



## Strategic Update

Christophe Weber  
President & Chief Operating Officer

October 30, 2014

**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.



**Takeda Pharmaceutical Company Limited**

- I. Strategic roadmap  
Global organization
- II. Sustaining sales growth
- III. Leadership in Oncology and  
Gastroenterology (GI), ENTYVIO® launch

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- **Takeda-ism**

*Patient → Trust → Reputation → Business*

- **Patient and customer centricity**

- **Global and agile organization fostering talent**

- **Focused world class innovation engine (R&D)**

- **Sustaining sales growth**

*Innovation with leadership in GI & Oncology  
Leverage value brands in Emerging Markets*

- **Financial discipline**

**Profitable  
Growth &  
Creation of  
Shareholder  
Value**

## Global One Takeda

***Become a more agile,  
best-in-class global pharmaceutical company  
focused on customers and patients***

- *Values based*
- *Agile*
- *Simple, with clear accountabilities*
- *Patient- and customer-centric*
- *Talent development and diversity champion*



**Takeda-ism** is our foundation as we focus on:

**1<sup>st</sup>**

**PUT THE  
PATIENT AT THE  
CENTER**

**2<sup>nd</sup>**

**BUILD TRUST  
WITH SOCIETY**

**3<sup>rd</sup>**

**REINFORCE OUR  
REPUTATION**

**4<sup>th</sup>**

**DEVELOP THE  
BUSINESS**

## Takeda's strengths and areas of improvement

### What we possess - Takeda assets / strengths

- Takeda-ism
- Dedicated and talented employees
- Attractive late stage pipeline assets
- Leading position in Japan
- Global reach
- Long-term perspective

### What we need to improve

- Patients and customer centricity
- Organization – clear accountability / ownership
- Way we work – to achieve “Global One Takeda”
- Business focus on growth drivers
- Talent development and diversity
- Financial performance





## FOUR Therapeutic Areas Units in R&D

- Gastroenterology (GI)
- Oncology
- Central Nervous System (CNS)
- Cardiovascular/Metabolic (CVM)



## TWO Global Specialty Business Units

- Oncology
- Vaccine (incl. R&D)



## FIVE Regional Business Units

- Japan Pharmaceuticals
- Emerging Markets
- U.S.
- EUCAN
- Japan Consumer Healthcare

## Global Manufacturing & Quality Business Partner organization

Note: Business Partners are G&A functions including funding principles, reporting lines, at global, regional, and local levels

# Takeda's executive team



**Yasuchika Hasegawa\*\***  
Chairman & CEO



**Christophe Weber\*\***  
President & COO



**Shinji Honda\***  
Corporate Strategy  
Officer



**Masato Iwasaki\***  
President  
Japan Pharmaceuticals BU



**Francois-Xavier  
Roger\***  
Chief Financial Officer



**Tachi Yamada\***  
Chief Medical and  
Scientific Officer



**Christophe Bianchi**  
President  
Global Oncology BU



**Doug Cole**  
President  
US Business Unit



**Gerard Greco**  
Global Quality Officer



**Haruhiko Hirate**  
Corporate  
Communications and  
Public Affairs Officer



**Yoshihiro Nakagawa**  
Global General  
Counsel



**David Osborne**  
Global Human  
Resources Officer



**Giles Platford**  
President  
Emerging Markets BU



**Trevor Smith**  
President  
EUCAN BU  
(until successor nominated)



**Rajeev Venkayya**  
President  
Global Vaccine BU



**Thomas Wozniowski**  
Global Manufacturing  
and Supply Officer

\*Takeda Board member

\*\*Board member and representative director

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## Two powerful growth engines



