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Takeda Quarterly Financial Report

For the Quarter Ended March 31, 2024

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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

(JPY millions)	For the fiscal year ended		Change versus the same period of the previous fiscal year		
	March 31,		AER*		CER*
	2023	2024	Amount of Change	% Change	% Change
Revenue	4,027,478	4,263,762	236,284	5.9 %	1.5 %
Operating profit	490,505	214,075	(276,430)	(56.4)%	(50.3)%
Profit before tax	375,090	52,791	(322,299)	(85.9)%	(84.1)%
Net profit for the year	317,038	144,197	(172,841)	(54.5)%	(57.0)%
Basic earnings per share (JPY)	204.29	92.09	(112.20)	(54.9)%	(57.3)%

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

Core Results

Results of Core Operations

(JPY billions)	For the fiscal year ended		Change versus the same period of the previous fiscal year		
	March 31,		AER*		CER*
	2023	2024	Amount of Change	% Change	% Change
Core Revenue	4,027.5	4,263.8	236.3	5.9 %	1.5 %
Core Operating Profit	1,188.4	1,054.9	(133.5)	(11.2)%	(13.3)%
Core EPS (JPY)	558	484	(75)	(13.4)%	(15.7)%

* 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 "Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations" in the Financial Appendix for the definition.

Leverage

(JPY billions)	As of	
	March 31, 2023	March 31, 2024
	Net debt	(3,716.1)
Adjusted EBITDA	1,421.8	1,319.9
Net debt/Adjusted EBITDA ratio	2.6 x	3.1 x

Consolidated Cash Flows

(JPY millions)	For the fiscal year ended		Change versus the same period of the previous fiscal year	
	March 31,		JPY	%
	2023	2024		
Cash flows from (used in) operating activities	977,156	716,344	(260,812)	(26.7) %
Cash flows from (used in) investing activities	(607,102)	(463,862)	143,240	23.6 %
Cash flows from (used in) financing activities	(709,148)	(354,416)	354,733	50.0 %

Free Cash Flow

(JPY billions)	For the fiscal year ended		Change versus the same period of the previous fiscal year	
	March 31,		JPY	%
	2023	2024		
Free Cash Flow	446.2	283.4	(162.8)	(36.5)

Consolidated Financial Position

(JPY millions)	As of		Change versus the previous fiscal year-end	
	March 31, 2023	March 31, 2024	JPY	%
Non-current Assets	11,559,794	12,550,212	990,418	8.6 %
Current Assets	2,397,956	2,558,580	160,624	6.7 %
Total Assets	13,957,750	15,108,792	1,151,042	8.2 %
Non-current Liabilities	5,121,138	5,521,684	400,546	7.8 %
Current Liabilities	2,481,940	2,313,103	(168,837)	(6.8) %
Total Liabilities	7,603,078	7,834,788	231,709	3.0 %
Equity	6,354,672	7,274,005	919,333	14.5 %
Total liabilities and equity	13,957,750	15,108,792	1,151,042	8.2 %

Forecast and Management Guidance

Forecast*

(JPY billions)	FY2023 Actual Results	FY2024 Forecast	Change versus the previous year	
Revenue	4,263.8	4,350.0	86.2	2.0 %
Gross Profit	2,837.1	2,850.0	12.9	0.5 %
Operating profit	214.1	225.0	10.9	5.1 %
Profit before tax	52.8	55.0	2.2	4.2 %
Net profit for the year (attributable to owners of the Company)	144.1	58.0	(86.1)	(59.7) %
EPS (JPY)	92.09	36.70	(55.39)	(60.1) %
Non-IFRS Measures				
Core Revenue	4,263.8	4,350.0	86.2	2.0 %
Core Operating Profit	1,054.9	1,000.0	(54.9)	(5.2) %
Core EPS (JPY)	484	431	(53)	(10.9) %
Dividends per share (JPY)	188	196	8	4.3 %

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

Management Guidance

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

	FY2024 Management Guidance CER % Change ⁴
Core Revenue	Flat to slightly declining
Core Operating Profit	Approx 10% decline
Core EPS	Mid-10s% decline

*Refer to "Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations" in the Financial Appendix for the definition.

Revenue by Region

		JPY (millions)							
		For the fiscal year ended March 31,							
	Japan	United States	Europe and Canada	Asia (excluding Japan)	Latin America	Russia/CIS	Other	Total	
2023	512,043	2,103,772	842,668	225,007	160,375	88,431	95,182	4,027,478	
2024	451,391	2,195,711	966,835	261,218	198,100	72,594	117,911	4,263,762	
Change versus the previous year	JPY (60,652)	91,939	124,168	36,212	37,725	(15,837)	22,729	236,284	
	% (11.8) %	4.4 %	14.7 %	16.1 %	23.5 %	(17.9) %	23.9 %	5.9 %	

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

Recent Developments

Pipeline and R&D Activities

Research and development expenses for the fiscal year ended March 31, 2024 were JPY 729.9 billion. Takeda does not report disaggregated R&D expenses, including by therapeutic area or clinical trial stage, as our R&D budget is determined on a company-wide basis and specific expenditures may be subject to re-allocation depending on development results and priorities.

The research and development (R&D) of biopharmaceutical products is a lengthy and expensive process that can span more than 10 years. The process includes multiple studies to evaluate a product's efficacy and safety, followed by submission to regulatory authorities who review the data and decide whether to grant marketing approval. Only a small number of therapeutic candidates pass such rigorous investigation and become available for use in clinical treatment. Once approved, there is ongoing R&D support for marketed products, including life-cycle management, medical affairs, and other investments.

Clinical trials, which must comply with regional and international regulatory guidelines, generally take five to seven years or longer, and require substantial expenditures. In general, clinical trials are performed in accordance with the guidelines set by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use. The relevant regional regulatory authorities are the Food and Drug Administration (FDA) for the United States, the European Medicines Agency (EMA) for the EU, the Ministry of Health, Labour and Welfare (MHLW) for Japan and National Medical Products Administration (NMPA) for China.

The three phases of human clinical trials, which may overlap with each other, are as follows:

Phase 1 (“P-1”) clinical trials

Conducted using a small group of healthy adult volunteers in order to evaluate safety and absorption, distribution, metabolism and excretion of the drug.

Phase 2 (“P-2”) clinical trials

Conducted using a small group of patient volunteers in order to evaluate safety, efficacy, dosage and administration methods. P-2 clinical trials may be divided into two sub-categories, P-2a and P-2b. P-2a are usually pilot studies designed to demonstrate clinical efficacy or biological activity. P-2b studies look to find the optimum dose at which the drug shows biological activity with minimal side-effects.

Phase 3 (“P-3”) clinical trials

Conducted using a large number of patient volunteers in order to evaluate safety and efficacy in comparison to other medications already available or placebo.

Of these three phases, Phase 3 requires the largest expenditures and thus the decision to proceed with Phase 3 testing is a critical business decision in the drug development process. For those drug candidates that pass Phase 3 clinical trials, a New Drug Application (“NDA”), Biologics License Application (“BLA”) or a Marketing Authorization Application (“MAA”) is submitted to the relevant governmental authorities for approval, which if granted permits the subsequent launch of the drug. The preparation of an NDA, BLA or MAA submission involves considerable data collection, verification, analysis and expense. Even after the launch of the product, health authorities require post-marketing surveillance of adverse events, and they may request a post-marketing study to provide additional information regarding the risks and benefits of the product.

Takeda's R&D engine is focused on translating science into highly innovative, life-transforming 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, both in rare and more prevalent conditions, across our core therapeutic areas (Gastrointestinal and inflammation, neuroscience, and oncology). Takeda is committed to rare diseases, and many of the life-transforming medicines we are pursuing will treat rare diseases in our core therapeutic areas as well as in PDT. 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 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.

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.

Our key in-house R&D facilities include:

- Greater Boston Area Research and Development Site: Our Boston R&D site is located in Cambridge, Massachusetts in the United States. It is the center of our global gastrointestinal and inflammation, oncology, and other rare diseases programs R&D, and also supports R&D in other areas including plasma-derived therapies and vaccines, as well as research in immunomodulation and biologics. The site is home to the Takeda Cell Therapy engine with a state-of-the-art cell therapy manufacturing facility. Furthermore, Takeda signed a 15-year lease for an approximately 600,000 square foot state-of-the-art R&D and office facility under construction in Kendall Square, which Takeda plans to occupy from 2026.
- Shonan Health Innovation Park: Located in Fujisawa and Kamakura in Kanagawa Prefecture in Japan, the Shonan Health Innovation Park ("Shonan iPark") was opened in 2018 when Takeda transformed its Shonan Research Center into the first pharma-led science park in Japan by opening its doors to external parties and is the primary location for Takeda's neuroscience research. To attract more diverse partners and to further the success of the Shonan iPark, Takeda transferred ownership rights of Shonan iPark to a trustee in 2020 and transferred operation of Shonan iPark to a company established by Takeda in 2023. Takeda, as a flagship tenant, is committed to invigorating life science research in Japan.
- San Diego Research and Development Site: Our R&D site located in San Diego, California in the United States supports R&D in the gastrointestinal and inflammation and neuroscience areas. The San Diego research center operates as a "biotech-like" site and leverages internal capabilities such as structural biology and biophysics to catalyze research internally and externally.
- Vienna, Austria Research and Development Site: Our R&D site, located in Vienna, Austria, supports programs in R&D and in PDT. The research center focuses on biologics programs in R&D and contains manufacturing sites for plasma derived products. A new R&D laboratory is planned to be constructed in Vienna's Donaustadt district in 2026 as a "Green Building" and is designed to be certified as a Total Quality Building (TQB), which includes accessibility, comfort and adherence to environmental sustainability standards.

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 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 (specifically in gastric, dermatological and rheumatic disorders, along with select rare hematological & renal diseases (mezagitamab (TAK-079), etc.)), liver diseases, and neurogastric diseases. Zasocitinib (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. 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.

Note: ADZYNMA (*apadamtase alfa/cinaxadamtase alfa (recombinant)* (Development code: TAK-755)) and mezagitamab (TAK-079) have been developed in Gastrointestinal and Inflammation starting from FY2023 Q4.

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 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 SC Injection 108 mg / Syringes for SC Injection 108 mg (ENTYVIO SC) as a maintenance therapy for moderate to severe active Crohn's disease 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 Crohn's disease.
- In April 2024, Takeda announced that the FDA approved ENTYVIO SC administration for maintenance therapy in adults with moderately to severely active Crohn's disease after induction therapy with ENTYVIO IV. The approval is based on the VISIBLE 2 Study (SC CD Trial), a Phase 3, randomized, double-blind, placebo-controlled trial, which assessed the safety and efficacy of an SC formulation of ENTYVIO as maintenance therapy in total 409 adult patients with moderately to severely active Crohn's disease who had clinical response at week 6 following two doses of open-label ENTYVIO intravenous therapy at weeks 0 and 2. A statistically significant proportion of patients receiving ENTYVIO SC 108 mg maintenance therapy administered every 2 weeks achieved long-term clinical remission compared to patients receiving placebo (ENTYVIO SC: 48% vs. Placebo: 34%; $p < 0.01$) at week 52. In clinical studies, the ENTYVIO SC safety profile was generally consistent with the known safety profile of ENTYVIO IV, with the addition of injection site reactions (including injection site erythema, rash, pruritus, swelling, bruising, hematoma, pain, urticaria and edema) as an adverse reaction for ENTYVIO SC.

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.

ADZYNMA / Generic name: apadamtase alfa/cinaxadamtase alfa (recombinant) (Development code: TAK-755)

- 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 congenital thrombotic thrombocytopenic purpura (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 November 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) approved ADZYNMA for the prophylactic and on-demand treatment of adult and pediatric patients with cTTP. The FDA previously granted Fast Track Designation, Orphan Drug Designation, and Rare Pediatric Disease Designation in cTTP, as well as Priority Review for ADZYNMA's Biologic License Application (BLA). The FDA granted the company a Rare Pediatric Disease Voucher for the approval of ADZYNMA. The FDA approval of ADZYNMA was supported by the totality of the evidence provided by the analysis of efficacy, pharmacokinetic, safety and tolerability data from the first randomized, controlled, open-label, crossover Phase 3 trial in cTTP as well as by data from the continuation trial. ADZYNMA is the first and only FDA-approved recombinant ADAMTS13 (rADAMTS13) designed to address an unmet medical need in people with cTTP by replacing the deficient ADAMTS13 enzyme.
- In March 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved the use of ADZYNMA for the treatment of cTTP for individuals 12 years of age and older. The approval is supported by the totality of the evidence provided from an interim analysis of efficacy, pharmacokinetic, safety and tolerability data from the first randomized, controlled, open-label, crossover Phase 3 trial (281102) in cTTP patients primarily in ages 12-68, which includes five Japanese patients and supported by long-term safety and efficacy data from a continuation study (TAK-755-3002).

EOHILIA / Generic name: budesonide (Development code: TAK-721)

- In February 2024, Takeda announced that the U.S. Food and Drug Administration (FDA) approved EOHILIA (budesonide oral suspension) for 12 weeks of treatment in people 11 years and older with eosinophilic esophagitis (EoE). The FDA approval of EOHILIA 2 mg twice daily is based on efficacy and safety data from two multicenter, randomized, double-blind, parallel-group, placebo-controlled 12-week studies (Study 1 and Study 2) in patients (ages 11 to 56 and 11 to 42, respectively) with EoE.

Development Code: TAK-279 / Generic name: zasocitinib

- In November 2023, Takeda presented positive results from its randomized, double-blind, placebo-controlled, Phase 2b trial evaluating zasocitinib in patients with active psoriatic arthritis during a late-breaking session at the American College of Rheumatology (ACR) Convergence 2023. The study met its primary endpoint with a statistically significant proportion of patients, 53.3% (15 mg) and 54.2% (30 mg), treated once-daily with zasocitinib achieving at least an American College of Rheumatology 20 (ACR 20) response compared to 29.2% in the placebo arm at week 12 ($p = 0.002$). zasocitinib demonstrated improvements in key secondary endpoints and the safety and tolerability profile in the trial was consistent with that observed in the Phase 2b plaque psoriasis clinical study. Based on the Phase 2b results, Takeda intends to initiate a Phase 3 development program of zasocitinib in psoriatic arthritis. Takeda also initiated a Phase 3 development program of zasocitinib in plaque psoriasis in Q3 FY2023 and plans to evaluate zasocitinib in Crohn's disease, ulcerative colitis and additional immune-mediated inflammatory diseases.

Development code: TAK-079 / Generic name: mezagitamab

- In March 2024, Takeda announced positive topline results from a Phase 2, randomized, double-blind, placebo-controlled study evaluating the safety, tolerability and efficacy of mezagitamab in patients with persistent or chronic primary immune thrombocytopenia (ITP). The Phase 2 trial (TAK-079-1004) evaluated three different doses of subcutaneous mezagitamab vs placebo, given once weekly for eight weeks in patients with chronic (more than one year in duration) or persistent (3-12 months in duration) primary ITP. An interim analysis of the ongoing Phase 2 study demonstrated positive safety and efficacy results. Mezagitamab has been generally safe and well tolerated across all three cohorts. All mezagitamab doses tested demonstrated a higher platelet response rate than placebo. The increases in platelet count were dose-dependent with the greatest platelet response observed at the highest dose tested. Platelet response in mezagitamab treated patients occurred rapidly and was maintained post-therapy. Based on these positive results, and following consultation with global health authorities, Takeda plans to initiate a global Phase 3 trial of mezagitamab in ITP in fiscal year 2024. Mezagitamab previously received Orphan Drug Designation for the treatment of ITP from the U.S. Food and Drug Administration (FDA) and the program received Fast Track Designation.

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.), and rare epilepsies with soticlestat (TAK-935). Additionally, Takeda makes targeted investments to investigate well-defined segments of neuromuscular diseases, neurodegenerative diseases and movement disorders.

Development Code: TAK-861

- In February 2024, Takeda announced positive topline results from a randomized, double-blind, placebo-controlled, multiple dose Phase 2b trial evaluating TAK-861 in patients with narcolepsy type 1 (NT1). Two separate Phase 2b studies were conducted in NT1 and narcolepsy type 2 (NT2). The NT1 trial (TAK-861-2001) evaluating TAK-861 in 112 patients demonstrated statistically significant and clinically meaningful improvement in objective and subjective measures of wakefulness compared to placebo at week 8 including on the primary endpoint Maintenance of Wakefulness Test (MWT) ($p < 0.001$). Improvements in key secondary endpoints including Epworth Sleepiness Scale (ESS) and Weekly Cataplexy Rate (WCR) were statistically significant and clinically meaningful, consistent with the primary endpoint. The majority of patients who completed the trial entered a long-term extension study. Based on these results, and in consultation with global health authorities, Takeda plans to initiate global Phase 3 trials of TAK-861 in NT1 rapidly in the first half of its fiscal year 2024. At this time, Takeda does not plan to advance TAK-861 in NT2. TAK-861 was generally safe and well tolerated in both NT1 and NT2 trials. No treatment related serious adverse events were reported. In addition, no cases of hepatotoxicity or visual disturbances were reported in the Phase 2b trials or in the ongoing TAK-861 long-term extension trial. Results from both trials will be presented at an upcoming scientific congress.

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.); (2) growing a solid tumor portfolio with marketed products (ALUNBRIG and FRUZAQLA [marketed in the U.S., development in other regions outside of mainland China, Hong Kong and Macau ongoing]); and (3) advancing a cutting-edge pipeline of highly innovative assets and platforms.

CABOMETYX / Generic name: cabozantinib

- In January 2024, Takeda announced that the detailed results from CONTACT-02, a phase 3 pivotal study led by Exelixis, evaluating CABOMETYX in combination with atezolizumab compared with a second novel hormonal therapy (NHT) in patients with metastatic castration-resistant prostate cancer (mCRPC) and measurable extra-pelvic soft tissue disease who have progressed on one prior NHT were presented during Oral Abstract Session at the American Society of Clinical Oncology 2024 Genitourinary Cancers Symposium (ASCO GU). For the primary endpoint of progression-free survival (PFS), at a median follow-up of 14.3 months for the PFS ITT (intent-to-treat) population (n=400), the hazard ratio (HR) was 0.65 (95% confidence interval [CI]: 0.50-0.84; $p=0.0007$); the median PFS (mPFS) was 6.3 months for CABOMETYX in combination with atezolizumab compared with 4.2 months for NHT. This was nearly identical to the PFS for the ITT population (n=507): HR was 0.64 (95% CI: 0.50-0.81, $p=0.0002$). At a median follow-up of 12.0 months for the ITT population, the median overall survival (OS), the other primary endpoint, was 16.7 months for CABOMETYX in combination with atezolizumab compared with 14.6 months for second NHT (HR: 0.79; 95% CI: 0.58-1.07; $p=0.13$), showing a trend toward OS improvement. 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.

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.
- In November 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 ADCETRIS with

the new indication of relapsed or refractory CD30-positive cutaneous T-cell lymphoma (CTCL). The approval is based on the results of the Phase 3 ALCANZA trial conducted outside of Japan as well as the Japanese Phase 2 investigator-initiated SGN-35-OU trial in patients with relapsed or refractory CD30-positive CTCL.

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.

FRUZAQLA / Generic name: fruquintinib

- 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 colorectal cancer (mCRC). If approved, fruquintinib will be the first and only highly selective and potent inhibitor of vascular endothelial growth factor receptors (VEGFR) -1, -2 and -3 approved in the European Union (EU) for previously treated mCRC. 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 April 2024, Takeda announced that the EMA's Committee for Medicinal Products for Human Use (CHMP) recommended the approval of fruquintinib for the treatment of adult patients with previously treated mCRC.
- 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 mCRC 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 mCRC. 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 mCRC. The NDA for fruquintinib is based on the global Phase 3 FRESCO-2 clinical trial and the Phase 3 FRESCO clinical trial.
- In November 2023, Takeda announced that the U.S. Food and Drug Administration (FDA) approved FRUZAQLA for adults with mCRC who have been previously treated with fluoropyrimidine-, oxaliplatin-, and irinotecan-based chemotherapy, an anti-VEGF therapy, and, if RAS wild-type and medically appropriate, an anti-EGFR therapy. FRUZAQLA is the first and only selective inhibitor of all three VEGF receptor kinases approved in the U.S. for previously treated mCRC regardless of biomarker status. The approval of FRUZAQLA is based on data from two large Phase 3 trials: the global FRESCO-2 clinical trial along with the FRESCO clinical trial conducted in China.

ICLUSIG / Generic name: ponatinib

- In March 2024, Takeda announced that the U.S. Food and Drug Administration (FDA) approved the supplemental New Drug Application (sNDA) for ICLUSIG for the treatment of adult patients with newly diagnosed Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL) in combination with chemotherapy. This indication is approved under accelerated approval based on minimal residual disease (MRD)-negative complete remission (CR) at the

end of induction met by the global Phase 3 PhALLCON study in which ICLUSIG demonstrated superiority in MRD-negative complete remission rates to imatinib. In the trial, the safety profile of ICLUSIG was comparable to imatinib, and no new safety signals were identified. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials. This accelerated approval application was granted Priority Review and evaluated under the Real-Time Oncology Review (RTOR) program, an FDA initiative designed to expedite the delivery of cancer medicines by allowing components of an application to be reviewed before submission of the complete application.

