Better Health, Brighter Future

Results for FY2016
DATA BOOK

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Quarterly Announcements / Presentations
http://www.takeda.com/investor-information/results/

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1. Consolidated Statement of Income

(Billion JPY)

	FY14	FY15	FY16	YOY		FY17 Forecasts
Revenue	1,777.8	1,807.4	1,732.1	-75.3	-4.2%	1,680.0
Royalty income and service income	87.5	56.5	60.1	3.7	6.5%	
Cost of sales *1 *2	528.1	535.2	558.8	23.6	4.4%	
<% of revenue>	<29.7%>	<29.6%>	<32.3%>	<2.6pt>		
Gross Profit	1,249.8	1,272.2	1,173.3	-98.9	-7.8%	
<% of revenue>	<70.3%>	<70.4%>	<67.7%>	<-2.6pt>		
SG&A expenses *1 *2	634.7	650.8	619.1	-31.7	-4.9%	
<% of revenue>	<35.7%>	<36.0%>	<35.7%>	<-0.3pt>		
Sales and Marketing expenses	436.6	460.6	426.5	-34.1	-7.4%	
General Administrative expenses	198.1	190.2	192.6	2.4	1.2%	
R&D expenses *1 *2 *3	352.9	335.8	312.3	-23.5	-7.0%	310.0
<% of revenue>	<19.9%>	<18.6%>	<18.0%>	<-0.5pt>		<18.5%>
Amortization and impairment losses on intangible assets associated with products *3	176.4	131.8	156.7	24.9	18.9%	
Other operating income	107.2	21.3	143.5	122.2	-	
Government grants *2	3.1	-	0.0	0.0	-	
Rental income	3.9	3.4	3.1	-0.3	-8.7%	
Gains on sale of non-current assets	32.8	0.1	0.8	0.7	-	
Royalty income on transfers of operations	6.5	4.9	1.5	-3.4	-68.6%	
Fair value adjustments of contingent considerations	51.3	5.6	18.4	12.8	-	
Gain on transfer of business	-	-	115.4	115.4	-	
Others	9.5	7.3	4.3	-3.0	-41.3%	
Other operating expenses	322.2	44.4	72.9	28.5	64.2%	
Expenses directly attributable to rental income	2.2	5.0	1.9	-3.1	-61.5%	
Donations and contributions	1.5	2.4	3.8	1.3	54.1%	
Restructuring expenses *4	31.2	25.8	54.6	28.8	111.9%	
Loss on Actos litigation	274.1	-	-	-	-	
Others	13.2	11.2	12.6	1.4	12.5%	
Operating profit	-129.3	130.8	155.9	25.0	19.1%	180.0
<% of revenue>	<-7.3%>	<7.2%>	<9.0%>	<1.8pt>		<10.7%>
Financial income	15.4	21.6	12.3	-9.4	-43.3%	
Interest income	2.3	2.3	2.0	-0.3	-12.8%	
Dividend income	3.3	3.3	3.2	-0.1	-2.8%	
Gains on sale of available-for-sale financial assets	8.9	15.1	3.6	-11.4	-75.8%	
Foreign currency exchange gains including gains on revaluation of derivatives	-	-	1.9	1.9	-	
Others	0.9	0.9	1.5	0.5	56.6%	
Financial expenses	32.9	31.9	23.2	-8.7	-27.2%	
Interest expenses	5.8	5.3	7.6	2.3	43.4%	
Fair value adjustments of contingent considerations	16.2	7.6	2.2	-5.4	-70.8%	
Impairment losses on available-for-sale financial assets	1.7	2.3	3.7	1.3	56.9%	
Foreign currency exchange losses including losses on revaluation of derivatives	3.9	14.0	5.4	-8.6	-61.3%	
Others	5.3	Δ 2.7	4.4	1.7	63.0%	
Share of profit (loss) of associates accounted for using the equity method	1.3	0.0	-1.5	-1.5	-	
Profit before tax	-145.4	120.5	143.3	22.8	18.9%	190.0
Income tax expenses	-2.4	37.1	27.8	-9.2	-24.9%	
Net profit for the period	-143.0	83.5	115.5	32.0	38.4%	
<% of revenue>	<-8.0%>	<4.6%>	<6.7%>	<2.1pt>		
Attributable to Owners of the Company	-145.8	80.2	114.9	34.8	43.4%	138.0
<% of revenue>	<-8.2%>	<4.4%>	<6.6%>	<2.2pt>		<8.2%>
Total comprehensive income for the period	-180.9	-39.6	93.1	132.7	-	
<% of revenue>	<-10.2%>	<-2.2%>	<5.4%>	<7.6pt>		
Attributable to Owners of the Company	-186.6	-40.3	93.6	133.9	-	
<% of revenue>	<-10.5%>	<-2.2%>	<5.4%>	<7.6pt>		

Effective tax rate				
Japanese statutory tax rate	35.6%	33.0%	30.8%	<-2.2pt>
Effective tax rate	1.7%	30.7%	19.4%	<-11.3pt>

*1 Because of starting the new organizational structure and changing managerial accounting method from FY15, allocation accounts for some expenses have changed. For the purpose to compare FY14 expenses with the FY15 expenses under the same basis (underlying), amounts roughly estimated for this change are adjusted in FY14. Amounts adjusted are + 7.1 bln yen for cost of sales, + 22.1 bln yen for SG&A expenses, and - 29.2 bln yen for R&D expenses.

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

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

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

◆ Consolidated Statement of Income (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%	416.2	0.5%
Royalty income and service income	15.9	15.4	14.5	10.6	12.4	-21.9%	16.7	8.5%	19.8	36.7%	11.2	5.0%
Cost of sales *1 *2	121.1	136.3	145.0	132.8	135.4	11.8%	141.5	3.8%	147.5	1.7%	134.4	1.2%
<% of revenue>	<27.1%>	<29.8%>	<29.6%>	<32.1%>	<31.2%>		<33.9%>		<31.7%>		<32.3%>	
Gross Profit	325.2	321.5	344.2	281.4	298.6	-8.2%	275.3	-14.4%	317.6	-7.7%	281.8	0.2%
<% of revenue>	<72.9%>	<70.2%>	<70.4%>	<67.9%>	<68.8%>		<66.1%>		<68.3%>		<67.7%>	
SG&A expenses *1 *2	161.7	151.8	162.0	175.2	145.0	-10.4%	146.0	-3.8%	148.4	-8.4%	179.7	2.5%
<% of revenue>	<36.2%>	<33.2%>	<33.1%>	<42.3%>	<33.4%>		<35.0%>		<31.9%>		<43.2%>	
Sales and Marketing expenses	115.4	110.0	110.6	124.5	100.9	-12.6%	101.1	-8.1%	103.4	-6.5%	121.0	-2.8%
General Administrative expenses	46.3	41.8	51.4	50.7	44.0	-4.8%	44.9	7.5%	45.0	-12.6%	58.6	15.7%
R&D expenses *1 *2 *3	79.8	78.4	89.2	88.3	76.5	-4.1%	75.4	-3.8%	71.8	-19.5%	88.5	0.2%
<% of revenue>	<17.9%>	<17.1%>	<18.2%>	<21.3%>	<17.6%>		<18.1%>		<15.4%>		<21.3%>	
Amortization and impairment losses on intangible assets associated with products *3	33.8	30.8	32.5	34.7	28.5	-15.7%	47.2	53.0%	26.5	-18.5%	54.6	57.4%
Other operating income	6.6	7.1	4.8	2.8	111.6	-	13.6	91.6%	4.5	-5.5%	13.8	-
Other operating expenses	7.0	6.6	8.2	22.6	7.3	4.6%	11.2	69.5%	20.0	144.3%	34.4	52.0%
Operating profit	49.6	60.9	57.0	-36.7	152.9	-	9.1	-85.0%	55.4	-2.9%	-61.6	-68.0%
<% of revenue>	<11.1%>	<13.3%>	<11.7%>	<-8.9%>	<35.2%>		<2.2%>		<11.9%>		<-14.8%>	
Financial income	4.2	8.8	4.3	4.4	2.5	-40.4%	2.4	-72.2%	3.9	-10.7%	3.5	-20.1%
Financial expenses	5.8	16.5	8.3	1.4	5.4	-7.4%	5.7	-65.2%	5.9	-28.7%	6.2	-
Share of profit (loss) of associates accounted for using the equity method	0.8	0.2	-0.5	-0.4	-0.4	-	-0.5	-	0.5	-	-1.2	-
Profit before tax	48.7	53.3	52.6	-34.1	149.7	-	5.3	-90.0%	53.8	2.3%	-65.5	-92.2%
Income tax expenses	23.3	22.8	-7.8	-1.2	49.3	111.8%	-19.9	-	11.4	-	-13.0	-
Net profit for the period	25.4	30.6	60.4	-32.9	100.3	-	25.3	-17.3%	42.4	-29.7%	-52.5	-59.7%
<% of revenue>	<5.7%>	<6.7%>	<12.3%>	<-7.9%>	<23.1%>		<6.1%>		<9.1%>		<-12.6%>	
Attributable to Owners of the Company	24.6	29.8	59.3	-33.5	99.5	-	24.8	-16.9%	41.4	-30.2%	-50.7	-51.5%
<% of revenue>	<5.5%>	<6.5%>	<12.1%>	<-8.1%>	<22.9%>		<5.9%>		<8.9%>		<-12.2%>	
Total comprehensive income for the period	120.4	-52.0	47.4	-155.4	-52.0	-	7.9	-	232.8	-	-95.5	38.5%
<% of revenue>	<27.0%>	<-11.4%>	<9.7%>	<-37.5%>	<-12.0%>		<1.9%>		<50.1%>		<-23.0%>	
Attributable to Owners of the Company	119.3	-51.5	46.3	-154.4	-50.7	-	7.7	-	229.5	-	-92.9	39.8%
<% of revenue>	<26.7%>	<-11.2%>	<9.5%>	<-37.3%>	<-11.7%>		<1.8%>		<49.3%>		<-22.3%>	
Effective tax rate												
Japanese statutory tax rate	33.0%	33.0%	33.0%	33.0%	30.8%		30.8%		30.8%		30.8%	
Effective tax rate	47.8%	45.1%	24.7%	30.7%	33.0%		19.0%		19.5%		19.4%	

*1 Because of starting the new organizational structure and changing managerial accounting method from FY15, allocation accounts for some expenses have changed. For the purpose to compare FY14 expenses with the FY15 expenses under the same basis (underlying), amounts roughly estimated for this change are adjusted in FY14. Amounts adjusted are + 7.1 bln yen for cost of sales, + 22.1 bln yen for SG&A expenses, and - 29.2 bln yen for R&D expenses.

