

III. Statements of Income

1. Statements of Income

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs. FY11	increase/ decrease	Estimate FY13	FY13 1st half (E)
Net Sales	1,466.0	1,419.4	1,508.9	1,557.3	48.3	3.2%	1,590.0	780.0
<Royalty income>	<45.4>	<41.4>	<42.5>	<45.2>	<2.7>	<6.4%>		
Ethical drugs	1,317.7	1,267.4	1,358.8	1,401.7	42.9	3.2%	1,450.0	710.0
Consumer Healthcare	58.2	60.3	61.7	66.9	5.2	8.4%		
Others	94.8	96.3	93.1	93.1	0.0	0.0%		
Adjustments	-4.8	-4.6	-4.6	-4.4	0.2			
Cost of sales	285.1	317.6	433.2	447.6	14.4	3.3%		
<% of net sales>	<19.4%>	<22.4%>	<28.7%>	<28.7%>	<0.0pt>			
Gross Profit	1,180.9	1,101.8	1,075.7	1,109.6	33.9	3.2%		
<% of net sales>	<80.6%>	<77.6%>	<71.3%>	<71.3%>	<-0.0pt>			
SG&A expenses	760.7	734.7	810.7	987.1	176.4	21.8%		
<% of net sales>	<51.9%>	<51.8%>	<53.7%>	<63.4%>	<9.7pt>			
<R&D expenses>	<296.4>	<288.9>	<281.9>	<324.3>	<42.4>	<15.0%>	<325.0>	<160.0>
Operating income	420.2	367.1	265.0	122.5	-142.5	-53.8%	140.0	70.0
<% of net sales>	<28.7%>	<25.9%>	<17.6%>	<7.9%>	<-9.7pt>		<8.8%>	<9.0%>
Ethical drugs	400.6	346.0	243.8	99.0	-144.7	-59.4%		
<% of Ethical drugs sales>	<30.4%>	<27.3%>	<17.9%>	<7.1%>	<-10.9pt>			
Consumer Healthcare	11.0	12.2	11.8	13.2	1.3	11.4%		
<% of Consumer healthcare sales>	<19.0%>	<20.3%>	<19.2%>	<19.7%>	<0.5pt>			
Others	10.8	11.0	11.7	12.4	0.7	6.0%		
<% of others sales>	<11.4%>	<11.4%>	<12.6%>	<13.3%>	<0.8pt>			
Adjustments	-2.2	-2.2	-2.2	-2.1	0.2			
Non-operating income / expenses	-4.4	4.5	5.3	-9.3	-14.6	-	-15.0	-5.0
Non-operating income	25.2	30.4	23.4	23.6	0.2	0.8%		
Interest income	2.0	1.7	1.9	1.2	-0.7	-35.9%		
Dividend income	4.2	4.5	4.4	4.0	-0.4	-9.6%		
Equity in earnings of unconsolidated subsidiaries and affiliates	0.8	0.5	0.3	0.9	0.6	187.1%		
Other non-operating income	18.2	23.8	16.8	17.5	0.7	4.4%		
Non-operating expenses	29.6	25.9	18.1	32.9	14.8	82.1%		
Interest expenses	1.4	1.3	1.9	3.3	1.4	76.5%		
Fair value adjustment of contingent consideration	-	-	-	6.3	6.3	-		
Other non-operating expenses	28.2	24.6	16.2	23.3	7.1	44.1%		
Ordinary income	415.8	371.6	270.3	113.2	-157.2	-58.1%	125.0	65.0
<% of net sales>	<28.4%>	<26.2%>	<17.9%>	<7.3%>	<-10.6pt>		<7.9%>	<8.3%>
Extraordinary income and loss	-	-	-17.9	16.5	34.4			
Income before income tax and minority interests	415.8	371.6	252.5	129.7	-122.8	-48.6%		
Income taxes	115.7	121.3	125.2	-3.9	-129.1	-		
Minority interests	2.4	2.4	3.1	2.3	-0.8	-24.6%		
Net income	297.7	247.9	124.2	131.2	7.1	5.7%	95.0	45.0
<% of net sales>	<20.3%>	<17.5%>	<8.2%>	<8.4%>	<0.2pt>		<6.0%>	<5.8%>
Comprehensive income <incl. minority interests>	255.8	114.5	65.4	304.1	238.7	-		
Effective tax rate								
Japanese statutory tax rate	40.9%	40.9%	40.6%	38.0%	-2.6pt			
Effective tax rate	27.8%	32.7%	49.6%	-3.0%	-52.6pt			

