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Committed to Growth & Shareholder Returns

FY2024 Q2 Earnings Announcement

October 31st, 2024

Better Health, Brighter Future

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

This presentation and materials distributed in connection with this presentation include certain financial measures not presented in accordance with IFRS, such as Core Revenue, Core Operating Profit, Core Net Profit, Core EPS, Constant Exchange Rate ("CER") change, Net Debt, EBITDA, Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow. Takeda's management evaluates results and makes operating and investment decisions using both IFRS and non-IFRS measures included in this presentation. These non-IFRS measures exclude certain income, cost and cash flow items which are included in, or are calculated differently from, the most closely comparable measures presented in accordance with IFRS. Takeda's non-IFRS measures are not prepared in accordance with IFRS and such non-IFRS measures should be considered a supplement to, and not a substitute for, measures prepared in accordance with IFRS (which we sometimes refer to as "reported" measures). Investors are encouraged to review the definitions and reconciliations of non-IFRS financial measures to their most directly comparable IFRS measures, which are in the financial appendix appearing at the end of this presentation.

Beginning in the first quarter of FY24, Takeda (i) changed its methodology for CER adjustments to results of subsidiaries in hyperinflation countries to present those results in a manner consistent with IAS 29, Financial Reporting in Hyperinflation Economies, and (ii) re-named Free Cash Flow as previously calculated as "Adjusted Free Cash Flow" (with "Free Cash Flow" now reported as Operating Cash Flow less Property, Plant and Equipment), and (iii) re-named Net Debt as previously calculated as "Adjusted Net Debt" (with "Net Debt" to be reported as the book value of bonds and loans less cash and cash equivalents). For more information about the changes, including how the new methodology would have impacted Takeda's FY23 results, as well as other important information about Takeda's non-IFRS measures, including the limitations on the usefulness thereof, refer to the Financial Appendix.

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 = 143.25 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 30, 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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This presentation contains information about products that may not be available in all countries, or may be available under different trademarks, for different indications, in different dosages, or in different strengths. Nothing contained herein should be considered a solicitation, promotion or advertisement for any prescription drugs including the ones under development.

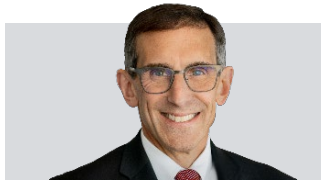
AGENDA

Opening Remarks & Business Highlights

Christophe Weber, President & CEO

Financial Highlights

Milano Furuta, Chief Financial Officer



Pipeline Update

Andy Plump, President, R&D

Q&A

Question & Answer Session

Positive First Half of FY2024 with Momentum in Portfolio & Pipeline

Strong Momentum of Growth & Launch Products

- Total H1 Revenue of JPY 2,384.0B ($USD 16.6B)[1], grew **+5.0% at CER**[2]
- Growth & Launch products represent 47% of revenue, grew **+18.7% at CER**
- Geographic expansion with approval of ADZYNMA in EU in August and FRUZAQLA in Japan in September

Driving Efficiencies to Improve Margins

- Core Operating Profit margin **30.2%**[3] in H1 benefitting from product mix and phasing of R&D investment; impact of VYVANSE generic erosion in the U.S. expected to accelerate in second half
- Progress on track with Efficiency Program announced in May 2024

Progress in Late-Stage Innovative Pipeline

- TAK-861 transformative long-term Phase 2b data in NT1 patients presented at Sleep Europe; Phase 3 initiated in August 2024
- Mezagitamab proof-of-concept data in IgAN presented at American Society of Nephrology

Raising full-year FY2024 Management Guidance and Reported & Core forecasts

1. Please refer to disclaimer on Exchange Rates on slide 2
2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition
3. Please refer to appendix slide A-1 for definition of Core financial measures, and slide A-8 for reconciliation.

For full glossary of abbreviations please refer to appendix

Strong Momentum of Growth & Launch Products +18.7% at CER

Balanced Portfolio Across 6 Key Business Areas

GI	RARE DISEASES	PLASMA-DERIVED THERAPIES (PDT)	ONCOLOGY	VACCINES	NEUROSCIENCE
% of Sales: 29% Growth at CER: +8%	% of Sales: 16% Growth at CER: +5%	% of Sales: 22% Growth at CER: +14%	% of Sales: 12% Growth at CER: +19%	% of Sales: 2% Growth at CER: +107%	% of Sales: 13% Growth at CER: -12%

Entyvio® vedolizumab JPY 473.2B **+10.7%**	TAKHZYRO (lanadelumab-flyo) injection JPY 111.0B **+16.7%**	GAMMAGARD LIQUID, HyQvia, Cuvitru IMMUNOGLOBULIN JPY 391.0B **+15.9%**	Fruzaqla® (fruquintinib) capsules JPY 23.1B **N/A[2]**	Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated) JPY 19.9B **+863%**
Eohilia™ (budesonide oral suspension) 2mg JPY 2.3B **N/A[2]**	LIVTENCITY™ (maribavir) tablets 200mg JPY 15.5B **+70.5%**	Flexbumin (Human Albumin), HUMANALBUMIN ALBUMIN JPY 70.3B **+11.0%**	ALUNBRIG® BRIGATINIB JPY 18.2B **+23.5%**	
	ADZYNMA ADAMTS13, recombinant-krhn JPY 2.4B **N/A[2]**			

Growth & Launch Products

FY24 H1 revenue
JPY 1,127.0B
(USD 7.9B[1])

47% of Total Revenue

+18.7% at CER

Absolute values and % of sales are FY2024 H1 results presented on an IFRS (reported) basis; growth rates are year-on-year change at Constant Exchange Rate (CER) (please refer to appendix slide A-1 for definition).

1. Please refer to disclaimer on Exchange Rates on slide 2
2. Not Applicable; product launched in second half of FY2023

Strong Uptake of New Products Launched within Past 12 Months

Fruzaqla® (fruquintinib) capsules

U.S. Launch in November 2023
metastatic colorectal cancer (mCRC)

- **Exceeding expectations with significant uptake in U.S.**
  - Now one of the most prescribed therapies in 4L+ mCRC (29% share[1])
  - Continue to see strong uptake in 3L (10% share[1])
- Inclusion in NCCN and ESMO guidelines
- Expanding approvals outside U.S., including Japan where we will build on heritage in CRC with VECTIBIX
- Additional regulatory and reimbursement decisions anticipated through FY2024 and FY2025

8 regulatory approvals received in < 1 year since U.S. approval

ADZYNMA ADAMTS13, recombinant-krhn

U.S. Launch in November 2023
congenital thrombotic thrombocytopenic purpura (cTTP)

- **High prescriber interest in area with tremendous unmet need**
- Launched for cTTP in U.S., Japan, Germany and Austria
- Further launches planned for EU and emerging markets

Eohilia™ (budesonide oral suspension) 2mg

U.S. Launch in February 2024
eosinophilic esophagitis (EoE)

- **Growing patient demand for only FDA approved oral therapy for EoE**
- >80% unaided HCP awareness and initial positive patient experience
- Focused on continued HCP and patient engagement

1. Market share based on IQVIA, July 2024
NCCN: National Comprehensive Cancer Network
ESMO: European Society for Medical Oncology

Return to Double-Digit Growth at CER with Acceleration Driven by Launch of ENTYVIO Pen in the U.S.

+10.7% FY2024 H1 Sales Growth at CER accelerating from +6.6% in FY2023; continuing to outperform the overall IBD advanced therapy market

- U.S. revenue grew +10% at CER with launch of ENTYVIO Pen accelerating growth
  - Flexibility in administration along with excellent efficacy and safety profile continue to drive increasing prescriber adoption and patient awareness of Pen
  - Focus is on further improving the patient access pathway for Pen
- Europe & Canada revenue grew +12% at CER with strong penetration of subcutaneous device and lower pricing headwinds compared to the previous year

Continued strong patient demand expected in H2 supported by IV/SC flexibility

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

- 10+ years of unique brand equity
- New and ongoing lifecycle management to enhance long-term growth

ENTYVIO Pen launched in the U.S. Nov 2023 (UC); April 2024 (Crohn's)

~50%

of IBD patients prefer a subcutaneous route of administration[1]

9 out of 10

Patients on Entyvio Pen are satisfied with their experience[2]

More than two-thirds

of patients have access to Entyvio Pen since July 2024, based on U.S. Health Plan adoption of pharmacy benefit manager (PBM) recommendations[3]

1. IBD Patient Preference Survey, June 2023
2. Entyvio Pen Patient Experience Survey Wave 2, August 2024
3. Data derived from Managed Market Insights & Technology (MMIT)

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Question & Answer Session

FY2024 H1 Results Driven by Growth & Launch Products, Continued VYVANSE Demand, and Phasing of R&D Investment

FY2024 H1 (APR-SEP) FINANCIAL RESULTS (SUMMARY)

