

Takeda R&D Transformation

Building a World Class, Therapeutic Area Focused Organization

Andy Plump, M.D., Ph.D.
Chief Medical & Scientific Officer

Takeda Pharmaceutical Company Limited

Our Mission is to Serve Patients

Takeda is a patient-centric, science-driven company



**We do more than
develop medicines**



**We strive towards better health
and a brighter future for
people worldwide**

We Are Intensively Focused on Our Therapeutic Areas

Core Focus

Oncology

Gastroenterology (GI)

Central Nervous System (CNS)

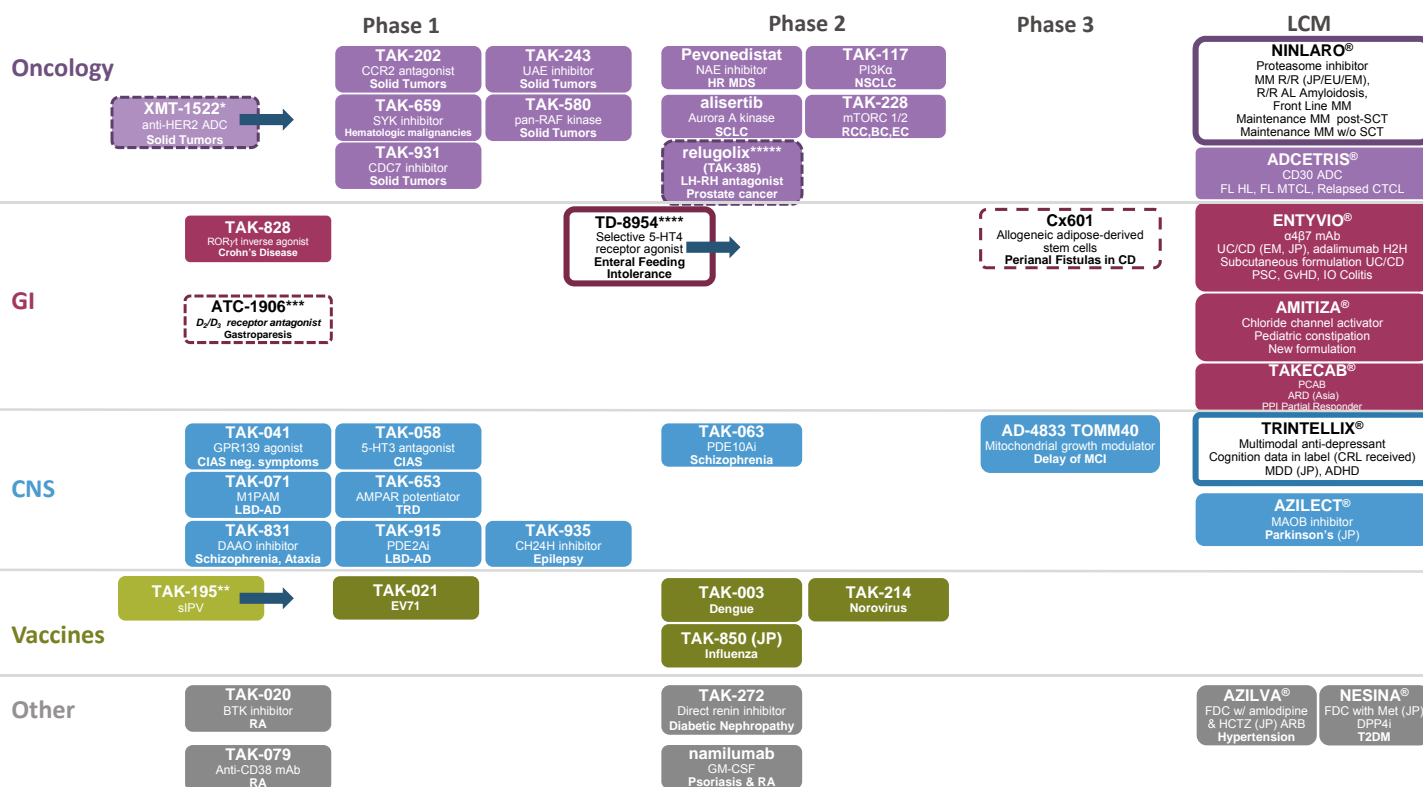
Vaccines

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

We are committed to global public health through our Vaccines portfolio

While We Have an Exciting Early-Stage Pipeline, We Face Critical Challenges in Key Areas



