Better Health, Brighter Future

Takeda Quarterly Financial Report

For the quarter ended September 30, 2020

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Financial Highlights

Selected Financial Results

Results of Operation

(JPY millions)	Six-month Period Ended September 30, 2019	Six-month Period Ended September 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Revenue	1,660,169	1,590,785	(69,384)	(4.2) %
Operating profit	109,033	215,588	106,555	97.7 %
Profit before tax	31,166	125,561	94,395	302.9 %
Net profit for the period	74,834	86,589	11,755	15.7 %
Earnings per share (JPY)				
Basic earnings per share	48.01	55.45	7.44	15.5 %
Diluted earnings per share	47.87	55.13	7.26	15.2 %

Non-IFRS Measures

Results of Operations

(JPY billions)	Six-month Period Ended September 30, 2019	Six-month Period Ended September 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Underlying:				
Revenue Growth	(0.2)%	0.5 %		
Core operating profit margin	31.2 %	31.6%		
Core Operating Profit	541.6	507.6	(34.0)	(6.3) %
Core EPS (yen)	244	221	(23)	(9.4) %
Free Cash Flow	676.9	425.5	(251.4)	(37.1) %

Leverage

(JPY billions)	As of March 31, 2020	As of September 30, 2020
Net debt	(4,234.0)	(4,047.3)
Adjusted EBITDA (Last 12 months)	1,125.9	1,102.2
Net debt/Adjusted EBITDA ratio	3.8 x	3.7 x

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)	Six-month Period Ended September 30, 2019	Six-month Period Ended September 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Cash flows from (used in) operating activities	341,087	392,011	50,924	14.9 %
Cash flows from (used in) investing activities	330,414	28,224	(302,190)	(91.5) %
Cash flows from (used in) financing activities	(811,670)	(418,210)	393,460	(48.5) %

Consolidated Financial Position

(JPY millions)	As of March 31, 2020	As of September 30, 2020	Change versus the previous year JPY	Change versus the previous year %
Non-current Assets	10,351,662	9,829,611	(522,051)	(5.0) %
Current Assets	2,469,432	2,585,136	115,704	4.7 %
Total Assets	**12,821,094**	**12,414,747**	**(406,347)**	**(3.2)%**
Non-current Liabilities	5,917,710	6,038,587	120,877	2.0 %
Current Liabilities	2,175,898	1,709,661	(466,237)	(21.4) %
Total Liabilities	**8,093,608**	**7,748,248**	**(345,360)**	**(4.3)%**
Equity	**4,727,486**	**4,666,499**	**(60,987)**	**(1.3)%**
Total liabilities and equity	**12,821,094**	**12,414,747**	**(406,347)**	**(3.2)%**

Forecast and Management Guidance

*Forecast**

(JPY billions)	Previous Forecast (July 31, 2020)	Revised Forecast (October 29, 2020)	vs. Previous Forecast	
Reported:				
Revenue	3,250.0	3,200.0	(50.0)	(1.5)%
Operating profit	395.0	434.0	39.0	9.9 %
Profit before tax	230.0	258.0	28.0	12.2 %
Net profit (attributable to owners of the Company)	92.0	124.0	32.0	34.8 %
EPS (JPY)	58.91	79.39	20.48	34.8 %
Non-IFRS Measures				
Core operating profit	984.0	984.0	—	—
Core operating profit margin	30.3 %	30.8 %	0.5 %	1.7 %
Core EPS (JPY)	420	420	—	—
Free Cash Flow	600.0 to 700.0	700.0 to 800.0	100.0	
Dividends per share (Yen)	180	180	—	—

*Forecast was updated to reflect certain items. Refer to *Notice of the Revised Forecast of Consolidated Financials for FY2020 (IFRS)* released on October 29, 2020 in Takeda Newsroom for details.

*Management Guidance**

	Guidance as of July 31, 2020	Guidance as of October 29, 2020
Underlying Revenue Growth	Low-single-digit growth	Low-single-digit growth
Underlying Core Operating Profit Growth	High-single-digit growth	High-single-digit growth
Underlying Core Operating Profit Margin	Low-30s%	Low-30s%
Underlying Core EPS Growth	Low-teen growth	Low-teen growth

*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. There are no changes to Management Guidance.

Revenue by Region

JPY (millions)

Six-month Period Ended September 30,

		Japan	U.S.	Europe and Canada	Russia/ CIS	Latin America	Asia (excluding Japan)	Other	Total
	2019	299,444	805,860	321,816	36,884	75,803	83,859	36,503	1,660,169
	2020	282,383	786,118	327,161	21,661	58,969	78,291	36,202	1,590,785
Change versus the previous year	JPY	(17,061)	(19,742)	5,345	(15,223)	(16,834)	(5,568)	(301)	(69,384)
	%	(5.7)%	(2.4)%	1.7 %	(41.3)%	(22.2)%	(6.6)%	(0.8)%	(4.2)%

"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)			
	Six-month Period Ended September 30,		Change versus the previous year	
	2019	2020	JPY	%
Gastroenterology:				
Entyvio	168,420	206,974	38,554	22.9 %
Takecab-F[(1)]	34,971	39,952	4,981	14.2 %
Dexilant	31,103	28,403	(2,700)	(8.7)%
Gattex/Revestive	29,269	33,219	3,950	13.5 %
Pantoprazole	24,426	21,465	(2,961)	(12.1)%
Alofisel	99	281	182	183.8 %
Others	53,282	49,532	(3,750)	(7.0)%
Total Gastroenterology	**341,570**	**379,826**	**38,256**	**11.2 %**
Rare Diseases:				
Rare Metabolic:				
Elaprase	35,541	34,316	(1,225)	(3.4)%
Replagal	25,456	24,967	(489)	(1.9)%
Vpriv	18,694	18,834	140	0.7 %
Natpara	12,383	1,506	(10,877)	(87.8)%
Total Rare Metabolic	92,074	79,623	(12,451)	(13.5)%
Rare Hematology:				
Advate	83,236	63,408	(19,828)	(23.8)%
Adynovate	29,679	29,501	(178)	(0.6)%
FEIBA	27,850	20,572	(7,278)	(26.1)%
Others	34,569	29,328	(5,241)	(15.2)%
Total Rare Hematology	175,334	142,809	(32,525)	(18.6)%
Hereditary Angioedema:				
Takhzyro	30,671	43,742	13,071	42.6 %
Firazyr	15,255	15,148	(107)	(0.7)%
Cinryze	12,021	12,033	12	0.1 %
Kalbitor	2,388	2,007	(381)	(16.0)%
Total Hereditary Angioedema	60,335	72,930	12,595	20.9 %
Total Rare Diseases	**327,743**	**295,362**	**(32,381)**	**(9.9)%**
PDT Immunology:				
Immunoglobulin	146,481	162,667	16,186	11.0 %
Albumin	34,058	28,571	(5,487)	(16.1)%
Others	14,127	14,662	535	3.8 %
Total PDT Immunology	**194,666**	**205,900**	**11,234**	**5.8 %**
Oncology:				
Velcade	63,610	50,012	(13,598)	(21.4)%
Leuprorelin	56,649	49,866	(6,783)	(12.0)%
Ninlaro	38,279	44,357	6,078	15.9 %
Adcetris	25,754	30,570	4,816	18.7 %
Iclusig	14,678	16,845	2,167	14.8 %
Alunbrig	3,351	4,268	917	27.4 %
Others	12,513	14,132	1,619	12.9 %
Total Oncology	**214,834**	**210,050**	**(4,784)**	**(2.2)%**

JPY (millions)

	Six-month Period Ended September 30,		Change versus the previous year	
	2019	**2020**	**JPY**	**%**
Neuroscience:				
Vyvanse	131,516	132,620	1,104	0.8 %
Trintellix	34,631	34,955	324	0.9 %
Adderall XR	10,618	8,973	(1,645)	(15.5) %
Others	37,121	31,243	(5,878)	(15.8) %
Total Neuroscience	**213,886**	**207,791**	**(6,095)**	**(2.8)%**
Other:				
Azilva-F[(1)]	38,705	39,927	1,222	3.2 %
Nesina-F[(1)]	28,613	29,020	407	1.4 %
Lotriga	15,965	15,658	(307)	(1.9) %
Others	284,187	207,251	(76,936)	(27.1) %
Total Other	**367,470**	**291,856**	**(75,614)**	**(20.6)%**
Total Revenue by Product	**1,660,169**	**1,590,785**	**(69,384)**	**(4.2)%**

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

Recent Developments

Business Development

During the six-month period ended September 30, 2020 and up to the issuance of its interim Consolidated Financial Statements on October 29, 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 70.8 billion JPY[(1)], subject to customary legal and regulatory closing conditions.
- In June 2020, we announced that we have 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 29.4 billion JPY[(1)], subject to customary legal and regulatory closing conditions.
- In August 2020, we announced that we have entered into an agreement to divest Takeda Consumer Healthcare Company Limited to Oscar A-Co KK, a company controlled by funds managed by The Blackstone Group Inc. and its affiliates for a total value of 242.0 billion JPY, subject to customary legal and regulatory closing conditions.
- In September 2020, we announced that we have entered into an agreement to divest a portfolio of select non-core prescription pharmaceutical products sold predominantly in Europe and Canada to Cheplapharm for an upfront payment of approximately 562 million USD or approximately 59.4 billion JPY[(1)], subject to customary legal and regulatory closing conditions.
- In September 2020, we announced that we have entered into an agreement to divest our TachoSil® Fibrin Sealant Patch to Corza Health, Inc. for cash receipt of 350 million EUR or 43.3 billion JPY[(1)] upon closing of the transaction, which is 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 of 105.6 JPY.

Research & Development Activities and Results

Research and development expenses for the six-month period ended September 30, 2020 were 225.0 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 activities so far for the fiscal year ending March 31, 2021 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.
- In September 2020, Takeda announced results from the Phase 3 TOURMALINE-MM2 trial evaluating the addition of NINLARO to lenalidomide and dexamethasone versus lenalidomide and dexamethasone plus placebo in newly diagnosed multiple myeloma patients not eligible for autologous stem cell transplant. These data were presented at the virtual scientific meeting of the Society of Hematologic Oncology (SOHO). The study found the addition of NINLARO to lenalidomide and dexamethasone resulted in a 13.5 month increase in median progression-free survival (PFS) (35.3 months in the NINLARO arm, compared to 21.8 months in the placebo arm; hazard ratio [HR] 0.830; p=0.073). The trial did not meet the threshold for statistical significance and the primary endpoint of PFS was not met.

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.
- In September 2020, Takeda presented the sub-analysis data of ALUNBRIG at the virtual European Society for Medical Oncology (ESMO) conference. The sub-analyses of the Phase 3 ALTA 1L study reinforce both the compelling evidence of intracranial efficacy with ALUNBRIG as a first-line treatment for patients with anaplastic lymphoma kinase-positive (ALK+) non-small cell lung cancer (NSCLC) as well as associated quality of life (QoL) data.

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 (Ono) '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 CABOMETYX 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).In October 2020, based on the result from CheckMate -9ER, Takeda and Ono announced that the companies submitted a supplemental application for combination therapy of OPDIVO and CABOMETYX to expand the use for the combination therapy for the treatment of unresectable, advanced or metastatic RCC to the Japanese Ministry of Health, Labour and Welfare (MHLW), for a partial change in approved items of the manufacturing and marketing approval in Japan.
- In September 2020, Takeda and Chugai Pharmaceutical Co., Ltd. (Chugai) announced that they have decided to study the combination of Tecentriq (atezolizumab), an engineered anti-PD-L1 monoclonal antibody and CABOMETYX, a tyrosine kinase inhibitor, in Japan. Subsequent to a joint clinical research agreement between Roche and Exelixis and in conjunction with certain rights granted in Japan, Chugai and Takeda will study atezolizumab and cabozantinib combination therapy in Japan. The three global phase III CONTACT studies are ongoing to investigate the combination of atezolizumab and cabozantinib as a potential new treatment option in multiple tumor types, and Chugai and Takeda are planning to support these studies in Japan.
- In September 2020, the first presentation of results from the pivotal Phase 3 CheckMate -9ER trial was announced by Bristol Myers Squibb and Exelixis, Inc., in which Opdivo (nivolumab) in combination with CABOMETYX showed superior overall survival (OS) and doubled median progression-free survival (PFS) and objective response rate (ORR) with a favorable safety profile vs. sunitinib in patients with previously untreated advanced or metastatic RCC. Opdivo in combination with CABOMETYX reduced the risk of death by 40% vs. sunitinib (Hazard Ratio [HR] 0.60; 98.89% Confidence Interval [CI]: 0.40 to 0.89; p=0.0010; median OS not reached in either arm). In patients receiving Opdivo in combination with CABOMETYX, median progression-free survival (PFS), the trial's primary endpoint, was doubled compared to those receiving sunitinib alone: 16.6 months vs. 8.3 months, respectively (HR 0.51; 95% CI: 0.41 to 0.64; p<0.0001). These results were featured as a Proffered Paper during a Presidential Symposium at the European Society for Medical Oncology (ESMO) Virtual Congress 2020. The trial is sponsored by Bristol Myers Squibb and Ono Pharmaceutical Co and co-funded by Exelixis, Ipsen and Takeda.

ZEJULA/ Generic name: niraparib

- In September 2020, Takeda announced it received approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) to manufacture and market the oral poly (ADP-ribose) polymerase (PARP) inhibitor ZEJULA capsule 100 mg as a maintenance treatment of patients with ovarian cancer after first-line chemotherapy, a maintenance treatment of patients with platinum-sensitive relapsed ovarian cancer, and a treatment of homologous recombination deficient

platinum-sensitive relapsed ovarian cancer. This approval was granted based on the results of the global, clinical, phase III PRIMA trial, the global, clinical, phase III NOVA trial being investigations of the safety of niraparib in Japanese patients with ovarian cancer, the global, clinical, phase II QUADRA trial, as well as a Japanese, clinical, phase II Niraparib-2001 trial, and a Japanese, clinical, phase II Niraparib-2002 trial being investigations of the efficacy and safety of niraparib in Japanese patients with ovarian cancer.

