

Annual Report 2009

CSR Data Book

Relationship with
Our Stakeholders

Based on Takeda-ism



Takeda Pharmaceutical Company Limited

Table of Contents

2	Basic Policy on CSR / CSR Promotion Framework / CSR Activities in Fiscal 2009
4	Feature Participating in the United Nations Global Compact
8	Quality Assurance System
	Relationship with Society
12	Feature: Access to Healthcare in Asia (Activities in Asia)
14	Takeda's Corporate Citizenship Activities
16	Activities in the U.S.
18	Activities in France and Germany
20	Activities in Italy and the UK
22	Activities in Japan and Taiwan
24	Activities in the Philippines and Thailand
26	Other Activities
	Relationship with Environment
28	Feature: Biodiversity and Water Resources Conservation Initiatives
30	Feature: Initiatives to Deal with Climate Change
32	Basic Principles on the Environment / Environment and Safety Management Structure
33	Policies and Achievements / Takeda Group's Standard for Environmental Protection and Accident Prevention at Work / Responsible Care Activities
34	Environmental Risk Reduction / Environmental Protection and Accident Prevention Audit
36	Accident Prevention
37	Environment and Safety Measures at New Research Center
38	Waste Reduction
40	Reduction in Releases of Chemical Substances / Air and Water Quality Protection
42	Environmental Impacts Associated with Business Activities / Environmental Accounting
43	Environmental Communications
44	Environmental Impact Data by Site
	Relationship with Suppliers
46	Feature: Supply Chain Management
48	Basic Purchasing Policy / Green Procurement and CSR Procurement Initiatives
	Relationship with Employees
50	Feature: Cultivating Talent to Lead a World-Class Pharmaceutical Company
52	Rights of Individuals / Shared Values of Takeda-ism / Cultivating Employees in Japan
54	Work-Life Balance / Employment of People with Disabilities / Mental Healthcare
56	Stakeholders' Voices Employees Who Embody the Takeda-ism Ideals

58	Corporate Governance
59	Compliance
60	Crisis Management
61	Corporate Information
62	GRI Guidelines Reference Table
66	Third Party Opinion

Editorial Policy

Takeda issues an integrated Annual Report that incorporates non-financial information such as CSR activities.

The CSR Data Book is issued as a separate volume containing detailed information about Takeda's relationship with its stakeholders.

At Takeda, we believe that the essence of CSR is corporate activities based on Takeda-ism that lead to successful development of superior pharmaceutical products. In recognition of this, Takeda has integrated non-financial information such as CSR information into its Annual Report since fiscal 2006 to actively disclose this information to stakeholders.

To ensure our disclosure to stakeholders is as full as possible, we have also compiled the CSR Data Book. Available only in PDF 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.

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 2008 (April 1, 2008 to March 31, 2009)

*Some fiscal 2009 activities are included.

Issue Date

November 2009 (Previous issue: September 2008)

Reference Guidelines

Sustainability Reporting Guidelines:

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

AA 1000:

Guidelines issued by British firm AccountAbility that specify a systematic process in which stakeholders are involved in the course of developing communication systems, etc.

Key Association Memberships

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

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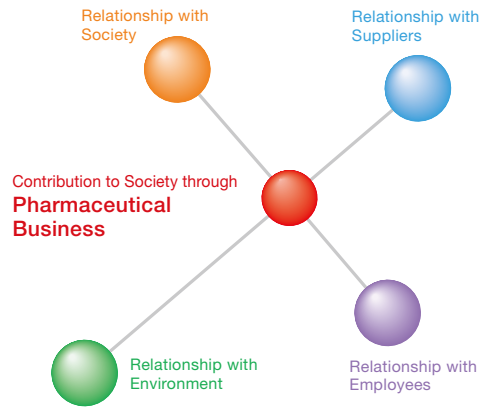
Takeda acts sincerely, always conscious of its social responsibility as a business that involves people's lives

Basic Policy on CSR

The basis of CSR at Takeda can be found in our mission of "striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products." It is Takeda's adherence to this approach coupled with sincere business management that enabled the company to remain in business for 228 years, developing in tandem with society. But, as our business becomes global we realize that our role as a corporate citizen has become more important than ever before. We believe it is important that we turn our attention to social problems of a global scale as well as issues confronting regional societies. In doing so, we aim to become involved in initiatives for patients, their families and other stakeholders, and in building a framework to promote development of medicine and pharmacology.

CSR Promotion Framework

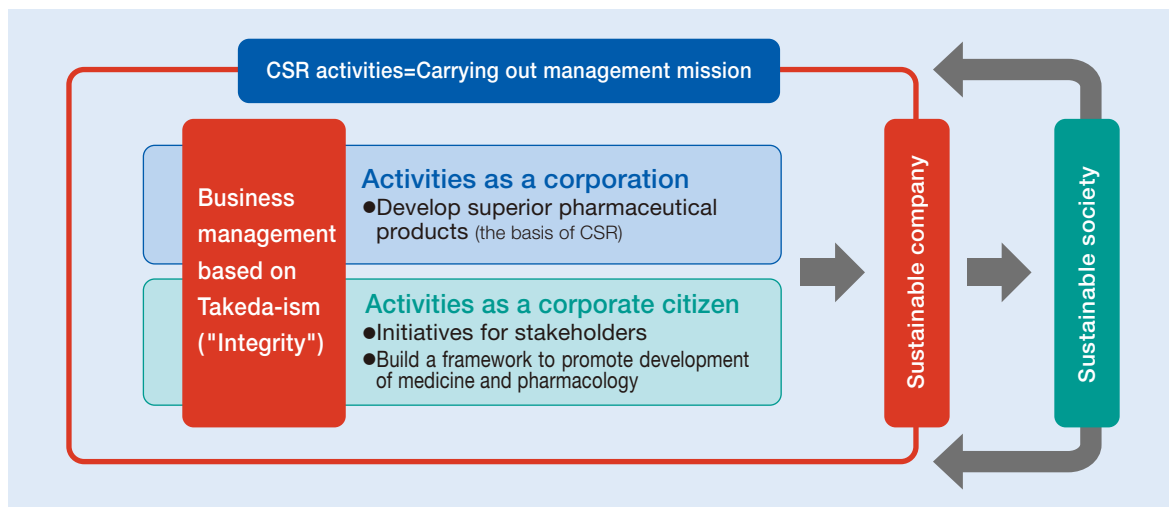
In April, 2009, we established a CSR Corporate Branding team within the Corporate Communications Department as a dedicated organization for promoting CSR activities. The role of the organization is to raise the level of CSR activity throughout the entire Company. The new team will achieve this by communicating closely with the internal departments responsible for global governance of social, environmental, human rights and procurement aspects of Takeda's business in addition to product quality and safety in the core pharmaceuticals business, and by providing lateral



support for those departments' everyday 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 Management and Operations Committee.

CSR Activities in Fiscal 2009

Takeda participated in the United Nations Global Compact (GC) in March, 2009 as part of its efforts to carry out corporate activities and corporate citizenship activities befitting a world-class pharmaceutical company. Previously, Takeda focused its CSR activities on its relationships with "society," "environment," "suppliers," and "employees." The move to participate in the GC brought an opportunity to clarify the connection between these fields and the 10 GC principles and set specific action goals. The progress of the initiatives will be disclosed in next year's annual report.



CSR Activities for Fiscal 2009

Field	GC10 Principles	Activities
Relationship with Society	Principle 1	Providing information spanning treatments, preventative measures and other topics
		Improve access to health and medical services in developing countries in Asia
	Principle 2	Train and support the human resources who will contribute to the progress of pharmaceuticals
		Grant research in a wide range of fields that contribute to pharmaceutical development
		Build partnerships with NGOs and NPOs
		Develop a clear picture of current volunteer activities within the Takeda Group
Relationship with Environment	Principle 7	Implement policies on the environment and accident prevention
		Formulate the Takeda Pharmaceutical Environmental Action Plan
	Principle 8	Build the Takeda Group Environmental Management System (T-EMS)
		Set medium-term targets for climate change initiatives
	Principle 9	Formulate guidelines for management of chemical substances
		Set medium-term targets for use of water resources
Relationship with Suppliers	Principles 1-10	Effectively implement initiatives against counterfeit drugs
		Reinforce adherence to the Basic Purchasing Policy
		Evaluate our suppliers' progress in CSR initiatives
		Promote green procurement
		Other company benchmarks for supply chain management
Relationship with Employees	Principles 1-6	Reinforce adherence to the Global Human Resources Policy
		Continue to run the Takeda Leadership Institute
		Continue to hold the Takeda Global Awards
		Carry out the Global Employee Survey (biannually)
		Improve mental healthcare services
		Take steps to create workplaces that are easy to work in

Special Feature

Participating in the United Nations Global Compact

Participating in the United Nations Global Compact is part of our global business approach founded on Takeda-ism

Takeda's business operations are rooted in its corporate philosophy of "Takeda-ism = Integrity."
On the other hand, the United Nations Global Compact provides an important framework for companies to exercise "integrity" in their business operations in the global market.
Takeda participated in the UN Global Compact in March 2009 as part of its goal of growth towards becoming a "world-class pharmaceutical company," and declared its support for the ten principles of the Compact.
Using the stakeholder dialog and learning opportunities afforded by participation in the Compact, Takeda hopes not only to tackle challenges in business management, but to also propose solutions for challenges facing society.



Significance of Participation in the United Nations Global Compact

The Global Compact is an initiative advocated by then Secretary-General of the United Nations, Mr. Kofi Annan, in 1999, and was officially initiated in 2000. A world-wide framework for promoting voluntary actions by corporations as responsible corporate citizens, the Compact sets forth ten principles that participant businesses and organizations are required to observe in the four areas of human rights, labor standards, environment, and anti-corruption.

As of October 2009, the number of participating companies and groups is 7,048 around the world, including 95 from Japan.

Takeda's Corporate Philosophy comprises Takeda-ism, and Takeda's Mission, Vision, and Values. It is the origin of all the Company's activities. Takeda's basic principles of CSR are also integrated into this system, and the Company is currently pursuing a range of activities aimed at building our relationships with society, environment, suppliers, and employees. Takeda is pursuing a concerted drive to globalize its business activities even further in order to become a "world-class pharmaceutical company." Takeda will meet the demands of global society based on observing the ten principles of the United Nations Global Compact, including adhering to international agreements such as human rights standards, and conducting business activities giving due consideration to the environment.

Ten Principles of the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Takeda-ism		UN Global Compact	
Stance and Practice	Integrity Fairness Honesty Perseverance	Stance and Practice	Actions as a responsible corporate citizen Uphold the ten principles Transparency (COPs)* Continuity
Goal	"Better health for individuals and progress in medicine by developing superior pharmaceutical products"	Goal	"Realizing a sustainable society"

* Communications on Progress: Annual reports on activities made by Global Compact participant companies to their stakeholders.

Takeda incorporates the 10 principles of the UN Global Compact in all of its corporate activities to deepen its relationship with stakeholders

Relationship with Society

Takeda approaches its corporate citizenship responsibilities with the same integrity as its corporate activities—that is a strong sense of mission and the highest ethical standards inspired by Takeda-ism. This applies equally to our approach to the global society. Since fiscal 2005, Takeda has worked to support better access to healthcare services in developing countries. An example is the support we extend to the international NGO Peoples' Hope Japan in their project to prevent cervical cancer in Thailand. In fiscal 2009, Takeda participated in the UN Global Compact—a move which prompted the start of the "Takeda-Plan Healthcare Access Program." This program is part of our efforts to play an active role in the global society as a world-class pharmaceutical company by stepping up our support for developing countries.

The program seeks to improve the health of children in Asia. It was launched with cooperation from the international NGO Plan Japan and reflects the UN Millennium Development Goals.*

* The UN Millennium Development Goals are targets to be achieved by 2015 to help tackle common problems around the world. The eight goals include eradication of extreme poverty and hunger, reduction of child mortality, and universal primary schooling for all.

>> p. 12 Feature: Access to Healthcare in Asia

Relationship with Environment

All Takeda Group companies around the world carry out ongoing global environmental activities. These activities take a long-term perspective, and are based on the Basic Principles on the Environment that are shared throughout the company.

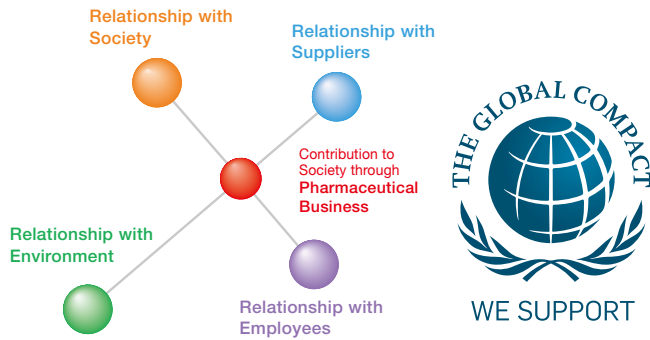
The Kyoto Herbal Garden was launched in 1933 under the name of Kyoto Takeda Herbal Garden. The garden currently cultivates more than 2,400 species of precious plants from around the world, including 82 endangered species, thereby contributing to the protection of biodiversity.

Takeda began to tackle climate change in 1974 by establishing its Energy Conservation Committee, which has steadily implemented energy conservation activities that have helped reduce greenhouse gas emissions. In fiscal 2008, Takeda achieved a large reduction in CO₂ by means of a fuel conversion and other efforts at its Hikari Plant, Takeda's largest production base. This will be followed in fiscal 2009 by the introduction of 50 electric vehicles as company cars for sales use. Takeda will continue its efforts to contribute to the creation of a low-carbon society.

>> p. 28 Feature: Biodiversity and Water Resources Conservation Initiatives

>> p. 30 Feature: Initiatives to Deal with Climate Change





Relationship with Suppliers

In accordance with the "Takeda Code of Compliance Standards," Takeda strives to establish an equal, fair and impartial relationship with suppliers. We are committed to Principle 10 of the UN Global Compact relating to anti-corruption. We are also implementing CSR-based procurement to procure products and services in a way that takes into account the environment, and to build even stronger partnerships with our suppliers.

As our business activities become increasingly global, our supply chains, extending from the purchase of raw materials, to production, distribution and marketing of pharmaceuticals, span many countries and are becoming more complex. Moreover, a proliferation of counterfeit drugs in recent years has posed a threat to the health of many people, and escalated into a global problem. Takeda gives top priority to the safety of patients by working to build a global supply chain that can ensure product quality at every stage, from supply of raw materials to when pharmaceutical products reach patients.

>> p. 46 Feature: Supply Chain Management

Relationship with Employees

Takeda sees the strengthening of human resources as a key challenge in becoming a world-class pharmaceutical company. With global business expansion now accelerating in Japan, the U.S., Europe and elsewhere in Asia, Takeda is working to nurture the next generation of global business leaders able to perform across cultural and environmental divides. Since fiscal 2007, Takeda has run a global leadership training program called the "Takeda Leadership Institute" in conjunction with the internationally renowned business school INSEAD. The program has proved to be highly effective.

Takeda is also striving to foster a corporate climate based on the principle of Takeda-ism. We take human rights seriously; we do not use child labor or forced labor, and we observe the employment laws and regulations of countries where we operate with respect to working hours and minimum wages. We have also fostered a respect for human rights throughout the Takeda Group in accordance with the "Takeda Code of Compliance Standards," which stipulates compliance standards including those relating to employment.

>> p. 50 Feature: Cultivating Talent to Lead a World-Class Pharmaceutical Company



Research, development, production and safety control activities for supplying superior pharmaceuticals of outstanding quality for people with confidence

Quality Assurance System

Fundamental Policy

As a pharmaceutical company, Takeda has a firm commitment to two principles. The first is adhering to the corporate philosophy of Takeda-ism by acting with integrity at all times. The second is building a base for global operations guided by the corporate mission statement of "striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products." These principles mean that the highest priority is given to safety of patients and customers who use Takeda products. By providing products of outstanding quality accompanied by proper information we are fulfilling the mission of meeting expectations and earning the trust of all stakeholders associated with our products: patients, consumers, healthcare providers, and distributors and retailers. One key element to achieve Takeda's mission is strict compliance with applicable laws and regulations. Equally important is a comprehensive quality assurance and safety control system to align different activities in research, development, production and safety control. Takeda has structured this system above all to supply safe, high-quality products that patients and customers can use with complete confidence. Takeda does its best to maintain the reliability of all its operations at all stages extending from research, clinical studies, manufacturing, distribution, and providing information on appropriate use, to monitoring and analysis of safety and quality information as the products become widely used.

Quality Assurance Spanning the Entire Product Life Cycle

■ Research and Non-Clinical Studies

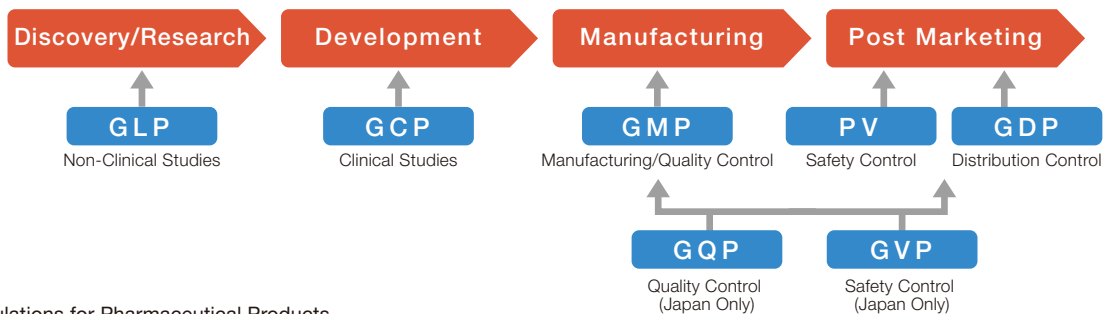
Research and non-clinical studies are the most time-consuming steps in the drug discovery process. Millions of chemical compounds are examined to identify ones with the potential of becoming a drug targeting a specific medical need. Next, the selected substances are chemically modified to create candidate compounds that may deserve advancing to clinical studies. Completing this process requires a multitude of chemical, biological and other tests.

- Compliance with applicable laws and regulations is essential to performing non-clinical studies across a broad range of fields. Takeda satisfies such regulations at a high level. In order to advance a candidate compound from non-clinical phase to clinical phase, we need to rigorously evaluate safety as well as efficacy against a target disease, and carry out stringent data management. To meet these requirements, Takeda strictly follows each country's regulation of GLP (Good Laboratory Practice) for non-clinical studies to assess the safety of candidate pharmaceutical products. In addition, we undergo compliance review (inspection) by regulatory agencies to confirm compliance with GLP.



Millennium Pharmaceuticals, Inc. Ashley Dumas

Product Life Cycle and Regulations



Regulations for Pharmaceutical Products

Regulations based on the Pharmaceutical Affairs Law

GLP: Good Laboratory Practice

Standards for conducting non-clinical studies relating to pharmaceutical product safety

GCP: Good Clinical Practice

Standards for conducting clinical studies

GMP: Good Manufacturing Practice

Standards for manufacturing and quality control for pharmaceutical products

GQP: Good Quality Practice

Quality control standards for pharmaceutical products

GVP: Good Vigilance Practice

Safety control standards for pharmaceutical products after manufacture and sale

PV: Pharmacovigilance

Standards for monitoring the safety of pharmaceutical products

GDP: Good Distribution Practice

Standards for distribution of pharmaceutical products

Quality Assurance System

- Confirming the efficacy of a candidate compound is a critical step. This is why we have stringent measures to check the reliability of data, including audit performed by our internal auditing department. When studies using animals are needed, we strictly comply with relevant laws, regulations and regulatory guidelines. We also place the highest priority on ethical standards for these studies and on the well-being of the animals used in the studies. Employee training is another vital element. Research scientists and other employees in Japan and other countries attend training sessions throughout their careers at Takeda including classes that cover compliance, measures to ensure safety of chemicals, methods for maintaining the reliability of data on efficacy, and the proper treatment of animals.

■ Clinical Development

The purpose of a clinical study is to establish the safety and efficacy of a drug candidate in humans. No compound can reach patients or consumers without successfully completing these important studies.

- Takeda has its own quality assurance standard (guideline) for clinical studies that requires compliance of all of Takeda's clinical studies which are conducted anywhere in the world with the International Conference on Harmonization-Good Clinical Practice guideline (ICH-GCP) agreed by regulators and pharmaceutical manufacturers associates of Europe, USA and Japan in addition to national and regional regulations as well as the Takeda Group's own standard operating procedures along with adherence to the protocol.
- Takeda personnel in charge of development pay a visit to all the medical institutions conducting clinical studies of Takeda compounds to confirm compliance with the ICH-GCP, applicable regulations, Takeda's own standard operating procedures and the protocol for internal quality control purpose.
- Internal auditing department also pays a visit to the selected medical institutions to verify compliance. Collectively, these activities are conducted in an effort to assure human rights and safety of all study subjects participating in clinical studies as well as the reliability of the study data by checking its accuracy and appropriateness which will be presented to the regulatory authorities for approval.
- Regulatory authorities evaluate compliance with the protocol internal standards and regulations in addition to efficacy and safety in clinical studies. To receive an even better evaluation and earn the trust of the regulatory authorities, Takeda provides an explanation of the validity of the quality assurance system along with the integrity of the data.

