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Committed to Growth & Shareholder Returns

FY2023 Earnings Announcement

May 9th, 2024

Better Health, Brighter Future

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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.

Exchange Rates

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

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AGENDA

Introduction & Business Highlights — **Christophe Weber**, President & CEO

Pipeline Update — **Andy Plump**, President, R&D

Financials — **Milano Furuta**, Chief Financial Officer

Q&A Session

Better Health for People, Brighter Future for the World

Our vision is to discover and deliver life-transforming treatments, guided by our commitment to:

PATIENT

- Responsibly translate science into highly innovative, life-changing medicines and vaccines
- Accelerate access to improve lives worldwide

PEOPLE

- Create an exceptional people experience

PLANET

- Protect our planet

…AND BY UNLEASHING THE POWER OF DATA AND DIGITAL

- We strive to transform Takeda into the most trusted, science-driven, digital biopharmaceutical company

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

FY2023 Results: Delivered or Exceeded Management Guidance

Strong Momentum of Growth & Launch Products

- Revenue growth **+1.5% at CER**[1] with Loss of Exclusivity (LOE) impact mitigated by Growth & Launch products **+12.8% at CER**
- Core Operating Profit decline in-line with guidance; reflects LOE of high margin products and investment in R&D and DD&T

FY2023 RESULTS VS MANAGEMENT GUIDANCE[2]

	FY2023 GUIDANCE CHANGE AT CER	FY2023 RESULTS	
CORE REVENUE	Low-single-digit % decline	**+1.5%** at CER	☑
CORE OPERATING PROFIT	Low-10s % decline	**-13.3%** at CER	☑
CORE EPS	Low-20s % decline	**-15.7%** at CER	☑

Important Evolution of our Innovative Pipeline

- Three new U.S. product approvals (**FRUZAQLA**, **ADZYNMA**, **EOHILIA**)
- Important lifecycle management milestones including:
  - **ENTYVIO PEN** approval in the U.S.
  - **HYQVIA** and **GAMMAGARD LIQUID** approvals in CIDP
  - Further endemic country approvals of **QDENGA**
- **Zasocitinib (TAK-279)** progress into Ph3 in psoriasis and Ph2b in ulcerative colitis and Crohn's disease; Ph3 in psoriatic arthritis to commence soon
- **TAK-861** met primary and key secondary endpoints in Ph2b trial in narcolepsy type 1; Ph3 trials to start in H1 of FY24
- Data-driven decisions to not pursue regulatory filing of ALOFISEL in the U.S., to voluntarily withdraw EXKIVITY globally, and to discontinue development of three Ph2 pipeline programs in oncology (modakafusp alfa, subasumstat, TAK-007)

DD&T: Data, Digital, and Technology
1. Constant Exchange Rate. Please refer to appendix slide A-1 for definition.
2. Please refer to appendix slide A-1 for definition of Core financial measures, and slides A-5 and A-7 for reconciliation.

Positioned for Return to Revenue & Profit Growth from FY2025 with Efficiency Program to Deliver Margin Expansion

- FY2024 expected to be final year of significant headwind of VYVANSE Loss of Exclusivity in the U.S.

Return to Sustainable Revenue Growth

Growth & Launch Products expected to represent **~50% of revenue** in FY2024 with **double-digit %** growth at CER

Limited LOE exposure after VYVANSE until early 2030s[1]

Advance Pipeline with Rigorous Prioritization

Prioritizing pipeline to invest in **6** late-stage assets with potential to generate significant value

Drive Efficiencies to Improve Margins

Deliver **100-250bps** Core Operating Profit margin improvement each year from FY2025 towards **low-to-mid 30s%** target

Deliver Attractive Returns to Shareholders

Strong cashflow outlook underpins proposed dividend increase to **196 yen per share in FY2024**

1. Major products expected to face generic/biosimilar competition between FY2024-2029 total less than 10% of FY2023 revenue: Gattex U.S. (FY25), Iclusig U.S. (FY26) , Trintellix U.S. (FY26), Vectibix JP (FY26), Vyvanse EU (FY28), Livtencity U.S. (FY28), Ninlaro U.S. (FY29)

Note: Margin improvement target assumes constant FX rate

Enterprise-wide Program to Drive Efficiencies and Deliver 100-250bps of Core Operating Profit Margin Improvement Each Year From FY2025

Organizational Agility

Focus on agility and organizational simplicity, reducing layers, broadening spans, and refining operating models

Procurement Savings

Optimizing external spend through procurement-led initiatives

Data, Digital & Technology

Targeting increased productivity and efficiency across the whole enterprise through digital, automation, & AI

Freeing up resources to:

- Advance prioritized pipeline
- Execute new product launches
- Continue building DD&T capabilities
- Offset inflation headwinds

While aiming to deliver 100-250bps of Core Operating Profit Margin improvement each year from FY2025 towards low-to-mid 30s% target

JPY 140B of restructuring costs expected to be booked in FY2024 primarily as a result of this program

Note: Margin improvement target assumes constant FX rate

Incorporating Data, Digital & Technology Across the Value Chain to Develop and Deliver Medicines to Patients more Efficiently

Developing digital skills & capabilities

Building In-house Digital Capabilities

- Innovation Capability Centers (ICCs) building internal capabilities to reduce reliance on external vendors, boosting efficiency and saving cost

Data Migration to the Cloud

- 96% of all data has been migrated to Cloud; anticipate complete migration of all apps and data by close of FY2024

Digital-ready Workforce

- Preparing our workforce for a digital future through learning opportunities on digital topics

Strategic Alliances in Digital Health

- Engaging with digital health ecosystem to add value across our pipeline through collaboration, investment and partnership

Integrating data-driven insights into our business operations

Digital Marketing Tools

- **Digital channels with personalized content accessed by 6.7 million individual users** (including HCPs, donors and patients), an increase of 3.4 million since January 2023

PDT Donor Interface

- Improving donor experience through digital appointments and AI-driven inquiry system
- **Approx 1.3 million appointments per month on average via digital channels in FY23**

Clinical Trials

- Leveraging AI, internal & external data to speed recruitment and regulatory filings
- **FDA approval of GAMMAGARD LIQUID for CIDP based in part on real-world evidence from databases licensed by Takeda**

Manufacturing & Supply Chain

- **Incorporating big data and AI to drive efficiencies in quality control**, using sensors and digital cameras to conduct predictive maintenance, root cause analysis, and deviation analysis

Growth & Launch Products Expected to Represent ~50% of Total Revenue in FY2024 with Double-digit Growth Outlook at CER

Balanced Portfolio Across Six Key Business Areas

FY2024 REVENUE FORECASTS AT CER[1]	GI	RARE DISEASES	PLASMA-DERIVED THERAPIES (PDT)	ONCOLOGY	VACCINES	NEUROSCIENCE
GROWTH & LAUNCH PRODUCTS	Entyvio® vedolizumab **+16%** Eohilia™ (budesonide oral suspension) 2mg ***New Launch***	TAKHZYRO® (lanadelumab-flyo) injection **+10%** LIVTENCITY™ (maribavir) tablets 200mg **+54%** ADZYNMA® ADAMTS13, recombinant-krhn ***New Launch***	GAMMAGARD LIQUID, HyQvia, Cuvitru **IMMUNOGLOBULIN** **+5~15%** Flexbumin, HUMANALBUMIN **ALBUMIN** **Single-digit % growth**	ALUNBRIG® BRIGATINIB **+37%** Fruzaqla® (fruquintinib) capsules ***New Launch***	Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated) **>200%**	
OTHER KEY PRODUCTS	Takecab/Vocinti® Gattex/Revestive®	Advate® / Adynovate Vonvendi® Elaprase® / Vpriv®/ Replagal®(EU,JP)	Glassia® Aralast®	Adcetris® (ex-N. America) Ninlaro® / Iclusig® Leuprorelin Zejula®(JP) / Cabometyx®(JP) Vectibix®(JP)	Nuvaxovid® (JP)	Vyvanse® Trintellix®(US,JP)

1. Constant Exchange Rate. Please refer to appendix slide A-1 for definition.
This slides shows Growth & Launch Products as categorized for FY2024 (ALOFISEL and EXKIVITY have been removed). For results of FY2023 Growth & Launch Products performance, please refer to slide 35.

Expect Return to Double-digit Revenue Growth in FY2024

Expect Return to Double-digit Revenue Growth in FY2024

Achieved double-digit global volume growth in FY2023 (+12%) despite U.S. market growth still behind pre-pandemic levels

- FY2023 global revenue grew +6.6% at CER, to JPY 800.9B ($5.3B)[1]; lower than volume growth due to price erosion and clawbacks ex.-U.S.

Stable #1 market share in U.S. bio-naïve new starts

- 1L share durable through competitive launches that have mostly competed in later lines of therapy and/or within class of alternative mechanisms of action (e.g. anti-TNFs, IL12/23s)

Remain confident in peak sales outlook of $7.5-9.0B

- Unique brand equity established >10 years
- Continued volume growth expected supported by new IV/SC flexibility with U.S. launch of ENTYVIO Pen in UC and Crohn's disease
- New and ongoing lifecycle management to enhance long-term growth

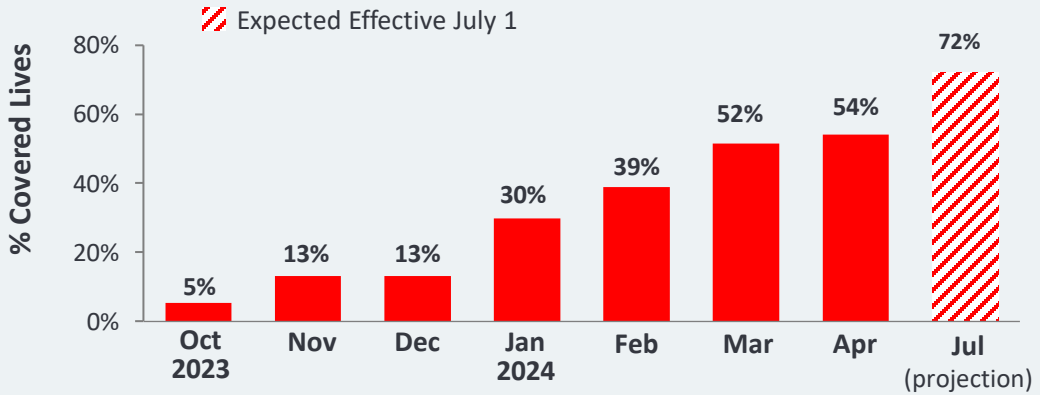
Focus on Launch Success of ENTYVIO SC/Pen

SC/PEN launched in 50+ markets and driving incremental growth

- Launched ENTYVIO Pen in Crohn's disease in the U.S. in April 2024, following UC launch in Nov 2023, to unlock full market opportunity (SC represents 35-40% of the U.S. IBD market[2])
- High level of interest for ENTYVIO Pen and establishing formulary access; 10% of ENTYVIO Pen prescribers are new to ENTYVIO, with another 20% returning after >1 year of not prescribing
- Overall ENTYVIO volume growth in EU outperforming the market at +14% largely driven by successful SC launches: >40% volume growth with no major access challenges; SC now makes up ~ ⅓ of total ENTYVIO volume in EU

ENTYVIO Pen U.S. National Payer Access[3]

(Commercial + Federal + Health Exchange)



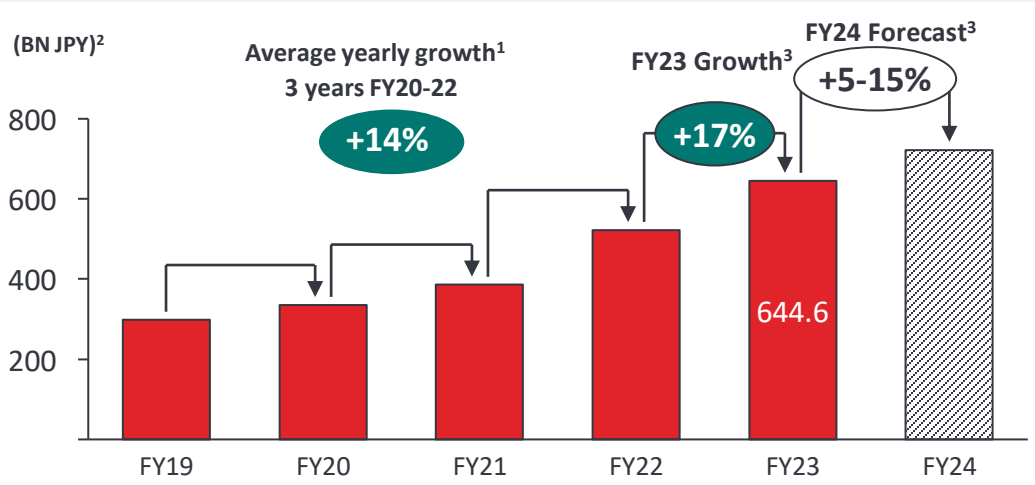
1. Please refer to disclaimer on Exchange Rates on slide 2
2. Source: Symphony PTD Claims data Dec 2023
3. Data derived from Managed Market Insights & Technology (MMIT). April 2024.

Plasma-Derived Therapies a Steady Long-term Growth Driver

Double-Digit Growth of PDT Driven by Immunoglobulin

- Total PDT portfolio double-digit sales growth (+12%[3]) in FY2023, outperforming the market and meeting growth guidance
- Strong growth fueled by IG global demand with continued expansion of subcutaneous therapies
- Early signal of strong demand uptake post approvals of label expansion for GAMMAGARD LIQUID and HYQVIA in CIDP

IG REVENUE



Positioned for Long-term Growth & Margin Expansion

Expanding & improving collection and manufacturing network

- Global plasma donation footprint doubled over the past 5 years with 27 new centers in FY2023, totaling 260 worldwide; deployment of personalized nomogram underway
- Targeting >50% increase in manufacturing capacity from FY23 to end FY28 through incremental investments to increase yield, expand capacity and create efficiencies

Dedicated R&D team to deliver new innovations in PDT

- Expanding indications and geographies of existing portfolio
- Redefining patient experience with improved formulations

TAK-881	Prothromplex	TAK-880	HYQVIA	HYQVIA
PID	DOAC Reversal (US)	RTU IgG low IgA (US)	CIDP, MMN (Japan)	PID, SID (Japan)
Phase 3		Target filing FY24		Target approval FY24

Sharpened focus to improve margin

- Delivering cost savings from end-to-end process improvement, donor compensation segmentation and digital innovation
- Improving core operating profit margins following pandemic since H1 FY2023

Long-term IG growth potential remains strong despite the entry of new modalities in neuroimmunology indications

1. Revenue growth for FY2019 to FY2020 and FY2020 to FY2021 is calculated using underlying revenue growth, whereas revenue growth for FY2021 to FY2022 uses revenue growth on a constant exchange rate ("CER") basis. Following FY2021, Takeda no longer discloses underlying metrics. Although both underlying revenue growth and CER growth make adjustments intended to hold exchange rates constant for the purposes of comparing year-over-year growth, CER growth uses actual corresponding exchange rates in the same period of the previous fiscal year, while underlying revenue growth uses a single plan rate selected by Takeda. By definition, underlying revenue growth also excludes non-recurring items and the impacts of divestitures, but there were no such items excluded in calculation of Immunoglobulin (IG) Revenue growth during these periods. Accordingly, the two metrics are neither equivalent nor directly comparable and, had revenue growth been calculated on a CER basis for FY2019 to FY2020 and FY2020 to FY2021, the amounts would be different than the underlying revenue growth amounts. Furthermore, reported revenue growth for IG for FY2019 to FY2020, FY2020 to FY2021, and FY2021 to FY2022 were 12.1%, 15.2% and 22.5%, respectively and average of these growth rates was 16.6%. For the definition of CER, please refer to appendix slide A-1. For the definition of Underlying revenue, please refer to https://assets-dam.takeda.com/raw/upload/v1662727323/legacy-dotcom/siteassets/system/investors/report/quarterlyannouncements/fy2021/qr2021_q4_p01_en.pdf.
2. Absolute values are presented on an IFRS (reported) basis.
3. Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

For full glossary of abbreviations please refer to appendix.

