Better Health, Brighter Future

Takeda Quarterly Financial Report

For the quarter ended June 30, 2020

Table of Contents

Financial Highlights

Selected Financial Results

Results of Operation

(JPY millions)	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Revenue	849,121	801,850	(47,271)	(5.6)%
Operating profit	45,167	167,285	122,118	270.4 %
Profit before tax	10,115	130,291	120,176	—
Net profit for the period	7,033	82,519	75,486	—
Earnings per share (JPY)				
Basic earnings per share	4.51	52.93	48.42	—
Diluted earnings per share	4.49	52.69	48.20	—

Non-IFRS Measures

Results of Operations

(JPY billions)	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Underlying:				
Revenue Growth	-0.8 %	0.9 %		
Core operating profit margin	31.5 %	34.7 %		
Core Operating Profit	283.0	280.9	(2.1)	(0.7)%
Core EPS (yen)	128	122	(5)	(4.1)%
Free Cash Flow	89.3	146.3	57.1	64.0 %

Leverage

(JPY billions)	As of March 31, 2020	As of June 30, 2020
Net debt	(4,234.0)	(4,232.7)
Adjusted EBITDA (Last 12 months)	1,125.9	1,134.4
Net debt/Adjusted EBITDA ratio	3.8	3.7

Takeda uses certain non-IFRS measures to supplement the analysis of results of operations under International Financial Reporting Standards ("IFRS"). Refer to 3. Reconciliation for reconciliations of non-IFRS Measures.

Consolidated Cash Flows

(JPY millions)	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Cash flows from (used in) operating activities	120,789	145,861	25,072	20.8 %
Cash flows from (used in) investing activities	(41,603)	662	42,265	(101.6)%
Cash flows from (used in) financing activities	(177,700)	(192,765)	(15,065)	8.5 %

Consolidated Financial Position

(JPY millions)	As of March 31, 2020	As of June 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Non-current Assets	10,351,662	10,139,089	(212,573)	(2.1)%
Current Assets	2,469,432	2,474,763	5,331	0.2 %
Total Assets	**12,821,094**	**12,613,852**	**(207,242)**	**(1.6)%**
Non-current Liabilities	5,917,710	5,891,544	(26,166)	(0.4)%
Current Liabilities	2,175,898	2,031,544	(144,354)	(6.6)%
Total Liabilities	**8,093,608**	**7,923,088**	**(170,520)**	**(2.1)%**
Equity	**4,727,486**	**4,690,764**	**(36,722)**	**(0.8)%**
Total liabilities and equity	**12,821,094**	**12,613,852**	**(207,242)**	**(1.6)%**

Forecast and Management Guidance

(JPY billions)	FY20 (Forecast)	Underlying[*3] (Management Guidance)	
Reported:			
Revenue[*1]	3,250.0	Underlying Revenue Growth:	**Low-single-digit growth**[*1]
Operating profit[*2]	395.0		
Profit before tax[*2]	230.0		
Net profit (attributable to owners of the Company)[*2]	92.0		
EPS (JPY)[*2]	58.91		
Non-IFRS Measures			
Core operating profit[*1]	984.0	Underlying Core Operating Profit Growth:	**High-single-digit growth**[*1]
Core operating profit margin[*1]	30.3 %	Underlying Core Operating Profit Margin:	**Low-30s%**[*1]
Core EPS (JPY)[*1]	420	Underlying Core EPS Growth:	**Low-teen growth**[*1]
Free Cash Flow[*1]	600.0 - 700.0		
Dividends per share (Yen)[*1]	180		

*1 Unchanged since May 2020

*2 Updated to reflect certain one-time items. Refer to *Notice of the Revised Forecast of Consolidated Financials for FY2020 (IFRS)* released on July 31, 2020 in Takeda Newsroom for details.

*3 Underlying growth adjusts for divestitures (assets divested in FY2019 and disclosed divestitures expected to close in FY2020) and applies a constant exchange rate (FY2019 full year average FX rate). Please refer to *"Results of Operations (Underlying)"* for definition of underlying growth.

Revenue by Region

		JPY (millions) Three-month period ended June 30,							
		Japan	U.S.	Europe and Canada	Russia/ CIS	Latin America	Asia (excluding Japan)	Other	Total
	2019	152,330	415,676	165,235	19,019	37,411	40,955	18,495	849,121
	2020	144,045	402,606	157,559	13,044	30,774	36,879	16,943	801,850
Change versus the previous year	JPY	(8,285)	(13,070)	(7,676)	(5,975)	(6,637)	(4,076)	(1,552)	(47,271)
	%	(5.4)%	(3.1)%	(4.6)%	(31.4)%	(17.7)%	(10.0)%	(8.4)%	(5.6)%

"Other" includes the Middle East, Oceania and Africa. This disaggregation provides revenue attributable to countries or regions based on the customer location.

Revenue by Therapeutic Area and Product

	JPY (millions) Three-month period ended June 30,		Change versus the previous year	
	2019	2020	JPY	%
Gastroenterology:				
Entyvio	83,877	101,224	17,347	20.7 %
Takecab-F[(1)]	18,280	20,214	1,934	10.6 %
Dexilant	15,831	13,609	(2,222)	(14.0)%
Gattex/Revestive	15,131	17,474	2,343	15.5 %
Pantoprazole	11,604	9,177	(2,427)	(20.9)%
Alofisel	39	11	(28)	(71.8)%
Others	26,874	25,219	(1,655)	(6.2)%
Total Gastroenterology	171,636	186,928	15,292	8.9 %
Rare Diseases:				
Rare Metabolic:				
Elaprase	18,842	17,637	(1,205)	(6.4)%
Replagal	12,891	12,193	(698)	(5.4)%
Vpriv	9,254	9,343	89	1.0 %
Natpara	7,868	734	(7,134)	(90.7)%
Total Rare Metabolic	48,855	39,907	(8,948)	(18.3)%
Rare Hematology:				
Advate	42,733	33,652	(9,081)	(21.3)%
Adynovate	14,458	15,280	822	5.7 %
FEIBA	13,052	12,859	(193)	(1.5)%
Others	17,846	14,964	(2,882)	(16.1)%
Total Rare Hematology	88,089	76,755	(11,334)	(12.9)%
Hereditary Angioedema:				
Takhzyro	14,467	23,245	8,778	60.7 %
Firazyr	8,970	8,095	(875)	(9.8)%
Cinryze	7,326	5,922	(1,404)	(19.2)%
Kalbitor	1,109	1,059	(50)	(4.5)%
Total Hereditary Angioedema	31,872	38,321	6,449	20.2 %
Total Rare Diseases	**168,816**	**154,983**	**(13,833)**	**(8.2)%**
PDT Immunology:				
Immunoglobulin	67,989	85,106	17,117	25.2 %
Albumin	16,144	12,979	(3,165)	(19.6)%
Others	7,597	7,179	(418)	(5.5)%
Total PDT Immunology	**91,730**	**105,264**	**13,534**	**14.8 %**
Oncology:				
Velcade	31,706	24,181	(7,525)	(23.7)%
Leuprorelin	28,370	27,400	(970)	(3.4)%
Ninlaro	18,292	22,931	4,639	25.4 %
Adcetris	12,747	15,090	2,343	18.4 %
Iclusig	7,649	9,233	1,584	20.7 %
Alunbrig	1,654	2,017	363	21.9 %
Others	6,032	7,121	1,089	18.1 %
Total Oncology	**106,450**	**107,973**	**1,523**	**1.4 %**

	JPY (millions)			
	Three-month period ended June 30,		Change versus the previous year	
	2019	2020	JPY	%
Neuroscience:				
Vyvanse	68,802	66,009	(2,793)	(4.1)%
Trintellix	17,417	16,880	(537)	(3.1)%
Adderall XR	5,694	5,257	(437)	(7.7)%
Others	20,006	18,711	(1,295)	(6.5)%
Total Neuroscience	**111,919**	**106,857**	**(5,062)**	**(4.5)%**
Other:				
Azilva-F[(1)]	20,463	20,855	392	1.9 %
Nesina-F[(1)]	14,574	15,467	893	6.1 %
Lotriga	8,755	8,065	(690)	(7.9)%
Others	154,778	95,458	(59,320)	(38.3)%
Total Other	**198,570**	**139,845**	**(58,725)**	**(29.6)%**
Total Revenue by Product	**849,121**	**801,850**	**(47,271)**	**(5.6)%**

[(1)] The figures include the amounts of fixed dose combinations and blister packs.

Recent Developments

Business Development

During the quarter ended June 30, 2020 and up to the issuance of its interim Consolidated Financial Statements on July 31, 2020, Takeda Pharmaceutical Company Limited ("Takeda", or the "Company") divested a number of businesses and assets in non-core areas as part of its efforts to deleverage toward its target of 2x net debt/adjusted EBITDA within March 2022 - March 2024. Major divestment activities during the period are as follows:

- In April 2020, we announced the sale of selected non-core products in Europe, and two manufacturing sites located in Denmark and Poland to Orifarm Group for up to approximately 670 million USD or approximately 72.1 billion JPY(1) subject to customary legal and regulatory closing conditions.
- In April 2020, we agreed to terminate the agreement to divest TachoSil (Fibrin Sealant Patch) to Ethicon, Inc. as a result of anti-trust concerns raised by the European Commission. We will continue to explore opportunities to divest TachoSil.
- In June 2020, we announced that it has entered into an agreement to divest a portfolio of select non-core over-the-counter and prescription pharmaceutical products sold exclusively in Asia Pacific to Celltrion Inc., for a total value of up to 278 million USD or 29.9 billion JPY(1), subject to customary legal and regulatory closing conditions.

We will continue to explore opportunities to divest businesses and assets that are not core to our operations to accelerate deleveraging.

Note:
(1) Calculated using the Japanese yen—U.S. dollar exchange rate as of June 30, 2020.

Research & Development Activities and Results

Research and development expenses for the three-month period ended June 30, 2020 were 106.8 billion JPY.
Takeda's R&D engine is focused on translating science into highly innovative, life-changing medicines that make a critical difference to patients. Takeda supports dedicated R&D efforts across three areas: Innovative Biopharma, Plasma Derived Therapies (PDT) and Vaccines. The R&D engine for Innovative Biopharma is the largest component of our R&D investment and has produced exciting new molecular entities (NMEs) that represent potential best-in-class and/or first-in-class medicines in areas of high unmet medical need across our core Therapeutic Areas (oncology, rare diseases, neuroscience, and gastroenterology (GI)). Over the past several years, and more recently bolstered by our acquisition of Shire, we have also harnessed the potential of cell and gene therapies by investing in new capabilities and next-generation platforms internally and through a network of partnerships.

Major progress on R&D events within the three-month period ended June 30, 2020 are listed as follows:

R&D pipeline

Oncology
In oncology, Takeda endeavors to deliver novel medicines to patients with cancer worldwide through a commitment to breakthrough innovation and a passion for improving the lives of patients. Takeda focuses on three key areas in oncology: (1) building on its foundational expertise in hematologic malignancies through continued investment in lifecycle management programs for marketed products NINLARO, ADCETRIS, and ICLUSIG, as well as in pipeline assets in Multiple Myeloma, Acute Myeloid Leukemia, Myelodysplastic Syndromes, and other blood cancers; (2) further developing its portfolio in lung cancer with the marketed product ALUNBRIG and development programs in targeted lung cancer populations; and (3) pursuing novel immuno-oncology targets and next-generation platforms with external partners as well as exploring innovative cell therapies.

NINLARO / Generic name: ixazomib

- In May 2020, Takeda announced that it submitted to the Japanese Ministry of Health, Labour and Welfare (MHLW) for a partial change to the manufacturing and marketing approval for NINLARO regarding the additional indication as a first-line maintenance therapy in adult patients diagnosed with multiple myeloma who have not treated with stem cell transplantation in Japan. This application is based primarily on the results of the TOURMALINE-MM4 trial, a randomized, placebo-controlled, double-blind, multicenter, international Phase III trial.
- In June 2020, Takeda announced it orally presented the results of two studies at the 25th Congress of the European Hematology Association (EHA). Presentations included positive results from TOURMALINE-MM4, a Phase 3, randomized clinical trial evaluating the effect of single-agent oral NINLARO as a first-line maintenance therapy in adult patients diagnosed with multiple myeloma who had not been treated with stem cell transplantation. Takeda also presented key insights from the US MM-6 trial, which investigates the effectiveness and safety of an in-class transition to oral NINLARO in combination with lenalidomide and dexamethasone in newly diagnosed multiple myeloma patients who have previously received a parenteral bortezomib-based triplet induction therapy.

ICLUSIG / Generic name: ponatinib

- In May 2020, Takeda presented interim analysis data from the Phase II OPTIC (Optimizing Ponatinib Treatment In CML) trial during an oral session at the virtual 56th American Society of Clinical Oncology (ASCO) Annual Meeting. The OPTIC trial is an ongoing, randomized, open-label study prospectively evaluating response-based dosing regimens of ICLUSIG over a range of three starting doses (45-, 30-, or 15-mg) with the aim of optimizing its efficacy and safety in patients with chronic-phase chronic myeloid leukemia (CP-CML) who are resistant or intolerant to prior tyrosine kinase inhibitor (TKI) therapy.

ALUNBRIG / Generic name: brigatinib

- In May 2020, Takeda announced that the U.S. Food and Drug Administration (FDA) approved ALUNBRIG for adult patients with anaplastic lymphoma kinase-positive (ALK+) metastatic non-small cell lung cancer (NSCLC) as detected by an FDA-approved test. This approval expands ALUNBRIG's current indication to include the first-line setting.

ADCETRIS / Generic name: brentuximab vedotin

- In May 2020, Takeda announced that the European Commission (EC) extended the current conditional marketing authorization of ADCETRIS to include treatment of adult patients with previously untreated systemic anaplastic large cell lymphoma (sALCL), in combination with CHP (cyclophosphamide, doxorubicin, prednisone). Systemic anaplastic large cell lymphoma is a subtype of peripheral T-cell lymphoma (PTCL).
- In May 2020, Takeda announced that ADCETRIS was approved by China's National Medical Products Administration (NMPA) for use in adult patients with relapsed or refractory systemic Anaplastic Large Cell Lymphoma (sALCL) or CD30-positive Hodgkin Lymphoma.

CABOMETYX / Generic name: cabozantinib

- In April 2020, Takeda announced the top-line result from CheckMate -9ER, a global, multi-center, randomized, open-label Phase III study evaluating Ono Pharmaceutical 's Opdivo (nivolumab), a human anti-human PD-1 (programmed cell death-1) monoclonal antibody, and CABOMETYX in patients with previously untreated advanced or metastatic renal cell carcinoma (RCC). In this study, Opdivo and cabozantinib combination treatment demonstrated a significant benefit in its primary endpoint of progression-free survival (PFS) at final analysis, compared to sunitinib, as well as its secondary endpoints of overall survival (OS) at a pre-specified interim analysis, and objective response rate (ORR).

Development code: TAK-924 / Generic name: pevonedistat

- In May 2020, Takeda announced the results of the Phase 2 Pevonedistat-2001 trial was presented during oral sessions at the virtual 56th American Society of Clinical Oncology (ASCO) Annual Meeting. The study evaluated pevonedistat plus azacitidine versus azacitidine alone in patients with rare leukemias, including higher-risk myelodysplastic syndromes (HR-MDS). These results show that the combination of pevonedistat and azacitidine is a highly active, promising therapeutic approach and suggest benefit in the HR-MDS subgroup across multiple clinically meaningful endpoints, including overall survival (OS), event-free survival (EFS), complete remission (CR) and transfusion independence, with a safety profile similar to azacitidine alone.
- In July 2020, Takeda announced that the U.S. Food and Drug Administration (FDA) granted Breakthrough Therapy Designation for its investigational drug pevonedistat for the treatment of patients with higher-risk myelodysplastic syndromes (HR-MDS).

Development code: TAK-788 / Generic name: mobocertinib

- In April 2020, Takeda announced that the U.S. Food and Drug Administration (FDA) granted Breakthrough Therapy Designation for its investigational drug mobocertinib for the treatment of patients with metastatic non-small cell lung cancer (NSCLC) with epidermal growth factor receptor (EGFR) exon 20 insertion mutations whose disease has progressed on or after platinum-based chemotherapy.

Rare Diseases

In rare diseases, Takeda focuses on (1) rare immunology (e.g., hereditary angioedema) to transform the treatment paradigm including through recently launched TAKHZYRO; (2) rare hematology with a broad portfolio; and (3) rare metabolic diseases, focused on treatments for Fabry disease, Hunter syndrome and Gaucher disease.

TAKHZYRO / Generic name: lanadelumab-flyo

- In May 2020, Takeda announced that the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) has adopted a positive opinion on a Type II Variation regulatory application and recommended the approval of a pre-filled syringe presentation of TAKHZYRO. TAKHZYRO is a subcutaneous injectable prescription medication approved in Europe for routine prevention of recurrent attacks of hereditary angioedema (HAE) in patients aged 12 years and older.
- In June 2020, Takeda announced findings from two new interim analyses of data from the Phase 3 HELP (Hereditary Angioedema Long-term Prophylaxis) Study™ Open-label Extension (OLE). The analyses suggest that TAKHZYRO is well-tolerated and can prevent hereditary angioedema (HAE) attacks over an extended treatment period, with sustained and consistent reduction in monthly attack rate across a range of different patient subgroups. The data were presented at the 2020 European Academy of Allergy and Clinical Immunology (EAACI) Digital Congress.

ADVATE / Generic name: antihemophilic factor (recombinant), rAHF

- In June 2020, Takeda announced a scientific update from the AHEAD real-world study investigating the long-term outcomes associated with ADVATE in patients with hemophilia A, presented as an oral presentation at the World Federation of Hemophilia Virtual Summit 2020 (WFH 2020). Interim analysis results from the AHEAD real-world outcomes study demonstrate that the number of hemophilia A patients who were able to achieve zero bleeds increased over the years by receiving rAHF. For those receiving prophylaxis, the number of patients with zero bleeds increased from 34% in year 1 to 53% in year 6. For those receiving on-demand treatment, it increased from 28% in year 1 to 38% in year 6.

Neuroscience

In neuroscience, Takeda aims to bring innovative medicines to patients suffering from neurologic diseases for whom there are no treatments available. Takeda is building its pipeline in neurology (e.g., Alzheimer's disease, Parkinson's disease) and selected rare CNS diseases such as narcolepsy, potentially other sleep disorders, and Huntington's Disease through a combination of in-house expertise and collaboration with partners.

