



Consolidated Financial Results FY2016 Q3

February 1, 2017

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Takeda Pharmaceutical Company Limited



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Strategic focus driving profitable growth: Underlying Revenue +7.4%, Core Earnings +23.5%, Core EPS +31.7%

YTD reported results show strong profit performance

- YTD revenue declined -5.6% due to currency (-8.4pp) and divestitures (-4.5pp)
- Operating Profit increased +29.8% with strong underlying growth and the one-time Teva JV gain partly offset by divestitures and impairment impacts
- EPS was up +46.3% to 212 yen from 145 yen last year
- Operating Free Cash Flow up +9.3% to 120 Bn yen

Strong YTD underlying performance continued ahead of our expectations

- Underlying Revenue grew +7.4% with Growth Drivers up +15.5%
- Underlying Core Earnings increased +23.5% with margin up +2.1pp
- Underlying Core EPS was up +31.7% reflecting strong Core Earnings growth and tax timing benefits

Continued strong performance underpins improved full year outlook

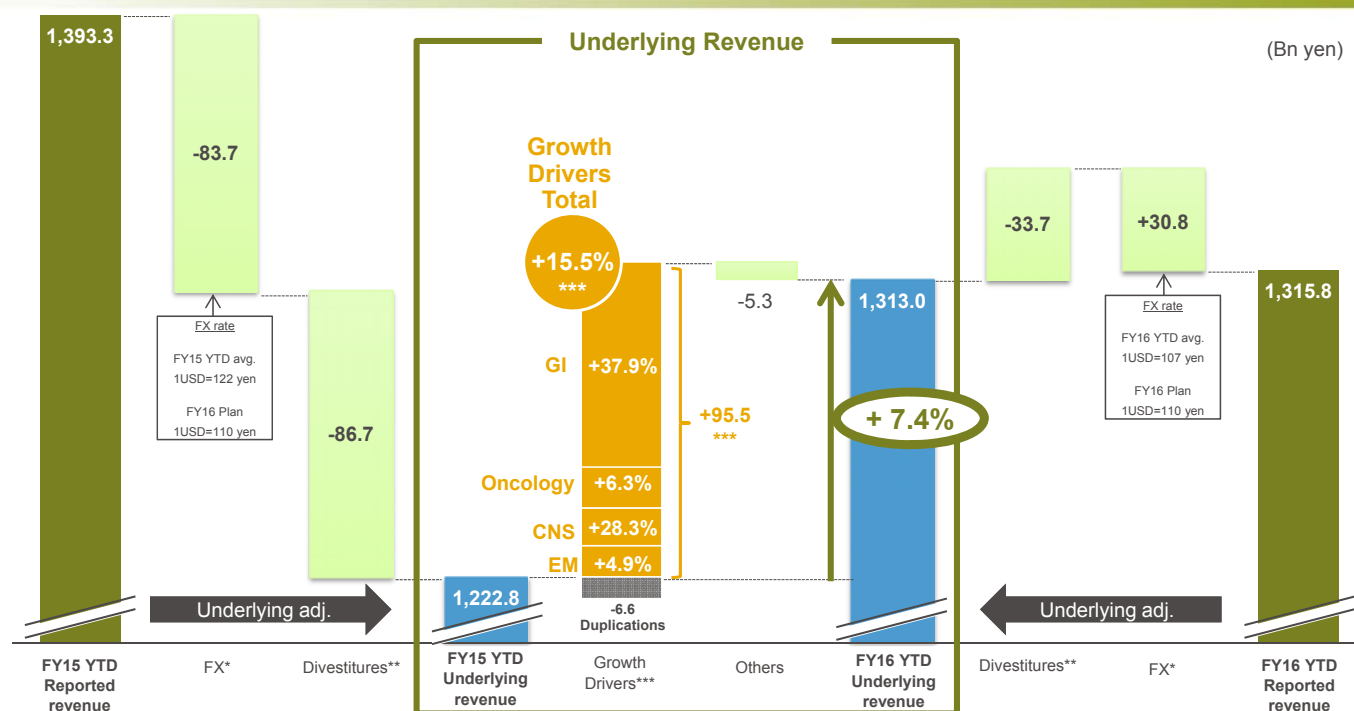
Reported income statement: YTD EPS +46.3%

	FY15 YTD	FY16 YTD	Change	
(Bn yen)				
Revenue	1,393.3	1,315.8	-77.4	- 5.6%
Gross profit	990.8	891.5	-99.3	- 10.0%
% Revenue	71.1%	67.8%		-3.4pp
SG&A	-475.5	-439.4	+36.2	- 7.6%
R&D	-247.5	-223.8	+23.7	- 9.6%
Core Earnings	267.9	228.3	-39.5	- 14.8%
Amortization and impairment of intangibles	-97.1	-102.2	-5.0	+ 5.2%
Other income/expenses	-3.2	91.3	+94.5	NA
Operating profit	167.5	217.4	+49.9	+ 29.8%
% Revenue	12.0%	16.5%		+4.5pp
Financial income/expenses	-13.3	-8.2	+5.1	- 38.1%
Equity income	0.4	-0.4	-0.8	NA
Profit before tax	154.6	208.8	+54.2	+ 35.1%
Income tax	-38.2	-40.8	-2.5	+ 6.6%
Non-controlling interests	-2.7	-2.4	+0.4	- 13.1%
Net profit	113.6	165.7	+52.0	+ 45.8%
EPS	145 yen	212 yen	+67 yen	+ 46.3%
Core EPS	240 yen	229 yen	-11 yen	- 4.4%

Underlying income statement: revenue +7.4%, Core Earnings +23.5%, Core EPS +31.7%

	FY15 YTD	FY16 YTD	Change	
Underlying Revenue	1,222.8	1,313.0	+90.2	+ 7.4%
Underlying Gross profit	845.6	896.7	+51.1	+ 6.0%
% Revenue	69.2%	68.3%		-0.9pp
SG&A	-441.0	-453.6	-12.5	+ 2.8%
R&D	-231.5	-229.2	+2.2	- 1.0%
Underlying Core Earnings	173.1	213.9	+40.8	+ 23.5%
% Revenue	14.2%	16.3%		+2.1pp
Financial income/expenses	1.8	-3.5	-5.3	NA
Equity income	0.4	0.6	+0.1	+ 23.4%
Underlying Core Profit before tax	175.4	211.0	+35.6	+ 20.3%
Income tax	-46.0	-41.5	+4.5	- 9.7%
Non-controlling interests	-2.6	-2.4	+0.2	- 9.6%
Underlying Core Net profit	126.8	167.1	+40.3	+ 31.7%
Underlying Core EPS	162 yen	213 yen	+51 yen	+ 31.7%