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Key FY23 Pipeline Achievements Yields Maturing Late-Stage Pipeline

NEW MOLECULAR ENTITY (NME) APPROVALS

Fruzaqla™ (fruquintinib) capsules
U.S. mCRC[1]
(previously treated)

ADZYNMA ADAMTS13, recombinant-krhn
U.S. cTTP
Japan cTTP

Eohilia™ (budesonide oral suspension) 2mg
U.S. EoE

KEY LIFE CYCLE MANAGEMENT APPROVALS

Entyvio® vedolizumab
U.S. UC
(Sub-Cutaneous)

Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated)
Argentina, Thailand, Columbia, Malaysia

HyQvia Human Normal Immunoglobulin (10%) Recombinant Human Hyaluronidase
U.S. + EU CIDP
(maintenance)

Entyvio® vedolizumab
U.S. Crohn's[2]
(Sub-Cutaneous)

ICLUSIG® (ponatinib) tablets
U.S. 1L Ph+ ALL

Cuvitru [Immune Globulin Subcutaneous (Human)] 20%
EU SID
Japan PID/SID

GAMMAGARD LIQUID [Immune Globulin Intravenous (Human)] 10%
U.S. CIDP

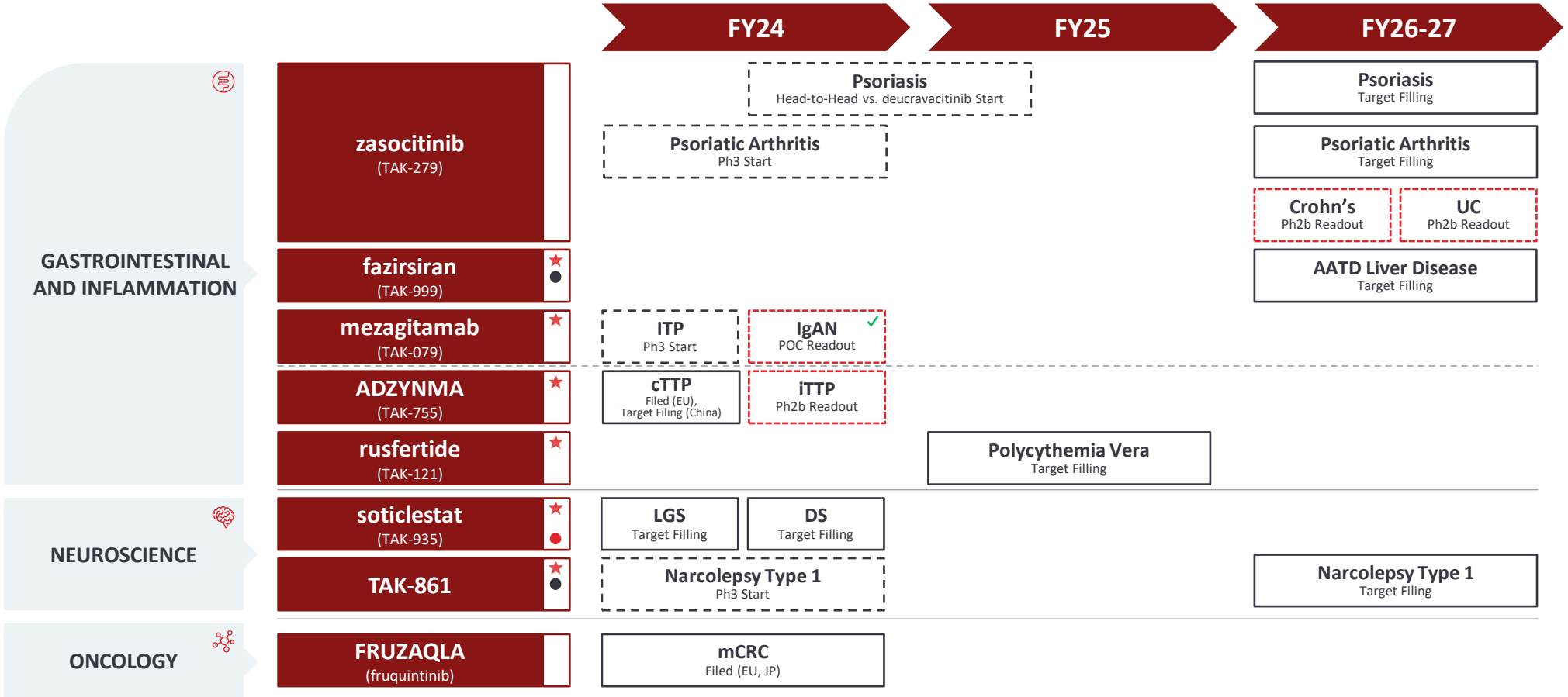
MAJOR GLOBAL NME MILESTONES

zasocitinib (TAK-279) Psoriasis **Phase 3 start**	**TAK-861** Narcolepsy Type 1 **+ Phase 2b data** **Phase 3 start FY2024**
zasocitinib (TAK-279) Psoriatic Arthritis **+ Phase 2b data** **Phase 3 start FY2024**	**danavorexton (TAK-925)** Postanesthesia Recovery **+ Phase 1b data** **Phase 2 start**
zasocitinib (TAK-279) Crohn's + UC **Phase 2b start[3]**	**mezagitamab (TAK-079)** Immune Thrombocytopenia **+ Phase 2b data** **Phase 3 start FY2024** **+ POC data IgAN[4]**
rusfertide (TAK-121) Polycythemia Vera **Partnered addition to Phase 3** **Target filing FY2025**	**TAK-653** Inadequate Response to MDD **+ Phase 2b data[5]**

1. Positive CHMP opinion for previously treated mCRC received in April 2024.
2. Approval for ENTYVIO SC in Crohn's Disease occurred in April 2024
3. Study actively recruiting
4. Mezagitamab had positive proof-of-concept data April 2024
5. TAK-653/NBI-1065845 Phase 2b data readout occurred in April 2024; Partnered with Neurocrine

For full glossary of abbreviations please refer to appendix.
CIDP: chronic inflammatory demyelinating polyradiculoneuropathy
cTTP: congenital thrombotic thrombocytopenic purpura
EoE: eosinophilic esophagitis
IgAN: immunoglobulin A nephropathy
ITP: immune thrombocytopenia
mCRC: metastatic colorectal cancer
MDD: major depressive disorder
Ph+ ALL: Philadelphia chromosome+ acute lymphoblastic leukemia
PID/SID: primary immunodeficiency; secondary immunodeficiency

Developing Life Transforming Medicines for Rare and More Prevalent Diseases: Six Late-Stage Programs have the Potential to Generate Significant Value



★ Orphan drug designations in at least one indication

● US Breakthrough and/or EU PRIME designations in at least one indication

● Japan SAKIGAKE and/or China Breakthrough designations in at least one indication

Late-stage program: Program in or expected to be in potential pivotal trial or having achieved proof-of-concept.

Targeted pivotal study / Phase 3 start

Proof-of-concept/Dose ranging Phase 2 study readout

✓ Milestone achieved

Target Filing, anticipated year of filing for regulatory approval

Approved

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Data Driven Decisions in FY23 Ensure Focus on the Most Promising Programs Across Three Core Therapeutic Areas

New to Phase 1

- TAK-360 ★ NT2 / IH[1]
- TAK-012 Acute myeloid leukemia

New to Phase 2

- zasocitinib TAK-279 Crohn's Disease
- zasocitinib TAK-279 Ulcerative Colitis[2]
- danavorexton Postanesthesia recovery
- dazostinag Solid tumors[3]

New to Phase 3

- rusfertide ★ Polycythemia Vera
- zasocitinib TAK-279 Psoriasis
- ADYNOVATE® recombinant Factor VIII HemA (CN)
- LIVTENCITY® ★ Pediatric Post-transplant CMV infection
- TAK-881 PID

Removed from Phase 1

- ADZYNMA® SCD
- TAK-105 Nausea & vomiting
- TAK-647 NASH
- TAK-920 Alzheimer's Disease
- modakafusp alfa Solid tumors
- TAK-102 Solid tumors
- TAK-103 Solid tumors
- TAK-940 CD19+ hematologic malignancies
- TAK-426 Zika Vaccine

Removed from Phase 2

- mezagitamab MG
- TAK-951 Nausea & vomiting
- TAK-041 Anhedonia in MDD
- TAK-071 Parkinson's Disease
- TAK-611 MLD (intrathecal)
- TAK-861 NT2
- modakafusp alfa R/R MM
- subasumstat Multiple cancers
- TAK-007 CD19+ hematologic malignancies

Removed from Phase 3

- EXKIVITY® 1L NSCLC EGFR exon 20
- ALOFISEL® Perianal Fistulas in Crohn's (US)
- NINLARO® Maint. ND MM post-SCT (US, EU)
- relugolix Prostate cancer (JP, CN)[4]
- ZEJULA® Breast cancer (JP)
- ADCETRIS® FL PTCL-NOS (EU)[5]
- VONVENDI® vWD Adult Prophylaxis (CN)

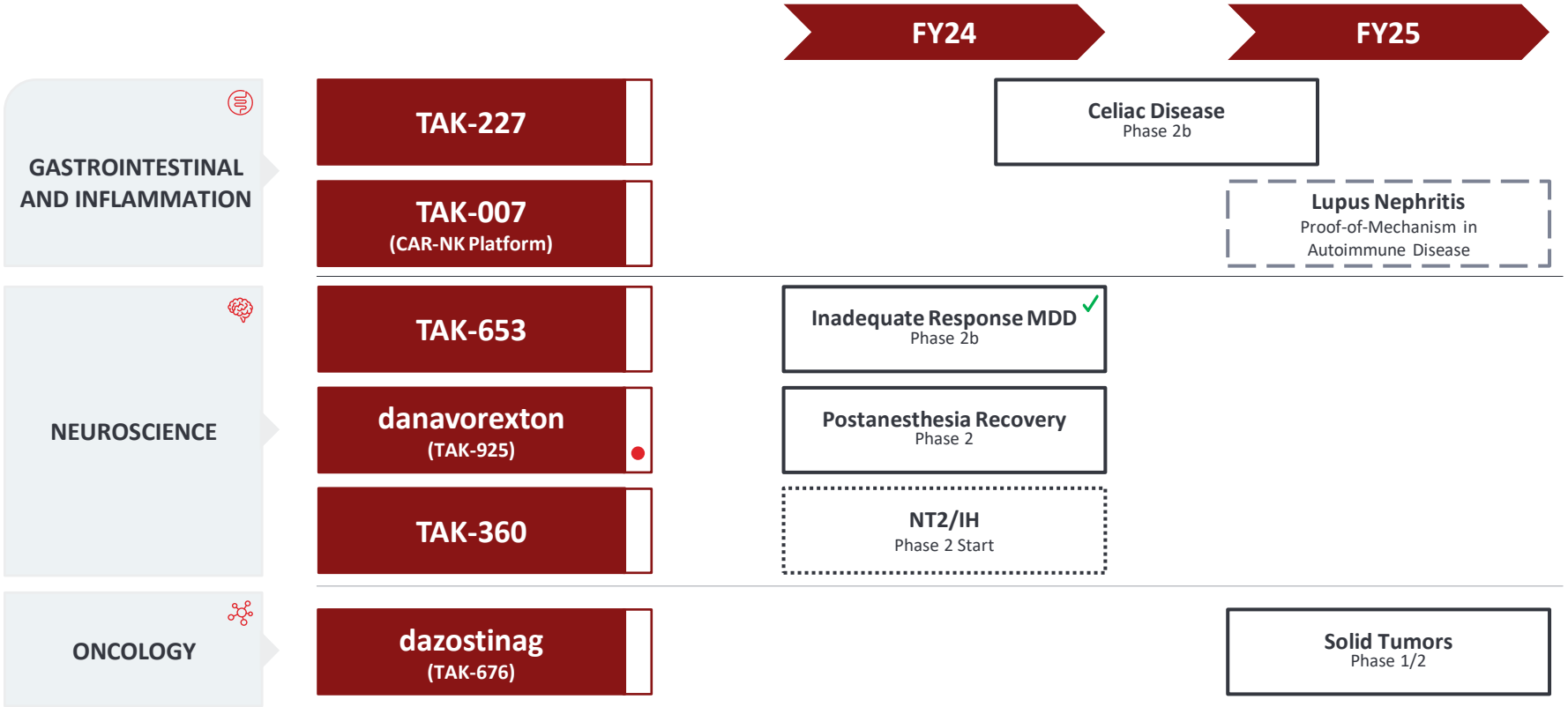
1. Milestone achieved in May 2024
2. Study actively recruiting
3. Currently in phase 2 of a phase 1/2 trial.
4. Relugolix development in prostate cancer suspended.
5. ADCETRIS FL PTCL-NOS filing in EU has been withdrawn

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

NME | LCM

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. Only major regions (U.S., EU, Japan, China). For full glossary of abbreviations please refer to appendix.

Impactful Pipeline Milestones for Early to Mid-Stage Programs Address Unmet Patient Needs and Advance Science



Proof-of-concept (POC): Achieving proof-of-concept means obtaining clinical data sufficient to initiate pivotal trials or late-stage development. A "readout(s)" for a clinical trial occurs when Takeda has (1) received the relevant clinical data, (2) completed any necessary analysis and review of such clinical data, and (3) in instances where it is required or otherwise common convention or practice, consulted with applicable regulatory authorities regarding such clinical data. Where a readout is indicated for a class of related indications (e.g., solid tumors) involving multiple POC clinical trials, such readout occurs upon the earlier of (1) the first achievement of POC in an indication in such class, or (2) the conclusion of all of the POC clinical trials in such class.

- Clinical proof-of-mechanism
- Proof-of-concept to inform Go/No-go to pivotal trial
- Phase 2 Start
- Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
- ✓ Milestone achieved

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Upcoming Pipeline Milestones and Key Data Presentations

	H1 FY24	H2 FY24
Pipeline Milestones	**ENTYVIO SC – Crohn's Disease** ✓ Approval (US)	**HYQVIA – PID, SID** Approval (JP)
	soticlestat – DS, LGS Phase 3 Readout[1]	**zasocitinib (TAK-279) – Psoriasis** Phase 3 Complete Enrollment
	TAK-861 – NT1 Phase 3 Start	**zasocitinib (TAK-279) – Psoriatic Arthritis** Phase 3 Start
	mezagitamab (TAK-079) – IgAN Go/No-go to Phase 3	**mezagitamab (TAK-079) – ITP** Phase 3 Start
	TAK-360 – Next-Gen Orexin ✓ Phase 1 Start	**ADZYNMA – iTTP** Phase 2b Readout
		danavorexton (TAK-925) – Postanesthesia Recovery Phase 2 Readout
Key Data Presentations	**TAK-861 – NT1** Phase 2b data at SLEEP 2024	**R&D Day**
	mezagitamab (TAK-079) – ITP Phase 2b data presentation	**mezagitamab (TAK-079) – IgAN** Proof-of-Concept data presentation

✓ Milestone achieved

1. The soticlestat Phase 3 trials have completed enrollment for DS and LGS. Takeda will release the results of both phase 3 trials simultaneously to assure the integrity of both trials.

