



Annual Report 2012



CSR Data Book

Creating Corporate Value through CSR

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Takeda publishes an integrated annual report and CSR report.

The CSR Data Book is a compilation of detailed information about the value we offer society and companies through our CSR activities, and about the process of creating that value.

Takeda has been supplying pharmaceuticals since its foundation in 1781, during which time we have developed a strong commitment to the highest ethical standards and a strong sense of mission. As our operations have become global in scale, demands concerning corporate social responsibility (CSR) have increased. We believe that the essence of CSR for the Takeda Group lies in developing outstanding pharmaceutical products in accordance with the principles of our corporate philosophy of “Takeda-ism = integrity meaning fairness, honesty and perseverance.” From another perspective, we are very aware that our sustainability can exist only when a sustainable and healthy society is assured. As a corporate citizen, we aim to take the initiative to address social issues in fields where we can leverage our strengths.

We have produced an integrated report as an appropriate means for reporting our activities given the links between society and corporations. Since fiscal 2006, we have published an integrated annual report incorporating non-financial information about our initiatives on human rights, the environment, and communities, in addition to financial information. To ensure our disclosure to stakeholders is as full as possible, we have also compiled the CSR Data Book. Available only in PDF and e-book format out of consideration for the environment, the CSR Data Book contains further details about the CSR information found in the Annual Report in a re-edited form. The information is selected for its all-round importance, to both Takeda and to society.

In 2011, seeking to appropriately disclose our corporate value creation and maintenance processes to our stakeholders, we participated in a pilot

program of the International Integrated Reporting Council (IIRC), which is proposing an international framework for integrated reporting. Under this program, we follow the following five basic principles for disclosure.

1. Strategic Focus
2. Connectivity of Information
3. Future Orientation
4. Responsiveness and Stakeholder Inclusiveness
5. Conciseness, Reliability and Materiality

Associated Information → P.6 IIRC



Takeda is participating in the Integrated Reporting Pilot Program of the IIRC.

The IIRC was established in 2010 by private-sector companies, investors, accounting associations, government agencies, and others, with the goal of developing an international corporate reporting framework. The IIRC aims to clarify the goal of integrated reports, and the relationships between corporate strategy, governance, financial performance, and the social, environmental and economic bases upon which companies conduct business activities.

Takeda's Philosophy and Approach on Stakeholder Engagement

For Takeda, stakeholder engagement means understanding the position and concerns of stakeholders and then reflecting these in corporate activities and decision making. Takeda refers to the international AA1000 scheme for accountability to enhance its stakeholder engagement efforts.

AA1000: Fundamental Principles

Inclusivity (Foundation Principle)

Fully involving stakeholders in developing and achieving an accountable and strategic response to sustainability

Materiality

Determining issues of relevance and significance to the organization and its stakeholders

Responsiveness

Fully responding to the issues of stakeholders

Associated Information

- P.7 AA1000
- P.13 Stakeholder Engagement

Scope of Reporting

Consolidated subsidiaries of the Takeda Group

*In some places the data covers only Takeda Pharmaceutical Company Limited but we intend to use consolidated data in future.

Period of Reporting

Fiscal 2011 (April 1, 2011 to March 31, 2012)

*Some fiscal 2012 activities are included.

Issue Date

October 2012 (Previous issue: October 2011)

Reference Guidelines

Sustainability Reporting Guidelines:

Guidelines issued by the Global Reporting Initiative that specify a globally applicable framework for sustainability reports.

AA1000:

Guidelines issued by British firm AccountAbility aimed at elevating accounting, auditing and reporting systems through a systematic stakeholder engagement process.

ISO 26000:

Guidance standards for social responsibility published by the International Organization for Standardization. The standards were designed to be used by all organizations in both advanced and developing countries.

Key Association Memberships

- Nippon Keidanren (Japan Business Federation)
- Keizai Doyukai (Japan Association of Corporate Executives)
- Japan Pharmaceutical Manufacturers Association (JPMA)
- Osaka Pharmaceutical Manufacturers Association

Inquiries

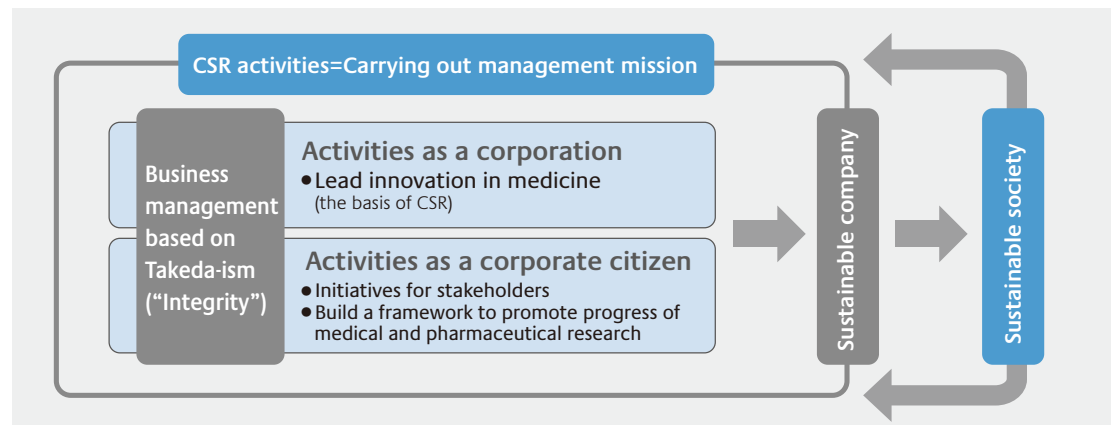
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Relationship between CSR and Sustainability at Takeda



Takeda's CSR Activities

Takeda aims to create value in a holistic sense by following internationally accepted CSR standards relating to “Principles,” “Implementation,” “Disclosure” and “Dialogue.”

[Basic Policy on CSR]

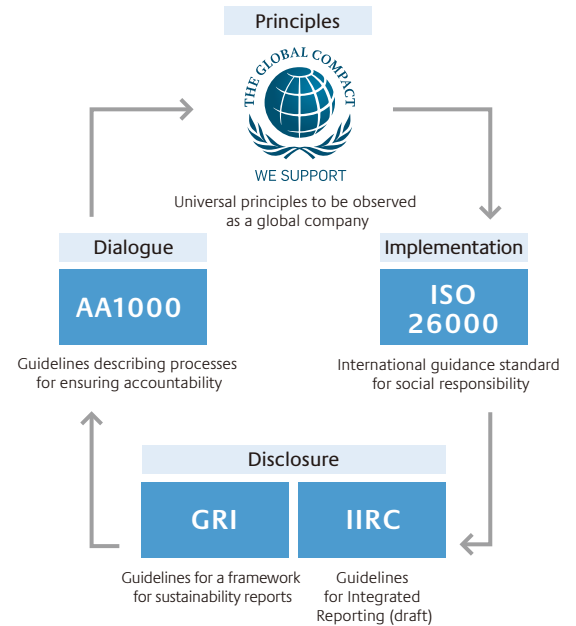
The core rationale for CSR at Takeda is in the corporate mission of “striving towards better health for patients worldwide through leading innovation in medicine.” We believe it is important to recognize the various effects on society of the pharmaceutical business value chain. We therefore strive to maintain and improve sound business processes throughout our operations, and to engage in activities to promote a sustainable society as a good corporate citizen.

Guidance Framework

To put this thinking into action, we entered the United Nations Global Compact in 2009, and have learned about the universal principles that leading global companies should observe. Since 2010, we have referred to ISO 26000, the international guidance standard for social responsibility, as the basis for implementing specific CSR activities.

We have traditionally used Global Reporting Initiative (GRI) Guidelines as a reference for our CSR disclosures. From 2011, Takeda also joined the International Integrated Reporting Council (IIRC) Pilot Program to try new ways of providing integrated disclosure of financial and non-financial information in line with IIRC principles. Furthermore, we are promoting deeper dialogue with stakeholders based on the AA1000 scheme. In seeking new ways to improve, we aim to enhance our CSR activities to respond to the demands of the international community.

Guidance Frameworks for CSR Activities



Holistic Approach

In undertaking our CSR activities, we aim to build on the traditional “corporate action” approach, which is based on firms acting unilaterally, to develop a “collective action” approach in which we work in partnership with Takeda’s stakeholders. In addition, we are developing a holistic approach to CSR where we try to maximize opportunities for creating value of society and enterprise. This approach entails taking a holistic perspective on “producer-type” activities involving other stakeholders, such as CSR-related advocacy, rule-making and initiatives.

Holistic Approach to CSR Aimed at Creating Value



*1 Making proposals for solving issues *2 Participation in rule-making processes *3 Leadership activities that initiate new trends

Principles: Takeda is helping to spearhead implementation of the United Nations Global Compact 10 Principles, supporting them as a member of the LEAD program.

[United Nations Global Compact]

The United Nations Global Compact is a worldwide framework for promoting voluntary actions by corporations as responsible corporate citizens. Participating businesses and organizations are asked to support and implement 10 principles (GC 10 principles) relating to "Human Rights," "Labor," "Environment" and "Anti-Corruption." Takeda joined the Global Compact in 2009, incorporating the GC 10 principles into every aspect of its corporate activities and deepening its relationships with stakeholders. In January 2011, Takeda took the further step of becoming a member of the newly established LEAD program. Together with around 60 other participating companies worldwide, Takeda will help to lead the implementation and dissemination of the principles of the United Nations Global Compact.



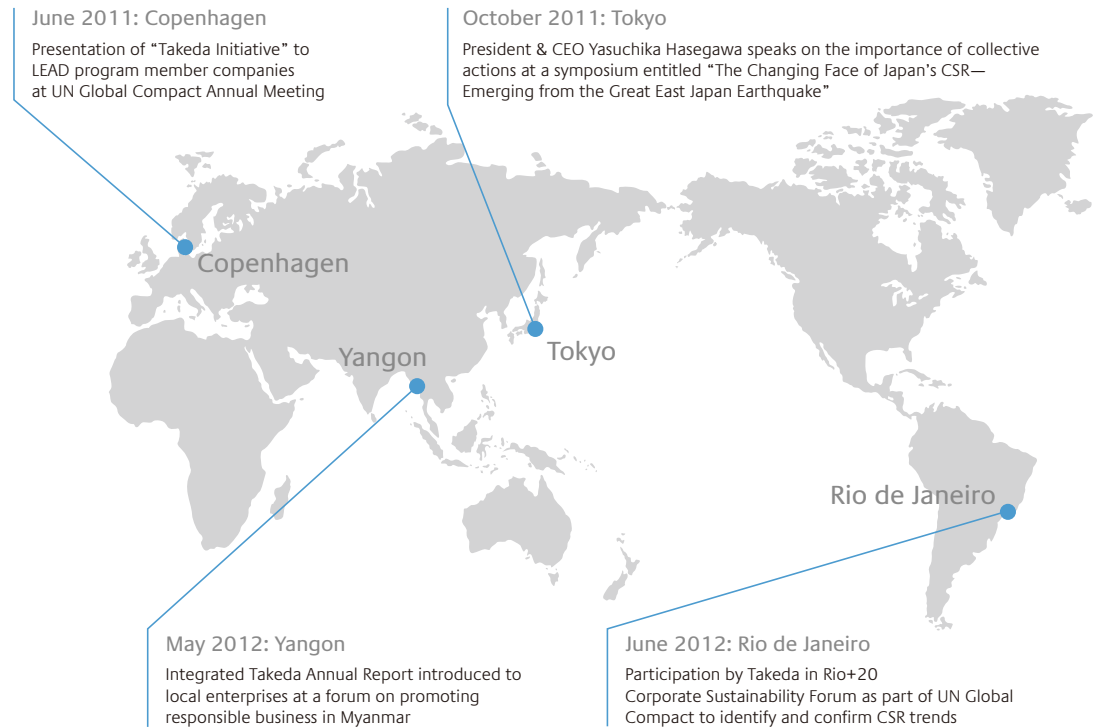
"Promoting Responsible Business" forum (Yangon, Myanmar)



UN Global Compact Rio+20 Corporate Sustainability Forum



Collective- and Producer-Type Activities as a Global Compact LEAD Participant

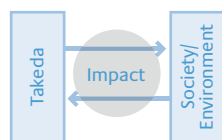


Implementation: Takeda uses ISO 26000 as a tool for incorporating the UN Global Compact principles into its daily business activities in each value chain as a socially responsible pharmaceutical company.

[ISO 26000]

Issued by the International Organization for Standardization (ISO) in November 2010, ISO 26000 is an international standard that provides guidance on social responsibility. It divides key issues for consideration into seven core subjects for organizations to incorporate into activities.

Takeda recognizes that in order to achieve its



Takeda implements CSR activities based on varied mutual interactions between Takeda and society or the environment

Mid-Range Plan it is important to “recognize ahead of time business opportunities and risks that could arise from changes in society and the environment during the period of the plan and take appropriate steps to counter them,” and to “recognize ahead of time the positive and negative effects on

society and the environment that could arise from business during the period of the plan and take appropriate steps to counter them.” To this end, we make full use of ISO 26000 because it provides a helpful framework for describing such kinds of changes.

Specific Examples of Using the Seven Core Subjects Framework

1. Analytical tool for identifying risks within each core subject inherent in each value chain
2. Tool for internal communication with key departments of Takeda involved in each core subject
3. Tool to facilitate compiling answers to external SRI questionnaires
4. Tool for disclosure to stakeholders

[Value Chain Management]

Value Chain

A concept in which the entirety of a company's activities, from the procurement of raw materials to the delivery of products and services to customers, is viewed as a “chain of value creation.”

Takeda strives to be socially responsible at every stage of the value chain from research and development to purchasing, production, distribution and sales.

To identify issues and measures to be taken in each value chain, Takeda applies the framework of the seven core subjects in the ISO 26000 standard. A special unit for promoting CSR activities set up inside

the Corporate Communications Department coordinates with each of the sections responsible for the identified issues and measures to promote specific activities.

Associated Information

- ➔ P.8 CSR Activity Targets and Results
- ➔ P.12 Organizational Governance

Promotion of CSR Activities across the Entire Value Chain



Disclosure: Takeda strives to ensure that its disclosures provide an appropriate understanding of its processes for creating and sustaining value, based on the guiding principles proposed by the IIRC.

[IIRC]

In 2011, seeking to provide appropriate disclosure of our corporate value creation processes to our stakeholders, we participated in a pilot program of the International Integrated Reporting Council (IIRC), which is proposing an international framework for integrated reporting. In this annual report, we have tried to follow the following five basic principles for disclosure given by the IIRC.

Information Disclosure in Line with Guiding Principles Proposed by IIRC

1. Strategic Focus

In the Mid-Range Plan we disclose Takeda's business objectives, the specific strategies and plans for realizing these goals, and the processes for creating corporate and social value. We also explain in detail our response to the risks associated with growing business opportunities, including managing diversity, strengthening governance, and dealing with social issues in emerging markets.

2. Connectivity of Information

Takeda's business is explained in a manner that reflects its connectivity, disclosing business strategies across the value chain from the upstream processes such as R&D, licensing and alliances to the downstream processes such as marketing and sales in various regional markets. Using the ISO 26000 framework of seven core subjects, we also try to show the links between varied CSR activities to provide a comprehensive overview.

3. Future Orientation

In addition to business forecasts contained in the Mid-Range Plan, we disclose the related management

thinking in detail. We also set out the fiscal 2011 targets and achievements in each of the seven ISO 26000 core subjects and the targets for fiscal 2012. In addition, the "Future Outlook" sections discuss how we see the future development of relations of the Takeda Group with society.

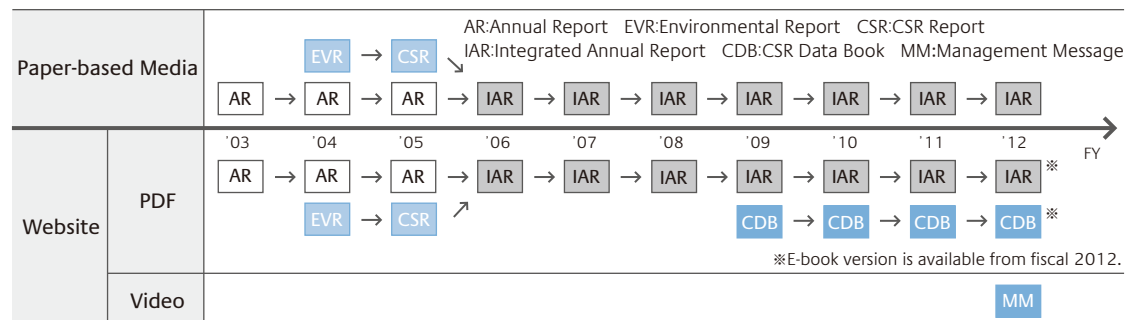
4. Responsiveness and Stakeholder Inclusiveness

Takeda identifies business stakeholders and creates various opportunities for stakeholder communications, including direct dialogue, to help improve corporate value. Specifically, Takeda provides IR briefings to investors on a global basis, and strives to gain an accurate grasp of the expectations and demands of stakeholders through participation in global business conferences and other major initiatives, such as the UN Global Compact, to facilitate a swift response.

5. Conciseness, Reliability and Materiality

Disclosure has been limited to information considered vital to shareholders, investors and a broad range of other stakeholders. The annual report focuses on key points in the interests of conciseness and reliability, and the messages from senior management contain video website links to allow readers to find out more. Key environmental and other data aimed primarily at certain specialists are disclosed in detail in the CSR Data Book (PDF/e-book format). To enhance the reliability of non-financial information, the CSR Data Book continues to feature an objective, third-party assessment of the data. Takeda continues to review ways to provide effective guarantees of the reliability of non-financial information through such disclosures.

Changes in Disclosure Format



Dialogue: Takeda aims to enhance the value of corporate activities and quality of dialogue with stakeholders using an AA1000-based framework, based on appropriate information disclosures.

[AA1000]

AA1000 are the guidelines issued by British firm AccountAbility aimed at elevating accounting, auditing and reporting systems through a systematic stakeholder engagement process. Takeda applies an

AA1000-based framework to create various opportunities for dialogue with specific important stakeholders as part of seeking to improve CSR activities on an ongoing basis.

Our Stakeholders

		Main Method of Dialogue
Patients and Medical Professionals	Through its pharmaceutical business, Takeda builds relationships of trust with medical professionals by providing high-quality pharmaceutical information services based on scientific evidence. Takeda's aim in this is to enable as many people as possible to be healthy. To allow us to develop a greater number of superior pharmaceutical products at a faster pace, and to better understand patients' needs, we believe it is also vital to build good relationships with patients through organizations such as patient support groups.	<ul style="list-style-type: none"> • Pharmaceutical information providing activities • Provide information through customer relations and through our website, etc. • Hold seminars on healthcare, etc. • Provide information through advertising
Shareholders and Investors	In order to meet the expectations of shareholders and investors, Takeda will fulfill its economic responsibilities by pursuing sustainable growth. Takeda will also build better relationships with shareholders and investors by continuing to disclose information in a timely and appropriate manner through its annual report and website.	<ul style="list-style-type: none"> • Provide information through our Annual Report, website, and other media • Shareholders meetings and investors' briefings • IR activities • Respond to CSR surveys by socially responsible investors
Society	<p>Takeda fully recognizes that the development of society globally is closely linked to the Company's own development. We will constantly consider how we as a corporate citizen should respond to the challenges facing global society and promote our initiatives accordingly.</p> <ul style="list-style-type: none"> • Relationship with Public Organizations In the countries and regions where we conduct business, we will continue to contribute to those countries and associated regions, observing international rules and local laws, and cooperating with public organizations. • Relationship with Economic Organizations Takeda cooperates with the activities of economic organizations in regions where it conducts business, recognizing that such activities contribute to the sustainable growth of global society. • Relationship with Pharmaceutical Manufacturers' Associations Takeda's cooperation with pharmaceutical manufacturers' associations goes beyond problems facing pharmaceutical industry at home in Japan. We also cooperate with pharmaceutical manufacturers' associations in the countries where we conduct business, to tackle global issues such as access to medicines and fighting disease in developing countries. 	<ul style="list-style-type: none"> • Implement programs in cooperation with NGOs and NPOs • Activities through involvement in economic and industry groups • Hold CSR lectures for adults and students • Exchange of views (dialogue) • Volunteer activities
The Environment	Takeda is actively working in many ways to minimize the impact on the environment, including in relation to global warming, of the manufacturing process for pharmaceutical products. In addition, we are also taking steps to address biodiversity and water resource issues.	<ul style="list-style-type: none"> • Dialogue with local residents living near plants and research facilities • Disclosure of information through Annual Report and website, etc.
Business Partners	Takeda considers partnerships with business partners to be vital to its efforts to develop superior-quality pharmaceutical products. We hope to grow together with our business partners, having gained their understanding of our aspiration to create pharmaceutical products of outstanding quality.	<ul style="list-style-type: none"> • Honest and sincere purchasing based on the Takeda Global Code of Conduct and the Guidelines for Socially Responsible Purchasing • Surveys of business partners • Exchange of views, explanations, study sessions • Inquiries desk
Employees	Takeda aims to establish a work environment where all employees can be proud to work as members of the Takeda Group. We place a value on diversity, personality and individuality among staff, as well as human rights, and consider staff development to be the key driver for growth.	<ul style="list-style-type: none"> • Global Employee Survey • Company intranet • Labor-management dialogue • Counseling • Internal bulletins • Hold "Takeda-ism Month" • A range of capability development training

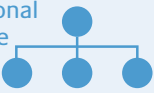






Stakeholders comprise all parties that are influenced by, and/or have an influence on, corporate activities.

Associated Information → P.18 Disclosure of Information to Stakeholders

Takeda's CSR Activities

Takeda discloses its CSR activities in terms of the core subjects of the ISO 26000 international standard for social responsibility.

CSR Activity Targets and Results

ISO 26000 Core Subjects	Targets for Fiscal 2011	Results for Fiscal 2011	Evaluation
Organizational Governance 	Enhance provision of CSR information through the Company intranet and other means to raise awareness of CSR throughout internal divisions (CSR management)	Revamped the CSR website on the Company intranet. Posted global information and held internal CSR explanation meetings	○
	Continue to hold stakeholder dialogue (stakeholder engagement)	Held stakeholder dialogues involving NPOs receiving support through the Takeda Well-Being Program	○
Human Rights  GC Principles 1-6	Ensure strict adherence to Company rules on human rights in all operational processes, including research, development, procurement and sales	Steadily performed each operational process in line with internal rules	○
	Further promote diversity	Formulated Diversity Promotion Vision Disseminated the Diversity Promotion Vision throughout the Company via newsletters and the intranet	○
Labor Practices  GC Principles 3-6	Continue to hold the Takeda Global Awards	Bestowed awards on 137 employees from around the world	○
	Continue to run the Takeda Leadership Institute	Held 5th Takeda Leadership Institute for 28 participants	○
	Continue to improve mental healthcare services	Strengthened follow-up systems from beginning of leave from duty through to return to work	○
	Promote work-life balance	Introduced twice weekly "no overtime days" in Japan	○
The Environment  GC Principles 7-9	Implement the Takeda Group Environmental Action Plan	Each division set targets based on the plan and worked to achieve them	○
	Thoroughly implement the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work"	Steadily implemented environmental protection and accident prevention activities in line with the standard	○
	Bolster the Company's systems for environmental protection and accident prevention	A waste fluid leak occurred at the Shonan Research Center in November 2011. Clarified the cause and took rigorous measures to prevent a reoccurrence Reviewed earthquake countermeasures based on the experience of the Great East Japan Earthquake	△
	Promote full participation in energy-saving measures by all employees	Started in-house eco-point system and took other measures to raise environmental awareness of employees	○
	Develop high-level awareness of environmental protection and accident prevention, and improve education and training	Conducted environmental protection and accident prevention training at all worksites	○
Fair Operating Practices  GC Principles 3-10	Make all employees fully aware of the Takeda Global Code of Conduct	Worked to implement the code based on each country's laws, and to thoroughly instill it in employees	○
	Conduct supplier surveys based on the "Guidelines for Socially Responsible Purchasing"	Executed CSR survey at 209 companies	○
	Continue to promote green procurement	Promoted green procurement based on the basic policy of the "Global Purchasing Policy"	○
Consumer Issues 	Continue to implement anti-counterfeit measures	Steadily implemented based on the newly formulated Three-Year Plan for Anti-Counterfeit Measures	○
	Strengthen IT strategies for improved drug information providing activities	Provided all MRs with tablet PC terminals to improve pharmaceutical information providing activities	○
	Continue providing information spanning treatments, preventative measures and other topics	Continued to hold health lectures and seminars, and enhanced information provision through websites	○
Community Involvement and Development 	Continue to support areas affected by the Great East Japan Earthquake	Continued support activities, including a long-term donation program	○
	Continue to promote corporate citizenship activities in the healthcare field	Continued to implement various programs such as the Takeda Initiative	○
	Continue to grant research assistance in a wide range of fields that contribute to healthcare development	Awarded research grants through the Takeda Science Foundation, the Shoshisha Foundation, the Institute for Fermentation, Osaka, and other corporate foundations	○
	Continue partnerships with NGOs and NPOs	Conducted programs in collaboration with various groups, such as the Civil Society Initiative Fund	○
	Educate all Takeda employees about the Basic Policies on Corporate Citizenship Activities	Created a dedicated CSR website on the Company intranet and made all employees aware of it	○
	Formulate global donation guidelines	Completed formulating the Global Donation Guidelines	○
Continue to provide opportunities for volunteer activities to employees in Japan	Continued to introduce information on calls for volunteers through the dedicated CSR website	△	

Evaluations: ○:Target achieved △:Progress made, but target not yet achieved ×:Target not achieved



Targets for Fiscal 2012	Page on CSR Data Book
<p>Increase knowledge and awareness of CSR among employees</p> <p>Continue to hold stakeholder dialogues (stakeholder engagement)</p>	<p>→ P.12 CSR Management/Due Diligence Stakeholder Engagement Corporate Governance</p>
<p>Consider creating a global human rights policy</p>	<p>→ P.20 → P.17 Compliance Human Rights Issues/Initiatives → P.24 Labor Practices</p>
<p>Continue to strengthen diversity promotion</p> <p>Conduct the Global Challengers program</p> <p>Continue to hold the Takeda Global Awards</p> <p>Continue to run the Takeda Leadership Institute</p> <p>Continue to promote work-life balance</p>	<p>→ P.24 Global Human Resources Policy Developing a Global Talent Base Promoting Diversity Work-Life Balance Employment of People with Disabilities Health and Safety of Employees Relations with Workers Unions</p>
<p>Continue to promote the Takeda Group Environmental Action Plan</p> <p>Formulate a global EHS policy</p> <p>Continue to strengthen and improve environmental protection and accident prevention management systems</p> <p>Continue to promote full employee participation in energy conservation</p> <p>Continue to improve awareness raising, education, and training for environmental protection and accident prevention</p> <p>Continue to promote initiatives for biodiversity</p>	<p>→ P.30 Environmental Management Reducing Environmental Risks Climate Change/Water Resources/Biodiversity Waste Reduction Reduction in Releases of Chemical Substances Air, Water, and Soil Quality Protection Environmental Communication Environmental Monitors/Environmental Accounting Environmental Impacts/Site Data</p>
<p>Instill the Takeda Global Code of Conduct and the Takeda Anti-Corruption Global Policy in employees</p> <p>Continue to conduct Supplier Surveys based on "Guidelines for Socially Responsible Purchasing"</p> <p>Continue to promote green procurement</p>	<p>→ P.58 → P.17 Compliance Toward Fair Operating Practices/Initiatives in the Industry Anti-Corruption/Transparency Guideline/Fair Promotion Activities Global CSR Purchasing/Guidelines for Socially Responsible Purchasing Green Procurement/Global Purchasing Policy Employee Compliance Program/Intellectual Property</p>
<p>Steadily implement the Three-Year Plan for Anti-Counterfeit Measures</p> <p>Strengthen IT strategy to increase opportunities to disseminate information, and conduct pharmaceutical information activities to meet wide-ranging needs</p> <p>Continue to provide information spanning treatments and preventative measures</p>	<p>→ P.66 Anti-Counterfeit Measures Strengthening Value Chain Management Supplying Information/Quality Assurance System Production and Supply System</p>
<p>Provide ongoing support for areas affected by the Great East Japan Earthquake</p> <p>Continue to promote corporate citizenship activities in the healthcare field</p> <p>Continue to provide research grants in a wide range of fields that contribute to healthcare development</p> <p>Continue partnerships with NGOs and NPOs</p> <p>Raise awareness throughout the Company about the Basic Policies on Corporate Citizenship Activities</p> <p>Implement activities to publicize the Global Donation Guidelines throughout the Company</p> <p>Continue to provide opportunities for volunteer activities to employees in Japan</p>	<p>→ P.74 Policy for Corporate Citizenship Activities Partnership with NGOs and NPOs Initiatives to Improve Access to Healthcare Global Community Involvement Corporate Foundations Initiatives at Takeda Group Companies</p> <p>→ P.10 Support for Areas Affected by the Great East Japan Earthquake</p>

Feature: Support for Areas Affected by the Great East Japan Earthquake

At Takeda, we have not forgotten the March 2011 disaster. As a company committed to improving people's lives, we continue to support the restoration of the affected region through the sincere efforts of individual employees.



Global Compact Japan Network Symposium Keynote Speech
(Yasuchika Hasegawa, President & CEO)

“Natural disaster” is an issue that threatens the safety and security of humanity, and we believe it is incumbent on companies to treat this threat seriously from a CSR viewpoint.

(From keynote speech)

The restoration from the March 2011 disaster will take a long time due to the devastation caused by the earthquake, tsunami and the subsequent nuclear power plant accident. Sustained support for this process will be required well into the future. Takeda plans to provide

such assistance on a long-term basis in a variety of ways. Besides offering financial donations and supplies of medicines, we are supporting employees who wish to volunteer in recovery efforts and have created a website to provide relevant information internally.






Support for Japan's Vitality and Recovery

With the aim of helping people in affected areas regain vitality and recover as quickly as possible, Takeda is setting aside some of the revenue generated by sales of *Alinamin* to donate roughly ¥800 million every year for three years. The financial assistance program for fiscal 2011 is shown in the table below. The Takeda Life and Livelihood Reconstruction Program supplies financial assistance via the Japan NPO Center to NPOs providing basic humanitarian relief and infrastructure creation support services mainly to residents of the prefectures of Iwate, Miyagi, and Fukushima. An office has been set up within the Japan NPO Center to coordinate its own activities in the region in partnership with various relevant organizations, and to support groups providing support in the area.



Takeda Life and Livelihood Reconstruction Program website

“Support for Japan's Vitality and Recovery” Program

Theme	Program Name	Recipient	Donation amount	Timeframe
Supporting various needs of affected people (NPOs)	 Takeda Life and Livelihood Reconstruction Program	Japan NPO Center	¥800 million	5 years
Revitalization of industry and human resource training (economic sphere)	 IPPO IPPO NIPPON Project	Keizai Doyukai (Japan Association of Corporate Executives)	¥750 million	5 years
Think tank and advisory activities (think tanks)	 RJIF Rebuild Japan Initiative	Rebuild Japan Initiative Foundation	¥300 million	5 years
Creating opportunities for the next generation (public-private sector partnership)	 TOMODACHI	U.S.-Japan Council	¥90 million	3 years
Youth leadership development (international society)	 BEYOND Tomorrow	Global Fund for Education Assistance	¥60 million	3 years
Others	Disaster Relief Volunteer & NPO Support Fund	Central Community Chest of Japan	¥20 million	—
	Tohoku Future Creation Initiative	Tohoku New Business Council	¥20 million	—
	Takeda Capacity Building Initiative	Japan Earthquake Local NPO Support Fund	¥20 million	—

¥1.7bn

Total donations (fiscal 2010-11)

88

Number of employees who used the volunteer activity support system (fiscal 2011)

8

Number of In-House Marketplace events held (fiscal 2011)

5

Number of internal forums held (fiscal 2011)

Approach for Supporting People in Affected Areas

	Emergency	Recovery	Restoration
Physical needs	Prior Approach	Expand	Expand
Money			
People	Expand	Expand	Expand
Others			

Long-Term Ongoing Support for Disaster Restoration Efforts

Our ongoing assistance activities are divided into the three phases of emergency relief, recovery and restoration. In the initial emergency and recovery phases, Takeda made a donation of ¥300 million to the Japanese Red Cross Society. In the next phase, in a joint initiative with the Takeda Pharmaceutical Workers Union, the Company matched all employee donations to raise a total of around ¥76 million, which was donated to Japan Platform, a humanitarian aid organization. Takeda Group affiliates in and outside of Japan also made donations totaling about ¥100 million through the Red Cross Society in their respective countries. Heading into the “restoration” phase, Takeda is continuing to donate to the Japan Earthquake Local NPO Support Fund, and to help Japan regain its vitality and recover. Separately, the Takeda Science Foundation, the Shoshisha Foundation and the Institute for Fermentation, Osaka, have all made financial donations to universities within the affected Tohoku region.

To help support consumption within affected areas, we have organized eight “In-House Marketplaces” to enable employees to buy produce from the Tohoku and Kanto regions. We have also held internal forums on five occasions to enable employees working in the affected areas to provide information on the status of



In-House Marketplace (Hikari Plant)

the region and to give workers an opportunity to report on their experiences as disaster relief volunteers.

Supporting Employees' Volunteer Activities

In April 2011, we began offering special paid leave to any employees wishing to undertake voluntary disaster relief activities within the affected region.

Takeda also meets the costs of insurance coverage for employees while they are volunteering. In collaboration with a collective action initiative organized by the Global Compact Japan Network, we are working to create an environment at Takeda that makes disaster relief volunteering easier for workers. A



Takeda Great East Japan Earthquake Website (Intranet)

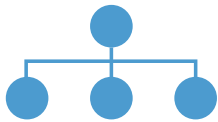
special website on the Company's intranet disseminates information about the volunteer programs related to the Great East Japan Earthquake disaster recovery effort.

Takeda's Voice

I used my special leave as a volunteer to take part in relief activities in the town of Watari in Miyagi Prefecture. Seeing the sheer scale of the devastation made me wonder if I could do anything to help. I was really relieved to hear the positive comments of local residents, who welcomed the chance to meet new people and were keen for volunteers to make a long-term contribution to the town's restoration. Taking part in the relief efforts has helped me to get to know many local people and made me fond of Watari. Now I want to visit the town again.



Sayaka Hashiguchi
Human Resources Dept.



Measures to Create Corporate Value

Using “Continued Inclusion in SRI Indices” as a Measure of Corporate Value

Takeda promotes both corporate activities and corporate citizenship activities in an integrated fashion. In corporate activities, we earnestly conduct our core business of pharmaceuticals, while in corporate citizenship activities we act from the standpoint of a corporate citizen. Recognizing that integrating these two aspects is what constitutes CSR activities for Takeda, we have adopted “continued inclusion in SRI indices” as a key performance indicator for management from fiscal 2012, since it is an important external measure of our overall business activities. This has served to clarify our management strategy of emphasizing social responsibility.

3 Number of SRI indices incorporated in the performance evaluation



194

Number of people who took CSR training courses (fiscal 2011)

[CSR Management]

CSR Promotion Framework

We have established a dedicated team within the Corporate Communications Department for promoting CSR activities. The role of the organization is to raise the level of CSR activity throughout the entire Company. The team aims to achieve this by communicating closely with the departments responsible for global governance of social, environmental, human rights and procurement aspects of Takeda’s business. This is in addition to similar communication with those departments responsible for product quality and safety which are directly involved in core pharmaceuticals business. In each case, the CSR team provides lateral support for each department’s CSR activities. The framework treats important CSR-related matters in the same way as business matters: responsible departments must make reports and proposals as necessary to the Board of Directors and at the Global Leadership Committee.

Specifying Materiality for CSR and Setting Key Performance Indicators

Takeda is actively engaging with stakeholders in an effort to understand their expectations and demands with respect to global pharmaceutical companies. Specifically, in addition to our participation in the United Nations Global Compact and BSR*, we promote dialogue with international organizations that evaluate CSR activities, civic groups, and NGOs/NPOs. We also participate in CSR-related committees of Nippon Keidanren (Japan Business Federation) and sit on various committees of

industry bodies such as the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the Japan Pharmaceutical Manufacturers Association. We use the information we gain through these activities to analyze society’s expectations and demands of the pharmaceutical industry. In addition, we refer to ISO 26000 and carefully consider the importance to Takeda when we decide on our critical activities and key performance indicators (KPIs). Most of our critical activities and KPIs are shown in this report and in our CSR Data Book.

* BSR (Business for Social Responsibility): BSR is a global association of member companies for CSR, formed in the U.S. in 1992.

Associated Information

➔ P.8 CSR Activity Targets and Results

Key Issues Identified by the IFPMA (2012)

- Non-Communicable Diseases
- Intellectual Property
- Anti-Counterfeiting
- Trust and Ethics
- Decade of Vaccines
- Partnerships and MDGs
- Regulatory Policy and Capacity Building
- Bioethics
- Public Health, Innovation and IP (WHO GSPoA*)

* GSPoA: The Global Strategy and Plan of Action is an initiative promoted by the World Health Organization with respect to intellectual property assets, technological innovation, and public health.

Due Diligence

In the context of social responsibility, due diligence is the process of identifying and avoiding or reducing the negative impacts of an organization's decisions and activities.

[Due Diligence]

Initiatives Relating to the Impacts of Business Activities

As a pharmaceutical company committed to improving people's lives, Takeda is anxious to identify any impacts from its business activities on society and the environment, including potential impacts, and to take appropriate measures to counter them.

With regard to human rights, pages 60 to 61 of this report give an overview of various aspects throughout the entire value chain, including issues and initiatives. With respect to the environment, we follow the Basic Principle on the Environment, Assessment of Environmental Impact from Products and Manufacturing Processes: "When developing new products and processes, evaluate the impact on the environment in advance, during development, and periodically after commercialization. Consider the entire business cycle from the procurement of raw materials and supplies to the use and the final disposal of products to reduce the impact on the global environment."

Associated Information

- P.15 Corporate Governance
- P.20 Human Rights
- P.30 Environmental Management

Stakeholder Engagement

For Takeda, stakeholder engagement means understanding the position and concerns of stakeholders and then reflecting these in corporate activities and decision making.

3

Number of stakeholder dialogues (fiscal 2009-11)

[Stakeholder Engagement]

Stakeholder Engagement Based on the AA1000 Scheme

Under ISO 26000, the basic practices underpinning social responsibility are identifying stakeholders and focusing on stakeholder engagement. Takeda refers to the international AA1000 scheme for accountability to enhance its stakeholder engagement efforts.



Third Stakeholder Dialogue

Third Stakeholder Dialogue

Takeda hosted its third stakeholder dialogue on March 26, 2012. The theme of the dialogue was the Takeda Well-Being Program, and several new organizations receiving support under the program attended. The discussion focused on initiatives and results to date, and activities for the future.

Issues Arising from the Third Stakeholder Dialogue

1. Raise awareness among society in general of the social issue of children in long-term treatment and their families
2. Raise awareness particularly among healthcare professionals and medical students of the social issue of children in long-term treatment
3. Promote greater involvement by Takeda employees

Associated Information

- P.4 Activities as a Global Compact LEAD Participant
- P.7 Our Stakeholders / Main Method of Dialogue
- P.74 Community Involvement and Development

Future Outlook

Issues and Initiatives
Going Forward

Takeda recognizes that the evaluation measures of SRI indices reflect society's demands at the global level. To transmit these demands to our in-house divisions practicing CSR and raise their awareness of them, a dedicated CSR department will hold awareness-raising meetings at each division.

We will also continue to hold stakeholder dialogue sessions every year, inviting NGOs to participate, in an effort to keep our finger on the pulse of social trends.

Message from Management

Takeda-ism provides the Takeda Group with a common set of values that ensure corporate activities are imbued with integrity.

Toyoji Yoshida Managing Director and Internal Control and Special Missions assigned by President

Takeda is undergoing a major transformation to secure sustainable growth as a global pharmaceutical company. Yet innovation in the form of transformation is nothing new to us. Takeda has been constantly changing over the past 230 years, and has a long history of overcoming a range of challenges. The corporate philosophy of “Takeda-ism” that we have developed over the decades is applicable to all situations, and calls on employees to act with integrity at all times.