### **INNOVATIVE PRODUCTS**

*4 THERAPEUTIC AREAS and VACCINES*

*US, Europe, Japan and Emerging Markets*

### **VALUE BRANDS**

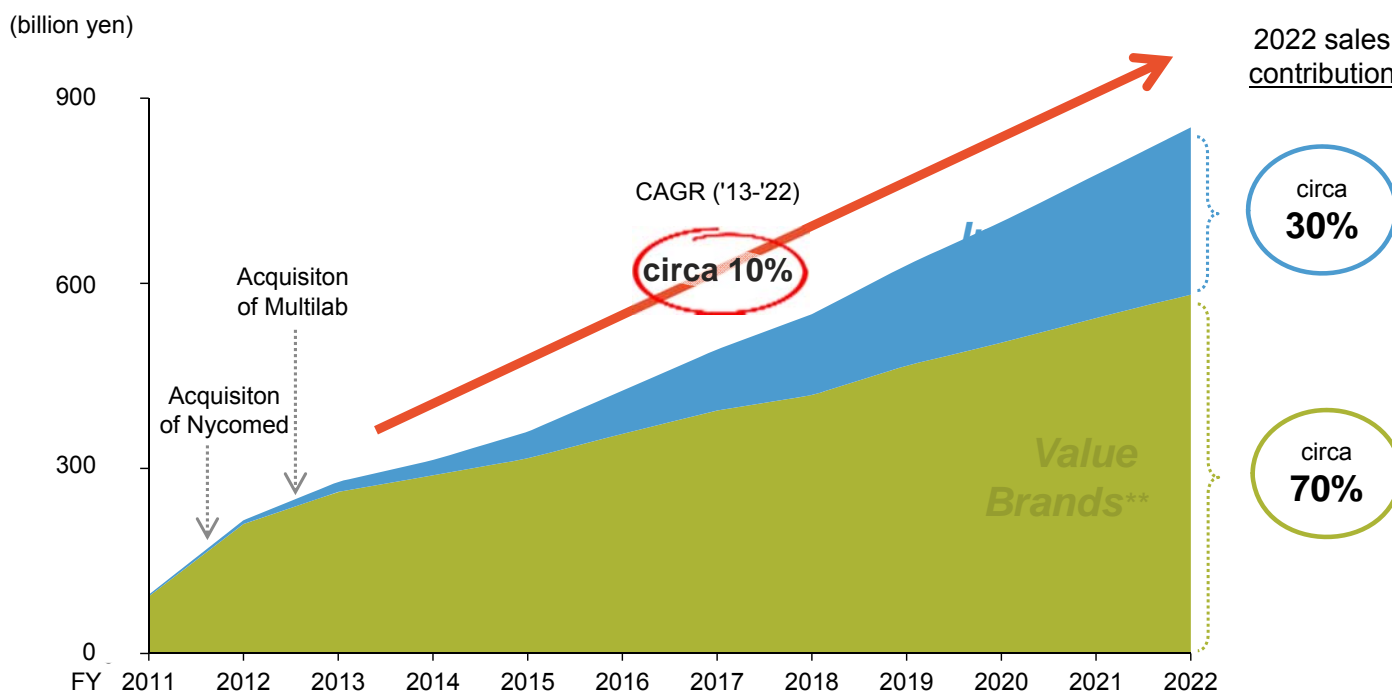
*BRANDED GENERICS and OTC*

*Emerging Markets*

# Emerging markets: Value Brands are a strong foundation to launch innovative products



## Expected sales in Emerging Markets



Notes: \*Innovative product launches, risk adjusted. \*\*Value brands include off-patent originals, branded generics, and OTC products in EM.

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## Promising portfolio that is increasingly focused, innovative and global



New Product Approvals	Global products					
	Oncology	CNS	CVM	GI	Vaccine	Other TA
FY2008-2012	ADCETRIS®	REMINYL®	NESINA®	DEXILANT®		COLCRYS®
	VECTIBIX®		AZILVA®			ULORIC®
			EDARBI®			ALVESCO®
			LOTRIGA®			DAXAS®
FY2013-2017	ixazomib	BRINTELLIX®	CONTRACE®	ENTYVIO®	Norovirus	
	alisertib	LATUDA®	trelagliptin	vonoprazan		
	motesanib	TAK-375SL				
FY2018-2022	MLN0264	AD-4833/ TOMM40		TAK-114	TAK-003 Dengue	
	relugolix					
	MLN0128					

Above listed products and pipeline assets are only those in Phase 2 or later and have the most substantial financial expectations.

