



Consolidated Financial Results for FY2015 and Guidance for FY2016

May 10, 2016

Rudolf van Houten, Acting CFO

Takeda Pharmaceutical Company Limited

Important Notice

Forward-Looking Statements

This presentation contains forward-looking statements regarding Takeda's future business, financial position and results of operations, including estimates, forecasts, targets and plans. These forward-looking statements may be identified by the use of forward-looking words such as "aim," "anticipate," "assume," "believe," "continue," "endeavor," "estimate," "expect," "forecast," "initiative," "intend," "may," "outlook," "plan," "potential," "probability," "pro-forma," "project," "risk," "seek," "should," "strive," "target," "will" or similar words, or expressions of the negative thereof, or by discussions of strategy, plans or intentions.

Any forward-looking statements in this document are based on the current assumptions and beliefs of Takeda in light of the information currently available to it. Such forward-looking statements do not represent any guarantee by Takeda or its management of future performance and involve known and unknown risks, uncertainties and other factors, including but not limited to: the economic circumstances surrounding Takeda's business, including general economic conditions in Japan, the United States and worldwide; competitive pressures and developments; applicable laws and regulations; the success or failure of product development programs; decisions of regulatory authorities and the timing thereof; changes in exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; and post-merger integration with acquired companies, any of which may cause Takeda's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Neither Takeda nor its management gives any assurances that the expectations expressed in these forward-looking statements will turn out to be correct, and actual results, performance or achievements could materially differ from expectations.

Any forward looking statements herein speak only as of the date of this document, and Takeda and its management undertake no obligation to update or revise any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events or otherwise.

Medical Information

This presentation contains information about products that may not be available in all countries, or may be available under different trademarks, for different indications, in different dosages, or in different strengths. Nothing contained herein should be considered a solicitation, promotion or advertisement for any prescription drug including the ones under development.

Definitions of Disclosure Terms in FY2015

- **"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.

Please note these terms are non-GAAP items, used for internal evaluation purposes and are not audited.

FY2015: A Year of Turnaround to Sustained Growth Management Guidance Achieved for the Second Consecutive Year

- **Underlying Growth in FY15;**
+3.4% for revenue, +8.1% for Core Earnings, +21.7% for Core EPS
- **Takeda's "Growth Drivers";** GI, Oncology, CNS and Emerging Markets, representing more than half of Takeda's revenue, delivering robust growth of +9.5%
- **ENTYVIO has achieved 1 bln USD cumulative sales since launch in June 2014**
- **NINLARO launched in the US in December 2015**
- **Japan Pharma currently still declining, but strong performance from promoted products.**
- **Project Summit well exceeded full year savings target**
- **Operating free cash flow, excluding ACTOS settlement, was 230 bln JPY**

Reported Income Statement

Takeda Pharmaceutical Company Limited

Reported Income Statement FY15 Actual vs. FY14 Actual

(billion JPY)	FY14	FY15	Change		
Revenue	1,777.8	1,807.4	+29.6	+ 1.7%	
Gross profit	1,256.8	1,272.0	+15.1	+ 1.2%	*1 Impairment of COLCRYS - 30.5 (loss)
S&M	-444.9	-460.6	-15.7	+ 3.5%	
G&A	-167.7	-190.2	-22.5	+ 13.4%	*2 Reversal of impairment loss of COLCRYS 8.6 (gain)
R&D	-382.1	-345.9	+36.2	- 9.5%	
Amortization and impairment losses on intangible assets associated with products	-176.4 *1	-125.1 *2	+51.3	- 29.1%	*3 Profit from revaluation of contingent consideration liability for COLCRYS 53.8 (gain), Gain from sales of real estate 32.8 (gain)
Other income	107.2 *3	25.1	-82.1	- 76.6%	
Other expenses	-322.2 *4	-44.4	+277.8	- 86.2%	
Operating profit	-129.3	130.8	+260.1	—	*4 Loss on ACTOS litigation in the U.S. - 274.1 (loss)
Financial income/expenses, other	-16.2	-10.3	+5.9	- 36.4%	
Profit before tax	-145.4	120.5	+266.0	—	*5 Tax impact on ACTOS litigation 96.1 (gain), Revaluation of R&D credit - 42.7 (loss)
Income tax	2.4 *5	-37.1 *6	-39.5	—	
Non-controlling interests	-2.7	-3.3	-0.6	+ 20.9%	
Net profit	-145.8	80.2	+225.9	—	*6 Tax impact due to capital redemption from a subsidiary 14.5 (gain)
EPS	- 185 JPY	102 JPY	+288 JPY	—	
Exchange Rate	Yen per USD	109	121		
	Yen per EUR	139	132		

FY15 EPS Exceeded the Reported Forecast by 18%

(billion JPY)	FY15 Forecast	FY15 Actual	Achievement
Revenue	1,820.0	1,807.4	99%
R&D expenses	-330.0	-345.9	105%
Operating profit	120.0	130.8	109%
Profit before tax	115.0	120.5	105%
Net profit for the year	68.0	80.2	118%
EPS	87 yen	102 yen	118%
<i>Exchange Rate</i>	<i>Yen per USD</i>	121	121
	<i>Yen per EUR</i>	132	132

- ✓ ENTYVIO growth exceeded the plan. But slower performance versus the plan of long listed products of Japan Pharma (BLOPRESS etc.) and Emerging Markets
- ✓ Higher R&D expenses offset by lower SG&A and impairment expenses
- ✓ Lower effective tax rate than the plan

Underlying Income Statement

Top Line Growth Combined with Cost Discipline Resulted in Double Digit EPS Growth

(billion JPY)	FY14	FY15	Change	
Underlying Revenue	1,792.3	1,852.6	+60.3	+ 3.4%
Underlying Gross profit	1,280.4	1,308.2	+27.8	+ 2.2%
S&M	-451.9	-469.2	-17.3	+ 3.8% *1
G&A	-191.1	-194.8	-3.7	+ 1.9%
R&D	-353.9	-341.5	+12.4	- 3.5%
Other income	16.7	13.3	-3.5	- 20.6%
Other expenses	-16.1	-8.8	+7.3	- 45.5%
Underlying Core Earnings	284.2	307.3	+23.1	+ 8.1%
Financial income/expenses, other	-2.2	0.6	+2.8	-
Underlying Core Profit before tax	282.0	307.8	+25.9	+ 9.2%
Income tax	-96.5	-82.4 *2	+14.1	- 14.6%
Non-controlling interests	-3.9	-4.5	-0.6	+ 14.9%
Underlying Core Net profit	181.6	221.0	+39.4	
Underlying Core EPS	231 JPY	281 JPY	+50 JPY	+ 21.7%

*1 OPEX +0.9% increase

*2 Tax impact due to capital redemption from a subsidiary 14.5 (gain)

Management Guidance Achieved for the Second Consecutive Year

	FY15 Management Guidance	FY15 Growth	
Underlying Revenue	Low single digit	+ 3.4%	Robust increase in Growth Drivers
Underlying Core Earnings	Higher than underlying revenue growth	+ 8.1%	OPEX discipline
Underlying Core EPS	Higher than underlying core earnings growth	+ 21.7%	Lower effective tax rate

