



Driving Profitable Growth Takeda Pharmaceutical Company

36th Annual J.P. Morgan Healthcare Conference

January 8, 2018

Christophe Weber

President & Chief Executive Officer

Takeda Pharmaceutical Company Limited

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Transformation momentum is backed by Takeda's values and culture

Value Driven: Takeda-ism

- Patient → Trust → Reputation → Business

Global, Agile and Committed to Innovation

- Created global organization and capabilities
- Driving patient-centricity and local empowerment
- Reinventing R&D to drive productivity: Therapeutic area focus, external partnership, performance culture

World-class Governance & Diverse Leadership

- Majority of BOD independent, with Audit & Supervisory committee
- Diverse & seasoned Takeda Executive Team
- Comprehensive talent development programs

Grow Portfolio

Rebuild Pipeline

Boost Profitability

World-class governance with independent directors occupying 8 out of 13 seats on the Board

Internal directors



Christophe Weber
Representative Director
President & CEO



Masato Iwasaki
Director,
JPBU President



Andrew Plump
Director, Chief Medical
& Scientific Officer



James Kehoe
Director,
Chief Financial Officer

Independent directors



Masahiro Sakane
Independent Director
Chair of the Board meeting



Michel Orsinger
Independent Director



Toshiyuki Shiga
Independent Director



Emiko Higashi
Independent Director



Yoshiaki Fujimori
Independent Director

Directors on the Audit & Supervisory Committee (A&SC)



Yasuhiko Yamanaka
Director,
A&SC member



Shiro Kuniya
Independent Director,
Chair A&SC



Koji Hatsukawa
Independent Director,
A&SC member



Jean-Luc Butel
Independent Director,
A&SC member

- Compensation committee
- Committee Chair
- Nomination committee
- Committee Chair

Diverse & seasoned Takeda Executive Team

SWITZERLAND



Thomas Wozniewski
Global Manufacturing & Supply Officer



Giles Platford
President, EUCAN BU



Andrew Plump
Chief Medical & Scientific Officer



Christophe Bianchi
President Global Oncology BU



Gerard Greco
Global Quality Officer



Ramona Sequeira
President US BU



Rajeev Venkayya
President Global Vaccine BU

SINGAPORE



Ricardo Marek
President EM BU



Christophe Weber
President & CEO



Masato Iwasaki
President Japan Pharma BU



James Kehoe
Chief Financial Officer



Haruhiko Hirate
Corp Comms & Public Affairs Officer



Yoshihiro Nakagawa
Global General Counsel



David Osborne
Global HR Officer

JAPAN

5 BU: Business Unit
EUCAN: Europe & Canada

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Solid progress against key priorities in FY2017

Grow Portfolio

- H1 Underlying Revenue +6.7%, led by Growth Drivers +14.9%
- Strong performance from key growth products
- ARIAD acquisition delivering ahead of expectations
- Announced voluntary public takeover bid for TiGenix to expand leadership in Gastroenterology

Rebuild Pipeline

- Progressed innovative assets (12 NME clinical stage-ups since April)
- R&D Transformation well-advanced; organizational changes largely completed
- 33 new collaborations with biotech/academia since April

Boost Profitability

- H1 Underlying CE growth +44.4%, CE margin +500bps vs prior year
- H1 Reported EPS +39.2%; Underlying Core EPS +29.9%
- Sale of non-core assets unlocked 131bn yen cash in H1 FY2017; announced plan to sell additional 49.5bn of real estate

Key priorities for the mid-term: Grow Portfolio

**Grow
Portfolio**

**Rebuild
Pipeline**

**Boost
Profitability**

Mid-term priorities

- Focus on key growth products
- Reinforce specialty capabilities
- Pursue opportunities to divest or acquire assets