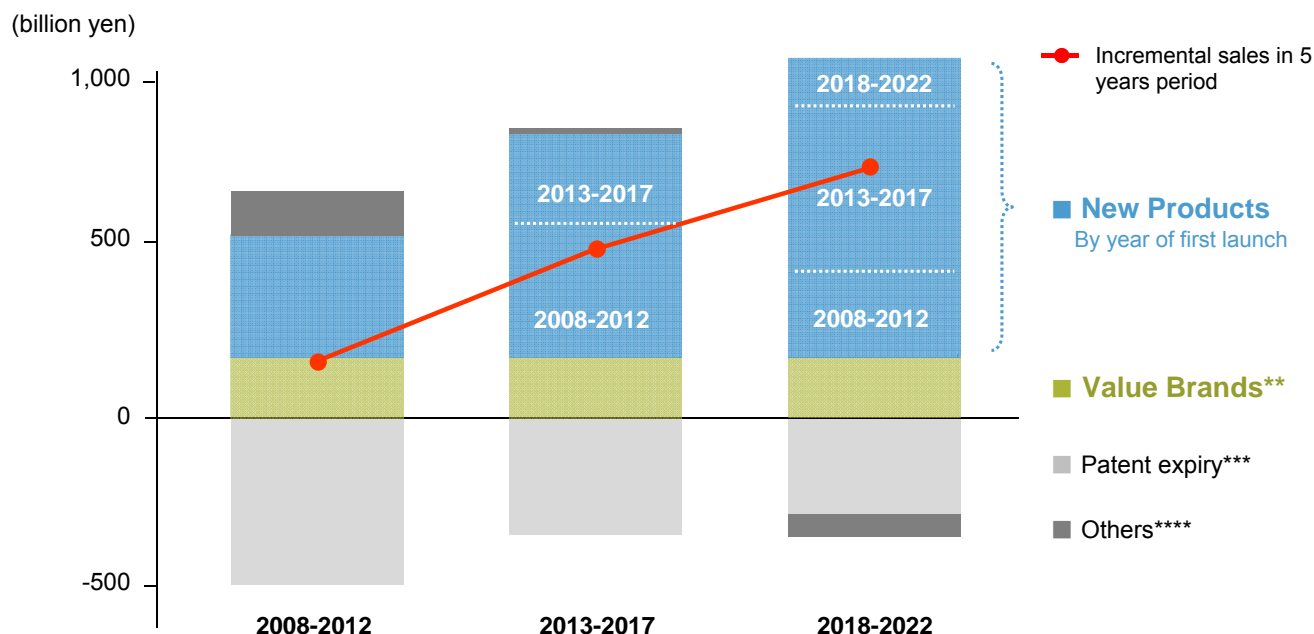
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Takeda Pharmaceutical Company Limited

