

A more powerful platform for global marketing enhancing Takeda's stature in Japan, the U.S., Europe and Asia

Japanese Market

Takeda positions Japan, its home country, as a primary source of growth for the entire group. However, market conditions in Japan are challenging: to bring down health care expenses, the Japanese government is

promoting generic drugs and expanding DPC (Diagnosis Procedure Combination). Within this context, our goal is to retain our leading market position, and we intend to do this by reinforcing our commitment to operating from the perspective of health care professionals and, above all, patients.



Yasuhiko Yamanaka, General Manager,
Pharmaceutical Marketing Div.

Japan's No. 1 Drug Company Again in Fiscal 2008

Takeda's ethical drug sales in Japan increased 3.6 percent to ¥549.0 billion in fiscal 2008. In addition to leadership overall, we ranked first in drug sales in four market sectors: hypertension, diabetes, peptic ulcers and prostate cancer. We have established the goal of capturing the number-one positions in three other categories as well: osteoporosis, rheumatism and vaccines.

The anti-hypertension drug *Blopress* (generic name: candesartan cilexetil) has been Japan's best-selling ethical drug for four consecutive years. This drug posted a 0.6 percent increase in sales to ¥137.9 billion in fiscal 2008 and it marked the 10th anniversary of its introduction in Japan this year. Furthermore, in March 2009, we started selling *ECARD*, a fixed dose combination tablet, developed to provide dosages of *Blopress* and an antihypertensive diuretic at optimum levels for Japanese people. We plan to continue increasing sales of *Blopress* by distributing this drug alone as well as a growing family of *Blopress* products. The anti-diabetic drug *Actos* (generic name: pioglitazone hydrochloride) received approval in Japan in fiscal 2008 for an additional indication. This approval allows *Actos* to be used in concomitant therapy with biguanides and with insulin. *Actos* can now be used in combination with all drugs for the treatment of diabetes, and is now positioned as a base drug to help treat an even broader range of people afflicted with this disease. Overall, annual sales of Takeda drugs for the treatment of diabetes amount to approximately ¥100.0 billion. This includes *Basen* (generic name: voglibose) for treating postprandial hyperglycemia and *Glufast* (generic name: mitiglinide calcium hydrate), a short-acting insulin secretagogue. Our share of the market for oral anti-diabetes drugs in Japan is more than 50 percent. We plan to expand activities involving diabetes in order to further heighten our profile in this market in Japan.

Takepron (generic name: lansoprazole), a drug for peptic ulcers, has reinforced its position as Japan's premier treatment of disorders associated with stomach acid due to our sustainable lifecycle management for this product. This includes the addition of new indications for nonerosive gastroesophageal reflux disease and the secondary eradication of *Helicobacter pylori*.

To provide added convenience for patients and physicians, in June 2008 we started selling a new formulation of *Enbrel* (generic name: etanercept), a drug for treating rheumatoid arthritis, that is injected by syringe. In July 2009, the Japanese Ministry of Health, Labour and Welfare approved the additional indication for *Enbrel* of treating polyarticular juvenile idiopathic arthritis. With this approval, *Enbrel* can be used to help an even broader range of patients.

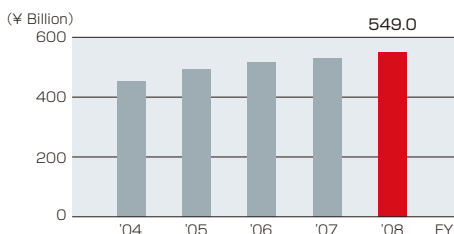


The Wakayama Representative Office (clockwise from left):
Yuuichi Ohmoto, Tomotaka Sakurai, Keita Nakajima (Manager), Megumi Tanaka,
Nobukazu Takamori, Kazuhiro Hosono, Hirokazu Nakamoto

