Better Health, Brighter Future

Takeda Quarterly Financial Report

For the Quarter Ended September 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

	Six-month period ended September 30,		Change versus the same period of the previous fiscal year		
			AER*		CER*
(JPY millions)	2022	2023	Amount of Change	% Change	% Change
Revenue	1,974,771	2,101,707	126,936	6.4 %	1.4 %
Operating profit	254,953	119,230	(135,724)	(53.2)%	(50.6)%
Profit before tax	220,022	39,053	(180,969)	(82.3)%	(79.8)%
Net profit for the period	166,753	41,436	(125,318)	(75.2)%	(77.8)%
Basic earnings per share (JPY)	107.62	26.51	(81.12)	(75.4)%	(78.0)%

* 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

	Six-month period ended September 30,		Change versus the same period of the previous fiscal year		
			AER*		CER*
(JPY billions)	2022	2023	Amount of Change	% Change	% Change
Core Revenue	1,974.8	2,101.7	126.9	6.4 %	1.4 %
Core Operating Profit	625.2	588.8	(36.4)	(5.8)%	(9.5)%
Core EPS (JPY)	288	261	(27)	(9.4)%	(14.4)%

* 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	September 30, 2023
Net debt	(3,716.1)	(4,050.5)
Adjusted EBITDA	1,421.8	1,406.2
Net debt/Adjusted EBITDA ratio	2.6 x	2.9 x

Consolidated Cash Flows

	Six-month period ended September 30,		Change versus the same period of the previous fiscal year	
(JPY millions)	2022	2023	JPY	%
Cash flows from (used in) operating activities	305,234	291,305	(13,930)	(4.6) %
Cash flows from (used in) investing activities	(121,920)	(327,109)	(205,190)	(168.3) %
Cash flows from (used in) financing activities	(267,593)	(198,433)	69,160	25.8 %

Free Cash Flow

	Six-month period ended September 30,		Change versus the same period of the previous fiscal year	
(JPY billions)	2022	2023	JPY	%
Free Cash Flow	296.9	(71.1)	(368.0)	—

Consolidated Financial Position

(JPY millions)	As of March 31, 2023	As of September 30, 2023	Change versus the previous fiscal year-end JPY	Change versus the previous fiscal year-end %
Non-current Assets	11,559,794	12,409,822	850,028	7.4 %
Current Assets	2,397,956	2,462,066	64,110	2.7 %
Total Assets	**13,957,750**	**14,871,889**	**914,138**	**6.5 %**
Non-current Liabilities	5,121,138	5,433,247	312,109	6.1 %
Current Liabilities	2,481,940	2,367,617	(114,323)	(4.6) %
Total Liabilities	**7,603,078**	**7,800,864**	**197,786**	**2.6 %**
Equity	**6,354,672**	**7,071,024**	**716,353**	**11.3 %**
Total liabilities and equity	**13,957,750**	**14,871,889**	**914,138**	**6.5 %**

Forecast and Management Guidance

*Forecast**

(JPY billions)	Original Forecast (May 11, 2023)	Revised Forecast (October 26, 2023)	Change vs. the Original Forecast	
Reported:				
Revenue	3,840.0	3,980.0	140.0	3.6 %
Operating profit	349.0	225.0	(124.0)	(35.5)%
Profit before tax	185.0	70.0	(115.0)	(62.2)%
Net profit for the year (attributable to owners of the Company)	142.0	93.0	(49.0)	(34.5)%
EPS (JPY)	90.75	59.45	(31.3)	(34.5)%
Non-IFRS Measures				
Core Operating Profit	1,015.0	1,015.0	—	— %
Core EPS (JPY)	434	447	13	3.1 %
Free cash flow	400.0 - 500.0	400.0 - 500.0		
Dividends per share (JPY)	188	188	—	—

*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 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

*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) Six-month period Ended September 30,							
		Japan	United States	Europe and Canada	Asia (excluding Japan)	Latin America	Russia/CIS	Other	Total
	2022	261,353	1,032,526	408,964	105,718	83,258	37,817	45,135	1,974,771
	2023	228,528	1,104,762	459,968	123,276	92,069	31,090	62,014	2,101,707
Change versus the previous year	JPY	(32,825)	72,236	51,004	17,558	8,811	(6,727)	16,879	126,936
	%	(12.6)%	7.0 %	12.5 %	16.6 %	10.6 %	(17.8)%	37.4 %	6.4 %

"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 six-month period ended September 30, 2023 were JPY 346.7 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 to support further potential geographic expansion. 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 multiple immune-mediated 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 was intended to address FDA feedback in a December 2019 Complete Response Letter (CRL). Since receiving the CRL Takeda worked closely with the FDA to address the Agency's feedback; and this resubmission package included 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 ENTYVIO IV 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. In September 2023, Takeda announced that the FDA approved a SC administration of ENTYVIO for maintenance therapy in adults with moderately to severely active UC after induction therapy with ENTYVIO IV.
- In September 2023, Takeda announced that the FDA accepted for review its BLA for the investigational SC administration of ENTYVIO for maintenance therapy in adults with moderately to severely active Crohn's disease (CD) after induction therapy with ENTYVIO IV. The BLA package is based on data from VISIBLE 2 trial that assessed the safety and efficacy of an SC formulation of ENTYVIO as maintenance therapy compared to placebo in 409 adult patients with moderately to severely active CD who achieved clinical response at week 6 following two doses of open-label ENTYVIO IV therapy at weeks 0 and 2. The primary endpoint was clinical remission at week 52, which was defined as CD Activity Index (CDAI) score ≤150.

- In September 2023, Takeda announced that it received an approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) for a partial change to the marketing authorization status of ENTYVIO Pens for S.C. Injection 108 mg /Syringes for S.C. Injection 108 mg (ENTYVIO SC) as a maintenance therapy for moderate to severe active Crohn's disease (CD) with inadequate response to conventional treatment. This approval is based on the results of the MLN0002SC-3031 and MLN0002SC-3030 clinical trials, which are international Phase 3 trials that evaluated the efficacy and safety of ENTYVIO SC as a maintenance therapy in moderate to severe active CD.

ALOFISEL / Generic name: darvadstrocel

- In October 2023, Takeda announced that the Phase 3 ADMIRE-CD II study, assessing the efficacy and safety of ALOFISEL for the treatment of complex Crohn's Perianal Fistulas (CPF), did not meet its primary endpoint of combined remission at 24 weeks, based on topline data. The safety profile for darvadstrocel was consistent with prior studies and there were no new safety signals identified. Full results of the study will be presented at a future medical meeting or published in a peer-reviewed journal. ALOFISEL is approved in the European Union (EU), Israel, Switzerland, Serbia, United Kingdom and Japan based on positive data from the previously completed ADMIRE-CD study.

Development Code: TAK-279

- In September 2023, Takeda announced positive topline results from its randomized, double-blind, placebo-controlled, multiple-dose Phase 2b trial evaluating TAK-279, an investigational oral allosteric tyrosine kinase 2 (TYK2) inhibitor with next generation selectivity, in patients with active psoriatic arthritis. The study met its primary endpoint with a significantly greater proportion of patients treated once-daily with TAK-279 achieving at least a 20 percent improvement in signs and symptoms of disease (American College of Rheumatology 20 response [ACR20]) at week 12 compared to placebo, supporting its potential as a highly selective oral option for patients with psoriatic arthritis. The safety and tolerability profile of TAK-279 in the Phase 2b trial was consistent with previous TAK-279 clinical trials. Analysis of the results are ongoing, and Takeda plans to present clinical results at an upcoming medical meeting. Based on the Phase 2b results, Takeda intends to initiate a Phase 3 development program of TAK-279 in psoriatic arthritis. Takeda also intends to initiate a Phase 3 development program of TAK-279 in plaque psoriasis in FY2023 and plans to evaluate TAK-279 in systemic lupus erythematosus, Crohn's disease, ulcerative colitis and additional immune-mediated inflammatory diseases.

Development code: TAK-721 (Planned trade name: Eohilia) / Generic name: budesonide

- In September 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) accepted for review its New Drug Application (NDA) resubmission for TAK-721 (budesonide oral suspension) which is being investigated for the short-term treatment of eosinophilic esophagitis (EoE). The resubmission is intended to address previous FDA feedback to Takeda's original NDA submission.

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 product (ALUNBRIG), 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.

CABOMETYX / Generic name: cabozantinib

- In August 2023, Takeda announced that, in the CONTACT-02 global phase 3 clinical trial, statistically significant difference in progression-free survival (PFS) was observed, demonstrating a clinically meaningful improvement. The CONTACT-02 trial compared the combination therapy of CABOMETYX and atezolizumab, an anti-PD-L1 (Programmed Death-Ligand 1) humanized monoclonal antibody, with a second novel hormonal therapy (either abiraterone and prednisone or enzalutamide) in patients with metastatic castration-resistant prostate cancer and measurable soft tissue disease who had received prior treatment with one form of hormonal therapy. The safety profiles of CABOMETYX and atezolizumab observed in this trial were consistent with their known safety profiles as monotherapies, and no new safety concerns were identified with the combination regimen. For the other primary endpoint of overall survival (OS) that occurred at the same time as the primary analysis of PFS, data were immature at this prespecified interim analysis. Therefore, the trial will continue to the next analysis of OS.

ADCETRIS / Generic name: brentuximab vedotin

- In October 2023, Takeda announced that the European Commission (EC) approved ADCETRIS in combination with doxorubicin, vinblastine and dacarbazine (AVD) to treat adult patients with previously untreated CD30+ Stage III Hodgkin lymphoma. The decision follows a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) in September, 2023. The approval is based on the results of the randomized Phase 3 ECHELON-1 trial designed to compare ADCETRIS plus AVD to doxorubicin, bleomycin, vinblastine, and dacarbazine (ABVD) as a therapy in adult patients with previously untreated Stage III or IV Hodgkin lymphoma. The trial met its primary endpoint of modified progression-free survival (PFS), as well as its key secondary endpoint of overall survival (OS), demonstrating a statistically significant improvement in OS in adult patients with previously untreated Stage III or IV classical Hodgkin lymphoma treated with ADCETRIS+AVD. The safety profile of ADCETRIS was consistent with previous studies, and no new safety signals were observed.

NINLARO / Generic name: ixazomib

- In September 2023, Takeda announced that it submitted a New Drug Application (NDA) to the Japanese Ministry of Health, Labour and Welfare (MHLW) for NINLARO capsules 0.5 mg as an additional dosage form of NINLARO (Capsules 2.3 mg/3 mg/4 mg). Aiming to achieve more appropriate dose adjustment in maintenance therapy for patients with multiple myeloma, Takeda filed this application to provide patients with a new treatment option (1.5 mg dose (0.5 mg/capsule x 3)) using a low-dose formulation of NINLARO.

EXKIVITY / Generic name: mobocertinib

- In October 2023, Takeda announced that, following discussions with the U.S. Food and Drug Administration (FDA), it will be working with the FDA towards a voluntary withdrawal of EXKIVITY in the U.S. for adult patients with epidermal growth factor receptor (EGFR) exon20 insertion mutation-positive (insertion+) locally advanced or metastatic non-small cell lung cancer (NSCLC) whose disease has progressed on or after platinum-based chemotherapy. Takeda intends to similarly initiate voluntary withdrawal globally where EXKIVITY is approved and is working with regulators in other countries where it is currently available on next steps. This decision was based on the outcome of the Phase 3 EXCLAIM-2 confirmatory trial, which did not meet its primary endpoint and thus did not fulfill the confirmatory data requirements of the accelerated approval granted by the U.S. FDA nor the conditional marketing approvals granted in other countries. The EXCLAIM-2 trial was a Phase 3, multicenter, open-label study designed to investigate the safety and efficacy of EXKIVITY as a monotherapy versus platinum-based chemotherapy in first-line EGFR exon20 insertion+ locally advanced or metastatic NSCLC. No new safety signals were observed in the EXCLAIM-2 trial. Full data from the trial will be presented at an upcoming medical meeting or published in a peer-reviewed journal.

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 global Phase 3 FRESCO-2 clinical trial along with data from the Phase 3 FRESCO clinical 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 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.
- In September 2023, Takeda announced that it submitted a New Drug Application (NDA) to the Japanese Ministry of Health, Labour and Welfare (MHLW) for fruquintinib for the treatment of previously treated metastatic colorectal cancer. The NDA for fruquintinib is based on the global Phase 3 FRESCO-2 clinical trial and the Phase 3 FRESCO clinical trial.

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.

- In August 2023, Takeda announced that it filed an application for manufacturing and marketing approval for TAK-755 for the expected indication of cTTP with the Japanese Ministry of Health, Labour and Welfare (MHLW). The application is based on the interim analysis of the global Phase 3 clinical trial 281102 primarily focusing on patients with cTTP, including five Japanese individuals, and the Phase 3b continuation trial TAK-755-3002. In these trials, TAK-755 was evaluated for its efficacy and safety as a treatment for cTTP.

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.

CUVITRU / Generic name: Immunoglobulin (IG) Infusion 20% (Human) for subcutaneous administration

- In September 2023, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved the use of CUVITRU in patients aged 2 years and older with agammaglobulinemia or hypogammaglobulinemia, disorders characterized by very low or absent levels of antibodies and an increased risk of serious recurring infection caused by primary immunodeficiency (PID) or secondary immunodeficiency (SID). The approval marks Takeda's first subcutaneous immunoglobulin (SCIG) therapy for patients in Japan. The approval is based on results from a Phase 3 clinical trial that evaluated the efficacy, safety, tolerability and pharmacokinetics of CUVITRU in Japanese patients with PID, as well as two Phase 2/3 clinical trials conducted in patients with PID in North America and Europe. Results from the clinical trial in 17 patients in Japan confirmed its efficacy and safety profile. No serious or severe adverse events were reported, and CUVITRU was well-tolerated. The most frequently reported adverse reactions were headache and injection site swelling in four patients (23.5%) and injection site erythema in three patients (17.6%) during CUVITRU treatment. Previously reported clinical trial results also confirmed the efficacy and safety of CUVITRU.

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.
- In October 2023, Takeda announced that the WHO Strategic Advisory Group of Experts on Immunization (SAGE) shared recommendations for use of QDENGA.
  SAGE made the following recommendations:
  - The vaccine to be considered for introduction in settings with high dengue disease burden and high transmission intensity to maximize the public health impact and minimize any potential risk in seronegative persons.
  - The vaccine to be introduced to children aged 6 to 16 years of age. Within this age range, the vaccine should be introduced about 1-2 years prior to the age-specific peak incidence of dengue-related hospitalizations. The vaccine should be administered in a 2-dose schedule with a 3-month interval between doses.
  - The vaccine introduction should be accompanied by a well-designed communication strategy and community engagement.

