Summary of Financial Statements for the Six Month Period Ended September 30, 2015 (IFRS, Consolidated)

October 30, 2015

Takeda Pharmaceutical Company Limited Stock exchange listings: Tokyo, Nagoya, Fukuoka, Sapporo

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Scheduled date of securities report submission: November 12, 2015
Scheduled date of dividend payment commencement: December 1, 2015
Supplementary materials for the financial statements: Yes
Presentation to explain for the financial statements: Yes

(Million JPY, rounded to the nearest million)

1. Consolidated Financial Results for the Six Month Period Ended September 30, 2015 (April 1 to September 30, 2015)

(1) Consolidated Operating Results (year to date)

(Percentage figures represent changes over the same period of the previous year)

	Revenue		Operating profit		Profit before tax		Net profit for the period	
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)
Six month period ended September 30, 2015	904,049	6.2	110,449	(5.4)	102,039	(9.8)	55,987	(11.3)
Six month period ended September 30, 2014	851,352	2.8	116,695	6.2	113,135	(5.9)	63,154	(21.6)

	Net profit attributable to owners of the Company		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)	(JPY)
Six month period ended September 30, 2015	54,385	(11.5)	68,427	(12.3)	69.34	68.68
Six month period ended September 30, 2014	61,437	(22.0)	78,048	(63.5)	78.07	77.95

(2) Consolidated Financial Position

	Total assets (Million JPY)	Total equity (Million JPY)	Equity attributable to owners of the Company (Million JPY)	Ratio of equity attributable to owners of the Company to total assets (%)	Equity attributable to owners of the Company per share (JPY)
As of September 30, 2015	4,213,829	2,182,314	2,119,439	50.3	2,705.40
As of March 31, 2015	4,296,192	2,206,176	2,137,047	49.7	2,719.27

2. Dividends

	Annual dividends per share (JPY)				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
Fiscal 2014	—	90.00	—	90.00	180.00
Fiscal 2015	—	90.00			
Fiscal 2015 (Projection)			—	90.00	180.00

(Note) Modifications in the dividend projection from the latest announcement: None

3. Forecasts for Consolidated Operation Results for Fiscal 2015 (April 1, 2015-March 31, 2016)

(Percentage figures represent changes from previous fiscal year)

	Revenue		Operating profit		Profit before tax		Net profit attributable to owners of the Company		Basic earnings per share
	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(Million JPY)	(%)	(JPY)
Fiscal 2015	1,820,000	2.4	105,000	—	115,000	—	68,000	—	86.53

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: None

Additional Information

(1) Changes in significant subsidiaries during the period : No
(changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Changes in accounting policies and changes in accounting estimates
1) Changes in accounting policies required by IFRS : Yes
2) Changes in accounting policies other than 1) : No
3) Changes in accounting estimates : No
(Note) For details, refer to "2. Additional Information in Summary" in page 12.

(3) Number of shares outstanding (common stock)
1) Number of shares outstanding (including treasury stock) at term end:

September 30, 2015	790,151,295 shares
March 31, 2015	789,923,595 shares

2) Number of shares of treasury stock at term end:

September 30, 2015	6,741,125shares
March 31, 2015	4,032,165 shares

3) Average number of outstanding shares (for the six month period ended September 30):

September 30, 2015	784,322,754 shares
September 30, 2014	786,906,005shares

* Implementation status about the audit

- This summary of financial statements is exempt from quarterly review procedures required by Financial Instruments and Exchange Act. A part of quarterly review for securities report based on Financial Instruments and Exchange Act has not completed at the time of disclosure of this summary of financial statements. The securities report for the six month period ended September 30, 2015 is scheduled to be disclosed on November 12, 2015 after completion of the quarterly review.

* Note to ensure appropriate use of forecasts, and other comments in particular

- All forecasts in this document are based on information currently available to the management, and do not represent a promise or guarantee to achieve those forecasts. Various uncertain factors could cause actual results to differ, such as changes in the business environment and fluctuation of foreign exchange rates. If a significant event occurs that requires the forecasts to be revised, the Company will disclose it in a timely manner.
- For details of the financial forecast, and the management guidance indicators for actual business performance, please refer to "1. Qualitative Information for the Six Month Period Ended September 30, 2015 (3) Outlook for Fiscal 2015" on page 10.
- Supplementary materials for the financial statements (data book, presentation materials for the earnings release conference to be held on October 30, 2015 and the audio of the conference including question-and-answer session will be promptly posted on the Company's website.
(Website of the Company)
http://www.takeda.com/investor-information/results/

Attachment Index

1. Qualitative Information for the Six Month Period Ended September 30, 2015

(1) Consolidated Operating Results
(i) Operating Results

Consolidated results (April 1 to September 30, 2015):

Billion JPY

	Amount	*Change over the same period of the previous year*	
Revenue	904.0	+52.7	+ 6.2%
R&D expenses	161.4	+4.9	+ 3.1%
Operating profit	110.4	- 6.2	- 5.4%
Profit before tax	102.0	- 11.1	- 9.8%
Net profit for the period (attributable to owners of the Company)	54.4	- 7.1	- 11.5%
EPS (JPY)	69.34	-8.73	- 11.2%

[Revenue]
Consolidated revenue was 904.0 billion JPY, an increase of 52.7 billion JPY (+6.2%) compared to the same period of the previous year.