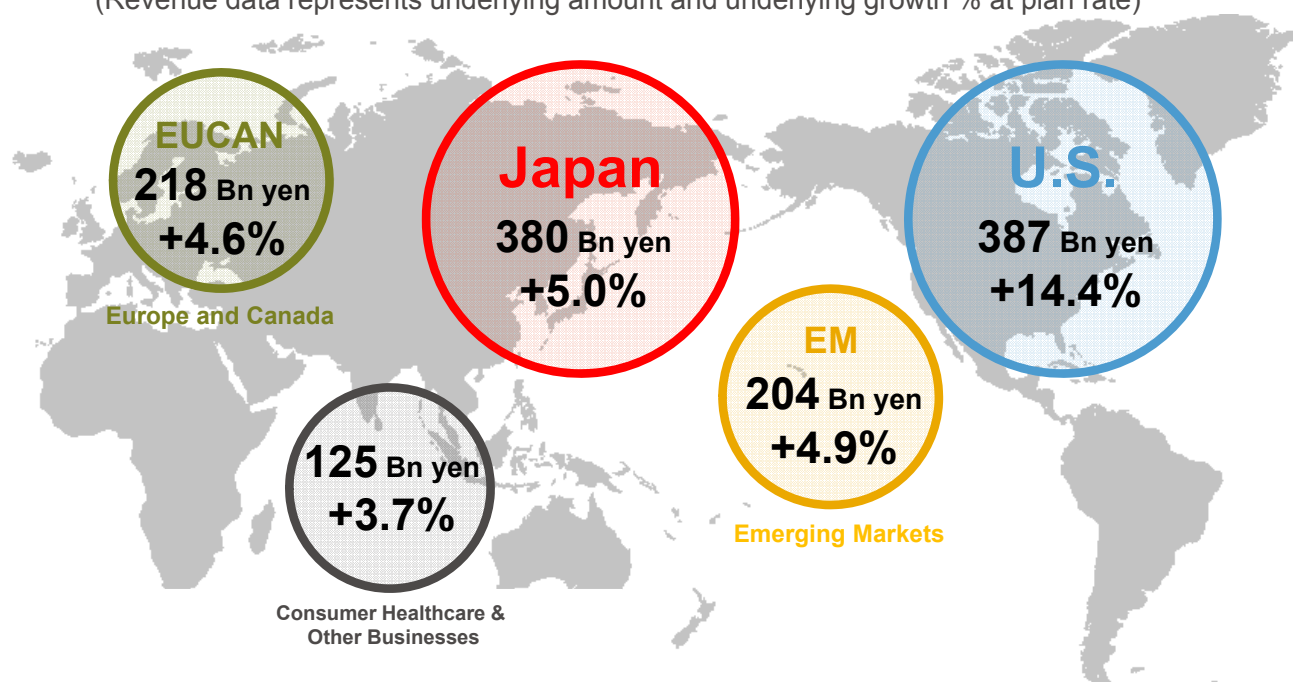
Underlying Revenue increased +7.4% YTD, led by +15.5% from Growth Drivers



Revenue growth across all regions

FY16 YTD Consolidated Underlying Revenue: 1,313 Bn yen, +7.4%

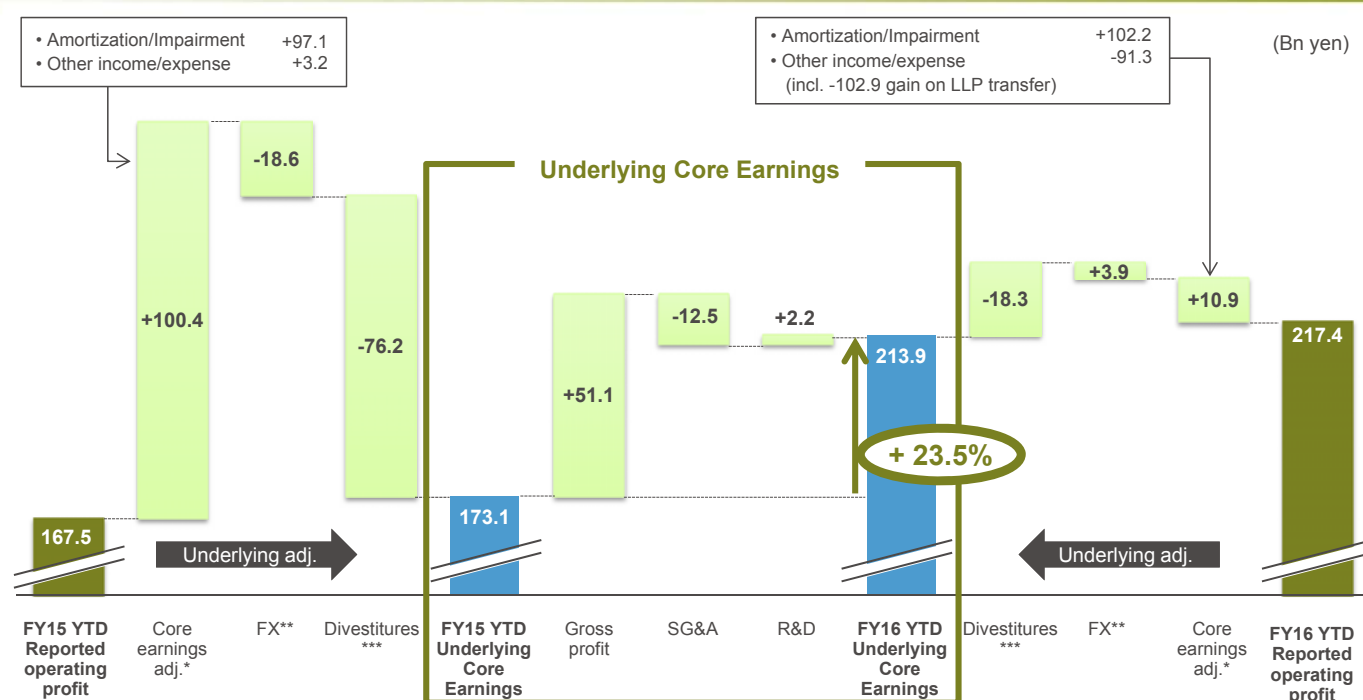
(Revenue data represents underlying amount and underlying growth % at plan rate)



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Takeda Pharmaceutical Company Limited

Underlying Core Earnings growth of 23.5% driven by revenue, cost management and phasing of expenses



* See reported to core, core to underlying reconciliation Excel sheet uploaded onto the website.

