



## News Release

### **Takeda Announces FY2023 H1 Results; Updates Full-Year Forecasts While Remaining on Track Towards Management Guidance**

- *Revenue Growth of +6.4% at Actual Exchange Rate (AER); +1.4% Growth at Constant Exchange Rate (CER), Driven by Growth & Launch Products (+13% at CER)*
- *Core Operating Profit Year-on-Year Change of -9.5% at CER Reflecting Generic Impact, Lower Demand for Coronavirus Vaccines and Increased Investment in R&D and Data & Technology*
- *Reported Operating Profit and Net Profit Impacted by Non-Cash Impairment of Intangible Assets Booked in Q2*
- *Raising Full Year Revenue and Core EPS Forecasts to Reflect Updated FX and Tax Rate Assumptions; Lowering Full-Year Profit Forecasts on a Reported Basis Due to Non-Core Items Booked in Q2*
- *No Change to Free Cash Flow Outlook or Management Guidance*

**OSAKA, Japan, and CAMBRIDGE, Massachusetts, October 26, 2023** – Takeda (TSE:4502/NYSE:TAK) today announced financial results for the first half of fiscal year 2023 (six months ended September 30, 2023), updating reported and Core forecasts and reconfirming Management Guidance for Core change at CER.

**Takeda chief executive officer, Christophe Weber, commented:**

“We continue to pursue our vision to discover and deliver life-transforming treatments, making further progress in the first half of our fiscal year to address unmet medical needs and provide new treatment options to improve patient outcomes and quality of life. Our pipeline is robust and we anticipate a number of important milestones in the second half of the fiscal year, including potentially up to three new product approvals in the U.S., for TAK-755, fruquintinib, and TAK-721.

“Development setbacks with EXKIVITY® and ALOFISEL®, which impacted our reported profit in FY2023 Q2, highlight the inherent risk in research and development in the pharmaceutical business, but do not hinder our strategy for a return to growth in the near-term and our confidence in the long-term strength of the business remains firm.”

**Takeda chief financial officer, Costa Saroukos, commented:**

“We are raising our full-year revenue and Core EPS forecasts to reflect updated foreign exchange and tax rate assumptions, while revising our reported operating profit and EPS forecasts to reflect large non-core items booked in our second quarter. These items do not reflect the underlying momentum of the business, and we remain on track to our Management Guidance, which is on a Core basis at CER.

“We continue to see strong performance of our Growth and Launch Products, which grew +13% at CER in the first half of the fiscal year and represent 42% of total revenue. While our Core revenue and profit performance in the first half continued to reflect the temporary headwinds we face this fiscal year, largely from generic competition, we believe our Growth and Launch Products will drive a return to revenue and profit growth in the near-term.”

## FINANCIAL HIGHLIGHTS

### Results for FY2023 H1 Ended September 30, 2023

(Billion yen, except percentages and per share amounts)	REPORTED		CORE <sup>(c)</sup> (Non-IFRS) <sup>(a)</sup>		
	FY2023 H1	vs. PRIOR YEAR (Actual % change)	FY2023 H1	vs. PRIOR YEAR (Actual % change)	vs. PRIOR YEAR (CER % change <sup>(d)</sup> )
Revenue	2,101.7	+6.4%	2,101.7	+6.4%	+1.4%
Operating Profit	119.2	-53.2%	588.8	-5.8%	-9.5%
Margin	5.7%	-7.2pp	28.0%	-3.6pp	
Net Profit	41.4	-75.2%	407.7	-8.7%	-13.8%
EPS (yen)	27	-75.4%	261	-9.4%	-14.4%
Operating Cash Flow	291.3	-4.6%			
Free Cash Flow (Non-IFRS) <sup>(a)(b)</sup>	-71.1	N/A			

(a) Further information regarding certain of Takeda’s Non-IFRS measures is posted on Takeda’s investor relations website at <https://www.takeda.com/investors/financial-results/quarterly-results/>.

(b) 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.

