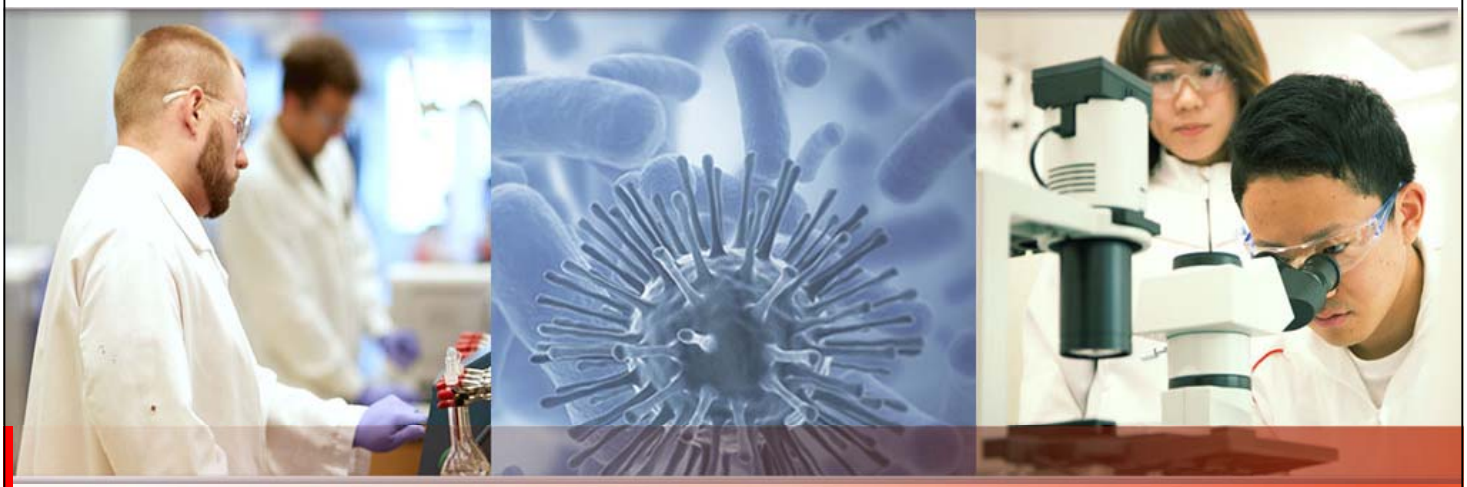

Strategic Focus to Sustain Growth
FY2016 Q2

October 28, 2016

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Strong results while executing transformation roadmap

VALUES 	- **Takeda-ism** Patient → Trust → Reputation → Business
PEOPLE 	- **Patient and customer centricity** - **Agile global organization** - **Fostering talent**
R&D 	- **Focused world class R&D** New approaches to innovation
BUSINESS PERFORMANCE 	- **Sustaining sales growth** GI, Oncology, CNS and Emerging Markets - **Sustaining profit growth** Cost discipline

Strategic focus resulting in strong H1 underlying financial performance: Revenue +7.4%, Core Earnings +12.7%, Core EPS +49.3%

- **Strong H1 financial performance led by our Growth Drivers**
  - ✓ **ENTYVIO achieved Moving Annual Total sales > $1 Bn; now Takeda's No. 1 product in sales**
  - ✓ **NINLARO on track to be the most successful launch of any proteasome inhibitor to date**
- **Raising full year profit guidance, both underlying and reported**

<u>Achievement of key milestones in Q2:</u>

- **Positive CHMP opinion for conditional approval of NINLARO in the EU**
- **R&D transformation on track; PRA collaboration announced**
- **First subject vaccinated in Phase 3 study for TAK-003 (dengue vaccine)**
- **New Access to Medicines program in emerging markets**

Strategic focus driving strong underlying financial performance

	Previous Guidance May 10, 2016	Results H1	
Underlying Revenue	Mid single digit growth (%)	+7.4%	✓
Underlying Core Earnings	Low- to mid-teen growth (%)	+12.7%	✓
Underlying Core EPS	Low- to mid-teen growth (%)	+49.3%	✓

Increasing guidance for Underlying Core Earnings; Underlying Core EPS trending to high end of range

FY2016 Management Guidance

	Previous Guidance May 10, 2016	Revised Guidance Oct 28, 2016
Underlying Revenue	Mid single digit growth (%)	Mid single digit growth (%)
Underlying Core Earnings	Low- to mid-teen growth (%)	Mid- to high-teen growth (%)
Underlying Core EPS	Low- to mid-teen growth (%)	Low- to mid-teen growth (%)
Annual dividend per share	180 yen	180 yen