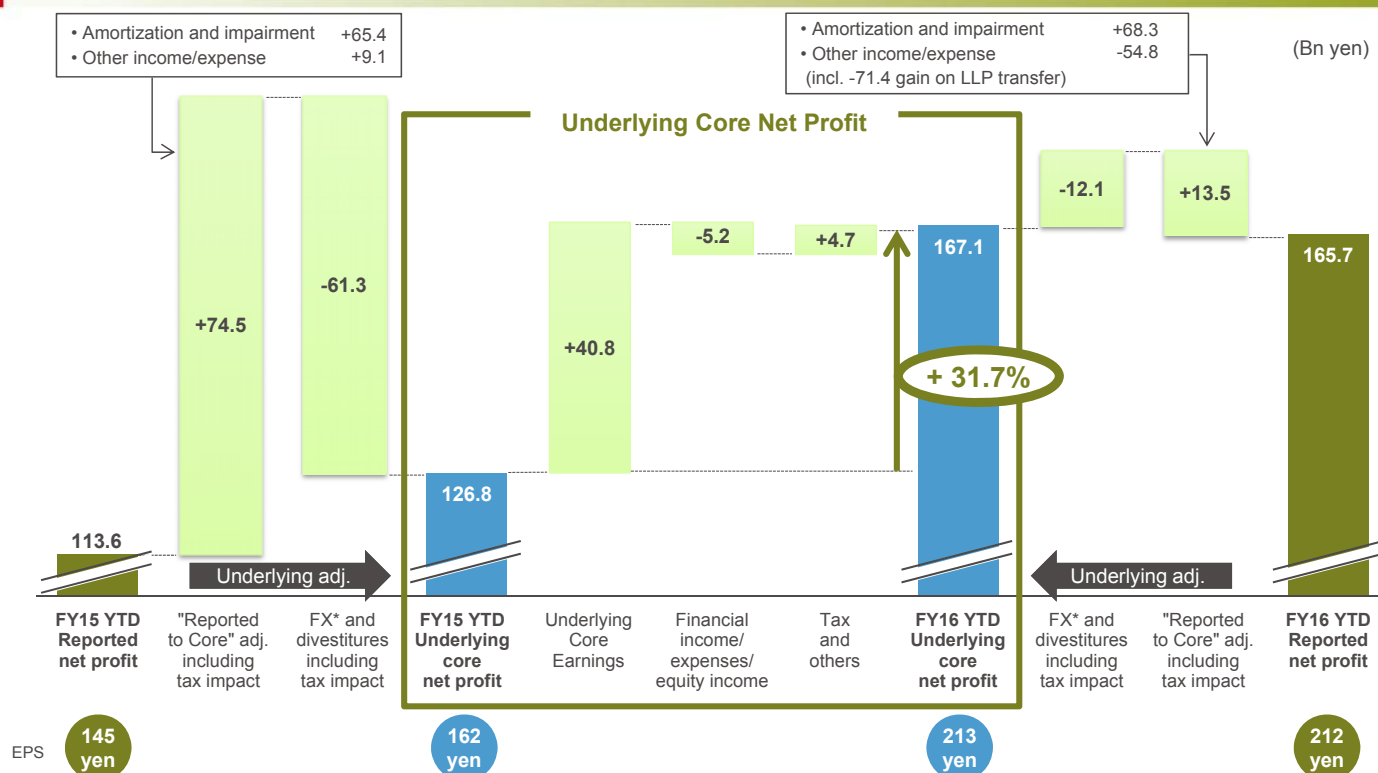
** FX adjustment applies FY2016 plan rate to both years (1USD=110 yen, 1EUR=125 yen)

*** Includes divestitures of LLP in Japan, CONTRAVE, and respiratory products, and a gain related to an out-licensing deal with Myovant for relugolix, etc. See Appendix for details

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Takeda Pharmaceutical Company Limited

Underlying Core Net Profit/EPS up +31.7% driven by Core Earnings and tax timing benefits



11 * FX adjustment applies FY2016 plan rate to both years (1USD=110 yen, 1EUR=125 yen)

Takeda Pharmaceutical Company Limited

Operating Free Cash Flow up +9.3% to 120 Bn yen

(Bn yen)

	FY15 YTD	FY16 YTD	Change	
Net profit	116.4	168.0	+51.7	+44.4%
Depreciation, amortization and impairment loss	145.4	147.5	+2.1	
Decrease (increase) in trade working capital	-66.7	-62.3	+4.5	
Income taxes paid	-29.9	-10.1	+19.8	
Other*	5.5	-65.5	- 71.0	
Net cash from operating activities	170.6	177.7	+7.1	+4.2%
Acquisition of tangible assets	-38.8	-42.3	- 3.5	
Acquisition of intangible assets**	-21.9	-15.4	+6.5	
Operating Free Cash Flow	109.8	120.0	+10.2	+9.3%

* "Other" excludes a 40.8 Bn yen payment into escrow for a potential future transaction in Emerging Markets (subject to due diligence and other closing conditions).

** "Acquisition of intangible assets" excludes a payment of 15.7 Bn yen to buy back future royalties.

Strong YTD performance underpins an improved full year outlook

Management Guidance

- Strong YTD profitable growth allows us to increase full year profit guidance

Reported Forecast

- Revenue increased from 1,670 Bn yen to 1,700 Bn yen
- Core Earnings increase offsets the impact of ARIAD acquisition and other one-off expenses
- ARIAD acquisition impact
 - Accretive to Core Earnings by FY2018
 - FY2016 operating profit is negatively impacted (9-10 Bn yen)
 - Amortization estimated at 20-21 Bn yen in FY2017
- Net Profit increased by approximately 2%, also reflecting a lower tax rate

Strongly committed to shareholder returns with dividend as a key component

Increasing guidance for Underlying Core Earnings and Underlying Core EPS

FY2016 Management Guidance

	Previous Guidance Oct 28, 2016	Revised Guidance Feb 1, 2017
Underlying Revenue	Mid single digit growth (%)	Mid single digit growth (%)
Underlying Core Earnings	Mid- to high-teen growth (%)	<u>High-teen growth (%)</u>
Underlying Core EPS	Low- to mid-teen growth (%)	<u>Mid-teen growth (%)</u>
Annual dividend per share	180 yen	180 yen

Core Earnings up 16-17 Bn yen and offsets accelerated R&D transformation costs and potential ARIAD impact

Full Year Reported Forecast

	(Bn yen)	
	Previous forecast Oct 28, 2016	Latest forecast Feb 1, 2017
Revenue	1,670.0	1,700.0
R&D expenses	-310.0	-315.0
Operating profit	135.0	135.0
Profit before tax	132.5	132.5
Net profit	91.0	93.0
EPS	116 yen	119 yen
Exchange Rate (AVG. annual)	Yen per USD 104	Yen per USD 109
	Yen per EUR 117	Yen per EUR 120

	Bn yen
Core Earnings	+16-17
R&D transformation	-7
ARIAD impact	-9-10
Operating profit	—

- ✓ Total estimated costs related to the R&D transformation program are unchanged at 75 Bn yen; we now estimate 47 Bn yen in FY2016 and 28 Bn yen in FY2017.
- ✓ Amortization and impairment forecast (net of contingent considerations) increased 8 Bn yen to 138 Bn yen.
- ✓ Teva JV financial impact in FY2016 unchanged: Revenue approx. 10 Bn yen, One-time gain on LLP transfer 102.9 Bn yen, Equity income and other income approx. 10 Bn yen, Total profit before tax approx. 120 Bn yen (excluding one-time gain, approx. 20 Bn yen).

Appendix

Definition of Core and Underlying Growth

Core Results Concept

Core Earnings is calculated by taking Gross Profit and deducting SG&A expenses and R&D expenses. In addition, certain other items that are non-core in nature and significant in value may also be adjusted. This may include items such as the impact of natural disasters, purchase accounting effects, major litigation costs, integration costs and government actions, amongst others. The threshold for adjustments is set deliberately high at 1 Bn yen to ensure accountability and credibility.

Core EPS is calculated by taking Core Earnings and adjusting for items that are non-core in nature and significant in value (over 1 Bn yen) within each account line below Operating Profit. This includes, amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration. In addition to the tax effects related to these items, the tax effects related to the above adjustments made in Core Earnings are also adjusted for when calculating Core EPS.

Underlying Growth

Underlying growth compares two periods (quarters or years) of financial results on a common basis, showing the ongoing performance of the business excluding the impact of foreign exchange and divestitures from both periods.

Constant Currency: Takeda operates globally and is exposed to movements in various different foreign exchange rates. Consequently, financial result comparisons between different periods can be, and often are, distorted by differences in the exchange rates at which transactions in foreign currencies are recorded. To enable management and external stakeholders to better understand underlying changes in financial performance, undistorted by the effects of movements in exchange rates, underlying results are prepared using constant exchange rates (CER), typically the budgeted exchange rates for the current year.

