



# COMMITTED TO BRINGING BETTER HEALTH AND A BRIGHTER FUTURE TO PEOPLE WORLDWIDE



## FY2019 Q4 Earnings Announcement

May 13, 2020

Better Health, Brighter Future

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This presentation and materials distributed in connection with this presentation include certain IFRS financial measures not presented in accordance with International Financial Reporting Standards ("IFRS"), such as Underlying Revenue, Core Operating Profit, Underlying Core Operating Profit, Core Net Profit, Underlying Core EPS, Net Debt, EBITDA, Adjusted EBITDA and Free Cash Flow. Takeda's management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. 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. Takeda's non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as "reported" measures). Investors are encouraged to review the reconciliation of non-IFRS financial measures to their most directly comparable IFRS measures, which are on slides 68-80 and 83.

### Medical information

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

### Financial information





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

The revenue of Shire plc ("Shire"), which was historically presented by Shire in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), has been conformed to IFRS, without material difference.

The Shire acquisition 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 Shire acquisition.

This presentation includes certain pro forma information giving effect to the Shire acquisition 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 Shire acquisition 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 Shire acquisition and/or which happened subsequently to the Shire acquisition, such as divestitures and the effects of the purchase price allocation for the Shire acquisition, and therefore may not accurately reflect the effect on our financial condition and results of operations if the Shire acquisition had actually been completed on April 1, 2018. Therefore, undue reliance should not be placed on the pro forma information included herein.

# AGENDA

- 01. Introduction & Business Area Focus** ..... **Christophe Weber**  
President & CEO 
- 02. R&D Engine** ..... **Andrew Plump**  
President, R&D 
- 03. Financial Strength** ..... **Costa Saroukos**  
Chief Financial Officer 
- 04. Closing Remarks** ..... **Christophe Weber**  
President & CEO 
- 05. Q&A Session**

# INTRODUCTION



**Christophe Weber**  
President & Chief Executive Officer

**01.**  
Introduction &  
Business  
Area Focus

**02.**  
R&D  
Engine

**03.**  
Financial  
Strength

**04.**  
Closing  
Remarks

**05.**  
Q&A  
Session

# OUR COVID-19 RESPONSE PRIORITIZES PATIENTS AND GLOBAL HEALTH

As a patient-centric, values-based biopharmaceutical company, Takeda is focused on three priorities during the COVID-19 outbreak:

1.



**Safeguarding employees** and their families, and reducing impact on the healthcare system

2.



**Maintaining business continuity**, especially the supply of Takeda medicines to patients

3.



**Developing potential therapies** to treat or prevent COVID-19

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## TAKEDA'S ACTIONS TO MITIGATE THE IMPACT OF COVID-19

Global Crisis Management Committee established in January 2020 to oversee Takeda's response



### Safeguarding employees

- Where possible all employees are encouraged to work from home, with robust IT security monitoring to minimize cybersecurity risks of remote working
- Ensuring greater protection for employees required to operate on-site, such as manufacturing and laboratory facilities
- Canceling all non-essential travel & discouraging large gatherings until further notice



### Maintaining business continuity

- Monitoring product demand, with limited impact seen to date as many of our medicines are for severe chronic or life-threatening diseases and not linked to elective procedures
- Continuing to maintain supply continuity by managing inventory and/or alternative suppliers across our global supply chain. Currently we do not anticipate any material potential supply disruption due to the COVID-19 outbreak
- Some decline seen in plasma donations but too early to predict longer-term impact on total volume as there are several factors that can partially or fully offset the decline in the coming months
- Working alongside our CROs to minimize disruption to ongoing clinical studies (e.g. home delivery of study medicines, remote patient monitoring)
- Placed temporary pause on the initiation of new studies (with the exception of CoVlg-19) and new patient enrollment for ongoing studies (with small number of exceptions); preparing to resume all activities as quickly as possible as circumstances reasonably allow, and optimize clinical trials with new digital approaches



### Developing potential therapies

- Leadership and active participation in CoVlg-19 plasma alliance (hyperimmune globulin)
- Evaluating existing internal assets as potential therapies (clinical trials initiated or planned for icatibant, lanadelumab, TAK-981), while also researching novel approaches
- Engaging in cross-industry collaborations to share data & advance therapies and vaccines

- Aiding the COVID-19 response through donations, including ~US\$25 million to non-profit organizations including the Red Cross and United Nations-led organizations, while also providing in-kind donations



# COLLABORATION TO DEVELOP POTENTIAL COVID-19 H-IG THERAPY

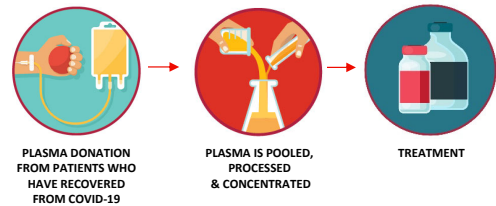


- CoVIg-19 Plasma Alliance brings together multiple plasma companies<sup>1</sup> to focus on developing and delivering an unbranded anti-SARS-CoV-2 polyclonal hyperimmune globulin therapy (CoVIg-19) to potentially treat those at risk of serious complications from COVID-19.
- Alliance will work with the National Institute of Allergy and Infectious Diseases (NIAID) at the NIH to test the safety, tolerability and efficacy of the hyperimmune therapy in adult patients with COVID-19. The global study is scheduled to start this summer.
- Alliance has also gained support from large organizations outside of the plasma industry (e.g. Microsoft, Uber Health) to raise awareness and encourage more people who have recovered from COVID-19 to donate plasma.
- Timing of launch depends on many factors, but if the work of the Alliance is successful, CoVIg-19 has the potential to be one of the earliest approved treatment options.

## WHAT IS HYPERIMMUNE GLOBULIN?

- Hyperimmune globulin (H-IG) is prepared from the pooled plasma of donors with high titers of antibody against a specific organism or antigen.
- H-IG is distinct from transfusion of plasma from individuals who have recovered from COVID-19 in a number of ways:
  - H-IG is standardized so it has a consistent level of antibodies in each unit
  - More potent antibody concentration, with more virus-specific antibodies per unit of volume
  - Extensive viral inactivation, and a longer shelf-life for global distribution and potential future outbreaks

## PROCESS FOR CREATING CoVIg-19 (PENDING REGULATORY APPROVAL)



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1. ADMA Biologics, Bio Products Laboratory (BPL), BioPharma Plasma, Biotest AG, CSL Behring, GC Pharma, LFB, Octapharma, Sanquin, Takeda



# ONE TAKEDA DELIVERING LONG-TERM GROWTH

## EXECUTING STRATEGY AS ONE TAKEDA

- Solid FY2019 results driven by 5 key business areas, synergies and OPEX efficiencies
- Focus on 14 global brands (new indications & China) & preparing for Wave 1 launches
- Growth momentum expected to continue in FY2020 and accelerate in the mid-term

## DELIVERING LONG-TERM VALUE TO PATIENTS, SOCIETY & SHAREHOLDERS

- Patient-centric, values-based company with commitment to ESG
- Balanced geographic footprint with scale to be competitive in key markets
- 5 key business areas, 14 global brands and 12 Wave 1 pipeline assets to drive revenue growth
- R&D engine focused on delivering next generation of potentially transformative therapies
- Financial resilience with \$12B+ liquidity<sup>1</sup>, outlook for top-tier margins & robust cash flow

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1. Defined as cash and cash equivalents as of March 31, 2020 (JPY 637.6B), plus undrawn committed line of credit (JPY 700B). USD provided for reference calculated at JPY/USD of 109 yen

ESG: Environment, Social, Governance



# SOLID FY2019 DRIVEN BY 5 KEY BUSINESS AREAS, SYNERGIES & OPEX EFFICIENCIES

## BUSINESS AREA FOCUS



- Operating as One Takeda with integration of key talent, locations & operations complete
- Focus on 5 key business areas representing 79% of revenue, underlying growth +6%<sup>2</sup>
- 14 global brands posted JPY 1,107B (USD 10.2B)<sup>1</sup> revenue, underlying growth +22%<sup>2</sup>
- Divesting non-core assets to focus the business, announced five deals worth up to ~\$7.7B

## R&D ENGINE



- 12 Wave 1<sup>3</sup> best-in-class / first-in-class NMEs with potential approval through FY2024 and 9 ongoing registration enabling studies
- ~30 Wave 2<sup>3</sup> NMEs in early clinical development and increasing investment in next generation platforms to sustain growth
- 14 global brands with >20 ongoing registration enabling studies in new indications / geographies

## FINANCIAL STRENGTH



- Reported Revenue JPY 3,291.2B (~USD 30.2B)<sup>1</sup>; Underlying Revenue growth +1.6%<sup>2</sup>
- Core Operating Profit<sup>4</sup> JPY 962.2B (~USD 8.8B)<sup>1</sup>; Underlying Core OP margin 28.9%<sup>5</sup>
- Free Cash Flow<sup>6</sup> JPY 968.0B (~USD 8.9B)<sup>1</sup> with robust operating cash flow & divestiture proceeds
- Net debt/adjusted EBITDA<sup>7</sup> ratio 3.8x at March 2020, reduced from 4.7x at March 2019

1. USD included for reference calculated at JPY/USD of 109 yen.  
 2. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.  
 3. Wave 1 programs are NMEs projected to launch through FY2024; Wave 2 programs are NMEs projected to launch after FY2024.  
 4. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition and slide 70 for reconciliation.  
 5. Please refer to slide 70 for reconciliation.  
 6. Please refer to slide 78 for reconciliation.  
 7. Please refer to slide 59 for definition, and slides 79-80 for reconciliation.

For glossary of disease abbreviations please refer to appendix.



# GROWTH MOMENTUM EXPECTED TO CONTINUE IN FY2020 WITH DIVIDEND OF 180 YEN / SHARE

(BN YEN)	FY2019 RESULTS	FY2020 FORECAST	UNDERLYING GROWTH <sup>3</sup> (MANAGEMENT GUIDANCE)
REVENUE	3,291.2	3,250.0	Low-single-digit
CORE OPERATING PROFIT <sup>1</sup>	962.2	984.0	High-single-digit
CORE EPS <sup>2</sup> (YEN)	387	420	Low-teen
ANNUAL DIVIDEND PER SHARE (YEN)	180	180	

- To date, Takeda has not experienced a material effect on its financial results as a result of the global spread of the novel coronavirus infectious disease (COVID-19), despite the various effects on its operations as detailed elsewhere herein. Based on currently available information, Takeda believes that its financial results for FY2020 will not be materially affected by COVID-19 and, accordingly, Takeda's FY2020 forecast reflects this belief. However, the situation surrounding COVID-19 remains highly fluid, and future COVID-19-related developments in FY2020, including new or additional COVID-19 outbreaks and additional or extended lockdowns, shelter-in-place orders or other government action in major markets, could result in further or more serious disruptions to Takeda's business, such as slowdowns in demand for Takeda's products, supply chain related issues or significant delays in its clinical trial programs. These events, if they occur, could result in an additional impact on Takeda's business, results of operations or financial condition, as well as result in significant deviations from Takeda's FY2020 forecast.
- It is premature to speculate on the medium-term financial implications of the COVID-19 outbreak, which may arise from issues such as rising unemployment, changes in payer mix, and the possibility of government initiatives being introduced to reduce healthcare spending

#### Other key assumptions in FY2020 guidance:

- (1) Takeda does not expect any additional 505(b)2 competitor for subcutaneous VELCADE to launch in the U.S. within FY2020;
- (2) FY2020 guidance does not include the impact of any potential further divestitures beyond what has already been disclosed by Takeda

1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition, slide 70 for historical reconciliation, and slide 83 for FY2020 forecast reconciliation.

2. Please refer to slide 70 for historical reconciliation.

3. Underlying growth adjusts for divestitures (assets divested in FY2019 and disclosed divestitures expected to close in FY2020) and applies a constant exchange rate (FY2019 full year average FX rate). Please refer to slide 58 for definition of underlying growth. Underlying measures are also the basis for calculating management KPIs. Please refer to slides 86-87 for more details.



# COMMITTED TO PROTECTING THE ENVIRONMENT WITH AMBITIOUS CARBON, WATER AND WASTE GOALS

## Water Stewardship

### FY2021

- All sites identified to have elevated water-risk will develop robust mitigation plans and goals in FY2021

### FY2025

- Reducing water consumption in FY2025 by 5% from a FY2019 baseline

## Carbon Neutrality

### FY2020

- **Carbon Neutral** from FY2020 onwards through verified carbon offsets
- Endorsement of GHG targets by the **Science Based Targets initiative**

### FY2025

- **40% reduction** Scope 1 & 2 emissions<sup>1</sup>
- **15% reduction** Scope 3 emissions<sup>2</sup>
- All remaining emission mitigated through verified carbon offsets

### FY2040

- **100% reduction** Scope 1 & 2 emissions<sup>1</sup>
- **50% reduction** in Scope 3 emissions<sup>2</sup>
- All remaining emission mitigated through verified carbon offsets

1. Compared to FY2016. 2. Compared to FY2018.

## Waste Minimization

### FY2025

- ≥90% of total waste diverted from landfill by FY2025

### FY2030

- Zero waste to landfill by FY2030 at all major facilities

Takeda defines "zero waste to landfill" (ZWL) as ≥99% of total waste generated is diverted from landfill (excluding construction/demolition waste and waste generated as part of site remediation activities).

Scope 1: Direct emissions from owned or controlled sources such as burning fossil fuels like natural gas or oil in plants, offices and fleets

Scope 2: Indirect greenhouse gas emissions resulting from purchased and consumed electricity, heat, and third-party steam supplied to our facilities

Scope 3: All other indirect emissions that occur in our value chain, including goods and services provided by suppliers, business travel, employee commuting, and landfill waste disposal



# COMMITTED TO BEST-IN-CLASS GOVERNANCE & SHAREHOLDER ALIGNMENT

Consistent with Takeda's ongoing commitment to best-in-class corporate governance and alignment with shareholders, the company has taken steps to reinforce its remuneration policies and enhance disclosure of management Key Performance Indicators (KPIs).

1. Established management KPIs aligned with shareholder value creation that correlate to external guidance
  - FY2019 management KPIs disclosed on July 31<sup>st</sup> 2019
  - FY2020 management KPIs disclosed on May 13<sup>th</sup> 2020, in advance of the AGM convocation notice
2. Disclosed total amount of compensation paid to Directors, and individual compensation of Directors who received > JPY 100M
3. Adopted a compensation recoupment policy (clawback policy), effective April 1<sup>st</sup> 2020

## CLAWBACK POLICY

- Provides that in the event of a significant restatement of financial results or significant misconduct, the independent external members of the Board may require Takeda to recoup incentive compensation from executives

## MANAGEMENT KPIs

- KPIs that enable the organization to focus on growth, profitability, pipeline performance, expense management and shareholder value creation. The KPIs correlate to Takeda's operating plan and external guidance



# STRONG BOARD WITH ~70% INDEPENDENT DIRECTORS & THREE COMMITTEES

## INTERNAL DIRECTORS



**Christophe Weber**  
Representative Director,  
President & CEO



**Masato Iwasaki**  
Director, President,  
Japan Pharma Business Unit



**Andrew Plump**  
Director, President,  
Research & Development



**Costa Saroukos**  
Director,  
Chief Financial Officer

## AUDIT & SUPERVISORY COMMITTEE (A&SC)



**Yasuhiko Yamanaka**  
Director,  
A&SC member

## INDEPENDENT DIRECTORS<sup>1</sup>



**Masahiro Sakane**  
Independent Director  
Chair of the Board meeting  
Chair of Nomination Committee



**Olivier Bohuon**  
Independent Director



**Jean-Luc Butel**  
Independent Director



**Ian Clark**  
Independent Director



**Yoshiaki Fujimori**  
Independent Director



**Steven Gillis**  
Independent Director



**Shiro Kuniya**  
Independent Director



**Toshiyuki Shiga**  
Independent Director



**Koji Hatsukawa**  
Independent Director,  
Chair of A&SC



**Emiko Higashi**  
Independent Director  
A&SC member  
Chair of Compensation Committee



**Michel Orsinger**  
Independent Director  
A&SC Member

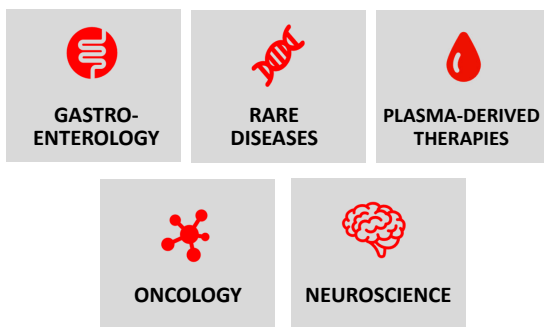
- CHAIR OF THE BOARD MEETING
- INDEPENDENT DIRECTOR<sup>1</sup>
- NOMINATION COMMITTEE<sup>2</sup>
- COMPENSATION COMMITTEE

12 1. As defined by Tokyo Stock Exchange listing rules  
2. Christophe Weber participates in the Nomination Committee as an observer



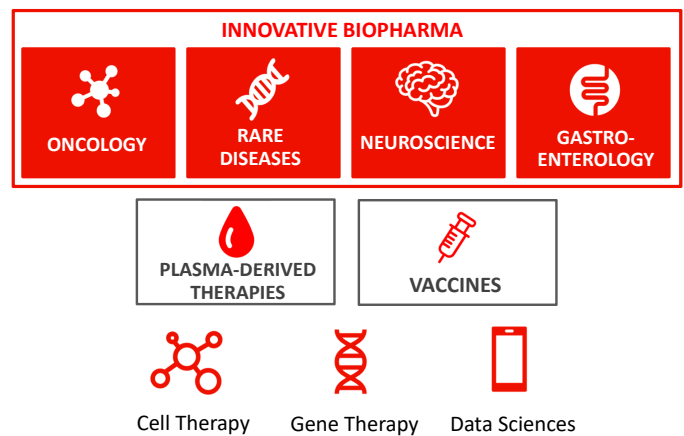
# SUCCESS BUILT UPON DEEP FOCUS & EXPERTISE IN CORE AREAS

## BUSINESS AREA FOCUS



- **5 Key Business Areas** representing ~79% of FY2019 revenue, underlying growth +6%<sup>1</sup>
- **14 Global Brands** underlying growth +22%<sup>1</sup>

## R&D FOCUS



- **12 Wave 1 NMEs<sup>2</sup>** with potential for >\$10B aggregate peak sales
- **~30 Wave 2 NMEs<sup>2</sup>** in rich early clinical pipeline

13 1. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.  
2. NME: New Molecular Entity. Wave 1 programs are NMEs projected to launch through FY2024; Wave 2 programs are NMEs projected to launch after FY2024



# LONG-TERM STRATEGY IN CHINA IS STARTING TO GENERATE VALUE



- Recent changes in the Chinese healthcare policy environment have provided great opportunities for Takeda to expand access to innovative treatments
- China's healthcare reforms are aimed at promoting the health and fitness of its population, and rewarding innovation

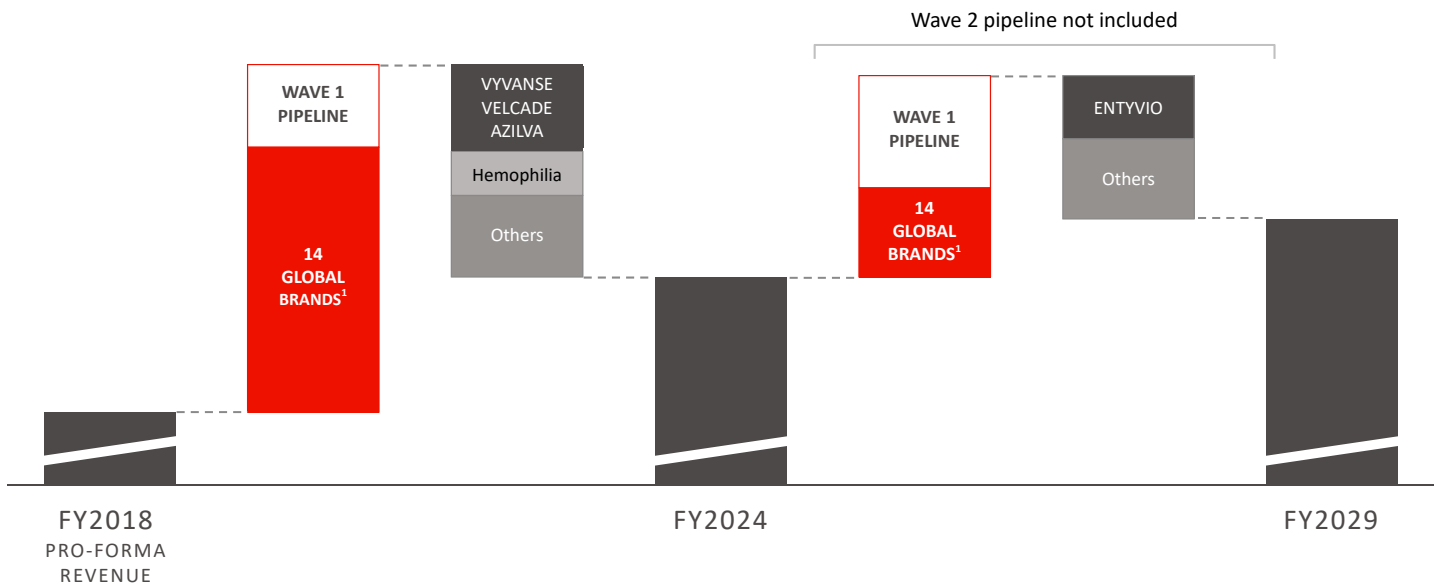
- FY2019 China revenue of JPY 76.3B, underlying growth +32%<sup>1</sup>, driven by oncology (NINLARO) and Flexbumin/Albumin
  - Strong uptake of NINLARO by oncologists since it became available for the treatment of patients in China in July 2018, one full year ahead of plan.
  - NINLARO listed on the NRDL in October 2018, with almost 8,000 patients treated to date
- Driving specific initiatives to increase coverage, expand access and accelerate more than 15 planned new product launches in the next 5 years, including planned FY2020 launches for ENTYVIO, ADCETRIS and TAKHZYRO
  - ENTYVIO approved in March 2020, significantly ahead of initial plan after inclusion in 'urgently needed' drug list
- Intending to include China in all future global clinical trial programs
- Local capabilities to be significantly strengthened, e.g. medical data generation, regulatory and market access



1. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.  
 NRDL: National Drug Reimbursement List



# 14 GLOBAL BRANDS AND WAVE 1 PIPELINE ASSETS TO DRIVE SUSTAINABLE GROWTH



Note: Chart is unchanged since first being presented at Takeda's R&D Day, November 14<sup>th</sup>, 2019

1. The 14 Global Brands column includes ENTYVIO within the FY2018 to FY2024 timeframe, but ENTYVIO is excluded from the 14 Global Brands column in the FY2024 to FY2029 timeframe. The above chart represents conceptual changes in revenue through FY2024 and FY2029 demonstrating growth over time offsetting loss of exclusivities and achieving single digit growth as compared to FY2018 pro forma baseline. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences. Actual future net sales achieved by our commercialized products and pipelines will be different, perhaps materially so, as there is a range of possible outcomes from clinical development, driven by a number of variables, including safety, efficacy and product labelling. In addition, if a product is approved, the effect of commercial factors including the patient population, the competitive environment, pricing and reimbursement is also uncertain. Sales estimate for Wave 1 Pipeline is non-risk adjusted, but only considers revenue contribution from the lead indication.







