

III. Statements of Income

1. Statements of Income

(Billions of Yen)

	FY05	FY06	FY07	FY08	Estimate FY09	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total	increase/ decrease	Est. FY09 in May	increase/ decrease
Net Sales	1,212.2	1,305.2	1,374.8	1,538.3	1,480.0	807.1	755.5	-51.7	-6.4%	1,500.0	-20.0
<Royalty income>	<50.8>	<52.5>	<50.7>	<55.7>		<28.5>	<21.1>	<-7.5>	<-26.1pt>		
Pharmaceuticals	1,074.5	1,202.8	1,272.1	1,448.5		760.3	713.1	-47.3	-6.2%		
Ethical drugs	1,019.1	1,144.1	1,210.2	1,384.1	1,330.0	726.4	680.7	-45.7	-6.3%	1,350.0	-20.0
Consumer healthcare	55.4	58.7	61.8	64.4		33.9	32.4	-1.5	-4.5%		
Others	137.7	102.4	102.7	89.9		46.8	42.4	-4.4	-9.4%		
Cost of sales	282.1	279.7	278.6	289.5		150.7	140.4	-10.3	-6.9%		
<% of net sales>	<23.3%>	<21.4%>	<20.3%>	<18.8%>		<18.7%>	<18.6%>	<-0.1pt>			
Gross Profit	930.1	1,025.5	1,096.2	1,248.8		656.4	615.1	-41.4	-6.3%		
<% of net sales>	<76.7%>	<78.6%>	<79.7%>	<81.2%>		<81.3%>	<81.4%>	<0.1pt>			
Selling, G&A expenses	527.3	567.0	673.0	942.3		571.4	372.5	-198.9	-34.8%		
<% of net sales>	<43.5%>	<43.5%>	<48.9%>	<61.3%>		<70.8%>	<49.3%>	<-21.5pt>			
<R&D expenses>	<169.6>	<193.3>	<275.8>	<453.0>	<310.0>	<321.1>	<135.6>	<-185.5>	<-57.8%>	<310.0>	<->
Operating income	402.8	458.5	423.1	306.5	395.0	85.0	242.5	157.5	185.2%	395.0	-
<% of net sales>	<33.2%>	<35.1%>	<30.8%>	<19.9%>	<26.7%>	<10.5%>	<32.1%>	<21.6pt>		<26.3%>	<0.4pt>
Pharmaceuticals	388.1	448.2	411.3	296.9		80.1	240.0	159.9	199.7%		
<% of Pharmaceutical sales>	<36.1%>	<37.3%>	<32.3%>	<20.5%>		<10.5%>	<33.7%>	<23.1pt>			
Others	14.7	10.2	11.7	9.5		4.9	2.5	-2.4	-49.2%		
<% of others sales>	<10.7%>	<10.0%>	<11.4%>	<10.5%>		<10.5%>	<5.9%>	<-4.6pt>			
Non-operating income / expenses	82.5	126.5	113.3	20.7	5.0	15.9	12.4	-3.6	-22.4%	5.0	-
Non-operating income	103.9	140.2	132.3	43.1		24.9	18.5	-6.4	-25.7%		
Interest income	30.7	51.7	56.8	11.4		8.3	1.3	-7.0	-84.1%		
Dividend income	3.5	4.6	5.2	5.7		2.9	2.2	-0.7	-24.7%		
Equity in earnings of unconsolidated subsidiaries and affiliates	54.2	66.2	56.7	2.9		2.5	0.6	-2.0	-77.4%		
<Equity in earnings of TAP>	<52.1>	<61.0>	<51.8>	<1.7>		<1.8>	<->	<-1.8>	<->		
Other non-operating income	15.5	17.7	13.6	23.2		11.2	14.5	3.2	28.9%		
Non-operating expenses	21.3	13.6	19.0	22.4		9.0	6.1	-2.9	-31.7%		
Interest expenses	0.4	0.2	0.3	1.6		1.0	0.8	-0.2	-21.8%		
Other non-operating expenses	21.0	13.4	18.7	20.7		7.9	5.3	-2.6	-33.0%		
Ordinary income	485.4	585.0	536.4	327.2	400.0	101.0	254.9	153.9	152.4%	400.0	-
<% of net sales>	<40.0%>	<44.8%>	<39.0%>	<21.3%>	<27.0%>	<12.5%>	<33.7%>	<21.2pt>		<26.7%>	<0.4pt>
Extraordinary gain and loss	32.6	40.4	40.4	71.3		75.3	-	-75.3			
Income before income tax and minority interests	518.0	625.4	576.8	398.5		176.3	254.9	78.6	44.6%		
Income taxes	201.4	285.8	218.8	161.4		102.7	64.0	-38.7	-37.7%		
Minority interests	3.3	3.7	2.6	2.8		1.7	1.2	-0.5			
Net income	313.2	335.8	355.5	234.4	280.0	71.8	189.6	117.8	164.2%	280.0	-
<% of net sales>	<25.8%>	<25.7%>	<25.9%>	<15.2%>	<18.9%>	<8.9%>	<25.1%>	<16.2pt>		<18.7%>	<0.3pt>
Effective tax rate											
Japanese statutory tax rate	40.9%	40.9%	40.9%	40.9%		40.9%	40.9%	-			
Effective tax rate	38.9%	45.7%	37.9%	40.5%		58.3%	25.1%	-33.2pt			

