Consolidated Financial Results for the Six Month Period Ended September 30, 2012

Hiroshi Takahara
Senior Vice President
Corporate Finance & Controlling Department

October 31, 2012

Takeda Pharmaceutical Company Limited

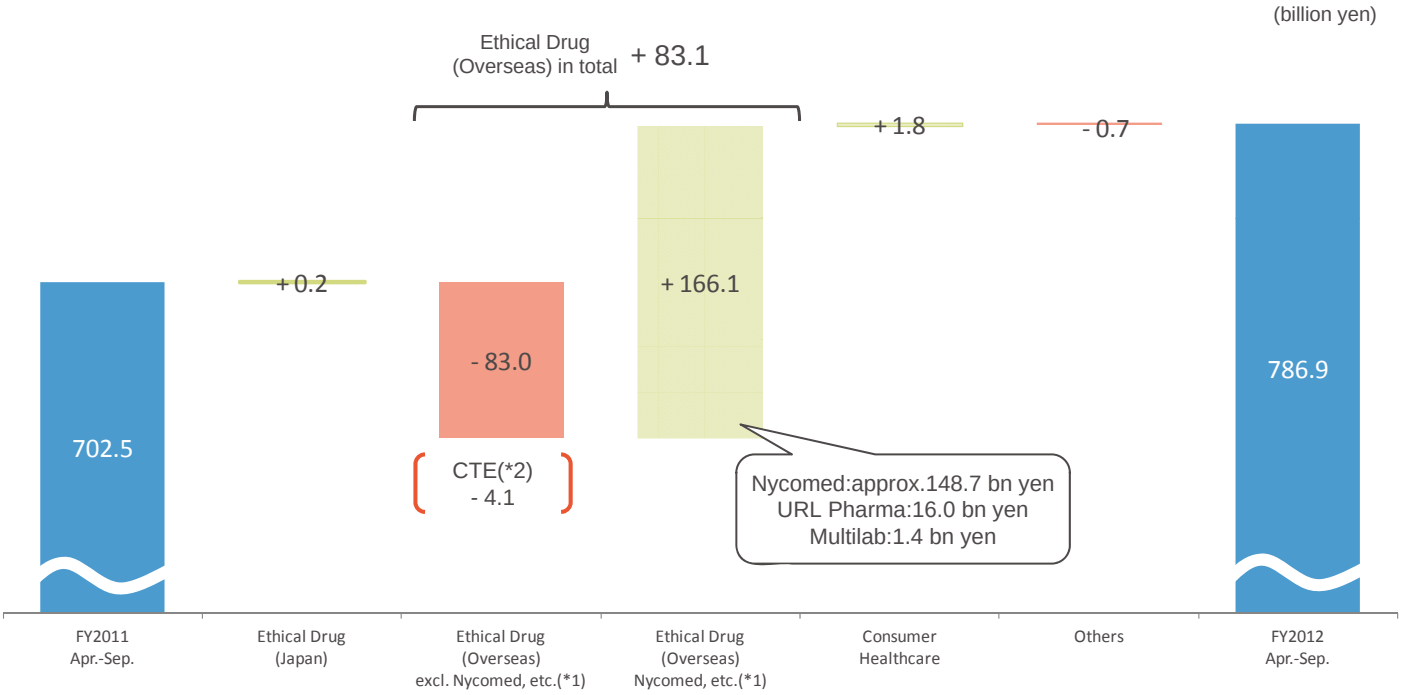
Consolidated Financial Results for the Six Month Period Ended September 30, 2012

	FY2011 Apr.-Sep. (billion yen)	FY2012 Apr.-Sep. (billion yen)	Year-on-year change (billion yen)	Year-on-year change (%)	excl. Currency Translation Effect (billion yen)
Net Sales	**702.5**	**786.9**	**+ 84.4**	**〈+ 12.0〉**	**+ 88.7**
Gross Profit	**542.9**	**570.9**	**+ 27.9**	**〈+ 5.1〉**	**+ 32.2**
excl. Special factors *1	542.9	573.1	+ 30.2	〈+ 5.6〉	+ 34.4
SG&A Expenses	**212.9**	**307.6**	**+ 94.7**	**〈+ 44.5〉**	**+ 97.5**
excl. Special factors *2	182.0	240.8	+ 58.8	〈+ 32.3〉	+ 61.6
R&D Expenses	**119.0**	**154.7**	**+ 35.7**	**〈+ 30.0〉**	**+ 36.0**
Operating Income	**211.0**	**108.6**	**- 102.5**	**〈- 48.6〉**	**- 101.4**
excl. Special factors *3	242.1	177.7	- 64.4	〈- 26.6〉	- 63.2
Ordinary Income	**209.6**	**113.1**	**- 96.5**	**〈- 46.0〉**	**- 95.4**
Extraordinary Income/Loss	**-**	**17.2**	**+ 17.2**	**-**	**+ 17.2**
Net Income	**135.7**	**119.8**	**- 15.9**	**〈- 11.7〉**	**- 15.3**
excl. Extraordinary Income/Loss & Special factors *4	157.6	118.2	- 39.4	〈- 25.0〉	- 38.7
EBITDA (excl. Extraordinary Income/Loss)	**266.7**	**213.4**	**- 53.3**	**〈- 20.0〉**	
EPS	**172 yen**	**152 yen**	**- 20 yen**	**〈- 11.7〉**	
excl. Extraordinary Income/Loss & Special factors *4	200 yen	150 yen	- 50 yen	〈- 25.0〉	
Exchange Rate **USD**	**80 yen**	**80 yen**	**- 0 yen**		
Exchange Rate **EUR**	**114 yen**	**101 yen**	**- 13 yen**		

