

Consolidated financial results for the 6 month period ended September 30, 2013

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October 31, 2013

Takeda Pharmaceutical Company Limited

Agenda

- Key highlights
- Net sales [Q2 2013]
- Income statement [Q2 2013]
- Balance sheet and cash flow statement
- Full year FY2013 outlook
- Appendix
 - Financial results [H1 2013]
 - IFRS
 - Supplemental information

- Underlying sales growth in Q2 at +5.1% on a like-for-like basis, in line with mid-range guidance (excluding Actos impact in U.S.)
- Cost control starting to show results with declining cost base in Q2
- Early sales of new products better than expected (Adcetris in Europe, etc.)
- Forex favorable impact on sales, but unfavorable on operating income (J-GAAP)
- Strong balance sheet, low net debt
- Confidence in delivering FY2013 guidance in light of positive trend in H1

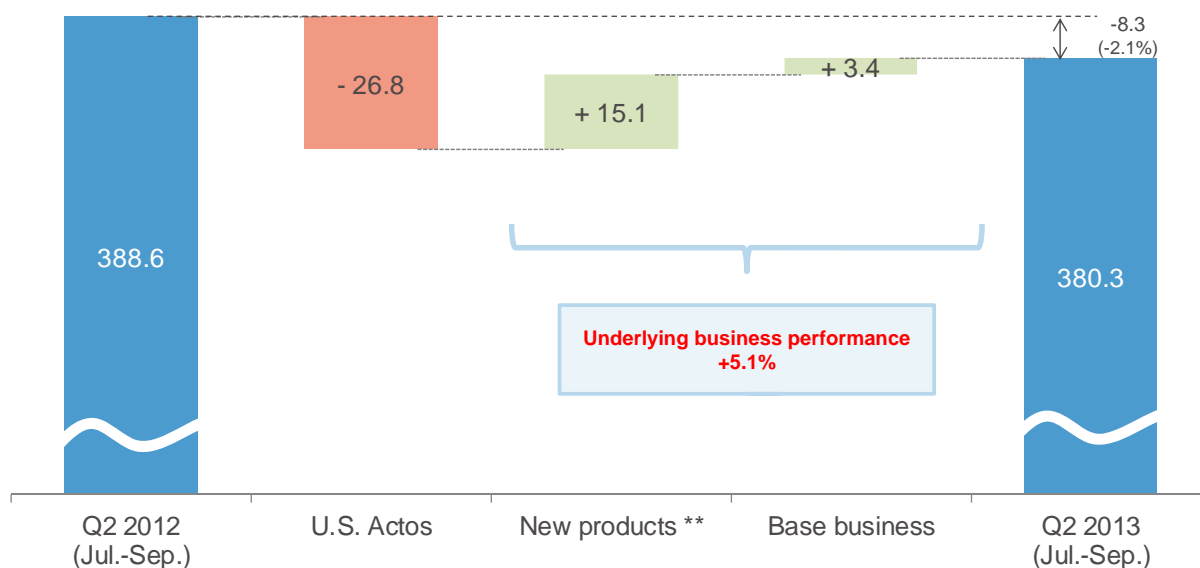
Net sales [Q2 2013]

Solid underlying sales growth at +5.1%



Like-for-like*

(billion yen)



* Like-for-like: Constant forex and excluding exceptional items

** New products: Represents products launched within 5 years, i.e. in and after 2009 and includes new products in acquired companies, but excluding fixed dose drugs with existing drugs and formulation change drugs

Resilience of base business and growth of new products



billion yen	Q2-reported			LFL*
	FY2012	FY2013	Change	
Candesartan	41.7	40.0	- 4.2%	- 7.6%
Leuprorelin	27.7	31.5	+ 14.0%	+ 6.4%
Lansoprazole	28.6	30.3	+ 5.7%	- 2.4%
Pantoprazole	16.6	25.0	+ 50.4%	+ 22.3%
Velcade	18.1	23.6	+ 30.4%	+ 5.2%
Dexilant	8.1	12.5	+ 54.5%	+ 23.6%
Colcrys	9.4	12.1	+ 28.5%	+ 3.6%
Enbrel	11.1	11.5	+ 3.7%	+ 3.7%
Nesina	8.2	11.1	+ 35.2%	+ 33.9%
Actos	36.3	9.4	- 73.9%	- 76.9%
Others	182.9	211.1	+ 15.4%	+ 6.3%
Total Net Sales	388.6	418.0	+ 7.6%	- 2.1%
Total Net Sales w/o U.S. Actos	360.5	416.4	+ 15.5%	+ 5.1%

* LFL: Like-for-like

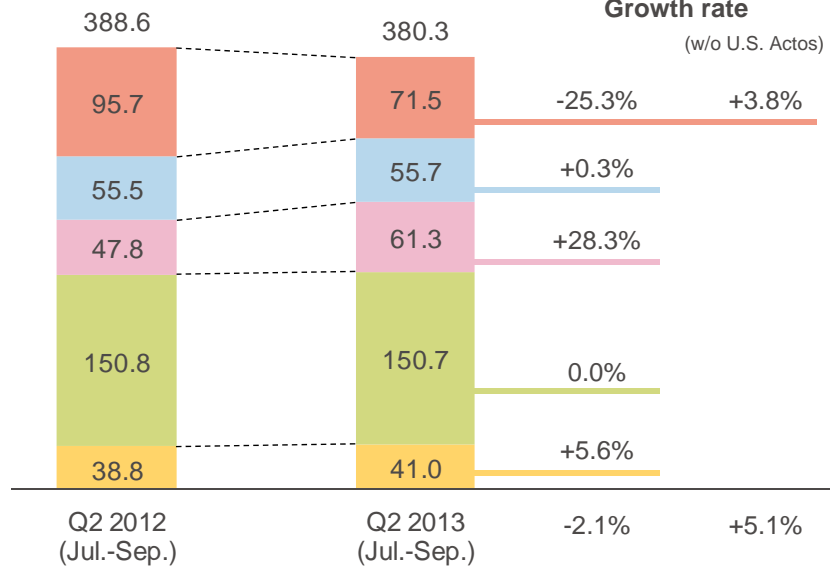
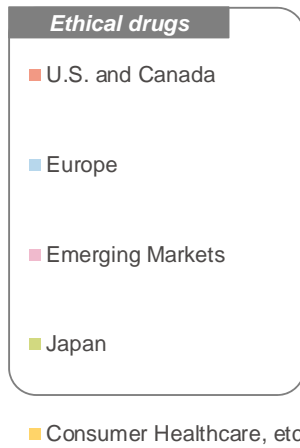
Constant forex and excluding exceptional items

All regions delivering positive underlying growth



Like-for-like*

(billion yen)



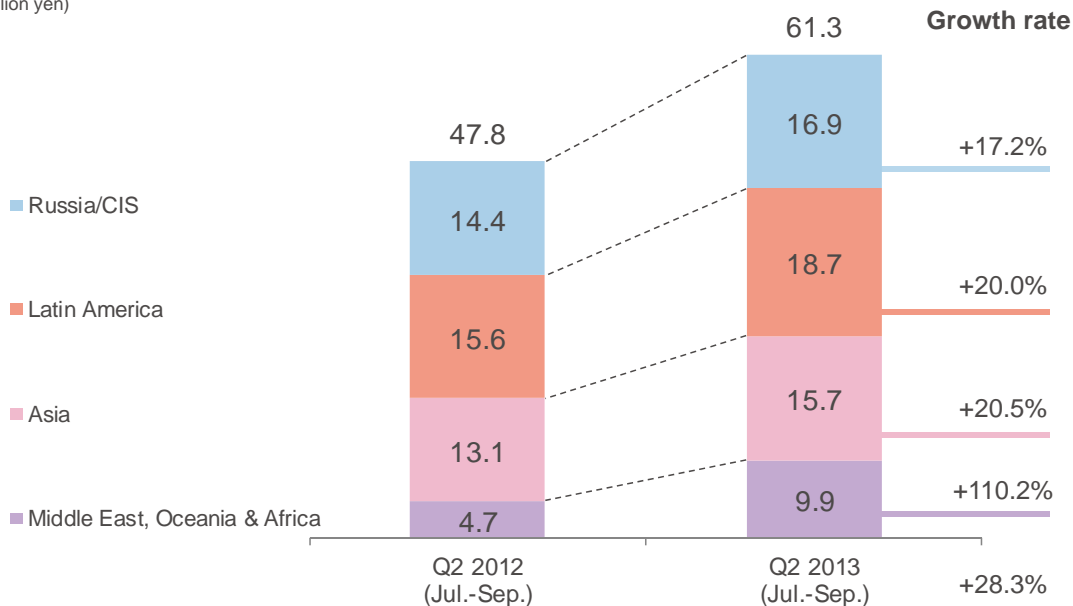
* Like-for-like: Constant forex and excluding exceptional items

Strong momentum in Emerging Markets



Like-for-like*

(billion yen)



* Like-for-like: Constant forex and excluding exceptional items

Income statement [Q2 2013]

Increase of operating income by 1.5 pts (LFL)

billion yen	J-GAAP			LFL ⁺	LFL ⁺ w/o U.S. Actos
	Q2 (Jul.-Sep.)		Change		
	2012	2013			
Net Sales	388.6	418.0	+ 7.6%	- 2.1%	+ 5.1%
Gross Profit	275.9	301.8	+ 9.4%	- 2.1%	+ 8.4%
% of Net Sales	71.0%	72.2%	+1.2 pts	+0.0 pts	+2.2 pts
SG&A Expenses	154.1	171.9	+ 11.6%	- 0.2%	
% of Net Sales	39.6%	41.1%	+1.5 pts	+0.6 pts	
R&D Expenses	75.8	77.6	+ 2.4%	- 12.7%	
% of Net Sales	19.5%	18.6%	-0.9 pts	-2.1 pts	
Operating Income	46.0	52.3	+ 13.6%	+ 4.7%	
% of Net Sales	11.8%	12.5%	+0.7 pts	+1.5 pts	

