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Better health for people, Brighter future for the world

Costa Saroukos, Chief Financial Officer
Koki Sato, Corporate Strategy Officer

Retail Investor Event
(Cooperation: Nomura IR)
February 22, 2023



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AGENDA

About Takeda

Koki Sato
Corporate Strategy Officer



**Shire Integration Success
and Takeda's New Chapter**

Costa Saroukos
Chief Financial Officer



Q&A Session

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Q&A Session

We're Striving to Create Better Health for People and a Brighter Future for the World



Our vision is to discover and deliver life-transforming treatments, guided by our commitment to:

PATIENT

- Responsibly translate science into highly innovative, life-changing medicines and vaccines
- Accelerate access to improve lives worldwide

PEOPLE

- Create an exceptional people experience

PLANET

- Protect our planet

... AND BY UNLEASHING THE POWER OF DATA AND DIGITAL

- We strive to transform Takeda into the most trusted, science-driven, digital biopharmaceutical company

We are guided by our values of Takeda-ism which incorporate **Integrity, Fairness, Honesty, and Perseverance**, with Integrity at the core. They are brought to life through actions based on **Patient-Trust-Reputation-Business**, in that order.

Takeda's History



1781

COMPANY FOUNDED

Chobei Omiya I sets up his business in Osaka

1914

PROPRIETARY RESEARCH

activities begin

1949

INITIAL PUBLIC OFFERING

Takeda listed on the stock market

1951

INTERNATIONAL BUSINESS

Starts with North and Central America and Asia

1980s & 90s

EXPANSION OF INTERNATIONAL BUSINESS

accelerates with the launch of four global products



2008

MILLENNIUM PHARMACEUTICALS

acquisition enhances innovation in oncology

2011

NYCOMED AQUISITION

expands Takeda's global footprint into more than 70 countries worldwide

2018

NEW YORK STOCK EXCHANGE LISTING

The only pharmaceutical company listed on both the TSE and the NYSE

2019

SHIRE ACQUISITION

makes Takeda a global biopharmaceutical leader with a presence in approximately 80 countries

Takeda: A Leading Global Biopharmaceutical Company



FY2021 REVENUE

JPY 3.6T
(~USD 29.4B¹)

PRESENCE IN APPROX.

80 COUNTRIES &
REGIONS
AS OF MARCH 2022

HEADQUARTERS

TOKYO, JAPAN

GLOBAL HUB

CAMBRIDGE, MA, USA

30 MANUFACTURING
SITES

3 RESEARCH SITES
SHONAN, JAPAN
CAMBRIDGE, MA, USA
SAN DIEGO, CA, USA

**OUR
BUSINESS**

Only pharmaceutical company listed on Tokyo and New York Stock Exchanges

APPROX

50,000

EMPLOYEES WORLDWIDE

AS OF MARCH 2022

TOP EMPLOYER® IN

22

COUNTRIES & 3 REGIONS

AS OF JANUARY 2023

52% WOMEN

48% MEN

AS OF MARCH 2022

**OUR
PEOPLE**

Diverse and Experienced Takeda Executive Team



CHRISTOPHE WEBER
Representative Director;
President & CEO



ANDY PLUMP
Director; President,
Research & Development



COSTA SAROUKOS
Director;
Chief Financial Officer



GABRIELE RICCI
Chief Data &
Technology Officer



KOKI SATO
Corporate Strategy
Officer & CEO Office



GILES PLATFORD
President, Plasma-Derived
Therapies Business Unit



JULIE KIM
President,
US Business Unit

NATIONALITIES

9

AGES

30-60s

WOMEN

33%



JERRY GRECO
Global Quality Officer



LAUREN DUPREY
Chief Human Resources
Officer



MARCELLO AGOSTI
Global Business
Development Officer



MASATO IWASAKI
Representative Director;
Japan General Affairs



MILANO FURUTA
President, Japan
Pharma Business Unit



RAMONA SEQUEIRA
President,
Global Portfolio Division



THOMAS WOZNIEWSKI
Global Manufacturing &
Supply Officer



MWANA LUGOGO
Chief Ethics &
Compliance Officer



TAKAKO OHYABU
Chief Global Corporate Affairs
& Sustainability Officer



**YOSHIHIRO
NAKAGAWA**
Global General Counsel



TERESA BITETTI
President, Global
Oncology Business Unit

AGENDA

About Takeda

Koki Sato
Corporate Strategy Officer



Shire Integration Success
and Takeda's New Chapter

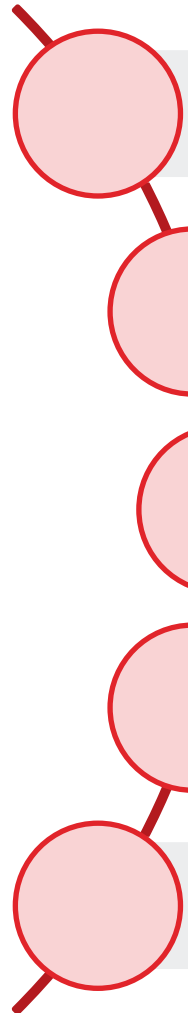
Costa Saroukos
Chief Financial Officer



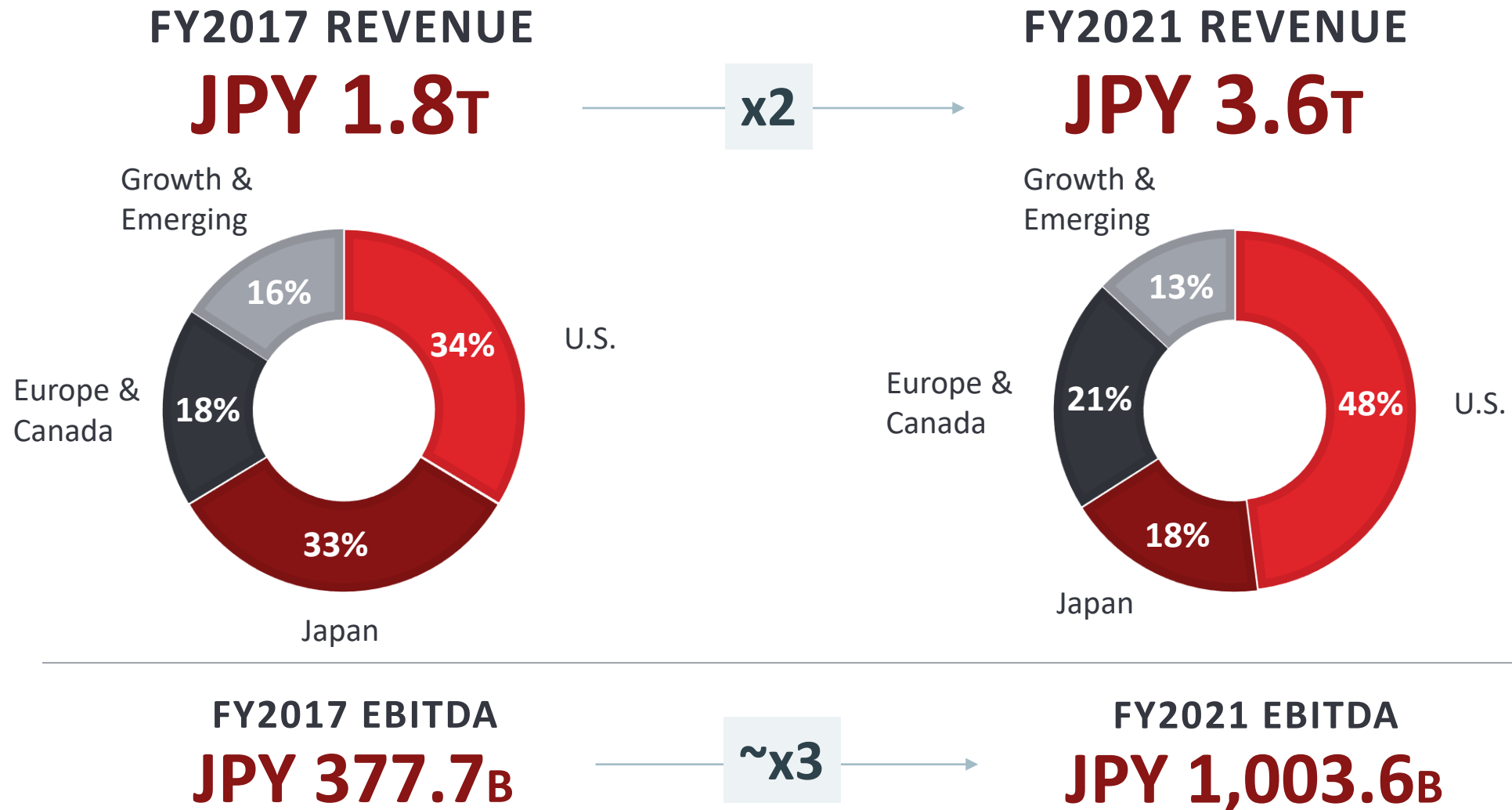
Q&A Session

Upon Shire Deal Close, Investors Had Many Questions On Their Minds



- 
- Can Takeda successfully execute a large, cross-cultural global integration?
 - Can Takeda achieve its \$1.4B synergy target, and will savings reach the bottom line?
 - Can Takeda successfully reduce its debts levels while maintaining the dividend?
 - Can Takeda reach its \$10B non-core asset divestment target at good valuation multiples?
 - Can Takeda manage Shire's portfolio in areas they are unfamiliar with (PDT, Rare Disease)?

