

Feature **Cultivating Talent to Lead a World-Class Pharmaceutical Company**

**We will cultivate the next generation of global leaders
in our drive to become a world-class pharmaceutical company**



Takeda Pharmaceuticals North America, Inc.
(From left): Tina Bush, Philip Sychango, Leigh Gimbert

Global Human Resources Policy

In order to realize its "Human Resources Vision," Takeda drew up a concept and basic principles for attracting, retaining, and developing its people. Takeda's "Global Human Resources Policy" forms the basis of this strategy and encompasses recruitment, staffing, training and development, performance, management, and compensation.

As part of the policy, the 2006-2010 Medium-Term Plan currently under way specifies strengthening the talent as one of the main challenges in the transition to a world-class pharmaceutical company. In light of Takeda's rapidly accelerating business expansion in Japan, the U.S., Europe and Asia, we are taking steps to improve the scope and quality of our in-house training programs, as well as making active use of external training. In this way, the entire group is cultivating personnel worthy of a world-class pharmaceutical company and able to do business globally on the frontlines of research, development, manufacturing, sales and management.

Human Resources Vision

We aspire to develop a high-performance, results-oriented culture within our organization with motivated employees who take pride in and find a sense of accomplishment from their work.

Takeda Leadership Institute

Takeda is proactively cultivating employees who can demonstrate leadership qualities that transcend cultural or regional differences. Since 2007 we have been collaborating with the globally renowned business school INSEAD to offer the Takeda Leadership Institute (TLI) program. This program, which aims to cultivate global leaders among Takeda employees both in Japan and overseas, has met with considerable success. In fiscal 2008, we started offering TLI-EU, targeting the European region, and in fiscal 2009 we are planning to offer TLI training over a period of approximately six months from June to December in Singapore, the U.S. and Japan. We are expecting a total of 36 participants in nine countries.



Fiscal 2009 Takeda Leadership Institute training

Relationship with Employees

We regard the TLI program as central to our efforts to cultivate business leaders for the Takeda Group, and the aim of the TLI training is for participants to accomplish goals such as those described below. The program, conducted entirely in English, is wide-ranging, offering participants the opportunity to develop leadership skills, acquire a global mindset and learn about the pharmaceuticals business and industry analysis, as well as receiving individual mentoring and practicing the skills necessary to make presentations to management. From 2008 we also introduced sessions designed to encourage awareness and understanding of Takeda-ism.

Takeda Leadership Institute Performance Goals

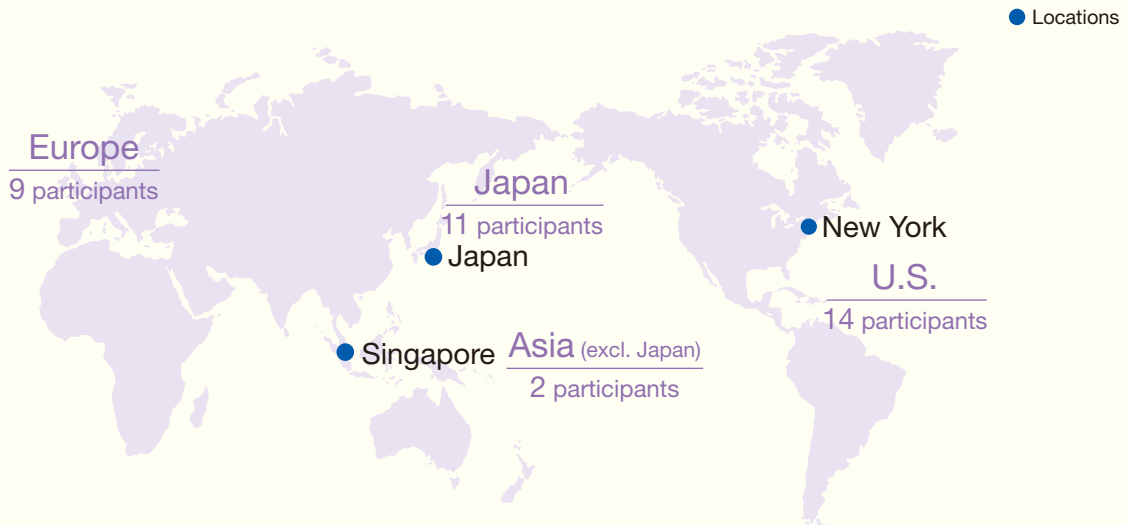
- Demonstrate the clear leadership profile expected of a role model for the group
- Understand differences in culture and business environment, and improve cross-cultural communication
- Establish a global network of contacts within the group

In Japan, Takeda provides a training program to develop next-generation leaders. This program is designed to provide educational opportunities for motivated and ambitious young talent by offering the option for employees to apply directly, rather than being recommended by their division. We will continue to encourage interaction among individuals from a company-wide, global perspective in order to develop talented employees capable of providing business leadership at the global level.

