

## Condensed Interim Consolidated Statements of Cash Flows

JPY (millions)

|   | Three months period<br>ended June 30, 2017 | Three months period<br>ended June 30, 2018 |
|---|--|--|
| Cash flows from operating activities:   |  |  |
| Net profit for the period   | 144,989                                    | 78,080                                     |
| Depreciation and amortization   | 45,919                                     | 38,562                                     |
| Impairment losses   | 80   | 7  |
| Share-based compensation  | 3,465                                      | 3,931                                      |
| Loss (gain) on sales and disposal of property, plant and equipment  | 3  | (5,682)                                    |
| Gain on divestment of business  | (1,543)                                    | (1,133)                                    |
| Gain on sales of subsidiaries   | (106,369)                                  | —  |
| Change in fair value of contingent consideration  | —  | 170  |
| Finance income and expenses, net  | (3,533)                                    | 8,567                                      |
| Share of loss (gain) of associates accounted for using the equity method  | 267  | (3,560)                                    |
| Income tax expenses   | 53,253                                     | 15,783                                     |
| Changes in assets and liabilities:  |  |  |
| Increase in trade and other receivables   | (17,388)                                   | (41,240)                                   |
| Increase in inventories   | (5,399)                                    | (12,453)                                   |
| Decrease in trade and other payables  | (18,438)                                   | (4,726)                                    |
| Decrease in provisions  | (3,179)                                    | (9,214)                                    |
| Other, net  | (5,238)                                    | (12,815)                                   |
| Cash generated from operations  | 86,889                                     | 54,277                                     |
| Income taxes paid   | (16,622)                                   | (13,806)                                   |
| Tax refunds and interest on tax refunds received  | 4,297                                      | —  |
| Net cash from operating activities  | 74,564                                     | 40,471                                     |
| Cash flows from investing activities:   |  |  |
| Interest received   | 614  | 553  |
| Dividends received  | 5,656                                      | 1,305                                      |
| Acquisition of property, plant and equipment  | (14,250)                                   | (19,607)                                   |
| Proceeds from sales of property, plant and equipment  | 12   | 5,960                                      |
| Acquisition of intangible assets  | (13,376)                                   | (15,656)                                   |
| Acquisition of investments  | (2,238)                                    | (7,305)                                    |
| Proceeds from sales and redemption of investments   | 11,255                                     | 25,946                                     |
| Acquisition of business, net of cash and cash equivalents acquired  | (1,471)                                    | (59,968)                                   |
| Proceeds from sales of business, net of cash and cash equivalents divested  | 84,509                                     | —  |
| Proceeds from withdrawal of restricted deposits   | —  | 63,919                                     |
| Other, net  | 28,623                                     | (12,237)                                   |
| Net cash from (used in) investing activities  | 99,334                                     | (17,090)                                   |
| Cash flows from financing activities:   |  |  |
| Net decrease in short-term loans  | (340,334)                                  | (78)                                       |
| Proceeds from long-term loans   | 337,154                                    | —  |
| Purchase of treasury shares   | (18,714)                                   | (1,153)                                    |
| Interest paid   | (1,499)                                    | (2,434)                                    |
| Dividends paid  | (63,493)                                   | (64,970)                                   |
| Acquisition of non-controlling interests  | —  | (2,392)                                    |
| Repayment of obligations under finance lease  | (645)                                      | (630)                                      |
| Facility fees paid for loan agreements  | —  | (10,353)                                   |
| Other, net  | (297)                                      | (154)                                      |
| Net cash used in financing activities   | (87,829)                                   | (82,164)                                   |
| Net increase (decrease) in cash and cash equivalents  | 86,069                                     | (58,783)                                   |
| Cash and cash equivalents at the beginning of the year<br>(Consolidated statements of financial position)               | 319,455                                    | 294,522                                    |
| Cash and cash equivalents reclassified back from assets held for sale   | 21,797                                     | 451  |
| Cash and cash equivalents at the beginning of the year  | 341,252                                    | 294,973                                    |
| Effects of exchange rate changes on cash and cash equivalents   | 4,981                                      | (497)                                      |
| Cash and cash equivalents at the end of the period  | 432,302                                    | 235,693                                    |
| Cash and cash equivalents reclassified to assets held for sale  | —  | (4,213)                                    |
| Cash and cash equivalents at the end of the period<br>(Condensed interim consolidated statements of financial position) | 432,302                                    | 231,480                                    |

NOTE: Takeda filed the FY2018 Q1 Quarterly Securities Report to the Financial Services Agency on August 10, 2018. Above is an English translation of the Consolidated Statements of Cash Flows, which was included in the FY2018 Q1 Quarterly Securities Report. Consolidated Statement of Income, Consolidated Statement of Income and Other Comprehensive Income, Consolidated Statement of Financial Position, and Consolidated Statement of Changes in Equity are disclosed in the "Consolidated Financial Statements submitted to TSE (Tokyo Stock Exchange)", which was released on July 31, 2018.