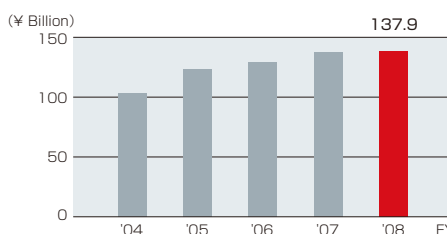
Marketing

Performance in Japan

Sales of Ethical Drugs



Net Sales of *Blopress*



Enhancing Promotional Activities to Prepare for the Launch of New Products

In fiscal 2009, Takeda is working on increasing sales of drugs already on the market while stepping up preparations for the launch and quick market penetration of two new drugs, currently under review of New Drug Application by the Japanese Ministry of Health, Labour and Welfare. The drugs are Panitumumab (sold as *Vectibix* in the U.S.), a treatment for cancer, and Ramelteon (sold as *Rozarem* in the U.S.), a treatment for insomnia.

We are positioning cancer as a core domain for our next stage of growth. By maximizing sales of oncology products already on the market, including *Leuplin*, we intend to make our MRs even more important partners for oncology specialists. At the same time, we will be expanding and reinforcing marketing activities to support drugs for treating cancer.

Basic Philosophy for MR Activities

The basic philosophy for the activities of MRs is to contribute to the happiness of patients and the satisfaction of health care professionals by providing the needed

Takeda drugs along with appropriate information. Our MRs are dedicated to serving as partners with health care providers in using drugs to treat patients. Through these activities, we will continue to contribute to the well-being of patients and society.



The Shinagawa Representative Office (from left): Kazuhisa Aoki (Manager), Marika Nakajima, Kouta Shouji, Hiromu Kageyama, Sakae Hayashida, Mami Yoshino

Stakeholder's Voice

Offering outstanding effectiveness at lowering blood pressure, *Blopress* is a drug that can meet everyone's expectations. Benefits of this drug can be easily seen by patients themselves if they take blood pressure readings at home, and this gives individuals a greater sense of participating in their treatment. That is why I prescribe *Blopress* for so many of my hypertension patients.

Takeda also distributes *ECARD*, a fixed dose combination tablet of *Blopress* and diuretic, and I hope to see Takeda offer patients and physicians an even broader range of similar options for lowering blood pressure. I want Takeda to continue taking on the challenge of creating drugs that can satisfy patients and physicians alike for the treatment of other types of diseases, too.

Masaaki Miyakawa, M.D.
President, Yokohama Physicians Association



North American Market

In North America, net sales grew 36.3 percent year on year to ¥631.6 billion in fiscal 2008 due to sales growth, the division and integration of TAP Pharmaceutical Products Inc. (TAP) into Takeda Pharmaceuticals North America, Inc. (TPNA) and the acquisition of Millennium Pharmaceuticals*.



Shinji Honda, President and CEO,
Takeda Pharmaceuticals North America, Inc.

* Refer to page 19 for further information on the sales growth of *VELCADE*, a treatment for multiple myeloma.

Actos Paces Growth in Sales of Current Mainstay Products

Following the integration of TAP with TPNA, TPNA's net sales grew to US\$5,074 million (63 percent year-on-year growth) thereby realizing TPNA as a top 15 pharmaceutical company in the United States.

Takeda has firmly established itself as one of the leaders in diabetes care in the U.S. market due to the distribution of *Actos* (generic name: pioglitazone hydrochloride), which is used to treat Type 2 diabetes. In fiscal 2008, sales of the *Actos* family of drugs

increased 7.6 percent to US\$2,998 million due in part to growth in sales of *ACTOplus met*, which contains *Actos* and metformin, which is another drug for treating diabetes.

Amitiza (generic name: lubiprostone) was discovered and developed by U.S.-based Sucampo Pharmaceuticals, Inc. for the treatment of chronic idiopathic constipation. TPNA and Sucampo have collaborated to conduct extensive sales activities for this drug since its market launch in 2006. Sales of the drug increased 21.7 percent to US\$208 million in fiscal 2008, greatly increasing its presence in the market for treating gastroenterological diseases.

Aiming for Rapid Growth in Two New Products: *KAPIDEX* and *ULORIC*

TPNA launched two new drugs in the United States early in 2009. Sales of *KAPIDEX* (generic name: dexlansoprazole), a treatment for acid reflux disease, began in February and sales of *ULORIC* (generic name: febuxostat), for the management of hyperuricemia in patients with gout, began in March. The launch of these products provides exciting new treatment options for patients in the United States.

