CONSOLIDATED FINANCIAL RESULTS FOR FY2019 Q1

July 31, 2019

Costa Saroukos
Chief Financial Officer

Better Health, Brighter Future

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Takeda’s financial statements are prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

The Shire acquisition closed on January 8, 2019, and our consolidated results for the fiscal year ended March 31, 2019 include Shire’s results from January 8, 2019 to March 31, 2019. References to “Legacy Takeda” businesses are to our businesses held prior to our acquisition of Shire. References to “Legacy Shire” businesses are to those businesses acquired through the Shire acquisition.

This presentation includes certain pro forma information giving effect to the Shire acquisition as if it had occurred on April 1, 2018. This pro forma information has not been prepared in accordance with Article 11 of Regulation S-X. This pro forma information is presented for illustrative purposes and is based on certain assumptions and judgments based on information available to us as of the date hereof, which may not necessarily have been applicable if the Shire acquisition had actually happened as of April 1, 2018. Moreover, this pro forma information gives effect to certain transactions and other events which are not directly attributable to the Shire acquisition and/or which happened subsequently to the Shire acquisition, such as divestitures and the effects of the purchase price allocation for the Shire acquisition, and therefore may not accurately reflect the effect on our financial condition and results of operations if the Shire acquisition had actually been completed on April 1, 2018. Therefore, undue reliance should not be placed on the pro forma information included herein.

FY2019 Q1 FINANCIAL HIGHLIGHTS

- Delivered strong Underlying Core Operating Profit[*1] margin of 32.4%
- De-levered to 4.4x Net debt/adjusted EBITDA from 4.7x at FY2018 end
- Raising full year Underlying Guidance (Revenue, Core OP Margin, Core EPS)

*1. Previously called Underlying Core Earnings (no change in definition)

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FROM FY2019 Q1, "CORE EARNINGS" IS TERMED "CORE OPERATING PROFIT"

- From FY2019 Q1, we are renaming "Core Earnings" to "Core Operating Profit" to be more consistent with our peers
- There is **NO CHANGE to the adjustments or the definition, only the terminology**
- All reference to "Core Earnings" in previous guidance can be substituted with "Core Operating Profit"

FY2019 Guidance Provided on May 14, 2019, updated with new terminology

"CORE EARNINGS"

FY2019 REPORTED FORECAST (VS. PY)

(BN YEN)	FY2018 ACTUAL CONSOLIDATED TOTAL	FY2019 FORECAST CONSOLIDATED TOTAL (A)	VS. PY	
REVENUE	2,097.2	3,300.0	+1,202.8	+57.4%
OPERATING PROFIT	205.0	-193.0	-398.0	-
NET PROFIT	109.1	-383.0	-492.1	-
EPS	113 yen	-246 yen	-360 yen	-
CORE EARNINGS	459.3	883.0	+423.7	+92.2%

→

"CORE OPERATING PROFIT"

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TAKEDA'S DISCLOSURE METRICS (DEFINITIONS UNCHANGED)

Takeda encourages analysts to focus on Core P&L, instead of Reported P&L

"REPORTED"	"CORE"	"UNDERLYING"
Financial results recorded and prepared in accordance with International Financial Reporting Standards (IFRS)	From Reported Results, adjust for: 1. Amortization and impairment expenses for intangible assets associated with products 2. Impacts of purchase accounting 3. Restructuring costs 4. Other material or non-recurring items that do not represent our on-going core operations (e.g. one-time expenses & income) **Largely comparable to 'Non-GAAP' or 'Core' results reported by our peers**	From Core Results, further adjust for: 1. Impact of foreign exchange 2. Impact of divestitures (divested assets removed from both prior and current year)
GAAP Reporting (IFRS)	**Non-GAAP Reporting (Non-IFRS)**	

Note: Please refer to slides 31, 34-36 and 41 for a more detailed definition of Core and Underlying measures, and for reconciliation tables.

DELIVERING ON STRATEGIC PRIORITIES WHILE EXECUTING SHIRE INTEGRATION

BUSINESS AREA FOCUS

- Strong performance from key products with revenue growth of our 14 global brands +22% in total
- Integration of Shire progressing on track; no major risks identified
- Steady execution of divestiture plan (XIIDRA sale completed on July 1st)

R&D ENGINE

- Currently 19 New Molecular Entity assets in Phases 2 & 3
- Advances in Cell and Gene Therapy platforms (CAR-T Cell Therapy from T-CiRA moves towards clinic; integration of AAV-based process development and manufacturing center in Austria)
- ENTYVIO subcutaneous formulation achieved primary endpoint as maintenance therapy in CD
- Orexin 2 receptor agonist TAK-925 received *Sakigake* Designation in Japan for narcolepsy

FINANCIAL STRENGTH

- FY2019 Q1 Underlying Core Operating Profit[*1] margin 32.4%
- Cost synergies on track towards previously communicated targets
- De-levered to 4.4x Net debt/adj EBITDA; reiterating target of 2x in 3 to 5 years
- Raising full-year guidance to reflect divestitures and revised LOE assumption for VELCADE

*1. Previously called Underlying Core Earnings (no change in definition)
CAR-T: Chimeric Antigen Receptor T-cells; AAV: Adeno-Associated Virus; CD: Crohn's disease; LOE: Loss of Exclusivity

FY2019 Q1 FINANCIAL RESULTS (SUMMARY)

Strong start to the year with Core Operating Profit 283 billion yen; Core OP & Underlying Core OP margins ~33%

(BN YEN)	REPORTED		CORE		UNDERLYING
	FY2019 Q1	VS. PRIOR YEAR	FY2019 Q1	VS. PRIOR YEAR	
REVENUE	849.1	+88.8%	849.1	+88.8%	*-0.8% (YoY pro-forma)*[*1]
OPERATING PROFIT	9.9	-90.0%	283.0[*2]	+142.3%	
Margin	*1.2%*	*-20.8pp*	*33.3%*	*+7.4pp*	*32.4%*
NET PROFIT	-20.7	N/M[*3]	198.4	+103.0%	
EPS (JPY)	-13 yen	-113 yen	128 yen	+3 yen	124 yen

FREE CASH FLOW	89.3	+199.6%

*1. Represents change in underlying revenue between FY2018 Apr-Jun (on a pro-forma basis) and FY2019 Apr-Jun. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (adjusted for divestitures) plus Shire revenue from the same period (adjusted for divestitures), converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.
*2. Previously called Core Earnings (no change in definition)
*3. Not Meaningful

FY2019 Q1 FINANCIAL RESULTS (REPORTED)

Reported profit impacted by significant non-cash purchase accounting expenses

(BN YEN)	FY2018 Q1	FY2019 Q1	VS. PRIOR YEAR
REVENUE	**449.8**	**849.1**	**+88.8%**
Gross Margin	*73.2%*	*64.6%*	*-8.6pp*
OPERATING EXPENSES	-217.0	-356.1	-64.1%
% of Revenue	*48.2%*	*41.9%*	*-6.3pp*
AMORTIZATION & IMPAIRMENT	-24.0	-148.3	-517.2%
OTHER OPERATING INCOME/EXPENSE	10.7	-34.3	N/M[*1]
OPERATING PROFIT	**98.9**	**9.9**	**-90.0%**
Operating Profit Margin	*22.0%*	*1.2%*	*-20.8pp*
TAX RATE	16.8%	18.1%	
NET PROFIT	**78.2**	**-20.7**	**N/M[*1]**
EPS (JPY)	**100 yen**	**-13 yen**	**-113 yen**

*1. Not Meaningful

FY2019 Q1 FINANCIAL RESULTS (CORE)

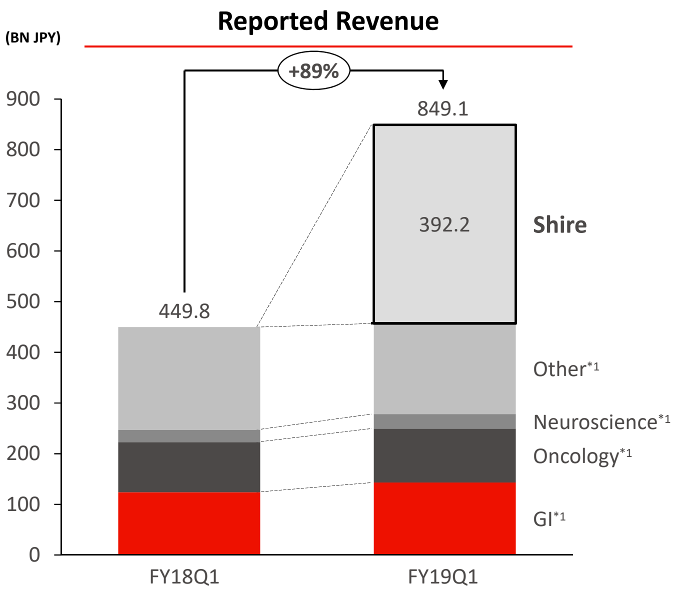
Core Operating Profit margin improved +7.4pp, demonstrating the strong earnings power of Takeda after the Shire acquisition

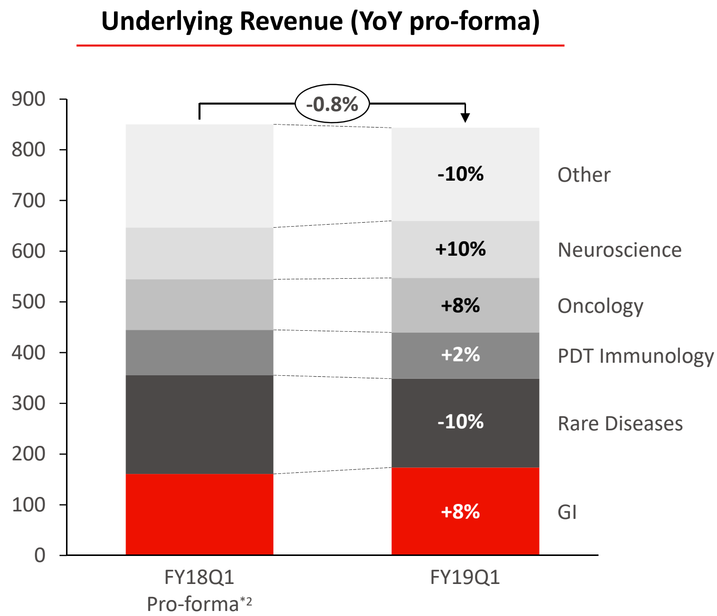
(BN YEN)	FY2018 Q1	FY2019 Q1	VS. PRIOR YEAR
REVENUE	**449.8**	**849.1**	**+88.8%**
Gross Margin	*73.2%*	*74.5%*	*+1.4pp*
OPERATING EXPENSES	-212.4	-350.0	-64.8%
% of Revenue	*47.2%*	*41.2%*	*-6.0pp*
CORE OPERATING PROFIT[*1]	**116.8**	**283.0**	**+142.3%**
Core Operating Profit Margin	*26.0%*	*33.3%*	*+7.4pp*
TAX RATE	18.3%	21.7%	+3.4pp
CORE NET PROFIT	**97.7**	**198.4**	**+103.0%**
CORE EPS (JPY)	**125 yen**	**128 yen**	**+3 yen**

*1. Previously called Core Earnings (no change in definition)

FY2019 Q1 REVENUE YEAR-ON-YEAR (REPORTED & PRO-FORMA)

