

Annual Report 2010

CSR Data Book

Relationship with
Our Stakeholders

Based on Takeda-ism



Takeda Pharmaceutical Company Limited

2	Takeda's Stakeholders / Basic Policy on CSR / CSR Promotion Framework / Specifying Materiality for CSR and Setting KPI
4	Initiatives for the United Nations Global Compact / CSR Activities—Achievements and Targets
6	Feature Global CSR / Biodiversity Initiatives
10	Quality Assurance System
14	Production System / Patient-Oriented Formulation Technology and Quality Design
	Relationship with Society
16	Takeda's Corporate Citizenship Activities
18	Feature: Supporting Children in Long-Term Treatment Activities in Japan (Stakeholder Dialogue)
22	Activities in Africa and Asia
24	Activities in the U.S.
26	Activities in the U.S. and France
28	Activities in Germany and Italy
30	Activities in the UK and China
32	Activities in Taiwan and the Philippines
34	Activities in Thailand and Indonesia
36	Corporate Foundations and Employee Volunteer Activities, etc.
38	Other Activities
	Relationship with Environment
40	Feature: Climate Change and Water Resources Conservation Initiatives
42	Basic Principles on the Environment / Environment and Safety Management Structure
43	Policies and Achievements / Takeda Group's Standard for Environmental Protection and Accident Prevention Work / Responsible Care Activities
44	Initiatives to Reduce Environmental Risks / Environmental Protection and Accident Prevention Audit
46	Accident Prevention Initiatives
47	Environmental and Safety Measures at New Research Center
48	Waste Reduction
50	Reduction in Releases of Chemical Substances / Air, Water, and Soil Quality Protection
52	Environmental Impacts Associated with Business Activities / Environmental Accounting
53	Dialogue with Stakeholders
54	Environmental Impact Data by Site
	Relationship with Business Partners
56	Feature: Value Chain Management
58	Basic Purchasing Policy / Committed to Sound and Fair Business Relationships / Assessment of Business Partners / Employee Compliance Program / Green Procurement Initiatives
	Relationship with Employees
60	Feature: Promoting Diversity
62	Rights of Individuals / Shared Values of Takeda-ism / Cultivating Employees in Japan, etc.
64	Work-Life Balance / Employment of People with Disabilities / Mental Healthcare, etc.
66	Corporate Governance
67	Compliance
68	Crisis Management
69	Corporate Information
70	GRI Guidelines Reference Table
74	Third-Party Comment

【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 2009 (April 1, 2009 to March 31, 2010)

*Some fiscal 2010 activities are included.

【Issue Date】

October 2010 (Previous issue: November 2009)

【Reference Guidelines】

Sustainability Reporting Guidelines:

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

AA1000:

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

【Reference Guidelines】

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

【Inquiries】

Takeda Pharmaceutical Company Limited Tokyo Head Office
Corporate Communications Department

12-10, Nihonbashi 2-Chome Chuo-ku, Tokyo 103-8668, Japan
Tel: +81-3-3278-2111 Fax: +81-3-3278-2000

Website

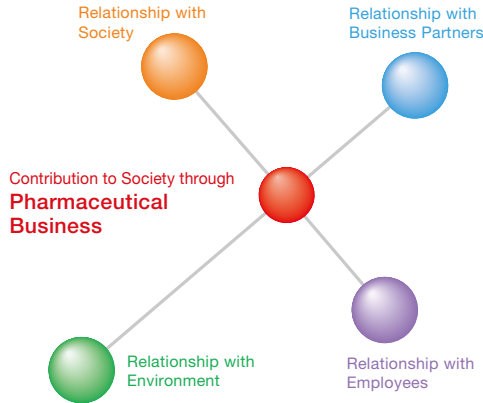
<http://www.takeda.com/>

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

Our Stakeholders

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

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



Basic Policy on CSR

For Takeda, the heart of CSR is embodied in our corporate mission of “striving towards better health for patients worldwide through leading innovation in medicine.” In short, we believe that our most important responsibility to society is in helping patients and health-care professionals through our core business.

That said, another perspective we take is that to lose the ability to sustain a healthy society is to lose our own sustainability. We have developed a deep awareness of this truth over our 229 year history. In particular, 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 the development of pharmacology.

CSR Promotion Framework

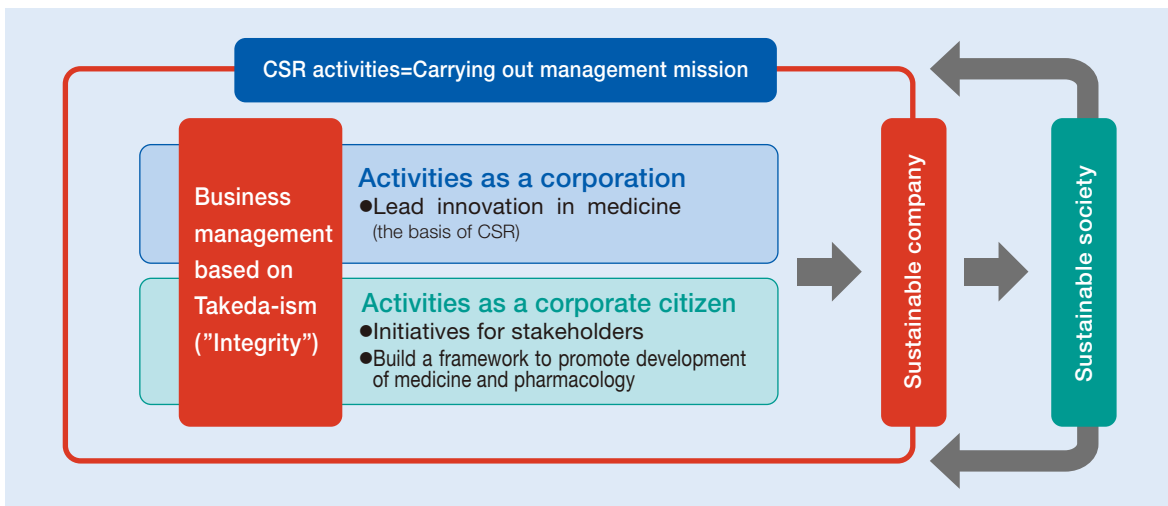
We have established a dedicated team within the Corporate Communications Department for promoting CSR activities. The role of the organization is to raise the level

of CSR activity throughout the entire Company. The 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. This is in addition to similar communication with those departments responsible for product quality and safety in the core pharmaceuticals business. In each case, the new organization will provide 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.

Specifying Materiality for CSR and Setting Key Performance Indicators

Takeda is actively working to create opportunities to engage with stakeholders, in an effort to gain a firm understanding of their expectations and demands with respect to global pharmaceuticals companies. In addition to our participation in the United Nations Global Compact and BSR*, we promote dialogue with international organizations that evaluate CSR activities, civic groups and NGO/NPO entities. We also participate in CSR-related Committees of Nippon Keidanren (Japan Business Federation) and sit on various committees for pharmaceutical associations. We use the information we gain through these activities to decide on critical activities and key performance indicators, while also considering the ISO guidance on Social Responsibility (draft) and the importance of the activities to Takeda. Most of our critical activities are shown in the feature pages of this report along with the results of our activities. Key performance indicators are mainly set for environmentally related fields, and form a means of improving our activities.

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



Relationship with Our Stakeholders

Takeda incorporates the ten principles of the United Nations Global Compact in all its corporate activities to promote CSR.

Initiatives for the United Nations Global Compact

As a global 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 giving due consideration to the environment in conducting its business activities.

Relationship with Society

Based on our participation in the United Nations Global Compact, we are accelerating our assistance programs that target developing countries, since these are the main focus of the United Nations Millennium Development Goals (MDGs).^{*} In fiscal 2008 we instigated the “Takeda-Plan Healthcare Access Program,” whose aim is to improve the health of children in Asia in partnership with an international NGO. In fiscal 2009 we established the “Takeda Initiative,” a support program that aims to develop and strengthen the capacity of healthcare workers in Africa to assist in the fight against the three major infectious diseases of HIV/AIDS, tuberculosis and malaria. Through these programs we are conducting disease prevention and health education activities and improving access to healthcare services across developing nations.

^{*} Please refer to p. 23 for more details about the Millennium Development Goals.

Relationship with Environment

All Takeda Group companies around the world carry out ongoing global environmental activities. These take a long-term perspective and are based on the “Basic Principles on the Environment” that are shared throughout the company. Takeda Garden for Medicinal Plant Conservation (Kyoto) currently cultivates more than 2,400 species of precious plants from around the world, including 84 endangered species, thus helping to protect biodiversity. As a pharmaceutical company with global operations, we are also aware that the use of genetic resources is an important issue, and have adopted a cautious stance relating to procurement in this area. As part of our response to climate change, we have initiated measures to realize significant reductions in our CO₂ emissions, including conversion to more eco-friendly fuels at the Hikari Plant, the Takeda Group’s largest manufacturing facility. We also strive to actively disclose information as part of our participation in the Carbon Disclosure Project.

Relationship with Business Partners

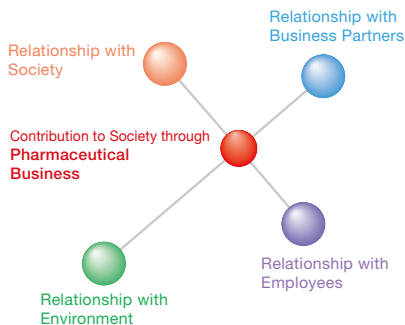
In accordance with the “Takeda Code of Compliance Standards,” Takeda strives to establish an equal, fair and impartial relationship with business partners. We are committed to the ten principles of the United Nations Global Compact relating to anti-corruption. We are also formulating a “CSR Purchasing Guideline” to help us build even stronger partnerships with all of our business partners. In addition, Takeda is a corporate member of an advisory group of “supply chain sustainability” which is a United Nations Global Compact-driven project to formulate guidelines on how to implement sustainable supply chains. We give top priority to the safety of patients by working to build a global value chain that ensures product quality at every stage, from supply of raw materials to when pharmaceutical products reach patients.

Relationship with Employees

As a pharmaceutical company with global operations, Takeda is committed to promoting workforce diversity and actively cultivating people with international skills. The management policies Takeda formulated in fiscal 2009 specifically advocate creating a dynamic corporate culture to support this goal. The Human Resources Department has recently set up a special diversity team to oversee various initiatives aimed at fostering an attractive internal company culture based on cultural receptiveness. In terms of human resource development, we operate a global leadership development program through an alliance with leading France-based business school INSEAD.

CSR Activities in Fiscal 2010

Takeda has formulated CSR activities for fiscal 2010 that clearly correlate with the United Nations Global Compact’s ten principles in the key fields of “Relationship with Society,” “Relationship with Environment,” “Relationship with Business Partners,” and “Relationship with Employees.” Please refer to the facing page for an overview of fiscal 2009 achievements and fiscal 2010 initiatives.



CSR Activities and Targets

Field	GC10 Principles	Fiscal 2009 Activities	Evaluation	Fiscal 2010 Targets
Relationship with Society	Principle 1 Principle 2	Provide information spanning treatments, preventative measures and other topics ●Held courses and seminars on health and lifestyle-related diseases, etc.	○	Continue to provide information spanning treatments, preventative measures and other topics
		Improve access to health and medical services in developing countries in Asia ●Started the Takeda-Plan Healthcare Access Program	○	Continue to improve access to health and medical services in developing countries on a global level
		Train and support the human resources who will contribute to the progress of healthcare ●Held the Takeda Young Forum	○	Continue to train and support the human resources who will contribute to the progress of healthcare
		Grant research in a wide range of fields that contribute to healthcare development ●Research grants from the Takeda Science Foundation	○	Continue grant research in a wide range of fields that contribute to healthcare development
		Build partnerships with NGOs and NPOs ●Promoted joint programs with the Civil Society Initiative Fund, Plan Japan and others	○	Continue to build partnerships with NGOs and NPOs
		Develop a clear picture of current volunteer activities within the Takeda Group ●Conducted a best practice analysis of Group companies outside of Japan	△	Continue to provide Japanese staff with opportunities to participate in volunteer activities
Relationship with Environment	Principle 7 Principle 8 Principle 9	Implement policies on the environment and accident prevention ●Planned activities based on policy	○	Continue to implement policies on the environment and accident prevention
		Formulate the Takeda Pharmaceutical Environmental Action Plan ●Formulated proposals for the Takeda Pharmaceutical Environmental Action Plan	△	Continue to formulate the Takeda Pharmaceutical Environmental Action Plan
		Build the Takeda Group Environmental Management System ●Ascertained each business site's compliance with Takeda Group's Standard for Environmental Protection and Accident Prevention Work	○	Continue to build the Takeda Group Environmental Management System
		Set medium-term targets for climate change initiatives ●Set targets for fiscal 2015	○	Strengthen initiatives to promote biodiversity
		Formulate guidelines for management of chemical substances ●Established a framework for evaluating hazard potential and promote measures to prevent exposure in manufacturing processes	○	Continue to strengthen management of chemical substances and formulate guidelines
		Set medium-term targets for use of water resources ●Ascertained current status and ensured risks are low	○	Continue to set medium-term targets for use of water resources
Relationship with Business Partners	Principles 1 to 10	Effectively implement initiatives against counterfeit drugs ●Implemented initiatives in cooperation with international organizations (ICPO, WHO), regulatory agencies and industry group	○	Build a framework in accordance with GDP (Good Distribution Practice), and tighten the security throughout the supply chain
		Reinforce adherence to the Basic Purchasing Policy ●Executed 6 training sessions per year in the General Purchasing Department	○	Have all departments fully aware of and following CSR Purchasing Guideline
		Evaluate our suppliers' progress in CSR initiatives ●Carried out surveys of suppliers	○	
		Other company benchmarks for supply chain management ●Implemented in coordination with consulting companies	○	
		Promote green procurement ●Steady implementation based on policy	○	Continue to promote green procurement
Relationship with Employees	Principles 1 to 6	Reinforce adherence to the Global Human Resources Policy ●Carried out personnel exchanges between Group companies in and outside of Japan	○	Rebuild human resources vision
		Run the Takeda Leadership Institute program ●Held the program in 9 countries for 36 people	○	Continue to run the Takeda Leadership Institute program
		Hold the Takeda Global Awards ●Awarded not only high performance, but also employees who embodied Takeda-ism, and who contributed to society	○	Continue to hold the Takeda Global Awards
		Carry out the Global Employee Survey (biannually) ●Surveyed employees in Japan. 94.5% response rate	○	Continue to carry out the Global Employee Survey (biannually)
		Improve mental healthcare services ●Held Line Care Training for company executives and Self Care Training for regular employees	○	Continue to improve mental healthcare services
		Take steps to create workplaces that are easy to work in ●Acquired the Kurumin next generation accreditation mark for a second consecutive year	○	Continue to take steps to create workplaces that are easy to work in

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

Relationship with Our Stakeholders

Inclusion Status in SRI Indexes

Recently investors are showing increasing interest in socially responsible investment (SRI) where investment fund managers evaluate not only financial aspects of companies for investment, but also their CSR initiatives. Takeda is a constituent of the FTSE4Good SRI index provided by FTSE, and the Morningstar, Inc. SRI index; MS-SRI, as well as the Dow Jones Sustainability Asia Pacific Index. (As of September 30, 2010).



Feature 1

Global expansion plus CSR activities

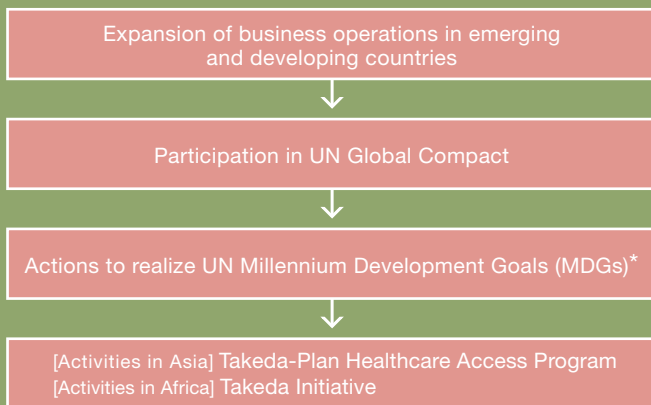


WE SUPPORT

Based on the ten principles of the United Nations Global Compact, we are going beyond the creation of superior pharmaceuticals to promote global corporate citizenship activities.

Our business operations are rooted in the corporate philosophy of "Takeda-ism = Integrity." In addition, all of our corporate activities as a responsible corporate citizen incorporate the 10 principles of the United Nations Global Compact, an important global framework for companies to autonomously exercise integrity in business operations.

In fiscal 2009, we sought to further fulfill our responsibilities as a global pharmaceutical company by establishing new initiatives in Asia and Africa as part of our continuing efforts to expand assistance for developing countries. We plan to continue promoting these initiatives from a long-term perspective.



* The UN Millennium Development Goals are targets to be achieved by 2015 to help tackle common problems around the world on a global scale. Please refer to page 23 for more details.



© The Global Fund / John Rae

Activities in Africa → P.22

Takeda Initiative

In March 2010, we launched the "Takeda Initiative," an endowment program designed to support the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), with an aim of developing and strengthening the capacity of healthcare workers in Africa. Currently, some five million lives are lost worldwide each year due to HIV/AIDS, tuberculosis and malaria, which are three of the world's most devastating infectious diseases. This constitutes a major obstacle to growth in developing countries, and addressing these diseases is a critical issue for the international community.

Africa suffers from a particularly severe shortage of healthcare providers, which hinders the provision of healthcare services to overcome such diseases. Takeda is contributing to Global Fund-supported programs in Africa, to enhance healthcare systems mainly through developing and strengthening individuals involved in providing healthcare. Takeda has committed ¥100 million in annual funds to this initiative for the ten-year period of 2010-2019. Most of these funds will be directed to Global Fund projects in Tanzania (malaria), Nigeria (HIV/AIDS) and Senegal (tuberculosis).



Activities in Europe → P.27

Our commercial subsidiaries in Europe each work closely with NGOs to develop autonomous corporate citizenship activities. Many employees are active participants in volunteer activities.



Activities in Japan → P.18

Among a wide range of corporate citizenship programs, we support a citizens' group whose activities help to empower children in long-term medical care for everyday life.



Activities in Asia → P.23

Takeda-Plan Healthcare Access Program

In August 2009, Takeda established the "Takeda-Plan Healthcare Access Program" in collaboration with Plan Japan. This initiative aims to support access to healthcare services for children in four countries in Asia.



Activities in the U.S. → P.24

Individual employees take part in various activities including NPO housing and local amenity development programs and activities in support of cancer patients.



Stakeholder's Voice

Rapid changes in the landscape of the pharmaceutical industry have presented Takeda's management with significant challenges. The Takeda Global Advisory Board (TGAB)* conducts vigorous exchanges of opinion with management about such issues.

Takeda is working to ensure sustained growth by expanding its business in emerging markets, including in developing countries. As a global pharmaceutical company engaged in the business of relieving human suffering, Takeda will need to become part of the solution for some of the problems confronting these countries. I fully expect the Company to carry out sincere CSR activities based on the principles of the United Nations Global Compact.

Dr. Tadataka Yamada, External Advisor



External Advisors

- Ms. Karen Katen** Former Vice Chairman of Pfizer Inc. and currently Senior Advisor for Essex Woodlands Health Ventures
- Dr. Frank Morich** Former CEO of Bayer HealthCare and currently CEO of NOXXON Pharma
- Mr. Sidney Taurel** Former Chairman and CEO of Eli Lilly & Co. and currently Chairman Emeritus of Eli Lilly & Co.
- Dr. Tadataka Yamada** Former chairman of Research and Development and member of the Board of Directors at GlaxoSmithKline and currently President of the Global Health Program at the Bill & Melinda Gates Foundation

* The Takeda Global Advisory Board (TGAB) is a body comprised of four external advisors with executive-level experience at global pharmaceutical companies.

Feature 2

Biodiversity initiatives

As a company engaged in businesses that protect life, Takeda has a long-standing commitment to dealing with issues involving biodiversity.

Creating an open and active corporate culture is one theme in the Vision defined by the 2010-2012 Mid-Range Plan. To establish this culture, we need to develop diversity and global talent base, and empower its organization. The aim is to further improve our standing as a good corporate citizen. As part of this, we will work even harder to help protect the global environment. Estimates place the number of species in the world at approximately 30 million. According to the United Nations Millennium Ecosystem Assessment published in 2005, human activity has raised the species extinction rate to anywhere from about 100 to 1,000 times the natural rate. The United Nations has proclaimed 2010 the International Year of Biodiversity, and the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) will take place in October in Nagoya, Aichi Prefecture, Japan.

Conserving biodiversity is not the only role of COP10. The gathering will also examine ways to create a framework for sharing the benefits from utilizing genetic resources fairly. This is an issue that is attracting much interest worldwide.

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 Takeda Garden for Medicinal Plant Conservation (Kyoto), which grows many plants that are on the verge of extinction. Our global activities as a pharmaceutical company give us a strong awareness and understanding of the many issues associated with utilizing genetic resources. We will carefully consider these issues while gathering accurate information and working with external organizations.

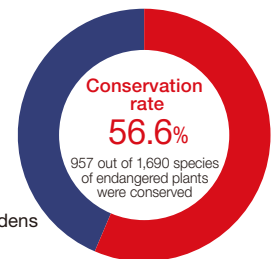
Initiatives to Preserve Biodiversity

■ Takeda Garden for Medicinal Plant Conservation (Kyoto)

Since its establishment in 1933, Takeda Garden for Medicinal Plant Conservation (Kyoto) has collected, grown and used herbal and other plants with medicinal value from around the world. Currently, the garden grows more than 2,400 species of rare plants.

In 2002, the Sixth Conference of the Parties to the Convention on Biological Diversity (CBD/COP6) set a 2010 target of protecting 60 percent of threatened plant species in accessible ex situ collections, preferably in the country of origin. In response, the World Botanic Gardens Congress established the goal of holding 50 percent of endangered plant species at botanical gardens in the each plant's country of origin by 2010. The Japan Association of Botanic Gardens addressed this issue by establishing a network of botanical garden centers to protect botanical diversity. By fiscal 2009, this association had protected 56.6 percent, or 957, of the endangered plant species in Japan.