■ Constant Improvements in Pharmaceutical Production and Product Quality

Supplying quality drugs that patients and customers can use with confidence is one of the most basic responsibilities of a pharmaceutical company. Naturally, this obligation applies as well to investigational medicinal products given to study subjects participating in clinical studies.

- 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 and develops a manufacturing environment as well as production equipment and processes based on scientific understanding. We also apply our own quality standards to assure that Takeda pharmaceutical products meet international requirements for quality regardless of where they are manufactured.
- To provide a stable supply of high quality products, Takeda employs stringent GMP-based controls for testing and of manufacture of raw materials as well as testing and storage of drug substances and drug products. Furthermore, Takeda has produced a set of standard operating procedures (SOP) that clearly define the required tasks, and provides constant and extensive training to



Global Quality Assurance Dept. Fumio Kakuta

all employees engaged in these tasks to ensure full compliance with the procedures.

- Cooperation with suppliers of raw materials and contract manufactures is essential to securing the high quality of Takeda products. Takeda takes steps to get all partner companies on the same page with regard to Takeda's commitment to quality including visits for auditing and instruction to ensure the quality of Takeda products.
- Quality extends to the distribution and storage of Takeda products. To live up to the expectations and trust of patients and customers, Takeda has established GDP (Good Distribution Practice) standards that stipulates the requirements to ensure quality for these activities.
- Even after a Takeda product is brought on to the market, Takeda has an extensive program for collecting information from patients and customers around the world about the product's quality. Examining and evaluating obtained information allows us to detect potential quality issues at an early point and make continuous improvements in the quality.

■ Promotion of Appropriate Use of Drugs

Takeda's pharmacovigilance program allows patients and customers to be completely satisfied with Takeda products and confident in their safety. The aim of the program is to continuously find the best way to use Takeda products so as to maximize the benefits of drugs while minimizing risk of adverse effects. MR (Medical Representative) team and other professionals in Takeda group companies play a pivotal role in the pharmacovigilance program by providing medical institutions and marketing companies with the guidance of appropriate use of Takeda products accompanied by the latest safety information.

- Takeda's top priority is to protect the safety of people who use Takeda products and who participate in our clinical studies. Takeda has established and continuously maintains a global framework, under which all Takeda group companies adhere to a single set of principles and comply with the latest revisions to laws and regulations in various countries, while putting top priority to securing the safety of patients and customers who use Takeda products as well as study subjects.
- We collect safety-related information, which could lead to an adverse drug reaction, from various sources in the research, development and marketing stages worldwide. Then, we evaluate such information to determine seriousness and also the causal relationship between an adverse event and a drug. Finally, we take actions to prevent potential significant hazard to patients and consumers, providing the evaluation results to healthcare providers, medical institutions and marketing companies in each country.
- Quality assurance departments that are independent of pharmacovigilance departments of Takeda group companies perform audits, oversight and support activities in order to confirm the validity of the pharmacovigilance system and programs.

Strengthening the network around the Global Quality Assurance Department as a key stone to creating a globally aligned system for quality assurance

Risk Management and Crisis Management

Even the most thorough quality and safety supervision programs for pharmaceuticals cannot prevent all problems. To minimize the likelihood of unforeseen side effects or product defects and to mitigate the risk, Takeda collects and assesses information appropriately on a global scale. In the event of a serious problem involving Takeda product, Takeda is prepared to respond in a manner that prioritizes the safety of patients and customers.

The Takeda Quality Assurance System

Takeda has established a global policy for quality assurance. All Takeda group companies around the world are required to perform their quality assurance activities in line with this policy. The policy is intended to maintain a strong awareness of the importance of quality assurance related activities among management and employees at each company. Another objective of the policy is to clarify roles and responsibilities for quality assurance of each division of the companies. The Global Quality Assurance Department is the nucleus of Takeda group's quality assurance activities. Creating the global policy as well as the guidelines for implementing the policy is the main responsibility of the department. The department is also responsible for raising awareness of the policy and promoting the establishment of a quality assurance system at each Takeda company as expected for a global enterprise. Quality assurance activities encompass the entire product life cycle extending from R&D to manufacturing, distribution and delivering of products with appropriate information to patients and consumers. At group companies worldwide, quality assurance departments conduct quality oversight and audits and provide

guidance as needed. When an audit reveals a problem, the operation departments concerned are required to submit progress reports so that they may receive follow ups on corrective measures.

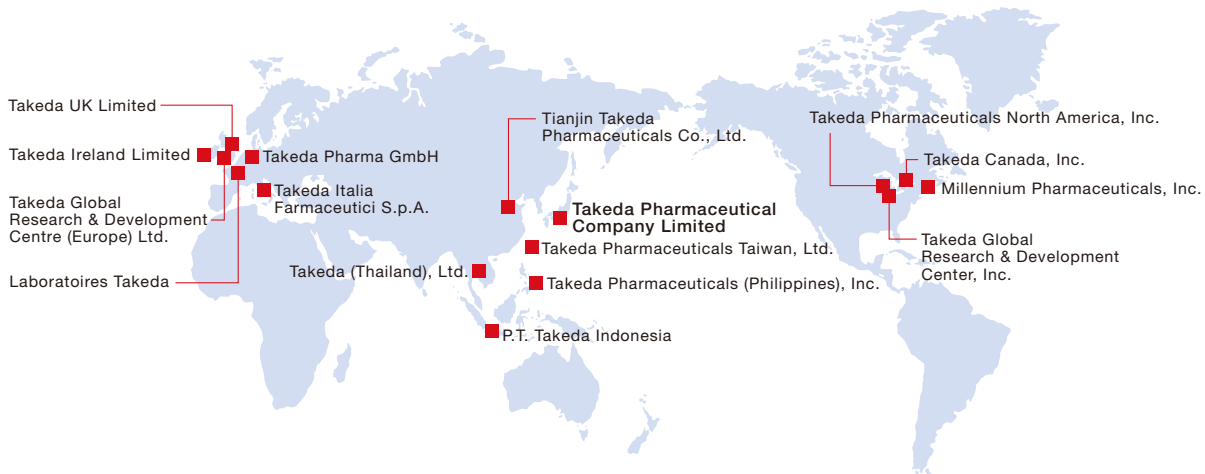
Furthermore, the quality assurance departments of group companies maintain good communication centered on the Global Quality Assurance Department. This allows sharing of information about quality issues and effective solutions.

Takeda's quality and safety management programs in Japan have been realigned following the April 2005 enactment of amendments to the Pharmaceutical Affairs Law. Managers responsible for quality assurance and safety control have been appointed respectively and assigned under the supervision of the statutory Supervisor General (Quality and Vigilance) who is the general manager of the Global Quality Assurance Department. These three executives coordinate closely to establish a system to ensure strict compliance with quality assurance regulation (Good Quality Practice) and safety control regulation (Good Vigilance Practice) with regard to Takeda's ethical drugs and consumer healthcare drugs.



Staff in charge of global quality assurance gather for a meeting

Quality Assurance System Global Network



Quality Assurance System

We will prove worthy of users' trust with dedicated drug manufacturing, while also establishing a global production system

Five Basic Policies toward the Enhancement of the Production System

Takeda is promoting the improvement of its production system; based on the following five policies:

1. Establishing a globally optimized production system
2. Enhancing quality control standards
3. Promoting technology-driven cost reduction
4. Passing on and enhancing the production technology of domestic and overseas production plants
5. Promoting environmental management

Development of the Optimum Global Production System

Takeda is promoting the development of its production bases, both at home and abroad, with the goal to become a world-class pharmaceutical company. In July 2009, Takeda merged Takeda Ireland Limited (TIL), a manufacturing base for drug production, with Takeda Pharma Ireland Limited (TPI), which had been a manufacturing base for drug substances. The integration of the two plants in Ireland is intended to promote a pharmaceutical plant to become a world-class pharmaceutical company. With an integrated production management system covering all production processes from drug substance to drug production, the integrated plant aims to promote cost reduction and raise productivity and quality assurance levels. In Japan, Takeda will align the production system to handle introduction of new products into the market smoothly with a dual plant configuration comprising the Osaka and Hikari plants.



Top: TIL drug product plant Bottom: TIL API plant (formerly TPI)



Takeda Production Bases



Protecting the Environment

Takeda is extremely careful about minimizing any impact on the surrounding environment from its manufacturing activities. The Hikari Plant invites residents living nearby 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.



An Environmental Monitor survey

Feature **Access to Healthcare in Asia**

Partnering with international NGO Plan to improve the health of children in developing countries

Activities in Japan and Asia



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



Activities in the Philippines
Healthcare for children



Activities in Indonesia
Elimination of outdoor spitting



Activities in China
More nutritious diets for children



NGO Plan Japan (from left): Akiko Terata, Mie Kashiwade, Naoko Takechi

The Takeda-Plan Healthcare Access Program



The Plan Japan, which assists children in developing countries, is a member of Plan International, a global NGO registered by the United Nations that is active in 65 countries throughout the world. In August 2009, Takeda partnered

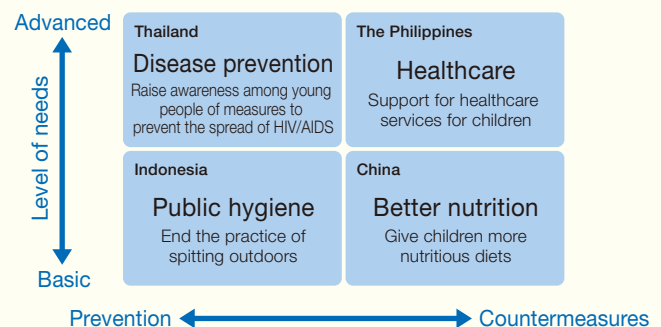
with Plan Japan to start the Takeda-Plan Healthcare Access Program.

Improving the health of children in developing countries requires measures that match the differing needs of each region. There are often significant differences from country to country concerning needs involving public hygiene, nutrition, healthcare services and disease prevention. The Takeda-Plan program will operate in China, Indonesia, the Philippines and Thailand. The aim is to conduct extensive activities for giving children better access to healthcare.

All four individual projects to take place as part of the Takeda-Plan program will help contribute to achieving the Millennium Development Goals* that were established by the United Nations in 2000.

* Eight international development goals that the U.N. member states and other international organizations have agreed to achieve by 2015. Goals include the eradication of extreme poverty and hunger, reducing child mortality, and achieving universal primary education.

Projects that Target Issues in Each Country



Relationship with Society

Operations in Asia are a major element of our initiatives to achieve the 2006-2010 Medium-Term Plan goal of making Takeda a world-class pharmaceutical company. The program is run in China, Indonesia, the Philippines and Thailand where we are using our pharmaceutical business to build deeper relationships. As such, the program represents the beginning of a long-term commitment to provide constant support for the healthy development of children in these countries.



Pictures promoting HIV/AIDS awareness drawn by children in Thailand

Stakeholder's Voice

Our organization is devoted to supporting activities that allow children in developing countries to grow and develop in good health. This stance is similar to Takeda's philosophy of contributing to society by helping people enjoy long and healthy lives. Joining forces to start the Takeda-Plan Healthcare Access Program gives our two organizations an effective way to work as partners for many years to come.

The new program will allow us to deal directly with significant healthcare-related problems in four Asian countries. All activities, whether for disease prevention or to improve infrastructure and facilities, share the common theme of access to healthcare. We look forward to building on Plan's accomplishments and the trust we have earned from people in these countries in order to work with Takeda primarily for the benefit of children and young people.

Since our projects with Takeda are intended to make healthcare services more accessible in developing countries, this joint program will also play a part in achieving the United Nations Millennium Development Goals.

Gabriel Kazuo Tsurumi

National Director, Japan Foster Plan Association (Plan Japan)

Details of Projects in Each Country

	Indonesia	China	The Philippines	Thailand
Project	Elimination of outdoor spitting	More nutritious diets for children	Healthcare for children	Prevention of spread of HIV/AIDS among young people
Locations	East Nusa Tenggara Province, Lembata Island	Jia Xian, Shaanxi Province Xixiang, Shaanxi Province	North, West and East Samal, Southern Leyte, Cebu	Srisaket Province
Purpose	End unhygienic habits and create a cleaner environment so that people can use water that is safe to drink; lower the infant mortality rate by reducing the incidence of diarrhea	Eliminate severe malnutrition among small children so they can develop sound bodies and minds and improve their academic ability	Provide adequate healthcare services for children with disabilities and children with serious diseases that require surgery	Use sex education and other forms of education to teach young people how to prevent the spread of HIV/AIDS and lead a healthy life
The Millennium Development Goals	Goal 4: Reduce child mortality Goal 7: Ensure environmental sustainability	Goal 1: Eradicate extreme poverty and hunger Goal 2: Achieve universal primary education	Goal 2: Achieve universal primary education Goal 8: Develop a global partnership for development	Goal 6: Combat HIV/AIDS, malaria, and other diseases
Scope of Project	3 to 5 villages each year with 3,000 to 5,000 people participating in programs to raise awareness of the need for measures to improve public hygiene	Improve nutrition for about 4,000 students age 6 to 18 who attend 4 schools; teach the children good habits concerning nutrition and hygiene	Provide monetary support for 25 to 150 children each year who need medical care * The number of recipients will differ each year depending on the cost of each medical procedure	Conduct sex education programs for 1,500 students at 16 schools and 1,500 young people who no longer attend school

In carrying out its mission Takeda promotes initiatives that make use of its knowledge

Fundamental Approach to Our Role as a Corporate Citizen

Takeda's stated mission is "we strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products," and we conduct our business accordingly. Our business activities are primarily centered on providing superior pharmaceutical products for patients, but our contribution to better health for individuals and progress in medicine goes beyond simply marketing and selling pharmaceuticals. In order for us to carry out our mission, we also engage in corporate citizenship activities. Drug production is a business that involves people's lives. We recognize that the expectations of patients and their families are very real. Takeda is therefore committed to using its business resources, such as personnel, equipment, money and information, in order to realize our mission and contribute to society.

Our Focus of Corporate Citizenship Activities

Takeda focuses its corporate citizenship activities where its strengths as a pharmaceutical manufacturer lie, in the field of healthcare. Our activities also reflect our effort to balance global and local perspectives; we tackle issues that confront global society at our head office, while group companies outside of Japan focus efforts on local issues. Our head office gathers examples of the main activities that Takeda is involved with around the world and shares them with group companies as a guide to best practices. Activities proceed using the following framework to ensure that each activity is given meaning and direction in a wider context, and that a balance is maintained.

1. Initiatives for Patients and Other Stakeholders

a. Provision of information	Providing information spanning treatments, preventative measures and other topics
b. Empowerment	Empower patients and their families for living
c. Supplying pharmaceuticals	Supply pharmaceuticals and services tailored to the needs of each region
d. Research and development	Address unmet medical needs

2. Building a Framework to Promote Development of Medicine and Pharmacology

a. Research grant	Grant research in a wide range of fields that contribute to pharmaceutical development
b. Nurturing human resources	Train and support the human resources who will contribute to the progress of pharmaceuticals
c. Making use of legacy assets	Make effective use of legacy assets to contribute to medical and pharmacological research
d. Advocacy activities	Participate in initiatives to promote CSR

Relationship with Society

Takeda Science Foundation

Since its establishment in 1963 with an endowment from Takeda, the Takeda Science Foundation has consistently expanded its activities based on the Buddhist teaching "Intokuyouhou": Good deeds, even performed unwittingly, will be rewarded. Major activities of the foundation and highlights of fiscal 2008 are as follows:

1. Financial incentives for research centers and research scientists involved in scientific technology projects (322 grants totaling ¥1,512.6 million were distributed in fiscal 2008)
2. Scholarships for foreign medical doctors and researchers conducting research in Japan (43 persons received ¥101.58 million)
3. The Takeda Medicine Award, which recognizes outstanding achievements in scientific research (fiscal 2008 award winners were Tetsuro Fujiwara, Professor Emeritus of Iwate Medical University, Kohei Miyazono, Professor of the University of Tokyo, and Shinya Yamanaka, Professor of Kyoto University)
4. Publication of literature promoting scientific technologies
5. Storage, preservation and exhibitions of Oriental medical books and other documents at Kyo-U Sho-Oku, the foundation's library
6. Other activities to encourage and support research into scientific technologies

Kyo-U Sho-Oku, which was opened in 1978, is a museum of medicine as well as a library that has many priceless books, including a large number designated as national treasures or important cultural assets. Takeda started this book collection after the Great Kanto Earthquake that devastated Tokyo in 1923 in order to keep important Japanese and Chinese works on herbal medicine in a single location.



Kaitai Shinsho
(New Text on Anatomy), 1774

Shoshisha

Shoshisha dates back to 1923 when Chobei Takeda, the fifth generation descendent of the founder of Takeda, started using his own money to support poor students. The Shoshisha Foundation was established in 1960 to carry on this spirit. Scholarships are given with no obligation to repay the funds or to work at Takeda after graduation. Since its establishment through fiscal 2008, the foundation has granted a total of 541 scholarships.

Volunteer Activities

Employees can access information on volunteer activities in each region on the intranet website, Philan-net Takeda (PINT).

One such activity planned by PINT Osaka was "Cleaning Up Nara Park." Volunteers doing this activity enjoyed the historic atmosphere of the ancient capital city of Japan while helping to clean up the park.

PINT also provides a variety of information on Takeda's social action programs as well as introducing NPOs, thus acting as a media bridge between social needs and employees' aspirations toward society.



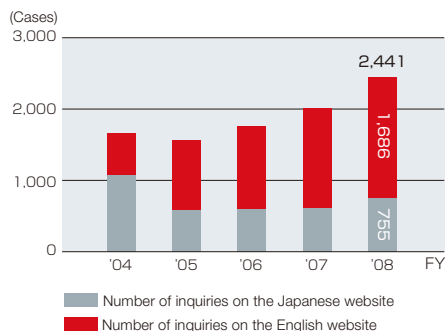
PINT Osaka's "Cleaning Up Nara Park"

Reply to Inquiries on the Website

Takeda developed the capability to accept feedback and inquiries by email from outside the company through its website.

The total number of inquiries in fiscal 2008 reached 755 on the Japanese website (up by 35 inquiries from the previous fiscal year) and 1,686 on the English website (up by 394 cases from the previous fiscal year).

Number of Inquiries Received through Our Website



Sincere efforts for a bright, prosperous future—Takeda’s activities to promote health in mind and body are developing globally

CSR Activity in the U.S.

Cooperating with NPO "Rebuilding Together" to restore buildings and homes in lower-income areas

More than 300 Takeda Pharmaceuticals North America (TPNA) and Takeda Global Research & Development Center (TGRD) employees participated in Takeda's Sixth Annual Community Outreach Day in August 2008, an annual event where employees refurbish a local school before the school year begins.

In partnership with Rebuilding Together, a non-profit volunteer home and community center rehabilitation organization, employees spent the day painting 48 classrooms, 13 offices and two hallways, landscaping the school grounds and building an outdoor learning center for the students.

In 2003, TPNA and TGRD held its first Community Outreach Day with 130 volunteers in conjunction with Rebuilding Together. Over the years, employees have volunteered more than 6,700 hours to help a total of six schools and more than 4,000 students in the Chicago-land area.



TPNA employees plant new trees in the school garden

Stakeholder's Voice

TPNA and TGRD understand that giving children a clean, beautiful place to learn affects the students' lives as a whole. After a day of hard work by energetic Takeda volunteers, dingy hallways, peeling paint, and weed-choked outdoor spaces are replaced by bright welcoming colors and outdoor learning centers. Takeda's generosity comes from a true desire to make a positive difference in the lives of low-income families and communities. We look forward to continuing this fulfilling relationship.

Wanda Ramirez

Executive Director
Rebuilding Together Metro Chicago



A TPNA employee applies a new coat of paint to brighten up a wall

Relationship with Society

The 1000 Cranes of Hope Project is launched to carry our hopes for cancer patients

Millennium has a mission to deliver extraordinary medicines to patients with cancer through our science, innovation and passion. We've chosen to represent this commitment to patients through senbazuru - the act of folding a thousand origami cranes. The ancient Japanese legend promises that anyone who folds a thousand origami cranes will be granted a wish, such as long life or recovery from illness. At Millennium, our wish is to cure cancer. Each crane in our exhibit has been crafted from the handwritten wishes of patients, employees, physicians, caregivers and advocates who stand together in the fight against cancer.