Reported revenue +89% with contribution of Shire;
Underlying Revenue (Pro-forma) -0.8%, impacted by shipment phasing in FY2019 Q1 and stocking in FY2018 Q1





*1. These categories show revenue for Legacy Takeda products only, and do not include products obtained through the acquisition of Shire

*2. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period (not including the Legacy Shire oncology business, which was sold in August 2018), converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.
Note: Absolute values are at actual exchange rates; year-on-year changes are underlying growth (versus pro-forma FY2018 Apr-Jun Legacy Takeda plus Legacy Shire)

INVENTORY HARMONIZATION AND PHASING IMPACT IN Q1

INVENTORY HARMONIZATION

- **Inventory harmonization to Takeda's distribution channel policies was completed in FY2018 Q4**

PHASING IMPACT

- In FY2019 Q1, year-on-year revenue growth was impacted by stocking in the prior year, in particular for Hereditary Angioedema products CINRYZE and FIRAZYR in the U.S., as highlighted in Shire's 2018 Q2 (Apr-Jun) Press Release:

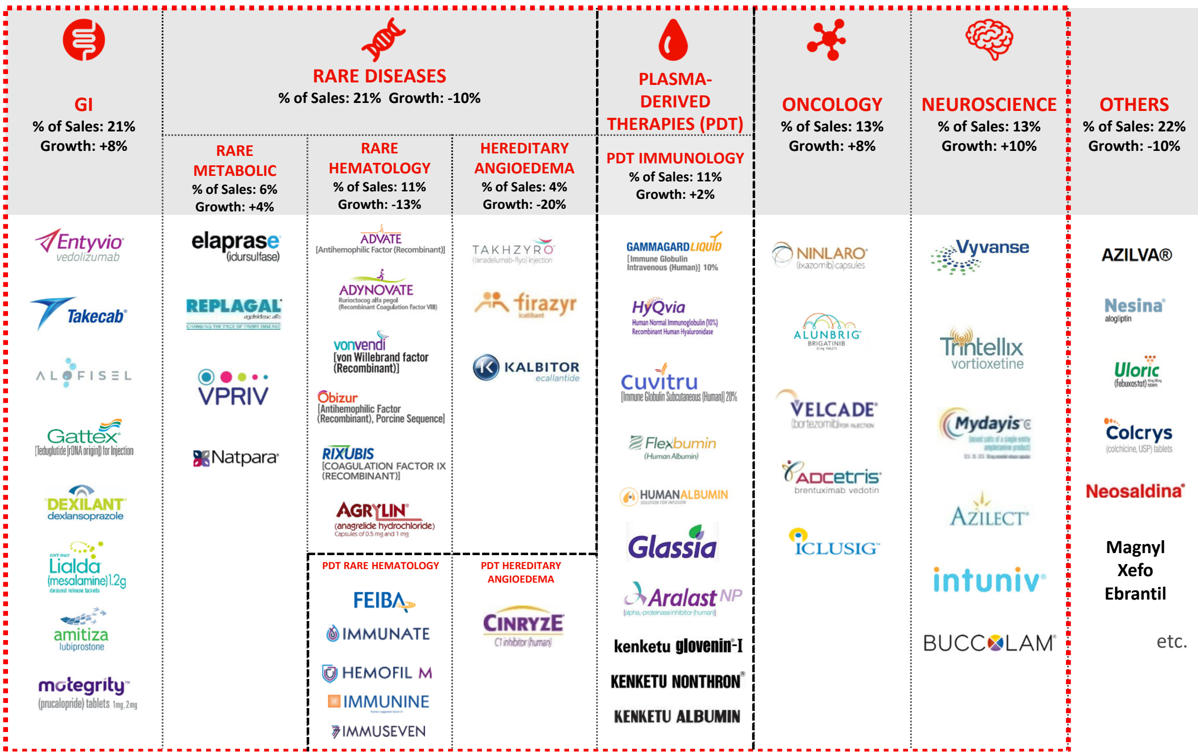
> Immunology product sales were $1,150 million in Q2 2018 […] HAE product sales were up 9% driven by stocking for both CINRYZE and FIRAZYR, as well as FIRAZYR demand growth, partially offset by a decline in CINRYZE demand due to a competitor launch.

(Source: Shire 2018 Second Quarter (Apr-Jun 2018) Press Release, July 31, 2018)

- In FY2019 Q1, Immunoglobulin revenue in the U.S. was impacted by phasing of IVIG shipments

5 KEY BUSINESS AREAS

Focused portfolio in 5 key business areas representing **~78%** of FY2019 Q1 revenue



Note: Year-on-year changes are underlying pro-forma growth. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period (not including Legacy Shire oncology business, which was sold in August 2018), converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.

REVENUE OF KEY PRODUCTS IN 5 BUSINESS AREAS

14 global brands growing +22% in total versus pro-forma FY18Q1

FY2019 Q1 REVENUE

	(as reported)	(BN JPY)	(MM USD)	versus PY (underlying)	GLOBAL BRAND
GI	Entyvio vedolizumab	83.9	758	+36.8%	✓
	Takecab	18.3	165	+28.1%	
	Gattex (teduglutide [rDNA origin]) for injection	15.1	137	+3.3%	✓
	ALOFISEL	-	-	N/A (commercial launch August 2018)	✓
RARE DISEASES	TAKHZYRO (lanadelumab-flyo) injection	14.5	131	N/A (commercial launch August 2018)	✓
	ADYNOVATE	16.7	151	+25.9%	✓
	Natpara	7.9	71	+10.2%	✓
	elaprase (idursulfase)	18.8	170	+3.6%	✓
	REPLAGAL	12.9	117	+3.5%	
	VPRIV	9.3	84	+0.6%	✓

FY2019 Q1 REVENUE

		(BN JPY)	(MM USD)	versus PY (underlying)	GLOBAL BRAND
PDT IMMUNOLOGY	IMMUNOGLOBULIN	68.0	615	-1.9%	
	GAMMAGARD LIQUID / Kiovig			-10.3%	✓
	HyQvia			+25.2%	✓
	Cuvitru			+4.1%	✓
	ALBUMIN/FLEXBUMIN*1	16.1	145	+28.1%	✓
ONCOLOGY	NINLARO (ixazomib) capsules	18.3	165	+29.8%	✓
	ADCETRIS brentuximab vedotin	12.7	115	+26.6%	
	ALUNBRIG brigatinib	1.7	15	+51.1%	✓
NEURO-SCIENCE	Vyvanse	68.8	622	+12.8%	
	Trintellix vortioxetine	17.4	157	+20.7%	

14 GLOBAL BRANDS TOTAL: JPY 270.2 B (US$2.4B) (+22% GROWTH)

Note: Absolute values are at actual exchange rates; year-on-year changes are underlying pro-forma growth. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period, converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.
USD included for reference calculated at JPY/USD of 111 yen. *1. Includes Albumin Glass, Flexbumin and Kenketsu Albumin.

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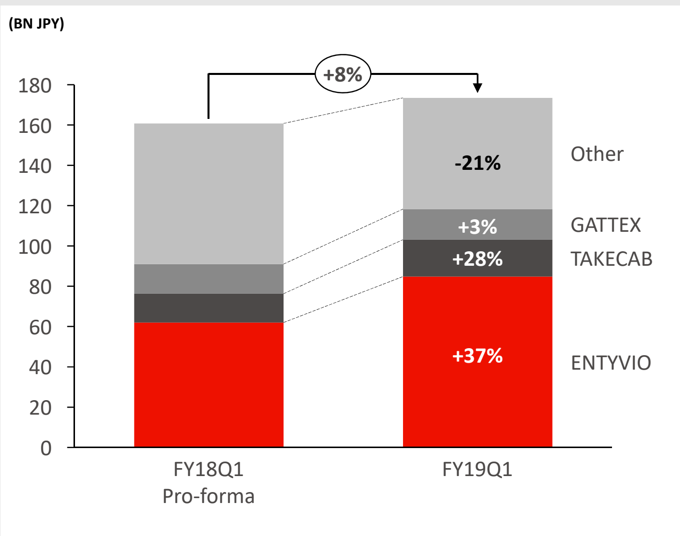
GASTROENTEROLOGY (GI)

SOLID GROWTH OF GI FRANCHISE SPEARHEADED BY ENTYVIO

GI PORTFOLIO
Q1 UNDERLYING REVENUE GROWTH

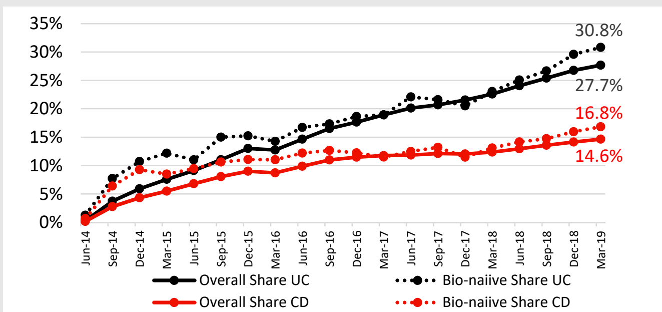


Entyvio vedolizumab

CONTINUES ON EXCELLENT GROWTH TRACK FIVE YEARS AFTER FIRST LAUNCH

- Market share growth driven by further penetration of bio-naïve segment in UC and CD
- Expanding in Japan with newly approved CD indication; China NDA submitted ahead of plan
- Subcutaneous formulation currently under review in EU (UC and CD) and U.S. (UC only; CD submission planned)

EXPANDING U.S. MARKET SHARE



Source: SHA Medical and Pharmacy Claims data, Apr 2019, reporting through FQ4 2018

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UC: Ulcerative colitis; CD: Crohn's disease; NDA: New Drug Application.

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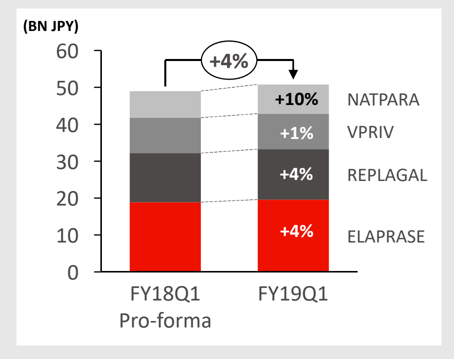
RARE DISEASES

RARE DISEASES IMPACTED BY PRIOR YEAR STOCKING IN HAE; RARE HEMATOLOGY COMPETITIVE LANDSCAPE IN LINE WITH EXPECTATIONS

RARE METABOLIC

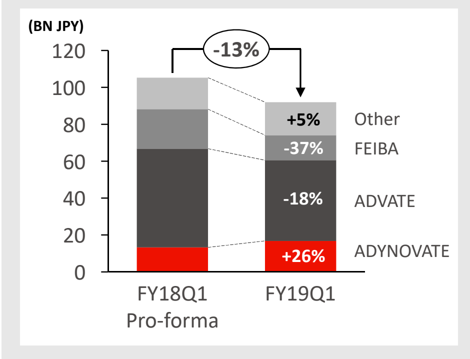
Q1 UNDERLYING REVENUE GROWTH



- Continued single-digit growth in lysosomal storage disorders
- NATPARA continues on strong launch path in the U.S. and Europe

RARE HEMATOLOGY

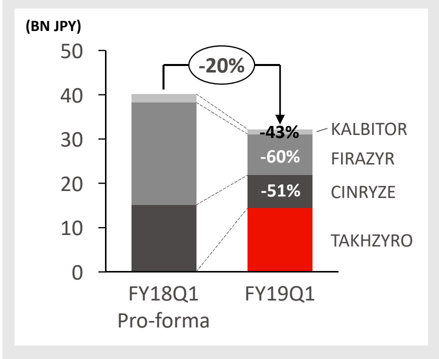
Q1 UNDERLYING REVENUE GROWTH



- Strong ADYNOVATE growth driven by new launches; PROPEL study data reinforces importance of personalized prophylaxis
- ADVATE decline partially driven by ADYNOVATE uptake and increasing price pressure in short half-life segment
- FEIBA decline driven by erosion of prophylaxis segment to competition, and phasing in Brazil

HEREDITARY ANGIOEDEMA

Q1 UNDERLYING REVENUE GROWTH



- TAKHZYRO strong launch (U.S., Germany, Austria), capturing patients on existing prophylaxis therapies and those new to prophylaxis
- Decline of FIRAZYR and CINRYZE due to stocking in FY18 Q1, fewer patients on CINRYZE, and less utilization of FIRAZYR

Note: Absolute values are at actual exchange rates; year-on-year changes are underlying pro-forma growth. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period, converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.