- In Japan, sales of AZILVA (for hypertension) and LOTRIGA (for hyperlipidemia) significantly increased.
  In overseas markets, ENTYVIO (for ulcerative colitis and Crohn's disease) experienced strong sales growth, having been successively launched in several countries since June 2014, and in the U.S., sales of VELCADE (for multiple myeloma) and DEXILANT (for acid reflux disease) also increased. In addition, depreciation of the yen contributed to a 29.3 billion JPY increase in revenue due to foreign exchange effects.
  On the other hand, negative factors impacting revenue included the decrease of sales of large products such as CANDESARTAN (for hypertension), mainly due to the penetration of generic products.
  In total, consolidated revenue increased by 52.7 billion JPY.

- Consolidated revenue of Takeda's major ethical drugs:

Billion JPY

Indications / Product Name	Amount	Change over the same period of the previous year	
Multiple myeloma / VELCADE	85.8	+ 13.0	+17.8%
Prostate cancer, breast cancer and endometriosis / LEUPRORELIN (Japan product name: LEUPLIN)	62.4	+ 1.0	+1.7%
Peptic ulcer / PANTOPRAZOLE	51.9	+ 1.3	+2.6%
Peptic ulcer / LANSOPRAZOLE (Japan product name: TAKEPRON)	47.5	- 2.6	-5.1%
Hypertension / CANDESARTAN (Japan product name: BLOPRESS)	44.7	- 27.8	-38.3%
Ulcerative colitis and Crohn's disease / ENTYVIO	36.0	+ 29.4	+451.0%
Acid reflux disease / DEXILANT	35.4	+ 8.2	+30.1%
Hypertension / AZILVA	28.6	+ 8.3	+40.7%

(Note) Revenue amount includes royalty income and service income.

- In Japan, TAKECAB (for acid-related diseases) was launched in February 2015, and activities are currently ongoing to provide information about this product to healthcare professionals in co-promotion with Otsuka Pharmaceutical Company, Limited. Also in Japan, in May 2015, Takeda launched ZAFATEK, the world's first once weekly oral type 2 diabetes treatment option. In the U.S., in addition to ENTYVIO, prescriptions are steadily increasing for BRINTELLIX (for major depressive disorder) and CONTRAVE (for obesity), which were launched in 2014. ADCETRIS (for malignant lymphomas) is also experiencing steady sales growth in Japan, Europe and emerging markets, where Takeda is the license holder.

[Operating profit]

Consolidated operating profit was 110.4 billion JPY, a decrease of 6.2 billion JPY (-5.4%) compared to the same period of the previous year.

- Gross profit increased by 42.3 billion JPY (+7.0%) due to revenue increase.
- Selling, general and administrative expenses increased by 30.3 billion JPY (+10.7%) mainly due to the increase in sales expenses related to new products in the U.S.
- R&D expenses were 161.4 billion JPY, an increase of 4.9 billion JPY (+3.1%).
- Other operating income decreased by 23.5 billion JPY, mainly due to 25.4 billion JPY (*) of the gains on sales of property, plant and equipment being recognized in the same period of the previous year.
  (*) Ethical Drug Business: 10.1 billion JPY, Other Business: 15.3 billion JPY
- Other operating expenses decreased by 9.9 billion JPY, mainly due to the decrease in restructuring expenses.

[Net profit for the period (attributable to owners of the Company)]
Consolidated net profit for the period was 54.4 billion JPY, a decrease of 7.1 billion JPY (-11.5%) compared to the same period of the previous year, mainly due to the decrease in operating profit.

- In spite of the favorable impact of the decrease in the loss on fair value remeasurements of contingent consideration liability, net financial income/expenses became unfavorable by 4.8 billion JPY mainly due to the increase in foreign currency exchange losses.
- Basic earnings per share was 69.34 JPY, a decrease of 8.73 JPY (-11.2%) compared to the same period of the previous year.

Underlying growth (Note1) (April 1 to September 30, 2015):

Billion JPY

	Change over the same period of the previous year	
Revenue	+ 3.8%	+32.9
Core Earnings (Note2)	+ 3.7%	+6.4
Core EPS (JPY) (Note3)	+7.9 %	+10.78

(Note1) "Underlying Growth", comparing two periods of financial results under a common basis, shows the real performance of the business. It excludes the impact of foreign exchange and exceptional items such as product divestments and acquisitions, impact of purchase accounting, amortization and impairment loss of intangible assets, restructuring costs and major litigation costs. Takeda adopts "Underlying Growth" of revenue, Core Earnings and Core EPS as its indicators for management guidance.

(Note2) Core Earnings is calculated from operating profit by excluding the impact of exceptional items, such as purchase accounting, amortization and impairment loss of intangible assets, restructuring costs and major litigation costs.