The strengthening of internal controls and compliance is a key issue of corporate social responsibility today. Amid the rapid globalization of our operations, we have developed various corporate governance policies for the Takeda Group based on Takeda-ism so that the common set of values shared by our employees worldwide underpins the integrity of all our corporate activities. As part of our initiatives to build an empowering corporate culture, we are actively promoting diversity in the Takeda Group. Takeda’s Board of Directors and Global Leadership Committee both comprise a broad variety of members, including many non-Japanese. We aim to strengthen systems further so that we can reflect viewpoints from multiple angles in management decisions.

Companies must recognize the need to adapt constantly and stay one step ahead as times change. Equally, there are some things that we must always strive to protect. Based on the Group’s shared values embodied in the Takeda-ism philosophy, we will continue to pursue integrity in all of our activities as we seek to fulfill our mission of “striving towards better health for patients worldwide through leading innovation in medicine.”



Takeda-ism Day

We employ a range of initiatives to promote the sharing of the Takeda-ism philosophy by Takeda Group employees worldwide. In May 2012, a “Takeda-ism Day” was organized in Singapore for people from Group companies including those engaged in R&D in Asia. Managing Director Toyoji Yoshida spoke at this event.



Corporate Governance

[Fundamental Policy and Structure]

Policy toward Corporate Governance

Takeda's management mission is to "strive towards better health for patients worldwide through leading innovation in medicine." In line with this mission, Takeda is working to establish a management framework befitting a world-class pharmaceutical company that operates globally. We are strengthening internal control, including rigorous compliance, and establishing a structure to facilitate rapid decision-making that is sound and transparent. Through these initiatives, we will further enhance our corporate governance, thereby maximizing corporate value.



Management Structure

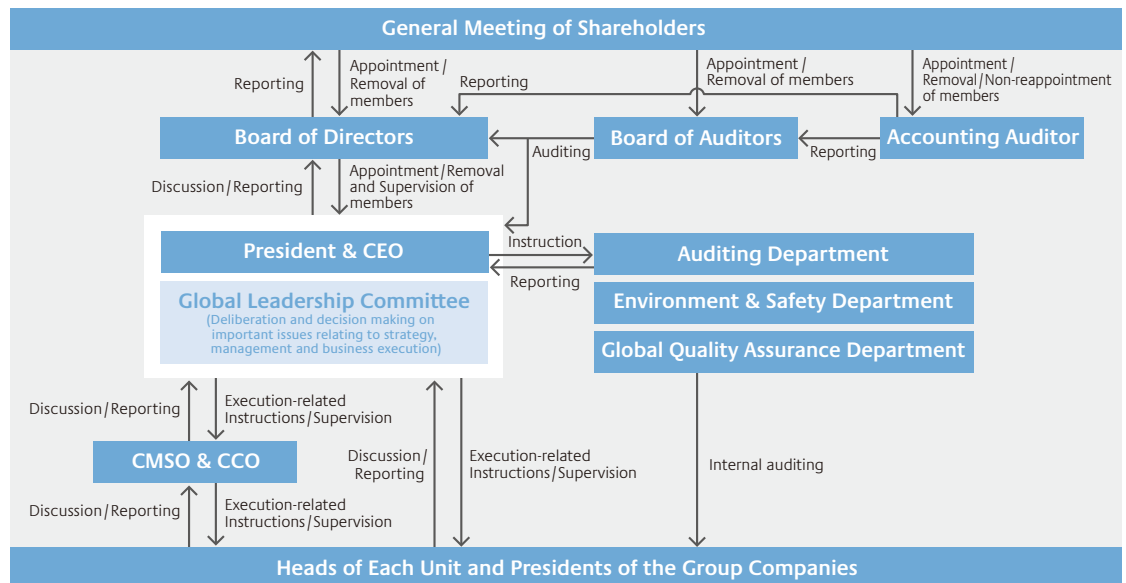
At Takeda, the Board of Directors determines the fundamental policies for the Takeda Group. Management and business operations are then conducted in accordance with the decisions of the Board of Directors. Transparency of the Board of Directors is achieved through audits conducted by outside corporate auditors. At the same time, the Company also has non-executive directors to help ensure appropriate execution of business operations without excessive reliance on a pharmaceutical industry perspective. Moreover, as management tasks continue to diversify, the group has appointed special

officers to ensure a flexible and swift response: the Chief Medical & Scientific Officer (CMSO), who is responsible for promoting innovation and increasing the productivity of R&D activities; and the Chief Commercial Officer (CCO), who manages all overseas sales and marketing functions, except in the area of oncology. The Company has also established a Global Leadership Committee, composed mainly of internal directors, which responds to the global business risks that have accompanied expansion of the scope of business. Global Leadership Committee plays a role as a system for deliberating and decision making on the important issues facing the Takeda Group, from an optimal company-wide perspective.

Takeda has given its Board of Directors the primary functions of observing and overseeing business execution as well as decision-making for company management. The Board of Directors consists of nine directors, and meets once per month in principle to make resolutions and receive reports on important matters regarding management.

Any risks we may face in the course of global business operations are managed by the personnel responsible for risk management in the key organizations within the relevant domain. We therefore have set a system in place to prevent or mitigate risks, according to their degree and nature.

Schematic Diagram of Takeda's Corporate Governance System, Including the Internal Control System



Furthermore, based on the “Takeda Group’s Management Policy” and the “Management Policy for Affiliated Companies,” we work to clarify the roles and responsibilities of all Group companies. We ensure compliance and appropriate business operations through implementation of periodic internal audits and the Control Self Assessment (CSA) program*.

* Under the CSA program, personnel responsible for internal control assess the status of internal control in their particular company or division and pledge to implement a program of improvement. They then take an oath to confirm that the proposed program of improvement is appropriate. The CSA program forms the basis for evaluation and confirmation of financial reporting by management.

Auditing System

Takeda is a Company with Auditors as defined in Japan’s Companies Act. Takeda has established a system to ensure the effective implementation of audits, under the “Audit Rules by Corporate Auditors” which prescribe the activities of auditors, including attendance at important meetings and authority to review important documents. To ensure greater transparency of management, Takeda has appointed two outside corporate auditors (out of four auditors in total), who conduct effective audits from an external perspective. We therefore consider that we have ensured objective and impartial management oversight. In addition, KPMG AZSA & Co. serves as the accounting auditor.

Attendance of Non-Executive Directors at Board of Directors Meetings

Fumio Sudo	9 out of 10 Board of Directors meetings
Yorihiko Kojima	8 out of 10 Board of Directors meetings

Reason for Appointment as Non-Executive Director

The appointments of the non-executive directors were considered appropriate due to the extensive business experience of the appointees as well as their broad knowledge and in-depth experience of company management. The non-executive directors are considered to be highly independent, with no reason to expect any conflict with the interests of ordinary shareholders. As such, they have been designated as Independent Directors/Auditors.

Attendance of Outside Corporate Auditors at Board of Directors Meetings, Board of Auditors Meetings, and Committee of Corporate Auditors

Tadashi Ishikawa	14 out of 14 Board of Directors meetings 15 out of 15 Board of Auditors meetings 10 out of 10 Committee of Corporate Auditors
Tsuguoki Fujinuma	14 out of 14 Board of Directors meetings 15 out of 15 Board of Auditors meetings 10 out of 10 Committee of Corporate Auditors

Reason for Appointment as Outside Corporate Auditor

The appointments of the outside corporate auditors were considered appropriate due to the broad knowledge and in-depth experience of the appointees as lawyers or certified public accountants. The outside corporate auditors are considered to be highly independent, with no reason to expect any conflict with the interests of ordinary shareholders. As such, they have been designated as Independent Directors/Auditors.

Remuneration of Directors and Corporate Auditors

Amount and Type of Remuneration for Each Class of Director and Corporate Auditor, and Number of Recipients

Class of director/auditor	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			No. of recipients
		Basic remuneration	Bonuses	Stock options	
Director (excl. non-executive directors)	589	277	140	172	7
Corporate auditor (excl. outside corporate auditors)	104	104	—	—	2
Non-executive director and outside corporate auditors	59	59	—	—	4

Note: These figures include remuneration paid to one director who retired effective the end of the 135th General Meeting of Shareholders held on June 24, 2011 and another director who retired effective the end of the 136th General Meeting of Shareholders held on June 26, 2012.

Takeda’s Corporate Governance Report can be viewed on the corporate website. (Available in Japanese only)
http://www.takeda.co.jp/about-takeda/corporate-governance/article_65.html

[Compliance]

The Takeda Global Code of Conduct and Promotion of the Global Compliance Program

In order to fulfill social expectations and trust, and to achieve recognition for its value to society, Takeda believes that, in addition to complying with the laws and regulations, it is essential for Takeda Group employees and executives to conduct business from a high ethical and moral standards through the practical implementation of the corporate philosophy, "Takeda-ism." In line with this perspective, Takeda has instituted the Takeda Global Code of Conduct as a baseline standard of compliance commonly applicable to Takeda Group companies to help promote an integrated approach to compliance issues across Takeda operations worldwide. In fiscal 2011, Takeda formulated the Takeda Anti-Corruption Global Policy to deal with tightening regulations of anti-bribery globally.

To promote compliance throughout the entire Takeda Group, Takeda has appointed a Global Compliance Officer and established the Global Compliance Committee. The Global Compliance Office, which is at the Legal Department of Takeda Pharmaceutical Company Limited, supports these efforts to promote compliance.

Promotion of Compliance at Takeda Group Companies



Under the global compliance organizational structure, each Takeda Group company continues to reinforce their compliance programs in line with the Takeda Global Code of Conduct.

The Global Compliance Office works with the compliance functions of Takeda Group companies when a coordinated global approach is required to manage certain compliance issues.

Promoting Compliance at Takeda Pharmaceutical

Takeda Pharmaceutical instituted the Takeda Compliance Program in April 1999, appointing its Compliance Officer and establishing the Compliance

Promotion Committee. Takeda Pharmaceutical has instituted the Takeda Pharmaceutical Company Code of Conduct that all executives and employees are expected to follow, which is based on the Takeda Global Code of Conduct. Takeda Pharmaceutical raises compliance awareness among, and provides compliance training to, executives and employees, through various training courses, including e-learning programs on the Takeda Pharmaceutical Company Code of Conduct, discussion seminars at each business unit, and other programs.



At Takeda Pharmaceutical, an in-house hotline system called the Voice of Takeda System (VTS) and an external hotline system called the External VTS (for which outside counsel acts as a VTS contact) have been established to provide employees with a means of reporting compliance-related issues, while ensuring that employees who report the issues are protected.

Promotion of Compliance in Research

In pursuing its research activities, Takeda complies with relevant laws, such as the Pharmaceutical Affairs Act, as well as in-house regulations in order to develop superior pharmaceutical products.

When conducting experiments with animals, which are essential to the research and development of new drugs, we observe laws and regulations, including the Act on Welfare and Management of Animals, and we make every effort to practice the 3Rs*, the fundamental ethical and scientific principles for respecting life and caring for animals.

In addition, when dealing with biohazards and chemical hazards we take all possible measures to protect people and the environment.

* The 3Rs are Reduction (of the number of animals in experiments), Replacement (of animal-based experiments with non-animal-based ones) and Refinement (of methods to reduce animal suffering).

- Associated Information → P.20 Human Rights
→ P.30 The Environment
→ P.58 Fair Operating Practices
→ P.68 Quality Assurance System

The Takeda Global Code of Conduct and the Takeda Pharmaceutical Company Code of Conduct can be viewed on Takeda's corporate website. http://www.takeda.com/about-takeda/corporate-governance/article_69.html

[Crisis Management]

Takeda Group's Crisis Management Structure

Preventing emergency situations that could result in considerable impact on our management, or responding immediately when they occur, is an important aspect of the Takeda Group's corporate governance. Takeda has therefore been working to strengthen its crisis management function even further, in addition to ensuring adequate audits and other internal controls and promoting compliance on a Group-wide basis.

When implementing crisis management initiatives, it is important to act with fairness and integrity to ensure the Takeda Group's employees and finances are safeguarded. This is also a responsibility that Takeda must fulfill toward its stakeholders, who include shareholders, customers, suppliers, employees, communities and society at large. Takeda has therefore formulated a Business Continuity Plan (BCP), as part of its response, to prevent the interruption of business activities in the event of any accident or disaster, or, where interruption is unavoidable, to resume business at the earliest opportunity, in addition to the existing "Takeda Group Crisis Management Guideline" and "Crisis Management Rules." Through these initiatives, Takeda will continue to fulfill its mission of maintaining a reliable supply of products.

Crisis Management Guidelines

Takeda strives to ensure that all possible preventive measures are taken to avoid potential crises in accordance with the "Takeda Group Crisis Management Guideline," which comprises basic policies, rules and standards for crisis management. The guidelines

also underpin systems and operation we have put in place to respond to each type of crisis swiftly and appropriately. In this way, we aim to minimize any potential harm to employees, any impact on the Takeda Group's finances, and any effect on society at large in the event of a crisis.

Scope of Crises as Defined in the Guidelines Crises denote situations in which:

- Serious damage is caused to company assets, management, or business activities.
- The life, personal safety or human rights of management or employees is endangered by an incident or accident.
- The reputation of the Company or the confidence in a Company brand is seriously damaged.
- Shareholders, customers, business partners, or the public are seriously affected.

Cooperation with Group Companies

Each division of Takeda and its Group company is responsible for establishing its own crisis management system, implementing preventive measures, and taking appropriate action if a crisis occurs. In the case of a crisis that requires Group-wide action, we maintain mutual cooperation and the "Crisis Management Committee," which has its office in collaboration with the Corporate Finance & Controlling Department and the Human Resources Department of Takeda Pharmaceutical, coordinates a joint understanding of the situation and any relevant information. The Committee provides necessary reports to top management and supports each division and Group company to take countermeasures, later following up on the implementation of the countermeasures.

[Disclosure of Information to Stakeholders]

Actions aimed at enhancing the dynamism of the General Meeting of Shareholders and facilitating smooth exercising of voting rights

Early dispatch of notice of convocation of General Meeting of Shareholders	The notice was dispatched three weeks prior to the day of the meeting.
Meeting date set to avoid coinciding with the meetings held by other companies	Takeda has convened its General Meeting of Shareholders on a date other than that set by many Japanese companies since the meeting held in June 2008.
Electronic voting	Takeda shareholders have been able to exercise voting rights by electronic means since the General Meeting of Shareholders held in June 2007. This includes utilization of the electronic voting platform operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange.
Other	Takeda organizes the General Meeting of Shareholders to try to present material to shareholders in a format that is easy to understand, including the use of slide and video presentations by the President & CEO to explain performance and business policies. To encourage shareholders to vote, Takeda publishes the Japanese and English versions of the notice of convocation on the date of dispatch on its website and other websites, including that of the administrator of the shareholder's register, Mitsubishi UFJ Trust and Banking Corporation.

Status of Investor Relations (IR) Activities

	Supplementary explanation	Presentation made directly by senior management
Formulation and publication of disclosure policies	Takeda formulates disclosure guidelines that specify disclosure policies, those parts of Takeda with responsibility for information disclosure, and the related communication channels and procedures.	
Presentations to retail investors	During fiscal 2011, Takeda's department responsible for IR organized company presentations aimed at retail investors in approximately 15 major cities around Japan.	No
Presentations to analysts and institutional investors	Takeda holds earnings release conferences twice a year on the same days as the full-year and second quarter results are released. These events include results presentations and a Q&A session in which participants can ask senior management questions directly. Conference calls are held when the quarterly results for the first and third quarters are released. These also include presentations of results and the opportunity to question senior management directly.	Yes
Presentations to overseas investors	Conference calls are held in English on the release of the full-year results and the results for the first, second and third quarters. Conference call participants have the opportunity to question senior management directly.	Yes
IR materials available on corporate website	URL: http://www.takeda.com/ Material available: Quarterly financial statements, data books, presentation materials used in earnings release conferences, annual reports, previous business reports compiled with notices of convocation of ordinary general meetings of shareholders, presentations given at conference held by securities companies, notices of resolutions, and others.	
Establishment of a department (or person) responsible for IR	Department responsible for IR: Corporate Communications Department	

Status of Initiatives to Respect the Positions of Stakeholders

Internal regulations relating to respect for stakeholder positions	Takeda's corporate philosophy of "striving towards better health for patients worldwide through leading innovation in medicine" expresses a commitment to make a positive contribution to patients and healthcare professionals through pharmaceuticals. The Takeda Values emphasize relationship with stakeholders, explicitly citing the values of commitment (Takeda works to meet its responsibilities to stakeholders) and transparency (Takeda appropriately shares information and promotes dialogue with stakeholders thereby building trust). Moreover, the Takeda Pharmaceutical Company Code of Conduct provides ethical guidelines for employees based on respect for the perspectives of stakeholders.
Environmental protection and CSR activities	Environmental protection activities: Takeda engages in these activities from a medium to long-term perspective, based on its set of "Basic Principles on the Environment." As well as setting specific performance targets for global warming countermeasures and waste reduction, Takeda also engages in a voluntary "Responsible Care" program for companies that manage chemical substances. Activities cover Takeda Group companies in Japan as well as overseas. CSR activities: A dedicated CSR unit within the Corporate Communications Department oversees CSR activities that emphasize the importance of global corporate citizenship, based on international CSR-related principles and standards such as the United Nations Global Compact and the ISO 26000 standard.
Formulation of policies relating to disclosure of information to stakeholders	Takeda has formulated information disclosure guideline that specify disclosure policies, those parts of Takeda with responsibility for information disclosure, and the related communication channels and procedures.

Human Rights



Measures to Create Corporate Value

Examining the Appropriateness of Using Human-Derived Specimens

Takeda has a Research Ethics Investigation Committee in the Pharmaceutical Research Division to handle issues associated with human-derived specimens (blood, tissue, cells and other substances). Committee members confirm whether or not specimens are used for research in line with the Declaration of Helsinki. A separate Bioethics Committee is responsible for research that uses human genome and gene analysis. Six staff consisting of both genders make up this committee and more than half of the permanent members must come from outside the Takeda Group.



3 outside committee members (among six members)

Number of outside committee members on the Bioethics Committee concerning human genome and gene analysis research

[Human Rights Issues]

Research

When performing research to create new drugs, we need to use human-derived specimens (blood, tissue, cells and other substances) in order to predict safety and efficacy prior to the start of clinical trials.

Advances in research and analysis of the human genome and genes are enabling us to make greater use of knowledge gained from tests using human tissues and samples. Takeda obtains the voluntary agreement (informed consent) of all individuals prior to collecting specimens from them. We also rigorously protect personal information, including

genetic data. Actions like these demonstrate our awareness of the importance of human rights.

Disclosing information about potential effects, if any, of research activities on the health of people living near our research facilities is another important issue. Moreover, we also give consideration to allowing access to genetic resources and the sharing of associated future benefits when we collect genetic resources from the soil or other sources as part of our discovery research activities.

Human Rights Issues throughout the Value Chain/Tackling the Core Subjects of ISO 26000



Development (Clinical Trials)

Drug development is to confirm the efficacy and safety through the clinical trials with human beings for the compounds which have demonstrated the potential as the medicine in the research stage, and the purpose of the development activities is to accumulate data enough for application for marketing and its approval. When performing clinical trials, we provide thorough explanations of expected benefits, potential side effects, items that must be observed and other aspects to the participants. We ensure that participants in these trials provide their informed consent based on a thorough understanding of these explanations.

Takeda respects the desires that participants in clinical trials have determined on their own and exercises care to ensure their safety. We also recognize the need to take all measures to protect personal information as a vital element of development activities.

Associated Information → P.17 Compliance

Procurement, Production and Logistics

As a global pharmaceutical company, Takeda procures materials needed to make its products from around the world, including in emerging markets. We realize that respecting human rights, including the rights of workers, is one of our greatest responsibilities with regard to purchasing activities. To meet this obligation, we need to ask our suppliers to pay sufficient attention to human rights as well when performing their own business activities.

In our production activities, we are also committed

to fulfilling our responsibility regarding the health of people who live near our factories. We are therefore upgrading our environmental risk management programs. In logistics, meanwhile, counterfeit drugs have become a serious problem worldwide in recent years. Since these drugs can be harmful to patients, we view the entire logistics flow from procurement to production and distribution as one of our most pressing issues as countermeasure.

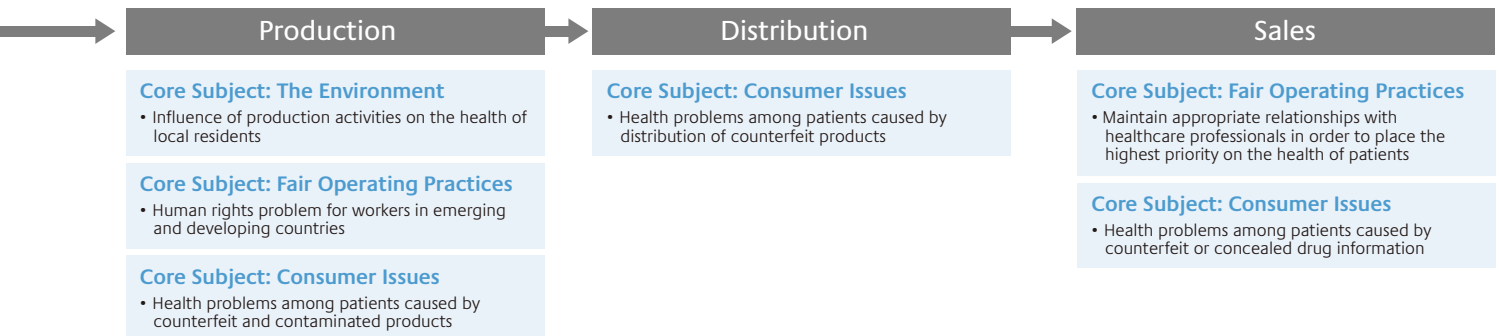
Associated Information → P.36 Reducing Environmental Risks
 → P.61 Guidelines for Socially Responsible Purchasing
 → P.66 Anti-Counterfeit Measures

Sales

Since pharmaceutical products are vital to maintaining health, their improper use can create serious problems for patients as well as society as a whole. Pharmaceutical companies have a fundamental obligation to prevent such problems. All companies should supply high-quality products while employing suitable methods to distribute, collect and convey drug information in an accurate and speedy manner. At Takeda, all medical representatives (MRs) are duly aware of their role in conducting activities for providing drug information as representatives of the entire company. Above all, our MRs are dedicated to performing sincere promotional activities that show respect for the human rights of patients.

In overseas markets, we strictly comply with laws and regulations of all countries and supply consistent drug information on a global scale.

Associated Information → P.74 Initiatives to Improve Access to Healthcare



Taking a global perspective, Takeda is doing its utmost to protect human rights through every link of the value chain.



[Initiatives for Human Rights Issues]

Research

Takeda conducts research activities based on a framework of policies and rules that respect the dignity of life and human rights.

Takeda has a Research Ethics Investigation Committee chaired by the Pharmaceutical Research Division general manager to handle issues associated with human-derived specimens (blood, tissue, cells and other substances). Committee members confirm whether or not specimens are used for research in line with the Declaration of Helsinki. Another ethics committee is responsible for research that uses human genome and gene analysis. Six staff consisting of both genders make up this committee and more than half of the permanent members must come from outside the Takeda Group.

To reduce our environmental risk profile, we perform environmental programs constantly while adhering to the Takeda Group's Standard for Environmental Protection and Accident Prevention Work. We also take steps to deal with human rights-related issues, such as giving due consideration when using the genetic sample library.

Development (Clinical Trials)

Takeda follows International Conference on Harmonisation—Good Clinical Practice (ICH-GCP) guidelines, which are consistent with the spirit of the Declaration of Helsinki, when performing clinical trials. We always receive the informed consent of patients, follow government regulations and our internal standards, and adhere to protocols.

In addition, we take care to protect the human rights of individuals participating in clinical studies in developing countries, trial participants who are socially underprivileged and, in other cases, requiring special attention.

Procurement, Production and Logistics

Takeda is strengthening to keep compliance with standards for labor across the entire value chain through the establishment of the “Guidelines for Socially Responsible Purchasing” and the formulation of our own standards for conduct in 2010. In addition, we are enhancing the practice of our compliance by telling our suppliers what we expect of them and providing them with a code of conduct.

4

Number of committee meetings concerning human rights-related rules in fiscal 2011

Major Human Rights-Related Rules for Research and Development Activities

Rules for the Research Ethics Investigation Committee

Rules for the Bioethics Committee concerning human genome and gene analysis research

Rules for the Committee for Safety of Gene Recombination Experiments

Rules for the Clinical Specimen Experiment Committee

Rules for performing human genome and gene analysis research

Rules for performing gene recombination experiments

2

Number of global human rights working groups that Takeda participates in

Takeda participates in the human rights working groups of BSR, which is an international body of corporate members concerned with CSR, and the Global Compact Japan Network.

To reduce exposure to environmental risks, we established the Takeda Pharmaceutical Environmental Action Plan and are making steady progress with associated activities. To prevent the sale of counterfeit drugs, we conduct programs on a global scale while cooperating with international organizations that help fight this problem.

Human Rights Considerations in Guidelines for Socially Responsible Purchasing

■ Code of Responsible Purchasing Standards

Human Rights, Discrimination

We shall respect human rights, and not be complicit in human rights abuses.

We shall respect the personalities of employees, temporary employees and all persons including business partners who are involved in the purchasing activities, and shall not discriminate or harass other employees for reasons such as nationality, race, creed, religion, sex, age, disability, disease, or social status.

■ Expectations for Suppliers

Compliance with laws and social norms; respect for interests of stakeholders and human rights

We request suppliers to build appropriate internal control systems to comply with laws and social norms, and correct violations. We also expect them to make efforts to respect the interests of stakeholders and human rights. For this purpose, suppliers are expected to conduct fair and sincere business activities without unfair practices such as bribery, and conform to the international labor standards to respect dignity of each employee as prohibiting child labor, forced labor, and discrimination based on race, gender, and other factors. In addition, safety and health of employees and local community should be ensured.

Sales

Takeda works hard to ensure that its promotion activities are fair. We comply with two relevant guidelines established within the Japanese pharmaceutical industry: the Promotion Code for Prescription Drugs and the Fair Competition Code for Ethical Drug Production and Sales, and have also established our own Transparency Guideline for the Relation between Corporate Activities and Medical Institutions. Takeda

has its own promotion code and rules as well. These rules provide a framework for high-quality activities providing information on medicines based on high ethical standards along with respect for the human rights of patients.



[Treatment of Employees]

Takeda Respects the Human Rights and Diversity of its Employees in Line with the Takeda Global Code of Conduct

Takeda takes a global perspective on respecting human rights and observes the employment laws and regulations in each country. Furthermore, every Group company is committed to operating in line with the Takeda Global Code of Conduct, which provides compliance standards including the treatment of employees.

The Code mandates respect for the diversity and dignity of the employees. It also prohibits discrimination and harassment based on nationality, race, skin color, beliefs, religion, gender, age, disabilities and any other legally protected status. The Code clearly provides that Takeda takes appropriate measures to prevent such discrimination and harassment.

Associated Information → P.17 Compliance

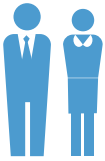
→ P.26 Promoting Diversity

Future Outlook

Issues and Initiatives
Going Forward

In the pharmaceutical industry, which is involved in improving people's lives, human rights issues are an inherent aspect of every step in the drug creation process. In emerging markets in particular, including developing countries, it is more important than ever to pay attention to human rights issues as we conduct our business activities. Takeda has adopted the frameworks of ISO 26000 and the Ruggie report on human rights to the United Nations General Assembly, which have become international standards. Guided by these frameworks, we are making sincere efforts to promote human rights, including access to healthcare. We have also joined the human rights working group of BSR, which is an international organization of corporate members concerned with CSR, and we make use of the insights we gain from our participation to promote activities befitting a global company.

Labor Practices



Measures to Create Corporate Value

Takeda Leadership Institute

The Takeda Leadership Institute (TLI) is our flagship global leadership program, which has been conducted in collaboration with the globally renowned business school INSEAD since 2007. The program participants are selected from employees all over the world. In 2012, the program will be held from September 2012 to February 2013 in Japan and France.



Takeda Leadership Institute Training in 2011

28

Number of participants in 2011
Takeda Leadership Institute

[Global Human Resources Policy]

Implementing Our Human Resources Vision throughout the Group

We have drawn up a concept and basic principles for HR development within a “Global Human Resources Policy.” This forms the basis for the various internal systems covering the recruitment, assignment, training and development, performance evaluation and remuneration of our employees. We implement the specific measures of this policy with the aim of realizing our “Human Resources Vision.”

Human Resources Vision

We aspire to develop a high-performance, results-oriented culture within our organization with motivated employees who take pride in and find a sense of accomplishment from their work.

We will also work steadily to globalize our operations in Japan, building a global personnel infrastructure, and foster a working environment where employees can thrive as our organization becomes more diverse.

Recruiting and Developing Global Talent

While actively seeking to recruit diverse people of any nationality, Takeda also focuses on developing globally effective leaders. To sustain and continue developing our business worldwide, we need employees who can learn from various kinds of differences and turn them into strengths.

Since 2007, we have recruited diverse people by participating in the Boston Career Forum, a job fair in

[Developing a Global Talent Base]

Our Fundamental Stance on Developing a Global Talent Base

Takeda has positioned attracting and developing global talent as a basic strategy in the Culture theme of its vision. Specifically, we will promote recruitment on a global level and supplement OJT programs with enhanced in-house training to develop outstanding talent throughout the Company.



Internship students from Tsinghua University

the U.S. The Boston Career Forum has been running for 25 years and is one of the world's largest job fairs for people bilingual in Japanese and English. Each year, it attracts around 10,000 students. Meanwhile, in Asia, we visit the campuses of universities in Singapore and China. We also hire people in South Korea. From July to September 2011, we ran an internship program with Tsinghua University, one of China's leading higher education institutions, in which we received four interns.

Moreover, by exchanging personnel between Japan and other regions to take advantage of Group-wide diversity, we are building a framework for people development so that the leaders can perform successfully at a global level.

Cooperation with Academic Institutions

Starting 2011, Takeda teamed up with Waseda University to run a sponsored course with the goal of developing a global talent base. Lecturers of the course are Takeda executives including senior management from overseas Group companies. In a series of 15 lectures, the course systematically covered not only research, development and sales and marketing strategies, but also global business activities, including business management and CSR initiatives. The lectures were held in English with around 100 Japanese and non-Japanese students attending, and eagerly engaging in lively question and answer sessions.

International Employee Symposium

Since 2010, Takeda has convened the International Employee Symposium (IES), with participation from foreign national employees and Japanese employees with extensive overseas experience. The symposium offers a forum for members to build networks and exchange information while discussing issues surrounding Takeda's transformation into a global company. The IES produces various proposals for management, including for initiatives to help create working environments suitable for employees with an international mindset.



International Employee Symposium

Center for Learning and Innovation "CLI"

The Center for Learning and Innovation (CLI)* serves as Takeda's global talent development center, offering a range of training programs to nurture everyone from global leaders to new recruits. The center was established in Suita, Osaka Prefecture, in March 2010. The multi-purpose facility is fully equipped to promote diversity, with a hall that can seat 408 people, conference rooms with video conferencing equipment and simultaneous interpreting facilities, optimally-stepped lecture theaters designed to facilitate two-way communication, and on-site accommodation for up to 294 guests, including two barrier-free rooms.

The facility is also designed to be in harmony with its surroundings and to preserve the environment. Situated unobtrusively amid a green forest, the building has an amorphous integrated rooftop solar panel system and uses special technologies to reduce its air-conditioning load.

* The name Center for Learning and Innovation reflects Takeda's hope for the facility to become a source of innovation for Takeda's sustained growth.



Training center (CLI)

Takeda is committed to fostering a corporate culture based on Takeda-ism, where all employees strive to respect and understand each other as diverse individuals.

[Promoting Diversity]

Leveraging Employee Diversity for Our Growth

Diversity has been one of the Takeda Values in Takeda's corporate philosophy since 2010. By mutually understanding and respecting people of diverse age, gender, nationality, race, ability, and other backgrounds, we will foster a corporate culture that generates innovative ideas, and reflect new values in our management.

Takeda Global Awards

Since 2006, each year we hold Takeda Global Awards for our employees around the world. Takeda Global Awards was established with the aim of creating an empowered corporate culture by furthering the spread of our corporate philosophy, Takeda-ism, and fostering a strong sense of unity as the Takeda Group.

15 countries

137 people

Number of awardees and their countries of employment at Takeda Global Awards 2011



Ceremony of Takeda Global Awards 2011

2011 marked the 5th year of the ceremony, with 137 awardees from 15 countries held at the Shonan Research Center—our newly inaugurated global base for drug innovation.

Employee Statistics (Number of people)

			FY 2009	FY 2010	FY 2011
Takeda Pharmaceutical Company Limited Stand-alone	Full-time employees	Male	4,703	4,761	4,787
		Female	1,631	1,710	1,778
		Total	6,334	6,471	6,565
Takeda Pharmaceutical Company Limited Stand-alone	Contract employees		246	269	292
	Temporary employees		488	466	513
	Part-time employees		186	169	211
Takeda Group Consolidated			19,585	18,498	30,305

Note: Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries. From fiscal 2010, the number is calculated on a full time equivalent basis. For fair comparison, the figures for fiscal 2009 have been restated on the same basis.

Performance Indicators for Labor Practices

			FY 2009	FY 2010	FY 2011
Takeda Pharmaceutical Company Limited Stand-alone	Average age of employees	Male	39.9	39.6	39.4
		Female	36.7	36.7	36.9
		Total	39.0	38.8	38.7
Takeda Pharmaceutical Company Limited Stand-alone	Average years of service	Male	15.8	15.2	14.8
		Female	14.6	14.3	14.1
		Total	15.5	15.0	14.6
New graduates employed			353	260	203
Average yearly salary (thousand yen)			9,535	9,249	9,435

Takeda's Voice

For me, being honest with myself is central to personal accountability and to self improvement. It allows me to take responsibility for everything that I do.

We have all made mistakes, I know that I have. Admitting these mistakes can be difficult, but it is the only way we can learn and grow, both as individuals and as an organization.

Here at Takeda, we are a group of people with extraordinary talents and skills, dedicated to making medicines that improve quality of life for everyone. When we are honest and we trust each other we become even greater than the sum of our parts.

Maria Wilson

Principal Scientist, Exploratory Medicine, Takeda California, Inc.



Initiatives in Japan

Introducing Diversity Vision

In Japan, we have appointed a dedicated resource in the Human Resources Department to “attract and develop global talent,” “support career development for female employees,” “expand the work horizons of people with disabilities,” “promote understanding and acceptance of diversity at each workplace and among individuals,” and “support work-life balance.” We continue to address these issues throughout the company.

In 2011, we redefined the Diversity Vision in Japan. By strengthening the initiatives going forward with the symbol mark showing that Takeda will continue to grow in the future, we will be accelerating diversity promotion.



Diversity Promotion Symbol

Calling for “Global Challengers”

Under this system, which was established in Japan in fiscal 2011, employees selected from applications are assigned for around five years at overseas affiliated companies, mainly in emerging markets. There they learn to carry out their duties in the same way as local employees. At a time of historical change, when Takeda is stepping forward to become a truly global pharmaceutical company, it is supporting the passion of employees who have a desire to challenge themselves and seek their true potential on a new global stage.

“WILL” Female Leadership Acceleration Program

The Human Resources Department provides a program called WILL, which promotes greater involvement of women in the workplace in Japan. The program offers female leaders various opportunities including mentoring, group and individual training, and networking with female senior management. Takeda has set specific numerical targets for nurturing and producing female managers, and in fiscal 2011 the ratio of women in management was 2.1%.

In March 2012, WILL activity was listed on the World Economic Forum (WEF) website as “Developing Takeda women managers” along with “Takeda work-life balance solutions for Sales Division” as best practices for eliminating the gender gap.

[Cultivating Employees]

Training Programs

At Takeda, we put a lot of effort into cultivating a self-reliant professional workforce. In addition to task-specific training programs aimed at developing specialist knowledge or building specific technical skills needed for each division, we hold various courses within a “stratified training program” to train and develop new employees, mid-level employees, and newly promoted managers. There is a six-month training program for new employees who will become Takeda medical representatives (MRs) in Japan. After completing this program, prospective MRs are assigned to sales offices nationwide, where they refine their MR skills through a combination of e-learning courses, on-the-job training and stratified training.

We offer many other opportunities to learn. For example, employees can participate in external training or study on their own. By providing a diverse array of training programs, Takeda powerfully supports each employee’s skills development while working to improve organizational teamwork.

The Training Program System

Training Program on Corporate Philosophy and Strategy ◎Takeda-ism session (also part of stratified training and leadership development programs)
Stratified Training Program ◎Training for new employees ◎J2 training ◎Training for new managers
Task-Specific Programs ◎Business skills development ◎English proficiency training ◎Cross-cultural awareness training
Leadership Development Program ◎Selective-intake management training program ◎HR development programs provided at educational institutions in Japan and overseas
Departmental Programs ◎Department-funded professional education
Support for Self-Development ◎In-house TOEIC and e-learning, etc.
Others ◎Training programs relating to workplace harassment (sexual/managerial), mental health, etc. ◎Career development and life-planning support

Number of Participants in Training Programs

	FY 2009	FY 2010	FY 2011
Stratified training	1,335	923	595
New employee training (part of above)	(352)	(194)	(193)
Task-specific training (business skills/English proficiency)	1,149	1,360	1,440
Leadership development training	121	119	72
Career development and Life-planning support	92	77	60

24

Number of participants in the WILL program for female leadership acceleration (2011)

Takeda is further improving its human resources practices and employee benefits to create an environment where all employees can commit totally to their work.

[Work-Life Balance]

Supporting Work-Life Balance as a Key Strategy for Promoting Diversity

Takeda is promoting a variety of efforts to support work-life balance, including introducing a range of work styles, such as a flextime system, and improving its employee leave system. We are also proactively providing information on work-life balance to employees, including setting up a “Life Balance Up Navi” section on the Company intranet. In addition, the Pharmaceutical Marketing Division publishes an in-house magazine called “Beautiful Beings” that introduces role models for MRs to achieve a balance between job responsibilities and personal events.

Since 2009, we have designated every Wednesday as a “power-up day.” On these days employees are encouraged to leave work on time by working more efficiently, and use the afterwork hours for self-improvement or spending time with their families. From July 1, 2011, this program was extended to include Fridays as well, also aimed to save electricity in response to the Great East Japan Earthquake. Since April 2011, the Company has been offering support to employees’ volunteer activities by providing special paid leave and covering employees’ volunteer insurance costs.

Takeda is dedicated to giving employees the opportunity to fulfill their responsibilities at work with confidence while also caring for their children. In recognition of this stance, in June 2012, Takeda received its third “Kurumin” certification under Japan’s Law for Measures to Support the Development of the Next Generation. Initiatives include making it easier for male employees to take paternity leave by allowing part of such time to be paid time off, and by publicizing opinions and feedback from people who have used the paternity leave system. In 2011, 49 male employees took time off for paternity leave, and in April 2011, we opened Takeda Kids—an onsite childcare facility at the Shonan Research Center.



Onsite childcare facility at the Shonan Research Center—Takeda Kids

49

Number of male employees who took paternity leave (2011)

Working Hours Program and Employee Benefit Program

• Discretionary working hours

At departments engaged in research and development activities, employees can decide themselves how to perform their jobs and allocate their working time.

• Outside de facto working hours

This system allows MRs, who are often away from the office, to receive credit for having fulfilled the required number of working hours.

• Flextime and stay-home work

These systems are intended to enable employees to balance their work and home life, while encouraging creativity and improving productivity and efficiency. Employees can choose their own working hours and locations.

• Consecutive holidays

Employees can combine company vacation time with national holidays to take off five or more consecutive days.

• Special paid leave for spouse pregnancy

An employee can receive five days of special paid leave from one week before the spouse’s expected date of delivery to the end of the child care leave period.

• Child care leave

Employees can take time off until a child reaches the age of 18 months or until the end of April following the first birthday, whichever is longer. Only the first five consecutive days taken off are paid.

• Senior care leave

Employees can take off up to one year to care for an aging parent or other senior (up to 93 days if the number of days off is less than 93 days over a 12-month period).

• Recruiting of former employees

Employees who resigned due to marriage, childbirth, child care, parent care or other personal reasons can register for an opportunity to rejoin the Takeda workforce.

• Volunteer leave

As part of its corporate citizenship activities, Takeda supports employees’ own initiatives of participating in society through the volunteer leave system. The system allows employees to receive paid leave up to 5 days per year. One of the goals is to allow them to gain experience of various changes in society so that the experience is beneficial to employees in their daily work.