The Shire Acquisition Gave Us Scale to be Globally Competitive



Takeda Acquired Shire in January 2019



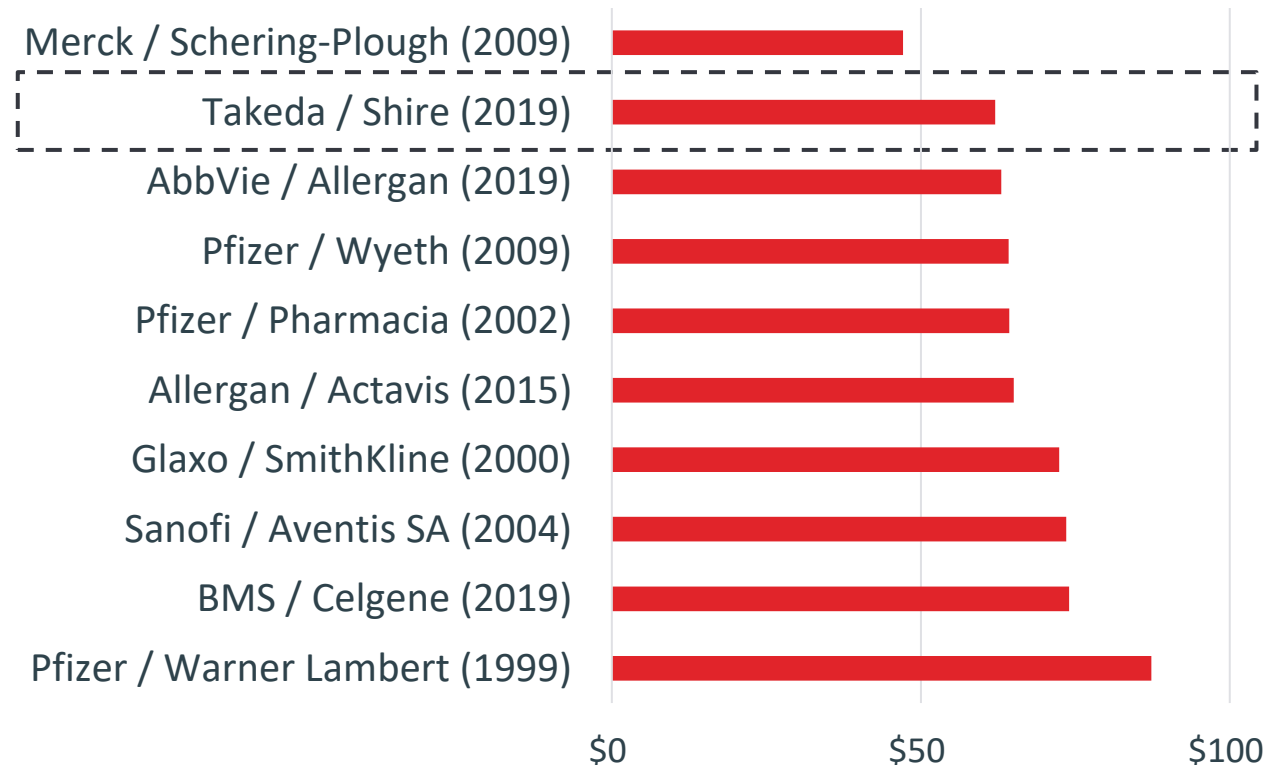
The Largest Acquisition in Japanese History & Within Top 10 Largest Ever Global Pharma Deals



