



Transformation into a New Takeda: The Takeda Acquisition of Nycomed

Yasuchika Hasegawa

President & CEO

Takeda Pharmaceutical Company Ltd.

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Transaction highlights

Combination benefits

Financial forecast

Integration plan

Conclusion



- Strong fit with Takeda's sustainable growth strategy
 - Strengthens pan-European platform
 - Leverages Nycomed's Emerging Markets strength to drive growth
 - Maximize the value of Takeda's product and pipeline portfolio
 - Adds Daxas: a significant growth opportunity
- Financially attractive
 - Immediate contribution to revenue growth
 - Annualized ¥30 billion of cost synergies in the third year after closing
 - Non-GAAP* EPS accretive in year one, significantly accretive in year two and beyond
- Ease of integration due to limited overlap
- Diverse talent pool and transformation of culture

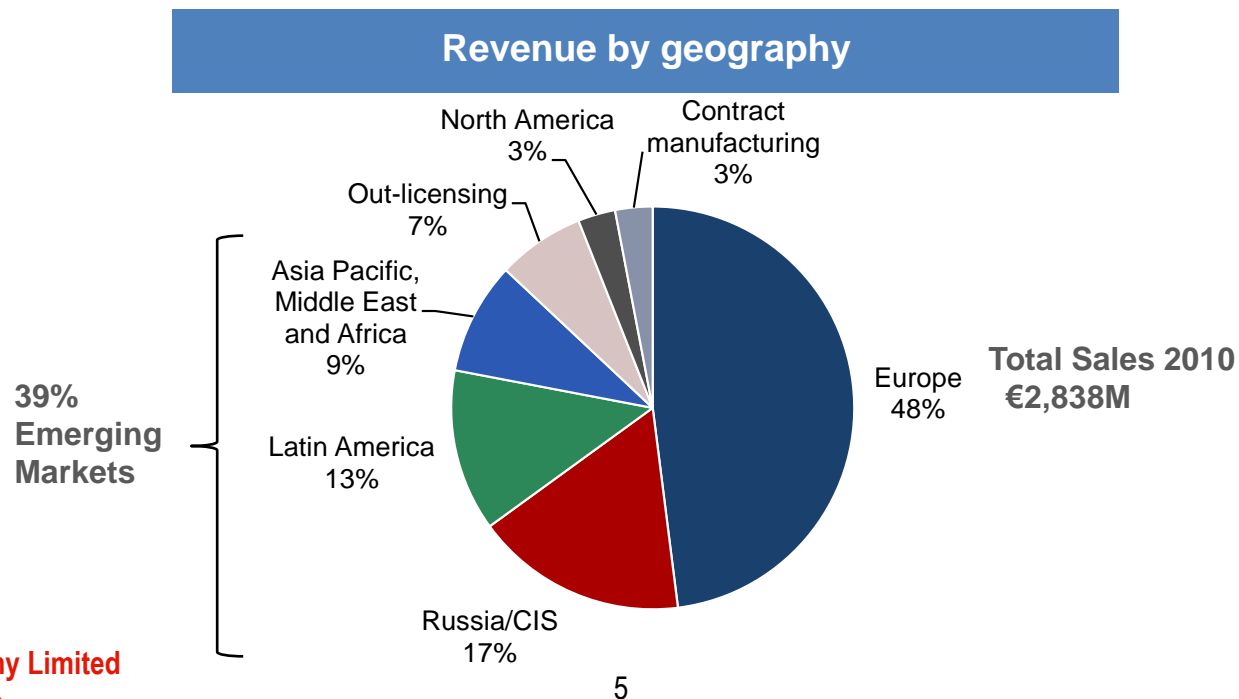
* Non-GAAP: excluding amortization of intangible assets and one time integration expenses related to acquisition



- €9.6 billion acquisition of Nycomed on a cash free/debt free basis
- All cash transaction, cash on hand plus ¥600-700 billion debt (no equity issuance planned)
- Acquisition of all shares of Nycomed excluding US dermatology business
- Expects closing in Q2 FY2011 by the end of September 2011 - (subject to regulatory approval)

Note: All the financials in this presentation exclude US dermatology business

- Leading European and Emerging Markets pharmaceutical company headquartered in Zurich
- €2,838 million revenue and €765 million EBITDA excluding US dermatology business in 2010
- A portfolio of prescription (87%) and OTC products (13%)
- Product Portfolio: Daxas[®], Pantoprazole, and diversified products (Actovegin[®], TachoSil[®], Alvesco[®], etc.)
- Approx. 11,800 employees worldwide
- Key growth drivers: Emerging markets, Daxas, life-cycle management



