



## 31st Annual J.P. Morgan Healthcare Conference Achieving Sustainable Growth

January 8, 2013

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President & CEO

Takeda Pharmaceutical Company Limited

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## Forward-Looking Statements



This presentation contains forward-looking statements regarding the Company's plans, outlook, strategies, and results for the future.

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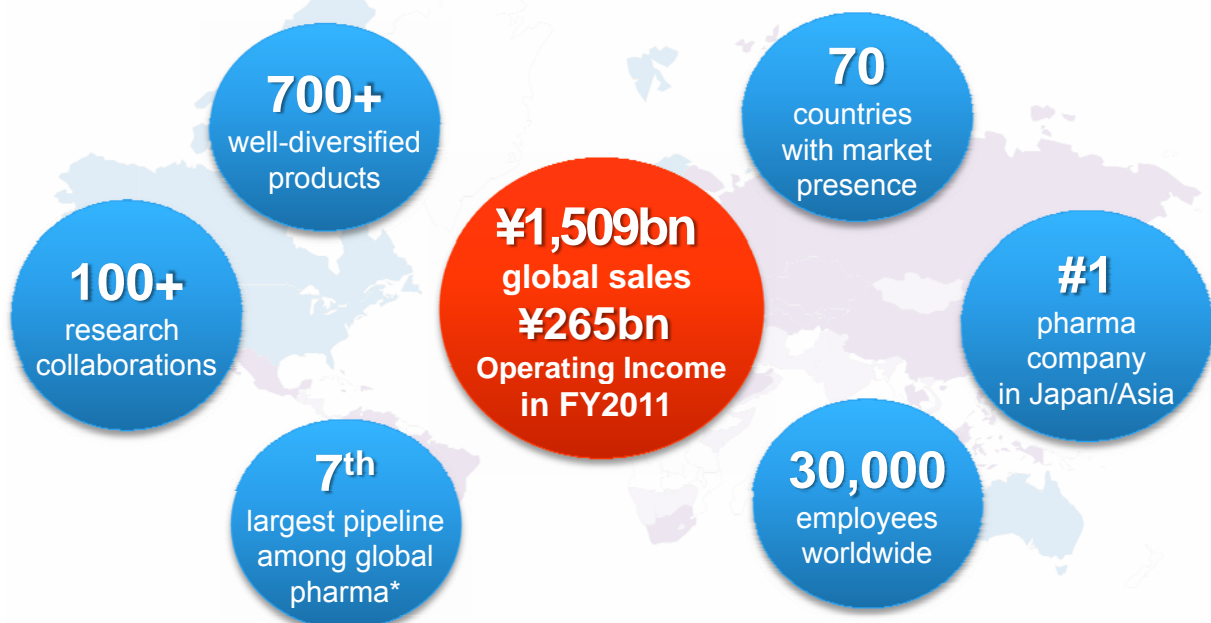