# BUSINESS AREA FOCUS



**Christophe Weber**  
President & Chief Executive Officer

**01.**  
Introduction & Business Area Focus

**02.**  
R&D Engine

**03.**  
Financial Strength

**04.**  
Closing Remarks

**05.**  
Q&A Session

## 5 KEY BUSINESS AREAS REPRESENT ~79% OF FY2019 REVENUE; GROWTH +6%

GI	RARE DISEASES			PLASMA-DERIVED THERAPIES (PDT)	ONCOLOGY	NEUROSCIENCE	OTHER
% of Sales: 21% Growth: +11%	% of Sales: 20% Growth: -5%			% of Sales: 12% Growth: +9%	% of Sales: 13% Growth: +8%	% of Sales: 13% Growth: +11%	% of Sales: 21% Growth: -12%
	RARE METABOLIC % of Sales: 6% Growth: -3% (+5% excluding NATPARA <sup>1</sup> )	RARE HEMATOLOGY % of Sales: 10% Growth: -9%	HEREDITARY ANGIOEDEMA % of Sales: 4% Growth: +3%	PDT IMMUNOLOGY % of Sales: 12% Growth: +9%			
Entyvio vedolizumab  Takecab  ALFISEL  Gattex Tadokubide (DNA origin) for Injection  DEXILANT dexlansoprazole  Lialda (mesalazine) 1.2g delayed release tablets  amitiza lubiprostone  mtegrity (proton pump inhibitor) tablets 1mg, 2mg	elaprase (tursurilase)  REPLAGAL (sulfasalazine)  VPRIV  Natpara <sup>1</sup>	ADVATE (Antihemophilic Factor (Recombinant))  ADYNOVATE (Antihemophilic Factor VIII (Recombinant, Porcine Sequence))  vonvendi (von Willebrand factor (Recombinant))  Obizur (Antihemophilic Factor (Recombinant), Porcine Sequence)  RIXUBIS (COAGULATION FACTOR IX (RECOMBINANT))  AGRYLIN <sup>1</sup> (antagradic hydrochloride) (antagradic hydrochloride) (antagradic hydrochloride) 1mg and 1.5mg	TAKHZYRO (tenecteplase) injection  firazyr tablets  KALBITOR ecallantide	GAMMAGARD LIQUID (Immune Globulin Intravenous (Human)) 10%  HyQvia (Human Normal Immoglobulin (20% Recombinant Human Hydroxyethylated))  Cuvitru (Immune Globulin Subcutaneous (Human)) 20%  Flexbumin (Human Albumin)  HUMANALBUMIN (Human Albumin)  Glassia  Aralast NP (Btk inhibitor (human))	NINLARO (nintedanib) capsules  ALUNBRIG (crizotinib) tablets  VELCADE (vandetanib) tablets  ADCETRIS (brentuximab vedotin)  ICLUSIG  CABOMETYX <sup>1</sup> (cabozantinib) tablets	Vyvanse  Trintellix vortioxetine  Mydayis (metaxalone) extended release tablets  AZILECT  intuniv  BUCCOLAM	AZILVA®  Nesina <sup>1</sup> alogliptin  Colcrys (colchicine, USP) tablets  Neosaldina <sup>1</sup>  Magnyl Xefo Ebrantil  etc.
	FEIBA  IMMUNATE  IMMUNINE  HEMOPIL M  IMMUSEVEN	CINRYZE (C1 inhibitor (human))	kenketu glovenin-I  KENKETU NONTHRON <sup>1</sup>  KENKETU ALBUMIN				

Note: Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.  
1. Takeda is working closely with the FDA on a proposed plan to resupply NATPARA in the U.S., however, it is anticipated that the required device modifications and product testing will likely delay availability beyond 2020. As a result, Takeda expects zero U.S. revenue for NATPARA to be recognized in FY2020.

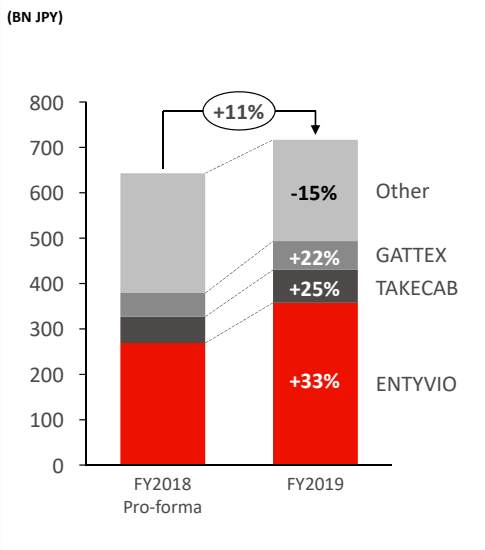




## GASTROENTEROLOGY (GI)

# EXCEPTIONAL GROWTH OF GI FRANCHISE SPEARHEADED BY GUT-SELECTIVE ENTYVIO®

### GI PORTFOLIO FY2019, UNDERLYING REVENUE GROWTH



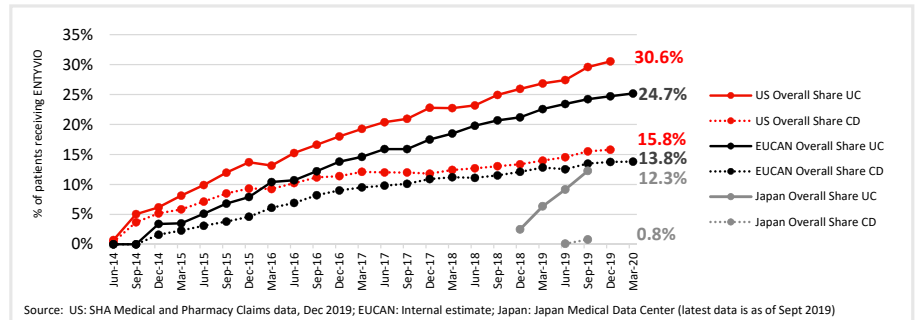
### ESTABLISHED AS A PROVEN TREATMENT FOR SBS-IF

- Increasing disease awareness through Takeda's investments in medical education
- Opportunity to improve treatment continuity in adults and further drive pediatric uptake



### EXPANDING PATIENT SHARE IN THE U.S., EU AND JAPAN

- Efficacy profile well accepted with prescribers following NEJM publication of first and only head-to-head trial data versus adalimumab in UC (VARSITY)
- Subcutaneous formulation:
  - European approval in UC and CD received in May 2020
  - Canada approval in UC received in April 2020
  - Discussions ongoing with U.S. FDA to resolve the CRL received in December 2019
- IV formulation approved in China in March 2020; dedicated team in place preparing for launch



Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.



## RARE DISEASES

# HEREDITARY ANGIOEDEMA PORTFOLIO BACK TO GROWTH TRAJECTORY

### TAKHZYRO® IS EXPANDING THE HEREDITARY ANGIOEDEMA PROPHYLAXIS MARKET

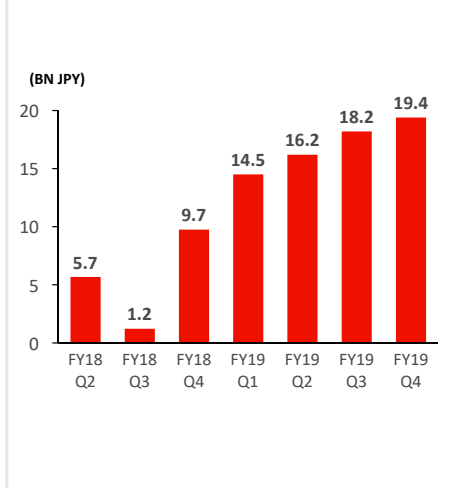
#### U.S.:

- Efficacy profile positions TAKHZYRO as a leading option in HAE treatment
- TAKHZYRO is expanding the use of prophylactic treatment in HAE, from 50% of all treated patients in 2018 to 57% of all treated patients in 2019<sup>1</sup>
- TAKHZYRO is increasing new patients to Takeda; nearly 50% of patient growth is derived from patients not previously on a Takeda therapy<sup>1</sup>

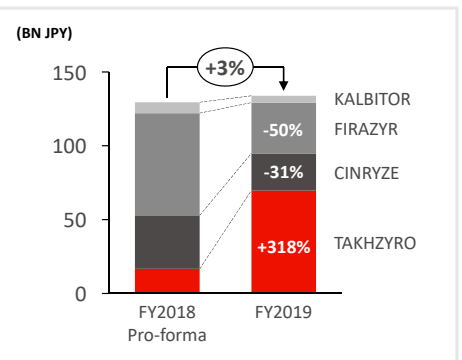
#### Other regions:

- Strong launches in Germany, Austria, UK, Israel and UAE. Initial access schemes in place in Greece, Finland, Norway, Sweden and Switzerland
- Reimbursement negotiations ongoing in Italy, France, Spain, and Gulf countries.
- Over 20 launches are planned in FY2020

### TAKHZYRO Global Revenue Since Launch<sup>2</sup>



### HEREDITARY ANGIOEDEMA FY2019, UNDERLYING REVENUE GROWTH



- HAE portfolio is back to growth trajectory following solid TAKHZYRO performance; growth expected to continue in FY2020
- Steady supply of CINRYZE to ensure treatment continuation for C1-inhibitor patients
- Loss of exclusivity of FIRAZYR

1. Source: internal data.  
2. FY2018 Q2, and Q3 revenue was pre-acquisition of Shire, converted from USD at the rate of \$1 = 111 JPY (average FX rate for FY2018), and converted from US GAAP to IFRS with no material differences.

Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.

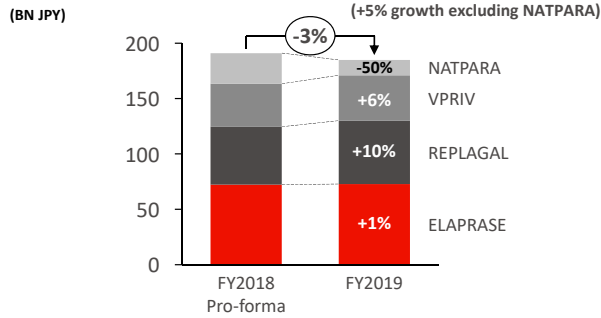


RARE DISEASES

**RARE METABOLIC SUSTAINED GROWTH EXCEPT FOR NATPARA® U.S. RECALL; RARE HEMATOLOGY COMPETITIVE LANDSCAPE IN LINE WITH EXPECTATIONS**

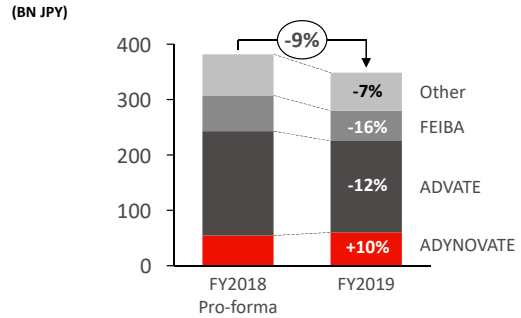
**RARE METABOLIC**

FY2019, UNDERLYING REVENUE GROWTH



**RARE HEMATOLOGY**

FY2019, UNDERLYING REVENUE GROWTH



- No U.S. revenue recorded for NATPARA since recall in September 2019. Rare Metabolic portfolio excluding NATPARA underlying growth +5%
- NATPARA Special Use Program is in place for patients who are at extreme risk of life-threatening complications as a result of discontinued treatment
- Takeda is working closely with the FDA on a proposed plan to resupply NATPARA in the U.S., however, it is anticipated that the required device modifications and product testing will likely delay availability beyond 2020. As a result, Takeda expects zero U.S. revenue for NATPARA to be recognized in FY2020

- Global growth of ADYNOVATE driven by new launches (now available in 30 countries ex.-U.S.); PROPEL study data reinforces the importance of personalized prophylaxis
- ADVATE decline partially driven by ADYNOVATE and competitive uptake with increasing price pressure in standard half-life segment
- Impact of competition on ADVATE/ADYNOVATE differing by country
- FEIBA decline driven by erosion of prophylaxis segment by competition; seeing stabilization through acute usage in U.S.

Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.

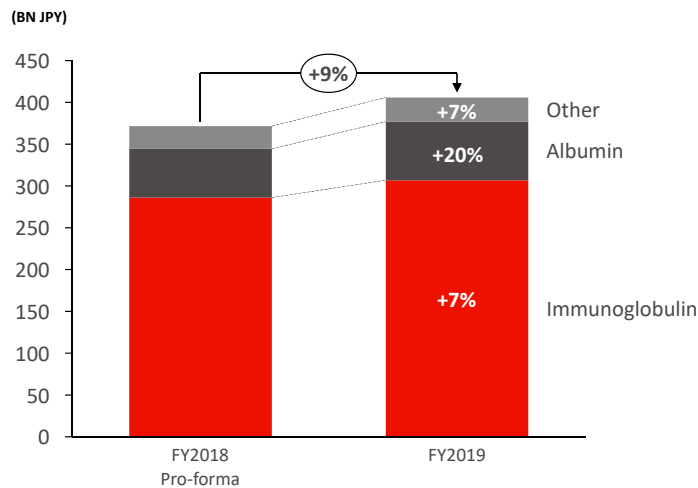


PLASMA-DERIVED THERAPIES

**PDT IMMUNOLOGY GROWTH DRIVEN BY SUBCUTANEOUS IG AND ALBUMIN**

**PDT IMMUNOLOGY PORTFOLIO**

FY2019, UNDERLYING REVENUE GROWTH



- Immunoglobulin products accelerating to +7% growth for full year (+17% in Q4), driven by continued expansion of subcutaneous IG (SCIG)
- FY2020 growth of IG expected to be +10~20%
- Albumin +20% fueled by demand in China and capacity expansion
- Other immunology portfolio is growing by +7% driven by Alpha-1 products in the U.S. (GLASSIA and ARALAST)

**CONTINUING TO INVEST IN PLASMA COLLECTION**

- Current footprint of 123 centers in the U.S. and 31 ex-U.S., an increase of 32 centers in the fifteen months since the close of Shire acquisition
- Plasma collection volume grew +13% versus FY2018
- Intend to continue to invest in new centers while focusing on operational excellence to increase plasma supply and manufacturing capacity by >65% over the next five years

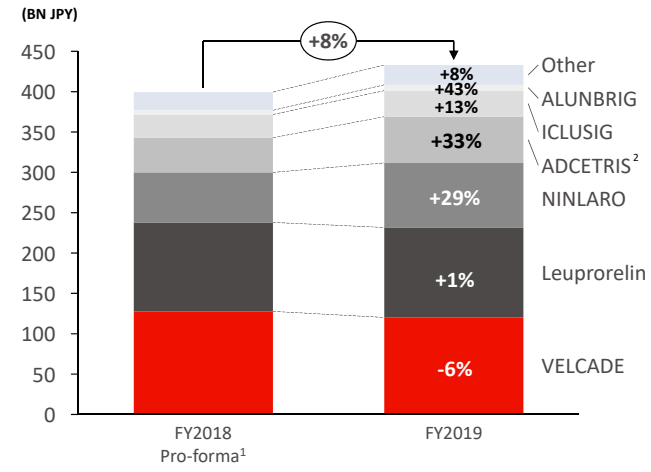
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ONCOLOGY

STRONG ONCOLOGY PORTFOLIO CONTINUES TO EXPAND INDICATIONS

ONCOLOGY PORTFOLIO  
FY2019, UNDERLYING REVENUE GROWTH<sup>1</sup>



FIRST APPROVAL FOR FIRST-LINE USE

- Approved by the European Commission as a first-line treatment for ALK+ advanced NSCLC based on results of ALTA-1L trial
- FDA granted priority review; U.S. PDUFA date for first-line indication: June 23, 2020
- Filed in Japan in February 2020 for patients who have progressed after treatment with another ALK inhibitor



FIRST APPROVAL IN MAINTENANCE SETTING

- First approval in maintenance setting (post-SCT) granted in Japan in March 2020
- TOURMALINE-MM2 (frontline) did not meet primary endpoint; data will be presented at an upcoming scientific meeting



APPROVALS IN NEWLY DIAGNOSED CD30+ PTCL

- Approved in Japan, Brazil and South Korea; positive CHMP opinion in Europe for previously untreated sALCL



NEW LAUNCH IN JAPAN

- Now available as a treatment for patients with curatively unresectable or metastatic renal cell carcinoma (RCC)

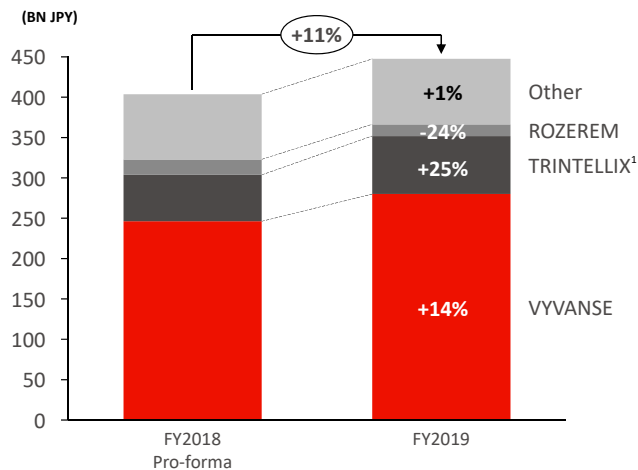
1. Legacy Shire's oncology revenue excluded  
2. ADCETRIS is in-licensed from Seattle Genetics; Takeda has development and marketing rights outside of the U.S. and Canada  
Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth. For glossary of disease abbreviations please refer to appendix.



NEUROSCIENCE

NEUROSCIENCE GROWTH DRIVEN BY REINFORCED U.S. BUSINESS UNIT

NEUROSCIENCE PORTFOLIO  
FY2019, UNDERLYING REVENUE GROWTH



RENEWED PROMOTIONAL FOCUS IS DRIVING MARKET SHARE GAINS IN THE BRANDED U.S. MARKET

- Synergistic investment in both personal and non-personal channels are focused on making VYVANSE a first-line treatment option
- Additional growth from uptick in patients diagnosed in the EU and patient uptake in Canada
- Launched in Japan in December 2019



TRINTELLIX CONTINUES TO BE IN THE TOP-TIER OF ANALOGUES FOR BRANDED PRODUCTS AT THIS STAGE OF ITS LIFE-CYCLE

- Continued market share increases in the U.S. branded market reflect increasing awareness by patients and Healthcare Professionals as well as increased utilization of patient focused resources post-initiation
- Launched in Japan in November 2019

1. TRINTELLIX is in-licensed from Lundbeck; Takeda has co-marketing rights in the U.S. and Japan.  
Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.



# 14 GLOBAL BRANDS UNDERLYING REVENUE GROWTH OF +22%

FY2019 REVENUE					FY2019 REVENUE					
(as reported)	(BN JPY)	(MM USD)	versus PY (underlying)	GLOBAL BRAND	(BN JPY)	(MM USD)	versus PY (underlying)	GLOBAL BRAND		
GI	Entyvio (vedolizumab)	347.2	3,189	+32.9%	PDT IMMUNOLOGY	IMMUNOGLOBULIN	298.7	2,744	+7.2%	
	Takecab	72.7	668	+24.9%		GAMMAGARD LIQUID (Immune Globulin Intravenous (Human)) 10%			+5.5%	Kiovig (poly 19S human IgG)
	Gattex (Ezetimibe (ZM) original) for injection	61.8	568	+21.7%		HyQvia (Human Normal Immoglobulin (HNI) Recombinant Human Hyaluronidase)			+16.4%	
	ALOFISEL	0.4	3	N/A (commercial launch August 2018)		Cuvitru (Human Rabbit Sarcosine (Human)) 20%			+11.1%	
RARE DISEASES	TAKHZYRO (lanadelumab-lyc) injection	68.3	627	+318%	ALBUMIN/FLEXBUMIN <sup>1</sup>	67.2	617	+20.3%	ONCOLOGY	
	ADYNOVATE (lanotimab-lyc) (Recombinant Coagulation Factor VII)	58.7	539	+9.8%	NINLARO (ixazomib) capsules	77.6	712	+28.5%		
	Natpara	13.6	125	-49.7%	AOCETRIS (brentuximab vedotin)	52.7	484	+33.1%		
	elapraxe (icursulfase)	67.9	624	+0.7%	ALUNBRIG (brigatinib) BRIGATINE	7.2	66	+43.1%		
	REPLAGAL (apilrasib) oral suspension	51.3	471	+9.6%	NEURO-SCIENCE	Vyvanse	274.1	2,518		+13.7%
	VPRIV	38.0	349	+5.5%		Tintellix (vortioxetine)	70.7	649		+25.0%

**14 GLOBAL BRANDS FY2019 TOTAL: JPY 1,106.6 B (US\$10.2B<sup>2</sup>) (+22% UNDERLYING GROWTH)**

1. Includes Albumin Glass, Flexbumin and Kenketsu Albumin.

2. USD included for reference calculated at JPY/USD of 109 yen.

Note: Absolute values are presented on an IFRS (reported) basis. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda's revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.