2. Sales

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
Total consolidated sales	1,212.2	1,305.2	1,374.8	1,538.3	807.1	755.5	-51.7	-6.4%
Japan	675.1	661.7	680.6	695.2	350.7	347.1	-3.6	-1.0%
Overseas	537.1	643.5	694.2	843.1	456.4	408.3	-48.1	-10.5%
<% of consolidated net sales>	<44.3%>	<49.3%>	<50.5%>	<54.8%>	<56.5%>	<54.0%>	<-2.5pt>	
North America	335.9	426.6	463.4	631.6	338.7	301.8	-36.9	-10.9%
<% of consolidated net sales>	<27.7%>	<32.7%>	<33.7%>	<41.1%>	<42.0%>	<40.0%>	<-2.0pt>	
Europe	180.2	192.0	203.6	184.5	103.2	92.2	-11.0	-10.6%
<% of consolidated net sales>	<14.9%>	<14.7%>	<14.8%>	<12.0%>	<12.8%>	<12.2%>	<-0.6pt>	
Others	21.0	25.0	27.2	27.0	14.5	14.3	-0.3	-1.7%
<% of consolidated net sales>	<1.7%>	<1.9%>	<2.0%>	<1.8%>	<1.8%>	<1.9%>	<0.1pt>	
Royalty income	50.8	52.5	50.7	55.7	28.5	21.1	-7.5	-26.1%
Pharmaceuticals	50.2	51.8	49.9	55.3	28.2	20.9	-7.2	-25.7%
Japan	1.4	1.5	1.4	0.1	0.1	0.1	0.0	8.0%
Overseas	48.8	50.3	48.5	55.2	28.1	20.9	-7.3	-25.8%

◆ Subsidiaries and affiliates (*)

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
Takeda Pharmaceuticals North America, Inc. [Millions of US\$]	212.5 [1,876]	306.3 [2,617]	355.7 [3,113]	510.2 [5,074]	274.8 [2,590]	253.2 [2,653]	-21.6 [63]	-7.9% [2.4%]
Millennium Pharmaceuticals, Inc. [Millions of US\$]	— [—]	— [—]	— [—]	59.4 [591]	26.8 [252]	35.1 [369]	8.4 [117]	31.3% [46.3%]
Takeda Pharma GmbH [Millions of Euro]	31.1 [225]	33.3 [222]	35.6 [221]	34.6 [241]	19.6 [121]	16.1 [121]	-3.5 [0]	-18.0% [0.2%]
Laboratoires Takeda [Millions of Euro]	37.2 [270]	42.4 [282]	40.4 [250]	32.2 [224]	18.1 [111]	15.0 [113]	-3.1 [1]	-17.2% [1.2%]
Takeda Italia Farmaceutici S.p.A. [Millions of Euro]	27.9 [202]	31.0 [207]	34.7 [215]	31.6 [220]	17.6 [108]	15.5 [117]	-2.1 [8]	-11.9% [7.7%]
Takeda UK Limited [Millions of pound sterling]	9.1 [45]	12.8 [58]	18.9 [82]	19.5 [112]	11.5 [56]	10.3 [68]	-1.2 [11]	-10.7% [20.2%]
Wako Pure Chemical Industries, Ltd.	66.6	69.6	70.0	67.0	35.0	32.2	-2.8	-8.0%