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Slide only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Mezagitamab (TAK-079): Anti-CD38 Antibody with Autoimmune Disease Modifying Potential Entering Phase 3

Mezagitamab is a fully human anti-CD38 antibody administered in a low volume SC formulation

CD38 binding properties lead to sustained and selective depletion of disease-causing target cells

Weekly or biweekly dosing leads to

Rapid & sustained depletion of

- **plasma cells**
- **subsets of NK cells, regulatory T- and B-cells**

Cell depletion reduces pathogenic antibodies, altering disease pathogenesis without causing infections

Robust Ig reduction observed in multiple indications

IgG up to 41%[1]

IgA up to 70%[1]

IgM up to 35%[1]

Gd-IgA1 up to 62%[2]

MOA clinically validated in two clinical trials of patients with ITP and IgA Nephropathy

Rapid & Sustained
Platelet Response[3]

Strongly Positive
Proteinuria data

Favorable Safety Profile

Mezagitamab's MoA is well suited to treat diseases caused by pathogenic antibodies
Next steps: IgAN go/no-go to Phase 3 - ITP data presentation - IgAN data presentation - ITP Phase 3 start

1. Takeda data on file. Mean reduction from baseline.
2. Galactose-deficient IgA1 mean reduction from baseline during 36-week treatment; Takeda data on file.
3. Takeda Press Release on ITP phase 2 topline results (March 13, 2024)

AGENDA

Introduction & Business Highlights — **Christophe Weber**, President & CEO

Pipeline Update — **Andy Plump**, President, R&D

Financials — **Milano Furuta**, Chief Financial Officer

Q&A Session

FY2023 Revenue +1.5% at CER Despite Significant LOE Impact; Reported Profits Impacted by Impairments of ALOFISEL & EXKIVITY

FY2023 (APR-MAR) FINANCIAL RESULTS (SUMMARY)

(BN YEN, except EPS)	REPORTED			CORE[1]			
	FY2023	FY2022	ACTUAL % CHANGE	FY2023	FY2022	ACTUAL % CHANGE	CER[2] % CHANGE
REVENUE	**4,263.8**	4,027.5	**+5.9%**	**4,263.8**	4,027.5	**+5.9%**	**+1.5%**
OPERATING PROFIT	**214.1**	490.5	**-56.4%**	**1,054.9**	1,188.4	**-11.2%**	**-13.3%**
Margin	***5.0%***	*12.2%*	***-7.2pp***	***24.7%***	*29.5%*	***-4.8pp***	
NET PROFIT	**144.1**	317.0	**-54.6%**	**756.8**	866.4	**-12.6%**	**-15.0%**
EPS	**92 yen**	204 yen	**-54.9%**	**484 yen**	558 yen	**-13.4%**	**-15.7%**

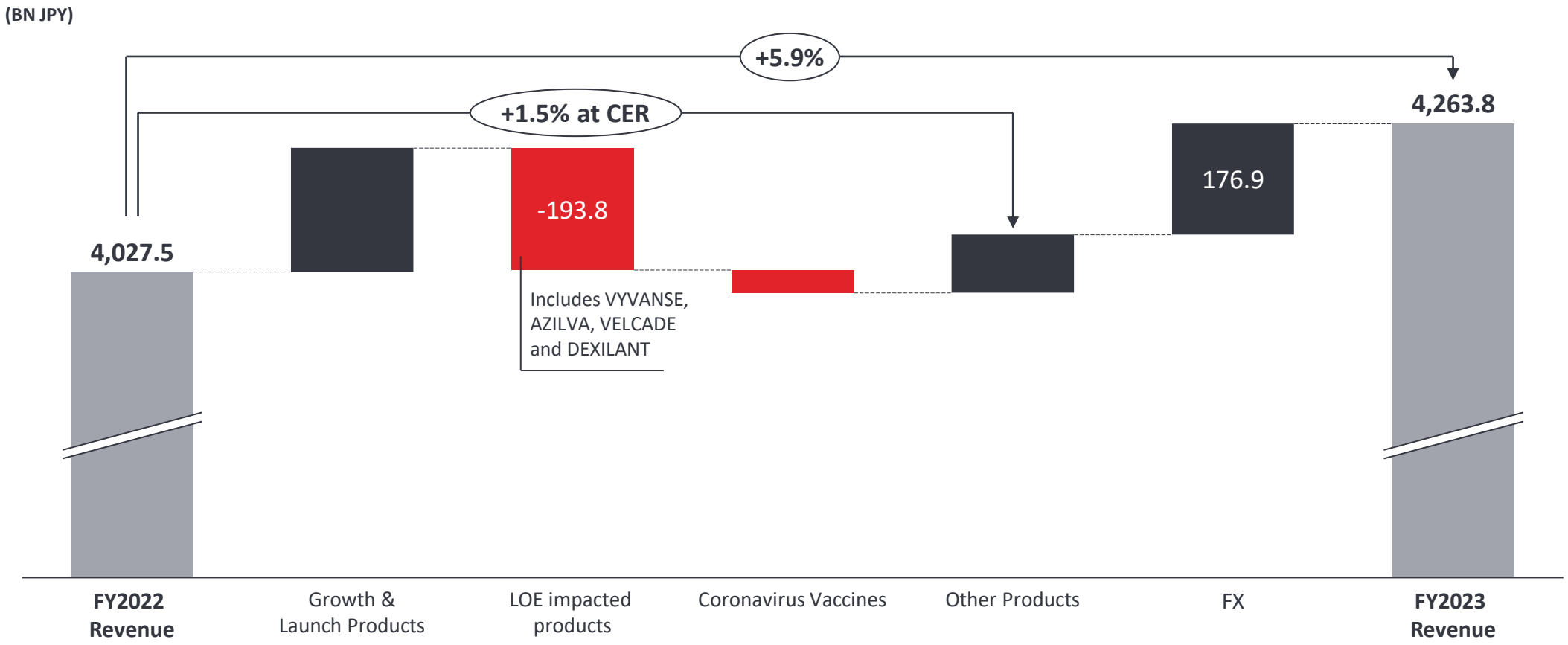
OPERATING CASH FLOW	**716.3**	977.2	**-26.7%**
FREE CASH FLOW[3]	**283.4**	446.2	**-36.5%**

LOE: Loss of Exclusivity

1. Please refer to appendix slide A-1 for definition of Core financial measures, and slides A-7 and A-9 for reconciliation.
2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition
3. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation

FY2023 Revenue Growth +1.5% at CER Despite Significant LOE Impact

FY2023 REVENUE VS PRIOR YEAR

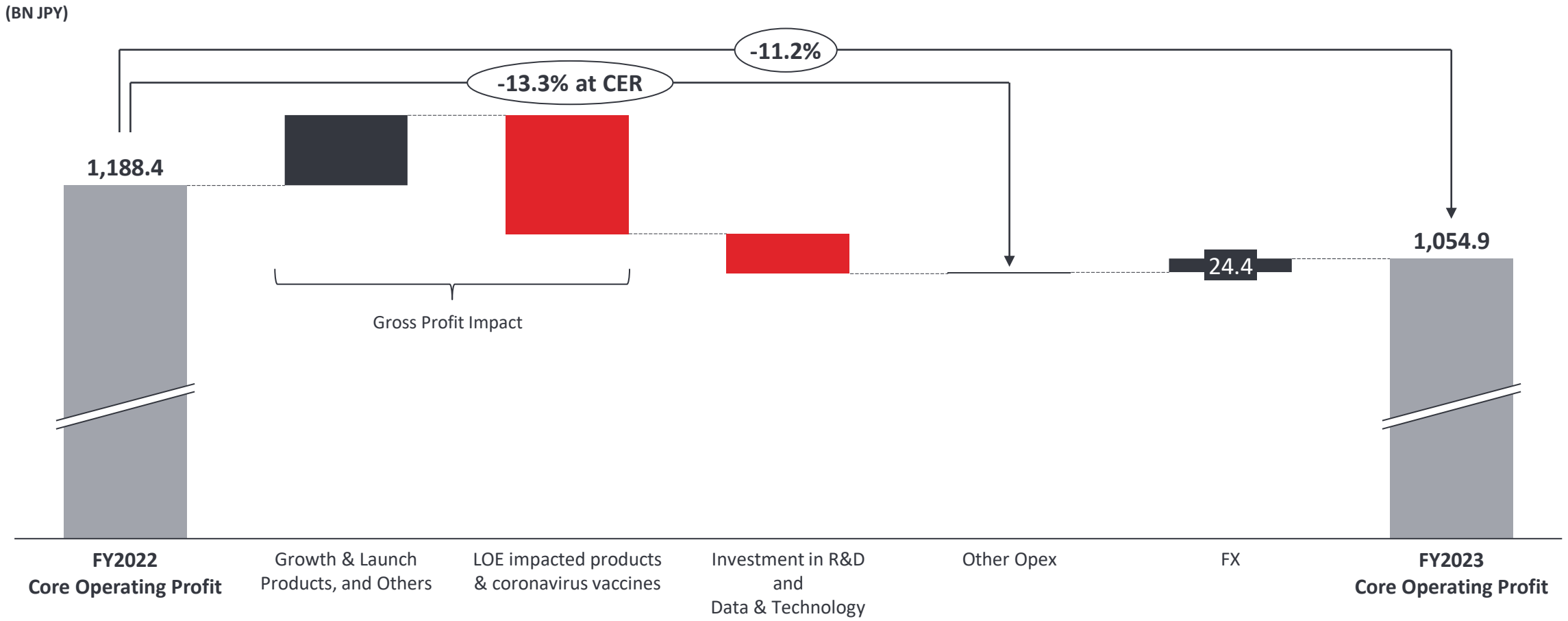


Graphs are illustrative

For FY2023 versus FY2022 comparison, Reported Revenue and Core Revenue are equivalent, as no Core adjustment was made to revenue in either year.

FY2023 Core Operating Profit Impacted by LOE of Higher Margin Products & Investment in R&D and Data, Digital & Technology

FY2023 CORE OPERATING PROFIT VS PRIOR YEAR

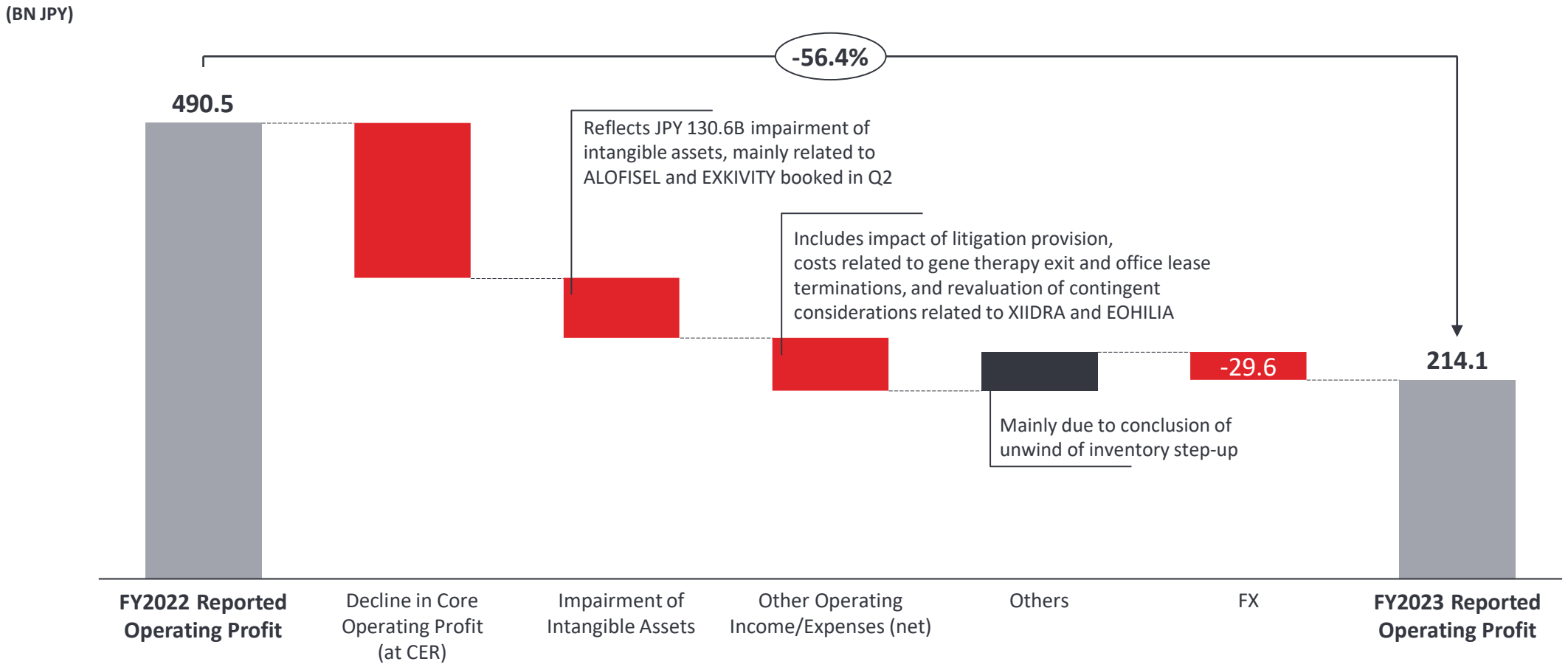


Graphs are illustrative

Note: Core Operating Profit is a non-IFRS metric. Please refer to appendix for definitions and reconciliations.

FY2023 Reported Operating Profit Decline Reflects Impairments of ALOFISEL & EXKIVITY as well as Higher Other Operating Expenses

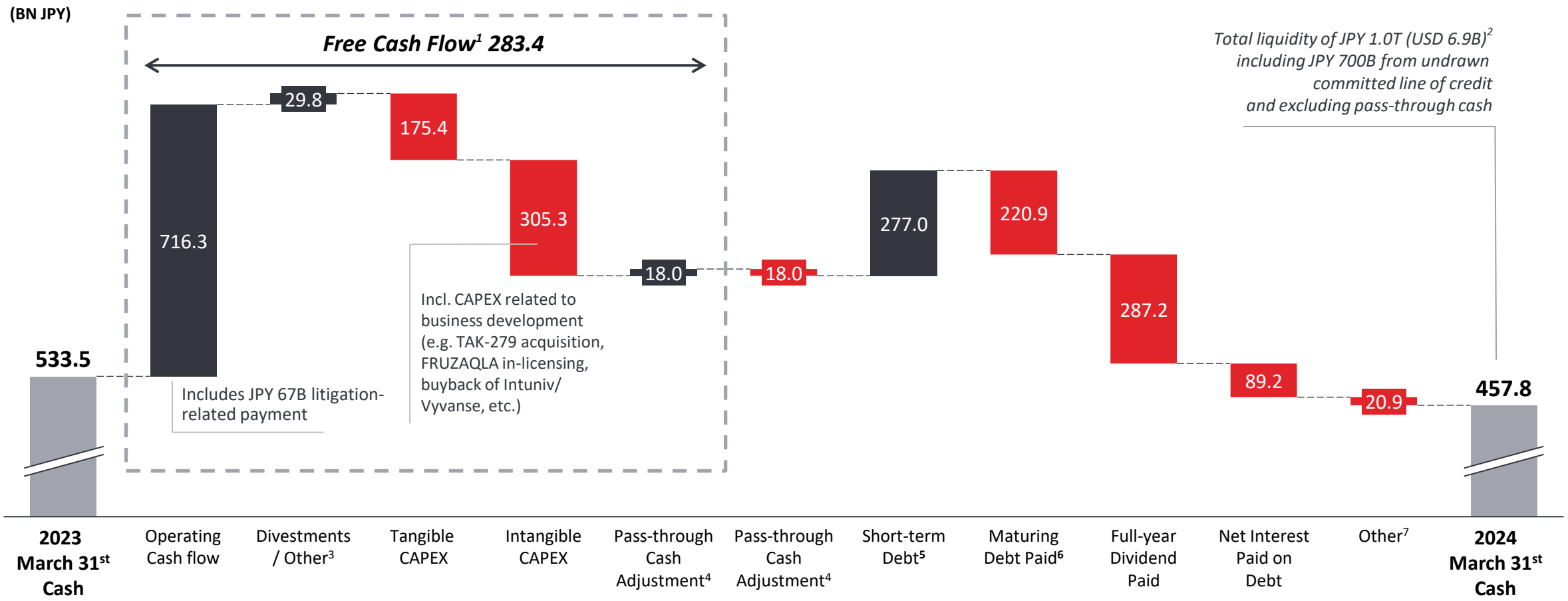
FY2023 REPORTED OPERATING PROFIT VS PRIOR YEAR



Graphs are illustrative
Note: Core Operating Profit is a non-IFRS metric. Please refer to appendix for definitions and reconciliations.