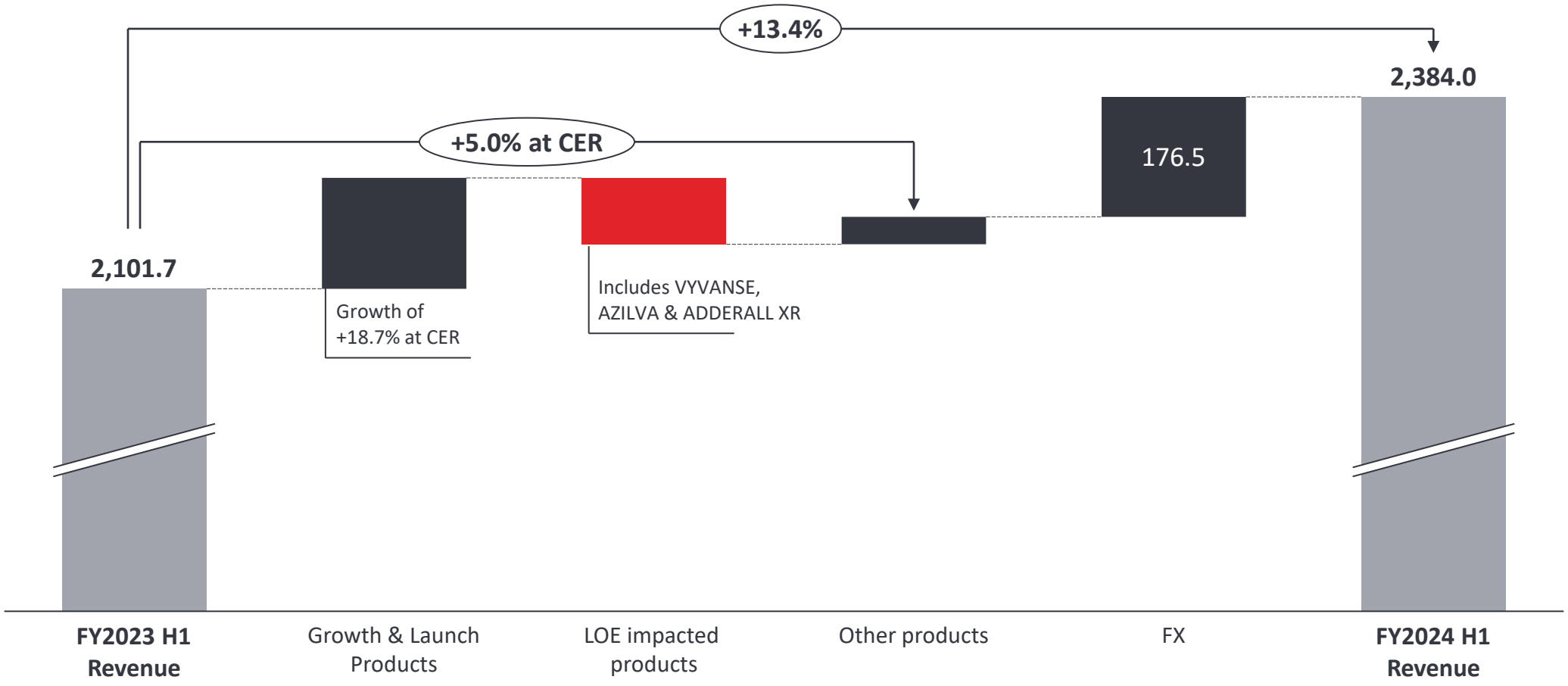
(BN YEN, except EPS)	REPORTED			CORE[1]			
	FY2024 H1	FY2023 H1	ACTUAL % CHANGE	FY2024 H1	FY2023 H1	ACTUAL % CHANGE	CER[2] % CHANGE
REVENUE	**2,384.0**	2,101.7	**+13.4%**	**2,384.0**	2,101.7	**+13.4%**	**+5.0%**
OPERATING PROFIT	**350.6**	119.2	**+194.0%**	**719.9**	588.8	**+22.3%**	**+12.9%**
Margin	***14.7%***	*5.7%*	***+9.0pp***	***30.2%***	*28.0%*	***+2.2pp***	
NET PROFIT	**187.3**	41.4	**+352.8%**	**489.1**	407.7	**+20.0%**	**+8.9%**
EPS	**119 yen**	27 yen	**+348.4%**	**310 yen**	261 yen	**+18.8%**	**+7.9%**
OPERATING CASH FLOW	**451.3**	291.3	**+54.9%**				
ADJUSTED FREE CASH FLOW[3]	**247.5**	-71.1	**N/A**				

1. Please refer to appendix slide A-1 for definition of Core financial measures, and slides A-8 and A-10 for reconciliation.
2. Constant Exchange Rate. Please refer to appendix slide A-1 for definition
3. Please refer to appendix slide A-2 for definition and slide A-12 for reconciliation

FY2024 H1 Revenue: Growth & Launch Products More Than Offset LOE Impact

FY2024 H1 REVENUE VS PRIOR YEAR

(BN JPY)



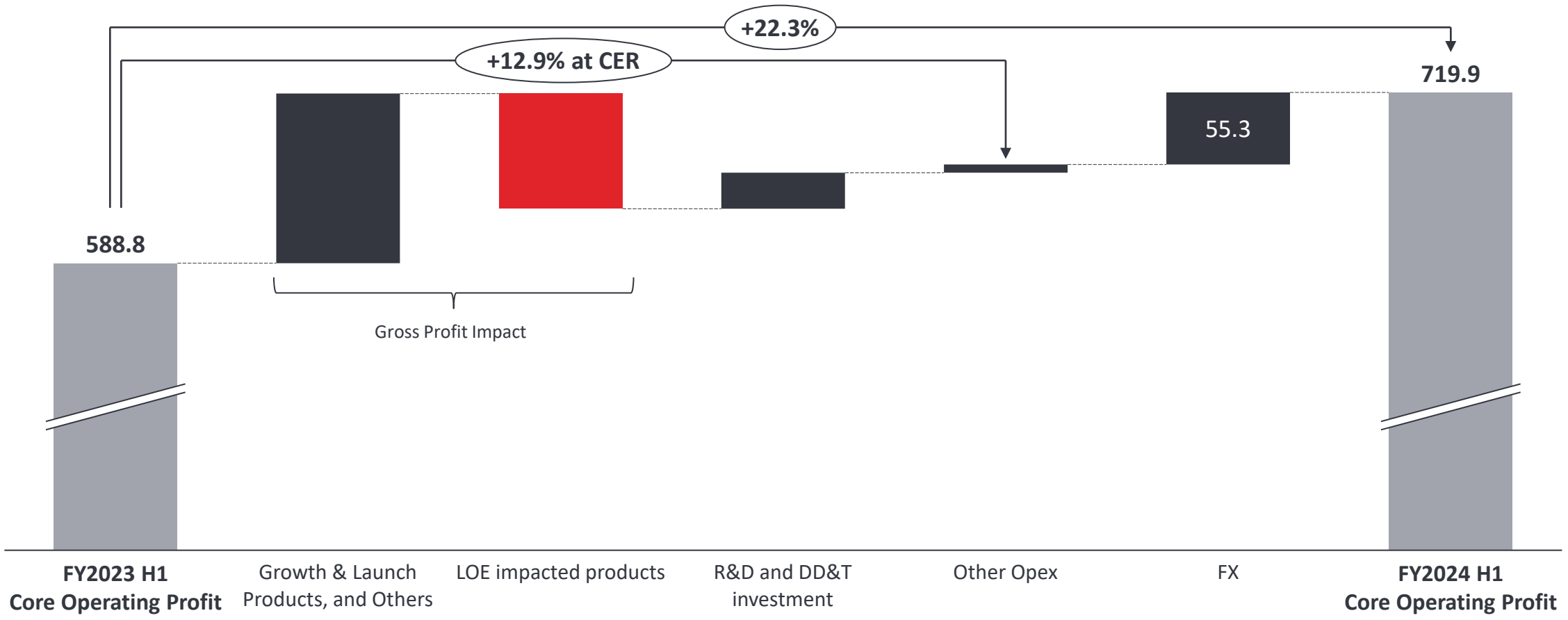
Graphs are illustrative LOE: Loss of Exclusivity

For FY2024 versus FY2023 comparison, Reported Revenue and Core Revenue are equivalent, as no Core adjustment was made to revenue in either year.

FY2024 H1 Core Operating Profit: Growth & Launch Products More Than Offset LOE Impact and Benefit from Phasing of R&D Investment

FY2024 H1 CORE OPERATING PROFIT VS PRIOR YEAR

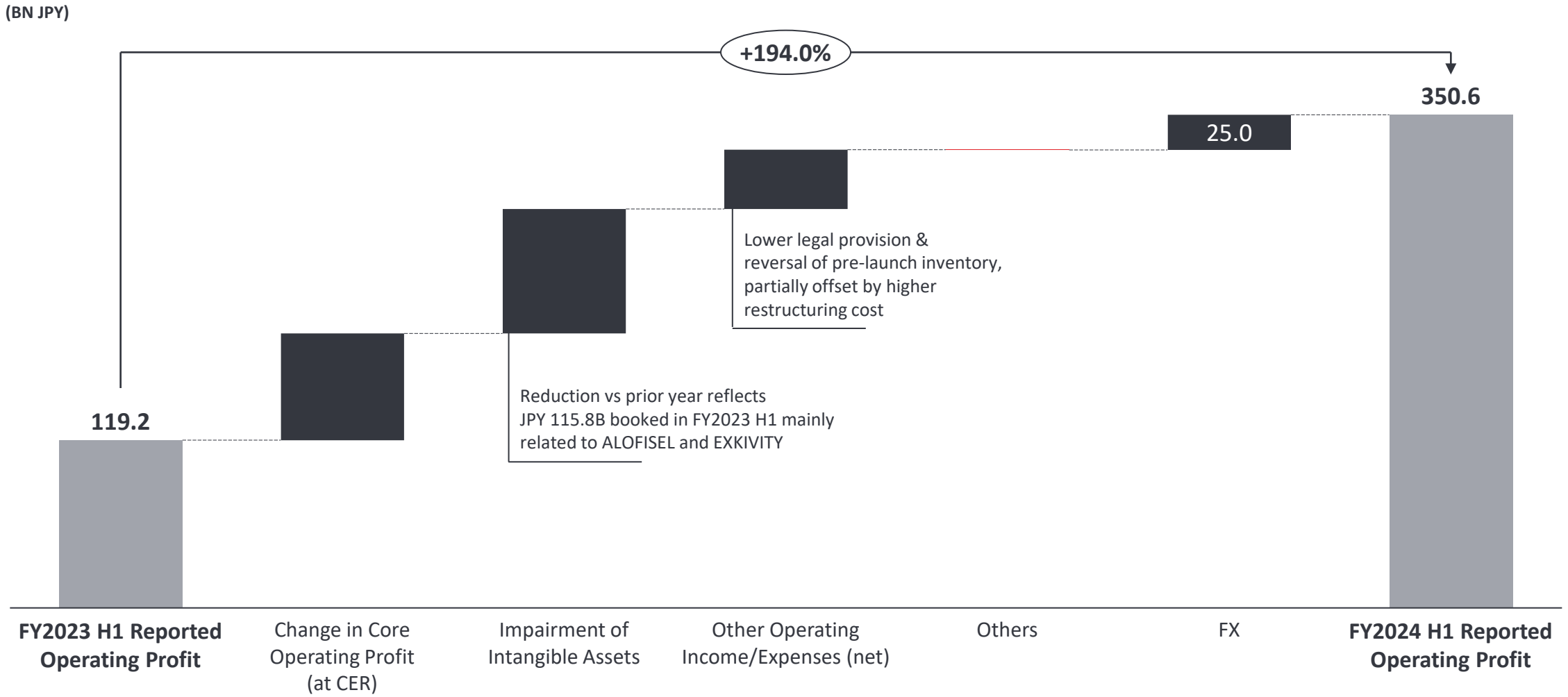
(BN JPY)



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

FY2024 H1 Reported Operating Profit: Increase Mainly Due to Large Non-Core Items Booked in the Prior Fiscal Year

FY2024 H1 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.

