Better Health, Brighter Future

FY2017 DATA BOOK

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Quarterly Announcements / Presentations
https://www.takeda.com/investors/reports/

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I. Financial Results
1. Consolidated Statement of Income

(Billion JPY)

	FY15	FY16	FY17	YOY		FY18 Forecasts *4
Revenue	1,807.4	1,732.1	1,770.5	38.5	2.2%	1,737.0
Royalty income and service income	56.5	60.1	76.7	16.6	27.5%	
Cost of sales *1	535.2	558.8	495.9	-62.8	-11.2%	
<% of revenue>	<29.6%>	<32.3%>	<28.0%>	<-4.3pt>		
Gross Profit	1,272.2	1,173.3	1,274.6	101.3	8.6%	
<% of revenue>	<70.4%>	<67.7%>	<72.0%>	<4.3pt>		
SG&A expenses *1	650.8	619.1	628.1	9.0	1.5%	
<% of revenue>	<36.0%>	<35.7%>	<35.5%>	<-0.3pt>		
R&D expenses *1 *2	335.8	312.3	325.4	13.1	4.2%	311.0
<% of revenue>	<18.6%>	<18.0%>	<18.4%>	<0.4pt>		<17.9%>
Amortization and impairment losses on intangible assets associated with products *2	131.8	156.7	122.1	-34.6	-22.1%	108.0
Other operating income *1	21.3	143.5	169.4	25.9	18.0%	65.0
Gains on sale of non-current assets	0.1	0.8	18.8	18.1	-	55.5
Fair value adjustments of contingent considerations	5.6	18.4	-	-18.4	-	
Gain on sale of shareholding in Wako Pure Chemical, Ltd.	-	-	106.3	106.3	-	
Gain on transfer of the long-listed products business	-	115.4	27.5	-87.9	-76.2%	4.5
Others	15.7	9.0	16.8	7.8	87.1%	
Other operating expenses	44.4	72.9	126.6	53.7	73.6%	65.5
Restructuring expenses *3	25.8	54.6	44.7	-9.9	-18.1%	40.5
Foreign currency translation adjustment loss	-	-	41.7	41.7	-	
Others	11.2	12.6	40.1	21.8	119.3%	
Operating profit	130.8	155.9	241.8	85.9	55.1%	201.0
<% of revenue>	<7.2%>	<9.0%>	<13.7%>	<4.7pt>		<11.6%>
Financial income	21.6	12.3	39.5	27.3	-	
Interest income and Dividend income	5.6	5.3	6.4	1.2	22.7%	
Gains on sale of available-for-sale financial assets	15.1	3.6	30.4	26.8	-	
Foreign currency exchange gains including gains on revaluation of derivatives	-	1.9	1.4	-0.5	-24.3%	
Others	0.9	1.5	1.2	-0.3	-17.2%	
Financial expenses	31.9	23.2	31.9	8.7	37.3%	
Interest expenses	5.3	7.6	10.0	2.5	32.8%	
Fair value adjustments of contingent considerations	7.6	2.2	2.3	0.0	1.7%	
Impairment losses on available-for-sale financial assets	2.3	3.7	6.7	3.0	81.9%	
Foreign currency exchange losses including losses on revaluation of derivatives	14.0	5.4	10.3	4.9	89.4%	
Others	2.7	4.4	2.7	-1.7	-38.5%	
Share of profit (loss) of associates accounted for using the equity method	-0.0	-1.5	-32.2	-30.7	-	
Profit before tax	120.5	143.3	217.2	73.9	51.5%	183.0
Income tax expenses	37.1	27.8	30.5	2.7	9.6%	
Net profit for the period	83.5	115.5	186.7	71.2	61.6%	
<% of revenue>	<4.6%>	<6.7%>	<10.5%>	<3.9pt>		
Attributable to Owners of the Company	80.2	114.9	186.9	71.9	62.6%	139.0
<% of revenue>	<4.4%>	<6.6%>	<10.6%>	<3.9pt>		<8.0%>
Total comprehensive income for the period	-39.6	93.1	242.7	149.5	160.5%	
<% of revenue>	<-2.2%>	<5.4%>	<13.7%>	<8.3pt>		
Attributable to Owners of the Company	-40.3	93.6	242.4	148.9	159.2%	
<% of revenue>	<-2.2%>	<5.4%>	<13.7%>	<8.3pt>		
Effective tax rate						
Japanese statutory tax rate	33.0%	30.8%	30.8%	<-0.0pt>		
Effective tax rate	30.7%	19.4%	14.0%	<-5.4pt>		

*1 In FY16, Takeda changed the accounting policy for government grants, which were previously presented in “Other operating income”, to offset corresponding “Cost of sales”, “SG&A expenses” and “R&D expenses” in accordance with the nature of each grant. FY15 government grants are restated accordingly. Amounts restated are -0.2 bln yen for cost of sales, -0.0 bln yen for SG&A expenses and -3.5 bln yen for R&D expenses for FY15 full year.

*2 From FY16, Takeda is presenting amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines, which were previously presented in "R&D expenses", in "Amortization and impairment losses on intangible assets associated with products”. FY15 R&D expenses are restated accordingly. Amounts restated are -6.6 bln yen for R&D expenses for FY15 full year.

*3 Expenses from reorganization, such as the consolidation of a number of sites and functions (including the potential merger or liquidation of subsidiaries) and the reduction of the workforce to build an efficient operating model.

*4 See page 15 for the profit forecast disclaimer.

◆ Consolidated Statement of Income (Quarterly)

(Billion JPY)

	FY16				FY17							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Revenue	434.0	416.8	465.0	416.2	448.2	3.3%	433.2	3.9%	488.2	5.0%	401.0	-3.7%
Royalty income and service income	12.4	16.7	19.8	11.2	30.3	144.1%	12.8	-23.4%	17.9	-9.9%	15.7	40.5%
Cost of sales *1	135.4	141.5	147.5	134.4	120.9	-10.7%	121.9	-13.8%	142.3	-3.5%	110.9	-17.5%
<% of revenue>	<31.2%>	<33.9%>	<31.7%>	<32.3%>	<27.0%>		<28.1%>		<29.1%>		<27.7%>	
Gross Profit	298.6	275.3	317.6	281.8	327.4	9.6%	311.3	13.1%	345.9	8.9%	290.1	2.9%
<% of revenue>	<68.8%>	<66.1%>	<68.3%>	<67.7%>	<73.0%>		<71.9%>		<70.9%>		<72.3%>	
SG&A expenses *1	145.0	146.0	148.4	179.7	145.9	0.6%	151.4	3.7%	159.1	7.2%	171.8	-4.4%
<% of revenue>	<33.4%>	<35.0%>	<31.9%>	<43.2%>	<32.5%>		<35.0%>		<32.6%>		<42.8%>	
R&D expenses *1 *2	76.5	75.4	71.8	88.5	75.7	-1.1%	79.4	5.3%	81.6	13.5%	88.8	0.3%
<% of revenue>	<17.6%>	<18.1%>	<15.4%>	<21.3%>	<16.9%>		<18.3%>		<16.7%>		<22.1%>	
Amortization and impairment losses on intangible assets associated with products *2	28.5	47.2	26.5	54.6	32.5	13.9%	24.4	-48.3%	29.5	11.3%	35.8	-34.4%
Other operating income *1	111.6	13.6	4.5	13.8	131.3	17.6%	5.6	-58.5%	27.0	-	5.5	-60.2%
Other operating expenses	7.3	11.2	20.0	34.4	9.7	32.5%	22.4	99.5%	14.8	-25.8%	79.7	131.6%
Operating profit	152.9	9.1	55.4	-61.6	195.0	27.5%	39.4	-	87.9	58.9%	-80.5	-30.8%
<% of revenue>	<35.2%>	<2.2%>	<11.9%>	<-14.8%>	<43.5%>		<9.1%>		<18.0%>		<-20.1%>	
Financial income	2.5	2.4	3.9	3.5	13.5	-	0.6	-74.6%	7.6	96.5%	17.8	-
Financial expenses	5.4	5.7	5.9	6.2	10.0	85.5%	6.0	4.7%	6.8	15.1%	9.2	46.9%
Share of profit (loss) of associates accounted for using the equity method	-0.4	-0.5	0.5	-1.2	-0.3	-25.8%	0.8	-	32.8	-	-65.5	-
Profit before tax	149.7	5.3	53.8	-65.5	198.2	32.4%	34.7	-	54.9	2.0%	-70.7	-8.0%
Income tax expenses	49.3	-19.9	11.4	-13.0	53.3	7.9%	7.1	-	-13.1	-	-16.7	-29.0%
Net profit for the period	100.3	25.3	42.4	-52.5	145.0	44.5%	27.7	9.6%	68.0	60.3%	-54.0	-2.8%
<% of revenue>	<23.1%>	<6.1%>	<9.1%>	<-12.6%>	<32.3%>		<6.4%>		<13.9%>		<-13.5%>	
Attributable to Owners of the Company	99.5	24.8	41.4	-50.7	144.8	45.5%	28.0	13.1%	68.1	64.6%	-54.0	-6.5%
<% of revenue>	<22.9%>	<5.9%>	<8.9%>	<-12.2%>	<32.3%>		<6.5%>		<13.9%>		<-13.5%>	
Total comprehensive income for the period	-52.0	7.9	232.8	-95.5	205.2	-	65.0	-	94.0	-59.6%	-121.5	-27.2%
<% of revenue>	<-12.0%>	<1.9%>	<50.1%>	<-23.0%>	<45.8%>		<15.0%>		<19.3%>		<-30.3%>	
Attributable to Owners of the Company	-50.7	7.7	229.5	-92.9	204.8	-	65.1	-	93.8	-59.1%	-121.3	-30.6%
<% of revenue>	<-11.7%>	<1.8%>	<49.3%>	<-22.3%>	<45.7%>		<15.0%>		<19.2%>		<-30.2%>	
Effective tax rate												
Japanese statutory tax rate	30.8%	30.8%	30.8%	30.8%	30.8%		30.8%		30.8%		30.8%	
Effective tax rate	33.0%	19.0%	19.5%	19.4%	26.9%		25.9%		16.4%		14.0%	

*1 In FY16, Takeda changed the accounting policy for government grants, which were previously presented in “Other operating income”, to offset corresponding “Cost of sales”, “SG&A expenses” and “R&D expenses” in accordance with the nature of each grant. FY15 government grants are restated accordingly. Amounts restated are -0.2 bln yen for cost of sales, -0.0 bln yen for SG&A expenses and -3.5 bln yen for R&D expenses for FY15 full year.

*2 From FY16, Takeda is presenting amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines, which were previously presented in "R&D expenses", in "Amortization and impairment losses on intangible assets associated with products”. FY15 R&D expenses are restated accordingly. Amounts restated are -6.6 bln yen for R&D expenses for FY15 full year.

