

A background image of a globe showing the Americas, with a blue horizontal band across the middle and a red vertical bar on the left side.

# **Takeda Pharmaceutical Company Strategic Update**

33rd Annual J.P. Morgan Healthcare Conference

Christophe Weber  
President & Chief Operating Officer

# Forward-Looking Statements



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

All forward-looking statements are based on judgments derived from the information available to the Company at this time. Forward looking statements can sometimes be identified by the use of forward-looking words such as "may," "believe," "will," "expect," "project," "estimate," "should," "anticipate," "plan," "continue," "seek," "pro forma," "potential," "target," "forecast," or "intend" or other similar words or expressions of the negative thereof.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any forward looking statements contained in this presentation. These risks and uncertainties include, but are not limited to, (1) the economic circumstances surrounding the Company's business, including general economic conditions in the US and worldwide; (2) competitive pressures; (3) applicable laws and regulations; (4) the success or failure of product development programs; (5) decisions of regulatory authorities and the timing thereof; (6) changes in exchange rates; (7) claims or concerns regarding the safety or efficacy of marketed products or product candidates; and (8) integration activities with acquired companies.

We assume no obligation to update or revise any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events, or otherwise.

- I. Strategic Roadmap  
Global Organization**
- II. Sustaining Sales Growth**
- III. Leadership in Oncology and  
Gastroenterology (GI)**

# **I. Strategic Roadmap Global Organization**

## **II. Sustaining Sales Growth**

## **III. Leadership in Oncology and Gastroenterology (GI)**

# Takeda Strategic Roadmap to Deliver Sustainable EPS Growth



- **Takeda-ism**

*Patient → Trust → Reputation → Business*

- **Patient and customer centricity**

- **Global and agile organization fostering talent**

- **Focused world class innovation engine (R&D)**

- **Sustaining sales growth**

*Innovation with leadership in GI & Oncology  
Leverage value brands in Emerging Markets*

- **Financial discipline**

**Profitable  
Growth &  
Creation of  
Shareholder  
Value**



***Become an agile,  
best-in-class global pharmaceutical company  
focused on patients and customers***

- ***Values based***
- ***Agile***
- ***Simple, with clear accountabilities***
- ***Patient- and customer-centric***
- ***Talent development and diversity champion***

# Takeda-ism: Key to our Reputation and Business Success



**Takeda-ism** is our foundation as we focus on:

**1<sup>st</sup>**

**PUT THE  
PATIENT AT THE  
CENTER**

**2<sup>nd</sup>**

**BUILD TRUST  
WITH SOCIETY**

**3<sup>rd</sup>**

**REINFORCE OUR  
REPUTATION**

**4<sup>th</sup>**

**DEVELOP THE  
BUSINESS**

# Takeda's Strengths and Areas for Improvement



## What we possess - Takeda assets / strengths

- Takeda-ism
- Dedicated and talented employees
- Attractive late stage pipeline assets
- Leading position in Japan
- Global reach
- Long-term perspective

## What we need to improve

- Patients and customer centricity
- Organization – clear accountability / ownership
- Way we work – to achieve “Global One Takeda”
- Business focus on growth drivers
- Talent development and diversity
- Financial performance



# Focus to Support Growth



## **FOUR Therapeutic Areas Units in R&D**

- Gastroenterology (GI)
- Oncology
- Central Nervous System (CNS)
- Cardiovascular/Metabolic (CVM)



## **TWO Global Specialty Business Units**

- Oncology
- Vaccine (incl. R&D)



## **FIVE Regional Business Units**

- Japan Pharmaceuticals
- Emerging Markets
- U.S.
- EUCAN (Europe + Canada)
- Japan Consumer Healthcare