FY2023 Free Cash Flow Exceptionally Low Because of VYVANSE LOE Impact, Litigation-related Payment, and CAPEX for Business Development

FY2023 CASH FLOW



1. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation.
2. Please refer to disclaimer on Exchange Rates on slide 2.
3. "Divestments / Other" includes proceeds from sale of assets (securities/real estate etc.) net of certain investments
4. "Pass-through cash 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. This Adjustment ensures that Free Cash Flow is not impacted by any change in Pass-through cash during the current reporting period.
5. "Short-term debt" refers to Commercial Paper drawings
6. "Maturing Debt Paid" refers mostly to JPY 145.9B ($1B of 2.875% September 2023 USD Bonds) and JPY 74.6B ($0.5B of 4.4% November 2023 USD Bonds)
7. "Other" indicates items such as FX impact on cash, lease obligations, certain investments and re-setting of certain derivatives

FY2024 Outlook for Continued Decline of VYVANSE in the U.S.; Investing for Growth While Driving Efficiency to Deliver JPY 1 Trn Core Op Profit

(BN YEN, except EPS)	REPORTED		CORE		CORE CHANGE AT CER
	FY2024 FORECAST	VS. PRIOR YEAR	FY2024 FORECAST	VS. PRIOR YEAR	FY2024 MANAGEMENT GUIDANCE
REVENUE	4,350.0	+2.0%	4,350.0	+2.0%	**Flat to slightly declining**
OPERATING PROFIT	225.0	+5.1%	1,000.0	-5.2%	**Approx 10% decline**
EPS	37 yen	-60.1%	431 yen	-10.9%	**Mid-10s% decline**

ADJUSTED FREE CASH FLOW[1]	350.0 – 450.0
ANNUAL DIVIDEND PER SHARE	196 yen

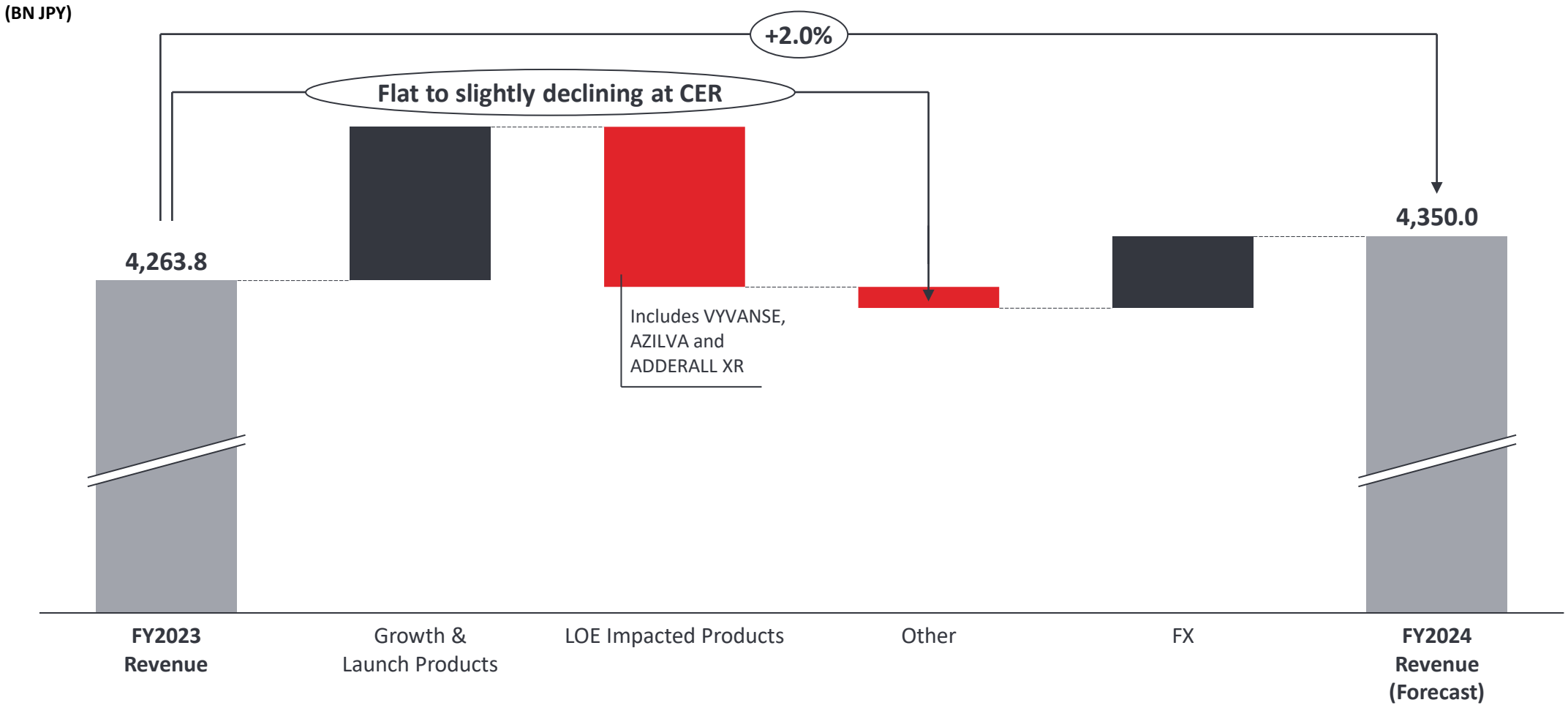
- Revenue expected to be flat to slightly declining at CER, with Growth & Launch Products momentum more than offset by continued impact of LOE
- Core Operating Profit decline expected due to VYVANSE erosion and modest increase in R&D and DD&T investment to drive long-term competitiveness
- Reported Operating Profit forecast includes JPY 140B of restructuring expenses to realize efficiencies
- Adjusted Free Cash Flow forecast reflects VYVANSE erosion, cash impact of restructuring, and CAPEX budget for targeted licensing deals
- Dividend increase to 196 yen reflects confidence in return to revenue and profit growth from FY2025

Key assumptions in FY2024 forecast:
- Forecast assumes global VYVANSE revenue of JPY 225.0B, a year-on-year decline of JPY 198.2B (-49% at CER).
- Forecast assumes 150 JPY/USD and 160 JPY/EUR. Please refer to appendix slide A-19 for more details on FX assumptions and sensitivity.

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.
Please refer to appendix slide A-17 for more details of the FY2024 forecast
1. From FY2024, we will 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).

FY2024 Revenue Flat to Slightly Declining at CER, with Growth & Launch Products Momentum More than Offset by Continued Impact of LOE Including VYVANSE

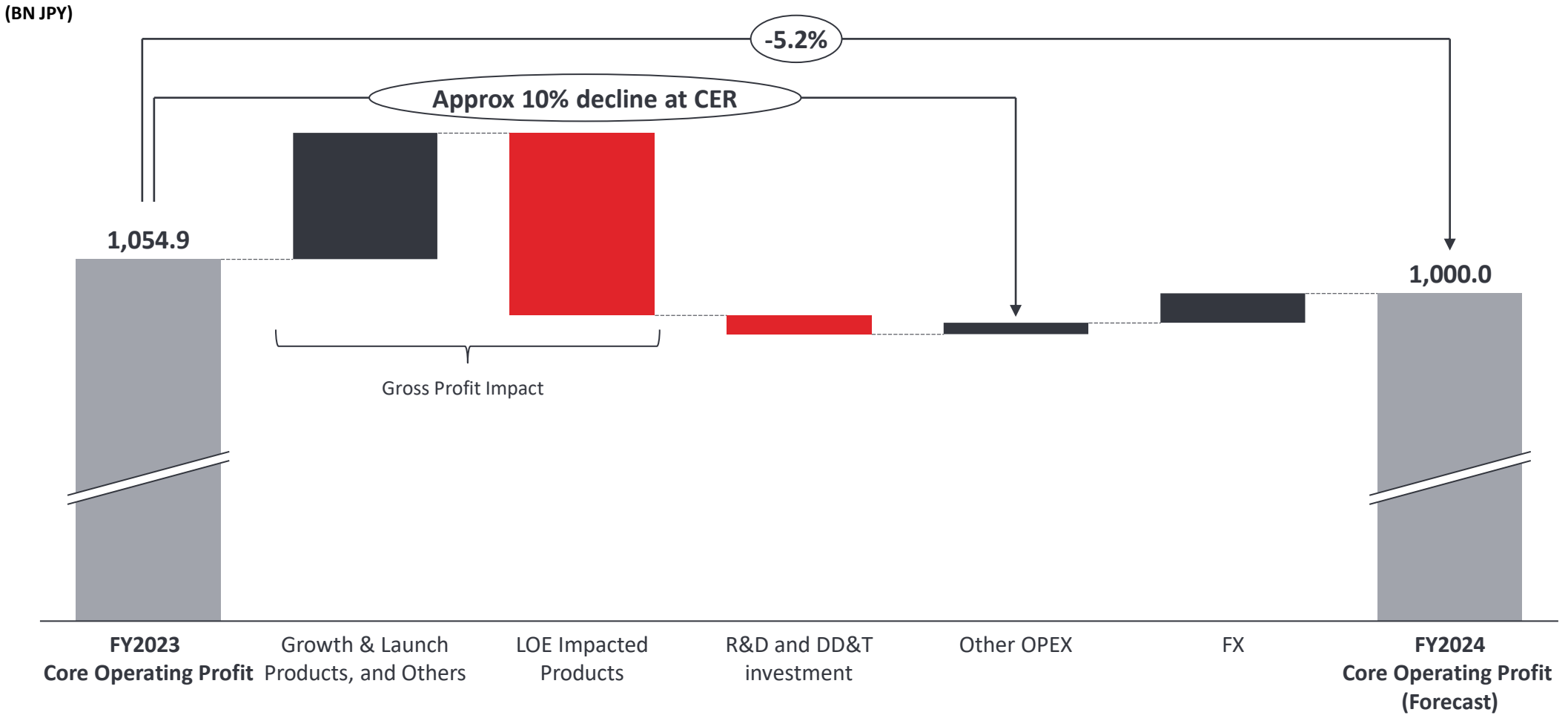
FY2024 REVENUE FORECAST



Graphs are illustrative

Core Operating Profit Growth Declining due to VYVANSE Erosion & Modest Increase in R&D and DD&T Investment to Drive Long-term Competitiveness

FY2024 CORE OPERATING PROFIT FORECAST



Graphs are illustrative

Enterprise-wide Program to Drive Efficiencies and Deliver 100-250bps of Core Operating Profit Margin Improvement Each Year From FY2025

Organizational Agility

Focus on agility and organizational simplicity, reducing layers, broadening spans, and refining operating models

Procurement Savings

Optimizing external spend through procurement-led initiatives

Data, Digital & Technology

Targeting increased productivity and efficiency across the whole enterprise through digital, automation, & AI

MID-TERM OUTLOOK FROM FY2025

- Return to sustainable revenue growth driven by Growth & Launch products after VYVANSE Loss of Exclusivity
- Gross Margin to gradually improve due to product mix and efficiencies in manufacturing & supply chain
- SG&A ratio to steadily decline, driving majority of Core Operating Profit margin improvement (SG&A expenses flat to slightly declining on absolute basis)
- R&D investment managed with discipline to advance pipeline with broadly neutral impact on margins
- **100-250bps of Core Operating Profit Margin improvement each year towards low-to-mid 30s%**

JPY 140B of restructuring costs expected to be booked in FY2024 primarily as a result of this program

Note: Margin improvement target assumes constant FX rate

Committed to Growth & Shareholder Returns

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.

INVEST IN GROWTH DRIVERS

- Strategic investment in internal & external opportunities to enhance the pipeline
- New product launches
- Plasma-Derived Therapies

SHAREHOLDER RETURNS

- Progressive dividend policy of increasing or maintaining the dividend each year
  - » Proposed increase to 196 yen in FY2024
- Share buybacks when appropriate

Positioned for Return to Revenue & Profit Growth from FY2025 with Efficiency Program to Deliver Margin Expansion

- FY2024 expected to be final year of significant headwind of VYVANSE Loss of Exclusivity in the U.S.

Return to Sustainable Revenue Growth

Growth & Launch Products expected to represent **~50% of revenue** in FY2024 with **double-digit %** growth at CER

Limited LOE exposure after VYVANSE until early 2030s[1]

Advance Pipeline with Rigorous Prioritization

Prioritizing pipeline to invest in **6** late-stage assets with potential to generate significant value

Drive Efficiencies to Improve Margins

Deliver **100-250bps** Core Operating Profit margin improvement each year from FY2025 towards **low-to-mid 30s%** target

Deliver Attractive Returns to Shareholders

Strong cashflow outlook underpins proposed dividend increase to **196 yen per share in FY2024**

1. Major products expected to face generic/biosimilar competition between FY2024-2029 total less than 10% of FY2023 revenue: Gattex U.S. (FY25), Iclusig U.S. (FY26) , Trintellix U.S. (FY26), Vectibix JP (FY26), Vyvanse EU (FY28), Livtencity U.S. (FY28), Ninlaro U.S. (FY29)

Note: Margin improvement target assumes constant FX rate

Q&A SESSION

CHRISTOPHE WEBER
Representative Director;
President & CEO

ANDY PLUMP
Director; President,
Research & Development

MILANO FURUTA
Chief Financial Officer

RAMONA SEQUEIRA
President,
Global Portfolio Division

JULIE KIM
President,
US Business Unit

GILES PLATFORD
President, Plasma-Derived
Therapies Business Unit

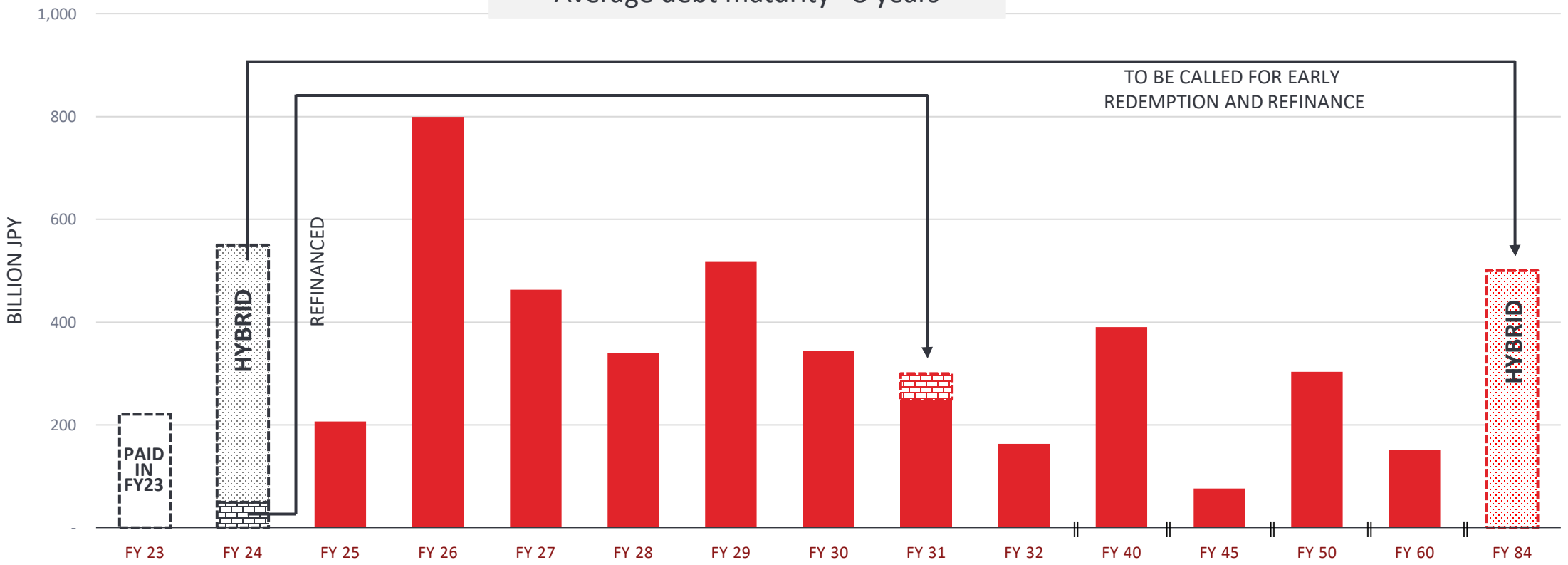
TERESA BITETTI
President, Global Oncology
Business Unit

