Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Better Health, Brighter Future

Notice of Convocation of the 139th Ordinary General Meeting of Shareholders

Date: June 26, 2015 (Friday), 10:00 a.m.

Venue: Osaka Prefectural Gymnasium 1st arena

Contents

Takeda Pharmaceutical Company Limited

Securities Code: 4502

Securities Code: 4502

June 4, 2015

Dear Shareholders

Notice of Convocation of the 139th Ordinary General Meeting of Shareholders

This is to inform you that Takeda Pharmaceutical Company Limited (the "Company") shall be holding the 139th Ordinary General Meeting of Shareholders (the "Meeting") of the Company as follows and invite you to attend.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via electronic means (e.g., the Internet, etc.). Please be so good as to go through the Reference Document for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on June 25, 2015 (Thursday).

Details

1. **Date: June 26, 2015 (Friday), 10:00 a.m.**
2. **Venue: Osaka Prefectural Gymnasium 1st arena**
   4-36, Nanbanaka 3-chome, Naniwa-ku, Osaka, Japan
   (Please refer to the map at the end of this notice.)
   (The map is omitted in this translation.)
3. **Objectives of the Meeting:**

Matters to be reported:

1. Reports on the Business Report, Consolidated Financial Statements and Unconsolidated Financial Statements for the 138th fiscal year (from April 1, 2014 to March 31, 2015)
2. Reports on the Audit Reports on the Consolidated Financial Statements for the 138th fiscal year by the Accounting Auditors and the Board of Corporate Auditors

Matters to be resolved:

First proposal:	Appropriation of Surplus
Second proposal:	Election of Nine (9) Directors
Third proposal:	Election of One (1) Corporate Auditor
Fourth proposal:	Election of One (1) Substitute Corporate Auditor
Fifth proposal:	Payment of Directors' Bonuses

Please note that the Company has decided to hold the Meeting on June 26, 2015 as a result that the Company prioritized retaining the venue having large capacity, since it is expected that many shareholders will attend the Meeting.

●**Exercise of Voting Rights in Writing**

Please indicate your approval or disapproval of the proposals on the enclosed "Voting Right Exercise Form" and send it so that we receive it by the deadline above. *(The Voting Right Exercise Form is omitted in this translation.)*

●**Exercise of Voting Rights via Electronic Means (e.g.: the Internet, etc.)**

Please refer to the "Guidance Notes on the Exercise of Voting Rights via Electronic Means (e.g., the Internet, etc.)" on page 73, and complete the entry of your approval or disapproval of the proposals in accordance with the instructions on the screen on or before the deadline above.

Guidance Notes on the Exercise of Voting Rights

(1) If you exercise your voting rights both in writing and via electronic means (e.g., the Internet, etc.), the Company will regard only the vote cast via electronic means (e.g., the Internet, etc.) as valid, regardless of the time and date the votes are received.

(2) If you exercise your voting rights more than once via electronic means (e.g., the Internet, etc.), the Company will regard only your last vote as valid.

(3) If you exercise your voting rights by proxy, you may delegate your voting rights to one shareholder who holds voting rights in the Company. However, please note that you are required to submit a document certifying the authority of such proxy.

Disclosure of information via the Internet

- The documents listed below have been posted on the Company's website from today based on laws and regulations and Article 15 of the Company's Articles of Incorporation and have not been included in this Notice of Convocation.
  1. Notes on the Consolidated Financial Statements
  2. Notes on the Unconsolidated Accounts

  The Consolidated Financial Statements and Unconsolidated Financial Statements that the Accounting Auditors and the Corporate Auditors audited include, apart from the documents stated in the list of documents enclosed with the Notice of Convocation of the 139th Ordinary General Meeting of Shareholders, the Notes on the Consolidated Financial Statements and the Notes on the Unconsolidated Accounts posted on the Company's website.
- Any modification made to the Reference Document for the General Meeting of Shareholders and the Business Report, Unconsolidated Financial Statements and Consolidated Financial Statements shall be communicated by posting the modified information on the Company's website.

Company's website	http://www.takeda.com/investor-information/meeting/

Yours faithfully,

Christophe Weber
President and Representative Director
Takeda Pharmaceutical Company Limited
1-1, Doshomachi 4-chome
Chuo-ku, Osaka 540-8645, Japan

END OF DOCUMENT

---

* If you could attend the Meeting,

- Please be so kind as to submit the enclosed Voting Right Exercise Form to a receptionist at the venue as evidence of your attendance. We also ask that you bring this Notice of Convocation with you to the venue on the day of the Meeting.
- Please arrive at the venue early as the reception will become very crowded just before the Meeting starts. The reception is scheduled to open at 8:50 a.m.
- Please be aware that you may be guided to a substitute venue in the event that the venue becomes full.

Reference Document for the General Meeting of Shareholders

Proposals and Reference Matters:

First Proposal: Appropriation of Surplus

In regard to the distribution of profits, the Company will strive to continue the policy of "paying out stable dividends" based on its stance of emphasizing returns to shareholders.

The Company presents the following proposal with respect to the appropriation of surplus of this fiscal year:

Year-end dividends

(1) Type of dividend asset

Cash

(2) Allocation of dividend asset to shareholders and total amount of allocation

¥90 per share of common stock;

Total amount: ¥71,080,729,920

(Reference)

Combined with the interim dividend of ¥90 per share, the annual dividend will be ¥180 per share (the same value as in the previous fiscal year).

(3) Effective date of distribution of the dividend

June 29, 2015

Second Proposal: Election of Nine (9) Directors

The term of office of the ten (10) Directors, namely Yasuchika Hasegawa, Christophe Weber, Shinji Honda, Yasuhiko Yamanaka, Tadataka Yamada, Masato Iwasaki, François Roger, Fumio Sudo, Yorihiko Kojima and Masahiro Sakane, will expire at the close of this General Meeting of Shareholders, and therefore the Company proposes the election of nine (9) Directors including three (3) Outside Directors.

The Director candidates are as follows (*The photographs of the candidates are omitted in this translation.*):

Candi-date No.	Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held	Number of Shares of the Company Owned
1	Yasuchika Hasegawa (June 19, 1946)	April 1970 Joined the Company October 1998 Corporate Officer and Senior Vice President, Pharmaceutical International Division of the Company June 1999 Director of the Company June 2001 Senior Vice President, Corporate Planning Department of the Company April 2002 Senior Vice President, Corporate Strategy & Planning Department of the Company June 2003 President and Representative Director of the Company April 2011 Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) April 2014 Chief Executive Officer of the Company June 2014 Chairman of the Board and Representative Director of the Company (to present)	108,800 shares
2	Christophe Weber (November 14, 1966)	May 2008 Senior Vice President & Regional Director, Asia Pacific, GlaxoSmithKline April 2012 President & General Manager, GlaxoSmithKline Vaccines April 2012 CEO, GlaxoSmithKline Biologicals April 2012 Member of GlaxoSmithKline Corporate Executive Team April 2014 Chief Operating Officer of the Company April 2014 Corporate Officer of the Company June 2014 President and Representative Director of the Company (to present) April 2015 Chief Executive Officer of the Company (to present)	0 share

Candi-date No.	Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		Number of Shares of the Company Owned
3	Shinji Honda (May 26, 1958)	April 1981	Joined the Company	8,538 shares
		June 2008	Senior Vice President, Overseas Business Planning Department of the Company	
		April 2009	President, Takeda Pharmaceuticals North America, Inc. (currently Takeda Pharmaceuticals U.S.A., Inc.)	
		June 2011	Corporate Officer of the Company	
		June 2011	Chief Integration Officer, Takeda Pharmaceuticals International, Inc.	
		April 2012	Senior Vice President, Corporate Strategy Department of the Company	
		June 2013	Director of the Company	
		June 2013	President, Takeda Pharmaceuticals International, Inc. (to present)	
		June 2014	Senior Managing Director of the Company (to present)	
		April 2015	Corporate Strategy Officer of the Company (to present)	
4	Masato Iwasaki (November 6, 1958)	April 1985	Joined the Company	3,296 shares
		October 2002	Director, Diabetes, Ethical Products Marketing Department, Pharmaceutical Marketing Division of the Company	
		April 2008	Senior Vice President, Strategic Product Planning Department of the Company	
		June 2010	Corporate Officer of the Company	
		January 2012	Head of CMSO Office, Takeda Pharmaceuticals International, Inc.	
		April 2012	Senior Vice President, Pharmaceutical Marketing Division of the Company	
		June 2012	Director of the Company (to present)	
		April 2015	President, Japan Pharma Business Unit of the Company (to present)	

Candi-date No.	Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		Number of Shares of the Company Owned
5	François Roger (May 14, 1962)	January 1998	Chief Financial Officer, Asia Pacific, Hoechst Marion Roussel (currently Sanofi)	0 share
		January 1999	Vice President, Finance, International Division, Aventis Pharma (currently Sanofi)	
		December 1999	Chief Financial Officer, Asia Pacific, Danone	
		September 2005	Vice President, Corporate Finance & Group Treasurer, Danone	
		September 2008	Chief Financial Officer, Millicom International Cellular	
		September 2013	Chief Financial Officer of the Company (to present)	
		September 2013	Corporate Officer of the Company	
		June 2014	Director of the Company (to present)	
6	Fumio Sudo (March 3, 1941)	April 1964	Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)	4,000 shares
		June 2001	President and Representative Director, Kawasaki Steel Corporation	
		April 2005	President and Representative Director, JFE Holdings, Inc.	
		June 2010	Honorary Advisor to JFE Holdings, Inc.	
		June 2010	Outside Director, LIXIL Group Corporation (to present)	
		June 2011	Outside Director, Taisei Corporation (to present)	
		June 2011	Outside Director of the Company (to present)	
		June 2012	Outside Director, Tokyo Electric Power Company, Incorporated (to present)	
		April 2014	Chairman of the Board, Tokyo Electric Power Company, Incorporated (to present)	
		July 2014	Special Advisor to JFE Holdings, Inc. (to present)	

Candi-date No.	Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		Number of Shares of the Company Owned
7	Yorihiko Kojima (October 15, 1941)	May 1965	Joined Mitsubishi Corporation	3,000 shares
		June 2001	Executive Vice President and Operating Officer, Mitsubishi Corporation	
		April 2004	President and Representative Director, Mitsubishi Corporation	
		June 2010	Chairman of the Board, Mitsubishi Corporation (to present)	
		June 2010	Outside Director, Mitsubishi Heavy Industries, Ltd. (to present)	
		May 2011	Vice Chairman, Keidanren (Japan Business Federation)	
		June 2011	Outside Director of the Company (to present)	
		June 2013	Outside Director, The Shoko Chukin Bank, Ltd. (to present)	
8	Masahiro Sakane (January 7, 1941)	April 1963	Joined Komatsu Ltd.	200 shares
		June 2001	President and Representative Director, Komatsu Ltd.	
		June 2007	Chairman of the Board and Representative Director, Komatsu Ltd.	
		June 2008	Outside Director, Nomura Holdings, Inc. (to present)	
		June 2008	Outside Director, Nomura Securities Co., Ltd. (to present)	
		June 2008	Outside Director, Tokyo Electron Limited (to present)	
		June 2010	Chairman of the Board, Komatsu Ltd.	
		March 2011	Outside Director, Asahi Glass Co., Ltd. (to present)	
		April 2013	Director and Councilor, Komatsu Ltd.	
		June 2013	Councilor, Komatsu Ltd. (to present)	
		June 2014	Outside Director of the Company (to present)	

Candi-date No.	Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		Number of Shares of the Company Owned
9 (New)	Andrew Plump (October 13, 1965)	January 2007	Executive Director, Cardiovascular Disease Franchise Integrator and Head, Cardiovascular Translational Medicine, Merck & Co.	0 share
		January 2008	Vice President, Cardiovascular Disease Franchise Integrator and Head, Cardiovascular Early Development & Cardiovascular Translational Medicine, Merck & Co.	
		January 2008	Vice President, Cardiovascular Disease Franchise, Worldwide Discovery Head, Merck & Co.	
		July 2012	Vice President and Deputy to the President, Research & Translational Medicine, Sanofi	
		March 2014	Senior Vice President and Deputy to the President for Research & Translational Medicine, Sanofi	
		February 2015	Chief Medical & Scientific Officer Designate of the Company (to present)	
		February 2015	Corporate Officer of the Company (to present)	

Notes: 1. No special interests exist between the above candidates and the Company.
2. Messrs. Fumio Sudo, Yorihiko Kojima and Masahiro Sakane are candidates to become Outside Directors of the Company. The Company has set the "Internal criteria for independence of outside directors/corporate auditors" (The contents of such criteria are as set forth on page 43.) and elected Outside Directors/Corporate Auditors based on such criteria. All of these 3 persons have met the requirement for Independent Directors/Auditors based on the regulations of the financial instruments exchanges that the Company is listed on (e.g.: Tokyo Stock Exchange, Inc.). The Company has appointed Messrs. Fumio Sudo, Yorihiko Kojima and Masahiro Sakane as Independent Directors/Auditors and submitted a notification to each exchange.
3. The Company has evaluated Messrs. Fumio Sudo, Yorihiko Kojima and Masahiro Sakane and determined that they are qualified to be Outside Directors of the Company, and requests their election because all of them have been active as management executives for many years in the companies doing business globally and have advanced insight based on a wealth of experience in corporate management.
4. Messrs. Fumio Sudo, Yorihiko Kojima and Masahiro Sakane are currently Outside Directors of the Company. The term of office of Messrs. Fumio Sudo and Yorihiko Kojima as Outside Directors will be 4 years and the term of office of Mr. Masahiro Sakane as Outside Director will be 1 year, each at the close of this General Meeting of Shareholders.
5. Nomura Securities Co., Ltd. ("Nomura") where Mr. Masahiro Sakane has been an Outside Director since June 2008 was the subject of a Business Improvement Order from the Financial Services Agency in August 2012 on the basis of the Financial Instruments and Exchange Act due to the recognition of deficiencies in its management of sensitive corporate information relating to public stock offerings. Mr. Masahiro Sakane has always spoken at the Board of Directors meetings and other occasions at Nomura on the importance of legal compliance.

Since the issue came to light, he has offered opinions at Nomura on measures to prevent reoccurrence.

6. The Company has entered into contracts with Messrs. Fumio Sudo, Yorihiko Kojima and Masahiro Sakane limiting the maximum amount of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the legally stipulated value. If the re-election of each is approved, the Company plans to continue the same contracts for limitation of liability with them.

Third proposal: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Teruo Sakurada will expire at the close of this General Meeting of Shareholders, and therefore the Company proposes the election of one (1) Corporate Auditor.

The agreement of the Board of Corporate Auditors has been obtained regarding this proposal.

The candidate for Corporate Auditor is as follows (*The photograph of the candidate is omitted in this translation*.):

Name (Date of Birth)	Profile, Position and Responsibilities at the Company, and Important Duties Concurrently Held		Number of Shares of the Company Owned
(New) Yasuhiko Yamanaka (January 18, 1956)	April 1979	Joined the Company	2,600 shares
	June 2003	Senior Vice President, Corporate Strategy & Planning Department of the Company	
	June 2004	Corporate Officer of the Company	
	April 2007	Senior Vice President, Pharmaceutical Marketing Division of the Company	
	June 2007	Director of the Company	
	June 2011	Managing Director of the Company (to present)	
	April 2012	Assistant to CEO, Globalization of the Company	
	June 2013	Special Missions assigned by President of the Company	
	June 2014	Special Missions of the Company (to present)	

Note: No special interests exist between the above candidate and the Company.

Fourth proposal: Election of One (1) Substitute Corporate Auditor

The effect of election of Mr. Katsushi Kuroda, who was elected to be the Substitute Corporate Auditor at the 138th Ordinary General Meeting of Shareholders held on June 27, 2014, will expire at the beginning of this General Meeting of Shareholders.

Therefore, in case the number of Outside Corporate Auditors falls short of the legally stipulated number, the Company proposes anew the election of one (1) Substitute Corporate Auditor.

The agreement of the Board of Corporate Auditors has been obtained regarding this proposal.

The candidate for Substitute Corporate Auditor is as follows (*The photograph of the candidate is omitted in this translation*.):

Name (Date of Birth)	Profile and Important Duties Concurrently Held		Number of Shares of the Company Owned
Katsushi Kuroda (December 4, 1947)	March 1972	Registered as a certified public accountant	0 share
	June 1972	Registered as a certified public tax accountant	
	March 1983	Outside Corporate Auditor, Uniden Corporation (to present)	
	May 1991	Partner, Nihombashi Corporation Certified Public Accountants (to present)	
	May 1993	Chairman and President, Nihombashi Corporation Certified Public Accountants (to present)	
	July 2007	Deputy President, The Japanese Institute of Certified Public Accountants	
	July 2009	Council Member, Japan Foundation for Accounting Education & Learning (to present)	
	January 2012	Chairman of the Rules and Standards Investigation Committee, The Japanese Institute of Certified Public Accountants	
	June 2013	Outside Corporate Auditor, Tokyo Stock Exchange, Inc. (to present)	
	October 2014	Member, Evaluation Committee, Japan Legal Support Center (to present)	

Notes: 1. No special interests exist between the above candidate and the Company.

2. Mr. Katsushi Kuroda is a candidate to become a Substitute Outside Corporate Auditor. The Company has set the "Internal criteria for independence of outside directors/corporate auditors" (The contents of such criteria are as set forth on page 43.) and elected Outside Directors/Corporate Auditors based on such criteria. Since he has met the requirement for

Independent Directors/Auditors based on the regulations of the financial instruments exchanges that the Company is listed on (e.g.: Tokyo Stock Exchange, Inc.), once he takes office as a Corporate Auditor, the Company plans to appoint him as an Independent Director/Auditor and submit a notification to each exchange.

3. Mr. Katsushi Kuroda has not directly engaged in the management of a company so far. However, the Company has evaluated Mr. Katsushi Kuroda and determined that he is qualified to be an Outside Corporate Auditor of the Company, and requests his election as a Substitute Corporate Auditor because he has been active as a certified public accountant for many years and has a wide-ranging experience and a high level of knowledge in the area of corporate accounting.
4. The Company has established provisions in Article 34, Paragraph 2 of the Articles of Incorporation to the effect that contracts with Outside Corporate Auditors may be concluded that set the limit on damages set forth in Article 423, Paragraph 1 of the Companies Act to the legally stipulated value. If Mr. Katsushi Kuroda takes office as a Corporate Auditor, the Company plans to conclude such contract for limitation of liability with Mr. Katsushi Kuroda.

Fifth proposal: Payment of Directors' Bonuses

The Company proposes to pay bonuses within a total of ¥370 million (excluding bonuses paid as the employee portion to Directors who also work as employees) to the six (6) Directors (excluding Directors resident overseas and Outside Directors) in office as of the end of this fiscal year, in accordance with the achievement of key performance indicators such as the consolidated revenue, operating profit and progress of product pipeline development and others set forth for this fiscal year.