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

◆ Worldwide sales of international strategic products (consolidated basis)

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
Leuprorelin	122.4	127.5	124.0	126.1	65.1	59.2	-5.9	-9.0%
Lansoprazole	159.9	150.7	148.7	271.4	149.1	132.0	-17.1	-11.5%
Candesartan	190.9	206.2	223.1	230.3	119.4	112.4	-6.9	-5.8%
Pioglitazone	243.8	336.3	396.2	387.0	203.2	194.8	-8.4	-4.1%

◆ Sales of major new products

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
Rozerem	3.0	10.3	12.6	8.8	4.9	3.5	-1.3	-27.5%
Amitiza	—	5.7	19.6	21.0	10.6	9.7	-0.9	-8.7%
Velcade	—	—	—	37.7	16.5	22.8	6.3	38.5%

◆ Ethical drugs Sales* (Consolidated basis)

*Excluding sales of products for which Takeda acts as a distributor to wholesalers

(Billions of Yen)

	FY05	FY06	FY07	FY2008	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total	increase/ decrease
Domestic sales (unconsolidated)	370.3	382.5	399.4	420.2	207.9	213.2	5.3	2.6%
Overseas sales	464.4	561.7	623.4	767.3	414.6	379.4	-35.2	-8.5%
Americas	295.4	376.5	421.9	575.4	307.6	288.3	-19.3	-6.3%
Europe	155.3	168.0	182.5	173.0	96.8	81.0	-15.8	-16.4%
Asia	13.7	17.2	19.1	19.0	10.1	10.1	-0.1	-0.9%
Royalty Income and Service Income	59.8	66.2	57.0	66.4	36.7	24.1	-12.7	-34.4%
Domestic	1.4	1.6	3.2	1.2	0.8	0.4	-0.4	-47.2%
Overseas	58.4	64.6	53.7	65.2	36.0	23.7	-12.3	-34.2%
Total sales	894.6	1,010.4	1,079.8	1,253.9	659.3	616.7	-42.6	-6.5%
Ratio of Overseas sales	58.5%	62.0%	62.8%	66.4%	68.3%	65.4%	-3.0pt	

◆ Worldwide sales of international strategic products
(Regional and Consolidated basis)

(Billions of Yen)

Product	Launched	FY05	FY06	FY07	FY2008	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total	increase/ decrease
Leuprorelin									
Worldwide sales		122.4	127.5	124.0	126.1	65.1	59.2	-5.9	-9.0%
Japan (unconsolidated)	(92. 9)	63.2	64.3	66.4	66.3	32.9	33.8	0.8	2.5%
Americas	(89. 3)	19.7	21.1	14.1	17.2	9.7	6.7	-3.0	-30.6%
Europe	(89. 4)	37.1	39.5	40.2	39.8	21.1	17.2	-3.9	-18.7%
Asia	(91. 7)	2.4	2.7	3.3	2.8	1.3	1.6	0.2	17.8%
Lansoprazole									
Worldwide sales		159.9	150.7	148.7	271.4	149.1	132.0	-17.1	-11.5%
Japan (unconsolidated)	(92.12)	55.0	57.9	64.8	70.7	34.2	37.5	3.3	9.6%
Americas	(95. 6)	57.3	50.2	45.2	173.1	98.6	81.9	-16.8	-17.0%
Europe	(91.12)	44.9	39.5	35.6	24.3	14.6	10.8	-3.8	-26.0%
Asia	(94. 8)	2.6	3.1	3.1	3.2	1.7	1.8	0.2	10.1%
Candesartan									
Worldwide sales		190.9	206.2	223.1	230.3	119.4	112.4	-6.9	-5.8%
Japan (unconsolidated)	(99. 6)	123.5	129.3	137.1	137.9	67.6	68.4	0.7	1.1%
Americas, Europe, Asia	Americas (98.10) Europe (97.12) Asia (99. 1)	67.4	76.9	86.0	92.5	51.8	44.1	-7.7	-14.8%
Pioglitazone									
Worldwide sales		243.8	336.3	396.2	387.0	203.2	194.8	-8.4	-4.1%
Japan (unconsolidated)	(99.12)	24.2	33.7	41.6	48.8	23.7	26.5	2.8	12.0%
Americas	(99. 8)	202.2	277.3	318.6	301.7	159.3	150.9	-8.4	-5.3%
Europe	(00.10)	15.5	22.7	32.5	32.8	18.0	15.5	-2.5	-13.8%
Asia	(00. 7)	1.9	2.7	3.4	3.7	2.2	1.8	-0.3	-14.9%