Strong performance from key growth products

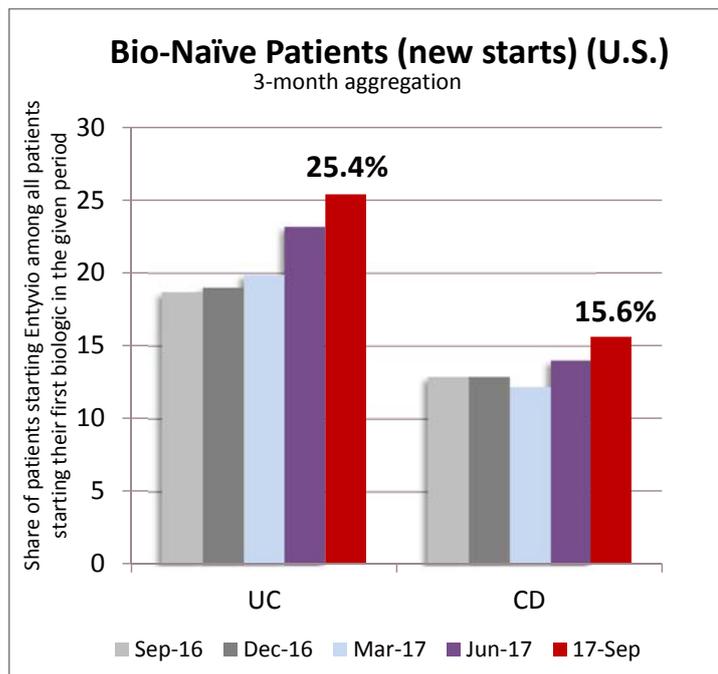
FY2017 H1 Underlying Revenue

Bn yen vs. PY

		Bn yen	vs. PY	
GI		95.5	+43.4%	<ul style="list-style-type: none"> • Continued share gains & new country launches fuel growth • Now approved in 64 countries; launched in 53
		25.3	+83.0%	<ul style="list-style-type: none"> • Gaining share in anti-acid market in Japan • Cannot exclude possibility of Japan price pressure in 2018
Oncology		21.4	+63.8%	<ul style="list-style-type: none"> • Approved in 50 countries, continued global rollout • Pivotal data expected in FY2018 in new treatment settings
		18.7	+28.4%	<ul style="list-style-type: none"> • Continued geographical expansion and growth • CHMP positive opinion for CTCL; FL HL submission in EU complete
		0.8	N/A (launched 05/17)	<ul style="list-style-type: none"> • Encouraging uptake since U.S. launch; preparing for EU launch • Enrollment in frontline NSCLC study completed
Neuro-science		23.2	+58.7%	<ul style="list-style-type: none"> • Capturing >60% of U.S. patients starting 1st brand antidepressant • Multi-channel patient engagement



Continued share gains & new country launches fuel growth



- Strong overall market share dynamic
- Real-world remission rates after 12 months confirm results seen in clinical trials
- Submitted for UC in Japan; Ph-3 study underway in China
- Comprehensive LCM program ongoing
 - CD mucosal healing
 - UC head-to-head vs adalimumab
 - Subcutaneous formulation
 - Exploratory studies in GvHD

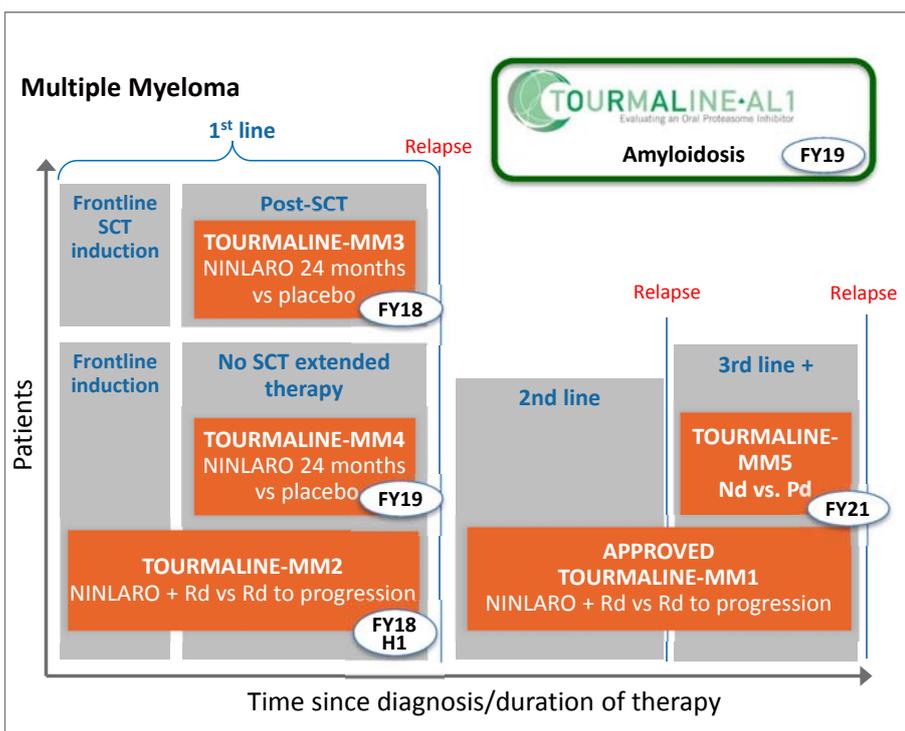
UC: Ulcerative colitis GvHD: Graft versus Host Disease
CD: Crohn's disease