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.
- In September 2020, Takeda presented an updated 10-month follow-up results from the Phase 1/2 trial of mobocertinib at the virtual European Society for Medical Oncology (ESMO) conference, demonstrating mobocertinib achieved a duration of response (DoR) of more than one year in the trial's study population of patients with epidermal growth factor receptor (EGFR) Exon20 insertion+ metastatic NSCLC (mNSCLC).

Rare Genetic & Hematology

In rare genetic & hematology, Takeda focuses on hereditary angioedema to transform the treatment paradigm including through recently launched TAKHZYRO; going forward the focus will be on rare hematology and rare metabolic diseases, with the aim to deliver functional cures in a select group of diseases using novel modalities and platforms.

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.

BUCCOLAM / Generic name: midazolam

- In September 2020, Takeda announced that it has obtained a New Drug Application Approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for BUCCOLAM for the treatment of status epilepticus. The approval this time is based on results from two Phase 3 multicenter joint intervention non-randomized open-label trials in Japan in which patients under the age of 18 and suffering from convulsive status epilepticus conditions were buccally administered the drug. BUCCOLAM is the first buccally administered formulation for status epilepticus in Japan, and can even be administered in homes or other locations outside of medical facilities under the guidance of a doctor. In October 2020, Takeda completed the sale of BUCCOLAM to a subsidiary of Neuraxpharm Group (Neuraxpharm). For a defined period, Takeda will continue to provide certain services to Neuraxpharm, including serving as the Japanese marketing authorization holder.

Development code: TAK-935/OV935/ Generic name: Soticlestat

- In August 2020, Takeda and Ovid Therapeutics Inc. (Ovid) announced positive topline results from the randomized Phase 2 ELEKTRA study of soticlestat in children with Dravet syndrome (DS) or Lennox-Gastaut syndrome (LGS). The ELEKTRA study achieved its primary endpoint with high statistical significance in the combined DS and LGS study population, demonstrating a 27.8% median reduction from baseline in convulsive seizure (DS) and drop seizure (LGS) frequency compared to a 3.1% median increase in patients taking placebo during the 12-week maintenance period (median placebo-adjusted reduction=30.5%; p=0.0007, based on the efficacy analysis set of 120 patients with seizure data in the maintenance period). In addition, DS and LGS patients treated with soticlestat demonstrated a 29.8% median reduction in convulsive seizure (DS) and drop seizure (LGS) frequency compared to 0.0% change in median seizure frequency in patients taking placebo during the full 20-week treatment period (titration plus maintenance) of the ELEKTRA study (placebo-adjusted reduction=25.1%; p=0.0024). Soticlestat was well-tolerated and demonstrated a safety profile consistent with the findings of previous studies, with no new safety signals identified.

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.
- In September 2020, Takeda announced the update on the U.S. development program for the investigational Subcutaneous Formulation (SC) of ENTYVIO as a Maintenance Therapy in adults with moderate to severe Ulcerative Colitis (UC). In August, Takeda had a productive meeting with the FDA to review the company's latest data and to seek guidance on additional data needs required to support the approval of Entyvio SC. During the meeting, Takeda gained clarity on data needs for the device, and we are moving forward to address them. Continued testing of the device will take time, and as a result, we anticipate launching Entyvio SC for moderate to severe UC in the United States in 2022, pending FDA approval.
- In October 2020, Takeda announced interim results from the VISIBLE open-label extension (OLE) study on the long-term safety and efficacy of maintenance treatment with the subcutaneous (SC) formulation of Entyvio in patients with moderately to severely active ulcerative colitis (UC). In evaluating the primary safety endpoint of the trial, interim data of the UC patient population showed that following two years of maintenance therapy with vedolizumab SC, long-term safety findings were consistent with the known safety profile of vedolizumab. Patients also continued to demonstrate clinical benefit from treatment, through maintenance of clinical remission* and corticosteroid-free clinical remission** rates, the clinical efficacy outcomes of the trial. These data were announced in an oral presentation at the UEG Week Virtual 2020 congress.

* Clinical remission is defined as a partial Mayo score of ≤2 with no individual subscore >1 point[1]

** Corticosteroid-free clinical remission is defined as patients using oral corticosteroids at baseline (week 0)

GATTEX / Generic name: teduglutide

- In October 2020, Takeda announced that it submitted an application to the Japanese Ministry of Health, Labour and Welfare to manufacture and market teduglutide (rDNA; development) for the treatment of Short Bowel Syndrome. The application is based on the results of a phase III clinical trial in adult and pediatric patients conducted in Japan as well as a trial conducted overseas. The trials confirmed the efficacy of Teduglutide and no major safety issues were observed.

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.
- In October 2020, the CoVIg-19 Plasma Alliance announced that patients are now being enrolled in the Inpatient Treatment with Anti-Coronavirus Immunoglobulin (ITAC) Phase 3 clinical trial sponsored by the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH). The trial will evaluate the safety, tolerability and efficacy of an investigational anti-coronavirus hyperimmune intravenous immunoglobulin (H-Ig) medicine for treating hospitalized adults at risk for serious complications of COVID-19 disease. The global multi-center, double-blind, placebo-controlled, randomized trial will enroll 500 adult patients at up to 58 sites in the United States, Mexico and 16 other countries on five continents (utilizing the NIH's global INSIGHT Network).

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.
- In August 2020, members of the COVID R&D Alliance, Takeda, AbbVie, Inc. and Amgen Inc. announced the first patients enrolled in the I-SPY COVID Trial (Investigation of Serial Studies to Predict Your COVID Therapeutic Response with Biomarker Integration and Adaptive Learning) clinical trial. The I-SPY COVID Trial will evaluate the efficacy of cenicriviroc, a chemokine (CCR2 and CCR5) dual-receptor antagonist, Otezla (apremilast), a PDE4 inhibitor, and Firazyr (icatibant injection), a bradykinin B2 receptor antagonist in severely ill, hospitalized COVID-19 patients who require high-flow oxygen. The I-SPY COVID Trial utilizes Quantum Leap Healthcare Collaborative's

adaptive platform trial design, which is intended to increase trial efficiency by minimizing the number of participants and time required to evaluate potential treatments.

- In August 2020, Takeda and Novavax, Inc. (Novavax) announced a partnership for the development, manufacturing and commercialization of NVX CoV2373, Novavax' COVID-19 vaccine candidate, in Japan. NVX CoV2373 is a stable, prefusion protein made using Novavax' recombinant protein nanoparticle technology and includes Novavax' proprietary Matrix-M™ adjuvant. Takeda and Novavax are partnering on manufacturing, clinical development and regulatory activities in Japan. Novavax will license and transfer manufacturing technologies to enable Takeda to manufacture the vaccine antigen and will supply the Matrix-M adjuvant to Takeda. Takeda will be responsible for regulatory submission to the Government of Japanese Ministry of Health, Labour and Welfare (MHLW) and will produce and distribute NVX CoV2373 in Japan. Takeda will receive funding from MHLW to support the technology transfer, establishment of infrastructure and scale-up of manufacturing. Takeda anticipates the capacity to manufacture over 250 million doses of the COVID-19 vaccine per year.
- In September 2020, Takeda announced the expansion of its cell therapy manufacturing capabilities with the opening of a new 24,000 square-foot R&D cell therapy manufacturing facility at its R&D headquarters in Boston, Massachusetts. The facility provides end-to-end research and development capabilities and will accelerate Takeda's efforts to develop next-generation cell therapies, initially focused on oncology with potential to expand into other therapeutic areas.
- In October 2020, Takeda and Arrowhead Pharmaceuticals Inc. (Arrowhead) announced a collaboration and licensing agreement to develop ARO-AAT, a Phase 2 investigational RNA interference (RNAi) therapy in development to treat alpha-1 antitrypsin-associated liver disease (AATLD). ARO-AAT is a potential first-in-class therapy designed to reduce the production of mutant alpha-1 antitrypsin protein, the cause of AATLD progression. Under the terms of the agreement, Takeda and Arrowhead will co-develop ARO-AAT which, if approved, will be co-commercialized in the United States under a 50/50 profit-sharing structure. Outside the U.S., Takeda will lead the global commercialization strategy and receive an exclusive license to commercialize ARO-AAT.

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

Results of Operations (Reported)

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

			Billion JPY or percentage	
	FY2019 H1*	FY2020 H1	Change versus the same period of the previous fiscal year	
Revenue	1,660.2	1,590.8	(69.4)	(4.2)%
Cost of Sales	(562.0)	(487.7)	74.3	(13.2)%
Selling, General and Administrative expenses	(462.5)	(418.6)	43.8	(9.5)%
Research and Development expenses	(230.4)	(225.0)	5.4	(2.3)%
Amortization and Impairment Losses on Intangible Assets Associated with Products	(225.2)	(208.1)	17.1	(7.6)%
Other Operating Income	11.3	69.5	58.1	513.8 %
Other Operating Expenses	(82.4)	(105.2)	(22.8)	27.7 %
Operating Profit	109.0	215.6	106.6	97.7 %
Finance Income	17.4	29.6	12.3	70.6 %
Finance Expenses	(99.3)	(110.7)	(11.5)	11.5 %
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4.0	(8.9)	(13.0)	—
Profit Before Income Tax	31.2	125.6	94.4	302.9 %
Income Tax (Expenses) Benefit	43.7	(39.0)	(82.6)	—
Net Profit for the Period	74.8	86.6	11.8	15.7 %

* During the year ended March 31, 2020, Takeda completed the purchase price allocation for the assets acquired and liabilities assumed as part of the acquisition of Shire plc (the "Shire Acquisition"). Accordingly, the condensed interim consolidated statements of profit or loss for the six-month period ended September 30, 2019 were retrospectively adjusted.

Revenue. Revenue for the six-month period ended September 30, 2020 was 1,590.8 billion JPY, a decrease of 69.4 billion JPY, or 4.2%, compared to the same period of the previous fiscal year. Of this decline, 2.7 percentage points ("pp") was due to the negative impact of the appreciation of the yen.

Within our core therapeutic areas, Gastroenterology (GI) and Plasma-Derived Therapies (PDT) Immunology contributed positive revenue growth; however, they were offset by intensified competition and generic erosion in Rare Diseases, and the negative impact across the portfolio from changes in foreign exchange rates. Overall, the global spread of COVID-19 did not have a material effect on our revenue for the six-month period ended September 30, 2020. Although an adverse effect due to COVID-19 has been observed in certain therapeutic areas, especially in Neuroscience in the first several months of the period, for reasons such as patients' less frequent visits to medical care providers, on the other hand, an expansion of certain products with a more convenient administration profile was observed in the early phase of the outbreak. Both of these trends normalized towards the end of the six-month period to pre-COVID-19 levels. Revenue outside of our core therapeutic areas decreased by 75.6 billion JPY, or 20.6%, mainly due to several divestitures completed in the fiscal year ended March 31, 2020, as well as a decline of off-patented products such as ULORIC (for hyperuricemia) and COLCRYS (for gout).

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

- *GI.* In Gastroenterology, revenue was 379.8 billion JPY, a year-on-year increase of 38.3 billion JPY, or 11.2%. Growth was driven by Takeda's top-selling product ENTYVIO (for ulcerative colitis (UC) and Crohn's disease (CD)), with sales of 207.0 billion JPY, a year-on-year increase of 38.6 billion JPY, or 22.9%. 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, the increase in sales was primarily driven by the UC indication. Sales of TAKECAB (for acid-related diseases) were 40.0 billion JPY, an increase of 5.0 billion JPY, or 14.2%, versus the same period of the previous fiscal year. This 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 3.9 billion JPY, or 13.5%, versus the same period of the previous fiscal year to 33.2 billion JPY, 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 off-patented pantoprazole (for peptic ulcer), which declined by 3.0 billion JPY, as well as declines of DEXILANT (for acid reflux disease) by 2.7 billion JPY and AMITIZA (for chronic constipation) by 2.7 billion JPY primarily due to intensified competition.