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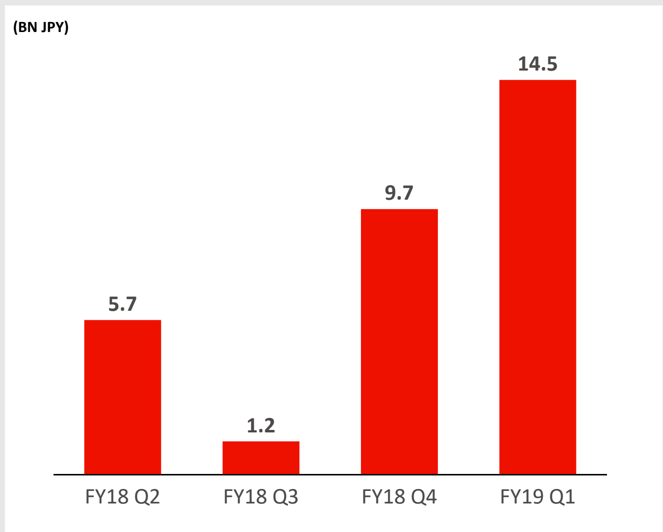
RARE DISEASES

TAKHZYRO STRONG LAUNCH PERFORMANCE

TAKHZYRO GLOBAL REVENUE SINCE LAUNCH



CONTINUED STRONG LAUNCH PERFORMANCE WITH >1,500 PATIENTS RECEIVING TAKHZYRO GLOBALLY

U.S.:

- Strong uptake across all prescribers; particularly among high prescribers
- Diversified adoption: ~1/3 patients are new to prophylaxis, ~1/3 patients are upgrading prophylaxis, and ~1/3 patients are new to Takeda

Other regions:

- Strong launches in Germany, Austria
- Early access programs in France and Greece

AIMING TO TRANFORM STANDARD OF CARE

- Patients new to prophylaxis from acute therapies are growing the size of the prophylaxis market

RECONFIRMING PRODUCT PROFILE

- Real world clinical experience and interim ad hoc analysis from an open-label study (study HELP 004) support the efficacy and safety of TAKHZYRO demonstrated in the pivotal study

Note: Includes revenue from Legacy Shire, converted from USD to JPY using actual rate for the period, and converted from US GAAP to IFRS.

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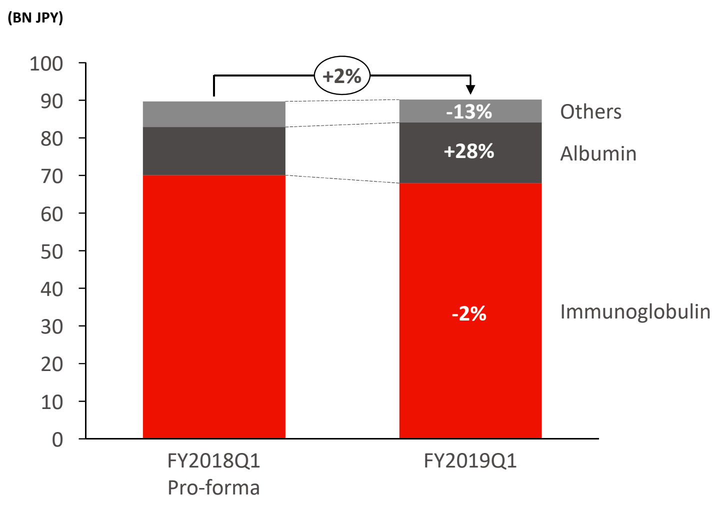
PLASMA-DERIVED THERAPIES

PDT IMMUNOLOGY IMPACTED BY PHASING

PDT IMMUNOLOGY PORTFOLIO Q1 UNDERLYING REVENUE GROWTH



GAMMAGARD LIQUID [Immune Globulin Intravenous (Human)] 10% | Kiovig | HyQvia | Cuvitru

- Immunoglobulin products declined by 2% due to phasing of IVIG shipments, partially offset by continued growth of SCIG
- Expect to deliver high single-digit underlying revenue growth for remainder of the year

CONTINUING TO INVEST IN PLASMA COLLECTION

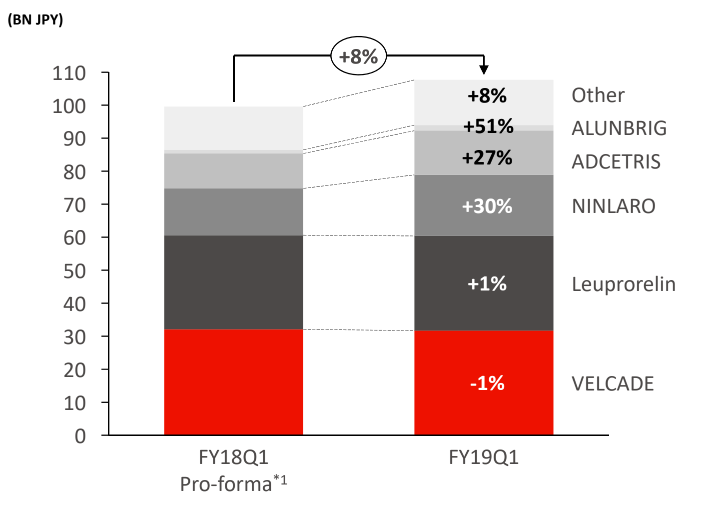
- Current footprint of 111 centers in the U.S. and 30 ex-U.S., an increase of 16 centers since acquisition close
- Intend to continue to invest in increasing plasma collection footprint, aiming for double-digit increase in number of new centers each year

SCIG: Subcutaneous Immunoglobulin; IVIG: Intravenous Immunoglobulin
Note: Absolute values are at actual exchange rates; year-on-year changes are underlying pro-forma growth. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period, converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.

ONCOLOGY

SOLID GROWTH OF ONCOLOGY PORTFOLIO LED BY NINLARO

ONCOLOGY PORTFOLIO Q1 UNDERLYING REVENUE GROWTH*1



NINLARO (ixazomib) capsules — CONTINUED U.S. GROWTH & GEOGRAPHIC EXPANSION

- Expansion into new geographies; now launched in Italy and France, and 3,400 patients treated to date in China
- Filed in Japan for post-SCT MM maintenance (TOURMALINE-MM3)
- TOURMALINE-MM4 data expected FY2019 and AL1 data presentation at an upcoming medical meeting

ADCETRIS brentuximab vedotin — EXPANSION INTO NEW INDICATIONS

- Now approved in Europe and Japan for previously untreated HL; undergoing review in Europe for previously untreated CD30+ PTCL
- Filed in China with Priority Review for relapsed/refractory HL and sALCL

ALUNBRIG BRIGATINIB — STRONG INITIAL UPTAKE IN EUROPE

- Now reimbursed in 9 European countries
- Anticipate ALTA-1L (frontline ALK+ NSCLC) data readout in 1H FY2019

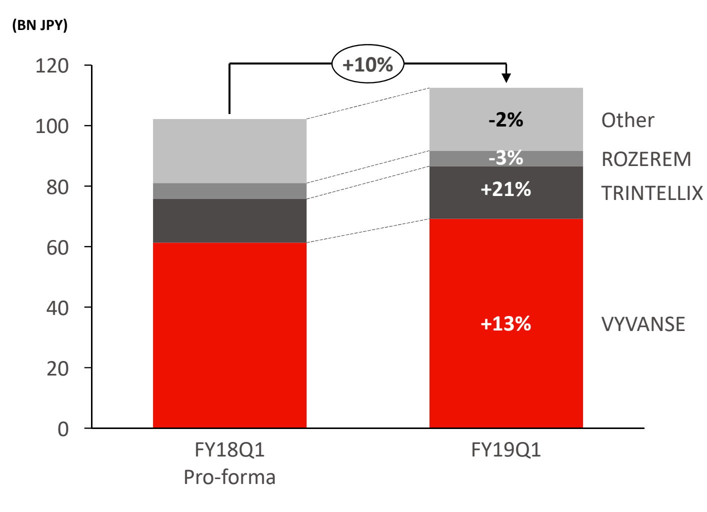
Note: Absolute values are at actual exchange rates; year-on-year changes are underlying growth
ADCETRIS is in-licensed from Seattle Genetics; Takeda has development and marketing rights outside of the U.S. and Canada
*1. Legacy Shire's oncology revenue excluded

SCT: stem cell transplant; MM: Multiple myeloma; HL: Hodgkin lymphoma; PTCL: Peripheral T-cell lymphoma; sALCL: systemic anaplastic large cell lymphoma; NSCLC: Non small-cell lung cancer

NEUROSCIENCE

NEUROSCIENCE DRIVEN BY U.S. BUSINESS UNDER NEW COMMERCIAL STRUCTURE

NEUROSCIENCE PORTFOLIO Q1 UNDERLYING REVENUE GROWTH



Vyvanse — DOUBLE DIGIT GROWTH DUE TO PROMOTIONAL OPTIMIZATION

- New sales force structure provides improved customer coverage, and optimized media investment focused on adult segment (U.S.)
- Growth driven by higher demand in the adult market
- Additional growth from Canada and launch of Elvanse Adult in Germany