SAGE reviewed data across 19 Phase 1, 2 and 3 trials with more than 28,000 children and adults, including the pivotal Phase 3 Tetravalent Immunization against Dengue Efficacy Study (TIDES) trial, which was designed according to the WHO's guidance for a second-generation dengue vaccine.
The WHO will consider the SAGE recommendation and is expected to update its position paper on dengue vaccines to include final guidance on the use of QDENGA in public vaccination programs.

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.

- In August 2023, Takeda announced that it entered into an exclusive licensing agreement with ImmunoGen, Inc. (ImmunoGen) to develop and commercialize mirvetuximab soravtansine-gynx (MIRV) for the Japanese market. MIRV is an intravenous injection antibody-drug conjugate (ADC), in which a microtubule inhibitor is linked to an anti-folate receptor-α (FRα) antibody. It is the first ADC developed for the treatment of ovarian cancer. MIRV is approved under accelerated approval in the U.S. for the treatment of adult patients with FRα positive, platinum-resistant epithelial ovarian, fallopian tube, or primary peritoneal cancer, who have received one to three prior systemic treatment regimens. MIRV was the first medicine to show a significant prolongation of overall survival (OS) compared with conventional chemotherapy for the treatment of platinum-resistant relapsed or refractory ovarian cancer in a phase 3 MIRASOL study, conducted outside of Japan.

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

Consolidated Financial Results

Billion JPY or percentage

	FY2022 H1	FY2023 H1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
Revenue	1,974.8	2,101.7	126.9	6.4 %	1.4 %
Cost of sales	(598.3)	(664.7)	(66.4)	11.1 %	6.0 %
Selling, general and administrative expenses	(480.2)	(501.1)	(20.9)	4.3 %	(0.8)%
Research and development expenses	(297.8)	(346.7)	(48.9)	16.4 %	9.6 %
Amortization and impairment losses on intangible assets associated with products	(273.6)	(369.7)	(96.0)	35.1 %	25.8 %
Other operating income	13.5	9.9	(3.6)	(26.7)%	(27.6)%
Other operating expenses	(83.4)	(110.2)	(26.9)	32.2 %	27.1 %
Operating profit	255.0	119.2	(135.7)	(53.2)%	(50.6)%
Finance income and (expenses), net	(33.6)	(81.8)	(48.2)	143.7 %	147.9 %
Share of profit (loss) of investments accounted for using the equity method	(1.4)	1.6	3.0	—	—
Profit before tax	220.0	39.1	(181.0)	(82.3)%	(79.8)%
Income tax (expenses) benefit	(53.3)	2.4	55.7	—	(86.0)%
Net profit for the period	166.8	41.4	(125.3)	(75.2)%	(77.8)%

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, Definition of Core financial measures and Constant Exchange Rate change, for the definition.

Revenue

Revenue for the six-month period ended September 30, 2023 was JPY 2,101.7 billion (JPY +126.9 billion and +6.4% AER, +1.4% 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 in Japan.

Revenue by Geographic Region

The following shows revenue by geographic region:

Billion JPY or percentage

Revenue:	FY2022 H1	FY2023 H1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
Japan	261.4	228.5	(32.8)	(12.6)%	(12.8)%
United States	1,032.5	1,104.8	72.2	7.0 %	0.1 %
Europe and Canada	409.0	460.0	51.0	12.5 %	3.4 %
Asia (excluding Japan)	105.7	123.3	17.6	16.6 %	14.4 %
Latin America	83.3	92.1	8.8	10.6 %	15.8 %
Russia/CIS	37.8	31.1	(6.7)	(17.8)%	(4.5)%
Other*1	45.1	62.0	16.9	37.4 %	44.0 %
Total	1,974.8	2,101.7	126.9	6.4 %	1.4 %

*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 H1	FY2023 H1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% Change	% Change
GI	546.4	596.9	50.5	9.2 %	3.0 %
Rare Diseases	362.2	381.0	18.7	5.2 %	1.9 %
Rare Hematology	155.7	152.7	(3.0)	(1.9)%	(5.7)%
Rare Genetics and Other	206.5	228.2	21.7	10.5 %	7.6 %
PDT Immunology	314.0	388.4	74.4	23.7 %	17.2 %
Oncology	225.3	225.2	(0.1)	(0.1)%	(3.0)%
Neuroscience	302.3	330.7	28.4	9.4 %	3.2 %
Other	224.6	179.6	(44.9)	(20.0)%	(23.1)%
Total	1,974.8	2,101.7	126.9	6.4 %	1.4 %

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

GI

In GI, revenue was JPY 596.9 billion (JPY +50.5 billion and +9.2% AER, +3.0% CER).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease (“CD”)) were JPY 391.7 billion (JPY +45.1 billion and +13.0% AER, +5.8% CER). Sales in the U.S. were JPY 271.1 billion (JPY +27.3 billion and +11.2% AER). The increase was due to favorable foreign exchange rates and demand in the first line biologic inflammatory bowel disease (“IBD”) population primarily in UC. Sales in Europe and Canada were JPY 92.0 billion (JPY +13.2 billion and +16.7% AER). The increase was primarily due to favorable foreign exchange rates and new patient gains by an increased use of the subcutaneous formulation.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 58.9 billion (JPY +10.5 billion and +21.6% AER, +15.5% CER). The increase was primarily due to increased demand across all regions, expansion activities (infant indication label expansion and geographic expansion), and favorable exchange rates.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 58.8 billion (JPY +4.1 billion and +7.5% AER, +6.9% CER). The increase was primarily due to increased sales in Japan and the Growth and Emerging Markets including Brazil and China.

Sales of DEXILANT (for acid reflux disease) were JPY 23.2 billion (JPY -14.8 billion and -39.0% AER, -43.1% 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 381.0 billion (JPY +18.7 billion and +5.2% AER, +1.9% CER).

Revenue of Rare Hematology was JPY 152.7 billion (JPY -3.0 billion and -1.9% AER, -5.7% CER).

Sales of FEIBA (for hemophilia A and B) were JPY 19.8 billion (JPY -1.5 billion and -7.0% AER, -10.7% CER). The decrease was primarily due to competition in Brazil.

Aggregate sales of plasma-derived human coagulation factor products, HEMOFIL (for hemophilia A), IMMUNATE (for hemophilia A), and IMMUNINE (for hemophilia B) were JPY 9.3 billion (JPY -1.3 billion and -12.5% AER, -16.4% CER). The decrease was primarily due to decreased sales in the Growth and Emerging Markets.

Sales of ADYNOVATE/ADYNOVI (for hemophilia A) were JPY 33.5 billion (JPY -0.9 billion and -2.7% AER, -6.5% CER). The decrease was primarily due to negative impacts from competition in the U.S.

Sales of VONVENDI (for von Willebrand disease) were JPY 7.4 billion (JPY +1.5 billion and +26.0% AER, +17.3% CER). The increase was primarily due to increased demand in the U.S.

Revenue of Rare Genetics and Other was JPY 228.2 billion (JPY +21.7 billion and +10.5% AER, +7.6% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 87.1 billion (JPY +14.3 billion and +19.6% AER, +13.1% CER). The continued growth was attributable to sustained launch momentum, expansion into new patient populations such as pediatrics, rising diagnosis rates, the growth of the prophylactic market, and favorable exchange rates.

Sales of LIVTENCITY (for post-transplant cytomegalovirus (“CMV”) infection/disease) were JPY 8.3 billion (JPY +4.1 billion and +96.9% AER, +83.2% CER). The increase was primarily attributable to strong market penetration and successful launch performance in the U.S., complemented by continued geographical expansion in Europe.

Sales of enzyme replacement therapy ELAPRASE (for Hunter syndrome) were JPY 45.7 billion (JPY +3.3 billion and +7.7% AER, +6.3% CER). The increase was primarily due to strong demand in the Growth and Emerging Markets.

PDT Immunology

In PDT Immunology, revenue was JPY 388.4 billion (JPY +74.4 billion and +23.7% AER, +17.2% CER).

Aggregate sales of immunoglobulin products were JPY 309.2 billion (JPY +64.1 billion and +26.2% AER, +19.0% 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, 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 (both primarily used for hypovolemia and hypoalbuminemia) were JPY 58.9 billion (JPY +7.2 billion and +13.9% AER, +10.9% CER). The increase was primarily driven by strong albumin demand in China.

Oncology

In Oncology, revenue was JPY 225.2 billion (JPY -0.1 billion and -0.1% AER, -3.0% CER).

Sales of VELCADE (for multiple myeloma) were JPY 2.9 billion (JPY -17.9 billion and -86.0% AER, -87.0% CER). The decrease was due to generic erosion in the U.S.

Sales of ADCETRIS (for malignant lymphomas) were JPY 54.3 billion (JPY +12.6 billion and +30.1% AER, +29.3% CER). The increase was led by strong growth in Growth and Emerging Markets.

Sales of ALUNBRIG (for small-cell lung cancer) were JPY 13.7 billion (JPY +4.0 billion and +41.2% AER, +36.2% CER). The increase benefited from strong demand across all regions.

Neuroscience

In Neuroscience, revenue was JPY 330.7 billion (JPY +28.4 billion and +9.4% AER, +3.2% CER).
Sales of VYVANSE/ELVANSE (for attention deficit hyperactivity disorder (“ADHD”)) were JPY 226.3 billion (JPY +15.0 billion and +7.1% AER, +0.7% CER). Despite the growth of the adult market and favorable foreign exchange rates, these impacts were predominantly offset by multiple generic entrants in the U.S. starting from late August of this year.

Sales of ADDERALL XR (for ADHD) were JPY 22.6 billion (JPY +10.1 billion and +80.3% AER, +68.1% CER). The increase was primarily due to a shortage of generic versions of the instant release formulation marketed by competitors in the U.S.

Cost of Sales

Cost of Sales was JPY 664.7 billion (JPY +66.4 billion and +11.1% AER, +6.0% CER). The increase was primarily due to revenue growth in our five key business area with a change in product mix and the depreciation of Japanese yen 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 501.1 billion (JPY +20.9 billion and +4.3% AER, -0.8% 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 346.7 billion (JPY +48.9 billion and +16.4% AER, +9.6% CER). The increase was mainly due to various investments in pipeline programs and the impact from the depreciation of Japanese yen.

Amortization and Impairment Losses on Intangible Assets Associated with Products

Amortization and Impairment Losses on Intangible Assets Associated with Products was JPY 369.7 billion (JPY +96.0 billion and +35.1% AER, +25.8% CER). The increase was mainly due to an increase in impairment charges for certain assets related to in-process R&D and marketed products and an increase of amortization expenses due to the depreciation of Japanese yen. The JPY 115.8 billion impairment losses recorded in the current period primarily includes JPY 74.0 billion impairment charges for ALOFISEL (for complex Crohn's perianal fistulas) following topline results of phase 3 ADMIRE-CD II trial and JPY 28.5 billion impairment charges following a decision to voluntarily withdraw EXKIVITY (for non-small cell lung cancer) globally.

Other Operating Income

Other Operating Income was JPY 9.9 billion (JPY -3.6 billion and -26.7% AER, -27.6% CER).

Other Operating Expenses

Other Operating Expenses were JPY 110.2 billion (JPY +26.9 billion and +32.2% AER, +27.1% CER). The increase was primarily driven by increases in reserves and provisions, including for certain legal proceedings, and restructuring expenses.

Operating Profit

As a result of the above factors, Operating Profit was JPY 119.2 billion (JPY -135.7 billion and -53.2% AER, -50.6% CER).

Net Finance Expenses

Net Finance Expenses were JPY 81.8 billion (JPY +48.2 billion and +143.7% AER, +147.9% CER). The increase of Net Finance Expenses compared to the same period of the previous year was primarily due to a decrease in financial income reflecting gains from acquisitions of prior equity method companies and other income and gains recorded in the same period of the previous fiscal year.

Share of Profit of Investments Accounted for Using the Equity Method

Share of Profit of Investments Accounted for Using the Equity Method was JPY 1.6 billion (JPY +3.0 billion, compared to Share of Loss of Investments Accounted for Using the Equity Method of JPY 1.4 billion).

Income Tax (Expenses) Benefit

Income Tax Benefit was JPY 2.4 billion (JPY +55.7 billion, compared to Income Tax Expenses of JPY 53.3 billion, -86.0% CER). The increase was primarily due to a tax expense reduction of JPY 63.5 billion resulting from the reversal of the income taxes payable in excess of the settlement with Irish Revenue Commissioners with respect to a tax assessment related to the treatment of an acquisition break fee Shire received from AbbVie, Inc. (AbbVie) in 2014 as well as lower pretax earnings. These increases were partially offset by the tax charges from the write-down of deferred tax assets in the current period.

Net Profit for the Period

Net Profit for the Period was JPY 41.4 billion (JPY -125.3 billion and -75.2% AER, -77.8% 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 H1	FY2023 H1	Change versus the same period of the previous fiscal year		
			AER		CER
			Amount of Change	% change	% change
Core Revenue	1,974.8	2,101.7	126.9	6.4 %	1.4 %
Core Operating Profit	625.2	588.8	(36.4)	(5.8)%	(9.5)%
Core EPS (JPY)	288	261	(27)	(9.4)%	(14.4)%

Core Revenue

Core Revenue for the six-month period ended September 30, 2023 was JPY 2,101.7 billion (JPY +126.9 billion and +6.4% AER, +1.4% 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 875.9 billion (JPY +143.1 billion and +19.5% AER, +12.7% 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 (Takeda decided to voluntarily withdraw the product globally)
Other: QDENGA

Core Operating Profit

Core Operating Profit for the current period was JPY 588.8 billion (JPY -36.4 billion and -5.8% AER, -9.5% CER). The decrease was primarily due to a change in product mix and investments in various pipeline programs and data and technology.

Core EPS

Core EPS for the current period was JPY 261 (JPY -27 and -9.4% AER, -14.4% CER).

Consolidated Financial Position

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

Assets.

Total Assets as of September 30, 2023 were JPY 14,871.9 billion (JPY +914.1 billion). The increases of Goodwill, Property, Plant and Equipment, Inventories, and Intangible Assets (JPY +510.3 billion, JPY +202.9 billion, JPY +169.4 billion, and JPY +132.8 billion, respectively) were mainly due to the effect of foreign currency translation. These increases were partially offset by a decrease in Cash and Cash Equivalents (JPY -215.5 billion).

Liabilities.

