Summary of Financial Statements for the Six Month Period Ended September 30, 2016 (IFRS, Consolidated)

October 28, 2016

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

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Scheduled date of securities report submission: November 11, 2016
Scheduled date of dividend payment commencement: December 1, 2016
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, 2016 (April 1 to September 30, 2016)

(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, 2016	850,801	(5.9)	162,075	46.7	155,018	51.9	125,608	124.4
Six month period ended September 30, 2015	904,049	6.2	110,449	(5.4)	102,039	(9.8)	55,987	(11.3)

	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, 2016	124,300	128.6	(44,155)	—	159.07	158.40
Six month period ended September 30, 2015	54,385	(11.5)	68,427	(12.3)	69.34	68.68

(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, 2016	3,801,817	1,879,043	1,819,158	47.8	2,330.15
As of March 31, 2016	3,824,085	2,011,203	1,948,692	51.0	2,487.04

2. Dividends

	Annual dividends per share (JPY)				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
Fiscal 2015	—	90.00	—	90.00	180.00
Fiscal 2016	—	90.00			
Fiscal 2016 (Projection)			—	90.00	180.00

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

3. Forecasts for Consolidated Operating Results for Fiscal 2016 (April 1, 2016 to March 31, 2017)

(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 2016	1,670,000	(7.6)	135,000	3.2	132,500	9.9	91,000	13.5	116.14

(Note) Modifications in forecasts of consolidated operating results from the latest announcement: Yes

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) : Yes
3) Changes in accounting estimates : No
(Note) For details, refer to "2. Additional Information in Summary" in page 15.

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

September 30, 2016	790,396,895 shares
March 31, 2016	790,284,095 shares

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

September 30, 2016	9,691,117shares
March 31, 2016	6,745,181 shares

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

September 30, 2016	781,400,430 shares
September 30, 2015	784,322,754shares

* 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, 2016 is scheduled to be disclosed on November 11, 2016 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, 2016 (3) Outlook for Fiscal 2016" on page 14.
- Supplementary materials for the financial statements (data book, presentation materials for the earnings release conference to be held on October 28, 2016 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, 2016

(1) Business Performance
(i) Consolidated Financial Results (April 1 to September 30, 2016):

Billion JPY

	Amount	*Change over the same period of the previous year*	
Revenue	850.8	-53.2	-5.9%
R&D expense	152.0	-6.3	-4.0%
Operating profit	162.1	+51.6	+46.7%
Profit before tax	155.0	+53.0	+51.9%
Net profit for the period (attributable to owners of the Company)	124.3	+69.9	+128.6%
EPS(JPY)	159.07	+89.73	+129.4%

[Revenue]
Consolidated revenue was 850.8 billion JPY, a decrease of 53.2 billion JPY (-5.9%) compared to the same period of the previous year.

- Sales of Takeda's growth drivers (Note1) significantly increased. ENTYVIO (for ulcerative colitis and Crohn’s disease) continued to grow in the U.S. and Europe while also benefiting from the recent launches in Emerging Markets, including Brazil. In the U.S., NINLARO (for multiple myeloma), which was launched in December 2015, is off to a great start due to its efficacy, safety and convenience for patients. In Japan, TAKECAB (for acid-related diseases) has experienced significant sales growth since March 2016 when the 2-week limit on the prescription period was lifted.
- Sales were negatively impacted by foreign exchange rates resulting from the appreciation of the yen (-76.3 billion JPY), and the loss of revenue resulting from divestitures (-35.1 billion JPY). The impact of divestitures includes the sale of our respiratory portfolio to AstraZeneca, and the termination of an exclusive distributorship agreement for CONTRAVE (for obesity) and the transfer of the fast declining long-listed products in Japan, including BLOPRESS (for hypertension), to Teva Takeda Yakuhin Ltd. (Note2). Revenue of the fast declining products transferred to Teva Takeda Yakuhin in the same period of the previous year totaled 44.1 billion JPY.

(Note1) The Takeda growth drivers are Gastrointestinal (GI), Oncology, Central Nervous System (CNS) and Emerging Markets.

(Note2) Teva Takeda Yakuhin Ltd. is wholly owned subsidiary of Teva Pharma Japan Inc. which is 49% owned by Takeda and accounted for using the equity method. The company name of Teva Pharma Japan Inc. was changed to Teva Takeda Pharma Ltd. on October 1, 2016.

Breakdown of Consolidated revenue (April 1 to September 30, 2016):

Billion JPY

	Amount	Change over the same period of the previous year		Underlying Revenue (Note)	
				Amount	Underlying growth
Prescription Drug	769.7	-55.9	-6.8%	763.6	+7.8%
U.S.	250.3	+2.5	+1.0%	252.8	+15.1%
Japan	251.7	-20.3	-7.4%	236.7	+4.1%
Europe and Canada	141.0	-14.3	-9.2%	143.2	+4.8%
Emerging Markets	126.7	-23.7	-15.8%	130.8	+4.9%
Consumer Healthcare and Other	81.1	+2.6	+3.3%	81.2	+3.8%
Consolidation total	850.8	-53.2	-5.9%	844.9	+7.4%

(Note) Underlying revenue excludes the impact of foreign exchange movements and divestitures.

- In the U.S., strong sales growth of ENTYVIO (for ulcerative colitis and Crohn's disease), NINLARO (for multiple myeloma) and TRINTELLIX (*) (for major depressive disorder) offset the impact of the appreciation of the yen (-28.8 billion JPY), resulting in revenue of 250.3 billion JPY, an increase of 2.5 billion JPY (+1.0%) compared to the same period of the previous year. On an underlying basis, U.S. revenue increased by +15.1%.
  (*) TRINTELLIX is the brand name used since June 2016 for the product previously marketed as BRINTELLIX. The formulations, indication and dosages of TRINTELLIX remain the same as that of BRINTELLIX.