Furthermore, all of the six (6) Directors who are to receive bonuses based on this proposal offered a voluntary reduction of bonuses up to 50%, reflecting exceptional situation of this fiscal year related to the product liability litigation in the U.S. regarding the products containing "Pioglitazone (U.S. brand name: ACTOS)", and the above proposal reflects such offer.

END OF DOCUMENT

(Enclosed Documents)

Business Report

(From April 1, 2014 to March 31, 2015)

1. Current State of the Takeda Group

(1) Overview of Business and Results

Consolidated results (April 1, 2014 to March 31, 2015):

Billions of yen

	Amount	*Change over the previous year*	
Revenue	1,777.8	+86.1	+ 5.1%
R&D expenses	382.1	+40.5	+ 11.9%
Operating profit	- 129.3	- 268.5	- 192.8%
Net profit for the year (attributable to owners of the Company)	- 145.8	- 252.4	- 236.7%
EPS (yen)	- 185.37	- 320.47	- 237.2%
Core Earnings (Note)	288.3	- 25.9	- 8.2%
Core Net profit (Note)	176.7	- 33.5	- 15.9%
Core EPS (yen) (Note)	224.73	- 41.52	- 15.6%

(Note) Core Earnings is calculated by deducting any temporary factors such as impacts from business combination accounting and amortization/impairment losses of intangible assets etc. from operating profit. Also, Core EPS is earnings per share based on Core Net Profit that is calculated by deducting any temporary factors that have the similar factors listed above and tax effects on them from Net profit for the year.

[Revenue]

Consolidated revenue was ¥1,777.8 billion, an increase of ¥86.1 billion (+5.1%) compared to the previous year.

- In Japan, the sales of AZILVA (a drug for hypertension) and LOTRIGA (a drug for hyperlipidemia) significantly increased over the previous year. In the U.S., in addition to the increase in sales of VELCADE (a drug for multiple myeloma), ENTYVIO (a drug for ulcerative colitis and Crohn's disease) has experienced an outstanding sales uptake since its launch in 2014. Furthermore, the sales of ADCETRIS (a drug for lymphoma) continued to expand in Europe, and the depreciation of the yen also had a positive impact on revenue. On the other hand, there were also negative factors, including the penetration of generic products after the patent expiry of blockbuster products such as candesartan (Japan product name:

BLOPRESS, a drug for hypertension) and lansoprazole (Japan product name: TAKEPRON, a drug for peptic ulcers), and the impact of the National Health Insurance price reduction in Japan.
In total, consolidated revenue increased by ¥86.1 billion.

Underlying revenue growth* increased by 2.8% compared to the previous year.

* Underlying revenue growth: Constant currency and without divestments

Consolidated revenue of Takeda's major ethical drugs:

Billions of yen

Indications / Product Name	Amount	Change over the previous year	
Multiple myeloma / Velcade	152.7	+21.4	+16.3%
Hypertension / Candesartan (Japan product name: Blopress)	125.7	- 31.4	-20.0%
Prostate cancer, breast cancer and endometriosis / Leuprorelin (Japan product name: Leuplin)	124.0	- 2.8	- 2.2%
Peptic ulcer / Pantoprazole	103.7	+ 0.1	+ 0.1%
Peptic ulcer / Lansoprazole (Japan product name: Takepron)	102.9	- 16.8	- 14.0%
Gout / Colcrys	58.8	+ 6.9	+ 13.3%
Type 2 diabetes / Pioglitazone (Japan product name: Actos)	31.0	- 5.7	- 15.6%

(Note) Revenue amount includes royalty income and service income.

[Operating profit]
Consolidated operating loss was (¥129.3) billion, a decrease of ¥268.5 billion (-192.8%) compared to the previous year.

- Gross profit increased by ¥55.4 billion (+4.6%) due to revenue increase.
- Selling, general and administrative expenses increased by ¥56.4 billion (+10.1%) mainly due to the launch of new products in the U.S.
- R&D expenses increased by ¥40.5 billion (+11.9%) to ¥382.1 billion compared to the previous year.
- Amortization and impairment losses on intangible assets associated with products increased due to recognition of impairment loss for a product of ¥53.2 billion.
- Other operating income significantly increased mainly due to the reversal of a contingent consideration (Note) that varies with performance of the COLCRYS business of ¥53.8 billion and the gains on sales of property, plant and equipment of ¥32.8 billion.
  (Note) A fair value liability of estimated additional consideration based on future specific events to transfer to former owners of an acquired company.
- The company and its subsidiaries in the U.S. have reached agreement expected to resolve the

vast majority of pioglitazone (U.S. brand name: ACTOS) product liability lawsuits pending in the U.S. against Takeda. Accordingly, Takeda recognized the provision of $2.7 billion (¥324.1 billion) for covering the settlement, for costs associated with court cases against plaintiffs who do not participate in the settlement, and for other related expenses. Takeda also recognized the insurance receivable of ¥50.0 billion which is anticipated to be covered by product liability insurance. In total, the net amount was booked as other operating expense.
- On an underlying basis, which excludes FX impacts and other factors, selling, general and administrative expenses increased by 5.4% (general and administrative expenses, excluding selling expenses, decreased by 0.7%) and R&D expenses increased by 1.0%.

[Net profit for the year (attributable to owners of the Company)]
Consolidated net loss for the year was (¥145.8) billion, a decrease of 252.4 billion (-236.7%) compared to the previous year.

- In addition to the decrease in operating profit, net financial income/expenses decreased mainly due to the decrease in gains on sales of financial assets compared to the previous year. Furthermore, tax expenses increased due to revaluation of a recoverability of deferred tax assets and a reduction of the effective tax rate in Japan. As a result, consolidated net profit for the year significantly decreased.
- Basic earnings per share was (¥185.37), a decrease of ¥320.47 (-237.2%) compared to the previous year.

[Core Earnings]
Core Earnings was ¥288.3 billion, a decrease of ¥25.9 billion (-8.2%) compared to the previous year.

- Core Net Profit* was ¥176.7 billion, a decrease of ¥33.5 billion (-15.9%) compared to the previous year.
- Core EPS was ¥224.73, a decrease of ¥41.52 (-15.6%) compared to the previous year.

  * Core Net Profit is calculated by deducting any temporary factors such as impacts from business combination accounting and amortization/impairment losses of intangible assets etc. and tax effects on them from Net profit for the year.

Details of major commercial initiatives during the reporting period, divided by therapeutic area, are as follows. For the details of R&D activities, please refer to section "Activities and Results of Research & Development" on page 17.

Gastroenterology (GI)

- In June 2014, Takeda launched ENTYVIO in the U.S. and Europe for the treatment of ulcerative colitis and Crohn's disease. ENTYVIO is a groundbreaking new product that offers a new treatment option to patients with inflammatory bowel disease who have failed to respond to treatment with existing products, and it is anticipated to be a blockbuster global product for Takeda.

- In October 2014, Takeda entered into a global license, development, commercialization and supply agreement for lubiprostone (U.S. product name: AMITIZA) with Sucampo Pharmaceuticals. Through this agreement, Takeda expanded its exclusive rights beyond the US and Canada to all global markets, except Japan and China.

- In February 2015, Takeda launched TAKECAB in Japan in co-promotion with Otsuka Pharmaceutical Company, Limited. TAKECAB is a new drug discovered and developed by Takeda that provides a fast-acting, strong and sustained effect for treating acid-related diseases.

Oncology

- In April 2014, Takeda launched ADCETRIS in Japan for the treatment of malignant lymphomas, a highly anticipated new treatment option for patients. Takeda is steadily increasing the number of countries where this treatment is available, including emerging markets.

- Multiple myeloma treatment VELCADE has grown to become Takeda's top selling product in FY2014.

Central Nervous System (CNS)

- Takeda is now focusing on achieving swift market penetration to quickly maximize the value of BRINTELLIX, a treatment for major depressive disorder. BRINTELLIX was in-licensed from Lundbeck and launched in 2014 in the U.S.

Cardiovascular and Metabolic (CVM)

- In June 2014, Takeda launched ZACRAS in Japan (a fixed-dose combination of anti-hypertensive treatment AZILVA and the calcium channel blocker amlodipine), a treatment for hypertension that is anticipated to provide a strong and sustained anti-hypertensive effect, improving control of blood pressure levels.

- In October 2014, Takeda launched CONTRAVE in the United States as a new treatment option for obesity. CONTRAVE was in-licensed from Orexigen.

Revenue and operating profit by business segment (April 1, 2014 to March 31, 2015):

Billions of yen

Type of Business	Revenue		Operating profit	
	Amount	Change over the previous year	Amount	Change over the previous year
Ethical Drug	1,614.5	+85.4	-178.9	-291.0
<Japan>	<561.3>	< -20.8>		
<Overseas>	<1,053.2>	< +106.2>		
Consumer Healthcare	73.6	+0.7	17.2	+0.8
Other	89.7	-0.0	32.4	+21.7
Total	1,777.8	+86.1	-129.3	-268.5

[Ethical Drug Business]

Revenue in the Ethical Drug Business was ¥1,614.5 billion, an increase of ¥85.4 billion (+5.6%) compared to the previous year, and operating loss was (¥178.9) billion, a decrease of ¥291.0 billion (-259.6%) compared to the previous year.

- Revenue in Japan was ¥561.3 billion, a decrease of ¥20.8 billion (-3.6%) compared to the previous year. Contribution from sales increase of products launched in and after 2010 such as AZILVA, LOTRIGA and NESINA could not fully absorb the decrease in sales mainly due to the National Health Insurance price reduction and the penetration of generic products.

The following table shows revenue results of major products in Japan:

Billions of yen

Product Name (Indications)	Amount	Change over the previous year	
Blopress (Hypertension)	94.6	- 31.2	- 24.8%
Leuplin (Prostate cancer, breast cancer and endometriosis)	57.6	- 6.9	- 10.7%
Takepron (Peptic ulcer)	52.5	- 15.1	- 22.3%
Azilva (Hypertension)	45.4	+ 20.1	+ 79.4%
Nesina (Type 2 diabetes)	38.4	+ 0.4	+ 1.0%
Vectibix (Cancer)	18.3	- 1.0	- 5.3%
Reminyl (Alzheimer's dementia)	13.9	+ 1.6	+ 13.2%
Lotriga (hyperlipidemia)	13.2	+ 7.9	+ 150.9%
Actos (Type 2 diabetes)	10.8	- 4.7	- 30.3%

- Revenue in overseas markets was ¥1,053.2 billion, an increase of ¥106.2 billion (+11.2%) compared to the previous year. In addition to the sales increase of VELCADE and DEXILANT in the U.S., contribution from new products such as BRINTELLIX and ENTYVIO, and the yen's depreciation could fully absorb the decrease in sales due to the penetration of generic products.

- The following table shows revenue results of major products in overseas markets:

Billions of yen

Product Name (Indications)	Amount	Change over the previous year	
Velcade (Multiple myeloma)	146.2	+ 16.3	+ 12.6%
Pantoprazole (Peptic ulcer)	103.7	+ 0.1	+ 0.1%
Leuprorelin (Prostate cancer, breast cancer and endometriosis)	66.4	+ 4.1	+ 6.6%
Dexilant (Acid reflux disease)	62.3	+ 12.0	+ 23.9%
Colcrys (Gout)	58.8	+ 6.9	+ 13.3%
Lansoprazole (Peptic ulcer)	50.4	- 1.7	- 3.2%
Candesartan (Hypertension)	31.1	- 0.2	- 0.5%
Entyvio (Ulcerative colitis and Crohn's disease)	27.8	-	- %
Pioglitazone (Type 2 diabetes)	20.2	- 1.0	- 4.8%

(Note) Revenue amount includes royalty income and service income.

Activities and results of "Research and Development"

Takeda has aligned its research and development functions into the four Therapeutic Area Units (TAUs) of Central Nervous System, Cardiovascular/Metabolic, Gastroenterology, and Oncology, to further promote therapeutic area and asset strategies to achieve a global leadership position in each area, and to meet the unmet medical needs of patients. In addition, Specialty Business Units have been established for Oncology and Vaccines, which include operational and commercial functions. Major events from R&D activities during the reporting period are as follows;

[In-house R&D activities]

- In May 2014, Takeda received approval from the U.S. Food and Drug Administration (FDA) for ENTYVIO (generic name: vedolizumab) for the treatment of ulcerative colitis (UC) and Crohn's disease (CD). Also in May 2014, Takeda received approval from the European Commission (EC) for ENTYVIO.

- In May 2014, Takeda received approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for an application for changes to the indication of type 2 diabetes treatment NESINA (generic name: alogliptin). The newly approved indication is "Type 2 Diabetes", which includes the previously unapproved indication of concomitant therapy with a rapid-acting insulin-secretion stimulating agent. The "Type 2 Diabetes" indication now allows concomitant therapy of NESINA with all the oral anti-diabetic agents and insulin.
  In March 2015, a post hoc analysis of data from EXAMINE, a global cardiovascular safety outcomes trial of alogliptin, was published in *The Lancet*. In April 2015, the Endocrinologic and Metabolic Drugs Advisory Committee (EMDAC) of the FDA convened to review EXAMINE and voted that the use of alogliptin in patients with Type 2 diabetes has an acceptable CV risk profile.

- In May 2014, Takeda presented the results of five Phase III trials for TAKECAB (generic name: vonoprazan), for the treatment of acid-related diseases, at the poster session of Digestive Disease Week (DDW). In December 2014, Takeda received approval from the Japanese MHLW for TAKECAB. In March 2015, Takeda submitted a New Drug Application (NDA) to the Japanese MHLW for a single pack including TAKECAB for the eradication of *Helicobacter pylori*.

- In June 2014, Takeda decided to terminate the global development program for TAK-700 (generic name: orteronel) for prostate cancer. The decision followed the results of two Phase III clinical trials in which TAK-700 failed to meet the primary endpoint of improved overall survival, and also after consideration of the availability of other therapies in this indication.

- In August 2014, Takeda received approval from the FDA for an additional indication of VELCADE (generic name: bortezomib) for the retreatment of adult patients with multiple myeloma (MM) who had previously responded to VELCADE therapy and relapsed at least six months following completion of prior VELCADE treatment. In addition, in October 2014, Takeda received approval from the FDA for an additonal indication of VELCADE for use in previously untreated patients with mantle cell lymphoma (MCL).

- In August 2014, Takeda submitted the data of the post-marketing commitment, a 10-year epidemiology study, to regulatory authorities including the FDA, the European Medicines Agency (EMA) and the Japanese MHLW / Pharmaceuticals and Medical Devices Agency (PMDA) for pioglitazone containing medicines, including ACTOS (generic name: pioglitazone). This study was conducted by the University of Pennsylvania and Division of Research at Kaiser Permanente Northern California (KPNC) and findings demonstrate that there is no statistically significant increased risk of bladder cancer among patients ever exposed to pioglitazone.

- In September 2014, Takeda submitted an NDA to the Japanese MHLW for LEUPLIN (generic name: leuprorelin) 6 month depot, a treatment for prostate cancer and premenopausal breast

cancer.

- In September 2014, Takeda presented the results of a Phase III trial for ZAFATEK (generic name: trelagliptin) for type 2 diabetes, at the 50th Annual Meeting of the European Association for the Study of Diabetes. In March 2015, Takeda received approval from the Japanese MHLW for ZAFATEK.

- In November 2014, Takeda was granted Breakthrough Therapy* status from the FDA for MLN9708 (generic name: ixazomib) for the treatment of relapsed or refractory systemic light-chain (AL) amyloidosis. This is the first proteasome inhibitor and first investigational therapy for AL amyloidosis to receive Breakthrough Therapy designation. In December 2014, the data used to support this designation was presented at the 56th American Society of Hematology (ASH) annual meeting. At the same meeting, Takeda also presented results from a Phase II study evaluating the safety and efficacy of oral, single-agent MLN9708 as maintenance therapy in patients with multiple myeloma (MM) who had received MLN9708, lenalidomide and dexamethasone as induction therapy.
  In February 2015, Takeda announced that the Phase III study of MLN9708 in patients with relapsed or refractory MM (TOURMALINE-MM1 study) achieved its primary endpoint of improving progression-free survival at the first interim analysis. In the trial, patients treated with investigational MLN9708 plus lenalidomide and dexamethasone lived without their disease worsening for a significantly longer time compared to patients who received placebo plus lenalidomide/dexamethasone. In May 2015, Takeda announced that it has started the Phase III study (TOURMALINE-MM4 study) in in patients with newly diagnosed multiple myeloma who have responded to initial therapy and have not undergone an autologous stem cell transplant.
  * Breakthrough Therapy designation is intended to expedite the development and review of new medicines to treat serious or life-threatening conditions.

- In May 2015, Takeda announced that it has decided to discontinue the Phase III trial of MLN8237 (generic name: alisertib), an inhibitor of Aurora A kinase, for patients with relapsed or refractory peripheral T-cell lymphoma (PTCL) following the results of a pre-specified interim analysis that indicated the study is unlikely to meet the primary endpoint over the standard-of-care in this treatment setting.

[Alliance activities]

- In April 2014, Takeda and Teva Pharmaceutical Industries Ltd. of Israel announced an agreement allowing Takeda to commercialize rasagiline (generic name), Teva's innovative treatment for Parkinson's disease, in Japan. Under the terms of the agreement, Takeda will develop rasagiline for the Japanese market and submit a NDA for registration of the product in Japan. In January 2015, Takeda announced the start of Phase II/III and Phase III clinical trials of rasagiline in Japan.

- In May 2014, Takeda and MacroGenics, Inc. of the U.S. concluded an option agreement for the development and commercialization of MGD010, a product candidate for the treatment of autoimmune diseases. In September 2014, the companies entered into a further agreement to develop and commercialize up to four additional product candidates.

- In June 2014, Takeda and H. Lundbeck A/S (Lundbeck) of Denmark announced results of a study of BRINTELLIX (generic name: vortioxetine), a treatment for major depressive disorder (MDD) which Takeda has in-licensed from Lundbeck, on sexual functioning in MDD patients experiencing treatment-emergent sexual dysfunction at the American Society of Clinical Psychopharmacology Annual Meeting. Also in June 2014, Takeda and Lundbeck announced data evaluating the effect of BRINTELLIX on aspects of cognitive function at the International College of Neuropsychopharmacology World Congress.

- In June 2014, Takeda and Affymax, Inc. of the U.S. decided that based on the findings of a detailed investigation into postmarketing reports of serious hypersensitivity reactions and discussion between the companies, the product collaboration and license agreement for chronic kidney disease related anemia treatment OMONTYS (generic name: peginesatide) would be terminated, and Takeda would work with the FDA to withdraw the OMONTYS NDA. The agreement was terminated in September 2014.

- In July 2014, Takeda and Zinfandel Pharmaceuticals of the U.S. presented several data including an update of the Phase III TOMMORROW study* of AD-4833 (generic name: pioglitazone)/TOMM40 at the Alzheimer's Association International Conference.