2. Revenue by Region

◆Consolidated Reveue

(Billion JPY)

	FY15	FY16	FY17	YOY	
Total revenue	1,807.4	1,732.1	1,770.5	38.5	2.2%
Japan	688.1	655.3	580.3	-75.0	-11.4%
<% of revenue>	<38.1%>	<37.8%>	<32.8%>	<-5.7pt>	
United States	514.4	520.2	598.3	78.2	15.0%
<% of revenue>	<28.5%>	<30.0%>	<33.8%>	<4.2pt>	
Europe and Canada	309.3	279.7	313.7	34.0	12.2%
<% of revenue>	<17.1%>	<16.1%>	<17.7%>	<0.9pt>	
Emerging Markets	295.6	276.9	278.1	1.3	0.5%
<% of revenue>	<16.4%>	<16.0%>	<15.7%>	<0.5pt>	
Russia/CIS	61.8	57.5	68.2	10.7	18.6%
<% of revenue>	<3.4%>	<3.3%>	<3.9%>	<0.9pt>	
Latin America	68.4	72.5	75.7	3.1	4.3%
<% of revenue>	<3.8%>	<4.2%>	<4.3%>	<0.5pt>	
Asia	126.0	112.8	104.0	-8.8	-7.8%
<% of revenue>	<7.0%>	<6.5%>	<5.9%>	<-0.6pt>	
Other	39.4	34.0	30.2	-3.8	-11.2%
<% of revenue>	<2.2%>	<2.0%>	<1.7%>	<-0.2pt>	
Royalty income and service income	56.5	60.1	76.7	16.6	27.5%

*1 Revenue amount is classified into countries or regions based on the customer location.

*2 Other region includes Middle East, Oceania and Africa.

◆Consolidated Prescription Drugs Revenue

(Billion JPY)

	FY15	FY16	FY17	YOY		Underlying Growth
Total prescription drugs revenue	1,648.7	1,568.9	1,691.5	122.7	7.8%	6.0%
Japan	541.7	504.7	501.4	-3.3	-0.7%	-0.2%
United States	511.0	516.7	598.3	81.6	15.8%	13.5%
Europe and Canada	305.6	276.0	313.7	37.7	13.7%	6.7%
Emerging Markets	290.4	271.5	278.1	6.6	2.4%	2.0%
Russia/CIS	61.8	57.5	68.2	10.7	18.6%	8.3%
Russia	43.5	41.9	51.3	9.4	22.5%	9.5%
Latin America	68.2	72.5	75.7	3.2	4.4%	13.2%
Brazil	38.1	39.0	46.2	7.1	18.3%	14.7%
Asia	121.2	107.8	104.0	-3.7	-3.5%	-6.0%
China	66.0	57.6	49.6	-8.0	-13.9%	-14.9%
Other	39.2	33.7	30.2	-3.5	-10.4%	-7.0%
Royalty income and service income	55.8	59.5	76.2	16.7	28.0%	1.6%
Japan	6.6	18.7	31.3	12.6	67.7%	-18.5%
Overseas	49.3	40.9	44.9	4.0	9.9%	8.5%
Ratio of overseas prescription drugs revenue	67.1%	67.8%	70.4%	2.5pt		

*1 Revenue amount is classified into countries or regions based on the customer location.

*2 Other region includes Middle East, Oceania and Africa.

◆Consolidated Reveue (Quarterly)

(Billion JPY)

	FY16				FY17							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total revenue	434.0	416.8	465.0	416.2	448.2	3.3%	433.2	3.9%	488.2	5.0%	401.0	-3.7%
Japan	163.8	163.3	187.3	141.0	160.3	-2.1%	134.7	-17.5%	168.2	-10.2%	117.1	-16.9%
<% of revenue>	<37.7%>	<39.2%>	<40.3%>	<33.9%>	<35.8%>		<31.1%>		<34.5%>		<29.2%>	
United States	130.5	121.4	130.4	137.8	148.6	13.9%	153.2	26.2%	161.3	23.6%	135.3	-1.8%
<% of revenue>	<30.1%>	<29.1%>	<28.1%>	<33.1%>	<33.1%>		<35.4%>		<33.0%>		<33.7%>	
Europe and Canada	76.5	66.3	69.9	67.1	73.6	-3.8%	75.4	13.7%	84.8	21.4%	80.0	19.2%
<% of revenue>	<17.6%>	<15.9%>	<15.0%>	<16.1%>	<16.4%>		<17.4%>		<17.4%>		<19.9%>	
Emerging Markets	63.3	65.7	77.5	70.4	65.8	4.0%	69.9	6.3%	73.9	-4.6%	68.5	-2.6%
<% of revenue>	<14.6%>	<15.8%>	<16.7%>	<16.9%>	<14.7%>		<16.1%>		<15.1%>		<17.1%>	
Russia/CIS	12.8	12.7	16.1	16.0	17.0	33.1%	18.1	42.5%	20.9	29.6%	12.3	-23.2%
<% of revenue>	<3.0%>	<3.0%>	<3.5%>	<3.8%>	<3.8%>		<4.2%>		<4.3%>		<3.1%>	
Latin America	15.0	16.7	23.4	17.5	17.0	13.3%	19.1	14.3%	20.0	-14.4%	19.6	12.1%
<% of revenue>	<3.4%>	<4.0%>	<5.0%>	<4.2%>	<3.8%>		<4.4%>		<4.1%>		<4.9%>	
Asia	27.5	28.0	30.7	26.7	25.2	-8.6%	24.0	-14.1%	28.1	-8.2%	26.7	0.1%
<% of revenue>	<6.3%>	<6.7%>	<6.6%>	<6.4%>	<5.6%>		<5.5%>		<5.8%>		<6.7%>	
Other	8.0	8.4	7.4	10.3	6.6	-17.0%	8.7	3.9%	4.9	-34.0%	10.0	-2.6%
<% of revenue>	<1.8%>	<2.0%>	<1.6%>	<2.5%>	<1.5%>		<2.0%>		<1.0%>		<2.5%>	
Royalty income and service income	12.4	16.7	19.8	11.2	30.3	144.1%	12.8	-23.4%	17.9	-9.9%	15.7	40.5%

*1 Revenue amount is classified into countries or regions based on the customer location. *2 Other region includes Middle East, Oceania and Africa.

◆ Consolidated Prescription Drugs Revenue (Quarterly)

(Billion JPY)

	FY16				FY17							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total prescription drugs revenue	394.0	375.6	421.0	378.1	427.2	8.4%	411.2	9.5%	467.4	11.0%	385.7	2.0%
Japan	126.7	125.1	146.5	106.4	139.3	10.0%	112.7	-9.9%	147.5	0.7%	101.9	-4.3%
United States	129.7	120.6	129.7	136.7	148.6	14.6%	153.2	27.1%	161.3	24.3%	135.3	-1.1%
Europe and Canada	75.5	65.5	68.9	66.1	73.6	-2.6%	75.4	15.1%	84.8	23.1%	80.0	21.0%
Emerging Markets	62.1	64.5	75.9	68.9	65.8	5.9%	69.9	8.4%	73.9	-2.7%	68.5	-0.5%
Russia/CIS	12.8	12.7	16.1	16.0	17.0	33.1%	18.1	42.6%	20.9	29.6%	12.3	-23.2%
Russia	9.1	9.5	12.0	11.3	12.5	37.6%	13.8	44.7%	16.3	35.5%	8.8	-22.1%
Latin America	15.0	16.7	23.4	17.5	17.0	13.4%	19.1	14.3%	20.0	-14.3%	19.6	12.2%
Brazil	8.1	9.9	10.4	10.6	10.0	23.5%	12.0	20.8%	12.1	15.6%	12.2	14.7%
Asia	26.4	26.8	29.1	25.5	25.2	-4.8%	24.0	-10.2%	28.1	-3.4%	26.7	4.9%
China	13.9	14.7	16.1	12.9	12.3	-11.2%	10.3	-30.1%	14.2	-11.4%	12.7	-1.4%
Other	8.0	8.4	7.3	10.0	6.6	-16.7%	8.7	4.2%	4.9	-33.9%	10.0	-0.5%
Royalty income and service income	12.2	16.6	19.6	11.1	30.2	146.5%	12.7	-23.5%	17.7	-9.8%	15.6	41.1%
Japan	2.8	9.5	4.2	2.2	18.1	-	2.5	-74.0%	3.7	-12.0%	7.0	-
Overseas	9.4	7.1	15.4	8.9	12.1	28.1%	10.2	43.9%	14.0	-9.2%	8.6	-3.6%
Ratio of overseas prescription drugs revenue	67.9%	66.7%	65.2%	71.9%	67.4%		72.6%		68.4%		73.6%	

*1 Revenue amount is classified into countries or regions based on the customer location. *2 Other region includes Middle East, Oceania and Africa.

◆ **Prescription Drugs: Global major products' sales** *1

(Billion JPY)