(c) Core results adjust our reported results calculated and presented pursuant to IFRS to exclude the effect of items unrelated to Takeda’s core operations, such as, to the extent applicable for each line item, non-recurring items, purchase accounting effects and transaction related costs, as well as amortization and impairment of intangible assets and other operating income and expenses.

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

## FY2023 OUTLOOK

### Updating Full-Year FY2023 Reported and Core Forecasts, and Reconfirming Management Guidance

Based on Takeda's first half results and reflecting expected foreign exchange rates during the second half of FY2023, Takeda's reported and Core forecasts have been revised from the original forecast.

(Billion yen except per share amounts)	<b>FY2023 ORIGINAL FORECAST (May 2023)</b>	<b>FY2023 REVISED FORECAST (October 2023)</b>	<b>FY2023 MANAGEMENT GUIDANCE Core Growth at CER (Non-IFRS) (Unchanged from May 2023)</b>
Revenue	3,840.0	3,980.0	
Core Revenue	3,840.0	3,980.0	Low-single-digit % decline
Reported Operating Profit	349.0	225.0	
Core Operating Profit	1,015.0	1,015.0	Low-10s % decline
Reported Net Profit	142.0	93.0	
Reported EPS (yen)	91	59	
Core EPS (yen)	434	447	Low-20s % decline
Free Cash Flow*	400.0-500.0	400.0-500.0	
Annual Dividend per Share (yen)	188	188	

\*Free Cash Flow forecast reflects expenditures related to the acquisition of TAK-279 from Nimbus (JPY134.1 billion) and in-licensing of fruquintinib from HUTCHMED (JPY55.1 billion).

### Additional Information About Takeda's H1 Earnings Results

For more details on Takeda's FY2023 H1 results and other financial information, including key assumptions in FY2023 forecast and management guidance, please visit: <https://www.takeda.com/investors/financial-results/quarterly-results/>.

For more information on Takeda's commercial progress across the five key business areas and pipeline updates, please visit: [https://takeda.info/qr2023\\_q2\\_qfr\\_en](https://takeda.info/qr2023_q2_qfr_en)

## About Takeda

Takeda is focused on creating better health for people and a brighter future for the world. We aim to discover and deliver life-transforming treatments in our core therapeutic and business areas, including gastrointestinal and inflammation, rare diseases, plasma-derived therapies, oncology, neuroscience and vaccines. Together with our partners, we aim to improve the patient experience and advance a new frontier of treatment options through our dynamic and diverse pipeline. As a leading values-based, R&D-driven biopharmaceutical company headquartered in Japan, we are guided by our commitment to patients, our people and the planet. Our employees in approximately 80 countries and regions are driven by our purpose and are grounded in the values that have defined us for more than two centuries. For more information, visit [www.takeda.com](http://www.takeda.com).

## Contacts

### Investor Relations

Christopher O'Reilly

[Christopher.oreilly@takeda.com](mailto:Christopher.oreilly@takeda.com)

+81 (0) 3-3278-2543

### Media Relations

Brendan Jennings

[Brendan.jennings@takeda.com](mailto:Brendan.jennings@takeda.com)

+81 (0) 3-3278-2111

## Important Notice

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

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

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

## **Forward-Looking Statements**

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

## **Financial information and Certain Non-IFRS Financial Measures**

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

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

IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as “reported” measures). Investors are encouraged to review the definitions and reconciliations of non-IFRS financial measures to their most directly comparable IFRS measures, which are in the financial appendix at the end of Takeda's FY2023 Q2 investor presentation (available at [takeda.com/investors/financial-results/quarterly-results/](https://www.takeda.com/investors/financial-results/quarterly-results/)).

### **Medical information**

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

Please refer to slide 19 of Takeda’s FY2023 Q2 investor presentation (available at [takeda.com/investors/financial-results/quarterly-results/](https://www.takeda.com/investors/financial-results/quarterly-results/)) for the definition of Growth & Launch Products.

###