* Effective from the FY10, the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information has been adopted. The figures for "FY09" are calculated and indicated after applying the accounting standard.

2. Sales

◆ Sales by Regions

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs FY11	increase/ decrease
Total consolidated sales	1,466.0	1,419.4	1,508.9	1,557.3	48.3	3.2%
Domestic	688.9	721.3	733.4	734.5	1.1	0.1%
Overseas	777.0	698.1	775.5	822.8	47.3	6.1%
<% of consolidated net sales>	<53.0%>	<49.2%>	<51.4%>	<52.8%>	<1.4pt>	
Americas	561.8	496.4	464.4	423.5	-40.9	-8.8%
<% of consolidated net sales>	<38.3%>	<35.0%>	<30.8%>	<27.2%>	<-3.6pt>	
[U.S.]	[544.5]	[483.4]	[419.5]	[344.0]	[-75.5]	[-18.0%]
[Latin America]			[30.2]	[62.9]	[32.7]	[108.3%]
Europe	189.1	172.9	258.0	314.8	56.8	22.0%
<% of consolidated net sales>	<12.9%>	<12.2%>	<17.1%>	<20.2%>	<3.1pt>	
[Russia/CIS]			[31.0]	[68.3]	[37.4]	[120.8%]
Asia and other regions	26.1	28.7				
<% of consolidated net sales>	<1.8%>	<2.0%>				
Asia			38.1	60.1	22.0	57.9%
<% of consolidated net sales>			<2.5%>	<3.9%>	<1.3pt>	
Other			15.0	24.3	9.3	61.7%
<% of consolidated net sales>			<1.0%>	<1.6%>	<0.6pt>	
Royalty income	45.4	41.4	42.5	45.2	2.7	6.4%
Ethical drugs	45.1	41.0	42.2	44.9	2.8	6.6%
Domestic	0.1	0.7	0.4	0.4	0.0	11.4%
Overseas	44.9	40.3	41.8	44.5	2.7	6.5%

* Effective from the FY10, the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information has been adopted.

The figures for "FY09" are calculated and indicated after applying said accounting standard.

** Effective from the FY12, the Company changed the classification of region for the purpose of providing more detailed sales information (previous "Asia and other regions" was divided into "Asia" and "Other"). In addition, two regions ("Latin America" in "Americas" and "Russia/CIS" in "Europe") were newly added. For fair comparison, the amounts reported in the FY11 are modified according to the new classification. In addition, the regional category of some countries in other than Americas was also changed as this reclassification.

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

◆ Ethical Drugs Sales [Consolidated basis]

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs FY11	increase/ decrease
Domestic sales	551.7	580.5	594.4	590.1	-4.3	-0.7%
Overseas sales	719.1	645.5	720.0	763.8	43.8	6.1%
Americas	535.2	475.4	447.1	405.5	-41.5	-9.3%
[U.S.]			[407.3]	[326.6]	[-80.4]	[-19.7%]
[Latin America]			[29.9]	[62.3]	[32.4]	[108.6%]
Europe	163.4	146.7	225.7	279.9	54.2	24.0%
[Russia/CIS]			[30.9]	[68.3]	[37.4]	[121.2%]
Asia and other regions	20.5	23.4				
Asia			33.6	55.5	21.8	64.9%
Other			13.6	22.9	9.3	68.7%
Royalty income and service income	50.2	44.5	47.7	50.9	3.2	6.8%
Domestic	0.6	1.0	1.0	1.3	0.3	27.2%
Overseas	49.6	43.5	46.6	49.5	2.9	6.3%
Total sales	1,321.1	1,270.5	1,362.0	1,404.7	42.7	3.1%
Ratio of overseas sales	58.2%	54.2%	56.3%	57.9%	1.6pt	

* Sales amount includes intersegment sales.