(Note3) Core EPS is earnings per share based on Core Net Profit, which is calculated from Net profit for the period by excluding the impact of exceptional items, similar to those listed above, and the tax effects on them.

- Underlying revenue growth was +3.8% (+32.9 billion JPY) compared to the same period of the previous year.
- Underlying Core Earnings growth was +3.7 % (+6.4 billion JPY), and Underlying Core EPS growth was +7.9% (+10.78 JPY) compared to the same period of the previous year. Underlying selling, general and administrative expenses increased by 4.7% due to the increase of investment for new products, and underlying R&D expenses increased by 2.9%.

(ii) Results by Segment

Revenue and operating profit by business segment (April 1 to September 30, 2015):

Billion JPY

Type of Business	Revenue		Operating profit	
	Amount	Change over the same period of the previous year	Amount	Change over the same period of the previous year
Ethical Drug	825.5	+55.4	88.4	+8.1
<Japan>	<272.0>	< -11.2>		
<Overseas>	<553.5>	< +66.6>		
Consumer Healthcare	41.0	+3.3	13.5	+2.2
Other	37.5	-6.0	8.5	-16.5
Total	904.0	+52.7	110.4	-6.2

[Ethical Drug Business]

Revenue in the Ethical Drug Business was 825.5 billion JPY, an increase of 55.4 billion JPY (+7.2%) compared to the same period of the previous year, and operating profit was 88.4 billion JPY, an increase of 8.1 billion JPY (+10.1%) compared to the same period of the previous year.

- Revenue in Japan was 272.0 billion JPY, a decrease of 11.2 billion JPY (-4.0%). Contribution from the sales increase of products such as AZILVA and LOTRIGA could not fully offset the sales decrease of products such as BLOPRESS mainly due to the penetration of generic products.

- The following table shows revenue results of major products in Japan:

Billion JPY

Product Name (Indications)	Amount	Change over the same period of the previous year	
BLOPRESS (Hypertension)	31.3	- 25.0	-44.4%
AZILVA (Hypertension)	28.6	+ 8.3	+40.7%
LEUPLIN (Prostate cancer, breast cancer and endometriosis)	27.4	- 2.3	-7.9%
TAKEPRON (Peptic ulcer)	21.9	- 5.6	-20.3%
NESINA (Diabetes)	19.0	- 0.6	-2.9%
LOTRIGA (Hyperlipidemia)	10.5	+ 5.5	+111.4%
VECTIBIX (Colorectal cancer)	9.5	+ 0.3	+2.7%
REMINYL (Alzheimer-type dementia)	7.9	+ 1.5	+23.8%

- Revenue in overseas markets was 553.5 billion JPY, an increase of 66.6 billion JPY (+13.7%) compared to the same period of the previous year. Some products decreased in sales due to the penetration of generic products, but this impact was greatly exceeded by the positive factors driving overseas sales such as the stable sales increase of VELCADE and DEXILANT in the U.S., and the sales contribution from new products such as ENTYVIO.

- The following table shows revenue results of major products in overseas markets:

Billion JPY

Product Name (Indications)	Amount	Change over the same period of the previous year	
VELCADE (Multiple myeloma)	83.1	+ 13.3	+19.1%
PANTOPRAZOLE (Peptic ulcer)	51.9	+ 1.3	+2.6%
ENTYVIO (Ulcerative colitis and Crohn's disease)	36.0	+ 29.4	+451.0%
DEXILANT (Acid reflux disease)	35.4	+ 8.2	+30.1%
LEUPRORELIN (Prostate cancer, breast cancer and endometriosis)	35.0	+ 3.4	+10.7%
LANSOPRAZOLE (Peptic ulcer)	25.7	+ 3.0	+13.3%
COLCRYS (Gout)	22.9	- 6.9	-23.1%
CANDESARTAN (Hypertension)	13.4	- 2.8	-17.2%

(Note) Revenue amount includes royalty income and service income.

[Consumer Healthcare Business]
Revenue in the Consumer Healthcare Business was 41.0 billion JPY, an increase of 3.3 billion JPY (+8.8%) compared to the same period of the previous year, mainly due to the increase in sales of ALINAMIN tablets (vitamin-containing products). Operating profit increased by 2.2 billion JPY (+19.5%) to 13.5 billion JPY, mainly due to the increase in sales and the improvement in gross profit margin.

[Other Business]
Revenue in Other Business was 37.5 billion JPY, a decrease of 6.0 billion JPY (-13.8%) compared to the same period of the previous year, mainly due to the end of sales contribution from the Mizusawa Group as a result of the sale of all shares of Mizusawa Industrial Chemicals, Ltd. in April, 2015. Operating profit was 8.5 billion JPY, a decrease of 16.5 billion JPY (-66.0%), mainly due to 15.3 billion JPY of gains on sales of property, plant and equipment being recognized in the same period of the previous year.

(iii) Basic Policy for Profit Distribution and Dividends for Fiscal 2015

1) Basic Policy for Profit Distribution

In order to maximize the enterprise value of Takeda, we strive towards a sustainable improvement in earning capacity through essential investment in R&D and the steady implementation of our growth strategies. In addition, we are maintaining and strengthening our sound financial base under a flexible financial strategy, working to improve the efficiency of working capital through the optimization of the balance sheet and allocating generated free cash flow into investments for sustainable growth and the repayment of debt.