		FY15	FY16	FY17	YOY		FY18 Forecasts *3	FY17 Underlying Growth
Entyvio	U.S.	63.1	99.6	133.6	34.0	34.1%		31.6%
	EUCAN	21.9	39.5	60.2	20.7	52.3%		42.1%
	EM	1.3	4.0	7.5	3.5	86.4%		77.1%
	Total	86.2	143.2	201.4	58.2	40.6%	↗↗↗	35.9%
Ninlaro	Japan	-	-	2.5	2.5	-		-
	U.S.	4.0	29.1	39.4	10.3	35.5%		32.8%
	EUCAN	-	0.2	4.0	3.7	-		-
	EM	0.0	0.1	0.6	0.5	-		-
	Total	4.1	29.4	46.4	17.1	58.1%	↗↗↗	54.2%
Velcade	U.S.	131.6	112.9	113.7	0.8	0.7%		-1.4%
	Other than U.S.	30.4	24.7	23.6	-1.0	-4.2%		-6.9%
	Total	162.0	137.6	137.3	-0.2	-0.2%	↘↘↘	-2.4%
Adcetris	Japan	3.1	3.3	3.8	0.5	16.4%		16.4%
	Europe	17.4	17.5	20.1	2.6	14.9%		7.4%
	EM	7.2	9.3	14.3	5.0	53.4%		51.4%
	Total	27.6	30.1	38.5	8.4	27.8%	→	23.2%
Takecab	Japan	8.4	34.1	55.1	21.0	61.6%		61.6%
	Total	8.4	34.1	55.1	21.0	61.7%	→	61.7%
Trintellix	U.S.	24.5	31.9	48.4	16.5	51.5%		47.9%
	Total	24.5	31.9	48.4	16.5	51.6%	↗	47.9%
Leuprorelin	Japan	53.8	48.6	47.6	-1.0	-2.1%		-2.1%
	U.S.	17.3	18.3	19.7	1.4	7.6%		1.8%
	EUCAN	35.3	31.1	34.5	3.4	10.9%		-1.6%
	EM	18.0	16.3	12.7	-3.5	-21.8%		-8.3%
	Total	124.4	114.2	114.4	0.2	0.2%	→	-2.0%
Dexilant	U.S.	64.0	49.7	49.5	-0.2	-0.4%		-2.7%
	EUCAN	5.4	5.7	6.4	0.7	12.6%		6.9%
	EM	5.7	7.3	9.9	2.6	35.4%		32.0%
	Total	75.1	62.6	65.7	3.1	4.9%	→	2.2%
Azilva	Japan	59.0	66.9	73.0	6.1	9.1%		9.1%
	Total	59.0	66.9	73.0	6.1	9.1%	→	9.1%
Nesina	Japan	36.9	32.9	30.1	-2.8	-8.5%		-8.5%
	U.S.	5.3	5.2	6.0	0.8	14.8%		12.2%
	EUCAN	3.5	6.1	9.0	2.9	47.2%		37.4%
	EM	3.3	4.9	8.6	3.7	75.8%		68.0%
	Total	48.9	49.1	53.7	4.6	9.3%	↗	7.3%
Uloric	U.S.	41.8	41.4	45.8	4.3	10.5%		8.1%
	EUCAN	0.7	0.7	0.8	0.1	15.0%		10.1%
	EM	-	0.1	0.3	0.2	181.3%		163.2%
	Total	42.5	42.2	46.8	4.6	10.9%	→	8.5%
Colcrys	U.S.	46.5	38.9	40.3	1.4	3.5%		1.2%
	Total	46.5	38.9	40.3	1.4	3.5%	↘↘	1.2%
Amitiza	U.S.	37.2	33.7	33.7	0.0	0.1%		-2.1%
	EUCAN	0.1	0.1	0.1	0.0	14.1%		9.7%
	Total	37.3	33.8	33.8	0.0	0.1%	→	-2.0%
Pantoprazole	U.S.	13.6	10.1	7.2	-2.9	-28.3%		-29.5%
	EUCAN	43.4	30.5	30.6	0.1	0.3%		-7.1%
	EM	43.7	33.7	28.0	-5.7	-16.8%		-19.4%
	Total	100.8	74.2	65.8	-8.4	-11.3%	→	-15.7%
Lansoprazole	Japan *2	41.3	8.1	4.7	-3.4	-42.4%		-3.8%
	U.S.	27.5	20.0	15.2	-4.8	-23.9%		-25.3%
	EUCAN	10.5	7.1	7.2	0.1	2.0%		-3.6%
	EM	10.2	9.2	9.7	0.5	5.6%		1.2%
	Total	89.5	44.4	36.8	-7.5	-17.0%	↘↘↘	-13.5%
Candesartan	Japan *2	58.5	14.8	2.6	-12.2	-82.6%		-1.1%
	U.S.	1.3	0.6	0.7	0.1	25.3%		23.3%
	EUCAN	12.5	9.3	9.5	0.2	2.1%		-3.7%
	EM	12.4	9.5	9.2	-0.3	-2.8%		-4.6%
	Total	84.8	34.2	22.0	-12.1	-35.5%	↘↘	-3.3%

U.S.: United States, EUCAN: Europe and Canada, EM: Emerging Markets

*1 Sales amount includes royalty income and service income.

*2 Products were transferred to the Joint Venture with Teva in Japan (monotherapy in April 2016 and fixed dose combinations in May 2017). Supply sales of these products to the JV is currently recognized.

*3 See page 15 for the profit forecast disclaimer.

→ ± <10% ↗ +10%~20% ↗↗ +20%~30% ↗↗↗ +>30% ↘ -10%~20% ↘↘ -20%~30% ↘↘↘ - >30%

◆ Prescription Drugs: Global major products' sales [*1] (Quarterly)

(Billion JPY)

		FY16			
		Q1	Q2	Q3	Q4
Entyvio	U.S.	22.5	23.2	25.7	28.3
	EUCAN	8.8	9.3	10.7	10.7
	EM	0.8	0.9	1.0	1.5
	Total	32.0	33.3	37.4	40.4
Ninlaro	Japan	-	-	-	-
	U.S.	6.0	6.8	8.0	8.3
	EUCAN	-	-	0.0	0.2
	EM	0.0	0.0	0.0	0.0
	Total	6.0	6.8	8.0	8.6
Velcade	U.S.	28.9	26.7	27.4	29.9
	Other than U.S.	6.7	7.1	6.8	4.0
	Total	35.5	33.8	34.2	34.0
Adcetris	Japan	0.9	0.7	0.9	0.8
	Europe	5.0	3.8	4.2	4.4
	EM	1.9	2.1	2.3	3.0
	Total	7.8	6.6	7.4	8.3
Takecab	Japan	6.4	7.5	10.8	9.5
	Total	6.4	7.5	10.8	9.5
Trintellix	U.S.	6.4	7.8	8.5	9.1
	Total	6.4	7.8	8.5	9.1
Leuprorelin	Japan	13.1	11.7	13.6	10.2
	U.S.	5.7	3.8	4.9	3.9
	EUCAN	8.3	7.8	7.0	8.0
	EM	3.8	4.2	4.4	3.9
	Total	30.8	27.5	29.9	26.1
Dexilant	U.S.	13.0	12.4	12.3	12.0
	EUCAN	1.5	1.3	1.5	1.4
	EM	1.6	1.6	1.8	2.3
	Total	16.2	15.3	15.6	15.6
Azilva	Japan	17.7	15.6	18.5	15.0
	Total	17.7	15.6	18.5	15.0
Nesina	Japan	9.3	7.7	9.2	6.6
	U.S.	1.5	1.2	1.1	1.4
	EUCAN	1.5	1.4	1.5	1.7
	EM	1.0	1.3	1.1	1.5
	Total	13.3	11.6	13.0	11.2
Uloric	U.S.	9.5	9.6	11.3	11.0
	EUCAN	0.2	0.2	0.2	0.2
	EM	0.0	0.0	0.0	0.0
	Total	9.7	9.8	11.6	11.2
Colcrys	U.S.	10.5	9.7	9.3	9.4
	Total	10.5	9.7	9.3	9.4
Amitiza	U.S.	8.9	8.0	9.3	7.6
	EUCAN	0.0	0.0	0.0	0.0
	Total	8.9	8.0	9.3	7.6
Pantoprazole	U.S.	3.4	2.0	2.3	2.4
	EUCAN	8.6	7.2	7.8	6.8
	EM	8.0	9.1	8.2	8.3
	Total	20.1	18.3	18.4	17.5
Lansoprazole	Japan *2	2.1	2.0	2.1	1.8
	U.S.	6.6	4.2	4.8	4.4
	EUCAN	2.3	1.5	1.7	1.6
	EM	2.4	2.2	2.4	2.2
	Total	13.4	10.0	11.0	10.1
Candesartan	Japan *2	4.8	3.7	3.6	2.6
	U.S.	0.2	0.1	0.2	0.1
	EUCAN	3.0	1.8	2.6	1.9
	EM	3.2	1.9	2.4	2.0
	Total	11.3	7.5	8.8	6.6

U.S.: United States, EUCAN: Europe and Canada, EM: Emerging Markets

*1 Sales amount includes royalty income and service income.

*2 Products were transferred to the Joint Venture with Teva in Japan (monotherapy in April 2016 and fixed dose combinations in May 2017). Supply sales of these products to the JV is currently recognized.

(Billion JPY)

		FY17							
		Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Entyvio	U.S.	31.0	37.9%	34.8	50.0%	34.8	35.4%	33.1	17.0%
	EUCAN	13.5	53.1%	14.4	55.2%	15.7	46.5%	16.6	54.9%
	EM	1.4	90.1%	1.9	123.9%	2.0	107.1%	2.2	48.6%
	Total	45.9	43.3%	51.1	53.3%	52.6	40.5%	51.8	28.2%
Ninlaro	Japan	0.2	-	0.6	-	0.9	-	0.7	-
	U.S.	9.0	51.0%	10.1	49.3%	10.7	33.3%	9.6	15.3%
	EUCAN	0.6	-	0.9	-	1.1	-	1.3	-
	EM	0.1	-	0.1	-	0.1	-	0.3	-
	Total	10.0	67.1%	11.7	72.8%	12.8	60.2%	11.9	38.3%
Velcade	U.S.	30.7	6.4%	29.5	10.4%	28.7	4.6%	24.8	-17.1%
	Other than U.S.	5.5	-17.7%	6.3	-10.8%	7.2	4.9%	4.6	14.4%
	Total	36.2	1.9%	35.8	6.0%	35.8	4.7%	29.4	-13.3%
Adcetris	Japan	1.0	19.1%	0.9	22.8%	1.0	3.7%	0.9	22.6%
	Europe	4.7	-6.7%	5.2	37.0%	5.4	28.0%	4.8	8.3%
	EM	3.6	91.3%	3.4	64.2%	3.5	52.0%	3.7	23.7%
	Total	9.3	19.0%	9.7	46.9%	9.9	32.5%	9.6	16.5%
Takecab	Japan	12.5	95.7%	12.8	72.0%	16.7	54.6%	13.1	38.4%
	Total	12.5	95.7%	12.8	72.0%	16.7	54.6%	13.1	38.6%
Trintellix	U.S.	11.2	74.1%	12.2	56.8%	14.1	65.5%	10.8	18.2%
	Total	11.2	74.1%	12.2	56.8%	14.1	65.5%	10.8	18.2%
Leuprorelin	Japan	12.4	-5.3%	11.6	-0.5%	13.7	0.9%	9.9	-3.8%
	U.S.	5.2	-7.6%	4.1	7.1%	5.8	17.3%	4.6	17.9%
	EUCAN	8.1	-2.7%	8.6	10.9%	8.8	26.2%	8.9	11.4%
	EM	3.0	-19.0%	3.2	-24.6%	3.3	-24.2%	3.2	-18.6%
	Total	28.7	-6.7%	27.5	0.1%	31.6	5.9%	26.6	1.9%
Dexilant	U.S.	12.8	-1.8%	13.3	6.7%	14.1	15.1%	9.3	-22.1%
	EUCAN	1.4	-3.7%	1.6	19.2%	1.8	17.8%	1.6	18.0%
	EM	2.1	27.9%	2.3	43.7%	2.8	54.5%	2.7	19.8%
	Total	16.3	1.0%	17.1	11.6%	18.7	19.9%	13.7	-12.5%
Azilva	Japan	18.7	5.6%	17.1	9.2%	21.0	13.5%	16.2	7.8%
	Total	18.7	5.6%	17.1	9.2%	21.0	13.5%	16.2	7.8%
Nesina	Japan	8.0	-13.8%	7.2	-7.3%	8.8	-4.4%	6.1	-8.0%
	U.S.	1.2	-16.8%	1.6	29.1%	1.9	72.5%	1.2	-10.8%
	EUCAN	2.0	32.9%	2.0	45.9%	2.5	60.6%	2.6	48.8%
	EM	1.4	42.1%	2.1	64.6%	2.2	92.7%	2.9	95.4%
	Total	12.7	-4.7%	12.9	10.9%	15.4	18.4%	12.7	14.0%
Uloric	U.S.	11.2	17.3%	11.3	17.8%	11.7	3.0%	11.6	5.8%
	EUCAN	0.2	4.6%	0.2	17.5%	0.2	24.9%	0.2	13.0%
	EM	0.1	-	0.1	-	0.1	162.9%	0.1	116.1%
	Total	11.4	17.5%	11.6	18.3%	12.0	3.7%	11.8	6.2%
Colcrys	U.S.	9.6	-8.3%	10.3	6.3%	12.2	31.5%	8.2	-13.6%
	Total	9.6	-8.3%	10.3	6.3%	12.2	31.5%	8.2	-13.6%
Amitiza	U.S.	8.6	-3.0%	8.8	10.5%	9.4	1.5%	6.9	-9.2%
	EUCAN	0.0	0.3%	0.0	-0.8%	0.0	40.5%	0.0	15.5%
	Total	8.6	-3.0%	8.8	10.5%	9.5	1.6%	6.9	-9.0%
Pantoprazole	U.S.	1.9	-45.5%	2.2	10.4%	2.1	-11.6%	1.2	-51.8%
	EUCAN	7.9	-9.0%	7.2	0.6%	8.1	3.7%	7.3	8.1%
	EM	7.0	-12.2%	8.4	-7.9%	4.8	-41.6%	7.8	-6.4%
	Total	16.7	-16.5%	17.8	-2.6%	15.0	-18.5%	16.3	-7.0%
Lansoprazole	Japan *2	1.6	-26.1%	1.0	-50.2%	1.1	-49.0%	1.0	-45.1%
	U.S.	3.8	-42.9%	3.7	-12.8%	4.7	-2.7%	3.1	-28.9%
	EUCAN	1.9	-13.9%	1.8	16.8%	1.8	6.5%	1.7	5.4%
	EM	2.5	2.3%	2.4	7.5%	2.4	1.7%	2.5	11.5%
	Total	9.7	-27.2%	8.8	-11.3%	9.9	-9.3%	8.3	-17.4%
Candesartan	Japan *2	1.8	-62.3%	0.5	-87.9%	0.1	-96.1%	0.2	-93.9%
	U.S.	0.2	-3.1%	0.1	19.6%	0.3	73.8%	0.1	8.9%
	EUCAN	2.6	-14.0%	2.0	6.5%	3.0	14.5%	2.0	6.2%
	EM	2.6	-16.9%	1.7	-11.3%	3.0	23.7%	1.9	-4.1%
	Total	7.3	-35.4%	4.2	-44.6%	6.4	-27.2%	4.2	-36.4%