## R&D ENGINE



**Andrew Plump**  
President,  
Research & Development

**01.**  
Introduction &  
Business  
Area Focus

**02.**  
R&D  
Engine

**03.**  
Financial  
Strength

**04.**  
Closing  
Remarks

**05.**  
Q&A  
Session

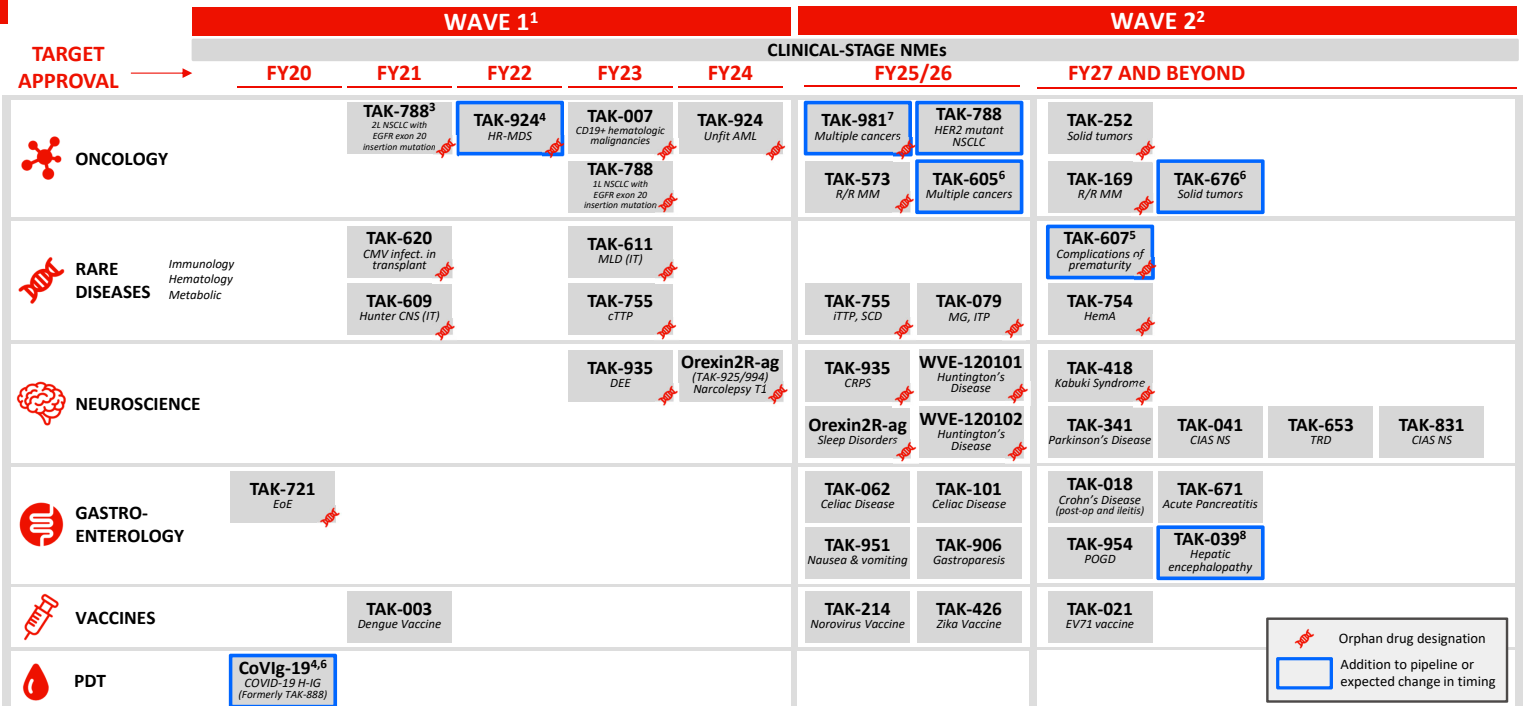
# TRANSLATING SCIENCE INTO HIGHLY INNOVATIVE MEDICINES

- 12 Wave 1 best-in-class / first-in-class NMEs with potential approval through FY2024 and 9 ongoing registration enabling studies
- ~30 clinical stage early development Wave 2 NMEs and increasing investment in next generation platforms for sustained growth in FY2025 and beyond
- 14 global brands with >20 ongoing registration enabling studies in new indications / geographies
- Expanding in China with >15 planned approvals over the next 5 years
- 38 new R&D collaborations with biotech and academia in FY2019

26 NME: New Molecular Entity  
Wave 1 programs are NMEs projected to launch through FY2024; Wave 2 programs are NMEs projected to launch after FY2024



## MOMENTUM IN OUR DYNAMIC PIPELINE BASED ON EMERGING DATA



1. Projected approval dates depend on data read-outs; some Wave 1 target approval dates assume accelerated approval  
 2. Some Wave 2 assets could be accelerated into Wave 1 if they have breakthrough data  
 3. Approval date assumes filing on Phase 2 data  
 4. Projected approval date evolving based on emerging data and study progress  
 5. Revised program timelines will likely move approval date outside of Wave 1 timeframe  
 6. Expected new additions to the clinical pipeline with FPI projected in 1H FY20  
 7. Wave 2 program with accelerated timeline  
 8. Projected development in hepatic encephalopathy  
 All timelines are current best estimates and are subject to change due to impact by COVID-19 as of May 13, 2020

# NEAR-TERM WAVE 1 ONCOLOGY PIPELINE EXPANSIONS WITH MOBOCERTINIB RECEIVING BREAKTHROUGH THERAPY DESIGNATION

## mobocertinib<sup>1</sup> (TAK-788)

POTENTIAL NEW STANDARD OF CARE FOR A SUBSET OF NSCLC PATIENTS WITH EXON 20 INSERTIONS



## pevonedistat (TAK-924)

PEVONEDISTAT IS POISED TO DELIVER MEANINGFUL PROGRESS IN HR-MDS AND AML



### Current Development



Registration enabling Phase 2 in 2L+ NSCLC EGFR exon 20 (data readout 1H FY20)



(1-2% of NSCLC)

Phase 3 global trial in 1L NSCLC EGFR exon 20

### P2001

Oral presentation at ASCO<sup>2</sup> and EHA<sup>2</sup> (June 2020) Phase 2 pevonedistat + aza<sup>3</sup> vs. aza



Phase 3 in HR-MDS, CMML, LB AML. pevonedistat + aza vs. aza (data readout 2H FY20)

### PEVOLAM (Unfit ~50% 1L AML)

Phase 3 in 1L unfit AML. pevonedistat + aza vs. aza (data readout FY23<sup>4</sup>)

### Expansion Opportunity

#### HER2 mutant solid tumors (2-10% of breast, GI, bladder cancers)

Phase 2 TAK-788 + HER2-ADC in HER2 mutant solid tumors start FY20<sup>4</sup>

#### HER2 mutant NSCLC (2-4% of NSCLC)

Dose expansion in NSCLC to inform go/no-go for Phase 3 development by FY22

#### Unfit AML (Unfit ~50% 1L AML)

Phase 2 in 1L unfit AML pevonedistat + venetoclax + aza vs. venetoclax + aza.

1. TAK-788 granted Breakthrough Therapy Designation for the treatment of patients with metastatic NSCLC with EGFR exon 20 insertion mutations who have progressed on or after chemotherapy.  
2. ASCO: American Society of Clinical Oncology; EHA: European Hematology Association  
3. AZA – Azacitidine  
4. Impact of COVID-19 could delay timing

# EMERGING DATA FOR INNOVATIVE WAVE 2 PIPELINE

## TAK-981

FIRST-IN-CLASS SMALL MOLECULE INHIBITOR OF SUMOYLATION THAT ENHANCES IMMUNE RESPONSE



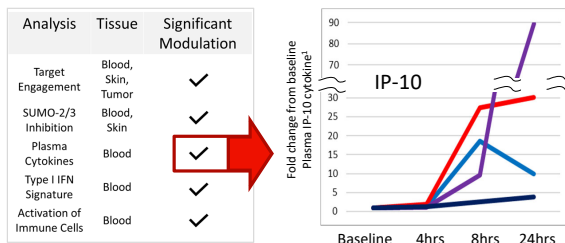
## TAK-039

ORALLY ADMINISTERED LIVE BACTERIAL CONSORTIUM FOR POTENTIAL TREATMENT OF HEPATIC ENCEPHALOPATHY

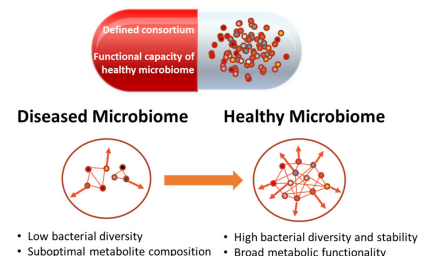


### MOA

Enhances Type I interferon signaling and lymphocyte activation



Restores gut homeostasis



### Emerging Data

- Responses seen in single-agent dose-escalation in solid tumors and in combination with rituximab in NHL
- Exploring anti-viral efficacy in COVID-19+ cancer patients
- Initial development in combination with anti-PD1 in solid tumors and R/R non-Hodgkin's lymphoma

- Proof-of-mechanism<sup>2</sup> in *C. difficile* with 78.9% (15 of 19) of patients achieving primary outcome prevention of recurrence
- Second treatment course achieved prevention in 3 of the 4 recurrent patients. Overall response 94.7% (18/19)
- >200,000 patients experience hepatic encephalopathy annually in the US and EU

1. Interferon-gamma induced protein 10 kDa (IP-10) measured in 4 subjects at 60 mg during dose escalation.  
2. Selected for oral presentation at DDW 2020 and working on submission to a high impact journal.

## FOLLOWING THROUGH ON OUR EXPECTED COMMITMENTS AT THE BEGINNING OF FY2019 WITH OUR NEW MOLECULAR ENTITY PIPELINE

	MOA	TAU / BU	EXPECTED EVENT	FY19	COMMENTS	
<b>Wave 1</b>	TAK-924 (pevonedistat)	NAE inhibitor	Oncology	Registration enabling Ph-2 readout in myelodysplastic syndrome (MDS)	H1	✓ Data readout achieved and will be presented at upcoming ASCO conference
	TAK-788 (mobocertinib)	EGFR / HER2 tyrosine kinase inhibitor	Oncology	Ph-3 study start in treatment naive non-small-cell lung carcinoma (NSCLC) patients with EGFR exon 20 insertion mutations	H1	✓ Achieved in H2
	TAK-007	CD19 CAR-NK	Oncology	Progress at least one innovative I/O cell therapy program to First-In-Human	H2	✓ CD19 directed CAR-NK program added to clinical portfolio
	TAK-755	ADAMTS-13	Rare Diseases	Ph-3 study re-initiation in congenital thrombotic thrombocytopenic purpura (cTTP)	H2	✓ Achieved First-Patient-In for additional indications in iTTP (Ph-2 study), and sickle cell disease (Ph-1/2 study)
	TAK-609	Iduronate-2-sulfatase (intrathecal)	Rare Diseases	Ph-3 study data readout (2-year extension) for Hunter Syndrome and cognitive impairment	H1	➡ Additional analysis ongoing on 3 year extension data, expected to be available H1 FY20
	TAK-925	Orexin2R agonist	Neuroscience	Update on the Orexin 2R agonist program at R&D Day	H2	✓ TAK-925 achieved early POC for Narcolepsy T1 and potential for treatment of other sleep disorders. TAK-994, an oral OX2R is progressing in Narcolepsy T1 studies
	TAK-721	Muco-adherent topical corticosteroid	Gastroenterology	Ph-3 study data presentation for eosinophilic esophagitis	H2	✓ Data of 12-week Ph 3 study presented at American College of Gastroenterology. Ph 3 extension data to be published in H2 FY20
	TAK-003	Dengue vaccine	Vaccine	Decision to submit Dengue vaccine	H2	➡ 18-month data from our DEN-301 Ph-3 study were presented at ASTMH in November 2019; submission planned in FY20
<b>Wave 2</b>	TAK-573	Anti-CD38 attenu kinase	Oncology	POC readout for relapsed / refractory multiple myeloma	H1	➡ Pharmacodynamic data confirms novel IO mechanism, POC analysis in progress. Start MM combination trial 1H FY20, Ph1 solid tumor trial started December 2019.
	TAK-676	STING agonist	Oncology	Ph-1 clinical start for systemic IV administration	H1	➡ IND approved, expect first patient enrolled in H1 FY20.
	TAK-748	FIX Gene Therapy	Rare Diseases	Initiate Ph-1 study for Hemophilia B	H2	➡ Planned in H1 FY20
	TAK-101/ TAK-062	Immune Tol. Ind. / Glutenase	Gastroenterology	POC readout in Celiac Disease	H1	✓ TAK-101 and TAK-062 achieved POC. TAK-101 data presented at conference UEG Week 2019; Takeda executed option to license TAK-101 and acquired PVP Biologics (incl. TAK-062)
	TAK-426	Zika vaccine	Vaccine	Early POC readout for Zika vaccine	H2	✓
<b>Other</b>	TAK-823 (alisertib)	Aurora A kinase inhibitor	Oncology	Ph-3 study start in front-line acute myeloid leukemia (AML)	H2	➡ Explore external value creation

30 Table only shows select R&D milestones and is not comprehensive. All timelines are current assumptions and subject to change. POC: Proof of Concept; for full glossary of disease abbreviations please refer to appendix.



## CONTINUE TO DRIVE AGAINST OUR KEY DELIVERABLES IN FY2020 WHILE RECOGNIZING POTENTIAL DELAYS DUE TO PANDEMIC

	MOA	TAU / BU	EXPECTED EVENT <sup>1</sup>	FY20	
<b>Wave 1</b>	TAK-788 (mobocertinib)	EGFR / HER2 tyrosine kinase inhibitor	Oncology	US NDA submission for NSCLC patients with EGFR exon 20 insertion mutations	H2
	TAK-007	CD19 CAR-NK	Oncology	Treat first patient with off-the-shelf cryopreserved formulation at MDACC	H2
	TAK-620	CMV protein kinase inhibitor	Rare Diseases	Ph-3 study 303 readout in resistant/refractory CMV infection for transplant patients	H2
	TAK-609	Iduronate-2-sulfatase (intrathecal)	Rare Diseases	US NDA submission for Hunter Syndrome with cognitive impairment	H2
	TAK-935	CH24H inhibitor	Neuroscience	Proof-of-concept data in Lennox-Gastaut syndrome for ELEKTRA study	H1
	TAK-994	Orexin 2 receptor agonist	Neuroscience	Proof-of-concept data in Dravet syndrome for ELEKTRA	H1
	TAK-721	Muco-adherent topical corticosteroid	Gastroenterology	Proof-of-concept data in complex regional pain syndrome (CRPS)	H1
	CoVig-19	Hyperimmune globulin	Plasma Derived Therapies	Registration enabling study start in patients with COVID-19	H1
	TAK-003	Dengue vaccine	Vaccine	First major regulatory approval for COVID-19	H2
	TAK-003	Dengue vaccine	Vaccine	Regulatory filing for Dengue vaccine in endemic region	H2
<b>Wave 2</b>	TAK-676	STING agonist	Oncology	Ph-1 start for systemic IV administration	H1
	TAK-605	Oncolytic virus	Oncology	Ph-1 start for intra-tumoral administration	H1
	TAK-102	GPC3 CAR-T	Oncology	Ph-1 start	H1
	CD19-1XX CAR-T	CD19 CAR-T	Oncology	Ph-1 start	H1
	GDX012	γδ T cell therapy	Oncology	Ph-1 start	H2
	TAK-062	Glutenase	Gastroenterology	Phase 2 start in celiac disease	H2

31 1. All timelines are current assumptions and subject to change based on delays due to COVID-19. Table only shows select R&D milestones and is not comprehensive. For full glossary of disease abbreviations please refer to appendix.





# SELECT PIPELINE EVENTS FOR APPROVED THERAPIES EXPECTED IN FY2020

	COMPOUND	EXPECTED EVENT <sup>1</sup>	FY20
	ALUNBRIG	Approval decision in US for 1L ALK+ NSCLC	H1
		Submission in US and EU for 2L post 2 <sup>nd</sup> generation TKI in ALK+ NSCLC	H2
	ICLUSIG	Submission in US of OPTIC data for CP-CML	H1
	VONVENDI	Submission in US for prophylaxis therapy in Von Willebrand Disease	H2
	TAKHZYRO	Registration enabling study start for bradykinin mediated angioedema	H1
	NATPARA	Agreement with FDA on future resupply plan and timing	H2
	ALOFISEL	Registration enabling study start in Complex Cryptoglandular Fistulas	H2
	ENTYVIO	Approval decision in EU for subcutaneous administration in ulcerative colitis and Crohn's disease	H1
		Path forward agreed by FDA regarding CRL for subcutaneous administration	H1
PLANNED REGULATORY ACTIVITIES IN CHINA	GATTEX	Submission in JP for short bowel syndrome	H2
	ADCETRIS	Approval decision for R/R HL and ALCL	H1
	REPLAGAL	Approval decision for Fabry Disease	H2
	VPRIV	Approval decision for Gaucher Disease	H2
	TAKHZYRO	Approval decision for hereditary angioedema	H2
	ALUNBRIG	Submission for 1L ALK+ NSCLC	H2

<sup>1</sup> All timelines are current assumptions and subject to change based on delays due to COVID-19. Table only shows select R&D milestones and is not comprehensive. For full glossary of disease abbreviations please refer to appendix.

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# FOLLOWING THROUGH ON OUR FY2019 COMMITMENTS AND PLANNING FOR ROBUST WAVE 1 NEAR-TERM GROWTH

	FY19	FY20	FY21	FY22	FY23	FY24
	ENTYVIO	IV CD, JP IV UC/CD, CN	VIPRIV	Gaucher Disease, CN	NINLARO	NDMM nSCT, JP
	GATTEX	Pediatric, US	BUCCOLAM	Status epilepticus, JP	ALOFISEL	CPF, US
	NINLARO	NDMM SCT, JP	ICLUSIG	CML, US	niraparib	Prostate Cancer, JP
	TRINTELLIX	MDD, JP	FIRAZYR	HAE, CN	cabozantinib	NSCLC, JP
	VONVENDI	VWD, JP	REPLAGAL	Fabry Disease, CN	VONVENDI	Prophyl, JP
	ADCETRIS	FL PTCL, JP R/R HL/ALCL peds, JP	niraparib	Ovarian cancer, JP	ICLUSIG	1L Ph+ ALL, EU, JP
	cabozantinib	1L, 2L RCC, JP	ADCETRIS	FL PTCL, EU R/R HL, R/R ALCL, CN	relugolix	Prostate, CN
	vonoprazan	L-ASA, JP Reflux Esophagitis, CN	cabozantinib	HCC, JP	OBIZUR	CHAWI, US
			TAK-609	Hunter CNS (IT)		
			TAK-003	Dengue vaccine		
			maribavir TAK-620	CMV transplant		
			mabocertinib TAK-788	2L NSCLC exon 20 <sup>3</sup>		
			TAKHZYRO	HAE, JP		
			ALUNBRIG	1L NSCLC, CN 2L NSCLC, CN		
			ALUNBRIG	H2H alectinib, EU Post-2Gen, US, EU		
			NINLARO	NDMM nSCT, JP		
			ALOFISEL	CPF, JP		
			GATTEX	SBS, JP		
			ICLUSIG	1L Ph+ ALL, US		
			cabozantinib	1L RCC, JP		
			vonoprazan	OD ARD, JP Erosive Esophagitis mt., CN		
			ADCETRIS	CTCL, CN		
			VONVENDI	Prophyl, US, EU		
			pevonedistat TAK-924	HR-MDS		
			ENTYVIO	sc CD US/JP <sup>7</sup>		
			ALUNBRIG	H2H alectinib, US		
			ICLUSIG	1L Ph+ ALL, EU, JP		
			vonoprazan	ARD (Duodenal Ulcer), CN		
			VONVENDI	Peds, US, EU, JP		
			relugolix	Prostate, JP		
			ADYNOVATE	HemA, CN		
			ADCETRIS	CTCL, JP		
			OBIZUR	CHAWI, EU		
			TAK-007	Hematologic malignancies		
			TAK-611	MLD (IT)		
			TAK-935	DEE <sup>4</sup>		
			mabocertinib TAK-788	1L NSCLC exon 20 <sup>5,6</sup>		
			TAK-755	cTTP <sup>8</sup>		
			NINLARO	NDMM nSCT & SCT, US, EU		
			ENTYVIO	GvHD, EU		
			ALOFISEL	CPF, US		
			niraparib	Prostate Cancer, JP		
			cabozantinib	NSCLC, JP		
			VONVENDI	Prophyl, JP		
			ICLUSIG	1L Ph+ ALL, EU, JP		
			relugolix	Prostate, CN		
			OBIZUR	CHAWI, US		
			Orexin 2R agonist	Narcolepsy T1		
			pevonedistat TAK-924	AML <sup>5</sup>		
			TAKHZYRO	BMA, US		
			NINLARO	NDMM nSCT, CN		

Potential NME Approval  
 Potential Global Brand Extension  
 Potential Regional Brand Extension

1. China approval projected in 2023  
 2. US approval for sc UC dependent on timeline to resolve CRL  
 3. EU, China approval projected in 2022  
 4. China approval projected in 2024  
 5. New projected indication for currently unapproved asset  
 6. EU, JP, China approval projected in 2024

7. CD submission and subsequent approval timing depends on UC approval  
 8. Removed GATTEX in China FY23

Achieved approvals in FY19. Future target dates are estimates based on current data and are subject to change, as of May 13, 2020

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# FINANCIAL STRENGTH



Costa Saroukos  
Chief Financial Officer

01.

Introduction & Business Area Focus

02.

R&D Engine

03.

Financial Strength

04.

Closing Remarks

05.

Q&A Session

## DELIVERING ON OUR FINANCIAL COMMITMENTS

### DELIVERING RESULTS

- ✓ Solid FY2019 results driven by 5 key business areas, synergies and OPEX efficiencies

### SYNERGIES & MARGIN

- ✓ Accelerated cost synergy capture to deliver \$1.1B run-rate by March 2020; increased synergy target from \$2.0B to \$2.3B and driving towards top-tier margins

### FINANCIAL RESILIENCE

- ✓ Strong \$12B+ liquidity<sup>1</sup> and cash flow outlook to meet our financial commitments

### FOCUSING PORTFOLIO

- ✓ Announced five non-core asset divestitures since April 2019 worth up to ~\$7.7B; non-core divestitures to continue towards \$10B target

### RAPID DE-LEVERAGING

- ✓ Net debt/adjusted EBITDA<sup>2</sup> ratio at 3.8x, improved from 4.7x in March 2019; committed to target of 2x within fiscal years ending March 2022 – March 2024

### GROWTH OUTLOOK

- ✓ Growth momentum expected to continue in FY2020 and accelerate in the mid-term

1: Defined as cash and cash equivalents as of March 31, 2020 (JPY 637.6B), plus undrawn committed line of credit (JPY 700B). USD provided for reference calculated at JPY/USD of 109 yen  
2: Please refer to slide 59 for definition, and slides 79-80 for reconciliation.