*1: Special factors in Gross Profit: an increase in COGS related to inventory step-up due to revaluation to fair value resulting from corporate acquisitions
*2: Special factors in SG&A Expenses: amortization of intangible assets and goodwill resulting from corporate acquisitions
*3: Special factors in Operating Income: *1 and *2
*4: Special factors in Net Income and EPS: in addition to *1 and *2, non-operating expenses resulting from corporate acquisitions and transfer price tax refund

Breakdown of Change in Net Sales by Business Segment

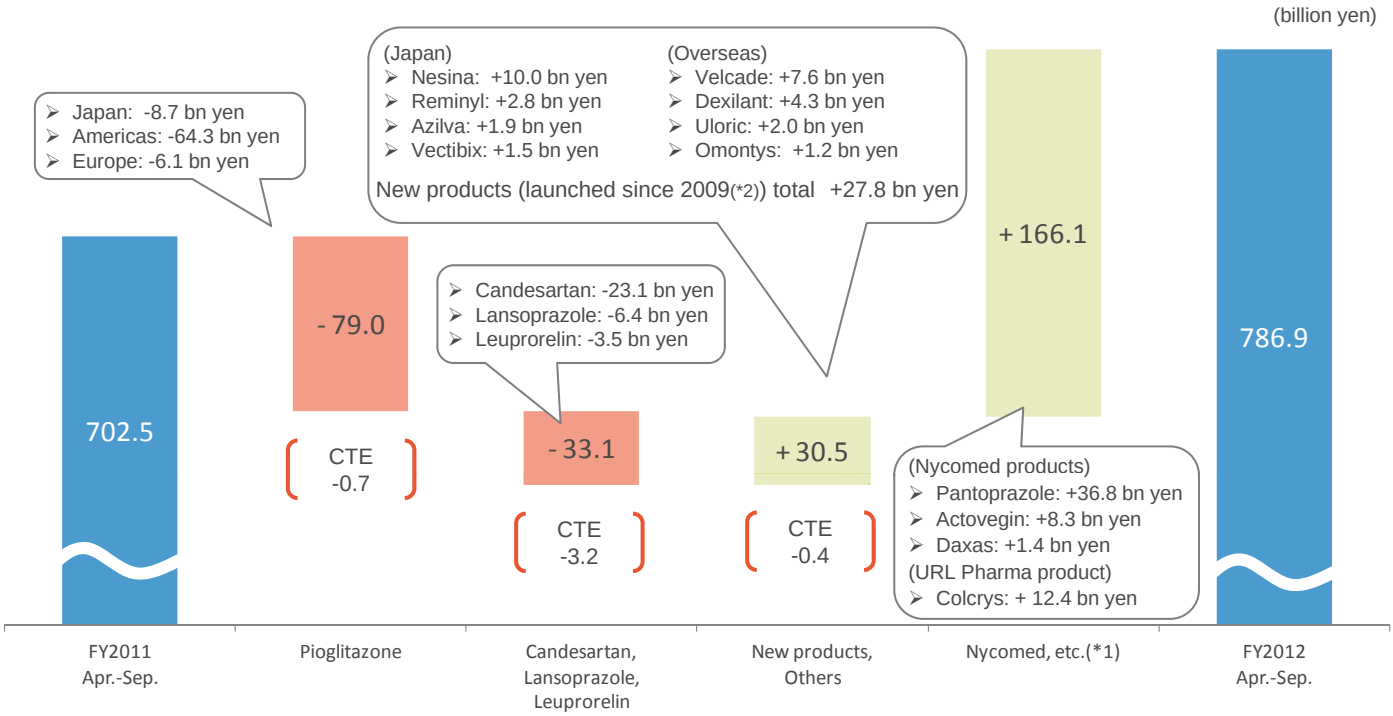
Ethical Drug (Overseas) in total increased by 83.1 billion yen.
Increase in net sales through acquisitions of Nycomed and others is approximately 166.1 billion yen.



*1: Increase in Net Sales related to acquisitions in and after FY2011, i.e. Nycomed, URL Pharma and Multilab.
*2: CTE: Currency Translation Effect (shall apply hereinafter)

Breakdown of Change in Net Sales by Product

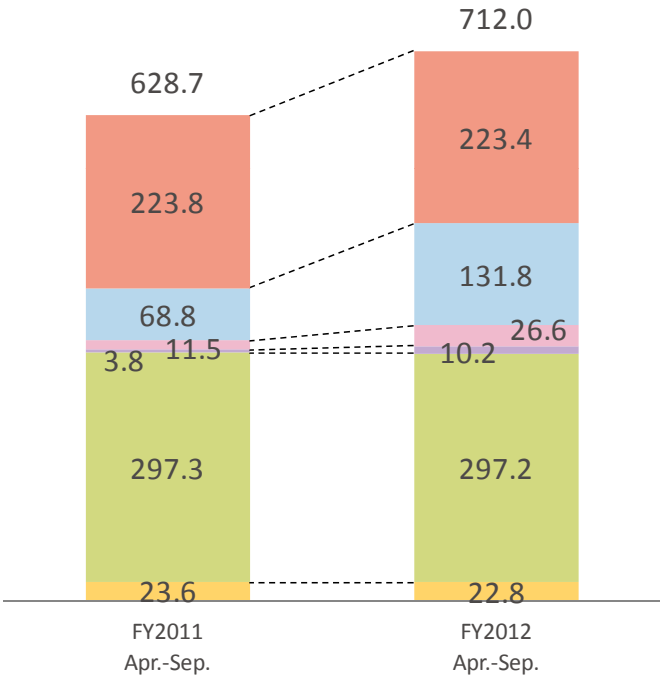
Sales growth of Velcade and new products including Nesina and sales increase due to acquisitions of Nycomed and others absorbed the sales decrease of mature products such as Pioglitazone and Candesartan.



*1: Increase in Net Sales related to acquisitions in and after FY2011, i.e. Nycomed, URL Pharma and Multilab.
*2: Excluding fixed dose drugs with the existing drugs and formulation change drugs.