U.S.: United States, EUCAN: Europe and Canada, EM: Emerging Markets

*1 Sales amount includes royalty income and service income.

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3. Consolidated Statement of Financial Position

<Assets> (Billion JPY)

	FY15 End	FY16 End	FY17 End	% of Total	vs. FY16 End
Total non-current assets	2,450.3	3,086.4	3,027.7	73.7%	-58.7
Property, plant and equipment	551.9	527.3	536.8	13.1%	9.5
Acquisition cost	1,223.8	1,134.9	1,191.4		56.4
Accumulated depreciation and impairment losses	-671.9	-607.6	-654.6		-47.0
Goodwill	779.3	1,019.6	1,029.2	25.1%	9.7
Intangible assets	743.1	1,063.0	1,014.3	24.7%	-48.8
Investment property	26.6	9.5	9.4	0.2%	-0.1
Investments accounted for using the equity method	10.0	126.4	107.9	2.6%	-18.5
Other financial assets	149.5	176.6	196.4	4.8%	19.8
Investment securities	132.1	164.5	171.9		7.4
Other non-current assets	19.0	44.9	68.5	1.7%	23.6
Prepaid pension costs	16.9	39.6	41.4		1.7
Deferred tax assets	170.8	119.0	65.0	1.6%	-54.0
Total current assets	1,373.8	1,260.4	1,078.8	26.3%	-181.6
Inventories	254.0	226.0	212.9	5.2%	-13.1
Trade and other receivables	415.4	423.4	420.2	10.2%	-3.2
Other financial assets	108.6	56.7	80.6	2.0%	24.0
Income taxes recoverable	15.2	21.4	8.5	0.2%	-12.8
Other current assets	64.1	75.1	57.9	1.4%	-17.2
Cash and cash equivalents	451.4	319.5	294.5	7.2%	-24.9
Assets held for sale	65.0	138.3	4.0	0.1%	-134.3
Total Assets	3,824.1	4,346.8	4,106.5	100.0%	-240.3

＜Liabilities and equity＞ (Billion JPY)

	FY15 End	FY16 End	FY17 End	% of Total	vs. FY16 End
Total liabilities	1,812.9	2,397.8	2,089.1	50.9%	-308.8
Total non-current liabilities	955.7	1,031.5	1,351.5	32.9%	320.1
Bonds	179.8	119.9	172.9	4.2%	53.0
Long-term loans	360.0	480.0	812.8	19.8%	332.8
Other financial liabilities	102.1	81.8	91.2	2.2%	9.4
Net defined benefit liabilities	84.9	80.9	87.6	2.1%	6.7
Provisions	34.4	38.1	28.0	0.7%	-10.1
Other non-current liabilities	71.0	77.4	68.3	1.7%	-9.1
Deferred tax liabilities	123.5	153.4	90.7	2.2%	-62.7
Total current liabilities	857.2	1,366.3	737.5	18.0%	-628.8
Bonds	228.5	60.0	-	0.0%	-60.0
Short-term loans	-	485.1	0.0	0.0%	-485.0
Trade and other payables	191.1	240.6	240.3	5.9%	-0.4
Other financial liabilities	37.2	28.9	29.6	0.7%	0.7
Income taxes payable	43.1	70.8	67.7	1.6%	-3.1
Provisions	115.3	135.8	132.8	3.2%	-3.0
Other current liabilities	226.9	256.5	263.9	6.4%	7.4
Liabilities held for sale	15.1	88.7	3.2	0.1%	-85.4
Total equity	2,011.2	1,949.0	2,017.4	49.1%	68.4
Share capital	64.8	65.2	77.9		12.7
Share premium	68.8	75.0	90.7		15.8
Treasury shares	-36.0	-48.7	-74.4		-25.6
Retained earnings	1,523.1	1,511.8	1,557.3		45.5
Other components of equity	327.9	291.0	350.6		59.6
Other comprehensive income relating to assets held for sale	-	-	-4.8		-4.8
Equity attributable to owners of the company	1,948.7	1,894.3	1,997.4		103.2
Non-controlling interests	62.5	54.7	20.0		-34.7
Total liabilities and equity	3,824.1	4,346.8	4,106.5	100.0%	-240.3

4. Consolidated Statement of Cash Flows

(Billion JPY)

	FY15	FY16	FY17	vs. FY16
Net cash from (used in) operating activities	25.5	261.4	377.9	116.5
Net cash from (used in) investing activities	-71.2	-655.7	-93.3	562.3
Net cash from (used in) financing activities	-124.8	289.9	-326.2	-616.1
Net increase (decrease) in cash and cash equivalents	-170.6	-104.4	-41.7	62.7
Cash and cash equivalents at beginning of year	655.2	451.4	319.5	-132.0
Cash and cash equivalents reclassified back from assets held for sale	-	-	21.8	21.8
Effect of movements in exchange rates on cash and cash equivalents	-33.3	-5.7	-4.6	1.2
Cash and cash equivalents reclassified to assets held for sale	-	-21.8	-0.5	21.3
Cash and cash equivalents at end of year	451.4	319.5	294.5	-24.9

5. Exchange Rate

Average Exchange Rate (yen)

	USD	EUR	RUB	BRL
FY15	121	132	1.9	34.1
FY16	109	120	1.7	32.9
FY17	111	129	1.9	34.5
FY18 Assumption	108	130	1.9	33.0

Impact of 1% depreciation of yen (100 million yen)

	USD	EUR	RUB	BRL
Revenue	+57.6	+20.5	+4.9	+4.2
Core Earnings	+12.9	-2.4	+2.6	+1.1
Operating Profit	+4.7	-7.5	+1.9	+0.9
Net Profit	+3.2	-5.3	+1.4	+0.6

6. Capital expenditure, depreciation and amortization and impairment losses

(Billion JPY)

	FY15	FY16	FY17	YOY		FY18 Forecasts**
Capital expenditures	136.8	148.1	165.4	17.3	11.6%	
Tangible assets*	94.0	72.4	74.5	2.1	2.9%	
Intangible assets*	42.8	75.7	90.9	15.1	20.0%	
* Excluding increase due to acquisition.						
Depreciation and amortization	181.2	170.5	181.8	11.3	6.6%	
Depreciation of tangible assets*	52.9	51.4	47.5	-3.9	-7.6%	
Amortization of intangible assets	128.3	119.1	134.3	15.2	12.8%	
Amortization associated with products	121.8	112.5	126.1	13.7	12.1%	96.0
* Excluding depreciation for investment assets.						
Impairment losses	15.2	51.4	13.5	-37.9	-73.7%	
Impairment losses associated with products	10.0	44.3	-4.0	-48.2	-	12.0
Amortization and impairment losses on intangible assets associated with products	* 131.8	156.7	122.1	-34.6	-22.1%	108.0

* From fiscal 2016, amortization and impairment losses of R&D-related intangible assets, such as R&D pipeline assets and platform technology, will no longer be booked as "R&D expenses", and will be reclassified and reported under the planned new account name of "Amortization and impairment losses on intangible assets associated with products, R&D pipeline and platform technology". The reclassified amount in fiscal 2015 would have been 6.6 billion JPY, making the corresponding consolidated amount to be 131.8 billion JPY.