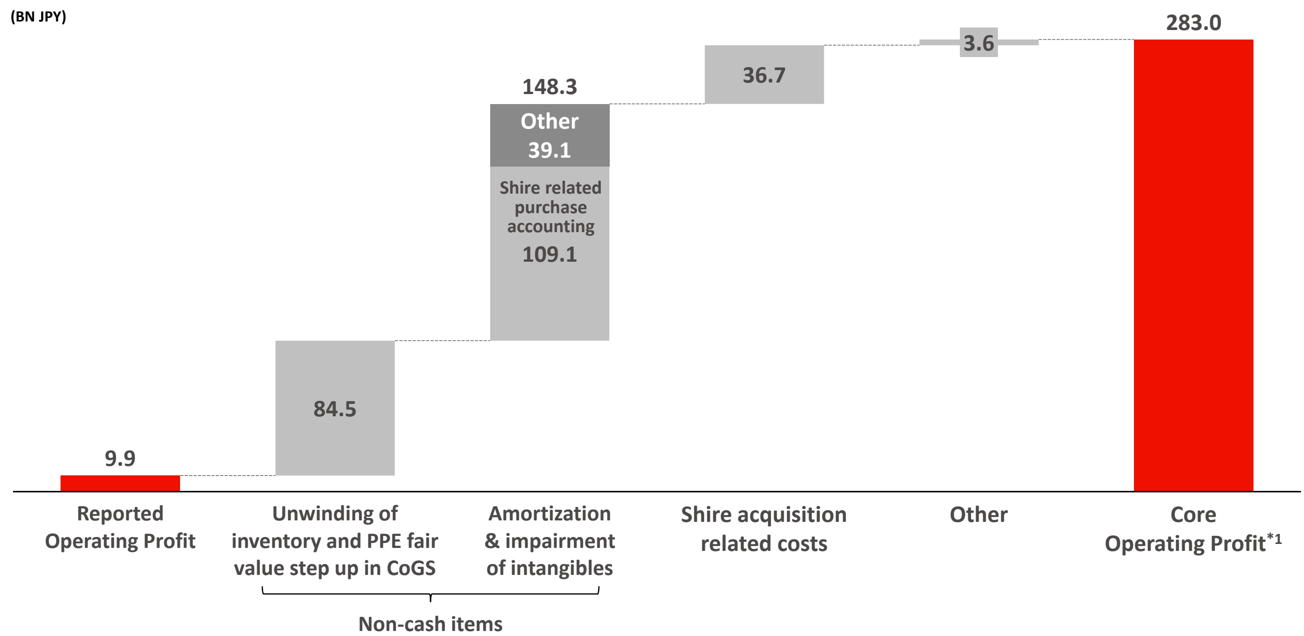
Trintellix vortioxetine — >20% GROWTH DRIVEN BY INCREASE IN NEW PATIENTS AND IMPROVED PERSISTENCE ON THERAPY

- Positive label updates for speed of processing and Treatment Emergent Sexual Dysfunction encouraging switch from SSRIs
- New DTC advertising campaign driving new patient requests
- Growth in patient support program enrollment increasing Trintellix average length of therapy

TRINTELLIX is in-licensed from Lundbeck; Takeda has co-marketing rights in the U.S. and Japan. SSRIs: Selective Serotonin Reuptake Inhibitors; DTC: Direct to Consumer
Note: Absolute values are at actual exchange rates; year-on-year changes are underlying pro-forma growth. The FY2018 Q1 (Apr-Jun) pro-forma represents the sum of Takeda revenue for FY2018 Q1 (Apr-Jun) plus Shire revenue for the same period, converted to JPY at the rate of $1 = 111 JPY, and converted from US GAAP to IFRS.

BRIDGE FROM REPORTED TO CORE OPERATING PROFIT

Reported Operating Profit largely impacted by non-cash purchase accounting expenses and one-time integration costs



*1. Previously called Core Earnings (no change in definition)

SHIRE INTEGRATION AND SYNERGY CAPTURE ON TRACK; CONFIRMING ANNUAL SYNERGY TARGET OF US$2B BY END OF FY2021

DAY 90 INTEGRATION PLANS EXECUTED AS PLANNED, NO MAJOR RISKS IDENTIFIED

- Talent selection completed for 79% of all employees, with minimal turnover in nominated employees
- Employee integration survey results (March) showed 78% of employees believe the combined company will better serve patients' needs; follow-up survey launched in July

CONTINUE TO PURSUE NON-CORE DIVESTITURES UP TO US$10B

- Completed divestiture of XIIDRA; TACHOSIL sale expected to close in second half of calendar year
- Negotiations ongoing for further potential divestments

CONFIRMING ANNUAL RECURRING PRE-TAX COST SYNERGY TARGET OF ~$2B BY END OF FY2021

PARTNER VALUE SUMMIT BOSTON, 3-7 JUNE

- Gathered 40 of our largest suppliers to accelerate and amplify value derived from partnerships
- ~$200mn synergy confirmed (incorporated in the total ~$2B target)
- Releasing ~$200mn of free cash flow by extending payment terms
- Automating transactions through e-catalogs, e-invoices and e-signatures
- Ensuring all key suppliers are committed to Takeda's values and Supplier Code of Conduct

SYNERGY & OPEX TRACKING PLATFORM ALREADY OPERATIONAL TO ENSURE RELENTLESS EXECUTION AGAINST TARGETS

SYNERGY PACKAGE OPERATIONAL KPI REPORTS

Compensation & Benefits	Contactors & Consultants
Research & Development	Events & Sponsorships
Sales Support & Resources	Technology
Facilities & Related Services	Recruitment & Development
Travel	Company Vehicles

COMPENSATION & BENEFITS

- FTE reductions as planned
- New footprint for U.S. sales force effective April 1st

RESEARCH & DEVELOPMENT

- R&D pipeline prioritized and progressing
- Focusing R&D footprint in U.S. and Japan; decision made to transfer research operations out of Austria*[1]

FACILITIES & RELATED SERVICES

- All major site decisions communicated, and execution well underway in these locations (e.g. Zug, Deerfield, London)
- 81% of commercial office location decisions made across 66 countries (117 / 144 sites)
- Finance shared service decisions made for U.S. and Europe

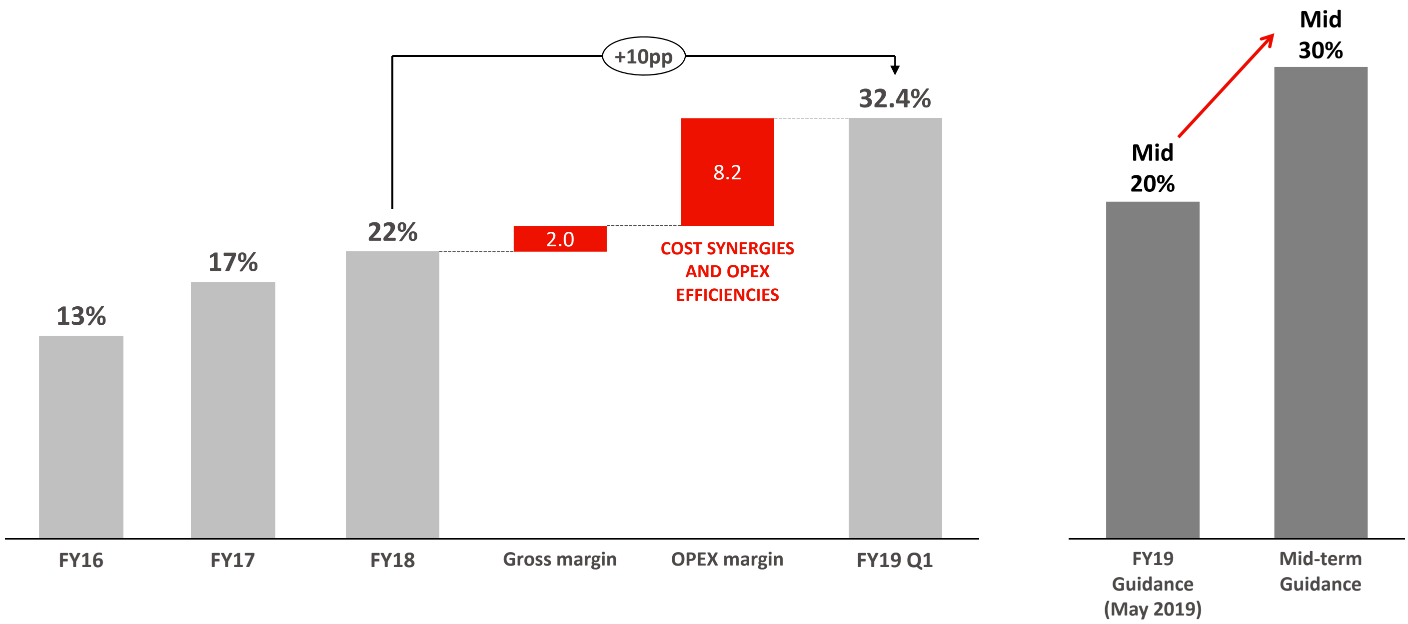
TECHNOLOGY

- All core global integration-related IT programs have been identified, with focus on speed to implementation

*1. Pharmaceutical Sciences presence will remain in Austria in order to support advancement of our gene therapy platform

COST SYNERGY & OPEX INITIATIVE ON TRACK TO MEET MARGIN TARGETS

Significant improvement of FY2019 Q1 Underlying Core Operating Profit[*1] margin to 32.4%



*1. Previously called Core Earnings (no change in definition)

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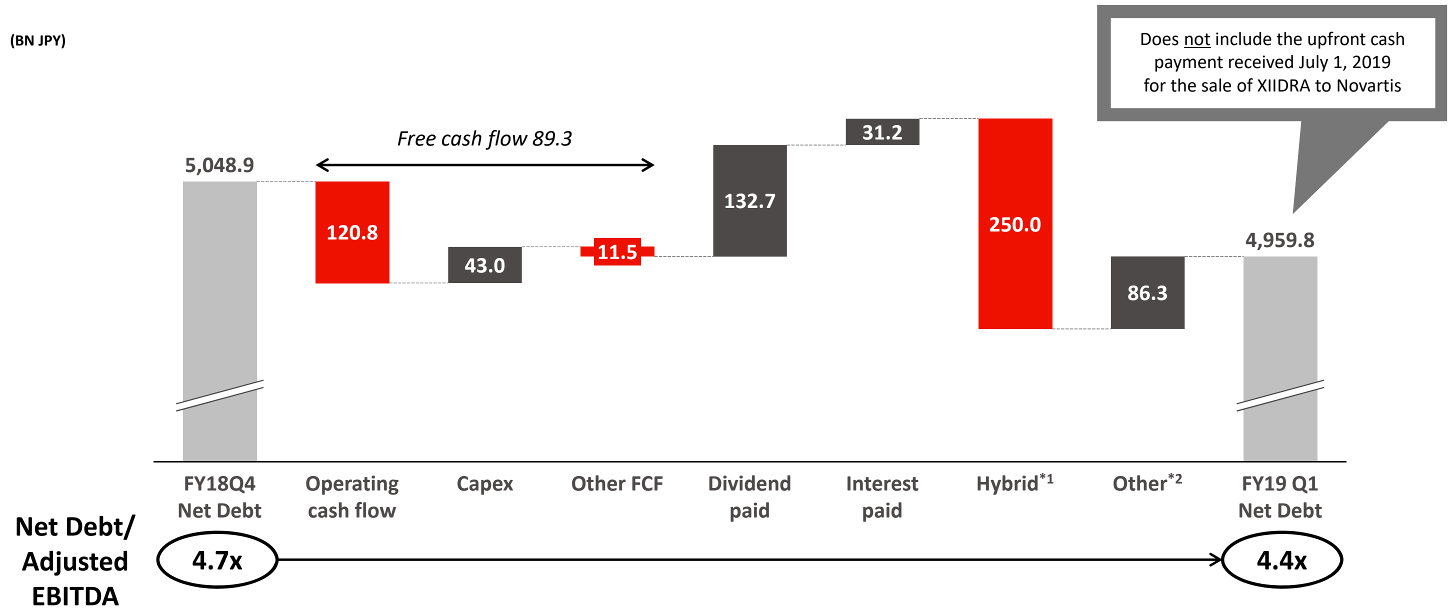
ON TRACK TOWARDS DE-LEVERAGING TARGET

