

Embarking on a New Era

Christophe Weber

Representative Director, President & CEO

June 28th, 2023 | 147th Ordinary General Meeting of Shareholders

Better Health, Brighter Future

Important Notice

For the purposes of this notice, "presentation" means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Takeda Pharmaceutical Company Limited ("**Takeda**") regarding this presentation. This presentation (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares or other securities are being offered to the public by means of this presentation. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. This presentation is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The companies in which Takeda directly and indirectly owns investments are separate entities. In this presentation, "Takeda" is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

The product names appearing in this document are trademarks or registered trademarks owned by Takeda, or their respective owners.

Forward-Looking Statements

This presentation and any materials distributed in connection with this presentation may contain forward-looking statements, beliefs or opinions regarding Takeda's future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "ensures", "will", "may", "should", "would", "could", "anticipates", "estimates", "projects" or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda's global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations, including global health care reforms; challenges inherent in new product development, including uncertainty of clinical success and decisions of regulatory authorities and the timing thereof; uncertainty of commercial success for new and existing products; manufacturing difficulties or delays; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic, on Takeda and its customers and suppliers, including foreign governments in countries in which Takeda operates, or on other facets of its business; the timing and impact of post-merger integration efforts with acquired companies; the ability to divest assets that are not core to Takeda's operations and the timing of any such divestment(s); the extent to which our internal energy conservation measures and future advancements in renewable energy or low carbon energy technology will enable us to reduce our greenhouse gas emissions; and other factors identified in Takeda's most recent Annual Report on Form 20-F and Takeda's other reports filed with the U.S. Securities and Exchange Commission, available on Takeda's website at: https://www.takeda.com/investors/sec-filings/ or at www.sec.gov. Takeda does not undertake to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this presentation may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda's future results.

Financial Information and Certain Non-IFRS Financial Measures

Takeda's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

This presentation and materials distributed in connection with this presentation include certain financial measures not presented in accordance with IFRS, such as Core Revenue, Core Operating Profit, Core Net Profit, Core EPS, Constant Exchange Rate ("CER") change, Net Debt, EBITDA, Adjusted EBITDA and Free Cash Flow. Takeda's management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. By including these non-IFRS measures, management intends to provide investors with additional information to further analyze Takeda's performance and core results, including when controlling for the effect of fluctuations in exchange rates. Takeda's non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as "reported" measures). Investors are encouraged to review the definitions and reconciliations of non-IFRS financial measures to their most directly comparable IFRS measures, which are in the financial appendix appearing at the end of this presentation.

Exchange Rates

In this presentation, certain amounts presented in Japanese yen have been translated to US dollars solely for the convenience of the reader. Except where otherwise noted, these convenience translations have been made at an exchange rate of 1USD = 132.75 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 31, 2023. The rate and methodologies used for these convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of Takeda's consolidated financial statements. These translations should not be construed as a representation that the relevant Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

Medical information

This presentation contains information about products that may not be available in all countries, or may be available under different trademarks, for different indications, in different dosages, or in different strengths. Nothing contained herein should be considered a solicitation, promotion or advertisement for any prescription drugs including the ones under development.

A Global Biopharmaceutical Company

GLOBAL HEADQUARTERS
TOKYO, JAPAN

GLOBAL HUB
CAMBRIDGE, MA, USA

~40 NEW MOLECULAR ENTITY CLINICAL STAGE ASSETS

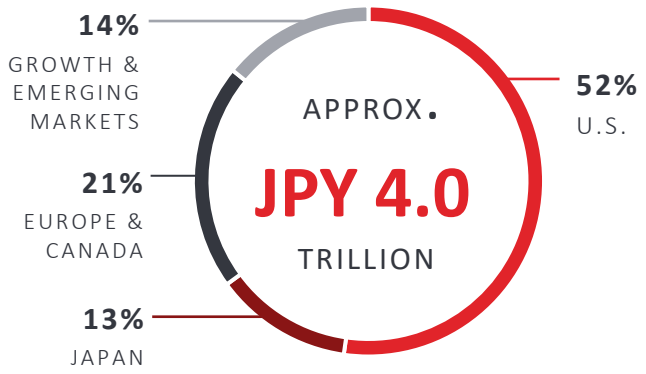
PRESENCE: APPROX. IN
80 COUNTRIES & REGIONS