** See page 15 for the profit forecast disclaimer.

7. Number of employees

	FY15 End	FY16 End	FY17 End	% of total	vs. FY16 End
Total (1) + (2)	31,168	29,900	27,230	100.0%	-2,670
< Overseas >	<21,877>	<20,774>	<20,273>	<74.5%>	<-501>
Employees working in Takeda Pharmaceutical Company Limited (1)	6,780	6,638	5,461	20.1%	-1,177
Consolidated subsidiaries (2)	24,388	23,262	21,768	79.9%	-1,494

* Employees on the full time equivalent basis

8. Shareholders

【By ownership】

		FY15 End	FY16 End	FY17 End	vs. FY16 End
Japanese	No. of shareholders	291	298	273	-25
Institutional Investors	No. of shares(1,000)	252,537	263,866	246,230	-17,636
	% of shares outstanding	31.96	33.38	30.98	-2.39
Japanese	No. of shareholders	64	52	50	-2
Securities Companies	No. of shares(1,000)	38,448	33,348	28,732	-4,616
	% of shares outstanding	4.87	4.22	3.62	-0.60
Japanese	No. of shareholders	1,515	1,621	1,473	-148
Business Corporations	No. of shares(1,000)	41,133	40,267	38,179	-2,089
	% of shares outstanding	5.20	5.09	4.80	-0.29
Overseas	No. of shareholders	876	945	1,035	90
Institutional Investors	No. of shares(1,000)	248,822	231,977	279,854	47,877
and Others	% of shares outstanding	31.49	29.34	35.22	5.87
Japanese	No. of shareholders	262,674	284,103	252,831	-31,272
Individual Investors	No. of shares(,1000)	209,197	220,910	201,532	-19,378
and Others	% of shares outstanding	26.47	27.94	25.36	-2.58
Takeda	No. of shares(1,000)	147	152	161	9
	% of shares outstanding	0.02	0.02	0.02	0.00

【By number of shares held each】

		FY15 End	FY16 End	FY17 End	vs. FY16 End
5,000,000～	No. of shareholders	24	24	24	0
	No. of shares(1,000)	333,589	348,925	346,303	-2,621
	% of shares outstanding	42.21	44.14	43.58	-0.56
1,000,000～	No. of shareholders	79	71	70	-1
4,999,999	No. of shares(1,000)	182,566	156,569	164,940	8,370
	% of shares outstanding	23.10	19.81	20.76	0.95
100,000～	No. of shareholders	266	254	293	39
999,999	No. of shares(1,000)	79,611	76,432	93,391	16,958
	% of shares outstanding	10.07	9.67	11.75	2.08
10,000～	No. of shareholders	2,091	2,263	2,122	-141
99,999	No. of shares(1,000)	43,975	48,215	45,789	-2,426
	% of shares outstanding	5.56	6.10	5.76	-0.34
1,000～	No. of shareholders	51,050	53,799	48,607	-5,192
9,999	No. of shares(1,000)	103,367	108,697	98,738	-9,958
	% of shares outstanding	13.08	13.75	12.42	-1.33
100～	No. of shareholders	203,532	222,354	196,372	-25,982
999	No. of shares(1,000)	46,955	51,464	45,319	-6,145
	% of shares outstanding	5.94	6.51	5.70	-0.81
Less than 99	No. of shareholders	8,379	8,255	8,175	-80
	No. of shares(1,000)	221	219	209	-10
	% of shares outstanding	0.03	0.03	0.03	-0.00
Total	No. of shareholders	265,421	287,020	255,663	-31,357
	No. of shares(1,000)	790,284	790,521	794,688	4,167

【10 largest shareholders】

	Shareholders	FY17 End		Change from FY16 End	
		No. of shares held (1,000)	% of shares outstanding	Increase / decrease (1,000)	Previous ranking
1	The Master Trust Bank of Japan, Ltd. (Trust account)	47,021	5.92	4,943	(2)
2	Nippon Life Insurance Company	43,560	5.48	-7,200	(1)
3	JP Morgan Chase Bank 380055	35,055	4.41	1,016	(4)
4	Japan Trustee Services Bank, Ltd. (Trust account)	34,408	4.33	-2,119	(3)
5	Takeda Science Foundation	17,912	2.25	-	(5)
6	State Street Bank West Client-Treaty 505234	14,958	1.88	3,286	(8)
7	Japan Trustee Services Bank, Ltd. (Trust account 5)	14,075	1.77	-352	(7)
8	Barclays Securities Japan Limited	13,278	1.67	-1,722	(6)
9	JP Morgan Chase Bank 385147	10,582	1.33	-	(11)
10	Japan Trustee Services Bank, Ltd. (Trust account 1)	10,461	1.32	-267	(9)

9. Financial ratios

	FY15	FY16	FY17
[Growth rates]			
Revenue (%)	1.7	-4.2	2.2
Operating profit (%)	-	19.1	55.1
Net profit (%) (1)	-	43.4	62.6
[Profitability ratios]			
Gross profit margin (%)	70.4	67.7	72.0
Operating margin (%)	7.2	9.0	13.7
Net margin (%) (1)	4.4	6.6	10.6
Return on total assets (%) (1)	2.0	2.8	4.4
Return on equity attributable to owners of the Company（ROE）(%)	3.9	6.0	9.6
[Stability ratios]			
Ratio of equity attributable to owners of the Company to total assets (%)	51.0	43.5	48.6
Current ratio (%)	160.3	92.3	146.3
Non-current assets to long-term capital (%) (1)	84.4	105.5	90.4
[Efficiency ratios]			
Asset turnover (times)	0.47	0.40	0.43
Fixed-asset turnover (times)	0.74	0.56	0.58
Notes and accounts receivable turnover (times) (2)	4.69	4.73	4.79
[Other ratios]			
R&D expenses to revenue (%) (3) (4)	18.6	18.0	18.4
Equity attributable to owners of the Company per share (JPY)	2,487	2,426	2,557
Basic earnings per share (EPS) (JPY) (1)	102.26	147.15	239.35
Growth Rate of EPS (%)	-155.2	43.9	62.7
Annual dividends per share	180.0	180.0	180.0
Payout ratio (%)	176.0	122.3	75.2
Dividend on equity attributable to owners of the Company（DOE）(%)	6.9	7.3	7.2
Stock price at year-end (JPY)	5,136	5,229	5,183
Total market value (Billion JPY)	4,058.9	4,133.6	4,118.9

(1) Ratios are calculated based on amounts attributable to owners of the Company.

(2) "Notes and accounts receivable turnover" are after adjustment of outstanding balance at each fiscal year end if the ending day falls on weekend or holiday, and to be paid on the beginning day of the following fiscal term.

(3) In FY16, Takeda changed the accounting policy for government grants, which were previously presented in “Other operating income”, to offset corresponding “Cost of sales”, “SG&A expenses” and “R&D expenses” in accordance with the nature of each grant. FY15 government grants are restated accordingly.

(4) From FY16, Takeda is presenting amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines, which were previously presented in "R&D expenses", in "Amortization and impairment losses on intangible assets associated with products”. FY15 R&D expenses are restated accordingly.

[Profit Forecast for Takeda for the year ending March 31, 2019]
Takeda is currently in an offer period (as defined in the City Code on Takeovers and Mergers (the “Code”)) with respect to Shire plc. Pursuant to Rule 28 of the Code, statements made regarding Takeda’s guidance for FY2018 (including statements regarding forecasts for FY2018 revenue, Core Earnings, Operating profit, Profit before income taxes, Net profit attributable to owners of the Company, Basic earnings per share, R&D expenses, Amortisation and impairment and other income/expense, Underlying Revenue, Underlying Core Earnings and Underlying Core EPS) constitute a profit forecast for the year ending March 31, 2019 (the “Takeda Profit Forecast”). For additional information regarding the Takeda Profit Forecast and the required statement by its Directors that such profit forecast is valid and has been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with Takeda’s accounting policies, please see page 21 of Takeda’s Financial Results (Tanshin) for the Fiscal Year Ended March 31, 2018, dated May 14, 2018.

II. Pipeline

1. Development activities

- This table primarily shows the indications for which we will actively pursue approval. We are also conducting additional studies of certain assets to examine their potential for use in further indications and in additional formulations.
- The listings in this table are limited to the US, EU and Japan and China but we are also actively conducting development activities in other regions, including in Emerging Markets. This listing only shows regional activity for pivotal programs, or regional in-licensing deals.
- Stage-ups are recognized in the table upon achievement of First Subject In.
- A number of changes have been made to the pipeline table since FY17Q3 reflecting re-classification of assets. The changes are footnoted at the end of each table.
- 'Global' refers to US, EU, China and Japan

■ Oncology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
<brigatinib> ALUNBRIG® (US)	ALK inhibitor (oral)	ALK-positive metastatic Non-Small Cell Lung Cancer in patients who have been previously treated with crizotinib	EU CN	Filed (Feb '17) P-I
		Front line ALK-positive Non-Small Cell Lung Cancer	US EU CN	P-III P-III P-I
		Japanese patients with ALK-positive, Non-Small Cell Lung Cancer who have been previously treated with ALK inhibitors	Jpn	P-II(a)
		ROS1-positive Non-Small Cell Lung Cancer	US	P-I
SGN-35 <brentuximab vedotin> ADCETRIS® (EU, Jpn)	CD30 monoclonal antibody-drug conjugate (injection)	Front line Hodgkin Lymphoma	EU Jpn	Filed (Nov '17) Filed (Jan '18)
		Front line Mature T-cell Lymphoma	EU Jpn	P-III P-III
		Relapsed/refractory Hodgkin Lymphona	CN	P-II
		Relapsed/refractory systemic Anaplastic large-cell lymphoma (sALCL)	CN	P-II
MLN9708 <ixazomib> NINLARO® (US, EU, Jpn)	Proteasome inhibitor (oral)	Previously untreated Multiple Myeloma	US EU Jpn CN	P-III P-III P-III P-I
		Maintenance therapy in patients with newly diagnosed Multiple Myeloma following autologous stem cell transplant	US EU Jpn CN	P-III P-III P-III P-I
		Maintenance therapy in patients with newly diagnosed Multiple Myeloma not treated with stem cell transplant	Global	P-III
		Relapsed/refractory primary (AL) amyloidosis	US EU CN	P-III P-III P-III
		Relapsed/refractory Multiple Myeloma (doublet regimen with dexamethasone)	US EU Jpn	P-III P-III P-III
<ponatinib> ICLUSIG® (US)	BCR-ABL inhibitor (oral)	Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	US EU Jpn	P-III
		Dose ranging study for second-line patients with chronic-phase Chronic Myeloid Leukemia	US	P-II(b)
TAK-924 <pevonedistat>	NEDD 8 activating enzyme inhibitor (injection)	High-Risk Myelodysplastic Syndromes, Chronic Myelomonocytic Leukemia, Low-blast Acute Myelogenous Leukemia	US EU	P-III P-III
TAK-385 <relugolix>	LH-RH antagonist (oral)	Uterine fibroids	Jpn	Filed (Feb '18)
		Prostate cancer	Jpn CN	P-III P-I
		Endometreosis	Jpn	P-II(b)
TAK-228 <sapanisertib>	mTORC1/2 inhibitor (oral)	Endometrial cancer	US	P-II(b)
TAK-659 < - >	SYK/FLT3 kinase inhibitor (oral)	Diffuse Large B-cell Lymphoma	-	P-II(a)
		Solid tumors, Hematologic malignancies	-	P-I
TAK-931 < - >	CDC7 inhibitor (oral)	Metastatic pancreatic cancer, Colorectal cancer	-	P-II(a)
<cabozantinib>	Multi-targeted kinase inhibitor (oral)	Renal cell carcinoma	Jpn	P-II(a)
TAK-079 < - >	Cytolytic monoclonal antibody (injection)	Refractory Multiple Myeloma	-	P-I
		Systemic lupus erythematosus	-	P-I

TAK-573 **< - >**	CD38-targeted IgG4 genetically fused with an attenuated IFNα (injection)	Refractory Multiple Myeloma	-	P-I
TAK-788 **< - >**	EGFR/HER2 inhibitor (oral)	Non-Small Cell Lung Cancer	-	P-I
XMT-1522*[1] **< - >**	HER2 dolaflexin antibody-drug conjugate (injection)	HER2 positive solid tumors	-	P-I
<niraparib>	PARP1/2 inhibitor (oral)	Multiple cancer	Jpn	P-I

*1 Takeda and Mersana Therapeutics, Inc. will co-develop XMT-1522, and Mersana will lead execution of the Phase 1 trial.

