Better Health, Brighter Future

Takeda Quarterly Financial Report

For the Quarter Ended June 30, 2023

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Financial Highlights

Selected Financial Results

Takeda uses certain non-IFRS measures to supplement the analysis of results of operations under International Financial Reporting Standards ("IFRS"). Refer to "Financial Appendix" for the definition and reconciliations of non-IFRS Measures.

Results of Operation

	Three-month period ended June 30,		Change versus the same period of the previous fiscal year		
			AER*		CER*
(JPY millions)	2022	2023	Amount of Change	% Change	% Change
Revenue	972,465	1,058,618	86,153	8.9 %	3.7 %
Operating profit	150,515	168,571	18,056	12.0 %	10.0 %
Profit before tax	155,473	135,033	(20,440)	(13.1)%	(14.0)%
Net profit for the period	105,021	89,406	(15,615)	(14.9)%	(15.4)%
Basic earnings per share (JPY)	67.94	57.51	(10.43)	(15.4)%	(15.9)%

* Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS) and Constant Exchange Rate is presented in “CER” (which is a non-IFRS measure).

Core Results

Results of Core Operations

	Three-month period ended June 30,		Change versus the same period of the previous fiscal year		
			AER*		CER*
(JPY billions)	2022	2023	Amount of Change	% Change	% Change
Core Revenue	972.5	1,058.6	86.2	8.9 %	3.7 %
Core Operating Profit	319.1	326.3	7.3	2.3 %	(2.0)%
Core EPS (JPY)	145	150	5	3.5 %	0.3 %

* Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS) and Constant Exchange Rate is presented in “CER” (which is a non-IFRS measure). Refer to Analysis of Results of Operations, Financial Position, and Cash Flow, Core Results, Definition of Core Financial Measures and Constant Exchange Rate change, for the definition.

Leverage

	As of	
(JPY billions)	March 31, 2023	June 30, 2023
Net debt	(3,716.1)	(4,132.5)
Adjusted EBITDA	1,421.8	1,438.8
Net debt/Adjusted EBITDA ratio	2.6 x	2.9 x

Consolidated Cash Flows

	Three-month period ended June 30,		Change versus the same period of the previous fiscal year	
(JPY millions)	2022	2023	JPY	%
Cash flows from (used in) operating activities	84,241	92,400	8,159	9.7 %
Cash flows from (used in) investing activities	(94,714)	(266,530)	(171,816)	(181.4) %
Cash flows from (used in) financing activities	(215,717)	(57,778)	157,939	73.2 %

Free Cash Flow

	Three-month period ended June 30,		Change versus the same period of the previous fiscal year	
(JPY billions)	2022	2023	JPY	%
Free Cash Flow	42.6	(207.5)	(250.1)	— %

Consolidated Financial Position

(JPY millions)	As of March 31, 2023	As of June 30, 2023	Change versus the previous fiscal year-end JPY	Change versus the previous fiscal year-end %
Non-current Assets	11,559,794	12,320,721	760,927	6.6 %
Current Assets	2,397,956	2,472,017	74,061	3.1 %
Total Assets	**13,957,750**	**14,792,738**	**834,988**	**6.0 %**
Non-current Liabilities	5,121,138	5,369,328	248,190	4.8 %
Current Liabilities	2,481,940	2,501,741	19,801	0.8 %
Total Liabilities	**7,603,078**	**7,871,069**	**267,991**	**3.5 %**
Equity	**6,354,672**	**6,921,668**	**566,997**	**8.9 %**
Total liabilities and equity	**13,957,750**	**14,792,738**	**834,988**	**6.0 %**

Forecast and Management Guidance

*Forecast**

(JPY billions)	FY2022 Actual Results	FY2023 Forecast	Change versus the previous year	
Reported:				
Revenue	4,027.5	3,840.0	(187.5)	(4.7)%
Operating profit	490.5	349.0	(141.5)	(28.8)%
Profit before tax	375.1	185.0	(190.1)	(50.7)%
Net profit for the year (attributable to owners of the Company)	317.0	142.0	(175.0)	(55.2)%
EPS (JPY)	204.29	90.75	(113.54)	(55.6)%
Non-IFRS Measures				
Core Operating Profit	1,188.4	1,015.0	(173.4)	(14.6)%
Core EPS (JPY)	558	434	(124)	(22.2)%
Free cash flow	446.2	400.0 - 500.0		
Dividends per share (JPY)	180	188	8	4.4 %

*Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Outlook for the Fiscal Year Ending March 31, 2024" for details.

Management Guidance

Takeda uses change in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance.

	FY2023 Management Guidance CER % Change*
Core Revenue	Low-single-digit % decline
Core Operating Profit	Low-10s % decline
Core EPS	Low-20s % decline

*Refer to Analysis of Results of Operations, Financial Position, and Cash Flow, Core Results, Definition of Core Financial Measures and Constant Exchange Rate change, for the definition.

Revenue by Region

JPY (millions)

Three-month period Ended June 30,

		Japan	United States	Europe and Canada	Asia (excluding Japan)	Latin America	Russia/CIS	Other	Total
	2022	140,534	501,058	205,573	46,096	40,285	17,366	21,552	972,465
	2023	124,823	554,390	224,338	60,827	43,717	17,364	33,159	1,058,618
Change versus the previous year	JPY	(15,711)	53,332	18,764	14,732	3,432	(2)	11,607	86,153
	%	(11.2)%	10.6 %	9.1 %	32.0 %	8.5 %	(0.0)%	53.9 %	8.9 %

"Other" includes the Middle East, Oceania and Africa. This disaggregation provides revenue attributable to countries or regions based on the customer location.

Recent Developments

Pipeline and R&D Activities

Research and development expenses for the three-month period ended June 30, 2023 were JPY 162.7 billion.

Takeda's R&D engine is focused on translating science into highly innovative, life-transformative medicines that make a critical difference to patients. Takeda supports dedicated R&D efforts across three areas: Innovative Biopharma, Plasma-Derived Therapies ("PDT") and Vaccines. The R&D engine for Innovative Biopharma is the largest component of our R&D investment and has produced exciting new molecular entities ("NMEs") that represent potential best-in-class and/or first-in-class medicines in areas of high unmet medical need across our core therapeutic areas (Gastrointestinal and inflammation, neuroscience, oncology, and rare genetics and hematology). We are working to harness the potential of cell and gene therapies by investing in new capabilities and next-generation platforms internally and through a network of partnerships. We are embracing data and digital technologies to improve the quality of innovation and accelerate execution.

Takeda's pipeline is positioned to support both the near-term and mid- to long-term sustained growth of the company. Once first approval of a product is achieved, Takeda R&D is equipped to support geographic expansions of such approval and approvals in additional indications, as well as post-marketing commitment and potential additional formulation work. Takeda's R&D team works closely with the commercial functions to maximize the value of marketed products and reflect commercial insights in its R&D strategies and portfolio.

Major progress on R&D events since April 2023 are listed as follows:

R&D pipeline

Gastrointestinal and Inflammation

In Gastrointestinal and Inflammation, Takeda focuses on delivering innovative, life-changing therapeutics for patients with gastrointestinal diseases, including those of the liver as well as other immune-mediated inflammatory diseases. Takeda is maximizing the potential of our inflammatory bowel disease (IBD) franchise around ENTYVIO, including development of a subcutaneous formulation and expansion into other indications such as active chronic pouchitis. Takeda is also expanding its position with GATTEX/REVESTIVE, and ALOFISEL which is currently in Phase 3 trial to support further potential geographic expansion in the U.S. Furthermore, Takeda is progressing a pipeline built through in-house discovery, partnerships and business development, exploring opportunities in inflammatory diseases (IBD, celiac disease, psoriasis, psoriatic arthritis, system lupus erythematosus, others), select liver diseases, and motility disorders. Fazirsiran (TAK-999) is an example of an addition through partnership and a potential first-in-class RNAi for alpha-1 antitrypsin-deficiency associated liver disease in late-stage development. TAK-279 is an example of an acquisition through business development of a late-stage, potential best-in-class oral allosteric tyrosine kinase 2 (TYK2) inhibitor with potential to treat inflammatory diseases.

ENTYVIO / Generic name: vedolizumab

- In April 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) accepted for review its Biologics License Application (BLA) resubmission for the investigational subcutaneous (SC) administration of ENTYVIO for maintenance therapy in adults with moderately to severely active ulcerative colitis (UC) after induction therapy with ENTYVIO intravenous (IV). The resubmission is intended to address FDA feedback in a December 2019 Complete Response Letter (CRL). Since receiving the CRL Takeda has worked closely with the FDA to address the Agency's feedback; this resubmission package includes additional data collected to investigate the use of subcutaneous administration of Entyvio. The contents of the letter were unrelated to the IV formulation of Entyvio, the clinical safety and efficacy data, and conclusions from the pivotal VISIBLE 1 trial supporting the Entyvio SC BLA. VISIBLE 1 assessed the safety and efficacy of a SC formulation of Entyvio as maintenance therapy in 216 adult patients with moderately to severely active UC who achieved clinical response at week 6 following two doses of open-label vedolizumab intravenous therapy at weeks 0 and 2. The primary endpoint was clinical remission at week 52, which was defined as a total Mayo score of ≤2 and no subscore >1. Takeda expects a decision from the FDA by the end of 2023.

Neuroscience

In Neuroscience, Takeda is focusing its R&D investments on potentially transformative treatments for neurological and neuromuscular diseases of high unmet need and building its pipeline through a combination of in-house expertise and partnerships. By harnessing advances in disease biology understanding, translational tools, and innovative modalities, Takeda is primarily focusing on rare neurology, in particular, on potential investigative therapies for sleep-wake disorders such as narcolepsy and idiopathic hypersomnia with a franchise of orexin-2 receptor agonists (TAK-861, danavorexton (TAK-925), etc.), rare epilepsies with soticlestat (TAK-935) and central nervous system (CNS) and somatic symptoms of Hunter Syndrome with pabinafusp alfa (TAK-141). Additionally, Takeda makes targeted investments to investigate well-defined segments of neuromuscular diseases, neurodegenerative diseases and movement disorders.

Oncology

In Oncology, we aspire to cure cancer, with inspiration from patients and innovation from everywhere. We are focused on: (1) building on our legacy in hematologic malignancies with marketed products (NINLARO, ADCETRIS, and ICLUSIG, etc.) and pipeline programs; (2) growing a solid tumor portfolio with marketed lung cancer products (ALUNBRIG and EXKIVITY), and development programs in other areas, including colorectal cancer with fruquinitinib (TAK-113); and (3) advancing a cutting-edge pipeline focused on the power of innate immunity.

Development code: TAK-113 / Generic name: fruquintinib

- In May 2023, Takeda and HUTCHMED (China) Limited announced that the U.S. Food and Drug Administration (FDA) granted priority review of the New Drug Application (NDA) for fruquintinib, a highly selective and potent inhibitor of vascular endothelial growth factor receptors (VEGFR) -1, -2 and -3 for the treatment of adult patients with previously treated metastatic colorectal cancer (CRC). If approved, fruquintinib will be the first and only highly selective inhibitor of all three VEGF receptors approved in the U.S. for previously treated metastatic CRC. The NDA for fruquintinib includes results from the Phase 3 FRESCO-2 trial conducted in the US, Europe, Japan and Australia along with data from the Phase 3 FRESCO trial conducted in China. The Prescription Drug User Fee Act (PDUFA) goal date assigned by the FDA for this NDA is November 30, 2023.
- In June 2023, Takeda and HUTCHMED (China) Limited announced that the European Medicines Agency (EMA) validated and accepted for regulatory review the marketing authorization application (MAA) for fruquintinib for the treatment of adult patients with previously treated metastatic CRC. If approved, fruquintinib will be the first and only highly selective and potent inhibitor of VEGFR -1, -2 and -3 approved in the European Union (EU) for previously treated metastatic CRC. The MAA for fruquintinib includes results from the Phase 3 FRESCO-2 trial along with data from the Phase 3 FRESCO trial.
- In June 2023, Takeda and HUTCHMED (China) Limited announced that results of the Phase 3 FRESCO-2 study evaluating fruquintinib in patients with previously treated metastatic CRC were published in *The Lancet*. FRESCO-2 is a global Phase 3 multi-regional clinical trial (MRCT) conducted in the U.S., Europe, Japan and Australia investigating fruquintinib plus best supportive care (BSC) vs placebo plus BSC in patients with previously treated metastatic CRC. The FRESCO-2 study met its primary and key secondary endpoints, demonstrating that treatment with fruquintinib resulted in a statistically significant and clinically meaningful improvement in overall survival (OS) and progression-free survival (PFS), respectively. The safety profile of fruquintinib in FRESCO-2 was consistent with previously reported fruquintinib studies.

Rare Genetics and Hematology

In Rare Genetics and Hematology, Takeda focuses on several areas of high unmet medical need. In hereditary angioedema, Takeda aspires to transform the treatment paradigm, including through TAKHZYRO, with continued investment in lifecycle management programs. In rare hematology, Takeda focuses on addressing today's needs in the treatment of bleeding disorders, including through ADVATE and ADYNOVATE/ADYNOVI, as well as on the development of pipeline assets including apadamtase alfa/cinaxadamtase alfa (TAK-755) for the treatment of immune thrombotic thrombocytopenic purpura (iTTP) and congenital thrombotic thrombocytopenic purpura (cTTP). In addition, Takeda aims to redefine the management of post-transplant cytomegalovirus (CMV) infection/disease with LIVTENCITY. Takeda commits to fulfilling our vision to deliver life-transforming medicines to patients with rare diseases.

Development code: TAK-755 / Generic name: apadamtase alfa/cinaxadamtase alfa

- In May 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) accepted Takeda's Biologics License Application (BLA) for TAK-755, an enzyme replacement therapy for the treatment of congenital thrombotic thrombocytopenic purpura (cTTP), an ADAMTS13 deficiency disorder. The TAK-755 application was accepted by the FDA on May 16th and has been granted Priority Review. FDA also granted TAK-755 Rare Pediatric Disease (RPD) designation for cTTP. TAK-755 has previously received Fast Track Designation and Orphan Drug Designation in cTTP. The BLA is supported by the totality of the evidence provided by efficacy, pharmacokinetic, safety and tolerability data from the first randomized, controlled trial in cTTP, and supported by long-term safety and efficacy data from a continuation study. If approved, TAK-755 would be the first and only recombinant ADAMTS13 (rADAMTS13) replacement therapy for cTTP, a disorder with considerable unmet patient need. Takeda is also investigating the safety, efficacy and pharmacokinetics of TAK-755 treatment in immune-mediated TTP (iTTP).
- In June 2023, Takeda presented favorable interim results from a global pivotal Phase 3 randomized, controlled, open-label, crossover trial evaluating the safety and efficacy of TAK-755 replacement therapy for the prophylactic treatment of cTTP, and pharmacokinetics (PK) characteristics of TAK-755, as well as long-term data on TAK-755 prophylaxis from a Phase 3b continuation study at the International Society on Thrombosis and Haemostasis (ISTH) 2023 Congress. In the pivotal trial, no patient had an acute TTP event while receiving TAK-755 prophylactic treatment. TAK-755 also reduced the incidence of thrombocytopenia by 60%, as compared to plasma-based therapy (hazard ratio [HR] 0.40; 95% confidence interval [CI]; 0.3- 0.7). Treatment-emergent adverse events (TEAEs) were reported in 10.3% of patients ages 12-68 receiving TAK-755 compared to 50% of patients receiving plasma-based therapy, demonstrating a favorable safety and tolerability profile with a potential safety advantage over plasma-based therapies. PK characteristics of ADAMTS13 after a single infusion (0-168 hours) were evaluated and compared to plasma-based therapy in 36 cTTP patients aged 12 and older. Patients receiving TAK-755 achieved a five-fold increase in their ADAMTS13 activity levels compared to those receiving plasma-based therapy (Cmax 100% activity for TAK-755 vs. 19% activity for plasma-based therapy) and lower variability (23.8% vs. 56% coefficient of variation [CV], respectively). Also, the results of an interim analysis of the Phase 3b continuation study, evaluating the safety and efficacy of long-term TAK-755 prophylaxis in 29 patients with cTTP, demonstrated a consistently favorable safety profile with TAK-755 prophylaxis and no development of neutralizing antibodies. Zero acute TTP events occurred during TAK-755 prophylaxis, and the incidence rates of subacute TTP events and TTP manifestations were comparable to those with TAK-755 prophylaxis in the pivotal study.

ADYNOVATE/ADYNOVI / Generic name: antihemophilic factor (recombinant), PEGylated

- In June 2023, Takeda announced that it received an approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for a partial change in approved items of the manufacturing and marketing approval of ADYNOVATE for dosage and administration. This approval will contribute driving personalized treatments by adjusting dosage and administration including dosing amount and intervals, depending on individual patient's clinical presentation and activity level. The approval is based primarily on the results of the global Phase 3 CONTINUATION study and Phase 3 PROPEL study conducted outside of Japan.

OBIZUR / Generic name: Susoctocog Alfa (recombinant)

- In June 2023, Takeda announced that it has submitted a marketing authorization application to the Japanese Ministry of Health, Labour and Welfare (MHLW) for Susoctocog Alfa (recombinant) for the control of bleeding in patients with acquired hemophilia A (AHA). The application is based primarily on a Japanese Phase 2/3 trial in adult Japanese patients with AHA and a Phase 2/3 trial conducted outside of Japan in non-Japanese adult patients with AHA.