Total Liabilities as of September 30, 2023 were JPY 7,800.9 billion (JPY +197.8 billion). Bonds and Loans were JPY 4,679.2 billion* (JPY +296.9 billion), which increased primarily due to the effect of foreign currency translation and the issuance of commercial paper. In addition, Other Financial Liabilities increased (JPY +162.6 billion) primarily due to increased lease liabilities in the U.S. These increases were partially offset by a decrease in Trade and Other Payables (JPY -228.2 billion) due to payments for the remaining upfront payment related to the acquisition of TAK-279 from Nimbus Therapeutics, LLC (Nimbus) and the exclusive license agreement with HUTCHMED (China) Limited (HUTCHMED).

* The carrying amount of Bonds was JPY 3,931.9 billion and Loans was JPY 747.4 billion as of September 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 (USD 1,301 million)	June 2015	June 2025 ~ June 2045	194.8
Unsecured US dollar denominated senior notes (USD 3,000 million)	September 2016	September 2026	430.0
Unsecured Euro denominated senior notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	472.0
Unsecured US dollar denominated senior notes (USD 2,250 million)	November 2018	November 2023 ~ November 2028	333.9
Hybrid bonds (subordinated bonds)	June 2019	June 2079	499.2
Unsecured US dollar denominated senior notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,036.7
Unsecured Euro denominated senior notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	565.8
Unsecured JPY denominated senior bonds	October 2021	October 2031	249.5
Commercial paper	September 2023	December 2023	150.0
Total			3,931.9

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 (USD 1,500 million)	April 2017	April 2027	223.4
Syndicated loans	April 2023	April 2030	100.0
Bilateral loans	March 2016 ~ March 2023	April 2024 ~ March 2029	210.0
Other			0.5
Total			747.4

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. Following this, Takeda redeemed USD 1,000 million of unsecured senior notes issued in September 2016 on their maturity date of September 23, 2023. Furthermore, Takeda had short term commercial paper drawings outstanding of JPY 150.0 billion as at September 30, 2023.

Equity.

Total Equity as of September 30, 2023 was JPY 7,071.0 billion (JPY +716.4 billion). The increase of Other Components of Equity (JPY +779.8 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 -95.1 billion) mainly due to the decrease of JPY 140.1 billion related to dividends payments while Net Profit for the Period contributed to an increase.

Consolidated Cash Flows

	Billion JPY	
	FY2022 H1	FY2023 H1
Net cash from (used in) operating activities	305.2	291.3
Net cash from (used in) investing activities	(121.9)	(327.1)
Net cash from (used in) financing activities	(267.6)	(198.4)
Net increase (decrease) in cash and cash equivalents	(84.3)	(234.2)
Cash and cash equivalents at the beginning of the year	849.7	533.5
Effects of exchange rate changes on cash and cash equivalents	32.7	18.8
Cash and cash equivalents at the end of the period	798.1	318.1

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

Net cash from operating activities

Net cash from operating activities for the current period was JPY 291.3 billion (JPY -13.9 billion). The decrease was due to unfavorable impacts from a lower net profit for the period adjusted for non-cash items and other adjustments, along with an increase in Income taxes paid. These were partially offset by a favorable net impact from Changes in assets and liabilities and other changes.

Net cash used in investing activities

Net cash used in investing activities was JPY 327.1 billion (JPY +205.2 billion). This increase was mainly due to an increase in Acquisition of intangible assets related to the acquisition of TAK-279 from Nimbus and the exclusive license agreement with HUTCHMED.

Net cash used in financing activities

Net cash used in financing activities was JPY 198.4 billion (JPY -69.2 billion). The decrease was mainly due to a net increase in commercial paper drawings of JPY 110.0 billion and the settlement of cross currency interest rate swaps related to bonds during the current period. These were partially offset by the redemption of USD 1,000 million of unsecured senior notes issued in September 2016 on their maturity date of September 23, 2023.

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 been revised from the previous forecast (announced on May 11, 2023), as follows:

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

Billion JPY or percentage

	Original Forecast (May 11, 2023)	Revised Forecast (October 26, 2023)	Change vs. the Original Forecast	
Revenue	3,840.0	3,980.0	140.0	3.6 %
Operating profit	349.0	225.0	(124.0)	(35.5)%
Profit before tax	185.0	70.0	(115.0)	(62.2)%
Net profit for the year (attributable to owners of the Company)	142.0	93.0	(49.0)	(34.5)%
EPS (JPY)	90.75	59.45	(31.3)	(34.5)%
Core Revenue	3,840.0	3,980.0	140.0	3.6 %
Core Operating Profit	1,015.0	1,015.0	—	— %
Core EPS (JPY)	434	447	13.0	3.1 %

[Revenue]

Takeda expects FY2023 revenue to be JPY 3,980.0 billion, an increase of JPY 140.0 billion, or 3.6%, from the original forecast. This is predominantly due to changes in the assumptions of foreign exchange rates reflecting the trend towards depreciation of the yen.

[Operating Profit]

Operating Profit forecast has been decreased by JPY 124.0 billion, or 35.5%, to JPY 225.0 billion. This is mainly due to a revised assumption of impairment losses on intangible assets associated with products, reflecting the FY2023 H1 actual results in which Takeda recorded impairment losses for ALOFISEL and EXKIVITY. Other Operating Expenses has also been updated to include the effect of provisions recorded in FY2023 H1 not known at the time of and therefore not included in the original forecast.

Core Operating Profit, adjusted to exclude items unrelated to Takeda's core operations, remains unchanged from the original forecast of JPY 1,015.0 billion.

[Net profit for the year (attributable to owners of the Company)]

Net profit for the year (attributable to owners of the Company) forecast has been decreased by JPY 49.0 billion, or 34.5%, to JPY 93.0 billion. An impact of the decrease of profit before tax is expected to be mostly offset by the tax expense reduction recorded in FY2023 H1 for the amount of JPY 63.5 billion, which resulted from a settlement with the Irish Revenue Commissioners over the tax assessment of an acquisition break fee Shire received in 2014.

Reported EPS is expected to be JPY 59.45, a decrease of 34.5%, and Core EPS is expected to be JPY 447, an increase of 3.1%.

Major assumptions used in preparing the FY2023 Revised Reported Forecast

Billion JPY or percentage

	Original Forecast (May 11, 2023)	Revised Forecast (October 26, 2023)
FX rates (JPY)	USD/JPY 131 EUR/JPY 141 RUB/JPY 1.9 BRL/JPY 25.9 CNY/JPY 19.5	USD/JPY 137 EUR/JPY 145 RUB/JPY 1.6 BRL/JPY 28.5 CNY/JPY 19.8
R&D expenses	(643.0)	(680.0)
Amortization of intangible assets associated with products	(480.0)	(500.0)
Impairment of intangible assets associated with products	(50.0)	(120.0)
Other operating income	14.0	14.0
Other operating expenses	(150.0)	(180.0)
Other Core Operating Profit adjustments	—	4.0
Finance income and (expenses), net	(165.0)	(157.0)
Free cash flow*	400.0 - 500.0	400.0 - 500.0
Capital expenditures (cash flow base)*	(480.0 - 530.0)	(480.0 - 530.0)
Depreciation and amortization (excluding intangible assets associated with products)	(170.0)	(180.0)
Cash tax rate on adjusted EBITDA (excluding divestitures)	Mid-to-high teen %	Mid-to-high teen %

* Revised Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY 134.1 billion) and in-licensing of fruquintinib from HUTCHMED (JPY 55.1 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, "Core Results, Definition of Core financial measures and Constant Exchange Rate change", for the definition.

Forward looking statements

All forecasts in this document are based on information and assumptions 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, Takeda will disclose it in a timely manner.

Interim Dividend for Fiscal 2023

Takeda maintains its annual dividend projection of JPY 188 per share.

For the six-month period ended September 30, 2023, Takeda's Board of Directors approved the payment of an interim dividend of JPY 94 per share. The dividend will be paid on December 1, 2023.

Condensed Interim Consolidated Financial Statements [IFRS]

(1) Condensed Interim Consolidated Statements of Profit or Loss

	JPY (millions, except per share data)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2022	2023	2023
Revenue	¥ 1,974,771	¥ 2,101,707	$ 14,065
Cost of sales	(598,327)	(664,696)	(4,448)
Selling, general and administrative expenses	(480,214)	(501,065)	(3,353)
Research and development expenses	(297,752)	(346,687)	(2,320)
Amortization and impairment losses on intangible assets associated with products	(273,643)	(369,665)	(2,474)
Other operating income	13,476	9,874	66
Other operating expenses	(83,359)	(110,240)	(738)
Operating profit	254,953	119,230	798
Finance income	75,707	24,312	163
Finance expenses	(109,272)	(106,095)	(710)
Share of profit (loss) of investments accounted for using the equity method	(1,366)	1,607	11
Profit before tax	220,022	39,053	261
Income tax (expenses) benefit	(53,269)	2,382	16
Net profit for the period	166,753	41,436	277
Attributable to:			
Owners of the Company	166,756	41,365	277
Non-controlling interests	(3)	71	0
Net profit for the period	166,753	41,436	277
Earnings per share (JPY or USD)			
Basic earnings per share	107.62	26.51	0.18
Diluted earnings per share	106.88	26.29	0.18

(*) Condensed interim consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 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)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2022	2023	2023
Net profit for the period	¥ 166,753	¥ 41,436	$ 277
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	5,284	6,537	44
Remeasurement of defined benefit pension plans	13,395	2,644	18
	18,679	9,181	61
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	1,035,192	779,220	5,215
Cash flow hedges	(33,200)	(2,015)	(13)
Hedging cost	(22,749)	(2,579)	(17)
Share of other comprehensive loss of investments accounted for using the equity method	(1,085)	(279)	(2)
	978,158	774,347	5,182
Other comprehensive income for the period, net of tax	996,837	783,528	5,243
Total comprehensive income for the period	1,163,590	824,964	5,521
Attributable to:			
Owners of the Company	1,163,535	824,843	5,520
Non-controlling interests	55	121	1
Total comprehensive income for the period	1,163,590	824,964	5,521

(*) Condensed interim consolidated statements of comprehensive income have been translated solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 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 September 30, 2023	As of September 30, 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	¥ 1,691,229	¥ 1,894,136	$ 12,676
Goodwill	4,790,723	5,301,017	35,475
Intangible assets	4,269,657	4,402,421	29,461
Investments accounted for using the equity method	99,174	103,112	690
Other financial assets	279,683	313,252	2,096
Other non-current assets	63,325	59,672	399
Deferred tax assets	366,003	336,211	2,250
Total non-current assets	11,559,794	12,409,822	83,048
Current assets:			
Inventories	986,457	1,155,866	7,735
Trade and other receivables	649,429	755,327	5,055
Other financial assets	20,174	15,756	105
Income taxes receivable	32,264	32,739	219
Other current assets	160,868	178,219	1,193
Cash and cash equivalents	533,530	318,051	2,128
Assets held for sale	15,235	6,108	41
Total current assets	2,397,956	2,462,066	16,476
Total assets	13,957,750	14,871,889	99,524
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,042,741	4,404,363	29,474
Other financial liabilities	534,269	574,874	3,847
Net defined benefit liabilities	127,594	134,953	903
Income taxes payable	24,558	4,025	27
Provisions	55,969	14,958	100
Other non-current liabilities	65,389	71,354	478
Deferred tax liabilities	270,620	228,719	1,531
Total non-current liabilities	5,121,138	5,433,247	36,360
Current liabilities:			
Bonds and loans	339,600	274,841	1,839
Trade and other payables	649,233	421,078	2,818
Other financial liabilities	185,537	307,543	2,058
Income taxes payable	232,377	130,218	871
Provisions	508,360	657,657	4,401
Other current liabilities	566,689	576,279	3,857
Liabilities held for sale	144	—	—
Total current liabilities	2,481,940	2,367,617	15,844
Total liabilities	7,603,078	7,800,864	52,204

	JPY (millions)		USD (millions)(*)
	As of March 31, 2023	As of September 30, 2023	As of September 30, 2023
EQUITY			
Share capital	1,676,345	1,676,503	11,219
Share premium	1,728,830	1,711,109	11,451
Treasury shares	(100,317)	(51,246)	(343)
Retained earnings	1,541,146	1,446,018	9,677
Other components of equity	1,508,119	2,287,969	15,311
Equity attributable to owners of the Company	6,354,122	7,070,352	47,315
Non-controlling interests	549	673	5
Total equity	6,354,672	7,071,024	47,320
Total liabilities and equity	13,957,750	14,871,889	99,524

(*) Condensed interim consolidated statements of financial position have been translated solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 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

Six-month period ended September 30, 2022 (From April 1 to September 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)	4,121	
Restated opening balance	1,676,263	1,708,873	(116,007)	1,477,756	988,263	22,068
Net profit for the period				166,756		
Other comprehensive income (loss)					1,034,071	5,262
Comprehensive income (loss) for the period	—	—	—	166,756	1,034,071	5,262
Transactions with owners:						
Issuance of new shares	67	67				
Acquisition of treasury shares		(5)	(27,051)			
Disposal of treasury shares		0	0			
Dividends				(138,217)		
Transfers from other components of equity				23,906		(10,510)
Share-based compensation		29,335				
Exercise of share-based awards		(42,725)	42,745			
Total transactions with owners	67	(13,329)	15,694	(114,311)	—	(10,510)
As of September 30, 2022	1,676,330	1,695,544	(100,313)	1,530,200	2,022,333	16,819

	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				—	166,756	(3)	166,753
Other comprehensive income (loss)	(33,200)	(22,749)	13,395	996,779	996,779	58	996,837
Comprehensive income (loss) for the period	(33,200)	(22,749)	13,395	996,779	1,163,535	55	1,163,590
Transactions with owners:							
Issuance of new shares				—	133		133
Acquisition of treasury shares				—	(27,057)		(27,057)
Disposal of treasury shares				—	1		1
Dividends				—	(138,217)		(138,217)
Transfers from other components of equity			(13,395)	(23,906)	—		—
Share-based compensation				—	29,335		29,335
Exercise of share-based awards				—	19		19
Total transactions with owners	—	—	(13,395)	(23,906)	(135,786)	—	(135,786)
As of September 30, 2022	(99,101)	(28,884)	—	1,911,167	6,712,929	560	6,713,489