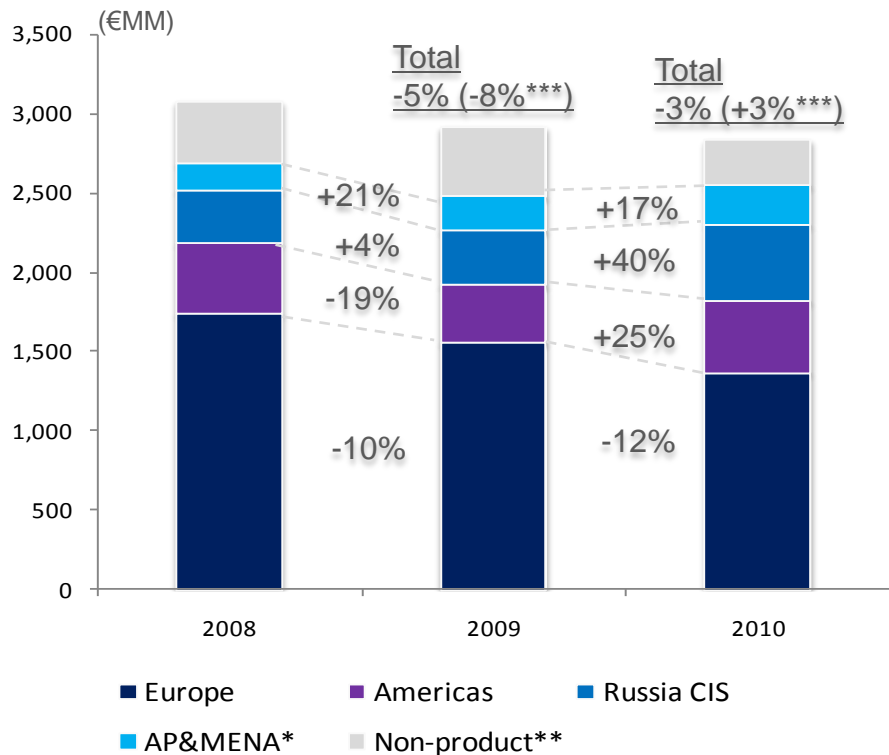


Pantoprazole LOE Has Driven Overall Sales Decline Since 2009

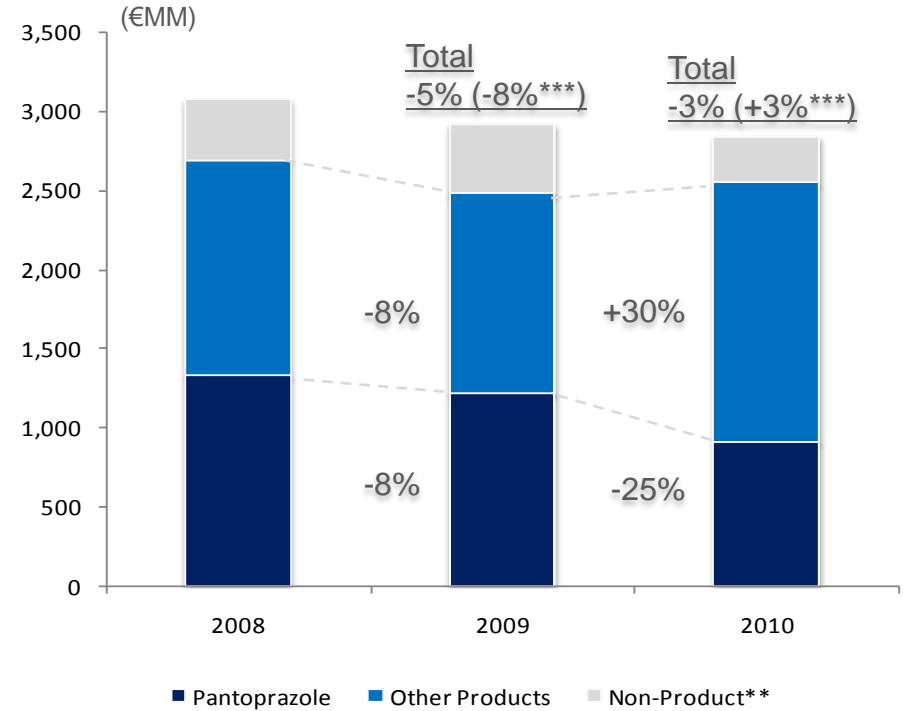


- LOE of Pantoprazole: 5/2009 in most European countries, 5/2010 in Canada, and Generics entry in US
- Strong growth momentum in Emerging Markets

2008-2010 by Region



2008-2010 by Product



* Asia Pacific & Middle East North Africa

** Includes royalty/milestone, contract manufacturing, etc.

*** Excluding non-product revenue

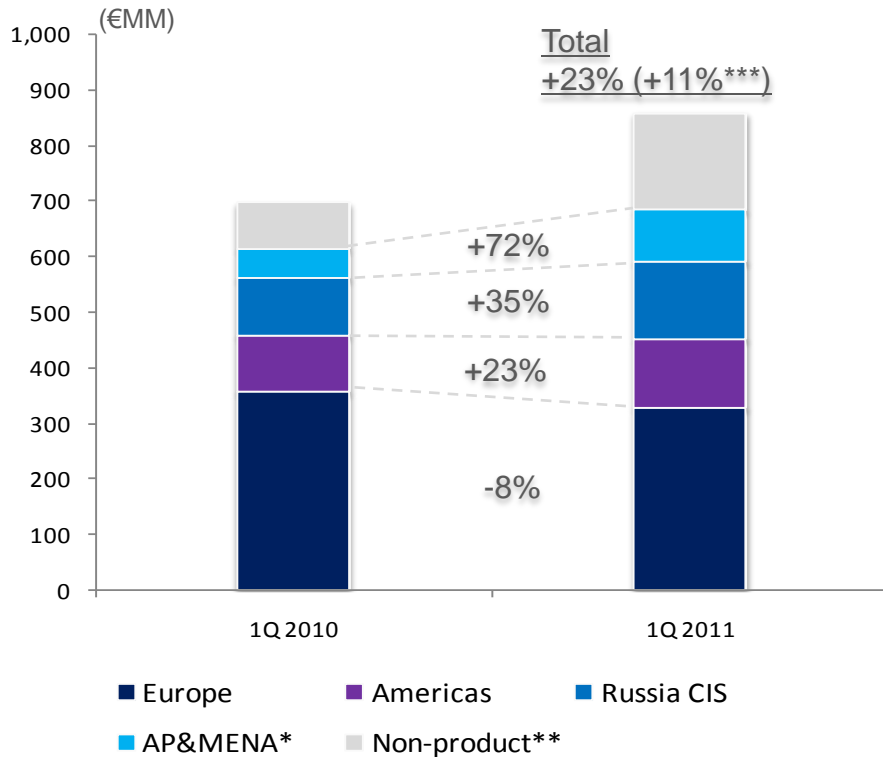


In 2011, Strong Growth in Emerging Markets Outweighs Negative Pantoprazole Sales Declines