Net Sales in Ethical Drugs by Region

Europe and Asia: Growth drivers in net sales

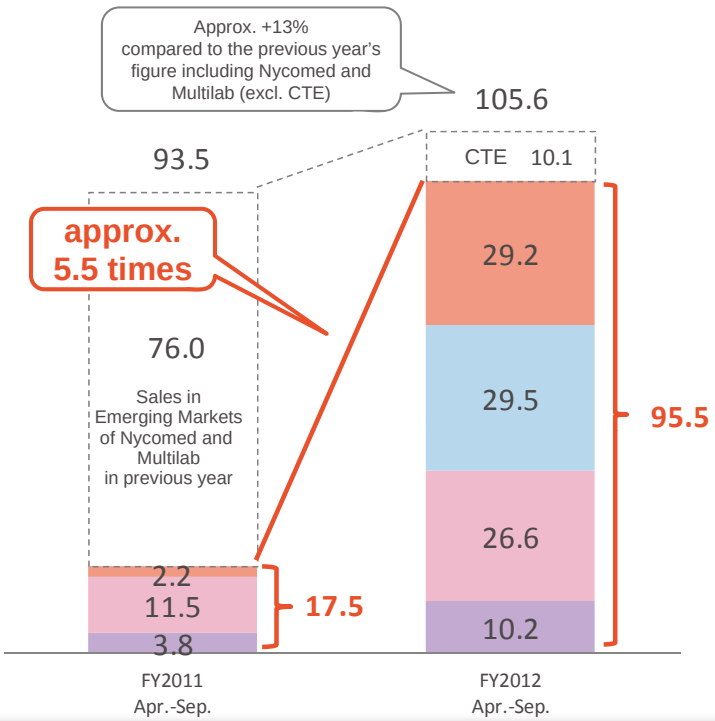


(billion yen)

	Year-on-year change <%>	excl. CTE
Net Sales in Ethical Drugs	**+ 83.2 <+ 13.2%>**	**+ 87.3 <+ 13.9%>**
Americas (incl. Latin America)	- 0.4 <- 0.2%>	-0.2 <- 0.1%>
Europe (incl. Russia/CIS)	+ 63.0 <+ 91.6%>	+ 66.4 <+ 96.5%>
Asia	+ 15.1 <+ 131.2%>	+ 15.2 <+ 132.2%>
Middle East, Oceania & Africa	+ 6.4 <+ 168.3%>	+ 6.4 <+ 168.3%>
Japan	- 0.0 <- 0.0%>	
Royalty income & service income	- 0.8 <- 3.5%>	- 0.5 <- 2.0%>

Net Sales in Ethical Drugs Emerging Markets

Net sales in emerging markets substantially increased by approximately 5.5 times over the same period of the previous year due to the Nycomed and Multilab acquisitions.

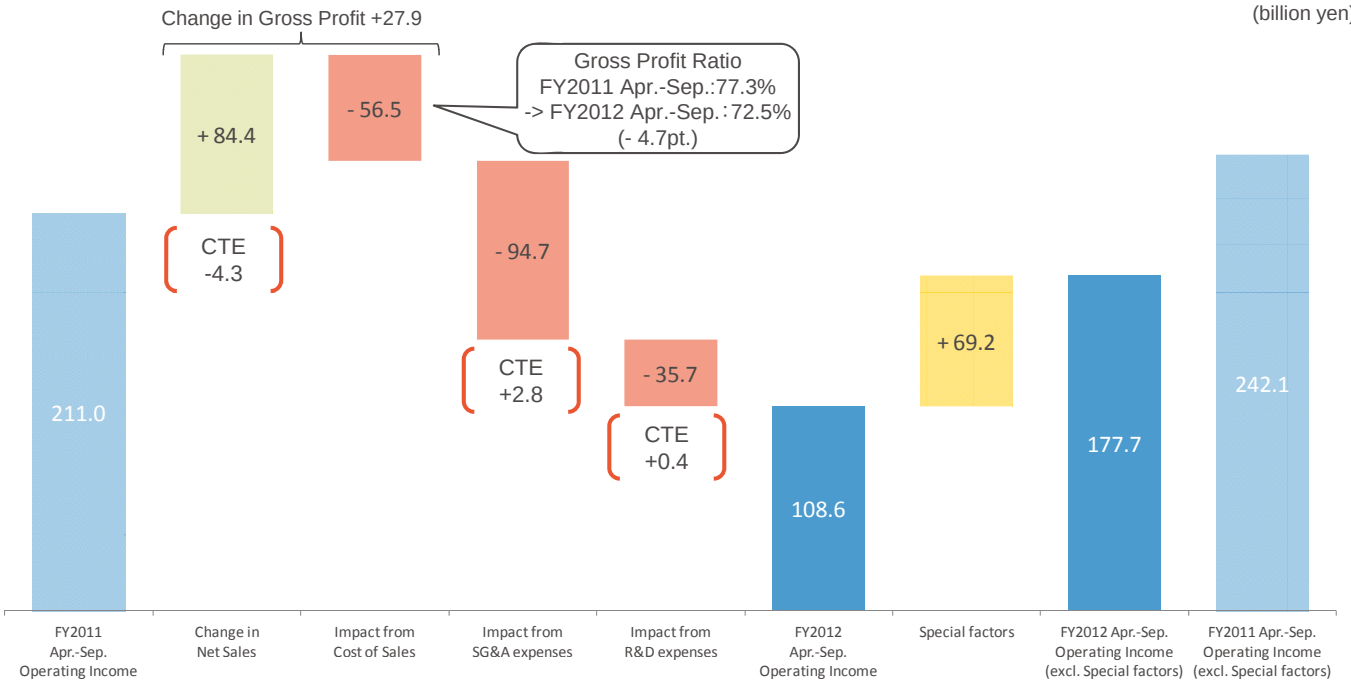


(billion yen)