These wishes along with future wishes will be photographed and posted on the 1000cranesofhope.com website launching in 2009.



Senbazuru origami cranes enfold the wishes of patients, employees, physicians, caregivers, and advocates

Stakeholder's Voice

"We wish our compassionate friends at Millennium the very best in their search for cures for cancer," my wife and I wrote on our crane. Diagnosed in 1992 with multiple myeloma, I have had many treatments which have enabled me to see our two sons graduate from college, start their careers, marry and have two beautiful grandchildren. I know my experience is extraordinary and I am grateful for new therapies that have been developed along the way. In the face of adversity, a positive attitude and purpose can make a tremendous difference.

Jim Bond



(From left): Mrs. Kathleen Bond, Mr. Jim Bond

Working to contribute to society as a responsible corporate citizen in the local community

CSR Activity in France

Support for patients with Friedreich's Ataxia and their families

For the past six years, Laboratoires Takeda (LT) and the French Association of Friedreich's Ataxia (AFAF) have been collaborating to promote diagnosis of Friedreich's ataxia and distribution of information to patients and health professionals. Friedreich's ataxia is a rare genetic neurological disease 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. The rarity of the disease means there is often a lack of awareness and comprehension among patients and their loved ones. In 2007, the fourth year of collaboration between AFAF and LT, LT began a volunteer assistance program. Over two days, several volunteer employees wearing orange tee-shirts looked after patients and families by helping patients to eat, move and enjoy intense human interaction. LT employees are eagerly awaiting their chance to volunteer for the next program.



A patient and an LT employee

Stakeholder's Voice

Since the idea of volunteers coming and helping the Friedreich's ataxia patients was proposed by LT during the annual meeting of the AFAF in 2006, many care-giving volunteers have come from Takeda itself. To be better identified by the patients, the volunteers wore orange tee-shirts, hence the nickname: "the oranges."

A profound thank you to these oranges, who are men and women of exception offering both the patients and families true solidarity and a lot of humanity through their presence.

Juliette Dieusaert
Head of AFAF



Friedreich's ataxia patients, the AFAF staff and LT employees

Relationship with Society

CSR Activity in Germany

Employees donate 5 handmade wooden boats to daycare centers

Since the 25th anniversary of Takeda Pharma (TP) in 2006, we have been sponsoring and supporting associations and institutions based in Aachen, Germany, the site of our company headquarters. This year, in addition to donating money, we have presented two local daycare centers with wooden boats for use as playground equipment. The boats were built and painted by employees at their sales force conference in Berlin. On Takeda-ism Day, in-house staff teams put the finishing touches on the boats on-site in the daycare center playgrounds. Putting a lot of effort into this exciting and fun activity, we were able to combine teamwork with local involvement and good corporate citizenship. Our greatest reward was to watch the children enthusiastically take immediate possession of their new playground equipment. We plan to come up with similar activities in the future.



TP employees with children and staff at a daycare center

Stakeholder's Voice

If it were not for donations such as those from TP, we simply could not afford such exciting additions to what we can offer our children. Examples of donation-funded services include music and gym lessons and regular, balanced meals. These extras services are essential at our center because all of our children are from socially disadvantaged backgrounds and their parents often cannot afford those extras. We are most grateful to TP for their donation and for the boats. The children were very excited about the boats and could hardly wait to play on them.

Nassim Navvabi

Manager of Mittendrin Daycare Center



TP Employees apply colorful paint to a wooden boat for a daycare center playground

Takeda continues to promote initiatives based on the Takeda-ism corporate philosophy in countries around the world

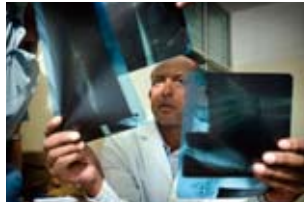
CSR Activity in Italy

Supporting the Flying Doctor Service for underprivileged patients in Africa

The Flying Doctor Service is the airborne medical services arm of AMREF, the African Medical and Research Foundation, an international non-government health organization, founded in Kenya 1957.

The AMREF Flying Doctors Outreach Program serves more than 135 rural hospitals that are visited 2-6 times per year in order to provide specialized health services closer to where the rural and disadvantaged communities live throughout the Eastern African region—an area the size of Western Europe.

With air ambulance aircrafts fully equipped, full time medical staff and aircrew are on standby 24 hours a day to respond to emergencies. In 2007/08 the outreach projects provided 27,357 medical consultancies and 8,200 surgical operations; it also trained 1,400 doctors and 4,700 nurses. Takeda Italia Farmaceutici (TIF) financial aid directly supports the charity work of the Flying Doctors and the realization of some of their many medical missions.



Doctor Astrat Mengistre

Stakeholder's Voice

My team and I spend our lives travelling to African remote rural hospitals. The challenges of performing surgery in these hospitals are immense and outreach patients travel for miles to reach me.

Despite all this, I have carried out 1,702 consultations and 801 operations during 80 outreach trips in the last twelve months. The operations make a big difference to the lives of my patients. Most of them have suffered for a long time, often since birth. The fact that we are able to make a difference in the lives of many desperate people in our region makes me proud.

Astrat Mengistre, M.D.
Clinical Services Specialist—AMREF



AMREF Flying Doctor Service medical staff and flight staff

Relationship with Society

CSR Activity in the UK

Raising funds for patients of diabetes and stroke through a charity cycling event

In Northern Ireland, Takeda UK (TUK) employees have raised over £50,000 for diabetes and stroke patients by organising and taking part in what has become one of the UK's biggest charity cycle events. Now in its eighth year, the Bangor Coastal Challenge attracts some 700 entrants from all over Ireland (including local clinicians), who follow a spectacular 100-kilometer coastline route.

Organizing such a huge event is a year-long task for the Takeda volunteers who first thought of the idea, and they work closely with local community groups to secure commercial sponsorship and arrange all the necessary logistics. The money raised each year is donated to the diabetes, cardiology and stroke units of the Ulster Hospital.



Physician Roy Harper and employees of TUK with a donation for the Ulster Hospital

Stakeholder's Voice

I'm indebted to the organizing team for their enthusiastic support over the years. At the Ulster Hospital Diabetes Unit, we're using the money raised by the cycle challenge to build and maintain a website to give our patients additional information and support that they can tap into whenever they want. The link between the cycle challenge and the hospital also helps by promoting the value of regular exercise, which plays such an important part in the prevention and treatment of diseases such as diabetes, heart disease and stroke.

Well done—and thanks!

Dr. Roy Harper

Consultant Endocrinologist,
The Ulster Hospital, Belfast



Cyclists in the Bangor Coastal Challenge charity cycling event

Supporting activities deeply rooted in communities and regions to serve as a responsible corporate citizen

CSR Activity in Japan

Takeda works with non-profit organization Civil Society Initiative Fund to provide support for children undergoing lengthy medical treatments

Takeda and the Civil Society Initiative Fund, a non-profit organization, have started the Takeda Well-Being Program for the purpose of providing support for civil activities that assist children undergoing lengthy treatments for serious diseases as well as their parents. While advances in medical technology are saving children's lives, this same progress often leads to long treatment and recovery periods. In addition to the medical care, children and their families require the comprehensive support of a network and assistance so that the children can continue to develop and enjoy time with family members. The Takeda Well-Being Program is structured to improve the quality of life for these families from psychological, cultural and social perspectives. The ultimate aim is to empower children for living.



Our aim is to empower children for living

Stakeholder's Voice

Children grow into adults by spending time in different types of surroundings and experiencing a diverse array of emotions. However, fighting a serious disease prevents children from having a wide range of experiences because treatment and recovery require long stays in a hospital or at home. Naturally, we want to give these children access to new experiences, and there are many programs already working to do just that. By extending support for these programs, we hope to empower even more children with serious diseases for living. That is why we started this joint program with Takeda, and I expect to see it yield many benefits in the coming years.

Yoshinori Yamaoka
President, Civil Society Initiative Fund



Civil Society Initiative Fund (from left): Kuniko Kamiyama, Yoshinori Yamaoka, President

Relationship with Society

CSR Activity in Taiwan

Supporting education for school nurses to provide for healthy development of children

Early treatment of CPP (Central Precocious Puberty) is more effective. Identifying children who have a high risk of CPP at an early stage is therefore the key to successful therapy. Since 2003, Takeda Taiwan has cooperated with the Child Growth Association of R.O.C. and the School Nurse Association of R.O.C. to educate the school nurses about CPP and help them to identify children who have a higher risk. Schools will ask parents of those identified to take their children to see a CPP specialist. Over the past seven years, more than 5,000 school nurses have participated in at least 45 education events sponsored by Takeda Pharmaceuticals Taiwan. Takeda plans to continue sponsoring such health-care education activities.



A healthcare seminar for school nurses

Stakeholder's Voice

It is every parent's hope that their precious children may have a happy childhood. It is our duty to support the parents to understand more about CPP. With early diagnosis and early treatment children with CPP can grow up healthily. We would like to express our appreciation to Takeda Pharmaceuticals Taiwan for assisting us in holding such educational events over the years.

Dr. Su San-Ging

The president of the Child Growth Association of R.O.C.



Members of the Child Growth Association of R.O.C.

Widening the scope of activities to support healthy lifestyles for the people of Asia

CSR Activity in the Philippines

Supporting activities to provide better healthcare for those living in underdeveloped areas

Project NARS (Nurses Assigned in Rural Service) is a training and deployment project jointly sponsored by the Departments of Labor, Department of Health and the Professional Regulation Commission. The project aims to improve the delivery of healthcare services in rural areas by mobilizing 10,000 unemployed registered nurses to the 1,000 poorest municipalities in the country. This project has so far managed to deploy a total of 3,000 nurses with support from various interest groups and foundations. PHAP Cares Foundation (The Pharmaceutical & Healthcare Association of the Philippines) has pledged to sponsor an additional 100 nurses to be deployed in 20 of the poorest municipalities. As a member of PHAP, Takeda Pharmaceuticals (Philippines), is one of several sponsors of this program. We will shoulder the cost of the nurses' stipend for a period of six months including the cost of uniforms and a medical kit. The program will provide better access to medical care and contribute to the development of healthcare professionals.



Nurses engaged in healthcare activities

Stakeholder's Voice

Even the most basic healthcare is beyond the reach of the common Filipino in rural areas. In many cases the extended family will have to pitch in to pay for medical bills, including selling the farm or wiping out the family's entire savings. Even then, there is not much that can be done as hospitals are ill-equipped and understaffed.

NARS aims to address both problems by providing training and employment opportunities for nurses while providing better healthcare in 1,000 of the poorest communities in the Philippines.

Carmelita Pineda

Undersecretary,
Department of Labor and Employment



(From left): PHAP Executive Director Reiner Gloor, Department of Labor and Employment Secretary Marianito Roque, President Gloria Macapagal Arroyo, Gonzalo C. Ongpin of Takeda Pharmaceuticals (Philippines)

Relationship with Society

CSR Activity in Thailand

Creation of a video and game to teach children about health, and donation to a children's museum

Takeda (Thailand) realizes that children today will be the pillars of society in the future. We initiated an interactive video and game to help children learn about the best ways to keep healthy. Our objective was to promote good health for young children.

In the video, C-Boy and C-Girl represent the healthy guys in a cartoon series. Both present the benefit of Vitamin C for human body in this attractive cartoon, that leads children on a journey of self-learning.

The battle game, "C-boy/C-girl, The Adventure," is designed to be fun and interactive. Children collect "Super-C" as points to gain power to fight against diseases or germs such as cold, scurvy, etc. The more points they can collect, the more diseases or germs they can destroy. The message is that they should keep themselves healthy with Vitamin C to prevent unexpected diseases that could harm their health.



Children play a game in which they fight diseases

Stakeholder's Voice

This is a great idea for a health educational program for young Thai children. The children who have a chance visiting Children Discovery Museum in the heart of Bangkok can learn by themselves with this interactive game. Providing children with the best scientific knowledge in health is very important to ensure a healthy population in the future. I'd like to offer thanks on behalf of the Governor of Bangkok to Takeda (Thailand) for this great contribution.

Dr. Kriangsak Lohachara
 Children's Discovery Museum
 Foundation's Chairman,
 Ex-Permanent Secretary Bangkok
 Governor Office



A ceremony for Takeda's donation to the Children's Discovery Museum

Takeda is developing a range of initiatives on a global scale, building a relationship with society founded on sincerity

Other Activities

Prevention of Cervical Cancer in Thailand

Peoples' Hope Japan (PH-Japan) is an authorized non-profit organization dedicated to helping countries—particularly developing countries in Asia—to improve their healthcare environments by supporting them in helping themselves. Takeda has been providing support since fiscal 2005 for a PH-Japan cervical cancer prevention program in Thailand. We have made annual donations of ¥3 million starting in fiscal 2007 to expand the project to the Mae Tang and Mae Rim districts of Chiang Mai province. This project has



A cervical cancer examination in Thailand

gained much recognition for contributions to improving the knowledge of local nurses and other healthcare professionals and to upgrading medical testing capabilities.

International Sponsorship of Marathon Events

Takeda sponsors two marathons in Japan as part of its support for sports activities. Takeda has been a sponsor of the Hokkaido Marathon for a number of years, most recently in August 2008. In December 2008, Takeda was a sponsor of the 62nd Fukuoka International Open Marathon Championship for the second time. Interest in the Fukuoka Marathon was high because it also served as a qualifying event for the 2009 IAAF World Championships in Athletics.



The 62nd Fukuoka International Open Marathon Championship

Takeda sponsors a host of marathon events in and outside of Japan, including the Hokkaido Marathon (since 1995), the Fukuoka International Open Marathon (since 2007), the Bank of America Chicago Marathon (since 2006), the Berlin Marathon (since

2007) and the Yokohama Women's Marathon (planned for November 2009). At Takeda, we believe that the marathon spirit of a sustained effort to run a long distance has shared elements with the more than 220-year-old Takeda corporate philosophy of constantly striving with sincerity to make pharmaceuticals. We will continue actively supporting these events.



The Berlin Marathon

Sponsorship of the London Symphony Orchestra

Founded in 1904, the London Symphony Orchestra (LSO) has the longest history of any orchestra in the UK. Takeda finds a resonance with the passion of the orchestra, which constantly seeks to preserve its traditions even as it pursues new music. Since 1989, Takeda has sponsored the Takeda Global Concert series. In the seventh tour of the series which ran from 2006 through 2008, the LSO performed 29 times around the world, including in Japan, earning rapturous applause everywhere.

Along the way, the LSO made an effort to contribute to society, notably by having some of its members visit and perform for people unable to attend the



LSO members perform in a "Musicians on Call" event held in Ryogenji Temple

Relationship with Society

concerts due to illness or disability. These "Musicians on Call" performances were given in Japan, the U.S. and Europe, with support from Takeda. In Japan, December 2008, in cooperation with the NPO "Family House," a string quartet performed the "Musicians on Call" concert in the main hall of Tokyo's Ryogenji Temple. About 70 patients, family members and volunteers gathered to enjoy the heart-warming music.

NPO "Family House"

The NPO "Family House" provides inexpensive accommodation for sick children and their families near their hospitals. Family House currently operates 9 facilities with 55 rooms. Takeda has been supporting this NPO since fiscal 2004, and in fiscal 2008, provided beverages worth ¥1 million to be used for welcoming guests in addition to a monetary contribution of ¥500,000. Takeda employees have also been proactively participating in the program as volunteer staff.



Family House staff and Takeda-donated beverages

Supporting Relief Activities for Children Affected by the Sichuan Earthquake in China and the Myanmar Cyclone through the Japan Committee for UNICEF

In September 2008, Takeda donated ¥10,402,290 to the Japan Committee for UNICEF through a matching gift program* under the name "Takeda Pharmaceutical Company Limited Employees United." The donation



Presentation ceremony for matching gifts to the Japan Committee for UNICEF

will go towards funding relief activities for children affected by the massive earthquake that struck China's Sichuan Province, and a cyclone that swept Myanmar in May 2008. The Takeda Group as a whole has provided support for those affected by the Sichuan earthquake and Myanmar cyclone equivalent to ¥90 million, including donations and support from our subsidiaries and affiliated companies around the world.

Going forward, these joint support activities where Takeda works together with employees and in which employees can voluntarily participate, will continue to form part of Takeda's active efforts to play its part in society as a corporate citizen.

* A matching gift program is a scheme in which a company matches every donation made by employees for a certain beneficiary.

Worker's Union Activities

Members of the Takeda Worker's 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. Overseas, the union has been active in educational and cultural programs in Mongolia for more than 10 years. 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.



Support program for schools in Mongolia

Feature **Biodiversity and Water Resources Conservation Initiatives**

Takeda is actively involved in protecting the abundant forms of life on our "blue planet" Earth



The Central Sampling Garden, Kyoto Herbal Garden



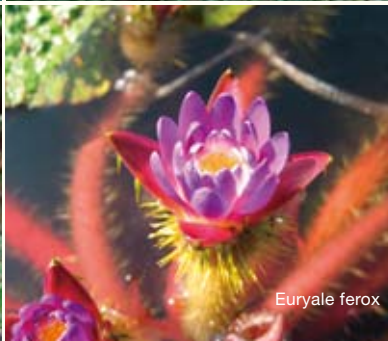
Lithospermum erythrorhizon



Bupleurum scorzoneraefolium var. *stenophyllum*



Pulsatilla cernua



Euryale ferox

Biodiversity

Fundamental Stance regarding the Preservation of Biodiversity

The Earth plays host to as many as 30 million species of living things. But this number is falling at an alarming rate. According to the U.N. Millennium Ecosystem Assessment, which was completed in 2005, the current rate of extinctions is about 1,000 times greater than the extinction rate in ancient times based on fossil records. Moreover, many scientists believe a further increase of more than 10 times in the extinction rate is inevitable. The U.N. has declared 2010 to be the International Year of Biodiversity. In this year, the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) will take place in Nagoya, Japan.

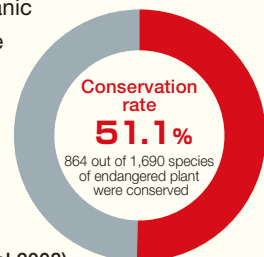
As a company engaged in businesses that protect life, Takeda has a long history of commitment to protecting biodiversity. We have contributed in many ways over the years, particularly through the Kyoto Herbal Garden, which grows many plants that are on the verge of extinction. As a pharmaceutical company with global operations, we are well aware of the importance of establishing a new international regime on Access and Benefit Sharing (ABS) with regard to genetic resources, a key issue for discussion at COP10.

Kyoto Herbal Garden

The Kyoto Herbal Garden was launched in 1933, under the name of Kyoto Takeda Herbal Garden. It currently cultivates more than 2,400 species of rare plants from all over the world, acting as the hub for Takeda's efforts to contribute to preserving biodiversity.

In 2002, COP-6 set a target of conserving 60 percent of endangered plant species at facilities in the country of origin by 2010. In response, the World Botanic Gardens Congress adopted the goal of retaining 50 percent of endangered plant species at botanical gardens in the country of origin by 2010.

The Japan Association of Botanic Gardens addressed this issue by establishing a network of botanical garden centers to conserve botanical diversity,



Conservation Rate for Endangered Plant Species at Japanese Botanical Gardens (Fiscal 2008)

Relationship with Environment

and by fiscal 2008, led the world in this regard, having successfully conserved 51.1 percent, or 864, of the endangered plant species in Japan. The Kyoto Herbal Garden has preserved 82 species, including 46 endangered herbal plant species, while the network as a whole has preserved 161 species. The Kyoto Herbal Garden is therefore playing a key role in contributing to the conservation of botanical diversity in Japan. The endangered species cultivated in the Kyoto Herbal Garden include many "base plants," from which herbal drugs are derived, and we recognize that striving to conserve such plants is vital from a drug development perspective. In May 2009, we started a program of improvements at the Kyoto Herbal Garden, focused on rebuilding the office wing, where plant specimens and documents relating to herbal plants are stored. In so doing, we aim to increase the number of herbal plant species preserved by the garden, and we will continue to actively pursue measures that contribute to protecting biodiversity going forward.