# New product launches and value brands outpace significantly LOE impact



## Sales variation\* by period (5 fiscal years)

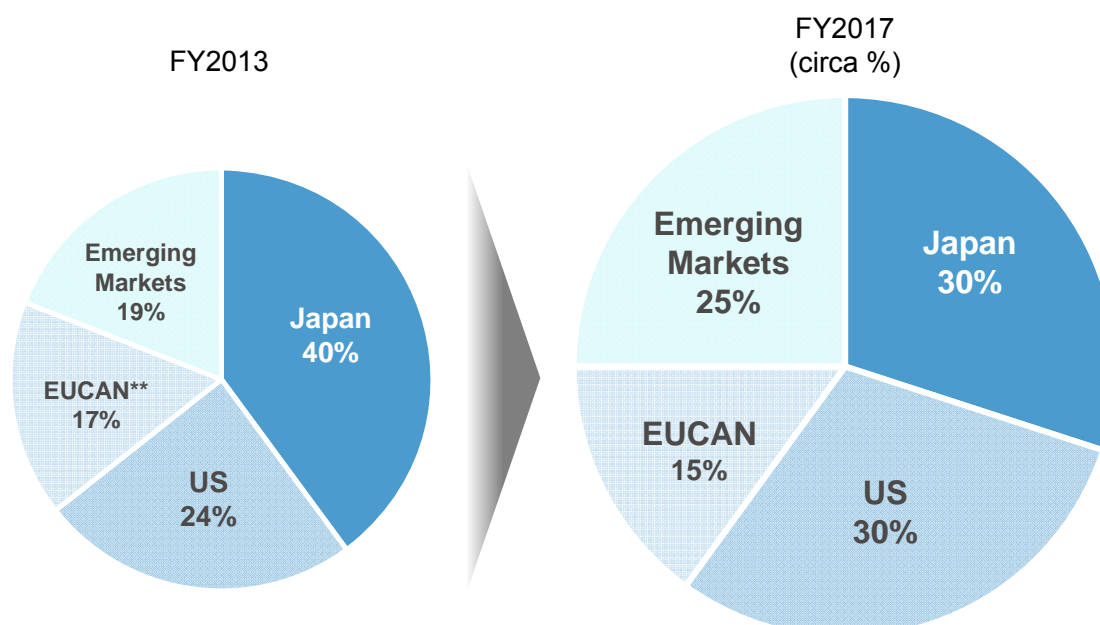


\* The sales impact shown in each period is calculated as the aggregate sales growth of that category of products compared to the year prior to the period. New products and Value brands categories include sales from acquired companies. Sales figures are risk-adjusted. \*\* Value brands include off-patent originals, branded generics, and OTC products in EM. \*\*\* The patent expiry category includes the sales loss of off-patent originals. \*\*\*\* The others category includes products approved before FY2007, products from the TAP integration in FY2008, Japan OTC, non-pharmaceutical businesses, license revenue, etc.

# More balanced geographic footprint over time



## Region contribution to sales\*



\*Sales from Japan OTC, non-pharmaceutical businesses, etc. are excluded from the calculation \*\*EUCAN includes Europe and Canada



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## Takeda Oncology



- Strong market positions  
FY13 Sales: ¥294 billion
- 40% of direct R&D spending
- Key late stage pipeline asset:  
Ixazomib