- In Japan, TAKECAB (for acid-related diseases) has experienced significant sales growth since March 2016 when the 2-week limit on the prescription period was lifted. In addition, AZILVA (for hypertension) and LOTRIGA (for hyperlipidemia) also continued to show strong growth, both up double digits. On the other hand, the transfer of the fast declining long-listed products in Japan to Teva Takeda Yakuhin Ltd. in April 2016, such as BLOPRESS (for hypertension), resulted in a reduction of revenue. Revenues of the fast declining products transferred to Teva Takeda Yakuhin totaled 44.1 billion JPY in the same period of the previous year. In total, Japan revenue was 251.7 billion JPY, a decrease of 20.3 billion JPY (-7.4%) compared to the same period of the previous year. On an underlying basis, excluding the impact of the transfer of long-listed products, Japan revenue increased by +4.1%.

- Europe and Canada revenue was 141.0 billion JPY, a decrease of 14.3 billion JPY (-9.2%) compared to the same period of the previous year, mainly impacted by the appreciation of the yen (-17.7 billion JPY). On a constant currency basis, ENTYVIO (for ulcerative colitis and Crohn's disease) and ADCETRIS (for malignant lymphoma) continued to exhibit strong growth. In September 2016, the European Medicines Agency's (EMA) Committee for Medical Products for Human Use (CHMP) adopted a positive opinion, recommending the conditional approval of NINLARO (for multiple myeloma). On an underlying basis, Europe and Canada revenue increased by +4.8%.

- In Emerging Markets, revenue was 126.7 billion JPY, a decrease of 23.7 billion JPY (-15.8%) compared to the same period of the previous year, mainly impacted by the appreciation of the yen (-28.9 billion JPY). On a constant currency basis, sales grew steadily for ADCETRIS (for malignant lymphoma) and DEXILANT (for

acid-reflux diseases), while the key markets of China, Russia and Brazil performed well. On an underlying basis, Emerging Markets revenue increased by +4.9%.

- The consumer healthcare business and other businesses benefited from favorable sales of ALINAMIN drinks, resulting in revenue of 81.1 billion JPY, an increase of 2.6 billion JPY (+3.3%) compared to the same period of the previous year.

As a result of the factors listed above, underlying revenue of the prescription drug business grew by +7.8%, and total consolidated underlying revenue grew by +7.4%.

Consolidated revenue of Takeda's major prescription drug (April 1 to September 30, 2016):

Billion JPY

Product name / Indications	Amount	Change over the same period of the previous year		Underlying Revenue (Note 1)	
				Amount	Underlying growth
VELCADE / Multiple myeloma	69.3	-16.4	-19.2%	70.9	-8.4%
ENTYVIO / Ulcerative colitis and Crohn's disease	65.3	+29.4	+81.7%	67.4	+106.4%
LEUPRORELIN (Japan product name: LEUPLIN) / Prostate cancer, breast cancer and endometriosis	58.2	-4.1	-6.6%	59.3	-1.9%
PANTOPRAZOLE / Peptic ulcer	38.3	-13.6	-26.1%	39.9	-14.1%
AZILVA / Hypertension	33.4	+4.7	+16.5%	33.4	+16.5%
DEXILANT / Acid reflux disease	31.5	-4.0	-11.2%	32.3	+1.6%
ALOGLIPTIN (Japan product name: NESINA) / Type 2 diabetes	25.0	+0.3	+1.3%	25.3	+4.8%
LANSOPRAZOLE (Japan product name: TAKEPRON)(Note2) / Peptic ulcer	23.3	-24.2	-50.9%	22.6	-14.0%
CANDESARTAN (Japan product name: BLOPRESS)(Note2) / Hypertension	18.8	-25.9	-58.0%	18.7	-31.3%
ADCETRIS / Malignant Lymphoma	14.4	-0.0	-0.3%	14.9	+18.7%
TRINTELLIX (Note3) / Major depressive disorder	14.2	+3.0	+26.7%	14.6	+44.2%
TAKECAB / Acid-related diseases	13.9	+11.8	+588.7%	13.9	+588.7%
LOTRIGA / Hyperlipidemia	13.4	+2.9	+27.1%	13.4	+27.1%
NINLARO / Relapsed or refractory multiple myeloma	12.8	+12.8	- %	13.1	- %

(Note1) Underlying revenue excludes the impact of foreign exchange movements and divestitures.

(Note2) LANSOPRAZOLE (Japan product name: TAKEPRON) and CANDESARTAN (Japan product name: BLOPRESS) excluding fixed dose combinations were transferred to Teva Takeda Yakuhin Ltd. in April 2016.

(Note3) TRINTELLIX is the brand name used since June 2016 for the product previously marketed as BRINTELLIX. The formulations, indication and dosages of TRINTELLIX remain the same as that of BRINTELLIX.

(Note4) Revenue amount includes royalty income and service income.

[Operating profit]
Consolidated operating profit was 162.1 billion JPY, an increase of 51.6 billion JPY (+46.7%) compared to the same period of the previous year.

- Gross profit decreased by 72.7 billion JPY (-11.2%) mainly due to the decrease in revenue caused by the negative impact of appreciation of the yen (-63.3 billion JPY) and the impact of divestitures (-39.9 billion JPY). Excluding these factors. Underlying Gross profit increased by 30.5 billion JPY (+5.6%).
- Selling, general and administrative expenses decreased by 22.6 billion JPY (-7.2%) mainly due to the impact of appreciation of the yen (-31.7 billion JPY). Underlying expenses increased 3.2%.
- R&D expenses decreased by 6.3 billion JPY (-4.0%) mainly due to the impact of appreciation of the yen (-13.6 billion JPY). Underlying expenses increased 5.0%.
- Amortization and impairment losses on intangible assets associated with products increased by 11.0 billion JPY (+17.1%), mainly due to a 14.0 billion JPY impairment loss related to COLCRYS (for gout).
- Other operating income increased by 111.5 billion JPY, mainly due to a 102.9 billion JPY gain related to the transfer of the fast declining long-listed products business in Japan to Teva Takeda Yakuhin Ltd. at the transfer date, and 9.7 billion JPY of reversal of COLCRYS contingent consideration (*).
- Other operating expenses increased by 4.9 billion JPY (+36.2%) mainly due to one-time expenses related to the recently announced R&D transformation.

(*) The contingent consideration payable is recognized at its fair value as part of the purchase price when specified future events, arising from business combinations, occur.