Six-month period ended September 30, 2023 (From April 1 to September 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				41,365		
Other comprehensive income (loss)					778,851	6,577
Comprehensive income (loss) for the period	—	—	—	41,365	778,851	6,577
Transactions with owners:						
Issuance of new shares	158	158				
Acquisition of treasury shares			(2,355)			
Disposal of treasury shares		0	0			
Dividends				(140,121)		
Changes in ownership						
Transfers from other components of equity				3,628		(985)
Share-based compensation		33,606				
Exercise of share-based awards		(51,485)	51,426			
Total transactions with owners	158	(17,721)	49,071	(136,493)	—	(985)
As of September 30, 2023	1,676,503	1,711,109	(51,246)	1,446,018	2,384,979	18,062

	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				—	41,365	71	41,436
Other comprehensive income (loss)	(2,015)	(2,579)	2,644	783,478	783,478	50	783,528
Comprehensive income (loss) for the period	(2,015)	(2,579)	2,644	783,478	824,843	121	824,964
Transactions with owners:							
Issuance of new shares				—	315		315
Acquisition of treasury shares				—	(2,355)		(2,355)
Disposal of treasury shares				—	0		0
Dividends				—	(140,121)		(140,121)
Changes in ownership				—	—	3	3
Transfers from other components of equity			(2,644)	(3,628)	—		—
Share-based compensation				—	33,606		33,606
Exercise of share-based awards				—	(60)		(60)
Total transactions with owners	—	—	(2,644)	(3,628)	(108,613)	3	(108,611)
As of September 30, 2023	(89,367)	(25,706)	—	2,287,969	7,070,352	673	7,071,024

(5) Condensed Interim Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2022	2023	2023
Cash flows from operating activities:			
Net profit for the period	¥ 166,753	¥ 41,436	$ 277
Depreciation and amortization	326,110	354,197	2,370
Impairment losses	35,950	126,703	848
Equity-settled share-based compensation	29,335	33,977	227
Loss on sales and disposal of property, plant and equipment	145	304	2
Gain on divestment of business and subsidiaries	(640)	(294)	(2)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	446	(150)	(1)
Finance (income) and expenses, net	33,565	81,783	547
Share of loss (profit) of investments accounted for using the equity method	1,366	(1,607)	(11)
Income tax expenses (benefit)	53,269	(2,382)	(16)
Changes in assets and liabilities:			
Increase in trade and other receivables	(5,915)	(73,081)	(489)
Increase in inventories	(15,778)	(77,938)	(522)
Decrease in trade and other payables	(137,260)	(49,679)	(332)
Increase (decrease) in provisions	(12,939)	17,163	115
Increase (decrease) in other financial liabilities	(48,068)	34,178	229
Other, net	(11,887)	(74,375)	(498)
Cash generated from operations	414,451	410,234	2,745
Income taxes paid	(115,432)	(129,040)	(864)
Tax refunds and interest on tax refunds received	6,215	10,111	68
Net cash from operating activities	305,234	291,305	1,949
Cash flows from investing activities:			
Interest received	1,456	5,102	34
Dividends received	2,415	147	1
Acquisition of property, plant and equipment	(71,423)	(83,804)	(561)
Proceeds from sales of property, plant and equipment	97	8,337	56
Acquisition of intangible assets	(67,562)	(255,476)	(1,710)
Acquisition of investments	(4,694)	(2,264)	(15)
Proceeds from sales and redemption of investments	18,400	631	4
Proceeds from sales of business, net of cash and cash equivalents divested	—	365	2
Other, net	(609)	(148)	(1)
Net cash used in investing activities	(121,920)	(327,109)	(2,189)

	JPY (millions)		USD (millions)(*)
	Six-month Period Ended September 30,		Six-month Period Ended September 30,
	2022	2023	2023
Cash flows from financing activities:			
Net increase in short-term loans and commercial papers	—	110,000	736
Proceeds from issuance of bonds and long-term loans	—	100,000	669
Repayments of bonds and long-term loans	(26,900)	(246,091)	(1,647)
Proceeds from the settlement of cross currency interest rate swaps related to bonds	—	60,063	402
Acquisition of treasury shares	(26,929)	(2,326)	(16)
Interest paid	(52,719)	(49,711)	(333)
Dividends paid	(140,007)	(139,811)	(936)
Repayments of lease liabilities	(20,996)	(21,613)	(145)
Other, net	(42)	(8,943)	(60)
Net cash used in financing activities	(267,593)	(198,433)	(1,328)
Net decrease in cash and cash equivalents	(84,278)	(234,237)	(1,568)
Cash and cash equivalents at the beginning of the year	849,695	533,530	3,570
Effects of exchange rate changes on cash and cash equivalents	32,720	18,759	126
Cash and cash equivalents at the end of the period	798,137	318,051	2,128

(*) Condensed interim consolidated statements of cash flows have been translated solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 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.

(6) Other Information

(Significant Subsequent Events)

Not applicable.

Supplementary Information

1. Pipeline

– Clinical Development Activities

– The following table lists the pipeline assets that we are clinically developing as of October 26, 2023 (the date of our earnings release for the second quarter ended September 30, 2023), 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.	Approved (Sep 2023)
			Crohn's disease (subcutaneous formulation)	Japan U.S.	Approved (Sep 2023) Filed (Sep 2023)
			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)
TAK-721 <budesonide>	Glucocorticosteroid (oral)	Small molecule	Eosinophilic esophagitis	U.S.	Filed (Sep 2023)
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[1]
			Pediatric indication for refractory complex perianal fistulas in patients with Crohn’s disease	EU Japan	P-III P-III
TAK-999[2] <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[3] <maralixibat>	IBAT inhibitor (oral)	Small molecule	Alagille Syndrome	Japan	P-III

			Progressive Familial Intrahepatic Cholestasis	Japan	P-III
TAK-227/ZED1227[4]	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[5]	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[6]	Anti MAdCAM-1 antibody (injection)	Biologic and other	Nonalcoholic Steatohepatitis (NASH)	-	P-I

1. ALOFISEL Phase 3 ADMIRE CD-II study to support U.S. filing did not meet primary endpoint.
2. Partnership with Arrowhead Pharmaceuticals, Inc.
3. Partnership with Mirum Pharmaceuticals.
4. Partnership with Zedira and Dr. Falk Pharma.
5. Partnership with COUR Pharmaceuticals.
6. Partnership with Pfizer.

Additions since FY2023 Q1: TAK-721 for Eosinophilic esophagitis (Filed, U.S.)
Removals since FY2023 Q1: None

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 System Atrophy (MSA)	-	P-II
TAK-594/DNL593[4]	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

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. Partnership with Denali Therapeutics. Denali leads development.

Additions since FY2023 Q1: None
Removals since FY2023 Q1: TAK-920/DNL919 for Alzheimer's disease (P-I, discontinued), TAK-611 for Metachromatic leukodystrophy (P-II, discontinued)

Oncology Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
SGN-35[1] <brentuximab vedotin> *ADCETRIS* (EU, Japan, China)	CD30 monoclonal antibody-drug conjugate (injection)	Biologic and other	Front line Hodgkin's lymphoma – Stage III	EU	Approved (Oct 2023)*
			Relapsed or refractory cutaneous T-cell lymphoma	Japan	Filed (Feb 2023)
			Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS)	EU	Filed (Jul 2023)
TAK-113[2] <fruquintinib>	VEGFR inhibitor (oral)	Small molecule	Previously treated metastatic Colorectal Cancer (mCRC)	U.S. EU Japan	Filed (Mar 2023) Filed (Jun 2023) Filed (Sep 2023)
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>[3] *CABOMETYX* (Japan)	Multi-targeted kinase inhibitor (oral)	Small molecule	Metastatic Castration-Resistant Prostate Cancer in combination with atezolizumab[4]	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[5] <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[6]	CD19 CAR-NK (injection)	Cell and gene therapy	Relapsed/refractory B cell malignancies	-	P-II
TAK-676 <dazostinag>	STING agonist (injection)	Small molecule	Solid tumors	-	P-II
TAK-102[7]	GPC3 CAR-T (injection)	Cell and gene therapy	Solid tumors	-	P-I
TAK-103[7]	Mesothelin CAR-T (injection)	Cell and gene therapy	Solid tumors	-	P-I
TAK-500	STING agonist antibody drug conjugate (injection)	Biologic and other	Solid tumors	-	P-I
TAK-940[8]	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

1. Partnership with Seagen, Inc.
2. Partnership with HUTCHMED
3. Partnership with Exelixis, Inc.
4. Partnership with Chugai Pharmaceutical. Takeda operates P-III development
5. Partnership with Teva Pharmaceutical Industries Ltd.
6. Partnership with The University of Texas MD Anderson Cancer Center
7. Partnership with Noile-Immune Biotech, Inc.
8. Partnership with Memorial Sloan Kettering Cancer Center

* Event occurred after the end of the Q2 reporting period: Update after October 1, 2023

Additions since FY2023 Q1: None
Removals since FY2023 Q1:
TAK-788 for Previously treated Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Japan, P-III) (Global voluntary withdrawal)
TAK-788 for Treatment Naïve Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Global, P-III) (Global voluntary withdrawal)

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) Filed (Aug 2023) P-III
			Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II (b) P-II (b)
			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. A clinical trial for Relapsed/refractory Multiple Myeloma was completed.

Additions since FY2023 Q1: None
Removals since FY2023 Q1: 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-664 <IG Infusion 20% (Human)> *CUVITRU* (U.S., EU)	Immunoglobulin 20% [human] (subcutaneous infusion)	Biologic and other	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Sep 2023)
TAK-662 *CEPROTIN* (U.S., EU)	Protein C concentrate [human] (injection)	Biologic and other	Severe congenital protein C deficiency	Japan	Filed (Apr 2023)
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) Filing in preparation[2]
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. Non-interventional study to collect data is in progress

Additions since FY2023 Q1: None
Removals since FY2023 Q1: 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-426[3]	Zika vaccine (injection)	Biologic and other	Active immunization for the prevention of disease caused by Zika virus	-	P-I

1. In October 2022, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency (EMA) recommended the approval of TAK-003 in Europe and in dengue-endemic countries participating in the parallel EU-M4all procedure. QDENGA (TAK-003) was approved for use in the EU in December 2022.
2. QDENGA (TAK-003) is also approved in Indonesia, Brazil, the U.K., Argentina, Colombia and Thailand.
3. Partnership with The Biomedical Advanced Research and Development Authority (BARDA) of the U.S. Government

Additions since FY2023 Q1: None
Removals since FY2023 Q1: TAK-019/NVX CoV2373 for Active immunization for the prevention of COVID-19 (heterologous booster) (Japan, P-III, trial completed)

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.	Approved (Sep 2023)
MLN0002 <vedolizumab>	Subcutaneous formulation for Crohn's disease	Japan	Approved (Sep 2023)
TAK-664 <IG Infusion 20% (Human)>	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Sep 2023)
SGN-35 <brentuximab vedotin>	Front line Hodgkin's lymphoma – Stage III	EU	Approved (Oct 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-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	Japan	Filed (Aug 2023)
MLN0002 <vedolizumab>	Subcutaneous formulation for Crohn's disease	U.S.	Filed (Sep 2023)
TAK-721 <budesonide>	Eosinophilic esophagitis	U.S.	Filed (Sep 2023)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	Japan	Filed (Sep 2023)
TAK-660	Hemophilia A	China	P-III
TAK-925 <danavorexton>	Postanesthesia Recovery	-	P-II
TAK-676 <dazostinag>	Solid tumors	-	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 Q2 reporting period: Update after October 1, 2023

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.
TAK-788 <mobocertinib>	Previously treated Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Japan, P-III)	Global voluntary withdrawal due to failure of confirmatory trial in 1L NSCLC with EGFR Exon 20 insertion mutations.
	Treatment Naïve Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Global, P-III)	
TAK-920/DNL919	Alzheimer disease (P-I)	Discontinuation based on the totality of Phase 1 clinical data and the treatment landscape. Denali and Takeda will focus research efforts on back-up molecules in preclinical development, including exploration of potential combination therapy.
TAK-611	Metachromatic leukodystrophy (P-II)	TAK-611 Phase 2 trial results did not meet primary and secondary endpoints, which 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 that have been executed since April 1, 2023.

– Effective Q2 FY23, the below table lists select Research & Development partnerships which meet revised inclusion criteria based on asset stage and investment level.

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
AcuraStem‡	U.S.	Exclusive worldwide license agreement to develop and commercialize AcuraStem's PIKFYVE targeted therapeutics including AS-202, an antisense oligonucleotide (ASO) for the treatment of Amyotrophic Lateral Sclerosis (ALS).
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. DNL919/TAK-920 molecule was discontinued in Q2 FY2023, and exploration for ATV:TREM2 backup is ongoing.
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 a 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.
ImmunoGen‡	U.S.	Exclusive licensing agreement to develop and commercialize mirvetuximab soravtansine-gynx in Japan for folate receptor-alpha (FRa) positive ovarian cancer.
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
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 more than 70 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.
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.

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.
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.

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.
Poseida Therapeutics	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.
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.
Xenetic Biosciences	U.S.	Exclusive R&D license agreement for PolyXen delivery technology for hemophilia factors VII, VIII, IX, X.