**We strive towards better health for patients worldwide through leading innovation in medicine.**

## A Snapshot of Takeda Today

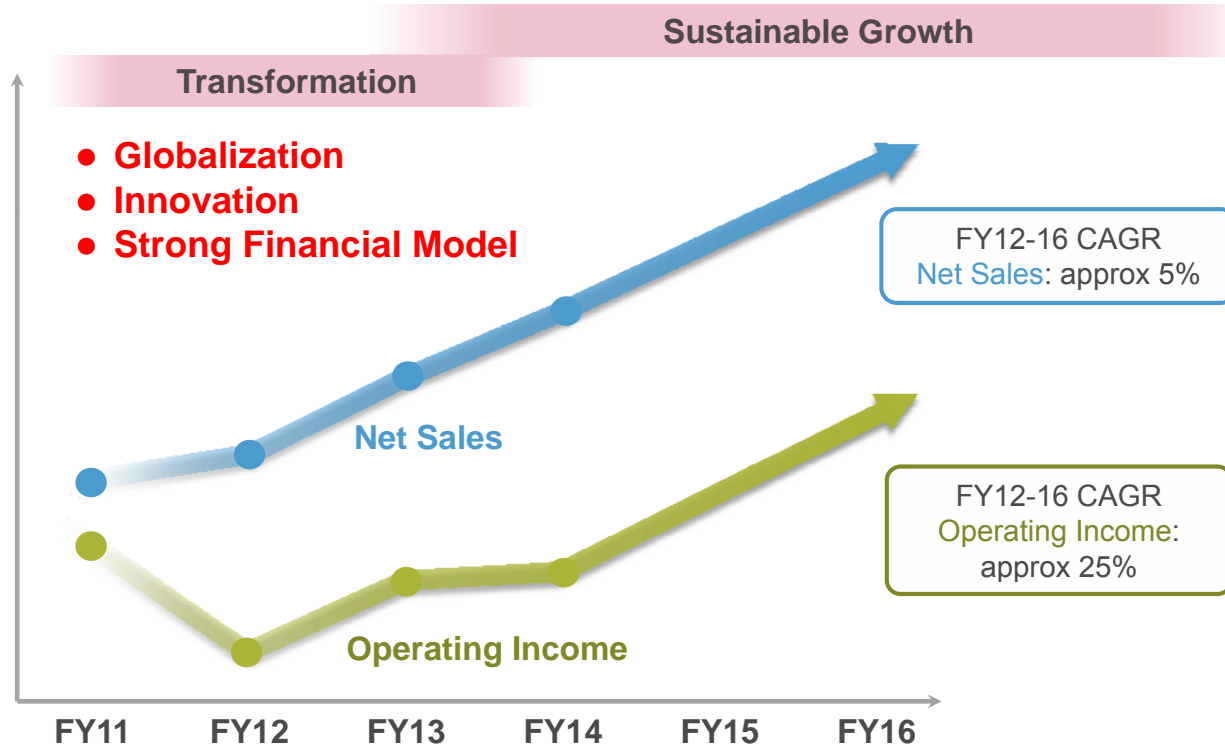


**An R&D Driven Pharmaceutical Company with Global Presence**



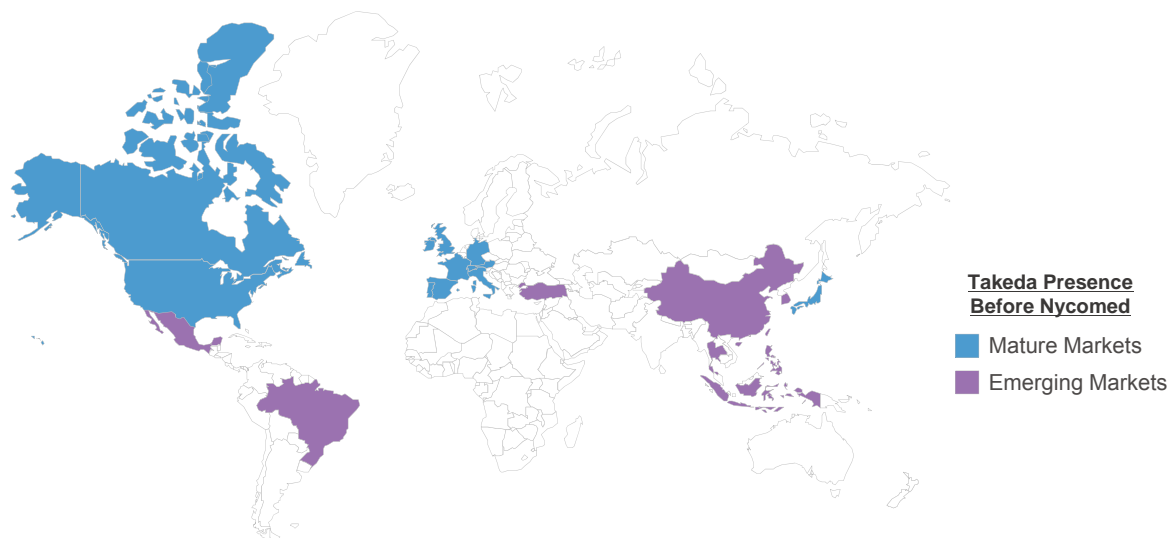
\*Source: Citeline Pharma R&D Annual Review 2012