Plasma-Derived Therapies (PDT)

Takeda has created a dedicated PDT business unit with a focus to manage the business end-to-end, from plasma collection to manufacturing, R&D, and commercialization. In PDT, we aspire to develop life-saving plasma derived treatments which are essential for patients with a variety of rare and complex chronic diseases. The dedicated R&D organization in PDT is charged with maximizing the value of existing therapies, identifying new targeted therapies, and optimizing efficiencies of current product manufacturing. Near-term, our priority is focused on delivering value from our broad immunoglobulin portfolio (HYQVIA, CUVITRU, GAMMAGARD and GAMMAGARD S/D) through pursuit of new indications, geographic expansions, and enhanced patient experience through integrated healthcare technologies. In our hematology and specialty care portfolio, our priority is pursuing new indication and formulation development opportunities for PROTHROMPLEX (4F-PCC), FEIBA, CEPROTIN and ARALAST. Additionally, we are developing next generation immunoglobulin products with 20% fSCIg (TAK-881), IgG Low IgA (TAK-880) and pursuing other early stage opportunities (e.g. hypersialylated Immunoglobulin (hsIgG)) that would add to our diversified commercial portfolio of more than 20 therapeutic products distributed worldwide.

HYQVIA / Generic name: Immunoglobulin (IG) Infusion 10% (Human) w/ Recombinant Human Hyaluronidase for subcutaneous administration

- In April 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) approved a supplemental biologics license application (sBLA) to expand the use of HYQVIA to treat primary immunodeficiency (PI) in children 2-16 years old. The FDA approval of HYQVIA for the treatment of PI in pediatric patients was based on evidence from a pivotal, prospective, open-label, non-controlled Phase 3 clinical trial that included 44 PI patients between the ages of 2 and 16. During the 12-month trial period, HYQVIA was shown to be efficacious with respect to the occurrence of acute serious bacterial infections (aSBIs), a primary endpoint. The mean aSBI rate per year was 0.04 and was statistically significantly lower (with an upper 1-sided 99% confidence interval of 0.21, $p<0.001$) than the predefined success rate of less than one aSBI per subject per year, favoring efficacy of HYQVIA treatment in pediatric subjects with PI diseases. Results from the interim data analysis, where all subjects completed 12 months of participation (one year of observation period) in the study, indicated similar safety profiles to adults.
- In June 2023, Takeda announced full results from the pivotal Phase 3 ADVANCE-CIDP 1 clinical trial investigating HYQVIA as maintenance therapy in adult patients with chronic inflammatory demyelinating polyneuropathy (CIDP). ADVANCE-CIDP 1 is a Phase 3, prospective, randomized, double-blind, multicenter, placebo-controlled study in which adults with stable CIDP on intravenous immunoglobulin (IVIG) were randomized 1:1 to be switched to HYQVIA (n=62) or placebo (n=70) and received their assigned treatment for six months or until relapse or study withdrawal. The primary endpoint was proportion of participants who experienced a relapse defined as worsening of CIDP symptoms as measured by Inflammatory Neuropathy Cause and Treatment (INCAT). Secondary endpoints included patient proportion experiencing functional worsening, time to relapse, change from pre-subcutaneous treatment baseline in Rasch-built Overall Disability Scale (R-ODS) centile score and safety. Results showed a clinically significant reduction in relapse rate with HYQVIA vs placebo (9.7% vs. 31.4%, respectively; $p=0.0045$) and other analysis showed delayed time to relapse with HYQVIA vs. placebo. Favorable data across other endpoints from the study and favorable tolerability were also observed. These findings were presented at the 2023 Peripheral Nerve Society (PNS) Annual Meeting in Denmark in June 2023, and simultaneously published in *the Journal of the Peripheral Nervous System* (JPNS).

CEPROTIN / Generic name: Human Dry Protein C Concentrate (Development code: TAK-662)

- In April 2023, Takeda announced that it submitted a New Drug Application (NDA) to the Japanese Ministry of Health, Labour and Welfare (MHLW) for manufacturing and marketing approval of human dry protein C concentrate (TAK-662) for the treatment of venous thromboembolism and purpura fulminans caused by congenital protein C deficiency, as well as for the suppression of thrombi. The application is based primarily on a Phase 1/2 trial in Japanese patients with congenital protein C deficiency and two Phase 2/3 trials (IMAG-098 and 400101) outside of Japan in patients with congenital protein C deficiency. In these trials, TAK-662 demonstrated its efficacy and safety as a treatment for congenital protein C deficiency.

Vaccine

In Vaccines, Takeda is applying innovation to tackle some of the world's most challenging infectious diseases such as dengue (QDENGA (development code: TAK-003)), COVID-19 (NUVAXOVID), and zika (TAK-426). To support the expansion of our pipeline and the development of our programs, we have entered into partnerships with government organizations in Japan and the U.S., and leading global institutions. Such partnerships have been essential in building the critical capabilities that will be necessary to deliver on our programs and realize their full potential.

QDENGA / Generic name: Dengue tetravalent vaccine [live, attenuated] (Development code: TAK-003)

- In July 2023, Takeda announced that it voluntarily withdrew the U.S. Biologics License Application (BLA) for TAK-003, following discussions with the U.S. Food and Drug Administration (FDA) on aspects of data collection, which cannot be addressed within the current BLA review cycle. The future plan for TAK-003 in the U.S. will be further evaluated given the need for travelers and those living in dengue-endemic areas of the U.S., such as Puerto Rico. The efficacy and safety profiles of TAK-003 have been demonstrated through a robust clinical trial program, including a 4.5-year Phase 3 study of over 20,000 children and adolescents living in eight dengue endemic areas. The study was designed per World Health Organization (WHO) guidance for a second-generation dengue vaccine, and it considered the need to achieve high levels of subject retention and protocol compliance in endemic regions. The vaccine is approved in multiple endemic and non-endemic countries, with more approvals expected over the coming years.

Building a sustainable research platform / Enhancing R&D collaboration

In addition to our concentrated efforts to increase our in-house R&D capabilities, external partnerships with third-party partners are a key component of our strategy for enhancing our R&D pipeline. Our strategy to expand and diversify our external partnerships allows us to take part in research of a wide variety of new products and increases the chances that we will be able to take part in a major research-related breakthrough.

Analysis of Results of Operations, Financial Position, and Cash Flow

Consolidated Financial Results

Billion JPY or percentage

	FY2022 Q1	FY2023 Q1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
Revenue	972.5	1,058.6	86.2	8.9 %	3.7 %
Cost of sales	(292.9)	(321.1)	(28.2)	9.6 %	4.6 %
Selling, general and administrative expenses	(231.5)	(248.1)	(16.6)	7.2 %	1.9 %
Research and development expenses	(143.6)	(162.7)	(19.1)	13.3 %	6.6 %
Amortization and impairment losses on intangible assets associated with products	(131.3)	(129.4)	1.9	(1.4)%	(8.1)%
Other operating income	5.5	4.3	(1.2)	(22.4)%	(22.0)%
Other operating expenses	(28.2)	(32.9)	(4.7)	16.8 %	10.0 %
Operating profit	150.5	168.6	18.1	12.0 %	10.0 %
Finance income and (expenses), net	5.5	(33.1)	(38.6)	—	—
Share of loss of investments accounted for using the equity method	(0.5)	(0.4)	0.1	(15.9)%	(51.6)%
Profit before tax	155.5	135.0	(20.4)	(13.1)%	(14.0)%
Income tax expenses	(50.5)	(45.6)	4.8	(9.6)%	(11.2)%
Net profit for the period	105.0	89.4	(15.6)	(14.9)%	(15.4)%

In this section, when comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to Core Results (April 1 to June 30, 2023), Definition of Core financial measures and Constant Exchange Rate change, for the definition of “Constant Exchange Rate change”.

Revenue

Revenue for the three-month period ended June 30, 2023 was JPY 1,058.6 billion (JPY +86.2 billion and +8.9% AER, +3.7% CER). The increase is primarily attributable to favorable foreign exchange rates and growth from business momentum of our five key business areas (i.e. Gastroenterology (“GI”), Rare Diseases, Plasma-Derived Therapies (“PDT”) Immunology, Oncology, and Neuroscience), with the exception of Oncology which was impacted by generic erosion and intensified competition on certain products in the current period. In addition, revenue outside of our five key business areas decreased mainly due to lower revenue contribution from COVID-19 vaccines.

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

Revenue:	FY2022 Q1	FY2023 Q1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
Japan	140.5	124.8	(15.7)	(11.2)%	(11.3)%
United States	501.1	554.4	53.3	10.6 %	2.9 %
Europe and Canada	205.6	224.3	18.8	9.1 %	2.8 %
Asia (excluding Japan)	46.1	60.8	14.7	32.0 %	29.6 %
Latin America	40.3	43.7	3.4	8.5 %	13.9 %
Russia/CIS	17.4	17.4	(0.0)	(0.0)%	0.1 %
Other*1	21.6	33.2	11.6	53.9 %	56.4 %
Total	972.5	1,058.6	86.2	8.9 %	3.7 %

*1 Other includes the Middle East, Oceania and Africa.

Revenue by Business Area

The following shows revenue by business area:

Billion JPY or percentage

Revenue:	FY2022 Q1	FY2023 Q1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
GI	270.4	293.5	23.2	8.6 %	2.7 %
Rare Diseases	181.6	192.6	11.0	6.1 %	2.0 %
Rare Hematology	79.1	81.4	2.2	2.8 %	(1.7)%
Rare Genetics and Other	102.5	111.3	8.8	8.5 %	4.9 %
PDT Immunology	141.9	186.5	44.7	31.5 %	24.3 %
Oncology	117.5	110.5	(7.0)	(6.0)%	(8.6)%
Neuroscience	142.4	177.0	34.6	24.3 %	17.2 %
Other	118.7	98.4	(20.3)	(17.1)%	(20.3)%
Total	972.5	1,058.6	86.2	8.9 %	3.7 %

Year-on-year change in revenue for this three-month period in each of our business areas was primarily attributable to the following products:

GI

In GI, revenue was JPY 293.5 billion (JPY +23.2 billion and +8.6% AER, +2.7% CER).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 192.0 billion (JPY +23.7 billion and +14.1% AER, +7.1% CER). Sales in the U.S. were JPY 134.3 billion (JPY +16.4 billion and +13.9% AER). The increase was due to demand in the first line biologic inflammatory bowel disease (“IBD”) population both in UC and CD and favorable foreign exchange rates. Sales in Europe and Canada were JPY 44.0 billion (JPY +5.1 billion and +13.2% AER). The increase was primarily due to continued launches of the subcutaneous formulation, new patient gains and favorable foreign exchange rates.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 27.1 billion (JPY +5.2 billion and +23.6% AER, +17.0% CER). The increase was primarily due to increased demand across all regions and favorable foreign exchange rates.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 29.8 billion (JPY +2.2 billion and +7.9% AER, +7.6% CER). The increase was primarily due to increased sales in China.

Sales of DEXILANT (for acid reflux disease) were JPY 12.0 billion (JPY -10.3 billion and -46.1% AER, -48.8% CER). The decrease was due to the loss of exclusivity and the termination of the authorized generics program in the U.S.

Rare Diseases

In Rare Diseases, revenue was JPY 192.6 billion (JPY +11.0 billion and +6.1% AER, +2.0% CER).

Revenue of Rare Hematology was JPY 81.4 billion (JPY +2.2 billion and +2.8% AER, -1.7% CER).

Sales of ADVATE (for hemophilia A) were JPY 33.8 billion (JPY +1.7 billion and +5.4% AER, +0.6% CER). The increase was due to favorable foreign exchange rates.

Sales of FEIBA (for hemophilia A and B) were JPY 11.9 billion (JPY +1.3 billion and +12.5% AER, +7.2% CER). The increase was primarily due to the favorable timing of shipments in the U.S. and favorable foreign exchange rates.

Aggregate sales of plasma-derived human coagulation factor products, HEMOFIL (for hemophilia A), IMMUNATE (for hemophilia A), and IMMUNINE (for hemophilia B) were JPY 4.2 billion (JPY -1.2 billion and -21.7% AER, -23.3% CER). The decrease was primarily due to decreased sales in the Growth and Emerging Markets.

Revenue of Rare Genetics and Other was JPY 111.3 billion (JPY +8.8 billion and +8.5% AER, +4.9% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 41.3 billion (JPY +7.3 billion and +21.4% AER, +14.7% CER). The increase was primarily due to continued strong demand across all regions and favorable foreign exchange rates.

Sales of LIVTENCITY (for post-transplant cytomegalovirus ("CMV") infection/disease) were JPY 4.1 billion (JPY +1.8 billion and +83.4% AER, +70.7% CER). The increase was primarily due to continued patient uptake in the U.S. and Europe and Canada.

Sales of FIRAZYR (for hereditary angioedema) were JPY 5.5 billion (JPY -1.2 billion and -18.3% AER, -20.2% CER). The decrease was primarily due to the loss of exclusivity in the U.S. and Europe.

PDT Immunology

In PDT Immunology, revenue was JPY 186.5 billion (JPY +44.7 billion and +31.5% AER, +24.3% CER).

Aggregate sales of immunoglobulin products were JPY 145.6 billion (JPY +33.8 billion and +30.2% AER, +22.5% CER). Sales of each of our three global immunoglobulin brands marked double digit percentage of revenue growth, due to continued strong demand globally and growing supply, especially in the U.S., as well as favorable foreign exchange rates. Those include GAMMAGARD LIQUID/KIOVIG (for the treatment of primary immunodeficiency ("PID") and multifocal motor neuropathy ("MMN")), and subcutaneous immunoglobulin therapies (CUVITRU and HYQVIA) which are growing due to their benefit to patients and convenience in administration compared to intravenous therapies.

Aggregate sales of albumin products including HUMAN ALBUMIN and FLEXBUMIN (primarily used for hypovolemia and hypoalbuminemia) were JPY 30.8 billion (JPY +8.8 billion and +40.0% AER, +36.0% CER). The increase was primarily driven by strong albumin demand in China.

Oncology

In Oncology, revenue was JPY 110.5 billion (JPY -7.0 billion and -6.0% AER, -8.6% CER).

Sales of VELCADE (for multiple myeloma) were JPY 1.8 billion (JPY -14.7 billion and -89.0% AER, -89.8% CER). The decrease was primarily due to multiple generic entrants in the U.S. starting in May 2022.

Sales of ADCETRIS (for malignant lymphomas) were JPY 27.1 billion (JPY +7.2 billion and +35.8% AER, +35.3% CER). The increase was led by strong growth in Growth and Emerging Markets.

Neuroscience

In Neuroscience, revenue was JPY 177.0 billion (JPY +34.6 billion and +24.3% AER, +17.2% CER).

Sales of VYVANSE/ELVANSE (for attention deficit hyperactivity disorder ("ADHD")) were JPY 123.2 billion (JPY +23.2 billion and +23.2% AER, +16.0% CER). The increase was mainly due to the growth of the adult market, including an impact from a shortage of generic versions of the instant release formulation of ADDERALL in the U.S., and favorable foreign exchange rates.

Sales of ADDERALL XR (for ADHD) were JPY 13.5 billion (JPY +7.3 billion and +117.7% AER, +100.8% CER). The increase was mainly due to a shortage of generic versions of the instant release formulation marketed by competitors in the U.S. and favorable foreign exchange rates.

Cost of Sales

Cost of Sales was JPY 321.1 billion (JPY +28.2 billion and +9.6% AER, +4.6% CER). The increase was primarily due to the depreciation of Japanese yen and revenue growth in our five key business areas as compared to the same period of the previous fiscal year. This was partially offset by a decrease in non-cash charges related to the unwind of the fair value step up on acquired inventories recognized in connection with the acquisition of Shire.

Selling, General and Administrative (SG&A) expenses

SG&A expenses were JPY 248.1 billion (JPY +16.6 billion and +7.2% AER, +1.9% CER). The increase was mainly due to the impact from the depreciation of Japanese yen.

Research and Development (R&D) expenses

R&D expenses were JPY 162.7 billion (JPY +19.1 billion and +13.3% AER, +6.6% CER). The increase was mainly due to the impact from the depreciation of Japanese yen and various investments including those for advancement of pipeline in the current period.

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products was JPY 129.4 billion (JPY -1.9 billion and -1.4% AER, -8.1% CER). The decrease was mainly due to a decrease in impairment charges for certain assets related to in-process R&D and marketed products, partially offset by the increase of amortization expenses due to the depreciation of Japanese yen.

Other Operating Income

Other Operating Income was JPY 4.3 billion (JPY -1.2 billion and -22.4% AER, -22.0% CER).

Other Operating Expenses

Other Operating Expenses were JPY 32.9 billion (JPY +4.7 billion and +16.8% AER, +10.0% CER). The increase was primarily due to an increased valuation reserve for pre-launch inventory and the write-off of a certain asset related to a collaboration agreement booked during the current period.

Operating Profit

As a result of the above factors, Operating Profit was JPY 168.6 billion (JPY +18.1 billion and +12.0% AER, +10.0% CER).

Net Finance Expenses

Net Finance Expenses were JPY 33.1 billion (JPY +38.6 billion, compared to Net Finance Income of JPY 5.5 billion in the same period of the previous fiscal year). The change was primarily attributable to a decrease in Finance Income reflecting gains from acquisitions of prior equity method companies and other income recorded in the same period of the previous fiscal year.