■ 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] FY22Q2 YTD	Reported[*1] FY23Q2 YTD	AER[*2] Amount of Change	AER[*2] % Change	Core[*1*3] CER[*3] % Change
Total revenue	1,974.8	2,101.7	126.9	6.4 %	1.4 %
Japan	261.4	228.5	(32.8)	(12.6)%	(12.8)%
% of revenue	13.2%	10.9%	(2.4)pt		
United States	1,032.5	1,104.8	72.2	7.0 %	0.1 %
% of revenue	52.3%	52.6%	0.3pt		
Europe and Canada	409.0	460.0	51.0	12.5 %	3.4 %
% of revenue	20.7%	21.9%	1.2pt		
Growth and Emerging Markets[*4]	271.9	308.4	36.5	13.4 %	17.1 %
% of revenue	13.8%	14.7%	0.9pt		
Asia (excluding Japan)	105.7	123.3	17.6	16.6 %	14.4 %
% of revenue	5.4%	5.9%	0.5pt		
Latin America	83.3	92.1	8.8	10.6 %	15.8 %
% of revenue	4.2%	4.4%	0.2pt		
Russia/CIS	37.8	31.1	(6.7)	(17.8)%	(4.5)%
% of revenue	1.9%	1.5%	(0.4)pt		
Other[*5]	45.1	62.0	16.9	37.4 %	44.0 %
% of revenue	2.3%	3.0%	0.7pt		
Of which royalty / service income	60.4	41.0	(19.3)	(32.0)%	(35.2)%

*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%	1,043.1	4.1%				
Japan	140.5	120.8	128.5	122.2	124.8	(11.2)%	103.7	(14.2)%				
% of revenue	14.5%	12.1%	11.7%	12.8%	11.8%		9.9%					
United States	501.1	531.5	589.2	482.0	554.4	10.6%	550.4	3.6%				
% of revenue	51.5%	53.0%	53.7%	50.4%	52.4%		52.8 %					
Europe and Canada	205.6	203.4	223.4	210.3	224.3	9.1%	235.6	15.9%				
% of revenue	21.1%	20.3%	20.4%	22.0%	21.2%		22.6 %					
Growth and Emerging Markets [*3]	125.3	146.6	155.4	141.7	155.1	23.8%	153.4	4.6%				
% of revenue	12.9%	14.6%	14.2%	14.8%	14.6%		14.7 %					
Asia (excluding Japan)	46.1	59.6	63.3	56.0	60.8	32.0%	62.4	4.7%				
% of revenue	4.7%	5.9%	5.8%	5.9%	5.7%		6.0 %					
Latin America	40.3	43.0	38.2	38.9	43.7	8.5%	48.4	12.5%				
% of revenue	4.1%	4.3%	3.5%	4.1%	4.1%		4.6 %					
Russia/CIS	17.4	20.5	28.9	21.7	17.4	(0.0)%	13.7	(32.9)%				
% of revenue	1.8%	2.0%	2.6%	2.3%	1.6%		1.3 %					
Other [*4]	21.6	23.6	25.0	25.0	33.2	53.9%	28.9	22.4%				
% of revenue	2.2%	2.4%	2.3%	2.6%	3.1%		2.8 %					
Of which royalty / service income	33.6	26.8	28.0	16.8	24.8	(26.1)%	16.2	(39.5)%				

*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													
	FY22Q2 YTD	FY23Q2 YTD	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	**546.4**	**596.9**	**9.2 %**	**344.5**	**7.6 %**	**60.6**	**7.2 %**	**127.3**	**13.7 %**	**53.0**	**13.2 %**	**11.5**	**5.5 %**
ENTYVIO	346.6	391.7	13.0 %	271.1	11.2 %	7.5	11.5 %	92.0	16.7 %	21.1	22.2 %		
TAKECAB/VOCINTI*3	54.7	58.8	7.5 %	—	-	48.5	3.7 %	—	-	10.3	29.4 %		
GATTEX/REVESTIVE	48.4	58.9	21.6 %	44.5	19.9 %	4.0	57.1 %	8.1	28.4 %	2.3	(6.7)%		
DEXILANT	38.0	23.2	(39.0)%	7.0	(69.7)%	—	-	6.9	7.3 %	9.3	8.3 %		
PANTOLOC/CONTROLOC*4	22.2	22.9	3.0 %	1.6	1.8 %	—	-	15.0	3.0 %	6.3	3.5 %		
LIALDA/MEZAVANT*5	11.3	13.5	19.2 %	2.0	373.0 %							11.5	5.5 %
RESOLOR/MOTEGRITY	7.7	10.1	30.6 %	9.1	44.1 %	—	-	1.0	(30.4)%	—	-		
ALOFISEL	1.1	1.5	34.5 %	—	-	0.2	407.0 %	1.2	26.0 %	0.1	(9.6)%		
Others	16.3	16.3	0.4 %	9.2	14.4 %	0.4	(6.1)%	3.2	(9.6)%	3.5	(17.3)%		
Rare Diseases	**362.2**	**381.0**	**5.2 %**	**174.7**	**4.9 %**	**19.6**	**6.1 %**	**103.1**	**4.1 %**	**83.6**	**7.0 %**		
Rare Hematology	**155.7**	**152.7**	**(1.9)%**	**65.8**	**(2.4)%**	**11.6**	**0.1 %**	**33.0**	**(1.2)%**	**42.3**	**(2.2)%**		
ADVATE	62.4	62.7	0.5 %	31.4	2.4 %	1.9	(8.9)%	9.1	(22.7)%	20.3	13.8 %		
ADYNOVATE/ADYNOVI	34.4	33.5	(2.7)%	12.8	(18.9)%	7.0	(1.7)%	9.2	14.7 %	4.5	29.9 %		
FEIBA*6	21.3	19.8	(7.0)%	6.1	(4.9)%	0.4	(13.0)%	4.7	0.3 %	8.6	(11.5)%		
RECOMBINATE	6.2	6.0	(3.0)%	5.7	(1.5)%	—	-	0.2	(26.1)%	0.0	(38.9)%		
VONVENDI	5.9	7.4	26.0 %	4.9	20.7 %	0.4	124.0 %	2.2	29.0 %	0.0	81.0 %		
HEMOFIL/IMMUNATE/IMMUNINE*6	10.7	9.3	(12.5)%	1.5	(9.0)%	—	-	2.5	30.7 %	5.4	(24.7)%		
Other PDT Products*6	2.1	2.5	17.1 %	—	(100.0)%	0.0	(6.6)%	2.1	11.2 %	0.4	67.1 %		
Others	12.8	11.5	(10.3)%	3.5	11.3 %	1.9	10.3 %	3.0	(3.7)%	3.1	(35.9)%		
Rare Genetics and Other	**206.5**	**228.2**	**10.5 %**	**108.8**	**9.8 %**	**8.0**	**16.2 %**	**70.1**	**6.8 %**	**41.3**	**18.4 %**		
TAKHZYRO	72.8	87.1	19.6 %	61.5	14.1 %	1.4	194.0 %	19.2	31.6 %	5.0	29.2 %		
ELAPRASE	42.4	45.7	7.7 %	13.3	4.5 %	0.5	6.3 %	15.0	(2.4)%	16.9	21.9 %		
REPLAGAL	34.3	36.2	5.5 %	—	-	4.4	(3.0)%	19.8	3.9 %	12.0	12.2 %		
VPRIV	23.3	24.3	4.2 %	10.3	3.8 %	0.6	20.1 %	8.1	0.6 %	5.3	9.5 %		
FIRAZYR	13.4	11.7	(12.4)%	7.8	(4.2)%	1.1	24.2 %	1.4	(53.0)%	1.5	0.2 %		
CINRYZE*6	9.6	8.4	(11.9)%	6.1	(11.8)%	—	-	1.7	(31.6)%	0.6	291.6 %		
LIVTENCITY	4.2	8.3	96.9 %	6.6	56.1 %	—	-	1.7	6,564.2 %	0.1	1,317.4 %		
Others	6.5	6.5	0.4 %	3.2	(0.7)%	—	-	3.3	2.0 %	0.0	(67.0)%		

*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											
	FY22Q2 YTD	FY23Q2 YTD	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	**314.0**	**388.4**	**23.7 %**	**257.4**	**22.4 %**							**131.0**	**26.3 %**
immunoglobulin*3	245.1	309.2	26.2 %	230.1	23.9 %							79.1	33.2 %
albumin*3	51.8	58.9	13.9 %	11.2	(1.6) %							47.7	18.2 %
Others*3*4	17.2	20.3	18.2 %	16.1	21.7 %							4.1	6.3 %
Oncology	**225.3**	**225.2**	**(0.1)%**	**67.6**	**(20.7)%**	**49.8**	**8.7 %**	**49.7**	**10.3 %**	**54.5**	**20.7 %**	**3.6**	**(12.3)%**
LEUPLIN/ENANTONE	53.7	48.8	(9.1) %	4.2	(57.5) %	14.1	15.3 %	18.4	4.1 %	12.1	(13.2) %		
NINLARO	48.8	46.3	(5.1) %	28.5	(3.3) %	3.4	(0.9) %	5.6	(18.9) %	8.8	(2.0) %		
ADCETRIS	41.7	54.3	30.1 %			6.7	5.3 %	20.8	23.7 %	26.7	44.5 %		
ICLUSIG*5	23.2	27.0	16.3 %	23.4	16.6 %							3.6	14.7 %
VELCADE*5	20.8	2.9	(86.0) %	2.9	(85.4) %							—	(100.0) %
VECTIBIX	13.3	13.6	2.6 %			13.6	2.6 %						
ALUNBRIG	9.7	13.7	41.2 %	4.8	27.5 %	1.2	38.2 %	4.0	39.7 %	3.7	67.7 %		
ZEJULA	6.4	7.4	16.2 %			6.1	16.3 %			1.3	15.5 %		
CABOMETYX	4.0	4.2	5.0 %			4.2	5.0 %						
EXKIVITY	1.4	3.5	140.9 %	1.9	33.0 %	—	-	0.1	940.7 %	1.5	13,665.8 %		
Others	2.2	3.4	53.6 %	1.9	143.1 %	0.4	23.4 %	0.7	1.1 %	0.4	(3.2) %		
Neuroscience	**302.3**	**330.7**	**9.4 %**	**246.7**	**5.7 %**	**22.5**	**14.5 %**	**49.2**	**21.1 %**	**12.2**	**43.8 %**		
VYVANSE/ELVANSE	211.2	226.3	7.1 %	172.7	1.3 %	0.8	256.8 %	41.1	26.0 %	11.7	46.6 %		
TRINTELLIX	49.8	51.0	2.3 %	45.7	(0.4) %	5.2	35.6 %			—	-		
ADDERALL XR	12.5	22.6	80.3 %	21.4	86.7 %	—	-	1.2	13.2 %	—	-		
INTUNIV	10.5	16.2	54.9 %	0.7	103.1 %	10.5	102.3 %	4.6	2.3 %	0.5	2.1 %		
Others	18.3	14.7	(19.8) %	6.2	17.1 %	6.1	(41.6) %	2.3	(6.9) %	0.0	(16.3) %		
Others	**224.6**	**179.6**	**(20.0)%**										
AZILVA*6	37.2	23.7	(36.3) %	—	-	23.7	(36.3) %	—	-	—	-		
FOSRENOL*5	7.5	8.1	8.1 %	0.9	(4.3) %							7.3	9.9 %
QDENGA	—	1.9	-	—	-	—	-	0.9	-	1.1	-		

*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.

- Quarterly

■ Q2

(Bn JPY)	Reported													
	FY22 Q2	FY23 Q2	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	**276.0**	**303.3**	**9.9 %**	**175.0**	**8.0 %**	**30.2**	**8.6 %**	**65.5**	**16.5 %**	**27.2**	**10.5 %**	**5.5**	**0.7 %**
ENTYVIO	178.3	199.7	12.0 %	136.8	8.7 %	3.8	12.0 %	48.0	20.2 %	11.1	21.8 %		
TAKECAB/VOCINTI*3	27.1	28.9	7.0 %	—	-	24.0	5.5 %	—	-	4.9	14.7 %		
GATTEX/REVESTIVE	26.5	31.8	19.9 %	24.7	22.2 %	2.0	44.3 %	4.2	31.9 %	0.9	(49.1)%		
DEXILANT	15.7	11.1	(28.9)%	2.7	(67.1)%	—	-	3.3	(2.4)%	5.1	23.5 %		
PANTOLOC/CONTROLOC*4	10.9	11.7	7.9 %	0.9	41.4 %	—	-	7.6	6.2 %	3.3	4.7 %		
LIALDA/MEZAVANT*5	5.6	6.0	7.8 %	0.5	621.4 %							5.5	0.7 %
RESOLOR/MOTEGRITY	3.8	5.4	41.3 %	4.9	55.4 %	—	-	0.5	(24.7)%	—	-		
ALOFISEL	0.5	0.7	27.8 %	—	-	0.1	335.3 %	0.5	11.6 %	0.1	29.1 %		
Others	7.6	7.9	3.7 %	4.5	16.2 %	0.2	16.8 %	1.4	(2.6)%	1.8	(15.6)%		
Rare Diseases	**180.6**	**188.3**	**4.3 %**	**86.8**	**3.3 %**	**9.3**	**6.6 %**	**51.9**	**8.2 %**	**40.3**	**1.1 %**		
Rare Hematology	**76.6**	**71.3**	**(6.8)%**	**29.7**	**(6.7)%**	**5.6**	**0.5 %**	**16.2**	**(0.7)%**	**19.8**	**(13.2)%**		
ADVATE	30.3	28.9	(4.6)%	14.4	3.4 %	0.9	(10.3)%	4.2	(25.5)%	9.4	(3.3)%		
ADYNOVATE/ADYNOVI	16.9	16.1	(4.6)%	5.8	(24.0)%	3.5	(0.1)%	4.6	16.1 %	2.2	24.2 %		
FEIBA*6	10.8	8.0	(26.1)%	2.4	(31.2)%	0.2	(22.9)%	2.3	(10.6)%	3.1	(31.1)%		
RECOMBINATE	3.0	3.0	0.3 %	2.8	0.6 %	—	-	0.2	(5.1)%	0.0	4.1 %		
VONVENDI	3.0	3.7	23.5 %	2.4	20.9 %	0.2	180.3 %	1.1	17.2 %	—	(100.0)%		
HEMOFIL/IMMUNATE/IMMUNINE*6	5.3	5.1	(3.0)%	0.5	(23.8)%	—	-	1.4	65.4 %	3.1	(15.2)%		
Other PDT Products*6	1.0	1.3	25.6 %	—	(100.0)%	0.0	(46.5)%	1.0	17.3 %	0.2	149.5 %		
Others	6.5	5.4	(16.8)%	1.4	5.8 %	0.9	7.8 %	1.4	5.6 %	1.8	(42.4)%		
Rare Genetics and Other	**104.0**	**117.0**	**12.5 %**	**57.0**	**9.5 %**	**3.7**	**17.4 %**	**35.7**	**12.7 %**	**20.5**	**20.2 %**		
TAKHZYRO	38.8	45.8	18.0 %	32.9	12.9 %	0.7	257.9 %	9.7	34.5 %	2.5	11.6 %		
ELAPRASE	20.2	22.8	12.9 %	6.7	6.8 %	0.0	(92.5)%	7.8	2.7 %	8.2	35.4 %		
REPLAGAL	16.7	18.2	9.1 %	—	-	2.2	0.9 %	10.0	10.1 %	6.1	10.7 %		
VPRIV	11.5	12.4	8.5 %	5.3	7.7 %	0.3	26.2 %	4.1	4.6 %	2.8	14.5 %		
FIRAZYR	6.6	6.2	(6.4)%	4.3	3.0 %	0.5	45.4 %	0.6	(53.6)%	0.7	(2.4)%		
CINRYZE*6	4.9	3.9	(19.7)%	3.0	(21.5)%	—	-	0.8	(23.2)%	0.2	126.4 %		
LIVTENCITY	2.0	4.3	111.7 %	3.3	66.0 %	—	-	0.9	5,092.1 %	0.0	884.1 %		
Others	3.3	3.3	1.2 %	1.6	(13.3)%	—	-	1.8	18.8 %	0.0	18.9 %		