As part of this network of botanical garden centers, Takeda Garden for Medicinal Plant Conservation (Kyoto) is playing a key role in preserving biodiversity in Japan. The garden currently holds 84 species, including 53 of the 120 endangered herbal plants species held by the entire network. Activities to collect more species continue with the goal of increasing the number to 100. In fiscal 2009, the garden led a project to complete a list of rare plant species at all herbal gardens in Japan. This list, allows botanical gardens to share their rare plant species and collaborate in other ways too.



Conservation Rate for Endangered Plant Species at Japanese Botanical Gardens (Fiscal 2009)



Seed storage room at Takeda Garden for Medicinal Plant Conservation (Kyoto)



Takeda Garden for Medicinal Plant Conservation (Kyoto)

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



Lithospermum erythrorhizon



Euyale ferox

Takeda Garden for Medicinal Plant Conservation (Kyoto) has been making improvements to its facilities following its 75th anniversary in 2008. The garden is dedicated to making an even greater contribution to preserving biodiversity as a herb garden operated by a global pharmaceutical company. Plans at the garden also include practical training in the field of pharmacology, environmental education for children and other activities.

Initiatives for Sustainable Use of Biological Resources

Takeda’s environmental policy covers the entire Group and incorporates guidelines concerning biodiversity, and activities at all divisions of Takeda are consistent with the objectives of the Convention on Biological Diversity, which includes the international regime on Access and Benefit-Sharing (ABS) for genetic resources.

Takeda uses genetic resources in Japan and other countries as ingredients for products and indirectly utilizes these resources in its R&D activities. Genetic resources utilized as ingredients include herbal drugs used to manufacture Chinese herbal medicine products, which are over-the-counter drugs. Most of these ingredients are from cultivated plants but some are sourced from wild plants. We are currently studying the feasibility of switching from wild to cultivated plants.

When using genetic resources in R&D activities we observe the terms of the Convention on Biological Diversity. We will continue to conduct our operations in a sincere manner that reflects concern for biodiversity issues while deepening cooperative relationships with partners on a global scale.

Sources of Herbal Drugs (Fiscal 2009)

Percentage of wild plants (based on volume)	25%
---	-----

Access and Benefit-Sharing (ABS) for Genetic Resources

ABS is an international framework to ensure that the benefits from using genetic resources of plants and microorganisms to develop drugs and health food products are shared fairly and in a balanced way among countries that supply the genetic resources. At the 2002 COP6, an agreement was reached to establish an international ABS guideline called the Bonn Guidelines. These guidelines are voluntary and cover a broad range of activities associated with ABS.

Objectives of the Convention on Biological Diversity

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



Takeda’s Policy for Biodiversity (Environmental Policy)

Biodiversity Activities at Takeda

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

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

[Quality Assurance System]

Fundamental Policy

It is very natural that Takeda's mission is strict compliance with applicable laws and regulations, Takeda has structured a comprehensive quality assurance and safety control system above all to supply safe, high-quality products that patients and customers can use with

complete confidence. With cooperation among QA departments of Takeda Group companies worldwide, Takeda is committed to maintaining the reliability of its global operations at all stages extending from research, clinical studies, manufacturing, distribution, and provision of information on appropriate use, to monitoring and analysis of safety and quality information as its products become widely used.



Yasutaka Igari, Ph.D., Senior Director, Global Quality Assurance Dept.

Global Quality Assurance Policy

Takeda established the "Global Quality Assurance Policy" in 2008 as a company policy indicating the appropriate attitude in comprehensive quality assurance activities including risk management and crisis management. All Takeda Group companies around the world are required to comply with this policy. As a pivot of Takeda Group's quality assurance, the Global Quality Assurance Department promotes the establishment of a quality assurance system expected of a global pharmaceutical

company by creating and disseminating global policy and guidelines to all Takeda Group companies.

"Quality" that Takeda Pursues

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

Quality Assurance Spanning the Entire Product Life Cycle

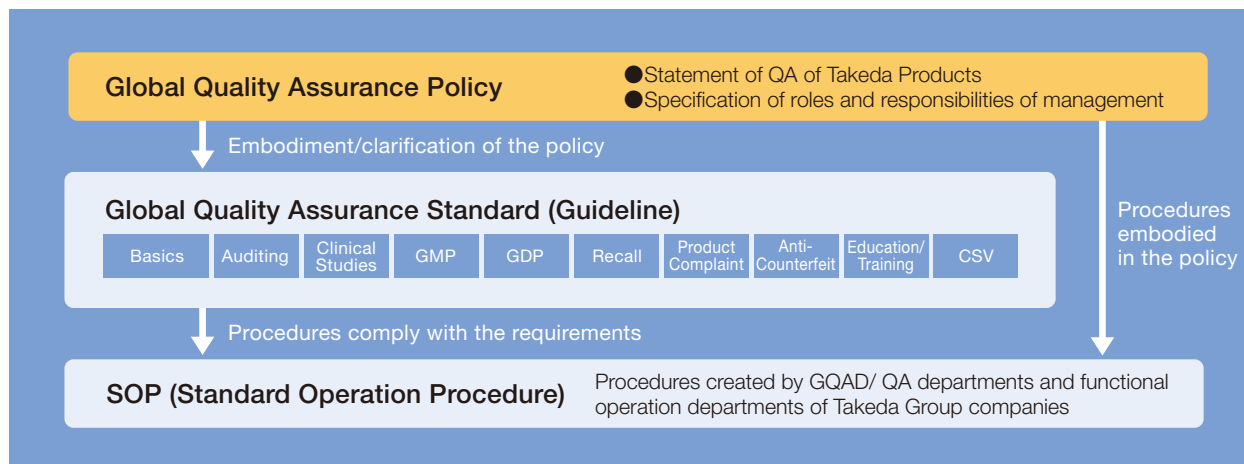
■ Research and Non-Clinical Studies

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

■ Clinical Development

All of Takeda's clinical studies, wherever conducted, comply with the Japanese, European, and U.S. International Conference on Harmonization-Good Clinical Practice (**ICH-GCP**), in addition to national and regional regulations as well as Takeda Group's own standard operating procedures and adherence to protocols.

System for Quality Assurance of Takeda Products



GMP (Good Manufacturing Practice)

GDP (Good Distribution Practice)

CSV (Computerized System Validation)

Quality Assurance System

■ Manufacture of IMP and Pharmaceutical Products

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

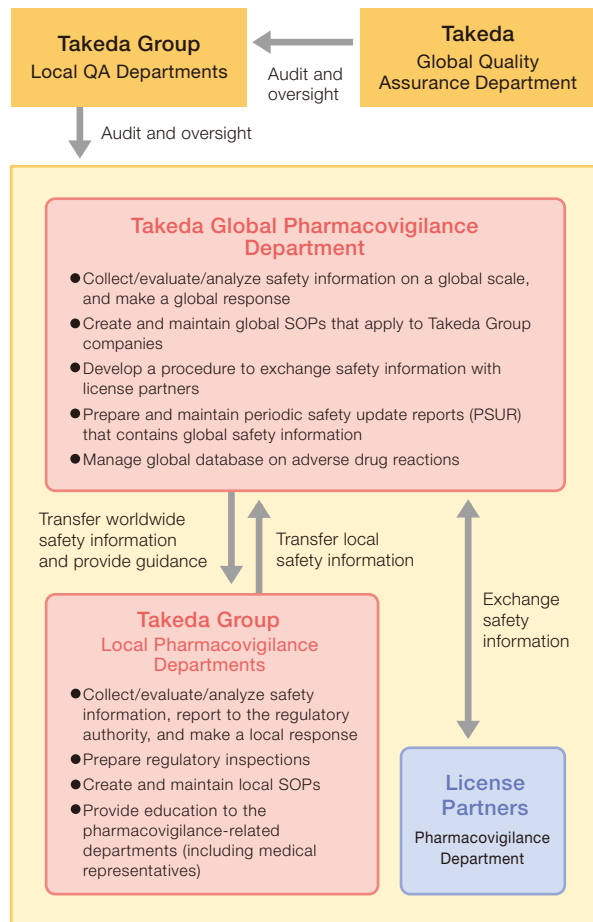
■ Post-Marketing Quality Control

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

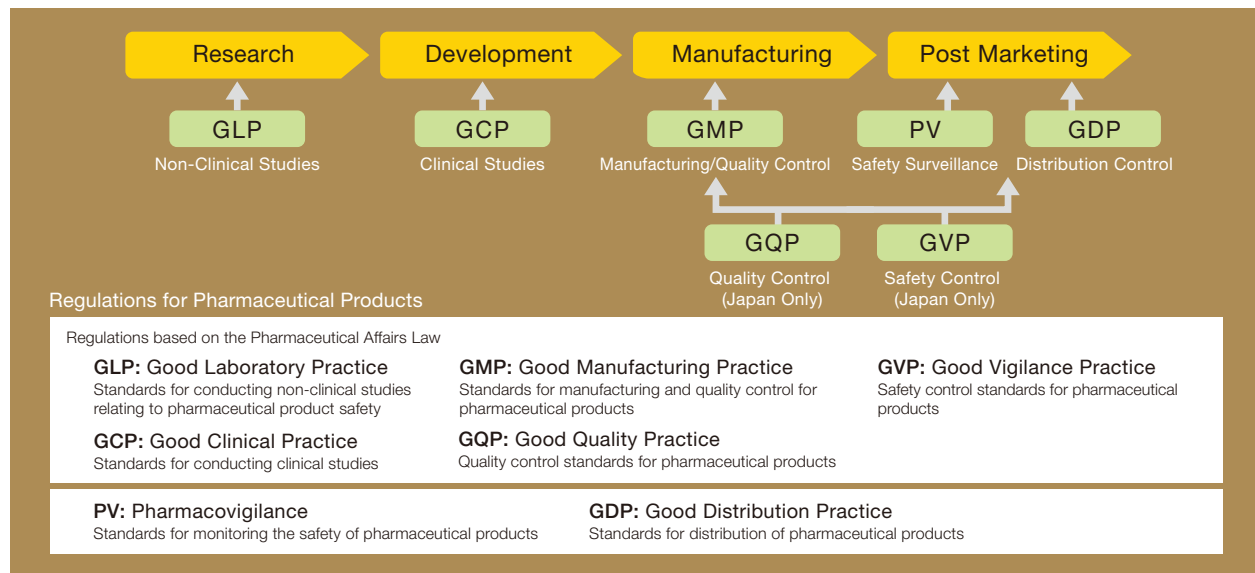
■ Safety Surveillance of Pharmaceutical Products

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

Structure to Manage Safety Information (Global Pharmacovigilance System)



Product Life Cycle and Regulations



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



Risk Management and Crisis Management

Even under the most stringent quality and safety control, unforeseen product defects or adverse drug reactions may occur. Takeda makes the utmost effort to minimize the likelihood and mitigate the risk of these by gathering and analyzing risk-related information appropriately on a global scale to prevent injury to health by Takeda products.

■ Council for Risk Evaluation and Mitigation

Takeda is accelerating the globalization of its operations to realize its corporate mission of providing superior

products worldwide to contribute to the health of as many patients as possible. Takeda has thus needed to implement risk management taking into account more diverse factors than ever before.

For example, due to lack of knowledge, an ingredient that is taboo in certain cultures or religions could cause serious problems. Since counterfeit drugs as well as counterfeit and adulterated raw materials have recently posed significant threats to the health of patients and consumers globally, all pharmaceutical companies with global operations are required to take action in response to them.

Takeda has set up a Council for Risk Evaluation And Mitigation (CREAM) hosted by the Global Quality Assurance Department, aiming to deal with illegal activities such as counterfeit pharmaceutical products and situations peculiar to each country due to differences in culture and religion as well as political, economical, and social environments.

■ Global Recall System

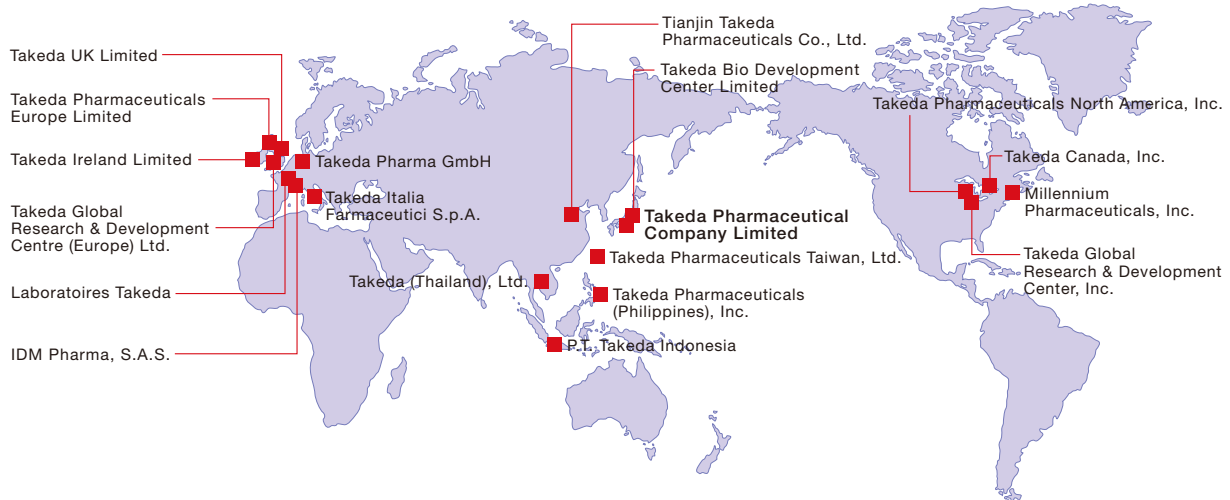
Individual Takeda Group companies are responsible for developing and implementing a system for local product recall and have taken actions in this regard when necessary. Since the supply management of products for global markets is becoming more complex due to the manifold manufacturing sites and multiple sales and distribution channels in different countries around the world, a global recall system that addresses unexpected recall of products in multiple countries on a global basis has been established in an effort to strengthen the crisis management system.

Concept of Risk Management



Quality Assurance System

Quality Assurance System Global Network



Pharmaceutical Business

Case handled properly as a result of global sharing of 'safety information'

Sales Termination of Eczema and Dermatitis Medications "Lovac S Series" in Japan

The Eczema and Dermatitis "Lovac S Series" Medications with their active ingredient, the non-steroidal anti-inflammatory agent Bufexamac, had been sold in Japan as over-the-counter (OTC) products. Cases were reported in 2005 in which patients treated with an ethical formulation containing Bufexamac made by other pharmaceutical companies developed contact dermatitis which spread from the region given topically and thus required treatment. Consequently, Takeda revised its "Precautions for use" to promote appropriate use of the "Lovac S Series". Meanwhile, Takeda immediately noticed that the European authority had initiated deliberations on reassessment of the efficacy of pharmaceu-

tical products containing Bufexamac (January 2010) following issuance of an opinion by the German regulatory authority favoring withdrawal of pharmaceutical products containing Bufexamac (November 2009). Consulting with experts and explaining the situation to the Ministry of Health, Labour, and Welfare in Japan, Takeda terminated the sales of "Lovac S Series" in April 2010 ahead of other Japanese companies. This decision was made based on the data being assessed in Europe and analysis of the situations in European countries, before the regulatory authorities in/outside Japan reached such a decision. Since the European regulatory authority issued a decision to withdraw Bufexamac-containing pharmaceutical products shortly after Takeda's decision, other Japanese companies also terminated sales of Bufexamac-containing OTC and ethical pharmaceutical products.

Global Recall System



We will continue establishing a global supply network which enables stable product supply to customers in every region of the world at high quality and low cost.



Hikari plant



TIL drug product plant



TIL drug substance plant

Five Basic Policies for Establishment of Our Global Supply Network

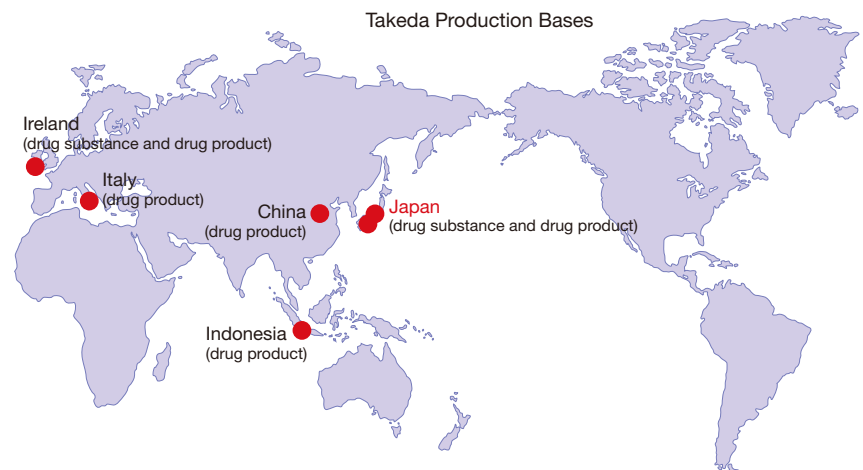
In tandem with rapid international expansion of its sales network, Takeda is establishing the global supply network based on the following five policies:



Takashi Inkyo, Senior Vice President, Pharmaceutical Production Div.

- 1 Establish the global supply network and quality assurance system to cope with new geographic expansion
- 2 Promote technology-driven cost reduction
- 3 Passing on and enhancing our manufacturing technologies at domestic and overseas manufacturing plants
- 4 Develop human resources to support globalization and technology succession
- 5 Promote environmental sustainability

Takeda's global production system, which forms the core of the developing global supply network, comprises three key manufacturing plants in Japan (at Osaka and Hikari) and Ireland (Takeda Ireland Limited: TIL). These sites will support the smooth launch of new products. We are continuing our efforts to establish the global supply network through enhancement and integration of system of global purchasing, production and distribution.



Production System

Patient-Oriented Formulation Technology and Quality Design

Takeda is working to develop carefully-crafted, quality pharmaceuticals that offer value to patients.

Takeda's mission is "striving towards better health for patients worldwide through leading innovation in medicine." As part of this, we are constantly developing technology to produce medicines that are more effective, easier to use and of higher quality. This includes developing our formulation technologies so as to maximize the efficacy of the drug's active ingredient while making it easier to take. Examples include orally disintegrating tablets that dissolve quickly in the mouth and can be taken without water, and sustained release formulations designed to extend the drug's efficacy over long periods. As part of our quality assurance program, we design the pharmaceutical packaging to protect the product from the surrounding environment (including factors such as heat, light, humidity and physical shock from dropping). We are also developing improved labels and drug presentations to ensure that medicines are taken properly.

We designed the packaging for this drug by imagining the situations in which patients would take it.

**Benet 17.5mg tablets:
a treatment for osteoporosis**

Benet 17.5mg tablets (generic name: risedronate sodium hydrate) can be taken once a week for the treatment of osteoporosis. To prevent mistakes in taking the drug, we have developed a blister card packaging with a single tablet per card and space alongside to write the date on which the tablet should be taken. This presentation also has several ease-of-use features for elderly patients with this condition. The blister card won two design awards during fiscal 2009: the Good Design Award 2009 and the Japan Packaging Contest Appropriate Packaging Award.



Good Design Award
2009 winner product



2009 Japan Packaging Contest Appropriate
Packaging Award winner product



Takeda's Voice



The idea was to launch this once-a-week tablet in a push-through-pack (PTP or blister) presentation. At first we were unsure what would work best, and so we tried to imagine how a patient would actually use the drug. We employed large, easy-to-read lettering in the packaging design and also put the label in Braille. We designed the paper card and plastic sheet used in the blister pack to be easier to separate and discard. We believe that the result is a simple, easy-to-use package design that preserves the quality of the product and is convenient for patients.

Yasutaka Furutani

Pharmaceutical Technology R&D Laboratories,
Chemistry, Manufacturing and Controls (CMC) Center

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 towards better health for patients worldwide through leading innovation in medicine," and we conduct our business accordingly. Our core operation of creating and providing patients with superior pharmaceuticals is key to achieving this mission, but we also place great importance on our initiatives for corporate citizenship activities. In particular, Takeda's business as a pharmaceutical company is one 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.

Focus of Our Corporate Citizenship Activities

Takeda focuses its corporate citizenship activities where it has developed strengths over 200 years as a pharmaceutical manufacturer—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 issues in their respective regions. 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 basic framework to ensure that each activity is balanced with the overall direction of the whole Group.

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 Healthcare

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



Relationship with Society

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

Since the healthcare field is fundamentally involved with the lives of people, one of important things which corporations working in this field must tackle is establishing a framework for long-term, ongoing support. Takeda has developed links with NGOs and NPOs who

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

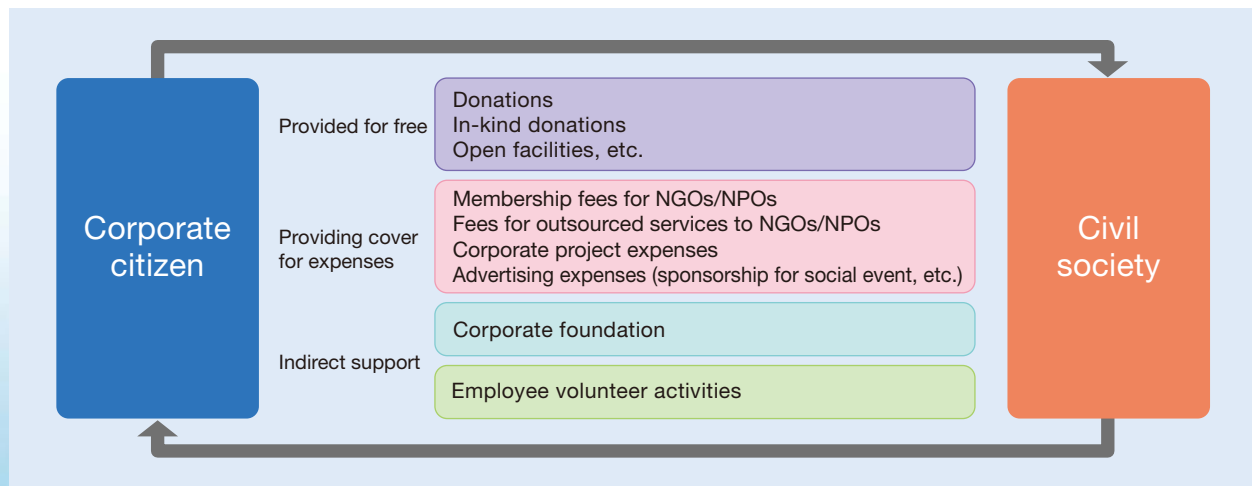
For our links with these organizations we are examining a variety of options above and beyond free provision of business resources.

