Focused World Class R&D

New approaches to innovation

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Takeda Pharmaceutical Company Limited

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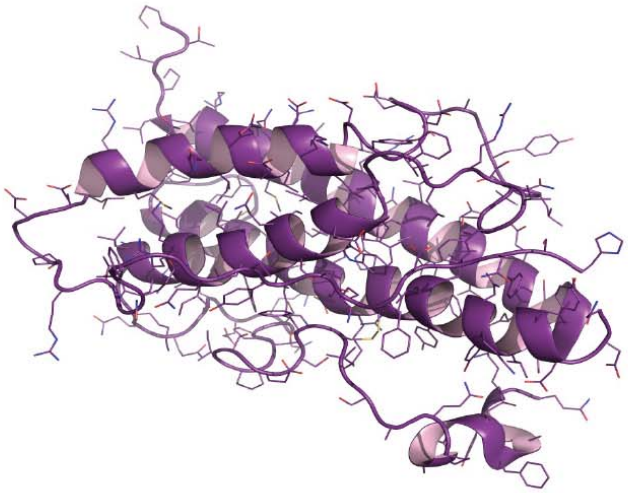
Our mission is to serve patients

Takeda is a patient-centric, science-driven company



We do more than develop medicines

We strive towards better heath and a brighter future for people worldwide

Focused world class R&D is a vital component of our strategic roadmap

VALUES

Takeda-ism
Patient → Trust → Reputation → Business

PEOPLE

Patient and customer centricity
Agile global organization
Fostering talent

R&D

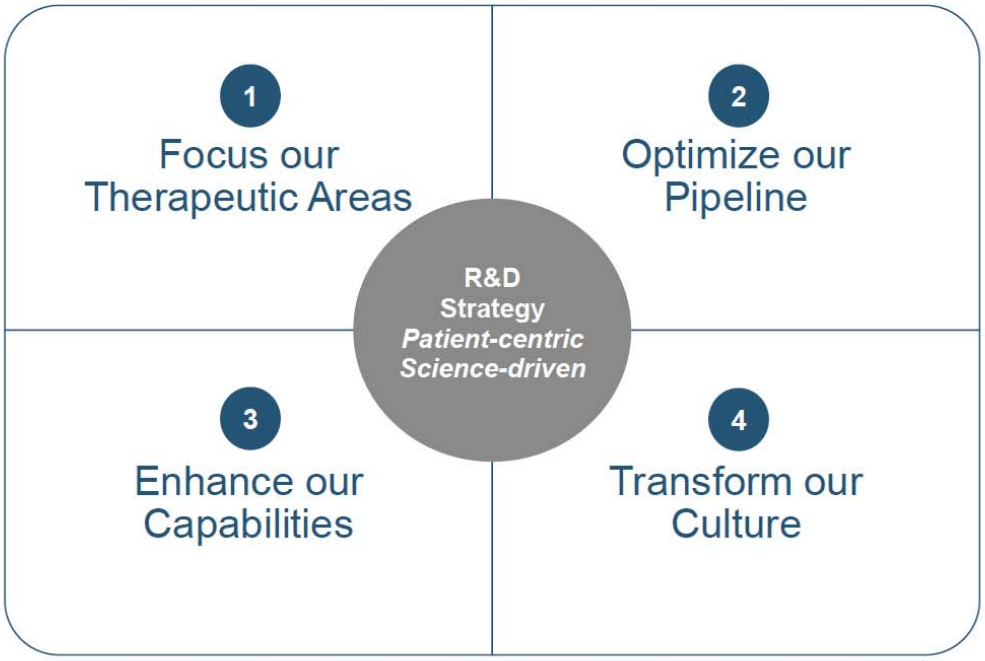
Focused world class R&D
New approaches to innovation

BUSINESS PERFORMANCE

Sustaining sales growth
GI, Oncology, CNS and Emerging Markets

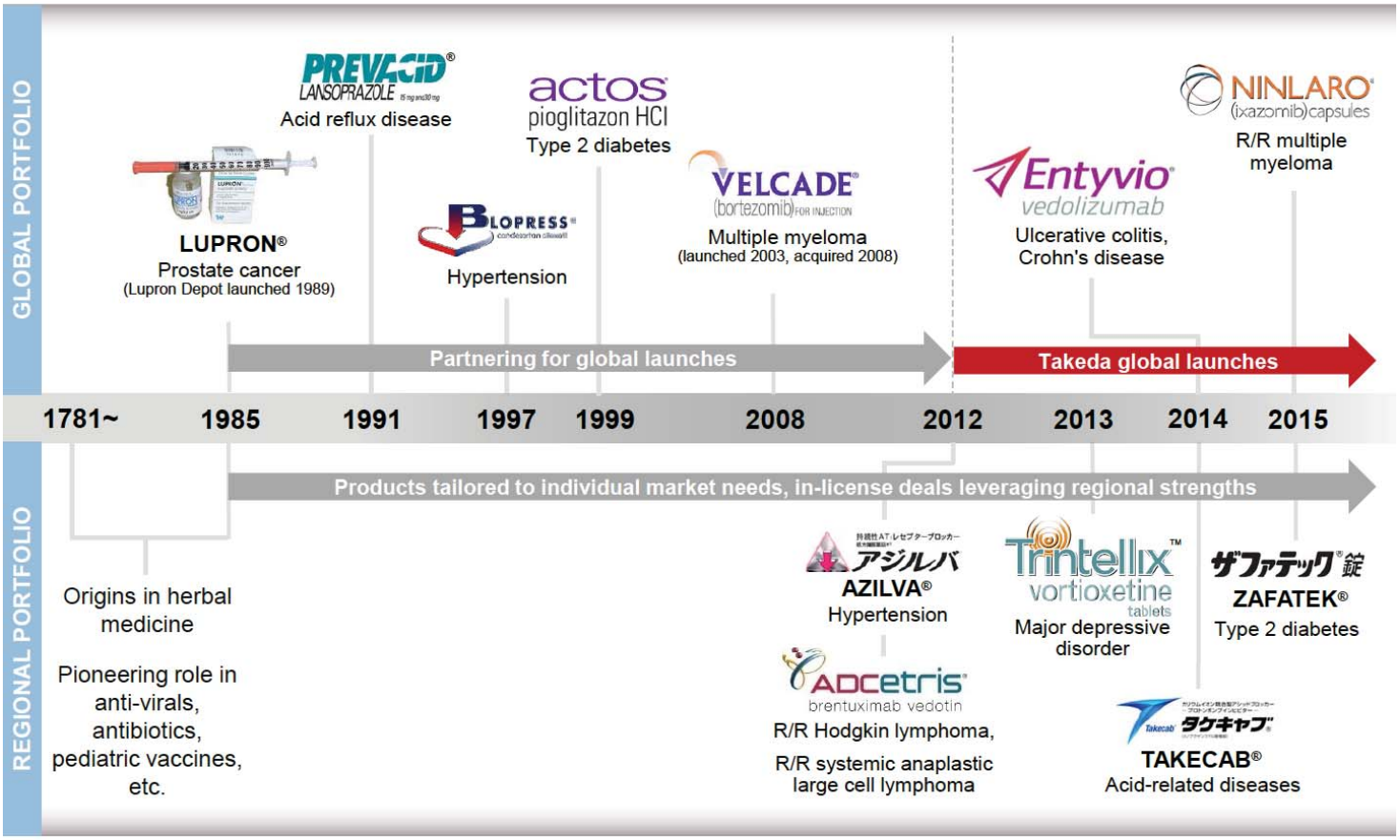
Sustaining profit growth
Cost discipline

Our strategy for focused world class R&D involves four major components



Agenda

Takeda has a 235 year heritage of successful, sustained innovation translating science into life-changing medicines



7 Note: Only selected products are shown on this slide
R/R: Relapsed/Refractory

Maximizing the potential of our marketed portfolio is key to near- and mid-term success

Takeda will invest ~50% of FY16 and FY17 development budget to maximizing these assets

	Phase 1	Phase 2	Phase 3	Filed
Oncology			NINLARO® Proteasome inhibitor Front Line MM NINLARO® Proteasome inhibitor Maintenance MM post-SCT NINLARO® Proteasome inhibitor Maintenance MM without SCT NINLARO® Proteasome inhibitor R/R AL Amyloidosis ADCETRIS® CD30 ADC Front Line Hodgkin Lymphoma ADCETRIS® CD30 ADC Relapsed cTCL ADCETRIS® CD30 ADC Front Line MTCL	NINLARO® Proteasome inhibitor R/R MM (EU & Emerging Markets) ADCETRIS® CD30 ADC post-ASCT Hodgkin Lymphoma
GI	ENTYVIO® Humanized monoclonal antibody against α4β7 integrin GvHD ENTYVIO® Humanized monoclonal antibody against α4β7 integrin IO Colitis	TAKECAB® Potassium-competitive acid blocker PPI Partial Responder	ENTYVIO® Humanized monoclonal antibody against α4β7 integrin UC/CD (JP) ENTYVIO® Humanized monoclonal antibody against α4β7 integrin Adalimumab H2H ENTYVIO® Humanized monoclonal antibody against α4β7 integrin SubQ UC/CD ENTYVIO® Humanized monoclonal antibody against α4β7 integrin PSC TAKECAB® Potassium-competitive acid blocker ARD (Asia) AMITIZA® Chloride channel activator Pediatric Constipation AMITIZA® Chloride channel activator New Formulation	ENTYVIO® Humanized monoclonal antibody against α4β7 integrin UC/CD (Emerging Markets) DEXILANT® Proton Pump Inhibitor ARD in Adolescents
CNS		TRINTELLIX™ Multimodal an i-depressant ADHD	TRINTELLIX™ Multimodal anti-depressant MDD (JP) AZILECT®* MAOB inhibitor Parkinson's (JP)	TRINTELLIX™ Multimodal an i-depressant Cognition data in label (CRL received)
Vaccines				
Other			AZILVA® FDC w/ amlodipine & HCTZ (JP) ARB Hypertension BENET® Bone resorption inhibitor Additional formation (JP) ULORIC® Non-purine selective XAO inhibitor, XR Formulation Hyperuricemia	NESINA® FDC with Metformin (JP) DPP4i T2DM

8 This slide includes on-going studies and planned studies starting this year. See appendix for list of abbreviations.
* AZILECT is brand name in Teva territories

Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

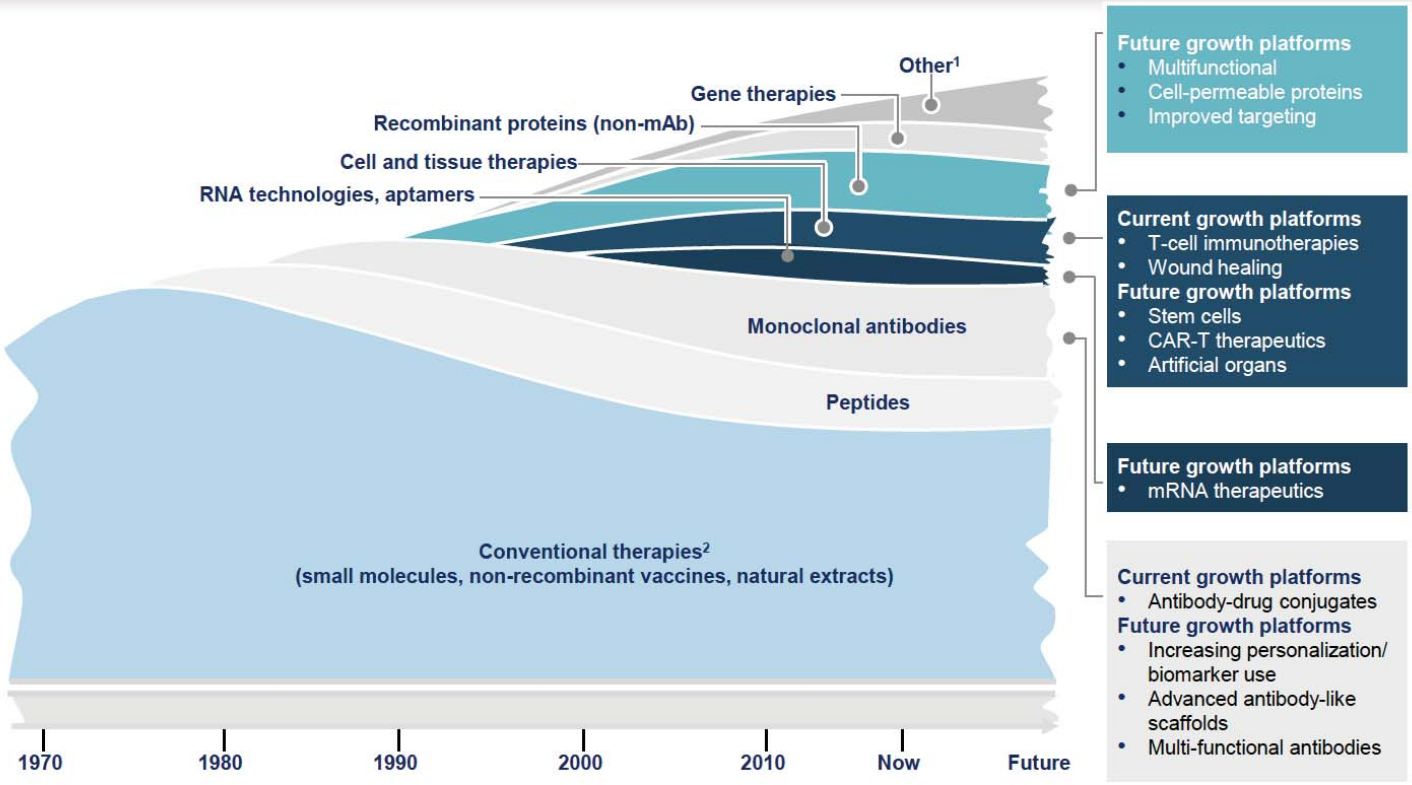
- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- Oncology
- Gastroenterology (GI)
- Central Nervous System (CNS)
- Vaccines

Summary

The explosion of new modalities offers the potential to treat diseases in new ways

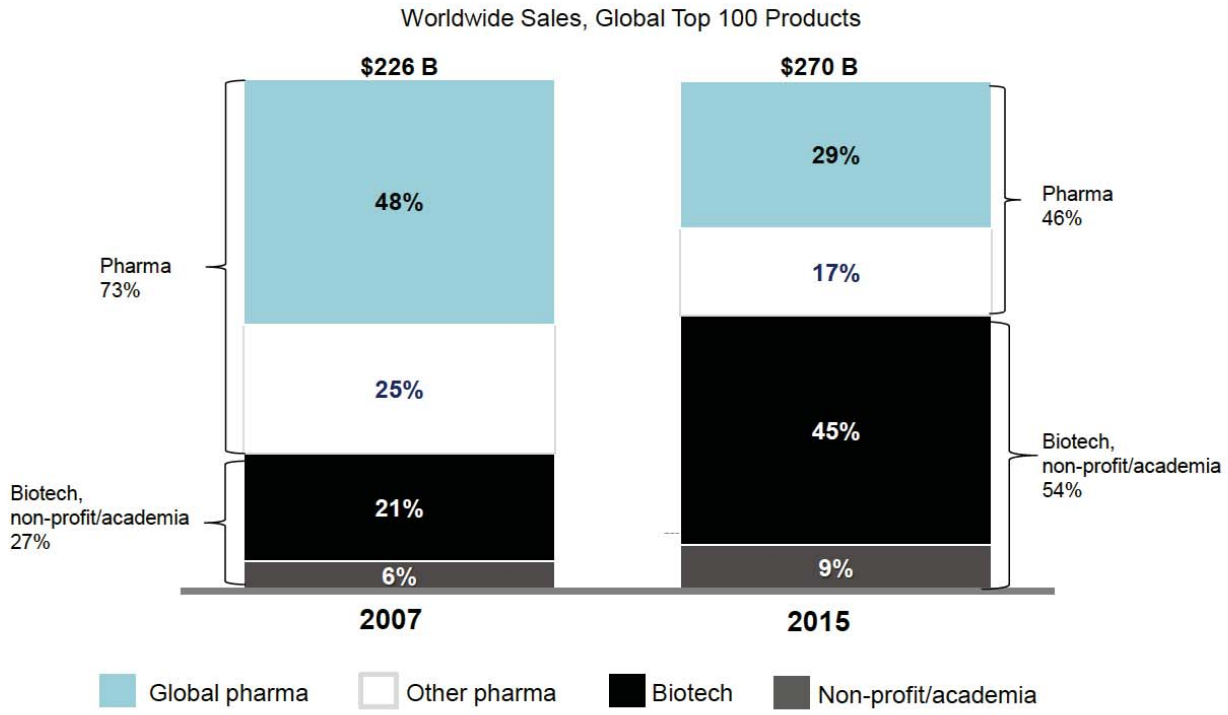


1 E.g., nanotechnologies, bioelectronics, virus particles 2 Currently ~60% of global clinical pipeline

SOURCE: Pharmaprojects 2014

Truly differentiated medicines based on these new modalities are being developed increasingly by biotechs