Note: this slide does not represent the entire pipeline

*XMT-1522 is still pre-clinical; IND expected in CY2016 ; **TAK-195 is still pre-clinical; Phase 1 start expected in Q4 FY2016;

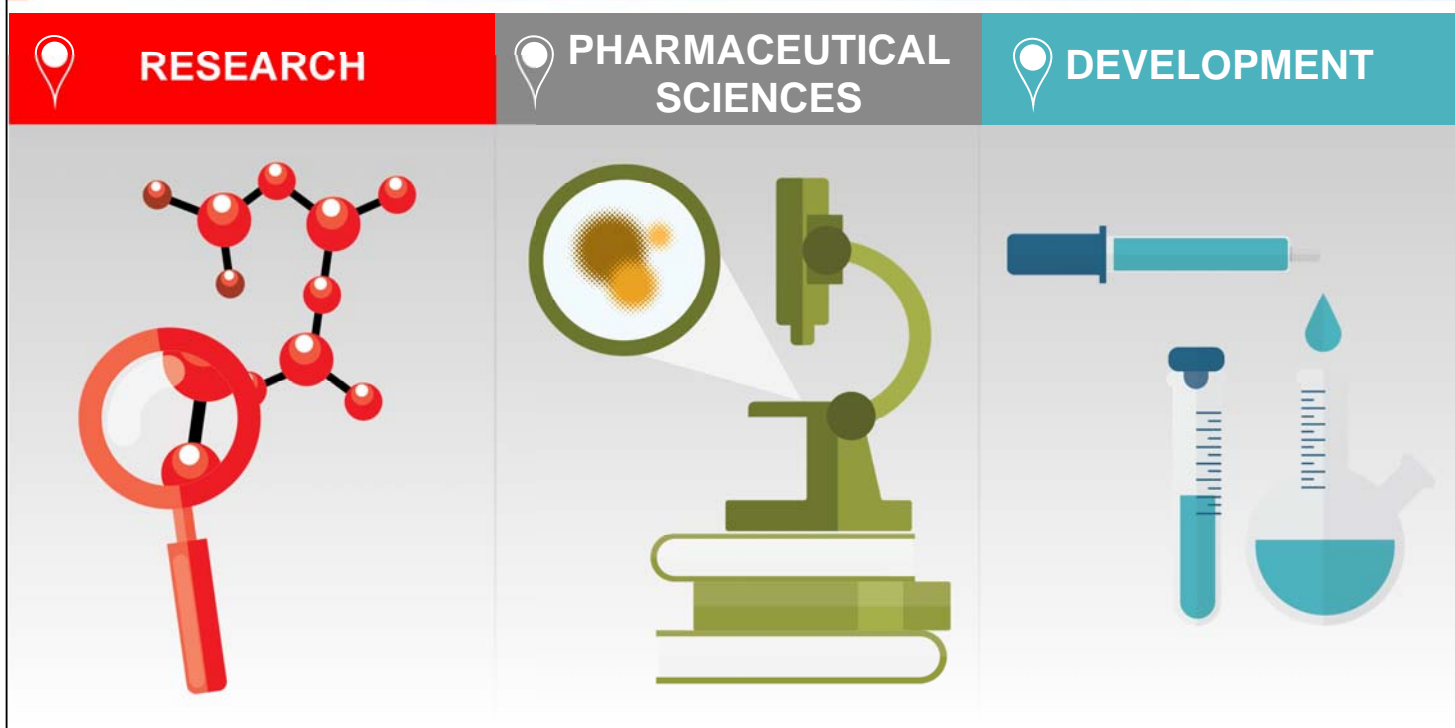
***ATC-1906: Agreement with Altos Therapeutics LLC for an exclusive option for Takeda to acquire Altos following the completion of ongoing Ph1 studies of ATC-1906.

****TD-8954 Ph1 completed. *****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. Dotted border reflects option deals or where partner is conducting development activities.