25+ MANUFACTURING SITES

3 RESEARCH SITES

200+
PARTNERSHIPS TO HELP US BRING INNOVATION TO PATIENTS

FY22 REVENUE



TOP EMPLOYER® IN
39
COUNTRIES & 4 REGIONS

ALL NUMBERS AS OF MAY 2023

FOUNDED IN
1781
OSAKA, JAPAN

OUR PEOPLE

Better Health for People, 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

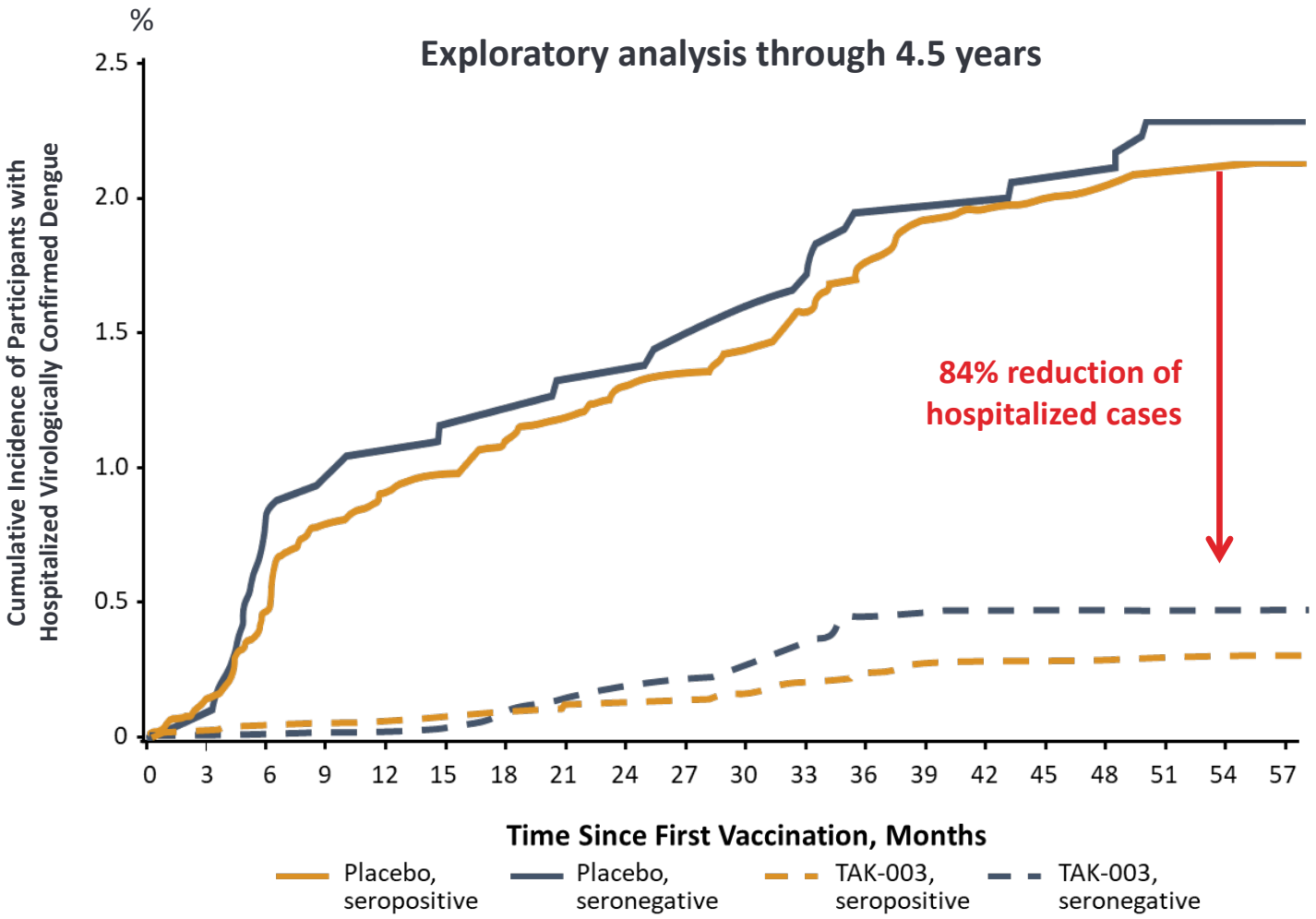
We are guided by our values of Takeda-ism which incorporate **Integrity**, **Fairness**, **Honesty**, and **Perseverance**, with Integrity at the core. They are brought to life through actions based on **Patient-Trust-Reputation-Business**, in that order.

Addressing the Urgent Need for a Safe and Effective Dengue Vaccine

Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated)

Takeda

Significant prevention of hospitalizations in pivotal study[1]



- Pivotal study in > 20,000 children and adolescents in Latin America & Asia
- 80.2% reduction in symptomatic dengue @12 months (primary endpoint)
- 90.4% reduction in hospitalized dengue @18 months (secondary endpoint)
- Continued protection through 4.5 years (exploratory analyses): 61% reduction in symptomatic dengue and 84% reduction in hospitalizations
- No important safety risks identified[2]

1.Tricou, V. Efficacy and Safety of Takeda's Tetravalent Dengue Vaccine Candidate (TAK-003) After 4.5 Years of Follow-Up. Presented at the 8th Northern European Conference of Travel Medicine; June 2022.
2.Most common adverse events were injection-site pruritus, bruising, and pyrexia

PATIENT

Among our ~40 NMEs in Clinical Stage Development, 14 in Phase 1, 18 in Phase 2, and 7 in Phase 3

	PHASE 1	PHASE 2	PHASE 3
GASTROINTESTINAL AND INFLAMMATION	**TAK-105** Nausea & vomiting **TAK-647** NASH[1]	**TAK-279** Psoriasis **TAK-101** Celiac Disease **TAK-951** Nausea & vomiting **TAK-279** Psoriatic Arthritis **TAK-227** Celiac Disease **zamaglutenase TAK-062** Celiac Disease	**fazirsiran** AATD Liver Disease ★ **ENTYVIO®** Pediatric UC, CD **ALOFISEL®** Perianal Fistulas in CD (US) ★ **maralixibat** ALGS, PFIC (JP) ★ **ENTYVIO®** SC CD (US) **ENTYVIO®** GvHD Prophylaxis ★ **ALOFISEL®** Pediatric perianal Fistulas in CD ★
NEUROSCIENCE	**TAK-920** Alzheimer's Disease	**TAK-861** NT1, NT2 ★ **TAK-071** Parkinson's Disease **TAK-041** Anhedonia in MDD **TAK-653** Inadequate resp. in MDD **danavorexton TAK-925** Postanesthesia recovery ★ **TAK-341** MSA ★ **TAK-594** Frontotemporal dementia ★ **TAK-611** MLD (intrathecal) ★	**soticlestat** DS ★ **soticlestat** LGS ★ **pabinafusp alfa** Hunter Syndrome ★
ONCOLOGY + Cell Therapy	**TAK-102** Solid tumors **TAK-103** Solid tumors **TAK-186** EGFR Solid Tumor[2] **TAK-500** Solid tumors **TAK-676** Solid tumors **TAK-280** B7-H3 Solid Tumor[2] **TAK-940** CD19+ hematologic malignancies **modakafusp alfa** Solid tumors ★ **ICLUSIG®** Pediatric Ph+ ALL	**modakafusp alfa** R/R MM ★ **subasumstat** Multiple cancers ★ **TAK-007** CD19+ hematologic malignancies ★	**EXKIVITY®** 1L NSCLC EGFR exon 20 ★ **fruquintinib** mCRC (JP) **ICLUSIG®** 1L Ph+ ALL (US) **NINLARO®** Maint. ND MM post-SCT (US, EU) ★ **relugolix** Prostate cancer (JP, CN) **CABOMETYX®** mCRPC combo w/atezolizumab (JP)
RARE GENETICS AND HEMATOLOGY	**TAK-755** SCD ★ **mezagitamab** IgAN ★	**mezagitamab** MG ★ **mezagitamab** ITP ★ **TAK-755** iTTP ★	**TAK-755** cTTP (JP, CN) ★ **LIVTENCITY®** Post-transplant CMV infection (JP) ★ **OBIZUR®** Recomb antihemophilic factor porcine (JP) ★ **ADYNOVATE®** recombinant Factor VIII Pediatric HemA (EU) **VONVENDI®** vWD Adult Prophylaxis (CN) ★ **VONVENDI®** vWD Pediatric On-demand & Surgery ★
PLASMA-DERIVED THERAPIES		**TAK-881** Immunodeficiencies	**HYQVIA®** PID, CIDP, MMN (JP) ★ **TAK-880** IgG – Low IgA (EU) **Glovenin-I** Autoimmune Encephalitis (JP) ★ **Prothromplex** DOAC Reversal (US)
VACCINES	**TAK-426** Zika Vaccine		**Nuvaxovid®** COVID-19 Vaccine Booster (JP) **QDENGA®** Dengue Vaccine Booster

