



Mid-Range Growth Strategy from FY2013

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May 9, 2013

Takeda Pharmaceutical Company Limited

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Looking Back on FY2012

Looking Back on FY2012 Achievements and Next Stage

Achievements

The steady execution of initiatives in line with our corporate vision of realizing sustainable **growth** through leading **innovation** and an empowered corporate **culture**

Innovation

- Progression of our world class pipeline with a high proportion of projects in the late stage
- Steady filing of new drug applications in Japan, the US and EU (eg. Japan: SGN-35, ATL-962, US: Lu AA21004; EU: alogliptin family*, lurasidone, MLN0002)
- Acquisition of groundbreaking technology and new drug discovery platforms (LigoCyte: innovative vaccine development, Envoy: bacTRAP technology)
- Progress in open innovation (BC Cancer Agency, Advinus, Resolve)

Culture

- Strengthening of the newly established business management organizations of CCO and CMSO
 - Enhancement of governance in overseas marketing and R&D organization
- Continued hiring and training of top talent, spread of diversity, invigoration of the global organization

Growth

- Sales growth and strategic investment in Emerging Markets (acquisition of Multilab, completion of Yaroslav factory in Russia, strengthening of business organization in China)
- Strengthening of gout franchise in the US: obtained COLCRYS through URL acquisition
- Approval / launch of new products in Japan, US and EU (eg. Japan: AZILVA, LOTRIGA, US: NESINA family; EU: ADCETRIS)
- Expansion into further geographies (eg. Ecuador, Peru)

Next Stage

- ✓ Recovery of sales after Actos patent expiry
- ✓ Steady progress of late stage pipeline
- ✓ Establishment of a robust and efficient operating model to succeed in competitive environment

*alogliptin, alogliptin/ACTOS FDC, alogliptin/mefformin FDC



Financial Results of FY2012, Financial Forecasts for FY2013 and Targets for Sustainable Growth

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Takeda Pharmaceutical Company Limited

Financial Results of FY2012 and Financial Forecast for FY2013



	(billion yen)		
	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Forecast)
Net Sales	1,508.9	1,557.3	1,590.0
R&D Expenses	281.9	324.3	325.0
Operating Income	265.0	122.5	140.0
Operating Income excl. Special factors*1	414.5	267.5	280.0
Net Income	124.2	131.2	95.0
Net Income excl. Extraordinary Income/Loss & Special factors*2	248.2	184.6	185.0
EBITDA (excl. Special factors) *3	422.6	323.9	340.0
EPS	157 yen	166 yen	120 yen
EPS excl. Extraordinary Income/Loss & Special factors *2	314 yen	234 yen	234 yen
Foreign Exchange Rate	USD	79 yen	82 yen
	EUR	109 yen	106 yen
		120 yen	