Regarding the distribution of profits resulting from our sustainable increase in profitability, in fiscal year 2015 we will maintain the annual dividend of 180 yen per share. Moving forward, with an emphasis on return to shareholders, we strive to at least maintain the 180 yen annual dividend per share after fiscal year 2015.

2) Dividend for Fiscal 2015

For the six months ended September 30, 2015, Takeda will pay an interim dividend of ¥90 per share. Further, a ¥90 per share dividend is planned for the fiscal year-end. Accordingly, total annual dividends paid to shareholders in the current fiscal year are planned to be ¥180 per share, the same amount as the previous fiscal year.

(iv) Activities and Results of Research & Development

Takeda has aligned its research and development functions into the four Therapeutic Area Units (TAUs) of Gastroenterology, Oncology, Cardiovascular/Metabolic and Central Nervous System to further promote therapeutic area and asset strategies to meet the unmet medical needs of patients and to achieve a global leadership position in each area. In addition, Specialty Business Units have been established for Oncology and Vaccines, which include sales and marketing functions.
Major events from R&D activities during the reporting period are as follows;

[In-house R&D activities]

- In April 2015, the Endocrinologic and Metabolic Drugs Advisory Committee (EMDAC) of the U.S. Food and Drug Administration (FDA) convened to review EXAMINE, a global cardiovascular safety outcomes trial of type 2 diabetes treatment NESINA (generic name: alogliptin), and voted that the use of alogliptin in patients with Type 2 diabetes has an acceptable CV risk profile. In June 2015, a post hoc analysis and additional post hoc analyses of data from EXAMINE were presented at the American Diabetes Association's (ADA) 75th Scientific Sessions.
  In September 2015, Takeda submitted a New Drug Application ("NDA") to the Japanese Ministry of Health, Labour and Welfare (MHLW) for the fixed-dose combination of NESINA and metformin for the treatment of type 2 diabetes.

- In May 2015, Takeda announced that it has started the Phase III maintenance study (TOURMALINE-MM4 study) of MLN9708 (generic name: ixazomib), an investigational oral proteasome inhibitor, in patients with newly diagnosed multiple myeloma who have responded to initial therapy and have not undergone an autologous stem cell transplant.
  In July 2015, Takeda submitted a NDA to the FDA for MLN9708 for the treatment of patients with relapsed and/or refractory multiple myeloma, and in September 2015, the FDA granted Priority Review status (*) to the NDA for MLN9708.
  (*) The FDA may grant Priority Review status to the evaluation of applications for drugs that treat a serious condition and would provide a significant improvement in safety or efficacy over existing treatment.
  In July 2015, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) granted an accelerated assessment (*) to MLN9708 for the treatment of patients with relapsed and/or refractory multiple myeloma. In August 2015, the EMA accepted the Marketing Authorization Application (MAA) for MLN9708 for the treatment of patients with relapsed and/or refractory multiple myeloma.
  (*) The EMA awards an accelerated assessment to those medicines deemed to be of major public health interest and, in particular, therapeutic innovation.

- In May 2015, Takeda announced that it has decided to discontinue the Phase III trial of MLN8237 (generic name: alisertib), an inhibitor of Aurora A kinase, for patients with relapsed or refractory peripheral T-cell lymphoma (PTCL) following the results of a pre-specified interim analysis that indicated the study is unlikely to meet the primary endpoint over the standard-of-care in this treatment setting. Takeda continues to investigate the utility of MLN8237 in small cell lung cancer.

- In July 2015, Takeda announced the completion of the study to fulfill the post-marketing commitment and submissions of data to regulatory authorities from the Pan European Multi-Database Bladder Cancer Risk Characterization Study, a large multi-database retrospective matched cohort study, conducted in four European countries, for pioglitazone containing medicines, including ACTOS (generic name: pioglitazone) with up to 10 years of follow-up. Findings demonstrate that there is no association between the use of pioglitazone and the risk of bladder cancer.

- In September 2015, Takeda received approval from the Japanese MHLW for LEUPLIN (generic name: leuprorelin) 24 week depot, for the treatment of prostate cancer and premenopausal breast cancer.

[Alliance activities]

- In May 2015, Takeda announced that it has reached an agreement with Sumitomo Dainippon Pharma Co., Ltd. to terminate the license agreement for the joint development and exclusive commercialization in Europe of LATUDA (generic name: lurasidone), an atypical antipsychotic agent. The companies have started discussions in an effort to finalize and execute a mutual agreement establishing a transition plan for the orderly transfer of all development and commercialization rights and activities with respect to LATUDA to Sumitomo Dainippon Pharma.

- In August 2015, the FDA accepted a supplemental New Drug Application (sNDA) for review to add clinical data to the current product label regarding the effect of BRINTELLIX (generic name: vortioxetine), which Takeda in-licensed from H. Lundbeck A/S of Denmark, on certain aspects of cognitive function in adults with Major Depressive Disorder.