1. Study actively recruiting
2. Currently in phase 1 of a phase 1/2 trial

★ Orphan Drug Designation potential (in any region / indication for a given asset)

NME | LCM

All timelines are approximate estimates as of June 28 2023, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. Phase 3 includes pivotal trials. For full glossary of abbreviations please refer to appendix.

TAK-279: Potential Best-in-class Oral TKY2 Inhibitor for Multiple Immune-mediated Diseases

High Selectivity Allows for Greater Inhibition of TYK2

	NDI-034858	Deucravacitinib
TYK-2—JH2 binding K_D	0.0034 nM	0.0045 nM
JAK1—JH2 binding K_D	5000 nM	0.49 nM
Biochemical Selectivity (Fold)	**1.5 x 10^6**	109
Fold Selectivity (vs. deucravacitinib	**1.3 x 10^4**	

Source: Nimbus proprietary structure based computational modeling; side-by-side evaluation of biochemical potency of NDI-034858 and deucravacitinib (synthesized by Nimbus for nonclinical research purposes only).

Potential for enhanced efficacy without introducing JAK-related toxicities

Source: Gangolli, et al. 2022. Characterization of pharmacokinetics, pharmacodynamics, tolerability and clinical activity in Phase 1 studies of the novel allosteric tyrosine kinase 2 (TYK2) inhibitor NDI-034858.

Summary

- Robust efficacy: 33% of patients on 30mg achieving clear skin at 12 weeks (PASI 100) [1]
- Generally low rates of TEAEs [2,3]
- High selectivity for TYK2 over JAKs
  - 1.5 million times
  - Well tolerated, once daily oral dosing
- Mechanism could lead to activity in broad range of indications representing multi-billion-dollar revenue opportunity

Estimated market size in 2028 [4]

- Psoriasis $30B
- IBD $30B
- Psoriatic arthritis $7B

1. Armstrong et al., presentation at AAD, March 15th, 2023
2. TEAEs: Treatment Emergent Adverse Event
3. Most common: COVID-19, acne, acneiform dermatitis and diarrhea
4. Evaluate Pharma

Takeda is Advancing the Field of Orexin Therapeutics with a Pioneering Multi-asset Franchise

Narcolepsy Type 1

- **TAK-861** is a long acting oral OX2R agonist. Potential to be a transformative treatment for **Narcolepsy Type 1** by restoring downstream neurotransmitter activity and helping to promote wakefulness.
- Currently enrolling patients with Narcolepsy Type 1 in a Phase 2b study.

Narcolepsy Type 2 & Idiopathic Hypersomnia (additional indications)

- **TAK-861** is currently enrolling patients with Narcolepsy Type 2 in a Phase 2b study.
- Results from this Phase 2b will inform development in patients with Narcolepsy Type 2 and Idiopathic Hypersomnia.

Post Anesthesia Recovery

- **TAK-925** is a short acting IV OX2R agonist. Currently enrolling patients with OSA[1] undergoing general anesthesia for abdominal surgery in a Phase 2 study. Phase 1 data presented at IARS[2].

1. OSA: Obstructive Sleep Apnea.
2. IARS: International Anesthesia Research Society April 2023 meeting.

All timelines are approximate estimates as of June 28, 2023 and are subject to change. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

FY2023: Multiple Potential Approvals for NMEs and Indication Expansions

KEY POTENTIAL REGULATORY APPROVALS	ENTYVIO SC	UC CD	U.S. approval Japan approval	
	QDENGA	Dengue vaccine	U.S. approval Endemic countries	
	TAK-755	cTTP	U.S. approval	
	fruquintinib	mCRC	U.S. approval	
	TAKHZYRO	Pediatric HAE	EU approval	
	HYQVIA	CIDP	U.S. approval EU approval	
	HYQVIA	HyHub AVA[1,2] device	U.S. clearance	→
	HYQVIA	Pediatric PID	U.S. approved	✓
	Gammagard Liquid	CIDP	U.S. approval	
KEY PHASE 3 / PIVOTAL READOUTS	ALOFISEL	Complex Perianal Fistulas	Phase 3 (U.S.)	
	maralixibat	Alagille syndrome (ALGS) Progressive familial intrahepatic cholestasis (PFIC)	Phase 3 (Japan) Phase 3 (Japan)	

1. HyHub: Advanced vial access or sterile, single-use, medical device that simplifies preparation & delivery of HYQVIA from vials to subcutaneous tissue.
2. Application withdrawn, re-submission timing under review.

A "readout(s)" for a clinical trial occurs when Takeda has (1) received the relevant clinical data, (2) completed any necessary analysis and review of such clinical data, and (3) in instances where it is required or otherwise common convention or practice, consulted with applicable regulatory authorities regarding such clinical data.