9 Source: SHA Medical and Pharmacy Claims data, Jul 2017. Latest numbers available aggregated by quarter. Patient numbers / shares estimated from projected patient counts from SHA claims data

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Pivotal data expected in FY2018 in settings amenable to continuous extended treatment



- Solid market uptake in US in approved 2L+ setting
- Global expansion gaining momentum
 - Commercially available in 17 countries
 - NICE positive appraisal in UK
 - Japan launch May 2017
 - Potential China approval early 2018
- Ongoing Ph-3 program across MM treatment spectrum
- Significant opportunity in maintenance
- Multiple studies in combination with daratumumab
 - Company-sponsored P2 study in relapsed/refractory MM, expect FSI before end-FY2017
 - 10 IISR studies projected to enroll ~900 patients; first data expected FY2018

Takeda announces intention to acquire TiGenix to expand late-stage pipeline and leadership in Gastroenterology

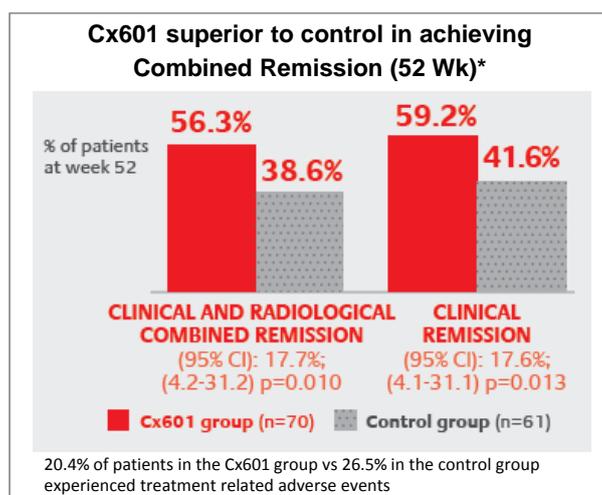
- Voluntary public takeover bid to acquire TiGenix for EUR 1.78 per share in cash (transaction value approximately EUR 520 million)
- TiGenix is an advanced biopharmaceutical company developing novel therapies by exploiting the anti-inflammatory properties of allogeneic stem cells
- Cx601 is the leading investigational therapy in TiGenix's pipeline for the treatment of complex perianal fistulas. In December 2017, the CHMP for the EMA adopted a positive opinion recommending a marketing authorization for Cx601
- Acquisition is a natural extension to existing ex-US collaboration between Takeda and TiGenix to develop and commercialize Cx601 (darvadstrocel) as well as the private placement investment made in 2016
- Deal reinforces Takeda's commitment to patients living with Inflammatory Bowel Disease, an area of high unmet medical need
- Acquisition would expand Takeda's late-stage gastroenterology pipeline and strengthen presence in the U.S. specialty care market

Note: Please refer to slide 23 for important legal information regarding this announcement

Cx601 supports GI leadership by addressing significant need and building cell therapy expertise