- Improving gross margin
- Costs under control
- SG&A expenses increase in absolute value only driven by forex and amortization

* LFL: Like-for-like
Constant forex and excluding exceptional items

EPS up



billion yen	J-GAAP			LFL*
	Q2 (Jul.-Sep.)		Change	
	2012	2013		
Operating Income	46.0	52.3	+ 13.6%	+ 4.7%
% of Net Sales	11.8%	12.5%	+0.7 pts	+1.5 pts
Ordinary Income	46.9	44.3	- 5.6%	- 2.8%
Extraordinary Income/Loss	7.7	13.9	+ 79.4%	-
Net Income	32.2	35.6	+ 10.6% **	+ 3.5%
EBITDA (excl. Extraordinary Income/Loss)	99.0	102.6	+ 3.6%	- 1.6%
% of Net Sales	25.5%	24.5%	-0.9 pts	+0.1 pts
EPS	41 yen	45 yen	+ 4 yen	+ 3 yen

* LFL: Like-for-like

Constant forex and excluding exceptional items

** Net income impact of 52.8 billion yen from tax refund and interest on tax refund related to Prevacid transactions is included in previous year, see Appendix P.28

Cost control starting to show attractive results



Like-for-like*

billion yen	FY2012	FY2013		H1 2013 vs av 2012
	Quarterly average	Q1	Q2	
SG&A Expenses	131.4	114.2	119.6	-11%
R&D Expenses	78.6	67.3	65.0	-16%
Total	210.0	181.5	184.6	-13%

- Timing of expenses contributed somewhat to the decline and costs are expected to be higher in H2, especially in R&D.

* Like-for-like: Constant forex and excluding exceptional items (See Appendix P.35 for detail)

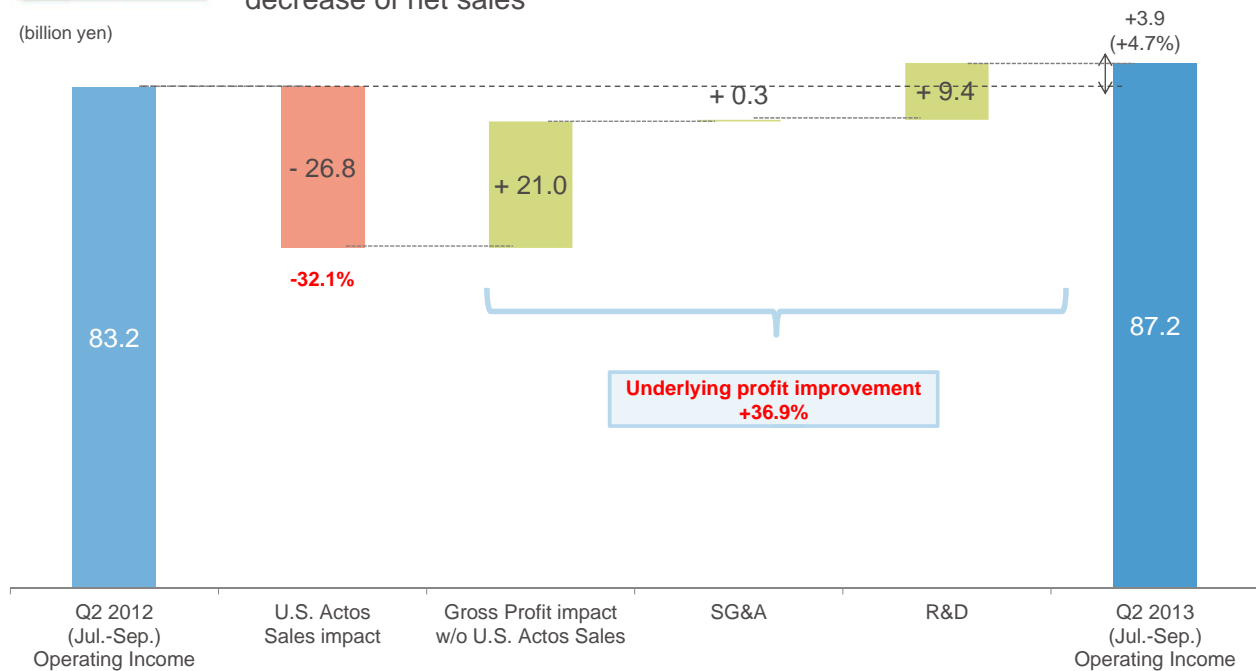
Strong profit improvement partly supported by some favorable timing effect on costs



Like-for-like*

Cost saving from SG&A expenses and R&D expenses more than offset the decrease of net sales

(billion yen)



* Like-for-like: Constant forex and excluding exceptional items (See Appendix P.35 for detail)



Balance sheet and cash flow statement

Strong balance sheet



billion yen	Mar. 2013	Sep. 2013	Change
Current Assets	1,455	1,713	+ 258
Cash and cash equivalents	546	718	+ 172
Noncurrent Assets	2,501	2,540	+ 40
Intangible Assets excl. Goodwill	1,014	1,055	+ 41
Goodwill	675	707	+ 32
Total Assets	3,956	4,253	+ 298
Current Liabilities	614	547	- 67
Noncurrent Liabilities	1,119	1,359	+ 240
Borrowings	540	790	+ 250
Total Liabilities	1,732	1,906	+ 174
Equity	2,223	2,347	+ 124
Shareholders' Equity Ratio	54.6%	53.6%	-0.9 pts

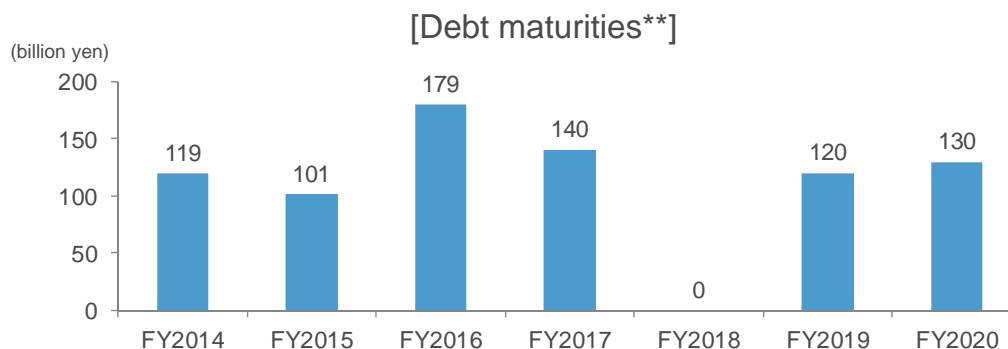
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Takeda Pharmaceutical Company Limited

Low net debt



billion yen	Mar. 2013	Sep. 2013	Sep. 2012
Gross debt	542	792	542
Cash and cash equivalents	546	718	409
Net debt	-3	74	133
Net debt / EBITDA ratio *	-0.0	0.2	0.3
Net debt / equity ratio	-0.2%	3.2%	6.9%



* Net debt / EBITDA ratio : calculated by annualizing H1 2013 EBITDA

** Debt maturities : represent figures without short-term loans and long-term loans of small contracts

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Takeda Pharmaceutical Company Limited

Strong cash flow generation



billion yen	H1 (Apr.-Sep.)	
	2012	2013
EBITDA	213.4	211.5
Net working capital	-9.2	-50.7 **
Capital expenditures	-52.5	-34.3
Income taxes paid *	-31.3	-21.2
Operating FCF	120.4	105.3

* Following items are temporary and not included in income taxes paid:

- i) Tax refund related to Prevacid transactions (FY2012 45.6 billion yen)
- ii) Tax paid related to advance pricing agreement of Actos (FY2013 89.9 billion yen)

** Unfavorable working capital impact linked to seasonal effects and forex



Full year FY2013 outlook

Guidance reiterated for FY2013



Higher R&D and commercial investment expected in H2 to support product launches and strong pipeline

No change from outlook announced in Jul.

billion yen	FY2013			
	Actual	Updated Outlook		
	H1	H2	FY	
Net Sales	828.3	851.7	1,680.0	
Operating Income	100.0	40.0	140.0	
Ordinary Income	96.7	28.3	125.0	
Net Income	64.7	30.3	95.0	
EBITDA (excl. Extraordinary Income/Loss)	211.5	143.5	355.0	
EPS	82 yen	38 yen	120 yen	
Exchange Rate	Yen per USD	98	100	99
	Yen per EUR	128	130	129

Guidance based on current forex and share price at 5,000 yen (may impact long-term incentive program (LTIP))



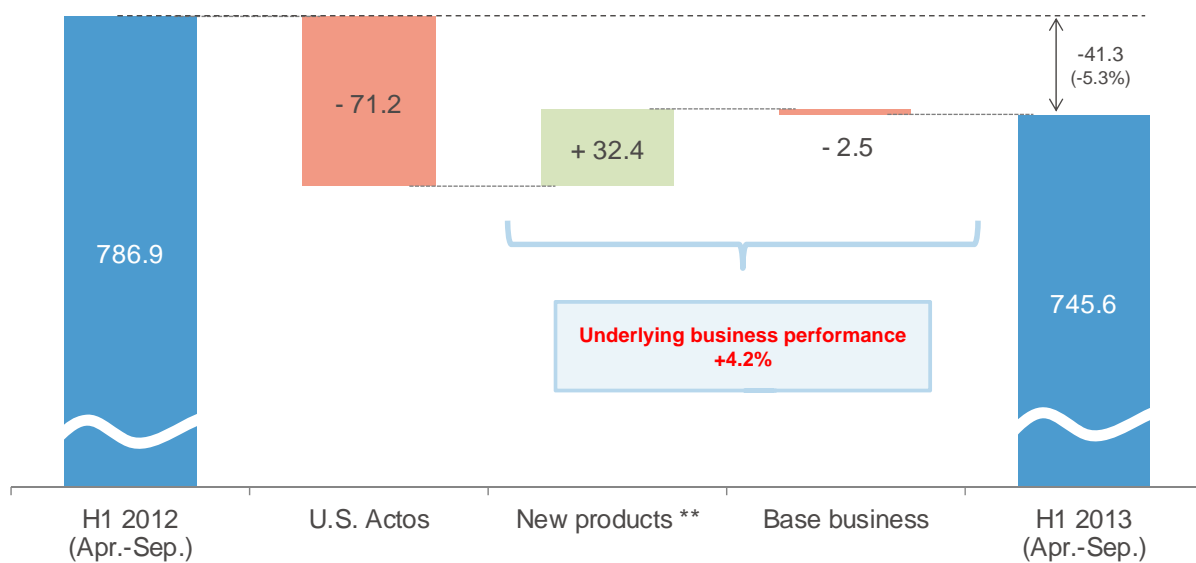
APPENDIX

Financial results [H1 2013]