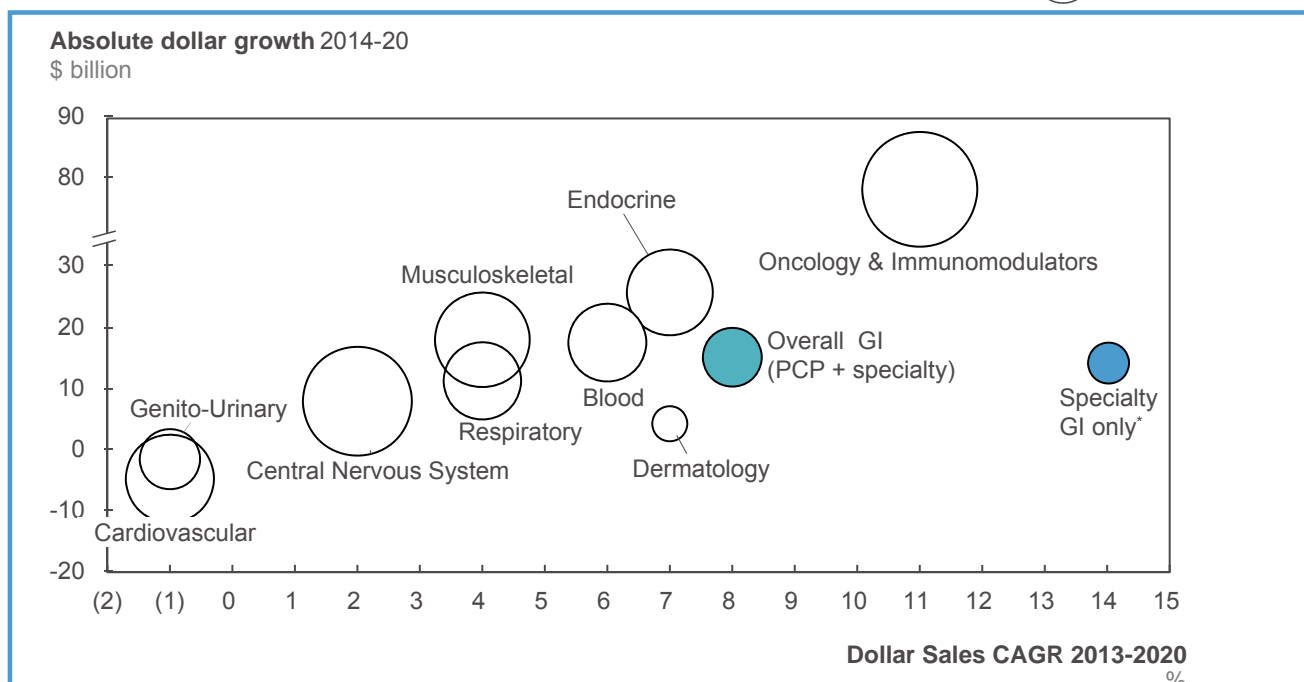


# GI: A fast growing market



Worldwide, 2014-2020

○ Total dollar sales 2014



\*Defined as IBD and HPB sub-TAs and select specialty GI indications within motility (e.g., IBS, gastroparesis, functional dyspepsia)  
SOURCE: 2014 EvaluatePharma data, Evaluate Ltd., [www.evaluategroup.com](http://www.evaluategroup.com); team analysis

## Takeda is a global GI leader



Major marketed products sales: 298 billion yen (FY2013)



Launched in 2014



Pipeline

Vonoprazan (Acid Disorders / Japan) Filing  
TAK-114 (UC) Phase II  
ENTYVIO Subcutaneous, Phase I

# Inflammatory Bowel Disease (IBD)

Lifelong, chronic and severe condition affecting nearly 4 million patients



**IBD** is really two distinct inflammatory diseases of the gastro-intestinal tract

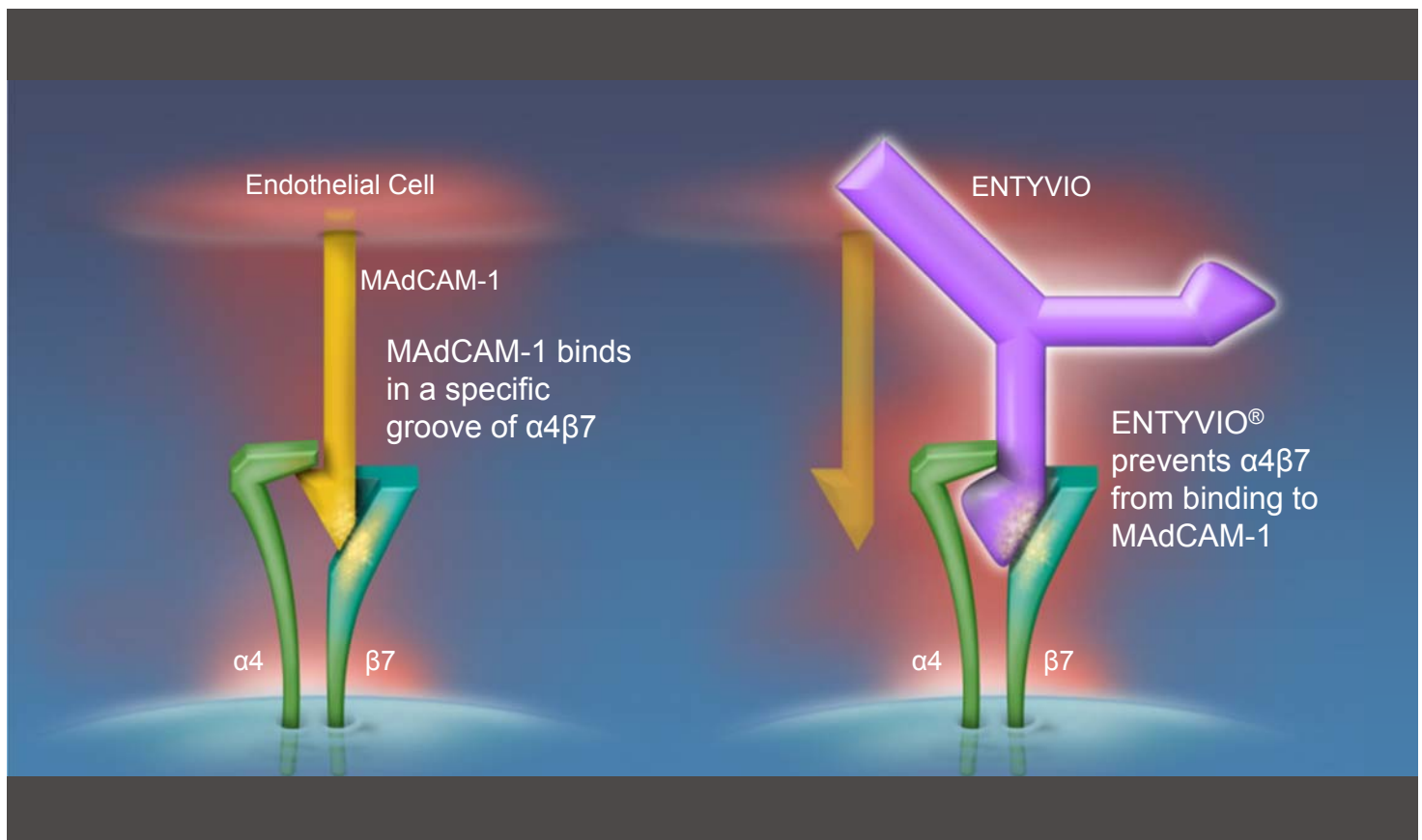
1. **Ulcerative Colitis (UC)** affects the large intestine and produces tiny sores called “ulcers”
2. **Crohn’s Disease (CD)** is also an inflammatory disease, but it occurs anywhere in the GI tract