- In August 2015, Takeda reached an agreement with Nanotherapeutics, Inc. of the U.S. providing Takeda with expanded commercialization and technology access rights related to Nanotherapeutics' Vero cell technology platform – a cell culture-based platform for vaccine production which Nanotherapeutics acquired from Baxalta, formerly Baxter International's BioScience division. Takeda gains rights to commercialize its pandemic and seasonal influenza vaccine products based on the Vero cell technology platform in certain regions outside of Japan and will have access to Vero cell technology and reagents for the development of vaccines beyond influenza.

- In September 2015, Takeda received approval from the Japanese MHLW for COPAXONE (generic name: glatiramer), which Takeda in-licensed from Teva Pharmaceutical Industries Ltd. of Israel, for the treatment of multiple sclerosis.

- In October 2015, Takeda and Seattle Genetics, Inc. of the U.S. announced that the companies have achieved completion of target patient enrollment in the phase III ECHELON-1 trial of ADCETRIS (generic name: brentuximab vedotin), a treatment for malignant lymphoma which Takeda in-licensed from Seattle Genetics. ECHELON-1 is a randomized trial evaluating ADCETRIS as part of a frontline combination chemotherapy regimen in patients with previously untreated advanced classical Hodgkin lymphoma. The expected timing of data readout from the trial is in the 2017 to 2018 timeframe.

[Joint Research activities]

- In April 2015, Takeda and the Center for iPS Cell Research Application (CiRA) of Kyoto University entered into a 10-year collaboration on iPS cell research. Takeda and CiRA will work together to develop clinical applications of induced pluripotent stem cells in areas such as heart failure, diabetes mellitus, neurological disorders and cancer immunotherapy. The “Takeda-CiRA Joint Program for iPS Cell Applications” (T-CiRA) is designed to expedite multiple research projects for drug discovery and cell therapy using iPS cells.

- In April 2015, Takeda announced that it has signed an agreement to undertake collaborative research with Keio University School of Medicine and Niigata University at Takeda's Shonan Research Center regarding the search for, and functional analysis of, disease-related RNA-binding proteins.

- In April 2015, Takeda and the National Cancer Center (NCC) of Japan signed a partnership agreement with the goal to discover and develop anti-cancer agents. Takeda and the NCC have agreed to share information and hold regular discussions in order to collaborate and transition findings from basic research to clinical research and development activities.

- In June 2015, Takeda and the Drugs for Neglected Diseases *initiative* (DND*i*) of Switzerland signed an agreement to collaborate in the “Lead Optimization Program” aimed at identifying the best compound among aminopyrazole series for developing an innovative drug for the treatment of visceral leishmaniasis. The program is being funded by Global Health Innovative Technology Fund.

- In August 2015, Takeda and Gencia LLC of the U.S. signed a partnership agreement to develop a new class of small molecule drugs, called Mitochondrial Agonists of the Glucocorticoid Receptor, as potential treatments for hematological and inflammatory diseases. The initial aim of the collaboration will be joint research and development leading to two preclinical drug candidates, one each in the areas of inflammation and oncology.

[Improvement and Reinforcement of R&D organization]

- In June 2015, Takeda announced that it will consolidate its Vaccine Business Unit (VBU) operations by establishing global and regional hubs, as well as consolidating the U.S. vaccine sites, as the organization continues to grow and advance its important vaccine programs. The Boston/Cambridge, Massachusetts area, and Zurich, Switzerland will serve as VBU’s global hubs for the vaccine business outside of Japan. VBU will maintain regional hubs in Singapore and in Brazil. Takeda will close its vaccine site in Bozeman, Montana as well as the Madison, Wisconsin and Fort Collins, Colorado sites. In addition, vaccine activities in Deerfield, Illinois, which currently serves as the global headquarters for VBU, will shift to the Boston/Cambridge area. This transition will occur in phases over the next two years, with the completion of U.S. consolidation by mid-2017.

(2) Consolidated Financial Position

[Assets]

Total assets as of September 30, 2015 were 4,213.8 billion JPY, a decrease of 82.4 billion JPY compared to the previous fiscal year end, mainly due to a decrease in intangible assets as a result of amortization and a decrease in cash and cash equivalents resulting from dividend payments.

[Liabilities]

Total liabilities as of September 30, 2015 were 2,031.5 billion JPY, a decrease of 58.5 billion JPY compared to the previous fiscal year end, mainly due to bonus payments and revaluation of share-based payments accrual. Non-current liabilities and current liabilities decreased by 27.7 billion JPY and 30.8 billion JPY, respectively.

[Equity]
Total equity as of September 30, 2015 was 2,182.3 billion JPY, a decrease of 23.9 billion JPY compared to the previous fiscal year end. Despite net profit for the period, this decrease was mainly due to the acquisition of treasury shares related to the Board Incentive Plan (BIP) and the Employee Stock Ownership Plan (ESOP), in addition to dividend payments.
The ratio of equity attributable to owners of the Company to total assets increased by 0.6 pt. from the previous fiscal year end to 50.3%.