Growth Drivers Continue to be Robust

Underlying revenue growth

	FY14 (billion JPY)	FY15 (billion JPY)		
GI*	240.9	297.7	+23.6%	
Oncology***	333.0	336.4	+1.0%	Growth Drivers Total** +9.5%
CNS	41.5	56.9	+37.3%	Growth Drivers Total** excl. CNS +8.2%
Emerging Markets*	316.3	331.4	+4.8%	

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

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

***Underlying growth of Oncology excl. VELCADE royalties is +4.4%

Growth Drivers Total**

52%

Takeda Total

Broad Portfolio of Growing Products Offsets LOE Decline

Underlying revenue growth

(billion JPY)



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

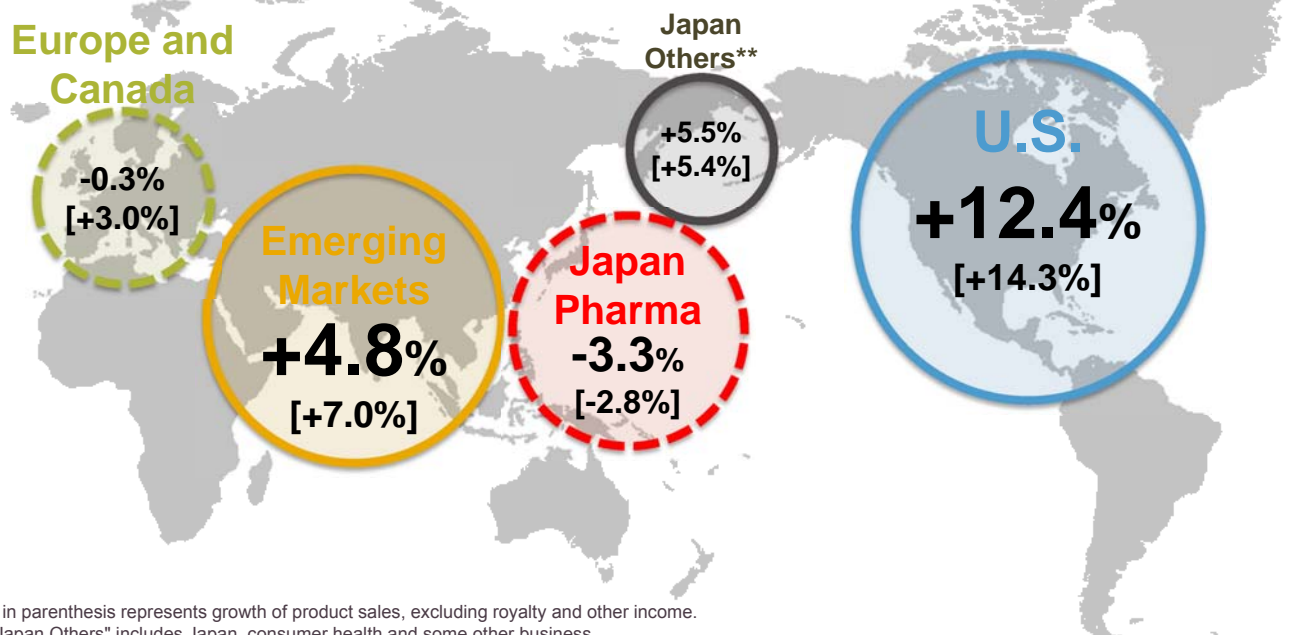
** Growth Drivers +4.7% versus FY14 total company revenue (1,792.3 billion JPY).

+9.5% figure on previous slide is versus FY14 Growth Driver revenue only (884.5 billion JPY).

US and Emerging Markets Drive Sales Growth

Underlying revenue growth

FY15 Regional Revenue* vs. FY14
Strong growth driven by the U.S. and Emerging Markets

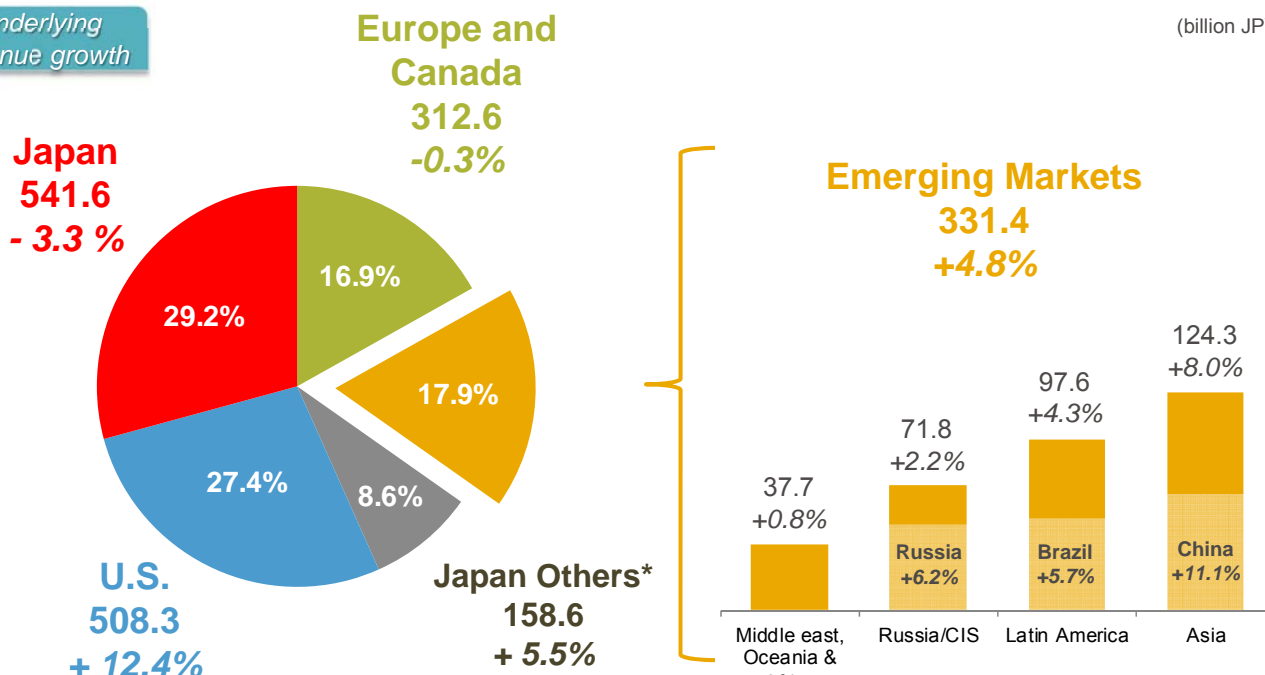


* % in parenthesis represents growth of product sales, excluding royalty and other income.
** "Japan Others" includes Japan consumer health and some other business.