Origination of Global Top 100 Products



 SOURCE: EvaluatePharma®

Breakthroughs in science and medicine have led to increasing demand for innovation

Takeda will address this demand with a patient-centric, science-based strategy for world class R&D

Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

- **Focus our Therapeutic Areas**
- **Optimize our Pipeline**
- **Enhance our Capabilities**
- **Transform our Culture**

Therapeutic area R&D strategy highlights

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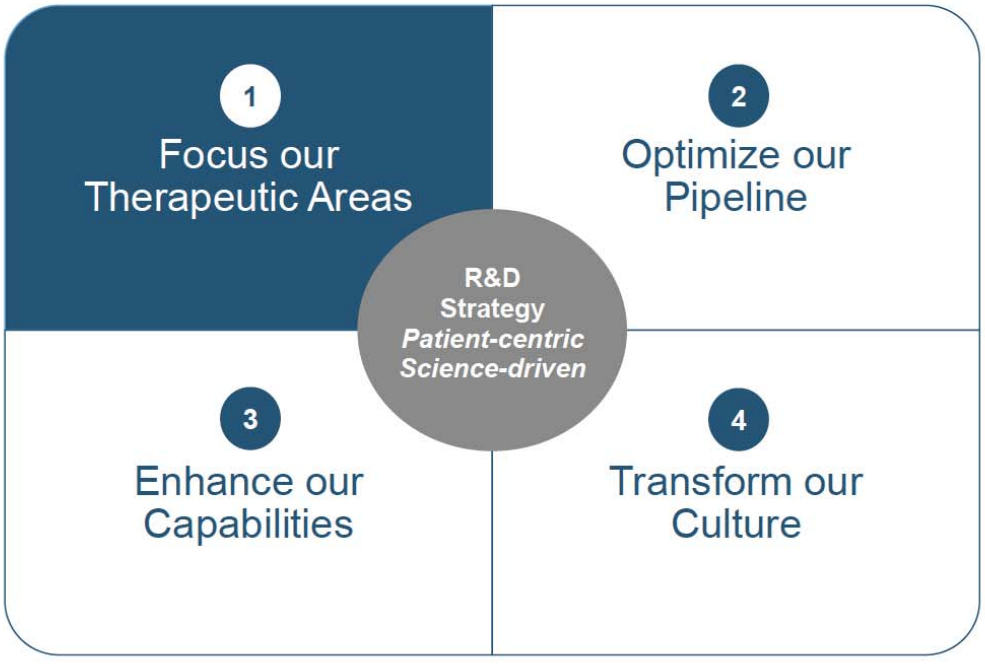
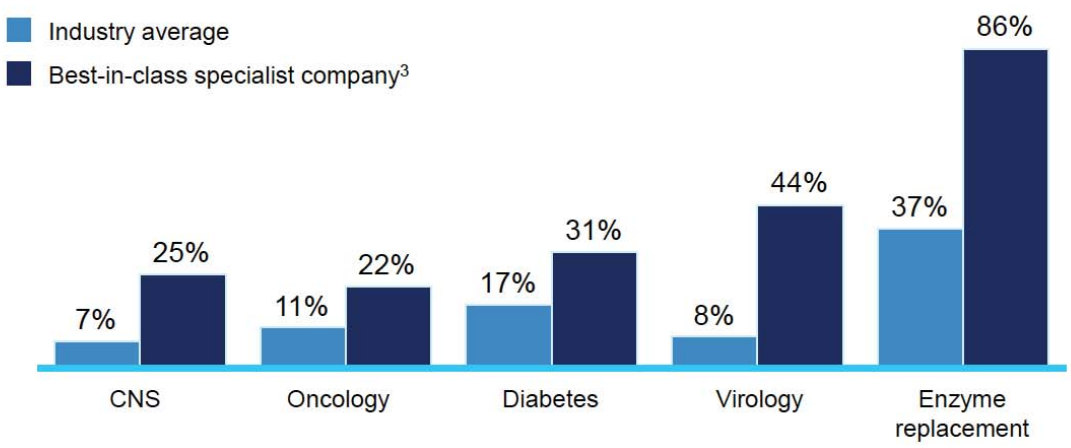
Summary

Our strategy for focused world class R&D involves four major components



We know that companies with narrower therapeutic area focus outperform their peers

% Probability From Phase I To Launch For All Drugs In A Given Category[1] (1996 - 2013)



1. Category definitions: Central Nervous System (CNS) as main therapy class; Cancer as primary indication group; Diabetes as primary indication group; HIV/AIDS infection as primary indication; Enzyme replacement = Recombinant protein AND Endocrine as main therapy class; includes reformulated drugs
2. Total number of phase transitions included in each calculation. Includes reformulations
3. Companies with very high success rates in R&D in the respective Therapeutic Areas based on Takeda analysis

SOURCE: PharmaProjects 2014

We are focusing our efforts in the therapeutic areas where we want to be at the cutting edge of innovation

Core focus

- **Oncology**
- **Gastroenterology (GI)**
- **Central Nervous System (CNS)**

We are focusing our innovation in three core therapeutic areas where we have:

- Track record of recent successes
- Deep scientific expertise
- High unmet patient need

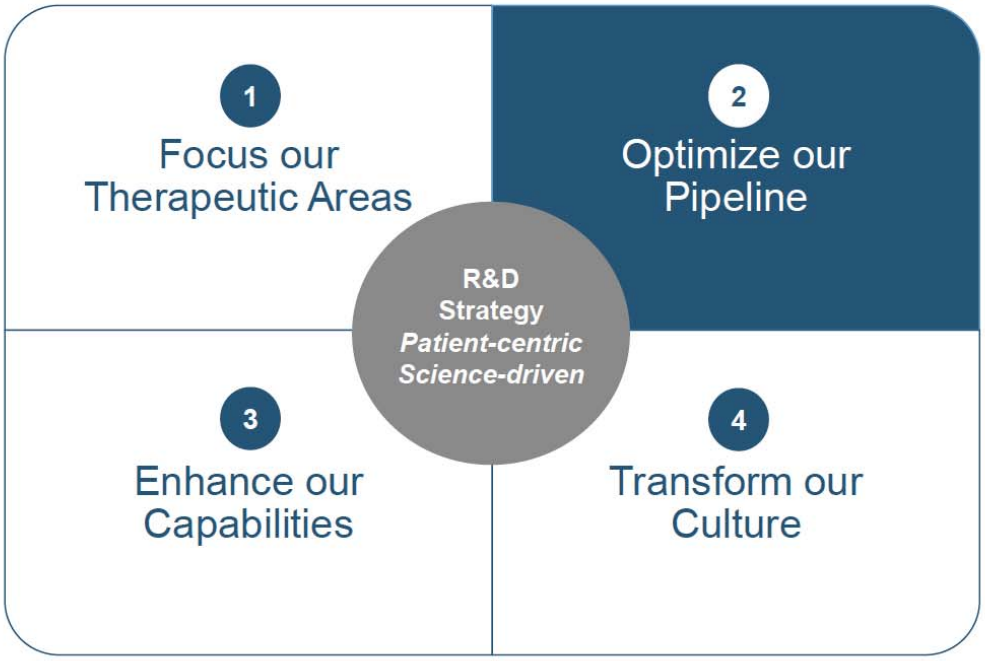
- **Vaccines** — **We are committed to global public health through our Vaccines portfolio**
- Specialty CV — **Targeted approach to specific assets**

Deprioritized

Autoimmune Diseases (such as psoriasis, RA)[1]
Respiratory
Nephrology
Metabolism
Women's Health and General Medicine[2]

1 Ongoing discovery platform to support autoimmune diseases, GI inflammation and CNS inflammation interests
2 Genitourinary, pain, others (e.g., sepsis)

Optimizing our R&D pipeline requires discipline and rigorous decision-making



2 Optimize Pipeline

A look back: Our FY2013 pipeline of NMEs had many assets in late-stage development

	Phase 1	Phase 2	Phase 3 / Filed
Oncology	TAK-117 (MLN1117); TAK-243 (MLN7243); TAK-264 (MLN0264); TAK-580 (MLN2480); TAK-659; TAK-733; pevonedistat (MLN4924 / TAK-924)	TAK-228 (MLN0128)	alisertib (MLN8237); orteronel (TAK-700); NINLARO (MLN9708); motesanib (diphosphate); trebananib (JP) (AMG 386)
GI/ General Medicine	TAK-233	TAK-114; relugolix (TAK-385)	ENTYVIO (MLN0002); TAKECAB (TAK-438); OMONTYS (peginesatide); FOMEPIZOLE (JP)
CNS	LU AA24530; TAK-063; ITI-214; TAK-137		AD-4833 TOMM40; LATUDA (EU) (lurasidone)
Vaccines	TAK-021	TAK-003; TAK-214; TAK-850 (JP); TAK-361S (JP)	VaxemHib (JP) (TAK-816)
Other	TAK-272; AMG 403	namilumab (MT203)	CONTRAVE (US); fasiglifam (TAK-875); ZAFATEK (SYR-472)

NME: new molecular entity
Source: Pipeline as of Takeda's FY2013 Q4 earnings materials, May 8th 2014 (also includes fasiglifam, terminated Dec. 2013)

2 Optimize Pipeline

Since 2013 we have achieved several key NME approvals

	Phase 1	Phase 2	Phase 3 / Filed
Oncology			NINLARO (MLN9708) ✓
GI/ General Medicine		TAK-114	ENTYVIO (MLN0002) ✓; TAKECAB (TAK-438) ✓; FOMEPIZOLE (JP) ✓
CNS			
Vaccines			VaxemHib (JP) (TAK-816) ✓
Other		namilumab (MT203)	ZAFATEK (SYR-472) ✓

19 Note: Does not highlight products that were approved but subsequently divested, returned, or withdrawn from the market

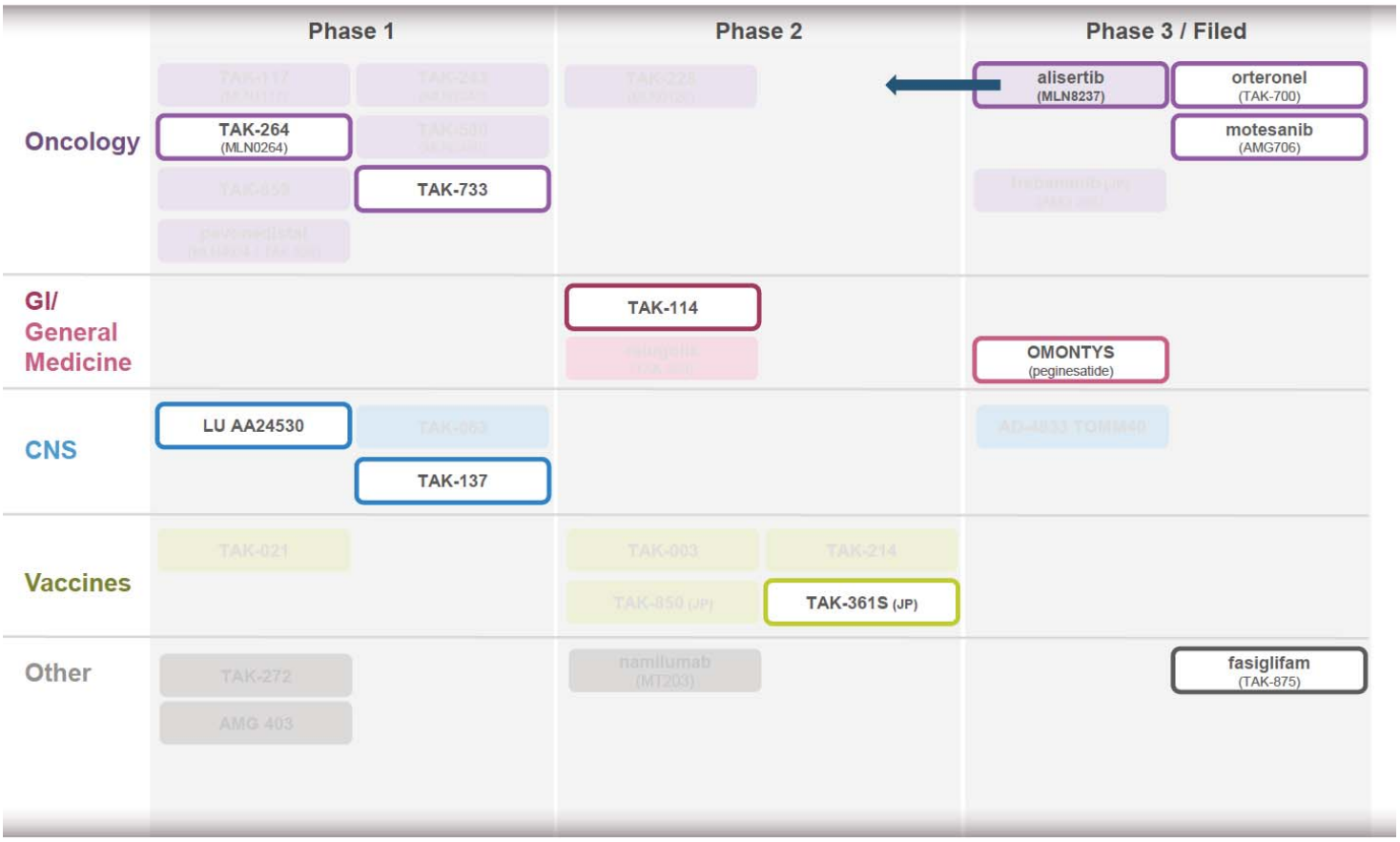
2 Optimize Pipeline

We have divested or returned to partners 4 NMEs that no longer fit with our strategic focus

	Phase 1	Phase 2	Phase 3 / Filed
Oncology			
GI/ General Medicine	TAK-233 ↩	TAK-114	
CNS	ITI-214 ↩		LATUDA (EU) (lurasidone) ↩
Vaccines			
Other		namilumab (MT203)	CONTRAVE (US) ↩

