

Takeda's Approach to Building A World Class Pharmaceutical Company in an Increasingly Challenging Environment

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Takeda Pharmaceutical Company Limited

Forward-Looking Statements

This presentation contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgements derived from the information available to the Company at this time.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this presentation. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business; competitive pressure; relative laws and regulations; product development programs; and changes in exchange rates.

AGENDA

- **Takeda Pharmaceutical Company Limited**
- **Current Status of the U.S. Operation**
 - **Takeda Pharmaceuticals North America, Inc.**
 - **TAP Pharmaceutical Products Inc.**
- **Our Management Vision**

Takeda Pharmaceutical Company Limited

Takeda Pharmaceutical Company Limited

- **Founded June 12, 1781**
- **Financial Results for FY 2003 (April - March)**

Net Sales	¥1,086.4 billion	<% of net sales>
Operating Income	¥371.6billion	< 34.2% >
Ordinary Income	¥446.1 billion	< 41.1% >
Net Income	¥285.3 billion	< 26.3% >
EPS	321.9 yen	
ROE	17.0%	

Exchange rate : US\$=113 yen

Takeda Pharmaceutical Company Limited

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■ Largest pharmaceutical company in Japan (FY2003)

Company	Net Sales	Net Income
1 Takeda	1086.4	285.3
2 Sankyo	596.3	43.4
3 Yamanouchi	511.2	60.1
4 Eisai	500.2	50.1
5 Daiichi	322.8	26.7
6 Fujisawa	395.4	41.5
7 Chugai	232.7	28.4
8 Mitsubishi Pharma	235.4	10.8
9 Shionogi	200.5	2.2
10 Tanabe	173.6	17.7
11 Taisyo	286.4	40.9
12 Ono	139.4	30.9
13 Dainippon	170.8	8.0
14 Santen	89.9	6.3
15 Tsumura	82.2	8.5

(Billions of Yen)

■ 10th largest company in Japan (market capital, Jan-27. 2005)

Company	Market capital
1 Toyota	14,476
2 NTT DoCoMo	8,881
3 NTT	6,815
4 MTFG	6,414
5 Mizuho FG	5,840
6 Nissan	4,995
7 Honda	4,969
8 Canon	4,679
9 SMFG	4,512
10 Takeda	4,375
11 Yahoo	3,978
12 Matsushita	3,775
13 Sony	3,511
14 Tokyo Electric Power	3,341
15 UFJ	3,102

(Billions of Yen)

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■ 15th* largest pharmaceutical company in the world
(Millions of US\$)

Company	Pharma Sales
1 Pfizer	47,077
2 GlaxoSmithKline	30,776
3 Merck	22,520
4 Johnson & Johnson	22,183
5 Novartis	20,254
6 AstraZeneca	19,214
7 Aventis	17,015
8 Bristol-MyersSquibb	15,686
9 Roche	15,232
10 Abbott	13,267

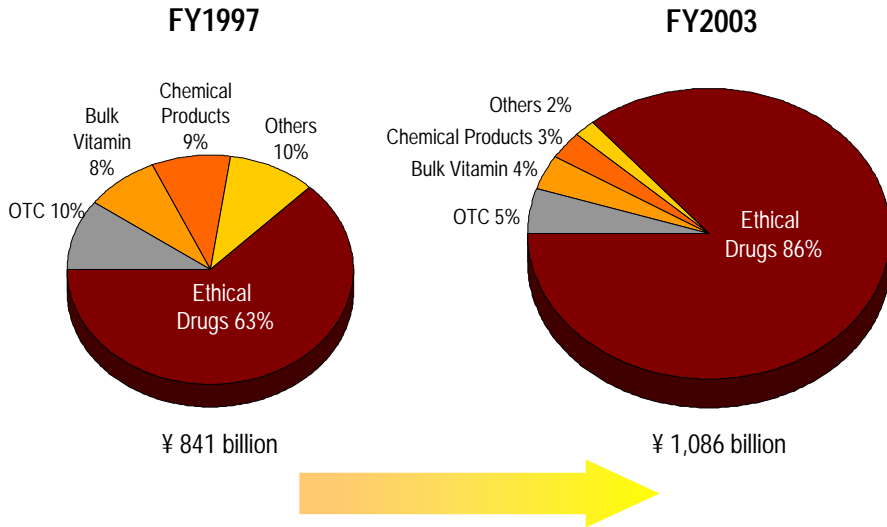
15 Takeda 8,009

* IMS World Review 2004

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Sales by Segment (Consolidated)