  *This clinical trial is investigating a biomarker risk assignment algorithm (including the TOMM40 genotype) to predict risk of mild cognitive impairment (MCI) due to Alzheimer's disease (AD) within a five year period and to evaluate the efficacy of the investigational low dose AD-4833 in delaying the onset of MCI due to AD in cognitively normal individuals at high risk as determined by the risk assignment algorithm.

- In September 2014, Takeda obtained approval from the Japanese MHLW for Fomepizole Intravenous Infusion 1.5g "TAKEDA" (generic name: fomepizole), which Takeda in-licensed from Paladin Labs Inc. of Canada, for the treatment of ethylene glycol and methanol poisonings.

- In September 2014, Takeda and Seattle Genetics, Inc. of the U.S. announced results from the Phase III trial (AETHERA trial) for ADCETRIS (generic name: brentuximab vedotin), a treatment for malignant lymphoma which Takeda in-licensed from Seattle Genetics, as consolidation therapy immediately following an autologous stem cell transplantation in patients with Hodgkin lymphoma. In December 2014, Takeda and Seattle Genetics presented this data at the 56th ASH annual meeting. Four-year overall survival (OS) data from the ADCETRIS pivotal Phase II clinical trial in relapsed or refractory systemic anaplastic large cell lymphoma (ALCL) was also presented at this meeting.

- In October 2014, Takeda and Intra-Cellular Therapies, Inc. of the U.S. announced an agreement to mutually terminate the license agreement covering Intra-Cellular Therapies' proprietary compound ITI-214 for the treatment of cognitive impairment associated with schizophrenia, and related PDE 1 inhibitors, and to return the rights for these compounds to Intra-Cellular Therapies.

- In November 2014, Takeda and Amgen of the U.S. announced top-line secondary endpoint results of overall survival (OS) from the Phase III TRINOVA-1 trial evaluating AMG386 (generic name: trebananib), which Takeda in-licensed from Amgen, plus paclitaxel, versus placebo plus paclitaxel in patients with recurrent ovarian cancer.

- In November 2014, Takeda and GE Healthcare of the U.K. announced an alliance agreement for research and development focusing on imaging modalities in the field of hepatic fibrosis, a key factor in the diagnosis and treatment of liver diseases. The collaborative effort aims to help develop therapeutic drugs as well as new diagnostic technologies for liver diseases.

- In December 2014, Takeda submitted an NDA to the Japanese MHLW for glatiramer acetate (generic name), which Takeda in-licensed from TEVA Pharmaceutical Industries Ltd. of Israel, for the relapse prevention of multiple sclerosis.

- In December 2014, Takeda and AMAG Pharmaceuticals of the U.S. announced an agreement to mutually terminate the development and commercialization agreement, for ferumoxytol (generic name), a treatment for iron deficiency anemia, in the European Union (EU) and other territories.

- In February 2015, Takeda announced the voluntary discontinuation of the development of TAK-361S, a four-component, combination Diptheria-Tetanus-acellular Pertussis (DTaP) and Sabin inactivated poliovirus vaccine (sIPV).* This decision resulted from a vaccine portfolio prioritization process to ensure that Takeda's R&D resources are directed toward the highest-impact programs for public health.

  * In 2008, Takeda entered into an agreement with Japan Poliomyelitis Research Institute (now The Research Foundation for Microbial Diseases of Osaka University) for sharing of seed viruses for the Sabin-inactivated poliovirus vaccine.

- In February 2015, Takeda announced that the Phase III study evaluating AMG 706 (generic name: motesanib), which Takeda in-licensed from Amgen of the U.S., did not meet the primary endpoint in patients with advanced non-squamous non-small cell lung cancer (MONET-A study). As a result, Takeda elected to terminate the MONET-A study.

- In March 2015, Takeda announced that it has transferred its license agreement with the Japan Health Sciences Foundation for worldwide patent rights of a human papillomavirus (HPV) vaccine to the Chemo-Sero-Therapeutic Research Institute ("Kaketsuken").

- In May 2015, Takeda announced that the license agreement for the joint development and exclusive commercialization in Europe of LATUDA (generic name: lurasidone), an atypical antipsychotic agent which Takeda in-licensed from Sumitomo Dainippon Pharma Co., Ltd. (Sumitomo Dainippon Pharma), will be terminated. The companies are starting discussions in an effort to finalize and execute a mutual agreement establishing a transition plan for the orderly transfer of all development and commercialization rights and activities with respect to LATUDA to Sumitomo Dainippon Pharma.

[Joint Research activities]

- In December 2014, Takeda and Monash University of Australia announced a strategic research alliance to develop new medicines to address significant unmet medical needs in gastroenterology.

- In February 2015, Takeda and Queen Mary University of London in the U.K. announced a research collaboration that aims to define new insights and develop novel therapies in gastroenterology.

- In April 2015, Takeda and Center for iPS Cell Research Application (CiRA) of Kyoto University entered 10-year collaboration on iPS cell research. Takeda and CiRA will work together to develop clinical applications of induced pluripotent stem cells in areas such as heart failure, diabetes mellitus, neurological disorders and cancer immunotherapy. The "Takeda-CiRA Joint Program for iPS Cell Applications" (T-CiRA) is designed to expedite multiple research projects for drug discovery and cell therapy using iPS cells.

- In April 2015, Takeda announced that it has signed an agreement to undertake collaborative research with Keio University School of Medicine and Niigata University at Takeda's Shonan Research Center regarding the search for and functional analysis of disease-related RNA-binding proteins.

- In April 2015, Takeda and the National Cancer Center (NCC) of Japan signed a partnership agreement with the goal to discover and develop anti-cancer agents. Takeda and the NCC have agreed to share information and hold regular discussions in order to collaborate and transition findings from basic research to clinical research and development activities.

[Improvement and Reinforcement of R&D organization]

- In April 2014, Takeda was selected as a recipient of a supplemental subsidy from the Japanese government to support investments associated with the development and production of pandemic influenza vaccines.

- In September 2014, Takeda made a strategic investment in BioMotiv of the U.S., and the companies decided to form a partnership that will leverage the strengths of both organizations to identify and develop pioneering medical innovations.

- In March 2015, Takeda and ImmunoGen, Inc. of the U.S. announced that Takeda has licensed exclusive rights to use ImmunoGen's state-of-the art antibody-drug conjugate (ADC) technology.

[Consumer Healthcare Business]

Revenue in the Consumer Healthcare Business was ¥73.6 billion, an increase of ¥0.7 billion (+1.0%) compared to the previous year, mainly due to the increase in sales of ALINAMIN tablets (vitamin-containing products). Operating profit increased by ¥0.8 billion (+4.9%) to ¥17.2 billion mainly due to the improvement in gross profit margin.

[Other Business]

Revenue in the Other Business remained relatively flat compared to the previous year at ¥89.7 billion. Operating profit increased by ¥21.7 billion (+200.7%) to ¥32.4 billion mainly due to the gains on sales of property, plant and equipment.

(2) Facility Investment / Fund Procurement

The total value of facility investment during the term under review was ¥53.7billion. We financed most part of capital investments from our own capital.

Meanwhile, in due to the bonds reimbursement in March 2015 of $1.5billion out of $3.0billion bonds, which we raised in July 2012, we had straight bond issuance outstanding of 489.4 billion yen and debt outstanding of 240.0billion yen (including long-term debt outstanding of 210.0 billion yen) on a consolidated basis at the end of March 2015.

(3) Issues for the Company to Address

Basic Management Policy

Takeda places “Takeda-ism” (Integrity: Fairness, Honesty and Perseverance) at the heart of all its activities, with a deliberate focus, by order of priority, on the well-being of patients, the reinforcement of trust with society, its reputation and business performance.

As a research driven pharmaceutical company, Takeda aims to realize its Mission of “striving towards better health for people worldwide through leading innovation in medicine”, which has been summarized in the tagline “Better Health, Brighter Future”.

Takeda is patient and customer centric, and with a global organization fostering talent, a focused world class innovation engine, and attention to financial discipline, Takeda strives to be a best-in-class, agile company with sustainable, profitable growth in the years ahead.

Medium to Long Term Management Strategy and Issues to be Addressed

Fiscal Year 2014 was a pivotal year for the transformation of Takeda, with the successful launches of several new products including ENTYVIO for ulcerative colitis and Crohn's disease and TAKECAB for acid-related diseases, a redesign of its global organizational structure, and the progressive implementation of business process innovation. In the first two years of execution, Project Summit has already achieved more than half of its five-year (2013-2017) cost savings target of 120 billion yen.

These achievements have laid the foundation for Takeda to enter the next important phase of strategic execution from Fiscal Year 2015. Takeda expects organic revenue growth in the mid-term period, with its main growth drivers being Innovative Products in the United States and Value Brands (branded generics and OTC products) in Emerging Markets.

Over the next few years, ENTYVIO is expected to be a key contributor to sales growth, along with other recently launched products including TAKECAB, AZILVA for the treatment of hypertension, ZAFATEK for type 2 diabetes, BRINTELLIX for major depressive disorder and CONTRAVE for obesity, with later growth coming from pipeline assets including ixazomib for multiple myeloma. Takeda is facing some challenges, especially in 2015, such as increased generic penetration in Japan, but the company will realize profitable growth and creation of shareholder value through improved cost efficiency, its world-class R&D engine, and continued selective investment.

In September of 2014, Takeda announced a redesign of its global organizational structure to focus on and leverage its growth drivers and to operate more efficiently and competitively as a global company. The organization reflects the company mid- term growth drivers which are new global innovative products, especially in the fields of Gastroenterology (GI) and Oncology, as well as Value Brands in Emerging Markets.

Under the new organizational structure, the R&D organization has been realigned into four Therapeutic Area Units: Central Nervous System (CNS), Cardiovascular and Metabolic (CVM), Gastroenterology (GI), and Oncology. Additionally, five regional commercial divisions have been newly established as Business Units: Japan Pharma, the United States, Europe-Canada, Emerging Markets and Japan Consumer Healthcare, and two global Specialty Business Units have been set up: Oncology and Vaccines.

Japan

Takeda will maintain its leading position in Japan by maximizing the sales of new and key products including TAKECAB, launched in February 2015, ZAFATEK, approved in March 2015, AZILVA, and NESINA for the treatment of type 2 diabetes. The growth of these new products will progressively offset the headwinds of price pressure and increased generic penetration in Japan.

The United States

Takeda will actively invest in marketing in the U.S. in order to increase its market share through new products including ENTYVIO, BRINTELLIX, and CONTRAVE.

Europe and Canada

While maintaining and expanding existing products, Takeda will strengthen its specialty care business by focusing on new products including ENTYVIO, and ADCETRIS for the treatment of malignant lymphomas.

Emerging Markets

With its main focus on Russia, Brazil and China, Takeda's Emerging Market Business Unit will realize top-line growth at circa +10% by maximizing sales of its existing portfolio of high-quality Value Brands, and by continuing to successfully launch and penetrate the market with a diverse portfolio of new products including Innovative Products and vaccines that meet the increasing needs of each market.

With the corporate philosophy of "Takeda-ism" (Integrity: Fairness, Honesty and Perseverance) developed over its long history of more than 230 years at the core of its operations, Takeda strives to strengthen corporate governance, further ensure compliance* with laws and regulations governing its operations and conducts operations as a globally integrated company, according to the corporate mission to "strive towards better health for people worldwide through leading innovation in medicine."

---

*With regards to the issues surrounding the CASE-J study of anti-hypertensive treatment BLOPRESS, Takeda has fully cooperated with a third-party investigation. As a result of the investigation, it did not find any indications that Takeda was involved in “accessing the research data,” “data falsification or fabrication,” nor had “direct involvement in the statistical analysis work.” However, it was confirmed that there were multiple incidences of involvement and encouragement by Takeda employees in the investigator-led clinical research study, raising suspicions about the fairness and independence of this study.

Based on the results of this investigation, Takeda has implemented internal disciplinary actions, and has strengthened its internal review system for promotional materials by adding new members to review materials from both a legal and medical perspective. Additionally, Takeda has strengthened its system for the screening and evaluation of donations. Takeda is implementing measures to prevent recurrences of this kind of event in the future, including continuously ensuring transparency through clarifying the role of each department and strengthening each department's checking systems, as well as thoroughly ensuring that Takeda employees are completely uninvolved in investigator-led clinical research related to Takeda products.

The promotional activities by Takeda related to this case were deemed in violation of the Japan Pharmaceutical Manufacturers Association's (JPMA's) "Prescription Drugs Promotion Code". As a consequence, Takeda received notice of sanctions imposed by the JPMA that Takeda's activities as Vice President of the JPMA would be temporarily suspended.

Management Indicators

It is crucial to monitor the real performance of the business in order to enhance corporate value sustainably. Takeda believes that "underlying growth", excluding the impact of foreign exchange and exceptional items such as product divestments, represents its real business performance. In accordance with this, Takeda regards underlying revenue growth, underlying Core Earnings* growth, and Core EPS* (which measures real business profitability) as important management indicators.

*Note: Core Earnings is calculated by excluding temporary items from operating profit such as impact from business combination accounting, amortization of intangible assets, and impairment loss of intangible assets. Core EPS is the per-share value of Core Net Profit, which is calculated by excluding items of the same nature as those excluded from Core Earnings, and also the tax impact which applies to those items.

Underlying growth

Revenue	Low single digit
Core Earnings	Higher than revenue growth
Core EPS	Higher than Core Earnings growth

Financial Forecasts for fiscal 2015*

Revenue	1820.0 billion yen
R&D expenses	330.0 billion yen
Operating profit	105.0 billion yen
Profit before tax	115.0 billion yen
Net profit for the year (attributable to owners of the Company)	68.0 billion yen
EPS (yen)	86.53 yen

* The exchange rate assumptions are 1US$=120 yen and 1 euro=130 yen.

Basic Policy for Profit Distribution

In order to maximize the enterprise value of Takeda, we strive towards a sustainable improvement in earning capacity through essential investment in R&D and the steady implementation of our growth strategies. In addition, we are maintaining and strengthening our sound financial base under a flexible financial strategy, working to improve the efficiency of working capital through the optimization of the balance sheet and allocating generated free cash flow into investments for sustainable growth and the repayment of debt. Regarding the distribution of profits resulting from our sustainable increase in profitability, in fiscal year 2015 we will maintain the annual dividend of 180 yen per share. Moving forward, with an emphasis on return to shareholders, we strive to at least maintain the 180 yen annual dividend per share after fiscal year 2015.

(4) Litigation and Other Legal Matters

(i) U.S. AWP litigation

In the U.S., civil lawsuits have been filed by patients, insurance companies and state governments against numerous pharmaceutical companies, including major enterprises, over the sale of certain pharmaceutical products. The complaints seek, among other things, damages resulting from price discrepancies between the average wholesale price (AWP) as published and the actual selling prices. Thus, these types of lawsuits are sometimes called "AWP litigation". Actions are pending against TAP Pharmaceutical Products Inc.* in three state courts over lansoprazole (U.S. product name: Prevacid). In one case, the Company is also named as a defendant.
Takeda is diligently defending itself in each of the remaining aforementioned lawsuits.
* TAP was merged into Takeda Pharmaceuticals North America, Inc. (hereinafter "TPNA") in June 2008 and TPNA changed its name to Takeda Pharmaceuticals U.S.A., Inc. ("TPUSA") in January 2012. TAP marketed Prevacid before its merger with TPNA.

(ii) Product liability litigation regarding pioglitazone-containing products

The Company, Takeda Pharmaceuticals U.S.A., Inc. ("TPUSA"), and certain Company Affiliates located in the U.S. have been named as defendants in lawsuits pending in U.S. federal and state courts in which plaintiffs allege to have developed bladder cancer or other injuries as a result of taking products containing type 2 diabetes treatment pioglitazone (U.S. brand name: ACTOS) (hereafter, "ACTOS" is used to refer generally to Takeda products containing pioglitazone). Eli Lilly & Co. ("Eli Lilly") is a defendant in many of these lawsuits. Also, proposed personal injury class action lawsuits have been filed in Canada, a claim seeking compensation for bladder cancer has been filed in France, and a claim seeking compensation for bladder cancer has been filed in Germany.

Of the nine lawsuits tried to-date in the U.S. or state courts, five cases have resulted in judgments in favor of Takeda. Plaintiffs in those cases are challenging the judgments in post-trial motions or appeals.

In 2014, the first trial was conducted in the federal multi-district litigation ("MDL")*, in the case of Terrence Allen, et al. v. TPNA, et al. On April 7, 2014, the jury reached a verdict in favor of plaintiffs and awarded $1,475 thousand in compensatory damages against Takeda defendants and Eli Lilly, allocating liability 75% to Takeda defendants and 25% to Eli Lilly. The jury also assessed $6 billion in punitive damages against Takeda defendants and $3 billion in punitive damages against Eli Lilly. In June, Takeda and Eli Lilly filed post-trial motions challenging the verdict. In August, the court denied the post-trial motion for judgment in favor of Takeda and Eli Lilly and in September, entered a judgment on the jury verdict mentioned above. The compensatory damages award was reduced from $1,475 thousand to $1,270 thousand under New York law as the result of this judgment. On October 27, 2014, the court ruled on the post-trial motion to reduce the punitive damage award, entering an amended judgment to reduce the punitive damage award against Takeda defendants to $27.65 million and against Eli Lilly to $9.22 million. Takeda and Eli Lilly appealed this judgment to the Fifth Circuit

Court of Appeals.

In October 2014, the jury in a state court located in Philadelphia County, Pennsylvania, found in favor of the plaintiff and awarded $2,050 thousand in compensatory damages, and the trial court thereafter entered judgment on this award. Takeda has appealed this judgment. In a separate trial in the same court in February 2015, the jury found in favor of the plaintiff and awarded $2.318 million in compensatory damages and $1.334 million in punitive damages. Takeda's post-trial motions challenging the verdict are pending. In November 2014, the jury in a state court located in Berkeley County, West Virginia found in favor of Takeda on plaintiffs' claims that Takeda failed to warn about the risks of bladder cancer or that ACTOS caused plaintiff's bladder cancer. However, the jury found in favor of plaintiffs on their claim for spoliation of evidence and awarded $155 thousand in compensatory damages. The trial court thereafter entered judgment on this award. Takeda has appealed this judgment.

In April of 2015, the Company and TPUSA reached agreement that is expected to resolve the vast majority of ACTOS product liability lawsuits pending against Takeda in the U.S., and this agreement was announced on April 29 (U.S. time April 28). The settlement would cover all bladder cancer claims pending in any U.S. court as of the date of settlement, and claimants with unfiled claims represented by counsel as of the date of settlement and within three days thereafter are also eligible to participate. The settlement will become effective if 95% of current litigants and claimants opt in, and once that threshold is achieved, Takeda agrees to pay $2.37 billion into a settlement fund. That figure will rise to $2.4 billion if 97% or more of the current litigants and claimants opt to participate in the settlement. Under the settlement, current litigants and claimants who meet prescribed criteria would receive payouts from the fund. In light of the settlement, the Fifth Circuit Court of Appeals entered an order dismissing the appeal in the *Allen* case without prejudice to reinstate the appeal within 180 days.