Additions since 2017 Q3: Alunbrig - Japanese patients with ALK-positive, Non-Small Cell Lung Cancer who have been previously treated with ALK inhibitors, TAK-079, niraparib

Removals since 2017 Q3: SGN-35 – Relapsed Cutaneous T-cell Lymphoma (approved in EU), Iclusig – Imatinib-resistant chronic-phase Chronic Myeloid Leukimia (approved in US), TAK-228 – Breast cancer and renal cell cancer, TAK-202, TAK-243, TAK-580

■ Gastroenterology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
MLN0002 **<vedolizumab>** ENTYVIO® (US, EU)	Humanized monoclonal antibody against α4β7 integrin (injection)	Ulcerative colitis	Jpn CN	Filed (Aug '17) P-III
		Crohn's disease	Jpn CN	P-III P-III
		Subcutaneous formulation (for Ulcerative colitis, Crohn's disease)	US EU Jpn	P-III P-III P-III
		Graft-versus-Host Disease steroid refractory	-	P-II(a)
		Graft-versus-Host Disease prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	-	P-I
SPI-0211 **<lubiprostone>** AMITIZA® (US)	Chloride channel activator (oral)	Pediatric functional constipation	US	Filed (Jul '17)
		New formulation (initially for Chronic Idiopathic Constipation and Opioid-Induced Constipation)	US	P-III
TAK-438 **<vonoprazan>** TAKECAB® (Jpn)	Potassium-competitive acid blocker (oral)	Non-Erosive Reflux Disease in patients with Gastro-esophageal Reflux Disease	Jpn	P-III
		Gastro-esophageal Reflux Disease in patients who have a partial response following treatment with a proton pump inhibitor	EU	P-II(b)
TAK-906 **< - >**	Dopamine D2/D3 receptor antagonist (oral)	Gastroparesis	-	P-II(a)
TAK-954 **< - >**	5-HT4 receptor agonist (injection)	Enteral feeding intolerance	-	P-II(a)
TIMP-GLIA*[2] **< - >**	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Celiac Disease	-	P-I

*2 Partnership with Cour Pharmaceuticals; Cour lead Phase 1 development.

Additions since 2017 Q3: TIMP-GLIA

Removals since 2017 Q3: Cx601 - Complex perianal fistulas in patients with Crohn's disease (approved in EU)

■ Neuroscience

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
Lu AA21004 **<vortioxetine>** TRINTELLIX® (US)	Multimodal anti-depressant (oral)	Treatment Emergent Sexual Dysfunction	US	Filed (Dec'17)
		Major depressive disorder	Jpn	P-III
TAK-935*[3] **< - >**	CH24H inhibitor (oral)	Rare pediatric epilepsies	-	P-II(a)
TAK-831 **< - >**	D-amino acid oxidase (DAAO) inhibitor (oral)	Friedreich's ataxia	-	P-II(a)
		Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-II(a)
TAK-041 **< - >**	GPR139 agonist (oral)	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-418 **< - >**	LSD1 inhibitor (oral)	Kabuki syndrome	-	P-I

TAK-653 < - >	AMPA receptor potentiator (oral)	Treatment resistant depression	-	P-I
TAK-925 < - >	Orexin 2R agonist (injection)	Narcolepsy	-	P-I
MEDI-1341[*4]	Alpha-synuclein antibody (injection)	Parkinson's Disease	-	P-I

*3 Co-development with Ovid Therapeutics

*4 Partnership with AstraZeneca; AstraZeneca lead Phase 1 development

Additions since 2017 Q3: MEDI-1341

Removals since 2017 Q3: TVP-1012 - Parkinson's disease (approved in Japan), Trintellix - Addition of clinical data to the product label regarding the effect of certain aspects of cognitive function in adults with Major Depressive Disorder (approved in US for improvement in processing speed), TAK-058, TAK-071

■ Vaccines

Development code BRAND NAME	**Type of vaccine (administration route)**	**Indications / additional formulations**	**Stage**	
TAK-003	Tetravalent dengue vaccine (injection)	Prevention of dengue fever caused by dengue virus	-	P-III
TAK-214	Norovirus vaccine (injection)	Prevention of acute gastroenteritis (AGE) caused by norovirus	-	P-II(b)
TAK-195	Sabin inactivated polio vaccine (injection)	Prevention of poliomyelitis	-	P-I/II
TAK-021	EV71 vaccine (injection)	Prevention of hand, foot and mouth disease caused by enterovirus 71	-	P-I
TAK-426	Zika vaccine (injection)	Prevention of zika virus infection	-	P-I

2. Recent progress in stage [Progress in stage disclosed since release of FY2016 results (May 10th, 2017)]

Development code <generic name>	Indications / additional formulations	Country/Region	Progress in stage
SGN-35 <brentuximab vedotin>	Relapsed Cutaneous T-cell Lymphoma	EU	Approved (Dec '17)
SPI-0211 <lubiprostone>	Pediatric functional constipation	US	Filed (Jul '17)
MLN0002 <vedolizumab>	Ulcerative colitis	Jpn	Filed (Aug '17)
SGN-35 <brentuximab vedotin>	Front line Hodgkin Lymphoma	EU	Filed (Nov '17)
SGN-35 <brentuximab vedotin>	Front line Hodgkin Lymphoma	Jpn	Filed (Jan '18)
MLN9708 <ixazomib>	Relapsed refractory Multiple Myeloma (doublet regimen with dexamethasone)	US, EU, Jpn	P-III
TAK-924 <pevonedistat>	High-Risk Myelodysplastic Syndromes, Chronic Myelomonocytic Leukemia, Low-blast Acute Myelogenous Leukemia	US, EU	P-III
MLN0002 <vedolizumab>	Graft-versus-Host Disease steroid refractory	-	P-II(a)
TAK-659 < - >	Diffuse Large B-cell Lymphoma	-	P-II(a)
TAK-906 < - >	Gastroparesis	-	P-II(a)
TAK-935 < - >	Rare pediatric epilepsies	-	P-II(a)
TAK-931 < - >	Metastatic pancreatic cancer, Colorectal cancer	-	P-II(a)
TAK-831 < - >	Friedreich's ataxia	-	P-II(a)
TAK-954 < - >	Enteral feeding intolerance	-	P-II(a)
<cabozantinib>	Renal cell carcinoma	Jpn	P-II(a)
TAK-195	Inactivated Polio Vaccine	-	P-I/II
TAK-418 < - >	Kabuki syndrome	-	P-I
TAK-573 < - >	Refractory Multiple Myeloma	-	P-I
TAK-925 < - >	Narcolepsy	-	P-I
TAK-426	Prevention of zika virus infection	-	P-I
Cx601 <darvadstrocel>	Complex perianal fistulas in patients with Crohn's disease	EU	Approved (Mar '18)
TVP-1012 <rasagiline>	Parkinson's disease	Jpn	Approved (Mar '18)
MLN9708 <ixazomib>	Relapsed/ refractory Multiple Myeloma (doublet regimen with dexamethasone)	China	Approved (Apr '18)
Lu AA21004 <vortioxetine>	Addition of data to the product lable showing improvement in the Digital Symbol Substitution Test (DSST), a neuropsychological test that measures processing speed - an important aspect of cognitive function that may be impaired in major depressive disorder	US	Approved (May '18)
TAK-385 <relugolix>	Uterine fibroids	Jpn	Filed (Feb '18)
TAK-831 < - >	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-II (a)
<brigatinib>	Japanese patients with ALK-positive, Non-Small Cell Lung Cancer who have been previously treated with ALK inhibitors	Jpn	P-II (a)
TIMP-GLIA	Celiac disease	-	P-I
MEDI-1341	Parkinson's Disease	-	P-I
<niraparib	Multiple cancer	Jpn	P-I

Progress in stage disclosed since the announcement of FY2017 Q3 results (February 1, 2018) are listed under the bold dividing line.

3. Discontinued projects [Update disclosed since release of FY2016 results (May 10th, 2017)]

Development code <generic name>	Indications (Stage)	Reason
MLN9708 <ixazomib>	Solid Tumors (P-I)	Insufficient response observed to support company sponsored development
Lu AA21004 <vortioxetine>	Attention Deficit Hyperactivity Disorder (ADHD) in adult patients (P-II(a))	Insufficient efficacy response observed in Phase 2 to justify continued development
AD-4833/TOMM40	Delay of onset of mild cognitive impairment due to Alzheimer's disease (P-III)	A planned interim futility analysis showed an inadequate treatment effect with the investigational drug pioglitazone 0.8 mg SR in delaying the onset of mild cognitive impairment due to Alzheimer's Disease. The performance of the genetic-based biomarker risk assignment algorithm will be assessed after study close-out is complete. The decision to discontinue the trial was not related to safety of the investigational product or study procedures.
<ponatinib> ICLUSIG® (US)	Imatinib-resistant chronic-phase Chronic Myeloid Leukemia (P-III)	The decision to terminate the OPTIC 2L study was based on a careful review of the overall clinical development program of ponatinib. Patients remaining on the trial will continue to receive study treatment, and we will continue to review outcomes data to gain additional insights that may contribute to our body of knowledge around CML therapy.
TAK-228 <sapanisertib>	Breast cancer, renal cancer (P-II(b))	The decision was made to terminate development in breast cancer and renal cancer after careful consideration of the efficacy data observed to date in these tumour types, and the evolving competitive landscape. A Phase 2b study for sapanisertib in endometrial cancer is ongoing.
TAK-202 <plozalizumab>	Solid tumors (P-I)	Insufficient efficacy response observed to justify continued development

Discontinued projects since the announcement of FY2017 Q3 results (February 1, 2018) are listed under the bold dividing line

4. Exploring Alternative Value Creation [Update disclosed since release of FY2016 results (May 10th, 2017)]

Development code <generic name>	Indications (Stage)	Reason
MT203 <namilumab>	Rheumatoid arthritis (Jpn P-II(a), EU P-II(b))	Takeda has stopped clinical development for this asset for strategic alignment reasons, and pivoted to external value creation (see Izana Biosciences below)
TAK-020 < - >	Rheumatoid arthritis (P-I)	Takeda has stopped clinical development for this asset for strategic alignment reasons and exploring external value creation
TAK-243 < - >	Solid tumors (P-I)	Development terminated due to strategic portfolio decision.
TAK-058 < - >	Cognitive impairment associated with schizophrenia (P-I)	TAK-058 has been externalized and is no longer being developed within Takeda
TAK-071 < - >	Alzheimer's disease (P-I)	Takeda is currently re-evaluating the lead target population for advancing this asset in clinical development.
TAK-580 < - >	Solid tumors (P-I)	Development terminated due to strategic portfolio decision.

