



Consolidated Financial Results FY2015 Q3

February 3, 2016

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Takeda Pharmaceutical Company Limited

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Definitions of Disclosure Terms

- **"Underlying Growth"** compares two periods of financial results under a common basis, showing the real performance of the business.
- **"Underlying Growth"** excludes the impact of foreign exchange and exceptional items such as product divestments and acquisitions, impact of purchase accounting, amortization and impairment loss of intangible assets, restructuring costs and major litigation costs.
- Takeda's management guidance consists of **"Underlying Growth"** of revenue, Core Earnings and Core EPS.

The detailed definitions of Core Earnings and Core EPS are shown in the Appendix. Please note these terms are non-GAAP items, used for internal evaluation purposes and are not audited.

On the Road to Sustained Growth Q3 Highlights

- **Underlying Growth in FY15 Q3 YTD;**
+3.8% for revenue, +1.5% for Core Earnings, +17.3% for Core EPS
- **Takeda's "Growth Drivers";** GI, Oncology and Emerging Markets,
representing half of Takeda's revenue, delivering robust growth of +8.5%
- **ENTYVIO on the way to over \$2 bln in peak sales**
- **NINLARO launched in the US in December 2015**
- **In Japan, new product growth offsetting generic decline in Q3**
- **Project Summit already exceeding full year savings target**
- **Operating free cash flow shows large improvement versus prior year but more work remains to be done**

Management guidance reaffirmed for full year 2015

Reported Income Statement

Takeda Pharmaceutical Company Limited

Reported Income Statement

	FY14 YTD	FY15 YTD	Change		(billion JPY)
Revenue	1,340.0	1,393.3	+53.3	+ 4.0%	
Gross profit	953.6	990.8	+37.2	+ 3.9%	*1 Impairment of COLCRYS 30.5 (loss)
S&M	317.3	336.0	+18.7	+ 5.9%	
G&A	120.7	139.5	+18.8	+ 15.5%	*2 Profit from revaluation of contingent consideration liability for COLCRYS 56.4 (gain), Gain from sales of real estate 25.4 (gain)
R&D	249.2	253.9	+4.7	+ 1.9%	
Amortization and impairment losses on intangible assets associated with products	126.5 *1	93.1	-33.4	- 26.4%	
Other income	94.7 *2	20.9	-73.8	- 77.9%	
Other expenses	35.4 *3	21.7	-13.7 *4	- 38.7%	*3 Termination cost for TAK-700 (orteronel) development 4.9 (loss)
Operating profit	199.1	167.5	-31.6	- 15.9%	
Financial income/expenses, other	(11.5)	(12.9)	-1.4	+ 12.1%	*4 Decrease of Restructuring Costs -7.7
Profit before tax	187.6	154.6	-33.0	- 17.6%	
Income tax	105.2 *5	38.2 *6	-67.0	- 63.7%	*5 Revaluation of R&D credit 42.7 (loss)
Non-controlling interests	2.6	2.7	+0.1	+ 4.6%	
Net profit	79.7	113.6	+33.9	+ 42.5%	*6 Tax impact due to capital redemption from a subsidiary -14.5 (gain)
EPS	101 JPY	145 JPY	+44 JPY	+ 43.0%	
<i>Exchange Rate</i>	<i>Yen per USD</i>	106	122		
	<i>Yen per EUR</i>	140	134		

Underlying Growth: Revenue

Takeda Pharmaceutical Company Limited

Revenue Continues to Grow in line with Full Year Guidance

(billion JPY)

	FY14 YTD	FY15 YTD	YTD Growth	Q1 Growth	Q2 Growth	Q3 Growth
Revenue	1,340.0	1,393.3	+ 4.0%	+ 8.5%	+ 4.0%	+ 0.1%
Fx effects*	41.2	21.4				
Divestments / Acquisitions	-20.2	-2.5				
Underlying Revenue	1,360.9	1,412.1	+ 3.8%	+ 6.1%	+ 1.6%	+ 3.8%

FY14: Divestment of Mizusawa Industrial Chemicals, Ltd. -9.9, etc.
 FY15: Acquisition of Neutec Toplam Kalite -2.5

*Adjustment applying a constant currency at 1USD=120JPY, 1EUR=130JPY and etc.

Growth Drivers Continue to Deliver a Robust Performance

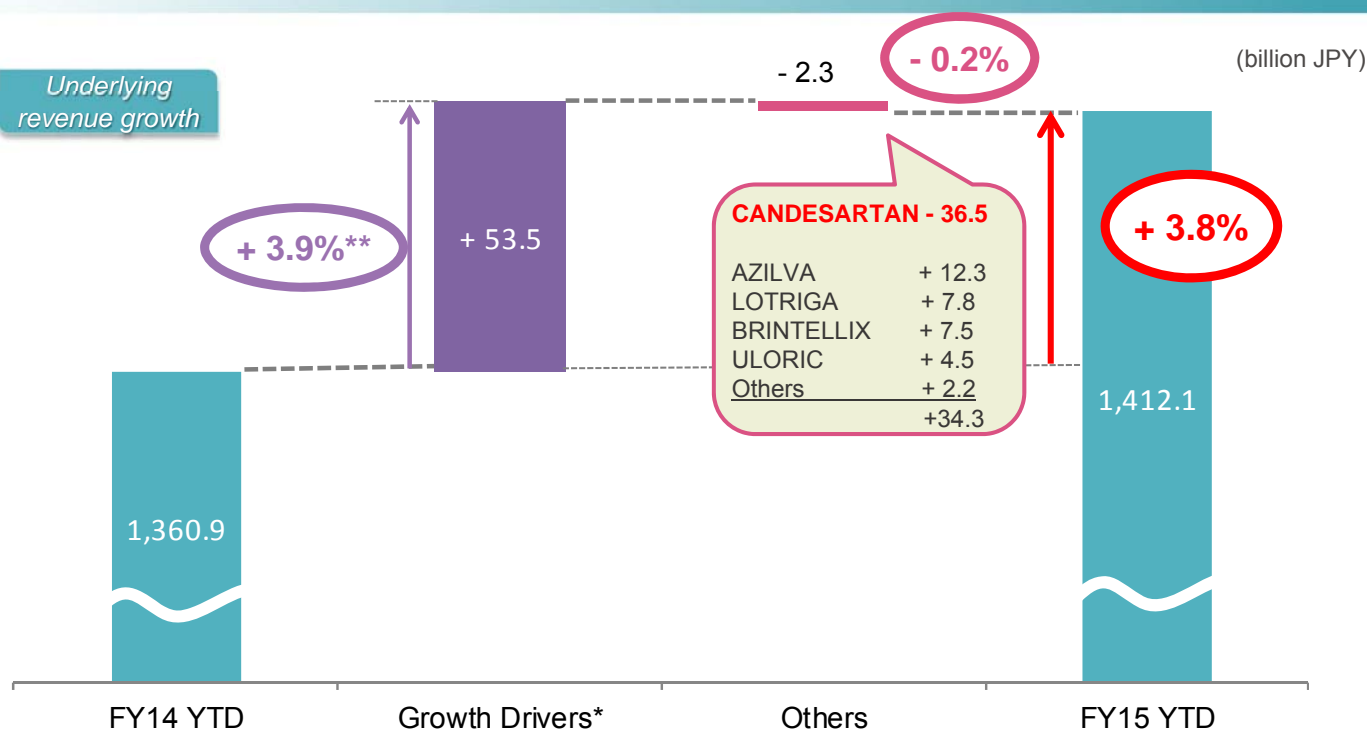
Underlying revenue growth

	FY14 (billion JPY) (vs FY13)		FY15 YTD (vs FY14 YTD)	
GI*	240.9	+10.4%	+24.7%	
Oncology	333.8	+4.0%	+0.4%	+8.5% Growth Drivers Total**
Emerging Markets*	316.3	+8.1%	+5.7%	
				48% Growth Drivers Total** Takeda Total

* Pantoprazole is included in Emerging Markets (EM), but not in GI (Gastrointestinal), as it is a key driver in EM
 ** Total GI/Oncology/EM, eliminated duplications (e.g. ADCETRIS in EM and in Oncology)

Broad Portfolio of Growing Products Offsets LOE Decline

Underlying revenue growth



* GI / Oncology / EM: See Appendix for products list in GI and Oncology.