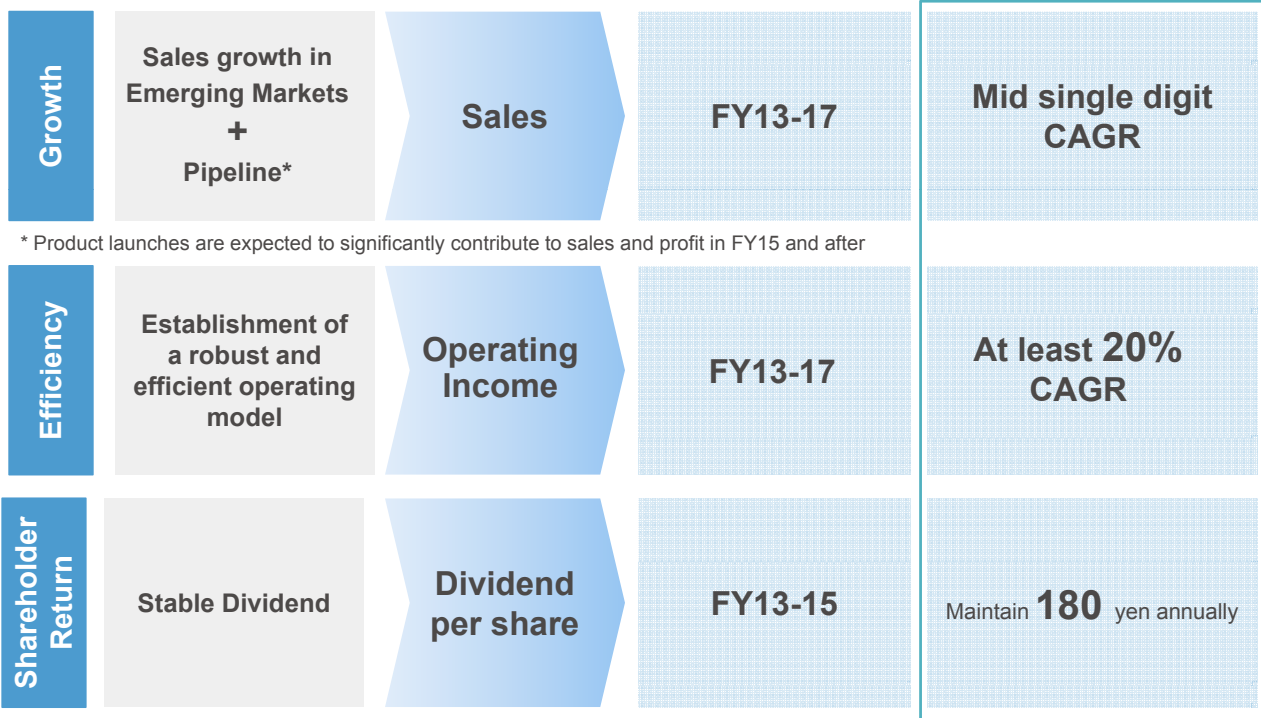
*1 Special factors affecting Operating Income: amortization of intangible assets and goodwill resulting from corporate acquisitions, and an increase in COGS related to inventory step-up due to revaluation to fair value

*2 Special factors affecting Net Income, EPS: (In addition to *1) non-operating expenses related to corporate acquisitions, refund relating to transfer pricing

*3 EBITDA excl. extraordinary income and loss: calculated by adding the followings to ordinary income; amortization of intangible assets, goodwill and non-operating expenses resulting from corporate acquisitions and others, depreciation and interest expenses.

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Takeda Pharmaceutical Company Limited



Vision 2020: Our Long-term Aspiration

Better Health, Brighter Future

For more than 230 years, we have been serving society with innovative medicines and helping patients reclaim valuable moments of life from illness. Now, with new healthcare solutions from prevention to care and cure, we are determined to help even more people enjoy their lives to the fullest.

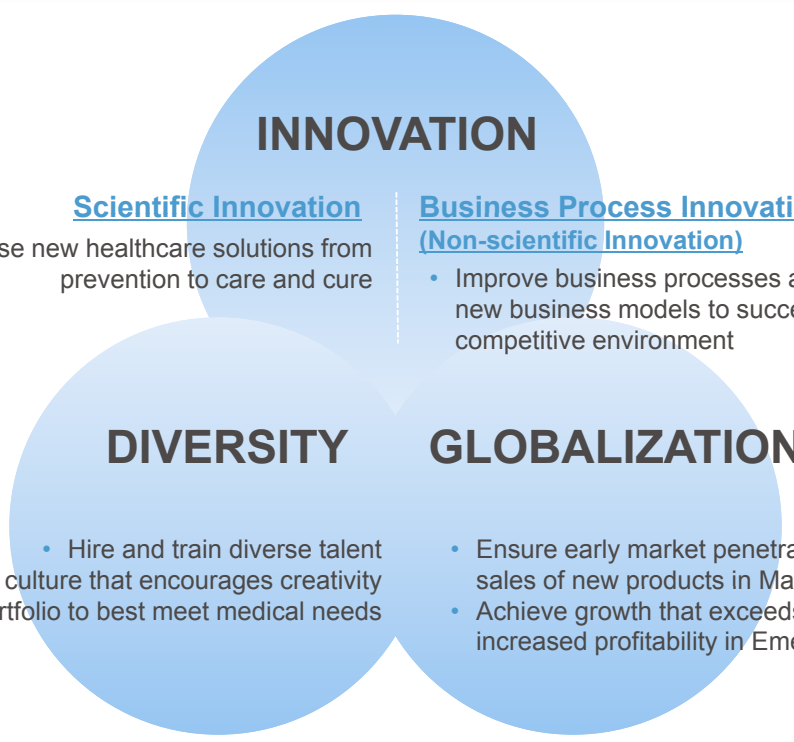
We continue to transform the future of healthcare by unifying our strengths as "Global One Takeda." We are