Growth drivers posted strong +15.3% growth in revenue

Underlying revenue growth

	FY16 H1 (Bn yen)	vs. previous year
GI*	153.5	+39.4%
Oncology**	167.7	+4.9%
CNS	32.8	+28.2%
Emerging Markets*	130.8	+4.9%
Growth Drivers***	458.3	+15.3%

Growth Drivers % of total sales **54%**

* Sales of pantoprazole in Emerging Markets (EM) is included in EM, but not in GI (Gastrointestinal), as it is a key driver in EM. Sales of pantoprazole in other regions is not included in this slide.
** Underlying growth of Oncology excluding VELCADE royalties and other income is +6.4%
*** Total GI/Oncology/CNS/EM, eliminated duplications (e.g. ADCETRIS in EM and in Oncology)

ENTYVIO® on track to exceed $2 billion within FY2018

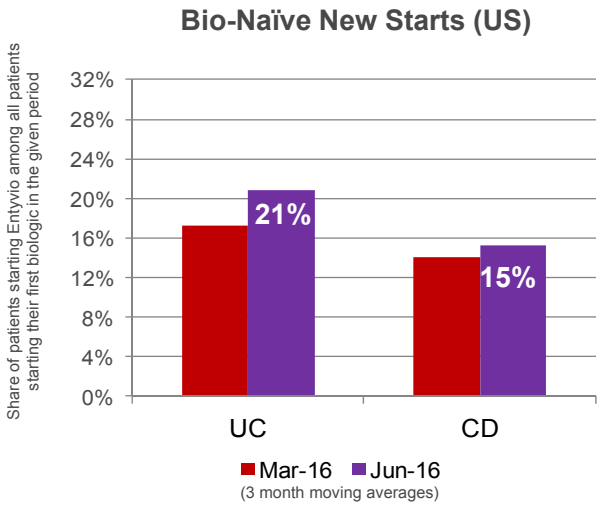
Entyvio® vedolizumab

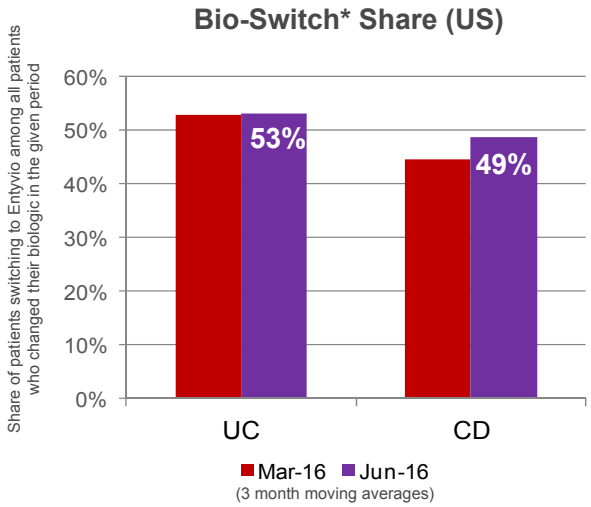
- Now approved in 54 countries
- Moving Annual Total sales have exceeded $1 Bn
- In September, ENTYVIO overtook VELCADE as Takeda's No. 1 product in sales
- Market research indicates a positive response to Direct-to-Consumer campaign in the US, increasing both awareness and HCP discussions

Positioning ENTYVIO as the preferred treatment option in IBD:

- ✓ **Efficacy in biologic naïve and anti-TNFα-failure patients**
- ✓ **Specific binding action inhibits lymphocyte trafficking to the gut**
- ✓ **Favorable tolerability with no boxed warning**
- ✓ **Robust LCM program ongoing**

ENTYVIO® patient share continues to grow in both bio-naïve and switch segments





Bio-Naïve patient share also strong in Europe; 13.8% in UC and 8.5% in CD as of June 2016

* Switch rates include all biologic (2nd / 3rd + line) switches

Source (US data): SHA Medical and Pharmacy Claims data, Dynamic/ Bio-naive share based on 3 month moving average. Patient numbers / shares estimated from projected patient counts from SHA claims data
Source (EU data): Internal analysis based on data from several different sources