- IBD symptoms include abdominal pain, weakness, diarrhea, and blood loss potentially causing emotional distress, depression, sexual dysfunction.
- IBD is incurable: it causes irreversible damages to the bowel and frequent surgeries. Major complications include strictures, fissures and bowel obstruction.
- IBD healthcare costs are in excess of \$30 billion annually.

**Currently available IBD treatments have limitations for patients**

**ENTYVIO® is a completely new way to treat IBD – prevents inflammatory cells from accumulating in the gut**



# ENTYVIO® compelling clinical profile supports its unique positioning, and is well-received by physicians



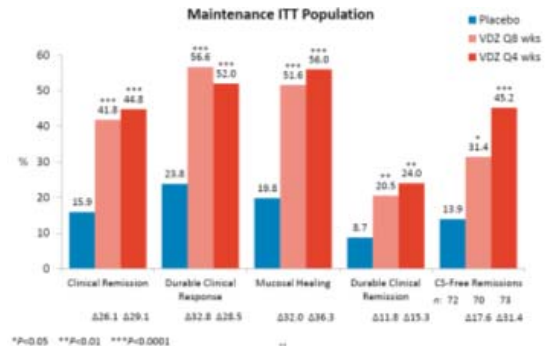
- Lasting efficacy in both anti-TNF alpha failures and anti-TNF naive patients
- Well-established safety profile to date
  - No black box warnings, similar rates of serious infections as placebo, no PML\*\*\* to date
  - “the relatively favorable side-effect profile with no cases of PML observed to date is reassuring, and consistent with the mechanism of action, but will require confirmation by large-scale observational studies.” Mosli and Feagan, Clinical Investigation 2012:2 1201-1212.
- 30 minute infusion

*“Vedolizumab appears to be an important, much needed new therapy for patients with IBD...In the future, vedolizumab and other disease-modifying drugs may have a place in first-line therapy\*\*\*\* in those patients with IBD.”*