Externalized assets in which Takeda retains a financial interest

Partner	Nature of Partnership	
Biological E. Limited	Takeda agreed to transfer existing measles and acellular pertussis vaccine bulk production technology to develop low-cost combination vaccines for India, China and low- and middle-income countries.	
Cardurion Pharmaceuticals	Takeda provided a 12-person cardiovascular research team from its Shonan (Japan) site, including fully equipped laboratory space, development resources and licenses to a portfolio of preclinical-stage cardiovascular drug programs.	
Cerevance	Takeda provided a 25-person neuroscience research team from its Cambridge (UK) site, fully equipped laboratory space, and licenses to a portfolio of undisclosed preclinical and clinical stage drug programs.	
Izana Biosciences	Takeda granted Izana Biosciences an exclusive, worldwide license to develop, manufacture and commercialise namilumab in all indications. As part of the licence agreement, Takeda has taken a strategic equity stake in Izana.	
Myovant Sciences	Takeda granted Myovant an exclusive, worldwide license (excluding Japan and certain other Asian countries) to relugolix (TAK-385) and an exclusive, worldwide license to MVT-602 (TAK-448).	
Rhythm	Exclusive, worldwide rights from Takeda to develop and commercialize T-3525770 (now RM-853). RM-853 is a potent, orally available ghrelin o-acyltransferase (GOAT) inhibitor currently in preclinical development for Prader-Willi Syndrome	
Scohia Pharma	Takeda granted Scohia Pharma exclusive rights for the research, development, manufacture, marketing, etc. of eight of Takeda's R&D projects, including TAK-272, TAK-792 and TAK-094.	
Entreprenurial Venture Programs (EVPs)	Aikomi	Developing a new digital therapy for persons with dementia.
	ChromaJean	Established unique chromatography algorithm/software platform.
	Chordia Therapeutics	Takeda provided a 6-person oncology research team from its Shonan (Japan) site, fully equipped laboratory space, development resources and licenses to a portfolio of preclinical-stage oncology drug programs including CDC like kinase inhibitors.
	Fimecs	Protein knockdown drug discovery biotech focused on developing first-in-class protein degradation therapeutics
	GenAhead Bio	Gene-editing technology realizes higher success rate for cell production than competitors. FFS and cell therapy are planned in their business.
	GEXVal	Drug discovery for orphan disease (ex. Rett syndrome, PAH) using TKD's late & early assets.
	Reborna	Developing small molecules that modulate RNA degeneration associated with genetic disease.
	Seedsupply	Provides HTS FFS using novel binder selection technology and Takeda's compound library.

5. Main Research & Development collaborations

Oncology

Partner	Country	Subject
Crescendo Biologics	UK	The discovery, development and commercialization of Humabody® -based therapeutics for cancer indications
Exelixis, Inc.	US	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma
GammaDelta Therapeutics	UK	Novel T cell platform, based on the unique properties of gamma delta (γδ) T cells derived from human tissues, to discover and develop new immunotherapies in oncology
Gencia LLC	US	Mitochondrial Associated Glucocorticoid Receptors (MAGR) agonists for potential use primarily in hematological and inflammatory diseases
Heidelberg Pharma	Germany	ADC Research Collaboration on 2 Targets and Licensing Agreement (α-amanitin payload and proprietary linker)
ImmunoGen, Inc.	US	Antibody-Drug Conjugate technology
Maverick Therapeutics	US	T-cell engagement platform created specifically to improve the utility of T-cell redirection therapy for the treatment of cancer
Mersana Therapeutics	US	Antibody-Drug Conjugate technology
Molecular Templates	US	Application of engineered toxin bodies (ETB) technology platform to potential therapeutic targets
Nektar Therapeutics	US	Research collaboration to explore combination cancer therapy with five Takeda oncology compounds and Nektar's lead immuno-oncology candidate, the CD122-biased agonist NKTR-214
Noile-Immune Biotech	Japan	The development of next generation chimeric antigen receptor T cell therapy (CAR-T), developed by Professor Koji Tamada at Yamaguchi University
Seattle Genetics	US	Antibody-Drug Conjugate technology
Shattuck Labs	US	Explore and develop checkpoint fusion proteins utilizing Shattuck's unique Agonist Redirected Checkpoint (ARC)™ platform which enables combination immunotherapy with a single product.
Tesaro	US	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea, Taiwan, Russia and Australia
Teva	Isreal	Worldwide License to TEV-48573 (CD38-Attenukine) and Research Collaboration (Attenukine platform)

Gastroenterology

Partner	Country	Subject
Arcturus	US	RNA- based therapeutics for the treatment of liver disorders
Beacon Discovery	US	G-protein coupled receptor drug development program for gastrointestinal disorders
BioSurfaces, Inc.	US	Research program designed to develop innovative medical devices to treat patients with GI diseases using BioSurfaces' proprietary nanomaterial technology
Cour Pharmaceutical Development Company	US	Immune modulating therapies for the potential treatment of celiac disease and other gastrointestinal diseases, utilizing Cour's Tolerizing Immune Modifying nanoParticle (TIMP) platform
Emulate Bio	US	Drug discovery in inflammatory bowel disease using organ-on-chip microengineered cell models
enGene	Canada	Novel therapies for specialty gastrointestinal (GI) diseases using enGene's "Gene Pill" gene delivery platform
Enterome	France	Microbiome targets thought to play crucial roles in gastrointestinal disorders, including inflammatory bowel diseases (e.g. ulcerative colitis) and motility disorders (e.g. irritable bowel syndrome)
Finch Therapeutics	US	Global agreement to develop FIN-524, a live biotherapeutic product composed of cultured bacterial strains linked to favorable clinical outcomes in studies of microbiota transplantations in inflammatory bowel disease
Hemoshear Therapeutics	US	Novel target and therapeutic development using Hemoshear's proprietary REVEAL-Tx drug discovery platform
Karolinska Institutet & Structural Genomics Consortium	Sweden	Proprietary collaboration to discover and validate new potential intervention points for the treatment of inflammatory bowel disease
NuBiyota	Canada	Development of Microbial Ecosystem Therapeutic products for gastroenterology indications
Prana Biotechnology Ltd.	Australia	Collaboration with Takeda to study ability of Prana's pbt434, to slow or prevent neurodegeneration of gastrointestinal system
PvP Biologics	US	Global agreement to develop KumaMax, a novel enzyme designed to break down the immune-reactive parts of gluten in the stomach
Samsung Bioepis	Korea	Strategic collaboration agreement to jointly fund and co-develop multiple novel biologic therapies in unmet disease areas. The program's first therapeutic candidate is TAK-671, which is intended to treat severe acute pancreatitis
Theravance Biopharma	US	Global agreement for TAK-954, a selective 5-HT4 receptor agonist for motility disorders
TiGenix	Belgium	Ex-U.S. rights to Cx601 for complex perianal fistulas in Crohn's disease

Neuroscience

Partner	Country	Subject
Affilogic	France	Affilogic's proprietary Nanofitins® platform in therapies targeting the central nervous system
AstraZeneca	UK	Joint development and commercialization of MEDI1341, an alpha-synuclein antibody currently in development as a potential treatment for Parkinson's disease
Cerevance	US, UK	Discovery and development of novel therapeutics for neurological and psychiatric disorders
Denali Therapeutics	US	A strategic option and collaboration agreement to develop and commercialize up to three specified therapeutic product candidates for neurodegenerative diseases, incorporating Denali's ATV platform for increased exposure of biotherapeutic products in the brain.
Lundbeck	Denmark	Collaboration to develop and commercialize vortioxetine
Mindstrong Health	US	Explore development of digital biomarkers for selected meantal health conditions, in particular schizophrenia and treatment-resistant depression
Ovid Therapeutics	US	Development of TAK-935, an oral CH24H inhibitor for rare pediatric epilepsies. Takeda and Ovid Therapeutics will share in the development and commercialization costs of TAK-935 on a 50/50 basis and, if successful, share in the profits on a 50/50 basis.
Teva	Israel	Collaboration to develop and commercialize Rasagiline
Wave Life Sciences	US	Research, development and commercial collaboration and multi-program option agreement to develop antisense oligonucleotides for a range of neurological diseases

Vaccines

Partner	Country	Subject
U.S. Government - The Biomedical Advanced Research and Development Authority (BARDA)	US	Partnership to develop TAK-426, a Zika vaccine candidate, to support the Zika response in the US and affected regions around the world
Bill & Melinda Gates Foundation	US	Partnership to develop TAK-195, a Sabin-strain Inactivated Polio vaccine (sIPV) candidate, to support polio eradication in developing countries
Zydus Cadila	India	Partnership to develop TAK-507, a Chikungunya vaccine candidate, to tackle an emerging and neglected infectious disease in the world