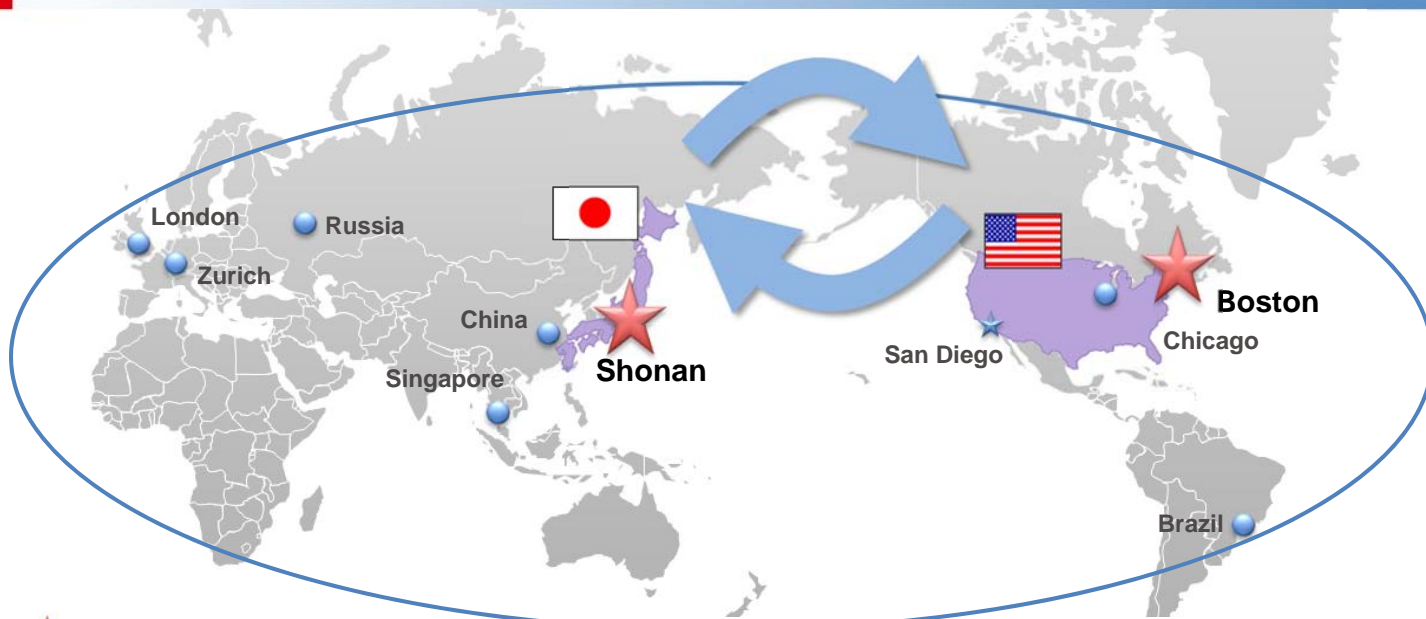
Our R&D Transformation Strategy is Driven by Four Imperatives



We Are Implementing a Fundamental Transformation Across Our Global Organization



Future State of Takeda's Research & Development; Japan-U.S. Concentrated Organization to Accelerate Innovation



★ **Research sites will be located in Japan and the U.S., with global mobility of researchers**

● **Development site footprint is being simplified with all sites having a clear future focus**

We propose to inform and consult with our employees and their representatives on the proposed closure of Cambridge, UK.

We propose to exit Pharmaceutical Sciences clinical supply activities from Juso, London, Singen and Deerfield pending Union discussions

We propose to consolidate Development activities from Tokyo to Osaka in the future pending Union discussions

Research and Pharmaceutical Sciences Proposed Sites Concentrated in Japan and US

Shonan



- CNS and Regenerative Medicine
- Research Park for open innovation

- Relocate from Juso to Shonan

Boston



- Oncology, GI, Immunomodulation and Biologics
- Co-location with Therapeutic Area Units, Translational Research, Center for External Innovation
- Link to Boston biotech community

- Small molecule, biologics and other new modalities

Hikari



- Internal capability for antibody clinical trial material

San Diego



- Specialized technologies supporting GI and CNS
- Link to California biotech community