## **Global Manufacturing & Quality Business Partner organization**

# Takeda's Executive Team



**Yasuchika Hasegawa**  
*Chairman & CEO*



**Christophe Weber**  
*President & COO*



**Shinji Honda**  
*Corporate Strategy Officer*



**Masato Iwasaki**  
*President  
Japan Pharmaceuticals BU*



**Francois-Xavier Roger**  
*Chief Financial Officer*



**Tachi Yamada**  
*Chief Medical and Scientific Officer*



**Christophe Bianchi**  
*President  
Global Oncology BU*



**Doug Cole**  
*President  
US Business Unit*



**Gerard Greco**  
*Global Quality Officer*



**Haruhiko Hirate**  
*Corporate Communications and Public Affairs Officer*



**Yoshihiro Nakagawa**  
*Global General Counsel*



**David Osborne**  
*Global Human Resources Officer*



**Giles Platford**  
*President  
Emerging Markets BU*



**Andy Plump**  
*Chief Medical and Scientific Officer Designate  
will join Feb 1st*



**Marc Princen**  
*President  
EUCAN BU*



**Rajeev Venkayya**  
*President  
Global Vaccine BU*



**Thomas Wozniowski**  
*Global Manufacturing and Supply Officer*

I. Strategic Roadmap  
Global Organization