Net sales

Like-for-like*

(billion yen)



* Like-for-like: Constant forex and excluding exceptional items

** New products: Represents products launched within 5 years, i.e. in and after 2009 and includes new products in acquired companies, but excluding fixed dose drugs with existing drugs and formulation change drugs

Net sales of top 10 products



billion yen	H1-reported			LFL*
	FY2012	FY2013	Change	
Candesartan	89.2	82.3	- 7.7%	- 11.2%
Leuprorelin	57.4	64.1	+ 11.8%	+ 5.2%
Lansoprazole	55.9	59.9	+ 7.2%	- 0.8%
Pantoprazole	36.8	47.9	+ 30.2%	+ 8.7%
Velcade	35.7	47.4	+ 32.6%	+ 7.7%
Colcrys	12.4	25.7	+ 108.0%	+ 69.0%
Dexilant	15.1	23.6	+ 56.1%	+ 27.0%
Enbrel	21.8	22.5	+ 2.8%	+ 2.8%
Actos	92.0	20.0	- 78.3%	- 80.7%
Nesina	15.3	18.4	+ 20.1%	+ 19.4%
Others	355.3	416.5	+ 17.2%	+ 6.5%
Total Net Sales	786.9	828.3	+ 5.3%	- 4.6%
Total Net Sales w/o Exceptional Items and U.S. Actos	712.0	818.9	+ 15.0%	+ 4.2%

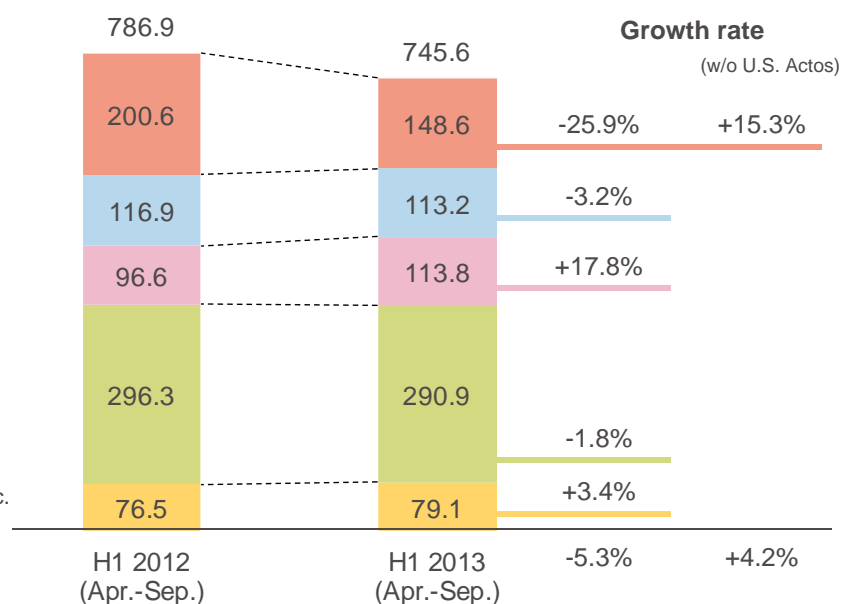
* LFL: Like-for-like
Constant forex and excluding exceptional items

Net sales by region



Like-for-like*

(billion yen)



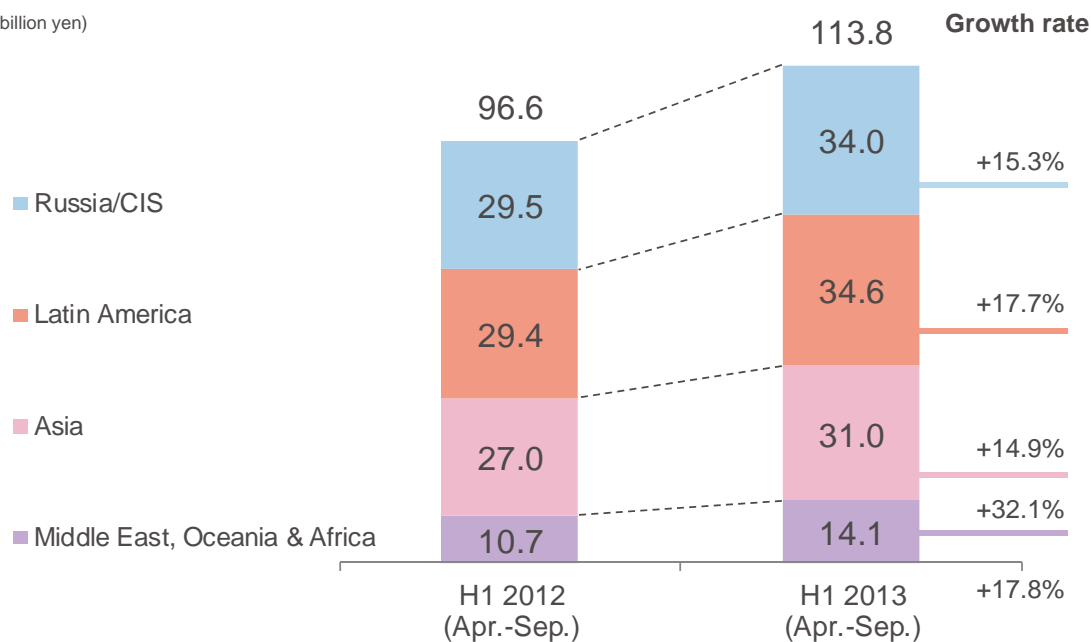
* Like-for-like: Constant forex and excluding exceptional items

Net sales in ethical drugs in Emerging Markets



Like-for-like*

(billion yen)



* Like-for-like: Constant forex and excluding exceptional items

Income statement 1/2



billion yen	J-GAAP			LFL*	LFL* w/o U.S. Actos
	H1 (Apr.-Sep.)		Change		
	2012	2013			
Net Sales	786.9	828.3	+ 5.3%	- 5.3%	+ 4.2%
Gross Profit	570.9	597.0	+ 4.6%	- 7.5%	+ 5.6%
% of Net Sales	72.5%	72.1%	-0.5 pts	-1.7 pts	+1.0 pts
SG&A Expenses	307.6	341.9	+ 11.1%	- 2.9%	
% of Net Sales	39.1%	41.3%	+2.2 pts	+0.8 pts	
R&D Expenses	154.7	155.2	+ 0.3%	- 13.0%	
% of Net Sales	19.7%	18.7%	-0.9 pts	-1.6 pts	
Operating Income	108.6	100.0	- 7.9%	- 9.0%	
% of Net Sales	13.8%	12.1%	-1.7 pts	-0.9 pts	

* LFL: Like-for-like
Constant forex and excluding exceptional items

Income statement 2/2



billion yen	J-GAAP			LFL*
	H1 (Apr.-Sep.)		Change	
	2012	2013		
Operating Income	108.6	100.0	- 7.9%	- 9.0%
% of Net Sales	13.8%	12.1%	-1.7 pts	-0.9 pts
Ordinary Income	113.1	96.7	- 14.5%	- 10.2%
Extraordinary Income/Loss	17.2	11.6	- 32.9%	-
Net Income	119.8	64.7	- 46.0%	- 2.5%
EBITDA (excl. Extraordinary Income/Loss)	213.4	211.5	- 0.9%	- 8.3%
% of Net Sales	27.1%	25.5%	-1.6 pts	-0.9 pts
EPS	152 yen	82 yen	- 70 yen	- 4 yen
Exchange Rate	Yen per USD	80	98	+ 18
	Yen per EUR	101	128	+ 27

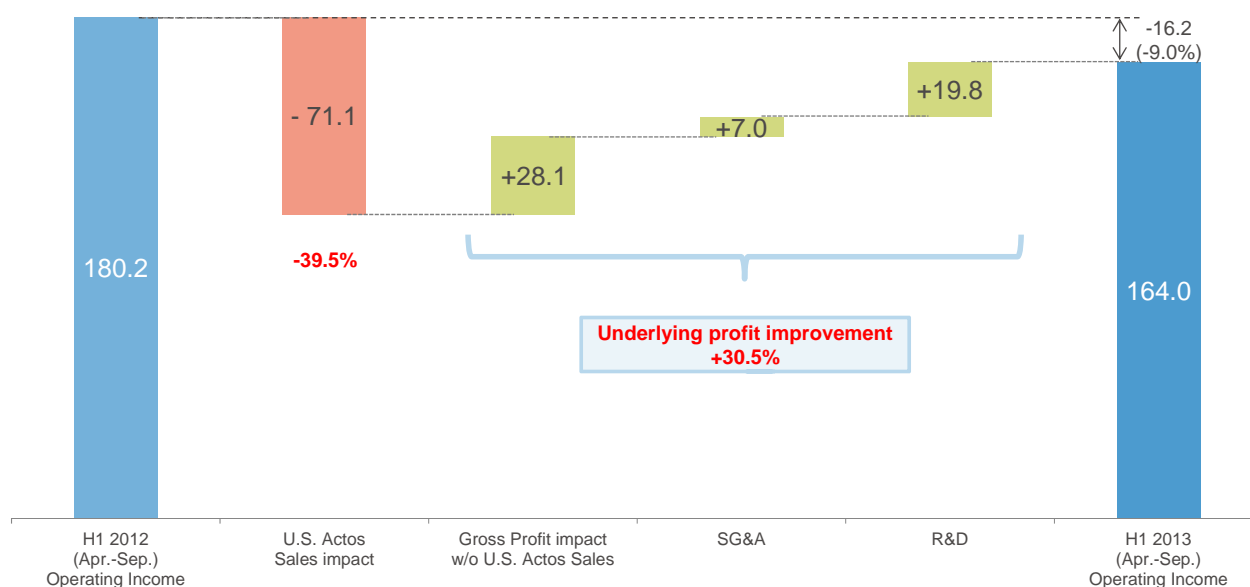
* LFL: Like-for-like
Constant forex and excluding exceptional items