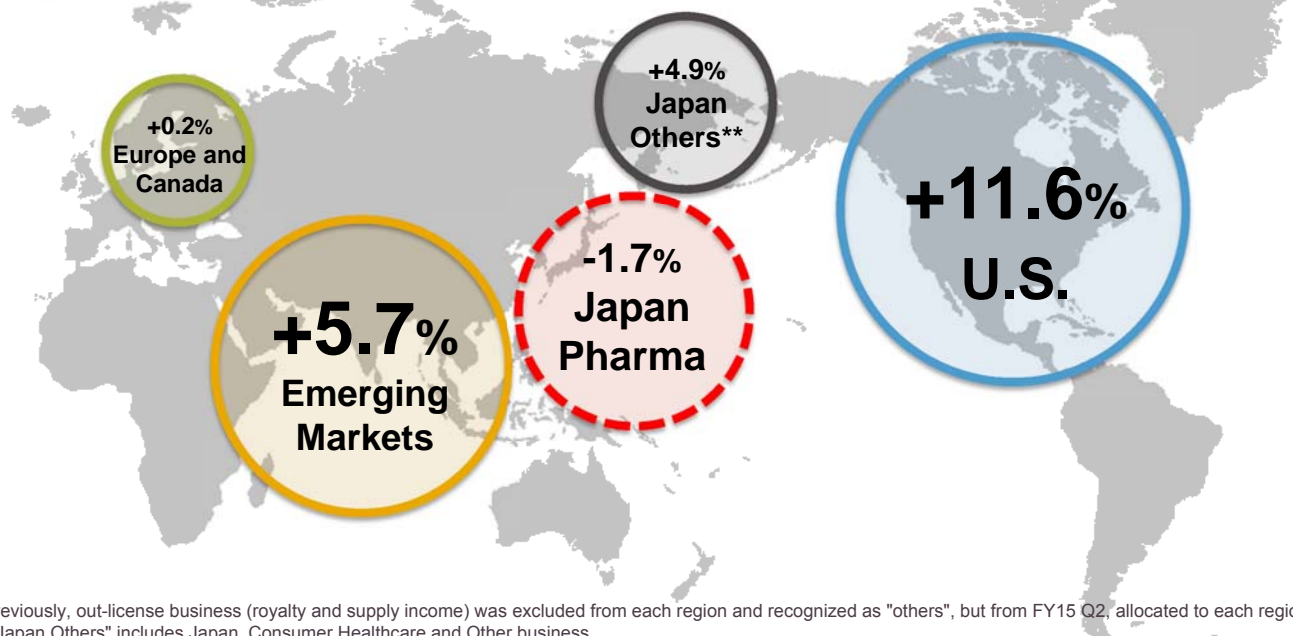
** Growth (+3.9%) from the FY14 Q3 YTD total revenue (1,360.9 billion JPY) and grown (+8.5%) from the FY14 Q3 YTD Growth Drivers revenue (630.3 billion JPY).

US and Emerging Markets Drive Sales Growth

Underlying revenue growth

FY15 YTD Regional Revenue* vs. FY14 YTD

Strong growth driven by the U.S. and Emerging Markets

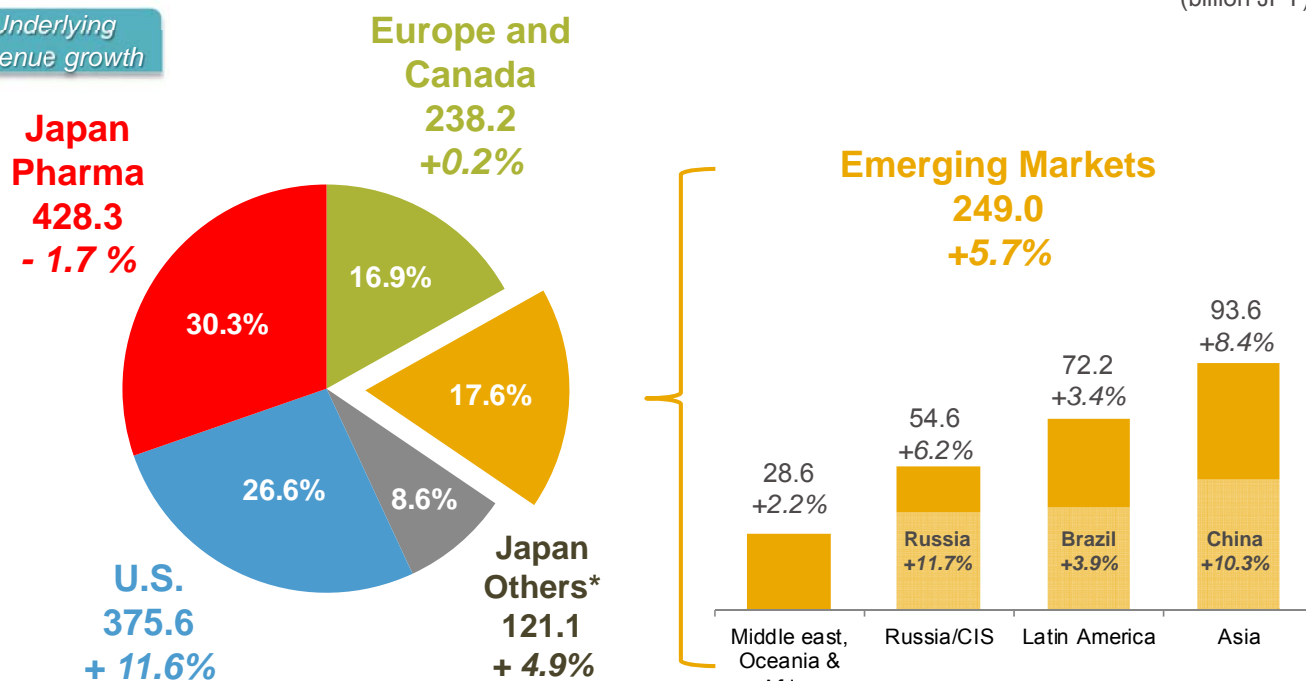


* Previously, out-license business (royalty and supply income) was excluded from each region and recognized as "others", but from FY15 Q2, allocated to each region.
 ** "Japan Others" includes Japan Consumer Healthcare and Other business.

