



# News Release

## Takeda Pharmaceutical Company Limited Announces Financial Results for the Fiscal Year Ended March 31, 2014 and Forecasts for the Fiscal Year Ending March 31, 2015

**Osaka, Japan, May 8, 2014** --- Takeda Pharmaceutical Company Limited (“Takeda”, “the Company”) announced today the consolidated financial results for the fiscal year ended March 31, 2014, and forecasts of consolidated results for the fiscal year ending March 31, 2015. As of the fiscal year ended March 31, 2014 (fiscal year 2013, “FY2013”) the Company has adopted the International Financial Reporting Standards (IFRS) for consolidated financial statements, in place of the Japanese Generally Accepted Accounting Principles (J-GAAP) previously used. Unless otherwise specified as “J-GAAP,” all financial information is now prepared in accordance with IFRS and financial data hereby disclosed for the previous fiscal year are presented using IFRS accounting.

### International Financial Reporting Standards (IFRS)

	Fiscal 2012 (billion yen)	Fiscal 2013 (billion yen)	Year-on-year change		Forecasts Fiscal 2014* (billion yen)
Revenue	1,557.0	1,691.7	+134.7	+8.6%	1,725.0
Operating profit	65.0	139.3	+74.3	+114.3%	150.0
Net profit for the year (attributable to owners of the Company)	148.6	106.7	-41.9	-28.2%	85.0
Earnings per share (yen)	188.21	135.10	-53.11	-28.2%	107.67
Core Earnings**	285.5	314.2	+28.7	+10.1%	280.0

\* The exchange rate assumptions for fiscal 2014 are 1US\$=100 yen and 1 euro=140 yen.

\*\* Core Earnings are calculated by deducting any temporary factors such as impacts from business combination accounting and from amortization/impairment loss of intangible assets etc., from operating profit.

**Reference: Japanese Generally Accepted Accounting Principles (J-GAAP)**

	Fiscal 2012 (billion yen)	Fiscal 2013 (billion yen)	Year-on-year change	
Net sales	1,557.3	1,691.9	+134.7	+8.6%
Operating income	122.5	155.7	+33.2	+27.1%
Ordinary income	113.2	130.7	+17.5	+15.5%
Net income	131.2	90.3	-40.9	-31.2%
Earnings per share (yen)	166.25	114.44	-51.81	-31.2%

With a rapidly changing business model due to an expanding geographical presence and more diversified product line-up, Takeda formulated “Vision 2020” last spring to articulate the aspiration of where the Company wants to be in the year 2020. Under the Mid-Range Growth Strategy started in fiscal 2013 that aims to realize this Vision, Takeda will execute its fundamental strategies based on “Globalization,” “Diversity,” and “Innovation,” and will implement initiatives to build a robust and efficient operating model suitable for a global pharmaceutical company, further ensuring the realization of sustainable growth.

Consolidated revenue in FY2013, the first year of the Mid-Range Growth Strategy, was 1,691.7 billion yen, an increase of 134.7 billion yen (+8.6%) compared to the previous year (on a like-for-like basis\*, revenue increased by 5.1% compared to the previous year). The sales of AZILVA (for hypertension) in Japan, and VELCADE (for multiple myeloma) and DEXILANT (for acid reflux disease) in the U.S. increased. Furthermore, the sales of ADCETRIS (for malignant lymphoma) significantly expanded in Europe, and sales of the emerging market business also increased mainly due to the sales contribution of pantoprazole (for peptic ulcers). Such positive factors, along with the impact of the yen’s depreciation, absorbed the drastic decrease in sales of ACTOS (for type 2 diabetes) in the U.S. due to the penetration of generic products. The overall result was a year-on-year increase in revenue of more than 100 billion yen.

With regard to operational costs, Project Summit, the Takeda-wide strategic initiative to pursue the transformation into a company that is competitive in all areas of its operations, has delivered results of approximately 34 billion yen in cost savings. We were also able to make the necessary investments for sustainable growth. The depreciation of the yen had a major impact on costs, pushing up total selling, general and administrative expenses and R&D expenses (on a like-for-like basis, the rate of change decreased by 8.1% and 4.2% respectively). However, impairment losses on intangible assets decreased. Due to these factors, operating profit rose to 139.3 billion yen, an increase of 74.3 billion yen (+114.3%) compared to the previous year.

In FY2014, Takeda will continue to devote its efforts to maximizing the value of innovative medicines and obtaining swift approval of our late-stage pipelines. The new drugs for maximum value realization include

the global product NESINA (for type 2 diabetes), and BRINTELLIX (for major depression), and we will actively make strategic investments in order to realize the early uptake and market penetration of products for Ulcerative Colitis/Crohn's disease and obesity for which marketing approvals are expected soon. We have made steady progress in improving R&D productivity and continuing to discover and deliver innovative medicines that meet the unmet medical needs of people around the world. A new chapter has begun in our operational management. Takeda will engage in initiatives, including Project Summit, to strengthen strategies and accelerate their implementation under a new management structure of a Chief Executive Officer (CEO) and a Chief Operating Officer (COO). For FY2014 we forecast an increase in revenue to a total of 1,725 billion yen and an increase in operating profit to a total of 150 billion yen.

For more details on Vision 2020 and the Mid-Range Growth Strategy including our sustainable growth guidance, please refer to the Consolidated Financial Statements (IFRS) for the Fiscal Year Ended March 31, 2014, Section 3. Management Policy (pp. 23 to 26). Please go to the company website for financial statements and other financial information.

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

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\*Like-for-like : Constant forex and excluding exceptional items (Non-recurring items to be excluded in view of normal business performance such as M&A related transactions and business divestments)

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