We Have Initiated an Enterprise-wide Program to Drive Efficiencies

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

Note: Core Operating Profit margin improvement target assumes constant FX rate, from baseline of 23.0% (original FY2024 forecast issued in May 2024)

Efficiency Program Implementation is Progressing as Planned

Organizational Agility

- Structural changes across various corporate and regional functions
- R&D pipeline prioritization & exiting research site in San Diego
- Announced early retirement program (Future Career Program) in Japan effective in H2
- Transferred manufacturing sites & employees for divested assets in Linz and Izumisano

Procurement Savings

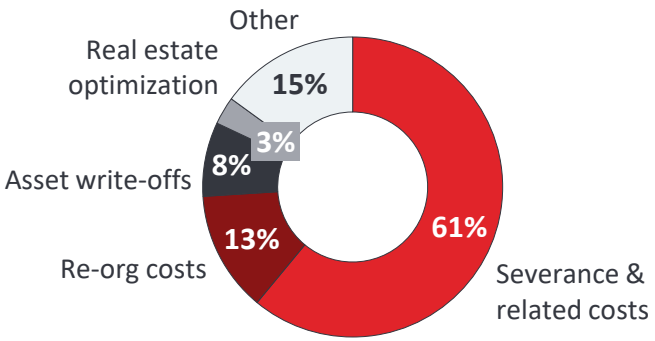
- On track to plan with year-to-date captured gross savings of ~JPY 20 billion
- Focus on targeted categories such as contract manufacturing, R&D services, marketing support & resources, facilities, information technology, etc.
- Partner Value Summit (version 4.0) kicked-off in October to collaborate with preferred suppliers on further cost reduction opportunities

Data, Digital & Technology

- Establishing Innovation Capability Centers (ICCs) to in-source and enhance DD&T capabilities, also enabling rationalization of vendors
- Decommissioning of data centers
- Integrating data and AI across the entire value chain, including manufacturing, plasma collection, research & development, sales & marketing, G&A

JPY 61.6B
restructuring costs booked in H1, in-line with full-year forecast of ~JPY 140B

Breakdown of costs to date related to Efficiency Program:



Raising Full-Year FY2024 Management Guidance and Reported & Core Forecasts

	CORE CHANGE AT CER (MANAGEMENT GUIDANCE)	
	ORIGINAL GUIDANCE	REVISED GUIDANCE
REVENUE	Flat to slightly declining →	**Flat to slightly increasing**
CORE OPERATING PROFIT	Approx 10% decline →	**Mid-single-digit % decline**
CORE EPS	Mid-10s% decline →	**Approx 10% decline**

- Reported & Core forecasts upgrade driven by product momentum including VYVANSE
- Forecasts also reflect updated FX assumptions for the year

  JPY/USD 150 (unchanged)
  JPY/EUR 160 → 165

- Confirming full-year divided plan of 196 yen per share

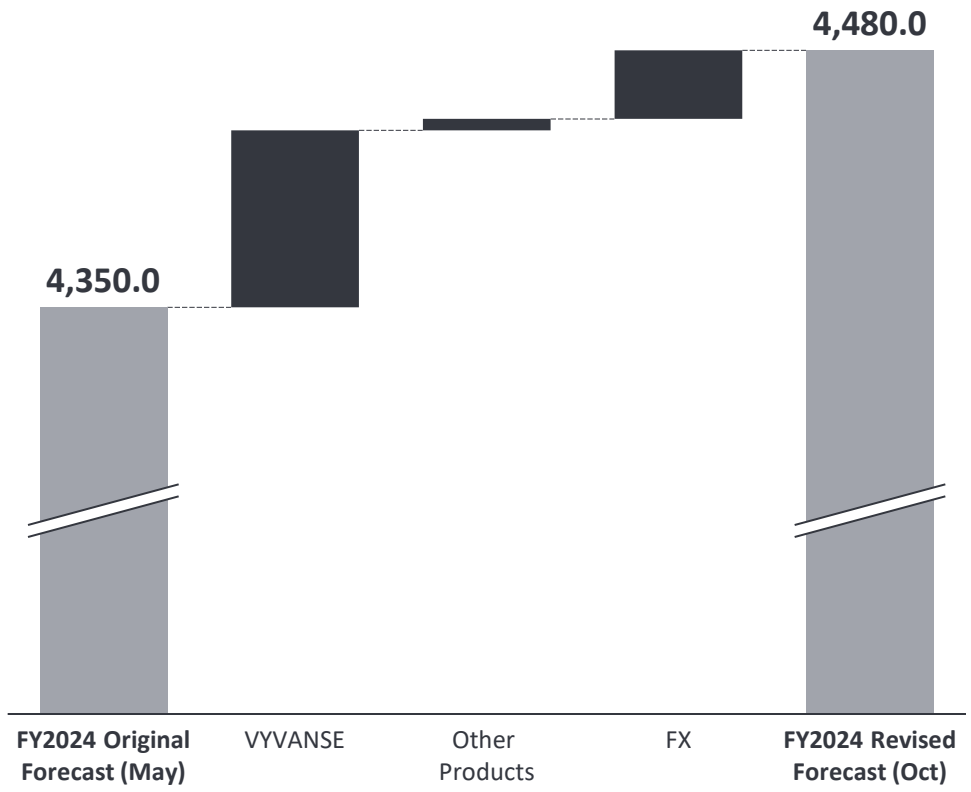
(BN YEN, except EPS)	REPORTED		CORE	
	ORIGINAL FORECAST	REVISED FORECAST	ORIGINAL FORECAST	REVISED FORECAST
REVENUE	4,350.0 →	**4,480.0**	4,350.0 →	**4,480.0**
OPERATING PROFIT	225.0 →	**265.0**	1,000.0 →	**1,050.0**
EPS	37 yen →	**43 yen**	431 yen →	**456 yen**
ADJUSTED FREE CASH FLOW			350.0 – 450.0 →	**400.0 – 500.0**
ANNUAL DIVIDEND PER SHARE			196 yen (no change)	

Note: Slide includes non-IFRS metrics. Please refer to appendix for definitions and reconciliations.
Please refer to appendix slide A-18 for more details of the FY2024 forecast
Please refer to appendix slide A-20 for more details on FX assumptions and sensitivity.

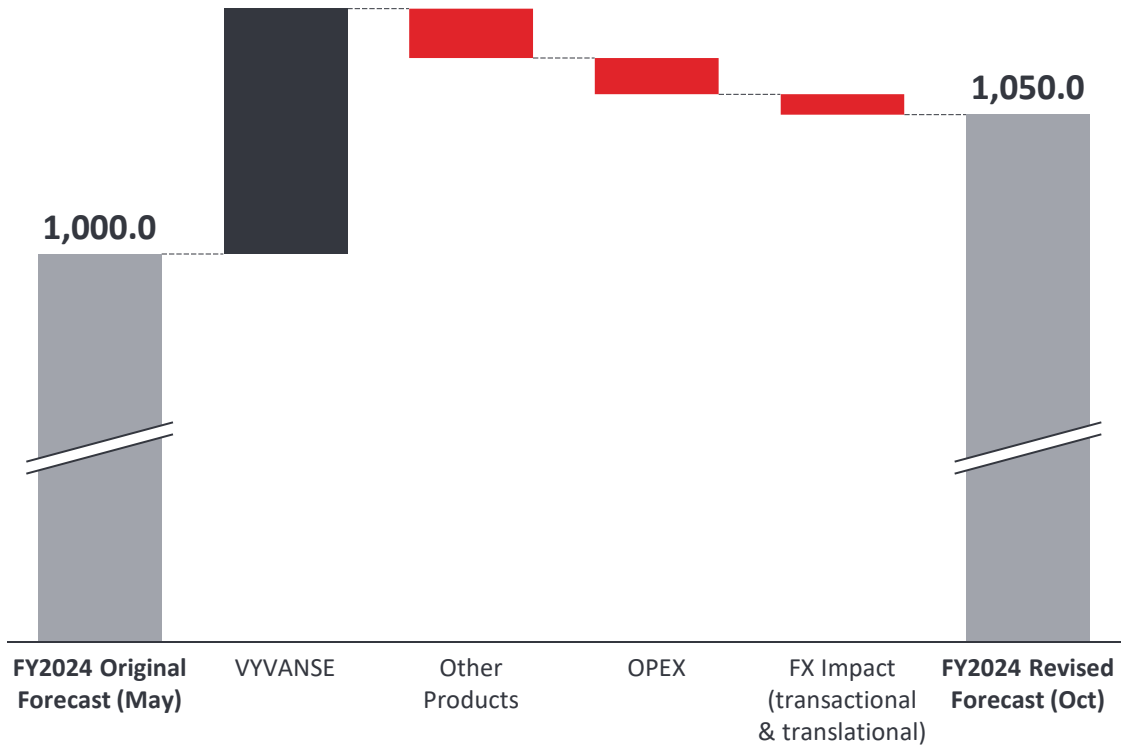
FY2024 Forecast Upgrade Driven by Product Momentum Including VYVANSE

FY2024 REVENUE FORECAST (OCT VS MAY)

(BN JPY)



FY2024 CORE OPERATING PROFIT FORECAST (OCT VS MAY)