All timelines are approximate estimates as of June 28, 2023, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

✓ Milestone achieved

→ Milestone moved to future date

Balanced Portfolio in 5 Key Business Areas
Growth & Launch Products Grew +19% at CER in FY2022

FY2022 REVENUE	GI	RARE DISEASES	PLASMA-DERIVED THERAPIES (PDT) IMMUNOLOGY	ONCOLOGY	NEUROSCIENCE	OTHER
	% of Sales: 27% Growth: +9%	% of Sales: 18% Growth: +5%	% of Sales: 17% Growth: +15%	% of Sales: 11% Growth: -14%	% of Sales: 16% Growth: +12%	% of Sales: 11% Growth: -11%
GROWTH & LAUNCH PRODUCTS	Entyvio vedolizumab +15%	TAKHZYRO (lanadelumab-flyo) injection +25%	GAMMAGARD LIQUID, HyQvia, Cuvitru IMMUNOGLOBULIN +16%	ALUNBRIG BRIGATINIB +35%		Qdenga Dengue Tetravalent Vaccine (Live, Attenuated) New Launch
	ALOFISEL +36%	LIVTENCITY (maribavir) tablets 200mg New Launch	Flexbumin (Human Albumin), HUMANALBUMIN ALBUMIN +19%	EXKIVITY mobocertinib 40 mg capsules New Launch		COVID-19 Vaccine spikevax Suspension for Intramuscular Injection (JP) ヌバキソビッド筋注 Nuvaxovid® (JP)
	Total JPY 1,594.8B (USD 12.0B[1]); incremental JPY +435.8B (USD 3.3B[1])					

Note: Due to a change in assumptions for coronavirus vaccine revenue, from FY2023, SPIKEVAX and NUVAXOVID will no longer be classified as Growth & Launch Products.
Excluding SPIKEVAX and NUVAXOVID, FY2022 Growth & Launch product total revenue was JPY 1,535.9B (USD 11.6B), with growth of +18% at CER.
All growth rates indicate FY2022 revenue growth at Constant Exchange Rate. Please refer to appendix slide A-1 for definition.

1. Please refer to disclaimer on Exchange Rates on slide 2

FY2022: Executing Strategy & Delivering Results

Delivered or Exceeded Management Guidance Driven by Growth & Launch Products

FY2022 RESULTS SUMMARY

BN YEN, except EPS	REPORTED		CORE[1]		
	FY2022	ACTUAL % CHANGE	FY2022	ACTUAL % CHANGE	CER[2] % CHANGE
REVENUE	4,027.5	+12.8%	4,027.5	+17.7%	+3.5%
OPERATING PROFIT	490.5	+6.4%	1,188.4	+24.4%	+9.1%
EPS	204 yen	+38.8%	558 yen	+31.5%	+13.9%

- Strong topline growth of **+3.5% at CER**, as Growth & Launch Products more than offset impact of VELCADE generics
- Core Operating Profit growth of **+9.1% at CER** driven by high-margin products and OPEX discipline
- Generated strong Free Cash Flow to reach Net debt/Adj EBITDA of 2.6x, or **2.3x excl. Nimbus upfront payment**[3]

1. Please refer to appendix slide 25 for definition of core financial measures, and slides 27 and 28 for reconciliation.
2. Constant Exchange Rate. Please refer to appendix slide 25 for definition.
3. Net debt adjusted for the portion of the 4.0 billion USD upfront payment related to the acquisition of TAK-279 paid in February 2023 (such portion totaling 3.0 billion USD). Remaining 1.0B USD to be paid in FY2023. Please refer to appendix slide 26 for definition and slides 29 and 30 for reconciliation

FY2023: Temporary Headwinds Due to Exceptional LOE Impact

Growth & Launch Product Momentum Expected to Largely Offset LOE Revenue Impact

FY2023 OUTLOOK SUMMARY

BN YEN	REPORTED	CORE[1]	CORE CHANGE AT CER[2]
	FORECAST	FORECAST	MANAGEMENT GUIDANCE
REVENUE	3,840.0	3,840.0	Low-single-digit % decline
OPERATING PROFIT	349.0	1,015.0	Low-10s % decline
EPS (JPY)	91 yen	434 yen	Low-20s % decline

- Core Revenue expected to decline low-single-digit % at CER due to LOE impact and lower COVID-19 vaccine sales
- OPEX discipline to limit margin impact while investing in R&D and DD&T to secure long-term competitiveness

LOE: Loss of Exclusivity

1. Please refer to appendix slide 25 for definition of core financial measures, and slide 31 for reconciliation.
2. Constant Exchange Rate. Please refer to appendix slide 25 for definition.

Confidence in our Future Growth Outlook

Near-term FY2024 — 2025	Medium-term FY2026 — early 2030s	Long-term FY2030s and beyond

Return to sales, profit & margin growth

Continued expansion of Growth & Launch Products

Further launches from innovative late-stage pipeline

Limited Loss of Exclusivity exposure until Entyvio biosimilars launch

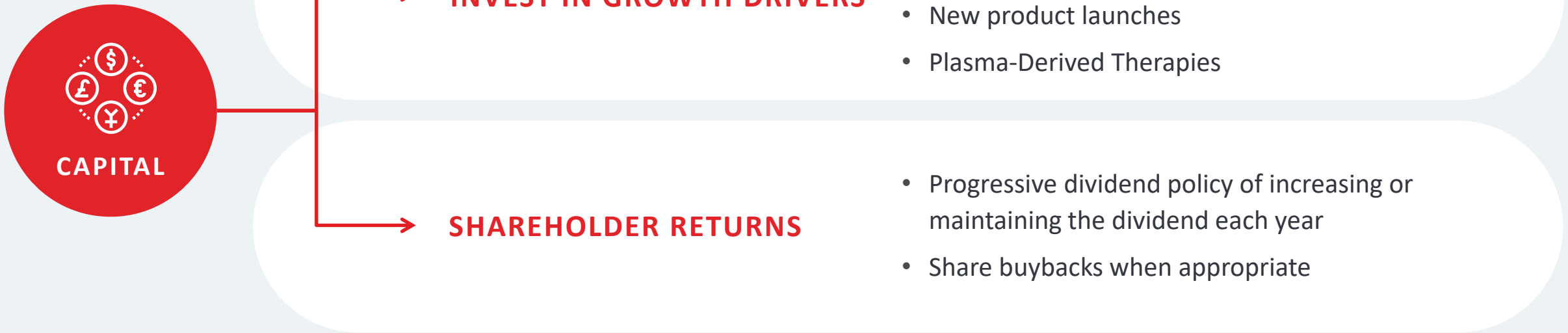
Additional contribution from robust R&D strategy, including clinical pipeline of ~40 NMEs

- **Returning to low-to-mid 30% Core Operating Profit margins**
- **Increasing value creation enabled by Data, Digital & Technology**
- **Continuing to pursue asset-specific business development to enhance pipeline**
- **Progressive dividend policy of increasing or maintaining dividend each year**