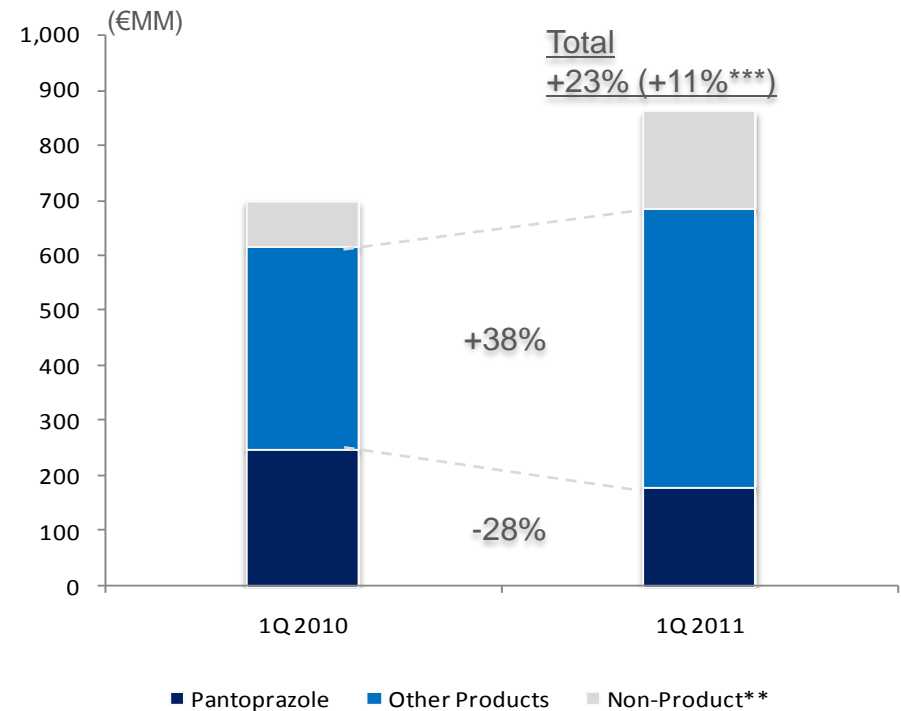


- Revenue growth in Emerging Markets outpaces Pantoprazole decline
- Pantoprazole decline is leveling off
- Confirmed recurrence to the growth trend of products sales which showed “bottom-out” in 2010

Jan-Mar 2010 vs. Jan-Mar 2011 by Region



Jan-Mar 2010 vs. Jan-Mar 2011 by Product



Note: Recorded milestone revenue of Daxas in March 2011

* Asia Pacific & Middle East North Africa

** Includes royalty/milestone, contract manufacturing, etc.

*** Excluding non-product revenue



Adds Daxas, a Promising First-in-Class Product

NYCOMED

- Highly differentiated Oral anti-inflammatory agent for COPD
- High potential in Emerging Markets as well as Developed Countries

Daxas®

Approved by FDA and EMA
Emerging Market approvals
expected in 2011

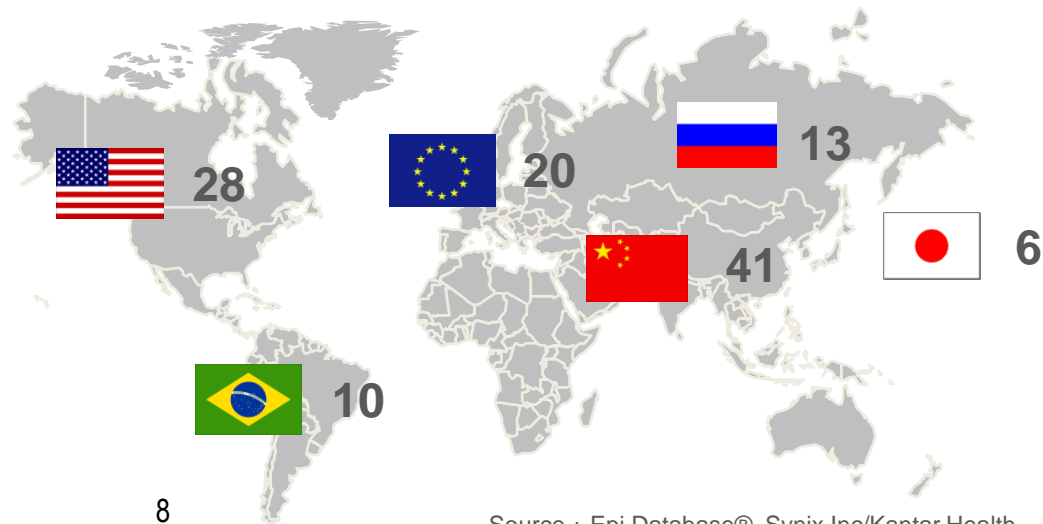
Exclusive marketing rights in
many Emerging Markets

COPD Overview

- €24.9B COPD/Asthma market (2009) growing 7% 2009–2010
- No cure for COPD: a progressive disease gradually erodes a patient's quality-of-life and shortens life

Source: ©2011 IMS Health, Estimated based on "Knowledge Link 2010", Reprinted with permission

COPD Patients (million)