Share of Loss of Investments Accounted for Using the Equity Method

Share of Loss of Investments Accounted for Using the Equity Method was JPY 0.4 billion (JPY -0.1 billion and -15.9% AER, -51.6% CER).

Income Tax Expenses. Income Tax Expenses were JPY 45.6 billion (JPY -4.8 billion, -9.6% AER, -11.2% CER). The decrease was primarily due to a decrease in Profit Before Tax.

Net Profit for the Period

Net Profit for the Period was JPY 89.4 billion (JPY -15.6 billion and -14.9% AER, -15.4% CER).

Core Results

Definition of Core financial measures and Constant Exchange Rate change

Takeda uses the concept of Core financial measures for measuring financial performance. These measures are not defined by International Financial Reporting Standards (IFRS).

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.

Constant Exchange Rate (CER) 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.

Results of Core Operations

Billion JPY or percentage

	FY2022 Q1	FY2023 Q1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% change	% change
Core Revenue	972.5	1,058.6	86.2	8.9 %	3.7 %
Core Operating Profit	319.1	326.3	7.3	2.3 %	(2.0)%
Core EPS (JPY)	145	150	5	3.5 %	0.3 %

Core Revenue

Core Revenue for the three-month period ended June 30, 2023 was JPY 1,058.6 billion (JPY +86.2 billion and +8.9% AER, +3.7% CER). There were no significant items unrelated to Takeda's core operations excluded from revenue in the current period or in the same period of the previous fiscal year, and, accordingly, Core Revenue for these periods is the same as Reported Revenue. Business momentum was led by Takeda's Growth and Launch Products* which totaled JPY 424.1 billion (JPY +79.9 billion and +23.2% AER, +16.2% CER).

* Takeda's Growth and Launch Products
GI: ENTYVIO, ALOFISEL
Rare Diseases: TAKHZYRO, LIVTENCITY
PDT Immunology: Immunoglobulin products including GAMMAGARD LIQUID/KIOVIG, HYQVIA, and CUVITRU,
Albumin products including HUMAN ALBUMIN and FLEXBUMIN
Oncology: ALUNBRIG, EXKIVITY
Other: QDENGA

Core Operating Profit

Core Operating Profit for the current period was JPY 326.3 billion (JPY +7.3 billion and +2.3% AER, -2.0% CER). The increase on an AER basis was due to the depreciation of the yen in the current period, while the decline on a CER basis was due to a change in product mix resulted in higher cost of sales ratio and increased investment in R&D and data and technology.

Core EPS

Core EPS for the current period was JPY 150 (JPY +5 and +3.5% AER, +0.3% CER).

Consolidated Financial Position

The amount of change from the previous fiscal year-end is presented based on Actual Exchange Rate.

Assets.

Total Assets as of June 30, 2023 were JPY 14,792.7 billion (JPY +835.0 billion). The increases of Goodwill, Intangible Assets, and Property, Plant and Equipment (JPY +391.4 billion, JPY +244.4 billion, and JPY +104.1 billion, respectively) were mainly due to the effect of foreign currency translation. In addition, Trade and Other Receivables increased (JPY +143.5 billion). These increases were partially offset by a decrease in Cash and Cash Equivalents (JPY -217.1 billion).

Liabilities.

Total Liabilities as of June 30, 2023 were JPY 7,871.1 billion (JPY +268.0 billion). Bonds and Loans were JPY 4,747.1 billion* (JPY +364.8 billion), which increased primarily due to the effect of foreign currency translation and the issuance of commercial paper in June 2023. This increase was partially offset by a decrease in Trade and Other Payables (JPY -208.3 billion).

* The carrying amount of Bonds was JPY 4,006.3 billion and Loans was JPY 740.8 billion as of June 30, 2023. Breakdown of Bonds and Loans' carrying amount is as follows.

Bonds:

Name of Bond (Face Value if Denominated in Foreign Currency)	Issuance	Maturity	Carrying Amount (Billion JPY)
Unsecured US dollar denominated senior notes (1,301 million USD)	June 2015	June 2025 ~ June 2045	188.9
Unsecured US dollar denominated senior notes (4,000 million USD)	September 2016	September 2023 ~ September 2026	560.2
Unsecured Euro denominated senior notes (3,000 million EUR)	November 2018	November 2026 ~ November 2030	467.9
Unsecured US dollar denominated senior notes (2,250 million USD)	November 2018	November 2023 ~ November 2028	324.0
Hybrid bonds (subordinated bonds)	June 2019	June 2079	499.1
Unsecured US dollar denominated senior notes (7,000 million USD)	July 2020	March 2030 ~ July 2060	1,006.0
Unsecured Euro denominated senior notes (3,600 million EUR)	July 2020	July 2027 ~ July 2040	560.8
Unsecured JPY denominated senior bonds	October 2021	October 2031	249.4
Commercial paper	June 2023	September 2023	150.0
Total			4,006.3

Loans:

Name of Loan (Face Value if Denominated in Foreign Currency)	Execution	Maturity	Carrying Amount (Billion JPY)
Syndicated loans	April 2016	April 2026	100.0
Syndicated loans	April 2017	April 2027	113.5
Syndicated loans (1,500 million USD)	April 2017	April 2027	216.8
Syndicated loans	April 2023	April 2030	100.0
Bilateral loans	March 2016 ~ March 2023	April 2024 ~ March 2029	210.0
Other			0.5
Total			740.8

On April 26, 2023, Takeda repaid JPY 100.0 billion in Syndicated Loans falling due and on the same day entered into new Syndicated Loans of JPY 100.0 billion maturing on April 26, 2030. Furthermore, Takeda had short term commercial paper drawings outstanding of JPY 150.0 billion as at June 30, 2023.

Equity.

Total Equity as of June 30, 2023 was JPY 6,921.7 billion (JPY +567.0 billion). The increase of Other Components of Equity (JPY +604.7 billion) was mainly due to fluctuation in currency translation adjustments reflecting the depreciation of Japanese yen. This increase was partially offset by a decrease in Retained Earnings (JPY -51.0 billion) mainly due to the decrease of JPY 140.1 billion related to dividends payments despite recording Net Profit for the Period.

Consolidated Cash Flows

	Billion JPY	
	FY2022 Q1	FY2023 Q1
Net cash from (used in) operating activities	84.2	92.4
Net cash from (used in) investing activities	(94.7)	(266.5)
Net cash from (used in) financing activities	(215.7)	(57.8)
Net increase (decrease) in cash and cash equivalents	(226.2)	(231.9)
Cash and cash equivalents at the beginning of the year	849.7	533.5
Effects of exchange rate changes on cash and cash equivalents	22.5	14.8
Cash and cash equivalents at the end of the period	646.0	316.4

The amount of change from the same period of the previous fiscal year is presented based on Actual Exchange Rate.

Net cash from operating activities

Net cash from operating activities for the current period was JPY 92.4 billion (JPY +8.2 billion). This increase was primarily due to a favorable impact from changes in trade and other payables and other financial liabilities in addition to a higher net profit for the period adjusted for non-cash items and other adjustments. These were partially offset by an unfavorable impact from changes in trade and other receivables and an increase in income taxes paid.

Net cash used in investing activities

Net cash used in investing activities was JPY 266.5 billion (JPY +171.8 billion). This increase was mainly due to an increase in acquisition of intangible assets related to the acquisition of TAK-279 from Nimbus Therapeutics, LLC (Nimbus) and the exclusive license agreement with HUTCHMED (China) Limited (HUTCHMED).

Net cash used in financing activities

Net cash used in financing activities was JPY 57.8 billion (JPY -157.9 billion). The decrease was mainly due to a net increase in commercial paper drawings of JPY 110.0 billion during the current period.

Outlook for the Fiscal Year Ending March 31, 2024

The full year consolidated reported forecast for the fiscal year ending March 31, 2024 (FY2023) has not been changed from the forecast announced at the FY2022 financial results announcement on May 11, 2023.

Consolidated Reported Forecast for the Fiscal Year Ending March 31, 2024 (FY2023)

Billion JPY or percentage

	FY2022 Actual Results	FY2023 Forecast	Change versus the previous year	
Revenue	4,027.5	3,840.0	(187.5)	(4.7)%
Operating profit	490.5	349.0	(141.5)	(28.8)%
Profit before tax	375.1	185.0	(190.1)	(50.7)%
Net profit for the year (attributable to owners of the Company)	317.0	142.0	(175.0)	(55.2)%
EPS (JPY)	204.29	90.75	(113.54)	(55.6)%
Core Revenue	4,027.5	3,840.0	(187.5)	(4.7)%
Core Operating Profit	1,188.4	1,015.0	(173.4)	(14.6)%
Core EPS (JPY)	558	434	(124)	(22.2)%

Major assumptions used in preparing the FY2023 Reported Forecast

Billion JPY or percentage

	FY2022 Actual Results	FY2023 Forecast
FX rates (JPY)	USD/JPY 135 EUR/JPY 141 RUB/JPY 2.1 BRL/JPY 26.3 CNY/JPY 19.7	USD/JPY 131 EUR/JPY 141 RUB/JPY 1.9 BRL/JPY 25.9 CNY/JPY 19.5
R&D expenses	(633.3)	(643.0)
Amortization of intangible assets associated with products	(485.1)	(480.0)
Impairment of intangible assets associated with products	(57.3)	(50.0)
Other operating income	25.4	14.0
Other operating expenses	(145.2)	(150.0)
Other Core Operating Profit adjustments	(35.6)	—
Finance income and (expenses), net	(106.8)	(165.0)
Free cash flow	446.2	400.0 - 500.0*
Capital expenditures (cash flow base)	(633.7)	(480.0 - 530.0)*
Depreciation and amortization (excluding intangible assets associated with products)	(179.3)	(170.0)
Cash tax rate on adjusted EBITDA (excluding divestitures)	~13%	Mid-to-high teen %

* Reflects expenditures related to the acquisition of TAK-279 from Nimbus (USD 1.0 billion) and in-licensing of fruquintinib from HUTCHMED (USD 400 million). The USD 1.0 billion payment related to the acquisition of TAK-279 represents the portion of the USD 4.0 billion upfront payment paid in April 2023 (USD 0.9 billion), and scheduled to be paid in August 2023 (USD 0.1 billion).

Management Guidance

Takeda uses changes in Core Revenue, Core Operating Profit and Core EPS at Constant Exchange Rate (CER) basis as its Management Guidance. The full year management guidance for the fiscal year ending March 31, 2024 (FY2023) has not been changed from the management guidance announced at the FY2022 financial results announcement on May 11, 2023.

	FY2023 Management Guidance CER % Change*
Core Revenue	Low-single-digit % decline
Core Operating Profit	Low-10s % decline
Core EPS	Low-20s % decline

* Please refer to Analysis of Results of Operations, Financial Position, and Cash Flow, Results of Operations (Reported), Core Results (April 1 to June 30, 2023), Definition of Core financial measures and Constant Exchange Rate change, for the definition.

Other assumptions used in preparing the FY2023 Reported Forecast and the Management Guidance

The FY2023 reported forecast and the management guidance assume approximately JPY 330.0 billion revenue loss from loss of exclusivities (on a CER basis), including AZILVA (for hypertension) in Japan in June 2023, and VYVANSE (for attention deficit hyperactivity disorder) in the U.S. in August 2023.

Forward looking statements

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

Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions, except per share data)		USD (millions)(*)
	Three-month Period Ended June 30,		Three-month Period Ended June 30,
	2022	2023	2023
Revenue	¥ 972,465	¥ 1,058,618	$ 7,328
Cost of sales	(292,882)	(321,114)	(2,223)
Selling, general and administrative expenses	(231,480)	(248,113)	(1,717)
Research and development expenses	(143,607)	(162,741)	(1,126)
Amortization and impairment losses on intangible assets associated with products	(131,277)	(129,423)	(896)
Other operating income	5,479	4,251	29
Other operating expenses	(28,182)	(32,907)	(228)
Operating profit	150,515	168,571	1,167
Finance income	60,925	26,455	183
Finance expenses	(55,469)	(59,575)	(412)
Share of loss of investments accounted for using the equity method	(497)	(418)	(3)
Profit before tax	155,473	135,033	935
Income tax expenses	(50,452)	(45,627)	(316)
Net profit for the period	105,021	89,406	619
Attributable to:			
Owners of the Company	105,014	89,395	619
Non-controlling interests	7	11	0
Net profit for the period	105,021	89,406	619
Earnings per share (JPY)			
Basic earnings per share	67.94	57.51	0.40
Diluted earnings per share	67.56	57.12	0.40

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 144.47 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2023. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(2) Condensed Interim Consolidated Statements of Comprehensive Income

	JPY (millions)		USD (millions)(*)
	Three-month Period Ended June 30,		Three-month Period Ended June 30,
	2022	2023	2023
Net profit for the period	¥ 105,021	¥ 89,406	$ 619
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income	(180)	14,192	98
Remeasurement of defined benefit pension plans	10,533	(310)	(2)
	10,354	13,881	96
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	722,771	593,939	4,111
Cash flow hedges	(25,473)	(11,021)	(76)
Hedging cost	(27,415)	7,859	54
Share of other comprehensive loss of investments accounted for using the equity method	(641)	(191)	(1)
	669,242	590,586	4,088
Other comprehensive income for the period, net of tax	679,596	604,467	4,184
Total comprehensive income for the period	784,617	693,874	4,803
Attributable to:			
Owners of the Company	784,571	693,816	4,802
Non-controlling interests	46	58	0
Total comprehensive income for the period	784,617	693,874	4,803

(*) Condensed interim consolidated statements of comprehensive income have been translated solely for the convenience of the reader at an exchange rate of 1USD = 144.47 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2023. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(3) Condensed Interim Consolidated Statements of Financial Position

	JPY (millions)		USD (millions)(*)
	As of March 31, 2023	As of June 30, 2023	As of June 30, 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	¥ 1,691,229	¥ 1,795,315	$ 12,427
Goodwill	4,790,723	5,182,128	35,870
Intangible assets	4,269,657	4,514,084	31,246
Investments accounted for using the equity method	99,174	100,421	695
Other financial assets	279,683	293,108	2,029
Other non-current assets	63,325	60,143	416
Deferred tax assets	366,003	375,522	2,599
Total non-current assets	11,559,794	12,320,721	85,282
Current assets:			
Inventories	986,457	1,083,374	7,499
Trade and other receivables	649,429	792,895	5,488
Other financial assets	20,174	52,229	362
Income taxes receivable	32,264	32,586	226
Other current assets	160,868	179,884	1,245
Cash and cash equivalents	533,530	316,380	2,190
Assets held for sale	15,235	14,670	102
Total current assets	2,397,956	2,472,017	17,111
Total assets	13,957,750	14,792,738	102,393
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,042,741	4,330,254	29,973
Other financial liabilities	534,269	495,494	3,430
Net defined benefit liabilities	127,594	137,108	949
Income taxes payable	24,558	4,807	33
Provisions	55,969	59,504	412
Other non-current liabilities	65,389	72,612	503
Deferred tax liabilities	270,620	269,549	1,866
Total non-current liabilities	5,121,138	5,369,328	37,166
Current liabilities:			
Bonds and loans	339,600	416,860	2,885
Trade and other payables	649,233	440,924	3,052
Other financial liabilities	185,537	313,882	2,173
Income taxes payable	232,377	242,756	1,680
Provisions	508,360	527,773	3,653
Other current liabilities	566,689	559,547	3,873
Liabilities held for sale	144	—	—
Total current liabilities	2,481,940	2,501,741	17,317
Total liabilities	7,603,078	7,871,069	54,482

	JPY (millions)		USD (millions)(*)
	As of March 31, 2023	As of June 30, 2023	As of June 30, 2023
EQUITY			
Share capital	1,676,345	1,676,411	11,604
Share premium	1,728,830	1,741,937	12,057
Treasury shares	(100,317)	(100,255)	(694)
Retained earnings	1,541,146	1,490,097	10,314
Other components of equity	1,508,119	2,112,861	14,625
Equity attributable to owners of the Company	6,354,122	6,921,052	47,906
Non-controlling interests	549	617	4
Total equity	6,354,672	6,921,668	47,911
Total liabilities and equity	13,957,750	14,792,738	102,393

(*) Condensed interim consolidated statements of financial position have been translated solely for the convenience of the reader at an exchange rate of 1USD = 144.47 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on June 30, 2023. The rate and methodologies used for the convenience translations differ from the currency exchange rates and translation methodologies under IFRS used for the preparation of the condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(4) Condensed Interim Consolidated Statements of Changes in Equity

Three-month period ended June 30, 2022 (From April 1 to June 30, 2022)

	JPY (millions)					
	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	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2022	1,676,263	1,708,873	(116,007)	1,479,716	984,141	22,068
Effect of hyperinflation				(1,960)	4121	
Restated opening balance	1,676,263	1,708,873	(116,007)	1,477,756	988,263	22,068
Net profit for the period				105,014		
Other comprehensive income (loss)					722,137	(225)
Comprehensive income (loss) for the period	—	—	—	105,014	722,137	(225)
Transactions with owners:						
Issuance of new shares	14	14				
Acquisition of treasury shares		(5)	(27,045)			
Dividends				(138,218)		
Transfers from other components of equity				15,213		(4,679)
Share-based compensation		12,292				
Exercise of share-based awards		(13,838)	13,867			
Total transactions with owners	14	(1,537)	(13,177)	(123,005)	—	(4,679)
As of June 30, 2022	1,676,277	1,707,336	(129,184)	1,459,764	1,710,399	17,163