Growth Drivers

Growth Drivers maintained strong momentum

Underlying
revenue growth

	FY16 YTD (Bn yen)	vs. previous year	
GI*	240.5	+37.9%	
Oncology**	255.5	+6.3%	
CNS	51.8	+28.3%	
Emerging Markets*	203.8	+4.9%	
Growth Drivers***	710.5	+15.5%	Growth Drivers % of total sales 54%

* Sales of pantoprazole in Emerging Markets (EM) is included in EM, but not in GI (Gastroenterology), as it is a key driver in EM.
Sales of pantoprazole in other regions is not included in this slide.

** Underlying growth of Oncology excluding VELCADE royalties and other income is +7.6%

*** Total GI/Oncology/CNS/EM, eliminated duplications (e.g. ADCETRIS in EM and in Oncology)

Growth Drivers in GI, Oncology and CNS

Underlying
revenue growth

(Bn yen)

	FY15 YTD	FY16 YTD	Underlying growth	
ENTYVIO	54.1	106.8	+52.7	+97.5%
TAKECAB	4.2	24.7	+20.4	NA
AMITIZA	26.2	26.9	+0.7	+2.5%
DEXILANT	51.1	48.7	-2.4	-4.7%
LANSOPRAZOLE*	38.8	33.5	-5.3	-13.6%
GI	174.4	240.5	+66.1	+37.9%
NINLARO	0.5	21.4	+20.9	NA
ADCETRIS	18.7	22.8	+4.1	+21.9%
VECTIBIX	14.2	14.6	+0.3	+2.4%
LEUPRORELIN	92.7	90.1	-2.5	-2.7%
VELCADE	114.3	106.6	-7.7	-6.7%
Oncology	240.4	255.5	+15.1	+6.3%
TRINTELLIX**	16.3	23.6	+7.2	+44.3%
ROZEREM	11.6	14.2	+2.6	+22.1%
REMINYL	12.4	13.6	+1.2	+9.5%
COPAXONE	0.0	0.5	+0.5	NA
CNS	40.4	51.8	+11.4	+28.3%

* Sales of LANSOPRAZOLE in Japan, product name TAKEPRON (single agent) is adjusted in FY15 due to transfer of the product to the JV with Teva in FY16.

** TRINTELLIX is the brand name used since June 2016 for the product previously marketed as BRINTELLIX.

Growth Drivers in GI and Oncology – Product Profile

Growth Drivers in GI*

Brand/Generic Name	Launch**	Drug Class	Main Indications
1 LANSOPRAZOLE	1992/12	Proton pump inhibitor	Peptic ulcers
2 AMITIZA	2006/4	Chloride channel activator	Chronic idiopathic constipation
3 DEXILANT	2009/2	Proton pump inhibitor	Acid reflux diseases
4 ENTYVIO	2014/6	Humanized monoclonal antibody against $\alpha 4 \beta 7$ integrin	Ulcerative colitis, Crohn's disease
5 TAKECAB	2015/2	Potassium-competitive acid blocker	Acid-related diseases

Growth Drivers in Oncology

Brand/Generic Name	Launch**	Drug Class	Main Indications
1 LEUPRORELIN	1985/5	LH-RH agonist	Prostate cancer
2 VELCADE	2008/5	Proteasome inhibitor	Multiple myeloma
3 VECTIBIX	2010/6	Anti-EGFR human monoclonal antibody	Advanced or recurrent colorectal cancer
4 ADCETRIS	2012/11	CD30 monoclonal antibody-drug conjugate	Relapsed or refractory Hodgkin lymphoma
5 NINLARO	2015/12	Proteasome inhibitor – oral	Multiple myeloma

* Pantoprazole is included in Emerging Markets (EM), but not in GI (Gastroenterology), as it is a key driver in EM

** Year and month of the first launch by Takeda in any region.

Growth Drivers in CNS – Product Profile

Growth Drivers in CNS

Brand/Generic Name	Launch**	Drug Class	Main Indications
1 ROZEREM	2005/9	MT ₁ /MT ₂ receptor agonist	Insomnia
2 REMINYL	2011/3	Acetylcholinesterase inhibitor and nicotinic acetylcholine receptor enhancer	Alzheimer-type dementia
3 TRINTELLIX*	2014/1	Multimodal anti-depressant	Major depressive disorder
4 COPAXONE	2015/11	Immunomodulator	Relapse prevention of multiple sclerosis

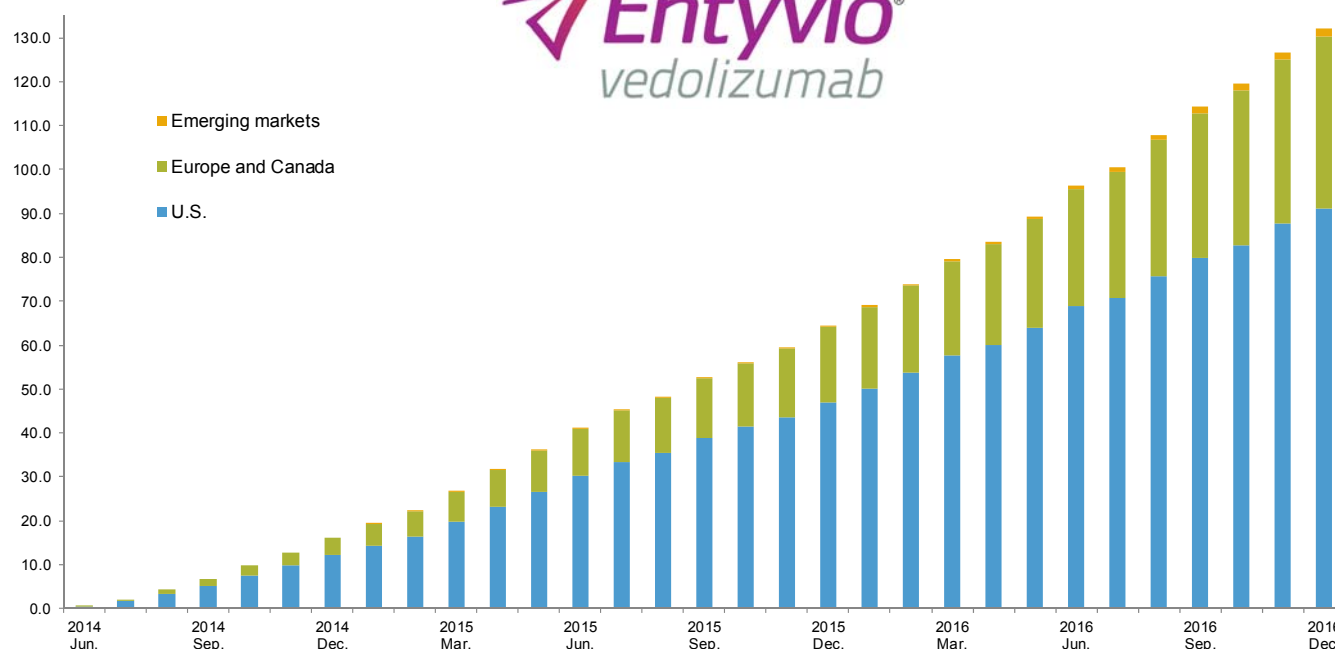
* TRINTELLIX is the brand name used since June 2016 for the product previously marketed as BRINTELLIX

** Year and month of the first launch by Takeda in any region.

ENTYVIO® achieved \$1Bn MAT Sales and is on track to exceed \$2Bn MAT Sales within FY2018

Moving Annual Total sales @ Constant currency

Revenue
(Bn yen)