Programs to Cultivate the Next Generation of Leaders in Japan

Programs	Global Leader Training: Course A Japanese Regional TLI; Offered to managers in Japan Global Leader Training: Course B Offered to labor union members
Content	Logical thinking; learning about leadership and the business framework including management strategy. Programs designed to enhance the capacity to adapt to a global working environment are due to be added in fiscal 2009.

Anticipated Number of Participants and Locations for the Fiscal 2009 Takeda Leadership Institute Program



Takeda is cultivating a corporate culture based on Takeda-ism where the human rights of every single employee are respected

Respect for the Rights of Individuals

Takeda takes human rights seriously; we do not use child labor or forced labor, and we observe the employment laws and regulations of countries where we operate with respect to working hours and minimum wages. In addition, all business activities are based on the Takeda Code of Compliance Standards, which prescribes compliance standards that include the treatment of employees. This code prohibits discrimination based on nationality, race, beliefs, religion, gender, age, disabilities and disorders, and social status. All forms of discrimination and harassment are forbidden. Measures are in place to prevent such behavior as well as to protect the rights of individuals at Takeda business sites around the world. To underscore its commitment to human rights across the Takeda Group, Takeda is a participant in the United Nations Global Compact.

World Wide Takeda-ism Months

Every year, Takeda proclaims the three-month period starting on June 12, the anniversary of its founding, as "World Wide Takeda-ism Months." During this period, activities are conducted to reinforce the spirit of Takeda-ism throughout the group. All group companies reexamine the principles of Takeda-ism, and every company uses its own ideas to hold workshops and other events. In fiscal 2008, sales companies in Europe joined forces for activities that deepen the understanding of Takeda-ism and enable employees to apply this spirit to their jobs. Another part of this program is participation by employees as volunteers in a broad range of charitable and community programs.



Employees of Takeda UK Limited in a walk for charity

The Global Employee Survey

Takeda held its first Global Employee Survey in fiscal 2008, an event that gathered information from group employees in 14 countries. One objective is to learn how well employees understand and apply Takeda-ism. The survey also solicits input about employee

engagement, the quality of working environments and other aspects of working at Takeda, revealing strengths of the Takeda Group along with a number of issues. Each department/affiliate company holds discussions to examine its own survey results. Exchanging opinions in this way leads to action plans for solving issues and creating an even better working atmosphere for everyone.

Category of the Global Employee Survey

1. Corporate Philosophy
2. Values: Ethics
3. Values: Challenge
4. Values: Progress
5. Values: Teamwork
6. Values: Steadfastness
7. Customer Orientation
8. Organizational Culture
9. Leadership
10. People Development
11. Accountability & Involvement
12. Working Environment
13. Employee Engagement
14. Country-Specific Questions

Takeda Global Awards

Since fiscal 2006 we have held the "Takeda Global Awards," targeting Takeda Group employees the world over. The "Takeda Global Awards," were established with the aim of: (1) Enhancing awareness of Takeda-ism; (2) Fostering a strong sense of unity as the Takeda group; and (3) Developing a corporate culture where employees can feel a sense of pride. The Awards focus not only on individuals or groups who have accomplished excellent performance, but also on employees who embody Takeda-ism and have contributed greatly to society, as well as employees who have continually made steady effort and embody the Takeda Values behind-the-scenes. In fiscal 2009, awards were presented to 129 employees.



Takeda Global Awards 2008 ceremony

Relationship with Employees

Japan

Training Programs that Enable All Employees to Realize Their Potential

Human resources development activities are centered on the goal of maintaining a self-reliant team of professionals who can fulfill the Takeda mission of "contributing to better health for individuals and progress in medicine by developing superior pharmaceutical products." To accomplish this, we have established a training system designed to give employees the skills they require. Employees take courses to acquire the specialized knowledge needed to perform their jobs, whether they involve research, development, sales, manufacturing or any other activity. We also have courses specifically for new employees, employees with many years of experience, newly appointed managers and other job categories.