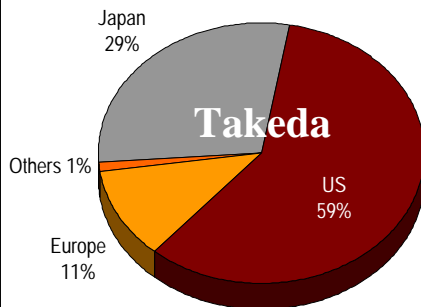


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Sales by Region

(Sales of in-house ethical products)

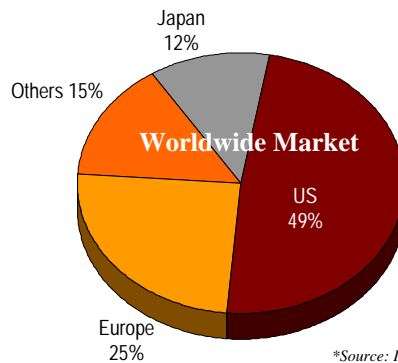
*Not Consolidated



¥1,081 Billion (FY2003)

Pharmaceutical Market

by Region

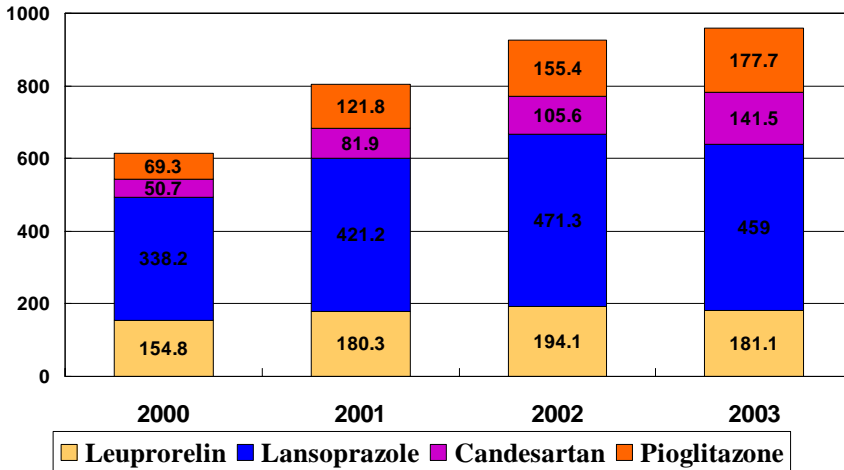


Total \$466 Billion (2003)

Global Strategic Products

(Billion of Yen)

*Not Consolidated



Trade Name in the U.S.

LUPRON®

PREVACID®

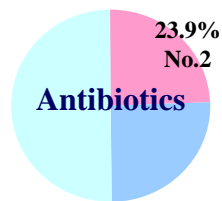
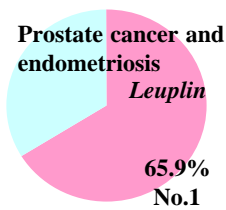
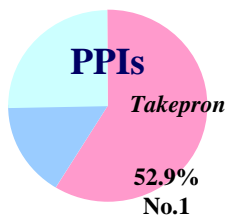
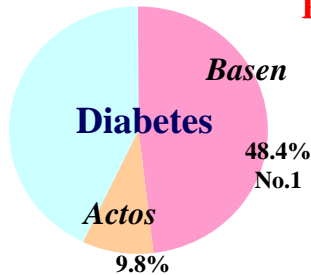
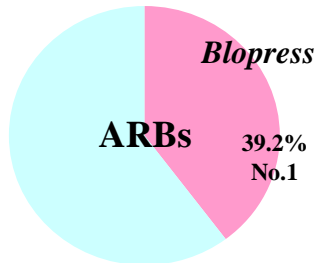
ATACAND®

ACTOS®

Takeda Pharmaceutical Company Limited

High market share in Japan

FY 2003



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Execution of 2001-2005 Medium-Term Management Plan

Basic Initiatives

Achieve **1 trillion yen in sales of in-house ethical drugs**

Enhance pipeline to make Takeda a world-class pharmaceutical company

Complete restructuring of non-pharmaceutical businesses

Establish most effective global management system as a Japanese origin world-class pharmaceutical company