Operating income



Like-for-like*

(billion yen)

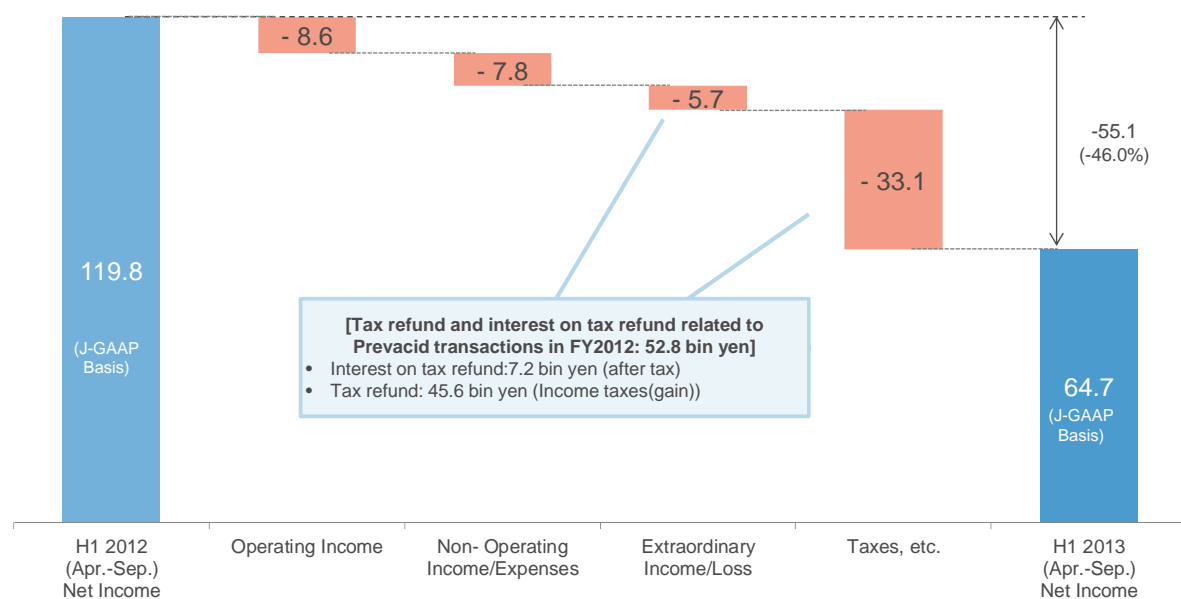


* Like-for-like: Constant forex and excluding exceptional items (See Appendix P.36 for detail)

Net income



(billion yen)



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Takeda Pharmaceutical Company Limited

Breakdown of EBITDA



billion yen	H1 (Apr.-Sep.)	
	2012	2013
Ordinary Income	113.1	96.7
+ Amortization of intangible assets resulting from corporate acquisitions	50.8	53.7
+ Amortization of goodwill resulting from corporate acquisitions	16.1	21.3
+ Depreciation and Amortization (other than those listed above)	29.6	33.1
+ Interest expenses	1.5	1.9
+ Others	2.3	4.9
EBITDA (excl. Extraordinary Income/Loss)	213.4	211.5

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Takeda Pharmaceutical Company Limited

Changes of net sales in ethical drugs by major products



billion yen	FY2011	FY2012	H1 (Apr.-Sep.)				
			FY2012	FY2013	Change	LFL*	
Candesartan	216.3	169.6	89.2	82.3	- 7.7%	- 11.2%	
Leuprorelin	120.7	116.5	57.4	64.1	+ 11.8%	+ 5.2%	
Lansoprazole	122.1	110.2	55.9	59.9	+ 7.2%	- 0.8%	
Velcade	58.1	72.9	35.7	47.4	+ 32.6%	+ 7.7%	
Colcrys **	36.8	40.7	19.3	25.7	+ 33.5%	+ 8.4%	
Dexilant	24.2	32.7	15.1	23.6	+ 56.1%	+ 27.0%	
Enbrel	41.4	43.2	21.8	22.5	+ 2.8%	+ 2.8%	
Pioglitazone	296.2	122.9	92.0	20.0	- 78.3%	- 80.7%	
Nesina	15.5	37.8	15.3	18.4	+ 20.1%	+ 19.4%	
Uloric	12.9	17.7	8.1	12.5	+ 54.1%	+ 25.3%	
Amitiza	18.7	22.3	10.7	12.0	+ 12.9%	- 8.2%	
Vectibix	17.2	18.8	9.6	9.6	- 0.4%	- 0.4%	
Azilva	0.0	3.4	1.9	8.0	+ 312.4%	+ 312.4%	
Pantoprazole ***	82.6	78.0	36.8	47.9	+ 30.2%	+ 8.7%	
Actovegin ***	18.6	19.6	8.3	12.5	+ 50.5%	+ 22.4%	
Calcium ***	15.7	15.4	6.9	8.8	+ 26.9%	+ 3.4%	
Tachosil ***	13.8	13.2	6.4	8.0	+ 24.7%	+ 6.6%	
Daxas ***	2.4	3.0	1.4	1.9	+ 35.0%	+ 6.7%	
Ref: Nycomed Products in Total (approx.) *** (Million EUR)	2,984	3,126	1,491	1,571	+ 5.3%		
Exchange Rate	Yen per USD	79	82	80	98	+18	
	Yen per EUR	109	106	101	128	+27	

* LFL: Like-for-like

Constant forex and excluding exceptional items

** Colcrys is a product of URL Pharma, Inc. acquired in June 2012. The sales until May 2012 represent the amount before acquisition. Each amount before acquisition is reclassified to Takeda fiscal year (Apr. to Mar.)

*** Legacy Nycomed products acquired at the end of Sep 2011, sales until Sep 2011 represent amounts before acquisition



IFRS

Consolidated financial results in IFRS

- Provisional figures



No change from outlook announced in Jul.

billion yen	H1 2013 (Apr.-Sep.) Actual			FY2013 (Apr.-Mar.) Outlook Updated		
	J-GAAP	IFRS provisional figures	Differences	J-GAAP	IFRS provisional figures	Differences
Net Sales	828.3	828.3	—	1,680.0	1,680.0	—
R&D Expenses	155.2	156.9	+1.7	340.0	345.0	+5.0
<% of Net Sales>	18.7%	18.9%	+0.2pts	20.2%	20.5%	+0.3pts
Operating Income	100.0	109.9	+9.9	140.0	160.0	+20.0
<% of Net Sales>	12.1%	13.3%	+1.2pts	8.3%	9.5%	+1.2pts
Net Income	64.7	79.8	+15.1	95.0	120.0	+25.0
<% of Net Sales>	7.8%	9.6%	+1.8pts	5.7%	7.1%	+1.5pts
EBITDA**	211.5	218.5	+7.0	355.0	380.0	+25.0
Core Earnings*	—	182.4	—	—	295.0	—
<% of Net Sales>	—	22.0%	—	—	17.6%	—

* Core Earnings: It is a profit based on companies' regular business, which excludes temporary factors such as impacts from business combination accounting and from amortization/ impairment loss of intangible assets etc., from operating income under IFRS

** EBITDA in J-GAAP does not include extraordinary income/loss

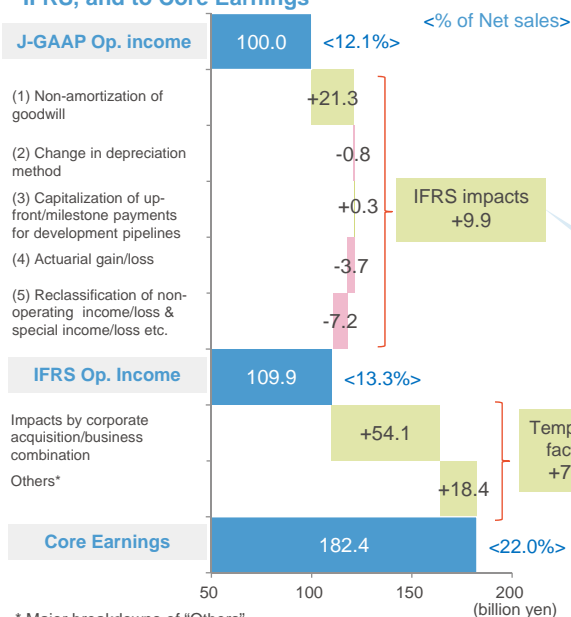
Please note it is possible that "Apr.- Sep. Actual under IFRS," which is provisionally created by adjusting major differences between J-GAAP and IFRS from "Actual under J-GAAP," would differ from those finally defined through audit in May 2014.

Consolidated financial results in IFRS

- Adjustments from Operating Income under J-GAAP to IFRS, and to Core Earnings



Adjustments to H1 2013 Operating Income under IFRS, and to Core Earnings



* Major breakdowns of "Others"

... Amortization of intangible assets related to licensed-in compounds etc.

Please note it is possible that these actual figures under IFRS, which is provisionally created by adjusting major differences between J-GAAP and IFRS from those under J-GAAP, would differ from figures finally defined through audit in May 2014.