Takeda's Main Corporate Citizenship Activities and Their Timeframes

Program name	Summary (Partner Organization)	Started	Timeframe
Takeda Initiative	Support fight against AIDS, TB and Malaria in Africa (The Global Fund to Fight AIDS, Tuberculosis and Malaria)	2010	10 years
Takeda-Plan Healthcare Access Program	Support efforts to improve access to healthcare for children in Asia (Plan Japan)	2009	5 years
Takeda Well-Being Program	Support Japanese children in long-term treatment and their families (Civil Society Initiative Fund)	2009	5 years
Prevention of Cervical Cancer in Thailand	Support for a cervical cancer prevention program in Thailand (Peoples' Hope Japan)	2007	3 years

Relationship with Our Stakeholders

Takeda's Ideal Relationship with the Public



Activities in Japan

What important for giving children in long-term treatment the energy to live— Takeda listens to the views of people involved in related support activities.

Stakeholder Dialogue

Date: March 18, 2010

Takeda's Philosophy and Approach on Stakeholder Engagement

For Takeda, stakeholder engagement means understanding the position and concerns of stakeholders and then reflecting these in corporate activities and decision making. We take a variety of approaches to communicate with stakeholders. In this case, we held a round-table discussion based on the relevant AA1000 scheme so that we could identify relevant upcoming issues through direct dialogue. Please refer to page 23 for other related initiatives.



■Representing Organizations

Supported by the "Takeda Well-Being Program":

Network for Support of Children with Diseases - Play Volunteers, NPO

Ms. Kazuko Sakaue, Director
Mr. Kozo Mantani, Vice Director

ES-Bureau, NPO

Ms. Teruko Ando, Representative Director
Mr. Masatoshi Nagasawa, Operations Manager

Shibutane (Sibling Support Seeding Project)

Ms. Hisayo Kiyota, Representative

Japan Hospital Clowns Association (NPO)
Ms. Hiromi Taneyama, Tokyo office staff member

■Representing the Administrative

Arm of the "Takeda Well-Being Program":

Civil Society Initiative Fund (NPO)

Prof. Yoshinori Yamaoka, Chairman, Management Committee

Ms. Kuniko Kamiyama, Program Officer
Ms. Mina Shimoda, Assistant Program Officer

■Participants from Takeda:

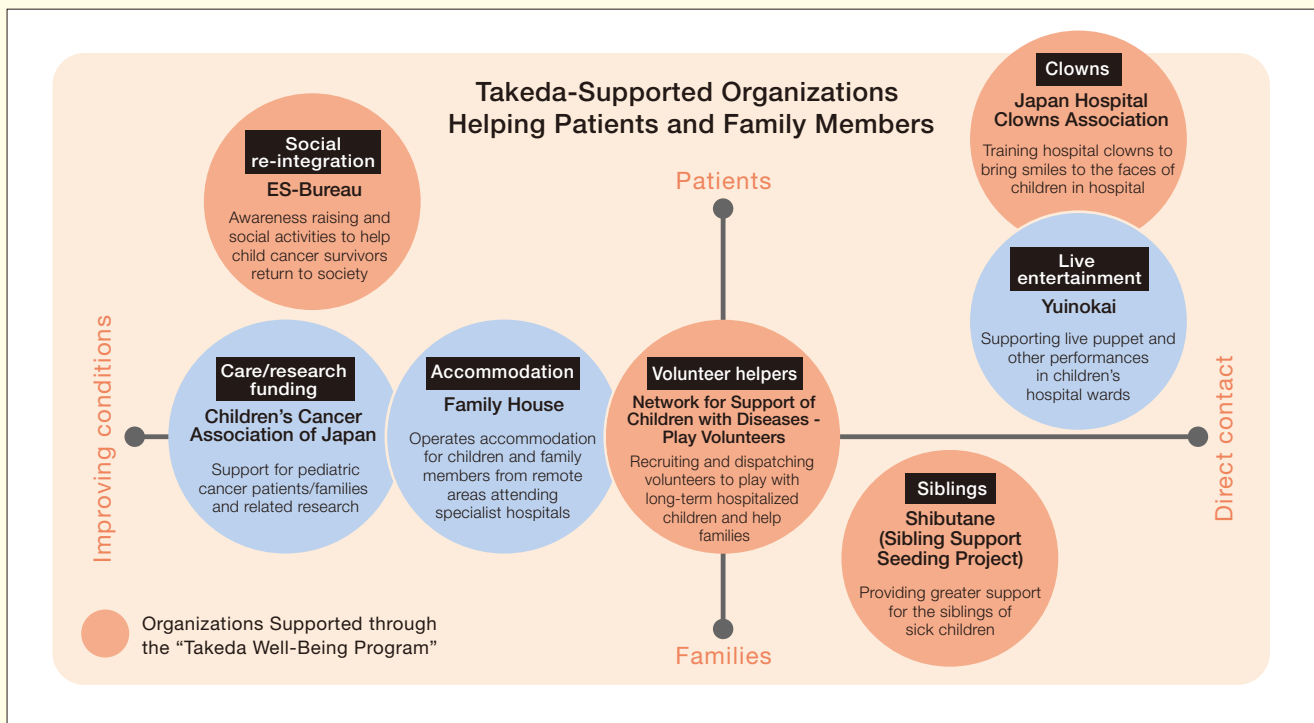
Corporate Communications Department

Koichi Kaneda, Senior Director / **Kouji Kido**, Coordinator / **Akemi Yanai** / **Haruhi Ichikawa**

■Outside Experts:

Prof. Shigeko Saiki-Craighill, Faculty of Nursing and Medical Care, Keio University

Ms. Emiko Nagasawa, Manager, Planning, Research & Development, NIPPON KEIDANREN (Japan Business Federation) Business Services



Relationship with Society

■ “Takeda Well-Being Program” and the Objectives of Stakeholder Dialogue

Working in conjunction with the Civil Society Initiative Fund (CSIF), in fiscal 2009 the “Takeda Well-Being Program” was set up to support the activities of groups which provide support to children undergoing long-term treatment for diseases and to their families. Based on advice provided by a CSIF-appointed expert advisory board, four NPOs were selected to receive grants in fiscal 2009. These organizations are the Network for Support of Children with Diseases - Play Volunteers, ES-Bureau, Shibutane (Siblings Support Seeding Project) and the Japan Hospital Clowns Association.

When children have to undergo long-term medical care, in many cases this affects not only the child involved but also has a serious impact on the life of the entire family. Through the “Takeda Well-Being Program,” Takeda aims to collaborate with a range of stakeholders to promote initiatives that, by giving children and their families the energy to live, help to improve their quality of life as they fight illness on a psychological, cultural and social level. A round-table stakeholder dialogue between the organizations receiving grants, the CSIF and experts in the field was organized to have a direct discussion concerning the following points, and to exchange views about the program.

■ Objectives of the Stakeholder Dialogue:

- ① Introduce activities of each organization and promote mutual understanding
- ② Confirm current issues
- ③ Discuss the program as a whole
- ④ Discuss and identify future ways of tackling issues

■ Discussion on Activities of Organizations Receiving Grants

Yamaoka: In the first half of this discussion, we hope to share the concept behind the activities of each group. Then we will discuss any current issues. In the second half of the discussion, we will be asking everyone for their views and trying to identify some issues relevant to how we can improve the funding program.

■ Network for Support of Children with Diseases - Play Volunteers

[Introduction] Being in hospital can place a lot of stress on a child and his/her family. The group organizes volunteers, mainly people working in childcare, to visit children in hospital for play sessions. The group’s current staff extends to about 70 volunteers. Many activities take place at the National Center for Global Health and Medicine. (Established: 1991) ©Grant: ¥2 million

Saiki: What approach is being taken with new hospitals that have never had such volunteers?

Sakaue: In most cases people are not allowed to approach the bedside. We are compiling a manual for volunteers, but we hope that more hospitals will hear about our group’s activities through lectures.



Saiki: I think it’s important that hospitals educate their staff and provide support for these kinds of volunteers. We need people who are prepared to try new things if we want to shake up society and make changes.

Taneyama: How do you ensure safety while working in hospitals?

Sakaue: Staff members wear gowns and masks to prevent infecting the patients.





Stakeholder Dialogue

Takeda will utilize feedback from those who really know how children in long-term care actually feel in planning future initiatives.

ES-Bureau

[Introduction] The group provides rehabilitation support services to help children who have survived cancer to re-integrate into society. (Established: 2000) ©Grant: ¥3 million

M. Nagasawa: With this grant we will be able to organize a national convention for patients and their families.

E. Nagasawa: I think that the fact that the group's activities are carried out from the perspective of beneficiaries. It's great that you use the grant to step up these activities.

Ando: Being involved in this area also means that we understand the personal challenges the children face. That is our strength as a group, I believe.

E. Nagasawa: I think it is important for those studying in medical fields to be involved in such activities, because they are the people who can change hospitals in the future.

Shibutane (Sibling Support Seeding Project)

[Introduction] The group organizes events and undertakes public relations activities to support the siblings of children who are sick. (Established: 2003) ©Grant: ¥0.25 million

Kiyota: Since I am the only full-time member of staff, we cannot organize anything particularly large. However, we are looking at developing a program aimed at children in junior and senior high school.

Saiki: Society needs to hear more about people and groups involved in giving support to the siblings of sick children.

Taneyama: I think it is important to communicate the feelings of siblings to adults in addition to their parents themselves.

Japan Hospital Clowns Association

[Introduction] The organization trains clowns for work in hospitals and sends them to entertain sick children. The aim is to use laughter to boost children's motivation to help them fight illness. Currently the group has about 40 clowns visiting 30 hospitals. (Established: 1995) ©Grant: ¥1.75 million

Taneyama: People wanting to be hospital clowns must complete a workshop as well as a full-time training course over three days so that they can learn all the basics and avoid causing any offence to any of the sick children or their families.

Saiki: As well as setting the bar high, it would be good if you could develop a broader variety of means to spark people's interest in what you do.

E. Nagasawa: There is also a need to prepare society in general to be accepting of the program, including the patients and their parents.

Saiki: We ask clowns to come to talk to our students at the university. Since hospitals are not all receptive to voluntary activities, I think that you need to take any chance you can get to talk about the program.

Ways of Improving the "Takeda Well-Being Program"

Yamaoka: First, let us hear from Takeda about the idea behind establishing this program of grants, and why now.

Kaneda: Our core business is to deliver superior pharmaceutical products to patients, and we thought we could contribute to improving the lives of patients in other ways than disease treatment and prevention approaches. That is the idea behind this program.

Yamaoka: We have chosen four organizations for this first round of grants, but in the future we plan to disburse grants as and when required.



Relationship with Society

Saiki: There is no other program targeting children in long-term medical care, which is why I thought that it would be good to highlight it. I think that we need to make the best use of the power of volunteers, and perhaps that we also need to change society's thinking in this area.

E. Nagasawa: What we would like for Takeda is to ask employees to volunteer to be part of these activities as well. Organizing a volunteer group or making donations could help employees gain a new perspective or sensitivity, which could even help in their daily work.



Yanai: Employee participation in such activities is unfortunately not so active. We will use our internal communications channels to introduce these activities to employees and encourage them to get involved.

Mantani: It is great to sit down and talk face to face. I hope that this will not be the last meeting, and that we can set up future opportunities to discuss how we have moved forward.

Saiki: I think that it is important we have a regular meeting and discussion forum for these groups.

Kaneda: Do other programs provide means for groups to communicate with one another?

Yamaoka: There are group associations that double up as information forums, but this is the only CSIF program where we have organized a meeting of groups based on a common grant-related theme. I think it would be easy to get discussions going if the theme were narrowed down to giving children the energy to live.

E. Nagasawa: It would be good if Takeda could create a forum to help groups communicate and exchange information and know-how. If we could also get medical professionals and other companies involved as well, that would enlarge the circle of support substantially.



M. Nagasawa: It might also help to get the message across if Takeda were to host a section about the activities of such groups on its web site.

Saiki: In my classes, I find myself telling students that the current situation in Japanese hospitals at the frontline of nursing care leaves a lot of room for improvement. These are the sorts of fresh initiatives that I also hope to communicate to students.

Kido: Here at Takeda we also want to broaden the range of opportunities to improve patient care at the frontline.

Kaneda: Thank you to everyone for your sincere and valuable comments. We will incorporate all of your feedback to try to improve the “Takeda Well-Being Program” along with the rest of our CSR activities. We really appreciate your contribution today.

Challenges Arising from Stakeholder Dialogue

1. Provide support for the collaboration among NPOs
2. Promote greater involvement by Takeda employees
3. Raise social awareness of the issue of children in long-term treatment and their families

Takeda plans to discuss the issues raised by this stakeholder dialogue with various NGOs and NPOs, both to deepen awareness and to discuss possible improvements. We will also study practical ways of promoting greater involvement in related voluntary activities by Takeda employees. We plan to provide updates on the progress made in these areas in future editions of the Annual Report and CSR Data Book.



In line with United Nations Millennium Development Goals (MDGs), we are focusing our efforts on preventing the spread of HIV/AIDS, tuberculosis and malaria.

Activities in Africa

The Takeda Initiative Targeted MDG: Goal 6



© The Global Fund / Juda Ngwenya

Overview of the Takeda Initiative

■ Recipient

Global Fund to Fight AIDS, Tuberculosis and Malaria
(Donations within Japan are accepted by the Japan Center for International Exchange, the administrative secretariat for the Friends of the Global Fund Japan)

■ Donation

¥100 million annually (for ten years 2010-2019)

■ Application

1) Takeda's donations support Global Fund-recommended projects in three countries aimed at giving assistance to strengthen health systems, mainly by developing and strengthening healthcare-related human resources

◎ Malaria in Tanzania

National Insecticide Treated Nets Implementation Plan (NATNETS)

—Strengthening the system to distribute insecticide-treated nets and developing the human resources engaged in promoting the use and dissemination of the nets

◎ HIV and AIDS in Nigeria

Scale-Up of Comprehensive HIV/AIDS Treatment, Care and Support

—Community-based care for HIV/AIDS patients and orphans; advocacy and awareness-raising activities to eliminate discrimination

◎ Tuberculosis in Senegal

Reinforce Tuberculosis Control in Senegal

—Capacity development of health workers engaged in tuberculosis diagnosis and treatment

2) Support for the Global Fund's public relations and advocacy efforts in Japan

As a pharmaceutical company with global operations, Takeda aims to contribute to better health and increased longevity for people worldwide. The "Takeda Initiative" is a new financial aid program to fund various programs supported by the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund). Through this program we aim to upgrade the assistance given by Takeda to countries in the developing world where previously we had not been able to make a substantial contribution. The Takeda Initiative puts into practice the philosophy behind the United Nations Global Compact, which we joined in fiscal 2008. Through the initiative Takeda is focusing its efforts to prevent the spread of the three major diseases of HIV/AIDS, tuberculosis and malaria, in line with a key MDG.

Based in Switzerland, the Global Fund is a non-profit organization dedicated to attracting and disbursing additional resources to prevent and treat HIV/AIDS, tuberculosis and malaria. The fund was formed in 2002 in response to calls from the former UN Secretary General Kofi Annan and the G8 group of nations, in the wake of the G8 summit held in Kyushu/Okinawa in 2000, at which the Japanese government declared the fight against infectious diseases to be a major international challenge. To date, the Global Fund has raised funds from the governments of the G8 countries, the Bill & Melinda Gates Foundation, as well as other government agencies, foundations, and private companies. It has approved proposals totaling U.S. \$19.2 billion in 144 countries, saving an estimated 5.7 million lives.

Stakeholder's Voice

We are extremely pleased with the commitment from Takeda. I hope it will inspire other corporations in Asia and across the world to step up and join the fight against AIDS, tuberculosis and malaria. The Global Fund's innovative financing mechanism gives companies and businesses who are not focusing on the three diseases, such as Takeda Pharmaceutical the opportunity to really have an impact on the lives of those in need.



Professor Michel Kazatchkine
Executive Director of the Global Fund

Relationship with Society

Activities in Asia

Takeda-Plan Healthcare Access Program

In August 2009, Takeda partnered with Plan Japan to establish the “Takeda-Plan Healthcare Access Program.” Plan Japan is a member of Plan International, a global NGO registered by the United Nations that is active in 65 countries throughout the world.

Improving and maintaining the health of children in developing countries requires measures that match the differing needs of each region. The Takeda-Plan program operates in China, Indonesia, the Philippines and Thailand, promoting a range of detailed measures aimed at giving children better access to healthcare. Progress status for each project as of the end of 2009 is outlined below.

■Activities in Thailand

A major health issue in Thailand is that most new cases of HIV infection are among young people. The project has conducted health education activities across 21 schools (public and private) to try to prevent the spread of HIV/AIDS.

■Activities in the Philippines

Targeting regions lacking healthcare support infrastructure, the project has provided monetary support for hospitalization and treatment (39 patients), purchase of medications (11 patients) and provided medical equipment (2 patients). Patients faced life-threatening illnesses in 14 of these cases.

■Activities in China

Malnutrition is widespread in children in certain rural parts of China. The project has undertaken educational activities in four schools (with 6,500 students in total) and began distributing free food supplies in December 2009.



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

Targeted MDG: Goal 6



Activities in the Philippines
Healthcare for children

Targeted MDG: Goal 2 & Goal 8



Activities in Indonesia
Elimination of defecation outdoors

Targeted MDG: Goal 4 & Goal 7



Activities in China
More nutritious diets for children

Targeted MDG: Goal 1 & Goal 2

Photo courtesy of Plan Japan

■Activities in Indonesia

Many children in Indonesia die from diarrhea-type diseases. The program targets five villages each year, promoting activities aimed at eliminating the unhygienic habit of defecation outdoors.

The United Nations Millennium Development Goals (MDGs)

The Millennium Development Goals are a common framework integrating the United Nations Millennium Declaration that was adopted in September 2000 at the United Nations Millennium Summit with international development goals that were adopted at various international conferences and summits during the 1990s. The MDGs consist of the following eight goals to be achieved by 2015.

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Sincere efforts for a bright, prosperous future
—Takeda’s global activities focus on promoting health in mind and body.

CSR Activity in the U.S.

Restoring a school with NPO Rebuilding Together



TPNA employees apply a new coat of paint to brighten up a wall

In August 2009, more than 300 employees from Takeda Pharmaceuticals North America (TPNA) and Takeda Global Research & Development Center (TGRD) refurbished a local school in North Chicago, Illinois near the company’s North American headquarters. This volunteer event helped to create a renewed environment for students and teachers.

TPNA and TGRD partnered with Rebuilding Together * Metro Chicago, an affiliate of the nation’s largest nonprofit volunteer home and community center rehabilitation organization, to identify a local school in need. We donated time and money for the building materials and supplies required for the renovations.

During the all-day event, we painted the wide hallways of the high school and landscaped an outside area enclosed by the buildings to create a more collegiate setting.



The high school hallways after being painted

Stakeholder’s Voice

TPNA and TGRD’s commitment to the local community for this event made a tremendous impact on the students. It has been a pleasure to work with Takeda for the past 8 years.

Ms. Wanda Ramirez

Executive Director,
Rebuilding Together * Metro Chicago

Painting the hallways transformed the entire look and feel of the school. We were so pleased that with TPNA and TGRD’s help the inside of the school now reflects our commitment to bettering North Chicago High School.

Dr. Daniel McDermott

Principal, North Chicago High School

Relationship with Society

Helping to light the night and bring hope to cancer patients



Team Millennium

Each fall, the Light The Night Walk is held at twilight to commemorate the lives of those touched by leukemia, lymphoma and myeloma. Cancer patients and survivors along with their families, friends, caregivers and other supporters walk to raise awareness and much needed funding for life saving research and treatment of blood cancers.

As dusk settles, thousands of illuminated balloons—white for survivors, red for supporters and gold in memory of loved ones lost to cancer—bring light to the dark world of cancer as supporters make their way around the historic Boston Common.



Millennium employees participate in the Light The Night Walk

Last October, over 400 walkers joined Team Millennium and raised \$17,000 for The Leukemia & Lymphoma Society to help find a cure for blood cancers.

Stakeholder's Voice

Millennium: The Takeda Oncology Company is a National Supporting Sponsor of Light The Night Walk. Millennium aspires to be part of the step-by-step process to cure cancer. With similar missions of helping patients with life-threatening illnesses, Millennium and LLS are a tremendous team. Along with its involvement in Light The Night, Millenium has provided extensive support for patient education programs in the areas of myeloma and lymphoma, along with education and outreach about clinical trials. Millenium has also provided research support for LLS's Career Development Program and medical education programs.

Thank you for your participation and support.

Ms. Andi Ciminello

Senior National Director of Corporate Giving,
The Leukemia & Lymphoma Society

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

CSR Activity in the U.S.

Employees participate in a charity walk for breast cancer



TSD employees

On October 29, 2009 over one hundred Takeda San Diego (TSD) workers teamed up with their canine companions and collectively walked 705 miles to raise funds for Susan G. Komen for the Cure (SGK). Employees in pink Takeda t-shirts and their pets, adorned with matching bandanas, circled the one mile loop between Takeda's two San Diego based research facilities. The event took on a global flavor as out of town TSD employees in Boston hiked a historical route, while other traveling colleagues simultaneously walked the Umeda region in Osaka, Japan. The money raised for SGK supports breast cancer education, assists patients with screening, diagnostics and treatment, and contributes to cancer research.



TSD employees and their pets participate in the charity walk

Stakeholder's Voice

Breast cancer not only attacks your body, it attacks your identity. Susan G. Komen for the Cure and all its resources, especially the Race for the Cure event, not only gave me back my identity but also allowed me to feel empowered with hope, joy and courage. My journey left scars on my body but I have also been able to experience wonderful things such as an incredible appreciation of life, inner-peace and curly hair.

Ms. Wendi Rostan
TSD Paralegal

Relationship with Society

CSR Activity in France

Support for patients with Friedreich's Ataxia and their families



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

Since 2003, Laboratoires Takeda (LT) has developed a relationship with the French Association of Friedreich's Ataxia (AFAF)—a national patient association. Friedreich's Ataxia is a rare genetic neurological disease that causes difficulties in coordination and neurological symptoms. A progressive disease, it leaves sufferers unable to walk unaided within 10 to 20 years of onset.