Endangered Plant Species Cultivated in the Kyoto Herbal Garden (Fiscal 2008)

■ 46 herbal plant species

Chrysanthemum zawadskii; *Rhododendron dauricum*; *Tanacetum vulgare*; *Calanthe discolor*; *Photinia serratifolia*; *Asplenium antiquum*; *Pulsatilla cernua*; *Nuphar oguraensis*; *Nuphar pumila* var. *ozeensis*; *Xanthium strumarium*; *Euryale ferox*; *Iris laevigata*; *Phaius tancarvilleae*; *Nothomyrnum japonicum*; *Platycodon grandiflorum*; *Rumex nepalensis* var. *andreaanus*; *Primula sieboldii*; *Calanthe tricarinata*; *Aster tataricus*; *Pterocarpus santalinus*; *Magnolia stellata*; *Bletilla striata*; *Rhodotypos scandens*; *Rehmannia japonica*; *Senecio scandens*; *Citrus tachibana*; *Amsonia elliptica*; *Calanthe triplicata*; *Loropetalum chinense*; *Cinnamomum sieboldii*; *Euphorbia adenochlora*; *Arundina graminifolia*; *Tribulus terrestris*; *Chionanthus retusus*; *Amana latifolia*; *Eupatorium japonicum*; *Mosla chinensis*; *Psilotum nudum*; *Pyrus calleryana*; *Aristolochia contorta*; *Bupleurum scorzoneraefolium* var. *stenophyllum*; *Lithospermum erythrorhizon*; *Crossostephium chinense*; *Entada phaseoloides*; *Paeonia japonica*; *Vincetoxicum amplexicaule*

■ 36 plant species (other than herbal plants)

Deutzia uniflora; *Aster miyagii*; *Lilium speciosum*; *Allium togashii*; *Phaius flavus*; *Tricyrtis macranthopsis*; *Calanthe sieboldii*; *Limonium wrightii* var. *wrightii*; *Kirengeshoma palmata*; *Potentilla fruticosa* var. *rigida*; *Acer oblongum* subsp. *itoanum*; *Asiasarum dimidiatum*; *Rhododendron scabrum*; *Rhododendron mucronulatum* var. *ciliatum*; *Spathoglottis plicata*; *Asarum megacalyx*; *Asarum sakawanum*; *Pecteilis radiata*; *Rosa hirtula*; *Salvia koyamae*; *Forsythia togashii*; *Rhododendron sanctum*; *Rhododendron eriocarpum* var. *tawadae*; *Tricyrtis formosana*; *Choerospondias axillaris*; *Calanthe reflexa*; *Asarum crassum*; *Acer pycnanthum*; *Maytenus diversifolia*; *Asarum fudsinioi*; *Callicarpa formosana*; *Rhododendron makinoi*; *Cinnamomum daphnoides*; *Hepatica nobilis* var. *japonica*; *Forsythia japonica*; *Arisaema sikokianum*

Water Resources

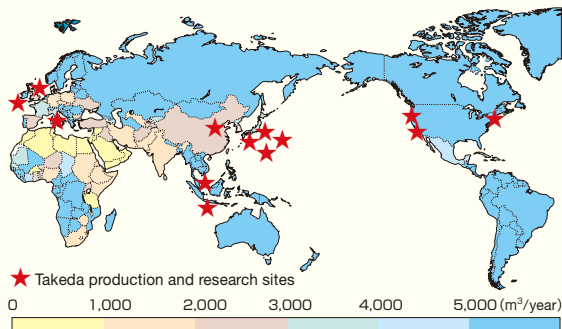
Fundamental Stance regarding the Preservation of Water Resources

Scarcity of water is becoming a serious concern worldwide as demand for water continues to climb. At the 5th World Water Forum held in March 2009 in Istanbul, Turkey, the forum participants agreed that "water security" is one of the highest priorities. 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. Water scarcity is not therefore a serious risk at any Takeda Group business site, although Tianjin Takeda Pharmaceuticals Co., Ltd. operates its pharmaceutical plant located in Tianjin, China which is considered to be an area posing a risk

of water scarcity.

To gauge effects of pharmaceuticals on aquatic organisms and the ecosystem, we are conducting environmental impact assessments at the new-drug application (NDA) stage in compliance with the official guidelines. We are also considering introduction of performing risk assessments that encompass the initial stages of R&D as well as the environmental impact of drugs after their sale.

Total Actual Renewable Water Resources per Inhabitant



Compiled based on the U.N. Food and Agriculture Organization (FAO)'s AQUASTAT, 2008 database

Input Water Resources in Fiscal 2008

	City water	Total (city water + industrial water + groundwater)
Takeda Pharmaceutical Company Limited	1,826K m ³	5,424K m ³
Takeda Group companies in Japan	2,298K m ³	7,587K m ³
Takeda Group companies overseas	166K m ³	184K m ³

Data collection sites: Takeda Group production and research sites worldwide

Feature Initiatives to Deal with Climate Change

We are dramatically reducing CO₂ emissions at the Hikari Plant, the largest Takeda production base, through fuel conversion and other measures



Hikari Plant: Overlooking the Seto Inland Sea the Hikari Plant seeks to coexist in harmony with the environment.



Hikari Plant: A newly installed boiler at the plant runs on city gas

Our Fundamental Stance toward Global Warming Prevention

As a pharmaceuticals manufacturer operating on a global scale, Takeda regards efforts to reduce greenhouse gas (GHG) emissions as an important obligation. Takeda established its Energy Conservation Committee in 1974, and for more than three decades since, has conducted energy conservation activities that have helped reduce GHG emissions. We are now pursuing new measures from a global perspective and considering new numerical targets. We also strive to actively disclose information to comply with programs such as the Carbon Disclosure Project (CDP), which requires companies around the world to publicize their strategies for dealing with climate change, and their GHG emissions.

CO₂ Emissions Reduction Scheme and Achievements in Fiscal 2008

Takeda is pursuing a number of initiatives to ensure efficient energy use. Our 9th Energy Conservation Program covering the five-year period from 2006 to 2010 sets a target of reducing CO₂ emissions by 40 percent (or 30 percent across the Takeda group as a whole) by fiscal 2010 compared to the fiscal 2005 level. Takeda group's CO₂ emissions in fiscal 2008 amounted to 350 kilotons, a 28.5 percent decrease compared to the fiscal 2005 level.

In addition, the Japan Pharmaceutical Manufacturers Association has set up its own voluntary action plan to reduce the CO₂ emissions of Japanese pharmaceutical companies to fiscal 1990 levels by fiscal 2010. Since fiscal 2001 Takeda has consistently maintained a level of CO₂ emissions below that for fiscal 1990 and the figure for fiscal 2008 showed a reduction of 44 percent compared to the fiscal 1990 level.

Takeda Group's CO₂ Emissions in Fiscal 2008

350 kilotons

(28.5% decrease compared to the fiscal 2005 level)

Relationship with Environment

Fuel Conversion at Production Bases

In fiscal 2008, Takeda rebuilt its service supply framework, which included fuel conversion from heavy oil to city gas at the Hikari Plant. In fiscal 2009 we plan to take advantage of the benefits afforded by the business reorganization to implement a large-scale reduction in CO₂ emissions (anticipated reduction amount: 101 kilotons of CO₂/year). When rebuilding its service supply framework at the Hikari Plant, Takeda received a subsidy as a participant in the fourth Japan's Voluntary Emissions Trading Scheme (JVETS) sponsored by the Japanese Ministry of the Environment. The subsidy, for upgrading equipment to curb CO₂ emissions, was granted following the third-party verification of Takeda's emissions in the base year. Meanwhile, fuel conversion from coal to city gas has been under way since May 2009 in Tianjin Takeda Pharmaceuticals Co., Ltd.'s manufacturing plant (anticipated reduction amount: 2.2 kilotons of CO₂/year).

Company-Wide Initiatives

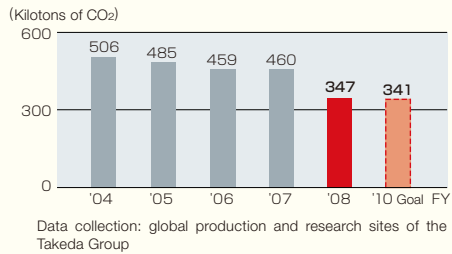
The Takeda Eco Project, which covers offices and sales departments, is another initiative in which we prioritize power-saving and energy conservation to prevent global warming. We are pursuing a number of targeted measures in this regard, such as controlling room temperatures by implementing the "Cool Biz" dress code, using low-emission vehicles and converting waste cooking oil from our canteen into biodiesel. We are also making the most of renewable energy sources: we plan to install a 25kW solar power generation system at our new HR development center in Suita, Osaka, which is scheduled for completion in fiscal 2010.



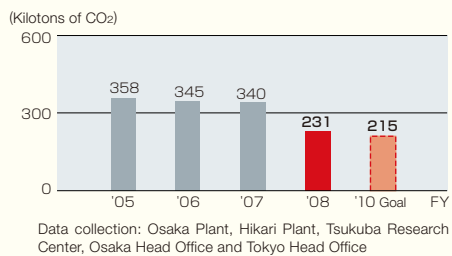
Use of Electric Vehicles

During fiscal 2008, we were successful in replacing all our sales vehicles, other than 4-wheel-drives for use in cold climates, with low-emission models, and we are currently progressing with the changeover to hybrid cars. In fiscal 2009 we have also been making progress in introducing 50 electric vehicles as company cars for sales use in Tokyo and Kanagawa Prefecture. In fiscal 2010 and beyond we intend to continue introducing more electric and hybrid vehicles according to the requirements in specific regions, thereby contributing further to the creation of low-carbon societies.

Trend of Takeda Group's CO₂ Emissions



Trend of Takeda's CO₂ Emissions



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 results are calculated based on the "Law Concerning the Rational Use of Energy," and the CO₂ emissions factor for purchased electricity is based on the default value (0.000555 t-CO₂/kWh) stipulated by the ministerial ordinance concerning calculation of GHG emissions associated with business activities by specific emissions generators. The CO₂ emissions factor for electricity purchased outside Japan is based on country-specific factors stipulated in the GHG Protocol.



みんなで止めよう温暖化

チーム・マイナス6%

Takeda is participating in the "Team Minus 6 Percent" project promoted by the Ministry of the Environment, Japan.

Takeda implements measures in all areas of its business, improving the management structure with the "Basic Principles on the Environment" as its benchmark

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

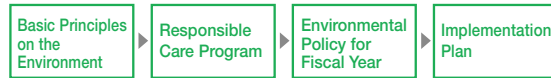
Appoint executives and managers in charge of environment-related activities and clearly define their authority.

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.

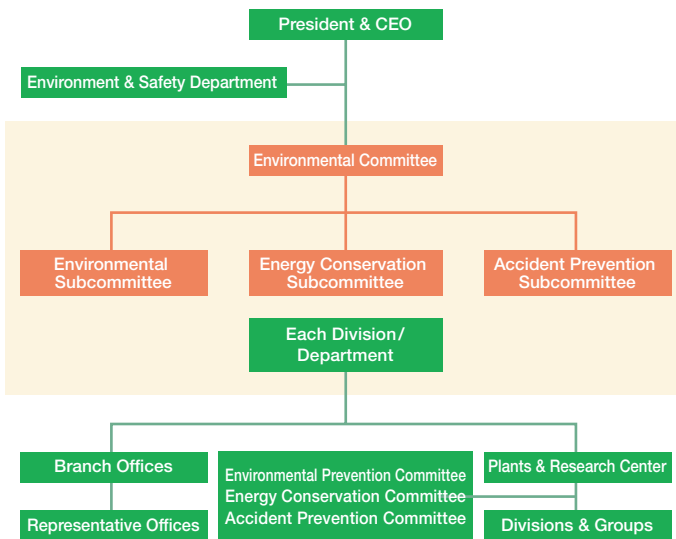


Takeda has established a Responsible Care program and an environmental policy for the fiscal year in order to implement various environmental measures with the "Basic Principles" as its benchmark.

For further details, please see Takeda's website

http://www.takeda.com/csr/policies/article_1007.html

Environment and Safety Management Structure



Takeda has established the Environmental Committee, consisting of managers in charge of environment-related activities from each division, to promote our business operations based on the "Basic Principles on the Environment." At 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 environment-related 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.

ISO 14001-Certified Sites

Takeda Pharmaceutical Company Limited	•Osaka Plant •Hikari Plant	Daiwa Special Glass Co., Ltd.	•Company-Wide
Wako Pure Chemical Industries, Ltd.	•Company-Wide	Nihon Pharmaceutical Co., Ltd.	•Narita Plant •Osaka Plant
Mizusawa Industrial Chemicals, Ltd.	•Nakajo Plant •Mizusawa Plant	Takeda Healthcare Products Co., Ltd.	•Company-Wide

Relationship with Environment

Takeda's Major Environmental Protection Policies and Achievements in Fiscal 2008

◎: Excellent ○: Good

Theme	Policies	Fiscal 2008 Achievements	Assessment
Fundamental measures involving environmental issues	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	○
Conserve energy and reduce greenhouse gas emissions	Achieve 40% reduction in CO ₂ emissions by FY2010 compared to FY2005	FY2008 CO ₂ emissions of 231,000 tons were 35% less than in FY2005	○
Reduce amount of waste materials	Achieve 30% reduction in waste for final disposal by FY2010 compared to FY2004	Through the zero-emission activities, FY2008 waste for final disposal amounted to 74 tons, 75% less than in FY2004	◎
	Fulfill responsibilities as a generator of waste by confirming the proper treatment of waste at waste disposal contractors	Visited 19 waste disposal contractors to confirm the proper treatment of waste	○
Manage chemical substances properly and reduce amount released into the environment	Achieve 50% reduction in chemical substances released by FY2010 compared to FY2005	PRTR (Pollutant Release and Transfer Register) chemical substances released in FY2008 amounted to 27 tons, 40% less than in FY2005	○
	Determine environmental risks of specific chemicals and reduce these risks	Initial risk assessments were performed, confirming that no manufacturing plant releases chemical substances that significantly affect the environment	○
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 company intranet as well as by conducting the Kid's Eco Contest, participating in the Light-Down Campaign (turning off light at the same time in all buildings on a specific day), and taking other actions	○
	Conduct educational activities for environmental compliance	Conducted compliance education programs that included the use of the company intranet and compliance status checklists	○
Community activities	Assist in protecting and improving regional environments by maintaining close communications with local governments and community residents	Collected information from residents near plants designated as "Environmental Monitors" to confirm that there are no problems. There were three noise complaints; all were addressed promptly and preventive measures were taken	○

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

Takeda's Major Accident Prevention Policies and Achievements in Fiscal 2008

Theme	Policies	Fiscal 2008 Achievements	Assessment
Improve accident prevention measures	Comply with laws and regulations concerning accident prevention and upgrade the system for managing it	Upgraded the system for managing accident prevention by reexamining rules and guidelines, reinforcing awareness in all departments, using educational programs, and taking other actions	○
	Prevent accidents by using the Manual for Non-Standard Operations, such as facility maintenance, trouble shooting, changeover productions and test trials, 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	○
	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, 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	○
	Improve measures for dealing with earthquakes at major facilities and buildings to prevent widespread damage following an earthquake	Rigorously implemented measures to prevent objects from falling over during an earthquake, evaluated the earthquake resistance of major facilities, and undertook planned construction to improve earthquake resistance	○
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	○
	Offer guidance to on-site partner companies to help them conduct thorough accident prevention training programs	Conducted accident prevention and safety training programs for all on-site partner companies to prevent any incidents occurring	○

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

Takeda institutes the "Takeda Group's Standard for Environmental Protection and Accident Prevention at Work" as a uniform criterion when implementing environmental protection and accident prevention operations at worldwide group production and research sites. The standard supplements the requirements of ISO 14001 certification—a globally accredited standard for environmental management system—by stipulating more detailed operating criteria, including standards for managing accident prevention. Environmental Protection and Accident

Prevention Audit verifies compliance with the standard.

All production sites in Japan are currently ISO 14001 certified.

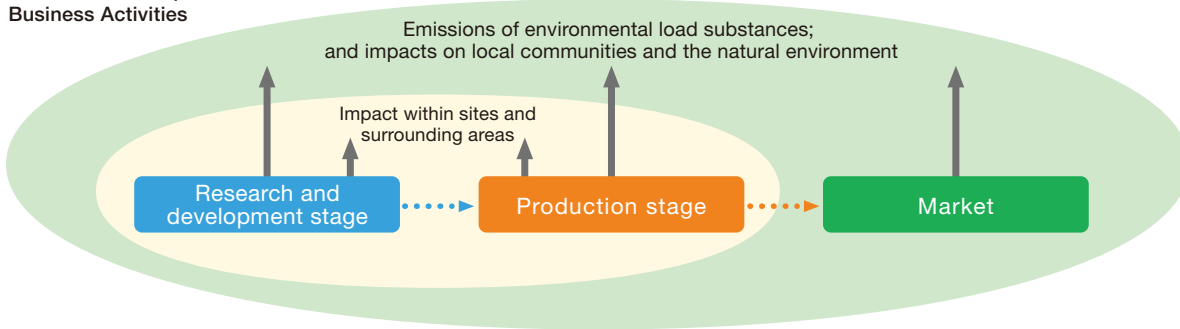
Responsible Care Activities

Responsible Care is an international voluntary program dealing with the management of chemical substances by businesses, and its activities now extend to 53 countries. 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 has been continually implementing efforts to reduce environmental risks based on the Takeda Group's Standard for Environmental Protection and Accident Prevention at Work

Environmental Impact Associated with Business Activities



Initiatives to Reduce 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 at 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"> • Volumes of materials used in pharmaceutical products are less than many consumer chemicals; meaning they are generally considered to have less environmental impacts. However, it is necessary to understand the effect that pharmaceutical products would have on the ecosystem, since they are biologically active agents and concerns about residual agents in the environment have become a significant issue highlighted by the development of analytical technology. • The guidelines on environmental impact assessments for drugs defined by the U.S. Food and Drug Administration (FDA) and the European Medicines Evaluation 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 implements appropriate actions in accordance with the relevant countries' guidelines. • Takeda develops new products and new production processes with consideration for the environment. It evaluates their environmental impacts during the product life-cycle spanning manufacture, use, and disposal according to its environmental impact assessment checklist. 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 9th energy conservation program as well as promoting energy conservation, and conversion to fuels that emit fewer GHGs. • 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 percent (excluding 4-wheel-drives for use in cold climates) as of April 2009.

Relationship with Environment

Environmental Protection and Accident Prevention Audit

If our facilities cause any environmental pollution, or an accident occurs, potential damage to the surrounding area is immeasurable. With this in mind, Takeda implements the 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 at 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 2008, environmental protection and accident prevention audits were implemented at six sites in Japan and one site overseas, including affiliated companies. No critical problem was identified as a result of the audits.



An environmental protection and accident prevention audit at Wako Pure Chemical Industries, Ltd.

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

1. System audit

- Environmental protection and accident prevention management
- 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 audit

■ In Japan

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

■ Outside Japan

Takeda Italia Farmaceutici S.p.A.

Business sites audited in the internal audit of environmental protection and accident prevention

■ In Japan

Takeda Pharmaceutical Company Limited
 (Osaka Plant, Hikari Plant and Tsukuba Research Center)
 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

Takeda San Diego, Inc.
 Takeda Italia Farmaceutici S.p.A.
 Takeda Ireland Limited
 Takeda Pharma Ireland Limited
 Tianjin Takeda Pharmaceuticals Co., Ltd.
 P.T. Takeda Indonesia

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

Accident Prevention Initiatives



Accident Prevention Training at the Hikari Plant

Takeda establishes the "Policies on Accident Prevention" in each fiscal year. Each business site establishes an action plan based on the policies for preventive measures that cover both facilities and employee skills.

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 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

Protecting production equipment from earthquakes is another priority. When a tremor above a certain magnitude occurs, sensors on key machinery transmit a signal that activates emergency shut-off valves. By stopping the supply of gas, oil and other fuels, this system prevents fires and other secondary problems following an earthquake.

To upgrade employees' skills, we have expanded our Accident Prevention Manual and upgraded our Non-Standard Operations Manual. We use both manuals for training and drills. These manuals are also vital to passing on accident prevention and response techniques to younger workers. All of these activities take place at every Takeda Group production site in Japan and around the world.

Non-Standard Operations

Non-standard operations are operations involving work procedures which are not performed continually or repeatedly on a routine basis; such as facility maintenance, trouble shooting, changeover productions, test trials. Non-standard operations are characterized by the frequent occurrence of accidents compared to standard operations, for reasons such as the fact these operations are less familiar to the operators, and are operated without clear methods, procedures, and management structure.

Preventing fires and explosions during manufacturing processes is a particularly important goal. To improve safety, we determine the physical characteristics of our drugs and use manufacturing processes appropriate to those properties. Starting at the R&D stage, we assess the risks involved with drug candidate compounds and production processes. To achieve an even higher level of safety we have reexamined the assessment processes and made improvements as required.

Vitamin production equipment was removed from the Hikari Plant in fiscal 2008. Currently, a major project is under way to construct a new research center in the cities of Fujisawa and Kamakura in Kanagawa prefecture. In every instance, we are using extensive measures to minimize environmental risks and prevent accidents and other problems.

