



Better Health, Brighter Future

Financial Results for 3rd Q of FY2016 DATA BOOK

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Quarterly Announcements / Presentations

<http://www.takeda.com/investor-information/results/>

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I. Financial Results

1. Consolidated Statement of Income

	(Billion JPY)						
	FY14	FY15	FY15	FY16	YOY	FY16 Latest	
			Q3 YTD	Q3 YTD		Forecasts	
Revenue	1,777.8	1,807.4	1,393.3	1,315.8	-77.4	-5.6%	1,700.0
Royalty income and service income	87.5	56.5	45.8	49.0	3.1	6.9%	
Cost of sales *1 *2	528.1	535.2	402.4	424.3	21.9	5.4%	
<% of revenue>	<29.7%>	<29.6%>	<28.9%>	<32.2%>	<3.4pt>		
Gross Profit	1,249.8	1,272.2	990.8	891.5	-99.3	-10.0%	
<% of revenue>	<70.3%>	<70.4%>	<71.1%>	<67.8%>	<-3.4pt>		
SG&A expenses *1 *2	634.7	650.8	475.5	439.4	-36.2	-7.6%	
<% of revenue>	<35.7%>	<36.0%>	<34.1%>	<33.4%>	<-0.7pt>		
Sales and Marketing expenses	436.6	460.6	336.0	305.5	-30.6	-9.1%	
General Administrative expenses	198.1	190.2	139.5	133.9	-5.6	-4.0%	
R&D expenses *1 *2 *3	352.9	335.8	247.5	223.8	-23.7	-9.6%	315.0
<% of revenue>	<19.9%>	<18.6%>	<17.8%>	<17.0%>	<-0.8pt>		<18.5%>
Amortization and impairment losses on intangible assets associated with products *3	176.4	131.8	97.1	102.2	5.0	5.2%	
Other operating income	107.2	21.3	18.5	129.7	111.2	-	
Government grants *2	3.1	-	-	-	-	-	
Rental income	3.9	3.4	2.7	2.3	-0.4	-16.0%	
Gains on sale of non-current assets	32.8	0.1	0.0	0.0	0.0	-18.6%	
Royalty income on transfers of operations	6.5	4.9	4.9	1.5	-3.4	-68.6%	
Fair value adjustments of contingent considerations	51.3	5.6	8.5	9.8	1.4	16.3%	
Gain on transfer of business	-	-	-	113.8	113.8	-	
Others	9.5	7.3	2.4	2.2	-0.2	-7.0%	
Other operating expenses	322.2	44.4	21.7	38.5	16.7	76.9%	
Expenses directly attributable to rental income	2.2	5.0	1.6	1.4	-0.2	-14.3%	
Donations and contributions	1.5	2.4	1.2	2.6	1.4	110.8%	
Restructuring expenses *4	31.2	25.8	12.3	29.4	17.2	139.8%	
Loss on Actos litigation	274.1	-	-	-	-	-	
Others	13.2	11.2	6.6	5.0	-1.6	-24.1%	
Operating profit	-129.3	130.8	167.5	217.4	49.9	29.8%	135.0
<% of revenue>	<-7.3%>	<7.2%>	<12.0%>	<16.5%>	<4.5pt>		<7.9%>
Financial income	15.4	21.6	17.3	8.8	-8.5	-49.2%	
Interest income	2.3	2.3	1.5	1.4	-0.1	-9.5%	
Dividend income	3.3	3.3	3.1	3.0	-0.1	-4.4%	
Gains on sale of available-for-sale financial assets	8.9	15.1	4.2	0.3	-3.9	-92.7%	
Foreign currency exchange gains including gains on revaluation of derivatives	-	-	7.6	3.5	-4.1	-54.2%	
Others	0.9	0.9	0.9	0.6	-0.2	-26.0%	
Financial expenses	32.9	31.9	30.6	17.0	-13.6	-44.4%	
Interest expenses	5.8	5.3	3.7	5.4	1.7	45.4%	
Fair value adjustments of contingent considerations	16.2	7.6	6.7	2.2	-4.5	-66.8%	
Impairment losses on available-for-sale financial assets	1.7	2.3	2.3	1.6	-0.8	-32.4%	
Foreign currency exchange losses including losses on revaluation of derivatives	3.9	14.0	15.6	6.1	-9.6	-61.3%	
Others	5.3	Δ 2.7	2.2	1.8	-0.4	-19.8%	
Share of profit (loss) of associates accounted for using the equity method	1.3	0.0	0.4	-0.4	-0.8	-	
Profit before tax	-145.4	120.5	154.6	208.8	54.2	35.1%	132.5
Income tax expenses	-2.4	37.1	38.2	40.8	2.5	6.6%	
Net profit for the period	-143.0	83.5	116.4	168.0	51.7	44.4%	
<% of revenue>	<-8.0%>	<4.6%>	<8.4%>	<12.8%>	<4.4pt>		
Attributable to Owners of the Company	-145.8	80.2	113.6	165.7	52.0	45.8%	93.0
<% of revenue>	<-8.2%>	<4.4%>	<8.2%>	<12.6%>	<4.4pt>		<5.5%>
Total comprehensive income for the period	-180.9	-39.6	115.8	188.7	72.9	62.9%	
<% of revenue>	<-10.2%>	<-2.2%>	<8.3%>	<14.3%>	<6.0pt>		
Attributable to Owners of the Company	-186.6	-40.3	114.1	186.4	72.4	63.5%	
<% of revenue>	<-10.5%>	<-2.2%>	<8.2%>	<14.2%>	<6.0pt>		
Effective tax rate							
Japanese statutory tax rate	35.6%	33.0%	33.0%	30.8%	<-2.2pt>		
Effective tax rate	1.7%	30.7%	24.7%	19.5%	<-5.2pt>		

*1 Because of starting the new organizational structure and changing managerial accounting method from FY15, allocation accounts for some expenses have changed. For the purpose to compare FY14 expenses with the FY15 expenses under the same basis (underlying), amounts roughly estimated for this change are adjusted in FY14. Amounts adjusted are + 7.1 bln yen for cost of sales, + 22.1 bln yen for SG&A expenses, and - 29.2 bln yen for R&D expenses.

*2 In FY16, Takeda changed the accounting policy for government grants, which were previously presented in "Other operating income", to offset corresponding "Cost of sales", "SG&A expenses" and "R&D expenses" in accordance with the nature of each grant. FY15 and FY15 Q3 YTD government grants are restated accordingly. Amounts restated are -0.2 bln yen for cost of sales, -0.0 bln yen for SG&A expenses and -3.5 bln yen for R&D expenses for FY15 full year.

*3 From FY16, Takeda is presenting amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines, which were previously presented in "R&D expenses", in "Amortization and impairment losses on intangible assets associated with products". FY15 and FY15 Q3 YTD R&D expenses are restated accordingly. Amounts restated are -6.6 bln yen for R&D expenses for FY15 full year.

*4 Expenses from reorganization, such as the consolidation of a number of sites and functions (including the potential merger or liquidation of subsidiaries) and the reduction of the workforce to build an efficient operating model.