Emerging Markets YTD Underlying Growth +5.7% Double Digit Growth in Russia and China

Underlying revenue growth

(billion JPY)



* including Japan Consumer Healthcare and Other business

NINLARO® Launched in US in December 2015

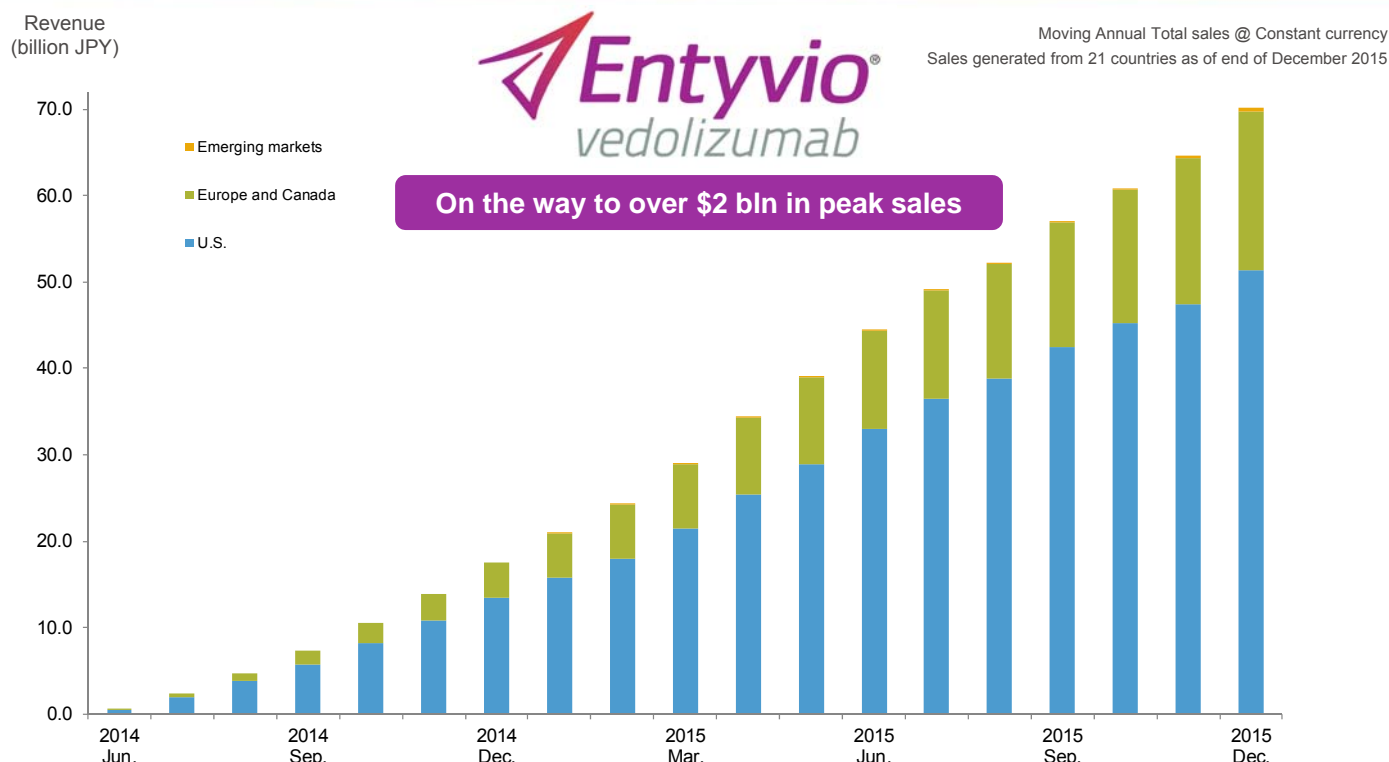
Effective, Safe & Simple for Sustainable Treatment of Multiple Myeloma



UNIQUE	<ul style="list-style-type: none"> The 1st and only oral proteasome inhibitor
EFFECTIVE	<ul style="list-style-type: none"> ~6 month PFS improvement in a real-world representative population Efficacy in high risk patients
SAFE	<ul style="list-style-type: none"> Low neuropathy and mostly low grade No CV toxicity
SIMPLE	<ul style="list-style-type: none"> One capsule, once weekly

Q3 ENTYVIO® Sales Make it Takeda's Fourth Largest Product

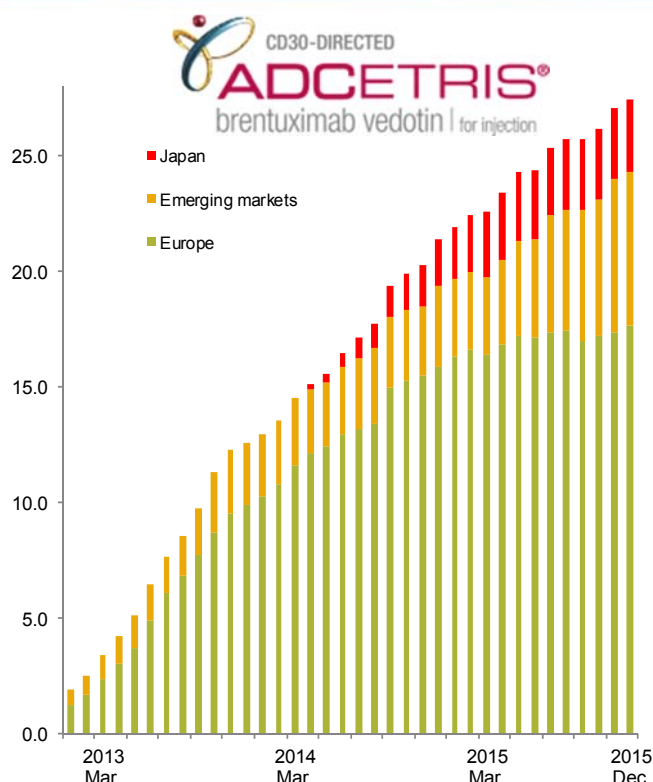
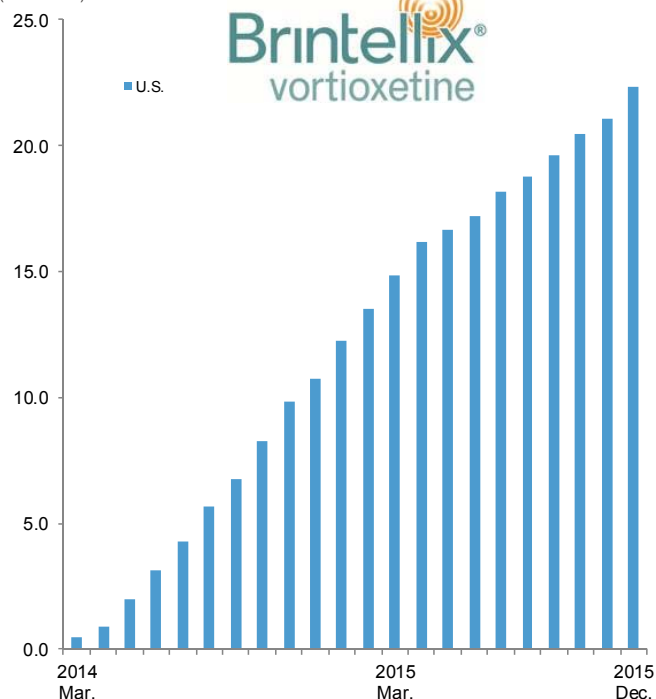
Growth More Than Offsetting CANDESARTAN Decline



Continued Growth of BRINTELLIX® and ADCETRIS®

Moving Annual Total sales @ Constant currency

Revenue
(billion JPY)



Sales of Top 10 Products and 4 Additional Products (1/2)