a diverse organization committed to working with local communities to fully understand their needs and deliver industry-leading solutions with a sense of urgency, dedication and unparalleled efficiency.

Our passion for healthcare and commitment to improving lives will enable us to make the next 230 years healthier and brighter for people around the world.



Principles of our Mid-Range Growth Strategy



INNOVATION

Scientific Innovation

- Propose new healthcare solutions from prevention to care and cure

Business Process Innovation (Non-scientific Innovation)

- Improve business processes and establish new business models to succeed in highly competitive environment

DIVERSITY

- Hire and train diverse talent
- Create a culture that encourages creativity
- Tailor product portfolio to best meet medical needs

GLOBALIZATION

- Ensure early market penetration and maximized sales of new products in Mature Markets
- Achieve growth that exceeds the market and increased profitability in Emerging Markets

Mid-Range Growth Strategy: Globalization

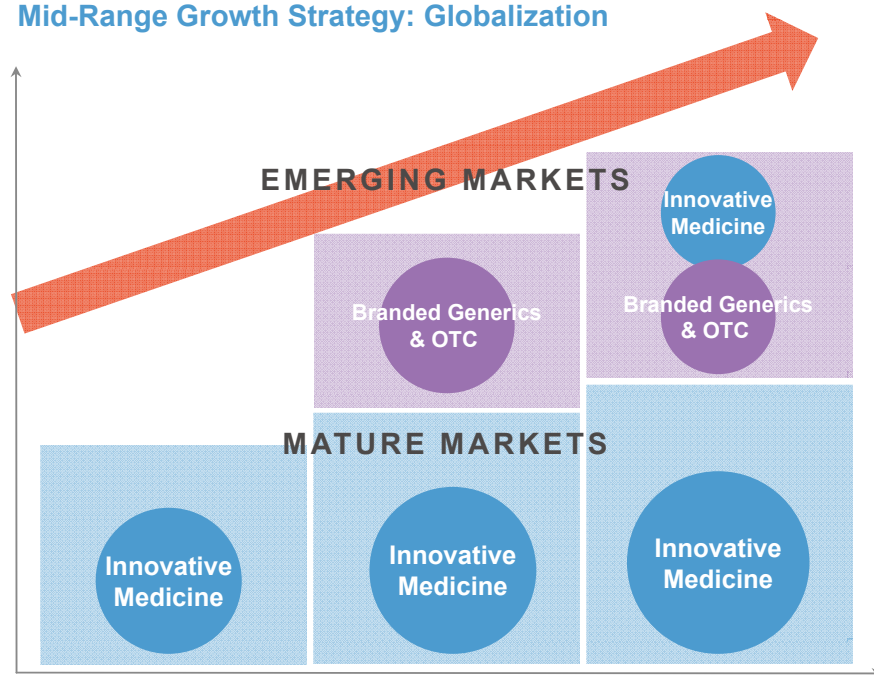
Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Mid-Range Growth Strategy: Globalization



Our 3 key drivers for sustainable growth remain unchanged

- Increase sales of branded generics, OTC in Emerging Markets
- Achieve top line synergies for innovative products utilizing our sales infrastructure in Emerging Markets
- Ensure steady approval and early market penetration of new products in Mature Markets

Mid-Range Growth Strategy: Emerging Markets



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Continue to penetrate each market with a diverse product portfolio tailored to local needs, implementing a sales strategy that pursues effective investment to improve profitability, realizing top line growth that exceeds the growth of the market

【Maintain and Expand Sales of Main Products】

< FY2012 sales >

(billion yen)