(3) Outlook for Fiscal 2015

The outlook for consolidated results for the full year of fiscal 2015 has not been changed from the previous forecast (announced at the first quarter of fiscal 2015 financial results announcement on July 30, 2015) as follows, considering the current results and foreign exchange rates.

Forecast

Billion JPY

	Amount	*Change over the previous year*	
Revenue	1,820.0	+ 42.2	+2.4%
R&D expenses	330.0	- 52.1	-13.6%
Operating profit	105.0	+ 234.3	- %
Profit before income taxes	115.0	+ 260.4	- %
Net profit for the year (attributable to owners of the Company)	68.0	+ 213.8	- %
EPS (JPY)	86.53	+ 271.90	- %

Management Indicators – Underlying growth (*)

Revenue	Low single digit
Core Earnings (*)	Higher than revenue growth
Core EPS (*)	Higher than Core Earnings growth

(*) Please refer to the (Underlying growth) on page 4.

[Assumptions used in preparing the Outlook]
The foreign exchange rates assumptions for fiscal 2015 are 1 USD = 120 JPY and 1 EUR = 135 JPY.

[Forward looking statement]

All forecasts in this document are based on information currently available to the management, and do not represent a promise or guarantee to achieve those forecasts. Various uncertain factors could cause actual results to differ, such as changes in the business environment and fluctuation of foreign exchange rates. If a significant event occurs that requires the forecasts to be revised, the Company will disclose it in a timely manner.

(4) Litigation

Product liability litigation regarding pioglitazone-containing products

Takeda Pharmaceutical Company Limited, Takeda Pharmaceuticals U.S.A., Inc., and certain affiliates located in the U.S. (collectively, "Takeda" in this section (4)) have been named as defendants in lawsuits in U.S. federal and state courts in which plaintiffs allege to have developed bladder cancer or other injuries as a result of taking products containing type 2 diabetes treatment pioglitazone (U.S. brand name: ACTOS) (hereafter, “ACTOS” is used to refer generally to Takeda products containing pioglitazone). Eli Lilly & Co. has been named as a defendant in many of these lawsuits. Outside the U.S., lawsuits and claims have also been brought by persons claiming similar injuries.

On April 29, 2015 (U.S. time April 28), Takeda reached an agreement with the lead plaintiffs’ lawyers that was expected to resolve the vast majority of ACTOS product liability lawsuits pending against Takeda in the U.S. The settlement would cover all bladder cancer claims pending in any U.S. court as of the date of settlement, and claimants with unfiled claims in the U.S. represented by counsel as of the date of settlement and within three days thereafter would also be eligible to participate. The settlement would become effective if 95% of litigants and claimants opted in, and once that threshold was achieved, Takeda agreed to pay 2.37 billion USD into a settlement fund. That figure would rise to 2.4 billion USD if more than 97% of the current litigants and claimants opted to participate in the settlement. Under the settlement, litigants and claimants who met prescribed criteria would receive payouts from the fund.

On September 12, 2015 (U.S. time September 11), Takeda announced that more than 96% of eligible litigants and claimants have opted into the ACTOS product liability resolution program. On October 7, 2015 (U.S. time), it was verified that more than 97% of eligible litigants and claimants have opted into the resolution program, and that the resolution program had become effective, which triggers a 2.4 billion USD payment by Takeda into the settlement fund.

Takeda believes that the claims made in this litigation are without merit, and does not admit liability. Takeda believes that the company acted responsibly with regard to ACTOS. Takeda will continue to vigorously defend through all available legal means any cases that continue or are newly filed after the settlement.

2. Additional Information in Summary

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in consolidation scope):

No applicable event occurred during the period.

(2) Changes in accounting policies and changes in accounting estimates

The significant accounting policies adopted for the condensed interim consolidated financial statements are the same as those for the fiscal year ended March 31, 2015 with the exception of the items described below.
The Companies calculated income tax expenses for the six month period ended September 30, 2015, based on the estimated average annual effective tax rate.

(Changes in accounting policies)
The accounting standard applied by the Companies effective from the first quarter ended June 30, 2015 is as follows.

IFRS		Description of new standards, interpretations and amendments
IAS 19	Employee Benefits	Amendment to the accounting for contributions from employees and third parties to defined benefit plans

The above standard does not have a material impact on the condensed interim consolidated financial statements.

3. Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statement of Operations

(Million JPY)

	Six month period ended September 30, 2014	Six month period ended September 30, 2015
Revenue	851,352	904,049
Cost of sales	(246,987)	(257,414)
Gross profit	604,365	646,635
Selling, general and administrative expenses	(283,150)	(313,494)
Research and development expenses	(156,519)	(161,373)
Amortization and impairment losses on intangible assets associated with products	(63,221)	(62,965)
Other operating income	38,716	15,220
Other operating expenses	(23,497)	(13,573)
Operating profit	116,695	110,449
Finance income	10,106	12,941
Finance expenses	(14,729)	(22,317)
Share of profit of associates accounted for using the equity method	1,064	966
Profit before tax	113,135	102,039
Income tax expenses	(49,982)	(46,052)
Net profit for the period	63,154	55,987
Attributable to:		
Owners of the Company	61,437	54,385
Non-controlling interests	1,717	1,602
Net profit for the period	63,154	55,987
Earnings per share (JPY)		
Basic earnings per share	78.07	69.34
Diluted earnings per share	77.95	68.68

(2) Condensed Interim Consolidated Statement of Operations and Other Comprehensive Income

(Million JPY)

	Six month period ended September 30, 2014	Six month period ended September 30, 2015
Net profit for the period	63,154	55,987
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(4,634)	6,818
	(4,634)	6,818
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	19,001	5,149
Net changes on revaluation of available-for-sale financial assets	1,817	792
Cash flow hedges	(1,290)	(320)
	19,528	5,622
Other comprehensive income for the period, net of tax	14,894	12,440
Total comprehensive income for the period	78,048	68,427
Attributable to:		
Owners of the Company	75,220	67,758
Non-controlling interests	2,828	669
Total comprehensive income for the period	78,048	68,427

(3) Condensed Interim Consolidated Statement of Financial Position

(Million JPY)

	As of March 31, 2015	As of September 30, 2015
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	526,162	517,605
Goodwill	821,911	836,339
Intangible assets	939,381	890,036
Investment property	30,218	30,015
Investments accounted for using the equity method	10,425	11,317
Other financial assets	241,323	243,257
Other non-current assets	52,192	50,804
Deferred tax assets	154,506	154,235
Total non-current assets	2,776,120	2,733,608
CURRENT ASSETS		
Inventories	262,354	274,998
Trade and other receivables	444,681	471,774
Other financial assets	61,275	59,312
Income taxes recoverable	22,148	6,591
Other current assets	63,225	58,726
Cash and cash equivalents	652,148	608,281
Subtotal	1,505,830	1,479,682
Assets held for sale	14,243	539
Total current assets	1,520,072	1,480,221
Total assets	4,296,192	4,213,829

(Million JPY)

	As of March 31, 2015	As of September 30, 2015
LIABILITIES AND EQUITY		
LIABILITIES		
NON-CURRENT LIABILITIES		
Bonds and loans	629,416	629,048
Other financial liabilities	70,105	72,487
Net defined benefit liabilities	91,686	84,284
Provisions	47,075	34,752
Other non-current liabilities	78,778	74,912
Deferred tax liabilities	156,132	150,051
Total non-current liabilities	1,073,191	1,045,535
CURRENT LIABILITIES		
Bonds and loans	99,965	99,983
Trade and other payables	170,782	157,658
Other financial liabilities	42,105	36,210
Income taxes payable	41,071	67,652
Provisions	418,587	423,601
Other current liabilities	238,469	200,876
Subtotal	1,010,978	985,980
Liabilities held for sale	5,846	—
Total current liabilities	1,016,824	985,980
Total liabilities	2,090,016	2,031,515
EQUITY		
Share capital	64,044	64,506
Share premium	59,575	60,870
Treasury shares	(18,203)	(35,950)
Retained earnings	1,601,326	1,593,154
Other components of equity	430,305	436,860
Equity attributable to owners of the Company	2,137,047	2,119,439
Non-controlling interests	69,129	62,875
Total equity	2,206,176	2,182,314
Total liabilities and equity	4,296,192	4,213,829

(4) Condensed Interim Consolidated Statement of Changes in Equity

Six month period ended September 30, 2014 (From April 1 to September 30, 2014)

(Million JPY)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Net changes on revaluation of available-for-sale financial assets
As of April 1, 2014	63,562	39,866	(621)	1,901,307	406,151	60,771
Net profit for the period				61,437		
Other comprehensive income					17,933	1,762
Comprehensive income for the period	—	—	—	61,437	17,933	1,762
Issuances of new shares	97	97				
Acquisitions of treasury shares			(17,558)			
Disposals of treasury shares		(0)	1			
Dividends				(71,060)		
Changes in the ownership interest in subsidiaries				(7,901)		
Transfers from other components of equity				(4,622)		
Share-based payments		2,967				
Put options written on non-controlling interests		11,277				
Total transactions with owners	97	14,341	(17,557)	(83,582)	—	—
As of September 30, 2014	63,659	54,207	(18,178)	1,879,162	424,084	62,533

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity			Total		
	Cash flow hedges	Remeasurements of defined benefit plans	Total			
As of April 1, 2014	(298)	—	466,624	2,470,739	69,896	2,540,635
Net profit for the period			—	61,437	1,717	63,154
Other comprehensive income	(1,290)	(4,622)	13,784	13,784	1,111	14,894
Comprehensive income for the period	(1,290)	(4,622)	13,784	75,220	2,828	78,048
Issuances of new shares			—	194		194
Acquisitions of treasury shares			—	(17,558)		(17,558)
Disposals of treasury shares			—	1		1
Dividends			—	(71,060)	(1,592)	(72,651)
Changes in the ownership interest in subsidiaries			—	(7,901)	(4,079)	(11,980)
Transfers from other components of equity		4,622	4,622	—		—
Share-based payments			—	2,967		2,967
Put options written on non-controlling interests			—	11,277		11,277
Total transactions with the owners	—	4,622	4,622	(82,079)	(5,671)	(87,750)
As of September 30, 2014	(1,588)	—	485,029	2,463,880	67,052	2,530,932