◆ Consolidated Statement of Income (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%		
Royalty income and service income	15.9	15.4	14.5	10.6	12.4	-21.9%	16.7	8.5%	19.8	36.7%		
Cost of sales *1 *2	121.1	136.3	145.0	132.8	135.4	11.8%	141.5	3.8%	147.5	1.7%		
<% of revenue>	<27.1%>	<29.8%>	<29.6%>	<32.1%>	<31.2%>		<33.9%>		<31.7%>			
Gross Profit	325.2	321.5	344.2	281.4	298.6	-8.2%	275.3	-14.4%	317.6	-7.7%		
<% of revenue>	<72.9%>	<70.2%>	<70.4%>	<67.9%>	<68.8%>		<66.1%>		<68.3%>			
SG&A expenses *1 *2	161.7	151.8	162.0	175.2	145.0	-10.4%	146.0	-3.8%	148.4	-8.4%		
<% of revenue>	<36.2%>	<33.2%>	<33.1%>	<42.3%>	<33.4%>		<35.0%>		<31.9%>			
Sales and Marketing expenses	115.4	110.0	110.6	124.5	100.9	-12.6%	101.1	-8.1%	103.4	-6.5%		
General Administrative expenses	46.3	41.8	51.4	50.7	44.0	-4.8%	44.9	7.5%	45.0	-12.6%		
R&D expenses *1 *2 *3	79.8	78.4	89.2	88.3	76.5	-4.1%	75.4	-3.8%	71.8	-19.5%		
<% of revenue>	<17.9%>	<17.1%>	<18.2%>	<21.3%>	<17.6%>		<18.1%>		<15.4%>			
Amortization and impairment losses on intangible assets associated with products *3	33.8	30.8	32.5	34.7	28.5	-15.7%	47.2	53.0%	26.5	-18.5%		
Other operating income	6.6	7.1	4.8	2.8	111.6	-	13.6	91.6%	4.5	-5.5%		
Other operating expenses	7.0	6.6	8.2	22.6	7.3	4.6%	11.2	69.5%	20.0	144.3%		
Operating profit	49.6	60.9	57.0	-36.7	152.9	-	9.1	-85.0%	55.4	-2.9%		
<% of revenue>	<11.1%>	<13.3%>	<11.7%>	<-8.9%>	<35.2%>		<2.2%>		<11.9%>			
Financial income	4.2	8.8	4.3	4.4	2.5	-40.4%	2.4	-72.2%	3.9	-10.7%		
Financial expenses	5.8	16.5	8.3	1.4	5.4	-7.4%	5.7	-65.2%	5.9	-28.7%		
Share of profit (loss) of associates accounted for using the equity method	0.8	0.2	-0.5	-0.4	-0.4	-	-0.5	-	0.5	-		
Profit before tax	48.7	53.3	52.6	-34.1	149.7	-	5.3	-90.0%	53.8	2.3%		
Income tax expenses	23.3	22.8	-7.8	-1.2	49.3	111.8%	-19.9	-	11.4	-		
Net profit for the period	25.4	30.6	60.4	-32.9	100.3	-	25.3	-17.3%	42.4	-29.7%		
<% of revenue>	<5.7%>	<6.7%>	<12.3%>	<-7.9%>	<23.1%>		<6.1%>		<9.1%>			
Attributable to Owners of the Company	24.6	29.8	59.3	-33.5	99.5	-	24.8	-16.9%	41.4	-30.2%		
<% of revenue>	<5.5%>	<6.5%>	<12.1%>	<-8.1%>	<22.9%>		<5.9%>		<8.9%>			
Total comprehensive income for the period	120.4	-52.0	47.4	-155.4	-52.0	-	7.9	-	232.8	-		
<% of revenue>	<27.0%>	<-11.4%>	<9.7%>	<-37.5%>	<-12.0%>		<1.9%>		<50.1%>			
Attributable to Owners of the Company	119.3	-51.5	46.3	-154.4	-50.7	-	7.7	-	229.5	-		
<% of revenue>	<26.7%>	<-11.2%>	<9.5%>	<-37.3%>	<-11.7%>		<1.8%>		<49.3%>			
Effective tax rate												
Japanese statutory tax rate	33.0%	33.0%	33.0%	33.0%	30.8%		30.8%		30.8%			
Effective tax rate	47.8%	45.1%	24.7%	30.7%	33.0%		19.0%		19.5%			

*1 Because of starting the new organizational structure and changing managerial accounting method from FY15, allocation accounts for some expenses have changed. For the purpose to compare FY14 expenses with the FY15 expenses under the same basis (underlying), amounts roughly estimated for this change are adjusted in FY14. Amounts adjusted are + 7.1 bln yen for cost of sales, + 22.1 bln yen for SG&A expenses, and - 29.2 bln yen for R&D expenses.

*2 In FY16, Takeda changed the accounting policy for government grants, which were previously presented in "Other operating income", to offset corresponding "Cost of sales", "SG&A expenses" and "R&D expenses" in accordance with the nature of each grant. FY15 government grants are restated accordingly. Amounts restated are -0.2 bln yen for cost of sales, -0.0 bln yen for SG&A expenses and -3.5 bln yen for R&D expenses for FY15 full year.

*3 From FY16, Takeda is presenting amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines, which were previously presented in "R&D expenses", in "Amortization and impairment losses on intangible assets associated with products". FY15 R&D expenses are restated accordingly. Amounts restated are -6.6 bln yen for R&D expenses for FY15 full year.

2. Segment Information

							(Billion JPY)
	FY14	FY15	FY15 Q3 YTD	FY16 Q3 YTD	YOY		FY16 Latest Forecasts
Revenue	1,777.8	1,807.4	1,393.3	1,315.8	-77.4	-5.6%	1,700.0
Prescription drugs	1,614.5	1,648.7	1,272.0	1,190.7	-81.3	-6.4%	
Consumer healthcare	73.6	80.1	63.8	65.5	1.6	2.5%	
Other	89.7	78.6	57.4	59.7	2.3	4.0%	
Operating Profit	-129.3	130.8	167.5	217.4	49.9	29.8%	135.0
Prescription drugs	-178.9	102.8	136.2	192.6	56.4	41.4%	
<% of Prescription drugs revenue>	<-11.1%>	<6.2%>	<10.7%>	<16.2%>	<5.5pt>		
Consumer healthcare	17.2	18.9	21.0	19.0	-2.0	-9.7%	
<% of Consumer healthcare revenue>	<23.4%>	<23.6%>	<32.9%>	<29.0%>	<-3.9pt>		
Other	32.4	9.1	10.3	5.9	-4.4	-42.9%	
<% of Other revenue>	<36.2%>	<11.5%>	<17.9%>	<9.8%>	<-8.1pt>		

◆Segment Information (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%		
Prescription drugs	407.8	417.7	446.5	376.6	394.0	-3.4%	375.6	-10.1%	421.0	-5.7%		
Consumer healthcare	19.4	21.5	22.9	16.3	20.4	4.9%	22.0	1.9%	23.1	1.0%		
Others	19.1	18.5	19.8	21.2	19.6	2.7%	19.2	3.9%	20.9	5.3%		
Operating Profit	49.6	60.9	57.0	-36.7	152.9	-	9.1	-85.0%	55.4	-2.9%		
Prescription drugs	34.9	53.6	47.7	-33.4	142.2	-	4.1	-92.4%	46.3	-2.9%		
<% of Prescription drugs revenue>	<8.5%>	<12.8%>	<10.7%>	<-8.9%>	<36.1%>		<1.1%>		<11.0%>			
Consumer healthcare	7.6	5.9	7.5	-2.1	7.4	-3.3%	4.7	-19.8%	6.9	-8.4%		
<% of Consumer healthcare revenue>	<39.3%>	<27.2%>	<32.8%>	<-12.9%>	<36.2%>		<21.4%>		<29.8%>			
Others	7.1	1.4	1.8	-1.2	3.3	-52.7%	0.4	-72.8%	2.1	20.2%		
<% of Others revenue>	<37.1%>	<7.8%>	<8.9%>	<-5.6%>	<17.1%>		<2.0%>		<10.2%>			