Product	Indication	Sales
Pantoprazole	Acid-related gastrointestinal disorders	30.7
Actovegin	Cerebral vascular disorders, Stroke	19.1
Concor	Hypertension	11.3
Magnyl	CV disease prophylaxis	7.9
Neosaldina	Headache	6.6

【Launch and Penetration of New Products】

< New launches expected in FY2013 >

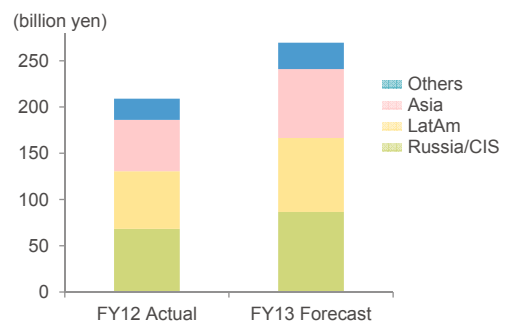
New Launches

alogliptin
azilsartan medoxomil
dexlansoprazole
ADCETRIS
Mepact etc.

- Ensure launch and realize market penetration of growth-driving new products, while implementing efficient sales strategy
- Consider business development opportunities at local level

Operating margin ratio in emerging market before allocation of corporate expense
Around 30% now ⇒ around 40% after FY17

Emerging Markets Sales Forecasts*
Takeda 13-17 CAGR At least 15%
Market 13-17 CAGR Approx. 12%**



* Excluding royalty and service income.

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Mid-Range Growth Strategy: Emerging Markets



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

China



Net Sales 13-17 CAGR: At least 25%* Market 13-17 CAGR: approx. 19%**

- Launch of alogliptin, DAXAS
- Maximize sales of existing products (ULINASTATIN, pantoprazole, leuprorelin)
- Develop highly profitable business organization by establishing new initiatives for distribution and sales channels

Russia/CIS



Net Sales 13-17 CAGR: At least 13%* Market 13-17 CAGR: approx. 12%**

- Build a balanced portfolio between reimbursed and non-reimbursed drugs
- Maximize sales of existing products and launch new drugs (TAK-491, ADCETRIS, etc.)

Brazil



Net Sales 13-17 CAGR: At least 13%* Market 13-17 CAGR: approx. 10%**

- Maximize the potential of Multilab's product portfolio and sales infrastructure
- Launch new products (TAK-491, alogliptin, etc.)
- Increase competitiveness in rural areas with strong economic growth, while maintaining our competitiveness in major cities

* Excluding royalty and service income.

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Mid-Range Growth Strategy: Japan



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Maintain No.1 share position in Japan by building a new commercial model that enables accelerating growth of new products

<Quickly maximize sales of strategic products>

- Enhance marketing of new products in lifestyle related diseases (NESINA family, AZILVA, LOTRIGA)
- New value creation through diverse product line-up from reduction of CV events to prevention of cognitive disorders



<Build a new commercial model>

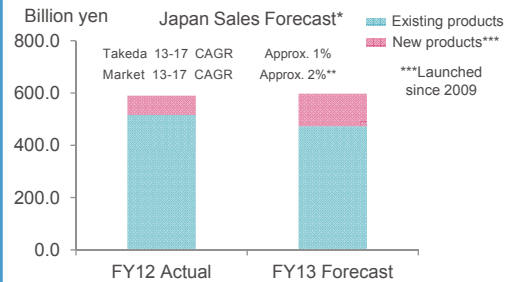
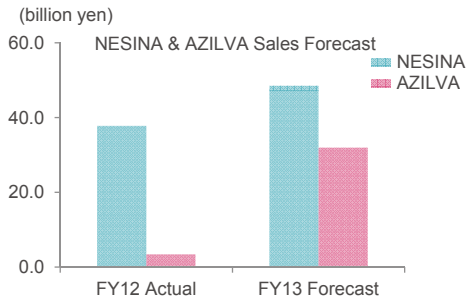
- Promote sales force structure that can further increase MR productivity by utilizing Takeda's strengths
- Establish sales model that can accelerates successful early product promotion in the market
- Establish hybrid sales force model from general sales force structure base

<Accelerate growth due to enhanced pipeline>

- Pipeline that meet market needs : ATL-962, TAK-438, SYR-472 etc.
- Global pipeline: Lu AA21004, TAK-875, TAK-700 etc.