		FY14 Full Year	FY14 YTD	FY15 YTD	Reported %	Underlying %
		(billion JPY)				
1. VELCADE	United States	110.8	80.7	101.1	25.2%	8.7%
	Ex-United States	41.9	33.6	25.4	-24.5%	-33.8%
	Total	152.7	114.4	126.5	10.6%	-3.7%
2. LEUPRORELIN	Japan	57.6	44.7	42.2	-5.7%	-5.7%
	United States	15.9	11.9	13.1	9.6%	6.2%
	Europe and Canada	36.4	27.5	26.9	-2.3%	0.1%
	Emerging Markets	14.2	10.4	13.6	30.4%	20.5%
	Total	124.0	94.6	95.8	1.2%	0.6%
3. PANTOPRAZOLE	United States	11.0	7.4	8.9	20.9%	8.4%
	Europe and Canada	49.3	37.8	34.8	-7.8%	-21.7%
	Emerging Markets	43.4	32.4	34.9	8.0%	3.0%
	Total	103.7	77.6	78.7	1.5%	0.1%
4. LANSOPRAZOLE	Japan	52.5	41.2	33.0	-19.8%	-19.8%
	United States	28.7	20.6	21.8	5.8%	-7.2%
	Europe and Canada	11.7	8.9	7.9	-10.8%	-7.1%
	Emerging Markets	10.1	7.5	7.7	2.6%	-5.1%
	Total	102.9	78.1	70.4	-9.9%	-13.4%
5. CANDESARTAN	Japan	94.6	78.8	47.3	-40.0%	-40.0%
	United States	2.1	1.5	1.0	-34.9%	-44.4%
	Europe and Canada	17.7	13.4	9.6	-28.1%	-31.2%
	Emerging Markets	11.4	8.2	9.2	11.8%	0.6%
	Total	125.7	101.8	67.1	-34.2%	-35.3%
6. ENTYVIO	United States	20.1	12.1	44.0	—	—
	Europe and Canada	7.7	4.3	14.5	—	—
	Emerging Markets	0.0	0.0	0.9	—	—
	Total	27.8	16.4	59.3	—	—
7. DEXILANT	United States	53.5	38.9	48.4	24.6%	8.8%
	Europe and Canada	4.9	3.6	4.0	11.2%	13.2%
	Emerging Markets	3.9	2.7	4.2	54.5%	53.5%
	Total	62.3	45.2	56.6	25.3%	11.8%

Sales of Top 10 Products and 4 Additional Products (2/2)

		FY14 Full Year	FY14 YTD	FY15 YTD	Reported %	Underlying %
(billion JPY)						
8. AZILVA	Japan	45.4	33.0	45.3	37.2%	37.2%
	Total	45.4	33.0	45.3	37.2%	37.2%
9. NESINA	Japan	38.4	29.7	29.2	-1.9%	-1.9%
	United States	4.1	2.9	4.4	49.9%	31.1%
	Europe and Canada	0.6	0.3	2.4	—	—
	Emerging Markets	1.3	0.9	2.3	151.6%	145.6%
	Total	44.3	33.9	38.3	12.9%	12.0%
10. COLCRYS	United States	58.8	43.7	34.2	-21.9%	-32.5%
	Total	58.8	43.7	34.2	-21.9%	-32.5%
ULORIC	United States	32.6	23.4	31.2	33.4%	16.5%
	Europe and Canada	0.6	0.4	0.5	19.9%	21.8%
	Total	33.2	23.8	31.7	33.2%	16.6%
AMITIZA	United States	31.9	22.8	28.9	26.7%	10.4%
	Europe and Canada	0.0	0.0	0.1	—	—
	Total	32.0	22.9	29.0	26.9%	10.6%
ADCETRIS	Japan	2.8	2.1	2.4	15.5%	15.5%
	Europe and Canada	16.3	12.3	13.3	8.2%	9.2%
	Emerging Markets	3.6	2.9	5.7	97.2%	110.5%
	Total	22.9	17.4	21.4	22.5%	26.5%
BRINTELLIX	United States	13.6	9.1	18.1	98.0%	72.3%
	Total	13.6	9.1	18.1	98.0%	72.3%

The total sales of top 10 products and 4 additional products account for **61%** of Takeda's total revenue.

* 4 additional products are ULORIC, AMITIZA, ADCETRIS, and BRINTELLIX.

These products are selected due to their significant revenue contribution and investors' interest in their performance.

Revenue of Major Countries in Emerging Markets

		FY14 Full Year	FY14 YTD	FY15 YTD	Reported %	Underlying %
(billion JPY)						
Total Revenues in Emerging Markets		313.7	234.3	227.4	-2.9%	5.7%
	China	55.2	40.0	49.7	24.3%	10.3%
	Russia	57.6	45.8	35.0	-23.6%	11.7%
	Brazil	47.6	35.9	29.2	-18.6%	3.9%
(JPY)						
(Reference) Foreign Exchange Rates	FY14 Full Year	FY14 YTD	FY15 YTD	Change		
	CNY	17.61	17.10	19.37	13.3%	
	RUB	2.59	2.80	2.05	-26.8%	
	BRL	45.28	45.75	35.57	-22.3%	

Underlying Growth: Core Earnings

Takeda Pharmaceutical Company Limited

YTD Performance Confirms FY15 as Turnaround Year Core Earnings Growth to Exceed Revenue Growth by Year-End

(billion JPY)	FY14 YTD	FY15 YTD	Change	
Underlying Revenue	1,360.9	1,412.1	+51.2	+ 3.8%
Underlying Gross profit	980.2	1,005.9	+25.7	+ 2.6%
S&M	325.1	342.2	+17.1	+ 5.3%
G&A	137.7	140.6	+2.9	+ 2.1%
R&D	242.7	250.0	+7.3	+ 3.0%
Other income	14.1	10.4	-3.7	- 26.4%
Other expenses	15.0 ^{*1}	5.7	-9.3	- 62.1%
Underlying Core Earnings	273.8	277.8	+4.0	+ 1.5%
Financial income/expenses, other	(4.7)	2.1	+6.8	-
Underlying Core Profit before tax	269.1	280.0	+10.8	+ 4.0%
Income tax	92.6	73.2 ^{*2}	-19.4	- 20.9%
Non-controlling interests	3.4	3.6	+0.2	+ 6.2%
Underlying Core Net profit	173.1	203.1	+30.0	+ 17.3%
Underlying Core EPS	220 JPY	258 JPY	+38 JPY	

^{*1} Termination cost for TAK-700 (orteronel) development 4.9 (loss)