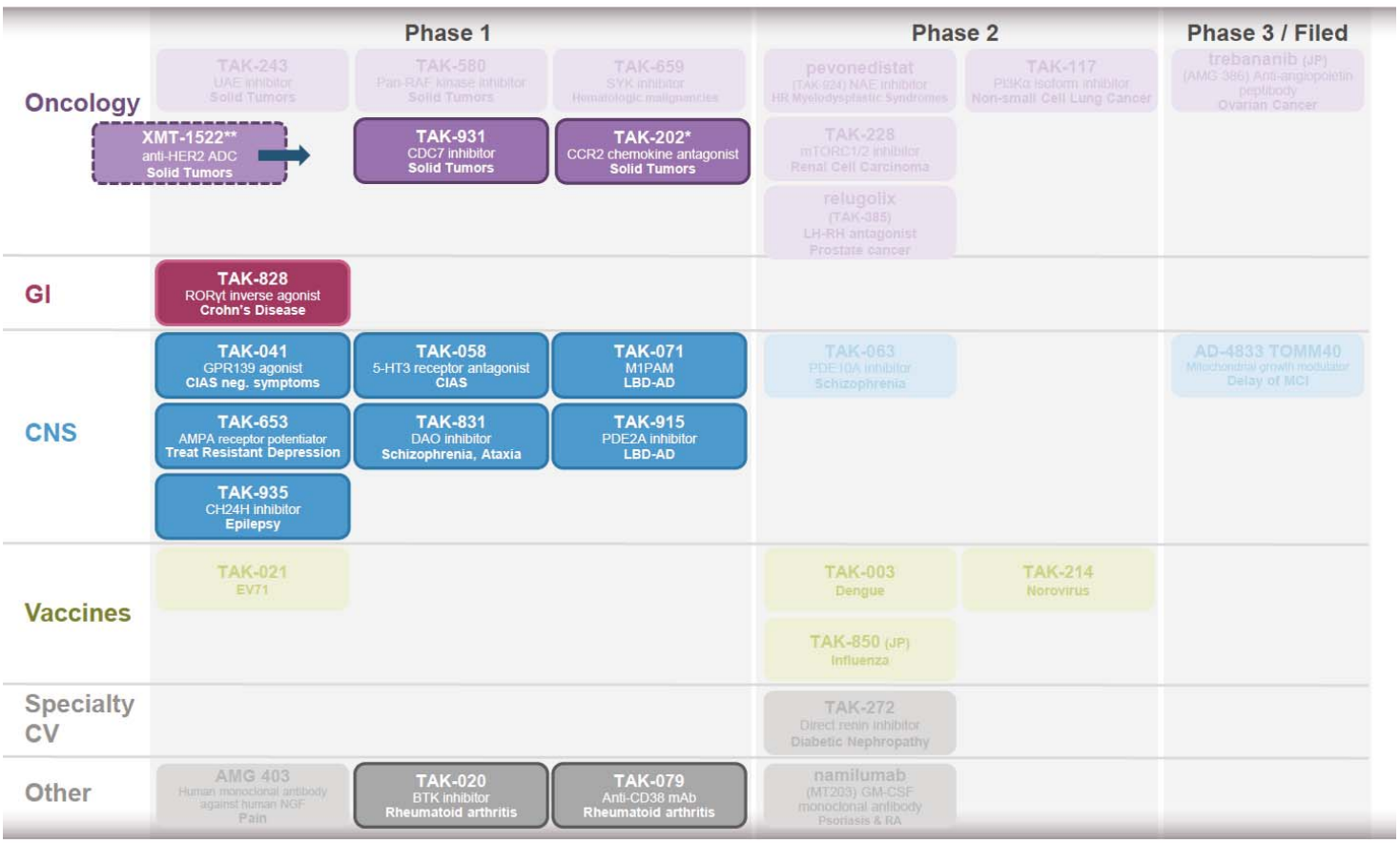
2 Optimize Pipeline

We have terminated programs and discontinued 10 NMEs



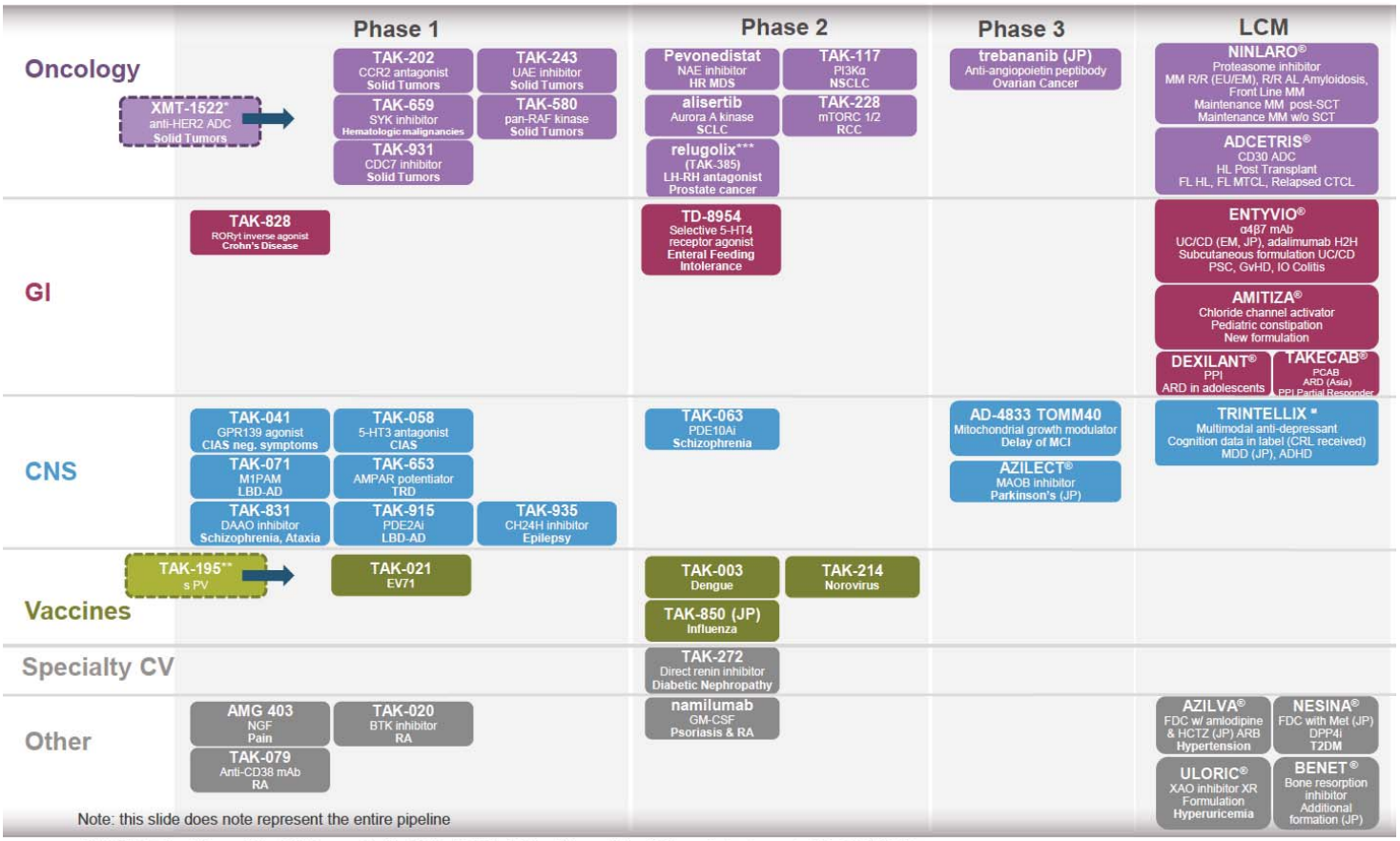
2 Optimize Pipeline

In our core focus areas, we have added 10 innovative early-stage NMEs



2 Optimize Pipeline

Our pipeline today is strategically focused with exciting early assets; we must continue to optimize for sustainability

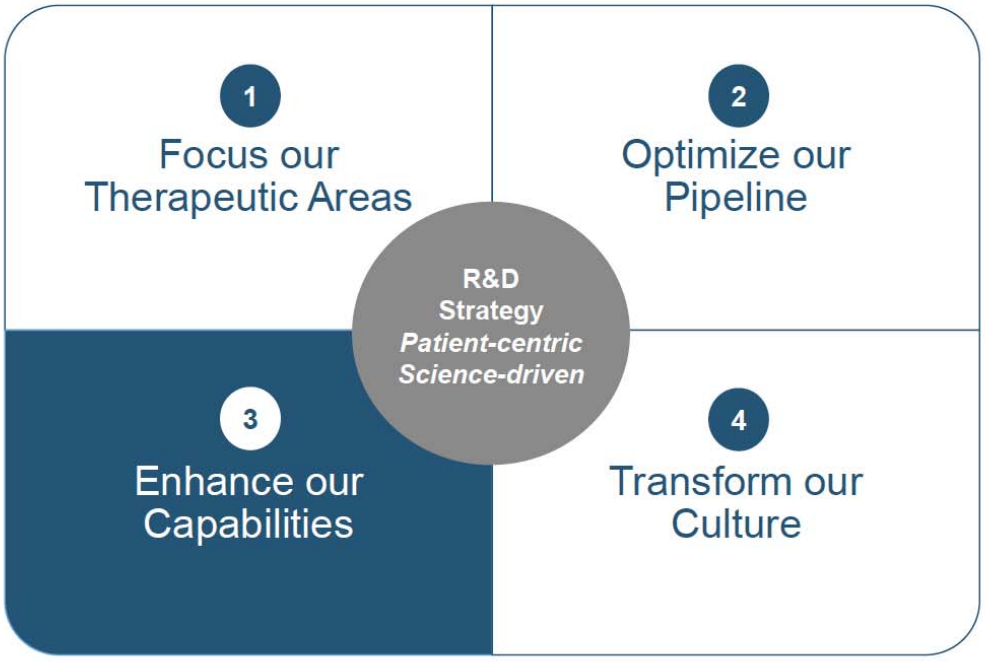


Note: this slide does note represent the entire pipeline

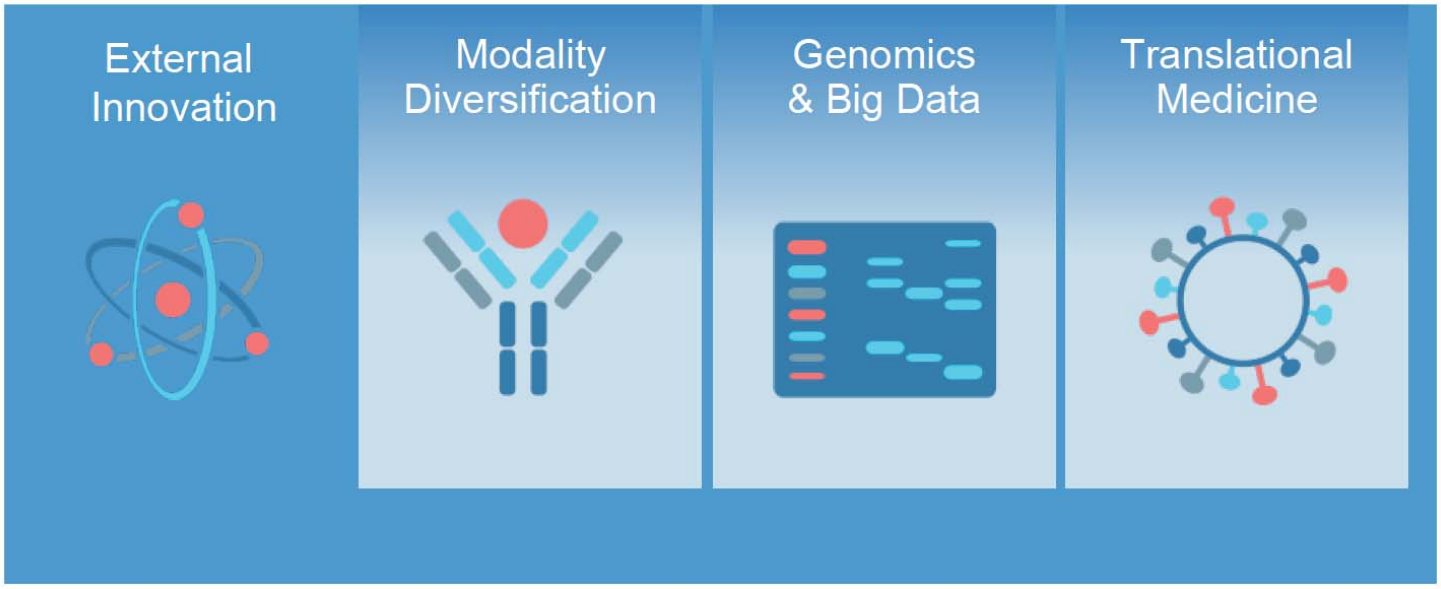
*XMT-1522 is still pre-clinical; IND expected in 2016 ; **TAK-195 is still pre-clinical; Phase 1 start expected in Q4 FY2016
***Relugolix also in Phase 3 for uterine fibroids, Phase 2 for endometriosis. Takeda has granted Myovant an exclusive, worldwide license to relugolix, excluding Japan and certain other Asian countries. See appendix for list of abbreviations

3 Enhance Capabilities

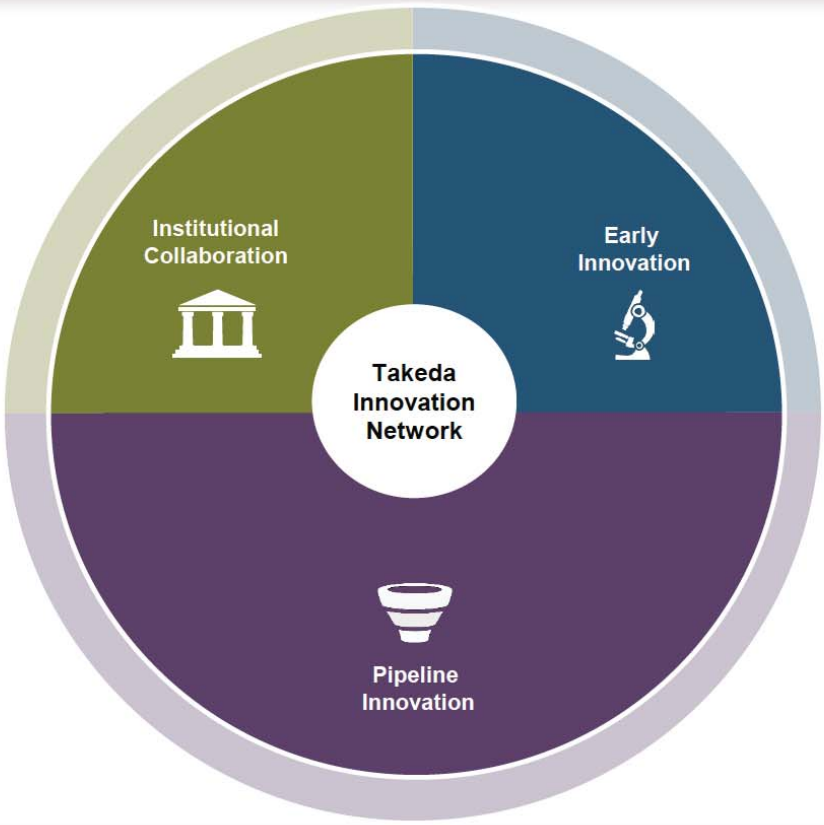
To optimize our pipeline using cutting-edge science and technology, we need enhanced capabilities in key areas



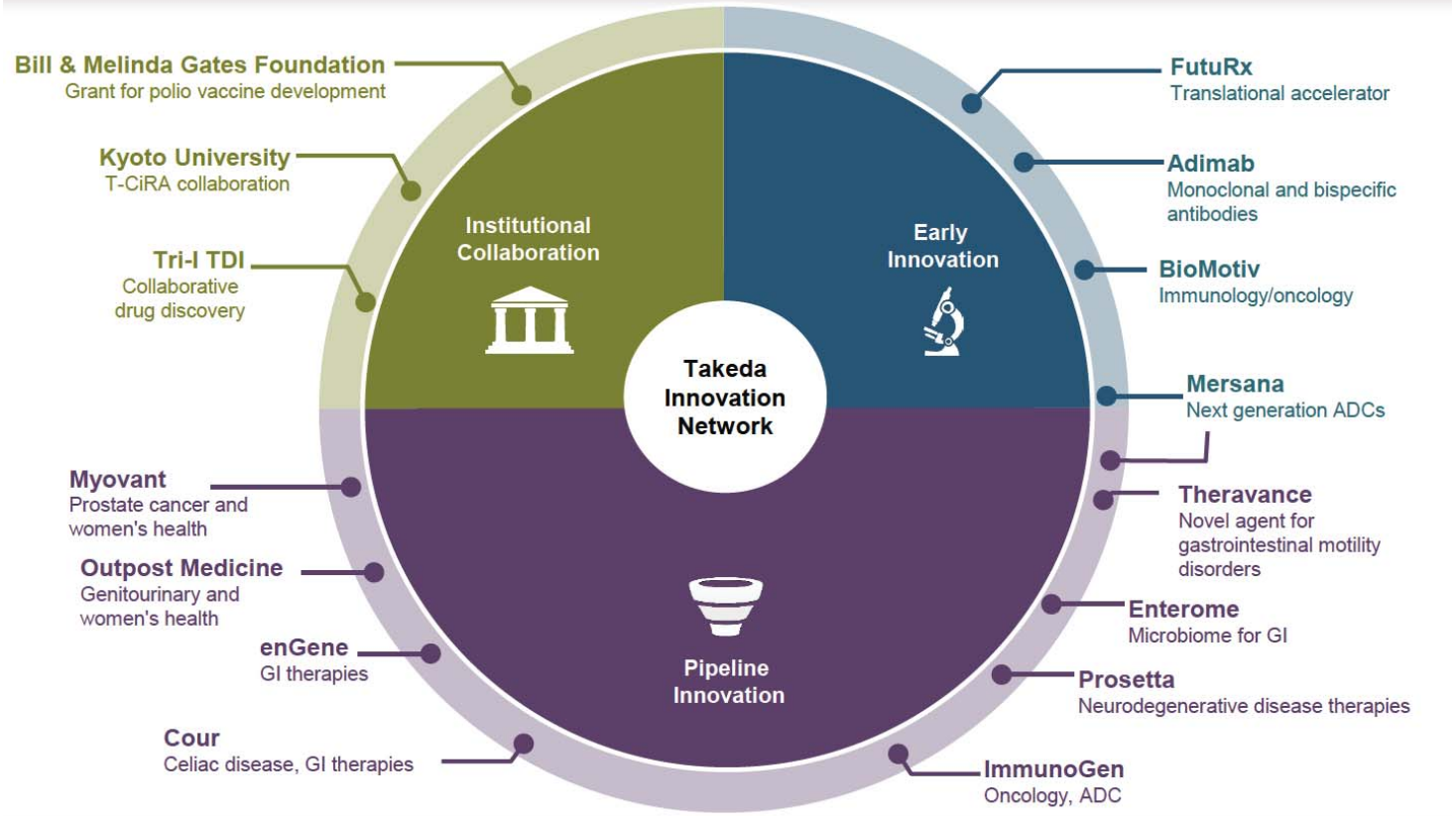
We are strengthening essential capabilities through further focus on external innovation