Gastroenterology

In gastroenterology (GI), Takeda focuses on delivering innovative, life-changing therapeutics for patients with GI and liver diseases. Takeda is maximizing the potential of our inflammatory bowel disease (IBD) franchise around ENTYVIO and ALOFISEL, expanding our position in specialty GI with GATTEX and progressing a pipeline built through partnerships exploring opportunities in motility disorders, celiac disease, liver disease and the microbiome.

ENTYVIO / Generic name: vedolizumab

- In April 2020, Takeda announced that a self-injectable formulation of ENTYVIO was approved in Canada for at-home maintenance treatment of adult patients 18 years or older with moderately to severely active ulcerative colitis (UC) who have had an inadequate response, loss of response to, or were intolerant to either conventional therapy or infliximab, a tumor necrosis factor-alpha (TNFα) antagonist. The approval of a self-injectable formulation of ENTYVIO is based on the VISIBLE 1 randomized, double-blind, placebo-controlled clinical study evaluating the efficacy and safety of subcutaneous ENTYVIO as maintenance therapy for adult patients with moderately to severely active ulcerative colitis.
- In May 2020, Takeda announced that the European Commission has granted a Marketing Authorization for the subcutaneous (SC) formulation of ENTYVIO, as maintenance therapy in adults with moderately to severely active ulcerative colitis (UC) or Crohn's disease (CD). Entyvio SC will be made available in both a pre-filled syringe and a pre-filled pen.

Plasma Derived Therapies

Takeda created a dedicated plasma-derived therapy business unit with a focus to manage the business end-to-end, from plasma collection to manufacturing and commercialization. In plasma-derived therapies, we maximize the therapeutic value of plasma-derived therapies for patients with rare and complex diseases through innovation across the product life cycle. The dedicated R&D organization in PDT is charged with identifying new targeted therapies and optimizing efficiencies of current product manufacturing. PDT focuses on developing products which are essential for effectively treating patients with a variety of rare, life-threatening, chronic and genetic diseases across the world.

Development code: CoVIg-19 (previously TAK-888) /Generic name: anti-SARS-CoV-2 polyclonal hyperimmune immunoglobulin

- In April 2020, Takeda announced that Biotest, BPL, LFB, and Octapharma joined the CoVIg-19 Plasma Alliance formed by CSL Behring and Takeda to develop a potential plasma-derived therapy for treating COVID-19. The alliance begins immediately with the investigational development of one, unbranded anti-SARS-CoV-2 polyclonal hyperimmune immunoglobulin medicine with the potential to treat individuals with serious complications from COVID-19.
- In May 2020, the CoVIg-19 Plasma Alliance announced that it has expanded globally to include 10 plasma companies, and also includes global organizations from outside the plasma industry who are providing vital support to encourage more people who recovered from COVID-19 to donate plasma. In addition to those announced at its inception - Biotest, BPL, CSL Behring, LFB, Octapharma and Takeda - the Alliance welcomes new industry members ADMA Biologics, BioPharma Plasma, GC Pharma, and Sanquin. Together, these organizations will contribute specialist advisory expertise, technical guidance and/or in-kind support to contribute to the Alliance goal of accelerating development and distribution of a potential treatment option for COVID-19.

Vaccine

In vaccines, Takeda is applying innovation to tackle some of the world's most challenging infectious diseases such as dengue, zika, and norovirus. To support the expansion of our pipeline and the development of our programs, we have entered into partnerships with government organizations in Japan, the U.S., and Singapore and leading global institutions. Such partnerships have been essential in building the critical capabilities that will be necessary to deliver on our programs and realize their full potential.

Building a sustainable research platform / Enhancing R&D collaboration

In addition to our concentrated efforts to increase our in-house research and development capabilities, external partnerships with third-party partners are a key component of our strategy for enhancing our R&D pipeline. Our strategy to expand and diversify our external partnerships allows us to take part in research of a wide variety of new products and increases the chances that we will be able to take part in a major research-related breakthrough.

- In June 2020, Takeda and Neurocrine Biosciences, Inc. announced a strategic collaboration to develop and commercialize compounds in Takeda's early-to-mid-stage psychiatry pipeline. Specifically, Takeda granted an exclusive license to Neurocrine Biosciences for seven pipeline programs, including three clinical stage assets for schizophrenia, treatment-resistant depression and anhedonia.
- In June 2020, Takeda and Carmine Therapeutics signed a research collaboration agreement to discover, develop and commercialize transformative non-viral gene therapies for two rare disease targets using Carmine's REGENT(TM) technology, based on red blood cell extracellular vesicles.

Analysis of Results of Operations, Financial Position, and Cash Flow

Results of Operations (Reported)

Consolidated Financial Results (April 1 to June 30, 2020)

			Billion JPY or percentage	
	FY2019 Q1*	FY2020 Q1	Change versus the same period of the previous year	
Revenue	849.1	801.9	(47.3)	(5.6)%
Cost of Sales	(291.8)	(238.1)	53.7	(18.4)%
Selling, General and Administrative expenses	(239.2)	(202.4)	36.8	(15.4)%
Research and Development expenses	(116.9)	(106.8)	10.0	(8.6)%
Amortization and Impairment Losses on Intangible Assets Associated with Products	(121.8)	(104.2)	17.5	(14.4)%
Other Operating Income	6.7	63.7	57.1	856.1 %
Other Operating Expenses	(41.0)	(46.8)	(5.8)	14.1 %
Operating Profit	45.2	167.3	122.1	270.4 %
Finance Income	8.7	19.6	10.9	126.2 %
Finance Expenses	(46.1)	(46.8)	(0.8)	1.7 %
Share of Gain (Loss) on Investments Accounted for Using the Equity Method	2.3	(9.8)	(12.1)	(516.3)%
Profit Before Income Tax	10.1	130.3	120.2	—
Income Tax Expenses	(3.1)	(47.8)	(44.7)	—
Net Profit for the Period	7.0	82.5	75.5	—

* During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets acquired and liabilities assumed as part of the Shire Acquisition. Accordingly, the consolidated statements of profit or loss for the three-month period ended June 30, 2019 were retrospectively adjusted.

Revenue. Revenue for the three-month period ended June 30, 2020 was 801.9 billion JPY, a decrease of 47.3 billion JPY, or 5.6%, compared to the same period of the previous fiscal year. Of this decline, 4.0 percentage points ("pp") was due to the negative impact of the appreciation of the yen.

Despite the negative impact from the foreign exchange rate, within our core therapeutic areas, Gastroenterology (GI), Plasma-Derived Therapies (PDT) Immunology, and Oncology contributed to revenue growth; however, they were offset by intensified competition and generic erosion in other therapeutic areas. In addition, non-core business revenue was negatively impacted by several divestitures completed in the fiscal year ended March 31, 2020. An adverse effect on revenue has been observed certain therapeutic areas from the global spread of COVID-19, such as Neuroscience, for reasons such as patients' less frequent visits to medical care providers for non-life-threatening and chronic diseases, but on the other hand we have seen expansion of certain products with a more convenient administration profile. Overall COVID-19 did not have a material adverse effect on our revenue for the three-month period ended June 30, 2020.

Year-on-year change in revenue for this three-month period in each of our main therapeutic areas was primarily attributable to the following products:

- *GI.* In Gastroenterology, revenue was 186.9 billion JPY, a year-on-year increase of 15.3 billion JPY, or 8.9%. Growth was driven by ENTYVIO (for ulcerative colitis (UC) and Crohn's disease (CD)), Takeda's top-selling product, with sales of 101.2 billion JPY, a year-on-year increase of 17.3 billion JPY, or 20.7%. Market share growth in the U.S. and in Europe was driven by further penetration in the bio-naïve segment in UC and CD, resulting in increased overall market share. In Japan, sales increase was primarily driven by the UC indication. Sales of TAKECAB (for acid-related diseases) were 20.2 billion JPY, an increase of 1.9 billion JPY, or 10.6% versus the same period of the previous fiscal year. The increase was driven by the expansion of new prescriptions in the Japanese market due to TAKECAB's efficacy in reflux esophagitis and the prevention of recurrence of gastric and duodenal ulcers during low-dose aspirin administration. Sales of GATTEX/REVESTIVE (for short bowel syndrome) increased by 2.3 billion JPY, or 15.5%, to 17.5 billion JPY versus the same period of the previous fiscal year, primarily due to increased average length of time on therapy for the adult population. Growth of ENTYVIO, TAKECAB and GATTEX/REVESTIVE fully absorbed the net decrease of other GI products such as declines of off-patented product of pantoprazole (for peptic ulcer) by 2.4 billion JPY, as well as declines of DEXILANT (for acid reflux disease) by 2.2 billion JPY and AMITIZA (for chronic constipation) by 1.5 billion JPY primarily due to intensified competition.

- *Rare Diseases*. In Rare Diseases, revenue decreased by 13.8 billion JPY, or 8.2%, compared to the same period of the previous fiscal year to 155.0 billion JPY. Revenue of Rare Hematology decreased by 11.3 billion JPY, or 12.9%, to 76.8 billion JPY. ADVATE (for hemophilia A) decreased by 9.1 billion JPY, or 21.3%, to 33.7 billion JPY driven by the competitive uptake (impact of competition differing by region, with impact in Europe milder than in the U.S. and Japan), increasing price pressure in short half-life segment and switch to ADYNOVATE. Revenue of Rare Metabolic decreased by 8.9 billion JPY, or 18.3%, to 39.9 billion JPY primarily due to the product recall of NATPARA, parathyroid hormone, in the U.S. NATPARA declined by 7.1 billion JPY, or 90.7%, to 0.7 billion JPY representing ex-US sales, which were flat year-on-year. Revenue of Hereditary Angioedema (HAE) was 38.3 billion JPY, a year-on-year increase of 6.4 billion JPY, or 20.2%, driven by TAKHZYRO which expanded the HAE prophylaxis markets in the U.S. and in Europe with its growth of 8.8 billion JPY, or 60.7%, to 23.2 billion JPY, more than offsetting the generic introduction of FIRAZYR and fewer patients on CINRYZE.
- *PDT Immunology.* In Plasma-Derived Therapies (PDT) Immunology, revenue increased by 13.5 billion JPY, or 14.8%, compared to the same period of the previous fiscal year to 105.3 billion JPY. Aggregate sales of immunoglobulin products were 85.1 billion JPY that increased by 17.1 billion JPY, or 25.2%, fueled by strong demand and growing supply capabilities with quarterly growth partly affected by 2019 sales phasing. In particular, GAMMAGARD LIQUID (for the treatment of primary immunodeficiency (PID) and multifocal motor neuropathy (MMN)) continued to build its position as a highly recognized IVIG (intravenous immunoglobulin) brand that is the standard of care treatment for PID and MMN in the U.S. CUVITRU, SCIG (subcutaneous immunoglobulin) brand also marked double digit growth. Aggregate sales of albumin products including ALBUMIN GLASS and FLEXBUMIN (primarily used for hypovolemia and hypoalbuminemia) were 13.0 billion JPY, a decrease of 3.2 billion JPY, or 19.6% versus the same period of the previous fiscal year, primarily due to supply phasing in the same period of the previous fiscal year in China.
- *Oncology.* In Oncology, revenue was 108.0 billion JPY, a year-on-year increase of 1.5 billion JPY, or 1.4%. Sales of NINLARO (for multiple myeloma) were 22.9 billion JPY, an increase of 4.6 billion JPY, or 25.4% versus the same period of the previous fiscal year, reflecting strong growth in global sales particularly in the U.S. and China driven in part by certain COVID-19 factors, such as a more convenient administration profile. NINLARO is a once-weekly oral tablet that can be taken at home which may reduce some of the logistical burden for patients as its administration does not require an infusion or injection at a hospital, clinic or physician's office. The number of new patients start for NINLARO in the U.S. was increased in the first two months of the current period and it returned to the pre-COVID-19 level towards the end of this period. Sales of ADCETRIS (for malignant lymphomas) increased by 2.3 billion JPY, or 18.4% to 15.1 billion JPY versus the same period of the previous fiscal year, reflecting strong growth in sales particularly in Japan where it progressively expanded its indications in recent years. Revenue attributable to ALUNBRIG (for non-small cell lung cancer) increased by 0.4 billion JPY, or 21.9% to 2.0 billion JPY versus the same period of the previous fiscal year, as it continues to launch in European and emerging countries. Sales of VELCADE (for multiple myeloma) decreased by 7.5 billion JPY, or 23.7% compared to the same period of the previous fiscal year to 24.2 billion JPY, of which ex-US royalty income was 1.1 billion JPY, a significant year-on-year decrease of 2.5 billion JPY, or 69.5%, due to generic entries in Europe and China in 2019. Sales in the U.S. decreased by 5.0 billion JPY, or 17.8%, to 23.1 billion JPY versus the same period of the previous fiscal year, reflecting a lower new patient start in the first-line therapy, which we believe was a consequence of patients refrained from visiting medical care providers due to COVID-19 related concerns. VELCADE is administered predominantly via a subcutaneous injection at medical institutions.
- *Neuroscience.* In Neuroscience, revenue was 106.9 billion JPY, a year-on-year decrease of 5.1 billion JPY, or 4.5%. This decrease was largely attributable to VYVANSE (for attention deficit hyperactivity disorder (ADHD)), decreased by 2.8 billion JPY, or 4.1%, to 66.0 billion JPY and ROZEREM (for insomnia), decreased by 2.1 billion JPY, or 40.8%, to 3.0 billion JPY, both negatively impacted by the appreciation of the yen. Sales of VYVANSE, a leading branded medication in the U.S., were also negatively affected by COVID-19 where stay-at-home orders and restrictions significantly reduced patient visits, subsequent diagnoses and created temporary discontinuation of medication. Sales of ROZEREM were negatively impacted by the loss of exclusivity in the U.S. last year.

Cost of Sales. Cost of Sales decreased by 53.7 billion JPY, or 18.4%, to 238.1 billion JPY and the Cost of Sales Ratio decreased by 4.7 pp to 29.7% compared to the same period of the previous fiscal year. This was primarily caused by 49.1 billion JPY decrease of non-cash charges related to the unwind of the fair value step up on acquired inventory recognized in connection with the Shire Acquisition.

Selling, General and Administrative (SG&A) expenses. SG&A expenses decreased by 36.8 billion JPY, or 15.4%, to 202.4 billion JPY compared to the same period of the previous fiscal year, primarily due to the favorable impact from cost efficiencies and synergies from the integration of Shire and lower spend from impacts of COVID-19 such as less travel and fewer commercial events.

Research and Development (R&D) expenses. R&D expenses decreased by 10.0 billion JPY, or 8.6%, to 106.8 billion JPY, primarily due to savings from pipeline prioritization as well as COVID-19 impacts.

Amortization and Impairment Losses on Intangible Assets Associated with Products. Amortization and Impairment Losses on Intangible Assets Associated with Products decreased by 17.5 billion JPY, or 14.4%, to 104.2 billion JPY compared to the same period of the previous fiscal year. This decrease is primarily attributable to an impairment charge of 15.6 billion JPY recorded in the same period of the previous fiscal year related to our decision to terminate the TAK-616 AMR program following the interim readout in May 2019.

Other Operating Income. Other Operating Income increased by 57.1 billion JPY, or 856.1%, to 63.7 billion JPY compared to the same period of the previous fiscal year, predominantly driven by a 60.2 billion JPY gain triggered by an update to previously recognized liabilities for pipeline compound SHP647 and certain associated rights ("SHP647") to reflect a change in expected future costs, such as program termination costs. This change was a result of the European Commission's decision in May 2020 to release Takeda's obligation to divest SHP647.

Other Operating Expenses. Other Operating Expenses were 46.8 billion JPY, an increase of 5.8 billion JPY, or 14.1%, compared to the same period of the previous fiscal year, primarily due to an 18.6 billion JPY loss recognized in the three months ended June 30, 2020 from changes in the fair value of contingent consideration assets driven by the impact of Novartis' withdrawal of the Marketing Authorisation Application in Europe for XIIDRA, which Takeda sold to Novartis in July 2019. The increase was partially offset by a decrease of 9.6 billion JPY in restructuring expenses due to decline of the costs for Shire integration program as well as favorable impact of the valuation reserve for pre-launch inventories by 4.0 billion JPY due to reversal of valuation reserve recorded for the three-month period ended June 30, 2020.

Operating Profit. As a result of the above factors, Operating Profit increased by 122.1 billion JPY, or 270.4% compared to the same period of the previous fiscal year to 167.3 billion JPY.

Net Finance Expenses. Net Finance Expenses were 27.2 billion JPY in the current period, a decrease of 10.2 billion JPY compared to the same period of previous fiscal year, mainly due to an 8.6 billion JPY decrease in interest expense mainly attributable to reduction in outstanding balances of bonds and loans and lower interest rates on borrowings with variable interest rates and a 5.6 billion JPY valuation gain in financial income recognized on the warrant to purchase stocks of a company that went public in October 2019.

Shares of Loss of Associates Accounted for Using the Equity Method. Shares of Loss of Associates Accounted for Using the Equity Method was 9.8 billion JPY, a decrease of gain 12.1 billion JPY compared to Shares of Gain of Associates Accounted for Using the Equity Method of 2.3 billion JPY for the same period of the previous fiscal year, mainly due to an impairment charge on certain assets recognized by Teva Takeda Pharma Ltd*.

* Teva Takeda Pharma Ltd operates a business of long-listed products and generics.

Income Tax Expenses. Income Tax Expenses were 47.8 billion JPY, an increase of 44.7 billion JPY compared to the same period of the previous fiscal year, primarily due to an increase in Profit Before Tax and an increase in unitary tax on overseas subsidiaries.

Net Profit for the Period. Net Profit for the Period increased by 75.5 billion JPY, compared to the same period of the previous fiscal year to 82.5 billion JPY.

Results of Operations (Underlying) (April 1 to June 30, 2020)

Definition of Core and Underlying Growth

Takeda uses the concept of Underlying Growth for internal planning and performance evaluation purposes.

Underlying Growth compares two periods (fiscal quarters or years) of financial results under a common basis and is used by management to assess the business. These financial results are calculated on a constant currency basis using a full year plan rate and exclude the impacts of divestitures and other amounts that are unusual, non-recurring items or unrelated to our ongoing operations. Although these are not measures defined by IFRS, Takeda believes Underlying Growth is useful to investors as it provides a consistent measure of our performance.