[Net profit for the period (attributable to owners of the Company)]
Consolidated net profit for the period was 124.3 billion JPY, an increase of 69.9 billion JPY (+128.6%). This increase was the result of the aforementioned improvement in operating profit coupled with a reduction in Income tax expenses.

- Income tax expenses decreased by 16.6 billion JPY (-36.1%) compared to the same period of the previous year. The decrease was due to a reduction in the Japan statutory tax rate, a capital redemption from a foreign subsidiary, favorable statutory earnings mix, and partial release of an uncertain tax provision.
- Basic earnings per share was 159.07JPY, an increase of 89.73 JPY (+129.4%) compared to the same period of the previous year.

Revenue and operating profit by business segment (April 1 to September 30, 2016):

Billion JPY

Business segment	Revenue		Operating profit	
	Amount	Change over the same period of the previous year	Amount	Change over the same period of the previous year
Prescription Drug	769.7	-55.9	146.3	+57.8
Consumer Healthcare	42.3	+1.4	12.1	-1.4
Other	38.8	+1.2	3.7	-4.8
Total	850.8	-53.2	162.1	+51.6

[Prescription Drug]

Revenue in the Prescription Drug Business was 769.7 billion JPY, a decrease of 55.9 billion JPY (-6.8%) compared to the same period of the previous year, mainly due to the appreciation of the yen (-75.9 billion JPY), and the impact of divestitures (35.1 billion JPY) partially offset by strong underlying growth. Operating profit was 146.3 billion JPY, an increase of 57.8 billion JPY (+65.4%) compared to the same period of the previous year.

[Consumer Healthcare Business]

Revenue in the Consumer Healthcare Business was 42.3 billion JPY, an increase of 1.4 billion JPY (+3.4%) compared to the same period of the previous year, mainly due to the increase in sales of ALINAMIN drinks (vitamin-containing products). Operating profit was 12.1 billion JPY, a decrease of 1.4 billion JPY (-10.5%).

[Other Business]

Revenue in Other Business was 38.8 billion JPY, an increase of 1.2 billion JPY (+3.3%) compared to the same period of the previous year. Operating profit was 3.7 billion JPY, a decrease of 4.8 billion JPY (-56.1%) compared to the same period of the previous year, mainly due to the decrease of royalty income related to a business transferred in the past.

(ii) Underlying Growth (Note1) (April 1 to September 30, 2016):

	Change over the same period of the previous year	
	%	*Billion JPY*
Underlying Revenue	+7.4	+58.1
Underlying Core Earnings (Note2)	+12.7	+13.9
Underlying Core EPS (JPY) (Note3)	+49.3	+42.78

(Note1) "Underlying growth", comparing two periods of financial results under a common basis, shows the ongoing performance of the business. Takeda adopts "Underlying Growth" of revenue, Core Earnings and Core EPS as its indicators for management guidance. It excludes the impact of foreign exchange and divestitures.
The impact of divestitures in this period are mainly the transfer of the fast declining long-listed products business to Teva Takeda Yakuhin Ltd., the divestiture of the respiratory portfolio to AstraZeneca and the termination of an exclusive distributorship agreement for CONTRAVE (for obesity).

(Note2) Core Earnings is calculated by taking gross profit and deducting selling, general and administrative expenses and R&D expenses. In addition, certain other items that are significant in value and non-recurring or non-core in nature will be adjusted. This includes, amongst other items, the impact of natural disasters, purchase accounting effects, major litigation costs, integration costs and government actions.

(Note3) Core EPS is calculated by taking Core Earnings and adjusting for items that are significant in value and non-recurring or non-core in nature within each account line below operating profit. This includes, amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration. In addition to the tax effect related to these items, the tax effects related to the adjustments made in Core Earnings will also be adjusted when calculating Core EPS.

- Underlying Revenue growth was +7.4 % compared to the same period of the previous year, mainly due to growth of innovative products such as ENTYVIO (for ulcerative colitis and Crohn's disease), NINLARO (for multiple myeloma), TAKECAB (for acid-related diseases) and TRINTELLIX (for major depressive disorder).

- Underlying Core Earnings growth was +12.7 %, with margin up +0.7pt, mainly due to the increase of Underlying Revenue growth compared to the same period of the previous year. Underlying selling, general and administrative expenses increased by 3.2%, and underlying R&D expenses increased by 5.0% compared to the same period of the previous year.

- Underlying Core EPS growth was +49.3% compared to the same period of the previous year reflecting strong Underlying Core Earnings growth and a lower tax rate.

(iii) Capital Allocation Policy and FY2016 Annual Dividends

1) Capital Allocation Policy for Profit Distribution

In addition to the steady company-wide implementation of growth strategies, Takeda will endeavor to further increase capital efficiency, improving the company's ability to generate cash and be sustainably profitable. Building upon a sound financial base, Takeda will allocate cash to the following items in a balanced manner.

- R&D investments in the pipeline and platform technologies (both internal R&D and external licensing & acquisition)

- External business development opportunities to strengthen Growth Drivers (GI, Oncology, CNS, and Emerging Markets)

- Shareholder returns through dividends and share buybacks, while also placing importance on capital gain for shareholders through the increase of enterprise value

2) Annual Dividend per Share

For the six months ended September 30, 2016, Takeda will pay an interim dividend of 90 JPY per share. Further, a 90 JPY 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 JPY per share, the same amount as the previous fiscal year.

Takeda is strongly committed to shareholder returns with the dividend as a key component.

(iv) Activities and Results of Research & Development

On July 29, Takeda announced the steps it proposed to accelerate its R&D transformation, taking into account the need to reduce and concentrate our R&D presence, enhance our operational efficiency and make sure we have the right capabilities in the right areas, as well as optimizing the interfaces between R&D, business and corporate functions.

The R&D transformation is designed to drive innovation and efficiency, not to cut costs. In fact, Takeda is committed to R&D investment in the coming years, balanced between internal and external expenditures.

Organizationally, our R&D footprint will consist of two world-class, externally facing sites in Shonan and Boston, supported by lean, cutting-edge regional development and medical centers throughout the world and a premier biotech-like research center in San Diego. The company also proposes to close or consolidate some R&D sites. We are working in close coordination with employee representatives, Unions and Works Councils, and we are committed to continuing those discussions openly and transparently.