Transaction highlights

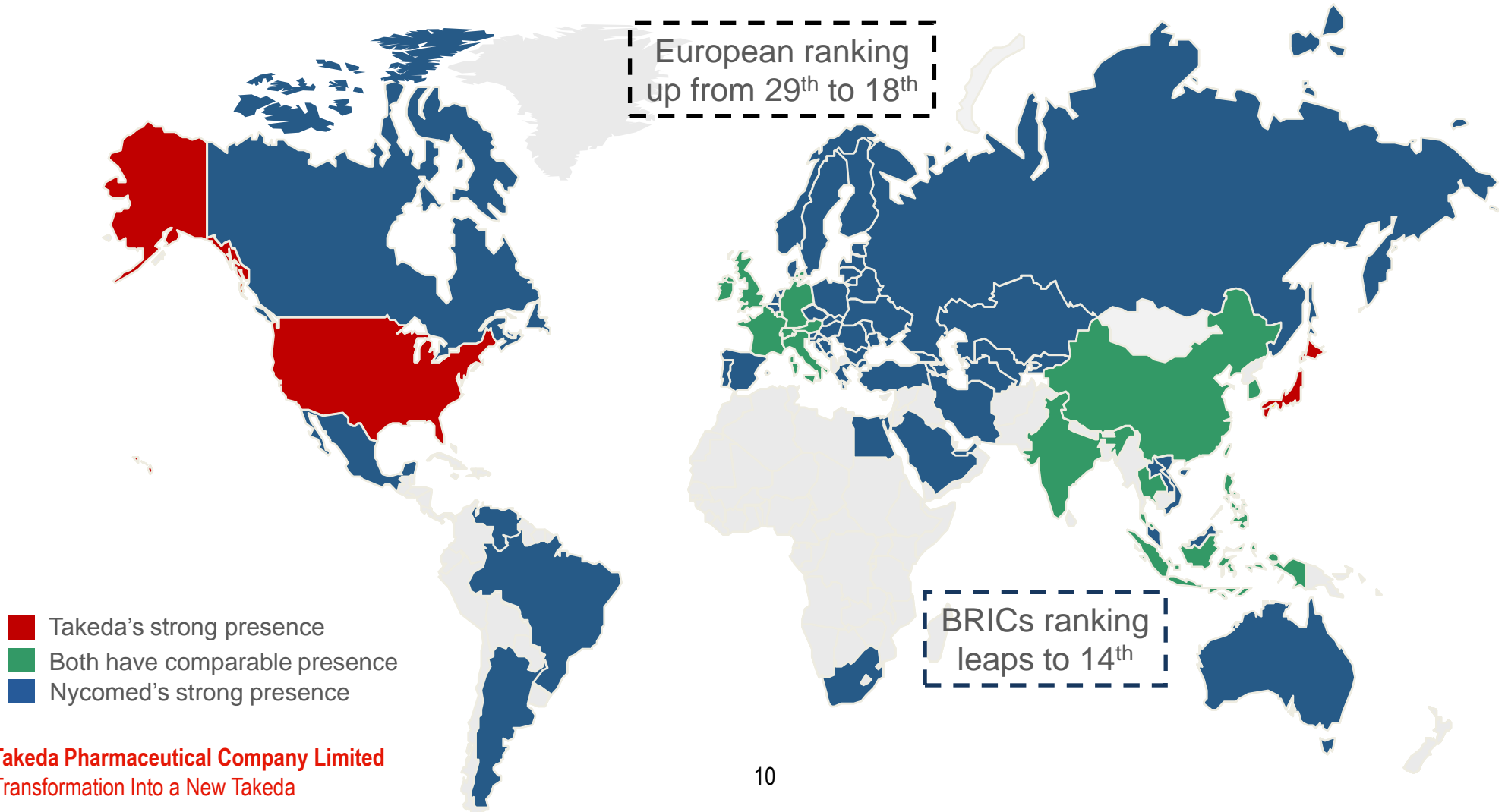
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- Significantly increases coverage of global pharma market, rises from 16th to 12th in the global Rx sales ranking, and strengthens its position as a global licensing partner

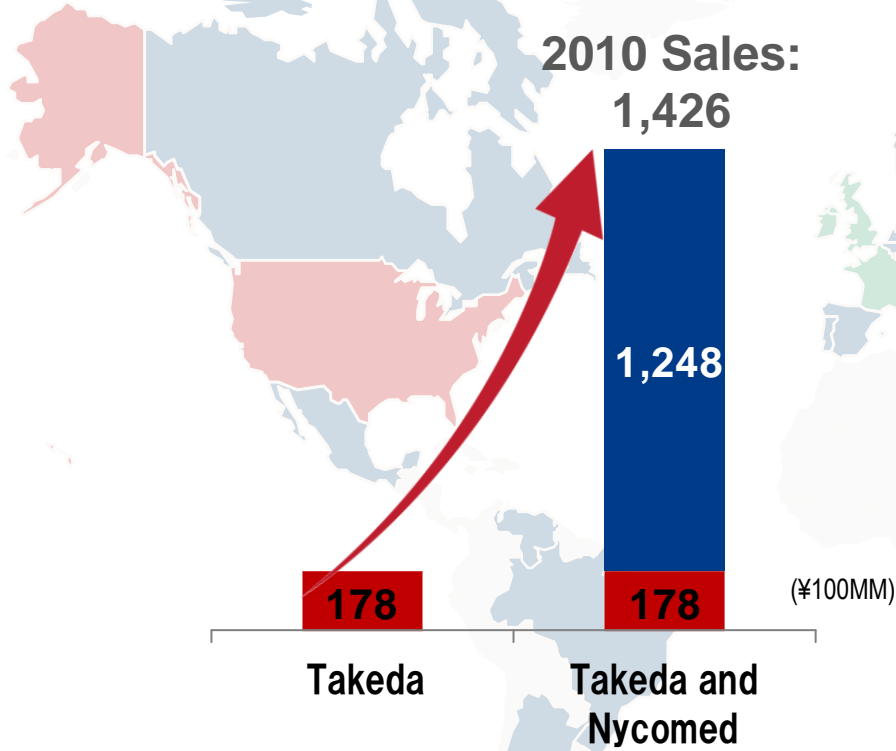




Immediately Establishes Takeda in High-Growth Emerging Markets



- Nycomed achieved ~30% annual growth in 2010 in the Emerging Markets
- Leverages Nycomed's commercial infrastructure and operational know-how in Russia, China, Brazil, Turkey, Mexico, other Emerging areas
- Adds considerable regulatory expertise, low cost manufacturing capability, diversified products to succeed in Emerging Market business