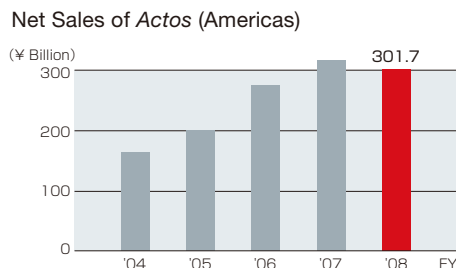
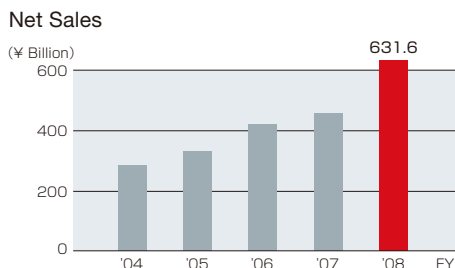
KAPIDEX is the first proton pump inhibitor that is designed for the release of medicine in two stages.



Takeda Pharmaceuticals North America, Inc. (from left): Julia Clark, RJ Lasek, Joe Criscione

Marketing

Performance in North America



The drug is designed to consistently prevent the secretion of stomach acid throughout the day, thereby providing a new treatment option for the approximately 19 million people in the United States suffering from gastroesophageal reflux diseases (GERD). This product is positioned as the successor to *Prevacid* (generic name: lansoprazole), a peptic ulcer drug that has been one of Takeda's core strategic global products. By focusing on TPNA's experience in this therapeutic area and strong relationships with primary care physicians, Takeda will encourage a shift from current acid reflux drugs to *KAPIDEX*.

More than five million people in the U.S. have hyperuricemia associated with gout. Discovered by Teijin

Pharma Limited, *ULORIC* is the first new treatment option for gout in more than 40 years, and physician and patient interest is very high in this new product. *ULORIC* lowers the level of uric acid in the blood of hyperuricemic patients with gout by blocking the enzyme that is responsible for the synthesis of uric acid. Furthermore, no dose adjustments are required in patients with mild to moderate kidney or liver impairment.

Starting Operations in Canada, the World's Eighth-Largest Pharmaceutical Market

In a move to expand its presence in North America, newly established subsidiary Takeda Canada, Inc. began operations in April 2009. The pharmaceutical market in Canada has been increasing at an annual rate of 15 percent to 20 percent during the past three years. Annual sales now total between US\$1.5 billion and US\$2 billion. The new company will introduce drugs in stages that target four core therapeutic areas. Takeda Canada plans to submit its first New Drug Submission (NDS) with the Canadian Health Authority by the end of 2009.



KAPIDEX, a treatment for acid reflux disease



ULORIC, for the management of hyperuricemia in patients with gout

Stakeholder's Voice

KAPIDEX is truly unique. My GERD patients now have a medication that can address breakthrough symptoms and difficult meal-related dosing requirements. Capitalizing on the proven efficacy of PPIs, Takeda enhanced dexlansoprazole's acid inhibitory potential using novel Dual Delayed Release (DDR) technology. DDR prolongs the plasma concentration of dexlansoprazole. Enhancing proven pharmacology through innovative technology is one example of Takeda's commitment to addressing clinical healthcare needs.

The *KAPIDEX* clinical data speak for themselves and mirror my own clinical experience—total 24-hour heartburn relief in most patients, consistent healing of all grades of erosive esophagitis, and a safety and tolerability profile similar to *Prevacid*. Patients' reaction to *KAPIDEX* has been very positive, with some experiencing total symptom control for the very first time. My clinical colleagues are also excited about *KAPIDEX* and DDR technology, having quickly identified the role it can play in their practices.

David Peura, M.D.