Risk Assessment of Candidate Compounds and Processes

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

Relationship with Environment

Environmental and Safety Measures at New Research Center

Takeda is restructuring its global research infrastructure to reflect the goal of becoming a "World-Class Pharmaceutical Company." The new research center now under construction in Fujisawa and Kamakura Cities in Kanagawa Prefecture will form the nucleus of our global research network. Completion is scheduled for fiscal 2010. The center has a full complement of environmental and safety facilities that apply both in its construction and its operation so that it may operate as a responsible member of its host community.

Environmental Impact Assessments

For construction of the new research center, we performed an environmental impact assessment as required by environmental ordinances of the Kanagawa Prefectural Government. Nineteen assessment items are prescribed for environmental impact studies, forecasts and assessments. We selected the items applicable to the new center and, after receiving the approval of an investigation committee, completed the studies, forecasts and assessments. We concluded that this project will have no significant effects on the environment for people living in surrounding areas covered by the assessments. The research center meets environmental and other standards for the protection of public health and environmental protection. After completing these procedures and announcing our assessments and forecasts, we started construction of the research center in December 2008. Once the center is completed, we will perform follow-up surveys and continue working on ways to minimize this facility's impacts on the surrounding community.

Landscape Concept of the New Research Center

The primary concept for the new research center is to create a research facility surrounded by a forest. Care was exercised to have the buildings match the lush vegetation on the site and to make the entire area more attractive.

- The buildings are located as close as possible to the center of the site so that outer walls are at least 20 meters from the site's boundaries. Furthermore, in consideration of nearby buildings, the nearby trees will be preserved as far as possible.
- The south area of the building will have cherry trees planted together with several varieties of low-profile vegetation to provide beauty that changes with the seasons. Benches will be provided along paths in this area so that people can stop to enjoy this attractive area.
- Balconies on the north and south sides of the building are set back to avoid creating an overbearing appearance. Soundproofing panels on the roof serve the dual functions of abating noises and enhancing the building's appearance.

Site for the center

26-1 2 chome, Muraoka Higashi, Fujisawa-shi

Scale of the center

Area Approximately 250,000m²
 Wastewater Approximately 2,200m³/day
 Fuel consumption City gas, approximately 41,000m³ (N)/day
 Number of staff Approximately 1,200



Image of the completed new research center

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

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 recycling-oriented society through such efforts.

Takeda has been continually promoting waste reduction activities since fiscal 1993. The 4th waste reduction program, which commenced in fiscal 2006, aims to reduce the amount of industrial (hazardous) and general (non-hazardous) waste for final disposal by 30 percent (20 percent at the domestic production and research sites of the group) compared to the fiscal 2004 level by fiscal 2010. In order to attain this



Sorting waste by type at the Hikari Plant Recycling Station

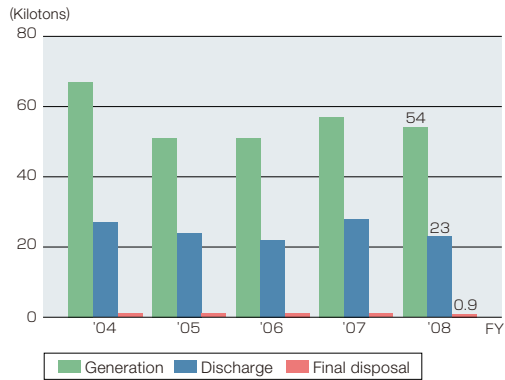
goal, we have been promoting efforts to reduce the amount of waste for final disposal by, for example, ensuring separate collection and recycling of waste at each operating

site, while also preferentially selecting waste treatment companies which promote reuse and recycling of waste.

Consequently, the amount of waste for final disposal in fiscal 2008 far surpassed our reduction goal, amounting to 74 tons, a 75 percent reduction compared to the fiscal 2004 level. The amount of waste for final disposal generated by domestic production and research sites of the group amounted to 779 tons, a 28 percent reduction compared to the fiscal 2004 level, meaning that we achieved our goal ahead of schedule.

To prevent illegal dumping of waste outsourced to external contractors for disposal, Takeda manages the process appropriately according to its manifest for management of industrial waste. In addition, Takeda representatives regularly visit waste

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

treatment contractors, using a checklist to ensure that waste is being properly handled. We will continue to enforce waste reduction rigorously across the entire group's operations. This will include efforts to minimize the amount of waste generated, as well as consideration of additional recycling options.

Zero-Emission Initiatives

Takeda defines the Zero Emission activities as measures taken to bring the amount of waste sent to landfill as close as possible to zero by reducing the amount of industrial and general waste generated, as well as promoting recycling of the waste that is generated. Takeda's manufacturing plants have been fully committed to achieving the Zero Emission since fiscal 2007, and have made solid progress toward achieving this goal through measures that include sorting general waste by type before collection, and recycling waste liquids.



Office supplies recycling campaign

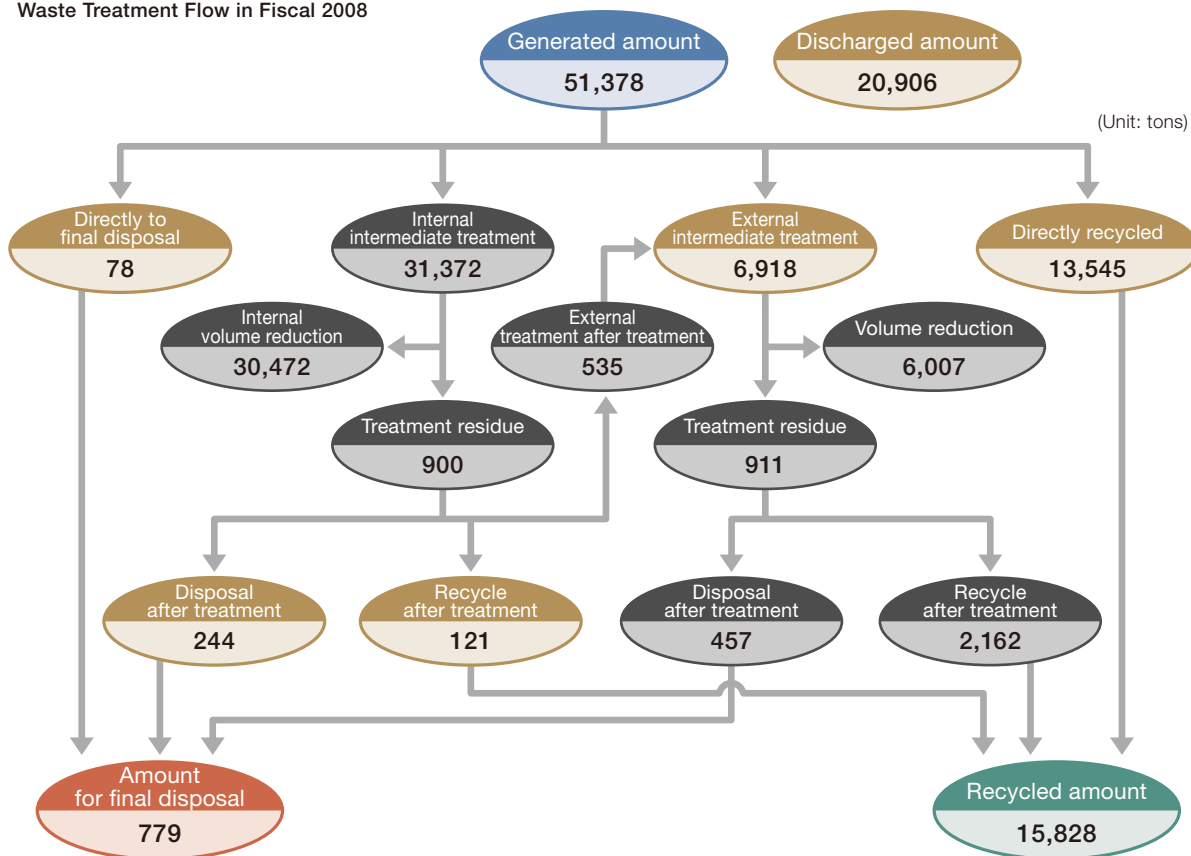
	Fiscal 2010 goal	Fiscal 2008 result
Final percentage sent to landfill	0.5% or less	0.3%
Amount sent directly to landfill	0	4 tons
Percentage recycled	80% or more	85.5%

Takeda's Achievement on Waste Reduction in Fiscal 2008

75% decrease compared to the fiscal 2004 level (amount of waste for final disposal: 74 tons)

Relationship with Environment

Waste Treatment Flow in Fiscal 2008



Waste Product Breakdown and Amounts

(Unit: tons)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Sludge	15,689	13,278	12,029	17,119	24,189
Waste oil	7,383	7,136	7,258	9,594	9,609
Waste acid/waste alkali	35,738	23,139	24,539	22,239	12,313
Waste plastics	724	763	582	776	694
Metal scrap	751	677	737	738	746
Glass and ceramics	903	931	990	990	1,162
Other industrial waste	2,615	2,016	1,947	1,906	1,792
General waste	1,363	1,389	1,250	1,043	872
Total	65,165	49,330	49,332	54,406	51,378

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

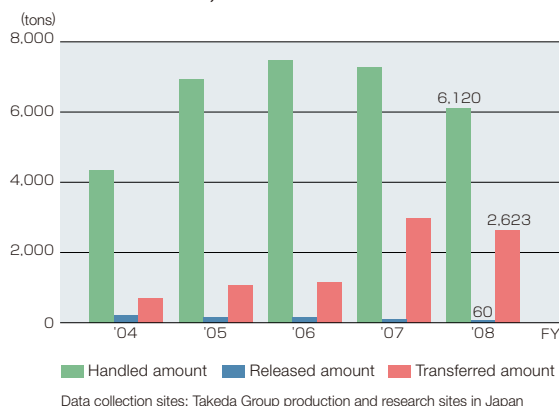
We are working to reduce releases of chemical substances and taking steps to protect the quality of air and water across the Group

Reduction in Releases of Chemical Substances

Takeda aims to reduce releases of the PRTR substances into the atmosphere by 50 percent in fiscal 2010, compared to fiscal 2005. We therefore work to appropriately manage chemical substances, which we use in relatively large amounts, prioritizing them in our releases reduction efforts.

In fiscal 2008, the Takeda Group as a whole reported 60 substances to the government under the PRTR (Pollutant Release and Transfer Register) scheme. The releases of PRTR substances amounted to 60 tons, a 46 percent decrease compared to the previous year. Acetonitrile was a major contributor to this reduction, with releases into the atmosphere decreasing by 74 percent, reflecting factors such as equipment upgrades and a drop-off in production. The substance with the largest atmospheric releases rate was dichloromethane, at 22 tons. This was followed by toluene, of which over 10 tons were released. The total amount of chemical substances released into public bodies of water was 0.5 tons.

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



Reduction in Releases of PRTR Substances in Fiscal 2008 (Takeda Group)

46% decrease compared to the fiscal 2006 level (PRTR substances released: 60 tons)

Totals for PRTR-Designated Substance Data (April 2008 to March 2009)

(Unit: tons)

Substance	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Dichloromethane	22	0.1	0.0	22	0.0	533	533
Toluene	17	0.0	0.0	17	0.0	116	116
Acetonitrile	8.1	0.0	0.0	8.2	0.4	375	375
1,2-Dichloroethane	7.6	0.0	0.0	7.6	0.0	2.4	2.4
Formaldehyde	1.7	0.2	0.0	1.9	0.0	0.0	0.0
Chloroform	1.6	0.0	0.0	1.6	0.0	2.9	2.9
Trichlorofluoromethane	1.1	0.0	0.0	1.1	0.0	0.0	0.0

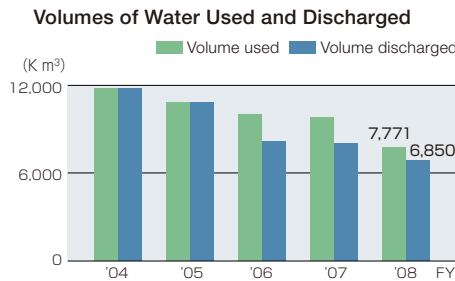
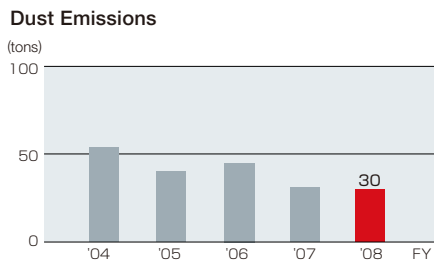
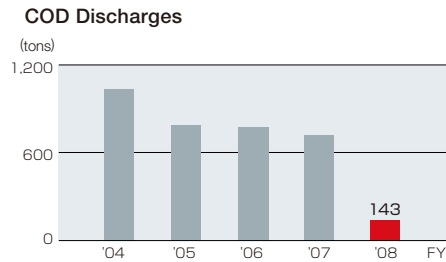
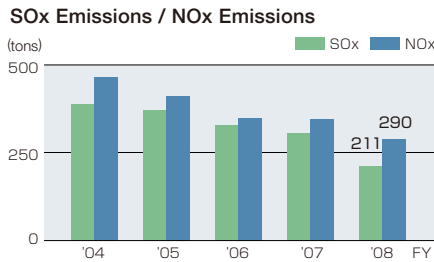
Data collection sites: Takeda Group production and research sites in Japan. Substances with a total discharge amount less than one ton are not shown.

Relationship with Environment

Air and Water Quality Protection

At each of its operating sites Takeda has established in-house standards more stringent than those required by law, local government regulations or regional agreements with local governments, and ensures continued compliance with such standards through regular environmental monitoring. When a measurement exceeding the level of the in-house standard emerges in the regular monitoring, we

immediately determine and rectify the causes to prevent any problem occurring. This is specified in the Takeda Group's Standard for Environmental Protection and Accident Prevention at Work, and applies to all Takeda group sites worldwide. We also regularly check for evidence of excessive noise and unpleasant odors in order to confirm there are no problems in this regard.



Data collection sites: Takeda Group production and research sites worldwide

Receipt of 2008 PRTR Award Excellent Prize (Hikari Plant)



The PRTR Awards, which are given by Japan's Center for Environmental Information Science, were established in 2004 to recognize excellence in management of chemical substances and distribution of information about risks to the public. In fiscal 2008, there were 16 applicants for this award, including Takeda. The activities at the Hikari Plant were selected as a candidate for an award.

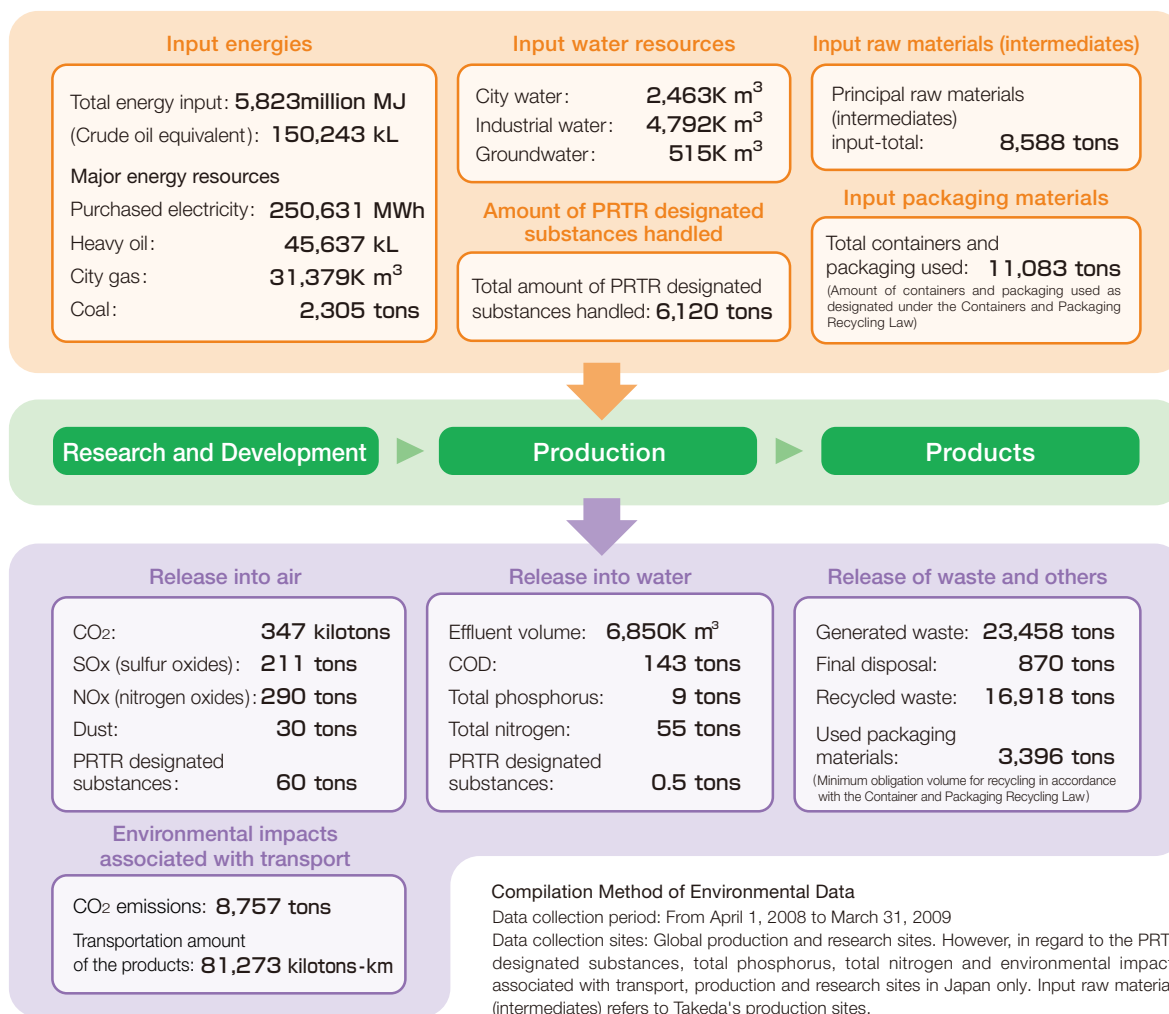
At the final selection process for the 2008 PRTR Awards that took place in February 2009, representatives of the four companies selected as award candidates gave presentations. Takeda presented two activities. The first was measures to ensure the

proper management of chemical substances, including the reduction of releases, along the Inland Sea coast. This is a region with particularly strict environmental regulations. The second was measures to maintain a dialogue with residents and fisheries associations near the plant to foster sound relationships.

Although the Hikari Plant did not win the top prize, the facility received the 2008 PRTR Award Excellence Prize, the second-highest honor. We plan to use this accomplishment to further strengthen programs aimed at reducing environmental risks across the entire Takeda Group.

We prioritize controlling environmental impacts during the production process, and implement various measures to fulfill this goal
We also promote interaction with residents living near our manufacturing sites

Environmental Impacts Associated with Takeda Group Business Activities



Environmental Accounting

Takeda has been monitoring and supervising environmental protection investments and expenditures since fiscal 1980. The table on the right shows these figures for Takeda Group companies in Japan, upstream and downstream activities, and administrative activities. In fiscal 2008, environmental protection investments totaled about ¥700 million and expenditures were about ¥2,900 million. Upgrading and replacing aging environmental protection equipment accounted for the majority of the investments. In addition, there were about ¥2,200 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 ¥34 million.

Environmental Protection Costs

		(Million yen)	
Category		Investments	Expenditures
Business area costs	Pollution prevention	354	765
	Environmental protection	103	158
	Resources recycling	213	1,367
Upstream and downstream costs		—	35
Administrative costs		25	609
Total		695	2,934

- Data collection period: April 1, 2008 to March 31, 2009
- 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

Relationship with Environment

Environmental Communications

Activities in Japan

■ Programs at the Osaka Plant

The Osaka Plant held a Summer Evening Party open to the public that attracted about 2,600 people. Other ongoing programs for residents near this plant include the Takeda Gardening Class and Volleyball Tournament for Mothers. Another popular event is Clean Osaka 2008, in which plant workers join with area residents to pick up litter and other trash in the neighborhood around the plant. There is also another separate volunteer clean-up program for areas near the plant.



Clean Osaka 2008 Campaign
(Osaka Plant)



Summer Evening Party
(Osaka Plant)

Takeda Summer Festival
(Hikari Plant)

■ Programs at the Hikari Plant

The Hikari Plant continues to implement the "Environmental Monitor" program in which selected residents watch for noises, odors and other problems involving the plant. Representatives of the plant participate in dialogues with residents of the eastern part of Yamaguchi Prefecture, where the plant is located, to stay in close touch with residents. The Takeda Summer Festival, when the plant grounds are open to the public, and other events provide more opportunities to interact with local residents. In addition, we invite members of local fisheries associations to tour the plant and discuss matters of mutual interest.