- *Rare Diseases*. In Rare Diseases, revenue decreased by 32.4 billion JPY, or 9.9%, compared to the same period of the previous fiscal year to 295.4 billion JPY. Revenue in Rare Hematology decreased by 32.5 billion JPY, or 18.6%, to 142.8 billion JPY. Sales of ADVATE (for hemophilia A) decreased by 19.8 billion JPY, or 23.8%, to 63.4 billion JPY driven by the competitive landscape, increasing price pressure in the short half-life segment, and patient switches to ADYNOVATE. FEIBA sales decreased by 7.3 billion JPY, or 26.1%, to 20.6 billion JPY mainly due to competitive pressure in the prophylaxis segment of the inhibitors market in Europe. Both ADVATE and FEIBA were also negatively impacted by timing of shipments in Growth and Emerging Markets in the current period. Revenue in Rare Metabolic decreased by 12.5 billion JPY, or 13.5%, to 79.6 billion JPY primarily due to the product recall of NATPARA (for hypoparathyroidism) in the U.S. in September 2019, which resulted in a decline of NATPARA sales of 10.9 billion JPY, or 87.8%, to 1.5 billion JPY. Revenue in Hereditary Angioedema (HAE) was 72.9 billion JPY, a year-on-year increase of 12.6 billion JPY, or 20.9%, driven by TAKHZYRO launches with strong patient uptake. Sales of TAKHZYRO were 43.7 billion JPY, an increase of 13.1 billion JPY, or 42.6%, versus the same period of the previous fiscal year. Sales of CINRYZE and FIRAZYR remained broadly flat versus the same period of the previous fiscal year due to successful portfolio co-positioning and limited generic impact.
- *PDT Immunology.* In Plasma-Derived Therapies (PDT) Immunology, revenue increased by 11.2 billion JPY, or 5.8%, compared to the same period of the previous fiscal year to 205.9 billion JPY. Aggregate sales of immunoglobulin products were 162.7 billion JPY, an increase of 16.2 billion JPY, or 11.0%, fueled by strong demand and growing supply capabilities. 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, an 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 28.6 billion JPY, a decrease of 5.5 billion JPY, or 16.1%, versus the same period of the previous fiscal year. The decline was primarily related to the timing of shipments in China; higher sales in China during the six-month period of the previous fiscal year, which were the result of a supply phasing from the fiscal year prior to that.
- *Oncology.* In Oncology, revenue was 210.0 billion JPY, a year-on-year decrease of 4.8 billion JPY, or 2.2%. Sales of NINLARO (for multiple myeloma) were 44.4 billion JPY, an increase of 6.1 billion JPY, or 15.9%, 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 characteristics that make it more attractive or convenient in light of the spread of COVID-19, 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. Sales of ADCETRIS (for malignant lymphomas) increased by 4.8 billion JPY, or 18.7% to 30.6 billion JPY versus the same period of the previous fiscal year, reflecting strong growth in sales particularly in Japan where it has progressively expanded its approved indications in recent years, especially at the end of 2019. Sales of ICLUSIG (for leukemia) increased by 2.2 billion JPY, or 14.8%, versus the same period of the previous fiscal year to 16.8 billion JPY, benefitting from a new omni-channel promotion approach in the U.S. and from geographic expansion ex-U.S. Sales of ALUNBRIG (for non-small cell lung cancer) increased by 0.9 billion JPY, or 27.4%, versus the same period of the previous fiscal year to 4.3 billion JPY, as it continues to launch in European and emerging countries. The growth of the aforementioned products was offset by the decline of off-patented products. Sales of VELCADE (for multiple myeloma) decreased by 13.6 billion JPY, or 21.4% compared to the same period of the previous fiscal year to 50.0 billion JPY. This included ex-U.S. royalty income of 2.4 billion JPY, a significant year-on-year decrease of 4.1 billion JPY, or 62.6%, due to generic entries in Europe and China in 2019. Sales in the U.S. decreased by 9.5 billion JPY, or 16.7%, to 47.6 billion JPY versus the same period of the previous fiscal year, reflecting fewer new patient starts in first-line therapy. We believe this was a consequence of patients refraining from visiting medical care providers due to COVID-19, as VELCADE is administered predominantly via a subcutaneous injection at medical institutions, as well as the approval of a competitor product’s subcutaneous formulation at the beginning of May 2020 in the U.S. Sales of leuprorelin (for endometriosis, uterine fibroids, premenopausal breast cancer, prostatic cancer, etc.), an off-patented product, decreased by 6.8 billion JPY, or 12.0%, versus the same period of the previous fiscal year to 49.9 billion JPY, mainly due to a lower supply revenue in the U.S. This is in relation to production stoppages initiated at our manufacturing facility in Japan to enhance overall compliance in alignment with Takeda standards, extended as a part of corrective actions as follow up to recent inspection activities.
- *Neuroscience.* In Neuroscience, revenue was 207.8 billion JPY, a year-on-year decrease of 6.1 billion JPY, or 2.8%. This decrease was partially attributable to REMINYL (for Alzheimer's disease), which faced generic introduction in Japan in June 2020, and sales of which decreased by 3.5 billion JPY, or 38.7%, to 5.5 billion JPY. Sales of ROZEREM (for insomnia) and ADDERALL XR (for attention deficit hyperactivity disorder (ADHD)) were also negatively impacted by the loss of exclusivity in the U.S. in July 2019. Sales of VYVANSE (for ADHD), a leading branded medication in the U.S.,

were 132.6 billion JPY, an increase of 1.1 billion JPY, or 0.8%, versus the same period of the previous fiscal year. Although VYVANSE had been negatively affected by COVID-19 in the first several months of the period when stay-at-home restrictions reduced patient visits, subsequent diagnoses and created temporary discontinuation of medication, the trend has normalized to pre-COVID-19 levels and the product returned to growth in the latest three-month period. Sales of TRINTELLIX (for major depressive disorder (MDD)) were 35.0 billion JPY, an increase of 0.3 billion JPY, or 0.9%, versus the same period of the previous fiscal year.

Cost of Sales. Cost of Sales decreased by 74.3 billion JPY, or 13.2%, to 487.7 billion JPY and the Cost of Sales Ratio decreased by 3.2 pp to 30.7% compared to the same period of the previous fiscal year. This was primarily caused by 80.2 billion JPY decrease in 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 43.8 billion JPY, or 9.5%, to 418.6 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 5.4 billion JPY, or 2.3%, to 225.0 billion JPY, primarily due to savings from pipeline prioritization.

Amortization and Impairment Losses on Intangible Assets Associated with Products. Amortization and Impairment Losses on Intangible Assets Associated with Products decreased by 17.1 billion JPY, or 7.6%, to 208.1 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 58.1 billion JPY, or 513.8%, to 69.5 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 management's decision to terminate the clinical trial program related to SHP647 upon the European Commission's decision in May 2020 to release Takeda's obligation to divest SHP647.

Other Operating Expenses. Other Operating Expenses were 105.2 billion JPY, an increase of 22.8 billion JPY, or 27.7%, 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.

Operating Profit. As a result of the above factors, Operating Profit increased by 106.6 billion JPY, or 97.7% compared to the same period of the previous fiscal year to 215.6 billion JPY.

Net Finance Expenses. Net Finance Expenses was 81.1 billion JPY in the current period, a decrease of 0.8 billion JPY compared to the same period of previous fiscal year. This decrease included 10.2 billion JPY decrease of interest expense mainly attributable to reduction in outstanding balances of bonds and loans as well as lower interest rates on borrowings with variable interest rates and 8.1 billion JPY valuation gain in financial income recognized on the warrant to purchase stocks of a company that went public in October 2019. These impacts were predominantly offset by factors such as decrease in interest income and net loss on foreign currency exchange.

Share of Loss of Associates Accounted for Using the Equity Method. Share of Loss of Associates Accounted for Using the Equity Method was 8.9 billion JPY, a decrease of gain 13.0 billion JPY compared to Share of Profit of Associates Accounted for Using the Equity Method of 4.0 billion JPY for the same period of the previous fiscal year, mainly due to an impairment loss recognized by Teva Takeda Pharma Ltd, a business venture of Takeda and Teva Pharmaceutical Industries Ltd. The impairment loss was recorded in the three-month period ended June 30, 2020, resulting from the reassessment of the recoverable amount of relevant assets triggered by the decision Teva Takeda Pharma Ltd. made to divest a part of its generics business and a manufacturing plant.

Income Tax (Expenses) Benefit. Income Tax Expenses were 39.0 billion JPY for the current period, compared to Income Tax Benefit of 43.7 billion JPY for the same period of the previous year, primarily due to an increase in Profit Before Tax and the recognition of a non-cash deferred tax benefit of 56.3 billion JPY as a result of the enactment of a new taxing regime in Switzerland (Swiss Tax Reform) during the same period of the previous year.

Net Profit for the Period. Net Profit for the Period increased by 11.8 billion JPY, compared to the same period of the previous fiscal year to 86.6 billion JPY.

Results of Operations (Underlying) (April 1 to September 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 H1	
Underlying Revenue Growth	+0.5%
Underlying Core Operating Profit Growth	+1.9%
Underlying Core Operating Profit Margin	31.6%
Underlying Core EPS	-0.4%

Underlying Revenue Growth was 0.5% compared to the same six-month period of the previous fiscal year. Underlying revenue attributable to Takeda's 14 global brands* grew by 15.4%, 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	+14.5%
Rare Diseases	-5.3%
Rare Metabolic	-6.4%
Rare Hematology	-14.7%
Hereditary Angioedema	+23.8%
PDT Immunology	+8.8%
Oncology	+0.3%
Neuroscience	-0.4%
Other	-13.0%
Total	+0.5%

(Note) Underlying Revenue represents revenue on a constant currency basis and excluding non-recurring items and the impact of divestitures. Please refer to *Analysis of Results of Operations, Financial Position, and Cash Flow - Results of Operations (Reported) - Consolidated Financial Results (April 1 to September 30, 2020)*, for the revenue of each core therapeutic areas and sales of major products before underlying adjustments.

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

- Net sales of 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.
- 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 completed in March 2020.
- Net sales from TACHOSIL are excluded from both the current period and the same period of the previous fiscal year.
- Net sales 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 1.9% compared to the same six-month period of the previous fiscal year, reflecting cost synergies and lower spend from impacts of COVID-19 offset by lower Gross Profit due to product mix.

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 507.6 billion JPY.

Underlying Core Operating Profit Margin for the current period was 31.6%, an increase of 0.4 pp compared to the same six-month period of the previous fiscal year.

Underlying Core EPS Growth for the current period was -0.4%.

Consolidated Financial Position

Assets. Total Assets as of September 30, 2020 were 12,414.7 billion JPY, reflecting a decrease of 406.3 billion JPY compared to the previous fiscal year-end. Intangible Assets decreased by 293.1 billion JPY mainly due to amortization. Goodwill also decreased by 156.4 billion JPY resulting from divestitures for the current period. These decreases were partially offset by an increase in Assets Held for Sale of 157.2 billion JPY mainly due to reclassification of assets related to the divestiture of Takeda Consumer Healthcare Company Limited[*1].

[*1] In August 2020, Takeda announced that it has entered into an agreement to divest Takeda Consumer Healthcare Company Limited to Blackstone.

Liabilities. Total Liabilities as of September 30, 2020 were 7,748.2 billion JPY, reflecting a decrease of 345.4 billion JPY compared to the previous fiscal year-end. Bonds and Loans decreased by 185.3 billion JPY to 4,908.0 billion JPY[*2] primarily as a result of the repayment of loans, the redemption of bonds and the reduction in commercial paper drawings. In addition, Deferred Tax Liabilities and Liabilities Held for Sale decreased by 73.3 billion JPY and 67.2 billion JPY, respectively.

[*2] The carrying amount of Bonds was 3,830.4 billion JPY and Loans was 1,077.6 billion JPY as of September 30, 2020. Breakdown of Bonds and Loans carrying amount is as follows.

Bonds:

Name of Bond (Face Value if Denominated in Foreign Currency)	Issuance	Maturity	Carrying Amount (Billion JPY)
Unsecured US dollar denominated senior notes (1,520 million USD)	June, 2015	June, 2022 ~ June, 2045	160.4
Unsecured US dollar denominated senior notes (6,400 million USD)	September, 2016	September, 2021 ~ September, 2026	642.7
Unsecured US dollar denominated senior notes (500 million USD)	July, 2017	January, 2022	52.7
Unsecured Euro denominated senior notes (6,250 million EUR)	November, 2018	November, 2020 ~ November, 2030	769.3
Unsecured US dollar denominated senior notes (4,500 million USD)	November, 2018	November, 2021 ~ November, 2028	473.3
Hybrid bonds (subordinated bonds)	June, 2019	June, 2079	497.1
Unsecured US dollar denominated senior notes (7,000 million USD)	July, 2020	March, 2030 ~ July, 2060	734.1
Unsecured Euro denominated senior notes (3,600 million EUR)	July, 2020	July, 2027 ~ July, 2040	441.7
Commercial Paper	July, 2020 ~ September, 2020	October, 2020 ~ December, 2020	59.1
Total			3,830.4

Loans:

Name of Loan (Face Value if Denominated in Foreign Currency)	Execution	Maturity	Carrying Amount (Billion JPY)
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	158.2
Japan Bank for International Cooperation (3,700 million USD)	January, 2019	December, 2025	390.9
Bilateral loans	March, 2016 ~ April, 2017	March, 2023 ~ March, 2026	210.0
Other			5.0
Total			1,077.6

In April 2020, the mandatory repayment of 10 billion JPY was made on USD and EUR syndicated term loan borrowings in accordance with the underlying loan agreements. Following this, 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. The proceeds from the offerings of these notes were efficiently deployed towards accelerating the repayment of syndicated term loan borrowings of 3,250 million USD and 3,019 million EUR on July 10, 2020, together with the early redemption of unsecured senior notes with face values of 2,400 million USD and 1,250 million EUR on August 3, 2020 in advance of their original maturities of September 2021 and November 2020 respectively. Additionally, in July 2020, 130 billion JPY in mandatory repayments of debt issued in July 2013 were made comprising 70 billion JPY in loans and 60 billion JPY in unsecured straight bonds. There was also a decrease of 85.0 billion JPY in commercial paper drawings in the six months ended September 30, 2020.

Equity. Total Equity as of September 30, 2020 was 4,666.5 billion JPY, a decrease of 61.0 billion JPY compared to the previous fiscal year-end. This was mainly due to a 44.7 billion JPY decrease in Other Components of Equity mainly due to fluctuation in currency translation adjustments reflecting the appreciation of yen as well as a decrease of 32.9 billion JPY in Retained Earnings resulting from dividends payment of 141.9 billion JPY partially offset by Net Profit for the Period.

Consolidated Cash Flow

	Billion JPY	
	FY2019 H1	FY2020 H1
Net cash from (used in) operating activities	341.1	392.0
Net cash from (used in) investing activities	330.4	28.2
Net cash from (used in) financing activities	(811.7)	(418.2)
Net increase (decrease) in cash and cash equivalents	(140.2)	2.0
Cash and cash equivalents at the beginning of the year	702.1	637.6
Effects of exchange rate changes on cash and cash equivalents	(19.0)	(8.6)
Net increase (decrease) in cash and cash equivalents resulting from a transfer from (to) assets held for sale	0.6	(0.2)
Cash and cash equivalents at the end of the period	543.5	630.9

Net cash from operating activities was 392.0 billion JPY for the current period compared to 341.1 billion JPY for the same period of the previous year. The increase of 50.9 billion JPY was mainly due to a 11.8 billion JPY increase in net profit for the period and an increase of favorable adjustments including a 82.6 billion JPY increase in income tax expenses mainly comprised of deferred tax which is a non-cash expense. The increase in net cash from operating activities was also resulting from favorable impacts in trade and other receivables as well as trade and other payables of 52.4 billion JPY and 15.1 billion JPY, respectively. These increases were 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 58.1 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 28.2 billion JPY for the current period compared to 330.4 billion JPY for the same period of the previous year. This decrease of 302.2 billion JPY was mainly due to a decrease in proceeds from sales of business of 344.1 billion JPY reflecting the sale of XIIDRA of 375.5 billion JPY for the same period of the previous year.

