

Independent Auditors' Report



To the Board of Directors of
Takeda Pharmaceutical Company Limited:

We have audited the accompanying consolidated balance sheet of Takeda Pharmaceutical Company Limited and its consolidated subsidiaries as of March 31, 2008, and the related consolidated statements of income, changes in net assets and cash flows for the year then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audit. The consolidated balance sheet of Takeda Pharmaceutical Company Limited and subsidiaries as of March 31, 2007 and the related consolidated statements of income, changes in net assets, and cash flows for each of the two years in the period ended March 31, 2007 were audited by other auditors whose report dated June 28, 2007, expressed an unqualified opinion on those statements with an explanatory paragraph. The explanatory paragraph described the transfer of all shares in Takeda-Kirin Foods Corporation and Wyeth K.K. in April 2007, and the repurchase of treasury stock discussed in Note 17 to those statements.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Takeda Pharmaceutical Company Limited and its consolidated subsidiaries as of March 31, 2008, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the followings:

- (1) As discussed in Note 15 to the consolidated financial statements, the Company commenced restructuring of its U.S. operations.
- (2) As discussed in Note 15 to the consolidated financial statements, the Company completed the acquisition of Millennium Pharmaceuticals, Inc. through a cash tender offer; and Millennium Pharmaceuticals, Inc. became a wholly-owned subsidiary of the Company.
- (3) As discussed in Note 15 to the consolidated financial statements, the Company repurchased treasury stock in accordance with the resolution of the Company's Board of Directors on April 10, 2008 and on May 9, 2008.
- (4) As discussed in Note 15 to the consolidated financial statements, the Company completed the cancellation of treasury stock in accordance with the resolution of the Company's board of Directors held on April 25, 2008, and the Company's Board of Directors further resolved to cancel its own shares on June 24, 2008.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZUSA & Co.

Osaka, Japan
June 26, 2008