Employee volunteers pick up litter
(Hikari Plant)

A meeting with members
of a local fisheries association
(Hikari Plant)

Programs in Other Countries

At P.T. Takeda Indonesia, all employees clean the plant and grounds just before the end of working hours every Friday. In nearby neighborhoods, Takeda has set up trash bins and plant workers frequently pick up litter. This has helped keep the surrounding area clean and prompted more people to use trash bins rather than simply discard items along the street.



Friday Cleaning at P.T. Takeda Indonesia

New Research Center to Start Operations in Fiscal 2010

Takeda is constructing a research institute slated for completion in the fiscal year ending in March 2011 on a site spanning the border between the cities of Fujisawa and Kamakura in Kanagawa Prefecture. An environmental impact assessment for this facility was conducted as required by the prefectural government, and the assessment concluded that the new research center will not have any major negative impacts on the surrounding area. We have taken many actions, such as holding an information meeting and printing a pamphlet, to give nearby residents information about the new facility. We will continue to maintain channels of communication during construction and after the center's completion.



A pamphlet explaining the operations
of the new research center

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

Totals for Production and Research Sites of Takeda Pharmaceutical Company Limited

Amount of Resources Used			Environmental impacts			
Total energy input	3,703	million MJ	CO ₂ emissions	226,191 tons	Dust	18 tons
[Main energy resources]			Amount of waste generated	16,090 tons	COD	119 tons
Purchased electricity	128,469	MWh	Amount of waste discharged	9,205 tons	Total phosphorus	7 tons
Heavy oil	41,352	kL	Amount of waste for final disposal	74 tons	Total nitrogen	53 tons
City gas	16,824K	m ³	SO _x	178 tons		
Coal	0	tons	NO _x	180 tons		
Water	5,424K	m ³				

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

Amount of Resources Used			Environmental impacts			
Total energy input	1,547	million MJ	CO ₂ emissions	86,248 tons	Dust	9 tons
[Main energy resources]			Amount of waste generated	35,288 tons	COD	12 tons
Purchased electricity	79,206	MWh	Amount of waste discharged	11,700 tons	Total phosphorus	2 tons
Heavy oil	4,285	kL	Amount of waste for final disposal	706 tons	Total nitrogen	2 tons
City gas	10,367K	m ³	SO _x	29 tons		
Coal	0	tons	NO _x	96 tons		
Water	2,163K	m ³				

Totals for Takeda Group Production and Research Sites Outside of Japan

Amount of Resources Used			Environmental impacts			
Total energy input	573	million MJ	CO ₂ emissions	34,597 tons	Dust	3 tons
[Main energy resources]			Amount of waste generated	2,553 tons	COD	12 tons
Purchased electricity	35,860	MWh	Amount of waste discharged	2,553 tons		
Heavy oil	0	kL	Amount of waste for final disposal	91 tons		
City gas	3,852K	m ³	SO _x	4 tons		
Coal	2,305	tons	NO _x	14 tons		
Water	184K	m ³				

Site Data for Takeda Pharmaceutical Company Limited

■ Osaka Plant

Amount of Resources Used			Environmental impacts			
Total energy input	1,505	million MJ	CO ₂ emissions	79,251 tons	Dust	0.3 tons
[Main energy resources]			Amount of waste generated	2,016 tons	COD	40 tons
Purchased electricity	87,819	MWh	Amount of waste discharged	1,935 tons	BOD	54 tons
Heavy oil	0	kL	Amount of waste for final disposal	45 tons	Total phosphorus	2 tons
City gas	13,956K	m ³	SO _x	0.3 tons	Total nitrogen	10 tons
Coal	0	tons	NO _x	18.0 tons		
Water	1,517K	m ³				

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	1.0	0	0	1.0	0.35	67	68
Dichloromethane	0.026	0	0	0.026	0.0029	1.3	1.3
N,N-dimethylformamide	0.010	0	0	0.010	0.028	1.0	1.0
Dioxins (mg-TEQ)	0.018	0	0	0.018	0	0.30	0.30
Toluene	0.018	0	0	0.018	0.0002	1.8	1.8

■ Hikari Plant

Amount of Resources Used			Environmental impacts			
Total energy input	1,991	million MJ	CO ₂ emissions	136,258 tons	Dust	18 tons
[Main energy resources]			Amount of waste generated	13,883 tons	COD	79 tons
Purchased electricity	30,796	MWh	Amount of waste discharged	7,083 tons	Total phosphorus	5 tons
Heavy oil	41,352	kL	Amount of waste for final disposal	11 tons	Total nitrogen	43 tons
City gas	363K	m ³	SO _x	178 tons		
Coal	0	tons	NO _x	157 tons		
Water	3,809K	m ³				

Relationship with Environment

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.5	0.020	0	0.52	0	0	0
Dichloromethane	21	0.082	0	21	0	520	520
N,N-dimethylformamide	0	0	0	0.0	0	0	0
Dioxins (mg-TEQ)	0.0022	0.00062	0	0.0028	0	3.1	3.1
Trichlorofluoromethane	1.1	0	0	1.1	0	0	0
Toluene	1.8	0	0	1.8	0	0	0
Formaldehyde	1.2	0.25	0	1.5	0	0	0

■ Tsukuba Research Center

Amount of Resources Used

Total energy input	207 million MJ
[Main energy resources]	
Purchased electricity	9,854 MWh
Heavy oil	0 kL
City gas	2,505K m ³
Coal	0 tons
Water	98K m ³

Environmental impacts

CO ₂ emissions	10,682 tons	Dust	0 tons
Amount of waste generated	191 tons	COD	0.5 tons
Amount of waste discharged	187 tons	Total phosphorus	0 tons
Amount of waste for final disposal	17 tons	Total nitrogen	0 tons
SO _x	0 tons		
NO _x	5 tons		

Stakeholders' Voices Employees in charge of the environment and safety

■ Osaka Plant



Takeda performs a broad array of activities at the Osaka Plant including research, production and administrative operations. The environmental impacts of these activities are just as diverse. The plant was accredited for ISO 14001 certification in 2000 as one way to minimize its environmental impacts and have a positive effect on the environment. Since then, we have been working constantly on protecting the environment. In addition, we are working, together with the Hikari Plant, to achieve the goal of zero emissions in fiscal 2010. Naturally, people are vital to all these initiatives. To succeed, we must prevent employees from falling into the same routines and losing their enthusiasm. An office supplies recycling campaign, volunteer neighborhood trash pick-up activities and awareness-raising movies about the environment are examples of how we keep the interest of employees in environmental programs high. Starting in fiscal 2009, we have been giving out environmental awards and assisting employees in passing the certification test for environmental specialists. I want everyone at the Osaka Plant to take a lead in environmental issues as part of their activities at work, in the community and at home.

Hideko Inaoka

Environmental Control & Safety, Osaka Plant,
Pharmaceutical Production Div.

■ Hikari Plant



My job has two parts. One is overseeing the waste and wastewater processing system that operates on a 24-hour basis to treat effluents from this plant's production processes and other operations. The other is operating and supervising the gasification incinerator used for the disposal of flammable materials. I watch the management of these operations very carefully because after passing through a treatment facility the effluents go into the ocean. In recent years, the Hikari Plant has stopped manufacturing vitamins, agricultural chemicals and other products. Terminating production at these high-volume facilities has greatly reduced the environmental impacts from effluents and waste materials. As a result, the plant now requires waste treatment under conditions that I have never experienced. We have made many improvements in order to continue treating waste properly. Furthermore, we have cut the plant's CO₂ emissions by using less fuel oil.

Hitoshi Tanaka

Maintenance & Utility Supply (Hikari),
Engineering & Site Service Dept.,
Pharmaceutical Production Div.

■ Tsukuba Research Center



Working in the Tsukuba Research Center, which has a beautiful natural environment, gives us the opportunity to realize the value of nature and the ecosystem. As we watch the seasons change, we gain a strong sense of the importance of protecting the environment for future generations. The fundamental philosophy for our activities is "Think globally, act locally." This expresses our belief that preserving the natural environment around us can contribute to maintaining the well-being of the Earth, which is the source of all life. Environmental protection activities are one way we accomplish this. We are reducing the amount of waste materials and chemical effluents. It is also important to prevent air and water pollution along with problems caused by noise, vibrations, odors and other items that affect the environment. Along with these activities, we also have programs for waste recycling and energy conservation.

Satoko Niibori

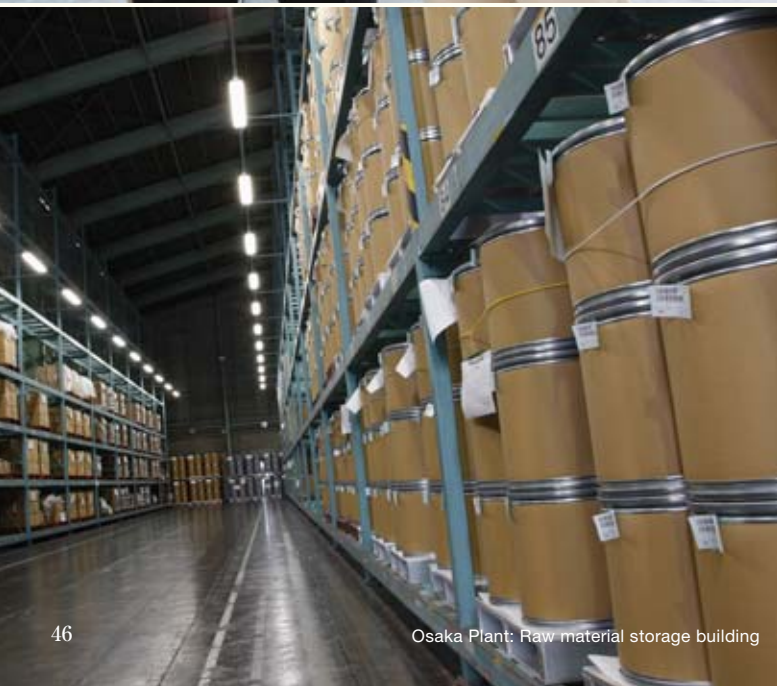
Administration, Research Administration Dept.,
Pharmaceutical Research Div.

Feature **Supply Chain Management**

Confidence in Takeda brand Global commitment to protecting patients and customers from threats by counterfeiting and other illicit activities



(From left): Hiroyuki Iwatake, Atsuko Saitou,
Pharmaceutical Production Div.



Osaka Plant: Raw material storage building

Fundamental Policy

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. In proportion to this globalization, our supply chains from procurement of raw materials, to production, distribution and marketing involve more companies and facilities in different countries with increasing complexity. Meanwhile, in recent years counterfeit drugs as well as counterfeit and adulterated raw materials pose a threat to the health of patients and consumers globally.

In 2008 alone, there have been nearly 2,000 incidents around the world involving counterfeit pharmaceutical products. Over the past few years, the number of reported cases of counterfeit products has doubled. In 2008, about 500 consignments of counterfeit drugs were blocked for entry at Japanese customs, which has surged five times since 2006. Meanwhile, counterfeit products are becoming increasingly sophisticated and illicit traders are finding ways to circumvent import barriers. While most counterfeit pharmaceutical products are distributed through the Internet, in some countries, there are even cases where sophisticated counterfeits were identified in the legitimate distribution channels.

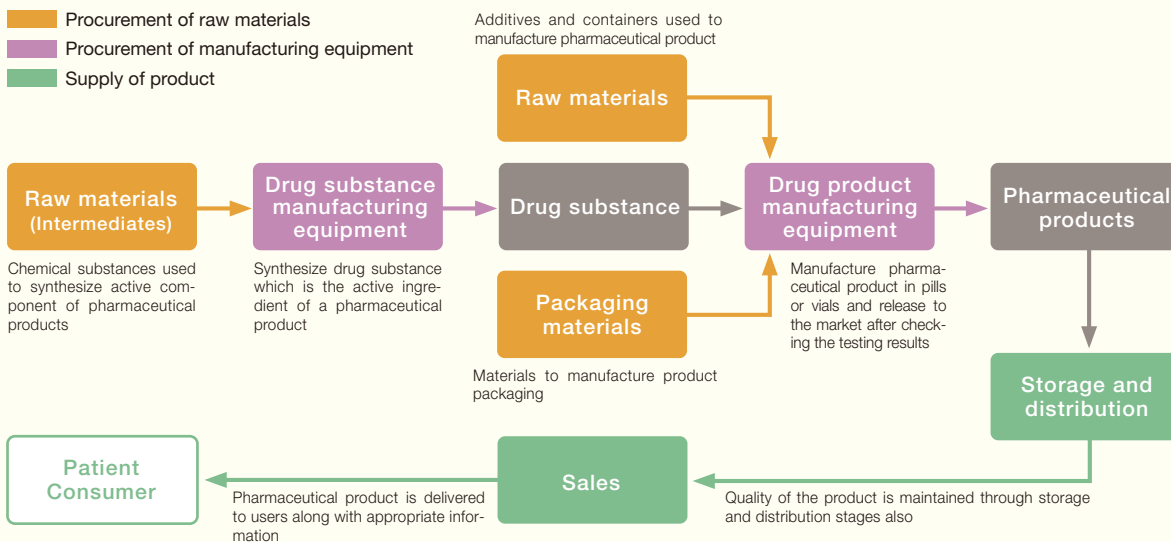
In the light of these developments, giving top priority to the safety of patients, Takeda is working to build a supply chain that maintains the quality and secures the safety of our products extending from procuring raw materials from suppliers to delivering the finished products to our customers (medical institutions and pharmacies) after being shipped from the factory.

Safety Measures for Raw Materials and Products

Striving for our customers' confidence in Takeda branded products through quality assurance, Takeda has a stringent evaluation process in selecting new suppliers of raw materials, contract manufacturers, and logistics service providers. Takeda confirms eligibility and conducts a risk assessment of potential partners from the viewpoints of quality assurance as well as business performance in selecting them.

Relationship with Suppliers

Relationship of Suppliers to the Manufacturing Process of Pharmaceutical Products



Takeda is committed to establishing and maintaining a quality assurance system in order to deliver quality Takeda products to patients by conducting periodical audits to suppliers of raw materials for Takeda products, contract manufacturers and packagers, and logistics centers and dealers.

Takeda has adopted and implemented a new quality assurance framework set forth in the Good Distribution Practice (GDP). Applying this practice preserves the quality of pharmaceutical products and raw materials during distribution and minimizes the entry of counterfeit products. In addition, GDP is intended to prevent intentional tampering and prevents the unauthorized use or misappropriation of pharmaceutical products.

Since counterfeit drugs are often produced under poor conditions, efficacy usually suffers as a result and, moreover, these counterfeit drugs may contain unknown contaminants that could seriously harm or jeopardize the health of patients. To protect the public, Takeda collects information about counterfeit drugs from around the world and performs its own investigation of which we notify government authorities and judicial authorities in each country, while promoting cooperation with the WHO, INTERPOL (International Criminal Police Organization) and

other international and regional organizations. Takeda also takes steps to protect the quality of Takeda products through studies and research concerning technologies to prevent counterfeiting and tampering. Takeda is creating an organization to oversee and promote these activities globally. Individuals dedicated to the tasks of investigating and creating countermeasures are deployed in Asia, North America and Europe. In each region, these dedicated individuals work with all functions globally, such as quality assurance and intellectual property department, and production to protect patient safety by combating against counterfeit and other fraudulent drugs using a multi-faceted approach.



A meeting about security for pharmaceuticals

Building sound and fair relationships as equals with suppliers based on the Takeda Compliance Program for Globalization

Committed to Sound and Fair Business Relationships

Building supplier relationships in the spirit of "soundness and fairness based on a partnership as equals" is of particular importance in the pharmaceutical industry. Unlike other industries that have a large number of suppliers, successful pharmaceutical operations require partnerships only with companies capable of consistently supplying raw materials, equipment and other products of high quality that comply with strict government regulations for manufacturing and sales of pharmaceuticals. Procuring materials for factories, research centers and other business sites is the responsibility of the General Purchasing Department. Members of the department establish sound and fair relationships in line with Takeda's Guidance for Purchasing Affairs.

These guidelines, in turn, are based on the Basic Purchasing Policy, which incorporates the spirit of CSR. We use an exhaustive selection process for suppliers. All candidate companies must excel in terms of technologies, quality, prices, delivery schedules, financial soundness, corporate citizenship and other aspects. Final selections are made after a multi-stage examination process.

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
Bulk drug substances and intermediates	Fuel
Containers and packaging	Supplementary materials and miscellaneous supplies

Basic Purchasing Policy

We implement bona fide purchasing activities in line with Takeda-ism; representing fairness and honesty. The Company pledges to strive for enhancement of the corporate value and continuous business growth as well as achieving the management mission: "we strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products" on a global scale through purchasing activities.

Purchasing Ideal

- In order to develop superior pharmaceutical products and contribute to the business progression of the Company, the General Purchasing Department buyers and staff shall obtain the best and most economical materials from global purchasing markets in a stable manner; competing with the purchasing staff of other global pharmaceutical companies.

Compliance

Compliance with relevant laws and regulations

- Comply with all related statutes such as antitrust laws and laws for the prevention of payment arrears to subcontractors' charges, etc.

Conformity to purchasing ethics

- Conform to social and corporate ethics and good purchase practices.
- Do not request unjustifiable discounts and/or compensation from any suppliers when selecting suppliers or making decisions on prices during purchasing affairs.
- Do not have personal interest with any suppliers.
- Do not receive, demand or promise unjustifiable interests (money, goods, hospitality, favors, etc.) through influence peddling.

Relationship with Suppliers

Cooperative relationship with suppliers

- Maintain an equal, impartial and fair attitude toward suppliers and strive to build a cooperative and trusting relationship and/or appropriate partnership with the latter.

Assessment of suppliers

- Regularly implement a fair, transparent, objective and reasonable assessment of suppliers with the aim of maintaining a stable relationship with excellent suppliers in aspects of technology, quality, price, supply capacity, stability of management and sociality, etc.

Response to applications for new accounts

- Takeda sincerely deals with applicant suppliers wishing to be partners, by providing each with an impartial and fair opportunity to enter, regardless of nationality, region or size, and responds to unsuccessful suppliers by stating specific reasons.

Confidentiality

- Ensure a confidentiality agreement is made with each of the suppliers and do not use any confidential information of suppliers made known to us over the course of implementing purchasing affairs for any other purpose other than the transaction in question or disclose such to third parties.

Response to Environmental Issues

- Comply with relevant environmental laws and regulations and prioritize the purchase of materials with a reduced environmental load and ecologically friendly products.

Relationship with Suppliers

Green Procurement

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.

CSR Procurement

As part of its CSR procurement activities, Takeda periodically asks suppliers to complete questionnaires. Feedback is used for a supplier assessment that checks all aspects of relationships. Evaluations cover management systems, such as quality assurance, good manufacturing practices and delivery schedules, the business continuity plan, CSR programs and other activities. Suppliers receive the results of these studies for use in self-improvement programs.

Suppliers at times contact us for information about our stance involving CSR, the environment and employees. These CSR questionnaires allow us to gain a thorough understanding of our suppliers' policies and build even stronger partnerships. This is why we provide sincere responses to CSR inquiries while drawing on the cooperation of all associated departments as required.

Supplier Assessment Items

Assessment Item	
1. Prices	Measures to lower prices
2. Quality	Measures to improve quality
3. Delivery	Measures to deliver goods on time
4. Information	Provision of technical information
5. Citizenship	CSR, environmental and other programs
6. Operations	Stability of business operations

A comprehensive assessment is determined by combining items 1 through 6.

System for Assessing Suppliers

- Conducted annually
- The previous fiscal year's performance is evaluated for each item (price, quality, delivery, information, CSR and operations), a score is assigned, and score notification tables are sent to each supplier.

Employee Compliance Program

Improper procurement activities such as violations of laws, regulations and internal rules or other unethical behavior undermine the public's trust in Takeda and cause great inconvenience to stakeholders.

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

There are several manuals to assist employees with proper compliance. Examples include the Purchasing Ethics Manual, Anti-Monopoly Law Compliance Manual and Late Subcontractor Payment Prevention Law Compliance Manual. We also have a program for individuals in each department who are responsible for negotiating prices and other purchasing terms with suppliers. These individuals are registered as negotiators and undergo special training that includes courses taught by instructors from outside the Takeda Group.

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 enable purchasing activities that will earn the trust of suppliers.

Feature **Cultivating Talent to Lead a World-Class Pharmaceutical Company**

**We will cultivate the next generation of global leaders
in our drive to become a world-class pharmaceutical company**



Takeda Pharmaceuticals North America, Inc.
(From left): Tina Bush, Philip Sychango, Leigh Gimbert

Global Human Resources Policy

In order to realize its "Human Resources Vision," Takeda drew up a concept and basic principles for attracting, retaining, and developing its people. Takeda's "Global Human Resources Policy" forms the basis of this strategy and encompasses recruitment, staffing, training and development, performance, management, and compensation.