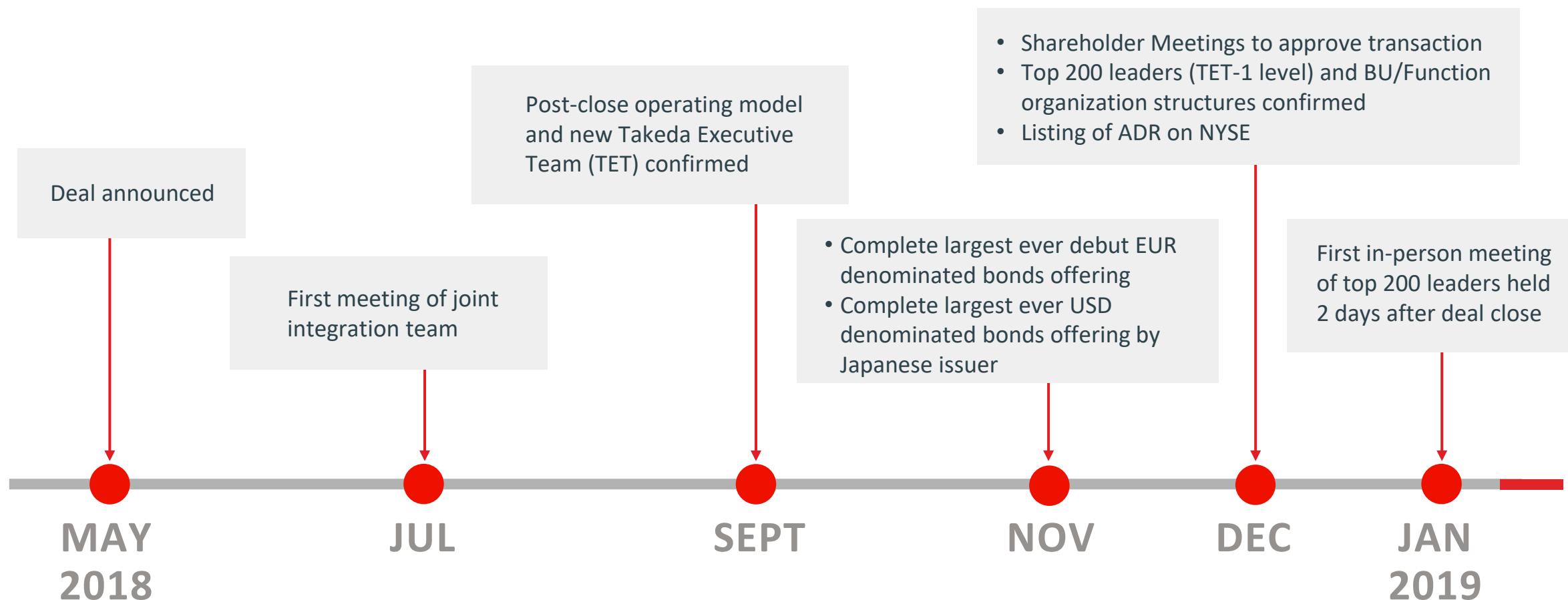
Acquisition price
JPY 6.2T

Funded ~50:50 with
stock and cash

Largest Pharma Acquisitions Worldwide, \$B



Successful Integration Was Built On Robust Planning Ahead of Close

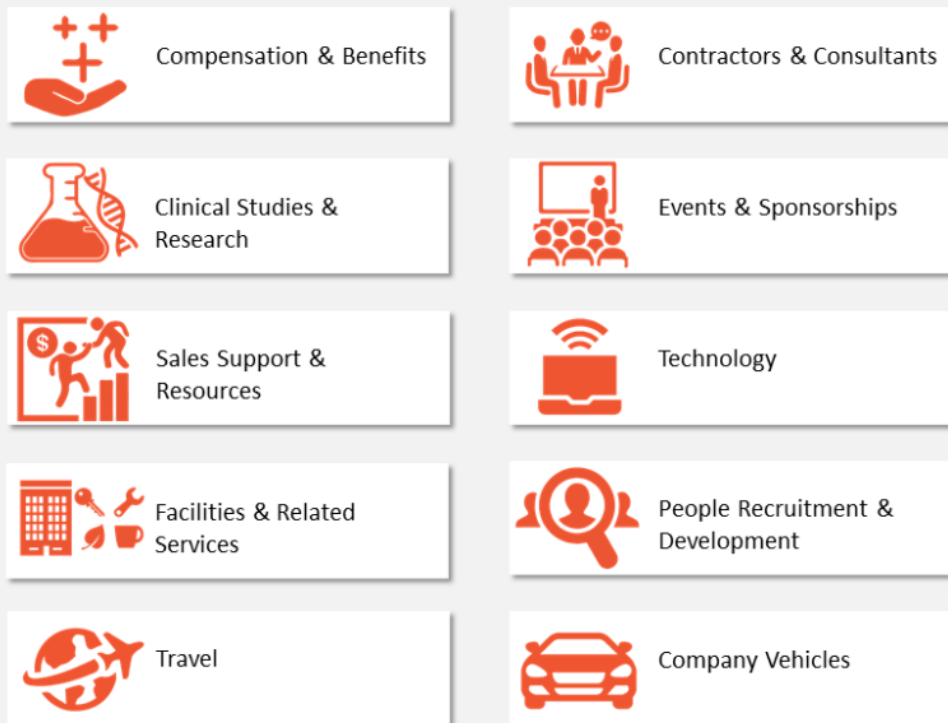


8 Months from Deal Announcement to Deal Close

As We Integrated, We Closely Tracked Our Costs and Synergies



SYNERGY PACKAGE OPERATIONAL KPI REPORTS



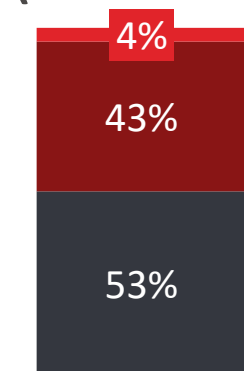
- Costs and synergies tracked across 10 cost packages
- Full visibility of financials within weeks of deal close
- Embedded targets into KPIs and incentives

This Cost Visibility Enabled Higher Synergies, Delivered Faster



Synergy Target by end FY2021

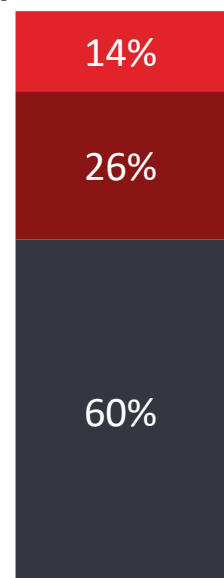
USD 1.4B
(~JPY 150B)



Initial Forecast
May 2018

Synergies Achieved by end FY2020

USD 2.3B
(~JPY 250B)



Achievement
at end FY2020

■ Manufacturing & Supply ■ R&D ■ SG&A

- ✓ Delivered USD 2.3B (~JPY 250B) of synergies vs target of USD 1.4B (~JPY 150B)
- ✓ Synergies achieved one year ahead of plan

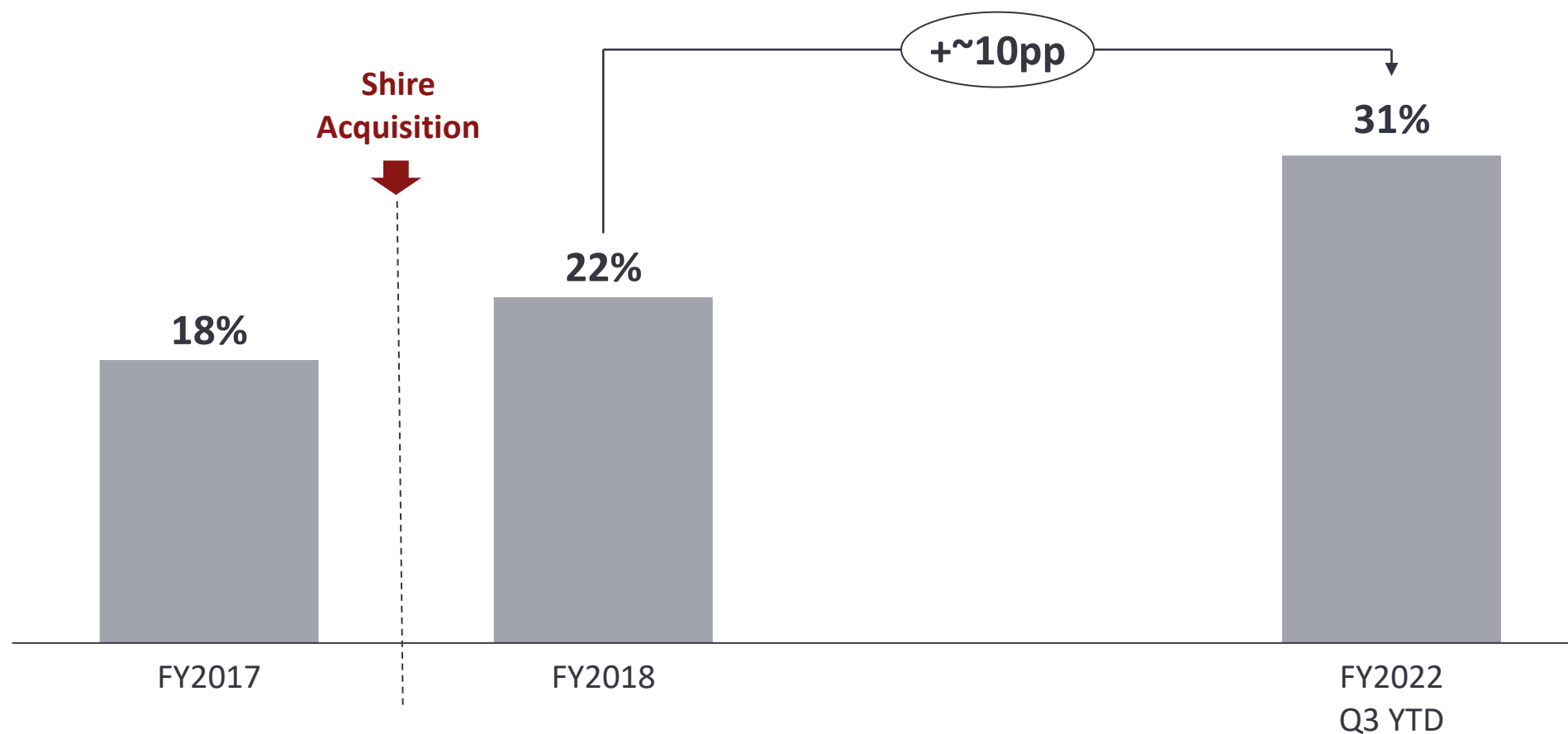
WE UNLOCKED SIGNIFICANT SAVINGS & EFFICIENCIES...

- Procurement savings through Partner Value Summit
- Consolidated / closed >100 real estate locations
- Legal entity optimization from >400 towards ~160
- Takeda Business Solutions (TBS) to leverage scale and drive automation
- Harmonized global platforms and processes with 20 IT integration programs