FY2015 Does Not Reflect Emerging Markets' Future Aspiration of High Single Digit Growth

Underlying revenue growth

(billion JPY)



* including Japan consumer health and some other business

Project Summit

Takeda Pharmaceutical Company Limited

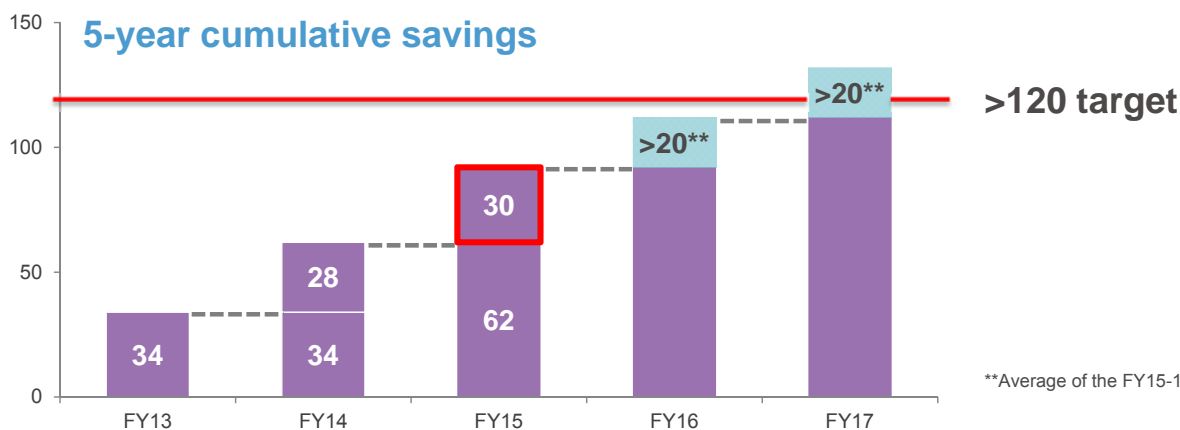
Project Summit Well Exceeded Full Year Target

	FY15 (result)	FY15-17 (each year target)	FY13-17 (cumulative target)
Cost savings	30*	>20 avg.	>120
Implementation costs	24	>15 avg.	Up to 100

(billion JPY)

*** FY15 Savings Breakdown**

- 69% Procurement and 31% Non-Procurement
- 31% Commercial, 31% R&D, 20% Production & Supply, and 18% G&A

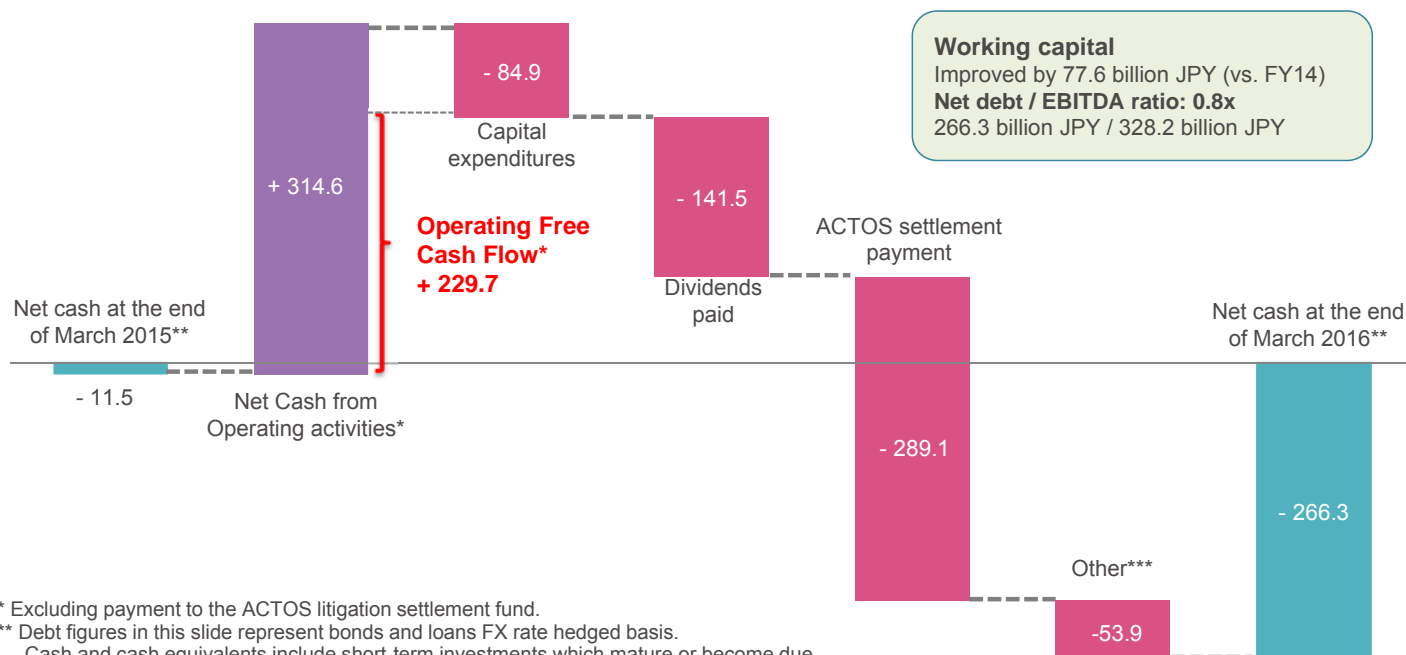


Cash Flow and Debt

Takeda Pharmaceutical Company Limited

FY15 Operating Free Cash Flow* Equal to 230 bln JPY versus 74 bln JPY in the previous year

(billion JPY)



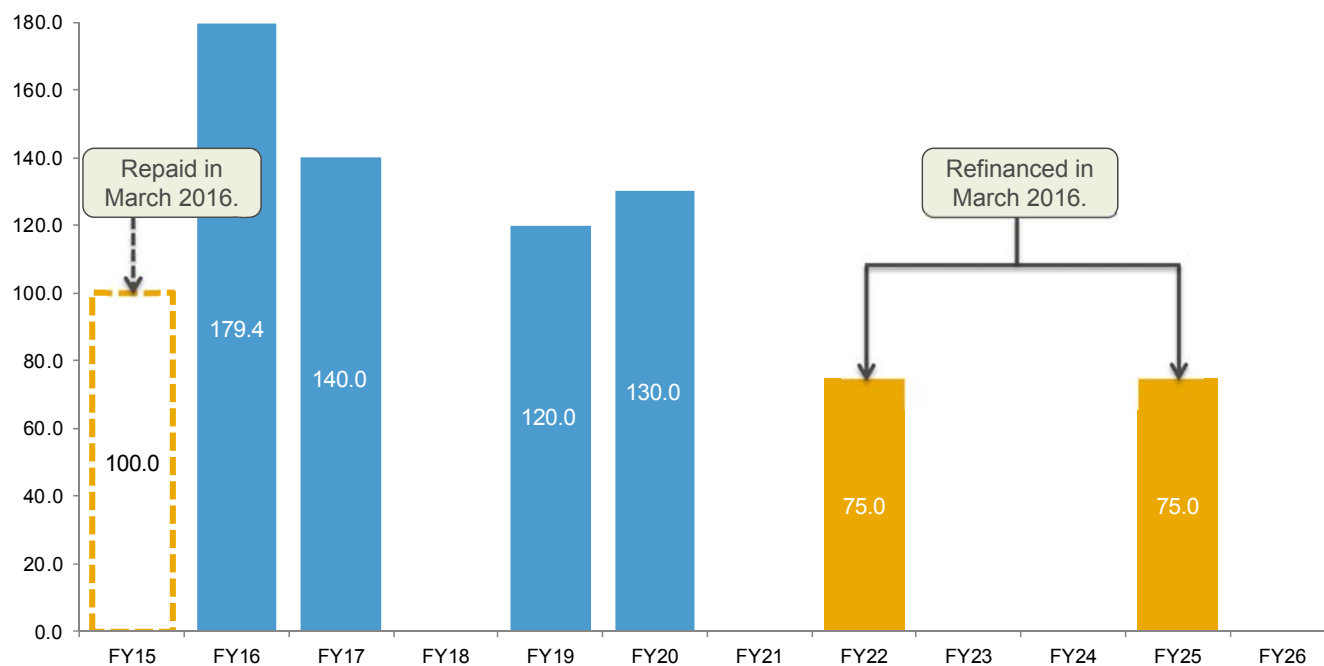
* Excluding payment to the ACTOS litigation settlement fund.