3. Revenue / Product Sales

◆Revenue by Regions

	(Billion JPY)					
	FY14	FY15	FY15 Q3 YTD	FY16 Q3 YTD	YOY	
Total revenue	1,777.8	1,807.4	1,393.3	1,315.8	-77.4	-5.6%
Japan	712.8	688.1	541.1	514.4	-26.7	-4.9%
<% of revenue>	<40.1%>	<38.1%>	<38.8%>	<39.1%>	<-0.3pt>	
United States	426.1	514.4	382.8	382.3	-0.4	-0.1%
<% of revenue>	<24.0%>	<28.5%>	<27.5%>	<29.1%>	<-1.6pt>	
Europe and Canada	325.3	309.3	238.2	212.6	-25.5	-10.7%
<% of revenue>	<18.3%>	<17.1%>	<17.1%>	<16.2%>	<-0.9pt>	
Emerging Markets	313.6	295.6	231.2	206.5	-24.7	-10.7%
<% of revenue>	<17.6%>	<16.4%>	<16.6%>	<15.7%>	<-0.9pt>	
Russia/CIS	81.3	61.8	49.7	41.6	-8.1	-16.2%
<% of revenue>	<4.6%>	<3.4%>	<3.6%>	<3.2%>	<-0.4pt>	
Latin America	85.4	68.4	55.2	55.1	-0.2	-0.3%
<% of revenue>	<4.8%>	<3.8%>	<4.0%>	<4.2%>	<-0.2pt>	
Asia	111.4	126.0	96.3	86.1	-10.1	-10.5%
<% of revenue>	<6.3%>	<7.0%>	<6.9%>	<6.5%>	<-0.4pt>	
Other	35.5	39.4	30.1	23.7	-6.4	-21.2%
<% of revenue>	<2.0%>	<2.2%>	<2.2%>	<1.8%>	<-0.4pt>	
Royalty income and service income	87.5	56.5	45.8	49.0	3.1	6.9%
Japan	8.8	7.2	5.9	17.0	11.1	189.8%
Overseas	78.8	49.3	40.0	32.0	-8.0	-20.0%

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

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

◆ Prescription Drugs Revenue

	(Billion JPY)						Underlying Growth
	FY14	FY15	FY15 Q3 YTD	FY16 Q3 YTD	YOY		
Net sales	1,527.6	1,592.8	1,226.8	1,142.2	-84.5	-6.9%	8.5%
Japan	553.2	535.1	423.1	381.7	-41.3	-9.8%	5.0%
United States	394.9	495.3	367.6	373.2	5.6	1.5%	15.9%
Europe and Canada	287.1	283.5	216.9	197.7	-19.2	-8.9%	5.7%
Emerging Markets	292.3	279.0	219.1	189.5	-29.6	-13.5%	5.4%
Russia/CIS	79.5	61.5	49.3	40.9	-8.4	-17.1%	4.5%
Russia	56.2	43.3	34.7	30.0	-4.7	-13.5%	6.0%
Latin America	80.1	66.0	53.3	47.9	-5.4	-10.1%	15.1%
Brazil	46.2	37.4	28.7	28.0	-0.7	-2.4%	9.9%
Asia	102.4	116.6	89.2	78.8	-10.4	-11.7%	4.4%
China	53.0	63.2	47.6	42.8	-4.9	-10.2%	8.0%
Other	30.3	34.9	27.3	21.9	-5.3	-19.6%	-7.0%
Royalty income and service income	86.9	55.8	45.3	48.5	3.2	7.1%	-13.5%
Japan	8.1	6.6	5.3	16.5	11.2	-	1.2%
Overseas	78.8	49.3	39.9	32.0	-8.0	-20.0%	-15.6%
Total prescription drugs revenue	1,614.5	1,648.7	1,272.0	1,190.7	-81.3	-6.4%	7.8%
Ratio of overseas prescription drugs revenue	65.2%	67.1%	66.3%	66.6%	<0.2pt>		

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

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

◆Revenue by Regions (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Total revenue	446.3	457.8	489.2	414.1	434.0	-2.8%	416.8	-8.9%	465.0	-4.9%		
Japan	170.9	174.0	196.2	147.0	163.8	-4.2%	163.3	-6.1%	187.3	-4.6%		
<% of revenue>	<38.3%>	<38.0%>	<40.1%>	<35.5%>	<37.7%>		<39.2%>		<40.3%>			
United States	123.9	125.3	133.6	131.6	130.5	5.3%	121.4	-3.1%	130.4	-2.3%		
<% of revenue>	<27.8%>	<27.4%>	<27.3%>	<31.8%>	<30.1%>		<29.1%>		<28.1%>			
Europe and Canada	77.5	79.6	81.0	71.1	76.5	-1.3%	66.3	-16.7%	69.9	-13.8%		
<% of revenue>	<17.4%>	<17.4%>	<16.6%>	<17.2%>	<17.6%>		<15.9%>		<15.0%>			
Emerging Markets	74.0	78.8	78.4	64.4	63.3	-14.5%	65.7	-16.6%	77.5	-1.2%		
<% of revenue>	<16.6%>	<17.2%>	<16.0%>	<15.5%>	<14.6%>		<15.8%>		<16.7%>			
Russia/CIS	15.8	16.4	17.5	12.2	12.8	-18.8%	12.7	-22.4%	16.1	-8.2%		
<% of revenue>	<3.5%>	<3.6%>	<3.6%>	<2.9%>	<3.0%>		<3.0%>		<3.5%>			
Latin America	18.4	19.2	17.6	13.2	15.0	-18.9%	16.7	-12.9%	23.4	33.0%		
<% of revenue>	<4.1%>	<4.2%>	<3.6%>	<3.2%>	<3.4%>		<4.0%>		<5.0%>			
Asia	30.9	32.0	33.4	29.7	27.5	-10.9%	28.0	-12.6%	30.7	-8.2%		
<% of revenue>	<6.9%>	<7.0%>	<6.8%>	<7.2%>	<6.3%>		<6.7%>		<6.6%>			
Other	8.9	11.3	9.9	9.3	8.0	-10.3%	8.4	-26.0%	7.4	-25.6%		
<% of revenue>	<2.0%>	<2.5%>	<2.0%>	<2.2%>	<1.8%>		<2.0%>		<1.6%>			
Royalty income and service income	15.9	15.4	14.5	10.6	12.4	-21.9%	16.7	8.9%	19.8	36.2%		
Japan	2.1	1.8	1.9	1.3	3.0	41.4%	9.6	-	4.4	126.5%		
Overseas	13.8	13.6	12.6	9.3	9.4	-31.6%	7.1	-47.6%	15.4	22.4%		

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

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

◆ Prescription Drugs Revenue (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Net sales	392.1	402.5	432.2	366.1	381.8	-2.6%	359.0	-10.8%	401.4	-7.1%		
Japan	133.1	135.3	154.6	112.0	123.9	-6.9%	115.6	-14.6%	142.3	-8.0%		
United States	118.6	120.4	128.6	127.7	126.7	6.9%	119.5	-0.7%	127.0	-1.3%		
Europe and Canada	70.7	72.1	74.1	66.5	71.4	0.9%	61.7	-14.4%	64.7	-12.7%		
Emerging Markets	69.7	74.7	74.8	59.8	59.9	-14.1%	62.2	-16.7%	67.4	-9.8%		
Russia/CIS	15.4	16.4	17.5	12.1	12.5	-18.7%	12.4	-24.8%	16.0	-8.4%		
Russia	10.6	11.3	12.7	8.6	8.8	-17.0%	9.2	-18.6%	12.0	-5.9%		
Latin America	17.6	18.8	16.9	12.7	14.6	-17.0%	16.4	-12.8%	16.9	0.0%		
Brazil	9.8	9.1	9.8	8.7	7.9	-18.9%	9.7	6.7%	10.3	5.7%		
Asia	28.6	29.3	31.3	27.4	25.3	-11.2%	25.6	-12.8%	27.8	-11.0%		
China	13.4	16.4	17.9	15.6	13.2	-1.1%	14.0	-14.7%	15.6	-12.9%		
Other	8.1	10.1	9.0	7.6	7.4	-9.0%	7.9	-21.9%	6.6	-26.5%		
Royalty income and service income	15.8	15.2	14.4	10.6	12.2	-22.3%	16.6	9.3%	19.6	36.9%		
Japan	2.0	1.6	1.8	1.2	2.8	43.2%	9.5	-	4.2	139.3%		
Overseas	13.8	13.6	12.6	9.3	9.4	-31.6%	7.1	-47.6%	15.4	22.6%		
Total prescription drugs revenue	407.8	417.7	446.5	376.6	394.0	-3.4%	375.6	-10.1%	421.0	-5.7%		
Ratio of overseas prescription drugs revenue	66.9%	67.2%	65.0%	69.9%	67.9%		66.7%		65.2%			