Net debt / adjusted EBITDA at 4.4x as of June 2019; remain committed to reach 2x in 3 to 5 years



*1. In June 2019, Takeda priced JPY 500B of hybrid bonds to replace its existing Senior Short-Term Loan, completing the permanent financing process for the Shire acquisition. Net debt includes a 50% equity credit for these bonds (JPY 250B), reflecting the equity credit assigned to them by the ratings agencies.
*2. Includes cash and non cash adjustments to debt book-value. Non cash adjustments include changes due to debt amortization, FX impact from converting non-JPY debt into JPY.
Note: Please refer to slide 39 for adjusted EBITDA reconciliation

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UPWARD REVISION TO FY2019 MANAGEMENT GUIDANCE

Assumption changes:
- No longer assumes any additional U.S. competitor for VELCADE within FY2019
- Reflects divestitures of XIIDRA (closed July 1, 2019) and TACHOSIL (expected close by December 2019)

	ORIGINAL MANAGEMENT GUIDANCE (May 14, 2019)	FY2019 Q1 RESULTS	REVISED MANAGEMENT GUIDANCE (July 31, 2019)
UNDERLYING REVENUE GROWTH[*1]	Flat to slightly declining	-0.8%	Flat to slightly increasing
UNDERLYING CORE OPERATING PROFIT[*2] **MARGIN**	Mid-twenties %	32.4%	Mid-to-high-twenties %
UNDERLYING CORE EPS	350-370 yen	124 yen	360-380 yen
ANNUAL DIVIDEND PER SHARE	180 yen		180 yen

Note: FY2019 Updated Management Guidance does not take into consideration any further divestitures beyond what has already been disclosed

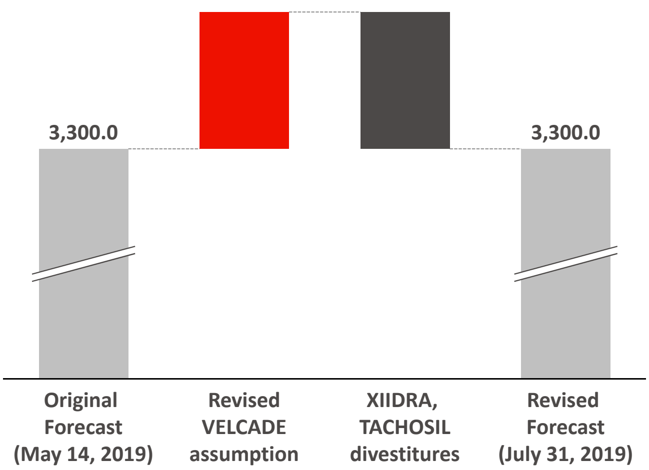
*1. Constant Exchange Rate growth (applying FY2018 full year average foreign exchange rate of 111 JPY/USD) compared to baseline of JPY 3,300 billion (Rounded pro-forma April 2018-March 2019 combined revenue of Legacy Takeda and Legacy Shire, converted at April 2018-March 2019 average exchange rate of 111 JPY/USD; also adjusted to remove the revenue from divested assets such as Techpool, Multilab, and TACHOSIL from Legacy Takeda, and the oncology portfolio and XIIDRA from Legacy Shire) and converted from US GAAP to IFRS
*2. Previously called Core Earnings (no change in definition)

UPWARD REVISION TO FY2019 CORE OPERATING PROFIT FORECAST

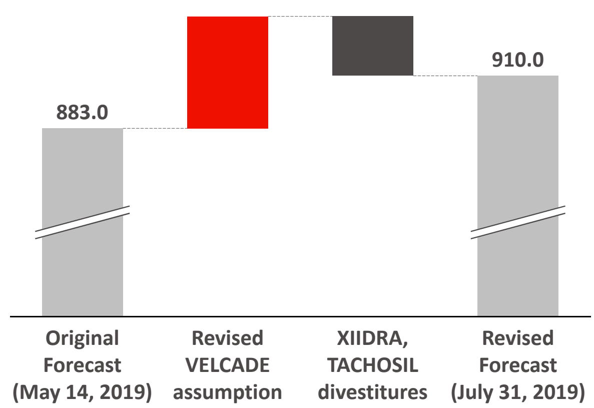
Revising VELCADE Loss of Exclusivity assumption, and adjusting for divestitures of XIIDRA and TACHOSIL

(BN JPY)

Reported Revenue Forecast



Core Operating Profit[*1] Forecast



Note: Graphs are illustrative
*1. Previously called Core Earnings (no change in definition)

OTHER FY2019 KEY FINANCIAL ASSUMPTIONS

Items (BN JPY)	FY2019 Q1 Actual	FY2019 Forecast (unchanged since May 14)	
Unwinding of inventories and PPE step-up (Cost of Goods Sold)	-84.5	-253.0	
Reported R&D expenses	-116.9	-491.0	
Amortization (Shire-related Purchase Accounting)	-109.1	-439.0	
Amortization of Legacy Takeda intangible assets	-23.1	-99.0	
Impairment of intangible assets	-16.1	-121.0	
Integration costs (Other Operating Expenses)	-36.7	-154.0	
Reported Financial Expenses	-46.1	-175.0	
CAPEX	N/A	**-180 to -230**	Guidance provided for the first time
Cash tax rate on adjusted EBIDTA (excluding divestitures)	N/A	**~20-23%**	

DELIVERING ON STRATEGIC PRIORITIES WHILE EXECUTING SHIRE INTEGRATION

BUSINESS AREA FOCUS

- Strong performance from key products with revenue growth of our 14 global brands +22% in total
- Integration of Shire progressing on track; no major risks identified
- Steady execution of divestiture plan (XIIDRA sale completed on July 1st)

R&D ENGINE

- Currently 19 New Molecular Entity assets in Phases 2 & 3
- Advances in Cell and Gene Therapy platforms (CAR-T Cell Therapy from T-CiRA moves towards clinic; integration of AAV-based process development and manufacturing center in Austria)
- ENTYVIO subcutaneous formulation achieved primary endpoint as maintenance therapy in CD
- Orexin 2 receptor agonist TAK-925 received *Sakigake* Designation in Japan for narcolepsy

FINANCIAL STRENGTH

- FY2019 Q1 Underlying Core Operating Profit*1 margin 32.4%
- Cost synergies on track towards previously communicated targets
- De-levered to 4.4x Net debt/adj EBITDA; reiterating target of 2x in 3 to 5 years
- Raising full-year guidance to reflect divestitures and revised LOE assumption for VELCADE

*1. Previously called Underlying Core Earnings (no change in definition)
CAR-T: Chimeric Antigen Receptor T-cells; AAV: Adeno-Associated Virus; CD: Crohn's disease; LOE: Loss of Exclusivity

UPCOMING INVESTOR EVENTS

FY2019 Q2 EARNINGS MEETING	OCTOBER 31ST, THURSDAY	TOKYO
R&D DAY	NOVEMBER 14th, THURSDAY	NEW YORK
PLASMA-DERIVED THERAPIES DAY	NOVEMBER 15th, FRIDAY	COVINGTON, GA
R&D AND PLASMA-DERIVED THERAPIES DAY	NOVEMBER 21ST, THURSDAY	TOKYO

INVITATIONS FORTHCOMING WITH ADDITIONAL DETAILS

Q&A SESSION

Christophe Weber
President & Chief Executive Officer

Andrew Plump
President, Research & Development

Costa Saroukos
Chief Financial Officer

APPENDIX

DEFINITION OF CORE AND UNDERLYING GROWTH

Takeda uses the concept of Underlying Growth for internal planning and performance evaluation purposes.

Underlying Growth compares two periods (fiscal quarters or years) of financial results under a common basis and is used by management to assess the business. These financial results are calculated on a constant currency basis and exclude the impacts of divestitures and other amounts that are unusual, non-recurring items or unrelated to our ongoing operations. Although these are not measures defined by IFRS, Takeda believes Underlying Growth is useful to investors as it provides a consistent measure of our performance.

Takeda uses "**Underlying Revenue Growth**", "**Underlying Core Operating Profit Growth**", and "**Underlying Core EPS Growth**" as key financial metrics.

Underlying Revenue represents revenue on a constant currency basis and excluding non-recurring items and the impact of divestitures occurred during the reported periods.

Underlying Core Operating Profit represents Core Operating Profit* on a constant currency basis and further adjusted to exclude the impacts of divestitures occurred during the reporting periods presented.

Core Operating Profit* represents net profit adjusted to exclude income tax expenses, the share of profit or loss of investments accounted for using the equity method, finance expenses and income, other operating expenses and income, amortization and impairment losses on acquired intangible assets and other items unrelated to Takeda's core operations, such as purchase accounting effects and transaction related costs.

* From FY2019 Q1, Takeda renamed "Core Earnings" to "Core Operating Profit". Its definition has not changed as described above.

Underlying Core EPS represents net profit based on a constant currency basis, adjusted to exclude the impact of divestitures, items excluded in the calculation of Core Operating Profit, and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to Takeda's ongoing operations and the tax effect of each of the adjustments, divided by the outstanding shares (excluding treasury shares) as of the end of the comparative period.

DEFINITION OF EBITDA/ADJUSTED EBITDA

We present EBITDA and Adjusted EBITDA because we believe that these measures are useful to investors as they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We further believe that Adjusted EBITDA is helpful to investors in identifying trends in its business that could otherwise be obscured by certain items unrelated to ongoing operations because they are highly variable, difficult to predict, may substantially impact our results of operations and may limit the ability to evaluate our performance from one period to another on a consistent basis.

EBITDA and Adjusted EBITDA should not be considered in isolation or construed as alternatives to operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. These non-IFRS measures may not be comparable to similarly-titled measures presented by other companies.

The usefulness of EBITDA and Adjusted EBITDA to investors has limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) they exclude financial information and events, such as the effects of an acquisition or amortization of intangible assets, that some may consider important in evaluating our performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future and (iv) they may not exclude all items which investors may consider to be unrelated to our long-term operations, such as the results of businesses divested during a period. These non-IFRS measures are not, and should not be viewed as, substitutes for IFRS reported net income (loss). We encourage investors to review our historical financial statements in their entirety and caution investors to use IFRS measures as the primary means of evaluating our performance, value and prospects for the future, and EBITDA and Adjusted EBITDA as supplemental measures.

EBITDA and Adjusted EBITDA

We define EBITDA as net profit before income tax expenses, depreciation and amortization and net interest expense. We define Adjusted EBITDA as EBITDA further adjusted to exclude impairment losses, other operating expenses and income (excluding depreciation and amortization), finance expenses and income (excluding net interest expense), our share of loss from investments accounted for under the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

The most closely comparable measure presented in accordance with IFRS is net profit for the year. Please see slide 39 for a reconciliation to the respective most closely comparable measures presented in accordance with IFRS.