## DELIVERED FY2019 MANAGEMENT GUIDANCE WHILE MAKING EXCELLENT PROGRESS ON DIVESTITURES, DE-LEVERAGING, AND SYNERGIES

	ORIGINAL GUIDANCE (MAY 14, 2019) <sup>4</sup>	REVISED GUIDANCE (FEBRUARY 4, 2020)	FY2019 RESULTS
UNDERLYING REVENUE GROWTH <sup>1</sup>	Flat to slightly increasing	Flat to slightly increasing	+1.6%
UNDERLYING CORE OPERATING PROFIT <sup>2</sup> MARGIN <sup>3</sup>	Mid-twenties %	High-twenties %	28.9%
UNDERLYING CORE EPS <sup>3</sup>	350-370 yen	385-405 yen	395 yen

### EXCELLENT PROGRESS TOWARDS FINANCIAL COMMITMENTS

- Announced five non-core asset divestitures since April 2019 worth up to ~\$7.7B
- Abundant free cash flow comfortably covered dividend & interest costs and enabled accelerated debt paydown
- Accelerated cost synergy capture driving strong margins; delivered \$1.1B synergy run-rate by March 2020

1. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.
2. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition.
3. Please refer to slide 70 for reconciliation.
4. Based on scenario for VELCADE whereby no additional non-therapeutically equivalent competitor with intravenous and subcutaneous administration launches in the U.S. in FY2019

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## SOLID FY2019 DRIVEN BY 5 KEY BUSINESS AREAS, SYNERGIES & OPEX EFFICIENCIES ROBUST CORE OPERATING PROFIT MARGIN & POSITIVE REPORTED EPS

### FY2019 FINANCIAL RESULTS (SUMMARY)

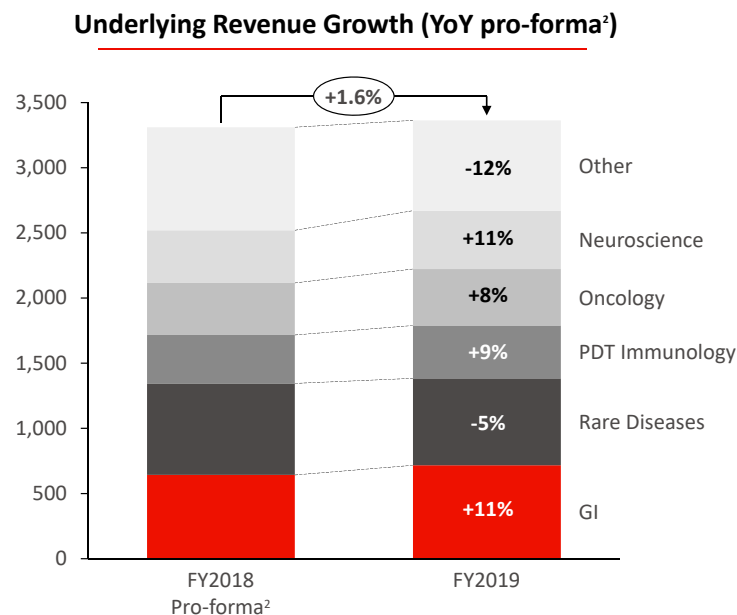
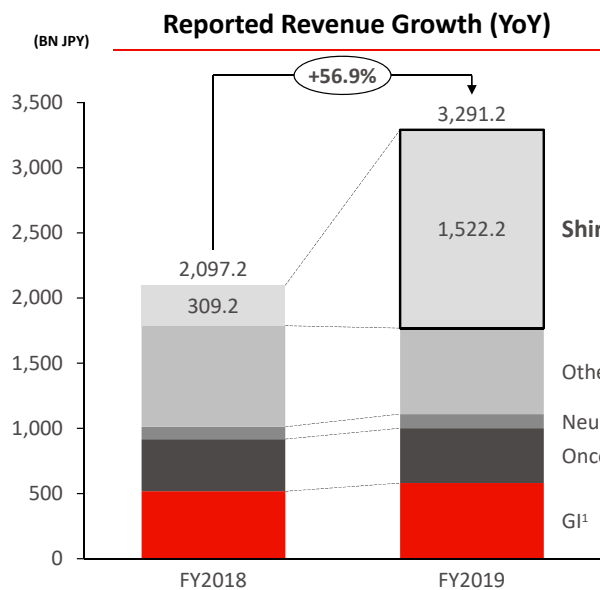
(BN YEN)	REPORTED		CORE <sup>1</sup>		UNDERLYING
	FY2019	VS. PRIOR YEAR	FY2019	VS. PRIOR YEAR	
REVENUE	3,291.2	+56.9%	3,291.2	+56.9%	+1.6% (YoY pro-forma) <sup>2</sup>
OPERATING PROFIT	100.4	-57.8%	962.2	+109.5%	
Margin	3.1%	-8.3pp	29.2%	+7.3pp	28.9%
NET PROFIT	44.2	-67.3%	602.2	+87.4%	
EPS (JPY)	28	-79.8%	387 yen	+52 yen	395 yen
FREE CASH FLOW <sup>3</sup>	968.0	+156.0%			

1. Please refer to slide 58 for definition and slide 70 and 75 for reconciliation.
2. Underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences. Please refer to slide 68 for reconciliation.
3. Please refer to slide 78 for reconciliation.

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# FY2019 REPORTED REVENUE +56.9% WITH CONSOLIDATION OF SHIRE; UNDERLYING PRO-FORMA +1.6% WITH 5 KEY BUSINESS AREAS OFFSET BY 'OTHER'



Note: Reported revenues and growth are on an IFRS basis. Underlying revenue growth is pro-forma on an underlying basis.

1. These categories show revenue for Legacy Takeda products only, and do not include products obtained through the acquisition of Shire

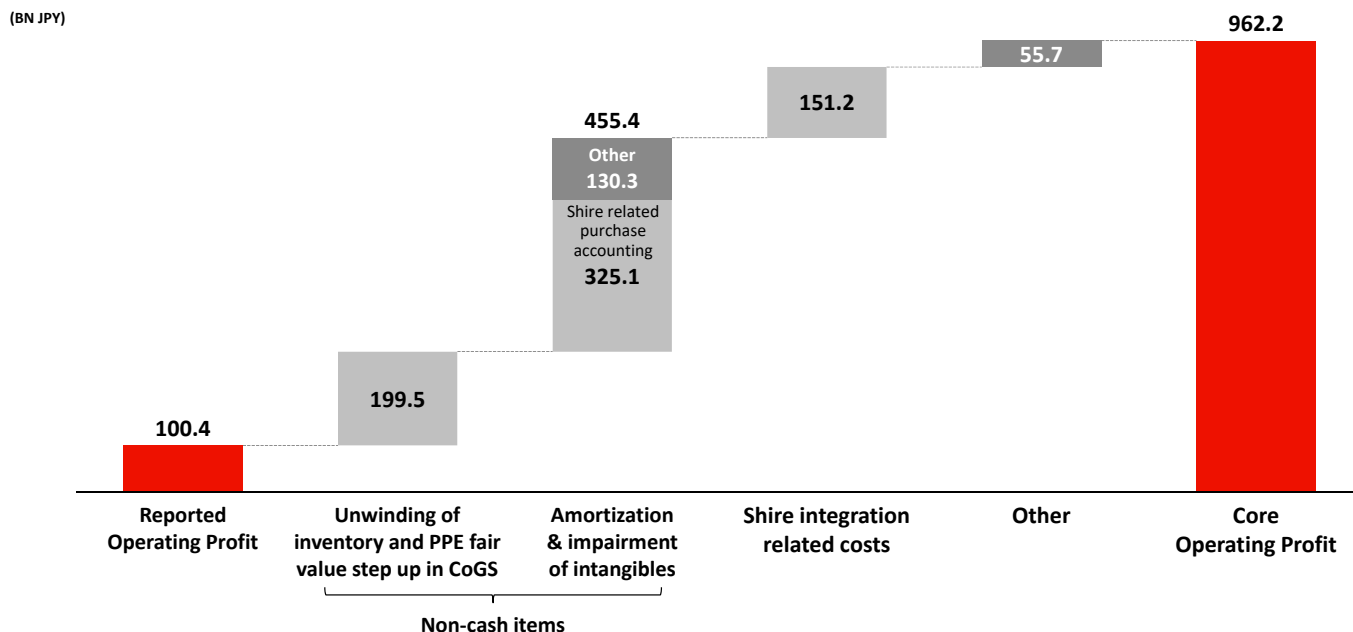
2. Year-on-year changes are underlying growth for the fiscal year ended March 31, 2020 versus the previous fiscal year ended March 31, 2019, pro-forma. The pro-forma baseline represents the sum of Takeda revenue for the previous fiscal year (April 2018 to March 2019) plus Legacy Shire revenue from April 2018 through the acquisition date (January 8, 2019), both adjusted to remove the revenue from divested assets, with Legacy Shire revenue converted to JPY at the rate of 1 USD = 111 JPY (average FX rate for the previous fiscal year ended March 31, 2019) and converted from US GAAP to IFRS with no material differences.

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# FY2019 STRONG CORE OPERATING PROFIT ADJUSTS FOR ITEMS INCLUDING NON-CASH PURCHASE ACCOUNTING EXPENSES AND OTHER ACQUISITION-RELATED COSTS

## BRIDGE FROM FY2019 REPORTED TO CORE OPERATING PROFIT<sup>1</sup>

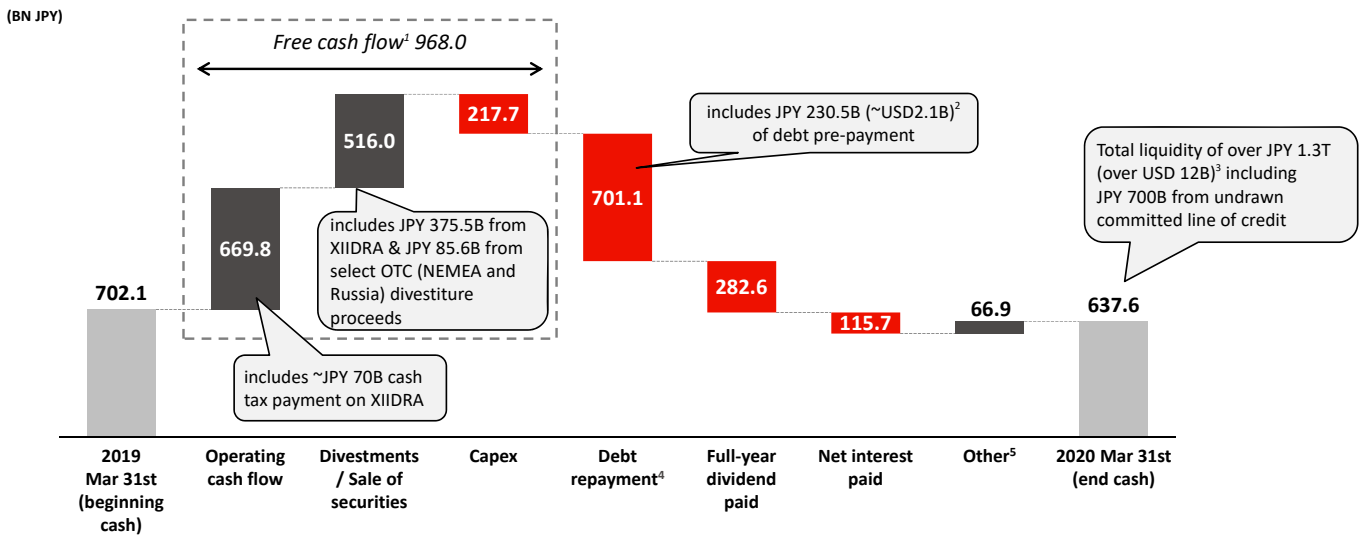


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1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition and slide 70 for reconciliation.



# FY2019 ABUNDANT FREE CASH FLOW COMFORTABLY COVERED DIVIDEND & INTEREST COSTS, AND ENABLED ACCELERATED DEBT PAYDOWN



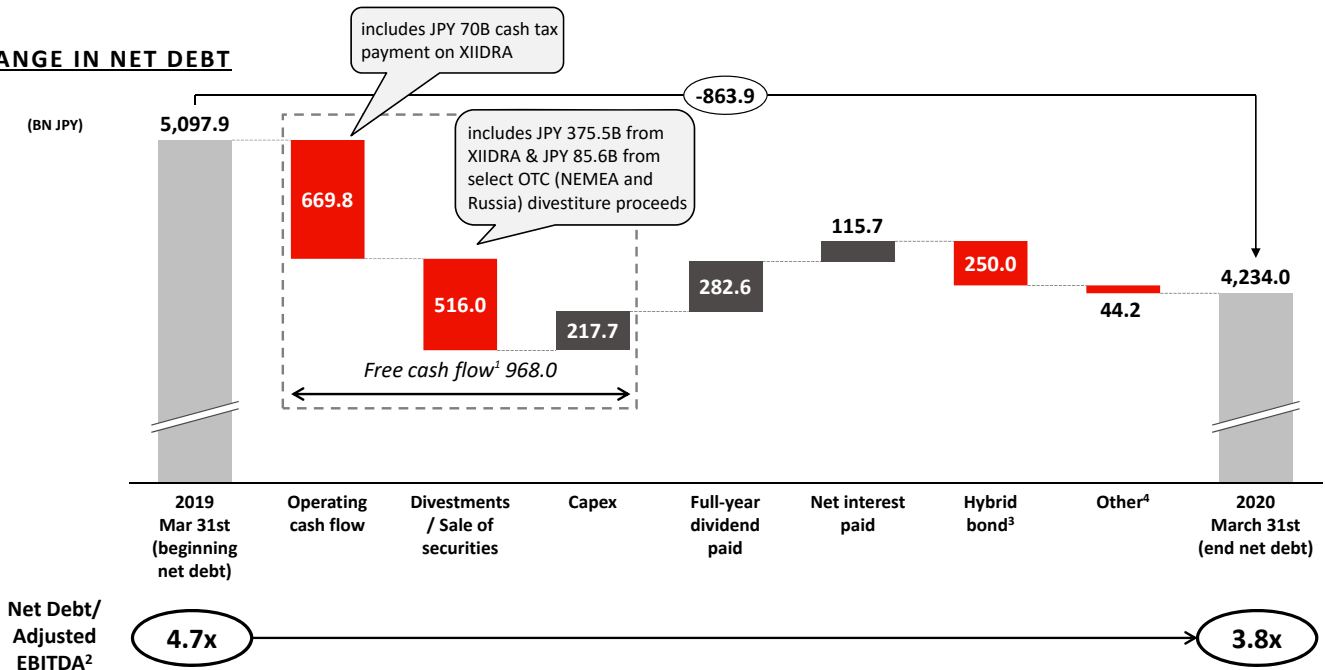
1. Please refer to slide 78 for reconciliation.
2. USD provided for reference calculated at JPY/USD of 109 yen.
3. Defined as cash and cash equivalents as of March 31, 2020 (JPY 637.6B), plus undrawn committed line of credit (JPY 700B). USD provided for reference calculated at JPY/USD of 109 yen.
4. Debt repayment represents cash paid.
5. "Other" indicates items such as FX impact on cash, lease obligations, acquisition of investments, net proceeds from short term debt and contingent considerations payments.

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# RAPID DE-LEVERAGING FROM 4.7x TO 3.8x NET DEBT/ADJUSTED EBITDA

## CHANGE IN NET DEBT



1. Please refer to slide 78 for reconciliation.
2. "Adjusted EBITDA" mainly adjusts for non cash items and one time expenses. Please refer to slide 59 for definition, and slides 79-80 for reconciliation. Beginning and Ending net debt is calculated based on 12 months average FX rate.
3. In June 2019, Takeda issued JPY 500B of hybrid bonds to replace its existing Senior Short-Term Loan, completing the permanent financing process for the Shire acquisition. Net debt includes a 50% equity credit for these bonds (JPY 250B), reflecting the equity credit assigned to them by the ratings agencies.
4. Includes cash and non cash adjustments to debt book-value. Non cash adjustments include changes due to debt amortization, FX impact from converting non-JPY debt into JPY.

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## OPERATING AS ONE TAKEDA, WITH INTEGRATION OF KEY TALENT, LOCATIONS & OPERATIONS COMPLETE

### ON TRACK TO DELIVER \$10B NON-CORE ASSET DIVESTITURES TARGET

- ✓ Completed divestiture of XIIDRA & select over-the-counter and non-core assets in NEMEA and Russia/CIS
- ✓ Announced divestiture of select over-the-counter and non-core assets in Latin America and in Europe
- ✓ Continuing to work towards further divestitures

■ Agreed to terminate agreement to divest TACHOSIL to Ethicon as a result of antitrust concerns raised by the European Commission. Takeda will continue to explore opportunities to divest TACHOSIL

### COST SYNERGY TARGET<sup>1</sup> INCREASED FROM ~\$2.0B TO ~\$2.3B BY END OF FY2021

- ✓ Executing against targets in synergy & OPEX tracking platform
- ✓ Synergies being realized faster than initial plan

■ Incremental synergies of \$300M to be re-invested for growth in China, Plasma-Derived Therapies, and R&D

NEMEA: Near-East, Middle-East and Africa; CIS: Commonwealth of Independent States

1. Recurring annualized pre-tax cost synergies (run-rate).

For details on the baseline for cost synergy assumptions, please refer to "Bases of Belief for the Quantified Financial Benefits Statement" on pages 68-69 of Takeda's Rule 2.7 announcement in May 2018 ([link](#)).



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## ON TRACK TO DELIVER \$10B NON-CORE ASSET DIVESTITURES TARGET; ALSO UNLOCKING CASH FROM REAL ESTATE & SECURITIES

### NON-CORE ASSET DIVESTITURES (ANNOUNCED SINCE APRIL 2019)

Portfolios of select non-core & OTC products

		DEAL CLOSED
XIIDRA	up to <b>\$5.3B</b>	✓
NEMEA	<b>\$200M</b>	✓
RUSSIA/CIS	<b>\$660M</b>	✓
LATAM	<b>\$825M</b>	
EUROPE	up to <b>\$670M</b>	
<b>TOTAL</b>	up to <b>~\$7.7B</b>	

### SALE OF REAL ESTATE & MARKETABLE SECURITIES<sup>1</sup>

FY2019 ACTUAL	<b>\$569M</b>
FY2020 TARGET	<b>\$700M+</b>

OTC: Over-the-counter

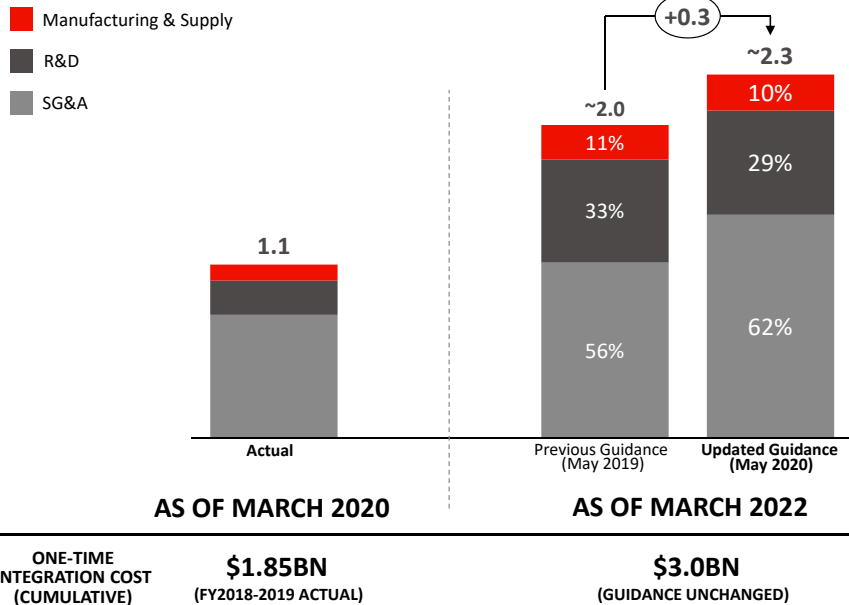
1. USD calculated at 109 JPY/USD

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# COST SYNERGY TARGET INCREASED FROM ~\$2.0B TO ~\$2.3B DRIVEN BY SG&A EFFICIENCIES

## ANNUALIZED COST SYNERGY EVOLUTION (USD BN)<sup>1</sup>



### INCREASED SYNERGY TARGET

- Mainly driven by streamlined SG&A enabled by Takeda Business Solutions (TBS)
- Incremental synergy savings of ~\$300M to be re-invested for growth in China, Plasma-Derived Therapies, and R&D

### FASTER SYNERGY CAPTURE

- Delivered \$1.1B synergy run-rate by March 2020, driving strong FY2019 margins
- Against original \$2B target, expect to be at >90% by end FY2020 (versus initial guidance of 70%)

### INTEGRATION COSTS UNCHANGED

- Guidance for cumulative one-time integration costs unchanged at \$3.0B by March 2022, with \$1.85B spent as of March 2020
- Extra synergies at no incremental cost driven by better than expected negotiation of contract terms, etc.

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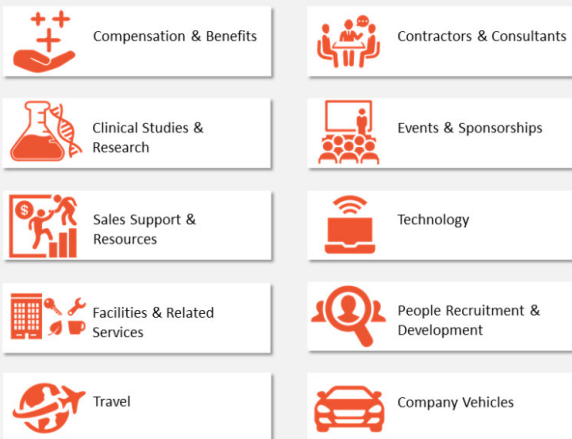
1. Recurring annualized pre-tax cost synergies (run-rate), with breakdown shown by function.