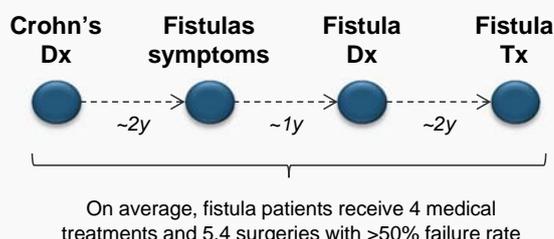
Cx601 is an innovative cell therapy

- Cx601 is a Suspension of Expanded Adipose-derived Stem Cells given surgically in a local, single administration for the treatment of complex perianal fistulas, a common and severe complication of Crohn's disease (CD)
- Cx601 is complementary to other CD treatments (including anti-TNFs / Entyvio) as patients need to have controlled luminal activity
- In December 2017, the CHMP for the EMA adopted a positive opinion recommending a marketing authorization for Cx601
- A global pivotal Phase 3 trial for U.S. registration has been initiated



Perianal fistulas have high medical need

- ~25% of Crohn's patients will experience a fistula resulting in drainage, pain, and multiple surgeries. These are invasive surgeries resulting in up to 40% permanent fecal incontinence
- Anti-TNFs, despite intensification, do not perform well to address these symptoms for complex perianal fistulas in CD



Key priorities for the mid-term: Rebuild Pipeline

Grow
Portfolio

Rebuild
Pipeline

Boost
Profitability

Mid-term priorities

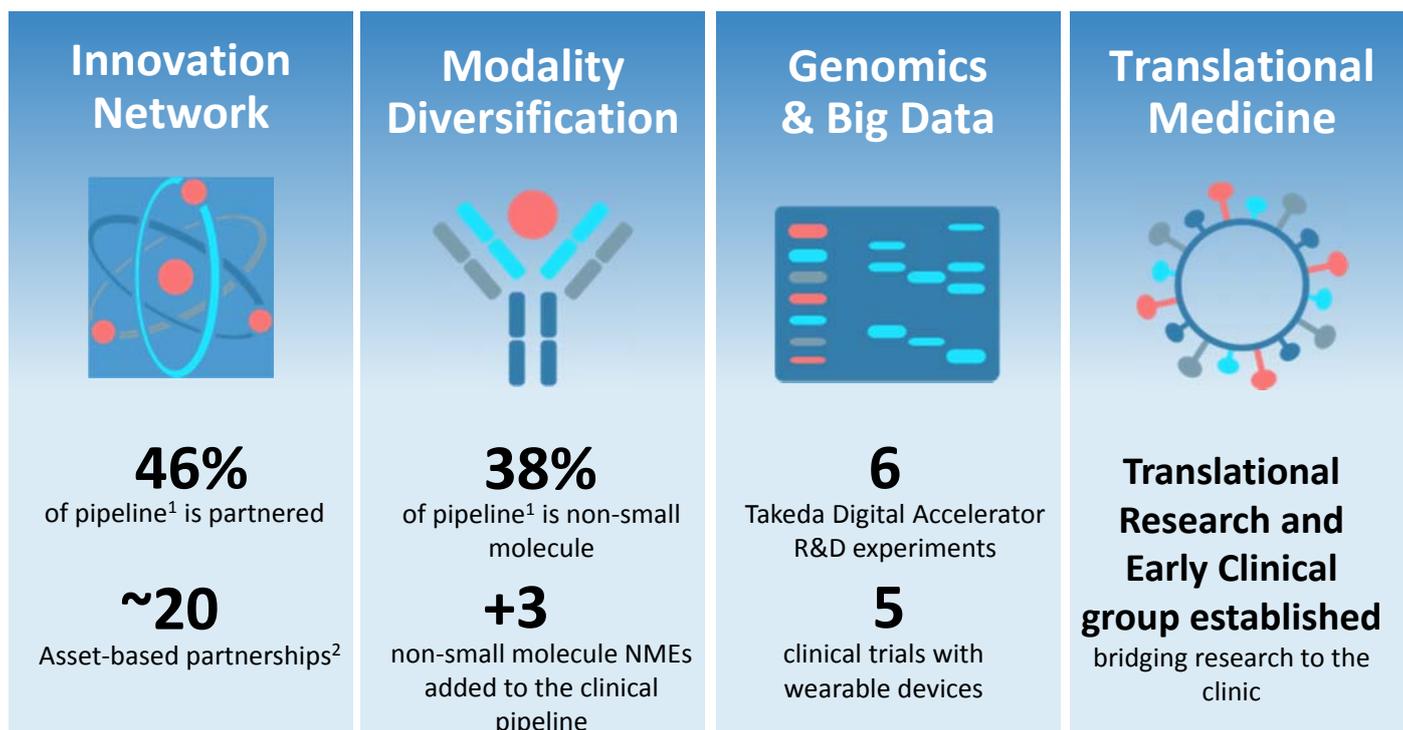
- Leverage therapeutic area expertise to progress innovative assets
- Enhance capabilities internally and through external collaborations
- Strengthen R&D performance and culture