** 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 Re-Financed in JPY

(billion JPY)



New Disclosure in FY2016

Simplified Core Earnings Definition from FY2016

Objective

- Make underlying financials more transparent
- Minimize the number of adjustments between reported and core financials
- Align our definition as much as possible with that of peer companies

Changes

- Re class amortization and impairment of R&D intangibles from "R&D" into "Amortization and Impairment of Intangible Assets" in the P/L
- Adjust only for non-recurring items >1 billion JPY
- Core Earnings is calculated by subtracting SG&A and R&D expenses from Gross Profit (after non-recurring adjustments >1 billion JPY)
- "Underlying" Core Earnings adjusts Core Earnings for FX and divestitures (no longer adjusts for acquisitions or other items)

FY15 Bridge between Old Core Earnings Definition and Simplified Definition

	FY15 Definition		FY16 Definition					
	Reported FY15	Reclass Amortization/ Impairment	Reported FY15	Adjust Non-recurring items	Core FY15	FX Adjustment	Divestiture Adjustment	Underlying FY15
Revenue	1,807.4		1,807.4		1,807.4	49.1		1,856.5
Gross profit	1,272.0		1,272.0		1,272.0	38.5		1,310.5
S&M	-460.6		-460.6	*2 6.3	-454.3	-16.4		-470.6
G&A	-190.2	*1	-190.2		-190.2	-4.7		-194.9
R&D	-345.9	6.6	-339.3		-339.3	-2.3		-341.5
Core Earnings *3					288.2	15.1		303.4
Amortization/Impairment	-125.1	-6.6	-131.8		*3			
Other income	25.1		25.1					
Other expenses	-44.4		-44.4					
Operating profit	130.8		130.8					

*1: Re class amortization and impairment of R&D intangibles from "R&D" into "Amortization and Impairment"

*2: Adjust only for non-recurring items >1 billion JPY

*3: "Core Earnings" is calculated by subtracting SG&A and R&D expenses from gross profit

*4: "Underlying Core Earnings" adjusts "Core Earnings" for FX and divestitures (no longer for acquisitions)

Underlying Core Earnings under FY15 old definition is 307.3

Definition of Core Earnings and Core EPS in FY2016

Core Results Concept

- Takeda uses the concept of Core Earnings and Core EPS to report the performance of its business. This measure is used by management for internal planning and evaluation purposes, as well as in discussions with external stakeholders. Core earnings aligns business reporting with the underlying performance of the Group by removing the volatility inherent in many non-core items. Although core earnings is not a measure defined by IFRS, we believe that this approach makes the Group's results more easily comparable with the majority of our peers, many of which use similar measures for performance evaluation, although the precise calculations may differ.
- **Core Earnings** is calculated by taking Gross Profit and deducting SG&A expenses and R&D expenses. In addition, certain other items that are significant in value and non-core in nature are adjusted. This may include items such as the impact of natural disasters, purchase accounting effects, major litigation costs, integration costs and government actions, amongst others. The threshold for adjustments is set deliberately high at 1 billion JPY to ensure accountability and credibility.
- **Core EPS** is calculated by taking Core Earnings and adjusting for items that are non-core in nature and significant in value (over 1 billion JPY) within each account line below Operating Profit. This includes, amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration. In addition to the tax effects related to these items, the tax effects related to the above adjustments made in Core Earnings are also adjusted for when calculating Core EPS.

Definition of Underlying Growth in FY2016

Underlying Growth

- Underlying growth compares two periods (quarters or years) of financial results under a common basis, showing the real performance of the business. Adjustments are made to place each period on a constant currency and constant population basis.
- **Constant Currency:** Takeda operates globally and is exposed to movements in various different foreign exchange rates. Consequently, financial result comparisons between different periods can be, and often are, distorted by differences in the exchange rates at which transactions in foreign currencies are recorded. To enable management and external stakeholders to better understand underlying changes in financial performance, undistorted by the effects of movements in exchange rates, underlying results are prepared using constant exchange rates (CER), typically the budgeted exchange rates for the current year.
- **Constant Population:** Takeda operates in a dynamic environment and is continually looking to optimize its portfolio by divesting non-core or non-strategic assets. Consequently, financial result comparisons between different periods can be distorted as the financial results of such divestitures may be included in one period but not in the comparison period. To enable management and external stakeholders to better understand underlying changes in financial performance, undistorted by the effects of divestitures, underlying results are prepared on a "constant population" basis, typically excluding the impact of divestitures from prior periods.

Management Guidance and Reported Forecast

Takeda Pharmaceutical Company Limited

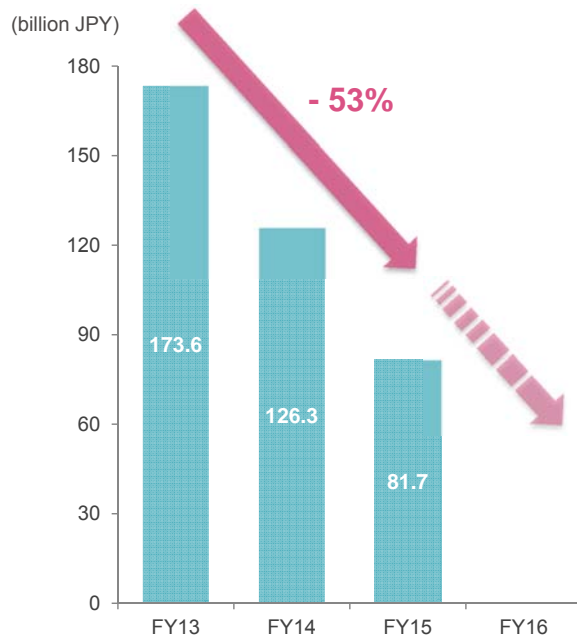
FY2016: A Year of Strategic Focus to Sustain Growth

FY2016 Management Guidance

Underlying Revenue	Mid single digit growth (%)
Underlying Core Earnings	Low- to mid-teen growth (%)
Underlying Core EPS	Low- to mid-teen growth (%)

Long-listed Products Transferred to the Joint Venture with Teva in Japan

Accretive to Takeda's reported EPS and cash flow in FY16 and over the long-term



- 30 substances, including BLOPRESS and TAKEPRON (excluding fixed dose combinations), transferred in April 2016.
- Sales of LLPs have been declining. FY15 sales: 81.7 billion JPY, 5% of Takeda's total revenue.
- Takeda owns 49% of the joint venture that will offer broad portfolio to patients including Teva's high-quality generics.