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

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

2. Segment Information

(Billion JPY)

	FY14	FY15	FY16	YOY		FY17 Forecasts
Revenue	1,777.8	1,807.4	1,732.1	-75.3	-4.2%	1,680.0
Prescription drugs	1,614.5	1,648.7	1,568.9	-79.8	-4.8%	
Consumer healthcare	73.6	80.1	82.6	2.5	3.1%	
Other	89.7	78.6	80.6	2.0	2.5%	
Operating Profit	-129.3	130.8	155.9	25.0	19.1%	180.0
Prescription drugs	-178.9	102.8	128.4	25.5	24.8%	
<% of Prescription drugs revenue>	<-11.1%>	<6.2%>	<8.2%>	<1.9pt>		
Consumer healthcare	17.2	18.9	20.5	1.6	8.6%	
<% of Consumer healthcare revenue>	<23.4%>	<23.6%>	<24.9%>	<1.3pt>		
Other	32.4	9.1	6.9	-2.1	-23.5%	
<% of Other revenue>	<36.2%>	<11.5%>	<8.6%>	<-2.9pt>		

◆Segment Information (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%	416.2	0.5%
Prescription drugs	407.8	417.7	446.5	376.6	394.0	-3.4%	375.6	-10.1%	421.0	-5.7%	378.1	0.4%
Consumer healthcare	19.4	21.5	22.9	16.3	20.4	4.9%	22.0	1.9%	23.1	1.0%	17.1	5.3%
Others	19.1	18.5	19.8	21.2	19.6	2.7%	19.2	3.9%	20.9	5.3%	20.9	-1.4%
Operating Profit	49.6	60.9	57.0	-36.7	152.9	-	9.1	-85.0%	55.4	-2.9%	-61.6	-68.0%
Prescription drugs	34.9	53.6	47.7	-33.4	142.2	-	4.1	-92.4%	46.3	-2.9%	-64.2	-92.5%
<% of Prescription drugs revenue>	<8.5%>	<12.8%>	<10.7%>	<-8.9%>	<36.1%>		<1.1%>		<11.0%>		<-17.0%>	
Consumer healthcare	7.6	5.9	7.5	-2.1	7.4	-3.3%	4.7	-19.8%	6.9	-8.4%	1.6	-
<% of Consumer healthcare revenue>	<39.3%>	<27.2%>	<32.8%>	<-12.9%>	<36.2%>		<21.4%>		<29.8%>		<9.1%>	
Others	7.1	1.4	1.8	-1.2	3.3	-52.7%	0.4	-72.8%	2.1	20.2%	1.1	-
<% of Others revenue>	<37.1%>	<7.8%>	<8.9%>	<-5.6%>	<17.1%>		<2.0%>		<10.2%>		<5.2%>	

3. Revenue by Region

◆Consolidated Reveue (Prescription drugs + Consumer healthcare + Other)

(Billion JPY)

	FY14	FY15	FY16	YOY	
Total revenue	1,777.8	1,807.4	1,732.1	-75.3	-4.2%
Japan	712.8	688.1	655.3	-32.7	-4.8%
<% of revenue>	<40.1%>	<38.1%>	<37.8%>	<-0.2pt>	
United States	426.1	514.4	520.2	5.7	1.1%
<% of revenue>	<24.0%>	<28.5%>	<30.0%>	<1.6pt>	
Europe and Canada	325.3	309.3	279.7	-29.6	-9.6%
<% of revenue>	<18.3%>	<17.1%>	<16.1%>	<-1.0pt>	
Emerging Markets	313.6	295.6	276.9	-18.7	-6.3%
<% of revenue>	<17.6%>	<16.4%>	<16.0%>	<-0.4pt>	
Russia/CIS	81.3	61.8	57.5	-4.3	-6.9%
<% of revenue>	<4.6%>	<3.4%>	<3.3%>	<-0.1pt>	
Latin America	85.4	68.4	72.5	4.1	6.0%
<% of revenue>	<4.8%>	<3.8%>	<4.2%>	<0.4pt>	
Asia	111.4	126.0	112.8	-13.2	-10.4%
<% of revenue>	<6.3%>	<7.0%>	<6.5%>	<-0.5pt>	
Other	35.5	39.4	34.0	-5.4	-13.8%
<% of revenue>	<2.0%>	<2.2%>	<2.0%>	<-0.2pt>	
Royalty income and service income	87.5	56.5	60.1	3.7	6.5%

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

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

◆ Consolidated Prescription Drugs Revenue

(Billion JPY)

	FY14	FY15	FY16	YOY		Underlying Growth
Total prescription drugs revenue	1,614.5	1,648.7	1,568.9	-79.8	-4.8%	7.3%
Japan	561.3	541.7	504.7	-37.0	-6.8%	5.0%
United States	419.5	511.0	516.7	5.7	1.1%	12.8%
Europe and Canada	326.7	305.6	276.0	-29.6	-9.7%	4.7%
Emerging Markets	307.0	290.4	271.5	-18.9	-6.5%	4.5%
Russia/CIS	81.2	61.8	57.5	-4.3	-6.9%	7.9%
Russia	57.6	43.5	41.9	-1.6	-3.8%	7.3%
Latin America	85.0	68.2	72.5	4.2	6.2%	10.7%
Brazil	47.6	38.1	39.0	1.0	2.5%	6.7%
Asia	106.6	121.2	107.8	-13.4	-11.1%	2.0%
China	55.2	66.0	57.6	-8.3	-12.6%	1.7%
Other	34.3	39.2	33.7	-5.5	-14.0%	-2.8%
Royalty income and service income	86.9	55.8	59.5	3.7	6.6%	-16.0%
Japan	8.1	6.6	18.7	12.1	183.7%	-12.0%
Overseas	78.8	49.3	40.9	-8.4	-17.0%	-16.5%
Ratio of overseas prescription drugs revenue	65.2%	67.1%	67.8%	<0.7pt>		

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

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

◆Consolidated Reveue (Quarterly: Prescription drugs + Consumer healthcare + Other)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%	416.2	0.5%
Japan	170.9	174.0	196.2	147.0	163.8	-4.2%	163.3	-6.1%	187.3	-4.6%	141.0	-4.1%
<% of revenue>	<38.3%>	<38.0%>	<40.1%>	<35.5%>	<37.7%>		<39.2%>		<40.3%>		<33.9%>	
United States	123.9	125.3	133.6	131.6	130.5	5.3%	121.4	-3.1%	130.4	-2.3%	137.8	4.7%
<% of revenue>	<27.8%>	<27.4%>	<27.3%>	<31.8%>	<30.1%>		<29.1%>		<28.1%>		<33.1%>	
Europe and Canada	77.5	79.6	81.0	71.1	76.5	-1.3%	66.3	-16.7%	69.9	-13.8%	67.1	-5.7%
<% of revenue>	<17.4%>	<17.4%>	<16.6%>	<17.2%>	<17.6%>		<15.9%>		<15.0%>		<16.1%>	
Emerging Markets	74.0	78.8	78.4	64.4	63.3	-14.5%	65.7	-16.6%	77.5	-1.2%	70.4	9.3%
<% of revenue>	<16.6%>	<17.2%>	<16.0%>	<15.5%>	<14.6%>		<15.8%>		<16.7%>		<16.9%>	
Russia/CIS	15.8	16.4	17.5	12.2	12.8	-18.8%	12.7	-22.4%	16.1	-8.2%	16.0	31.2%
<% of revenue>	<3.5%>	<3.6%>	<3.6%>	<2.9%>	<3.0%>		<3.0%>		<3.5%>		<3.8%>	
Latin America	18.4	19.2	17.6	13.2	15.0	-18.9%	16.7	-12.9%	23.4	33.0%	17.5	32.4%
<% of revenue>	<4.1%>	<4.2%>	<3.6%>	<3.2%>	<3.4%>		<4.0%>		<5.0%>		<4.2%>	
Asia	30.9	32.0	33.4	29.7	27.5	-10.9%	28.0	-12.6%	30.7	-8.2%	26.7	-10.2%
<% of revenue>	<6.9%>	<7.0%>	<6.8%>	<7.2%>	<6.3%>		<6.7%>		<6.6%>		<6.4%>	
Other	8.9	11.3	9.9	9.3	8.0	-10.3%	8.4	-26.0%	7.4	-25.6%	10.3	10.2%
<% of revenue>	<2.0%>	<2.5%>	<2.0%>	<2.2%>	<1.8%>		<2.0%>		<1.6%>		<2.5%>	
Royalty income and service income	15.9	15.4	14.5	10.6	12.4	-21.9%	16.7	8.9%	19.8	36.2%	11.2	5.0%