12 NME clinical stage-ups in FY2017 year-to-date

	Phase 1	Phase 2	Phase 3/Filed	LCM	
Oncology	<p>TAK-202 CCR2 antagonist Solid Tumors</p> <p>TAK-573 Anti-CD38 attenuating Refractory MM</p> <p>TAK-788 EGFR/HER2 inh NSCLC</p>	<p>TAK-243 UAE inhibitor Solid Tumors</p> <p>TAK-580 pan-RAF kinase Solid Tumors</p> <p>XMT-1522 HER2 dolaflexin ADC HER2+ Solid Tumors</p>	<p>sapanisertib mTORC 1/2 inhibitor RCC, Breast, Endometrial</p> <p>TAK-659 SYK inhibitor Hem. Malig; DLBCL</p> <p>TAK-931 CDC7 inhibitor Solid Tumors</p>	<p>pevonedistat NAE inhibitor HR MDS</p>	<p>NINLARO® Proteasome inhibitor</p> <p>ALUNBRIG® (brigatinib) ALK inhibitor</p> <p>cabozantinib VEGFR/RTK inhibitor</p> <p>ADCETRIS® CD30 ADC</p> <p>ICLUSIG® BCR-ABL inhibitor</p>
GI	<p>TAK-954 5-HT4R ag Enteral Feeding Intolerance</p>	<p>TAK-906 D2/D3R Antagonist Gastroparesis</p>	<p>CX601 mesenchymal stem cells Perianal Fistulas in CD</p>	<p>ENTYVIO® α4β7 mAb</p> <p>AMITIZA® Chloride channel activator</p> <p>Vonoprazan PCAB</p>	
Neuroscience	<p>TAK-041 GPR139 agonist CIAS neg. symptoms</p> <p>TAK-071 M1PAM LBD-AD</p> <p>TAK-653 AMPA potentiator TRD</p>	<p>TAK-058 5-HT3 antagonist CIAS</p> <p>TAK-418 LSD1 inhibitor Kabuki Syndrome</p> <p>TAK-925 Drexin 2R agonist Narcolepsy</p>	<p>TAK-935 CH24H inhibitor Rare Pediatric Epilepsies</p> <p>TAK-831 JAAO inhibitor SCZ, Ataxia</p>	<p>AD-4833 TOMM40 Mitochondrial growth modulator Delay of MCI</p>	<p>TRINTELLIX™ Multimodal anti-depressant</p> <p>Rasagiline MAOB inhibitor</p>
Vaccines	<p>TAK-021 EV71 Vaccine</p> <p>TAK-426 Zika Vaccine</p>	<p>TAK-195 Inactivated Polio Vaccine</p> <p>TAK-214 Norovirus Vaccine</p>	<p>TAK-003 Dengue Vaccine</p>		
Other	<p>TAK-079 Anti-CD38 mAb SLE</p> <p>TAK-020 BTK inhibitor RA</p>	<p>namilumab GM-CSF RA</p> <p>TAK-272 Direct renin inhibitor Diabetic Nephropathy</p>	<p>relugolix GNRH antagonist UF, Endometriosis, Prostate Cancer</p>		

Stage-ups in FY2017 (since April 1, 2017)

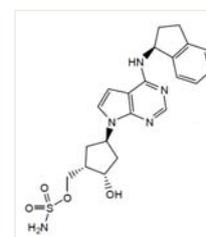
Reinventing R&D



15 1. Includes undisclosed development candidates (DC)
2. Includes DC through LCM; >150 other target / platform partnerships, academic collaborations, public-private partnerships, and operational partnerships

Pevedonistat is a first-in-class NEDD8-activating enzyme inhibitor that could transform treatment in HR MDS and low-blast AML