FY2016 Full Year Reported Forecast vs. FY15 Actual Close to +10% EPS Growth

(billion JPY)

	FY15 Actual	FY16 Forecast*	Change		Major Assumptions
Revenue	1,807.4	1,720.0	-87.4	-4.8%	FX rate USD: 110 yen, EUR: 125 yen, RUB: 1.6 yen, CNY: 17.4 yen, BRL: 31.2 yen
R&D expenses	345.9	325.0	-20.9	-6.0%	R&D expenses 325 billion JPY, declining due to FX
Operating profit	130.8	135.0	4.2	+3.2%	Amortization and impairment of intangibles 140 billion JPY
Profit before tax	120.5	132.5	12.0	+9.9%	Teva JV gains on transfer of business (other income) 100 billion JPY
Net profit for the year	80.2	88.0	7.8	+9.8%	Efficiency initiatives cost (other expense) 25 billion JPY
EPS	102 yen	112 yen	10 yen	+9.8%	CAPEX (tangible and intangible) 175 billion JPY
Exchange Rate	Yen per USD	121	110	-11	
	Yen per EUR	132	125	-7	

*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.

FY2015 Baseline for FY16 Management Guidance Underlying Revenue and Underlying Core Earnings

(billion JPY)	FY15	FY16 Management Guidance
Revenue	1,807.4	<div style="border: 2px solid blue; border-radius: 15px; padding: 10px; display: inline-block;"> Mid single digit growth </div>
Fx effects*	-91.3	
LLP transferred to Teva JV	-81.7	
Respiratory business divestment	-20.7	
CONTRAVE transfer back	-2.9	
Underlying Revenue	1,610.9**	
Operating profit	130.8	<div style="border: 2px solid blue; border-radius: 15px; padding: 10px; display: inline-block;"> Low- to mid-teen growth </div>
Amortization and impairment losses on intangible assets associated with products and pipeline	131.8	
Other income	-25.1	
Other expense	44.4	
Others	6.3	
Core Earnings	288.2	
Fx effects*	-17.0	<div style="border: 2px solid blue; border-radius: 15px; padding: 10px; display: inline-block;"> Low- to mid-teen growth </div>
Divestment (Teva, Respiratory, and CONTRAVE)	-93.5	
Underlying Core Earnings	177.7**	

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

** Based on current assumptions. Events in FY16 may result in recalculation of the FY15 baseline.

Capital Allocation & FY2016 Annual Dividend

Capital Allocation Policy

- R&D investments in the pipeline and platform technology
- External business development opportunities to strengthen Growth Drivers
- Shareholder returns through dividends and share buybacks, while also placing importance on capital gain for shareholders through the increase of enterprise value

Annual Dividend per Share

FY2016

180 yen

Appendix

Takeda Pharmaceutical Company Limited

FY2015 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.

Underlying Revenue Adjusted for FX and Divestitures (FY15 Old Definition)

(billion JPY)

	FY14	FY15	Growth	Q1 Growth	Q2 Growth	Q3 Growth	Q4 Growth
Revenue	1,777.8	1,807.4	+ 1.7%	+ 8.5%	+ 4.0%	+ 0.1%	- 5.4%
Fx effects*	47.7	49.1					
Divestments / Acquisitions	-33.2 ^{*1}	-3.9 ^{*2}					
Underlying Revenue	1,792.3	1,852.6	+ 3.4%	+ 6.1%	+ 1.6%	+ 3.8%	+ 2.1%

^{*1} Divestment of Mizusawa Industrial Chemicals, Ltd. -12.9

^{*2} Acquisition of Neutec Toplam Kalite -3.9

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

Bridge from Operating Profit to Underlying Core Earnings (FY15 Old Definition)

(billion JPY)

	FY14	FY15	Growth	Q1 Growth	Q2 Growth	Q3 Growth	Q4 Growth
Operating profit	-129.3	130.8	-	- 22.2%	+ 14.9%	- 30.8%	-
Purchase accounting effects	136.1	126.3					
Disposal of affiliates, business and others	-32.6	2.6					
Restructuring costs	31.2	25.8					
Actos one off	274.1	-					
Venezuela deconsolidation	-	2.8					
Other exceptional gains and losses	9.0	4.1					
Core Earnings	288.3	292.4	+ 1.4%	+ 2.5%	+ 6.4%	- 13.4%	+ 91.0%
Fx effects*	4.7	15.7					
Divestments / Acquisition and others	-8.9	-0.9					
Underlying Core Earnings	284.2	307.3	+ 8.1%	- 0.1%	+ 7.6%	- 2.5%	+ 184.2%