For details on the baseline for cost synergy assumptions, please refer to "Bases of Belief for the Quantified Financial Benefits Statement" on pages 68-69 of Takeda's Rule 2.7 announcement in May 2018 ([link](#)).



# SYNERGY & OPEX PLATFORM ENABLES FASTER SYNERGY CAPTURE & INCREASED SYNERGY TARGET DRIVEN BY SG&A

## SYNERGY PACKAGE OPERATIONAL KPI REPORTS



## MANAGING SYNERGIES & OPEX ACROSS TEN COST PACKAGES

- Procurement driving savings through Partner Value Summit 2019 with 43 top suppliers; planning a fully virtual Partner Value Summit 2020 with 100+ suppliers
- Takeda Business Solutions (TBS) is leveraging scale and driving optimization
  - Scaled up Intelligent Automation Center of Excellence with 5 existing ROBOTS, and 10 ROBOTS to be introduced, driving automation of contract processing, invoice and accounting processes, etc.
  - E-enabled 25,000 suppliers and increased e-Invoice adoption to 44%
  - Consolidated TBS sites in U.S. and Europe

## UNLOCKING SG&A SYNERGY OPPORTUNITIES

### COMPENSATION & BENEFITS

- Rapidly executed employee integration with minimal business disruption; 99.6% of positions finalized by March 2020

### TRAVEL

- Reduced from over 60 travel agencies to 3
- Harmonized travel policy, renegotiated airfares and preferred hotels

### FACILITIES & RELATED SERVICES

- Consolidation of hub locations complete, and 88% of decisions made on commercial office locations across 67 countries (128 / 146 sites)
- 24 owned locations have been sold since acquisition; exited Deerfield campus and sold real estate asset for US \$115 million

### TECHNOLOGY

- 20 integration cornerstone programs to support global standard processes and systems
- Implemented One Takeda ERP for global business processes in 11 countries
- Completed 68% of harmonization of digital productivity workspace (e-mail, IM, calendars)

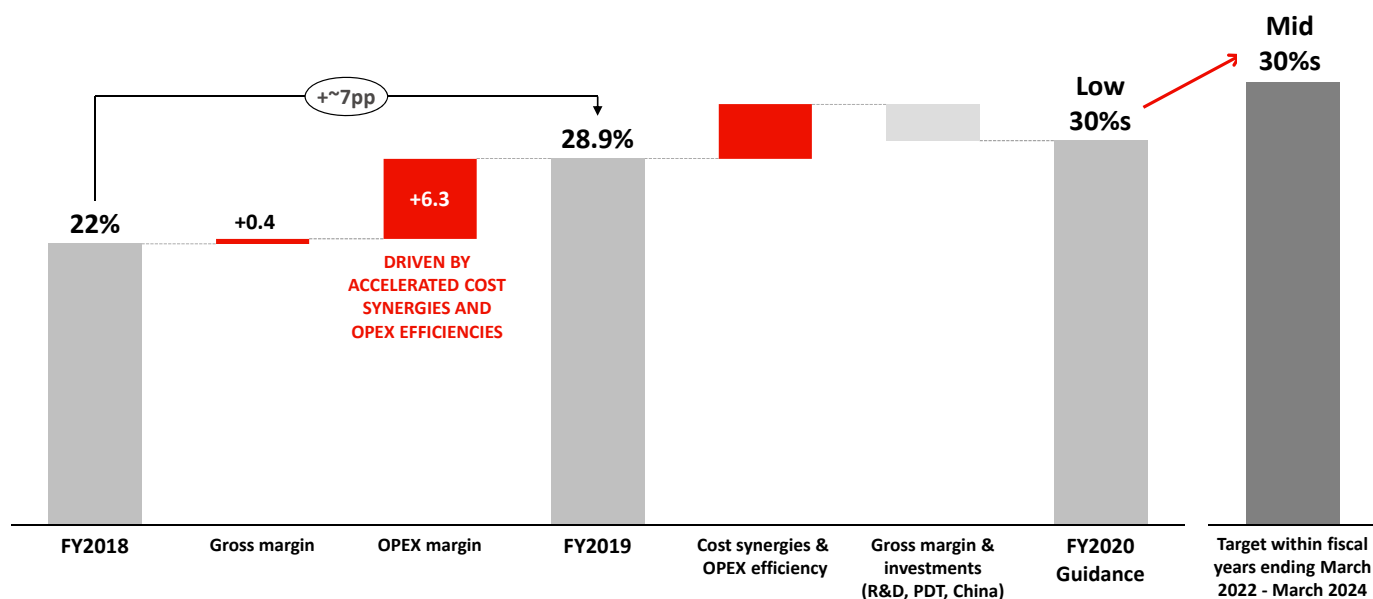
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ERP: Enterprise Resource Planning



# COST SYNERGIES & OPEX EFFICIENCY DRIVING MARGINS TOWARDS TARGET

## UNDERLYING CORE OPERATING PROFIT<sup>1</sup> MARGIN EVOLUTION<sup>2</sup>



Graph is illustrative

1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition.  
2. Please refer to slides 70 and 75-77 for reconciliation.

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# GROWTH MOMENTUM EXPECTED TO CONTINUE IN FY2020

(BN YEN)	FY2019 RESULTS	FY2020 FORECAST	UNDERLYING <sup>3</sup> (MANAGEMENT GUIDANCE)
REVENUE	3,291.2	3,250.0	Low-single-digit growth
REPORTED OPERATING PROFIT	100.4	355.0	
CORE OPERATING PROFIT <sup>1</sup>	962.2	984.0	High-single-digit growth
CORE OPERATING PROFIT <sup>1</sup> MARGIN	29.2%	30.3%	Low-30%
REPORTED EPS (YEN)	28	39	
CORE EPS <sup>2</sup> (YEN)	387	420	Low-teen growth
ANNUAL DIVIDEND PER SHARE (YEN)	180	180	

### Key assumptions in FY2020 forecast:

(1) To date, Takeda has not experienced a material effect on its financial results as a result of the global spread of the novel coronavirus infectious disease (COVID-19), despite the various effects on its operations as detailed elsewhere herein. Based on currently available information, Takeda believes that its financial results for FY2020 will not be materially affected by COVID-19 and, accordingly, Takeda's FY2020 forecast reflects this belief. However, the situation surrounding COVID-19 remains highly fluid, and future COVID-19-related developments in FY2020, including new or additional COVID-19 outbreaks and additional or extended lockdowns, shelter-in-place orders or other government action in major markets, could result in further or more serious disruptions to Takeda's business, such as slowdowns in demand for Takeda's products, supply chain related issues or significant delays in its clinical trial programs. These events, if they occur, could result in an additional impact on Takeda's business, results of operations or financial condition, as well as result in significant deviations from Takeda's FY2020 forecast.

(2) Takeda does not expect any additional 505(b)2 competitor for subcutaneous VELCADE to launch in the U.S. within FY2020;

(3) FY2020 guidance does not include the impact of any potential further divestitures beyond what has already been disclosed by Takeda

1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition, slide 70 for historical reconciliation, and slide 83 for FY2020 forecast reconciliation.

2. Please refer to slide 70 for historical reconciliation.

3. Underlying growth adjusts for divestitures (assets divested in FY2019 and disclosed divestitures expected to close in FY2020) and applies a constant exchange rate (FY2019 full year average FX rate). Please refer to slide 58 for definition of underlying growth. Underlying measures are also the basis for calculating management KPIs. Please refer to slides 86-87 for more details.

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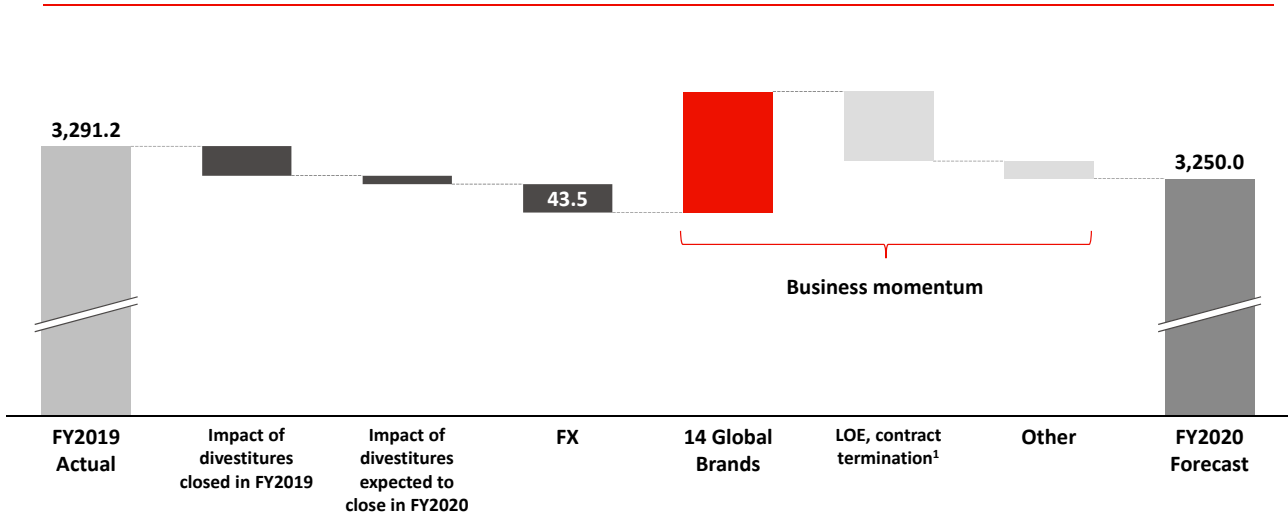




# FY2020 REPORTED REVENUE FORECAST IMPACTED BY DIVESTITURES & FX; 14 GLOBAL BRANDS EXPECTED TO DRIVE BUSINESS MOMENTUM

(BN JPY)

FY2020 Reported Revenue Forecast



Note: Graphs are illustrative.

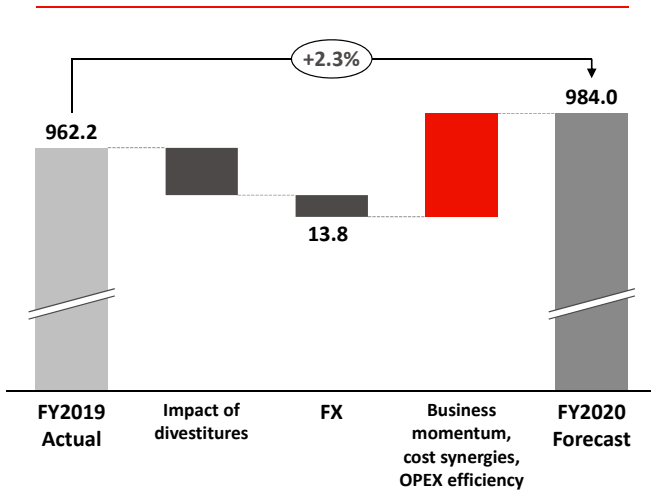
1. Includes ENBREL co-promotion contract termination (terminated in November 2019) and loss of exclusivity in FY2019 (ULORIC, FIRAZYR, VELCADE in Europe, etc.) and earlier.



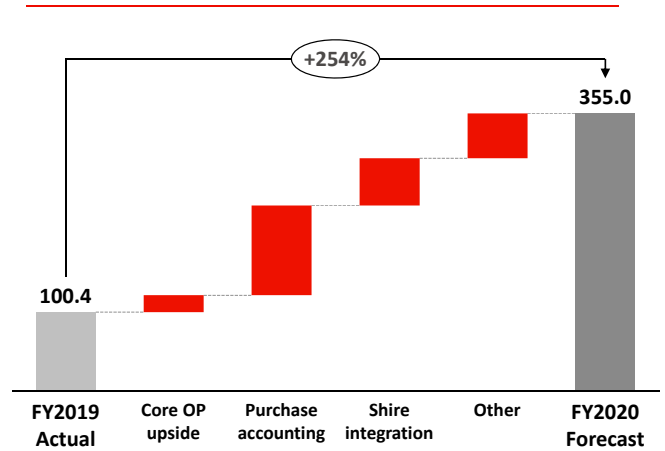
# FY2020 CORE O.P. GROWTH FORECAST DRIVEN BY BUSINESS MOMENTUM, SYNERGIES & OPEX; EXPECT SIGNIFICANT REPORTED O.P. GROWTH DUE TO LOWER DEAL-RELATED EXPENSES

(BN JPY)

FY2020 Core Operating Profit<sup>1</sup> Forecast<sup>2</sup>



FY2020 Reported Operating Profit Forecast<sup>2</sup>



Note: Graphs are illustrative. Please refer to slide 82 for key assumptions in FY2020 forecast.

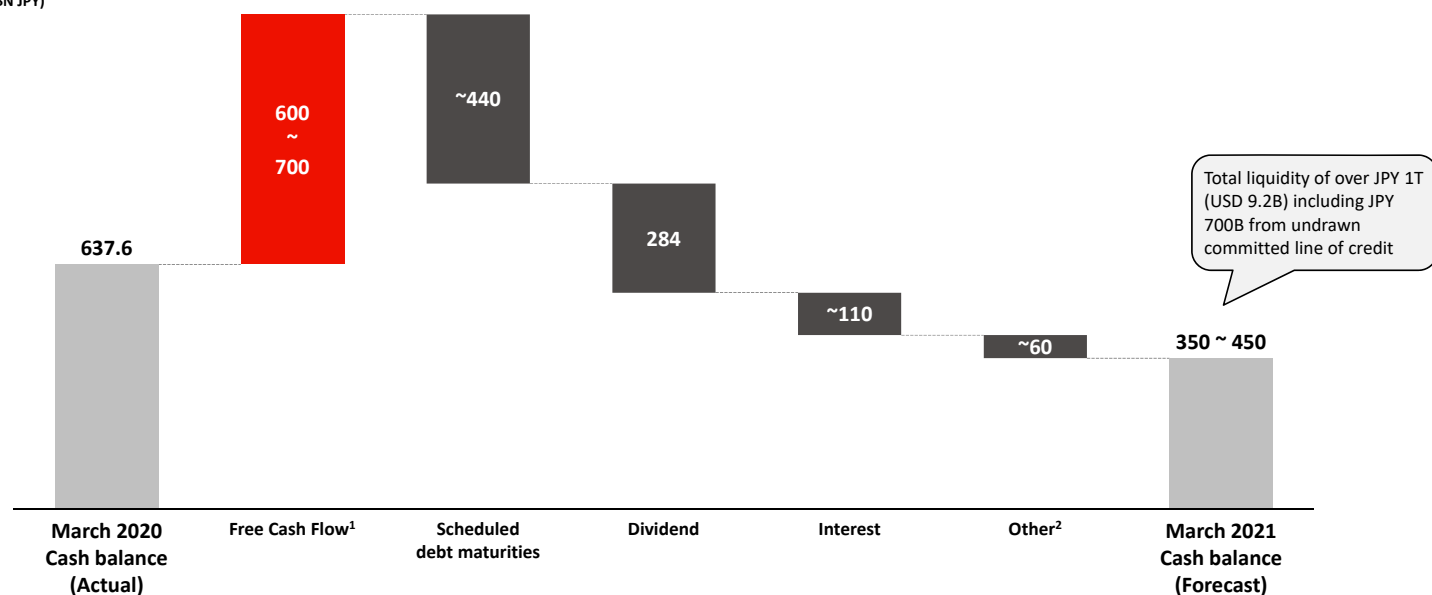
1. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition, slide 70 for historical reconciliation, and slide 82 for FY2020 forecast reconciliation.  
2. Please refer to slide 82 for reconciliation.



# FY2020 CASH FLOW FORECAST: MAINTAINING STRONG LIQUIDITY PROFILE

## FY2020 CASHFLOW FORECAST

(BN JPY)



1. Free Cash Flow = Cash flows from operating activities + (Announced) Divestiture Proceeds – CAPEX.  
Cashflow forecast does not include the impact of any potential further divestitures beyond what has already been disclosed by Takeda  
2. "Other" includes contingent payments, lease obligations, FX impact on cash etc.



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## FY2020 DETAILED FORECAST

(BN YEN)	FY2019 Actual	FY2020 Forecast	vs. PY		Variations <sup>2</sup>
Revenue	3,291.2	3,250.0	-41.2	-1.3%	• Business momentum offset by divestitures and foreign exchange impact
Cost of sales	-1,089.8	N/D <sup>1</sup>			• Reported gross margin will be higher than FY2019 due to lower Shire PPA expenses related to unwind of inventory step-up (-JPY 191.0B in FY2019, -JPY 85.7B in FY2020)
R&D expenses	-492.4	-447.0	+45.4	+9.2%	• While benefitting from cost synergy, Takeda continues to invest in innovative Wave 1 & Wave 2 pipelines
Amortization of intangible assets	-412.1	-407.0	+5.1	+1.2%	
Impairment of intangible assets	-43.3	-50.0	-6.7	-15.4%	• Assumes similar amount to FY2019
Other operating income	60.2	58.0	-2.2	-3.7%	• Includes gains from announced divestitures
Other operating expenses	-248.7	-143.0	+105.7	+42.5%	• Improvement mainly driven by lower Shire integration costs
Operating profit	100.4	355.0	+254.6	+253.6%	
Finance expenses	-165.0	-153.0	+12.0	+7.3%	• Improvement mainly driven by lower interest expenses
Profit before tax	-60.8	200.0	+260.8	-	
Net profit	44.2	60.0	+15.8	+35.6%	• Higher reported tax rate due to the elimination of one-time non-recurring benefits such as the tax reform in Switzerland and restructuring benefits
EPS (yen)	28 yen	39 yen	+10 yen	+35.6%	
Core Operating Profit <sup>3</sup>	962.2	984.0	+21.8	+2.3%	• Reflecting business momentum, cost efficiency, and synergies
USD/JPY	109 yen	109 yen	-0 yen		
EUR/JPY	121 yen	120 yen	-1 yen		

1. Not Disclosed.  
2. Please refer to slide 82 for other key assumptions  
3. Please refer to slide 83 for reconciliation



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## CAPITAL ALLOCATION TO MAXIMIZE VALUE FOR PATIENTS & SHAREHOLDERS

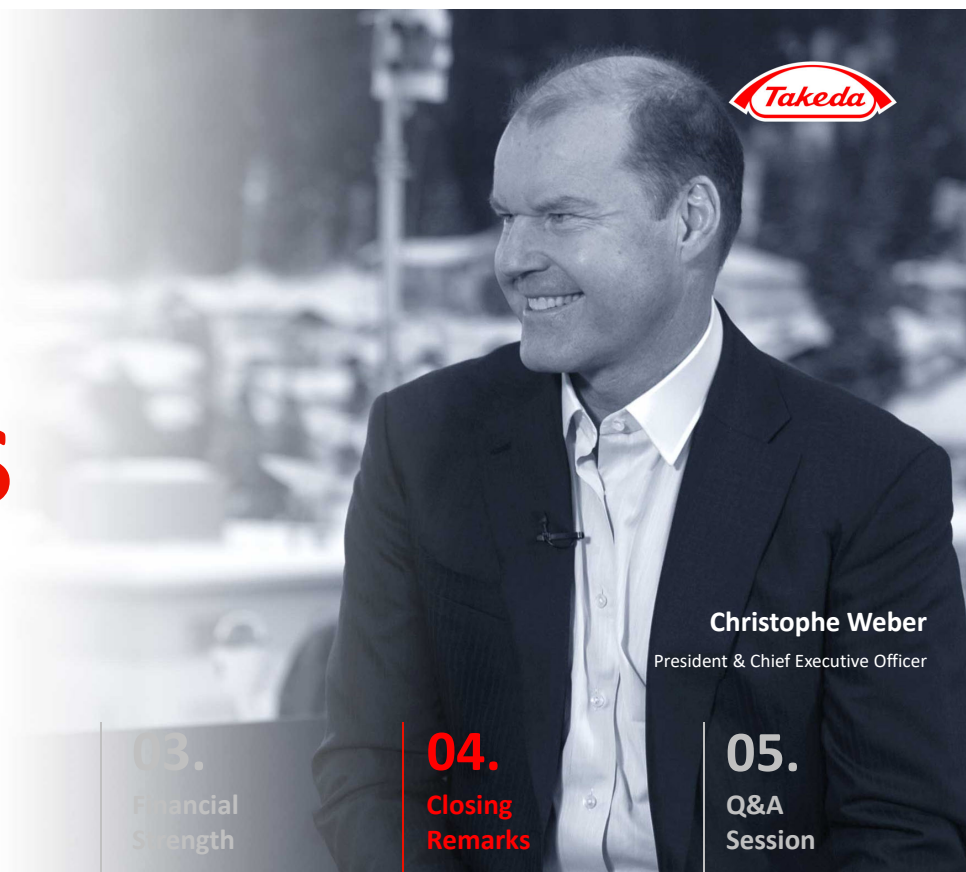
- Takeda is delivering on its financial commitments, and with a strong cash flow outlook driven by business momentum, cost synergies, and non-core asset divestures, we will allocate capital to maximize value for patients & shareholders



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## CLOSING REMARKS



**Christophe Weber**

President & Chief Executive Officer

**01.**

Introduction & Business Area Focus

**02.**

R&D Engine

**03.**

Financial Strength

**04.**

Closing Remarks

**05.**

Q&A Session



# Q&A SESSION



**Christophe Weber**

President & Chief Executive Officer



**Andrew Plump**

President, Research & Development



**Costa Saroukos**

Chief Financial Officer



**Masato Iwasaki**

President, Japan Pharma Business Unit



**Julie Kim**

President, Plasma-Derived Therapies Business Unit

**01.**

Introduction & Business Area Focus

**02.**

R&D Engine

**03.**

Financial Strength

**04.**

Closing Remarks

**05.**

Q&A Session



# APPENDIX



## UPCOMING INVESTOR EVENTS

**ONCOLOGY INVESTOR  
CONFERENCE CALL**

**JUNE 8<sup>TH</sup>, 2020, MONDAY**

8:00am-9:00am ET  
9:00pm-10:00pm JST

**ANNUAL SHAREHOLDER  
MEETING**

**JUNE 24<sup>TH</sup>, 2020, WEDNESDAY**

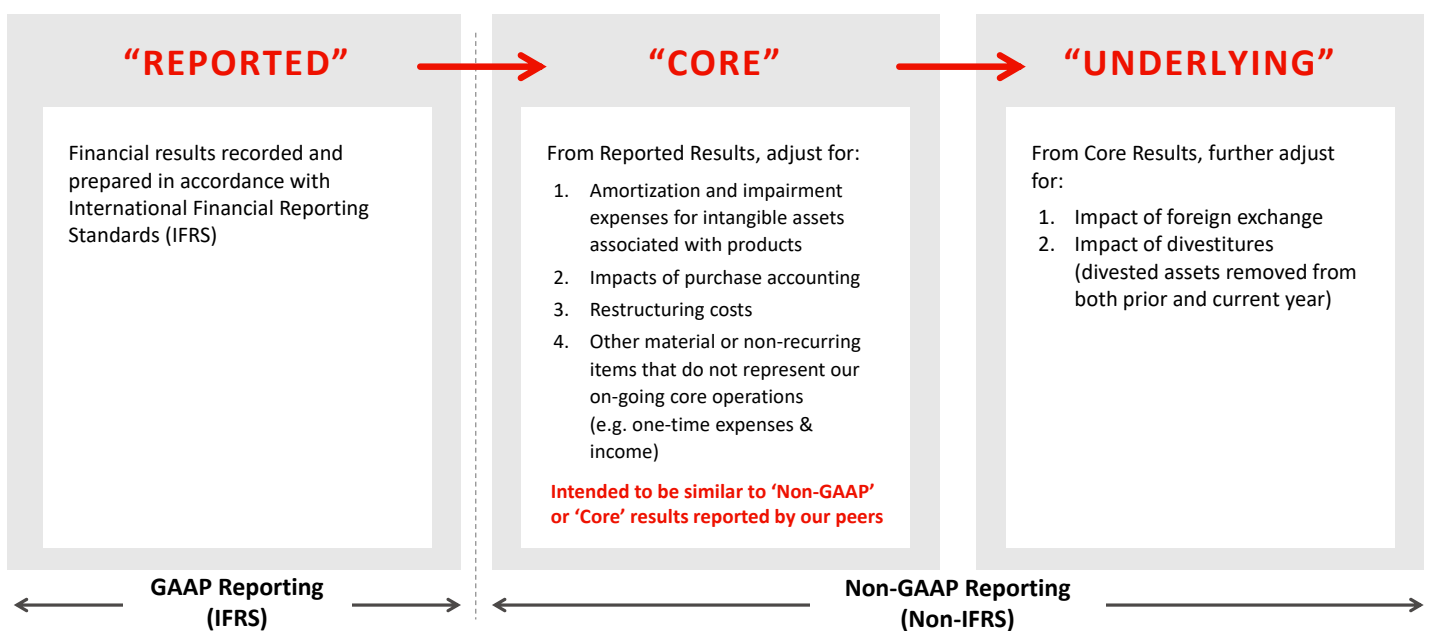
**FY2020 Q1 EARNINGS  
CONFERENCE CALL**

**JULY 31<sup>ST</sup>, 2020, FRIDAY**

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## TAKEDA'S DISCLOSURE METRICS (DEFINITIONS UNCHANGED)



57 Note: Please refer to slides 58-59, 68-77 and 83 for a more detailed definition of Core and Underlying measures, and for reconciliation tables.