As part of the policy, the 2006-2010 Medium-Term Plan currently under way specifies strengthening the talent as one of the main challenges in the transition to a world-class pharmaceutical company. In light of Takeda's rapidly accelerating business expansion in Japan, the U.S., Europe and Asia, we are taking steps to improve the scope and quality of our in-house training programs, as well as making active use of external training. In this way, the entire group is cultivating personnel worthy of a world-class pharmaceutical company and able to do business globally on the frontlines of research, development, manufacturing, sales and management.

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.

Takeda Leadership Institute

Takeda is proactively cultivating employees who can demonstrate leadership qualities that transcend cultural or regional differences. Since 2007 we have been collaborating with the globally renowned business school INSEAD to offer the Takeda Leadership Institute (TLI) program. This program, which aims to cultivate global leaders among Takeda employees both in Japan and overseas, has met with considerable success. In fiscal 2008, we started offering TLI-EU, targeting the European region, and in fiscal 2009 we are planning to offer TLI training over a period of approximately six months from June to December in Singapore, the U.S. and Japan. We are expecting a total of 36 participants in nine countries.



Fiscal 2009 Takeda Leadership Institute training

Relationship with Employees

We regard the TLI program as central to our efforts to cultivate business leaders for the Takeda Group, and the aim of the TLI training is for participants to accomplish goals such as those described below. The program, conducted entirely in English, is wide-ranging, offering participants the opportunity to develop leadership skills, acquire a global mindset and learn about the pharmaceuticals business and industry analysis, as well as receiving individual mentoring and practicing the skills necessary to make presentations to management. From 2008 we also introduced sessions designed to encourage awareness and understanding of Takeda-ism.

Takeda Leadership Institute Performance Goals

Demonstrate the clear leadership profile expected of a role model for the group

Understand differences in culture and business environment, and improve cross-cultural communication

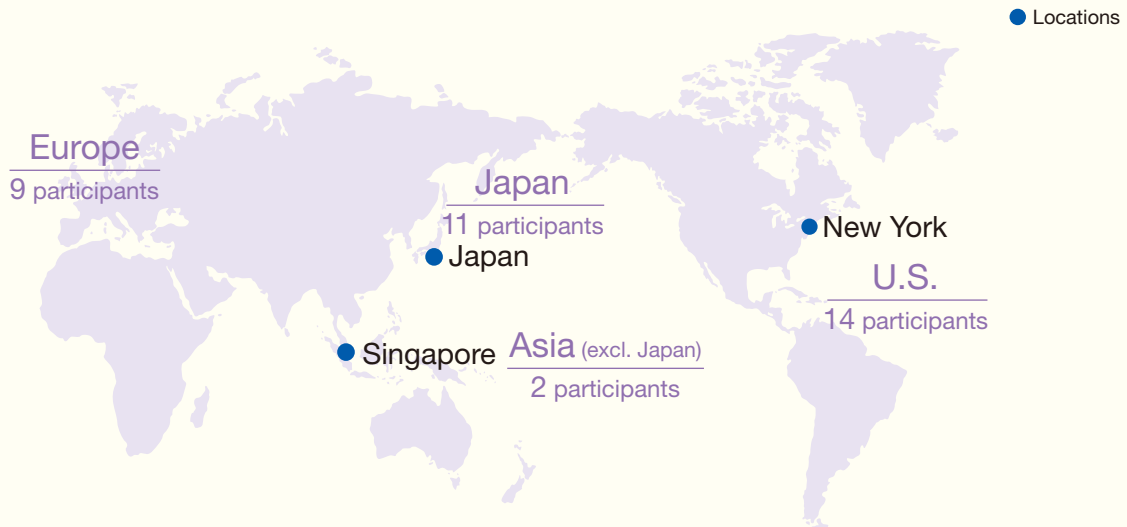
Establish a global network of contacts within the group

In Japan, Takeda provides a training program to develop next-generation leaders. This program is designed to provide educational opportunities for motivated and ambitious young talent by offering the option for employees to apply directly, rather than being recommended by their division. We will continue to encourage interaction among individuals from a company-wide, global perspective in order to develop talented employees capable of providing business leadership at the global level.

Programs to Cultivate the Next Generation of Leaders in Japan

Programs	Global Leader Training: Course A Japanese Regional TLI; Offered to managers in Japan Global Leader Training: Course B Offered to labor union members
Content	Logical thinking; learning about leadership and the business framework including management strategy. Programs designed to enhance the capacity to adapt to a global working environment are due to be added in fiscal 2009.

Anticipated Number of Participants and Locations for the Fiscal 2009 Takeda Leadership Institute Program



Takeda is cultivating a corporate culture based on Takeda-ism where the human rights of every single employee are respected

Respect for the Rights of Individuals

Takeda observes laws and regulations concerning working time, minimum wages, child labor, forced labor and other aspects of employment. In addition, all business activities are based on the Takeda Code of Compliance Standards, which prescribes compliance standards that include the treatment of employees. This code prohibits discrimination based on nationality, race, beliefs, religion, gender, age, disabilities and disorders, and social status. All forms of discrimination and harassment are forbidden. Measures are in place to prevent such behavior as well as to protect the rights of individuals at Takeda business sites around the world. To underscore its commitment to human rights across the Takeda Group, Takeda is a participant in the United Nations Global Compact.

World Wide Takeda-ism Months

Every year, Takeda proclaims the three-month period starting on June 12, the anniversary of its founding, as "World Wide Takeda-ism Months." During this period, activities are conducted to reinforce the spirit of Takeda-ism throughout the group. All group companies reexamine the principles of Takeda-ism, and every company uses its own ideas to hold workshops and other events. In fiscal 2008, sales companies in Europe joined forces for activities that deepen the understanding of Takeda-ism and enable employees to apply this spirit to their jobs. Another part of this program is participation by employees as volunteers in a broad range of charitable and community programs.



Employees of Takeda UK Limited in a walk for charity

Composition of Workforce by Gender

		Fiscal 2006	Fiscal 2007	Fiscal 2008
Parent company	Men	4,295	4,355	4,557
	Women	1,358	1,443	1,567
	Total	5,653	5,798	6,124
Takeda group		14,993	15,717	19,362

The Global Employee Survey

Takeda held its first Global Employee Survey in fiscal 2008, an event that gathered information from group employees in 14 countries. One objective is to learn how well employees understand and apply Takeda-ism. The survey also solicits input about employee engagement, the quality of working environments and other aspects of working at Takeda, revealing strengths of the Takeda Group along with a number of issues. Each department/affiliate company holds discussions to examine its own survey results. Exchanging opinions in this way leads to action plans for solving issues and creating an even better working atmosphere for everyone.

Category of the Global Employee Perception Survey

1. Corporate Philosophy
2. Values: Ethics
3. Values: Challenge
4. Values: Progress
5. Values: Teamwork
6. Values: Steadfastness
7. Customer Orientation
8. Organizational Culture
9. Leadership
10. People Development
11. Accountability & Involvement
12. Working environment
13. Employee Engagement
14. Country-specific questions

Takeda Global Awards

Since fiscal 2006 we have held the "Takeda Global Awards," targeting Takeda Group employees the world over. The "Takeda Global Awards," were established with the aim of: (1) Enhancing awareness of Takeda-ism; (2) Fostering a strong sense of unity as the Takeda group; and (3) Developing a corporate culture where employees can feel a sense of pride. The Awards focus not only on individuals or groups who have accomplished excellent performance, but also on employees who embody Takeda-ism ideals and have contributed greatly to society, as well as employees who may not stand out, but have continually made steady effort and embody the Takeda Values behind-the-scenes. In fiscal 2009, awards were presented to 129 employees.



Takeda Global Awards 2008 ceremony

Relationship with Employees

Japan

Training Programs that Enable All Employees to Realize Their Potential

Human resources development activities are centered on the goal of maintaining a self-reliant team of professionals who can fulfill the Takeda mission of "contributing to better health for individuals and progress in medicine by developing superior pharmaceutical products." To accomplish this, we have established a training system designed to give employees the skills they require. Employees take courses to acquire the specialized knowledge needed to perform their jobs, whether they involve research, development, sales, manufacturing or any other activity. We also have courses specifically for new employees, employees with many years of experience, newly appointed managers and other job categories.

For example, there is a six-month training program for new employees who will become Takeda medical representatives (MRs) in Japan. Classes cover basic knowledge, products, ethics, technology and other subjects. After completing the program, prospective MRs are assigned to sales offices nationwide. At these offices, they use e-learning programs to study for the MR certification examination. This is followed by on-the-job training, job-specific classes and other support to refine their skills as an MR.

We offer many other opportunities to learn. For example, employees can participate in external training that includes courses at universities in Japan and overseas. To study on their own, employees can use e-learning courses to acquire

business skills and learn English. The Test of English for International Communication (TOEIC) is held twice each year at the company. By providing a diverse array of training programs, Takeda enables all employees to achieve their career goals.

Number of Participants in Training Programs

	Fiscal 2006	Fiscal 2007	Fiscal 2008
Stratified training	839	935	985
New employee training	206	279	401
Task-specific training (business skills/English)	399	777	955
Leadership training	72	125	76
Second career training	140	368	274

Stratified training: Classes for specific job categories. Most classes for the corporate philosophy and strategies are part of this training program
New employee training: This is part of the stratified training program
Task-specific training: Classes with an annual schedule for upgrading skills in business and speaking English
Leadership training: Training for individuals who are selected for this program, which includes study at locations outside the Takeda Group
Second career training: Assistance for planning one's life after leaving Takeda

Using Diversified Talent

■ Takeda Women's Network

Takeda considers it vital to use human resources flexibly, regardless of gender and age. In Japan, Takeda was quick to introduce a performance-based pay system and enhanced its assessment system, ensuring it is fair irrespective of gender, age and academic background.

Since fiscal 2006, Takeda has also been implementing the Takeda Women's Network (TWN), a company-wide project designed to enable female employees to discuss problems and propose their own solutions. In fiscal 2008 the network conducted a survey of all employees on the subject of enabling women to contribute more in the workplace. The aim of the survey was to obtain a wider range of opinion and feedback in order to shed light on what the current situation actually is, as well as what the ideal situation would be and how to achieve it. As a result of the survey, it became clear that there are differences between departments in terms of how women work and attitudes toward their role in the workplace. Subcommittees were therefore set up in the research, development, manufacturing, sales and corporate staff divisions in order to pursue measures appropriate to each division. The Pharmaceutical Development Division's TWN subcommittee, for instance, submitted a report to the division's general manager, as well as organizing a lecture on work-life balance by a teacher from outside the company in order to encourage a change in attitude among division members.



Lecture on work-life balance

The Training Program System

- Training Program on Corporate Philosophy and Strategy**
◎ Takeda-ism session
- Stratified Training Program**
◎ Leadership development program
◎ Support program on management and career development
- Task-Specific Program**
◎ Business skill strengthening program
◎ English skill strengthening program
- External Dispatching Program**
◎ Human resources development programs provided at educational institutions both at home and abroad
- Departmental Program**
◎ Professional education provided by department
- Support for Self-Development**
◎ In-house TOEIC and e-learning, etc.
- Others**
◎ Training programs relating to sexual and power harassment, mental health, etc.

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

Takeda is promoting a variety of efforts to support work-life balance, including adopting a range of work styles and improving its employee leave system.

In fiscal 2008, Takeda added the Life Balance UP Navi section to its intranet. This section is a source of useful information for employees about how to maintain the proper balance between job responsibilities and personal events such as marriage, the birth of a child, child care and the care of an aging parent.



Life Balance UP Navi

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.

Flex-time and tele-working

These systems improve productivity and efficiency for employees who have responsibilities at home, such as child or aging parent care, or who do their work while remaining in touch with overseas business sites. Employees can choose their working hours and locations.

Consecutive holidays

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

Takeda is dedicated to giving employees the opportunity to fulfill their responsibilities at work and to their children. In recognition of this stance, in June 2009 Takeda received its second certification under Japan's Law for Measures to Support the Development of the Next Generation. In fiscal 2007, we converted part of time taken off for child-raising to paid vacation and started a program to assist employees in returning to work after child-raising leave. Moreover, we want male employees to help with child-rearing too. In fiscal 2008, 15 male employees took time off to care for their children.



Next generation accreditation mark

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 March 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.

Takeda has a philanthropy time-off system for employees who want to participate in charitable or community activities. A number of employees in Japan have used this system for volunteer activities arranged through the Japan International Cooperation Agency.

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

		Fiscal 2006	Fiscal 2007	Fiscal 2008
Paid holidays	Utilization rate	55.8%	58.9%	62.2%
	Avg. days used	10.3	10.7	11.1
Reduced working hours for child care* Employees		27	32	38
Child-care leave	Employees (female)	49	48	61
	Employees (male)	1	—	15
No overtime* Employees		3	1	2
No late-night work* Employees		—	1	2
Child nursing care* Employees		3	5	2
Reduced working hours for elderly care Employees		—	—	1
Elderly care leave Employees		4	2	5
Philanthropy leave Employees		6 as of end of FY2008		

* Until child starts elementary school

Relationship with Employees

Employment of People with Disabilities

■ LI Takeda Ltd.

LI Takeda is a special subsidiary established by Takeda in 1995. With the Management Mission of "being a friendly company for workers with disabilities," LI Takeda was the first company of its kind in the Japanese pharmaceutical industry. Disabled people comprise the majority of the workforce, numbering 48 of a total of 60 employees. LI Takeda undertakes printing, cleaning, processing of packaging materials and laundry. Each of the company's employees strives toward social independence through activities such as the production of printed materials including brochures, leaflets and posters, bagging of promotional items, forwarding direct mail and the provision of cleaning services.

Ratio of disabled people employed at Takeda	Fiscal 2006	Fiscal 2007	Fiscal 2008
	1.95%	1.99%	1.86%

Note: Ratios above are as of March 31 each year.



Staff at LI Takeda Ltd. producing printed materials

Relations with Worker's Unions

Takeda has established sound industrial relations by concluding a collective bargaining agreement with the Takeda Worker's Union. The company holds regular consultations with the union regarding conditions of employment, the human resources practices and other matters. All the companies of the Takeda Group likewise hold discussions with their worker's unions and employee representatives in accordance with the laws in each respective country.

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 comprising industrial physicians, Takeda employs an external employee assistance program (EAP) that allows employees in need to have access to consultations with specialists such as doctors and clinical psychotherapists outside the company. Since fiscal 2007 we have offered employees training by clinical psychotherapists and industrial physicians specializing in mental health. For company executives we offer Line Care Training, while other employees are offered Self Care Training.

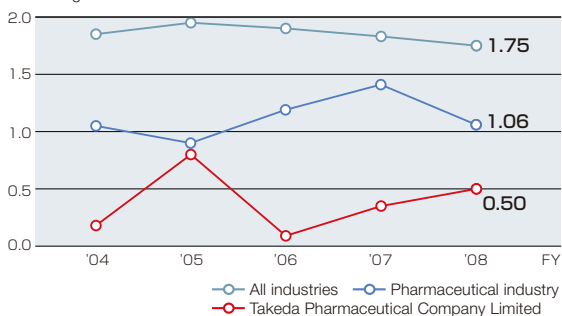
In addition, the THS supports employees who need to take long-term medical leave, ensuring their livelihood and facilitating the return to work. It also supports employees who have to leave the company due to illness or injury after a long leave of absence, helping their families as well to maintain stability in their lives.

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. The company established Safety and Health Committees at the head office and branch offices as well as at production sites 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.

Frequency of Occupational Accidents

* Frequency rate refers to the number of deaths or injuries per 1 million net working hours.



Employees Who Embody
the Takeda-ism Ideals

Stakeholders' Voices

Messages from Takeda employees around the world
who put Takeda-ism into practice in their work



Chie Omori

General Manager, Business Promotion Department,
LI Takeda Ltd.

Established in June 1995, LI Takeda was the first special subsidiary in the Japanese pharmaceuticals industry established for the purpose of providing jobs for individuals with disabilities. I have been involved with LI Takeda since work began on preparations to form this company. My goal has always been to create a workplace where people facing challenges can realize their full potential working together with their colleagues.

People with a hearing impairment or a learning disability account for a high percentage of our workforce. Since employees have difficulty communicating with one another, managing this workforce requires extra care to ensure that people are satisfied with their jobs. Disabilities can present a variety of challenges, but our workplace is always a cheerful one, where people approach their work with enthusiasm. Above all, I want our employees to take pride in working hard and supporting themselves financially through their jobs. I hope to continue working alongside the employees here to help them remain secure in their ability to live as fully-fledged members of society.



David Lichter

Medical Division,
Millennium Pharmaceuticals, Inc.

Millennium Pharmaceuticals' aspiration is to cure cancer. In addition, we have always emphasized the importance of being a socially responsible company. Employees strive to practice our core values every day by working with integrity and respect in our collective pursuit of scientific innovation and improving patient health. The commitment to these principles remains intact, and invigorated, following the May 2008 merger of Millennium with Takeda.

In addition to my commitments as a scientist in the Molecular Medicine group, I lead scientific education programs in which our volunteer community service group, Millennium Makes a Difference (MMAD), participates. We enthusiastically represent the company at local science fairs and festivals, and use experiments and demonstrations to promote scientific education. We teach students and community members about cancer and drug development. I also play an active role with Millennium's EverGreen team, which works to improve the company's recycling efforts and energy efficiency.



Caroline Boucheteil

Public and Economic Affairs Department,
Laboratoires Takeda

As the person in charge of CSR activities, I am responsible for a number of programs. I oversee relationships with patient groups, establish crisis management guidelines, reinforce awareness of Takeda-ism among our employees, and provide information to the media regularly.

As part of my job is to maintain strong ties with Takeda's stakeholders, one of my most important tasks is working with the French Association of Friedreich's Ataxia (AFAF), which combats this rare neurological disease. My involvement started when Takeda's relationship with this association was first established. Through the years, I have assisted many people who are struggling with this disease and helped their families, as well. Participating in AFAF has given me and many other Laboratoires Takeda employees immense joy along with great pride in belonging to the Takeda Group.



Grace Ho

Group Product Manager,
Takeda Pharmaceuticals Taiwan, Ltd.

For a number of years, Takeda Pharmaceuticals Taiwan has been organizing public talks in Hong Kong about diseases such as diabetes, hypertension, gastrointestinal disorders and prostate cancer through a charitable organization called St. James' Settlement. After the talks, representatives of the media have an opportunity to interview the physicians who take part in the events. This makes information about these diseases available to an even larger number of people.

I am in charge of this joint effort between Takeda Pharmaceuticals Taiwan and St. James' Settlement. The objectives of the charity are to increase opportunities for the general public to learn about diseases and to organize programs to improve public health. By supporting St. James' Settlement, Takeda Pharmaceuticals Taiwan is fulfilling the Takeda mission of "striving toward better health for individuals and progress in medicine."

Corporate Governance

Fundamental Policy and Structure

Policy toward Corporate Governance



Takeda's management mission is "we strive toward better health for individuals and progress in medicine by developing superior pharmaceutical products." 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 efforts, we will further enhance our corporate governance, thereby maximizing the corporate value.

Management Structure

The Board of Directors determines fundamental policies for the Takeda Group and reaches decisions concerning the operations of Takeda. Management and business operations are then conducted in accordance with these decisions. In fiscal 2009, Takeda established the positions of Chief Scientific Officer (CSO), Executive Vice President (EVP) International Operations, and Chief Administrative Officer (CAO). In addition, Takeda reorganized and consolidated the Executive Committee, which discusses management strategies and other important issues involving management, and the Operations Committee, which discusses important issues in terms of the business operations, and created the Management and Operations Committee, where Takeda executives deliberate on these important

issues. These steps have facilitated greater cooperation among different functions while improving the speed and flexibility of business operations, and the new structure allows Takeda to conduct all activities in a more efficient manner.