VECTIBIX / Generic name: panitumumab

- In February 2024, Takeda announced that the study on biomarker research analyzing circulating tumor DNA (ctDNA) obtained from patients participating in the PARADIGM trial, a Japanese Phase 3 clinical trial of VECTIBIX for the first-line treatment of unresectable advanced recurrent colorectal cancer, to investigate the correlation of baseline ctDNA with treatment efficacy was published in the biomedical journal Nature Medicine. The results of this follow-up analysis showed that, in a group who did not have 10 genetic mutations reported to be associated with resistance to anti-EGFR antibody drugs (KRAS, NRAS, BRAF (V600E), PTEN and EGFR extracellular domain mutations, HER2 and MET amplification, as well as ALK, RET, and NTRK1 fusions), overall survival was longer in the mFOLFOX6 + VECTIBIX combination therapy group than in the mFOLFOX6 + bevacizumab combination therapy group in both left and right sided tumors combined (VECTIBIX combination therapy group: 40.7 months, bevacizumab combination therapy group: 34.4 months, HR: 0.76 [95% CI: 0.62-0.92]). The safety profile of VECTIBIX in this analysis aligns with the findings reported in previously published clinical trial results. The results suggest that analysis of ctDNA extracted from patients' blood may identify patients who are more likely to benefit from treatment with panitumumab, rather than simply selecting the treatment by the site of the primary tumor.

Other Rare Diseases programs

Takeda's R&D engine is focused on areas of high unmet medical need, both in rare and more prevalent conditions, across three core therapeutic areas (gastrointestinal and inflammation, neuroscience, and oncology). In other Rare Diseases programs, 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. 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. Takeda will continue to explore late-stage business development that may leverage our rare diseases capabilities as well as bolster our commitment and leadership in rare diseases.

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 March 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved OBIZUR, recombinant porcine coagulation factor VIII that is deficient in the glycosylated B domain, for the control of bleeding in patients with acquired hemophilia A (AHA). The approval is based primarily on a Phase 2/3 clinical trial in 5 Japanese patients aged 18 years and older with AHA and a Phase 2/3 clinical trial conducted outside of Japan in non-Japanese patients aged 18 years and older with AHA.

LIVTENCITY / Generic name: maribavir

- In November 2023, Takeda announced that it submitted a New Drug Application (NDA) to the Japanese Ministry of Health, Labour and Welfare (MHLW) for maribavir for the treatment of patients with post-transplant (including hematopoietic stem cell transplant) cytomegalovirus (CMV) infection/disease. The NDA is primarily based on the Japanese Phase 3 open-label trial in patients with CMV infection who underwent hematopoietic stem cell transplant (HSCT) or solid organ transplant (SOT), and the Phase 3 open-label SOLSTICE trial conducted outside of Japan in patients with CMV infection refractory or resistant to prior anti-CMV treatment who underwent HSCT or SOT.

- In December 2023, Takeda announced that LIVTENCITY was approved by the National Medical Products Administration (NMPA) of China for the treatment of adult patients with post- HSCT or SOT CMV infection/disease that is refractory to treatment (with or without genotypic resistance) with ganciclovir, valganciclovir, cidofovir or foscarnet. The NMPA approval is based on the results of the Phase 3 SOLSTICE trial. LIVTENCITY was granted Breakthrough Therapy Designation by China Center for Drug Evaluation (CDE) in 2021. LIVTENCITY is the first and only inhibitor of CMV-specific UL97 protein kinase in China for this indication.

Plasma-Derived Therapies (PDT)

Takeda has created a dedicated PDT business unit with a focus on managing the business end-to-end, from plasma donation to manufacturing, R&D, and commercialization. In PDT, we aspire to develop life-saving plasma derived therapies, which are essential for patients with a variety of rare and complex chronic diseases. The dedicated R&D organization within PDT is charged with maximizing the value of existing therapies, identifying new targeted therapies, and optimizing efficiencies across the PDT value chain, from plasma donation to product manufacturing. Near-term, our priority is focused on delivering value from our broad immunoglobulin portfolio (HYQVIA, CUVITRU, GAMMAGARD LIQUID and GAMMAGARD S/D) through the 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 and CEPROTIN. Additionally, we are developing next generation immunoglobulin products with 20% fSCIg (TAK-881) and liquid low IgA IG (TAK-880) and are 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 (Development code: TAK-771)

- 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 (aSBI), 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).
- In January 2024, Takeda announced that the FDA approved HYQVIA for the treatment of CIDP as maintenance therapy to prevent the relapse of neuromuscular disability and impairment in adult patients. The approval is based on results from ADVANCE-CIDP 1 clinical trial and ADVANCE-CIDP 3, a single-arm, open-label, extension study. HYQVIA is the only FDA-approved combination of immunoglobulin (IG) and hyaluronidase, which makes it a facilitated subcutaneous immunoglobulin (SCIg) infusion. For adults with CIDP, HYQVIA can be infused up to once monthly (every two, three or four weeks) due to the hyaluronidase component, which facilitates the dispersion and absorption of large IG volumes in the subcutaneous space between the skin and the muscle. Because it is delivered subcutaneously, HYQVIA can be administered by a healthcare professional in a medical office, infusion center or at a patient's home. In addition, it can be self-administered after appropriate patient or caregiver training.

- In January 2024, Takeda announced that the European Commission (EC) approved HYQVIA as maintenance therapy in patients of all ages with CIDP after stabilization with IVIG therapy. The approval is based on data from the pivotal Phase 3 ADVANCE-CIDP 1 clinical trial, which evaluated efficacy and safety of HYQVIA as maintenance therapy to prevent relapse in patients with CIDP.
- In February 2024, 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 TAK-771 for the treatment of agammaglobulinemia and 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 application is based primarily on a Phase 3 study (TAK-771-3004) in Japanese patients with primary immunodeficiency (PID) and three Phase 2/3 studies conducted outside of Japan in patients with PID (160603 study, 160902 study and 161503 study), which were conducted to evaluate efficacy, safety, tolerability, and pharmacokinetics.

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.

GAMMAGARD LIQUID / Generic name: Immunoglobulin (IG) Infusion 10% (Human)

- In January 2024, Takeda announced that the U.S. Food and Drug Administration (FDA) approved GAMMAGARD LIQUID as an intravenous immunoglobulin (IVIG) therapy to improve neuromuscular disability and impairment in adults with chronic inflammatory demyelinating polyneuropathy (CIDP). It can be used as induction therapy, which includes an induction dose and maintenance doses. For treatment of CIDP, GAMMAGARD LIQUID has not been studied in immunoglobulin-naïve patients nor as maintenance therapy for periods longer than 6 months. The approval is based on results from a prospective, open-label, single-arm, multicenter ADVANCE-CIDP 2 clinical trial that evaluated the efficacy and safety of GAMMAGARD LIQUID in adults with CIDP who developed a relapse in HYQVIA's ADVANCE-CIDP 1 trial.

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

- In March 2024, Takeda announced that the Japanese Ministry of Health, Labour and Welfare (MHLW) approved CEPROTIN for the treatment of venous thromboembolism and purpura fulminans caused by congenital protein C deficiency, as well as for the prevention of thrombophilia. The approval is based primarily on a Phase 1/2 trial in five Japanese patients primarily in ages 4-27 with congenital protein C deficiency and two Phase 2/3 trials (IMAG-098 and 400101) conducted outside of Japan in non-Japanese patients with congenital protein C deficiency.

Vaccine

In Vaccines, Takeda is applying innovation to tackle some of the world's most challenging infectious diseases such as dengue (QDENG (development code: TAK-003)), COVID-19 (NUVAXOVID). 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.

QDENG / 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 QDENGGA.

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 QDENGGA 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 (FR α) antibody. It is the first ADC developed for the treatment of ovarian cancer. MIRV is approved under accelerated approval (and was granted full approval thereafter) in the U.S. for the treatment of adult patients with FR α 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. In February 2024, ImmunoGen was acquired by AbbVie Inc.
- In January 2024, Takeda and Protagonist Therapeutics, Inc. announced the signing of a worldwide license and collaboration agreement for the development and commercialization of rusfertide, an investigational injectable hepcidin mimetic peptide of the natural hormone hepcidin, currently in a pivotal Phase 3 trial, VERIFY, for the treatment of Polycythemia Vera (PV). Discovered through Protagonist's peptide technology platform, rusfertide's mechanism of action is thought to regulate iron homeostasis and control the absorption, storage and distribution of iron in the body. The randomized portion of the Phase 2 REVIVE study of rusfertide in PV achieved its primary endpoint. The long-term follow-up data from the 2-year open label extension were presented at the American Society of Hematology 2023 Annual Meeting, which showed durable hematocrit control, decreased phlebotomy use, long-term tolerability and no new safety signals in patients with PV. Protagonist will remain responsible for research and development through the completion of the Phase 3 clinical trial and U.S regulatory approval. Takeda has rights for ex-U.S. development and is responsible for leading global commercialization activities.
- In April 2024, Takeda and Japanese Foundation for Cancer Research (JFCR) announced that the signing of a partnership agreement with the goal to advance research and development in the field of oncology. Under the terms of this agreement, Takeda and JFCR will engage in mutual exchange utilizing each other's strengths for the purpose of advancing global early clinical trials and facilitating translational research based on this agreement. This will include necessary information exchanging and consultation regarding ongoing drug development. The partnership seeks to expedite the development of groundbreaking anti-cancer therapies and facilitate swift delivery to cancer patients and their families.

- In April 2024, Takeda, Astellas Pharma Inc. (Astellas), and Sumitomo Mitsui Banking Corporation announced that three companies signed a master agreement to establish a joint venture company. The new company will be dedicated to the incubation of early drug discovery programs originating from Japan and toward the creation of innovative therapeutics. In addition to establishing the joint venture company, Takeda and Astellas will provide support to the joint venture company leveraging their expertise gained from global drug discovery research and development, aiming to accelerate open innovation in early-stage drug discovery, and toward the creation of start-up companies for the benefit of society. The joint venture company, once established, plans to begin incubation activities by collaboratively working with academia, pharmaceutical companies, and start-up companies across Japan to enable access to potentially transformative early drug discovery programs.

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

Consolidated Financial Results

	Billion JPY or percentage				
	For the fiscal year ended March 31,		Change versus the same period of the previous fiscal year		
	2023	2024	AER		CER
			Amount of Change	% Change	% Change
Revenue	4,027.5	4,263.8	236.3	5.9 %	1.5 %
Cost of sales	(1,244.1)	(1,426.7)	(182.6)	14.7 %	9.8 %
Selling, general and administrative expenses	(997.3)	(1,053.8)	(56.5)	5.7 %	0.9 %
Research and development expenses	(633.3)	(729.9)	(96.6)	15.3 %	8.4 %
Amortization and impairment losses on intangible assets associated with products	(542.4)	(652.1)	(109.7)	20.2 %	12.2 %
Other operating income	25.4	19.4	(6.0)	(23.8)%	(26.3)%
Other operating expenses	(145.2)	(206.5)	(61.3)	42.2 %	34.5 %
Operating profit	490.5	214.1	(276.4)	(56.4)%	(50.3)%
Finance income and (expenses), net	(106.8)	(167.8)	(61.0)	57.1 %	78.3 %
Share of profit (loss) of investments accounted for using the equity method	(8.6)	6.5	15.1	—	—
Profit before tax	375.1	52.8	(322.3)	(85.9)%	(84.1)%
Income tax (expenses) benefit	(58.1)	91.4	149.5	—	—
Net profit for the year	317.0	144.2	(172.8)	(54.5)%	(57.0)%

In this section, when comparing results to 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”. For additional information on CER %, see "Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations" in the Financial Appendix.

Revenue

Revenue for the fiscal year ended March 31, 2024 was JPY 4,263.8 billion (JPY +236.3 billion and +5.9% AER, +1.5% CER). The increase is primarily attributable to favorable foreign exchange rates and growth from business momentum of Plasma-Derived Therapies (“PDT”) Immunology, Gastroenterology (“GI”), Rare Diseases and Oncology. The increase in these business areas was offset by the decrease in Neuroscience. Revenue outside of these key business areas decreased mainly due to the decline in sales of AZILVA (for hypertension), which were JPY 33.6 billion (JPY -39.3 billion and -53.9% AER, -53.9% CER) and impacted by generic entrants in Japan, as well as the lower revenue contribution from COVID-19 vaccines in Japan.

Revenue by Geographic Region

The following shows revenue by geographic region:

Revenue:	For the fiscal year ended March 31,		Billion JPY or percentage Change versus the same period of the previous fiscal year		
	2023	2024	AER		CER
			Amount of Change	% Change	% Change
Japan	512.0	451.4	(60.7)	(11.8)%	(12.1)%
United States	2,103.8	2,195.7	91.9	4.4 %	(2.2)%
Europe and Canada	842.7	966.8	124.2	14.7 %	4.5 %
Asia (excluding Japan)	225.0	261.2	36.2	16.1 %	12.1 %
Latin America	160.4	198.1	37.7	23.5 %	48.4 %
Russia/CIS	88.4	72.6	(15.8)	(17.9)%	(6.5)%
Other* ¹	95.2	117.9	22.7	23.9 %	32.6 %
Total	4,027.5	4,263.8	236.3	5.9 %	1.5 %

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

Revenue by Business Area

The following shows revenue by business area:

Revenue:	For the fiscal year ended March 31,		Billion JPY or percentage Change versus the same period of the previous fiscal year		
	2023	2024	AER		CER
			Amount of Change	% Change	% Change
GI	1,094.5	1,216.2	121.7	11.1 %	4.7 %
Rare Diseases *	723.4	770.7	47.3	6.5 %	4.1 %
Rare Hematology	304.7	305.3	0.6	0.2 %	(2.9)%
Rare Genetics and Other	418.7	465.4	46.7	11.1 %	9.2 %
PDT Immunology *	678.4	818.6	140.1	20.7 %	14.4 %
Oncology	438.7	462.4	23.6	5.4 %	2.5 %
Neuroscience	637.7	627.0	(10.7)	(1.7)%	(7.8)%
Other *	454.6	368.9	(85.7)	(18.8)%	(17.7)%
Total	4,027.5	4,263.8	236.3	5.9 %	1.5 %

*Starting from the fiscal year ending March 31, 2025 (FY2024), “Plasma-Derived Therapies” replaces the previous category of “PDT Immunology”, and includes all plasma-derived products including those previously categorized within “Rare Diseases” (e.g., FEIBA, CINRYZE). “Vaccines” is presented as a separate key business area (previously included in “Others”), reflecting the strategic focus on our dengue vaccine, QDENGGA.

If the new categories are applied, revenue from “Rare Disease” is JPY 688.4 billion for FY2023 and JPY 639.8 billion for FY2022, revenue from “Plasma-Derived Therapies” is JPY 903.7 billion for FY2023 and JPY 765.4 billion for FY2022, revenue from “Vaccines” is JPY 50.4 billion for FY2023, and JPY 78.7 billion for FY2022, revenue from “Others” is JPY 315.7 billion for FY2023 and JPY 372.7 billion for FY2022.

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

GI

In GI, revenue was JPY 1,216.2 billion (JPY +121.7 billion and +11.1% AER, +4.7% CER).

Sales of ENTYVIO (for ulcerative colitis (“UC”) and Crohn’s disease) were JPY 800.9 billion (JPY +98.2 billion and +14.0% AER, +6.6% CER). Sales in the U.S. were JPY 546.1 billion (JPY +54.2 billion and +11.0% 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 195.8 billion (JPY +33.4 billion and +20.5% AER), supported by favorable foreign exchange rates and continued launches of the subcutaneous formulation.

Sales of GATTEX/REVESTIVE (for short bowel syndrome) were JPY 119.3 billion (JPY +26.2 billion and +28.1% AER, +22.7% CER). The increase was primarily due to increased demand in the U.S., Europe and Japan, expansion activities (infant indication label expansion and geographic expansion), and favorable exchange rates.

Sales of TAKECAB/VOCINTI (for acid-related diseases) were JPY 118.5 billion (JPY +9.8 billion and +9.0% AER, +8.2% 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 45.3 billion (JPY -24.1 billion and -34.7% AER, -39.6% 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 770.7 billion (JPY +47.3 billion and +6.5% AER, +4.1% CER).

Revenue of Rare Hematology was JPY 305.3 billion (JPY +0.6 billion and +0.2% AER, -2.9% CER).

Sales of ADVATE (for hemophilia A) were JPY 122.9 billion (JPY +4.7 billion and +4.0% AER, +1.1% CER). The increase was attributable to favorable foreign exchange rates as well as sales increase in the Growth and Emerging Markets such as Brazil and China.

Sales of VONVENDI (for von Willebrand disease) were JPY 16.2 billion (JPY +4.0 billion and +32.5% AER, +23.1% CER). The increase was primarily due to increased demand in the U.S.

Sales of FEIBA (for hemophilia A and B) were JPY 40.5 billion (JPY -0.7 billion and -1.8% AER, -5.3% CER). The decrease was mainly due to competition in Brazil.

Sales of RECOMBINATE (for hemophilia A) were JPY 12.1 billion (JPY -0.7 billion and -5.6% AER, -11.8% CER). The decrease was mainly due to weaker demand in the U.S. attributable to increased adoption of next generation therapies.

Decrease in revenue of other rare hematology products largely offset the net increase of the above products.

Revenue of Rare Genetics and Other was JPY 465.4 billion (JPY +46.7 billion and +11.1% AER, +9.2% CER).

Sales of TAKHZYRO (for hereditary angioedema) were JPY 178.7 billion (JPY +26.9 billion and +17.7% AER, +11.6% 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 19.1 billion (JPY +8.6 billion and +81.7% AER, +68.7% CER). The increase was primarily attributable to strong launch performance and fast uptake in the U.S., complemented by continued geographical expansion in Europe and positive market access trends.

Sales of enzyme replacement therapy REPLAGAL (for fabry disease) were JPY 73.6 billion (JPY +6.8 billion and +10.2% AER, +15.1% CER). The increase was primary due to strong demand in the Growth and Emerging Markets.

Sales of enzyme replacement therapy ELAPRASE (for Hunter syndrome) were JPY 91.6 billion (JPY +6.2 billion and +7.3% AER, +7.3% CER). The increase was primarily due to strong demand in the Growth and Emerging Markets.

PDT Immunology

In PDT Immunology, revenue was JPY 818.6 billion (JPY +140.1 billion and +20.7% AER, +14.4% CER).

Aggregate sales of immunoglobulin products were JPY 644.6 billion (JPY +122.4 billion and +23.4% AER, +16.8% 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 134.0 billion (JPY +12.5 billion and +10.3% AER, +5.9% CER). The increase was primarily driven by strong albumin demand in China.

Oncology

In Oncology, revenue was JPY 462.4 billion (JPY +23.6 billion and +5.4% AER, +2.5% CER).

Sales of ADCETRIS (for malignant lymphomas) were JPY 109.4 billion (JPY +25.5 billion and +30.4% AER, +31.3% CER). The increase was led by strong growth in Growth and Emerging Markets and Europe.

Sales of FRUZAQLA (for colorectal cancer), which newly launched in November 2023 in the U.S., were JPY 10.1 billion.

Sales of ALUNBRIG (for non-small cell lung cancer) were JPY 28.5 billion (JPY +8.0 billion and +38.8% AER, +35.3% CER). The increase benefited from strong demand across all regions.

Sales of ICLUSIG (for leukemia) were JPY 54.7 billion (JPY +7.5 billion and +15.9% AER, +7.5% CER). The increase was due to favorable foreign exchange rates and higher demand in the U.S.

Sales of VELCADE (for multiple myeloma) were JPY 5.5 billion (JPY -22.2 billion and -80.0% AER, -81.3% CER). The decrease was due to generic erosion in the U.S.

Sales of NINLARO (for multiple myeloma) were JPY 87.4 billion (JPY -5.3 billion and -5.7% AER, -9.2% CER). The decrease was due to intensified competition and decreased demand mainly in the U.S, partially aided by favorable foreign exchange rates.

Neuroscience

In Neuroscience, revenue was JPY 627.0 billion (JPY -10.7 billion and -1.7% AER, -7.8% CER).

Sales of VYVANSE/ELVANSE (for attention deficit hyperactivity disorder (“ADHD”)) were JPY 423.2 billion (JPY -36.1 billion and -7.9% AER, -14.1% CER). The decrease was due to multiple generic entrants in the U.S. starting from August 2023, with the growth of the adult market in Europe and favorable foreign exchange rates partially offset the negative impacts.

Sales of ADDERALL XR (for ADHD) were JPY 41.8 billion (JPY +13.2 billion and +46.0% AER, +36.6% CER). The increase was primarily due to a shortage of generic versions of the instant release formulation marketed by competitors in the U.S. and favorable foreign exchange rates.

Sales of INTUNIV (for ADHD) were JPY 33.6 billion (JPY +17.2 billion and +105.2% AER, +100.8% CER). The increase was primarily due to the buy-back of full rights in Japan effective in April 2023.

Cost of Sales

Cost of Sales was JPY 1,426.7 billion (JPY +182.6 billion and +14.7% AER, +9.8% CER). The increase was primarily due to revenue growth in our key business areas with a change in product mix and the depreciation of Japanese yen as compared to the fiscal year ended March 31, 2023. 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 plc (“Shire”).

Selling, General and Administrative (SG&A) Expenses

SG&A expenses were JPY 1,053.8 billion (JPY +56.5 billion and +5.7% AER, +0.9% CER). The increase was mainly due to the depreciation of Japanese yen and investments in Data, Digital and Technology (“DD&T”) partially offset by various cost efficiencies.

Research and Development (R&D) Expenses

R&D expenses were JPY 729.9 billion (JPY +96.6 billion and +15.3% AER, +8.4% CER). The increase was mainly due to various investments in pipeline programs and 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 652.1 billion (JPY +109.7 billion and +20.2% AER, +12.2% 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. JPY 130.6 billion impairment losses recorded in the fiscal year ended March 31, 2024 primarily includes JPY 74.0 billion impairment charges for ALOFISEL (for complex Crohn's perianal fistulas) following topline results of the phase 3 ADMIRE-CD II trial, JPY 28.5 billion impairment charges following a decision to voluntarily withdraw EXKIVITY (for non-small cell lung cancer) globally, and other impairment charges for certain in-process R&D assets including those related to TAK-007 and modakafusp alfa (TAK-573) in Oncology as results of decisions to terminate those programs. The increase was partially offset by a reversal of impairment loss of JPY 35.7 billion related to the approval of EOHILIA, a therapy for eosinophilic esophagitis (EoE), by the U.S. Food and Drug Administration (FDA) in February 2024.