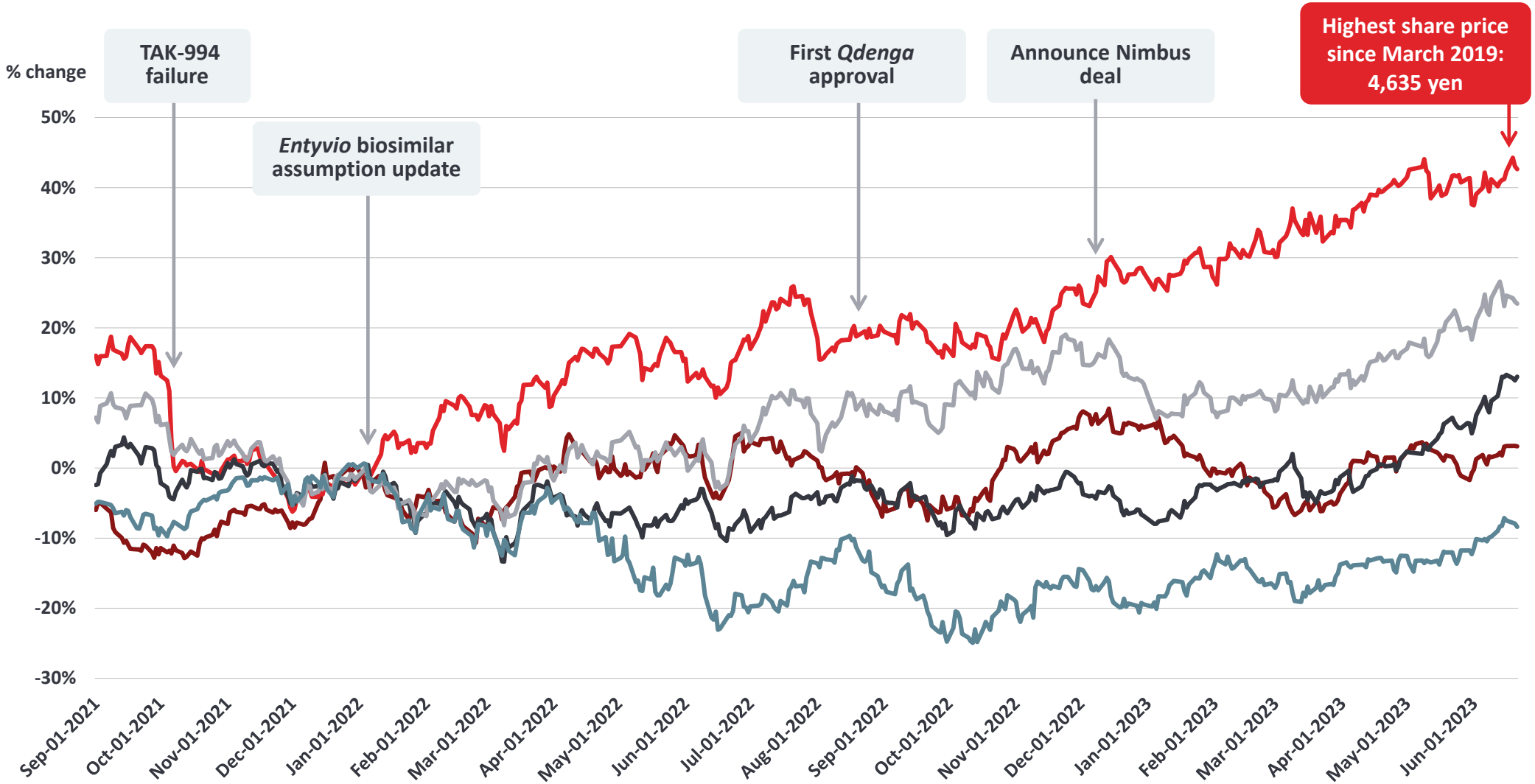
Updating Capital Allocation Policy to Reflect Deleveraging Achievement and Growth Outlook

Plan to increase dividend to JPY 188 per share

Guided by our vision to discover and deliver life-transforming treatments, and with a focus on maintaining solid investment grade credit ratings, we will allocate capital to maximize value for patients and shareholders.



Investors are Taking Notice of Our Achievement and Future Growth Outlook



Performance Since January 2022

Takeda +42.6%

TOPIX Pharma +23.4%

TOPIX +13.0%

S&P Pharma +3.1%

S&P 500 -8.4%

Source: Capital IQ
Data as of market close June 21st (JST). Growth rates show change from Dec 31, 2021.

Better Health for People, 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.

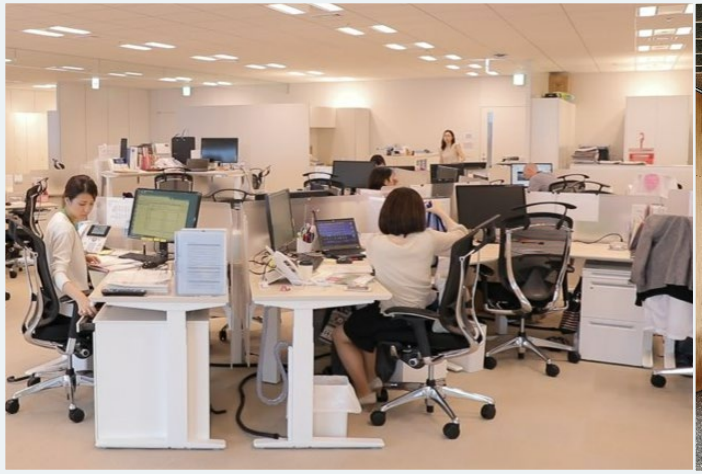
Creating an Exceptional People Experience