APPENDIX

Planned Hybrid Refinance in FY2024; No More Outstanding Debt Maturing in FY2024

MATURITY LADDER AS OF 31 MARCH 2024 (AS ADJUSTED)[1]

100% of outstanding debt at fixed rates
1.6% weighted average interest
Average debt maturity ~8 years

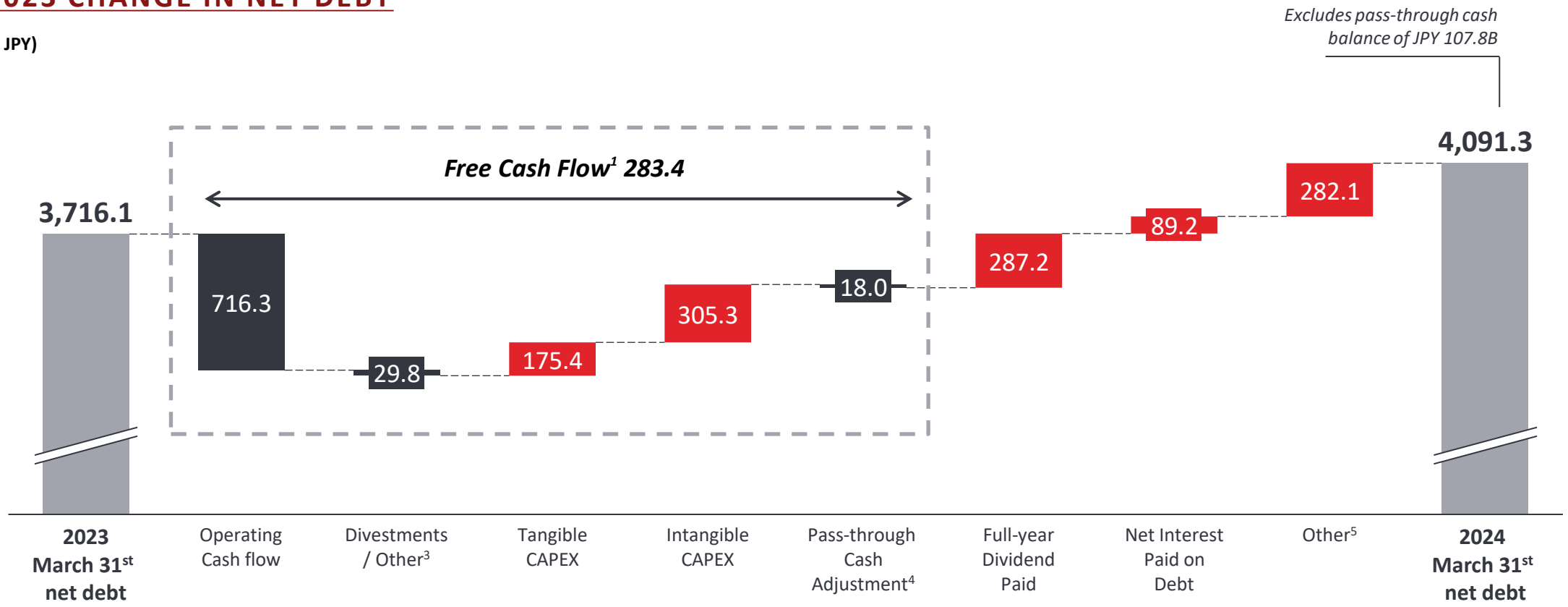


1. Debt Maturity Profile of outstanding principal values as of March 31, 2024, as adjusted for debt paid/refinanced.
Non-JPY debt principal calculated as at end of March 2024 FX Rates (151.47 JPY/USD and 163.22 JPY/EUR). This reflects the actual conversion rate used for reporting purposes.

Net Debt/Adjusted EBITDA Impacted by Lower EBITDA due to VYVANSE LOE

FY2023 CHANGE IN NET DEBT

(BN JPY)



Adj. EBITDA[2] (BN JPY)	1,421.8									1,319.9
Net Debt / Adj. EBITDA	2.6x									3.1x

1. Please refer to appendix slide A-1 for definition and slide A-11 for reconciliation.
2. Please refer to appendix slide A-1 for definition and slides A-12 to A-14 for reconciliations.
3. "Divestments / Other" includes proceeds from sale of assets (securities/real estate etc.) net of certain investments.
4. "Pass-through cash 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. This Adjustment ensures that Free Cash Flow is not impacted by any change in Pass-through cash during the current reporting period.
5. Includes cash and non-cash adjustments to debt book-value, lease obligations, certain investments and re-setting of certain derivatives. Non-cash adjustments include changes due to debt amortization and FX impact from converting non-JPY debt into JPY.

Growth & Launch Products +12.8% at CER; Represent 43% of Total Revenue

FY2023 REVENUE	GI % of Sales: 29% Growth: +5%	RARE DISEASES % of Sales: 18% Growth: +4%	PLASMA-DERIVED THERAPIES (PDT) IMMUNOLOGY % of Sales: 19% Growth: +14%	ONCOLOGY % of Sales: 11% Growth: +2%	NEUROSCIENCE % of Sales: 15% Growth: -8%	OTHER % of Sales: 9% Growth: -18%
GROWTH & LAUNCH PRODUCTS	Entyvio® vedolizumab +7% ALOFISEL +18% Eohilia™ (budesonide oral suspension) 2mg *New Launch*	TAKHZYRO® (lanadelumab-flyo) injection +12% LIVTENCITY™ (maribavir) tablets 200mg +69% ADZYNMA® ADAMTS13, recombinant-krhn *New Launch*	GAMMAGARD LIQUID (Immune Globulin Intravenous (Human)) 10% HyQvia Cuvitru (Immune Globulin Subcutaneous (Human)) 20% IMMUNOGLOBULIN +17% Flexbumin (Human Albumin) HUMANALBUMIN ALBUMIN +6%	ALUNBRIG® BRIGATINIB +35% EXKIVITY® mobocertinib -11% Fruzaqla® (fruquintinib) capsules *New Launch*		Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated) *New Launch*
	Total JPY 1,833.0B (USD 12.1B[1]); year-over-year growth +JPY 297.1B (USD 2.0B[1])					
OTHER KEY PRODUCTS	Takecab/Vocinti® Gattex/Revestive®	Advate® Adynovate/Adynovi® Vonvendi® Elaprase® Vpriv® Replagal®(EU,JP)	Glassia® Aralast®	Ninlaro® Iclusig® Adcetris® (ex-N. America) Leuprorelin Zejula®(JP) Cabometyx®(JP) Vectibix®(JP)	Vyvanse® Trintellix®(US,JP)	Azilva® (JP) Spikevax® (JP) Nuvaxovid® (JP)

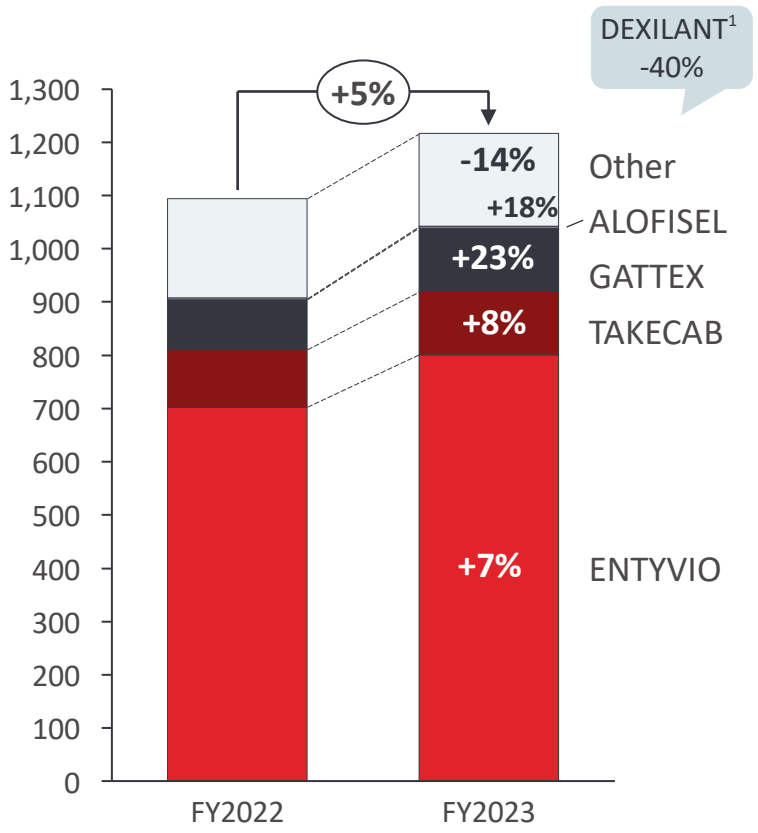
All growth rates indicate FY2023 revenue growth at Constant Exchange Rate rounded to the nearest whole number. Please refer to appendix slide A-1 for definition.

1. Please refer to disclaimer on Exchange Rates on slide 2
2. On October 2, 2023, Takeda announced that based on the outcome of the EXCLAIM-2 confirmatory trial, it would initiate global voluntarily withdrawals of EXKIVITY

ENTYVIO Growth Continues to Drive Expansion of GI Franchise Despite DEXILANT Loss of Exclusivity Headwind

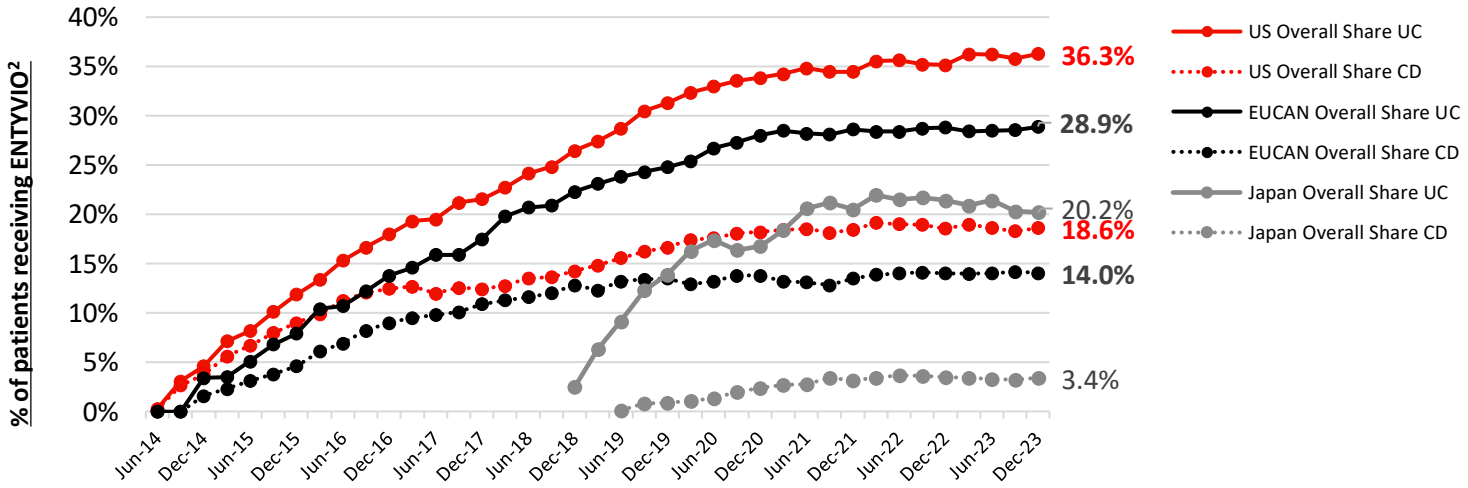
GI PORTFOLIO

FY2023 REVENUE



Entyvio vedolizumab FY2023 Revenue JPY 800.9B (+6.6% growth)

- ENTYVIO growth continues to outperform the overall IBD market, despite increasing global competitive intensity, with recent launches mostly impacting later lines of therapy
  - ENTYVIO's leading safety and efficacy profile with ~10 years and >1.3 million patient years experience in IBD continues to be the benchmark for sustained, deep remission and high rates of persistence with its unique gut-selectivity
  - In the U.S., ENTYVIO remains the #1 brand in both IBD overall and IBD bio-naïve new starts, with successful launch of ENTYVIO Pen subcutaneous (SC) device in both UC and Crohn's disease
  - In Europe, ENTYVIO continues to out-perform the overall IBD advanced therapies market fueled by SC penetration and strong patient growth, despite continued pricing headwinds
  - Significant investment in both UC and Crohn's disease studies to support targets of disease clearance and endoscopic healing, plus newly initiated studies supporting scientific community to investigate potential role of combination therapies to break efficacy ceiling with vedolizumab as backbone



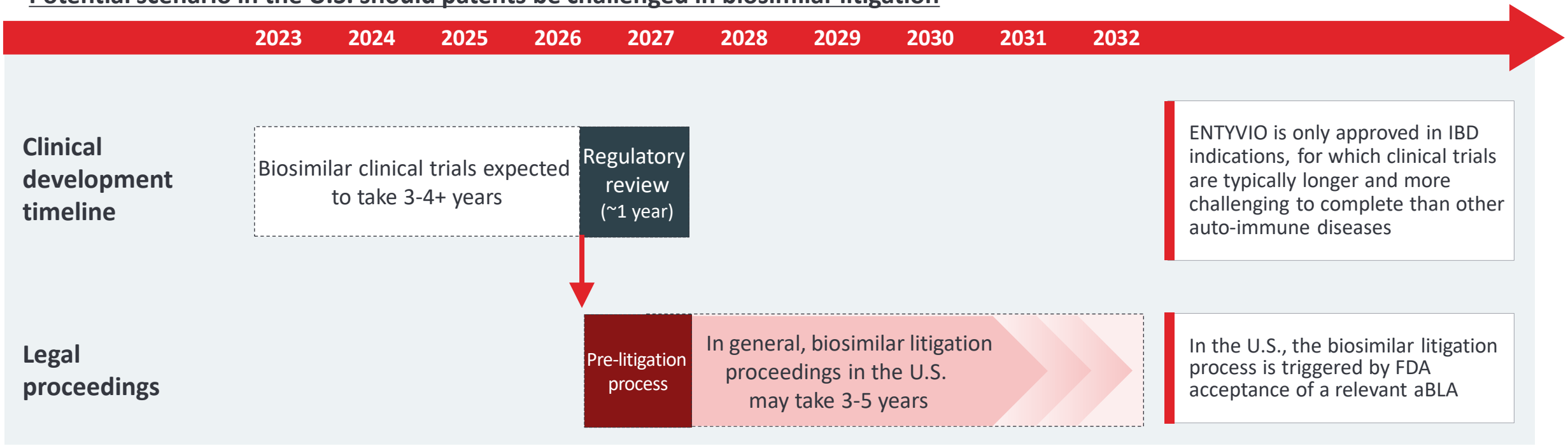
EUCAN: Europe & Canada
1. Generic entrants into U.S. market began January 2023.
2. Source: US: SHA Medical and Pharmacy Claims data; EUCAN: Internal estimate; Japan: Japan Medical Data Center
Note: Methodology for calculating EUCAN market share has been updated since prior quarters to more accurately reflect patient split across UC/Crohn's indications.

Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

Any Biosimilar That Seeks to Launch Prior to 2032 Would Need to Address Potential Infringement and/or the Validity of All Relevant Patents

- Takeda has granted patents that cover various aspects of ENTYVIO, including formulation, dosing regimens and process for manufacturing. These patents are expected to expire in 2032 in the U.S.

Potential scenario in the U.S. should patents be challenged in biosimilar litigation



- The study design for the first vedolizumab biosimilar to enter Phase 3 appeared on clinicaltrials.gov in March 2023, and has not been updated since (still appears as “not yet recruiting”). The trial is sponsored by Polpharma Biologics, and the design is for a 54-week study enrolling approximately 750 patients, for which timelines are anticipated to be in-line with the scenario outlined above.

