

(2) Management Policies

Through its management mission of “striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products”, Takeda is aiming at becoming a “world-class pharmaceutical company” that specializes in the pharmaceutical business and conduct business operations globally.

While making every effort to accomplish the goals of the 2001 - 2005 Medium-term Management Plan in Fiscal 2005, the Plan’s final fiscal year, Takeda is carrying out the following measures in order to establish a foundation for the next medium-term management plan. Takeda is aiming at realizing its management mission through these measures, and will strive for the further growth of Takeda Group and for maximization of shareholder value.

1. Enhancing and strengthening the R&D pipeline

Takeda will seek to launch new products sustainably in the mid-and-long term by discovering and licensing candidate compounds and promptly moving them forward to the advanced research and development stage, through the three strategic pillars of in-house research and development, licensing and alliances, and maximization of added value in international strategic products.

2. Maintaining growth potential and expanding market share of existing core products

Takeda will implement differentiation focus strategies to succeed against competitive products and promote the maximization of product life-cycles, which actions will include the addition of new indications and formulations, with the objective of maintaining the growth potential of existing core products and increasing their market shares amid intensifying competition, as well as expanding the presence of the Takeda Group in the global market. In addition, Takeda will take all possible measures for launch of new products and their rapid penetration into the markets, which will serve as a core of growth in the next mid-term management plan period.

3. Building global operating infrastructure and scheme

As an essential condition for its transformation into a world-class pharmaceutical company originating in Japan that conducts a global pharmaceutical business, Takeda will build and strengthen a unique operating infrastructure that is simple and effective.

4. Establishing a solid business structure free of influence from environmental changes

While promoting further reform of organizational control and business operations with the placement of optimal numbers of human resources, Takeda will more thoroughly promote the efficient use of expenses and strengthen cost competitiveness with the aim of building a solid business structure that will be free of influence from environmental changes and allow for sustainable expansion of business performance.