In our three core areas – Research, Development and Pharmaceutical Sciences -- we are proposing innovative entrepreneurial business models and partnerships to provide opportunities for many of our employees and meet our needs in better ways.

Major R&D events and business development contracts, press released from April 2016 to date, are listed as follows (chronologically by therapeutic area):

Oncology

[NINLARO]

- In April 2016, the results from the international, randomized, double-blind, placebo-controlled TOURMALINE-MM1 Phase III clinical study, evaluating once-weekly oral NINLARO (generic name: ixazomib) capsules plus

lenalidomide and dexamethasone versus placebo plus lenalidomide-dexamethasone in patients with relapsed and/or refractory multiple myeloma, was published in the *New England Journal of Medicine (NEJM).*

- In May 2016, the Committee for Medical Products for Human Use (CHMP) adopted a negative opinion, recommending against the authorization of NINLARO, an oral proteasome inhibitor for the treatment of patients with relapsed and/or refractory multiple myeloma. Takeda filed an appeal for this opinion and requested a re-examination by the CHMP.
  In September 2016, the CHMP adopted a positive opinion, recommending the conditional approval of NINLARO capsules in combination with lenalidomide and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

- In July 2016, Takeda submitted a New Drug Application (NDA) to the Ministry of Health, Labour and welfare (MHLW) for the treatment of relapsed or refractory multiple myeloma.

[ADCETRIS]

- In May 2016, the CHMP has adopted a positive opinion for the extension of the conditional approval of ADCETRIS (generic name: brentuximab vedotin), a treatment for malignant lymphoma which Takeda in-licensed from Seattle Genetics, Inc. of the U.S., and recommended its approval for the treatment of adult patients with CD30+ Hodgkin lymphoma at increased risk of relapse or progression following Autologous Stem Cell Transplant (ASCT). In July 2016, European Commission (EC) has extended the current conditional marketing authorization and approved the additional indication for ADCETRIS.

- In July 2016, the final data of the ADCETRIS monotherapy pivotal Phase 2 clinical trial in relapsed or refractory classical Hodgkin lymphoma were published in the journal *Blood*.

- In August 2016, Takeda and Seattle Genetics, Inc. of the U.S. announced that the Phase 3 ALCANZA clinical trial evaluating ADCETRIS in patients with cutaneous T-cell lymphoma met its primary endpoint, demonstrating a highly statistically significant improvement in the rate of objective response lasting at least four months. An abstract will be submitted for data presentation at the American Society of Hematology (ASH) annual meeting, December, 2016.

[Partnership/Business Development]

- In June 2016, Takeda and M2Gen® of the U.S. established a new collaboration to generate broad genomic data from consenting cancer patients. M2Gen has partnered with the nation's leading cancer centers through the Oncology Research Information Exchange Network (ORIEN), a unique research partnership among North America's top cancer centers. Under the agreement, Takeda will help build the ORIEN Avatar™ Research Program based on the Total Cancer Care® Protocol, a prospective observational study enrolling patients with various cancers, and access information generated under this program.

- In June 2016, Takeda revised an existing collaboration agreement with Amgen Inc. of the U.S., under which Takeda had rights to develop and commercialize multiple molecules / products from Amgen's pipeline for the Japanese market. By the revisions, such rights for molecules / products including AMG403 (generic name: fulranumab) and AMG386 (generic name: trebananib) will be returned to Amgen, effective immediately. Takeda and Amgen will continue to collaborate on the development and commercialization of remaining molecules / products for the Japanese market, including Vectibix (generic name: panitumumab), a leading treatment for unresectable advanced or recurrent colorectal cancer.

- In August 2016, Takeda launched the largest pharmaceutical company-sponsored global observational study of its kind in multiple myeloma. Titled INSIGHT-MM, the open-source, ollaborative study aims to enroll 5,000

patients over 3 years with a goal of following each patient for a minimum of 5 years in an effort to track patterns in disease presentation, patient characteristics, treatment and outcomes and thereby enhance the understanding of real world experience of patients with multiple myeloma.

- In October 2016, Takeda and Crescendo Biologics Limited of the UK entered into a global, strategic, multi-target collaboration and license agreement for the discovery, development and commercialization of Humabody®. Crescendo will use its proprietary transgenic platform and engineering expertise to discover and optimally configure Humabody candidates (Humabody Drug Conjugates and Immuno-Oncology modulators) against multiple targets selected by Takeda.

Gastroenterology

[ENTYVIO]

- In May 2016, two data analyses for ENTYVIO (generic name: vedolizumab) for the treatment of ulcerative colitis (UC) and Crohn's disease (CD): one evaluating the optimal position of ENTYVIO in the UC treatment paradigm, and a second separate analysis assessing whether early ENTYVIO trough levels were associated with subsequent drug efficacy, were orally presented during the 2016 Digestive Disease Week (DDW).

- In September 2016, an exploratory analysis of the GEMINI 1 data, evaluating ENTYVIO therapy in patients with UC based on their treatment history with tumor necrosis factor (TNF) antagonists was published in *Clinical Gastroenterology and Hepatology*.

- In September 2016, two interim reports from the ongoing, open-label GEMINI long-term safety (LTS) study describing clinical data of long-term ENTYVIO treatment in patients with moderately to severely active UC and moderately to severely active CD have been published in the *Journal of Crohn's & Colitis*.

- In October 2016, Takeda presented data on the real-world effectiveness and safety of ENTYVIO in patients with moderately to severely active UC and CD during the United European Gastroenterology (UEG) Week. Findings indicated notable clinical remission rates, reductions in disease activity scores and improved mucosal healing in more than 5,000 patients with UC and CD receiving treatment with ENTYVIO in real-world clinical practice.

[Partnership/Business Development]

- In June 2016, Takeda and Theravance Biopharma, Inc. of Ireland entered into a global license, development and commercialization agreement for TD-8954, a selective 5-HT4 receptor agonist being investigated for potential use in the treatment of gastrointestinal motility disorders, including enteral feeding intolerance.

- In July 2016, Takeda and Altos Therapeutics LLC of the U.S. entered into a definitive agreement to further development of Altos's proprietary compound ATC-1906, an oral dopamine D2/D3 receptor antagonist that addresses the symptoms of nausea and vomiting in gastroparesis patients. Additionally, the agreement includes an exclusive option for Takeda to acquire Altos beginning on the date of the agreement and continuing for a period of time following the completion of ongoing Phase 1 studies of ATC-1906.