Other Operating Income

Other Operating Income was JPY 19.4 billion (JPY -6.0 billion and -23.8% AER, -26.3% CER).

Other Operating Expenses

Other Operating Expenses were JPY 206.5 billion (JPY +61.3 billion and +42.2% AER, +34.5% CER). The increase was primarily driven by increases of restructuring expenses, additional losses recorded for the supply agreement litigation with AbbVie, Inc. (“AbbVie”) in the fiscal year ended March 31, 2024 and changes in the fair value of financial assets and liabilities associated with contingent consideration arrangements mainly from XIIDRA and EOHILIA.

Operating Profit

As a result of the above factors, Operating Profit was JPY 214.1 billion (JPY -276.4 billion and -56.4% AER, -50.3% CER).

Net Finance Expenses

Net Finance Expenses were JPY 167.8 billion (JPY +61.0 billion and +57.1% AER, +78.3% CER). The increase was primarily due to a decrease in financial income reflecting gains from acquisitions of prior equity method companies and a positive impact from the remeasurement of warrants to purchase stocks of the company held by Takeda recorded in the fiscal year ended March 31, 2023, as well as an increase in financial expenses in the fiscal year ended March 31, 2024 due to factors including interest recorded for the supply agreement litigation with AbbVie and increased expense on hyperinflation accounting.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method

Share of Profit of Investments Accounted for Using the Equity Method was JPY 6.5 billion (JPY +15.1 billion, compared to Share of Loss of Investments Accounted for Using the Equity Method of JPY 8.6 billion in the fiscal year ended March 31, 2023).

Income Tax (Expenses) Benefit

Income Tax Benefit was JPY 91.4 billion (JPY +149.5 billion, compared to Income Tax Expenses of JPY 58.1 billion in the fiscal year ended March 31, 2023). The increase was primarily due to lower pretax earnings as well as a tax expense reduction of JPY 63.5 billion resulting from the reversal of the income taxes payable in excess of the settlement with the Irish Revenue Commissioners with respect to a tax assessment related to the treatment of an acquisition break fee Shire received from AbbVie in 2014 ("AbbVie Break Fee Settlement"). These increases were partially offset by the tax charges from legal entity restructuring and the reassessment of recoverability of deferred tax assets.

Net Profit for the Year

As a result of the above factors, Net Profit for the Year was JPY 144.2 billion (JPY -172.8 billion and -54.5% AER, -57.0% CER).

Results of Core Financial Measures

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). See "Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations" in the Financial Appendix for additional information.

	For the fiscal year ended March 31,		Billion JPY or percentage		
			Change versus the previous fiscal year		
	2023	2024	AER	CER	
			Amount of Change	% Change	% Change
Core revenue	4,027.5	4,263.8	236.3	5.9 %	1.5 %
Core operating profit	1,188.4	1,054.9	(133.5)	(11.2)%	(13.3)%
Core net profit for the year	866.4	756.9	(109.5)	(12.6)%	(15.0)%
Core EPS (yen)	558	484	(75)	(13.4)%	(15.7)%

Core Revenue

Core Revenue for the fiscal year ended March 31, 2024 was JPY 4,263.8 billion (JPY +236.3 billion and +5.9% AER, +1.5% CER). The increase is attributable to favorable foreign exchange rates and growth from business momentum primarily led by Takeda's Growth and Launch Products* which totaled JPY 1,833.0 billion (JPY +297.2 billion and +19.3% AER, +12.8% CER).

* Takeda's Growth and Launch Products in FY2023
 GI: ENTYVIO, ALOFISEL, EOHILIA
 Rare Diseases: TAKHZYRO, LIVTENCITY, ADZYNMA
 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), FRUZAQLA
 Other: QDENGGA

Core Operating Profit

Core Operating Profit for the fiscal year ended March 31, 2024 was JPY 1,054.9 billion (JPY -133.5 billion and -11.2% AER, -13.3% CER). The components of Core Operating Profit are as below:

	Billion JPY or percentage				
	For the fiscal year ended March 31,		Change versus the previous fiscal year		
	2023	2024	AER		CER
			Amount of Change	% Change	% Change
Core Revenue	4,027.5	4,263.8	236.3	5.9 %	1.5 %
Core Cost of Sales	(1,208.4)	(1,426.3)	(217.9)	18.0 %	13.0 %
Core Selling, General and Administrative (SG&A) Expenses	(997.3)	(1,053.0)	(55.6)	5.6 %	0.8 %
Core Research and Development (R&D) Expenses	(633.4)	(729.6)	(96.3)	15.2 %	8.3 %
Core Operating Profit	1,188.4	1,054.9	(133.5)	(11.2)%	(13.3)%

During the periods presented, these items fluctuated as follows:

Core Cost of Sales

Core Cost of Sales was JPY 1,426.3 billion (JPY +217.9 billion and +18.0% AER, +13.0% CER). The increase was primarily due to revenue growth in our key business areas with a change in product mix and the depreciation of Japanese yen as compared to the fiscal year ended March 31, 2023.

Core Selling, General and Administrative (SG&A) Expenses

Core SG&A expenses were JPY 1,053.0 billion (JPY +55.6 billion and +5.6% AER, +0.8% CER). The increase was mainly due to the depreciation of Japanese yen and investments in DD&T partially offset by various cost efficiencies.

Core Research and Development (R&D) Expenses

Core R&D expenses were JPY 729.6 billion (JPY +96.3 billion and +15.2% AER, +8.3% CER). The increase was mainly due to various investments in pipeline programs and the depreciation of Japanese yen.

Core Net Profit for the Year

Core Net Profit for the Year was JPY 756.9 billion (JPY -109.5 billion and -12.6% AER, -15.0% CER) and is calculated from Core Operating Profit are as below:

	Billion JPY or percentage				
	For the fiscal year ended March 31,		Change versus the previous fiscal year		
	2023	2024	AER		CER
			Amount of Change	% Change	% Change
Core Operating Profit	1,188.4	1,054.9	(133.5)	(11.2)%	(13.3)%
Core Finance Income and (Expenses), net	(126.6)	(142.0)	(15.4)	12.2 %	13.9 %
Core Share of Profit of Investments Accounted for Using the Equity Method	0.2	5.9	5.7	—	—
Core Profit Before Tax	1,062.0	918.8	(143.2)	(13.5)%	(16.0)%
Core Income Tax Expenses	(195.6)	(161.9)	33.7	(17.2)%	(20.2)%
Core Net Profit for the Year	866.4	756.9	(109.5)	(12.6)%	(15.0)%

During the periods presented, these items fluctuated as follows:

Core Net Finance Expenses

Core Net Finance Expenses were JPY 142.0 billion (JPY +15.4 billion and +12.2% AER, +13.9% CER).

Core Share of Profit of Investments Accounted for Using the Equity Method

Core Share of Profit of Investments Accounted for Using the Equity Method was JPY 5.9 billion (JPY +5.7 billion).

Core Profit Before Tax

Core Profit Before Tax was JPY 918.8 billion (JPY -143.2 billion and -13.5% AER, -16.0% CER).

Core Income Tax (Expenses) Benefit

Core Income Tax Expenses were JPY 161.9 billion (JPY -33.7 billion and -17.2% AER, -20.2% CER) and excludes the JPY 63.5 billion impact from AbbVie Break Fee Settlement in the fiscal year ended March 31, 2024. The decrease was mainly due to lower core pretax earnings.

Core EPS

Core EPS for the fiscal year ended March 31, 2024 was JPY 484 (JPY -75 and -13.4% AER, -15.7% CER).

Consolidated Financial Position

Assets.

Total Assets as of March 31, 2024 were JPY 15,108.8 billion (JPY +1,151.0 billion). The increases of Goodwill, Property, Plant and Equipment, and Inventories (JPY +619.3 billion, JPY +298.5 billion, and JPY +223.4 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 -75.7 billion).

Liabilities.

Total Liabilities as of March 31, 2024 were JPY 7,834.8 billion (JPY +231.7 billion). Total Bonds and Loans were JPY 4,843.8 billion* (JPY +461.4 billion), which increased primarily due to the effect of foreign currency translation and a net increase in commercial paper drawings in the fiscal year ended March 31, 2024. The increase of total Other Financial Liabilities (JPY +111.4 billion) was mainly due to a lease term extension in the U.S. and the effect of foreign currency translation. These increases were partially offset by decreases in Deferred Tax Liabilities, Income Tax Payable, and Trade and Other Payables. The decrease of Deferred Tax Liabilities (JPY -156.8 billion) was mainly due to amortization of intangible assets and the impact of R&D capitalization and amortization for U.S. tax purposes. The decrease of total Income Taxes Payable (JPY -142.6 billion) was mainly due to tax payments in the fiscal year ended March 31, 2024 and a reduction of payables for tax-related settlements, including AbbVie Break Fee Settlement, offset by accruals for tax on profits for the fiscal year ended March 31, 2024. The decrease of Trade and Other Payables (JPY -101.7 billion) was primarily due to payments for two agreements entered into in the fiscal year ended March 31, 2023, which were the remaining upfront payment related to the acquisition of TAK-279 from Nimbus Therapeutics, LLC (Nimbus) and the payment related to the exclusive license agreement with HUTCHMED (China) Limited (HUTCHMED).

* The carrying amount of Bonds was JPY 4,092.9 billion and Loans was JPY 750.9 billion as of March 31, 2024. 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	198.1
Unsecured US dollar denominated senior notes (USD 3,000 million)	September 2016	September 2026	439.7
Unsecured Euro denominated senior notes (EUR 3,000 million)	November 2018	November 2026 ~ November 2030	487.4
Unsecured US dollar denominated senior notes (USD 1,750 million)	November 2018	November 2028	263.7
Hybrid bonds (subordinated bonds)	June 2019	June 2079	499.6
Unsecured US dollar denominated senior notes (USD 7,000 million)	July 2020	March 2030 ~ July 2060	1,053.7
Unsecured Euro denominated senior notes (EUR 3,600 million)	July 2020	July 2027 ~ July 2040	584.1
Unsecured JPY denominated senior bonds	October 2021	October 2031	249.5
Commercial paper	February 2024 ~ March 2024	May 2024 ~ June 2024	317.0
Total			<u>4,092.9</u>

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	227.0
Syndicated loans	April 2023	April 2030	100.0
Bilateral loans	March 2016 ~ March 2023	April 2024 ~ March 2029	210.0
Other			0.4
Total			750.9

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 redeemed USD 500 million of unsecured senior notes issued in November 2018 on their maturity date of November 26, 2023. Takeda had short term commercial paper drawings outstanding of JPY 317.0 billion as of March 31, 2024.

Equity.

Total Equity as of March 31, 2024 was JPY 7,274.0 billion (JPY +919.3 billion). The increase of Other Components of Equity (JPY +1,001.2 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 -149.9 billion) mainly due to the decrease of JPY 287.8 billion related to dividends payments while Net Profit for the Year contributed to an increase.

Consolidated Cash Flows

	Billion JPY	
	For the fiscal year ended March 31,	
	2023	2024
Net cash from (used in) operating activities	977.2	716.3
Net cash from (used in) investing activities	(607.1)	(463.9)
Net cash from (used in) financing activities	(709.1)	(354.4)
Net increase (decrease) in cash and cash equivalents	(339.1)	(101.9)
Cash and cash equivalents at the beginning of the year	849.7	533.5
Effects of exchange rate changes on cash and cash equivalents	22.9	26.2
Cash and cash equivalents at the end of the year	533.5	457.8

Net cash from operating activities

Net cash from operating activities for the fiscal year ended March 31, 2024 was JPY 716.3 billion (JPY -260.8 billion). The decrease was due to unfavorable impacts from Changes in Assets and Liabilities, mainly driven by changes in Provision, and unfavorable impacts from a lower net profit for the year adjusted for non-cash items and other adjustments, which was partially offset by Other, Net.

Net cash used in investing activities

Net cash used in investing activities for the fiscal year ended March 31, 2024 was JPY 463.9 billion (JPY -143.2 billion). The decrease was mainly due to a decrease in Acquisition of Intangible Assets (JPY -187.7 billion)*.

* USD 3.0 billion was paid to Nimbus for the acquisition of TAK-279 in the fiscal year ended March 31, 2023 while USD 1.0 billion and USD 0.4 billion were paid to Nimbus for the acquisition of TAK-279 and to HUTCHMED for the exclusive license agreement for FRUZAQLA, respectively, in the fiscal year ended March 31, 2024.

Net cash used in financing activities

Net cash used in financing activities for the fiscal year ended March 31, 2024 was JPY 354.4 billion (JPY -354.7 billion). The decrease was mainly due to a net increase of JPY 237.0 billion in commercial paper drawings, a net decrease of JPY 60.9 billion in redemption of bonds, and the settlement of cross currency interest rate swaps related to bonds in the fiscal year ended March 31, 2024.

Outlook for the Fiscal Year Ending March 31, 2025

Consolidated reported forecast for the fiscal year ending March 31, 2025 (FY2024) is as below:

Consolidated Reported Forecast for the Fiscal Year Ending March 31, 2025 (FY2024)

	Billion JPY or percentage			
	FY2023 Actual Results	FY2024 Forecast	Change versus the previous year	
Revenue	4,263.8	4,350.0	86.2	2.0 %
Gross Profit	2,837.1	2,850.0	12.9	0.5 %
Operating profit	214.1	225.0	10.9	5.1 %
Profit before tax	52.8	55.0	2.2	4.2 %
Net profit for the year (attributable to owners of the Company)	144.1	58.0	(86.1)	(59.7)%
EPS (JPY)	92.09	36.70	(55.39)	(60.1)%
Core Revenue	4,263.8	4,350.0	86.2	2.0 %
Core Operating Profit	1,054.9	1,000.0	(54.9)	(5.2)%
Core EPS (JPY)	484	431	(53)	(10.9)%

[Revenue]

Takeda expects FY2024 revenue to be JPY 4,350.0 billion, an increase of JPY 86.2 billion, or 2.0%, from FY2023. The continued decline of products experiencing generic competition, including VYVANSE in the U.S., is expected to be largely mitigated by expansion of Growth and Launch Products, including ENTYVIO, immunoglobulin products, and new products such as QDENGGA, FRUZAQLA, and EOHILIA. In addition, the foreign exchange assumption rates for major currencies reflect the depreciation of the Japanese yen versus FY2023 actual rates, which results in a favorable year-on-year impact on revenue. Because Takeda does not expect any significant non-core items that require adjustment in its revenue forecast, the Core revenue forecast for FY2024 is the same as the reported revenue forecast.

[Operating Profit]

Operating Profit is expected to increase by JPY 10.9 billion, or 5.1%, to JPY 225.0 billion. While various cost efficiency initiatives will continue, we will also actively make investments for new product launches and in data, digital, and technology. There will also be a modest increase in R&D expenses to support our late-stage pipeline. Other operating expenses are expected to be JPY 200.0 billion, including JPY 140.0 billion of restructuring expense which is primarily related to the enterprise-wide efficiency program scheduled to start from FY2024. Operating Profit growth versus FY2023 also benefits from a lower assumption for impairment losses on intangible assets associated with products, with JPY 50.0 billion included in our FY2024 forecast compared to JPY 130.6 billion booked in FY2023.

Core Operating Profit is expected to be JPY 1,000.0 billion, a decrease of JPY 54.9 billion JPY, or 5.2%.

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

Net profit for the year (attributable to owners of the Company) is expected to be JPY 58.0 billion, a decrease of JPY 86.1 billion, or 59.7%, mainly reflecting significant one-time tax expense reduction booked in FY2023 and resulting less tax benefit in FY2024 compared to FY2023. Profit Before Tax is expected to increase by JPY 2.2 billion, or 4.2%, to JPY 55.0 billion, reflecting an increase in net finance income and expenses, which partially offset the expected increase in Operating Profit of JPY 10.9 billion.

Reported EPS is expected to be JPY 36.70, a decrease of JPY 55.39, or 60.1%, and Core EPS is expected to be JPY 431, a decrease of JPY 53, or 10.9%.

Major assumptions used in preparing the FY2024 Reported Forecast

	Billion JPY or percentage	
	FY2023 Actual Results	FY2024 Forecast
FX rates	1 USD = 144 JPY	1 USD = 150 JPY
	1 Euro = 156 JPY	1 Euro = 160 JPY
	1 RUB = 1.6 JPY	1 RUB = 1.6 JPY
	1 CNY = 20.1 JPY	1 CNY = 20.9 JPY
	1 BRL = 29.1 JPY	1 BRL = 30.4 JPY
Cost of Sales	(1,426.7)	(1,500.0)
SG&A Expenses	(1,053.8)	(1,080.0)
R&D expenses	(729.9)	(770.0)
Amortization of intangible assets associated with products	(521.5)	(540.0)
Impairment of intangible assets associated with products* ¹	(130.6)	(50.0)
Other operating income	19.4	15.0
Other operating expenses* ²	(206.5)	(200.0)
Other Core Operating Profit adjustments	(1.5)	—
Finance income and (expenses), net	(167.8)	(172.0)
Adjusted free cash flow* ³	283.4	350.0 - 450.0
Capital expenditures (cash flow base)	(480.7)	(380.0 - 420.0)
Depreciation and amortization (excluding intangible assets associated with products)	(206.5)	(205.0)
Cash tax rate on adjusted EBITDA (excluding divestitures)	~15%	Mid teen %

*1 Includes in-process R&D.

*2 JPY 140.0 billion of restructuring expense which is primarily related to the enterprise-wide efficiency program is included in FY2024 Forecast.

*3 Starting from FY2024, we will i) change the title of free cash flow as currently represented to “Adjusted free cash flow” and ii) report “Free cash flow” as cash flows from operating activities less acquisition of property, plant and equipment.

Management Guidance

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

	FY2024 Management Guidance CER % Change*⁴
Core Revenue	Flat to slightly declining
Core Operating Profit	Approx 10% decline
Core EPS	Mid-10s% decline

*4 Please refer to “Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

Other assumptions used in preparing the FY2024 Reported Forecast and the Management Guidance

The FY2024 reported forecast and the management guidance assume global VYVANSE sales of JPY 225.0 billion, a year-on-year decline of JPY 198.2 billion (49% decline at CER).

Forward looking statements

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

Capital Allocation Policy and Dividends for the Fiscal Year Ended March 31, 2024 and Ending March 31, 2025

(i) Capital Allocation Policy

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

Takeda's policy in the allocation of capital is as follows:

- Invest in growth drivers; and
- Shareholder returns.

In respect of "Invest in growth drivers", Takeda makes strategic investments in internal and external opportunities to enhance the pipeline, new product launches, and plasma-derived therapies. With regard to "Shareholder returns", Takeda has adopted a progressive dividend policy of increasing or maintaining the annual dividend per share each year, alongside share buybacks when appropriate.

(ii) Dividend

Takeda is strongly committed to shareholder returns with the dividend as a key component.

[FY2023] 188 yen per share
Year-end dividend per share: 94 yen
Together with the interim dividend of 94 yen per share, the annual dividend will be 188 yen per share.