For example, there is a six-month training program for new employees who will become Takeda medical representatives (MRs) in Japan. Classes cover basic knowledge, products, ethics, technology and other subjects. After completing the program, prospective MRs are assigned to sales offices nationwide. At these offices, they use e-learning programs to study for the MR certification examination. This is followed by on-the-job training, job-specific classes and other support to refine their skills as an MR.

We offer many other opportunities to learn. For example, employees can participate in external training that includes courses at universities in Japan and overseas. To study on their own, employees can use e-learning courses to acquire

business skills and learn English. The Test of English for International Communication (TOEIC) is held twice each year at the company. By providing a diverse array of training programs, Takeda enables all employees to achieve their career goals.

Number of Participants in Training Programs

	Fiscal 2006	Fiscal 2007	Fiscal 2008
Stratified training	839	935	985
New employee training	206	279	401
Task-specific training (business skills/English)	399	777	955
Leadership training	72	125	76
Second career training	140	368	274

Stratified training: Classes for specific job categories. Most classes for the corporate philosophy and strategies are part of this training program
New employee training: This is part of the stratified training program
Task-specific training: Classes with an annual schedule for upgrading skills in business and speaking English
Leadership training: Training for individuals who are selected for this program, which includes study at locations outside the Takeda Group
Second career training: Assistance for planning one's life after leaving Takeda

Using Diversified Talent

■ Takeda Women's Network

Takeda considers it vital to use human resources flexibly, regardless of gender and age. In Japan, Takeda was quick to introduce a performance-based pay system and enhanced its assessment system, ensuring it is fair irrespective of gender, age and academic background.

Since fiscal 2006, Takeda has also been implementing the Takeda Women's Network (TWN), a company-wide project designed to enable female employees to discuss problems and propose their own solutions. In fiscal 2008 the network conducted a survey of all employees on the subject of enabling women to contribute more in the workplace. The aim of the survey was to obtain a wider range of opinion and feedback in order to shed light on what the current situation actually is, as well as what the ideal situation would be and how to achieve it. As a result of the survey, it became clear that there are differences between departments in terms of how women work and attitudes toward their role in the workplace. Sub-committees were therefore set up in the research, development, manufacturing, sales and corporate staff divisions in order to pursue measures appropriate to each division. The Pharmaceutical Development Division's TWN subcommittee, for instance, submitted a report to the division's general manager, as well as organizing a lecture on work-life balance by a teacher from outside the company in order to encourage a change in attitude among division members.



Lecture on work-life balance

The Training Program System

- Training Program on Corporate Philosophy and Strategy**
 ◎ Takeda-ism session
- Stratified Training Program**
 ◎ Leadership development program
 ◎ Support program on management and career development
- Task-Specific Program**
 ◎ Business skill strengthening program
 ◎ English skill strengthening program
- External Dispatching Program**
 ◎ Human resources development programs provided at educational institutions both at home and abroad
- Departmental Program**
 ◎ Professional education provided by department
- Support for Self-Development**
 ◎ In-house TOEIC and e-learning, etc.
- Others**
 ◎ Training programs relating to sexual and power harassment, mental health, etc.

Takeda is further improving its human resources practices and employee benefits to create an environment where all employees can commit totally to their work

Work-Life Balance

Takeda is promoting a variety of efforts to support work-life balance, including adopting a range of work styles and improving its employee leave system.

In fiscal 2008, Takeda added the Life Balance UP Navi section to its intranet. This section is a source of useful information for employees about how to maintain the proper balance between job responsibilities and personal events such as marriage, the birth of a child, child care and the care of an aging parent.



Life Balance UP Navi

Discretionary working hours

At departments engaged in research and development activities, employees can decide themselves how to perform their jobs and allocate their working time.

Outside de facto working hours

This system allows MRs, who are often away from the office, to receive credit for having fulfilled the required number of working hours.

Flex-time and tele-working

These systems improve productivity and efficiency for employees who have responsibilities at home, such as child or aging parent care, or who do their work while remaining in touch with overseas business sites. Employees can choose their working hours and locations.

Consecutive holidays

Employees can combine company vacation time with national holidays to take off five or more consecutive days.