Net cash used in financing activities was 418.2 billion JPY for the current period compared to 811.7 billion JPY for the same period of the previous year. This decrease in net cash used of 393.5 billion JPY was mainly due to an increase in proceeds from issuance of bonds of 683.3 billion JPY as a result of issuance of U.S. dollar-denominated senior notes 7,000 million USD and Euro-denominated senior notes 3,600 million EUR for the current period compared to 500.0 billion JPY issuance of hybrid bonds for the same period of the previous year. There was a favorable impact from short-term loans and commercial papers of 371.5 billion JPY primarily due to repayment of the short-term syndicated loans 500.0 billion JPY in June 2019. These decreases in net cash used were partially offset by an increase in repayments of bonds and long-term loans of 642.5 billion JPY primarily resulting from early redemptions and repayments for 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. However, an adverse effect due to the spread of COVID-19 has been observed in certain therapeutic areas, especially in Neuroscience in the first several months of the outbreak, for reasons such as less frequent visits by patients to medical care providers, on the other hand, an expansion of certain products with a more convenient administration profile was observed in the early phase of the outbreak. Both of these trends normalized towards the end of the six-month period to pre-COVID-19 levels. In terms of our global supply chain, based on current assessments, we have not yet seen, nor do we 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.

In the early stages of the global pandemic, we placed a temporary pause on the initiation of new clinical trial studies, with the exception of CoVIg-19, the investigational plasma-derived therapy for COVID-19. At the same time, for studies already ongoing, we 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 resumed most of our trial activities in the last three months.

While we do anticipate some delays on some studies, we are closely monitoring the situation on a per-study level, down to each country and site, to assess the potential impact.

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

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

Guided by our values, Takeda's response to COVID-19 has focused on protecting the health and safety of our employees, our ability to ensure our medicines are available to patients who rely on them and playing our part to reduce transmission and support the communities where our employees live and work.

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.

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 are being tailored to each country and are based on the science, epidemiology, and relevant local public health context, but 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 do not intend to have one single strategy or policy. Instead, we are creating core principles, design guidance and toolkits that will help Takeda leaders determine and implement the best working environment strategy for their teams post-COVID.

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.

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 with the agreement of healthcare providers and employees follow strict infection prevention protocols set out by both Takeda and any additional public health and customer requirements.

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 (World Food Programme (WFP), United

Nations Population Fund (UNFPA), and International Atomic Energy Agency (IAEA)), while also providing in-kind donations and matching employee donations.

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, where possible, Takeda has implemented solutions such as direct to patient delivery of study medicines and the re-evaluation of trial design to account for potential disruptions. We continue to assess and build out digital technologies to enable remote monitoring of patients enrolled in clinical trials.

CoVIg-19 is one example of Takeda's initiatives to develop potential therapies to combat COVID-19. In April 2020, we joined other leading plasma companies to form the CoVIg-19 Plasma Alliance, putting patients first and setting aside individual company interests in the quest to fight COVID-19. In early October 2020, the CoVIg-19 Plasma Alliance announced patients are now being enrolled in the NIAID/NIH Phase 3 ITAC clinical trial evaluating the safety, tolerability and efficacy of hyperimmune globulin (H-Ig) to treat individuals at risk for serious complications from COVID-19. We expect it will take several months to complete the study. Assuming the clinical trial is successful, we will prepare to submit for regulatory authorization. We continue to urge individuals who have recovered from COVID-19 to donate convalescent plasma, which contains vital antibodies that could help others fight the disease, through the "Fight Is In Us" campaign in the U.S.

In addition to the CoVIg-19 Plasma Alliance, Takeda has undertaken a number of efforts to help the world respond to COVID-19, including the evaluation of a number of our marketed products and pipeline compounds for efficacy against the COVID-19 virus and participation in global research collaborations.

In August 2020, Takeda announced our partnership with Novavax, for the development, manufacturing and commercialization of the Novavax's COVID-19 vaccine candidate (NVX CoV2373) in Japan for protection of the Japanese population. In October 2020, Takeda also announced that it will import and distribute Moderna's COVID-19 vaccine candidate, mRNA-1273 in Japan from the first half of 2021, through the partnership with Moderna and the Government of Japan's Ministry of Health, Labour and Welfare (MHLW).

(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 H1 financial impact from COVID-19

The overall impact of the global spread of COVID-19 on Takeda's consolidated financial results for the six-month period ended September 30, 2020 was not material. In terms of revenue, although an adverse effect due to COVID-19 has been observed in certain therapeutic areas, especially in Neuroscience in the first several months of the period, for reasons such as patients' less frequent visits to medical care providers, on the other hand, an expansion of certain products with a more convenient administration profile was observed in the early phase of the outbreak. Both of these trends normalized towards the end of the six-month period to pre-COVID-19 levels. With regard to operating expenses, 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 Six-month Period Ended September 30, 2020, (3) Outlook for the Fiscal Year Ending March 31, 2021"* released on October 29, 2020 at Takeda's website.

Interim Dividend for Fiscal 2020

Takeda maintains its annual dividend policy of 180 JPY per share.

For the six-month period ended September 30, 2020, Takeda's Board of Directors approved the payment of an interim dividend of 90 JPY per share. The dividend will be paid on December 1, 2020.

Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2019	2020	2020
Revenue	1,660,169	1,590,785	15,067
Cost of sales	(562,008)	(487,720)	(4,619)
Selling, general and administrative expenses	(462,469)	(418,631)	(3,965)
Research and development expenses	(230,363)	(224,978)	(2,131)
Amortization and impairment losses on intangible assets associated with products	(225,223)	(208,097)	(1,971)
Other operating income	11,316	69,463	658
Other operating expenses	(82,389)	(105,234)	(997)
Operating profit	109,033	215,588	2,042
Finance income	17,370	29,628	281
Finance expenses	(99,268)	(110,720)	(1,049)
Share of profit (loss) of investments accounted for using the equity method	4,031	(8,935)	(85)
Profit before tax	31,166	125,561	1,189
Income tax (expenses) benefit	43,668	(38,972)	(369)
Net profit for the period	74,834	86,589	820
Attributable to:			
Owners of the Company	74,738	86,548	820
Non-controlling interests	96	41	0
Net profit for the period	74,834	86,589	820
Earnings per share (JPY and USD)			
Basic earnings per share	48.01	55.45	0.53
Diluted earnings per share	47.87	55.13	0.52

(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 six-month period ended September 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 = 105.58 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 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)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2019	2020	2020
Net profit for the period	74,834	86,589	820
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	(9,916)	31,352	297
Remeasurement of defined benefit pension plans	(4,612)	(2,759)	(26)
	(14,528)	28,593	271
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(181,983)	(31,403)	(297)
Cash flow hedges	(1,256)	(5,889)	(56)
Hedging cost	(67)	(13,544)	(128)
Share of other comprehensive income of investments accounted for using the equity method	3	97	(0)
	(183,303)	(50,739)	(481)
Other comprehensive loss for the period, net of tax	(197,831)	(22,146)	(210)
Total comprehensive income (loss) for the period	(122,997)	64,443	610
Attributable to:			
Owners of the Company	(123,114)	64,272	609
Non-controlling interests	117	171	2
Total comprehensive income (loss) for the period	(122,997)	64,443	610

(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 six-month period ended September 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 = 105.58 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 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 September 30, 2020	As of September 30, 2020
ASSETS			
Non-current assets:			
Property, plant and equipment	1,386,370	1,366,950	12,947
Goodwill	4,012,528	3,856,147	36,523
Intangible assets	4,171,361	3,878,257	36,733
Investments accounted for using the equity method	107,334	100,052	948
Other financial assets	262,121	249,550	2,364
Other non-current assets	103,846	100,226	949
Deferred tax assets	308,102	278,429	2,637
Total non-current assets	10,351,662	9,829,611	93,101
Current assets:			
Inventories	759,599	743,482	7,042
Trade and other receivables	757,005	753,985	7,141
Other financial assets	15,822	15,314	145
Income taxes receivable	27,916	15,821	150
Other current assets	114,196	111,215	1,053
Cash and cash equivalents	637,614	630,868	5,975
Assets held for sale	157,280	314,451	2,978
Total current assets	2,469,432	2,585,136	24,485
Total assets	12,821,094	12,414,747	117,586
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,506,487	4,631,418	43,866
Other financial liabilities	399,129	476,605	4,514
Net defined benefit liabilities	156,617	165,764	1,570
Income taxes payable	54,932	47,862	453
Provisions	37,605	32,374	307
Other non-current liabilities	52,793	47,719	452
Deferred tax liabilities	710,147	636,845	6,032
Total non-current liabilities	5,917,710	6,038,587	57,194
Current liabilities:			
Bonds and loans	586,817	276,616	2,620
Trade and other payables	318,816	272,778	2,584
Other financial liabilities	95,706	90,881	861
Income taxes payable	182,738	144,711	1,371
Provisions	405,245	457,566	4,334
Other current liabilities	499,386	447,085	4,235
Liabilities held for sale	87,190	20,024	190
Total current liabilities	2,175,898	1,709,661	16,193
Total liabilities	8,093,608	7,748,248	73,387

	JPY (millions)		USD (millions)(*)
	As of March 31, 2020	As of September 30, 2020	As of September 30, 2020
EQUITY			
Share capital	1,668,123	1,668,145	15,800
Share premium	1,680,287	1,668,872	15,807
Treasury shares	(87,463)	(59,565)	(564)
Retained earnings	1,369,972	1,337,065	12,664
Other components of equity	92,564	47,885	454
Equity attributable to owners of the company	4,723,483	4,662,402	44,160
Non-controlling interests	4,003	4,097	39
Total equity	4,727,486	4,666,499	44,199
Total liabilities and equity	12,821,094	12,414,747	117,586

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 105.58 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 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

Six-month period ended September 30, 2019 (From April 1 to September 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				74,738		
Other comprehensive income (loss)					(182,003)	(9,914)
Comprehensive income (loss) for the period	—	—	—	74,738	(182,003)	(9,914)
Transaction with owners:						
Issuance of new shares	24,507	24,507				
Acquisition of treasury shares			(52,737)			
Disposal of treasury shares		(0)	0			
Dividends				(140,836)		
Transfers from other components of equity				16,388		(21,000)
Share-based compensation		13,524				
Exercise of share-based awards		(22,122)	22,797			
Total transactions with owners	24,507	15,909	(29,940)	(124,448)	—	(21,000)
As of September 30, 2019	1,668,092	1,666,141	(87,082)	1,545,209	117,125	15,466

	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				—	74,738	96	74,834
Other comprehensive income (loss)	(1,256)	(67)	(4,612)	(197,852)	(197,852)	21	(197,831)
Comprehensive income (loss) for the period	(1,256)	(67)	(4,612)	(197,852)	(123,114)	117	(122,997)
Transaction with owners:							
Issuance of new shares				—	49,014		49,014
Acquisition of treasury shares				—	(52,737)		(52,737)
Disposal of treasury shares				—	0		0
Dividends				—	(140,836)	(153)	(140,989)
Transfers from other components of equity			4,612	(16,388)	—		—
Share-based compensation				—	13,524		13,524
Exercise of share-based awards				—	675		675
Total transactions with owners	—	—	4,612	(16,388)	(130,360)	(153)	(130,513)
As of September 30, 2019	1,703	1,345	—	135,639	4,927,999	3,970	4,931,969

Six-month period ended September 30, 2020 (From April 1 to September 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	—	—	—	86,548	—	—
Other comprehensive income (loss)	—	—	—	—	(31,402)	31,318
Comprehensive income (loss) for the period	—	—	—	86,548	(31,402)	31,318
Transaction with owners:						
Issuance of new shares	22	22	—	—	—	—
Acquisition of treasury shares	—	—	(2,135)	—	—	—
Disposal of treasury shares	—	(0)	2	—	—	—
Dividends	—	—	—	(141,858)	—	—
Transfers from other components of equity	—	—	—	22,403	—	(25,162)
Share-based compensation	—	18,098	—	—	—	—
Exercise of share-based awards	—	(29,535)	30,031	—	—	—
Total transactions with owners	22	(11,415)	27,898	(119,455)	—	(25,162)
As of September 30, 2020	1,668,145	1,668,872	(59,565)	1,337,065	60,446	29,047

	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		86,548	41	86,589
Other comprehensive income (loss)	(5,889)	(13,544)	(2,759)	(22,276)	(22,276)	130	(22,146)
Comprehensive income (loss) for the period	(5,889)	(13,544)	(2,759)	(22,276)	64,272	171	64,443
Transaction with owners:							
Issuance of new shares	0	0	0	—	44	0	44
Acquisition of treasury shares	0	0	0	—	(2,135)	0	(2,135)
Disposal of treasury shares	0	0	0	—	2	0	2
Dividends	0	0	0	—	(141,858)	(77)	(141,935)
Transfers from other components of equity	0	0	2,759	(22,403)	—	0	—
Share-based compensation	0	0	0	—	18,098	0	18,098
Exercise of share-based awards	0	0	0	—	496	0	496
Total transactions with owners	—	—	2,759	(22,403)	(125,353)	(77)	(125,430)
As of September 30, 2020	(28,619)	(12,989)	—	47,885	4,662,402	4,097	4,666,499

(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 six-month period ended September 30, 2019 were retrospectively adjusted.