[FY2024 guidance] 196 yen per share

Consolidated Financial Statements [IFRS]

(1) Consolidated Statements of Profit or Loss

	JPY (millions, except per share data)		USD (millions) ^(*)
	For the year ended March 31,		For the year ended March 31,
	2023	2024	2024
Revenue	¥ 4,027,478	¥ 4,263,762	\$ 28,196
Cost of sales	(1,244,072)	(1,426,678)	(9,434)
Selling, general and administrative expenses	(997,309)	(1,053,819)	(6,969)
Research and development expenses	(633,325)	(729,924)	(4,827)
Amortization and impairment losses on intangible assets associated with products	(542,443)	(652,117)	(4,312)
Other operating income	25,424	19,379	128
Other operating expenses	(145,247)	(206,527)	(1,366)
Operating profit	490,505	214,075	1,416
Finance income	62,913	52,093	344
Finance expenses	(169,698)	(219,850)	(1,454)
Share of profit (loss) of investments accounted for using the equity method	(8,630)	6,473	43
Profit before tax	375,090	52,791	349
Income tax (expenses) benefit	(58,052)	91,406	604
Net profit for the year	317,038	144,197	954
Attributable to:			
Owners of the Company	317,017	144,067	953
Non-controlling interests	21	130	1
Net profit for the year	317,038	144,197	954
Earnings per share (JPY or USD)			
Basic earnings per share	204.29	92.09	0.61
Diluted earnings per share	201.94	91.16	0.60

(*) Consolidated statements of profit or loss have been translated solely for the convenience of the reader at an exchange rate of 1USD = 151.22 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 29, 2024. 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 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) Consolidated Statements of Comprehensive Income

	JPY (millions)		USD (millions) ^(*)
	For the year ended March 31,		For the year ended March 31,
	2023	2024	2024
Net profit for the year	¥ 317,038	¥ 144,197	\$ 954
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	(2,654)	2,309	15
Remeasurement of defined benefit pension plans	17,752	(5,002)	(33)
	15,098	(2,693)	(18)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	618,773	968,842	6,407
Cash flow hedges	(21,451)	23,456	155
Hedging cost	(16,993)	7,197	48
Share of other comprehensive loss of investments accounted for using the equity method	(892)	(1,793)	(12)
	579,437	997,702	6,598
Other comprehensive income for the year, net of tax	594,535	995,009	6,580
Total comprehensive income for the year	911,574	1,139,206	7,533
Attributable to:			
Owners of the Company	911,529	1,139,033	7,532
Non-controlling interests	45	173	1
Total comprehensive income for the year	911,574	1,139,206	7,533

(*) Consolidated statements of comprehensive income have been translated solely for the convenience of the reader at an exchange rate of 1USD = 151.22 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 29, 2024. 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 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) Consolidated Statements of Financial Position

	JPY (millions)		USD (millions) ^(*)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
ASSETS			
Non-current assets:			
Property, plant and equipment	¥ 1,691,229	¥ 1,989,777	\$ 13,158
Goodwill	4,790,723	5,410,067	35,776
Intangible assets	4,269,657	4,274,682	28,268
Investments accounted for using the equity method	99,174	89,831	594
Other financial assets	279,683	340,777	2,254
Other non-current assets	63,325	51,214	339
Deferred tax assets	366,003	393,865	2,605
Total non-current assets	11,559,794	12,550,212	82,993
Current assets:			
Inventories	986,457	1,209,869	8,001
Trade and other receivables	649,429	668,403	4,420
Other financial assets	20,174	15,089	100
Income taxes receivable	32,264	29,207	193
Other current assets	160,868	168,875	1,117
Cash and cash equivalents	533,530	457,800	3,027
Assets held for sale	15,235	9,337	62
Total current assets	2,397,956	2,558,580	16,920
Total assets	13,957,750	15,108,792	99,913
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities:			
Bonds and loans	4,042,741	4,476,501	29,603
Other financial liabilities	534,269	687,833	4,549
Net defined benefit liabilities	127,594	143,882	951
Income taxes payable	24,558	4,381	29
Provisions	55,969	14,373	95
Other non-current liabilities	65,389	80,938	535
Deferred tax liabilities	270,620	113,777	752
Total non-current liabilities	5,121,138	5,521,684	36,514
Current liabilities:			
Bonds and loans	339,600	367,251	2,429
Trade and other payables	649,233	547,521	3,621
Other financial liabilities	185,537	143,421	948
Income taxes payable	232,377	109,906	727
Provisions	508,360	524,420	3,468
Other current liabilities	566,689	619,174	4,095
Liabilities held for sale	144	1,410	9
Total current liabilities	2,481,940	2,313,103	15,296
Total liabilities	7,603,078	7,834,788	51,811

	JPY (millions)		USD (millions) ^(*)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
EQUITY			
Share capital	1,676,345	1,676,596	11,087
Share premium	1,728,830	1,747,414	11,555
Treasury shares	(100,317)	(51,259)	(339)
Retained earnings	1,541,146	1,391,203	9,200
Other components of equity	1,508,119	2,509,310	16,594
Equity attributable to owners of the Company	6,354,122	7,273,264	48,097
Non-controlling interests	549	741	5
Total equity	6,354,672	7,274,005	48,102
Total liabilities and equity	13,957,750	15,108,792	99,913

(*) Consolidated statements of financial position have been translated solely for the convenience of the reader at an exchange rate of 1USD = 151.22 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 29, 2024. 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 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) Consolidated Statements of Changes in Equity

	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 year				317,017		
Other comprehensive income (loss)					617,866	(2,663)
Comprehensive income (loss) for the year	—	—	—	317,017	617,866	(2,663)
Transactions with owners:						
Issuance of new shares	82	82				
Acquisition of treasury shares		(5)	(27,060)			
Disposal of treasury shares		0	0			
Dividends				(278,313)		
Transfers from other components of equity				24,687		(6,935)
Share-based compensation		62,670				
Exercise of share-based awards		(42,791)	42,749			
Total transactions with owners	82	19,956	15,689	(253,626)	—	(6,935)
As of March 31, 2023	1,676,345	1,728,830	(100,317)	1,541,146	1,606,128	12,470

	Equity attributable to owners of the Company						
	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 year				—	317,017	21	317,038
Other comprehensive income (loss)	(21,451)	(16,993)	17,752	594,512	594,512	24	594,535
Comprehensive income (loss) for the year	(21,451)	(16,993)	17,752	594,512	911,529	45	911,574
Transactions with owners:							
Issuance of new shares				—	164		164
Acquisition of treasury shares				—	(27,065)		(27,065)
Disposal of treasury shares				—	1		1
Dividends				—	(278,313)		(278,313)
Transfers from other components of equity			(17,752)	(24,687)	—		—
Share-based compensation				—	62,670		62,670
Exercise of share-based awards				—	(42)		(42)
Total transactions with owners	—	—	(17,752)	(24,687)	(242,586)	—	(242,586)
As of March 31, 2023	(87,352)	(23,127)	—	1,508,119	6,354,122	549	6,354,672

JPY (millions)						
Equity attributable to owners of the Company						
	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 year				144,067		
Other comprehensive income (loss)					967,279	2,036
Comprehensive income (loss) for the year	—	—	—	144,067	967,279	2,036
Transactions with owners:						
Issuance of new shares	251	251				
Acquisition of treasury shares			(2,367)			
Disposal of treasury shares		0	0			
Dividends				(287,785)		
Changes in ownership						
Transfers from other components of equity				(6,226)		1,224
Share-based compensation		69,836				
Exercise of share-based awards		(51,503)	51,426			
Total transactions with owners	251	18,584	49,059	(294,011)	—	1,224
As of March 31, 2024	1,676,596	1,747,414	(51,259)	1,391,203	2,573,407	15,729

Equity attributable to owners of the Company							
Other components of equity							
	Equity attributable to owners of the Company				Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Cash flow hedges	Hedging cost	Remeasurements of defined benefit pension plans	Total other components of equity			
As of April 1, 2023	(87,352)	(23,127)	—	1,508,119	6,354,122	549	6,354,672
Net profit for the year				—	144,067	130	144,197
Other comprehensive income (loss)	23,456	7,197	(5,002)	994,966	994,966	44	995,009
Comprehensive income (loss) for the year	23,456	7,197	(5,002)	994,966	1,139,033	173	1,139,206
Transactions with owners:							
Issuance of new shares				—	502		502
Acquisition of treasury shares				—	(2,367)		(2,367)
Disposal of treasury shares				—	1		1
Dividends				—	(287,785)		(287,785)
Changes in ownership				—		18	18
Transfers from other components of equity			5,002	6,226	—		—
Share-based compensation				—	69,836		69,836
Exercise of share-based awards				—	(77)		(77)
Total transactions with owners	—	—	5,002	6,226	(219,892)	18	(219,873)
As of March 31, 2024	(63,896)	(15,930)	—	2,509,310	7,273,264	741	7,274,005

(5) Consolidated Statements of Cash Flows

	JPY (millions)		USD (millions)(*)
	For the year ended March 31,		For the year ended March 31,
	2023	2024	2024
Cash flows from operating activities:			
Net profit for the year	¥ 317,038	¥ 144,197	\$ 954
Depreciation and amortization	664,400	728,002	4,814
Impairment losses	64,394	150,017	992
Equity-settled share-based compensation	60,672	70,871	469
Loss on sales and disposal of property, plant and equipment	10	6,052	40
Gain on divestment of business and subsidiaries	(6,807)	(7,832)	(52)
Change in fair value of financial assets and liabilities associated with contingent consideration arrangements, net	3,991	20,757	137
Finance (income) and expenses, net	106,785	167,757	1,109
Share of loss (profit) of investments accounted for using the equity method	8,630	(6,473)	(43)
Income tax expenses (benefit)	58,052	(91,406)	(604)
Changes in assets and liabilities:			
Decrease in trade and other receivables	75,127	15,104	100
Increase in inventories	(79,155)	(115,743)	(765)
Decrease in trade and other payables	(84,804)	(9,895)	(65)
Increase (decrease) in provisions	31,899	(126,901)	(839)
Increase (decrease) in other financial liabilities	31,669	(18,568)	(123)
Other, net	(88,778)	(7,556)	(50)
Cash generated from operations	1,163,122	918,383	6,073
Income taxes paid	(198,439)	(219,941)	(1,454)
Tax refunds and interest on tax refunds received	12,473	17,902	118
Net cash from operating activities	977,156	716,344	4,737
Cash flows from investing activities:			
Interest received	5,054	11,161	74
Dividends received	3,562	13,191	87
Acquisition of property, plant and equipment	(140,657)	(175,420)	(1,160)
Proceeds from sales of property, plant and equipment	962	8,606	57
Acquisition of intangible assets	(493,032)	(305,310)	(2,019)
Acquisition of investments	(10,151)	(6,766)	(45)
Proceeds from sales and redemption of investments	22,254	8,021	53
Proceeds from sales of business, net of cash and cash equivalents divested	7,958	19,959	132
Payments for the settlement of forward exchange contracts designated as net investment hedges	—	(33,300)	(220)
Other, net	(3,052)	(4,003)	(26)
Net cash used in investing activities	(607,102)	(463,862)	(3,067)

	JPY (millions)		USD (millions)(*)
	For the year ended March 31,		For the year ended March 31,
	2023	2024	2024
Cash flows from financing activities:			
Net increase in short-term loans and commercial papers	40,000	277,000	1,832
Proceeds from issuance of bonds and long-term loans	75,000	100,000	661
Repayments of bonds and long-term loans	(356,670)	(320,901)	(2,122)
Proceeds from the settlement of cross currency interest rate swaps related to bonds	—	60,063	397
Acquisition of treasury shares	(26,929)	(2,326)	(15)
Interest paid	(108,555)	(100,375)	(664)
Dividends paid	(279,416)	(287,188)	(1,899)
Repayments of lease liabilities	(43,401)	(54,586)	(361)
Other, net	(9,178)	(26,102)	(173)
Net cash used in financing activities	(709,148)	(354,416)	(2,344)
Net decrease in cash and cash equivalents	(339,094)	(101,934)	(674)
Cash and cash equivalents at the beginning of the year	849,695	533,530	3,528
Effects of exchange rate changes on cash and cash equivalents	22,929	26,204	173
Cash and cash equivalents at the end of the year	533,530	457,800	3,027

(*) Consolidated statements of cash flows have been translated solely for the convenience of the reader at an exchange rate of 1USD = 151.22 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 29, 2024. 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 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)

The Company's Board of Directors held on May 9, 2024 approved a multi-year efficiency program, which resulted in the estimates to incur one-time restructuring expense of JPY 140.0 billion in the fiscal year ending March 31, 2025.

(Others)

Tax Assessment Settlement with Irish Revenue Commissioners

Shire received a tax assessment from the Irish Revenue Commissioners ("Irish Revenue") on November 28, 2018 for EUR 398 million. This assessment relates to the tax treatment of the USD 1,635 million break fee Shire received from AbbVie in connection with the terminated offer to acquire Shire made by AbbVie in 2014. Shire was acquired by Takeda in January 2019. Takeda appealed the assessment to the Tax Appeals Commission ("TAC") and the appeal was heard by the TAC in late 2020. On July 30, 2021, Takeda received a ruling on the matter from the TAC, with the TAC ruling in favor of the Irish Revenue and recorded an income taxes payable for the case. Subsequently, on October 17, 2023, Takeda agreed with the Irish Revenue to settle the tax assessment for EUR 130 million including interest and without penalties, as a full and final settlement of all liabilities in relation to the receipt of the break fee. As a result, Takeda reversed its income taxes payable in excess of the settlement amount of EUR 130 million and recorded JPY 63.5 billion reduction to tax expenses in the fiscal year ended March 31, 2024. Takeda made a payment in the settlement in the fiscal year ended March 31, 2024.

AbbVie Supply Agreement Litigation

In November 2020, AbbVie brought suit against Takeda Pharmaceutical Company Limited ("Takeda") in Delaware Chancery Court alleging Takeda breached its agreement with AbbVie related to the supply of LUPRON in the U.S. due to shortages arising from quality issues the U.S. Food & Drug Administration identified concerning Takeda's production facility in Hikari, Japan as part of a Form 483 issued in November 2019 and a Warning Letter issued in June 2020. In the litigation, AbbVie sought both preliminary injunctive relief and monetary damages. In September 2021, the court issued an order denying AbbVie's request for injunctive relief. The court subsequently issued a decision finding Takeda in breach of the supply agreement. In September 2023, the court issued a decision regarding the quantification of AbbVie's monetary damages and subsequently entered judgment in December 2023. In accordance with the judgment, Takeda paid USD 505 million, including interest, in March 2024 with a total financial impact of JPY 26.4 billion loss in other operating expenses and JPY 7.1 billion in finance expenses for the interest for the fiscal year ended March 31, 2024.

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1. Pipeline

– Clinical Development Activities

- Except as otherwise noted, the following tables list the pipeline assets that we are clinically developing as of May 9, 2024 (the date of our earnings release for the fourth quarter ended March 31, 2024), but may not be comprehensive. 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 $\alpha 4\beta 7$ 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) Approved (Apr 2024)*
			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 <i>Helicobacter pylori</i> eradication)	China	Approved (Nov 2023)
TAK-755 ¹ <apadamtase alfa/ cinaxadamtase alfa> ADZYNMA (U.S.)	ADAMTS13 enzyme replacement therapy (injection)	Biologic and other	Congenital Thrombotic Thrombocytopenic Purpura	U.S. Japan EU China	Approved (Nov 2023) Approved (Mar 2024) Filed (May 2023) P-III
			Immune Thrombotic Thrombocytopenic Purpura	U.S. EU	P-II (b) P-II (b)
TAK-721 <budesonide> EOHILIA (U.S.)	Glucocorticosteroid (oral)	Small molecule	Eosinophilic esophagitis	U.S.	Approved (Feb 2024)
TAK-633 <teduglutide> GATTEX (U.S.) REVESTIVE (EU, Japan)	GLP-2 analogue (injection)	Peptide/oligo nucleotide	Short bowel syndrome	China	Approved (Feb 2024)

Cx601 <darvadstroce> ALOFISEL (EU, Japan)	A suspension of allogeneic expanded adipose- derived stem cells (injection)	Biologic and other	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-121 ⁴ <rusfertide>	Hepcidin mimetic peptide (injection)	Peptide/oligo nucleotide	Polycythemia vera	U.S.	P-III
TAK-279 <zasocitinib>	TYK2 inhibitor (oral)	Small molecule	Psoriasis	U.S. EU Japan	P-III P-III* P-III*
			Psoriatic Arthritis	-	P-II (b)
			Crohn's disease	-	P-II (b)
			Ulcerative colitis	-	P-II (b) ⁵
TAK-227/ZED1227 ⁶	Transglutaminase 2 inhibitor (oral)	Small molecule	Celiac disease	-	P-II (b)
TAK-062 <zamaglutinase>	Glutenase (oral)	Biologic and other	Celiac disease	-	P-II
TAK-101 ⁷	Tolerizing Immune Modifying nanoParticle (TIMP) (injection)	Biologic and other	Celiac disease	-	P-II
TAK-079 <mezagitamab>	Anti-CD38 monoclonal antibody (injection)	Biologic and other	Immune thrombocytopenia	-	P-II
			Immunoglobulin A nephropathy	-	P-I

1. Partnership with KM Biologics.
2. Partnership with Arrowhead Pharmaceuticals
3. Partnership with Mirum Pharmaceuticals.
4. Partnership with Protagonist Therapeutics. Protagonist leads development.
5. Study actively recruiting.
6. Partnership with Zedira and Dr. Falk Pharma.
7. Partnership with COUR Pharmaceuticals.

* Event occurred after the end of the Q4 reporting period: Update after April 1, 2024

Additions since FY2023 Q3: TAK-633 for Short bowel syndrome (China, approved)

TAK-121 for Polycythemia vera (U.S., P-III)

TAK-279 for Crohn's disease (P-II (b))

TAK-279 for Ulcerative colitis (P-II (b))

Removals since FY2023 Q3: TAK-755 for Sickle cell disease (U.S., P-I, deprioritized)

TAK-951 for nausea and vomiting (P-II, discontinued)

TAK-079 for Myasthenia gravis (P-II, deprioritized)

TAK-079 for Systemic lupus erythematosus (P-I/II, deprioritized)

TAK-647 for Metabolic dysfunction-associated steatohepatitis (MASH) (previously known as Nonalcoholic Steatohepatitis (NASH)) (P-I, discontinued)

Neuroscience Pipeline

Development code <generic name> Brand name (country/region)	Type of Drug (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-935 <soticlestat>	CH24H inhibitor (oral)	Small molecule	Dravet syndrome	Global	P-III
			Lennox-Gastaut syndrome	Global	P-III
TAK-861	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 1	-	P-II (b)
TAK-653/ NBI-1065845 ¹	AMPA receptor potentiator (oral)	Small molecule	Inadequate response to treatment in major depressive disorder (MDD)	-	P-II
TAK-341/MEDI1341 ²	Alpha-synuclein antibody (injection)	Biologic and other	Multiple System Atrophy (MSA)	-	P-II
TAK-594/DNL593 ³	Brain-penetrant progranulin fusion protein (injection)	Biologic and other	Frontotemporal dementia	-	P-II
TAK-925 <danavorexton>	Orexin 2R agonist (injection)	Small molecule	Postanesthesia Recovery	-	P-II
			Narcolepsy	-	P-I
TAK-360	Orexin 2R agonist (oral)	Small molecule	Narcolepsy type 2 and Idiopathic hypersomnia	-	P-I*

1. Partnership with Neurocrine Biosciences. Neurocrine leads development.

2. Partnership with AstraZeneca. P-I Parkinson's disease study is completed.

3. Partnership with Denali Therapeutics. Denali leads development.

* Event occurred after the end of the Q4 reporting period: Update after April 1, 2024

Additions since FY2023 Q3: TAK-360 for Narcolepsy type 2 and Idiopathic hypersomnia (P-I)

Removals since FY2023 Q3: TAK-861 for Narcolepsy type 2 (P-II (b), 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> <i>ADCETRIS</i> (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	Approved (Nov 2023)
			Front line Hodgkin's lymphoma – BrECADD regimen (brentuximab vedotin, etoposide, cyclophosphamide, doxorubicin, dacarbazine, dexamethasone) ²	EU	Filed (Apr 2024)*
TAK-113 ³ <fruquintinib> <i>FRUZAQLA</i> (U.S.)	VEGFR inhibitor (oral)	Small molecule	Previously treated metastatic Colorectal Cancer (mCRC)	U.S. EU Japan	Approved (Nov 2023) Filed (Jun 2023) Filed (Sep 2023)
<ponatinib> <i>ICLUSIG</i> (U.S.)	BCR-ABL inhibitor (oral)	Small molecule	Front line Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	U.S.	Approved (Mar 2024)
			Pediatric indication for Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	-	P-I ⁴
<cabozantinib> ⁵ <i>CABOMETYX</i> (Japan)	Multi-targeted kinase inhibitor (oral)	Small molecule	Metastatic Castration-Resistant Prostate Cancer in combination with atezolizumab ⁶	Japan	P-III
TAK-676 <dazostinag>	STING agonist (injection)	Small molecule	Solid tumors	-	P-II
TAK-500	STING agonist antibody drug conjugate (injection)	Biologic and other	Solid tumors	-	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

- Partnership with Pfizer Inc.
- Submission based on data from German Hodgkin Study Group HD21 trial.
- Partnership with HUTCHMED
- ICLUSIG pediatric Ph+ ALL enrolment has been closed.
- Partnership with Exelixis, Inc.
- Partnership with Chugai Pharmaceutical. Takeda operates P-III development.