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*** Effective from the FY12, the Company changed the classification of region for the purpose of providing more detailed sales information (previous "Asia and other regions" was divided into "Asia" and "Other"). In addition, two regions ("Latin America" in "Americas" and "Russia/CIS" in "Europe") were newly added. For fair comparison, the amounts reported in the FY11 are modified according to the new classification. In addition, the regional category of some countries in other than Americas was also changed as this reclassification.

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

◆ Subsidiaries and Affiliates (*)

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs FY11	increase/ decrease
Takeda Pharmaceuticals U.S.A., Inc.	460.9	400.2	328.5	234.9	-93.6	-28.5%
[Millions of US\$]	[4,966]	[4,668]	[4,154]	[2,856]	[-1,298]	[-31.3%]
Millennium Pharmaceuticals, Inc.	71.4	74.7	87.3	108.4	21.1	24.2%
[Millions of US\$]	[769]	[872]	[1,104]	[1,318]	[214]	[19.4%]
Wako Pure Chemical Industries, Ltd.	69.4	70.0	60.2	60.3	0.1	0.2%

(*) Sales amounts for TPC group's intercompany transaction are subtracted.

◆ Ethical drugs Sales (Consolidated basis)
(Major items and regional basis)

(Billions of Yen)

Product	Launched	FY09	FY10	FY11	FY12	vs. FY11	increase/ decrease	FY13 Estimate
Leuprorelin								
Worldwide sales		120.4	116.4	120.7	116.5	-4.2	-3.5%	122.0
Japan	(92.9)	65.3	65.9	67.8	66.0	-1.8	-2.6%	66.5
Americas	(85.5)	15.8	14.7	16.1	14.9	-1.2	-7.2%	14.5
Europe	(89.4)	35.6	31.0	30.5	27.8	-2.7	-8.9%	33.0
Asia / Other	(91.7)	3.7	4.8	6.3	7.8	1.5	23.4%	8.0
Lansoprazole								
Worldwide sales		216.1	133.6	122.1	110.2	-11.9	-9.7%	102.0
Japan	(92.12)	72.3	70.9	76.5	69.1	-7.4	-9.7%	68.5
Americas	(95.6)	119.0	42.8	24.3	24.5	0.2	0.8%	15.0
Europe	(91.12)	21.4	16.4	16.8	10.5	-6.3	-37.5%	11.0
Asia / Other	(94.8)	3.4	3.6	4.5	6.1	1.7	36.9%	7.5
Candesartan								
Worldwide sales *		218.3	218.0	216.3	169.6	-46.7	-21.6%	148.0
Japan	(99.6)	132.6	138.0	142.7	134.0	-8.7	-6.1%	121.0
Americas, Europe, Asia / Other	Americas (98.10) Europe (97.12) Asia / Other (99.1)	85.8	80.0	73.7	35.6	-38.0	-51.7%	27.0
Pioglitazone								
Worldwide sales		383.3	387.9	296.2	122.9	-173.3	-58.5%	44.0
Japan	(99.12)	51.2	47.9	31.8	19.1	-12.7	-39.8%	17.0
Americas	(99.8)	297.4	306.2	244.5	90.9	-153.6	-62.8%	14.0
Europe	(00.10)	31.3	29.5	15.8	8.2	-7.6	-48.3%	7.0
Asia / Other	(00.7)	3.3	4.2	4.1	4.7	0.6	13.9%	6.0

* Worldwide sales of Candesartan are divided into only two segments, because export sales of this product to licensee are recorded under a single route.