<Strengthen partnerships as a leading company in Japan>

- Promote a new disease enlightenment collaboration with regulatory bodies and academia
- Enhance partnership with new alliances
- Enhance promotional activities based on partnership with wholesalers



* Excluding royalty and service income.
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Mid-Range Growth Strategy: US



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Strengthen therapeutic area franchises through enhancing product portfolio and formulating and executing an optimal commercial strategy

<Enhancement of product portfolio>

- major existing products and future products

Metabolic	Cardiovascular	Gastrointestinal	Oncology
Nesina Family Uloric Colcrys Contrave TAK-875	Edarbi Family CNS Rozerem Lu AA21004	Dexilant Amitiza MLN0002	Velcade TAK-700 MLN9708 MLN8237

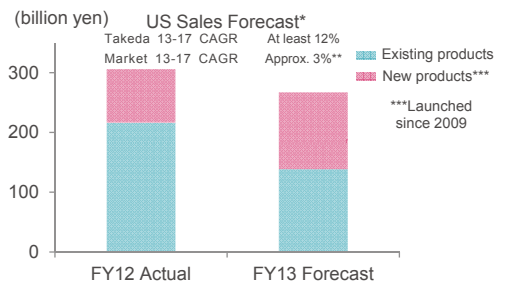
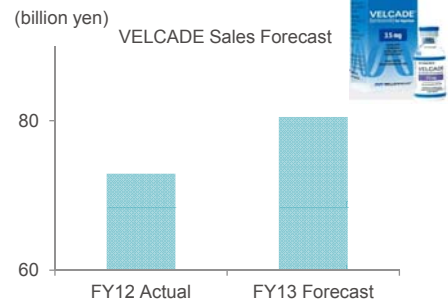
<Planning and implementing optimal commercial strategy>

TPUSA

- Evaluation and testing of alternate commercial approaches: secure initial penetration of NESINA family, achieve ULORIC/COLCRYS synergies, expand sales of DEXILANT and lead to sales of future new products such as Lu AA21004, CONTRAVE, MLN0002 and TAK-875.

Millennium

- Increase sales of Velcade and formulate and execute sales strategies in preparation for global launches of TAK-700 and MLN8237 and accelerate development of MLN9708 and maximize sales of our proteasome inhibitor franchise



* TPUSA and Millennium combined. Excluding royalty and service income.
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Mid-Range Growth Strategy: Europe



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Maintain and expand branded generics that contribute to steady sales, and realize a more profitable post-Nycomed integration organization with strength in primary and specialty care

【Maintain and expand sales with Branded Generics etc.】

➢ Continue to benefit from contribution of mature products with considerable sales such as pantoprazole and leuporelin

【Strengthen foundations in primary care】

New Products / pipeline

alogliptin family
azilsartan medoxomil family
dexlansoprazole
TAK-875 etc.

➢ Launch alogliptin, alogliptin/ACTOS FDC, alogliptin/metformin FDC, dexlansoprazole, etc. and implement efficient sales strategies

【Accelerate presence in specialty care】

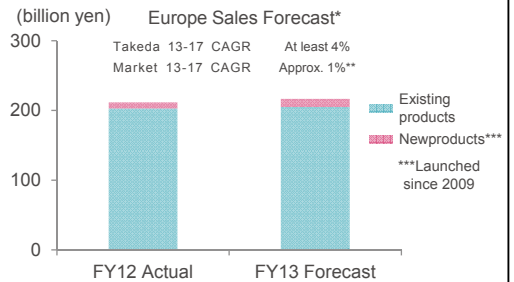
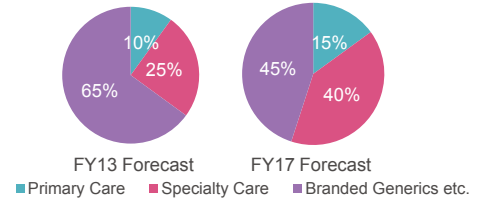
New Products / pipeline

ADCETRIS
MEPACT
MLN9708
TAK-700
lurasidone
MLN0002
DAXAS etc.