Other / Multiple Therapeutic Area

Partner	Country	Subject
AMED	Japan	Development of a novel drug for hypertrophic cardiomyopathy using iPS cells-derived cardiomyocytes with disease-causing mutations induced by gene-editing technology (CiCLE: Cyclic Innovation for Clinical Empowerment by AEMD)
Arix Bioscience	UK	Value creation through venture and biotech partnerships
Atlas Ventures	US	Fund XI Limited Partner to drive venture investments
Astellas, Daiichi Sankyo	Japan	Fundamental biomarker data on healthy adult volunteers in order to optimize and accelerate the development of innovative medicines
BioMotiv	US	Therapeutic accelerator to identify and develop pioneering medical innovations specifically in the therapeutic areas of immunology & inflammation and cardio-metabolic diseases
Bridge Medicines	US	Building upon Tri-I TDI, Bridge Medicines will give financial, operational and managerial support to move projects seamlessly from a validating, proof-of-concept study to an in-human clinical trial
Center for iPS Cell Research Application, Kyoto University	Japan	Clinical applications of iPS cells in Takeda strategic areas including applications in neurosciences, oncology and GI as well as discovery efforts in additional areas of compelling iPSC translational science
Dementia Discovery Fund (DDF)	UK	New global investment fund to support discovery and development of novel dementia treatments
Fujifilm	Japan	Collaboration to develop regenerative medicine therapies using cardiomyocytes derived from iPSC for the treatment of heart failure.
FutuRx	Israel	Israel seed stage venture fund/biotech accelerator to access innovation in Israel; de-risked through pre-formed syndication
Harrington Discovery Institute at University Hospitals in Cleveland, Ohio	US	Collaboration for the advancement of medicines for rare diseases
Keio University, Niigata University, Kyoto University	Japan	The search for and functional analysis of disease-related RNA-binding proteins, that may lead to treatments in the areas such as neuroscience and oncology
National Cancer Center of Japan	Japan	A partnership to develop basic research to clinical development by promoting exchanges among researchers, physicians, and others engaged in anti-cancer drug discovery and cancer biology research
Numerate	US	Joint-discovery programs aimed at identifying clinical candidates for use in Takeda's core therapeutic areas: oncology, gastroenterology, and central nervous system disorders, which is using its AI-driven platform, from hit finding and expansion through lead design/optimization and ADME toxicity modeling
Portal Instruments	US	The development and commercialization of Portal's needle-free drug delivery device for potential use with Takeda's investigational or approved biologic medicines.
Recursion Pharmaceuticals	US	Provide pre-clinical candidates for Takeda's TAK-celerator™ development pipeline

Schrödinger	US	Multi-target research collaboration combining Schrödinger's in silico platform-driven drug discovery capabilities with Takeda's deep therapeutic area knowledge and expertise in structural biology.
Seattle Collaboration	US	SPRInT (Seattle Partnership for Research on Innovative Therapies): accelerate the translation of Fred Hutchinson Cancer Research Center's and University of Washington's cutting-edge discoveries into treatments for human disease (focusing on Oncology, GI and Neuroscience)
Stanford University	US	Collaboration with Stanford University to form the Stanford Alliance for Innovative Medicines (Stanford AIM) to more effectively develop innovative treatments and therapies.
Trianni, Inc.	US	Trianni's transgenic mouse platform to identify fully human monoclonal antibodies against disease targets in all therapeutic areas
Tri-Institutional Therapeutics Discovery Institute (Tri-I TDI)	US	Collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies
Ultragenyx	US	Collaboration to develop and commercialize therapies for rare genetic diseases

Note: List is not inclusive of all Takeda R&D collaborations

■ Clinical study protocol summaries

Clinical study protocol summaries are disclosed on the English-language web-site (https://takedaclinicaltrials.com/) and clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (https://www.takeda.com/jp/what-we-do/research-and-development/takeda-clinical-trial-transparency/).

We anticipate that this disclosure will assure transparency of information on Takeda's clinical trials for the benefit of healthcare professionals, their patients and other stakeholders, which we believe will contribute to the appropriate use of Takeda's products worldwide.

Appendix

◆ **Prescription Drugs: US major products' sales (in US$) *1**

(Million US$)

	FY15	FY16	FY17	YOY	
Entyvio	524	913	1,202	289	31.6%
Velcade	1,079	1,000	995	-5	-0.5%
Dexilant	530	457	445	-12	-2.7%
Trintellix	203	294	435	141	47.9%
Uloric	347	380	411	31	8.1%
Colcrys	386	358	362	4	1.2%
Ninlaro	34	267	354	88	32.8%
Amitiza	308	310	303	-7	-2.1%
Iclusig	-	22	171	149	-
Prevacid (lansoprazole)	222	179	132	-47	-26.1%
Alunbrig	-	-	25	25	-

*1 Product sales (royalty income and service income are excluded).

◆ **Prescription Drugs: US major products' sales (in US$) *[1] (Quarterly)**

(Million US$)

	FY16				FY17							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Entyvio	201	224	241	247	278	38.2%	314	40.2%	309	28.1%	301	21.8%
Velcade	247	250	253	250	268	8.5%	259	3.7%	249	-1.7%	219	-12.3%
Dexilant	117	120	116	104	115	-1.5%	120	-0.2%	126	8.2%	85	-18.9%
Trintellix	58	75	81	80	101	74.8%	110	46.4%	126	54.6%	98	23.1%
Uloric	85	92	107	95	101	17.7%	102	9.9%	104	-2.8%	105	10.0%
Colcrys	94	93	88	83	87	-8.1%	93	-0.6%	109	23.8%	74	-10.0%
Ninlaro	54	65	75	73	81	51.3%	91	39.4%	95	25.7%	87	20.6%
Amitiza	79	77	87	66	77	-2.7%	80	3.2%	84	-3.8%	63	-5.3%
Iclusig	-	-	-	22	40	-	42		49	-	41	83.0%
Prevacid (lansoprazole)	57	40	44	37	33	-42.8%	31	-21.8%	40	-9.0%	28	-25.1%
Alunbrig	-	-	-	-	2	-	5		6	-	12	-

*1 Product sales (royalty income and service income are excluded).

◆ **Prescription Drugs: Japan major products' sales**

(Billion JPY)

	Launched	Therapeutic Class	FY15	FY16	FY17	YOY	
Azilva *	(12. 5)	Hypertension	59.0	66.9	73.0	6.1	9.1%
Takecab *	(15. 2)	Acid-related Diseases	8.4	34.1	55.1	21.0	61.6%
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	53.8	48.6	47.6	-1.0	-2.1%
Enbrel	(05. 3)	Rheumatoid arthritis	40.8	40.4	38.7	-1.8	-4.4%
Lotriga	(13. 1)	Hyperlipidemia	22.3	27.5	32.1	4.6	16.6%
Nesina *	(10. 6)	Diabetes	36.9	32.9	30.1	-2.8	-8.5%
Vectibix	(10. 6)	Colorectal cancer	18.4	18.8	18.9	0.2	0.9%
Reminyl	(11. 3)	Alzheimer-type dementia	16.0	17.4	17.8	0.4	2.6%
Rozerem	(10. 7)	Insomnia	7.4	8.1	8.9	0.8	10.4%
Benet	(02. 5)	Osteoporosis	9.7	8.3	7.5	-0.9	-10.2%
Adcetris	(14. 4)	Malignant Lymphoma	3.1	3.3	3.8	0.5	16.4%

* The figures include the amounts of fixed dose combinations and blister packs.

◆ **Prescription Drugs: Japan major products' sales (Quarterly)**

(Billion JPY)

	Launched	Therapeutic Class	FY16				FY17							
			Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Azilva *	(12. 5)	Hypertension	17.7	15.6	18.5	15.0	18.7	5.6%	17.1	9.2%	21.0	13.5%	16.2	7.8%
Takecab *	(15. 2)	Acid-related Diseases	6.4	7.5	10.8	9.5	12.5	95.7%	12.8	72.0%	16.7	54.6%	13.1	38.4%
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	13.1	11.7	13.6	10.2	12.4	-5.3%	11.6	-0.5%	13.7	0.9%	9.9	-3.8%
Enbrel	(05. 3)	Rheumatoid arthritis	11.0	10.0	10.9	8.6	10.3	-6.0%	9.5	-5.3%	10.9	0.2%	8.0	-7.2%
Lotriga	(13. 1)	Hyperlipidemia	6.8	6.6	7.8	6.3	7.9	15.6%	7.7	17.2%	9.3	19.4%	7.2	13.6%
Nesina *	(10. 6)	Diabetes	9.3	7.7	9.2	6.6	8.0	-13.8%	7.2	-7.3%	8.8	-4.4%	6.1	-8.0%
Vectibix	(10. 6)	Colorectal cancer	4.9	4.6	5.1	4.2	5.0	1.0%	4.7	3.3%	5.3	3.7%	4.0	-5.3%
Reminyl	(11. 3)	Alzheimer-type dementia	4.6	4.1	4.8	3.8	4.7	0.3%	4.4	6.7%	5.1	4.4%	3.7	-1.3%
Rozerem	(10. 7)	Insomnia	2.1	1.9	2.2	1.8	2.3	8.0%	2.2	14.8%	2.5	12.4%	2.0	6.4%
Benet	(02. 5)	Osteoporosis	2.3	2.0	2.3	1.7	2.0	-12.5%	1.9	-6.2%	2.1	-8.6%	1.5	-14.1%
Adcetris	(14. 4)	Malignant Lymphoma	0.9	0.7	0.9	0.8	1.0	19.1%	0.9	22.8%	1.0	3.7%	0.9	22.6%

* The figures include the amounts of fixed dose combinations and blister packs.

◆ Consumer Healthcare: Japan major products' sales

(Billion JPY)

	FY15	FY16	FY17	YOY	
Alinamin tablet	25.2	24.1	25.9	1.8	7.5%
Alinamin drink	14.9	16.1	15.0	-1.1	-6.7%
Benza	9.8	10.0	9.6	-0.4	-4.0%
Borraginol	4.5	4.5	4.6	0.1	2.1%
Mytear	4.2	3.9	4.2	0.3	6.6%
Biofermin*	8.6	9.1	4.1	-5.0	-54.5%

NOTE: This table shows sales amount of Takeda Consumer Healthcare Company Limited (TCHC) in Japan. TCHC succeeded the business of Takeda's Japan Consumer Healthcare Business Unit (JCHBU), and started its business on April 1, 2017 as the new company.

* Sales of OTC Biofermin by TCHC ceased at the end of September 2017.

◆ Consumer Healthcare: Japan major products' sales (Quarterly)

(Billion JPY)

	FY16				FY17							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Alinamin tablet	6.1	6.2	6.8	4.9	7.6	23.8%	6.4	1.9%	7.0	4.1%	4.9	-0.7%
Alinamin drink	5.1	4.0	4.2	2.8	4.0	-21.9%	4.1	2.1%	4.2	1.8%	2.7	-4.4%
Benza	1.3	4.2	3.2	1.4	1.2	-2.3%	3.9	-5.1%	3.0	-4.1%	1.4	-1.8%
Borraginol	1.1	1.1	1.3	1.0	1.1	-1.4%	1.1	3.4%	1.4	3.4%	1.1	2.8%
Mytear	0.8	0.9	0.9	1.3	0.8	5.2%	0.9	3.5%	0.9	-5.5%	1.6	17.9%
Biofermin*	2.2	2.3	2.6	2.0	2.5	10.3%	1.9	-14.6%	-0.2	-	-0.0	-

NOTE: This table shows sales amount of Takeda Consumer Healthcare Company Limited (TCHC) in Japan.

TCHC succeeded the business of Takeda's Japan Consumer Healthcare Business Unit (JCHBU), and started its business on April 1, 2017 as the new company.

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Takeda Pharmaceutical Company Limited