**II. Sustaining Sales Growth**

III. Leadership in Oncology and  
Gastroenterology (GI)

# Two Powerful Growth Engines



## ***INNOVATIVE PRODUCTS***

*4 THERAPEUTIC AREAS and VACCINES*

*US, Europe, Japan and Emerging Markets*

## ***VALUE BRANDS***

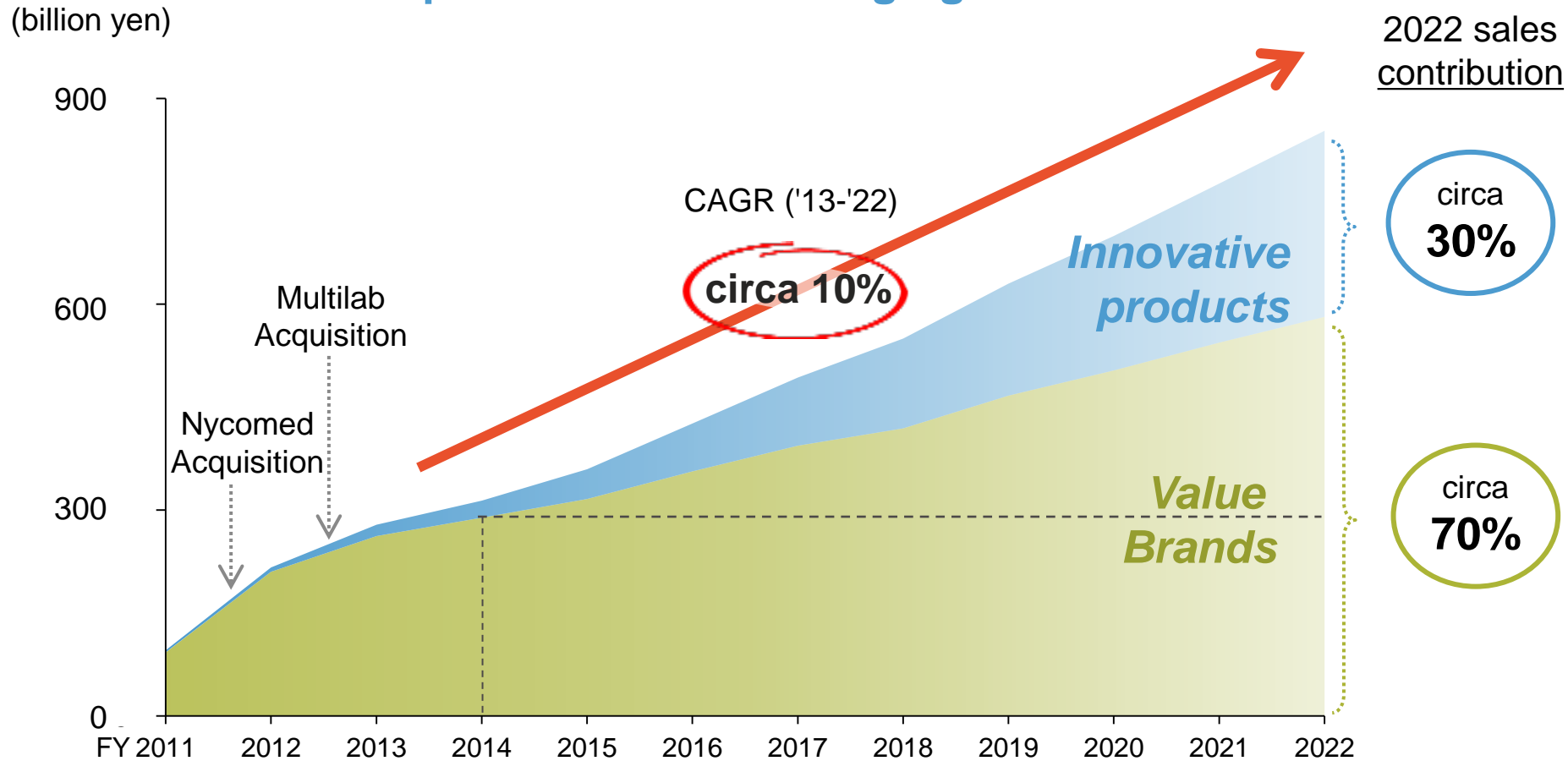
*BRANDED GENERICS and OTC*

*Emerging Markets*

# Emerging Markets: Value Brands, a Strong Foundation to Launch Innovative Products



## Expected sales in Emerging Markets



# Promising Portfolio that is Increasingly Focused, Innovative and Global



 Global products

New Product Approvals	Oncology	CNS	CVM	GI	Vaccine	Other TA
FY2008-2012	ADCETRIS®	REMINYL®	NESINA®	DEXILANT®		COLCRYS®
	VECTIBIX®		AZILVA®			ULORIC®
			EDARBI®			ALVESCO®
			LOTRIGA®			DAXAS®
FY2013-2017	ixazomib	BRINTELLIX®	CONTRAVE®	ENTYVIO®	Norovirus	
	alisertib	LATUDA®	trelagliptin	TAKECAB®		
	motesanib	TAK-375SL				
FY2018-2022	MLN0264	AD-4833/ TOMM40		TAK-114	TAK-003 Denque	
	relugolix					
	MLN0128					

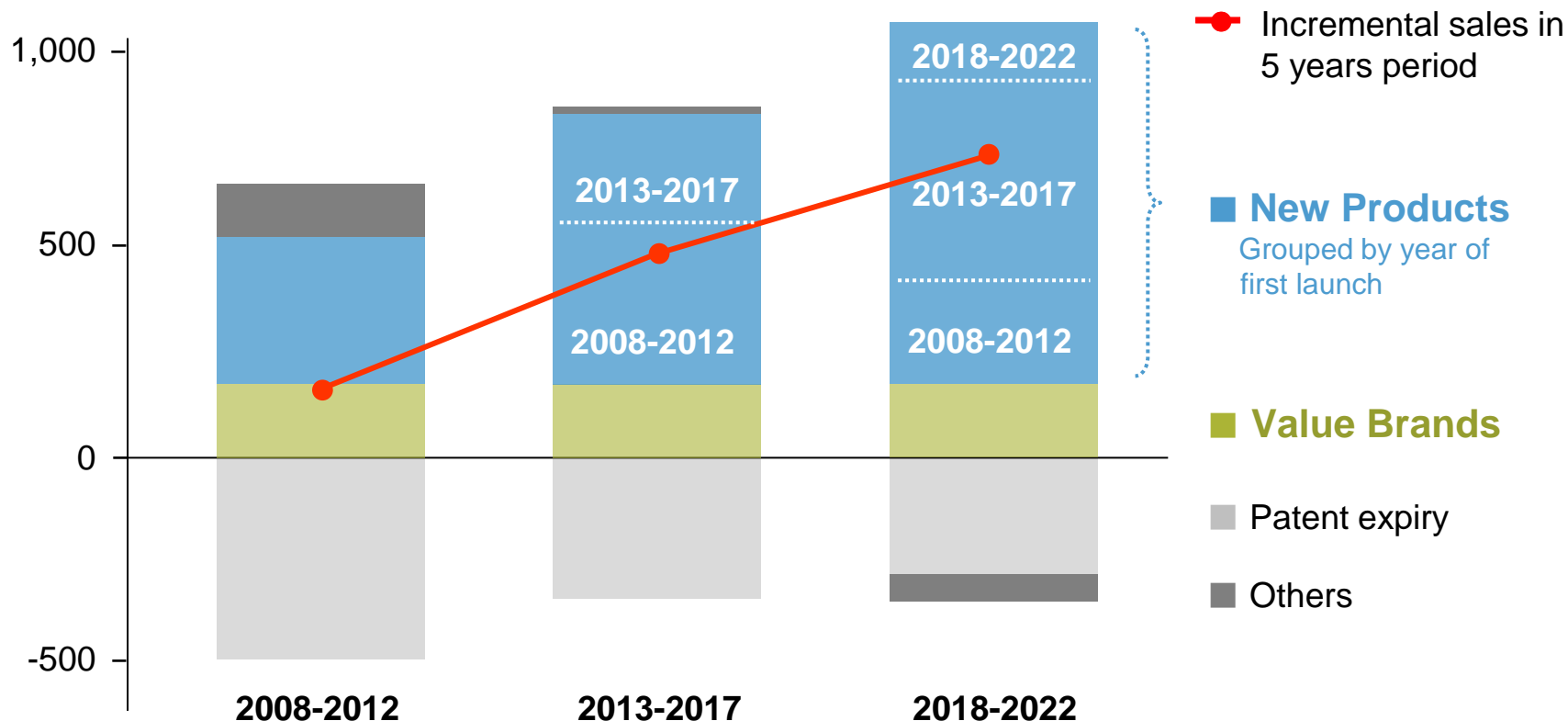
Assets shown are in Phase 2 or later and have the most substantial financial expectations