Takeda believes that the claims made in this litigation are without merit, and does not admit liability. Takeda believes that the company acted responsibly with regard to ACTOS. Takeda will continue to vigorously defend through all available legal means any cases that continue or are newly filed after the settlement.

Upon reaching agreement towards settlement, Takeda booked a $2.7 billion (324.1 billion yen) provision in the fourth quarter of fiscal year 2014 to cover the settlement, costs associated with defending the remaining cases and for other related litigation.

Takeda stands behind the substantial data that confirm a positive benefit/risk profile for ACTOS, which includes more than 14 years of clinical and patient experience with the product. Takeda's decision to settle does not change the company's continued commitment to ACTOS. ACTOS has been approved for use in 95 countries, including the U.S., Japan, several in Europe, Australia, Brazil, Canada and Russia, and continues to be available as a treatment option in the U.S. and other countries.

* An MDL consolidates similar cases filed in federal courts under one federal jurisdiction primarily for pre-trial and discovery purposes.

(iii) Patent infringement litigation and administrative litigation regarding colchicine product

On September 30, 2014, the U.S. Food and Drug Administration ("FDA") granted approval to Hikma Pharmaceuticals PLC ("Hikma") for colchicine capsules, to be marketed under the name Mitigare. In response Takeda filed a patent infringement lawsuit against Hikma and Hikma subsidiaries in the District Court for the District of Delaware asserting that their colchicine product infringes several Takeda patents applicable to Colcrys, the first single-ingredient oral colchicine product approved by the FDA. Takeda also filed a request for a temporary restraining order ("TRO") and a preliminary injunction prohibiting the launch of Mitigare. On October 9, the court granted a TRO pending its decision on Takeda's motion for a preliminary injunction. On November 4, the court denied Takeda's motion for a preliminary injunction. The court further ruled, however, that the TRO would remain in place, provided Takeda filed an immediate, expedited appeal. In response, Takeda filed a notice of appeal in the Federal Circuit Court of Appeals. On January 9, 2015, the Federal Circuit Court of Appeals affirmed the denial of the preliminary injunction, allowing Hikma to launch its product. Takeda intends to proceed with its patent infringement claims against Hikma in the trial court, where Takeda will seek a permanent injunction and damages, including lost profits caused by the launch of Hikma's product.

In parallel, shortly after filing the patent infringement lawsuit in October 2014, Takeda filed a lawsuit against the FDA in the District Court for the District of Columbia seeking an order rescinding or staying approval of Mitigare. The lawsuit claims that the FDA violated the Administrative Procedure Act in approving Hikma's Mitigare. On January 9, 2015, the court denied Takeda's claims. Takeda has appealed the court's ruling.

(5) Financial Position and Income Summary

The Company has adopted International Financial Reporting Standards ("IFRS") for the consolidated financial statements from the 137th fiscal year, and the accounting terms in this section are also based on IFRS (Note).

(Note) The accounting terms of "Revenue," "Profit before income taxes," "Net profit for the year attributable to owners of the Company," "Basic earnings per share" and "Total equity" are based on IFRS. Under Japanese Generally Accepted Accounting Principles ("Japan GAAP"), they correspond to "Net sales," "Income before income taxes and minority interests," "Net income," "Net income per share" and "Net assets" respectively.

(i) Financial Position and Income Summary of Takeda Group

(Billions of yen, unless otherwise indicated)

	135th fiscal year	136th fiscal year		137th fiscal year	138th fiscal year
	April 1, 2011 to March 31, 2012 (Japan GAAP)	April 1, 2012 to March 31, 2013 (Japan GAAP)	(IFRS)	April 1, 2013 to March 31, 2014 (IFRS)	April 1, 2014 to March 31, 2015 (IFRS)
Revenue	1,508.9	1,557.3	1,557.0	1,691.7	1,777.8
Operating profit	265.0	122.5	65.0	139.3	(129.3)
Ordinary income	270.3	113.2	—	—	—
Profit before income taxes	252.5	129.7	133.1	158.9	(145.4)
Net profit for the year attributable to owners of the Company	124.2	131.2	148.6	106.7	(145.8)
Basic earnings per share (yen)	157.29	166.25	188.21	135.10	(185.37)
Total assets	3,577.0	3,955.6	4,052.6	4,569.1	4,296.2
Total equity	2,071.9	2,223.4	2,338.3	2,540.6	2,206.2

(ii) Revenue by Business Category of Takeda Group (Billions of yen)

	135th fiscal year	136th fiscal year		137th fiscal year	138th fiscal year
	April 1, 2011 to March 31, 2012 (Japan GAAP)	April 1, 2012 to March 31, 2013 (Japan GAAP)	(IFRS)	April 1, 2013 to March 31, 2014 (IFRS)	April 1, 2014 to March 31, 2015 (IFRS)
Ethical Drug Business	1,358.8	1,401.7	1,401.5	1,529.1	1,614.5
Japan	592.2	588.4	588.2	582.1	561.3
Overseas	766.6	813.3	813.3	947.0	1,053.2
Consumer Healthcare Business	61.7	66.9	66.9	72.9	73.6
Other Businesses	93.1	93.1	93.0	89.8	89.7
Total	1,508.9	1,557.3	1,557.0	1,691.7	1,777.8

(Note) In Japan GAAP, revenue of Other Businesses includes rental income received from third parties; however the rental income from third parties is not included in the Total line due to the reclassification to "Non-operating income." In IFRS, revenue of Other Businesses doesn't include such income and there is not such reclassification.

(iii) Overseas Revenue of Takeda Group (Billions of yen, unless otherwise indicated)

	135th fiscal year	136th fiscal year		137th fiscal year	138th fiscal year
	April 1, 2011 to March 31, 2012 (Japan GAAP)	April 1, 2012 to March 31, 2013 (Japan GAAP)	(IFRS)	April 1, 2013 to March 31, 2014 (IFRS)	April 1, 2014 to March 31, 2015 (IFRS)
Overseas revenue	775.5	822.8	822.7	957.8	1,065.0
Proportion of overseas revenue to Takeda Group Revenue (%)	51.4	52.8	52.8	56.6	59.9

(iv) R&D Expenses of Takeda Group (Billions of yen, unless otherwise indicated)

	135th fiscal year	136th fiscal year		137th fiscal year	138th fiscal year
	April 1, 2011 to March 31, 2012 (Japan GAAP)	April 1, 2012 to March 31, 2013 (Japan GAAP)	(IFRS)	April 1, 2013 to March 31, 2014 (IFRS)	April 1, 2014 to March 31, 2015 (IFRS)
R&D expenses	281.9	324.3	321.3	341.6	382.1
Ratio of R&D expenses to Takeda Group Revenue (%)	18.7	20.8	20.6	20.2	21.5

For your reference, the "Financial Position and Income Summary of the Company" is as follows:

(Billions of yen, unless otherwise indicated)

	135th fiscal year	136th fiscal year	137th fiscal year	138th fiscal year
	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Net sales	834.7	789.9	796.5	776.2
Operating income	178.8	88.1	114.0	110.1
Ordinary income	451.7	96.3	209.9	239.5
Net income	372.5	155.3	205.5	60.7
Net income per share (yen)	471.86	196.68	260.27	77.20
Total assets	2,348.6	2,426.1	2,728.5	2,591.2
Net assets	1,501.5	1,528.0	1,584.3	1,477.9

(6) Main Businesses of Takeda Group (as of March 31, 2015)

Takeda Group is engaged in the manufacture and sale of the following products:

Type of Business	Main Products
Ethical Drug Business Segment	Ethical drugs
Consumer Healthcare Business Segment	OTC drugs, Quasi-ethical drugs
Other Business Segment	Laboratory chemicals, Diagnostic reagents, Chemical products

(7) Material Business Affiliations (as of March 31, 2015)

Principal Subsidiaries and Affiliates

Name of company (major offices)		Capital stock	Percentage of total shares	Principal business
United States	Takeda America Holdings, Inc. (Head office: New York, New York, U.S.)	US$1 thousand (¥120 thousand)	100.0%	Holding company in the U.S.
	Takeda Pharmaceuticals International, Inc. (Head office: Deerfield, Illinois, U.S.)	US$1	100.0	Supervision of R&D and the U.S. sales of pharmaceuticals
	Takeda Pharmaceuticals U.S.A., Inc. (Head office: Deerfield, Illinois, U.S.)	US$1	100.0	Sales of pharmaceuticals
	Millennium Pharmaceuticals, Inc. (Head office: Cambridge, Massachusetts, U.S.)	US$0.1	100.0	R&D and sales of pharmaceuticals
	Takeda California, Inc. (Head office: San Diego, California, U.S.)	US$1	100.0	Research of pharmaceuticals
	Takeda Vaccines, Inc. (Head office: Bozeman, Montana, U.S.)	US$1	100.0	R&D of pharmaceuticals
	Takeda Development Center Americas, Inc. (Head office: Deerfield, Illinois, U.S.)	US$1	100.0	Development of pharmaceuticals
	Takeda Ventures, Inc. (Head office: Palo Alto, California, U.S.)	US$1	100.0	Research-related venture investment
Europe and Canada	Takeda Europe Holdings B.V. (Head office: Hoofddorp, the Netherlands)	280.14 million euros (¥36,440 million)	100.0	Holding company in Europe
	Takeda A/S (Head office: Roskilde, Denmark)	0.11 million euros (¥15 million)	100.0	Holding company in Europe
	Takeda Pharmaceuticals International GmbH (Head office: Zurich, Switzerland)	1.50 million Swiss francs (¥186 million)	100.0	Supervision of sales of pharmaceuticals for areas other than Japan and the U.S.
	Takeda Pharmaceuticals Europe Limited (Head office: London, U.K.)	£4 million (¥711 million)	100.0	Supervision of Europe sales of pharmaceuticals

Europe and Canada	Takeda GmbH (Head office: Konstanz, Germany) (Factory: Singen and Oranienburg, Germany)	10.90 million euros (¥1,418 million)	100.0	R&D, production and sales of pharmaceuticals
	Takeda Pharma Vertrieb GmbH & Co.KG (Head office: Berlin, Germany)	1 million euros (¥130 million)	100.0	Sales of pharmaceuticals
	Takeda Italia S.p.A. (Head office: Rome, Italy) (Factory: Celano, Italy)	11.25 million euros (¥1,463 million)	100.0	Production and sales of pharmaceuticals
	Takeda Austria GmbH (Head office, Factory: Linz, Austria)	14.86 million euros (¥1,933 million)	100.0	Production and sales of pharmaceuticals
	Takeda Pharma Ges.m.b.H (Head office: Vienna, Austria)	0.60 million euros (¥78 million)	100.0	Sales of pharmaceuticals
	Takeda France S.A.S. (Head office: Paris, France)	3.24 million euros (¥421 million)	100.0	Sales of pharmaceuticals
	Takeda Pharma A/S (Head office: Roskilde, Denmark) (Factory: Roskilde and Hobro, Denmark)	810.10 million Danish kroner (¥14,105 million)	100.0	Development, production and sales of pharmaceuticals
	Takeda Nycomed AS (Head office: Asker, Norway) (Factory: Elverum and Asker, Norway)	272.70 million Norwegian kroner (¥4,085 million)	100.0	Production and sales of pharmaceuticals
	Takeda Belgium SCA/CVA (Head office: Brussels, Belgium)	0.44 million euros (¥57 million)	100.0	Sales of pharmaceuticals
	Takeda Christiaens SCA/CVA (Head office, Factory: Brussels, Belgium)	5.58 million euros (¥726 million)	100.0	Production and sales of pharmaceuticals
	Takeda UK Limited (Head office: Buckinghamshire, U.K.)	£50 million (¥8,892 million)	100.0	Sales of pharmaceuticals
	Takeda Oy (Head office: Helsinki, Finland)	1.32 million euros (¥172 million)	100.0	Sales of pharmaceuticals
	Takeda Pharma AG (Head office: Pfäffikon, Switzerland)	0.55 million Swiss francs (¥68 million)	100.0	Sales of pharmaceuticals
	Takeda Farmaceutica Espana S.A. (Head office: Madrid, Spain)	1.21 million euros (¥158 million)	100.0	Sales of pharmaceuticals

Europe and Canada	Takeda Nederland B.V. (Head office: Hoofddorp, the Netherlands)	10 million euros (¥1,301 million)	100.0	Sales of pharmaceuticals
	Takeda Pharma AB (Head office: Solna, Sweden)	2 million Swedish kroner (¥28 million)	100.0	Sales of pharmaceuticals
	Takeda Pharma Sp.z.o.o. (Head office: Warsaw, Poland) (Factory: Łyskowice, Poland)	191.33 million Polish zlotys (¥6,087 million)	100.0	Production and sales of pharmaceuticals
	Takeda Hellas S.A. (Head office: Athens, Greece)	3 million euros (¥390 million)	100.0	Sales of pharmaceuticals
	Takeda Ireland Limited (Head office: Kilruddery, Ireland) (Factory: Kilruddery and Dublin, Ireland)	396.02 million euros (¥51,514 million)	100.0	Production of pharmaceuticals
	Takeda Cambridge Limited (Head office: Cambridge, U.K.)	£2.94 million (¥523 million)	100.0	Research of pharmaceuticals
	Takeda Development Centre Europe Ltd. (Head office: London, U.K.)	£0.80 million (¥142 million)	100.0	Development of pharmaceuticals
	Takeda Canada Inc. (Head office: Oakville, Canada)	C$58.20 million (¥5,513 million)	100.0	Sales of pharmaceuticals
Russia/ CIS	Takeda Pharmaceuticals Limited Liability Company (Head office: Moscow, Russia)	26 thousand Russian ruble (¥55 thousand)	100.0	Sales of pharmaceuticals
	Takeda Ukraine LLC (Head office: Kiev, Ukraine)	50 thousand Ukrainian hryvnia (¥265 thousand)	100.0	Sales of pharmaceuticals
	Takeda Kazakhstan LLP (Head office: Almaty, Kazakhstan)	150 thousand Kazakhstan tenge (¥97 thousand)	100.0	Sales of pharmaceuticals
Latin America	Takeda Distribuidora Ltda. (Head office: São Paulo, Brazil)	11.33 million Brazilian reals (¥421 million)	100.0	Sales of pharmaceuticals
	Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda. (Head office, Factory: São Jerônimo, Brazil)	527.55 million Brazilian reals (¥19,608 million)	100.0	R&D, production and sales of pharmaceuticals

Latin America	Takeda Pharma Ltda. (Head office, Factory: São Paulo, Brazil)	23.83 million Brazilian reals (¥886 million)	100.0	Production and sales of pharmaceuticals
	Takeda Mexico S.A. de C.V. (Head office, Factory: Naucalpan, Mexico)	386.94 million Mexican pesos (¥3,044 million)	100.0	Production and sales of pharmaceuticals
	Takeda S.R.L. (Head office: Caracas, Venezuela)	2 thousand Bolivar fuerte (¥38 thousand)	100.0	Sales of pharmaceuticals
	Takeda Pharma, S.A. (Head office, Factory: Buenos Aires, Argentina)	97.74million Argentine pesos (¥1,331 million)	100.0	Production and sales of pharmaceuticals
Asia	Takeda (China) Holdings Co., Ltd. (Head office: Shanghai, China)	US$75 million (¥9,005 million)	100.0	Holding company in China and development of pharmaceuticals
	Takeda Pharmaceuticals (Asia Pacific) Pte. Ltd. (Head office: Singapore)	S$15.43 million (¥1,346 million)	100.0	Supervision of Asia sales of pharmaceuticals
	Guangdong Techpool Bio-Pharma Co., Ltd. (Head office, Factory: Guangzhou, China)	100 million Chinese yuan (¥1,934 million)	51.3	R&D, production and sales of pharmaceuticals
	Takeda Pharmaceutical (China) Company Limited (Head office: Taizhou, China)	US$61.60 million (¥7,396 million)	100.0	Sales of pharmaceuticals
	Tianjin Takeda Pharmaceuticals Co., Ltd. (Head office, Factory: Tianjin, China)	US$75.60 million (¥9,077 million)	100.0	Production and sales of pharmaceuticals
	Takeda Pharmaceuticals Korea Co., Ltd. (Head office: Seoul, Korea)	2,000 million Korean won (¥217 million)	100.0	Sales of pharmaceuticals
	Takeda (Thailand), Ltd. (Head office: Bangkok, Thailand)	102 million bahts (¥376 million)	52.0	Sales of pharmaceuticals
	Takeda Pharmaceuticals Taiwan, Ltd. (Head office: Taipei, Taiwan)	90 million NT dollars (¥345 million)	100.0	Sales of pharmaceuticals
	P.T. Takeda Indonesia (Head office: Jakarta, Indonesia) (Factory: Bekasi, Indonesia)	1,467 million rupiahs (¥13 million)	70.0	Production and sales of pharmaceuticals

Asia	Takeda Pharmaceuticals (Philippines), Inc. (Head office: Manila, the Philippines)	97.43 million Philippine pesos (¥260 million)	100.0	Sales of pharmaceuticals
	Takeda Development Center Asia, Pte. Ltd. (Head office: Singapore)	S$5 million (¥436 million)	100.0	Development of pharmaceuticals
	Takeda Vaccines Pte. Ltd. (Head office: Singapore)	S$7 thousand (¥1 million)	100.0	R&D of pharmaceuticals
Others	Takeda (Pty.) Ltd. (Head office: Johannesburg, South Africa)	1.40 million South African rand (¥14 million)	100.0	Sales of pharmaceuticals
	Takeda Pharmaceuticals Australia Pty. Ltd. (Head office: Sydney, Australia)	A$0.45 million (¥41 million)	100.0	Sales of pharmaceuticals
Japan	Nihon Pharmaceutical Co., Ltd. (Head office: Chiyoda-ku, Tokyo) (Factory: Narita City, Izumisano City)	¥760 million	87.5	R&D, production and sales of pharmaceuticals
	Takeda Healthcare Products Co., Ltd. (Head office, Factory: Fukuchiyama City)	¥400 million	100.0	Production of pharmaceuticals
	Amato Pharmaceutical Products, Ltd. (Head office, Factory: Fukuchiyama City)	¥96 million	30.0	R&D, production and sales of pharmaceuticals
	Wako Pure Chemical Industries, Ltd. (Head office: Osaka City) (Factory: Kawagoe City, Toyohashi City, Amagasaki City)	¥2,340 million	70.3	Production and sales of reagents, clinical diagnostic agents and chemical products

(Notes) 1. The figures in parentheses under the column “Capital stock” show Japanese yen equivalents, calculated using the exchange rates as of March 31, 2015.
2. The figures for “Percentage of total shares” include indirect shares held indirectly through subsidiaries.
3. Except for Takeda Healthcare Products Co., Ltd. (Consumer Healthcare business), Amato Pharmaceutical Products, Ltd. (Ethical Drugs business and Consumer Healthcare business) and Wako Pure Chemical Industries, Ltd. (Other business), the above principal subsidiaries and affiliates are subsidiaries and affiliates relating to the Ethical Drug business.
4. As of March 31, 2015, the number of consolidated subsidiaries was 138 and the number of equity method affiliates was 19.