- Support Research capability

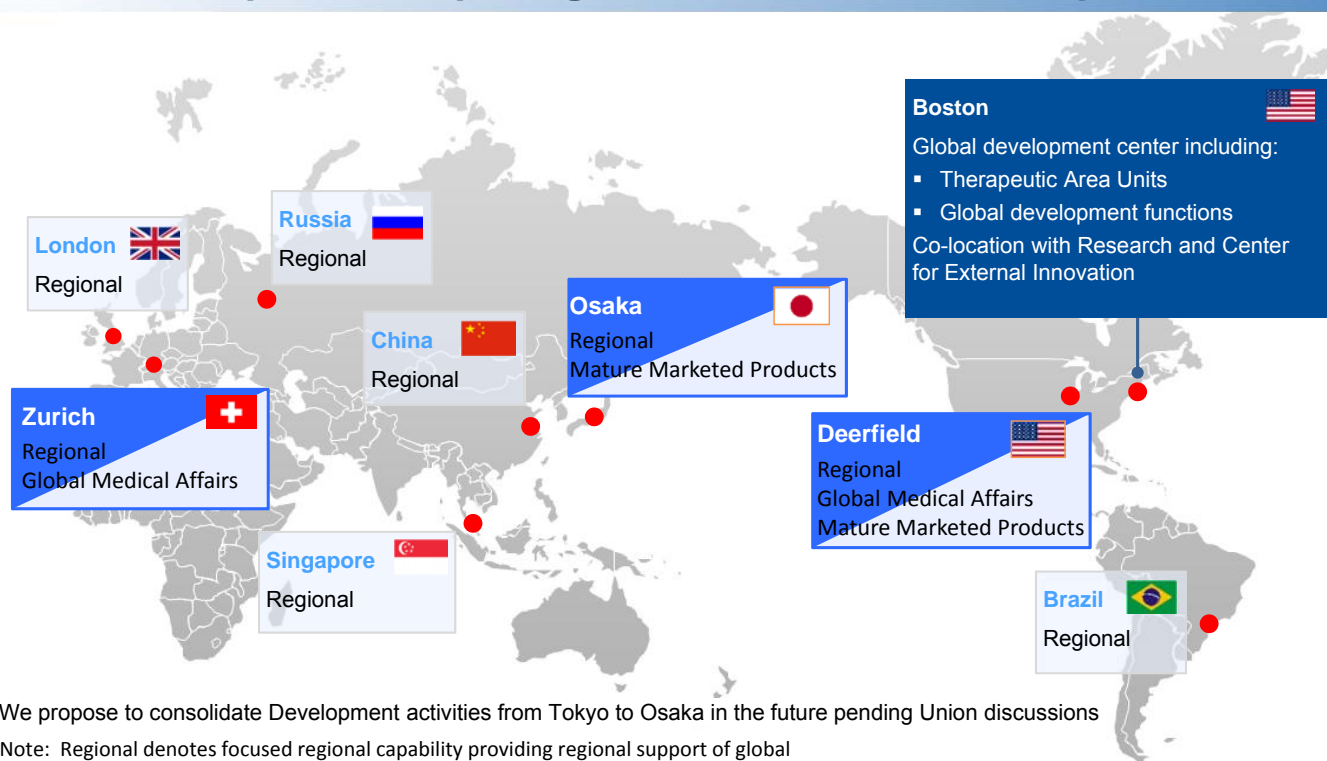
■ Research

■ Pharmaceutical Sciences

We propose to inform and consult with our employees and their representatives on the proposed closure of Cambridge, UK.

We propose to exit Pharmaceutical Sciences activities from Juso, London, Singen and Deerfield pending Union discussions

We Are Focusing Our Development Model, Creating Innovative Partnerships and Proposing a Refocused Global Footprint



We Are Focused on Innovative New Business Models that Create Opportunities for Our Employees

- In Research, Development and Pharmaceutical Sciences we are proposing innovative entrepreneurial business models and partnerships to provide new opportunities for many of our employees and meet our needs in better ways
- These include:
 - Creation of an innovation research park at Shonan, hosting an open pharmaceutical and biotechnology environment
 - Creation of new open innovation centers at Shonan, similar to our successful T-CiRA collaboration with Professor Yamanaka and Kyoto University
 - Joint ventures
 - Formation of new biotechnology companies, focused on a disease area and equipped for success
 - Entrepreneurship Venture Program
 - International Mobility Program
- Our goals are to foster inspiring new ways of discovering and developing medicines and to identify meaningful, rewarding opportunities for our employees

Intent of Transformation is to Increase R&D Productivity with Sustained Investment in R&D

- One-time P/L implementation costs of approximately 75 bln JPY
- FY2016 implementation costs of up to 25 bln JPY with the remainder of 50 bln JPY mostly in FY2017
- Takeda intends to re-invest annual savings of approximately 18 bln JPY after implementation into an innovative pipeline over time
- Dividend payments will not be affected
- FY2016 guidance will not be affected