	Year-on-year change <%>
Net Sales in Emerging Markets	**+ 78.0 <+ 444.3%>**
Latin America	+ 27.0 < - >
Russia/CIS	+ 29.5 < - >
Asia	+ 15.1 <+ 131.2%>
Middle East, Oceania & Africa	+ 6.4 <+ 168.3%>

Breakdown of Change in Operating Income

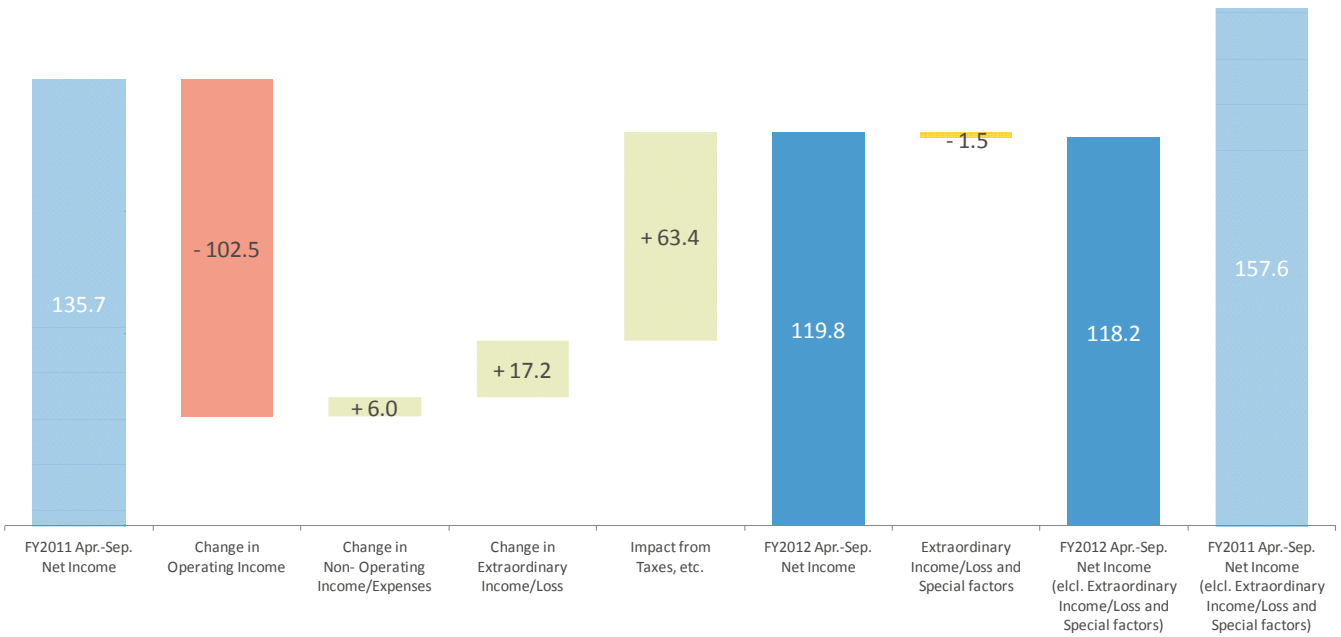
(billion yen)



- Impact from SG&A expenses -94.7 billion yen: increased expenses and increased amortization of intangible assets and goodwill resulting from the acquisitions
- Impact from R&D expenses -35.7 billion yen: increased development costs by steady progression of the late-stage pipeline

Breakdown of Change in Net Income

(billion yen)



- Changes in Extraordinary Income/loss +17.2 billion yen: gains on sales of investment securities +17.0 billion yen, interest on the refund related to transfer price tax +11.6 billion yen, expenses related to the overseas restructuring -11.4 billion yen
- Impact from Taxes, etc. +63.4 billion yen: transfer price tax refund +45.6 billion yen

Cash Flow Statement

	FY2011 Apr.-Sep. (billion yen)	FY2012 Apr.-Sep. (billion yen)	Ref: FY2011 Apr.-Mar. (billion yen)
Net cash provided by (used in) operating activities	**161.7**	**180.4**	**336.6**
Income before income taxes and minority interests	209.6	130.3	252.5
Depreciation and amortization	49.9	80.3	128.0
Amortization of goodwill	6.6	16.1	22.2
Increase/decrease in working capital	- 14.0	- 9.2	64.7
Income tax paid (incl. transfer price tax refund for FY2012)	- 79.5	14.3	- 152.1
Net cash provided by (used in) investing activities	**- 1,060.7**	**- 130.2**	**- 1,094.0**
Payment for purchases of property, plant and equipment	- 25.0	- 44.4	- 61.9
Payment for acquisition of subsidiaries' shares	- 1,029.6	- 77.5	- 1,040.0
Net cash provided by (used in) financing activities	**497.0**	**- 77.9**	**393.8**
Net increase (decrease) in short-term loans	569.8	- 243.2	239.8
Proceeds from issuance of bonds	-	238.0	189.6
Dividends paid	- 71.0	- 71.1	- 142.0
Effect of exchange rate changes on cash and cash equivalents	**- 66.0**	**- 17.1**	**- 54.9**
Net increase (decrease) in cash and cash equivalents	**- 468.0**	**- 44.9**	**- 418.5**
Cash and cash equivalents, end of period	**404.7**	**409.4**	**454.2**

Takeda will maintain 300 billion yen level of R&D investment, ensure steady repayment of debts and maintain stable dividend payment.