Synergies Fell to Bottom Line, Driving Tangible Margin Improvement



Core Operating Profit Margin¹ Evolution

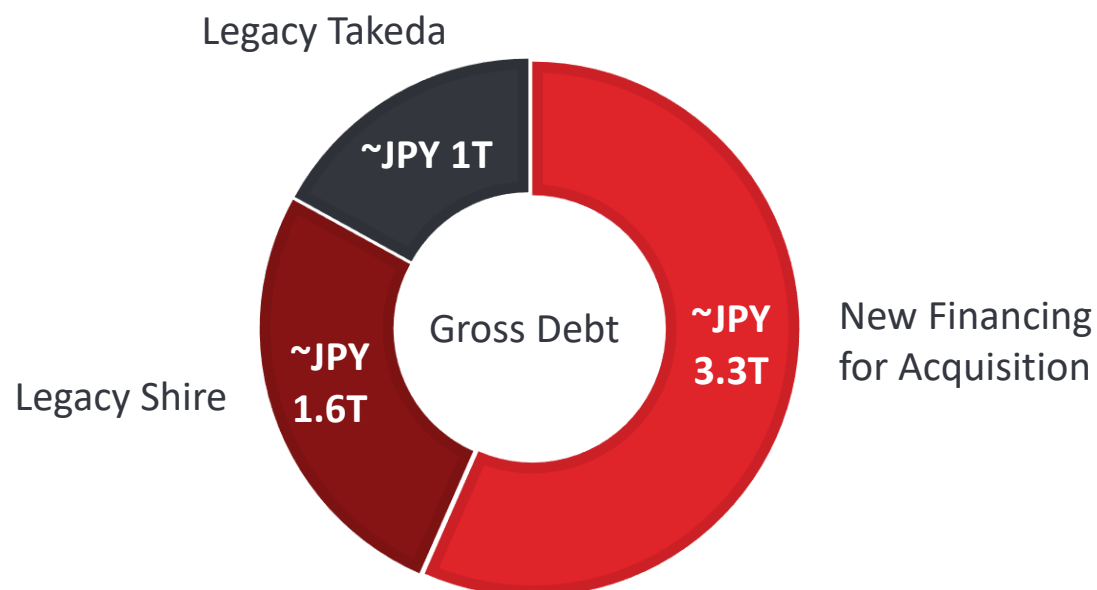


Debt Reduction and Rapid De-Leveraging was Core Focus



Gross Debt at Deal Close was **~JPY 5.9T**

Net Debt / adj. EBITDA¹ **~5x**



**Target to Reach “low twos”
net debt / adj. EBITDA**

- Generate strong cashflow from the business: topline growth, cost synergies, margin improvement
- Working capital improvements
- Unlock cash through divestiture of non-core assets

We Unlocked ~JPY 1.8T in Pre-Tax Proceeds from Sale of Non-Core Assets



Non-Core Asset Divestitures (FY2018-2021)

| | |
|--------------------------------|------------------------------|
| NON-CORE PRODUCT PORTFOLIOS | up to ~JPY 1.4T ¹ |
| REAL ESTATE | ~JPY 220B |
| MARKETABLE SECURITIES | ~JPY 220B |
| TOTAL | ~JPY 1.8T¹ |

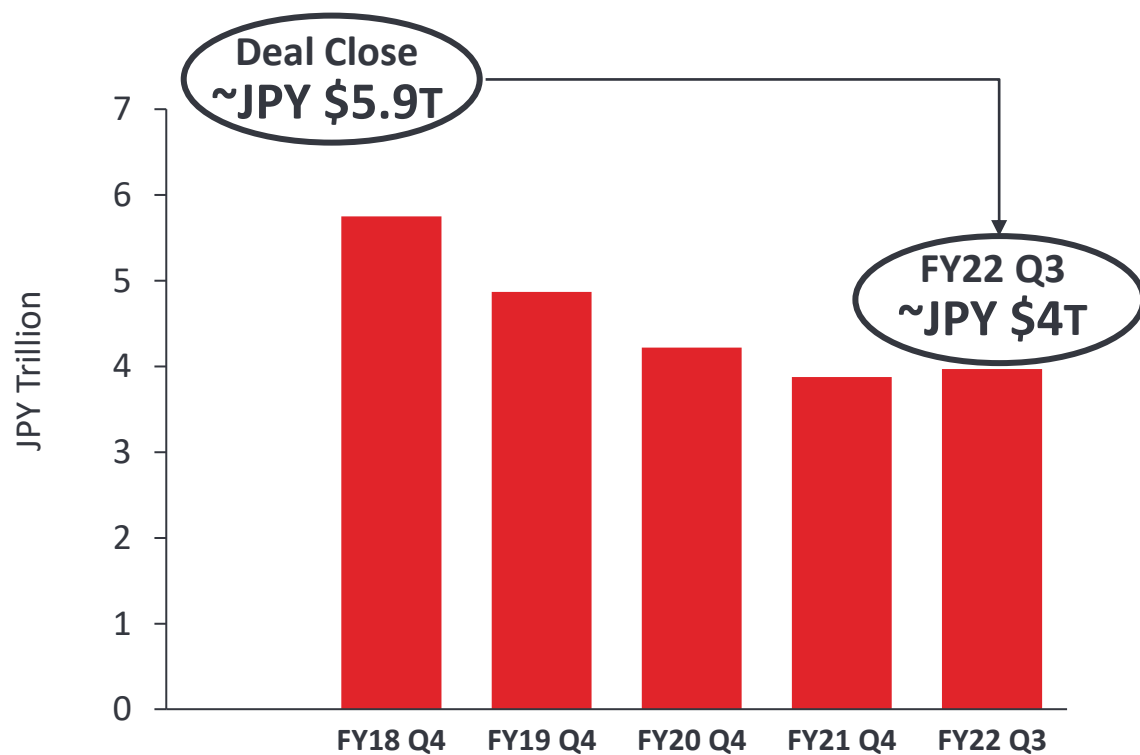
Convenience translations using Dec 2018 FX rate of 111.0 JPY/USD

1. Includes the full value of milestones and other contingent payments not guaranteed to be made

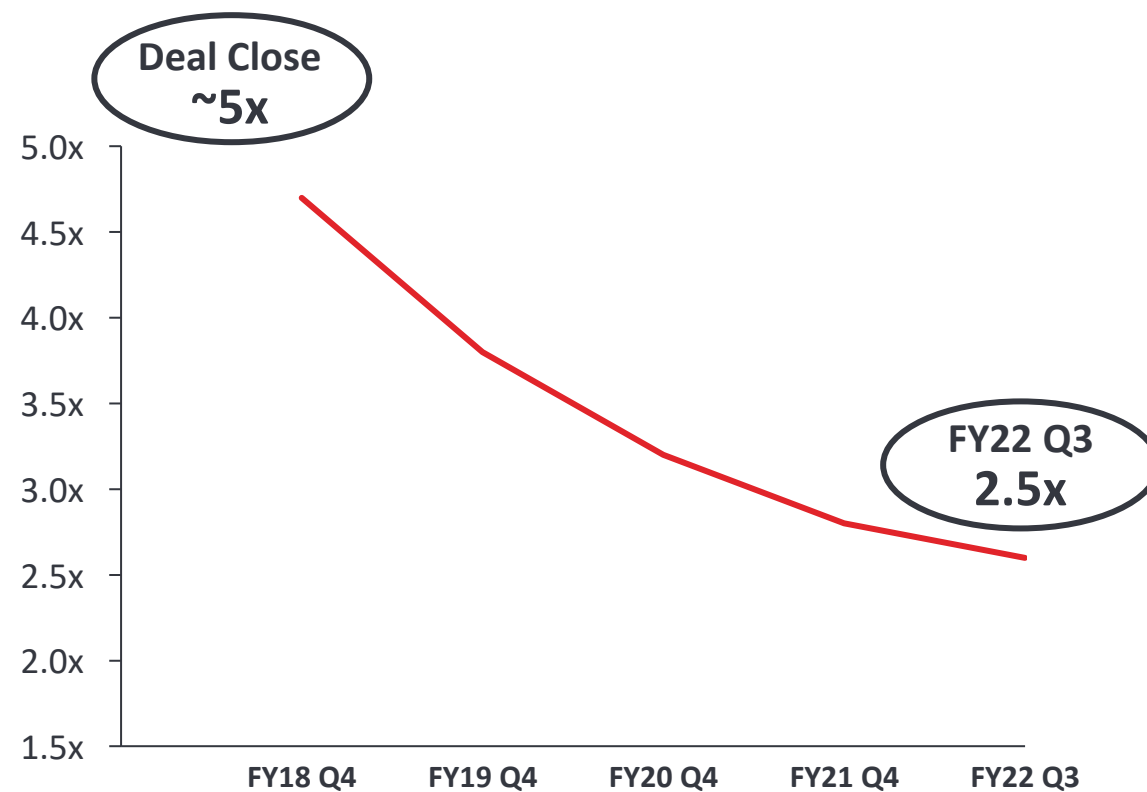
We Reduced Debt by Almost 2 Trillion Yen in 4 years