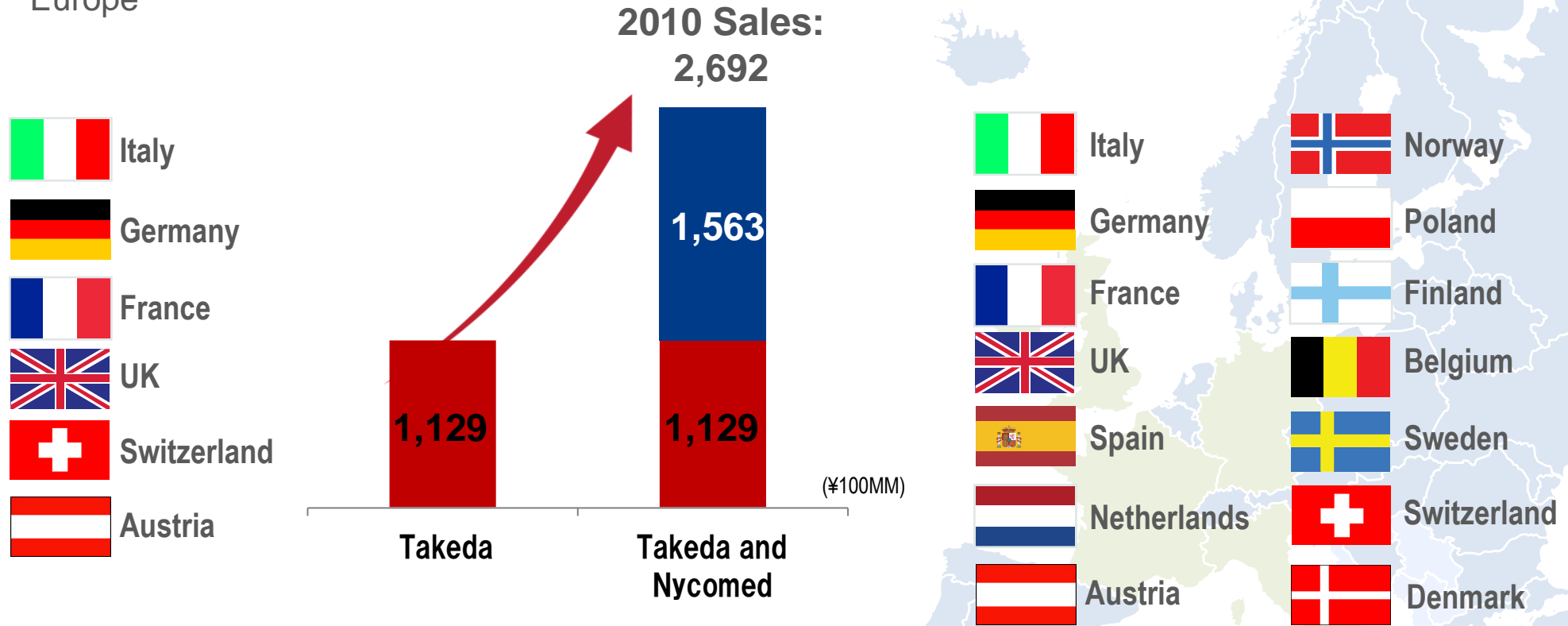
- ✓ Emerging Markets contributed to 50% of global pharma market growth during 2005-2010
- ✓ Emerging Market contribution rate is expected to soar to 70% during 2010-2015



**Market CAGR 2010-15
(IMS Health Forecasts)**

Note: Sales consists of local EMG subsidiaries excluding licensee revenues

- Takeda European sales will be more than double by this acquisition
- Leverages Nycomed's strong commercial and regulatory infrastructure in pan-Europe
- Brings Takeda a broad range of coverage spanning 30 countries, including Northern and Eastern Europe



