Takeda Pharmaceutical Company
32nd Annual J.P. Morgan Healthcare Conference

January 13, 2014

Yasuchika Hasegawa
President & CEO

Takeda Pharmaceutical Company Limited
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.
Global presence

Diverse product portfolio

Low patent expiry exposure

Success in transformative and value-creating acquisitions and partnerships

High potential late-stage pipeline

Strong balance sheet, low net debt

Significant profit improvement expected from sales growth and our efficiency project "Summit"
Sustainable Growth Guidance

**Growth**
- Sales growth in Emerging Markets Mature Markets
  - + Pipeline

**Efficiency**
- Robust and efficient operating model

**Shareholder Return**
- Attractive shareholder remuneration policy

**Sales**
- FY13-17

**Operating Income**
- FY13-17

**Dividend per share**
- FY13-15

**Mid single digit CAGR**

**At least 20% CAGR**

**¥180 annually**

Note: The termination of TAK-875 is reflected in all guidance contained in this presentation.
Marketing Strategy - Globalization
Well Diversified Geographic Footprint

Sales in billion yen

**FY13 Outlook: 1,680**

- Japan: 43%
- North America: 24%
- Europe: 14%
- Emerging Markets: 19%

**FY17 Outlook: >2,000**

- Japan: 33%
- North America: 25%
- Europe: 15%
- Emerging Markets: 27%

Mature Markets growth from new innovative products
Emerging Markets growth from strong base in BGx & OTC, accelerated by increasing proportion of innovative products
Japan Strategy – Maintain No. 1 Share

Takeda's Strategy

Adapt to Rapidly Changing Home Market

Challenges
Regular price cuts
Increase of generic use

Opportunities
Price benefits for innovation
Increase of lifestyle-related diseases
Aging population

New Product Sales
NESINA: type 2 diabetes
AZILVA: hypertension
LOTTRIGA: hyperlipidemia

Innovative Pipeline
TAK-438: GERD, peptic ulcer, etc.
SYR-472: type 2 diabetes
MLN0002: ulcerative colitis, Crohn's disease

Strengthen Partnerships

New Commercial Model

Positive FY13-17 Sales Growth

Takeda Pharmaceutical Company Limited
## US Strategy – Expand Portfolio

### Takeda’s Strategy

#### Steady Growth from Existing Portfolio
- VELCADE, COLCRYS, DEXILANT, ULORIC, NESINA family, etc.

#### Optimization of Resources to Support New Launches

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Launches</strong></td>
<td></td>
</tr>
<tr>
<td>NESINA® family</td>
<td>BRINTELLIX®</td>
</tr>
<tr>
<td>Type 2 Diabetes</td>
<td>Major Depressive Disorder</td>
</tr>
<tr>
<td>CONTRAVE®</td>
<td>ENTYVIO™</td>
</tr>
<tr>
<td>Obesity</td>
<td>Crohn's Disease</td>
</tr>
<tr>
<td>ENTYVIO™</td>
<td>Ulcerative Colitis</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY13 outlook</th>
<th>FY14 outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>$940MM</td>
<td>VELCADE® Multiple Myeloma</td>
</tr>
<tr>
<td>$555MM</td>
<td>COLCRYS® Acute Gout</td>
</tr>
<tr>
<td>$450MM</td>
<td>DEXILANT® GERD, etc.</td>
</tr>
<tr>
<td>$270MM</td>
<td>ULORIC® Chronic Gout</td>
</tr>
</tbody>
</table>

FY13-17 sales CAGR ≥ 12%
EU Strategy – Focus on Specialty Care

Takeda’s Strategy

Strengthen Foundations in Primary Care
VIPIDIA family, dexlansoprazole, etc.

Accelerate Presence in Specialty Care
ENTERVIO, ADCETRIS, LATUDA, etc.