# Achieving Sustainable Growth into the Future



## Globalization

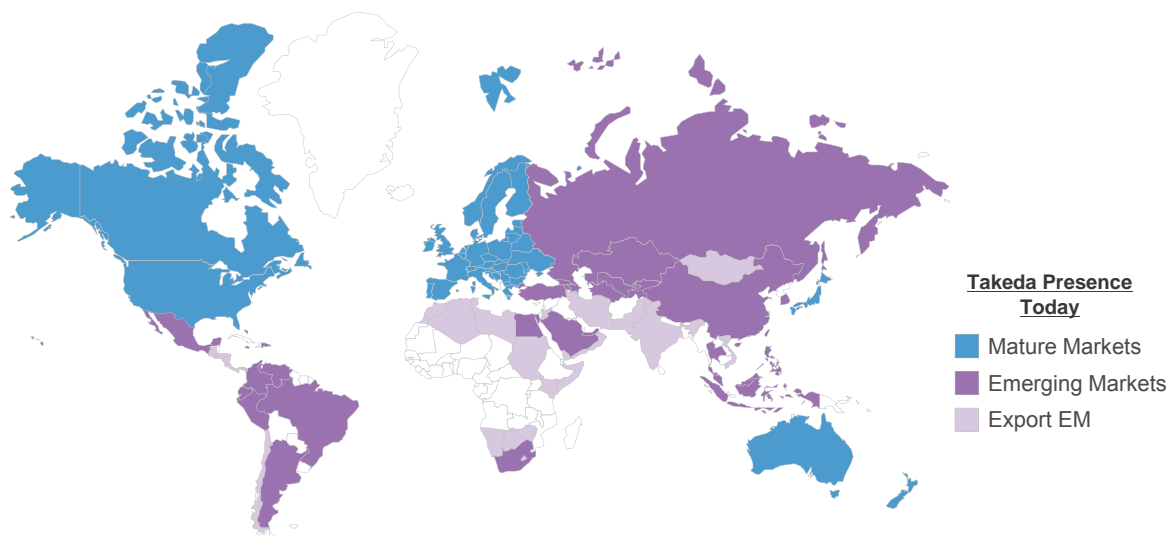
# Transformation Through Nycomed Acquisition - 1 year on



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# Transformation Through Nycomed Acquisition - 1 year on