(8) Major Offices of the Company (as of March 31, 2015)

Head Office	1-1, Doshomachi 4-chome, Chuo-ku, Osaka
Tokyo Head Office	12-10, Nihonbashi 2-chome, Chuo-ku, Tokyo
Branches	Sapporo Branch, Tohoku Branch (located in Sendai), Tokyo Branch, Yokohama Branch, Chiba-Saitama Branch (located in Tokyo), Kitakanto Branch (located in Tokyo), Koshin-etsu Branch (located in Tokyo), Nagoya Branch, Osaka Branch, Kobe Branch, Kyoto Branch, Shikoku Branch (located in Takamatsu, Kagawa), Chugoku Branch (located in Hiroshima) and Fukuoka Branch
Plants	Osaka Plant and Hikari Plant (located in Hikari, Yamaguchi)
Research Centers	Cardiovascular and Metabolic Drug Discovery Unit, CNS Drug Discovery Unit, Oncology Drug Discovery Unit, Inflammation Drug Discovery Unit, Extra Value Generation & General Medicine Drug Discovery Unit, Drug Metabolism & Pharmacokinetics Research Laboratories, Drug Safety Research Laboratories, Medicinal Chemistry Research Laboratories, Biomolecular Research Laboratories, Integrated Technology Research Laboratories (the above are located in Fujisawa, Kanagawa) Chemical Development Laboratories, Pharmaceutical Technology R&D Laboratories, Analytical Development Laboratories, Research & Development Department (the above are located in Osaka) Hikari Bio-Manufacturing Technology Laboratories, Production Technology & Research Department (the above are located in Hikari, Yamaguchi)

(Note) The above branches, plants and research centers are branches, plants and research centers of the Ethical Drug Business (excluding Research & Development Department of the Consumer Healthcare Business).

(9) Employees (as of March 31, 2015)

(i) Number of employees of Takeda Group

Number of employees	Increase (decrease) from the previous fiscal year end
31,328	103

(Notes) 1. The number of employees represents the number of working employees.

2. Out of the above employees, 28,761 employees engage in the Ethical Drug Business, 457 employees engage in the Consumer Healthcare Business and 2,110 employees engage in Other Business.

(ii) Number of employees of the Company

Number of employees	Increase (decrease) from the previous fiscal year end	Average age	Average length of employment (years)
6,780	202	39.4	14.3

(Notes) 1. The number of employees represents the number of working employees.

2. Out of the above employees, 6,497 employees engage in the Ethical Drug Business, 281 employees engage in the Consumer Healthcare Business and 2 employees engage in Other Business.

(10) Principal lenders and loan amounts (as of March 31, 2015)

Lender	Loan balance
Syndicated loans	¥200,000 million
Nippon Life Insurance Company	¥40,000 million

(Note) The syndicated loans are joint financing by several lenders arranged by Sumitomo Mitsui Banking Corporation and others.

2. Common Stock of the Company (as of March 31, 2015)

(1) Total number of shares authorized to be issued by the Company
3,500,000,000 shares

(2) Total number of issued shares 789,923,595 shares
(including 137,707 shares of treasury stock)

(3) Number of shareholders 269,127

(4) Principal Shareholders

Name of Shareholder	Investment in the Company by shareholder	
	Number of shares held (thousands)	Percentage of total shares (%)
Nippon Life Insurance Company	50,760	6.43
The Master Trust Bank of Japan, Ltd. (Trust account)	31,046	3.93
Japan Trustee Services Bank, Ltd. (Trust account)	26,582	3.37
JP Morgan Chase Bank 380055	19,341	2.45
Takeda Science Foundation	17,912	2.27
Barclays Capital Japan Limited	15,000	1.90
JP Morgan Chase Bank 385147	13,381	1.69
State Street Bank West Client-Treaty 505234	11,357	1.44
State Street Bank and Trust Company 505225	10,176	1.29
The Bank of New York Mellon SA/NV 10	9,496	1.20

(Note) The percentage of total shares is based on the number of shares (789,785,888shares) calculated by subtracting the number of treasury stock from the total number of issued shares.

(5) Material items on the Common Stock of the Company other than the items mentioned above

(i) For the purpose to improve the Company's medium-long term performance as well as further increase awareness of contribution to increasing its corporate value, the Company has introduced the BIP (Board Incentive Plan) trust

compensation system for directors (except Outside Directors), based on the resolution of the 138th Ordinary General Meeting of Shareholders held on June 27, 2014 and the resolution of the Board of Directors made in accordance with such shareholders' resolution.

The number of stocks of the Company the trust account regarding the BIP trust owns is 333,800 shares as of March 31, 2015.

(ii) For the purpose to improve the Company's medium-long term performance as well as further increase awareness of contribution to increasing its corporate value, from 138th fiscal year (fiscal year 2014), the Company has introduced the stock grant ESOP (Employee Stock Ownership Plan) trust system for senior management of Takeda Group, based on the resolution of the Board of Directors.

The number of stocks of the Company the trust account regarding the stock grant ESOP trust owns is 3,478,158 shares as of March 31, 2015.

3. Matters Concerning the Stock Acquisition Rights of the Company

Overview of the Stock Acquisition Rights distributed as a consideration for the execution of duties owned by Directors of the Company (excluding Outside Directors) of the Company (as of March 31, 2015)

Name (Date of resolution for issuance)	Balance of Stock Acquisition Rights Of those, the number of Stock Acquisition Rights possessed by Directors of the Company (excluding Outside Directors) and the number of such Directors	Type and number of shares subject to Stock Acquisition Rights	Payment value of Stock Acquisition Rights	Financial value to be invested upon execution of the Stock Acquisition Rights	Period during which the Stock Acquisition Rights may be exercised	Main conditions for execution of the Stock Acquisition Rights
Stock Acquisition Rights FY2008-issued (June 26, 2008)	96 Stock Acquisition Rights 44 Stock Acquisition Rights 1 Director	Ordinary shares in the Company; 9,600 shares	¥4,395 per share	¥1 per share	July 12, 2011 to July 11, 2018 (Note 1)	(Note 2)
Stock Acquisition Rights FY2009-issued (June 25, 2009)	73 Stock Acquisition Rights 73 Stock Acquisition Rights 1 Director	Ordinary shares in the Company; 7,300 shares	¥2,735 per share	¥1 per share	July 11, 2012 to July 10, 2019 (Note 1)	(Note 2)
Stock Acquisition Rights FY2010-issued (June 25, 2010)	115 Stock Acquisition Rights 70 Stock Acquisition Rights 1 Directors	Ordinary shares in the Company; 11,500 shares	¥3,028 per share	¥1 per share	July 11, 2013 to July 10, 2020 (Note 1)	(Note 2)
1st Series of Stock Acquisition Rights FY2011- issued (June 24, 2011)	517 Stock Acquisition Rights 416 Stock Acquisition Rights 2 Directors	Ordinary shares in the Company; 51,700 shares	¥2,726 per share	¥1 per share	July 16, 2014 to July 15, 2021 (Note 1)	(Note 2)
2nd Series of Stock Acquisition Rights FY2011- issued (June 24, 2011)	13,592Stock Acquisition Rights 947 Stock Acquisition Rights 2 Directors	Ordinary shares in the Company; 1,359,200 shares	¥427 per share	¥3,705 per share	July 16, 2014 to July 15, 2031 (Note 3)	(Note 4)
1st Series of Stock Acquisition Rights FY2012- issued (June 26, 2012)	626 Stock Acquisition Rights 519 Stock Acquisition Rights 3 Directors	Ordinary shares in the Company; 62,600 shares	¥2,678 per share	¥1 per share	July 18, 2015 to July 17, 2022 (Note 1)	(Note 2)
2nd Series of Stock Acquisition Rights FY2012- issued (July 30, 2012)	19,376 Stock Acquisition Rights 632 Stock Acquisition Rights 1 Director	Ordinary shares in the Company; 1,937,600 shares	¥369 per share	¥3,725 per share	July 18, 2015 to July 17, 2032 (Note 3)	(Note 4)

1st Series of Stock Acquisition Rights FY2013- issued (June 26, 2013)	459 Stock Acquisition Rights 459 Stock Acquisition Rights 4 Directors	Ordinary shares in the Company; 45,900 shares	¥3,709 per share	¥1 per share	July 20, 2016 to July 19, 2023 (Note 1)	(Note 2)
2nd Series of Stock Acquisition Rights FY2013- issued (December 19, 2013)	11,331 Stock Acquisition Rights 189 Stock Acquisition Rights 1 Director	Ordinary shares in the Company; 1,133,100 shares	¥553 per share	¥4,981 per share	July 20, 2016 to July 19, 2033 (Note 3)	(Note 4)

(Notes) 1. A Director who has received an allocation of these Stock Acquisition Rights may exercise said Stock Acquisition Rights from the day following the day of resignation/retirement in cases of resignation/retirement due to the expiration of the Director's term of office or in the case of any other valid reason even prior to the initial date of the period stated above during which the Stock Acquisition Rights may be exercised.

2. [1] A person who exercises a Stock Acquisition Right must be a Director of the Company at the time the right is exercised. However, this shall not apply if a Director has resigned/retired due to the expiration of a term of office or if there is any other valid reason.

   [2] A single Stock Acquisition Right may not be exercised in part.

3. A person who has received an allocation of these Stock Acquisition Rights may exercise said Stock Acquisition Rights from the day following the day of resignation/retirement in cases of resignation/retirement due to the expiration of a term of office or mandatory retirement or in the case of any other valid reason even prior to the initial date of the period stated above during which the Stock Acquisition Rights may be exercised.

4. [1] A person who exercises a Stock Acquisition Right must be a Director, employee or any other person equivalent thereto of the Company or subsidiaries of the Company at the time the right is exercised. However, this shall not apply if the person has resigned/retired due to the expiration of a term of office or mandatory retirement or if there is any other valid reason.

   [2] A single Stock Acquisition Right may not be exercised in part.

4. Executives of the Company

(1) Directors and Corporate Auditors (as of March 31, 2015)

For the purposes of formulating optimal rules for appointment of Directors and appointing appropriate persons as Directors, the Company has established the Nomination Committee, in which an Outside Director serves as the chairperson, as the advisory body to the Board of Directors.

The state of Directors and Corporate Auditors of the Company as of the end of this fiscal year is as follows.

Name	Position	Duty	Important Positions Held Concurrently, etc.
Yasuchika Hasegawa	Chairman of the Board (Representative Director)	Chief Executive Officer	Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
*Christophe Weber	President (Representative Director)	Chief Operating Officer	
Shinji Honda	Senior Managing Director	Senior Vice President, Corporate Strategy Department	President, Takeda Pharmaceuticals International, Inc.
Yasuhiko Yamanaka	Managing Director	Special Missions	
Tadataka Yamada	Director	Chief Medical & Scientific Officer	Executive Vice President, Takeda Pharmaceuticals International, Inc.
Masato Iwasaki	Director	Senior Vice President, Pharmaceutical Marketing Division	
*François Roger	Director	Chief Financial Officer	
Fumio Sudo	Director		Chairman of the Board, Tokyo Electric Power Company, Incorporated
Yorihiko Kojima	Director		Chairman of the Board, Mitsubishi Corporation
*Masahiro Sakane	Director		Councilor, Komatsu Ltd.
Naohisa Takeda	Corporate Auditor		
Teruo Sakurada	Corporate Auditor		
Tsuguoki Fujinuma	Corporate Auditor		Certified Public Accountant
Shiro Kuniya	Corporate Auditor		Managing Partner, Oh-Ebashi LPC & Partners

(Notes) 1. Directors marked with an * were newly elected at the 138th Ordinary General Meeting of Shareholders held on June 27, 2014 and took office.

2. Director who retired from office during the fiscal year under review.
Director Frank Morich (retired on June 27, 2014)

3. The following change was made as of April 1, 2015.

Name	New	Old
Yasuchika Hasegawa	Chairman of the Board (Representative Director)	Chairman of the Board & Chief Executive Officer (Representative Director)
Christophe Weber	President & Chief Executive Officer (Representative Director)	President & Chief Operating Officer (Representative Director)
Shinji Honda	Senior Managing Director,	Senior Managing Director, Senior

	Corporate Strategy Officer	Vice President, Corporate Strategy Department
Masato Iwasaki	Director, President, Japan Pharma Business Unit	Director, Senior Vice President, Pharmaceutical Marketing Division

4. Directors Fumio Sudo, Yorihiko Kojima and Masahiro Sakane are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act.
5. Corporate Auditors Tsuguoki Fujinuma and Shiro Kuniya are Outside Corporate Auditors as prescribed in Article 2, Item 16 of the Companies Act.
6. Corporate Auditor Tsuguoki Fujinuma is a Certified Public Accountant and has expert knowledge of finance and accounting.
7. The Company conducts raw material purchase transactions with Mitsubishi Corporation, where Director Yorihiko Kojima also serves concurrently, but the proportion of the annual value of those transactions to the sales of the Company and of Mitsubishi Corporation is less than 1% in both cases.
8. The Company receives advice, etc., on legal matters as needed basis from other lawyers working at Oh-Ebashi LPC & Partners, the law firm where Corporate Auditor Shiro Kuniya works concurrently, but the proportion of the annual value of those transactions to the sales of the Company and of Oh-Ebashi LPC & Partners is less than 1% in both cases.
9. There are no relationships between the Company and the organizations in which Outside Directors/ Corporate Auditors serve concurrently that should be noted other than those described in Note 7 and Note 8 above.
10. The Company has set the following "Internal criteria for independence of outside directors/corporate auditors of the Company" and has elected Outside Directors/Corporate Auditors based on this criteria. Since all Outside Directors/Corporate Auditors (i.e.: Directors Fumio Sudo, Yorihiko Kojima and Masahiro Sakane and Corporate Auditors Tsuguoki Fujinuma and Shiro Kuniya) have met the requirement for Independent Directors/Auditors based on the regulations of the financial instruments exchanges that the Company is listed on (e.g.: Tokyo Stock Exchange, Inc.), the Company has appointed all of them as Independent Directors/Auditors and submitted notifications to each exchange.

Internal criteria for independence of outside directors/corporate auditors of the Company

The Company will judge whether an outside director/corporate auditor has sufficient independence against the Company with the emphasis on his/her meeting the following quality requirement, on the premise that he/she meets the criteria for independence established by the financial instruments exchanges.

The Company believes that such persons will truly meet the shareholders' expectations as the outside directors/corporate auditors of the Company, i.e., the persons who can exert strong presence in a diversified members of the directors and corporate auditors of the Company by proactively continuing to inquire the nature of, to encourage improvement in and to make suggestions regarding the important matters of the Company doing pharmaceutical business globally, for the purpose of facilitating impartial and fair judgment on the Company's business and securing sound management of the Company.

The Company requires the persons to be the outside directors/corporate auditors to meet two (2) or more items out of the following four (4) items of quality requirements:

(1) He/She has advanced insight based on the experience of corporate management;
(2) He/She has a high level of knowledge in the area requiring high expertise such as accounting and law;
(3) He/She is well versed in the pharmaceutical and/or global business; and
(4) He/She has advanced linguistic skills and/or broad experience which enable him/her to understand diverse values and to actively participate in discussion with others.

(2) Remuneration, etc. for Directors and Corporate Auditors

The Company has formulated the following "Directors' Compensation Policy", and based on this policy and the decision-making process, the Directors' Compensation Level and Mix are determined. The compensation for Corporate Auditors (including Outside Corporate Auditors) consists of fixed "Basic Compensation" only.

Directors' Compensation Policy for fiscal year 2015

1. Guiding Principles

The Company's compensation system for Directors has the following guiding principles under the corporate governance code to achieve management objectives:

- To attract, retain and motivate managerial talents to realize Global One Takeda
- To improve the Company's mid and long term performance and leverage awareness of contributions toward increasing corporate value.
- To be closely linked with company performance, highly transparent and objective
- To support shared sense of profit with shareholders or improving managerial mind-set focusing on shareholders
- To encourage Directors to have challenging mind in compliance with a spirit of "perseverance" of Takeda-ism

2. Level of Compensation

We aim to be competitive not only in Japan but also in the global marketplace to transform into a "Best in Class" global pharmaceutical company.

Directors' compensation should be competitive in the global market consisting of major global companies. Precisely, the global market refers to "global executive compensation database" developed on the basis of the professional survey data with an addition of compensation data in US, UK and Switzerland, where we need to be competitive with other major pharmaceutical companies.

3. Compensation Mix

The compensation of Directors (excluding Outside Directors) consists of "Basic Compensation" which is paid in a fixed amount, and "Performance-based Compensation" which is paid in a variable amount based on company performance, etc.

"Performance-based Compensation" further consists of "Bonus" to be paid based on the consolidated financial results, etc. for each fiscal year, and "Long-term Incentive Plan (stock compensation)" linked with long-term financial results over 3 years and with the Takeda's share price. The compensation of Outside Directors consists of fixed "Basic Compensation" only.

For the purpose of increasing the corporate value in the mid and long term and matching the benefit of Directors and shareholders of the Company, especially the ratio of Long-term Incentive will be gradually increased in the Performance-based Compensation in future.

Current compensation mix is "Basic Compensation", "Bonus" with target of 100% of the Basic Compensation and "Long-term Incentive" with target of 60% to 80% of the Basic Compensation (excluding foreign-national Directors invited from overseas). Those targets will be changed to finally 100% of Basic Compensation for "Bonus" and 200% to 400% of Basic Compensation for "Long-term Incentive", reflecting the practice of global companies. The increase in the Basic Compensation will be minimized, and Long-term Incentive will be increased.

4. Performance-based Compensation

We have already started in the fiscal year 2013 the Mid-Range Growth Strategy toward fiscal year 2017, to realize "Vision 2020." The strategy has established performance goals such as "mid-single digit or higher compound annual growth rate of sales," "at least 20% of compound annual growth rate of operating income," and "25%+ core earnings ratio by fiscal year 2017".

Long-term Incentive Plan has introduced new schemes similar to Performance Share and Restricted Stock in US to strengthen linkage between compensation and the company performance and the share price, for the Directors to enhance commitment to the increase of the corporate value in the mid and long term.

Performance indicators used for the Long-term Incentive will be linked with mid- to long-term performance objectives (target numbers as of March in fiscal year 2017), and will introduce consolidated revenue, etc., as transparent and objective indicators. The variable range is from 0% to 200% (Scheme pays 200% for the achievement of 140% or more; 0% for the achievement of 60% or less), based on the performance achievement.

On the other hand, Bonus will be paid based on the performance achievement of annual goals developed as milestones of Mid-Range Growth Strategy to motivate performance on annual basis. Bonus will be paid in the range of 0% to 200% in accordance with the achievement of performance indicators such as the consolidated revenue, etc., established for the single fiscal year.