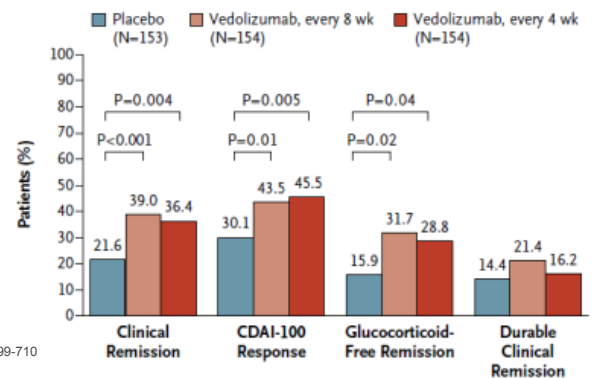
*Gilroy and Allen. Clin and Exp Gastro 2014;7 163-172.*

\*From article: Brian G. Feagan, M.D., et al, “Vedolizumab as Induction and Maintenance Therapy for Ulcerative Colitis” N Engl J Med 2013;369:699-710  
 \*\*William J. Sandborn, M.D., et al, “Vedolizumab as Induction and Maintenance Therapy for Crohn’s Disease” N Engl J Med 2013;369:711-21  
 \*\*\*progressive multifocal leukoencephalopathy \*\*\*\*In the US, Entyvio is indicated in adult patients with moderately to severely active ulcerative colitis or Crohn’s Disease, who have had an inadequate response with, lost response to, or were intolerant to a tumor necrosis factor (TNF) blocker or immunomodulator; or had an inadequate response with, were intolerant to, or demonstrated dependence on corticosteroids. The European Commission has indicated Entyvio for the treatment of adult patients with moderately to severely active ulcerative colitis or Crohn’s Disease who have had an inadequate response with, lost response to, or were intolerant to either conventional therapy or a tumour necrosis factor-alpha (TNFα) antagonist.

## Phase 3 Data in Ulcerative Colitis\*



## Phase 3 Data in Crohn's disease\*\*

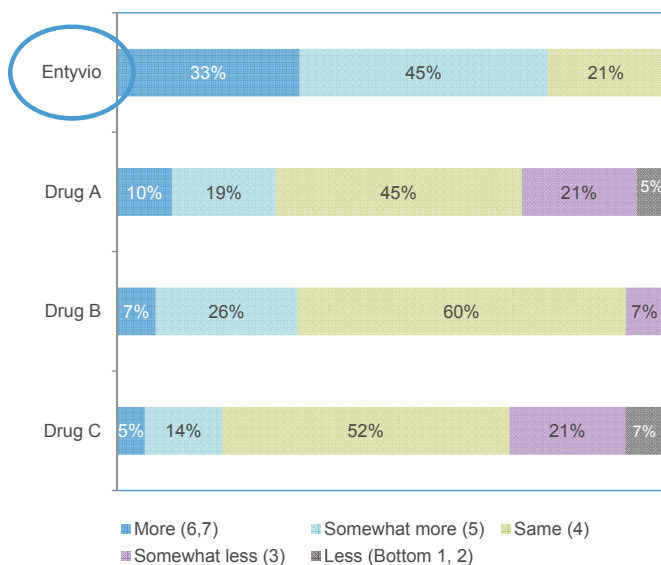


# Positive reaction about ENTYVIO® from physicians

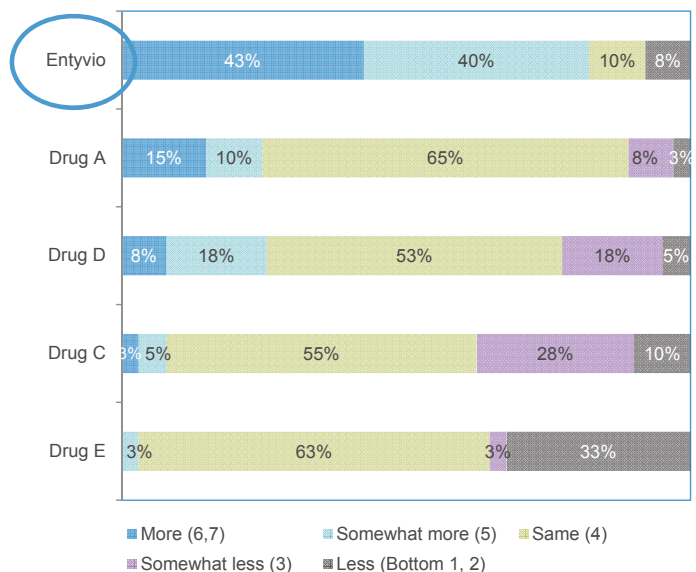


Approximately 80% of physicians state they will increase ENTYVIO® prescriptions over the next 6 months, higher than other biologics