- In July 2016, Takeda and TiGenix NV of Belgium entered into an exclusive ex-U.S. license, development and commercialization agreement for Cx601, a suspension of allogeneic adipose-derived stem cells (eASC) injected intra-lesionally for the treatment of complex perianal fistulas in patients with Crohn's disease. In 2009 the EC granted Cx601 orphan designation for the treatment of complex perianal fistulas. In March 2016, TiGenix announced that it submitted the Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for Cx601.

- In August 2016, Takeda and TiGenix NV of Belgium announced that the 24-week results of the ADMIRE-CD trial, a randomized, double-blind, placebo-controlled, Phase 3 study, designed to investigate the efficacy and safety of a single treatment of Cx601 for the treatment of complex perianal fistulas in Crohn's disease patients, have been published in *The Lancet* [online].

Central Nervous System (CNS)

[Partnership/Business Development]

- In September 2016, Takeda and Affilogic of France entered into a research collaboration to explore using Affilogic's proprietary Nanofitins® platform in therapies targeting the central nervous system. Specifically, Affilogic and Takeda, through its research center in San Diego, California, will leverage their respective competencies to validate and optimize Nanofitins that enable Takeda to deliver biotherapeutic candidates into the brain to address neurological disorders.

Vaccines

[Norovirus Vaccine]

- In June 2016, Takeda dosed the first subject in a Phase 2b field efficacy trial of TAK-214, the leading norovirus accine candidate in human clinical trials.

[Dengue Vaccine]

- In September 2016, Takeda vaccinated the first subject in the Tetravalent Immunization against Dengue Efficacy Study (TIDES), a Phase 3 double-blind, randomized and placebo-controlled trial of its live-attenuated tetravalent dengue vaccine candidate, TAK-003.

[Partnership/Business Development]

- In May 2016, Takeda entered into a partnership agreement with the Bill & Melinda Gates Foundation of the U.S., to support global polio eradication in developing countries. Under the terms of the agreement, the Gates Foundation will provide a 38 million USD grant to Takeda to leverage its innovative vaccine manufacturing platform to develop and license a safe and effective Sabin-strain inactivated poliovirus vaccine (sIPV), and make at least 50 million doses per year available at an affordable price for more than seventy developing countries receiving Gavi(*) support.

  (*) Gavi (Global Alliance for Vaccine and Immunization) is a global vaccine alliance, bringing together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world's poorest countries.

- In September 2016, Takeda and Zydus Cadila of India entered into a partnership to tackle chikungunya. The partnership agreement covers early stage development through the final commercialization of the vaccine.

- In September 2016, the Biomedical Advanced Research and Development Authority (BARDA) selected Takeda's Vaccine Business Unit to develop a vaccine to support the Zika response in the U.S. and affected regions around the world. Initial funding from BARDA, which is a division of the Office of the Assistant Secretary for Preparedness and Response (ASPR) within the U.S. Department of Health and Human Services, is for $19.8 million to cover the vaccine development through Phase 1, with potential funding of up to $312 million if ASPR/BARDA exercises all options to take the vaccine through Phase 3 trials and filing of the Biologics License Application (BLA) in the U.S.

Others

[Alogliptin]

- In June 2016, a new post hoc analysis from the EXAMINE, a global cardiovascular safety outcomes trial of type 2 diabetes treatment NESINA (generic name: alogliptin), was presented at the American Diabetes Association's (ADA) 76th Scientific Sessions.

- In September 2016, Takeda obtained the approval from the MHLW for the INISYNC Combination Tablets, a fixed-dose combination of NESINA and metformin hydrochloride for the treatment of type 2 diabetes.

[Partnership/Business Development]

- In May 2016, Takeda, Astellas Pharma Inc. and Daiichi Sankyo Company, Limited announced that they have entered into a joint research agreement. It is an agreement to comprehensively acquire and analyze fundamental biomarker data on healthy adult volunteers in order to optimize and accelerate the development of innovative medicines. Based on this agreement, Astellas, Daiichi Sankyo, and Takeda will comprehensively acquire fundamental data from healthy adult volunteers that is required for clinical studies, and undertake joint analysis thereon. Samples will be acquired at a clinical research organization associated with Leiden University in the Netherlands.

- In May,2016, Takeda and The Global Alliance for TB Drug Development (TB Alliance) of the U.S. entered into an agreement that further explores hits generated from a high-throughput screening program conducted to find novel compounds to improve treatment of tuberculosis(*). The joint research program is funded through the Global Health Innovative Technology Fund.

  (*) In June 2013, TB Alliance and Takeda initiated a program to screen Takeda's library of 20,000 proprietary compounds to identify potential candidates that showed promise to be further developed into new tuberculosis treatments. The new collaboration advances the successful hits from the screening program.

- In June 2016, Takeda and Roivant Sciences Ltd. announced the formation of Myovant Sciences Ltd., a biopharmaceutical company focused on delivering innovative women's health and prostate cancer solutions. Takeda has granted Myovant an exclusive, worldwide license (excluding Japan and certain other Asian countries) to TAK-385 (generic name: relugolix), a clinical stage product candidate being studies for the treatment of for uterine fibroids, endometriosis and prostate cancer. Takeda has also granted Myovant an exclusive, worldwide license to RVT-602 (formerly TAK-448), a novel, oligopeptide kisspeptin receptor agonist as a product candidate for the treatment of infertility in females.

- In June 2016, Takeda and Ultragenyx Pharmaceutical Inc. of the U.S. entered into a strategic partnership to develop and commercialize therapies to treat rare genetic diseases.

- In June 2016, Takeda, Memorial Sloan Kettering Cancer Center, The Rockefeller University and Weill Cornell Medicine announced that they will expand the focus of the successful Tri-Institutional Therapeutics Discovery Institute, Inc. (Tri-I TDI), a partnership established in 2013 to expedite early-stage drug discovery of innovative new therapies. Under this expansion, Tri-I TDI will extend its current relationship with its industry partner, Takeda from the realm of small molecule discovery into the new research area of antibody drug discovery.