A robust innovation network is the core of our future

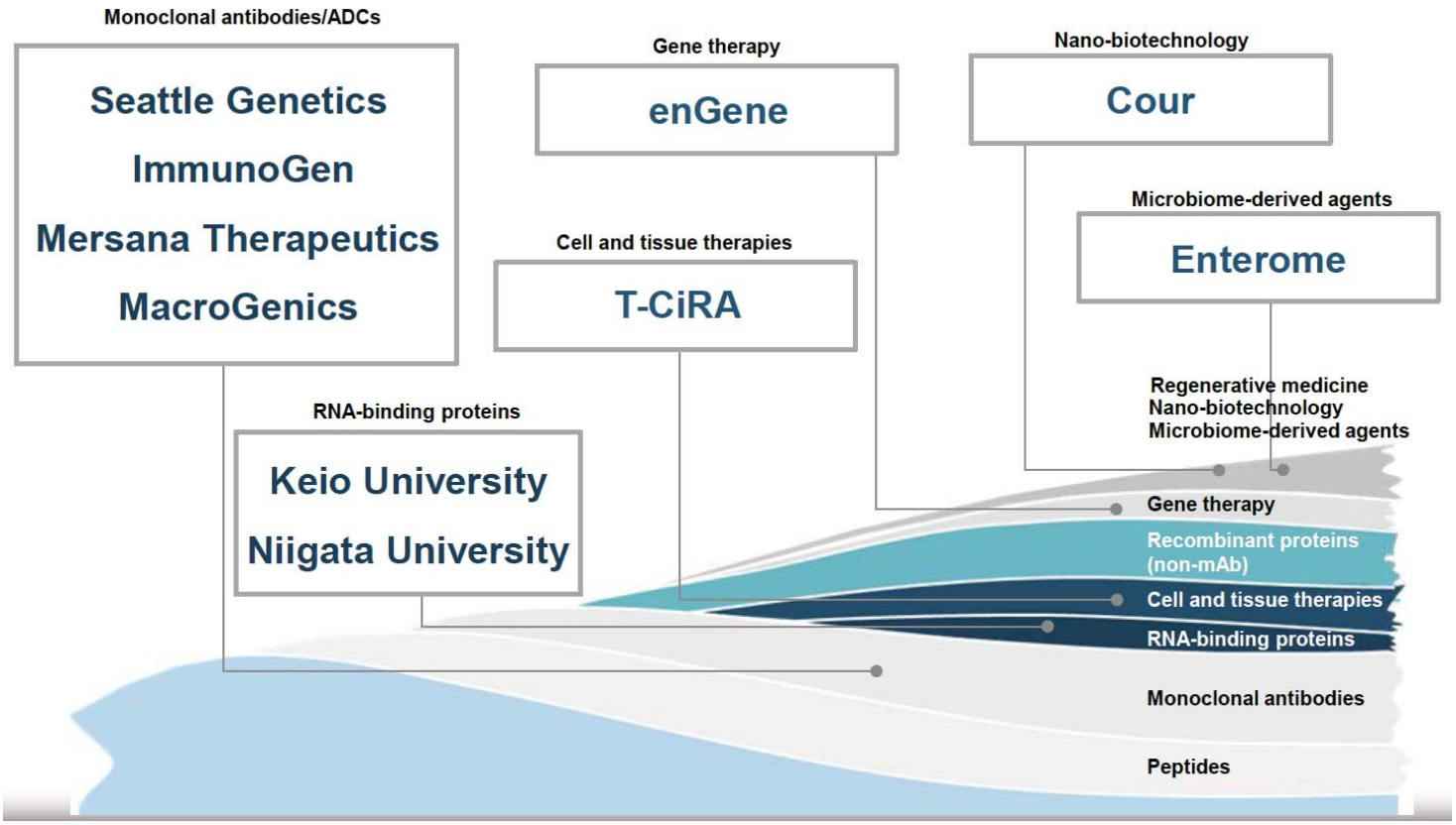


We are building a network through innovative models to become among the best partners in the industry



27 Note: Slide includes only select partnerships

We are currently working in a variety of new modalities through our innovation network



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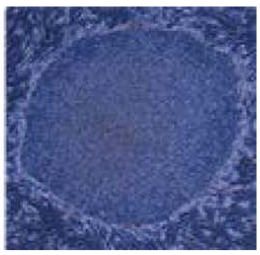
3 Enhance Capabilities

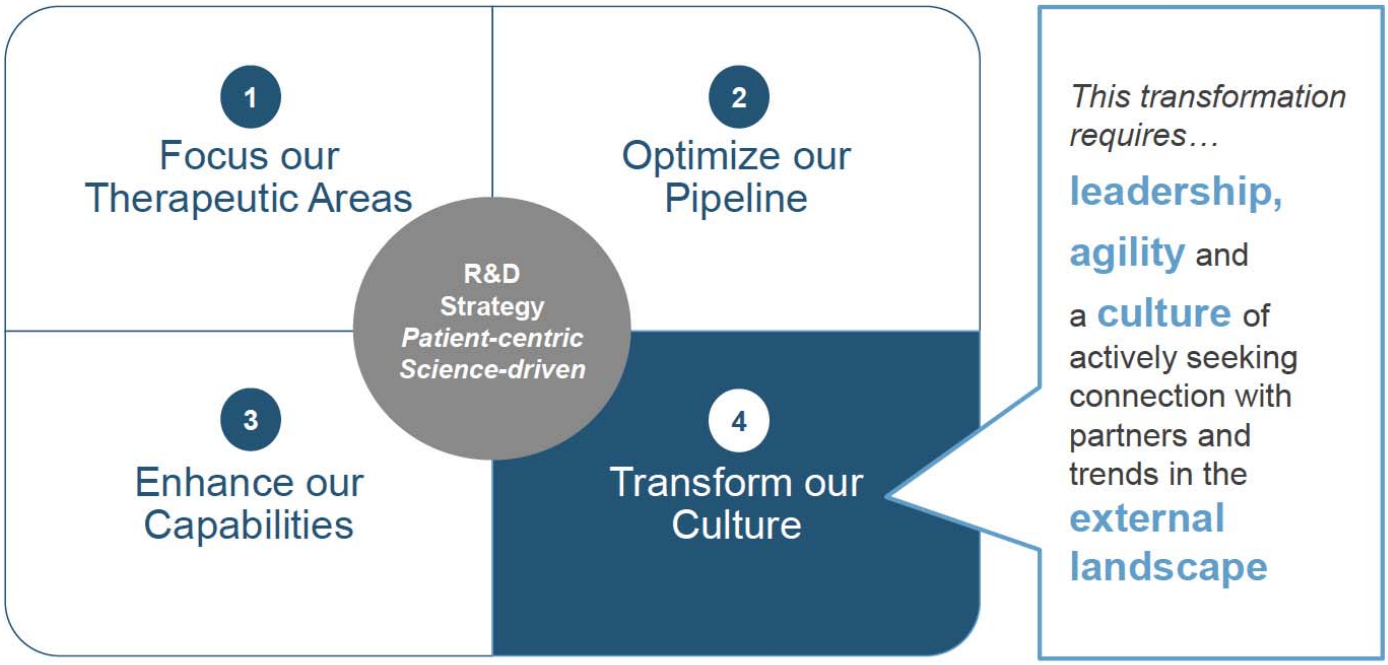
Our T-CiRA partnership creates new modality opportunities across our therapeutic areas



- Groundbreaking Takeda partnership with Center for iPS Cell Research and Application (CiRA), Kyoto University
- Collaboration led by Nobel laureate Prof. Shinya Yamanaka
- iPS cells can differentiate into any type of cell in the body, making them very promising for regenerative medicine, as well as drug discovery for a wide range of conditions including rare and intractable diseases
- Takeda hosts the joint collaboration to develop innovative treatments from iPS technology at our Shonan site
- Takeda is playing a unique role, fostering important medical innovation in Japan

4 Transform Culture

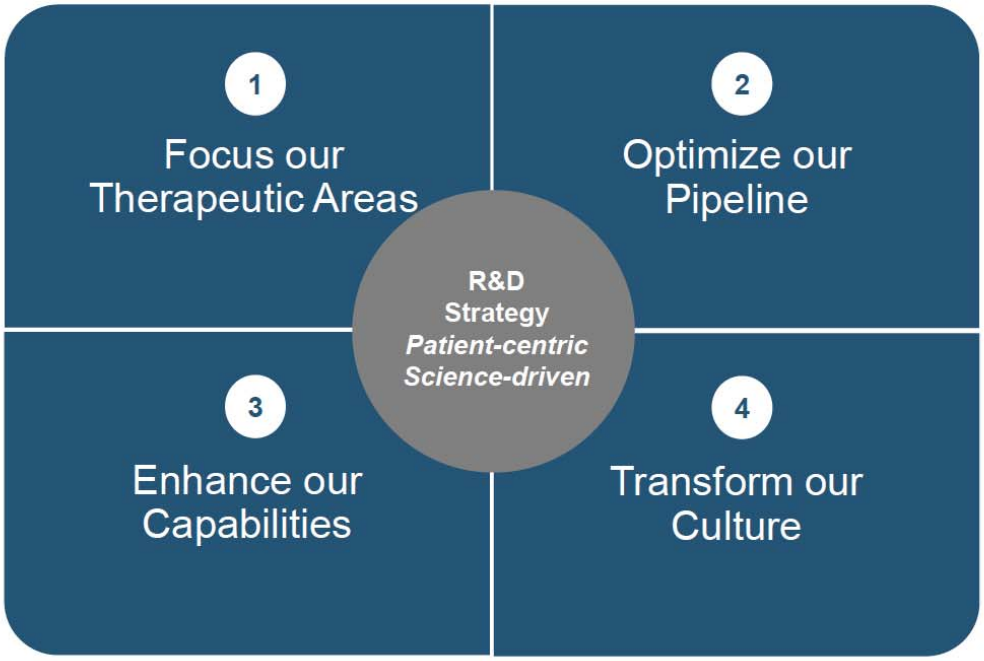
We are transforming our culture to drive progress on our strategy



This focus permeates our R&D culture, reinforced by our investments and decisions

- Simplified leadership with clear accountability
  - Seasoned leadership team spanning Research, TAUs, externalization
  - Key enabling capabilities embedded in leadership structure
  - Building next generation of leaders in partnership with Massachusetts Institute of Technology
- Agile structure to implement strategy, seize opportunities and act swiftly
  - Key governance committee co-chaired with Commercial
  - Other decisions devolved to teams
- Streamlined external business development structure to build and maintain critical linkages with external partners
  - One leader (D. Curran) accountable for driving externalization across all Takeda R&D business development

We are rapidly becoming a focused, world class R&D organization



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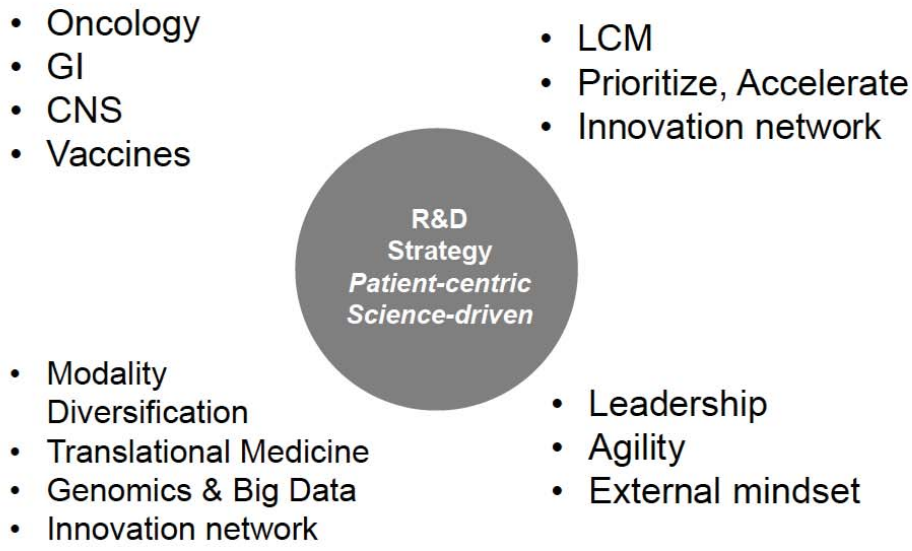


Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- **Oncology** — ***Presented by Andy Plump***
- Gastroenterology (GI)
- Central Nervous System (CNS)
- Vaccines

Summary

Our oncology strategy builds on current pipeline success and strengthens new capabilities through partnerships

MAXIMIZE

NINLARO
& ADCETRIS

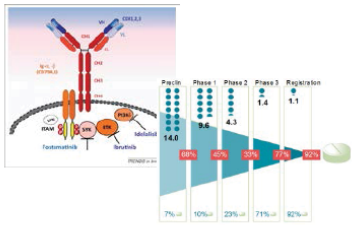
NINLARO® (ixazomib) capsules

ADCETRIS® brentuximab vedotin

Deliver to broader patient populations

PRIORITIZE

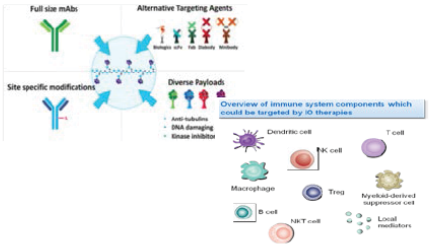
FOCUS ON KEY PIPELINE ASSETS WITH TRANSFORMATIVE POTENTIAL



Set high barriers to differentiate, sourcing from internal and external expertise

COLLABORATE

ANTIBODY DRUG CONJUGATES & PARTNERING IN IMMUNO-ONCOLOGY



Bringing internal expertise in discovering and developing targeted therapies together with external cutting-edge platforms and capabilities

We are maximizing the clinical potential of our recently launched medicines NINLARO and ADCETRIS

	Phase 1	Phase 2	Phase 3
Solid Tumors	TAK-243 UAE inhibitor Solid Tumors TAK-202 CCR2 chemokine antagonist Solid Tumors TAK-580 Pan-RAF kinase inhibitor Solid Tumors TAK-931 CDC7 inhibitor Solid Tumors XMT-1522* anti-HER2 ADC Solid Tumors	alisertib (MLN8237) Aurora A kinase inhibitor Small Cell Lung Cancer TAK-228 mTORC1/2 inhibitor Renal Cell Carcinoma Breast Cancer Endometrial Cancer relugolix (TAK-385) LH-RH antagonist Prostate Cancer TAK-117 PI3Kα isoform inhibitor Non-small Cell Lung Cancer	AMG386 Anti-angiopoietin peptibod (trebananib) Ovarian Cancer
Hematological Malignancies	TAK-659 SYK inhibitor Hematologic malignancies	pevonedistat (TAK-924) NAE inhibitor HR Myelodysplastic Syndromes	**ADCETRIS** *CD30 ADC* Front Line Hodgkin Lymphoma Front Line Mantle T-cell Lymphoma Relapsed cutaneous T-cell Lymphoma **NINLARO** *Proteasome inhibitor* Front Line Multiple Myeloma Maintenance Multiple Myeloma post-Stem Cell Transplant Maintenance Multiple Myeloma without Stem Cell Transplant R/R AL Amyloidosis