FY2019 Q1 REPORTED RESULTS

(BN YEN)	FY2018 Q1	FY2019 Q1	vs. PY	
Revenue	449.8	849.1	+399.3	+88.8%
Cost of sales	-120.6	-300.6	-180.0	-149.3%
Gross Profit	329.2	548.5	+219.3	+66.6%
Margin	*73.2%*	*64.6%*		*-8.6pp*
SG&A expenses	-145.0	-239.2	-94.2	-64.9%
R&D expenses	-72.0	-116.9	-44.9	-62.4%
Amortization of intangible assets	-23.7	-132.2	-108.5	-458.4%
Impairment losses on intangible assets	-0.4	-16.1	-15.8	-
Other operating income	9.3	6.7	-2.6	-28.2%
Other operating expenses	1.4	-41.0	-42.3	-
Operating profit	98.9	9.9	-89.0	-90.0%
Margin	*22.0%*	*1.2%*		*-20.8pp*
Finance income	6.2	8.7	+2.4	+39.2%
Finance expenses	-14.8	-46.1	-31.3	-211.4%
Equity income/loss	3.6	2.3	-1.2	-34.2%
Profit before tax	93.9	-25.2	-119.0	-
Net profit attributable to owners of the Company	78.2	-20.7	-98.9	-
Non-controlling interests	-0.2	0.0	+0.2	-
Net profit for the period	78.1	-20.6	-98.7	-
Basic EPS (yen)	100 yen	-13 yen	-113 yen	-
Core Operating Profit	116.8	283.0	+166.2	+142.3%
Margin	*26.0%*	*33.3%*		*+7.4pp*
Adjusted EBITDA	130.9	327.1	+196.1	+149.8%

RECONCILIATION FROM REPORTED REVENUE TO UNDERLYING REVENUE

(BN YEN)	FY2018[*1] Q1	FY2019 Q1	vs. PY	
Revenue	**449.8**	**849.1**	**+399.3**	**+ 88.8%**
Shire Revenue	421.7	-		
Pro-forma Revenue	**871.5**	**849.1**	**-22.4**	**- 2.6%**
FX effects[*2]				+1.4pp
Divestitures[*3]				+0.4pp
Techpool & Multilab				+0.5pp
XIIDRA & TACHOSIL				+0.1pp
Others				-0.3pp
Underlying Revenue Growth	850.2	843.6	-6.6	**- 0.8%**

[*1] FY2018 Q1 revenue is a pro-forma based, adding Shire's 3 month (April – June 2018) revenue previously reported under US GAAP has been conformed to IFRS, without material differences, excluding the oncology business which was divested in August 2018, converted to JPY using FY2018 actual rate for the period.

[*2] FX adjustment applies constant FY2018 actual full year average rate to both years (1USD=111 yen, 1EUR=129 yen).

[*3] Major adjustments are FY2018 Q1 revenue of former subsidiaries, Guangdong Techpool Bio-Pharma Co., Ltd., and Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda., both divested in FY2018, and FY2018 Q1 and FY2019 Q1 revenue of XIIDRA of which divestiture completed in July 2019 and TACHOSIL as Takeda agreed in May 2019 to divest this product, with completion of divestiture expected to occur within FY2019.

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RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE – FY2019 Q1

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire purchase accounting adjustments	Others		FX	Divestitures	
Revenue	849.1	-	-	-	-	-	849.1	11.7	-17.2	
Cost of sales	-300.6	-	-	-	84.5	-	-216.1	-3.0	2.0	
Gross Profit	548.5	-	-	-	84.5	-	633.0	8.7	-15.2	
SG&A expenses	-239.2	-	-	0.8	1.1	-	-237.4	-3.0	-	
R&D expenses	-116.9	-	-	4.3	-0.1	-	-112.7	-0.5	-	
Amortization of intangible assets	-132.2	23.0	-	-	109.1	-	-	-	-	
Impairment losses on intangible assets	-16.1	16.1	-	-	-	-	-	-	-	
Other operating income	6.7	-	-6.7	-	-	-	-	-	-	
Other operating expenses	-41.0	-	9.4	31.6	-	-	-	-	-	
Operating profit	9.9	39.1	2.7	36.7	194.5	-	283.0	5.1	-15.2	
Margin	1.2%						33.3%			**32.4%**
Financial income/expenses	-37.4	-	-	-	4.5	0.9	-32.0	0.5	-	
Equity income/loss	2.3	-	-	-	-	-	2.3	0.6	-	
Profit before tax	-25.2	39.1	2.7	36.7	199.0	0.9	253.3	6.2	-15.2	
Tax expense	4.6	-7.1	-7.9	-7.0	-37.3	-0.2	-54.9	-1.0	3.7	
Non-controlling interests	-0.0	-	-	-	-	-	-0.0	-0.0	-	
Net profit	-20.7	32.0	-5.2	29.7	161.8	0.7	198.4	5.2	-11.5	
EPS (yen)	-13						128	3	-7	**124**
Number of shares (millions)	1,556						1,556			1,555

Takeda

RECONCILIATION FROM REPORTED TO CORE – FY2018 Q1

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire purchase accounting adjustments	Others	
Revenue	449.8	-	-	-	-	-	449.8
Cost of sales	-120.6	-	-	-	-	-	-120.6
Gross Profit	329.2	-	-	-	-	-	329.2
SG&A expenses	-145.0	-	-	4.6	-	-	-140.5
R&D expenses	-72.0	-	-	-	-	-	-72.0
Amortization of intangible assets	-23.7	23.7	-	-	-	-	-
Impairment losses on intangible assets	-0.4	0.4	-	-	-	-	-
Other operating income	9.3	-	-9.3	-	-	-	-
Other operating expenses	1.4	-	-1.4	0.0	-	-	-
Operating profit	98.9	24.0	-10.7	4.6	-	-	116.8
Financial income/expenses	-8.6	-	-	6.0	-	0.7	-1.9
Equity income/loss	3.6	-	-	-	-	0.9	4.5
Profit before tax	93.9	24.0	-10.7	10.6	-	1.6	119.4
Tax expense	-15.8	-5.8	3.2	-2.1	-	-1.3	-21.8
Non-controlling interests	0.2	-	-	-	-	-	0.2
Net profit	78.2	18.3	-7.5	8.5	-	0.2	97.7
EPS (yen)	100						125
Number of shares (millions)	782						782

FREE CASH FLOW

(BN YEN)	FY2018 Q1	FY2019 Q1	vs. PY	
Net profit	78.1	-20.6	-98.7	-126.4%
Depreciation, amortization and impairment loss	38.6	193.8	+155.2	
Decrease (increase) in trade working capital	-58.4	-22.5	+35.9	
Income taxes paid	-13.8	-59.7	-45.9	
Other	-3.9	29.9	+33.8	
Net cash from operating activities	40.5	120.8	+80.3	+198.4%
Acquisition of PP&E	-19.6	-29.9	-10.3	
Proceeds from sales of PP&E	6.0	0.1	-5.8	
Acquisition of intangible assets	-15.7	-13.1	+2.5	
Acquisition of investments	-7.3	-3.1	+4.2	
Proceeds from sales and redemption of investments	25.9	14.5	-11.5	
Proceeds from sales of business, net of cash and cash equivalents divested	-	-	-	
Free Cash Flow	29.8	89.3	+59.5	+199.6%

NET DEBT/ADJUSTED EBITDA

NET INCREASE (DECREASE) IN CASH

(BN YEN)	FY2018 Q1	FY2019 Q1	vs. PY	
Net cash from operating activities	40.5	120.8	+80.3	+198.4%
Acquisition of PP&E	-19.6	-29.9		
Proceeds from sales of PP&E	6.0	0.1		
Acquisition of intangible assets	-15.7	-13.1		
Acquisition of investments	-7.3	-3.1		
Proceeds from sales and redemption of investments	25.9	14.5		
Acquisition of business, net of cash and cash equivalents acquired	-60.0	-4.7		
Proceeds from withdrawal of restricted deposit	63.9	-		
Net increase (decrease) in short-term loans	-0.1	-500.2		
Proceeds from issuance of bonds	-	496.2		
Dividends paid	-65.0	-132.7		
Others	-27.5	-46.4		
Net increase (decrease) in cash	-58.8	-98.5	-39.7	-67.6%

NET DEBT/PRO-FORMA ADJUSTED EBITDA RATIO

(BN YEN)	FY2019 Q1
Cash and cash equivalents*1	593.7
Debt*2	-5,553.6
Net cash (debt)	**-4,959.8**
Gross debt/Adjusted EBITDA ratio	7.4 x
Net debt/Adjusted EBITDA ratio	6.6 x
Net debt/Pro-forma Adjusted EBITDA ratio	**4.4 x**
Adjusted EBITDA	748.8
Pro-forma Adjusted EBITDA	**1,134.1**

*1 Includes short-term investments which mature or become due within one year from the reporting date
*2 Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes cash and non cash adjustments to debt book-value. Non cash adjustments include changes dues to debt amortization, FX impact from converting non-JPY debt into JPY.

RECONCILIATION FROM NET PROFIT TO EBITDA/ADJUSTED EBITDA

(BN JPY)	FY2019 Q1	FY2019 LTM*1
Net profit for the year	-20.6	10.3
Income tax expenses	-4.6	-34.5
Depreciation and amortization	176.3	410.2
Interest expense, net	36.8	76.7
EBITDA	187.9	462.8
Impairment losses	17.4	27.5
Other operating expense (income), net, excluding depreciation and amortization	32.8	-14.8
Finance expense (income), net, excluding interest income and expense, net	0.6	18.6
Share of loss on investments accounted for under the equity method	-2.3	44.8
Other adjustments:		
Impact on profit related to fair value step up of inventory in Shire acquisition	81.3	163.5
Acquisition costs related to Shire	0.6	19.8
Other costs*2	8.8	26.6
Adjusted EBITDA	327.1	748.8
Shire's Adjusted EBITDA*3	-	385.3
Pro-forma Adjusted EBITDA	327.1	1,134.1

*1 LTM represents Last Twelve Months (July 2018 – June 2019).
*2 Includes adjustment for non-cash equity based compensation expense starting from FY2019 Q1.
*3 Represents Shire's EBITDA based on its financial information converted to IFRS for the corresponding period. There was no significant difference in the definition of and methodology for adjusted EBITDA between Takeda and Shire.