5. Compensation Governance

The Compensation Committee has been established with an Outside Director as its Chairperson and with the majority of members being Outside Directors, to serve as an advisory organization for the Board of Directors to ensure the appropriateness of Directors' compensation, etc. (excluding Outside Directors) and the transparency in its decision-making process. (7 meetings of Compensation Committee have been called during this fiscal year) Level of Compensation, compensation mix and performance-based compensation (Mid and Long term Incentives and Bonus programs) for Directors are reviewed by the Compensation Committee before resolution by the Board of Directors.
The Guiding Principles for the Directors' compensation will be revised for the purpose to develop compensation programs based on Directors' accountabilities and responsibilities, as well as to develop compensation programs to create shareholder value in alignment with Takeda-ism.

The total amounts of remuneration, etc., for Directors and Corporate Auditors for this fiscal year are as follows.

Directors 11: ¥1,090 million
(3 of the Directors are Outside Directors: ¥51 million)
Corporate Auditors 4: ¥133 million
(2 of the Corporate Auditors are Outside Corporate Auditors: ¥ 29 million)

(Notes) 1. The figures above include 1 Director who retired as of the conclusion of the 138th Ordinary General Meeting of Shareholders held on June 27, 2014.

2. The total amounts of remuneration, etc., for Directors above include the following basic compensation and cost postings related to stock compensation including Stock Options which were granted until fiscal year 2013. These amounts do not include the salaries that Directors who also work as employees receive as the employee portions of their remuneration, and the bonuses.
   [1] The basic compensation is a fixed amount depending on each portion, and its total amount per month is no more than ¥90 million (among these, no more than ¥10 million per month is for Outside Directors) (based on a resolution of the 138th Ordinary General Meeting of Shareholders held on June 27, 2014).
   [2] The cost posting related to stock options is the value posted during this fiscal year within remuneration, etc., concerning Stock Acquisition Rights allotted as stock options (¥113 million). The number of Stock Acquisition Rights to be allotted is, in principle, calculated by dividing the amount equivalent to 60% of the basic compensation by the option value of the Stock Acquisition Rights on the allotment date, and the maximum amount of remuneration, etc., concerning Stock Acquisition Rights is ¥350 million per year (based on a resolution of the 132nd Ordinary General Meeting of Shareholders held on June 26, 2008). The cost posting related to stock compensation is the value posted during this fiscal year (¥ 371 million). The number of stock compensation is, in principle, calculated by dividing the Company's stock price on the grant date, and the maximum amount of remuneration, etc., concerning stock compensation is ¥2,000 million per year (based on a resolution of the 138th Ordinary General Meeting of Shareholders held on June 27, 2014).

3. If the proposal of "Payment of Directors' Bonuses" is proposed at this General Meeting of Shareholders and approved as proposed, Directors' bonuses, among the remuneration, etc., for Directors for this fiscal year, are to be paid within the amount set forth in the said proposal. Directors' bonuses are calculated depending on each position based on the Company's financial results (the status of the achievement of key performance indicators composed of consolidated revenue, operating profit, progress of pipeline compounds, etc.). Based on the report of the Compensation Committee, the actual payment amount of bonuses is to be resolved at the meeting of the Board of Directors to be held after this General Meeting of Shareholders.

4. The value of the basic compensation of Corporate Auditors is no more than ¥15 million per month (based on a resolution of the 132nd Ordinary General Meeting of Shareholders held on June 26, 2008).

(3) Outside Directors and Corporate Auditors

(i) Major activities during the fiscal year under review

Category	Name	Major activities
Outside Director	Fumio Sudo	Fumio Sudo attended all of the 15 meetings of the Board of Directors held during the fiscal year under review (12 ordinary meetings and 3 extraordinary meetings of the Board of Directors) and appropriately made statements necessary for the deliberation of agendas based on his plentiful experience and knowledge as a management executive.
Outside Director	Yorihiko Kojima	Yorihiko Kojima attended 13 of the 15 meetings of the Board of Directors held during the fiscal year under review (12 ordinary meetings and 3 extraordinary meetings of the Board of Directors) and appropriately made statements necessary for the deliberation of agendas based on his plentiful experience and knowledge as a management executive.
Outside Director	Masahiro Sakane	The Company held a total of 11 meetings of the Board of Directors (9 ordinary meetings and 2 extraordinary meetings of the Board of Directors) after Masahiro Sakane's taking office as a Director on June 27, 2014. Masahiro Sakane attended 10 of the 11 meetings and appropriately made statements necessary for the deliberation of agendas based on his plentiful experience and knowledge as a management executive.
Outside Corporate Auditor	Tsuguoki Fujinuma	Tsuguoki Fujinuma attended 13 of the 15 meetings of the Board of Directors held during the fiscal year under review (12 ordinary meetings and 3 extraordinary meetings of the Board of Directors) and appropriately made statements necessary for the deliberation of agendas from his specialist perspective as a Certified Public Accountant. Furthermore, Tsuguoki Fujinuma also attended 28 of the 30 meetings of the Board of Corporate Auditors and exchanged opinions actively.
Outside Corporate Auditor	Shiro Kuniya	Shiro Kuniya attended 13 of the 15 meetings of the Board of Directors held during the fiscal year under review (12 ordinary meetings and 3 extraordinary meetings of the Board of Directors) and appropriately made statements necessary for the deliberation of agendas from his specialist perspective as a lawyer. Furthermore, Shiro Kuniya also attended 28 of the 30 meetings of the Board of Corporate Auditors and exchanged opinions actively.

(ii) Outline of the terms of the liability limitation agreement

The Company has executed agreements with Outside Directors Fumio Sudo, Yorihiko Kojima and Masahiro Sakane and Outside Corporate Auditors Tsuguoki Fujinuma and Shiro Kuniya stating that the maximum amount of their liabilities for damages as set forth in Article 423, Paragraph 1 of the Companies Act shall be the amount provided by law.

5. Accounting Auditor

(1) Name of Accounting Auditor KPMG AZSA LLC

(2) Amount of Remuneration, etc. of Accounting Auditor for the Fiscal Year under Review

(i)	Amount of remuneration, etc. for the fiscal year under review	¥370 million
(ii)	Total amount of money and other financial benefits to be paid by the Company and the subsidiaries	¥409 million

(Notes) 1. As the audit agreement between the Company and its Accounting Auditor does not differentiate the amount of remuneration, etc. for audit under the Companies Act from the one for audit under the Financial Instruments and Exchange Act and such differentiation is impossible in practice, the above amounts show total remuneration, etc. for both audits.

2. Among the subsidiaries set forth on pages 32 to 36 herein, audit firms other than KPMG AZSA LLC audit the financial statements of Nihon Pharmaceutical Co., Ltd., Wako Pure Chemical Industries, Ltd. and the subsidiaries of the Company located overseas.

(3) Services other than Audit

The Company delegates to the Accounting Auditor the services which fall under services other than the services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act in respect of advisory services for "International Financial Reporting Standards," etc.

(4) Decision-Making Policy on Dismissal or Rejection of the Reappointment of Accounting Auditor

If the Accounting Auditor is determined to fall under any of the events prescribed in each item of Article 340, Paragraph 1 of the Companies Act, or if an event which has a material adverse effect on the audit procedures of the Company occurs, including, but not limited to, the case in which such Accounting Auditor's auditing license is suspended, the Accounting Auditor shall be dismissed by the Board of Corporate Auditors.

In addition, the Board of Corporate Auditors, taking into consideration the audit quality, quality control and independence of the Accounting Auditor and other factors, shall determine whether or not the Accounting Auditor will be reappointed.

6. Systems that Ensure Directors Comply with Laws and Regulations and the Company's Articles of Incorporation in Executing their Duties and Other Systems that Ensure the Appropriateness of Operations of the Company and its Group (after changes as of April 1, 2015)

The Company shares its "Corporate Philosophy," which consists of "Takeda-ism" (Integrity: Fairness, Honesty and Perseverance), the "Mission," the "Vision 2020" and the "Values" within the entire Takeda Group and promotes the creation of a disciplined and sound corporate culture.
Based on the above mentioned principle, the Company has implemented the following measures for the internal control system, taking it as an important component of corporate governance functioning alongside risk management:

(1) Systems that ensure the appropriateness of operations in Takeda Group

- To strengthen its global business management system, the Company shall establish Takeda Executive Team that manage and supervise each function of Takeda Group under President and Chief Executive Officer, and also establish Business Review Committee (which is responsible for general management matters) , Product Review Committee (which is responsible for R&D and products related matters), and Audit, Risk and Compliance Committee (which is responsible for internal audit, risk management and compliance matters) that review important matters to ensure systems whereby faster and more flexible work execution and deeper cooperation among the various functions take place.
- The Company shall clarify the roles and responsibilities of each function based on the "Takeda Group's Management Policy", which summarizes the business management systems, decision-making systems and its operational rules and other important management rules of the Takeda Group. With regard to certain material items, the Company shall oblige each function to propose or report to the decision making bodies including the Board of Directors of the Company according to the materiality. Concurrently, a certain level of decision making authorities shall be delegated to President and Chief Executive Officer or to each function, and the decision making authorities shall be exercised under the proper governance. In addition, each function responsible for a specialized operation shall maintain business management standards and provide instruction and supervision across all group companies relating to the work of their specific operation in accordance with the "Policy on Administration of Operational Management Standard of Takeda Group."
- Based on the "Takeda Group Global Crisis Management Policy" and "Takeda Group Global BCP Policy", which respectively lay out the hierarchy of crisis management systems and BCPs of the Takeda Group, the Company shall promote the construction of the system in which each group company responds adequately to crises and ensures business continuity, and shall facilitate the disciplined management in Takeda Group.
- The Global Compliance, in conjunction with the relevant function, shall disseminate the "Takeda Global Code of Conduct" to all group companies and construct and disseminate the compliance programs of all group companies based on that code under the Global Compliance Promotion System. In addition, the Global Compliance and the relevant function shall periodically report to the Board of Directors about compliance related affairs of Takeda Group, including affairs notified through interoffice notification.
- The Group Internal Audit Department shall conduct regular internal audit of each function of the Company and each group company based on the "Group Internal Audit Charter."
- The Corporate Finance, Global Finance, shall apply the "Control Self Assessment (CSA) Program" to each group company and each function of the Company so that the head of each group company and each function of the Company shall conduct self-assessment of the status of the internal control, shall undertake the implementation of the improvement plan responding to warnings or recommendations, and shall certify the appropriateness of its internal control.

・ Based on the Financial Instruments and Exchange Act, the Company shall maintain systems of internal control to ensure the reliability of financial reporting and conduct effective and efficient management and assessment of those systems.

(2) System for retention and management of information in connection with the execution of the duties of Directors

・ The minutes of meetings of the Board of Directors, requests for and approvals of managerial decisions and other information concerning the execution of the duties of Directors shall be appropriately retained and controlled in keeping with the term, method and place of retention designated for each category of information determined in accordance with the "Policy on Document Control" in either form of hard copy or electromagnetic record and for ease of inspection.

(3) Risk management rules and other systems

・ With respect to all risk factors, including major potential risks of the Company (research and development, intellectual property rights, decline of sales due to the expiration of patents, etc., side-effects, drop in prices caused by measures for constraint of cost of medicines, fluctuation of foreign exchange rates, corporate acquisitions, country risks, stable supply, and litigation and other legal matters), the person(s) in charge of each function shall control and manage these risk factors in each area of charge from the aspect of qualitative and quantitative criteria in designing and implementation of mid-range and annual plans and shall take all necessary measures or remedies available to avoid and minimize such risk factors, depending on the degree and content of the risk the Company is exposed to, in compliance with the countermeasures to cope therewith and any contingency plans.
・ In order to prevent and respond to emergency situations, the Company shall establish the crisis management systems through appointing persons to be in charge of crisis management and persons to be in charge of crisis management in each local region and establishing crisis management committee under the "Policy on Crisis Management". In addition, from the perspective of business continuity, the Company shall design Business Continuity Plan (BCP) in each function under the "BCP Policy."

(4) Systems that ensure the duties of Directors are executed efficiently

・ A system that enables the duties of Directors to be executed appropriately and efficiently shall be ensured pursuant to the "Bylaws of Board of Directors" and other internal company regulations with respect to authorities and rules for decision-making.

(5) Systems that ensure Directors and employees comply with laws and regulations and the Company's Articles of Incorporation in executing their duties

・ In accordance with the "Compliance Promotion Rule" that provides for basic policies and procedures in relation to the implementation of the compliance program on ethical and legal requirements of the Company, Compliance Officer, Compliance Promotion Committee and Compliance Secretariat shall be established to promote the company-wide compliance policy.
・ The "Voice of Takeda System (interoffice notification system)," a system established for the purpose of (i) reflecting the opinions and proposals of corporate executives and employees to the Company's compliance and (ii) protecting those who disclose information in the public interest, shall be fully utilized in compliance practices.

(6) System that ensures audits by Corporate Auditors are conducted effectively

Each of the items stated below shall be set forth in accordance with the "Corporate Auditors Audit Rule":

・ The Office of the Corporate Auditors shall be established to provide assistance to the Corporate Auditors in their duties and functions as a secretariat of the Board of Corporate Auditors.

- Personnel matters with respect to the members of the Office of the Corporate Auditors shall be handled through consultations among the Directors and the Corporate Auditors.
- A Director shall notify to the Board of Corporate Auditors those matters concerning the Company's basic management policy and plans, material matters including the ones in subsidiaries and affiliated companies in advance (provided, however, that this shall not apply if Corporate Auditors attend a meeting of the Board of Directors or any other meeting at which such matter is discussed).
- If a Director becomes aware of a fact that might cause material damage to the Company, such Director shall, without delay, notify such fact to the Board of Corporate Auditors.
- A Corporate Auditor shall, upon consultation with the President of the Company, attend important meetings, in addition to meetings of the Board of Directors, in order to gain a better understanding of the decision-making process with respect to material issues and the execution of operations.
- A Corporate Auditor may have access to important documents concerning the execution of operations and may ask Directors or employees to provide an explanation in respect thereof, whenever necessary.
- A Corporate Auditor shall investigate each function and, if it is necessary to audit the execution of the duties of Directors, request reports on the business from the subsidiaries, or investigate the operational and financial status of the subsidiaries.
- A Corporate Auditor shall have a close communication with Group Internal Audit Department and Accounting Auditors, and improve the efficiency of audit by utilizing their audit results.
- A Corporate Auditor shall request the Company to reimburse the cost for performing their duties, and submit the budget therefor to the Company every year.

****

[Note to Business Report]
All monetary amounts indicated in the Business Report are rounded to the nearest unit.

CONSOLIDATED STATEMENT OF INCOME [IFRS]

(April 1, 2014 to March 31, 2015) (Millions of yen)

Item	Amount	[Reference] Amount of previous period
Revenue	**1,777,824**	**1,691,685**
Cost of sales	(520,990)	(490,263)
Gross profit	**1,256,834**	**1,201,422**
Selling, general and administrative expenses	(612,613)	(556,210)
Research and development expenses	(382,096)	(341,560)
Amortization and impairment losses on intangible assets associated with products	(176,402)	(143,202)
Other operating income	107,181	23,861
Other operating expenses	(322,158)	(45,038)
Operating profit	**(129,254)**	**139,274**
Financial income	15,357	49,297
Financial expenses	(32,878)	(30,720)
Share of profit of associates accounted for using the equity method	1,337	1,000
Profit before tax	**(145,437)**	**158,851**
Income tax expenses	2,403	(49,292)
Net profit for the year	**(143,034)**	**109,558**

Attributable to:		
Owners of the Company	(145,775)	106,658
Non-controlling interests	2,741	2,900
Net profit for the year	**(143,034)**	**109,558**

[Reference] CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME [IFRS]

(April 1, 2014 to March 31, 2015) (Millions of yen)

Item	Amount	[Reference] Amount of previous period
Net profit for the year	**(143,034)**	**109,558**
Other comprehensive income		
Items that will not be reclassified to profit or loss	**(4,532)**	**8,836**
Remeasurement of defined benefit plans	(4,532)	8,836
Items that may be reclassified subsequently to profit or loss	**(33,293)**	**225,271**
Exchange differences on translating foreign operations	(47,559)	230,774
Net changes on revaluation of available-for-sale financial assets	15,040	(3,789)
Cash flow hedges	(774)	(1,714)
Other comprehensive income for the year, net of tax	**(37,826)**	**234,107**
Total Comprehensive income for the year	**(180,860)**	**343,666**
Attributable to:		
Owners of the Company	(186,618)	339,158
Non-controlling interests	5,759	4,507
Total comprehensive income for the year	**(180,860)**	**343,666**

(Note) Consolidated Statement of Income and Other Comprehensive Income is not requested by the Companies Act and is not audited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION [IFRS]

(As of March 31, 2015) (Millions of yen)

Item	Amount	[Reference] Amount of previous period	Item	Amount	[Reference] Amount of previous period
ASSETS			**LIABILITIES**		
Non-current assets			**Non-current liabilities**		
Property, plant and equipment	526,162	542,253	Bonds and loans	629,416	704,580
Goodwill	821,911	814,671	Other financial liabilities	70,105	110,129
Intangible assets	939,381	1,135,597	Net defined benefit liabilities	91,686	76,497
Investment property	30,218	32,083	Provisions	47,075	14,399
Investments accounted for using the equity method	10,425	10,001	Other non-current liabilities	78,778	39,555
Other financial assets	241,323	192,806	Deferred tax liabilities	156,132	280,595
Other non-current assets	52,192	40,772	Total non-current liabilities	**1,073,191**	**1,225,755**
Deferred tax assets	154,506	208,424			
Total non-currents assets	**2,776,120**	**2,976,607**	**Current liabilities**		
			Bonds and loans	99,965	155,404
Current assets			Trade and other payables	170,782	184,900
Inventories	262,354	254,329	Other financial liabilities	42,105	48,817
Trade and other receivables	444,681	430,620	Income taxes payables	41,071	52,332
Other financial assets	61,275	184,981	Provisions	418,587	125,349
Income taxes recoverables	22,148	12,044	Other current liabilities	238,469	235,953
Other current assets	63,225	43,510	Subtotal	**1,010,978**	**802,754**
Cash and cash equivalents	652,148	666,048	Liabilities related to assets held for sale	5,846	-
Subtotal	**1,505,830**	1,591,531	Total current liabilities	**1,016,824**	**802,754**
Assets held for sale	14,243	1,005	**Total liabilities**	**2,090,016**	**2,028,509**
Total current assets	**1,520,072**	**1,592,536**			
			EQUITY		
			Share capital	64,044	63,562
			Share premium	59,575	39,866
			Treasury shares	(18,203)	(621)
			Retained earnings	1,601,326	1,901,307
			Other components of equity	430,305	466,624
			Equity attributable to owners of the Company	**2,137,047**	**2,470,739**
			Non-controlling interests	69,129	69,896
			Total equity	**2,206,176**	**2,540,635**
TOTAL ASSETS	**4,296,192**	**4,569,144**	**TOTAL LIABILITIES AND EQUITY**	**4,296,192**	**4,569,144**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [IFRS]