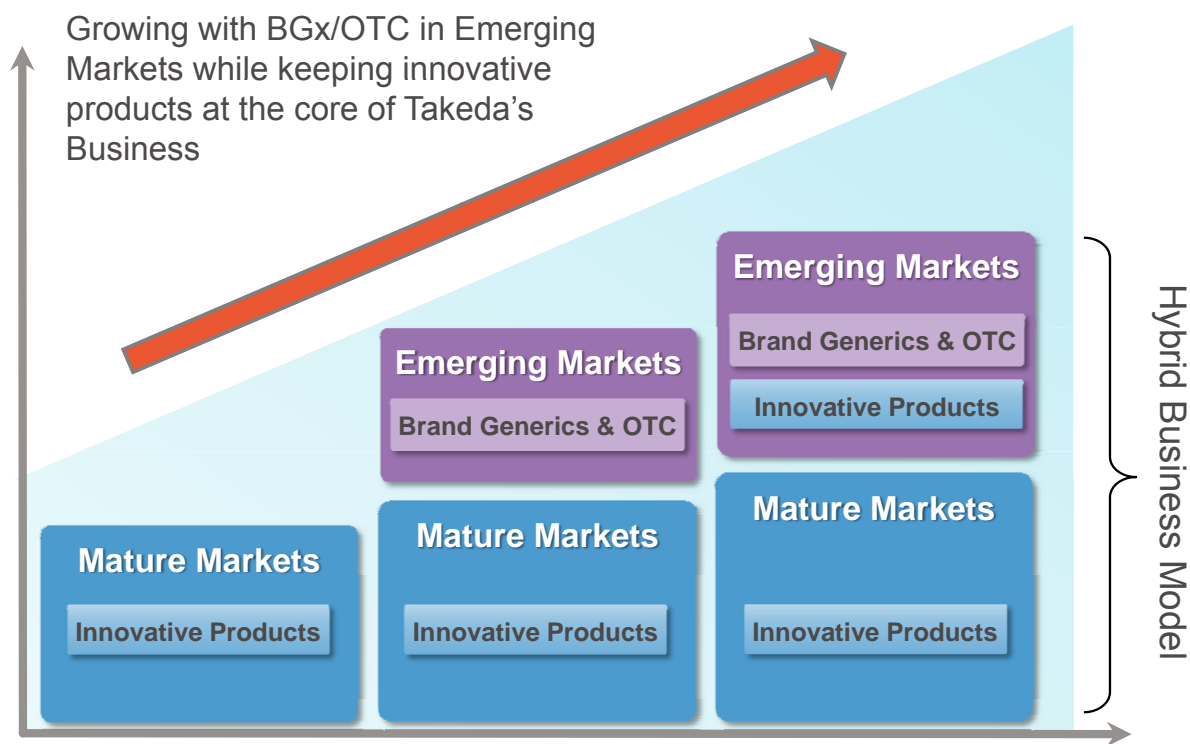


- Sales contribution of ¥148.7bn in 1H FY12
- Emerging Markets 3% of total sales in 1H FY11 to 13% in 1H FY12
- Expanding product portfolio of 700+ Brand Generics and OTC products with better fit for emerging markets

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# Implementing Hybrid Business Model



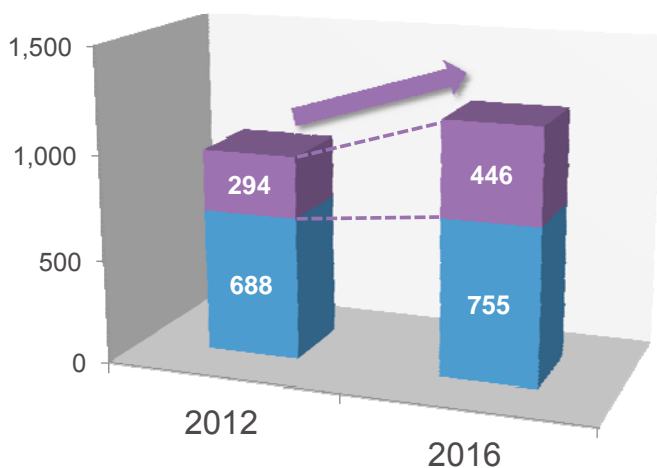
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## Emerging Markets Driving 70% of Market Growth



### Global Pharma Market Outlook Sales US\$ bn



Global CAGR 12-16:  
5%

Emerging Markets  
CAGR 12-16:  
11%

Mature Markets  
CAGR 12-16:  
2%

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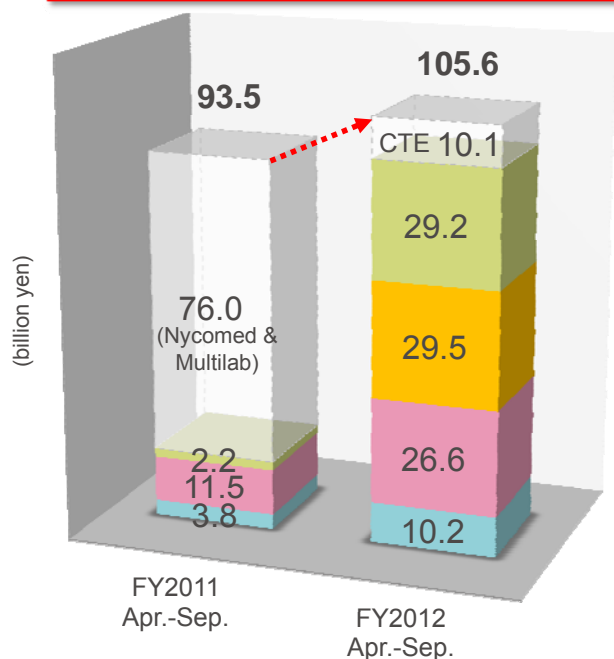
Data Source: © 2011 IMS Health. All rights reserved. Estimated based on Market Prognosis Reprinted with permission