With AFAF, LT has developed two programs. One, created in 2005, is a program of information support that provides a medical newsletter for health professionals and information sheets for patients. This year, the information sheets covered swallowing disorders and rehabilitation. The second program, created in 2007, is a volunteer assistance program. Over two days, several volunteer employees, wearing orange tee-shirts, assist patients and families by helping patients to eat and move.



A medical newsletter for health professionals

Stakeholder's Voice

This year again, Laboratoires Takeda has shown us strong commitment!

We worked together to implement new information support programs for patients and health professionals. At the AFAF annual general meeting, several employees, still wearing orange tee-shirts, participated in care-giving by cheerfully offering their help. A profound thank you to LT; for the support and whole-hearted humanity that they offer.

Ms. Juliette Dieusaert

Head of the French Association of Friedreich's Ataxia

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

CSR Activity in Germany

Donations to improve a children's adventure playground



Gifts and donations from Takeda Pharma bring smiles

Since 2006, Takeda Pharma (TP) has supported local institutions and associations that work with socially underprivileged and disadvantaged people. In the past year, for example, the Kinderschutzbund Aachen e.V. (Aachen Child Protection Association) received a donation from TP to help renovate the association's adventure playground. The playground is a facility where children between the ages of five and 15 can play under the supervision of trained staff. At the presentation of the donation cheque on St. Nicholas Day (December 6), TP produced a special surprise for the children: two of the company's trainees dressed up as St. Nicholas and his helper to deliver 80 small bags, hand-filled with chocolate, cookies and fruit from TP staff, to the children.



TP trainees with surprise gifts for children

Stakeholder's Voice

In 2011, our adventure playground will celebrate its 25th anniversary. As we are constantly improving and expanding the playground, which extends over approximately 10,000 square metres, there is always construction going on somewhere on the site, and Takeda Pharma's support is therefore very welcome. In addition to needing funds, we are also continually looking for volunteers. The initiative on St. Nicholas Day was a great way to get involved and give the children a treat at the same time. It was a really nice surprise, which we and the children will definitely remember for a long time.

Ms. Andrea Weyer
Director Kinderschutzbund Aachen e.V.

CSR Activity in Italy

Mobile campaign to inform and raise awareness about diabetes



A vehicle for the TakeCare campaign tour

Takeda Italia Farmaceutici (TIF) organized the TakeCare tour to promote education, awareness and screening for diabetes. Embarking from Rome on September 18, 2009 with a press conference attended by the Italian Minister of Health, the tour travelled through Italy with a fully equipped mobile surgery, providing medical expertise, free tests, information and advice to help recognise diabetes and treat it more effectively. Through the tour, TIF provided prevention advice to over 3,400 patients, 1,400 glycated haemoglobin tests, and around 2,000 consultations with doctors to assess diabetes risk. Over 1,200 people took tests on-line on the web site www.diabetesottocontrollo.it. Through this project Takeda Italia Farmaceutici (TIF) renewed its commitment to helping institutions and patients in the fight against diabetes and its complications.



Free diagnostic tests for diabetes

Stakeholder's Voice

Fondazione Associazione Nazionale Pazienti Diabetici (FAND) and other associations of diabetes patients appreciated the TakeCare campaign because it contributed effectively to bridging information gaps addressing a lack of a structured therapeutic education on the disease.

All too often, the doctor-patient relationship is extremely brief with not enough time devoted to the patient, who then tends to underestimate the disease and its complications until they become evident and seriously effect the quality of life.

Education and information are the keys to curbing the present diabetes pandemic, as also indicated by the ONU resolution dated December 2006.

Mr. Antonio Papaleo
National Vice President of FAND

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

CSR Activity in the UK

Participation in a campaign to educate children about diabetes



Pupils of Carrington Junior School

As part of World Diabetes Day (WDD) on November 14, 2009, Takeda UK (TUK) encouraged a local school to increase awareness among pupils of diabetes, its prevention and the benefits of exercise.

Thirty pupils aged nine and ten at Carrington Junior School, High Wycombe, were provided with pedometers by TUK to measure their exercise levels during a specially organised Physical Education lesson. Each child was presented with a WDD glow band as a memento.

The TUK Diabetes team delivered an interactive presentation to the children prior to the lesson and presented certificates to demonstrate their achievements. The initiative was so well received that additional pedometers were provided to enable more than 220 pupils to benefit from the project.



The TUK Diabetes team with pupils

Stakeholder's Voice

We have had a number of children with diabetes attend the school and I think it's important for the children to learn more about the disease. Teaching them how much exercise they should take each day, whether it's walking or playing, will help them to realize the importance of exercise. With the help of Takeda UK, the children now have a greater understanding of diabetes and the role exercise can play in preventing the disease.

Ms. Jo Plaskitt

Headteacher of Carrington Junior School

CSR Activity in China

Takeda provides scholarships for students of local universities in Tianjin



Fiscal 2009 scholarship students and Li Yunpeng, vice president of Tianjin Takeda

Since its establishment in China 15 years ago, Tianjin Takeda has been working with three universities in Tianjin city, where it has a plant, to provide scholarships for their students. Takeda provides this assistance in cooperation with Nankai University, Tianjin University, and Tianjin Medical University to encourage and support students who excel in life science or chemistry but experience economic hardship in their daily lives. Altogether Tianjin Takeda provides 15 scholarships of US\$4,500 per year across the three universities. The scholarships are funded from the interest accrued in a scholarship fund set up in 1996.



Pharmacy & Science Pharmaceutical students

Stakeholder's Voice

The Takeda Scholarship was the first of the 70 or so scholarship programs at Nankai University. Approximately 60 students have received the scholarship over the past 15 years. This scholarship not only helps outstanding students economically, but also gives them tremendous motivation to excel in their chemistry studies here at Nankai University. I share the students gratitude to Takeda for their sincere efforts to motivate and support students in their studies.

Ms. Yang Kexin

Head of the Student Affairs Section of Nankai University

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

CSR Activity in Taiwan

Operating an intern project with Kaohsiung Medical University



Medical students participate in the intern project

To firmly enhance Takeda Taiwan's business image and help fulfill our vision of becoming "one of the most trustworthy and visionary pharmaceutical companies," we have run a summer vacation intern project with a famous university in Taiwan, Kaohsiung Medical University, since 2006. The intern project is founded in the spirit of social education, and allows us to share our business philosophy and Takeda-ism with the college students. We plan the project thoroughly, combining theory with practice to help students understand our business including marketing, sales, and medical regulations. This intern project not only helps students to plan their future careers but also promotes our business image and spirit through these students in their university. This project will be held again in 2010 and thereafter.



Ms. Lin Chia Ching

Stakeholder's Voice

I am always keen to learn about different aspects of the pharmaceutical industry and how it works, so I was so happy to have the opportunity to be intern at Takeda Taiwan this summer.

Everyone in Takeda Taiwan was willing to share their experience with me and I learned much more about various aspects of the pharmaceutical industry. The internship showed me much more about my future possibilities industry, and helped me to understand myself more; it gave me confidence about my future and encouraged me to keep pushing ahead.

Ms. Lin Chia Ching

CSR Activity in the Philippines

Supporting better healthcare in underprivileged areas



Staff from Takeda Pharmaceuticals (Philippines) receive a Certificate of Appreciation at the launching of GPSK 2009 on September 1, 2009

The “Gamot Para Sa Kapwa” (GPSK) project is a joint undertaking of the Philippine Department of Social Welfare and Development, SM Foundation, Inc., Philippine National Red Cross and Watsons Personal Care Stores. This is a mall-based outreach program that seeks to collect unopened, unexpired medicines from shoppers and other pharmaceutical companies which will be used for medical and dental programs for underprivileged communities. The SM Foundation receives the medicine and donations of medical supplies at all SM malls while the DSWD determines the beneficiaries of Gamot Para Sa Kapwa, and the Philippine National Red Cross provides support during medical missions, giving emergency assistance in disaster-stricken areas.



Patients participate in the GPSK Medical Mission.

Takeda Pharmaceuticals (Philippines), Inc. supported this project by donating Php1.5M worth of medicines.

Stakeholder’s Voice

The GPSK program is a partnership with SM Foundation and the medicines donated by Takeda Pharmaceuticals & other suppliers were given to them for use in their medical mission.

SM Foundation uses these donated medicines to conduct free clinics and medical missions to various provinces as well at selected SM malls. We would like to extend our deepest appreciation to Takeda Pharmaceuticals for their generous donation to the GPSK project. Takeda’s participation as a corporate donor of this program means more medical missions and health services will be accessible to underprivileged members of the community.

Ms. Gian Carla C. Ferrera RPh
 Asst. Category Manager
 Trading- Health
 Watsons Personal Care Store (Phils) Inc.

Relationship with
Our Stakeholders

Takeda continues efforts to address the issues facing developing countries.

CSR Activity in Thailand

Fundraising to help children requiring heart surgery



Takeda Thailand employees sell heart-shaped hoyo plants to raise funds

Rather than simply ask for donations we decided to sell hoyo plants. These attractive plants have heart-shaped leaves that symbolize our cause. This strategy worked well, because people were actually taking something tangible home as opposed to just the good feeling of making a donation.

Our “Hoyo Troop” worked in Siam Square and other locations that are popular with young people. Younger people were drawn to the idea of buying and growing the hoyo plants. In effect, buying a heart-shaped hoyo plant made them feel as if they were helping to buy new hearts for the children who needed them.

The proceeds from our hoyo plant sales and a donation from Takeda Thailand amounted to a donation of 1 million baht.

Working Together with Stakeholders

Once stakeholders heard about this project they were more than happy to get involved on many different levels. They not only gave donations, but they even helped sell the hoyo plants.

Also, they encouraged others, including friends and family, to donate to the project. This was a great help in terms of spreading the word and drawing more attention to the cause.



Selling hoyo plants as a fundraising activity

CSR Activity in Indonesia

Supporting better home care for stroke patients



Presentation by participants at the IJMISC workshop

PT. Takeda Indonesia is a member of the Indonesia Japan Medical Study Club (IJMSC), an NPO founded almost 15 years ago by a collaboration of Japanese pharmaceutical companies in Indonesia.



Group discussion

The main mission of IJMISC is to support ongoing medical education for general practitioners. The costs for running IJMISC and its activities are shared equally among the members.

PT. Takeda Indonesia acted as the club chair and hosted its main event for 2009. This event, a workshop called "Management Home Care for the Stroke Patient," was held in November 2009 in cooperation with a key neurology association and attended by 250 general practitioners.

PT. Takeda Indonesia continues to support non-profit activities to improve the skills and knowledge of general practitioners.

Donation to Assist Those Affected by the Padang Earthquake

The Padang Earthquake occurred in the western part of Sumatra, Indonesia on September 30, 2009. Padang is the capital city of West Sumatra Province. This earthquake had a magnitude 7.6 and caused 1,115 casualties, along with 1,214 people severely injured and 1,688 slightly injured.

PT. Takeda Indonesia made a US\$5,500 donation to two major hospitals working to take care of the injured people.



A donation was made to Ropanasuri Hospital

Takeda is continuously working to create basic infrastructure for healthcare development.

Foundations, Employee Volunteer Activities, etc.

Takeda Science Foundation

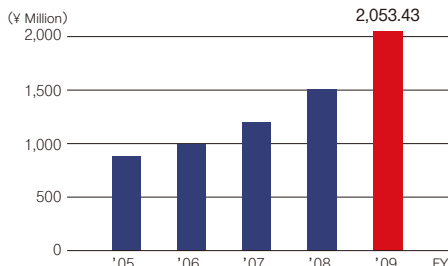
Since its establishment in 1963 with an endowment from Takeda, the Takeda Science Foundation has consistently expanded its activities based on the spirit of the Buddhist teaching “Intokuyouhou”: Good deeds, even performed unwittingly, will be rewarded. Major activities of the foundation and results for fiscal 2009 (in brackets) are as follows:

1. Financial incentives for research centers and research scientists involved in scientific technology projects (351 grants totaling ¥2,053.4 million);
2. Scholarships for foreign medical doctors and researchers conducting research in Japan (39 persons received a total of ¥93.5 million)
3. The Takeda Prize for Medical Science, which recognizes outstanding achievements in scientific research (Dr. Kazuwa Nakao, Professor, Kyoto University; Dr. Keiji Tanaka, Director, Tokyo Metropolitan Institute of Medical Science);
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; and
6. Other activities to encourage



Kyo-U Sho-Oku

Research Grant Amounts



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. After the Great Kanto Earthquake of 1923, Chobei Takeda, the fifth generation descendent of the founder of Takeda, donated funds to begin assembling a collection of historical herbal and medical texts of Japanese and Chinese origin to prevent them from being lost. The resulting collection formed the start of the library, which was opened in 1978 with funds from the Takeda Science Foundation as Kyo-U Sho-Oku. Its role is to store these books in perpetuity and to provide a place for researchers and the general public to view them.



Summary of Research Grants (Fiscal 2009)

Item	Overview	Amount	No. of Recipients
Specific research grant	Assistance for research facilities to assist in joint research projects that commit the entire power of the organization to developments in medicine	¥800.1 million	10 recipients
Takeda HOUSHOU grant for research in medicine	Support for world-leading medical research targeting medical researchers who have been in a university or research institution laboratory for less than three years	¥150 million	5 recipients
Bioscience research grant	Support for research activities deemed to make a significant contribution to advancement and development in bioscience-related scientific technology that contributed to improved human health	¥300 million	30 recipients
Bioscience research award	Support for research activities deemed to make a significant contribution to advancement and development in bioscience-related scientific technology that contributed to improved human health (excluding medicine, dentistry, and pharmaceutical related research)	¥90 million	30 recipients
Medical research award	Support for up-and-coming medical researchers under the age of 45 or groups led by such individuals, whose original research activities are deemed to have contributed to advancement and development in the field of medicine in Japan	¥525 million	175 recipients
Ongoing support for medical research award recipients	Ongoing support for excellent research by recipients of the medical research award in fiscal 2007	¥36 million	12 recipients
Pharmaceutical research award	Support for up-and-coming pharmaceutical researchers under the age of 45 or groups led by such individuals, whose original and cutting-edge research activities are deemed to have contributed to the advancement and development in the field of pharmaceuticals in Japan	¥120 million	40 recipients
Ongoing support for pharmaceutical research award recipients	Ongoing support for excellent research by recipients of the pharmaceutical research award in fiscal 2007	¥18 million	6 recipients
Kyo-U Sho-Oku research award	Support for books for the Kyo-U Sho-Oku library and for related research activities	¥3.5 million	7 recipients
High school science education promotion award	Support for research activities deemed to contribute to high school science education	¥10.8 million	36 recipients

Relationship with Society

■ Shoshisha

Shoshisha dates back to 1923 when Chobei Takeda started using his own money to support deserving students with financial needs. 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 2009, the foundation has granted a total of 556 scholarships.

■ Institute for Fermentation, Osaka

The Institute for Fermentation, Osaka (IFO) was established as a foundation in 1944 under the name Koku-Hakko Kenkyusho with joint funding by the Japanese government and Takeda Chemical Industries, Ltd. For more than 60 years, IFO has been devoted to the collection, preservation and distribution of microorganisms to support research in microbial communities in Japan and abroad. In 2002, the microbe stocks preserved in IFO and researchers were transferred to the National Institute of Technology and Evaluation Biological Research Resource Center (NBRC) by government request. Since April 2003, the institute has been a research foundation dedicated to the advancement of microbial science.

■ Volunteer Activities

Employees can access information on volunteer activities in each region on the intranet website, Philan-net Takeda (PINT). One self-initiated activity in the Osaka area during fiscal 2009 was a clean up activity in Kashiwara city, Nara Prefecture, in which volunteers enjoyed walking around the streets of the ancient capital of Japan, while helping to clean up. PINT also provides a variety of information on Takeda's corporate citizenship activities as well as introducing NPOs, thus acting as a media bridge between social needs and employees' aspirations toward society.

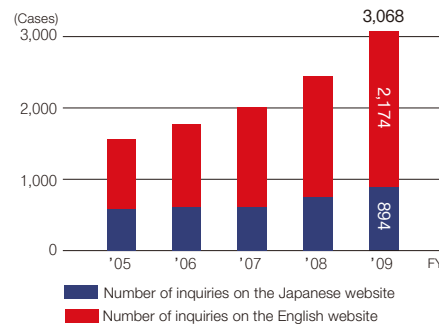


PINT Osaka volunteers clean up in Kashiwara City, Nara

■ Reply to Inquiries on the Website

Takeda accepts feedback and inquiries by email from outside the company through its website. The total number of inquiries in fiscal 2009 reached 894 on the Japanese website (up by 139 inquiries from the previous fiscal year) and 2,174 on the English website (up by 488 from the previous fiscal year).

Number of Inquiries Received through Our Website



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. The union has also been active in an ongoing educational and cultural program in Mongolia: based on the concept of "from hand to hand," the union donates stationery, hygiene products and other supplies to schools and supports cultural exchange with children. Through these heartfelt activities, the program has been run for over ten years.



A traditional puppet theater forms part of a cultural exchange in Mongolia

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

Other Activities

■ NPO Family House



When children from remote areas who suffer from cancer or other severe diseases have to travel to Tokyo to visit specialist hospitals, the NPO Family House supports them by offering accommodation. Family House operates nine accommodation facilities for the use of children and their families. Since fiscal 2004, Takeda has supported Family House with an annual cash donation of ¥500,000 and with a supply of drinks worth ¥1 million. In fiscal 2009, six Takeda employees took part in a volunteer effort to do a full clean up of one of the facilities, known as “Kangaroo House.”



Volunteer helpers in a full clean up at Kangaroo House

Clean Up Volunteers—Voices of Participants

“I felt that as an employee of a pharmaceutical company, volunteering to help Family House was a natural thing to do.”

“This experience has me thinking seriously about what I can do for patients and families in future too.”

■ 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 gained much recognition, including from local



Activities for awareness raising and prevention of cervical cancer in Thailand

health authorities, for contributions to improving the knowledge of local nurses and other healthcare professionals and to upgrading medical testing capabilities.

■ 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 LSO in performing the Takeda Global Concert series. For its part, 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 concerts due to illness or disability. These “Musicians on Call” performances were given in Japan, the U.S. and Europe, with support from Takeda.



LSO's “Musicians on Call”

■ Supporting Marathon Events

As part of its efforts to support sports, Takeda co-sponsors marathon events. Takeda was the principal sponsor of the 2009 Yokohama Women's Marathon. 14 Takeda employees also participated as volunteers for running of the event by helping out with emergency aid support and clean up of the course, among other things. At the event, Takeda made a donation of ¥1 million to support the School Meals Program run by the United Nations World Food Program (WFP) to supply school meals in regions suffering from food shortages, and donation boxes for the WFP were set out in the event space. In December 2009, Takeda also sponsored the 63rd Fukuoka International Open Marathon Championship.

Relationship with Society

Relationship with Our Stakeholders



2009 Yokohama Women's Marathon

Business Contest for University Students Seeking to Become the Managers of the Future

Takeda held the final round of its business game contest, "CAT-G2009" at its Tokyo headquarters in October 2009. "CAT-G2009" is a sophisticated business simulation system developed based on data from respective divisions of Takeda. In an 8-hour contest, university students took on roles as president, or in R&D, business strategy or sales strategy in each team, and competed against each other, operating dedicated mobile terminals incorporating the simulation software to experience running an R&D-driven pharmaceutical company for a virtual 9 periods totaling 45 years. To win the game, players must take into consideration various conditions specific to the pharmaceutical industry, such as patent expiry and generic drugs, as well as CSR activities. 154 contestants from 13 universities including Tokyo and Waseda Universities took part in initial rounds. The contest was won by a team from Keio University.



Contesting university teams compete in the final round of the CAT-G2009 business game contest

Matching Gift Donation to Aid Victims of the Haiti Earthquake

On January 12, 2010 the Republic of Haiti experienced a severe earthquake that affected many people. The Takeda Group responded by supplying aid worth ¥17 million. In addition to this, Takeda employees made a monetary donation of ¥3,066,756. The Company matched this donation with an equal amount for a combined donation of ¥6,133,512 which was donated through the international humanitarian aid organization, Japan Platform.

Consumer Healthcare Company's Website "Takeda Kenko Site" Awarded the 4th AcC'04 Award for Production of an Easy-to-Use Website

The AcC'04 Awards are held each year by the Web development and Web marketing Consortium. The awards recognize websites that are easy to use by anyone, regardless of age, gender, ability or computer skill. The Takeda Kenko Site was revamped in April 2009 to provide useful health information for customers. In revamping the site, we focused on making it easy to look at, search and understand. It is gratifying that these development concepts appear to have been recognized with this award.



Consumer Healthcare Company's "Takeda Kenko Site"

Feature | Climate Change and Water Resources Conservation Initiatives

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



Hikari Plant is located in the Seto Inland Sea area, seeking to coexist in harmony with the environment.

[Climate Change]

Our Fundamental Stance toward Global Warming Prevention

As a pharmaceuticals manufacturer operating on a global scale, Takeda strives to reduce greenhouse gas (GHG) emissions. We established an Energy Conservation Committee in 1974, and for more than three decades we have taken a long-term, global perspective in conducting energy conservation activities that have helped reduce GHG emissions. 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.

Setting Targets for Fiscal 2015

Takeda is determined to control the rise in CO₂ emissions that will follow its continuing globalization and business expansion. As part of this we set a target to cut our CO₂ emissions by 30 percent from fiscal 1990 levels by fiscal 2015. We will continue to take a long-term perspective as we tackle this issue.

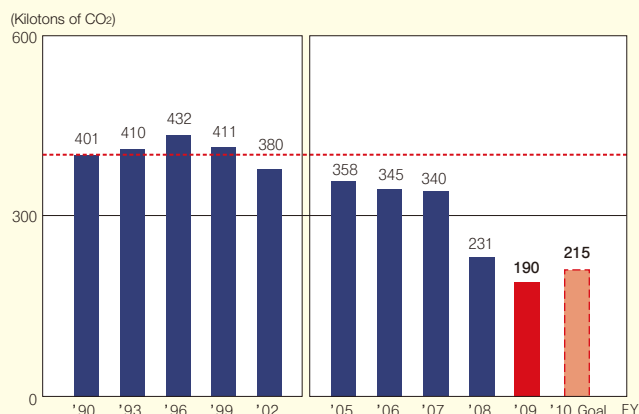
Results of Fiscal 2009

Takeda is pursuing a number of initiatives to ensure efficient energy use. Our “9th Energy Conservation Program” covering the five-year period from fiscal 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 2009 amounted to 320 kilotons, a 33.8 percent decrease compared to the fiscal 2005 level, achieving our target one year ahead of schedule.