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

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

◆ Prescription Drugs: Global major products' sales ^{*1}

(Billion JPY)

		FY14	FY15	FY15		FY16		YOY	Underlying Growth	FY16 Latest Forecasts ^{*3}
		Annual	Annual	Q3 YTD	Q3 YTD	Q3 YTD	Q3 YTD			
Velcade	United States	110.8	131.6	101.1	83.0	-18.1	-17.9%	-6.7%		
	Other than United States	41.9	30.4	25.4	20.6	-4.8	-18.8%	-6.9%		
	Total	152.7	162.0	126.5	103.6	-22.9	-18.1%	-6.7%	↘ ↘	
Leuprorelin	Japan	57.6	53.8	42.2	38.3	-3.9	-9.2%	-9.2%		
	United States	15.9	17.3	13.1	14.4	1.3	10.3%	12.2%		
	Europe and Canada	36.4	35.3	26.9	23.0	-3.8	-14.3%	-2.8%		
	Emerging Markets	14.2	18.0	13.6	12.4	-1.3	-9.2%	3.8%		
	Total	124.0	124.4	95.8	88.1	-7.6	-8.0%	-2.7%	↘	
Pantoprazole	United States	11.0	13.6	8.9	7.7	-1.2	-13.9%	-3.0%		
	Europe and Canada	49.3	43.4	34.8	23.7	-11.2	-32.1%	-23.0%		
	Emerging Markets	43.4	43.7	34.9	25.4	-9.6	-27.4%	-11.6%		
	Total	103.7	100.8	78.7	56.7	-22.0	-28.0%	-15.9%	↘ ↘	
Lansoprazole	Japan ^{*2}	52.5	41.3	33.0	6.3	-26.8	-81.1%	-2.5%		
	United States	28.7	27.5	21.8	15.6	-6.2	-28.3%	-19.0%		
	Europe and Canada	11.7	10.5	7.9	5.5	-2.4	-30.7%	-23.5%		
	Emerging Markets	10.1	10.2	7.7	7.0	-0.7	-9.1%	4.3%		
	Total	102.9	89.5	70.4	34.3	-36.1	-51.3%	-13.6%	↘ ↘ ↘	
Entyvio	United States	20.1	63.1	44.0	71.4	27.4	62.4%	84.6%		
	Europe and Canada	7.7	21.9	14.5	28.8	14.3	98.8%	127.6%		
	Emerging Markets	0.0	1.3	0.9	2.6	1.7	191.8%	-		
	Total	27.8	86.2	59.3	102.8	43.4	73.2%	97.5%	↗ ↗ ↗ ↗	
Candesartan	Japan ^{*2}	94.6	58.5	47.3	12.2	-35.1	-74.2%	-48.6%		
	United States	2.1	1.3	1.0	0.5	-0.5	-49.8%	-43.8%		
	Europe and Canada	17.7	12.5	9.6	7.4	-2.2	-22.5%	-13.1%		
	Emerging Markets	11.4	12.4	9.2	7.5	-1.7	-18.5%	-8.7%		
	Total	125.7	84.8	67.1	27.6	-39.5	-58.8%	-32.6%	↘ ↘ ↘	
Dexilant	United States	53.5	64.0	48.4	37.7	-10.7	-22.1%	-11.3%		
	Europe and Canada	4.9	5.4	4.0	4.3	0.2	5.7%	22.2%		
	Emerging Markets	3.9	5.7	4.2	5.0	0.9	20.9%	46.9%		
	Total	62.3	75.1	56.6	47.0	-9.6	-16.9%	-4.7%	↘	
Azilva	Japan	45.4	59.0	45.3	51.9	6.6	14.5%	14.5%		
	Total	45.4	59.0	45.3	51.9	6.6	14.5%	14.5%	↗	
Nesina	Japan	38.4	36.9	29.2	26.3	-2.9	-10.0%	-10.0%		
	United States	4.1	5.3	4.4	3.9	-0.5	-11.4%	0.4%		
	Europe and Canada	0.6	3.5	2.4	4.4	2.0	81.6%	111.3%		
	Emerging Markets	1.3	3.3	2.3	3.4	1.1	47.0%	68.4%		
	Total	44.3	48.9	38.3	37.9	-0.3	-0.8%	2.9%	↗	
Colcrys	United States	58.8	46.5	34.2	29.5	-4.7	-13.7%	-1.9%		
	Total	58.8	46.5	34.2	29.5	-4.7	-13.7%	-1.9%	↘	
Uloric	United States	32.6	41.8	31.2	30.5	-0.7	-2.2%	11.3%		
	Europe and Canada	0.6	0.7	0.5	0.5	-0.0	-2.6%	12.6%		
	Emerging Markets	-	-	-	0.1	0.1	-	-		
	Total	33.2	42.5	31.7	31.1	-0.6	-2.0%	11.6%	↗	
Amitiza	United States	31.9	37.2	28.9	26.1	-2.8	-9.7%	2.5%		
	Europe and Canada	0.0	0.1	0.1	0.1	-0.0	-20.9%	-2.2%		
	Total	32.0	37.3	29.0	26.2	-2.8	-9.7%	2.5%	↘	
Adcetris	Japan	2.8	3.1	2.4	2.5	0.1	4.7%	4.7%		
	Europe	16.3	17.4	13.3	13.0	-0.2	-1.7%	11.8%		
	Emerging Markets	3.6	7.2	5.7	6.3	0.6	11.4%	62.8%		
	Total	22.9	27.6	21.4	21.9	0.5	2.5%	21.9%	↗	
Trintellix ^{*4}	United States	13.6	24.5	18.1	22.8	4.7	26.2%	44.3%		
	Total	13.6	24.5	18.1	22.8	4.7	26.2%	44.3%	↗ ↗ ↗	
Takecab	Japan	3.2	8.4	4.2	24.7	20.4	-	-		
	Total	3.2	8.4	4.2	24.7	20.4	-	-	↗ ↗ ↗	
Ninlaro	United States	-	4.0	0.5	20.7	20.2	-	-		
	Europe and Canada	-	-	-	0.0	0.0	-	-		
	Emerging Markets	-	0.0	-	0.0	0.0	-	-		
	Total	-	4.1	0.5	20.8	20.2	-	-	↗ ↗ ↗	

^{*1} Sales amount includes royalty income and service income.

^{*2} Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan in April, 2016.

^{*3} FY16 Latest Forecasts: Arrows show growth from FY15 results (reported basis).

↗ ± <10% ↗ +10%~20% ↗ ↗ +20%~30% ↗ ↗ ↗ +>30% ↘ -10%~20% ↘ ↘ -20%~30% ↘ ↘ ↘ ->30%

^{*4} Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States.

The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

◆ Prescription Drugs: Global major products' sales *1 (Quarterly)

(Billion JPY)