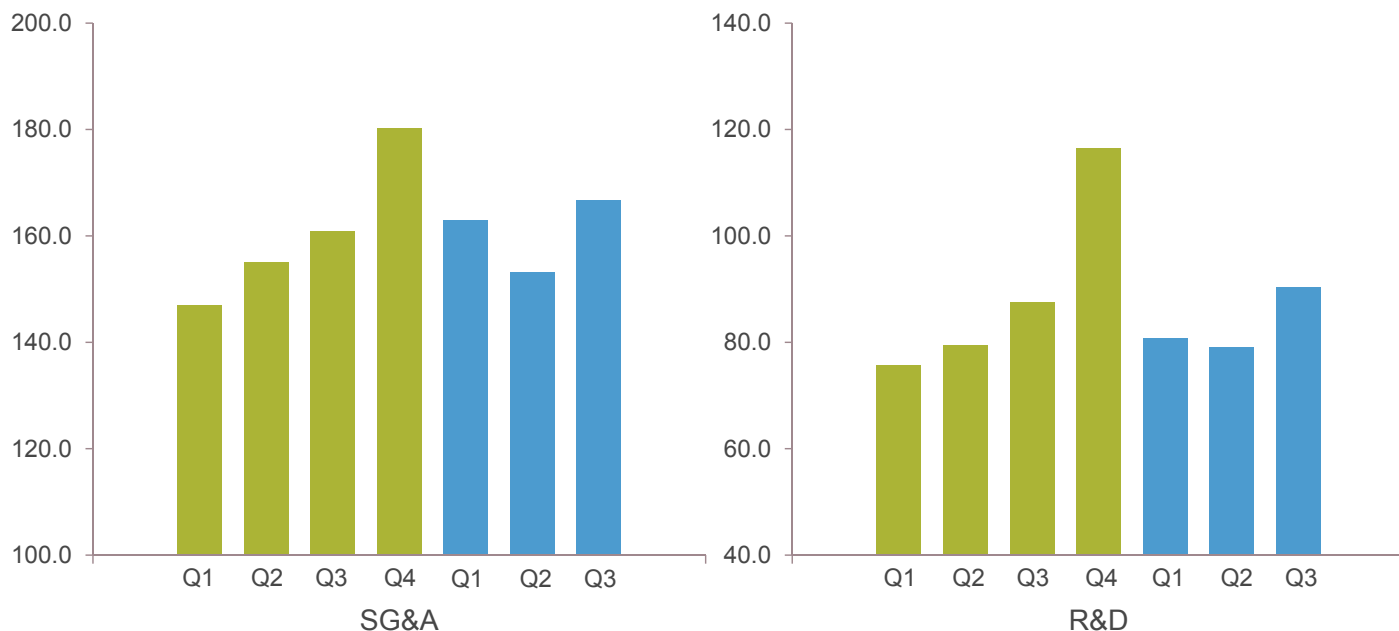
^{*2} Tax impact due to capital redemption from a subsidiary -14.5 (gain)

Focus on Controlling OPEX

Underlying growth

FY14 FY15

(billion JPY)



Project Summit Already Exceeding Full Year Target

FY15 YTD

FY15-17
(each year)

FY13-17
(cumulative)

(billion JPY)

Cost savings

21*

>20 avg.

>120

Implementation costs

12

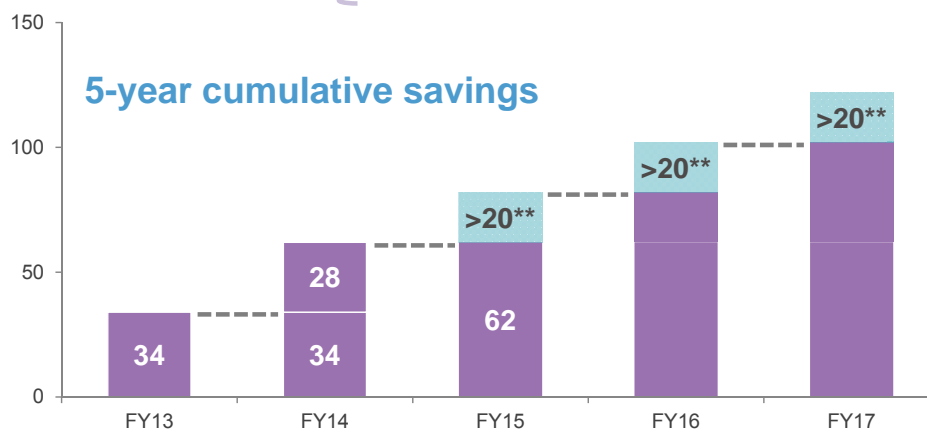
>15 avg.

Up to 100

* FY15 YTD Savings Breakdown

- 62% Procurement and 37% Non-Procurement
- 33% Commercial, 31% R&D, 19% Production & Supply, and 17% G&A

5-year cumulative savings



**Average of the next 3 years.

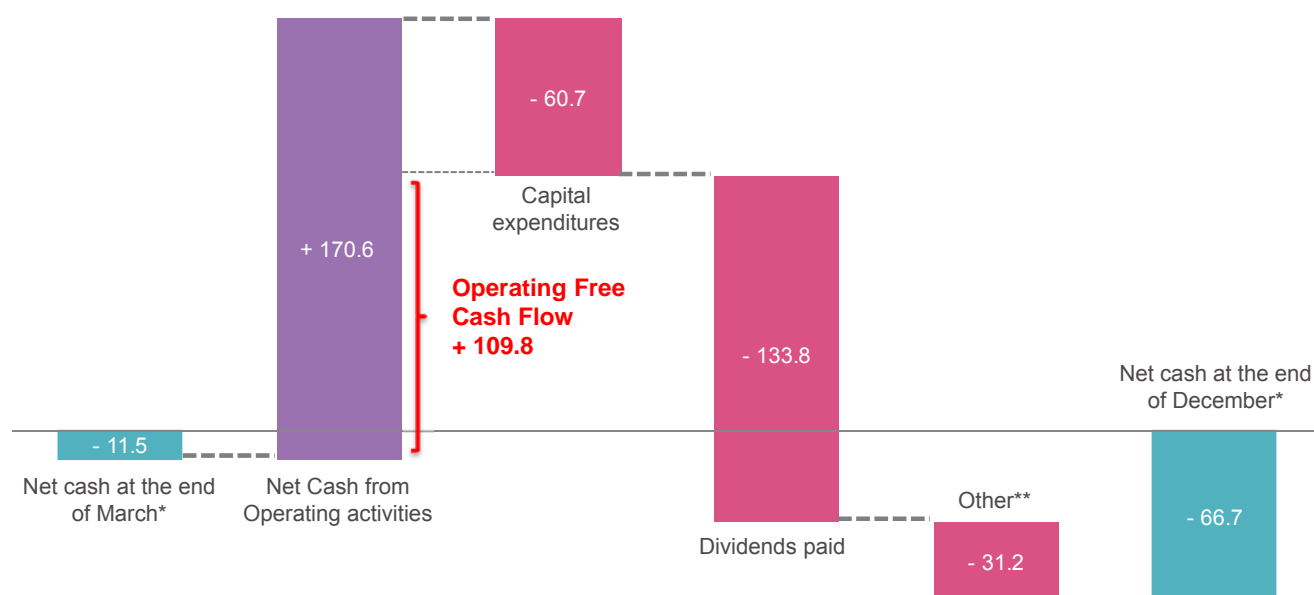
Cash Flow and Debt

Takeda Pharmaceutical Company Limited

Operating Free Cash Flow Over 100 bln JPY Improved by 46 bln JPY

FY15 YTD Operating Free Cash Flow was 110 billion JPY, an increase of 46 bln JPY vs. FY14 YTD

(billion JPY)