• Philanthropy leave

Maximum of one year (with pay) for volunteer programs sponsored by a government agency, non-government organization or non-profit organization.

Utilization of Takeda’s Employee Benefit Programs

		FY 2009	FY 2010	FY 2011
Paid holidays	Utilization rate	64.7%	60.1%	57.2%
	Avg. days used	11.6	10.8	10.3
Reduced working hours for child care*1 users		42	65	72
Child-care leave	Users (female)	65	66	109
	Users (male)	8	44	49
No overtime*2 users		0	2	2
No late-night work*2 users		0	2	2
Child nursing care*2 users		1	8	10
Reduced working hours for elderly care users		0	1	0
Elderly care leave users		5	5	4
Volunteer leave users		—	—	64
Philanthropy leave users		Aggregate until FY2011: 7		

*1 Until child completes the third year of elementary school

*2 Until child starts elementary school

1995

LI Takeda established as a special subsidiary for offering employment for people with disabilities. It was the first of its kind in the Japanese pharmaceutical industry.

[Employment of People with Disabilities]

LI Takeda Ltd.

At LI Takeda Ltd.*³, Takeda employees overcome various hurdles, including communication barriers posed by intellectual, hearing, and other disabilities, to tackle their duties with a positive attitude. The company's operations support the Group's R&D and sales functions through production of business cards, pamphlets, booklets, posters and other printed materials, forwarding of direct mail, and cleaning and laundry services. We are expanding employment opportunities for LI Takeda employees as maintenance staff for the training facility CLI and its onsite accommodation facilities. In 2011, two employees passed the national qualification examination to become licensed building cleaners.

*³ The L in LI Takeda stands for "Labor" and the I is the phonetic equivalent of the Japanese word for "Love." The intention is to reflect the company's management mission of "being a friendly company for workers with disabilities," by supporting each employee in achieving independence in society.

		FY 2009	FY 2010	FY 2011
Ratio of people with disabilities employed at Takeda* ⁴		1.95%	2.03%	2.09%
Number of people with disabilities employed at Takeda* ⁵	Severe	57	61	61
	Mild	23	24	30.5
	Total	80	85	91.5

*⁴ As of March 1 of each fiscal year

*⁵ Employees with disabilities on reduced work hours (between 20 and 29 hours per week) are counted as 0.5 for statistical purposes

[Health and Safety of Employees]

Mental Healthcare

The Takeda Total Human Safety Net (THS) is a support system for both the mental and physical health management of employees. The THS supports activities such as prevention, early detection and treatment with regard to mental healthcare in particular. In addition to the usual periodical health checkups and provision of a medical staff of industrial

physicians, Takeda employs an external employee assistance program (EAP) that gives employees in need access to consultations with specialists such as doctors and clinical psychotherapists outside the company. The THS also has a system for supporting employees who need to take long-term medical leave, ensuring their livelihood and facilitating their return to work.

Health and Safety

In accordance with its basic principle of upholding respect for people's lives and dignity, Takeda strives to secure the participation of all employees in ensuring health and safety based on its Global EHS Policy. The Company has established Safety and Health Committees at the head office and branch offices as well as at plants and research centers. In addition, Takeda takes steps to prevent occupational accidents and improve the health of employees by drawing up action programs based on the Company-wide occupational health and safety management policies formulated each year.

	FY 2009	FY 2010	FY 2011
Percentage of employees using the health check service	97%	98%	96%

[Relations with Workers Unions]

Building Healthy Industrial Relations

The Takeda Group engages in dialogue with workers unions and employee representatives of each company in accordance with the laws of each respective country. In Japan, Takeda has concluded a collective bargaining agreement with the Takeda Pharmaceutical Workers Union, and holds regular dialogues regarding conditions of employment, human resource practices and other matters. In these ways, Takeda is working to build healthy industrial relations.

Future Outlook

Issues and Initiatives Going Forward

By opening the Takeda Leadership Institute, introducing the Global Challengers system, and implementing other initiatives, Takeda has taken positive steps to foster global leaders who will contribute to the Company's sustainable growth now that it has expanded its business base to include emerging markets and other regions. Moving ahead, we seek to increase our corporate value as a global pharmaceutical company by stimulating our corporate culture through recruiting and developing talent of diverse age, gender, nationality and so forth. Moreover, in Japan, we will strive to realize the diversity promotion vision "By 2015 each employee at Takeda will realize that by leveraging our diversity to achieve peak performance, we are able to grow ourselves and our business."

The Environment



Measures to Create Corporate Value

Measuring the Global Environmental Impact of Business Integration

With the integration of Nycomed, Takeda's global presence has expanded dramatically to around 70 countries, including emerging markets. Naturally, our assessment of our environmental impact must now also cover a much wider area. Moreover, legacy Nycomed will now share the medium- to long-term targets of the Takeda Group Environmental Action Plan relating to countermeasures for global warming, waste reduction, protection of water resources, and management of chemical substances, as the entire Takeda Group applies itself to meeting these goals.



Takeda Pharma Ltda. (A legacy Nycomed plant in Brazil)

19% Legacy Nycomed's share of the Takeda Group's CO₂ emissions (fiscal 2011 data*) *Calculated based on whole-year data including from before the integration

[Environmental Management]

Basic Principles on the Environment

1. Overall Policy

Give serious consideration to the impact on the environment in every aspect of corporate activities, including R&D, production, distribution, marketing, procurement and clerical works, and make the best efforts to conserve and improve the environment.

2. Efficient Utilization of Resources and Minimization of Waste

Conserve energy and other resources, and actively pursue waste minimization and resource recycling.

3. Assessment of Environmental Impact from Products and Manufacturing Processes

When developing new products and processes, evaluate the impact on the environment in advance, during development, and periodically after commercialization. Consider the entire business cycle from procurement of raw materials and supplies through the use and the final disposal of products to reduce the impact on the global environment.

4. Development and Utilization of Environmental Technologies

Develop technologies for environmental protection and improvement, and actively pursue outside technologies when it is beneficial.

5. Response to Emergencies

When an adverse effect on the environment is foreseen, exercise the best possible contingent efforts to eliminate or minimize such adverse impact.

6. Clear Definition of Accountability and Responsibility

Appoint executives and managers in charge of environment-related activities and clearly define their authority.

7. Cooperation with the Community and Society at Large

Actively cooperate with the environmental efforts of local communities and provide fair and unbiased information.

8. Education and Training

Educate and train each employee to understand and realize the importance of environmental issues and to act accordingly in his or her daily routine.



Takeda has established the Takeda Group Environmental Action Plan and an environmental policy for the fiscal year in order to implement various environmental measures with the "Basic Principles" as its benchmark.

1970

Established the Environmental Protection Measures Committee

Reorganizing the Group-Wide Management Structure

Since establishing the Environmental Protection Measures Committee in 1970, Takeda has continued to undertake environmental protection activities from a long-term perspective. In 1992, Takeda revised the 10 Basic Principles Regarding Pollution to enact the Basic Principles on the Environment to promote the entire Takeda Group's pursuit of global activities in response to environmental concerns worldwide.

In 2010, Takeda formulated the Takeda Group Environmental Action Plan to specify environmental issues and targets for the Group in and outside Japan over the medium to long term. We have set concrete numerical targets for measures to combat global warming, reduce waste, and promote other initiatives. We will review our progress each year as we conduct our activities.

We recognize the environment, health, and safety (EHS) as important issues that cannot be separated, but must be dealt with holistically. For this reason, in 2011 we formulated the Pharmaceutical Production Division Global EHS Policy as a set of guidelines for all production sites under the management of the Pharmaceutical Production Division. In June 2012, we developed this policy further as the Global EHS Policy for the entire Group worldwide.

Global EHS policy

Takeda group, as a global pharmaceutical company, is committed to striving towards better health for patients worldwide through leading innovation in medicine. We are committed to achieving sustainable growth by fulfilling the Environmental (E), Health (H), and Safety (S) demands of society. We recognize our responsibility toward the health and safety of the Takeda workforce, our affiliates, and the local residents. We also recognize that environmental protection and sustainability is our responsibility. We will tackle these goals sincerely based on Takeda-ism.

Primary responsibility

Takeda's primary responsibility is the protection of people and the environment. We prioritize health, safety and environmental protection throughout all our business activities.

Compliance

We are committed to complying with all relevant legislation of each country and industry best practices/standards concerning health, safety and environmental protection.

Roles and Responsibilities

Takeda defines the role and responsibility of each director, officer and employee and establishes management systems to continuously improve health, safety, and environmental protection.

Awareness

We promote awareness of our mission to ensure health and safety, as well as environmental protection and sustainability. We are committed to enhancing our knowledge and skills to fulfill this mission and minimize relevant risks.

Communication

We proactively promote communication with diverse groups of stakeholders including neighboring communities, and fulfill our social responsibility for health, safety and environmental protection to achieve a social trust.

The Environment

We have formulated policies based on the Takeda Group Environmental Action Plan, and we continue to upgrade our environmental protection and accident prevention activities.

Takeda Group Environmental Action Plan

In fiscal 2010, Takeda formulated the Takeda Environmental Action Plan to specify environmental issues and targets for the medium and long term. At the same time, we created the Takeda Group Environmental Action Plan for our Group companies

worldwide. To fulfill our responsibilities to society as a global pharmaceutical company, we have set concrete targets to combat global warming, reduce wastes and promote other initiatives. We will get the state of achievement annually and promote activities.

Progress on the Takeda Group Environmental Action Plan in Fiscal 2011

Theme	Item	Fiscal 2011 Achievements	Assessment
T-EMS (Takeda Group Environmental Management System)	All Takeda Group production and research sites, on the basis of the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work," execute their autonomous environmental protection and accident prevention activities in utilization of ISO 14001 related activities, environmental protection and accident prevention audit, and environmental protection and accident prevention internal audit.	Promoted the Takeda Group's Standard for Environmental Protection and Accident Prevention Work at all sites. Also, continued to ensure compliance with the ISO 14001 standard in all activities at sites that have acquired this certification	○
	The business offices in the Takeda Group establish their environmental management systems corresponding to their business places and scales to execute their activities.	Appointed environmental officers at sales companies and office divisions of the Takeda Group worldwide and clarified communication channels	△
Countermeasures for global warming	The CO ₂ emissions resulting from energy use are reduced in FY2011 by 18% from those in FY2005.	FY2011 Group CO ₂ emissions of 331 kilotons were 32% less than in FY2005	○
	The use of renewable energy is promoted.	Installed solar power generation equipment on new constructions such as the No. 9 Technical Building of the Osaka Plant and the API Manufacturing Facility for Investigational Antibody at the Hikari Plant	○
Waste reduction	The amount of final disposal in FY2011 is decreased to the amount in FY2010 or less.	Amount of waste for final disposal for all Group companies in Japan in FY2011 was 562 tons, 7% up from FY2010	△
	3R activities are promoted, namely, to Reduce the generation of wastes, Reuse the wastes, and Recycle the wastes.	Promoted recycling through rigorous waste separation. Converted waste into recycled and valuable resources	○
Protection of water resources	Efforts are paid in endeavor to make effective use of water resources, and the amount of water use is reduced.	Assessed water usage. Group water usage for FY2011 increased 3% year on year	△
	The recycle use of water is promoted.	Reused wastewater by employing reverse osmosis membranes. Recycled water used in cooling towers	○
Managing chemical substances	Efforts on the reduction of the emission amount of chemical substances to the environment are promoted. In the process of the reduction, target of the reduction is prioritized based on the risk assessment.	Reduced release of chemical substances by renewing facilities, improving processes, and substituting other substances. Atmospheric release of PRTR (Pollutant Release and Transfer Register) substances for the Group in Japan increased 17% year on year	△
	PCB and asbestos are appropriately disposed of in a systematic manner by following regulations.	Assessed status and ensured appropriate storage and management. Continued steady disposal	○
Protection of ozone layer	The equipments used with ozone depleting substances are renewed in a systematic manner.	Assessed status and systematically renewed equipment	○
Air and Water Quality Protection	Emission standards and total amount control are observed, and the reduction of NO _x and SO _x emissions and the reduction of COD are promoted.	Set internal standards that are stricter than applicable laws, ordinances, and pacts, and managed emissions accordingly	○
Biodiversity	The influence of business activities on biodiversity is understood, and the activities contributing to the preservation of biodiversity and the sustainable use of bioresources are promoted.	Worked to preserve rare plants growing onsite. Continued research into internal cultivation of herbal medicines from wild plants	○
	In the use of genetic resources or the like, the Convention on Biological Diversity is considered.	Continued alliance with pharmaceutical research ventures that have declared their compliance with the Convention on Biological Diversity	○
Environmental activities in offices	Efforts on the reduction of the use of energy at the head office and representative offices are promoted.	Set numerical targets and took other steps to save electricity and other resources at office locations	○
	The reduction of wastes and the reduction of the use of copy paper are promoted at the offices.	Promoted separation and recovery of waste, and took other initiatives such as using both sides of copier paper and promoting paperless operations	△
	The green procurement of office supplies is promoted.	Upgraded the purchasing system to prioritize green products to the greatest extent possible	△

Notes: Except for legacy Nycomed
Level of policy achievement: Excellent (◎) Level of policy achievement: Good (○) Level of policy achievement: Poor (△) Level of policy achievement: Negligible (×)

Takeda Pharmaceutical's Major Environmental Protection Policies and Achievements in Fiscal 2011

Theme	Item	Fiscal 2011 Achievements	Assessment
Fundamental measures involving environmental issues	Promote the Takeda Pharmaceutical Environmental Action Plan	Promoted efforts to achieve each point of the plan at every work site and division	○
	Establish framework for legal compliance and comply with internal standards	Maintained a legal compliance framework by using periodic environmental monitoring based on internal standards, which are more stringent than those of laws and regulations	○
	Promote environmentally considerate practices in offices and sales activities	Set targets at offices for saving electricity, reducing waste, reducing paper usage, and promoting green purchasing as part of a Green Office Plan. Some sites did not achieve the targets	△
Conserve energy and reduce greenhouse gas emissions	Achieve 30% reduction in CO ₂ emissions by FY2015 compared to FY1990	FY2011 CO ₂ emissions of 20.4 kilotons were 50% less than in FY1990	○
Reduce amount of waste materials	Curb waste releases throughout the Company and promote reuse and recycling to achieve reduction in waste for final disposal by FY2015 compared to FY2010	Worked to reduce waste for final disposal by promoting zero-emission activities and other measures. However, waste for final disposal in FY2011 increased 17% from FY2010 to 56 tons due to relocation of research facilities	△
	Fulfill responsibilities as a generator of waste by confirming the proper treatment of waste at waste disposal contractors	Visited 26 waste disposal contractors and 3 new contractors to confirm the proper treatment of waste	○
Manage chemical substances properly and reduce amount released into the environment	Reduce releases of chemical substances into the environment to FY2010 level or below	Release of dichloromethane at Hikari Plant increased. Releases of PRTR-designated substances in FY2011 increased to 17 tons, up 43% compared to FY2010	△
Biodiversity conservation	Assess the impact of operating activities on biodiversity; undertake conservation efforts to preserve biodiversity; promote activities that help contribute to the sustainable use of biologically derived resources	Continued botanicals conservation program through the Takeda Garden for Medicinal Plant Conservation and began environmental education program; moved location for new production site building to maintain greenery	○
Conduct educational programs and awareness campaigns	Reinforce the understanding and awareness of environmental issues among all employees	Increased employees' commitment to the environment by using the employee newsletter and a Company intranet as well as by participating in the Light-Down Campaign (turning off lights at the same time in all buildings on a specific day), and screening environmental education movies, among other actions	○
Community contribution activities	Assist in protecting and improving regional environments by maintaining close communications with local governments and community residents	Actively promoted communications through "Environmental Monitors" program and liaison meetings with local government and neighboring residents; organized volunteer cleanup program for areas near worksites	○
	Make maximal efforts to prevent accidents and preserve the environment while working to gain correct community understanding	A leak incident occurred at a research laboratory, involving wastewater that contained genetically modified organisms. Implemented thorough countermeasures in terms of both systems and facilities to prevent a reoccurrence. Apart from this incident, received four complaints Group-wide relating to noise and light from plants. Responded directly to each complaint and worked to prevent a reoccurrence	△

Data collection: Osaka Plant, Hikari Plant, Tsukuba Research Center, Shonan Research Center (in terms of CO₂ emissions, Osaka Head Office and Tokyo Head Office are included.)

Takeda Pharmaceutical's Major Accident Prevention Policies and Achievements in Fiscal 2011

Theme	Item	Fiscal 2011 Achievements	Assessment
Improve accident prevention measures	Comply with laws and regulations concerning accident prevention	Complied with laws and regulations relating to accident prevention and safety by keeping all divisions informed and trained	○
	Prevent accidents by using the Manual for Non-Standard Operations and the Accident Prevention Manual	Improved accident prevention measures by reexamining the Manual for Non-Standard Operations and the Accident Prevention Manual to make revisions and establish new rules as necessary	○
	Upgrade manuals on manufacturing process changes in response to earthquake, typhoon or other natural disaster-related damage and other emergency situations to promote safety and prevent any secondary damage or effects	Revised internal earthquake-related accident protection manual and organized related training utilizing the business continuity plan and other tools to promote safety and to prevent any secondary damage or effects	○
	Conduct periodic inspections and maintenance for facilities and pipes, planned replacements of aging facilities and measures to ensure the safety of unused facilities	Inspected aging and unused facilities, determined necessity for replacements, performed replacements as planned and implemented safety measures	○
Reinforce accident prevention measures	Prevent accidents through rigorous static electricity prevention measures and safety checks	Worked on preventing accidents caused by static electricity by confirming the effectiveness of measures through the periodic monitoring of grounding resistance, leakage resistance and the electric potential of charged equipment	○
	Eliminate risks associated with flammable substances and rigorously confirm safety	Improved accident prevention by performing periodic inspections of nitrogen-seal equipment and facilities to confirm the effectiveness of accident-prevention measures	○
	Conduct a review of earthquake countermeasures, and implement necessary measures for both systems and facilities	Based on earthquake resistance evaluation result, reinforced structures against earthquakes to contain the extent of earthquake damage. Based on experience gained from the Great East Japan Earthquake, designated certain buildings as tsunami shelters, and prepared appropriate responses for earthquakes and tsunamis	◎
Improve education and training for accident prevention	Upgrade accident prevention skills and methods through education and drills reflecting the characteristics of each business site and plant, and pass on this knowledge to younger workers in a well-planned manner	Used the Manual for Non-Standard Operations and the Accident Prevention Manual to perform training and drills based on a plan and pass on knowledge to younger workers. Conducted experience-based learning for explosion hazards as part of upgrading process safety	○
	Train personnel to respond correctly to emergency situations in the event of an earthquake through earthquake evacuation drills, emergency aid training, and training using disaster-preparedness materials	Conducted general disaster drills and earthquake drills. In earthquake drills, repeated and improved evacuation actions needed in the event of a tsunami. Thoroughly drilled personnel in accident prevention methods such as providing training in nighttime communication and radio set operation training	◎

Level of policy achievement: Excellent (◎) Level of policy achievement: Good (○) Level of policy achievement: Poor (△) Level of policy achievement: Negligible (×)

We are promoting activities across the entire Takeda Group to help fulfill our responsibilities as a global enterprise.

Responsible Care Activities

Responsible Care is an international voluntary program for the sustainable industry to deal with the management of chemical substances, and it is now practiced in 55 countries and regions. The purpose of the program is to ensure consideration for the environment, safety and health while handling chemical substances. Takeda has been implementing such activities since 1995, when the Japan Responsible Care Council was launched.



Takeda Group's Standard for Environmental Protection and Accident Prevention Work

Takeda institutes the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work" as a uniform standard when implementing environmental protection and accident prevention operations at worldwide Group production and research sites. The standard provides detailed operating criteria, including standards for managing chemical substances and accident prevention. It also stipulates management methods that make reference to the ISO 14001 certification—a globally accredited

standard for environmental management systems. Takeda conducts an Environmental Protection and Accident Prevention Audit to verify compliance with the standard. Moreover, all production sites in Japan are currently ISO 14001 certified along with the production sites and other business sites of Takeda Italia Farmaceutici S.p.A., Nycomed GmbH, and Guangdong Techpool Bio-Pharma Co., Ltd.

ISO 14001-Certified Sites

Takeda Pharmaceutical Company Limited	•Osaka Plant •Hikari Plant
Wako Pure Chemical Industries, Ltd.	•Company-Wide (12 sites)
Mizusawa Industrial Chemicals, Ltd.	•Nakajo Plant •Mizusawa Plant
Daiwa Special Glass Co., Ltd.	•Company-Wide (2 sites)
Nihon Pharmaceutical Co., Ltd.	•Narita Plant •Osaka Plant
Takeda Healthcare Products Co., Ltd.	•Company-Wide
Takeda Italia Farmaceutici S.p.A.	•Cerano Plant
Nycomed GmbH	•Singen Plant •Oranienburg Plant •Konstanz Plant
Guangdong Techpool Bio-Pharma Co., Ltd.	•Guangzhou Plant

26

Number of ISO 14001-certified sites

Message from Environmental Committee Chairperson

With the integration of Nycomed in 2011, Takeda's global operations expanded at one stroke to encompass around 70 countries and territories. To take full advantage of this business opportunity to raise Takeda's profile, we needed to establish a firm foundation in our business activities with respect to environment (E), health (H) and safety (S) ("EHS"). Recognizing this, in 2012 Takeda formulated the Global EHS Policy, a statement of our fundamental beliefs regarding EHS activities. The policy is based on Takeda-ism, our cornerstone philosophy, and which I believe will be reflected in our environmental measures and responsible individual behavior as we steadily proceed with our EHS activities. At the same time, we will remain committed to our goal of reducing CO₂ emissions from energy sources by 18% from fiscal 2005 levels by fiscal 2015, and to other specific targets stated in the Takeda Group Environmental Action Plan that we formulated in fiscal 2010.

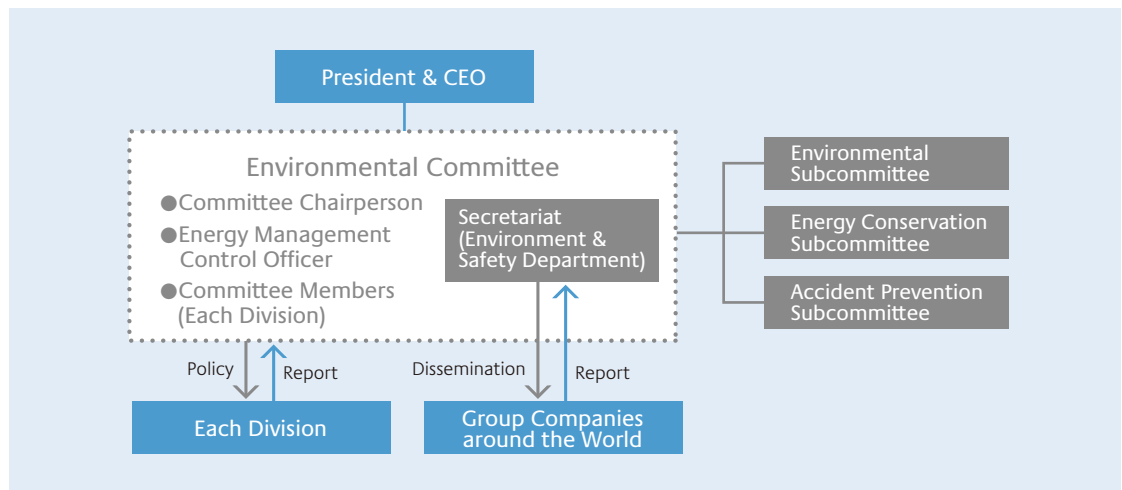
Toyoji Yoshida
Managing Director and Chairperson of the Environmental Committee



Environment and Safety Management Structure

Takeda has established an Environmental Committee, consisting of managers in charge of environmental activities from each division, to promote our business operations based on the “Basic Principles on the Environment.” In the Environmental Committee, various issues regarding the environment, including Company-wide environmental protection, energy conservation and accident prevention are deliberated and the annual environmental policies are determined. Under the Environmental Committee, three subcommittees—for the environment, energy

conservation and accident prevention—have been established, and measures related to each issue are devised and implemented at the managers’ level. Moreover, personnel in charge of environmental activities are appointed at manufacturing plants and research centers, promoting activities based on the medium-term implementation plan, as well as the annual environmental policies. When necessary, the matters deliberated by the Environmental Committee are relayed by the Secretariat to all Group companies around the world.



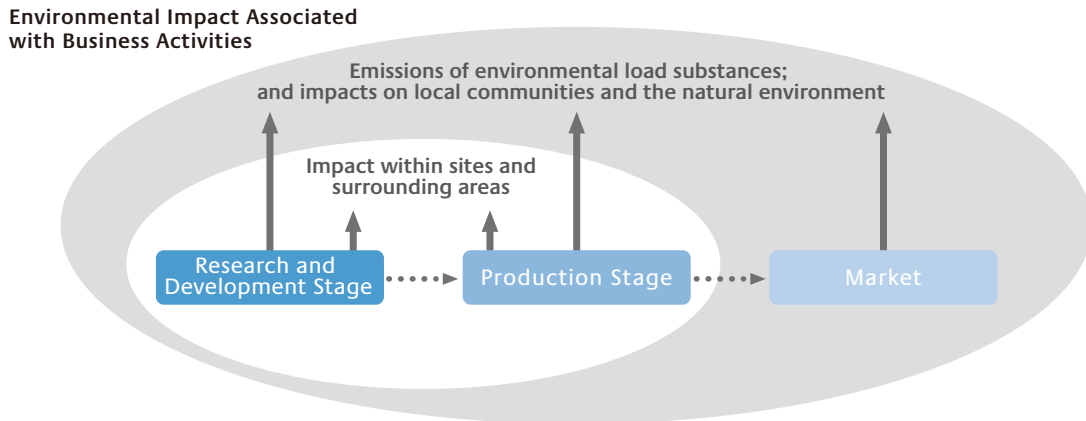
Future Outlook

Issues and Initiatives
Going Forward

Takeda is working diligently to address the various issues outlined in the Takeda Group Environmental Action Plan, which sets out medium- to long-term targets for environmental preservation. The issues targeted include CO₂ emissions, waste reduction (to keep the amount of waste for final disposal in fiscal 2015 at or below the fiscal 2010 level), management of chemical substances (to reduce the amount released into the environment), and protection of air and water quality (compliance with emissions standards and total emissions regulations; reduction of NO_x, SO_x, and COD emissions). At the same time, Takeda is continuing to strengthen environmental governance, including by formulating guidelines based on the Global EHS Policy. With respect to water resource conservation, Takeda will tackle issues of both usage amount and water quality. We will also expedite our review of disaster prevention systems, reflecting the lessons of the Great East Japan Earthquake.

The Environment

Takeda has been continually implementing efforts to reduce environmental risks based on the “Takeda Group’s Standard for Environmental Protection and Accident Prevention Work.”



[Reducing Environmental Risks]

Fundamental Stance on Reducing Environmental Risks

Takeda is aware of its responsibilities as a company that handles a wide range of chemical substances, including its pharmaceutical products. We have therefore established a structure to reduce environmental risks as much as possible from both environmental and accident prevention perspectives. Based

on the “Takeda Group’s Standard for Environmental Protection and Accident Prevention Work,” we implement environmental protection and accident prevention procedures at each stage of our operations. In addition, we conduct ongoing environmental protection and accident prevention audits to fully ensure that related measures are being implemented appropriately.

	Issues Related to Environmental Risks Reduction	Measures Addressing Such Issues
Research and Development Stage	<ul style="list-style-type: none"> •The volume used in pharmaceutical products is less compared to general chemical products, and the impact on the environment appears to be lower. However, it should be noted that bioactive substances such as pharmaceuticals can remain in the environment, albeit in extremely small amounts. •The guidelines on environmental impact assessments for drugs defined by the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) require provision of data on environmental impact assessments for drugs as well as data concerning efficacy and safety during the new drug application process. 	<ul style="list-style-type: none"> •When preparing to make drug manufacturing approval applications for new products, Takeda carefully follows the guidelines in each country to ensure that the products will not affect the surrounding environment. •Takeda develops new products and new production processes with consideration for the environment. Using an environmental impact assessment checklist, we evaluate the environmental impacts of these products and processes throughout the product life-cycle spanning manufacture, use, and disposal. The assessment covers energy conservation, waste generation, releases of chemical substances and prevention of natural resources depletion.
Production Stage	<ul style="list-style-type: none"> •The production stage requires the greatest energy consumption and also discharges the most environmentally burdensome substances of all Takeda business activities. Consequently, we focus on measures to reduce environmental risks during this stage. •We accurately assess environmental impacts, including energy usage and waste generation, at global production sites, and take steps to reduce those impacts based on detailed plans for each site. 	<ul style="list-style-type: none"> •Takeda manages chemical substances by ensuring appropriate management of storage for hazardous materials and toxic substances, and maintaining its MSDS (Material Safety Data Sheets). The Company also strives to assess and reduce the amount of chemicals released into the environment. In Japan, the Company reports to the government in line with the PRTR (Pollutant Release and Transfer Register) Law. •To address the global warming issue, Takeda set numerical targets in its 10th Energy Conservation Program as well as promoting energy conservation, and conversion to fuels that emit fewer GHGs. •Formulated “Guidelines for Environmental Consideration in Capital Investments,” initiating efforts to reduce environmental impact from the facility construction stage. •At production bases, we are doing our utmost to control any impact on local communities and the natural environment by implementing accident prevention measures to prepare for incidents during normal operation as well as during emergencies, such as earthquakes or fires.
Market	<ul style="list-style-type: none"> •We promote recycling of product containers and packaging materials after their administration to patients, while also taking measures to reduce the environmental impacts of business vehicles used for sales activities. 	<ul style="list-style-type: none"> •We strive to ensure appropriate disposal of product containers and packaging materials in accordance with relevant laws and regulations in each country, including the Containers and Packaging Recycling Law. •The ratio of low-emission sales vehicles reached 100% (excluding 4-wheel-drives for use in cold climates). The hybrid vehicle adoption rate was 39%.

10

Number of business sites audited in the fiscal 2011 environmental protection and accident prevention audit

Environmental Protection and Accident Prevention Audit

If our facilities were to cause any environmental pollution, or if a major accident were to occur, the damage to the surrounding area could be immeasurable. With this in mind, Takeda implements group-wide environmental protection and accident prevention audits, which are designed to ensure thorough risk management and risk assessment by internal specialists. Furthermore, an internal audit is conducted at all of our production/research sites to verify compatibility with the "Takeda Group's Standard for Environmental Protection and Accident Prevention Work."

The environmental protection and accident prevention audit is conducted over a number of days during visits to each operating site by personnel charged with the audit. Prior to the visits, they assess the standard-format questionnaires submitted by each operating site. Problems highlighted through the audit are followed up thoroughly, and a progress report providing details of countermeasures is mandatory. In addition, the audit results are detailed in the audit report, which is issued to management.

In fiscal 2011, environmental protection and accident prevention audits were implemented at seven sites in Japan and three sites overseas, including affiliated companies. No critical problem was identified as a result of the audits.



Environmental protection and accident prevention audit at Takeda Italia Farmaceutici S.p.A.

[Items to be audited in the environmental protection and accident prevention audit]

1. System audit

- Environmental protection and accident prevention management
- Energy saving
- Compliance assessments
- Waste
- Management of chemical substances
- Soil and groundwater contamination
- Equipment maintenance
- Accident prevention measures for manufacturing processes
- Antiearthquake measures
- Education and training
- Evaluation on progress of the corrective action plans provided at the previous audit

2. Process audit

- Overall
- Environmental aspect
- Accident prevention aspect

[Business sites audited in the environmental protection and accident prevention]

■ In Japan

Takeda Pharmaceutical Company Limited (Osaka Plant)/Wako Pure Chemical Industries, Ltd. (Harima Plant and Tokyo Plant)/ Mizusawa Industrial Chemicals, Ltd. (Mizusawa Plant and Nakajo Plant)/ Daiwa Special Glass Co., Ltd. (Ichijima Plant and Niitaka Plant)

■ Outside Japan

Tianjin Takeda Pharmaceuticals Co., Ltd./Takeda Italia Farmaceutici S.p.A./ Takeda Cambridge Limited

[Business sites audited in the environmental protection and accident prevention audit]

■ In Japan

Takeda Pharmaceutical Company Limited (Osaka Plant and Hikari Plant)/Nihon Pharmaceutical Co., Ltd. (Narita Plant and Osaka Plant)/Takeda Healthcare Products Co., Ltd., Wako Pure Chemical Industries, Ltd. (Tokyo Plant, Aichi Plant, Mie Plant, Osaka Plant and Harima Plant)/Mizusawa Industrial Chemicals, Ltd. (Mizusawa Plant and Nakajo Plant)/Daiwa Special Glass Co., Ltd. (Ichijima Plant and Niitaka Plant)

■ Outside Japan

Millennium Pharmaceuticals, Inc./Takeda California, Inc. (San Diego and San Francisco)/Takeda Italia Farmaceutici S.p.A./Takeda Cambridge Limited/Takeda Ireland Limited (Bray and Grange Castle)/Tianjin Takeda Pharmaceuticals Co., Ltd./P.T. Takeda Indonesia

Takeda's Voice

Takeda Italia Farmaceutici S.p.A. received the last audit of the Environmental and Safety Department Headquarter in July 2011 and we consider this was very helpful for our efforts to continuously improve.

The Cerano Plant obtained ISO 14001 certification in February 2012 and we are now working to build our H&S management system in compliance with OHSAS 18001. We will continue making efforts to improve the EHS system and to contribute to the achievement of Takeda's targets.

Bruno Radice

EH&S Manager, Cerano Plant, Takeda Italia Farmaceutici S.p.A.



Preventing accidents and protecting the environment with a broad array of programs.

Accident Prevention Initiatives

Takeda formulates its “Policies on Accident Prevention” each fiscal year. All operating sites establish an action plan based on the policies and pursue measures that encompass both tangible and intangible aspects of the issue.

On the tangible side, for facilities, we have a rigorous management program that includes a maintenance plan for aging equipment. To prevent fires and other accidents, we have safety measures concerning static electricity and flammable substances. Static electricity, which often builds up and discharges during the dry winter season, can create explosions and fires by igniting flammable gases and dust in facilities. This is why we are constantly working on eliminating the risks posed by static electricity in all production processes and machinery.

[Countermeasures against Static Electricity]

- Earthing and bonding of facilities
- Measurement of electric potential of equipment in operation
- Making filters, hoses, etc conductive
- Wearing antistatic working clothes and shoes
- Floor coating with conductive resin, etc

On the intangible side, to upgrade employees’ skills, we have expanded our “Accident Prevention Manual” and upgraded our “Manual for Non-Standard Operations.” We use both manuals for training and

drills. These manuals are also vital to passing on accident prevention and response techniques to younger workers. Another way that we work vigorously to ensure comprehensive safety is by conducting risk assessments to uncover potential risks. All of these activities take place at every Takeda Group production site in Japan and around the world.

Preventing fires and explosions during manufacturing processes is a particularly important goal. To improve safety, we determine the physical characteristics of the chemical substances we use and the pharmaceuticals we manufacture and use manufacturing processes appropriate to those properties. For this reason, Takeda implements safety assessments of processes for manufacturing both drug substances and pharmaceutical products from the initial stages of research and development, and discusses the assessments in a Process Safety Committee and a Formulation Process Safety Committee to ensure complete safety.

We also conduct thorough accident and disaster prevention measures when carrying out large-scale construction work at business sites. This includes meticulous safety management and the sharing of safety information with cooperating companies.

[Risk Assessment of Candidate Compounds and Processes]

- Thermal hazard
- Hazard by friction and impact
- Chemical reaction hazard
- Risk of dust explosion, etc

Enhancing Risk Management and Disclosure

As a pharmaceutical manufacturer that handles various chemical substances, we believe that risk assessment is a fundamental necessity in managing R&D and production. In November 2011, there was a leakage incident at the Shonan Research Center, involving waste liquid containing genetically modified organisms. This caused great concern to local residents. Takeda will strive to ensure that this kind of incident does not happen again by carrying out continuous safety inspections and checks, and disclosing information.

Associated Information

- P.18 Crisis Management
- P.40 Accident Prevention and Safety Measures at the Shonan Research Center



Joint disaster drills at the Hikari Plant with the Hikari Fire Department

Review and Enhancement of Earthquake Countermeasures

Learning from the Great East Japan Earthquake, we have been reviewing all disaster preparedness measures, including tsunami countermeasures. In July 2012, we set up the Energy and Emergency Control Center in our Osaka Plant, equipped with its own electric power generator and other functions to cope with a disaster.

Energy and Emergency Control Center (Osaka Plant)

Securing Adequate Electrical Power for Production in Times of Disaster

After the Great East Japan Earthquake, the Kansai region where the Osaka Plant is located continues to face an unstable power supply. Because power outages cause air conditioners to stop, they can cause problems for the manufacture of pharmaceutical products, since this requires manufacturing and quality testing facilities to have strictly controlled temperature and humidity. When the air conditioners are stopped

by a power outage, manufacturing activities cannot be restarted until the entire manufacturing environment can be restored and completely verified as stable. Such events hinder the stable supply of products. As a company committed to improving people's lives, Takeda recognizes



4,000 kW

Total generating capacity of the gas-powered generators at the Energy and Emergency Control Center (Osaka Plant)

that it has a responsibility to ensure the continued stable supply of products even in the rare event of a disaster. To this end, we have installed four 1,000 kW gas-powered generators in the Energy and Emergency Control Center, along with two 800 kW mobile power supply vehicles. The mobile power supply vehicles are ready to serve not only the Osaka Plant, but any business site of the Company and their local communities in a time of disaster. Looking ahead, we also envisage future plans involving installation of wind- and solar-powered generation facilities.

Examining Measures for Regional Disaster Preparedness Bases in Case of Tsunami or River Flooding

Our Energy and Emergency Control Center has been built with 5.5 m flood gates to protect it in the event of a tsunami caused by an earthquake or river flooding. The gates protect the generator control room, a parking space housing special vehicles such as a chemical fire engine and a high-reach fire engine, and an emergency equipment storeroom. The protected area ensures the functionality and space necessary for setting up a crisis management headquarters in an emergency.

Mindful of being a business site located in an urban area, the Osaka Plant works to coexist in harmony with the local community. We are also looking at ways for the plant to serve as a temporary emergency evacuation shelter in the event of a tsunami, as well as providing such emergency public facilities as a healthcare center and a cafeteria for serving meals.

Overview of Energy and Emergency Control Center

- Building area: Approximately 940 m²
- Total floor area: Approximately 3,800 m²
- Construction and configuration: Reinforced concrete (first floor), steel framed construction (second floor and above). Total four floors above ground

Takeda's Voice

The Energy and Emergency Control Center was designed to fulfill two functions: to provide the necessary power sources to maintain timely and stable shipments of pharmaceuticals; and to help limit the impact of a natural disaster on the local community. The center is a physical embodiment of our commitment to business management with integrity based on the principle of Takeda-ism. Many people both inside and outside the plant are hoping that the center will come to symbolize both the stable production and supply of pharmaceuticals at the Osaka Plant and also the plant's contribution to community disaster preparedness.

Norihiko Ohashi

Director, Osaka EHS, Environmental Health And Safety Dept., Pharmaceutical Production Div.

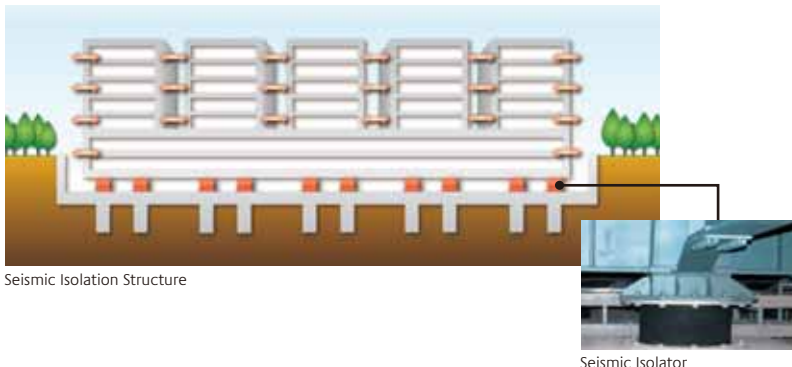


Protecting the environment and ensuring safety in our pursuit of drug discovery for human health and the future of medicine.