* Event occurred after the end of the Q4 reporting period: Update after April 1, 2024

Additions since FY2023 Q3: SGN-35 for Front line Hodgkin's lymphoma – BrECADD regimen (EU, Filed)

Removals since FY2023 Q3: SGN-35 for Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS) (EU, Filed, filing withdrawn)

MLN9708 for Maintenance therapy in patients with newly diagnosed Multiple Myeloma following autologous stem cell transplant (TOURMALINE-MM3) (U.S., EU, P-III, trial completed)

TAK-385 for Prostate cancer (Japan, China, P-III, development suspended due to regional business strategy)

TAK-981 for Multiple cancers (P-II, discontinued)

TAK-007 for Relapsed/refractory B cell malignancies (P-II, discontinued)

Other Rare Diseases 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> <i>LIVTENCITY</i> (U.S., EU)	Benzimidazole riboside inhibitor (oral)	Small molecule	Post-transplant cytomegalovirus (CMV) infection/disease resistant/refractory to (val) ganciclovir, cidofovir or foscarnet	China	Approved (Dec 2023)
			Treatment of CMV Infection/disease Post Transplantation (Including HSCT)	Japan	Filed (Nov 2023)
			Treatment of children and teenage transplant recipients with CMV infection	EU	P-III
TAK-743 <lanadelumab> <i>TAKHZYRO</i> (Global)	Plasma kallikrein inhibitor (injection)	Biologic and other	Pediatric Hereditary Angioedema	EU	Approved (Nov 2023)
TAK-577 <i>VONVENDI</i> (U.S., Japan) <i>VEYVONDI</i> (EU)	von Willebrand factor [recombinant] (injection)	Biologic and other	Adult prophylactic treatment of von Willebrand disease	EU	Approved (Nov 2023)
			Adult on-demand and surgery treatment of von Willebrand disease	China	Filed (Jan 2023)
			Pediatric on-demand and surgery treatment of von Willebrand disease	Global	P-III
TAK-672 ² <i>OBIZUR</i> (U.S., EU)	Porcine Coagulation Factor VIII [recombinant] (injection)	Biologic and other	Acquired hemophilia A (AHA)	China Japan	Approved (Feb 2024) Approved (Mar 2024)
TAK-660 <i>ADYNOVATE</i> (U.S., Japan) <i>ADYNOVI</i> (EU)	Antihemophilic factor [recombinant], PEGylated (injection)	Biologic and other	Pediatric Hemophilia A	EU	P-III
			Hemophilia A	China	P-III

1. Partnership with GSK
2. Partnership with Ipsen

Additions since FY2023 Q3: None

Removals since FY2023 Q3: 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> <i>HYQVIA</i> (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	Approved (Jan 2024) Approved (Jan 2024)
			Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Filed (Feb 2024)
			Chronic inflammatory demyelinating polyradiculoneuropathy and Multifocal Motor Neuropathy	Japan	P-III
TAK-664 <IG Infusion 20% (Human)> <i>CUVITRU</i> (U.S., EU, Japan)	Immunoglobulin 20% [human] (subcutaneous infusion)	Biologic and other	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Approved (Sep 2023)
			Secondary Immunodeficiencies	EU	Approved (Jan 2024)
<Anti-Inhibitor Coagulant Complex> <i>FEIBA</i> (U.S., EU, Japan)	Activated prothrombin complex concentrate [human](injection)	Biologic and other	FEIBA STAR label extension: Label updated to enable up to 5x faster infusion and a new presentation which allows for a 50% reduced volume of diluent for use in patients with hemophilia A or B with inhibitors	U.S. EU	Approved (June 2023) Approved (Dec 2023)
TAK-339 <IG Infusion 10% (Human)> <i>GAMMAGARD LIQUID</i> (U.S.) <i>KIOVIG</i> (EU)	Immunoglobulin 10% [human] (intravenous and subcutaneous infusion)	Biologic and other	Chronic inflammatory demyelinating polyradiculoneuropathy	U.S.	Approved (Jan 2024)
TAK-662 <i>CEPROTIN</i> (U.S., EU)	Protein C concentrate [human] (injection)	Biologic and other	Severe congenital protein C deficiency	Japan	Approved (Mar 2024)
TAK-880 <10% IVIG (Low IgA)>	Immunoglobulin (10%) [human] (injection) (Low IgA)	Biologic and other	Primary Immunodeficiencies and Multifocal Motor Neuropathy	EU U.S.	Filed (Mar 2024) Complete Response Letter (CRL) received (May 2023)
TAK-330 <i>PROTHROMPLEX TOTAL</i> (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> <i>GLOVENIN-I</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	Primary Immunodeficiencies	U.S. EU	P-III

1. Partnership with Halozyyme

Additions since FY2023 Q3: None

Removals since FY2023 Q3: None

Vaccines Pipeline

Development code Brand name (country/region)	Type of vaccine (administration route)	Modality	Indications / additional formulations	Country/ Region	Stage
TAK-003 ¹ <i>QDENG</i> A (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

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. QDENG A (TAK-003) was approved for use in the EU in December 2022.

2. QDENG A (TAK-003) is also approved in Indonesia, Brazil, the U.K., Argentina, Colombia, Malaysia and Thailand.

Additions since FY2023 Q3: None

Removals since FY2023 Q3: None

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

Development code <generic name>	Indications / additional formulations	Country/ Region	Progress in stage
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Pediatric indication for primary immunodeficiency	U.S.	Approved (Apr 2023)
<Anti-Inhibitor Coagulant Complex>	FEIBA STAR label extension: Label updated to enable up to 5x faster infusion and a new presentation which allows for a 50% reduced volume of diluent for use in patients with hemophilia A or B with inhibitors	U.S.	Approved (June 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-438 <vonoprazan>	Acid related diseases (adjunct to <i>Helicobacter pylori</i> eradication)	China	Approved (Nov 2023)
SGN-35 <brentuximab vedotin>	Relapsed or refractory cutaneous T-cell lymphoma	Japan	Approved (Nov 2023)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	U.S.	Approved (Nov 2023)
TAK-743 <lanadelumab>	Pediatric Hereditary Angioedema	EU	Approved (Nov2023)
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	U.S.	Approved (Nov 2023)
TAK-577	Adult prophylactic treatment of von Willebrand disease	EU	Approved (Nov 2023)
TAK-620 <maribavir>	Post-transplant cytomegalovirus (CMV) infection/disease resistant/refractory to (val) ganciclovir, cidofovir or foscarnet	China	Approved (Dec 2023)
<Anti-Inhibitor Coagulant Complex>	FEIBA STAR label extension: Label updated to enable up to 5x faster infusion and a new presentation which allows for a 50% reduced volume of diluent for use in patients with hemophilia A or B with inhibitors	EU	Approved (Dec 2023)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Chronic inflammatory demyelinating polyradiculoneuropathy	U.S.	Approved (Jan 2024)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Chronic inflammatory demyelinating polyradiculoneuropathy	EU	Approved (Jan 2024)
TAK-339 <IG Infusion 10% (Human)>	Chronic inflammatory demyelinating polyradiculoneuropathy	U.S.	Approved (Jan 2024)
TAK-664 <IG Infusion 20% (Human)>	Secondary Immunodeficiencies	EU	Approved (Jan 2024)

TAK-721 <budesonide>	Eosinophilic esophagitis	U.S.	Approved (Feb 2024)
TAK-633 <teduglutide>	Short bowel syndrome	China	Approved (Feb 2024)
TAK-672	Acquired hemophilia A (AHA)	China	Approved (Feb 2024)
<ponatinib>	Front line Philadelphia chromosome-positive Acute Lymphoblastic Leukemia	U.S.	Approved (Mar 2024)
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	Japan	Approved (Mar 2024)
TAK-672	Acquired hemophilia A (AHA)	Japan	Approved (Mar 2024)
TAK-662	Severe congenital protein C deficiency	Japan	Approved (Mar 2024)
MLN0002 <vedolizumab>	Subcutaneous formulation for Crohn's disease	U.S.	Approved (Apr 2024)*
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Congenital Thrombotic Thrombocytopenic Purpura	EU	Filed (May 2023)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	EU	Filed (Jun 2023)
SGN-35 <brentuximab vedotin>	Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS)	EU	Filed (Jul 2023)
TAK-113 <fruquintinib>	Previously treated metastatic Colorectal Cancer (mCRC)	Japan	Filed (Sep 2023)
TAK-620 <maribavir>	Treatment of CMV Infection/disease Post Transplantation (Including HSCT)	Japan	Filed (Nov 2023)
TAK-771 <IG Infusion 10% (Human) w/ Recombinant Human Hyaluronidase>	Primary Immunodeficiencies and Secondary Immunodeficiencies	Japan	Filed (Feb 2024)
TAK-880 <10% IVIG (Low IgA)>	Primary Immunodeficiencies and Multifocal Motor Neuropathy	EU	Filed (Mar 2024)
SGN-35 <brentuximab vedotin>	Front line Hodgkin's lymphoma – BrECADD regimen (brentuximab vedotin, etoposide, cyclophosphamide, doxorubicin, dacarbazine, dexamethasone)	EU	Filed (Apr 2024)*
TAK-660	Hemophilia A	China	P-III
TAK-279 <zasocitinib>	Psoriasis	U.S. EU* Japan*	P-III
TAK-881 <Facilitated 20% SCIG>	Primary Immunodeficiencies	U.S. EU	P-III
TAK-620 <maribavir>	Treatment of children and teenage transplant recipients with CMV infection	EU	P-III
TAK-121 <rusfertide>	Polycythemia vera	U.S.	P-III

TAK-279 <zasocitinib>	Crohn's disease	-	P-II (b)
TAK-279 <zasocitinib>	Ulcerative colitis	-	P-II (b)**
TAK-925 <danavorexton>	Postanesthesia Recovery	-	P-II
TAK-676 <dazostinag>	Solid tumors	-	P-II
TAK-647	Metabolic dysfunction-associated steatohepatitis (MASH) (previously known as Nonalcoholic Steatohepatitis (NASH))	-	P-I
TAK-012	Relapsed/refractory Acute Myeloid Leukemia	-	P-I
TAK-360	Narcolepsy type 2 and Idiopathic hypersomnia	-	P-I*

* Event occurred after the end of the Q4 reporting period: Update after April 1, 2024

** Study actively recruiting

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

Development code <generic name>	Indications (Region/Country, Stage)	Reason
SGN-35 <brentuximab vedotin>	Front line Peripheral T-cell lymphoma-Not Otherwise Specified (PTCL-NOS) (EU, Filed)	Following discussions with the EMA, Takeda decided to withdraw the type-II variation application.
<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-788 <mobocertinib>	Previously treated Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Japan, P-III) Treatment Naïve Non-Small Cell Lung Cancer with EGFR exon 20 insertion (Global, P-III)	Global voluntary withdrawal due to failure of confirmatory trial in 1L NSCLC with EGFR Exon 20 insertion mutations.
Cx601 <darvadstrocel>	Refractory complex perianal fistulas in patients with Crohn's disease (U.S., P-III)	ALOFISEL Phase 3 ADMIRE CD-II study did not meet primary endpoint, and as result Takeda does not plan to file regulatory applications in the US.
TAK-577	Adult prophylactic treatment of von Willebrand disease (China, P-III)	A business decision considering the current unmet medical need in China.
MLN9708 <ixazomib>	Maintenance therapy in patients with newly diagnosed Multiple Myeloma following autologous stem cell transplant (TOURMALINE-MM3) (U.S., EU, P-III)	Given the final analysis of the trial, Takeda will not pursue this indication in the US, EU (NINLARO has been approved in the maintenance setting in Japan, South Korea, Thailand, Taiwan, and Brazil).
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.
TAK-041/NBI-1065846	Anhedonia in major depressive disorder (MDD) (P-II)	TAK-041/NBI-1065846 Phase 2 trial results did not meet primary and secondary endpoints, which does not support further development in MDD.
TAK-071	Parkinson's disease (P-II)	A business decision to maximize the value of TAK-071 for patients and for Takeda through the pursuit of externalization options is in progress.
TAK-573 <modakafusp alfa>	Relapsed/refractory Multiple Myeloma (P-II) Solid tumors (P-I)	Takeda made a decision to discontinue the modakafusp alfa (TAK-573) development programs based on strategic considerations.
TAK-861	Narcolepsy type 2 (P-II)	Takeda does not plan to advance TAK-861 in Narcolepsy type 2.
TAK-951	Nausea and vomiting (P-II)	Clinical data did not support further development.
TAK-981 <subasumstat>	Multiple cancers (P-II)	Strategic decision to discontinue clinical development of subasumstat based on portfolio prioritization, informed by the currently available data and clinical development timelines.
TAK-007	Relapsed/refractory B cell malignancies (P-II)	Data-driven decision to discontinue clinical development of TAK-007 for relapsed/refractory B cell malignancies. TAK-007 will be examined for autoimmune diseases.
TAK-079 <mezagitamab>	Myasthenia gravis (P-II)	There is no plan to advance TAK-079 in myasthenia gravis at this time due to deprioritization.

TAK-079 <mezagitamab>	Systemic lupus erythematosus (P-I/II)	There is no plan to advance TAK-079 monotherapy in systemic lupus erythematosus at this time due to deprioritization.
TAK-105	Nausea and vomiting (P-I)	Phase 1 data did not support further development.
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-102	Solid tumors (P-I)	Takeda decided to terminate the further development of TAK-102 and TAK-103 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies, and is not related to any concerns about the safety or efficacy of TAK-102 and TAK-103.
TAK-103	Solid tumors (P-I)	
TAK-940	Solid tumors (P-I)	Takeda decided to terminate further development of TAK-940 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies, and is not related to any concerns about the safety or efficacy of TAK-940.
TAK-426	Active immunization for the prevention of disease caused by Zika virus (P-I)	Takeda decided to terminate further development of TAK-426 based on limited potential use given the current state of Zika virus epidemiology.
TAK-755 <apadamtase alfa/ cinaxadamtase alfa>	Sickle cell disease (U.S., P-I)	There is no plan to advance TAK-755 in sickle cell disease at this time due to deprioritization.
TAK-647	Metabolic dysfunction-associated steatohepatitis (MASH) (previously known as Nonalcoholic Steatohepatitis (NASH)) (P-I)	Takeda decided to discontinue further development of TAK-647 in MASH based on portfolio prioritization.

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.

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.
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.
KM Biologics	Japan	Collaboration and license agreement for the development of therapeutic uses of rADAMTS13 (TAK-755), including but not limited to TTP.
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. Takeda decided to discontinue further development of TAK-647 in MASH based on portfolio prioritization.
Protagonist Therapeutics†	U.S.	Worldwide license and collaboration agreement for the development and commercialization of rusfertide (TAK-121), an investigational injectable hepcidin mimetic peptide of the natural hormone hepcidin for treatment of polycythemia vera.
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 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. Separately, in Q3 FY2023, Takeda exited its collaboration with JCR consistent with its announcement to exit adeno associated viruses (AAV) in May 2023. The license and collaboration agreement was entered into in March of 2022, and involved utilizing JCR's J-Brain Cargo® technology in the development of gene therapies using AAV to access the CNS for the treatment of certain rare diseases.
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-1065846, TAK-653/NBI-1065845 and TAK-831/NBI-1065844 (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-1065844 (luvadaxistat) development; Takeda maintains its right to receive milestones and royalties regarding TAK-831/NBI-1065844 (luvadaxistat). In Nov 2023, Neurocrine announced that TAK-041/NBI-1065846 Phase 2 trial results did not meet primary and secondary endpoints, which does not support further development of the asset.
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
AbbVie*	U.S.	Exclusive licensing agreement to develop and commercialize mirvetuximab soravtansine-gynx in Japan for folate receptor-alpha (FRa) positive ovarian cancer.
Adimab	U.S.	Agreement for the discovery, development and commercialization of three mAbs and three CD3 Bi-Specific antibodies for oncology indications.
Crescendo Biologics	U.K.	Collaboration and licensing agreement for the discovery, development and commercialization of Humabody®-based therapeutics for cancer indications.
Egle Therapeutics	France	Identify novel tumor-specific regulatory T cell targets and develop unique anti-suppressor-based immunotherapies.
Exelixis, Inc.	U.S.	Exclusive licensing agreement to commercialize and develop novel cancer therapy cabozantinib and all potential future cabozantinib indications in Japan, including advanced renal cell carcinoma and hepatocellular carcinoma.
F-star†	U.K.	Discovery collaboration and worldwide, exclusive royalty-bearing license to Takeda to research, develop, and commercialize a bispecific antibody directed towards an undisclosed immuno-oncology target using F-star's proprietary Fcab™ and mAb2™ platforms. Takeda will be responsible for all research, development and commercialization activities under the agreement.
GSK	U.K.	Exclusive licensing agreement to develop and commercialize novel cancer therapy niraparib for the treatment of all tumor types in Japan, and all tumor types excluding prostate cancer in South Korea and Taiwan.
Heidelberg Pharma	Germany	Antibody-Drug-Conjugate (ADC) research collaboration on 2 targets and licensing agreement (α -amanitin payload and proprietary linker).
HUTCHMED	China	Exclusive licensing agreement with HUTCHMED (China) Limited and its subsidiary HUTCHMED Limited for the further development and commercialization of fruquintinib (TAK-113) in all indications, including metastatic colorectal cancer, outside of mainland China, Hong Kong and Macau.
KSQ Therapeutics	U.S.	Strategic collaboration to research, develop and commercialize novel immune-based therapies for cancer using KSQ's CRISPRomics® technology.
Kumquat Biosciences‡	U.S.	Strategic and exclusive collaboration to develop and commercialize a novel immuno-oncology small molecule inhibitor as a mono- and/or combination-therapy.
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. Takeda made a data-driven decision to discontinue the clinical development of TAK-007 for relapsed/refractory B cell malignancies.
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. Takeda decided to terminate further development of TAK-940 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies.
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. In December 2023, Takeda decided to terminate the further development of TAK-102 and TAK-103 due to the pipeline prioritization considerations and Takeda's strategic focus on developing allogeneic cell therapies.
Pfizer	U.S.	Agreement for the joint development of ADCETRIS, an ADC technology which targets CD30 for the treatment of HL. Approved in more than 80 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. Takeda made a decision to discontinue the modakafusp alfa (TAK-573) development programs based on strategic considerations.

*ImmunoGen acquired by AbbVie in February 2024.

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. Takeda decided to terminate further development of TAK-426.
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. In April 2024, Takeda submitted a New Drug Application to the MHLW for 2 dose vial of Nuvaxovid® Intramuscular Injection (refrigerated at 2-8°C).

Other / Multiple Therapeutic Area

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.
Bridge Medicines	U.S.	Partnership with Sanders 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.
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.
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.

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 Engenius™ 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.
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.
Sanders Tri-Institutional Therapeutics Discovery Institute (previously known as Tri-Institutional Therapeutics Discovery Institute)	U.S.	Agreement for the collaboration of academic institutions and industry to more effectively develop innovative treatments and therapies.
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.

■ 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				Core* ^{1*3}
	FY22Q4 YTD	FY23Q4 YTD	AER* ²		CER* ³
			Amount of Change	% Change	% Change
Total revenue	4,027.5	4,263.8	236.3	5.9 %	1.5 %
Japan	512.0	451.4	(60.7)	(11.8)%	(12.1)%
% of revenue	12.7%	10.6%	(2.1)pt		
United States	2,103.8	2,195.7	91.9	4.4 %	(2.2)%
% of revenue	52.2%	51.5%	(0.7)pt		
Europe and Canada	842.7	966.8	124.2	14.7 %	4.5 %
% of revenue	20.9%	22.7%	1.8pt		
Growth and Emerging Markets* ⁴	569.0	649.8	80.8	14.2 %	22.9 %
% of revenue	14.1%	15.2%	1.1pt		
Asia (excluding Japan)	225.0	261.2	36.2	16.1 %	12.1 %
% of revenue	5.6%	6.1%	0.5pt		
Latin America	160.4	198.1	37.7	23.5 %	48.4 %
% of revenue	4.0%	4.6%	0.7pt		
Russia/CIS	88.4	72.6	(15.8)	(17.9)%	(6.5)%
% of revenue	2.2%	1.7%	(0.5)pt		
Other* ⁵	95.2	117.9	22.7	23.9 %	32.6 %
% of revenue	2.4%	2.8%	0.4pt		
Of which royalty / service income	105.2	100.1	(5.1)	(4.8)%	(8.7)%

*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 “Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations” in the Financial Appendix 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%	1,111.2	1.3%	1,050.9	9.9%
Japan	140.5	120.8	128.5	122.2	124.8	(11.2)%	103.7	(14.2)%	114.1	(11.2)%	108.7	(11.0)%
% of revenue	14.5%	12.1%	11.7%	12.8%	11.8%		9.9%		10.3%		10.3%	
United States	501.1	531.5	589.2	482.0	554.4	10.6%	550.4	3.6%	580.7	(1.4)%	510.2	5.9%
% of revenue	51.5%	53.0%	53.7%	50.4%	52.4%		52.8%		52.3%		48.6%	
Europe and Canada	205.6	203.4	223.4	210.3	224.3	9.1%	235.6	15.9%	261.6	17.1%	245.3	16.7%
% of revenue	21.1%	20.3%	20.4%	22.0%	21.2%		22.6%		23.5%		23.3%	
Growth and Emerging Markets ^{*3}	125.3	146.6	155.4	141.7	155.1	23.8%	153.4	4.6%	154.8	(0.4)%	186.6	31.7%
% of revenue	12.9%	14.6%	14.2%	14.8%	14.6%		14.7%		13.9%		17.8%	
Asia (excluding Japan)	46.1	59.6	63.3	56.0	60.8	32.0%	62.4	4.7%	65.5	3.5%	72.4	29.4%
% of revenue	4.7%	5.9%	5.8%	5.9%	5.7%		6.0%		5.9%		6.9%	
Latin America	40.3	43.0	38.2	38.9	43.7	8.5%	48.4	12.5%	46.3	21.3%	59.7	53.3%
% of revenue	4.1%	4.3%	3.5%	4.1%	4.1%		4.6%		4.2%		5.7%	
Russia/CIS	17.4	20.5	28.9	21.7	17.4	(0.0)%	13.7	(32.9)%	14.3	(50.6)%	27.2	25.3%
% of revenue	1.8%	2.0%	2.6%	2.3%	1.6%		1.3%		1.3%		2.6%	
Other ^{*4}	21.6	23.6	25.0	25.0	33.2	53.9%	28.9	22.4%	28.7	14.6%	27.2	8.7%
% of revenue	2.2%	2.4%	2.3%	2.6%	3.1%		2.8%		2.6%		2.6%	
Of which royalty / service income	33.6	26.8	28.0	16.8	24.8	(26.1)%	16.2	(39.5)%	22.1	(21.1)%	37.0	120.2%

*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 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												
	FY22Q4 YTD	FY23Q4 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	1,094.5	1,216.2	11.1 %	691.9	9.0 %	121.2	6.5 %	270.4	16.6 %	108.6	17.1 %	24.1	13.2 %
ENTYVIO	702.7	800.9	14.0 %	546.1	11.0 %	15.1	12.0 %	195.8	20.5 %	43.9	25.8 %		
TAKECAB/VOCINTI*3	108.7	118.5	9.0 %	—	-	96.9	3.6 %	—	-	21.6	42.2 %		
GATTEX/REVESTIVE	93.1	119.3	28.1 %	88.1	28.7 %	8.0	37.0 %	17.9	31.1 %	5.3	3.3 %		
DEXILANT	69.4	45.3	(34.7)%	13.3	(65.8)%	—	-	13.8	3.9 %	18.2	5.9 %		
PANTOLOC/CONTROLOC*4	45.5	46.5	2.1 %	2.7	3.6 %	—	-	31.4	3.0 %	12.4	(0.3)%		
LIALDA/MEZAVANT*5	23.7	29.1	22.4 %	5.0	102.2 %							24.1	13.2 %
RESOLOR/MOTTEGRITY	18.2	20.9	15.0 %	18.9	21.6 %	—	-	2.0	(24.1)%	—	-		
ALOFISEL	2.7	3.5	28.9 %	—	-	0.4	204.4 %	2.9	23.2 %	0.2	(7.8)%		
Others	30.5	32.3	5.9 %	17.8	18.8 %	0.8	(1.3)%	6.6	(5.5)%	7.1	(8.1)%		
Rare Diseases	723.4	770.7	6.5 %	348.0	4.7 %	37.8	4.6 %	215.7	9.3 %	169.2	7.3 %		
Rare Hematology	304.7	305.3	0.2 %	129.3	0.0 %	22.7	(1.1)%	65.6	(0.2)%	87.6	1.1 %		
ADVATE	118.2	122.9	4.0 %	60.8	2.9 %	3.5	(14.7)%	17.6	(18.2)%	41.0	22.4 %		
ADYNOVATE/ADYNOVI	66.6	66.3	(0.4)%	24.6	(15.1)%	14.1	(0.7)%	18.7	11.0 %	9.0	35.4 %		
FEIBA*6	41.3	40.5	(1.8)%	12.3	1.0 %	0.7	(9.9)%	9.4	7.5 %	18.2	(7.3)%		
RECOMBINATE	12.8	12.1	(5.6)%	11.3	(5.1)%	—	-	0.7	(3.2)%	0.0	(68.9)%		
VONVENDI	12.2	16.2	32.5 %	10.6	29.5 %	0.8	52.3 %	4.8	36.6 %	0.0	42.7 %		
HEMOFIL/IMMUNATE/IMMUNINE*6	19.6	19.5	(0.3)%	3.1	(0.8)%	—	-	4.4	20.0 %	12.1	(6.0)%		
Other PDT Products*6	4.4	5.1	15.9 %	(0.0)	-	0.1	(13.8)%	4.3	9.8 %	0.7	80.4 %		
Others	29.7	22.6	(23.8)%	6.8	12.7 %	3.6	8.1 %	5.7	(16.3)%	6.6	(51.6)%		
Rare Genetics and Other	418.7	465.4	11.1 %	218.7	7.7 %	15.1	14.5 %	150.0	14.1 %	81.6	15.0 %		
TAKHZYRO	151.8	178.7	17.7 %	123.6	10.3 %	2.9	123.2 %	41.4	33.9 %	10.8	44.1 %		
ELAPRASE	85.3	91.6	7.3 %	27.2	5.7 %	0.6	80.7 %	32.0	6.4 %	31.8	9.0 %		
REPLAGAL	66.7	73.6	10.2 %	—	-	8.6	(2.6)%	41.5	9.0 %	23.4	18.3 %		
VPRIV	48.4	51.3	6.0 %	21.6	6.1 %	1.2	8.6 %	17.1	6.3 %	11.4	5.3 %		
FIRAZYR	24.6	21.2	(14.1)%	13.4	(10.1)%	1.8	11.6 %	2.9	(41.3)%	3.0	(3.4)%		
CINRYZE*6	18.4	17.1	(7.1)%	12.7	(6.6)%	—	-	3.6	(17.1)%	0.8	76.5 %		
LIVTENCITY	10.5	19.1	81.7 %	14.0	42.3 %	—	-	4.7	684.5 %	0.4	737.9 %		
Others	13.0	13.0	0.2 %	6.1	(5.7)%	—	-	6.8	6.0 %	0.0	19.0 %		

*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, blister packs and oral disintegrated tablets.