Earlier clinical stage assets enrich the scope of our oncology pipeline

	Phase 1	Phase 2	Phase 3
Solid Tumors	**TAK-243** UAE inhibitor Solid Tumors **TAK-202** CCR2 chemokine antagonist Solid Tumors **TAK-580** Pan-RAF kinase inhibitor Solid Tumors **TAK-931** CDC7 inhibitor Solid Tumors **XMT-1522*** anti-HER2 ADC Solid Tumors	**alisertib** (MLN8237) Aurora A kinase inhibitor Small Cell Lung Cancer **TAK-228** mTORC1/2 inhibitor Renal Cell Carcinoma Breast Cancer Endometrial Cancer **relugolix**** (TAK-385) LH-RH antagonist Prostate Cancer **TAK-117** PI3Kα isoform inhibitor Non-small Cell Lung Cancer***	**AMG386** Anti-angiopoietin peptibod (trebananib) Ovarian Cancer
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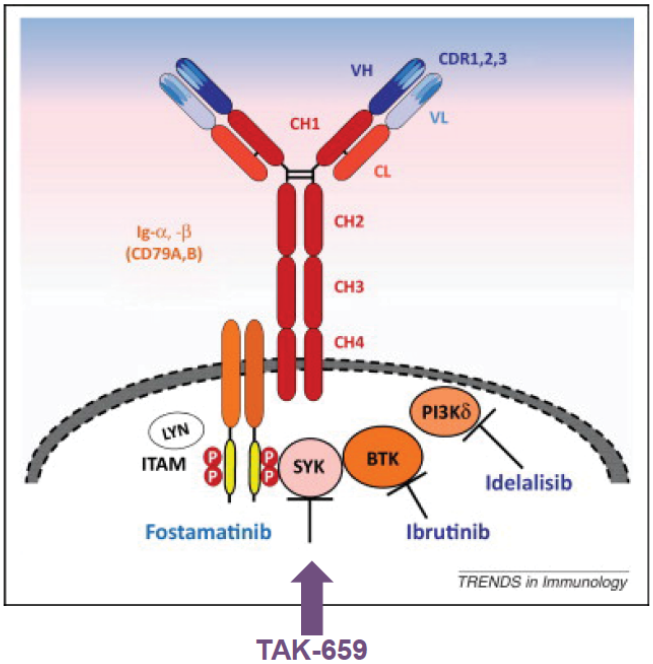
*XMT-1522 is still pre-clinical; IND expected in 2016

** Also in Phase 3 for uterine fibroids, Phase 2 for endometriosis. Takeda has granted Myovant an exclusive, worldwide license to relugolix, excluding Japan and certain other Asian countries.
***Also in Gastric cancer in Phase 1; ****Also in Solid Tumors in Phase 1,

TAK-659 is a SYK/FLT-3 dual inhibitor that is a potential innovative oral medicine for hematological malignancies

B-Cell Receptor (BCR) Signaling



Source: Trends in Immunology December 2013, Vol. 34, No. 12

BCR Clinical Precedence Established

- BTK: **Ibrutinib** (CLL, MCL, WM)
- PI3Kδ: **Idelalisib** (CLL, FL, SLL)

TAK-659 SYK Inhibitor

- Unique SYK inhibitor with good pharmaceutical properties
- SYK signaling is critical for B-cell and myeloid malignancies

CLL: chronic lymphocytic leukemia; MCL: mantle cell lymphoma; WM: Waldenström's macroglobulinemia, FL: follicular lymphoma, SLL: Small lymphocytic lymphoma

We are pursuing three distinct hypotheses for TAK-659 based on evolving science and emerging data

DIFFERENTIATED OPPORTUNITIES

BCR Hypothesis

Non-Hodgkin Lymphoma (NHL)

- Ongoing Ph1 expansion in NHL
- Early efficacy data show: 8/21 DLBCL and 3/3 FL responders

BTK Resistance

BTK resistance: CLL and MCL

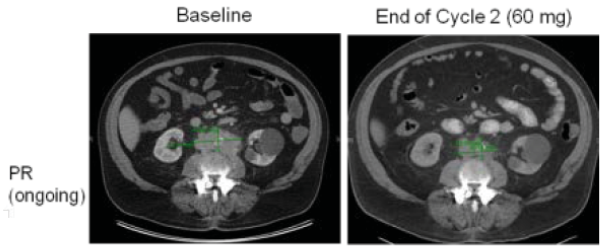
- Ongoing Ph 1 study in ibrutinib relapse/refractory CLL/MCL patients

Immuno-Oncology

Initiate PD-1 Combination Study

- Evolving science on the diverse roles of SYK in immunological functions

Partial Response in a patient with DLBCL
- Ann Arbor Stage III, GCB subtype;
heavily pretreated f/u auto-HSCT



Ongoing
Ph 1b/2
Dose Escalation in Hematological & Solid Tumors

- DLBCL
- CLL
- iNHL
- MCL
- PTLD

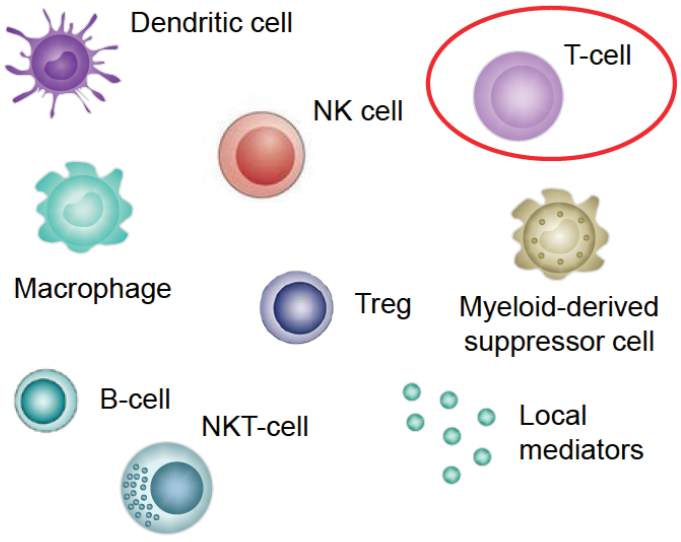
DLBCL: diffuse large B-cell lymphoma; CLL: chronic lymphocytic leukemia; iNHL: indolent Non-Hodgkin lymphoma; MCL: mantle cell lymphoma; PTLD: post transplant lymphoproliferative disorder

Recent IO products have transformed patient outcomes, but only a portion of the immune system is currently harnessed

Approved Drug

- ipilimumab
- pembrolizumab
- nivolumab
- blinatumomab

Overview of immune system components which could be targeted by IO therapies



There is still a broad range of targets for IO mechanisms beyond the approach of currently approved products

IO: immuno-oncology; NKT: natural killer t-cell T; NK: natural killer; T-reg: regulatory T-cell

Takeda's immuno-oncology R&D strategy focuses on identifying IO entry points beyond T-cell checkpoints

ADCs

- Seattle Genetics
- ImmunoGen
- Mersana

Tumor targeted

Directly target tumor cell antigens

Bi-specific T-cell engagers

Tumor targeted immuno-modulators (e.g. STING agonists)

Novel combination with PD-1 inhibitors

- TAK-202 – anti-CCR2 mAb
- TAK-659 – Syk inhibitor
- TAK-580 – pan-Raf inhibitor
- Entyvio

Innate Immune targeted

Target innate immunocytes

MDSC targets

Fc-engineered Abs

Currently Active Efforts

Ongoing Partner Discussions

Future Potential

41 IO: immuno-oncology; MDSC: myeloid-derived suppressor cells; mAbs: monoclonal ant bodies; Abs: antibodies; Fc: fragment crystallizable

We will expand cornerstone hematology presence and build in ADCs and IO

	Near / Mid-Term (End of FY18)	Long-Term
NINLARO & ADCETRIS	• New indications in MM and amyloidosis • New indications in FLHL and TCLs	• Maintenance platform in MM • Cornerstone in CD30+ malignancies
Pipeline	• Leverage protein quality control and ADC expertise to drive new programs • Accelerate current high priority programs	• Modality-diverse sustainable pipeline of early and late-stage programs with transformative potential
ADCs	• Leverage expertise from development of ADCETRIS • Advance next wave of ADCs utilizing new technologies (e.g. Mersana, Immunogen)	• Seek novel technology to advance targeted delivery beyond ADC constructs
Immuno-oncology	• Explore rational combinations of current pipeline with PD-1 therapy • Identify new entry points in IO through strategic partnerships	• Invest in emerging transformative sciences

Today's R&D presenters

Asit Parikh, M.D., Ph.D.

Head of GI Therapeutic Area Unit

Emiliangelo Ratti, Ph.D

Head of CNS Therapeutic Area Unit

Rajeev Venkayya, M.D.

President, Global Vaccines Business Unit

Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

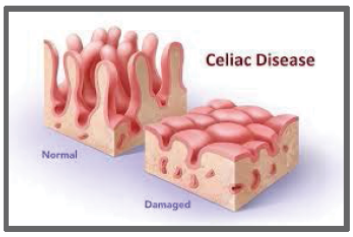
- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- Oncology
- **Gastroenterology (GI)** — ***Presented by Asit Parikh***
- Central Nervous System (CNS)
- Vaccines

Summary

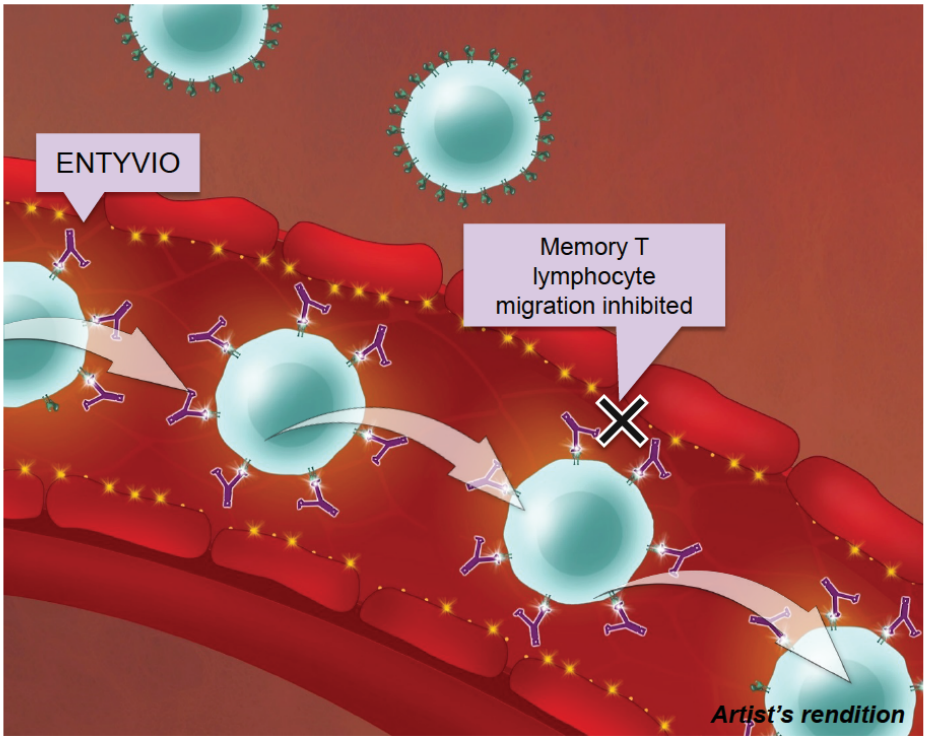
We seek to become the global GI leader via an R&D engine that maximizes a diverse portfolio with ENTYVIO as a cornerstone

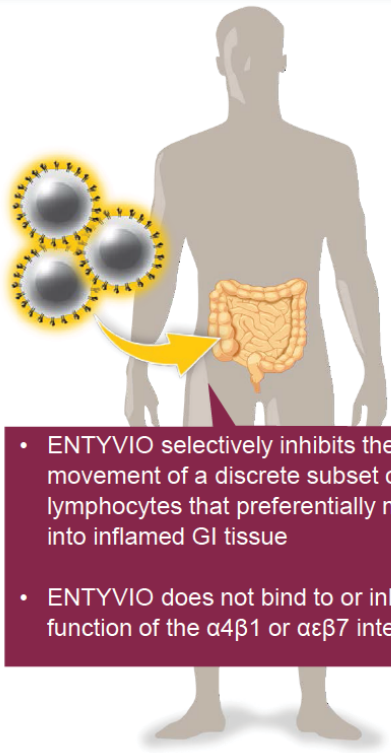
MAXIMIZE	PRIORITIZE	COLLABORATE
CURRENT GI PORTFOLIO	INNOVATIVE SCIENCE	TO BUILD A COMPELLING EARLY STAGE PIPELINE
Entyvio vedolizumab DEXILANT, amitiza, PREVACID SoluTab LANSOPRAZOLE	Entyvio vedolizumab	
• Inflammatory bowel disease (IBD) • Acid related disease • Constipation	• ENTYVIO for oncology-related disease • Next generation IBD • GI drug discovery unit	• Motility disorders • Liver disease • Celiac disease • Microbiome

We have a robust GI portfolio with which we are exploring ways to maximize value

	Phase 1	Phase 2	Phase 3
IBD/ IBD-Related	**ENTYVIO** Humanized monoclonal antibody against α4β7 integrin **IO Colitis** **TAK-828** RORγt inverse agonist Crohn's Disease		**ENTYVIO** Humanized monoclonal antibody against α4β7 integrin **UC/CD JP, SubQ UC/CD Adalimumab H2H**
GI Motility Disorders		**TD-8954** Selective 5-HT4 receptor agonist Enteral Feeding Intolerance	**AMITIZA** Chloride channel activator **New Formulation, Pediatric Constipation**
Acid Disorders		**TAKECAB** Potassium-competitive acid blocker **PPI Partial Responders**	**TAKECAB** Potassium-competitive acid blocker **ARD (Asia)**
Other	**ENTYVIO** Humanized monoclonal antibody against α4β7 integrin **GvHD**		**ENTYVIO** Humanized monoclonal antibody against α4β7 integrin **PSC**

ENTYVIO's specific binding action inhibits lymphocyte trafficking to the inflamed gut, reducing inflammation





- ENTYVIO selectively inhibits the movement of a discrete subset of T lymphocytes that preferentially migrate into inflamed GI tissue
- ENTYVIO does not bind to or inhibit function of the α4β1 or αεβ7 integrins[1]

 1. U.S prescribing information for ENTYVIO

ENTYVIO's current clinical development programs help create significant potential for treatment of IBD

Entyvio® vedolizumab

Nearly 40,000 patients treated	Increasing use as first-line biologic
Approved in 50 countries*	Global submissions ongoing

*As of May 2016

Long-term safety data published in *Gut*	Long-term efficacy data presented at ECCO/DDW	AGA / ECCO recommended as a first-line biologic in UC

European Crohn's and Colitis Organisation (ECCO)

Congress 2016, March 16-19, 2016
Amsterdam, The Netherlands

12 Takeda abstracts

10 Independent ENTYVIO abstracts

Digestive Disease Week (DDW)

May 21-24, 2016
San Diego, California, USA

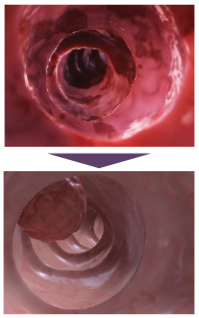
13 Takeda abstracts

18 Independent ENTYVIO abstracts

 UC: Ulcerative colitis; CD: Crohn's disease; AGA: American Gastroenterological Association (AGA),

A robust life cycle program will further ENTYVIO's knowledge base in IBD

Mucosal Healing in Crohn's Disease

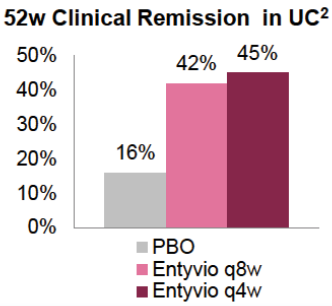


Increasingly considered goal of Crohn's disease therapy since it is associated with improved outcomes[1]