Consolidated Financial Results
for the Six Month Period Ended September 30, 2012

[vs. Previous Forecasts]

	Previous Forecasts (Jul.)		Actual	Actual vs. Forecasts	
	Apr.-Sep. (a) (billion yen)	Apr.-Mar. (billion yen)	Apr.-Sep. (b) (billion yen)	(c) = (b) - (a) (billion yen)	(c) / (a) <%>
Net Sales	**780.0**	**1,550.0**	**786.9**	**+ 6.9**	**〈+ 0.9〉**
R&D Expenses	**140.0**	**310.0**	**154.7**	**+ 14.7**	**〈+ 10.5〉**
Operating Income	**100.0**	**160.0**	**108.6**	**+ 8.6**	**〈+ 8.6〉**
excl. Special factors *1	170.0	305.0	177.7	+ 7.7	〈+ 4.5〉
Ordinary Income	**95.0**	**150.0**	**113.1**	**+ 18.1**	**〈+ 19.1〉**
Extraordinary Income/Loss	**20.0**	**55.0**	**17.2**	**- 2.8**	**〈- 13.9〉**
Net Income	**105.0**	**155.0**	**119.8**	**+ 14.8**	**〈+ 14.1〉**
excl. Extraordinary Income/Loss & Special factors *2	105.0	190.0	118.2	+ 13.2	〈+ 12.6〉
EBITDA (excl. Extraordinary Income/Loss)	**194.0**	**345.0**	**213.4**	**+ 19.4**	**〈+ 10.0〉**
EPS	**133 yen**	**196 yen**	**152 yen**	**+ 19 yen**	**〈+ 14.1〉**
excl. Extraordinary Income/Loss & Special factors *2	133 yen	241 yen	150 yen	+ 17 yen	〈+ 12.6〉
Exchange Rate USD	**80 yen**	**80 yen**	**80 yen**	**- 0 yen**	
Exchange Rate EUR	**101 yen**	**100 yen**	**101 yen**	**+ 0 yen**	

*1: Special factors in Operating Income: amortization of intangible assets and goodwill resulting from corporate acquisitions, and an increase in COGS related to inventory step-up due to revaluation to fair value also resulting from corporate acquisitions
*2: Special factors in Net Income and EPS: in addition to *1, non-operating expenses resulting from corporate acquisitions and transfer price tax refund

FY2012 Financial Forecasts

Although there are changes in sales forecasts by product, forecasts of FY2012 consolidated results in total are unchanged from those disclosed in July 2012.

- The sales upside of Actos and Velcade in U.S. and Azilva in Japan and Consumer Healthcare segment are expected to absorb the downside in Nesina and Takepron in Japan and the downside in Uloric and Dexilant in the U.S. As a result, the net sales are expected to achieve the forecasts announced in July.

	FY2011	FY2012		Year-on-year change	
	Actual (billion yen)	Apr.-Sep. Actual (billion yen)	Apr.-Mar. Forecasts (billion yen)	Apr.-Mar. (billion yen)	Apr.-Mar. <%>
Net sales	**1,508.9**	**786.9**	**1,550.0**	**+ 41.1**	**〈+ 2.7〉**
R&D expenses	**281.9**	**154.7**	**310.0**	**+ 28.1**	**〈+ 10.0〉**
Operating income	**265.0**	**108.6**	**160.0**	**- 105.0**	**〈- 39.6〉**
excl. Special factors *1	414.5	177.7	305.0	- 109.5	〈- 26.4〉
Ordinary income	**270.3**	**113.1**	**150.0**	**- 120.3**	**〈- 44.5〉**
Extraordinary Income/Loss	**-17.9**	**17.2**	**55.0**	**+ 72.9**	**-**
Net income	**124.2**	**119.8**	**155.0**	**+ 30.8**	**〈+ 24.8〉**
excl. Extraordinary income/loss & Special factors *2	248.2	118.2	190.0	- 58.2	〈- 23.4〉
EBITDA(excl. Extraordinary Income/Loss)	**422.6**	**213.4**	**345.0**	**- 77.6**	**〈- 18.4〉**
EPS	**157 yen**	**152 yen**	**196 yen**	**+ 39 yen**	**〈+ 24.8〉**
excl. Extraordinary income/loss & Special factors *2	314 yen	150 yen	241 yen	- 74 yen	〈- 23.4〉
Exchange Rate USD	**79 yen**	**80 yen**	**80 yen**	**+ 1 yen**	
Exchange Rate EUR	**109 yen**	**101 yen**	**100 yen**	**- 9 yen**	

*1: Special factors in Operating Income: amortization of intangible assets and goodwill resulting from corporate acquisitions, and an increase in COGS related to inventory step-up due to revaluation to fair value also resulting from corporate acquisitions
*2: Special factors in Net Income and EPS: in addition to *1, non-operating expenses resulting from corporate acquisitions and transfer price tax refund

Reference: Impact of 1 yen change in the foreign exchange rate	FY2012 (billion yen)	
	USD	EUR
Net Sales	4.4	4.0
Operating Income	- 0.9	0.0
Net Income	- 0.1	- 0.1

Appendix

Breakdown of Special factors and Extraordinary Income/Loss

(billion yen)

Breakdown of Special factors and Extraordinary Income/Loss	FY2011 Apr.-Sep.	FY2012 Apr.-Sep.	
<COGS> Increase in COGS related to inventory step-up due to revaluation to fair value	**-**	**2.2**	
URL Pharma acquisition and Multilab acquisition	-	2.2	
<SG&A> Amortization of intangible assets	**24.4**	**50.8**	
TAP integration	5.0	5.0	Amortize until 2012
Millennium acquisition	18.9	18.9	Amortize until 2018
Nycomed acquisition	-	22.8	Amortize until 2026
URL Pharma acquisition	-	3.7	Amortize until 2030
<SG&A> Amortization of goodwill	**6.6**	**16.1**	
Millennium acquisition	6.0	6.1	Amortize until 2028
Nycomed acquisition	-	8.8	Amortize until 2031
URL Pharma acquisition	-	0.7	Amortize until 2028
Impact of Special factors on Operating Income	**31.0**	**69.2**	
<Non-Operating Expenses> Non-Operating Expenses resulting from corporate acquisitions	**-**	**2.3**	
<Extraordinary Income/Loss>	**-**	**-17.2**	
Gains on sales of investment securities	-	-17.0	
Restructuring cost of foreign subsidiaries	-	11.4	
Interest on trancefer price tax refund	-	-11.6	
Impact of Special factors and Extraordinary Income/Loss on Income before Income Taxes and Minority Interests	**31.0**	**54.2**	
Income Taxes and Income Tax Adjustment relating to impact described above	-9.1	-10.1	
trancefer price tax refund	-	-45.6	
Impact of Special factors and Extraordinary Income/Loss on Net Income	**22.0**	**-1.5**	

until 2021 for Daxas

until 2029 for Colcrys

Nycomed: 31.5

Breakdown of EBITDA

(billion yen)