Takeda is dedicated to giving employees the opportunity to fulfill their responsibilities at work and to their children. In recognition of this stance, in June 2009 Takeda received its second certification under Japan's Law for Measures to Support the Development of the Next Generation. In fiscal 2007, we converted part of time taken off for child-raising to paid vacation and started a program to assist employees in returning to work after child-raising leave. Moreover, we want male employees to help with child-rearing too. In fiscal 2008, 15 male employees took time off to care for their children.



Next generation accreditation mark

Special paid leave for spouse pregnancy

An employee can receive five days of special paid leave from one week before the spouse's expected date of delivery to the end of the child care leave period.

Child care leave

Employees can take time off until a child reaches the age of 18 months or until the end of March following the first birthday, whichever is longer. Only the first five consecutive days taken off are paid.

Senior care leave

Employees can take off up to one year to care for an aging parent or other senior (up to 93 days if the number of days off is less than 93 days over a 12-month period).

Recruiting of former employees

Employees who resigned due to marriage, childbirth, child care, parent care or other personal reasons can register for an opportunity to rejoin the Takeda workforce.

Takeda has a philanthropy time-off system for employees who want to participate in charitable or community activities. A number of employees in Japan have used this system for volunteer activities arranged through the Japan International Cooperation Agency.

Philanthropy leave

Maximum of one year (with pay) for volunteer programs sponsored by a government agency, non-government organization or non-profit organization

Utilization of Takeda's Employee Benefit Programs

		Fiscal 2006	Fiscal 2007	Fiscal 2008
Paid holidays	Utilization rate	55.8%	58.9%	62.2%
	Avg. days used	10.3	10.7	11.1
Reduced working hours for child care* Employees		27	32	38
Child-care leave	Employees (female)	49	48	61
	Employees (male)	1	—	15
No overtime* Employees		3	1	2
No late-night work* Employees		—	1	2
Child nursing care* Employees		3	5	2
Reduced working hours for elderly care Employees		—	—	1
Elderly care leave Employees		4	2	5
Philanthropy leave Employees		6 as of end of FY2008		

* Until child starts elementary school

Relationship with Employees

Employment of People with Disabilities

■ LI Takeda Ltd.

LI Takeda is a special subsidiary established by Takeda in 1995. With the Management Mission of "being a friendly company for workers with disabilities," LI Takeda was the first company of its kind in the Japanese pharmaceutical industry. Disabled people comprise the majority of the workforce, numbering 48 of a total of 60 employees. LI Takeda undertakes printing, cleaning, processing of packaging materials and laundry. Each of the company's employees strives toward social independence through activities such as the production of printed materials including brochures, leaflets and posters, bagging of promotional items, forwarding direct mail and the provision of cleaning services.

Ratio of disabled people employed at Takeda	Fiscal 2006	Fiscal 2007	Fiscal 2008
	1.95%	1.99%	1.86%

Note: Ratios above are as of March 31 each year.



Staff at LI Takeda Ltd. producing printed materials

Relations with Worker's Unions

Takeda has established sound industrial relations by concluding a collective bargaining agreement with the Takeda Worker's Union. The company holds regular consultations with the union regarding conditions of employment, the human resources practices and other matters. All the companies of the Takeda Group likewise hold discussions with their worker's unions and employee representatives in accordance with the laws in each respective country.

Mental Healthcare

The Takeda Total Human Safety Net (THS) is a support system for both the mental and physical health management of employees. The THS supports activities such as prevention, early detection and treatment with regard to mental healthcare in particular. In addition to the usual periodical health checkups and provision of a medical staff comprising industrial physicians, Takeda employs an external employee assistance program (EAP) that allows employees in need to have access to consultations with specialists such as doctors and clinical psychotherapists outside the company. Since fiscal 2007 we have offered employees training by clinical psychotherapists and industrial physicians specializing in mental health. For company executives we offer Line Care Training, while other employees are offered Self Care Training.

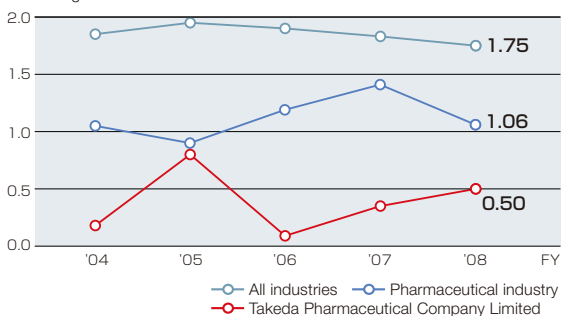
In addition, the THS supports employees who need to take long-term medical leave, ensuring their livelihood and facilitating the return to work. It also supports employees who have to leave the company due to illness or injury after a long leave of absence, helping their families as well to maintain stability in their lives.