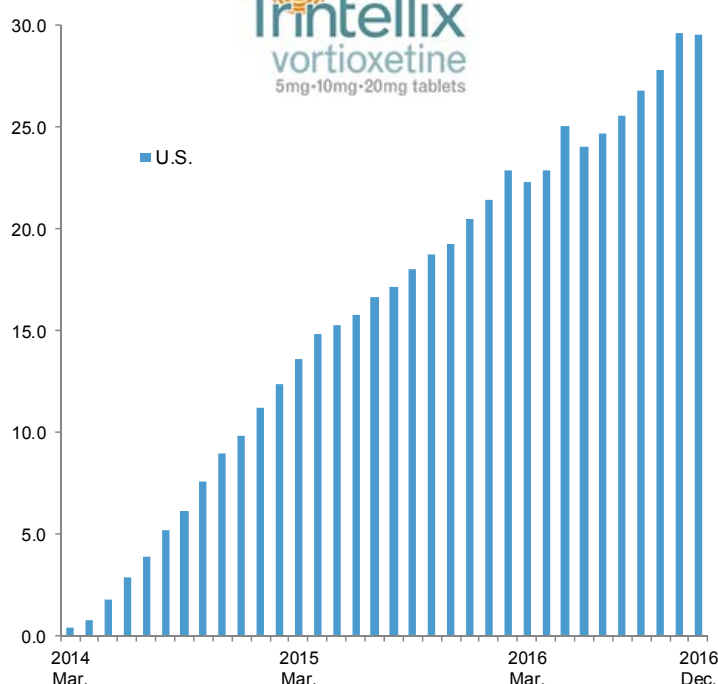


Continued strong performance of TRINTELLIX® and ADCETRIS®

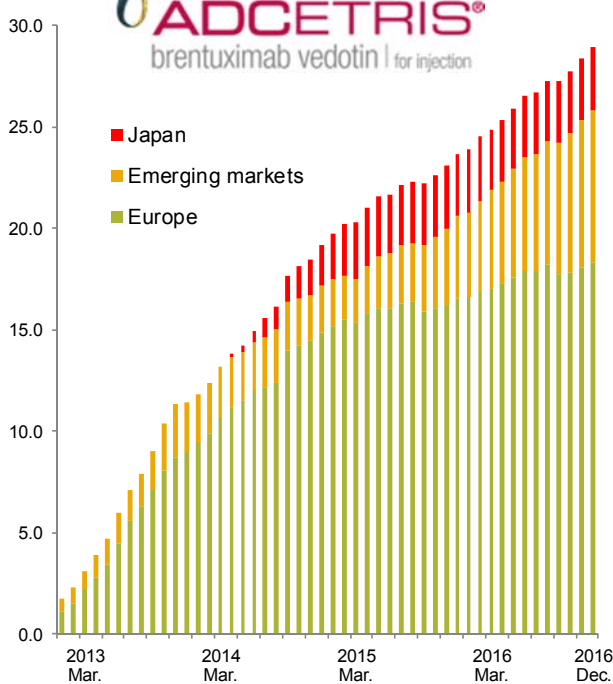
NOTE: TRINTELLIX is the brand name used since June 2016 for the product previously marketed as BRINTELLIX.

Moving Annual Total sales @ Constant currency

Revenue
(Bn yen)



Revenue
(Bn yen)

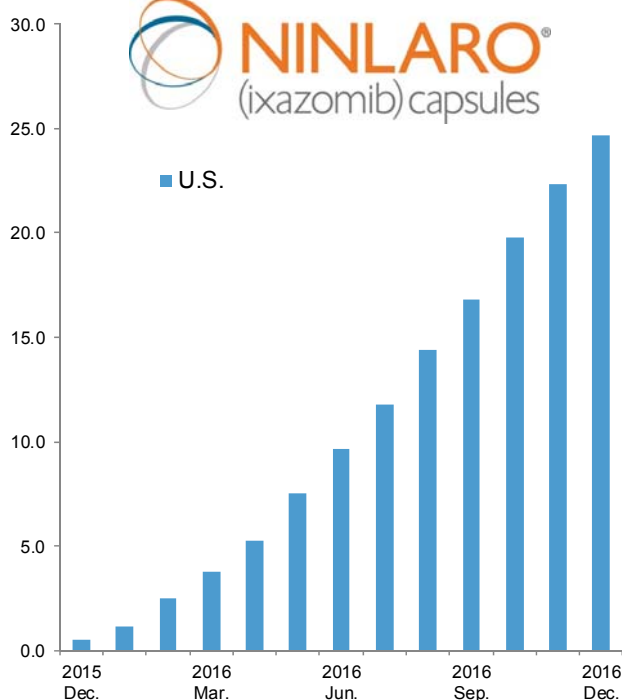


Encouraging uptake of NINLARO® and TAKECAB®

Revenue
(Bn yen)

NINLARO®
(ixazomib) capsules

■ U.S.

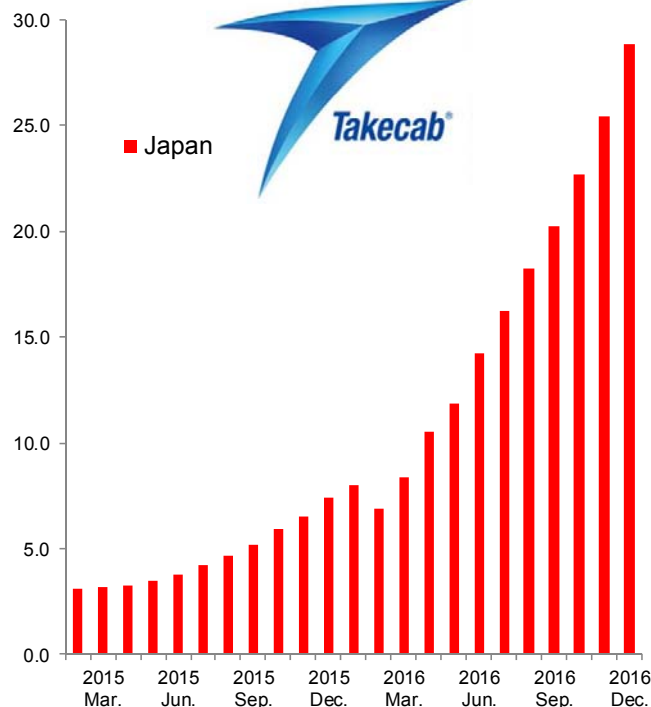


Revenue
(Bn yen)

Moving Annual Total sales @ Constant currency

Takecab®

■ Japan



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Takeda Pharmaceutical Company Limited

Income Statement

YTD Reported income statement

	FY15 YTD	FY16 YTD	Change (Bn yen)	
Revenue	1,393.3	1,315.8	-77.4	- 5.6% *1
Gross profit	990.8	891.5	-99.3	- 10.0% *2
% Revenue	71.1%	67.8%		-3.4pp
SG&A	-475.5	-439.4	+36.2	- 7.6%
R&D	-247.5	-223.8	+23.7	- 9.6%
Core Earnings	267.9	228.3	-39.5	- 14.8%
Amortization and impairment of intangibles	-97.1	-102.2	-5.0	+ 5.2%
Other income/expenses	-3.2	91.3	+94.5	NA
Operating profit	167.5	217.4	+49.9	+ 29.8%
% Revenue	12.0%	16.5%		+4.5pp
Financial income/expenses	-13.3	-8.2	+5.1	- 38.1%
Equity income	0.4	-0.4	-0.8	NA
Profit before tax	154.6	208.8	+54.2	+ 35.1%
Income tax	-38.2	-40.8	-2.5	+ 6.6%
Non-controlling interests	-2.7	-2.4	+0.4	- 13.1%
Net profit	113.6	165.7	+52.0	+ 45.8%
EPS	145 yen	212 yen	+67 yen	+ 46.3%
Core EPS	240 yen	229 yen	-11 yen	- 4.4%