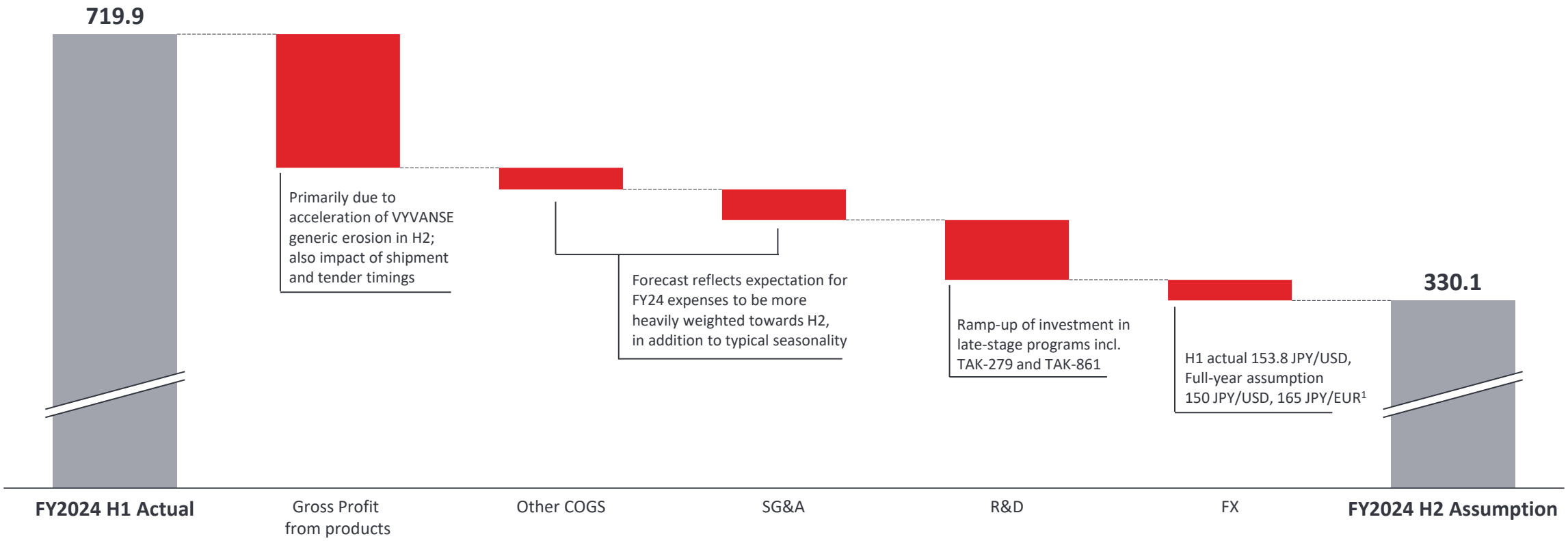
Graphs are illustrative

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

FY2024 H2 vs H1: Assumes Acceleration of VYVANSE Generic Erosion & Ramp-up in R&D Investment

FY2024 CORE OPERATING PROFIT FORECAST (H2 ASSUMPTION VS H1 ACTUAL)

(BN JPY)



Graphs are illustrative

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

1. FY2024 H2 assumes 146 JPY/USD, 164 JPY/USD. Please refer to appendix slide A-20 for more details on FX assumptions and sensitivity.

AGENDA

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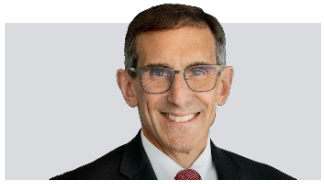
Christophe Weber, President & CEO

Financial Highlights
Milano Furuta, Chief Financial Officer



Pipeline Update
Andy Plump, President, R&D

Question & Answer Session

Major Updates to Our Late-Stage Pipeline Since FY2024 Q1

Data & Milestones

TAK-861	Phase 3 start for the first oral orexin 2 receptor agonist in August 2024
TAK-861	At Sleep Europe 2024, transformative long-term Phase 2b data were presented in NT1 patients to 6 months and beyond. Also presented, positive impact on cognition and nocturnal sleep for NT1 patients after 8 weeks
Zasocitinib	Psoriasis pivotal Phase 3 head-to-head trials[1] fully enrolled ahead of plan
Rusfertide	Phase 3 Polycythemia Vera trial fully enrolled; Data expected FY2024 Q4
Mezagitamab	Proof-of-concept data in IgAN presented at American Society of Nephrology

Regional Approvals & Filings

ADZYNMA ADAMTS13, recombinant-krhn
Approval EU cTTP

Fruzaqla™ (fruquintinib) capsules
Approval Japan mCRC[2]

vonvendi [von Willebrand factor (Recombinant)]
Approval China VWD[3]

HyQvia Human Normal Immunoglobulin (10%) Recombinant Human Hyaluronidase
Filing Japan CIDP + MMN

NT1: narcolepsy type 1
IgAN: IgA nephropathy
cTTP: immune thrombotic thrombocytopenic purpura
mCRC: metastatic colorectal cancer
VWD: von Willebrand disease
CIDP: chronic inflammatory demyelinating polyneuropathy
MMN: multifocal motor neuropathy

1. Pivotal Phase 3 head-to-head trials are vs. apremilast as the active comparator
2. Treatment of advanced or recurrent colorectal cancer (CRC) that is neither curable nor resectable and that has progressed after chemotherapy
3. For use in adults (age 18 and older) diagnosed with von Willebrand disease (VWD) for on-demand treatment and control of bleeding episodes and perioperative management of bleeding

R&D Day: Focus on Late-Stage Pipeline and Market Opportunity

When

December 13 from 8:30 AM JST /
December 12 from 6:30 PM EST

Duration of event is expected to be approximately 5 hours

Format

Hybrid event: Live presentation in Tokyo with virtual webcast

For registration to the webcast, please visit the R&D Day registration website

For registration to the in-person event in Tokyo, please contact Takeda IR directly

Topics

- Deep Dive into our Late-Stage pipeline including commercial prospects
  - Zasocitinib, TAK-861, rusfertide, fazirsiran, mezagitamab
- R&D Strategy evolution Gastrointestinal & Inflammation, Neuroscience, Oncology
- Research and Development update
- QA session

Q&A SESSION

CHRISTOPHE WEBER
Representative Director;
President & CEO

MILANO FURUTA
Director;
Chief Financial Officer

ANDY PLUMP
Director; President,
Research & Development

RAMONA SEQUEIRA
President,
Global Portfolio Division

JULIE KIM
President,
US Business Unit

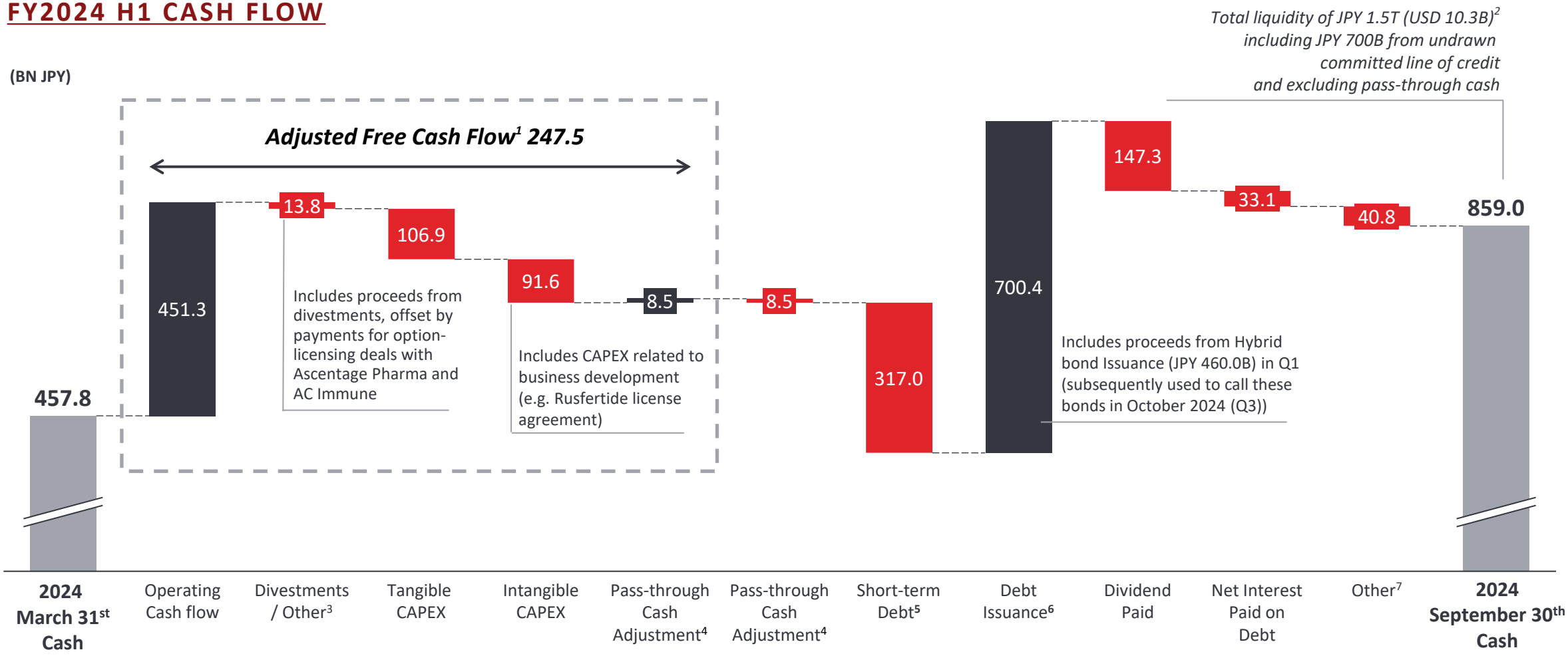
GILES PLATFORD
President, Plasma-
Derived Therapies
Business Unit