Breakdown of EBITDA	FY2011 Apr.-Sep.	FY2012 Apr.-Sep.
Ordinary Income	**209.6**	**113.1**
+ Special factors in Operating Income: Amortization of intangible assets	24.4	50.8
+ Special factors in Operating Income: Amortization of goodwill	6.6	16.1
+ Depreciation and Amortization (excl. Special factors)	25.5	29.6
+ Interest paid	0.6	1.5
+ Others	-	2.3
EBITDA (excl. Extraordinary Income/Loss)	**266.7**	**213.4**

Second Quarter of Fiscal 2012
Updates Related to R&D Activities

Dr. Tadataka Yamada
Chief Medical & Scientific Officer

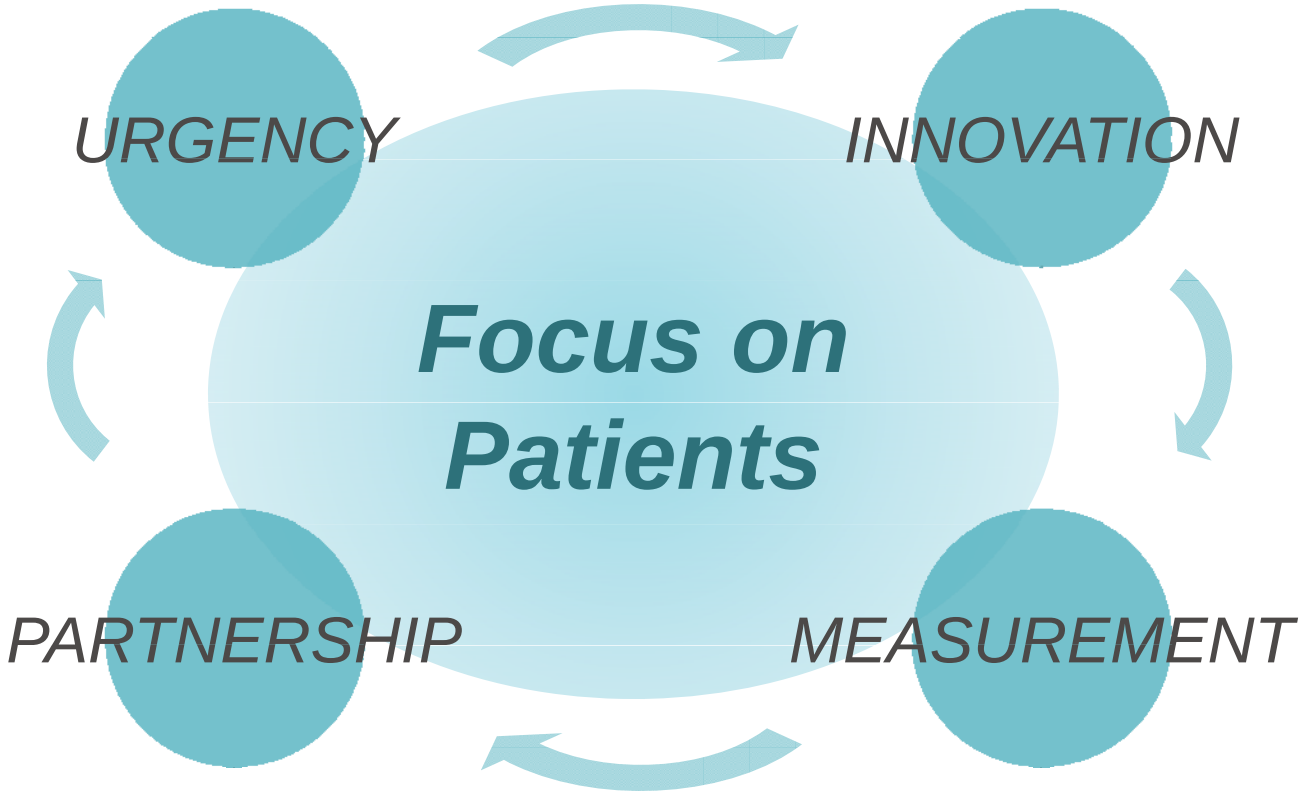
October 31, 2012

Takeda Pharmaceutical Company Limited

Takeda R&D Value

Takeda is a pharmaceutical company committed to the discovery and development of innovative solutions addressing unmet medical needs of patients through R&D investment

Takeda R&D Principles



Partnership in Takeda R&D

Shonan Incubation Laboratories

- Distinguished researchers from external institutions will work side-by-side with Takeda researchers in the Shonan Research Center, bringing new insights to drug discovery through intensely collaborative research
- Plans to adopt 1 or 2 new projects per year
- Project initiated with **BC Cancer Agency** collaboration to explore new drug targets based on gene analysis

BC Cancer Agency
CARE + RESEARCH
An agency of the Provincial Health Services Authority

Advinus Therapeutics Discovery Collaboration

- A three-year discovery collaboration with **Adivnus Therapeutics** in India, who have the ability to provide a timely and sustainable flow of IND candidates focused on novel targets for major therapeutic areas, including **Inflammatory, CNS and Metabolic**

ADVINUS

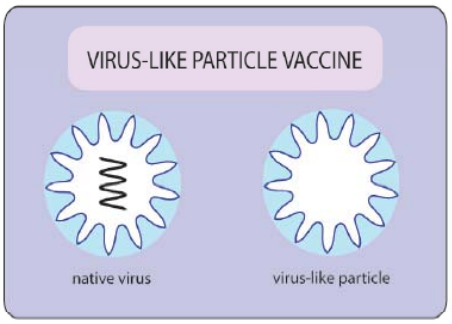
Acquisition of LigoCyte

LIGOCYTE® PHARMACEUTICALS, INC.