Accident Prevention and Safety Measures at the Shonan Research Center

Completed in February 2011, the Shonan Research Center was designed to be kind to both human health and the environment. An environmental impact assessment (EIA) was conducted during construction in accordance with Kanagawa Prefecture's EIA regulations.

Based on a full risk assessment, the accident prevention and safety plan for the facility includes appropriate preventive steps and a range of specific risk-mitigation measures to deal with circumstances relating to building and equipment defects, human error, earthquake damage and other potential risks. Plans call for appropriate site disaster prevention and safety systems to be instituted in consultation with local fire and police departments, as well as training for employees and installation of safety equipment. An objective system to evaluate safety of the facility and operations, including an independent third-party review, is being considered.



Seismic Isolation Structure

Seismic Isolator

For detailed information about the Shonan Research Center, see the following website:

<http://www.takeda.co.jp/shonan/>

Interaction with the Local Community

At the Shonan Research Center, Takeda hosts enjoyable events as a way of building closer ties and increasing interaction with the local community. In April 2012, the center opened its cherry blossom glade area, green area, and water area to the public in a special stroll event to allow visitors to enjoy the blossoms and the new spring greenery. Around 2,700 people came along to enjoy the fine weather and see the cherry blossoms in full bloom.

Basic policy on preventive safety measures (facilities and equipment)

- The building complex employs a seismic isolation structure with pile foundations driven into the basal sandstone rock. This robust structural design ensures the facility can withstand earthquakes of up to 7 on the seven-point Japanese seismic intensity scale.
- The laboratory equipment and facilities at the center are safety-tested to ensure that they are suitable for any anticipated hazards from research-related materials and equipment and machinery.

Basic policy on preventive safety measures (systems and rules)

- Rules and standard operating procedures (SOPs) have been created for all laboratory functions in compliance with the relevant health and safety laws and regulations, and tested.
- Researchers working at the center must first receive safety training based on the level of projected hazards from operating equipment or working in the laboratories to ensure safety.

Basic policy on accident and emergency measures

- Takeda has instituted internal rules relating to accident and emergency safety response measures in line with the relevant laws and regulations governing research facilities that handle live animals, radioactive isotopes and biological materials. These rules also specify measures to prevent any damage or leakage from spreading beyond the original location.



A strolling event for enjoying cherry blossoms and new spring greenery

Cause of the Water Leak at Shonan Research Center and Measures to Prevent a Reoccurrence

On November 30, 2011, wastewater containing genetically modified organisms leaked into the sterilizing room and seismic isolation room in the Shonan Research Center, causing great concern to local residents. Since the incident, the whole Company has made a concerted effort to uncover the cause and take measures to prevent a reoccurrence. A summary of these efforts follows. Takeda will use the experience of this incident to drive daily improvement efforts aimed at preventing a reoccurrence.

[Background of the Incident]

On November 30, 2011 contaminated wastewater containing genetically modified organisms leaked from a wastewater sterilizing tank ("wastewater tank"). Most of the leaked wastewater was contained in the sterilizing room, but a portion of it leaked into the subterranean seismic isolation room. As soon as the leak was discovered, the wastewater was collected and areas it had been in contact with were deactivated.

[Main Cause of the Incident]

The main cause of the incident was that a faucet was left running in the over-ground experiment room connected to the wastewater tank for destroying genetically modified organisms and other bacteria. Another compounding factor was a partial defect in the waterproofing of the sterilizing room, which is supposed to function as a water barrier in the event of an overflow from the wastewater tank. As a result, some of the wastewater leaked into the subterranean seismic isolation room.

[Measures to Prevent a Reoccurrence]

In terms of hardware and infrastructure, we have removed the faucet and reinforced the waterproofing of the facility. On the systems side, we have conducted personnel education and training, and have re-worked our procedures. Moreover, we have established a system whereby research staff will rush to the scene of any emergency at the center, regardless of the time of day, or holidays. We reported these measures to the Ministry of Education, Culture, Sports, Science and Technology, as well as to the governments of Fujisawa and Kamakura cities, the two cities on whose borders the center is located. Then, we invited an external organization to conduct a risk assessment of the entire facility. We have assigned various departments to tackle each issue that was raised, along with setting deadlines for making improvements.

Q1 Did the wastewater not leak outside of the center?

A1 Since there is no exterior drain in the floor of the sterilizing room or anywhere in the vicinity of the places where the water leaked into the seismic isolation chamber, we do not believe that wastewater or genetically modified organisms could have spread outside the center into the environment. Moreover, testing for micro-organisms in the areas around the drain outlet from the sterilization tank found no sign of surviving genetically modified *E. coli* bacteria, *salmonella* bacteria, or baculovirus that may have been contained in the wastewater. We therefore consider that this incident has not impacted the outside environment.

Q2 There were reports that *salmonella* bacteria leaked out. Is the situation safe?

A2 The *salmonella* bacteria used in our experiments was the TA1535 stock, which has been confirmed as having no pathogenicity for mammals. In other words, this bacteria has no effect on the human body.

Q3 How does Takeda intend to explain the incident to local residents?

A3 Takeda has explained to local residents the findings regarding the cause of the incident, and the measures we have taken to prevent a reoccurrence, with the assistance of the governments of Fujisawa and Kamakura cities. We also invited local residents to verify onsite inspections as they were conducted by each of these cities. Other efforts to inform local people include this website, door-to-door visits, and information delivered.

Further details about this incident can be found at the following link (Japanese only).

<http://www.takeda.co.jp/shonan/public/>

Since 1974 Takeda has systematically implemented energy conservation measures that help reduce CO₂ emissions. We will continue to take a long-term stance on initiatives in this area.

[Initiatives to Deal with Climate Change]

Fundamental Stance Regarding Climate Change

Takeda makes efforts to reduce greenhouse gas (GHG) emissions from the entire Group. We established an Energy Conservation Committee in 1974, and for more than three decades since, we have conducted energy conservation activities to help reduce GHG emissions. We actively publicize our progress through our Annual Report, the Carbon Disclosure Project*, and other means.

* The Carbon Disclosure Project (CDP) requires companies around the world to publicize their strategies for dealing with climate change and their GHG emissions.

18%

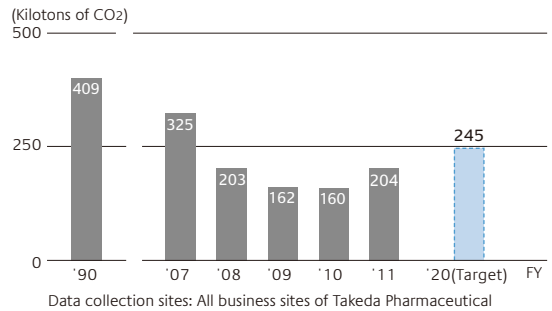
Takeda Group fiscal 2015 CO₂ emissions reduction target (from fiscal 2005 levels)

Setting Medium-Term Targets

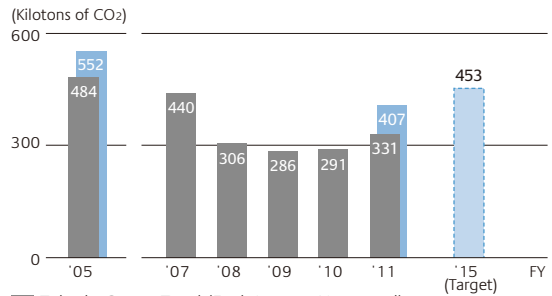
The Takeda Group Environmental Action Plan sets the following numerical targets for the Group production and research sites worldwide.

- Reduce CO₂ emissions from energy sources by 18% from fiscal 2005 levels by fiscal 2015
For Takeda, the parent company, the plan's numerical targets are as follows:
- Reduce CO₂ emissions from energy sources by 30% from fiscal 1990 levels by fiscal 2015
- Reduce CO₂ emissions from energy sources by 40% from fiscal 1990 levels by fiscal 2020

Trend of Takeda Pharmaceutical's CO₂ Emissions



Trend of Takeda Group's CO₂ Emissions



■ Takeda Group Total (Excl. Legacy Nycomed)
■ Takeda Group Total (Incl. Legacy Nycomed)

Data collection sites: Global production and research sites of the Takeda Group (Takeda Pharmaceutical includes all business sites)

Calculation Method

• CO₂ emissions

CO₂ emissions refer to direct emissions generated by combustion of fossil fuels and indirect emissions from electricity use.

• CO₂ emissions factor

Japanese records are calculated based on the "Law Concerning the Rational Use of Energy," and the CO₂ emissions factor for calculating purchased electricity is the actual value for each electric power provider in each fiscal year (figures for fiscal 2011 are the actual figures from fiscal 2010). The CO₂ emissions factor for calculating electricity purchased outside Japan is based on country-specific factors stipulated in the GHG Protocol. Due to changes in factors, past data has been restated.



Takeda's main production site, Hikari Plant (Hikari, Yamaguchi Prefecture)

26%

reduction

Reduction in the Takeda Group's CO₂ emissions from fiscal 2005 level (fiscal 2011)

Results for Fiscal 2011

Takeda formulated its "10th Energy Conservation Program" covering the years from FY2010–FY2012 and rolled out various activities. CO₂ emissions for the parent Company alone in fiscal 2011 were 200,000 tons, a 50% reduction from fiscal 1990 levels. For the Takeda Group as a whole, fiscal 2011 CO₂ emissions (including for the legacy Nycomed) were 410,000 tons, down 26% from fiscal 2005. The integration of Nycomed and the launch of full scale operations at the Shonan Research Center, along with an increase in facilities at plants, has seen the Group's energy consumption rise over time. However, we continue to curb this rise as far as possible by urging the participation of all employees in energy-saving measures.

GHG Emission Verification

In fiscal 2010, CO₂ emissions at our Osaka Plant were verified by a third party to confirm the correctness of our method for calculating emissions. We have also had a third party verify emissions at our Hikari Plant, and we have accurately ascertained our CO₂ emissions here and at other business sites where we use the same calculation method.

Use of Alternative Fuels and Renewable Energy Sources at Production Sites

Takeda's Hikari Plant has made a substantial reduction in CO₂ emissions since switching from fuel oil to town gas in fiscal 2008. Now Takeda is promoting the uptake of renewable energy sources, and examining options for introducing solar power generation facilities when newly constructing plants, research

laboratories, training facilities and other buildings. So far, solar power generation facilities have been installed at Takeda Italia Farmaceutici S.p.A.'s Cerano Plant, as well as at the Osaka and Hikari plants and some company housing.

Promoting "Visualization" through an Energy Management System

Takeda has rolled out a new Energy Management System that can collect data on the energy consumption of each business site and check whether usage is increasing or decreasing. The system allows users to "visualize" energy use by displaying the data graphically, thereby encouraging people even more to reduce energy use. We also have independent experts perform energy-saving diagnostic tests to help plan and promote effective energy-saving strategies.



A monitor screen of the Energy Management System

Takeda's Voice

As a company with a long tradition of acting globally we are engaged in an effort to promote responsible and sustainable use of resources. Reducing both pollutant emissions and energy consumption are principal goals for CCO Global Operations, which has joined forces with CCO EHS and OPEX in an initiative aimed at achieving both environmental sustainability and cost reduction.

We have already made good progress. We have more modern and efficient power plants, for example, as well as pioneering CO₂ neutral energy recovery systems that use geothermal and wood pellet technology.

Barthold Piening

Executive Vice President, Takeda Pharmaceuticals International GmbH



The Environment

We will take an increasingly global perspective in our initiatives as we expand our business bases in regions that include emerging economies.

Introduction of Facilities and Equipment with a View to Saving Energy

Based on the “Guidelines for Environmental Consideration in Capital Investments” that we formulated in fiscal 2010, we have been aggressively introducing facilities and adopting equipment and technologies with a view to saving energy. Specifically, we have been examining class leaders* in energy saving when renewing our equipment, and considering the introduction of facilities that use renewable energy.

* Best-in-class products in terms of energy efficiency from among the equipment specified by Japan’s energy conservation laws, such as air conditioner heat sources, lighting, office automation equipment and automobiles.

Company-Wide Initiatives

The Takeda Eco Project, started in fiscal 2008 and covers offices and sales departments. Under the project we are pursuing a number of detailed measures to prevent global warming, such as controlling room temperatures by implementing the “Cool Biz” dress code, using low-emission vehicles and converting waste cooking oil from our canteen into biodiesel.

The ratio of low-emission sales vehicles reached 100% (excluding 4-wheel-drives for use in cold climates), and in fiscal 2009 we purchased 50 electric vehicles for use in sales activities in the Tokyo and Kanagawa areas. We are now also reducing the ratio of gasoline vehicles by replacing them with hybrid vehicles. The hybrid vehicle adoption rate in fiscal 2011 was 39%.

Various technologies to curb CO₂ emissions were utilized at the Shonan Research Center that was

Solar Power Generation Facilities at Osaka Plant’s No. 9 Technical Building

The No.9 Technical Building at the Osaka Plant was launched in 2011 as a base for researching formulation technologies for biopharmaceuticals such as antibiotics and nucleic acid products.

The facade of the building incorporates solar power generation facilities in harmony with the overall design, enabling the building to generate up to 150 kW of electricity.



completed in February 2011. The Ministry of Land, Infrastructure, Transport and Tourism selected it as a Model Project for Promoting CO₂ Reduction in Residential and Other Buildings.

In response to nationwide electricity shortages in Japan since the Great East Japan Earthquake, we implemented appropriate adjustments to air conditioning and lighting, removed some elevators from service, and took other measures across the board. We also conducted awareness-raising among employees to ensure a concerted effort. We will continue these initiatives, and at the same time take measures to upgrade our equipment, including changing to LED lighting.

39%

Ratio of hybrid vehicles among Takeda Pharmaceutical’s sales fleet (fiscal 2011)



Takeda Pharma Ltda. (A legacy Nycomed plant in Brazil)

1bn

Number of people worldwide who do not have access to clean water

Source: United Nations "World Water Development Report" (2012)

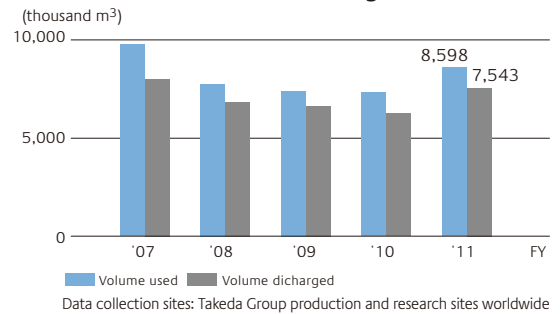
[Water Resources Conservation Initiatives]

Reducing Water Use

Scarcity of water is becoming a serious concern worldwide as demand for water continues to climb. At the 6th World Water Forum held in March 2012 in Marseille, France, over 35,000 forum participants came together to talk about solutions for problems associated with water resources. In light of this serious situation, all Takeda Group production and research facilities in Japan and other countries are taking steps to reduce water consumption, including the introduction of equipment using recycled water.

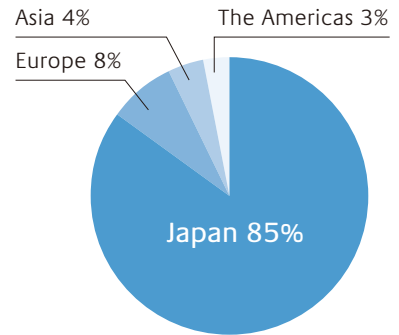
None of Takeda's pre-integration production sites faced a major water risk since most of the Group's water usage was at sites within Japan. However, with the integration of Nycomed, we now have business sites in around 70 countries, and are currently working to develop a clearer picture of actual water usage in each area. So far, we believe there is no likelihood of a major increase in water risk, although some business sites in Asia and other areas are located in regions with high potential risk.

Volumes of Water Used and Discharged



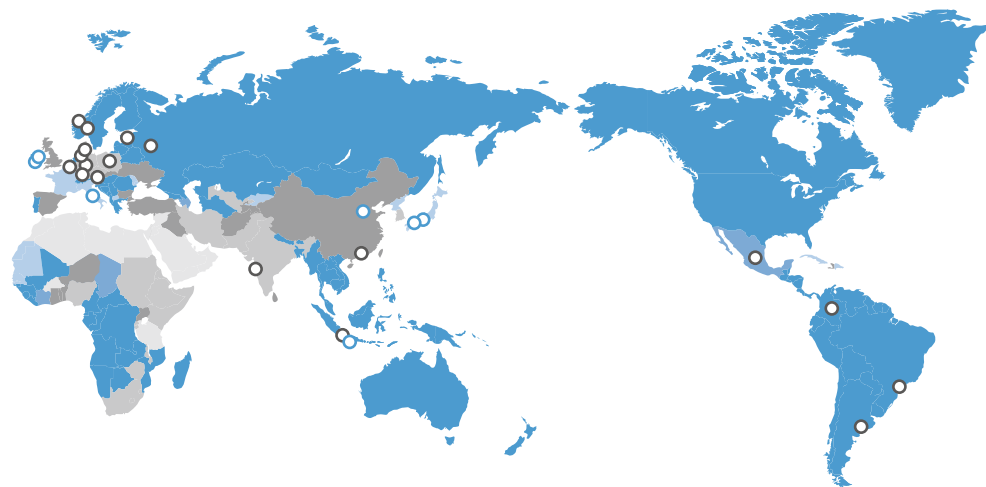
Water Usage by Area (fiscal 2011)

Data collection sites: Takeda Group production and research sites worldwide



Annual Water Use per Person Worldwide

- Takeda production sites up until fiscal 2010
- Legacy Nycomed's production plants/Production bases through its joint ventures



0 1,000 2,000 3,000 4,000 5,000 (m³/year)

Source: Compiled by Takeda from the Food and Agriculture Organization of the United Nations (FAO) database, "AQUASTAT 2008."

Takeda has long focused on biodiversity conservation and contributed in many ways over the years.

[Biodiversity Conservation Initiatives]

Fundamental Stance Regarding Biodiversity Conservation

The Takeda Group Environmental Action Plan covers the entire group and incorporates guidelines concerning biodiversity conservation, and activities at each Takeda division are consistent with the objectives of the Convention on Biological Diversity.

Initiatives for Sustainable Use of Biological Resources

Takeda uses biological resources as ingredients for products and indirectly utilizes these resources in its R&D activities. They are used as ingredients in Chinese and other herbal medicines, which are over-the-counter drugs. Most of these ingredients are from cultivated plants but some are sourced from wild plants. We are currently studying the feasibility of switching to cultivated plants in order to ensure stable procurement, which should help protect biodiversity. When using genetic resources in R&D activities we conduct activities with sufficient consideration given to the Convention on Biological Diversity. We will continue to conduct our operations in a sincere manner that reflects concern for biodiversity issues while deepening cooperative relationships with partners on a global scale.

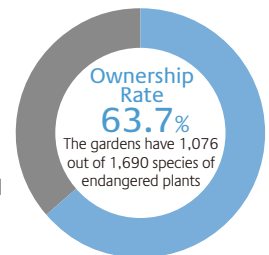
Sources of Herbal Drugs

	FY2009	FY2010	FY2011
Percentage of Wild Plants (based on volume)	20.8%	20.3%	20.2%

Takeda Garden for Medicinal Plant Conservation (Kyoto)

Since 1933, the Garden Has Continued to Research Plants with Medicinal Properties, and Helped to Preserve Endangered Species

For almost 80 years, Takeda Garden for Medicinal Plant Conservation (Kyoto) has collected, grown and used herbal and other plants with medicinal value from around the world. Currently, the garden grows more than 2,690 species of rare plants. The garden also stores over 500 varieties of seed.



Ownership Rate for Endangered Plant Species at Japanese Botanical Gardens (fiscal 2011)

To help with the effort to preserve biodiversity, the Japan Association of Botanic Gardens has established a network of botanical garden centers to protect botanical diversity. By fiscal 2011, this association had 63.7%, or 1,076 of the endangered plant species in Japan.

As part of this network of botanical garden centers, Takeda Garden for Medicinal Plant Conservation (Kyoto) has been contributing to these activities. The garden currently has 101 endangered plant species, including 68 varieties of herbal plants. Activities to collect more endangered species continue with the goal of increasing the number to 100. The garden played a leading role in creating a list of rare plant species at all herbal gardens in Japan. These gardens are using this list to share their rare plant species and collaborate in other ways too.

Objectives of the Convention on Biological Diversity

- ① Conservation of biological diversity
- ② Sustainable use of the components of biological diversity
- ③ Fair and equitable sharing of benefits from the utilization of genetic resources (ABS)*

Takeda's Policy for Biodiversity (Environmental Policy)

Biodiversity Activities at Takeda

Research and development	Reflect biodiversity issues when using the library
Procurement	Include biodiversity in the Guidelines for Socially Responsible Purchasing Consider raising the proportion of cultivated ingredients used in herbal drugs
Production	Reduce environmental burden from production activities
Takeda Garden for Medicinal Plant Conservation (Kyoto)	Preserve threatened plant species with emphasis on herbal plants

* ABS is an international framework to ensure that the benefits from using genetic resources of plants and microorganisms to develop drugs and health food products are shared fairly and in a balanced way among countries that supply the genetic resources.



Using fresh indigo leaves to dye fabric (Fun with Nature Program)



Children observe plants (Fun with Nature Program)

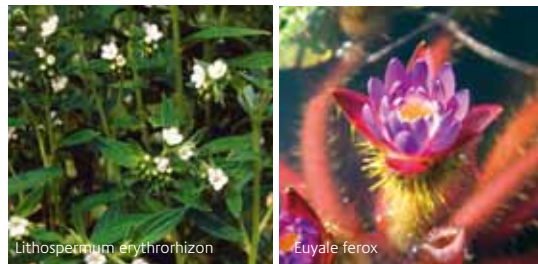
Stepping Up to Play the Role of Herbal Garden to a Global Pharmaceutical Company with New Activities

Upgrading work started at the Takeda Garden for Medicinal Plant Conservation (Kyoto) in its 75th anniversary year. New administrative and research buildings were completed in October 2010 to support the preservation of medicinal plant species and related education programs. Pharmacy-related internship programs are now being designed and established.



Central Garden

Examples of endangered plants preserved at Takeda Garden for Medicinal Plant Conservation (Kyoto)



Lithospermum erythrorhizon

Euyale ferox

Children's Environmental Education Activities with the "Fun with Nature Program"

From April to December 2011, the Takeda Garden for Medicinal Plant Conservation (Kyoto) ran a series of six Fun with Nature Programs for students of local elementary schools and their parents. This initiative offered children an opportunity to experience cultivating, harvesting and processing plants, at the same time as helping them realize that plants are essential for human life and the source of medicine production. The various programs were highly rated by participants, and included sessions on caring for cotton and sesame plants, and using indigo leaves to dye cloth.

Takeda Wins the Aroma Environment Association of Japan Prize at the 2nd Contest for Corporate Activities on Biodiversity

On October 14, 2011, the Takeda Garden for Medicinal Plant Conservation (Kyoto) received the Aroma Environment Association of Japan Prize at the 2nd Contest for Corporate Activities on Biodiversity in recognition of its botanical biodiversity preservation activities centered on medicinal herbs, as well as its education support activities conducted through the Fun with Nature Program. This prize is awarded to companies that conduct outstanding activities relating to the preservation and sustainable use of biodiversity.

For detailed information about the Takeda Garden for Medicinal Plant Conservation (Kyoto), see the following website:

<http://www.takeda.co.jp/kyoto/english/>

101

Number of endangered plant species preserved in the Takeda Garden for Medicinal Plant Conservation (Kyoto) as of March 31, 2012

We are working actively to reduce waste to create a recycling society.

[Waste Reduction]

Fundamental Stance Regarding Waste Reduction

The fundamental stance of the Takeda Group on waste management is to reduce the amount of waste for final disposal by curtailing the amount of waste generated, reusing and reducing waste within operating sites and promoting off-site recycling. We aim to contribute to creating a sound material-cycle society through such efforts.

Continuing the 5th Waste-Reduction Program



Campaign to re-use office supplies (Osaka Plant)

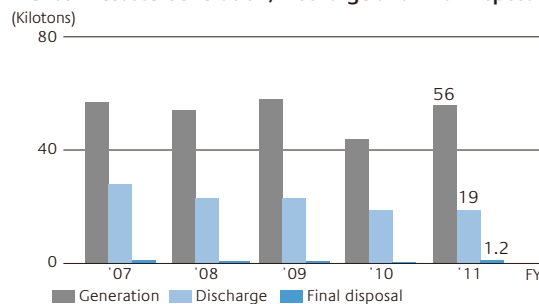
Takeda has been continually promoting waste-reduction activities since fiscal 1993. The 5th Waste-Reduction Program started in fiscal 2011 with the aim of reducing the

amount of waste for final disposal in fiscal 2015 to below fiscal 2010 levels. The entire Company has been working to reduce waste emissions, and to encourage the reuse of waste as a valuable substance and recycling of waste into resources.

In fiscal 2011 the Company strove to reduce waste by promoting zero-emission activities and other means. However, the relocation of operations to the Shonan Research Center saw an increase in waste, which increased the amount of waste for final disposal at Takeda Pharmaceutical alone by 16% year on year to 56 tons compared with fiscal 2010. The amount for final disposal for the entire Group in Japan was 562 tons, up 7% compared with fiscal 2010.

Moreover, through their zero-emission activities the

Trends in Waste Generation, Discharge and Final Disposal



Data collection sites: Global production and research sites of the Takeda Group
Waste: The total sum of industrial (hazardous) and general (non-hazardous) waste and valuable resources

Osaka and Hikari plants achieved their initial targets for reductions in fiscal 2009, one year ahead of schedule. The plants continue to conduct zero-emission activities.

Expanding our Reuse Activities by the Use of the “Net Sharing System (The EARTH)”

The Net Sharing System (The EARTH) is a system for facilitating intranet-based sharing within the Takeda organization of consumables such as office supplies and fixtures, and equipment used in production and analysis, to help minimize the related inventory levels. It was introduced in June 2010 to help promote Reuse activities. In fiscal 2011, the system enabled the reuse of more than 32,000 items such as work uniforms, filing cabinets and office consumables through 1,600 transactions.



New Environmentally Friendly Uniforms

In 2011 Takeda marked its 230th founding anniversary with the adoption of new uniforms for research and production sites. The new uniforms are designed to be dynamic, functional, and environmentally friendly. The uniforms partially use recycled eco-materials, and when no longer used they can be recycled into waterproof sheets or fabric gloves, enabling a 2 kg reduction in CO₂ emissions per uniform. Takeda also uses Kyoto Mechanism carbon credits to offset the CO₂ emitted in producing and shipping the uniforms.



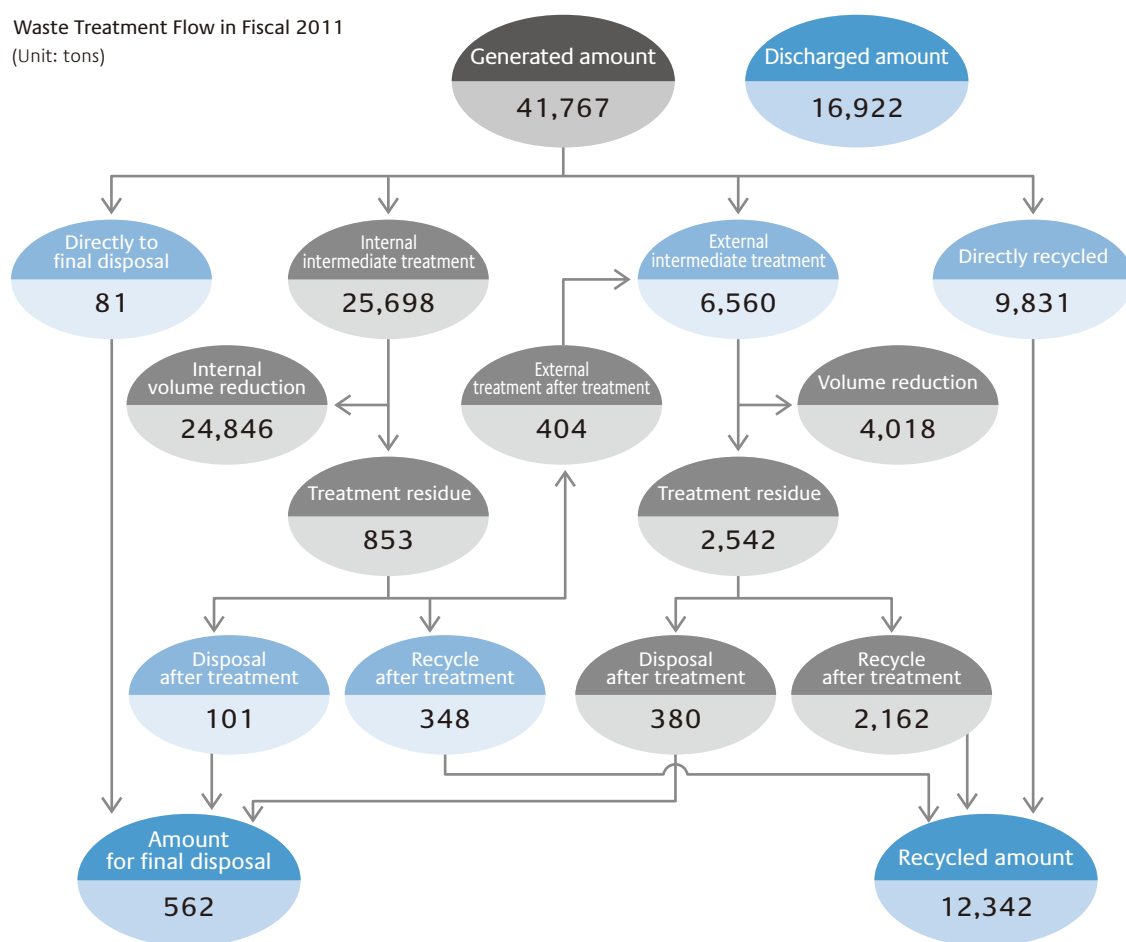
7%

increase

Year-on-year increase in volume of the Takeda Group's final waste disposal in Japan (fiscal 2011)

Main reason for increase: increase related to relocation work to Shonan Research Center

Waste Treatment Flow in Fiscal 2011
(Unit: tons)



Waste Product Breakdown and Amounts

(Unit: tons)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Sludge	17,119	24,189	28,224	21,513	22,360
Waste oil	9,594	9,609	10,905	5,337	4,706
Waste acid/waste alkali	22,239	12,313	10,875	9,970	9,843
Waste plastics	776	694	690	754	840
Metal scrap	738	746	708	645	823
Glass and ceramics	990	1,162	923	875	842
Other industrial waste	1,906	1,792	1,698	1,636	1,595
General waste	1,043	872	741	600	760
Total	54,406	51,378	54,763	41,330	41,767

Data collection sites: Takeda Group production and research sites in Japan

We are working to reduce releases of chemical substances and taking steps to protect the quality of air and water across the Group.

[Reduction in Releases of Chemical Substances]

Fundamental Stance Regarding Management of Chemical Substances

Takeda is working to reduce environmental emissions of chemical substances under the Takeda Group Environmental Action Plan formulated in fiscal 2010. Risk assessments are used to prioritize emissions-reduction efforts. With PCBs and asbestos, we aim to remove materials properly and systematically in full compliance with laws and regulations in an effort to appropriately manage chemical substances.

Emissions and Moved Volumes of PRTR-Designated Substances

In fiscal 2011 Takeda handled 10 substances subject to notification under the PRTR scheme. Releases into the atmosphere came to 17 tons, a 42% increase from 12 tons in fiscal 2010. The main factor in this increase was higher emissions of dichloromethane due to an increase in production at the Hikari Plant. Overall, the Takeda Group in Japan handled 89 PRTR-regulated substances, with emissions of 58 tons, a year-on-year increase of 16%; 56 tons were released into the atmosphere, a year-on-year increase of 17%. Takeda will continue to take steps to reduce environmental risks posed by chemical substances, based on risk assessments.

17%
increase

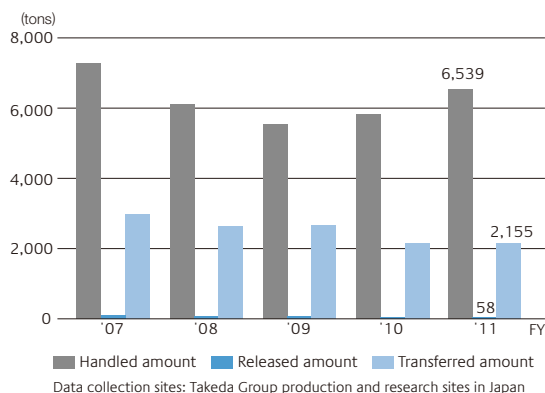
Year-on-year increase in Takeda Group's reported atmospheric release of PRTR substances in Japan (fiscal 2011)

Main reason for increase: increase in production volume at Hikari Plant

Reducing Formaldehyde

Formaldehyde is used as a fumigant at drug formulation facilities. To mitigate the environmental and occupational health and safety risks at our plants, we are working to reduce formaldehyde use through the adoption of alternatives. At the No.9 Technical Building of the Osaka Plant, which was completed in 2011, we installed new equipment that can use hydrogen peroxide as a substitute.

PRTR (Pollutant Release and Transfer Register) Substances Handled, Released and Transferred



Totals for PRTR-Designated Substance Data (April 2011 to March 2012)

(Unit: tons)

Substance	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Toluene	22.8	0.0	0.0	22.8	0.0	68	68
Dichloromethane	13.8	0.0	0.0	13.8	0.0	138	138
1,2-Dichloroethane	8.3	0.0	0.0	8.3	0.0	9.9	9.9
Acetonitrile	5.1	0.0	0.0	5.1	0.0	118	118
n-Hexane	2.2	0.0	0.0	2.2	0.0	103	103
Formaldehyde	1.9	0.2	0.0	2.1	0.0	0.0	0.0
Zinc compounds (water-soluble)	0.0	1.2	0.0	1.2	0.0	0.0	0.0
N,N-dimethylacetamide	1.0	0.0	0.0	1.0	0.0	75.6	75.6

Data collection sites: Takeda Group production and research sites in Japan. Substances with a total discharge amount less than one ton are not shown.

[Air, Water, and Soil Quality Protection]

Fundamental Stance Regarding Air, Water, and Soil Quality Protection

At each of its Group company operating sites around the world, Takeda has established in-house standards more stringent than those required by laws, local government regulations, and regional agreements, in an effort to reduce NOx, SOx, and dust emissions, and the chemical oxygen demand (COD) of discharges. When a measurement exceeding the level of the in-house standard emerges in regular monitoring, we immediately determine and rectify the causes to prevent any problem occurring, in line with the Takeda Group's Standard for Environmental Protection and Accident Prevention Work. We also regularly check for excessive noise and unpleasant odors, and consider our impact on the lives of our neighbors or the surrounding environment.

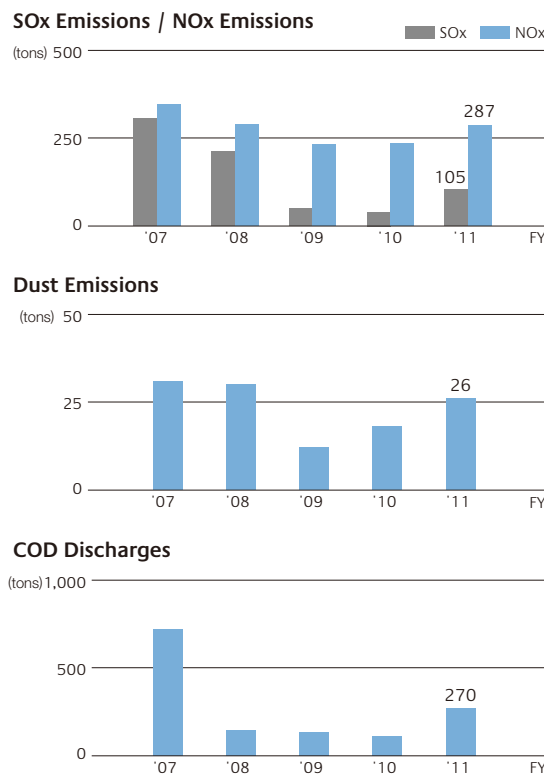
Measures to Prevent Pollution

Based on our "Countermeasure Guidelines for Soil and Groundwater Contamination," we are working to prevent contamination of soil and groundwater at Takeda Group sites. Groundwater monitoring is



Grange Castle Plant, Takeda Ireland Limited

conducted at all sites periodically and we have confirmed there are no problems. Soil contamination was detected in two places at the Hikari Plant in fiscal 2011, but it was determined not to pose a threat to surrounding areas. Soil remediation measures are being conducted in accordance with internal policy guidelines.



Data collection sites: Takeda Group production and research sites in Japan

Verification of Activities Using an Index

LIME*

LIME, developed as a national project in Japan, is a method for making a quantitative overall assessment of various environmental impacts, including CO₂, waste, and chemical substances. Takeda used the LIME method to assess its efforts to switch to different energy sources, reduce its releases of chemical substances, and reduce waste. The result of the assessment showed a major reduction in Takeda's environmental impact, measured by a decrease in the index from 100 in fiscal 2007 to 35 in fiscal 2011.

* Life-cycle Impact assessment Method based on Endpoint modeling.

MFCA (Material Flow Cost Accounting)

MFCA is a method of accounting that was developed in Germany with the goal of achieving reductions in both environmental load and costs throughout a company's manufacturing processes and in other areas. Japan has led the international community in adopting MFCA as a global standard. The distinctiveness of MFCA is that it recognizes waste and defective product losses generated by manufacturing and other processes as "negative products." In fiscal 2011 Takeda used MFCA to achieve reductions in environmental load and cost by reducing the steam pressure in its boilers and converting flammable waste oil into a valuable product.

We are working to protect the environment around production and research facilities, as well as promoting interaction with local residents.

[Environmental Communication]

Activities in Japan

■ Osaka Plant

The Osaka Plant is proactive in running cleanup activities, and also participated in the Osaka Marathon “Cleanup” Program to clean up the city. The plant has also fostered ongoing relations with local residents by running programs such as the Takeda Gardening Class and Summer Party Evening. Furthermore, we are conducting various measures to promote greater environmental awareness among employees, including showing movies with environmental protection themes.

■ Hikari Plant

The Hikari Plant conducts ongoing volunteer cleanup activities around the plant. Furthermore, in fiscal 2011 it held the Takeda Summer Festival, when the plant grounds are open to the public, and other events again to stay in close contact with residents in a fun way. In addition, we invite members of local fisheries associations to tour the plant and discuss matters of mutual interests.

■ Shonan Research Center

At the Shonan Research Center, Takeda holds regular community forums with local residents to exchange opinions and disclose information. This activity is based on an environmental protection agreement that Takeda signed with the cities of Fujisawa and Kamakura, on whose border the research center is situated. Other initiatives include conducting volunteer cleanup activities in the local area around the time of neighborhood cleanup days organized by the local community. Moreover, the site has been



Osaka Marathon “Cleanup” Program (Osaka Plant)



The Takeda Summer Festival (Hikari Plant)



Planting *Tamanawa Zakura* cherry blossom trees (Shonan Research Center)

planted with Japanese Black Pine, which is the official tree of Fujisawa City, and *Tamanawa Zakura*, a special variety of cherry blossom tree unique to the area.

Approx.
850

Number of employees who have applied for Take-Eco points in the first five months since the system was launched

The Take-Eco Point System—Supporting Employees and Their Families in Eco-Activities

In April 2012, Takeda launched the Take-Eco Point System (**Takeda’s Eco-Activity Pointing System**) which awards points for eco-activities undertaken by employees and their families.

Various daily eco-activities are eligible for points, such as participating in environmental activities, growing a “green-curtain” outside of a window, or setting the air conditioner to an appropriate level for saving power. Employees can apply for points through a web site on the Company’s intranet. The points can be exchanged for eco-products or used to make a donation in support of an eco-activity. The system is designed to help raise employees’ environmental awareness on an individual level, and to extend the scope of Takeda’s eco-activities to include families as well.



“Take-Eco-san”—a mascot for the Take-Eco Point System

Programs in Other Countries

■ Takeda California, Inc. (TCAL)

TCAL employees participated in cleanup activities for the San Diego River Park Foundation at Ocean Beach in June 2011. Coastal dune and wetland habitats in California are under threat due to development and other issues. TCAL employees expect their cleanup program will help improve biodiversity conservation.



Employees participate in cleanup activities at Ocean Beach (Takeda California, Inc.)