Takeda uses "Underlying Revenue Growth", "Underlying Core Operating Profit Growth", and "Underlying Core EPS Growth" as key financial metrics.

Underlying Revenue represents revenue on a constant currency basis and excluding non-recurring items and the impact of divestitures that occurred during the reported periods presented.

Underlying Core Operating Profit represents Core Operating Profit (as defined below) on a constant currency basis and further adjusted to exclude the impacts of divestitures that occurred during the reporting periods presented.

Core Operating Profit represents net profit adjusted to exclude income tax expenses, the share of profit or loss of investments accounted for using the equity method, finance expenses and income, other operating expenses and income, amortization and impairment losses on acquired intangible assets and other items unrelated to Takeda's core operations, such as purchase accounting effects and transaction related costs.

Underlying Core EPS represents net profit based on a constant currency basis, adjusted to exclude the impact of divestitures, items excluded in the calculation of Core Operating Profit, and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to Takeda's ongoing operations and the tax effect of each of the adjustments, divided by the outstanding shares (excluding treasury shares) as of the end of the comparative period.

Underlying Results

FY2020 Q1	
Underlying Revenue Growth	+0.9%
Underlying Core Operating Profit Growth	11.2
Underlying Core Operating Profit Margin	34.7
Underlying Core EPS	+8.7%

Underlying Revenue Growth was 0.9% compared to the same three-month period of the previous fiscal year, that represented resilience of Takeda's portfolio during the COVID-19 outbreak. Underlying revenue attributable to Takeda's 14 global brands* grew by 19.8%, despite negative impacts such as the NATPARA recall in the U.S. and a decline of off-patented products.

* Takeda's 14 global brands
GI: ENTYVIO, GATTEX/REVESTIVE, ALOFISEL
Rare Diseases: NATPARA, ADYNOVATE/ADYNOVI, TAKHZYRO, ELAPRASE, VPRIV
PDT Immunology: GAMMAGARD LIQUID/KIOVIG, HYQVIA, CUVITRU, ALUBUMIN/FLEXBUMIN
Oncology: NINLARO, ALUNBRIG

Underlying Revenue Growth by Therapeutic Area	
GI	+13.6%
Rare Diseases	-2.0%
Rare Metabolic	-9.9%
Rare Hematology	-7.0%
Hereditary Angioedema	+24.5%
PDT Immunology	+19.4%
Oncology	+5.4%
Neuroscience	-0.8%
Other	-21.0%
Total	+0.9%

Major non-recurring items and the impact of divestitures excluded to calculate Underlying Revenue:

- Exclusion of the impacts from divestitures which were completed in the fiscal year ended March 31, 2020. Net sales from XIIDRA, a treatment for dry eye disease, the divestiture of which was completed in July 2019, are excluded from the same period of the previous fiscal year. Revenue of select over-the-counter and non-core products in a number of Near East, Middle East and Africa countries, is excluded from the same period of the previous fiscal year as the divestiture was completed in March 2020. Likewise, revenue of select over-the-counter and non-core products in Russia, Georgia, and a number of countries from within the Commonwealth of Independent States, is excluded from the same period of the previous fiscal year as the divestiture was also completed in March 2020. In addition, residual impacts from these divestitures are excluded from the current period.
- Adjustment in net sales from TACHOSIL, a surgical patch, that Takeda agreed in May 2019 to divest. Although the agreement to divest the product to Ethicon was terminated in April 2020, it is still adjusted as Takeda continues to explore opportunities to divest TACHOSIL as part of its ongoing divestiture and deleveraging strategy. Net sales from TACHOSIL are excluded from both the current period and the same period of the previous fiscal year. In addition, revenue of products related to divestiture agreements that were publicly announced and expected to complete within the calendar year 2020 are also excluded from both the current period and the same period of the previous fiscal year.

Underlying Core Operating Profit Growth was 11.2% compared to the same three-month period of the previous fiscal year, reflecting cost synergies and efficiencies.

Core Operating Profit for the current period, which excludes items unrelated to Takeda's core operations such as the integration of Shire related costs and non-cash expenses from purchase accounting, was 280.9 billion JPY.

Underlying Core Operating Profit Margin for the current period was 34.7%, an increase of 3.2 pp compared to the same three-month period of the previous fiscal year.

Underlying Core EPS Growth for the current period was 8.7%.

Consolidated Financial Position

Assets. Total Assets as of June 30, 2020 were 12,613.9 billion JPY, reflecting a decrease of 207.2 billion JPY compared to the previous fiscal year-end. Intangible assets decreased by 128.2 billion JPY mainly due to amortization. Cash and Cash Equivalents also decreased by 47.8 billion JPY.

Liabilities. Total Liabilities as of June 30, 2020 were 7,923.1 billion JPY, reflecting a decrease of 170.5 billion JPY compared to the previous fiscal year-end. Liabilities Held for Sale decreased by 78.0 billion JPY mainly due to release from the obligation to divest the pipeline compound SHP647 and certain associated rights. In addition, Other Current Liabilities and Trade and Other Payables decreased by 43.8 billion JPY and 29.1 billion JPY, respectively. Bonds and Loans decreased by 18.3 billion JPY to 5,075.0 billion JPY*.

* The carrying amount of Bonds was 3,198.7 billion JPY and Loans was 1,876.3 billion JPY as of June 30, 2020. Breakdown of Bonds and Loans carrying amount is as follows.

Bonds:

	Billion JPY		
Name of Bond (Face Value if Denominated in Foreign Currency)	**Issuance**	**Maturity**	**Carrying Amount**
15th Unsecured straight bonds	July, 2013	July, 2020	60.0
Unsecured US dollar denominated senior notes (1,520 million USD)	June, 2015	June, 2022~ June, 2045	163.4
Unsecured US dollar denominated senior notes (8,800 million USD)	September, 2016	September, 2021~ September, 2026	906.2
Unsecured US dollar denominated senior notes (500 million USD)	July, 2017	January, 2022	53.7
Unsecured Euro denominated senior notes (7,500 million EUR)	November, 2018	November, 2020~ November, 2030	902.1
Unsecured US dollar denominated senior notes (4,500 million USD)	November, 2018	November, 2021~ November, 2028	482.2
Hybrid bonds (subordinated bonds)	June, 2019	June, 2079	497.0
Commercial Papers	April, 2020 ~ June, 2020	July, 2020 ~ September, 2020	134.0
Total			3,198.7

Loans:

	Billion JPY		
Name of Loan (Face Value if Denominated in Foreign Currency)	**Execution**	**Maturity**	**Carrying Amount**
Syndicated Loans	July, 2013	July, 2020	60.0
Syndicated Loans	April, 2016	April, 2023 ~ April, 2026	200.0
Syndicated Loans	April, 2017	April, 2027	113.5
Syndicated Loans (1,500 million USD)	April, 2017	April, 2027	161.2
Syndicated Loans (3,250 million USD)	January, 2019	January, 2024	349.2
Syndicated Loans (3,019 million EUR)	January, 2019	January, 2024	363.9
Japan Bank for International Cooperation (3,700 million USD)	January, 2019	December, 2025	398.4
Other			230.0

	Billion JPY		
Name of Loan (Face Value if Denominated in Foreign Currency)	Execution	Maturity	Carrying Amount
Total			1,876.3

On July 9, 2020, Takeda issued unsecured U.S. dollar-denominated senior notes with an aggregate principal amount of 7,000 million USD and unsecured Euro-denominated senior notes with an aggregate principal amount of 3,600 million EUR. Use of the proceeds from the offerings of these notes is to prepay the borrowings of 3,250 million USD and 3,019 million EUR that remained outstanding as of June 30, 2020 under a syndicated term loan that was incurred in connection with the Shire Acquisition in 2019, as well as unsecured senior notes with the face value of 2,400 million USD and 1,250 million EUR. The remaining proceeds will be used for general corporate purposes.

Equity. Total Equity as of June 30, 2020 was 4,690.8 billion JPY, a decrease of 36.7 billion JPY compared to the previous fiscal year-end. This was mainly due to a decrease of 39.9 billion JPY in Retained Earnings mainly resulting from the dividends payments of 141.9 billion JPY partially offset by the net profit for the period.

Consolidated Cash Flow

	Billion JPY	
	FY2019 Q1	FY2020 Q1
Net Cash from (used in) operating activities	120.8	145.9
Net Cash from (used in) investing activities	(41.6)	0.7
Net Cash from (used in) financing activities	(177.7)	(192.8)
Net increase (decrease) in cash and cash equivalents	(98.5)	(46.2)
Cash and cash equivalents at the beginning of the year	702.1	637.6
Effects of exchange rate changes on cash and cash equivalents	(10.5)	(1.6)
Net increase (decrease) in cash and cash equivalents resulting from a transfer to assets held for sale	0.6	—
Cash and cash equivalents at the end of the period	593.7	589.8

Net cash from operating activities was 145.9 billion JPY for the current period compared to 120.8 billion JPY for the same period of the previous year. The increase of 25.1 billion JPY was mainly due to a 75.5 billion JPY increase in net profit for the period as well as an increase of a favorable adjustment of 44.7 billion JPY in income tax expense mainly comprised of deferred tax which is a non-cash expense. The increase was partially offset by an adjustment for non-cash income of 60.2 billion JPY due to release from the obligation to divest the pipeline compound SHP 647 and certain associated rights, as well as an unfavorable impact of 47.6 billion JPY from an increase in inventories for the current period due to a decrease of the unwind of the fair value step up on acquired inventory recorded in relation to the Shire Acquisition.

Net cash from investing activities was 0.7 billion JPY for the current period compared to net cash used in investing activities of 41.6 billion JPY for the same period of the previous year. This increase of 42.3 billion JPY was mainly due to a 30.0 billion JPY increase in proceeds from sales and redemption of investments mainly as a result of increased sales of equity instruments.

Net cash used in financing activities was 192.8 billion JPY for the current period compared to 177.7 billion JPY for the same period of the previous year. This increase of 15.1 billion JPY was mainly the result of 20.0 billion JPY repayment of commercial papers and long-term loans in the current period.

Impact of the Spread of the Novel Coronavirus Infectious Disease (COVID-19) and Takeda's Initiatives in Response

(i) Impact of COVID-19 on Takeda's Operations and Financial Condition

The effects of the spread of COVID-19 are impacting, or could potentially impact, various business activities within Takeda.

In monitoring demand for our products, we have seen limited impact to date as many of our medicines are for severe chronic or life-threatening diseases, without the requirement of a hospital elective procedure. An adverse effect has been observed in some of our therapeutic areas, such as Neuroscience, for reasons such as patients visiting their medical care providers less frequently, but on the other hand we have seen expansion of certain products with a more convenient administration profile. We have seen some decline in plasma donations but it is still too early to predict longer-term impact on total volume as there are several factors that can partially or fully offset the decline in the coming months. In terms of our global supply chain, based on current assessments, we have not yet seen, nor do we currently anticipate, any material potential supply distribution issues due to the COVID-19 outbreak.

During the course of our business operations, we have implemented voluntary suspensions of certain business activities, including business travel, attending industry events, and holding company-sponsored events.

With regards to clinical trials, we had placed a temporary pause on the initiation of new studies, with the exception of CoVIg-19, the investigational plasma-derived therapy for COVID-19. For already ongoing studies we had temporarily paused the activation of new study sites and new patient enrollment with a small number of exceptions. This was a short-term action and we have now been able to resume recruitment in the majority of our studies at least at some sites and countries.

It is still too early to speculate on what the potential impact the COVID-19 outbreak may be to timelines of our ongoing clinical trials or regulatory filings. While we do anticipate some delays on some studies, we are hopeful that we may be able regain this time once studies restart. We are closely monitoring the situation on a study level, down to each country and site, to assess potential impact.

As we continue to monitor developments in the financial markets, we do not currently anticipate any material liquidity or funding-related issues.

(ii) Takeda's Initiatives to Mitigate the Impact of COVID-19

Takeda's response to the COVID-19 outbreak is focused on three priorities:
1. Safeguarding employees and their families, and reducing the impact of COVID-19 on the healthcare system.
2. Maintaining business continuity, especially the supply of Takeda medicines to patients.
3. Developing potential therapies to treat or prevent COVID-19.

In order to address the issues relating to COVID-19, in January 2020 we activated a Global Crisis Management Committee (GCMC), who along with the support of internal and external experts has guided Takeda's response to the pandemic. This includes the development of employee guidance, support resources, and implementing enhanced infection control and workplace case management protocols across our essential operations. The GCMC have also developed comprehensive workplace readiness checklists to support a safe and gradual return to office workplaces where this is possible. The committee is co-led by Takeda's Chief Global Corporate Affairs Officer and the President of our Global Vaccine Business Unit, with support from a cross-functional working group.

With regards to measures to safeguard employees, we have continued to enforce work from home policies and provide enhanced technology to support such initiatives. We have applied our telework guidance broadly to our global employees including as many of our customer facing employees as possible, especially those who interact with health care professionals. For our employees who are required to continue to work on-site in our manufacturing, laboratory, and BioLife plasma donation facilities, we have implemented enhanced safety measures to mitigate the spread of the virus.

Our Global Crisis Management Committee and a dedicated Return to the Workplace Team developed guidance on how to configure our "new workplace" to limit the introduction and transmission of the COVID-19 virus while maintaining and even strengthening our operations. Plans will be tailored to each country and will be based on the science, epidemiology, and relevant local public health context, but will also follow common principles and requirements such as compliance with local government and public health regulations; workplace readiness including necessary infection prevention measures like face coverings and physical distancing; reduced population density; enhanced infection control protocols; employee-specific circumstances; and a careful, stepwise approach.

We have also extended restrictions on all non-essential international travel in principle through December 31, 2020 and on large external meetings until March 31, 2021 while monitoring the situation on an ongoing basis. However, there are plans

in place to bring remote employees, who are able to return to work, back to sites in stages following implementation of enhanced infection prevention measures in adherence with local public health guidance.

Our field force are resuming a small number of face to face engagements with customers, with the majority of all interactions still virtual. Where we are engaging face to face, it is on healthcare providers request and employees follow strict infection prevention protocols set out by both Takeda and any additional customer requirements.

In order to maintain business continuity, we are managing levels of inventory, including assessing alternative suppliers for the production of our medicines, to secure product supply continuity for patients. This strategy is generally applied across our global supply chain for key starting materials, excipients, raw materials, APIs, and finished products. We are tracking the situation as it evolves and will take all necessary actions in an effort to ensure supply continuity for the people we serve.

In R&D, working alongside our Contract Research Organization partners, we continue to take measures to minimize the disruption to ongoing clinical trials. Due to the global impact of COVID-19, we had placed a temporary pause on the initiation of new clinical trials, with the exception of CoVIg-19, a potential anti-SARS-CoV-2 polyclonal hyperimmune globulin medicine to treat individuals with serious complications from COVID-19. For already ongoing studies we had temporarily paused the activation of new study sites and new patient enrollment with a small number of exceptions. This was a short-term action and we have now been able to resume recruitment in the majority of our studies at least at some sites and countries. We are assessing and developing solutions, including through direct-to-patient home delivery of study medicines, remote monitoring of patients, and the re-evaluation of trial design.

CoVIg-19 is an example of Takeda's initiatives to develop potential therapies to combat COVID-19. We joined with global plasma companies to form the CoVIg-19 Plasma Alliance in April 2020, guided by our values of putting patients first, setting aside individual company interests to work together with multiple partners. In doing so, we have focused on expediting the process to develop and deliver a potential therapy for COVID-19. In May 2020, we progressed our efforts by partnering with public, private and non-government organizations for the launch of a nation-wide campaign in the U.S., "The Fight Is In Us", urging COVID-19 survivors to donate their blood plasma, which contains vital antibodies that could help save the lives of others.

We are also evaluating existing internal assets as potential therapies for COVID-19, while also researching novel approaches.

Finally, Takeda has aided the COVID-19 response through donations, including approximately US$25 million to non-profit organizations including the Red Cross and United Nations-led organizations, while also providing in-kind donations and matching employee donations.

(iii) Business risks associated with the continued global spread of COVID-19

Depending on the severity and duration of the impacts resulting from COVID-19 pandemic, and despite our various efforts, we may experience further adverse effects on our business including, but not limited to, disruptions to our ability to procure raw materials or to supply products, additional disruptions to our clinical trial programs, or disruptions to our ability to observe regulations applicable to us. It is currently unclear how long the pandemic will last and, even if the global spread of COVID-19 is slowed or halted, the effects may continue to affect our business, financial condition and results of our operations for a potentially extended period of time. It is unclear what the medium-term financial implications of the COVID-19 pandemic will be, particularly with respect to those which may arise from issues such as rising unemployment, changes in payer mix, and the possibility of the introduction of government initiatives to reduce healthcare spending.

We will continue to closely monitor the situation and take necessary measures to minimize any future business risks.

(iv) FY2020 Q1 financial impact from COVID-19

The overall impact of the global spread of COVID-19 on Takeda's consolidated financial results for the three-month period ended June 30, 2020 was not material. An adverse effect on revenue has been observed in some of our therapeutic areas, such as Neuroscience, for reasons such as patients visiting their medical care providers less frequently for non-life-threatening and chronic diseases, but on the other hand we have seen expansion of certain products with a more convenient administration profile. At the same time, voluntary suspension of certain business activities such as business travel and events in response to COVID-19 led to lower spending, which resulted in limited impact on Takeda's profit.

(v) FY2020 anticipated financial impact from COVID-19 and assumptions used for the financial forecast

Please refer to *Consolidated Financial Statements "1. Financial Highlights for the Three-month Period Ended June 30, 2020, (3) Outlook for Fiscal 2020"* released on July 31, 2020 at Takeda's website.

Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions)		USD (millions)(*)
	Three-month period ended June 30,		Three-month period ended June 30,
	2019	2020	2020
Revenue	849,121	801,850	7,440
Cost of sales	(291,797)	(238,078)	(2,209)
Selling, general and administrative expenses	(239,213)	(202,374)	(1,878)
Research and development expenses	(116,866)	(106,821)	(991)
Amortization and impairment losses on intangible assets associated with products	(121,752)	(104,250)	(967)
Other operating income	6,666	63,732	591
Other operating expenses	(40,992)	(46,774)	(434)
Operating profit	45,167	167,285	1,552
Finance income	8,668	19,611	182
Finance expenses	(46,064)	(46,846)	(435)
Share of profit (loss) of investments accounted for using the equity method	2,344	(9,759)	(91)
Profit before tax	10,115	130,291	1,209
Income tax expenses	(3,082)	(47,772)	(443)
Net profit for the period	7,033	82,519	766
Attributable to:			
Owners of the Company	7,009	82,511	766
Non-controlling interests	24	8	0
Net profit for the period	7,033	82,519	766
Earnings per share (JPY and USD)			
Basic earnings per share	4.51	52.93	0.49
Diluted earnings per share	4.49	52.69	0.49

(Note)
During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets and liabilities assumed as part of the Shire Acquisition. Accordingly, Condensed Interim Consolidated Statements of Income for the three-month period ended June 30, 2019 were retrospectively adjusted.