Aligns ENTYVIO dataset with expectations for biologics

Endoscopic remission readout expected in H1 FY2017

Head to Head in Ulcerative Colitis



Landmark study to establish superiority vs anti-TNF

Data could establish ENTYVIO as standard of care for moderate to severe UC

Clinical remission readout expected in H1 FY2018

1. De Cruz et al, Inflamm Bowel Dis. 2013; 19:429-44
2. Feagan et al, New Eng J Med. 2013; 369:699-710

Note: all data readout projections are current estimates and subject to change

A robust life cycle program will further ENTYVIO's knowledge base in IBD

Japan Development

IV formulation pivotal studies for UC and Crohn's

Increasing prevalence of IBD across Japan, especially for Crohn's[1]

Clinical remission readout expected in H1 FY2017

Subcutaneous (SC) Formulation

Patients prefer convenience of SC injection, especially when in remission following IV induction

Randomized placebo controlled studies include Japan

Clinical remission readout expected in H2 FY2018

1. Ng, Wong, and Ng, Intest Res. 2016; 14:111-119

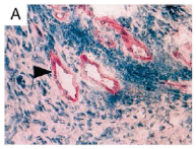
Note: all data readout projections are current estimates and subject to change

Takeda Pharmaceutical Company Limited

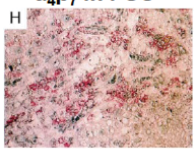
A robust life cycle program will further ENTYVIO's knowledge base in IBD

Primary Sclerosing Cholangitis (PSC)

MAdCAM1 in PSC[1]



$\alpha_4\beta_7$ in PSC[1]



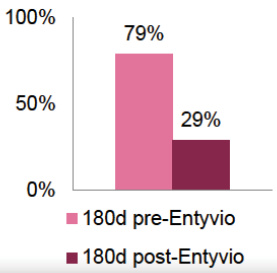
Significant liver disease often seen alongside UC

$\alpha_4\beta_7$ mediated trafficking is proposed to cause hepatic complications[2]

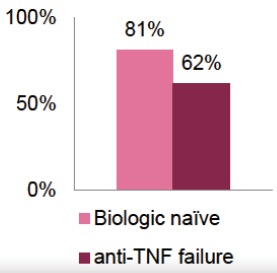
Histology readout expected in FY2021

Real World Evidence Generation

Corticosteroid use[3]



ENTYVIO Persistency at 6 months[4]



Reflects real world experience to address important scientific questions about ENTYVIO use for IBD

>6,000 patients currently being studied

1. Grant et al, Hep. 2001; 33:1065-1072
2. Adams and Eksteen, Nat Rev Immunol. 2006; 6:244-51
3. Raluy et al, J of Crohn's and Colitis, 2016; 10:S238
4. Raluy et al, J of Crohn's and Colitis, 2016; 10:S173-4

Note: all data readout projections are current estimates and subject to change

ENTYVIO's mechanism of action could have use in oncology for intestinal graft-versus-host disease (GvHD)

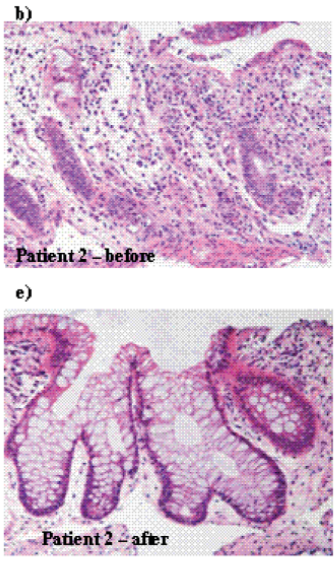
Rationale

- $\alpha_4\beta_7$ plays an essential role in T trafficking that leads to intestinal acute graft versus host disease (GvHD)

Evidence to date

- Increase of $\alpha_4\beta_7$ on peripheral T cells and intestinal infiltrate in intestinal GvHD[1]
- Small open-label case series in steroid refractory patients suggests activity[2]

Vedolizumab treatment of SR intestinal GvHD[3]



1. Chen YB et al. Biol Blood Marrow Transplant. 2009; 15:1066-76
2. Lundin et al. Inflam Bowel Dis. 2016; 22:S30-31
3. Floisand et al. Blood 2015; 126:3137

ENTYVIO could also play a role in supportive care for immuno-oncology (IO) therapy related colitis

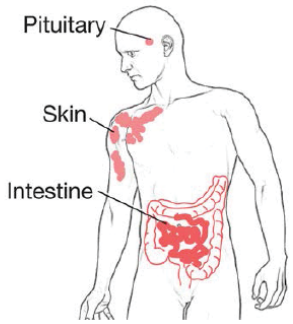
Reducing immune related GI toxicities

- IO biologic treatment results in significant overall survival benefit[1]
- Immune-related adverse events such as diarrhea and colitis limit treatment duration
- Addressing GI symptoms offers potential for completing therapy and, possibly, increasing survival

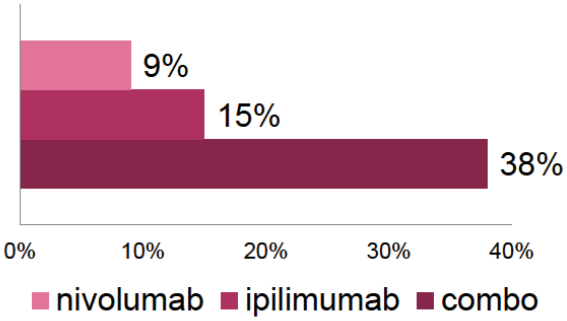
Proof of concept in advanced melanoma

- First patient in during H1 FY2016

IO Adverse Events[2]



IO Treatment Discontinuation[3]



1. Postow et al, AACR Meeting 2016, Abstract CT002
2. Mellman et al, Nature 2011; 480:480-89
3. Larkin et al, New Eng J Med. 2015; 373:23-34

TAKECAB is expanding its ability to address patient needs for acid related diseases

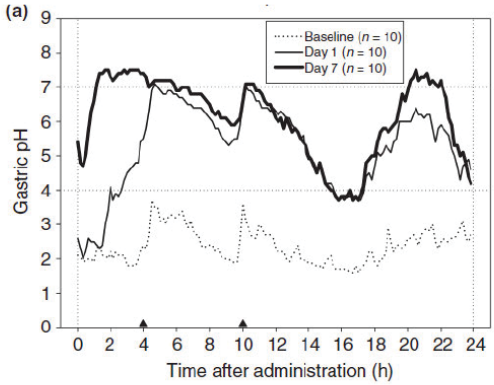
Current approvals

- Rapid, long-lasting acid neutralization resulted in approval for 7 indications in Japan

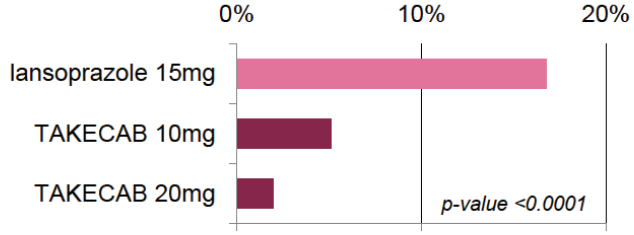
Future clinical studies

- Data on superior symptom control in severe GERD patients only partially responsive to PPI expected FY2017
- Healing and prevention of relapse in erosive esophagitis (EE) in China/Asia expected to finish in H2 FY2018

TAKECAB pH Profile[1]



EE recurrence rate at week 24[2]



As per protocol testing, non-inferiority of TAKECAB10mg and 20mg to lansoprazole 15mg was confirmed. Post hoc analysis for superiority showed difference in favor of TAKECAB*

*TAKECAB 20mg vs. lansoprazole P<0.0001, TAKECAB 10mg vs. lansoprazole P=0.0002; Fisher exact test exact test

1. Sakurai et al, Aliment Pharmacol Ther. 2015; 42:719-30
2. Umegaki et al, Gastro. 2014: 146:S738

We are building an early stage GI portfolio in which we are prioritizing high science and unmet medical need

	Phase 1	Phase 2	Phase 3
IBD/ IBD-Related	ENTYVIO Humanized monoclonal antibody against α4β7 integrin IO Colitis **TAK-828** RORγt inverse agonist Crohn's Disease		ENTYVIO Humanized monoclonal antibody against α4β7 integrin UC/CD JP, SubQ UC/CD Adalimumab H2H
GI Motility Disorders		**TD-8954** Selective 5-HT4 receptor agonist Enteral Feeding Intolerance	AMITIZA Chloride channel activator New Formulation, Pediatric Constipation
Acid Disorders		TAKECAB Potassium-competitive acid blocker PPI Partial Responders	TAKECAB Potassium-competitive acid blocker ARD (Asia)
Other	ENTYVIO Humanized monoclonal antibody against α4β7 integrin GvHD		ENTYVIO Humanized monoclonal antibody against α4β7 integrin PSC

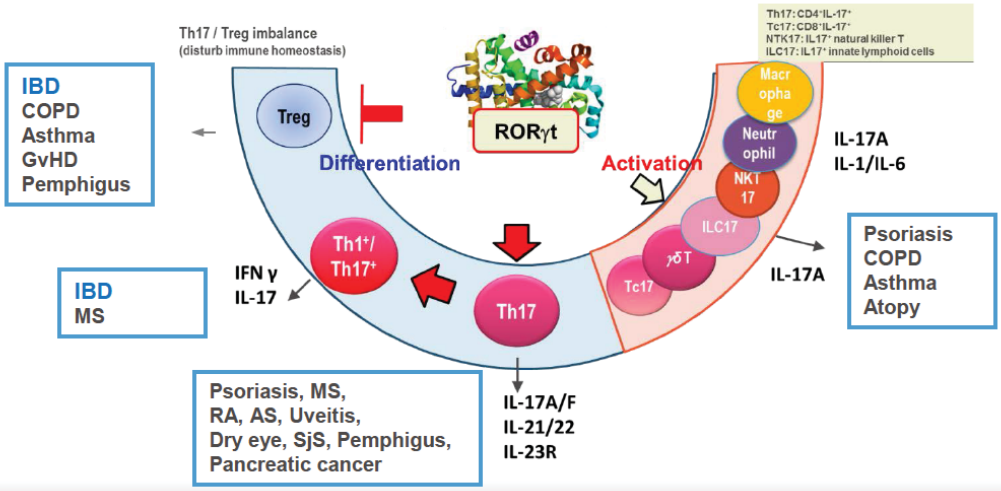
TAK-828 is a first in class molecule for IBD that offers potential to restore immune balance

TAK-828 Rationale

- RORγt plays a critical role in TH17 cell driven immunity via IL17, IL23
- Clinical proof of concept in psoriasis

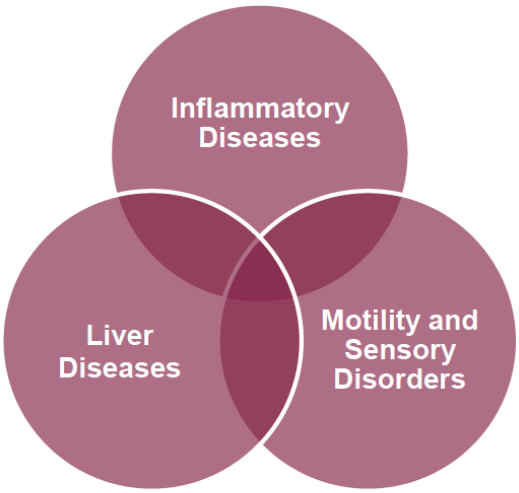
2016 Milestones

- Phase 1 Single Dose completed
- Initiation of Ph1b Multiple Dose Study in H1 FY2016



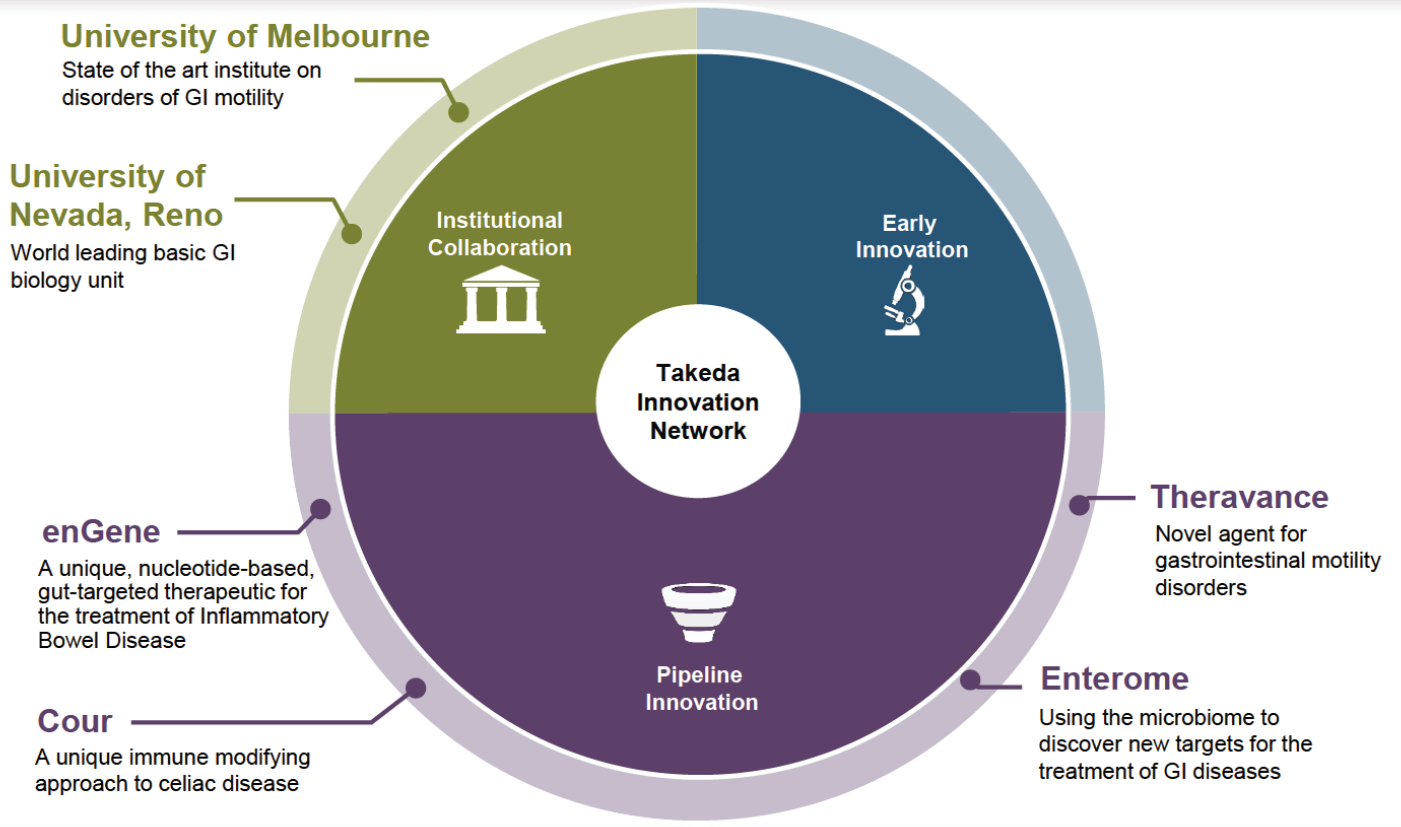
As part of Takeda's R&D strategy, GI has built an externally facing Drug Discovery Unit to accelerate promising programs

- Newly created, highly matrixed drug discovery unit with a strong external focus
- Prioritizes collaboration over infrastructure
- Broad base conducive to new target ID and access to state of the art technology
- Emphasizes modality diversification



>75% of Takeda GI discovery investment is external facing

Exciting partnerships established in FY2015 are providing access to cutting-edge modality diversification



Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- Oncology
- Gastroenterology (GI)
- **Central Nervous System (CNS)** — ***Presented by Emiliangelo Ratti***
- Vaccines

Summary

Our focus in CNS is on patients with neuropsychiatric disorders who have no adequate treatments

Our current pipeline focuses on:

Schizophrenia

Cognitive Impairment Associated with Schizophrenia (CIAS) & Negative Symptoms

Depression

Treatment Resistant Depression (TRD)

Selected Neurological Diseases

Assets primarily progressed through external partnerships

We are addressing past R&D challenges in CNS

Targets with high association to the disease pathophysiology

Novel digital technology to improve trial efficiency & generate payer–relevant outcomes