- In September 2016, Takeda and MacroGenics, Inc. of the U.S. concluded the License and Option Agreement for MGD010. MacroGenics has gained the worldwide rights to MGD010. Takeda's decision comes earlier than the predefined expiration of its option exercise period and follows Takeda's recently announced therapeutic area re-prioritization.

[Organization]

- In September 2016, Takeda and PRA Health Sciences, Inc. of the U.S. announced a new partnership agreement under which PRA Health Sciences (PRA) will serve as Takeda's primary strategic partner. This partnership is a fundamental part of Takeda's R&D transformation. The innovative partnership provides a flexible operating model that combines operational expertise, transferred from Takeda to PRA, with PRA's

wide range of global capabilities. This model is aimed to improve operating efficiencies, drive globalization and reduce fixed infrastructure costs.

PRA will utilize its internal resources and expertise to manage an entire pipeline of studies for Takeda, across Phases 1 through 4 and provide Regulatory, Pharmacovigilance and other operational services for both development and marketed product portfolios. The transformation is expected to result in approximately 300 Takeda employees supporting drug development and marketed products to be given the opportunity to transition to PRA in the U.S. and Europe, subject to appropriate information and consultation with works councils, unions, and employee representatives. Discussion regarding Japan employees is ongoing between Takeda and PRA.

(2) Consolidated Financial Position

[Assets]
Total assets as of September 30, 2016 were 3,801.8 billion JPY, a decrease of 22.3 billion JPY compared to the previous fiscal year end. Assets increased primarily due to higher Cash and Cash Equivalents (resulting from a new 200.0 billion JPY loan entered into this period), coupled with an increase in Investments Accounted for Using the Equity Method (related to Teva Tekeda Yakuhin Ltd. which was newly established during the period). Assets decreased primarily due to a reduction in goodwill (due to the impact of the appreciation of the yen), intangible assets (due to normal amortization and the impact of the appreciation of the yen) and Assets Held for Sale (due to the transfer of certain assets to AstraZeneca).

[Liabilities]
Total liabilities as of September 30, 2016 were 1,922.8 billion JPY, an increase of 109.9 billion JPY compared to the previous fiscal year end, mainly due to the increase in new loans payable of 200.0 billion JPY partially offset by the general impact of the appreciation of the yen.

[Equity]
Total equity as of September 30, 2016 was 1,879.0 billion JPY, a decrease of 132.2 billion JPY compared to the previous fiscal year end. Exchange differences on the translation of foreign operations significantly decreased due to the impact of appreciation of the yen (-165.3 billion JPY). This was partially offset by a net increase in Retained Earnings resulting from net profit for the period partially offset by the payment of dividends.
The ratio of equity attributable to owners of the Company (*) to total assets decreased by 3.1 pt. from the previous fiscal year end to 47.8%.

(*) It's equivalent to shareholders' equity ratio by JGAAP.

(3) Outlook for Fiscal 2016

The forecast for consolidated reported results for the full year of fiscal 2016 has been revised from the previous forecast (announced on May 10, 2016), as follows:

Reported Forecast

Billion JPY

	Previous forecast (May 10, 2016)	Revised forecast (Oct 28, 2016)	Change	
Revenue	1,720.0	1,670.0	- 50.0	- 2.9%
R&D expenses	325.0	310.0	- 15.0	- 4.6%
Operating profit	135.0	135.0	-	-
Profit before tax	132.5	132.5	-	-
Net profit for the year (attributable to owners of the Company)	88.0	91.0	+3.0	+3.4%
EPS(JPY)	112.31	116.14	+3.83	+3.4%

Although Takeda anticipates the strong performance of its growth drivers to continue in the second half of the fiscal year, the negative impact of foreign exchange rates due to the appreciation of the yen (impact of -68.0 billion JPY) has resulted in a revised revenue forecast of 1,670.0 billion yen (-2.9% versus the previous forecast).

The operating profit forecast is maintained at 135.0 billion JPY despite the aforementioned negative impact of foreign exchange rates and the acceleration of one-time R&D transformation costs. Whereas the total estimated costs related to the R&D transformation are unchanged at 75.0 billion JPY, 15.0 billion JPY of such costs that were originally anticipated in fiscal year 2017 are now accelerated into fiscal year 2016, resulting in an increase in expenses versus the previous forecast. This acceleration of R&D transformation costs will offset strong underlying performance thereby keeping the operating profit unchanged at 135.0 billion JPY.

Reported Net Profit / EPS forecast increased by 3.4% despite accelerated R&D transformation costs and unfavorable currency impact.

Management Guidance – Underlying growth (*)

	Previous Guidance (May 10, 2016)	Revised Guidance (Oct 28, 2016)
Underlying Revenue	Mid single digit growth (%)	Mid single digit growth (%)
Underlying Core Earnings	Low-to mid-teen growth (%)	Mid-to high-teen growth (%)
Underlying Core EPS	Low-to mid-teen growth (%)	Low-to mid-teen growth (%)
Annual Dividend per Share	180 yen	180 yen

(*) Please refer to the “(1) Business Performance (ii) Underlying Growth" on page 7.

As a result of an anticipated stronger performance by the underlying business, Takeda is increasing the management guidance for Underlying Core Earnings to “Mid-to high-teen growth”, leading to 1-2 pts margin growth. Underlying Core EPS is trending towards the high end of range.

[Assumptions used in preparing the outlook]

The foreign exchange rates assumptions (full year average rates) for fiscal 2016 are US$1 = 104 JPY, 1 Euro = 117 JPY, 1 RUB = 1.6 JPY, 1 BRL = 31.3 JPY and 1 CNY = 15.7 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.

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, 2016 with the exception of the items described below.

1) Change in accounting policies required by IFRS

The accounting standards applied by the Companies effective from the first quarter ended June 30, 2016 are as follows.

IFRS		Description of new standards, interpretations and amendments
IAS 16	Property, Plant and Equipment	Amendment to clarify the acceptable methods of depreciation and amortization
IAS 38	Intangible Assets	Amendment to clarify the acceptable methods of depreciation and amortization
IFRS 11	Joint Arrangements	Amendment to the accounting for acquisitions of an interest in a joint operation
IFRS 10 IFRS 12 IAS 28	Consolidated Financial Statements Disclosure of Interests in Other Entities Investments in Associates and Joint Ventures	Clarifying exceptions for applying consolidation and the equity method for investment entities

The above standards do not have a material impact on the condensed interim consolidated financial statements.