Fiscal 2010 is the final year of the 9th Energy Conservation Program. However, to achieve our targets for fiscal 2015, we will formulate a three-year action plan (10th Energy Conservation Program) starting in fiscal 2010 that links with the Mid-Range Plan for our business.

In addition, the Japan Pharmaceutical Manufacturers Association has set up its own voluntary action plan to reduce the CO₂ emissions of Japanese pharmaceutical

Trend of Takeda's CO₂ Emissions



Data collection: Osaka Plant, Hikari Plant, Tsukuba Research Center, Osaka Head Office and Tokyo Head Office

Relationship with Environment

companies to fiscal 1990 levels by fiscal 2010. Since fiscal 2001 Takeda has consistently maintained a level of CO₂ emissions below that of fiscal 1990 and in fiscal 2009 we reduced emissions 54 percent compared to the fiscal 1990 level.

Fuel Conversion at Production Sites

In fiscal 2008 Takeda invested approximately ¥3.6 billion at its Hikari Plant to convert the fuel for the plant from fuel oil to city gas. This, along with the effects of business reorganization, resulted in a significant reduction in CO₂ emissions (Fiscal 2009 results reduced CO₂ emissions by 155 kilotons compared with fiscal 2007). We also converted the plant of Tianjin Takeda Pharmaceuticals Co., Ltd (China) from coal to city gas, which is expected to reduce 2.2 kilotons of CO₂ each year. Takeda will continue to work towards reducing CO₂ emissions across the entire Takeda Group.



Tianjin Takeda Pharmaceuticals Plant: A newly installed boiler at the plant runs on city gas

Takeda Group's CO₂ Emissions in Fiscal 2009

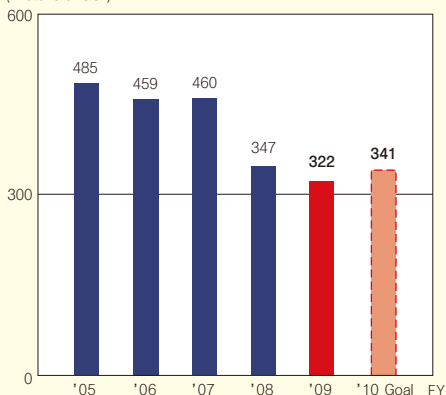
320 kilotons (33.8% down from fiscal 2005 level)

Company-Wide Initiatives

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

Trend of Takeda Group's CO₂ Emissions

(Kilotons of CO₂)



Data collection: global production and research sites of the Takeda Group

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.

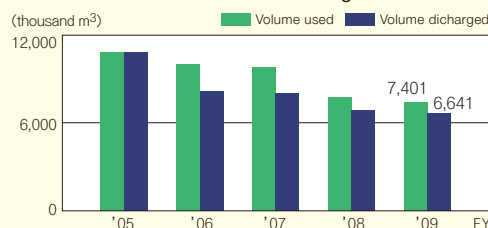
The ratio of low-emission sales vehicles reached 100 percent (excluding 4-wheel-drives for use in cold climates), and in fiscal 2009 we purchased 50 electric vehicles for use in sales activities in the Tokyo and Kana-gawa areas. We are also making the most of renewable energy sources, installing a 25kW solar power generation system at our new HR development center in Suita, Osaka, which was completed in March 2010.

[Water Resources]

Fundamental Stance regarding the Preservation of Water Resources

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. We do however recognize that Tianjin Takeda Pharmaceuticals Co., Ltd. operates in an area where there is a potential 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 risk assessments at the initial stages of R&D as well as after the launch of a drug onto the market.

Volumes of Water Used and Discharged



Data collection sites: Takeda Group production and research sites worldwide



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.

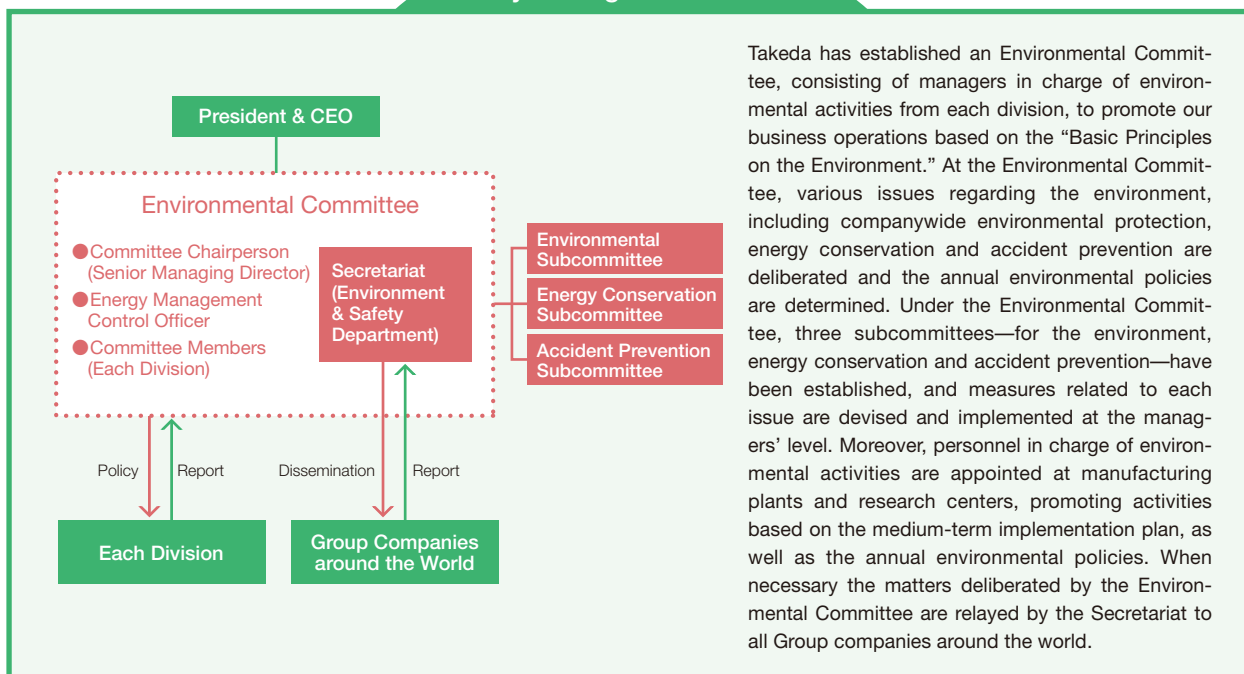
8. Education and Training

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.

Environment and Safety Management Structure



Takeda has established an Environmental Committee, consisting of managers in charge of environmental activities from each division, to promote our business operations based on the “Basic Principles on the Environment.” At the Environmental Committee, various issues regarding the environment, including companywide environmental protection, energy conservation and accident prevention are deliberated and the annual environmental policies are determined. Under the Environmental Committee, three subcommittees—for the environment, energy conservation and accident prevention—have been established, and measures related to each issue are devised and implemented at the managers’ level. Moreover, personnel in charge of environmental activities are appointed at manufacturing plants and research centers, promoting activities based on the medium-term implementation plan, as well as the annual environmental policies. When necessary the matters deliberated by the Environmental Committee are relayed by the Secretariat to all Group companies around the world.

ISO 14001-Certified Sites

Takeda Pharmaceutical Company Limited	•Osaka Plant •Hikari Plant
Wako Pure Chemical Industries, Ltd.	•Company-Wide
Mizusawa Industrial Chemicals, Ltd.	•Nakajo Plant •Mizusawa Plant

Daiwa Special Glass Co., Ltd.	•Company-Wide
Nihon Pharmaceutical Co., Ltd.	•Narita Plant •Osaka Plant
Takeda Healthcare Products Co., Ltd.	•Company-Wide

Relationship with Environment

Takeda's Major Environmental Protection Policies and Achievements in Fiscal 2009

◎: Excellent ○: Good

Theme	Policies	Fiscal 2009 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	FY2009 CO ₂ emissions of 190,000 tons were 47% less than in FY2005	◎
Reduce amount of waste materials	Achieve 30% reduction across all Group Companies in waste for final disposal by FY2010 compared to FY2004	By promoting zero-emission and other activities, FY2009 waste for final disposal amounted to 70 tons, 77% less than in FY2004	◎
	Fulfill responsibilities as a generator of waste by confirming the proper treatment of waste at waste disposal contractors	Visited 18 waste disposal contractors and 5 new 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	Release of PRTR (Pollutant Release and Transfer Register) chemical substances in FY2009 were 20 tons, 55% less than in FY2005	◎
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 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 contribution activities	Assist in protecting and improving regional environments by maintaining close communications with local governments and community residents	Collected information from residents designated as "Environmental Monitors" near plants to confirm that there are no problems. There were five 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 2009

Theme	Policies	Fiscal 2009 Achievements	Assessment
Improve accident prevention measure	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 Work

Takeda institutes the "Takeda Group's Standard for Environmental Protection and Accident Prevention 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

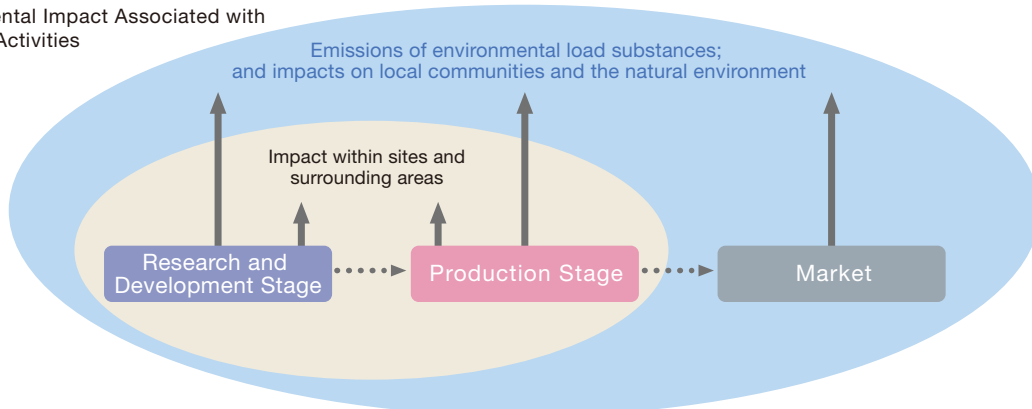
Responsible Care is an international voluntary program dealing with the management of chemical substances by businesses, and its activities now extend to 53 countries. The purpose of the program is to ensure consideration for the environment, safety and health while handling chemical substances. Takeda has been implementing such activities since 1995, when the Japan Responsible Care Council was launched.



Relationship with Our Stakeholders

Takeda has been continually implementing efforts to reduce environmental risks based on the “Takeda Group’s Standard for Environmental Protection and Accident Prevention 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 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 Agency (EMA) require provision of data on environmental impact assessments for drugs as well as data concerning efficacy and safety during the new drug application process. 	<ul style="list-style-type: none"> • When preparing to make drug manufacturing approval applications for new products, Takeda carefully follows the guidelines in each country. • Takeda develops new products and new production processes with consideration for the environment. Using an environmental impact assessment checklist, we evaluate the environmental impacts of these products and processes throughout the product life-cycle spanning manufacture, use, and disposal. The assessment covers energy conservation, waste generation, releases of chemical substances and prevention of natural resources depletion.
Production Stage	<ul style="list-style-type: none"> • The production stage requires the greatest energy consumption and also discharges the most environmentally burdensome substances of all Takeda business activities. Consequently, we focus on measures to reduce environmental risks during this stage. • We accurately assess environmental impacts, including energy usage and waste generation, at global production sites, and take steps to reduce those impacts based on detailed plans for each site. 	<ul style="list-style-type: none"> • Takeda manages chemical substances by ensuring appropriate management of storage for hazardous materials and toxic substances, and maintaining its MSDS (Material Safety Data Sheets). The Company also strives to assess and reduce the amount of chemicals released into the environment. In Japan, the Company reports to the government in line with the PRTR (Pollutant Release and Transfer Register) Law. • To address the global warming issue, Takeda set numerical targets in its 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). We are now changing to hybrid vehicles.

Relationship with Environment

Environmental Protection and Accident Prevention Audit

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

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

In fiscal 2009, environmental protection and accident prevention audits were implemented at five 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 (Osaka Plant)
 Nihon Pharmaceutical Co., Ltd. (Narita Plant and Osaka Plant)
 Wako Pure Chemical Industries, Ltd. (Tokyo Plant and Harima Plant)

■ Outside Japan

P.T. Takeda Indonesia

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 (Bray and Grange Castle)
 Tianjin Takeda Pharmaceuticals Co., Ltd.
 P.T. Takeda Indonesia

Stakeholder’s Voice

As a plant that handles large quantities of chemical substances we work hard on responsible care activities. We have had an Environmental Protection and Accident Prevention Audit once every two years from the Environment & Safety Department, who have guided us on improving and enhancing our measures for areas that we had not noticed. This has helped us to prepare a comprehensive structure for protecting the environment and preventing accidents, covering both tangible and intangible aspects. We will make use of our experience of the Environmental Protection and Accident Prevention Audits in our own autonomous internal audits to make our safety management structure even stronger.



Mr. Osamu Iwamoto
 General Manager of Tokyo Plant,
 Wako Pure Chemical Industries, Ltd.

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



Accident Prevention Training at the Hikari Plant

Accident Prevention Initiatives

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

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

Countermeasures against Static Electricity

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

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.

On the intangible side, to upgrade employees’ skills, we have expanded our “Accident Prevention Manual” and

upgraded our “Manual for Non-Standard Operations.” We use both manuals for training and drills. These manuals are also vital to passing on accident prevention and response techniques to younger workers. Another way that we work vigorously to ensure comprehensive safety is by conducting risk assessments to uncover potential risks. All of these activities take place at every Takeda Group production site in Japan and around the world.

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. For this reason, Takeda implements safety assessments of processes for manufacturing both drug substances and pharmaceutical products from the initial stages of research and development, and discusses the assessments in a Process Safety Committee to ensure complete safety.

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

Risk Assessment of Candidate Compounds and Processes

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



Risk assessment (friction sensitivity testing)

Relationship with Environment

Environmental and Safety Measures at New Research Center

Construction of Takeda's new state-of-the-art global research facility is underway at a site in Kanagawa Prefecture, Japan, between the cities of Fujisawa and Kamakura. Due for completion in fiscal 2010, the new laboratory will lead the drive for quality-oriented, innovative drug discovery research. We aim to make the new research center a world-leading facility in all aspects, including environmental protection, safety, reliability, and energy conservation. In recognition of its advanced, pioneering nature, the center is eligible for two kinds of government grant, one for "New Energy Introduction Support Project,"*1 and one for "The Model Project for Promoting CO₂ Reduction in Housing and Building."*2

*1 This program offers financial assistance from the Ministry of Energy, Trade and Industry for businesses that introduce facilities that use renewable energy. Takeda's new research center won high marks for its heat source system based on a cogeneration system that reuses waste heat from burning fuel to generate electricity in the center's air-conditioning system.

*2 This program offers financial assistance from the Ministry of Land, Infrastructure, Transport and Tourism for housing and other construction offering outstanding CO₂ reductions. The new research center received the assistance in recognition of its approach to solving issues unique to laboratories, such as energy conservation management and awareness raising by making energy use visible to researchers.

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.

Initiatives to Reduce CO₂ at the New Research Center

The primary concept for the new research center is to create "a forested laboratory." The appearance of the entire site will be enhanced by an outer moat filled with water and the design also aims to protect the forest, while incorporating use of natural light and rooftop greenery on the structure itself.

- The facility is designed to achieve a 30 percent reduction in CO₂ emissions compared with conventional facilities by eliminating waste in light, air, heat and water. Specifically the center incorporates technologies to control lighting, recover waste-heat for use in air-conditioning, reuse waste-water and rainwater, and others.
- We strive to raise awareness of cutting CO₂ emissions among people working at the center by building systems that allow everyone to tackle the problem, for example by making energy use visible.

Site for the center

26-1, Muraoka Higashi 2-chome, 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



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

Waste Reduction



Sorting waste by type at the Hikari Plant Recycling Station

The fundamental stance of the Takeda Group on waste management is to reduce the amount of waste for final disposal by curtailing the amount of waste generated, reusing and reducing waste within operating sites and promoting off-site recycling. We aim

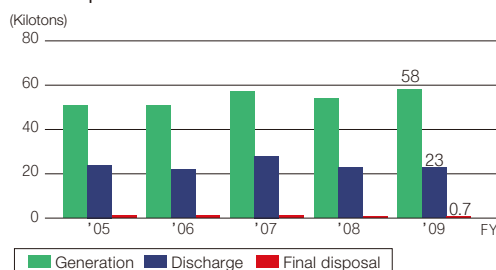
to contribute to creating a Sound Material Cycle Society through such efforts.

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 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.

Takeda's Achievement on Waste Reduction in Fiscal 2009

77% down from fiscal 2004 level
(amount of final waste disposal: 70 tons)

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

We achieved our target ahead of schedule in fiscal 2008, and in fiscal 2009 we reduced our emissions even further, partly through the effects of zero-emission activities. Takeda's waste for final disposal in fiscal 2009 amounted to 70 tons (down 77 percent from fiscal 2004) and the Takeda Group amount within Japan was 553 tons (down 49 percent from fiscal 2004).

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 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.

Achieving Zero Emissions (Osaka Plant and Hikari Plant)

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 generation amount of industrial and general

waste, as well as promoting recycling of the generated waste. Takeda's principle manufacturing plants in Japan, the Osaka Plant and Hikari Plant 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. This resulted in our achieving our initial target of Zero Emissions for fiscal 2010 a year early.



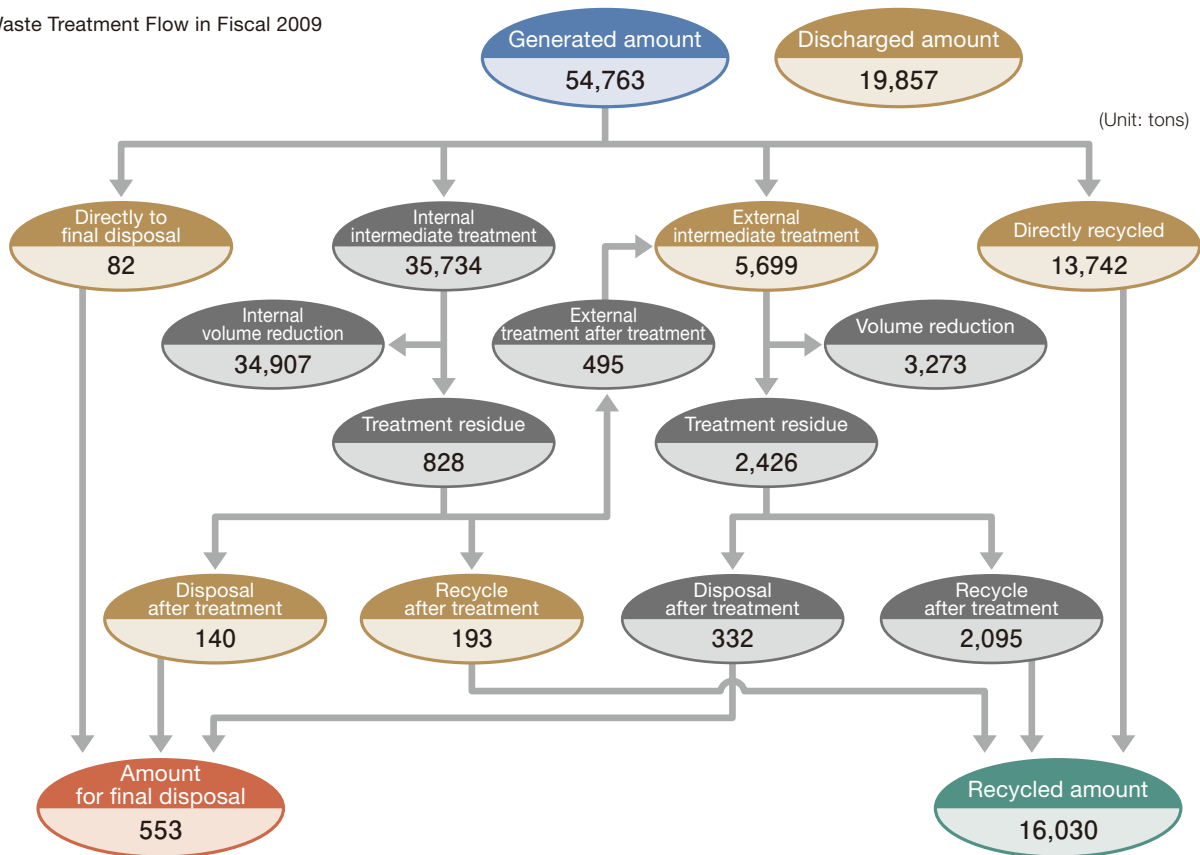
Campaign to re-use office supplies (Osaka Plant)

	Fiscal 2010 target	Fiscal 2009 result
Percentage sent for final disposal in landfill	0.5% or less	0.2%
Amount sent directly to landfill	0	0
Percentage recycled	90% or more	95.4%
Recycling rate*	99% or more	99.8%

*Recycling rate = Recycled waste / (Final amount sent to landfills + Recycled waste)

Relationship with Environment

Waste Treatment Flow in Fiscal 2009



Waste Product Breakdown and Amounts

(Unit: tons)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Sludge	13,278	12,029	17,119	24,189	28,224
Waste oil	7,136	7,258	9,594	9,609	10,905
Waste acid/waste alkali	23,139	24,539	22,239	12,313	10,875
Waste plastics	763	582	776	694	690
Metal scrap	677	737	738	746	708
Glass and ceramics	931	990	990	1,162	923
Other industrial waste	2,016	1,947	1,906	1,792	1,698
General waste	1,389	1,250	1,043	872	741
Total	49,330	49,332	54,406	51,378	54,763

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 substances subject to the Pollutant Release and Transfer Register (PRTR) scheme into the atmosphere by 50 percent in fiscal 2010, compared to fiscal 2005. We work to appropriately manage chemical substances, placing a priority on reducing chemicals that pose a relatively larger risk.