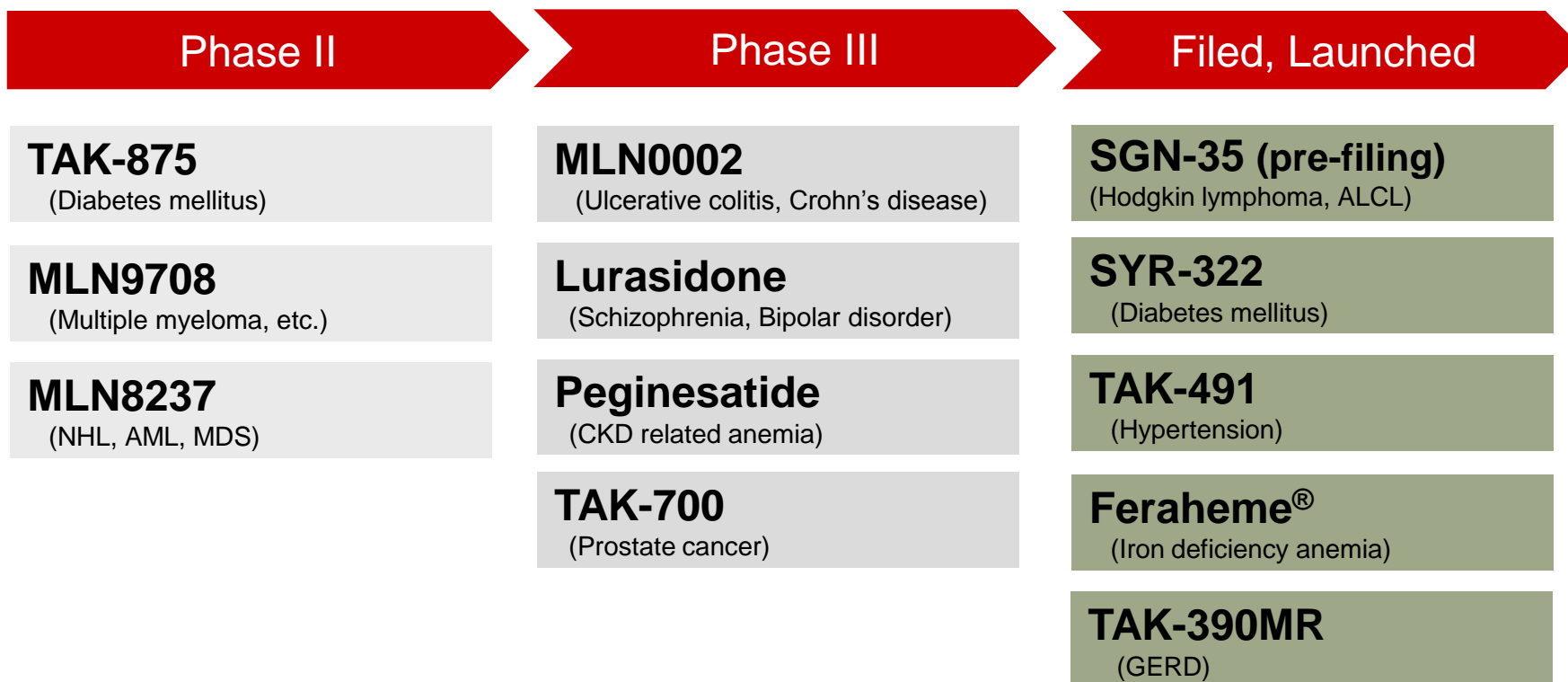
Note: Sales consists of local EMG subsidiaries excluding licensee revenues



Maximizes the Value of Takeda's Portfolio

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- Global development infrastructure to accelerate filing and launch
- Nycomed's skill in tailoring its product mix to fit individual market requirements and LCM expertise will boost the value of Takeda's existing products and pipeline





Acquires Diverse Talent to Help Transform Takeda's Culture

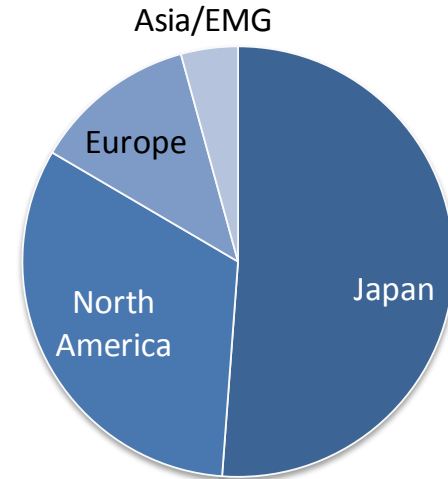


Acquires Talent and Dynamic Culture

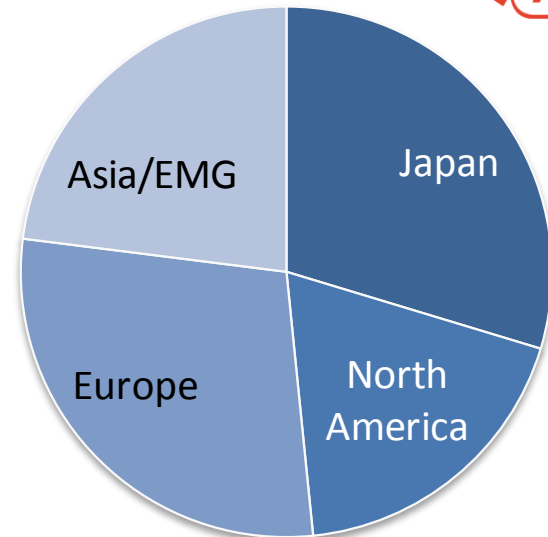
Commercial, Regulatory and Operational Expertise in Europe and Emerging Markets