(April 1, 2014 to March 31, 2015) (Millions of yen)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translating foreign operations	Net changes on revaluation of available-for-sale financial assets
As of April 1, 2014	63,562	39,866	(621)	1,901,307	406,151	60,771
Net profit for the year				(145,775)		
Other comprehensive income					(50,459)	14,914
Comprehensive income for the year	—	—	—	(145,775)	(50,459)	14,914
Issuances of new shares (Exercise of share options)	483	483				
Acquisitions of treasury shares			(17,587)			
Disposals of treasury shares		0	2			
Dividends				(141,781)		
Changes in the ownership interest in subsidiaries				(7,901)		
Transfers from other comprehensive income to retained earnings				(4,524)		
Share options		7,948	3			
Put options written on non-controlling interests		11,277				
Total transactions with owners	483	19,708	(17,583)	(154,206)	—	—
As of March 31, 2015	64,044	59,575	(18,203)	1,601,326	355,692	75,685

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity			Total		
	Cash flow hedges	Remeasurements of defined benefit plans	Total			
As of April 1, 2014	(298)	—	466,624	2,470,739	69,896	2,540,635
Net profit for the year			—	(145,775)	2,741	(143,034)
Other comprehensive income	(774)	(4,524)	(40,843)	(40,843)	3,017	(37,826)
Comprehensive income for the year	(774)	(4,524)	(40,843)	(186,618)	5,759	(180,860)
Issuances of new shares (Exercise of share options)			—	965		965
Acquisitions of treasury shares			—	(17,587)		(17,587)
Disposals of treasury shares			—	2		2
Dividends			—	(141,781)	(2,446)	(144,227)
Changes in the ownership interest in subsidiaries			—	(7,901)	(4,079)	(11,980)
Transfers from other comprehensive income to retained earnings		4,524	4,524	—		—
Share options			—	7,951		7,951
Put options written on non-controlling interests			—	11,277		11,277
Total transactions with owners	—	4,524	4,524	(147,073)	(6,525)	(153,598)
As of March 31, 2015	(1,073)	—	430,305	2,137,047	69,129	2,206,176

UNCONSOLIDATED BALANCE SHEET

(As of March 31, 2015) (Millions of yen)

Item	Amount	[Reference] Amount of previous period	Item	Amount	[Reference] Amount of previous period
Current assets	**814,411**	**928,444**	**Current liabilities**	**478,099**	**450,538**
Cash and deposits	210,200	151,407	Accounts payable	63,350	56,316
Notes receivable	1,658	1,536	Other payable	62,554	84,590
Accounts receivable	179,394	168,272	Accrued expenses	44,873	60,339
Marketable securities	105,000	212,821	Income taxes payable	-	19,603
Merchandise and products	57,006	53,402	Deposits received	66,992	84,141
Work in process	39,196	38,163	Bonds (Due within one year)	70,000	119,430
Raw materials and supplies	26,321	28,308	Loans (Due within one year)	30,000	-
Deferred tax assets	146,949	209,590	Reserve for employees' bonuses	17,393	17,506
Income taxes recoverables	16,295	-	Reserve for share-based payments	387	-
Other	33,257	64,962	Reserve for bonuses for directors and corporate auditors	450	310
Allowance for doubtful receivables	(866)	(16)	Reserve for Actos litigation	103,840	-
Noncurrent assets	**1,776,773**	**1,800,083**	Other reserve	7,298	4,676
Tangible noncurrent assets	**253,833**	**267,435**	Other	10,961	3,627
Buildings and structures	160,578	171,030			
Machinery and equipment	42,807	48,179	**Noncurrent liabilities**	**635,231**	**693,681**
Vehicles	37	41	Bonds	359,400	429,400
Tools and fixtures	3,839	4,300	Long-term loans	210,000	240,000
Land	37,695	37,260	Deferred tax liabilities	1,000	4,525
Lease assets	5,672	4,426	Reserve for employees' retirement benefits	3,674	7,911
Construction in progress	3,206	2,198	Reserve for SMON compensation	1,606	1,909
Intangible noncurrent assets	**38,806**	**38,557**	Reserve for share-based payments	403	-
Investments and other assets	**1,484,134**	**1,494,091**	Reserve for Actos litigation	11,565	-
Investment securities	117,476	103,204	Asset retirement obligations	4,346	4,346
Investment in subsidiaries and affiliates	1,263,801	1,265,613	Long-term deferred income	36,256	-
Contributions to subsidiaries and affiliates	48,155	56,453	Other	6,982	5,590
Long-term deposits	14,082	14,642	**Total liabilities**	**1,113,330**	**1,144,219**
Long-term loans receivable from subsidiaries and affiliates	15,989	9,940	**Shareholders' equity**	**1,413,077**	**1,532,489**
Prepaid pension costs	18,368	43,684	Common stock	64,044	63,562
Other	6,269	620	Capital surplus	50,142	49,659
Allowance for doubtful accounts	(6)	(65)	Additional paid-in capital	50,141	49,659
			Other capital surplus	0	-
			Retained earnings	1,317,080	1,419,876
			Legal reserve	15,885	15,885
			Other retained earnings	1,301,195	1,403,990
			Reserve for retirement benefits	5,000	5,000
			Reserve for dividends	11,000	11,000
			Reserve for research and development	2,400	2,400
			Reserve for capital improvements	1,054	1,054
			Reserve for promotion of exports	434	434
			Reserve for special depreciation	121	163
			Reserve for reduction of noncurrent assets	40,680	30,782
			General reserve	814,500	814,500
			Unappropriated retained earnings	426,006	538,658
			Treasury stock	(18,189)	(607)
			Valuation and translation adjustments	**62,888**	**50,274**
			Unrealized gains on available-for-sale securities	63,186	50,692
			Deferred gains on derivatives under hedge accounting	(298)	(419)
			Stock acquisition rights	**1,889**	**1,546**
			Total net assets	**1,477,854**	**1,584,309**
TOTAL ASSETS	**2,591,184**	**2,728,528**	**TOTAL LIABILITIES AND NET ASSETS**	**2,591,184**	**2,728,528**

UNCONSOLIDATED STATEMENT OF INCOME

(April 1, 2014 to March 31, 2015) (Millions of yen)

Item	Amount	[Reference] Amount of previous period
Net sales	**776,222**	**796,512**
Cost of sales	**290,992**	**285,874**
Gross profit	**485,230**	**510,638**
Selling, general and administrative expenses	**375,164**	**396,646**
Operating income	**110,066**	**113,992**
Non-operating income	**142,958**	**113,153**
Interest and dividend income	123,749	99,385
Other	19,209	13,768
Non-operating expenses	**13,515**	**17,256**
Interest expenses	3,935	3,389
Other	9,580	13,867
Ordinary income	**239,509**	**209,890**
Extraordinary income	**18,061**	**47,074**
Gain on sales of investment securities	436	25,584
Transfer price taxation adjustment	-	15,408
Gain on sales of noncurrent assets	17,625	6,082
Extraordinary loss	**136,578**	**3,910**
Restructuring costs	2,829	3,910
Impairment loss	9,692	-
Devaluation of investment and contributions in subsidiaries	8,651	-
Loss on Actos litigation	115,405	-
Income before income taxes	**120,992**	**253,054**
Income taxes:		
Current	(8,438)	63,900
Deferred	68,717	(16,343)
Net income	**60,714**	**205,497**

UNCONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(April 1, 2014 to March 31, 2015) (Millions of yen)

	Shareholders' equity									Valuation and translation adjustments			Stock acquisition rights	Total net assets
		Capital surplus			Retained earnings									
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings (*)	Total retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains or losses on available-for-sale securities	Deferred gains or losses on derivatives under hedge accounting	Total valuation and translation adjustments		
Balance as of April 1, 2014	63,562	49,659	-	49,659	15,885	1,403,990	1,419,876	(607)	1,532,489	50,692	(419)	50,274	1,546	1,584,309
Cumulative effects of changes in accounting policies						(21,386)	(21,386)		(21,386)					(21,386)
Balance as of April 1, 2014 after cumulative effects of changes in accounting policies	63,562	49,659	-	49,659	15,885	1,382,605	1,398,490	(607)	1,511,103	50,692	(419)	50,274	1,546	1,562,923
Changes during the fiscal year														
Issuance of new stock (Exercise of stock acquisition rights)	483	483		483			-		965					965
Dividends from surplus						(142,124)	(142,124)		(142,124)					(142,124)
Reversal of reserve for special depreciation							-		-					-
Provision for reserve for reduction of noncurrent assets							-		-					-
Reversal of reserve for reduction of noncurrent assets							-		-					-
Net income						60,714	60,714		60,714					60,714
Purchase of treasury stock							-	(17,587)	(17,587)					(17,587)
Disposal of treasury stock			0	0		-	-	5	5					5
Net change in items other than shareholders' equity during the fiscal year							-		-	12,494	121	12,614	344	12,958
Total changes during the fiscal year	483	483	0	483	-	(81,410)	(81,410)	(17,582)	(98,027)	12,494	121	12,614	344	(85,069)
Balance as of March 31, 2015	64,044	50,141	0	50,142	15,885	1,301,195	1,317,080	(18,189)	1,413,077	63,186	(298)	62,888	1,889	1,477,854

*Breakdown of other retained earnings

	Reserve for retirement benefits	Reserve for dividends	Reserve for research and development	Reserve for capital improvements	Reserve for promotion of exports	Reserve for special depreciation	Reserve for reduction of noncurrent assets	General reserve	Unappropriated retained earnings	Total
Balance as of April 1, 2014	5,000	11,000	2,400	1,054	434	163	30,782	814,500	538,658	1,403,990
Cumulative effects of changes in accounting policies									(21,386)	(21,386)
Balance as of April 1, 2014 after cumulative effects of changes in accounting policies	5,000	11,000	2,400	1,054	434	163	30,782	814,500	517,272	1,382,605
Changes during the fiscal year										
Issuance of new stock (Exercise of stock acquisition rights)										-
Dividends from surplus									(142,124)	(142,124)
Reversal of reserve for special depreciation						(42)			42	-
Provision for reserve for reduction of noncurrent assets							13,626		(13,626)	-
Reversal of reserve for reduction of noncurrent assets							(3,728)		3,728	-
Net income									60,714	60,714
Purchase of treasury stock										-
Disposal of treasury stock										-
Net change in items other than shareholders' equity during the fiscal year										-
Total changes during the fiscal year	-	-	-	-	-	(42)	9,898	-	(91,266)	(81,410)
Balance as of March 31, 2015	5,000	11,000	2,400	1,054	434	121	40,680	814,500	426,006	1,301,195

[English Translation of the Accounting Auditors' Report Originally Issued in the Japanese Language]
[Certified Copy of the Accounting Auditors' Report related to the Consolidated Financial Statements]

Independent Auditor's Report

May 11, 2015

The Board of Directors
Takeda Pharmaceutical Company Limited

KPMG AZSA LLC

Koichi Kohori(Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kengo Chida (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated statement of changes in equity and the related notes on the consolidated accounts of Takeda Pharmaceutical Company Limited (the "Company") as of March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

[English Translation of the Accounting Auditors' Report Originally Issued in the Japanese Language]
[Certified Copy of the Accounting Auditors' Report]

Independent Auditor's Report

May 11, 2015

The Board of Directors
Takeda Pharmaceutical Company Limited

KPMG AZSA LLC

Koichi Kohori(Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kengo Chida (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes on the accounts, and the supplementary schedules of Takeda Pharmaceutical Company Limited (the "Company") as of March 31, 2015 and for the 138th fiscal year from April 1, 2014 to March 31, 2015 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made

by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

[English Translation of the Report of the Board of Corporate Auditors Originally Issued in the Japanese Language]
[Certified Copy of the Audit Report of the Board of Corporate Auditors]

Audit Report

The Board of Corporate Auditors prepared this audit report regarding the performance of duties of the Directors of the Company during the 138th fiscal year from April 1, 2014 to March 31, 2015, upon deliberation, based on the audit reports prepared by each Corporate Auditor and hereby reports as follows:

1. Auditing Method Employed by Corporate Auditors and Board of Corporate Auditors and Details Thereof
   The Board of Corporate Auditors established the audit policy and duties of each Corporate Auditor, received reports from each Corporate Auditor on the execution of audits and results thereof and received reports from Directors and other related persons and Accounting Auditors, KPMG AZSA LLC, on the performance of their duties, and, when necessary, requested explanations.

   In accordance with the audit policy established by the Board of Corporate Auditors and the duties assigned to each Corporate Auditor by the Board of Corporate Auditors, each Corporate Auditor has had communication with Directors, employees and other related persons and the interoffice auditing division of the Company and endeavored to gather information and create an improved environment for auditing. Each Corporate Auditor also attended meetings of the Board of Directors and other important meetings, received from Directors, employees and other related persons reports on the performance of their duties, and, when necessary, requested explanations. The Corporate Auditors also inspected the important materials used for the deliberation and reporting, and examined the status of operations and properties at the head office and the principal offices of the Company. In regard to the substance of resolution by the Board of Directors regarding establishment of the systems necessary to ensure that Directors comply with laws and regulations as well as the Articles of Incorporation of the Company in executing their duties, and other systems provided for in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act of Japan necessary for ensuring that the Company's operation will be conducted appropriately, and the system being established in accordance with such resolution (Internal Control System), the Corporate Auditors received from Directors, employees and other related persons reports on the status of establishment and operation of such systems, and, when necessary, requested explanations and expressed opinions. In regard to the internal controls related to financial reporting in the Financial Instruments and Exchange Act, the Corporate Auditors received evaluations of internal controls and reports on audits from Directors, etc, and the Accounting Auditors, KPMG AZSA LLC and requested explanations as required. As for the subsidiaries of the Company, the Corporate Auditors received reports on the businesses of the subsidiaries by asking for reports on their respective business from the Directors and other related persons of the Company in charge of the subsidiaries, having communication with the directors and corporate auditors of the subsidiaries and sharing information among them as well as visiting the subsidiaries as necessary. According to the foregoing method, we examined the business report and the accompanying supplementary schedules for this fiscal year.

   In addition, the Corporate Auditors also monitored and examined whether the Independent Auditors maintain their independence and conduct their audits in an appropriate manner. The Corporate Auditors received reports from the Independent Auditors on the performance of their duties and, when necessary, requested their explanations. The Corporate Auditors also received notification from the Independent Auditors that they have taken steps to improve the "system for ensuring appropriate execution of the duties of the independent auditors" (as set forth in Items of Article 131 of the Ordinance for Corporate Accounting) in compliance with the "Quality Control Standard for Auditing" (adopted by the Business Accounting Council on October 28, 2005). The Corporate Auditors requested explanations on such notifications as necessary. Based on the method described above, the Corporate Auditors reviewed the unconsolidated financial statements (the unconsolidated balance sheet, the unconsolidated statement of income, the unconsolidated statement of changes in net assets and the notes on the unconsolidated accounts) and their supplementary schedules and the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes on the consolidated accounts, which were prepared omitting a part of items required to disclose by the International Financial Reporting Standards in accordance with the latter clause of Paragraph 1Article 120 of the Ordinance for Corporate Accounting) for the fiscal year under review.

2. Results of Audit
   (1) Results of Audit of the Business Report, etc.
      A. We confirm that the business report and the accompanying supplementary schedules present fairly the status of the Company in conformity with the applicable laws and regulations as well as the Articles of Incorporation of the Company.

B. With regard to the performance of the duties of the Directors, as is described in the business report, part of the promotional activities by the Company related to the CASE-J study of anti-hypertensive treatment BLOPRESS have been deemed in violation of the Japan Pharmaceutical Manufacturers Association's (JPMA's) " Promotion Code for Prescription Drugs", and as a consequence, the Company has been being imposed sanctions by the JPMA that the Company's activities as Vice President of the JPMA should be temporarily suspended from April, 2014. Except for this matter, we confirm that there are no fraudulent acts or material facts that violated the applicable laws and regulations or the Articles of Incorporation of the Company in the course of the performance of the duties of the Directors.

C. We confirm that the substance of the resolutions made by the Board of Directors regarding the Internal Control System is appropriate. We do not recognize any matters that should be pointed out in regard to the performance of the duties of the Directors regarding the Internal Control System, including the Internal Control System related to financial reporting. With regard to the CASE-J study mentioned above, the Company (i) took the sanction of JPMA and the result of third-party investigation very seriously; and (ii) for the purpose of preventing recurrences, secured full awareness and commitment to the improvement measures and took measures such as taking internal disciplinary action. We, the Board of the Corporate Auditors, also will continue to monitor the corrective measures status and pay close attention to this matter from now on for enhancement of the Internal Control including thorough observance of Compliance.

In addition, we have confirmed that the product liability litigation regarding pioglitazone-containing products has been handled appropriately with consulting outside experts.

(2) Results of Audit of the Unconsolidated Financial Statements and the Accompanying Supplementary Schedules
We confirm that the method and the results of the audit conducted by the Independent Auditors are appropriate.

(3) Results of Audit of the Consolidated Financial Statements
We confirm that the method and the results of the audit conducted by the Independent Auditors are appropriate.

May 15, 2015

The Board of Corporate Auditors
of Takeda Pharmaceutical Company Limited

Corporate Auditor:	Teruo Sakurada
Corporate Auditor:	Naohisa Takeda
Corporate Auditor:	Tsuguoki Fujinuma
Corporate Auditor:	Shiro Kuniya

Note: Corporate Auditors Tsuguoki Fujinuma and Shiro Kuniya are Outside Corporate Auditors as provided in Article 2, Item 16 of the Companies Act of Japan.

END

(Reference) Development Situation (as of May 15, 2015)

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.