## 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 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 reporting periods presented.

**Underlying Core Operating Profit** represents Core Operating Profit\* 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.

\* From FY2019 Q1, Takeda renamed "Core Earnings" to "Core Operating Profit". Its definition has not changed as described above.

**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.

## DEFINITION OF EBITDA/ADJUSTED EBITDA

We present EBITDA and Adjusted EBITDA because we believe that these measures are useful to investors as they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We further believe that Adjusted EBITDA is helpful to investors in identifying trends in its business that could otherwise be obscured by certain items unrelated to ongoing operations because they are highly variable, difficult to predict, may substantially impact our results of operations and may limit the ability to evaluate our performance from one period to another on a consistent basis.

EBITDA and Adjusted EBITDA should not be considered in isolation or construed as alternatives to operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. These non-IFRS measures may not be comparable to similarly-titled measures presented by other companies.

The usefulness of EBITDA and Adjusted EBITDA to investors has limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) they exclude financial information and events, such as the effects of an acquisition or amortization of intangible assets, that some may consider important in evaluating our performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future and (iv) they may not exclude all items which investors may consider to be unrelated to our long-term operations, such as the results of businesses divested during a period. These non-IFRS measures are not, and should not be viewed as, substitutes for IFRS reported net income (loss). We encourage investors to review our historical financial statements in their entirety and caution investors to use

IFRS measures as the primary means of evaluating our performance, value and prospects for the future, and EBITDA and Adjusted EBITDA as supplemental measures.

### EBITDA and Adjusted EBITDA

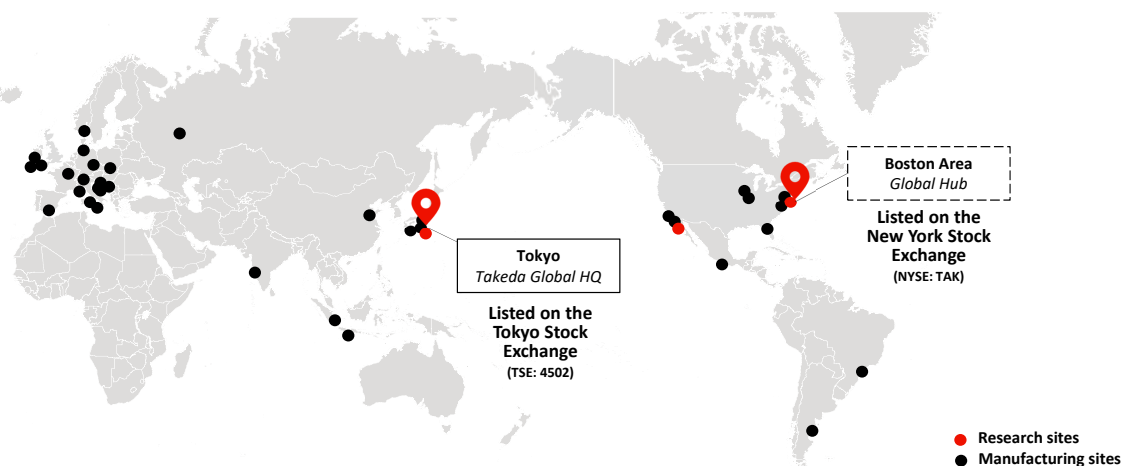
We define EBITDA as net profit before income tax expenses, depreciation and amortization and net interest expense. We define Adjusted EBITDA as EBITDA further adjusted to exclude impairment losses, other operating expenses and income (excluding depreciation and amortization), finance expenses and income (excluding net interest expense), our share of loss from investments accounted for under the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

The most closely comparable measure presented in accordance with IFRS is net profit for the year. Please refer to slide 80 for a reconciliation to the respective most closely comparable measures presented in accordance with IFRS.

# BALANCED GEOGRAPHIC FOOTPRINT WITH SCALE TO BE COMPETITIVE

**JPY 3.29T**  
(USD 30.2B)<sup>1</sup>

**FY2019  
REPORTED  
REVENUE**



**FY2019 REVENUE  
BREAKDOWN  
BY REGION**



60 1: USD included for reference calculated at JPY/USD of 109 yen.



## FY2019 FULL YEAR REPORTED RESULTS

(BN YEN)	FY2018	FY2019	vs. PY	
Revenue	2,097.2	3,291.2	+1,194.0	+56.9%
Cost of sales	-651.7	-1,089.8	-438.0	-67.2%
Gross Profit	1,445.5	2,201.4	+755.9	+52.3%
Margin	68.9%	66.9%		-2.0pp
SG&A expenses	-717.6	-964.7	-247.1	-34.4%
R&D expenses	-368.3	-492.4	-124.1	-33.7%
Amortization of intangible assets	-170.0	-412.1	-242.1	-142.5%
Impairment losses on intangible assets	-8.6	-43.3	-34.7	-401.4%
Other operating income	159.9	60.2	-99.7	-62.3%
Other operating expenses	-103.2	-248.7	-145.5	-141.1%
Operating profit	237.7	100.4	-137.3	-57.8%
Margin	11.3%	3.1%		-8.3pp
Finance income	16.8	27.8	+11.0	+65.2%
Finance expenses	-83.3	-165.0	-81.7	-98.1%
Equity income/loss	-43.6	-24.0	+19.6	+45.0%
Profit before tax	127.6	-60.8	-188.4	-
Net profit attributable to owners of the Company	135.2	44.2	-91.0	-67.3%
Non-controlling interests	-0.1	0.0	+0.2	-
Net profit for the period	135.1	44.3	-90.8	-67.2%
Basic EPS (yen)	141 yen	28 yen	-112 yen	-79.8%

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## FY2019 Q1 (Apr-Jun) REPORTED RESULTS

(BN YEN)	FY2018 Q1 (Apr-Jun)	FY2019 Q1 (Apr-Jun)* <sup>1</sup>	vs. PY	
Revenue	449.8	849.1	+399.3	+88.8%
Cost of sales	-120.6	-291.8	-171.2	-142.0%
Gross Profit	329.2	557.3	+228.1	+69.3%
<i>Margin</i>	73.2%	65.6%		-7.6pp
SG&A expenses	-145.0	-239.2	-94.2	-64.9%
R&D expenses	-72.0	-116.9	-44.9	-62.4%
Amortization of intangible assets	-23.7	-105.6	-82.0	-346.4%
Impairment losses on intangible assets	-0.4	-16.1	-15.8	-
Other operating income	9.3	6.7	-2.6	-28.2%
Other operating expenses	1.4	-41.0	-42.3	-
Operating profit	98.9	45.2	-53.7	-54.3%
<i>Margin</i>	22.0%	5.3%		-16.7pp
Finance income	6.2	8.7	+2.4	+39.2%
Finance expenses	-14.8	-46.1	-31.3	-211.4%
Equity income/loss	3.6	2.3	-1.2	-34.2%
Profit before tax	93.9	10.1	-83.7	-89.2%
Net profit attributable to owners of the Company	78.2	7.0	-71.2	-91.0%
Non-controlling interests	-0.2	0.0	+0.2	-
Net profit for the period	78.1	7.0	-71.0	-91.0%
Basic EPS (yen)	100 yen	5 yen	-96 yen	-95.5%

\*<sup>1</sup> During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2019 Q1 were retrospectively adjusted.



## FY2019 Q2 (Jul-Sep) REPORTED RESULTS

(BN YEN)	FY2018 Q2 (Jul-Sep)	FY2019 Q2 (Jul-Sep)* <sup>1</sup>	vs. PY	
Revenue	430.8	811.0	+380.3	+88.3%
Cost of sales	-110.8	-270.2	-159.5	-144.0%
Gross Profit	320.0	540.8	+220.8	+69.0%
<i>Margin</i>	74.3%	66.7%		-7.6pp
SG&A expenses	-148.8	-223.3	-74.5	-50.1%
R&D expenses	-79.5	-113.5	-34.0	-42.8%
Amortization of intangible assets	-24.0	-102.3	-78.3	-326.5%
Impairment losses on intangible assets	-0.3	-1.2	-0.9	-315.2%
Other operating income	23.0	4.7	-18.4	-79.8%
Other operating expenses	-17.5	-41.4	-23.9	-136.6%
Operating profit	73.1	63.9	-9.2	-12.6%
<i>Margin</i>	17.0%	7.9%		-9.1pp
Finance income	2.5	8.7	+6.2	+252.5%
Finance expenses	-9.1	-53.2	-44.1	-484.1%
Equity income/loss	0.5	1.7	+1.2	+258.2%
Profit before tax	66.9	21.1	-45.9	-68.5%
Net profit attributable to owners of the Company	48.4	67.7	+19.3	+39.9%
Non-controlling interests	-0.0	0.1	+0.1	-
Net profit for the period	48.4	67.8	+19.4	+40.1%
Basic EPS (yen)	62 yen	43 yen	-18 yen	-29.6%

\*<sup>1</sup> During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2019 Q2 were retrospectively adjusted.





## FY2019 Q3 (Oct-Dec) REPORTED RESULTS

(BN YEN)	FY2018 Q3 (Oct-Dec)	FY2019 Q3 (Oct-Dec)	vs. PY	
Revenue	499.4	859.3	+359.9	+72.1%
Cost of sales	-138.5	-279.6	-141.1	-101.8%
Gross Profit	360.9	579.7	+218.9	+60.6%
<i>Margin</i>	72.3%	67.5%		-4.8pp
SG&A expenses	-153.9	-249.2	-95.3	-61.9%
R&D expenses	-77.5	-122.7	-45.2	-58.4%
Amortization of intangible assets	-24.2	-102.0	-77.8	-321.3%
Impairment losses on intangible assets	-6.9	-1.9	+5.0	+72.6%
Other operating income	29.3	18.5	-10.9	-37.0%
Other operating expenses	-15.3	-68.9	-53.6	-350.0%
Operating profit	112.5	53.5	-59.0	-52.4%
<i>Margin</i>	22.5%	6.2%		-16.3pp
Finance income	5.4	34.2	+28.8	+533.2%
Finance expenses	-22.3	-43.7	-21.5	-96.3%
Equity income/loss	-48.0	-19.1	+28.9	+60.1%
Profit before tax	47.6	24.8	-22.8	-47.8%
Net profit attributable to owners of the Company	37.8	-32.2	-70.0	-
Non-controlling interests	0.1	0.1	+0.0	+17.1%
Net profit for the period	37.9	-32.1	-70.0	-
Basic EPS (yen)	48 yen	-21 yen	-69 yen	-

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## FY2019 Q4 (Jan-Mar) REPORTED RESULTS

(BN YEN)	FY2018 Q4 (Jan-Mar) <sup>*1</sup>	FY2019 Q4 (Jan-Mar)	vs. PY	
Revenue	717.2	771.7	+54.5	+7.6%
Cost of sales	-281.9	-248.2	+33.7	+12.0%
Gross Profit	435.3	523.5	+88.2	+20.3%
<i>Margin</i>	60.7%	67.8%		+7.1pp
SG&A expenses	-269.9	-253.1	+16.9	+6.2%
R&D expenses	-139.4	-139.3	+0.1	+0.1%
Amortization of intangible assets	-98.1	-102.1	-4.0	-4.1%
Impairment losses on intangible assets	-1.1	-24.1	-23.0	-
Other operating income	98.2	30.4	-67.8	-69.0%
Other operating expenses	-71.7	-97.4	-25.7	-35.9%
Operating profit	-46.7	-62.1	-15.4	-33.0%
<i>Margin</i>	-6.5%	-8.1%		-1.5pp
Finance income	7.4	14.0	+6.6	+89.5%
Finance expenses	-41.8	-59.8	-18.0	-43.1%
Equity income/loss	0.3	-8.9	-9.2	-
Profit before tax	-80.8	-116.8	-36.0	-44.6%
Net profit attributable to owners of the Company	-29.2	1.7	+31.0	-
Non-controlling interests	-0.0	-0.2	-0.1	-412.6%
Net profit for the period	-29.3	1.6	+30.8	-
Basic EPS (yen)	-21 yen	1 yen	23 yen	-

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\*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2018 Q4 were retrospectively adjusted.



## FY2019 FULL YEAR CORE RESULTS

### FY2019 FINANCIAL RESULTS (CORE)<sup>1</sup>

(BN YEN)	FY2018	FY2019	VS. PRIOR YEAR
<b>REVENUE</b>	<b>2,097.2</b>	<b>3,291.2</b>	<b>+56.9%</b>
<i>Gross Margin</i>	72.4%	72.9%	+0.5pp
OPERATING EXPENSES	-1,060.0	-1,438.7	-35.7%
<i>% of Revenue</i>	-50.5%	-43.7%	+6.8pp
<b>CORE OPERATING PROFIT<sup>2</sup></b>	<b>459.3</b>	<b>962.2</b>	<b>+109.5%</b>
<i>Core Operating Profit Margin</i>	21.9%	29.2%	+7.3pp
TAX RATE	24.8%	27.8%	+3.0pp
<b>CORE NET PROFIT</b>	<b>321.4</b>	<b>602.2</b>	<b>+87.4%</b>
<b>CORE EPS (JPY)</b>	<b>334 yen</b>	<b>387 yen</b>	<b>+53 yen</b>

1. Please refer to slide 70 for reconciliation.

2. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition and slide 70 for reconciliation.

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## FY2019 Q4 (Jan-Mar) CORE RESULTS

### FY2019 Q4 (JAN-MAR) FINANCIAL RESULTS (CORE)<sup>1</sup>

(BN YEN)	FY2018 Q4 (Jan-Mar)	FY2019 Q4 (Jan-Mar)	VS. PRIOR YEAR
<b>REVENUE</b>	<b>717.2</b>	<b>771.7</b>	<b>+7.6%</b>
<i>Gross Margin</i>	71.0%	71.8%	+0.8pp
OPERATING EXPENSES	-394.4	-384.1	+2.6%
<i>% of Revenue</i>	55.0%	49.8%	+5.2pp
<b>CORE OPERATING PROFIT<sup>2</sup></b>	<b>114.8</b>	<b>170.0</b>	<b>+48.1%</b>
<i>Core Operating Profit Margin</i>	16.0%	22.0%	+6.0pp
TAX RATE	32.6%	69.1%	+36.5pp
<b>CORE NET PROFIT</b>	<b>58.5</b>	<b>42.0</b>	<b>-28.2%</b>
<b>CORE EPS (JPY)</b>	<b>43 yen</b>	<b>27 yen</b>	<b>-16 yen</b>

1. Please refer to slide 74 and 76 for reconciliation.

2. Previously referred to as Core Earnings (no change in definition). Please refer to slide 58 for its definition and slide 74 for reconciliation.

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## RECONCILIATION FROM REPORTED REVENUE TO UNDERLYING REVENUE FY2019 FULL YEAR vs. PY

(BN YEN)	FY2018 <sup>*1</sup>	FY2019	vs. PY	
<b>Revenue</b>	<b>2,097.2</b>	<b>3,291.2</b>	<b>+1,194.0</b>	<b>+56.9%</b>
Shire Revenue	1,301.8	-		
<b>Pro-forma Revenue</b>	<b>3,399.0</b>	<b>3,291.2</b>	<b>-107.9</b>	<b>-3.2%</b>
FX effects <sup>*2</sup>				+3.6pp
Divestitures <sup>*3</sup>				+1.2pp
Techpool & Multilab				+0.2pp
XIIDRA & TACHOSIL				+1.0pp
Others				-0.0pp
<b>Underlying Revenue Growth</b>				<b>+1.6%</b>

1. FY2018 revenue is a pro-forma which adds Legacy Shire's revenue from April 2018 through the acquisition date 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 revenue of former subsidiaries Guangdong Techpool Bio-Pharma Co., Ltd. and Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda., both divested in FY2018; FY2018 and FY2019 revenue of XIIDRA which was divested in July 2019; and TACHOSIL (Takeda agreed in May 2019 to divest TACHOSIL, and although the agreement to divest the product to Ethicon was terminated in April 2020, it is still adjusted as Takeda continues to explore opportunities to divest TACHOSIL as part of its ongoing divestiture and deleveraging strategy. Assets and liabilities related to TACHOSIL continue to be classified as being held for sale on the consolidated statements of financial position).

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## RECONCILIATION FROM REPORTED REVENUE TO UNDERLYING REVENUE FY2019 Q4 (Jan-Mar) vs. PY

(BN YEN)	FY2018 <sup>*1</sup> Q4 (Jan-Mar)	FY2019 Q4 (Jan-Mar)	vs. PY	
<b>Revenue</b>	<b>717.2</b>	<b>771.7</b>	<b>+54.5</b>	<b>+7.6%</b>
Shire Revenue	10.3	-		
<b>Pro-forma Revenue</b>	<b>727.5</b>	<b>771.7</b>	<b>+44.2</b>	<b>+6.1%</b>
FX effects <sup>*2</sup>				+4.7pp
Divestitures <sup>*3</sup>				+1.2pp
Techpool & Multilab				-
XIIDRA & TACHOSIL				+1.0pp
Others				+0.1pp
<b>Underlying Revenue Growth</b>				<b>+11.9%</b>

1. FY2018 Q4 revenue is a pro-forma which adds Legacy Shire's revenue in January 2019 previously reported under US GAAP and conformed to IFRS without material differences, 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 Q4 revenue of XIIDRA and FY2018 Q4 and FY2019 Q4 revenue of TACHOSIL (Takeda agreed in May 2019 to divest TACHOSIL, and although the agreement to divest the product to Ethicon was terminated in April 2020, it is still adjusted as Takeda continues to explore opportunities to divest TACHOSIL as part of its ongoing divestiture and deleveraging strategy. Assets and liabilities related to TACHOSIL continue to be classified as being held for sale on the consolidated statements of financial position.). FY2018 Q4 revenue of Guangdong Techpool Bio-Pharma Co., Ltd. and Multilab Indústria e Comércio de Produtos Farmacêuticos Ltda. and FY2019 Q4 revenue of XIIDRA are not adjusted as these divestitures were completed by the beginning of each period and no revenue was recorded.