Entrepreneurial "Can Do" Culture

Decentralized and Agile Management



Total
18,500
Employees



Total
30,300
Employees



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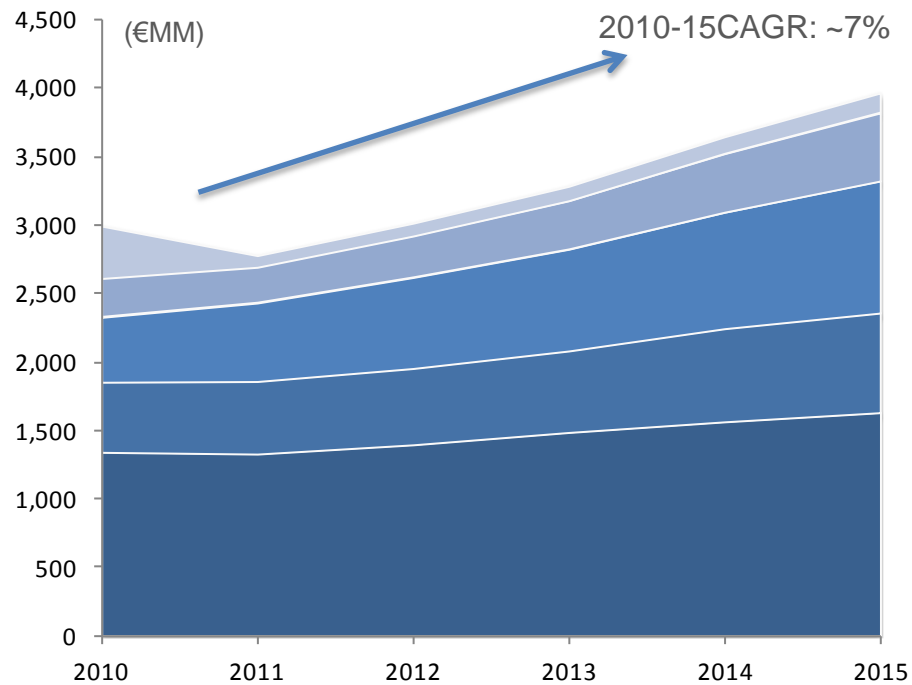
Conclusion



Two Key Pillars for Future Growth – Emerging Market and Daxas



Regional Sales Forecast of Nycomed* -Base Case



- Europe
- Americas
- Russia/CIS
- Asia Pacific, Middle East, Africa
- Non-Product

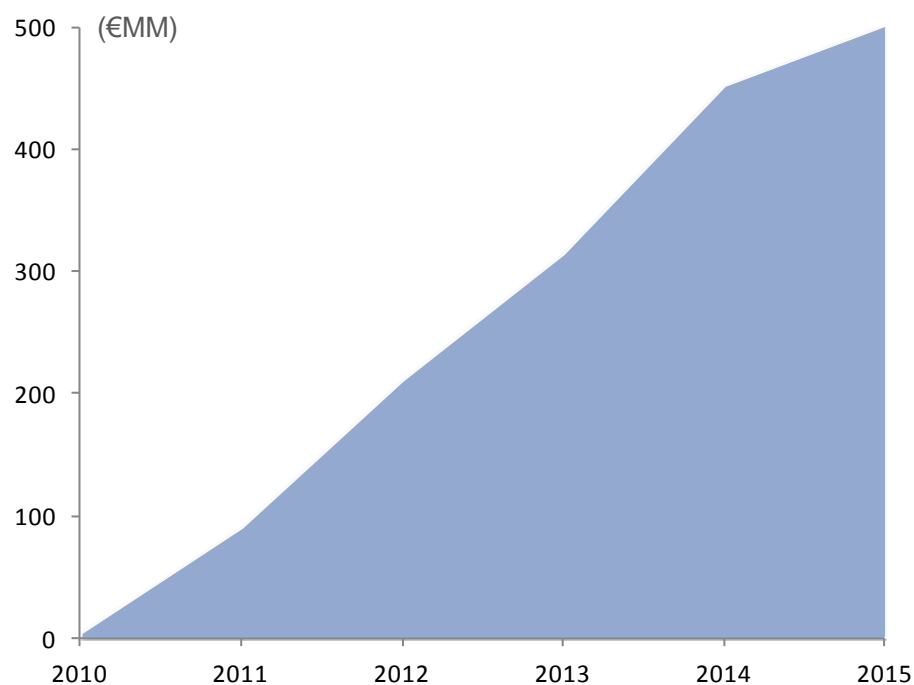
Note1: Excluding US Dermatology business

Note2: Fiscal year (April to March) basis

Note3: Recorded milestone revenue of Daxas in FY2010 (Mar. 2011)

* Definition of "Base Case" is Takeda's own sales forecast about Nycomed standalone

Daxas Sales Forecast** -Base Case



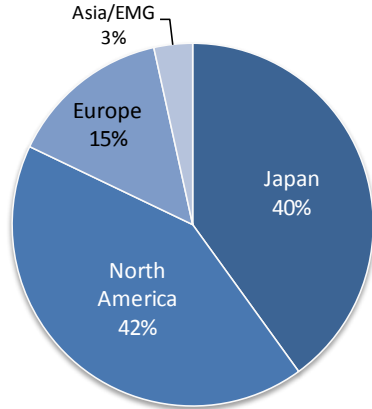
** Excludes royalty and milestone from partners



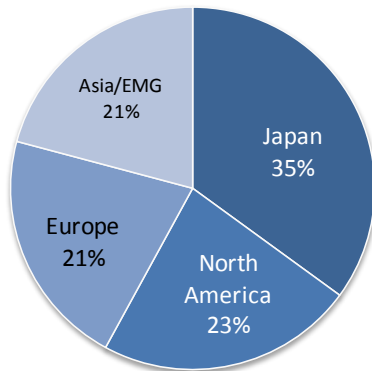
Nycomed Brings Enhanced Revenue, Growth and Regional Diversification