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2019	2020	2020
Cash flows from operating activities:			
Net profit for the period	74,834	86,589	820
Depreciation and amortization	293,099	280,531	2,657
Impairment losses	18,557	8,303	79
Equity-settled share-based compensation	13,524	18,098	171
Change in estimate of liabilities related to SHP647	—	(60,179)	(570)
Loss on sales and disposal of property, plant and equipment	240	323	3
Gain on divestment of business and subsidiaries	(3,516)	(730)	(7)
Loss on liquidation of foreign operations	399	—	—
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	2,605	19,937	189
Finance (income) and expenses, net	81,898	81,092	768
Share of loss (profit) of investments accounted for using the equity method	(4,031)	8,935	85
Income tax expenses (benefit)	(43,668)	38,972	369
Changes in assets and liabilities:			
Increase in trade and other receivables	(53,938)	(1,542)	(15)
Decrease in inventories	61,129	3,010	29
Decrease in trade and other payables	(41,477)	(26,336)	(249)
Increase in provisions	47,591	41,490	393
Other, net	(15,575)	(26,377)	(250)
Cash generated from operations	431,671	472,116	4,472
Income taxes paid	(97,656)	(103,775)	(983)
Tax refunds and interest on tax refunds received	7,072	23,670	224
Net cash from operating activities	341,087	392,011	3,713
Cash flows from investing activities:			
Interest received	7,116	577	5
Dividends received	1,141	177	2
Acquisition of property, plant and equipment	(55,083)	(50,479)	(478)
Proceeds from sales of property, plant and equipment	69	38,535	365
Acquisition of intangible assets	(21,354)	(30,413)	(288)
Acquisition of investments	(3,946)	(6,219)	(59)
Proceeds from sales and redemption of investments	40,582	50,650	480
Acquisition of businesses, net of cash and cash equivalents acquired	(4,580)	—	—
Proceeds from sales of business, net of cash and cash equivalents divested	375,536	31,400	297
Other, net	(9,067)	(6,004)	(57)
Net cash from investing activities	330,414	28,224	267

	JPY (millions)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2019	2020	2020
Cash flows from financing activities:			
Net decrease in short-term loans and commercial papers	(461,371)	(89,917)	(852)
Proceeds from issuance of bonds and long-term loans	496,190	1,179,515	11,172
Repayments of bonds and long-term loans	(623,119)	(1,265,629)	(11,987)
Payments for settlement of forward rate agreement related to bonds	—	(34,830)	(330)
Acquisition of treasury shares	(3,724)	(2,135)	(20)
Interest paid	(61,039)	(47,562)	(450)
Dividends paid	(140,811)	(141,754)	(1,343)
Acquisition of non-controlling interests	(1,700)	—	—
Repayments of lease liabilities	(14,624)	(15,779)	(149)
Other, net	(1,472)	(119)	(1)
Net cash used in financing activities	(811,670)	(418,210)	(3,961)
Net increase (decrease) in cash and cash equivalents	(140,169)	2,025	19
Cash and cash equivalents at the beginning of the year			
(Consolidated statements of financial position)	702,093	637,614	6,039
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	6,039
Effects of exchange rate changes on cash and cash equivalents	(19,036)	(8,570)	(81)
Cash and cash equivalents at the end of the period	543,517	631,069	5,977
Cash and cash equivalents reclassified to assets held for sale	—	(201)	(2)
Cash and cash equivalents at the end of the period			
(Consolidated statements of financial position)	543,517	630,868	5,975

(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 six-month period ended September 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 = 105.58 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 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.

Supplementary Information

1. Pipeline

I. Clinical Development Activities

- The following table lists the pipeline assets that we are developing as of October 29, 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	Filed (October 2020)
<ponatinib> *ICLUSIG* (U.S.)	BCR-ABL inhibitor (oral)	Label update for the treatment of patients with Chronic Myeloid Leukemia and Philadelphia chromosome-positive Acute Lymphoblastic Leukemia based on the interim analysis of the OPTIC trial in CML patients and adjudicated data from PACE trial in CML and Ph+ ALL patients	U.S.	Filed (August 2020)
		Front line Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	U.S.	P-III
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[*3]	CD19 CAR-NK (injection)	Relapsed/refractory B-cell malignancies	-	P-I/II
TAK-102[*4]	GPC3 CAR-T (injection)	Solid tumors	-	P-I
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-605	Oncolytic virus (intra-tumoral administration)	Solid tumors	-	P-I
TAK-676	STING agonist (injection)	Solid tumors	-	P-I
TAK-940[*7]	CD19 1XX CAR-T (injection)	Relapsed/refractory B-cell malignancies	-	P-I
TAK-981	SUMO inhibitor (injection)	Multiple cancers	-	P-I
TAK-252 / SL-279252[*8]	PD-1-Fc-OX40L (injection)	Solid tumors or lymphomas	-	P-I

*1 Partnership with Seagen
*2 Partnership with Exelixis, Inc.
*3 Partnership with The University of Texas MD Anderson Cancer Center
*4 Partnership with Noile-Immune Biotech
*5 Partnership with Molecular Templates
*6 Partnership with Teva Pharmaceutical Industries Ltd.
*7 Partnership with Memorial Sloan Kettering
*8 Partnership with Shattuck Labs, Inc.

Additions since FY2020 Q1: TAK-102 for Solid tumors (P-I)
TAK-676 for Solid tumors (P-I)
TAK-940 for Relapsed/refractory B-cell malignancies (P-I)

Removals since FY2020 Q1: Niraparib for ovarian cancer maintenancefollowing 1L or 2L, salvage (Japan, approved September 2020)

- **Rare Genetic and Hematology 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
		Bradykinin-Mediated 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-079*4 <mezagitamab>	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*5

*1 Partnership with Ipsen
*2 Partnership with KM Biologics for coexclusive license for commercialization in Japan only
*3 Partnership with GlaxoSmithKline
*4 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 FY20
*5 P-I study in Japan completed; P-III study start timing under review.

Additions since FY2020 Q1: TAK-743 for Bradykinin-mediated angioedema (Global, P-III)

Removals since FY2020 Q1: TAK-754 for Hemophilia A (P-I/II discontinued)

- **Neuroscience Pipeline**

Development code <generic name> Brand name (country/region)	**Drug Class (administration route)**	**Indications / additional formulations**	**Stage**	
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)	Anhedonia 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 FY2020 Q1: TAK-815 for status epilepticus (seizures) (Japan, approved September 2020)

- **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 (December 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	Filed (October 2020)
		Short bowel syndrome (in adults)	Japan	Filed (October 2020)
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 <sibofimloc>	FimH antagonist (oral)	Crohn's disease (post-operative and ileitis)	-	P-II(a)
TAK-951	Peptide agonist (sub-cutaneous)	Post-operative nausea and vomiting	-	P-II
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 device. In August 2020, Takeda had a productive meeting with the FDA to review the Company's latest data and to seek guidance on additional data needs required to support the approval of vedolizumab SC. During the meeting, Takeda gained clarity on data needs for the device, and is moving forward to address

them. Continued testing of the device will take time, and as a result, Takeda expects to potentially launch vedolizumab SC for moderate to severe ulcerative colitis in the U.S. in 2022, pending FDA approval.

- **Plasma-Derived Therapies Pipeline**

Development code <generic name> Brand name (country/region)	Drug Class (administration route)	Indications / additional formulations	Stage	
CoVIg-19*1	Hyperimmune globulin to SARS-CoV-2 (injection)	Treatment of adult hospitalized patients at onset of clinical progression of COVID-19	U.S. EU Japan	P-III P-III P-III
TAK-664 CUVITRU (U.S., EU)	Immunoglobulin 20% [human] (subcutaneous)	Primary immunodeficiencies	Japan	P-III
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 Collaboration with CoVIg-19 Plasma Alliance. Takeda's CoVIg-19 product is under investigation in the Inpatient Treatment With Anti-Coronavirus Immunoglobulin (ITAC) trial. ITAC is sponsored and funded by the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health.
*2 Partnership with Halozyme
Additions from FY2020 Q1: CoVIg-19 for Treatment of adult hospitalized patients at onset of clinical progression of COVID-19 (U.S., EU, Japan, P-III)
TAK-664 for Primary immunodeficiencies (Japan, P-III)
Removals since FY2020 Q1: TAK-616 for Hereditary angioedema (Japan, P-III discontinued)

- **Vaccines Pipeline**

Development code Brand name (country/region)	Type of vaccine (administration route)	Indications / additional formulations	Stage	
TAK-003	Tetravalent dengue vaccine (injection)	Active immunization for the prevention of dengue in subjects 4-60 years of age, regardless of serostatus (i.e. previous dengue virus exposure) or dengue serotype	-	P-III
TAK-214	Norovirus vaccine (injection)	Active immunization for the prevention of acute gastroenteritis caused by norovirus	-	P-II(b)
TAK-426*1	Zika vaccine (injection)	Active immunization for the prevention of disease caused by Zika virus	-	P-I

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

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
<niraparib>	Ovarian cancer maintenance following 1L or 2L, salvage	Japan	Approved (September 2020)
TAK-815 <midazolam>	Status epilepticus (seizures)	Japan	Approved (September 2020)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Secondary immunodeficiencies	EU	Approved (September 2020)
<ponatinib>	Label update for the treatment of patients with Chronic Myeloid Leukemia and Philadelphia chromosome-positive Acute Lymphoblastic Leukemia based on the interim analysis of the OPTIC trial in CML patients and adjudicated data from PACE trial in CML and Ph+ ALL patients	U.S.	Filed (August 2020)
<cabozantinib>	1L Renal cell carcinoma in combination with nivolumab	Japan	Filed (October 2020)
TAK-633 <teduglutide>	Short bowel syndrome (pediatric indication)	Japan	Filed (October 2020)
	Short bowel syndrome (in adults)	Japan	Filed (October 2020)
CoVIg-19	Treatment of adult hospitalized patients at onset of clinical progression of COVID-19	U.S. EU Japan	P-III P-III P-III
TAK-664 <Immunoglobulin 20% [human]>	Primary immunodeficiencies	Japan	P-III
TAK-743 <lanadelumab>	Bradykinin-Mediated Angioedema	Global	P-III
TAK-951	Post-operative nausea and vomiting	-	P-II
TAK-102	Solid tumors	-	P-I
TAK-605	Solid tumors	-	P-I
TAK-676	Solid tumors	-	P-I
TAK-940	Relapsed/refractory B-cell malignancies	-	P-I

Progress in stage disclosed since the announcement of FY2020 Q1 results (July 31, 2020) are listed under the bold dividing line

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.
TAK-616	Hereditary angioedema (Japan, P-III)	Termination based on the withdrawal of orphan drug designation by the Japanese Ministry of Health Labour and Welfare
TAK-754	Hemophilia A	Suspended enrollment and team is assessing most appropriate path forward for this program

Updates disclosed since the announcement of FY2020 Q1 results (July 31, 2020) are listed under the bold dividing line

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	Switzer-land	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.
Seagen	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 Genetic and Hematology**

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.
Arrowhead Pharmaceuticals‡	U.S.	Collaboration and licensing agreement to develop TAK-999 (ARO-AAT), a Phase 2 investigational RNA interference (RNAi) therapy in development to treat alpha-1 antitrypsin-associated liver disease (AATLD). ARO-AAT is a potential first-in-class therapy designed to reduce the production of mutant alpha-1 antitrypsin protein, the cause of AATLD progression.
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.
Engitix ‡	U.K.	Collaboration and licensing agreement to utilize Engitix's liver fibrosis platform to conduct research activities and to nominate, confirm, and validate potential targets against which Takeda may advance new therapeutic programs.
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.

‡ Executed since April 1, 2020

- **Plasma Derived Therapies**

Partner	Country	Subject
CoVig-19 Plasma Alliance‡	-	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 a non-branded hyperimmune globulin medicine (CoVIg-19) with the potential to treat hospitalized adult patients with 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; work on post market commitments 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, for the U.S. with the option to use data generated for filing also in affected regions around the world.
Novavax‡	Japan	Partnership for the development, manufacturing and commercialization of TAK-019 (NVX-CoV2373), Novavax' COVID-19 vaccine candidate, in Japan., which is being funded by the Government of Japan's Ministry of Health, Labour and Welfare.
Zydus Cadila	India	Partnership to develop TAK-507, a Chikungunya vaccine candidate, to tackle an emerging and neglected infectious disease in the world.

‡ Executed since April 1, 2020

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://clinicaltrials.takeda.com/) and clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (https://www.takeda.com/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 Q2 YTD	Reported FY20 Q2 YTD	Reported YOY		Underlying YOY
Total Revenue	1,660.2	1,590.8	-69.4	-4.2%	0.5%
Japan	299.4	282.4	-17.1	-5.7%	-4.8%
% of revenue	18.0%	17.8%	-0.3pt		
United States	805.9	786.1	-19.7	-2.4%	0.7%
% of revenue	48.5%	49.4%	0.9pt		
Europe and Canada	321.8	327.2	5.3	1.7%	3.7%
% of revenue	19.4%	20.6%	1.2pt		
Growth and Emerging Markets	233.0	195.1	-37.9	-16.3%	2.0%
% of revenue	14.0%	12.3%	-1.8pt		
Russia/CIS	36.9	21.7	-15.2	-41.3%	-2.7%
% of revenue	2.2%	1.4%	-0.9pt		
Latin America	75.8	59.0	-16.8	-22.2%	3.6%
% of revenue	4.6%	3.7%	-0.9pt		
Asia	83.9	78.3	-5.6	-6.6%	-4.8%
% of revenue	5.1%	4.9%	-0.1pt		
Other	36.5	36.2	-0.3	-0.8%	17.4%
% of revenue	2.2%	2.3%	0.1pt		
Of which royalty / service income	47.1	46.3	-0.9	-1.8%	

*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

	Reported											
	FY19				FY20							
(Bn JPY)	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%	788.9	-2.7%				
Japan	152.3	147.1	168.0	125.4	144.0	-5.4%	138.3	-6.0%				
% of revenue	17.9%	18.1%	19.5%	16.2%	18.0%		17.5%					
United States	415.7	390.2	409.8	380.3	402.6	-3.1%	383.5	-1.7%				
% of revenue	49.0 %	48.1 %	47.7 %	49.3 %	50.2 %		48.6 %					
Europe and Canada	165.2	156.6	161.7	162.0	157.6	-4.6%	169.6	8.3%				
% of revenue	19.5 %	19.3 %	18.8 %	21.0 %	19.6 %		21.5 %					
Growth and Emerging Markets	115.9	117.2	119.8	104.1	97.6	-15.7%	97.5	-16.8%				
% of revenue	13.6 %	14.4 %	13.9 %	13.5 %	12.2 %		12.4 %					
Russia/CIS	19.0	17.9	22.4	17.6	13.0	-31.4%	8.6	-51.8%				
% of revenue	2.2 %	2.2 %	2.6 %	2.3 %	1.6 %		1.1 %					
Latin America	37.4	38.4	35.9	31.7	30.8	-17.7%	28.2	-26.6%				
% of revenue	4.4 %	4.7 %	4.2 %	4.1 %	3.8 %		3.6 %					
Asia	41.0	42.9	43.4	38.1	36.9	-10.0%	41.4	-3.5%				
% of revenue	4.8 %	5.3 %	5.1 %	4.9 %	4.6 %		5.2 %					
Other	18.5	18.0	18.1	16.7	16.9	-8.4%	19.3	6.9%				
% of revenue	2.2 %	2.2 %	2.1 %	2.2 %	2.1 %		2.4 %					
Of which royalty / service income	27.1	20.0	19.0	20.9	18.1	-33.4%	28.2	40.8%				