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 107.77 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2020. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(2) Condensed Interim Consolidated Statements of Comprehensive Income

	JPY (millions)		USD (millions)(*)
	Three-month period ended June 30,		Three-month period ended June 30,
	2019	2020	2020
Net profit for the period	7,033	82,519	766
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	(4,277)	25,518	237
Remeasurement of defined benefit pension plans	(2,403)	(2,286)	(21)
	(6,680)	23,232	216
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(125,091)	1,997	19
Cash flow hedges	(1,120)	(5,126)	(48)
Hedging cost	(383)	(5,357)	(50)
Share of other comprehensive loss of investments accounted for using the equity method	(0)	(7)	(0)
	(126,594)	(8,493)	(79)
Other comprehensive income (loss) for the period, net of tax	(133,274)	14,739	137
Total comprehensive income (loss) for the period	(126,241)	97,258	902
Attributable to:			
Owners of the Company	(126,474)	97,183	902
Non-controlling interests	233	75	1
Total comprehensive income (loss) for the period	(126,241)	97,258	902

(Note)
During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets and liabilities assumed as part of the Shire Acquisition. Accordingly, Condensed Interim Consolidated Statements of Other Comprehensive Income for the three-month period ended June 30, 2019 were retrospectively adjusted.

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 107.77 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2020. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(3) Condensed Interim Consolidated Statements of Financial Position

	JPY (millions)		USD (millions)(*)
	As of March 31, 2020	As of June 30, 2020	As of June 30, 2020
ASSETS			
Non-current assets:			
Property, plant and equipment	1,386,370	1,366,177	12,677
Goodwill	4,012,528	3,984,271	36,970
Intangible assets	4,171,361	4,043,156	37,517
Investments accounted for using the equity method	107,334	97,606	906
Other financial assets	262,121	239,032	2,218
Other non-current assets	103,846	103,021	956
Deferred tax assets	308,102	305,826	2,838
Total non-current assets	10,351,662	10,139,089	94,081
Current assets:			
Inventories	759,599	759,378	7,046
Trade and other receivables	757,005	784,639	7,281
Other financial assets	15,822	11,138	103
Income taxes receivable	27,916	30,632	284
Other current assets	114,196	108,064	1,003
Cash and cash equivalents	637,614	589,787	5,473
Assets held for sale	157,280	191,125	1,773
Total current assets	2,469,432	2,474,763	22,963
Total assets	12,821,094	12,613,852	117,044
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,506,487	4,494,225	41,702
Other financial liabilities	399,129	406,155	3,769
Net defined benefit liabilities	156,617	164,708	1,528
Income taxes payable	54,932	48,780	453
Provisions	37,605	37,438	347
Other non-current liabilities	52,793	53,854	500
Deferred tax liabilities	710,147	686,384	6,369
Total non-current liabilities	5,917,710	5,891,544	54,668
Current liabilities:			
Bonds and loans	586,817	580,732	5,389
Trade and other payables	318,816	289,741	2,689
Other financial liabilities	95,706	92,096	855
Income taxes payable	182,738	179,510	1,666
Provisions	405,245	424,650	3,940
Other current liabilities	499,386	455,615	4,228
Liabilities held for sale	87,190	9,200	85
Total current liabilities	2,175,898	2,031,544	18,851
Total liabilities	8,093,608	7,923,088	73,518

	JPY (millions)		USD (millions)(*)
	As of March 31, 2020	As of June 30, 2020	As of June 30, 2020
EQUITY			
Share capital	1,668,123	1,668,145	15,479
Share premium	1,680,287	1,661,474	15,417
Treasury shares	(87,463)	(60,717)	(563)
Retained earnings	1,369,972	1,330,054	12,342
Other components of equity	92,564	87,807	815
Equity attributable to owners of the company	4,723,483	4,686,763	43,489
Non-controlling interests	4,003	4,001	37
Total equity	4,727,486	4,690,764	43,526
Total liabilities and equity	12,821,094	12,613,852	117,044

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 107.77 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2020. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(4) Condensed Interim Consolidated Statements of Changes in Equity

Three-month period ended June 30, 2019 (From April 1 to June 30, 2019)

	JPY (millions)					
	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2019	1,643,585	1,650,232	(57,142)	1,595,431	299,128	46,380
Cumulative effects of changes in accounting policies				(512)		
Restated opening balance	1,643,585	1,650,232	(57,142)	1,594,919	299,128	46,380
Net profit for the period				7,009		
Other comprehensive income (loss)					(125,259)	(4,318)
Comprehensive income (loss) for the period	—	—	—	7,009	(125,259)	(4,318)
Transaction with owners:						
Issuance of new shares	24,507	24,507				
Acquisition of treasury shares			(49,012)			
Disposal of treasury shares		(0)	0			
Dividends				(140,836)		
Transfers from other components of equity				(2,331)		(72)
Share-based compensation		4,277				
Exercise of share-based awards		(20,911)	21,259			
Total transactions with owners	24,507	7,873	(27,753)	(143,167)	—	(72)
As of June 30, 2019	1,668,092	1,658,105	(84,895)	1,458,761	173,869	41,990

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Re-measurement gain or loss on defined benefit plans	Total	Total	Non-controlling interests	Total equity
As of April 1, 2019	2,959	1,412	—	349,879	5,181,985	4,006	5,185,991
Cumulative effects of changes in accounting policies				—	(512)		(512)
Restated opening balance	2,959	1,412	—	349,879	5,181,473	4,006	5,185,479
Net profit for the period				—	7,009	24	7,033
Other comprehensive income (loss)	(1,120)	(383)	(2,403)	(133,483)	(133,483)	209	(133,274)
Comprehensive income (loss) for the period	(1,120)	(383)	(2,403)	(133,483)	(126,474)	233	(126,241)
Transaction with owners:							
Issuance of new shares				—	49,014		49,014
Acquisition of treasury shares				—	(49,012)		(49,012)
Disposal of treasury shares				—	0		0
Dividends				—	(140,836)	(153)	(140,989)
Transfers from other components of equity			2,403	2,331	—		—
Share-based compensation				—	4,277		4,277
Exercise of share-based awards				—	348		348
Total transactions with owners	—	—	2,403	2,331	(136,209)	(153)	(136,362)
As of June 30, 2019	1,839	1,029	—	218,727	4,918,790	4,086	4,922,876

Three-month period ended June 30, 2020 (From April 1 to June 30, 2020)

	JPY (millions)					
	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Changes in fair value of financial assets measured at fai r value through other comprehensive income
As of April 1, 2020	1,668,123	1,680,287	(87,463)	1,369,972	91,848	22,891
Net profit for the period	—	—	—	82,511	—	—
Other comprehensive income (loss)	—	—	—	—	1,957	25,484
Comprehensive income (loss) for the period	—	—	—	82,511	1,957	25,484
Transaction with owners:						
Issuance of new shares	22	22	—	—	—	—
Acquisition of treasury shares	—	—	(2,132)	—	—	—
Disposal of treasury shares	—	(0)	0	—	—	—
Dividends	—	—	—	(141,858)	—	—
Transfers from other components of equity	—	—	—	19,429	—	(21,715)
Share-based compensation	—	10,043	—	—	—	—
Exercise of share-based awards	—	(28,878)	28,878	—	—	—
Total transactions with owners	22	(18,813)	26,746.15	(122,429)	—	(21,715)
As of June 30, 2020	1,668,145	1,661,474	(60,717)	1,330,054	93,805	26,660

	Equity attributable to owners of the Company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Re-measurement gain or loss on defined benefit plans	Total	Total	Non-controlling interests	Total equity
As of April 1, 2020	(22,730)	555	—	92,564	4,723,483	4,003	4,727,486
Net profit for the period	0	0	0		82,511	8	82,519
Other comprehensive income (loss)	(5,126)	(5,357)	(2,286)	14,672	14,672	67	14,739
Comprehensive income (loss) for the period	(5,126)	(5,357)	(2,286)	14,672	97,183	75	97,258
Transaction with owners:							
Issuance of new shares	0	0	0	—	44	0	44
Acquisition of treasury shares	0	0	0	—	(2,132)	0	(2,132)
Disposal of treasury shares	0	0	0	—	0	0	0
Dividends	0	0	0	—	(141,858)	(77)	(141,935)
Transfers from other components of equity	0	0	2,286	(19,429)	—	0	—
Share-based compensation	0	0	0	—	10,043	0	10,043
Exercise of share-based awards	0	0	0	—	—	0	—
Total transactions with owners	—	—	2,286	(19,429)	(133,903)	(77)	(133,980)
As of June 30, 2020	(27,856)	(4,802)	—	87,807	4,686,763	4,001	4,690,764

(Note) During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets and liabilities assumed as part of the Shire Acquisition. Accordingly, Condensed Interim Consolidated Statements of Changes in Equity for the three-month period ended June 30, 2019 were retrospectively adjusted.

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	Three-month period ended June 30,		Three-month period ended June 30,
	2019	2020	2020
Cash flows from operating activities:			
Net profit for the period	7,033	82,519	766
Depreciation and amortization	150,414	141,587	1,314
Impairment losses	17,425	7,458	69
Equity-settled share-based compensation	4,277	10,043	93
Loss on sales and disposal of property, plant and equipment	129	300	3
Gain on divestment of business and subsidiaries	(2,837)	(365)	(3)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	2,203	19,297	179
Finance (income) and expenses, net	37,396	27,235	253
Share of loss (profit) of investments accounted for using the equity method	(2,344)	9,759	91
Income tax expenses	3,082	47,772	443
Changes in assets and liabilities:			
Increase in trade and other receivables	(44,885)	(25,845)	(240)
Decrease (increase) in inventories	43,259	(4,367)	(41)
Decrease in trade and other payables	(30,296)	(23,153)	(215)
Increase in provisions	9,149	2,177	20
Other, net	(13,535)	(36,894)	(342)
Cash generated from operations	180,470	197,344	1,831
Income taxes paid	(59,894)	(51,483)	(478)
Tax refunds and interest on tax refunds received	213	—	—
Net cash from operating activities	120,789	145,861	1,353
Cash flows from investing activities:			
Interest received	1,574	308	3
Dividends received	1,169	177	2
Acquisition of property, plant and equipment	(29,859)	(23,135)	(215)
Proceeds from sales of property, plant and equipment	118	26	0
Acquisition of intangible assets	(13,122)	(17,342)	(161)
Acquisition of investments	(3,133)	(3,517)	(33)
Proceeds from sales and redemption of investments	14,458	44,437	412
Acquisition of businesses, net of cash and cash equivalents acquired	(4,650)	—	—
Proceeds from sales of business, net of cash and cash equivalents divested	—	—	—
Other, net	(8,158)	(292)	(3)
Net cash from (used in) investing activities	(41,603)	662	6
Cash flows from financing activities:			
Net decrease in short-term loans and commercial papers	(500,164)	(10,000)	(93)
Proceeds from issuance of bonds and long-term loans	496,190	—	—
Repayments of bonds and long-term loans	—	(9,979)	(93)
Acquisition of treasury shares	(3)	(2,132)	(20)
Interest paid	(31,176)	(30,207)	(280)
Dividends paid	(132,749)	(133,115)	(1,235)
Acquisition of non-controlling interests	(1,700)	—	—
Repayments of lease liabilities	(7,466)	(7,213)	(67)
Other, net	(632)	(119)	(1)
Net cash used in financing activities	(177,700)	(192,765)	(1,789)
Net decrease in cash and cash equivalents	(98,514)	(46,242)	(429)
Cash and cash equivalents at the beginning of the year	702,093	637,614	5,916
(Consolidated statements of financial position)			
Cash and cash equivalents reclassified back from assets held for sale	629	—	—
Cash and cash equivalents at the beginning of the year	702,722	637,614	5,916

Effects of exchange rate changes on cash and cash equivalents	(10,463)	(1,585)	(15)
Cash and cash equivalents at the end of the period	593,745	589,787	5,473

(Note) During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets and liabilities assumed as part of the Shire Acquisition. Accordingly, Condensed Interim Consolidated Statements of Cash Flows for the three-month period ended June 30, 2019 were retrospectively adjusted.

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 107.77 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2020. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

Table of Contents

Supplementary Information

1. Pipeline

I. Clinical Development Activities

- The following table lists the pipeline assets that we are developing as of July 31, 2020. The assets in our pipeline are in various stages of development, and the contents of the pipeline may change as compounds currently under development drop out and new compounds are introduced. Whether the compounds listed below are ever successfully released as products depends on various factors, including the results of pre-clinical and clinical trials, market conditions for various drugs and regulatory approvals.
- 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 U.S., EU and Japan and China, but we are also actively conducting development activities in other regions, including in Emerging Markets. Country/region in the "Stage" column denote where a clinical study is ongoing or a filing has been made with our specific intention to pursue approval in any of the U.S., EU, Japan or China. 'Global' refers to U.S., EU, Japan and China.
- Brand name and country/region indicate the brand name and country in which the specific asset has already been approved for any indication in any of the U.S., EU, Japan or China and Takeda has commercialization rights for such asset.
- Stage-ups are recognized in the table upon achievement of First Subject In.

• Oncology Pipeline

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**	**Stage**	
SGN-35*[1] <brentuximab vedotin> *ADCETRIS* (EU, Japan, China)	CD30 monoclonal antibody-drug conjugate (injection)	Cutaneous T cell lymphoma	China	Filed (June 2020)
<brigatinib> *ALUNBRIG* (U.S., EU)	ALK inhibitor (oral)	1L ALK-positive Non-Small Cell Lung Cancer	Japan China	Filed (February 2020) P-III
		2L ALK-positive Non-Small Cell Lung Cancer in patients previously treated with ALK inhibitors	Japan	Filed (February 2020)
		2L ALK-positive Non-Small Cell Lung Cancer (head-to-head with alectinib)	Global	P-III
		2L ALK-positive Non-Small Cell Lung Cancer in patients progressed on 2nd generation Tyrosine Kinase Inhibitors	Global	P-II
MLN9708 <ixazomib> *NINLARO* (Global)	Proteasome inhibitor (oral)	Maintenance therapy in patients with newly diagnosed Multiple Myeloma not treated with stem cell transplant	Japan U.S. EU China	Filed (May 2020) P-III P-III P-III
		Maintenance therapy in patients with newly diagnosed Multiple Myeloma following autologous stem cell transplant	U.S. EU	P-III P-III
		Relapsed/refractory Multiple Myeloma (doublet regimen with dexamethasone)	U.S. EU	P-II P-II
		Relapsed/refractory Multiple Myeloma (triplet regimen with daratumumab and dexamethasone)	U.S. EU	P-II P-II
<cabozantinib>*[2] *CABOMETYX* (Japan)	Multi-targeted kinase inhibitor (oral)	2L Hepatocellular carcinoma	Japan	Filed (January 2020)
		1L Renal cell carcinoma in combination with nivolumab	Japan	P-III
<niraparib>*[3]	PARP1/2 inhibitor (oral)	Ovarian cancer – maintenance	Japan	Filed (November 2019)
		Ovarian cancer – salvage	Japan	Filed (November 2019)
<ponatinib> *ICLUSIG* (U.S.)	BCR-ABL inhibitor (oral)	Front line Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	U.S.	P-III
		Dose ranging study for Tyrosine Kinase Inhibitor-resistant patients with chronic-phase Chronic Myeloid Leukemia	U.S.	P-II(b)
TAK-924 <pevonedistat>	NEDD 8 activating enzyme inhibitor (injection)	High-risk Myelodysplastic Syndromes, Chronic Myelomonocytic Leukemia, Low-blast Acute Myelogenous Leukemia	U.S. EU Japan	P-III P-III P-III
		Unfit Acute Myelogenous Leukemia	Global	P-III
TAK-788 <mobocertinib>	EGFR/HER2 exon 20 inhibitor (oral)	Treatment Naïve Non-Small Cell Lung Cancer with Exon-20 insertion	Global	P-III
		Previously treated Non-Small Cell Lung Cancer with Exon-20 insertion	Global	P-II

TAK-385 <relugolix>	LH-RH antagonist (oral)	Prostate cancer	Japan China	P-III P-III
TAK-007[*4]	CD19 CAR-NK (injection)	Relapsed/refractory B-cell malignancies	-	P-I/II
TAK-169[*5]	CD38-SLTA (injection)	Relapsed/refractory Multiple Myeloma	-	P-I
TAK-573*[6]	CD38-targeted IgG4 genetically fused with an attenuated IFNα (injection)	Relapsed/refractory Multiple Myeloma	-	P-I
TAK-981	SUMO inhibitor (injection)	Multiple cancers	-	P-I
TAK-252 / SL-279252*[7]	PD-1-Fc-OX40L (injection)	Solid tumors or lymphomas	-	P-I

*1 Partnership with Seattle Genetics, Inc.
*2 Partnership with Exelixis, Inc.
*3 Partnership with GlaxoSmithKline
*4 Partnership with The University of Texas MD Anderson Cancer Center
*5 Partnership with Molecular Templates
*6 Partnership with Teva Pharmaceutical Industries Ltd.
*7 Partnership with Shattuck Labs, Inc.