Market share
≥ 3 %

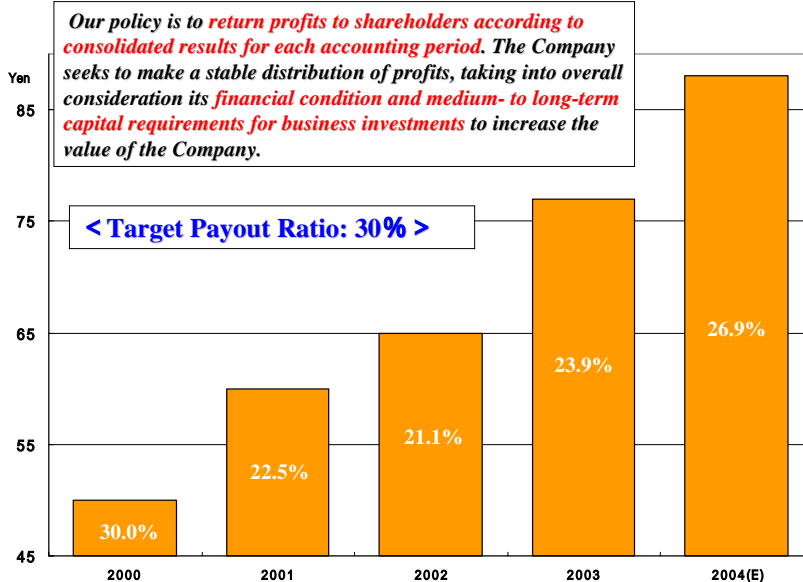
Operating margin
35 %

Consolidated earnings per share
(excluding extraordinary gain and loss)
average ≥ 10%

Consolidated return on equity
17 %

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Dividend Policy



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Outlook for FY2004

Outlook for FY2004

Net Sales	¥1,110.0 billion (+2.2%)
Operating Income	¥390.0 billion (+4.9%)
Ordinary Income	¥450.0 billion (+0.9%)
Net Income	¥290.0 billion (+1.7%)

Exchange rate : US\$=105 yen

- **FY2004: 1Q-3Q accumulated results**

Net Sales	¥871.0 billion (+3.1%)
Operating Income	¥339.6 billion (+9.1%)
Ordinary Income	¥383.3 billion (+4.8%)
Net Income	¥245.7 billion (+4.0%)

Exchange rate : US\$=109 yen

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Current Status of the U.S. Operation

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Strategies for the U.S. operation



Takeda Pharmaceutical Company Limited

Takeda Pharmaceuticals North America, Inc. (TPNA)

- Established in 1998; Wholly-owned U.S. subsidiary of Takeda Pharmaceutical Company Limited
- TPNA :
 - ◆ Marketing ACTOS[®], co-promoting with Eli Lilly and Company (Aug. '99 - July. '06)
 - ◆ Co-promote NIASPAN[®] and ADVICOR[®] with Kos Pharmaceuticals (Jan. '04 - Dec.'06)
- Takeda Global R&D Center, Ltd (carved out of TPNA 01/04)
- Promising early stage pipeline across a wide range of therapeutic areas
- New alliances:
 - ◆ TPNA to market Tavocept[™] licensed from BioNumerik.
 - ◆ TPNA to market lubiprostone licensed from Sucampo.



Mr. Mark Booth, president

Takeda Pharmaceutical Company Limited

Growing Marketed Products

■ ACTOS results



- ◆ Sales in 2004 (Jan-Dec): \$1,497MM
- ◆ 7th fastest product to reach \$1 billion in US
- ◆ #1 product in its class
- ◆ Continued strong growth
 - More than 36 million prescriptions written
 - Helped more than 4.9 million patients
- ◆ Implementation of competitive strategies
 - Growth of shares in Rx's

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Growing Marketed Products

■ Combination Products: Product line extensions

- ◆ With type 2 diabetes, combination therapy with two or three agents is often required to maintain adequate glycemic control
- ◆ Provides opportunity for promotion of lifecycle management
- ◆ Actoplusmet

actoplus met[™]
pioglitazone HCl + metformin HCl

- ◆ Combines two complementary diabetes treatments, ACTOS and metformin (Andrx Corporation)
 - ⊗ Metformin acts primarily by reducing the amount of glucose produced by the liver
- ◆ NDA filed October 28, 2004

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ACTOS - Evidence Based Medicine (1)