*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

■ Q2

(Bn JPY)	Reported													
	FY22 Q2	FY23 Q2	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	**172.1**	**201.9**	**17.3 %**	**137.6**	**19.6 %**							**64.3**	**12.5 %**
immunoglobulin*3	133.2	163.6	22.8 %	123.7	21.0 %							39.9	28.5 %
albumin*3	29.8	28.2	(5.4) %	5.8	4.3 %							22.4	(7.6) %
Others*3*4	9.1	10.1	11.2 %	8.1	11.9 %							2.0	8.8 %
Oncology	**107.8**	**114.7**	**6.4 %**	**35.2**	**(4.9)%**	**24.6**	**10.7 %**	**24.7**	**17.3 %**	**28.3**	**10.9 %**	**2.0**	**(5.0)%**
LEUPLIN/ENANTONE	25.7	24.2	(5.8) %	2.2	(54.3) %	7.0	23.3 %	8.3	9.0 %	6.7	(11.0) %		
NINLARO	25.1	25.3	1.0 %	15.0	2.0 %	1.6	0.5 %	3.1	(8.1) %	5.6	3.9 %		
ADCETRIS	21.8	27.2	24.8 %			3.4	10.1 %	10.8	30.3 %	12.9	24.9 %		
ICLUSIG*5	12.0	14.4	20.5 %	12.5	20.8 %							2.0	19.0 %
VELCADE*5	4.3	1.1	(74.9) %	1.1	(72.3) %							—	(100.0) %
VECTIBIX	6.6	6.8	3.2 %			6.8	3.2 %						
ALUNBRIG	5.2	7.1	37.2 %	2.5	35.5 %	0.6	45.8 %	2.1	47.8 %	1.8	26.4 %		
ZEJULA	3.3	3.6	9.5 %			3.0	7.6 %			0.7	18.8 %		
CABOMETYX	1.9	2.0	4.3 %			2.0	4.3 %						
EXKIVITY	0.7	1.3	81.1 %	0.9	31.2 %	—	-	0.0	460.4 %	0.3	5,418.3 %		
Others	1.3	1.7	32.8 %	0.9	74.0 %	0.2	30.6 %	0.4	(1.4) %	0.2	(8.2) %		
Neuroscience	**159.9**	**153.7**	**(3.9)%**	**110.3**	**(11.8)%**	**11.6**	**16.0 %**	**24.8**	**22.7 %**	**6.9**	**49.7 %**		
VYVANSE/ELVANSE	111.3	103.1	(7.3) %	75.1	(16.9) %	0.4	5,460.5 %	20.8	26.3 %	6.8	54.6 %		
TRINTELLIX	28.4	26.6	(6.0) %	24.0	(9.0) %	2.6	34.2 %			—	-		
ADDERALL XR	6.3	9.1	44.0 %	8.5	46.4 %	—	-	0.6	17.2 %	—	-		
INTUNIV	5.3	8.3	55.6 %	0.3	131.6 %	5.6	91.9 %	2.2	9.5 %	0.2	(29.2) %		
Others	8.6	6.4	(24.8) %	2.5	4.5 %	2.9	(43.3) %	1.1	(3.6) %	0.0	(22.2) %		
Others	**105.9**	**81.2**	**(23.3)%**										
AZILVA*6	17.6	5.0	(71.6) %	—	-	5.0	(71.6) %	—	-	—	-		
FOSRENOL*5	3.3	4.0	19.6 %	0.4	57.9 %							3.6	16.4 %
QDENGA	—	1.2	-	—	-	—	-	0.6	-	0.7	-		

*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 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 %**	**303.3**	**9.9 %**	**3.3 %**	**3.0 %**								
ENTYVIO	168.3	178.3	201.3	154.9	192.0	14.1 %	7.1 %	199.7	12.0 %	4.6 %	5.8 %								
TAKECAB/VOCINTI [*3]	27.6	27.1	29.8	24.2	29.8	7.9 %	7.6 %	28.9	7.0 %	6.3 %	6.9 %								
GATTEX/REVESTIVE	21.9	26.5	29.8	14.9	27.1	23.6 %	17.0 %	31.8	19.9 %	14.2 %	15.5 %								
DEXILANT	22.3	15.7	17.1	14.3	12.0	(46.1)%	(48.8)%	11.1	(28.9)%	(34.9)%	(43.1)%								
PANTOLOC/CONTROLOC[*4]	11.3	10.9	11.6	11.7	11.2	(1.6)%	(7.6)%	11.7	7.9 %	(2.6)%	(5.2)%								
LIALDA/MEZAVANT	5.7	5.6	6.3	6.1	7.5	30.3 %	24.9 %	6.0	7.8 %	1.8 %	13.5 %								
RESOLOR/MOTEGRITY	3.9	3.8	5.6	4.8	4.7	20.1 %	11.5 %	5.4	41.3 %	32.4 %	21.9 %								
ALOFISEL	0.6	0.5	0.8	0.7	0.9	40.2 %	30.8 %	0.7	27.8 %	16.7 %	24.4 %								
Others	8.7	7.6	8.7	5.5	8.4	(2.6)%	(8.6)%	7.9	3.7 %	(2.8)%	(5.9)%								
Rare Diseases	**181.6**	**180.6**	**191.4**	**169.8**	**192.6**	**6.1 %**	**2.0 %**	**188.3**	**4.3 %**	**1.7 %**	**1.9 %**								
Rare Hematology	**79.1**	**76.6**	**76.9**	**72.1**	**81.4**	**2.8 %**	**(1.7)%**	**71.3**	**(6.8)%**	**(9.8)%**	**(5.7)%**								
ADVATE	32.1	30.3	29.7	26.1	33.8	5.4 %	0.6 %	28.9	(4.6)%	(6.9)%	(3.0)%								
ADYNOVATE/ADYNOVI	17.5	16.9	15.5	16.7	17.4	(0.8)%	(4.8)%	16.1	(4.6)%	(8.3)%	(6.5)%								
FEIBA[*5]	10.5	10.8	11.3	8.7	11.9	12.5 %	7.2 %	8.0	(26.1)%	(28.3)%	(10.7)%								
RECOMBINATE	3.2	3.0	3.5	3.1	3.0	(6.0)%	(12.6)%	3.0	0.3 %	(6.0)%	(9.4)%								
VONVENDI	2.9	3.0	3.3	3.0	3.8	28.6 %	20.1 %	3.7	23.5 %	14.6 %	17.3 %								
HEMOFIL/IMMUNATE/ IMMUNINE[*5]	5.4	5.3	4.2	4.7	4.2	(21.7)%	(23.3)%	5.1	(3.0)%	(9.4)%	(16.4)%								
Other PDT Products [*5]	1.1	1.0	1.2	1.1	1.2	9.5 %	5.9 %	1.3	25.6 %	19.7 %	12.3 %								
Others	6.3	6.5	8.2	8.7	6.1	(3.6)%	(7.2)%	5.4	(16.8)%	(15.0)%	(11.1)%								
Rare Genetics and Other	**102.5**	**104.0**	**114.4**	**97.8**	**111.3**	**8.5 %**	**4.9 %**	**117.0**	**12.5 %**	**10.2 %**	**7.6 %**								
TAKHZYRO	34.0	38.8	44.1	34.9	41.3	21.4 %	14.7 %	45.8	18.0 %	11.6 %	13.1 %								
ELAPRASE	22.2	20.2	22.6	20.3	22.8	3.0 %	(0.6)%	22.8	12.9 %	13.9 %	6.3 %								
REPLAGAL	17.6	16.7	16.3	16.2	18.0	2.1 %	3.9 %	18.2	9.1 %	12.4 %	8.1 %								
VPRIV	11.9	11.5	13.0	12.0	11.9	0.2 %	(0.7)%	12.4	8.5 %	10.5 %	4.8 %								
FIRAZYR	6.8	6.6	6.4	4.8	5.5	(18.3)%	(20.2)%	6.2	(6.4)%	(7.6)%	(14.0)%								
CINRYZE [*5]	4.7	4.9	5.3	3.6	4.5	(3.7)%	(9.7)%	3.9	(19.7)%	(24.5)%	(17.3)%								
LIVTENCITY	2.2	2.0	3.1	3.2	4.1	83.4 %	70.7 %	4.3	111.7 %	97.0 %	83.2 %								
Others	3.2	3.3	3.8	2.7	3.2	(0.4)%	(6.8)%	3.3	1.2 %	(7.2)%	(7.0)%								

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*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

(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 %**	**201.9**	**17.3 %**	**11.4 %**	**17.2 %**								
immunoglobulin [*3]	111.8	133.2	145.4	131.7	145.6	30.2 %	22.5 %	163.6	22.8 %	16.0 %	19.0 %								
albumin [*3]	22.0	29.8	33.7	35.9	30.8	40.0 %	36.0 %	28.2	(5.4)%	(7.7)%	10.9 %								
Others [*3*4]	8.0	9.1	9.3	8.4	10.1	26.0 %	18.1 %	10.1	11.2 %	5.6 %	11.4 %								
Oncology	**117.5**	**107.8**	**119.7**	**93.8**	**110.5**	**(6.0)%**	**(8.6)%**	**114.7**	**6.4 %**	**3.1 %**	**(3.0)%**								
LEUPLIN/ENANTONE	28.0	25.7	31.5	26.1	24.6	(12.1)%	(14.3)%	24.2	(5.8)%	(9.5)%	(12.0)%								
NINLARO	23.7	25.1	27.1	16.8	21.0	(11.4)%	(15.6)%	25.3	1.0 %	(2.2)%	(8.7)%								
ADCETRIS	20.0	21.8	24.1	18.2	27.1	35.8 %	35.3 %	27.2	24.8 %	23.8 %	29.3 %								
ICLUSIG	11.3	12.0	12.3	11.7	12.6	11.9 %	4.1 %	14.4	20.5 %	11.6 %	7.9 %								
VELCADE	16.5	4.3	3.9	3.0	1.8	(89.0)%	(89.8)%	1.1	(74.9)%	(76.4)%	(87.0)%								
VECTIBIX	6.7	6.6	6.8	5.7	6.8	2.0 %	2.0 %	6.8	3.2 %	3.2 %	2.6 %								
ALUNBRIG	4.5	5.2	6.1	4.8	6.6	45.8 %	41.2 %	7.1	37.2 %	31.9 %	36.2 %								
ZEJULA	3.0	3.3	3.5	3.1	3.8	23.5 %	23.3 %	3.6	9.5 %	8.4 %	15.5 %								
CABOMETYX	2.1	1.9	2.1	1.7	2.2	5.7 %	5.7 %	2.0	4.3 %	4.3 %	5.0 %								
EXKIVITY	0.7	0.7	0.8	1.5	2.1	203.9 %	192.3 %	1.3	81.1 %	72.7 %	131.0 %								
Others	1.0	1.3	1.4	1.2	1.7	81.1 %	76.4 %	1.7	32.8 %	27.5 %	48.5 %								
Neuroscience	**142.4**	**159.9**	**174.8**	**160.6**	**177.0**	**24.3 %**	**17.2 %**	**153.7**	**(3.9)%**	**(9.3)%**	**3.2 %**								
VYVANSE/ELVANSE	100.0	111.3	124.2	123.8	123.2	23.2 %	16.0 %	103.1	(7.3)%	(13.0)%	0.7 %								
TRINTELLIX	21.4	28.4	29.9	20.4	24.3	13.5 %	6.3 %	26.6	(6.0)%	(11.0)%	(3.5)%								
ADDERALL XR	6.2	6.3	6.5	9.5	13.5	117.7 %	100.8 %	9.1	44.0 %	36.3 %	68.1 %								
INTUNIV	5.1	5.3	6.2	(0.3)	7.9	54.3 %	53.5 %	8.3	55.6 %	52.0 %	52.8 %								
Others	9.7	8.6	8.0	7.1	8.2	(15.4)%	(19.0)%	6.4	(24.8)%	(28.0)%	(23.2)%								
Others	**118.7**	**105.9**	**111.1**	**118.9**	**98.4**	**(17.1)%**	**(20.3)%**	**81.2**	**(23.3)%**	**(26.3)%**	**(23.1)%**								
AZILVA [*5]	19.6	17.6	19.4	16.3	18.7	(4.5)%	(4.5)%	5.0	(71.6)%	(71.6)%	(36.3)%								
FOSRENOL	4.2	3.3	3.4	2.6	4.2	(0.9)%	(7.7)%	4.0	19.6 %	7.8 %	(0.8)%								
QDENGA	—	—	—	0.1	0.7	-	-	1.2	-	-	-								