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

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

◆ Consolidated Prescription Drugs Revenue (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total prescription drugs revenue	407.8	417.7	446.5	376.6	394.0	-3.4%	375.6	-10.1%	421.0	-5.7%	378.1	0.4%
Japan	135.0	137.0	156.4	113.3	126.7	-6.2%	125.1	-8.7%	146.5	-6.3%	106.4	-6.0%
United States	123.3	124.5	133.0	130.2	129.7	5.2%	120.6	-3.2%	129.7	-2.5%	136.7	5.0%
Europe and Canada	76.7	78.7	80.1	70.2	75.5	-1.5%	65.5	-16.7%	68.9	-14.0%	66.1	-5.8%
Emerging Markets	72.8	77.6	77.1	63.0	62.1	-14.7%	64.5	-16.8%	75.9	-1.4%	68.9	9.4%
Russia/CIS	15.8	16.3	17.5	12.2	12.8	-18.8%	12.7	-22.4%	16.1	-8.2%	16.0	31.3%
Russia	11.0	11.0	12.9	8.6	9.1	-17.3%	9.5	-13.6%	12.0	-7.2%	11.3	31.4%
Latin America	18.4	19.2	17.4	13.2	15.0	-18.9%	16.7	-12.8%	23.4	33.9%	17.5	32.5%
Brazil	10.1	8.9	10.2	8.9	8.1	-19.9%	9.9	11.1%	10.4	2.0%	10.6	20.0%
Asia	29.7	30.8	32.2	28.4	26.4	-11.1%	26.8	-13.2%	29.1	-9.6%	25.5	-10.4%
China	14.1	15.7	19.9	16.2	13.9	-1.2%	14.7	-6.1%	16.1	-19.4%	12.9	-20.5%
Other	8.9	11.2	9.8	9.2	8.0	-10.4%	8.4	-25.7%	7.3	-25.2%	10.0	8.6%
Royalty income and service income	15.8	15.2	14.4	10.6	12.2	-22.3%	16.6	9.3%	19.6	36.9%	11.1	4.7%
Japan	2.0	1.6	1.8	1.2	2.8	43.2%	9.5	-	4.2	139.3%	2.2	74.8%
Overseas	13.8	13.6	12.6	9.3	9.4	-31.6%	7.1	-47.6%	15.4	22.6%	8.9	-4.6%
Ratio of overseas prescription drugs revenue	66.9%	67.2%	65.0%	69.9%	67.9%		66.7%		65.2%		71.9%	

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

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

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

(Billion JPY)

		FY14 Annual	FY15 Annual	FY16 Annual	YOY		Underlying Growth	FY17 Forecasts
Velcade	United States	110.8	131.6	112.9	-18.8	-14.2%	-5.0%	
	Other than United State	41.9	30.4	24.7	-5.7	-18.9%	-8.6%	
	Total	152.7	162.0	137.6	-24.5	-15.1%	-5.7%	↘↘↘
Leuprorelin	Japan	57.6	53.8	48.6	-5.2	-9.7%	-9.7%	
	United States	15.9	17.3	18.3	1.1	6.1%	7.5%	
	Europe and Canada	36.4	35.3	31.1	-4.2	-11.9%	-1.4%	
	Emerging Markets	14.2	18.0	16.3	-1.8	-9.8%	0.9%	
	Total	124.0	124.4	114.2	-10.2	-8.2%	-3.6%	→
Pantoprazole	United States	11.0	13.6	10.1	-3.5	-26.0%	-19.2%	
	Europe and Canada	49.3	43.4	30.5	-12.9	-29.8%	-21.5%	
	Emerging Markets	43.4	43.7	33.7	-10.1	-23.0%	-9.4%	
	Total	103.7	100.8	74.2	-26.5	-26.3%	-16.1%	→
Lansoprazole	Japan *2	52.5	41.3	8.1	-33.2	-80.4%	-4.0%	
	United States	28.7	27.5	20.0	-7.5	-27.2%	-19.4%	
	Europe and Canada	11.7	10.5	7.1	-3.4	-32.7%	-26.7%	
	Emerging Markets	10.1	10.2	9.2	-1.0	-9.4%	1.0%	
	Total	102.9	89.5	44.4	-45.1	-50.4%	-15.1%	↘↘↘
Entyvio	United States	20.1	63.1	99.6	36.6	58.0%	74.4%	
	Europe and Canada	7.7	21.9	39.5	17.7	80.8%	102.7%	
	Emerging Markets	0.0	1.3	4.0	2.8	-	-	
	Total	27.8	86.2	143.2	57.0	66.2%	84.2%	↗↗↗
Candesartan	Japan *2	94.6	58.5	14.8	-43.7	-74.7%	-50.1%	
	United States	2.1	1.3	0.6	-0.7	-56.2%	-52.0%	
	Europe and Canada	17.7	12.5	9.3	-3.2	-25.5%	-17.4%	
	Emerging Markets	11.4	12.4	9.5	-3.0	-23.8%	-16.2%	
	Total	125.7	84.8	34.2	-50.6	-59.7%	-35.6%	↘↘↘
Dexilant	United States	53.5	64.0	49.7	-14.3	-22.4%	-13.8%	
	Europe and Canada	4.9	5.4	5.7	0.2	4.5%	16.3%	
	Emerging Markets	3.9	5.7	7.3	1.6	29.0%	49.5%	
	Total	62.3	75.1	62.6	-12.5	-16.6%	-6.8%	→
Azilva	Japan	45.4	59.0	66.9	7.9	13.3%	13.3%	
	Total	45.4	59.0	66.9	7.9	13.3%	13.3%	→
Nesina	Japan	38.4	36.9	32.9	-4.0	-10.9%	-10.9%	
	United States	4.1	5.3	5.2	-0.0	-0.8%	10.4%	
	Europe and Canada	0.6	3.5	6.1	2.6	75.5%	100.1%	
	Emerging Markets	1.3	3.3	4.9	1.6	48.5%	61.8%	
	Total	44.3	48.9	49.1	0.2	0.4%	3.5%	→
Colcrys	United States	58.8	46.5	38.9	-7.6	-16.3%	-7.2%	
	Total	58.8	46.5	38.9	-7.6	-16.3%	-7.2%	↘
Uloric	United States	32.6	41.8	41.4	-0.4	-1.0%	9.7%	
	Europe and Canada	0.6	0.7	0.7	0.0	1.7%	13.4%	
	Emerging Markets	-	-	0.1	0.1	-	-	
	Total	33.2	42.5	42.2	-0.3	-0.7%	10.1%	→
Amitiza	United States	31.9	37.2	33.7	-3.5	-9.3%	0.7%	
	Europe and Canada	0.0	0.1	0.1	-0.0	-17.6%	-0.2%	
	Total	32.0	37.3	33.8	-3.5	-9.3%	0.7%	→
Adcetris	Japan	2.8	3.1	3.3	0.2	5.2%	5.2%	
	Europe	16.3	17.4	17.5	0.1	0.6%	12.7%	
	Emerging Markets	3.6	7.2	9.3	2.1	29.6%	71.3%	
	Total	22.9	27.6	30.1	2.5	9.1%	24.8%	→
Trintellix *3	United States	13.6	24.5	31.9	7.4	30.1%	44.9%	
	Total	13.6	24.5	31.9	7.4	30.1%	44.9%	↗↗↗
Takecab	Japan	3.2	8.4	34.1	25.7	-	-	
	Total	3.2	8.4	34.1	25.7	-	-	↗↗↗
Ninlaro	United States	-	4.0	29.1	25.0	-	-	
	Europe and Canada	-	-	0.2	0.2	-	-	
	Emerging Markets	-	0.0	0.1	0.1	-	107.8%	
	Total	-	4.1	29.4	25.3	-	-	↗↗↗

*1 Sales amount includes royalty income and service income.

*2 Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan (JV) in April, 2016. Fixed dose combinations were transferred to JV in May, 2017.

*3 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

*4 FY17 Forecasts: Arrows show growth from FY16 results (reported basis).

