



News Release

**Takeda Pharmaceutical Company Limited Announces
Mid-Range Growth Strategy Starting from the Fiscal Year 2013 (Ending March 31, 2014)
- Growth Strategy as a New Takeda -**

Osaka, Japan, May 9, 2013 --- Takeda Pharmaceutical Company Limited (“Takeda”, “the Company”) today announced its “Vision 2020,” and commenced its Mid-Range Growth Strategy starting from fiscal 2013 that aims to realize where the company aspires to be in the year 2020.

Vision 2020 – aligned under the key theme of “Better Health, Brighter Future” – consists of three elements: “Our Business: Committed to Improving Health,” “Our Organization: Strength from Diversity,” and “Our People: Powered by Passion.” The goal of Takeda’s business vision specifically is, “We pursue innovative medicines as well as high-quality branded generics, life-saving vaccines, and OTC medicines – to help as many people as we can, as soon as we can.”

Takeda is continuously committed to efforts for achieving further global growth, through the implementation of its new growth strategy announced today and the shared determination of management and a diverse workforce of approximately 30,000 employees all over the world.

Under the strategies of the rolling three-year Mid-Range Plan that started in fiscal year 2010, Takeda has been consistently successful in both marketing and R&D strategies. From the marketing perspective, the acquisition of Nycomed, with its strong presence in emerging markets, expanded the Company’s geographical coverage on a global scale and brought a diverse portfolio of marketed products. In terms of R&D success, the past years have seen Takeda obtain marketing approval for several competitive new products, and steadily progress many assets to the late stage pipeline. However, the business environment of the pharmaceutical industry is becoming increasingly challenging due to factors such as the strengthening of government measures to constrain medical expenditure in developed countries aiming for fiscal reconstruction, and the faster than expected penetration of generics in Japan. In order for the Company to ensure growth in the midst of this challenging and rapidly changing business environment, Takeda devised the new Mid-Range Growth Strategy to further build on its previous strategies.

In the new Mid-Range Growth Strategy, the Company will focus on the development of its global business operations in emerging markets and developed countries, as well as on the realization of scientific and business process innovation.

The emerging markets business is positioned as a growth driver of the Company with its existing portfolio of high-quality branded generics and OTC medicines, as well as the future commercialization of Takeda's innovative products. In developed countries, the Company will accelerate the establishment of a diversified product portfolio and a product mix that is more heavily weighted in new products. With respect to scientific innovation, the Company continues to be dedicated to the discovery and delivery of new products needed by patients worldwide, through the focused investment of resources into therapeutic areas with unmet medical needs and the vaccine business. In addition, Takeda will implement strategies to encourage business process innovation across all functions of the company including sales and marketing, production, R&D, and general and administrative toward building a robust and efficient operating model to succeed in the highly competitive environment.

Takeda will celebrate the 232nd anniversary of its foundation this year and its roots in “Takeda-ism” (Integrity: Fairness, Honesty and Perseverance), the corporate philosophy cultivated throughout Takeda's long history. The diverse talents of the Takeda group worldwide, with their variety of backgrounds and values, are committing to Vision 2020 to accomplish the goals set forth in Takeda's Mid-Range Growth Strategy. Takeda is committed to continuing its business operations, with the compliance of all the relevant laws and regulations, in order to realize its mission of “striving towards better health for people worldwide through leading innovation in medicine.”

<Outline of the Mid-Range Growth Strategy Starting from FY2013>

1. Financial Forecasts for fiscal 2013*

Net sales	1,590.0 billion yen
R&D expenses	325.0 billion yen
Operating income	140.0 billion yen
Operating income excl. special factors**	280.0 billion yen
Net income	95.0 billion yen
Net income excl. extraordinary income/loss & special factors***	185.0 billion yen
EPS	120.34 yen
EPS excl. extraordinary income/loss & special factors***	234.34 yen
EBITDA excl. extraordinary income/loss****	340.0 billion yen

* The exchange rate assumptions for fiscal 2013 are 1US\$=90 yen and 1 euro=120 yen.

** Special factors affecting operating income: amortization of intangible assets and goodwill resulting from corporate acquisitions, and an increase in COGS related to inventory step-up due to revaluation to fair value also resulting from corporate acquisitions.

*** Special factors affecting net income, EPS: (In addition to the factors affecting operating income) non-operating expenses related to corporate acquisitions.

**** EBITDA excl. extraordinary income and loss is calculated by adding the following to ordinary income: amortization of intangible assets, amortization of goodwill, and non-operating expenses resulting from corporate acquisitions etc., depreciation and interest expenses.