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

◆ Ethical drugs: Domestic sales <Top 15 ranking>

(Billions of Yen)

Product	Launched	Therapeutic Class	FY05	FY06	FY07	FY2008	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total	increase/ decrease
1 Blopres	(99. 6)	Hypertension	123.5	129.3	137.1	137.9	67.6	68.4	0.7	1.1%
2 Takepron	(92.12)	Peptic ulcers	55.0	57.9	64.8	70.7	34.2	37.5	3.3	9.6%
3 Leuplin	(92. 9)	Prostate cancer, breast cancer and endometriosis	63.2	64.3	66.4	66.3	32.9	33.8	0.8	2.5%
4 Actos	(99.12)	Diabetes	24.2	33.7	41.6	48.8	23.7	26.5	2.8	12.0%
5 Basen	(94. 9)	Diabetes	63.6	55.7	52.8	47.1	24.1	22.6	-1.5	-6.1%
6 Enbrel	(05. 3)	Rheumatoid arthritis	5.0	11.4	18.8	26.3	13.0	15.6	2.5	19.4%
7 Benet	(02. 5)	Osteoporosis	15.7	16.2	16.5	16.3	8.0	8.9	0.9	11.3%
8 Seltouch	(93. 9)	Topical NSAID	13.7	12.7	12.3	11.3	6.1	5.7	-0.4	-5.9%
9 Glovenin- I	(91.11)	Immuno-globulin	8.5	8.6	8.8	9.3	4.4	5.3	0.8	19.2%
10 Takeda freeze-dried live attenuated measles / rubella combined	(06. 1)	Vaccine for measles /rubella	0.3	3.8	5.8	8.4	4.9	5.2	0.3	5.6%
11 Rheumatrex	(99. 8)	Rheumatoid arthritis	6.7	6.9	7.7	8.5	4.2	4.6	0.4	9.2%
12 Dasen	(68.11)	Anti-inflammatory enzyme	8.5	8.1	7.7	7.2	3.1	3.1	-0.0	-1.2%
13 Pansporin injection	(81. 2)	Antibiotics	12.7	10.9	8.4	7.2	3.8	2.9	-0.9	-23.2%
14 Firstcin	(95. 8)	Antibiotics	7.5	6.9	6.4	5.9	3.0	2.8	-0.2	-6.4%
15 Prostal	(81. 9)	Prostatic hyperplasia	5.0	5.6	5.2	4.9	2.5	2.4	-0.1	-5.3%

■ Sales of major items - Consumer Healthcare <Top 5 ranking>

(Billions of Yen)

	FY05	FY06	FY07	FY2008	FY2008 1-2Q Total	FY2009 1-2Q Total	vs. FY2008 1-2Q Total	increase/ decrease
1 Alinamin Tablets	15.0	14.6	15.1	14.6	7.6	7.6	0.0	0.1%
2 Alinamin Drinks	12.8	12.1	12.3	12.8	6.7	6.7	-0.0	-0.1%
3 Benza	7.6	7.7	8.4	8.5	5.4	5.5	0.1	1.8%
4 Biofermin	6.3	6.4	7.1	7.1	3.6	3.4	-0.2	-6.0%
5 Borraginol	4.3	4.3	4.4	4.3	1.9	1.9	0.0	0.5%