[Environmental Monitors]

Takeda invites residents living near the Hikari Plant, the Osaka Plant, and the Shonan Research Center to become Environmental Monitors, conducting surveys to find out whether they are aware of any noise or unpleasant odors from the plant. The plant's management is meticulous about responding to any feedback from these surveys. We also hold plant tours and other events for Environmental Monitors.



Takeda runs plant tours (Osaka Plant)

[Environmental Accounting]

Takeda has been monitoring and supervising environmental protection investments and expenditures since fiscal 1980. The table on the right shows the costs in business areas for the Takeda Group in Japan, upstream and downstream costs, and the cost of administrative activities. In fiscal 2011, environmental protection investments totaled ¥1,684 million and expenditures were ¥3,123 million. Upgrading and replacing aging environmental protection equipment accounted for the majority of the investments. In addition, there were about ¥2,800 million of investments to prevent accidents, such as by replacing aging equipment and making facilities resistant to earthquakes. The economic benefits of energy conservation measures for Takeda itself totaled approximately ¥117 million.

Environmental Protection Costs

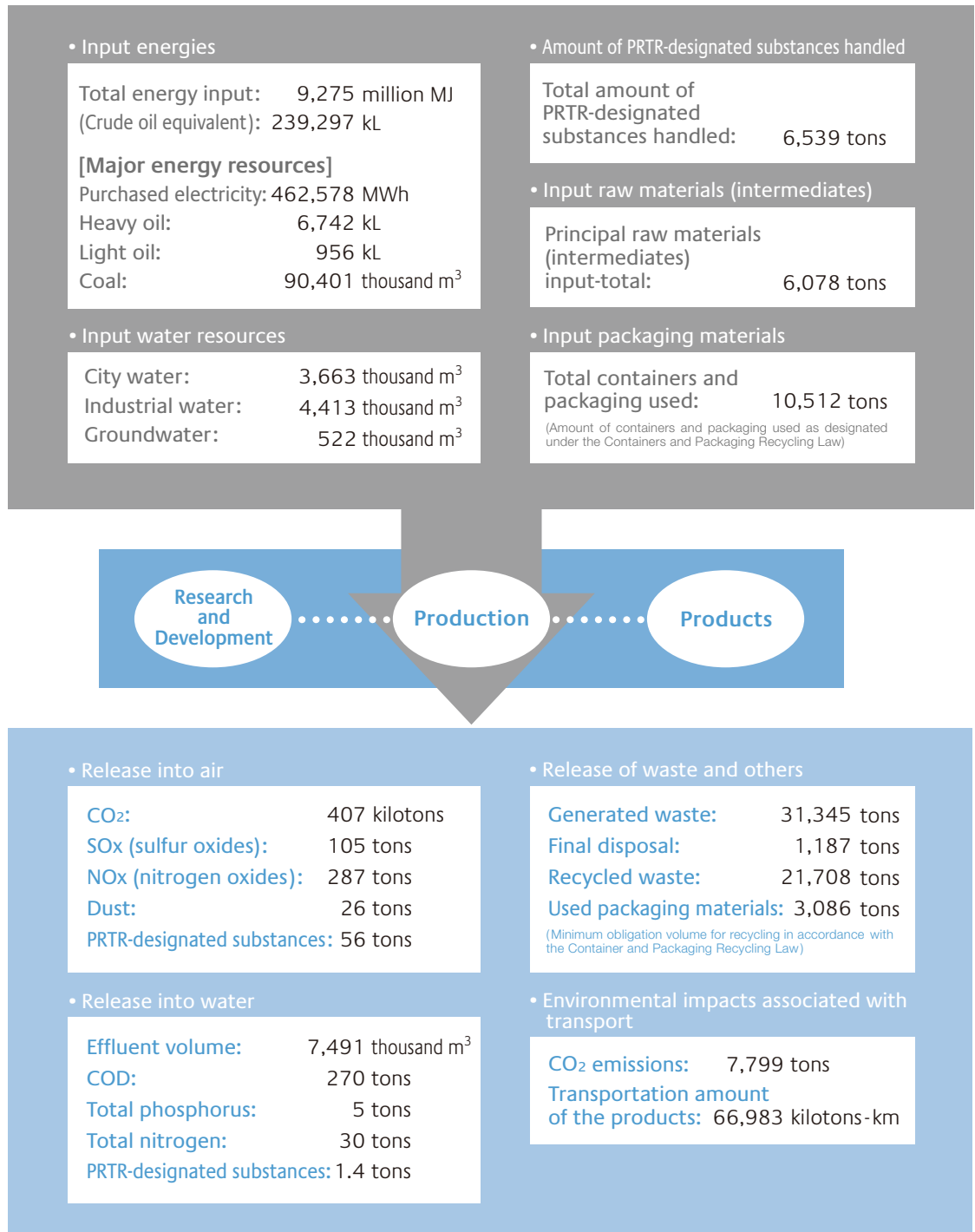
Category	(Million yen)	
	Investments	Expenditures
Business area costs	Pollution prevention	1,243
	Environmental protection	184
	Resources recycling	1,106
Upstream and downstream costs	—	29
Administrative costs	14	561
Total	1,684	3,123

- Data collection period: April 1, 2011 to March 31, 2012
- Data collection sites: Takeda Group production and research sites in Japan
- Reference guidelines: The Ministry of the Environment's 2005 Environmental Accounting Guidelines, The Japan Chemical Industry Association's Environmental Accounting Guidelines for Chemical Companies

The Environment

We prioritize controlling environmental impacts during the production process, and implement various measures to fulfill this goal.

[Environmental Impacts Associated with Takeda Group Business Activities]



Compilation Method of Environmental Data

- Data collection period: From April 1, 2011 to March 31, 2012
- Data collection sites: Takeda Group production and research sites in Japan and overseas (including one year's data from production and research sites of legacy Nycomed). Energy and CO₂ data come from all business sites including Takeda Pharmaceuticals headquarters and sales offices. However, in regard to the PRTR-designated substances, data associated with total phosphorus, total nitrogen and environmental impacts from transport, comes from production and research sites in Japan only. Input raw materials (intermediates) data refers to Takeda Pharmaceutical's production sites.

[Messages from Business Sites]

Takeda's Voice

Takeda Pharmaceuticals U.S.A., Inc.



The Deerfield, Ill. campus was designed and constructed to maximize sustainability, resulting in a reduction in overall building energy use of more than 18% compared to traditional facilities.

Our efforts to preserve the environment are not new. The Deerfield Campus was awarded Leadership in Energy and Environmental Design (LEED) Gold certification by the U.S. Green Building Council. We continue to strive for sustainability excellence—but we gain the most satisfaction in knowing we are doing what is right for the environment.

Our guiding principle has been “Building for a Sustainable Future.” As we look ahead, we are eager to launch a “Go Green” campus campaign to increase environmental awareness and grow our sustainability program.

Susan Hall
Senior Director, Corporate Services

Nycomed GmbH



CCO Global Operations has a network of coordinators covering its 21 production sites in 15 countries. These coordinators are tasked with establishing a standardized Environmental, Health and Safety Management System that is part of each plant's daily business, to support Takeda's sustainability ambitions.

We have already achieved a lot in terms of reducing waste and ensuring valuable materials are recycled, and we are proud to see many small improvements initiated by our employees across all sites and cultures.

But there is still room for improvement. The continued efficient use of raw materials and natural resources, as well as energy-saving initiatives and efforts to reduce atmospheric emissions and waste water releases, will help us to further lighten our ecological footprint in the coming years.

Gabriel Agostini
Associate Director, Safety, Health & Environment

Nihon Pharmaceutical Co., Ltd.



The Osaka Plant of Nihon Pharmaceutical Co., Ltd. is located within the Izumisano City food manufacturing complex in the south of Osaka Prefecture. The complex is located close to Kansai International Airport in an area adjacent to Osaka Bay.

This area enjoys a warm climate with relatively little rainfall, and has seen few natural disasters throughout its history. Nevertheless, there is a potential for a major earthquake and tsunami to occur in the Nankai Trough, and in the wake of the Great East Japan Earthquake last year, we have been reviewing our disaster-preparedness measures. Working with neighboring companies, we have established evacuation procedures that are designed to protect life as a first priority. In tandem, we are also looking at long-term measures to reduce the impact of disasters on our facilities and equipment.

Mamoru Ohta
Plant Manager, Osaka Plant

The Environment

A global approach to minimizing environmental impacts by monitoring data for the Takeda Group as a whole.

[Site Data]

Totals for Production and Research Sites of Takeda Pharmaceutical Company Limited

Amount of Resources Used		Environmental Impacts			
Total energy input	4,573 million MJ	CO ₂ emissions	204,178 tons	Dust	4 tons
[Main energy resources]		Waste generation	9,552 tons	COD	92 tons
Purchased electricity	175,906 MWh	Waste discharge	6,173 tons	Total phosphorus	4 tons
Heavy oil	1,718 kL	Final disposal	56 tons	Total nitrogen	27 tons
City gas	61,159 thousand m ³	SOx	3 tons		
Water	4,883 thousand m ³	NOx	134 tons		

Totals for Takeda Group Production and Research Sites Inside Japan (excluding the parent company)

Amount of Resources Used		Environmental Impacts			
Total energy input	1,629 million MJ	CO ₂ emissions	71,634 tons	Dust	13 tons
[Main energy resources]		Waste generation	32,215 tons	COD	18 tons
Purchased electricity	81,743 MWh	Waste discharge	10,749 tons	Total phosphorus	1 tons
Heavy oil	3,874 kL	Final disposal	506 tons	Total nitrogen	2 tons
City gas	11,184 thousand m ³	SOx	31 tons		
Water	2,386 thousand m ³	NOx	94 tons		

Totals for Takeda Group Production and Research Sites Outside of Japan

Amount of Resources Used		Environmental Impacts			
Total energy input	3,073 million MJ	CO ₂ emissions	131,381 tons	Dust	9 tons
[Main energy resources]		Waste generation	14,606 tons	COD	160 tons
Purchased electricity	204,930 MWh	Waste discharge	14,424 tons		
Heavy oil	1,150 kL	Final disposal	625 tons		
City gas	18,058 thousand m ³	SOx	71 tons		
Water	1,328 thousand m ³	NOx	60 tons		

Site Data for Takeda Pharmaceutical Company Limited

■ Osaka Plant

Amount of Resources Used		Environmental Impacts			
Total energy input	1,419 million MJ	CO ₂ emissions	53,719 tons	Dust	0.1 tons
[Main energy resources]		Waste generation	1,656 tons	BOD	29 tons
Purchased electricity	84,150 MWh	Waste discharge	1,634 tons	Total phosphorus	1 tons
Heavy oil	0 kL	Final disposal	13 tons	Total nitrogen	4 tons
City gas	13,206 thousand m ³	SOx	0.08 tons		
Water	1,388 thousand m ³	NOx	15 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.20	0	0	0.20	0.010	13	13
Dichloromethane	0.021	0	0	0.021	0.0015	1.0	1.0
<i>N,N</i> -dimethylformamide	0.015	0	0	0.015	0.10	1.4	1.5
Dioxins (mg-TEQ)	0.016	0	0	0.016	0	0.19	0.19
Toluene	0.071	0	0	0.071	0.0004	7.0	7.0
<i>n</i> -Hexane	0.17	0	0	0.17	0	11	11

■ Hikari Plant

Amount of Resources Used

Total energy input	1,758 million MJ
[Main energy resources]	
Purchased electricity	18,436 MWh
Heavy oil	1,709 kL
City gas	32,841 thousand m ³
Water	3,032 thousand m ³

Environmental Impacts

CO ₂ emissions	89,112 tons	Dust	4 tons
Waste generation	7,208 tons	COD	63 tons
Waste discharge	3,852 tons	Total phosphorus	2 tons
Final disposal	0 tons	Total nitrogen	19 tons
SOx	3 tons		
NOx	118 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Substance							
Acetonitrile	0.59	0	0	0.59	0	1.1	1.1
Dichloromethane	13	0	0	13	0	94	94
<i>N,N</i> -dimethylacetamide	0	0	0	0	0	0	0
<i>N,N</i> -dimethylformamide	0	0	0	0	0	0	0
Dioxins (mg-TEQ)	0.000024	0.00031	0	0.00033	0	2.0	2.0
Triethylamine	0	0	0	0	0	0	0
Toluene	1.4	0	0	1.4	0	0	0
<i>n</i> -Hexane	0	0	0	0	0	0	0
Formaldehyde	1.6	0.23	0	1.8	0	0	0
1-Methyl-1-phenylethyl=hydroperoxide	0	0	0	0	0	0	0

■ Shonan Research Center

Amount of Resources Used

Total energy input	1,199 million MJ
[Main energy resources]	
Purchased electricity	59,262 MWh
Heavy oil	9 kL
City gas	14,017 thousand m ³
Water	439 thousand m ³

Environmental Impacts

CO ₂ emissions	53,671 tons	Dust	0 tons
Waste generation	567 tons	BOD	8 tons
Waste discharge	567 tons	Total phosphorus	1 tons
Final disposal	11 tons	Total nitrogen	4 tons
SOx	0 tons		
NOx	0 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Substance							
Acetonitrile	0.13	0	0	0.13	0	8.4	8.4
<i>N,N</i> -dimethylformamide	0.011	0	0	0.011	0	1.1	1.1
<i>n</i> -Hexane	0.31	0	0	0.31	0	20	20

Views of an Independent Expert on Takeda Group Environmental Activities

After the integration of Nycomed, Takeda formulated a Global EHS Policy for the entire Group. The Company also incorporated the legacy Nycomed into its global environmental management system and in general worked quickly to collate data for disclosure targets. Moreover, Takeda provided detailed reports on the leakage incident at the Shonan Research Center. These and other actions reveal an exemplary approach to environmental management. Another group of concrete actions that can be reported are the various accident prevention and safety measures that have been established based on lessons learned from the Great East Japan Earthquake.

From a perspective of achieving environmental management that leads to the creation of corporate value, I think that Takeda's reporting could be made even better by including more detailed future forecasts. For example, with respect to the Group's CO₂ emission trends, while the fiscal 2015 target has already been achieved, electricity suppliers in Japan are expected to increase their CO₂ emission factors from fiscal 2011 onward. It would therefore seem desirable to include a forecast about achieving the Group's targets that takes into account such changes in the external environment.



Mr. Takashi Fukushima
President, Sustainability Accounting Co., Ltd.

Fair Operating Practices



Measures to Create Corporate Value

Takeda Anti-Corruption Global Policy

In 2011, Takeda formulated the Takeda Anti-Corruption Global Policy to guide all employees in upholding high ethical standards in their daily work. Takeda raises employee awareness of this global policy and anti-bribery law in each country, and reinforces its zero-tolerance policy against corrupt practices in all its business dealings. In Japan, we implemented an e-learning course of this policy for relevant employees, such as those responsible for dealing with national and public healthcare institutions or with suppliers, distributors, or service providers.

6,718 Number of employees who took anti-bribery training courses in Japan (fiscal 2011)



BSR

Business for Social Responsibility (BSR) is a global association of member companies for CSR, formed in the U.S. in 1992. BSR provides a variety of information for member companies, as well as support for their activities.

[Toward Fair Operating Practices]

Promotion of Fair Operating Practices across the Takeda Group

The Takeda Global Code of Conduct is a set of basic rules governing compliance across the entire Takeda Group. The code contains a section on conducting business with integrity and fairness.

This section, which explicitly defines patient safety as Takeda's highest priority, demands full compliance with laws and regulations in research, development, manufacture, storage, distribution and post-marketing activities, in order to ensure the safety and quality of products. The Code also contains specific guidelines on global compliance with marketing codes, anti-corruption and anti-bribery, and competition and anti-trust.

In addition, the Code contains other items such as environmental protection and respect for intellectual property. All Takeda Group executives and employees are expected to understand, comply with and implement the Takeda Global Code of Conduct in daily business activities.

- Associated Information → P.17 Compliance
- P.64 Intellectual Property
- P.68 Quality Assurance System

[Initiatives in the Industry]

Promoting Fair Operating Practices throughout the Industry

Through activities at the Quality & Technology Committee of the JPMA (Japan Pharmaceutical Manufacturers Association), Takeda is working to promote fair operating practices across the industry. Takeda is also a member of Business for Social Responsibility (BSR), an international corporate membership organization with a special focus on CSR activities. In addition, Takeda participates in the Healthcare Working Group of the BSR comprising global renowned pharmaceutical companies. The group is promoting collaborative projects involving global pharmaceutical companies.

Since January 2011, as a member of the United Nations Global Compact LEAD Program, Takeda has helped to lead corporate efforts worldwide to implement and disseminate the 10 principles of the Compact relating to areas such as human rights, labor standards, the environment, and anti-corruption.

Associated Information → P.4 United Nations Global Compact



[Anti-Corruption]

Following the Takeda Global Code of Conduct, We Will Ensure Compliance with Our Policy for Anti-Corruption and Anti-Bribery

The ISO 26000 standard for social responsibility lists “Anti-corruption” as the first item in its section on fair operating practices. The section notes that corruption not only impairs the efficacy and ethical standing of an organization, but that it also leads to human rights abuses, impoverished societies, environmental destruction, and other problems. The Takeda Global Code of Conduct has a clear guideline on prohibiting corruption and bribery, and strictly forbids offering bribes (including money, goods, hospitality, gifts, or any other item of value) to national and foreign public officials and private-sector employees. More detailed guidelines are set out in the Takeda Anti-Corruption Global Policy.

Items from the Takeda Global Code of Conduct Relating to Anti-Corruption (Extract)

■ Business with Integrity and Fairness

Anti-corruption / anti-bribery

We will comply with all applicable laws and regulations prohibiting bribery of government officials as well as all applicable laws and regulations prohibiting bribery of foreign government officials.

Takeda Anti-Corruption Global Policy Policy/Key Principles (Extract)

Takeda prohibits corrupt practices of any kind, whether committed by Takeda employees or by Third Parties (as defined below) acting for, and on behalf of, Takeda. Specifically, Takeda employees and any Third Parties acting for and on behalf of Takeda shall not:

- Offer to make, promise, authorize or accept any payments, or “anything of value,” to any individual, including government officials;
- either directly or indirectly;
- for the purpose of influencing, inducing or rewarding any act, omission or decision;
- in order to secure an improper advantage, or obtain or retain business.

[Transparency Guideline]

We Will Work to Improve Trust and Transparency in Our Corporate Activities and Relationships with Medical Institutions with Cooperation from Those Institutions and Healthcare Professionals

At every stage in the process from research and development of new drugs to their manufacture and sale, it is vital that the pharmaceutical company coordinate its efforts with medical institutions and healthcare professionals. It is important that pharmaceutical companies ensure transparency in this way, in order that the wider public may understand how the company is contributing to life sciences such as medicine and pharmacology, and that the company's operations are highly ethical. In Japan, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, and the Japanese Association of Medical Sciences are taking steps to manage potential conflicts of interest in line with similar efforts overseas. In 2011, the Japan Pharmaceutical Manufacturers Association (JPMA) formulated a guideline for ensuring transparency in corporate activities and relationships with medical institutions. Takeda referred to this guideline to form its own Transparency Guideline for the Relation between Corporate Activities and Medical Institutions (Transparency Guideline). In connection with this, Takeda will begin disclosing information about funds it supplies to medical institutions from fiscal 2013 onward.

Takeda Pharmaceutical Company “Transparency Guideline for the Relation between Corporate Activities and Medical Institutions” (Extract)

Takeda Pharmaceutical Company Limited (“Takeda”), as a member of life science industry that requires high ethical standards, will disclose payments to medical institutions according to this guideline in order to aim at (i) enhancing the transparency of relation with medical institutions which is essential for (a) research and practical use of life science including medical science and pharmaceutical science and (b) promotion of proper use of pharmaceutical products and (ii) gaining more trust from society.

Timing and method of disclosure

Takeda will disclose payments to medical institutions in each fiscal year after disclosure of financial statements for each fiscal year through Takeda website.

For further details about the Transparency Guideline, please see Takeda's website http://www.takeda.com/csr/policies/article_43828.html

We will promote fair operating practices across the Takeda Group while encouraging our suppliers to implement CSR too.

IFPMA

The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) is an NPO based in Geneva, Switzerland. Its members include the main industry groups of both advanced and developing countries, as well as R&D-focused pharmaceutical companies from around the world.

[Fair Promotion Activities]

The Takeda Group Conducts Transactions Based on Fair Competition, Observing Applicable Laws and Regulations of Every Country

Since pharmaceuticals have a deep connection to people's lives, companies that manufacture, sell and provide information about them are required to have a strong sense of ethical self-awareness. The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) has therefore set out the "IFPMA Code of Pharmaceutical Marketing Practices" (IFPMA Code) as an international standard for self-regulation of the ethical promotion of pharmaceutical products to people in the healthcare industry. In Japan, the Japan Pharmaceutical Manufacturers Association (JPMA) responded in 1993 by establishing the JPMA Promotion Code for Prescription Drugs, which complies with the IFPMA Code. Since the JPMA also requires drug companies to formulate their own codes for specific implementation of the JPMA Promotion Code for Prescription Drugs, Takeda created its own code, the Takeda Promotion Code for Prescription Drugs. This code forms the standard governing the Company's activities to promote prescription drugs.

Takeda's activities are also governed by the Takeda Global Code of Conduct, which includes clear

guidelines on fair promotion activities at Group companies. In this way, we are ensuring strict adherence to laws relating to the pharmaceutical business in each country, and to the IFPMA Code.

Associated Information → P.12 CSR Management

[Global CSR Purchasing/Guidelines for Socially Responsible Purchasing]

Promoting CSR Initiatives throughout the Value Chain, Including Business Partners

In fiscal 2010, Takeda formulated the "Global Purchasing Policy," to guide its efforts to build a global supply network in line with the company's territory expansion. The "Global Purchasing Policy" sets out basic guidelines for purchasing activities, with a focus on quality, cost, delivery date, social acceptability, and the environment.

Takeda strives to implement not only pharmaceutical business activities, but also CSR activities across the supply chain, including suppliers of raw/packaging materials and equipment, contract manufacturers as well as construction companies. Takeda has shared the "Guidelines for Socially Responsible Purchasing" with its suppliers and encourages them to make their own efforts to solve social and environmental issues.

Items from the Takeda Global Code of Conduct Relating to Fair Promotion Activities and Anti-Corruption (Extract)

■ Business with Integrity and Fairness

Advertisements/promotion

Takeda is committed to complying with all applicable laws, regulations and industry codes governing promotional activities and advertising and will conduct these activities in an appropriate and ethical manner.

We will follow applicable company procedures designed to ensure that our promotional information and advertisements comply with regulatory requirements and are accurate, balanced, fair, supported by scientific evidence and not false or misleading.

We will not promote our products for a specific use in a country until the requisite approval for marketing for that use has been given in that country.

Relationships with healthcare professionals

Takeda is committed to complying with all applicable laws, regulations, and industry codes (including the IFPMA's Code of Pharmaceutical Marketing Practices and other codes established by regional and local industry associations) in interacting with healthcare professionals.

We will not provide, offer, or promise any money, goods, hospitality, gift or any other item of value to induce or reward favorable treatment of our products.

When we obtain consulting services, advisory board services, or any other services from healthcare professionals, we will have a legitimate business need and we will not pay more than an appropriate market value for the services rendered.



These guidelines include the “Code of Responsible Purchasing Standards” that Takeda’s General Purchasing Department goes with when sourcing materials for use in manufacturing plant and research laboratory. The guidelines also cover two important elements which are “Continuous Relationship with Suppliers” and implementation of “Code of Conduct for Suppliers.”

In important elements for enhancing “Continuous Relationship with Suppliers,” the guidelines focus more on social and environmental aspects in addition to the conventional criteria of quality, cost and delivery. In the “Code of Conduct for Suppliers,” the guidelines include a section on “Corporate social responsibilities related to human life.” This section stipulates, “Production of materials to supply excellent pharmaceutical products in efficacy and safety,” “Efforts for stable supply,” and “Anti-counterfeit measures.”

Supplier Survey

Takeda asks suppliers to participate in a “CSR Survey” based on the “Guidelines for Socially Responsible Purchasing.” The survey allows us to ascertain suppliers’ CSR implementation performance, representing establishment of their quality assurance system, sustainability of stable supply, compliance with laws, labor management systems, and environmental preservation activities. The outcome collected from the surveys is fed back to the respective suppliers.

Associated Information → P.62 Global Purchasing Policy

Question Items in the Supplier Survey

Social responsibilities as a business that involves people’s lives	<ul style="list-style-type: none"> • Production and supply of materials and equipment for manufacturing excellent pharmaceutical products in efficacy and safety • Efforts for stable supply • Anti-counterfeit measures
Compliance with laws and ethical standards	<ul style="list-style-type: none"> • Compliance with laws • Business ethics and fair competition • Clear definition of concerns • Protection of experimental animals • Information security • Appropriate export controls
Labor	<ul style="list-style-type: none"> • Employment by free choice • Prohibition of child labor • Abolition of discrimination • Observation of legally required employment conditions
Health and safety	<ul style="list-style-type: none"> • Protection of employees • Process safety • Preparation and response for emergencies • Hazard information
Environment	<ul style="list-style-type: none"> • Environmental permits • Waste and gas emissions • Emission and release of hazardous chemicals • Efforts to reduce the impact on the environment
Management	<ul style="list-style-type: none"> • Promotion of CSR • Items required by laws and customers • Training and skills development • Constant improvement

[Green Procurement]

Promoting Eco-Green Purchasing

All Takeda production sites in Japan have received ISO 14001 certification for environmental management systems and use an ISO 14001 environmental management program to conduct extensive eco-green procurement activities. Furthermore, Takeda’s Eco Project, which also covers administrative and sales divisions, includes the distribution of an office supplies catalog that shows which items have received the Eco Mark or Green Mark from the Japan Environmental Association. Overall, these measures facilitate green procurement throughout the Takeda organization.

Associated Information → P.32 Takeda Group Environmental Action Plan

209

Number of companies who participated in the Supplier Survey (fiscal 2011)

Building sound and fair relationships as equals with business partners while expanding into emerging markets and other countries.

[Global Purchasing Policy]

Takeda Is Building a Comprehensive Global Supply Network Extending from Purchasing to Production and Distribution That Also Takes into Account Corporate Social Responsibility

Building supplier relationships in the spirit of “soundness and fairness based on a partnership as equals” is of particular importance in line with Takeda-ism. Successful pharmaceutical operations require partnerships with companies capable of consistently supplying raw materials, packaging materials, equipment and other products of high quality that comply with strict authorities’ regulations for manufacturing and sales of pharmaceuticals.

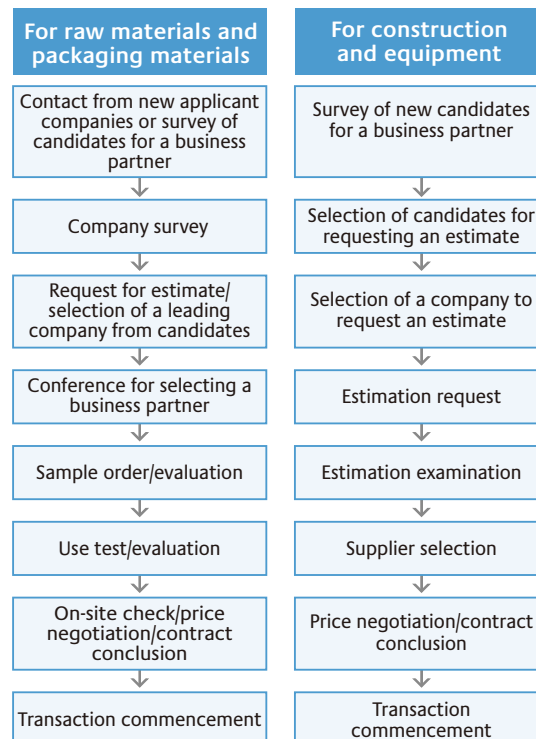
From this standpoint, the members of the General Purchasing Department, which is responsible for procuring materials and equipment for R&D and production, have established sound and fair relationships with suppliers in line with the Basic Purchasing Policy, which takes CSR priorities into consideration. In addition, the General Purchasing Department has established a new “Global Purchasing Policy” in order to build a comprehensive global supply network extending from purchasing to production and distribution. This global supply network addresses Takeda’s business expansion into new countries and regions, including emerging markets.

Under the Global Purchasing Policy, Takeda’s basic approach is to conduct purchasing activities emphasizing five elements; Quality (Q), Cost (C), Delivery (D), Society (S), and the Environment (E). This approach is incorporated in the “Guidelines for Socially Responsible Purchasing” as the “Important Elements for Continuous Business Relationship with Suppliers.”

Major Categories of Items Procured

Raw materials for R&D	Equipment for production and research
Raw materials for bulk drug substances and drug products	Construction services
Drug substances and intermediates	Fuel
Containers and packaging materials	Supplementary materials and miscellaneous supplies

Response to Applications for New Accounts



[Employee Compliance Program]

Compliance Training

Takeda has prepared two sets of rules based on the “Takeda Compliance Program for Globalization”: The “Company-Wide Guidance for Purchasing Affairs” applies to activities throughout the company. The “Departmental Purchasing Criteria” are established specifically for the purchasing activities of individual business unit. Our goal is to prevent any purchasing activity from violating internal controls, applicable laws and regulations, including laws to subcontractor for preventing monopolies and late payments etc.

The General Purchasing Department has prepared several manuals to assist employees with proper compliance which are the “Purchasing Ethics Manual,” “Anti-Monopoly Law Compliance Manual” and “Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors Compliance Manual.” The department also conducts ongoing staff education. We also have an education program for individuals in each department who are responsible

At least **6**
Number of compliance training sessions conducted per person in the General Purchasing Department (fiscal 2011)

for negotiating prices and other purchasing terms with business partners. These individuals are registered as a business negotiator and undergo special training by outside instructors. These training programs are structured to give employees an

understanding of the importance of compliance and help create a workplace culture that is imbued with a commitment to self-discipline. We believe that these programs are vital to purchasing activities that will earn the trust of business partners.

Global Purchasing Policy (Extract)

<Objective>

We, Takeda Group, aim to fulfill our mission to “strive towards better health for patients worldwide through leading innovation in medicine” by demonstrating Takeda-ism, in which we pledge to act with “integrity based on our fairness, honesty, and perseverance.”

Under corporate philosophies including Takeda-ism and our mission, the Pharmaceutical Production Division aims to provide patients worldwide with the highest quality and lowest-cost drugs by establishing world-class manufacturing technology. Moreover, in order to achieve stable and reliable supply, we shall establish and put into practice a comprehensive global supply network for purchasing, production, and distribution which can cover the expansion of new bases including developing countries and regions.

The General Purchasing Department has formulated “the Global Purchasing Policy” as a specific policy for optimizing purchasing activities in Japan and overseas in the global supply network, and will act in compliance with it.

<Scope>

The Global Purchasing Policy applies to purchasing activities of the General Purchasing Department for materials and equipment used for R&D and manufacturing. The purchasing activities are conducted in line with the “Purchasing Criteria” of the General Purchasing Department, which was established based on “Company-wide Guidance for Purchasing Affairs” (Corporate Strategy & Planning Department).

<Basic Policy>

We shall procure excellent quality (Q: Quality) materials and equipment for R&D and manufacturing with competitive cost (C: Cost) in a timely manner (D: Delivery) by building a global purchasing system. We shall also carry out purchasing activities as fulfilling social responsibilities in compliance with social norms (S: Society), and taking the environment into account (E: Environment).

<Purchasing System>

In order to procure better quality materials and equipment at the lowest cost in a stable manner from superior suppliers worldwide in terms of Q, C, D, S, E, we shall establish an optimizing purchasing system to play a part in the Takeda Group global production and supply system.

<Code of Responsible Purchasing Standards>

The Takeda Group, as a company which operates business relate and responsible to people's life, proactively promotes CSR activities in accordance with its corporate philosophy, for example, by participating in the United Nations Global Compact and formulating and complying with “Takeda Code of Compliance Standards.”

With the further globalization of purchasing, we consider that it is an important factor for engaging in fair and equal trading with appropriate suppliers worldwide including emerging countries not only to manage quality and safety but also to encourage them to conduct CSR activities and evaluate them on condition that we shall imply CSR activities ourselves. It is also considered to be response to social requirements. We have formulated the “Code of Socially Responsible Purchasing Standards” to prescribe fundamental elements and a code of behavior in relation to CSR which should be complied with and practiced in purchasing activities.

The “Guidelines for Socially Responsible Purchasing” includes specific details of our expectations for suppliers as well as the Code of Responsible Purchasing Standards.

The Code of Responsible Purchasing Standards applies to contract manufacturing activities.

Future Outlook

Issues and Initiatives
Going Forward

Takeda continues to develop its policy framework for reaffirming fair operating practices throughout the Group, including the Takeda Global Code of Conduct, and the Takeda Anti-Corruption Global Policy. In this way it is upholding a long tradition of “sincere pharmaceutical manufacturing” that stretches back to its foundation. Going forward, Takeda will promote understanding of, and instill, these policies among employees through various types of training and other initiatives.

We will also extend our supplier survey to cover the suppliers of Nycomed, which was recently integrated.

Intellectual property activities are vital to our ability to contribute to society as a provider of outstanding pharmaceutical products.

[Intellectual Property]

Intellectual Property Underpinning Takeda's Business

The pharmaceuticals that are the cornerstone of Takeda's business are the product of ideas applied in research, development and marketing, with the goal of delivering quality pharmaceuticals to people all over the world. The way we protect the fruits of these accumulated ideas is by using intellectual property rights. The Intellectual Property Department supports the business of the Takeda Group by protecting scientific ideas and inventions using patents, and goodwill capitalized in product brands using trademark rights, and by promoting proper usage of such intellectual property (IP) rights.

It is generally assumed that patent protection of pharmaceutical products is achieved solely by a basic substance patent covering the original new active ingredient. In fact, the marketability and competitiveness of medicine relies on a portfolio of patents to protect not only the ingredient, but also its use, process patent, formulation, production intermediates, any related derivatives, and the methods for evaluating disease markers. The patent portfolio protects the entire business linked to a particular medicine.

Like peers in the pharmaceutical industry, Takeda's IP operations must also address the important issue of how to construct patent portfolios to protect new businesses based on new technologies developed in recent years. These state-of-the-art technologies include regenerative medicine, cell-based therapies and gene therapy.

Transformation into a New Takeda

The Intellectual Property Department aims to help realize the transformation into a new Takeda by supporting the Group's business activities. Specifically, the department works to ensure appropriate protection of the Group's scientific ideas and inventions, and the goodwill of its products. As the Group's business activities and organization have become increasingly global in nature, we are required to adopt a more globalized approach to IP.

Our first step was to integrate our IP teams based in different parts of the world to create an IP organization capable of operating globally.

Our IP operations have also established a structure that facilitates lobbying activities through a range of external organizations, so as to respond to increasingly borderless IP regulatory systems worldwide surrounding the company's business.

Global IP activities organized in this way support the Takeda Group's entire business from R&D to sales by focusing on the three key tasks defined below.

- ① Enhancement of product-line and R&D pipeline and protection of related rights
- ② Facilitation of more dynamic and appropriate in-licensing and out-licensing activities through partner alliance support
- ③ Securing and protection of IP rights around the world

As part of realizing the transformation into a new Takeda through such activities, IP operations are addressing the vital issues of strengthening the

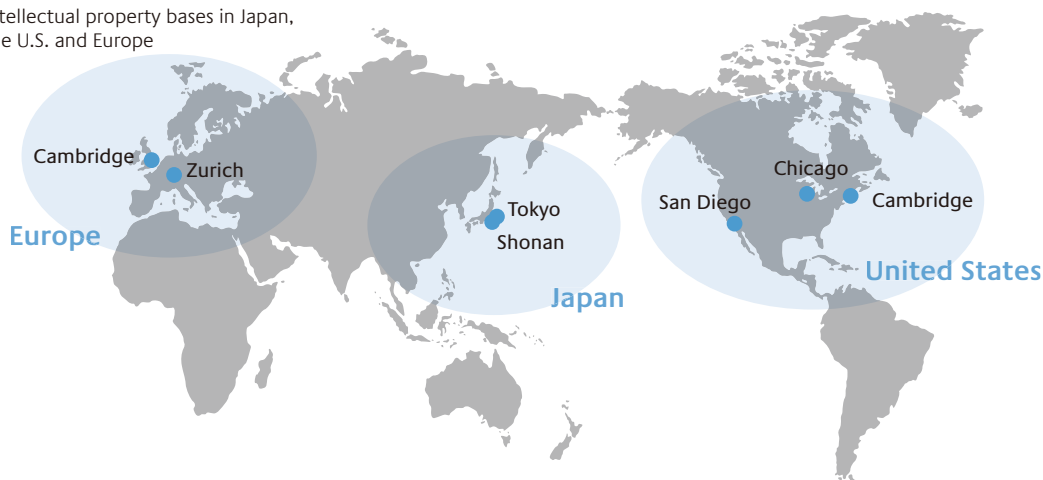
product pipeline and supporting entry into and growth within new markets, notably in emerging markets. Critically, this requires close cooperation with R&D functions. Under the Chief Medical & Scientific Officer (CMSO), the Intellectual Property Department is contributing to developing a stronger pipeline through close, dynamic cooperation with the Pharmaceutical Research Division, the Chemistry, Manufacturing and Controls (CMC) Center and the Pharmaceutical Development Division.

The Three Central Themes of Intellectual Property Activities



The Global Intellectual Property Network

- Intellectual property bases in Japan, the U.S. and Europe



Potential Risks Involving Intellectual Property Rights

Infringement of our intellectual property rights by others poses the risk of loss of expected earnings derived from these rights. To protect our earnings, therefore, we have instituted a program to appropriately manage patents and other intellectual property. This program includes a high level of vigilance for patent infringements and other illegal actions by others. We also exercise care to confirm that our products and other activities do not violate the intellectual property rights of others. We perform thorough studies starting from the R&D stage to be certain that our operations respect all such rights. Through these activities we ensure not only the continued growth of our businesses, but also the stable supply of Takeda products to patients in countries all over the world.

The factors such as penetration of generic versions of our products following the expiry of its patents, and also the launch of OTC version of competitors are making the competition further fierce in the worldwide markets, particularly in the U.S. In this context, Takeda works continuously to supply patients with more beneficial options, including the adding of indications, and changing formulations. By properly protecting these technologies, along with the new drugs themselves, the Intellectual Property Department helps Takeda to extend the product life cycle and manage sustainable growth of its business activities.

With the integration of Nycomed in fiscal 2011, Takeda became a global pharmaceutical company in the true sense of the word, having business sites in some 70 countries around the world. This means that Takeda must now look to protect its products through use of intellectual property rights in many emerging markets also. However, some emerging markets have yet to establish adequate intellectual property systems

for operating a pharmaceutical business, or have yet to properly enforce the relevant laws. Takeda will continue pressing these countries and regions to amend such conditions through the activities of external intellectual property-related groups.

The Global Intellectual Property Network

As part of measures to transform itself through globalization and to achieve sustained growth, Takeda has overseas intellectual property operations in the U.S. (Chicago, San Diego and Cambridge) and Europe (Cambridge and Zurich). The U.S. and Europe account for approximately 40% and approximately 30% of the global pharmaceuticals market, respectively. With intellectual property bases in these two regions and Japan, we can respond to competition from both competitors and generic drugs from a global perspective. We have the flexibility to take preventive, offensive or defensive measures as required. Moreover, our activities involve more than just protecting our own products; we are also active in licensing our intellectual property to third parties and other avenues for effectively utilizing these assets.

Progress in Research and Development in the Life Sciences Field

Takeda believes that further progress in R&D in the field of life sciences will require an intellectual property system that reflects governmental policy on industries while allowing for protection of inventions and utilization of the rights to them. To accomplish these goals, we are cooperating and holding discussions with governmental ministries and agencies as well as industrial and business associations. In addition, we participate in activities of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and other multinational organizations in order to help solve intellectual property issues at the global level.



Measures to Create Corporate Value

Creation of a Supplier Database

To ensure that patients and consumers receive high quality pharmaceutical products, it is essential to rigorously manage quality control across the entire supply chain. To help with this, Takeda has been creating a centrally managed database of various quality-related data and the latest evaluation results of suppliers around the world, including those of the legacy Nycomed. If problems arise in future, this database will enable us to deal with them swiftly.

700

Number of companies registered in the supplier database (as of June 2012)



[Anti-Counterfeit Measures]

Three-Year Plan for Anti-Counterfeit Measures Formulated

Incidents in which the health of patients has been harmed due to counterfeit drugs have become a major issue worldwide in recent years. WHO reported in 2010 that as much as 10% of the drugs in distribution are estimated to be counterfeit, which is comparable to the size of the entire pharmaceutical market in Japan in terms of sales.