*1 Primarily due to FX (-8.4pp) and divestitures (-4.5pp), partially offset by strong underlying growth

*2 Gross margin down 3.4pp due to FX (-1.1pp), divestitures (-1.2pp) and price/mix (-1.1pp)

*3 Gain on transfer of LLP business to Teva JV (102.9 Bn yen)

*4 More favorable effective tax rate due to Japan tax reform and a favorable statutory earnings mix

Equity accounting impact of Teva JV

FY2016 YTD Teva JV equity impact

	(Bn yen)
Transfer gain (Booked in other operating income)	113.8
Day 1	102.9
Day 2 and after	10.9
Operating profit	113.8
Equity income	-0.9
Core business excl. LLP amortization	5.8
LLP amortization	-6.7
Profit before tax	112.9
Income tax	-34.5
Tax for Day 1 transfer gain, etc.	-31.2
Tax for Day 2 and after transfer gain	-3.3
Net profit	78.4

- Transfer gain offsetting LLP amortization at Teva JV
- Impact on net profit is minimal

NOTE: Excludes supply and distribution income of approximately 10 Bn yen (FY2016 full year forecast).

Q3 Reported income statement

(Bn yen)

	FY15 Q3	FY16 Q3	Change	
Revenue	489.2	465.0	-24.2	- 4.9%
Gross profit	344.2	317.6	-26.6	- 7.7%
% Revenue	70.4%	68.3%		-2.1pp
SG&A	-162.0	-148.4	+13.6	- 8.4%
R&D	-89.2	-71.8	+17.4	- 19.5%
Core Earnings	92.9	97.3	+4.4	+ 4.7%
Amortization and impairment of intangibles	-32.5	-26.5	+6.0	- 18.5%
Other income/expenses	-3.4	-15.5	-12.1	NA
Operating profit	57.0	55.4	-1.7	- 2.9%
% Revenue	11.7%	11.9%		+0.2pp
Financial income/expenses	-3.9	-2.0	+1.9	- 48.5%
Equity income	-0.5	0.5	+1.0	NA
Profit before tax	52.6	53.8	+1.2	+ 2.3%
Income tax	7.8	-11.4	-19.2	NA
Non-controlling interests	-1.1	-1.1	+0.1	- 5.6%
Net profit	59.3	41.4	-17.9	- 30.2%
EPS	76 yen	53 yen	- 23 yen	- 29.9%
Core EPS	102 yen	90 yen	-12 yen	- 12.0%

Q3 Underlying income statement

(Bn yen)

	FY15 Q3	FY16 Q3	Change	
Underlying Revenue	436.1	468.2	+32.1	+ 7.4%
Underlying Gross profit	299.4	320.0	+20.6	+ 6.9%
% Revenue	68.7%	68.4%		-0.3pp
SG&A	-152.2	-155.5	-3.3	+ 2.2%
R&D	-83.7	-74.2	+9.6	- 11.4%
Underlying Core Earnings	63.6	90.4	+26.8	+ 42.2%
% Revenue	14.6%	19.3%		+4.7pp
Financial income/expenses	0.9	-1.3	-2.2	NA
Equity income	-0.5	0.0	+0.5	NA
Underlying Core Profit before tax	64.0	89.2	+25.2	+ 39.4%
Income tax	-4.1	-22.5	-18.5	NA
Non-controlling interests	-1.1	-1.1	+0.0	- 1.4%
Underlying Core Net profit	58.9	65.7	+6.8	+ 11.5%
Underlying Core EPS	75 yen	84 yen	+9 yen	+ 11.5%

Reported to Underlying Bridge

Takeda Pharmaceutical Company Limited

Bridge from Reported Revenue to Underlying Revenue

(Bn yen)

	FY15 Q3	FY16 Q3	Change		FY15 YTD	FY16 YTD	Change	
Revenue	489.2	465.0	-24.2	- 4.9%	1,393.3	1,315.8	-77.4	- 5.6%
FX effects*	-23.6	14.7	+8.0pp		-83.7	30.8	+8.4pp	
Revenue excluding FX effects*	465.6	479.8	+14.1	+ 3.0%	1,309.5	1,346.7	+37.1	+ 2.8%
Divestitures**	-29.5	-11.6	+4.3pp		-86.7	-33.7	+4.5pp	
Underlying Revenue	436.1	468.2	+32.1	+ 7.4%	1,222.8	1,313.0	+90.2	+ 7.4%

* FX adjustment applies FY2016 plan rate to both years (1USD=110 yen, 1EUR=125 yen)

** Includes divestitures of LLP in Japan, CONTRAVE, and respiratory products, and a gain related to an out-licensing deal with Myovant for relugolix, etc.

Note: See reported to core, core to underlying reconciliation Excel sheet uploaded onto the website.

Bridge from Operating Profit to Underlying Core Earnings

(Bn yen)

	FY15 Q3	FY16 Q3	Change		FY15 YTD	FY16 YTD	Change	
Operating profit	57.0	55.4	-1.7	- 2.9%	167.5	217.4	+49.9	+ 29.8%
Amortization and impairment of intangibles	32.5	26.5	-6.0		97.1	102.2	+5.0	
Other income/expenses	3.4	15.5	+12.1		3.2	-91.3	-94.5	
Core Earnings	92.9	97.3	+4.4	+ 4.7%	267.9	228.3	-39.5	- 14.8%
FX effects*	-3.4	1.1	+4.5		-18.6	3.9	+22.4	
Divestitures**	-26.0	-8.0	+18.0		-76.2	-18.3	+57.9	
Underlying Core Earnings	63.6	90.4	+26.8	+ 42.2%	173.1	213.9	+40.8	+ 23.5%

* FX adjustment applies FY2016 plan rate to both years (1USD=110 yen, 1EUR=125 yen)

** Includes divestitures of LLP in Japan, CONTRAVE, and respiratory products, and a gain related to an out-licensing deal with Myovant for relugolix, etc.

Note: See reported to core, core to underlying reconciliation Excel sheet uploaded onto the website.

Bridge from Net Profit to Underlying Core Net Profit

(Bn yen)

	FY15 Q3	FY16 Q3	Change		FY15 YTD	FY16 YTD	Change	
Net profit	59.3	41.4	-17.9	- 30.2%	113.6	165.7	+52.0	+ 45.8%
EPS	76 yen	53 yen	- 23 yen	- 29.9%	145 yen	212 yen	+ 67 yen	+ 46.3%
Amortization and impairment of intangibles	21.8	17.5	-4.3		65.4	68.3	+2.9	
Other income/expenses	-2.0	10.8	+12.8		0.2	-61.7	-61.8	
Purchase accounting adj.	2.1	0.5	-1.6		6.4	6.8	+0.4	
Other exceptional gains and losses	-1.1	—	+1.1		2.5	-0.0	-2.5	
Core net profit	80.1	70.2	-9.8	- 12.3%	188.1	179.2	-9.0	- 4.8%
Core EPS	102 yen	90 yen	- 12 yen	- 12.0%	240 yen	229 yen	- 11 yen	- 4.4%
FX effects*	-3.7	2.9	+6.6		-7.9	6.4	+14.3	
Divestitures**	-17.5	-7.5	+10.0		-53.4	-18.4	+34.9	
Underlying Core net profit	58.9	65.7	+6.8	+ 11.5%	126.8	167.1	+40.3	+ 31.7%
Underlying Core EPS	75 yen	84 yen	+ 9 yen	+ 11.5%	162 yen	213 yen	+ 51 yen	+ 31.7%

* FX adjustment applies FY2016 plan rate to both years (1USD=110 yen, 1EUR=125 yen)

** Includes divestitures of LLP in Japan, CONTRAVE, and respiratory products, and a gain related to an out-licensing deal with Myovant for relugolix, etc.