- First-in-class, selective inhibitor of NEDD8-activating enzyme, a key component of the ubiquitin-proteasome system
- Takeda initiated a Ph-3 study for HR MDS, CMML & low-blast AML
- Included in the multi-compound Beat AML Master Clinical Trial (Leukemia and Lymphoma Society)
- Development plan in place to support global registrations

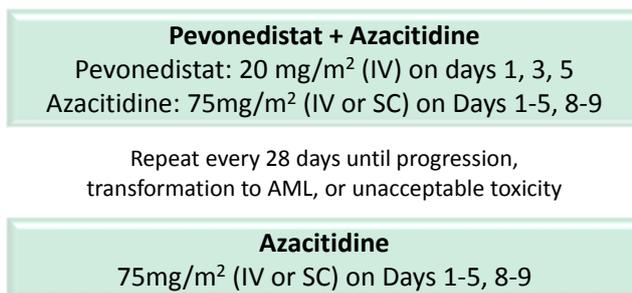


PANTHER Trial: Design Overview

N=450

Randomization

1:1



Primary endpoints:

- Overall Response Rate by Cycle 6
- Event-Free Survival

Key secondary endpoint:

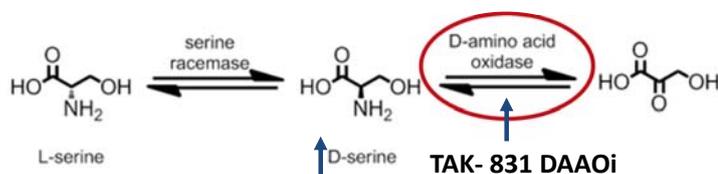
- Overall Survival

Stratification

- IPSS-R risk category for HR MDS/CMML
 - Intermediate
 - High
 - Very High
- Low blast AML

TAK-831 is a first-in-class D-amino acid oxidase inhibitor being explored in schizophrenia and Friedreich's Ataxia

Target: D-Amino acid Oxidase (DAAO)



D-Serine has been shown to improve negative symptoms in schizophrenia

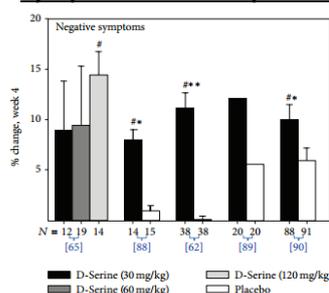


FIGURE 2: D-serine effects on negative symptoms in controlled add-on clinical trials with chronic schizophrenia patients. * $P < 0.05$ versus placebo; ** $P < 0.001$ versus placebo; * $P < 0.05$ versus baseline.

Durrant, A., et al 2014. *Advances in Psychiatry*. Volume 2014, Article ID 859735

- Inhibition of DAAO leads to increases in D-serine, a co-agonist of NMDA receptors; increased D-Serine levels expected to enhance NMDA receptor function
- NMDA receptor antagonists lead to schizophrenia-like symptoms in humans, and cause ataxia & cognitive impairment
- Phase 2 Proof-of-Concept study in Friedreich's Ataxia commenced November 2017
- Phase 2 Proof-of-Concept study in treatment of negative symptoms (and cognition) in schizophrenia planned to start early 2018

Denali collaboration supports Neuroscience strategy by providing access to potential best-in-class antibody therapeutics

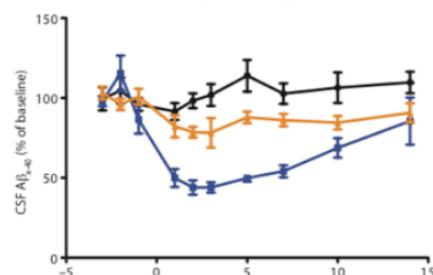
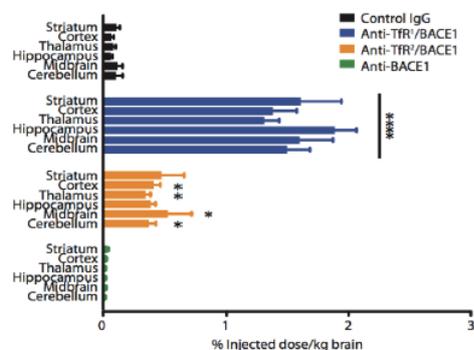
Denali's Antibody Transport Vehicle (ATV) technology substantially increases blood brain barrier (BBB) penetration of antibodies