With the threat of counterfeit drugs increasing, Takeda recognized the need to bolster countermeasures to ensure patient safety as it dramatically enlarges its global business. We therefore formulated the Three-Year Plan for Anti-Counterfeit Measures, which began in 2012.

For example, Takeda gives top priority to the safety of patients when selecting business partners, carefully assessing all potential partners with respect to quality assurance. Takeda also strives to ensure product quality by carrying out regular audits of its suppliers of raw materials, contract manufacturers, distribution centers, and other entities involved in its operations.

Furthermore, Takeda is gathering and investigating information regarding counterfeit medicines on a global scale in collaboration with international organizations such as the ICPO (International Criminal Police Organization). Furthermore, Takeda is supporting relevant governments, judicial authorities, and police to crack down and expose counterfeit

Three-Year Plan for Anti-Counterfeit Measures

Raise awareness of counterfeit drugs and illicit trading

Establish and implement supply chain security countermeasures

Investigate and expose criminal organizations that manufacture and sell counterfeit drugs

medicines by reporting internal investigation results and performing analyses of seized suspects. In addition, Takeda is ensuring product quality by introducing anti-counterfeit and anti-tampering technologies, and developing analytical methods to distinguish counterfeit products.

Introducing the Takeda Security Label

Takeda believes that anti-counterfeit measures should not be the same for every product and in every country. Rather, measures need to be applied in consideration of the individual risk profile of each product and the country in which it is being sold. Having expanded its area of operations to about 70 countries with the integration of Nycomed, Takeda will create and implement effective, area-specific countermeasures based on the result of risk analysis of the new area.

102,000

Number of inquiries fielded by the Customer Relations Contact Center and the Healthcare Company Customer Relations Contact Center (fiscal 2011)

One of the advanced countermeasures we plan to introduce is a trackable and traceable tamper evident seal called the Takeda Security Label, which cannot be counterfeited. Various other measures that will be implemented depending on individual risk levels include monitoring of websites on the Internet, market surveys, registration with customs agencies, and establishment of methods for distinguishing genuine products from fakes.



A counterfeit-proof sealing label
Takeda Security Label

[Strengthening Value Chain Management]

Complete Quality Control in Pharmaceutical Distribution

As the risks posed by counterfeit drugs and unauthorized distribution increase, regulatory authorities in every country are calling for stronger quality control across the entire value chain.

Takeda complies with Good Manufacturing Practice (GMP), a set of regulations for the manufacture and quality control of pharmaceuticals. Beyond that, Takeda has also begun developing systems that incorporate Good Distribution Practice (GDP), a new concept for ensuring product quality throughout the various operations of the distribution process. In fiscal 2011, we formulated the Takeda Global GDP Standard to further strengthen value chain management throughout the Group.

- Associated Information → P.5 Value Chain Management
→ P.68 Quality Assurance System
→ P.72 Production and Supply System

[Supplying Information]

Providing Pharmaceutical Information of a High Standard

Takeda's pharmaceutical information distribution activities are conducted by medical representatives (MR) who follow the basic philosophy "We will contribute to patients by providing our great products, and share the delight with all medical professionals." MRs work on the premise of face-to-face communication with healthcare professionals, but also use websites such as disease awareness-raising sites to increase opportunities to share information on products with healthcare professionals and consumers to meet a wide range of needs. In Japan, MRs are also working to support initiatives to increase patient adherence.*

Takeda has also established a Customer Relations Contact Center for ethical drugs and a Healthcare Company Customer Relations Contact Center for consumer healthcare drugs and quasi-drugs to answer inquiries by telephone or email. In fiscal 2011, the contact centers fielded around 102,000 inquiries in Japan.

* Patients' continued full participation in therapy, in terms of both drugs and lifestyle improvements



Future Outlook

Issues and Initiatives
Going Forward

Takeda recognizes the need to continue detailed activities across the entire value chain to enhance safety for patients and customers. We will tackle the sharp rise in counterfeit drugs and unauthorized distribution by conducting education about these issues both internally and externally based on the Three-Year Plan for Anti-Counterfeit Measures we formulated in fiscal 2011. We will also pay particular attention to establishing and implementing measures in our supply chain. In addition, we will strengthen cooperation among our quality assurance departments, manufacturing departments, and Takeda Group companies worldwide, to develop our systems globally.

Takeda is establishing a comprehensive quality assurance system to meet the requirements and expectations of a global pharmaceutical company, taking into account various factors including counterfeit drug issues as well as cultural and religious differences.

[Quality Assurance System]

Basic Policy

In addition to complying with applicable laws and regulations, Takeda's overarching mission is to supply safe, high-quality products that can be used by patients and customers with complete confidence. To this end, Takeda has structured a comprehensive quality assurance and safety control system. With cooperation among QA departments of Takeda Group companies worldwide, Takeda is committed to maintaining the reliability of its global operations at all stages of the product life cycle from research, clinical studies, manufacturing, distribution, and provision of information on appropriate use, to monitoring and analysis of safety and quality information as its products become widely used.



Global Quality Assurance Policy

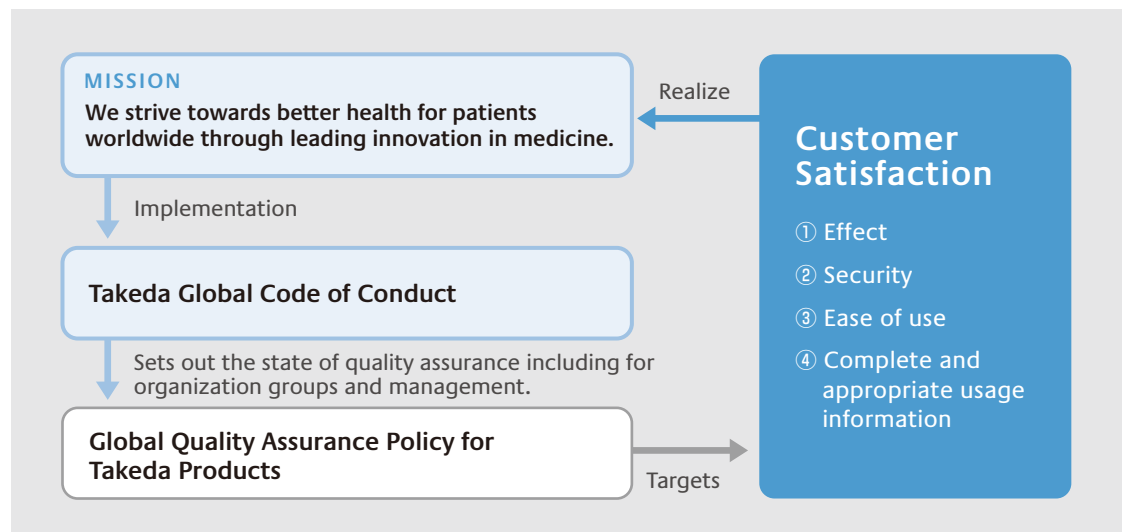
Takeda has established the "Global Quality Assurance Policy for Takeda Products" as a Company policy to guide comprehensive quality assurance activities including risk management and crisis management. All Takeda Group companies around the world are required to comply with this policy.

As a base of Takeda Group's quality assurance, the Global Quality Assurance Department promotes the establishment of a quality assurance system expected of a global pharmaceutical company by creating and disseminating global policy and related guidelines to all Takeda Group companies.

"Quality" that Takeda Pursues

- ① Product conformity to required specifications at all stages of processing: raw materials, drug substances, investigational medicinal products, finished products, and marketed products during distribution and storage
- ② Complete and accurate information (collection, recording, and documentation of information comprising a product profile, and validation including computerized systems)
- ③ Dissemination of information, such as efficacy, dosage, usage, and precautions, to customers in a timely manner

Quality Assurance Cycle for Achieving Customer Satisfaction



Quality Assurance Spanning the Entire Product Life Cycle

■ Research and Non-Clinical Studies

Takeda stringently manages studies and maintains data integrity and also strictly follows regulations for **GLP** (Good Laboratory Practice) for non-clinical studies to assess the safety of candidate compounds of pharmaceutical products.

■ Clinical Development

All of Takeda's clinical studies, wherever conducted, comply with **GCP** (Good Clinical Practice), in addition to national and regional regulations as well as Takeda Group's own standard operating procedures and adherence to protocols.

■ Manufacture of IMP and Pharmaceutical Products

Takeda complies with **GMP** (Good Manufacturing Practice), a set of regulations for the manufacture and quality control of pharmaceuticals, and keeps up to date with the latest revisions to these regulations. We also apply our own quality standards to assure that Takeda pharmaceutical products meet international requirements for quality regardless of where they are manufactured.

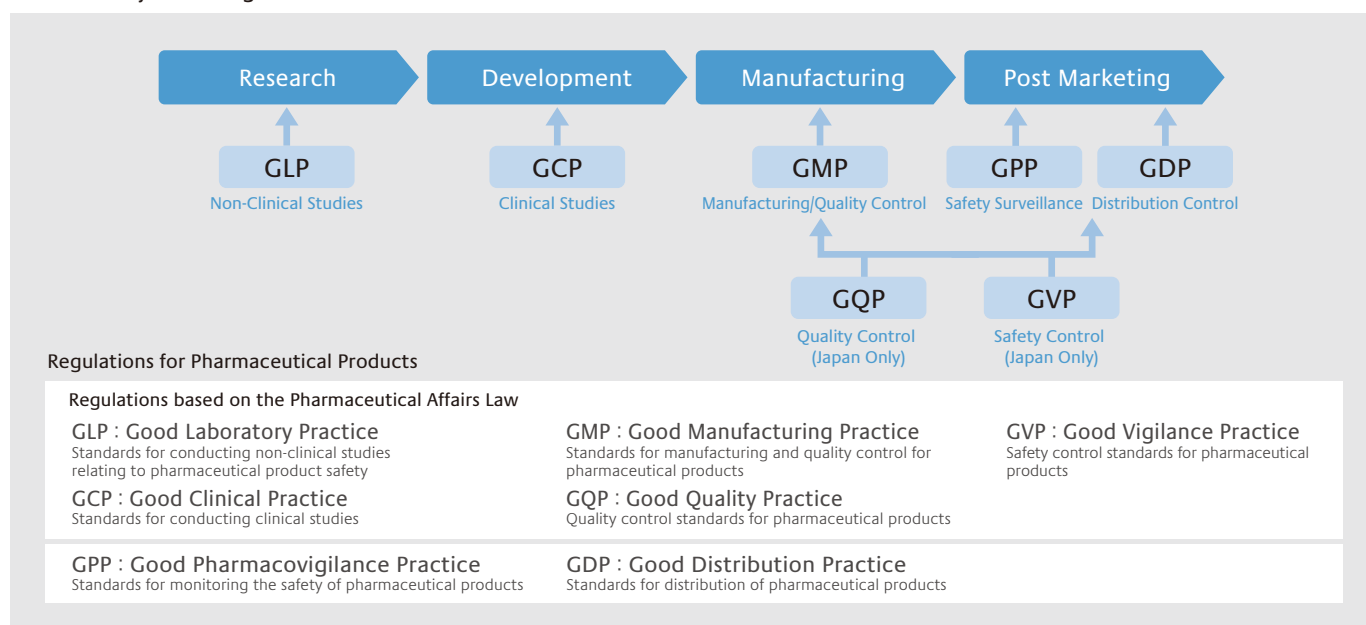
■ Post-Marketing Quality Control

In the post-marketing stage, we carry out not only quality control before shipping out products but also the collection of quality-related information from the market. Examining and evaluating the information obtained allows us to detect potential quality issues at an early point and make continuous improvements in quality control. In Japan, Takeda follows the **GQP** (Good Quality Practice) regulations for quality control of pharmaceutical products.

■ Safety Surveillance of Pharmaceutical Products

Takeda implements **pharmacovigilance** activities to provide medical institutions and marketing companies with the latest safety information and information on the appropriate use of Takeda products in correct and timely fashion, by collecting information from patients and healthcare service providers from the development phase and continuously even after their launch, and examining and evaluating such information. In Japan, Takeda follows the **GVP** (Good Vigilance Practice) regulations for safety control of pharmaceutical products.

Product Life Cycle and Regulations



Strengthening the network around the Global Quality Assurance Department as a keystone to creating a globally aligned system for risk and crisis management.

■ Preventing Drug Disasters

A lack of appropriate and timely safety monitoring of drugs led to a number of drug disasters. During the 1960s, Takeda was one of the companies involved in the SMON (Subacute Myelo-Optico-Neuropathy) accident that affected over 10,000 people, for which the Company has been paying compensation today. In its final statement released in April 2010 by “an investigative committee on the state of pharmaceutical administration for investigation of a drug-induced hepatitis accident and measures to prevent reoccurrence,” which is a working group of experts under the Ministry of Health, Labour and Welfare, the committee called for pharmaceutical companies to implement education about drug disasters to prevent them from recurring. At Takeda, we are taking steps to ensure that the tragedy of drug disasters, the agony of patients who fall victim to such suffering, and the weight of social responsibility of companies are never forgotten. For that reason, we run a training program about drug disasters targeting all departments involved in safety monitoring activities. The program

is being extended to cover all employees.

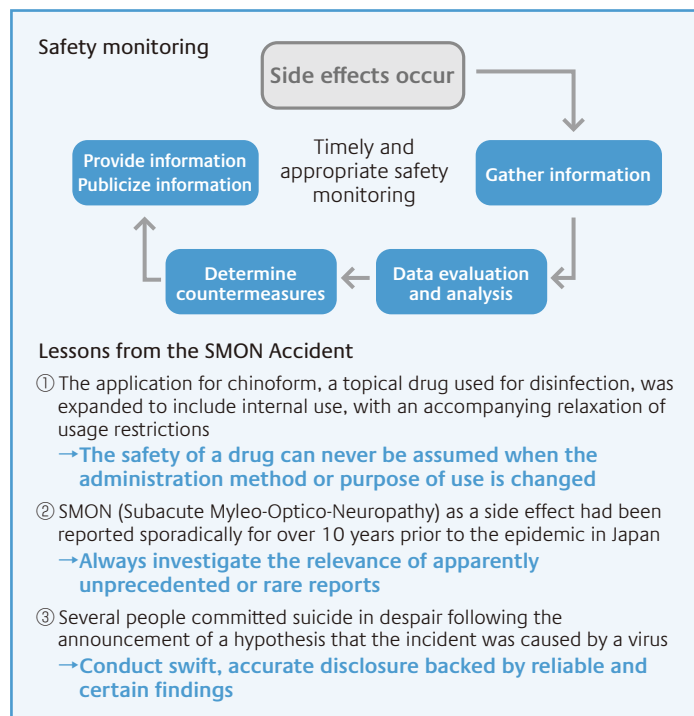
Risk Management and Crisis Management

Even under the most stringent quality and safety control, unforeseen product defects or adverse drug reactions may occur. Takeda takes measures to prevent any incidents of injury to people’s health due to its products by gathering and analyzing risk-related information appropriately on a global scale. If such an incident does occur despite these measures, Takeda strives to prevent the incident from spreading.

■ Global Recall System

The supply management of Takeda’s products for global markets is becoming more complex due to the manifold manufacturing sites and multiple sales and distribution channels around the world. We have therefore established a global recall system that addresses unexpected recall of products in multiple countries on a global basis as part of our measures for crisis management.

Initiatives to Prevent Drug Disasters from Reoccurring



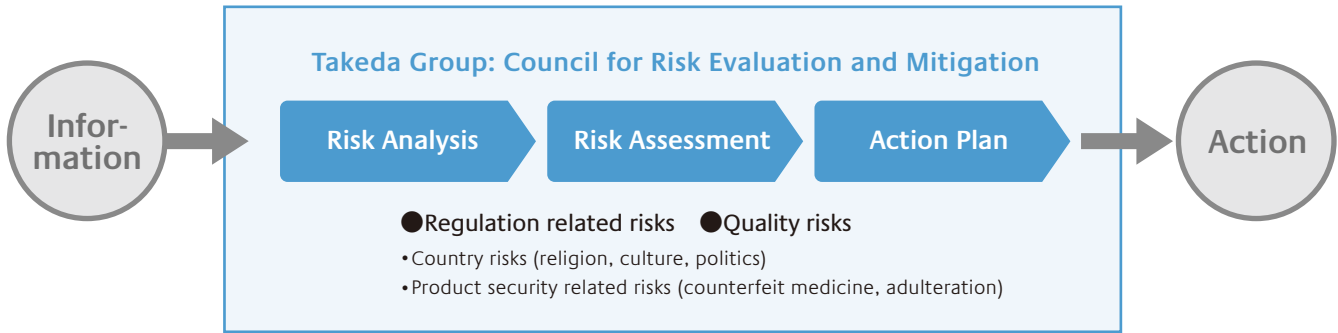
As part of our duty as a pharmaceutical company, we take the following initiatives to prevent drug disasters from reoccurring.

- Minimize the occurrence of serious side-effects, and prevent their spread by implementing timely and appropriate safety monitoring.
- Maintain an internal system for implementing education based on past drug disasters.



A monument at the Ministry of Health, Labour, and Welfare bears witness to the Ministry's oath to eradicate drug disasters

Concept of Risk Management



1.6bn

Global population of Muslims worldwide

Source: U.S. Non-profit research institute Pew Research Center website

■ Council for Risk Evaluation and Mitigation

Takeda is accelerating the globalization of its operations to realize its corporate mission of providing superior products worldwide to contribute to the health of as many patients as possible. As our operations become more global, we need to take into account a wider range of conditions than ever before in our risk management.

For example, there is a risk that we might create a product using an ingredient considered to be tabooed by some cultures or religions due to lack of knowledge; the consequences of such a blunder could be serious. Another area that has become a pressing problem around the world in recent years is the health hazard caused by counterfeit drugs as well as counterfeit and adulterated raw materials. Pharmaceutical companies with global operations are being asked to take responsible action on these issues.

Having expanded into new countries and regions, Takeda needs to grasp the situations peculiar to each country with respect to differences in culture and religion; political, economic, and social environments; and counterfeit pharmaceutical products. We must also take measures against any risks that are envisaged. To this end, we have set up a Council for Risk Evaluation And Mitigation (CREAM) hosted by the Global Quality Assurance Department. CREAM is charged with formulating and carrying out measures to mitigate and avoid such risks.

■ Respecting the Principles of Halal

Following the integration of Nycomed, sales opportunities for Takeda’s products in emerging markets have increased dramatically. With these new business opportunities comes the need to give due consideration to these markets’ cultural and religious aspects.

“Halal” is the word used to describe compliance with the law of Islam. For example, since pork and alcohol are not halal, their consumption as food is forbidden. The world’s Muslim population in 2010 was 1.6 billion, or 23% of the global population. Takeda recognizes that it needs to consider halal principles when supplying its pharmaceutical products to Muslim patients. Since the legal restrictions and interpretation of halal vary from country to country, CREAM has taken this diversity into account in formulating systems to counter risks. We are also making progress in dealing with risks relating to various other religions.

We will continue to ensure stable supplies of high-quality pharmaceutical products with cost-efficient operation for patients worldwide.

[Production and Supply System]

Strengthening Global Supply Chain Management

In tandem with rapid international expansion of its sales network, Takeda is consolidating its global supply chain.

Prior to the acquisition of legacy Nycomed in fiscal 2011, the Group operated mostly out of its Osaka and Hikari plants in Japan, and its Ireland Plant (Takeda Ireland Limited). With the acquisition, the Group gained access to a truly global supply chain organization with internal manufacturing at 17 production sites in 14 countries, including three manufacturing joint ventures in Asia, and an external supplier network on a global scale.

In fiscal 2012, the entire Takeda Group will harness innovations in production technology through operational excellence, as well as use the synergies from business integrations, to pursue high quality and competitive cost targets. Our highest priority is to ensure that our supply chain can keep pace with our sales area expansion and ensure product availability. We are focused especially on rapidly growing emerging markets. In China, for example, we are building a supply system for the local market based on our Tianjin Plant. In Russia, we are constructing a new plant scheduled to start operations in fiscal 2014.

Associated Information → P.61 Global CSR Purchasing



24

Number of Takeda Group production bases

Excluding the Yaroslavl Plant under construction in Russia

Takeda's Production Bases



● Legacy Nycomed's production plants/Production bases through its joint ventures

Takeda's Voice



We always conduct equipment inspections at our drug manufacturing site every day, without fail.

In addition to checking the numerical readings of instruments, we utilize all our five senses to not miss any subtle changes in sound, vibration, color, or smell.

Although inspections are routine procedure, we approach each inspection with professionalism to ensure that patients can use Takeda's medicine with reassurance and trust.

Kenichi Morikawa
Osaka Plant, Pharmaceutical Production Div.

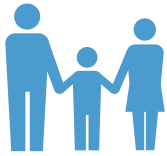


In my role, I am the last point of contact before the product leaves production and therefore probably the last point of contact before patients take the product. This drives me to act with integrity at all times.

Every task that I perform needs to be executed meticulously in the same measured way due to the nature of the product that I am dealing with.

By acting with integrity, I can gain the trust and respect of patients and peers alike.

Derek Flynn
Bray Plant, Takeda Ireland Limited



Measures to Create Corporate Value

Initiatives to Improve Access to Healthcare

Two of the Millennium Development Goals (MDGs) set out by the United Nations are to “combat HIV/AIDS, malaria, and other diseases,” and to “reduce child mortality.” Taking up these challenges, Takeda is partnering with the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and Plan Japan to support their efforts to improve access to healthcare for people in developing countries. We visit the front lines of our support activities with our partners and engage in dialogue with stakeholders to ensure better outcomes and greater impact for our programs.

¥1.05 bn Amount pledged to support healthcare access through donations from 2009 to 2019



A mother with HIV is examined by a doctor. Treatment can keep infected mothers healthy and prevent the disease from passing to their children.
©The Global Fund / John Rae

[Approach to Community Involvement and Development]

Holistic Approach

Takeda aims to contribute to community development by providing people who suffer from diseases with outstanding pharmaceuticals that improve their quality of life. However, before this treatment stage, there is also much that we can contribute at the prevention stage. Examples include research and development of vaccines and other preventative medicines, as well as disease prevention education for healthy people. In emerging markets and other developing countries, it is especially important to raise awareness of the importance of good nutrition and hygiene. We also believe it is important to focus on life after treatment, and on raising the quality of life of patients who have been in long-term care, especially children, for whom support systems are often insufficient. Other areas where Takeda also strives to strengthen the foundations of healthcare in terms of human resources include capacity building of healthcare professionals through corporate-sponsored research grants, and various support initiatives for medical students. In this way, Takeda aims to take a holistic approach to community involvement and development as a global pharmaceutical company, and as a corporate citizen.

[Policy for Corporate Citizenship Activities]

Basic Policy and Value Chain Concept

As part of its CSR activities, Takeda carries out corporate citizenship activities, with a particular focus on support activities to help solve social problems. In 2011, Takeda set out its Basic Policies on Corporate Citizenship Activities as a global pharmaceutical company. These are a set of common basic principles shared by all Group companies. We have focused our activities in the area of healthcare, where we leverage our expertise in pharmaceutical industry.

There are many approaches to implementation. We believe it is important to reevaluate every approach using a value chain framework that considers the value added by each process of our corporate citizenship activities, and then, approach implementation from a stakeholder perspective rather than the corporate perspective.

Corporate Perspectives

- Invested management resources (input)
- Coverage of the target group (output)

Stakeholder Perspectives

- Positive effect for the target group (outcome)
- Positive spillover effect on society as a whole (impact)

Associated Information → P.5 Value Chain Management

Long-Term Ongoing Corporate Citizenship Activities through Links with NGOs and NPOs

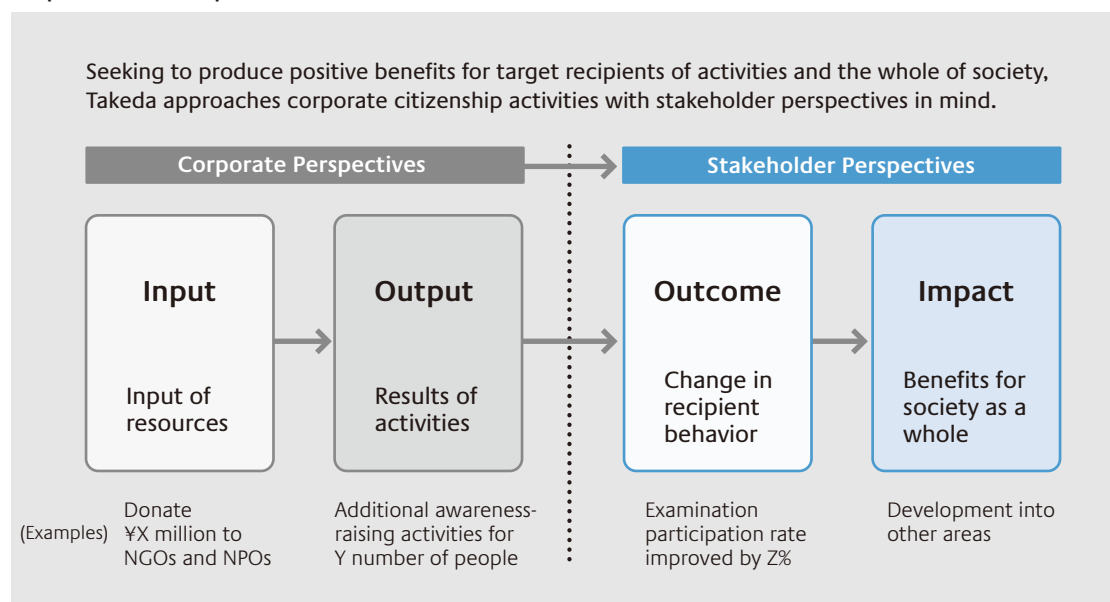
Since social issues in the field of health and medicine are fundamentally involved with the lives of people, one of the important things that corporations working in this field must tackle is establishing a framework for long-term, ongoing support. Takeda has developed links with NGOs and NPOs who have a deep

understanding of frontline social issues. Based on these links, we estimate the time needed to improve each situation and create an ongoing support program to help tackle it.

Takeda's Main Corporate Citizenship Activities and Their Timeframes

Program Name	Overview (Partner Organization)	Started	Timeframe
Takeda Initiative	Support fight against HIV/AIDS, TB and malaria in Africa (The Global Fund to Fight AIDS, Tuberculosis and Malaria)	2010	10 years
Takeda-Plan Healthcare Access Program	Support efforts to improve access to healthcare for children in Asia (Plan Japan)	2009	5 years
Takeda Well-Being Program	Support Japanese children in long-term treatment and their families (Civil Society Initiative Fund)	2009	5 years
“Support for Japan’s Vitality and Recovery” Program	Donate part of the revenue from our <i>Alinamin</i> lineup of products to support Great East Japan Earthquake recovery efforts (Japan NPO Center, etc.)	2011	3 years

Corporate Citizenship Activities Value Chain and Takeda's Focus



Community Involvement and Development

Takeda is promoting activities in cooperation with external groups, while continuously working to create basic infrastructure for healthcare development.

[Partnership with NGOs and NPOs]

Takeda Well-Being Program

The Takeda Well-Being Program was set up in conjunction with the Civil Society Initiative Fund (CSIF) to support the activities of groups that provide support to children undergoing long-term treatment for diseases, as well as support for their families.

CSIF selects activities for the program to support

after seeking the advice of external experts. In fiscal 2009-2011 the program supported eight groups and 13 projects (total support of ¥23.4 million). In fiscal 2012, the program is supporting projects run by groups including Picture Book Carnival, Childhood Cancer Network MN Project, and Japan Children's Ward Play Volunteer Network.

Organizations Supported by the Takeda Well-Being Program, and Their Fields

Upgrading Activities	Human Resource Training	Strengthening the Activity Base	Preparing Infrastructure
[Performance] Kodomo Gekijo Chibaken Center	[Volunteer training] Ikiru Chikara VIVACE	[Networking space] Network for Support of Children with Disease —Play Volunteers	[Nationwide competition] ES-Bureau
[Psychological support (Response to earthquake)] Japan CliniClowns Association	[Clown training] Japan Hospital Clowns Association	[Sibling support] Shibutane	[Network-building] Japan Children's Ward Play Volunteer Network
[Work support] HOPE Project		[Picture book display, exchange] Picture Book Carnival	[Exchange and information dissemination] MN Project

For further details about activities, please see Takeda's website <http://www.takeda.co.jp/chouki/>

[Corporate Foundations]

Takeda Science Foundation

The Takeda Science Foundation was established on September 30, 1963 with an endowment from Takeda. Major activities of the foundation and results for fiscal 2011 (in brackets) are as follows:

1. Research Grants for research centers and research scientists involved in scientific technology projects throughout Japan (469 grants totaling ¥2,265.5 million);
2. International Fellowship Program for foreign medical doctors and researchers conducting research in Japan (46 persons received a total of ¥86 million);
3. The Takeda Prize for Medical Science, which recognizes outstanding achievements in scientific research (Dr. Takashi Kadowaki, Professor, the University of Tokyo; Dr. Noboru Mizushima, Professor, Tokyo Medical and Dental University);
4. Holding of the Takeda Science Foundation Symposiums on Bioscience/PharmaSciences; (Not held in fiscal 2011);
5. Publication of literature promoting scientific technologies; and
6. Storage, preservation, collection and exhibitions of oriental medical books and other documents at Kyo-U Sho-Oku, the foundation's library.

For further details about activities, please see the following website <http://www.takeda-sci.or.jp/>

Shoshisha Foundation

Shoshisha dates back to 1923 when Chobei Takeda V started using his own money to support deserving students with financial needs. The Shoshisha Foundation was established in 1960 to carry on this spirit. Since its establishment through fiscal 2011, the foundation has granted a total of 627 scholarships.

For further details about activities, please see the following website <http://www.shoshisha.or.jp/>

Institute for Fermentation, Osaka

The Institute for Fermentation, Osaka (IFO) was established in 1944 with joint funding by the Japanese government and Takeda Chemical Industries, Ltd. Up until 2002, the Institute collected, preserved, and distributed microorganisms to support research around the world. Since fiscal 2003, the Institute has provided grants for research on microorganisms with the objective of contributing to the advancement of microbiology. In fiscal 2011, the Institute issued 44 grants totaling ¥408.1 million.

For further details about activities, please see the following website <http://www.ifo.or.jp/>

¥2.67bn

Total grants/scholarships provided by Takeda Science Foundation, Shoshisha Foundation and Institute for Fermentation, Osaka (fiscal 2011)

[Healthcare Support for Developing Countries]

Takeda Initiative Targeted MDG: Goal 6

Since 2010, we have run the “Takeda Initiative,” an endowment program to help prevent the spread of HIV/AIDS, tuberculosis and malaria, which is one of the key MDGs. The Takeda Initiative aims to develop and strengthen the capacity of healthcare workers in Africa in collaboration with the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund).

Under the Takeda Initiative, we have committed ¥100 million annually over the period of 10 years from 2010 to 2019. Currently we are supporting healthcare programs in Nigeria (HIV/AIDS), Senegal (tuberculosis) and Tanzania (malaria). Besides, Takeda participates in project site visits. In 2011, we visited Tanzania to observe the malaria programs and held stakeholder dialogues with healthcare professionals and others. The use of all contributions made through the Global Fund is monitored and verified by external professional organizations such as audit agencies, ensuring all programs to maintain the highest level of transparency.



©The Global Fund / John Rae
A doctor inspects a three-month-old child suspected of having malaria (Nigeria)

The Takeda-Plan Healthcare Access Program



In 2009, we established the Takeda-Plan Healthcare Access Program in collaboration with Plan Japan. The program aims to support detailed initiatives to improve access to healthcare services for children in four Asian countries: China, Indonesia, the Philippines, and Thailand. In fiscal 2011, the third year of the program, the plan achieved steady progress with expansion of geographical coverage and an increase in the total number of children who gained access to healthcare. The program is making strides in its efforts towards improvement based on an interim evaluation too, with several areas now implementing the recommended changes. Representatives from Takeda also visited program sites in the Philippines and in Thailand to hold stakeholder dialogues with medical professionals, local staff, and healthcare volunteers to help find ways to improve the projects.



Activities in Thailand
Prevention of spreading of HIV/AIDS among young people

Targeted MDG: Goal 6



Activities in the Philippines
Healthcare support for children

Targeted MDGs: Goals 2 and 8



Activities in Indonesia
Community-led total sanitation to create open defecation-free villages

Targeted MDGs: Goals 4 and 7



Activities in China
More nutritious diets for children

Targeted MDGs: Goals 1 and 2

Photograph: Plan Japan

Future Outlook

Issues and Initiatives
Going Forward

In September 2011, the United Nations and the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) sent out an appeal to pharmaceutical companies around the world for action in the area of non-communicable diseases (NCDs) in developing countries. NCDs overlap significantly with Takeda’s business fields and with the integration of Nycomed we now have the means to reach out to these communities. Takeda intends to contribute fully to community development through a holistic approach that incorporates both business and corporate citizenship perspectives.



Holding Takeda Cares Day to support local NPOs

Takeda Cares Day was created to support a healthier community by giving employees a healthy, fun, and easy way to support local non-profit organizations. The event was held on the Takeda Pharmaceuticals U.S.A., Inc. (TPUSA) Deerfield campus and took advantage of the campus's 1.1 mile walking path. Employees participated in a 5 kilometers run or a walkathon and a series of field games to help raise up to \$100 per employee for their choice of one of three local non-profit organizations. It was a success by all measures, particularly for the three nonprofit beneficiary organizations, CommunityHealth, IBIO Institute, and United Way of Lake County. The organizations were selected based on their activities in providing health care for underserved populations, education, and vital services for families. More than 550 employees helped to raise an impressive donation that was used in the communities where Deerfield-based TPUSA employees work and live.

Stakeholder's Voice

We are incredibly grateful. Every person who raised \$100 by completing the 5 kilometers or walking three laps in the walkathon helped a child receive tutoring for a full year. When they say Takeda cares, they really mean Takeda cares a lot!

Ms. Kim Dodson
Director of Individual and Leadership Giving
United Way of Lake County



United Way of Lake County Website
<http://www.liveunitedlakecounty.org/>



Employees participating in a walkathon

Fostering younger generations of scientists in the local community

In late 2007, the Massachusetts Technology Leadership Council collaborated with science and technology associations to address a serious problem impacting Massachusetts' global competitiveness and leadership in scientific and technological innovation: the diminishing pipeline of students pursuing science, technology, engineering and math (STEM). In response the STEMTech Alliance—a unique coalition of six Massachusetts associations—created the DIGITS program.

DIGITS pairs biotech employees with local middle schools to help teach fourth-grade students about the importance of STEM careers, and show how studying math and science can open career opportunities in their future. Millennium Pharmaceuticals, Inc. (Millennium) believes that it is important for the future of medicine and technology that young students are excited about science and pursuing related careers. This year, 19 Millennium employees participated in the DIGITS program, reaching more than 1,000 local students.

Stakeholder's Voice

We encourage the students to find an interest and work hard pursuing it. Millennium needs future generations to help us develop new ways to treat cancer—and hopefully to cure it. These kids are the future. It was great to see their excitement and enthusiasm.

David Lichter
Research Investigator, Translational Medicine,
Millennium



Employees who took part in the education program activity



Providing a lecture to students



The U.S.

Opening doors for students and the scientific innovation of tomorrow

For the second year in a row, Takeda Global Research and Development Center, Inc. (TGRD) supported the Chicago Public Schools Student Science Fair by providing volunteers at the science fair event and awarding scholarships to seven outstanding health science students.



Chicago Public Schools Student Science Fair 2012

The Chicago Public Schools Student Science Fair provides students the opportunity to share their passion for science at fairs with students from across the state of Illinois. For over 60 years, the event has showcased students and their discoveries in science, technology, engineering, and mathematics.

Several employees from TGRD participated as volunteers in roles ranging from registration and special award judges to speakers at the opening ceremony and recognition luncheon.

Stakeholder's Voice

TGRD's participation in the Chicago Public Schools Student Science Fair helps support our efforts to advance STEM (Science Technology Engineering and Math) education in the Chicago area. These scholarships are an investment in the scientists of tomorrow.

Ms. Rita Nelson
Scholarship Chairperson,
Chicago Public Schools Student Science Fair



Chicago Public Schools Student Science Fair Website
<http://cpsscifair.org/>



Scholarship student Margaret Tram and an employee

 The U.S.

Participating in two activities to support diabetes treatment and research

Takeda California, Inc. (TCAL) employees took a stand and supported two diabetes research efforts in the past year as part of their corporate social responsibility activities and their ongoing commitment to the community. A group of the San Diego based employees formed a TCAL team to participate in the Juvenile Diabetes Research Foundation (JDRF) Walk to Cure Diabetes in Balboa Park. A total of \$4,600 was raised toward finding better treatments and a cure for children with type 1 diabetes. Later in the year, employees got active again to support healthy living, leading by example in the fight against diabetes. This time they walked and rode bikes around Fiesta Island at Mission Bay. Their efforts raised a total of \$7,500 for the American Diabetes Association, with employees completing 1,503 miles.



Employees who took part in the activity in Balboa Park

Stakeholder's Voice

Taking part in the walk is a great experience. I participated last year and the response to this organization was overwhelming and uplifting. Not only do you get the satisfaction of helping JDRF make a difference in the lives of people with type 1 diabetes—you also have FUN and get a good workout too!

Corine Holub
Senior Research Associate I,
Discovery Biology, TCAL



Employees who took part in the activity at Mission Bay



Supporting healthy child and youth development through the INSPIRE—Breathe, Play, Learn program

Nycomed Canada Inc. (Nycomed Canada) developed the INSPIRE—Breathe, Play, Learn program which provides resources for local Clubs to deliver a range of innovative programs in areas such as education, technology, the environment, leadership, and creative arts. Nycomed Canada has provided a grant of \$30,000 to support the program. Clubs will be able to use the funds to expand and develop their own programs, and share them with Clubs in other communities across the country.



Children involved in an INSPIRE program activity

Young people at the Boys & Girls Clubs will also benefit from the Takeda INSPIRE Scholarship program, which awards four \$2,000 scholarships annually. A number of volunteering and fundraising initiatives will also take place throughout the year to further help the more than 700 clubs across the country.

Stakeholder's Voice

The INSPIRE—Breathe, Play, Learn program recognizes the creativity and resourcefulness of Boys & Girls Clubs across Canada in developing enriching and exciting opportunities to help young people realize their best potential in life. Nycomed Canada's support for the important work being done by Clubs in communities from coast to coast is at the core of this exciting partnership.

Ms. Pam Jolliffe
President & CEO,
Boys & Girls Clubs of Canada



Children at the Boys & Girls Club

Supporting the NGO “Un Kilo de Ayuda” which fights child malnutrition

Iron deficiency anemia is a health problem that affects children and adults in developed and developing countries. Since it is related to child malnutrition, the NGO “Un Kilo de Ayuda” fights malnutrition in Mexico with an Integral Nutrition Program that detects and prevents anemia in the neediest Mexican children. The program currently supports 35,000 children.

In 2011 Un Kilo de Ayuda turned to Nycomed Mexico, S.A. de C.V. (Nycomed Mexico), to request the donation of the iron supplement, *Ferranina* (19,500 pieces). Nycomed Mexico became an ally with this cause all around Mexico, and now works together with Un Kilo de Ayuda.

During 2012, we are working together and follow up 5,000 specific cases with the goal of eradicating anemia among Mexican children in the program. To continue our mission, Takeda will donate more *Ferranina* pieces and will follow up specific cases.



A mother and her child waiting for an iron supplement

Stakeholder's Voice

When we recognized that iron administration therapy is fundamental for eradicating anemia, we decided to ask Nycomed Mexico to provide *Ferranina*, because in medical community this medicine is known for its efficacy, good taste, and for being gentle with children's stomachs. This means that the children can enjoy *Ferranina* from beginning to end.

Thanks to support with *Ferranina* since 2011, we have helped over 5,000 children from the neediest communities in Mexico enjoy their lives without anemia.