## UC Future (next 6 months) Prescribing Intent



## CD Future (next 6 months) Prescribing Intent

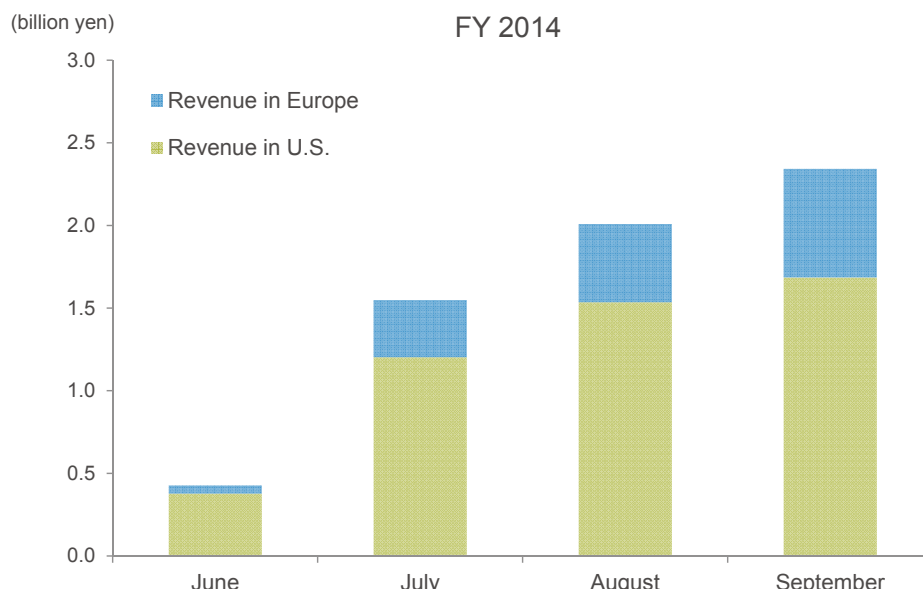


Source: Entyvio US Physician Mini-ATU / Launch Tracker (September 2014), n=82 Gastroenterologists

Note: Web-based survey of gastroenterologists who treat UC and CD was conducted by Takeda, and does not reflect the opinions of all healthcare professionals regarding these diseases.

## ENTYVIO®

Available in 12 countries as of end of September 2014



### Global IBD biologic market\*

- Market size (2013): approx. ¥480 b
- 2013-2017 CAGR: 11%

\*Data source:  
Crohn's Disease - 2014. September 2014, Decision Resources,  
Ulcerative Colitis - 2014. May 2014, Decision Resources,  
and internal analysis

## ENTYVIO®: A long-awaited new alternative for patients



- **First and only** biologic engineered for the treatment of moderately to severely active ulcerative colitis and Crohn's disease
- **First and only** product indicated for both TNF-naïve (failed conventional therapy) and TNF-failure patients for both UC and CD
- **First and only** simultaneous launch in both UC and CD
- Largest Phase III IBD clinical trial program conducted to date simultaneously evaluating both UC and CD



**Greater than \$2 billion sales potential globally**



***Takeda-ism based, patient centric, global organization***

***Global commercial reach and launch capability***

***Growth driven by Innovation***

*GI and Oncology are key mid term growth drivers*

***Value brands in Emerging Markets***

***Financial discipline***

*Efficiency driven by globalization*

*Project Summit*

*Cost efficiency and operating leverage*

*Strong balance sheet*

*Focus on total shareholder return*

***Profitable Growth***

**We are focusing on growth and financial discipline  
to create value for shareholders**

***Better Health, Brighter Future***

**THANK YOU**