^{*1} Amortization and impairment losses of intangible assets

^{*2} Sales of real estate assets

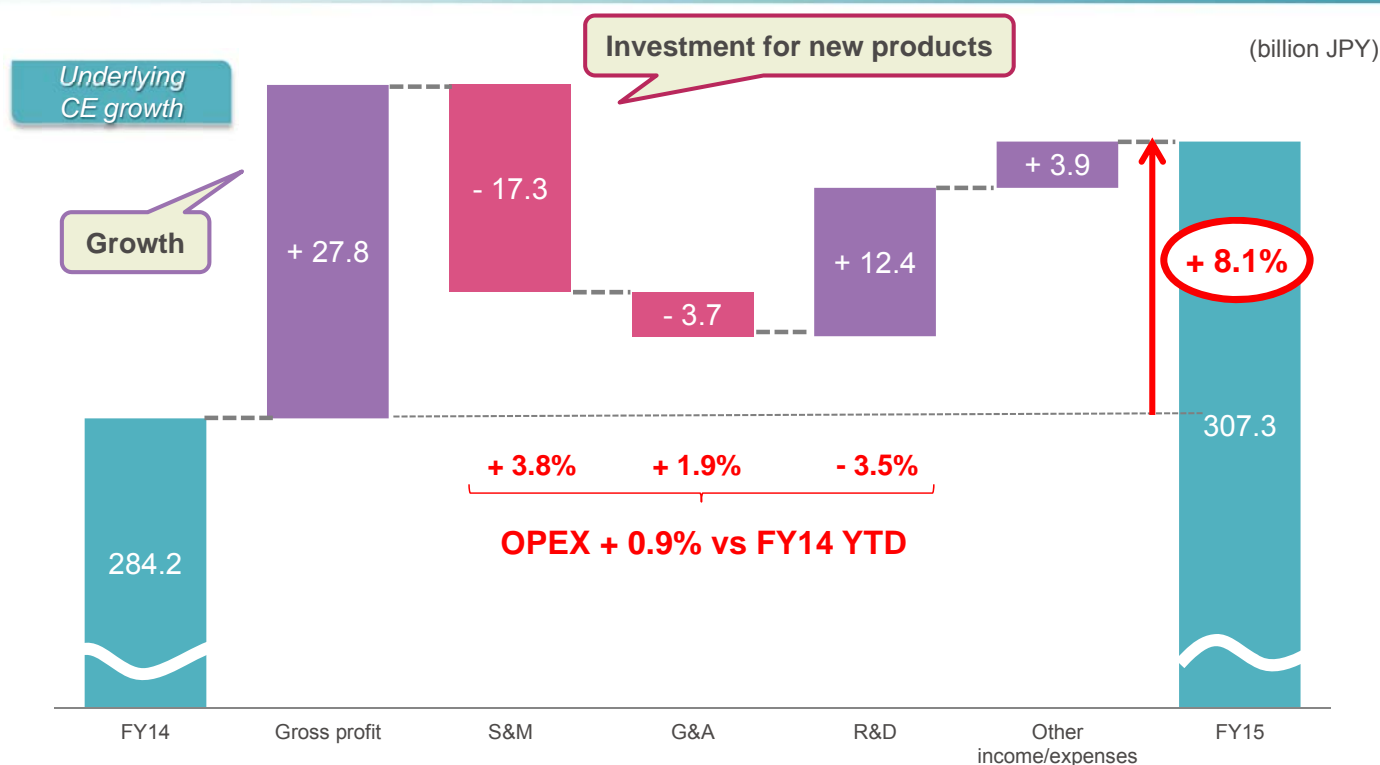
^{*3} Impairment loss of property, plant, and equipment 2.8

^{*4} Litigation expenses 11.9, Government grants -2.9

^{*5} Litigation expenses 6.9, Government grants -2.8

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

Underlying OPEX Controlled Achieving Higher Full Year Growth of Underlying Core Earnings than Revenue (FY15 Old Definition)



Bridge from Net Profit to Underlying Core Net Profit (FY15 Old Definition)

(billion JPY)

	FY14	FY15	Growth
Net profit	-145.8	80.2	-
EPS	-185 JPY	102 JPY	-
Purchase accounting effects	90.5	88.4	*1
Disposal of affiliates, business and others	-25.2	-5.2	*2
Restructuring costs	22.4	18.8	*3
Actos one off	177.9	2.5	*3
Tax expense related to R&D credit	42.7	-	*4
Tax reform	8.1	8.2	*4
Venezuela deconsolidation	-	6.7	*5
Other exceptional gains and losses	6.2	2.6	*5
Core net profit	176.7	202.2	+14.4%
Core EPS	225 JPY	258 JPY	+14.8%
Fx effects*	7.1	19.5	
Divestments / Acquisition and others	-2.2	-0.7	
Underlying Core net profit	181.6	221.0	+21.7%
Underlying Core EPS	231 JPY	281 JPY	

*1 Amortization and impairment losses of intangible assets
 *2 Sales of real estate assets
 *3 Sales of investment securities -7.0
 *4 Litigation expenses 7.6, Government grants -1.9
 *5 Litigation expenses 4.5, Government grants -1.9

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

Reported Income Statement – Q4

	FY14 Q4	FY15 Q4	Change	
			(billion JPY)	
Revenue	437.8	414.1	-23.7	- 5.4%
Gross profit	303.3	281.2	-22.1	- 7.3%
S&M	-127.6	-124.5	+3.0	- 2.4%
G&A	-47.0	-50.7	-3.7	+ 7.9%
R&D	-132.9	-92.0	+40.8	- 30.7%
Amortization and impairment losses on intangible assets associated with products	-49.9	-32.1	+17.8	- 35.8%
Other income	12.5	4.2	-8.3	- 66.6%
Other expenses	-286.7	-22.6	+264.1	- 92.1%
Operating profit	-328.3	-36.7	+291.7	—
Profit before tax	-333.0	-34.1	+298.9	—
Net profit	-225.5	-33.5	+192.0	—
EPS	- 287 JPY	- 43 JPY	+244 JPY	—