	Equity attributable to owners of the company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2022	(65,901)	(6,135)	—	934,173	5,683,019	504	5,683,523
Effect of hyperinflation				4,121	2,161		2,161
Restated opening balance	(65,901)	(6,135)	—	938,294	5,685,180	504	5,685,684
Net profit for the period				—	105,014	7	105,021
Other comprehensive income (loss)	(25,473)	(27,415)	10,533	679,557	679,557	39	679,596
Comprehensive income (loss) for the period	(25,473)	(27,415)	10,533	679,557	784,571	46	784,617
Transactions with owners:							
Issuance of new shares				—	29		29
Acquisition of treasury shares				—	(27,050)		(27,050)
Dividends				—	(138,218)		(138,218)
Transfers from other components of equity			(10,533)	(15,213)	—		—
Share-based compensation				—	12,292		12,292
Exercise of share-based awards				—	30		30
Total transactions with owners	—	—	(10,533)	(15,213)	(152,918)	—	(152,918)
As of June 30, 2022	(91,375)	(33,549)	—	1,602,638	6,316,832	551	6,317,383

Three-month period ended June 30, 2023 (From April 1 to June 30, 2023)

	JPY (millions)					
	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	Changes in fair value of financial assets measured at fair value through other comprehensive income
As of April 1, 2023	1,676,345	1,728,830	(100,317)	1,541,146	1,606,128	12,470
Net profit for the period				89,395		
Other comprehensive income (loss)					593,692	14,201
Comprehensive income (loss) for the period	—	—	—	89,395	593,692	14,201
Transactions with owners:						
Issuance of new shares	66	66				
Acquisition of treasury shares			(2,350)			
Disposal of treasury shares		0	0			
Dividends				(140,122)		
Changes in ownership						
Transfers from other components of equity				(322)		12
Share-based compensation		15,467				
Exercise of share-based awards		(2,425)	2,412			
Total transactions with owners	66	13,108	62	(140,444)	—	12
As of June 30, 2023	1,676,411	1,741,937	(100,255)	1,490,097	2,199,820	26,682

	Equity attributable to owners of the company						
	Other components of equity						
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of April 1, 2023	(87,352)	(23,127)	—	1,508,119	6,354,122	549	6,354,672
Net profit for the period				—	89,395	11	89,406
Other comprehensive income (loss)	(11,021)	7,859	(310)	604,421	604,421	47	604,467
Comprehensive income (loss) for the period	(11,021)	7,859	(310)	604,421	693,816	58	693,874
Transactions with owners:							
Issuance of new shares				—	132		132
Acquisition of treasury shares				—	(2,350)		(2,350)
Disposal of treasury shares				—	0		0
Dividends				—	(140,122)		(140,122)
Changes in ownership				—	—	9	9
Transfers from other components of equity			310	322	—		—
Share-based compensation				—	15,467		15,467
Exercise of share-based awards				—	(13)		(13)
Total transactions with owners	—	—	310	322	(126,886)	9	(126,877)
As of June 30, 2023	(98,373)	(15,268)	—	2,112,861	6,921,052	617	6,921,668

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	Three-month Period Ended June 30,		Three-month Period Ended June 30,
	2022	2023	2023
Cash flows from operating activities:			
Net profit for the period	¥ 105,021	¥ 89,406	$ 619
Depreciation and amortization	158,283	171,501	1,187
Impairment losses	14,238	7,829	54
Equity-settled share-based compensation	12,292	15,442	107
Loss on sales and disposal of property, plant and equipment	7	326	2
Gain on divestment of business and subsidiaries	(320)	(147)	(1)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	136	44	0
Finance (income) and expenses, net	(5,456)	33,120	229
Share of loss of investments accounted for using the equity method	497	418	3
Income tax expenses	50,452	45,627	316
Changes in assets and liabilities:			
Increase in trade and other receivables	(17,970)	(90,373)	(626)
Increase in inventories	(9,118)	(28,589)	(198)
Decrease in trade and other payables	(97,123)	(34,656)	(240)
Decrease in provisions	(20,106)	(22,583)	(156)
Increase (decrease) in other financial liabilities	(44,152)	25,254	175
Other, net	(41,583)	(67,640)	(468)
Cash generated from operations	105,097	144,980	1,004
Income taxes paid	(24,945)	(55,907)	(387)
Tax refunds and interest on tax refunds received	4,090	3,327	23
Net cash from operating activities	84,241	92,400	640
Cash flows from investing activities:			
Interest received	470	2,322	16
Dividends received	138	147	1
Acquisition of property, plant and equipment	(42,125)	(45,957)	(318)
Proceeds from sales of property, plant and equipment	34	11	0
Acquisition of intangible assets	(56,251)	(223,280)	(1,546)
Acquisition of investments	(2,933)	(674)	(5)
Proceeds from sales and redemption of investments	6,178	543	4
Proceeds from sales of business, net of cash and cash equivalents divested	—	372	3
Other, net	(224)	(15)	(0)
Net cash used in investing activities	(94,714)	(266,530)	(1,845)

	JPY (millions)		USD (millions)(*)
	Three-month Period Ended June 30,		Three-month Period Ended June 30,
	2022	2023	2023
Cash flows from financing activities:			
Net increase in short-term loans and commercial papers	—	110,000	761
Proceeds from issuance of bonds and long-term loans	—	100,000	692
Repayments of bonds and long-term loans	(26,804)	(100,088)	(693)
Acquisition of treasury shares	(26,929)	(2,326)	(16)
Interest paid	(22,770)	(19,815)	(137)
Dividends paid	(128,873)	(130,746)	(905)
Repayments of lease liabilities	(10,325)	(10,546)	(73)
Other, net	(17)	(4,257)	(29)
Net cash used in financing activities	(215,717)	(57,778)	(400)
Net decrease in cash and cash equivalents	(226,190)	(231,908)	(1,605)
Cash and cash equivalents at the beginning of the year	849,695	533,530	3,693
Effects of exchange rate changes on cash and cash equivalents	22,485	14,759	102
Cash and cash equivalents at the end of the period	645,991	316,380	2,190

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(6) Other Information

(Significant Subsequent Events)

Not applicable.

Supplementary Information

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1. Pipeline

I. Clinical Development Activities

- The following table lists the pipeline assets that we are clinically developing as of July 27, 2023 (the date of our annual earnings release), unless otherwise specifically noted. The assets in our pipeline are in various stages of development, and the contents of the pipeline may change as therapeutic candidates currently under development drop out and new therapeutic candidates are introduced. Whether the therapeutic candidates listed below are ever successfully released as products depends on various factors, including the results of pre-clinical and clinical trials, market conditions for various drugs and regulatory approvals.
- This table primarily shows the indications for which we are actively pursuing regulatory approval and those regulatory approvals granted during fiscal year 2023. We are also conducting additional studies of certain assets to examine their potential for use in further indications and in additional formulations.
- The listings in this table are limited to the U.S., EU and Japan and China, but we are also actively conducting development activities in other regions, including in Emerging Markets. Country/region column denotes where a pivotal clinical study is ongoing or a filing has been made with our specific intention to pursue approval in any of the U.S., EU, Japan or China. 'Global' refers to U.S., EU, Japan and China.
- Brand name and country/region indicate the brand name and country in which the specific asset has already been approved for any indication in any of the U.S., EU, Japan or China and Takeda has commercialization rights for such asset.
- Stage-ups are recognized in the table upon achievement of First Subject In, unless otherwise specified.
- Modality of our pipeline assets in the following table is classified into either of the following categories: ‘small molecule’, ‘peptide/oligonucleotide’, ‘cell and gene therapy’ or ‘biologic and other.’

Gastrointestinal and Inflammation Pipeline

Development code <generic name> Brand name (country/region)	**Type of Drug (administration route)**	**Modality**	**Indications / additional formulations**	**Country/ Region**	**Stage**
MLN0002 <vedolizumab> *ENTYVIO* (Global)	Humanized monoclonal antibody against α4β7 integrin (injection)	Biologic and other	Ulcerative colitis (subcutaneous formulation)	U.S.	Filed (Apr 2023)
			Crohn's disease (subcutaneous formulation)	Japan U.S.	Filed (Oct 2022) P-III
			Graft-versus-Host Disease prophylaxis in patients undergoing allogeneic hematopoietic stem cell transplantation (intravenous formulation)	EU Japan	P-III P-III
			Pediatrics Study (intravenous formulation for ulcerative colitis, Crohn’s disease)	Global	P-III
TAK-438 <vonoprazan> *TAKECAB* (Japan) *VOCINTI* (China)	Potassium-competitive acid blocker (oral)	Small molecule	Acid related diseases (adjunct to *Helicobacter pylori* eradication)	China	Filed (Aug 2022)
Cx601 <darvadstrocel> *ALOFISEL* (EU, Japan)	A suspension of allogeneic expanded adipose-derived stem cells (injection)	Biologic and other	Refractory complex perianal fistulas in patients with Crohn’s disease	U.S.	P-III
			Pediatric indication for refractory complex perianal fistulas in patients with Crohn’s disease	EU Japan	P-III P-III
TAK-999[1] <fazirsiran>	GalNAc based RNA interference (RNAi) (injection)	Peptide/ Oligo-nucleotide	Alpha-1 antitrypsin-deficiency associated liver disease	U.S. EU	P-III P-III
TAK-625[2] <maralixibat>	IBAT inhibitor (oral)	Small molecule	Alagille Syndrome	Japan	P-III
			Progressive Familial Intrahepatic Cholestasis	Japan	P-III
TAK-227/ZED1227[3]	Transglutaminase 2 inhibitor (oral)	Small molecule	Celiac disease	-	P-II (b)

TAK-279	TYK2 inhibitor (oral)	Small molecule	Psoriasis	-	P-II (b)
			Psoriatic Arthritis	-	P-II (b)
TAK-062 <zamaglutenase>	Glutenase (oral)	Biologic and other	Celiac disease	-	P-II
TAK-101[4]	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Biologic and other	Celiac disease	-	P-II
TAK-951	Peptide agonist (subcutaneous infusion)	Peptide/ Oligo-nucleotide	Nausea and vomiting	-	P-II
TAK-647[5]	Anti MAdCAM-1 antibody (injection)	Biologic and other	Nonalcoholic Steatohepatitis (NASH)	-	P-I[6]

1. Partnership with Arrowhead Pharmaceuticals, Inc.
2. Partnership with Mirum Pharmaceuticals.
3. Partnership with Zedira and Dr. Falk Pharma.
4. Acquired development and commercialization license for TAK-101 from COUR Pharmaceuticals.
5. Partnership with Pfizer.
6. Study actively recruiting

Additions since FY2022 Q4: None
Removals since FY2022 Q4: TAK-105 for Nausea and vomiting (P-I, discontinued)

Neuroscience Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-935 <soticlestat>	CH24H inhibitor (oral)	Small molecule	Dravet syndrome	Global	P-III
			Lennox-Gastaut syndrome	Global	P-III
TAK-141/JR-141[1] <pabinafusp alfa>	Fusion protein of an antibody against the human transferrin receptor and iduronate-2-sulfatase [recombinant] (injection)	Biologic	Hunter syndrome (CNS and somatic symptoms)	EU	P-III
TAK-861	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 1	-	P-II (b)
			Narcolepsy type 2	-	P-II (b)
TAK-071	M1 positive allosteric modulator (M1PAM) (oral)	Small molecule	Parkinson's disease	-	P-II
TAK-041/NBI-846[2]	GPR139 agonist (oral)	Small molecule	Anhedonia in major depressive disorder (MDD)	-	P-II
TAK-653/NBI-845[2]	AMPA receptor potentiator (oral)	Small molecule	Inadequate response to treatment in major depressive disorder (MDD)	-	P-II
TAK-341/MEDI1341[3]	Alpha-synuclein antibody (injection)	Biologic and other	Multiple systems atrophy (MSA)	-	P-II
TAK-611	Human arylsulfatase A for intrathecal administration [recombinant] (injection)	Biologic and other	Metachromatic leukodystrophy	-	P-II[4]
TAK-594/DNL593[5]	Brain-penetrant progranulin fusion protein (injection)	Biologic and other	Frontotemporal dementia	-	P-II
TAK-925 <danavorexton>	Orexin 2R agonist (injection)	Small molecule	Postanesthesia Recovery	-	P-II
			Narcolepsy	-	P-I
TAK-920/DNL919[5]	Brain-penetrant TREM2 agonist monoclonal antibody (injection)	Biologic and other	Alzheimer's disease	-	P-I

1. Partnership with JCR Pharma. JCR leads development.
2. Partnership with Neurocrine Biosciences. Neurocrine leads development.
3. Partnership with AstraZeneca. P-I Parkinson's disease study is completed.
4. Phase 2 trial topline results did not meet primary and secondary endpoints.
5. Partnership with Denali Therapeutics. Denali leads P-I development.

Additions since FY2022 Q4: None
Removals since FY2022 Q4: None

Oncology Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-113[1] <fruquintinib>	VEGFR inhibitor (oral)	Small molecule	Previously treated metastatic Colorectal Cancer (mCRC)	U.S. EU Japan	Filed (Mar 2023) Filed (Jun 2023) P-III
SGN-35[2] <brentuximab vedotin> *ADCETRIS* (EU, Japan, China)	CD30 monoclonal antibody-drug conjugate (injection)	Biologic and other	Relapsed or refractory cutaneous T-cell lymphoma	Japan	Filed (Feb 2023)
			Front line Hodgkin's lymphoma – Stage III	EU	Filed (Mar 2023)
			Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS)	EU	Filed (Jul 2023)*
TAK-788 <mobocertinib> *EXKIVITY* (U.S., China)	EGFR/HER2 exon 20 inhibitor (oral)	Small molecule	Previously treated Non-Small Cell Lung Cancer with EGFR exon 20 insertion	EU[3] Japan	Filing withdrawn (Jul 2022) P-III
			Treatment Naïve Non-Small Cell Lung Cancer with EGFR exon 20 insertion	Global	P-III[4]
MLN9708 <ixazomib> *NINLARO* (Global)	Proteasome inhibitor (oral)	Small molecule	Maintenance therapy in patients with newly diagnosed Multiple Myeloma following autologous stem cell transplant (TOURMALINE-MM3)	U.S. EU	P-III P-III
<cabozantinib>[5] *CABOMETYX* (Japan)	Multi-targeted kinase inhibitor (oral)	Small molecule	Metastatic Castration-Resistant Prostate Cancer in combination with atezolizumab[6]	Japan	P-III
<ponatinib> *ICLUSIG* (U.S.)	BCR-ABL inhibitor (oral)	Small molecule	Front line Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	U.S.	P-III
			Pediatric indication for Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	-	P-I
TAK-385 <relugolix>	LH-RH antagonist (oral)	Small molecule	Prostate cancer	Japan China	P-III P-III
TAK-981 <subasumstat>	SUMO inhibitor (injection)	Small molecule	Multiple cancers	-	P-II
TAK-573[7] <modakafusp alfa>	Anti-CD38-targeted IgG4 genetically fused with an attenuated IFNα (injection)	Biologic and other	Relapsed/refractory Multiple Myeloma	-	P-II
			Solid tumors	-	P-I
TAK-007[8]	CD19 CAR-NK (injection)	Cell and gene therapy	Relapsed/refractory B cell malignancies	-	P-II
TAK-102[9]	GPC3 CAR-T (injection)	Cell and gene therapy	Solid tumors	-	P-I
TAK-103[9]	Mesothelin CAR-T (injection)	Cell and gene therapy	Solid tumors	-	P-I

TAK-676	STING agonist (injection)	Small molecule	Solid tumors	-	P-I
TAK-500	STING agonist antibody drug conjugate (injection)	Biologic and other	Solid tumors	-	P-I
TAK-940[10]	CD19 1XX CAR-T (injection)	Cell and gene therapy	Relapsed/refractory B cell malignancies	-	P-I
TAK-186	T Cell Engager (injection)	Biologic and other	EGFR expressing solid tumors	-	P-I
TAK-280	T Cell Engager (injection)	Biologic and other	B7-H3 expressing solid tumors	-	P-I
TAK-012	Variable delta 1 (Vδ1) gamma delta (γδ) T cells (injection)	Cell and gene therapy	Relapsed/refractory Acute Myeloid Leukemia	-	P-I[11]

1. Partnership with HUTCHMED
2. Partnership with Seagen, Inc.
3. Following discussions with the EMA, Takeda decided to withdraw the marketing authorization application (MAA).
4. Phase 3 EXCLAIM-2 trial stopped for futility; discussions with global regulatory authorities ongoing
5. Partnership with Exelixis, Inc.
6. Partnership with Chugai Pharmaceutical. Takeda operates P-III development
7. Partnership with Teva Pharmaceutical Industries Ltd.
8. Partnership with The University of Texas MD Anderson Cancer Center
9. Partnership with Noile-Immune Biotech, Inc.
10. Partnership with Memorial Sloan Kettering Cancer Center
11. Study actively recruiting

* Event occurred after the end of the Q1 reporting period: Update after July 1, 2023

