

140th Ordinary General Meeting of Shareholders

Consolidated Financial Results for FY2015 and Guidance for FY2016

June 29, 2016

Takeda Pharmaceutical Company Limited



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FY2015: A Year of Turnaround to Sustained Growth

- Reported FY2015 showed both top line and bottom line growth after FY2014 loss, resulting from the ACTOS litigation settlement agreement
- Achieved FY2015 management guidance for Underlying Growth (excluding FX and exceptional items); +3.4% for revenue, +8.1% for Core Earnings, +21.7% for Core EPS
- Delivered +9.5% underlying growth of Takeda's "Growth Drivers"; GI, Oncology, CNS and Emerging Markets, representing more than half of Takeda's revenue
- ENTYVIO in GI; more than 100 bln JPY cumulative sales since launch in June 2014
- NINLARO in Oncology; launched in the US in December 2015, to be a successor to VELCADE, Takeda's current No.1 product
- Japan Pharma still declined in FY2015 due to generic penetration, however, strong performance of focus products like AZILVA, LOTRIGA, TAKECAB, etc. and Japan Consumer Healthcare increased
- Operating free cash flow, excluding payment of ACTOS settlement, was 230 bln JPY, substantially higher than dividend payment; strong focus on cash generation going forward

FY2015 A Year of Turnaround; Showed Both Top Line and Bottom Line Growth

Reported base

(billion JPY)

	FY14	FY15	Change	
Revenue	1,777.8	1,807.4	+29.6	+ 1.7%
Operating profit	-129.3	130.8	+260.1	—
Profit before tax	-145.4	120.5	+266.0	—
Net profit	-145.8	80.2	+225.9	—
EPS	- 185 JPY	102 JPY	+288 JPY	—

274.1 bln JPY loss was made for
ACTOS litigation settlement

Underlying Growth Achieved the Management Guidance

	FY15 Management Guidance	FY15 Growth
Underlying Revenue	Low single digit	+3.4%
Underlying Core Earnings	Higher than underlying revenue growth	+8.1%
Underlying Core EPS	Higher than underlying core earnings growth	+21.7%

* It is crucial to monitor the ongoing performance of the business in order to enhance corporate value sustainably. Takeda believes that "Underlying Growth", excluding the impact of foreign exchange and exceptional items such as business divestitures, represents its ongoing business performance. "Core Earnings" is calculated from operating profit by excluding the impact of exceptional items, such as purchase accounting, amortization and impairment loss of intangible assets, restructuring costs and major litigation costs.

Key Products Driving Growth

GI



- Humanized monoclonal antibody targeting $\alpha 4\beta 7$ integrin
- Ulcerative colitis, Crohn's disease



- Potassium-competitive acid blocker
- Acid-related diseases

Oncology



- Oral proteasome inhibitor
- Multiple myeloma



- CD30-directed antibody-drug conjugate
- Malignant lymphoma

CNS



- Multimodal anti-depressant
- Major depressive disorder

Growth Drivers Continue to be Robust

Underlying revenue growth

	FY14 (billion JPY)	FY15 (billion JPY)	
GI*	240.9	297.7	+23.6%
Oncology***	333.0	336.4	+1.0%
CNS	41.5	56.9	+37.3%
Emerging Markets*	316.3	331.4	+4.8%
			Growth Drivers Total**
			+9.5%

* Sales of pantoprazole in Emerging Markets (EM) is included in EM, but not in GI (Gastrointestinal), as it is a key driver in EM. Sales of pantoprazole in other regions is not included in this slide.
 ** Total GI/Oncology/CNS/EM, eliminated duplications (e.g. ADCETRIS in EM and in Oncology)
 *** Underlying growth of Oncology excl. VELCADE royalties is +4.4%