*4 Generic name: pantoprazole

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

*6 PDT products

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(Bn JPY)	Reported												
	FY22Q4 YTD	FY23Q4 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	678.4	818.6	20.7 %	527.7	19.6 %							290.9	22.6 %
immunoglobulin*3	522.2	644.6	23.4 %	472.4	20.8 %							172.2	31.3 %
albumin*3	121.4	134.0	10.3 %	23.9	3.1 %							110.1	12.0 %
Others*3*4	34.8	40.0	15.0 %	31.4	16.6 %							8.6	9.5 %
Oncology	438.7	462.4	5.4 %	145.2	(8.6)%	96.7	5.9 %	102.9	16.4 %	110.8	21.3 %	6.7	(23.5)%
LEUPLIN/ENANTONE	111.3	107.4	(3.6)%	14.9	(33.3)%	27.9	9.7 %	38.5	10.9 %	26.1	(9.6)%		
NINLARO	92.7	87.4	(5.7)%	50.6	(11.3)%	6.6	0.6 %	11.5	(0.1)%	18.7	6.1 %		
ADCETRIS	83.9	109.4	30.4 %			12.8	1.3 %	43.0	24.8 %	53.6	45.6 %		
ICLUSIG*5	47.2	54.7	15.9 %	48.0	19.2 %							6.7	(3.5)%
VELCADE*5	27.8	5.5	(80.0)%	5.5	(78.6)%							—	(100.0)%
VECTIBIX	25.8	26.4	2.2 %			26.4	2.2 %						
ALUNBRIG	20.6	28.5	38.8 %	9.2	15.7 %	2.4	37.9 %	8.3	33.6 %	8.6	85.8 %		
ZEJULA	12.9	14.2	9.6 %			11.6	8.9 %			2.6	13.1 %		
CABOMETYX	7.9	8.4	5.7 %			8.4	5.7 %						
EXKIVITY	3.7	3.5	(7.3)%	2.7	(14.3)%	—	-	0.1	201.8 %	0.6	16.7 %		
Others	4.9	17.1	248.6 %	14.3	573.7 %	0.7	6.0 %	1.4	0.2 %	0.7	(1.1)%		
Neuroscience	637.7	627.0	(1.7)%	449.7	(10.5)%	46.5	50.8 %	108.2	25.3 %	22.7	26.5 %		
VYVANSE/ELVANSE	459.3	423.2	(7.9)%	307.7	(17.3)%	2.1	367.6 %	91.8	31.7 %	21.7	28.2 %		
TRINTELLIX	100.1	104.8	4.7 %	94.0	2.2 %	10.8	32.6 %			—	-		
ADDERALL XR	28.6	41.8	46.0 %	39.3	50.2 %	—	-	2.5	0.9 %	—	-		
INTUNIV	16.4	33.6	105.2 %	1.1	116.5 %	21.9	267.6 %	9.6	7.1 %	1.0	2.3 %		
Others	33.4	23.7	(29.1)%	7.6	(35.2)%	11.6	(28.5)%	4.4	(17.4)%	0.1	(22.6)%		
Others	454.6	368.9	(18.8)%										
AZILVA*6	72.9	33.6	(53.9)%	—	-	33.6	(53.9)%	—	-	—	-		
FOSRENOL*5	13.5	13.5	(0.0)%	1.5	8.3 %							12.1	(0.9)%
QDENG	0.1	9.6	6,549.2 %	—	-	—	-	2.4	1,540.4 %	7.2	-		

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*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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- Quarterly
- Q4

(Bn JPY)	Reported												
	FY22 Q4	FY23 Q4	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	237.0	280.2	18.2 %	148.1	15.1 %	27.8	5.9 %	71.0	25.2 %	27.3	33.2 %	6.0	20.7 %
ENTYVIO	154.9	181.6	17.3 %	114.3	10.4 %	3.6	13.2 %	52.7	31.5 %	11.0	37.1 %		
TAKECAB/VOCINTI*3	24.2	28.2	16.7 %	—	-	22.2	4.4 %	—	-	6.0	105.0 %		
GATTEX/REVESTIVE	14.9	29.3	96.8 %	21.3	127.7 %	1.7	8.1 %	4.9	46.2 %	1.4	127.5 %		
DEXILANT	14.3	9.2	(35.8)%	2.3	(68.3)%	—	-	2.6	(12.5)%	4.2	7.7 %		
PANTOLOC/CONTROLOC*4	11.7	11.0	(6.5)%	0.2	(84.5)%	—	-	8.0	6.9 %	2.8	(13.1)%		
LIALDA/MEZAVANT*5	6.1	7.4	20.9 %	1.4	21.8 %							6.0	20.7 %
RESOLOR/MOTTEGRITY	4.8	5.3	10.3 %	4.8	13.8 %	—	-	0.5	(15.6)%	—	-		
ALOFISEL	0.7	1.0	29.1 %	—	-	0.1	79.9 %	0.8	19.0 %	0.1	167.4 %		
Others	5.5	7.3	33.0 %	3.8	93.6 %	0.2	11.2 %	1.6	(5.0)%	1.7	0.8 %		
Rare Diseases	169.8	185.6	9.3 %	80.3	5.4 %	8.0	5.2 %	54.8	13.9 %	42.5	12.0 %		
Rare Hematology	72.1	75.3	4.4 %	30.9	1.1 %	4.9	(0.8)%	15.1	(2.3)%	24.3	15.3 %		
ADVATE	26.1	29.0	11.1 %	15.2	10.2 %	0.7	(9.2)%	3.8	(20.3)%	9.2	37.7 %		
ADYNOVATE/ADYNOVI	16.7	15.1	(9.7)%	5.2	(31.5)%	3.1	(0.3)%	4.6	4.6 %	2.1	36.4 %		
FEIBA*6	8.7	11.6	34.1 %	2.9	16.6 %	0.1	(39.8)%	1.8	41.4 %	6.8	43.3 %		
RECOMBINATE	3.1	3.1	(0.0)%	2.8	1.6 %	—	-	0.2	14.1 %	0.0	(95.8)%		
VONVENDI	3.0	4.2	38.2 %	2.6	35.4 %	0.2	7.2 %	1.4	49.4 %	0.0	26.6 %		
HEMOFIL/IMMUNATE/IMMUNINE*6	4.7	5.0	5.3 %	0.6	(3.6)%	—	-	0.9	17.9 %	3.5	4.0 %		
Other PDT Products*6	1.1	1.3	18.9 %	—	-	0.0	(20.9)%	1.1	10.1 %	0.2	198.3 %		
Others	8.7	6.0	(30.6)%	1.6	14.3 %	0.7	14.8 %	1.2	(41.1)%	2.5	(45.9)%		
Rare Genetics and Other	97.8	110.4	12.9 %	49.4	8.3 %	3.1	16.2 %	39.7	21.6 %	18.2	7.9 %		
TAKHZYRO	34.9	42.2	21.0 %	28.2	14.2 %	0.6	47.3 %	10.9	29.0 %	2.5	86.3 %		
ELAPRASE	20.3	21.6	6.2 %	6.5	2.7 %	—	88.4 %	8.5	14.1 %	6.6	(2.7)%		
REPLAGAL	16.2	18.5	14.2 %	—	-	1.9	(2.8)%	10.8	16.8 %	5.8	16.2 %		
VPRIV	12.0	12.3	2.4 %	5.1	0.9 %	0.3	12.6 %	4.4	14.5 %	2.5	(12.2)%		
FIRAZYR	4.8	4.0	(17.4)%	2.5	(14.2)%	0.3	14.0 %	0.7	(18.2)%	0.5	(38.7)%		
CINRYZE*6	3.6	3.7	2.4 %	2.6	(3.0)%	—	-	0.9	14.4 %	0.1	98.2 %		
LIVTENCITY	3.2	5.1	61.1 %	3.4	26.4 %	—	-	1.5	235.5 %	0.2	651.4 %		
Others	2.7	2.9	8.3 %	1.0	(15.5)%	—	-	2.0	26.2 %	0.0	100.1 %		

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*3 The figures include the amounts of fixed dose combinations, blister packs and oral disintegrated tablets.

*4 Generic name: pantoprazole

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

*6 PDT products

■ Q4

(Bn JPY)	Reported												
	FY22 Q4	FY23 Q4	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	176.0	207.3	17.8 %	123.0	16.1 %							84.3	20.4 %
immunoglobulin*3	131.7	158.9	20.6 %	110.3	17.5 %							48.6	28.4 %
albumin*3	35.9	39.7	10.5 %	6.3	11.5 %							33.4	10.4 %
Others*3*4	8.4	8.7	4.5 %	6.5	(0.3)%							2.2	21.2 %
Oncology	93.8	116.1	23.8 %	39.5	28.5 %	21.2	2.1 %	26.5	31.0 %	27.8	42.5 %	1.1	(56.8)%
LEUPLIN/ENANTONE	26.1	27.7	5.9 %	4.8	15.5 %	6.4	4.8 %	9.6	12.3 %	6.9	(6.1)%		
NINLARO	16.8	20.6	23.1 %	10.0	(7.4)%	1.5	1.4 %	2.9	133.2 %	6.2	91.9 %		
ADCETRIS	18.2	25.2	38.7 %			2.6	(9.1)%	11.5	36.1 %	11.1	62.0 %		
ICLUSIG*5	11.7	13.2	13.4 %	12.1	30.5 %							1.1	(53.5)%
VELCADE*5	3.0	1.4	(53.7)%	1.4	(50.8)%							—	(100.0)%
VECTIBIX	5.7	5.9	2.4 %			5.9	2.4 %						
ALUNBRIG	4.8	7.4	54.5 %	1.9	1.1 %	0.6	24.4 %	2.2	30.5 %	2.7	255.1 %		
ZEJULA	3.1	3.1	1.2 %			2.5	0.4 %			0.7	4.3 %		
CABOMETYX	1.7	1.9	7.3 %			1.9	7.3 %						
EXKIVITY	1.5	0.1	(93.1)%	0.1	(93.9)%	—	-	0.0	(34.4)%	0.0	(94.6)%		
Others	1.2	9.6	673.0 %	9.1	1,163.4 %	—	-	0.4	2.9 %	0.2	(9.4)%		
Neuroscience	160.6	152.1	(5.2)%	108.3	(19.2)%	11.1	564.1 %	28.5	29.5 %	4.2	51.0 %		
VYVANSE/ELVANSE	123.8	110.3	(10.9)%	81.1	(21.7)%	0.6	-	24.6	38.4 %	4.0	50.7 %		
TRINTELLIX	20.4	24.6	20.6 %	22.0	19.5 %	2.6	30.3 %			—	-		
ADDERALL XR	9.5	6.5	(31.4)%	6.1	(30.9)%	—	-	0.5	(37.8)%	—	-		
INTUNIV	(0.3)	8.1	-	0.2	511.2 %	5.3	-	2.5	18.4 %	0.2	57.2 %		
Others	7.1	2.6	(64.1)%	(0.9)	-	2.6	7.9 %	0.9	(33.4)%	0.0	51.0 %		
Others	118.9	109.5	(7.9)%										
AZILVA*6	16.3	4.6	(71.9)%	—	-	4.6	(71.9)%	—	-	—	-		
FOSRENOL*5	2.6	2.4	(8.8)%	0.2	(27.1)%							2.2	(6.8)%
QDENG	0.1	3.8	2,526.6 %	—	-	—	-	0.8	466.8 %	3.0	-		

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*3 PDT products

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

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 %	339.2	9.0 %	4.6 %	3.6 %	280.2	18.2 %	8.6 %	4.7 %	
ENTYVIO	168.3	178.3	201.3	154.9	192.0	14.1 %	7.1 %	199.7	12.0 %	4.6 %	5.8 %	227.6	13.1 %	8.0 %	6.6 %	181.6	17.3 %	6.5 %	6.6 %	
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 %	31.5	5.6 %	4.8 %	6.2 %	28.2	16.7 %	15.0 %	8.2 %	
GATTEX/REVESTIVE	21.9	26.5	29.8	14.9	27.1	23.6 %	17.0 %	31.8	19.9 %	14.2 %	15.5 %	31.1	4.5 %	3.4 %	10.9 %	29.3	96.8 %	85.0 %	22.7 %	
DEXILANT	22.3	15.7	17.1	14.3	12.0	(46.1)%	(48.8)%	11.1	(28.9)%	(34.9)%	(43.1)%	13.0	(24.3)%	(28.9)%	(38.7)%	9.2	(35.8)%	(43.1)%	(39.6)%	
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)%	12.6	9.2 %	0.1 %	(3.4)%	11.0	(6.5)%	(16.1)%	(6.6)%	
LIALDA/MEZAVANT	5.7	5.6	6.3	6.1	7.5	30.3 %	24.9 %	6.0	7.8 %	1.8 %	13.5 %	8.2	29.4 %	23.6 %	17.2 %	7.4	20.9 %	10.1 %	15.4 %	
RESOLOR/MOTTEGRITY	3.9	3.8	5.6	4.8	4.7	20.1 %	11.5 %	5.4	41.3 %	32.4 %	21.9 %	5.5	(2.5)%	(6.5)%	10.0 %	5.3	10.3 %	0.1 %	7.3 %	
ALOFISEL	0.6	0.5	0.8	0.7	0.9	40.2 %	30.8 %	0.7	27.8 %	16.7 %	24.4 %	1.0	21.2 %	10.4 %	18.4 %	1.0	29.1 %	17.6 %	18.2 %	
Others	8.7	7.6	8.7	5.5	8.4	(2.6)%	(8.6)%	7.9	3.7 %	(2.8)%	(5.9)%	8.7	(0.8)%	(5.3)%	(5.7)%	7.3	33.0 %	22.3 %	(0.6)%	
Rare Diseases	181.6	180.6	191.4	169.8	192.6	6.1 %	2.0 %	188.3	4.3 %	1.7 %	1.9 %	204.1	6.7 %	6.1 %	3.3 %	185.6	9.3 %	6.6 %	4.1 %	
Rare Hematology	79.1	76.6	76.9	72.1	81.4	2.8 %	(1.7)%	71.3	(6.8)%	(9.8)%	(5.7)%	77.3	0.5 %	(1.6)%	(4.3)%	75.3	4.4 %	1.6 %	(2.9)%	
ADVATE	32.1	30.3	29.7	26.1	33.8	5.4 %	0.6 %	28.9	(4.6)%	(6.9)%	(3.0)%	31.2	5.0 %	3.4 %	(0.9)%	29.0	11.1 %	8.2 %	1.1 %	
ADYNOVATE/ADYNOVI	17.5	16.9	15.5	16.7	17.4	(0.8)%	(4.8)%	16.1	(4.6)%	(8.3)%	(6.5)%	17.8	14.8 %	12.6 %	(0.6)%	15.1	(9.7)%	(12.4)%	(3.6)%	
FEIBA ^{*5}	10.5	10.8	11.3	8.7	11.9	12.5 %	7.2 %	8.0	(26.1)%	(28.3)%	(10.7)%	9.1	(19.4)%	(20.5)%	(14.1)%	11.6	34.1 %	27.8 %	(5.3)%	
RECOMBINATE	3.2	3.0	3.5	3.1	3.0	(6.0)%	(12.6)%	3.0	0.3 %	(6.0)%	(9.4)%	3.0	(15.1)%	(18.6)%	(12.8)%	3.1	(0.0)%	(9.0)%	(11.8)%	
VONVENDI	2.9	3.0	3.3	3.0	3.8	28.6 %	20.1 %	3.7	23.5 %	14.6 %	17.3 %	4.6	38.9 %	31.7 %	22.5 %	4.2	38.2 %	24.9 %	23.1 %	
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)%	5.2	24.2 %	22.3 %	(5.5)%	5.0	5.3 %	12.6 %	(1.1)%	
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 %	1.3	11.3 %	7.3 %	10.5 %	1.3	18.9 %	19.7 %	12.8 %	
Others	6.3	6.5	8.2	8.7	6.1	(3.6)%	(7.2)%	5.4	(16.8)%	(15.0)%	(11.1)%	5.1	(37.6)%	(39.7)%	(22.3)%	6.0	(30.6)%	(30.2)%	(24.6)%	
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 %	126.8	10.8 %	11.2 %	8.9 %	110.4	12.9 %	10.3 %	9.2 %	
TAKHZYRO	34.0	38.8	44.1	34.9	41.3	21.4 %	14.7 %	45.8	18.0 %	11.6 %	13.1 %	49.3	12.0 %	9.0 %	11.5 %	42.2	21.0 %	11.8 %	11.6 %	
ELAPRASE	22.2	20.2	22.6	20.3	22.8	3.0 %	(0.6)%	22.8	12.9 %	13.9 %	6.3 %	24.3	7.6 %	9.6 %	7.5 %	21.6	6.2 %	6.7 %	7.3 %	
REPLAGAL	17.6	16.7	16.3	16.2	18.0	2.1 %	3.9 %	18.2	9.1 %	12.4 %	8.1 %	18.9	16.1 %	23.1 %	12.9 %	18.5	14.2 %	22.0 %	15.1 %	
VPRIV	11.9	11.5	13.0	12.0	11.9	0.2 %	(0.7)%	12.4	8.5 %	10.5 %	4.8 %	14.6	12.6 %	19.1 %	9.9 %	12.3	2.4 %	6.6 %	9.1 %	
FIRAZYR	6.8	6.6	6.4	4.8	5.5	(18.3)%	(20.2)%	6.2	(6.4)%	(7.6)%	(14.0)%	5.5	(15.2)%	(12.8)%	(13.6)%	4.0	(17.4)%	(19.9)%	(14.8)%	
CINRYZE ^{*5}	4.7	4.9	5.3	3.6	4.5	(3.7)%	(9.7)%	3.9	(19.7)%	(24.5)%	(17.3)%	5.0	(4.8)%	(9.2)%	(14.4)%	3.7	2.4 %	(6.8)%	(12.9)%	
LIVTENCITY	2.2	2.0	3.1	3.2	4.1	83.4 %	70.7 %	4.3	111.7 %	97.0 %	83.2 %	5.6	82.3 %	72.8 %	78.8 %	5.1	61.1 %	45.5 %	68.7 %	
Others	3.2	3.3	3.8	2.7	3.2	(0.4)%	(6.8)%	3.3	1.2 %	(7.2)%	(7.0)%	3.5	(6.1)%	(11.7)%	(8.7)%	2.9	8.3 %	(2.7)%	(7.5)%	

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

*2 Refer to ‘‘Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations’’ in the Financial Appendix for the definition.

*3 The figures include the amounts of fixed dose combinations, blister packs and oral disintegrated tablets.