TERESA BITETTI
President, Global
Oncology Business Unit

APPENDIX

FY2024 H1 Adjusted Free Cash Flow of ~JPY250B

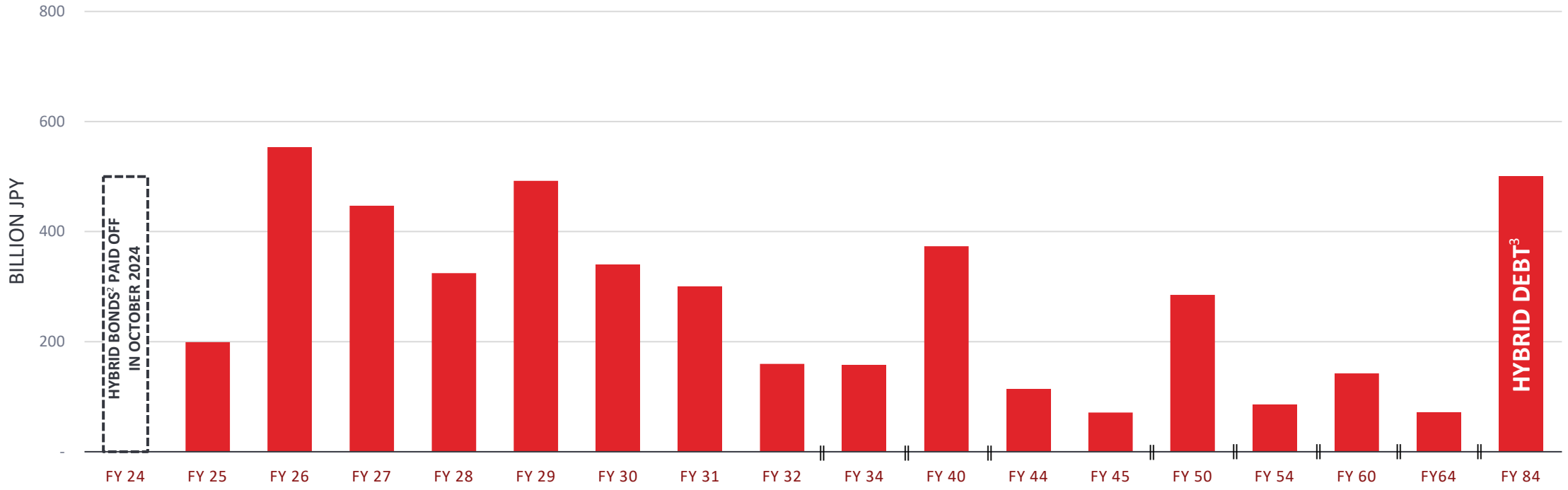
FY2024 H1 CASH FLOW



1. Please refer to appendix slide A-2 for definition and slide A-12 for reconciliation.
2. Please refer to disclaimer on Exchange Rates on slide 2. Total liquidity includes Level 1 debt investment in US Treasuries (JPY 14.3B)
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 JPY denominated Commercial Paper
6. "Debt Issuance" refers mostly to JPY 460.0B Hybrid Bond Issuance in June 2024 used for early redemption of JPY 500.0B Hybrid bonds in October 2024; and $3.0B USD Bond Issuance in July 2024, as reduced by $1.5 Bn. SAIIDAC Bond Tender Offer prepayment in July 2024
7. "Other" includes items such as FX impact on cash, lease obligations, certain investments and cash proceeds from re-setting of certain derivatives

Hybrid Debt Refinancing Completed; No More Debt Maturities Outstanding in FY2024

MATURITY LADDER AS OF 30 SEPTEMBER 2024 (AS ADJUSTED)[1]



100% Debt at Fixed rate (2% Weighted Average); Average Debt Maturity ~10 years

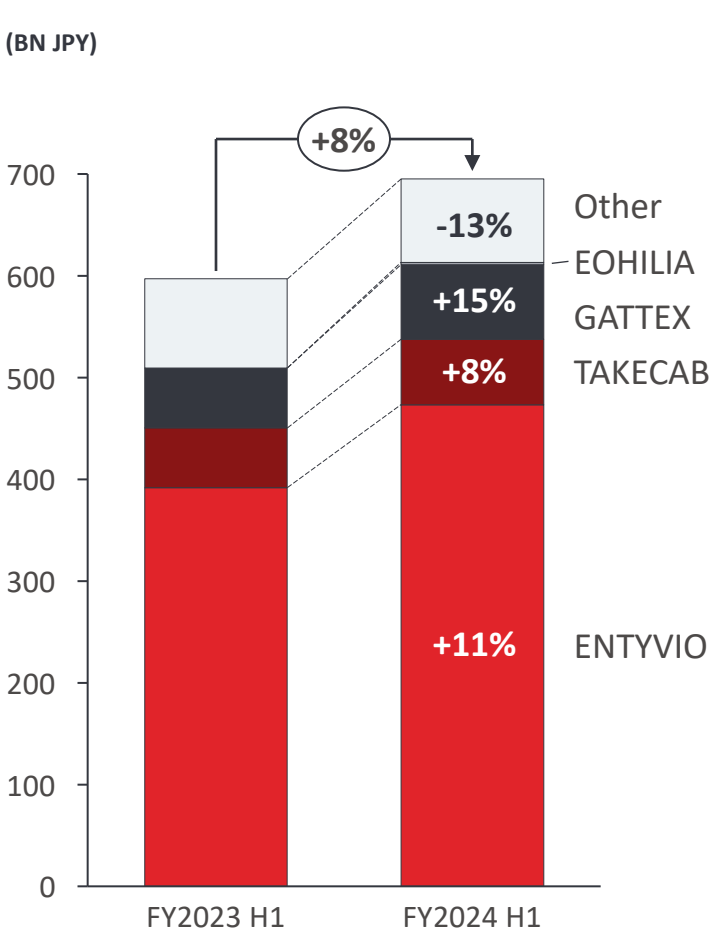
JPY 500.0B Hybrid Bonds Called and Paid in October 2024; Hybrid Debt Refinancing Completed with JPY 460.0B Hybrid Bonds (Q1) and JPY 40.0B Hybrid Loans (Q3)

1. Debt Maturity Profile of outstanding principal values as of September 30, 2024, as adjusted for debt transactions executed in October 2024.
2. In October 2024, Takeda paid for early redemption of Hybrid Bonds (Issued in June 2019, maturity date of June 2079) on their first call date using proceeds from Hybrid Bonds Issuance (Q1, JPY 460B) and Hybrid Loans Issuance (Q3, JPY 40B)
3. FY 84 Hybrid Debt (JPY 500B) comprises JPY 460B Hybrid Bonds (Issued in June 2024, maturity date of June 2084) and Hybrid Loans (JPY 40B Issued in October 2024, maturity date of October 2084). Non-JPY debt principal calculated as at end of September 2024 FX Rates (142.54 JPY/USD and 159.70 JPY/EUR). This reflects the actual conversion rate used for reporting purposes.

ENTYVIO Growth Acceleration Driven by U.S. Launch of ENTYVIO Pen

GI PORTFOLIO

FY2024 H1 REVENUE



Entyvio vedolizumab — FY2024 H1 Revenue JPY 473.2B (+10.7% growth)

- ENTYVIO growth continues to outperform the overall IBD market
- In the U.S., ENTYVIO remains the #1 brand in IBD (UC and Crohn's combined) with total IBD market share (low 20s percent) remaining stable over the last year[1]. Also, ENTYVIO maintains market share as 1L biologic in both UC and Crohn's bio-naïve new starts despite new entrants
- With the Pen now available for UC and Crohn's in the U.S., we can now unlock the full potential of the IBD market, as seen in Europe where region volume growth is still largely driven by the success of subcutaneous launches
- In Europe, ENTYVIO continues to outperform the overall IBD advanced therapy market, fueled by SC penetration, strong patient growth and maintaining steady share with fewer pricing headwinds compared to prior year
- Investment in studies to support targets of disease clearance and endoscopic healing, plus studies investigating the potential role of combination therapies to break efficacy ceiling with vedolizumab as backbone

---

Eohilia™ (budesonide oral suspension) 2mg — FY2024 H1 Revenue JPY 2.3B (Newly Launched)

- Patient demand for EOHILIA continues to grow month over month since launch in February 2024
- Growth supported by over 80% unaided HCP awareness and initial positive patient experience; U.S. team remains focused on HCP and patient engagement

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).

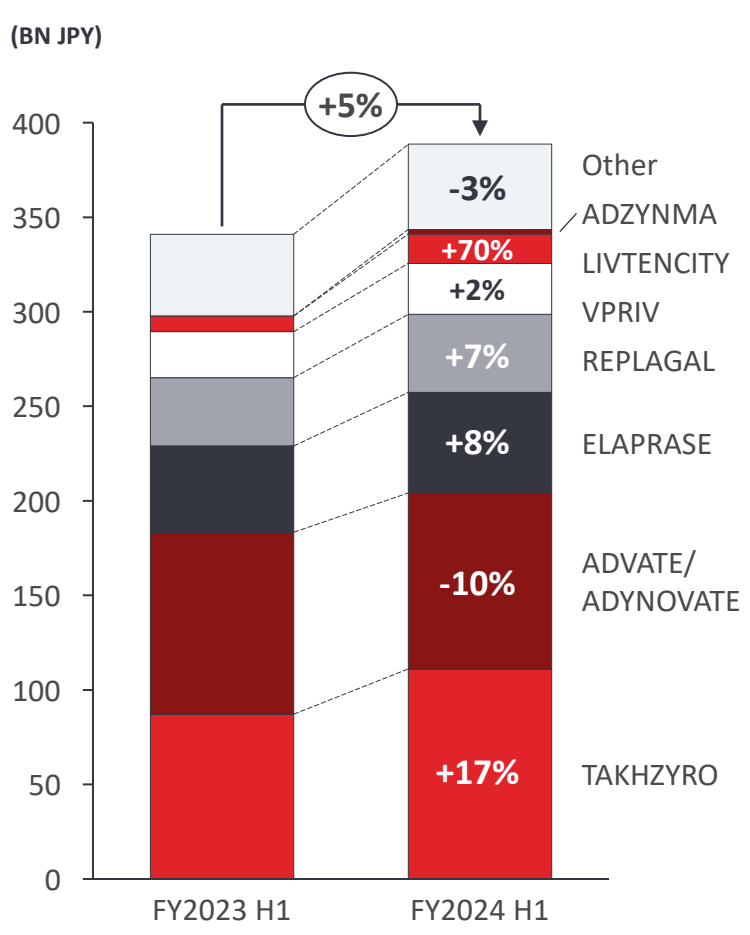
1. Source: Symphony Patient Transactional Claims Data, August 2024. Analysis based on projection of medical and pharmacy benefit IBD Claims

RARE DISEASES

Sustained TAKHZYRO Momentum with Double-Digit Growth
LIVTENCITY Strong Market Penetration in U.S. & Rapid Geographical Expansion

