## **FY2018 REPORTED RESULTS IN DETAIL**

	FY2017	FY2018				FY2018		FY2018		
(BN YEN)	LEGACY TAKEDA	LEGACY TAKEDA <sup>*1</sup> (A)	VS. F	ργ	SHIRE ACQUISITION RELATED COSTS*2 (B)	LEGACY SHIRE <sup>*3</sup> (C)	PURCHASE ACCOUNTING IMPACT (D)	CONSOLIDATED TOTAL (A)+(B)+(C)+(D)	VS.	PY
Revenue	1,770.5	1,788.0	+17.5	+1.0%	-	309.2	-	2,097.2	+326.7	+18.5%
Cost of sales	-495.9	-476.4	+19.6	+3.9%	-	-101.6	-81.7	-659.7	-163.8	-33.0%
Gross Profit	1,274.6	1,311.7	+37.1	+2.9%	-	207.6	-81.7	1,437.5	+162.9	+12.8%
% of revenue	72.0%	73.4%		+1.4pp	-	67.1%	-	68.5%		-3.4pp
SG&A expenses	-628.1	-594.7	+33.4	+5.3%	-23.8	-98.5	-0.6	-717.6	-89.5	-14.2%
R&D expenses	-325.4	-323.7	+1.7	+0.5%	-1.6	-43.0	-	-368.3	-42.9	-13.2%
Amortization of intangible assets	-126.1	-95.4	+30.7	+24.3%	-	0.0	-99.2	-194.7	-68.6	-54.4%
Impairment losses on intangible assets	4.0	-8.7	-12.7	-	-	-0.0	-	-8.7	-12.7	-
Other operating income	169.4	161.2	-8.2	-4.8%	-	-1.4	-	159.9	-9.5	-5.6%
Other operating expenses	-126.6	-38.6	+88.0	+69.5%	-59.6	-4.9	-	-103.2	+23.4	+18.5%
Operating profit	241.8	411.8	+170.0	+70.3%	-85.0	59.8	-181.6	205.0	-36.8	-15.2%
% of revenue	13.7%	23.0%		+9.4pp	-	19.3%	-	9.8%		-3.9pp
Finance income	39.5	16.6	-22.9	-57.9%	-	-0.0	0.2	16.8	-22.7	-57.4%
Finance expenses	-31.9	-27.1	+4.8	+15.1%	-41.3	-10.6	-4.2	-83.3	-51.4	-160.9%
Equity income/loss	-32.2	-43.9	-11.7	-36.4%	-	0.3	-	-43.6	-11.4	-35.5%
Profit before tax	217.2	357.4	+140.2	+64.5%	-126.3	49.4	-185.6	94.9	-122.3	-56.3%
Net profit	186.9	312.9	+126.0	+67.4%	-100.2	38.1	-141.7	109.1	-77.8	-41.6%
EPS (yen)*4	239 yen	399 yen	+159 yen	+66.6%	-	-	-	113 yen	-126 yen	-52.6%
Core Earnings	322.5	393.3	+70.8	+21.9%	-	66.0	-	459.3	+136.8	+42.4%
Core Earnings Margin	18.2%	22.0%		+3.8pp	-	21.4%	-	21.9%		+3.7pp
USD/JPY	111 yen	111 yen	-0 yen	-0.4%				111 yen	-0 yen	-0.4%
EUR/JPY	129 yen	129 yen	-1 yen	-0.4%				129 yen	-1 yen	-0.4%

<sup>\*1.</sup> Excludes Legacy Shire financials (from January 8, 2019 to March 31, 2019), costs incurred by Legacy Takeda and Legacy Shire related to the acquisition, and financial impact from purchase accounting



<sup>\*2.</sup> Costs incurred by Legacy Takeda and Legacy Shire related to the acquisition

<sup>\*3.</sup> Legacy Shire financials (from January 8, 2019, to March 31, 2019) excluding acquisition related costs

<sup>\*4.</sup> Number of shares used for FY2018 EPS calculation: Legacy Takeda 784,477,109 shares (as of Jan 7, 2019, the day before the completion of the Shire acquisition) and consolidated total 961,476,993 shares (April 2018 – March 2019 average)

## **FY2019 FORECAST**

									Silire acquisition related costs
(Bn yen)	FY2018 Actual	FY2019 Forecast	vs. PY		FY2018 Actual	FY2019 Forecast	_		SG&A and R&D expenses - acquisition costs, etc.
					Excl. Shire acquisition related costs and purchase accounting impact		vs. PY		Other operating expenses - integration costs
Revenue	2,097.2	3,300.0	+1,202.8	+57.4%	2,097.2	3,300.0	+1,202.8	+57.4%	Financial expenses - Bridge loan fees, interests, etc.
R&D expenses	-368.3	-491.0	-122.7	-33.3%	-366.7	-491.0	-124.3	-33.9%	Profit Before Tax impact
Amortization & impairment	-203.4	-659.0	-455.6	-224.0%	-104.1	-220.0	-115.9	-111.3%	Purchase accounting impact (major
Other operating income	159.9	9.0	-150.9	-94.4%	159.9	9.0	-150.9	-94.4%	Cost of sales
Other operating expenses	-103.2	-172.0	-68.8	-66.7%	-43.5	-18.0	+25.5	+58.6%	- unwinding of inventories step-up
Operating profit	205.0	-193.0	-398.0	-	471.5	654.0	+182.5	+38.7%	Amortization of intangible assets - Shire acquisition
Profit before tax	94.9	-369.0	-463.9	-	406.8	581.0	+174.2	+42.8%	Other non-cash items
Net profit	109.1	-383.0	-492.1	-	351.0	413.0	+62.0	+17.7%	Amortization of intangible assets
EPS (yen)	113 yen	-246 yen	-360 yen	-	365 yen	266 yen	-99 yen	-27.2%	- Legacy Takeda
Core Earnings	459.3	883.0	+423.7	+92.2%	459.3	883.0	+423.7	+92.2%	Impairment
USD/JPY	111 yen	111 yen	-0 yen						
EUR/JPY	129 yen	124 yen	-5 yen						

Shire acquisition related costs	FY2018	FY2019
SG&A and R&D expenses - acquisition costs, etc.	-25.3	-
Other operating expenses - integration costs	-59.6	-154.0
Financial expenses - Bridge loan fees, interests, etc.	-41.3	-87.0
Profit Before Tax impact	-126.3	-241.0
Purchase accounting impact (major items)		
Cost of sales - unwinding of inventories step-up	-82.2	-253.0
Amortization of intangible assets - Shire acquisition	-99.2	-439.0
Other non-cash items		
Amortization of intangible assets - Legacy Takeda	-95.4	-99.0
Impairment	-8.7	-121.0

Note: This FY2019 Reported Forecast does not take into consideration the recently announced divestitures of XIIDRA and TACHOSIL, but Takeda does not expect these divestitures to have a material impact. The FY2019 Reported Forecast will be updated at a later date to reflect these divestitures once a reliable estimate of their impact can be made, which will depend upon the exact timing of transaction close.