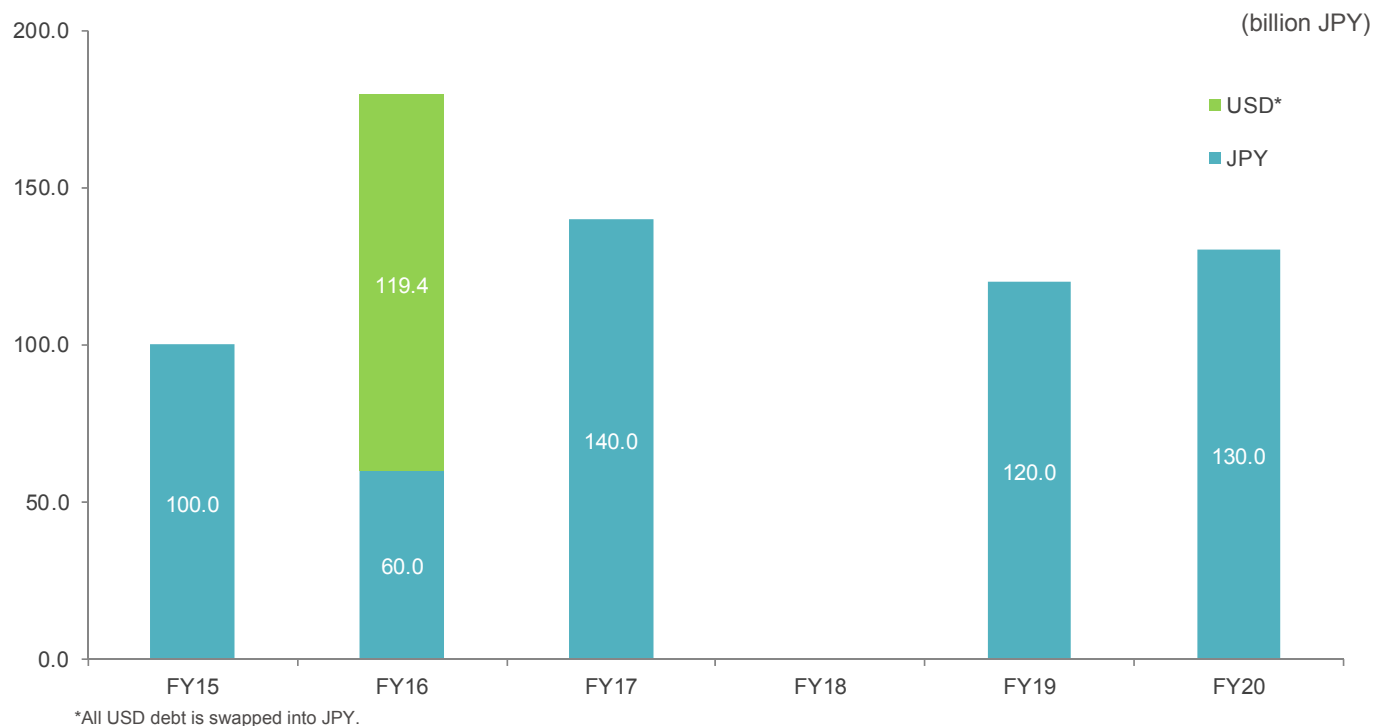


* Debt figures in this slide represent bonds and loans FX rate hedged basis.

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

** Other includes purchase of treasury shares for ESOP and BIP, acquisitions and others.

Maturing Debt to be Re-Financed



Reported Forecast and Management Guidance

FY2015 Full Year Reported Forecast: Operating Profit Upgraded, Others Unchanged

(billion yen)	FY15 Previous Forecast	Change	FY15 Revised Forecast*	
Revenue	1,820.0	—	1,820.0	
R&D expenses	330.0	—	330.0	
Operating profit	105.0	+15.0	120.0	
Profit before tax	115.0	—	115.0	
Net profit for the year	68.0	—	68.0	
EPS	87 yen	— yen	87 yen	
<i>Exchange Rate</i>	<i>Yen per USD</i>	120	+1	121
	<i>Yen per EUR</i>	135	-2	133

*Our operations are exposed to various risks at present and in the future, such as changes in the business environment and fluctuation of foreign exchange rates. All guidance in this presentation are based on information currently available to the management, and various factors could cause actual results to differ.

Items Expected to Impact in Q4

Takeda phasing has historically resulted in a weak Q4. A similar pattern is expected this year. Some of the major items that are likely to impact results in the last quarter are as follows:

- Lower Q4 Japan sales versus YTD run-rate, and the recent weakening of emerging market currencies
- Higher operating expenses in Q4 in line with historical patterns; however, still expected to be in line with budget
- Most impairment losses to fall in Q4 in line with historical patterns; however, still expected to be in line with budget
- Forecast includes risk of write-down related to economic crisis in Venezuela and FX losses on EM currencies
- Forecast includes revaluation of deferred tax assets related to Japan tax reform

On the Road to Sustained Growth Full Year Management Guidance Reaffirmed

Underlying Revenue	Low single digit
Underlying Core Earnings	Higher than underlying revenue growth
Underlying Core EPS	Higher than underlying core earnings growth
Annual Dividend per Share	180 yen

Save the Date – Takeda IR Event in June 2016



Thursday June 9th, 2016

Takeda IR event in Tokyo with a focus on R&D strategy and oncology

More details soon...

Appendix

Takeda Pharmaceutical Company Limited

Definition of Core Earnings and Core EPS

Core Earnings

- Core Earnings is calculated from operating profit by excluding the impact of exceptional items, such as purchase accounting, amortization and impairment loss of intangible assets, restructuring costs and major litigation costs.
- Adjustment items are detailed on the next slide.

Core EPS

- Core EPS is earnings per share based on Core Net Profit, which is calculated from Net profit for the period by excluding the impact of exceptional items, similar to those listed above, and the tax effects on them.

Adjustment Items of Core Earnings

Adjustment items from Operating profit		Note
1	Amortization of intangibles recognized through acquisition and in-licensing	Amortization costs of <ul style="list-style-type: none"> • Intangibles of launched product derived from corporate acquisition • Intangibles of upfront payments and any milestone payment (e.g. stage-up, NDA, approval) derived from in-licensing contract • Intangibles of platform technology
2	Impairments of intangibles recognized through acquisition and in-licensing	Impairments of <ul style="list-style-type: none"> • Intangibles (launched products and R&D pipeline) derived from corporate acquisition and in-licensing contract • Goodwill
3	Other purchase accounting effects	<ul style="list-style-type: none"> • Inventory step-up amortization • Fair value adjustment of contingent consideration
4	Profits and losses from the disposal of affiliates, business and others	<ul style="list-style-type: none"> • Disposal of businesses, affiliates, real estate and securities* * Adjustment item of Core net profit
5	Costs of major restructuring programs	<ul style="list-style-type: none"> • Integration costs • Implementation costs
6	Gains and charges from legal settlements/judgments/fines and large sized litigation expense (payment to lawyer)	<ul style="list-style-type: none"> • e.g. Actos settlement provision, litigation expense (payment to lawyer), etc.
7	Gains and losses not related to underlying business performance which the company deems exceptional	<ul style="list-style-type: none"> • Global issues outside the healthcare sector beyond the Group's control (ex. disaster, etc.) • Expense caused by product recall • Government grants • Tax refund/ dispute, etc.

Reported Income Statement - Q3

	FY14 Q3	FY15 Q3	Change	
				(billion JPY)
Revenue	488.6	489.2	+0.6	+ 0.1%
Gross profit	349.2	344.2	-5.0	- 1.4%
S&M	111.9	110.6	-1.3	- 1.1%
G&A	43.0	51.4	+8.4	+ 19.6%
R&D	92.7	92.5	-0.2	- 0.2%
Amortization and impairment losses on intangible assets associated with products	63.3	30.1	-33.2	- 52.4%
Other income	55.9	5.7	-50.3	- 89.8%
Other expenses	12.0	8.2	-3.8	- 31.6%
Operating profit	82.4	57.0	-25.3	- 30.8%
Profit before tax	74.4	52.6	-21.9	- 29.4%
Net profit	18.3	59.3	+41.0	-
EPS	23 JPY	76 JPY	+52 JPY	-