Ms. Tharnya Labrada
Un Kilo de Ayuda



A child receives support from Un Kilo de Ayuda

Colombia

Participating in the restoration of a school damaged by an earthquake

Laboratorios Farmacol S.A. (Laboratorios Farmacol) sees itself a company that is interested in society, and that cares for the welfare of people. For this reason, Laboratorios Farmacol participated in the restoration of a school which was hit by a strong earthquake in Armenia. The school has 80 children. The facility was completely destroyed with no chairs or space for teaching activities. With the efforts of Laboratorios Farmacol, the school has now been restored with newly painted walls, doors and windows. We also donated an entertainment center together with some chairs for their cultural activities. Passion and commitment were key to this activity. We learned that together we can build a better future. The children, who we see as the future of our country, learned that dreams can come true when people work together. They learned the importance of giving from the bottom of the heart.



Employees help to restore the school

Stakeholder's Voice

We are grateful for the efforts of Laboratorios Farmacol in the restoration of our school. The earthquake left us with no chairs or safe space to conduct cultural activities with our children. Through this activity, Laboratorios Farmacol has made us feel how important we are. Children deserve to have a school in good condition, providing them with the best possible education. Laboratorios Farmacol has left an imprint on our hearts and a smile on the faces of our children. Most importantly, they have left a light of hope.

Ms. Sonia Benavides
Parent Education Center Quimbaya



Children and employees took part in the activity together

Supporting the Lar Feliz Shelter, a home for children and young people

In Brazil, Takeda Distribuidora Ltda. (Takeda Distribuidora) supports projects that promote the reduction of social inequalities and improvement of the environment and quality of life of communities. Social Team Building was a way found by the Executive Committee to put the corporate values into practice. The first initiative was Lar Feliz Shelter in Jaguariúna, São Paulo, where the company has a factory. The aim was to improve the environment, thereby contributing to improving the quality of life of children and young people who were temporarily away from their families. The house was completely renovated and decorated with furniture, TV, video games, toys and books. In addition to benefiting the local community, the activity also stimulated the development of skills, abilities, citizenship, and team spirit. It was a different way to inspire the team to mobilize and work towards social transformation.



Employee volunteers working to reform the house

Stakeholder's Voice

The volunteers did more than just reform the shelter, they provided a new home that was more comfortable for those who had lost everything. Throughout the year, we also received several donations from companies involved in internal storage. In 2012, we will inaugurate a new space for art, culture, leisure and learning sponsored by Takeda Distribuidora. Takeda Distribuidora is a special enterprise, which has done everything with the utmost seriousness and commitment. It's good to have partners with whom we share the same values. The priority for all of us is the quality of life and happiness of these children and adolescents.

Mr. Paul Van Opstal
Founder and Manager of Lar Feliz Shelter



Employees who took part in Social Team Building

Argentina

Supporting a charity marathon for underprivileged people

Last November 20, 2011 the “Maratón de la Amistad” (Friendship Marathon) took place in Buenos Aires Federal District.

This event is organized every year by the DWG (Sociedad Alemana de Beneficencia en Argentina). It is one of the charity work activities held by this foundation in order to raise funds for the Children’s Home “María Luisa” and the nursing Home “Los Pinos.” Legacy Nycomed (Argentina) was one of the sponsors of this event. “Maratón de la Amistad” is a five-kilometer race competition open to all ages. More than 1,200 participants from different companies participated, bringing along relatives and friends. All Takeda’s employees were invited to share a full day of outdoors sports and solidarity. The most gratifying part of this activity was to collaborate with a good cause.



A news website on the “Maratón de la Amistad”

Stakeholder’s Voice

DWG was founded in Argentina 95 years ago and it has been organized for the public benefit. DWG organizes charity work and raises funds to provide financial assistance and support to the poor, the distressed, and the underprivileged, mainly children, families, and senior citizens in need.

DGW thanks Legacy Nycomed (Argentina) for taking part in the “Maratón de la Amistad.” Employees were actively involved in a full-day outdoor activity, bringing family and friends along, thus contributing to a good cause.

Mr. Juan Diego Finsterbusch
President, DWG Sociedad Alemana de Beneficencia



Employees who participated in the “Maratón de la Amistad”

Implementing an education project in cooperation with the regional government

The education project of Nycomed Distribution Center Limited Liability Company (Nycomed Distribution Center) in Yaroslavl is one of the company's key corporate social activities in Russia. This project perfectly fits company's general line of support of specialized education in the Russian Federation. It aims to provide vocational education for a skilled workforce to be employed by the participating companies within the pharmaceutical cluster of the Yaroslavl region.



A student participates in the education project

The project has been implemented by Nycomed Distribution Center since 2010 in cooperation with the Yaroslavl regional government on the campus of College of Chemical Technology. In 2011 Nycomed Distribution Center entered into an agreement on cooperation with the Yaroslavl regional government for providing holistic support of the secondary education system to meet the recruitment needs of the region.

Stakeholder's Voice

This education project is interesting and unique both from educational point of view and from the perspective of expected results. Participation of higher-education teaching personnel in development and implementation of specialized educational programs for learning circles and enhanced English language study within the specially developed program will increase the theoretical level of education of local technical specialists.

Ms. Irina Basalova
Director, College of
Chemical Technology, Yaroslavl



Medical students who took part in the education program



Supporting health through the SEB Tallinn Marathon

SEB Tallinn Marathon takes place every year in September. It offers the perfect chance to boost morale, motivation, and teamwork. Legacy Nycomed (Estonia) offers a variety of different sports activities that can be enjoyed in a number of ways

to provide a fun sporting experience. It is an excellent way to improve the health and well-being of people at work. Company sporting events are sure to put a smile on everyone's face and be the talk of your work place for weeks. The Tallinn City Run, predecessor to the Tallinn Marathon, was started in 2000 with the goal of promoting health and sports. In the last five years the Tallinn City Run became one of the biggest Baltic running events. In addition to the marathon distance (42,195 m) the event also features a 10 kilometer city run that anyone can complete by running, walking or Nordic walking.



SEB Tallinn Marathon Website
<http://www.tallinnmarathon.ee/>

Stakeholder's Voice

I believe that sports events really bring people together. Taking part in sport provides us physical and mental benefits and also will encourage people to engage in sports activities more in the future.

Tiina Apart
OTC Product Manager,
Legacy Nycomed (Estonia)



Tiina Apart
taking part in the SEB Tallinn Marathon



SEB Tallinn Marathon 2011

Helping to promote ecological awareness among children

Supporting the local community is important at Nycomed Pharma Sp. Z.o.o. (Nycomed Pharma) and especially at the Production Plant in Lyszkowice. Supporting means not only giving donations but also undertaking initiatives which are important for the community now and in the future. One such initiative undertaken by Nycomed Pharma is contributing to ecological awareness among children. Together with our recycling partner we carried out two educational sessions with children in the kindergarten in Lyszkowice, teaching them in a playful way how to sort rubbish and why it is important for all of us to safeguard our natural environment. We were impressed by the eagerness of children and their desire to be the best when we checked their newly gained eco-knowledge.

Awakening children's sensitivity to ecology in way we did may be just a small step but it is very important for the future of us all.



An employee takes part in the activity

Stakeholder's Voice

The kindergarten in Lyszkowice conducts an ecological program among its many different educational programs. In connection with that, we are looking for opportunities to develop eco-awareness of our children. The initiative of Nycomed Pharma was very helpful for the realization of our eco-program. The children could learn how to sort rubbish at home and why it is important to do so. The way of conveying serious information to children was well adapted to their age so they were really interested and had a lot of fun at the same time.

Ms. Halina Kucińska
Director of Kindergarten in Lyszkowice



An educational session to develop eco-awareness with children



Supporting a better quality of life for cancer patients through AKTIV Against Cancer

AKTIV Against Cancer is a foundation established in Norway in 2007 by the late Grete Waitz, the multiple World Champion and nine-time winner of the New York City Marathon, and Helle Aanesen. They work to include physical activity in the lives of everybody—both to prevent cancer and to enhance the life quality of cancer patients.

AKTIV has developed a website called “Go AKTIV,” where all employees of their corporate partners can register their physical activity. This tool motivates employees to be both physically active and to support a good cause. All activities generate points that correspond to an economic contribution to the foundation from Nycomed Pharma AS (Nycomed Pharma).

Through our support, AKTIV Against Cancer can establish training facilities at cancer hospitals in Norway so that physical activity becomes part of the cancer treatment.



Marit Engelstad participated in a charity cycling event

Stakeholder's Voice

I have participated for AKTIV Against Cancer in cross-country skiing, cycling, and running, including in the New York City Marathon, both on my own initiative and for Nycomed Pharma. I have registered all my activities on Go AKTIV. In this way, my activities have both supported their work for cancer patients and benefited my personal health. That inspires me to start competing again.

AKTIV Against Cancer generates a really good team feeling and I am pleased that Nycomed Pharma is contributing to this.

Marit Engelstad
Quality Advisor, Nycomed Pharma



Employees who participated in the Oslo Marathon in support of AKTIV

Volunteering to provide care for the elderly

Oy Leiras Finland AB (Oy Leiras Finland) has placed the elderly on the top of its social responsibility agenda. The company is committed to reducing the solitude of the elderly through employee volunteering. Oy Leiras Finland employees can volunteer at an elderly center during working hours. Volunteers take elderly people for walks, arrange small events, and bring variety to everyday life. They also escort elderly people with physical impairments and other difficulties to various recreational events.

Volunteering has brought joy not only to the elderly, but also to Oy Leiras Finland employees. The fact that the employer provides opportunities for volunteering encourages people to try more volunteering in general. Volunteering has also influenced the corporate culture positively and it allows employees to share things not encountered in their normal work.



Supporting the elderly in a creative activity

Stakeholder's Voice

Oy Leiras Finland volunteers are changing the idea of today's working life and strengthening the company's corporate image. Kustaankartano staff and residents feel that the volunteers are part of the team. Thanks to Oy Leiras Finland, Kustaankartano also has its own choir. The residents wanted to sing, but the staff had no skills in choral conducting. Leiras arranged a professional conductor for the choir.

Weekly choir rehearsals are very popular and the choir has already recorded a CD!

Ms. Emilia Pullianen
Recreational Activities Instructor
at the Kustaankartano—
home for the elderly in Helsinki



Volunteer activities at an elderly center



Ongoing support for patients battling rare diseases, and for their families

Since 2003, Laboratoires Takeda (LT) has supported the French Association of Friedreich Ataxia* (AFAF) through different programs. One of these is an employee-initiated volunteer activity which undertakes two tasks: preparation of files for the AFAF Annual General Meeting and support activities during the meeting. The month before this year's AFAF event more than 20 LT employees worked during their lunch times to prepare the documents and the logistic tools for the AFAF participants. Then, during the week-end of the annual general meeting (March 2012), six LT employees wearing orange T-shirts, actively participated in supporting patients and their families by helping the patients to eat and move. Together, they shared strong human exchanges. After such an emotional moment, the LT employees felt delighted and proud of the help they gave to the patients' association and they are ready to continue.



Employees who took part in the activity

*Friedreich ataxia is a rare genetic neurological disease that is characterized by difficulties in coordinating movements associated with neurological signs. It is a progressive disease, rendering sufferers unable to walk unaided within 10 to 20 years of its onset.

Stakeholder's Voice

For the last past 9 years, several volunteers from LT have participated at the AFAF annual general meeting by accompanying patients and their families. Their presence, their dynamism, and their efficiency are a breath of oxygen for us, the organizers, and a ray of sunlight for the patients. "The Orange team," so-called because they wear orange T-shirts, can be located very easily and be asked for any help. LT has a long commitment to supporting our association, and this voluntary program is a very important part of it.

Ms. Juliette Dieusaert
Head of the French Association
of Friedreich's Ataxia



A Friedreich's Ataxia patient and an employee

Supporting education for medical assistants in South Sudan

Takeda Italia Farmaceutici S.p.A. (TIF), in partnership with AMREF, has decided to sponsor a scholarship for Mr. Aurelio Lobi Amathia, in South Sudan. Aurelio will graduate in January 2013 from a three-year course for Community Health Workers at the National Institute of Health Training of Maridi where he has been studying clinical medicine and public health. He will go on to treat hundreds of people every year.

The health situation in South Sudan is particularly complex: training of health workers is scarce, wages are low for medical personnel, and health facilities lack medicines and medical equipment. These conditions push the few doctors and health workers to migrate to non-African countries. Currently South Sudan has only 270 Medical Assistants. The small contribution from TIF is therefore crucial for the health and future of the people of South Sudan.



A doctor in South Sudan examines a patient

Stakeholder's Voice

I am 30 years old and come from North Kapoeta in Southern Sudan. I attended Kakuma Primary School and the Bor Town Secondary School.

The region I come from has a population of approximately 54,000 people, who live without sanitation and with little infrastructure. North Kapoeta has only one hospital. Before starting my studies in Maridi I did various jobs to survive but my goal is to acquire the skills to put myself at the service of the medical needs of my community, and I am grateful to my Italian donor for giving me the opportunity to study. When I will graduate, I will take care of my people.

Mr. Aurelio Lobi Amathia
Student in Clinical Medicine and Public Health,
the National Institute of Health Training of Maridi



A medical researcher at work in South Sudan



UK

Holding an education session to create awareness about kidney disease on World Kidney Day

As an official sponsor of World Kidney Awareness Day (WKD), Takeda UK Limited (TUK) staged a number of educational initiatives for employees to create awareness about kidney disease, the rising number of people affected by Chronic Kidney Disease (CKD), and the treatment options available.

Expert speaker Margaret Townsend, from the Wycombe Renal Unit, a Satellite Unit of the Oxford Kidney Unit, Oxford University Hospitals NHS Trust, explained some of the reasons for the growing number of kidney disease patients at an educational Lunch & Learn session. In addition to the event, an online quiz encouraged employees to test their knowledge about kidney disease. The competition received dozens of entries and together with the Lunch and Learn session was a great success.

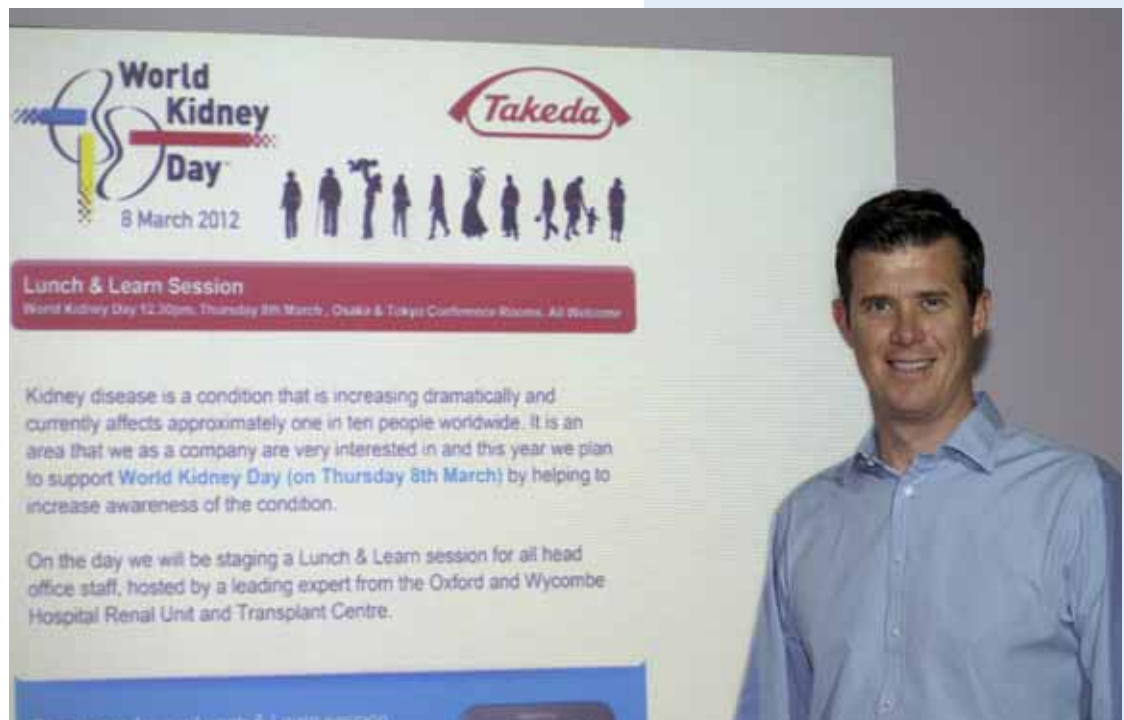


Dr. Margaret Townsend gave a lecture at the education session

Stakeholder's Voice

Over 3 million people in the UK are at risk of kidney disease and unfortunately this figure is continually increasing. We need to increase awareness of chronic kidney disease, and events such as the TUK Lunch and Learn session and online quiz during World Kidney Awareness Day help to focus attention on this growing problem. The staff were all very interested, and the online quiz helped to bring home some of the facts and figures and raise awareness about the Organ Donation Register in the UK.

Dr. Margaret Townsend
Unit Manager, Wycombe Renal Unit,
Oxford University Hospitals NHS Trust



An employee who took part in the activity



Supporting a local schools careers day to raise interest in science

In March 2012, a team of six Takeda Cambridge Limited (TCB) volunteers from various scientific disciplines (including medicinal chemistry, discovery biology, and pharmacology) attended a local schools careers day for Year 9 pupils from four local Cambridge Schools. This is part of a government initiative to raise the profile of STEM (science, technology, engineering, and maths) across the UK and TCB is currently working on several outreach programs to support this important work. On the day, we set up a highly interactive, “hands-on” stand where the children were able to complete a “pipetting” challenge, a brain game, a chemistry molecule construction challenge, and a station for viewing tissue sample cells through a microscope. Our team were particularly enthusiastic ambassadors for TCB and for science—our stand was voted the “coolest” by the children and feedback from STEM was very positive.



Employees who took part in the activity

Stakeholder's Voice

The careers day gave the children a really good opportunity to ask questions about working for a pharmaceutical company. They all enjoyed themselves, asked lots of questions about the equipment we use, what we do and about what sort of qualifications they would need to become a scientist. It was lovely to see them really come out of themselves as they took part in all the activities.

Kim Brackenborough
Research Scientist, Neurosciences, TCB

We were delighted to support this important initiative and to get involved in providing hands-on activities for our scientists of the future.

Linda Millett
Head of HR, TCB



A student tries one of the activities with help from an employee



UK

Promoting various employee-led fundraising activities

Each year, London-based Takeda Global Research and Development (Europe), Ltd. (TGRD (Europe)) employees select a local charity for which to raise funds. In 2011, employees chose Action for Kids—an organization dedicated to helping disabled children and young people—and an employee-led committee came together throughout the year to plan and implement ways to raise money for the charity.

As a result, TGRD (Europe) staff participated in a number of activities to raise money throughout 2011. Some of the fittest members of the team ran the British 10 kilometers and the group coordinated a very successful cake sale in the office. A lively charity auction was held at the all-employee summer meeting and other social events including quiz nights were enjoyed by many employees. A total of more than £12,000 was raised.



Employees who took part in the activity

Stakeholder's Voice

We are so grateful to TGRD (Europe) staff for their enthusiasm and dedication to fundraising. The work we do at Action for Kids has a huge impact on the lives of disabled children and young people in the UK, and the money raised has allowed us to continue providing equipment, training, learning and support for those who need it. We are also glad that our Takeda friends had a lot of fun in the process!

Ms. Lyn Prodger
Corporate Partnerships Manager,
Action for Kids



Employees participating in run for charity

Holding a fun origami event for adults with intellectual disabilities

For Takeda Ireland Limited (TIL), corporate responsibility is about showing a commitment to the local community by maximizing the benefits that our skilled workforce can bring to the community. Sunbeam House Service’s mission to “empower people with the necessary skills to live full and satisfying lives as equal citizens of their local communities” provides TIL’s skilled workforce with an excellent opportunity to support this. Sunbeam House Services provides support services to adults with intellectual disabilities in the local community.

TIL invited some Sunbeam House Service Users onsite in January 2012 to participate in an event designed to develop new skills and provide social integration opportunities through an Origami Afternoon, taught by Tomoko Timmons and Noriko Takeda. Sunbeam House Service Users and employees of TIL learned the basics of origami and enjoyed fun and laughter for the afternoon.



Sunbeam House service users, staff members, and our employees

Stakeholder’s Voice

I really loved the origami workshop in Takeda. It was great fun! It was hard at first but my friends from Takeda really helped me to get the hang of it. I think I helped some of them too, especially when making the jumping frog! I met some of the guys from Takeda before and I think they’re a great bunch, always good for a laugh and a joke, especially Adam who is from Poland, just like my sister in law. The Japanese ladies were great teachers and it’s good to learn about Japanese culture.

Mr. Thomas Gilbert
Sunbeam House Service—Service User



A lecture on the basics of origami



Spain

Supporting “The Theodora Foundation,” a hospital clown organization

Nycomed Pharma S.A. (Nycomed Phrma) in Spain and the Theodora Foundation, the world’s largest hospital clown organization, started a pilot project to accompany hospitalized children undergoing surgery. The project was developed in three of the most important hospitals in Spain (Madrid, Barcelona and Canarias) and will be extended this year into the Andalusia region.

The Foundation has been active in Spain since 2000 with 26 hospital clowns working in 20 hospitals. Over the last 10 years, more than 250,000 hospitalized children have benefited from hospital clowns visits in Spain. The new project expands the activities of hospital clowns from hospital room visits to accompanying the children to surgery. This emotional support for the children and their families frees up medical staff to concentrate on the procedure at hand. In some cases, this may result in reducing pre-surgery medication for the children.

Stakeholder’s Voice

Smile Doctors play a wonderful role in hospitals. They are medicine for the spirit and joy for the soul, not only for hospitalized children but also for parents and their families. All the sanitary staff also benefit from Smile Doctors, because they spread their enthusiasm and happiness around.

Dr. María Teresa López Marín
Pediatric Surgery,
Hospital Infantil Virgen del Rocío, Sevilla



A hospital clown of the Theodora Foundation with a patient



A hospital clown caring for a child in hospital

Supporting homeless children through blanket-making

There are over 70,000 people living in “Cosmo City,” Gauteng—a residential development project (RDP) to help house the homeless. The majority of these people are children classified as “orphans” or “vulnerables.” Vuleka, an independent, non-profit charity approached Nycomed Pharmaceuticals (Pty) Ltd. (Nycomed Pharmaceuticals) with an opportunity to get involved in a project for the children. As winter temperatures in Gauteng can drop below zero at night, the children were in much need of warm blankets. The goal of the project was to teach people how to make a blanket inexpensively without having to sew, knit or embroider.

Nycomed Pharmaceuticals contributed financially towards training members of the community to make their own blankets, but went one step further: employees volunteered their services to make blankets themselves to give to the children. Everyone had great fun and managed to make 100 blankets.



Employees making blankets

Stakeholder's Voice

One hundred beautiful blankets were distributed among the most needy children. The children were told that there had been a lucky draw and that they had won a blanket so as to get over the potential problem of being seen as “poor.” They were so excited and the envy of their peers.

Children “outgrow” clothing but a blanket is something they can use and keep for a long time. It may be seen as a “constant” in the child’s life. Your company has made such a difference to hundreds of children this winter. Thank you!

Ms. Janet Saner
Financial director, VULEKA



Children with their new blankets



Providing scholarships to students who will lead the future of medicine

Guangdong Techpool Bio-Pharma Co., Ltd. (Techpool Bio-Pharma) has been actively assuming social responsibilities and making important contributions for the harmonious development of society. Since 2006, Techpool Bio-Pharma has run a scholarship program in certain universities and technology schools located in Guangzhou, such as Zhong Shan University, South China University of Technology and Jin Qiao Technology School, to support the overall development of medical students.

A total of US\$45,000 was awarded to excellent students from the respective universities and technology school in 2011. Techpool Bio-Pharma will continue to support this kind of meaningful contribution to society.



The scholarship award ceremony

Stakeholder's Voice

As a Year 2 student of the Department of Biological Engineering in South China University of Technology, I feel so proud to have received a scholarship award from Techpool Bio-Pharma in 2011. Also, I sincerely appreciate the opportunity of being an intern in Techpool Bio-Pharma. I am impressed by the company culture—how company supports the career development of employees and is influenced by the values of pursuing quality, promoting communication, and teamwork in daily work. I am highly motivated and encouraged to continue to study hard, and will try to return something to society in future.

Mr. Rongfei Yu

Student of the Department of Biological Engineering
South China University of Technology



Scholarship recipients



China

Donating school equipment to children

On the morning of December 18, 2012, 12 Legacy Nycomed (China) colleagues from Jinan District, Central Region and their families went to Shimen Elementary School in a remote mountain area with a volunteer group organized by Shandong City FM radio station. It took the volunteers nearly four hours to travel the 200 kilometers to the Shimen Elementary School, bringing books and stationary to the students. They talked with the students and paired up with them for future assistance. This charity activity gently touched everyone's hearts. Many touching moments were captured on camera. We sincerely hope that this poverty-relief activity will encourage more colleagues to participate in similar activities in the future, and that Takeda-ism will make the world a better place.



Children at the Shimen Elementary School, Shandong Province

Stakeholder's Voice

First of all, I am very grateful that the warmhearted people from Legacy Nycomed (China) in the Jinan District participated this activity with great enthusiasm. We only had a few days to plan and gather volunteers, but you all responded keenly. On behalf of Shimen Elementary School, I send my sincerest thanks! We often talk about helping people in need, but I hope that as members of this harmonious society, we will continue to take action through activities like this one. The old saying goes, "The roses in her hand; the fragrance remains in mine." Let love fill our hearts and the world we live in!

Ms. An Ke
Anchor, Shandong City FM Radio



Employees who visited the school to interact with the children



China

Supporting high school students' Japanese Speech Contest

The Sino-Japanese Youth Exchange Center organized the Japanese Overseas High School Students' Japanese Speech Contest, and invited young learners who study Japanese to go to Japan and communicate with the youth of Japan. The contest not only brings the students an opportunity to go abroad, but also provides an empowering experience that helps students to grow up. The activity gave the children an opportunity to show the world their most brilliant performance in an international contest.

Takeda Pharmaceutical (China) Company Limited (Takeda China) has been committed to public welfare, and participates in various social welfare activities each year. Through its participation in the Japanese Overseas High School Students' Japanese Speech Contest, the Company strengthened its image and influence in the community. While learning Japanese, the Students also had a chance to learn about the corporate culture and atmosphere at Takeda.



A poster for the Japanese Speech Contest

Stakeholder's Voice

Since its establishment, the Sino-Japanese Youth Exchange Center has been committed to enhancing friendship between China and Japan. It helps the youth from both countries learn about each country's culture in order to promote mutual understanding. The Japanese Overseas High School Students' Japanese Speech Contest (2012) is one of a series of activities and has been strongly supported by Takeda China. The contest helps young Chinese people gain a better understanding of Japanese enterprises and Japanese culture.

Mr. Wu Wensheng
Section head of overseas liaison
Sino-Japanese Youth Exchange Center



High school students who participated in the Japanese Speech Contest

Hosting the first marathon event for employees to promote work-life balance

As *karoshi* (the Japanese word for “death from overwork”) happens more frequently nowadays in Taiwan, raising awareness of work-life balance is a vital task. As part of its efforts in this regard,



Employees and family members who attended the event

Takeda Pharmaceuticals Taiwan, Ltd. (Takeda Taiwan) participated in a major marathon event of the year, the Taipei Marathon, to raise awareness of the importance of life.

We managed to encourage around 80% of employees and their families to join the run. Being one of the thousands participants of Taipei Marathon, everyone made their best effort to run all the way to the crossing of the finish line. This event not only challenges employees’ lifestyles but also their physical condition. Although this was the first time for Takeda Taiwan to host the marathon participation event, the outcome has been positive and inspiring for our work-life balance.

Stakeholder’s Voice

As I participated the marathon event, one thought that came to my mind was that in order to cross the finish line, every breath should match each stride. To master this technique was important, along with practicing before the run and the support of companions. The same applies in life. Preparing for versatile challenges in life and training to develop the skills needed to go forward gives us a boost of energy to achieve our goals. Thus achieving balance in life and work establishes the path to success and perfection for everyone.

Jonathan Chiang
Head of Sales, Takeda Taiwan



Employees who participated in the Taipei Marathon



The Philippines

Providing medicines to disadvantaged Filipinos

PHAPCares Foundation Inc. is a non-profit, non-private stock organization established by a group of pharmaceutical and healthcare companies who are members of the Pharmaceutical and Healthcare Association of the Philippines (PHAP). Incorporated in 2003, PHAPCares is mandated to become the social development and philanthropic arm of PHAP, taking on the responsibility of setting up and managing the association's integrated medicine donation program for indigent and other disadvantaged Filipinos.

During fiscal 2011, Takeda Pharmaceuticals (Philippines), Inc. (Takeda Philippines) donated PHP650,000 worth of the osteoporosis treatment *Evista* (raloxifene) and the peptic ulcer treatment *Prevacid* (lansoprazole) to the PHAPCares Foundation. They also provided the stock of essential medicines for a medical and dental mission that served about 900 residents of Bagong Silang, Caloocan City.

Stakeholder's Voice

We are grateful to Takeda Philippines for their continuous support and contribution of medicines. They have been partners in our commitment to serving the health of the Filipino people. We hope that you will continue to donate quality medicines for our indigent patients. Thank you very much and more power.

Mr. Emerson Querimit
Program Officer, PHAPCares



PHAP Cares Foundation staff:
Mr. Emerson Querimit and Ms. Marian Pausanos



Medicines were provided through the PHAPCares Foundation

Thailand

Joining an activity to reduce a health risk caused by the flood

During the flood crisis, while run-off was draining from the north, threatening the capital, Bangkok, about one third of all Thailand's provinces remained affected. Residents in many districts had been warned to evacuate, and a great number of volunteers came to give a hand. Takeda (Thailand), Ltd. (Takeda Thailand) staff helped with the evacuation of the Bangkok Metropolitan Health Center, Pharmaceutical Division. They helped pack medical supplies and survival kits, and moved all medical supplies to the safety areas.

The water had stopped moving and became stagnant in some areas, becoming really polluted. It was really bad for people's health and smelled horrible, so EM balls were brought in. EM balls are a type of micro-organism that helps improve the quality of water. Thousands of volunteers throughout the city including Takeda Thailand's staff were involve in making EM balls.

Stakeholder's Voice

Thank you to the Takeda Thailand staff, for helping us to pack the medical supplies and survival kits, and to move all our medical supplies to safety areas. All the survivals kits were sent to help people affected by the floods.

Ms. Sriwimol Chuengsatiansup
Bangkok Metropolitan Health Center Officers



Volunteering activity by employees



Employees making EM balls

Indonesia

Conducting free medical check ups for the community near a local factory site

On Saturday October 1, 2011, P.T. Takeda Indonesia (Takeda Indonesia) conducted free medical check ups for the community near its factory site in the area of Tambun Selatan RW02/RT07. We distributed 70 coupons to people in the area, giving priority to those who were sick.

The check ups took place in the front yard of our factory. The committee for this activity was employees from the factory with support from company medical doctors, who were very enthusiastic towards this program since it was the first time for Takeda Indonesia to have such an activity for the community around a factory site. The activity was very much appreciated by the community. Some of them mentioned that Company should conduct this kind of social program regularly. Out of 70 coupons that we distributed, 67 people participated in the program. The activity started at 9:00 am and finished at 12:00 pm.



A doctor examining a local resident

Stakeholder's Voice

When I was informed that Takeda would conduct free medical check ups for the community around the factory, I was very supportive of the idea because I knew that many people in the area were in poor condition and I believed they would be very happy to participate in the program. I therefore encouraged my colleagues from the clinic to join me in providing the medical check ups. In my opinion, it was a good activity as part of the company's social responsibility towards the community and needs to be regularly implemented.

Ms. Femi, M.D.
Company doctor



Employees fill out medical interview sheets for local residents



Singapore

Providing internships to biomedical students every year

As part of an ongoing commitment to provide practical support for the education and career development of young Singaporean science students, every year Takeda Singapore Pte. Limited (TSP) provides 20-week internships to students studying biotechnology at Singapore's Temasek Polytechnic. The Student Internship Program (SIP) has been running successfully since 2006 with a total of 15 students gaining work experience with TSP from 2006-2011, including 3 students who completed successful internships with the company in January 2012. A further 3 students will start new internships with TSP in September 2012. The SIP is an important component of Temasek Polytechnic's diploma course and gives students a clearer understanding



Tamasek Polytechnic student intership program website
http://www.tp.edu.sg/home/global/glo_sip.htm

of applied research, allowing them to develop valuable technical skills and participate in work activities that support real drug discovery projects.

Stakeholder's Voice

Having the internship in TSP brought me to a new level in my understanding of the drug discovery business. This has strongly motivated me to continue my career in the pharmaceutical industry and further pursue a degree in biomedical science. The internship also equipped me with several valuable scientific skills and deeper knowledge, providing a great advantage for my future career.

Mr. Ivan Low Ying Wei,
2008 SIP
Medical Technologist,
Maccine Pte Ltd



An intern in 2012 participating in a work experience activity at TSP



Australia

Providing a donation to flood-affected areas and supporting employees' participation in relief activities

A series of floods hit Australia beginning in December 2010. Seventy towns and 200,000 people were affected, with Brisbane, Queensland hardest hit in January 2011. Thirty-five people were killed and 9 people went missing. When the call for help was sounded, Nycomed Pty. Ltd. granted time off to all Queensland staff affected or those wishing to help in the cleanup, along with a generous cash donation to the Premier's Flood Appeal. Brisbane staff member Peter Vardanega's family home had been devastated in the floods of 1974, thirty-six years earlier. This time he returned to his old home and street, which was once again covered in mud and debris, to lend a hand. He didn't know who would still be there, and was re-united with his old neighbor whose family still lives in the same house next door. Whilst the scars of 1974 have healed, many people across Brisbane have re-lived a traumatic experience.



Mud left by the flood on a doorstep looks a little like the outline of Australia

Stakeholder's Voice

The Brisbane floods of 2011 had a profound impact on the entire country. Aside from the devastation to Brisbane residents, the impact on the local and national economy was also significant. Mining operations, a significant contributor to the Australian economy, had their production outputs restricted for months on end. Small business operators had to lay off staff and the availability of healthcare services was also disrupted. Collectively the local pharmaceutical industry made donations in excess of \$1,000,000 in addition to ensuring constant supply of much needed medicines. Nycomed Pty. Ltd. was proud to be a part of the industry response to this natural disaster.

James Jones
Country Leader, Nycomed Pty. Ltd.



An employee who participated in local volunteer activities in the affected area

Supporting people in affected areas with “GC-JN Collective Action for Recovery from the Great East Japan Earthquake Disaster”

Global Compact Japan Network (GC-JN) organized “GC-JN Collective Action for Recovery from the Great East Japan Earthquake Disaster,” an initiative where multiple companies work together to support recovery. The initiative harnesses the strengths of the cooperative organization to address social issues with help from participating companies. Activities fell into two categories: the “Kesenuma Oshima Island, Miyagi Prefecture Activities,” where volunteers helped to assemble oyster cultivating rafts and remove rubble, and the “Watari-cho, Miyagi Prefecture Activities,” where volunteers collected seeds and raised seedlings as part of the “Watari Greenbelt Project.” Takeda provided guidance and supported volunteer activities, with a total of 29 employees participating. Reflecting on their



Sorting of juvenile scallops

experience participants noted that visiting the affected areas helped them to recognize the importance of not forgetting about the disaster.

Stakeholder's Voice

I joined the “Kesenuma Oshima Island, Miyagi Prefecture Activities” in March one year after the earthquake. The devastation by the earthquake and tsunami was more serious than I imagined. We recognized the threat by the people’s talk of their awful experiences when the earthquake and tsunami struck.

We cleaned up a beach, removed rubble and helped with scallop cultivation. Interaction with participants from other companies was also meaningful for us.

I think we will need to keep the affected areas close to our hearts to ensure their recovery and restoration. I would like to expand these activities to outside as well as in the company.

Akihiro Tasaka

Senior Director, Environment & Safety Dept.



Takeda's employees who participated in volunteer activities on Kesenuma Oshima Island

Japan

NPO Family House

When children from remote areas who suffer from cancer or other severe diseases have to travel to Tokyo to visit specialist hospitals, the NPO



©Yuriko Yamawaki 2006

Family House supports them and their families by offering accommodation. Since fiscal 2004, Takeda has supported Family House with an annual cash donation and with a supply of drinks. Since 2010, Takeda has been a joint participant in an ongoing three-year project to establish management of Family House facilities as a specialist field of work.

In fiscal 2011, 11 Takeda employees took part in a full cleanup of one of the facilities, known as “Kangaroo House,” while a further 3 employees participated in a hospitality training program run by Family House.



Volunteers help in the full cleanup of “Kangaroo House”

Sponsor of “Relay for Life”

Takeda sponsors “Relay for Life” (RFL) and helps cover the cost of producing tote bags and other items provided for participants. RFL is a 24-hour charity walking event to support people fighting cancer, as well as their families and supporters. The event started in the U.S. in 1985, and is currently held in 20 countries around the world. In fiscal 2011, Takeda volunteers came together to participate in the Yokohama and Tokyo events, each taking their turn to carry the Takeda team flag around the event ground. The team completed both events successfully without stopping once.



Employees who participated in “Relay for Life”

Comments from “Relay for Life” Participants

I was so pleased that I had a chance to interact with not only members of our in-house team, but people from other teams as well!

I got a strong sense of the hope and expectation that society has for cancer research.

Workers Union Activities

Members of The Takeda Pharmaceutical Workers Union are involved in many types of community and charitable activities. Union members serve as volunteers, participate in disaster relief programs, support campaigns for various charities and take part in many other activities. The union has also been active in an ongoing educational and cultural program in Mongolia: based on the concept of “from hand to hand,” the union donates stationery, hygiene products and other supplies to schools and supports cultural exchange with children. Through these heartfelt activities, the program has been run for over ten years.



Union members enjoy a cultural exchange with children in Mongolia using Japanese toys

Other Activities by Country

The U.S.

Takeda Pharmaceuticals U.S.A., Inc.	Takeda Pharmaceuticals U.S.A. volunteers and their families got behind the National Rebuilding Day program to help low-income families and senior citizens carry out home repairs. Through their efforts, they repaired three houses.
	Members of the Marketing Department built robotic prosthetic hands which they provided to people who have lost an arm due to bombs, landmines and other accidents. They also built bicycles which they gave to 20 children belonging to the Boys and Girls Club of Chicago.
Millennium Pharmaceuticals, Inc.	The Millennium "Rushing Toward a Cure" initiative raised funds to support the Leukemia & Lymphoma Society, donating \$ 1,000 for every 100-yards rushed by the New England Patriots football team throughout the season.
	Millennium is a National Sponsor of the annual 5 km Walk/Run "Race for Research" to benefit the Multiple Myeloma Research Foundation (MMRF). Millennium contributed \$ 16,000 to the MMRF and participated in the race.
Takeda Global Research & Development Center, Inc.	Takeda Global Research & Development Center (TGRD) supported the activities of the NPO Kids Around the World, donating 15,000 meal packets to children in developing countries through this NPO.
	TGRD also supported an international science conference at Northwestern University Clinical and Translational Sciences Institute (NUCATS), which provided a forum for discussion on the status of alliances for furthering scientists' contributions to society.
Takeda California, Inc.	Employees and 30 of their canine companions participated in a charity walk event hosted by Takeda California to support Susan G. Komen for the Cure. They raised \$20,000 for breast cancer research and awareness.
	Volunteers commemorated United Nations World Environment Day by taking part in volunteer maintenance work at the Torrey Pines State Reserve and the Japanese Friendship Garden at Balboa Park.

Canada

Nycomed Canada Inc.	Employees participated in an Earth Day cleanup event organized by the local government of the Town of Oakville. The event helped to deepen their understanding about environmentally friendly activities.
	The company also contributed to scholarships awarded to outstanding students at the Ontario College of Family Physicians.

Mexico

Nycomed Mexico, S.A. de C.V.	Nycomed Mexico marked United Nations World Environment Day by conducting education support activities to help raise awareness of energy and water issues.
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Brazil

Takeda Distribuidora Ltda.	Takeda Distribuidora supported the Brailinho Tagarela project which aims to supply 2,000 braille audio-visual books for children with visual disabilities to 200 public schools, libraries and other organizations in São Paulo.
	The company has teamed up with various NPOs and other organizations to donate food, clothing and toys to people in need.

Russia

Nycomed Distribution Center Limited Liability Company	Nycomed Distribution Center contributed to the cost of producing books for children with visual and hearing disabilities.
	The company also joined forces with the Endocrinology Research Centre, the Centre for the Study of Iodine Deficiency Diseases of the Russian Ministry of Health and the Institute of Paediatric Endocrinology to conduct a joint research project toward prevention and cure of iodine deficiency.