Additions since FY2019 Q4: SGN-35 for Cutaneous T cell lymphoma (China, filed June 2020)
Removals since FY2019 Q4: SGN-35 for previously untreated systemic Anaplastic Large Cell Lymphoma (EU, approved May 2020)
SGN-35 for relapsed / refractory Hodgkin Lymphoma (China, approved May 2020)
SGN-35 for relapsed / refractory systemic Anaplastic Large Cell Lymphoma (China, approved May 2020)
Brigatinib for 1L ALK-positive Non-Small Cell Lung Cancer (U.S., approved May 2020)

- **Rare Diseases Pipeline**

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**	**Stage**	
TAK-743 <lanadelumab> *TAKHZYRO* (U.S., EU)	Plasma kallikrein inhibitor (injection)	Hereditary Angioedema	China Japan	Filed (December 2018) P-III
		Pediatric Hereditary Angioedema	Global	P-III
TAK-577 *VONVENDI* (U.S., Japan), *VEYVONDI* (EU)	von Willebrand factor [recombinant] (injection)	Adult prophylactic treatment of von Willebrand disease	Global	P-III
		Pediatric on-demand treatment of von Willebrand disease	Global	P-III
TAK-672[*1] *OBIZUR* (U.S., EU)	Antihemophilic factor [recombinant], porcine sequence (injection)	Congenital hemophilia A with inhibitors during surgery	U.S. EU	P-III P-III
TAK-660 *ADYNOVATE* (U.S., Japan), *ADYNOVI* (EU)	Antihemophilic factor [recombinant], PEGylated (injection)	Pediatric Hemophilia A	EU	P-III
TAK-755[*2]	Replacement of the deficient-ADAMTS13 enzyme (injection)	Congenital Thrombotic Thrombocytopenic Purpura	U.S. EU	P-III P-III
		Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II P-II
		Sickle cell disease	U.S.	P-I/II
TAK-620[*3] **<maribavir>**	Benzimidazole riboside inhibitor (oral)	Cytomegalovirus infection in transplant patients	U.S. EU	P-III P-III
TAK-607	Insulin-like Growth Factor / IGF Binding Protein (injection)	Complications of prematurity	-	P-II
TAK-609	Recombinant human iduronate-2-sulfatase for intrathecal administration (injection)	Hunter syndrome CNS	U.S. EU	P-II P-II
TAK-611	Recombinant human arylsulfatase A for intrathecal administration (injection)	Metachromatic leukodystrophy	-	P-II

TAK-754*[4]	Gene therapy to restore endogenous FVIII expression (injection)	Hemophilia A	-	P-I/II
TAK-079*[5]	Anti-CD38 monoclonal antibody (injection)	Myasthenia gravis		P-I/II
		Systemic lupus erythematosus		P-I/II
TAK-834 *NATPARA* (U.S.), *NATPAR* (EU)	Parathyroid hormone (injection)	Hypoparathyroidism	Japan	P-I*[6]

*1 Partnership with Ipsen
*2 Partnership with KM Biologics for coexclusive license for commercialization in Japan only
*3 Partnership with GlaxoSmithKline
*4 Partnership with Asklepios Biopharmaceuticals
*5 Relapsed/refractory Multiple Myeloma will continue until trial completion. TAK-079 to be developed in Rare Diseases indications myasthenia gravis (MG) and immune thrombocytopenic purpura (ITP); First-Patient-In expected H1 FY20
*6 P-I study in Japan completed; P-III study start timing under review.

- **Neuroscience Pipeline**

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**		**Stage**
TAK-815 <midazolam> *BUCCOLAM* (EU)	GABA Allosteric Modulator (oromucosal)	Status epilepticus (seizures)	Japan	Filed (February 2020)
TAK-935 <soticlestat>	CH24H inhibitor (oral)	Dravet Syndrome, Lennox-Gastaut syndrome*[1]	-	P-II
		15q duplication syndrome, CDKL5 deficiency disorder*[1]		P-II
		Complex Regional Pain Syndrome		P-II
TAK-994	Orexin 2R agonist (oral)	Narcolepsy	-	P-II
TAK-831*[2]	D-amino acid oxidase (DAAO) inhibitor (oral)	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-II(a)
WVE-120101*[3]	mHTT SNP1 antisense oligonucleotide (injection)	Huntington's disease	-	P-I/II
WVE-120102*[3]	mHTT SNP2 antisense oligonucleotide (injection)	Huntington's disease	-	P-I/II
TAK-041*[4]	GPR139 agonist (oral)	Anhedionia in major depressive disorder (MDD)	-	P-I
TAK-341/MEDI1341*[5]	Alpha-synuclein antibody (injection)	Parkinson's disease	-	P-I
TAK-653*[4]	AMPA receptor potentiator (oral)	Treatment resistant depression	-	P-I
TAK-925	Orexin 2R agonist (injection)	Narcolepsy, other sleep disorders	-	P-I

*1 Co-development with Ovid Therapeutics Inc.
*2 50:50 co-development and co-commercialization option with Neurocrine
*3 50:50 co-development and co-commercialization option with Wave Life Sciences Ltd.
*4 50:50 co-development and co-commercialization with Neurocrine
*5 Partnership with AstraZeneca. AstraZeneca leads Phase 1 development

Removals since FY2019 Q4: TAK-418 for Kabuki syndrome (P-I, discontinued)

- **GI Pipeline**

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**		**Stage**
MLN0002 <vedolizumab> *ENTYVIO* (Global)	Humanized monoclonal antibody against α4β7 integrin (injection)	Subcutaneous formulation for ulcerative colitis	U.S. Japan	CRL received (Dec 2019)*[9] Filed (August 2019)
		Subcutaneous formulation for Crohn's disease	U.S. Japan	P-III P-III
		Graft-versus-Host Disease prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	EU Japan	P-III P-III
		Pediatrics Study (ulcerative colitis, Crohn's disease)	Global	P-II
TAK-438 <vonoprazan> ***TAKECAB* (Japan)** *VOCINTI* (China)	Potassium-competitive acid blocker (oral)	Acid related diseases (Reflex Esophagitis Maintenance)	China	Filed (March 2020)
		Acid related diseases (Duodenal Ulcer)	China	Filed (April 2020)
		Acid related diseases (adjunct to Helicobacter pylori eradication)	China	P-III
		Oral disintegrated tablet formulation	Japan	P-III
TAK-633 <teduglutide> *GATTEX* (U.S.) *REVESTIVE* (EU)	GLP-2 analogue (injection)	Short bowel syndrome (pediatric indication)	Japan	P-III
		Short bowel syndrome (in adults)	Japan	P-III
Cx601 <darvadstrocel> *ALOFISEL* (EU)	A suspension of allogeneic expanded adipose-derived stem cells (injection)	Refractory complex perianal fistulas in patients with Crohn's disease	U.S. Japan	P-III P-III
TAK-721*[1] <budesonide>	Glucocorticosteroid (oral)	Eosinophilic esophagitis	U.S.	P-III
TAK-906	Dopamine D2/D3 receptor antagonist (oral)	Gastroparesis	-	P-II(b)
TAK-954*[2]	5-HT_4 - hydroxytryptamine receptor agonist (injection)	Post-operative gastrointestinal dysfunction	-	P-II(b)
TAK-101*[3]	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Celiac disease	-	P-II(a)
TAK-018/EB8018*[4]	FimH antagonist (oral)	Crohn's disease (post-operative and ileitis)	-	P-II
TAK-951	Peptide agonist (sub-cutaneous)	Nausea and vomiting	-	P-I
TAK-671*[5]	Protease inhibitor (injection)	Acute pancreatitis	-	P-I
TAK-062*[6]	Glutenase (oral)	Celiac disease	-	P-I
TAK-039*[7]	Bacterial consortium (oral)	Clostridium difficile infections*[8]	-	P-I

*1 Partnership with UCSD and Fortis Advisors
*2 Partnership with Theravance Biopharma, Inc.
*3 Acquired license for TAK-101 from Cour Pharmaceutical Development Company. Previously known as TIMP-GLIA.
*4 Partnership with Enterome Bioscience SA
*5 Partnership with Samsung Bioepis
*6 Acquired PvP Biologics, Inc. including TAK-062. Previously known as Kuma062.
*7 Partnership with with NuBiyota
*8 Phase 1 study in clostridium difficile infections completed; strategic intention is to take the program forward in hepatic encephalopathy.
*9 Complete Response Letter (CRL) is unrelated to the clinical safety and efficacy data, and included queries related to the design and labelling of the SC product. Takeda is working to resolve CRL and expects an updated timeline within H1 CY2020.

- **Plasma-Derived Therapies Pipeline**

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**		**Stage**
TAK-616 *CINRYZE* (U.S., EU)	C1 esterase inhibitor [human] (injection)	Hereditary angioedema	Japan	P-III*[1]
TAK-771 [*2] **<IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>** *HYQVIA* (U.S., EU)	Immunoglobulin (IgG) + recombinant hyaluronidase replacement therapy (injection)	Pediatric indication for primary immunodeficiency	U.S.	P-III
		Chronic inflammatory demyelinating polyradiculoneuropathy	U.S. EU	P-III P-III

*1 Based on the withdrawal of orphan drug designation by the Japanese Ministry of Health Labour and Welfare (MHLW), termination of development has now been initiated
*2 Partnership with Halozyme

- **Vaccines Pipeline**

Development code Brand name (country/region)	**Type of vaccine (administration route)**	**Indications / additional formulations**		**Stage**
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-426[*1]	Zika vaccine (injection)	Prevention of zika virus infection	-	P-I

*1 Partnership with The Biomedical Advanced Research and Development Authority (BARDA) - U.S. Government

Removals since FY2019 Q4: TAK-021 Prevention of hand, foot and mouth disease caused by enterovirus 71 (P-I, discontinued)

II. Recent Progress in stage [Progress in stage disclosed since release of FY2019 results (May 13th, 2020)]

Development code <generic name>	Indications / additional formulations	Country/Region	Progress in stage
<brigatinib>	1L ALK-positive Non-Small Cell Lung Cancer	U.S.	Approved (May 2020)
SGN-35 <brentuximab vedotin>	Previously untreated systemic Anaplastic Large Cell Lymphoma	EU	Approved (May 2020)
SGN-35 <brentuximab vedotin>	Relapsed / refractory Hodgkin Lymphoma	China	Approved (May 2020)
SGN-35 <brentuximab vedotin>	Relapsed / refractory systemic Anaplastic Large Cell Lymphoma	China	Approved (May 2020)
SGN-35 <brentuximab vedotin>	Relapsed / refractory cutaneous T-cell Lymphoma	China	Filed (June 2020)
MLN9708 <ixazomib>	Maintenance therapy in patients with newly diagnosed Multiple Myeloma not treated with stem cell transplant	Japan	Filed (May 2020)
TAK-438 <vonoprazan>	Acid related diseases (Duodenal Ulcer)	China	Filed (April 2020)
TAK-438 <vonoprazan>	Acid related diseases adjunct to Helicobacter pylori eradication	China	P-III
TAK-994	Narcolepsy	-	P-II

III. Discontinued projects [Update disclosed since release of FY2019 results (May 13th, 2020)]

Development code <generic name>	Indications (Stage)	Reason
TAK-418	Kabuki syndrome (P-I)	Clinical data do not justify further development
TAK-021	Prevention of hand, foot and mouth disease caused by enterovirus 71 (P-I)	Strategic decision to externalize development. Program discontinued until partner identified.

IV. Main Research & Development collaborations*

Oncology

Partner	Country	Subject
Adimab	U.S.	Agreement for the discovery, development and commercialization of three mAbs and three CD3 Bi-Specific antibodies for oncology indications.
Centre d'Immunologie de Marseille-Luminy	France	Collaboration agreement to bring together expertise and knowledge in innate biology with Takeda's BacTrap capabilities to identify novel targets and pathways in myeloid cells.
ASKA Pharmaceutical Co., Ltd	Japan	Takeda granted exclusive commercialization rights for uterine fibroids and exclusive development and commercialization rights for endometriosis for Japan to maximize the product value of relugolix (TAK-385).
Crescendo Biologics	U.K.	Collaboration and licensing agreement for the discovery, development and commercialization of Humabody®-based therapeutics for cancer indications.
Egle Therapeutics‡	France	Identify novel tumor-specific regulatory T-cell targets and develop unique anti-suppressor-based immunotherapies.
Exelixis, Inc.	U.S.	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma.
GammaDelta Therapeutics	U.K.	Collaboration agreement to discover and develop new immunotherapies in oncology using GammaDelta Therapeutics' novel T cell platform based on the unique properties of gamma delta T cells derived from human tissues.
GlaxoSmithKline	U.K.	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea, Taiwan, Russia and Australia.
Heidelberg Pharma	Germany	Antibody-Drug-Conjugate (ADC) research collaboration on 2 targets and licensing agreement (α-amanitin payload and proprietary linker).
Maverick Therapeutics	U.S.	Collaboration agreement for the development of Maverick Therapeutics' T-cell engagement platform created specifically to improve the utility of T-cell redirection therapy for the treatment of cancer. Under the agreement, Takeda has the exclusive option to acquire Maverick Therapeutics 5 years after partnership initiation in 2017.
MD Anderson Cancer Center, University of Texas	U.S.	Exclusive license agreement and research agreement to develop cord blood-derived chimeric antigen receptor-directed natural killer (CAR NK)-cell therapies, 'armored' with IL-15, for the treatment of B-cell malignancies and other cancers
Memorial Sloan Kettering Cancer Center	U.S.	Alliance to discover and develop novel Chimeric Antigen Receptor T (CAR-T) cell products for the potential treatment of hematological malignancies and solid tumors.
Molecular Templates	U.S.	Initial collaboration agreement applied Molecular Templates' engineered toxin bodies (ETBs) technology platform to potential therapeutic targets. The second collaboration agreement is for the joint development of CD38-targeted ETBs (TAK-169) for the treatment of patients with diseases such as multiple myeloma.
Myovant Sciences	Switzerland	Takeda granted Myovant an exclusive, worldwide license (excluding Japan and certain other Asian countries) to relugolix (TAK-385) and an exclusive, worldwide license to MVT-602 (TAK-448).
National Cancer Center of Japan	Japan	Partnership agreement 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.
Noile-Immune Biotech	Japan	Collaboration agreement for the development of next generation CAR-T cell therapy, developed by Professor Koji Tamada at Yamaguchi University. Takeda has exclusive options to obtain licensing rights for the development and commercialization of Noile-Immune Biotech's pipeline and products resulting from this partnership. Due to the success of the collaboration, Takeda licensed NIB-102 and NIB-103.
Seattle Genetics	U.S.	Agreement for the joint development of ADCETRIS, an ADC technology which targets CD30 for the treatment of HL. Approved in 67 countries with ongoing clinical trials for additional indications.
Shattuck Labs	U.S.	Collaboration agreement to explore and develop checkpoint fusion proteins utilizing Shattuck's unique Agonist Redirected Checkpoint (ARC)™ platform which enables combination immunotherapy with a single product. Takeda will have the option to take an exclusive license to further develop and commercialize TAK-252/SL-279252
Teva	Israel	Agreement for worldwide License to TEV-48573 (TAK-573) (CD38-Attenukine) and multi-target discovery collaboration accessing Teva's attenukine platform.
Turnstone Biologics	U.S.	Collaboration to co-develop TAK-605 (RIVAL-01) (novel oncolytic virus expressing aCTLA4, IL12-mb, flt3L) via a worldwide partnership and also conduct collaborative discovery efforts to identify additional novel product candidates based on a Turnstone's vaccinia virus platform.

‡ Executed since April 1, 2020

* List is not inclusive of all Takeda R&D collaborations.

Rare Diseases

Partner	Country	Subject
AB Biosciences	U.S.	Research collaboration agreement to potentially develop assets for rare disease with pan-receptor interacting molecules targeted for specific immunological conditions with a focus on autoimmune modulated inflammatory diseases
Asklepios Biopharmaceuticals	U.S.	Agreement for multiple research and development collaborations using FVIII Gene Therapy for the treatment of Hemophilia A and B.
BioMarin	U.S.	Agreement for the in-license of enabling technology for the exogenous replacement of iduronate-2-sulfatase with Idursulfase-IT in patients via direct delivery to the CNS for the long-term treatment of Hunter Syndrome in patients with cognitive impairment in order to slow progression of cognitive impairment (TAK-609).
Carmine Therapeutics‡	Singapore	Research collaboration agreement to discover, develop and commercialize transformative non-viral gene therapies for two rare disease targets using Carmine's REGENT(TM) technology, based on red blood cell extracellular vesicles.
Codexis, Inc.	U.S.	Strategic collaboration and license for the research and development of novel gene therapies for certain disease indications, including the treatment of lysosomal storage disorders and blood factor deficiencies.
Evox Therapeutics	U.K.	Collaboration for developing novel protein replacement and mRNA therapies and targeted delivery using Evox's proprietary exosome technology. Partnership for up to five rare disease targets with Takeda assuming responsibility for its clinical development
GlaxoSmithKline	U.K.	In-license agreement between GSK and University of Michigan for TAK-620 (marabivir) in the treatment of human cytomegalovirus.
Harrington Discovery Institute at University Hospitals in Cleveland, Ohio	U.S.	Collaboration agreement for the advancement of medicines for rare diseases.
IPSEN	France	Purchase agreement for the development of Obizur for the treatment of Acquired Hemophilia A including for patients with Congenital Hemophilia A with inhibitors indication in elective or emergency surgery.
KM Biologics	Japan	Agreement for the development collaboration of TAK-755 to overcome the ADAMTS13 deficiency, induce clinical remission thus reducing cTTP related morbidity and mortality.
NanoMedSyn	France	Pre-clinical research collaboration agreement to evaluate a potential enzyme replacement therapy using NanoMedSyn's proprietary synthetic derivatives named AMFA
Novimmune	Switzerland	Agreement for the exclusive worldwide rights to develop and commercialize an innovative, bi-specific antibody in pre-clinical development for the treatment of hemophilia A
Rani Therapeutics	U.S.	Research collaboration agreement to evaluate a micro tablet pill technology for oral delivery of FVIII therapy in hemophilia
Xenetic Biosciences	U.S.	Exclusive R&D license agreement for PolyXen delivery technology for hemophilia factors VII, VIII, IX, X.