Major differences between J-GAAP and IFRS that make impacts to our income/loss

Items	J-GAAP	IFRS
(1) Goodwill amortization	➢ Amortized within 20 years	➢ Non-amortized, and impairment test required every fiscal year
(2) Depreciation method of property, plant and equipment	➢ Declining balance method except overseas subsidiaries ➢ Expensed "R&D equipment for specific purpose" at once when acquired	➢ Straight-line method ➢ Capitalized "R&D equipment for specific purpose" when acquired, and depreciated after operation
(3) Treatments of up-front/milestone payments for development pipelines	➢ Recognized R&D expenses when transactions occurred	➢ Capitalized when transactions occurred and amortized from the timing of launch through approval by authorities ➢ Impairment test required in case of development discontinuation or when future cash flow to be worsen, etc.
(4) Actuarial gain/loss	➢ Amortized in 5 years from the year when occurred (Amortized as gain in FY13)	➢ Recognized all amounts as Other Comprehensive Income at once when occurred, not amortized
(5) Reclassification of non-operating income/loss & special income/loss	➢ Recognized income/loss from other than regular business as non-operating income/loss, and for those recognized temporarily or unexpectedly as special income/loss	➢ Non-operating income/loss to be limited only to financial gain/loss (ex.) Interest paid/received, Gain on securities sales, Dividend income etc. ➢ Most of non-operating income/loss & extraordinary income/loss except financial gain/loss to be reclassified as operating income/loss (Recognized as income/loss above operating income/loss)

Supplemental information

Breakdown of exceptional items 1/2

billion yen	2012	Q2 (Jul.-Sep.) 2013						
		M & A Related	One-time Items				Forex	Total
			German OTC Divestment	In-license	Extraordinary Income/Loss	Total		
Net Sales	-	-	-	-	-	-	37.7	37.7
Gross Profit	-1.6	-	-	-	-	-	30.0	30.0
SG&A Expenses	34.2	37.3	-	-	-	-	15.1	52.3
R&D Expenses	1.3	0.2	-	2.3	-	2.3	10.2	12.6
Operating Income	-37.2	-37.4	-	-2.3	-	-2.3	4.8	-34.9
Non-operating income (expenses)	-1.7	-2.6	-	-	-	-	-1.6	-4.2
Ordinary Income	-38.9	-40.1	-	-2.3	-	-2.3	3.2	-39.1
Extraordinary Income/Loss	7.7	-	-	-	13.9	13.9	-	13.9
Gain on Sales of Investment Securities	17.0	-	-	-	21.6	21.6	-	21.6
Interest on Tax Refund	-	-	-	-	-	-	-	-
Restructuring Costs	-9.3	-	-	-	-7.7	-7.7	-	-7.7
Net Income before Taxes	-31.2	-40.1	-	-2.3	13.9	11.6	3.2	-25.3
Income taxes, etc.	-6.2	-8.7	-	-0.9	5.8	5.0	2.0	-1.7
Net Income	-25.0	-31.4	-	-1.4	8.0	6.6	1.2	-23.6

Details of M&A Related Items in SG&A and R&D

billion yen	Q2 (Jul.-Sep.)	
	2012	2013
SG&A	34.2	37.3
Amortization of intangible assets	26.0	26.8
Amortization of goodwill	8.3	10.6
Others	-	-0.2
R&D	0.1	0.2
Amortization of intangible assets	0.1	0.2

Breakdown of exceptional items 2/2



billion yen	H1 (Apr.-Sep.)							
	2012	2013					Forex	Total
	Total	M&A Related	One-time Items			Total		
			German OTC Diversment	In-license	Extraordinary Income/Loss			
Net Sales	-	-	4.8	-	-	4.8	78.0	82.7
Gross Profit	-2.2	-0.7	4.8	-	-	4.8	62.9	66.9
SG&A Expenses	66.8	74.3	-	-	-	-	33.8	108.1
R&D Expenses	2.6	0.3	-	3.0	-	3.0	19.5	22.9
Operating Income	-71.6	-75.3	4.8	-3.0	-	1.8	9.6	-64.0
Non-operating income (expenses)	-2.3	-5.2	-	-	-	-	-2.0	-7.2
Ordinary Income	-73.9	-80.5	4.8	-3.0	-	1.8	7.6	-71.2
Extraordinary Income/Loss	17.2	-	-	-	11.6	11.6	-	11.6
Gain on Sales of Investment Securities	17.0	-	-	-	21.6	21.6	-	21.6
Interest on Tax Refund	11.6	-	-	-	-	-	-	-
Restructuring Costs	-11.4	-	-	-	-10.0	-10.0	-	-10.0
Net Income before Taxes	-56.7	-80.5	4.8	-3.0	11.6	13.3	7.6	-59.6
Income taxes, etc.	-56.8	-17.5	1.8	-1.2	5.2	5.9	3.9	-7.7
Net Income	0.1	-63.0	2.9	-1.8	6.3	7.4	3.7	-51.9

Details of M&A Related Items in SG&A and R&D

billion yen	H1 (Apr.-Sep.)	
	2012	2013
SG&A	66.8	74.3
Amortization of intangible assets	50.7	53.3
Amortization of goodwill	16.1	21.3
Others	-	-0.3
R&D	0.1	0.3
Amortization of intangible assets	0.1	0.3

FY2013 Financial outlook - Details



billion yen	FY2013						Comparison with Outlook in Jul.			
	Announced in Jul.			Actual	Updated Outlook		H1	H2	FY	
	H1	H2	FY	H1	H2	FY				
Net sales	830.0	850.0	1,680.0	828.3	851.7	1,680.0	- 1.7	+ 1.7	-	
R&D expenses	165.0	175.0	340.0	155.2	184.8	340.0	- 9.8	+ 9.8	-	
Operating income	80.0	60.0	140.0	100.0	40.0	140.0	+ 20.0	- 20.0	-	
without Special factors *	155.0	140.0	295.0	175.3	119.7	295.0	+ 20.3	- 20.3	-	
Ordinary income	75.0	50.0	125.0	96.7	28.3	125.0	+ 21.7	- 21.7	-	
Net income	55.0	40.0	95.0	64.7	30.3	95.0	+ 9.7	- 9.7	-	
without Extraordinary Income/Loss & Special factors *	100.0	95.0	195.0	121.4	73.6	195.0	+ 21.4	- 21.4	-	
EBITDA (excl. Extraordinary Income/Loss)	190.0	165.0	355.0	211.5	143.5	355.0	+ 21.5	- 21.5	-	
EPS	70 yen	51 yen	120 yen	82 yen	38 yen	120 yen	+ 12 yen	- 12 yen	-	
without Extraordinary Income/Loss & Exceptional items *	127 yen	120 yen	247 yen	154 yen	93 yen	247 yen	+ 27 yen	- 27 yen	-	
Exchange Rate	Yen per USD	99	100	100	98	100	99	- 1	-	- 0
	Yen per EUR	129	130	129	128	130	129	- 0	-	- 0

No change from outlook announced in Jul.

* Special factors

: Transactions related to corporate acquisitions

- in Operating Income :COGS related to inventory step-up due to revaluation to fair value and amortization of intangible assets and goodwill, etc.
- in Net Income and EPS; in addition to i), non-operating expenses

<Ref> Impact of 1 yen change in the foreign exchange rate	FY2013 (billion yen)	
	USD	EUR
Net Sales	3.8	4.2
Operating Income	- 0.7	0.2
Net Income	- 0.4	0.1



Project Summit

François-Xavier Roger
Corporate Officer,
Senior Vice President,
Chief Financial Officer

October 31, 2013

Takeda Pharmaceutical Company Limited

Project Summit



Project Summit

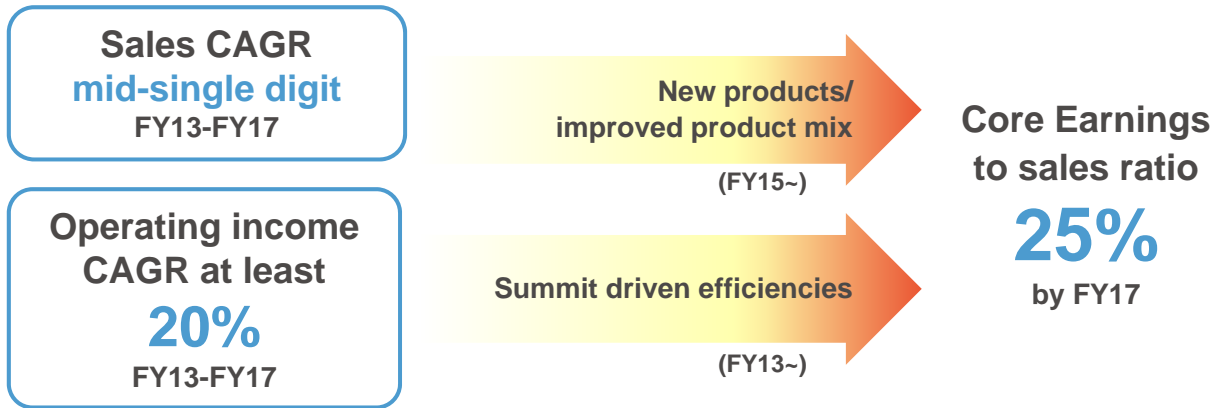
- Driving sales and profit growth through Takeda-wide strategic initiatives optimizing the effectiveness and efficiency of our entire operations
- Boosting our ability to execute on investments including our strong pipeline in order to secure sustainable growth and increase shareholder value
- Reviewing and addressing business models across the organization to operate better and more efficiently
- Raising global competitiveness in every aspect of our business

Takeda's Bright Future – Project Summit & Mid-Range Growth Strategy



- With large successful and synergetic acquisitions completed and one of the strongest pipelines in the industry, Takeda's future is brighter than ever.
- Project Summit supports this future through advanced global operating models and business processes, boosting the company's profitability and capacity for investments in growth.

