



# Takeda Information

August 8, 2019

## Update to the Financial Statements for the Three Months Period Ended June 30, 2019

Takeda Pharmaceutical Company Limited (“Takeda”) today filed with the Tokyo Stock Exchange some corrections to the consolidated financial statements (IFRS) for the three months period ended June 30, 2019, which was filed on July 31, 2019. Corrections are highlighted as below. There are no corrections in XBRL data that were submitted on the same date.

### 1. Corrections

#### Appendix

### 3. Reconciliation from Reported to Core/Underlying Core – FY2019Q1

<Incorrect>

(BN YEN)	REPOR TED	REPORTED TO CORE ADJUSTMENTS					CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLY ING CORE
		Amortizat ion & impairme nt of intangible assets	Other operating income/ expense	Shire acquisitio n related costs	Shire purchase accountin g adjustmen ts	Others		FX	Divestitur es	
Revenue	849.1	—	—	—	—	—	849.1	11.7	(17.2)	
Cost of sales	(300.6)	—	—	—	84.5	—	(216.1)	(3.0)	2.0	
Gross Profit	548.5	—	—	—	84.5	—	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	(132.2)	23.0	—	—	109.1	—	—	—	—	
Impairment losses on intangible assets	(16.1)	16.1	—	—	—	—	—	—	—	
Other operating income	6.7	—	(6.7)	—	—	—	—	—	—	
Other operating expenses	(41.0)	—	9.4	31.6	—	—	—	—	—	
Operating profit	9.9	39.1	2.7	36.7	194.5	—	283.0	5.1	(15.2)	
Margin	1.2%						33.3%			32.4%
Financial income/expenses	(37.4)	—	—	4.5	—	0.9	(32.0)	0.5	—	
Equity income/loss	2.3	—	—	—	—	—	2.3	0.6	—	
Profit before tax	(25.2)	39.1	2.7	41.2	194.5	0.9	253.3	6.2	(15.2)	
Tax expense	4.6	(7.1)	(7.9)	(8.2)	(36.1)	(0.2)	(54.9)	(1.0)	3.7	
Non-controlling interests	—	—	—	—	—	—	—	—	—	
Net profit	(20.7)	32.0	(5.2)	33.0	158.5	0.7	198.4	5.2	(11.5)	
EPS (yen)	(13)						128	3	(7)	124
Number of shares (millions)	1,556						1,556			1,555

<Correct>

(BN YEN)	REPOR TED	REPORTED TO CORE ADJUSTMENTS					CORE	CORE TO UNDERLYING CORE ADJ.		UNDERLY ING CORE
		Amortizat ion & impairme nt of intangible assets	Other operating income/e xpense	Shire acquisitio n related costs	Shire purchase accountin g adjustmen ts	Others		FX	Divestitur es	
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Cost of sales	(300.6)	—	—	—	84.5	—	(216.1)	(3.0)	2.0	
Gross Profit	548.5	—	—	—	84.5	—	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	(132.2)	23.0	—	—	109.1	—	—	—	—	
Impairment losses on intangible assets	(16.1)	16.1	—	—	—	—	—	—	—	
Other operating income	6.7	—	(6.7)	—	—	—	—	—	—	
Other operating expenses	(41.0)	—	9.4	31.6	—	—	—	—	—	
Operating profit	9.9	39.1	2.7	36.7	194.5	—	283.0	5.1	(15.2)	
Margin	1.2%						33.3%			32.4%
Financial income/expenses	(37.4)	—	—	—	4.5	0.9	(32.0)	0.5	—	
Equity income/loss	2.3	—	—	—	—	—	2.3	0.6	—	
Profit before tax	(25.2)	39.1	2.7	36.7	199.0	0.9	253.3	6.2	(15.2)	
Tax expense	4.6	(7.1)	(7.9)	(7.0)	(37.3)	(0.2)	(54.9)	(1.0)	3.7	
Non-controlling interests	—	—	—	—	—	—	—	—	—	
Net profit	(20.7)	32.0	(5.2)	29.7	161.8	0.7	198.4	5.2	(11.5)	
EPS (yen)	(13)						128	3	(7)	124
Number of shares (millions)	1,556						1,556			1,555

There also was one misstatement in the English translation version of the Condensed Interim Consolidated Statement of Cash Flows, which was submitted as a reference material. Below is a correction of this misstatement. The Japanese version of the Condensed Interim Consolidated Statement of Cash Flows was correctly stated.

#### (5) Condensed Interim Consolidated Statement of Cash Flows

<Incorrect>

	JPY (millions)	
	Three months period ended June 30, 2018	Three months period ended June 30, 2019
Cash flows from operating activities:		
(omission)	(omission)	(omission)
Net cash from operating activities	40,471	120,789
Cash flows from investing activities:		
(omission)	(omission)	(omission)
Net cash used in investing activities	(17,090)	(41,603)
Cash flows from financing activities:		
(omission)	(omission)	(omission)
Net cash used in financing activities	(82,164)	(177,700)
Net decrease in cash and cash equivalents	(58,783)	(98,514)
Cash and cash equivalents at the beginning of the year	294,522	702,093
(Consolidated statements of financial position)		
Cash and cash equivalents reclassified back from assets held for sale	451	629
Cash and cash equivalents at the beginning of the year	294,973	702,722
Effects of exchange rate changes on cash and cash equivalents	(497)	(10,463)
Cash and cash equivalents at the end of the period	235,693	593,745
Cash and cash equivalents reclassified to assets held for sale	(4,213)	-
Cash and cash equivalents at the end of the period	231,480	593,475
(Condensed interim consolidated statements of financial position)		

<Correct>

	JPY (millions)	
	Three months period ended June 30, 2018	Three months period ended June 30, 2019
Cash flows from operating activities:		
(omission)	(omission)	(omission)
Net cash from operating activities	40,471	120,789
Cash flows from investing activities:		
(omission)	(omission)	(omission)
Net cash used in investing activities	(17,090)	(41,603)
Cash flows from financing activities:		
(omission)	(omission)	(omission)
Net cash used in financing activities	(82,164)	(177,700)
Net decrease in cash and cash equivalents	(58,783)	(98,514)
Cash and cash equivalents at the beginning of the year (Consolidated statements of financial position)	294,522	702,093
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Effects of exchange rate changes on cash and cash equivalents	(497)	(10,463)
Cash and cash equivalents at the end of the period	235,693	593,745
Cash and cash equivalents reclassified to assets held for sale	(4,213)	-
Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)	231,480	593,745

## 2. Reasons for Corrections

In Appendix 3 Reconciliation from Reported to Core/Underlying Core – FY2019Q1, 4.5 billion yen of financial income/expenses related to our purchase accounting for the Shire acquisition was incorrectly presented in the column titled, “*Shire acquisition related costs.*” This misstatement did not impact either our Reported or our Core Operating Income amounts.

In the English version of the Statement of Cash Flows, the amount of “Cash and cash equivalents at the end of the period (Condensed interim consolidated statements of financial position)” was incorrect. We transposed two numbers. We do not believe that either the error or its correction materially impacts our financial statements.

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