2) Change in accounting policies other than 1)

In this fiscal year, the Company changed the accounting policy for government grants, which were previously presented in “Other operating income”, to offset corresponding “Cost of sales”, “Selling, general and administrative expenses” and “Research and development expenses” in accordance with the nature of each grant. This is to clarify the expenses substantially incurred by the Company and to provide more relevant information regarding classification of profit or loss.

As a result of this change applied retrospectively, “Cost of sales”, “Selling, general and administrative expenses”, “Research and development expenses” and “Other operating income“ decreased by 13 million JPY, 1 million JPY, 1,477 million JPY and 1,491 million JPY, respectively, in the Condensed Interim Consolidated Statement of Operations for the six month period ended September 30, 2015.
This change did not have an effect on the operating profit.

(Changes in Presentation)

The Company previously presented amortization and impairment losses on intangible assets acquired through business combinations or in-licensing of products / pipelines in “Research and development expenses” or "Amortization and impairment losses on intangible assets associated with products” in accordance with their functionality. From this fiscal year, the Company changed this policy to present these expenses in "Amortization and impairment losses on intangible assets associated with products”, as this would provide more relevant information considering the nature of such expenses.

As a result of this change applied retrospectively, “Amortization and impairment losses on intangible assets associated with products" increased by 1,674 million JPY while “Research and development expenses” decreased by 1,674 million JPY in the Condensed Interim Consolidated Statement of Operations for the six month period ended September 30, 2015.

This change did not have an effect on the operating profit.

3. Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statement of Operations

(Million JPY)

	Six month period ended September 30, 2015	Six month period ended September 30, 2016
Revenue	904,049	850,801
Cost of sales	(257,401)	(276,857)
Gross profit	646,648	573,943
Selling, general and administrative expenses	(313,493)	(290,939)
Research and development expenses	(158,223)	(151,966)
Amortization and impairment losses on intangible assets associated with products	(64,639)	(75,687)
Other operating income	13,729	125,218
Other operating expenses	(13,573)	(18,493)
Operating profit	110,449	162,075
Finance income	12,941	4,914
Finance expenses	(22,317)	(11,121)
Share of profit (loss) of associates accounted for using the equity method	966	(850)
Profit before tax	102,039	155,018
Income tax expenses	(46,052)	(29,410)
Net profit for the period	55,987	125,608
Attributable to:		
Owners of the Company	54,385	124,300
Non-controlling interests	1,602	1,308
Net profit for the period	55,987	125,608
Earnings per share (JPY)		
Basic earnings per share	69.34	159.07
Diluted earnings per share	68.68	158.40

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

(Million JPY)

	Six month period ended September 30, 2015	Six month period ended September 30, 2016
Net profit for the period	55,987	125,608
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	6,818	(2,939)
	6,818	(2,939)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	5,149	(167,753)
Net changes on revaluation of available-for-sale financial assets	792	907
Cash flow hedges	(320)	22
	5,622	(166,824)
Other comprehensive income for the period, net of tax	12,440	(169,763)
Total comprehensive income for the period	68,427	(44,155)
Attributable to:		
Owners of the Company	67,758	(43,020)
Non-controlling interests	669	(1,134)
Total comprehensive income for the period	68,427	(44,155)

(3) Condensed Interim Consolidated Statement of Financial Position

(Million JPY)

	As of March 31, 2016	As of September 30, 2016
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	551,916	537,486
Goodwill	779,316	697,261
Intangible assets	743,128	608,537
Investment property	26,626	26,439
Investments accounted for using the equity method	10,016	123,861
Other financial assets	149,548	156,845
Other non-current assets	18,975	18,076
Deferred tax assets	170,773	149,011
Total non-current assets	2,450,298	2,317,515
CURRENT ASSETS		
Inventories	254,010	237,923
Trade and other receivables	415,379	436,535
Other financial assets	108,600	120,032
Income taxes recoverable	15,192	9,664
Other current assets	64,145	59,696
Cash and cash equivalents	451,426	619,144
Subtotal	1,308,752	1,482,994
Assets held for sale	65,035	1,308
Total current assets	1,373,787	1,484,302
Total assets	3,824,085	3,801,817

(Million JPY)

	As of March 31, 2016	As of September 30, 2016
LIABILITIES AND EQUITY		
LIABILITIES		
NON-CURRENT LIABILITIES		
Bonds and loans	539,760	739,798
Other financial liabilities	102,120	87,904
Net defined benefit liabilities	84,867	80,561
Provisions	34,421	30,953
Other non-current liabilities	71,032	66,562
Deferred tax liabilities	123,469	108,159
Total non-current liabilities	955,668	1,113,936
CURRENT LIABILITIES		
Bonds and loans	228,464	211,467
Trade and other payables	191,089	196,877
Other financial liabilities	37,168	28,688
Income taxes payable	43,133	61,455
Provisions	115,341	105,011
Other current liabilities	226,899	205,224
Subtotal	842,094	808,722
Liabilities held for sale	15,119	116
Total current liabilities	857,213	808,837
Total liabilities	1,812,882	1,922,774
EQUITY		
Share capital	64,766	64,955
Share premium	68,829	65,806
Treasury shares	(35,974)	(48,794)
Retained earnings	1,523,127	1,573,629
Other components of equity	327,944	163,562
Equity attributable to owners of the Company	1,948,692	1,819,158
Non-controlling interests	62,511	59,885
Total equity	2,011,203	1,879,043
Total liabilities and equity	3,824,085	3,801,817

(4) Condensed Interim Consolidated Statement of Changes in Equity

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			
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
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

Six month period ended September 30, 2016 (From April 1 to September 30, 2016)