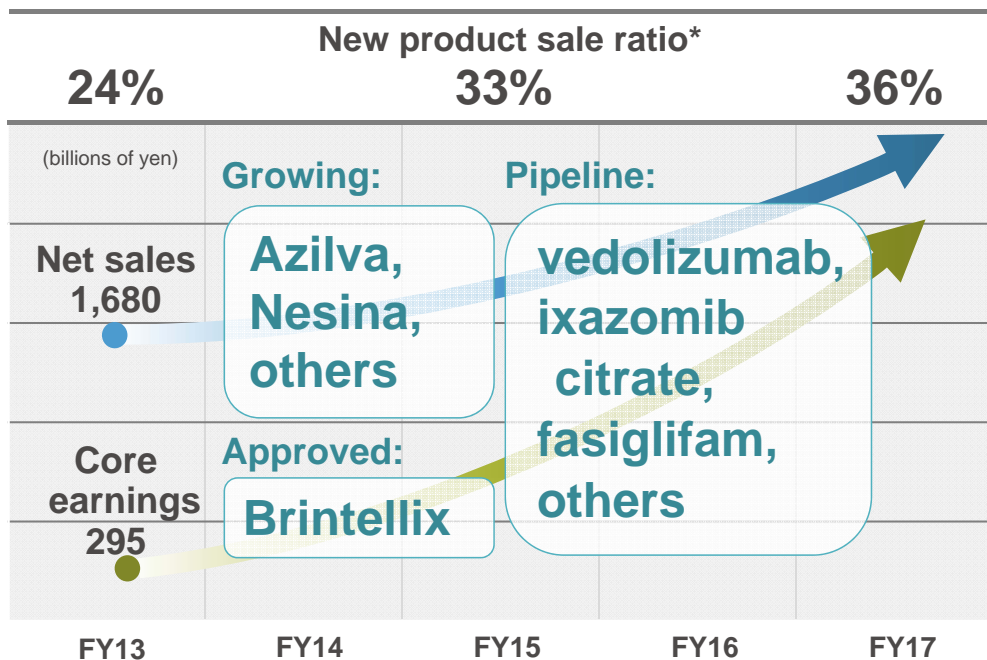
Mid-Range Growth Strategy



Project Summit and Mid-Range Growth Strategy



GENERATING GROWTH



* Sales ratio in US, EU and Japan markets; New products are those launched within 5 years

ACHIEVING EFFICIENCIES



Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

Initiatives and Targets

**SALES AND
MARKETING**

**PRODUCTION &
SUPPLY CHAIN**

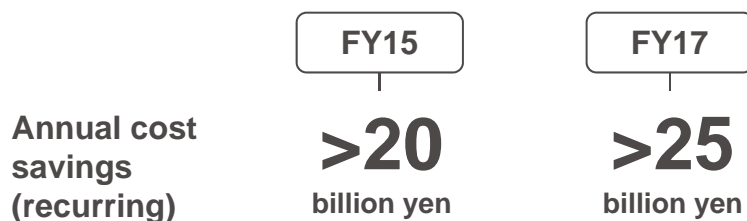
**RESEARCH &
DEVELOPMENT**

**GENERAL &
ADMINISTRATIVE**

Initiatives:

- Centralized brand marketing organization to improve global brand strategy under a single platform for global / key multi-regional products and generate efficiencies across the global marketing organization
- Build the right capabilities, including focus on the enhancement of customer-facing resources to maximize product launch effectiveness
- Consolidate the number of advertising and other agencies on a global basis
- Leverage global procurement to improve supplier management and gain efficiency

Targets:



Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

Initiatives and Targets



SALES AND
MARKETING

PRODUCTION &
SUPPLY CHAIN

RESEARCH &
DEVELOPMENT

GENERAL &
ADMINISTRATIVE

Initiatives:

- Further optimize manufacturing site network with close alignment between global manufacturing and quality organizations
- Improve site performance via implementation of operational excellence program to optimize manufacturing capacity and reduce per unit cost
- Leverage centralized sourcing initiatives for packaging, raw materials and third party manufacturing
- Create an integrated global supply chain organization

Targets:

Annual cost
savings
(recurring)

FY15

>5

billion yen

FY17

>10

billion yen

Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

Initiatives and Targets



SALES AND
MARKETING

PRODUCTION &
SUPPLY CHAIN

RESEARCH &
DEVELOPMENT

GENERAL &
ADMINISTRATIVE

Initiatives:

- Establish a global R&D organization
 - Integrate Millennium's R&D activities into Takeda
 - Consolidate business activities of Japan-based Takeda Bio Development Center into Takeda R&D centers
 - Consolidate European R&D activities resulting in the closure of the Roskilde-based R&D site and transfer of some Zurich-based R&D activities
- Global integration of R&D platform functions (Pharmacovigilance, Regulatory Affairs, Operations, Quality Assurance, etc.)
- Leverage global procurement to improve supplier management and efficiencies
- With new efficiencies, R&D spending to stay at approx. 300 bil level (FY13-FY17)

Targets:

Annual cost
savings
(recurring)

FY15

>25

billion yen

FY17

>30

billion yen

Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

SALES AND
MARKETING

PRODUCTION &
SUPPLY CHAIN

RESEARCH &
DEVELOPMENT

**GENERAL &
ADMINISTRATIVE**

Initiatives:

- Globalize and raise competitiveness of key functions including Finance, HR, IT and Procurement
- Further utilize low cost shared service centers for certain administrative functions
- Harmonize and align global financial processes and systems
- Consolidate IT platforms, resources and spending across Takeda's entire global organization including Millennium
- Leverage global procurement to improve supplier management and gain efficiency

Targets:

Annual cost
savings
(recurring)

FY15

>12
billion yen

FY17

>15
billion yen

Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

Takeda is on Track to Meet Targets Set May 9th

Summit Overall:

- Initiatives are diverse across the company and around the world, which mitigates implementation risk
- Certain projects require consultations with third parties such as governments and unions
- Low single digit percentage reduction anticipated in net global workforce by FY17
- Company wide procurement initiative is a key savings driver
- Implementation costs: 80-90 bil yen over 5 yrs
- Improvements more heavily weighted on 2nd half of FY13-FY17 period
- Plans to further support global efficiency and effectiveness with hiring for global roles for CIO, Procurement, etc.
- Updates to be provided on savings, implementation costs, and headcount as plans are finalized and implemented; Actual savings to be reported regularly at Q2 and Q4

Targets, Consolidated:

Annual cost
savings
(recurring)

FY15

>80
billion yen

FY17

>100
billion yen

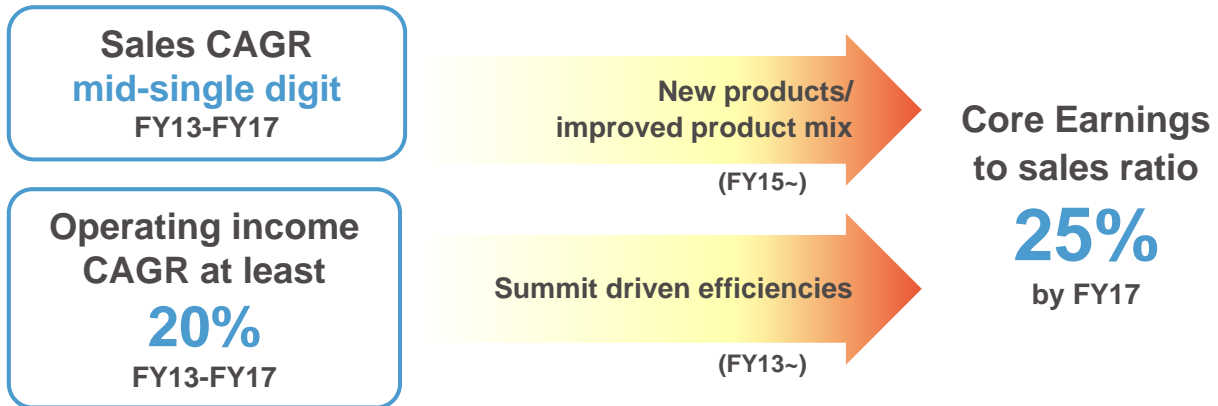
Savings are compared to company plans without Project Summit and are included in Mid-Range Growth Strategy guidance.

Takeda's Bright Future – Project Summit & Mid-Range Growth Strategy



- With large successful and synergetic acquisitions completed and one of the strongest pipelines in the industry, Takeda's future is brighter than ever.
- **Project Summit supports this future through advanced global operating models and business processes, boosting the company's profitability and capacity for investments in growth.**

Mid-Range Growth Strategy



Takeda's Bright Future – Project Summit Supports Our Important Mission



Better Health, Brighter Future



- Takeda's late-stage pipeline is both rich and deep; further, impact of patent expiries is limited in the short to medium term
- Guided by Project Summit, we are transforming our business to better position ourselves as a strong global leader in the pharmaceutical industry
- To realize our Mid-Range Growth Strategy, we will continue to take bold and transformative steps to make every area of our company more effective, efficient, profitable and competitive
- Ultimately, Project Summit supports our Mission: We strive towards better health for people worldwide through leading innovation in medicine



Second Quarter of Fiscal 2013 Updates Related to R&D Activities

Dr. Tadataka Yamada
Director and Chief Medical & Scientific Officer

October 31, 2013

Takeda Pharmaceutical Company Limited

Focus for Mid-Range Growth Strategy Special Initiatives



Improving R&D Productivity

Quality of Thought

Operational Excellence

Optimized Global R&D Activities

Reduced R&D Cycle time

- ✓ Fast to Candidate
- ✓ Fast to IND
- ✓ Fast to POC&C

Reduced R&D Cost

- ✓ 40% reduced cost per candidate

Built Optimized R&D Structures

- ✓ Integration of Millennium R&D functions
- ✓ Global Target Marketplace
- ✓ Consolidated European R&D activities

R&D Pipeline Stage-ups (since July 31, 2013)