- The high affinity and specificity of antibodies for therapeutic targets makes them attractive drug candidates but their restricted penetration of the BBB limits their application in central nervous system (CNS) diseases
- Denali's ATV technology increases the BBB penetration of antibodies more than 30-fold in non-human primate studies
- Higher CNS antibody concentrations may make it possible to address many therapeutic targets that could not be treated with traditional unmodified antibodies

Focus on genetically validated therapeutic targets

- The collaboration will focus on developing antibody therapeutics for genetically validated targets for Alzheimer's disease and other neurodegenerative disorders
- 5 year research collaboration to develop novel therapies for three genetically validated targets using ATV technology to improve delivery to the site of action in the CNS

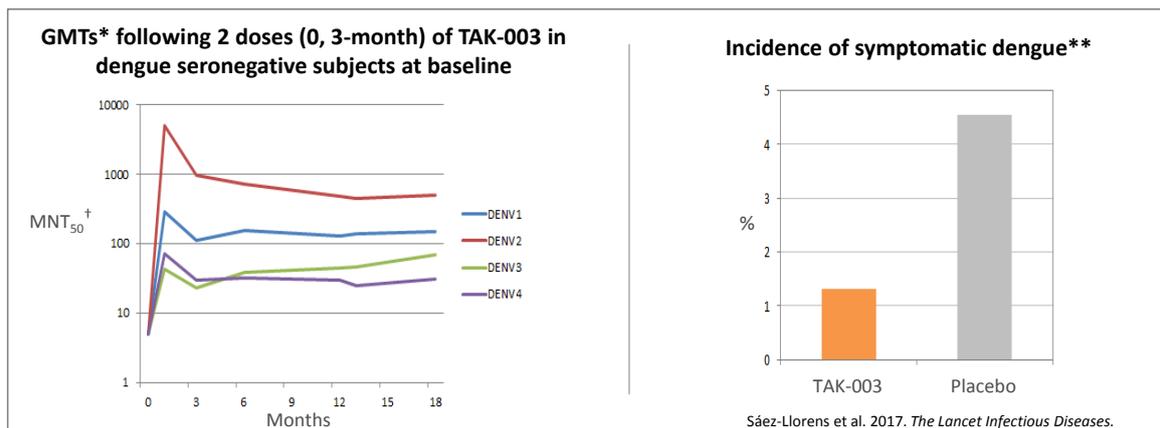
Denali's ATV technology increases antibody concentration and pharmacologic effect in CNS



Yu, et al. 2014. *Science Translational Medicine*.

TAK-003 has demonstrated safety & immunogenicity to all four dengue serotypes in dengue exposed and naïve populations

- Ph-3 efficacy study on track to provide primary efficacy readout in FY2018
 - Has completed enrollment of over 20,000 subjects aged 4-16 years
 - Includes large population of dengue-naïve subjects to carefully evaluate safety and efficacy in this population
 - Serum taken from all subjects at baseline to understand which subjects had been previously exposed to dengue
- Ph-2 study 18-month interim analysis supports encouraging profile for TAK-003
 - Unique immunogenicity profile resulting from the structure of TAK-003: dengue virus 2 (DENV2) backbone
 - Immunogenic when given as a 2-dose regimen, 3 months apart
 - Results in high rates of sero-positivity against all 4 serotypes, regardless of baseline serostatus
 - Had an acceptable safety and tolerability profile



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*GMT= Geometric Mean Titers **Incidence of dengue was secondary safety objective
 †MNT= microneutralization test

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Key priorities for the mid-term: Boost Profitability

Grow
Portfolio

Rebuild
Pipeline

Boost
Profitability

Mid-term priorities

- Increase Underlying CE margin 100-200bps per year
- Execute Global Opex Initiative
- Unlock cash and invest for profitable growth

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Projecting strong performance in FY2017 with upside from Velcade

Guidance announced at FY2017 Q2 (November 1, 2017)