		FY15			
		Q1	Q2	Q3	Q4
Velcade	United States	33.2	34.7	33.2	30.5
	Other than United States	9.1	8.8	7.5	5.0
	Total	42.3	43.5	40.7	35.5
Leuprorelin	Japan	13.3	14.0	14.8	11.6
	United States	4.7	4.0	4.4	4.2
	Europe and Canada	8.7	9.0	9.2	8.4
	Emerging Markets	4.1	4.5	5.0	4.4
	Total	30.9	31.5	33.4	28.6
Pantoprazole	United States	1.7	3.0	4.2	4.7
	Europe and Canada	11.8	11.8	11.2	8.5
	Emerging Markets	10.7	12.8	11.5	8.8
	Total	24.3	27.6	26.8	22.0
Lansoprazole	Japan *2	11.0	10.8	11.2	8.2
	United States	9.1	5.9	6.8	5.8
	Europe and Canada	3.1	2.3	2.5	2.6
	Emerging Markets	2.7	2.6	2.4	2.5
	Total	25.9	21.6	22.8	19.1
Entyvio	United States	12.0	15.2	16.7	19.1
	Europe and Canada	3.9	4.3	6.2	7.4
	Emerging Markets	0.2	0.3	0.4	0.4
	Total	16.2	19.8	23.4	26.8
Candesartan	Japan *2	16.1	15.2	16.0	11.2
	United States	0.3	0.3	0.3	0.3
	Europe and Canada	3.2	3.2	3.2	2.9
	Emerging Markets	3.1	3.2	2.8	3.2
	Total	22.7	22.0	22.4	17.7
Dexilant	United States	16.3	13.8	18.3	15.6
	Europe and Canada	1.3	1.2	1.5	1.4
	Emerging Markets	1.2	1.6	1.4	1.5
	Total	18.8	16.6	21.2	18.5
Azilva	Japan	14.1	14.5	16.7	13.7
	Total	14.1	14.5	16.7	13.7
Nesina	Japan	9.5	9.5	10.1	7.7
	United States	1.5	1.5	1.4	0.9
	Europe and Canada	0.5	0.7	1.2	1.1
	Emerging Markets	0.7	0.8	0.8	1.0
	Total	12.2	12.5	13.6	10.6
Colcrys	United States	11.2	11.7	11.3	12.3
	Total	11.2	11.7	11.3	12.3
Uloric	United States	9.8	10.1	11.3	10.7
	Europe and Canada	0.2	0.2	0.2	0.1
	Emerging Markets	-	-	-	-
	Total	10.0	10.2	11.5	10.8
Amitiza	United States	9.4	9.7	9.8	8.2
	Europe and Canada	0.0	0.0	0.0	0.0
	Total	9.4	9.8	9.8	8.3
Adcetris	Japan	0.8	0.8	0.8	0.7
	Europe	4.3	4.7	4.2	4.1
	Emerging Markets	1.7	2.1	1.8	1.5
	Total	6.8	7.6	6.9	6.3
Trintellix *3	United States	5.0	6.2	6.8	6.5
	Total	5.0	6.2	6.8	6.5
Takecab	Japan	0.5	1.5	2.2	4.2
	Total	0.5	1.5	2.2	4.2
Ninlaro	United States	-	-	0.5	3.5
	Europe and Canada	-	-	-	-
	Emerging Markets	-	-	-	-
	Total	-	-	0.5	3.5

*1 Sales amount includes royalty income and service income.

*2 Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan in April, 2016.

*3 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations,

		FY16							
		Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Velcade	United States	28.9	-13.2%	26.7	-23.0%	27.4	-17.4%		
	Other than United States	6.7	-26.1%	7.1	-19.6%	6.8	-9.2%		
	Total	35.5	-15.9%	33.8	-22.3%	34.2	-15.9%		
Leuprorelin	Japan	13.1	-2.0%	11.7	-16.7%	13.6	-8.5%		
	United States	5.7	20.4%	3.8	-3.2%	4.9	11.7%		
	Europe and Canada	8.3	-4.9%	7.8	-13.9%	7.0	-23.6%		
	Emerging Markets	3.8	-9.1%	4.2	-6.2%	4.4	-12.0%		
	Total	30.8	-0.4%	27.5	-12.7%	29.9	-10.5%		
Pantoprazole	United States	3.4	94.8%	2.0	-34.7%	2.3	-44.1%		
	Europe and Canada	8.6	-27.0%	7.2	-39.4%	7.8	-29.9%		
	Emerging Markets	8.0	-24.9%	9.1	-28.6%	8.2	-28.4%		
	Total	20.1	-17.3%	18.3	-33.9%	18.4	-31.4%		
Lansoprazole	Japan *2	2.1	-80.8%	2.0	-81.4%	2.1	-81.1%		
	United States	6.6	-27.3%	4.2	-28.8%	4.8	-29.3%		
	Europe and Canada	2.3	-28.1%	1.5	-32.9%	1.7	-31.9%		
	Emerging Markets	2.4	-11.0%	2.2	-14.2%	2.4	-1.5%		
	Total	13.4	-48.4%	10.0	-53.9%	11.0	-52.0%		
Entyvio	United States	22.5	87.2%	23.2	52.5%	25.7	53.5%		
	Europe and Canada	8.8	124.4%	9.3	113.6%	10.7	72.4%		
	Emerging Markets	0.8	-	0.9	-	1.0	148.9%		
	Total	32.0	98.2%	33.3	68.2%	37.4	60.2%		
Candesartan	Japan *2	4.8	-69.8%	3.7	-75.5%	3.6	-77.4%		
	United States	0.2	-22.5%	0.1	-83.1%	0.2	-39.8%		
	Europe and Canada	3.0	-7.0%	1.8	-42.2%	2.6	-18.3%		
	Emerging Markets	3.2	2.1%	1.9	-41.5%	2.4	-14.8%		
	Total	11.3	-50.4%	7.5	-65.8%	8.8	-60.6%		
Dexilant	United States	13.0	-20.2%	12.4	-10.1%	12.3	-32.8%		
	Europe and Canada	1.5	10.9%	1.3	7.4%	1.5	-0.3%		
	Emerging Markets	1.6	38.9%	1.6	1.7%	1.8	26.9%		
	Total	16.2	-14.3%	15.3	-7.7%	15.6	-26.5%		
Azilva	Japan	17.7	25.6%	15.6	7.6%	18.5	11.2%		
	Total	17.7	25.6%	15.6	7.6%	18.5	11.2%		
Nesina	Japan	9.3	-1.6%	7.7	-18.9%	9.2	-9.3%		
	United States	1.5	3.0%	1.2	-15.3%	1.1	-22.0%		
	Europe and Canada	1.5	-	1.4	96.2%	1.5	24.5%		
	Emerging Markets	1.0	35.1%	1.3	68.2%	1.1	37.9%		
	Total	13.3	9.5%	11.6	-6.6%	13.0	-4.7%		
Colcrys	United States	10.5	-5.9%	9.7	-17.6%	9.3	-17.4%		
	Total	10.5	-5.9%	9.7	-17.6%	9.3	-17.4%		
Uloric	United States	9.5	-2.7%	9.6	-4.8%	11.3	0.5%		
	Europe and Canada	0.2	4.7%	0.2	-2.4%	0.2	-9.3%		
	Emerging Markets	0.0	-	0.0	-	0.0	-		
	Total	9.7	-2.4%	9.8	-4.6%	11.6	0.6%		
Amitiza	United States	8.9	-5.6%	8.0	-18.1%	9.3	-5.2%		
	Europe and Canada	0.0	-18.7%	0.0	-25.8%	0.0	-18.5%		
	Total	8.9	-5.7%	8.0	-18.1%	9.3	-5.2%		
Adcetris	Japan	0.9	9.1%	0.7	-9.3%	0.9	14.0%		
	Europe	5.0	17.4%	3.8	-19.4%	4.2	-1.5%		
	Emerging Markets	1.9	8.7%	2.1	-1.3%	2.3	29.1%		
	Total	7.8	14.3%	6.6	-13.3%	7.4	8.4%		
Trintellix *3	United States	6.4	27.6%	7.8	25.9%	8.5	25.3%		
	Total	6.4	27.6%	7.8	25.9%	8.5	25.3%		
Takecab	Japan	6.4	-	7.5	-	10.8	-		
	Total	6.4	-	7.5	-	10.8	-		
Ninlaro	United States	6.0	-	6.8	-	8.0	-		
	Europe and Canada	-	-	-	-	0.0	-		
	Emerging Markets	0.0	-	0.0	-	0.0	-		
	Total	6.0	-	6.8	-	8.0	-		

*1 Sales amount includes royalty income and service income.

*2 Products excluding fixed dose combinations were transferred to the Joint Venture with Teva in Japan in April, 2016.

*3 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations,

◆ Prescription Drugs: US major products' sales (in US\$) *¹

(Million US\$)

	FY14	FY15	FY15 Q3 YTD	FY16 Q3 YTD	YOY	
Velcade	1,017	1,079	809	750	-60	-7.4%
Entyvio	179	524	361	666	305	84.6%
Dexilant	488	530	398	353	-45	-11.3%
Uloric	297	347	256	285	29	11.3%
Colcrys	542	386	281	275	-5	-1.9%
Amitiza	291	308	238	244	6	2.5%
Trintellix* ²	124	203	148	214	66	44.3%
Ninlaro	-	34	4	194	190	-
Prevacid (lansoprazole)	254	222	174	141	-33	-18.9%
Contrave* ³	19	56	42	24	-18	-43.0%

*1 Product sales (royalty income and service income are excluded).