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## Net Sales Up 13% YoY in Emerging Markets



**+13%** incl. Nycomed and Multilab  
(excl. CTE: Currency Translation Effect)



### Consolidated Takeda sales basis Year-on-year change

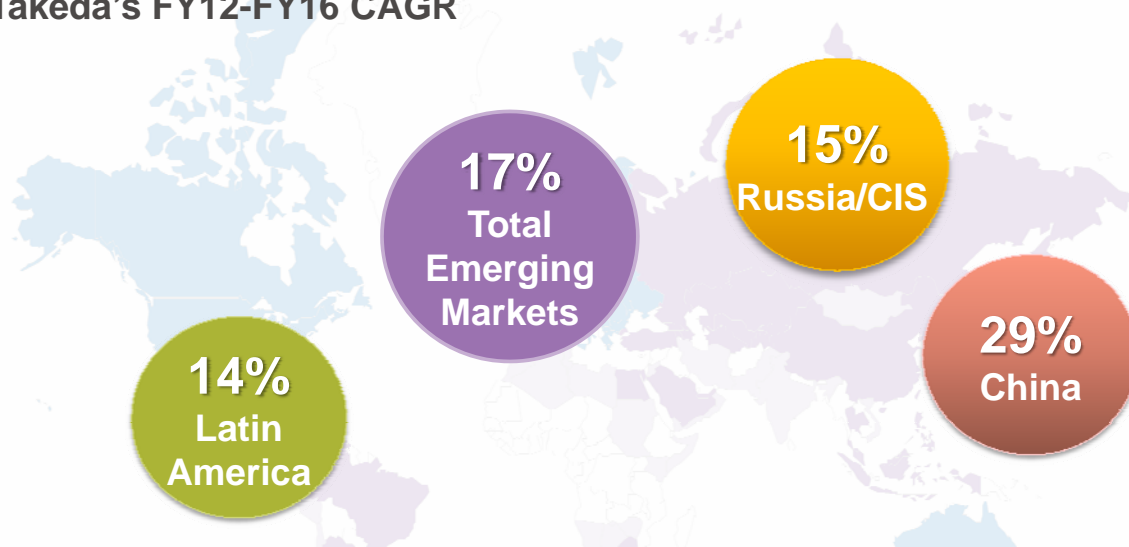
(billion yen, < % >)

Emerging Markets Total	+ 78.0 < +444.3% >
Latin America	+ 27.0 < - >
Russia/CIS	+ 29.5 < - >
Asia	+ 15.1 < +131.2% >
Middle East, Oceania & Africa	+ 6.4 < +168.3% >

## Achieving Exceptional Sales Growth in Emerging Markets



### Takeda's FY12-FY16 CAGR



- Expand sales of legacy Nycomed products (brand generics / OTC)
- Launch Takeda's products through all new global sales channel
- Accelerate growth through further investment

# Achieving Exceptional Sales Growth in China, Russia/CIS and Latin America



## China



### Net Sales FY12-16 CAGR: 29%

- Continue to invest for sustainable growth
- Implement two step expansion strategy; growth by commercial excellence and growth by new product launches

## Russia/CIS



### Net Sales FY12-16 CAGR: 15%

- Balance portfolio with out-of-pocket and reimbursement
- Build local value chain - adding manufacturing facility in Yaroslavl and local development center