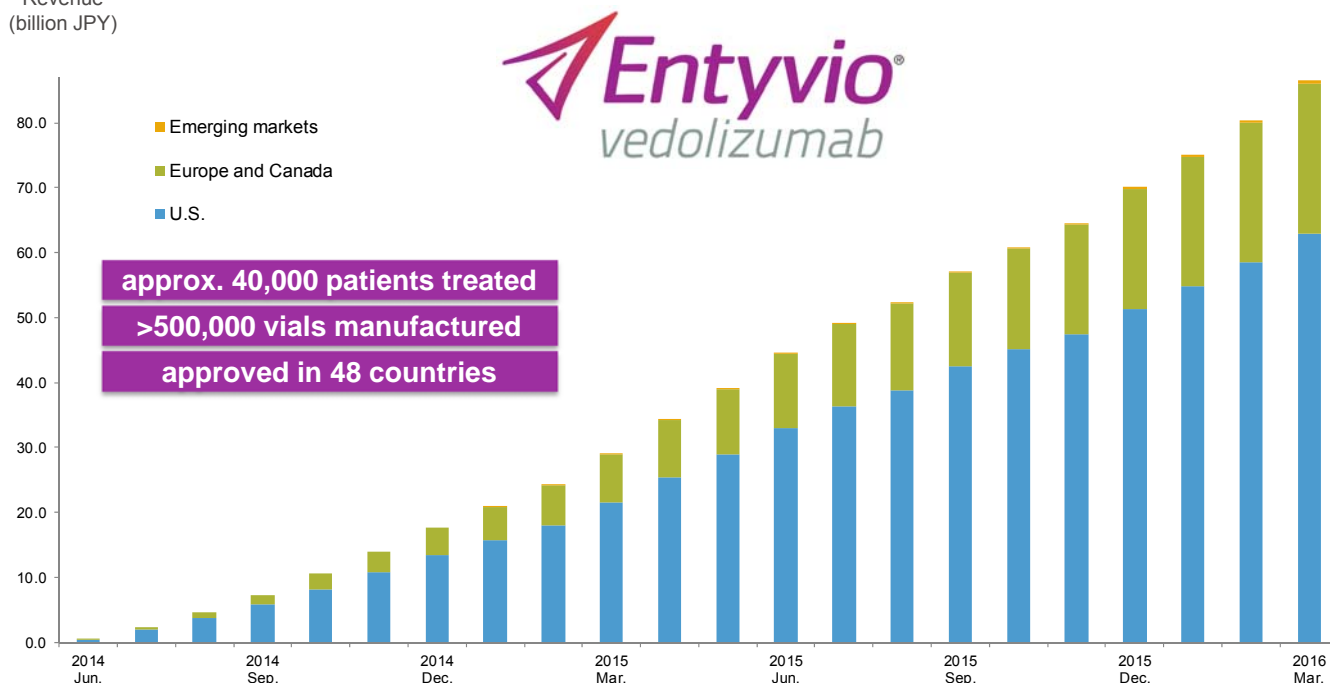
Underlying Core Income Statement – Q4

	FY14 Q4	FY15 Q4	Change	
			(billion JPY)	
Underlying Revenue	431.3	440.4	+9.1	+ 2.1%
Underlying Gross profit	300.2	302.3	+2.1	+ 0.7%
S&M	-126.8	-127.0	-0.2	+ 0.2%
G&A	-53.4	-54.2	-0.8	+ 1.5%
R&D	-111.2	-91.5	+19.7	- 17.7%
Other income	2.6	2.9	+0.3	+ 10.1%
Other expenses	-1.1	-3.1	-2.0	+ 190.2%
Underlying Core Earnings	10.4	29.5	+19.1	+ 184.2%
Underlying Core net profit	8.5	17.9	+9.4	+ 111.1%
Underlying Core EPS	11 JPY	23 JPY	+12 JPY	+ 111.1%

ENTYVIO® On Track to Exceed \$2bn MAT Sales within FY2018

Moving Annual Total sales @ Constant currency

Revenue
(billion JPY)

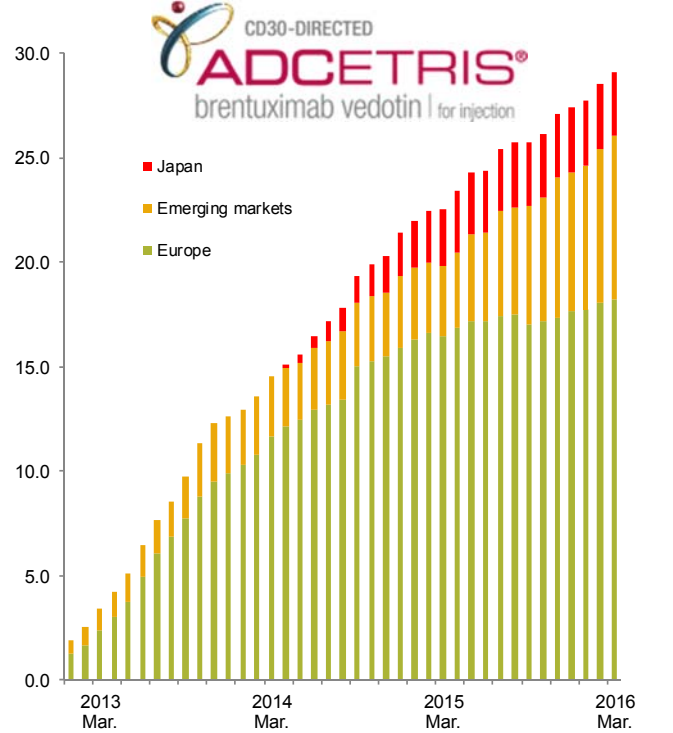
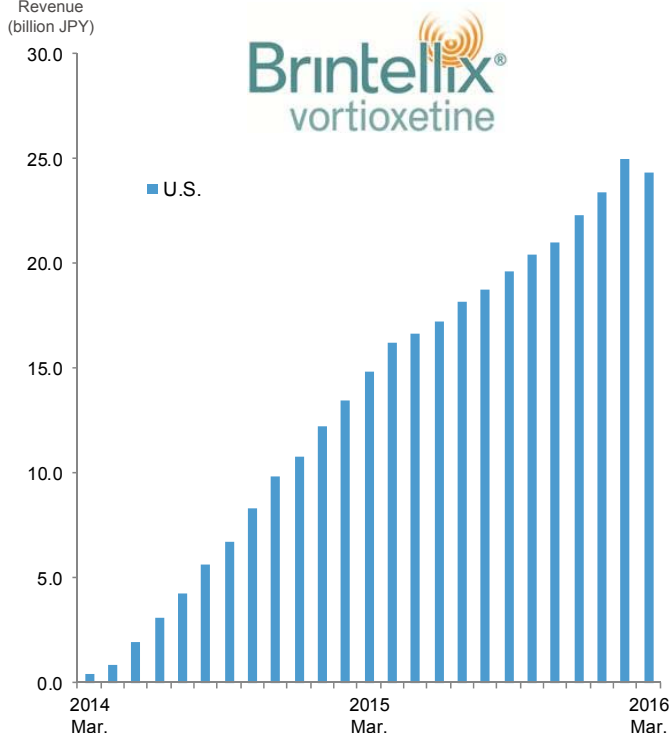


Continued Growth of BRINTELLIX® and ADCETRIS®

NOTE: BRINTELLIX will be marketed in the US under the new name TRINTELLIX starting in June of 2016.

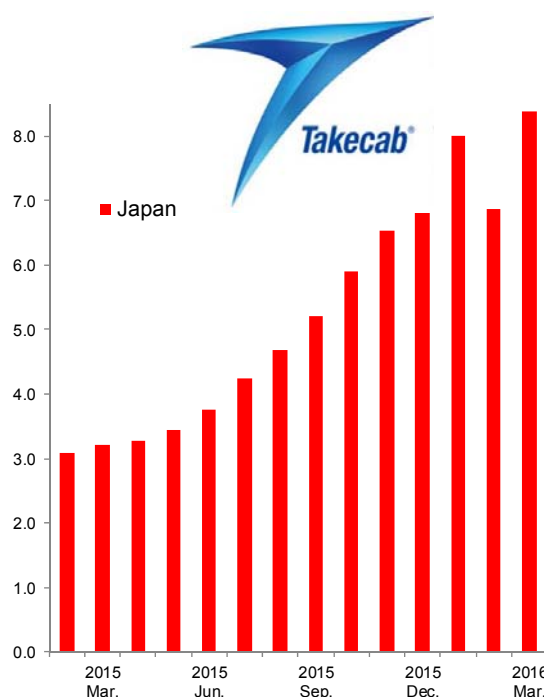
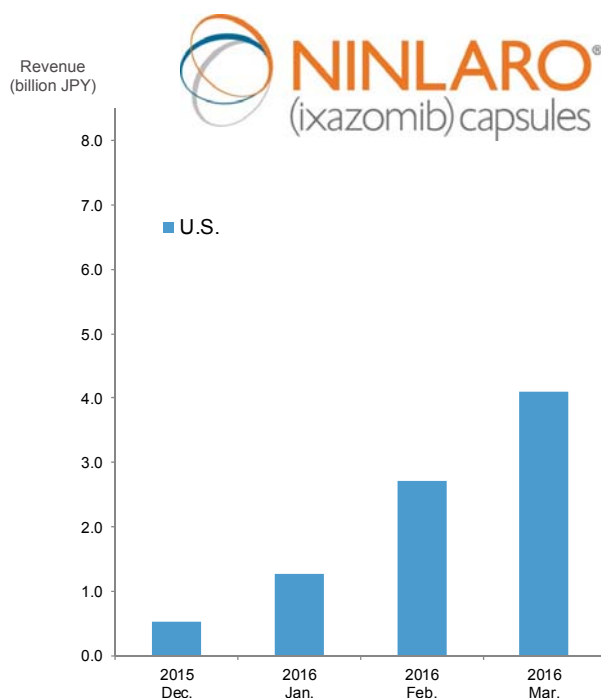
Moving Annual Total sales @ Constant currency

Revenue
(billion JPY)



Encouraging Uptake of NINLARO® and TAKECAB®

Moving Annual Total sales @ Constant currency



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 α4β7 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 CNS

Growth Drivers in CNS

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

* BRINTELLIX will be marketed in the United States under the new name TRINTELLIX starting in June of 2016.