FY2019 REVISED FORECAST

(BN YEN)		FY2018 Actual	FY2019 Original Forecast	FY2019 Revised Forecast	vs. PY		vs. Original Forecast	
Reported	Revenue	2,097.2	3,300.0	3,300.0	+1,202.8	+57.4%	-	-
	R&D expenses	-368.3	-491.0	-491.0	-122.7	-33.3%	-	-
	Amortization & impairment	-203.4	-659.0	-659.0	-455.6	-224.0%	-	-
	Other operating income	159.9	9.0	9.0	-150.9	-94.4%	-	-
	Other operating expenses	-103.2	-172.0	-172.0	-68.8	-66.7%	-	-
	Operating profit	205.0	-193.0	-166.0	-371.0	-	+27.0	+14.0%
	Finance expenses	-83.3	-175.0	-175.0	-91.7	-110.1%	-	-
	Profit before tax	94.9	-369.0	-342.0	-436.9	-	+27.0	+7.3%
	Net profit	109.1	-383.0	-367.7	-476.8	-	+15.3	+4.0%
	EPS (yen)	113 yen	-246 yen	-236 yen	-350 yen	-	+10 yen	+4.2%
	Core Operating Profit	459.3	883.0	910.0	+450.7	+98.1%	+27.0	+3.1%
	USD/JPY	111 yen	111 yen	111 yen	-0 yen		- yen	
	EUR/JPY	129 yen	124 yen	124 yen	-5 yen		- yen	

Shire acquisition related costs	FY2018	FY2019
SG&A and R&D expenses - acquisition costs, etc.	-25.3	-
Other operating expenses - integration costs	-59.6	-154.0
Financial expenses - Bridge loan fees, interests, etc.	-41.3	-87.0
Profit Before Tax impact	-126.3	-241.0
Purchase accounting impact (major items)		
Cost of sales - unwinding of inventories step-up	-82.2	-253.0
Amortization of intangible assets - Shire acquisition	-99.2	-439.0
Other non-cash items		
Amortization of intangible assets - Legacy Takeda	-95.4	-99.0
Impairment	-8.7	-121.0

RECONCILIATION FROM REPORTED TO CORE – FY2019 REVISED FORECAST

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets (Takeda)	Impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire purchase accounting adjustments	
Revenue	3,300.0						3,300.0
Cost of sales						253.0	
Gross Profit						253.0	
SG&A expenses							
R&D expenses	-491.0						-491.0
Amortization of intangible assets	-538.0	99.0				439.0	-
Impairment losses on intangible assets	-121.0		121.0				-
Other operating income	9.0			-9.0			-
Other operating expenses	-172.0			18.0	154.0		-
Operating profit	-166.0	99.0	121.0	9.0	154.0	693.0	910.0

DIVERSE AND EXPERIENCED TAKEDA EXECUTIVE TEAM

JAPAN

CHRISTOPHE WEBER
President & CEO

COSTA SAROUKOS
Chief Financial Officer

MASATO IWASAKI
President, Japan Pharma Business Unit

HARUHIKO HIRATE
Corporate Communications & Public Affairs Officer

YOSHIHIRO NAKAGAWA
Global General Counsel

PADMA THIRUVENGADAM
Chief Human Resources Officer

MILANO FURUTA
Corporate Strategy Officer & Chief of Staff

US

ANDY PLUMP
President, Research & Development

RAMONA SEQUEIRA
President, US Business Unit

TERESA BITETTI
President, Global Oncology Business Unit

RAJEEV VENKAYYA
President, Global Vaccine Business Unit

GERARD (JERRY) GRECO
Global Quality Officer

MARCELLO AGOSTI
Global Business Development Officer

HELEN GIZA
Chief Integration & Divestiture Management Officer

SWITZERLAND

GILES PLATFORD
President, Europe & Canada Business Unit

CAMILLA SOENDERBY
Chief Patient Value & Product Strategy Officer

JULIE KIM
President, Plasma-Derived Therapies Business Unit

THOMAS WOZNIEWSKI
Global Manufacturing & Supply Officer

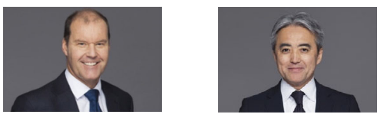
MWANA LUGOGO
Chief Ethics & Compliance Officer

SINGAPORE

RICARDO MAREK
President, Growth & Emerging Markets Business Unit

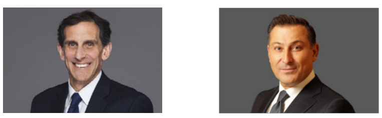
BOARD COMPOSITION FOR BEST IN CLASS GOVERNANCE

INTERNAL DIRECTORS



Christophe Weber
Representative Director,
President & CEO

Masato Iwasaki
Director, President,
Japan Pharma Business Unit



Andrew Plump
Director, President,
Research & Development

Costa Saroukos
Director,
Chief Financial Officer

AUDIT & SUPERVISORY COMMITTEE (A&SC)

Yasuhiko Yamanaka
Director,
A&SC member

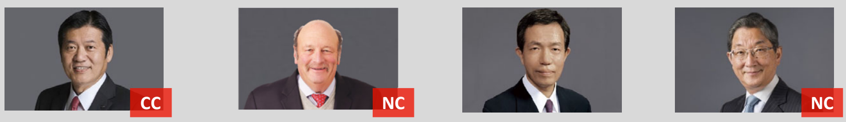
INDEPENDENT DIRECTORS*1

Masahiro Sakane
Independent Director
Chair of the Board meeting
Chair of Nomination Committee

Olivier Bohuon
Independent Director

Jean-Luc Butel
Independent Director

Ian Clark
Independent Director

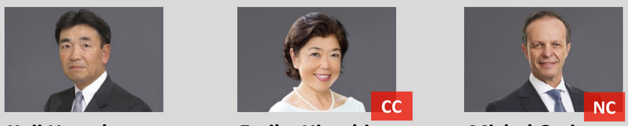


Yoshiaki Fujimori
Independent Director

Steven Gillis
Independent Director

Shiro Kuniya
Independent Director

Toshiyuki Shiga
Independent Director



Koji Hatsukawa
Independent Director,
Chair of A&SC

Emiko Higashi
Independent Director
A&SC member
Chair of Compensation Committee

Michel Orsinger
Independent Director
A&SC Member

- CB — CHAIR OF THE BOARD MEETING
- INDEPENDENT DIRECTOR
- NC — NOMINATION COMMITTEE*2
- CC — COMPENSATION COMMITTEE

*1. As defined by Tokyo Stock Exchange listing rules
*2. Christophe Weber participates in the committee as an observer

WE HAVE A RICH PIPELINE OF INNOVATIVE NEW MOLECULAR ENTITIES

	PHASE 1	PHASE 2	PHASE 3/FILED	APPROVED*
ONCOLOGY	**TAK-252** *Shattuck* Agonist Redirected Checkpoint **Solid tumors** **TAK-573** *Teva* Anti-CD38-attenukine **R/R MM** **TAK-079** Anti-CD38 mAb **R/R MM, SLE** **TAK-164** *ImmunoGen* GCC IGN ADC **GI malignancies** **TAK-981** SUMO inhibitor **Multiple cancers**	**TAK-228** (sapanisertib) mTORC 1/2 inhibitor **Endometrial cancer** **TAK-659** SYK/FLT-3 inhibitor **Hematologic malignancies, NHL** **TAK-788** EGFR/HER2 inhibitor **NSCLC** **TAK-931** CDC7 inhibitor **ESCC, sqNSCLC**	**TAK-385** (relugolix) *Myovant* GnRH antagonist **Prostate Cancer (JP)** **TAK-924** (pevonedistat) NAE inhibitor **HR-MDS/CMML**	**NINLARO®** Proteasome inhibitor **ADCETRIS®** *Seattle Genetics* CD30 ADC **ICLUSIG®** BCR-ABL inhibitor **ALUNBRIG®** ALK inhibitor **Cabozantinib** *Exelixis* VEGFR/RTK inhibitor **Niraparib** *GlaxoSmithKline* PARP 1/2 inhibitor
GASTRO-ENTEROLOGY	**TAK-951** Peptide agonist **Nausea & vomiting** **Kuma062** *PvP Biologics* Glutenase **Celiac Disease** **TAK-018** *Enterome* FimH antagonist **Crohn's Disease** **TAK-681** (SHP-681) GLP2r long-acting **Short Bowel Syndrome** **TAK-671** *Samsung Bioepis* Protease inhibitor **Acute Pancreatitis**	**TAK-906** D2/D3R antagonist **Gastroparesis** **TIMP-Gliadin** *Cour* Imm Tol Induction **Celiac Disease** **TAK-954** *Theravance* 5-HT4R agonist **POGD**	**TAK-721** (SHP621) *UCSD/Fortis* Oral anti-inflammatory **EoE**	**ENTYVIO®** α4β7 mAb **Vonoprazan** PCAB **ALOFISEL** mesenchymal stem cells **GATTEX®** GLP-2R agonist
RARE DISEASES	**TAK-531** (SHP631) *ArmaGen* I2S replacement **Hunter CNS** **TAK-754** (SHP654) *Asklepios Biopharm.* Gene therapy **HemA**	**TAK-607** (SHP607) IGF-1/ IGFBP3 **Chronic Lung Disease** **TAK-609** (SHP609) I2S replacement **Hunter CNS (IT)** **TAK-611** (SHP611) ERT **MLD**	**TAK-755** (SHP655) *KM Biologics* ERT/ ADAMTS-13 **cTTP** **TAK-620** (SHP620) *GlaxoSmithKline* UL97 kinase inh **CMV infect. in transplant**	**OBIZUR** *Ipsen* FVIII replacement **VONVENDI** vWF replacement **NATPARA** PTH replacement **ADYNOVATE** FVIII replacement **TAKHZYRO** Anti-kallikrein mAb
NEUROSCIENCE	**TAK-653** AMPAR potentiator **TRD** **TAK-418** LSD1 inhibitor **Kabuki Syndrome** **TAK-041** GPR139 agonist **CIAS NS** **MEDI-1341** *AstraZeneca* Alpha-syn mAb **Parkinson's Disease** **TAK-925** Orexin 2R agonist **Narcolepsy** **WVE-120101** *Wave Life Sciences* mHTT SNP1 ASO **Huntington's Disease** **WVE-120102** *Wave Life Sciences* mHTT SNP2 ASO **Huntington's Disease**	**TAK-935** *Ovid Therapeutics* CH24H inhibitor **Rare Pediatric Epilepsies** **TAK-831** DAAO inhibitor **CIAS NS**		**TRINTELLIX™** *Lundbeck* Multimodal anti-depressant **BUCCOLAM** GABA Allosteric Modulator
PLASMA-DERIVED THERAPIES				**HYQVIA** *Halozyme* IgG 10% + Recombinant Human Hyaluronidase **CINRYZE** PD C1 Esterase inhibitor
VACCINES	**TAK-021** **EV71 Vaccine** **TAK-426** *BARDA* **Zika Vaccine**	**TAK-214** **Norovirus Vaccine**	**TAK-003** **Dengue Vaccine**	

- Stage-ups since earnings announcement May 14, 2019
- Stage-ups/additions since April 1, 2019
- Orphan Drug Designation (in any region / indication for a given asset)
- Potential for registration enabling Ph-2 study

Assets shown in Phases 1-3 explicitly refer to new molecular entities

*With ongoing significant clinical development activities; Pipeline as of July 31, 2019
Pipeline not all inclusive; programs also ongoing in other Therapeutic Areas. For glossary of disease abbreviations please refer to appendix.