*2 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States. The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

*3 In March 2016, Takeda and Orexigen announced they have agreed to terminate the collaboration.

◆ Prescription Drugs: US major products' sales (in US\$) *1 (Quarterly)

(Million US\$)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Velcade	276	268	266	270	247	-10.6%	250	-6.7%	253	-4.7%		
Entyvio	99	124	138	163	201	103.4%	224	80.3%	241	75.1%		
Dexilant	135	113	151	132	117	-13.3%	120	6.5%	116	-22.9%		
Uloric	81	82	93	91	85	5.6%	92	12.8%	107	14.8%		
Colcrys	92	95	93	105	94	2.1%	93	-2.4%	88	-5.3%		
Amitiza	77	79	81	70	79	2.5%	77	-2.9%	87	7.8%		
Trintellix*2	42	50	56	55	58	38.2%	75	49.1%	81	44.5%		
Ninlaro	-	-	4	30	54	-	65	-	75	-		
Prevacid (lansoprazole)	73	47	55	48	57	-20.9%	40	-15.3%	44	-19.1%		
Contrave*3	16	13	13	13	13	-21.6%	8	-36.2%	3	-75.5%		

*1 Product sales (royalty income and service income are excluded).

*2 Trintellix is the brand name used since June 2016 for the product previously marketed as Brintellix in the United States.

The formulations, indication and dosages of Trintellix remain the same as that of Brintellix.

*3 In March 2016, Takeda and Orexigen announced they have agreed to terminate the collaboration.

◆ Prescription Drugs: Japan major products' sales

	Launched	Therapeutic Class	FY14	FY15	(Billion JPY)			
					FY15 Q3 YTD	FY16 Q3 YTD	YOY	
Azilva *	(12. 5)	Hypertension	45.4	59.0	45.3	51.9	6.6	14.5%
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	57.6	53.8	42.2	38.3	-3.9	-9.2%
Enbrel	(05. 3)	Rheumatoid arthritis	41.2	40.8	31.9	31.8	-0.1	-0.2%
Nesina *	(10. 6)	Diabetes	38.4	36.9	29.2	26.3	-2.9	-10.0%
Takecab *	(15. 2)	Acid-related Diseases	3.2	8.4	4.2	24.7	20.4	-
Lotriga	(13. 1)	Hyperlipidemia	13.2	22.3	16.9	21.2	4.3	25.5%
Vectibix	(10. 6)	Colorectal cancer	18.3	18.4	14.2	14.6	0.3	2.4%
Reminyl	(11. 3)	Alzheimer-type dementia	13.9	16.0	12.4	13.6	1.2	9.5%
Benet	(02. 5)	Osteoporosis	10.4	9.7	7.7	6.6	-1.1	-14.1%
Rozerem	(10. 7)	Insomnia	6.6	7.4	5.7	6.2	0.5	8.9%
Adcetris	(14. 4)	Malignant Lymphoma	2.8	3.1	2.4	2.5	0.1	4.7%

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

◆ Prescription Drugs: Japan major products' sales (Quarterly)

(Billion JPY)

	Launched	Therapeutic Class	FY15				FY16							
			Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Azilva *	(12. 5)	Hypertension	14.1	14.5	16.7	13.7	17.7	25.6%	15.6	7.6%	18.5	11.2%		
Leuplin (leuprorelin)	(92. 9)	Prostate cancer, breast cancer and endometriosis	13.3	14.0	14.8	11.6	13.1	-2.0%	11.7	-16.7%	13.6	-8.5%		
Enbrel	(05. 3)	Rheumatoid arthritis	10.4	10.7	10.8	8.9	11.0	5.9%	10.0	-6.6%	10.9	0.3%		
Nesina *	(10. 6)	Diabetes	9.5	9.5	10.1	7.7	9.3	-1.6%	7.7	-18.9%	9.2	-9.3%		
Takecab *	(15. 2)	Acid-related Diseases	0.5	1.5	2.2	4.2	6.4	-	7.5	-	10.8	-		
Lotriga	(13. 1)	Hyperlipidemia	5.0	5.6	6.3	5.4	6.8	36.8%	6.6	18.4%	7.8	22.9%		
Vectibix	(10. 6)	Colorectal cancer	4.7	4.8	4.8	4.1	4.9	5.1%	4.6	-4.2%	5.1	6.5%		
Reminyl	(11. 3)	Alzheimer-type dementia	3.9	4.1	4.5	3.5	4.6	19.3%	4.1	1.3%	4.8	8.4%		
Benet	(02. 5)	Osteoporosis	2.5	2.5	2.7	2.0	2.3	-6.4%	2.0	-21.6%	2.3	-14.3%		
Rozerem	(10. 7)	Insomnia	1.8	1.9	2.0	1.7	2.1	17.8%	1.9	-1.4%	2.2	10.8%		
Adcetris	(14. 4)	Malignant Lymphoma	0.8	0.8	0.8	0.7	0.9	9.1%	0.7	-9.3%	0.9	14.0%		

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

◆ Consumer Healthcare: Japan major products' sales

(Billion JPY)

	FY14	FY15	FY15	FY16	YOY	
			Q3 YTD	Q3 YTD		
Alinamin tablet	20.7	25.2	20.5	19.1	-1.4	-6.8%
Alinamin drink	14.9	14.9	12.4	13.3	0.9	7.2%
Benza	9.7	9.8	8.5	8.6	0.1	1.0%
Biofermin	8.1	8.6	6.7	7.1	0.4	5.5%
Borraginol	4.1	4.5	3.5	3.5	0.0	1.3%

* This table shows sales amount of Takeda's Japan Consumer Healthcare Business Unit in Japan.

◆ Consumer Healthcare: Japan major products' sales (Quarterly)

(Billion JPY)

	FY15				FY16							
	Q1	Q2	Q3	Q4	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Alinamin tablet	6.9	6.2	7.4	4.7	6.1	-11.8%	6.2	0.7%	6.8	-8.5%		
Alinamin drink	4.0	4.1	4.3	2.5	5.1	27.3%	4.0	-2.6%	4.2	-2.2%		
Benza	1.2	4.4	3.0	1.3	1.3	8.3%	4.2	-4.9%	3.2	6.9%		
Biofermin	2.2	2.1	2.4	1.8	2.2	-0.2%	2.3	10.1%	2.6	6.8%		
Borraginol	1.1	1.0	1.4	1.0	1.1	3.0%	1.1	3.7%	1.3	-1.9%		

* This table shows sales amount of Takeda's Japan Consumer Healthcare Business Unit in Japan.

4. Exchange Rate

Average Exchange Rate						(JPY)
	FY14	FY15	FY15	FY16	FY16	FY16
	April-March	April-March	April-December	April-December	January-March Outlook	Outlook
USD	109	121	122	107	115	109
EUR	139	132	134	119	122	120
RUB	2.6	1.9	2.0	1.6	1.9	1.7
CNY	17.6	19.0	19.4	16.1	16.7	16.3
BRL	45.3	34.1	35.6	31.8	35.8	32.8

II. Pipeline

1. Development activities

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 US, EU and Japan, but we are also actively conducting development activities in other regions, including in Emerging Markets.