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## RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 FULL YEAR

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire purchase accounting adjustments	Swiss Tax Reform	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	3,291.2								3,291.2	102.4	-30.5	
Cost of sales	-1,089.8				199.5				-890.3	-27.9	5.0	
Gross Profit	2,201.4				199.5				2,400.9	74.4	-25.5	
SG&A expenses	-964.7			5.5	2.4				-956.8	-29.0		
R&D expenses	-492.4			10.4	0.1				-481.9	-8.9		
Amortization of intangible assets	-412.1	87.0			325.1				-			
Impairment losses on intangible assets	-43.3	43.3							-			
Other operating income	60.2		-46.0					-14.2	-			
Other operating expenses	-248.7		113.3	135.4					-			
Operating profit	100.4	130.3	67.3	151.2	527.1			-14.2	962.2	36.5	-25.5	
Margin	3.1%								29.2%			28.9%
Financial income/expenses	-137.2			7.1	14.4			-20.1	-135.7	5.3		
Equity income/loss	-24.0							32.2	8.2	-0.0		
Profit before tax	-60.8	130.3	67.3	158.3	541.6			18.0	834.7	41.8	-25.5	
Tax expense	105.0	-31.7	-10.8	-29.2	-98.2	-94.6	-5.5	-67.5	-232.4	-10.0	5.9	
Non-controlling interests	-0.0								-0.0			
Net profit	44.2	98.7	56.5	129.1	443.4	-94.6	12.5	-87.6	602.2	31.8	-19.6	
EPS (yen)	28								387	21	-13	395
Number of shares (millions)	1,557								1,557			1,555

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## RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 Q1 (Apr-Jun)

(BN YEN)	REPORTED *1	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire *1 purchase accounting adjustments	Swiss Tax Reform	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	849.1								849.1	11.7	-17.2	
Cost of sales	-291.8				75.7				-216.1	-3.0	2.0	
Gross Profit	557.3				75.7				633.0	8.7	-15.2	
SG&A expenses	-239.2			0.8	1.1				-237.4	-3.0		
R&D expenses	-116.9			4.3	-0.1				-112.7	-0.5		
Amortization of intangible assets	-105.6	23.0			82.6				-			
Impairment losses on intangible assets	-16.1	16.1							-			
Other operating income	6.7		-6.0					-0.7	-			
Other operating expenses	-41.0		9.4	31.6					-			
Operating profit	45.2	39.1	3.4	36.7	159.2			-0.7	283.0	5.1	-15.2	
Margin	5.3%								33.3%			32.4%
Financial income/expenses	-37.4				4.5			0.3	-32.6	0.5		
Equity income/loss	2.3							0.6	3.0	0.6		
Profit before tax	10.1	39.1	3.4	36.7	163.7		-0.1	0.3	253.3	6.2	-15.2	
Tax expense	-3.1	-7.1	-8.1	-7.0	-29.6				-54.9	-1.0	3.7	
Non-controlling interests	-0.0								-0.0	-0.0		
Net profit	7.0	32.0	-4.7	29.7	134.1			-0.0	198.4	5.2	-11.5	
EPS (yen)	5								128	3	-7	124
Number of shares (millions)	1,556								1,556			1,555

\*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2019 Q1 were retrospectively adjusted.

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## RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 Q2 (Jul-Sep)

(BN YEN)	REPORTED *1	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire *1 purchase accounting adjustments	Swiss Tax Reform	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	811.0								811.0	32.5	-4.0	
Cost of sales	-270.2				51.8				-218.4	-8.0	0.9	
Gross Profit	540.8				51.8				592.7	24.5	-3.1	
SG&A expenses	-223.3			0.6	1.2				-221.4	-9.0		
R&D expenses	-113.5			0.8	0.1				-112.6	-2.4		
Amortization of intangible assets	-102.3	22.0			80.3				-			
Impairment losses on intangible assets	-1.2	1.2							-			
Other operating income	4.7		-4.0						-		-0.7	
Other operating expenses	-41.4		14.2	27.2					-			
Operating profit Margin	63.9 7.9%	23.2	10.2	28.6	133.4			-0.7	258.6 31.9%	13.1	-3.1	32.0%
Financial income/expenses	-44.5			3.5	3.9			-0.6	-37.7	3.7		
Equity income/loss	1.7							0.6	2.3	-0.6		
Profit before tax	21.1	23.2	10.2	32.1	137.3			-0.1	223.2	16.2	-3.1	
Tax expense	46.7	-3.9	9.1	-6.2	-21.3	-56.3	0.0	-9.3	-41.1	-0.4	0.7	
Non-controlling interests	-0.1								-0.1	-0.0		
Net profit	67.7	19.3	19.4	25.9	116.0	-56.3	-0.0	-9.9	182.0	15.8	-2.4	
EPS (yen)	43								117	10	-2	126
Number of shares (millions)	1,558								1,558			1,555

\*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2019 Q2 were retrospectively adjusted.



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## RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 Q3 (Oct-Dec)

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/ expense	Shire acquisition related costs	Shire *1 purchase accounting adjustments	Swiss Tax Reform	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	859.3								859.3	31.0	-5.0	
Cost of sales	-279.6				41.4				-238.2	-12.1	1.0	
Gross Profit	579.7				41.4				621.2	18.9	-4.0	
SG&A expenses	-249.2			0.2	1.0				-248.0	-9.5		
R&D expenses	-122.7			-0.1	0.2				-122.6	-2.7		
Amortization of intangible assets	-102.0	21.1			81.0				-			
Impairment losses on intangible assets	-1.9	1.9							-			
Other operating income	18.5		-7.7					-10.8	-			
Other operating expenses	-68.9		39.3	29.6					-			
Operating profit Margin	53.5 6.2%	23.0	31.6	29.7	123.6			-10.8	250.5 29.2%	6.7	-4.0	28.6%
Financial income/expenses	-9.5			1.1	3.0			-23.9	-29.3	-1.8		
Equity income/loss	-19.1							21.8	1.4	-0.0		
Profit before tax	24.8	23.0	31.6	30.8	126.6			10.9	222.6	4.9	-4.0	
Tax expense	-56.9	-9.3	-4.2	-5.4	-15.3	-10.3	-3.3	62.0	-42.7	-10.3	0.8	
Non-controlling interests	-0.1								-0.1	-0.0		
Net profit	-32.2	13.6	27.4	25.4	111.3	-10.3	7.6	36.9	179.8	-5.4	-3.1	
EPS (yen)	-21								115	-3	-2	110
Number of shares (millions)	1,558								1,558			1,555



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## RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE FY2019 Q4 (Jan-Mar)

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS							CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire purchase accounting adjustments	Swiss Tax Reform	Teva JV related accounting adjustments	Others		FX	Divestitures	
Revenue	771.7								771.7	27.2	-4.3	
Cost of sales	-248.2				30.6				-217.6	-4.8	1.0	
Gross Profit	523.5				30.6				554.1	22.4	-3.3	
SG&A expenses	-253.1			3.9	-0.9				-250.1	-7.6		
R&D expenses	-139.3			5.3	0.0				-134.0	-3.2		
Amortization of intangible assets	-102.1	20.9			81.2				-			
Impairment losses on intangible assets	-24.1	24.1							-			
Other operating income	30.4		-27.1					-3.4	-			
Other operating expenses	-97.4		50.4	47.1					-			
Operating profit	-62.1	45.0	23.3	56.3	110.9			-3.4	170.0	11.6	-3.3	
Margin	-8.1%								22.0%			22.4%
Financial income/expenses	-45.7			2.5	3.0				-36.1	2.9		
Equity income/loss	-8.9							10.4	1.5	-0.0		
Profit before tax	-116.8	45.0	23.3	58.8	113.9			7.1	135.5	14.5	-3.3	
Tax expense	118.3	-11.3	-8.2	-10.7	-31.9	-28.0	-2.2	-119.7	-93.7	1.7	0.7	
Non-controlling interests	0.2								0.2	0.0		
Net profit	1.7	33.8	15.1	48.0	82.0	-28.0	4.9	-115.5	42.0	16.2	-2.6	
EPS (yen)	1								27	10	-2	36
Number of shares (millions)	1,558								1,558			1,555

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## RECONCILIATION FROM REPORTED TO CORE FY2018 FULL YEAR

(BN YEN)	REPORTED *1	REPORTED TO CORE ADJUSTMENTS							CORE
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire *1 purchase accounting adjustments	Teva JV related accounting adjustments	Gains on sales of securities & properties	Others	
Revenue	2,097.2								2,097.2
Cost of sales	-651.7					73.8			-578.0
Gross Profit	1,445.5					73.8			1,519.3
SG&A expenses	-717.6			23.8	0.6				-693.2
R&D expenses	-368.3			1.6					-366.7
Amortization of intangible assets	-170.0	95.5			74.5				-
Impairment losses on intangible assets	-8.6	8.6							-
Other operating income	159.9		-40.9				-30.4	-88.6	-
Other operating expenses	-103.2		43.5	59.6					-
Operating profit	237.7	104.1	2.6	85.0	148.9	-30.4		-88.6	459.3
Margin	11.3%								21.9%
Financial income/expenses	-66.4			18.1	4.0				-42.0
Equity income/loss	-43.6						53.5		9.8
Profit before tax	127.6	104.1	2.6	103.1	152.9	23.1		-88.6	427.2
Tax expense	7.5	-25.5	-4.0	-12.3	-37.3	-7.1		30.2	-105.9
Non-controlling interests	0.1								0.1
Net profit	135.2	78.6	-1.4	90.8	115.6	16.0		-58.4	321.4
EPS (yen)	141								334
Number of shares (millions)	961								961

\*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2018 were retrospectively adjusted.

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## RECONCILIATION FROM REPORTED TO CORE FY2018 Q4 (Jan-Mar)

(BN YEN)	REPORTED *1	REPORTED TO CORE ADJUSTMENTS							CORE
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire *1 purchase accounting adjustments	Teva JV related accounting adjustments	Gains on sales of securities & properties	Others	
Revenue	717.2								717.2
Cost of sales	-281.9					73.8			-208.1
Gross Profit	435.3					73.8			509.1
SG&A expenses	-269.9			12.8	0.6				-256.5
R&D expenses	-139.4			1.6					-137.8
Amortization of intangible assets	-98.1	23.6			74.5				-
Impairment losses on intangible assets	-1.1	1.1							-
Other operating income	98.2		-8.9				-0.7	-88.6	-
Other operating expenses	-71.7		26.2	45.5					-
Operating profit	-46.7	24.7	17.2	59.9	148.9	-0.7	-88.6		114.8
Margin	-6.5%								16.0%
Financial income/expenses	-34.4				4.0			0.6	-29.7
Equity income/loss	0.3						1.4		1.7
Profit before tax	-80.8	24.7	17.2	59.9	152.9	0.7	-88.6	0.6	86.8
Tax expense	51.5	-6.7	-4.8	-3.6	-37.3	-0.2	30.2	-57.5	-28.3
Non-controlling interests	0.0								0.0
Net profit	-29.2	18.1	12.5	56.3	115.6	0.5	-58.4	-56.8	58.5
EPS (yen)	-21								43
Number of shares (millions)	1,362								1,362

\*1 During FY2019, Takeda completed the purchase price allocation for the assets acquired and the liabilities assumed as part of the Shire acquisition. Accordingly, PL statements for FY2018 Q4 were retrospectively adjusted.



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## FY2018 RECONCILIATION FROM REPORTED TO CORE/UNDERLYING CORE: LEGACY TAKEDA

(BN YEN)	REPORTED NOTE	REPORTED TO CORE ADJUSTMENTS									CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLYING CORE	
		Amortization & impairment of intangible assets	Other operating income/expense	Shire acquisition related costs	Shire purchase accounting adjustments	Teva JV purchase accounting adjustments	Other purchase accounting adjustments	Gains on sales of securities & properties	U.S. Tax Reform	Others		FX	Divestitures		
Revenue	1,788.0														
Cost of sales	-476.4														
Gross Profit	1,311.7														
SG&A expenses	-618.4			23.8											
R&D expenses	-323.7														
Amortization of intangible assets	-95.4	95.4													
Impairment losses on intangible assets	-8.7	8.7													
Other operating income	161.2		-59.8					-88.6			-12.9				
Other operating expenses	-74.1		36.5	35.5							2.1				
Operating profit	352.5	104.1	-23.3	59.3				-88.6		-10.8	393.3	1.7	-2.3		
Margin	19.7%										22.0%				22.3%
Financial income/expenses	-51.8			18.1						2.3	-31.4	3.1	0.3		
Equity income/loss	-43.9					53.5					9.6	0.1	-		
Profit before tax	256.8	104.1	-23.3	77.4		53.5		-88.6		-8.5	371.4	5.0	-2.0		
Tax expense	-23.1	-25.5	5.0	-15.7		-16.4		30.2		-57.2	-102.7	-1.7	0.8		
Non-controlling interests	0.1										0.1	-	-0.4		
Net profit	233.7	78.6	-18.3	61.6		37.1		-58.4		-65.7	268.8	3.3	-1.5		
EPS (yen)	243										280				346
Number of shares (millions)	961										961				781

Note: Includes Shire acquisition related costs incurred at Legacy Takeda.



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## FREE CASH FLOW

(BN YEN)	FY2018	FY2019	vs. PY	
Net profit	135.1	44.3	-90.8	-67.2%
Depreciation, amortization and impairment loss	257.8	685.5	+427.7	
Decrease (increase) in trade working capital	20.9	72.7	+51.8	
Income taxes paid	-44.9	-226.8	-181.9	
Other	-40.4	94.0	+134.4	
<b>Net cash from operating activities</b>	<b>328.5</b>	<b>669.8</b>	<b>+341.3</b>	<b>+103.9%</b>
Acquisition of PP&E	-77.7	-127.1	-49.4	
Proceeds from sales of PP&E	50.7	12.6	-38.1	
Acquisition of intangible assets	-56.4	-90.6	-34.2	
Acquisition of investments	-17.1	-7.6	+9.5	
Proceeds from sales and redemption of investments	65.0	49.4	-15.6	
Proceeds from sales of business, net of cash and cash equivalents divested	85.1	461.5	+376.4	
<b>Free Cash Flow</b>	<b>378.1</b>	<b>968.0</b>	<b>+589.9</b>	<b>+156.0%</b>

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## NET DEBT/ADJUSTED EBITDA

### NET DEBT/ADJUSTED EBITDA RATIO

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

### 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		
<b>Net increase (decrease) in cash</b>	<b>439.0</b>	<b>-43.3</b>	<b>-482.4</b>	<b>-</b>

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

2. FX adjustment 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.

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## RECONCILIATION FROM NET PROFIT TO EBITDA/ADJUSTED EBITDA

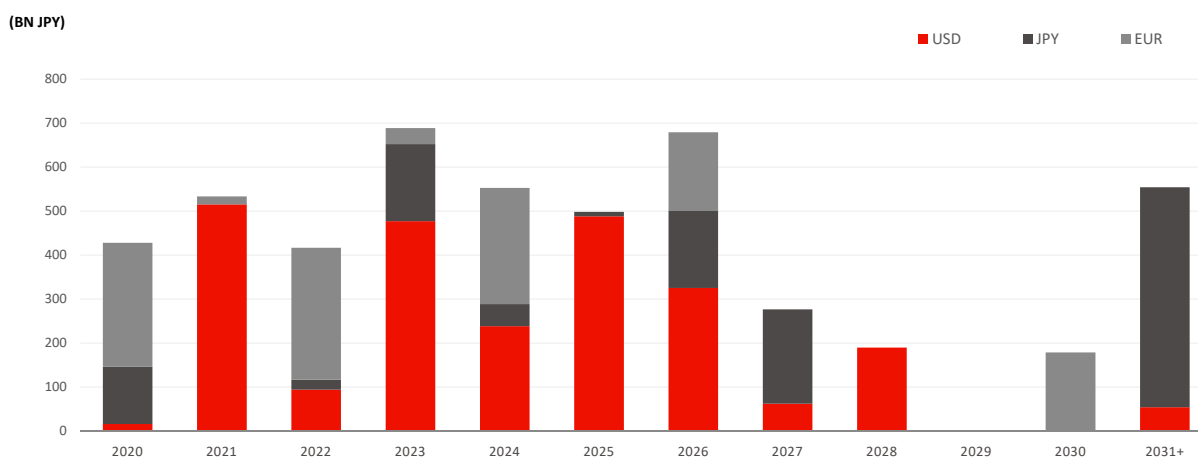
(BN JPY)	FY2018	FY2019
Net profit for the year	135.1	44.3
Income tax expenses	-7.5	-105.0
Depreciation and amortization	247.7	583.6
Interest expense, net	41.6	137.8
<b>EBITDA</b>	<b>416.9</b>	<b>660.7</b>
Impairment losses	10.1	101.9
Other operating expense (income), net, excluding depreciation and amortization	-58.6	124.1
Finance expense (income), net, excluding interest income and expense, net	24.9	-0.6
Share of loss on investments accounted for under the equity method	43.6	24.0
Other adjustments:		
Impact on profit related to fair value step up of inventory in Shire acquisition	74.2	191.0
Acquisition costs related to Shire	23.8	5.3
Other costs <sup>*1</sup>	1.6	19.5
<b>Adjusted EBITDA</b>	<b>536.4</b>	<b>1,125.9</b>
Legacy Shire's Non-GAAP EBITDA <sup>*2</sup>	541.3	N/A
<b>Pro-forma Adjusted EBITDA<sup>*3</sup></b>	<b>1,077.7</b>	<b>N/A</b>

- FY2019 includes adjustments for non-cash equity based compensation expense and EBITDA of divested products.
  - Subtracted Legacy Shire's Jan – Mar 2018 (3 months) Non GAAP EBITDA from Legacy Shire's Jan – Dec 2018 (12 months) Non GAAP EBITDA and converted to JPY with average exchange rate of 110.8 JPY/USD (Apr – Dec 2018).
  - 12-month Apr 2018 – Mar 2019 combined Adjusted EBITDA of Takeda and Legacy Shire.
- Note: Takeda's Adjusted EBITDA and Legacy Shire's Non-GAAP EBITDA are not directly comparable, because (1) Takeda's results are based on IFRS and Legacy Shire's results are based on U.S. GAAP and (2) Takeda's Adjusted EBITDA and Legacy Shire's Non-GAAP EBITDA are defined differently.



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## TAKEDA DEBT MATURITY PROFILE (CALENDAR YEAR)



- Total blended interest rate of ~2.1%
- 2031+ maturities include 500bn Hybrid Debt (60 year contractual maturity, callable at 5-6 years) issued in June 2019



## FY2020 CORE OPERATING PROFIT ADJUSTMENT ITEMS, CASH FLOW GUIDANCE & OTHER KEY ASSUMPTIONS

### CORE OPERATING PROFIT ADJUSTMENT ITEMS

(BN YEN)	FY2019 Actual	FY2020 Forecast	vs. PY
<b>Shire integration costs</b>			
SG&A and R&D expenses - R&D program termination costs, etc.	-15.8	-	+15.8
Other operating expenses - restructuring costs	-135.4	-90.0	+45.4
	-151.2	-90.0	+61.2
<b>Shire purchase accounting adjustments</b>			
Cost of sales - unwind of inventories step-up	-191.0	-85.7	+105.3
Cost of sales - depreciation of PPE step-up	-8.5	-2.0	+6.5
SG&A and R&D expenses	-2.5	0.7	+3.2
Amortization of intangible assets - Shire acquisition	-325.1	-324.0	+1.1
	-527.1	-411.0	+116.1
<b>Other non-cash items</b>			
Amortization of intangible assets - Legacy Takeda	-87.0	-83.0	+4.0
Impairment of intangible assets	-43.3	-50.0	-6.7
	-130.3	-133.0	-2.7
<b>Other operating income/expenses</b>			
Other operating income	60.2	58.0	-2.2
Other operating expenses - excl. Shire integration related	-113.3	-53.0	+60.3
	-53.1	5.0	+58.1

### CASH FLOW GUIDANCE

(BN YEN)	FY2019 Actual	FY2020 Forecast	vs. PY
Free cash flow (including announced divestitures)	968.0	600.0 - 700.0	-268.0 - -368.0
CAPEX (cash flow base)	-217.7	-180.0 - -230.0	+37.7 - -12.3
Depreciation and amortization (excluding intangible assets associated with products)	-171.6	-150.0	+21.6
Cash tax rate on adjusted EBITDA (excluding divestitures)	17.8%	high teens - low 20s %	N/A

### OTHER KEY ASSUMPTIONS

(BN YEN)	FY2019 Actual	FY2020 Forecast	vs. PY
<b>Finance expenses</b>			
Interests	-149.0	-133.0	+16.0
Others	-16.0	-20.0	-4.0
	-165.0	-153.0	+12.0

## RECONCILIATION FROM REPORTED OPERATING PROFIT TO CORE OPERATING PROFIT – FY2020 FORECAST

(BN YEN)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets (Takeda)	Impairment of intangible assets	Other operating income/ expense	Shire integration costs	Shire purchase accounting adjustments	
Revenue	3,250.0						3,250.0
Cost of sales						85.7	
Unwind of inventories step-up						85.7	
Depreciation of PPE step-up						2.0	
Gross Profit						87.7	
SG&A and R&D expenses						-0.7	
Amortization of intangible assets	-407.0	83.0				324.0	-
Impairment losses on intangible assets	-50.0		50.0				-
Other operating income	58.0			-58.0			-
Other operating expenses	-143.0			53.0	90.0		-
Operating profit	355.0	83.0	50.0	-5.0	90.0	411.0	984.0

# FX RATES AND FY2020 CURRENCY SENSITIVITY

(yen)

(100 million yen)



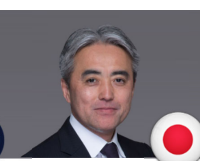




Average Exchange Rates vs. JPY			
CURRENCY	FY18	FY19	FY20 Assumption
USD	111	109	109
EUR	129	121	120
RUB	1.7	1.7	1.6
CNY	16.5	15.7	15.5
BRL	29.5	26.9	23.3

Impact of 1% depreciation of yen from April 2020 to March 2021			
REVENUE	CORE OPERATING PROFIT	OPERATING PROFIT	NET PROFIT
+165.4	+68.0	+21.3	+9.0
+42.7	-17.9	-26.4	-19.7
+3.6	+2.3	+1.9	+1.3
+8.9	+4.9	+4.9	+3.4
+7.1	+4.2	+4.1	+2.8









# DIVERSE AND EXPERIENCED TAKEDA EXECUTIVE TEAM


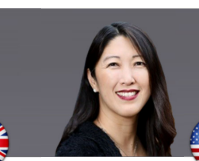
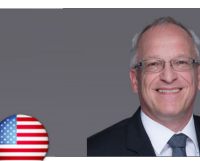

JAPAN

						
<b>CHRISTOPHE WEBER</b> President & CEO	<b>COSTA SAROUKOS</b> Chief Financial Officer	<b>MASATO IWASAKI</b> President, Japan Pharma Business Unit	<b>TAKAKO OHYABU</b> Chief Global Corporate Affairs Officer	<b>YOSHIHIRO NAKAGAWA</b> Global General Counsel	<b>PADMA THIRUVENGADAM</b> Chief Human Resources Officer	<b>MILANO FURUTA</b> Corporate Strategy Officer & Chief of Staff

US

					
<b>ANDY PLUMP</b> President, Research & Development	<b>RAMONA SEQUEIRA</b> President, USBU & Global Portfolio Commercialization	<b>TERESA BITETTI</b> President, Global Oncology Business Unit	<b>RAJEEV VENKAYYA</b> President, Global Vaccine Business Unit	<b>GERARD (JERRY) GRECO</b> Global Quality Officer	<b>MARCELLO AGOSTI</b> Global Business Development Officer

SWITZERLAND

			
<b>GILES PLATFORD</b> President, Europe & Canada Business Unit	<b>JULIE KIM</b> President, Plasma-Derived Therapies Business Unit	<b>THOMAS WOZNIOWSKI</b> Global Manufacturing & Supply Officer	<b>MWANA LUGOGO</b> Chief Ethics & Compliance Officer

SINGAPORE


<b>RICARDO MAREK</b> President, Growth & Emerging Markets Business Unit



# CLAWBACK POLICY AND MANAGEMENT KPI DETAILS

## TAKEDA CLAWBACK POLICY

- Consistent with Takeda's ongoing efforts to further strengthen its commitment to best-in-class corporate governance and alignment with shareholders, the Compensation Committee recommended and the Board of Directors of Takeda adopted a compensation recoupment policy (clawback policy) on March 31, 2020.
- The clawback policy provides that in the event of a significant restatement of financial results or significant misconduct, the independent external members of Takeda's Board of Directors may require Takeda to recoup incentive compensation. This would include all or a portion of the compensation received by any member of the Takeda Executive Team, any Internal Director on the Takeda's Board of Directors, and any other individual designated by the independent external members of Takeda's Board of Directors within the fiscal year, and the three (3) prior fiscal years, that the need for a significant restatement of financial results or significant misconduct was discovered.
- The policy took effect on April 1, 2020 and applies to short-term incentive compensation beginning with the Fiscal Year 2020 performance year and long-term incentive granted in Fiscal Year 2020 and continues to apply for all subsequent periods.