■ Product Value/Differentiation

GLAI Study Results



November 10, 2004

- ◆ Head to head study of products in same class
- ◆ ACTOS vs. AVANDIA
- ◆ Products equally effective in lowering blood glucose
- ◆ Actos significantly better at treating lipids
- ◆ Raises HDL and more effectively lowers triglycerides

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ACTOS - Evidence Based Medicine (2)

Landmark Clinical Trials

- Takeda is conducting three studies to investigate the effect of ACTOS on reducing the risk for cardiovascular disease in patients with type 2 diabetes
- PROactive
 - ◆ European trial assessing the effects of ACTOS on mortality and morbidity associated with cardiovascular disease progression
 - ◆ Enrolled more than 5,000 patients in 19 countries who have experienced one or more cardiac events
 - ◆ Studies have shown that ACTOS has a beneficial effect on markers of cardiovascular risk, such as atherogenic lipids and c-reactive protein (CRP)
- CHICAGO
 - ◆ Double-blind randomized trial at 25 sites in Chicago, using electron beam computed tomography (EBT) to examine neck and heart arteries
- PERISCOPE
 - ◆ Double-blind randomized trial with 80 sites nationwide, using intravascular ultrasound (IVUS) procedures to evaluate the effect of ACTOS on coronary artery disease

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Growing Marketed Products

Takeda-Kos Alliance

- Kos co-promotion started January 2004
 - ◆ 3 year co-promotion (2004-2006)
- Utilizes sales force capacity
 - ◆ TPNA offers 45,000 additional, high-potential physicians
- ACTOS synergy
 - ◆ Complimentary message
 - ◆ High target overlap
- Differentiated products
 - ◆ NIASPAN: HDL impact
 - ◆ ADVICOR: dual component therapy
- Company fit



"We are especially excited about the prescription trends we are witnessing due to Takeda's participation"

*-Adrian Adams: Kos CEO
Company Press Release*

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Developing the Pipeline

- Takeda Global Research & Development Center, Inc. (TGRD)
 - ◆ Established January 1, 2004
 - ◆ Wholly-owned subsidiary of TPNA
 - ◆ John Yates, M.D. President
- Benefit
 - ◆ Implementation of best & fastest development programs w/o being affected by the strategies and/or business performance of sales and marketing company (TPNA).
 - ◆ More efficiency based on the integrated operation of the U.S. and Europe
 - ◆ Better global harmonization

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Pipeline at TGRD

Code	In house / licensed	Indication	Stage
TAK-375	In-house	insomnia / CRSD	Filed P-
TAK-559	In-house	Diabetes	P- (suspended)
Tavocept	BioNumerik	Chemoprotective agent	P-
Lubiprostone	Sucampo	Chronic constipation c-IBS	P- P-
TAK-013	In-house	Endometriosis / Uterine fibroid	P-
TAK-428	In-house	Diabetic neuropathy	P-
TAK-654	In-house	Diabetes	P-
TAK-536	In-house	Hypertension	P-
TAK-475	In-house	Hyperlipidemia	P-
TAK-715	In-house	Rheumatoid arthritis	P-

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Developing the Pipeline

Ramelteon (TAK-375)

- U.S. NDA filed on Sept. 22, 2004
- Completed Phase 3 trials for insomnia
- First in a new class of drugs – MT1/MT2 receptor agonist
- In clinical studies, ramelteon has shown no evidence of affinity for GABA or opiate receptors
- More than 75 million American adults experience bouts of insomnia and more than one in ten Americans are plagued by chronic insomnia
- \$1.7 billion market dominated by AMBIEN
- Significant new competitors in next 2 years (Pfizer/Neurocrine, Sepracor)

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Long and Short-Term Business Development



- Takeda will market Tavocept™ (dimesna)
- Tavocept currently in Phase III for mitigating common chemotherapy side effect – nerve damage
- New therapeutic area for Takeda

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Long and Short-Term Business Development



- Takeda will market lubiprostone, discovered and developed by Sucampo
- Recently completed Phase III studies for chronic constipation
- Phase II studies completed for Irritable Bowel Syndrome (IBS)
- IBS significantly undertreated
- New therapeutic area for Takeda

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TAP Pharmaceutical Products Inc.



TAP PHARMACEUTICAL PRODUCTS INC.



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TAP Pharmaceutical Products Inc.

