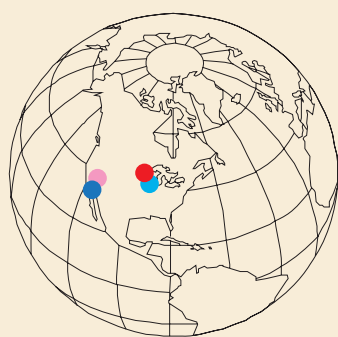


# The Special Feature in the U.S. Business Operation

The growth of Takeda in the U.S. market is a symbol of our challenges, striving to be a "world-class pharmaceutical company with Japanese origin."



- **TPNA** (marketing)  
Takeda Pharmaceuticals North America, Inc.
- **TSD** (research)  
Takeda San Diego, Inc.
- **TGRD** (development)  
Takeda Global Research & Development Center Inc.
- **TRI** (venture capital)  
Takeda Research Investment, Inc.

The U.S. market is the largest in the world, with around half of the share in the global pharmaceutical market. Although its pace of growth is slowing compared to the double-digit growth in the past, we see it as a promising market for continued sustainable growth in future due to the stable population growth and aging of the general population. It may be no exaggeration to say that Takeda's global growth would not be possible without its success in the U.S. market.

Takeda has four functions in the U.S. market - a venture capital function: Takeda Research Investment, Inc. (TRI), a research function: Takeda San Diego, Inc. (TSD), a development function: Takeda Global Research & Development Center Inc. (TGRD) and a marketing function: Takeda Pharmaceuticals North America, Inc. (TPNA). Takeda always perseveres in its efforts, aiming to develop "superior pharmaceutical products" in order to provide them, at the earliest possible date, to medical professionals and patients around the world. Takeda's Mission is to "strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products." In this report, we introduce each of these functions in the U.S. market, which we see as key for our operations.

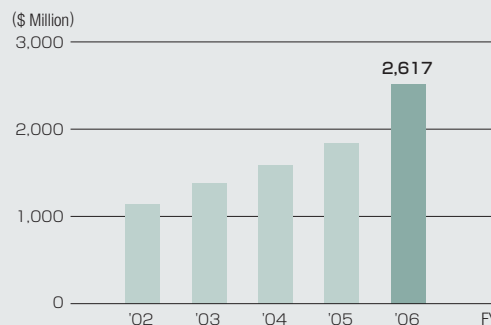
Continue to grow by providing products to meet patient needs.

## Takeda Pharmaceuticals North America, Inc. (TPNA)

Since its establishment in 1998, TPNA has achieved remarkable growth in a short time to such an extent that it is now counted as one of the fastest growing pharmaceutical companies in the United States. Currently, TPNA is ranked as the 21st largest pharmaceutical company in the U.S. Net sales in fiscal 2006 reached \$2,617 million, a 40 percent increase over the previous year. With such solid and sustainable growth, we expect to be ranked in the top 20 in fiscal 2007.

The main success factor for TPNA is offering differentiated products in areas of high unmet patient need. In fiscal 2006, TPNA took significant steps forward as a pharmaceutical company with a highly attractive product portfolio. As for *Actos* (pioglitazone hydrochloride), an oral treatment for diabetes which is the company's flagship product, we have succeeded in launching several types of fixed combination products for patient convenience. In addition, TPNA launched *Rozerem* (ramelteon) for the treatment of insomnia, in 2005. *Rozerem* has a unique mechanism of action compared to existing products and provides a novel option for patients suffering from insomnia. Furthermore, in 2006, we launched *Amitiza* (lubiprostone) for the treatment of chronic idiopathic constipation. *Amitiza* was discovered and developed by Sucampo Pharmaceuticals, Inc. (U.S.A.) and is jointly marketed by Sucampo and TPNA.

Changes in sales in TPNA



# TPNA

## Progress in The United States



Mark Booth, President of TPNA

TPNA has accomplished rapid growth due to various factors, including differentiated products that treat unmet patient needs and close coordination with all the Takeda group companies.

In addition, TPNA realizes that a key to future success is hiring and retaining talented employees. According to an employee survey conducted in 2006, results showed an extremely high level of satisfaction compared to industry norms. The survey showed that TPNA employees are content with the company and proud to work at Takeda, as well as being confident in its future. This positive attitude is a key to success and a source of our high growth potential in future.

In October 2006, TPNA and TGRD celebrated the grand opening of their new Home Office in Deerfield, Illinois, covering 380,000 square feet and with workforce capacity of more than 1,100 employees. The new corporate campus achieved LEED\* Gold environmental certification in May 2007, representing an environmentally and employee friendly design that meets the environmental standards set by the U.S. Green Building Council. This new Home Office is a symbol of our continued dynamic growth in the U.S.

\*The LEED (Leadership in Energy and Environmental Design) Green Building Rating System is the nationally accepted benchmark for evaluating sustainable sites, water efficiency, energy and atmosphere efficiency, material and resource selection and indoor environmental quality.

New TPNA corporate campus  
(Deerfield, Illinois)



We will continue to enhance our bases in the U.S.A., as part of efforts toward establishing a "global R&D structure," leading the future of "drug discovery."

