consciousness toward accident prevention.
	Providing instruction to partner companies and other related companies to enhance safety and accident prevention training.	Worked for the accident prevention by proving thorough the accident prevention training to partner companies and other related companies.

APPROACH TO ACCIDENT PREVENTION

Takeda prepares "Policies on Accident Prevention" every fiscal year, based on which each business unit establishes a concrete plan involving the adoption of both "hard" and "soft" approaches to accident prevention. The "hard" approach includes intensive control of equipment, including a phased plan for the refurbishment of aging facilities, as well as periodic checks of facilities to prevent accidents and disasters caused by static electricity and flammable substances, etc. In addition, Takeda makes every effort to curb or eliminate any risks identified through the internal safety diagnosis of facilities and the environmental protection and accident prevention audit.

The "soft" approach includes promotion of preparing the "Accident Prevention Manual" and the "Manual for Intermittent Operation." These are the set of instructions describing measures for accident prevention, as envisioned by each manufacturing process, which are used for various educational and training programs, while promoting the prevention of accidents and disasters as well as striving to inherit accident prevention technology.

PROMOTION OF ANTI-EARTHQUAKE MEASURES

Recently, earthquakes causing human suffering have struck repeatedly. In the earthquake that struck on October 23, 2004, in the Chuetsu region, Niigata Prefecture, Takeda's sales office, its employees and their families sustained damage in the disaster. Although each section had already taken

anti-earthquake measures, in fiscal 2005, the following top priority actions were established as company-wide anti-earthquake measures, focusing on the safety of employees. Takeda believes these efforts have help to strengthen and fulfill company-wide anti-earthquake measures while rousing employees awareness of the same.

Top Priority Actions for Anti-Earthquake Measures

- 1. Reconfirmation and thorough implementation of measures to ensure anti-tip, fall-prevention and avoiding mixing of chemicals**
Tip-resistant measures for cabinets and lockers at all business sites, including sales offices, and implementation of measures to avoid mixing of chemicals, etc. at the research centers.
- 2. Successful stockpiling of critical materials, resources and equipment**
Stockpile of relief aid to cover the immediate aftermath of an earthquake provided at all business sites (Basic emergency supply in the sales offices and commercial vehicles)
- 3. Review and reestablishment of communication and contact systems**
Introducing a system to confirm information about the well-being of employees
- 4. Reconfirmation and complete control of the on or off duty situation of the employees and criterion of the rescue provided for quake-stricken employees and their families when earthquake occurs (post earthquake)**
- 5. Reminder for employees in terms of anti-earthquake measures**