Emeritus professor of medicine at the University of Virginia Health Sciences Center



European Market



Takeda UK Limited (from left): Ev Penn, Kavita Patel, Peter Hope

Sales Bases in Europe



Pan-European Commercial Center of Excellence

- 1 Takeda Pharmaceuticals Europe Limited (UK)

Commercial Subsidiaries

- 2 Laboratoires Takeda (France)
- 3 Takeda Pharma GmbH (Germany)
- 4 Takeda Pharma Ges.m.b.H (Austria)
- 5 Takeda Pharma AG (Switzerland)
- 6 Takeda Italia Farmaceutici S.p.A.
- 7 Takeda UK Limited
- 8 Takeda Farmacéutica España S.A.U
- 9 Takeda Farmacêuticos Portugal, Unipessoal LDA

Expanding Takeda's Direct Presence in Europe

Sales activities of Takeda European Subsidiaries (TES) are supervised and coordinated by Takeda Pharmaceuticals Europe Limited (TPEU). The Company now has commercial subsidiaries in France, Germany, Austria, Switzerland, Italy and the UK as well as two new subsidiaries in Spain and Portugal which were established in 2008 and have now started sales activities in earnest. In the Republic of Ireland, Takeda UK Limited has expanded its previously limited sales activities to cover all regions of the country.

With bases in nine countries, the TES sales network has grown to cover most of Western Europe. Takeda is currently at various stages of setting up operations in the three Benelux countries, Scandinavia, Turkey, Russia and other areas of Europe as well.

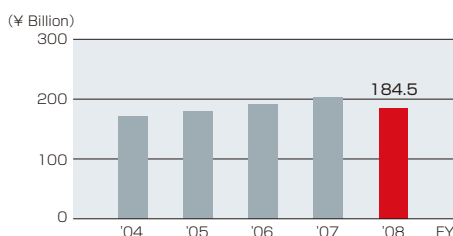


Erich Brunn, CEO,
Takeda Pharmaceuticals Europe Limited

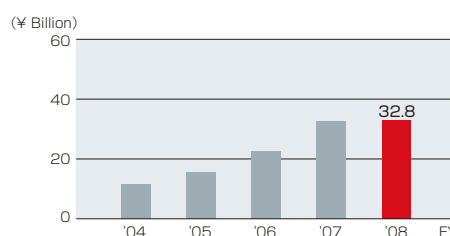
Marketing

Performance in Europe

Net Sales



Net Sales of Actos



Sales of Actos and Blopess Continue to Increase

European sales in fiscal 2008 declined 9.4 percent to ¥184.5 billion. Two core products continued to post higher sales: *Actos**¹ (generic name: pioglitazone hydrochloride), a treatment for Type 2 diabetes, and the anti-hypertensive drug *Blopess**² (generic name: candesartan cilexetil). However, these strong performances were outweighed by lower sales of *Lansox**³ (generic name: lansoprazole) due to substance patent expirations in some countries.

The persistently strong performance of *Blopess* was achieved despite the imposition of tighter restrictions and intense competition from other companies' drugs, while *Actos* sales increased 1 percent to ¥32.8 billion. Takeda plans to further strengthen its presence in the diabetes treatment market through new indications and formulations.

*¹ *Actos* is also marketed under the product name *Glustin* by Takeda in Europe.

*² *Blopess* is also marketed under the product names *Amias* and *Kenzen* by Takeda in Europe.

*³ *Lansox* is also marketed under the product names *Agopton* and *Ogast* by Takeda in Europe.

Growth with a New Product Portfolio

Takeda is working to achieve the earliest possible

launch of new products in Europe. Development is proceeding on several promising drugs for specialists: ldebenone for treating Friedreich's Ataxia; *Hematide* for treating anemia associated with renal failure and cancer; MLN0002 for treating inflammatory bowel diseases; and AMG706 for treating non-small cell lung cancer, among others. Takeda will also launch products for the primary care market, such as a combination of high dose *Blopess* and a diuretic.

Sales operations in Europe are advancing in stages towards becoming a hybrid model. Until now, sales activities have primarily focused on the primary care market; however our business and sales framework is currently transitioning to a model that serves both specialists and general practitioners.

In June 2009, IDM Pharma, Inc. was acquired by Takeda, expanding the company's oncology drug portfolio with the addition of *Mepact*, a treatment for osteosarcoma that has been licensed in Europe.