FY2010



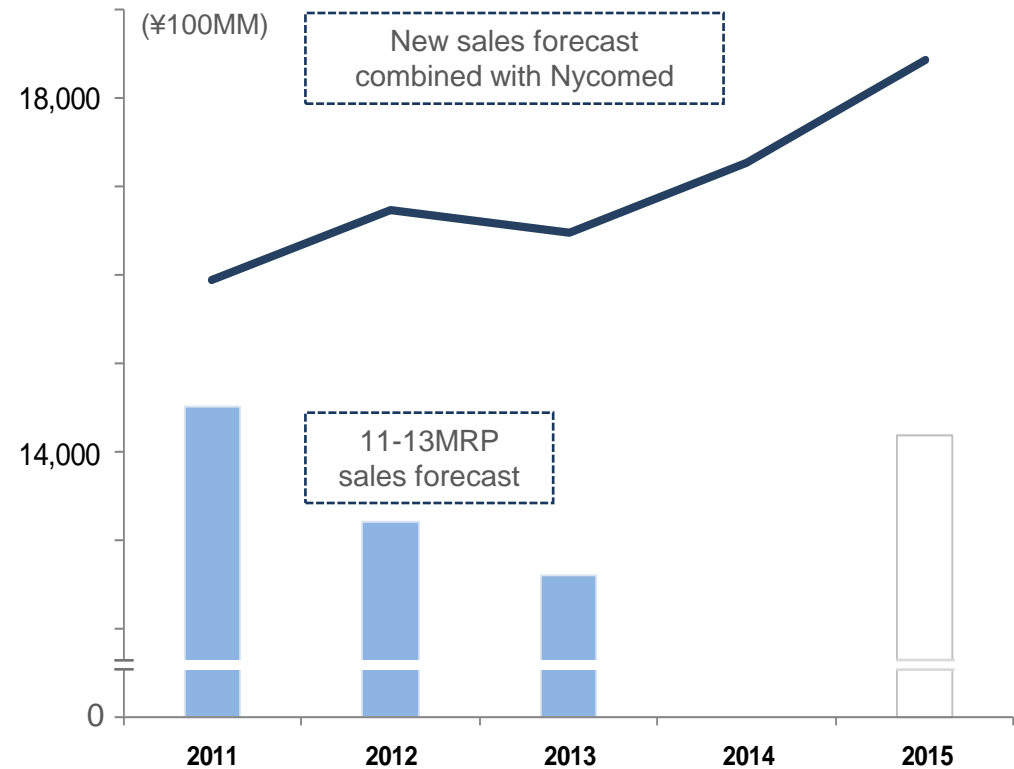
FY2015



Note1: Excluding US Derma Business

Note2: Geographical breakdown is calculated by sum of ethical sales including licensing revenue (excluding Japanese distribution sales)

Future Sales Trajectory



Note1: Excluding US Derma Business

Note2: Fiscal year (April to March) basis

Note3: Consolidated sales in 2011 assume 50% of Nycomed annual sales. Final figure is dependent on time of close.



- Transaction is accretive immediately on a non-GAAP* EPS basis
(*excluding amortization of intangible assets and one time integration expenses related to acquisition)

- Transaction enhances 2013 MRP Outlook
 - ✓ More than 30% increase of Revenue (from ¥1,260B to ¥1,680B)
 - ✓ More than 40% increase of Non-GAAP* Operating Income (from ¥280B to ¥400B)
 - ✓ More than 30% increase of Non-GAAP* EPS (from ¥234 to ¥312)

- Top line synergy and maximization of Takeda's product and pipeline value

- Annualized ¥30 billion of cost synergies in the third year after closing

- Revised GAAP financial forecast with merger adjustment will be announced after completion of its accounting treatment

Note: Excluding US Derma Business from financial forecasts

- **No equity finance, use of cash on hand, and debt**
- **Strong consolidated cash flow enables fast repayment of debt and returns to strong balance sheet**
- **Continue to invest approx. ¥300 billion in R&D**
- **Consistent dividend of ¥180 projected in 2011-13 MRP**



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Transition Objectives

- Maintain the momentum of Nycomed business
- Leverage its strong expertise and operational excellence
- Capitalize on Nycomed's "Can-do" culture to further vitalize Takeda



Transition Policy

- Organizational structure to maximize strength of global Takeda combined with Nycomed
- Frank Morich, EVP, International Operations (Americas/Europe), will oversee the transition
- Gain hands-on knowledge from Nycomed's management
- Establishes the best practice through the collaboration and harmonization of Nycomed and Takeda

Best Practices, Best People, Global Culture



Transaction highlights

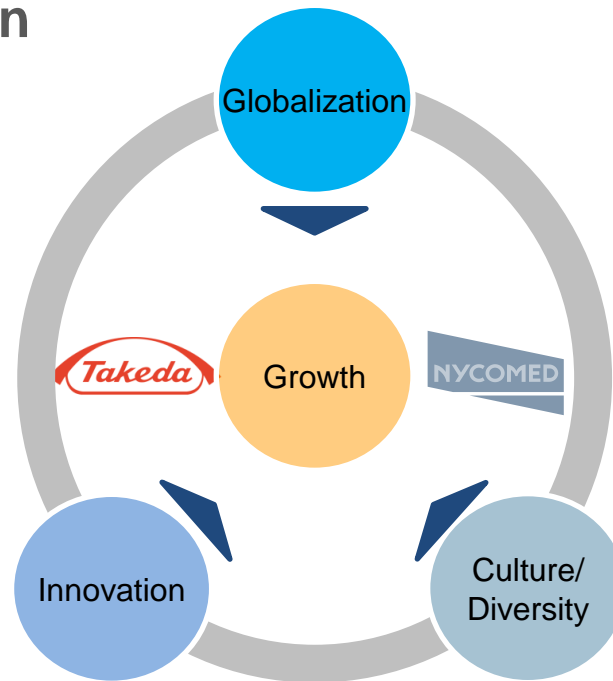
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- Nycomed Acquisition Accelerates Takeda's Transformation and Global Growth
- Takeda will Drive Long-term Growth through Continuous Innovation and Cultural Transformation





Forward-Looking Statements

NYCOMED

This presentation contains forward-looking statements regarding the Company's plans, outlook, strategies, and results for the future.

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Q&A

Q&A 1

Q&A 2

Q&A 3

Q&A 4

Q&A 5

Q&A 6

Q&A 7

Q&A 8

Q&A 9

Q&A 10