*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)

- Year to date

(Bn JPY)	Reported FY19 Q2YTD	Reported FY20 Q2YTD	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
GI	**341.6**	**379.8**	**11.2%**	**224.4**	**11.8%**	**43.7**	**14.6%**	**75.7**	**17.0%**	**28.8**	**-4.2%**	**7.2**	**-9.4%**
ENTYVIO	168.4	207.0	22.9%	143.1	21.6%	4.0	59.0%	51.5	23.7%	8.3	26.4%		
DEXILANT	31.1	28.4	-8.7%	17.8	-14.1%	—	—	4.2	12.0%	6.4	-3.6%		
pantoprazole	24.4	21.5	-12.1%	1.0	-19.4%	—	—	11.4	1.8%	9.1	-24.3%		
TAKECAB-F *3	35.0	40.0	14.2%	—	—	39.3	13.1%	—	—	0.6	191.0%		
GATTEX/REVESTIVE	29.3	33.2	13.5%	28.6	14.1%	—	—	4.2	4.4%	0.4	120.3%		
PENTASA	13.0	11.7	-10.2%	11.7	-10.2%	—	—	—	—	—	—		
LIALDA/MEZAVANT *1	12.2	11.5	-6.4%	4.3	-0.8%							7.2	-9.4%
AMITIZA	15.1	12.4	-17.7%	12.2	-18.2%			—	-100.0%	0.2	46.5%		
RESOLOR/MOTEGRITY	2.7	5.0	85.9%	3.4	216.5%	—	—	1.5	-3.0%	0.1	-25.5%		
Other	10.3	9.3	-10.4%	2.2	-14.3%	0.3	-60.0%	3.0	12.9%	3.8	-12.7%		
Rare Diseases	**327.7**	**295.4**	**-9.9%**	**137.5**	**-8.2%**	**15.7**	**-0.9%**	**69.1**	**-8.1%**	**48.1**	**-21.8%**	**25.0**	**-1.9%**
Rare Metabolic	**92.1**	**79.6**	**-13.5%**	**17.9**	**-37.8%**	**1.4**	**-4.8%**	**20.8**	**-1.7%**	**14.6**	**-4.6%**	**25.0**	**-1.9%**
ELAPRASE	35.5	34.3	-3.4%	10.2	5.3%	0.8	6.3%	12.2	-3.5%	11.1	-10.8%		
REPLAGAL *1	25.5	25.0	-1.9%	—	—							25.0	-1.9%
VPRIV	18.7	18.8	0.8%	7.8	-2.7%	0.7	-15.4%	7.0	-2.8%	3.4	24.5%		
NATPARA	12.4	1.5	-87.8%	-0.1	—	—	—	1.6	21.3%	0.0	-46.1%		
Rare Hematology	**175.3**	**142.8**	**-18.6%**	**61.5**	**-15.0%**	**13.5**	**-3.7%**	**36.3**	**-18.1%**	**31.5**	**-29.4%**		
ADVATE	83.2	63.4	-23.8%	30.8	-13.6%	3.4	-16.8%	16.4	-30.2%	12.8	-36.0%		
ADYNOVATE *6	29.7	29.5	-0.6%	13.1	-16.3%	7.9	5.1%	6.7	28.8%	1.8	37.6%		
FEIBA *2	27.8	20.6	-26.1%	5.0	0.0%	0.5	-49.6%	5.3	-30.8%	9.8	-31.2%		
HEMOFIL/IMMUNATE/ IMMUNINE*2	12.1	9.4	-22.8%	1.8	-28.2%	—	—	2.6	-19.8%	5.0	-22.2%		
Other PDT Products *2 *6	1.8	1.7	-5.6%	-0.0	98.8%	—	—	1.4	-3.4%	0.2	-19.8%		
Other	20.6	18.3	-11.5%	10.8	-20.3%	1.7	15.9%	4.0	17.2%	1.8	-19.8%		
Hereditary Angioedema	**60.3**	**72.9**	**20.9%**	**58.1**	**19.3%**	**0.8**	**139.7%**	**12.0**	**23.9%**	**2.0**	**26.0%**		
FIRAZYR	15.3	15.1	-0.7%	9.1	2.7%	0.8	139.7%	3.9	-13.8%	1.3	-10.1%		
TAKHZYRO	30.7	43.7	42.6%	38.1	31.7%	—	—	5.3	197.8%	0.4	5,788.9%		
KALBITOR	2.4	2.0	-16.0%	2.0	-15.9%	—	—	—	-100.0%	—	—		
CINRYZE *2	12.0	12.0	0.1%	8.9	4.5%	—	—	2.8	-15.7%	0.3	141.9%		

*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

*6 From FY2020, 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 (FY2019).

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 FY19 Q2YTD	Reported FY20 Q2YTD	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
PDT Immunology	**194.7**	**205.9**	**5.8%**	**141.7**	**10.5%**							**64.2**	**-3.3%**
immunoglobulin *2	146.5	162.7	11.0%	124.0	13.1%							38.7	5.0%
albumin *2	34.1	28.6	-16.1%	6.3	-20.5%							22.3	-14.8%
Other *2 *6	14.1	14.7	3.8%	11.4	6.8%							3.3	-5.4%
Oncology	**214.8**	**210.0**	**-2.2%**	**100.7**	**-9.8%**	**41.5**	**7.1%**	**36.7**	**9.4%**	**26.4**	**17.0%**	**4.8**	**-42.5%**
VELCADE *1	63.6	50.0	-21.4%	47.6	-16.7%							2.4	-62.6%
leuprorelin	56.6	49.9	-12.0%	5.9	-52.5%	20.2	-2.0%	15.5	2.6%	8.3	-3.1%		
NINLARO	38.3	44.4	15.9%	29.8	12.2%	2.4	-4.1%	6.5	17.2%	5.7	53.6%		
ADCETRIS	25.8	30.6	18.7%			5.6	43.6%	13.2	14.2%	11.7	18.7%		
ICLUSIG *1	14.7	16.8	14.8%	14.5	12.7%							2.4	29.0%
ALUNBRIG	3.4	4.3	27.4%	2.9	22.4%	—	—	1.0	24.1%	0.4	117.1%		
VECTIBIX	11.6	11.9	2.6%	—	—	11.9	2.6%						
Other	0.9	2.2	145.9%	—	-100.0%	1.3	—	0.6	-4.7%	0.4	27.5%		
Neuroscience	**213.9**	**207.8**	**-2.8%**	**160.1**	**-4.2%**	**19.5**	**-5.3%**	**24.6**	**7.5%**	**3.6**	**7.2%**		
VYVANSE	131.5	132.6	0.8%	113.0	-0.2%	—	—	16.3	8.0%	3.3	2.9%		
TRINTELLIX	34.6	35.0	0.9%	34.3	-0.9%	0.6	—			0.0	—		
ADDERALL XR	10.6	9.0	-15.5%	8.2	-16.5%	—	—	0.8	-3.5%	—	—		
ROZEREM	8.7	5.9	-31.6%	0.1	-96.3%	5.8	3.7%	—	—	0.0	172.8%		
REMINYL *5	9.0	5.5	-38.7%	—	—	5.5	-38.7%	0.0	-17.9%	—	—		
INTUNIV	8.0	9.0	11.9%	0.5	-37.5%	4.2	18.8%	4.0	12.2%	0.2	168.0%		
Other	11.4	10.8	-5.4%	4.0	-27.8%	3.3	35.2%	3.4	3.0%	0.0	-77.0%		
Other	**367.5**	**291.9**	**-20.6%**										
AZILVA-F *3	38.7	39.9	3.2%	—	—	39.9	3.2%	—	—	—	—		
NESINA-F *3	28.6	29.0	1.4%	4.2	32.1%	14.0	-1.9%	5.4	0.6%	5.5	-6.2%		
ULORIC	14.1	1.4	-90.2%	1.2	-91.2%			0.1	-65.7%	0.1	-64.8%		
COLCRYS	13.1	4.3	-67.5%	4.3	-67.5%	—	—	—	—	0.0	—		
LOTRIGA	16.0	15.7	-1.9%	—	—	15.7	-1.9%	—	—	—	—		

*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 From FY2020, 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 (FY2019).

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

- Quarterly
  - Q1

(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%			—	-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%	-0.0	—	—	—	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 From FY2020, 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 (FY2019).

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.

■ Q1

(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%	—	-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 From FY2020, 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 (FY2019).

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

■ Q2

(Bn JPY)	Reported FY19Q2	Reported FY20Q2	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
GI	**169.9**	**192.9**	**13.5%**	**110.7**	**11.3%**	**21.6**	**18.2%**	**41.1**	**25.2%**	**15.9**	**3.0%**	**3.7**	**-8.8%**
ENTYVIO	84.5	105.7	25.1%	71.6	22.3%	2.0	33.8%	27.4	29.9%	4.7	39.4%		
DEXILANT	15.3	14.8	-3.1%	9.1	-8.1%	—	—	2.3	20.8%	3.4	-2.2%		
pantoprazole	12.8	12.3	-4.2%	0.6	-42.9%	—	—	6.5	10.9%	5.2	-12.6%		
TAKECAB-F *3	16.7	19.7	18.3%	—	—	19.4	17.2%	—	—	0.3	142.9%		
GATTEX/REVESTIVE	14.1	15.7	11.4%	13.2	9.4%	—	—	2.3	16.8%	0.2	207.0%		
PENTASA	6.5	5.5	-14.9%	5.5	-14.9%	—	—	—	—	—	—		
LIALDA/MEZAVANT *1	6.7	5.9	-11.1%	2.3	-14.6%							3.7	-8.8%
AMITIZA	7.3	6.2	-15.6%	6.0	-16.8%			—	-100.0%	0.1	108.9%		
RESOLOR/MOTEGRITY	1.3	2.2	70.6%	1.4	159.4%	—	—	0.8	8.8%	0.0	-41.7%		
Other	4.7	4.7	1.0%	0.9	-2.5%	0.2	-20.1%	1.8	42.9%	1.8	-18.9%		
Rare Diseases	**158.9**	**140.4**	**-11.7%**	**63.4**	**-11.0%**	**8.0**	**2.8%**	**34.6**	**-4.8%**	**21.6**	**-30.2%**	**12.8**	**1.7%**
Rare Metabolic	**43.2**	**39.7**	**-8.1%**	**9.0**	**-29.2%**	**0.7**	**-5.2%**	**10.7**	**5.2%**	**6.6**	**-7.0%**	**12.8**	**1.7%**
ELAPRASE	16.7	16.7	-0.1%	5.2	8.4%	0.3	5.1%	6.3	2.6%	4.9	-10.9%		
REPLAGAL *1	12.6	12.8	1.7%	—	—							12.8	1.7%
VPRIV	9.4	9.5	0.5%	3.9	-2.7%	0.3	-13.7%	3.5	3.0%	1.7	7.0%		
NATPARA	4.5	0.8	-82.9%	-0.2	—	—	—	0.9	41.1%	0.0	-41.4%		
Rare Hematology	**87.2**	**66.1**	**-24.3%**	**28.1**	**-22.2%**	**6.9**	**0.1%**	**17.2**	**-19.2%**	**13.8**	**-39.6%**		
ADVATE	40.5	29.8	-26.5%	13.9	-22.9%	1.7	-15.1%	8.2	-24.8%	6.0	-37.8%		
ADYNOVATE *6	15.2	14.2	-6.6%	5.8	-27.6%	4.1	10.4%	3.3	20.7%	1.0	38.6%		
FEIBA *2	14.8	7.7	-47.9%	2.6	12.6%	0.2	-56.3%	2.0	-43.3%	2.9	-65.6%		
HEMOFIL/IMMUNATE/IMMUNINE*2	5.6	4.9	-11.5%	1.0	-13.7%	—	—	1.0	-35.0%	2.9	1.5%		
Other PDT Products *2 *6	0.8	0.8	1.7%	-0.0	99.8%	—	—	0.7	2.4%	0.1	-22.6%		
Other	10.3	8.6	-16.8%	4.8	-27.7%	0.9	27.2%	2.0	5.0%	1.0	-16.8%		
Hereditary Angioedema	**28.5**	**34.6**	**21.6%**	**26.3**	**17.2%**	**0.4**	**147.8%**	**6.7**	**36.9%**	**1.2**	**24.8%**		
FIRAZYR	6.3	7.1	12.2%	3.9	27.8%	0.4	147.8%	2.1	-8.9%	0.7	-13.9%		
TAKHZYRO	16.2	20.5	26.5%	17.0	11.5%	—	—	3.2	230.3%	0.3	4,451.0%		
KALBITOR	1.3	0.9	-25.9%	0.9	-25.8%	—	—	—	-100.0%	—	—		
CINRYZE *2	4.7	6.1	30.2%	4.6	54.6%	—	—	1.4	-14.2%	0.1	39.9%		

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*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 From FY2020, 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 (FY2019).

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.