*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

(Bn JPY)	FY22 Reported	Disclosed on May 11, 2023				Disclosed on October 26, 2023			
		FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]	FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]
	Annual	Annual	Amount of Change	% Change	% Change	Annual	Amount of Change	% Change	% Change
GI	**1,094.5**	**High-single-digit % growth**			**Low-10s % growth**	**High-single-digit % growth**			**Mid-single-digit % growth**
ENTYVIO	702.7	788.0	85.3	12 %	15 %	773.0	70.3	10 %	8 %
TAKECAB/VOCINTI [*2]	108.7	132.0	23.3	21 %	22 %	133.0	24.3	22 %	22 %
GATTEX/REVESTIVE	93.1	106.0	12.9	14 %	16 %	108.0	14.9	16 %	16 %
DEXILANT	69.4	36.0	(33.4)	(48)%	(46)%	39.0	(30.4)	(44)%	(46)%
PANTOLOC/CONTROLOC[*3]	45.5	43.0	(2.5)	(6)%	(4)%	45.0	(0.5)	(1)%	(4)%
LIALDA/MEZAVANT	23.7	26.0	2.3	9 %	13 %	26.0	2.3	9 %	13 %
RESOLOR/MOTEGRITY	18.2	19.0	0.8	5 %	11 %	20.0	1.8	10 %	11 %
ALOFISEL	2.7	4.0	1.3	47 %	65 %	4.0	1.3	47 %	65 %
Others	30.5			(20)% to (25)%	(20)% to (25)%			5% to 10%	0% to 5%
Rare Diseases	**723.4**								
Rare Hematology	**304.7**	**High-single-digit % decline**			**Mid-single-digit % decline**	**Mid-single-digit % decline**			**Mid-single-digit % decline**
ADVATE	118.2	172.0	(12.7)	(7)%	(6)%	176.0	(8.7)	(5)%	(6)%
ADYNOVATE/ADYNOVI	66.6								
FEIBA [*4]	41.3	37.0	(4.3)	(10)%	(8)%	38.0	(3.3)	(8)%	(8)%
RECOMBINATE	12.8	10.0	(2.8)	(22)%	(15)%	11.0	(1.8)	(14)%	(15)%
VONVENDI	12.2	15.0	2.8	23 %	28 %	16.0	3.8	31 %	28 %
HEMOFIL/IMMUNATE/ IMMUNINE[*4]	19.6	17.0	(2.6)	(13)%	(14)%	17.0	(2.6)	(13)%	(14)%
Other PDT Products [*4]	4.4	4.0	(0.4)	(10)%	(4)%	4.0	(0.4)	(10)%	(4)%
Others	29.7			(15)% to (20)%	(10)% to (15)%			(15)% to (20)%	(10)% to (15)%
Rare Genetics and Other	**418.7**	**Mid-single-digit % growth**			**High-single-digit % growth**	**High-single-digit % growth**			**High-single-digit % growth**
TAKHZYRO	151.8	158.0	6.2	4 %	7 %	170.0	18.2	12 %	11 %
ELAPRASE	85.3	84.0	(1.3)	(2)%	0 %	84.0	(1.3)	(2)%	0 %
REPLAGAL	66.7	76.0	9.3	14 %	13 %	73.0	6.3	9 %	13 %
VPRIV	48.4	51.0	2.6	5 %	7 %	50.0	1.6	3 %	7 %
FIRAZYR	24.6	20.0	(4.6)	(19)%	(18)%	20.0	(4.6)	(19)%	(18)%
CINRYZE [*4]	18.4	16.0	(2.4)	(13)%	(9)%	17.0	(1.4)	(8)%	(9)%
LIVTENCITY	10.5			120% to 150%	120% to 150%			120% to 150%	120% to 150%
Others	13.0			(5%) to (10)%	0% to (5)%			0% to 5%	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 (Disclosed on May 11, 2023) : 1 USD = 131 JPY, 1 Euro = 141 JPY, 1 RUB = 1.9 JPY, 1 BRL = 25.9 JPY, 1 CNY = 19.5 JPY

Assumption of FX rates for FY23 Reported Forecasts (Disclosed on October 26, 2023) : 1 USD = 137 JPY, 1 Euro = 145 JPY, 1 RUB = 1.6 JPY, 1 BRL = 28.5 JPY, 1 CNY = 19.8 JPY

(Bn JPY)	FY22 Reported	Disclosed on May 11, 2023				Disclosed on October 26, 2023			
		FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]	FY23 Reported Forecasts			FY23 Core Forecasts at CER[*1]
	Annual	Annual	Amount of Change	% Change	% Change	Annual	Amount of Change	% Change	% Change
PDT Immunology	**678.4**			**10% to 20%**	**10% to 20%**			**10% to 20%**	**10% to 20%**
immunoglobulin[*2]	522.2			10% to 20%	10% to 20%			10% to 20%	10% to 20%
albumin[*2]	121.4			5% to 15%	5% to 15%			5% to 15%	5% to 15%
Others[*2 *3]	34.8			5% to 15%	5% to 15%			5% to 15%	5% to 15%
Oncology	**438.7**			**Low-single-digit % growth**	**Low-single-digit % growth**			**Low-single-digit % growth**	**Low-single-digit % growth**
LEUPLIN/ENANTONE	111.3	109.0	(2.3)	(2)%	(2)%	111.0	(0.3)	(0)%	(2)%
NINLARO	92.7	91.0	(1.7)	(2)%	0 %	93.0	0.3	0 %	0 %
ADCETRIS	83.9	94.0	10.1	12 %	12 %	103.0	19.1	23 %	25 %
ICLUSIG	47.2	48.0	0.8	2 %	4 %	50.0	2.8	6 %	4 %
VELCADE	27.8	6.0	(21.8)	(78)%	(76)%	6.0	(21.8)	(78)%	(76)%
VECTIBIX	25.8	26.0	0.2	1 %	1 %	26.0	0.2	1 %	1 %
ALUNBRIG	20.6	29.0	8.4	41 %	43 %	29.0	8.4	41 %	43 %
ZEJULA	12.9	14.0	1.1	8 %	11 %	14.0	1.1	8 %	11 %
CABOMETYX	7.9	10.0	2.1	27 %	27 %	10.0	2.1	27 %	27 %
EXKIVITY	3.7			70% to 100%	70% to 100%			30% to 40%	20% to 30%
Others	4.9			>30%	>30%			>30%	>30%
Neuroscience	**637.7**			**High-20s % decline**	**Mid-20s % decline**			**High-10s % decline**	**Low-20s % decline**
VYVANSE/ELVANSE	459.3	283.0	(176.3)	(38)%	(38)%	313.0	(146.3)	(32)%	(35)%
TRINTELLIX	100.1	108.0	7.9	8 %	11 %	113.0	12.9	13 %	11 %
ADDERALL XR	28.6	17.0	(11.6)	(41)%	(37)%	39.0	10.4	36 %	35 %
INTUNIV	16.4	34.0	17.6	108 %	111 %	35.0	18.6	114 %	111 %
Others	33.4			>(30)%	>(30)%			>(30)%	>(30)%
Others	**454.6**			**>(30)%**	**>(30)%**			**>(30)%**	**>(30)%**
AZILVA[*4]	72.9	30.0	(42.9)	(59)%	(59)%	30.0	(42.9)	(59)%	(59)%
FOSRENOL	13.5	10.0	(3.5)	(26)%	(22)%	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 (Disclosed on May 11, 2023) : 1 USD = 131 JPY, 1 Euro = 141 JPY, 1 RUB = 1.9 JPY, 1 BRL = 25.9 JPY, 1 CNY = 19.5 JPY

Assumption of FX rates for FY23 Reported Forecasts (Disclosed on October 26, 2023) : 1 USD = 137 JPY, 1 Euro = 145 JPY, 1 RUB = 1.6 JPY, 1 BRL = 28.5 JPY, 1 CNY = 19.8 JPY

FINANCIAL APPENDIX

Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations

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.

U.S. Dollar Convenience Translations

In Financial Appendix, certain amounts presented in Japanese yen have been translated to U.S. dollars solely for the convenience of the reader at an exchange rate of 1USD = 149.43 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 29, 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 this or any other rate.

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 use 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 H1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022 H1	FY2023 H1	vs. PY			(Million USD, except EPS) FY2023 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,974.8	2,101.7	126.9	6.4%	1.4%	14,065
Cost of sales	(598.3)	(664.7)	(66.4)	(11.1)%	(6.0)%	(4,448)
Gross profit	1,376.4	1,437.0	60.6	4.4%	(0.5)%	9,617
Margin	*69.7 %*	*68.4 %*		*(1.3) pp*	*(1.4) pp*	*68.4 %*
SG&A expenses	(480.2)	(501.1)	(20.9)	(4.3)%	0.8%	(3,353)
R&D expenses	(297.8)	(346.7)	(48.9)	(16.4)%	(9.6)%	(2,320)
Amortization of intangible assets associated with products	(240.8)	(253.9)	(13.1)	(5.4)%	1.5%	(1,699)
Impairment losses on intangible assets associated with products	(32.8)	(115.8)	(82.9)	(252.5)%	(226.2)%	(775)
Other operating income	13.5	9.9	(3.6)	(26.7)%	(27.6)%	66
Other operating expenses	(83.4)	(110.2)	(26.9)	(32.2)%	(27.1)%	(738)
Operating profit	255.0	119.2	(135.7)	(53.2)%	(50.6)%	798
Margin	*12.9 %*	*5.7 %*		*(7.2) pp*	*(6.6) pp*	*5.7 %*
Finance income	75.7	24.3	(51.4)	(67.9)%	(68.3)%	163
Finance expenses	(109.3)	(106.1)	3.2	2.9%	1.9%	(710)
Share of profit (loss) of investments accounted for using the equity method	(1.4)	1.6	3.0	—	—	11
Profit before tax	220.0	39.1	(181.0)	(82.3)%	(79.8)%	261
Income tax (expenses) benefit	(53.3)	2.4	55.7	—	86.0%	16
Net profit for the period	166.8	41.4	(125.3)	(75.2)%	(77.8)%	277
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	166.8	41.4	(125.4)	(75.2)%	(77.8)%	277
Basic EPS (JPY or USD)	107.62	26.51	(81.12)	(75.4)%	(78.0)%	0.18

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, Free Cash Flow, and U.S. Dollar Convenience Translations, 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 Q2 (Jul-Sep) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q2 (Jul-Sep)	FY2023 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2023 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,002.3	1,043.1	40.8	4.1%	(0.8)%	6,980
Cost of sales	(305.4)	(343.6)	(38.1)	(12.5)%	(7.3)%	(2,299)
Gross profit	696.9	699.5	2.6	0.4%	(4.3)%	4,681
Margin	*69.5 %*	*67.1 %*		*(2.5) pp*	*(2.5) pp*	*67.1 %*
SG&A expenses	(248.7)	(253.0)	(4.2)	(1.7)%	3.4%	(1,693)
R&D expenses	(154.1)	(183.9)	(29.8)	(19.3)%	(12.4)%	(1,231)
Amortization of intangible assets associated with products	(123.8)	(130.7)	(6.9)	(5.6)%	1.1%	(875)
Impairment losses on intangible assets associated with products	(18.6)	(109.5)	(90.9)	(489.0)%	(444.0)%	(733)
Other operating income	8.0	5.7	(2.3)	(29.1)%	(31.4)%	38
Other operating expenses	(55.2)	(77.4)	(22.2)	(40.2)%	(35.9)%	(518)
Operating profit	104.4	(49.3)	(153.8)	—	—	(330)
Margin	*10.4 %*	*(4.7)%*		*(15.2) pp*	*(14.4) pp*	*(4.7)%*
Finance income	14.8	9.4	(5.4)	(36.7)%	(25.7)%	63
Finance expenses	(53.8)	(58.1)	(4.2)	(7.8)%	(16.1)%	(389)
Share of profit (loss) of investments accounted for using the equity method	(0.9)	2.0	2.9	—	—	14
Profit before tax	64.5	(96.0)	(160.5)	—	—	(642)
Income tax (expenses) benefit	(2.8)	48.0	50.8	—	—	321
Net profit for the period	61.7	(48.0)	(109.7)	—	—	(321)
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	61.7	(48.0)	(109.8)	—	—	(321)
Basic EPS (JPY or USD)	39.77	(30.68)	(70.46)	—	—	(0.21)

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, Free Cash Flow, and U.S. Dollar Convenience Translations, 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 H1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2022 H1	FY2023 H1	vs. PY			(Million USD, except EPS) FY2023 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,974.8	2,101.7	126.9	6.4%	1.4%	14,065
Cost of sales	(571.6)	(664.8)	(93.3)	(16.3)%	(10.9)%	(4,449)
Gross profit	1,403.2	1,436.9	33.7	2.4%	(2.4)%	9,616
Margin	*71.1 %*	*68.4 %*		*(2.7) pp*	*(2.7) pp*	*68.4 %*
SG&A expenses	(480.5)	(501.4)	(20.9)	(4.3)%	0.8%	(3,356)
R&D expenses	(297.5)	(346.7)	(49.2)	(16.5)%	(9.7)%	(2,320)
Operating profit	625.2	588.8	(36.4)	(5.8)%	(9.5)%	3,940
Margin	*31.7 %*	*28.0 %*		*(3.6) pp*	*(3.4) pp*	*28.0 %*
Finance income	32.6	24.0	(8.6)	(26.4)%	(27.2)%	161
Finance expenses	(100.8)	(87.8)	13.0	12.9%	18.9%	(588)
Share of profit (loss) of investments accounted for using the equity method	2.7	2.3	(0.4)	(14.4)%	(13.7)%	15
Profit before tax	559.6	527.2	(32.4)	(5.8)%	(8.8)%	3,528
Income tax (expenses) benefit	(112.9)	(119.4)	(6.6)	(5.8)%	(11.0)%	(799)
Net profit for the period	446.7	407.8	(38.9)	(8.7)%	(13.8)%	2,729
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	446.7	407.7	(39.0)	(8.7)%	(13.8)%	2,728
Basic EPS (JPY or USD)	288	261	(27)	(9.4)%	(14.4)%	1.75

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, Free Cash Flow, and U.S. Dollar Convenience Translations, 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 Q2 (Jul-Sep) Core Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q2 (Jul-Sep)	FY2023 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2023 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,002.3	1,043.1	40.8	4.1%	(0.8)%	6,980
Cost of sales	(293.3)	(343.6)	(50.3)	(17.1)%	(11.7)%	(2,299)
Gross profit	709.0	699.5	(9.5)	(1.3)%	(5.9)%	4,681
Margin	*70.7 %*	*67.1 %*		*(3.7) pp*	*(3.7) pp*	*67.1 %*
SG&A expenses	(248.8)	(253.1)	(4.3)	(1.7)%	3.3%	(1,694)
R&D expenses	(154.0)	(183.9)	(29.9)	(19.4)%	(12.6)%	(1,231)
Operating profit	306.1	262.4	(43.7)	(14.3)%	(17.3)%	1,756
Margin	*30.5 %*	*25.2 %*		*(5.4) pp*	*(5.1) pp*	*25.2 %*
Finance income	8.9	9.2	0.3	3.2%	21.6%	61
Finance expenses	(50.0)	(44.5)	5.6	11.1%	12.7%	(298)
Share of profit (loss) of investments accounted for using the equity method	1.7	1.5	(0.2)	(11.6)%	(11.1)%	10
Profit before tax	266.7	228.7	(38.0)	(14.3)%	(16.8)%	1,530
Income tax (expenses) benefit	(44.2)	(54.3)	(10.1)	(22.9)%	(42.9)%	(363)
Net profit for the period	222.5	174.4	(48.2)	(21.6)%	(28.6)%	1,167
Non-controlling interests	0.0	(0.1)	(0.1)	—	—	(0)
Net profit attributable to owners of the Company	222.5	174.3	(48.2)	(21.7)%	(28.6)%	1,167
Basic EPS (JPY or USD)	143	111	(32)	(22.3)%	(29.2)%	0.75