Growth Drivers Total**

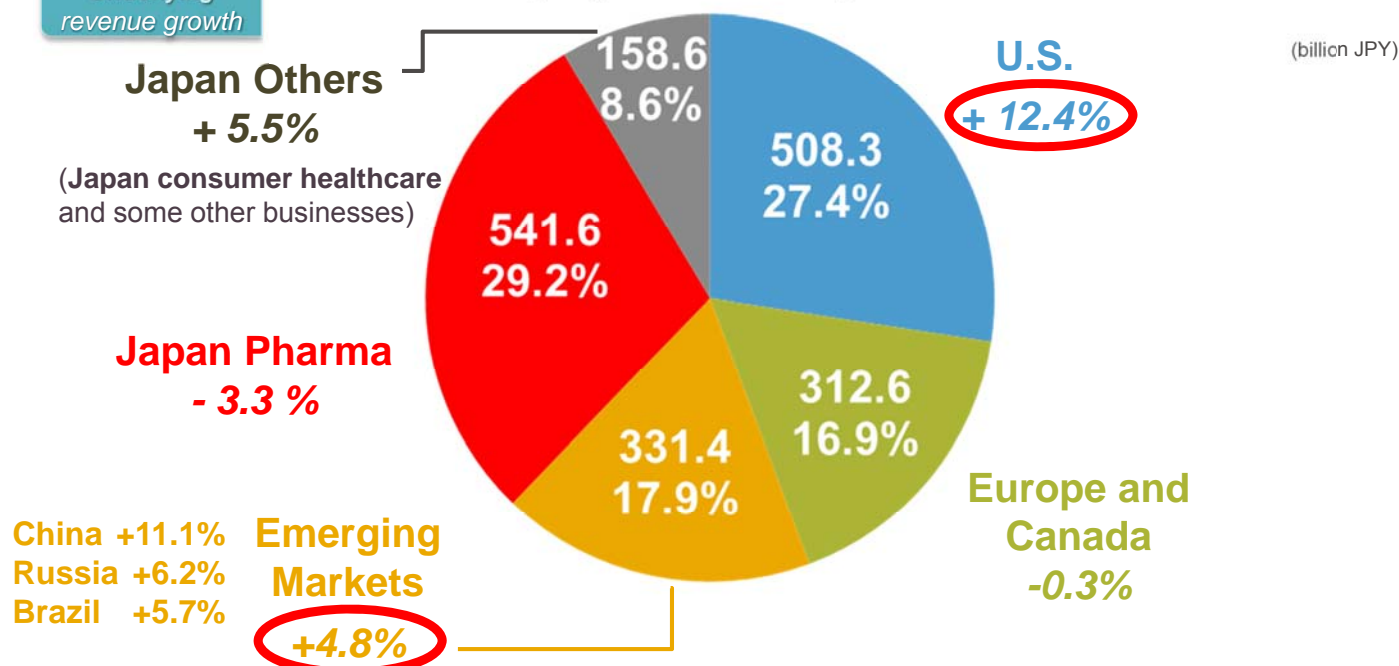
52%

Takeda Total

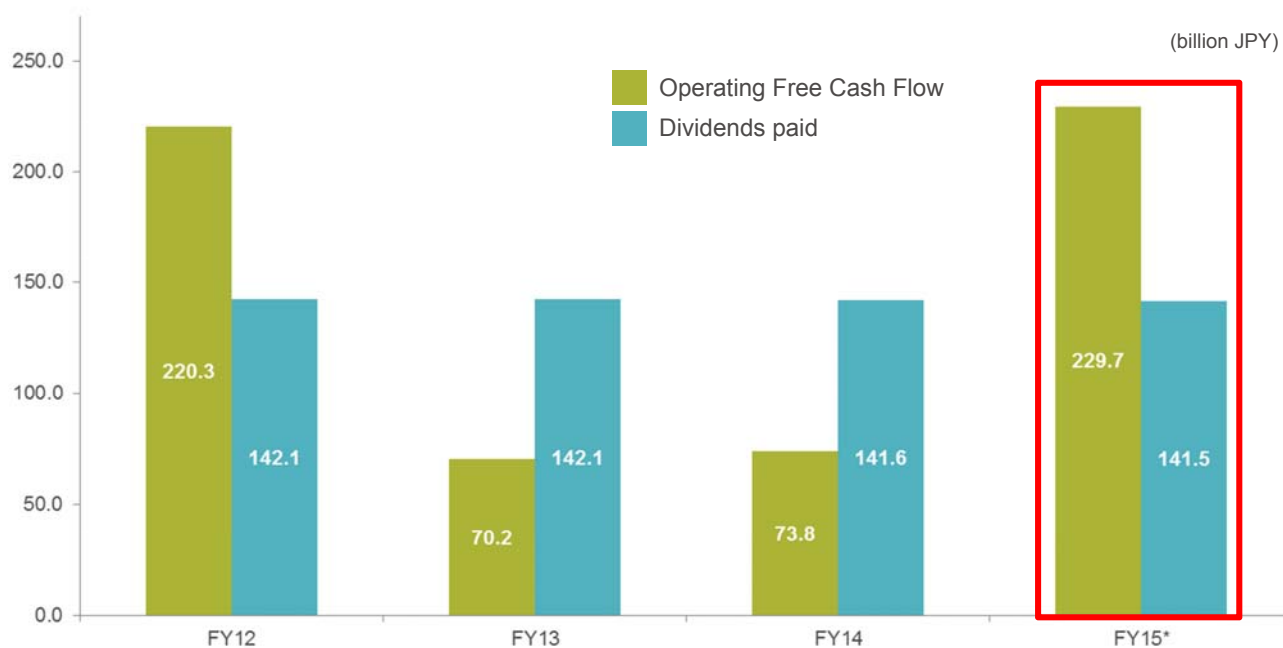
US and Emerging Markets Drive Sales Growth