Poor disease biology understanding

Operational challenges (failed trials)

CNS historical challenges

Heterogeneous patient populations

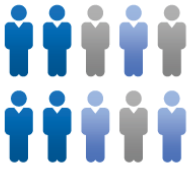
Low precision of clinical endpoints

Disease Biomarkers to select more **homogeneous sub-populations**

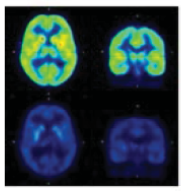
Sub-domain specific endpoints based on deconstruction of complex diseases

Our approach to developing new medicines is deeply rooted in translational science and precise clinical assessment

PATIENT SUBPOPULATIONS
SUBDOMAIN APPROACH
BIOLOGICAL MARKERS
DIGITAL HEALTH MEASURES

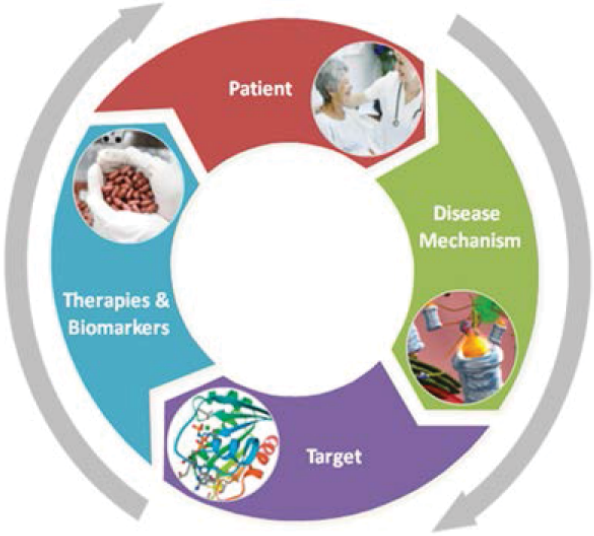


PRECISE CLINICAL ASSESSMENT



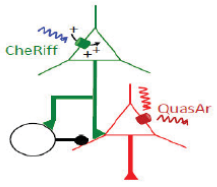
CLINICAL BIOMARKERS
TARGET OCCUPANCY

EFFECTIVE MEDICINE

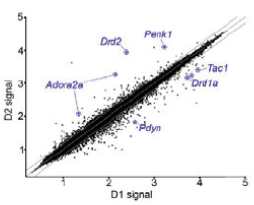


OPTIMAL THERAPEUTIC MOLECULE

CLINICAL OBSERVATIONS
DISEASE GENETICS
PATIENT IPSC
BIOINFORMATICS



HIGH QUALITY TARGETS



PHENOTYPIC SCREENING
BacTrap ANALYSIS

We will build on TRINTELLIX[1] and leverage internal and external innovation to accelerate our CNS early pipeline

MAXIMIZE	PRIORITIZE	COLLABORATE
Trintellix™ vortioxetine tablets		
Strengthen position in MDD Further establish cognitive benefit in MDD and beyond	Prioritize the best science Leverage human patient data Robust translational package De-risk early pipeline in selected subpopulations	Capture external innovation Accelerate CNS pipeline development

MDD: major depressive disorder
1 TRINTELLIX was formerly known as BRINTELLIX. Co-developed with H. Lundbeck A/S

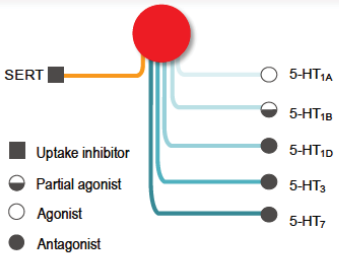
Our near-term focus is on maximizing TRINTELLIX and expanding our CNS presence in Japan with AZILECT

	Phase 1	Phase 2	Phase 3
Psychiatry	TAK-831 DAO inhibitor CIAS; Neg Symptoms SCZ; Ataxia TAK-058 5-HT3 receptor antagonist CIAS TAK-041 GPR139 agonist CIAS; Neg. Symptoms SCZ TAK-653 AMPA receptor potentiator Treatment Resistant Depression	TAK-063 PDE10 inhibitor Schizophrenia **TRINTELLIX** Multimodal anti-depressant **ADHD**	AD-4833 TOMM40 Mitochondrial growth modulator Delay of MCI **TRINTELLIX** Multimodal anti-depressant **Major Depressive Disorder**
Neurology	TAK-071 M1 PAM LBD; AD TAK-915 PDE2A inhibitor LBD; AD TAK-935 CH24H Inhibitor Epilepsy/ EE		**AZILECT** MAOB inhibitor **Parkinson's Disease - JP**

TRINTELLIX is an effective antidepressant with demonstrated cognitive benefit

Differentiated Mechanism

- **SSRI +** direct effect on **serotonin receptors**
- Modulates a range of neurotransmitter systems implicated in cognitive processing



Cognitive Dysfunction in Depression – Major Unmet Need

- Typically **inadequately addressed/treated** by standard therapies for depression
- **~ 2/3 of depressed patients** – associated with disability in functioning, greater severity of illness and increased disease burden

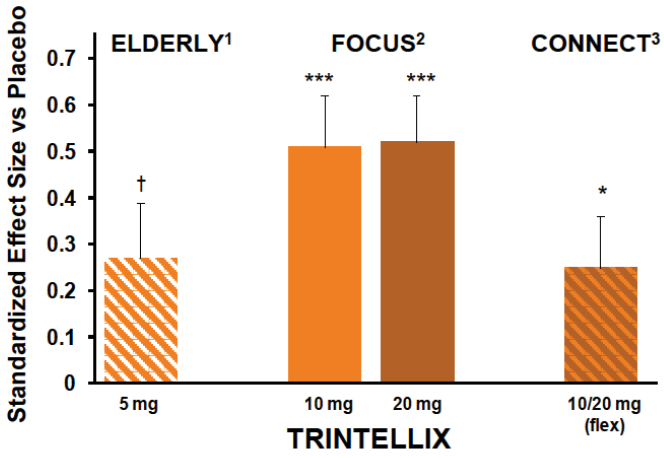
Cognitive Dysfunction in Depression – Efficacy

- **TRINTELLIX has demonstrated efficacy** in cognitive dysfunction and functional capacity in patients with depression

SSRI: selective serotonin reuptake inhibitor

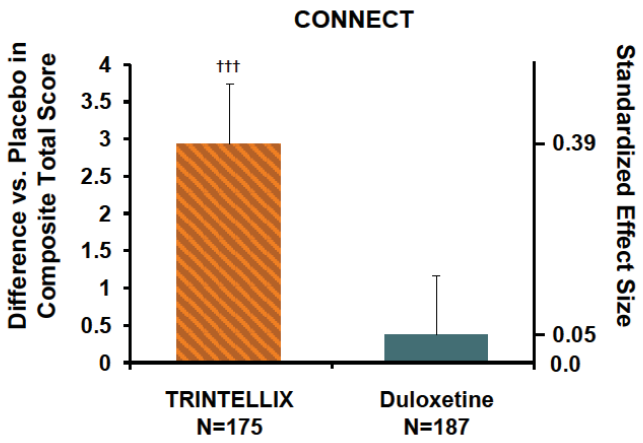
TRINTELLIX improves cognitive performance and functional capacity in depression

Effect on DSST Cognitive Performance



*p<0.05, ***p<0.001 vs placebo, nominal † p<0.05 vs placebo;

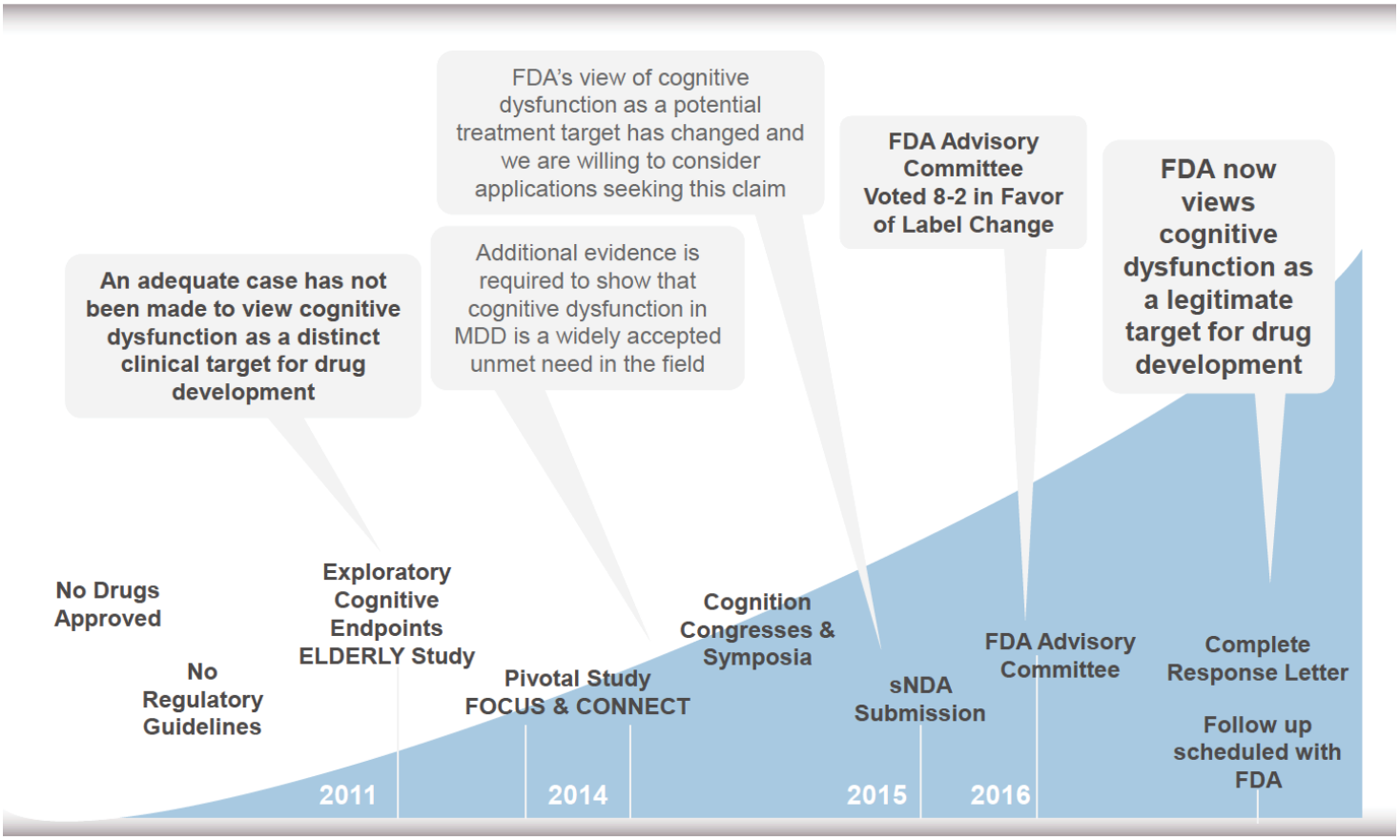
UCSD Performance-Based Skills Assessment (UPSA)



††† p<0.001 vs placebo

1 C Katona et al. Int Clin Psychopharmacol 27 (2012) p215-223
2 Roger S. McIntyre at al. Int J Neuropsychopharmacol. 2014 Oct; 17(10): 1557–1567
3 Atul R Mahableshwarkar et al. *Neuropsychopharmacology* (2015) 40, 2025–2037

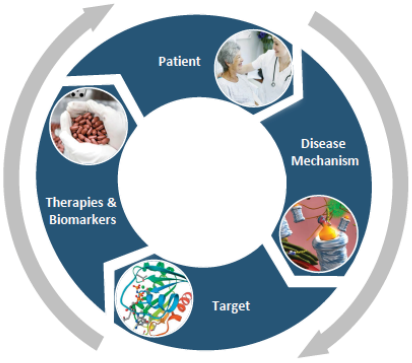
We are pioneering the understanding of cognitive dysfunction in depression with TRINTELLIX



Our CNS discovery engine has delivered an innovative early portfolio pipeline of NMEs

	Phase 1	Phase 2	Phase 3
Psychiatry	**TAK-831** DAO inhibitor CIAS; Neg Symptoms SCZ; Ataxia	**TAK-063** PDE10 inhibitor Schizophrenia	**AD-4833 TOMM40** Mitochondrial growth modulator Delay of MCI
	TAK-058 5-HT3 receptor antagonist CIAS	TRINTELLIX Multimodal anti-depressant ADHD	TRINTELLIX Multimodal anti-depressant Major Depressive Disorder
	TAK-041 GPR139 agonist CIAS; Neg. Symptoms SCZ		
	TAK-653 AMPA receptor potentiator Treatment Resistant Depression		
Neurology	**TAK-071** M1 PAM LBD; AD		AZILECT MAOB inhibitor Parkinson's Disease - JP
	TAK-915 PDE2A inhibitor LBD; AD		
	TAK-935 CH24H inhibitor Epilepsy/ EE		

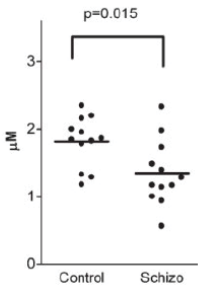
TAK-831, a D-Amino Acid Oxidase Inhibitor (DAOi), a potential innovative treatment for cognitive and negative symptoms in schizophrenia



Patient Data Led to the Identification of DAO

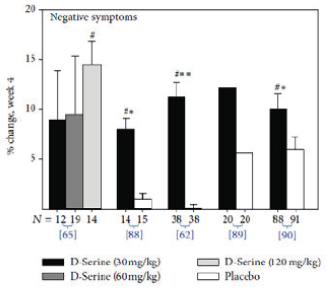
Target with a High Degree of Association with the Human Disease Pathophysiology

Lower levels of D-Serine in SCZ patients



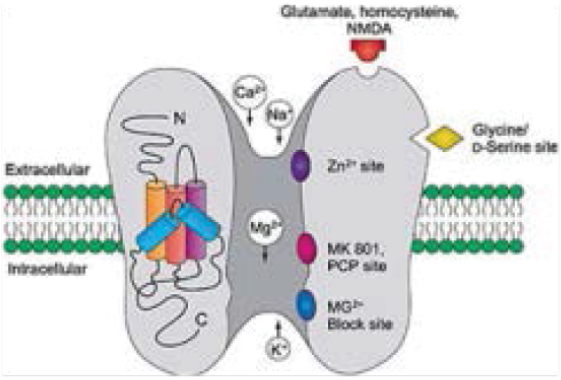
Bendikov et al 2007

D-Serine Improves Neg. Symptoms in SCZ

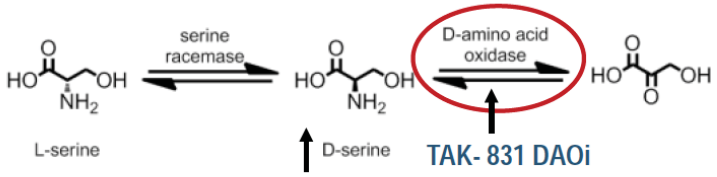


Durrant et al 2014

NMDA Hypo Function Hypothesis



Target: D-Amino acid Oxidase (DAO)



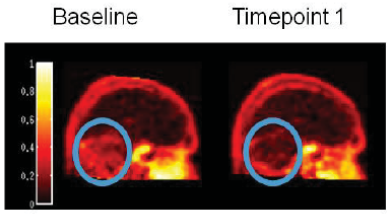
TAK-831 has a robust preclinical and translational biomarker package to support evaluation in patient sub-population

TAK- 831, potent and selective DAOi

- PK/PD of D-Serine Plasma and Brain levels
- Efficacy in a range of preclinical models of Schizophrenia

Translational Biomarker Package

- PK/PD of D-Serine Plasma and CSF levels
- PET Receptor Occupancy
- EEG (mismatch negativity)



PoC Study in biomarker-enriched Schizophrenia patient sub-population

We are committed to being a global player in CNS

Long-Term

Near / Mid-Term

Innovation-driven growth

Expand psychiatry/ build neurology

TRINTELLIX innovation

Psychiatry	• Expand TRINTELLIX • Progress early psychiatry pipeline
Neurology	• Partnership/co-development • Create anchor in Neurology

Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- Oncology
- Gastroenterology (GI)
- Central Nervous System (CNS)
- **Vaccines** — ***Presented by Rajeev Venkayya***

Summary

Our vaccine business is leveraging world-class capabilities to address important priorities in global public health

MAXIMIZE

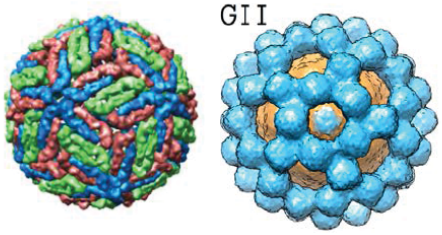
WIN IN JAPAN

Maximize the potential of the only fully integrated vaccine business in Japan

VaxemHib (TAK-816)
Varicella
Pandemic Influenza
Seasonal Influenza (TAK-850)

PRIORITIZE

DELIVER PIPELINE



Dengue virus *Norovirus*

Advance one of the most exciting late-stage pipelines in the industry, targeting more than one billion infections/year

Dengue (TAK-003)
Norovirus (TAK-214)

COLLABORATE

ADDRESS GLOBAL NEEDS

BILL & MELINDA GATES *foundation*

Leverage manufacturing technologies to expand capacity and achieve impact in all regions

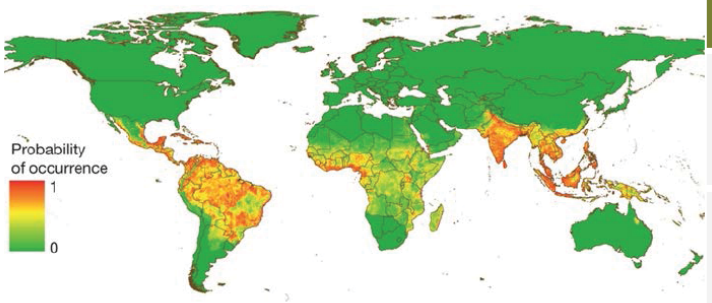
Polio (TAK-195)[1]

Our pipeline tackles high-impact infectious diseases

	Prophylactic Vaccines for Infectious Diseases		
	Phase 1	Phase 2	Phase 3
Dengue		TAK-003 Dengue	
Norovirus		TAK-214 Norovirus	
Seasonal Influenza		TAK-850 Influenza	
Enterovirus 71	TAK-021 Enterovirus 71		
Sabin-strain Inactivated Polio Vaccine	TAK-195* sIPV →		

*TAK-195 is still pre-clinical; Phase 1 start expected in Q4 FY2016

Dengue: "The Most Important Mosquito-Borne Viral Disease"[1]



TAK-003: Tetravalent Dengue Vaccine Candidate

Stage
- Phase 2 demonstrated safety & immunogenicity to all four serotypes in endemic and naïve populations
- Phase 3 to begin in 2016: pivotal efficacy trial in multiple countries across Latin America and Asia

Profile
- Aimed at prevention of dengue fever of any severity due to any serotype
- Injectible, live attenuated vaccine engineered to elicit broad protection against all four virus types

3.9 billion at risk for dengue infection with 400 million infections each year
More than 40% of the world's population[2] in 128 countries are at risk

Growing Global Threat
Transmission is expanding in the US, Japan and Southern Europe. The Tokyo outbreak of 2014 was first in Japan since 1945

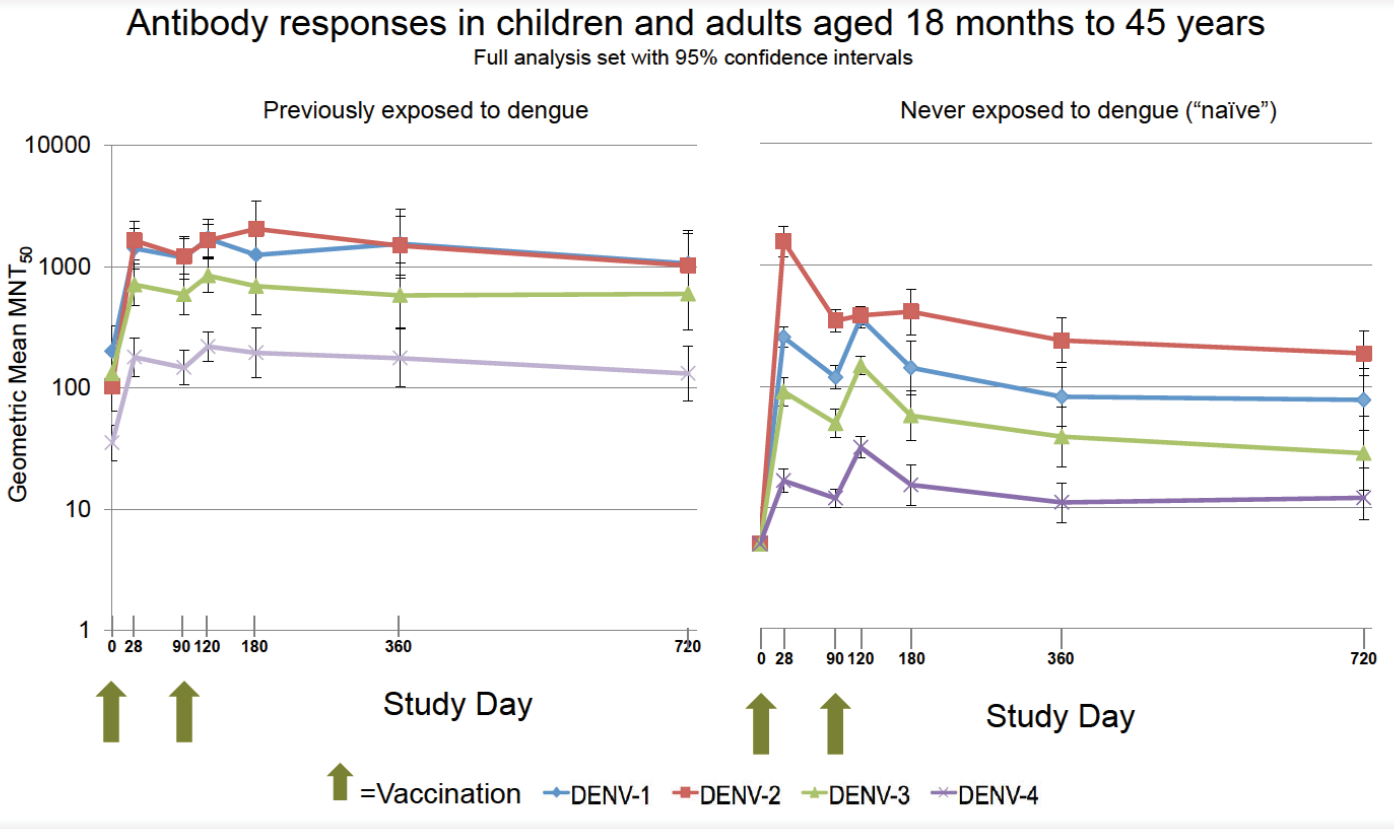
Demand for Vaccine
There remains a need for a vaccine that is safe and effective against all four strains of dengue, and in all populations[3]

1.http://www.who.int/whr/1996/media_centre/executive_summary1/en/index9.html;
2. www.who.int/topics/dengue/en;
3. http://www.who.int/wer/2016/wer912/en/; 4. Map: Nature 496; 504-507 (25 April 2013)

TAK-003 could address important unmet needs in dengue prevention

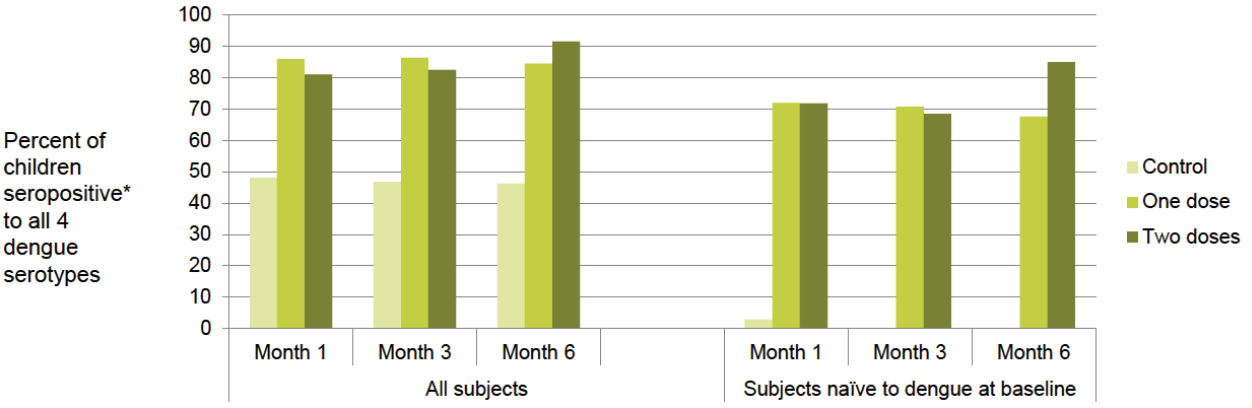
- All four vaccine strains in TAK-003 are based on the Dengue Type 2 virus
- TAK-003 induces sustained antibody responses to all four dengue strains, in both naïve and previously-exposed populations
- The dengue virus backbone induces cell-mediated immune responses to all dengue proteins, which could play a role in protection
- The proposed schedule (two doses over three months) would be suitable for all populations, including naïve travelers to dengue-endemic regions
- Thus far, TAK-003 has demonstrated an acceptable safety profile in all populations evaluated

TAK-003 induces a sustained antibody response to all strains of dengue in all populations, which persists for at least two years[1]



TAK-003 induces broad antibody responses in subjects after two doses administered over three months[1]

Antibody responses to all four strains of dengue, in children aged 2 to 18

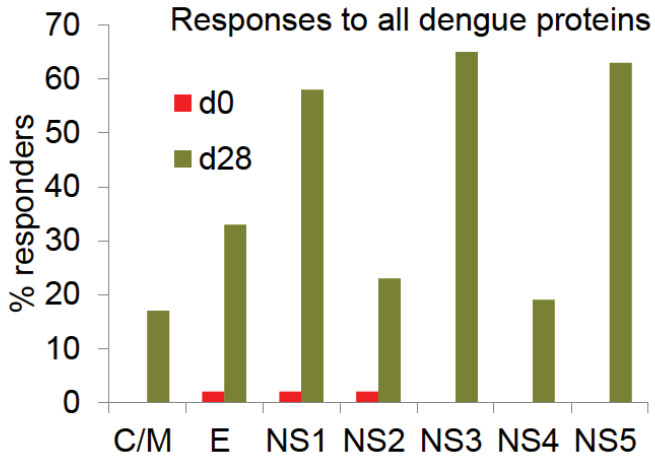


- More than 90% of children (naïve or previously exposed to dengue) develop or get a boost to neutralizing antibody responses to all 4 dengue serotypes after 2 doses of TAK-003
- Approximately 95% of naïve individuals develop responses to at least 3 of the 4 dengue serotypes after a single dose of TAK-003

*seropositive = MNT_{50} titer ≥ 10

1. Wallace, PanAmerican Dengue Research Network Meeting, 2016

TAK-003 induces broad cellular immune responses due to the dengue virus backbone

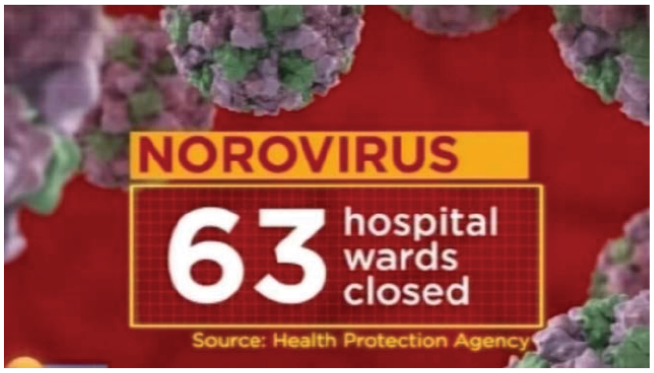


Study conducted by Walter Reed Army Institute of Research (WRAIR)

- Cell-mediated immunity (CMI) may play a role in protection against dengue infection[1,2]
- TAK-003 stimulates CMI to all dengue proteins[3],due in part to the dengue backbone
- TAK-003 induces cellular immune responses to at least one dengue protein in >95% subjects[3]

1. Hatch et al. 2011 J. Inf Dis 203:1282; 2. Weiskopf et al. 2013 PNAS 110:E2046, doi:10.1073/pnas.1305227110; 3. Currier et al. 2016 Pan American Dengue Research Network meeting

Norovirus: Leading Cause of Gastroenteritis Worldwide[1]



TAK-214: Norovirus Vaccine Candidate	
Stage	• Phase 2 studies have demonstrated safety, immunogenicity and potential for efficacy. • Phase 2b field efficacy study to begin shortly, results expected in 2018.
Profile	• First-in-class vaccine candidate to protect against norovirus, the most advanced in clinical development • Injectable formulation of proteins that mimic outer shell of virus, designed for protection across strains

Each year, norovirus causes **more than 600 million cases of diarrheal illness**, over 200,000 deaths and a global economic burden of more than $60 billion[1,2]

Leading Cause of Gastroenteritis Worldwide
Safe and effective vaccine is in demand by pubic health agencies[3]

Zero Vaccines
No vaccines are currently available, and Takeda's vaccine is the only product in clinical trials

 1. Lopman BA, 2016; 2. Bartsch SM 2016; 3. Patel MM J, Clin Virol, 2009

Agenda

Building on our heritage

Recognizing increasing demand for innovation

Four major components in our strategy for focused world class R&D

- Focus our Therapeutic Areas
- Optimize our Pipeline
- Enhance our Capabilities
- Transform our Culture

Therapeutic area R&D strategy highlights

- Oncology
- Gastroenterology (GI)
- Central Nervous System (CNS)
- Vaccines

Summary

Summary

- We recognize the increasing demand for innovation to develop medicines that meet patient and payer needs
- Our strategy for focused world class R&D is patient-centric and science-driven, as we focus our therapeutic areas, optimize our pipeline, enhance our capabilities and transform our culture
- R&D success is a pillar of Takeda's strategic roadmap that will deliver the long-term aspiration to be recognized as best in class because of agility and innovation, qualities that help us build a steady pipeline and deliver growth

Glossary of Abbreviations

AD	Alzheimer’s disease
ADC	antibody drug conjugate
ADHD	attention deficit hyperactivity disorder
ARD	acid-related diseases
ASCT	autologous stem cell transplant
BTK	Bruton's tyrosine kinase
CD	Crohn's disease
CIAS	cognitive impairment associated with schizophrenia
CLL	chronic lymphocytic leukemia
CNS	central nervous system
COPD	chronic obstructive pulmonary disease
CRL	complete response letter
CSF	cerebrospinal fluid
CTCL	cutaneous T Cell Lymphoma
DLBCL	diffuse large B-cell lymphoma
EEG	electroencephalogram
FLHL	front line Hodgkin's lymphoma
GI	gastrointestinal
GvHD	graft versus host disease
H2H	head to head
HCTZ	hydrochlorothiazide
HL	Hodgkin's lymphoma
HR MDS	high risk myelodysplastic syndromes
IBD	inflammatory bowel disease
iNHL	indolent non-Hodgkin lymphoma
IO	immuno-oncology
LBD	Lewy Body Dementia
mAb	monoclonal antibodies
MAOB	monoamine oxidase B
MCI	mild cognitive impairment
MCL	mantle cell lymphoma
MDSC	myeloid-derived suppressor cells
MM	multiple myeloma
MS	multiple sclerosis
MTCL	mature T-cell lymphoma
Neg	negative
NSCLC	non-small cell lung cancer
PD-1	programmed cell death protein 1
PET	positron emission tomography
PPI	proton pump inhibitor
PSC	primary sclerosing cholangitis
PTLD	post transplant lymphoproliferative disorder
R/R	relapsed/refractory
RA	rheumatoid arthritis
RCC	renal cell cancer
SCLC	small cell lung cancer
SCT	stem cell transplant
SCZ	schizophrenia
sIPV	sabin inactivated polio vaccine
SjS	Sjögren's syndrome
SSRI	serotonin-specific reuptake inhibitors
SubQ	subcutaneous formulation
T2DM	type 2 diabetes mellitus
UC	ulcerative colitis