Gross Debt



Net debt / adj. EBITDA¹



1. Please refer to slide 30 for definition and slides 36-37 for reconciliation

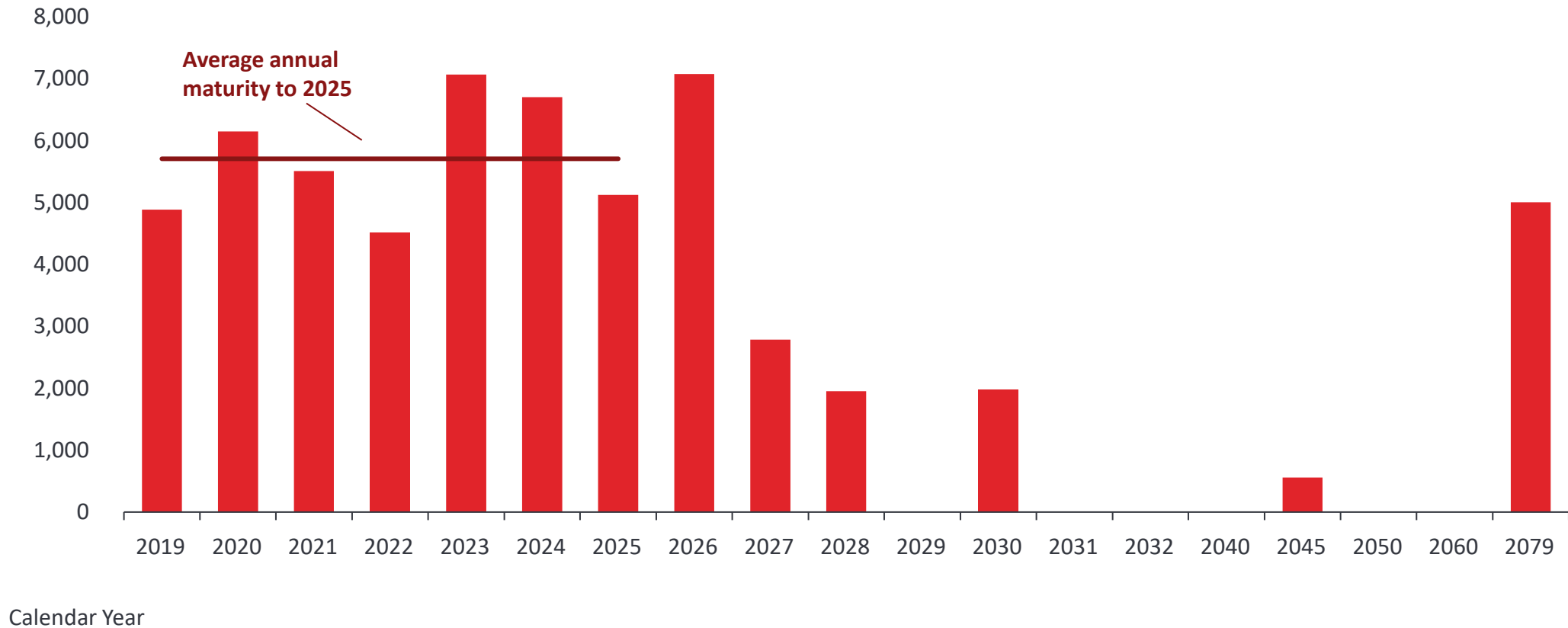
Gross debt represents Net Debt before subtracting for cash and cash equivalents. See slide 30 for definition and slide 36 for details on the calculation.

We Have Improved our Maturity Profile Through Debt Paydown & Opportunistic Refinancing at Favorable Terms



OKU-YEN

Debt Maturity Profile at Deal Close



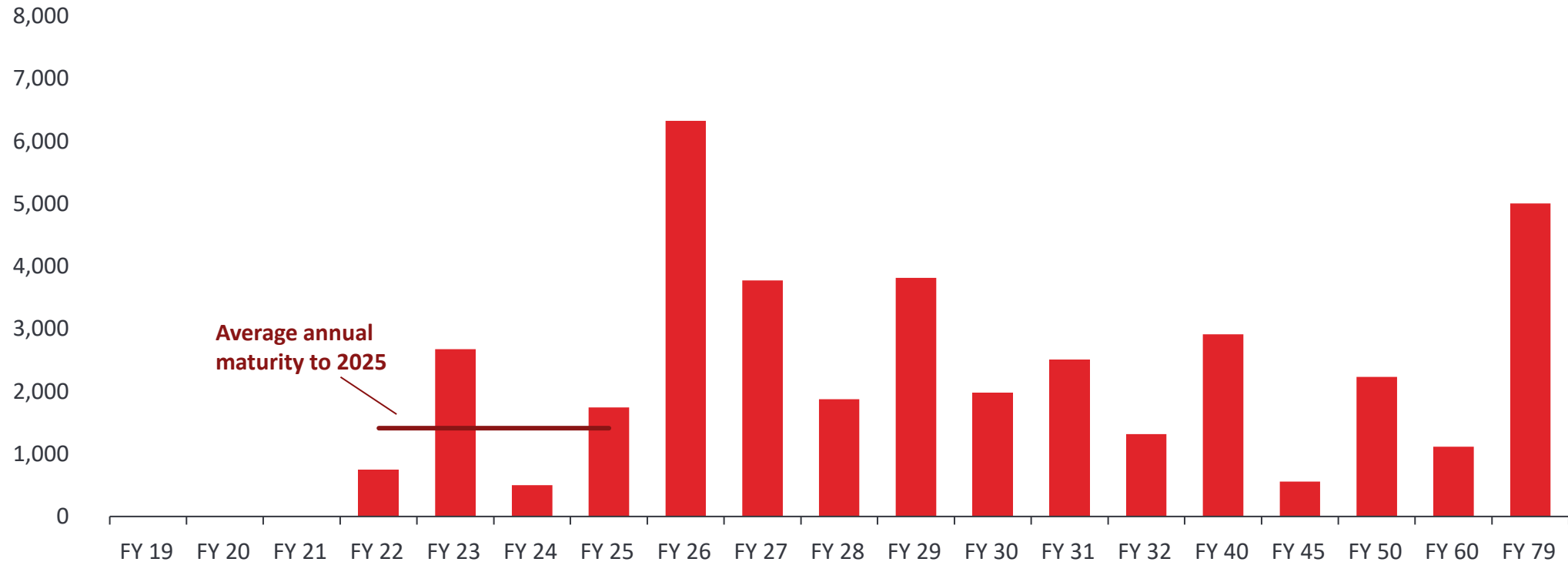
- Average interest cost of 2.3% (~75% at fixed rates)

Today 100% of our Debt is at Fixed Rates with Weighted Interest of ~2%



OKU-YEN

Debt Maturity Profile Today



- Average interest cost of ~2% (100% at fixed rates)

Successful Integration of Shire Reflected in our Financials



| | | | |
|-------------------------------------------|-----------------------------|---|------------------------------------------|
| Revenue | JPY 1.8T FY2017 | → | JPY 3.6T FY2021 |
| R&D Investment | JPY 325.4B FY2017 | → | JPY 620.0B FY2022 Forecast |
| Core Operating Profit Margin ¹ | 18% FY2017 | → | 31% FY2022 Q3 YTD |
| Synergy Savings | JPY 150B Original Target | → | JPY 250B Delivered |
| Non-Core Portfolio Divestitures | JPY 1.1T Target | → | up to JPY 1.4T ² Delivered |
| Net Debt / Adjusted EBITDA ³ | ~5x At Deal Close | → | 2.5x December 2022 |

Convenience translations of synergy savings target and non-core divestitures target from USD into JPY using Dec 2018 FX rate of 111.0 JPY/USD

1. Core Operating Profit margin. Please refer to slide 29 for definition and slides 33-35 for reconciliation

2. Includes the full value of milestones and other contingent payments not guaranteed to be made

3. Please refer to slide 30 for definition and slides 36-37 for reconciliation

Growth & Launch Products Driving Topline & Profit Growth



Strong FY2022 Q3 YTD Performance

Core Revenue

+4.5%

at CER^{1,2}

Core EPS

+17.1%

at CER^{1,2}

Growth & Launch
Products

+20%

at CER^{1,2}

represent 39%
of total revenue

Core Operating
Profit Margin

31.1%

On Track to Full-year FY2022 Guidance

Revenue

JPY 3.93T

(USD 29.7B)³

Core EPS

525 yen

(USD 3.97)³

FY2022 MANAGEMENT GUIDANCE

GROWTH AT CER²

CORE REVENUE

Low-single-digit growth

CORE OPERATING PROFIT

High-single-digit growth

CORE EPS

High-single-digit growth

1. Please refer to appendix slide 29 for definition of core financial measures and slides 31-33 for reconciliation.

2. Constant Exchange Rate. Please refer to appendix slide 29 for definition.

3. Forecast in USD given for reference using full-year FX rate assumption of 132.4 JPY/USD. This reflects H1 at actual FX and applies the Apr-Oct 2022 average rate to H2 projections.