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

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

		FY15			
		Q1	Q2	Q3	Q4
Velcade	United States	33.2	34.7	33.2	30.5
	Other than United States	9.1	8.8	7.5	5.0
	Total	42.3	43.5	40.7	35.5
Leuprorelin	Japan	13.3	14.0	14.8	11.6
	United States	4.7	4.0	4.4	4.2
	Europe and Canada	8.7	9.0	9.2	8.4
	Emerging Markets	4.1	4.5	5.0	4.4
	Total	30.9	31.5	33.4	28.6
Pantoprazole	United States	1.7	3.0	4.2	4.7
	Europe and Canada	11.8	11.8	11.2	8.5
	Emerging Markets	10.7	12.8	11.5	8.8
	Total	24.3	27.6	26.8	22.0
Lansoprazole	Japan *2	11.0	10.8	11.2	8.2
	United States	9.1	5.9	6.8	5.8
	Europe and Canada	3.1	2.3	2.5	2.6
	Emerging Markets	2.7	2.6	2.4	2.5
	Total	25.9	21.6	22.8	19.1
Entyvio	United States	12.0	15.2	16.7	19.1
	Europe and Canada	3.9	4.3	6.2	7.4
	Emerging Markets	0.2	0.3	0.4	0.4
	Total	16.2	19.8	23.4	26.8
Candesartan	Japan *2	16.1	15.2	16.0	11.2
	United States	0.3	0.3	0.3	0.3
	Europe and Canada	3.2	3.2	3.2	2.9
	Emerging Markets	3.1	3.2	2.8	3.2
	Total	22.7	22.0	22.4	17.7
Dexilant	United States	16.3	13.8	18.3	15.6
	Europe and Canada	1.3	1.2	1.5	1.4
	Emerging Markets	1.2	1.6	1.4	1.5
	Total	18.8	16.6	21.2	18.5
Azilva	Japan	14.1	14.5	16.7	13.7
	Total	14.1	14.5	16.7	13.7
Nesina	Japan	9.5	9.5	10.1	7.7
	United States	1.5	1.5	1.4	0.9
	Europe and Canada	0.5	0.7	1.2	1.1
	Emerging Markets	0.7	0.8	0.8	1.0
	Total	12.2	12.5	13.6	10.6
Colcrys	United States	11.2	11.7	11.3	12.3
	Total	11.2	11.7	11.3	12.3
Uloric	United States	9.8	10.1	11.3	10.7
	Europe and Canada	0.2	0.2	0.2	0.1
	Emerging Markets	-	-	-	-
	Total	10.0	10.2	11.5	10.8
Amitiza	United States	9.4	9.7	9.8	8.2
	Europe and Canada	0.0	0.0	0.0	0.0
	Total	9.4	9.8	9.8	8.3
Adcetris	Japan	0.8	0.8	0.8	0.7
	Europe	4.3	4.7	4.2	4.1
	Emerging Markets	1.7	2.1	1.8	1.5
	Total	6.8	7.6	6.9	6.3
Trintellix *3	United States	5.0	6.2	6.8	6.5
	Total	5.0	6.2	6.8	6.5
Takecab	Japan	0.5	1.5	2.2	4.2
	Total	0.5	1.5	2.2	4.2
Ninlaro	United States	-	-	0.5	3.5
	Europe and Canada	-	-	-	-
	Emerging Markets	-	-	-	-
	Total	-	-	0.5	3.5

*1 Sales amount includes royalty income and service income.

*2 Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan (JV) in April, 2016. Fixed dose combinations were transferred to JV in May, 2017.

*3 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

(Billion JPY)

		FY16							
		Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Velcade	United States	28.9	-13.2%	26.7	-23.0%	27.4	-17.4%	29.9	-2.0%
	Other than United States	6.7	-26.1%	7.1	-19.6%	6.8	-9.2%	4.0	-19.2%
	Total	35.5	-15.9%	33.8	-22.3%	34.2	-15.9%	34.0	-4.4%
Leuprorelin	Japan	13.1	-2.0%	11.7	-16.7%	13.6	-8.5%	10.2	-11.8%
	United States	5.7	20.4%	3.8	-3.2%	4.9	11.7%	3.9	-7.0%
	Europe and Canada	8.3	-4.9%	7.8	-13.9%	7.0	-23.6%	8.0	-4.3%
	Emerging Markets	3.8	-9.1%	4.2	-6.2%	4.4	-12.0%	3.9	-11.4%
	Total	30.8	-0.4%	27.5	-12.7%	29.9	-10.5%	26.1	-8.8%
Pantoprazole	United States	3.4	94.8%	2.0	-34.7%	2.3	-44.1%	2.4	-49.0%
	Europe and Canada	8.6	-27.0%	7.2	-39.4%	7.8	-29.9%	6.8	-20.3%
	Emerging Markets	8.0	-24.9%	9.1	-28.6%	8.2	-28.4%	8.3	-5.6%
	Total	20.1	-17.3%	18.3	-33.9%	18.4	-31.4%	17.5	-20.6%
Lansoprazole	Japan *2	2.1	-80.8%	2.0	-81.4%	2.1	-81.1%	1.8	-77.9%
	United States	6.6	-27.3%	4.2	-28.8%	4.8	-29.3%	4.4	-23.1%
	Europe and Canada	2.3	-28.1%	1.5	-32.9%	1.7	-31.9%	1.6	-38.7%
	Emerging Markets	2.4	-11.0%	2.2	-14.2%	2.4	-1.5%	2.2	-10.4%
	Total	13.4	-48.4%	10.0	-53.9%	11.0	-52.0%	10.1	-47.2%
Entyvio	United States	22.5	87.2%	23.2	52.5%	25.7	53.5%	28.3	48.0%
	Europe and Canada	8.8	124.4%	9.3	113.6%	10.7	72.4%	10.7	45.3%
	Emerging Markets	0.8	-	0.9	-	1.0	148.9%	1.5	-
	Total	32.0	98.2%	33.3	68.2%	37.4	60.2%	40.4	50.6%
Candesartan	Japan *2	4.8	-69.8%	3.7	-75.5%	3.6	-77.4%	2.6	-76.9%
	United States	0.2	-22.5%	0.1	-83.1%	0.2	-39.8%	0.1	-74.9%
	Europe and Canada	3.0	-7.0%	1.8	-42.2%	2.6	-18.3%	1.9	-35.1%
	Emerging Markets	3.2	2.1%	1.9	-41.5%	2.4	-14.8%	2.0	-38.7%
	Total	11.3	-50.4%	7.5	-65.8%	8.8	-60.6%	6.6	-63.0%
Dexilant	United States	13.0	-20.2%	12.4	-10.1%	12.3	-32.8%	12.0	-23.4%
	Europe and Canada	1.5	10.9%	1.3	7.4%	1.5	-0.3%	1.4	1.0%
	Emerging Markets	1.6	38.9%	1.6	1.7%	1.8	26.9%	2.3	51.7%
	Total	16.2	-14.3%	15.3	-7.7%	15.6	-26.5%	15.6	-15.5%
Azilva	Japan	17.7	25.6%	15.6	7.6%	18.5	11.2%	15.0	9.3%
	Total	17.7	25.6%	15.6	7.6%	18.5	11.2%	15.0	9.3%
Nesina	Japan	9.3	-1.6%	7.7	-18.9%	9.2	-9.3%	6.6	-14.3%
	United States	1.5	3.0%	1.2	-15.3%	1.1	-22.0%	1.4	49.7%
	Europe and Canada	1.5	-	1.4	96.2%	1.5	24.5%	1.7	61.5%
	Emerging Markets	1.0	35.1%	1.3	68.2%	1.1	37.9%	1.5	52.2%
	Total	13.3	9.5%	11.6	-6.6%	13.0	-4.7%	11.2	4.8%
Colcrys	United States	10.5	-5.9%	9.7	-17.6%	9.3	-17.4%	9.4	-23.4%
	Total	10.5	-5.9%	9.7	-17.6%	9.3	-17.4%	9.4	-23.4%
Uloric	United States	9.5	-2.7%	9.6	-4.8%	11.3	0.5%	11.0	2.8%
	Europe and Canada	0.2	4.7%	0.2	-2.4%	0.2	-9.3%	0.2	17.6%
	Emerging Markets	0.0	-	0.0	-	0.0	-	0.0	-
	Total	9.7	-2.4%	9.8	-4.6%	11.6	0.6%	11.2	3.3%
Amitiza	United States	8.9	-5.6%	8.0	-18.1%	9.3	-5.2%	7.6	-8.1%
	Europe and Canada	0.0	-18.7%	0.0	-25.8%	0.0	-18.5%	0.0	-4.8%
	Total	8.9	-5.7%	8.0	-18.1%	9.3	-5.2%	7.6	-8.0%
Adcetris	Japan	0.9	9.1%	0.7	-9.3%	0.9	14.0%	0.8	6.9%
	Europe	5.0	17.4%	3.8	-19.4%	4.2	-1.5%	4.4	8.0%
	Emerging Markets	1.9	8.7%	2.1	-1.3%	2.3	29.1%	3.0	96.2%
	Total	7.8	14.3%	6.6	-13.3%	7.4	8.4%	8.3	31.7%
Trintellix *3	United States	6.4	27.6%	7.8	25.9%	8.5	25.3%	9.1	41.2%
	Total	6.4	27.6%	7.8	25.9%	8.5	25.3%	9.1	41.2%
Takecab	Japan	6.4	-	7.5	-	10.8	-	9.5	126.9%
	Total	6.4	-	7.5	-	10.8	-	9.5	126.9%
Ninlaro	United States	6.0	-	6.8	-	8.0	-	8.3	138.2%
	Europe and Canada	-	-	-	-	0.0	-	0.2	-
	Emerging Markets	0.0	-	0.0	-	0.0	-	0.0	-
	Total	6.0	-	6.8	-	8.0	-	8.6	146.2%

*1 Sales amount includes royalty income and service income.

*2 Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan (JV) in April, 2016. Fixed dose combinations were transferred to JV in May, 2017.

*3 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

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

(Million US$)

	FY14	FY15	FY16	YOY	
Velcade	1,017	1,079	1,000	-80	-7.4%
Entyvio	179	524	913	389	74.4%
Dexilant	488	530	457	-73	-13.8%
Uloric	297	347	380	34	9.7%
Colcrys	542	386	358	-28	-7.2%
Amitiza	291	308	310	2	0.7%
Trintellix*[2]	124	203	294	91	44.9%
Ninlaro	-	34	267	233	-
Prevacid (lansoprazole)	254	222	179	-43	-19.6%
Contrave*[3]	19	56	24	-32	-57.0%

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

*2 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

*3 In March 2016, Takeda and Orexigen announced they have agreed to terminate the collaboration.