3. Selling, General and Administrative expenses

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
S, G & A expenses	527.3	567.0	673.0	942.3	571.4	372.5	-198.9	-34.8%
<% of net sales>	<43.5%>	<43.5%>	<48.9%>	<61.3%>	<70.8%>	<49.3%>	<-21.5pt>	
Selling expenses	142.0	136.8	150.0	108.1	60.1	49.0	-11.2	-18.6%
Advertising expenses	23.9	36.5	38.5	20.3	10.2	9.9	-0.3	-2.8%
Sales promotion expenses	39.4	43.9	46.9	45.6	24.8	21.0	-3.8	-15.4%
Transportation and custody expenses	7.9	6.7	6.7	8.0	4.1	4.0	0.0	-0.5%
Personnel expenses	128.2	130.2	129.2	167.5	86.8	87.5	0.6	0.7%
Other expenses	87.4	106.7	118.1	213.7	103.4	100.6	-2.8	-2.7%
R&D expenses	169.6	193.3	275.8	453.0	321.1	135.6	-185.5	-57.8%
<% of net sales>	<14.0%>	<14.8%>	<20.1%>	<29.5%>	<39.8%>	<17.9%>	<-21.8pt>	
R&D expenses for ethical drugs (Consolidated)	165.8	189.4	271.5	448.1	319.0	132.7	-186.3	-58.4%
<% of ethical drugs sales>	<16.2%>	<16.5%>	<22.4%>	<32.3%>	<43.8%>	<19.4%>	<-24.4pt>	
S, G & A expenses except R&D expenses	357.7	373.7	397.3	489.3	250.3	237.0	-13.4	-5.3%
<% of net sales>	<29.5%>	<28.6%>	<28.9%>	<31.8%>	<31.0%>	<31.4%>	<0.4pt>	

4. Non-operating income and expenses

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total	vs FY2008 1-2Q Total	increase/ decrease
Non-operating income and expenses	82.5	126.5	113.3	20.7	15.9	12.4	-3.6	-22.4%
Non-operating income	103.9	140.2	132.3	43.1	24.9	18.5	-6.4	-25.7%
Interest income	30.7	51.7	56.8	11.4	8.3	1.3	-7.0	-84.1%
Dividend income	3.5	4.6	5.2	5.7	2.9	2.2	-0.7	-24.7%
Equity in earnings of affiliates	54.2	66.2	56.7	2.9	2.5	0.6	-2.0	-77.4%
Other non-operating income	15.5	17.7	13.6	23.2	11.2	14.5	3.2	28.9%
Non-operating expenses	21.3	13.6	19.0	22.4	9.0	6.1	-2.9	-31.7%
Interest expenses	0.4	0.2	0.3	1.6	1.0	0.8	-0.2	-21.8%
Loss on inventories	2.4	0.6	1.6	0.4	0.1	0.0	-0.1	-89.0%
Loss on marketable securities	0.0	0.0	0.1	1.9	1.2	0.1	-1.1	-91.0%
Loss on fixed assets	3.8	1.5	3.8	0.8	0.2	0.4	0.2	68.6%
Contributions	4.2	6.1	4.7	4.4	1.4	1.5	0.1	7.6%
Other non-operating expenses	10.5	5.2	8.5	13.3	4.9	3.3	-1.6	-33.2%

5. Extraordinary gain and loss

(Billions of Yen)

	FY05	FY06	FY07	FY08	FY2008 1-2Q Total	FY2009 1-2Q Total
Extraordinary gain and loss	32.6	40.4	40.4	71.3	75.3	-
Extraordinary gain	32.6	40.4	40.4	71.3	75.3	-
Gain on sale of businesses	-	19.0	-	71.3	75.3	-
Gain on sale of property, plant and equipment	0.1	4.3	0.8	0.0	0.0	-
Gain on sale of shares of subsidiaries/affiliates	12.0	17.1	38.6	-	-	-
Gains on return of the proxy portion of corporate employee pension funds to the government	20.4	-	-	-	-	-
Gains on revision of retirement plan	-	-	1.0	-	-	-
Extraordinary loss	-	-	-	-	-	-