

News Release

Takeda Refocuses Research & Development On Targeted Therapeutic Areas, Concentrating in Japan and the U.S.

Osaka, Japan, July 29, 2016 --- Takeda Pharmaceutical Company Limited ([TSE: 4502](#)) today announced plans to accelerate the research & development (R&D) organization transformation by refocusing on three key therapeutic areas – Oncology, Gastroenterology (GI) and Central Nervous System (CNS), plus Vaccines, and concentrating R&D activities in Japan and the U.S. This transformation is critical to provide the company with the necessary organizational and financial flexibility to drive innovation, enhance partnerships, and improve R&D productivity for long-term, sustainable growth. Takeda will optimize its R&D sites globally to build a world-leading R&D organization and pipeline.

“Our goal is to become the best R&D organization in our industry, but to deliver on this, we need to first build new capabilities and embrace new ways of working,” said Andy Plump, Takeda’s Chief Medical and Scientific Officer. “Our near-term priority continues to be the development of our exciting recently launched medicines such as ENTYVIO® and NINLARO®. We need to ensure we have the capabilities, culture and agility necessary to deliver innovative new medicines for tomorrow. Through this transformation, we will develop a more robust and competitive global R&D organization based on Takeda’s strong Japanese heritage and expertise in our core areas of research.”

To accomplish this R&D transformation, Takeda will focus on enhancing operational efficiency and ensuring the needed capabilities are in the right areas, which will include evaluating the need to reduce and concentrate our R&D presence and optimize the interfaces between R&D, business and corporate functions. The number of impacted positions may fluctuate depending on the progress of implementing these programs and the transformation.

“Takeda’s aim is to become a leading, global innovative pharmaceutical company, which is why we are always looking ten or more years ahead,” said Christophe Weber, President and CEO of Takeda. “We are dedicated to bringing therapies to patients, physicians and payers that offer genuine innovation over

today's standards of care. We recognize the impact this transformation will have on our people and are committed to creating unique, innovative business solutions that will offer a variety of opportunities for our R&D employees wherever possible."

Takeda estimates one-time P/L implementation costs for the transformation of approximately 75 billion yen and the annual cost savings of approximately 18 billion yen after the implementation. Takeda intends to re-invest these savings into an innovative pipeline over time. FY2016 implementation costs of up to 25 billion yen are covered within the general placeholder budget for efficiency initiatives in the consolidated financial forecast for FY2016 announced on May 10, with the remainder of 50 billion yen mostly in FY2017. These costs and timing might be updated to reflect the results of the negotiations with the labor unions, partners, and other stakeholders, and options taken by employees. Dividend payments by Takeda will not be affected.

About Takeda

Takeda Pharmaceutical Company Limited is a global, research and development-driven pharmaceutical company committed to bringing better health and a brighter future to patients by translating science into life-changing medicines. Takeda focuses its R&D efforts on oncology, gastroenterology and central nervous system therapeutic areas plus vaccines. Takeda conducts R&D both internally and with partners to stay at the leading edge of innovation. New innovative products, especially in oncology and gastroenterology, as well as our presence in Emerging Markets, fuel the growth of Takeda. More than 30,000 Takeda employees are committed to improving quality of life for patients, working with our partners in health care in more than 70 countries. For more information, visit <http://www.takeda.com/news>.

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