➢ Revise DAXAS sales strategy
➢ Work closely with Millennium to realize early market penetration of oncology products such as ADCETRIS

→ Create a more profitable business structure and adjust product portfolio in each region to suit the market environment

Europe Sales Forecast (by area)



R&D Strategy

Core Therapeutic Areas and Number of Late Stage Pipelines



Globalization

Scientific Innovation

Non-Scientific Innovation

Diversity

Cardiovascular & Metabolic

Phase III : 2
Filed : 8

Oncology

Phase III : 13
Filed : 2

Central Nervous System

Phase III : 5
Filed : 2

General Medicine

Phase III : 1
Filed : 5

Vaccine

Phase III : 1
Filed : 1

Immunology & Respiratory

Phase III : -
Filed : 1

Includes Life-Cycle Management and fixed-dose combinations

R&D Strategy

Approval Schedule of Key Pipelines



	Globalization	Scientific Innovation	Non-Scientific Innovation	Diversity
	FY13	FY14	FY15	FY16-17
JP	ATL-962 SGN-35 AG-1749/LDA BLB-750 TAK-536/CCB	SYR-472 LuAA21004 TAK-438	TAK-875 MLN9708 TAK-700 TAK-816 TAP-144SR/6M	MLN0002 TAK-385
US	Lu AA21004	TAK-700 MLN0002	MLN9708 MLN8237	TAK-875 TAK-375SL
EU	SYR-322 family* lurasidone TAK-390MR	TAK-491/CLD MLN0002	MLN9708 TAK-700	TAK-875
EM	SYR-322, TAK-491, SGN-35, mifamurtide, TAK-375, TAK-390MR, roflumilast, etc.			

Initiatives in Business Process Innovation

Non-Scientific Innovation



	Globalization	Scientific Innovation	Non-Scientific Innovation	Diversity
<p>Takeda is pursuing business process innovation to constantly improve business processes and establish new business models suitable to a global pharmaceutical company.</p> <p><u>Project Summit</u> is a company-wide strategic initiative to optimize efficiency launched as the next phase of our global transformation. This approach is required to become a world-class pharmaceutical company serving the variety of needs of people.</p> <div style="border: 1px solid gray; padding: 10px;"> <p>SCOPE</p> <p>Includes world-wide efforts focused on: sales and marketing; production and supply chain; research and development; and general and administrative</p> <p>GOALS</p> <ul style="list-style-type: none"> To achieve a robust and efficient operating model, enhancing productivity and improving profitability To ensure ability to execute on investments toward sustainable growth To reach 25% core earnings to sales ratio by FY17 </div>				

Diversity Drives Innovation and Globalization



Globalization

Scientific Innovation

Non-Scientific Innovation

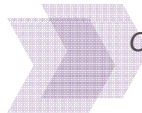
Diversity

Our diversity goal is to drive innovation with employees of different nationalities, ages, genders, cultures, thoughts and backgrounds through day-to-day work and communication under Vision 2020. We strive to improve our organizational strength and global competitiveness through employee mutual understanding and respect.

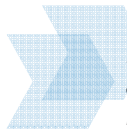
Encourage a corporate culture with creative thinking and new values reflected in management



Compete globally



Create innovative ideas consistently



*Foster diversity for competitive advantage,
Develop global employees*

Achieve **Greater Diversity**
as a Global Pharmaceutical Company



Financial Strategy



Mid-Range Growth Strategy

Increase Net Sales & Operating Margin
Optimize Balance Sheet

Maximize Free Cash Flow

Flexible Financial Strategy

Continuous
Investment
for Growth

Stable Dividend
Payment
Maintain 180 yen
for FY13-15

Steady
Repayment
of Debt

Strong and Sound Financial Base



***Better Health,
Brighter Future***

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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.

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