Additions since FY2022 Q4:

SGN-35 for Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS) (Filed, EU)

TAK-012 for Relapsed/refractory Acute Myeloid Leukemia (P-I)

Removals since FY2022 Q4: None

Rare Genetics and Hematology Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-620[1] <maribavir> *LIVTENCITY* (U.S., EU)	Benzimidazole riboside inhibitor (oral)	Small molecule	Post-transplant cytomegalovirus (CMV) infection/disease resistant/refractory to (val) ganciclovir, cidofovir or foscarnet	China	Filed (Dec 2022)
			Treatment of CMV Infection/disease Post Transplantation (Including HSCT)	Japan	P-III
TAK-743 <lanadelumab> *TAKHZYRO* (Global)	Plasma kallikrein inhibitor (injection)	Biologic and other	Pediatric Hereditary Angioedema	EU	Filed (Dec 2022)
TAK-672[2] *OBIZUR* (U.S., EU)	Porcine Coagulation Factor VIII [recombinant] (injection)	Biologic and other	Acquired hemophilia A (AHA)	China Japan	Filed (Jun 2022) Filed (Jun 2023)
TAK-577 *VONVENDI* (U.S., Japan) *VEYVONDI* (EU)	von Willebrand factor [recombinant] (injection)	Biologic and other	Adult on-demand and surgery treatment of von Willebrand disease	China	Filed (Jan 2023)
			Adult prophylactic treatment of von Willebrand disease	EU China	Filed (Mar 2023) P-III
			Pediatric on-demand and surgery treatment of von Willebrand disease	Global	P-III
TAK-755[3] <apadamtase alfa/ cinaxadamtase alfa>	Replacement of the deficientADAMTS13 enzyme (injection)	Biologic and other	Congenital Thrombotic Thrombocytopenic Purpura	U.S. EU Japan China	Filed (May 2023) Filed (May 2023) P-III P-III
			Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II P-II
			Sickle cell disease	U.S.	P-I
TAK-660 *ADYNOVATE* (U.S., Japan) *ADYNOVI* (EU)	Antihemophilic factor [recombinant], PEGylated (injection)	Biologic and other	Pediatric Hemophilia A	EU	P-III
			Hemophilia A	China	P-III
TAK-079[4] <mezagitamab>	Anti-CD38 monoclonal antibody (injection)	Biologic and other	Myasthenia gravis	-	P-II
			Immune thrombocytopenic purpura	-	P-II
			Systemic lupus erythematosus	-	P-I/II
			Immunoglobulin A nephropathy	-	P-I

1. Partnership with GSK
2. Partnership with Ipsen
3. Partnership with KM Biologics.
4. Relapsed/refractory Multiple Myeloma will continue until trial completion.

Additions since FY2022 Q4: TAK-660 for Hemophilia A (China, P-III)
Removals since FY2022 Q4: None

Plasma-Derived Therapies Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-771[1] <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase> *HYQVIA* (U.S., EU)	Immunoglobulin (IgG) + recombinant hyaluronidase replacement therapy (subcutaneous infusion)	Biologic and other	Pediatric indication for primary immunodeficiency	U.S.	Approved (Apr 2023)
			Chronic inflammatory demyelinating polyradiculoneuropathy	U.S. EU	Filed (Feb 2023) Filed (Mar 2023)
			Chronic inflammatory demyelinating polyradiculoneuropathy and Multifocal Motor Neuropathy	Japan	P-III
			Primary Immunodeficiencies	Japan	P-III
TAK-662 *CEPROTIN* (U.S., EU)	Protein C concentrate [human] (injection)	Biologic and other	Severe congenital protein C deficiency	Japan	Filed (Apr 2023)
TAK-664 <IG Infusion 20% (Human)> *CUVITRU* (U.S., EU)	Immunoglobulin 20% [human] (subcutaneous infusion)	Biologic and other	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Filed (Oct 2022)
TAK-339 <IG Infusion 10% (Human)> *GAMMAGUARD LIQUID* (U.S.) *KIOVIG* (EU)	Immunoglobulin 10% [human] (intravenous and subcutaneous infusion)	Biologic and other	Chronic inflammatory demyelinating polyradiculoneuropathy	U.S.	Filed (May 2023)
TAK-880 <10% IVIG (Low IgA)>	Immunoglobulin (10%) [human] (injection) (Low IgA)	Biologic and other	Primary Immunodeficiencies and Multifocal Motor Neuropathy	U.S. EU	Complete Response Letter (CRL) received (May 2023)[2] Filing in preparation[3]
TAK-330 *PROTHROMPLEX TOTAL* (EU)	Four-factor prothrombin complex concentrate [human] (injection)	Biologic and other	Coagulation Disorder, Direct Oral Anticoagulants (DOAC) reversal in surgical situations	U.S.	P-III
TAK-961 <5% IVIG> *GLOVENIN-I* （Japan）	Immunoglobulin (5%) [human] (injection)	Biologic and other	Autoimmune Encephalitis (AE)	Japan	P-III
TAK-881 <Facilitated 20% SCIG>	Immunoglobulin (20%) [human] + recombinant hyaluronidase replacement therapy (injection)	Biologic and other	Immunodeficiencies	U.S. E.U.	P-I/II

1. Partnership with Halozyme
2. TAK-880 received a CRL from the FDA; re-submission timing is under evaluation.
3. Non-interventional study to collect data is in progress

Additions since FY2022 Q4: TAK-339 for Chronic inflammatory demyelinating polyradiculoneuropathy (Filed, U.S.)
Removals since FY2022 Q4: None

Vaccines Pipeline

Development code Brand name (country/region)	Type of vaccine (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-003[1] *QDENGA* (EU)[2]	Tetravalent dengue vaccine (injection)	Biologic and other	For the prevention of dengue fever of any severity, due to any serotype, in individuals aged 4 and older	U.S.	Filing withdrawn (Jul 2023)*
			For the prevention of dengue fever of any severity, due to any serotype, in individuals aged 4 and older (booster extension)	-	P-III
TAK-019/ NVX-CoV2373[3] *NUVAXOVIDIntramuscular Injection* (Japan)	SARS-CoV-2 vaccine (injection)	Biologic and other	Active immunization for the prevention of COVID-19 (heterologous booster)	Japan	P-III
TAK-426[4]	Zika vaccine (injection)	Biologic and other	Active immunization for the prevention of disease caused by Zika virus	-	P-I

1. Takeda participated in the European Medicines Agency's (EMA) parallel assessment of a medicinal product for use in EU, and through the EU-M4all procedure for countries outside of the EU. In October 2022, the Committee for Medicinal Products for Human Use (CHMP) of the EMA recommended the approval of TAK-003 in Europe and in dengue-endemic countries participating in the parallel EU-M4all procedure.
2. QDENGA (TAK-003) is also approved in Indonesia, Brazil, the U.K., Argentina, and Thailand.
3. Partnership with Novavax, Inc.
4. Partnership with The Biomedical Advanced Research and Development Authority (BARDA) of the U.S. Government

* Event occurred after the end of the Q1 reporting period: Update after July 1, 2023

Additions since FY2022 Q4: None
Removals since FY2022 Q4: None

II. Recent Progress in stage [Progress in stage since April 1st, 2023]

Development code <generic name>	Indications / additional formulations	Country/Region	Progress in stage
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Pediatric indication for primary immunodeficiency	U.S.	Approved (Apr 2023)
MLN0002 <vedolizumab>	Subcutaneous formulation for ulcerative colitis	U.S.	Filed (Apr 2023)
TAK-662	Severe congenital protein C deficiency	Japan	Filed (Apr 2023)
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	U.S.	Filed (May 2023)
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	EU	Filed (May 2023)
TAK-339 <IG Infusion 10% (Human)>	Chronic inflammatory demyelinating polyradiculoneuropathy	U.S.	Filed (May 2023)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	EU	Filed (Jun 2023)
TAK-672	Acquired hemophilia A (AHA)	Japan	Filed (Jun 2023)
SGN-35 <brentuximab vedotin>	Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS)	EU	Filed (Jul 2023)*
TAK-660	Hemophilia A	China	P-III
TAK-925 <danavorexton>	Postanesthesia Recovery	-	P-II
TAK-647	Nonalcoholic Steatohepatitis (NASH)	-	P-I**
TAK-012	Relapsed/refractory Acute Myeloid Leukemia	-	P-I**

* Event occurred after the end of the Q1 reporting period: Update after July 1, 2023

** Study actively recruiting

III. Discontinued projects [Update since April 1st, 2023]

Development code <generic name>	Indications (Region/Country, Stage)	Reason
<niraparib>	Breast cancer (Japan, P-III)	Following GSK's permanent discontinuation of enrolment in the ZEST global Phase 3 study due to eligibility challenges impacting the ability to fully enroll targeted patients, Takeda discontinued enrollment in this study in Japan.
TAK-105	Nausea and vomiting (P-I)	Phase 1 data did not support further development.

IV. Research & Development collaborations/partnering

– The following tables describe research & development collaborations/partnering and externalization projects entered into by Takeda, but do not represent a comprehensive list of all Takeda R&D collaborations. All of the "subject" descriptions listed below are as of the date of execution of the relevant agreement unless otherwise noted.

– ‡ shows collaborations/partnering and ♦ shows externalization project, which have been executed since April 1, 2023.

Gastrointestinal and Inflammation

Partner	Country of incorporation	Subject
Arrowhead Pharmaceuticals	U.S.	Collaboration and licensing agreement to develop fazirsiran (TAK-999; ARO-AAT), an investigational RNA interference (RNAi) therapy in development to treat alpha-1 antitrypsin-associated liver disease (AATLD). ARO-AAT is a potential first-in-class therapy designed to reduce the production of mutant alpha-1 antitrypsin protein, the cause of AATLD progression.
Cerevance	U.S.	Multi-year research alliance to identify novel target proteins expressed in the central nervous system and to develop new therapies against them for certain GI disorders. Goal of the collaboration is to select, confirm and validate targets from gene expression data sets generated by Cerevance's NETSseq technology.
COUR Pharmaceuticals	U.S.	Takeda has acquired an exclusive global license to develop and commercialize the investigational medicine TIMP-GLIA (TAK-101), an immune modifying nanoparticle containing gliadin proteins.
Engitix	U.K.	Collaboration and licensing agreement to utilize Engitix's unique extracellular matrix discovery platform to identify and develop novel therapeutics for liver fibrosis and fibrostenotic inflammatory bowel disease, including Crohn's disease and ulcerative colitis.
Genevant Sciences Corporation	U.S.	Collaboration and License Agreements to leverage Genevant's hepatic stellate cell-partitioning LNP platform to deliver Takeda-designed RNAi oligonucleotides intended to halt or reverse the progression of liver fibrosis.
Mirum Pharmaceuticals	U.S.	Exclusive licensing agreement for the development and commercialization of maralixibat (TAK-625) in Japan for Alagille syndrome (ALGS), progressive familial intrahepatic cholestasis (PFIC), and biliary atresia (BA).
Pfizer	U.S.	2016 exclusive licensing agreement for development and commercialization of TAK-647 worldwide.
Sosei Heptares	U.K.	Collaboration and License agreement to leverage Sosei Heptares's StaR® technology and structural biology expertise with GPCRs to enable structure based drug discovery to advance novel therapeutics for gastroenterology diseases.
UCSD/Fortis Advisors	U.S.	Technology license for the development of oral budesonide formulation (TAK-721) for treatment of eosinophilic esophagitis.
Zedira/Dr. Falk Pharma	Germany	Collaboration and license agreement to develop and commercialize a potential first-in-class therapy TAK-227/ZED1227, a tissue transglutaminase 2 (TG2) inhibitor, designed to prevent the immune response to gluten in celiac disease. Takeda has exclusive rights in the US and other territories outside of Europe, Canada, Australia and China.

Neuroscience

Partner	Country of incorporation	Subject
Anima Biotech	U.S.	Strategic collaboration to discover and develop mRNA translation modulators for genetically-defined neurological diseases.
AstraZeneca	U.K.	Agreement for the joint development and commercialization of MEDI1341/TAK-341, an alpha-synuclein antibody currently in development as a potential treatment for Multiple system atrophy (MSA) and Parkinson's disease.
BioMarin	U.S.	Agreement for the in-license of enabling technology for the exogenous replacement of Arylsulfatase A enzyme with intrathecal (IT) administration directly into the central nervous system for the long-term treatment of patients with metachromatic leukodystrophy (MLD), a rapidly-progressive and ultimately fatal neuro-degenerative rare disease (TAK-611).
BridGene Biosciences	U.S.	Research collaboration to discover small molecule drugs for "undruggable" targets using BridGene's chemoproteomics platform.
Denali Therapeutics	U.S.	Strategic option and collaboration agreement to develop and commercialize up to three specified therapeutic product candidates for neurodegenerative diseases, incorporating Denali's transport vehicle (TV) platform for increased exposure of biotherapeutic products in the brain; options exercised on DNL593/TAK-594 and DNL919/TAK-920 in Q3 FY2021.
JCR Pharmaceuticals	Japan	Exclusive collaboration and license agreement to commercialize TAK-141 (JR-141, pabinafusp alfa), applied with J-Brain Cargo®, JCR's proprietary blood-brain barrier (BBB) penetration technology, for the treatment of Hunter syndrome (MPS II). Takeda will exclusively commercialize TAK-141 outside of the United States, including Canada, Europe, and other regions (excluding Japan and certain other Asia-Pacific countries). Takeda receives an option under a separate option agreement, which allows Takeda to acquire an exclusive license to commercialize TAK-141 in the U.S. upon completion of the Phase 3 program. In March 2022, Takeda and JCR has entered into new exclusive license and collaboration agreement to develop gene therapies that apply J-Brain Cargo® BBB penetration technology for lysosomal storage disorders (LSDs); Takeda has the option to nominate additional rare disease and other disease indications.
Lundbeck	Denmark	Collaboration agreement to develop and commercialize vortioxetine.
Luxna Biotech	Japan	Exclusive worldwide license agreement for the use of Luxna's breakthrough xeno nucleic acid technology for multiple undisclosed target genes in the area of neurological diseases.
Neurocrine Biosciences	U.S.	Collaboration to develop and commercialize 7 compounds in Takeda's early-to-mid stage neuroscience pipeline, including TAK-041/NBI-846, TAK-653/NBI-845 and TAK-831/NBI-844 (luvadaxistat). Takeda will be entitled to certain development milestones, commercial milestones and royalties on net sales and will, at certain development events, be able opt in or out of a 50:50 profit share on all clinical programs on an asset-by-asset basis. In June 2021, Takeda decided not to cost share further TAK-831/NBI-844 (luvadaxistat) development; Takeda maintains its right to receive milestones and royalties regarding TAK-831/NBI-844 (luvadaxistat).
PeptiDream	Japan	Collaborative research and exclusive license agreement to create peptide-drug conjugates (PDCs) for neuromuscular and neurodegenerative diseases.
Wave Life Sciences	Singapore	Multi-program option agreement to co-develop and co-commercialize antisense oligonucleotides for a range of neurological diseases.

Oncology

Partner	Country of incorporation	Subject
Adimab	U.S.	Agreement for the discovery, development and commercialization of three mAbs and three CD3 Bi-Specific antibodies for oncology indications.
Crescendo Biologics	U.K	Collaboration and licensing agreement for the discovery, development and commercialization of Humabody®-based therapeutics for cancer indications.
Egle Therapeutics	France	Identify novel tumor-specific regulatory T cell targets and develop unique anti-suppressor-based immunotherapies.
Exelixis, Inc.	U.S.	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma.
F-star‡	U.K	Discovery collaboration and worldwide, exclusive royalty-bearing license to Takeda to research, develop, and commercialize a bispecific antibody directed towards an undisclosed immuno-oncology target using F-star's proprietary Fcab™ and mAb2 ™ platforms. Takeda will be responsible for all research, development and commercialization activities under the agreement.
GSK	U.K.	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea and Taiwan.
Heidelberg Pharma	Germany	Antibody-Drug-Conjugate (ADC) research collaboration on 2 targets and licensing agreement (α-amanitin payload and proprietary linker).
HUTCHMED	China	Exclusive licensing agreement with HUTCHMED (China) Limited and its subsidiary HUTCHMED Limited for the further development and commercialization of fruquintinib (TAK-113) in all indications, including metastatic colorectal cancer, outside of mainland China, Hong Kong and Macau.
KSQ Therapeutics	U.S.	Strategic collaboration to research, develop and commercialize novel immune-based therapies for cancer using KSQ's CRISPRomics® technology.
MD Anderson Cancer Center (MDACC)	U.S.	Exclusive license and research agreement to utilize MDACC's platform and expertise, and to leverage Takeda's development, manufacturing and commercialization capabilities to bring patients cord blood-derived chimeric antigen receptor-directed natural killer (CAR-NK) cell therapies for the treatment of B cell malignancies and other cancers.
Memorial Sloan Kettering Cancer Center	U.S.	Strategic research collaboration and license to develop novel chimeric antigen receptor T cell (CAR-T) products for the treatment of multiple myeloma, acute myeloid leukemia and additional solid tumor indications. The collaboration is co-led by Michel Sadelain, who is currently head of the Center for Cell Engineering at Memorial Sloan Kettering
National Cancer Center of Japan	Japan	Partnership agreement to develop basic research to clinical development by promoting exchanges among researchers, physicians, and others engaged in anti-cancer drug discovery and cancer biology research.
Noile-Immune Biotech	Japan	Collaboration agreement for the development of next generation CAR-T cell therapy, developed by Professor Koji Tamada at Yamaguchi University. Takeda has exclusive options to obtain licensing rights for the development and commercialization of Noile-Immune Biotech's pipeline and products resulting from this partnership. Due to the success of the collaboration, Takeda licensed NIB-102 and NIB-103.
Seagen	U.S.	Agreement for the joint development of ADCETRIS, an ADC technology which targets CD30 for the treatment of HL. Approved in 67 countries with ongoing clinical trials for additional indications.
Teva Pharmaceutical Industries	Israel	Agreement for worldwide License to TEV-48573/TAK-573 (modakafusp alfa, Anti-CD38-Attenukine™) and multi-target discovery collaboration accessing Teva's Attenukine™ platform.