Underlying revenue growth

FY15 Underlying Revenue: 1,852.6 billion JPY



Operating Free Cash Flow* Exceeded Dividend Payment



* Operating Free Cash Flow in FY15 excludes payment to the ACTOS litigation settlement fund.

FY2016 Forecast; Revenue Decline Mainly by FX but Net Profit to Grow 10%

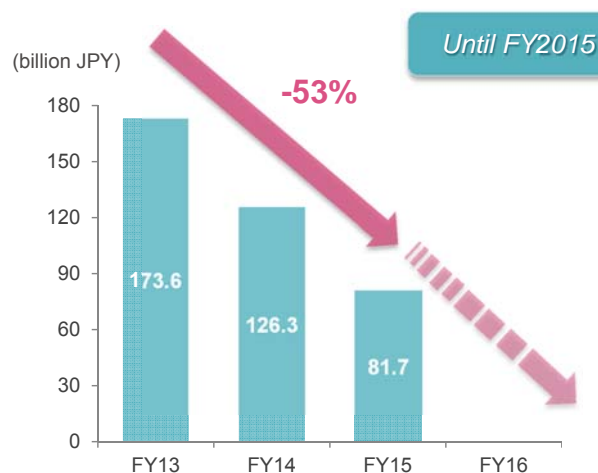
Reported base

(billion JPY)

	FY15	FY16 Forecast	Change	
Revenue	1,807.4	1,720.0	-87.4	- 4.8%
Operating profit	130.8	135.0	+4.2	+ 3.2%
Profit before tax	120.5	132.5	+12.0	+ 9.9%
Net profit	80.2	88.0	+7.8	+ 9.8%
EPS	102 JPY	112 JPY	+10 JPY	+ 9.8%

*Our operations are exposed to various risks at present and in the future, such as changes in the business environment and fluctuation of foreign exchange rates. All guidance in this presentation are based on information currently available to the management, and various factors could cause actual results to differ.

Generic Business Venture with Teva in Japan Underscores Takeda's Focus on Innovation



- Sales of LLPs have been declining. FY2015 sales: 81.7 billion JPY, 5% of Takeda's total revenue.
- BLOPRESS family in FY2015, -38%
- TAKEPRON family in FY2015, -21%

FY2016 and beyond

Takeda will book,

- One time gains on transfer of business: 100 billion JPY (FY2016)

• LLPs supply service income

• Distribution service income

• 49% equity share profit/dividend

FY2016: A Year of Strategic Focus to Sustain Growth

FY2016 Management Guidance

Underlying Revenue	Mid single digit growth (%)
Underlying Core Earnings	Low- to mid-teen growth (%)
Underlying Core EPS	Low- to mid-teen growth (%)
Annual Dividend per Share	180 yen

Better Health, Brighter Future



Takeda Pharmaceutical Company Limited