■ Oncology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
MLN9708 <ixazomib> NINLARO® (US, EU)	Proteasome inhibitor (oral)	Relapsed or refractory multiple myeloma	EU	Approved (Nov '16)
			Jpn	Filed (Jul '16)
		Previously untreated multiple myeloma	US	P-III
			EU	P-III
			Jpn	P-III
		Maintenance therapy in patients with newly diagnosed multiple myeloma following autologous stem cell transplant	US	P-III
			EU	P-III
	Jpn	P-III		
		Maintenance therapy in patients with newly diagnosed multiple myeloma not treated with stem cell transplant	US	P-III
			EU	P-III
			Jpn	P-III
		Relapsed or refractory primary (AL) amyloidosis	US	P-III
			EU	P-III
		Solid tumors	US	P-I
SGN-35 <brentuximab vedotin> ADCETRIS® (EU, Jpn)	CD30 monoclonal antibody-drug conjugate (injection)	Post-autologous stem cell transplant Hodgkin lymphoma	EU	Approved (Jul '16)
		Relapsed cutaneous T-cell lymphoma	EU	P-III
		Front line Hodgkin lymphoma	EU	P-III
			Jpn	P-III
		Front line mature T-cell lymphoma	EU	P-III
			Jpn	P-III
TAK-228 <->	mTORC1/2 inhibitor (oral)	Breast cancer	US	P-II(b)
			EU	P-II(b)
		Renal cell cancer	US	P-II(b)
		Endometrial cancer	US	P-II(b)
TAK-924 <pevonedistat>	NEDD 8 activating enzyme inhibitor (injection)	High risk myelodysplastic syndromes	US	P-II(a)
			EU	P-II(a)
TAK-202 <plozalizumab>	CCR2 antagonist (injection)	Solid tumors	-	P-I
TAK-243 <->	UAE inhibitor (injection)	Solid tumors	-	P-I
TAK-385 <relugolix>	LH-RH antagonist (oral)	Prostate cancer	Jpn	P-I
TAK-580 <->	pan-Raf kinase inhibitor (oral)	Solid tumors	-	P-I
TAK-659 <->	SYK/FLT3 kinase inhibitor (oral)	Solid tumors, Hematologic malignancies	-	P-I
TAK-931 <->	CDC7 inhibitor (oral)	Solid tumors	-	P-I
XMT-1522*¹ <->	HER2 dolaflexin antibody-drug conjugate (injection)	HER2 positive solid tumors	-	P-I
<cabozantinib>	Multi-targeted kinase inhibitor (oral)	Solid tumors	Jpn	P-I

*1 Takeda and Mersana Therapeutics, Inc. will co-develop XMT-1522, and Mersana will lead execution of the Phase 1 trial.

■ Gastroenterology

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
TAK-390MR <dexlansoprazole> DEXILANT® (US, EU)	Proton pump inhibitor (oral)	Acid-related diseases in adolescents	US EU	Approved (Jul '16) Approved (May '16)
Cx601 <->	A suspension of allogeneic expanded adipose-derived stem cells (injection)	Complex perianal fistulas in patients with Crohn's disease	EU	Filed (Mar '16)
MLN0002 <vedolizumab> ENTYVIO® (US, EU)	Humanized monoclonal antibody against α4β7 integrin (injection)	Ulcerative colitis	Jpn	P-III
		Crohn's disease	Jpn	P-III
		Subcutaneous formulation (for Ulcerative colitis, Crohn's disease)	US EU Jpn	P-III P-III P-III
		Graft-versus-host disease (GvHD) prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	US	P-I
<lubiprostone> AMITIZA® (US)	Chloride channel activator (oral)	New formulation (initially for CIC and OIC)* ²	US	P-III
		Pediatric functional constipation	US	P-III
TAK-438 <vonoprazan> TAKECAB® (Jpn)	Potassium-competitive acid blocker (oral)	Gastro-esophageal reflux disease in patients who have a partial response following treatment with a proton pump inhibitor	-	P-II(b)
TAK-954 ^{*3} <->	5-HT ₄ receptor agonist (injection)	Enteral feeding intolerance	-	P-I
TAK-828 <->	RORγt inverse agonist (oral)	Crohn's disease	-	P-I
ATC-1906 ^{*4} <->	Dopamine D ₂ /D ₃ receptor antagonist (oral)	Gastroparesis	-	P-I

*2 CIC: Chronic Idiopathic Constipation; OIC: Opioid-Induced Constipation

*3 TAK-954 was previously known as TD 8954. This asset was previously disclosed as Phase 1/2, but reclassified as Phase 1 due to clarification of pipeline listing rules. Phase 1 studies of TAK-954 have been completed, but First Subject In of the Phase 2 study has yet to be achieved.

*4 Agreement with Altos Therapeutics LLC for an exclusive option for Takeda to acquire Altos beginning on the date of the agreement and continuing for a period of time following the completion of ongoing Phase 1 studies.

■ CNS

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
Lu AA21004 <vortioxetine> TRINTELLIX® (US)	Multimodal anti-depressant (oral)	Addition of clinical data to the product label regarding the effect of vortioxetine on certain aspects of cognitive function in adults with Major Depressive Disorder	US	FDA Complete Response Letter (Mar '16)
		Major depressive disorder	Jpn	P-III
		Attention Deficit Hyperactivity Disorder (ADHD) in adult patients	US	P-II(a)
AD-4833/TOMM40	Mitochondrial growth modulator (oral) / Biomarker assay	Delay of onset of mild cognitive impairment due to Alzheimer's disease	US EU	P-III P-III
TVP-1012 ^{*5} <rasagiline>	Monoamine oxidase B (MAO-B) inhibitor (oral)	Parkinson's disease	Jpn	P-III
TAK-041 <->	GPR139 agonist (oral)	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-058 <->	5-HT ₃ receptor antagonist (oral)	Cognitive impairment associated with schizophrenia	-	P-I
TAK-071 <->	M1 positive allosteric modulator (M1PAM) (oral)	Alzheimer's disease	-	P-I
TAK-653 <->	AMPA receptor potentiator (oral)	Treatment Resistant Depression	-	P-I
TAK-831 <->	D-amino acid oxidase (DAAO) inhibitor (oral)	Cerebellar ataxia, Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-935 <->	CH24H inhibitor (oral)	Rare pediatric epilepsies	-	P-I

*5 Brand name in Teva territories: AZILECT®

■ Vaccines

Development code BRAND NAME	Type of vaccine (administration route)	Indications / additional formulations	Stage	
TAK-816 VAXEM Hib® (Jpn)	Haemophilus influenzae type b vaccine (injection)	Intramuscular administration (for Prevention of infectious disease caused by Haemophilus influenzae type b (Hib))	Jpn	Approved (Dec '16)
TAK-003	Tetravalent dengue vaccine (injection)	Prevention of dengue fever caused by dengue virus	-	P-III
TAK-214	Norovirus vaccine (injection)	Prevention of acute gastroenteritis (AGE) caused by norovirus	-	P-II(b)
TAK-021	EV71 vaccine (injection)	Prevention of hand, foot and mouth disease caused by enterovirus 71	-	P-I

■ Others

Development code <generic name> BRAND NAME	Drug Class (administration route)	Indications / additional formulations	Stage	
SYR-322 <alogliptin> NESINA® (US, Jpn) VIPIDIA® (EU)	DPP-4 inhibitor (oral)	Fixed-dose combination with metformin (for Type 2 diabetes)	Jpn	Approved (Sep '16)
TAK-536 <azilsartan> AZILVA® (Jpn)	Angiotensin II receptor blocker (oral)	Fixed-dose combination with amlodipine and hydrochlorothiazide (for Hypertension)	Jpn	Filed (Jun '16)
TAK-385 <relugolix>	LH-RH antagonist (oral)	Uterine fibroids	Jpn	P-III
		Endometriosis	Jpn	P-II(b)
MT203 <namilumab>	GM-CSF monoclonal antibody (injection)	Psoriasis	EU	P-II(b)
		Rheumatoid arthritis	EU	P-II(b)
			Jpn	P-II(a)
TAK-020 <->	Bruton's tyrosine kinase inhibitor (oral)	Rheumatoid arthritis	-	P-I
TAK-079 <->	Cytolytic monoclonal antibody (injection)	Systemic lupus erythematosus	-	P-I