Continuing Evidence Generation and Indication Expansion

	PHASE 3	PHASE 3b / 4	PUBLISHED/ PRESENTED	FILED	APPROVED
Ulcerative colitis	ENTYVIO® IV Pediatric (Global)	ENTYVIO® IV (VERDICT) (US, CA)[3] ENTYVIO® IV (EXIGEM) (US)[3]	ENTYVIO® IV (VARSITY) H2H vs. adalimumab[1]		ENTYVIO® IV (Global) ENTYVIO® SC (US, EU, JP)
Crohn's disease	ENTYVIO® IV Pediatric (Global)	ENTYVIO® IV (EXPLORER 2) (Global)[3] NEW ENTYVIO® IV (VICTRIVA) (Global)[3]			ENTYVIO® IV (Global) ENTYVIO® SC (US, EU, JP)
Pouchitis					ENTYVIO® IV (EU)
Graft-versus-host disease			ENTYVIO® IV (Global)[2] ★		
Flagship Evidence Generation Initiatives	Additional studies planned[3]				

Approved | Published/presented | Ongoing study or filing

★ Orphan Drug Designation potential | **NEW** Added to clinical development since last quarter

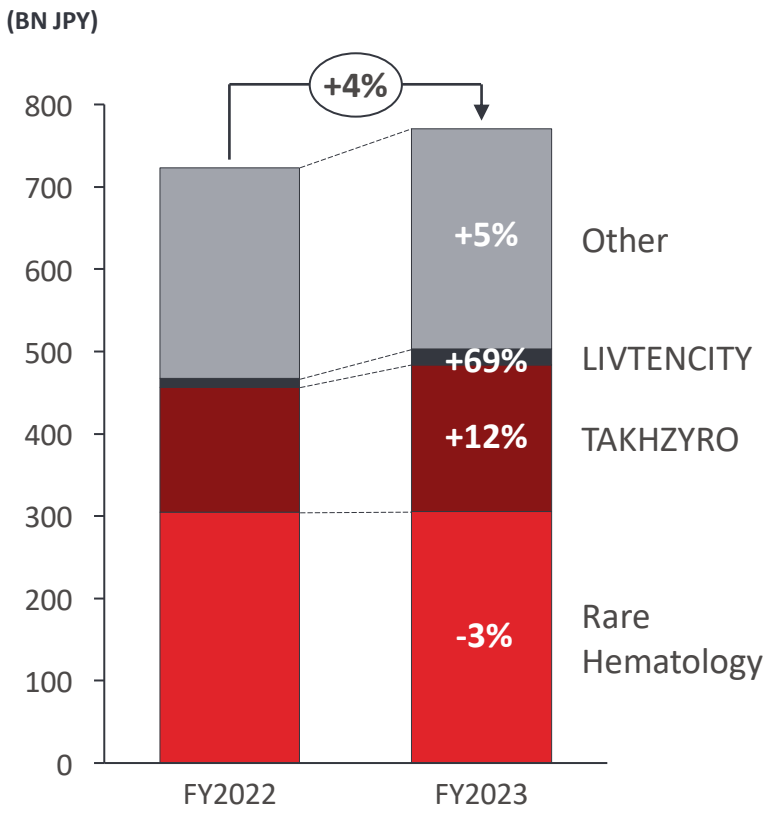
1. Sands BE et al. N Engl J Med 2019;381:1215-26.
2. Chen YB et al., presented at the Transplantation & Cellular Therapy Meetings of ASTCT and CIBMTR, February 18th, 2023
3. Not designed as label-enabling studies

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

TAKHZYRO Continues its Strong Growth Now Treating >5,300 Patients
LIVTENCITY Strong Market Penetration in U.S. & Rapid Geographical Expansion

RARE DISEASES PORTFOLIO

FY2023 REVENUE



TAKHZYRO (lanadelumab-flyo) injection

FY2023 Revenue JPY 178.7B (+11.6% growth)

- TAKHZYRO continues to be the #1 prescribed modern long-term prophylaxis with strong momentum driven by
  - Successful launches (commercial presence now in >55 countries); strong patient persistency
  - Sustained new patient demand based on compelling real-world evidence for >2 years on therapy with demonstrated improved Quality of Life (potential for zero attacks) and rising prophylactic market growth
- TAKHZYRO is the first and only Long-Term Prophylactic HAE treatment available in the U.S. and EU for patients under the age of six. The U.S. pediatric launch continues its positive progress, and the EU is delivering increasing momentum as launch efforts proceed throughout the region

LIVTENCITY™ (maribavir) tablets 200mg

FY2023 Revenue JPY 19.1B (+68.7% growth)

- LIVTENCITY continues to show strong launch performance driven by sustained uptake, increased breadth and depth of activated centers, leading to growth in new patient starts, new and repeat prescribers as well as positive market access trends indicating high unmet needs
- Real world utilization has demonstrated highly individualized treatment with partially longer treatment duration and a potential broader patient base
- Rapid geographic expansion beyond U.S. and EU ongoing with approvals in Argentina and Saudia Arabia; LIVTENCITY is commercially available with national or partial reimbursement[1] in 23 countries across Europe.

ADZYNMA ADAMTS13, recombinant-krhn

Newly Launched in November 2023

- The first and only FDA-approved ADAMTS13 replacement therapy, rapidly correcting the ADAMTS13 deficiency, also approved in Japan for the treatment of cTTP for individuals 12 years+
- Strong launch momentum with first patients treated end of 2023 and high healthcare professional interest in this truly transformative treatment for an ultra-rare patient population with a tremendous unmet need

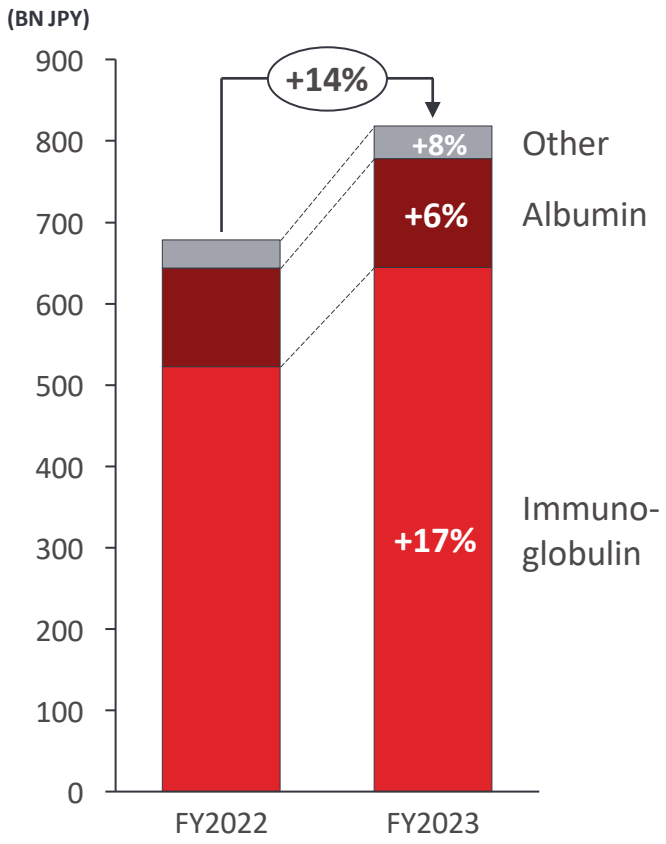
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition). 1. incl. Individual Funding Requests

PLASMA-DERIVED THERAPIES

PDT Portfolio Continues to Deliver Outstanding Growth

PDT IMMUNOLOGY PORTFOLIO

FY2023 REVENUE



Immunoglobulin

FY23 Revenue JPY 644.6B (+16.8% growth)

- Strong demand globally, especially in the U.S., coupled with steady and growing supply
- Continued expansion of SCIG portfolio; double-digit percentage revenue growth
  - HYQVIA approved in both U.S. and EU for CIDP maintenance in January 2024
  - CUVITRU approved in Japan for PID and SID; approved in EU for SID in January 2024

GAMMAGARD LIQUID [Immune Globulin Intravenous (Human)] 10% · Kiovig Human Normal Immunoglobulin (IVIg) · HyQvia Human Normal Immunoglobulin (10%) Recombinant Human Hyaluronidase · Cuvitru [Immune Globulin Subcutaneous (Human)] 20%

Albumin

FY23 Revenue JPY 134.0B (+5.9% growth)

- Growth is driven by strong demand for Albumin products in China
- Growth at mid single-digit as production schedule accommodates manufacturing facility upgrades

Flexbumin (Human Albumin) · HUMANALBUMIN SOLUTION FOR INFUSION

CONTINUING TO INVEST IN PLASMA DONATION AND CAPACITY EXPANSION

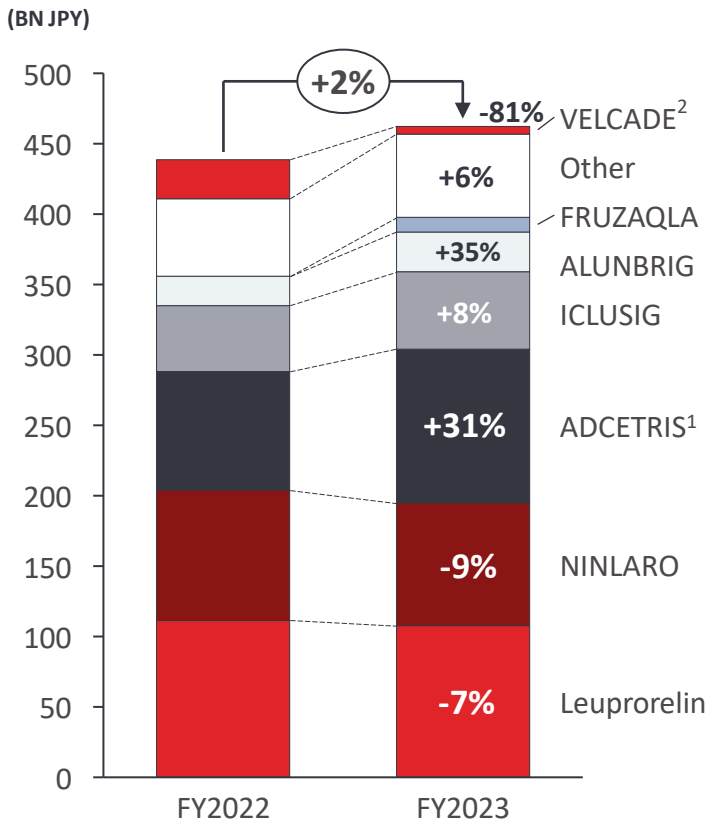
- Plasma donation volume growth +21% by end of FY2023 to the higher end of our growth guidance (+10-20%)
- Global plasma center footprint is now 260 centers, +27 centers opened in FY2023 in line with our guidance (>20 center)
- Significant investment in data and digital helps attract and retain donors through the delivery of an exceptional, personalized, and differentiated donor experience
- Have initiated deployment of nomogram, targeting ~35 US BioLife centers in FY2024, offering more personalized plasma donation that is shown to safely increase overall volume
- Targeted investments across the manufacturing network to increase yield, expand capacity and create efficiencies, leveraging data, digital & technology capabilities

Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

Growth Across Key Brands in Oncology Marketed Portfolio

ONCOLOGY PORTFOLIO

FY2023 REVENUE



Fruzaqla® (fruquintinib) capsules

FY2023 Revenue JPY 10.1B (Newly Launched)

- Strong uptake following U.S. FDA approval in November 2023 for metastatic colorectal cancer (mCRC) patients previously treated with certain anti-cancer medicines
- Additional regulatory applications progressing as expected; regulatory submissions in EU and Japan occurred in Q1 and Q2 FY23, respectively

ADCETRIS® brentuximab vedotin

FY2023 Revenue JPY 109.4B (+31.3% growth)

- Continue to see strong year-on-year growth in 1L Hodgkin lymphoma (HL) in Europe & Canada, Japan and GEM regions, driven by 6-yr ECHELON-1 OS data

ICLUSIG® (ponatinib) tablets 45mg / 30mg / 15mg / 10mg

FY2023 Revenue JPY 54.7B (+7.5% growth)

- US FDA approval in March '24 for adult patients with newly diagnosed Ph+ ALL in combo with chemotherapy
- Accelerated approval based on primary endpoint of minimum residual disease-negative complete remission (MRD- CR), a novel endpoint in this disease

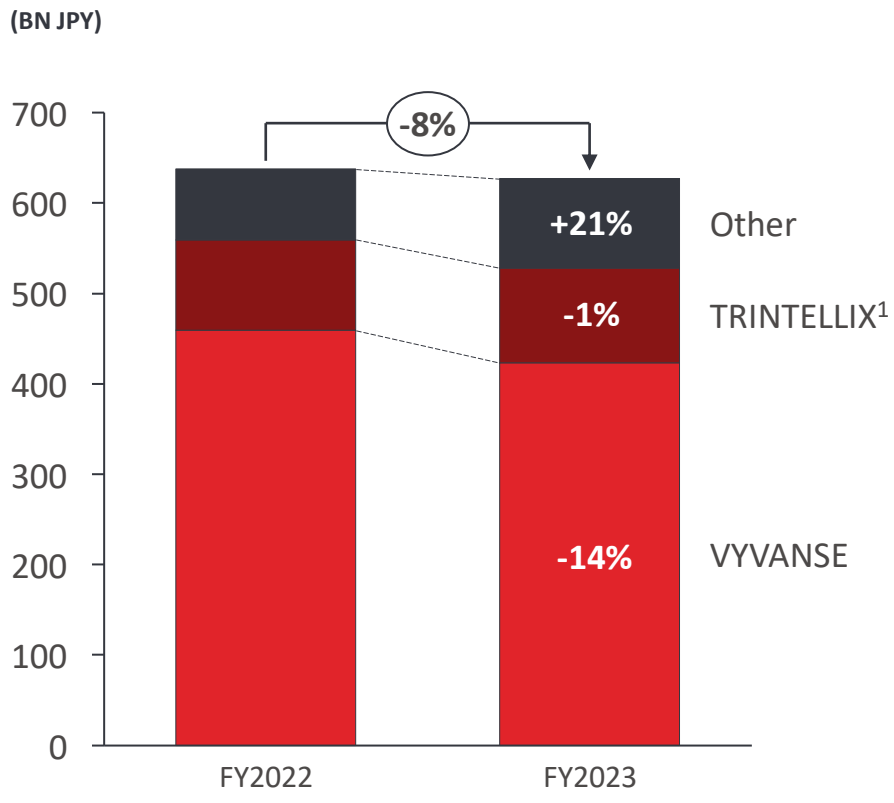
Absolute values are presented on an IFRS (reported) basis; Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).
For full glossary of abbreviations please refer to appendix.

1. ADCETRIS is in-licensed from Pfizer Inc. (Seagen acquired by Pfizer in December 2023); Takeda has global co-development and marketing rights outside of the U.S. and Canada.
2. Generic entrants into U.S. market began May 2022.