## Latin America



### Net Sales FY12-16 CAGR: 14%

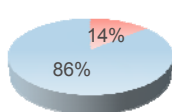
- Position Takeda to capitalize on natural growth drivers of the Brazilian market, such as the expanding middle class
- Access Brazil's rural areas through Multilab infrastructure

# Increasing New Innovative Product Sales in Japan, the US and EU

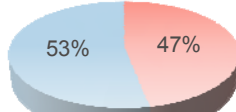


Existing products New products\*

## Japan



FY12

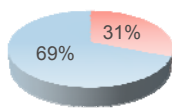


FY16

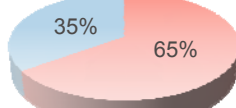
### Net Sales FY12-16 CAGR: 3%

- NESINA: Quickly regain the No.1 position in diabetes
- AZILVA: Maintain the No.1 position in hypertension

## US



FY12

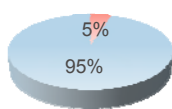


FY16

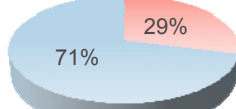
### Net Sales FY12-16 CAGR 6%

- Boost sales of new and existing products such as VELCADE, OMONTYS and DEXILANT
- Strengthen gout franchise with Colcris and Uloric

## EU



FY12



FY16

### Net Sales FY12-16 CAGR 6%

- Ensure launch and early penetration of new products (NESINA, OMONTYS etc.)
- Add new specialty care products (DAXAS, ADCETRIS, etc)



# Innovation

## Implementing 3 Step Strategy for R&D Innovation



POC&C  
Re-purpose existing assets  
Pursue new indications



**Invigorate  
Discovery**

**Enrich  
the Mid-stage  
Pipeline**

**Maximize/deliver  
the Late-stage  
pipeline**





# Maximizing Potential of Innovative Products



- **VELCADE® (bortezomib):**

Global market leader for patient share in Multiple Myeloma

- ✓ Sustained OS survival (5 years)
- ✓ Subcutaneous administration (70% of overall use)



- **NESINA® (alogliptin):**

Highly selective DPP4 inhibitor for type 2 diabetes

- ✓ PDUFA date January 25<sup>th</sup>
- ✓ No. 2 share in Japan DPP4i market



- **OMONTYS® (peginesatide):**

Once-monthly ESA for anemia treatment in CKD patients on dialysis

- ✓ Supply agreement with Fresenius and US Renal



- **ADCETRIS® (brentuximab vedotin):**

Antibody-drug conjugate for CD30 positive cancers

- ✓ Approved in EU for R/R Hodgkin Lymphoma and R/R sALCL



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# Enhancing Late-Stage Pipeline in Core Therapeutic Areas



**Cardiovascular  
& Metabolic**

**Phase III : 4**  
**Filed : 6**

**Oncology**

**Phase III : 9**  
**Filed : 2**

**Central Nervous  
System**

**Phase III : 5**  
**Filed : 2**

**General Medicine**

**Phase III : 3**  
**Filed : 5**

**Vaccine**

**Phase III : 1**  
**Filed : -**

**Respiratory  
& Immunology**

**Phase III : -**  
**Filed : 1**

Includes Life-Cycle Management and fixed-dose combinations

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# Ensuring Steady Pipeline Approval



	FY12	FY13	FY14	FY15-FY16
JP	LOTRIGA	ATL-962	SYR-472 Lu AA21004 TAK-438 TAK-536/CCB SGN-35	TAK-875    MLN0002 MLN9708    TAK-385 TAK-700    TAK-816
US	SYR-322 SYR-322 / MET SYR-322 / PIO	Lu AA21004	TAK-700 MLN0002	TAK-875 MLN9708 MLN8237
EU	RIENSO REVESTIVE ADCETRIS	Lurasidone Peginesatide TAK-390MR	TAK-491/CLD MLN0002	TAK-875 MLN9708 TAK-700
EM	SYR-322, TAK-491, SGN-35, mifamurtide, TAK-375, TAK-390MR, roflumilast, etc.			