# New Product Launches and Value Brands Significantly Outpace LOE Impact



## Sales variation by period (5 fiscal years)\*

(billion yen)

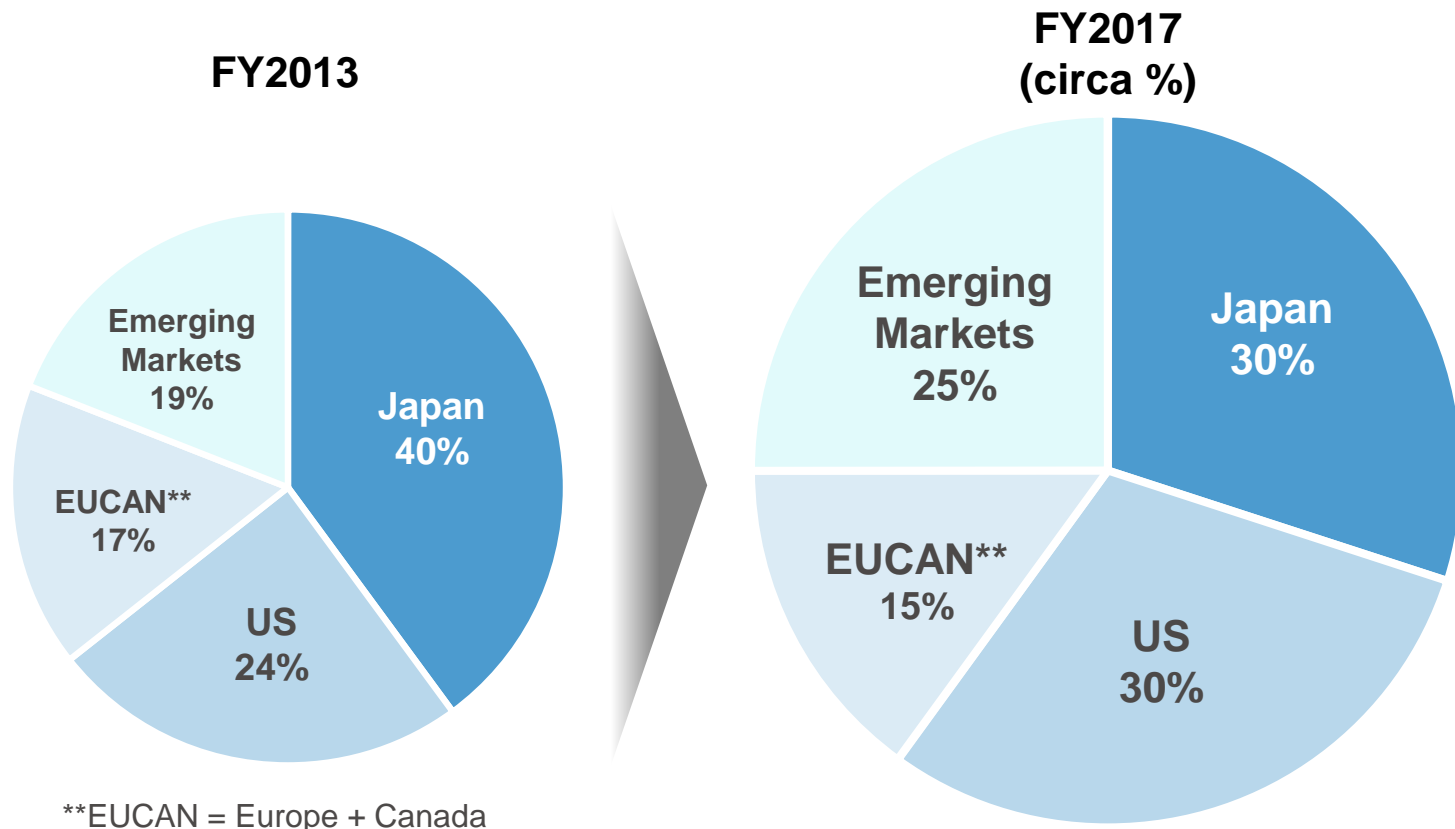


\* This graph was drafted before entry of colchicine competitors and AG