Note: See reported to core, core to underlying reconciliation Excel sheet uploaded onto the website.

FY2015 Baseline for FY2016 Management Guidance

(Bn yen)	Oct 28, 2016	FY15		Feb 1, 2017	FY15
Revenue		1,807.4		Revenue	1,807.4
Fx effects*		-91.3		Fx effects*	-91.3
LLP transferred to Teva JV		-81.7		LLP transferred to Teva JV	-81.7
Respiratory business divestment		-20.7		Respiratory business divestment	-21.3
CONTRACE transfer back		-6.3		CONTRACE transfer back and others	-7.8
Underlying Revenue		1,607.5		Underlying Revenue	1,605.4
<hr/>					
Operating profit		130.8		Operating profit	130.8
Amortization and impairment losses on intangible assets associated with products and pipeline		131.8		Amortization and impairment losses on intangible assets associated with products and pipeline	131.8
Other income		-20.9		Other income	-21.3
Other expense		44.4		Other expense	44.4
Others		6.3		Others	6.3
Core Earnings		292.4		Core Earnings	292.0
Fx effects*		-17.0		Fx effects*	-17.0
Divestment (Teva, Respiratory, and CONTRACE)		-95.3		Divestment (Teva, Respiratory, CONTRACE, Wako etc.)	-91.9
Underlying Core Earnings		180.1		Underlying Core Earnings	183.0

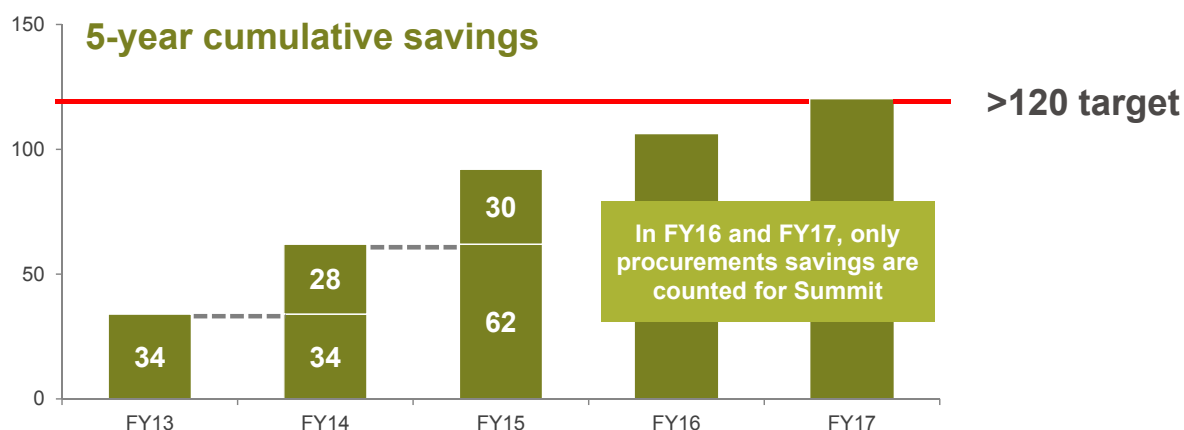
* Adjustment applying a constant currency at 1USD=110 yen, 1EUR=125 yen and etc., i.e. FY16 plan rate

Project Summit

Project Summit tracking ahead of plan

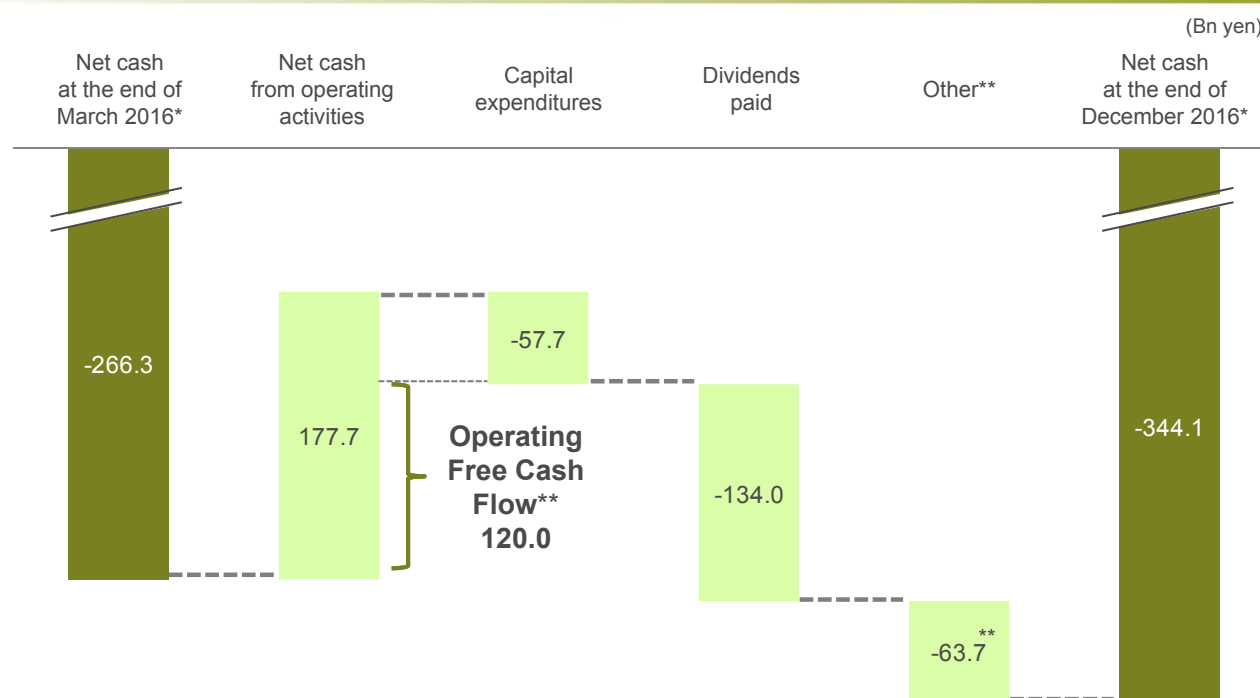
	FY13-15 (cumulative)	FY16 YTD (result)	FY13-17 (cumulative target) (Bn yen)
Cost savings	92	13*	>120
Implementation costs	69	8	Up to 100

* FY16 YTD savings breakdown: 25% Commercial, 32% R&D, 20% Production & Supply, and 23% G&A



Net Cash

Net cash at the end of December 2016



* Debt figures in this slide represent bonds and loans FX rate hedged basis.