‡ Executed since April 1, 2020

Neuroscience

Partner	Country	Subject
AstraZeneca	UK	Agreement for the joint development and commercialization of MEDI1341, an alpha-synuclein antibody currently in development as a potential treatment for Parkinson's disease.
Denali Therapeutics	U.S.	Strategic option and collaboration agreement to develop and commercialize up to three specified therapeutic product candidates for neurodegenerative diseases, incorporating Denali's ATV platform for increased exposure of biotherapeutic products in the brain.
Lundbeck	Denmark	Collaboration agreement to develop and commercialize vortioxetine.
Mindstrong Health	U.S.	Agreement to explore development of digital biomarkers for selected mental health conditions, in particular schizophrenia and treatment-resistant depression.
Neurocrine Biosciences‡	U.S.	Collaboration to develop and commercialize compounds in Takeda's early-to-mid stage neuroscience pipeline, including TAK-041, TAK-653 and TAK-831. Takeda will be entitled to certain development milestones, commercial milestones and royalties on net sales. At certain development events, Takeda may elect to opt in or out of a 50:50 profit share on all clinical programs on an asset-by-asset basis. For any asset in which Takeda is participating in a 50:50 profit share arrangement, Takeda will not be eligible to receive development or commercial milestones.
Ovid Therapeutics	U.S.	Agreement for the development of TAK-935, an oral CH24H inhibitor for rare pediatric epilepsies. Takeda and Ovid Therapeutics will share in the development and commercialization costs of TAK-935 on a 50:50 basis and, if successful, share in the profits on a 50/50 basis.
Skyhawk Therapeutics	U.S.	Collaboration and licensing agreement to develop and commercialize RNA modulation therapies targeting neurodegenerative diseases.
StrideBio	U.S.	Collaboration and license agreement to develop *in vivo* AAV based therapies for Friedreich's Ataxia (FA) and two additional undisclosed targets.
Wave Life Sciences	Singapore	Research, development and commercial collaboration and multi-program option agreement to develop antisense oligonucleotides for a range of neurological diseases.

‡ Executed since April 1, 2020

Gastroenterology

Partner	Country	Subject
Ambys Medicines	U.S.	Collaboration agreement for the application of novel modalities, including cell and gene therapy and gain-of-function drug therapy, to meet the urgent need for treatments that restore liver function and prevent the progression to liver failure across multiple liver diseases. Under the terms of the agreement, Takeda has an option to ex-U.S. commercialization rights for the first 4 products that reach an investigational new drug application.
Arcturus	U.S.	Collaboration agreement to develop RNA-based therapeutics for the treatment of non-alcoholic steatohepatitis and other gastrointestinal related disorders using Arcturus' wholly-owned LUNAR™ lipid-mediated delivery systems and UNA Oligomer chemistry.
Beacon Discovery	U.S.	Collaboration agreement for the G-protein coupled receptor drug discovery and development program to identify drug candidates for a range of gastrointestinal disorders. The agreement grants Takeda worldwide rights to develop, manufacture and commercialize products resulting from the collaboration.
Cerevance	U.S.	Multi-year research alliance to identify novel target proteins expressed in the central nervous system and to develop new therapies against them for certain GI disorders. Goal of the collaboration is to select, confirm and validate targets from gene expression data sets generated by Cerevance's NETSseq technology.
Cour Pharmaceutical Development Company	U.S.	Takeda has acquired an exclusive global license to develop and commercialize the investigational medicine TIMP-GLIA (TAK-101), an immune modifying nanoparticle containing gliadin proteins.
Enterome	France	Collaboration agreement to research and develop microbiome targets thought to play crucial roles in gastrointestinal disorders, including inflammatory bowel diseases (e.g. ulcerative colitis). The agreement includes a global license and co-development of EB8018/TAK-018 in Crohn's disease.
Finch Therapeutics	U.S.	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 inflammatory bowel disease. Under the terms of the agreement, Takeda obtains the exclusive worldwide rights to develop and commercialize FIN-524 and rights to follow-on products in inflammatory bowel diseases.
Hemoshear Therapeutics	U.S.	Collaboration agreement for novel target and therapeutic development for liver diseases, including nonalcoholic steatohepatitis using Hemoshear's proprietary REVEAL-Tx drug discovery platform.
NuBiyota	Canada	Agreement for the development of Microbial Ecosystem Therapeutic products for gastroenterology indications.
Phathom Pharmaceuticals	U.S.	Takeda has granted a license to Phathom Pharmaceuticals for the development and exclusive commercialization rights to vonoprazan in the U.S., Europe and Canada in exchange for upfront cash and equity, as well as future cash milestones and royalties on net sales.
Samsung Bioepis	Korea	Strategic collaboration agreement to jointly fund and co-develop multiple novel biologic therapies in unmet disease areas. The program's first therapeutic candidate is TAK-671, which is intended to treat severe acute pancreatitis.
Silence Therapeutics	U.K.	Technology Evaluation Agreement with Silence Therapeutics to access their GalNAc-siRNA technology platform. The objective of the evaluation is to identify a GalNAc-conjugated siRNA that inhibits expression of a proprietary Takeda target.
Theravance Biopharma	U.S.	Global license, development and commercialization agreement for TAK-954, a selective 5-HT4 receptor agonist for motility disorders.
UCSD/Fortis Advisors	U.S.	Technology license for the development of oral budesonide formulation (TAK-721) for treatment of eosinophilic esophagitis.

Plasma Derived Therapies

Partner	Country	Subject
CoVig-19 Plasma Alliance	-	Cross sector alliance formed by Takeda and CSL Behring to develop a potential plasma-derived therapy for treating COVID-19. The alliance goal is the development of one, unbranded anti-SARS-CoV-2 polyclonal hyperimmune immunoglobulin medicine with the potential to treat individuals with serious complications from COVID-19.
Halozyme	U.S.	Agreement for the in-license of Halozyme's proprietary ENHANZE™ platform technology to increase dispersion and absorption of HyQvia. Ongoing development work for a U.S. pediatric indication to treat primary immunodeficiencies and a Phase 3 indication in Chronic Inflammatory Demyelinating Polyradiculoneuropathy.
Kamada	Israel	In-license agreement to develop and commercialize IV Alpha-1 proteinase inhibitor (Glassia) ; Exclusive supply and distribution of Glassia in the U.S., Canada, Australia and New Zealand; Development of protocol for post market commitment trial ongoing.
ProThera Biologics‡	U.S.	Global licensing agreement to develop a novel plasma-derived Inter-alpha Inhibitor Proteins (IAIP) therapy for the treatment of acute inflammatory conditions.

‡ Executed since April 1, 2020

Vaccines

Partner	Country	Subject
Biological E. Limited	India	Takeda agreed to transfer existing measles and acellular pertussis vaccine bulk production technology to develop low-cost combination vaccines for India, China and low- and middle-income countries.
U.S. Government - The Biomedical Advanced Research and Development Authority (BARDA)	U.S.	Partnership to develop TAK-426, a Zika vaccine candidate, to support the Zika response in the U.S. and affected regions around the world.
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
Bridge Medicines	U.S.	Partnership with Tri-Institutional Therapeutics Discovery Institute, Bay City Capital and Deerfield Management in the establishment of Bridge Medicines. 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	Collaboration agreement for clinical applications of iPS cells in Takeda strategic areas including applications in neurosciences, oncology and GI as well as discovery efforts in additional areas of compelling iPSC translational science.
Charles River Laboratories	U.S.	Collaboration on multiple integrated programs across Takeda's core therapeutic areas using Charles River Laboratories' end-to-end drug discovery and safety assessment platform to progress these programs towards candidate status.
Evotec GT	Germany	Research alliance to support Takeda's growing number of research stage gene therapy discovery programms.
HiFiBio	U.S.	Collaboration agreement for functional therapeutics high-throughput antibody discovery platform that enables identification of antibodies for rare events for discovery of therapeutic antibodies for GI & Oncology therapeutic areas.
HitGen	China	Agreement that HitGen will apply its advanced technology platform, based on DNA-encoded library design, synthesis and screening, to discover novel leads which will be licensed exclusively to Takeda.
Massachusetts Institute of Technology	U.S.	MIT-Takeda Program to fuel the development and application of artificial intelligence (AI) capabilities to benefit human health and drug development. Centered within the Abdul Latif Jameel Clinic for Machine Learning in Health (J-Clinic), the new program will leverage the combined expertise of both organizations, and is supported by Takeda's three-year investment (with the potential for a two-year extension).
Portal Instruments	U.S.	Agreement for the development and commercialization of Portal's jet injector drug delivery device for potential use with Takeda's investigational or approved biologic medicines.
Recursion Pharmaceuticals	U.S.	Agreement to provide pre-clinical candidates for Takeda's TAK-celerator™ development pipeline.
Schrödinger	U.S.	Agreement for the multi-target research collaboration combining Schrödinger's in silico platform-driven drug discovery capabilities with Takeda's deep therapeutic area knowledge and expertise in structural biology.
Seattle Collaboration	U.S.	Agreement for SPRInT (Seattle Partnership for Research on Innovative Therapies) to accelerate the translation of Fred Hutchinson Cancer Research Center's and University of Washington's cutting-edge discoveries into treatments for human disease (focusing on Oncology, GI and Neuroscience).
Stanford University	U.S.	Collaboration agreement with Stanford University to form the Stanford Alliance for Innovative Medicines to more effectively develop innovative treatments and therapies.
Tri-Institutional Therapeutics Discovery Institute (Tri-I TDI)	U.S.	Agreement for the collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies.

‡ Executed since April 1, 2020

Completed Partnerships [Update disclosed since release of FY2019 results (May 13th, 2020)]

Partner	Country	Subject
ImmunoGen, Inc.	U.S.	Licensing agreement for rights to use ImmunoGen's Inc. ADC technology to develop and commercialize targeted anticancer therapeutics (TAK-164).
CuraDev	U.K.	Curadev has licensed its novel lead small molecule Stimulator of Interferon Genes (STING) agonist (referred to by Curadev as CRD5500) and associated patents to Takeda.
Haemalogix	Australia	Research collaboration and licensing agreement for the development of new therapeutics to novel antigens in multiple myeloma.
Nektar Therapeutics	U.S.	Research collaboration agreement to explore combination cancer therapy with five Takeda oncology compounds and Nektar's lead immuno-oncology candidate, the CD122-biased agonist NKTR-214.
Ultragenyx	U.S.	Collaboration agreement to develop and commercialize therapies for rare genetic diseases.

■ Clinical study protocol summaries

Clinical study protocol summaries are disclosed on the English-language web-site (https://takedaclinicaltrials.com/) and clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (https://www.takeda.com/jp/what-we-do/research-and-development/takeda-clinical-trial-transparency/).

We anticipate that this disclosure will assure transparency of information on Takeda's 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.

2. Supplementary Financial Information

Revenue by region

Year to date

(Bn JPY)	Reported FY19 Q1	Reported FY20 Q1	Reported YOY		Underlying YOY
Total Revenue	849.1	801.9	-47.3	-5.6%	0.9%
Japan	152.3	144.0	-8.3	-5.4%	-3.8%
% of revenue	17.9%	18.0%	0.0pt		
United States	415.7	402.6	-13.1	-3.1%	1.9%
% of revenue	49.0%	50.2%	1.3pt		
Europe and Canada	165.2	157.6	-7.7	-4.6%	2.5%
% of revenue	19.5%	19.6%	0.2pt		
Growth and Emerging Markets	115.9	97.6	-18.2	-15.7%	1.2%
% of revenue	13.6%	12.2%	-1.5pt		
Russia/CIS	19.0	13.0	-6.0	-31.4%	5.5%
% of revenue	2.2%	1.6%	-0.6pt		
Latin America	37.4	30.8	-6.6	-17.7%	10.0%
% of revenue	4.4%	3.8%	-0.6pt		
Asia	41.0	36.9	-4.1	-10.0%	-7.0%
% of revenue	4.8%	4.6%	-0.2pt		
Other	18.5	16.9	-1.6	-8.4%	-0.9%
% of revenue	2.2%	2.1%	-0.1pt		
Of which royalty / service income	27.1	18.1	-9.0	-33.4%	

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

*2 GEM: Growth and Emerging Markets, which include Russia/CIS, Latin America, Asia, Middle East, Oceania and Africa

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

Quarterly

(Bn JPY)	Reported											
	FY19				FY20							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total revenue	849.1	811.0	859.3	771.7	801.9	-5.6%						
Japan	152.3	147.1	168.0	125.4	144.0	-5.4%						
% of revenue	17.9%	18.1%	19.5%	16.2%	18.0%							
United States	415.7	390.2	409.8	380.3	402.6	-3.1%						
% of revenue	49.0 %	48.1 %	47.7 %	49.3 %	50.2 %							
Europe and Canada	165.2	156.6	161.7	162.0	157.6	-4.6%						
% of revenue	19.5 %	19.3 %	18.8 %	21.0 %	19.6 %							
Growth and Emerging Markets	115.9	117.2	119.8	104.1	97.6	-15.7%						
% of revenue	13.6 %	14.4 %	13.9 %	13.5 %	12.2 %							
Russia/CIS	19.0	17.9	22.4	17.6	13.0	-31.4%						
% of revenue	2.2 %	2.2 %	2.6 %	2.3 %	1.6 %							
Latin America	37.4	38.4	35.9	31.7	30.8	-17.7%						
% of revenue	4.4 %	4.7 %	4.2 %	4.1 %	3.8 %							
Asia	41.0	42.9	43.4	38.1	36.9	-10.0%						
% of revenue	4.8 %	5.3 %	5.1 %	4.9 %	4.6 %							
Other	18.5	18.0	18.1	16.7	16.9	-8.4%						
% of revenue	2.2 %	2.2 %	2.1 %	2.2 %	2.1 %							
Of which royalty / service income	27.1	20.0	19.0	20.9	18.1	-33.4%						

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

*2 GEM: Growth and Emerging Markets, which include Russia/CIS, Latin America, Asia, Middle East, Oceania and Africa.

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

Product Sales Analysis (vs PY Reported Actual)

(Bn JPY)	Reported FY19Q1	Reported FY20Q1	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
GI	**171.6**	**186.9**	**8.9%**	**113.8**	**12.3%**	**22.1**	**11.3%**	**34.6**	**8.5%**	**13.0**	**-11.8%**	**3.5**	**-10.0%**
ENTYVIO	83.9	101.2	20.7%	71.5	21.0%	2.0	96.4%	24.1	17.3%	3.6	12.5%		
DEXILANT	15.8	13.6	-14.0%	8.8	-19.4%			1.9	2.7%	3.0	-5.0%		
pantoprazole	11.6	9.2	-20.9%	0.5	58.8%			4.9	-8.2%	3.8	-36.0%		
TAKECAB-F *3	18.3	20.2	10.6%			19.9	9.4%			0.3	271.5%		
GATTEX/REVESTIVE	15.1	17.5	15.5%	15.4	18.5%			1.9	-7.8%	0.2	74.9%		
PENTASA	6.5	6.2	-5.6%	6.2	-5.6%								
LIALDA/MEZAVANT *1	5.6	5.5	-0.8%	2.0	21.1%							3.5	-10.0%
AMITIZA	7.8	6.3	-19.6%	6.2	-19.6%			0.0	-100.0%	0.1	-12.6%		
RESOLOR/MOTEGRITY	1.4	2.7	100.4%	2.0	274.0%			0.7	-13.8%	0.0	-9.6%		
Other	5.6	4.5	-19.8%	1.2	-21.7%	0.2	-72.5%	1.2	-14.2%	1.9	-5.9%		
Rare Diseases	**168.8**	**155.0**	**-8.2%**	**74.1**	**-5.6%**	**7.7**	**-4.5%**	**34.5**	**-11.1%**	**26.5**	**-13.3%**	**12.2**	**-5.4%**
Rare Metabolic	**48.9**	**39.9**	**-18.3%**	**8.9**	**-44.5%**	**0.8**	**-4.4%**	**10.1**	**-8.0%**	**8.0**	**-2.5%**	**12.2**	**-5.4%**
ELAPRASE	18.8	17.6	-6.4%	5.0	2.3%	0.4	7.3%	5.9	-9.2%	6.3	-10.7%		
REPLAGAL *1	12.9	12.2	-5.4%									12.2	-5.4%
VPRIV	9.3	9.3	1.0%	3.9	-2.7%	0.3	-17.1%	3.5	-8.0%	1.7	49.4%		
NATPARA	7.9	0.7	-90.7%	0.0	-99.9%			0.7	2.8%	0.0	-49.4%		
Rare Hematology	**88.1**	**76.8**	**-12.9%**	**33.4**	**-7.8%**	**6.6**	**-7.3%**	**19.1**	**-17.2%**	**17.7**	**-18.6%**		
ADVATE	42.7	33.7	-21.3%	17.0	-4.1%	1.7	-18.4%	8.1	-35.0%	6.9	-34.3%		
ADYNOVATE *6	14.5	15.3	5.7%	7.2	-4.3%	3.8	0.1%	3.4	38.0%	0.8	36.4%		
FEIBA *2	13.1	12.9	-1.5%	2.4	-10.5%	0.3	-42.1%	3.3	-19.8%	6.9	18.5%		
HEMOFIL/IMMUNATE/IMMUNINE*2	6.6	4.4	-32.5%	0.8	-41.4%			1.6	-6.9%	2.0	-41.8%		
Other PDT Products *2 *6	1.0	0.9	-11.5%					0.7	-8.7%	0.2	-18.0%		
Other	10.3	9.7	-6.2%	6.0	-13.4%	0.8	5.6%	2.0	32.2%	0.8	-22.9%		
Hereditary Angioedema	**31.9**	**38.3**	**20.2%**	**31.8**	**21.1%**	**0.3**	**130.6%**	**5.4**	**10.9%**	**0.9**	**27.8%**		
FIRAZYR	9.0	8.1	-9.8%	5.2	-10.3%	0.3	130.6%	1.9	-18.6%	0.6	-5.1%		
TAKHZYRO	14.5	23.2	60.7%	21.1	54.3%			2.1	158.1%	0.1	—		
KALBITOR	1.1	1.1	-4.4%	1.1	-4.4%								
CINRYZE *2	7.3	5.9	-19.2%	4.3	-22.1%			1.4	-17.1%	0.1	521.0%		

*1 License-out product : Regional breakdown is not available due to contract.

*2 PDT products

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

*4 GEM: Growth and Emerging Markets, which include Russia/CIS, Latin America, Asia, Middle East, Oceania and Africa

*6 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other PDT products in Rare Hematology include BEBULIN, PROTHROMPLEX and Factor VII.

Other in Rare Hematology include VONVENDI, OBIZUR, RIXUBIS, AGRYLIN/XAGRID, RECOMBINATE, Other Hemophilia.