RARE DISEASES PORTFOLIO

FY2024 H1 REVENUE



TAKHZYRO (lanadelumab-flyo) injection

FY2024 H1 Revenue JPY 111.0B (+16.7% growth)

- 6 years in the market, TAKHZYRO continues to be the #1 prescribed modern long-term prophylaxis with strong performance driven by:
  - Strong global demand (commercial presence now in >55 countries) supported by compelling real-world evidence for >2.5 years on therapy with demonstrated improved Quality of Life (potential for zero attacks)
  - Strong patient persistency and rising prophylactic market growth
- TAKHZYRO is the first and only Long-Term Prophylactic HAE treatment available for patients 2 years of age and up. Worldwide pediatric launches continue with positive progress in U.S., European and emerging markets

---

LIVTENCITY™ (maribavir) tablets 200mg

FY2024 H1 Revenue JPY 15.5B (+70.5% growth)

- LIVTENCITY continues to show strong U.S performance driven by increased breadth and depth of activated centers, new and repeat prescribers, and positive market access trends leading to growth in new patient starts
- Real world utilization has demonstrated highly individualized treatment with partially longer treatment duration and a potential broader patient base
- Rapid geographic expansion: LIVTENCITY now available in >30 countries worldwide, including recent launch in Japan

---

ADZYNMA ADAMTS13, recombinant-krhn

FY2024 H1 Revenue JPY 2.4B (Newly Launched)

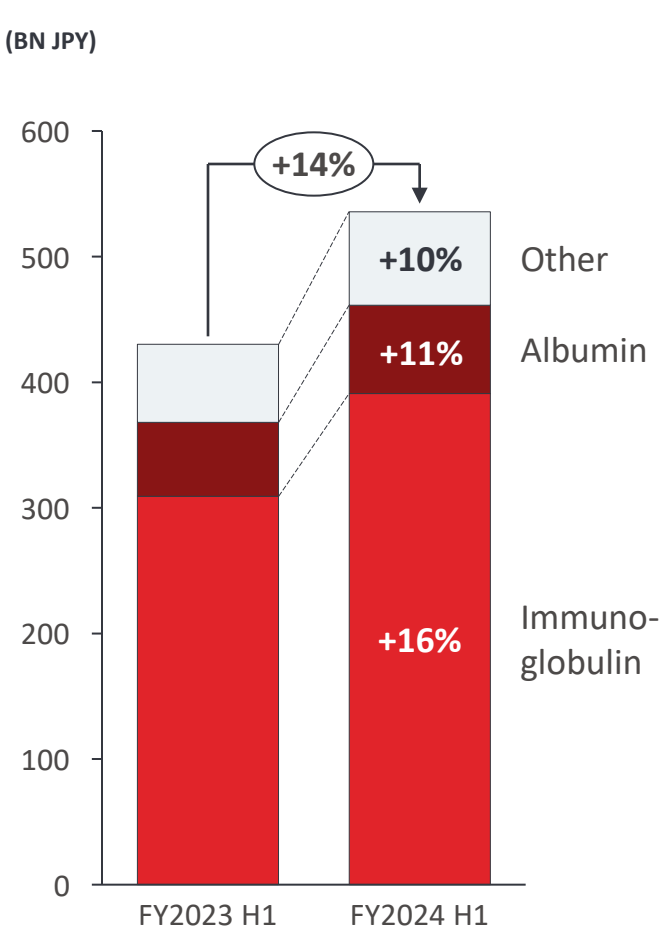
- Solid launch trajectory: Launched for cTTP in U.S., Japan, Germany and Austria, with approval granted in EU in August 2024 – further launches planned for EU and emerging markets
- Strong launch momentum with high healthcare professional interest for an ultra-rare patient population with a tremendous 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).

PDT Portfolio Continues to Deliver Outstanding Growth Fueled By Sales of Immunoglobulin Products

PDT PORTFOLIO

FY2024 H1 REVENUE



Immunoglobulin

FY24 H1 Revenue JPY 391.0B (+15.9% growth)

- Strong demand globally, especially in the U.S., coupled with steady and growing supply
- Expansion of SCIG portfolio; double-digit % revenue growth
- Continued investment in innovation and differentiation of IG portfolio

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

FY24 H1 Revenue JPY 70.3B (+11.0% growth)

- Strong demand globally, especially in China
- Anticipated slowdown due to planned necessary upgrades to manufacturing operations
- "Single-digit growth" at CER full-year FY2024 revenue guidance affirmed

Flexbumin (Human Albumin) · HUMANALBUMIN SOLUTION FOR INFUSION

CONTINUING TO INVEST IN PLASMA DONATION AND CAPACITY EXPANSION

- Plasma donation volume is expected to grow at a steady pace, leveraging our strong network of 267 collection centers; on track to expand our network by >10 centers during FY2024
- Significant investment in data and digital helps attract and retain donors through the delivery of an exceptional, personalized and differentiated donor experience
- Initiated deployment of personalized nomogram, targeting ~35 U.S. BioLife centers in FY2024, enabling individual-based plasma donations that are shown to safely increase overall volume
- Targeted investments across manufacturing network to increase yield, expand capacity and create efficiencies, leveraging data, digital & technology capabilities

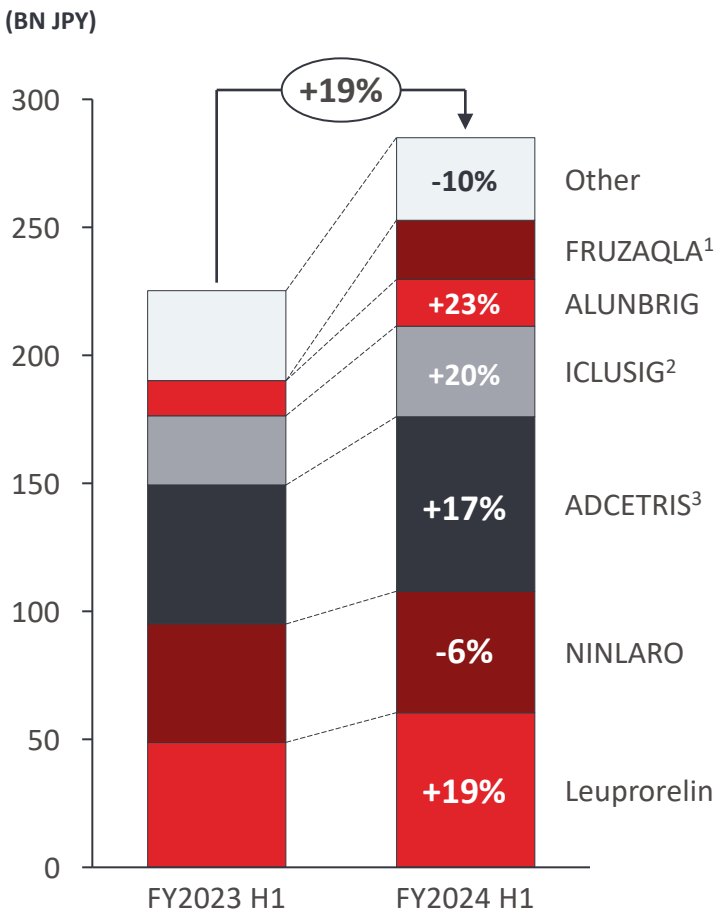
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

ONCOLOGY

Steady Growth Across Key Brands in Oncology Marketed Portfolio

ONCOLOGY PORTFOLIO

FY2024 H1 REVENUE



Fruzaqla® (fruquintinib) capsules

FY2024 H1 Revenue JPY 23.1B (Newly Launched)

- Launch has exceeded expectations, with strong uptake in the U.S. and early positive start in Germany; full-year revenue forecast has been upgraded
- Key drivers include the need for new treatment options in mCRC and early positive feedback from oncologists
- Recently approved in Japan and several other countries; focused on additional approvals and launches

ADCETRIS® brentuximab vedotin

FY2024 H1 Revenue JPY 68.2B (+17.4% growth)

- Revenue increase primarily driven by stage-3 Hodgkin lymphoma demand in Europe and emerging markets
- Marketing authorization application based on HD21 trial results validated and accepted for review by EMA

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

FY2024 H1 Revenue JPY 35.4B (+19.9% growth)

- Strong growth due to U.S. label expansion for newly diagnosed Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL) in combination with chemotherapy
- Ph+ ALL indication has also improved awareness of the positive OPTIC trial results in chronic myeloid leukemia

For full glossary of abbreviations please refer to appendix.

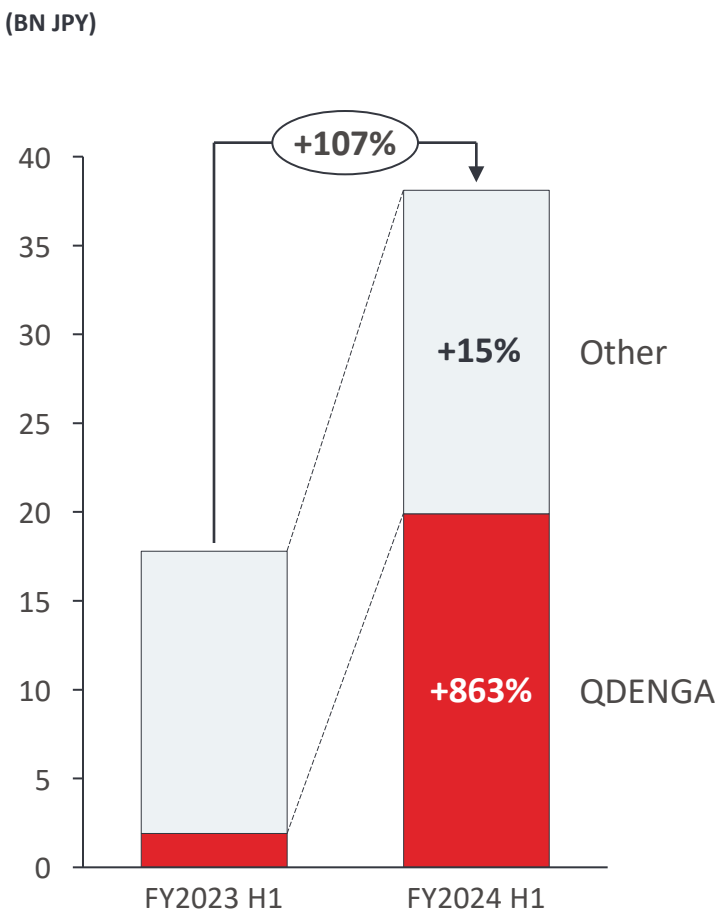
1. FRUZAQLA is in-licensed from HUTCHMED Limited; Takeda has the exclusive worldwide license to further develop, commercialize, and manufacture fruquintinib outside of mainland China, Hong Kong and Macau.
2. Takeda has commercialization rights for ICLUSIG in the U.S. and Australia. Outside of the U.S. and Australia, ICLUSIG is marketed in over 60 markets by five authorized partners.
3. 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.