** Effective from the FY10, a portion of the pricing system for individual products (selling prices to wholesalers) has been revised in Japan. The figures for "FY09" are indicated after adjustment by applying said new pricing system.

*** Effective from the FY10, the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information has been adopted. The figures for "FY09" are calculated and indicated after applying the accounting standard.

**** Effective from the FY12, the regional category of some countries in other than Americas was changed. For fair comparison, the amounts reported in the FY11 are modified according to the new classification.

◆ Sales of products outside Japan

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs. FY11	increase/ decrease	FY13 Estimate
Pantoprazole	-	-	38.7	78.0	39.3	101.7%	86.5
Velcade	46.2	50.8	58.1	72.9	14.8	25.4%	80.5
Colcrys	-	-	-	33.6	33.6	0.0%	50.0
Dexilant	8.5	18.1	24.2	32.7	8.5	35.3%	46.0
Amitiza	19.8	18.6	18.7	22.3	3.6	19.4%	25.5
Actovegin	-	-	9.8	19.6	9.8	99.9%	25.5
Uloric	4.4	9.1	12.9	17.7	4.8	37.3%	29.0
Calcium	-	-	8.2	15.4	7.2	87.9%	18.5
Tachosil	-	-	6.8	13.2	6.4	93.5%	16.0
Daxas	-	-	1.3	3.0	1.7	134.6%	5.5

◆ Ethical drugs: Major products domestic sales

(Billions of Yen)

Product	Launched	Therapeutic Class	FY09	FY10	FY11	FY12	vs. FY11	increase/decrease	FY13 Estimate
Blopress	(99. 6)	Hypertension	132.6	138.0	142.7	134.0	-8.7	-6.1%	121.0
<Ecard>	(09. 3)	Hypertension	0.7	10.4	13.0	12.4	-0.5	-4.1%	14.0
<Unisia>	(10. 6)	Hypertension	-	4.7	17.7	22.3	4.6	26.2%	24.0
Takepron	(92.12)	Peptic ulcers	72.3	70.9	76.5	69.1	-7.4	-9.7%	68.5
Leuplin	(92. 9)	Prostate cancer, breast cancer and endometriosis	65.3	65.9	67.8	66.0	-1.8	-2.6%	66.5
Enbrel	(05. 3)	Rheumatoid arthritis	32.3	38.4	41.4	43.2	1.8	4.3%	
Nesina	(10. 6)	Diabetes	-	1.6	15.5	37.8	22.2	143.4%	48.5
<Liovel>	(11. 9)	Diabetes	-	-	1.0	5.4	4.4	-	6.5
Basen	(94. 9)	Diabetes	41.9	32.2	25.9	19.3	-6.6	-25.5%	17.0
Actos	(99.12)	Diabetes	51.2	47.9	31.8	19.1	-12.7	-39.8%	17.0
Vectibix	(10. 6)	Colorectal cancer	-	9.4	17.2	18.8	1.6	9.5%	20.5
Benet	(02. 5)	Osteoporosis	17.4	17.6	16.5	13.3	-3.3	-19.7%	14.0
Reminyl	(11. 3)	Alzheimer-type dementia	-	0.5	2.7	8.4	5.7	-	
Rozerem	(10. 7)	Insomnia	-	1.0	2.5	4.5	2.0	79.1%	7.5
Azilva	(12. 5)	Hypertension	-	-	-	3.4	3.4	-	32.0
Lotriga	(13. 1)	Hyperlipidemia	-	-	-	1.1	1.1	-	3.0

* Effective from the FY10, a portion of the pricing system for individual products (selling prices to wholesalers) has been revised in Japan. The figures for "FY09" are indicated after adjustment by applying said new pricing system.