2. Guidance for Sustainable Growth

	Indicator		Target
Growth	Sales	FY13-17	Mid single digit CAGR*
Efficiency	Operating Income	FY13-17	At least 20% CAGR*
Shareholder Return	Dividend per share	FY13-15	Maintain 180 yen annually

*In-house pipeline with high potential will contribute to sales and profits in fiscal 2015 and after

3. Mid-Range Growth Strategy

➤ Globalization

- **Emerging Markets**

With the main focus on Russia, Brazil and China, Takeda is focused on its existing portfolio of high-quality branded generics and OTC medicines, as well as the future commercialization of new products. Takeda will continue to be competitive in each market with a diverse product portfolio tailored to local needs, implementing a sales strategy that pursues effective investment to improve profitability, to realize top-line growth that exceeds that of the market.

- **Japanese Market**

Takeda will maintain its No.1 share position in the Japanese market through the acceleration of strategic product sales including; Nesina family (treatment for type 2 diabetes), Azilva (treatment of hypertension), Lotriga (treatment for hyperlipidemia). The Company will build a new commercial model that shifts its focus to new products expected to be approved by regulatory authorities.

- **U.S. Market**

Through the implementation of an optimal commercial strategy, Takeda will achieve initial entry of Nesina family products, Uloric/Colcrys synergies in gout treatment franchise, expanded Dexilant sales and further maximization of existing product sales, while pursuing the optimization of promotional expenses. At the same time, the Company will establish and implement solid sales strategies to ensure success of new products planned for approval by regulatory authorities.

- **European Market**

Takeda will enhance its foundations in primary care and will accelerate its presence in specialty markets by maintaining and expanding existing and new products. Through expansion of sales, the Company will contribute to steady sales and contribute to a more profitable business structure even in the midst of challenging market environments.

➤ Diversity

- Takeda will hire and train diverse talent, creating a culture that encourages creativity and innovation. Takeda's goal with regard to diversification is to foster creativity by having employees from various countries, cultures and backgrounds work together to improve the organizational strength.

➤ Innovation

- **Establishment of the R&D pipeline with competitive edge**

In order to establish a competitive R&D pipeline, Takeda will focus on six therapeutic areas of "Cardiovascular & Metabolic," "Oncology," "Central Nervous System," "Immunology & Respiratory," "General Medicine," and "Vaccine." The company's focus will be on unmet medical needs and vaccines, while pursuing the creation of new projects that cross each therapeutic area.

- **Improvement of R&D productivity**

Takeda will implement strategies to ensure approvals for its late-stage pipeline compounds. Beyond the submission of its products, Takeda is committed to continuing to seek value for its patients through post-marketing clinical studies. In order to enhance the R&D pipeline, Takeda will continue to shorten the clinical development period, and develop a system allowing researchers to create high-quality compounds through further improved processes, as well as consider how to further expand the applications of its existing R&D projects and acquire the projects through business development activities. It will also enhance its DDU (Drug Discovery Unit) structure at the Shonan Research Center, improve its candidate molecule research processes, and better apply the expertise of its research alliance partners, such as Envoy and Advinus.

- **Transformation into an efficient operating model**

The Company will globalize its marketing operations and sales activities and branding strategy for global products while ensuring they meet the needs of each local operating company. Takeda's manufacturing operations will be made more efficient through the optimization of its manufacturing network and enhanced global-scale procurement, leveraged on the infrastructure and functions of legacy Nycomed. Also, the G&A functions, such as finance & accounting, IT, human resources, will standardize their processes globally to achieve operating efficiency.

4. Policies on Financial Position and Shareholder Returns

The Company will further improve the efficiency of use of the fund by optimization of its Balance Sheet including the decreased level of working capital and the enhancement of the cash management. In addition, the Company will establish and implement the flexible financial strategies, the continued investment for the growth, and the steady repayment of interest-bearing debt. With all these strategies, the Company will maintain and enhance strong and sound financial base which will support the implementation of the Mid-Range Growth Strategy.

With the recognition of importance of the shareholder returns, Takeda's policy is to maintain the stable dividend that is ¥180 per share throughout the fiscal 2013-2015 period.

For further details, please refer to the materials on the Mid-Range Growth Strategy starting from the Fiscal Year 2013, etc., which are posted on the Takeda web site:

Financial results: <http://www.takeda.com/investor-information/results/>

Message from Top Management: <http://www.takeda.com/company/message/>

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