Caring Leadership

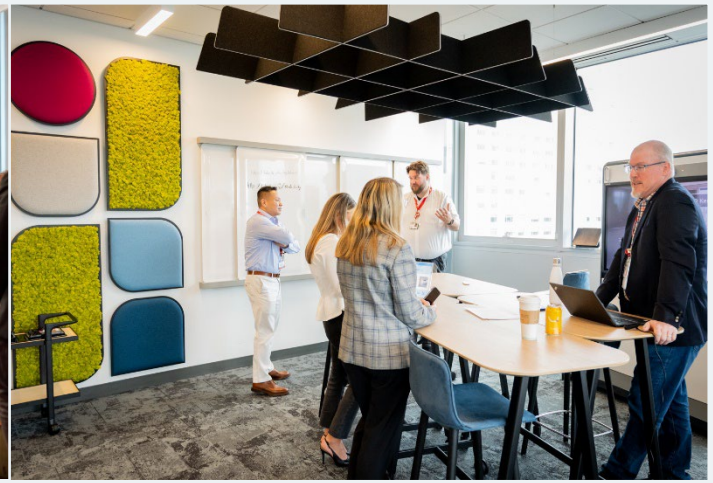
Data-driven approach to enhance our ways of working

Maximizing Meaningful In-person Interactions Where People Can Collaborate and Connect

BEFORE



AFTER



New Community Spaces at Takeda

Our Goal Is To Achieve Net-zero Emissions

Singapore Positive Energy Building

Seven Cowboy Wind Project, U.S.A

Before 2035

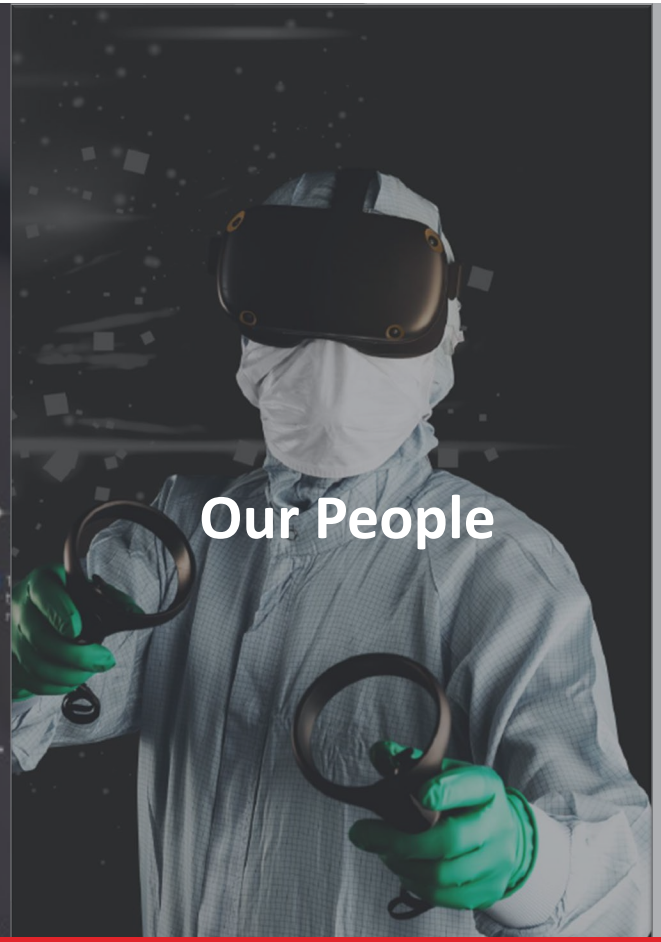
100% reduction of GHG emissions from our operations (Scope 1 & 2)

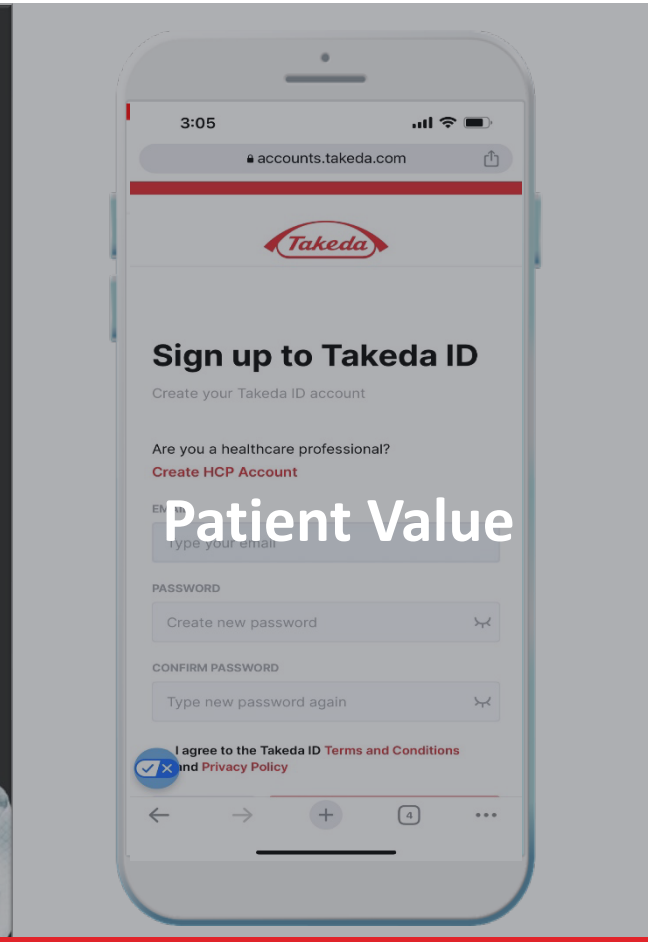
Before 2040

100% reduction of GHG emissions from our suppliers (Scope 3)

* GHG emissions are categorized as Scope 1 (direct emissions from company operations), Scope 2 (indirect emissions from purchased energy) and Scope 3 (emissions associated with our value chain – impacts from every purchase and use/disposal of our products).