# More Balanced Geographic Share



## Region contribution to sales (ethical drug sales)\*



\* This graph was drafted before entry of colchicine competitors and AG



# Offset Generic Erosion in Japan through New Product Launches



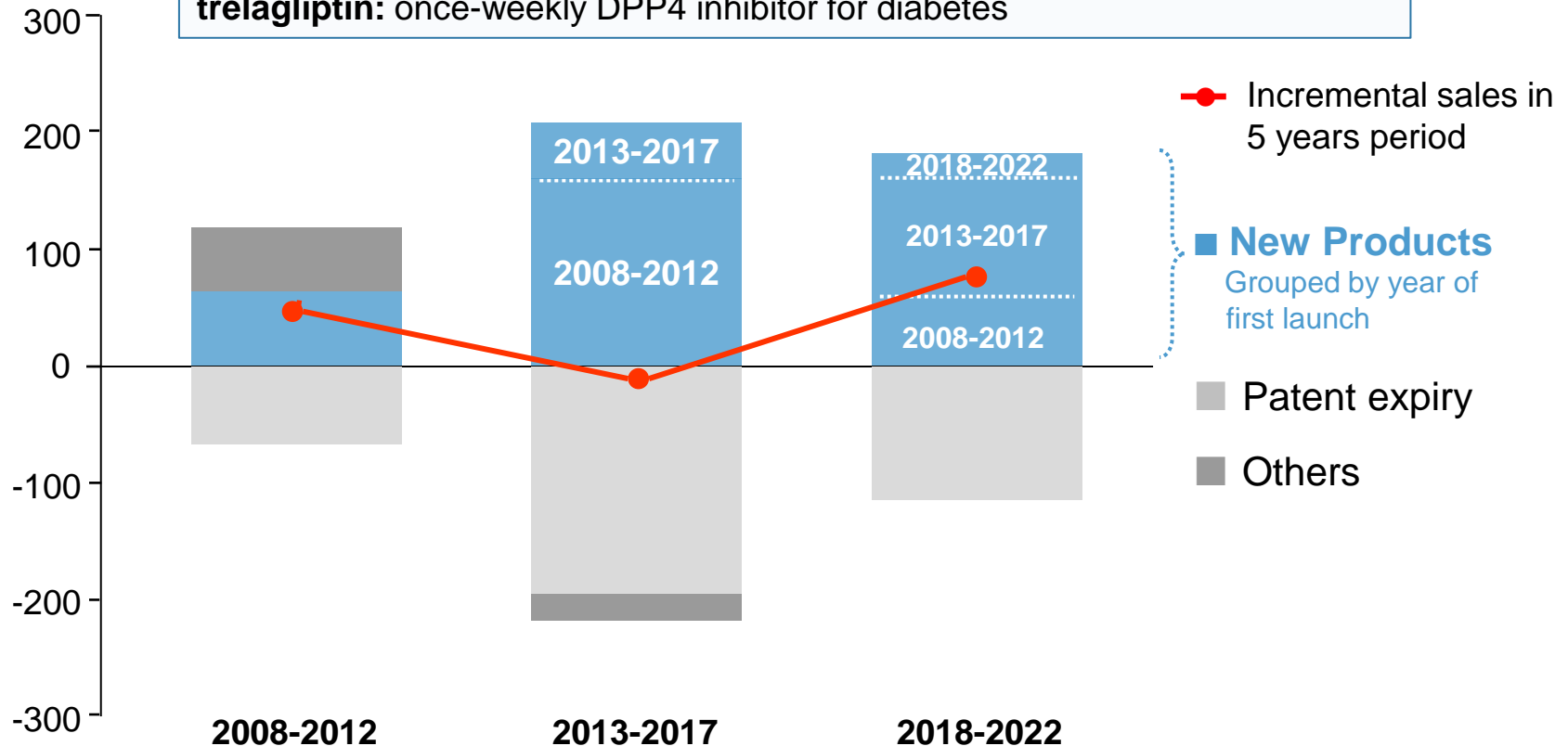
## Sales variation by period (5 fiscal years, Japan)

