

(2) Management Policies

Based on the new management structure, with a Chief Executive Officer (the Chairman of the Board) and Chief Operating Officer (the President), both of which positions were inaugurated in June 2003, Takeda is devoting every effort to the following measures aimed at accomplishing the 2001-2005 Medium-Term Management Plan, which is regarded as the first step in becoming a world-class pharmaceutical company.

1. Takeda recognizes that enhancing and strengthening its R&D pipeline is the Company's top priority. Accordingly, the Company will dedicate all the resources of the Takeda Group to launch new products as quickly as possible 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 the addition of new indications and formulations. To that effect, Takeda will strengthen its strategies in each core therapeutic area and concentrate investment of management resources on compounds with high priority and potential either from the Company's own research or in-licensed from other companies.
2. Takeda will fortify its sales and marketing strategies to succeed against competing products, and will implement measures for maximizing product life-cycles such as the addition of new indications and formulations. By doing so, the Company aims to maintain the growth potential and increase the market shares of existing core products amid intensifying competition, as well as expand the presence of the Takeda Group in the global market.
3. As an essential condition for its transformation into a world-class pharmaceutical company with its origin in Japan that conducts a global pharmaceutical business, Takeda will build and strengthen a unique operating infrastructure that is simple and effective.
4. In the midst of fierce competition, Takeda will more thoroughly promote the efficient use of expenses and strengthen cost competitiveness to maintain growth in profits after making the investments indispensable for future growth.

With these initiatives, Takeda has set fiscal 2004 as the year of its new start as "Takeda Pharmaceutical Company" specializing in the pharmaceutical business, as it vigorously carries out reforms and strategies in line with the management tasks of the 2001-2005 Medium-Term Management Plan. In addition, the Company positions this as a key year for establishing a solid footing as a company that has reached the starting line toward its goal of becoming a world-class pharmaceutical company.

Through the measures above, the Company aims to realize its management mission of "striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products", and will work toward the further growth of the Takeda Group and maximization of shareholder value.