Positive Factors

- PPI market returned to growth beginning Q4 2004
Share of Prevacid in Rx stabilized
- Lupron sales recovery (since 2nd half 2004)
- NDA filing of febuxostat (Dec. 2004)
- Pipeline
Asoprisnil(J867) , Next generation of Prevacid



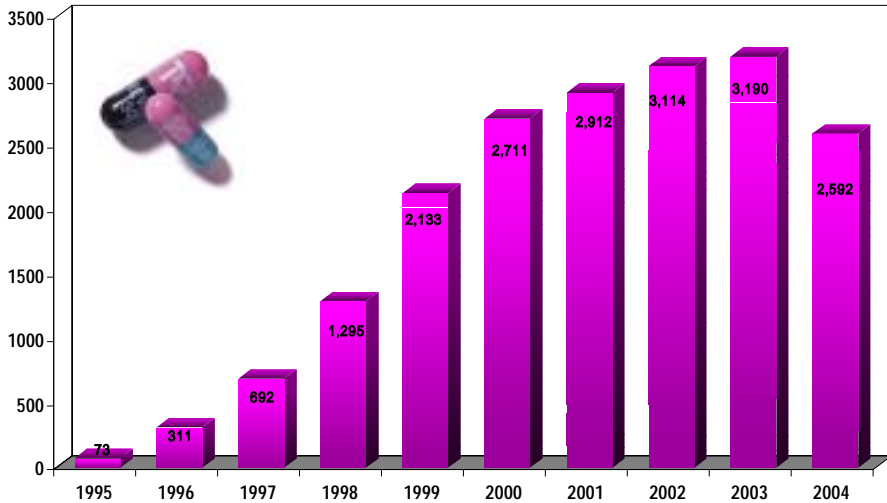
Negative Factors

- Sales decline of Prevacid
2004 Jan-Dec results: \$2,592MM (-18.7%)
- Future patent expiry of Prevacid
- Keener competition for Lupron

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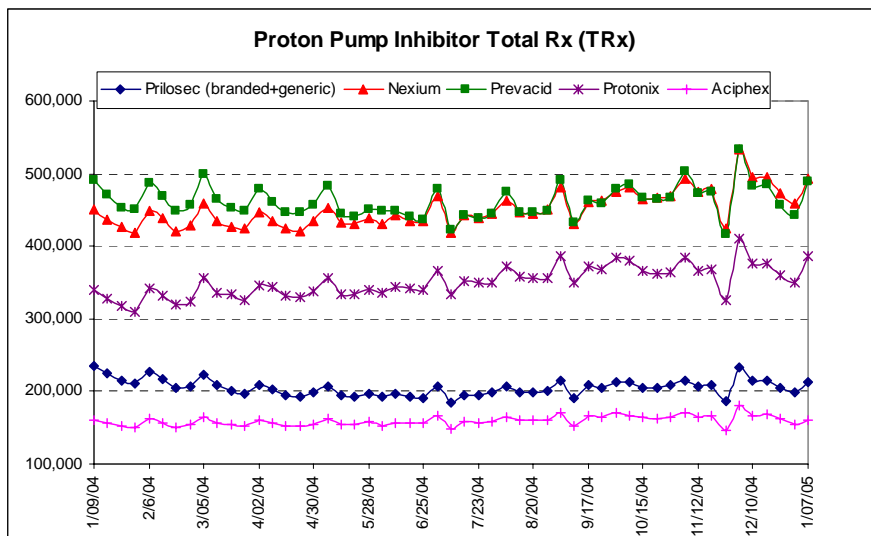
Prevacid Net Sales

(\$ Millions)



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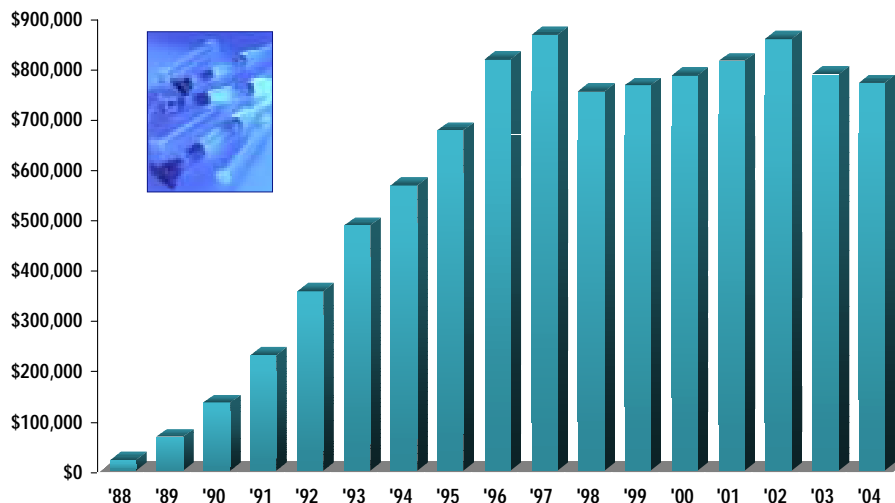
PPI Market