In fiscal 2009, the Takeda Group as a whole reported 52 substances to the Japanese government under the PRTR scheme. Our releases of PRTR substances amounted to 53 tons. The substance with the largest atmospheric release rate was dichloromethane, at 17 tons. This was followed by toluene, and 1,2-dichloroethane of which over 10 tons each were released into the atmosphere. By using an improved method of solvent recovery and proper stockpile management, we reduced our emissions of dichloromethane by 24 percent compared to fiscal 2008. Overall, we reduced emissions for fiscal 2009 by 12 percent year on year. In other efforts we are working to reduce our use of formaldehyde by making use of substitutes as a way to lower environmental and workplace risks.

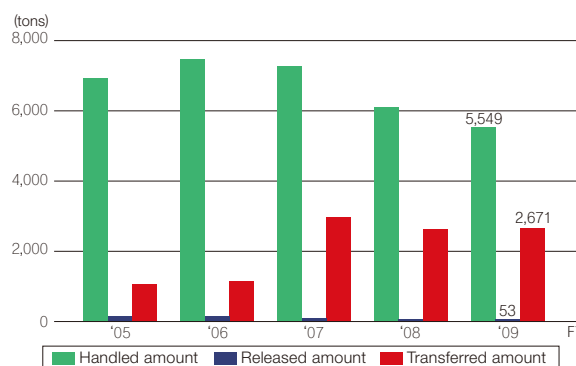
Reduction in Releases of PRTR Substances in Fiscal 2009 (Takeda Group)

12% down from fiscal 2008 level
(PRTR substance releases: 53 tons)



Burnable waste at the Hikari Plant is incinerated in a state-of-the-art gasification facility fully equipped to counter dioxin releases

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



Totals for PRTR-Designated Substance Data (April 2009 to March 2010)

(Unit: tons)

Substance	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Dichloromethane	17	0.0	0.0	17	0.0	595	595
Toluene	13	0.0	0.0	13	0.0	84	84
1,2-Dichloroethane	11	0.0	0.0	11	0.0	1.1	1.1
Acetonitrile	7.1	0.0	0.0	7.1	0.0	335	335
Formaldehyde	1.8	0.2	0.0	2.0	0.0	0.0	0.0
Zinc compound(water-soluble)	0.0	1.2	0.0	1.2	0.0	0.0	0.0
Trichlorofluoromethane	1.0	0.0	0.0	1.0	0.0	0.1	0.1

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

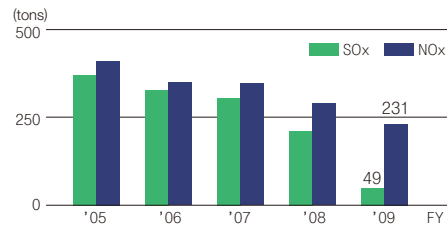
Air, Water, and Soil Quality Protection

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, 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 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.

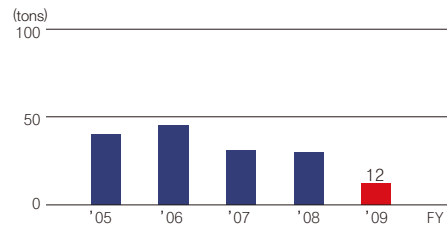
In June 2009, there was a minor accident at a laboratory on the site of our Osaka Plant in which dichloromethane was mistakenly released into the drain water. We immediately notified the authorities and recovered the leaked dichloromethane. A small amount leaked outside of the plant, however. Taking this incident very seriously, we have modified the drain water routes and re-educated employees to ensure that this kind of accident does not reoccur.

As part of proper management to prevent pollution of the soil and groundwater, Takeda formulated “Countermeasure Guidelines for Soil and Groundwater Contamination,” which summarize management policies and standards for voluntary countermeasures. In fiscal 2009, we completed countermeasures to deal with trace amounts of pollutants found in the soil at the sites of our Osaka Plant and former Shonan Plant.

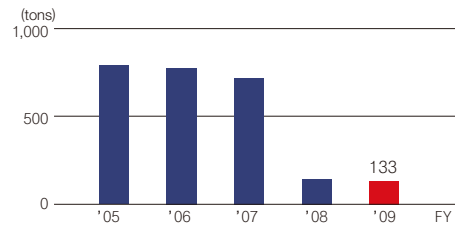
SOx Emissions / NOx Emissions



Dust Emissions



COD Discharges

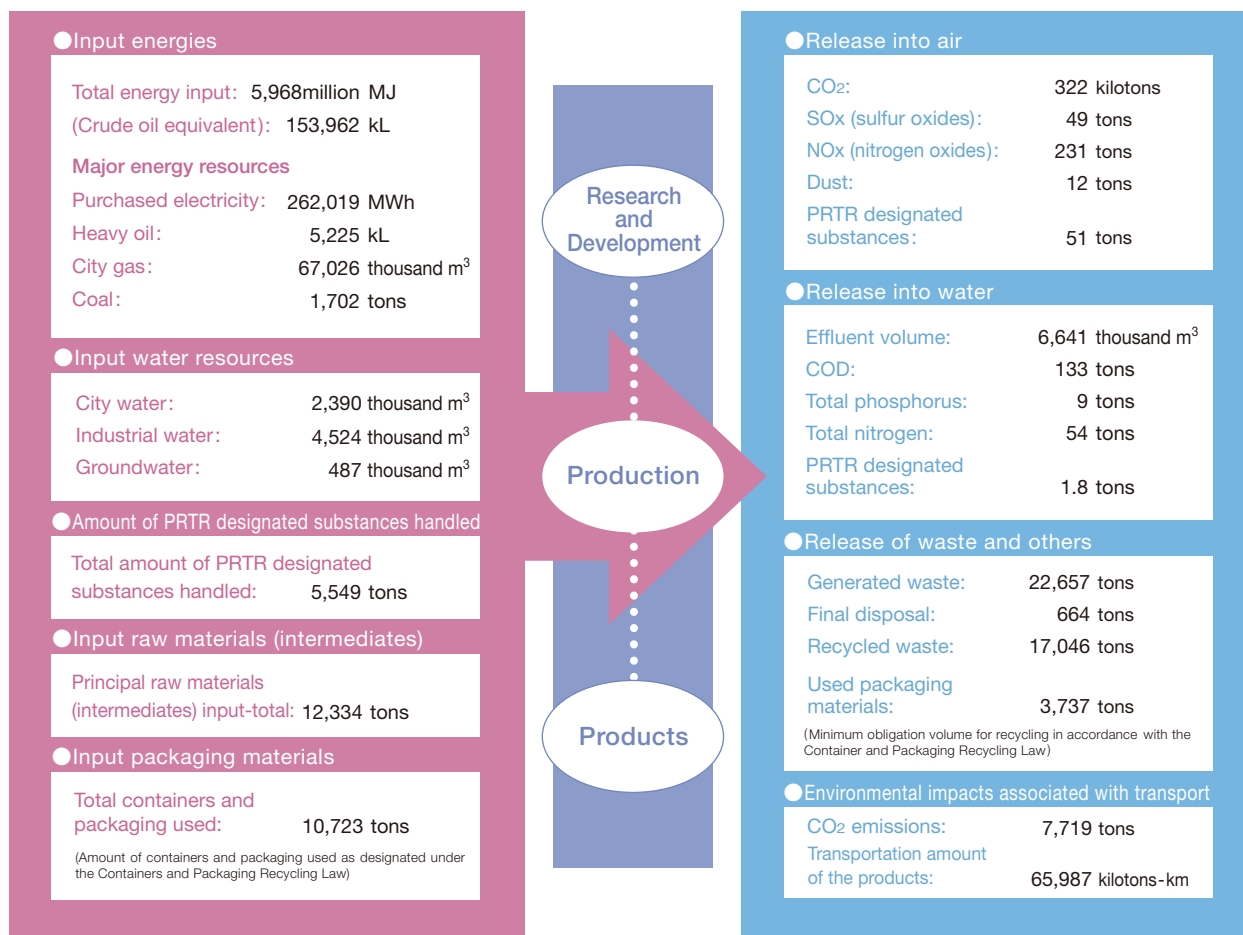


The Hikari Plant uses a sophisticated management system to protect water and air quality, ensuring harmony with the beautiful nature of the nearby Setonaikai National Park.

Relationship with Our Stakeholders

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



Compilation Method of Environmental Data

Data collection period: From April 1, 2009 to March 31, 2010

Data collection sites: Global production and research sites. However, in regard to the PRTR designated substances, total phosphorus, total nitrogen and environmental impacts associated with transport, production and research sites in Japan only. Input raw materials (intermediates) refers to Takeda's production sites.

Environmental Accounting

Takeda has been monitoring and supervising environmental protection investments and expenditures since fiscal 1980. The table on the right shows the costs in business areas for the Takeda Group in Japan, upstream and downstream costs, and the cost of administrative activities. In fiscal 2009, environmental protection investments totaled ¥586 million and expenditures were ¥2,683 million. Upgrading and replacing aging environmental protection equipment accounted for the majority of the investments. In addition, there were about ¥2,000 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 ¥214 million.

Environmental Protection Costs		(Million yen)	
Category		Investments	Expenditures
Business area costs	Pollution prevention	261	793
	Environmental protection	112	119
	Resources recycling	200	1,146
Upstream and downstream costs		—	37
Administrative costs		13	588
Total		586	2,683

- Data collection period: April 1, 2009 to March 31, 2010
- 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

Dialogue with Stakeholders

[Programs at the Osaka Plant]

The Osaka Plant is proactive in running cleanup activities, and also participated in the Clean Osaka 2009 campaign to clean up the city. The plant also cooperates with local disaster prevention training activities, and has fostered ongoing relations with local residents by running programs such as the Takeda Gardening Class and a Volleyball Tournament for Mothers. Providing plant tours are another example of the many ways that the plant maintains communication with local residents.

[Programs at the Hikari Plant]

The Hikari Plant participated in a large-scale clean up campaign involving 30 million people targeting the Seto Inland Sea and also conducted volunteer cleanup activities. 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 observe the plant and discuss matters of mutual interest.

[Environmental Monitors: Hikari Plant, Osaka Plant]

Takeda invites residents living near the Hikari and Osaka plants 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.



Environmental monitors for Hikari Plant



Volunteer cleanup activities (Osaka Plant)



Participation in the Clean Osaka 2009 Campaign (Osaka Plant)



Yodogawa District Volunteer Fire-Fighting Skills Competitions (Osaka Plant)



Communication through factory tours (Osaka Plant)



Takeda Summer Festival (Hikari Plant)



Clean up campaign for the Seto Inland Sea (Hikari Plant)

[Activities for the New Research Center]

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. Following the design concept of “a forested laboratory,” we have created a rich green environment on the site and installed a range of equipment to reduce CO₂ emissions. 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 a town meeting and distributing 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	3,562	million MJ	CO ₂ emissions	185,229 tons	Dust	5 tons
[Main energy resources]			Waste generation	19,297 tons	COD	107 tons
Purchased electricity	113,127	MWh	Waste discharge	11,542 tons	Total phosphorus	8 tons
Heavy oil	1,752	kL	Final disposal	70 tons	Total nitrogen	51 tons
City gas	51,979	thousand m ³	SOx	15 tons		
Coal	0	tons	NOx	133 tons		
Water	5,069	thousand 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	1,566	million MJ	CO ₂ emissions	86,722 tons	Dust	4 tons
[Main energy resources]			Waste generation	35,467 tons	COD	14 tons
Purchased electricity	79,363	MWh	Waste discharge	8,314 tons	Total phosphorus	1 tons
Heavy oil	3,473	kL	Final disposal	484 tons	Total nitrogen	2 tons
City gas	10,367	thousand m ³	SOx	30 tons		
Coal	0	tons	NOx	85 tons		
Water	2,116	thousand m ³				

Totals for Takeda Group Production and Research Sites Outside of Japan

Amount of Resources Used			Environmental Impacts			
Total energy input	839	million MJ	CO ₂ emissions	49,570 tons	Dust	2 tons
[Main energy resources]			Waste generation	2,801 tons	COD	13 tons
Purchased electricity	62,681	MWh	Waste discharge	2,801 tons		
Heavy oil	0	kL	Final disposal	110 tons		
City gas	4,365	thousand m ³	SOx	4 tons		
Coal	1,702	tons	NOx	13 tons		
Water	217	thousand m ³				

Site Data for Takeda Pharmaceutical Company Limited

■Osaka Plant

Amount of Resources Used			Environmental Impacts			
Total energy input	1,513	million MJ	CO ₂ emissions	81,885 tons	Dust	0.1 tons
[Main energy resources]			Waste generation	2,093 tons	COD	37 tons
Purchased electricity	89,204	MWh	Waste discharge	2,023 tons	BOD	62 tons
Heavy oil	0	kL	Final disposal	29 tons	Total phosphorus	2 tons
City gas	13,911	thousand m ³	SOx	0.2 tons	Total nitrogen	9 tons
Coal	0	tons	NOx	17 tons		
Water	1,522	thousand m ³				

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.29	0	0	0.29	0.013	19	19
N,N-dimethylformamide	0.011	0	0	0.011	0.046	1.0	1.0
Dioxins (mg-TEQ)	0.046	0	0	0.046	0	0.53	0.53
Toluene	0.025	0	0	0.025	0.0002	2.5	2.5

■Hikari Plant

Amount of Resources Used			Environmental Impacts			
Total energy input	1,828	million MJ	CO ₂ emissions	91,584 tons	Dust	5 tons
[Main energy resources]			Waste generation	17,021 tons	COD	70 tons
Purchased electricity	13,747	MWh	Waste discharge	9,341 tons	Total phosphorus	6 tons
Heavy oil	1,752	kL	Final disposal	22 tons	Total nitrogen	42 tons
City gas	35,334	thousand m ³	SOx	14 tons		
Coal	0	tons	NOx	110 tons		
Water	3,449	thousand m ³				

Relationship with Environment

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0.50	0.010	0	0.51	0	2.5	2.5
Dichloromethane	16	0	0	16	0	570	570
N,N-dimethylformamide	0	0	0	0	0	0	0
Dioxins (mg-TEQ)	0.0049	0.00047	0	0.0054	0	7.0	7.0
Toluene	1.4	0	0	1.4	0	0	0
Formaldehyde	1.4	0.21	0	1.6	0	0	0

■ Tsukuba Research Center

Amount of Resources Used	
Total energy input	221 million MJ
[Main energy resources]	
Purchased electricity	10,176 MWh
Heavy oil	0 kL
City gas	2,734 thousand m ³
Coal	0 tons
Water	98 thousand m ³

Environmental Impacts			
CO ₂ emissions	11,760 tons	Dust	0 tons
Waste generation	183 tons	COD	0.4 tons
Waste discharge	179 tons	Total phosphorus	0 tons
Final disposal	18 tons	Total nitrogen	0 tons
SO _x	0 tons		
NO _x	5 tons		

PRTR Data (Unit: tons)	Releases				Transfers		
	Air emission	Water bodies	Land	Total	POTWs	Waste	Total
Acetonitrile	0	0	0	0	0.019	1.2	1.2

Relationship with Our Stakeholders

Takeda's Voice Employees in charge of the environment and safety

■ Takeda Ireland Limited



Takeda Ireland Limited (Bray) is a solid oral dosage finishing plant located in the foothills of the Wicklow Mountains. We endeavour to carry out our daily tasks without risk to the health and safety of our employees and visitors and the environment.

Over the last year we have worked with our waste brokers to ensure the proximity principle is implemented and BATNEEC* is applied; waste is disposed at the closest most suitable outlet therefore minimizing the carbon footprint of the waste we create.

We have introduced a behavioral safety process called "ANZEN." This is a process, driven by the employees and supported by management, which aims to minimize incidents on site resulting from at-risk behaviors.

We believe continuous education is a critical component to ensuring the protection of our employees, visitors and the environment.

* BATNEEC: Best Available Technique Not Entailing Excessive Cost

Shane Gale
Engineering Manager,
Takeda Ireland Limited

■ Takeda San Diego, Inc.



There is a real emphasis at Takeda San Diego (TSD) to lower the site's environmental impact, improve safety, and build awareness to work safely and be environmentally responsible. Recently, TSD lowered carbon emissions by 1.2 million pounds per year by upgrading its energy system. Water is a limited resource in San Diego. By using reclaimed water for TSD's heating and cooling systems, TSD will reduce its potable water consumption by 40 percent. Minimizing landfill waste is another focus area. By replacing disposable Styrofoam cups with reusable porcelain mugs, TSD no longer sends 20,000 cups to landfills each year. Finding new and better ways to make TSD a safe and environmentally responsible place to work is never ending and a personal goal of mine.

Paul Eiler
Director of Facilities,
Takeda San Diego, Inc.

■ Tianjin Takeda Pharmaceuticals Co., Ltd.



Tianjin Takeda manufactures partially finished products for the European market and finished products for the Chinese market. We endeavor to not only implement policies regarding economic development but also ones regarding environmental protection, including energy saving and effluent and emissions reductions. Last year, we replaced our coal boilers with gas boilers. Some problems occurred during the installation of the new boilers. We were concerned that the new boilers would not be working within the time limit fixed by the Tianjin authorities. However, with the cooperation of all participants, the new boilers could work in time. We have been able to reduce considerably the emissions of carbon dioxide, SO₂, dust and other air pollutants. Moreover, slag from the coal boiler is no longer discharged. All employees in Tianjin Takeda feel that our surrounding environment has improved. We are continuously striving to improve the mindset of all employees in regards to environmental protection.

Li Haiyan
Technical Control Section,
Quality Control Dept., Tianjin Plant,
Tianjin Takeda Pharmaceuticals Co., Ltd.

Feature | Value Chain Management

We are implementing value chain management on a global basis, ranging from procurement of raw materials to anti-counterfeit measures, while striving to build a sound partnership with our suppliers.

[CSR Procurement]

Development of “CSR Purchasing Guideline”

Takeda has promoted its business activities to live up to social expectations in compliance with the “Takeda Code of Compliance Standards” which Takeda established based on its corporate philosophy of Takeda-ism. Today’s global society, however, increasingly requires corporations to promote implementation of CSR not only for their own business activities but also for their overall value chain. With that background in mind, Takeda is working on the development of a “CSR Purchasing Guideline,” in an effort to request suppliers’ involvement in CSR activities as well as to provide CSR standard that purchasing departments for manufacturing plants and laboratories should follow and implement.

[Anti-Counterfeit Measures]

Safety Measures for Products and Raw Materials

The health hazards associated with counterfeit drugs as well as counterfeit and adulterated raw materials have recently become a serious problem globally. In particular, there have been nearly 2,000 incidents around the world involving counterfeit pharmaceutical products in 2008 alone, and such incidents have reportedly doubled over the past few years. Meanwhile, counterfeit products are becoming increasingly

sophisticated and there are even cases in which elaborate counterfeits were identified in legitimate distribution channels. In light of these developments, giving top priority to the safety of patients, Takeda confirms eligibility and conducts risk assessment of potential partners from viewpoints focused on quality assurance in selecting them. On top of that, Takeda performs regular audits of suppliers of raw materials, contract manufacturers and packagers, logistic centers, and dealers. Furthermore, introducing a new quality assurance framework set forth in **GDP** (Good Distribution Practice), Takeda takes proactive measures to minimize

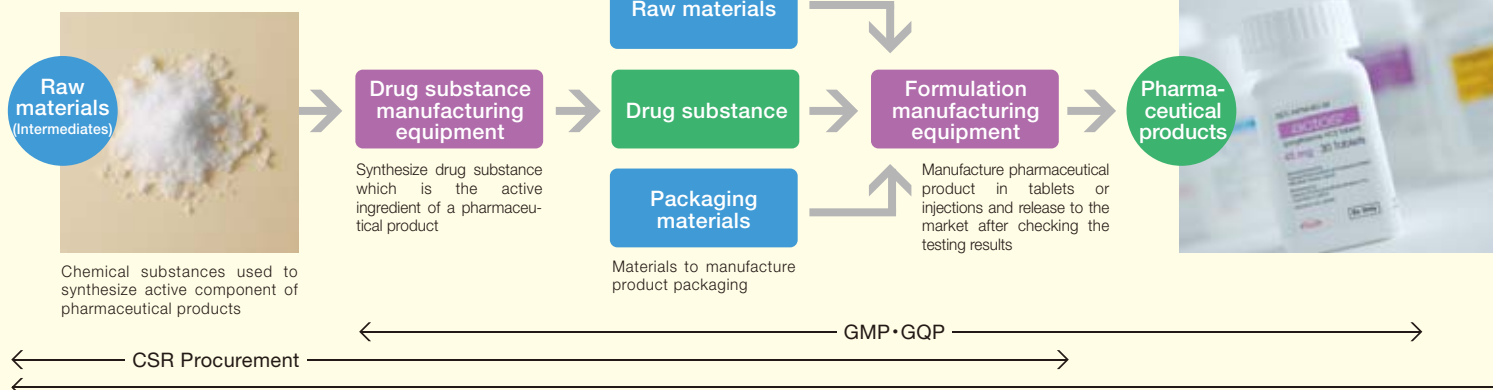
GDP Audit and Field Survey of Logistics Service Provider (conducted 2008 - 2009)

Japan
Distribution and logistics center of major wholesaler (1 location)
Distribution branch of a wholesaler (1 location)
Contracted logistics warehouse (1 location)
Overseas
■ North America Distribution and logistics center of major wholesaler (1 location) Contracted logistics warehouse (1 location)
■ Europe Distribution and logistics centers of major wholesaler (2 locations: Germany and Italy) Contracted logistics warehouse in Europe (1 location)
■ Asia Distribution and logistics centers of major wholesaler (5 locations: Thailand, Philippines, Indonesia, Hong Kong and Taiwan)

Excluding audit of logistics service providers operating within the respective countries where each sales company operates.