Europe Sales Breakdown

FY13 outlook
65%
25%
10%

FY17 outlook
45%
40%
15%

ADCETRIS® (brentuximab vedotin)
Approved for Relapsed/Refractory Hodgkin Lymphoma
In Ph-3 for several other CD30 positive cancers

ENTYVIO® (vedolizumab)
Filed for ulcerative colitis and Crohn’s disease

FY13-17 sales CAGR ≥ 4%
Emerging Markets Strategy – Maintain Strong Momentum

Takeda's Strategy

Capitalize upon Global Sales Channel
Accelerate Growth Through Further Investment

(billion yen)

Like-for-like*

+28.3%
+17.2%
+20.0%
+20.5%
+110.2%

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

FY13-17 sales CAGR ≥ 15%
Emerging Markets Strategy – China, Russia/CIS and Brazil

**China**
- Maximize sales of existing products (Ulinastatin, pantoprazole, leuprorelin, etc.)
- Increase presence in diabetes (NESINA co-promotion)
- Improve profitability

**Russia/CIS**
- Maximize ROI from balanced portfolio of reimbursed and non-reimbursed products including new launches (TAK-491, ADCETRIS, etc.)
- Prepare for expansion of reimbursement and state procurement programs
- Fully utilize potential of local GMP plant

**Brazil**
- Maximize potential of Multilab's product portfolio and sales infrastructure
- Increase competitiveness in fast-growing rural areas
- Launch new products (TAK-491, alogliptin, etc.)

* Excluding royalty and service income
R&D Strategy - Innovation
Increasing R&D Productivity

Quality of Thought
- Invigorate Discovery
- Enrich the Mid-stage Pipeline
- Maximize/deliver the Late-stage Pipeline

Operational Excellence
- Fast to candidate
- Fast to IND
- Global target marketplace
- Open innovation
- Business development (Envoy, Ligocyte, etc.)
- Research alliances (Tri-TDI, Advinus, etc.)

- Mono-oki project
- Fast to POC
- Business development (Ligocyte, Inviragen, etc.)

- Life-cycle management
- Prioritize high potential assets
- Maximize value with post-marketing studies
Enhancing Late-Stage Pipeline in Core Therapeutic Areas

- CV/Metabolic
- Oncology
- CNS
- Immunology/Respiratory
- General Medicine
- Vaccine

6 therapeutic areas

21 phase 3 projects*
11 filed projects*
12 approved projects in FY2013 to date*

*Includes life-cycle management and fixed-dose combinations
Each project is only counted once - in the most advanced stage, regardless of region
High Potential Pipeline Assets

**ENTYVIO (vedolizumab)**

- Gut-selective monoclonal antibody targets $\alpha 4\beta 7$ integrin on leukocytes involved in ulcerative colitis (UC) and Crohn’s disease (CD)
- PDUFA date 2014/5/20 (UC), 2014/6/18(CD)
- Efficacy in patients who are anti-TNF naïve and those with prior anti-TNF failure

**Ph-3 Data in Ulcerative Colitis**

- **at Week 52**
  - Placebo
  - VDZ Q4 wks
  - VDZ Q8 wks

**MLN9708 (ixazomib citrate)**

- Once weekly oral proteasome inhibitor
- On-going clinical trials include Phase 3 in front line MM, R/R MM and R/R AL Amyloidosis
- Potential in a broad range of hematological and solid tumors

**Ph-1/2 Data in Front Line Multiple Myeloma**

- **After 4 cycles (n=47)**
  - ORR 94%
  - CR 19
  - ≥VGPR 49%

- **After 8 cycles (n=19)**
  - ORR 95%
  - CR 32
  - ≥VGPR 58%

- **Overall (n=52)**
  - ORR 90%
  - CR 23
  - ≥VGPR 58%
Increasing Presence in Vaccines

**Norovirus Vaccine**

- Acquired with LigoCyte in October 2012
- Potential to be first-in-class vaccine against norovirus
- The candidate vaccine had a clinically relevant impact on the incidence of norovirus illness after challenge based on Ph-1/2 data presented at Infectious Disease Week in October 2013

200,000 children die from norovirus each year*

**Dengue Vaccine (DENVax)**

- Acquired with Inviragen in May 2013
- Live virus vaccine including the four serotypes of the dengue virus that cause dengue fever
- Currently in Ph-2 trials

Over 2.5 billion people currently at risk from dengue**

**Other Vaccines**

- Vaccines filed in Japan for prevention of pandemic influenza and prevention infectious disease caused by Haemophilus influenza type b (Hib)
- Other vaccines in development include tetravalent vaccine (DTaP-sIPV), and a vaccine for enterovirus 71