			Ph-1	Ph-2	Ph-3	Filing	Approval
BRINTELLIX® (vortioxetine)	Major depressive disorder	US					→
OBLEAN® (cetilistat)	Obesity with both type 2 diabetes mellitus and dyslipidemia	JP					→
VIPIDIA™ (alogliptin)	Diabetes mellitus	EU					→
VIPDOMET™ (alogliptin/metformin)	Diabetes mellitus (fixed-dose combination with metformin)	EU					→
INCRESYNC™ (alogliptin/pioglitazone)	Diabetes mellitus (fixed-dose combination with pioglitazone)	EU					→
TAK-390MR (dexlansoprazole)	Erosive esophagitis (healing and maintenance), Non-erosive gastro-esophageal reflux disease	EU*					→
TAK-816	Prevention of infectious disease caused by Haemophilus influenzae type b (Hib)	JP					→
AMITIZA® (lubiprostone)	Liquid formulation	US			●		
AD-4833/TOMM40	Delay of onset of mild cognitive impairment due to Alzheimer's disease	US/EU	→				
TAK-137	Psychiatric disorders and neurological diseases	-	→				

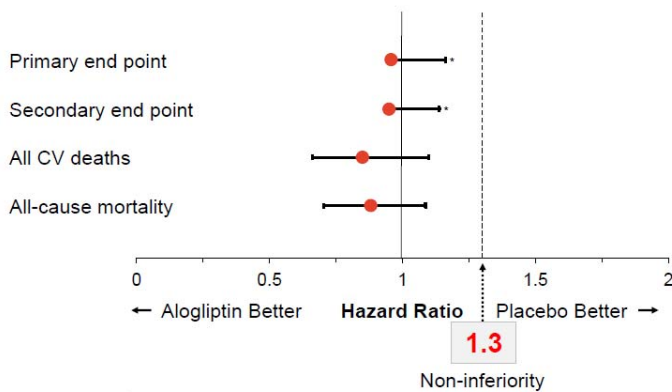
*Dexlansoprazole has been approved in 16 countries in the EU by the decentralized procedure

NESINA® / VIPIDIA™ (alogliptin)



EXAMINE Study Demonstrated Affirmative CV Safety Profile

Major EXAMINE study findings



* One-sided repeated CI using alpha=0.01.

Primary end point: composite of death from CV causes, nonfatal myocardial infarction, or non-fatal stroke

Secondary end point: primary composite with the addition of urgent revascularization due to angina within 24 hours after hospital admission

- Non-inferiority vs. placebo met for all endpoints
- HbA1c levels were significantly lower in patients on alogliptin than on placebo in addition to standard of care
- No differences between alogliptin and placebo group in hypoglycemia incidence, reported malignancies (including pancreatic cancer), and renal function
- Low and similar frequencies of acute and chronic pancreatitis
- Trend of decrease in mortality observed
- No increased incidence of hospitalization for heart failure



Brintellix® (vortioxetine)



Approved in the US for Major Depressive Disorder

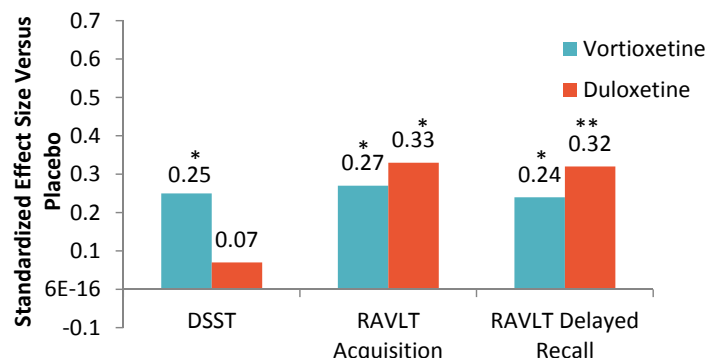
Program Status

- Novel multimodal anti-depressant, in-licensed from Lundbeck of Denmark
- Approved in the US on September 30th, 2013 for the treatment of adults with Major Depressive Disorder
- Efficacy and safety established across a global clinical trial program including six positive short term studies and one long-term maintenance trial
- Incidence of treatment emergent sexual dysfunction with Brintellix across doses 5-20mg in female patients was ≤34%; for male patients incidence was ≤29% (ASEX scale)
- Potential for favorable profile related to cognitive dysfunction



Key Data – Phase 3

Acute Major Depression in Elderly Patients



*p<0.05; **p<0.01 versus placebo.

DSST: Digit Symbol Substitution Test

RAVLT: Rey Auditory Verbal Learning Test

MLN0002 (vedolizumab)

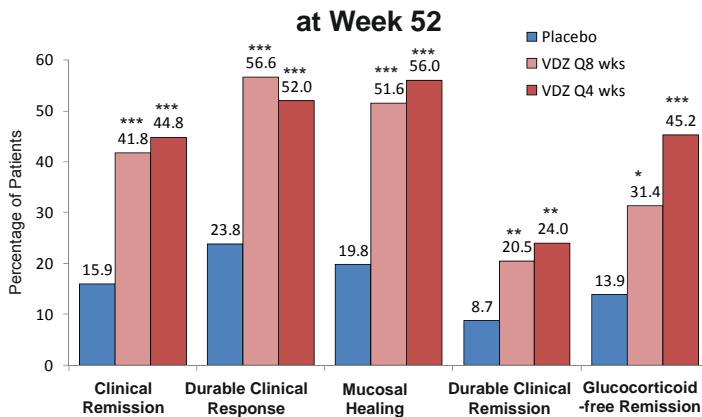
Priority Review for US BLA of UC Granted



Program Status

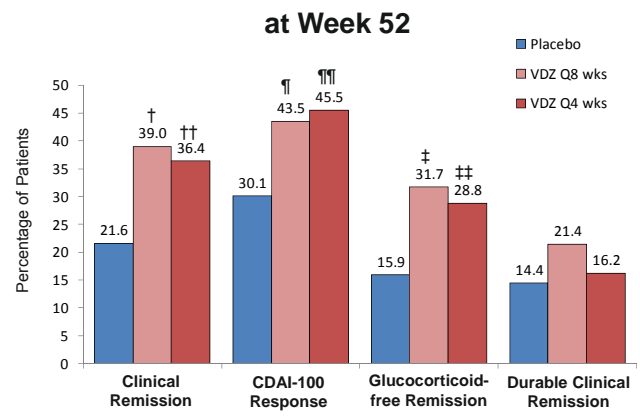
- A novel class of gut-selective monoclonal antibody targets $\alpha 4\beta 7$ integrin on leukocytes involved in ulcerative colitis (UC) and Crohn's disease (CD)
- Filed in the EU (Mar 2013) and US (Jun 2013)
- Priority review for UC has been granted in the US, PDUFA date: February 18, 2014
- Has demonstrated efficacy in patients who are anti-TNF naïve and those with prior anti-TNF failure
- Two Phase 3 results were published in the August 22, 2013 issue of *the New England Journal of Medicine*.

GEMINI I : Ulcerative Colitis



*p<0.01 **p<0.01 ***p<0.001

GEMINI II : Crohn's Disease



† p<0.001 †† p=0.004 ††† p=0.01 †††† p=0.005 ‡ p=0.02 ‡‡ p=0.04

Contrave® (bupropion SR / naltrexone SR)

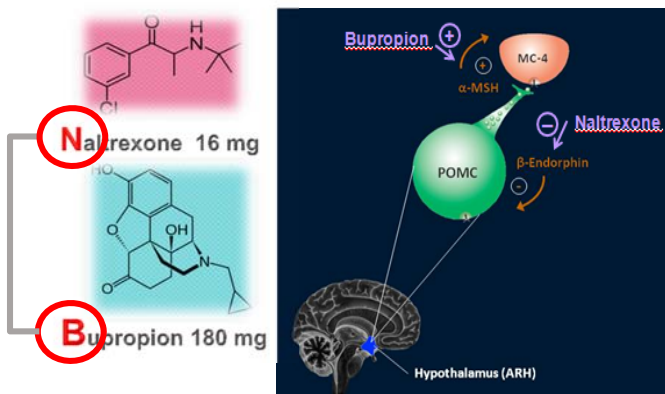
Potential NDA Resubmission in 2013



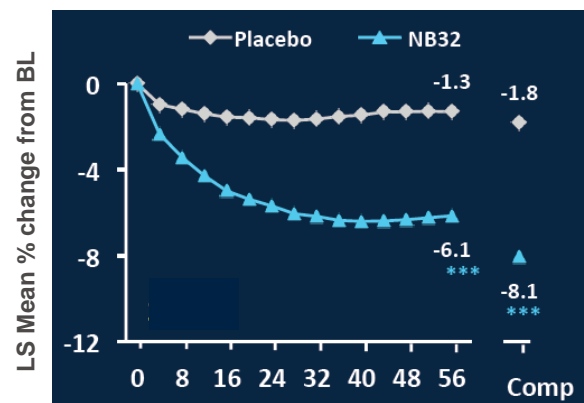
Program Status

- Fixed-dose, sustained-release combination of naltrexone-HCl and bupropion-HCl
- CV outcome "LIGHT STUDY" underway to meet FDA requirement
- Interim analysis of the "LIGHT STUDY" expected to be conducted by early December, with the potential resubmission of the New Drug Application by year end 2013; six month review expected
- The first obesity agent to be supported by prospective cardiovascular outcome (MACE) data

Mechanism of Action



Key Data – Phase 3



***p<0.001 vs placebo; completers at endpoint

AD-4833/TOMM40

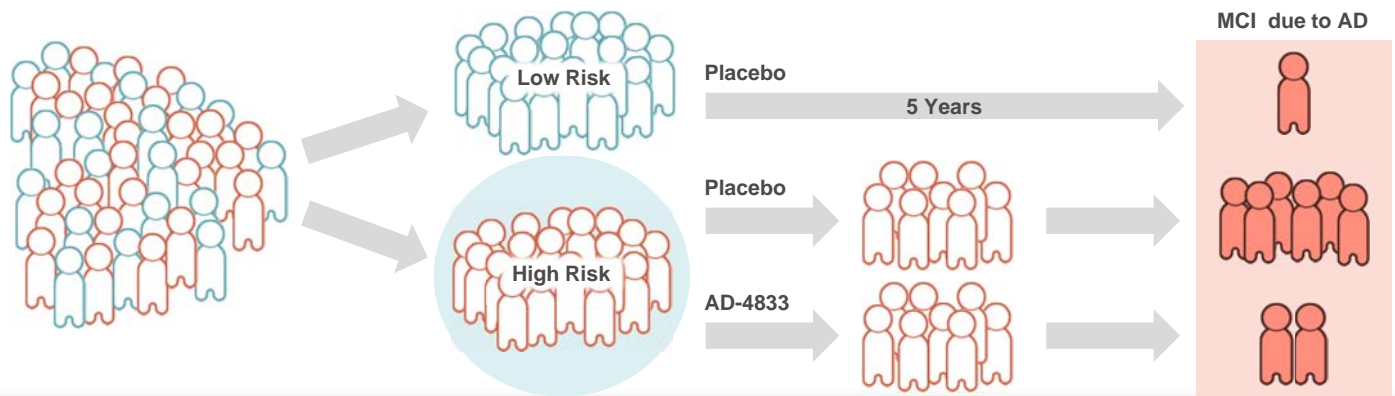
Groundbreaking TOMMORROW Phase 3 Trial Initiated