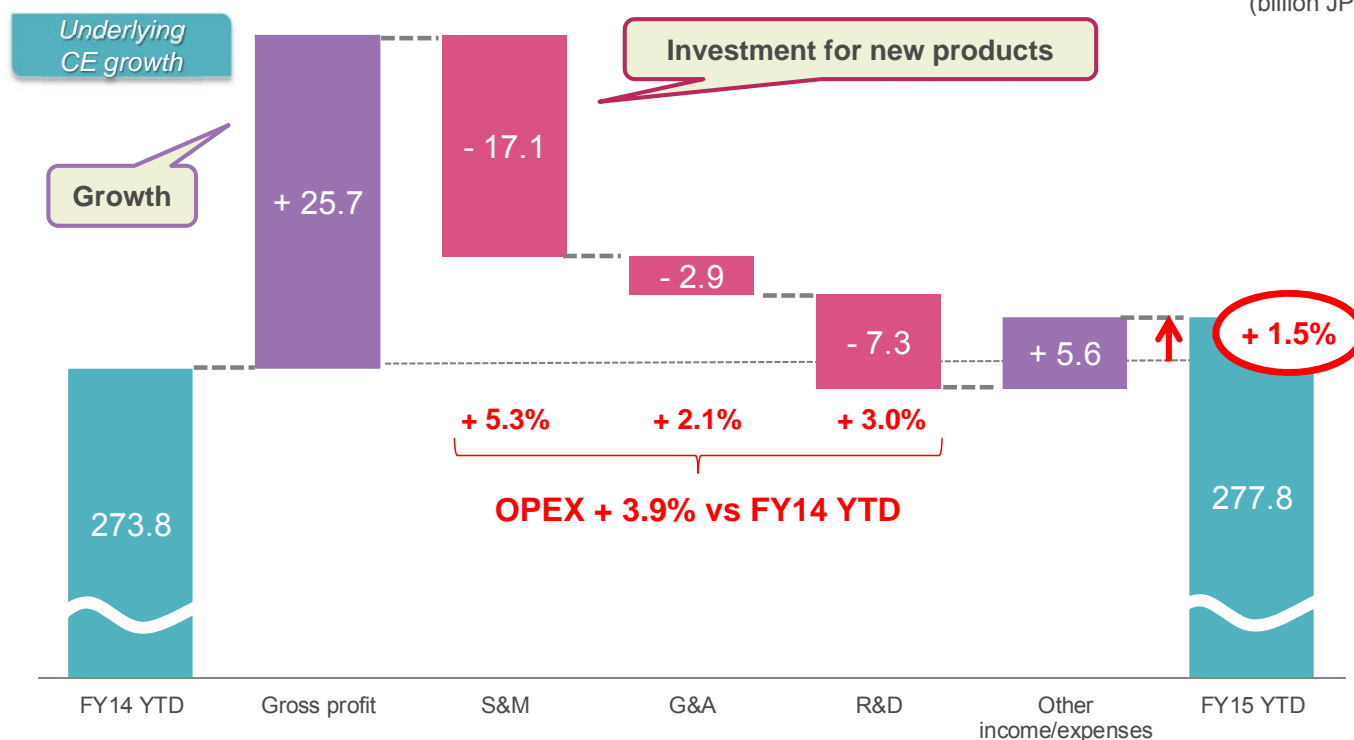
Underlying Core Income Statement – Q3

(billion JPY)

	FY14 Q3	FY15 Q3	Change	
Underlying Revenue	483.0	501.2	+18.3	+ 3.8%
Underlying Gross profit	347.0	354.1	+7.1	+ 2.1%
S&M	111.5	114.3	+2.8	+ 2.5%
G&A	49.3	52.4	+3.1	+ 6.2%
R&D	87.6	90.3	+2.8	+ 3.1%
Other income	2.1	1.3	-0.8	- 38.5%
Other expenses	1.1	1.2	+0.1	+ 7.2%
Underlying Core Earnings	99.6	97.2	-2.4	- 2.5%
Underlying Core net profit	66.5	88.1	+21.5	+ 32.4%
Underlying Core EPS	85 JPY	112 JPY	+27 JPY	+ 32.4%

Takeda will Control OPEX in FY15 Q4 to Achieve Higher Full Year Growth of Underlying Core Earnings than Revenue

(billion JPY)



Growth Drivers in GI and Oncology

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-related 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 (Gastrointestinal), as it is a key driver in EM
 ** Year and month of the first launch by Takeda in any region.

Growth Drivers in GI and Oncology Underlying Revenue Growth

(billion JPY)

Underlying revenue growth

	FY14 YTD	FY15 YTD	Underlying growth	
ENTYVIO	17.6	58.8	+41.2	-
DEXILANT	50.8	56.8	+6.0	+11.8%
AMITIZA	25.9	28.6	+2.7	+10.6%
TAKECAB	-	4.2	+4.2	-
LANSOPRAZOLE	80.9	70.1	-10.8	-13.4%
GI	175.1	218.4	+43.3	+24.7%
ADCETRIS	17.5	22.1	+4.6	+26.5%
VECTIBIX	14.1	14.2	+0.2	+1.1%
LEUPRORELIN	94.8	95.4	+0.6	+0.6%
VELCADE	129.4	124.6	-4.7	-3.7%
NINLARO	-	0.5	+0.5	-
Oncology	255.8	256.9	+1.1	+0.4%

Bridge from Operating Profit to Underlying Core Earnings

(billion JPY)

	FY14 YTD	FY15 YTD	YTD Growth	Q1 Growth	Q2 Growth	Q3 Growth
Operating profit	199.1	167.5	- 15.9%	- 22.2%	+ 14.9%	- 30.8%
Purchase accounting effects	75.1	88.9				
Disposal of affiliates, business and others	-25.2	-0.3				
Restructuring costs	20.0	12.3				
Other exceptional gains and losses	7.5	1.4				
Core Earnings	276.5	269.8	- 2.4%	+ 2.5%	+ 6.4%	- 13.4%
Fx effects*	-2.0	8.5				
Divestments / Acquisition	-0.7	-0.5				
Underlying Core Earnings	273.8	277.8	+ 1.5%	- 0.1%	+ 7.6%	- 2.5%

*Adjustment applying a constant currency at 1USD=120JPY, 1EUR=130JPY and etc.

Bridge from Net Profit to Underlying Core Net Profit

(billion JPY)

	FY14 YTD	FY15 YTD	Growth
Net profit	79.7	113.6	+ 42.5%
EPS	101 JPY	145 JPY	+ 43.0%
Purchase accounting effects	47.5	62.7	
Disposal of affiliates, business and others	-19.9	-0.2	
Restructuring costs	14.3	9.1	
Tax expense related to R&D credit	42.7	-	
Other exceptional gains and losses	5.4	3.3	
Core net profit	169.8	188.6	+ 11.1%
Core EPS	216 JPY	241 JPY	+ 11.4%
Fx effects*	0.0	14.9	
Divestments / Acquisition	3.3	-0.4	
Underlying Core net profit	173.1	203.1	+ 17.3%
Underlying Core EPS	220 JPY	258 JPY	

*Adjustment applying a constant currency at 1USD=120JPY, 1EUR=130JPY and etc.