**Source:** WHO

**Norovirus Vaccine**

- Acquired with Inviragen in May 2013
- Live virus vaccine including the four serotypes of the dengue virus that cause dengue fever
- Currently in Ph-2 trials

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

Vomiting or Diarrhea

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Vaccine (n=50)</th>
<th>Placebo (n=48)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mild</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severe</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

p=0.042


**Source:** WHO

*Over 2.5 billion people currently at risk from dengue**
## Ensuring Steady Pipeline Approval

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16-FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JP</strong></td>
<td>OBLEAN ADCETRIS  TAKEPRON/LDA  BLB-750  AZILVA/CCB</td>
<td>SYR-472 Lu AA21004  TAK-438  TAK-816</td>
<td><strong>MLN9708</strong>  <strong>TAK-700</strong>  <strong>LEUPLIN/6M</strong></td>
<td>TAK-385 motesanib</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>BRINTELLIX</td>
<td><strong>TAK-700</strong>  <strong>ENTYVIO</strong></td>
<td><strong>MLN9708</strong>  <strong>MLN8237</strong></td>
<td>TAK-375SL</td>
</tr>
<tr>
<td><strong>EU</strong></td>
<td>VIPIDIA family  LATUDA  TAK-390MR</td>
<td><strong>ENTYVIO</strong></td>
<td><strong>MLN9708</strong>  <strong>TAK-700</strong></td>
<td>MLN8237</td>
</tr>
<tr>
<td><strong>EM</strong></td>
<td>SYR-322, TAK-491, SGN-35, mifamurtide, TAK-375, TAK-390MR, roflumilast, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*TAK-700 timeline is currently under review*
Financial Strategy
Project Summit: Raising Competitiveness

Implement global operating models and establish best-in-class business processes, boosting profitability and capacity for investments in growth.

Yearly Savings Targets:

- **Sales & Marketing**: $80 billion yen
- **Research & Development**: $100 billion yen

Low single digit percentage reduction anticipated in net global workforce by FY17.
Implementation costs: 80-90 billion yen over 5 years.

- **Production & Supply**
- **General & Administrative**
Cash Generation and Cash Use

**Cash Generation**
- Increase sales of new products
- Increase sales in emerging markets
- Streamline balance sheet

**Cash Use**
- Maintain ¥180 dividend for FY13-15
- Steadily repay debt
- Continue investment for sustainable growth

All Debts Paid Back by 2020
Double FCF* from FY12 to FY15
Triple FCF* from FY12 to FY17

*Excludes exceptional items such as restructuring and Summit costs*
### Sustainable Growth Guidance

<table>
<thead>
<tr>
<th>Growth</th>
<th>Efficiency</th>
<th>Shareholder Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth in Emerging Markets Mature Markets + Pipeline</td>
<td>Robust and efficient operating model</td>
<td>Attractive shareholder remuneration policy</td>
</tr>
<tr>
<td>Sales</td>
<td>Operating Income</td>
<td>Dividend per share</td>
</tr>
<tr>
<td>FY13-17</td>
<td>FY13-17</td>
<td>FY13-15</td>
</tr>
<tr>
<td>Mid single digit CAGR</td>
<td>At least 20% CAGR</td>
<td>¥180 annually</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Growth**
  - Sales growth in Emerging Markets Mature Markets + Pipeline
  - Sales FY13-17
  - Mid single digit CAGR

- **Efficiency**
  - Robust and efficient operating model
  - Operating Income FY13-17
  - At least 20% CAGR

- **Shareholder Return**
  - Attractive shareholder remuneration policy
  - Dividend per share FY13-15
  - ¥180 annually
Takeda's Bright Future

Better Health, Brighter Future

- Our marketing strategy is tailored to each region
- Our late-stage pipeline is both rich and deep; the impact of patent expiries is limited in the short- to mid-term
- We will continue to take bold and transformative steps to make every area of our company more effective, efficient, profitable and competitive
- We strive towards better health for people worldwide through leading innovation in medicine
End of Presentation