



AFFYMAX AND TAKEDA ANNOUNCE AGREEMENT TO DEVELOP AND COMMERCIALIZE HEMATIDE™ IN JAPAN

*Affymax to Receive More than \$100 Million in Upfront and
Milestone Payments Plus Sales Royalties*

*Takeda to Obtain an Exclusive License for Development and
Commercialization in Japan*

PALO ALTO, Calif. (February 12), and OSAKA, Japan (February 13), 2006 –Affymax, Inc. (Affymax) and Takeda Pharmaceutical Company Limited (Takeda) today announced that the companies have entered into an exclusive agreement to develop and commercialize Affymax's lead product candidate, Hematide™, in Japan for the treatment of anemia.

Hematide, a synthetic peptide-based next-generation erythropoiesis-stimulating agent (ESA), is designed to stimulate the production of red blood cells. It is currently being evaluated in four Phase 2 clinical trials in the United States and Europe to treat anemia in chronic kidney disease (CKD) and cancer patients.

Pursuant to the agreement, Takeda will pay to Affymax US\$17 million as an up-front payment and will also purchase US\$10 million of Affymax's stock. In addition, Affymax is eligible to receive clinical and regulatory milestone payments totaling US\$75 million. After the launch of Hematide in Japan, Affymax would receive a double digit royalty on Hematide sales in the territory. Takeda is responsible for all development and commercialization costs in Japan, and Affymax is responsible for the manufacture and supply of drug substance to Takeda. Takeda then will manufacture the final commercial product for use in Japan.

"With this agreement, Affymax has delivered on a key corporate goal. This major milestone achievement will allow us to focus our own now considerable resources on developing Hematide in the United States and Europe, while Takeda focuses on the significant market in Japan" said Arlene M. Morris, Affymax's president and chief executive officer. "Takeda is an optimal partner because they have the development experience in this area and commitment necessary to accelerate and successfully develop and commercialize Hematide in Japan."

"Hematide is a novel ESA that is an important product based on the evidence we have observed," said Yasuchika Hasegawa, Takeda's president and chief operating officer. "We are excited to aggressively move this promising new drug candidate forward to address a very large underserved patient population. I also believe this product will enhance our urological and cancer-related franchises, which we position as part of our core therapeutic areas."

ESAs, which have been used successfully to manage anemia in patients with CKD and cancer-related anemia, represent a \$12 billion market worldwide, of which Japan is about \$1 billion and growing. ESA therapy has dramatically reduced the need for blood transfusions and the frequency and severity of anemia-associated morbidity, resulting in an improved quality of life for patients.

About Hematide™

Hematide has a completely novel amino acid sequence that is unrelated to erythropoietin, a hormone that stimulates red blood cell formation, or to any other known naturally-occurring human sequences. Compared to therapeutic proteins, Hematide has the potential advantages of an uncomplicated chemical synthesis, a simple dosing schedule characterized by once monthly administration, and room temperature storage. In addition, antibodies generated to erythropoietin do not cross-react with Hematide, providing a rationale to study it in patients with pure red cell aplasia (PRCA), a rare autoimmune disease caused by development of antibodies to recombinant erythropoietin. A Phase 2 study to evaluate Hematide in PRCA patients is scheduled to begin in early 2006.

About Affymax

Affymax, Inc. is a clinical-stage pharmaceutical company that is developing a rich pipeline of synthetic peptide-based drugs against clinically validated targets for the treatment of kidney diseases and cancer. Hematide, the Company's lead clinical product candidate, is a novel peptide-based drug designed to stimulate red blood cell production currently in Phase 2 trials for the potential treatment of anemia associated with chronic kidney disease and cancer. For more information go to www.affymax.com.

About Takeda

Takeda, located in Osaka, Japan, is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products. Additional information about Takeda is available through its corporate website, www.takeda.com/index-e.html

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For Further Information:

Affymax

Mary Fermi
Senior Director, Commercial Development
650-812-8722
mary_fermi@affymax.com

Daryl Messinger
WeissComm Partners (for Affymax)
415-999-2361
daryl@weisscommpartners.com

Takeda

Seizo Masuda
Coordinator, Corporate Communications
+81-6-6204-2060
Masuda_Seizo@takeda.co.jp