Rare Genetics and Hematology

Partner	Country of incorporation	Subject
Asklepios Biopharmaceuticals	U.S.	Agreement for multiple research and development collaborations using FVIII Gene Therapy for the treatment of Hemophilia A and B.
Code Bio	U.S.	Collaboration and license agreement for Takeda and Code Bio to design and develop a targeted gene therapy leveraging Code Bio's 3DNA platform for a liver-directed rare disease program, plus conduct additional studies for central nervous system-directed rare disease programs. Takeda has the right to exercise options for an exclusive license for four programs.
Codexis, Inc.	U.S.	Strategic collaboration and license for the research and development of novel gene therapies for certain disease indications, including the treatment of lysosomal storage disorders and blood factor deficiencies.
Ensoma	U.S.	Research collaboration and license provides Takeda with an exclusive worldwide license to Ensoma's Engenious™ vectors for up to five rare disease indication.
Evozyne	U.S.	Research collaboration and license agreement with Takeda to research and develop proteins that could be incorporated into next-generation gene therapies for up to four rare disease targets.
GSK	U.K.	In-license agreement between GSK and University of Michigan for TAK-620 (maribavir) in the treatment of human cytomegalovirus.
IPSEN	France	Purchase agreement for the development of Obizur for the treatment of Acquired Hemophilia A including for patients with Congenital Hemophilia A with inhibitors indication in elective or emergency surgery.
KM Biologics	Japan	Collaboration and license agreement for the development of therapeutic uses of rADAMTS13 (TAK-755), including but not limited to TTP.
Poseida Therapeutics[1]	U.S.	Research collaboration and exclusive license agreement to utilize Poseida's piggyBac, Cas-CLOVER, biodegradable DNA and RNA nanoparticle delivery technology and other proprietary genetic engineering platforms for up to eight gene therapies.
Xenetic Biosciences	U.S.	Exclusive R&D license agreement for PolyXen delivery technology for hemophilia factors VII, VIII, IX, X.

1. Takeda notified Poseida Therapeutics of its intention to terminate the research collaboration and license agreement effective July 30, 2023.

Plasma Derived Therapies

Partner	Country of incorporation	Subject
Halozyme	U.S.	Agreement for the in-license of Halozyme's proprietary ENHANZE™ platform technology to increase dispersion and absorption of HYQVIA.
Kamada	Israel	In-license agreement to develop and commercialize IV Alpha-1 proteinase inhibitor (GLASSIA); Exclusive supply and distribution of GLASSIA in the U.S., Canada, Australia and New Zealand; work on post market commitments ongoing.
Johnson & Johnson/Momenta Pharmaceuticals	U.S.	In-licensing agreement with Momenta Pharmaceuticals, Inc. which was acquired by Johnson & Johnson for an investigational hypersialylated immunoglobulin (hsIgG) candidate.
PreviPharma	EU	Research collaboration and option agreement to develop new targeted proteins

Vaccines

Partner	Country of incorporation	Subject
U.S. Government - The Biomedical Advanced Research and Development Authority (BARDA)	U.S.	Partnership to develop TAK-426, a Zika vaccine candidate, for the U.S. with the option to use data generated for filing also in affected regions around the world.
Novavax	U.S.	Partnership for the development, manufacturing and commercialization of Nuvaxovid Intramuscular Injection, Novavax' COVID-19 vaccine in Japan, which is being funded by the Government of Japan's Ministry of Health, Labour and Welfare.(MHLW) and Agency for Medical Research and Development (AMED). Takeda finalized an agreement with the MHLW to supply 150 million doses of Nuvaxovid, the supply of which will be dependent on many factors, including need. In February 2023, MHLW cancelled the order of the remaining doses not yet supplied. Takeda is working with Novavax to develop vaccines against the future variants including the Omicron variant.
Moderna	U.S.	Three-way agreement with Moderna and the Government of Japan's Ministry of Health Labour & Welfare (MHLW) to import and distribute Moderna's COVID-19 vaccine, known as Spikevax Intermuscular Injection in Japan. The MHLW granted special approval for the primary series in May 2021 and regulatory approval for a 50 µg booster dose in December 2021. Takeda started importation of 93 million doses (50 µg booster dose) to Japan in 2022, in addition to the 50 million doses (100 µg) delivered in 2021. As of August 2022, Moderna assumed responsibility for all Spikevax™ activities, including import, local regulatory, development, quality assurance and commercialization. Takeda will continue to provide distribution support under the current national vaccination campaign for Moderna COVID-19 vaccines for a transitional period. Both companies will be responsible for ensuring proper implementation of operations associated with this transfer.

Other / Multiple Therapeutic Area

Partner	Country of incorporation	Subject
Bridge Medicines	U.S.	Partnership with Tri-Institutional Therapeutics Discovery Institute, Bay City Capital and Deerfield Management in the establishment of Bridge Medicines. Bridge Medicines will give financial, operational and managerial support to move projects seamlessly from a validating, proof-of-concept study to an in-human clinical trial.
Center for iPS Cell Research Application, Kyoto University (CiRA)	Japan	Collaboration agreement for clinical applications of iPS cells in Takeda strategic areas including applications in neuroscience, oncology and gastroenterology as well as discovery efforts in additional areas of compelling iPSC translational science.
Charles River Laboratories	U.S.	Collaboration on multiple integrated programs across Takeda's core therapeutic areas using Charles River Laboratories' end-to-end drug discovery and safety assessment platform to progress these programs towards candidate status.
Evotec SE	Germany	Research alliance to support Takeda's growing number of research stage gene therapy discovery programs. Evotec and Takeda have also entered into a multi-RNA target alliance to discover and develop RNA targeting small molecule therapeutics for targets that are difficult to address via more conventional approaches.
Massachusetts Institute of Technology	U.S.	MIT-Takeda Program to fuel the development and application of artificial intelligence (AI) capabilities to benefit human health and drug development. Centered within the Abdul Latif Jameel Clinic for Machine Learning in Health (J-Clinic), the new program will leverage the combined expertise of both organizations, and is supported by Takeda's investment.
Schrödinger	U.S.	Agreement for the multi-target research collaboration combining Schrödinger's in silico platform-driven drug discovery capabilities with Takeda's deep therapeutic area knowledge and expertise in structural biology.
Tri-Institutional Therapeutics Discovery Institute (Tri-I TDI)	U.S.	Agreement for the collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies.
Twist Bioscience	U.S.	Agreement and license for Takeda to access Twist's "Library of Libraries," a panel of synthetic antibody phage display libraries derived only from sequences that exist in the human body. Together, the companies will work to discover, validate and optimize new antibody candidates.

Completed Partnerships [Update since April 1st, 2023]

Partner	Country of incorporation	Subject
Enterome	France	Collaboration agreement to research and develop microbiome targets thought to play crucial roles in gastrointestinal disorders, including inflammatory bowel diseases (e.g. ulcerative colitis). The agreement includes a global license and co-development of EB8018/TAK-018 in Crohn's disease.
Immusoft	U.S.	Research collaboration and license option agreement to discover, develop and commercialize cell therapies in rare inherited metabolic disorders with central nervous system (CNS) manifestations and complications using Immusoft's Immune System Programming (ISP™) technology platform.
Selecta Biosciences	U.S.	Research collaboration and license agreement to develop targeted, next-generation gene therapies for two indications within the field of lysosomal storage disorders using Selecta's ImmTOR platform.
CNDAP (Cure Network Dolby Acceleration Partners)	U.S.	Research collaboration to develop small molecules targeting tau, a protein involved in Alzheimer's disease and other major brain disorders.
Turnstone Biologics	U.S.	Collaboration to conduct collaborative discovery efforts to identify additional novel product candidates based on a Turnstone's vaccinia virus platform. The termination of the collaboration was effective as of July 6, 2023.
Presage Biosciences	U.S.	Research collaboration and license for multiple programs using Presage's proprietary platform CIVO (Comparative In Vivo Oncology) to evaluate patients' unique responses to microdoses of cancer drugs.
Stanford University	U.S.	Collaboration agreement with Stanford University to form the Stanford Alliance for Innovative Medicines to more effectively develop innovative treatments and therapies.

■ Clinical study protocol summaries

Clinical study protocol summaries are disclosed on the English-language web-site (https://clinicaltrials.takeda.com/) and clinical study protocol information in the Japanese-language is disclosed on the Japanese-language web-site (https://www.takeda.com/ja-jp/who-we-are/research/clinical-trial/).

We anticipate that this disclosure will assure transparency of information on Takeda's clinical trials for the benefit of healthcare professionals, their patients and other stakeholders, which we believe will contribute to the appropriate use of Takeda's products worldwide.

2. Supplementary Revenue Information

Revenue by region
Year to date

(Bn JPY)	Reported[*1] FY22 Q1	Reported[*1] FY23 Q1	AER[*2] Amount of Change	AER[*2] % Change	Core[*1*3] CER[*3] % Change
Total revenue	972.5	1,058.6	86.2	8.9 %	3.7 %
Japan	140.5	124.8	(15.7)	(11.2)%	(11.3)%
% of revenue	14.5%	11.8%	(2.7)pt		
United States	501.1	554.4	53.3	10.6 %	2.9 %
% of revenue	51.5%	52.4%	0.8pt		
Europe and Canada	205.6	224.3	18.8	9.1 %	2.8 %
% of revenue	21.1%	21.2%	0.1pt		
Growth and Emerging Markets[*4]	125.3	155.1	29.8	23.8 %	25.1 %
% of revenue	12.9%	14.6%	1.8pt		
Asia (excluding Japan)	46.1	60.8	14.7	32.0 %	29.6 %
% of revenue	4.7%	5.7%	1.0pt		
Latin America	40.3	43.7	3.4	8.5 %	13.9 %
% of revenue	4.1%	4.1%	0.0pt		
Russia/CIS	17.4	17.4	(0.0)	(0.0)%	0.1 %
% of revenue	1.8%	1.6%	(0.1)pt		
Other[*5]	21.6	33.2	11.6	53.9 %	56.4 %
% of revenue	2.2%	3.1%	0.9pt		
Of which royalty / service income	33.6	24.8	(8.8)	(26.1)%	(28.8)%

*1 Revenue amount is classified into countries or regions based on the customer location.

*2 Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS).

*3 Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Core Results, Definition of Core financial measures and Constant Exchange Rate change" for the definition.

*4 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa.

*5 Other region includes Middle East, Oceania and Africa.

Quarterly

(Bn JPY)	Reported [*1]											
	FY22				FY23							
	Q1	Q2	Q3	Q4	Q1	AER[*2] % Change	Q2	AER[*2] % Change	Q3	AER[*2] % Change	Q4	AER[*2] % Change
Total revenue	972.5	1,002.3	1,096.6	956.2	1,058.6	8.9%						
Japan	140.5	120.8	128.5	122.2	124.8	(11.2)%						
% of revenue	14.5%	12.1%	11.7%	12.8%	11.8%							
United States	501.1	531.5	589.2	482.0	554.4	10.6%						
% of revenue	51.5%	53.0%	53.7%	50.4%	52.4%							
Europe and Canada	205.6	203.4	223.4	210.3	224.3	9.1%						
% of revenue	21.1%	20.3%	20.4%	22.0%	21.2%							
Growth and Emerging Markets [*3]	125.3	146.6	155.4	141.7	155.1	23.8%						
% of revenue	12.9%	14.6%	14.2%	14.8%	14.6%							
Asia (excluding Japan)	46.1	59.6	63.3	56.0	60.8	32.0%						
% of revenue	4.7%	5.9%	5.8%	5.9%	5.7%							
Latin America	40.3	43.0	38.2	38.9	43.7	8.5%						
% of revenue	4.1%	4.3%	3.5%	4.1%	4.1%							
Russia/CIS	17.4	20.5	28.9	21.7	17.4	(0.0%)						
% of revenue	1.8%	2.0%	2.6%	2.3%	1.6%							
Other [*4]	21.6	23.6	25.0	25.0	33.2	53.9%						
% of revenue	2.2%	2.4%	2.3%	2.6%	3.1%							
Of which royalty / service income	33.6	26.8	28.0	16.8	24.8	(26.1%)						

*1 Revenue amount is classified into countries or regions based on the customer location.

*2 Actual Exchange Rate is presented in "AER" (which is presented in accordance with IFRS).

*3 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa.

*4 Other region includes Middle East, Oceania and Africa.

Product Sales Analysis (vs PY Reported Actual) (Sales amount includes royalty income and service income)

- *Year to date*

(Bn JPY)	Reported													
	FY22 Q1	FY23 Q1	AER[*1] % change	US	AER[*1] % change	Japan	AER[*1] % change	EUCAN	AER[*1] % change	GEM[*2]	AER[*1] % change	Ex-US	AER[*1] % change
GI	**270.4**	**293.5**	**8.6 %**	**169.5**	**7.1 %**	**30.4**	**5.9 %**	**61.8**	**11.0 %**	**25.8**	**16.2 %**	**5.9**	**10.5 %**
ENTYVIO	168.3	192.0	14.1 %	134.3	13.9 %	3.7	10.9 %	44.0	13.2 %	10.0	22.7 %		
TAKECAB/VOCINTI[*3]	27.6	29.8	7.9 %	—	-	24.5	2.1 %	—	-	5.3	47.0 %		
GATTEX/REVESTIVE	21.9	27.1	23.6 %	19.8	17.1 %	1.9	73.6 %	3.9	24.9 %	1.4	89.3 %		
DEXILANT	22.3	12.0	(46.1)%	4.3	(71.1)%	—	-	3.6	18.4 %	4.2	(6.0)%		
PANTOLOC/CONTROLOC[*4]	11.3	11.2	(1.6)%	0.7	(26.3)%	—	-	7.4	(0.1)%	3.1	2.3 %		
LIALDA/MEZAVANT[*5]	5.7	7.5	30.3 %	1.5	328.8 %							5.9	10.5 %
RESOLOR/MOTEGRITY	3.9	4.7	20.1 %	4.2	32.8 %	—	-	0.5	(35.6)%	—	-		
ALOFISEL	0.6	0.9	40.2 %	—	-	0.1	526.6 %	0.7	38.8 %	0.1	(27.7)%		
Others	8.7	8.4	(2.6)%	4.7	12.7 %	0.2	(19.4)%	1.7	(14.8)%	1.7	(18.9)%		
Rare Diseases	**181.6**	**192.6**	**6.1 %**	**87.9**	**6.4 %**	**10.3**	**5.7 %**	**51.2**	**0.3 %**	**43.3**	**13.0 %**		
Rare Hematology	**79.1**	**81.4**	**2.8 %**	**36.1**	**1.4 %**	**6.0**	**(0.2)%**	**16.8**	**(1.7)%**	**22.5**	**10.0 %**		
ADVATE	32.1	33.8	5.4 %	17.0	1.6 %	1.0	(7.4)%	5.0	(20.1)%	10.9	34.3 %		
ADYNOVATE/ADYNOVI	17.5	17.4	(0.8)%	7.0	(14.2)%	3.5	(3.2)%	4.6	13.4 %	2.2	36.1 %		
FEIBA[*6]	10.5	11.9	12.5 %	3.6	27.9 %	0.3	(5.9)%	2.4	13.6 %	5.6	4.8 %		
RECOMBINATE	3.2	3.0	(6.0)%	2.9	(3.4)%	—	-	0.1	(48.4)%	0.0	(84.4)%		
VONVENDI	2.9	3.8	28.6 %	2.5	20.5 %	0.2	78.1 %	1.1	43.2 %	—	-		
HEMOFIL/IMMUNATE/IMMUNINE[*6]	5.4	4.2	(21.7)%	0.9	2.4 %	—	-	1.0	0.7 %	2.3	(34.6)%		
Other PDT Products[*6]	1.1	1.2	9.5 %	—	-	0.0	-	1.0	5.6 %	0.2	26.1 %		
Others	6.3	6.1	(3.6)%	2.1	15.2 %	1.0	12.5 %	1.6	(10.6)%	1.3	(24.5)%		
Rare Genetics and Other	**102.5**	**111.3**	**8.5 %**	**51.8**	**10.2 %**	**4.3**	**15.2 %**	**34.4**	**1.3 %**	**20.8**	**16.6 %**		
TAKHZYRO	34.0	41.3	21.4 %	28.6	15.6 %	0.7	151.4 %	9.5	28.7 %	2.5	53.6 %		
ELAPRASE	22.2	22.8	3.0 %	6.6	2.2 %	0.5	85.8 %	7.2	(7.4)%	8.6	11.3 %		
REPLAGAL	17.6	18.0	2.1 %	—	-	2.3	(6.5)%	9.8	(1.8)%	5.9	13.7 %		
VPRIV	11.9	11.9	0.2 %	5.0	— %	0.3	14.5 %	4.0	(3.2)%	2.5	4.5 %		
FIRAZYR	6.8	5.5	(18.3)%	3.5	(11.8)%	0.5	8.8 %	0.8	(52.5)%	0.7	3.1 %		
CINRYZE[*6]	4.7	4.5	(3.7)%	3.2	(0.2)%	—	-	0.9	(37.9)%	0.5	429.0 %		
LIVTENCITY	2.2	4.1	83.4 %	3.2	47.1 %	—	-	0.8	9,794.5 %	0.0	-		
Others	3.2	3.2	(0.4)%	1.6	15.3 %	—	-	1.5	(12.4)%	0.0	(82.7)%		

*1 Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS).

