



# News Release

## **Takeda Receives a Decision by the President of National Tax Tribunal Relating to the Correction Notice on Transfer Pricing**

**Osaka, Japan, March 25, 2013** – Takeda Pharmaceutical Company Limited (“Takeda”) today announced the receipt of a decision by the President of National Tax Tribunal related to the correction notice on transfer pricing.

On April 6, 2012, Takeda received notice of partial reduction of original assessment<sup>\*1</sup> from the Osaka Regional Tax Bureau (“ORTB”) with respect to the correction notice<sup>\*2</sup> on transactions of Prevacid, a drug for the treatment of peptic ulcers, between Takeda and TAP Pharmaceutical Products Inc. (“TAP” <sup>\*3</sup>), that had been a 50/50 joint venture between Takeda and Abbott Laboratories. On May 7, 2012, Takeda submitted a request for reconsideration to the ORTB, petitioning for the cancellation of the portion of the original correction that still remained after the conclusion of the ORTB’s reinvestigation.

Today, the decision by the President of National Tax Tribunal accepts Takeda’s position. As a result of this decision, Takeda will receive a refund of all corporate tax, accumulated interest and local tax based on the reinvestigation, and the amount to be refunded is estimated at 15.2 billion yen, tax and interest combined.

<sup>\*1</sup> As a result of the conclusion of the reinvestigation, the original assessment amount of ¥122.3 billion was reduced by the amount of ¥97.7 billion and Takeda received a refund of ¥57.2 billion, tax and interest combined, including local tax.

<sup>\*2</sup> Takeda received the Correction Notice of ¥122.3 billion from the ORTB based on the ORTB’s conclusion that Takeda had earned an insufficient portion of the profits earned in the U.S. market in relation to Prevacid product supply and license transactions between Takeda and TAP over the six-year period from the fiscal year ended March 2000 through the fiscal year ended March 2005. Total additional tax due, including local tax, was ¥57.1 billion. Takeda paid those additional taxes in July 2006.

<sup>\*3</sup> TAP had been a fifty-fifty joint venture between Abbott Laboratories and Takeda America Holdings, Inc. (“TAH”), a wholly owned subsidiary of Takeda located in New York. As a result of the April 2008 dissolution of the TAP joint venture, TAP became a 100% subsidiary of TAH. Also in June 2008, TAP was subsequently merged into Takeda Pharmaceuticals North America, Inc. (“TPNA”), a 100% subsidiary of TAH located in Illinois. In January 2012, TPNA changed its name to Takeda Pharmaceuticals U.S.A. Inc.