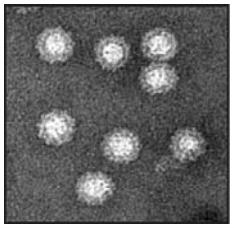
A major step forward for Takeda's vaccine business, and an expansion of Takeda's commitment to human health

Enhances Takeda's R&D capacity with the acquisition of VLP* technology

Expands Takeda's development pipeline with potential first-in-class norovirus vaccine (P-I/II) and pre-clinical assets for RS virus, influenza and rotavirus



***Virus-Like Particles (VLPs)** mimic the external protein structure of a virus without including the genetic material (DNA or RNA). The human immune system responds as if encountering a live virus, allowing it to build immune defenses.



LigoCyte's norovirus VLP
Credit: LigoCyte Pharmaceuticals, Inc.

R&D Pipeline Stage-Ups (since July 30, 2012)

			P-I	P-II	P-III	Filing	Approval
ADCETRIS®	Relapsed / Refractory Hodgkin Lymphoma Relapsed / Refractory systemic Anaplastic Large Cell Lymphoma	EU				→	
Revestive®	Short Bowel Syndrome	EU				→	
Lotriga®	Hyperlipidemia	Jpn				→	
Lu AA21004 (vortioxetine)	Major Depressive Disorder	US			→		
Lurasidone	Schizophrenia	EU			→		
ATL-962 (cetilistat)	Obesity	Jpn			→		
AG-1749 (lansoprazole)	Helicobacter pylori eradication by concomitant therapy with amoxicillin hydrate and either clarithromycin or metronidazole	Jpn			→		
MLN9708	Relapsed / Refractory Primary (AL) Amyloidosis	US/EU			●		

Progress in Oncology
- ADCETRIS® (SGN-35) Additional Indications -

ADCETRIS® (SGN-35, generic name: brentuximab vedotin)

- In-licensed from **Seattle Genetics**
- Antibody-drug conjugate (ADC), anti-CD30 monoclonal antibody linked to MMAE*
- Potential for further use in other CD30 expressing malignancies - collaboration with **Ventana Medical Systems** to identify CD30 expression in patients

ADCETRIS® brentuximab vedotin

*Monomethyl auristatin E

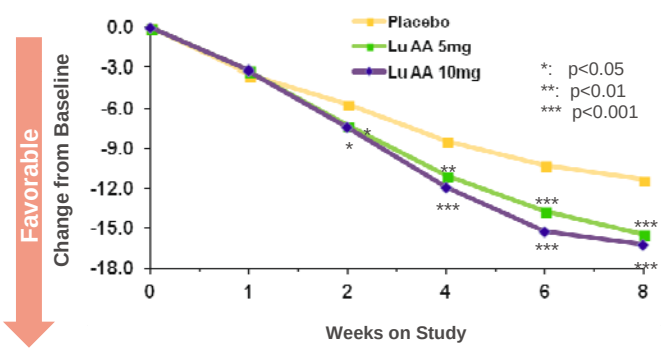
Indication	Development stage
Relapsed or Refractory Hodgkin Lymphoma	EU: Approved (Oct 2012) Jpn: P-I/II
Relapsed or Refractory Systemic Anaplastic Large Cell Lymphoma	EU: Approved (Oct 2012) Jpn: P-I/II
Post-Transplant Hodgkin Lymphoma	EU: P-III (AETHERA)
Relapsed Cutaneous T-Cell Lymphoma	EU: P-III
Front Line Hodgkin Lymphoma	EU: P-I
Front Line Systemic Anaplastic Large Cell Lymphoma	EU: P-I

Progress in CNS
- Two Late-Stage Pipelines Filed -

Lu AA21004 (vortioxetine)

- A novel multimodal antidepressant
- In-licensed from **Lundbeck**
- US NDA filed by Takeda in October 2012 for Major Depressive Disorder
- 6 global Phase III results (including a study in elderly patients) demonstrated significant efficacy in dose range of 5 to 20mg/day
- Japan filing expected in FY2013
- EU MAA announced by Lundbeck in September 2012

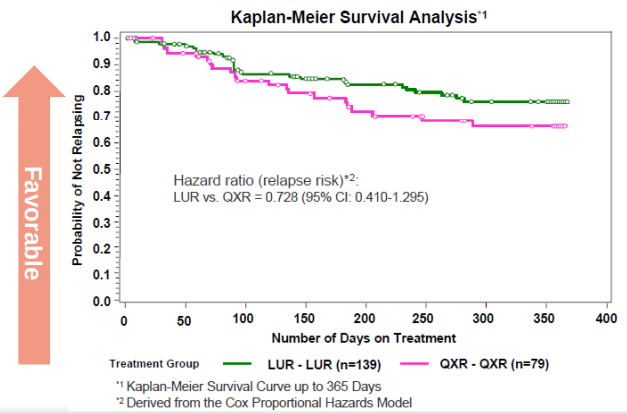
Phase III Result - Change from Baseline in HAMD-24 Total Score by Visit (MMRM, LS Means)



Lurasidone

- An atypical antipsychotic
- In-licensed from **Dainippon Sumitomo Pharma**
- EU MAA filed by Takeda in September 2012 for schizophrenia
- MAA supported by data including PEARL 1, 2, and 3, from more than 50 clinical trials involving more than 3,800 Lurasidone-treated subjects
- Approved in the US in October 2010 and Canada in June 2012