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

(Million US$)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Velcade	276	268	266	270	247	-10.6%	250	-6.7%	253	-4.7%	250	-7.4%
Entyvio	99	124	138	163	201	103.4%	224	80.3%	241	75.1%	247	51.6%
Dexilant	135	113	151	132	117	-13.3%	120	6.5%	116	-22.9%	104	-21.2%
Uloric	81	82	93	91	85	5.6%	92	12.8%	107	14.8%	95	5.3%
Colcrys	92	95	93	105	94	2.1%	93	-2.4%	88	-5.3%	83	-21.4%
Amitiza	77	79	81	70	79	2.5%	77	-2.9%	87	7.8%	66	-5.5%
Trintellix*2	42	50	56	55	58	38.2%	75	49.1%	81	44.5%	80	46.3%
Ninlaro	-	-	4	30	54	-	65	-	75	-	73	143.6%
Prevacid (lansoprazole)	73	47	55	48	57	-20.9%	40	-15.3%	44	-19.1%	37	-22.2%
Contrave*3	16	13	13	13	13	-21.6%	8	-36.2%	3	-75.5%	-0	-

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

*2 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States.
The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

*3 In March 2016, Takeda and Orexigen announced they have agreed to terminate the collaboration.

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

(Billion JPY)

	Launched	Therapeutic Class	FY14	FY15	FY16	YOY	
Azilva *	(12. 5)	Hypertension	45.4	59.0	66.9	7.9	13.3%
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	57.6	53.8	48.6	-5.2	-9.7%
Enbrel	(05. 3)	Rheumatoid arthritis	41.2	40.8	40.4	-0.4	-0.9%
Takecab *	(15. 2)	Acid-related Diseases	3.2	8.4	34.1	25.7	-
Nesina *	(10. 6)	Diabetes	38.4	36.9	32.9	-4.0	-10.9%
Lotriga	(13. 1)	Hyperlipidemia	13.2	22.3	27.5	5.2	23.5%
Vectibix	(10. 6)	Colorectal cancer	18.3	18.4	18.8	0.4	2.1%
Reminyl	（11. 3）	Alzheimer-type dementia	13.9	16.0	17.4	1.4	8.8%
Benet	(02. 5)	Osteoporosis	10.4	9.7	8.3	-1.4	-14.2%
Rozerem	（10. 7）	Insomnia	6.6	7.4	8.1	0.6	8.7%
Adcetris	(14. 4)	Malignant Lymphoma	2.8	3.1	3.3	0.2	5.2%

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

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

(Billion JPY)

	Launched	Therapeutic Class	FY15				FY16							
			Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Azilva *	(12. 5)	Hypertension	14.1	14.5	16.7	13.7	17.7	25.6%	15.6	7.6%	18.5	11.2%	15.0	9.3%
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	13.3	14.0	14.8	11.6	13.1	-2.0%	11.7	-16.7%	13.6	-8.5%	10.2	-11.8%
Enbrel	(05. 3)	Rheumatoid arthritis	10.4	10.7	10.8	8.9	11.0	5.9%	10.0	-6.6%	10.9	0.3%	8.6	-3.3%
Takecab *	(15. 2)	Acid-related Diseases	0.5	1.5	2.2	4.2	6.4	-	7.5	-	10.8	-	9.5	126.9%
Nesina *	(10. 6)	Diabetes	9.5	9.5	10.1	7.7	9.3	-1.6%	7.7	-18.9%	9.2	-9.3%	6.6	-14.3%
Lotriga	(13. 1)	Hyperlipidemia	5.0	5.6	6.3	5.4	6.8	36.8%	6.6	18.4%	7.8	22.9%	6.3	17.3%
Vectibix	(10. 6)	Colorectal cancer	4.7	4.8	4.8	4.1	4.9	5.1%	4.6	-4.2%	5.1	6.5%	4.2	0.9%
Reminyl	(11. 3)	Alzheimer-type dementia	3.9	4.1	4.5	3.5	4.6	19.3%	4.1	1.3%	4.8	8.4%	3.8	6.5%
Benet	(02. 5)	Osteoporosis	2.5	2.5	2.7	2.0	2.3	-6.4%	2.0	-21.6%	2.3	-14.3%	1.7	-14.6%
Rozerem	(10. 7)	Insomnia	1.8	1.9	2.0	1.7	2.1	17.8%	1.9	-1.4%	2.2	10.8%	1.8	8.0%
Adcetris	(14. 4)	Malignant Lymphoma	0.8	0.8	0.8	0.7	0.9	9.1%	0.7	-9.3%	0.9	14.0%	0.8	6.9%

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

◆ Consumer Healthcare: Japan major products' sales

(Billion JPY)

	FY14	FY15	FY16	YOY	
Alinamin tablet	20.7	25.2	24.1	-1.2	-4.6%
Alinamin drink	14.9	14.9	16.1	1.2	8.0%
Benza	9.7	9.8	10.0	0.1	1.5%
Biofermin	8.1	8.6	9.1	0.5	6.2%
Borraginol	4.1	4.5	4.5	0.1	1.2%

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

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

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Alinamin tablet	6.9	6.2	7.4	4.7	6.1	-11.8%	6.2	0.7%	6.8	-8.5%	4.9	4.9%
Alinamin drink	4.0	4.1	4.3	2.5	5.1	27.3%	4.0	-2.6%	4.2	-2.2%	2.8	11.8%
Benza	1.2	4.4	3.0	1.3	1.3	8.3%	4.2	-4.9%	3.2	6.9%	1.4	4.4%
Biofermin	2.2	2.1	2.4	1.8	2.2	-0.2%	2.3	10.1%	2.6	6.8%	2.0	9.0%
Borraginol	1.1	1.0	1.4	1.0	1.1	3.0%	1.1	3.7%	1.3	-1.9%	1.0	0.8%

* This table shows sales amount of Takeda's Japan Consumer Healthcare Business Unit in Japan.

Takeda Consumer Healthcare Company Limited succeeded the business of Takeda's JCHBU and started its business on April 1, 2017 as the new company.

4. Consolidated Statement of Financial Position

<Assets> (Billion JPY)

	FY14 End	FY15 End	FY16 End	% of Total	vs. FY15 End
Total non-current assets	2,776.1	2,450.3	3,095.1	71.1%	644.8
Property, plant and equipment	526.2	551.9	530.2	12.2%	-21.8
Acquisition cost	1,177.1	1,223.8	1,137.8		-86.1
Accumulated depreciation and impairment losses	-650.9	-671.9	-607.6		64.3
Goodwill	821.9	779.3	1,022.7	23.5%	243.4
Intangible assets	939.4	743.1	1,065.8	24.5%	322.7
Investment property	30.2	26.6	9.5	0.2%	-17.1
Investments accounted for using the equity method	10.4	10.0	126.4	2.9%	116.4
Other financial assets	241.3	149.5	176.6	4.1%	27.1
Investment securities	159.7	132.1	164.5		32.4
Other non-current assets	52.2	19.0	44.9	1.0%	25.9
Prepaid pension costs	49.0	16.9	39.6		22.8
Deferred tax assets	154.5	170.8	119.0	2.7%	-51.8
Total current assets	1,520.1	1,373.8	1,260.7	28.9%	-113.1
Inventories	262.4	254.0	226.3	5.2%	-27.7
Trade and other receivables	444.7	415.4	423.4	9.7%	8.0
Other financial assets	61.3	108.6	56.7	1.3%	-51.9
Income taxes recoverable	22.1	15.2	21.4	0.5%	6.2
Other current assets	63.2	64.1	75.1	1.7%	11.0
Cash and cash equivalents	652.1	451.4	319.5	7.3%	-132.0
Assets held for sale	14.2	65.0	138.3	3.2%	73.3
Total Assets	4,296.2	3,824.1	4,355.8	100.0%	531.7

＜Liabilities and equity＞

(Billion JPY)

	FY14 End	FY15 End	FY16 End	% of Total	vs. FY15 End
Total liabilities	2,090.0	1,812.9	2,406.8	55.3%	593.9
Total non-current liabilities	1,073.2	955.7	1,040.7	23.9%	85.1
Bonds	419.4	179.8	119.9	2.8%	-59.9
Long-term loans	210.0	360.0	480.0	11.0%	120.0
Other financial liabilities	70.1	102.1	28.9	0.7%	-73.2
Net defined benefit liabilities	91.7	84.9	80.9	1.9%	-4.0
Provisions	47.1	34.4	35.6	0.8%	1.2
Other non-current liabilities	78.8	71.0	77.4	1.8%	6.4
Deferred tax liabilities	156.1	123.5	165.2	3.8%	41.7
Total current liabilities	1,016.8	857.2	1,366.1	31.4%	508.9
Bonds	70.0	228.5	60.0	1.4%	-168.5
Short-term loans	30.0	-	485.1	11.1%	485.1
Trade and other payables	170.8	191.1	240.6	5.5%	49.5
Other financial liabilities	42.1	37.2	28.9	0.7%	-8.3
Income taxes payable	41.1	43.1	70.6	1.6%	27.5
Provisions	418.6	115.3	135.8	3.1%	20.5
Other current liabilities	238.5	226.9	256.5	5.9%	29.6
Liabilities held for sale	5.8	15.1	88.7	2.0%	73.5
Total equity	2,206.2	2,011.2	1,949.0	44.7%	-62.2
Share capital	64.0	64.8	65.2		0.4
Share premium	59.6	68.8	75.0		6.1
Treasury shares	-18.2	-36.0	-48.7		-12.8
Retained earnings	1,601.3	1,523.1	1,511.8		-11.3
Other components of equity	430.3	327.9	291.0		-36.9
Equity attributable to owners of the company	2,137.0	1,948.7	1,894.3		-54.4
Non-controlling interests	69.1	62.5	54.7		-7.8
Total liabilities and equity	4,296.2	3,824.1	4,355.8	100.0%	531.7