Relationship of Business Partners to the Process of Manufacturing of Pharmaceutical Products

- : Procurement of raw materials
- : Procurement of manufacturing equipment
- : Supply of product



Relationship with Business Partners

the entry of counterfeit products and prevent intentional tampering as well as to preserve the quality of pharmaceutical products and raw materials during distribution. Takeda collects information about counterfeit drugs on a global scale and performs its own investigations, the results of which are provided to government authorities and judicial authorities in each country, while promoting cooperation with international organizations such as WHO and ICPO (International Criminal Police Organization). In addition, Takeda implements measures to ensure the quality of Takeda products by promoting studies and research on anti-counterfeit and anti-tampering technologies. Takeda is working on establishing an organization to develop and promote the above activities globally, and has deployed dedicated personnel, responsible for investigation and creating countermeasures on counterfeits, in Asia, the U.S., and Europe. The personnel in each region takes multi-faceted approaches to detect and mitigate the distribution of counterfeit and other fraudulent drugs in cooperation with Takeda Group companies, mainly quality assurance and intellectual property departments, in order to protect patient safety.

[Initiative in the Industry]

Serving as the chairman of the Quality and Technology Committee of the JPMA (Japan Pharmaceutical Manufacturers Association), Takeda aims to facilitate quality-related initiatives taken by R&D-oriented pharmaceutical companies. Takeda has also joined the BSR (Business for Social Responsibility), an international corporate membership organization launched in 1992 in the U.S. with the focus on CSR. The BSR provides various types of information and supports activities so that member companies can make business success compatible with consideration of ethical values, human rights, regional communities, and the environment. In addition, Takeda participates in the Healthcare Working Group of the BSR comprising global renowned pharmaceutical companies to aim at further enhancement of the value chain management.

Relationship with Our Stakeholders

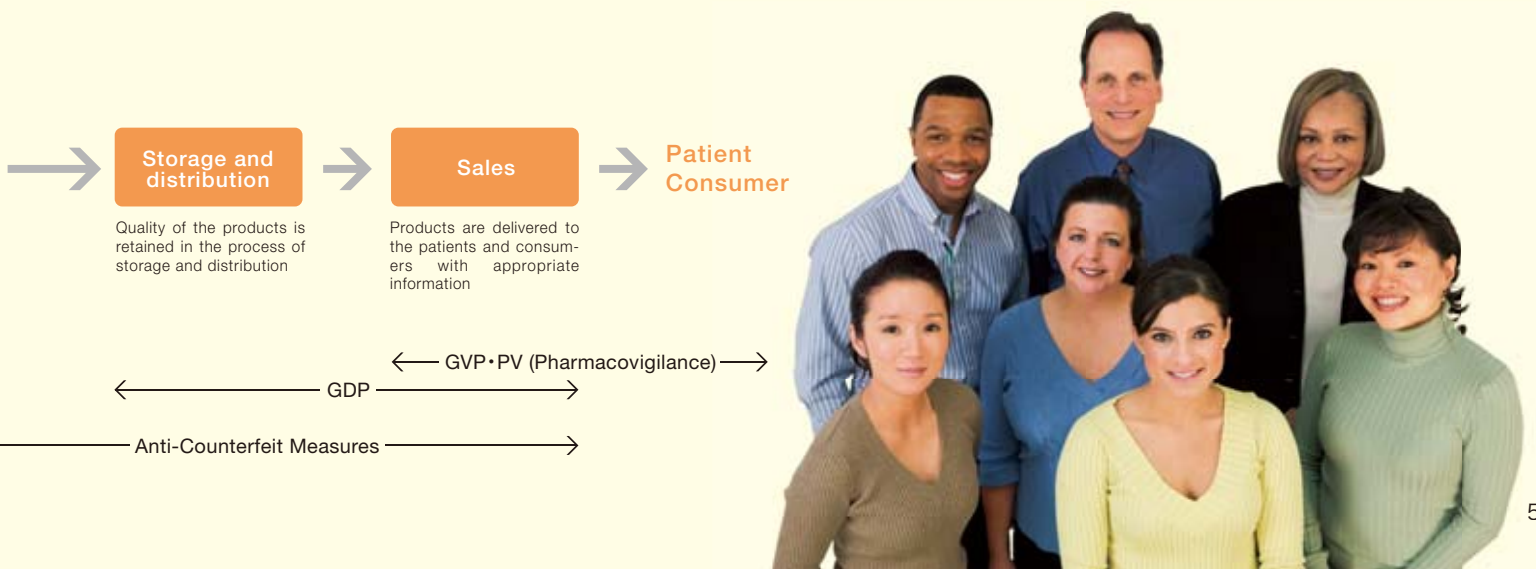


Stakeholder's Voice

Counterfeiting is increasingly becoming a more serious threat, including cases of massive death associated with counterfeit drugs, increasing seizure of counterfeit drugs, overt involvement of international criminal organizations, etc. The appearance of blockbuster 'life-style' drugs, globalization of markets, and easy access to consumers and markets through the Internet are spurring deterioration of this situation. I was impressed that Takeda has initiated working on CSR activities appropriate for a global pharmaceutical company, recognizing the seriousness of the counterfeit drug problem and proactively taking measures to combat counterfeit and other fraudulent drugs.

Dr. Kazuko Kimura

Professor of Kanazawa University Graduate School

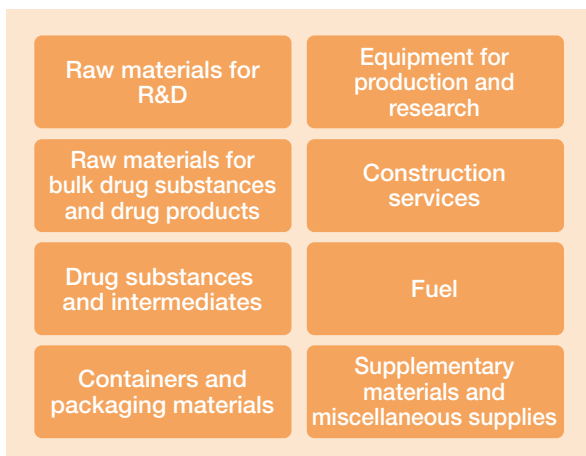


Building sound and fair relationships as equals with business partners based on the Takeda Compliance Program for Globalization.

Committed to Sound and Fair Business Relationships

Building relationships with business partners 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 for manufacturing pharmaceutical products that comply with strict government regulations for manufacturing and sales of pharmaceuticals. Procuring materials and equipment for factories and research centers is the responsibility of the General Purchasing Department. Members of the department establish sound and fair relationships in line with the “Purchasing Criteria.” These Criteria, in turn, are based on the “Basic Purchasing Policy,” which incorporates the spirit of CSR. In further effort, the department is now creating “CSR Purchasing Guideline.” 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

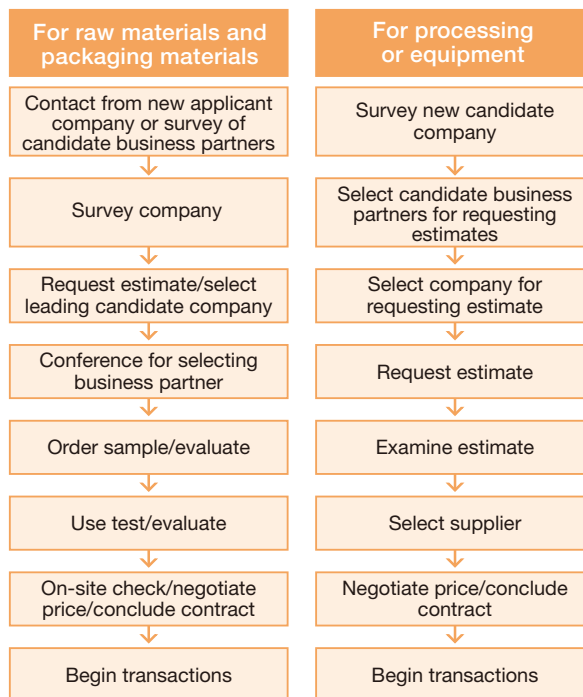


Osaka Plant: Storage building for raw materials and packaging materials



Hikari Plant: Boiler facility

Response to Applications for New Accounts



Assessment of Business Partners

As part of its CSR procurement activities, Takeda annually asks business partners to complete questionnaires. We use the responses to conduct a comprehensive annual business partner assessment. Evaluations cover management systems, such as systems for quality assurance, good manufacturing practices and delivery schedules, as well as the business continuity plans, CSR programs and other activities. Business partners receive the results of these studies as feedback for use in self-improvement programs. Sometimes business partners contact us for information about our stance on CSR, the environment and employees. These CSR questionnaires allow us to gain a thorough understanding of our business partners’ 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.

Business Partner 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. Financial	Financial soundness

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

Relationship with Business Partners

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 towards better health for patients worldwide through leading innovation in medicine” 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 Our Stakeholders

Employee Compliance Program

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 etc. to subcontractors.

The General Purchasing Department has prepared several manuals to assist employees with proper compliance. Examples include the “Purchasing Ethics Manual,” “Anti-Monopoly Law Compliance Manual” and “Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors Compliance Manual.” The departments also conduct ongoing staff education. We also have a program for individuals in each department who are responsible for negotiating prices and other purchasing terms with business partners. 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 business partners.

Training Programs Run in FY2009

General Purchasing Department Compliance Training	At least 6 times per year per person
---	--------------------------------------

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.

Takeda’s Voice

In October 2009 I transferred from MR, which promotes Takeda’s products, to the General Purchasing Department, which is responsible for purchasing the materials used to manufacture those products. My introductory training started with compliance education, during which I learned about how Takeda interacts with each business partner, this time at the input side of the Company, rather than the output end where I used to work. I had regular follow up training on this. I strive to build and maintain fair and sound relationships with our business partners, always remembering that Takeda-ism = integrity, and adhering to the Takeda Values for our workplace in order to ensure fair, transparent purchasing practices.



Takeshi Kamine

General Purchasing Dept., Pharmaceutical Production Div.

Feature | Promoting Diversity

To support Takeda's global development, we are actively promoting employee diversity as part of our effort to create an open and active corporate culture.

Basic Thinking on Diversity-Related Issues

Takeda's 2010-2012 Mid-Range Plan emphasizes the importance of developing employee diversity and global talent base, and empower the organization. Since fiscal 2010 we have recognized the strategic importance of workforce diversity by making the creation of "an open and active corporate culture" one of the key strategies of our management vision. In April 2010, the Human Resources Department established a Diversity Team to forge a new diversity management function aimed at developing and making best use of a workforce with multiple viewpoints and capabilities. We will actively promote initiatives in this areas aimed at "attracting and developing global talent," "promoting the development of a diverse workforce without nationality or gender bias," and "enhancing cultural acceptance through increased cross-cultural understanding."

Key Issues in Promotion of Diversity at Takeda

Nationality	Recruit and develop talented people from around the world as part of creating a business that utilizes diverse values
Gender	Develop systems to enable staff to combine work with parenting duties and support career development for women
Disability	Expand employment opportunities for people with disabilities and provide workplaces where they can contribute
Work-life balance	Ensure a corporate culture and workplace environment that allow diverse people to fulfill their potential

Diversity and Cultural Acceptance

Takeda believes that it is important as a global enterprise to utilize diversity in the nationality, culture and values of employees. As part of this approach, the Management and Operations Committee has both Japanese and non-Japanese members to reflect a greater diversity of views in senior management decisions. We are also promoting a range of diversity-related initiatives, such as programs to facilitate personnel exchanges between Japan and overseas bases.

International Employee Symposium (IES)

The first IES was convened in February 2010 as a venue for discussing issues relating to the globalization of Takeda's operations. Participants included employees with extensive international experience, senior managers and representatives of the Human Resources Department. The meeting generated various proposals, including the formulation of guidelines to help employees from different cultures and backgrounds work together effectively and further HR development measures to help employees set and reach career goals. We are looking at options for reflecting the proposals in future policies.



International Employee Symposium



International Employee Symposium



Women's Leadership Exchange Breakfast:
Deborah Dunsire, M.D., President & CEO, Millennium (third from left)
Nancy Joseph-Ridge, M.D., General Manager, Pharmaceutical Development Div. (fourth from left)

Relationship with Employees

Female Staff Career Development

Takeda recognizes that promoting the employment of women is a priority issue in Japan. We are actively engaged in cultivating senior women leaders and in creating systems to promote employee-friendly workplaces that support staff with family responsibilities.

Women's Leadership Exchange Breakfast

In December 2009, female participants in the Takeda Leadership Institute program and female employees of Takeda in Japan took part in a round-table breakfast dialogue with Deborah Dunsire, M.D. (President & CEO, Millennium Pharmaceuticals), and Nancy Joseph-Ridge, M.D. (General Manager, Pharmaceutical Development Division). The aim of the event was to raise awareness of career development issues via interchange with international female executives while also providing attendees with an excellent networking opportunity.

Participants exchanged views on various topics, including how to combine work with household duties and raising a family, and ways of finding mentors and role models. Leaving a strong impression on the participants, the two senior women managers urged those attending the breakfast "not to be afraid of being a pioneer."

Comments from attendees of Women's Leadership Exchange Breakfast

"Hearing the various opinions of women working in a range of different jobs really helped to broaden my perspective."

"Dr. Dunsire's comment that 'Life is exciting! But it's not easy,' made a strong impression on me. I felt she was saying that it is difficult to realize your dream, but the opportunities do exist."

Takeda Women's Network

The Takeda Women's Network (TWN) was created in fiscal 2006 as a company-wide project to enable female employees to discuss and propose solutions to gender-related issues in the workplace. Wherever necessary, the TWN forms subcommittees to promote initiatives for specific situations. For example, in the Pharmaceutical Development Division, the TWN subcommittee organized a women's networking group to share information relating to work-life balance and to hold discussions with General Manager Nancy Joseph-Ridge, M.D. In the Pharmaceutical Research Division, the TWN subcommittee initiated a project studying the activities of female researchers, organized activities in cooperation with Olympus Corporation, and submitted a report to divisional General Manager Hiroyuki Odaka, Ph.D.

Employment of People with Disabilities

Takeda's aim is to create a workplace where all employees can fulfill their potential regardless of any disabilities. We are working resolutely to achieve this.

LI Takeda Ltd.

Established as a special subsidiary in 1995, LI Takeda operates under the Management Mission of "being a friendly company for workers with disabilities." It was the first company of its kind in the Japanese pharmaceutical industry. People with disabilities comprise the majority of the workforce, numbering 56 out of a total of 67 employees. LI Takeda provides services that include printing, cleaning, processing of packaging materials and laundry. These activities help individual employees to attain greater social independence within a positive and friendly setting.



Pharmaceutical Research Division TWN subcommittee members
Dr. Sachiko Karaki, General Manager, Fundamental Technology Dept., R&D Center, Olympus Corporation (fifth from left), who gave a lecture for female staff at Takeda



Staff at LI Takeda Ltd. cleaning the new "CLI" training facility

We are cultivating a corporate culture based on Takeda-ism while seeking to develop the next generation of global leaders.

Respect for the Rights of Individuals

Takeda takes a global perspective on respecting human rights, and observes employment laws and regulations in each country. 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 also forbidden. The “Takeda Code of Compliance Standards” also set a clear directive to take steps to prevent such discrimination or harassment.

Global Human Resources Policy

To realize “Takeda’s Human Resources Vision,” we have drawn up a concept and basic principles for HR development within a “Global Human Resources Policy.” This forms the basis for the various internal systems covering the recruitment, assignment, training and development, performance evaluation and remuneration of our employees.

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 Global Employee Survey

Since fiscal 2008, Takeda has undertaken a global survey of all employees to determine internal attitudes toward the company’s culture. Targeting all Takeda Group companies, the survey asks questions on employees’ awareness and understanding of Takeda-ism, work satisfaction and working environment. The results are being used to compile an action plan on how to foster an active corporate culture with higher awareness of Takeda-ism.

Amid a rapidly globalizing business environment and increasingly diverse attitudes and values, Takeda believes it is vital for management plans to reflect employee feedback.

Survey outline (plan)

- October 4-22, 2010
- Targeting 20,000 people in 23 countries
- 15 languages (including English, Japanese, Mandarin, French, Italian, German, Thai and Indonesian)
- Online and paper formats
- Survey response rate in fiscal 2008: 91% (Japan), 79% (Takeda Group)

World Wide Takeda-ism Months (WWT-M)

Each year we proclaim the three-month period starting June 12, the anniversary of the founding of Takeda, as “World Wide Takeda-ism Months.” During this time we promote various activities to reinforce the spirit of Takeda-ism within the Group. Each Takeda Group company re-examines the principles of Takeda-ism, organizing workshops or other events based on its own ideas. In fiscal 2009 we published a newsletter highlighting the range of voluntary activities undertaken by employees worldwide as part of WWT-M.



Employees donated food and time to a local food bank (Takeda San Diego, Inc.)

Workforce Size and Gender Composition

		Fiscal 2007	Fiscal 2008	Fiscal 2009
Takeda Pharmaceutical Co., Ltd.	Men	4,355	4,557	4,703
	Women	1,443	1,567	1,631
	Total	5,798	6,124	6,334
Takeda Group		15,717	19,362	19,654

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 permeation 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. In fiscal 2009, awards were presented to 129 employees.

Takeda Leadership Institute

Since fiscal 2007, Takeda has collaborated with the globally renowned business school INSEAD to develop the Takeda Leadership Institute (TLI) program aimed at cultivating global leaders among Takeda employees. TLI participants are selected from the U.S., Europe, Japan and Asia. Conducted entirely in English, the wide-ranging program helps participants to develop skills in leadership, business and management, and practice making presentations to management. The fiscal 2010 TLI program will have a total of 35 participants, and will take place in the U.S. and Japan over a period of about seven months from September 2010 to March 2011.

Takeda has also developed regionally targeted versions of the TLI program for Europe (the “TLI-EU” program) and Japan (“Global Leader Training” (Courses A/B)). These training courses are another means for actively cultivating the next generation of global leaders.

	Fiscal 2007	Fiscal 2008	Fiscal 2009
TLI program participants (tot.)	30	28	36

Relationship with Employees

Japan

Training Programs that Enable All Employees to Realize Their Potential

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

We offer many other opportunities to learn. For example, employees can participate in external training 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 at the company. By providing a diverse array of training programs, Takeda powerfully supports each employee’s abilities to help them achieve their career goals.

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

Number of Participants in Training Programs	Fiscal 2007	Fiscal 2008	Fiscal 2009
Stratified training	1,214	1,386	1,335
New employee training (part of above)	(279)	(401)	(352)
Task-specific training (business skills/English proficiency)	777	955	1,149
Leadership development training	125	76	121
Second career training	368	274	92

Center for Learning and Innovation (CLI)

In its effort to develop a global talent base, besides upgrading training systems, Takeda is also investing in better HR development facilities. As part of this, a new training facility in Suita, Osaka Prefecture was completed in March 2010. The name of the Center for Learning and Innovation (CLI), which was based on an employee suggestion, signifies that it will be a place not only for personal growth through learning, but also a source of the innovation needed to generate sustained future growth for the Takeda Group.

The CLI has on-site accommodation for up to 294 people. It has various conference and training rooms, and is also completely equipped with video conferencing equipment and simultaneous interpreting facilities. In addition, its design incorporates environmental features such as solar power panels and a rainwater recycling system. A special display on Takeda’s history and our CSR activities promotes understanding of Takeda’s Mission and Takeda-ism.

The CLI will be the venue for various training programs, including global leadership development programs such as the TLI, as well as training courses for new employees. We also plan to make full use of it as a conference venue for events, meetings and other communications-related initiatives.



The Center for Learning and Innovation (CLI)



The CLI’s “Global Wing” training room

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, such as a flextime system, and improving its employee leave system. In January 2010 we started a “power-up day” on the third Wednesday of every month, as a day to promote leaving the office on time without doing any overtime.

We are also proactively providing information on work-life balance to employees, including setting up a “Life Balance UP Navi” section on the Company intranet. In fiscal 2009 the Pharmaceutical Marketing Division published an in-house magazine called “Beautiful Beings” that introduces a model for MRs to achieve a balance between job responsibilities and personal events such as marriage, the birth of a child, child care and the care of an aging parent.

Takeda is dedicated to giving employees the opportunity to fulfill their responsibilities at work while also caring for 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 April 2010, we extended the period for parents to work shorter hours to allow them to care for their children, and allowed even greater reduction of hours. We also worked to make it easier for male employees to take paternity leave by allowing part of such time to be paid time off. In fiscal 2008 15 male employees took time off for child care, and in fiscal 2009 there were 8.

Takeda has a philanthropy leave system to support 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 and others.



Next generation accreditation mark



Life Balance UP Navi



Beautiful Beings

Working Hours Program and Employee Benefit Program

●Discretionary working hours

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

●Outside de facto working hours

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

●Flex-time and stay home work

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.

●Special paid leave for spouse pregnancy

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

●Child care leave

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

●Senior care leave

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

●Recruiting of former employees

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

●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 2007	Fiscal 2008	Fiscal 2009	
Paid holidays	Utilization rate	58.9%	62.2%	64.7%
	Avg. days used	10.7	11.1	11.6
Reduced working hours for child care* Employees	32	38	42	
Child-care leave	Employees (female)	48	61	65
	Employees (male)	—	15	8
No overtime* Employees	1	2	0	
No late-night work* Employees	1	2	0	
Child nursing care* Employees	5	2	1	
Reduced working hours for elderly care Employees	—	1	0	
Elderly care leave Employees	2	5	5	
Philanthropy leave Employees	Aggregate until FY2009: 6			

*Until child starts elementary school

Relationship with Employees

Employment of People with Disabilities

■ LI Takeda Ltd.

Takeda's special subsidiary LI Takeda employs people with mainly intellectual or hearing disabilities. Surmounting a variety of challenges such as one in communication, each employee maintains a positive effort in their duties, which include production of printed materials including brochures, leaflets and posters, bagging of promotional items, forwarding direct mail and the provision of cleaning and laundry services.

We are expanding employment opportunities for these workers as cleaners at our newly completed training facility CLI in Suita, Osaka.