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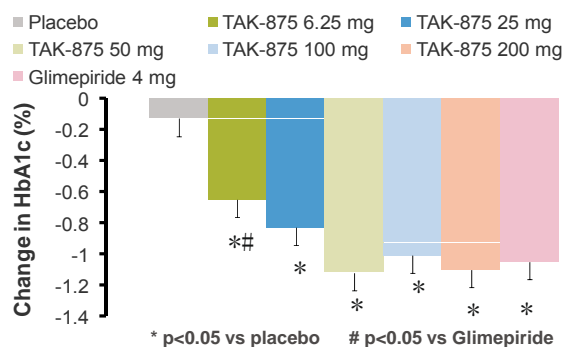
# Planned Launches from Promising Pipeline



## TAK-875

- First in class GPR40 agonist for diabetes
- Phase 3 in US, EU, Japan
- Reduces glucose levels with low risk of hypoglycemia (2.0% versus glimepiride 16.1%)
- Initiated trials to assess concomitant use with other anti-diabetics including DPP-4 inhibitor

## TAK-875 Phase 2 results



## MLN0002 (vedolizumab)

- Gut-selective monoclonal antibody: targets  $\alpha 4\beta 7$  integrin on leukocytes involved in ulcerative colitis (UC) and Crohn's disease (CD)
- Phase 3 UC study GEMINI I and Phase 3 CD study GEMINI II met primary endpoints of response (induction) and remission (maintenance)
- Efficacy in patients who are anti-TNF $\alpha$  naïve and those with prior anti-TNF $\alpha$  failure

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# Planned Launches from Promising Pipeline



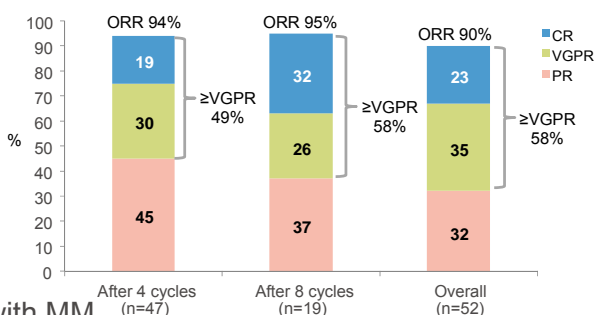
## TAK-700 (orteronel)

- Oral non-steroidal 17, 20 lyase inhibitor for prostate cancer
- Phase 3 in US, EU, Japan
- Two global phase 3 trials in chemo-naïve and post-chemo metastatic castration-resistant prostate cancer (mCRPC)
- May allow dosing without prednisone

## MLN9708 (ixazomib citrate)

- First oral proteasome inhibitor
- Phase 3 in US, EU and Phase 1 in Japan for relapsed/refractory multiple myeloma
- Evidence for improved tissue distribution in animal models relative to bortezomib
- Strong efficacy in relapsed patients and in combination in newly diagnosed patients with MM
- Potential in a broad range of hematological and solid tumors

Preliminary response data over course of treatment – patients treated at RP2D (2.23 mg/m<sup>2</sup> / 4.0 mg)



## Strong Financial Model

# Enhancing Free Cash Flow



## Increase Operating Margin

Increase sales of new and existing products  
Reduce procurement and manufacturing costs  
Improve shared services  
Selectively prioritize R&D projects

## Optimize Balance Sheet

Improve asset efficiency - dispose of securities and unused real estate  
Reduce working capital  
Streamline global cash management

## Free Cash Flow

Strategic Investment

Stable Dividend Payment

Repayment of Debt

# Achieving Sustainable Growth



## Value Creation at Takeda will come through:

- **Globalization**

Market products around the world establishing portfolios well tailored to each region

- **Innovation**

Deliver innovative medicine through internal and external expertise to prevent, treat and cure diseases with high unmet medical needs

- **Strong Financial Model**

Implement strong financial model to increase free cash flow