*4 Generic name: pantoprazole

*5 PDT products

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(Bn JPY)	FY22 Reported				FY23 Reported AER ^{*1} & Core CER Change ^{*2}														
	Q1	Q2	Q3	Q4	Q1	@AER (QTD)	@CER (QTD)	Q2	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q3	@AER (QTD)	@CER (QTD)	@CER (YTD)	Q4	@AER (QTD)	@CER (QTD)	@CER (YTD)
PDT Immunology	141.9	172.1	188.4	176.0	186.5	31.5 %	24.3 %	201.9	17.3 %	11.4 %	17.2 %	222.8	18.3 %	14.4 %	16.2 %	207.3	17.8 %	9.4 %	14.4 %
immunoglobulin ^{*3}	111.8	133.2	145.4	131.7	145.6	30.2 %	22.5 %	163.6	22.8 %	16.0 %	19.0 %	176.5	21.4 %	17.5 %	18.4 %	158.9	20.6 %	11.9 %	16.8 %
albumin ^{*3}	22.0	29.8	33.7	35.9	30.8	40.0 %	36.0 %	28.2	(5.4)%	(7.7)%	10.9 %	35.3	4.7 %	0.8 %	6.9 %	39.7	10.5 %	3.4 %	5.9 %
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 %	11.0	18.5 %	14.3 %	12.4 %	8.7	4.5 %	(4.2)%	8.4 %
Oncology	117.5	107.8	119.7	93.8	110.5	(6.0)%	(8.6)%	114.7	6.4 %	3.1 %	(3.0)%	121.1	1.2 %	(0.8)%	(2.2)%	116.1	23.8 %	19.7 %	2.5 %
LEUPLIN/ENANTONE	28.0	25.7	31.5	26.1	24.6	(12.1)%	(14.3)%	24.2	(5.8)%	(9.5)%	(12.0)%	30.9	(2.0)%	(5.5)%	(9.6)%	27.7	5.9 %	0.8 %	(7.1)%
NINLARO	23.7	25.1	27.1	16.8	21.0	(11.4)%	(15.6)%	25.3	1.0 %	(2.2)%	(8.7)%	20.4	(24.8)%	(26.5)%	(15.1)%	20.6	23.1 %	17.3 %	(9.2)%
ADCETRIS	20.0	21.8	24.1	18.2	27.1	35.8 %	35.3 %	27.2	24.8 %	23.8 %	29.3 %	30.0	24.5 %	25.5 %	27.9 %	25.2	38.7 %	43.7 %	31.3 %
ICLUSIG	11.3	12.0	12.3	11.7	12.6	11.9 %	4.1 %	14.4	20.5 %	11.6 %	7.9 %	14.4	17.4 %	11.5 %	9.2 %	13.2	13.4 %	2.6 %	7.5 %
VELCADE	16.5	4.3	3.9	3.0	1.8	(89.0)%	(89.8)%	1.1	(74.9)%	(76.4)%	(87.0)%	1.2	(68.5)%	(69.5)%	(84.2)%	1.4	(53.7)%	(57.8)%	(81.3)%
VECTIBIX	6.7	6.6	6.8	5.7	6.8	2.0 %	2.0 %	6.8	3.2 %	3.2 %	2.6 %	6.9	1.3 %	1.3 %	2.2 %	5.9	2.4 %	2.4 %	2.2 %
ALUNBRIG	4.5	5.2	6.1	4.8	6.6	45.8 %	41.2 %	7.1	37.2 %	31.9 %	36.2 %	7.4	22.4 %	20.7 %	30.3 %	7.4	54.5 %	51.9 %	35.3 %
ZEJULA	3.0	3.3	3.5	3.1	3.8	23.5 %	23.3 %	3.6	9.5 %	8.4 %	15.5 %	3.7	5.2 %	3.9 %	11.4 %	3.1	1.2 %	(0.1)%	8.7 %
CABOMETYX	2.1	1.9	2.1	1.7	2.2	5.7 %	5.7 %	2.0	4.3 %	4.3 %	5.0 %	2.3	5.6 %	5.6 %	5.2 %	1.9	7.3 %	7.3 %	5.7 %
EXKIVITY	0.7	0.7	0.8	1.5	2.1	203.9 %	192.3 %	1.3	81.1 %	72.7 %	131.0 %	(0.1)	-	-	43.7 %	0.1	(93.1)%	(93.9)%	(10.9)%
Others	1.0	1.3	1.4	1.2	1.7	81.1 %	76.4 %	1.7	32.8 %	27.5 %	48.5 %	4.0	182.2 %	169.1 %	95.7 %	9.6	673.0 %	603.2 %	224.8 %
Neuroscience	142.4	159.9	174.8	160.6	177.0	24.3 %	17.2 %	153.7	(3.9)%	(9.3)%	3.2 %	144.2	(17.5)%	(21.3)%	(5.8)%	152.1	(5.2)%	(13.6)%	(7.8)%
VYVANSE/ELVANSE	100.0	111.3	124.2	123.8	123.2	23.2 %	16.0 %	103.1	(7.3)%	(13.0)%	0.7 %	86.6	(30.3)%	(34.0)%	(12.1)%	110.3	(10.9)%	(19.4)%	(14.1)%
TRINTELLIX	21.4	28.4	29.9	20.4	24.3	13.5 %	6.3 %	26.6	(6.0)%	(11.0)%	(3.5)%	29.3	(2.2)%	(5.1)%	(4.1)%	24.6	20.6 %	10.6 %	(1.1)%
ADDERALL XR	6.2	6.3	6.5	9.5	13.5	117.7 %	100.8 %	9.1	44.0 %	36.3 %	68.1 %	12.6	93.0 %	83.9 %	73.5 %	6.5	(31.4)%	(37.4)%	36.6 %
INTUNIV	5.1	5.3	6.2	(0.3)	7.9	54.3 %	53.5 %	8.3	55.6 %	52.0 %	52.8 %	9.2	49.0 %	45.8 %	50.2 %	8.1	-	-	100.8 %
Others	9.7	8.6	8.0	7.1	8.2	(15.4)%	(19.0)%	6.4	(24.8)%	(28.0)%	(23.2)%	6.5	(19.1)%	(21.7)%	(22.7)%	2.6	(64.1)%	(64.5)%	(31.6)%
Others	118.7	105.9	111.1	118.9	98.4	(17.1)%	(20.3)%	81.2	(23.3)%	(26.3)%	(23.1)%	79.8	(28.2)%	(38.9)%	(28.3)%	109.5	(7.9)%	12.5 %	(17.7)%
AZILVA ^{*5}	19.6	17.6	19.4	16.3	18.7	(4.5)%	(4.5)%	5.0	(71.6)%	(71.6)%	(36.3)%	5.4	(72.3)%	(72.3)%	(48.7)%	4.6	(71.9)%	(71.9)%	(53.9)%
FOSRENOL	4.2	3.3	3.4	2.6	4.2	(0.9)%	(7.7)%	4.0	19.6 %	7.8 %	(0.8)%	3.0	(11.3)%	(17.6)%	(6.0)%	2.4	(8.8)%	(17.9)%	(8.3)%
QDENGGA	—	—	—	0.1	0.7	-	-	1.2	-	-	-	3.8	-	-	-	3.8	2,526.6 %	5,465.8 %	9,832.1 %

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

*2 Refer to "Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations" in the Financial Appendix 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)	FY23 Reported	FY24 Reported Forecasts			FY24 Forecasts at CER ^{*1}
	Annual	Annual	Amount of Change	% Change	% Change
GI	1,216.2	Mid-10s % growth		Low-10s % growth	
ENTYVIO	800.9	964.0	163.1	20 %	16 %
GATTEX/REVESTIVE	119.3	133.0	13.7	12 %	8 %
TAKECAB/VOCINTI ^{*2}	118.5	133.0	14.5	12 %	12 %
PANTOLOC/CONTROLOC ^{*3}	46.5	45.0	(1.5)	(3)%	(7)%
DEXILANT	45.3	41.0	(4.3)	(9)%	(14)%
LIALDA/MEZAVANT	29.1	23.0	(6.1)	(21)%	(22)%
RESOLOR/MOTTEGRITY	20.9	23.0	2.1	10 %	7 %
EOHLIA	0.2			>5,000%	>5,000%
Others	35.6			(10)% to (15)%	(10)% to (15)%
Rare Diseases	688.4	Mid-single-digit % growth		Low-single-digit % growth	
TAKHZYRO	178.7	205.0	26.3	15 %	10 %
ADVATE	122.9	182.0	(7.2)	(4)%	0 %
ADYNOVATE/ADYNOVI	66.3				
ELAPRASE	91.6	90.0	(1.6)	(2)%	(5)%
REPLAGAL	73.6	75.0	1.4	2 %	0 %
VPRIV	51.3	53.0	1.7	3 %	(1)%
FIRAZYR	21.2	17.0	(4.2)	(20)%	(21)%
LIVTENCITY	19.1	30.0	10.9	57 %	54 %
VONVENDI	16.2	20.0	3.8	24 %	19 %
RECOMBINATE	12.1	10.0	(2.1)	(17)%	(20)%
Others	35.6			0% to 5%	0% to (5)%

*1 Refer to “Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations” in the Financial Appendix for the definition.

*2 The figures include the amounts of fixed dose combinations, blister packs and oral disintegrated tablets.

*3 Generic name: pantoprazole

Average FX rates for FY23 actual: 1 USD = 144 JPY, 1 Euro = 156 JPY, 1 RUB = 1.6 JPY, 1 BRL = 29.1 JPY, 1 CNY = 20.1 JPY

Assumption of FX rates for FY24 Reported Forecasts : 1 USD = 150 JPY, 1 Euro = 160 JPY, 1 RUB = 1.6 JPY, 1 BRL = 30.4 JPY, 1 CNY = 20.9 JPY

(Bn JPY)	FY23 Reported	FY24 Reported Forecasts		FY24 Forecasts at CER*1	
	Annual	Annual	Amount of Change	% Change	% Change
PDT	903.7	Low-10s % growth		High-single-digit % growth	
immunoglobulin	644.6			10% to 20%	5% to 15%
albumin	134.0			Single-digit % growth	Single-digit % growth
FEIBA	40.5	41.0	0.5	1 %	(2)%
HEMOFIL/IMMUNATE/IMMUNINE	19.5	22.0	2.5	13 %	15 %
CINRYZE	17.1	15.0	(2.1)	(12)%	(12)%
Others *2	48.0			0% to 10%	0% to 10%
Oncology	462.4	High-single-digit % growth		Mid-single-digit % growth	
ADCETRIS	109.4	116.0	6.6	6 %	2 %
LEUPLIN/ENANTONE	107.4	111.0	3.6	3 %	2 %
NINLARO	87.4	84.0	(3.4)	(4)%	(7)%
ICLUSIG	54.7	63.0	8.3	15 %	11 %
ALUNBRIG	28.5	40.0	11.5	40 %	37 %
VECTIBIX	26.4	28.0	1.6	6 %	6 %
ZEJULA	14.2	15.0	0.8	6 %	4 %
FRUZAQLA	10.1			>100%	>100%
CABOMETYX	8.4	9.0	0.6	8 %	8 %
Others	16.0			(10) to (15)%	(15)% to (20)%
Neuroscience	627.0	Low-30s % decline		Mid-30s % decline	
VYVANSE/ELVANSE	423.2	225.0	(198.2)	(47)%	(49)%
TRINTELLIX	104.8	124.0	19.2	18 %	14 %
ADDERALL XR	41.8	19.0	(22.8)	(54)%	(56)%
INTUNIV	33.6	36.0	2.4	7 %	8 %
Others	23.7			(20)% to (30)%	(20)% to (30)%
Vaccines	50.4	High-single-digit % growth		High-single-digit % growth	
QDENG A	9.6			>200%	>200%
Others	40.8			>(30)%	>(30)%
Others	315.7			>(30)%	
AZILVA *3	33.6	10.0	(23.6)	(70)%	(70)%
FOSRENOL	13.5	10.0	(3.5)	(26)%	(26)%

*1 Refer to “Definition of Core Financial Measures, Constant Exchange Rate Change, Free Cash Flow, and U.S. Dollar Convenience Translations” in the Financial Appendix. for the definition.

*2 Others in PDT Immunology include GLASSIA and ARALAST.

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

Average FX rates for FY23 actual: 1 USD = 144 JPY, 1 Euro = 156 JPY, 1 RUB = 1.6 JPY, 1 BRL = 29.1 JPY, 1 CNY = 20.1 JPY

Assumption of FX rates for FY24 Reported Forecasts : 1 USD = 150 JPY, 1 Euro = 160 JPY, 1 RUB = 1.6 JPY, 1 BRL = 30.4 JPY, 1 CNY = 20.9 JPY

FINANCIAL APPENDIX



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

Core Financial Measures

We present our Core Financial Measures, particularly Core Revenue, Core Operating Profit, Core Net Profit for the Year and Core EPS because we believe that these measures are useful to understanding our business without the effect of items that we consider to be unrelated to the underlying trends and business performance of our core operations, including items (i) which may vary significantly from year-to-year or may not occur in each year, or (ii) whose recognition we believe is largely uncorrelated to trends in the underlying performance of our core business. We believe that similar measures are frequently used by other companies in our industry, and that providing these measures helps investors evaluate Takeda's performance against not only its performance in prior years but on a similar basis as its competitors. We also present Core Financial Measures because these measures are used by Takeda for budgetary planning and compensation purposes (i.e., certain targets for the purposes of Takeda's Short-Term Incentive and Long-Term Incentive compensation programs, including incentive compensation of the CEO and CFO, are set in relation to the results of Takeda's Core Financial Measures).

Takeda's Core Financial Measures exclude revenue from divestments, amortization and impairment losses on acquired intangible assets and other impacts unrelated to the underlying trends and business performance of Takeda's core operations, such as non-recurring items, purchase accounting effects and transaction related costs. **Core Revenue** represents revenue adjusted to exclude significant revenue items unrelated to the underlying trends and business performance of Takeda's core operations. **Core Operating Profit** represents operating profit adjusted to exclude other operating expenses and income, amortization and impairment losses on acquired intangible assets and other non-cash items or items unrelated to the underlying trends and business performance of Takeda's core operations. **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 the underlying trends and business performance of 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. Starting from the quarter ending June 30, 2024, we will cease adjustments for CER change for the results of operations of subsidiaries in countries experiencing hyperinflation and for which IAS29, Financial Reporting in Hyperinflation Economies, is applied, because of the increased impacts of hyperinflation in the calculation of CER change using corresponding exchange rates in the same period of the previous fiscal year, effectively keeping CER change for these subsidiaries unchanged from those reported with IAS29.

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 acquisitions and divestitures of businesses contribute to the cash flows and liquidity.

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 represent 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. Starting from the quarter ending June 30, 2024, we will i) change the title of Free Cash Flow as currently represented to "Adjusted Free Cash Flow" and ii) report "Free Cash Flow" as cash flows from operating activities less acquisition of PP&E. This change is intended to enhance the comparability of our Free Cash Flow disclosures to those of our peers and to better describe the nature of these measures as presented by Takeda.

U.S. Dollar Convenience Translations

In the 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 = 151.22 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on March 29, 2024. 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 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 JPY 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 is 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 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022	FY2023	vs. PY			(Million USD, except EPS) FY2023 Convenience USD Translation
			AER		CER ^{*1}	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	4,027.5	4,263.8	236.3	5.9%	1.5%	28,196
Cost of sales	(1,244.1)	(1,426.7)	(182.6)	(14.7)%	(9.8)%	(9,434)
Gross profit	2,783.4	2,837.1	53.7	1.9%	(2.2)%	18,761
<i>Margin</i>	69.1 %	66.5 %		(2.6) pp	(2.5) pp	66.5 %
SG&A expenses	(997.3)	(1,053.8)	(56.5)	(5.7)%	(0.9)%	(6,969)
R&D expenses	(633.3)	(729.9)	(96.6)	(15.3)%	(8.4)%	(4,827)
Amortization of intangible assets associated with products	(485.1)	(521.5)	(36.4)	(7.5)%	(0.4)%	(3,449)
Impairment losses on intangible assets associated with products ^{*2}	(57.3)	(130.6)	(73.3)	(127.7)%	(112.4)%	(864)
Other operating income	25.4	19.4	(6.0)	(23.8)%	(26.3)%	128
Other operating expenses	(145.2)	(206.5)	(61.3)	(42.2)%	(34.5)%	(1,366)
Operating profit	490.5	214.1	(276.4)	(56.4)%	(50.3)%	1,416
<i>Margin</i>	12.2 %	5.0 %		(7.2) pp	(6.2) pp	5.0 %
Finance income	62.9	52.1	(10.8)	(17.2)%	(18.2)%	344
Finance expenses	(169.7)	(219.8)	(50.2)	(29.6)%	(42.5)%	(1,454)
Share of profit (loss) of investments accounted for using the equity method	(8.6)	6.5	15.1	—	—	43
Profit before tax	375.1	52.8	(322.3)	(85.9)%	(84.1)%	349
Income tax (expenses) benefit	(58.1)	91.4	149.5	—	—	604
Net profit for the year	317.0	144.2	(172.8)	(54.5)%	(57.0)%	954
Non-controlling interests	(0.0)	(0.1)	(0.1)	(509.7)%	(492.2)%	(1)
Net profit attributable to owners of the Company	317.0	144.1	(172.9)	(54.6)%	(57.0)%	953
Basic EPS (JPY or USD)	204.29	92.09	(112.20)	(54.9)%	(57.3)%	0.61

*1 Starting from the quarter ending June 30, 2024, we will cease adjustments for CER change for the results of operations of subsidiaries in countries experiencing hyperinflation and for which IAS29, Financial Reporting in Hyperinflation Economies, is applied, because of the increased impacts of hyperinflation in the calculation of CER change using corresponding exchange rates in the same period of the previous fiscal year, effectively keeping CER change for these subsidiaries unchanged from those reported with IAS29. Had the methodology been used for FY2023 Reported Results with CER % change, CER changes for revenue, operating profit and net profit would have been (0.3)%, (56.8)% and (55.7)%, respectively.

*2 Includes in-process R&D

When comparing results to 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 the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2023 Q4 (Jan-Mar) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q4 (Jan-Mar)	FY2023 Q4 (Jan-Mar)	vs. PY			(Million USD, except EPS) FY2023 Q4 (Jan-Mar) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	956.2	1,050.9	94.7	9.9%	6.2%	6,949
Cost of sales	(309.8)	(382.5)	(72.7)	(23.5)%	(18.8)%	(2,529)
Gross profit	646.4	668.4	22.0	3.4%	0.2%	4,420
<i>Margin</i>	67.6 %	63.6 %		(4.0) pp	(3.8) pp	63.6 %
SG&A expenses	(254.8)	(285.2)	(30.4)	(11.9)%	(7.1)%	(1,886)
R&D expenses	(160.9)	(195.9)	(34.9)	(21.7)%	(11.6)%	(1,295)
Amortization of intangible assets associated with products	(114.5)	(133.8)	(19.3)	(16.9)%	(6.1)%	(885)
Impairment losses on intangible assets associated with products*1	(18.7)	(11.3)	7.4	39.7%	39.3%	(75)
Other operating income	8.7	9.3	0.6	6.7%	(8.4)%	62
Other operating expenses	(17.6)	(61.6)	(44.0)	(249.7)%	(219.2)%	(407)
Operating profit	88.6	(10.1)	(98.6)	—	(84.1)%	(67)
<i>Margin</i>	9.3 %	(1.0)%		(10.2) pp	(7.9) pp	(1.0)%
Finance income	14.0	6.6	(7.3)	(52.6)%	(53.5)%	44
Finance expenses	(49.2)	(47.8)	1.3	2.6%	(41.5)%	(316)
Share of profit (loss) of investments accounted for using the equity method	(5.5)	3.7	9.2	—	—	25
Profit before tax	47.9	(47.5)	(95.4)	—	—	(314)
Income tax (expenses) benefit	(16.8)	44.5	61.3	—	—	294
Net profit for the period	31.1	(3.0)	(34.1)	—	—	(20)
Non-controlling interests	(0.0)	(0.0)	(0.0)	(1,112.2)%	(1,021.9)%	(0)
Net profit attributable to owners of the Company	31.1	(3.0)	(34.2)	—	—	(20)
Basic EPS (JPY or USD)	20.03	(1.92)	(21.95)	—	—	(0.01)

*1 Includes in-process R&D

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 the same period of the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2023 Core Results with CER % Change

(Billion JPY, except EPS)	FY2022	FY2023	vs. PY			(Million USD, except EPS) FY2023 Convenience USD Translation
			AER		CER ^{*1}	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	4,027.5	4,263.8	236.3	5.9%	1.5%	28,196
Cost of sales	(1,208.4)	(1,426.3)	(217.9)	(18.0)%	(13.0)%	(9,432)
Gross profit	2,819.1	2,837.5	18.4	0.7%	(3.5)%	18,764
<i>Margin</i>	70.0 %	66.5 %		(3.4) pp	(3.4) pp	66.5 %
SG&A expenses	(997.3)	(1,053.0)	(55.6)	(5.6)%	(0.8)%	(6,963)
R&D expenses	(633.4)	(729.6)	(96.3)	(15.2)%	(8.3)%	(4,825)
Operating profit	1,188.4	1,054.9	(133.5)	(11.2)%	(13.3)%	6,976
<i>Margin</i>	29.5 %	24.7 %		(4.8) pp	(4.3) pp	24.7 %
Finance income	16.9	51.5	34.6	204.7%	201.2%	341
Finance expenses	(143.5)	(193.5)	(50.0)	(34.9)%	(36.0)%	(1,280)
Share of profit (loss) of investments accounted for using the equity method	0.2	5.9	5.7	3,174.0%	3,163.8%	39
Profit before tax	1,062.0	918.8	(143.2)	(13.5)%	(16.0)%	6,076
Income tax (expenses) benefit	(195.6)	(161.9)	33.7	17.2%	20.2%	(1,071)
Net profit for the year	866.4	756.9	(109.5)	(12.6)%	(15.0)%	5,005
Non-controlling interests	(0.0)	(0.1)	(0.1)	(509.7)%	(492.2)%	(1)
Net profit attributable to owners of the Company	866.4	756.8	(109.6)	(12.6)%	(15.0)%	5,005
Basic EPS (JPY or USD)	558	484	(75)	(13.4)%	(15.7)%	3.20

*1 Starting from the quarter ending June 30, 2024, we will cease adjustments for CER change for the results of operations of subsidiaries in countries experiencing hyperinflation and for which IAS29, Financial Reporting in Hyperinflation Economies, is applied, because of the increased impacts of hyperinflation in the calculation of CER change using corresponding exchange rates in the same period of the previous fiscal year, effectively keeping CER change for these subsidiaries unchanged from those reported with IAS29. Had the methodology been used for FY2023 Core Results with CER % change, CER changes for core revenue, core operating profit and core net profit would have been (0.3)%, (16.0)% and (17.0)%, respectively.