Unleashing the Power of Data, Digital & Technology To Create Value Across the Pharma Value Chain





Enabling Us To Become the Most Trusted, Digital Biopharmaceutical Company

Robust Corporate Governance Led by Diverse Board of Directors

New Board Subject to Shareholder's Approval

3 Internal Directors

CHRISTOPHE WEBER
Representative Director,
President & CEO

COSTA SAROUKOS
Director,
Chief Financial Officer

ANDY PLUMP
Director, President,
Research & Development

12 Independent External Directors

MASAMI IIJIMA
External Director
Chair of the Board meeting

OLIVIER BOHUON
External Director

JEAN-LUC BUTEL
External Director

IAN CLARK
External Director

STEVEN GILLIS
External Director

JOHN MARAGANORE
External Director

MICHEL ORSINGER
External Director

MIKI TSUSAKA
External Director

Audit & Supervisory Committee (A&SC)

KOJI HATSUKAWA
External Director,
Chair of A&SC

YOSHIAKI FUJIMORI
External Director

EMIKO HIGASHI
External Director

KIMBERLY REED
External Director

COMMITTEE CHAIR & MEMBERS

CB Chair of the Board meeting

Audit & Supervisory Committee Members

- Chair & Membership of Nomination Committee & Compensation Committee will be appointed after Annual General Shareholders Meeting in June
- The four Directors who are Audit and Supervisory Committee members were elected at the 146th Ordinary General Meeting of Shareholders held in 2022 and their terms of office will continue until the 148th Ordinary General Meeting of Shareholders held in 2024

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
10

AGES
30-60s

WOMEN
39%

ELAINE SHANNON
Interim Global Quality
Officer

LAUREN DUPREY
Chief Human Resources
Officer

MARCELLO AGOSTI
Global Business
Development Officer

RETIRING

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

As of June 27, 2023

Better Health for People, Brighter Future for the World

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 income and expenses (excluding depreciation and amortization), finance income and expenses (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 period. 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 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	4,027.5					4,027.5
Cost of sales	(1,244.1)				35.7	(1,208.4)
Gross profit	2,783.4				35.7	2,819.1
SG&A expenses	(997.3)				(0.0)	(997.3)
R&D expenses	(633.3)				(0.0)	(633.4)
Amortization of intangible assets associated with products	(485.1)	485.1				—
Impairment losses on intangible assets associated with products	(57.3)		57.3			—
Other operating income	25.4			(25.4)		—
Other operating expenses	(145.2)			145.2		—
Operating profit	490.5	485.1	57.3	119.8	35.6	1,188.4
Margin	12.2 %					29.5%
Finance income and (expenses), net	(106.8)				(19.8)	(126.6)
Share of profit (loss) of investments accounted for using the equity method	(8.6)				8.8	0.2
Profit before tax	375.1	485.1	57.3	119.8	24.6	1,062.0
Tax expenses	(58.1)	(103.5)	(12.5)	(25.5)	3.9	(195.6)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	317.0	381.6	44.9	94.4	28.5	866.4
EPS (yen)	204					558
Number of shares (millions)	1,552					1,552

FY2021 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	Sale of Japan diabetes portfolio	Irish Tax Assessment *1	TEVA JV related accounting adjustments	Others	
Revenue	3,569.0				(133.0)		(0.8)	(14.6)	3,420.5
Cost of sales	(1,106.8)				0.6			45.6	(1,060.6)
Gross profit	2,462.2				(132.4)		(0.8)	31.0	2,359.9
SG&A expenses	(886.4)				1.0			5.1	(880.2)
R&D expenses	(526.1)							1.6	(524.5)
Amortization of intangible assets associated with products	(418.8)	418.8							—
Impairment losses on intangible assets associated with products	(54.1)		54.1						—
Other operating income	43.1			(41.7)			(1.4)		—
Other operating expenses	(159.1)			159.1					—
Operating profit	460.8	418.8	54.1	117.4	(131.4)		(2.2)	37.7	955.2
Margin	12.9 %								27.9%
Finance income and (expenses), net	(142.9)							21.0	(121.9)
Share of profit (loss) of investments accounted for using the equity method	(15.4)						7.3	11.8	3.7
Profit before tax	302.6	418.8	54.1	117.4	(131.4)		5.1	70.5	837.0
Tax expenses	(72.4)	(89.7)	(15.2)	(26.1)	40.2	65.4	(1.6)	(73.8)	(173.2)
Non-controlling interests	(0.1)								(0.1)
Net profit attributable to owners of the Company	230.1	329.1	38.9	91.2	(91.2)	65.4	3.5	(3.2)	663.7
EPS (yen)	147								425
Number of shares (millions)	1,564								1,564

*1 Tax charges of 65.4 billion JPY arising from the tax assessment involving Irish taxation of the break fee Shire received from AbbVie in connection with the terminated offer to acquire Shire made by AbbVie in 2014, net of 0.5 billion JPY of associated tax benefit.

FY2022 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2022
Cash and cash equivalents [*1]	407.7
Book value debt on consolidated statements of financial position	(4,382.3)
Hybrid bond 50% equity credit	250.0
FX adjustment [*2]	8.5
Gross debt [*3]	(4,123.9)
Net cash (debt)	**(3,716.1)**
Upfront payment related to the acquisition of TAK-279 [*4]	400.4
Net cash (debt) excluding upfront payment related to the acquisition of TAK-279	**(3,315.7)**
Net debt/Adjusted EBITDA ratio	**2.6 x**
Net debt/Adjusted EBITDA ratio excluding upfront payment related to the acquisition of TAK-279	**2.3 x**
Adjusted EBITDA	**1,421.8**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2021	FY2022	Change versus the previous year	
Net cash from operating activities	1,123.1	977.2	(145.9)	(13.0)%
Acquisition of PP&E	(123.3)	(140.7)		
Proceeds from sales of PP&E	1.8	1.0		
Acquisition of intangible assets	(62.8)	(493.0)		
Acquisition of investments	(8.3)	(10.2)		
Proceeds from sales and redemption of investments	16.9	22.3		
Acquisition of business, net of cash and cash equivalents acquired	(49.7)	—		
Proceeds from sales of business, net of cash and cash equivalents divested	28.2	8.0		
Net decrease in short-term loans and commercial papers	(0.0)	40.0		
Proceeds from long-term loans	—	75.0		
Repayment of long-term loans	(414.1)	(75.2)		
Proceeds from issuance of bonds	249.3	—		
Repayment of bonds	(396.0)	(281.5)		
Purchase of treasury shares	(77.5)	(26.9)		
Interest paid	(108.2)	(108.6)		
Dividends paid	(283.7)	(279.4)		
Others	(41.1)	(47.0)		
Net increase (decrease) in cash	(145.3)	(339.1)	(193.8)	(133.4)%

*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. 250.0 billion JPY reduction in debt due to 500.0 billion JPY 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 This represents the portion of the 4.0 billion USD upfront payment related to the acquisition of TAK-279 paid in February 2023 (such portion totaling 3.0 billion USD), converted to JPY using the Japanese yen – U.S. dollar exchange rate of 133.48, which is applicable to translation of foreign currency denominated cash as of March 31, 2023.

