

Takeda at a Glance

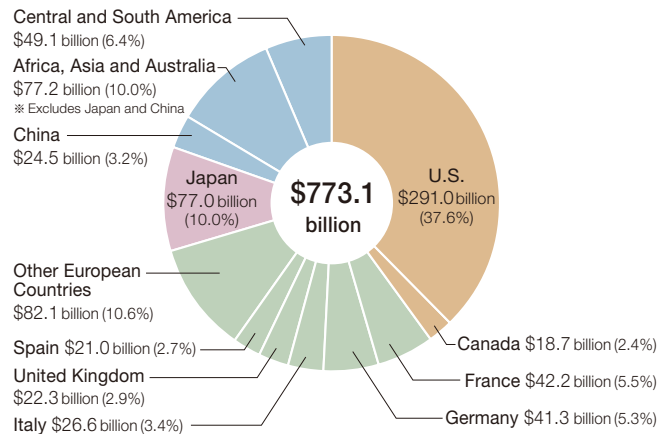
Industry Trends

The global economic downturn has severely impacted the pharmaceutical industry. According to a forecast by IMS Health Inc., the value of the global pharmaceutical market in 2009 will increase by only 2.5 percent to 3.5 percent on a constant-dollar basis. The U.S. pharmaceutical market, which has been a primary source of global market growth, is expected to shrink by 1 percent to 2 percent. Moreover, the compound annual growth rate (CAGR) is projected to remain mostly flat over the next five years. In Japan, the forecast calls for a five-year CAGR of between 1 percent and 4 percent. Government policies to hold down healthcare expenditures are responsible in large part for Japan's low growth forecast. Two examples are measures to promote use of generic drugs and expand use of the DPC (Diagnosis Procedure Combination) medical fee payment system. In this environment of slow growth, pharmaceutical companies with large R&D programs must constantly launch innovative drugs in order to survive. Standing in the way of these new drugs are the increasingly difficult approval processes of the U.S. Food and Drug Administration and other regulatory agencies. These agencies give priority to unmet medical needs, which means the development of drugs for diseases and disorders where there is no effective treatment. The approval process is very strict for drugs targeting market sectors that are already

served by prescription or generic drugs. Another challenge is the limited opportunity for more advances in R&D by using established drug discovery technologies. Pharmaceutical companies worldwide thus face daunting barriers to innovation. Takeda is well aware of these difficulties. Nevertheless, we remain dedicated to creating drugs that people around the world need. We are convinced that our ability to sustain growth will depend above all on our contribution to improving patient satisfaction with medical treatments. To achieve this kind of growth, we will channel even more resources to the development of drugs for cancer and other unmet medical needs.

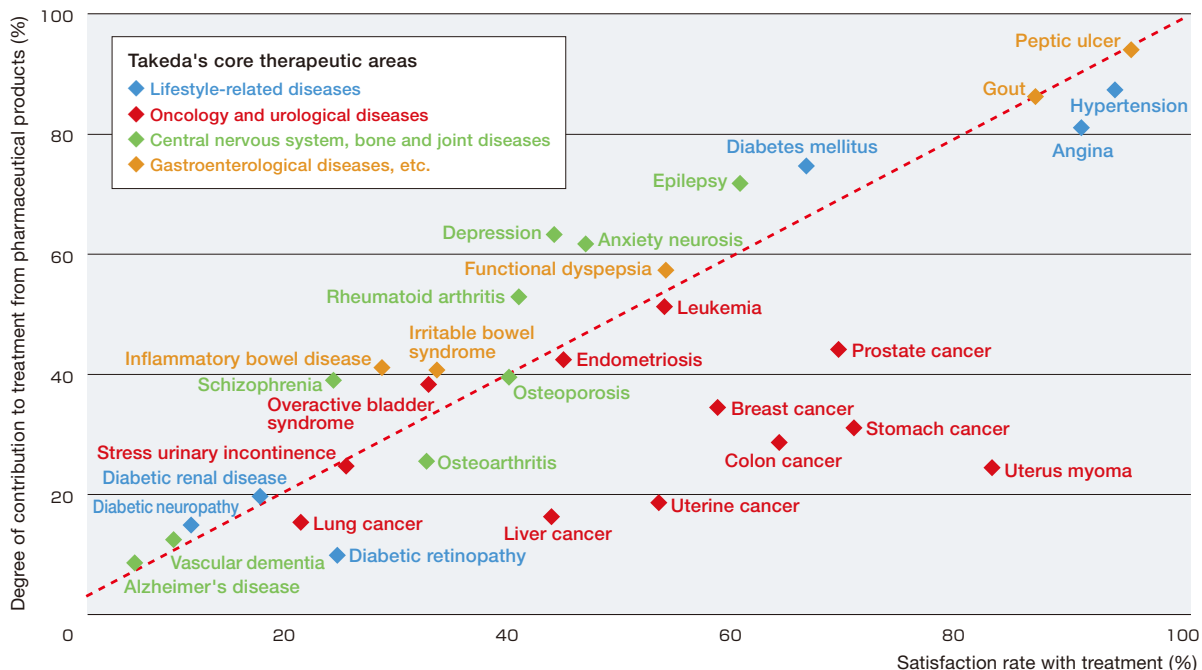
Global Pharmaceutical Market Sales (2008)

Source: IMS World Review 2009; unauthorized reproduction prohibited



Unmet Patient Needs and Contribution from Pharmaceutical Products

(2005, target: physicians) Source: Report on Basic Technology in Japan, 2005, Japan Health Sciences Foundation, partially revised



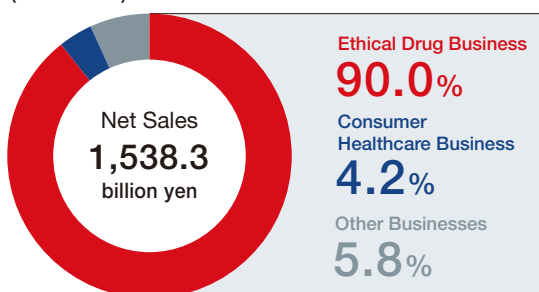
Business Overview

The Takeda Group classifies its businesses into two segments; namely, "pharmaceutical business" and "other businesses," in accordance with the actual status of business management. The "pharmaceutical business" portion represents the ethical drug business and healthcare business,

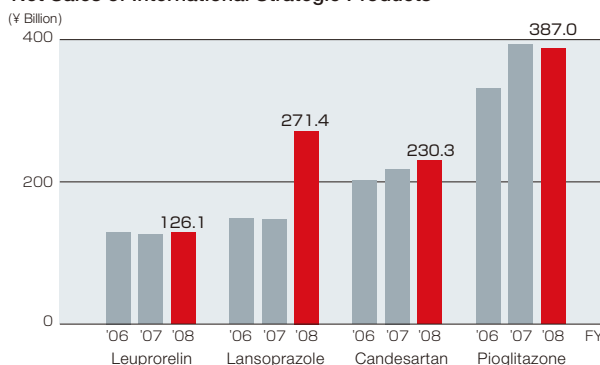
comprising the production and marketing of consumer healthcare and quasi-drug items. "Other businesses" refers to business activities involving the production and marketing of a wide range of products, including test reagents, clinical diagnostics, and various chemical products.



Sales Composition by Business Categories (Fiscal 2008)



Net Sales of International Strategic Products



Net Sales by Region (Fiscal 2008)