Growth & Launch Products Grew +20% at CER in FY22 Q3 YTD



FY2022
Q3 YTD
REVENUE



GI

% of Sales: 28%
Growth: +11%



RARE DISEASES

% of Sales: 18%
Growth: +5%



PLASMA-DERIVED THERAPIES (PDT) IMMUNOLOGY

% of Sales: 16%
Growth: +18%



ONCOLOGY

% of Sales: 11%
Growth: -13%



NEUROSCIENCE

% of Sales: 16%
Growth: +10%

OTHER

% of Sales: 11%
Growth: -11%

GROWTH & LAUNCH PRODUCTS



+17%



+25%



+19%



+39%



+35%



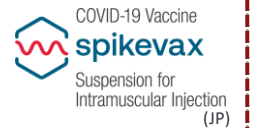
New Launch



+20%



New Launch



Total JPY 1.19T (USD 9.1B¹); incremental JPY +350.7B (USD 2.7B¹)

OTHER KEY PRODUCTS

Takecab/Vocinti®
Gattex/Revestive®

Advate®
Adynovate/Adynovi®
Vonvendi® Elaprase®
Vpriv® Replagal® (EU,JP)

Glassia®
Aralast®

Ninlaro® Iclusig®
Adcetris® (ex-N. America)
Leuprorelin
Zejula® (JP) Cabometyx® (JP)

Vyvanse®
Trintellix® (US,JP)

Azilva® (JP)

Committed to Long-term Growth & Shareholder Returns



Near-term (FY2022-2023)

- Growth & Launch Products expected to mitigate near-term Loss of Exclusivities (e.g. VELCADE & VYVANSE)

Medium-term (FY2024 - early 2030s)

- Continued expansion of Growth & Launch Products
- Late-stage pipeline launches
- Limited LOE exposure until Entyvio biosimilars launch

Long-term (FY2030s and beyond)

- Additional contribution from clinical pipeline of ~40 new molecular entities
- Robust research engine

Continued Pipeline Enhancement Supported by a Solid Financial Foundation

Q&A session



Costa Saroukos
Chief Financial Officer



Koki Sato
Corporate Strategy Officer

APPENDIX



Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow



Core Revenue represents revenue adjusted to exclude significant items unrelated to Takeda's core operations.

Core Operating Profit represents net profit adjusted to exclude income tax expenses, the share of profit or loss of investments accounted for using the equity method, finance expenses and income, other operating expenses and income, amortization and impairment losses on acquired intangible assets and other items unrelated to Takeda's core operations, such as non-recurring items, purchase accounting effects and transaction related costs.

Core EPS represents net profit adjusted to exclude the impact of items excluded in the calculation of Core Operating Profit, and other non-operating items (e.g. amongst other items, fair value adjustments and the imputed financial charge related to contingent consideration) that are unusual, non-recurring in nature or unrelated to Takeda's ongoing operations and the tax effect of each of the adjustments, divided by the average outstanding shares (excluding treasury shares) of the reporting periods presented.

CER (Constant Exchange Rate) change eliminates the effect of foreign exchange rates from year-over-year comparisons by translating Reported or Core results for the current period using corresponding exchange rates in the same period of the previous fiscal year.

We present **Free Cash Flow** because we believe that this measure is useful to investors as similar measures of liquidity are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Free Cash Flow is also used by our management to evaluate our liquidity and our cash flows, particularly as they relate to our ability to meet our liquidity requirements and to support our capital allocation policies. We also believe that Free Cash Flow is helpful to investors in understanding how our strategic divestitures of non-core businesses and of portions of our investment portfolio contribute to the cash flows and liquidity available to us.

We define Free Cash Flow as cash flows from operating activities, subtracting acquisition of property, plant and equipment ("PP&E"), intangible assets and investments as well as removing any other cash that is not available to Takeda's immediate or general business use, and adding proceeds from sales of PP&E, as well as from sales of investments and businesses, net of cash and cash equivalents divested.

The usefulness of Free Cash Flow to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) it does not reflect the effect of our current and future contractual and other commitments requiring the use or allocation of capital and (iii) the addition of proceeds from sales and redemption of investments and the proceeds from sales of business, net of cash and cash equivalents divested do not reflect cash received from our core ongoing operations. Free Cash Flow should not be considered in isolation and is not, and should not be viewed as, a substitute for cash flows from operating activities or any other measure of liquidity presented in accordance with IFRS. The most directly comparable measure under IFRS for Free Cash Flow is net cash from operating activities.

Definition of EBITDA/Adjusted EBITDA and Net Debt



We present **EBITDA and Adjusted EBITDA** because we believe that these measures are useful to investors as they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We further believe that Adjusted EBITDA is helpful to investors in identifying trends in its business that could otherwise be obscured by certain items unrelated to ongoing operations because they are highly variable, difficult to predict, may substantially impact our results of operations and may limit the ability to evaluate our performance from one period to another on a consistent basis.

EBITDA and Adjusted EBITDA should not be considered in isolation or construed as alternatives to operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. These non-IFRS measures may not be comparable to similarly-titled measures presented by other companies.

The usefulness of EBITDA and Adjusted EBITDA to investors has limitations including, but not limited to, (i) they may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) they exclude financial information and events, such as the effects of an acquisition or amortization of intangible assets, that some may consider important in evaluating our performance, value or prospects for the future, (iii) they exclude items or types of items that may continue to occur from period to period in the future and (iv) they may not exclude all items which investors may consider to be unrelated to our long-term operations. These non-IFRS measures are not, and should not be viewed as, substitutes for IFRS reported net income (loss). We encourage investors to review our historical financial statements in their entirety and caution investors to IFRS measures as the primary means of evaluating our performance, value and prospects for the future, and EBITDA and Adjusted EBITDA as supplemental measures.

We define EBITDA as consolidated net profit before income tax expenses, depreciation and amortization and net interest expense. We define Adjusted EBITDA as EBITDA further adjusted to exclude impairment losses, other operating expenses and income (excluding depreciation and amortization), finance expenses and income (excluding net interest expense), our share of loss from investments accounted for under the equity method and other items that management believes are unrelated to our core operations such as purchase accounting effects and transaction related costs.

The most closely comparable measure presented in accordance with IFRS is net profit for the year. Please refer to Net Profit to Adjusted EBITDA Bridge for a reconciliation to the respective most closely comparable measures presented in accordance with IFRS.

We present **Net Debt** because we believe that it is useful to investors in that our management uses it to monitor and evaluate our indebtedness, net of cash and cash equivalents, and, in conjunction with Adjusted EBITDA, to monitor our leverage. We also believe that similar measures of indebtedness are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

We define Net Debt first by calculating the sum of the current and non-current portions of bonds and loans as shown on our consolidated statement of financial position, which is then adjusted to reflect (i) the use of prior 12-month average exchange rates for non-JPY debt outstanding at the beginning of the period and the use of relevant spot rates for new non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period, which reflects the methodology our management uses to monitor our leverage, and (ii) a 50% equity credit applied to our aggregate principal amount of 500.0 billion hybrid (subordinated) bonds issued in June 2019 by S&P Global Rating Japan in recognition of the equity-like features of those bonds pursuant to such agency's ratings methodology. From this figure, we deduct cash and cash equivalents, excluding cash that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program, to calculate Net Debt.

The usefulness of Net Debt to investors has significant limitations including, but not limited to, (i) it may not be comparable to similarly titled measures used by other companies, including those in our industry, (ii) it does not reflect the amounts of interest payments to be paid on our indebtedness, (iii) it does not reflect any restrictions on our ability to prepay or redeem any of our indebtedness, (iv) it does not reflect any fees, costs or other expenses that we may incur in converting cash equivalents to cash, in converting cash from one currency into another or in moving cash within our consolidated group, (v) it applies to gross debt an adjustment for average foreign exchange rates which, although consistent with our financing agreements, does not reflect the actual rates at which we would be able to convert one currency into another and (vi) it reflects an equity credit due to the fact that the amounts of our subordinated bonds, although we believe it to be reasonable, do not affect the status of those instruments as indebtedness. Net Debt should not be considered in isolation and are not, and should not be viewed as, a substitute for bonds and loans or any other measure of indebtedness presented in accordance with IFRS.

The most directly comparable measures under IFRS for Net Debt is bonds and loans. Please refer to Net Debt to Adjusted EBITDA for a reconciliation to this measure.