When comparing results to 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 the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2023 Q4 (Jan-Mar) Core Results with CER % Change

(Billion JPY, except EPS)	FY2022 Q4 (Jan-Mar)	FY2023 Q4 (Jan-Mar)	vs. PY			(Million USD, except EPS) FY2023 Q4 (Jan-Mar) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	956.2	1,050.9	94.7	9.9%	6.2%	6,949
Cost of sales	(306.7)	(382.0)	(75.3)	(24.5)%	(19.8)%	(2,526)
Gross profit	649.4	668.8	19.4	3.0%	(0.2)%	4,423
<i>Margin</i>	<i>67.9 %</i>	<i>63.6 %</i>		<i>(4.3) pp</i>	<i>(4.1) pp</i>	<i>63.6 %</i>
SG&A expenses	(254.4)	(283.9)	(29.5)	(11.6)%	(6.8)%	(1,877)
R&D expenses	(161.3)	(195.6)	(34.3)	(21.3)%	(11.2)%	(1,293)
Operating profit	233.7	189.3	(44.4)	(19.0)%	(15.7)%	1,252
<i>Margin</i>	<i>24.4 %</i>	<i>18.0 %</i>		<i>(6.4) pp</i>	<i>(5.0) pp</i>	<i>18.0 %</i>
Finance income	13.3	6.5	(6.8)	(51.0)%	(51.9)%	43
Finance expenses	(34.9)	(41.2)	(6.3)	(18.1)%	(41.6)%	(273)
Share of profit (loss) of investments accounted for using the equity method	(2.3)	1.6	3.9	—	—	10
Profit before tax	209.9	156.2	(53.6)	(25.6)%	(25.9)%	1,033
Income tax (expenses) benefit	(50.6)	(43.0)	7.7	15.2%	20.7%	(284)
Net profit for the period	159.2	113.3	(46.0)	(28.9)%	(27.5)%	749
Non-controlling interests	(0.0)	(0.0)	(0.0)	(1,112.2)%	(1,021.9)%	(0)
Net profit attributable to owners of the Company	159.2	113.2	(46.0)	(28.9)%	(27.5)%	749
Basic EPS (JPY or USD)	102	72	(30)	(29.5)%	(28.2)%	0.48

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 the same period of the previous fiscal year is presented as positive when favorable to profits, and negative when unfavorable to profits.



FY2023 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	4,263.8					4,263.8
Cost of sales	(1,426.7)				0.4	(1,426.3)
Gross profit	2,837.1				0.4	2,837.5
SG&A expenses	(1,053.8)				0.9	(1,053.0)
R&D expenses	(729.9)				0.3	(729.6)
Amortization of intangible assets associated with products	(521.5)	521.5				—
Impairment losses on intangible assets associated with products ^{*1}	(130.6)		130.6			—
Other operating income	19.4			(19.4)		—
Other operating expenses	(206.5)			206.5		—
Operating profit	214.1	521.5	130.6	187.1	1.5	1,054.9
<i>Margin</i>	5.0 %					24.7 %
Finance income and (expenses), net	(167.8)				25.8	(142.0)
Share of profit (loss) of investments accounted for using the equity method	6.5				(0.5)	5.9
Profit before tax	52.8	521.5	130.6	187.1	26.8	918.8
Income tax (expenses) benefit	91.4	(108.7)	(28.6)	(43.1)	(85.4)	(161.9)
Non-controlling interests	(0.1)					(0.1)
Net profit attributable to owners of the Company	144.1	412.8	102.0	144.1	(58.7)	756.8
Basic EPS (JPY)	92					484
Number of shares (millions)	1,564					1,564

*1 Includes in-process R&D.



FY2023 Q4 (Jan-Mar) 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	1,050.9					1,050.9
Cost of sales	(382.5)				0.5	(382.0)
Gross profit	668.4				0.5	668.8
SG&A expenses	(285.2)				1.3	(283.9)
R&D expenses	(195.9)				0.3	(195.6)
Amortization of intangible assets associated with products	(133.8)	133.8				—
Impairment losses on intangible assets associated with products ^{*1}	(11.3)		11.3			—
Other operating income	8.6			(8.6)		—
Other operating expenses	(60.8)			60.8		—
Operating profit	(10.1)	133.8	11.3	52.2	2.0	189.3
<i>Margin</i>	(1.0)%					18.0 %
Finance income and (expenses), net	(41.2)				6.5	(34.7)
Share of profit (loss) of investments accounted for using the equity method	3.7				(2.2)	1.6
Profit before tax	(47.5)	133.8	11.3	52.2	6.4	156.2
Income tax (expenses) benefit	44.5	(26.2)	(2.2)	(11.3)	(60.3)	(43.0)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	(3.0)	107.7	9.1	40.9	(53.9)	113.2
Basic EPS (JPY)	(2)					72
Number of shares (millions)	1,569					1,569

*1 Includes in-process R&D.



FY2022 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	4,027.5					4,027.5
Cost of sales	(1,244.1)				35.7	(1,208.4)
Gross profit	2,783.4				35.7	2,819.1
SG&A expenses	(997.3)				(0.0)	(997.3)
R&D expenses	(633.3)				(0.0)	(633.4)
Amortization of intangible assets associated with products	(485.1)	485.1				—
Impairment losses on intangible assets associated with products ^{*1}	(57.3)		57.3			—
Other operating income	25.4			(25.4)		—
Other operating expenses	(145.2)			145.2		—
Operating profit	490.5	485.1	57.3	119.8	35.6	1,188.4
<i>Margin</i>	12.2 %					29.5 %
Finance income and (expenses), net	(106.8)				(19.8)	(126.6)
Share of profit (loss) of investments accounted for using the equity method	(8.6)				8.8	0.2
Profit before tax	375.1	485.1	57.3	119.8	24.6	1,062.0
Income tax (expenses) benefit	(58.1)	(103.5)	(12.5)	(25.5)	3.9	(195.6)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	317.0	381.6	44.9	94.4	28.5	866.4
Basic EPS (JPY)	204					558
Number of shares (millions)	1,552					1,552

*1 Includes in-process R&D.



FY2022 Q4 (Jan-Mar) 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	956.2					956.2
Cost of sales	(309.8)				3.0	(306.7)
Gross profit	646.4				3.0	649.4
SG&A expenses	(254.8)				0.4	(254.4)
R&D expenses	(160.9)				(0.3)	(161.3)
Amortization of intangible assets associated with products	(114.5)	114.5				—
Impairment losses on intangible assets associated with products*1	(18.7)		18.7			—
Other operating income	8.7			(8.7)		—
Other operating expenses	(17.6)			17.6		—
Operating profit	88.6	114.5	18.7	8.9	3.1	233.7
<i>Margin</i>	9.3 %					24.4 %
Finance income and (expenses), net	(35.2)				13.6	(21.5)
Share of profit (loss) of investments accounted for using the equity method	(5.5)				3.2	(2.3)
Profit before tax	47.9	114.5	18.7	8.9	19.9	209.9
Income tax (expenses) benefit	(16.8)	(24.1)	(4.3)	(1.4)	(4.1)	(50.6)
Non-controlling interests	(0.0)					(0.0)
Net profit attributable to owners of the Company	31.1	90.4	14.5	7.5	15.8	159.2
Basic EPS (JPY)	20					102
Number of shares (millions)	1,555					1,555

*1 Includes in-process R&D.



FY2023 Free Cash Flow

(Billion JPY)	FY2022	FY2023	vs. PY		(Million USD) FY2023 Convenience USD Translation
Net profit	317.0	144.2	(172.8)	(54.5)%	954
Depreciation, amortization and impairment loss	728.8	878.0	149.2		5,806
Decrease (increase) in trade working capital	(88.8)	(110.5)	(21.7)		(731)
Income taxes paid	(198.4)	(219.9)	(21.5)		(1,454)
Tax refunds and interest on tax refunds received	12.5	17.9	5.4		118
Other	206.1	6.7	(199.4)		44
Net cash from operating activities (Operating Cash Flow)	977.2	716.3	(260.8)	(26.7)%	4,737
Adjustment for cash temporarily held by Takeda on behalf of third parties ^{*1}	81.7	18.0	(63.7)		119
Acquisition of PP&E	(140.7)	(175.4)	(34.8)		(1,160)
Proceeds from sales of PP&E	1.0	8.6	7.6		57
Acquisition of intangible assets	(493.0)	(305.3)	187.7		(2,019)
Acquisition of investments	(10.2)	(6.8)	3.4		(45)
Proceeds from sales and redemption of investments	22.3	8.0	(14.2)		53
Proceeds from sales of business, net of cash and cash equivalents divested	8.0	20.0	12.0		132
Free Cash Flow	446.2	283.4	(162.8)	(36.5)%	1,874

*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 Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023
Cash & cash equivalents and Level 1 debt investments ^{*1}	350.0
Book value debt on consolidated statements of financial position	(4,843.8)
Hybrid bond 50% equity credit	250.0
FX adjustment ^{*2}	152.5
Gross debt ^{*3}	(4,441.2)
Net cash (debt)	(4,091.3)
Net debt/Adjusted EBITDA ratio	3.1x
Adjusted EBITDA	1,319.9

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2022	FY2023	vs. PY	
Net cash from operating activities	977.2	716.3	(260.8)	(26.7)%
Acquisition of PP&E	(140.7)	(175.4)		
Proceeds from sales of PP&E	1.0	8.6		
Acquisition of intangible assets	(493.0)	(305.3)		
Acquisition of investments	(10.2)	(6.8)		
Proceeds from sales and redemption of investments	22.3	8.0		
Proceeds from sales of business, net of cash and cash equivalents divested	8.0	20.0		
Net increase in short-term loans and commercial papers	40.0	277.0		
Proceeds from long-term loans	75.0	100.0		
Repayment of long-term loans	(75.2)	(100.4)		
Repayment of bonds	(281.5)	(220.5)		
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	(108.6)	(100.4)		
Dividends paid	(279.4)	(287.2)		
Others	(47.0)	(93.6)		
Net increase (decrease) in cash and cash equivalents	(339.1)	(101.9)	237.2	69.9 %

*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 AND CASH EQUIVALENTS

(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 and cash equivalents	(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 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2022	FY2023	vs. PY	
Net profit	317.0	144.2	(172.8)	(54.5)%
Income tax (expenses) benefit	58.1	(91.4)		
Depreciation and amortization	664.4	728.0		
Interest expense, net	111.5	108.2		
EBITDA	1,151.0	889.0	(261.9)	(22.8)%
Impairment losses	64.4	150.0		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	109.0	162.2		
Finance expense (income), net, excluding interest income and expense, net	(4.7)	59.5		
Share of loss on investments accounted for under the equity method	8.6	(6.5)		
Other adjustments:	93.5	69.9		
Non-core expense related to COVID-19	9.9	—		
Impact on profit related to fair value step up of inventory in Shire acquisition	24.9	—		
Other costs ^{*1}	58.7	69.9		
EBITDA from divested products ^{*2}	—	(4.2)		
Adjusted EBITDA	1,421.8	1,319.9	(101.9)	(7.2)%

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

*2 Represents adjustments for EBITDA from divested products which are removed as part of Adjusted EBITDA

FY2023 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2022	FY2023	vs. PY		FY2024 Forecast
Capital expenditures ^{*1}	633.7	480.7	(153.0)	(24.1)%	380.0 - 420.0
Tangible assets	140.7	175.4	34.8	24.7 %	
Intangible assets	493.0	305.3	(187.7)	(38.1)%	
Depreciation and amortization	664.4	728.0	63.6	9.6 %	745.0
Depreciation of tangible assets ^{*2} (A)	153.7	174.1	20.4	13.2 %	
Amortization of intangible assets (B)	510.7	553.9	43.3	8.5 %	
Of which Amortization associated with products (C)	485.1	521.5	36.4	7.5 %	540.0
Of which Amortization excluding intangible assets associated with products (D)	25.6	32.4	6.8	26.7 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	179.3	206.5	27.2	15.2 %	205.0
Impairment losses	64.4	150.0	85.6	133.0 %	
Impairment losses associated with products ^{*3}	57.3	130.6	73.3	127.7 %	50.0
Amortization and impairment losses on intangible assets associated with products	542.4	652.1	109.7	20.2 %	590.0

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D



FY2023 Results vs. Forecast (Oct. 2023)

(BN JPY)	FY2023 Forecast (October 26, 2023)	FY2023 Actual	vs. Forecast		Variations	
REPORTED	Revenue	3,980.0	4,263.8	283.8	7.1 %	FX benefit and business momentum including milder-than-anticipated generic erosion of VYVANSE in the U.S.
	R&D expenses	(680.0)	(729.9)	(49.9)	(7.3)%	Mainly FX headwind and program termination accruals
	Amortization of intangible assets associated with products	(500.0)	(521.5)	(21.5)	(4.3)%	Mainly FX headwind
	Impairment losses on intangible assets associated with products ^{*1}	(120.0)	(130.6)	(10.6)	(8.8)%	Termination of partnered programs (e.g., TAK-007, TAK-573) partially offset by EOHILIA reversal
	Other operating income	14.0	19.4	5.4	38.4 %	
	Other operating expenses	(180.0)	(206.5)	(26.5)	(14.7)%	Includes revaluation of XIIDRA future milestone and EOHILIA milestone payment
	Operating profit	225.0	214.1	(10.9)	(4.9)%	
	Finance income (expenses), net	(157.0)	(167.8)	(10.8)	(6.9)%	
	Profit before tax	70.0	52.8	(17.2)	(24.6)%	Lower operating profit and higher financial expense
	Net profit attributable to owners of the Company	93.0	144.1	51.1	54.9 %	Lower tax due to earnings mix and recognition of previously unrecognized tax losses and disallowed interest expenses
Basic EPS (yen)	59	92	33	54.9 %		
Core Revenue ^{*2}	3,980.0	4,263.8	283.8	7.1 %	FX benefit and business momentum	
Core Operating Profit ^{*2}	1,015.0	1,054.9	39.9	3.9 %	FX benefit and business momentum	
Core EPS (yen)	447	484	36	8.1 %	Lower core tax due to earnings mix	
Free cash flow	400.0 to 500.0	283.4			Mainly litigation payment and higher than anticipated working capital	
CAPEX (cash flow base)	(480.0) to (530.0)	(480.7)				
Depreciation and amortization (excl. intangible assets associated with products)	(180.0)	(206.5)	(26.5)	(14.7)%		
Cash tax rate on adjusted EBITDA (excl. divestitures)	Mid teen %	~15%				
USD/JPY (yen)	137	144	7	5.2 %		
EUR/JPY (yen)	145	156	11	7.8 %		

*1 Includes in-process R&D

*2 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-7 FY2023 Reconciliation from Reported to Core, for reconciliation.



FY2024 Detailed Forecast

(BN JPY)		FY2023 Actual	FY2024 Forecast (May 9, 2024)	vs. PY		Variations
REPORTED	Revenue	4,263.8	4,350.0	86.2	2.0 %	Momentum of Growth & Launch products and FX benefit largely offset by LOE impact (mainly VYVANSE)
	Cost of sales	(1,426.7)	(1,500.0)	(73.3)	(5.1)%	Reflects revenue growth; Gross margin negatively impacted by LOE of VYVANSE
	Gross Profit	2,837.1	2,850.0	12.9	0.5 %	Increased DD&T investment and FX headwind, partially offset by efficiency gains
	SG&A expenses	(1,053.8)	(1,080.0)	(26.2)	(2.5)%	Increased investment in late-stage assets and FX headwind; Low-single-digit increase on CER basis
	R&D expenses	(729.9)	(770.0)	(40.1)	(5.5)%	Mainly FX impact
	Amortization of intangible assets associated with products	(521.5)	(540.0)	(18.5)	(3.5)%	FY2023 Actual includes impairment of ALOFISEL, EXKIVITY etc.; FY2024 based on historical trends
	Impairment losses on intangible assets associated with products ^{*1}	(130.6)	(50.0)	80.6	61.7 %	FY2023 includes litigation expense and revaluation of contingent consideration; FY2024 includes restructuring expenses of JPY 140B
	Other operating income	19.4	15.0	(4.4)	(22.6)%	
	Other operating expenses	(206.5)	(200.0)	6.5	3.2 %	
	Operating profit	214.1	225.0	10.9	5.1 %	
	Finance income (expenses), net	(167.8)	(172.0)	(4.2)	(2.5)%	
	Profit before tax	52.8	55.0	2.2	4.2 %	
	Net profit attributable to owners of the Company	144.1	58.0	(86.1)	(59.7)%	FY2023 includes impact from Irish Revenue settlement; FY2024 positive tax mainly due to earnings mix
	Basic EPS (yen)	92	37	(55)	(60.1)%	
	Core Revenue ^{*2}	4,263.8	4,350.0	86.2	2.0 %	Momentum of Growth & Launch products and FX benefit largely offset by LOE impact (mainly VYVANSE)
	Core Operating Profit ^{*2}	1,054.9	1,000.0	(54.9)	(5.2)%	Product mix impact and R&D and DD&T investment, partially offset by efficiency gains and FX benefit
Core EPS (yen)	484	431	(53)	(10.9)%	Normalization of core tax rate following lower tax rate in FY2023	
Adjusted free cash flow ^{*2}	283.4	350.0 to 450.0			FY2024 reflects VYVANSE decline, cash impact of restructuring, and CAPEX budget for targeted licensing deals	
CAPEX (cash flow base)	(480.7)	(380.0) to (420.0)				
Depreciation and amortization (excl. intangible assets associated with products)	(206.5)	(205.0)	1.5	0.7 %		
Cash tax rate on adjusted EBITDA (excl. divestitures)	~15%	Mid teen %				
USD/JPY	144	150	6	4.1 %		
EUR/JPY	156	160	4	2.4 %		

*1 Includes in-process R&D.

*2 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 Core Financial Measures and A-18 FY2024 Reconciliation from Reported Operating Profit to Core Operating Profit Forecast, for reconciliation. Please also refer to A-1 for the definition and change in the title of Free Cash Flow from FY2024.



FY2024 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) and other adjustments	
Revenue	4,350.0				4,350.0
Cost of sales	(1,500.0)				
Gross Profit	2,850.0				
SG&A expenses	(1,080.0)				(3,350.0)
R&D expenses	(770.0)				
Amortization of intangible assets associated with products	(540.0)	540.0			—
Impairment losses on intangible assets associated with products ^{*1}	(50.0)		50.0		—
Other operating income	15.0			(15.0)	—
Other operating expenses	(200.0)			200.0	—
Operating profit	225.0	540.0	50.0	185.0	1,000.0

*1 Includes in-process R&D



FY2024 Full Year FX Rates Assumptions and Currency Sensitivity vs. Forecast

Average Exchange Rates vs. JPY				Impact of depreciation of yen from April 2024 to March 2025 (100 million JPY)				
	FY2022 Actual (Apr-Mar)	FY2023 Actual (Apr-Mar)	FY2024 Assumption (Apr-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	135	144	150	1% depreciation	225.6	15.0	5.0	67.2
				1 yen depreciation	150.4	10.0	3.3	44.8
EUR	141	156	160	1% depreciation	63.8	(49.4)	(41.4)	(37.5)
				1 yen depreciation	39.9	(30.9)	(25.9)	(23.5)
RUB	2.1	1.6	1.6	1% depreciation	4.5	2.6	2.1	3.1
CNY	19.7	20.1	20.9		19.9	12.2	9.8	12.2
BRL	26.3	29.1	30.4		12.6	8.7	6.9	8.8

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This report and materials distributed in connection with this report 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. 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. Beginning in the quarter ending June 30, 2024, Takeda will (i) change its methodology for CER adjustments to results of subsidiaries in hyperinflation countries to present those results in a manner consistent with IAS 29, Financial Reporting in Hyperinflation Economies, and (ii) re-name Free Cash Flow as currently calculated as "Adjusted Free Cash Flow" (with "Free Cash Flow" to be reported as Operating Cash Flow less Property, Plant and Equipment).

The usefulness of Core Financial Measures to investors has significant limitations including, but not limited to, (i) they are not necessarily identical to similarly titled measures used by other companies, including those in the pharmaceutical industry, (ii) they exclude financial information and events, such as the effects of non-cash expenses such as dispositions or amortization of intangible assets, that some may consider important in evaluating Takeda's 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 (however, it is Takeda's policy not to adjust out normal, recurring cash operating expenses necessary to operate our business) and (iv) they may not include all items which investors may consider important to an understanding of our results of operations, or exclude all items which investors may not consider to be so.

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