Health and Safety

In accordance with its basic principle of upholding respect for people's lives and dignity, Takeda strives to secure the participation of all employees in ensuring health and safety. The company established Safety and Health Committees at the head office and branch offices as well as at production sites and research centers. In addition, Takeda takes steps to prevent occupational accidents and improve the health of employees by drawing up action programs based on the company-wide occupational health and safety management policies formulated each year.

Frequency of Occupational Accidents

* Frequency rate refers to the number of deaths or injuries per 1 million net working hours.



Employees Who Embody
the Takeda-ism Ideals

Stakeholders' Voices

Messages from Takeda employees around the world who put Takeda-ism into practice in their work

■ **Chie Omori** General Manager, Business Promotion Department, LI Takeda Ltd.

Established in June 1995, LI Takeda was the first special subsidiary in the Japanese pharmaceuticals industry established for the purpose of providing jobs for individuals with disabilities. I have been involved with LI Takeda since work began on preparations to form this company. My goal has always been to create a workplace where people facing challenges can realize their full potential working together with their colleagues.

People with a hearing impairment or a learning disability account for a high percentage of our workforce. Since employees have difficulty communicating with one another, managing this workforce requires extra care to ensure that people are satisfied with their jobs. Disabilities can present a variety of challenges, but our workplace is always a cheerful one, where people approach their work with enthusiasm. Above all, I want our employees to take pride in working hard and supporting themselves financially through their jobs. I hope to continue working alongside the employees here to help them remain secure in their ability to live as fully-fledged members of society.



■ **David Lichter** Medical Division, Millennium Pharmaceuticals, Inc.

Millennium Pharmaceuticals' aspiration is to cure cancer. In addition, we have always emphasized the importance of being a socially responsible company. Employees strive to practice our core values every day by working with integrity and respect in our collective pursuit of scientific innovation and improving patient health. The commitment to these principles remains intact, and invigorated, following the May 2008 merger of Millennium with Takeda.

In addition to my commitments as a scientist in the Molecular Medicine group, I lead scientific education programs in which our volunteer community service group, Millennium Makes a Difference (MMAD), participates. We enthusiastically represent the company at local science fairs and festivals, and use experiments and demonstrations to promote scientific education. We teach students and community members about cancer and drug development. I also play an active role with Millennium's EverGreen team, which works to improve the company's recycling efforts and energy efficiency.



■ **Caroline Boucheteil** Public and Economic Affairs Department, Laboratoires Takeda

As the person in charge of CSR activities, I am responsible for a number of programs. I oversee relationships with patient groups, establish crisis management guidelines, reinforce awareness of Takeda-ism among our employees, and provide information to the media regularly.

As part of my job is to maintain strong ties with Takeda's stakeholders, one of my most important tasks is working with the French Association of Friedreich's Ataxia (AFAF), which combats this rare neurological disease. My involvement started when Takeda's relationship with this association was first established. Through the years, I have assisted many people who are struggling with this disease and helped their families, as well. Participating in AFAF has given me and many other Laboratoires Takeda employees immense joy along with great pride in belonging to the Takeda Group.



■ **Grace Ho** Group Product Manager, Takeda Pharmaceuticals Taiwan, Ltd.

For a number of years, Takeda Pharmaceuticals Taiwan has been organizing public talks in Hong Kong about diseases such as diabetes, hypertension, gastrointestinal disorders and prostate cancer through a charitable organization called St. James' Settlement. After the talks, representatives of the media have an opportunity to interview the physicians who take part in the events. This makes information about these diseases available to an even larger number of people.

I am in charge of this joint effort between Takeda Pharmaceuticals Taiwan and St. James' Settlement. The objectives of the charity are to increase opportunities for the general public to learn about diseases and to organize programs to improve public health. By supporting St. James' Settlement, Takeda Pharmaceuticals Taiwan is fulfilling the Takeda mission of "striving toward better health for individuals and progress in medicine."