FY2022 Q3 YTD Reported Results with Actual and CER % Change



| (Billion JPY) | FY2021 Q3 YTD | FY2022 Q3 YTD | | vs. PY | |
|-----------------------------------------------------------------------------|------------------|------------------|---------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 2,695.7 | 3,071.3 | 375.6 | 13.9% | (0.7)% |
| Cost of sales | (798.5) | (934.3) | (135.8) | (17.0)% | (3.4)% |
| Gross profit | 1,897.3 | 2,137.0 | 239.8 | 12.6% | (2.4)% |
| <i>Margin</i> | 70.4 % | 69.6 % | | (0.8) pp | (1.2) pp |
| SG&A expenses | (662.9) | (742.5) | (79.6) | (12.0)% | 2.2% |
| R&D expenses | (382.5) | (472.4) | (89.9) | (23.5)% | (4.9)% |
| Amortization of intangible assets associated with products | (309.1) | (370.6) | (61.5) | (19.9)% | (0.4)% |
| Impairment losses on intangible assets associated with products | (14.6) | (38.6) | (24.0) | (165.0)% | (112.2)% |
| Other operating income | 34.3 | 16.7 | (17.6) | (51.3)% | (54.4)% |
| Other operating expenses | (100.0) | (127.6) | (27.6) | (27.6)% | (8.6)% |
| Operating profit | 462.5 | 401.9 | (60.5) | (13.1)% | (20.3)% |
| <i>Margin</i> | 17.2 % | 13.1 % | | (4.1) pp | (3.4) pp |
| Finance income | 42.9 | 55.1 | 12.2 | 28.4% | 17.6% |
| Finance expenses | (143.5) | (126.8) | 16.8 | 11.7% | 16.9% |
| Share of profit (loss) of investments accounted for using the equity method | (5.3) | (3.1) | 2.1 | 40.4% | 58.1% |
| Profit before tax | 356.6 | 327.2 | (29.4) | (8.3)% | (16.5)% |
| Income tax expenses | (115.1) | (41.3) | 73.8 | 64.1% | 61.3% |
| Net profit for the period | 241.5 | 285.9 | 44.4 | 18.4% | 4.8% |
| Non-controlling interests | (0.1) | (0.0) | 0.1 | 84.4% | 87.8% |
| Net profit attributable to owners of the Company | 241.4 | 285.9 | 44.5 | 18.4% | 4.9% |
| Basic EPS (yen) | 154.09 | 184.32 | 30.23 | 19.6% | 5.9% |

*1 Please refer to slide 24 for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.

FY2022 Q3 YTD Core Results with Actual and CER % Change



| (Billion JPY) | FY2021 Q3 YTD | FY2022 Q3 YTD | | vs. PY | |
|-----------------------------------------------------------------------------|------------------|------------------|---------|-----------------|----------------------------|
| | | | | ACTUAL % CHANGE | CER % CHANGE* ¹ |
| Revenue | 2,562.7 | 3,071.3 | 508.6 | 19.8% | 4.5% |
| Cost of sales | (764.7) | (901.7) | (137.0) | (17.9)% | (4.2)% |
| Gross profit | 1,798.0 | 2,169.6 | 371.7 | 20.7% | 4.6% |
| Margin | 70.2 % | 70.6 % | | 0.5 pp | 0.1 pp |
| SG&A expenses | (659.1) | (742.9) | (83.8) | (12.7)% | 1.6% |
| R&D expenses | (380.9) | (472.1) | (91.2) | (23.9)% | (5.3)% |
| Operating profit | 757.9 | 954.7 | 196.7 | 26.0% | 9.7% |
| Margin | 29.6 % | 31.1 % | | 1.5 pp | 1.5 pp |
| Finance income | 25.2 | 9.2 | (16.0) | (63.7)% | (69.4)% |
| Finance expenses | (114.2) | (114.2) | 0.0 | 0.0% | 4.9% |
| Share of profit (loss) of investments accounted for using the equity method | 3.8 | 2.5 | (1.3) | (34.2)% | (29.6)% |
| Profit before tax | 672.7 | 852.1 | 179.4 | 26.7% | 9.0% |
| Income tax expenses | (151.1) | (144.9) | 6.2 | 4.1% | 15.1% |
| Net profit for the period | 521.6 | 707.2 | 185.6 | 35.6% | 15.9% |
| Non-controlling interests | (0.1) | (0.0) | 0.1 | 84.4% | 87.8% |
| Net profit attributable to owners of the Company | 521.5 | 707.2 | 185.7 | 35.6% | 15.9% |
| Basic EPS (yen) | 333 | 456 | 123 | 37.0% | 17.1% |

*1 Please refer to slide 24 for the definition.

Note: % change versus prior year is presented as positive when favorable to profits, and negative when unfavorable to profits.

FY2022 Q3 YTD Reconciliation from Reported to Core



| (Billion JPY) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | CORE |
|-----------------------------------------------------------------------------|----------|-----------------------------------|---------------------------------|---------------------------------|--------|---------|
| | | Amortization of intangible assets | Impairment of intangible assets | Other operating income/expenses | Others | |
| Revenue | 3,071.3 | | | | | 3,071.3 |
| Cost of sales | (934.3) | | | | 32.6 | (901.7) |
| Gross profit | 2,137.0 | | | | 32.6 | 2,169.6 |
| SG&A expenses | (742.5) | | | | (0.4) | (742.9) |
| R&D expenses | (472.4) | | | | 0.3 | (472.1) |
| Amortization of intangible assets associated with products | (370.6) | 370.6 | | | | — |
| Impairment losses on intangible assets associated with products | (38.6) | | 38.6 | | | — |
| Other operating income | 16.7 | | | (16.7) | | — |
| Other operating expenses | (127.6) | | | 127.6 | | — |
| Operating profit | 401.9 | 370.6 | 38.6 | 111.0 | 32.5 | 954.7 |
| Margin | 13.1 % | | | | | 31.1% |
| Finance income and (expenses), net | (71.6) | | | | (33.4) | (105.0) |
| Share of profit (loss) of investments accounted for using the equity method | (3.1) | | | | 5.6 | 2.5 |
| Profit before tax | 327.2 | 370.6 | 38.6 | 111.0 | 4.8 | 852.1 |
| Tax expenses | (41.3) | (79.4) | (8.2) | (24.1) | 8.0 | (144.9) |
| Non-controlling interests | (0.0) | | | | | (0.0) |
| Net profit attributable to owners of the Company | 285.9 | 291.2 | 30.4 | 86.9 | 12.8 | 707.2 |
| EPS (yen) | 184 | | | | | 456 |
| Number of shares (millions) | 1,551 | | | | | 1,551 |

FY2018 Reconciliation from Reported to Core



| (BN YEN) | REPORTED | REPORTED TO CORE ADJUSTMENTS | | | | | | | | | CORE |
|----------------------------------------|----------|------------------------------------------------|--------------------------------|---------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|-------------------------------------------|-----------------|--------|------------------------|
| | | Amortization & impairment of intangible assets | Other operating income/expense | Shire acquisition related costs | Shire purchase accounting adjustments | Teva JV purchase accounting adjustments | Other purchase accounting adjustments | Gains on sales of securities & properties | U.S. Tax Reform | Others | |
| Revenue | 2,097.2 | | | | | | | | | | 2,097.2 |
| Cost of sales | -659.7 | | | | 81.7 | | | | | | -578.0 |
| Gross Profit | 1,437.5 | | | | 81.7 | | | | | | 1,519.3 |
| SG&A expenses | -717.6 | | | 23.8 | 0.6 | | | | | | -693.2 |
| R&D expenses | -368.3 | | | 1.6 | | | | | | | -366.8 |
| Amortization of intangible assets | -194.7 | 95.4 | | | 99.2 | | | | | | - |
| Impairment losses on intangible assets | -8.7 | 8.7 | | | | | | | | | - |
| Other operating income | 159.9 | | -58.4 | | | | | -88.6 | | -12.9 | - |
| Other operating expenses | -103.2 | | 41.4 | 59.6 | | | | | | 2.1 | - |
| Operating profit | 205.0 | 104.1 | -17.0 | 85.0 | 181.6 | | | -88.6 | | -10.8 | 459.3 |
| | | | | | | | | | | | Core Earnings |
| Financial income/expenses | -66.4 | | | 18.1 | 4.0 | | | | | 2.3 | -42.0 |
| Equity income/loss | -43.6 | | | | | 53.5 | | | | | 9.8 |
| Profit before tax | 94.9 | 104.1 | -17.0 | 103.1 | 185.6 | 53.5 | | -88.6 | | -8.5 | 427.2 |
| Tax expense | 14.1 | -25.5 | 3.9 | -20.5 | -44.0 | -16.4 | | 30.2 | | -47.7 | -105.9 |
| Non-controlling interests | 0.1 | | | | | | | | | | 0.1 |
| Net profit | 109.1 | 78.6 | -13.1 | 82.6 | 141.7 | 37.1 | | -58.4 | | -56.2 | 321.4 |
| | | | | | | | | | | | Core net profit |
| EPS (yen) | 113 | | | | | | | | | | 334 |
| | | | | | | | | | | | Core EPS |
| Number of shares (millions) | 961 | | | | | | | | | | 961 |