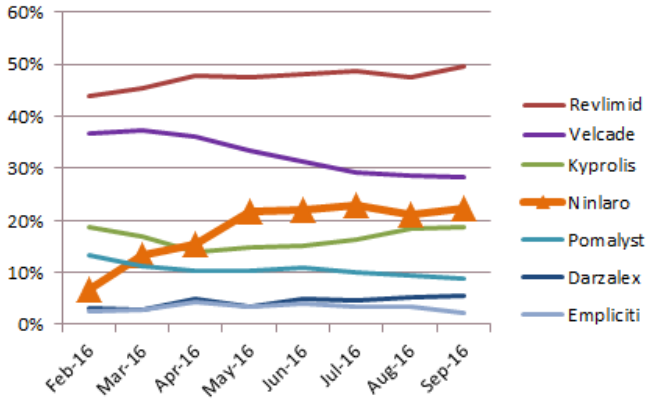
NINLARO® off to a strong start in the US; Takeda expects global peak sales to be significantly higher than VELCADE®

Efficacy, safety and convenience of NINLARO supports continuous therapy, potentially overcoming the limitations of other proteasome inhibitors

NINLARO® (ixazomib) capsules

- **More months of therapy delivered than any other proteasome inhibitor in first year of launch[1]**
- Favorable feedback from payers and physicians on price, distribution model and drug profile
- Patient advocates vocal and positive
- Approx. 20% market share in 2nd line treatment after only two full quarters on the market; the highest share of any new multiple myeloma therapy

New Patients Starting 2nd Line Therapy[2]



1. Based on internal demand shipments data and sales reported by Symphony Health
2. Based on Intrinsiq New Starts 3MRA, Intrinsiq monthly Shares

Takeda will deliver NINLARO® to patients with multiple myeloma around the globe

- **Positive CHMP opinion for conditional approval in the EU (Sept 2016)**
- Filed in Japan (July 2016)
- Approved in Canada (Aug 2016), Israel (Aug 2016), Venezuela (June 2016)
- On track to be approved or filed across most of the globe by 2017

- **Comprehensive Phase 3 program addressing multiple disease stages on track**
- Robust IISR program investigating NINLARO in various combinations and patient populations, and in additional indications besides multiple myeloma

IISR: Investigator initiated sponsored research

R&D transformation on track

- Intent of transformation is to increase R&D productivity with sustained investment in R&D
- Focusing on three key therapeutic areas – Oncology, GI and CNS, plus Vaccines, and concentrating R&D activities in Japan and the US
- Announcement of our partnership with PRA Health Sciences:
  - Primary strategic partner to deliver on clinical development and post-approval needs for pipeline assets and marketed products
  - Partnership will improve operating efficiencies, drive globalization and reduce fixed infrastructure costs
- Accelerating R&D transformation one-off costs: now anticipating 40 Bn yen in FY2016 (previous forecast was 25 Bn yen), 35 Bn yen in FY2017 (no change to 75 Bn yen total costs)
- Takeda intends to re-invest annual savings of approximately 18 Bn yen after implementation into an innovative pipeline over time

First subject vaccinated in dengue Phase 3 study & Zika program funded by US government

TAK-003
DENGUE VACCINE

Launched Phase 3 "TIDES" study to evaluate TAK-003 protection against dengue fever caused by any of the four virus serotypes. Study will enroll over 20,000 subjects across Latin America and Asia.

TAK-426
ZIKA VACCINE

US Government selects Takeda to develop a Zika vaccine, committing up to $312 million of R&D funding through the Biomedical Advanced Research and Development Authority (BARDA)

TAK-507
CHIKUNGUNYA VACCINE

Announced partnership with Zydus Cadila to address the global threat of Chikungunya



- **TAK-214 (NOROVIRUS VACCINE)** Phase 2b field efficacy study ongoing
- **TAK-195 (POLIO VACCINE)** expected to enter Phase 1 in 1Q FY2017
- **TAK-850 (CELL CULTURE-BASED SEASONAL INFLUENZA*)** vaccine development discontinued in Japan following reassessment of the project

* No impact on egg-based seasonal influenza vaccine and pandemic influenza vaccine in Japan

Strong results while executing transformation roadmap towards Vision 2025

VALUES

- New board of directors and governance
- Comprehensive compliance program

PEOPLE

- Patient centricity and customer satisfaction index
- Diverse executive team representing Takeda's global footprint (70% of employees outside Japan)
- Extensive development of diverse talent and capabilities

R&D

- Therapeutic Area focus: GI, Oncology, CNS, and Vaccines
- Organization: concentrated in the US & Japan, PRA partnership
- Numerous R&D collaborations

BUSINESS PERFORMANCE

- Driving sales growth by expanding specialty business and building world-class business capabilities in GI & Oncology
- Sustainable profit growth; focused on improving Core Earnings margin by 1-2 pts per year

Better Health, Brighter Future

Takeda Pharmaceutical Company Limited