5. Consolidated Statement of Cash Flows

(Billion JPY)

	FY14	FY15	FY16	vs. FY15
Net cash from (used in) operating activities	182.5	25.5	261.4	235.9
Net cash from (used in) investing activities	91.3	-71.2	-655.7	-584.5
Net cash from (used in) financing activities	-301.0	-124.8	289.9	414.7
Net increase (decrease) in cash and cash equivalents	-27.1	-170.6	-104.4	66.1
Cash and cash equivalents at beginning of year	666.0	655.2	451.4	-203.8
Effect of movements in exchange rates on cash and cash equivalents	16.3	-33.3	-5.7	27.5
Decrease in cash and cash equivalents resulting from a transfer to assets held for sale	-	-	-21.8	-21.8
Cash and cash equivalents at end of year	655.2	451.4	319.5	-132.0

6. Capital expenditure, depreciation and amortization and impairment losses

(Billion JPY)

	FY14	FY15	FY16	YOY	
Capital expenditures	101.6	136.8	148.1	11.3	8.3%
Tangible assets*	53.7	94.0	72.4	-21.6	-23.0%
Intangible assets	47.9	42.8	75.7	32.9	76.8%
* Excluding increase due to acquisition.					
Depreciation and amortization	191.6	181.2	170.5	-10.7	-5.9%
Depreciation of tangible assets*	58.7	52.9	51.4	-1.5	-2.8%
Amortization of intangible assets	132.9	128.3	119.1	-9.2	-7.2%
Amortization associated with products	123.2	121.8	112.5	-9.3	-7.7%
* Excluding depreciation for investment assets.					
Impairment losses	68.4	15.2	51.4	36.2	-
Impairment losses associated with products	53.2	10.0	44.3	34.3	-
Amortization and impairment losses on intangible assets associated with products	176.4	* 131.8	156.7	24.9	18.9%

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

7. Number of employees

	FY14 End	FY15 End	FY16 End	% of total	vs. FY15 End
Total ①＋②	31,328	31,168	29,900	100.0%	-1,268
< Overseas >	<21,716>	<21,877>	<20,774>	<69.5%>	<-1,103>
Prescription drugs	28,761	28,762	27,534	92.1%	-1,227
Consumer healthcare	457	500	520	1.7%	20
Others	2,110	1,906	1,846	6.2%	-61
Employees working in Takeda Pharmaceutical Company Limited ①	6,780	6,780	6,638	22.2%	-142
Consolidated subsidiaries ②	24,548	24,388	23,262	77.8%	-1,126

* Employees on the full time equivalent basis

8. Shareholders

【By ownership】

		FY14 End	FY15 End	FY16 End	vs. FY15 End
Japanese	No. of shareholders	277	291	298	7
Institutional Investors	No. of shares(1,000)	235,524	252,537	263,866	11,329
	% of shares outstanding	29.82	31.96	33.38	1.42
Japanese	No. of shareholders	47	64	52	-12
Securities Companies	No. of shares(1,000)	41,794	38,448	33,348	-5,100
	% of shares outstanding	5.29	4.87	4.22	-0.65
Japanese	No. of shareholders	1,567	1,515	1,621	106
Business Corporations	No. of shares(1,000)	41,751	41,133	40,267	-866
	% of shares outstanding	5.29	5.20	5.09	-0.11
Overseas	No. of shareholders	891	876	945	69
Institutional Investors	No. of shares(1,000)	255,976	248,822	231,977	-16,845
and Others	% of shares outstanding	32.40	31.49	29.34	-2.14
Japanese	No. of shareholders	266,344	262,674	284,103	21,429
Individual Investors	No. of shares(,1000)	214,742	209,197	220,910	11,713
and Others	% of shares outstanding	27.18	26.47	27.94	1.47
Takeda	No. of shares(1,000)	138	147	152	5
	% of shares outstanding	0.02	0.02	0.02	0.00

【By number of shares held each】

		FY14 End	FY15 End	FY16 End	vs. FY15 End
5,000,000～	No. of shareholders	25	24	24	0
	No. of shares(1,000)	311,874	333,589	348,925	15,335
	% of shares outstanding	39.48	42.21	44.14	1.93
1,000,000～	No. of shareholders	82	79	71	-8
4,999,999	No. of shares(1,000)	190,704	182,566	156,569	-25,996
	% of shares outstanding	24.14	23.10	19.81	-3.30
100,000～	No. of shareholders	280	266	254	-12
999,999	No. of shares(1,000)	88,306	79,611	76,432	-3,179
	% of shares outstanding	11.18	10.07	9.67	-0.41
10,000～	No. of shareholders	2,126	2,091	2,263	172
99,999	No. of shares(1,000)	44,904	43,975	48,215	4,241
	% of shares outstanding	5.70	5.56	6.10	0.53
1,000～	No. of shareholders	52,696	51,050	53,799	2,749
9,999	No. of shares(1,000)	106,438	103,367	108,697	5,329
	% of shares outstanding	13.48	13.08	13.75	0.67
100～	No. of shareholders	205,140	203,532	222,354	18,822
999	No. of shares(1,000)	47,466	46,955	51,464	4,509
	% of shares outstanding	6.01	5.94	6.51	0.57
Less than 99	No. of shareholders	8,778	8,379	8,255	-124
	No. of shares(1,000)	231	221	219	-2
	% of shares outstanding	0.03	0.03	0.03	-0.00
Total	No. of shareholders	269,127	265,421	287,020	21,599
	No. of shares(1,000)	789,924	790,284	790,521	237

【10 largest shareholders】

	Shareholders	FY16 End		Change from FY15 End	
		No. of shares held (1,000)	% of shares outstanding	Increase / decrease (1,000)	Previous ranking
1	Nippon Life Insurance Company	50,760	6.42	-	(1)
2	The Master Trust Bank of Japan, Ltd. (Trust account)	42,077	5.32	5,770	(2)
3	Japan Trustee Services Bank, Ltd. (Trust account)	36,528	4.62	3,305	(3)
4	JP Morgan Chase Bank 380055	34,039	4.31	3,368	(4)
5	Takeda Science Foundation	17,912	2.27	-	(5)
6	Barclays Securities Japan Limited	15,000	1.90	-	(6)
7	Japan Trustee Services Bank, Ltd. (Trust account 5)	14,427	1.82	5,880	(13)
8	State Street Bank West Client-Treaty 505234	11,672	1.48	-2,069	(7)
9	Japan Trustee Services Bank, Ltd. (Trust account 1)	10,728	1.36	2,229	(14)
10	Japan Trustee Services Bank, Ltd. (Trust account 7)	10,719	1.36	-184	(9)

9. Exchange Rate

Average Exchange Rate (JPY)

	FY14 April-March	FY15 April-March	FY16 April-March	FY17 Assumption
USD	109	121	109	110
EUR	139	132	120	120
RUB	2.6	1.9	1.7	1.9
CNY	17.6	19.0	16.2	16.6
BRL	45.3	34.1	32.9	36.4

10. Financial ratios

	FY14	FY15	FY16
[Growth rates]			
Revenue (%)	5.1	1.7	-4.2
Operating profit (%)	-	-	19.1
Net profit (%) (1)	-	-	43.4
[Profitability ratios]			
Gross profit margin (%) (2)	70.3	70.4	67.7
Operating margin (%)	-7.3	7.2	9.0
Net margin (%) (1)	-8.2	4.4	6.6
Return on total assets (%) (1)	-3.3	2.0	2.8
Return on equity attributable to owners of the Company（ROE）(%)	-6.3	3.9	6.0
[Stability ratios]			
Ratio of equity attributable to owners of the Company to total assets (%)	49.7	51.0	43.5
Current ratio (%)	149.5	160.3	92.3
Non-current assets to long-term capital (%) (1)	86.5	84.4	105.5
[Efficiency ratios]			
Asset turnover (times)	0.41	0.47	0.40
Fixed-asset turnover (times)	0.64	0.74	0.56
Notes and accounts receivable turnover (times) (3)	4.40	4.69	4.73
[Other ratios]			
R&D expenses to revenue (%) (2) (4) (5)	19.9	18.6	18.0
Equity attributable to owners of the Company per share (JPY)	2,719	2,487	2,426
Basic earnings per share (EPS) (JPY) (1)	-185.37	102.26	147.15
Growth Rate of EPS (%)	-	-155.2	43.9
Annual dividends per share	180.0	180.0	180.0
Payout ratio (%)	-	176.0	122.3
Dividend on equity attributable to owners of the Company（DOE）(%)	6.2	6.9	7.3
Stock price at year-end (JPY)	5,999	5,136	5,229
Total market value (Billion JPY)	4,738.8	4,058.9	4,133.6

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

(2) Because of starting the new organizational structure and changing managerial accounting method from FY15, allocation accounts for some expenses have changed. For the purpose to compare FY14 expenses with the FY15 expenses under the same basis (underlying), amounts roughly estimated for this change are adjusted in FY14.

(3) "Notes and accounts receivable turnover" are after adjustment of outstanding balance at each fiscal year end and/or 1st half of fiscal year if the ending day falls on weekend or holiday, and to be paid on the beginning day of the following fiscal term.