■ Situation in US/EU/Jpn

Development code/product name <generic name>	Drug Class (administration route)	Indications	Country/Region	Stage of Development	In-house/ In-license
MLN0002 <vedolizumab>	Humanized monoclonal antibody against α4β7 integrin (injection)	Ulcerative colitis	US EU Jpn	Approved (May 14) Approved (May 14) P-III	In-house
		Crohn's disease	US EU Jpn	Approved (May 14) Approved (May 14) P-III	
		Subcutanous formulation	-	P-I	
TAK-438 <vonoprazan>	Potassium-competitive acid blocker (oral)	Acid-related diseases	Jpn	Approved (Dec 14)	In-house
SYR-472 <trelagliptin>	DPP-4 inhibitor (oral)	Type 2 diabetes	Jpn	Approved (Mar 15)	In-house
Contrave® <naltrexone XR /bupropion XR>	Mu-opioid receptor antagonist and dopamine/norepinephrine re-uptake inhibitor (oral)	Obesity	US	Approved (Sep 14)	In-license (Orexigen)
<fomepizole>	Alcohol dehydrogenase inhibitor (injection)	Ethylene glycol and methanol poisonings	Jpn	Approved (Sep 14)	In-license (Paladin Labs)
TAK-816	Hib vaccine (injection)	Prevention of infectious disease caused by Haemophilus influenzae type b (Hib)	Jpn	Filed (Sep 13)	In-license (GSK)
<glatiramer acetate>	Immunomodulator (injection)	Relapse prevention of multiple sclerosis	Jpn	Filed (Dec 14)	In-license (Teva)
MLN9708 <ixazomib>	Proteasome inhibitor (oral)	Previously untreated multiple myeloma	US EU Jpn	P-III P-III P-III	In-house
		Relapsed or refractory multiple myeloma	US EU Jpn	P-III P-III P-III	
		Maintenance therapy in patients with newly diagnosed multiple myeloma following autologous stem cell transplant	US EU Jpn	P-III P-III P-III	
		Maintenance therapy in patients with newly diagnosed multiple myeloma not treated with stem cell transplant	US EU Jpn	P-III P-III P-III	
		Relapsed or refractory primary (AL) amyloidosis	US EU	P-III P-III	
		Solid tumors	US	P-I	
Lu AA21004[*1] **<vortioxetine>**	Multimodal anti-depressant (oral)	Major depressive disorder	Jpn	P-III	In-license (Lundbeck)
AMG 386 <trebananib>	Anti-angiopoietin peptibody (injection)	Ovarian cancer	Jpn	P-III	In-license (Amgen)
<rasagiline>	Monoamine oxidase B (MAO-B) inhibitor (oral)	Parkinson's disease	Jpn	P-III	In-license (Teva)
MLN8237 <alisertib>	Aurora A kinase inhibitor (oral)	Small cell lung cancer	US EU	P-II P-II	In-house
		Non-Hodgkin lymphoma	Jpn	P-I	
		Solid tumors	Jpn	P-I	

*1 Additional indications being pursued in the US have been moved to the section "Additional indications/formulations of approved compounds in US/EU/Jpn "

Development code/product name <generic name>	Drug Class (administration route)	Indications	Country/Region	Stage of Development	In-house/ In-license
MLN0264 < - >	Antibody-Drug Conjugate targeting GCC (injection)	Gastric cancer	US EU Jpn	P-II P-II P-I	In-house
		Pancreatic cancer	US EU	P-II P-II	
TAK-385 <relugolix>	LH-RH antagonist (oral)	Prostate cancer	US EU Jpn	P-II P-II P-I	In-house
		Endometriosis	Jpn	P-II	
		Uterine fibroids	Jpn	P-II	
MLN0128 < - >	mTORC1/2 inhibitor (oral)	Breast cancer	US EU	P-II P-II	In-house
		Solid tumors	-	P-I	
TAK-272 < - >	Direct renin inhibitor (oral)	Early stage diabetic nephropathy	Jpn	P-II	In-house
		Hypertension	-	P-I	
TAK-003[*2]	Tetravalent dengue vaccine (injection)	Prevention of dengue fever caused by dengue virus	-	P-II	In-house
TAK-214[*3]	Norovirus vaccine (injection)	Prevention of acute gastroenteritis (AGE) caused by norovirus	-	P-II	In-house
TAK-114[*4]	Pro-inflammatory cytokine inhibitor (oral)	Ulcerative colitis	US EU Jpn	P-II P-II P-I	In-license (Natrogen)
MT203 <namilumab>	GM-CSF monoclonal antibody (injection)	Psoriasis	EU	P-II	In-licence (Amgen)
		Rheumatoid arthritis	EU Jpn	P-II P-I	
TAK-850	Influenza vaccine (injection)	Prevention of influenza disease caused by influenza virus subtype A and B contained in the vaccine	Jpn	P-I/II	In-license (Baxter)
TAK-733 < - >	MEK inhibitor (oral)	Solid tumors	-	P-I	In-house
TAK-063 < - >	PDE10A inhibitor (oral)	Schizophrenia	-	P-I	In-house
TAK-137 < - >	AMPA receptor potentiator (oral)	Psychiatric disorders and neurological diseases	-	P-I	In-house
TAK-659 < - >	SYK kinase inhibitor (oral)	Solid tumors, Hematologic malignancies	-	P-I	In-house
TAK-233 < - >	(oral)	-	-	P-I	In-house
TAK-935 < - >	CH24H inhibitor (oral)	Diseases related to glutamate excitotoxicity	-	P-I	In-house
TAK-058 < - >	5-HT3 receptor antagonist (oral)	Schizophrenia, especially cognitive impairment associated with schizophrenia	-	P-I	In-house
TAK-079 < - >	Cytolytic monoclonal antibody (injection)	Rheumatoid arthritis, Systemic lupus erythematosus	-	P-I	In-house

*2 Formerly known as DENVax

*3 Formerly known as Norovirus vaccine

*4 Formerly known as Natura-alpha

Development code/ product name <generic name>	Drug Class (administration route)	Indications	Country/Region	Stage of Development	In-house/ In-license
TAK-020 < - >	Bruton's tyrosine kinase inhibitor (oral)	Rheumatoid arthritis	-	P-I	In-house
TAK-021[*5]	EV71 vaccine (injection)	Prevention of hand, foot and mouth disease caused by enterovirus 71	-	P-I	In-house
MLN4924 < - >	NEDD 8 activating enzyme inhibitor (injection)	Advanced malignancies, Acute myeloid leukemia	-	P-I	In-house
MLN1117 < - >	PI3Kα isoform inhibitor (oral)	Solid tumors	-	P-I	In-house
MLN7243 < - >	UAE inhibitor (injection)	Solid tumors	-	P-I	In-house
MLN2480 < - >	pan-Raf kinase inhibitor (oral)	Solid tumors	-	P-I	In-license (Sunesis)
Lu AA24530 < - >	Multimodal anti-depressant (oral)	Major depressive disorder, Generalized anxiety disorder	US Jpn	P-I P-I	In-license (Lundbeck)
AMG 403 <fulranumab>	Human monoclonal antibody against human Nerve Growth Factor (NGF) (injection)	Pain	Jpn	P-I	In-license (Amgen)

*5 Formerly known as INV21

Development Process in Clinical Trial

Clinical trial is carefully implemented through three phases.

Phase I (Phase I Trial)	Phase II (Phase II Trial)	Phase III (Phase III Trial)
Carried out on a small number of consenting, healthy volunteers to confirm safety and pharmacokinetics	Carried out on a small number of consenting patients to confirm safe, effective doses and methods of administration	Carried out on a large number of consenting patients to compare the new drug with existing drugs to confirm its efficacy and safety

■ Additional indications/formulations of approved compounds in US/EU/Jpn

Development code <generic name> Brand name (country / region)	Drug Class	Indications or formulations	Country/Region	Stage of Development	In-house/ In-license
<bortezomib> Velcade® (US)	Proteasome inhibitor	Retreatment of multiple myeloma	US	Approved (Aug 14)	In-house
		Front line mantle cell lymphoma	US	Approved (Oct 14)	
TAP-144-SR <leuprorelin acetate> Leuplin® (Jpn) Lupron Depot® (US) Enantone®, etc. (EU)	LH-RH agonist	Prostate cancer, Premenopausal breast cancer (6-month formulation)	Jpn	Filed (Sep 14)	In-house
SGN-35 <brentuximab vedotin> Adcetris® (EU, Jpn)	CD30 monoclonal antibody-drug conjugate	Post-ASCT Hodgkin lymphoma	EU	Filed (Mar 15)	In-license (Seattle Genetics)
		Relapsed cutaneous T-cell lymphoma	EU	P-III	
		Front line Hodgkin lymphoma	EU Jpn	P-III P-III	
		Front line mature T-cell lymphoma	EU Jpn	P-III P-III	
SYR-322 <alogliptin> Nesina® (US, Jpn) Vipidia® (EU)	DPP-4 inhibitor	Type 2 diabetes (fixed-dose combination with metformin)	Jpn	P-III	In-house
TAK-536 <azilsartan> Azilva® (Jpn)	Angiotensin II receptor blocker	Hypertension (fixed-dose combination with amlodipine and hydrochlorothiazide)	Jpn	P-III	In-house
AD-4833/TOMM40	Insulin sensitizer/ Biomarker assay	Delay of onset of mild cognitive impairment due to Alzheimer's disease	US EU	P-III P-III	In-license (Zinfandel)
Lu AA21004 <vortioxetine> Brintellix® (US)	Multimodal anti-depressant	Generalized anxiety disorder	US	P-III	In-license (Lundbeck)
		Attention Deficit Hyperactivity Disorder (ADHD) in adult patients	US	P-II	

Development code <generic name> Brand name (country / region)	Drug Class	Indications or formulations	Country/Region	Stage of Development	In-house/ In-license
<lubiprostone> Amitiza® (US)	Chloride channel activator	New formulation	US	P-III	In-license (Sucampo)
		Pediatric functional constipation	US	P-III	
<febuxostat XR> Uloric® (US)	Non-purine, selective xanthine oxidase inhibitor	Extended-release formulation	US	P-III	In-license (Teijin)
NE-58095NF <risedronate> Benet® (Jpn)	Bone resorption inhibitor	Osteoporosis (additional formulation; change of the dosage and administration)	Jpn	P-II/III	In-license (Ajinomoto Pharmaceuticals)
TAK-390MROD <dexlansoprazole> Dexilant® (US)	Proton pump inhibitor	Orally disintegrating tablet	-	P-I	In-house

Filings and Approvals in Brazil, China & Russia

Takeda is steadily progressing its pipeline assets through the filing and approval process on a global scale, including in emerging markets. This table shows filings and approvals in the key emerging markets of Brazil, China & Russia.

Country	Development code/generic name	Stage of Development
Brazil	TAK-491*[6]/chlorthalidone	Approved (Jul 14)
	SGN-35	Approved (Sep 14)
	mifamurtide*[7]	Approved (Oct 14)
	SYR-322/metformin	Filed (Jul 13)
	SYR-322/pioglitazone	Filed (Dec 13)
	TAK-375*[8]	Filed (Mar 14)
	MLN0002	Filed (Sep 14)
China	SGN-35	Filed (May 13)
Russia	TAK-390MR*[9]	Approved (May 14)
	SYR-322	Approved (Oct 14)
	TAK-491/chlorthalidone	Approved (Apr 15)
	SYR-322/metformin	Filed (Mar 14)
	SGN-35	Filed (May 14)

*6 **TAK-491 <azilsartan medoxomil>** Angiotensin II receptor blocker (oral) for the treatment of hypertension

*7 **<mifamurtide>** Immunostimulant (injection) for the treatment of non-metastatic osteosarcoma

*8 **TAK-375 <ramelteon>** MT1/MT2 receptor agonist (oral) for the treatment of insomnia

*9 **TAK-390MR <dexlansopraxole>** Proton pump inhibitor (oral) for the treatment of erosive esophagitis and gastro-esopageal reflux disease

(Reference) Recent Topics

Collaborative Research on iPS Cell

On April 17 of this year, the Company and Center for iPS Cell Research Application (CiRA) of Kyoto University announced that we had entered into a 10 year agreement to conduct collaborative research on drug discovery and cell therapy using iPS cells. Directed by Kyoto University Professor Shinya Yamanaka, the discoverer of iPS cells and winner of the 2012 Nobel Prize in Physiology or Medicine, CiRA is the first research institution in the world to specialize in iPS cell research. This collaboration is expected to make significant contributions to the science and application of iPS cell technology into clinical practice, which requires a significant amount of time, effort and investment.

This collaborative research will include roughly 100 researchers from both the Company and CiRA. It will be directed by Professor Yamanaka and will utilize the facilities at Shonan Research Center of the Company. Additionally, the Company will provide collaborative funding of 20 billion yen over a 10-year period. The iPS cell technology has the potential to bring about ground-breaking transformations to future medical treatments, and its applications span a variety of fields, including drug discovery, cell therapy and drug safety assessments. By applying iPS cells to the research and development of drugs and medicines, future efficacy and safety can be confirmed without relying on compound screenings or animal experiments. Potential research projects include heart failure, diabetes mellitus, neuro-psychiatric disorders, and cancer immunotherapy. Additional projects will be included as the collaboration moves forward. Once set up, around 10 projects will be pursued concurrently.

Through this collaborative research with CiRA, the Company will make effort to deliver innovative medical treatments as quickly as possible to meet patients' needs.

Launch of New Drugs

"ENTYVIO ™", launched in the U.S. and Europe in June of last year, is a groundbreaking treatment for patients with ulcerative colitis or Crohn's disease. It is anticipated to be a blockbuster global product which is extremely important for the Company's continuous growth.

In Japan, the Company launched "TAKECAB®", a drug for the treatment of acid-related diseases, in February of this year. TAKECAB is a drug discovered and developed by the Company that provides fast-acting, strong and sustained acid secretion inhibitory effects. We expect it to be the new treatment option which fulfills the unmet medical needs of patients suffering from acid-related diseases.

Additionally, in March of this year, the Company filed a new drug application for a single pack containing TAKECAB for eradication of *Helicobacter pylori* in Japan. Also in March of this year, the Company obtained the new drug application approval of "Zafatek®", the world's first once-weekly DPP-4 inhibitor which can contribute to improvement in drug adherence for the

patients suffering from type 2 diabetes, and help medical professionals engaged in the treatment to deliver the best possible treatments for each patient's individual lifestyle.

The Company will continue to make effort to bring patients and medical professionals over the world the innovative new drugs they're hoping for, to deliver the treatment options which can contribute to improvement in drug adherence, and to further enhance its corporate value.

(Caption) Takecab ® and Zafatek ®

(The pictures are omitted in this translation.)

President Christophe Weber's 1st Year on the Job

As a step toward becoming a truly global company, the Company has taken on a new organizational structure as of April 1 of this year. While redefining the Company's sales structure for each region into the five Regional Business Units, namely "Japan Pharma", "United States", "Europe-Canada", "Emerging Markets", and "Japan Consumer Healthcare", the Company has also established two global Specialty Business Units, namely "Oncology" and "Vaccines" and promoting the globalization of the Company's business. The R&D function has been reorganized into four Therapeutic Area Units based on types of illness, namely "Central Nervous System", "Cardiovascular & Metabolic", "Gastroenterology", and "Oncology", in order to narrow the scope of priorities, clarify assignments of responsibilities, and bolster cooperative efforts between the R&D and commercial functions. With these organizational reforms, the Company will be "an organization that always thinks of the world's patients and customers first", enhancing the Company's ability to handle changes and competitiveness for the future. The Company also focuses on "clearly defining accountability and ownership" and "being as simple as possible for a global company."

In order to more deeply comprehend the significance of the 230-plus year presence Takeda has maintained in Japan, President Christophe Weber visited the Takeda Historical Museum which houses valuable documents from Takeda's history including the "Nori" written in 1940, which became the basis for Takeda-ism. He also performed Takeda's old tradition such as the *kotohajime** and participated in the Company's annual ceremony for its guardian deity *Inari Shrine*.

* In Japan, New Year preparations known as "*kotohajime*" traditionally start on December 13. On this day, the ledger to be used in the following year is inscribed by the head of the company. The tradition continues at the Company to this day.

(Caption) *Inari Shrine* annual ceremony and *kotohajime*

(The pictures are omitted in this translation.)

New Healthcare Products

While the market in Japan for OTC drugs has been shrinking, in the Company, Alinamin® brand, which marked 60th anniversary last year, has recorded brisk sales, and the Company's healthcare business, OTC drug business in Japan, also has showed steady performance. In October of last year, the Company launched "Rubina Meguri®", an herbal remedy that provides relief for disorder such as sensitivity to the cold, swelling, menstrual pain and headache. The Company also launched "Midori no Shukan®", a health supplement which contains euglena. Additionally, as a new business development, the Company has reached a comprehensive collaborative agreement with euglena Co., Ltd in which both parties study and examine together about the possibility for creating new euglena compound products.

The Company will strive further to contribute to customers' vibrant daily lives through healthcare business from now on.

(Caption) Rubina Meguri® and Midori no Shukan®

(The pictures are omitted in this translation.)

(Reference) Basic Data concerning Stock

Memo for shareholders

Fiscal year	April 1 each year to March 31 of the following year
Ordinary General Meeting of Shareholders	June each year
Reference dates	Ordinary General Meeting of Shareholders: March 31 each year Term-end dividend: March 31 each year Interim dividend: September 30 each year
Number of shares per share unit	100 shares
Methods used for public notices	Electronic public notice Public notices are published on the website: http://www.takeda.co.jp/investor-information/koukoku/index.html However, if the Company is unable to make public notices by electronic means due to breakdown or other unavoidable reason, public notices will be published in the Nihon Keizai Shimbun.

Guidance Notes on Services concerning Stock

Transfer agent and Administrator of the Special Account
Mitsubishi UFJ Trust and Banking Corporation
Inquiries:
Mitsubishi UFJ Trust and Banking Corporation
Osaka Corporate Agency Division
6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502

0120-094-777 (toll-free number)
(Operating hours: 9:00 to 17:00, excluding Saturdays, Sundays and public holidays)

- For procedures such as changes of address, shareholders are asked to direct inquiries to the securities company, etc., where they have opened a trading account.
- For procedures related to dividends after the payment period has passed or related to shares listed in the Special Account, please direct inquiries to the Mitsubishi UFJ Trust and Banking Corporation as shown above.

Guidance Notes on the Exercising of Voting Rights via Electronic Means (e.g., the Internet, etc.)

If you wish to exercise your voting rights via electronic means (e.g., the Internet, etc.), please ensure that you do so after confirming the following items.
If you attend the Meeting in person, exercising your voting rights by mailing (using the Voting Right Exercise Form) or via the Internet is not necessary.

Details

1. Website for Exercising Voting Rights
(1) You may exercise your voting rights via the Internet only by accessing the website for exercising voting rights specified by the Company (http://www.evote.jp/) using a personal computer, a smartphone or a cellular phone. Please note that you will not be able to access the above URL from 2:00 a.m. to 5:00 a.m. each day during the period prescribed for exercising these rights.
(2) In some cases, you may not be able to use the website for exercising voting rights, depending upon the network environment, the service and the equipment you are using.
(3) Although the exercising of voting rights via the Internet will be accepted **until 5:30 p.m. on Thursday, June 25, 2015**, we recommend that you exercise your voting rights earlier. If you have any inquiries, please contact the help desk shown below.

2. Method for Exercising Voting Rights via the Internet
(1) On the website for exercising voting rights (http://www.evote.jp/), please enter your approval or disapproval of the proposals, using the "Code" and "Tentative Password" provided in the Voting Right Exercise Form and following the instructions on the screen.
(2) Please note that if you wish to exercise your voting rights via the Internet, you will be asked to change your "Tentative Password" on the website for exercising voting rights to prevent unauthorized access and falsification of voting by non-shareholders.

3. Costs Arising from Access to the Website for Exercising Voting Rights
Any Internet access fees or communication charges, etc., arising from access to the website for exercising voting rights shall be borne by the user.

For inquiries with respect to systems, please contact:

Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division (help desk)
Telephone: 0120-173-027 (toll-free number)
Operating Hours: 9:00 to 21:00

To Institutional Investors:
It is possible to use the "Electronic Voting Platform" as a method for exercising voting rights.

END OF DOCUMENT