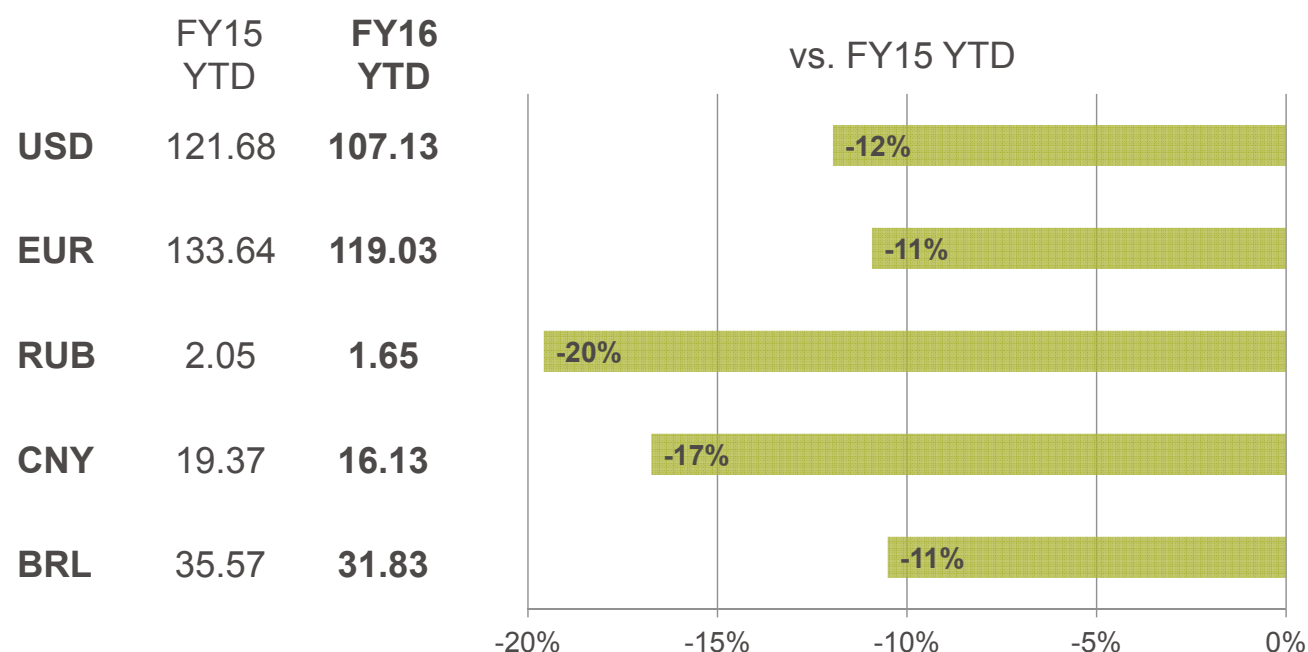
Cash and cash equivalents include short-term investments which mature or become due within one year from the reporting date.

** "Other" includes a 40.8 Bn yen payment into escrow for a potential future transaction in Emerging Markets (subject to due diligence and other closing conditions) and a payment of 15.7 Bn yen to buy back future royalties. These payments are excluded from operating free cash flow.

Foreign Exchange Rates

Average Exchange Rates for FY16 YTD

Average Exchange Rates (yen)*



*Average of preceding month-end spot rates for each month of the period

Monthly exchange rates and outlook

Actual*	FY15					FY16				
	USD	EUR	RUB	CNY	BRL	USD	EUR	RUB	CNY	BRL
Apr	120	130	2.1	19.3	37.2	112	127	1.7	17.4	31.2
May	119	130	2.3	19.1	40.8	111	126	1.7	17.1	31.6
Jun	124	136	2.4	20.0	39.2	111	124	1.7	16.9	31.1
Jul	123	138	2.2	19.7	39.3	103	114	1.6	15.5	31.9
Aug	124	136	2.1	20.0	36.8	105	117	1.6	15.7	32.0
Sep	122	136	1.9	19.0	34.0	103	115	1.6	15.4	31.8
Oct	120	135	1.8	18.8	29.5	101	113	1.6	15.2	31.0
Nov	121	133	1.9	19.1	31.5	105	115	1.7	15.6	32.7
Dec	123	130	1.8	19.2	31.9	112	120	1.7	16.3	33.1
Average	122	134	2.0	19.4	35.6	107	119	1.6	16.1	31.8

*Preceding month-end spot rates applied to each month of the period

(yen)

Outlook	FY16				
	USD	EUR	RUB	CNY	BRL
Average Jan-Mar	115	122	1.9	16.7	35.8
Average Apr-Mar	109	120	1.7	16.3	32.8

FY2016 Q3 Pipeline Table

	Phase 1			Phase 2		Phase 3 / Filed	LCM		
Oncology	TAK-202 CCO2 antagonist Solid Tumors	TAK-580 Pan-Raf Kinase Inhibitor Solid Tumors	TAK-931 COG7 Inhibitor Solid Tumors	PEVONEDISTAT NAC Inhibitor HIV/MO	TAK-228 mTORC1/2 Inhibitor Breast Cancer, Endometrial Cancer, Pancreatic Cell Cancer		ADCETRIS CD30 ADC Relapsed/Refractory HL, Relapsed/Refractory sALL, Consolidation in Post-SCT HL, Relapsed CD30+ CTCL, Frontline HL, Frontline MTCL	NINLARO Proteasome Inhibitor Relapsed/Refractory MM, Amyotrophic Lateral Sclerosis, MM Maintenance post-SCT, Newly Diagnosed MM	Cabozantinib Multi-targeted kinase inhibitor Solid Tumors (JP)
	TAK-243 UAE Inhibitor Solid Tumors	TAK-659 BTK/PLT2 Kinase Inhibitor Hematologic Malignancies and Solid Tumors	XMT-1522 HER2 dual-axis ADC HER2 positive solid tumors						
GI	ATC-1906 CCO2 Receptor antagonist Gastroesophagus	TAK-828 PDR1 Inhibitor against Cystic Fibrosis	TAK-954 S-HT4 Receptor agonist Enteral Feeding Intolerance			Cx601 Allogenic adipose-derived stem cells Peripheral Vascular Disease	AMITIZA Chloride channel activator New Formulation (Indication for CIC and CIC), Pediatric Functional Constipation	ENTYVIO JAK2 Inhibitor PSC, CDUC China, CDUC Japan, CDUC South Korea, CDUC Adiponectin, CDUC Prophylaxis, CDUC Colitis	TAKECAB P-CAB NERD (JP), ARD (Asia), PPI Partial Responder
	TAK-041 GPR139 agonist Schizophrenia, neg. symptoms	TAK-071 M1PRM Alzheimer's Disease	TAK-831 GABA Inhibitor Alcohol Schizophrenia, Negative symptoms, and CAG			AD-4833 TOAMM40 Mitochondrial growth modulator Dietary of MCI	Rasagiline MAO-B Inhibitor Parkinson's (JP)	TRINTELLIX Multimodal anti-depressant ADHD, Cognition in MDD, MDD (JP)	
Vaccines	TAK-058 S-HT2 antagonist GABA Cognitive impairment associated with schizophrenia	TAK-853 AMPAAR potentiator Treatment Resistant Depression	TAK-935 CD34 Inhibitor Rare Pediatric Leukemias						
	TAK-021 Enterovirus 71 vaccine			TAK-214 Norovirus vaccine		TAK-003 Dengue virus vaccine			
Others	TAK-020 BTK Inhibitor SMA	TAK-079 ARE-CD38 Inhibitor Systemic Lupus Erythematosus		Namliumab Anti-CD38 Inhibitor SMA, Pilonic		Relugolix (TAK-385) GnRH antagonist Uterine Fibroids, Endometriosis, Prostate Cancer	Aziliva ARB Hypertension (FDC)		

Better Health, Brighter Future