### Takeda San Diego, Inc. (TSD)

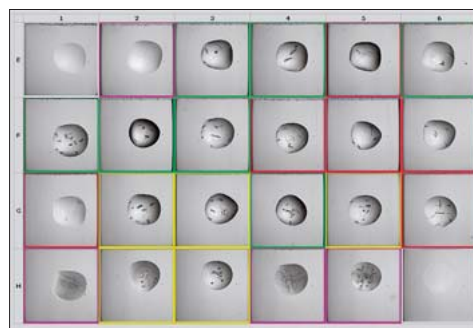
In 2005, TSD joined the Takeda group as its first overseas research base and has since been successful in solving numerous protein structures, including world's firsts, using its state-of-the-art high-throughput protein crystallography technology. Moreover, in research projects of lifestyle-related diseases and cancer, TSD itself is engaged in creating new candidate compounds as an IND\*1 engine, as well as contributing to the compound design in other Takeda research centers by structure analysis of target proteins.

SYR-322 is a DPP-4 (dipeptidyl peptidase-4) inhibitor created by TSD, which is currently in the phase III clinical development in Europe and the U.S., and in the phase II clinical development in Japan. This compound is an oral antidiabetic medication that inhibits DPP-4 - an enzyme degrading glucagon-like peptide-1 (GLP-1), which is a hormone that stimulates insulin secretion. DPP-4 inhibitors are expected as novel pharmaceutical agent for the treatment of diabetes, effective in maintaining the level of GLP-1 in blood by inhibiting DDP-4.

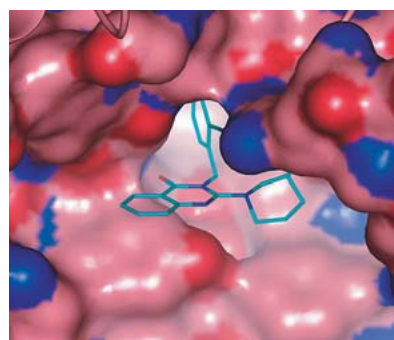
San Diego, where TSD is located, has a number of outstanding research institutes, including The Scripps Research Institute, University of California, San Diego, and is known as one of the U.S. bioclusters\*2, where cutting-edge scientific and technical knowledge as well as data are abundantly accumulated, along with Boston and San Francisco. Under such circumstances, TSD is gathering such knowledge and data timely and contributing to developing superior pharmaceutical products, while closely cooperating with Takeda Global Research & Development Center Inc. (TGRD) and Takeda Research Investment, Inc. (TRI).

\*1 IND (Investigational New Drug Application): Submission to the U.S. Food and Drug Administration (FDA) in order to conduct clinical trials on a new drug (candidates)

\*2 An area where organizations involved in bioindustry, including universities, research institutes, venture and pharmaceutical companies, are geographically concentrated



A photo image of a protein crystal



An image diagram of a compound-enzyme bounding

Progress in  
The United States

# TSD



### Takeda Global Research & Development Center Inc. (TGRD)

Takeda is accelerating the progress of the development of our products and its subsequent launch onto the market in three regions (Japan, U.S., Europe) by enhancing the development system and functions on a global level, and aiming to develop superior pharmaceutical products. TGRD, based in Chicago, is playing an important role as one of its drivers. In 2004, the development functions in Europe were integrated into TGRD in order to establish a system to conduct clinical trials and applications for approval with the U.S. and European R&D functions under a close cooperative framework. TGRD reached important milestones in 2006, namely the approval of *Duetact* and *Tandemact* (*Actos* and sulfonylurea (SU) fixed dose combination drugs for diabetes) in the U.S. and Europe respectively. In addition, phase III clinical trials for TAK-475 and SYR-322 have been conducted toward completion.

Aiming to realize maximum added value for our products, the further promotion of the global development structure, as well as the enhancement of the R&D pipeline, cooperation between TGRD and all other organizations of the Takeda group will become increasingly important in future. In 2006, Takeda appointed Dr. Mehmood Khan, who has well recognized clinical experience as a physician specialized in endocrinology including diabetes, as a TGRD president. At TGRD, more than 200 scientists have been continually devoting efforts to develop superior pharmaceutical products, using

cutting-edge scientific technologies and tying up with universities and bioventure companies, etc.



Mehmood Khan  
President of TGRD

# TGRD

Progress in The United States

### Takeda Research Investment, Inc. (TRI)

TRI plays the role of discovering superior bioventure companies and investing into them in order to in-license targets for drug discovery, seed/lead compounds and cutting-edge technologies, as well as promoting joint research programs with Takeda's research function.



Graeme Martin  
President of TRI

The main focus of TRI is on lifestyle-related, oncology and central nervous system diseases. It is essential for a venture capital to have channels capable of accessing useful information in order to success in its business. TRI has the great advantage of being able to work within the network of

bioventures, venture capitals and university technology licensing organizations (TLO) in the U.S. and Europe. San Francisco where TRI is located has a number of outstanding research institutes, including Stanford University and University of California, and many bioventures and considerable venture capitals, forming a bio-cluster in the U.S. TRI has been proactively conducting its activities in order to discover potentials to become "superior pharmaceuticals" as the "eyes and ears of Takeda," based in the Bay Area.

# TRI

Progress in The United States