Phase III: 52 week double-blind extended study (PEARL 3)



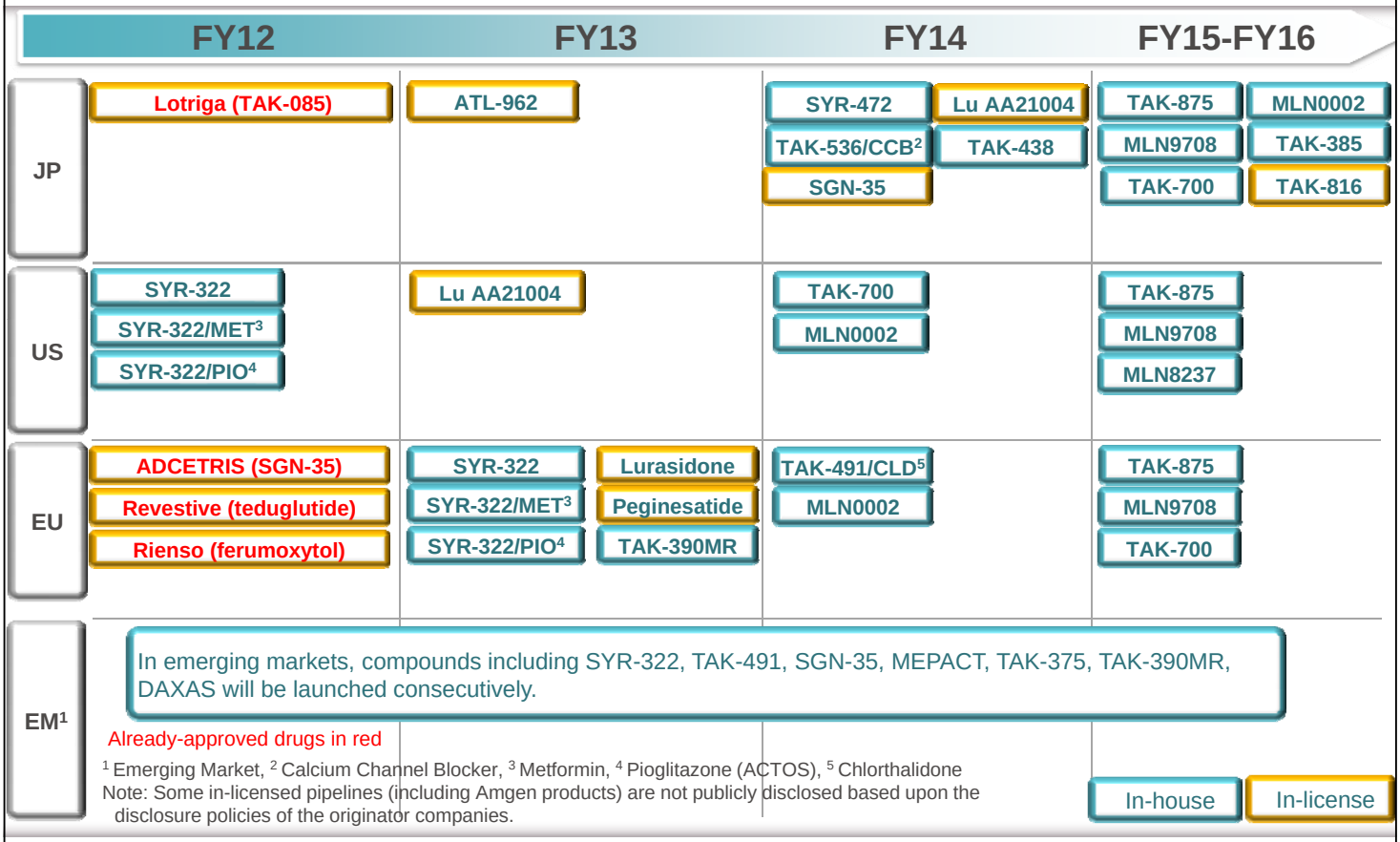
Top 10 Companies by Pipeline Size 2012

Position 2012 (2011)	Company	No. of R&D products 2012 (2011)	No. of originated products
1 (2)	GlaxoSmithKline	257 (269)	147
2 (1)	Pfizer	225 (284)	152
3 (3)	Merck & Co	223 (236)	150
4 (4)	Novartis	218 (200)	151
5 (5)	Hoffmann-La Roche	198 (183)	147
6 (6)	Sanofi	178 (182)	91
7 (12)	**Takeda**	**149 (103)**	**80**
8 (9)	Bristol-Myers Squibb	146 (149)	113
9 (8)	AstraZeneca	144 (167)	85
10 (7)	Johnson & Johnson	142 (171)	85

Citeline: Pharma R&D Annual Review 2012

Appendix

Expected Pipeline Approval Year by Region



Forward-Looking Statements

This presentation contains forward-looking statements regarding the Company's plans, outlook, strategies, and results for the future.

All forward-looking statements are based on judgments derived from the information available to the Company at this time. Forward looking statements can sometimes be identified by the use of forward-looking words such as "may," "believe," "will," "expect," "project," "estimate," "should," "anticipate," "plan," "continue," "seek," "pro forma," "potential," "target, " "forecast," or "intend" or other similar words or expressions of the negative thereof.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any forward looking statements contained in this presentation. These risks and uncertainties include, but are not limited to, (1) the economic circumstances surrounding the Company's business, including general economic conditions in the US and worldwide; (2) competitive pressures; (3) applicable laws and regulations; (4) the success or failure of product development programs; (5) decisions of regulatory authorities and the timing thereof; (6) changes in exchange rates; (7) claims or concerns regarding the safety or efficacy of marketed products or product candidates; and (8) integration activities with acquired companies.

We assume no obligation to update or revise any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events, or otherwise.