(Bn yen)		<u>Forecast</u>	<u>vs prior year</u>	
Reported	Revenue	1,720.0	-12.1	(0.7%)
	Operating Profit	200.0	+44.1	+28.3%
	EPS	195 yen	+48 yen	+32.3%
Underlying	Revenue	Low single digit growth		
	Core Earnings	High teen growth		
	Core EPS	Mid teen growth		
DPS	Dividend	180 yen per share		

Delivering against our clearly defined strategy to drive long-term profitable growth

- Transformation is delivering progress against key priorities
- Strong governance & diverse leadership
- Significant investment in talent development
- Therapeutic Area focus is driving innovation
- Commitment to shareholder returns; dividend as key component
- Sound financial position & long-term view to boost profitability

**Grow
Portfolio**

**Rebuild
Pipeline**

**Boost
Profitability**

Important Notice regarding announcement of intention to acquire TiGenix

Disclaimer

This communication does not constitute an offer to purchase securities of TiGenix nor a solicitation by anyone in any jurisdiction in respect of such securities, any vote or approval. If Takeda decides to proceed with an offer to purchase TiGenix's securities through a public tender offer, such offer will and can only be made on the basis of an approved offer document by the FSMA and tender offer documents filed with the U.S. Securities and Exchange Commission ("SEC"), which holders of TiGenix's securities should read as they will contain important information. This communication is not a substitute for such offer documents. Neither this communication nor any other information in respect of the matters contained herein may be supplied in any jurisdiction where a registration, qualification or any other obligation is in force or would be with regard to the content hereof or thereof. Any failure to comply with these restrictions may constitute a violation of the financial laws and regulations in such jurisdictions. Takeda, TiGenix and their respective affiliates explicitly decline any liability for breach of these restrictions by any person.

Important Additional Information for U.S. investors

The voluntary takeover bid described herein has not yet commenced. This communication is for informational purposes only and is neither a recommendation, an offer to purchase nor a solicitation of an offer to sell any securities of TiGenix.

At the time the voluntary public takeover bid is commenced, shareholders of TiGenix are urged to read the offer documents which will be available at www.sec.gov. At the time the voluntary public takeover bid is commenced, it shall be comprised of two separate offers – (i) an offer for all securities with voting rights or giving access to voting rights, issued by TiGenix (except for ADSs) (the "Securities"), in accordance with the applicable law in Belgium, and (ii) an offer to holders of TiGenix's American Depositary Shares issued by Deutsche Bank Trust Company Americas acting as depository ("ADSs"), and to holders of Securities who are resident in the U.S. in accordance with applicable U.S. law (the "U.S. Offer").

The U.S. Offer will only be made pursuant to an offer to purchase and related materials. At the time the U.S. Offer is commenced, Takeda will file, or cause to be filed, a tender offer statement on Schedule TO with the SEC and thereafter, TiGenix will file a solicitation/recommendation statement on Schedule 14D-9, in each case with respect to the U.S. Offer.

Holders of TiGenix ADSs and Securities subject to the U.S. Offer who wish to participate in the U.S. Offer, are urged to carefully review the documents relating to the U.S. Offer that will be filed by Takeda with the SEC since these documents will contain important information, including the terms and conditions of the U.S. Offer. Holders of TiGenix ADSs and Securities subject to the U.S. Offer who wish to participate in the U.S. Offer, are also urged to read the related solicitation/recommendation statement on Schedule 14D-9 that will be filed with the SEC by TiGenix relating to the U.S. Offer. You may obtain a free copy of these documents after they have been filed with the SEC, and other documents filed by TiGenix and Takeda with the SEC, at the SEC's website at www.sec.gov. In addition to the offer and certain other tender offer documents, as well as the solicitation/recommendation statement, TiGenix files reports and other information with the SEC. You may read and copy any reports or other information filed by TiGenix at the SEC Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. TiGenix's filings at the SEC are also available to the public from commercial document-retrieval services and at the website maintained by the SEC at www.sec.gov.

YOU SHOULD READ THE FILINGS MADE BY TAKEDA AND TIGENIX WITH THE SEC CAREFULLY BEFORE MAKING A DECISION CONCERNING THE U.S. OFFER.

Better Health, Brighter Future