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

*3 The figures include the amounts of fixed dose combinations and blister packs.

*4 Generic name: pantoprazole

*5 License-out product : Regional breakdown is not available due to contract.

*6 PDT products

(Bn JPY)	Reported											
	FY22 Q1	FY23 Q1	AER[*1] % change	US	AER[*1] % change	Japan	AER[*1] % change	EUCAN	AER[*1] % change	GEM[*2]	AER[*1] % change	Ex-US	AER[*1] % change
PDT Immunology	**141.9**	**186.5**	**31.5 %**	**119.8**	**25.7 %**							**66.7**	**43.3 %**
immunoglobulin[*3]	111.8	145.6	30.2 %	106.4	27.5 %							39.2	38.3 %
albumin[*3]	22.0	30.8	40.0 %	5.4	(7.3) %							25.4	57.0 %
Others[*3*4]	8.0	10.1	26.0 %	8.0	33.5 %							2.1	4.0 %
Oncology	**117.5**	**110.5**	**(6.0)%**	**32.4**	**(32.8)%**	**25.2**	**6.8 %**	**25.0**	**4.1 %**	**26.2**	**33.5 %**	**1.6**	**(19.7)%**
LEUPLIN/ENANTONE	28.0	24.6	(12.1) %	1.9	(60.7) %	7.1	8.4 %	10.2	0.3 %	5.4	(15.7) %		
NINLARO	23.7	21.0	(11.4) %	13.5	(8.5) %	1.8	(2.3) %	2.5	(28.9) %	3.2	(10.7) %		
ADCETRIS	20.0	27.1	35.8 %			3.3	0.7 %	10.0	17.4 %	13.8	69.4 %		
ICLUSIG[*5]	11.3	12.6	11.9 %	11.0	12.2 %							1.6	10.0 %
VELCADE[*5]	16.5	1.8	(89.0) %	1.8	(88.6) %							—	(100.0) %
VECTIBIX	6.7	6.8	2.0 %			6.8	2.0 %						
ALUNBRIG	4.5	6.6	45.8 %	2.3	19.7 %	0.6	31.9 %	1.9	31.5 %	1.9	147.7 %		
ZEJULA	3.0	3.8	23.5 %			3.1	26.0 %			0.6	12.1 %		
CABOMETYX	2.1	2.2	5.7 %			2.2	5.7 %						
EXKIVITY	0.7	2.1	203.9 %	0.9	35.0 %	—	-	0.0	-	1.2	24,575.3 %		
Others	1.0	1.7	81.1 %	1.0	279.7 %	0.2	16.3 %	0.4	3.8 %	0.2	2.8 %		
Neuroscience	**142.4**	**177.0**	**24.3 %**	**136.3**	**25.8 %**	**11.0**	**13.0 %**	**24.4**	**19.5 %**	**5.3**	**36.6 %**		
VYVANSE/ELVANSE	100.0	123.2	23.2 %	97.6	22.0 %	0.3	68.5 %	20.3	25.7 %	4.9	37.0 %		
TRINTELLIX	21.4	24.3	13.5 %	21.7	11.2 %	2.6	37.1 %			—	-		
ADDERALL XR	6.2	13.5	117.7 %	12.8	128.4 %	—	-	0.6	9.5 %	—	-		
INTUNIV	5.1	7.9	54.3 %	0.4	89.0 %	4.8	116.1 %	2.4	(3.7) %	0.3	37.1 %		
Others	9.7	8.2	(15.4) %	3.8	27.1 %	3.2	(40.1) %	1.2	(9.8) %	0.0	(11.2) %		
Others	**118.7**	**98.4**	**(17.1)%**										
AZILVA[*6]	19.6	18.7	(4.5) %	—	-	18.7	(4.5) %	—	-	—	-		
FOSRENOL[*5]	4.2	4.2	(0.9) %	0.5	(27.4) %							3.7	4.1 %
QDENGA	—	0.7	-	—	-	—	-	0.3	-	0.4	-		

*1 Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS).

*2 GEM: Growth and Emerging Markets, which include Asia (excluding Japan), Latin America, Russia/CIS, Middle East, Oceania and Africa

*3 PDT products

*4 Others in PDT Immunology include GLASSIA and ARALAST.

*5 License-out product : Regional breakdown is not available due to contract.

*6 The figures include the amounts of fixed dose combinations.

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Product Sales Analysis (Reported AER & Core CER Change)

(Bn JPY)	FY22 Reported				FY23 Reported AER[*1] & Core CER Change[*2]													
	Q1	Q2	Q3	Q4	Q1	@AER (QTD)	@CER (QTD)	Q2	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q3	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q4	@AER (QTD)	@CER (QTD)	@CER (YTD)
GI	**270.4**	**276.0**	**311.1**	**237.0**	**293.5**	**8.6 %**	**2.7 %**											
ENTYVIO	168.3	178.3	201.3	154.9	192.0	14.1 %	7.1 %											
TAKECAB/VOCINTI [*3]	27.6	27.1	29.8	24.2	29.8	7.9 %	7.6 %											
GATTEX/REVESTIVE	21.9	26.5	29.8	14.9	27.1	23.6 %	17.0 %											
DEXILANT	22.3	15.7	17.1	14.3	12.0	(46.1)%	(48.8)%											
PANTOLOC/CONTROLOC[*4]	11.3	10.9	11.6	11.7	11.2	(1.6)%	(7.6)%											
LIALDA/MEZAVANT	5.7	5.6	6.3	6.1	7.5	30.3 %	24.9 %											
RESOLOR/MOTEGRITY	3.9	3.8	5.6	4.8	4.7	20.1 %	11.5 %											
ALOFISEL	0.6	0.5	0.8	0.7	0.9	40.2 %	30.8 %											
Others	8.7	7.6	8.7	5.5	8.4	(2.6)%	(8.6)%											
Rare Diseases	**181.6**	**180.6**	**191.4**	**169.8**	**192.6**	**6.1 %**	**2.0 %**											
Rare Hematology	**79.1**	**76.6**	**76.9**	**72.1**	**81.4**	**2.8 %**	**(1.7)%**											
ADVATE	32.1	30.3	29.7	26.1	33.8	5.4 %	0.6 %											
ADYNOVATE/ADYNOVI	17.5	16.9	15.5	16.7	17.4	(0.8)%	(4.8)%											
FEIBA[*5]	10.5	10.8	11.3	8.7	11.9	12.5 %	7.2 %											
RECOMBINATE	3.2	3.0	3.5	3.1	3.0	(6.0)%	(12.6)%											
VONVENDI	2.9	3.0	3.3	3.0	3.8	28.6 %	20.1 %											
HEMOFIL/IMMUNATE/ IMMUNINE[*5]	5.4	5.3	4.2	4.7	4.2	(21.7)%	(23.3)%											
Other PDT Products [*5]	1.1	1.0	1.2	1.1	1.2	9.5 %	5.9 %											
Others	6.3	6.5	8.2	8.7	6.1	(3.6)%	(7.2)%											
Rare Genetics and Other	**102.5**	**104.0**	**114.4**	**97.8**	**111.3**	**8.5 %**	**4.9 %**											
TAKHZYRO	34.0	38.8	44.1	34.9	41.3	21.4 %	14.7 %											
ELAPRASE	22.2	20.2	22.6	20.3	22.8	3.0 %	(0.6)%											
REPLAGAL	17.6	16.7	16.3	16.2	18.0	2.1 %	3.9 %											
VPRIV	11.9	11.5	13.0	12.0	11.9	0.2 %	(0.7)%											
FIRAZYR	6.8	6.6	6.4	4.8	5.5	(18.3)%	(20.2)%											
CINRYZE [*5]	4.7	4.9	5.3	3.6	4.5	(3.7)%	(9.7)%											
LIVTENCITY	2.2	2.0	3.1	3.2	4.1	83.4 %	70.7 %											
Others	3.2	3.3	3.8	2.7	3.2	(0.4)%	(6.8)%											

*1 Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS).

*2 Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Core Results, Definition of Core financial measures and Constant Exchange Rate change" for the definition.

*3 The figures include the amounts of fixed dose combinations and blister packs.

*4 Generic name: pantoprazole

*5 PDT products

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(Bn JPY)	FY22 Reported				FY23 Reported AER[*1] & Core CER Change[*2]												
	Q1	Q2	Q3	Q4	Q1	@AER (QTD)	@CER (QTD)	Q2	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q3	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q4	@AER (QTD)	@CER (QTD)	@CER (YTD)
PDT Immunology	**141.9**	**172.1**	**188.4**	**176.0**	**186.5**	**31.5 %**	**24.3 %**												
immunoglobulin [*3]	111.8	133.2	145.4	131.7	145.6	30.2 %	22.5 %												
albumin [*3]	22.0	29.8	33.7	35.9	30.8	40.0 %	36.0 %												
Others [*3*4]	8.0	9.1	9.3	8.4	10.1	26.0 %	18.1 %												
Oncology	**117.5**	**107.8**	**119.7**	**93.8**	**110.5**	**(6.0)%**	**(8.6)%**												
LEUPLIN/ENANTONE	28.0	25.7	31.5	26.1	24.6	(12.1)%	(14.3)%												
NINLARO	23.7	25.1	27.1	16.8	21.0	(11.4)%	(15.6)%												
ADCETRIS	20.0	21.8	24.1	18.2	27.1	35.8 %	35.3 %												
ICLUSIG	11.3	12.0	12.3	11.7	12.6	11.9 %	4.1 %												
VELCADE	16.5	4.3	3.9	3.0	1.8	(89.0)%	(89.8)%												
VECTIBIX	6.7	6.6	6.8	5.7	6.8	2.0 %	2.0 %												
ALUNBRIG	4.5	5.2	6.1	4.8	6.6	45.8 %	41.2 %												
ZEJULA	3.0	3.3	3.5	3.1	3.8	23.5 %	23.3 %												
CABOMETYX	2.1	1.9	2.1	1.7	2.2	5.7 %	5.7 %												
EXKIVITY	0.7	0.7	0.8	1.5	2.1	203.9 %	192.3 %												
Others	1.0	1.3	1.4	1.2	1.7	81.1 %	76.4 %												
Neuroscience	**142.4**	**159.9**	**174.8**	**160.6**	**177.0**	**24.3 %**	**17.2 %**												
VYVANSE/ELVANSE	100.0	111.3	124.2	123.8	123.2	23.2 %	16.0 %												
TRINTELLIX	21.4	28.4	29.9	20.4	24.3	13.5 %	6.3 %												
ADDERALL XR	6.2	6.3	6.5	9.5	13.5	117.7 %	100.8 %												
INTUNIV	5.1	5.3	6.2	(0.3)	7.9	54.3 %	53.5 %												
Others	9.7	8.6	8.0	7.1	8.2	(15.4)%	(19.0)%												
Others	**118.7**	**105.9**	**111.1**	**118.9**	**98.4**	**(17.1)%**	**(20.3)%**												
AZILVA [*5]	19.6	17.6	19.4	16.3	18.7	(4.5)%	(4.5)%												
FOSRENOL	4.2	3.3	3.4	2.6	4.2	(0.9)%	(7.7)%												
QDENGA	—	—	—	0.1	0.7	-	-												

*1 Actual Exchange Rate is presented in “AER” (which is presented in accordance with IFRS).

*2 Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Core Results, Definition of Core financial measures and Constant Exchange Rate change" for the definition.

*3 PDT products

*4 Others in PDT Immunology include GLASSIA and ARALAST.

*5 The figures include the amounts of fixed dose combinations.

Product Forecasts

		Disclosed on May 11, 2023			
	FY22 Reported	FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]
(Bn JPY)	Annual	Annual	Amount of Change	% Change	% Change
GI	**1,094.5**			**High-single-digit % growth**	**Low-10s % growth**
ENTYVIO	702.7	788.0	85.3	12 %	15 %
TAKECAB/VOCINTI [*2]	108.7	132.0	23.3	21 %	22 %
GATTEX/REVESTIVE	93.1	106.0	12.9	14 %	16 %
DEXILANT	69.4	36.0	(33.4)	(48)%	(46)%
PANTOLOC/CONTROLOC[*3]	45.5	43.0	(2.5)	(6)%	(4)%
LIALDA/MEZAVANT	23.7	26.0	2.3	9 %	13 %
RESOLOR/MOTEGRITY	18.2	19.0	0.8	5 %	11 %
ALOFISEL	2.7	4.0	1.3	47 %	65 %
Others	30.5			(20)% to (25)%	(20)% to (25)%
Rare Diseases	**723.4**				
Rare Hematology	**304.7**			**High-single-digit % decline**	**Mid-single-digit % decline**
ADVATE	118.2	172.0	(12.7)	(7)%	(6)%
ADYNOVATE/ADYNOVI	66.6				
FEIBA [*4]	41.3	37.0	(4.3)	(10)%	(8)%
RECOMBINATE	12.8	10.0	(2.8)	(22)%	(15)%
VONVENDI	12.2	15.0	2.8	23 %	28 %
HEMOFIL/IMMUNATE/ IMMUNINE[*4]	19.6	17.0	(2.6)	(13)%	(14)%
Other PDT Products [*4]	4.4	4.0	(0.4)	(10)%	(4)%
Others	29.7			(15)% to (20)%	(10)% to (15)%
Rare Genetics and Other	**418.7**			**Mid-single-digit % growth**	**High-single-digit % growth**
TAKHZYRO	151.8	158.0	6.2	4 %	7 %
ELAPRASE	85.3	84.0	(1.3)	(2)%	0 %
REPLAGAL	66.7	76.0	9.3	14 %	13 %
VPRIV	48.4	51.0	2.6	5 %	7 %
FIRAZYR	24.6	20.0	(4.6)	(19)%	(18)%
CINRYZE [*4]	18.4	16.0	(2.4)	(13)%	(9)%
LIVTENCITY	10.5			120% to 150%	120% to 150%
Others	13.0			(5%) to (10)%	0% to (5)%

*1 Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Core Results, Definition of Core financial measures and Constant Exchange Rate change" for the definition.

*2 The figures include the amounts of fixed dose combinations and blister packs.

*3 Generic name: pantoprazole

*4 PDT products

Average FX rates for FY22: 1 USD = 135 JPY, 1 Euro = 141 JPY, 1 RUB = 2.1 JPY, 1 BRL = 26.3 JPY, 1 CNY = 19.7 JPY

Assumption of FX rates for FY23 Reported Forecasts : 1 USD = 131 JPY, 1 Euro = 141 JPY, 1 RUB = 1.9 JPY, 1 BRL = 25.9 JPY, 1 CNY = 19.5 JPY

		Disclosed on May 11, 2023			
	FY22 Reported	FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]
(Bn JPY)	Annual	Annual	Amount of Change	% Change	% Change
PDT Immunology	**678.4**			**10% to 20%**	**10% to 20%**
immunoglobulin[*2]	522.2			10% to 20%	10% to 20%
albumin[*2]	121.4			5% to 15%	5% to 15%
Others[*2] [*3]	34.8			5% to 15%	5% to 15%
Oncology	**438.7**			**Low-single-digit % growth**	**Low-single-digit % growth**
LEUPLIN/ENANTONE	111.3	109.0	(2.3)	(2)%	(2)%
NINLARO	92.7	91.0	(1.7)	(2)%	0 %
ADCETRIS	83.9	94.0	10.1	12 %	12 %
ICLUSIG	47.2	48.0	0.8	2 %	4 %
VELCADE	27.8	6.0	(21.8)	(78)%	(76)%
VECTIBIX	25.8	26.0	0.2	1 %	1 %
ALUNBRIG	20.6	29.0	8.4	41 %	43 %
ZEJULA	12.9	14.0	1.1	8 %	11 %
CABOMETYX	7.9	10.0	2.1	27 %	27 %
EXKIVITY	3.7			70% to 100%	70% to 100%
Others	4.9			>30%	>30%
Neuroscience	**637.7**			**High-20s % decline**	**Mid-20s % decline**
VYVANSE/ELVANSE	459.3	283.0	(176.3)	(38)%	(38)%
TRINTELLIX	100.1	108.0	7.9	8 %	11 %
ADDERALL XR	28.6	17.0	(11.6)	(41)%	(37)%
INTUNIV	16.4	34.0	17.6	108 %	111 %
Others	33.4			>(30)%	>(30)%
Others	**454.6**			**>(30)%**	**>(30)%**
AZILVA[*4]	72.9	30.0	(42.9)	(59)%	(59)%
FOSRENOL	13.5	10.0	(3.5)	(26)%	(22)%

*1 Refer to Analysis of Results of Operations, Financial Position, and Cash Flow "Core Results, Definition of Core financial measures and Constant Exchange Rate change" for the definition.