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).

QDENGA Demand Exceeding Expectations; Driving Awareness and Access

VACCINES PORTFOLIO

FY2024 H1 REVENUE

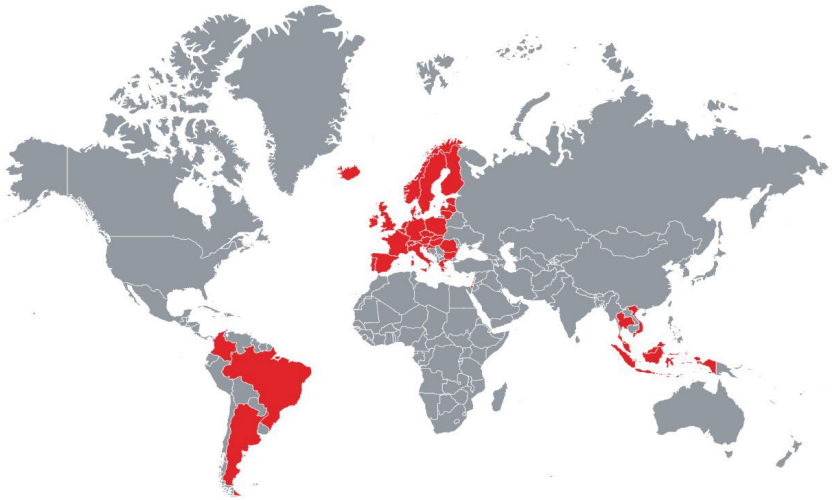


Qdenga™ Dengue Tetravalent Vaccine (Live, Attenuated)

FY2024 H1 Revenue JPY 19.9B (+863% growth)

- Strong global demand: now available in 25 countries, including 18 European countries with travel recommendations to support use of QDENGA to help protect travelers to dengue endemic areas
- Increasing breadth and depth in these markets and further geo expansion drive additional growth, e.g. launch in Malaysia in June, Israel in July, and Vietnam in September 2024
- Productive discussions ongoing with governments in endemic markets towards inclusion in national immunization programs
- Acknowledgement by important global organizations drives awareness and access for QDENGA
  - World Health Organization (WHO) has added QDENGA to its List of Prequalified Vaccines
  - The Gavi Board recently approved support for a dengue vaccine program which is a major milestone towards broadening access
- Pursuing private and public partnerships with governments, institutional businesses, NGOs and manufacturers to expand access

QDENGA Approvals Around the World



Approved: Argentina, Brazil, Colombia, EU, Iceland, Indonesia, Isreal, Liechtenstein, Malaysia, Norway, Switzerland, Thailand, UK, Vietnam (local labels may vary)

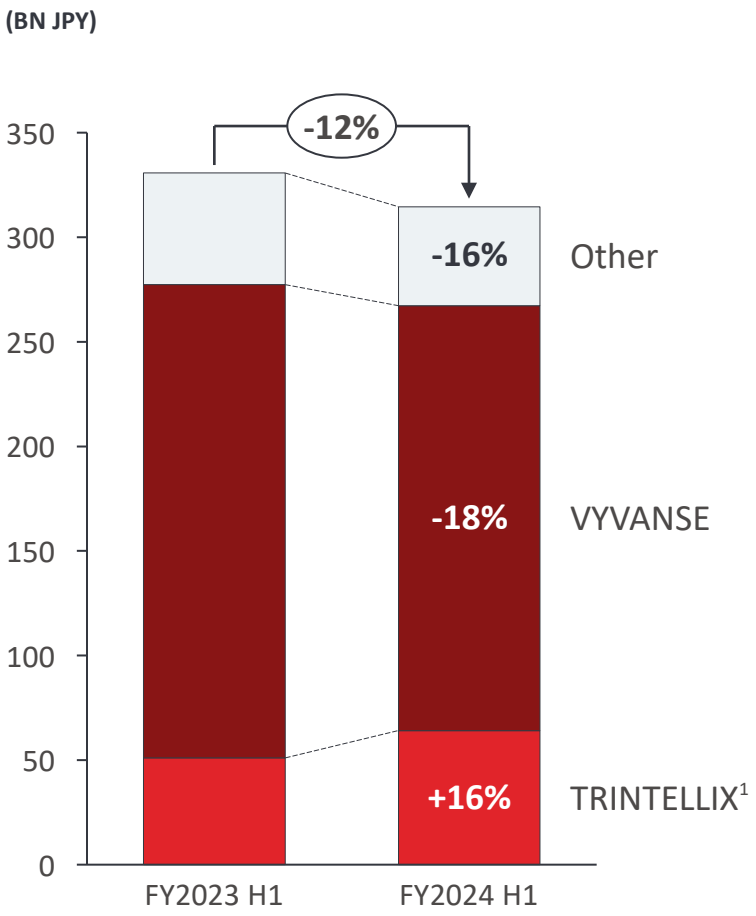
Absolute values are presented on an IFRS (reported) basis;
Year-on-year changes are at CER (please refer to appendix slide A-1 for definition).

Gavi: Global Alliance for Vaccines and Immunization

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

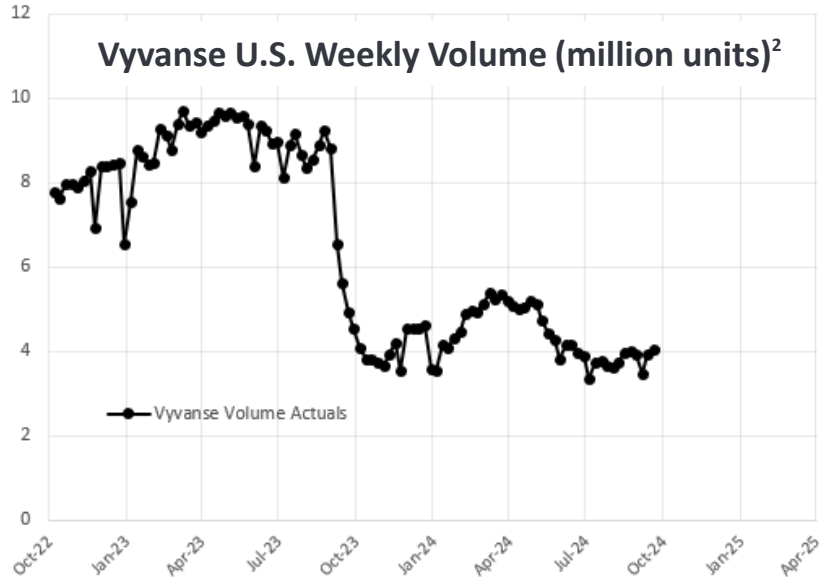
NEUROSCIENCE PORTFOLIO

FY2024 H1 REVENUE



FY2024 H1 Revenue JPY 203.2B (-17.9% change)

- U.S. revenue declined -28.6% at CER in H1, impacted by Loss of Exclusivity that occurred August 2023
- U.S brand share erosion to date in FY2024 has been milder than anticipated due to continued constraints of generic supply, but further erosion is anticipated in the coming quarters as generic supply gradually increases
- Continuing to deliver strong growth ex-U.S.



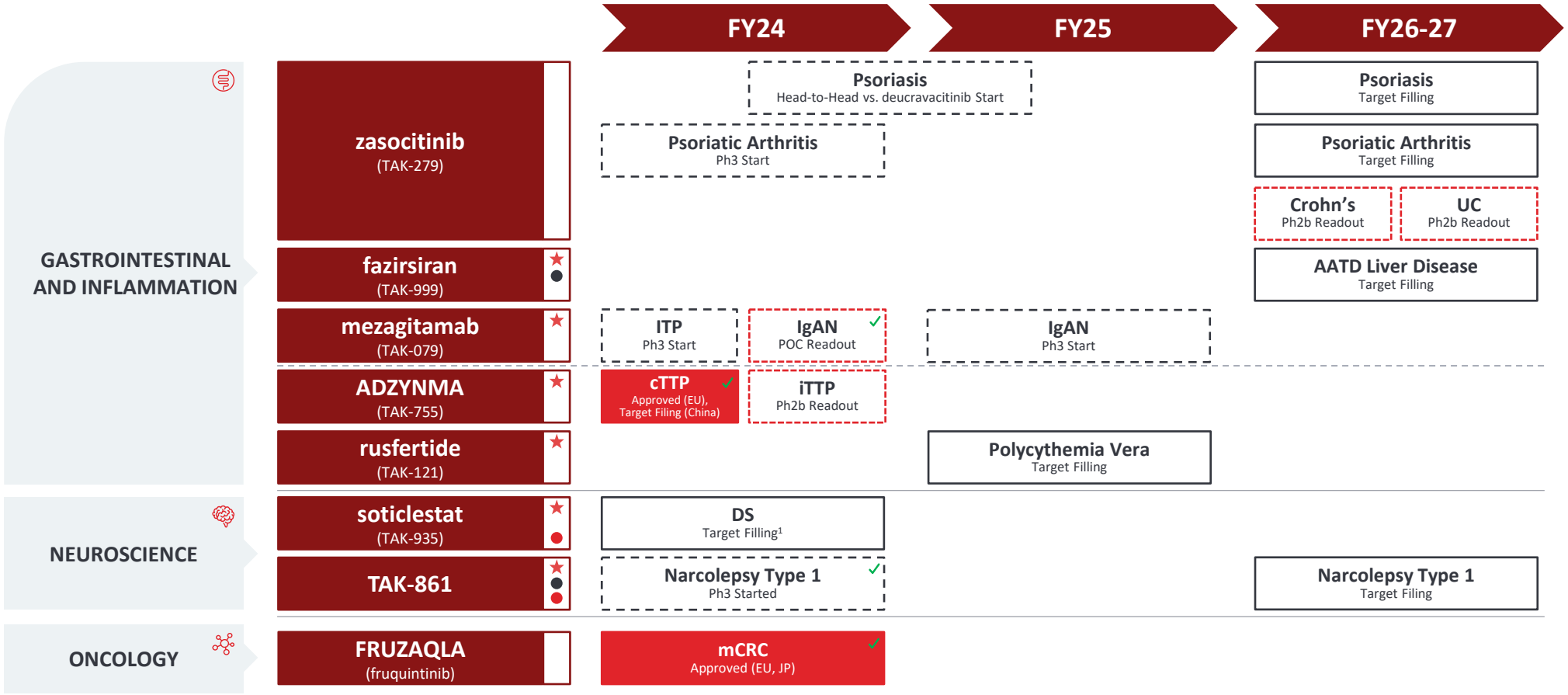
FY2024 H1 Revenue JPY 64.1B (+16.1% growth)

