

[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 to become a “world-class pharmaceutical company” that conducts business operations globally.

Fiscal 2005 is the last year of the 2001-2005 Medium-term Management Plan; the term which we position as the first step toward our goal of becoming a world-class pharmaceutical company. To achieve the targets of the plan, and to form the foundation for the next 2006-2010 Medium-term Management Plan, we are devoting all our efforts to the tasks described below. Through these efforts, Takeda aims to realize its management mission and strive for the further growth of the 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

With regard to the 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

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.