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

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

II. Pipeline

1. Development activities

This table primarily shows the indications for which we will actively pursue approval. We are also conducting additional studies of certain assets to examine their potential for use in further indications and in additional formulations. The listings in this table are limited to the US, EU and Japan, but we are also actively conducting development activities in other regions, including in Emerging Markets.

■ Oncology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
MLN9708 <ixazomib> NINLARO® (US, EU, Jpn)	Proteasome inhibitor (oral)	Relapsed or refractory multiple myeloma	EU Jpn	Approved (Nov '16) Approved (Mar '17)
		Previously untreated 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
SGN-35 <brentuximab vedotin> ADCETRIS® (EU, Jpn)	CD30 monoclonal antibody-drug conjugate (injection)	Post-autologous stem cell transplant Hodgkin lymphoma	EU	Approved (Jul '16)
		Relapsed cutaneous T-cell lymphoma	EU	Filed (Apr ’17)
		Front line Hodgkin lymphoma	EU Jpn	P-III P-III
		Front line mature T-cell lymphoma	EU Jpn	P-III P-III
<brigatinib> ALUNBRIG™ (US)	ALK inhibitor (oral)	ALK-positive metastatic non-small cell lung cancer in patients who have progressed on or are intolerant to crizotinib *(US approved indication)*	US EU	Approved (Apr '17) Filed (Feb '17)
		Front line ALK+ non-small cell lung cancer	US EU	P-III P-III
		ROS1+ non-small cell lung cancer	-	P-I
<ponatinib> ICLUSIG® (US)	BCR-ABL inhibitor (oral)	Imatinib-resistant chronic phase chronic myeloid leukemia	US	P-III
		Dose ranging study for second-line patients with chronic-phase chronic myeloid leukemia	US	P-II
		Philadelphia chromosome-positive acute lymphoblastic leukemia	-	P-II
TAK-385 <relugolix>	LH-RH antagonist (oral)	Prostate cancer	Jpn	P-III
TAK-228 <sapanisertib>	mTORC1/2 inhibitor (oral)	Breast cancer	US EU	P-II(b) P-II(b)
		Renal cell cancer	US	P-II(b)
		Endometrial cancer	US	P-II(b)
TAK-924 <pevonedistat>	NEDD 8 activating enzyme inhibitor (injection)	High risk myelodysplastic syndromes	US EU	P-II(a) P-II(a)
TAK-202 <plozalizumab>	CCR2 antagonist (injection)	Solid tumors	-	P-I
TAK-243 < - >	UAE inhibitor (injection)	Solid tumors	-	P-I
TAK-580 < - >	pan-Raf kinase inhibitor (oral)	Solid tumors	-	P-I
TAK-659 < - >	SYK/FLT3 kinase inhibitor (oral)	Solid tumors, Hematologic malignancies	-	P-I
TAK-788*[1] < - >	EGFR/HER2 inhibitor (oral)	Non-small cell lung cancer	-	P-I
TAK-931 < - >	CDC7 inhibitor (oral)	Solid tumors	-	P-I
XMT-1522*[2] < - >	HER2 dolaflexin antibody-drug conjugate (injection)	HER2 positive solid tumors	-	P-I
<cabozantinib>	Multi-targeted kinase inhibitor (oral)	Solid tumors	Jpn	P-I

*1 TAK-788 was previously known as AP32788.

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

■ Gastroenterology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
TAK-390MR <dexlansoprazole> DEXILANT® (US, EU)	Proton pump inhibitor (oral)	Acid-related diseases in adolescents	US EU	Approved (Jul '16) Approved (May '16)
Cx601 < - >	A suspension of allogeneic expanded adipose-derived stem cells (injection)	Complex perianal fistulas in patients with Crohn's disease	EU	Filed (Mar '16)
MLN0002 <vedolizumab> ENTYVIO® (US, EU)	Humanized monoclonal antibody against α4β7 integrin (injection)	Ulcerative colitis	Jpn	P-III
		Crohn's disease	Jpn	P-III
		Subcutaneous fomulation (for Ulcerative colitis, Crohn's disease)	US EU Jpn	P-III P-III P-III
		Graft-versus-host disease (GvHD) prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	US	P-I
SPI-0211 <lubiprostone> AMITIZA® (US)	Chloride channel activator (oral)	New formulation (initially for CIC and OIC)*3	US	P-III
		Pediatric functional constipation	US	P-III
TAK-438 <vonoprazan> TAKECAB® (Jpn)	Potassium-competitive acid blocker (oral)	Non-erosive reflux disease (NERD) in patients with gastroesophageal reflux disease	Jpn	P-III
		Gastro-esophageal reflux disease in patients who have a partial response following treatment with a proton pump inhibitor	-	P-II(b)
TAK-906*4 **< - >**	Dopamine D2/D3 receptor antagonist (oral)	Gastroparesis	-	P-I
TAK-954*5 **< - >**	5-HT4 receptor agonist (injection)	Enteral feeding intolerance	-	P-I

*3 CIC: Chronic Idiopathic Constipation; OIC: Opioid-Induced Constipation

*4 TAK-906 was previously known as ATC 1906. In March 2017, Takeda executed its option right to acquire Altos Therapeutics.

*5 TAK-954 was previously known as TD 8954. This asset was previously disclosed as Phase 1/2, but reclassified as Phase 1 due to clarification of pipeline listing rules. Phase 1 studies of TAK-954 have been completed, but First Subject In of the Phase 2 study has yet to be achieved.

■ CNS

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
Lu AA21004 <vortioxetine> TRINTELLIX® (US)	Multimodal anti-depressant (oral)	Addition of clinical data to the product label regarding the effect of vortioxetine on certain aspects of cognitive function in adults with Major Depressive Disorder	US	FDA Complete Response Letter (Mar '16)
		Major depressive disorder	Jpn	P-III
		Attention Deficit Hyperactivity Disorder (ADHD) in adult patients	US	P-II(a)
AD-4833/TOMM40	Mitochondrial growth modulator (oral) / Biomarker assay	Delay of onset of mild cognitive impairment due to Alzheimer's disease	US EU	P-III P-III
TVP-1012*6 **<rasagiline>**	Monoamine oxidase B (MAO-B) inhibitor (oral)	Parkinson's disease	Jpn	P-III
TAK-041 < - >	GPR139 agonist (oral)	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-058 < - >	5-HT3 receptor antagonist (oral)	Cognitive impairment associated with schizophrenia	-	P-I
TAK-071 < - >	M1 positive allosteric modulator (M1PAM) (oral)	Alzheimer's disease	-	P-I
TAK-653 < - >	AMPA receptor potentiator (oral)	Treatment Resistant Depression	-	P-I
TAK-831 < - >	D-amino acid oxidase (DAAO) inhibitor (oral)	Cerebellar ataxia, Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-935 < - >	CH24H inhibitor (oral)	Rare pediatric epilepsies	-	P-I

*6 Brand name in Teva territories: AZILECT®

■ Vaccines

Development code BRAND NAME	Type of vaccine (administration route)	Indications / additional formulations	Stage	
TAK-816[*7] VAXEM Hib® (Jpn)	Haemophilus influenzae type b vaccine (injection)	Intramuscular administration (for Prevention of infectious disease caused by Haemophilus influenzae type b (Hib))	Jpn	Approved (Dec '16)
TAK-003	Tetravalent dengue vaccine (injection)	Prevention of dengue fever caused by dengue virus	-	P-III
TAK-214	Norovirus vaccine (injection)	Prevention of acute gastroenteritis (AGE) caused by norovirus	-	P-II(b)
TAK-021	EV71 vaccine (injection)	Prevention of hand, foot and mouth disease caused by enterovirus 71	-	P-I

*7 Although the Japanese Ministry of Health, Labour and Welfare granted marketing authorization for VAXEM Hib, Takeda has decided to cancel the planned launch in Japan of this vaccine due to GSK's decision to discontinue production and supply worldwide.

■ Others

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
SYR-322 **<alogliptin>** NESINA® (US, Jpn) VIPIDIA® (EU)	DPP-4 inhibitor (oral)	Fixed-dose combination with metformin (for Type 2 diabetes)	Jpn	Approved (Sep '16)
TAK-385 **<relugolix>**	LH-RH antagonist (oral)	Uterine fibroids	Jpn	P-III
		Endometriosis	Jpn	P-II(b)
MT203 **<namilumab>**	GM-CSF monoclonal antibody (injection)	Rheumatoid arthritis	EU Jpn	P-II(b) P-II(a)
TAK-020 **< - >**	Bruton's tyrosine kinase inhibitor (oral)	Rheumatoid arthritis	-	P-I
TAK-079 **< - >**	Cytolytic monoclonal antibody (injection)	Systemic lupus erythematosus	-	P-I

■ Recent progress in stage [Progress in stage disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications / additional formulations	Country/Region	Progress in stage
TAK-390MR <dexlansoprazole>	Acid-related diseases in adolescents	EU	Approved (May '16)
TAK-390MR <dexlansoprazole>	Acid-related diseases in adolescents	US	Approved (Jul '16)
SGN-35 <brentuximab vedotin>	Post-autologous stem cell transplant Hodgkin lymphoma	EU	Approved (Jul '16)
SYR-322 <alogliptin>	Fixed-dose combination with metformin (for Type 2 diabetes)	Jpn	Approved (Sep '16)
MLN9708 <ixazomib>	Relapsed or refractory multiple myeloma	EU	Approved (Nov '16)
TAK-816	Intramuscular administration (for Prevention of infectious disease caused by Haemophilus influenzae type b (Hib))	Jpn	Approved (Dec '16)
TAK-003	Prevention of dengue fever caused by dengue virus	-	P-III
TAK-438 <vonoprazan>	Gastro-esophageal reflux disease in patients who have a partial response following treatment with a proton pump inhibitor	-	P-II(b)
MLN0002 <vedolizumab>	Graft-versus-host disease (GvHD) prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	US	P-I
TAK-041 < - >	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-071 < - >	Alzheimer's disease	-	P-I
TAK-202 <**plozalizumab**>	Solid tumors	-	P-I
XMT-1522 < - >	HER2 positive solid tumors	-	P-I
MLN9708 <ixazomib>	Relapsed or refractory multiple myeloma	Jpn	Approved (Mar '17)
<brigatinib>	ALK-positive metastatic non-small cell lung cancer in patients who have progressed on or are intolerant to crizotinib	US	Approved (Apr '17)
SGN-35 <brentuximab vedotin>	Relapsed cutaneous T-cell lymphoma	EU	Filed (Apr '17)
TAK-385 <relugolix>	Prostate cancer	Jpn	P-III

Progress in stage disclosed since the announcement of FY2016 Q3 results (February 1st, 2017) are listed under the bold dividing line.