■ **Recent progress in stage** [Progress in stage disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications / additional formulations	Country/Region	Progress in stage
TAK-390MR <dexlansoprazole>	Acid-related diseases in adolescents	EU	Approved (May '16)
TAK-390MR <dexlansoprazole>	Acid-related diseases in adolescents	US	Approved (Jul '16)
SGN-35 <brentuximab vedotin>	Post-autologous stem cell transplant Hodgkin lymphoma	EU	Approved (Jul '16)
SYR-322 <alogliptin>	Fixed-dose combination with metformin (for Type 2 diabetes)	Jpn	Approved (Sep '16)
TAK-536 <azilsartan>	Fixed-dose combination with amlodipine and hydrochlorothiazide (for Hypertension)	Jpn	Filed (Jun '16)
MLN9708 <ixazomib>	Relapsed or refractory multiple myeloma	Jpn	Filed (Jul '16)
TAK-003	Prevention of dengue fever caused by dengue virus	-	P-III
TAK-438 <vonoprazan>	Gastro-esophageal reflux disease in patients who have a partial response following treatment with a proton pump inhibitor	-	P-II(b)
MLN0002 <vedolizumab>	Graft-versus-host disease (GvHD) prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation	US	P-I
TAK-041 <->	Negative symptoms and/or cognitive impairment associated with schizophrenia	-	P-I
TAK-071 <->	Alzheimer's disease	-	P-I
TAK-202 <plozalizumab>	Solid tumors	-	P-I
MLN9708 <ixazomib>	Relapsed or refractory multiple myeloma	EU	Approved (Nov '16)
TAK-816	Intramuscular administration (for Prevention of infectious disease caused by Haemophilus influenzae type b (Hib))	Jpn	Approved (Dec '16)
XMT-1522 <->	HER2 positive solid tumors	-	P-I

Progress in stage disclosed since the announcement of FY2016 Q2 results (October 28th, 2016) are listed under the bold dividing line.

■ **Discontinued projects** [Update disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications (Stage)	Reason
<febuxostat XR>	Extended release formulation (for Hyperuricemia) (US P-III)	Discontinued based on P-III results.
NE-58095NF <risedronate>	Additional formulation; change of the dosage and administration (for Osteoporosis) (Jpn P-II/III)	Development terminated for strategic reasons based upon the outcome of the clinical study.
MLN8237 <alisertib>	Small cell lung cancer (US, EU P-II(b))	Upon review of the totality of the clinical data accumulated to date, Takeda believes that the magnitude of alisertib's effect or its benefit/risk profile has not been sufficient enough to move it into further stages of development.
TAK-850	Prevention of influenza disease caused by influenza virus subtype A and B contained in the vaccine (Jpn P-II(a))	Development discontinued following reassessment of the project.
TAK-915 <->	Negative symptoms and/or cognitive impairment associated with schizophrenia (P-I)	TAK-915 has been deprioritized, and Takeda will explore other options including externalization.
TAK-117 <->	Non-small cell lung cancer (US, EU P-I/II), Gastric cancer (P-I)	Discontinuation of these indications due to low probability of meeting high P-II hurdle for differentiation. Takeda continues to explore development opportunities.
TAK-063 <->	Schizophrenia (US P-II(a))	The P-II study did not meet its primary endpoint. Secondary efficacy endpoints (CGI-S, CGI-I) were supportive of antipsychotic activity efficacy. Takeda will explore development for different indications.
TAK-272 <->	Early stage diabetic nephropathy (Jpn P-II(b))	Specialty CV therapeutic area has been deprioritized and Takeda will explore other options for TAK-272 including externalization.
TAK-924 <pevonedistat>	Solid Tumors (P-I)	Indication terminated due to strategic portfolio decision.

Discontinued projects disclosed since the announcement of FY2016 Q2 results (October 28th, 2016) are listed under the bold dividing line.

■ Returned / Divested / Externalized Projects [Update disclosed since release of FY2015 results (May 10th, 2016)]

Development code <generic name>	Indications (Stage)	Reason
AMG 386 <trebananib>	Ovarian cancer (Jpn P-III)	P-III results of AMG 386 did not meet the pre-defined criteria. The rights for this molecule have been returned to Amgen.
TAK-385 <relugolix>	Prostate cancer (US, EU P-II(b))	In June 2016, Takeda granted Myovant an exclusive, worldwide license to relugolix, excluding Japan and certain other Asian countries.
AMG 403 <fulranumab>	Pain (Jpn P-I)	The rights for AMG 403 have been returned to Amgen due to a revision of development strategy.

■ Clinical study protocol summaries

All clinical study protocol summaries are disclosed on the English-language web-site (<http://www.takeda.com/c-t/>) and all clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (<http://www.takeda.co.jp/c-t/>).

We anticipate that this disclosure assure transparency of information on the 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. Research activities

■ Main joint research activities

Oncology

Partner	Country	Research subject	Schedule
Seattle Genetics	US	Antibody-Drug Conjugate technology	Mar '09 -
Mersana Therapeutics	US	Antibody-Drug Conjugate technology	Apr '14 -
ImmunoGen, Inc.	US	Antibody-Drug Conjugate technology	Mar '15 -
National Cancer Center of Japan	Japan	A partnership 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	Apr '15 - Apr '18
M2Gen	US	Genomic data from cancer patients	Jun '16 -
Crescendo Biologics	US	The discovery, development and commercialization of Humabody [®] -based therapeutics for cancer indications	Oct '16 -
Maverick Therapeutics	US	T-cell engagement platform created specifically to improve the utility of T-cell redirection therapy for the treatment of cancer	Jan '17 - Dec '21

Gastroenterology

Partner	Country	Research subject	Schedule
Cour Pharmaceutical Development Company	US	Immune modulating therapies for the potential treatment of celiac disease and other gastrointestinal diseases, utilizing Cour's Tolerizing Immune Modifying nanoParticle (TIMP) platform	Dec '15 -
Enterome	France	Microbiome targets thought to play crucial roles in gastrointestinal disorders, including inflammatory bowel diseases (e.g. ulcerative colitis) and motility disorders (e.g. irritable bowel syndrome)	Jan '16 -
enGene	Canada	Novel therapies for specialty gastrointestinal (GI) diseases using enGene's "Gene Pill" gene delivery platform	Jan '16 -

CNS

Partner	Country	Research subject	Schedule
Zinfandel Pharmaceuticals	US	Alzheimer's Disease Biomarker TOMM40	Dec '10 -
Affilogic	France	Affilogic's proprietary Nanofitins [®] platform in therapies targeting the central nervous system	Sep '16 -
Cerevance	US, UK	Discovery and development of novel therapeutics for neurological and psychiatric disorders	Dec '16 -

Other / Multiple Therapeutic Area

Partner	Country	Research subject	Schedule
Tri-Institutional Therapeutics Discovery Institute (Tri-I TDI)	US	Collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies	Oct '13 - Jun '17
Bridge Medicines	US	Building upon Tri-I TDI, 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	Nov '16 -
Trianni, Inc.	US	Trianni's transgenic mouse platform to identify fully human monoclonal antibodies against disease targets in all therapeutic areas	Mar '14 -
MacroGenics	US	Product candidates that will be directed against jointly selected pairs of molecular targets and using MacroGenics' Dual-Affinity Re-Targeting (DART [®]) proprietary platform	Sep '14 -
Keio University, Niigata University, Kyoto University	Japan	The search for and functional analysis of disease-related RNA-binding proteins, that may lead to treatments in the areas such as CNS and oncology	Mar '15 - Mar '18
Center for iPS Cell Research Application (CiRA), Kyoto University	Japan	Clinical applications of iPS cells in areas such as heart failure, diabetes mellitus, neuro-psychiatric disorders and cancer	Apr '15 - Mar '25
Gencia LLC	US	Mitochondrial Associated Glucocorticoid Receptors (MAGR) agonists for potential use primarily in hematological and inflammatory diseases	Aug '15 -
Astellas, Daiichi Sankyo	Japan	Fundamental biomarker data on healthy adult volunteers in order to optimize and accelerate the development of innovative medicines	May '16 -
Ultragenyx	US	Rare genetic diseases	Jun '16 - May '21



Takeda Pharmaceutical Company Limited