## DETERMINING KEY PERFORMANCE INDICATORS FOR FY2020

- Each year, the Compensation Committee and the Board of Directors review and establish the annual Key Performance Indicators ("KPI") used for the Short-Term Incentive Plan (annual cash bonus) ("STI") and the Long-Term Incentive Plan Performance Share Units ("PSU").
- The KPIs included in the STI and PSU plans were carefully considered by the Compensation Committee before being recommended to and approved by the Board of Directors. Takeda believes these KPIs enable the organization to focus on growth, profitability, pipeline performance, expense management and shareholder value creation.
- The KPIs correlate to Takeda's operating plan and external guidance. Underlying KPIs reflect the understanding that divestitures and significant events will impact the evaluation of the respective KPI over the performance period and enables required adjustments.
- Both the STI and the PSU Plans are designed in a way that allows participants to be rewarded for delivering strong results for shareholders if Takeda exceeds the plan targets. Conversely, if Takeda does not achieve its targets, participants will receive a below target payout. If performance is below threshold participants would receive a 0% payout for that KPI. The maximum payout participants can receive under the plan is 200% of target.

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## FY2020 MANAGEMENT KPIs



### FY2020 Short-Term Incentive (Metrics, Weight, and Performance Range Consistent with FY2019)

Metric	Rationale	Weight	Measurement	Threshold	Target	Maximum
Underlying Revenue	<ul style="list-style-type: none"> <li>• Key indicator of growth, including pipeline delivery</li> <li>• Important measure of success within the industry</li> </ul>	30%	Performance Goal as a % of Target	97%	100%	105%
			STI Payout as a % of Target	40%	100%	200%
Underlying Core Operating Profit	<ul style="list-style-type: none"> <li>• Measure of margin achievement while ensuring expense discipline</li> <li>• Reflects synergy capture</li> <li>• Communicated to shareholders as a key measure of Takeda success post Shire acquisition</li> </ul>	40%	Performance Goal as a % of Target	95%	100%	115%
			STI Payout as a % of Target	50%	100%	200%
Underlying Core EPS	<ul style="list-style-type: none"> <li>• Aligns participants with shareholders</li> <li>• Communicated to shareholders as a key measure of Takeda success post Shire acquisition</li> </ul>	30%	Performance Goal as a % of Target	95%	100%	115%
			STI Payout as a % of Target	50%	100%	200%

### FY2020 Long-Term Incentive (Performance Share Units) (Metrics, Weight, and Performance Range Consistent with FY2019)

Metric	Rationale	Weight	Measurement	Threshold	Target	Maximum
3-year Accumulated Underlying Revenue	<ul style="list-style-type: none"> <li>• Aligns with investor expectations</li> <li>• Focuses participants on continued growth and pipeline delivery</li> <li>• Important measure of success within the industry</li> </ul>	25%	Performance Goal as a % of Target	96%	100%	105%
			PSU Payout as a % of Target	50%	100%	200%
Point in time Core Operating Profit Margin (at end of performance period)	<ul style="list-style-type: none"> <li>• Measures quality of the earnings over the performance period</li> <li>• High shareholder expectation for strong earnings growth</li> </ul>	25%	Performance Goal as a % of Target	93%	100%	107%
			PSU Payout as a % of Target	50%	100%	200%
3-year Accumulated Free Cash Flow	<ul style="list-style-type: none"> <li>• Focuses participants on cash generation and paying down debt following the Shire acquisition</li> </ul>	25%	Performance Goal as a % of Target	90%	100%	115%
			PSU Payout as a % of Target	50%	100%	200%
Pivotal Study Start	<ul style="list-style-type: none"> <li>• Reflects future strength of Takeda's overall performance through delivery of innovative research and development programs</li> <li>• Underscores our commitment to patients</li> </ul>	25%	PSU Payout as a % of Target	0%	100%	200%
3-year Relative TSR <sup>1</sup>	<ul style="list-style-type: none"> <li>• Aligns payout from our performance share plan with the shareholder experience</li> <li>• Only applies if absolute TSR is positive</li> </ul>	Modifier +/-20%				

1. After measuring performance under the financial and non-financial metrics outlined above, Takeda will assess the Total Shareholder Return ("TSR") performance relative to our Fiscal Year 2020 Takeda Peer Group (excluding Celgene after the which was acquired). Relative TSR can modify the final LTI payout (up or down) by 20 percentage points. If absolute TSR performance is negative but Takeda outperforms our peers, a positive adjustment would not be made to the performance share payout factor. The TSR peer group for the Fiscal Year 2019-2021 performance cycle is as follows: AbbVie, Amgen, Astellas, AstraZeneca, Bristol-Myers Squibb, Eli Lilly, Gilead Sciences, GlaxoSmithKline, Johnson & Johnson, Merck & Co, Merck Group, Novartis, Pfizer, Roche, Sanofi

# FOLLOWING THROUGH ON OUR EXPECTED COMMITMENTS AT THE BEGINNING OF FY2019 FOR APPROVED THERAPIES

	COMPOUND	EXPECTED EVENT	FY19	COMMENTS
🔬	ADCETRIS	ECHELON-2 submission in EU for front-line PTCL	H1 ✓	Received positive opinion from the CHMP for adult patients with previously untreated sALLCL in April 2020
	ALUNBRIG	2nd interim analysis of ALTA-1L front-line ALK+ NSCLC	H1 ✓	Data of Interim Analysis 2 presented at the ESMO Asia conference; 1L indication for ALK+ NSCLC approved in EU in April 2020.
	Cabozantinib	1st approval decision in Japan for 2nd-line renal cell cancer (RCC)	H2 ✓	Approval obtained for monotherapy in both 1L and 2L RCC
	NINLARO	Ph-3 readout in amyloidosis Ph-3 readout in transplant ineligible maintenance in multiple myeloma (TOURMALINE MM4)	H1 ➡ H2 ✓	Failed primary endpoint; encouraging secondary endpoint data presented at ASH 2019 Met its primary endpoint of PFS and trial continues pending OS endpoint. New target - FY22
🧬	TAKHZYRO	Initiate registration enabling study in bradykinin mediated angioedema	H2 ➡	Planned in H1 FY20
🏥	ALOFISEL	ADMIRE II phase 3 study initiation in US for perianal fistulas in Crohn's disease Approval decision in Japan for Crohn's disease	H1 ✓ H1 ✓	
	ENTYVIO	Approval decision in US for subcutaneous administration in ulcerative colitis Submission in US for subcutaneous administration in Crohn's disease	H2 ➡ H2 ➡	CRL received from U.S. FDA for BLA subcutaneous formulation in UC. This is unrelated to the clinical safety and efficacy data, and included queries related to the design and labelling of the SC product. Takeda is working to resolve CRL and expects an updated timeline within H1 CY2020 Obtained approval in EU of a subcutaneous formulation of vedolizumab in ulcerative colitis and Crohn's disease based on the pivotal phase 3 VISIBLE trials. Approval obtained for UC in Australia and Canada and under discussion with the PMDA in Japan. Subcutaneous Crohn's disease submission filing pending UC CRL outcome. Results from the Phase 3 VISIBLE 2 clinical trial meets the study's primary endpoint; These data announced at the 15th Congress of ECCO.
	GATTEX	Approval decision in US for short bowel syndrome (pediatric)	H1 ✓	
	TRINTELLIX	Approval decision in Japan for major depressive disorder (MDD)	H1 ✓	
🩸	GLASSIA/ARALAST	Registration enabling study start in emphysema patients with α1 anti-trypsin deficiency	H2 ➡	Acceptance of new trial design and endpoints by FDA

88 Table only shows select R&D milestones, and is not comprehensive. All timelines are current assumptions and subject to change. For full glossary of disease abbreviations please refer to appendix.








# MAXIMIZING THE VALUE OF OUR APPROVED PROGRAMS

	PHASE 1 & 2	PHASE 3	FILED
🔬 ONCOLOGY	<ul style="list-style-type: none"> <li>NINLARO* Proteasome inhibitor R/R MM triplet Tx (GL)</li> <li>ALUNBRIG* ALK inhibitor 2L ALK+NSCLC 2<sup>nd</sup> gen TKI (GL)</li> <li>ICLUSIG* BCR-ABL inhibitor TKI res. chronic phase CML (US)</li> <li>NINLARO* Proteasome inhibitor R/R MM doublet Tx (US, EU)</li> </ul>	<ul style="list-style-type: none"> <li>NINLARO* Proteasome inhibitor ND MM (GL)</li> <li>ALUNBRIG* ALK inhibitor 1L ALK+NSCLC (JP, CN)</li> <li>Cabozantinib Exelixis VEGFR/RET inhibitor 1L RCC combo w/ nivolumab (JP)</li> <li>ICLUSIG* BCR-ABL inhibitor FL PH+ ALL (US)</li> <li>NINLARO* Proteasome inhibitor Maint. ND MM no SCT (GL)</li> <li>ALUNBRIG* ALK inhibitor 2L ALK+NSCLC 1<sup>st</sup> H2R with alectinib (GL)</li> <li>NINLARO* Proteasome inhibitor Maint. ND MM post-SCT (US, EU)</li> </ul>	<ul style="list-style-type: none"> <li>ADCETRIS* Seattle Genetics CD30 ADC R/R sALLCL (CN)</li> <li>ADCETRIS* Seattle Genetics CD30 ADC R/R HL (CN)</li> <li>ALUNBRIG* ALK inhibitor ALK+NSCLC (JP)</li> <li>ALUNBRIG* ALK inhibitor 1L ALK+NSCLC (US)</li> <li>ADCETRIS* Seattle Genetics CD30 ADC 1L PTCL (EU)</li> <li>Cabozantinib Exelixis VEGFR/RET inhibitor 2L HCC (JP)</li> <li>Niraparib GlaxoSmithKline PARP 1/2 inhibitor Ovarian cancer - maint. (JP)</li> <li>Niraparib GlaxoSmithKline PARP 1/2 inhibitor Ovarian cancer - salvage (JP)</li> </ul>
🧬 RARE DISEASES	<ul style="list-style-type: none"> <li>NATPARA PTH replacement Hypothyroidism (JP)</li> </ul>	<ul style="list-style-type: none"> <li>TAKHZYRO Anti-kallikrein mAb HAE pediatric (GL)</li> <li>TAKHZYRO Anti-kallikrein mAb HAE (JP)</li> <li>OBIZUR IgGm FVIII replacement CHAWI (US, EU)</li> <li>VONVENDI vWF replacement VWD Prophylaxis</li> <li>ADVNOVATE vWF replacement VWD Pediatric</li> </ul>	<ul style="list-style-type: none"> <li>TAKHZYRO Anti-kallikrein mAb HAE prophylaxis (CN)</li> </ul>
🧠 NEUROSCIENCE			<ul style="list-style-type: none"> <li>BUCCOLAM GABA Allosteric Modulator Status Epilepticus (JP)</li> </ul>
🏥 GASTRO-ENTEROLOGY	<ul style="list-style-type: none"> <li>ENTYVIO* α4β7 mAb Pediatric UC/CD (GL)</li> </ul>	<ul style="list-style-type: none"> <li>GATTEX GLP-2R agonist Adult-SBS (JP)</li> <li>ENTYVIO* α4β7 mAb GvHD Prophylaxis (EU, JP)</li> <li>ALOFISEL* mesenchymal stem cells Perianal Fistulas in CD (US, JP)</li> <li>ENTYVIO* α4β7 mAb SubQ CD (US, JP)</li> <li>GATTEX GLP-2R agonist Pediatric-SBS (JP)</li> <li>Vonoprazan PCAB Oral disintegrated tablet formulation (JP)</li> </ul>	<ul style="list-style-type: none"> <li>ENTYVIO* α4β7 mAb SubQ UC (US, JP)</li> <li>Vonoprazan PCAB Reflux Esophagitis Maintenance (CN)</li> <li>Vonoprazan PCAB Duodenal ulcer (CN)</li> </ul>
🩸 PLASMA-DERIVED THERAPIES		<ul style="list-style-type: none"> <li>CINRYZE PD, CI Esterase inhibitor HAE prophylaxis (JP)</li> <li>HYQVIA Holozyme IgG 10% + Recombinant Human Hyaluronidase CIDP</li> <li>HYQVIA Holozyme IgG 10% + Recombinant Human Hyaluronidase Pediatric PID (US)</li> </ul>	

# ADDRESSABLE POPULATION OF PIPELINE ASSETS WITH CLINICAL VALIDATION

## POTENTIAL FIRST-IN-CLASS OR BEST-IN-CLASS NMEs

	PRODUCT	MECHANISM	INDICATION	ADDRESSABLE POPULATION (IN US) <sup>1</sup>	ADDRESSABLE POPULATION (WW) <sup>1,2</sup>
 <b>ONCOLOGY</b>	●● mobocertinib (TAK-788)	EGFR / HER2 tyrosine kinase inhibitor	Exon 20 NSCLC 1L / 2L HER2 mutant NSCLC 2L+ / HER2 mutant solid tumors	~4k <sup>3</sup> ~2.6k / <i>under evaluation</i>	~20-30k ~8k / ~8k <sup>4</sup>
	●● pevonedistat (TAK-924)	NAE inhibitor	Higher risk-MDS / AML	~7k / ~12k	15-20k / 20-25k
	TAK-007	CD19 CAR-NK	Hematologic malignancies	~9k	~15-25k
 <b>RARE DISEASES</b> <i>Immunology Hematology Metabolic</i>	● TAK-609	ERT / I2S replacement	Hunter CNS (intrathecal)	~250	~1-1.5k
	● maribavir (TAK-620)	UL97 kinase inh	CMV infection in transplant patients	~7-15k	~25-45k
	TAK-611	ERT / arylsulfatase A	MLD (intrathecal)	~350	~1-2k
	● TAK-755	ERT / ADAMTS-13	cTTP / iTTP	~500 / ~2k	2 - 6k / 5-18k
	TAK-607	IGF-1/IGFBP3	Complications of prematurity	~25k	~80-90k
 <b>NEUROSCIENCE</b>	Orexin programs	Orexin 2R agonist	Narcolepsy type 1 Narcolepsy type 2	~70k <sup>5</sup> ~30k	~300k-1.2M ~250k-900k
	TAK-935	CH24H inhibitor	Developmental and Epileptic Encephalopathies	~50k	~70-90k
 <b>GASTRO-ENTEROLOGY</b>	● TAK-721	Oral anti-inflammatory	Eosinophilic Esophagitis	~150k	<i>Under evaluation</i>
	TAK-101 / TAK-062	Toler. immune Tx / Glutenase	Severe and/or refractory celiac disease despite adherence to Gluten Free Diet (GFD)	350k	700k <sup>6</sup>
 <b>VACCINES</b>	● TAK-003	Vaccine	Dengue	~32M	~1.8B

1. Estimated number of patients projected to be eligible for treatment in markets where the product is anticipated to be commercialized, subject to regulatory approval

2. For TAK-788, TAK-924, TAK-007, TAK-607 and TAK-620 the addressable population represent annual incidence

3. Revised forecast

4. Incidence in G7 countries

5. Refined forecast for addressable patient population; prevalence ~140k

6. For EUCAN only. Worldwide addressable patient population is under evaluation

● Currently in pivotal study or potential for registration enabling Ph-2 study



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## GLOSSARY OF ABBREVIATIONS

### Regional Abbreviations:

CN: China; EU: Europe; JP: Japan; US: United States of America

<b>AD</b> Alzheimer's disease	<b>DLBCL</b> diffuse large B-cell lymphoma	<b>IND</b> investigational new drug	<b>PBS</b> phosphate buffered saline
<b>ADC</b> antibody drug conjugate	<b>DU</b> duodenal ulcer	<b>I/O</b> immuno-oncology	<b>PCAB</b> potassium competitive acid blocker
<b>ADHD</b> attention deficit hyperactivity disorder	<b>Dx</b> diagnosis	<b>iTTP</b> immune thrombotic thrombocytopenic purpura	<b>Ph+ ALL</b> Philadelphia chromosome-positive acute lymphoblastic leukemia
<b>ALK</b> anaplastic lymphoma kinase	<b>EE H</b> erosive esophagitis healing	<b>IV</b> intravenous	<b>PID</b> primary immunodeficiency
<b>ALS</b> amyotrophic lateral sclerosis	<b>EE M</b> erosive esophagitis maintenance	<b>iPSC</b> induced pluripotent stem cells	<b>PK</b> pharmacokinetics
<b>AML</b> acute myeloid leukemia	<b>EFI</b> enteral feeding intolerance	<b>L-ASA</b> low dose aspirin	<b>POC</b> proof of concept
<b>ASCT</b> autologous stem cell transplant	<b>EGFR</b> epidermal growth factor receptor	<b>LBD</b> Lewy body dementia	<b>POGD</b> post-operative gastrointestinal dysfunction
<b>ARD</b> acid-related diseases	<b>EOE</b> eosinophilic esophagitis	<b>LB AML</b> low-blast acute myeloid leukemia	<b>POI</b> post-operative ileus
<b>BTK</b> Bruton's tyrosine kinase	<b>ESCC</b> esophageal squamous-cell carcinoma	<b>LSD1</b> Lysine specific demethylase 1	<b>PTCL</b> peripheral T-cell lymphoma
<b>BBB</b> blood brain barrier	<b>FL</b> front line	<b>LCM</b> lifecycle management	<b>PTH</b> parathyroid hormone
<b>BOS</b> budesonide oral suspension	<b>FSI</b> first subject in	<b>mAb</b> monoclonal antibody	<b>R/R</b> relapsed/refractory
<b>CAR-T</b> Chimeric antigen receptor-T	<b>GCC</b> guanylyl cyclase C	<b>MAOB</b> monoamine oxidase B	<b>RCC</b> renal cell cancer
<b>CD</b> Crohn's disease	<b>GERD</b> gastroesophageal reflux disease	<b>MG</b> myasthenia gravis	<b>RTK</b> receptor tyrosine kinase
<b>CHAWI</b> congenital hemophilia A with inhibitors	<b>GI</b> gastrointestinal	<b>MLD</b> metachromatic leukodystrophy	<b>sALCL</b> systemic anaplastic large cell lymphoma
<b>CIAS</b> cognitive impairment associated with schizophrenia	<b>GnRH</b> gonadotropin-releasing hormone	<b>MM</b> multiple myeloma	<b>SBS</b> short bowel syndrome
<b>CIDP</b> chronic inflammatory demyelinating polyradiculoneuropathy	<b>GU</b> gastric ulcer	<b>NAE</b> NEDD8 activating enzyme	<b>SC</b> subcutaneous formulation
<b>CML</b> chronic myeloid leukemia	<b>GvHD</b> graft versus host disease	<b>ND</b> newly diagnosed	<b>SCD</b> sickle cell disease
<b>CMML</b> chronic myelomonocytic leukemia	<b>HAE</b> hereditary angioedema	<b>NDA</b> new drug application	<b>SCT</b> stem cell transplant
<b>CMV</b> Cytomegalovirus	<b>H2H</b> head to head	<b>Neg</b> negative	<b>SCZ</b> schizophrenia
<b>CSF</b> cerebrospinal fluid	<b>HCC</b> hepatocellular carcinoma	<b>NERD</b> non-erosive reflux disease	<b>SLE</b> systemic lupus erythematosus
<b>CNS</b> central nervous system	<b>HemA</b> hemophilia A	<b>NK</b> natural killer	<b>sq</b> squamous
<b>CRL</b> complete response letter	<b>HER2</b> human epidermal growth factor receptor 2	<b>NME</b> new molecular entity	<b>STING</b> stimulator of interferon genes
<b>CRPS</b> complex regional pain syndrome	<b>HL</b> Hodgkin's lymphoma	<b>NSCLC</b> non-small cell lung cancer	<b>SUMO</b> small ubiquitin-related modifier
<b>CTCL</b> cutaneous T-cell lymphoma	<b>HR MDS</b> high-risk myelodysplastic syndromes	<b>NSCT</b> non stem cell transplant	<b>TESD</b> treatment emergent sexual dysfunction
<b>cTTP</b> congenital thrombotic thrombocytopenic purpura	<b>IBD</b> inflammatory bowel disease	<b>NS</b> negative symptoms	<b>TKI</b> tyrosine kinase inhibitor
<b>DAAO</b> D-amino acid oxidase		<b>ORR</b> overall response rate	<b>TRD</b> treatment resistant depression
<b>DEE</b> developmental and epileptic encephalopathies		<b>PARP</b> poly (ADP-ribose) polymerase	<b>UC</b> ulcerative colitis
			<b>vWD</b> von Willebrand disease