■ Discontinued projects [Update disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications (Stage)	Reason
<febuxostat XR>	Extended release formulation (for Hyperuricemia) (US P-III)	Discontinued based on P-III results.
NE-58095NF <risedronate>	Additional formulation; change of the dosage and administration (for Osteoporosis) (Jpn P-II/III)	Development terminated for strategic reasons based upon the outcome of the clinical study.
MLN8237 <alisertib>	Small cell lung cancer (US, EU P-II(b))	Upon review of the totality of the clinical data accumulated to date, Takeda believes that the magnitude of alisertib's effect or its benefit/risk profile has not been sufficient enough to move it into further stages of development.
TAK-850	Prevention of influenza disease caused by influenza virus subtype A and B contained in the vaccine (Jpn P-II(a))	Development discontinued following reassessment of the project.
TAK-915 < - >	Negative symptoms and/or cognitive impairment associated with schizophrenia (P-I)	TAK-915 has been deprioritized, and Takeda will explore other options including externalization.
TAK-117 < - >	Non-small cell lung cancer (US, EU P-I/II), Gastric cancer (P-I)	Discontinuation of these indications due to low probability of meeting high P-II hurdle for differentiation. Takeda continues to explore development opportunities.
TAK-063 < - >	Schizophrenia (US P-II(a))	The P-II study did not meet its primary endpoint. Secondary efficacy endpoints (CGI-S, CGI-I) were supportive of antipsychotic activity efficacy. Takeda will explore development for different indications.
TAK-272 < - >	Early stage diabetic nephropathy (Jpn P-II(b))	Specialty CV therapeutic area has been deprioritized and Takeda will explore other options for TAK-272 including externalization. ***Q4 Update:*** *TAK-272 has now been transferred to Scohia Pharma, a biotech venture established by the Innovation Network Corporation of Japan, Takeda, and Medipal Holdings Corporation.*
TAK-924 <pevonedistat>	Solid Tumors (P-I)	Indication terminated due to strategic portfolio decision.
TAK-536 <azilsartan>	Fixed-dose combination with amlodipine and hydrochlorothiazide (for Hypertension) (Jpn Filed)	Discontinued due to a reassessment of having this product in the market, as Takeda believes it does not add sufficient new value to patients, physicians and Japan healthcare society in general.
MT203 <namilumab>	Psoriasis (EU P-II)	The P-II study did not meet its primary endpoint. Takeda continues to explore development in other indications
TAK-828 < - >	Crohn's disease (P-I)	Takeda decided to terminate TAK-828 based on critical non-monitorable toxicology findings in both monkey and rats, combined with the potential for teratogenicity in humans.

Discontinued projects disclosed since the announcement of FY2016 Q3 results (February 1st, 2017) are listed under the bold dividing line.

■ Returned / Divested / Externalized Projects [Update disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications (Stage)	Reason
AMG 386 <trebananib>	Ovarian cancer (Jpn P-III)	P-III results of AMG 386 did not meet the pre-defined criteria. The rights for this molecule have been returned to Amgen.
TAK-385 <relugolix>	Prostate cancer (US, EU P-II(b))	In June 2016, Takeda granted Myovant an exclusive, worldwide license to relugolix, excluding Japan and certain other Asian countries.
AMG 403 <fulranumab>	Pain (Jpn P-I)	The rights for AMG 403 have been returned to Amgen due to a revision of development strategy.
TAK-272 < - >	Early stage diabetic nephropathy (Jpn P-II(b))	TAK-272 has now been transferred to Scohia Pharma, a biotech venture established by the Innovation Network Corporation of Japan, Takeda, and Medipal Holdings Corporation.

2. Research activities

■ Main joint research activities / development collaborations

Oncology

Partner	Country	Subject
Crescendo Biologics	US	The discovery, development and commercialization of Humabody® -based therapeutics for cancer indications
Gencia LLC	US	Mitochondrial Associated Glucocorticoid Receptors (MAGR) agonists for potential use primarily in hematological and inflammatory diseases
ImmunoGen, Inc.	US	Antibody-Drug Conjugate technology
Maverick Therapeutics	US	T-cell engagement platform created specifically to improve the utility of T-cell redirection therapy for the treatment of cancer
Mersana Therapeutics	US	Antibody-Drug Conjugate technology
Seattle Genetics	US	Antibody-Drug Conjugate technology

Gastroenterology

Partner	Country	Subject
Arcturus	US	Collaboration to develop RNA-based therapeutics for the treatment of NASH and other gastrointestinal (GI) related disorders
Cour Pharmaceutical Development Company	US	Immune modulating therapies for the potential treatment of celiac disease and other gastrointestinal diseases, utilizing Cour's Tolerizing Immune Modifying nanoParticle (TIMP) platform
enGene	Canada	Novel therapies for specialty gastrointestinal (GI) diseases using enGene's "Gene Pill" gene delivery platform
Enterome	France	Microbiome targets thought to play crucial roles in gastrointestinal disorders, including inflammatory bowel diseases (e.g. ulcerative colitis) and motility disorders (e.g. irritable bowel syndrome)
Finch Therapeutics	US	Global agreement to develop FIN-524, a live biotherapeutic product composed of cultured bacterial strains linked to favorable clinical outcomes in studies of microbiota transplantations in IBD
NuBiyota	Canada	Development of Microbial Ecosystem Therapeutic products for gastroenterology indications
PvP Therapeutics	US	Global agreement to develop KumaMax, a novel enzyme designed to break down the immune-reactive parts of gluten in the stomach

CNS

Partner	Country	Subject
Affilogic	France	Affilogic's proprietary Nanofitins® platform in therapies targeting the central nervous system
Cerevance	US, UK	Discovery and development of novel therapeutics for neurological and psychiatric disorders
Ovid Therapeutics	US	Development of TAK-935, an oral CH24H inhibitor for rare pediatric epilepsies
Ultragenyx	US	Collaboration to develop and commercialize therapies for rare genetic diseases
Zinfandel Pharmaceuticals	US	Alzheimer's Disease Biomarker TOMM40

Vaccines

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

Other / Multiple Therapeutic Area

Partner	Country	Subject
Astellas, Daiichi Sankyo	Japan	Fundamental biomarker data on healthy adult volunteers in order to optimize and accelerate the development of innovative medicines
Aquinnah	US	Research on a small molecule drug for amyotrophic lateral sclerosis (ALS)
BioMotiv	US	Therapeutic accelerator to identify and develop pioneering medical innovations specifically in the therapeutic areas of immunology & inflammation and cardio-metabolic diseases
Bridge Medicines	US	Building upon Tri-I TDI, Bridge Medicines will give financial, operational and managerial support to move projects seamlessly from a validating, proof-of-concept study to an in-human clinical trial
Center for iPS Cell Research Application, Kyoto University	Japan	Clinical applications of iPS cells in areas such as heart failure, diabetes mellitus, neuro-psychiatric disorders and cancer
Dementia Discovery Fund (DDF)	Global	New global investment fund to support discovery and development of novel dementia treatments
Keio University, Niigata University, Kyoto University	Japan	The search for and functional analysis of disease-related RNA-binding proteins, that may lead to treatments in the areas such as CNS and oncology
M2Gen	US	Genomic data from cancer patients
MacroGenics	US	Product candidates that will be directed against jointly selected pairs of molecular targets and using MacroGenics' Dual-Affinity Re-Targeting (DART®) proprietary platform
National Cancer Center of Japan	Japan	A partnership to develop basic research to clinical development by promoting exchanges among researchers, physicians, and others engaged in anti-cancer drug discovery and cancer biology research
Trianni, Inc.	US	Trianni's transgenic mouse platform to identify fully human monoclonal antibodies against disease targets in all therapeutic areas
Tri-Institutional Therapeutics Discovery Institute (Tri-I TDI)	US	Collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies

■ Clinical study protocol summaries

All clinical study protocol summaries are disclosed on the English-language web-site (https://takedaclinicaltrials.com/) and all clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (http://www.takeda.co.jp/research/ct/).
We anticipate that this disclosure assure transparency of information on the clinical trials for the benefit of healthcare professionals, their patients and other stakeholders, which we believe will contribute to the appropriate use of Takeda's products worldwide.

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