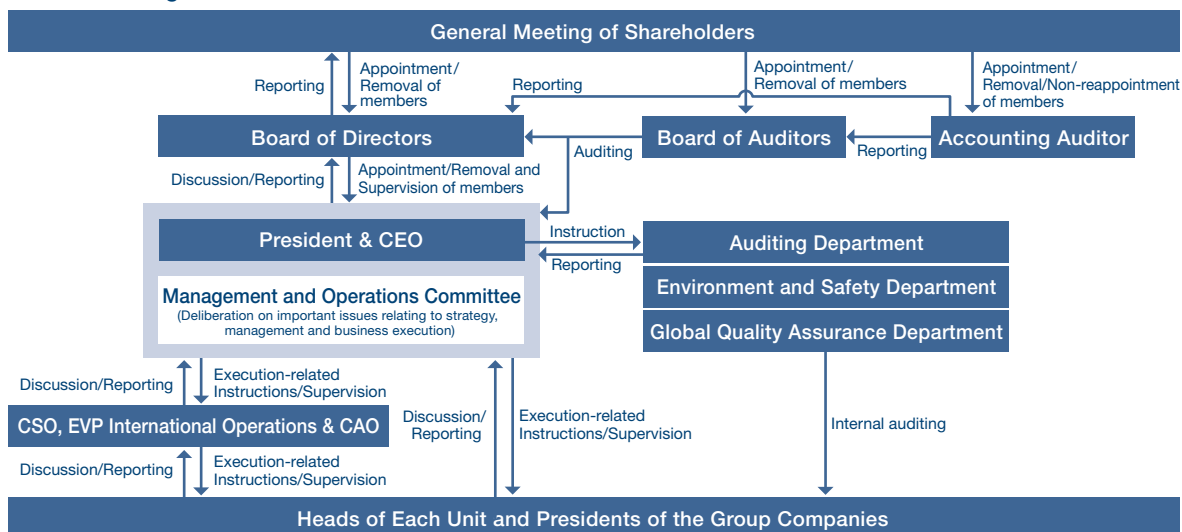
Takeda has given its Board of Directors the primary functions of decision-making for company management and observing and overseeing business execution. The Board of Directors consists of six directors, and meets once per month in principle to make resolutions and report on important matters regarding management. Where business execution is concerned, Takeda envisages a responsive and highly effective system for operating its business, and believes the best way to achieve this is by creating an organization centered on talented personnel with detailed knowledge of the pharmaceutical business and conditions within the company. For this reason, we have not appointed external directors.

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

Furthermore, we formulated the "Management Policy for Affiliated Companies" and the "Takeda Group's Management Policy" to clarify roles and responsibilities, while ensuring compliance and appropriate business operations, at all group companies. To this end, we also implement periodic internal audits and a 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.

Schematic Diagram of Internal Control Structure



Auditing System

Takeda is a Company with Auditors as defined in Japan's Companies Act. Takeda has established a system to ensure audits by auditors are implemented effectively, formulating the "Audit Rules by Corporate Auditors" to prescribe the activities of auditors, including attendance at important meetings and authority to review important documents.

To ensure greater transparency of management by utilizing personnel from outside the company, Takeda has appointed two external 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.

Compliance

In order to fulfill social expectations and achieve recognition for its value to society, Takeda continues to have all members of the Takeda group practice Takeda-ism to ensure that the business is operated not only in compliance with laws but also in accordance with Takeda's own high moral and ethical standards.

Takeda Compliance Program for Globalization

To ensure all executives and employees comply with domestic and foreign laws and business ethics, Takeda started the "Takeda Compliance Program for Globalization" in April 1999. Under this program, Takeda established the "Takeda Code of Compliance Standards" as standards of conduct to which executives and employees must adhere, and advanced company-wide compliance by designating a "Compliance Officer" and establishing a "Compliance Promotion Committee" and a "Compliance Secretariat."



Compliance Programs in Each Division

The heads of each division act as "Compliance Enforcer" and cooperate with the "Compliance Sub-Enforcer" in their division and the "Area Compliance Enforcer" to prepare and implement the "Compliance Promotion Annual Plan." In this way they offer their staff the required training and instruction, and ensure that compliance is rigorously enforced. The results of compliance initiatives each fiscal year are reported to the Compliance Officer in the form of a "Compliance Assessment Report" and reviewed by the Compliance Promotion Committee, then reflected in company-wide planning for the following fiscal year.

Voice of Takeda System

The "Voice of Takeda System" was established to collect information from employees in the form of compliance-related questions, reports and proposals, which are then reflected in compliance practice. The system also helps to safeguard those who disclose information. In November 2008 we added an external contact at our outside counsel. The Compliance Secretariat deals appropriately with the information sent, whether by e-mail, the internal mailing system, or any other means. Where there are issues requiring improvement, the Compliance Secretariat contacts the relevant divisions to arrange corrective action, thereby enhancing compliance.

Promotion of Compliance at Domestic and Overseas Subsidiaries

The Compliance Secretariat acts to enhance the Compliance Program for Globalization at domestic and overseas subsidiaries, either directly, or by collaborating with the division in charge of the relevant subsidiary. In addition, the Compliance Secretariat exchanges information periodically with personnel in charge of compliance in the subsidiaries.

Protection of Personal Information

Takeda introduced "Personal Information Protection Rules" in January 2005 to enable the company to respond appropriately to Japan's Personal Information Protection Law. The rules provide for systems for protecting personal information, as well as methods for handling such information appropriately. In view of the importance of personal information protection, Takeda also formulated a "Policy of Personal Information Protection," which can be viewed on the Takeda web site.

Promotion of Compliance in Research

In pursuing its research activities Takeda complies with relevant laws, such as the Pharmaceutical Affairs Law, as well as in-house regulations, in order to develop superior pharmaceutical products. When conducting experiments using animals, we observe laws and regulations, including the "Law on Animal Protection and Management," as well as respecting animal life. We are also considering the possibility of adopting research methods that do not require animals, and when animals are used, we try to use as few as possible and make every effort to minimize any suffering.

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

Corporate Governance

Crisis Management

Enhancement of the Takeda Group's Crisis Management Structure

Preventing emergency situations, or responding precisely when they occur, is an important aspect of the Takeda group's corporate governance. It has therefore been necessary to establish a crisis management structure, improving it as required, in addition to ensuring adequate audits and other internal controls and promoting compliance on a group-wide basis.

When implementing crisis management, it is important to act with fairness and integrity to ensure the Takeda group's employees and finances are safeguarded. This is a responsibility that Takeda must fulfill toward its stakeholders, who include shareholders, customers, suppliers, employees, communities and society at large.

Takeda is therefore working on 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 2008, Takeda created its "Basic Policies for Guideline Development" regarding business continuity and its "Guidelines for Pandemic Influenza Phase 4." The latter addressed the possibility of a bird flu pandemic, which was believed to be a global threat. For employees we developed "Preventive Measures against Pandemic Influenza and Action Manual," a manual offering advice on how to avoid bird flu, and what to do if an outbreak should occur, in addition to establishing a website specifically for communicating with employees in the event of a major outbreak. By these means, we have done everything possible to prevent or deal with new forms of influenza by providing appropriate information to employees and their families. We believe that these steps to ensure both the health and safety of our employees, and our capacity to fulfill our role as a pharmaceutical company by maintaining a reliable supply of drugs, will minimize any potential impact on our operations.

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 Guidelines," which comprise basic policies, rules and standards for crisis management. The guidelines also underpin systems and mechanisms 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

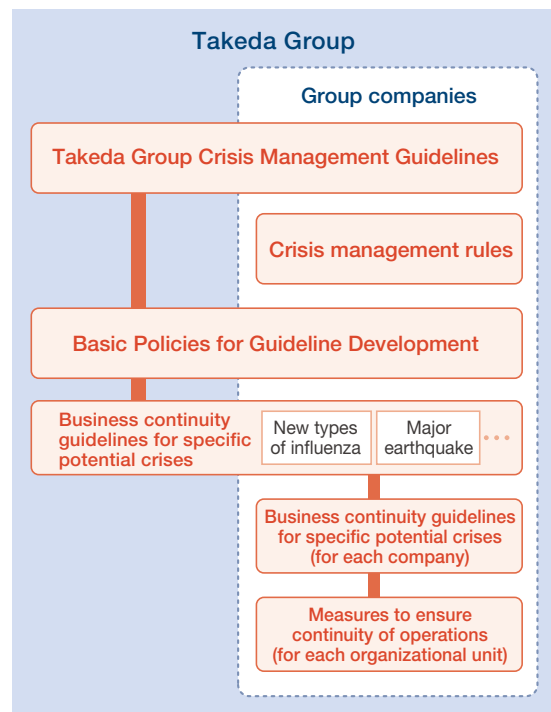
Crises denote situations in which:

- 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 use the "Crisis Management Committee," which has its office in the Corporate Communications Department of Takeda Pharmaceutical Company Limited, to gain a joint understanding of the situation and any relevant information. The Crisis Management Committee then reports to top management, and instructs each division and group company on countermeasures to be taken, later following up on the implementation of the countermeasures.

Positioning of Crisis Management Guidelines



Corporate Information As of March 31, 2009

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: 19,362 (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:

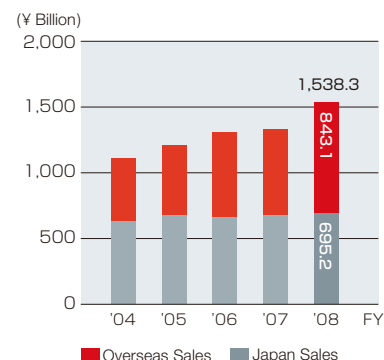
12-10, Nihonbashi 2-Chome

Chuo-ku, Tokyo 103-8668, Japan

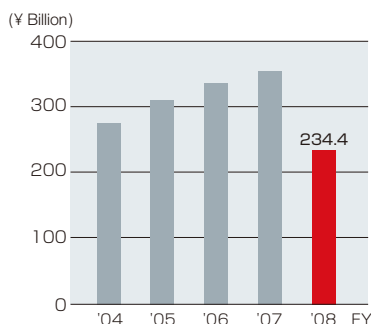
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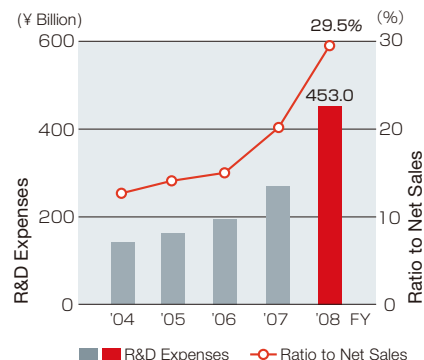
Net Sales



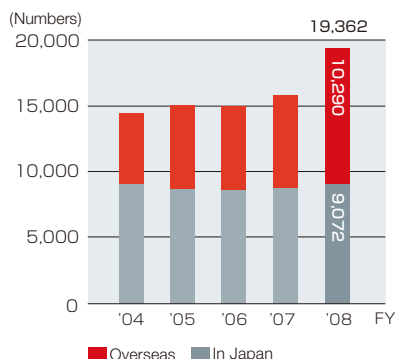
Net Income



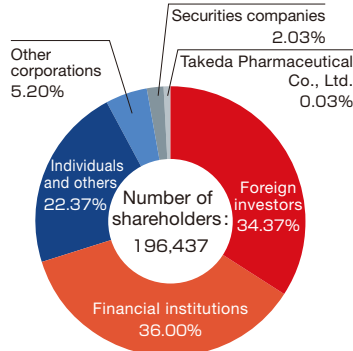
R&D Expenses / Ratio to Net Sales



Number of Employees



Proportion of Shareholders



GRI Guidelines Content Index

Takeda's Annual Report 2009 and Annual Report 2009 CSR Data Book were prepared with reference to the Sustainability Reporting Guidelines 2006 (Version 3.0) 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 2009 and Annual Report 2009 CSR Data Book satisfy the GRI Application Level B for reporting standards.



Application Level Standards

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1–2.10 3.1–3.8, 3.10–3.12 4.1–4.4, 4.14–4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5–4.13, 4.16–4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social, and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

GRI Guidelines Reference Table

Aspect	Indicator	Relevant Pages in Reports	
		Annual Report	CSR Data Book
		Core	Additional
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.	5	–
1.2	Description of key impacts, risks, and opportunities.	50,51,90	2,3,60
2 Organizational Profile			
2.1	Name of the organization.	127	61
2.2	Primary brands, products, and/or services.	15	61
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	92,93	61
2.4	Location of organization's headquarters.	127	61
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.	65,92,93	29
2.6	Nature of ownership and legal form.	88,89,127	58,59,61
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	3,14	–
2.8	Scale of the reporting organization, including: • Number of employees; • 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.	2,3, 95-127	61
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: • 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).	27,75, 95-127	37,43
2.10	Awards received in the reporting period.	73	41

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
3 Report Parameters				
Report Profile	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	–	1
	3.2	Date of most recent previous report (if any).	–	1
	3.3	Reporting cycle (annual, biennial, etc.)	–	1
	3.4	Contact point for questions regarding the report or its contents.	127	1
Report Scope and Boundary	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. 	12,13,22-25, 50-51	1-7
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	–	1
	3.7	State any specific limitations on the scope or boundary of the report.	1,65-67 72-74,83-85	1,29-31 38-45,53-55
	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.	5-11,75	37
	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.	0,65,67, 72-74,84,85	29,31,38-42, 54-55
	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).	5-11	–
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A	N/A
GRI Content Index	3.12	Table identifying the location of the Standard Disclosures in the report.	–	62-65
Assurance	3.13	Policy and current practice with regard to seeking external assurance for the report.	–	66
4 Governance, Commitments, and Engagement				
Governance	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.	88	58
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	88	58
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	88	58
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	88	58
	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).	※	※
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	88	58
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	※	※
	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.	12,13	–
	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.	22-25,88	4-7,58
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	88	58
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	22-25,88-90	4-7,58-60
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	22-25	4-7
	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. 	–	1
	4.14	List of stakeholder groups engaged by the organization.	13,50	2
	4.15	Basis for identification and selection of stakeholders with whom to engage.	13,50	2
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	36,37,43,45,47, 53,56-62,86	11,13-25, 45,56,57
	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.	51,54,69, 75,86	3,14,33,37, 56,57

※ Financial Statements for Year Ended March 31, 2009

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
5 Disclosure on Management Approach and Performance Indicators (Economic, Environmental, Social)				
Economic				
Economic Performance Indicators	Disclosure on Management Approach	5-11,95-125	61	
Economic Performance	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.	2,3,95-125	27
	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.	119	—
	EC4	Significant financial assistance received from government.	—	—
Market Presence	EC5	Range of ratios of standard entry level wage 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.	76-79	46-49
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	—	—
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	—	—
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	95-125	—
Environmental				
Environmental Performance Indicators	Disclosure on Management Approach	68,69	2-7,28-45	
Materials	EN1	Materials used by weight or volume.	74	42,44,45
	EN2	Percentage of materials used that are recycled input materials.	—	—
Energy	EN3	Direct energy consumption by primary energy source.	74	42,44,45
	EN4	Indirect energy consumption by primary source.	—	—
	EN5	Energy saved due to conservation and efficiency improvements.	67	30-31
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	67	31
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	—	—
Water	EN8	Total water withdrawal by source.	65,73,74	29,41,42,44,45
	EN9	Water sources significantly affected by withdrawal of water.	65	29
	EN10	Percentage and total volume of water recycled and reused.	—	—
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	—	—
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	64,65	28,29
	EN13	Habitats protected or restored.	—	—
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	64,65	28,29
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	—	—
Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight.	3,66,67,74	30,31,42,44,45
	EN17	Other relevant indirect greenhouse gas emissions by weight.	74	42,44,45
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	66,67	30,31
	EN19	Emissions of ozone-depleting substances by weight.	—	—
	EN20	NO, SO, and other significant air emissions by type and weight.	73,74	41,42,44,45
	EN21	Total water discharge by quality and destination.	65,73,74	29,41,42
	EN22	Total weight of waste by type and disposal method.	72,74	38,39,42,44,45
	EN23	Total number and volume of significant spills.	—	—
	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.	—	—
Products and Services	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.	65	29
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	67	31
Compliance	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 non-compliance with environmental laws and regulations.	—	—
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	74	42
Overall	EN30	Total environmental protection expenditures and investments by type.	74	42

Aspect	Indicator	Relevant Pages in Reports		
		Annual Report	CSR Data Book	
		Core	Additional	
Social (Labor Practices and Decent Work)				
Labor Practices and Decent Work Performance Indicators	Disclosure on Management Approach	22-25,50,51 80-85	2-7,50-55	
Employment	LA1	Total workforce by employment type, employment contract, and region.	3	52,54
	LA2	Total number and rate of employee turnover by age group, gender, and region.	–	–
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	84	54
Labor/ Management Relations	LA4	Percentage of employees covered by collective bargaining agreements.	※	※
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	–	–
Occupational Health and Safety	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 number of work-related fatalities by region.	85	55
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	85	55
Training and Education	LA9	Health and safety topics covered in formal agreements with trade unions.	85	55
	LA10	Average hours of training per year per employee by employee category.	83	53
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	83	53
Diversity and Equal Opportunity	LA12	Percentage of employees receiving regular performance and career development reviews.	–	–
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	80,83	52,55
	LA14	Ratio of basic salary of men to women by employee category.	–	–
Social (Human Rights)				
Human Rights Performance Indicators	Disclosure on Management Approach	22-25,51,54	2-7,50-52	
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	–	–
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	76-79	46-49
	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.	–	–
Non-discrimination	HR4	Total number of incidents of discrimination and actions taken.	–	–
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	–	–
Child Labor	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	–	–
Forced and Compulsory Labor	HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	–	–
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	–	–
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	–	–
Social (Society)				
Society Performance Indicators	Disclosure on Management Approach	22-25,51,54	2-7,13-27	
Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	75	13-15,37,43
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption.	89,90	58-60
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	89,90	58-60
	SO4	Actions taken in response to incidents of corruption.	–	–
Public Policy	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.	※	※
Anti-Competitive Behavior	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	–	–
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	–	–
Social (Product Responsibility)				
Product Responsibility Performance Indicators	Disclosure on Management Approach	40,41	8-11	
Customer Health and Safety	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.	40,41	8-11
	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.	–	–
Product and Service Labeling	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.	39,55	15
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	89	59
	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.	–	–
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	–	–
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	–	–



Yoshito Nakamura

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This third party opinion regarding Takeda Pharmaceutical Company Limited ("the Company") has been tendered after reviewing the Company's Annual Report 2009 and CSR Data Book ("the Data Book"), and interviewing those responsible for the creation of the Data Book.

As a company aiming to become a "World-Class Pharmaceutical Company," Takeda has joined the UN Global Compact from this year, and is currently working to implement the rigorous requirements of global society as encapsulated in the Compact's 10 principles on human rights, labor, the environment and other areas. It is my hope that in following through with its commitment to these principles and disclosing the results of its efforts, Takeda will earn an even greater degree of trust from the global society. Below I have noted the four areas under which the Company organizes its disclosure of non-financial information.

1. Relationship with Society

Takeda is involved in the manufacture and sale of pharmaceutical products that are concerned with human health. As such, disclosure relating to the Company's performance in terms of product responsibility is especially important. In this regard, Takeda's reporting on its quality assurance system shows the Company's effort to secure the public's trust in its products. The reports also document examples of partnership activities with international NGOs, giving a clear indication of Takeda's commitment to society through global corporate citizenship activities. In future I would like to see Takeda examine the necessity of disclosing any other important information that may exist, such as product-related problems and improvements.

2. Relationship with Environment

The reports show the Takeda Group's initiatives to prevent global warming, such as changing of the fuel used at production bases, have yielded effective results—a 30 percent reduction in Group CO₂ emissions compared with fiscal 2005. As a company that handles a wide array of chemicals, Takeda also makes efforts to provide ample explanation of its measures to prevent environmental accidents. This seems an effective approach to gaining the trust of neighboring citizens and trading partners. In future, I hope to see Takeda expand its environmental activities involving its supply chain, customers and employees.

3. Relationship with Suppliers

Takeda requires its suppliers to adhere to the same standards outlined in its own corporate philosophy, and places importance on maintaining sound and fair dealings in all partnerships. In addition to practicing this philosophy, Takeda is also working to achieve CSR-based procurement in its supply chain. In future, I would like to see the Company use concrete figures to show the effects and results of these efforts.

4. Relationship with Employees

The reports explain that at Takeda, maximizing the potential of its diverse employees is the source of sustainable growth, and that the Company therefore accommodates the different working styles of each individual employee. In particular, it is clear that Takeda is taking measures to ensure that as a global enterprise, employees in each country share a common management mission. In future, I hope the Company will include a quantitative description of its labor modes, composition, safety and diversity.

Up until now the Company has produced an integrated annual report incorporating non-financial information such as CSR activities as its method of disclosure. From this year, the Company is enhancing its accountability with respect to CSR activities by publishing a supplemental CSR Data Book containing detailed non-financial information to complement the integrated Annual Report. The Data Book describes the Company's practical approaches to its social responsibilities by stakeholder group. The effect is to give the reader a clearer understanding of Takeda's management stance based on a perspective of Takeda as a corporate citizen.

In future reports, I hope to see the Company present its achievements in social responsibility as a world-class pharmaceutical company more systematically by discussing each of the four fields of focus. In addition, I hope that the Company will continue to hold itself accountable by also presenting clear tables of goals and results and taking other measures to enhance the understanding of Takeda by global stakeholders.