FY2017 Reconciliation from Reported to Core



| (Bn yen) | Full year | | vs. PY | |
|-------------------------------|----------------|----------------|--------------|---------------|
| | FY2016 | FY2017 | | |
| Revenue | 1,732.1 | 1,770.5 | +38.5 | + 2.2% |
| FX effects* | 19.4 | -24.5 | | -2.5pp |
| Revenue excluding FX effects* | 1,751.4 | 1,746.0 | -5.4 | - 0.3% |
| Divestitures** | -129.3 | -35.0 | | +5.8pp |
| Wako | -79.1 | — | | |
| LLPs sold to Teva JV | -24.2 | -24.0 | | |
| Respiratory business | -6.2 | -1.8 | | |
| Contrave | -11.1 | — | | |
| TAK-935 | — | -3.5 | | |
| TAK 385 (relugolix) | -6.4 | — | | |
| Others | -2.3 | -5.6 | | |
| Underlying Revenue | 1,622.1 | 1,711.1 | +88.9 | + 5.5% |

| (Bn yen) | Full year | | vs. PY | |
|--------------------------------------------|--------------|--------------|--------------|----------------|
| | FY2016 | FY2017 | | |
| Operating Profit | 155.9 | 241.8 | +85.9 | + 55.1% |
| Amortization and impairment of intangibles | 156.7 | 122.1 | -34.6 | |
| Other income/expenses | -70.7 | -42.9 | +27.8 | |
| Non-recurring items | 3.2 | 1.4 | -1.8 | |
| Core Earnings | 245.1 | 322.5 | +77.4 | + 31.6% |
| FX effects* | 5.3 | -5.9 | -11.2 | |
| Divestitures** | -46.0 | -29.9 | +16.1 | |
| Wako | -7.2 | — | +7.2 | |
| LLPs sold to Teva JV | -23.3 | -21.2 | +2.1 | |
| Respiratory business | -3.8 | -1.7 | +2.1 | |
| Contrave | -4.5 | — | +4.5 | |
| TAK-935 | — | -3.5 | -3.5 | |
| TAK 385 (relugolix) | -6.4 | — | +6.4 | |
| Others | -0.8 | -3.6 | -2.7 | |
| Underlying Core Earnings | 204.4 | 286.7 | +82.3 | + 40.2% |

FY2022 Q3 YTD Net Debt to Adjusted EBITDA



NET DEBT/ADJUSTED EBITDA RATIO

| (Billion JPY) | FY2022 Q3 YTD |
|------------------------------------------------------------------|------------------|
| Cash and cash equivalents ^{*1} | 553.8 |
| Book value debt on consolidated statements of financial position | (4,286.9) |
| Hybrid bond 50% equity credit | 250.0 |
| FX adjustment ^{*2} | 67.4 |
| Gross debt ^{*3} | (3,969.5) |
| Net cash (debt) | (3,415.7) |
| Net debt/Adjusted EBITDA ratio | 2.5 x |
| Adjusted EBITDA (LTM)^{*4} | 1,381.2 |

NET INCREASE (DECREASE) IN CASH

| (Billion JPY) | FY2021 Q3 YTD | FY2022 Q3 YTD | Change versus the previous year | |
|----------------------------------------------------------------------------|------------------|------------------|------------------------------------|----------------|
| Net cash from operating activities | 747.5 | 683.5 | (64.1) | (8.6)% |
| Acquisition of PP&E | (87.7) | (104.9) | | |
| Proceeds from sales of PP&E | 0.4 | 0.1 | | |
| Acquisition of intangible assets | (46.5) | (84.7) | | |
| Acquisition of investments | (7.6) | (5.4) | | |
| Proceeds from sales and redemption of investments | 16.1 | 20.6 | | |
| Acquisition of business, net of cash and cash equivalents acquired | (49.7) | — | | |
| Proceeds from sales of business, net of cash and cash equivalents divested | 2.1 | — | | |
| Net decrease in short-term loans and commercial papers | (0.0) | — | | |
| Repayment of long-term loans | (414.1) | (0.1) | | |
| Proceeds from issuance of bonds | 249.3 | — | | |
| Repayment of bonds | (220.9) | (281.5) | | |
| Purchase of treasury shares | (52.5) | (26.9) | | |
| Interest paid | (84.9) | (86.6) | | |
| Dividends paid | (273.0) | (269.0) | | |
| Others | (29.9) | (32.7) | | |
| Net increase (decrease) in cash | (251.4) | (187.7) | 63.7 | (25.3)% |

*1 Includes short-term investments which mature or become due within one year from the reporting date and excludes cash temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program.

*2 FX adjustment refers to change from month-end rate to average rate used for non-JPY debt calculation outstanding at the beginning of the period to match with adjusted EBITDA (which is calculated based on average rates). New non-JPY debt incurred and existing non-JPY debt redeemed during the reporting period are translated to JPY at relevant spot rates as of the relevant date.

*3 Bonds and loans of current and non-current liabilities. 250Bn yen reduction in debt due to 500Bn yen hybrid bond issuance in June 2019, given that the hybrid bond qualifies for 50% equity credit for leverage purposes. Includes non-cash adjustments related to debt amortization and FX impact.

*4 LTM represents Last Twelve Months (January 2022 - December 2022). Calculated by subtracting FY2021 Q3 YTD from FY2021 Full Year and adding FY2022 Q3 YTD.

FY2022 Q3 YTD Net Profit to Adjusted EBITDA LTM Bridge



| (Billion JPY) | FY2021 Full Year (Apr-Mar) | FY2021 Q3 YTD (Apr - Dec) | FY2022 Q3 YTD (Apr - Dec) | FY2022 Q3 YTD LTM ^{*1} (Jan-Dec) |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|---------------------------------|-------------------------------------------------|
| Net profit | 230.2 | 241.5 | 285.9 | 274.5 |
| Income tax expenses | 72.4 | 115.1 | 41.3 | (1.4) |
| Depreciation and amortization | 583.2 | 430.9 | 503.0 | 655.3 |
| Interest expense, net | 117.8 | 86.7 | 86.0 | 117.2 |
| EBITDA | 1,003.6 | 874.2 | 916.2 | 1,045.6 |
| Impairment losses | 54.5 | 14.7 | 42.0 | 81.8 |
| Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item) | 106.3 | 59.5 | 105.4 | 152.1 |
| Finance expense (income), net, excluding interest income and expense, net | 25.1 | 13.9 | (14.4) | (3.2) |
| Share of loss on investments accounted for under the equity method | 15.4 | 5.3 | 3.1 | 13.2 |
| Other adjustments: | (30.2) | (46.6) | 77.2 | 93.6 |
| Non-core expense related to COVID-19 | 10.4 | 7.2 | 8.4 | 11.6 |
| Sale of Japan diabetes portfolio | (144.8) | (131.4) | — | (13.4) |
| Impact on profit related to fair value step up of inventory in Shire acquisition | 31.9 | 24.8 | 24.9 | 32.0 |
| Other costs ^{*2} | 72.4 | 52.9 | 43.9 | 63.4 |
| Adjusted EBITDA | 1,174.5 | 920.9 | 1,129.5 | 1,383.2 |
| EBITDA from divested products ^{*3} | (6.6) | | | (1.9) |
| Adjusted EBITDA (LTM) | 1,168.0 | | | 1,381.2 |

*1 LTM represents Last Twelve Months (January 2022 - December 2022). Calculated by subtracting FY2021 Q3 YTD from FY2021 Full Year and adding FY2022 Q3 YTD.

*2 Includes adjustments for non-cash equity-based compensation expense and other one time non-cash expense.

*3 Represents adjustments for EBITDA from divested products which are removed as part of LTM Adjusted EBITDA.



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