



Takeda Pharmaceutical Company Limited

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News Release

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2011-2013 Mid-Range Plan **Transformation into a New Takeda**

OSAKA, Japan, May 11, 2011 — Takeda Pharmaceutical Company Limited (Takeda) today announced the start of its 2011-2013 Mid-Range Plan to transform the Company into a new Takeda. Under the previous 2010-2012 Mid-Range Plan launched in fiscal 2010, Takeda decided on a new management policy referred to as the Vision. The Vision is for Takeda to achieve Growth through Innovation and Culture, and Takeda has been working diligently to realize it.

Under the recently formulated 2011-2013 Mid-Range Plan, the Company will continue to steadily execute its fundamental strategies based on the Vision, and remain dedicated to achieving the goals of the previous 2010-2012 Mid Range Plan: achieve financial recovery to the level of the fiscal 2010 level in fiscal 2015 and drive sustainable growth thereafter.

In fiscal 2010, the first fiscal year of the 2010-2012 Mid-Range Plan, Takeda worked to improve R&D productivity and completed the Shonan Research Center, the center of excellence that forms the nucleus of its global research network. The Company also focused on building a stronger pipeline for the next phase of growth, including strategic investments.

In sales activities, Takeda rolled out eight new products in Japan and maintained its position as Japan's No.1 pharmaceutical company. At the same time, Takeda shifted to a more efficient sales structure in the U.S. and it has enabled the Company to expand sales of new products.

The 2011-2013 Mid-Range Plan was formulated based on progress with these business activities and changes in the operating environment. Takeda has made no changes to its fundamental strategies and will continue to pursue its "Transformation into a New Takeda."

Specifically, Takeda will invest strongly in R&D focused on core therapeutic areas, while effectively deploying both internal and external resources to create innovative drugs and transform treatment paradigms. Takeda will also shift from a product mix centered on mature, large-scale products, to a more diverse product lineup centered on new treatments. Furthermore, Takeda will accelerate its globalization activities by making strong investments in newly penetrated countries and emerging markets, in addition to the three core markets of Japan, the U.S. and Europe. This will ensure the Company can pass steadily through the anticipated 2013 bottom in business performance and on to sustained growth.

In June 2011, Takeda marks its 230th founding anniversary. Over this long history, Takeda has developed a corporate philosophy of "Takeda-ism = Integrity, meaning fairness, honesty and perseverance." This philosophy will form the heart of Takeda's efforts to foster a corporate and organizational culture that promotes diversity in the organization and workforce. Through this effort, coupled with thorough compliance on a global scale, the Company will work to realize its Management Mission of "striving towards better health for patients worldwide through leading innovation in medicine."

1. Financial Targets ^{1) 2)} for 2011-2013 Mid-Range Plan

	Billion Yen			
	Fiscal 2010 (Results)	Fiscal 2011 (Targets)	Fiscal 2012 (Targets)	Fiscal 2013 (Targets)
Net sales	1,419.4	1,450.0	1,320.0	1,260.0
R&D expenses	288.9	300.0	290.0	290.0
Operating income	367.1	390.0	270.0	240.0
Net income	247.9	250.0	200.0	160.0
Earnings per share (EPS)	314 yen	317 yen	253 yen	203 yen
EPS ³⁾	374 yen	361 yen	266 yen	234 yen

Notes:

¹⁾ The exchange rate assumptions for fiscal 2011 onward are US\$1=85 yen and 1 euro=120 yen.

²⁾ The above financial targets are calculated on the assumption that the entry of generic versions of Actos products in the U.S. will start in August 2012.

³⁾ EPS (excluding extraordinary income/loss, extraordinary factors arising from business acquisitions and similar events) is calculated as:

Net income for the year less: (1) extraordinary income/loss; and (2) amortization of goodwill and intangible assets arising in connection with business acquisitions and similar events; divided by the average number of outstanding shares issued during the year.

2. Vision

Takeda's vision is to embody global pharmaceutical leadership through **innovation**, **culture** and **growth**, guided by an unwavering commitment to significantly improve the lives of patients.

- **Innovation** based on bold leadership in science and medicine resulting in the discovery, development and delivery of high-quality, differentiated products focused on patient needs.
- A **culture** based on good corporate citizenship that empowers employees through collaboration, inclusion, trust and timely decision making.
- Sustainable **growth** in corporate value by leveraging core therapeutic areas, and an industry-leading pipeline and product portfolio.

3. Strategies for Implementing the Vision

• Innovation

Invest resources intensively in core therapeutic areas

Takeda will invest its resources in core therapeutic areas where there are urgent unmet medical needs and where it can maximize its existing R&D knowledge and infrastructure. These areas are "Metabolic (diabetes and obesity)", "Oncology", "Central Nervous System Diseases", and in addition to "Immunology/Inflammatory". Takeda will make an effort to create innovative new drugs that contribute to disease prevention and fundamental cures, and will attempt to transform treatment paradigms.

Enhance competitive pipeline and ensure late stage approvals

Takeda will enhance a competitive drug pipeline by conducting active licensing activities, in addition to creating new drugs through its own research. The Company will also ensure drug approvals in late-stage development by properly understanding and addressing regulatory developments in various countries.

Improve R&D productivity

Having realigned research organizations according to therapeutic area, Takeda will transfer all responsibility and authority for deploying resources to each research organization. The Company will thus promote dynamic research activities focused on each disease area from the initial research stages onward. Takeda will also promote open innovation through joint research with academia, biotechnology ventures and other external research organizations to enhance fundamental research and drug discovery.

- **Culture**

Takeda will focus on recruiting and developing personnel who can succeed on a global stage. Another priority is to promote diversity in the workforce in order to develop a corporate culture and workplace environment that foster enthusiasm among employees. As a good corporate citizen, Takeda will also enforce compliance globally, while providing medical assistance in emerging nations and promoting environmental management-oriented CSR activities.

- **Growth**

Maximize product sales

By maximizing sales of new products, Takeda will shift from its traditional product mix centered on mature, large-scale products to a more diverse product lineup that addresses unmet medical needs among patients. Through this approach, Takeda aims to diversify risks associated with patent expiration while achieving sustainable growth.

Implement strategic investments

Takeda will actively pursue opportunities for product acquisitions, introduction of pipelines and corporate acquisitions, in addition to steadily investing in R&D to ensure medium- and long-term growth. To secure investment funds needed for future growth, Takeda will streamline operations and reduce costs as much as possible.

Expand current regions and increase presence in newly penetrated and emerging markets

To enhance its presence in the market, Takeda will actively invest in China, which is extremely important from a medium and long-term perspective, as well as in the large markets of Japan, U.S. and Europe. The Company also plans to enter the Russia/CIS and Eastern European markets by fiscal 2013, and will make bold investments in growth markets and emerging markets.

4. Dividend Policy

During the 2011-2013 Mid-Range Plan, Takeda's plans to maintain a stable dividend and has adopted a basic policy of maintaining the annual dividend per share at 180 yen.

For further details, please refer to the materials on the 2011-2013 Mid-Range Plan which will be posted on the Takeda web site.

http://www.takeda.com/investor-information/presentations-events/index_2576.html

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