Six month period ended September 30, 2015 (From April 1 to September 30, 2015)

(Million JPY)

	Equity attributable to owners of the Company					
					Other components of equity	
	Share capital	Share premium	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Net changes on revaluation of available-for-sale financial assets
As of April 1, 2015	64,044	59,575	(18,203)	1,601,326	355,692	75,685
Net profit for the period				54,385		
Other comprehensive income					5,947	928
Comprehensive income for the period	—	—	—	54,385	5,947	928
Issuances of new shares	461	461				
Acquisitions of treasury shares			(22,318)			
Disposals of treasury shares		0	1			
Dividends				(70,738)		
Changes in the ownership interest in subsidiaries				1,362		
Transfers from other components of equity				6,818		
Share-based payments		834	4,570			
Put options written on non-controlling interests						
Total transactions with owners	461	1,295	(17,747)	(62,558)	—	—
As of September 30, 2015	64,506	60,870	(35,950)	1,593,154	361,639	76,613

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Other components of equity			Total		
	Cash flow hedges	Remeasurements of defined benefit plans	Total			
As of April 1, 2015	(1,073)	—	430,305	2,137,047	69,129	2,206,176
Net profit for the period			—	54,385	1,602	55,987
Other comprehensive income	(320)	6,818	13,373	13,373	(933)	12,440
Comprehensive income for the period	(320)	6,818	13,373	67,758	669	68,427
Issuances of new shares			—	923		923
Acquisitions of treasury shares			—	(22,318)		(22,318)
Disposals of treasury shares			—	1		1
Dividends			—	(70,738)	(1,442)	(72,179)
Changes in the ownership interest in subsidiaries			—	1,362	(5,481)	(4,119)
Transfers from other components of equity		(6,818)	(6,818)	—		—
Share-based payments			—	5,404		5,404
Put options written on non-controlling interests			—	—		—
Total transactions with the owners	—	(6,818)	(6,818)	(85,366)	(6,923)	(92,289)
As of September 30, 2015	(1,393)	—	436,860	2,119,439	62,875	2,182,314

(5) Notes to Condensed Interim Consolidated Financial Statements

(Going Concern Assumption)

Six month period ended September 30, 2015 (April 1 to September 30, 2015)

No events to be noted for this purpose.

(Significant Changes in Equity Attributable to Owners of the Company)

Six month period ended September 30, 2015 (April 1 to September 30, 2015)

No events to be noted for this purpose.

(Segment Information)

1. Revenues and operating profit by reportable segment and other information

Six month period ended September 30, 2014 (April 1 to September 30, 2014)

(Million JPY)

	Reportable Segments			Total	Condensed interim consolidated financial statements
	Ethical Drugs	Consumer Healthcare	Other		
Revenues	770,132	37,665	43,556	851,352	851,352
Operating profit	80,353	11,293	25,049	116,695	116,695
			Finance income		10,106
			Finance expenses		(14,729)
			Share of profit of associates accounted for using the equity method		1,064
			Profit before tax		113,135

Six month period ended September 30, 2015 (April 1 to September 30, 2015)

(Million JPY)

	Reportable Segments			Total	Condensed interim consolidated financial statements
	Ethical Drugs	Consumer Healthcare	Other		
Revenues	825,536	40,966	37,547	904,049	904,049
Operating profit	88,446	13,495	8,508	110,449	110,449
			Finance income		12,941
			Finance expenses		(22,317)
			Share of profit of associates accounted for using the equity method		966
			Profit before tax		102,039

2. Geographic Information

Revenues

(Million JPY)

	Japan	United States	Europe and Canada	Russia/ CIS	Latin America	Asia	Others	Total
Six month period ended September 30, 2014	359,335	185,812	156,570	38,027	41,170	51,245	19,193	851,352
Six month period ended September 30, 2015	344,877	249,213	157,115	32,115	37,640	62,860	20,229	904,049

(Note)

1. Revenues are attributable to countries or regions based on the customer location.
2. "Others" region includes Middle East, Oceania and Africa.

(Breakdown of Revenues)

Six month period ended September 30, 2014 (April 1 to September 30, 2014)

(Million JPY)

Ethical Drugs			Consumer healthcare	Other	Condensed interim consolidated statement of income	[Royalties]
(Japan)	(Overseas)	Subtotal				
283,229	486,903	770,132	37,665	43,556	851,352	[28,540]

Six month period ended September 30, 2015 (April 1 to September 30, 2015)

(Million JPY)

Ethical Drugs			Consumer healthcare	Other	Condensed interim consolidated statement of income	[Royalties]
(Japan)	(Overseas)	Subtotal				
271,996	553,540	825,536	40,966	37,547	904,049	[28,158]

(Significant Subsequent Events)

No events to be noted for this purpose.