By establishing subsidiaries in more markets as well as increasing its product range, including the portfolio of oncology drugs, Takeda will continue to strengthen and expand its commercial operations in Europe.

Stakeholder's Voice

The only way to truly understand the devastating nature of osteosarcoma is as a patient or parent. My son was diagnosed with the disease aged 17 and passed away at 23. Since then, I have been dedicated to increasing the awareness of osteosarcoma and the need for improving outcomes for patients, through my work with the Bone Cancer Research Trust (BCRT). In the UK, the survival rate beyond five years for children and young adults is only 55 percent and hasn't improved in over 20 years—which is why it's integral to prioritise research that will identify effective new treatments.

In June, the BCRT and TPEU collaborated during Bone Cancer Awareness Week in the UK, to bring the courageous stories of patients and parents to the forefront in the media in order to shed light on better diagnosis and the significant unmet treatment needs. The BCRT looks forward to continuing our collaboration with Takeda in the battle against osteosarcoma.

Mike Francis

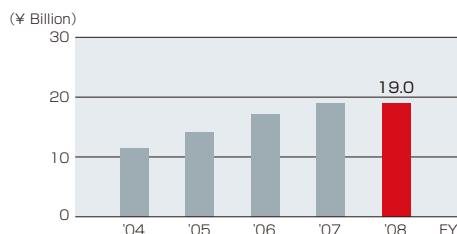
Chairman, Bone Cancer Research Trust



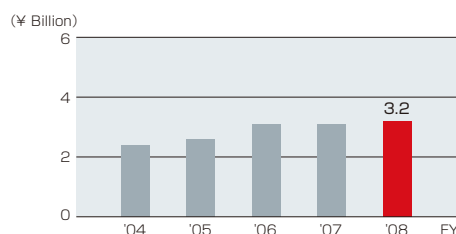
Marketing

Performance in Asia

Net Sales of In-House Ethical Drugs



Net Sales of Lansoprazole



Asian Market

Sales Bases in Asia



Pan-Asia Commercial Center of Excellence

- 1 Takeda Pharmaceuticals Asia Private Limited (Singapore)

Commercial Subsidiaries

- 2 Takeda Pharmaceuticals Taiwan, Ltd.
- 3 Takeda (Thailand), Ltd.
- 4 Takeda Pharmaceuticals (Philippines), Inc.
- 5 P.T. Takeda Indonesia
- 6 Tianjin Takeda Pharmaceuticals Co., Ltd.

A Base for Expanding in Asia's Growth Markets

Takeda established Takeda Pharmaceuticals Asia Private Limited (TPAsia) in Singapore in September 2008 to oversee sales and marketing activities in Asia. The new company is responsible for supervising commercial subsidiaries in Taiwan, Thailand, the Philippines, Indonesia and China as well as for

determining sales and marketing strategies from medium- and long-term perspectives.

The same month, Takeda also established Takeda Clinical Research Singapore Private Limited (TCRS) to serve as a center of excellence in clinical development in the Asia-Oceania region. Close cooperation between TPAsia and TCRS will allow for new drug approvals that better meet the health care needs of the markets in Asia thereby maximizing product potential as well.

Net sales of in-house ethical drugs in Asia decreased 1 percent to ¥19.0 billion in fiscal 2008, mainly due to strengthening of the Japanese yen. Takeda does not yet have a significant presence in this region, but the ultimate goal is to become one of Asia's leaders in the fields of drugs for lifestyle-related diseases and cancer. Accomplishing this goal will require increasing sales of existing major products while also launching exciting new drugs as well. Expanding Takeda's commercial presence into new markets will also further contribute to Takeda's growth in the region.



Takeda Pharmaceuticals Asia Private Limited (TPAsia)

The Asian market for pharmaceuticals is growing rapidly, and in 2012 this region is expected to account for 12 percent of global pharmaceutical sales. As the population ages in the coming years, the number of patients with chronic diseases or cancer will also continue to increase. In this respect, by leveraging Takeda's strengths in lifestyle-related diseases and cancer, we will focus on the progress in health care in the Asia-Oceania region meeting the needs of patients in the region.

Stefan Ziegler, CEO, Takeda Pharmaceuticals Asia Private Limited