FY2022 and FY2021 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2021	FY2022	Change versus the previous year	
Net profit	230.2	317.0	86.9	37.7%
Income tax expenses	72.4	58.1		
Depreciation and amortization	583.2	664.4		
Interest expense, net	117.8	111.5		
EBITDA	1,003.6	1,151.0	147.4	14.7%
Impairment losses	54.5	64.4		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	106.3	109.0		
Finance expense (income), net, excluding interest income and expense, net	25.1	(4.7)		
Share of loss on investments accounted for under the equity method	15.4	8.6		
Other adjustments:	(30.2)	93.5		
Non-core expense related to COVID-19	10.4	9.9		
Sales of Japan diabetes portfolio and other non-core product divestitures	(144.8)	—		
Impact on profit related to fair value step up of inventory in Shire acquisition	31.9	24.9		
Other costs*1	72.4	58.7		
EBITDA from divested products*2	(6.6)	—		
Adjusted EBITDA	1,168.0	1,421.8	253.8	21.7%

*1 Includes adjustments for non-cash equity-based compensation expense and other one time non-cash expense.
*2 Represents adjustments for EBITDA from divested products which are removed as part of Adjusted EBITDA

FY2023 Reconciliation from Reported Operating Profit to Core Operating Profit Forecast

(Billion JPY)	REPORTED	REPORTED TO CORE ADJUSTMENTS			CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income (expenses)	
Revenue	3,840.0				3,840.0
Cost of sales					
Gross Profit					
SG&A and R&D expenses					
Amortization of intangible assets associated with products	(480.0)	480.0			—
Impairment losses on intangible assets associated with products	(50.0)		50.0		—
Other operating income	14.0			(14.0)	—
Other operating expenses	(150.0)			150.0	—
Operating profit	349.0	480.0	50.0	136.0	1,015.0

Glossary of Abbreviations

Regional Abbreviations:
CN: China; EU: Europe; JP: Japan; US: United States of America

AAD	American Academy of Dermatology
AATD	α1-antitrypsin deficiency
AATD LD	α1-antitrypsin deficiency associated liver disease
ADAMTS13	a disintegrin-like and metalloproteinase with a thrombospondin type 1 motifs 13
ADHD	attention deficit hyperactivity disorder
ALGS	Alagille syndrome
ALK	anaplastic lymphoma kinase
ALL	acute lymphocytic leukemia
AVA	Advanced Vial Access
BLA	biologics license application
BMA	bradykinin mediated angioedema
BTD	breakthrough therapy designation
CAR NK	chimeric antigen receptor natural killer cell
CD	Crohn's disease
CHMP	Committee for Medicinal Products for Human Use
CIDP	chronic inflammatory demyelinating polyradiculoneuropathy
CML	chronic myeloid leukemia
CMV	cytomegalovirus
CPF	complex perianal fistulas
CRC	colorectal cancer
CRL	complete response letter
CRPC	castrate-resistant prostate cancer
CTCL	cutaneous T-cell lymphoma
cTTP	congenital thrombotic thrombocytopenic purpura
DOAC	direct oral anti-coagulation
DS	Dravet syndrome
EGFR	epidermal growth factor receptor
EMA	European Medicines Agency
EU-M4all	EU-Medicines for all
FDA	U.S. Food & Drug Administration
FL	front line
FSI	first subject in
FY	fiscal year
GI	gastrointestinal
GvHD	graft versus host disease
H2H	head-to-head
HAE	hereditary angioedema
HemA	hemophilia A
HL	Hodgkin lymphoma
HSCT	hematopoietic stem cell transplant
IARS	International Anesthesia Research Society
IBD	inflammatory bowel disease
IgA	immunoglobulin A
IgAN	immunoglobulin A nephropathy
IgG	immunoglobulin G
IND	investigational new drug
ITP	Immune thrombocytopenic purpura
iTTP	immune thrombotic thrombocytopenic purpura
JAK	Janus kinase
IV	intravenous
iPSC	induced pluripotent stem cells
LCM	lifecycle management
LD	liver disease
LGS	Lennox-Gastaut syndrome
mCRC	metastatic colorectal cancer
mCRPC	metastatic castrate-resistant prostate cancer
MDD	major depressive disorder
MG	myasthenia gravis
MLD	metachromatic leukodystrophy
MM	multiple myeloma
MMN	multifocal motor neuropathy
mNSCLC	metastatic non-small cell lung cancer
MSA	multiple system atrophy
MSS	microsatellite stable
NASH	non-alcoholic steatohepatitis
ND	newly diagnosed
NDA	new drug application
NEJM	New England Journal of Medicine
NK	natural killer
NME	new molecular entity
NMPA	(China's) National Medical Products Administration
NSCLC	non-small cell lung cancer
NT1 or 2	narcolepsy type 1 or 2
ORR	overall response rate
PASI	psoriasis area and severity index
PCD	protein C deficiency
PEX	plasma exchange
PFIC	progressive familial intrahepatic cholestasis
Ph+ ALL	Philadelphia chromosome-positive acute lymphoblastic leukemia
PID	primary immunodeficiency
PK	pharmacokinetics
PMDA	Japan's Pharmaceuticals and Medical Devices Agency
POC	proof of concept
POGD	post-operative gastrointestinal dysfunction
PRIME	Priority medicines scheme by EMA
PTH	parathyroid hormone
QD	quaque die, every day
R/R	relapsed/refractory
RTU	ready to use
SC	subcutaneous formulation
SCD	sickle cell disease
SCPCD	severe congenital protein C deficiency
SCT	stem cell transplant
SID	secondary immunodeficiency
SLE	systemic lupus erythematosus
SOC	standard of care
STING	stimulator of interferon genes
SUMO	small ubiquitin-related modifier
TCE	T-cell engager
TEAE	treatment emergent adverse event
TKI	tyrosine kinase inhibitor
TREM2	triggering receptor expressed on myeloid cells 2
TTP	thrombotic thrombocytopenic purpura
TYK2	tyrosine kinase 2
UC	ulcerative colitis
VEGFR	vascular endothelial growth factor receptors
vWD	von Willebrand disease
vWF	von Willebrand factor
WW	Worldwide