Other Activities by Country

Poland

Nycomed Pharma Sp.z.o.o.	In June 2011 Nycomed Pharma made a donation to kindergartens and schools in tyszkowice for use in celebrating Children's Day.
	The company also supports a Christmas Eve event held in the tyszkowice area for elderly people and others.

Norway

Nycomed Pharma AS	Employees volunteered to help out with a lecture about the 900-year-old lime industry of Asker, which was organized for local children at the Asker Museum.
	The company supports educational organizations in the local area in arranging various lectures for students. It has also created a "Manager for a Day" program allowing students to participate in operations at the company.

Finland

Oy Leiras Finland AB	Oy Leiras Finland sponsored a school project for supporting girls in Laos.
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France

Laboratoires Takeda	Employees have participated in the Odyssea race to raise funds for research to eradicate breast cancer since 2009.
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Italy

Takeda Italia Farmaceutici S.p.A.	Takeda Italia Farmaceutici (TIF) supported the creation and maintenance of the Active Citizenship Network's dedicated website for informing citizens about rare diseases and oncology.
	TIF also supported the Flying Doctors Service operated by the international NGO African Medical and Research Foundation (AMREF) as a way of supporting healthcare for patients in Africa.

The UK

Takeda UK Limited	Employees supported the Bone Cancer Research Trust by participating in the charity marathon event, the Royal Parks Foundation Half Marathon in 2011.
	The company also supported the development of an e-Learning system for medical personnel created by the Anaemia Nurse Specialist Association (ANSA).
Takeda Cambridge Limited	Takeda Cambridge provided an opportunity for 12 students majoring in science to spend four days in its laboratories experiencing lab work in a "work-shadowing" program.
	Employees also planted two cherry blossom trees and several camellias around the entrance of the office building in an effort to promote environmental preservation.
Takeda Global Research & Development Centre (Europe), Ltd.	Employees volunteered to assist with projects to maintain and repair local sports grounds and gardens.

Ireland

Takeda Ireland Limited	Employee volunteers participated in a project to create "edible gardens" for the local community. Efforts included tilling the ground for planting vegetables and planting herb and berry seedlings.
	Employees also held a bake sale and raised €888 which they donated to the Irish Cancer Society to support the eradication of breast cancer.

 **Spain****Nycomed Pharma S.A.**

Nycomed Pharma is supporting the creation of a DVD called "Epoch Guide" as an audio-visual guide for educating chronic obstructive pulmonary disease (COPD) patients and their families about treatment and rehabilitation.

The company is also working with the Lidera Program, an organization providing training courses for women, to support women's health.

 **South Africa****Nycomed Pharmaceuticals (Pty) Ltd.**

Nycomed Pharmaceuticals promoted a project called Village Safe Haven to support children affected by AIDS/HIV. Nycomed Pharmaceuticals provided not only treatment support, but also practical donations such as washing machines and dryers.

The company also supports swimming training for children with disabilities at the Mandeville Dolphins Swimming Club.

 **China****Legacy Nycomed (China)**

Employees visited students living in the local area and presented them with books, stationery, school bags and other student gear worth around RMB 7,000.

Takeda Pharmaceutical (China) Company Limited

Takeda Pharmaceutical (China) donated 32 unused desktop PCs to the Shanghai Overseas Chinese Foundation. These computers will be used to help support students living in remote areas.

The company also participated in the "Earth Hour" event promoted by the World Wide Fund for Nature (WWF), turning off all unnecessary electric appliances for one hour in an effort to raise employee awareness of environmental preservation.

 **Taiwan****Takeda Pharmaceuticals Taiwan, Ltd.**

Takeda Pharmaceuticals Taiwan held information meetings for middle-aged and senior men inviting a physician to speak about prostate cancer, as well as free screening events.

The company also ran an internship program for pharmacology majors from the Kaohsiung Medical University, offering them a chance to experience marketing and sales work.

 **The Philippines****Takeda Pharmaceuticals (Philippines), Inc.**

Takeda Pharmaceuticals (Philippines) donated office supplies that it no longer needed to the Em's Signal Village Elementary School.

 **Indonesia****P.T. Takeda Indonesia**

Takeda Indonesia held a blood donation drive with the Indonesian Red Cross Society. People living nearby the company also participated.

 **Singapore****Takeda Singapore Pte. Limited**

Takeda Singapore management gave a lecture covering foundational knowledge about the drug discovery process at the inauguration of a drug discovery course established by the Singaporean Agency for Science, Technology and Research.

Employees also conducted fundraising activities, collecting about S\$600. They donated these funds to Club Rainbow, a charity organization that supports children battling illness, and their families.

 **Australia****Nycomed Pty. Ltd.**

In our all-company sales conference, employees divided into teams to assemble 16 bicycles, which were then given to children living in impoverished circumstances.

The company also held a fundraising activity called "Jeans for Genes Day," allowing employees to wear jeans to work as a way to collect donations. Collected donations went to support research into pediatric healthcare.

For 230 years, Takeda has developed its business with integrity while undergoing a process of continuous transformation. Takeda is committed to fulfilling its responsibility as a global pharmaceutical company going forward.

1781

Foundation

Takeda began operations in 1781 when Chobei Takeda I started a business selling traditional Japanese and Chinese medicines in Doshomachi, Osaka. Following Japan's Meiji Restoration in the late 1860s, Takeda was one of the first companies in Japan to begin importing western medicines.



Founder: Chobei Takeda I

1895

Pharmaceutical Manufacturing Business Launched

In 1895, the Company established its own factory in Osaka, thereby achieving its transformation into a pharmaceutical manufacturer.

1914

Research Activities Begin with Establishment of the Takeda Research Division



A researcher performing an experiment in the laboratory (1939)

1950

First multivitamin in Japan *Panvitan* Launched

1954

Vitamin B1 derivative *Alinamin* Launched

1962

Entered Overseas Markets

Takeda greatly expanded its overseas activities by entering Asia, Europe, and the U.S.

1989

For Prostate Cancer, Breast Cancer, and Endometriosis *Leuprorelin Acetate* Launched (U.S. and Europe)

1991

For Peptic Ulcer *Lansoprazole* Launched (Europe)

1997

For Hypertension *Candesartan Cilexetil* Launched (Europe)

1700

1900



Kyoto Experimental Garden (1954)

1933

Takeda Garden for Medicinal Plant Conservation (Kyoto)* Established

This conservation has collected, grown and used herbs and other plants with medicinal value from around the world. Currently, the garden grows more than 2,400 species of plants, including 96 endangered species.

* Established as "Kyoto Takeda Herbal Garden." The name was changed to "Kyoto Experimental Garden" in 1945 and changed again to its current name in 1994.

1944

Institute for Fermentation, Osaka Established

For more than 60 years, this institute has been devoted to the preservation of microorganisms to support research. Today, it serves as a research foundation dedicated to the advancement of microbial science.



Kaitai Shinsho (Tafel Anatomie: New Text on Anatomy), 1774, Kyo-U Sho-Oku library

1960

Shoshisha Foundation Established

Shoshisha dates back to 1923 when Chobei Takeda V started using his own money to support deserving students with financial needs. The Shoshisha Foundation was established in 1960 to carry on this work.

1963

Takeda Science Foundation Established

Funded with an endowment from Takeda, this foundation was established to contribute to the development of scientific technologies and culture by encouraging and supporting research in relevant fields. The foundation has been expanding its operations steadily each year.

1992

"Basic Principles on the Environment" Formulated

Takeda formulated its "Basic Principles on the Environment" to promote global activities in response to environmental problems worldwide. The principles underpin the environmental policies of the entire Takeda Group.

1995

LI Takeda Ltd. Established

Established as a special subsidiary, LI Takeda operates under the management mission of "being a friendly company for workers with disabilities." It was the first company of its kind in the Japanese pharmaceutical industry.

1999

For Type 2 Diabetes
Pioglitazone Hydrochloride Launched (U.S. and Japan)

2005

For Insomnia
Ramelteon Launched (U.S.)

2008

Millennium Pharmaceuticals, Inc. Integrated

2009

For Acid Reflux Disease
DEXILANT Launched (U.S.)
For Gout and Hyperuricemia
ULORIC Launched (U.S.)

2000

2006

CSR Report Integrated with the Annual Report

Takeda started to publish its Annual Report in an integrated format containing both financial and non-financial information.

2009

Participated in the United Nations Global Compact / Dedicated CSR Organization Established

Takeda supports the United Nations Global Compact's 10 principles relating to "Human Rights," "Labor," "Environment" and "Anti-Corruption," and has incorporated them into every aspect of its business activities. Moreover, Takeda has enhanced its CSR activities by establishing a dedicated CSR organization.



2010

For Type 2 Diabetes
NESINA Launched (Japan)
For Cancer
Vectibix Launched (Japan)

2011

For Hypertension
EDARBI Launched (U.S.)

Shonan Research Center Established



Shonan Research Center

Nycomed Integrated

The integration of legacy Nycomed expanded the Group's sales channels in fast-growing emerging markets, while strengthening its business base across Europe.

2012

Vaccine Business Division Established

Takeda strengthened its global vaccine operations.

For Anemia Due to Chronic Kidney Disease
OMONTYS Launched (U.S.)

For Hypertension
AZILVA Launched (Japan)

URL Pharma, Inc. Integrated

The integration included *Colcrys*, a treatment for hyperuricemia and gout, which has reinforced Takeda's drug portfolio for gout.

Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda. Integrated

Through this integration, Takeda has increased its presence in the Brazilian market, enhancing its business in emerging economies.

2010

"Takeda Initiative" Launched

Takeda cooperated with the Global Fund to set up an endowment program to support the development of healthcare professionals in Africa.

Promoting Diversity and Strengthening Value Chain Management

As diversity became one of the corporate values, we have boosted our initiatives for promoting diversity. We have developed a CSR-oriented business environment, including at our business partners, by creating CSR policies across our value chain.

Takeda Global Code of Conduct Formulated

The Takeda Global Code of Conduct serves to strengthen corporate governance and promote rigorous compliance throughout the entire Takeda Group worldwide.

2011

Participated in the United Nations Global Compact LEAD Program

Takeda is helping to spearhead implementation of the United Nations Global Compact principles.

Support for Japan's Vitality and Recovery

Takeda is supporting the recovery of areas affected by the Great East Japan Earthquake by donating some of the profits from *Alinamin*. The Group is also promoting a variety of other long-term, ongoing support programs.

2012

Continued Inclusion in SRI Indices that Rate Corporate Value

Takeda considers continued inclusion in SRI indices to be an important external measure of its overall business activities. To this end, the Company has clarified the importance of social responsibility within the management strategy.

Corporate Information

As of March 31, 2012

Company Name: Takeda Pharmaceutical Company Limited

Founded: June 12, 1781

Incorporated: January 29, 1925

Paid-In Capital: ¥63,541 million

Representative: Yasuchika Hasegawa, President & CEO

Main Business: Manufacture, sale and import/export of pharmaceuticals and quasi-drugs

Number of Employees: 30,305 (consolidated)

Head Office:

1-1, Doshomachi 4-Chome
Chuo-ku, Osaka-shi, Osaka 540-8645, Japan

Tel: +81-6-6204-2111

Fax: +81-6-6204-2880

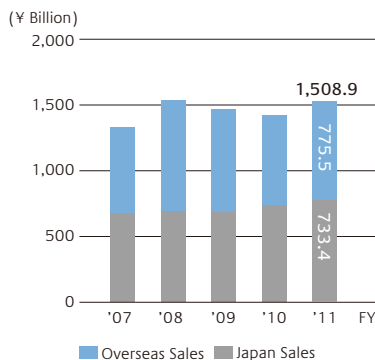
Tokyo Head Office:

12-10, Nihonbashi 2-Chome
Chuo-ku, Tokyo 103-8668, Japan

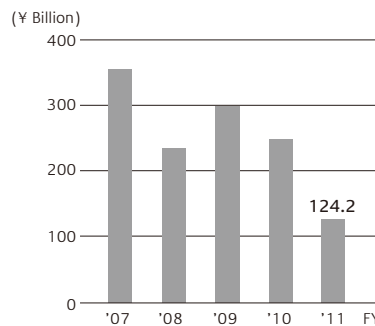
Tel: +81-3-3278-2111

Fax: +81-3-3278-2000

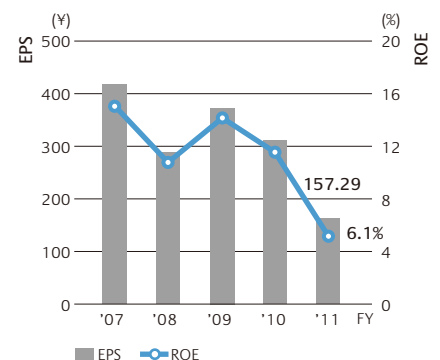
Net Sales



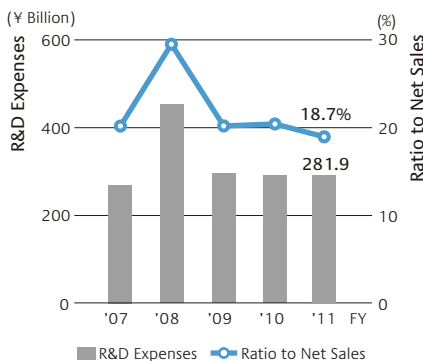
Net Income



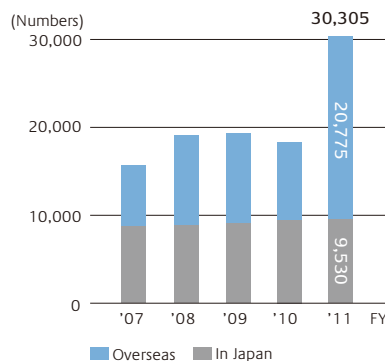
EPS and ROE



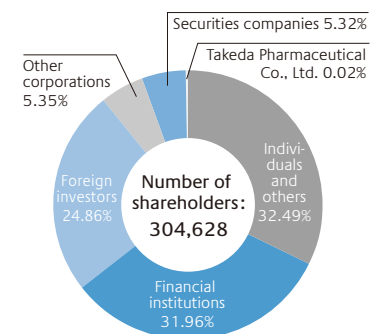
R&D Expenses/Ratio to Net Sales



Number of Employees



Proportion of Shareholders



Key Social Responsibility Indices

Labor Practices		2012	2011	2010
Number of employees*	Total	30,305	18,498	19,585
	Japan	9,530	9,467	9,305
	Overseas	20,775	9,031	10,280
	Pharmaceutical business	28,284	16,470	17,568
	Ethical drugs	27,844	16,035	17,125
	Consumer healthcare	440	435	443
	Other businesses	2,021	2,028	2,016
Number of participants in the global leadership development program		28	33	36
Global employee survey		—	Conducted	—

* Employees working in Takeda Pharmaceutical Company Limited and its consolidated subsidiaries. From fiscal 2010, the number is calculated on a full time equivalent basis. For fair comparison, the figures for fiscal 2009 have been restated on the same basis.

The Environment

Total input energies	9,275 million MJ	6,614 million MJ	6,269 million MJ
Input water resources	8,598 thousand m³	7,309 thousand m ³	7,461 thousand m ³
CO ₂ emissions	407 kilotons of CO₂	291 kilotons of CO ₂	286 kilotons of CO ₂
SOx (sulfur oxide) emissions	105 tons	40 tons	49 tons
NOx (nitrogen oxide) emissions	287 tons	237 tons	231 tons
Dust emissions	26 tons	18 tons	12 tons
Amount of waste generated	56 kilotons	44 kilotons	58 kilotons
PRTR-designated substances released into the atmosphere (Japan)	56 tons	48 tons	51 tons

Community Involvement and Development

Cash donations	¥ 5,324 million	¥ 4,416 million	¥ 5,517 million
Takeda Science Foundation research grants	¥ 2,260 million	¥ 2,201 million	¥ 2,053 million
Shoshisha Foundation scholarships	¥ 70 million	¥ 32 million	¥ 33 million
Institute for Fermentation, Osaka, research grants	¥ 408 million	¥ 443 million	¥ 393 million
Total income taxes	¥125,207 million	¥121,326 million	¥115,668 million

GRI Guidelines Reference Table

GRI Guidelines Content Index

Takeda's Annual Report 2012 and Annual Report 2012 CSR Data Book were prepared with reference to the Sustainability Reporting Guidelines (Version 3.1) published by the Global Reporting Initiative (GRI). The guidelines provide a framework for sustainability reports that can be applied globally.

The GRI recommends that report makers declare their level of compliance with the stipulations of the guidelines (known as the "GRI Application Level"). We believe that Takeda's Annual Report 2012 and Annual Report 2012 CSR Data Book satisfy the GRI Application Level B for reporting standards.

GRI Guidelines Reference Table

Item	Indicator	Relevant Pages in Reports	
		Annual Report	CSR Data Book
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	10-16	–
1.2	Description of key impacts, risks, and opportunities.	31,33,60-61,64, 68-69,76,90-91, 105,123-124	18,20-21,32-33, 36,40-41,58-59, 65,66-70
2. Organizational Profile			
2.1	Name of the organization.	126	116
2.2	Primary brands, products, and/or services.	34-35,47	–
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	82-83	–
2.4	Location of organization's headquarters.	127	116
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	82-83	–
2.6	Nature of ownership and legal form.	126	116
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	7,8	–
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. 	5,7,8-9,85-124	117
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). 	85-124	–
2.10	Awards received in the reporting period.	63	28,47
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Inside Front Cover	2
3.2	Date of most recent previous report (if any).	–	2
3.3	Reporting cycle (annual, biennial, etc.)	–	2
3.4	Contact point for questions regarding the report or its contents.	127	2
3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	49,53	2-3
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	85	2
3.7	State any specific limitations on the scope or boundary of the report.	85	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	7,36	–
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	8-9,65,127	26,28-29,42-43, 45,48-49,50-51, 53,54,56-57,117

Item	Indicator	Relevant Pages in Reports	
		Annual Report	CSR Data Book
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	–	–
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A	N/A
3.12	Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found: <ul style="list-style-type: none"> • Strategy and Analysis 1.1 – 1.2; • Organizational Profile 2.1 – 2.10; • Report Parameters 3.1 – 3.13; • Governance, Commitments, and Engagement 4.1 – 4.17; • Disclosure of Management Approach, per category; • Core Performance Indicators; • Any GRI Additional Indicators that were included; and • Any GRI Sector Supplement Indicators included in the report. 	55	9,118-121
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	–	126-127

4. Governance, Commitments, and Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	73-79	15-17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	78-79	–
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	78-79	–
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding: <ul style="list-style-type: none"> • The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and • Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body. 	73	15
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	74	16
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	73	15
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	*	*
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Explain the degree to which these: <ul style="list-style-type: none"> • Are applied across the organization in different regions and department/units; and • Relate to internationally agreed standards. 	17	–
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	58	12
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	58,79	12
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	31,33,59,60-61, 64-65,68-69,76, 90-91,123-124	13,18,36,40-41, 50-51,65-71
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	49-53	3-7
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	50	2,4
4.14	List of stakeholder groups engaged by the organization.	53	7
4.15	Basis for identification and selection of stakeholders with whom to engage.	53	7
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	49-53,59	2-7,13
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	59	13

* Financial Statements for Year Ended March 31, 2012

GRI Guidelines Reference Table

Item	Indicator	Relevant Pages in Reports	
		Annual Report	CSR Data Book
5. Management Approach and Performance Indicators			
Economic			
	Disclosure on Management Approach	12-16,85-124	–
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	–	–
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	–	–
EC3	Coverage of the organization's defined benefit plan obligations.	113	–
EC4	Significant financial assistance received from government.	–	–
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	–	–
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	51,61	5,22-23
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	–	–
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	70-71	74-113
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	127	117
Environmental			
	Disclosure on Management Approach	64-65	8-9,30-57
EN1	Materials used by weight or volume.	–	54,56-57
EN2	Percentage of materials used that are recycled input materials.	–	–
EN3	Direct energy consumption by primary energy source.	–	54,56-57
EN4	Indirect energy consumption by primary source.	–	–
EN5	Energy saved due to conservation and efficiency improvements.	65	42-43
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	127	42-43
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	–	44
EN8	Total water withdrawal by source.	127	45,54,56-57,117
EN9	Water sources significantly affected by withdrawal of water.	65	45
EN10	Percentage and total volume of water recycled and reused.	–	–
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	65	46-47
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	65	46-47
EN13	Habitats protected or restored.	65	46-47
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	65	46-47
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	–	–
EN16	Total direct and indirect greenhouse gas emissions by weight.	65,127	42-43,54,56-57,117
EN17	Other relevant indirect greenhouse gas emissions by weight.	–	–
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	65	42-43
EN19	Emissions of ozone-depleting substances by weight.	–	–
EN20	NO, SO, and other significant air emissions by type and weight.	127	51,54,56-57,117
EN21	Total water discharge by quality and destination.	127	45,54,56-57
EN22	Total weight of waste by type and disposal method.	127	48-49, 54,56-57
EN23	Total number and volume of significant spills.	64	40-41
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	–	–
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	–	–
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	65	46
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	–	–
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	N/A	N/A
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	–	40-41
EN30	Total environmental protection expenditures and investments by type.	–	53
Labor Practices and Decent Work			
	Disclosure on Management Approach	62-63	8-9,24-29
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	8,127	26,117
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	–	–
LA3	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	63	28
LA4	Percentage of employees covered by collective bargaining agreements.	63	29
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	–	–

Core Additional

Item	Indicator	Relevant Pages in Reports	
		Annual Report	CSR Data Book
Labor Practices and Decent Work			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	–	–
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	–	–
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	–	29
LA9	Health and safety topics covered in formal agreements with trade unions.	–	29
LA10	Average hours of training per year per employee by gender, and by employee category.	–	27
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	62-63	24-27
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	–	–
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	–	26,29
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	–	–
LA15	Return to work and retention rates after parental leave, by gender.	–	–
Human Rights			
	Disclosure on Management Approach	60-61	8,9,20-23
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	–	–
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	–	–
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	–	–
HR4	Total number of incidents of discrimination and corrective actions taken.	–	–
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	–	–
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	66-67	60-61
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	66-67	60-61
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	–	–
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	–	–
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	–	–
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	–	–
Society			
	Disclosure on Management Approach	66-67,70-71,75	58-65,74-113
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	64	38-41,52-53
SO2	Percentage and total number of business units analyzed for risks related to corruption.	–	–
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	–	62
SO4	Actions taken in response to incidents of corruption.	–	–
SO5	Public policy positions and participation in public policy development and lobbying.	–	–
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	–	–
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	–	–
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	–	–
SO9	Operations with significant potential or actual negative impacts on local communities.	–	–
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	–	–
Product Responsibility			
	Disclosure on Management Approach	33,68,69	66-73
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	33,68,69	66-73
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	–	–
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	–	–
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	–	–
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	69	67
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	61,69	23,60,67
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	–	–
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	–	–
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	–	–

Core Additional

Reference Table for United Nations Global Compact Advanced Level COP

Reference Table for United Nations Global Compact Advanced Level COP

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Strategy, Governance and Engagement				
Criterion 1	The COP describes key aspects of the company's high-level sustainability strategy in line with Global Compact principles	Intellectual Property	31	–
		Quality Assurance System	33	–
		Human Rights Issues throughout the Value Chain/Tackling the Core Subjects of ISO 26000	–	20-21
		Anti-Counterfeit Measures	68-69	66-67
		Scope of Crises as Defined in the Guidelines	76	18
		Risk Factors in Business	89-91	–
		Reducing Environmental Risks	64	36-37
		Takeda's CSR Activities	49-53	3-7
		Key Social Responsibility Indices	127	117
		CSR Activity Targets and Results	54-55	8-9
		Takeda Pharmaceutical's Major Environmental Protection Policies and Achievements in Fiscal 2011	–	33
Takeda Pharmaceutical's Major Accident Prevention Policies and Achievements in Fiscal 2011	–	33		
Criterion 2	The COP describes effective decision-making processes and systems of governance for corporate sustainability	CSR Promotion Framework	58	12
		Using "Continued Inclusion in SRI Indices" as a Measure of Corporate Value	58	12
Criterion 3	The COP describes engagement with all important stakeholders	Third Stakeholder Dialogue	59	13
		Our Stakeholders	53	7
		Our Stakeholders > Main Method of Dialogue	53	7
		Stakeholder Engagement > Examples of Dialogue with Stakeholders	59	13
		Takeda Global Advisory Board	79	–
UN Goals and Issues				
Criterion 4	The COP describes actions taken in support of broader UN goals and issues	Strengthening of Global Vaccine Business	25	–
		Initiatives to Improve Access to Healthcare	70-71	–
		Collective- and Producer-Type Activities as a Global Compact LEAD Participant	50	4
Human Rights Implementation				
Criterion 5	The COP describes robust commitments, strategies or policies in the area of human rights	Promoting Fair Operating Practices throughout the Industry	66	58
		Takeda Respects the Human Rights and Diversity of its Employees in Line with the Takeda Global Code of Conduct	–	23
		Major Human Rights-Related Rules for Research and Development Activities	60	22
		Human Rights Considerations in Guidelines for Socially Responsible Purchasing	–	23
Criterion 6	The COP describes effective management systems to integrate the human rights principles	CSR Activity Targets and Results	54-55	8-9
		Initiatives Relating to the Impacts of Business Activities	59	13
		Initiatives for Human Rights Issues	60-61	22-23
		Initiatives throughout the Value Chain: Research	–	22
		Promoting Compliance at Takeda Pharmaceutical	75	17
Criterion 7	The COP describes effective monitoring and evaluation mechanisms of human rights integration	Initiatives throughout the Value Chain	–	20-21
Criterion 8	The COP describes key outcomes of human rights integration	Feature: Support for Areas Affected by the Great East Japan Earthquake	56-57	10-11

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Labor Principles Implementation				
Criterion 9	The COP describes robust commitments, strategies or policies in the area of labor	Promoting Fair Operating Practices throughout the Industry	66	58
		Addressing the Social Aspects of Business Growth Opportunities and Risks Will Help to Support the Realization of Sustainable Growth	16	–
		Corporate Philosophy	17	–
		Our Stakeholders	53	7
		Human Rights Issues: Procurement, Production and Logistics	61	21
		Takeda Respects the Human Rights and Diversity of its Employees in Line with the Takeda Global Code of Conduct	–	23
		Initiatives for Human Rights Issues: Procurement, Production and Logistics	–	22-23
		Promoting CSR Initiatives throughout the Value Chain, Including Business Partners	–	60
		CSR Activity Targets and Results	54-55	8-9
Criterion 10	The COP describes effective management systems to integrate the labor principles	Training Programs	–	27
		Promoting Compliance at Takeda Pharmaceutical	75	17
Criterion 11	The COP describes effective monitoring and evaluation mechanisms of labor principles integration	Key Social Responsibility Indices	127	117
		Supplier Survey	67	61
Criterion 12	The COP describes key outcomes of integration of the labor principles	Relations with Workers Unions	63	29
		Health and Safety of Employees	–	29
		Promoting Diversity	62	27
		Supporting Work-Life Balance	63	28
		Employment of People with Disabilities	–	29
Environmental Stewardship Implementation				
Criterion 13	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Status of Initiatives to Respect the Positions of Stakeholders	77	19
		Responsible Care Activities	–	34
		Reorganizing the Group-Wide Management Structure	64	31
		Basic Principles on the Environment	–	30
		Global EHS Policy	–	31
		Promoting CSR Initiatives throughout the Value Chain, Including Business Partners	–	60
		CSR Activity Targets and Results	54-55	8-9
		Takeda Group Environmental Action Plan	–	32-33
Criterion 14	The COP describes effective management systems to integrate the environmental principles	Measuring the Global Environmental Impact of Business Integration	64	30
		ISO 14001-Certified Sites	–	33
		Initiatives Relating to the Impacts of Business Activities	59	13
		Environment and Safety Management Structure	–	35
		Takeda Pharmaceutical's Major Environmental Protection Policies and Achievements in Fiscal 2011	–	33
		Promoting Compliance at Takeda Pharmaceutical	75	17
Criterion 15	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	ISO 14001-Certified Sites	–	33
		Environmental Accounting	–	53
		Environmental Protection and Accident Prevention Audit	–	37
		Fundamental Stance on Reducing Environmental Risks	–	36
		Supplier Survey	67	61

Reference Table for United Nations Global Compact Advanced Level COP

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Environmental Stewardship Implementation				
Criterion 16	The COP describes key outcomes of integration of the environmental principles	Financial and Non-Financial Highlights	8-9	–
		Water Resources Conservation Initiatives	65	45
		Environmental Impacts Associated with Takeda Group Business Activities	–	54
		Site Data	–	56-57
		Key Social Responsibility Indices	127	117
		Initiatives to Deal with Climate Change	65	42-44
		Waste Treatment Flow in Fiscal 2011	–	49
		Waste Product Breakdown and Amounts	–	49
		Reduction in Releases of Chemical Substances	–	50
		Air, Water, and Soil Quality Protection	–	51
		Biodiversity Conservation Initiatives	65	46-47
		Waste Reduction	–	48
		Environmental Accounting	–	53
		Enhancing Risk Management and Disclosure	64	–
		Environmental Protection and Accident Prevention Audit	–	37
Cause of the Water Leak at Shonan Research Center and Measures to Prevent a Reoccurrence	–	41		
Anti-Corruption Implementation				
Criterion 17	The COP describes robust commitments, strategies or policies in the area of anti-corruption	Takeda Anti-Corruption Global Policy	66	58
		CSR Activity Targets and Results	54-55	8-9
		Following the Takeda Global Code of Conduct, We Will Ensure Compliance with Our Policy for Anti-Corruption and Anti-Bribery	–	59
		The Takeda Group Conducts Transactions Based on Fair Competition, Observing Applicable Laws and Regulations of Every Country	–	60
		Promoting CSR Initiatives throughout the Value Chain, Including Business Partners	–	60
Criterion 18	The COP describes effective management systems to integrate the anti-corruption principle	Promotion of Fair Operating Practices across the Takeda Group	66	58
		Promoting Fair Operating Practices throughout the Industry	66	58
		Number of Employees Who Took Anti-Bribery Training Courses in Japan (Fiscal 2011)	66	58
		Supplier Survey	67	61
		Addressing the Social Aspects of Business Growth Opportunities and Risks Will Help to Support the Realization of Sustainable Growth	16	–
		Promoting Compliance at Takeda Pharmaceutical	75	17
Criterion 19	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Promoting Compliance at Takeda Pharmaceutical	75	17
Criterion 20	The COP describes key outcomes of integration of the anti-corruption principle	Number of Employees Who Took Anti-Bribery Training Courses in Japan (Fiscal 2011)	66	58

Criteria for the GC Advanced Level		Contents	Relevant Pages in Reports	
			Annual Report	CSR Data Book
Value Chain Implementation				
Criterion 21	The COP describes implementation of the Global Compact principles in the value chain	Human Rights Issues throughout the Value Chain/Tackling the Core Subjects of ISO 26000	–	20-21
		Value Chain Management	51	5
		Global CSR Purchasing/Guidelines for Socially Responsible Purchasing	67	60-61
		Global Purchasing Policy	–	62
		Our Stakeholders	53	7
		Status of Initiatives to Respect the Positions of Stakeholders	77	19
		Our Stakeholders > Main Method of Dialogue	53	7
		Providing Pharmaceutical Information of a High Standard	69	67
		Initiatives for Human Rights Issues: Procurement, Production and Logistics	61	22
		Supplier Survey	67	61
		Promoting Eco-Green Purchasing	–	61
		Creation of a Supplier Database	68	66
Complete Quality Control in Pharmaceutical Distribution	69	67		
Transparency and Verification				
Criterion 22	The COP provides information on the company's profile and context of operation	Corporate Information	126	116
		Major Subsidiaries and Affiliates	82-83	–
		Takeda Snapshot	7	–
		Marketing	34-35,47	–
		Financial and Non-Financial Highlights	8-9	–
		Financial Section	84-124	–
Criterion 23	The COP incorporates high standards of transparency and disclosure	GRI Guidelines Reference Table	–	118-121
		Reference Table for United Nations Global Compact Advanced Level COP	–	122-125
		Key Social Responsibility Indices	127	117
		Message from the President & CEO	16	–
		Financial and Non-Financial Highlights	8-9	–
		Creating Corporate Value through CSR	49-71	–
Criterion 24	The COP is independently verified by a credible third-party	GRI Guidelines Reference Table	–	118-121
		Third-Party Comment	–	126-127



Prof. Yoshito Nakamura

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This year, as in the previous year, I have been asked to comment on the CSR Data Book 2012 (“the Data Book”) of Takeda Pharmaceutical Company Limited (“the Company”) as an independent observer, after attending a meeting on the Company’s CSR activities with its officer in charge of CSR.

Approach to CSR

The Company recognizes that both its mission of “leading innovation in medicine,” and management activities themselves are the foundation of its CSR activities. Based on this recognition, the Company provides integrated reporting of financial and CSR information in its annual report. Disclosure of additional CSR information that may be required is provided in this Data Book as a separate publication. This reflects the Company’s participation in the International Integrated Reporting Council (IIRC) and its approach of providing proactive disclosure of corporate value creation processes such as connectivity of information, strategic focus, and future orientation. I believe that these initiatives are highly noteworthy.

Evaluation of CSR Activities

The Company has built systems for CSR activities in line with the core subjects of the international ISO 26000 standard on social responsibility. It evaluates the achievements of its CSR activities and establishes targets for the next fiscal year based on this evaluation. Detailed explanations of this process are provided and are linked to the relevant pages in the Data Book. Because the targets and evaluation methods are qualitative, I believe that specific indicators and figures must be established and disclosed as necessary to ensure the transparency of the contents of evaluations.

I commend the Company for disclosing key performance indicators (KPI) at the start of each core subject, beginning with this year’s Data Book. This is because these KPIs provide useful information that helps to maintain the objectivity of CSR activities. Going forward, I would like to see the Company continuously disclose indicators that provide a basis for CSR activities, after reviewing them in terms of whether they are useful, measurable, accurate, applicable for evaluation and so forth.

Organizational Governance

One essential feature of CSR is that companies must incorporate consideration for society and the environment into their decision-making and actions, and fulfill their accountability to explain to stakeholders the impact of their decisions and actions. Organizational governance is closely tied to CSR activities since it is designed to direct a company’s decision-making and actions toward the achievement of its goals. The Data Book contains explanations about the Company’s CSR promotion system, governance system, compliance and other topics, clearly displaying management’s effective governance functions. In addition, I believe that the significance of the data book as a supplement to the annual report will be heightened by providing explanations of governance structures, policies, decision-making processes, the Company’s track record and other matters with respect to core CSR subjects such as human rights, labor practices, the environment and fair operating practices.

The Company has discussed risk management in terms of crisis management. In consumer issues, risk management has been discussed in terms of drug

affairs and quality assurance. Recently, there has been growing adoption of an approach that treats risk as “uncertainty relative to management objectives” (ISO 31000:2009). This approach recognizes that risks have both negative and positive aspects that impact corporate value. Accordingly, I would like the Company to explain how it positions risk in the context of integrated corporate management.

Labor Practices

As the globalization of the Company has progressed, the composition of the Company's workforce by country has also been greatly transformed. In fiscal 2011, overseas employees accounted for more than three-quarters of the workforce and overseas sales exceeded sales in Japan. Diversity management is essential to ensuring that employees with different backgrounds in terms of nationality, race, gender and other attributes work under a common set of values. The Data Book presents information about the Company's award system for promoting Takeda-ism and the voices of overseas employees. The latter half of the Data Book includes a detailed presentation of the social contribution activities of employees in various countries, helping to clarify the positive impact of the Company's initiatives. The Company provides explanations of its efforts to promote a better work-life balance in Japan, including the use of paternity leave by male employees to care for their children. While I understand that the Company is making progress on development of such systems, I am concerned about the decline in the utilization rate for paid leave.

The Environment

The Company is being called upon to conduct global environmental measures given its increased environmental footprint following recent corporate integration measures. For this reason, it has formulated its Global EHS Policy to bolster environmental governance. In addition, the Company has conducted a self-evaluation of progress on the Takeda Group Environmental Action Plan for the fiscal year under review, specifically management conditions and emissions status, including reduction of CO₂, waste, and chemical substance emissions. The self-assessment shows that the Company has achieved almost all its targets. Looking ahead, since environ-

mental impacts can be clearly quantified, I believe that the Company can increase the transparency of environmental management by disclosing necessary environmental data for several years in a comparable format, and entrusting the evaluation of the results to stakeholders.

Consumer Issues

Consumers' greatest concerns about pharmaceuticals are their efficacy and action, along with quality and safety. I believe that information is fundamental to addressing such concerns. Notably, the pharmaceutical market has been transformed by globalization and expansion of value chains, making their management increasingly complex and wide-ranging. To address these changes, in the Data Book, the Company has actively disclosed information about measures to combat counterfeit drugs, provide security labels, and put a quality assurance system in place. This information will be useful to maintaining the peace of mind of consumers. In the core subject of the environment, the Company has provided detailed reporting on a wastewater leak incident at the Shonan Research Center, clearly displaying the Company's earnest stance toward disclosure of information. Looking ahead, I would like to see the Company continue to clearly explain its measure to address Group-wide issues, not only those in Japan, with the aim of increasing the trust of consumers.

(This comment is not intended to express an opinion on the accuracy or completeness of the information in the Data Book.)

CSR Data Book Survey

Thanks for taking the time to read our Annual Report 2012 CSR Data Book.
We would greatly appreciate it if you could answer a few questions in the following survey to help us plan future CSR activities and reports. Please send your completed survey by fax or post as follows.

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You can also respond to the survey via our website: <http://www.takeda.co.jp/csr/enq-en/2012>

Q1 What was your overall impression of the CSR Data Book?

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- **Content** Very comprehensive Comprehensive Normal Somewhat lacking Severely lacking
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- **Ease of understanding** Very easy to understand Easy to understand Normal Difficult to understand Very difficult to understand
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- **Volume of information** Too much A little too much Normal A little brief Too brief
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- **Design** Very easy to read Easy to read Normal Difficult to read Very difficult to read
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- **Takeda's CSR activities** Very comprehensive Comprehensive Normal Somewhat lacking Severely lacking
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Q2 Which item(s) were you particularly interested in? (Multiple answers are OK)

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- Takeda's CSR Activities (P.3-7) Biodiversity Conservation Initiatives (P.46-47)
- CSR Activity Targets and Results (P.8-9) Waste Reduction (P.48-49)
- Feature: Support for Areas Affected by the Great East Japan Earthquake (P.10-11) Reduction in Releases of Chemical Substances/Air, Water, and Soil Quality Protection (P.50-51)
- [Organizational Governance]** Environmental Impacts Associated with Takeda Group Business Activities (P.54)
- Due Diligence (P.13)
- Stakeholder Engagement (P.13) **[Fair Operating Practices]**
- [Human Rights]** Anti-Corruption/Transparency Guideline (P.59)
- Human Rights Issues (P.20-21) Fair Promotion Activities (P.60)
- Initiatives for Human Rights Issues (P.22-23) Global CSR Purchasing/Guidelines for Socially Responsible Purchasing (P.60-61)
- [Labor Practices]** Global Purchasing Policy (P.62-63)
- Developing a Global Talent Base (P.24-25) **[Consumer Issues]**
- Promoting Diversity (P.26-27) Anti-Counterfeit Measures (P.66-67)
- Work-Life Balance (P.28) Strengthening Value Chain Management (P.67)
- [The Environment]** Quality Assurance System (P.68-71)
- Environmental Management (P.30-35) **[Community Involvement and Development]**
- Reducing Environmental Risks/Environmental Protection and Accident Prevention Audit/Accident Prevention Initiatives (P.36-39) Policy for Corporate Citizenship Activities (P.74-75)
- Accident Prevention and Safety Measures at the Shonan Research Center (P.40-41) Partnership with NGOs and NPOs (P.76)
- Initiatives to Deal with Climate Change/Water Resources Conservation Initiatives (P.42-45) Healthcare Support for Developing Countries (P.77)
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- Initiatives at Takeda Group Companies (P.78-113)

Q3 From what perspective did you read the report?

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- Shareholder Trading partner A person connected to a government or civil service
- Finance/investment-related A person living close to a Takeda business site A specialist in CSR or the environment
- Healthcare professional An employee or family member of an employee A person responsible for CSR for a corporation
- Patient A student A person connected to the mass media
- Private individual A person connected to an NGO or NPO Other

Q4 If you have any opinions or comments about the report, please share them with us below.

Thank you for your cooperation.