VYVANSE U.S. Loss of Exclusivity Impact from August 2023

NEUROSCIENCE PORTFOLIO

FY2023 REVENUE



Vyvanse® (lisdexamfetamine dimesylate) ONCE-DAILY

FY2023 Revenue JPY 423.2B (-14.1% change)

- Strong performance in April-August ahead of Loss of Exclusivity driven by expanding ADHD adult population and by lower U.S. supply of other ADHD medications
- Latest market intelligence indicates 10 generics have launched to date since LOE in August 2023
- U.S brand share erosion has been milder than initially anticipated due to constraints of generic supply. Another period of VYVANSE erosion is anticipated starting early FY24 when generic supply is expected to gradually increase, per statements from generic manufacturers on the FDA Drug Shortages website.
- Continuing to deliver strong growth ex-U.S., including buy-back of marketing rights in Japan in April 2023

Trintellix vortioxetine

FY2023 Revenue JPY 104.8B (-1.1% change)

- In the U.S., TRINTELLIX total demand trending slightly under growth expectations, despite improvements in year-over-year new patient starts driven by continued strategic focus and field force and digital omnichannel execution. Gross-to-net headwinds driven by channel-mix shifts and higher discount rates.
- In Japan, FY23 net sales shows continuously strong momentum with +33% growth. Market share of TRINTELLIX continues to grow with stronger positioning as a first-line treatment being established among psychiatrists

1. TRINTELLIX is in-licensed from Lundbeck; Takeda has co-marketing rights in the U.S. and Japan.

Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

FY2023: Many Successful Approvals for NMEs and Indication Expansions

KEY POTENTIAL REGULATORY APPROVALS	ENTYVIO SC	UC Crohn's disease	U.S. approval Japan approval	✓ ✓
	QDENGA	Dengue vaccine	U.S. approval[1] Endemic countries[2]	✗ ✓
	ADZYNMA	cTTP	U.S. approval	✓
	FRUZAQLA	mCRC	U.S. approval	✓
	EOHILIA	Eosinophilic esophagitis	U.S. approval	✓
	TAKHZYRO	Pediatric HAE	EU approval	✓
	HYQVIA	CIDP	U.S. approval EU approval	✓ ✓
	HYQVIA	HyHub AVA[3] device	U.S. clearance[4]	→
	HYQVIA	Pediatric PID	U.S. approved	✓
	GAMMAGARD LIQUID	CIDP	U.S. approval	✓
KEY PHASE 3 / PIVOTAL READOUTS	ALOFISEL	Complex Perianal Fistulas	Phase 3 (U.S.)	✗
	maralixibat	Alagille syndrome (ALGS) Progressive familial intrahepatic cholestasis (PFIC)	Phase 3 (Japan) Phase 3 (Japan)	✓ ✓

1. Filing voluntarily withdrawn in the U.S.
2. Approved in Argentina April 2023, Thailand May 2023, Colombia September 2023 and Malaysia February 2024
3. HyHub: Advanced vial access for sterile, single-use, medical device that simplifies preparation & delivery of HYQVIA from vials to subcutaneous tissue.
4. Application withdrawn, path for resubmission identified.

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

✓ Milestone achieved
→ Milestone delayed
✗ Milestone not achieved

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Potential NME Approvals and Indication Expansions in FY24

KEY POTENTIAL REGULATORY APPROVALS	ENTYVIO SC	Crohn's disease	U.S. approval ✓
	QDENGA	Dengue vaccine	Additional endemic countries
	ADZYNMA	cTTP	EU approval
	FRUZAQLA	mCRC	EU approval JP approval
	LIVTENCITY	Post-transplant CMV infection/disease	JP approval
	HYQVIA	PID, SID	JP approval
	maralixibat	Alagille syndrome (ALGS) Progressive familial intrahepatic cholestasis (PFIC)	JP approval JP approval
KEY PHASE 3 READOUTS	soticlestat	Dravet Syndrome Lennox-Gastaut Syndrome	Phase 3 Readout[1] Phase 3 Readout[1]

✓ Milestone achieved

1. The soticlestat Phase 3 trials have completed enrollment for DS and LGS. Takeda will release the results of both phase 3 trials simultaneously to assure the integrity of both trials.

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

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Advancing Zasocitinib (TAK-279) In Parallel Across Multiple Indications

Latitude

	Phase 2 Start	Phase 2b Readout	Phase 3	Target Filing
Psoriasis		Ph2b March 2023 ✓	Ph3 Start FY23 ✓ Head-to-Head Start FY24/25	FY26-27
Psoriatic Arthritis		Ph2b September 2023 ✓	Ph3 Start FY24	
Crohn's Disease	Ph2b March 2024 ✓			
Ulcerative Colitis	Ph2b May 2024[1] ✓			
Others	Planned			

Zasocitinib is a highly selective (TYK2 over JAKs ~1.3 M times) once daily pill

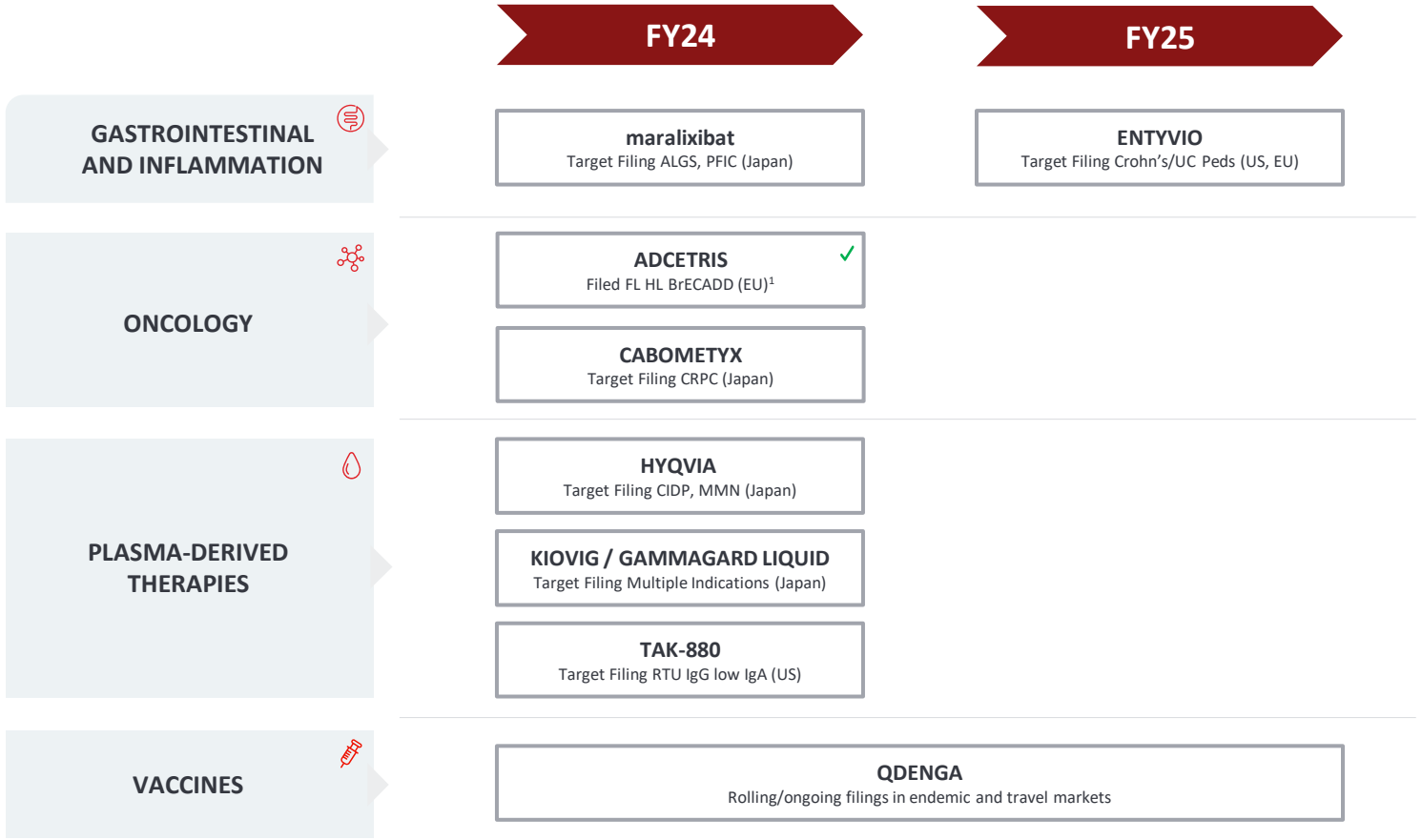
- TYK2, IL-23, IL-12 therapies active in many autoimmune diseases
- Genetic data: Loss of TYK2 function reduces risk in PsO, PsA, Crohn's, UC, others
- Preclinical models support use

- **Strong clinical validation for mechanism across multiple autoimmune conditions: Promising for immunological disorders including IBD**
- **Best-in-class potential due to high selectivity, once daily oral administration**

1. Study actively recruiting

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

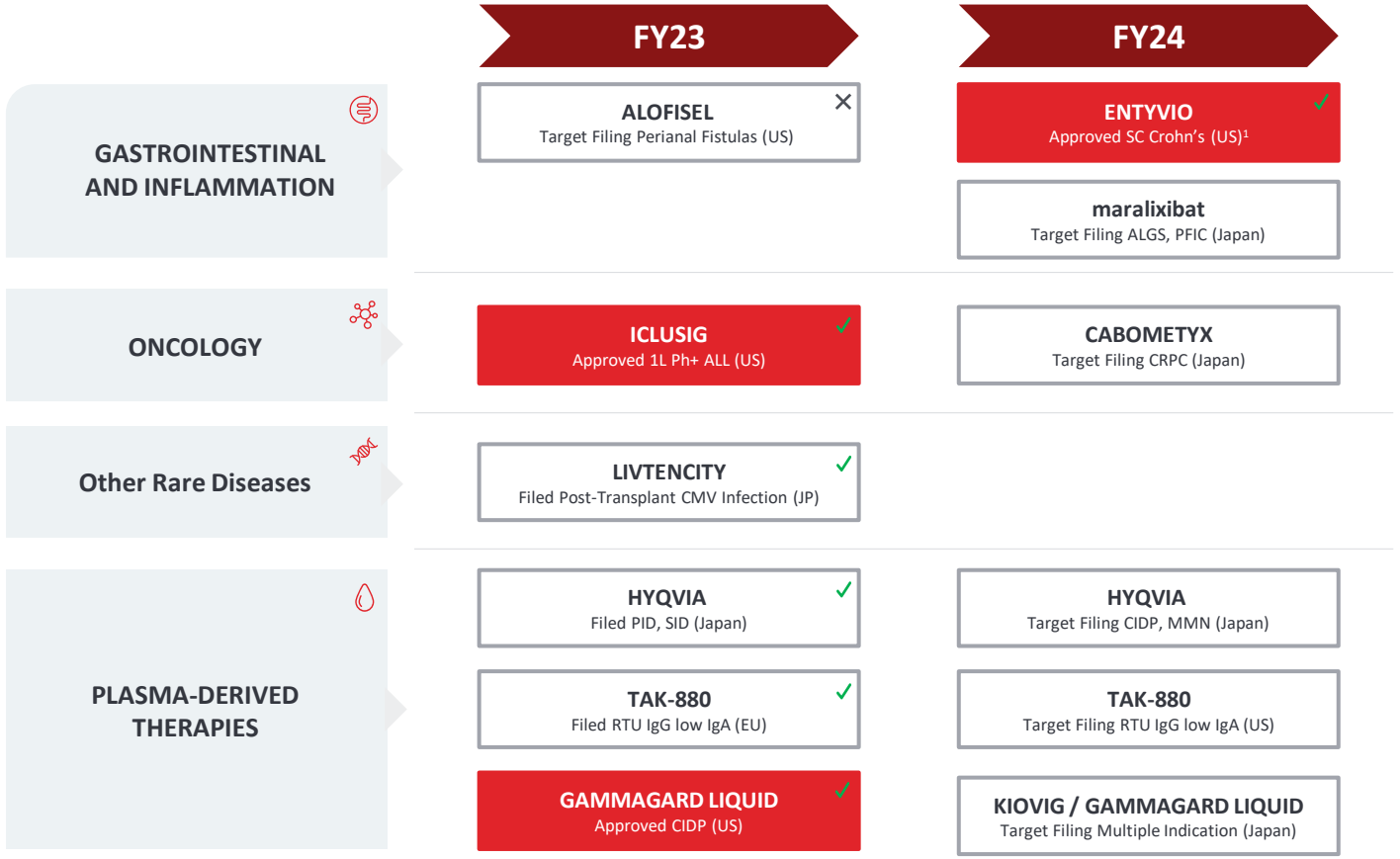
Important Near-Term LCM Expansions Represent Significant Growth Opportunities



1. Submission based on data from German Hodgkin Study Group HD21 trial

All timelines are approximate estimates as May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

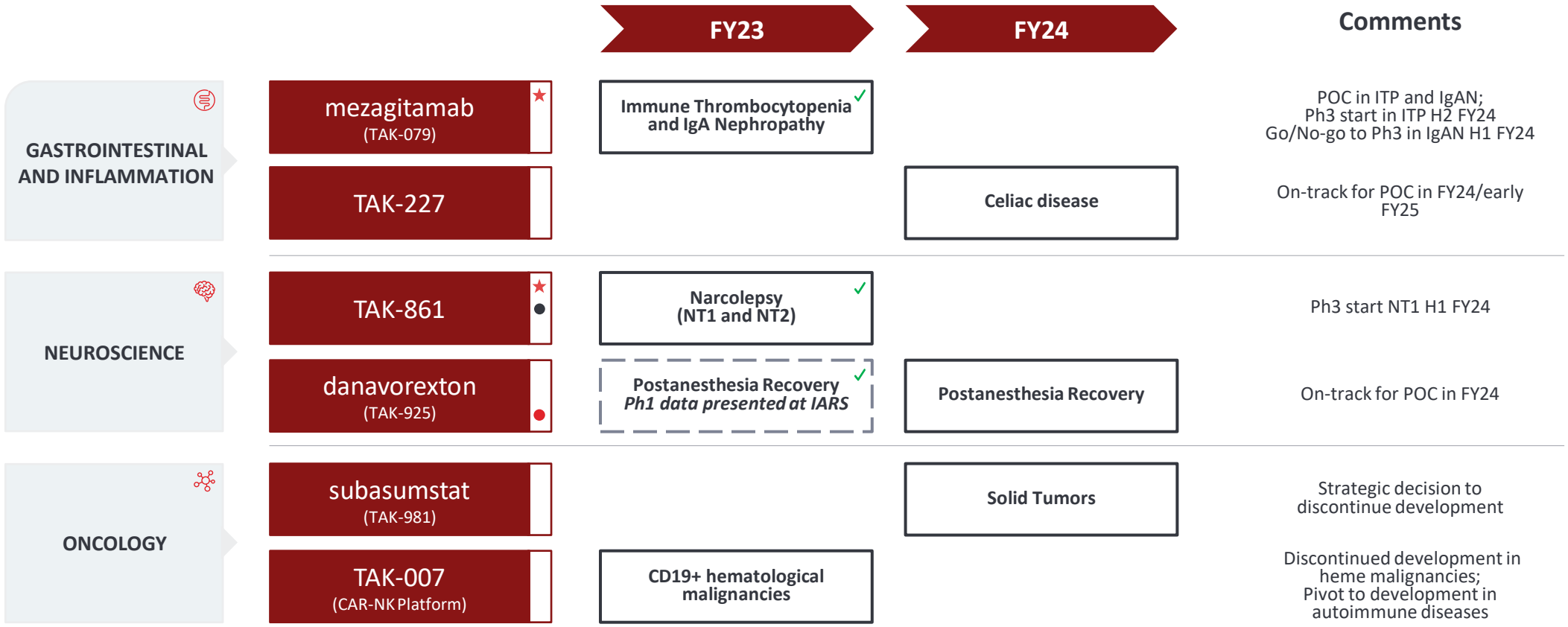
Important Near-Term LCM Expansions in FY23/24 Represent Significant Growth Opportunities



1. ENTYVIO SC Crohn's in U.S. filing occurred in FY23, U.S. approval in April 2024.

All timelines are approximate estimates as May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Major Pipeline Readouts for Key Mid-stage Programs FY23/24

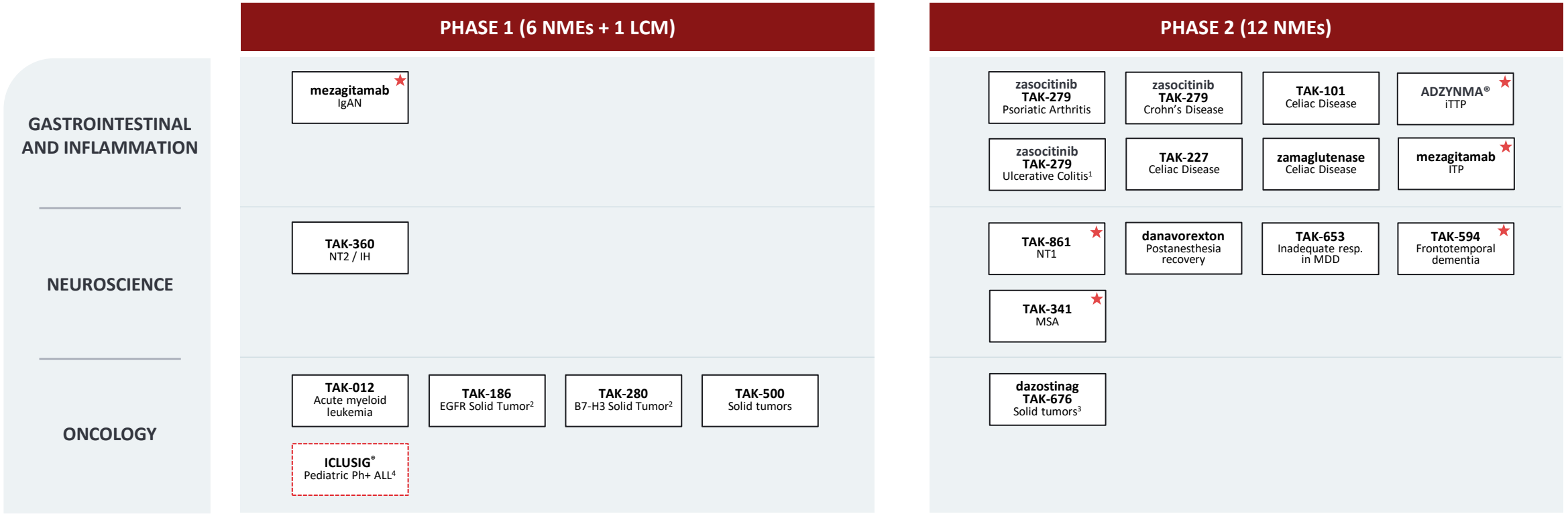


Proof-of-concept (POC): Achieving proof-of-concept means obtaining clinical data sufficient to initiate pivotal trials or late-stage development. A "readout(s)" for a clinical trial occurs when Takeda has (1) received the relevant clinical data, (2) completed any necessary analysis and review of such clinical data, and (3) in instances where it is required or otherwise common convention or practice, consulted with applicable regulatory authorities regarding such clinical data. Where a readout is indicated for a class of related indications (e.g., solid tumors) involving multiple POC clinical trials, such readout occurs upon the earlier of (1) the first achievement of POC in an indication in such class, or (2) the conclusion of all of the POC clinical trials in such class.