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Ratio of people with disabilities employed at Takeda	1.99%	1.86%	1.95%

* As of March 31 of each fiscal year



LI Takeda Ltd.
Employees communicate using sign language while working to produce printed materials

Mental Healthcare

The Takeda Total Human Safety Net (THS) is a support system for both the mental and physical health management of employees. The THS supports activities such as prevention, early detection and treatment with regard to mental healthcare in particular. In addition to the usual periodical health checkups and provision of a medical staff of industrial physicians, Takeda employs an external employee assistance program (EAP) that gives employees in need access to consultations with specialists such as doctors and clinical psychotherapists outside the company. Since fiscal 2007 we have offered employees training by clinical psychotherapists and industrial physicians specializing in mental health. For employees in manager positions 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 their return to work. It also supports employees

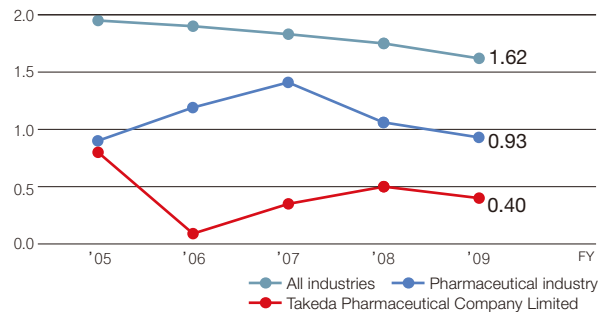
who have to leave the company due to illness or injury after a long leave of absence, helping their families as well to maintain stability in their lives.

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.



Takeda Healthcare Receives the Minister of Health, Labour and Welfare Award for Health and Safety

Takeda Healthcare Products Co., Ltd received the fiscal 2009 Minister of Health, Labour and Welfare Incentive Award for a Company, Group or Person Achieving Excellence in Health and Safety. Takeda Healthcare's unstinting daily efforts to ensure safety have resulting in a record of over 15 years without having operations interrupted by an accident. Encouraged this award, the entire Takeda Group will make a sincere effort in health and safety activities.

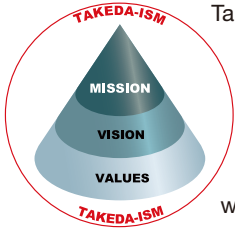
Relations with Worker's Unions

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.

Corporate Governance

Fundamental Policy and Structure

Policy toward Corporate Governance



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

Management Structure

At Takeda, the Board of Directors determines fundamental policies for the Takeda Group. Management and business operations are then conducted in accordance with the decisions of the Board of Directors. In order to respond swiftly and flexibly to a diversifying range of management issues and to enhance and promote global management, 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 established the Management and Operations Committee, comprised of Takeda executives including the CSO, EVP, International Operations, and CAO, which holds regular meetings to discuss important manage-

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

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

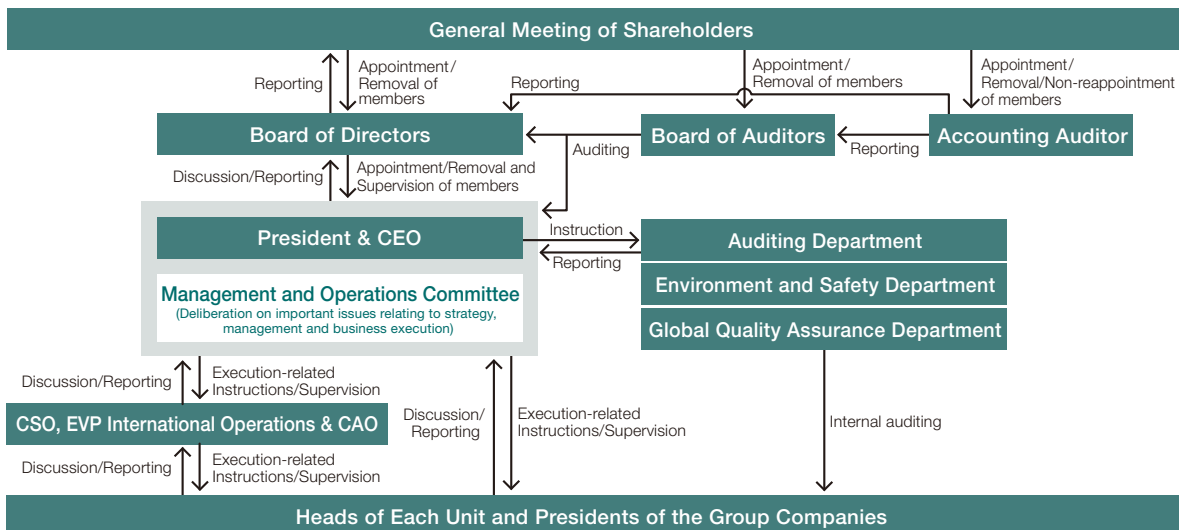
Where business execution is concerned, Takeda envisages a responsive and highly effective system for operating its business. Takeda believes that we have achieved this by creating an organization centered on talented personnel with detailed knowledge of the pharmaceutical business and conditions within 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 the key organizations within the relevant domain. We therefore have set a system in place to prevent or mitigate risks, according to their degree and nature.

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



lished the “Takeda Code of Compliance Standards” as standards of conduct to which executives and employees must adhere, and advanced company-wide measures 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 / Area Compliance Enforcer” in their division 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 initiatives each fiscal year are reported to the Compliance Officer in the form of an “Assessment Report” and reviewed by the 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 practice. The system also helps to safeguard those who disclose information. In November 2008 we added an external contact at our outside counsel. The 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 Secretariat contacts the relevant divisions to arrange corrective action, thereby enhancing compliance.

● Promotion of Compliance at Domestic and Overseas Subsidiaries

Takeda enhances 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 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 Act, as well as in-house regulations, in order to develop superior pharmaceutical products. When conducting experiments with animals, which are essential to the research and development of new drugs, we observe laws and regulations, including the Act on Welfare and Management of Animals, and we make every effort to practice the 3Rs*, the fundamental ethical and scientific principles for respecting life and caring for animals.

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

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

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, business partners, 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 "Basic Policies for Guideline Development" regarding business continuity and "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," and established a website specifically to improve communications with employees in the event of a major outbreak. By these means, we have straightened our possible measures 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

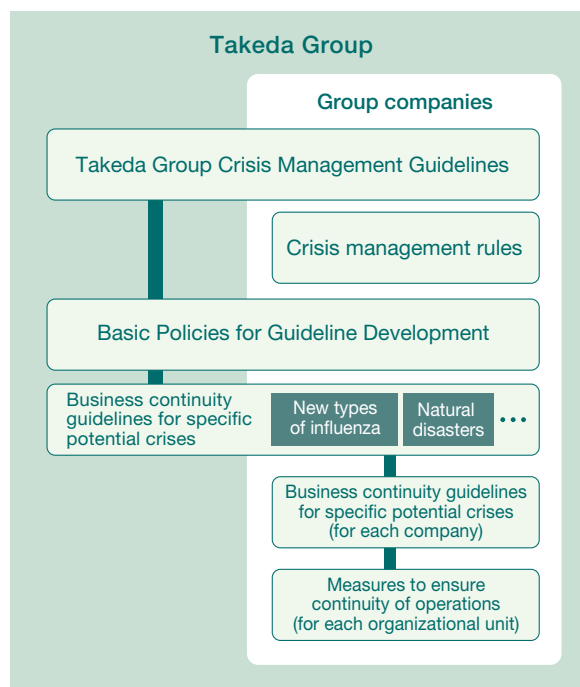
Crises denote situations in which:

- 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 the "Crisis Management Committee," which has its office in the Human Resources Department of Takeda Pharmaceutical Company Limited, coordinates a joint understanding of the situation and any relevant information. The Committee provides necessary 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, 2010

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: 19,654 (consolidated)

Head Office:

1-1, Doshomachi 4-Chome

Chuo-ku, Osaka-shi, Osaka 540-8645, Japan

Tel: +81-6-6204-2111

Fax: +81-6-6204-2880

Tokyo Head Office:

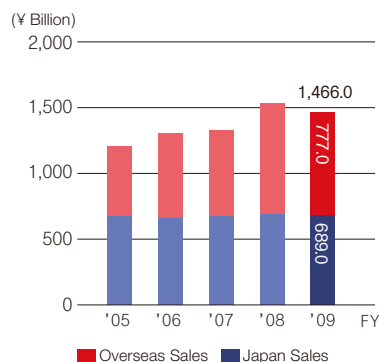
12-10, Nihonbashi 2-Chome

Chuo-ku, Tokyo 103-8668, Japan

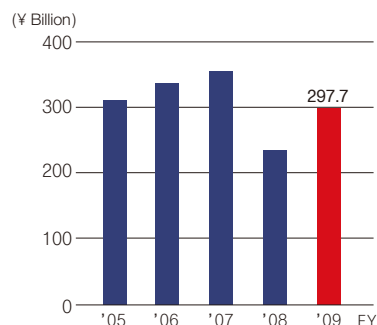
Tel: +81-3-3278-2111

Fax: +81-3-3278-2000

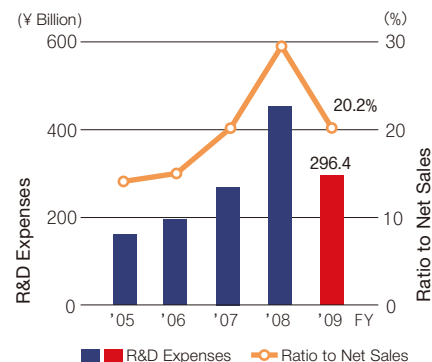
Net Sales



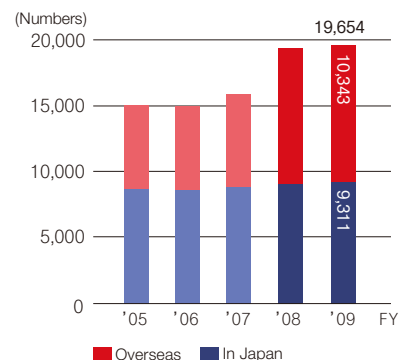
Net Income



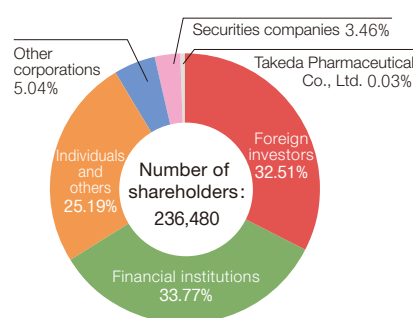
R&D Expenses / Ratio to Net Sales



Number of Employees



Proportion of Shareholders



GRI Guidelines Content Index

Takeda's Annual Report 2010 and Annual Report 2010 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 2010 and Annual Report 2010 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	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	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	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.	4-11	—
1.2	Description of key impacts, risks, and opportunities.	12-21,50,51,52, 55-57,74,75, 95,106,107	2,3,68
2 Organizational Profile			
2.1	Name of the organization.	136	69
2.2	Primary brands, products, and/or services.	25,40,41	69
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	98,99	69
2.4	Location of organization's headquarters.	136	69
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.	64,65,75,98,99	29
2.6	Nature of ownership and legal form.	88,89,127	22,23
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	3,24,40-48	—
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, 101-136	69
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).	81, 101-136	47,53
2.10	Awards received in the reporting period.	39,91	15,39,62,65

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	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.	136	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. 	22,23,55,56	1-9
	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.	1,74,75,78,79, 89-91	1,41,45,47-55, 63-65
	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.	5-11,81	47
	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.	0,75,79,80, 90,91	41,45,47-55, 63-65
	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.	—	70-73
Assurance	3.13	Policy and current practice with regard to seeking external assurance for the report.	—	74
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.	93	66
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	93	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.	93	66
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	93	66
	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.	93	66
	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.	22,23	2
	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.	18-19,64,65,93	6-7,66
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	93	66
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	18-19,64-71, 93-95	6-7,66-68, 22-35
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	18,19,22,23	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.	23,55	2-5
	4.15	Basis for identification and selection of stakeholders with whom to engage.	23,55	2-5
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	19,31,33,38,39-41, 43,45,59,64, 66-73,78,83,85	7,13,15,16-35, 55,57,59
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.	19,31,43,45, 57,58,66-73, 77,78,81,83,85	5,7,15,22, 24-35,43,45,53, 55,57,59	

※ Financial Statements for Year Ended March 31, 2010

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	5-11,101-136	69	
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.	2,3,101-136	36,37
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	—	52
	EC3	Coverage of the organization's defined benefit plan obligations.	126	—
	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.	82-85	56-59
	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.	101-136	—
Environmental				
Environmental Performance Indicators	Disclosure on Management Approach	76,77	2-9,40-55	
Materials	EN1	Materials used by weight or volume.	80	52,54,55
	EN2	Percentage of materials used that are recycled input materials.	—	—
Energy	EN3	Direct energy consumption by primary energy source.	80	52,54,55
	EN4	Indirect energy consumption by primary source.	—	—
	EN5	Energy saved due to conservation and efficiency improvements.	75	40,41
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	75	40,41
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	—	—
Water	EN8	Total water withdrawal by source.	75,80	52,54,55
	EN9	Water sources significantly affected by withdrawal of water.	75	41
	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.	20,21	8,9
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	20,21	8,9,41
	EN13	Habitats protected or restored.	20,21	8,9
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	20,21,75	8,9,41
	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.	2,74,75,80	40,41,52,54,55
	EN17	Other relevant indirect greenhouse gas emissions by weight.	80	52,54,55
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	74,75	40,41
	EN19	Emissions of ozone-depleting substances by weight.	—	—
	EN20	NO, SO, and other significant air emissions by type and weight.	79,80	51,52,54,55
	EN21	Total water discharge by quality and destination.	75,80	41,51,52,80
	EN22	Total weight of waste by type and disposal method.	79,80	48,49,52,54,55
	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.	—	—
	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.	75	8,9,41
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	75	41
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	—	—
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	N/A	N/A
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.	80	52
Overall	EN30	Total environmental protection expenditures and investments by type.	80	52

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	18,19,55-57, 86-91	2-5,60-65	
Employment	LA1	Total workforce by employment type, employment contract, and region.	3	62,64
	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.	90	64
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.	91	65
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	91	65
	LA9	Health and safety topics covered in formal agreements with trade unions.	91	65
Training and Education	LA10	Average hours of training per year per employee by employee category.	89	63
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	89	63
	LA12	Percentage of employees receiving regular performance and career development reviews.	—	—
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	87,89	62,65
	LA14	Ratio of basic salary of men to women by employee category.	—	—
Social (Human Rights)				
Human Rights Performance Indicators	Disclosure on Management Approach	18,19,55-58	2-5,60-62	
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.	82-85	56-59
	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	18,19,55-58	2-5,16-39	
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.	81	16,17,36,47,53
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption.	94,95	66-68
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	94,95	66-68
	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	50,51	10-15	
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.	50,51	10-15
	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.	24,73	37
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	94	67
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	—	—
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.	—	—

Third-Party Comment

Prof. Yoshito Nakamura

Professor, Toyo University Faculty of
Business Administration, Certified Public Accountant

Auditor of the Supporting Organization of JOCV

Auditor of the Kawasaki City Council of Social Welfare

Chairman, Committee for Office Security Mark
Certification System, New Office Promotion Association

Member of the Evaluation Committee for Independent
Administrative Institutions, Japanese Ministry of Defense



For the second consecutive year, I submit this third-party comment regarding Takeda Pharmaceutical Company Limited (“the Company”) having reviewed the Company’s Annual Report 2010 and CSR Data Book (“the Data Book”), and having interviewed those responsible for the creation of these materials about the Company’s CSR initiatives.

This latest edition of the Data Book explains how Takeda has extended the scope of its activities based on the ten principles of the United Nations Global Compact to include Africa as well as Asia, Europe and the Americas. These activities, which became a special focus of the CSR program last year, are undertaken to fulfill Takeda’s responsibilities to society as a global pharmaceutical manufacturer. The Data Book also contains details of the Company’s global quality assurance policies and related guidelines applying to prescription drugs, which are its core business, as well as details of the circumstances surrounding the withdrawal from sale of over-the-counter medications around which safety concerns had arisen. I hope that Takeda will maintain its stance of continuing to disclose information at appropriate times in recognition of its corporate responsibility towards its customers. I am confident that doing so will enable Takeda to maintain the trust of society worldwide.

1. Relationship with Society

The Data Book documents a stakeholder dialogue that Takeda conducted with experts and sponsored organizations to promote the “Takeda Well-Being Program,” which provides funds to groups involved in assisting children in long-term medical care and their families. The report contains a table of issues raised by the stakeholder dialogue, along with stakeholder expectations and related Takeda commitments. In the future, I would like to see Takeda broaden the scope of such initiatives and continue to engage with stakeholders in this way.

2. Relationship with Environment

Takeda Group CO₂ emissions in fiscal 2009 were 320,000 tons, approximately 34 percent less than the fiscal 2005 figure. Takeda has taken resolute steps to help prevent global warming. The Data Book details Takeda’s activities as an enterprise handling a broad array of chemicals to restrict chemical emissions and prevent environmental accidents, based on its “Basic Principles on the Environment.” These

measures seem effective in gaining the trust of local residents and business partners with regard to safety matters. In addition, I would like to see the Data Book provide details of how Takeda plays a guiding role in promoting pro-environmental measures within its supply chain.

3. Relationship with Business Partners

The social responsibilities of the pharmaceutical industry are expanding to include the upstream and downstream parts of the supply chain, and not just the manufacture and sale of products. Upstream, the Company has responded by formulating “CSR Purchasing Guidelines” and upgrading quality assurance procedures for all purchased materials. Downstream, Takeda is tackling issues such as product quality defects and counterfeit drugs based on strict standards for storage, distribution and sale of its products. In future, I would like to see more detail about the efficacy of such initiatives across the value chain, and how Takeda is responding to the demands of society in such areas.

4. Relationship with Employees

Incorporating the views of a workforce of diverse nationalities, cultures and values is essential for sustaining the business development of a global enterprise. The Data Book describes various related Takeda initiatives, including international human resources symposia and programs to cultivate female leaders and promote work-life balance. In particular, Takeda is putting a lot of effort into cultivating global leaders. In future, I would like to see more quantitative information about how these initiatives are planned, conducted and evaluated.

To better fulfill its CSR-related disclosure responsibilities Takeda includes CSR-related information in the Data Book as part of its Annual Report. This enables readers to gain a better understanding of the management’s stance on fulfilling the Company’s responsibilities to society from the perspective of a corporate citizen. In future editions I would also like to see greater linkage between the information that is contained in the Annual Report and the Data Book so that there is greater disclosure of CSR-related information not contained in the Annual Report. I believe this would help Takeda to earn the trust of global stakeholders and contribute to the sustainable development of the Company.

* The Third-Party Comment does not contain opinions concerning the accuracy of the information included in this report.

CSR Data Book Survey

Thanks for taking the time to read our Annual Report 2010 CSR Data Book.

We would greatly appreciate it if you could answer a few questions in the following survey to help us plan future CSR activities and reports. Please send your completed survey by fax or post as follows.

Corporate Communications Division,
Takeda Pharmaceutical Company Limited

FAX: +81-3-3278-2000

Post: 12-10, Nihonbashi 2-Chome Chuo-ku, Tokyo 103-8668, Japan

You can also respond to the survey via our website: <http://www.takeda.co.jp/csr/enq-en/2010/>

Q1 What was your overall impression of the CSR Data Book?

-
- **Content** Very comprehensive Comprehensive Normal Somewhat lacking Severely lacking
-
- **Ease of understanding** Very easy to understand Easy to understand Normal Difficult to understand Very difficult to understand
-
- **Volume of information** Too much A little too much Normal A little brief Too brief
-
- **Design** Very easy to read Easy to read Normal Difficult to read Very difficult to read
-
- **Takeda's CSR activities** Very comprehensive Comprehensive Normal Somewhat lacking Severely lacking
-

Q2 Which item(s) were you particularly interested in? (Multiple answers are OK)

-
- | | |
|---|---|
| <input type="checkbox"/> Basic Policy on CSR (P.2) | <input type="checkbox"/> Initiatives to Reduce Environmental Risks / Environmental Protection and Accident Prevention Audit (P.44-46) |
| <input type="checkbox"/> Initiatives for the United Nations Global Compact (P.4) | <input type="checkbox"/> Environmental and Safety Measures at New Research Center (P.47) |
| <input type="checkbox"/> CSR Activities--Achievements and Targets (P.5) | <input type="checkbox"/> Waste Reduction (P.48-49) |
| <input type="checkbox"/> Feature 1: Global CSR (P.6-7) | <input type="checkbox"/> Reduction in Releases of Chemical Substances / Air, Water and Soil Quality Protection (P.50-51) |
| <input type="checkbox"/> Feature 2: Biodiversity Initiatives (P.8-9) | <input type="checkbox"/> Environmental Impacts Associated with Business Activities (P.52) |
| <input type="checkbox"/> Quality Assurance System (P.10-13) | |
| <input type="checkbox"/> Patient-Oriented Formulation Technology and Quality Design (P.15) | |
| <input type="checkbox"/> Takeda's Corporate Citizenship Activities (P.16-17) | |
| [Relationship With Society] | [Relationship with Business Partners] |
| <input type="checkbox"/> Feature: Supporting Children in Long-Term Treatment (P.18-21) | <input type="checkbox"/> Feature: Value Chain Management (P.56-57) |
| <input type="checkbox"/> Activities in Africa and Asia (P.22-23) | <input type="checkbox"/> Committed to Sound and Fair Business Relationships (P.58-59) |
| <input type="checkbox"/> Activities of Sales Companies in Each Country (P.24-34) | [Relationship with Employees] |
| <input type="checkbox"/> Foundations and Employee Volunteer Activities (P.35-36) | <input type="checkbox"/> Feature: Promoting Diversity (P.60-61) |
| [Relationship with Environment] | <input type="checkbox"/> Nurturing Human Resources / Center for Learning and Innovation (P.63) |
| <input type="checkbox"/> Feature: Climate Change and Water Resources Conservation Initiatives (P.40-41) | <input type="checkbox"/> Work-Life Balance (P.64) |
| <input type="checkbox"/> Basic Principles / Environment and Safety Management Structure (P.42-43) | |

Q3 From what perspective did you read the report?

-
- | | | |
|---|--|--|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> Trading partner | <input type="checkbox"/> A person connected to a government or civil service |
| <input type="checkbox"/> Finance/investment-related | <input type="checkbox"/> A person living close to a Takeda business site | <input type="checkbox"/> A specialist in CSR or the environment |
| <input type="checkbox"/> Healthcare professional | <input type="checkbox"/> An employee or family member of an employee | <input type="checkbox"/> A person responsible for CSR for a corporation |
| <input type="checkbox"/> Patient | <input type="checkbox"/> A student | <input type="checkbox"/> A person connected to the mass media |
| <input type="checkbox"/> Private individual | <input type="checkbox"/> A person connected to an NGO or NPO | <input type="checkbox"/> Other |

Q4 If you have any opinions or comments about the report, please share them with us below.

Thank you for your cooperation.