** The figures for "FY13 Estimate" are partially undisclosed due to disclosure policy of alliance partners.

◆ Consumer Healthcare: Major products sales

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs. FY11	increase/decrease	FY13 Estimate
Alinamin tablet	14.6	14.0	14.7	15.7	1.0	6.7%	15.8
Alinamin drink	12.2	12.7	13.0	14.3	1.4	10.5%	14.8
Benza	7.8	8.7	9.2	9.7	0.5	5.3%	10.1
Biofermin	6.6	7.0	7.5	8.1	0.6	8.1%	8.1
Borraginol	4.0	4.2	4.3	4.3	0.0	0.5%	4.3

3. Selling, General and Administrative expenses

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs FY11	increase/ decrease
SG & A expenses	760.7	734.7	810.7	987.1	176.4	21.8%
<% of net sales>	<51.9%>	<51.8%>	<53.7%>	<63.4%>	<9.7pt>	
Selling expenses	94.0	94.5	125.2	175.5	50.3	40.2%
Advertising expenses	19.3	24.7	27.1	25.2	-1.9	-7.0%
Sales promotion expenses	41.7	43.3	53.1	61.1	7.9	15.0%
Transportation and custody expenses	8.5	8.5	11.7	16.4	4.6	39.5%
Personnel expenses	174.2	171.8	169.4	209.6	40.2	23.7%
Other expenses	196.0	179.6	234.2	277.7	43.5	18.6%
R&D expenses	296.4	288.9	281.9	324.3	42.4	15.0%
<% of net sales>	<20.2%>	<20.4%>	<18.7%>	<20.8%>	<2.1pt>	
R&D expenses for ethical drugs	291.6	283.9	276.9	318.4	41.5	15.0%
<% of ethical drugs sales>	<22.1%>	<22.3%>	<20.3%>	<22.7%>	<2.3pt>	
SG & A expenses except R&D expenses	464.3	445.8	528.8	662.8	134.0	25.3%
<% of net sales>	<31.7%>	<31.4%>	<35.0%>	<42.6%>	<7.5pt>	

4. Non-operating income and expenses

(Billions of Yen)

	FY09	FY10	FY11	FY12	vs FY11	increase/ decrease
Non-operating income and expenses	-4.4	4.5	5.3	-9.3	-14.6	-
Non-operating income	25.2	30.4	23.4	23.6	0.2	0.8%
Interest income	2.0	1.7	1.9	1.2	-0.7	-35.9%
Dividend income	4.2	4.5	4.4	4.0	-0.4	-9.6%
Equity in earnings of affiliates	0.8	0.5	0.3	0.9	0.6	187.1%
Other non-operating income	18.2	23.8	16.8	17.5	0.7	4.4%
Non-operating expenses	29.6	25.9	18.1	32.9	14.8	82.1%
Interest expenses	1.4	1.3	1.9	3.3	1.4	76.5%
Loss on inventories	0.0	0.3	0.2	0.0	-0.2	-94.1%
Loss on marketable securities	0.5	0.3	0.1	0.8	0.7	-
Loss on fixed assets	2.2	0.9	0.7	2.6	1.8	-
Contributions	5.5	4.4	5.3	4.1	-1.2	-22.2%
Fair value adjustment of contingent consideration	-	-	-	6.3	6.3	-
Other non-operating expenses	20.0	18.7	9.9	15.8	5.9	59.8%

5. Extraordinary income and loss

(Billions of Yen)

	FY09	FY10	FY11	FY12
Extraordinary income and loss	-	-	-17.9	16.5
Extraordinary income	-	-	17.6	95.0
Gain on sales of investment securities	-	-	-	53.1
Gain on sales of noncurrent assets	-	-	17.6	4.0
Government subsidy	-	-	-	22.8
Interest on tax refund	-	-	-	15.1
Extraordinary loss	-	-	35.5	78.5
Impairment loss	-	-	-	43.6
Restructuring costs	-	-	35.5	25.2
Loss on voluntary recall of products	-	-	-	9.6