AD-4833/TOMM40

- Landmark clinical program with the potential to change the treatment paradigm in the Alzheimer's Disease (AD) continuum, essentially delaying disease progression to Mild Cognitive Impairment (MCI) and AD in cognitively normal individuals
- Risk Assessment Algorithm: TOMM40 biomarker + APOE + age has the potential to identify cognitively normal individuals at high risk of developing MCI due to AD in 97% of the population
- Low dose AD-4833 (pioglitazone) as a novel and safe treatment to delay MCI due to AD
- Trial objectives: (1) Qualify the biomarker algorithm (comprised of APOE + TOMM40 genotypes + age)
(2) Assess efficacy of low dose AD-4833 to delay MCI due to AD

The TOMMORROW Phase 3 Study



TAK-875 (fasiglifam) High Potential Late-stage Pipeline



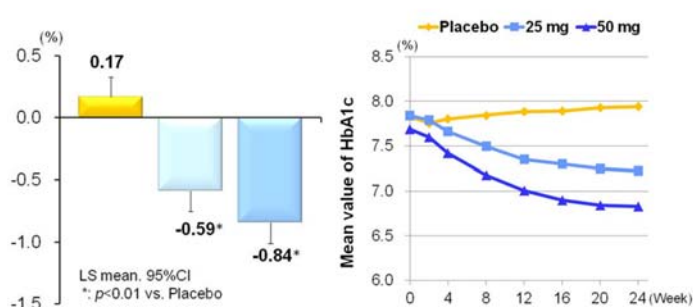
Program Status

- GPR40 agonist for type 2 diabetes
- Reduces glucose levels with low risk of hypoglycemia (2% for fasiglifam versus 19% for glimepiride in Phase 2 trial)
- Well tolerated, no dose adjustment in patients with renal impairment
- Projected approvals in FY2015 (Japan), FY2016 (US & EU)

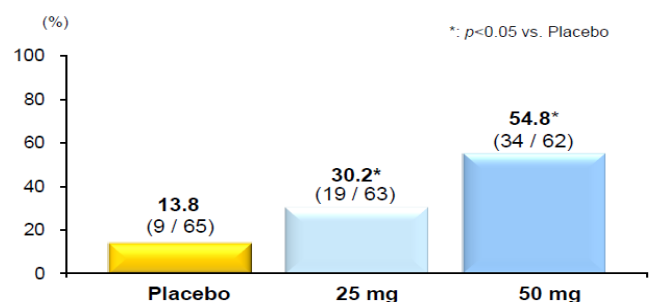
Phase 3 Data (Japanese study CCT-003)

- Significant HbA1c reduction at 24 weeks compared to placebo
- Significant reduction in percentage of patients whose HbA1c levels reached the glycemic target (less than 6.9%)
- Incidence of hypoglycemia was similar to placebo for both TAK-875 25mg & 50mg, with no weight gain

Mean HbA1c Change from Baseline at Week 24



Percent of Subjects with HbA1c <6.9% at Week 24



MLN9708 (ixazomib citrate)

High Potential Late-stage Pipeline

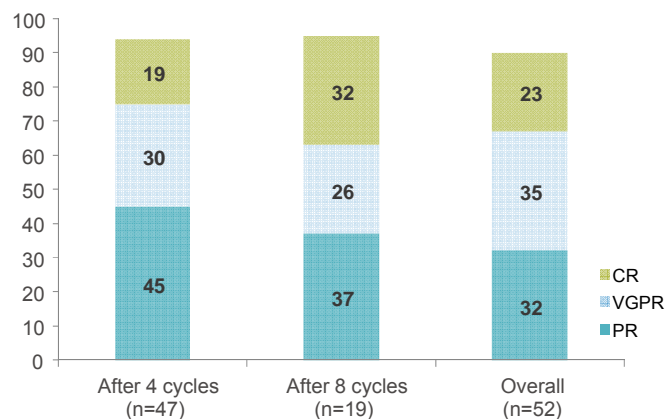


Program Status

- First oral proteasome inhibitor in Phase 3
- Developing the all-oral regimen in Multiple Myeloma (MM)
- Single oral weekly dose
- On-going registration supportive clinical trials include ongoing Phase 3 trials in front line MM, R/R MM and R/R AL Amyloidosis
- Potential in a broad range of hematological and solid tumors
- Takeda has global marketing rights
- Projected approval in FY2015 (US/EU/Japan)

Phase 1/2 Data in Front Line MM

Preliminary responses with MLN9708, lenalidomide and dexamethasone



- Of 3 response-evaluable patients who have completed 12 cycles, 2 achieved CR and 1 VGPR

Promising Pipelines in Early to Mid Stages



MLN8237: alisertib (Relapsed or refractory peripheral T-cell lymphomas, others)

Phase 3 (US, EU), Phase 1 (Japan)

- First-in-class, oral, highly selective inhibitor of Aurora A kinase
- Preclinical results show high-level activity in hematologic and solid tumors

DENVax (Prevention of dengue fever)

Phase 2

- Live virus vaccine including the four serotypes of the dengue virus that cause dengue fever

MT203: namilumab (Rheumatoid arthritis)

Phase 1

- Fully human monoclonal antibody neutralizing GM-CSF (Granulocyte macrophage colony-stimulating factor)
- Phase 1 study in RA is ongoing

Norovirus vaccine

Phase 1/2

- The first-in-class vaccine against norovirus in the world
- Phase 1/2 data presented at Infectious Disease (ID) Week 2013

TAK-137 (Psychiatric disorders and neurological diseases)

Phase 1

- AMPA receptor potentiator, potential to be first-in-class to treat various conditions due to its high potency and safety/tolerability profile
- Phase 1 study in healthy subjects is ongoing

MLN0264 (Advanced GI malignancies)

Phase 1

- Antibody-Drug Conjugate targeting GCC
- Phase 1 study in patients with GCC expressing advanced GI malignancies ongoing

Norovirus Vaccine

Data presented at Infectious Disease (ID) Week 2013



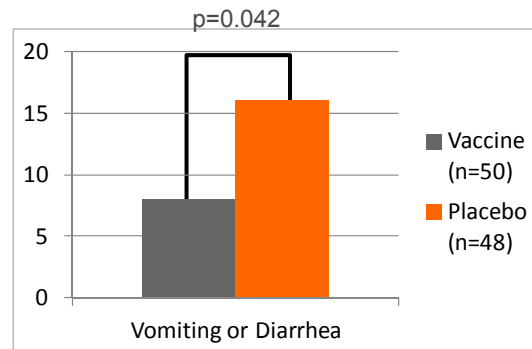
Phase 1/2 Data presented at Infectious Disease (ID) Week 2013

- The candidate vaccine had a clinically relevant impact on the incidence of norovirus illness after challenge, as well as the severity in breakthrough cases
- In addition, a positive trend toward reduction in viral shedding in stool was observed
- The study also provided important information toward optimization of confirmatory lab testing for norovirus disease and infection in a future field trial

Mild, Moderate or Severe AGE* Symptoms

52% reduction observed in mild, moderate or severe vomiting and/or diarrhea in subjects receiving vaccine vs placebo

No. of Challenged Subjects with Mild, Moderate or Severe Symptoms



*: Acute Gastroenteritis

Ensuring Steady Pipeline Approval



	FY13	FY14	FY15	FY16 - FY17
JP	azilsartan (TAK-536) CCB ¹ lansoprazole (AG-1749) LDA ² cetilistat (ATL-962) influenza vaccine (BLB-750) brentuximab vedotin (SGN-35)	trelagliptin (SYR-472) vonoprazan (TAK-438) vortioxetine (Lu AA21004) Hib vaccine (TAK-816)	fasiglifam (TAK-875) ixazomib (MLN9708) orteronel (TAK-700) ⁵ leuprorelin 6M (TAP-144-SR)	relugolix (TAK-385) motesanib
US	vortioxetine (Lu AA21004) vedolizumab (MLN0002)	orteronel (TAK-700) ⁵	ixazomib (MLN9708) alisertib (MLN8237)	fasiglifam (TAK-875) ramelteon (TAK-375) SL
EU	alogliptin (SYR-322) alogliptin MET ³ alogliptin PIO ⁴ dexlansoprazole (TAK-390MR) lurasidone	vedolizumab (MLN0002)	ixazomib (MLN9708) orteronel (TAK-700) ⁵	fasiglifam (TAK-875) alisertib (MLN8237)

In emerging markets and North Asia, compounds including alogliptin, azilsartan medoxomil, brentuximab vedotin, MEPACT, ramelteon, dexlansoprazole and DAXAS will be launched consecutively.

Already approved products in red. Please note that approval timing of several products, including certain in-licensed items, are not disclosed

¹ Calcium Channel Blocker (amlodipine), ² Low Dose Aspirin, ³ Metformin, ⁴ Pioglitazone (ACTOS),

⁵ Projected timeline is currently under review, ⁶ Emerging Markets + North Asia

In-house

In-license

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.



Takeda Pharmaceutical Company Limited