(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, 2016	64,766	68,829	(35,974)	1,523,127	272,361	58,523
Net profit for the period				124,300		
Other comprehensive income					(165,308)	904
Comprehensive income for the period	—	—	—	124,300	(165,308)	904
Issuances of new shares	189	189				
Acquisitions of treasury shares			(23,100)			
Disposals of treasury shares		(0)	4			
Dividends				(70,859)		
Changes in the ownership interest in subsidiaries						
Transfers from other components of equity				(2,939)		
Share-based payments		(3,212)	10,277			
Total transactions with owners	189	(3,023)	(12,819)	(73,797)	—	—
As of September 30, 2016	64,955	65,806	(48,794)	1,573,629	107,053	59,428

	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, 2016	(2,940)	—	327,944	1,948,692	62,511	2,011,203
Net profit for the period			—	124,300	1,308	125,608
Other comprehensive income	22	(2,939)	(167,321)	(167,321)	(2,442)	(169,763)
Comprehensive income for the period	22	(2,939)	(167,321)	(43,020)	(1,134)	(44,155)
Issuances of new shares			—	377		377
Acquisitions of treasury shares			—	(23,100)		(23,100)
Disposals of treasury shares			—	3		3
Dividends			—	(70,859)	(1,492)	(72,351)
Changes in the ownership interest in subsidiaries			—	—		—
Transfers from other components of equity		2,939	2,939	—		—
Share-based payments			—	7,065		7,065
Total transactions with the owners	—	2,939	2,939	(86,513)	(1,492)	(88,005)
As of September 30, 2016	(2,918)	—	163,562	1,819,158	59,885	1,879,043

(5) Notes to Condensed Interim Consolidated Financial Statements

(Going Concern Assumption)

Six month period ended September 30, 2016 (April 1 to September 30, 2016)

No events to be noted for this purpose.

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

Six month period ended September 30, 2016 (April 1 to September 30, 2016)

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, 2015 (April 1 to September 30, 2015)

(Million JPY)

	Reportable Segments			Total	Condensed interim consolidated financial statements
	Prescription Drug	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 (loss) of associates accounted for using the equity method		966
			Profit before tax		102,039

Six month period ended September 30, 2016 (April 1 to September 30, 2016)

(Million JPY)

	Reportable Segments			Total	Condensed interim consolidated financial statements
	Prescription Drug	Consumer Healthcare	Other		
Revenues	769,685	42,339	38,777	850,801	850,801
Operating profit	146,255	12,084	3,737	162,075	162,075
			Finance income		4,914
			Finance expenses		(11,121)
			Share of profit (loss) of associates accounted for using the equity method		(850)
			Profit before tax		155,018

2. Geographic Information

Revenues

(Million JPY)

	Japan	United States	Europe and Canada	Emerging Markets	Russia/ CIS	Latin America	Asia	Others	Total
Six month period ended September 30, 2015	344,877	249,213	157,115	152,844	32,115	37,640	62,860	20,229	904,049
Six month period ended September 30, 2016	327,118	251,903	142,761	129,019	25,486	31,689	55,474	16,370	850,801

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

(Investments Accounted for Using the Equity Method)

Significant company split and establishment of business venture

On April 1, 2016, Takeda split off its off-patented and data exclusivity expired products business ("long listed products business") via an absorption-type split and the business was transferred to Taisho Pharm. Ind., Ltd. ("Taisho"), a Japanese wholly owned subsidiary of Teva Pharmaceutical Industries Ltd. headquartered in Israel ("Teva"). According to this business transfer, Taisho became a business venture of Takeda and Teva and the company name of Taisho changed to Teva Takeda Yakuhin Ltd. ("Teva Takeda Yakuhin").
This is a triangular absorption-type company split among Teva Pharma Japan Inc. ("Teva Pharma"), a Japanese wholly owned subsidiary of Teva, and Teva Takeda Yakuhin, as well as Takeda. In this absorption-type company split, Takeda is the splitting company and Teva Takeda Yakuhin is the succeeding company. Takeda's long listed products business was transferred to Teva Takeda Yakuhin, and Teva Takeda Yakuhin allocated shares of Teva Pharma, which is its parent company, to Takeda as consideration for the company split. Teva Takeda Yakuhin, which succeeded Takeda's long listed products business and also continues its generics business, and Teva Pharma, which continues its generics business, jointly engages in the new business.

Teva holds 51% of Teva Pharma's shares through Teva Holdings KK, which is also the Japanese subsidiary of Teva, and Takeda holds 49% of Teva Pharma's shares. As a result, Teva Takeda Yakuhin and Teva Pharma were included in the scope of the application of the equity method. The company name of Teva Pharma became Teva Takeda Pharma Ltd. on October 1, 2016.

(1) Purpose of company split and the establishment of business venture
Takeda’s leading brand reputation and strong distribution presence in Japan combined with Teva’s global expertise in supply chain, operational networks, commercial deployment, and R&D and scientific insight, brings forward a new, collaborative business model in line with government objectives that will ultimately serve millions of patients.

(2) Outline of company split

1) Name of succeeding company	Teva Takeda Yakuhin Ltd.
2) Content of business to be split off	Off-patented and data exclusivity expired products of ethical drugs business
3) Business result	Revenue recognized in consolidated operating results of FY2015: 81,679 million JPY
4) Book value of assets and liabilities to be split off	Assets: 3,755 million JPY Liabilities: Not applicable
5) Effective date of the company split	April 1, 2016
6) Transfer price	205,517 million JPY

(3) Outline of business venture

1) Company name	Teva Takeda Yakuhin Ltd.
2) Location	Koka-City, Shiga Prefecture
3) Representative	Representative Director: Ichiro Kikushige
4) Scope of business	Development, manufacturing, sales and marketing of pharmaceutical products
5) Capital	3,170 million JPY
6) Date of establishment	April 1, 2016
7) Number of shares issued	12 shares
8) Major shareholders and ratio of shares held	Teva Pharma Japan Inc. 100% Name changed to Teva Takeda Pharma Ltd. on October 1, 2016

(4) Outline of accounting treatment
Takeda's accounting treatment for the company split is conducted based on IAS28 "Investments in Associates and Joint Ventures. At the date of the company split, Takeda recognized 102,899 million JPY as Other operating income on the Consolidated Statement of Operations and 106,654 million JPY as "Investments accounted for using the equity method" including Goodwill on the Consolidated Statement of Financial Position.

(Significant Subsequent Events)

No events to be noted for this purpose.