*2 PDT products

*3 Others in PDT Immunology include GLASSIA and ARALAST.

*4 The figures include the amounts of fixed dose combinations.

Average FX rates for FY22: 1 USD = 135 JPY, 1 Euro = 141 JPY, 1 RUB = 2.1 JPY, 1 BRL = 26.3 JPY, 1 CNY = 19.7 JPY

Assumption of FX rates for FY23 Reported Forecasts : 1 USD = 131 JPY, 1 Euro = 141 JPY, 1 RUB = 1.9 JPY, 1 BRL = 25.9 JPY, 1 CNY = 19.5 JPY

FINANCIAL APPENDIX

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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.

Constant Exchange Rate (CER) 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. To calculate Net Debt, we deduct from this figure cash & cash equivalents, excluding cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

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.

FY2023 Q1 Reported Results with CER % Change

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY		
			AER		CER
			Amount of Change	% CHANGE	% CHANGE
Revenue	972.5	1,058.6	86.2	8.9%	3.7%
Cost of sales	(292.9)	(321.1)	(28.2)	(9.6)%	(4.6)%
Gross profit	679.6	737.5	57.9	8.5%	3.3%
Margin	*69.9 %*	*69.7 %*		*(0.2) pp*	*(0.3) pp*
SG&A expenses	(231.5)	(248.1)	(16.6)	(7.2)%	(1.9)%
R&D expenses	(143.6)	(162.7)	(19.1)	(13.3)%	(6.6)%
Amortization of intangible assets associated with products	(117.0)	(123.2)	(6.2)	(5.3)%	2.0%
Impairment losses on intangible assets associated with products	(14.2)	(6.2)	8.0	56.3%	58.2%
Other operating income	5.5	4.3	(1.2)	(22.4)%	(22.0)%
Other operating expenses	(28.2)	(32.9)	(4.7)	(16.8)%	(10.0)%
Operating profit	150.5	168.6	18.1	12.0%	10.0%
Margin	*15.5 %*	*15.9 %*		*0.4 pp*	*1.0 pp*
Finance income	60.9	26.5	(34.5)	(56.6)%	(56.9)%
Finance expenses	(55.5)	(59.6)	(4.1)	(7.4)%	(4.6)%
Share of profit (loss) of investments accounted for using the equity method	(0.5)	(0.4)	0.1	15.9%	51.6%
Profit before tax	155.5	135.0	(20.4)	(13.1)%	(14.0)%
Income tax expenses	(50.5)	(45.6)	4.8	9.6%	11.2%
Net profit for the period	105.0	89.4	(15.6)	(14.9)%	(15.4)%
Non-controlling interests	(0.0)	(0.0)	(0.0)	(57.0)%	(70.2)%
Net profit attributable to owners of the Company	105.0	89.4	(15.6)	(14.9)%	(15.4)%
Basic EPS (JPY)	67.94	57.51	(10.43)	(15.4)%	(15.9)%

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, and Free Cash Flow, for the definition of the “Constant Exchange Rate change”.

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

FY2023 Q1 Core Results with CER % Change

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY		
			AER		CER
			Amount of Change	% CHANGE	% CHANGE
Revenue	972.5	1,058.6	86.2	8.9%	3.7%
Cost of sales	(278.2)	(321.2)	(43.0)	(15.5)%	(10.2)%
Gross profit	694.3	737.4	43.1	6.2%	1.1%
Margin	*71.4 %*	*69.7 %*		*(1.7) pp*	*(1.8) pp*
SG&A expenses	(231.7)	(248.3)	(16.6)	(7.2)%	(1.9)%
R&D expenses	(143.5)	(162.7)	(19.3)	(13.4)%	(6.7)%
Operating profit	319.1	326.3	7.3	2.3%	(2.0)%
Margin	*32.8 %*	*30.8 %*		*(2.0) pp*	*(1.8) pp*
Finance income	23.7	26.3	2.6	11.1%	10.4%
Finance expenses	(50.8)	(54.8)	(4.0)	(8.0)%	(1.0)%
Share of profit (loss) of investments accounted for using the equity method	1.0	0.8	(0.2)	(19.5)%	(18.1)%
Profit before tax	292.9	298.6	5.7	1.9%	(1.6)%
Income tax expenses	(68.7)	(65.2)	3.6	5.2%	9.5%
Net profit for the period	224.2	233.4	9.2	4.1%	0.9%
Non-controlling interests	(0.0)	(0.0)	(0.0)	(57.0)%	(70.2)%
Net profit attributable to owners of the Company	224.1	233.4	9.2	4.1%	0.9%
Basic EPS (JPY)	145	150	5	3.5%	0.3%

When comparing results to the same period of the previous fiscal year, the amount of change and percentage change based on Actual Exchange Rates are presented in “AER” (which is presented in accordance with IFRS) and percentage change based on Constant Exchange Rate (which is a non-IFRS measure) is presented in “CER”. Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, and Free Cash Flow, for the definition of the “Constant Exchange Rate change”.

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

FY2023 Q1 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	1,058.6					1,058.6
Cost of sales	(321.1)				(0.1)	(321.2)
Gross profit	737.5				(0.1)	737.4
SG&A expenses	(248.1)				(0.2)	(248.3)
R&D expenses	(162.7)				(0.0)	(162.7)
Amortization of intangible assets associated with products	(123.2)	123.2				—
Impairment losses on intangible assets associated with products	(6.2)		6.2			—
Other operating income	4.3			(4.3)		—
Other operating expenses	(32.9)			32.9		—
Operating profit	168.6	123.2	6.2	28.7	(0.3)	326.3
Margin	15.9 %					30.8%
Finance income and (expenses), net	(33.1)				4.6	(28.5)
Share of profit (loss) of investments accounted for using the equity method	(0.4)				1.2	0.8
Profit before tax	135.0	123.2	6.2	28.7	5.4	298.6
Tax expenses	(45.6)	(26.2)	(1.4)	(6.4)	14.5	(65.2)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	89.4	97.0	4.9	22.2	19.9	233.4
EPS (JPY)	58					150
Number of shares (millions)	1,554					1,554

FY2022 Q1 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	972.5					972.5
Cost of sales	(292.9)				14.7	(278.2)
Gross profit	679.6				14.7	694.3
SG&A expenses	(231.5)				(0.2)	(231.7)
R&D expenses	(143.6)				0.1	(143.5)
Amortization of intangible assets associated with products	(117.0)	117.0				—
Impairment losses on intangible assets associated with products	(14.2)		14.2			—
Other operating income	5.5			(5.5)		—
Other operating expenses	(28.2)			28.2		—
Operating profit	150.5	117.0	14.2	22.7	14.6	319.1
Margin	15.5 %					32.8%
Finance income and (expenses), net	5.5				(32.6)	(27.1)
Share of profit (loss) of investments accounted for using the equity method	(0.5)				1.5	1.0
Profit before tax	155.5	117.0	14.2	22.7	(16.6)	292.9
Tax expenses	(50.5)	(25.1)	(3.1)	(3.9)	13.8	(68.7)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	105.0	92.0	11.1	18.8	(2.7)	224.1
EPS (JPY)	68					145
Number of shares (millions)	1,546					1,546

FY2023 Q1 Free Cash Flow

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY	
Net profit	105.0	89.4	(15.6)	(14.9)%
Depreciation, amortization and impairment loss	172.5	179.3	6.8	
Decrease (increase) in trade working capital	(124.2)	(153.6)	(29.4)	
Income taxes paid	(24.9)	(55.9)	(31.0)	
Tax refunds and interest on tax refunds received	4.1	3.3	(0.8)	
Other	(48.2)	29.9	78.1	
Net cash from operating activities (Operating Cash Flow)	84.2	92.4	8.2	9.7%
Adjustment for cash temporarily held by Takeda on behalf of third parties*1	53.5	(30.9)	(84.4)	
Acquisition of PP&E	(42.1)	(46.0)	(3.8)	
Proceeds from sales of PP&E	0.0	0.0	(0.0)	
Acquisition of intangible assets	(56.3)	(223.3)	(167.0)	
Acquisition of investments	(2.9)	(0.7)	2.3	
Proceeds from sales and redemption of investments	6.2	0.5	(5.6)	
Proceeds from sales of business, net of cash and cash equivalents divested	—	0.4	0.4	
Free Cash Flow	42.6	(207.5)	(250.1)	—%

*1 Adjustment refers to changes in cash balance that is temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program.

FY2023 Q1 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023 Q1
Cash & cash equivalents and Level 1 debt investments *1	159.7
Book value debt on consolidated statements of financial position	(4,747.1)
Hybrid bond 50% equity credit	250.0
FX adjustment *2	205.0
Gross debt *3	(4,292.2)
Net cash (debt)	**(4,132.5)**
Net debt/Adjusted EBITDA ratio	**2.9x**
Adjusted EBITDA	**1,438.8**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY	
Net cash from operating activities	84.2	92.4	8.2	9.7 %
Acquisition of PP&E	(42.1)	(46.0)		
Proceeds from sales of PP&E	0.0	0.0		
Acquisition of intangible assets	(56.3)	(223.3)		
Acquisition of investments	(2.9)	(0.7)		
Proceeds from sales and redemption of investments	6.2	0.5		
Proceeds from sales of business, net of cash and cash equivalents divested	—	0.4		
Net increase in short-term loans and commercial papers	—	110.0		
Proceeds from long-term loans	—	100.0		
Repayment of long-term loans	—	(100.1)		
Repayment of bonds	(26.8)	—		
Purchase of treasury shares	(26.9)	(2.3)		
Interest paid	(22.8)	(19.8)		
Dividends paid	(128.9)	(130.7)		
Others	(10.0)	(12.3)		
Net increase (decrease) in cash	(226.2)	(231.9)	(5.7)	(2.5)%

*1 Represents cash & cash equivalents, excluding cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.
For the calculation of net debt, starting from the quarter ended June 30, 2023, debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets are included in the items deducted from gross debt. Had the same methodology been used for the calculation of net debt as of March 31, 2023 and prior periods, net debt would have remained unchanged.

*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.

FY2022 Q4 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	vs. PY	
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.

FY2023 Q1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY	
Net profit	105.0	89.4	(15.6)	(14.9)%
Income tax expenses	50.5	45.6		
Depreciation and amortization	158.3	171.5		
Interest expense, net	28.5	26.6		
EBITDA	342.3	333.2	(9.1)	(2.7)%
Impairment losses	14.2	7.8		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	21.5	25.7		
Finance expense (income), net, excluding interest income and expense, net	(34.0)	6.5		
Share of loss on investments accounted for under the equity method	0.5	0.4		
Other adjustments:	26.7	14.6		
Non-core expense related to COVID-19	2.7	—		
Impact on profit related to fair value step up of inventory in Shire acquisition	12.4	—		
Other costs*1	11.6	14.6		
Adjusted EBITDA	371.2	388.2	17.0	4.6%

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

FY2023 Q1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2022 Full Year (Apr - Mar)	FY2022 Q1 (Apr - Jun)	FY2023 Q1 (Apr - Jun)	FY2023 Q1 LTM*1 (Jul - Jun)
Net profit	317.0	105.0	89.4	301.4
Income tax expenses	58.1	50.5	45.6	53.2
Depreciation and amortization	664.4	158.3	171.5	677.6
Interest expense, net	111.5	28.5	26.6	109.6
EBITDA	1,151.0	342.3	333.2	1,141.9
Impairment losses	64.4	14.2	7.8	58.0
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	109.0	21.5	25.7	113.2
Finance expense (income), net, excluding interest income and expense, net	(4.7)	(34.0)	6.5	35.8
Share of loss on investments accounted for under the equity method	8.6	0.5	0.4	8.6
Other adjustments:	93.5	26.7	14.6	81.4
Non-core expense related to COVID-19	9.9	2.7	—	7.3
Impact on profit related to fair value step up of inventory in Shire acquisition	24.9	12.4	—	12.5
Other costs*2	58.7	11.6	14.6	61.7
Adjusted EBITDA	1,421.8	371.2	388.2	1,438.8

*1 LTM represents Last Twelve Months (July 2022 - June 2023). Calculated by subtracting FY2022 Q1 from FY2022 Full Year and adding FY2023 Q1.

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

FY2023 Q1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2022 Q1	FY2023 Q1	vs. PY		FY2023 Forecast
Capital expenditures*1	98.4	269.2	170.9	173.7%	480.0 - 530.0*3
Tangible assets	42.1	46.0	3.8	9.1%	
Intangible assets	56.3	223.3	167.0	296.9%	
Depreciation and amortization	158.3	171.5	13.2	8.4%	650.0
Depreciation of tangible assets*2 (A)	35.5	41.1	5.6	15.7%	
Amortization of intangible assets (B)	122.8	130.4	7.6	6.2%	
Of which Amortization associated with products (C)	117.0	123.2	6.2	5.3%	480.0
Of which Amortization excluding intangible assets associated with products (D)	5.8	7.2	1.5	25.9%	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	41.2	48.3	7.1	17.1%	170.0
Impairment losses	14.2	7.8	(6.4)	(45.0)%	
Impairment losses associated with products	14.2	6.2	(8.0)	(56.3)%	50.0
Amortization and impairment losses on intangible assets associated with products	131.3	129.4	(1.9)	(1.4)%	530.0

*1 Cash flow base

*2 Including depreciation of investment properties

*3 FY2023 Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (USD 1.0 billion) and in-licensing of fruquintinib from HUTCHMED (USD 400 million). In FY2022, Takeda paid USD 3.0 billion out of USD 4.0 billion upfront payment related to the acquisition of TAK-279. For the remaining USD 1.0 billion payment, Takeda paid USD 0.9 billion in April 2023, with USD 0.1 billion to be paid in August 2023.

FY2023 Full Year Detailed Forecast

	(BN JPY)	FY2022 Actual	FY2023 Forecast (May 11, 2023)	vs. PY		Variances
REPORTED	Revenue	4,027.5	3,840.0	(187.5)	(4.7)%	Growth & Launch Products momentum largely offsetting LOE impact (e.g. VYVANSE, AZILVA), with additional headwinds from lower coronavirus vaccines revenue and FX
	R&D expenses	(633.3)	(643.0)	(9.7)	(1.5)%	Increase would be (4.0)% vs. PY on a CER basis
	Amortization of intangible assets associated with products	(485.1)	(480.0)	5.1	1.1 %	
	Impairment losses on intangible assets associated with products	(57.3)	(50.0)	7.3	12.8 %	
	Other operating income	25.4	14.0	(11.4)	(44.9)%	Fewer one-time gains anticipated in FY2023
	Other operating expenses	(145.2)	(150.0)	(4.8)	(3.3)%	Includes expectations for higher restructuring costs and additional pre-launch inventory
	Operating profit	490.5	349.0	(141.5)	(28.8)%	
	Finance income (expenses), net	(106.8)	(165.0)	(58.2)	(54.5)%	Lower financial income due to one-time revaluation gains booked in FY2022
	Profit before tax	375.1	185.0	(190.1)	(50.7)%	
	Net profit attributable to owners of the Company	317.0	142.0	(175.0)	(55.2)%	
	Basic EPS (JPY)	204	91	(114)	(55.6)%	
	Core Revenue*1	4,027.5	3,840.0	(187.5)	(4.7)%	Growth & Launch Products momentum largely offsetting LOE impact (e.g. VYVANSE, AZILVA), with additional headwinds from lower coronavirus vaccines revenue and FX
	Core Operating Profit*1	1,188.4	1,015.0	(173.4)	(14.6)%	
	Core EPS (JPY)	558	434	(124)	(22.2)%	Normalization of core tax rate following tax benefit in FY2022
	Free cash flow	446.2	400.0 to 500.0			FY2023 Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (USD 1.0 BN) and in-licensing of fruquintinib from HUTCHMED (USD 400 MM).
	CAPEX (cash flow base)	(633.7)	(480.0) to (530.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(179.3)	(170.0)	9.3	5.2 %	
	Cash tax rate on adjusted EBITDA (excl. divestitures)	~13%	Mid-to-high teen %			
	USD/JPY	135	131	(4)	(2.9)%	
	EUR/JPY	141	141	0	0.3 %	

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate change, and Free Cash Flow, for the definition and A-14 FY2023 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast, for reconciliation.

FY2023 Full Year 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

FY2023 Full Year FX Rates Assumptions and Currency Sensitivity

Average Exchange Rates vs. JPY				Impact of depreciation of yen from April 2023 to March 2024 (100 million JPY)				
	FY2022 Q1 Actual (Apr-Jun)	FY2023 Q1 Actual (Apr-Jun)	FY2023 Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	127	136	131	1% depreciation	195.9	17.0	6.7	61.5
				1 yen depreciation	149.6	13.0	5.1	47.0
EUR	137	148	141	1% depreciation	53.5	(39.1)	(31.6)	(30.1)
				1 yen depreciation	37.9	(27.8)	(22.4)	(21.3)
RUB	1.8	1.7	1.9	1% depreciation	5.6	3.2	2.5	3.8
CNY	19.4	19.6	19.5		18.8	11.1	8.5	11.1
BRL	26.3	27.1	25.9		10.0	6.3	4.9	6.4

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