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

Growth Drivers in GI, Oncology and CNS Underlying Revenue Growth

(billion JPY)

<i>Underlying revenue growth</i>	FY14	FY15	Underlying growth	
ENTYVIO	28.9	86.5	+57.6	+199.1%
DEXILANT	68.2	76.3	+8.1	+11.9%
TAKECAB	3.2	8.4	+5.2	+161.0%
AMITIZA	35.0	37.0	+2.0	+5.7%
LANSOPRAZOLE	105.6	89.5	-16.1	-15.2%
GI	240.9	297.7	+56.8	+23.6%
ADCETRIS	22.8	29.1	+6.3	+27.6%
NINLARO	—	4.1	+4.1	—
LEUPRORELIN	123.9	124.6	+0.6	+0.5%
VECTIBX	18.3	17.7	-0.7	-3.6%
VELCADE	167.9	160.9	-7.1	-4.2%
Oncology	333.0	336.4	+3.4	+1.0%
BRINTELLIX*	14.9	24.3	+9.5	+63.7%
ROZEREM	12.7	16.5	+3.9	+30.6%
REMINYL	13.9	16.0	+2.0	+14.5%
COPAXONE	—	0.1	+0.1	—
CNS	41.5	56.9	+15.5	+37.3%

* BRINTELLIX will be marketed in the United States under the new name TRINTELLIX starting in June of 2016.

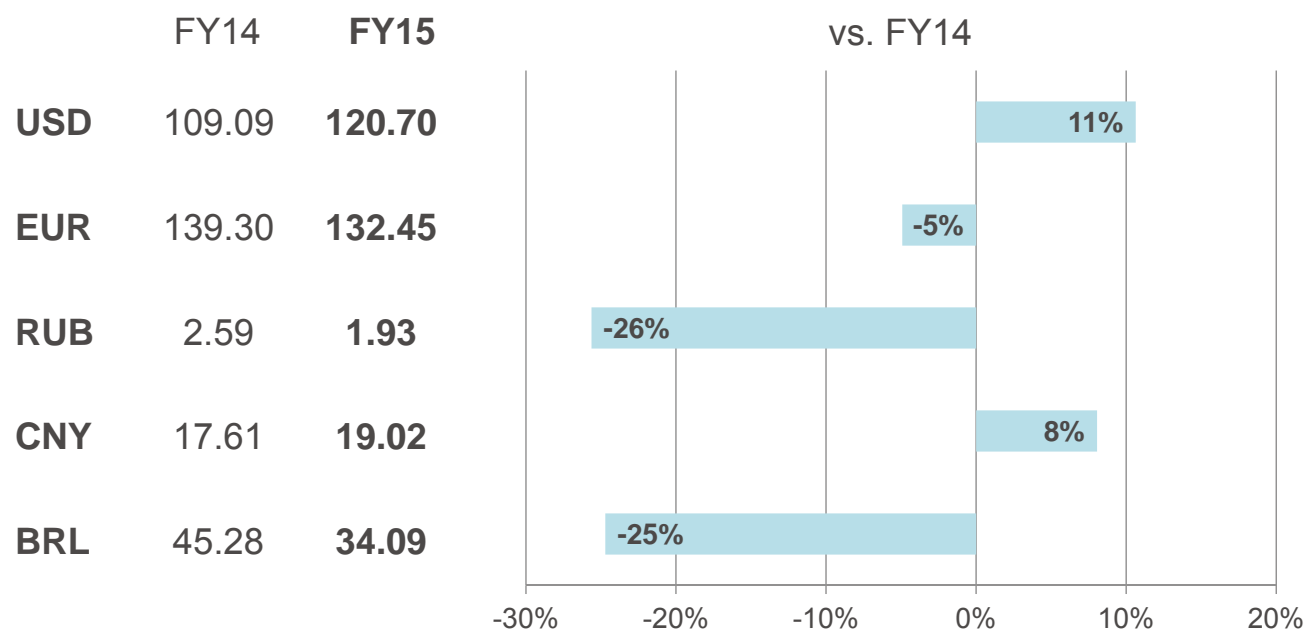
Cash Flow

	FY14	FY15	Change	(billion JPY)
Net profit	-143.0	83.5	+226.5	
Depreciation, amortization and impairment loss	261.0	197.4		
Decrease (increase) in trade working capital	-54.1	23.4		
Increase (decrease) in provision	316.5 *1	-290.6 *2		*1 Increase in provision related to ACTOS litigation settlement 324.1
Income taxes paid	-74.1	-33.6		*2 Payment to the ACTOS litigation settlement fund -289.1
Other	-123.6	45.5		
Net cash from operating activities	182.5	25.5	-157.0	
Acquisition of tangible assets	-48.2	-48.8		
Acquisition of intangible assets	-60.5	-36.1		
(Operating Free Cash Flow)	(+73.8)	(-59.4)	(-133.2)	
Proceeds from sales of tangible assets	33.9	0.5		
Proceeds from sales/redemption of investment and time deposit	165.4	56.5		
Other	0.8	-43.3		
Net cash from (used in) investing activities	91.3	-71.2	-162.6	
Payment for acquisition of treasury stock	-17.6	-22.3		
Dividends paid	-141.6	-141.5		
Other	-141.8	39.0		
Net cash used in financing activities	-301.0	-124.8	+176.2	
Net increase (decrease) in cash and cash equivalents*	-27.1	-170.6	-143.4	

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

Average Exchange Rates in FY15

Average Exchange Rates (JPY)*



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

FY2014 & FY2015 Monthly Exchange Rates

(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
Jan	120	147	120	132
Feb	118	134	119	130
Mar	119	134	114	125
Average Apr-Mar	109	139	121	132

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

FY2016 Exchange Rate Outlook

Outlook

(JPY)

	FY16				
	USD	EUR	RUB	CNY	BRL
Apr-Mar	110	125	1.6	17.4	31.2

Impact of 1% depreciation of yen

(hundred million JPY)

	FY16				
	USD	EUR	RUB	CNY	BRL
Revenue	56	19	4	6	3
Core Earnings	11	3	2	1	0

Better Health, Brighter Future



Takeda Pharmaceutical Company Limited