- Clinical proof-of-mechanism
- Proof-of-concept to inform Go/No-go to pivotal trial
- ★ Orphan drug designations in at least one indication
- ● Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
- ✓ Milestone achieved

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table only shows selected R&D milestones and is not comprehensive. For full glossary of abbreviations please refer to appendix.

Consolidated Development Pipeline by Phase



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

NME | LCM

1. Study actively recruiting
2. Currently in phase 1 of a phase 1/2 trial
3. Currently in phase 2 of a phase 1/2 trial
4. ICLUSIG pediatric Ph+ ALL enrolment has been closed

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

Consolidated Development Pipeline by Phase

	PHASE 3 (5 NMEs + 17 LCMs)	FILED (3 NME + 23 LCMs)
GASTROINTESTINAL AND INFLAMMATION	zasocitinib TAK-279 Psoriasis rusfertide Polycythemia Vera ★ ENTYVIO® Pediatric UC ALOFISEL® Pediatric Perianal Fistulas in Crohn's ★ maralixibat ALGS (JP) ★ ADZYNMA® cTTP (CN) ★ fazirsiran AATD Liver Disease ★ ENTYVIO® Pediatric Crohn's ENTYVIO® GvHD Prophylaxis ★ maralixibat PFIC (JP) ★	ADZYNMA® cTTP (US) ★ ADZYNMA® cTTP (EU) ★ ENTYVIO® SC UC (US) VOCINTI® *H. Pylori* (CN) EOHILIA Eosinophilic esophagitis (US) ★ ADZYNMA® cTTP (JP) ★ ENTYVIO® SC Crohn's (US, JP) REVESTIVE® Short Bowel Syndrome (CN)
NEUROSCIENCE	soticlestat DS ★ soticlestat LGS ★	
ONCOLOGY	CABOMETYX® mCRPC combo w/atezolizumab (JP)	FRUZAQLA™ mCRC (US) FRUZAQLA™ mCRC (JP) ADCETRIS® FL HL Stage III (EU) ADCETRIS® FL HL BrECADD (EU) FRUZAQLA™ mCRC (EU) ICLUSIG® 1L Ph+ ALL (US) ADCETRIS® R/R CTCL (JP) ★
Other Rare Diseases	LIVTENCITY® Pediatric Post-transplant CMV infection ★ VONVENDI® vWD Pediatric On-demand & Surgery ★ ADYNOVATE® recombinant Factor VIII Pediatric HemA (EU) ADYNOVATE® recombinant Factor VIII HemA (CN)	LIVTENCITY® Post-transplant CMV infection (JP) ★ LIVTENCITY® R/R Post-transplant CMV infection (CN) ★ TAKHZYRO® Pediatric HAE (EU) ★ OBIZUR® Recomb antihemophilic factor porcine (JP) ★ OBIZUR® Recomb antihemophilic factor porcine (CN) ★ VEYVONDI® vWD Adult Prophylaxis (EU) ★ VONVENDI® vWD On-demand & Surgery (CN) ★
PLASMA-DERIVED THERAPIES	HYQVIA® CIDP, MMN (JP) ★ TAK-880 IgG – Low IgA (US) TAK-881 PID Prothromplex DOAC Reversal (US) Glovenin-I Autoimmune Encephalitis (JP) ★	HYQVIA® CIDP (US, EU) ★ HYQVIA® Pediatric PID (US) ★ CUVITRU® PID, SID (JP), SID (EU) CEPROTIN® SCPCD (JP) HYQVIA® PID, SID (JP) GAMMAGARD LIQUID® CIDP (US) TAK-880 IgG – Low IgA (EU) FEIBA® STAR Extension (US, EU)
VACCINES	QDENGA® Dengue Vaccine Booster	

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

APPROVED | NME | LCM

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. For full glossary of abbreviations please refer to appendix.

Data Driven Decisions in FY23 Ensure Focus on the Most Promising Programs Across Three Core Therapeutic Areas

New to Phase 1

- **TAK-360** NT2 / IH[1] ★
- **TAK-012** Acute myeloid leukemia

New to Phase 2

- **zasocitinib TAK-279** Crohn's Disease
- **zasocitinib TAK-279** Ulcerative Colitis[2]
- **danavorexton** Postanesthesia recovery
- **dazostinag** Solid tumors[3]

New to Phase 3

- **rusfertide** Polycythemia Vera ★
- **zasocitinib TAK-279** Psoriasis
- **ADYNOVATE®** recombinant Factor VIII HemA (CN)
- **LIVTENCITY®** Pediatric Post-transplant CMV infection ★
- **TAK-881** PID

New Regulatory Filings

- **ADZYNMA®** cTTP (EU) ★
- **FRUZAQLA™** mCRC (EU, JP)
- **LIVTENCITY®** Post-transplant CMV infection (JP) ★
- **ADCETRIS®** FL HL BrECADD (EU)[1]
- **HYQVIA®** PID, SID (JP)
- **TAK-880** IgG – Low IgA (EU)

Removed from Phase 1

- **ADZYNMA®** SCD
- **TAK-105** Nausea & vomiting
- **TAK-647** NASH
- **TAK-920** Alzheimer's Disease
- **modakafusp alfa** Solid tumors
- **TAK-102** Solid tumors
- **TAK-103** Solid tumors
- **TAK-940** CD19+ hematologic malignancies
- **TAK-426** Zika Vaccine

Removed from Phase 2

- **mezagitamab** MG
- **TAK-951** Nausea & vomiting
- **TAK-041** Anhedonia in MDD
- **TAK-071** Parkinson's Disease
- **TAK-611** MLD (intrathecal)
- **TAK-861** NT2
- **modakafusp alfa** R/R MM
- **subasumstat** Multiple cancers
- **TAK-007** CD19+ hematologic malignancies

Removed from Phase 3

- **EXKIVITY®** 1L NSCLC EGFR exon 20
- **ALOFISEL®** Perianal Fistulas in Crohn's (US)
- **NINLARO®** Maint. ND MM post-SCT (US, EU)
- **relugolix** Prostate cancer (JP, CN)[4]
- **ZEJULA®** Breast cancer (JP)
- **VONVENDI®** vWD Adult Prophylaxis (CN)
- **ADCETRIS®** FL PTCL-NOS (EU)[5]

New Regulatory Approvals

- **ADZYNMA®** cTTP (US, JP) ★
- **FRUZAQLA™** mCRC (US)
- **EOHILIA** Eosinophilic esophagitis (US) ★
- **ENTYVIO®** SC Crohn's (US[1], JP)
- **ENTYVIO®** SC UC (US)
- **REVESTIVE®** Short Bowel Syndrome (CN) ★
- **VOCINTI®** *H. Pylori* (CN)
- **ADCETRIS®** R/R CTCL (JP) ★
- **ADCETRIS®** FL HL Stage III (EU)
- **ICLUSIG®** 1L Ph+ ALL (US)
- **LIVTENCITY®** R/R Post-transplant CMV infection (CN) ★
- **OBIZUR®** Recomb antihemophilic factor porcine (JP, CN) ★
- **VEYVONDI®** vWD Adult Prophylaxis (EU) ★
- **TAKHZYRO®** Pediatric HAE (EU) ★
- **CEPROTIN®** SCPCD (JP)
- **CUVITRU®** PID, SID (JP), SID (EU)
- **FEIBA®** STAR Extension (US, EU)
- **GAMMAGARD LIQUID®** CIDP (US)
- **HYQVIA®** CIDP (US, EU) ★
- **HYQVIA®** Pediatric PID (US) ★

1. Milestone achieved in April/May 2024
2. Study actively recruiting
3. Currently in phase 2 of a phase 1/2 trial
4. Relugolix development in prostate cancer suspended.
5. ADCETRIS FL PTCL-NOS filing in EU has been withdrawn

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

APPROVED | NME | LCM

All timelines are approximate estimates as of May 9th, 2024, are subject to change and are subject to clinical and regulatory success. Table is not comprehensive. Only major regions (U.S., EU, Japan, China). For full glossary of abbreviations please refer to appendix.

Glossary of Abbreviations

Regional Abbreviations:
CN: China; EU: Europe; JP: Japan; UK: United Kingdom; U.S.: United States of America

AAD	American Academy of Dermatology
AATD	α1-antitrypsin deficiency
AATD LD	α1-antitrypsin deficiency associated liver disease
ACR	American College of Rheumatology
ADAMTS13	a disintegrin-like and metalloproteinase with a thrombospondin type 1 motifs 13
ADHD	attention deficit hyperactivity disorder
ALGS	Alagille syndrome
ALK	anaplastic lymphoma kinase
ALL	acute lymphocytic leukemia
AVA	Advanced Vial Access
BID	bis in die, twice a day
BLA	biologics license application
BTD	breakthrough therapy designation
CAR NK	chimeric antigen receptor natural killer cell
CHMP	Committee for Medicinal Products for Human Use
CIDP	chronic inflammatory demyelinating polyradiculoneuropathy
CML	chronic myeloid leukemia
CMV	cytomegalovirus
CPF	complex perianal fistulas
CRC	colorectal cancer
CRL	complete response letter
CRPC	castrate-resistant prostate cancer
CTCL	cutaneous T-cell lymphoma
cTTP	congenital thrombotic thrombocytopenic purpura
DOAC	direct oral anti-coagulation
DS	Dravet syndrome
DSQ	Dysphagia Symptom Questionnaire
EGFR	epidermal growth factor receptor
EMA	European Medicines Agency
EoE	eosinophilic esophagitis
ESS	Epworth Sleepiness Scale
FDA	U.S. Food & Drug Administration
FL	front line
FSI	first subject in
FY	fiscal year
GI	gastrointestinal
GvHD	graft versus host disease
H2H	head-to-head
HAE	hereditary angioedema
HemA	hemophilia A
HL	Hodgkin lymphoma
IARS	International Anesthesia Research Society
IBD	inflammatory bowel disease
IgA	immunoglobulin A
IgAN	immunoglobulin A nephropathy
IgG	immunoglobulin G
IH	idiopathic hypersomnia
IND	investigational new drug
INN	international non-proprietary name
IT	intrathecal
ITP	immune thrombocytopenia
iTTP	immune thrombotic thrombocytopenic purpura
IV	intravenous
JAK	Janus kinase
LCM	lifecycle management
LGS	Lennox-Gastaut syndrome
mCRC	metastatic colorectal cancer
mCRPC	metastatic castrate-resistant prostate cancer
MDD	major depressive disorder
MG	myasthenia gravis
MLD	metachromatic leukodystrophy
MM	multiple myeloma
MMN	multifocal motor neuropathy
MSA	multiple system atrophy
MWT	maintenance of wakefulness test
NASH	non-alcoholic steatohepatitis
ND	newly diagnosed
NDA	new drug application
NEJM	New England Journal of Medicine
NK	natural killer
NME	new molecular entity
NMPA	(China's) National Medical Products Administration
NSCLC	non-small cell lung cancer
NT1 or 2	narcolepsy type 1 or 2
PASI	psoriasis area and severity index
PFIC	progressive familial intrahepatic cholestasis
Ph+ ALL	Philadelphia chromosome-positive acute lymphoblastic leukemia
PID	primary immunodeficiency
PK	pharmacokinetics
PMDA	Japan's Pharmaceuticals and Medical Devices Agency
POC	proof of concept
PRIME	Priority medicines scheme by EMA
PTCL-NOS	peripheral T-cell lymphoma not otherwise specified
QD	quaque die, every day
R/R	relapsed/refractory
RTU	ready to use
SC	subcutaneous formulation
SCD	sickle cell disease
SCPCD	severe congenital protein C deficiency
SCT	stem cell transplant
SID	secondary immunodeficiency
SLE	systemic lupus erythematosus
SOC	standard of care
TEAE	treatment emergent adverse event
TKI	tyrosine kinase inhibitor
TTP	thrombotic thrombocytopenic purpura
TYK2	tyrosine kinase 2
UC	ulcerative colitis
VEGFR	vascular endothelial growth factor receptors
vWD	von Willebrand disease
WCR	weekly cataplexy rate
WW	Worldwide

FINANCIAL APPENDIX

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
Margin	*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
Margin	*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
Margin	*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)
Margin	*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
Margin	*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
Margin	*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
Margin	*67.9 %*	*63.6 %*		*(4.3) pp*	*(4.1) pp*	*63.6 %*
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
Margin	*24.4 %*	*18.0 %*		*(6.4) pp*	*(5.0) pp*	*18.0 %*
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
Margin	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
Margin	(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
Margin	12.2 %					29.5 %
Finance income and (expenses), net	(106.8)				(19.8)	(126.6)
Share of profit (loss) of investments accounted for using the equity method	(8.6)				8.8	0.2
Profit before tax	375.1	485.1	57.3	119.8	24.6	1,062.0
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
Margin	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		Variances
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		Variances
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)%	
	Gross Profit	2,837.1	2,850.0	12.9	0.5 %	Reflects revenue growth; Gross margin negatively impacted by LOE of VYVANSE
	SG&A expenses	(1,053.8)	(1,080.0)	(26.2)	(2.5)%	Increased DD&T investment and FX headwind, partially offset by efficiency gains
	R&D expenses	(729.9)	(770.0)	(40.1)	(5.5)%	Increased investment in late-stage assets and FX headwind; Low-single-digit increase on CER basis
	Amortization of intangible assets associated with products	(521.5)	(540.0)	(18.5)	(3.5)%	Mainly FX impact
	Impairment losses on intangible assets associated with products*1	(130.6)	(50.0)	80.6	61.7 %	FY2023 Actual includes impairment of ALOFISEL, EXKIVITY etc.; FY2024 based on historical trends
	Other operating income	19.4	15.0	(4.4)	(22.6)%	
	Other operating expenses	(206.5)	(200.0)	6.5	3.2 %	FY2023 includes litigation expense and revaluation of contingent consideration; FY2024 includes restructuring expenses of JPY 140B
	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 inlcudes 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)				(3,350.0)
Gross Profit	2,850.0				
SG&A expenses	(1,080.0)				
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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