(Source : Merrill Lynch)

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Lupron Net Sales



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Pipeline at TAP

- **Febuxostat : NDA filed in Dec. 2004**
Treatment for hyperuricemia and gout licensed from Teijin
(once a day oral administration)
- **Asoprisnil : P- /**
Oral treatment for uterine fibroids and possible future indications
for endometriosis, uterine fibroids, HRT
- **Next generation of Prevacid**

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News Release

Takeda and Syrrx Announce Merger Agreement

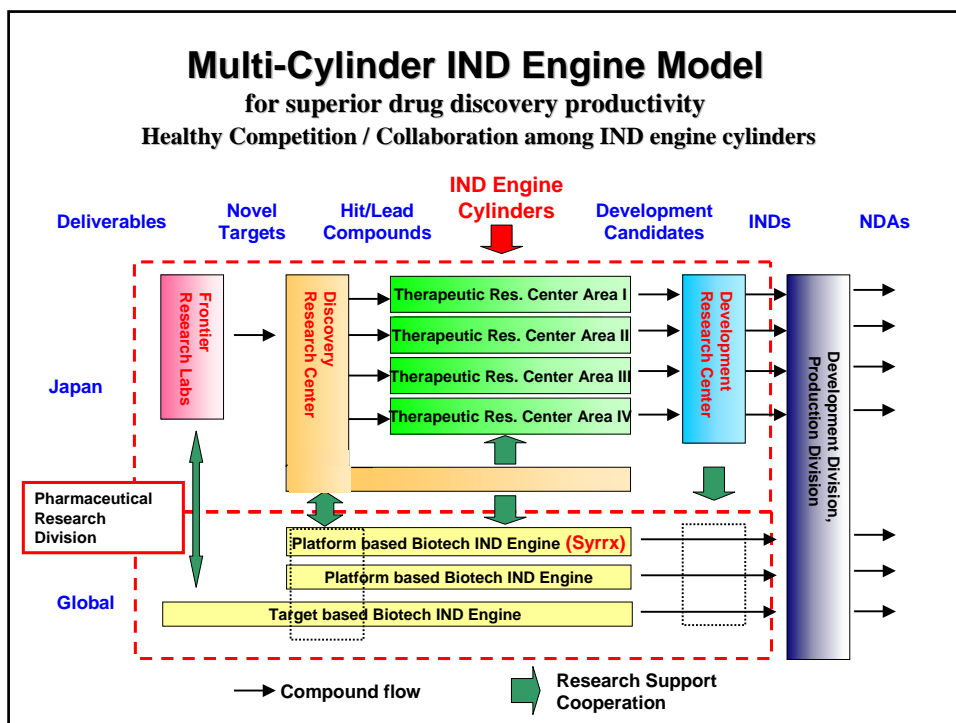
Syrrx

- Founded 1999; 90 employees; San Diego
- IND producing capability with its state-of-the-art technology, “High-throughput Protein X-ray Crystallography”
- Pipeline: DPP-IV inhibitor (Phase I, Diabetes), Aurora kinase inhibitor (Pre-clinical, Oncology), etc.

Purpose of the merger

- Takeda to access Syrrx’s technology that will accelerate the creation of more innovative drugs
- Syrrx to play a critical role in Takeda research as a US IND engine
- Takeda to gain access to Syrrx’s existing pipeline mainly in the field of oncology and diabetes
- Syrrx to be a Center of Excellence for high throughput protein crystallography within Takeda Research and be the first of several cornerstones in Takeda’s global research network of the future “Multi-cylinder IND Engine Model”

Takeda Pharmaceutical Company Limited



Our Management Vision

Management Mission

We strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products.

Management Vision

A multinational company, driven by research and development, which leads the world through its unique strengths

A company with highly integrated global operations

A company that meets the needs of people around the world through superior products and services

A company that grows together with its shareholders and other stakeholders

An energetic company that attracts and retains well- qualified personnel from all over the world

Takeda Pharmaceutical Company Limited

Thank You Very Much !



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