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, Free Cash Flow, and U.S. Dollar Convenience Translations, 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 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	2,101.7					2,101.7
Cost of sales	(664.7)				(0.1)	(664.8)
Gross profit	1,437.0				(0.1)	1,436.9
SG&A expenses	(501.1)				(0.3)	(501.4)
R&D expenses	(346.7)				0.0	(346.7)
Amortization of intangible assets associated with products	(253.9)	253.9				—
Impairment losses on intangible assets associated with products	(115.8)		115.8			—
Other operating income	9.9			(9.9)		—
Other operating expenses	(110.2)			110.2		—
Operating profit	119.2	253.9	115.8	100.4	(0.5)	588.8
Margin	5.7 %					28.0%
Finance income and (expenses), net	(81.8)				18.0	(63.8)
Share of profit (loss) of investments accounted for using the equity method	1.6				0.7	2.3
Profit before tax	39.1	253.9	115.8	100.4	18.1	527.2
Income tax (expenses) benefit	2.4	(54.1)	(25.6)	(16.5)	(25.6)	(119.4)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	41.4	199.8	90.1	83.8	(7.5)	407.7
EPS (JPY)	27					261
Number of shares (millions)	1,561					1,561

FY2023 Q2 (Jul-Sep) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,043.1					1,043.1
Cost of sales	(343.6)				(0.0)	(343.6)
Gross profit	699.5				(0.0)	699.5
SG&A expenses	(253.0)				(0.2)	(253.1)
R&D expenses	(183.9)				0.0	(183.9)
Amortization of intangible assets associated with products	(130.7)	130.7				—
Impairment losses on intangible assets associated with products	(109.5)		109.5			—
Other operating income	5.6			(5.6)		—
Other operating expenses	(77.3)			77.3		—
Operating profit	(49.3)	130.7	109.5	71.7	(0.2)	262.4
Margin	(4.7)%					25.2%
Finance income and (expenses), net	(48.7)				13.4	(35.3)
Share of profit (loss) of investments accounted for using the equity method	2.0				(0.5)	1.5
Profit before tax	(96.0)	130.7	109.5	71.7	12.7	228.7
Income tax (expenses) benefit	48.0	(27.8)	(24.3)	(10.1)	(40.1)	(54.3)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	(48.0)	102.9	85.3	61.6	(27.4)	174.3
EPS (JPY)	(31)					111
Number of shares (millions)	1,565					1,565

FY2022 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,974.8					1,974.8
Cost of sales	(598.3)				26.8	(571.6)
Gross profit	1,376.4				26.8	1,403.2
SG&A expenses	(480.2)				(0.3)	(480.5)
R&D expenses	(297.8)				0.3	(297.5)
Amortization of intangible assets associated with products	(240.8)	240.8				—
Impairment losses on intangible assets associated with products	(32.8)		32.8			—
Other operating income	13.5			(13.5)		—
Other operating expenses	(83.4)			83.4		—
Operating profit	255.0	240.8	32.8	69.9	26.7	625.2
Margin	12.9 %					31.7%
Finance income and (expenses), net	(33.6)				(34.7)	(68.3)
Share of profit (loss) of investments accounted for using the equity method	(1.4)				4.0	2.7
Profit before tax	220.0	240.8	32.8	69.9	(4.0)	559.6
Income tax (expenses) benefit	(53.3)	(51.5)	(7.0)	(13.1)	12.0	(112.9)
Non-controlling interests	0.0					0.0
Net profit attributable to owners of the Company	166.8	189.3	25.8	56.8	8.0	446.7
EPS (JPY)	108					288
Number of shares (millions)	1,549					1,549

FY2022 Q2 (Jul-Sep) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS				CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income/ expenses	Others	
Revenue	1,002.3					1,002.3
Cost of sales	(305.4)				12.1	(293.3)
Gross profit	696.9				12.1	709.0
SG&A expenses	(248.7)				(0.1)	(248.8)
R&D expenses	(154.1)				0.2	(154.0)
Amortization of intangible assets associated with products	(123.8)	123.8				—
Impairment losses on intangible assets associated with products	(18.6)		18.6			—
Other operating income	8.0			(8.0)		—
Other operating expenses	(55.2)			55.2		—
Operating profit	104.4	123.8	18.6	47.2	12.1	306.1
Margin	10.4 %					30.5%
Finance income and (expenses), net	(39.0)				(2.1)	(41.1)
Share of profit (loss) of investments accounted for using the equity method	(0.9)				2.6	1.7
Profit before tax	64.5	123.8	18.6	47.2	12.6	266.7
Income tax (expenses) benefit	(2.8)	(26.5)	(3.9)	(9.1)	(1.9)	(44.2)
Non-controlling interests	0.0					0.0
Net profit attributable to owners of the Company	61.7	97.3	14.7	38.0	10.7	222.5
EPS (JPY)	40					143
Number of shares (millions)	1,552					1,552

FY2023 H1 Free Cash Flow

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY		(Million USD) FY2023 H1 Convenience USD Translation
Net profit	166.8	41.4	(125.3)	(75.2)%	277
Depreciation, amortization and impairment loss	362.1	480.9	118.8		3,218
Decrease (increase) in trade working capital	(159.0)	(200.7)	(41.7)		(1,343)
Income taxes paid	(115.4)	(129.0)	(13.6)		(864)
Tax refunds and interest on tax refunds received	6.2	10.1	3.9		68
Other	44.6	88.6	44.0		593
Net cash from operating activities (Operating Cash Flow)	305.2	291.3	(13.9)	(4.6)%	1,949
Adjustment for cash temporarily held by Takeda on behalf of third parties*1	116.8	(30.2)	(147.1)		(202)
Acquisition of PP&E	(71.4)	(83.8)	(12.4)		(561)
Proceeds from sales of PP&E	0.1	8.3	8.2		56
Acquisition of intangible assets	(67.6)	(255.5)	(187.9)		(1,710)
Acquisition of investments	(4.7)	(2.3)	2.4		(15)
Proceeds from sales and redemption of investments	18.4	0.6	(17.8)		4
Proceeds from sales of business, net of cash and cash equivalents divested	—	0.4	0.4		2
Free Cash Flow	296.9	(71.1)	(368.0)	—	(476)

*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 H1 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023 H1
Cash & cash equivalents and Level 1 debt investments [*1]	162.0
Book value debt on consolidated statements of financial position	(4,679.2)
Hybrid bond 50% equity credit	250.0
FX adjustment [*2]	216.7
Gross debt [*3]	(4,212.5)
Net cash (debt)	**(4,050.5)**
Net debt/Adjusted EBITDA ratio	**2.9x**
Adjusted EBITDA	**1,406.2**

NET INCREASE (DECREASE) IN CASH

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY	
Net cash from operating activities	305.2	291.3	(13.9)	(4.6)%
Acquisition of PP&E	(71.4)	(83.8)		
Proceeds from sales of PP&E	0.1	8.3		
Acquisition of intangible assets	(67.6)	(255.5)		
Acquisition of investments	(4.7)	(2.3)		
Proceeds from sales and redemption of investments	18.4	0.6		
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	(0.1)	(100.2)		
Repayment of bonds	(26.8)	(145.9)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds	—	60.1		
Purchase of treasury shares	(26.9)	(2.3)		
Interest paid	(52.7)	(49.7)		
Dividends paid	(140.0)	(139.8)		
Others	(17.8)	(25.5)		
Net increase (decrease) in cash	(84.3)	(234.2)	(150.0)	(177.9)%

*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. JPY 250.0 billion reduction in debt due to JPY 500.0 billion 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 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. JPY 250.0 billion reduction in debt due to JPY 500.0 billion 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 USD 4.0 billion upfront payment related to the acquisition of TAK-279 paid in February 2023 (such portion totaling USD 3.0 billion), 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 H1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY	
Net profit	166.8	41.4	(125.3)	(75.2)%
Income tax expenses	53.3	(2.4)		
Depreciation and amortization	326.1	354.2		
Interest expense, net	57.5	54.0		
EBITDA	603.7	447.2	(156.5)	(25.9)%
Impairment losses	36.0	126.7		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	65.4	89.6		
Finance expense (income), net, excluding interest income and expense, net	(24.0)	27.8		
Share of loss on investments accounted for under the equity method	1.4	(1.6)		
Other adjustments:	55.5	32.5		
Non-core expense related to COVID-19	5.6	—		
Impact on profit related to fair value step up of inventory in Shire acquisition	21.9	—		
Other costs*1	28.0	32.5		
Adjusted EBITDA	737.9	722.2	(15.6)	(2.1)%

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

FY2023 H1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2022 Full Year (Apr - Mar)	FY2022 H1 (Apr - Sep)	FY2023 H1 (Apr - Sep)	FY2023 H1 LTM*1 (Oct - Sep)
Net profit	317.0	166.8	41.4	191.7
Income tax expenses	58.1	53.3	(2.4)	2.4
Depreciation and amortization	664.4	326.1	354.2	692.5
Interest expense, net	111.5	57.5	54.0	107.9
EBITDA	1,151.0	603.7	447.2	994.5
Impairment losses	64.4	36.0	126.7	155.1
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	109.0	65.4	89.6	133.3
Finance expense (income), net, excluding interest income and expense, net	(4.7)	(24.0)	27.8	47.1
Share of loss on investments accounted for under the equity method	8.6	1.4	(1.6)	5.7
Other adjustments:	93.5	55.5	32.5	70.5
Non-core expense related to COVID-19	9.9	5.6	—	4.3
Impact on profit related to fair value step up of inventory in Shire acquisition	24.9	21.9	—	3.0
Other costs*2	58.7	28.0	32.5	63.1
Adjusted EBITDA	1,421.8	737.9	722.2	1,406.2

*1 LTM represents Last Twelve Months (October 2022 - September 2023). Calculated by subtracting FY2022 H1 from FY2022 Full Year and adding FY2023 H1.

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

FY2023 H1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2022 H1	FY2023 H1	vs. PY		FY2023 Revised Forecast (October 26, 2023)
Capital expenditures*1	139.0	339.3	200.3	144.1%	480.0 - 530.0*3
Tangible assets	71.4	83.8	12.4	17.3%	
Intangible assets	67.6	255.5	187.9	278.1%	
Depreciation and amortization	326.1	354.2	28.1	8.6%	680.0
Depreciation of tangible assets*2 (A)	73.4	84.8	11.4	15.5%	
Amortization of intangible assets (B)	252.7	269.4	16.7	6.6%	
Of which Amortization associated with products (C)	240.8	253.9	13.1	5.4%	500.0
Of which Amortization excluding intangible assets associated with products (D)	11.9	15.5	3.6	30.2%	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	85.3	100.3	15.0	17.6%	180.0
Impairment losses	36.0	126.7	90.8	252.4%	
Impairment losses associated with products	32.8	115.8	82.9	252.5%	120.0
Amortization and impairment losses on intangible assets associated with products	273.6	369.7	96.0	35.1%	620.0

*1 Cash flow base

*2 Including depreciation of investment properties

*3 FY2023 Revised Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY 134.1 billion) and in-licensing of fruquintinib from HUTCHMED (JPY 55.1 billion).

FY2023 Full Year Detailed Forecast

	(BN JPY)	FY2023 Original Forecast (May 11, 2023)	FY2023 Revised Forecast (October 26, 2023)	vs. Original Forecast		Reason for Variances
REPORTED	Revenue	3,840.0	3,980.0	140.0	3.6 %	Predominantly due to change in FX rate assumptions
	R&D expenses	(643.0)	(680.0)	(37.0)	(5.8)%	Predominantly due to change in FX rate assumptions
	Amortization of intangible assets associated with products	(480.0)	(500.0)	(20.0)	(4.2)%	Predominantly due to change in FX rate assumptions
	Impairment losses on intangible assets associated with products	(50.0)	(120.0)	(70.0)	(140.0)%	Revised to reflect impairment losses already booked in H1 (e.g. ALOFISEL, EXKIVITY)
	Other operating income	14.0	14.0	—	— %	
	Other operating expenses	(150.0)	(180.0)	(30.0)	(20.0)%	Revised to include provisions booked in H1 that were not in the original forecast
	Operating profit	349.0	225.0	(124.0)	(35.5)%	Predominantly due to impairment and provisions listed above; also updated for FX
	Finance income (expenses), net	(165.0)	(157.0)	8.0	4.8 %	
	Profit before tax	185.0	70.0	(115.0)	(62.2)%	Reflects items impacting Reported Operating Profit
	Net profit attributable to owners of the Company	142.0	93.0	(49.0)	(34.5)%	Updated tax rate assumption, reflects JPY 63.5B tax expense reduction booked in H1
	Basic EPS (JPY)	91	59	(31)	(34.5)%	
	Core Revenue[*1]	3,840.0	3,980.0	140.0	3.6 %	Predominantly due to change in FX rate assumptions
	Core Operating Profit[*1]	1,015.0	1,015.0	—	— %	
	Core EPS (JPY)	434	447	13	3.1 %	Updated core tax rate assumption
	Free cash flow	400.0 to 500.0	400.0 to 500.0			FY2023 Revised Forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY 134.1 BN) and in-licensing of fruquintinib from HUTCHMED (JPY 55.1 BN)
	CAPEX (cash flow base)	(480.0) to (530.0)	(480.0) to (530.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(170.0)	(180.0)	(10.0)	(5.9)%	Predominantly due to change in FX rate assumptions
	Cash tax rate on adjusted EBITDA (excl. divestitures)	Mid-to-high teen %	Mid-to-high teen %			
	USD/JPY	131	137	6	4.6 %	
	EUR/JPY	141	145	4	2.8 %	

*1 Please refer to A-1 Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations, for the definition and A-18 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)	Others	
Revenue	3,980.0					3,980.0
Cost of sales						
Gross Profit						
SG&A and R&D expenses					4.0	
Amortization of intangible assets associated with products	(500.0)	500.0				—
Impairment losses on intangible assets associated with products	(120.0)		120.0			—
Other operating income	14.0			(14.0)		—
Other operating expenses	(180.0)			180.0		—
Operating profit	225.0	500.0	120.0	166.0	4.0	1,015.0

FY2023 Full Year FX Rates Assumptions and Currency Sensitivity

Average Exchange Rates vs. JPY				Impact of depreciation of yen from October 2023 to March 2024 (100 million JPY)				
	FY2022 H1 Actual (Apr-Sep)	FY2023 H1 Actual (Apr-Sep)	FY2023 Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	131	140	137	1% depreciation	95.2	3.5	(0.5)	24.8
				1 yen depreciation	69.5	2.6	(0.4)	18.1
EUR	138	153	145	1% depreciation	27.4	(18.8)	(15.3)	(14.3)
				1 yen depreciation	18.9	(12.9)	(10.5)	(9.9)
RUB	2.1	1.6	1.6	1% depreciation	2.1	1.1	0.9	1.3
CNY	19.7	19.8	19.8		9.9	5.8	4.4	5.8
BRL	26.3	28.5	28.5		5.4	3.3	2.5	3.3

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