■ Q2

(Bn JPY)	Reported FY19Q2	Reported FY20Q2	Reported YOY	US	YOY	Japan	YOY	EUCAN	YOY	GEM*4	YOY	Ex-US	YOY
PDT Immunology	**102.9**	**100.6**	**-2.2%**	**67.4**	**-4.1%**							**33.3**	**1.9%**
immunoglobulin *2	78.5	77.6	-1.2%	57.9	-6.1%							19.7	16.8%
albumin *2	17.9	15.6	-13.0%	3.7	0.6%							11.9	-16.4%
Other *2 *6	6.5	7.5	14.6%	5.8	16.7%							1.7	7.7%
Oncology	**108.4**	**102.1**	**-5.8%**	**50.6**	**-12.4%**	**17.9**	**-5.2%**	**18.3**	**9.0%**	**13.0**	**15.3%**	**2.3**	**-37.4%**
VELCADE *1	31.9	25.8	-19.0%	24.5	-15.7%							1.3	-53.7%
leuprorelin	28.3	22.5	-20.6%	3.8	-46.6%	7.5	-22.2%	7.2	-0.7%	4.0	-7.8%		
NINLARO	20.0	21.4	7.2%	14.2	2.0%	1.2	-2.0%	3.1	11.4%	2.9	41.8%		
ADCETRIS	13.0	15.5	19.0%			2.8	38.1%	7.1	17.9%	5.6	21.9%		
ICLUSIG *1	7.0	7.6	8.3%	6.6	7.3%							1.0	15.0%
ALUNBRIG	1.7	2.3	32.7%	1.5	25.6%	—	—	0.5	37.9%	0.2	99.1%		
VECTIBIX	6.0	5.7	-4.8%			5.7	-4.8%						
Other	0.5	1.3	180.5%	—	-100.0%	0.7	—	0.3	4.1%	0.2	62.6%		
Neuroscience	**102.0**	**100.9**	**-1.0%**	**79.9**	**0.5%**	**7.0**	**-31.2%**	**13.0**	**17.8%**	**1.1**	**-18.5%**		
VYVANSE	62.7	66.6	6.2%	57.1	5.3%	—	—	8.6	19.1%	0.9	-27.4%		
TRINTELLIX	17.2	18.1	5.0%	17.7	3.0%	0.3	—			0.0	—		
ADDERALL XR	4.9	3.7	-24.5%	3.3	-25.0%	—	—	0.4	-20.2%	—	—		
ROZEREM	3.6	2.9	-18.3%	0.1	-88.1%	2.8	2.1%	—	—	0.0	164.0%		
REMINYL *5	4.2	1.3	-68.9%	—	—	1.3	-69.1%	0.0	-12.6%	—	—		
INTUNIV	4.0	3.3	-15.7%	0.1	-36.0%	1.0	-51.5%	2.1	22.9%	0.1	375.9%		
Other	5.3	5.0	-7.4%	1.4	-43.0%	1.6	32.3%	2.0	18.0%	0.0	-70.4%		
Other	**168.9**	**152.0**	**-10.0%**										
AZILVA-F *3	18.2	19.1	4.5%	—	—	19.1	4.5%	—	—	—	—		
NESINA-F *3	14.0	13.6	-3.5%	1.8	15.1%	6.6	-1.5%	2.5	-4.1%	2.6	-16.6%		
ULORIC	1.8	0.5	-72.2%	0.4	-72.6%			0.1	-60.5%	0.0	-79.6%		
COLCRYS	6.0	1.1	-81.4%	1.1	-81.4%	—	—	—	—	0.0	—		
LOTRIGA	7.2	7.6	5.3%	—	—	7.6	5.3%	—	—	—	—		

*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 From FY2020, 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 (FY2019).

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 (Reported & Underlying Growth)

(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%	192.9	13.5%	15.3%	14.5%								
ENTYVIO	83.9	84.5	95.1	83.7	101.2	20.7%	25.5%	105.7	25.1%	26.1%	25.8%								
DEXILANT	15.8	15.3	16.9	14.8	13.6	-14.0%	-7.2%	14.8	-3.1%	2.5%	-2.4%								
pantoprazole	11.6	12.8	13.9	11.1	9.2	-20.9%	-9.8%	12.3	-4.2%	2.4%	-3.3%								
TAKECAB-F *2	18.3	16.7	20.7	17.1	20.2	10.6%	10.7%	19.7	18.3%	18.4%	14.4%								
GATTEX/REVESTIVE	15.1	14.1	17.7	14.9	17.5	15.5%	19.2%	15.7	11.4%	12.7%	16.0%								
PENTASA	6.5	6.5	7.2	5.4	6.2	-5.6%	-3.0%	5.5	-14.9 %	-13.6%	-8.3%								
LIALDA/MEZAVANT	5.6	6.7	6.0	5.2	5.5	-0.8%	3.6%	5.9	-11.1%	-10.7%	-4.3%								
AMITIZA	7.8	7.3	7.0	6.0	6.3	-19.6%	-17.2%	6.2	-15.6%	-14.1%	-15.6%								
RESOLOR/MOTEGRITY	1.4	1.3	2.0	1.9	2.7	100.4%	105.3%	2.2	70.6%	68.6%	87.1%								
Other	5.6	4.7	5.1	4.8	4.5	-19.8%	-16.3%	4.7	1.0%	0.9%	-8.4%								
Rare Diseases	**168.8**	**158.9**	**157.7**	**149.4**	**155.0**	**-8.2%**	**-2.0%**	**140.4**	**-11.7%**	**-8.8%**	**-5.3%**								
Rare Metabolic	**48.9**	**43.2**	**40.2**	**38.5**	**39.9**	**-18.3%**	**-9.9%**	**39.7**	**-8.1%**	**-2.7%**	**-6.4%**								
ELAPRASE	18.8	16.7	16.8	15.6	17.6	-6.4%	1.2%	16.7	-0.1%	7.2%	4.1%								
REPLAGAL	12.9	12.6	13.1	12.7	12.2	-5.4%	6.5%	12.8	1.7%	5.6%	6.1%								
VPRIV	9.3	9.4	9.7	9.6	9.3	1.0%	9.5%	9.5	0.5%	4.8%	7.1%								
NATPARA	7.9	4.5	0.6	0.6	0.7	-90.7%	-89.8%	0.8	-82.9%	-82.5%	-87.1%								
Rare Hematology	**88.1**	**87.2**	**83.8**	**75.0**	**76.8**	**-12.9%**	**-7.0%**	**66.1**	**-24.3%**	**-22.2%**	**-14.7%**								
ADVATE	42.7	40.5	39.9	34.8	33.7	-21.3%	-14.5%	29.8	-26.5%	-23.7%	-19.0%								
ADYNOVATE *3	14.5	15.2	15.1	13.9	15.3	5.7%	9.4%	14.2	-6.6%	-6.5%	1.2%								
FEIBA *1	13.1	14.8	11.7	11.9	12.9	-1.5%	5.4%	7.7	-47.9%	-46.3%	-22.5%								
HEMOFIL/IMMUNATE/ IMMUNINE*1	6.6	5.6	5.8	4.4	4.4	-32.5%	-26.1%	4.9	-11.5%	-3.6%	-15.6%								
Other PDT Products *1*3	1.0	0.8	1.1	0.8	0.9	-11.5%	-5.0%	0.8	1.7%	-0.6%	-3.0%								
Other	10.3	10.3	10.2	9.3	9.7	-6.2%	-2.5%	8.6	-16.8%	-16.1%	-9.4%								
Hereditary Angioedema	**31.9**	**28.5**	**33.7**	**35.8**	**38.3**	**20.2%**	**24.5%**	**34.6**	**21.6%**	**23.1%**	**23.8%**								
FIRAZYR	9.0	6.3	7.5	9.9	8.1	-9.8%	-4.7%	7.1	12.2%	15.4%	3.8%								
TAKHZYRO	14.5	16.2	18.2	19.4	23.2	60.7%	65.8%	20.5	26.5%	27.9%	45.5%								
KALBITOR	1.1	1.3	1.1	1.0	1.1	-4.4%	-1.6%	0.9	-25.9%	-25.0%	-14.3%								
CINRYZE *1	7.3	4.7	6.9	5.4	5.9	-19.2%	-16.0%	6.1	30.2%	30.4%	2.5%								

*1 PDT products

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

*3 From FY2020, 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 (FY2019).

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.

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(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%**	**100.6**	**-2.2%**	**-0.4%**	**8.8%**								
immunoglobulin *1	68.0	78.5	78.9	73.3	85.1	25.2%	29.8%	77.6	-1.2%	0.9%	14.2%								
albumin *1	16.1	17.9	15.7	17.5	13.0	-19.6%	-14.3%	15.6	-13.0%	-11.8%	-13.0%								
Other *1 *3	7.6	6.5	7.3	6.8	7.2	-5.5%	-2.7%	7.5	14.6%	16.1%	6.1%								
Oncology	**106.5**	**108.4**	**103.1**	**103.0**	**108.0**	**1.4%**	**5.4%**	**102.1**	**-5.8%**	**-4.5%**	**0.3%**								
VELCADE	31.7	31.9	27.2	27.5	24.2	-23.7%	-21.4%	25.8	-19.0%	-17.9%	-19.6%								
leuprorelin	28.4	28.3	26.0	26.4	27.4	-3.4%	-1.1%	22.5	-20.6%	-20.6%	-10.9%								
NINLARO	18.3	20.0	19.8	19.5	22.9	25.4%	31.0%	21.4	7.2%	8.8%	19.2%								
ADCETRIS	12.7	13.0	13.7	13.2	15.1	18.4%	31.1%	15.5	19.0%	25.2%	28.1%								
ICLUSIG	7.6	7.0	8.2	9.0	9.2	20.7%	24.2%	7.6	8.3%	9.8%	17.2%								
ALUNBRIG	1.7	1.7	1.8	2.1	2.0	21.9%	26.4%	2.3	32.7%	33.7%	30.2%								
VECTIBIX	5.6	6.0	6.0	4.9	6.2	10.6%	10.6%	5.7	-4.8%	-4.8%	2.6%								
Other	0.4	0.5	0.4	0.4	0.9	110.9%	14.7%	1.3	180.5%	36.3%	26.1%								
Neuroscience	**111.9**	**102.0**	**116.7**	**108.0**	**106.9**	**-4.5%**	**-0.8%**	**100.9**	**-1.0%**	**0.2%**	**-0.4%**								
VYVANSE	68.8	62.7	75.3	67.3	66.0	-4.1%	0.3%	66.6	6.2%	7.7%	3.9%								
TRINTELLIX	17.4	17.2	19.7	16.4	16.9	-3.1%	-0.3%	18.1	5.0%	6.4%	3.1%								
ADDERALL XR	5.7	4.9	4.4	9.3	5.3	-7.7%	-4.4%	3.7	-24.5%	-23.1%	-13.2%								
ROZEREM	5.1	3.6	3.1	2.7	3.0	-40.8%	-40.8%	2.9	-18.3%	-18.6%	-31.7%								
REMINYL	4.8	4.2	4.9	3.5	4.2	-11.9%	-11.5%	1.3	-68.9%	-68.5%	-38.3%								
INTUNIV	4.1	4.0	2.9	3.7	5.6	38.8%	46.1%	3.3	-15.7%	-16.3%	14.9%								
Other	6.0	5.3	6.5	5.2	5.8	-3.6%	-2.3%	5.0	-7.4%	-12.7%	-7.1%								
Other	**198.6**	**168.9**	**188.4**	**149.0**	**139.8**	**-29.6%**	**-21.0%**	**152.0**	**-10.0%**	**-4.0%**	**-13.0%**								
AZILVA-F *2	20.5	18.2	20.4	17.6	20.9	1.9%	1.9%	19.1	4.5%	4.5%	3.2%								
NESINA-F *2	14.6	14.0	15.5	13.9	15.5	6.1%	8.5%	13.6	-3.5%	1.2%	5.0%								
ULORIC	12.2	1.8	1.4	1.4	0.9	-92.8%	-93.1%	0.5	-72.2%	-71.5%	-90.4%								
COLCRYS	7.2	6.0	6.6	2.7	3.2	-55.9%	-54.6%	1.1	-81.4%	-81.1%	-66.8%								
LOTRIGA	8.8	7.2	8.8	7.0	8.1	-7.9%	-7.9%	7.6	5.3%	5.3%	-1.9%								

*1 PDT products

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

*3 From FY2020, 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 (FY2019).

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.

FY2020 Product Forecast

(Bn JPY)	FY2019 Reported Actual Annual	FY2020 Previous Reported Forecasts Disclosed on May 13. 2020 Annual	YOY	FY2020 Revised Reported Forecasts Disclosed on October 29, 2020 Annual	YOY
GI	**697.9**	**765.0**	**10%**	**756.0**	**8%**
ENTYVIO	347.2	430.0	24%	422.0	22%
DEXILANT	62.8	54.0	-14%	52.0	-17%
pantoprazole	49.5	39.0	-21%	43.0	-13%
TAKECAB-F *2	72.7	82.0	13%	85.0	17%
GATTEX/REVESTIVE	61.8	66.0	7%	64.0	4%
PENTASA	25.6	23.0	-10%	22.0	-14%
LIALDA/MEZAVANT	23.4	18.0	-23%	19.0	-19%
AMITIZA	28.1	23.0	-18%	23.0	-18%
RESOLOR/MOTEGRITY	6.6	8.0	22%	9.0	37%
Other	20.2	22.0	9%	17.0	-16%
Rare Diseases	**634.9**				
Rare Metabolic	**170.8**	**161.0**	**-6%**	**159.0**	**-7%**
ELAPRASE	67.9	68.0	0%	66.0	-3%
REPLAGAL	51.3	51.0	-0%	52.0	1%
VPRIV	38.0	38.0	-0%	38.0	-0%
NATPARA	13.6	4.0	-71%	3.0	-78%
Rare Hematology	**334.2**	**283.0**	**-15%**	**281.0**	**-16%**
ADVATE *4	157.9	184.0	-15%	182.0	-16%
ADYNOVATE *3 *4	58.6				
FEIBA *1	51.5	36.0	-30%	38.0	-26%
HEMOFIL/IMMUNATE/IMMUNINE*1	22.3	20.0	-10%	18.0	-19%
Other PDT Products *1*3	3.7	4.0	9%	4.0	9%
Other	40.2	39.0	-3%	39.0	-3%
Hereditary Angioedema	**129.8**		**-10%~0%**		**+0%~+10%**
FIRAZYR	32.7	21.0	-36%	25.0	-23%
TAKHZYRO	68.3		+20%~+30%		+20%~+30%
KALBITOR	4.5	4.0	-12%	3.0	-34%
CINRYZE *1	24.3	18.0	-26%	18.0	-18%

*1 PDT products

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

*3 From FY2020, 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 (FY2019).

*4 Year-on-year growth for ADVATE and ADYNOVATE was presented as -14.2% in Q1 which was disclosed on July 31, however, the correct growth should be -15.0%.