New launches in 2015:

**TAKECAB**: potassium-competitive acid blocker for acid related diseases

**trelagliptin**: once-weekly DPP4 inhibitor for diabetes

(billion yen)



- I. Strategic Roadmap  
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- Strong market positions  
FY13 Sales: 294 billion yen
- 40% of direct R&D spending

leuprolerin  
**ENANTONE**  
3.75 mg & 11.25 mg

Prostate  
cancer



- Key late stage  
pipeline assets:  
ixazomib, MLN0264

 **Vectibix**  
(panitumumab)

Colorectal  
cancer



 **VELCADE**<sup>®</sup>  
(bortezomib) FOR INJECTION

Multiple  
Myeloma



 **ADcetris**  
brentuximab vedotin


Hodgkin  
Lymphoma

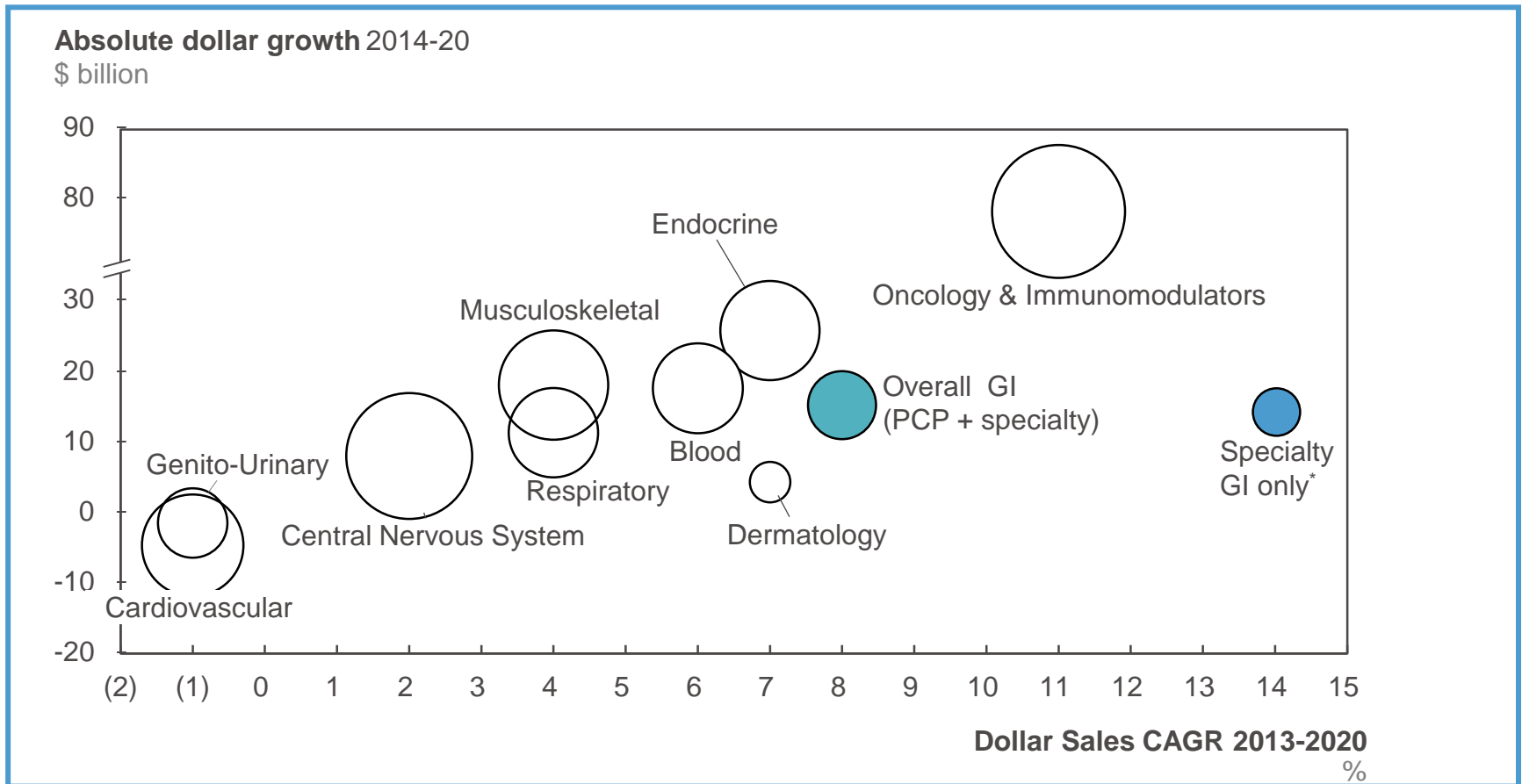


# GI: A fast growing market



Worldwide, 2014-2020

 Total dollar sales 2014



\*Defined as IBD and HPB sub-TAs and select specialty GI indications within motility (e.g., IBS, gastroparesis, functional dyspepsia)