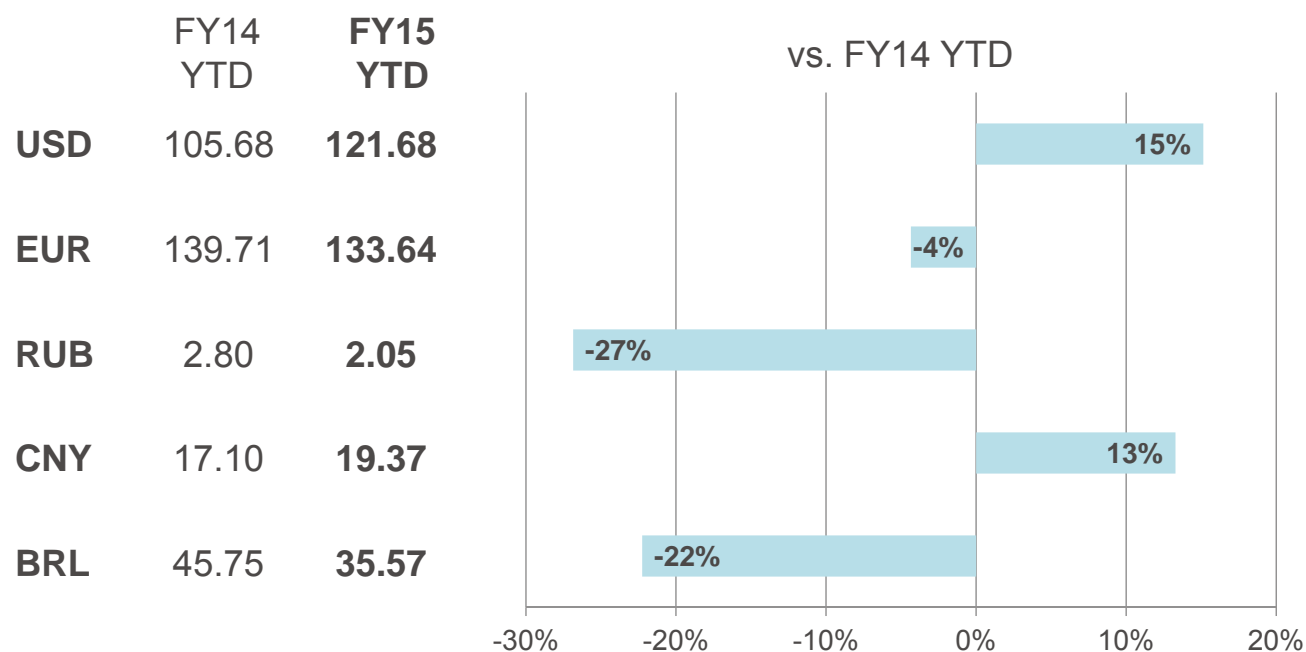
Cash Flow

	FY14 YTD	FY15 YTD	Change
(billion JPY)			
Net profit	82.3	116.4	+34.0
Depreciation, amortization and impairment loss	180.4	145.4	
Decrease (increase) in trade working capital	-100.9	-66.7	
Income taxes paid	-62.8	-29.9	
Other	50.4	5.5	
Net cash from operating activities	149.5	170.6	+21.0
Acquisition of tangible assets	-35.8	-38.8	
Acquisition of intangible assets	-50.0	-21.9	
(Operating Free Cash Flow)	(+63.7)	(+109.8)	(+46.1)
Proceeds from sales of tangible assets	25.4	0.4	
Proceeds from sales/redemption of investment and time deposit	162.9	4.4	
Other	1.0	-43.3	
Net cash from (used in) investing activities	103.4	-99.3	-202.7
Payment for acquisition of treasury stock	-17.6	-22.3	
Dividends paid	-132.1	-133.8	
Other	-19.5	-6.8	
Net cash used in financing activities	-169.2	-162.9	+6.3
Net increase (decrease) in cash and cash equivalents*	83.8	-91.6	-175.4

* Net decrease in cash and cash equivalents does not include effect of movements in exchange rates on cash and cash equivalents.

Average Exchange Rates for FY15 YTD

Average Exchange Rates (JPY)*



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

Monthly Exchange Rates and Outlook

(JPY)

Actual*	FY14		FY15	
	USD	EUR	USD	EUR
Apr	103	141	120	130
May	102	141	119	130
Jun	102	138	124	136
Jul	101	138	123	138
Aug	103	138	124	136
Sep	104	137	122	136
Oct	109	139	120	135
Nov	109	138	121	133
Dec	118	147	123	130
average Apr-Dec	106	140	122	134

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

(JPY)

Outlook	FY15	
	USD	EUR
average Jan-Mar	117	128
average Apr-Mar	121	133

Impact of 1% Depreciation of Yen

Impact of 1% depreciation of yen for Jan-Mar

(hundred million JPY)

	FY15				
	USD	EUR	RUB	CNY	BRL
Revenue	14	5	1	2	1
Operating profit	0	-1	0	0	0
Core Earnings	2	1	0	0	0

Sharpen Therapeutic Area Focus in R&D

Oncology

GI

CNS

Psychiatry

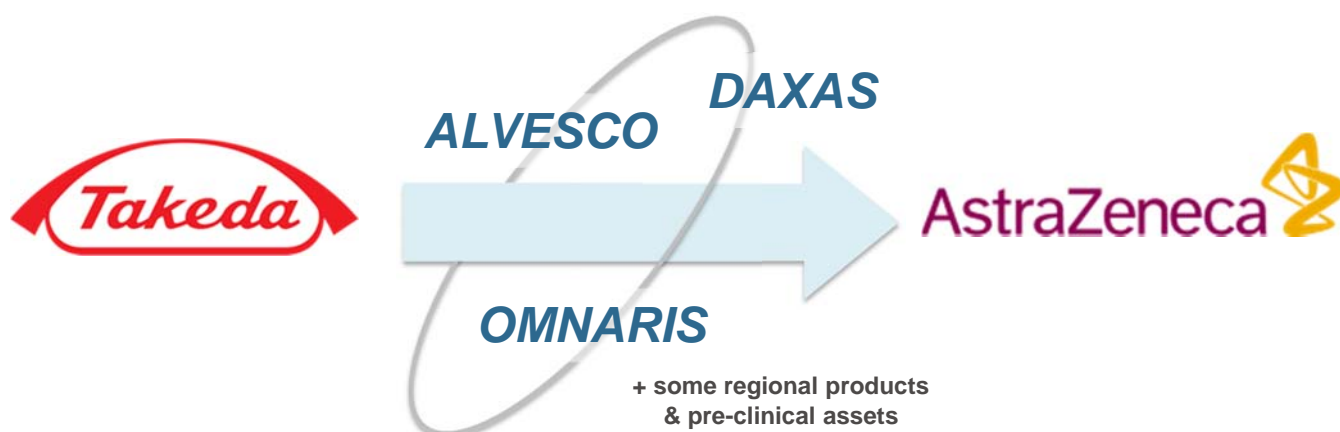
Neurology
(partnering)

Specialty CV

Vaccines

Hone and develop industry-leading capabilities to deeply explore these therapeutic areas to develop innovative, meaningful new therapies for patients

Divestment of Respiratory Portfolio Will Allow Takeda to Focus on Core Therapeutic Areas



- Revenue of approx. 24bn yen in FY2014
- Deal expected to close during Q1 CY2016
- Deal value offsets book value of intangibles and goodwill

Divestment Aligned with Takeda's Sharpened Therapeutic Area Focus

Generic Business Venture with Teva Underscores Takeda's Focus on Innovation

In Japan there is an increasing need for stable supply of affordable high-quality generics due to government policies to reduce healthcare costs



Leading brand reputation,
strong distribution network



Global leader in generics,
operational expertise

**Some long-listed products
(incl. BLOPRESS, TAKEPRON, BASEN)**

High-quality generics

49% stake

New company will be established in or after April 2016

51% stake

**Offer broad portfolio
to patients**

- Revenue of LLPs to be transferred: approx. 125bn yen in FY14 (declining in FY15 due to generic penetration)
- Takeda will book revenue for services related to the supply of LLPs and distribution of LLPs and generics
- As a result of the transaction, Takeda's FY16 revenue is estimated to decrease by approx. 50bn yen
- Accretive to Takeda's EPS and cash flow in FY16 and over the long-term