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 Previous 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

Assumption of FX rates for FY20 Revised Reported Forecasts: 1 USD = 106 JPY, 1 Euro = 122 JPY, 1 RUB = 1.4 JPY, 1 BRL = 19.4 JPY, 1 CNY = 15.3 JPY

(Bn JPY)	FY2019 Reported Actuals Annual	FY2020 Reported Forecasts Disclosed on May 13. 2020 Annual	YOY	FY2020 Revised Forecasts Disclosed on October 29, 2020 Annual	YOY
PDT Immunology	**394.2**		**+10%~+20%**		**+10%~+20%**
immunoglobulin *1	298.7		+10%~+20%		+10%~+20%
albumin *1	67.2		+10%~+20%		+10%~+20%
Other *1 *3	28.2		0%~+10%		0%~+10%
Oncology	**421.0**	**418.0**	**-1%**	**409.0**	**-3%**
VELCADE	118.3	92.0	-22%	92.0	-22%
leuprorelin	109.0	106.0	-3%	93.0	-15%
NINLARO	77.6	85.0	10%	90.0	16%
ADCETRIS	52.7	60.0	14%	58.0	10%
ICLUSIG	31.8	34.0	7%	36.0	13%
ALUNBRIG	7.2	11.0	52%	10.0	38%
VECTIBIX	22.5	23.0	2%	23.0	2%
Other	1.8	7.0	298%	7.0	298%
Neuroscience	**438.5**	**459.0**	**5%**	**428.0**	**-2%**
VYVANSE	274.1	290.0	6%	267.0	-3%
TRINTELLIX	70.7	82.0	16%	75.0	6%
ADDERALL XR	24.3	23.0	-5%	22.0	-9%
ROZEREM	14.5	12.0	-17%	12.0	-17%
REMINYL	17.3	8.0	-54%	8.0	-54%
INTUNIV	14.6	19.0	30%	19.0	30%
Other	23.1	25.0	8%	25.0	8%
Other	**704.8**		**-20%~-10%**		**-20%~-10%**
AZILVA-F *2	76.7	78.0	2%	81.0	6%
NESINA-F *2	58.0	57.0	-2%	52.0	-10%
ULORIC	16.9	3.0	-82%	2.0	-88%
COLCRYS	22.5	14.0	-38%	6.7	-70%
LOTRIGA	31.8	30.0	-6%	31.0	-2%

*1 PDT products

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

*3 From FY2020, 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 (FY2019).

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 Previous 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

Assumption of FX rates for FY20 Revised Reported Forecasts: 1 USD = 106 JPY, 1 Euro = 122 JPY, 1 RUB = 1.4 JPY, 1 BRL = 19.4 JPY, 1 CNY = 15.3 JPY

Exchange Rate

(yen)

CURRENCY	Average Exchange Rates vs. JPY FY2019 Q2YTD (Apr-Sep)	FY2020 Q2YTD (Apr-Sep)	FY2020 Assumption (Apr-Mar)
USD	109	107	106
EUR	122	121	122
RUB	1.7	1.5	1.4
CNY	15.9	15.2	15.3
BRL	27.7	20.1	19.4

(100 million yen)

Impact of 1% depreciation of yen from October 2020 to March 2021 Revenue	Core Operating Profit	Operating Profit	Net Profit
+67.1	+26.9	+8.0	+3.3
+18.5	-8.4	-13.6	-10.0
+1.6	+1.0	+0.9	+0.6
+4.8	+2.8	+2.7	+1.9
+2.3	+1.2	+1.2	+0.8

CAPEX, depreciation and amortization and impairment losses

(Bn JPY)

	FY19	FY19 Q2YTD	FY20 Q2YTD	YOY		FY20 Forecasts
Capital expenditures*	217.7	76.4	80.9	4.5	5.8%	180.0 - 230.0
Tangible assets	127.1	55.1	50.5	-4.6	-8.4%	
Intangible assets	90.6	21.4	30.4	9.1	42.4%	

* Cash flow base

Depreciation and amortization	583.6	293.1	280.5	-12.6	-4.3%	
Depreciation of tangible assets* (A)	156.0	71.9	63.2	-8.6	-12.0%	
Amortization of intangible assets (B)	427.6	221.2	217.3	-4.0	-1.8%	
Of which Amortization associated with products (C)	412.1	207.9	206.0	-1.9	-0.9%	403.0
Of which Amortization excluding intangible assets associated with products (D)	15.5	13.3	11.3	-2.0	-15.3%	

* Excluding depreciation for investment assets.

Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	171.6	85.2	74.5	-10.6	-12.5%	150.0
Impairment losses	101.9	18.6	8.3	-10.3	-55.3%	
Impairment losses associated with products	43.3	17.3	2.1	-15.2	-87.7%	50.0
Amortization and impairment losses on intangible assets associated with products	455.4	225.2	208.1	-17.1	-7.6%	453.0

(Notes) 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 Profits or Loss for FY2019 and FY2019 Q2YTD were retrospectively adjusted.

3. Reconciliation

FY2020 H1 Reconciliation from Reported Revenue to Underlying Revenue

	H1			
(BN YEN)	FY2019	FY2020	vs. PY	
Revenue	**1,660.2**	**1,590.8**	**(69.4)**	**-4.2 %**
FX effects*1				+3.1pp
Divestitures*2				+1.6pp
XIIDRA				+0.5pp
NEMEA & Russia/CIS				+1.0pp
TACHOSIL				+0.1pp
Others				+0.0pp
Underlying Revenue Growth				**+0.5 %**

*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 H1.
- 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 H1 as the divestiture was completed in March 2020.
- 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 H1 as the divestiture was completed in March 2020.
- Net sales from TACHOSIL are excluded from both FY2020 H1 and FY2019 H1.
- Net sales of products related to divestiture agreements that were publicly announced and expected to complete within the calendar year 2020 are also excluded from both FY2020 H1 and FY2019 H1.

FY2019 H1 Reconciliation from Reported Revenue to Underlying Revenue

	H1			
(BN YEN)	FY2018*1	FY2019	vs. PY	
Revenue	**880.6**	**1,660.2**	**779.6**	**+88.5%**
Shire Revenue	848.9	—		
Pro-forma Revenue	1,729.5	1,660.2	(69.3)	-4.0%
FX effects*2				+2.8pp
Divestitures*3				+1.0pp
Techpool & Multilab				+0.4pp
XIIDRA & TACHOSIL				+0.7pp
Others				-0.1pp
Underlying Revenue Growth				**-0.2%**

*1 FY2018 H1 revenue is a pro-forma which adds Legacy Shire's 6 month (April - September 2018) revenue previously reported under US GAAP and conformed to IFRS without material differences, excluding Legacy Shire's oncology business, which was sold in August 2018, and 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=111 yen, 1EUR=129 yen).
*3 Major adjustments are the exclusion of FY2018 H1 revenue of former subsidiaries, Guangdong Techpool Bio-Pharma Co., Ltd., and Multilab Indstria e Comrcio de Produtos Farmacuticos Ltda., both divested in FY2018, and FY2018 H1 and FY2019 H1 revenue of XIIDRA which was divested in July 2019 and TACHOSIL as Takeda agreed in May 2019 to divest this product, with completion of divestiture expected to occur within FY2019.

FY2020 H1 Reconciliation from Reported to Core/Underlying Core

FY2020 H1

(BN JPY)	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	Swiss Tax Reform	Others		FX	Divestitures	
Revenue	1,590.8								1,590.8	95.1	(33.2)	0.5 %
Cost of sales	(487.7)				47.3				(440.4)	(25.9)	9.7	
Gross Profit	1,103.1				47.3				1,150.4	69.2	(23.5)	
SG&A expenses	(418.6)			0.0	(0.6)				(419.2)	(22.9)		
R&D expenses	(225.0)			(0.2)	(0.1)			1.7	(223.6)	(8.1)		
Amortization of intangible assets	(206.0)	45.7			160.3				—			
Impairment losses on intangible assets	(2.1)	2.1							—			
Other operating income	69.5		(8.6)		(60.2)	(0.7)			—			
Other operating expenses	(105.2)		46.7	40.0				18.6	—			
Operating profit	215.6	47.8	38.1	39.8	146.7	(0.7)		20.3	507.6	38.2	(23.5)	1.9 %
Margin	13.6 %								31.9 %			31.6%*
Financial income/expenses	(81.1)			7.9	8.8			0.5	(63.9)	2.7		
Equity income/loss	(8.9)					11.0			2.1	(0.1)		
Profit before tax	125.6	47.8	38.1	47.7	155.5	10.3		20.8	445.8	40.8	(23.5)	
Tax expense	(39.0)	(11.5)	(5.9)	(8.5)	(27.1)	(3.2)		(5.1)	(100.2)	(4.6)	5.5	
Non-controlling interests	(0.0)								(0.0)	0.0		
Net profit	86.5	36.3	32.2	39.1	128.4	7.2		15.7	345.5	36.2	(18.0)	
EPS (yen)	55								221	24	(12)	(0.4)%
Number of shares (millions)	1,561								1,561			1,558

* Underlying Core Operating Profit Margin.

FY2019 H1 Reconciliation from Reported to Core/ Underlying Core

FY2019 H1

(BN JPY)	REPORTED *1	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire integration costs	Shire *1 purchase accounting adjustments	Teva JV related accounting adjustments	Swiss Tax Reform	Others		FX	Divestitures	
Revenue	1,660.2								1,660.2	44.2	(60.0)	
Cost of sales	(562.0)				127.5				(434.5)	(11.0)	12.5	
Gross Profit	1,098.2				127.5				1,225.7	33.1	(47.5)	
SG&A expenses	(462.5)			1.4	2.3				(458.8)	(11.9)		
R&D expenses	(230.4)			5.2	(0.1)				(225.3)	(3.0)		
Amortization of intangible assets	(207.9)	45.0			162.9				—			
Impairment losses on intangible assets	(17.3)	17.3							—			
Other operating income	11.3		(9.9)			(1.4)			—			
Other operating expenses	(82.4)		23.6	58.8					—			
Operating profit	109.0	62.3	13.8	65.3	292.6	(1.4)			541.6	18.3	(47.5)	
Margin	6.6 %								32.6 %			31.2 %
Financial income/expenses	(81.9)			3.5	8.414			(0.4)	(70.3)	4.176		
Equity income/loss	4.0					1.2			5.3	0.0		
Profit before tax	31.2	62.3	13.8	68.8	301.1	(0.1)		(0.4)	476.5	22.5	(47.5)	
Tax expense	43.7	(11.1)	1.2	(13.1)	(51.0)	0.0	(56.3)	(9.5)	(96.1)	(1.4)	11.4	
Non-controlling interests	(0.1)								(0.1)	(0.0)		
Net profit	74.7	51.3	15.0	55.7	250.1	(0.1)	(56.3)	(9.9)	380.4	21.1	(36.1)	
EPS (yen)	48								244	13	(23)	235
Number of shares (millions)	1,557								1,557			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 H1 was retrospectively adjusted.

Free Cash Flow

(BN JPY)	FY2019 H1*1	FY2020 H1	vs. PY	
Net profit	**74.8**	**86.6**	**+11.8**	**+15.7%**
Depreciation, amortization and impairment loss	311.7	288.8	-22.8	
Decrease (increase) in trade working capital	-34.3	-24.9	+9.4	
Income taxes paid	-90.6	-80.1	+10.5	
Other	79.5	121.6	+42.1	
Net cash from operating activities	**341.1**	**392.0**	**+50.9**	**+14.9%**
Acquisition of PP&E	-55.1	-50.5	+4.6	
Proceeds from sales of PP&E	0.1	38.5	+38.5	
Acquisition of intangible assets	-21.4	-30.4	-9.1	
Acquisition of investments	-3.9	-6.2	-2.3	
Proceeds from sales and redemption of investments	40.6	50.6	+10.1	
Free Cash Flow	**676.9**	**425.5**	**-251.4**	**-37.1%**

*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 H1 was retrospectively adjusted.

Reconciliation from Net Profit to EBITDA/Adjusted EBITDA

FY2020 H1

(BN JPY)	FY2019 H1*1	FY2020 H1	FY2020 LTM*2
Net profit	**74.8**	**86.6**	**56.1**
Income tax expenses	-43.7	39.0	-22.4
Depreciation and amortization	293.1	280.5	571.1
Interest expense, net	71.0	68.2	135.0
EBITDA	**395.3**	**474.3**	**739.7**
Impairment losses	18.6	8.3	91.6
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	69.7	27.5	81.9
Finance expense (income), net, excluding interest income and expense, net	10.9	12.9	1.4
Share of loss on investments accounted for under the equity method	-4.0	8.9	37.0
Other adjustments:			
Impact on profit related to fair value step up of inventory in Shire acquisition	122.3	46.6	115.3
Acquisition costs related to Shire	1.2	0.0	4.2
Other costs*3	19.0	18.5	31.2
Adjusted EBITDA	**632.9**	**597.1**	**1,102.2**

*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 H1 was retrospectively adjusted.

*2 LTM represents Last Twelve Months (October 2019 – September 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 H1

NET DEBT/ADJUSTED EBITDA RATIO

(BN JPY)	FY2020 H1
Cash and cash equivalents*1	630.9
Book value debt on the balance sheet	-4,908.0
Hybrid bond 50% equity credit	250.0
FX adjustment*2	-20.1
Gross debt*3	-4,678.1
Net cash (debt)	**-4,047.3**
Net debt/Adjusted EBITDA ratio	**3.7 x**
Adjusted EBITDA	**1,102.2**

NET INCREASE (DECREASE) IN CASH

(BN JPY)	FY2019 H1	FY2020 H1	vs. PY	
Net cash from operating activities	341.1	392.0	+50.9	+14.9%
Acquisition of PP&E	-55.1	-50.5		
Proceeds from sales of PP&E	0.1	38.5		
Acquisition of intangible assets	-21.4	-30.4		
Acquisition of investments	-3.9	-6.2		
Proceeds from sales and redemption of investments	40.6	50.6		
Acquisition of business, net of cash and cash equivalents acquired	-4.6	—		
Proceeds from sales of business, net of cash and cash equivalents divested	375.5	31.4		
Net increase (decrease) in short-term loans and commercial papers	-461.4	-89.9		
Repayment of long-term loans	-60.0	-792.5		
Proceeds from issuance of bonds	496.2	1,179.5		
Repayment of bonds	-563.1	-473.1		
Interest paid	-61.0	-47.6		
Dividends paid	-140.8	-141.8		
Others	-22.3	-58.1		
Net increase (decrease) in cash	-140.2	2.0	+142.2	—

*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	**3.8 x**
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.

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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.

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.