MAXIMIZING THE VALUE OF OUR APPROVED PROGRAMS

	PHASE 1	PHASE 2	PHASE 3	FILED
ONCOLOGY	**ALUNBRIG®** ALK inhibitor 1L ALK+NSCLC (CN)	**ALUNBRIG®** ALK inhibitor 2L ALK+NSCLC (JP, CN) **Cabozantinib** *Exelixis* VEGFR/RTK inhibitor 2L HCC (JP) **Niraparib** *GlaxoSmithKline* PARP 1/2 inhibitor Ovarian cancer – maint. (JP) **ICLUSIG®** BCR-ABL inhibitor TKI res. chronic phase CML (US) **NINLARO®** Proteasome inhibitor R/R MM triplet Tx (GL) **Niraparib** *GlaxoSmithKline* PARP 1/2 inhibitor Ovarian cancer – salvage (JP) **ALUNBRIG®** ALK inhibitor 2L ALK+NSCLC 2nd gen TKI (GL)	**ICLUSIG®** BCR-ABL inhibitor FL Ph+ ALL (US) **ALUNBRIG®** ALK inhibitor 1L ALK+NSCLC (US) **Cabozantinib** *Exelixis* VEGFR/RTK inhibitor 1L RCC (JP) **ALUNBRIG®** ALK inhibitor 2L ALK+NSCLC H2H with alectinib (GL) **NINLARO®** Proteasome inhibitor R/R MM doublet Tx (US, EU, JP) **NINLARO®** Proteasome inhibitor Maint. ND MM no SCT (GL) **NINLARO®** Proteasome inhibitor Maint. ND MM post-SCT (GL)	**ADCETRIS®** *Seattle Genetics* CD30 ADC R/R sALCL (CN) **ADCETRIS®** *Seattle Genetics* CD30 ADC R/R HL (CN) **ADCETRIS®** *Seattle Genetics* CD30 ADC 1L PTCL (EU, JP) **Cabozantinib** *Exelixis* VEGFR/RTK inhibitor 2L RCC (JP) **ALUNBRIG®** ALK inhibitor 1L ALK+NSCLC (EU) **NINLARO®** Proteasome inhibitor Maint. ND MM post-SCT (Jp)
GASTRO-ENTEROLOGY			**ALOFISEL®** mesenchymal stem cells Perianal Fistulas in CD (US, JP) **ENTYVIO®** α4β7 mAb SubQ UC (JP) **ENTYVIO®** α4β7 mAb SubQ CD (US, JP) **ENTYVIO®** α4β7 mAb GvHD Prophylaxis **GATTEX** GLP-2R agonist Adult-SBS (JP) **GATTEX** GLP-2R agonist Pediatric-SBS (JP)	**ENTYVIO®** α4β7 mAb SubQ UC (US) **ENTYVIO®** α4β7 mAb SubQ CD (EU) **ENTYVIO®** α4β7 mAb SubQ UC (EU) **Vonoprazan** PCAB Acid-related diseases (CN) **ENTYVIO®** α4β7 mAb Ulcerative Colitis (CN) **ENTYVIO®** α4β7 mAb Crohn's Disease (CN)
RARE DISEASES	**NATPARA** PTH replacement Hypothyrodism (JP)		**OBIZUR** *Ipsen* FVIII replacement CHAWI (US, EU) **VONVENDI** vWF replacement vWD Prophylaxis **VONVENDI** vWF replacement vWD Pediatric **ADYNOVATE** Pediatric HemA (EU)	**TAKHZYRO** Anti-kallikrein mAb HAE prophylaxis (CN)
NEUROSCIENCE			**BUCCOLAM** GABA Allosteric Modulator Status Epilepticus (JP)	**TRINTELLIX™** *Lundbeck* Multimodal anti-depressant MDD (JP)
PLASMA-DERIVED THERAPIES			**CINRYZE** PD C1 Esterase inhibitor HAE prophylaxis (JP) **HYQVIA** *Halozyme* IgG 10% + Recombinant Human Hyaluronidase CIDP **HYQVIA** *Halozyme* IgG 10% + Recombinant Human Hyaluronidase Pediatric PID (US)	

- Stage-ups since earnings announcement May 14, 2019
- Stage-ups/additions since April 1, 2019
- Orphan Drug Designation (in any region / indication for a given asset)
- Potential for registration enabling Ph-2 study

Assets shown in Phases 1-3 explicitly refer to new molecular entities

Pipeline as of July 31, 2019; region abbreviations: GL = global (USA, Europe, Japan, China). Pipeline not all inclusive; programs also ongoing in other Therapeutic Areas
For glossary of disease abbreviations please refer to appendix

NEXT WAVE OF INNOVATION: SELECTED EVENTS EXPECTED IN FY2019 FOR NEW MOLECULAR ENTITY PIPELINE

		MOA	TAU /BU	EXPECTED EVENT	FY19	COMMENTS
LATE PIPELINE ASSET	**TAK-924 (pevonedistat)**	NAE inhibitor	Oncology	Pivotal Ph-2 readout in myelodysplastic syndrome (MDS)	H1	
	TAK-788	EGFR/HER2 inhibitor	Oncology	Ph-3 study start in treatment naïve non-small-cell lung carcinoma (NSCLC)	H1	
	TAK-823 (alisertib)	Aurora A kinase inhibitor	Oncology	Ph-3 study start in front-line acute myeloid leukemia (AML)	H2	
	TAK-755	ADAMTS-13	Rare Disease	Ph-3 study re-initiation in congenital thrombotic thrombocytopenic purpura (cTTP)	H2	
	TAK-609	Iduronate-2-sulfatase (intrathecal)	Rare Disease	Ph-3 study data readout (2-year extension) for Hunter Syndrome and cognitive impairment	H1	
	TAK-003	Dengue vaccine	Vaccine	Decision to submit Dengue vaccine	H2	
EARLY PIPELINE ASSET	**TAK-573**	Anti-CD38 attenukine	Oncology	POC readout for relapsed / refractory multiple myeloma	H1	
	TAK-676	STING agonist	Oncology	Ph-1 clinical start for systemic IV administration	H1	
	Cell Therapy	TBN	Oncology	Progress at least one innovative I/O cell therapy program to FIH	H2	
	TIMP-Glia / Kuma062	Immune Tol. Ind. / Glutenase	Gastroenterology	POC readout in Celiac Disease	H1	
	TAK-748	FIX Gene Therapy	Rare Disease	Initiate Ph-1 study for Hemophilia B	H2	
	TAK-925	Orexin2R agonist	Neuroscience	Update on the Orexin 2R agonist program at R&D Day	H2	
	TAK-426	Zika vaccine	Vaccine	Early POC readout for Zika vaccine	H2	

Table only shows select R&D milestones and is not comprehensive. All timelines are current assumptions and subject to change.
TBN : to be named; POC : Proof of Concept; for full glossary of disease abbreviations please refer to appendix.

Takeda

SELECT R&D PIPELINE EVENTS FOR APPROVED THERAPIES EXPECTED IN FY2019

COMPOUND	EXPECTED EVENT	FY19		COMMENTS
ADCETRIS	ECHELON-2 submission in EU for front-line PTCL	H1	✓	
ALUNBRIG	2nd interim analysis of ALTA-1L front-line ALK+ NSCLC	H1		
Cabozantinib	1st approval decision in Japan for 2nd-line renal cell cancer (RCC)	H2		
NINLARO	Ph-3 readout in amyloidosis	H1	➡	Failed primary endpoint; encouraging secondary endpoint data will be submitted for presentation at an upcoming scientific meeting
	Ph-3 readout in transplant ineligible maintenance in multiple myeloma (TOURMALINE MM4)	H2		
ALOFISEL	ADMIRE II pivotal study initiation in US for perianal fistulas in Crohn's disease	H1	✓	
ENTYVIO	Approval decision in Japan for Crohn's disease	H1	✓	
	Submission in US for subcutaneous administration in Crohn's disease	H2		
	Approval decision in US for subcutaneous administration in ulcerative colitis	H2		
GATTEX	Approval decision in US for short bowel syndrome (pediatric)	H1	✓	
TAKHZYRO	Initiate pivotal study in bradykinin mediated angioedema	H2		
TRINTELLIX	Approval decision in Japan for major depressive disorder (MDD)	H1		
GLASSIA/ARALAST	Pivotal study start in emphysema patients with α1 anti-trypsin deficiency	H2		

Table only shows select R&D milestones, and is not comprehensive. All timelines are current assumptions and subject to change. For full glossary of disease abbreviations please refer to appendix.

Takeda

GLOSSARY OF ABBREVIATIONS

AD	Alzheimer's disease
ADC	antibody drug conjugate
ADHD	attention deficit hyperactivity disorder
ALK	anaplastic lymphoma kinase
ALS	amyotrophic lateral sclerosis
AML	acute myeloid leukemia
AMR	antibody mediated rejection
ASCT	autologous stem cell transplant
ARD	acid-related diseases
BTK	Bruton's tyrosine kinase
BBB	blood brain barrier
BOS	budesonide oral suspension
CAR-T	Chimeric antigen receptor-T
CD	Crohn's disease
CHAWI	congenital hemophilia A with inhibitors
CIAS	cognitive impairment associated with schizophrenia
CIC	chronic idiopathic constipation
CIDP	chronic inflammatory demyelinating polyradiculoneuropathy
CML	chronic myeloid leukemia
CMML	chronic myelomonocytic leukemia
CSF	cerebrospinal fluid
CNS	central nervous system
CRL	complete response letter
CTCL	cutaneous T-cell lymphoma
CTTP	congenital thrombotic thrombocytopenic purpura
DAAO	D-amino acid oxidase
DED	dry eye disease
DLBCL	diffuse large B-cell lymphoma
DM	diabetes mellitus
DU	duodenal ulcer
Dx	diagnosis
EE H	erosive esophagitis healing
EE M	erosive esophagitis maintenance
EFI	enteral feeding intolerance
EGFR	epidermal growth factor receptor
EOE	eosinophilic esophagitis
ESCC	esophageal squamous-cell carcinoma
FL	front line
FLT-3	FMS-like tyrosine kinase 3
FSI	first subject in
GCC	guanylyl cyclase C
GERD	gastroesophageal reflux disease
GI	gastrointestinal
GnRH	gonadotropin-releasing hormone
GU	gastric ulcer
GvHD	graft versus host disease
HAE	hereditary angioedema
H2H	head to head
HCC	hepatocellular carcinoma
HemA	hemophilia A
HER2	human epidermal growth factor receptor 2
HL	Hodgkin's lymphoma
HR MDS	high-risk myelodysplastic syndromes
IBD	inflammatory bowel disease
IBS-C	irritable bowel syndrome with constipation
IND	investigational new drug
I/O	immuno-oncology
IV	intravenous
iPSC	induced pluripotent stem cells
LBD	Lewy body dementia
LB AML	low-blast acute myeloid leukemia
LSD1	Lysine specific demethylase 1
LCM	lifecycle management
mAb	monoclonal antibody
MAOB	monoamine oxidase B
MLD	metachromatic leukodystrophy
NAE	NEDD8 activating enzyme
NASH	non-alcoholic steatohepatitis
ND	newly diagnosed
NDA	new drug application
Neg	negative
NERD	non-erosive reflux disease
NF	new formulation
NK	natural killer
NME	new molecular entity
NSCLC	non-small cell lung cancer
NSCT	non stem cell transplant
NS	negative symptoms
OIC	opioid induced constipation
ORR	overall response rate
PARP	poly (ADP-ribose) polymerase
PBS	phosphate buffered saline
PCAB	potassium competitive acid blocker
PFIC	progressive familial intrahepatic cholestasis
Ph+ ALL	Philadelphia chromosome-positive acute lymphoblastic leukemia
PID	primary immunodeficiency
PPI	proton pump inhibitor
PK	pharmacokinetics
POC	proof of concept
POI	post-operative ileus
PTCL	peripheral T-cell lymphoma
R/R	relapsed/refractory
RA	rheumatoid arthritis
RCC	renal cell cancer
RTK	receptor tyrosine kinase
sALCL	systemic anaplastic large cell lymphoma
SBS	short bowel syndrome
SC	subcutaneous formulation
SCT	stem cell transplant
SCZ	schizophrenia
SLE	systemic lupus erythematosus
sq	squamous
SR	steroid refractory
SR-GvHD	steroid refractory acute graft vs host disease
STING	stimulator of interferon genes
SUMO	small ubiquitin-related modifier
SYK	spleen tyrosine kinase
TESD	treatment emergent sexual dysfunction