(Bn JPY)	Reported FY19Q1	Reported FY20Q1	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
PDT Immunology	**91.7**	**105.3**	**14.8%**	**74.3**	**28.2%**							**30.9**	**-8.4%**
immunoglobulin *2	68.0	85.1	25.2%	66.1	37.7%							19.0	-5.0%
albumin *2	16.1	13.0	-19.6%	2.6	-38.5%							10.4	-12.8%
Other *2 *6	7.6	7.2	-5.5%	5.6	-2.0%							1.6	-16.0%
Oncology	**106.5**	**108.0**	**1.4%**	**50.1**	**-7.1%**	**23.6**	**18.8%**	**18.4**	**9.8%**	**13.4**	**18.6%**	**2.5**	**-46.6%**
VELCADE *1	31.7	24.2	-23.7%	23.1	-17.8%							1.1	-69.5%
leuprorelin	28.4	27.4	-3.4%	2.1	-60.4%	12.8	15.6%	8.2	5.7%	4.3	1.8%		
NINLARO	18.3	22.9	25.4%	15.6	23.5%	1.2	-6.0%	3.3	23.2%	2.8	68.2%		
ADCETRIS	12.7	15.1	18.4%			2.9	49.4%	6.1	10.1%	6.1	15.8%		
ICLUSIG *1	7.6	9.2	20.7%	7.9	17.7%							1.3	42.0%
ALUNBRIG	1.7	2.0	21.9%	1.4	19.2%			0.4	10.4%	0.2	145.0%		
VECTIBIX	5.6	6.2	10.6%			6.2	10.6%						
Other	0.4	0.9	110.9%	0.0	-100.0%	0.5	—	0.2	-14.2%	0.2	-5.8%		
Neuroscience	**111.9**	**106.9**	**-4.5%**	**80.3**	**-8.4%**	**12.5**	**19.8%**	**11.6**	**-2.2%**	**2.5**	**24.0%**		
VYVANSE	68.8	66.0	-4.1%	55.9	-5.2%			7.8	-2.1%	2.4	23.2%		
TRINTELLIX	17.4	16.9	-3.1%	16.6	-4.8%	0.3	—						
ADDERALL XR	5.7	5.3	-7.7%	4.8	-9.4%			0.4	18.1%				
ROZEREM	5.1	3.0	-40.8%	0.0	-99.3%	3.0	5.3%			0.0	180.2%		
REMINYL *5	4.8	4.2	-11.9%			4.2	-11.9%	0.0	-26.0%				
INTUNIV	4.1	5.6	38.8%	0.4	-38.0%	3.3	107.8%	1.9	2.3%	0.1	89.7%		
Other	6.0	5.8	-3.6%	2.6	-15.4%	1.7	38.0%	1.5	-11.8%	0.0	-77.5%		
Other	**198.6**	**139.8**	**-29.6%**										
AZILVA-F *3	20.5	20.9	1.9%			20.9	1.9%						
NESINA-F *3	14.6	15.5	6.1%	2.4	48.8%	7.4	-2.4%	2.8	5.3%	2.9	5.6%		
ULORIC	12.2	0.9	-92.8%	0.7	-93.7%			0.1	-69.3%	0.1	-54.2%		
COLCRYS	7.2	3.2	-55.9%	3.2	-55.9%								
LOTRIGA	8.8	8.1	-7.9%			8.1	-7.9%						

*1 License-out product : Regional breakdown is not available due to contract.

*2 PDT products

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

*4 GEM: Growth and Emerging Markets, which include Russia/CIS, Latin America, Asia, Middle East, Oceania and Africa

*5 Reminyl sales in Japan include royalty income from the partner.

*6 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other in PDT Immunology include ARALAST, GLASSIA, CEPROTIN, ANTITHROMBIN III, KENKTSU-NONTHRON and others.

Other in Neuroscience include COPAXONE, rasagiline, MYDAYIS, BUCCOLAM, DAYTRANA/EQUASYM and CARBATROL/EQUETRO

Product Sales Analysis (vs PY Actual)

(Bn JPY)	FY19 Reported				FY20 Reported & Underlying Growth													
					YOY			YOY				YOY				YOY			
	Q1	Q2	Q3	Q4	Q1	Reported	Underlying	Q2	Reported	Underlying	YTD Underlying	Q3	Reported	Underlying	YTD Underlying	Q4	Reported	Underlying	YTD Underlying
GI	171.6	169.9	191.6	164.7	186.9	8.9%	13.6%												
ENTYVIO	83.9	84.5	95.1	83.7	101.2	20.7%	25.5%												
DEXILANT	15.8	15.3	16.9	14.8	13.6	-14.0%	-7.2%												
pantoprazole	11.6	12.8	13.9	11.1	9.2	-20.9%	-9.8%												
TAKECAB-F *2	18.3	16.7	20.7	17.1	20.2	10.6%	10.7%												
GATTEX/REVESTIVE	15.1	14.1	17.7	14.9	17.5	15.5%	19.2%												
PENTASA	6.5	6.5	7.2	5.4	6.2	-5.6%	-3.0%												
LIALDA/MEZAVANT	5.6	6.7	6.0	5.2	5.5	-0.8%	3.6%												
AMITIZA	7.8	7.3	7.0	6.0	6.3	-19.6%	-17.2%												
RESOLOR/MOTEGRITY	1.4	1.3	2.0	1.9	2.7	100.4%	105.3%												
Other	5.6	4.7	5.1	4.8	4.5	-19.8%	-16.3%												
Rare Diseases	**168.8**	**156.8**	**157.7**	**149.4**	**155.0**	**-8.2%**	**-2.0%**												
Rare Metabolic	**48.9**	**43.2**	**40.2**	**38.5**	**39.9**	**-18.3%**	**-9.9%**												
ELAPRASE	18.8	16.7	16.8	15.6	17.6	-6.4%	1.2%												
REPLAGAL	12.9	12.6	13.1	12.7	12.2	-5.4%	6.5%												
VPRIV	9.3	9.4	9.7	9.6	9.3	1.0%	9.5%												
NATPARA	7.9	4.5	0.6	0.6	0.7	-90.7%	-89.8%												
Rare Hematology	**88.1**	**85.1**	**83.8**	**75.0**	**76.8**	**-12.9%**	**-7.0%**												
ADVATE	42.7	40.5	39.9	34.8	33.7	-21.3%	-14.5%												
ADYNOVATE *3	14.5	13.1	15.1	13.9	15.3	5.7%	9.4%												
FEIBA *1	13.1	14.8	11.7	11.9	12.9	-1.5%	5.4%												
HEMOFIL/IMMUNATE/ IMMUNINE*1	6.6	5.6	5.8	4.4	4.4	-32.5%	-26.1%												
Other PDT Products *1*3	1.0	0.8	1.1	0.8	0.9	-11.5%	-5.0%												
Other	10.3	10.3	10.2	9.3	9.7	-6.2%	-2.5%												
Hereditary Angioedema	**31.9**	**28.5**	**33.7**	**35.8**	**38.3**	**20.2%**	**24.5%**												
FIRAZYR	9.0	6.3	7.5	9.9	8.1	-9.8%	-4.7%												
TAKHZYRO	14.5	16.2	18.2	19.4	23.2	60.7%	65.8%												
KALBITOR	1.1	1.3	1.1	1.0	1.1	-4.4%	-1.6%												
CINRYZE *1	7.3	4.7	6.9	5.4	5.9	-19.2%	-16.0%												

*1 PDT products

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

*3 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other PDT products in Rare Hematology include BEBULIN, PROTHROMPLEX and Factor VII.

Other in Rare Hematology include VONVENDI, OBIZUR, RIXUBIS, AGRYLIN/XAGRID, RECOMBINATE, Other Hemophilia.

Table of Contents

(Bn JPY)	FY19 Reported				FY20 Reported & Underlying Growth													
					YOY			YOY				YOY				YOY			
	Q1	Q2	Q3	Q4	Q1	Reported	Underlying	Q2	Reported	Underlying	YTD Underlying	Q3	Reported	Underlying	YTD Underlying	Q4	Reported	Underlying	YTD Underlying
PDT Immunology	**91.7**	**102.9**	**101.9**	**97.6**	**105.3**	**14.8%**	**19.4%**												
immunoglobulin *1	68.0	78.5	78.9	73.3	85.1	25.2%	29.8%												
albumin *1	16.1	17.9	15.7	17.5	13.0	-19.6%	-14.3%												
Other *1 *3	7.6	6.5	7.3	6.8	7.2	-5.5%	-2.7%												
Oncology	**106.5**	**108.4**	**103.1**	**103.0**	**108.0**	**1.4%**	**5.4%**												
VELCADE	31.7	31.9	27.2	27.5	24.2	-23.7%	-21.4%												
leuprorelin	28.4	28.3	26.0	26.4	27.4	-3.4%	-1.1%												
NINLARO	18.3	20.0	19.8	19.5	22.9	25.4%	31.0%												
ADCETRIS	12.7	13.0	13.7	13.2	15.1	18.4%	31.1%												
ICLUSIG	7.6	7.0	8.2	9.0	9.2	20.7%	24.2%												
ALUNBRIG	1.7	1.7	1.8	2.1	2.0	21.9%	26.4%												
VECTIBIX	5.6	6.0	6.0	4.9	6.2	10.6%	10.6%												
Other	0.4	0.5	0.4	0.4	0.9	110.9%	14.7%												
Neuroscience	**111.9**	**102.0**	**116.7**	**108.0**	**106.9**	**-4.5%**	**-0.8%**												
VYVANSE	68.8	62.7	75.3	67.3	66.0	-4.1%	0.3%												
TRINTELLIX	17.4	17.2	19.7	16.4	16.9	-3.1%	-0.3%												
ADDERALL XR	5.7	4.9	4.4	9.3	5.3	-7.7%	-4.4%												
ROZEREM	5.1	3.6	3.1	2.7	3.0	-40.8%	-40.8%												
REMINYL	4.8	4.2	4.9	3.5	4.2	-11.9%	-11.5%												
INTUNIV	4.1	4.0	2.9	3.7	5.6	38.8%	46.1%												
Other	6.0	5.3	6.5	5.2	5.8	-3.6%	-1.2%												
Other	**198.6**	**171.1**	**188.4**	**149.0**	**139.8**	**-29.6%**	**-21.0%**												
AZILVA-F *2	20.5	18.2	20.4	17.6	20.9	1.9%	1.9%												
NESINA-F *2	14.6	14.0	15.5	13.9	15.5	6.1%	8.5%												
ULORIC	12.2	1.8	1.4	1.4	0.9	-92.8%	-93.1%												
COLCRYS	7.2	6.0	6.6	2.7	3.2	-55.9%	-54.6%												
LOTRIGA	8.8	7.2	8.8	7.0	8.1	-7.9%	-7.9%												

*1 PDT products

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

*3 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other in PDT Immunology include ARALAST, GLASSIA, CEPROTIN, ANTITHROMBIN III, KENKTSU-NONTHRON and others

Other in Neuroscience include COPAXONE, rasagiline, MYDAYIS, BUCCOLAM, DAYTRANA/EQUASYM and CARBATROL/EQUETRO

FY2020 Product Forecast (Disclosed on May 13, 2020)

	FY19 Reported Actual					FY20 Reported Forecasts	
(Bn JPY)	Q1	Q2	Q3	Q4	Annual	Annual	YOY
GI	**171.6**	**169.9**	**191.6**	**164.7**	**697.9**	**765.0**	**9.6%**
ENTYVIO	83.9	84.5	95.1	83.7	347.2	430.0	23.8%
DEXILANT	15.8	15.3	16.9	14.8	62.8	54.0	-14.0%
pantoprazole	11.6	12.8	13.9	11.1	49.5	39.0	-21.2%
TAKECAB-F *2	18.3	16.7	20.7	17.1	72.7	82.0	12.8%
GATTEX/REVESTIVE	15.1	14.1	17.7	14.9	61.8	66.0	6.8%
PENTASA	6.5	6.5	7.2	5.4	25.6	23.0	-10.1%
LIALDA/MEZAVANT	5.6	6.7	6.0	5.2	23.4	18.0	-23.1%
AMITIZA	7.8	7.3	7.0	6.0	28.1	23.0	-18.3%
RESOLOR/MOTEGRITY	1.4	1.3	2.0	1.9	6.6	8.0	21.9%
Other	5.6	4.7	5.1	4.8	20.2	22.0	8.8%
Rare Diseases	**168.8**	**156.8**	**157.7**	**149.4**	**632.7**		
Rare Metabolic	**48.9**	**43.2**	**40.2**	**38.5**	**170.8**	**161.0**	**-5.8%**
ELAPRASE	18.8	16.7	16.8	15.6	67.9	68.0	0.1%
REPLAGAL	12.9	12.6	13.1	12.7	51.3	51.0	-0.5%
VPRIV	9.3	9.4	9.7	9.6	38.0	38.0	0.0%
NATPARA	7.9	4.5	0.6	0.6	13.6	4.0	-70.7%
Rare Hematology	**88.1**	**85.1**	**83.8**	**75.0**	**332.0**	**283.0**	**-14.8%**
ADVATE	42.7	40.5	39.9	34.8	157.9	184.0	-14.2%
ADYNOVATE *3	14.5	13.1	15.1	13.9	56.5		
FEIBA *1	13.1	14.8	11.7	11.9	51.5	36.0	-30.1%
HEMOFIL/IMMUNATE/IMMUNINE*1	6.6	5.6	5.8	4.4	22.3	20.0	-10.5%
Other PDT Products *1*3	1.0	0.8	1.1	0.8	3.7	4.0	8.6%
Other	10.3	10.3	10.2	9.3	40.2	39.0	-2.9%
Hereditary Angioedema	**31.9**	**28.5**	**33.7**	**35.8**	**129.8**		**-10%~0%**
FIRAZYR	9.0	6.3	7.5	9.9	32.7	21.0	-35.7%
TAKHZYRO	14.5	16.2	18.2	19.4	68.3		+20%~+30%
KALBITOR	1.1	1.3	1.1	1.0	4.5	4.0	-12.0%
CINRYZE *1	7.3	4.7	6.9	5.4	24.3	18.0	-26.1%

*1 PDT products

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

*3 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other PDT products in Rare Hematology include BEBULIN, PROTHROMPLEX and Factor VII.

Other in Rare Hematology include VONVENDI, OBIZUR, RIXUBIS, AGRYLIN/XAGRID, RECOMBINATE, Other Hemophilia.

Assumption of FX rates for FY20 Reported Forecasts: 1 USD = 109 JPY, 1 Euro = 120 JPY, 1 RUB = 1.6 JPY, 1 BRL = 23.3 JPY, 1 CNY = 15.5 JPY

(Bn JPY)	FY19 Reported Actual Q1	Q2	Q3	Q4	Annual	FY20 Reported Forecasts Annual	YOY
PDT Immunology	**91.7**	**102.9**	**101.9**	**97.6**	**394.2**		**+10%~+20%**
immunoglobulin *1	68.0	78.5	78.9	73.3	298.7		+10%~+20%
albumin *1	16.1	17.9	15.7	17.5	67.2		+10%~+20%
Other *1 *3	7.6	6.5	7.3	6.8	28.2		0%~+10%
Oncology	**106.5**	**108.4**	**103.1**	**103.0**	**421.0**	**418.0**	**-0.7%**
VELCADE	31.7	31.9	27.2	27.5	118.3	92.0	-22.2%
leuprorelin	28.4	28.3	26.0	26.4	109.0	106.0	-2.8%
NINLARO	18.3	20.0	19.8	19.5	77.6	85.0	9.6%
ADCETRIS	12.7	13.0	13.7	13.2	52.7	60.0	13.9%
ICLUSIG	7.6	7.0	8.2	9.0	31.8	34.0	6.9%
ALUNBRIG	1.7	1.7	1.8	2.1	7.2	11.0	52.0%
VECTIBIX	5.6	6.0	6.0	4.9	22.5	23.0	2.0%
Other	0.4	0.5	0.4	0.4	1.8	7.0	298.3%
Neuroscience	**111.9**	**102.0**	**116.7**	**108.0**	**438.5**	**459.0**	**4.7%**
VYVANSE	68.8	62.7	75.3	67.3	274.1	290.0	5.8%
TRINTELLIX	17.4	17.2	19.7	16.4	70.7	82.0	16.0%
ADDERALL XR	5.7	4.9	4.4	9.3	24.3	23.0	-5.4%
ROZEREM	5.1	3.6	3.1	2.7	14.5	12.0	-17.1%
REMINYL	4.8	4.2	4.9	3.5	17.3	8.0	-53.9%
INTUNIV	4.1	4.0	2.9	3.7	14.6	19.0	29.9%
Other	6.0	5.3	6.5	5.2	23.1	25.0	8.4%
Other	**198.6**	**171.1**	**188.4**	**149.0**	**706.9**		**-20%~-10%**
AZILVA-F *2	20.5	18.2	20.4	17.6	76.7	78.0	1.6%
NESINA-F *2	14.6	14.0	15.5	13.9	58.0	57.0	-1.7%
ULORIC	12.2	1.8	1.4	1.4	16.9	3.0	-82.2%
COLCRYS	7.2	6.0	6.6	2.7	22.5	14.0	-37.8%
LOTRIGA	8.8	7.2	8.8	7.0	31.8	30.0	-5.5%

*1 PDT products

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

*3 The classification of therapeutic area for product sales has been reviewed. For comparison, the classification of certain products has been changed from the previous fiscal year.

Other in PDT Immunology include ARALAST, GLASSIA, CEPROTIN, ANTITHROMBIN III, KENKTSU-NONTHRON and others

Other in Neuroscience include COPAXONE, rasagiline, MYDAYIS, BUCCOLAM, DAYTRANA/EQUASYM and CARBATROL/EQUETRO

Assumption of FX rates for FY20 Reported Forecasts: 1 USD = 109 JPY, 1 Euro = 120 JPY, 1 RUB = 1.6 JPY, 1 BRL = 23.3 JPY, 1 CNY = 15.5 JPY

Exchange Rate

(yen)

CURRENCY	Average Exchange Rates vs. JPY		
	FY2019 Q1 (Apr-Jun)	FY2020 Q1 (Apr-Jun)	FY2020 Assumption (Apr-Mar)
USD	111	107	109
EUR	124	118	120
RUB	1.7	1.5	1.6
CNY	16.3	15.1	15.5
BRL	28.0	20.2	23.3

(100 million yen)

Impact of 1% depreciation of yen from July 2020 to March 2021			
Revenue	Core Operating Profit	Operating Profit	Net Profit
+123.7	+49.7	+13.9	+5.2
+32.1	-13.9	-20.1	-15.1
+2.5	+1.5	+1.2	+0.9
+7.4	+4.1	+4.1	+2.8
+5.1	+3.0	+2.9	+2.0

CAPEX, depreciation and amortization and impairment losses

(Bn JPY)

	FY19	FY19Q1	FY20Q1	YOY		FY20 Forecasts
Capital expenditures*	217.7	43.0	40.5	-2.5	-5.8%	180.0 - 230.0
Tangible assets	127.1	29.9	23.1	-6.7	-22.5%	
Intangible assets	90.6	13.1	17.3	4.2	32.2%	

* Cash flow base

Depreciation and amortization	583.6	176.3	141.6	-34.7	-19.7%	
Depreciation of tangible assets* (A)	156.0	38.0	31.5	-6.5	-17.1%	
Amortization of intangible assets (B)	427.6	138.4	110.1	-28.2	-20.4%	
Of which Amortization associated with products (C)	412.1	132.2	102.3	-29.8	-22.6%	407.0
Of which Amortization excluding intangible assets associated with products (D)	15.5	6.2	7.8	1.6	25.1%	

* Excluding depreciation for investment assets.

Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	171.6	44.2	39.2	-4.9	-11.2%	150.0
Impairment losses	101.9	17.4	7.5	-10.0	-57.2%	
Impairment losses associated with products	43.3	16.1	1.9	-14.2	-88.2%	50.0
Amortization and impairment losses on intangible assets associated with products	455.4	148.3	104.3	-44.0	-29.7%	457.0

(Note) During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, Consolidated Statements of Profit or Loss for FY2019 and FY2019 Q1 were retrospectively adjusted.

3. Reconciliation

Reconciliation from Reported Revenue to Underlying Revenue - FY2020 Q1

	Q1			
(BN YEN)	FY2019	FY2020	vs. PY	
Revenue	**849.1**	**801.9**	**(47.2)**	**- 5.6%**
FX effects[*1]				+4.4pp
Divestitures[*2]				+2.1pp
XIIDRA				+1.1pp
NEMEA & Russia/CIS				+0.8pp
TACHOSIL				+0.1pp
Others				-0.1pp
Underlying Revenue Growth				**+ 0.9%**

[*1] FX adjustment applies FY2019 plan rate to both periods (1USD=111JPY, 1EUR=129JPY).

[*2] Major adjustments are as follow;

- Net sales from XIIDRA, a treatment for dry eye disease, the divestiture of which was completed in July 2019, are excluded from FY2019 Q1.
- Revenue of select over-the-counter and non-core products in a number of Near East, Middle East and Africa countries, is excluded from FY2019 Q1 as the divestiture was completed in March 2020. Likewise, revenue of select over-the-counter and non-core products in Russia, Georgia, and a number of countries from within the Commonwealth of Independent States, is excluded from FY2019 Q1 as the divestiture was also completed in March 2020.
- Net sales from TACHOSIL, a surgical patch, that Takeda agreed in May 2019 to divest are excluded from both FY2020 Q1 and FY2019 Q1. Although the agreement to divest the product to Ethicon was terminated in April 2020, it is still adjusted as Takeda continues to explore opportunities to divest TACHOSIL as part of its ongoing divestiture and deleveraging strategy.
- Revenue of products related to divestiture agreements that were publicly announced and expected to complete within the calendar year 2020 are excluded from both FY2020 Q1 and FY2019 Q1.

Reconciliation from Reported Revenue to Underlying Revenue - FY2019 Q1

	Q1			
(BN YEN)	FY2018 *1	FY2019	vs. PY	
Revenue	**449.8**	**849.1**	**399.3**	**+88.8 %**
Shire Revenue	421.7	—		
Pro-forma revenue	871.5	849.1	(22.4)	-2.6 %
FX effects*2				+1.4pp
Divestitures*3				+0.4pp
Techpool & Multilab				+0.5pp
XIIDRA & TACHOSIL				+0.1pp
Others				-0.3pp
Underlying Revenue Growth				**-0.8 %**

*1 FY2018 Q1 revenue is a pro-forma based, adding Shire's 3 month (April-June 2018) revenue previously reported under US GAAP has been conformed to IFRS, without material differences, excluding the oncology business which was divested in August 2018, converted to JPY using FY2018 actual rate for the period.
*2 FX adjustment applies constant FY2018 actual full year average rate to both years (1USD=111JPY, 1EUR=129JPY).
*3 Major adjustments are FY2018 Q1 revenue of former subsidiaries, Guangdong Techpool Bio-Pharma Co., Ltd., and Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda., both divested in FY2018, and FY2018 Q1 and FY2019 Q1 revenue of XIIDRA of which divested in July 2019 and TACHOSIL as Takeda agreed in May 2019 to divest this product.

FY2020 Q1 Reconciliation from Reported to Core/Underlying Core

FY2020 Q1

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS						CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING GROWTH
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire integration costs	Shire purchase accounting adjustments	TEVA JV related accounting adjustments	Others		FX	Divestitures	
Revenue	801.9							801.9	49.2	(16.3)	+0.9%
Cost of sales	(238.1)				26.6			(211.5)	(13.6)	4.7	
Gross Profit	563.8				26.6			590.3	35.6	(11.6)	
SG&A expenses	(202.4)			0.0	(0.3)			(202.6)	(11.4)		
R&D expenses	(106.8)			(0.1)	0.1			(106.8)	(3.5)		
Amortization of intangible assets	(102.3)	22.5			79.8			—			
Impairment losses on intangible assets	(1.9)	1.9						—			
Other operating income	63.7		(3.2)		(60.2)	(0.4)		—			
Other operating expenses	(46.8)		7.4	20.8			18.6	—			
Operating profit	167.3	24.4	4.2	20.7	46.0	(0.4)	18.6	280.9	20.7	(11.6)	+11.2%
Margin	20.9 %							35.0 %			34.7%*
Financial income/expenses	(27.2)				2.7		(3.8)	(28.3)	(0.9)		
Equity income/loss	(9.8)					10.6		0.8	(0.1)		
Profit before tax	130.3	24.4	4.2	20.7	48.7	10.2	14.8	253.4	19.7	(11.6)	
Tax expenses	(47.8)	(5.9)	0.9	(3.6)	(3.3)	(3.1)	0.0	(62.7)	(2.6)	2.8	
Non-controlling interests	(0.0)							(0.0)	0.0		
Net profit	82.5	18.5	5.1	17.2	45.4	7.1	14.8	190.6	17.0	(8.8)	
EPS (yen)	53							122	11	(6)	+8.7%
Number of shares (millions)	1,559							1,559			1,558

* Underlying Core Operating Profit Margin.

FY2019 Q1 Reconciliation from Reported to Core/ Underlying Core

FY2019 Q1

(BN YEN)	REPORTED*1	REPORTED TO CORE ADJUSTMENTS						CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire purchase accounting adjustments	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	849.1							849.1	11.7	(33.6)	
Cost of sales	(291.8)				75.7			(216.1)	(3.0)	6.2	
Gross Profit	557.3				75.7			633.0	8.7	(27.4)	
SG&A expenses	(239.2)			0.8	1.1			(237.4)	(3.0)		
R&D expenses	(116.9)			4.3	(0.1)			(112.7)	(0.5)		
Amortization of intangible assets	(105.6)	23.0			82.6			—			
Impairment losses on intangible assets	(16.1)	16.1						—			
Other operating income	6.7		(6.0)			(0.7)		—			
Other operating expenses	(41.0)		9.4	31.6				—			
Operating profit	45.2	39.1	3.4	36.7	159.2	(0.7)		283.0	5.1	(27.4)	
Margin	5.3 %							33.3 %			31.5 %
Financial income/expenses	(37.4)				4.5		0.3	(32.6)	1.1		
Equity income/loss	2.3					0.6		3.0	(0.0)		
Profit before tax	10.1	39.1	3.4	36.7	163.7	(0.1)	0.3	253.3	6.2	(27.4)	
Tax expenses	(3.1)	(7.1)	(8.1)	(7.0)	(29.6)	0.0	(0.0)	(54.9)	(1.0)	6.6	
Non-controlling interests	(0.0)							(0.0)	(0.0)		
Net profit	7.0	32.0	(4.7)	29.7	134.1	(0.0)	0.3	198.4	5.2	(20.8)	
EPS (yen)	5							128	3	(13)	117
Number of shares (millions)	1,556							1,556			1,558

*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, Consolidated Statement of Profit or Loss for FY2019 Q1 was retrospectively adjusted.

Free Cash Flow

(BN YEN)	FY2019 Q1 (Apr-Jun)[*1]	FY2020 Q1 (Apr-Jun)	vs. PY	
Net profit	**7.0**	**82.5**	**+75.5**	**+1,073.3%**
Depreciation, amortization and impairment loss	167.8	149.0	-18.8	
Decrease (increase) in trade working capital	-31.9	-53.4	-21.4	
Income taxes paid	-59.7	-51.5	+8.2	
Other	37.5	19.1	-18.4	
Net cash from operating activities	**120.8**	**145.9**	**+25.1**	**+20.8%**
Acquisition of PP&E	-29.9	-23.1	+6.7	
Proceeds from sales of PP&E	0.1	0.0	-0.1	
Acquisition of intangible assets	-13.1	-17.3	-4.2	
Acquisition of investments	-3.1	-3.5	-0.4	
Proceeds from sales and redemption of investments	14.5	44.4	+30.0	
Free Cash Flow	**89.3**	**146.3**	**+57.1**	**+64.0%**

[*1] During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, Consolidated Statement of Profit or Loss for FY2019 Q1 was retrospectively adjusted.

Reconciliation from Net Profit to EBITDA/Adjusted EBITDA

FY2020 Q1

(BN JPY)	FY2019 Q1 (Apr-Jun)*1	FY2020 Q1 (Apr-Jun)	FY2020 LTM*2
Net profit for the year	**7.0**	**82.5**	**119.8**
Income tax expenses	3.1	47.8	-60.4
Depreciation and amortization	150.4	141.6	574.8
Interest expense, net	36.8	30.7	131.7
EBITDA	**197.3**	**302.6**	**766.0**
Impairment losses	17.4	7.5	91.9
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	32.8	-24.4	66.9
Finance expense (income), net, excluding interest income and expense, net	0.6	-3.5	-4.7
Share of loss on investments accounted for under the equity method	-2.3	9.8	36.1
Other adjustments:			
Impact on profit related to fair value step up of inventory in Shire acquisition	71.9	26.5	145.6
Acquisition costs related to Shire	0.6	0.0	4.8
Other costs*3	8.8	9.2	27.9
Adjusted EBITDA	**327.1**	**327.6**	**1,134.4**

*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, Consolidated Statement of Profit or Loss for FY2019 Q1 was retrospectively adjusted.

*2 LTM represents Last Twelve Months (July 2019 – June 2020).

*3 Includes adjustments for non-cash equity-based compensation expense, non-recurring wind-down costs related to pipeline de-prioritization after Shire acquisition and EBITDA for divested products.

Reconciliation from Net Profit to EBITDA/Adjusted EBITDA

FY2019 Q4 (Full year)

(BN JPY)	FY2019
Net profit for the year	**44.3**
Income tax expenses	-105.0
Depreciation and amortization	583.6
Interest expense, net	137.8
EBITDA	**660.7**
Impairment losses	101.9
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	124.1
Finance expense (income), net, excluding interest income and expense, net	-0.6
Share of loss on investments accounted for under the equity method	24.0
Other adjustments:	
Impact on profit related to fair value step up of inventory in Shire acquisition	191.0
Acquisition costs related to Shire	5.3
Other costs[*1]	19.5
Adjusted EBITDA	**1,125.9**

[*1] Includes adjustments for non-cash equity-based compensation expense, non-recurring wind-down costs related to pipeline de-prioritization after Shire acquisition and EBITDA for divested products.

Net Debt to Adjusted EBITDA

FY2020 Q1

NET DEBT/ADJUSTED EBITDA RATIO

(BN YEN)	FY2020 Q1
Cash and cash equivalents[*1]	589.8
Book value debt on the balance sheet	-5,075.0
Hybrid bond 50% equity credit	250.0
FX adjustment[*2]	2.5
Gross debt[*3]	-4,822.5
Net cash (debt)	**-4,232.7**
Net debt/Adjusted EBITDA ratio	**3.7x**
Adjusted EBITDA	**1,134.4**

NET INCREASE (DECREASE) IN CASH

(BN YEN)	FY2019 Q1	FY2020 Q1	vs. PY	
Net cash from operating activities	120.8	145.9	25.1	20.8 %
Acquisition of PP&E	-29.9	-23.1		
Proceeds from sales of PP&E	0.1	—		
Acquisition of intangible assets	-13.1	-17.3		
Acquisition of investments	-3.1	-3.5		
Proceeds from sales and redemption of investments	14.5	44.4		
Acquisition of business, net of cash and cash equivalents acquired	-4.7	—		
Net increase (decrease) in short-term loans and commercial papers	-500.2	-10.0		
Repayment of long-term loans	—	-10.0		
Proceeds from issuance of bonds	496.2	—		
Interest paid	-31.2	-30.2		
Dividends paid	-132.7	-133.1		
Others	-15.2	-9.3		
Net increase (decrease) in cash	-98.5	-46.2	52.3	53.1 %

[*1] Includes short-term investments which mature or become due within one year from the reporting date.

[*2] FX adjustments refers to change from month-end rate to average rate used for non-JPY debt calculation, to match with adjusted EBITDA calculation.

[*3] Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes cash and non cash adjustments to debt book-value. Non cash adjustments include changes dues to debt amortization and FX impact.

Net Debt to Adjusted EBITDA

FY2019 Q4 (Full year)

NET DEBT/ADJUSTED EBITDA RATIO

(BN YEN)	FY2019
Cash and cash equivalents[*1]	637.6
Book value debt on the balance sheet	-5,093.3
Hybrid bond 50% equity credit	250.0
FX adjustment[*2]	-28.3
Gross debt[*3]	-4,871.6
Net cash (debt)	**-4,234.0**
Net debt/Adjusted EBITDA ratio	**3.8x**
Adjusted EBITDA	**1,125.9**

NET INCREASE (DECREASE) IN CASH

(BN YEN)	FY2018	FY2019	vs. PY	
Net cash from operating activities	328.5	669.8	341.3	103.9 %
Acquisition of PP&E	-77.7	-127.1		
Proceeds from sales of PP&E	50.7	12.6		
Acquisition of intangible assets	-56.4	-90.6		
Acquisition of investments	-17.1	-7.6		
Proceeds from sales and redemption of investments	65.0	49.4		
Acquisition of business, net of cash and cash equivalents acquired	-2,958.7	-4.9		
Proceeds from sales of business, net of cash and cash equivalents divested	85.1	461.5		
Proceeds from withdrawal of restricted deposit	71.8	—		
Net increase (decrease) in short-term loans	367.3	-351.2		
Proceeds from long-term loans	1,215.5	—		
Repayment of long-term loans	—	-137.4		
Proceeds from issuance of bonds	1,580.4	496.2		
Repayment of bonds	—	-563.6		
Interest paid	-34.9	-127.2		
Dividends paid	-143.0	-282.6		
Others	-37.7	-40.6		
Net increase (decrease) in cash	439.0	-43.3	-482.4	-

[*1] Includes short-term investments which mature or become due within one year from the reporting date.

[*2] FX adjustments refers to change from month-end rate to average rate used for non-JPY debt calculation, to match with adjusted EBITDA calculation.

[*3] Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes cash and non cash adjustments to debt book-value. Non cash adjustments include changes dues to debt amortization and FX impact.

Important Notice

The companies in which Takeda Pharmaceutical Company Limited (Takeda) directly and indirectly owns investments are separate entities. In this report, "Takeda" is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

Forward-Looking Statements
This report and any materials distributed in connection with this report may contain forward-looking statements, beliefs or opinions regarding Takeda's future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "ensures", "will", "may", "should", "would", "could" "anticipates", "estimates", "projects" or similar expressions or the negative thereof. Forward-looking statements in this document are based on Takeda's estimates and assumptions only as of the date hereof. 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 global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations; the success of or failure of product development programs; decisions of regulatory authorities and the timing thereof; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the timing and impact of post-merger integration efforts with acquired companies; and the ability to divest assets that are not core to Takeda's operations and the timing of any such divestment(s), 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. For more information on these and other factors which may affect Takeda's results, performance, achievements, or financial position, see "Item 3. Key Information-D. Risk Factors" in Takeda's most recent Annual Report on Form 20-F and Takeda's other reports filed with the U.S. Securities and Exchange Commission, available on Takeda's website at: https://www.takeda.com/investors/reports/sec-filings/ or at www.sec.gov. Future results, performance, achievements or financial position of Takeda could differ materially from those expressed in or implied by the forward-looking statements. Persons receiving this report should not rely unduly on any forward-looking statements. Takeda undertakes no obligation to update any of the forward-looking statements contained in this report or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results of Takeda in this report may not be indicative of, and are not an estimate, forecast or projection of Takeda's future results.

Certain Non-IFRS Financial Measures
This report includes certain non-IFRS financial measures and targets. Takeda's management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this report. Non-IFRS results exclude certain income and cost items which are included in IFRS results. By including these non-IFRS measures, management intends to provide investors with additional information to further analyze Takeda's performance, core results and underlying trends. Non-IFRS results are not prepared in accordance with IFRS and non-IFRS information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with IFRS. Investors are encouraged to review the reconciliations of non-IFRS financial measures to their most directly comparable IFRS measures, which are on appendices 1-4.

Medical information
This report 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 drugs including the ones under development.

Financial information
Takeda's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The acquisition of Shire closed on January 8, 2019, and our consolidated results for the fiscal year ended March 31, 2019 include Shire's results from January 8, 2019 to March 31, 2019. References to "Legacy Takeda" businesses are to our businesses held prior to our acquisition of Shire. References to "Legacy Shire" businesses are to those businesses acquired through the acquisition of Shire.

This report includes certain pro forma information giving effect to the acquisition of Shire as if it had occurred on April 1, 2018. This pro forma information has not been prepared in accordance with Article 11 of Regulation S-X. This pro forma

information is presented for illustrative purposes and is based on certain assumptions and judgments based on information available to us as of the date hereof, which may not necessarily have been applicable if the acquisition of Shire had actually happened as of April 1, 2018. Moreover, this pro forma information gives effect to certain transactions and other events which are not directly attributable to the acquisition of Shire and/or which happened subsequently to the acquisition of Shire, such as divestitures and the effects of the purchase price allocation for the acquisition of Shire, and therefore may not accurately reflect the effect on our financial condition and results of operations if the acquisition of Shire had actually been completed on April 1, 2018. Therefore, undue reliance should not be placed on the pro forma information included herein.