SOURCE: 2014 EvaluatePharma data, Evaluate Ltd., [www.evaluategroup.com](http://www.evaluategroup.com); team analysis

# Takeda is a Global GI Leader



Major marketed products sales: 298 billion yen (FY2013)



Launched in 2014



Pipeline

TAKECAB (Acid Disorders / Japan) Approved  
TAK-114 (UC) Phase II  
ENTYVIO Subcutaneous, Phase I

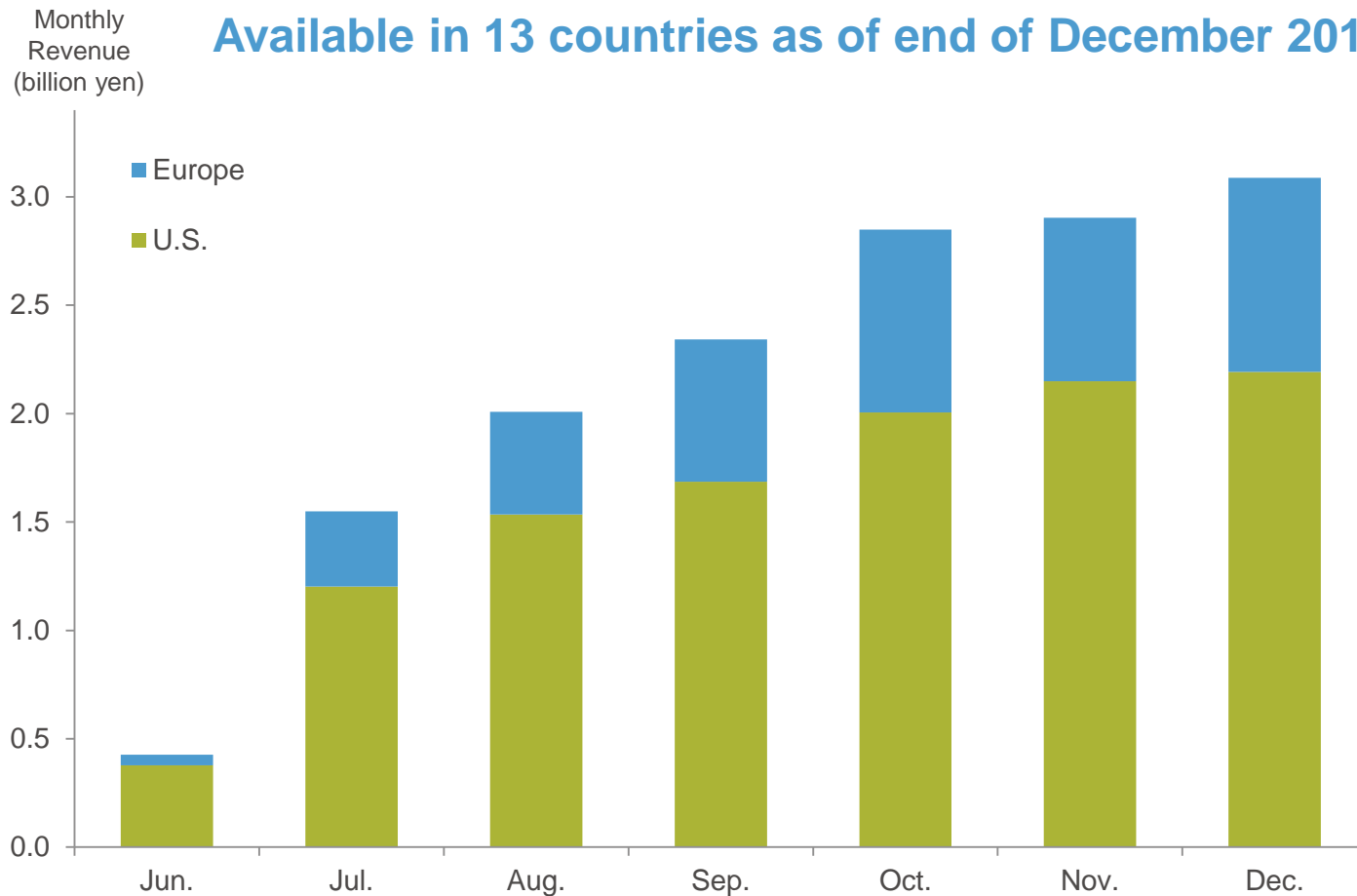
# ENTYVIO®: A Promising Take-off



@Constant currency

## ENTYVIO®

Available in 13 countries as of end of December 2014



*Greater than \$2 billion sales potential globally*

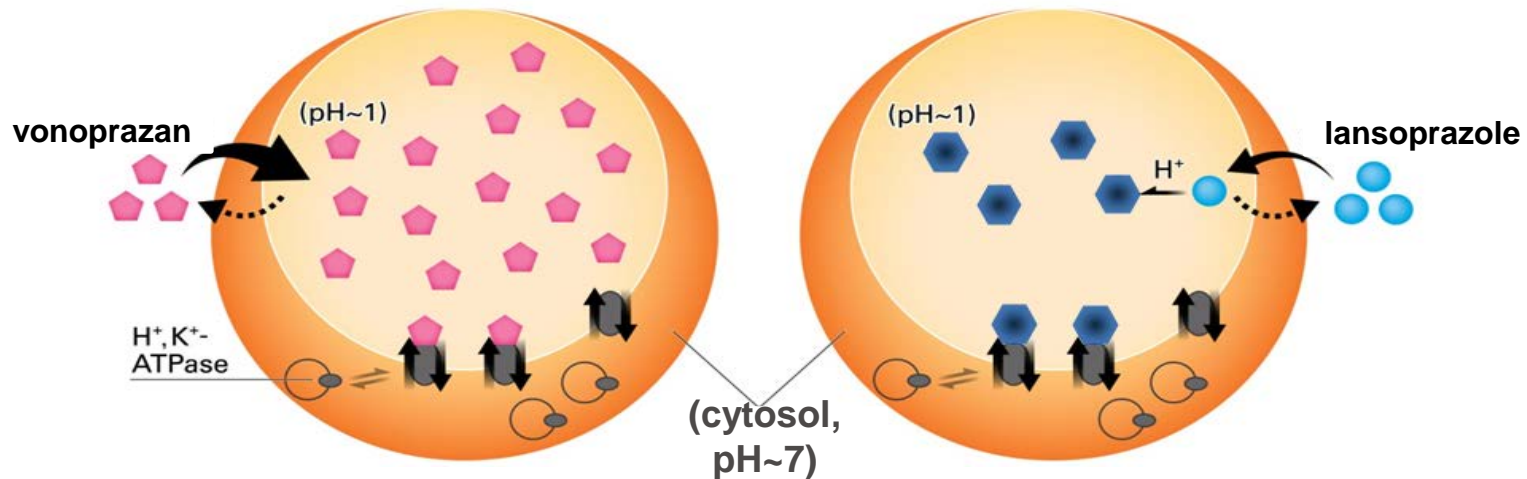
# TAKECAB<sup>®</sup> (vonoprazan): A New Class of Acid Secretion Inhibitor



<b>Mechanism</b>	Potassium-competitive acid blocker (P-CAB)
<b>Indications</b>	Acid-related diseases (approved in Japan, December 2014)

- True competitive antagonist of  $H^+$ ,  $K^+$ -ATPase, acid not required for activation
- Fast-acting, strong and sustained effect
- Co-promotion agreement with Otsuka in Japan

**High accumulation and long retention in the gastric parietal cell**



# Focus on Profitable Growth



*Takeda-ism based, patient centric, global organization*

*Global commercial reach and launch capability*

*Growth driven by Innovation*

*GI and Oncology are key mid term growth drivers*

*Value brands in Emerging Markets*

*Financial discipline*

*Efficiency driven by globalization*

*Project Summit*

*Cost efficiency and operating leverage*

*Strong balance sheet*

*Focus on total shareholder return*

**Profitable  
Growth**

**We are focusing on growth and financial discipline  
to create value for shareholders**



***Better Health, Brighter Future***

**THANK YOU**



**Takeda Pharmaceutical Company Limited**