- In the U.S., growth of +15.7% at CER benefitting from lower gross-to-nets compared to prior year primarily due to shifts in payer mix (Medicaid prior period true-ups, and lower 340b utilization)
- In Japan, demonstrating continued strong momentum with +20.1% growth in FY24 H1

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. TRINTELLIX is in-licensed from Lundbeck; Takeda has co-marketing rights in the U.S. and Japan.
2. Source: IQVIA

Developing Life Transforming Medicines for Rare and More Prevalent Diseases: 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.

Approved

Target Filing, anticipated year of filing for regulatory approval

Targeted pivotal study / Phase 3 start

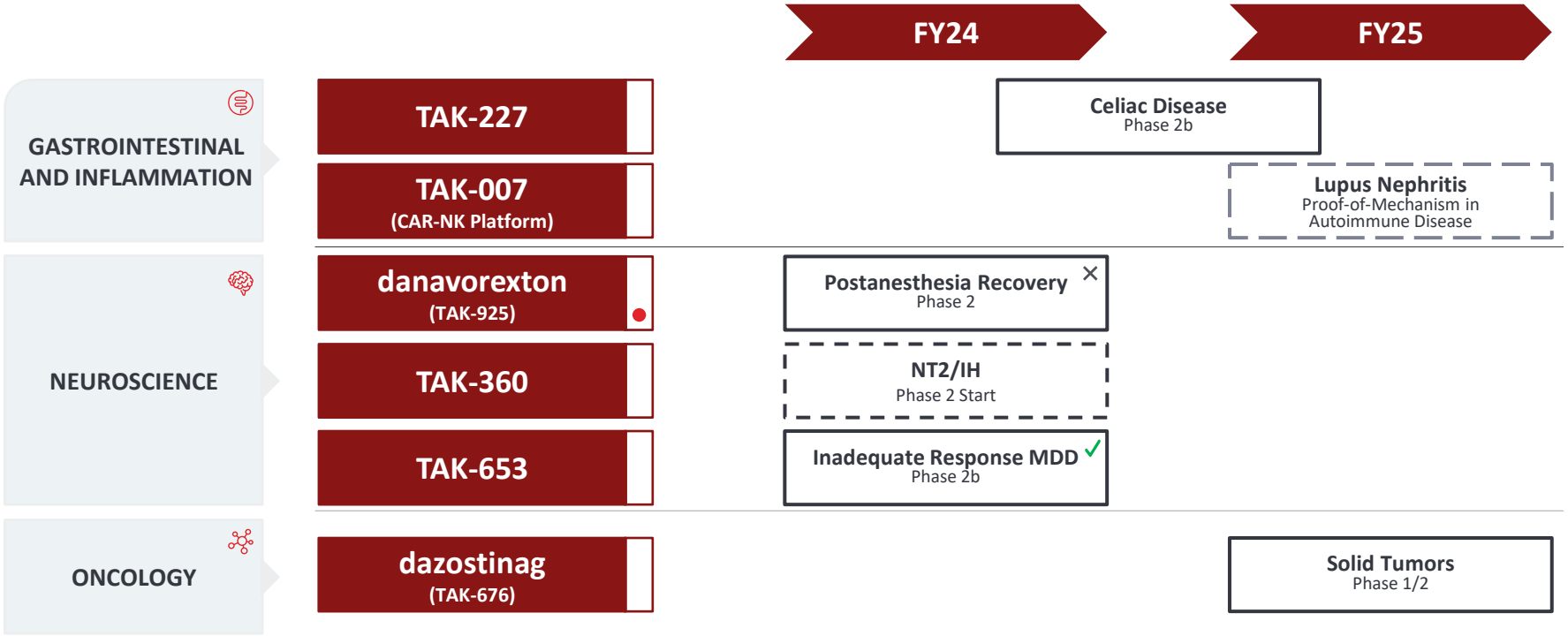
Proof-of-concept/Dose ranging Phase 2 study readout

✓ Milestone achieved

1. Soticlestat DS totality of Phase 3 data suggests potential clinically meaningful benefit despite missing primary endpoint. Next step is to discuss potential filing with FDA.

All timelines are approximate estimates as of October 31st, 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.

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



COMMENTS

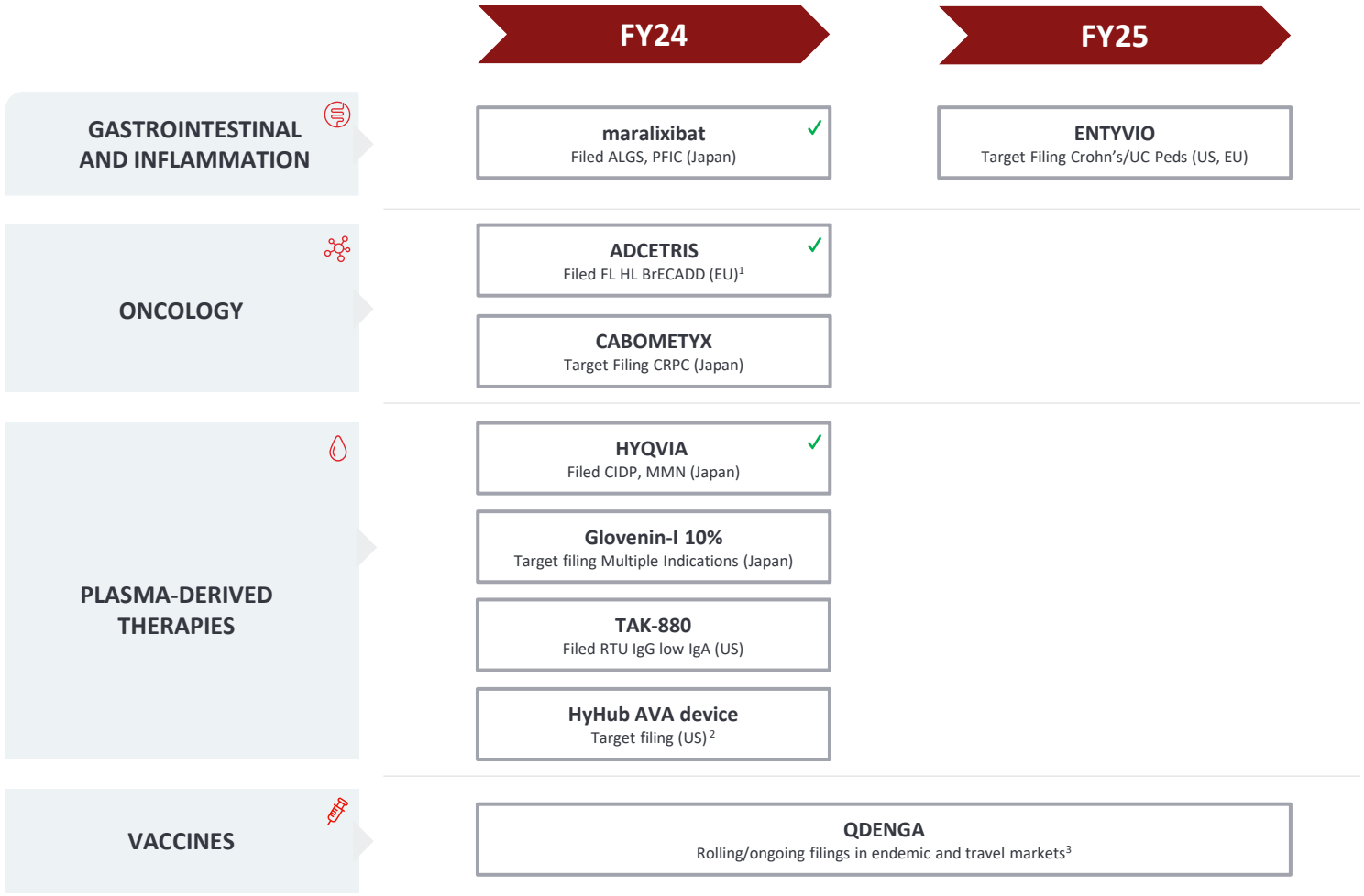
Trial stopped due to enrollment challenges
No new safety findings observed
Exploring alternative indications

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.

- Proof-of-concept to inform Go/No-go to pivotal trial
- Phase 2 Start
- Clinical proof-of-mechanism
- Japan SAKIGAKE and/or China Breakthrough designations in at least one indication
- ✓ Milestone achieved
- ✕ Milestone not achieved

All timelines are approximate estimates as of October 31st, 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 Represent Significant Growth Opportunities



1. Submission based on data from German Hodgkin Study Group HD21 trial
2. HyHub: Advanced vial access for a sterile, single-use medical device that significantly simplifies the preparation and delivery of fSCIG from vials
3. QDENGA approved in Vietnam (May 2024), Israel (May 2024), Switzerland (July 2024)

All timelines are approximate estimates as of October 31st, 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[1]	✓
	ADZYNMA	cTTP	EU approval	✓
	FRUZAQLA	mCRC	EU approval JP approval	✓ ✓
	LIVTENCITY	Refractory 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[2] Phase 3 Readout	 ✗

✓ Milestone achieved

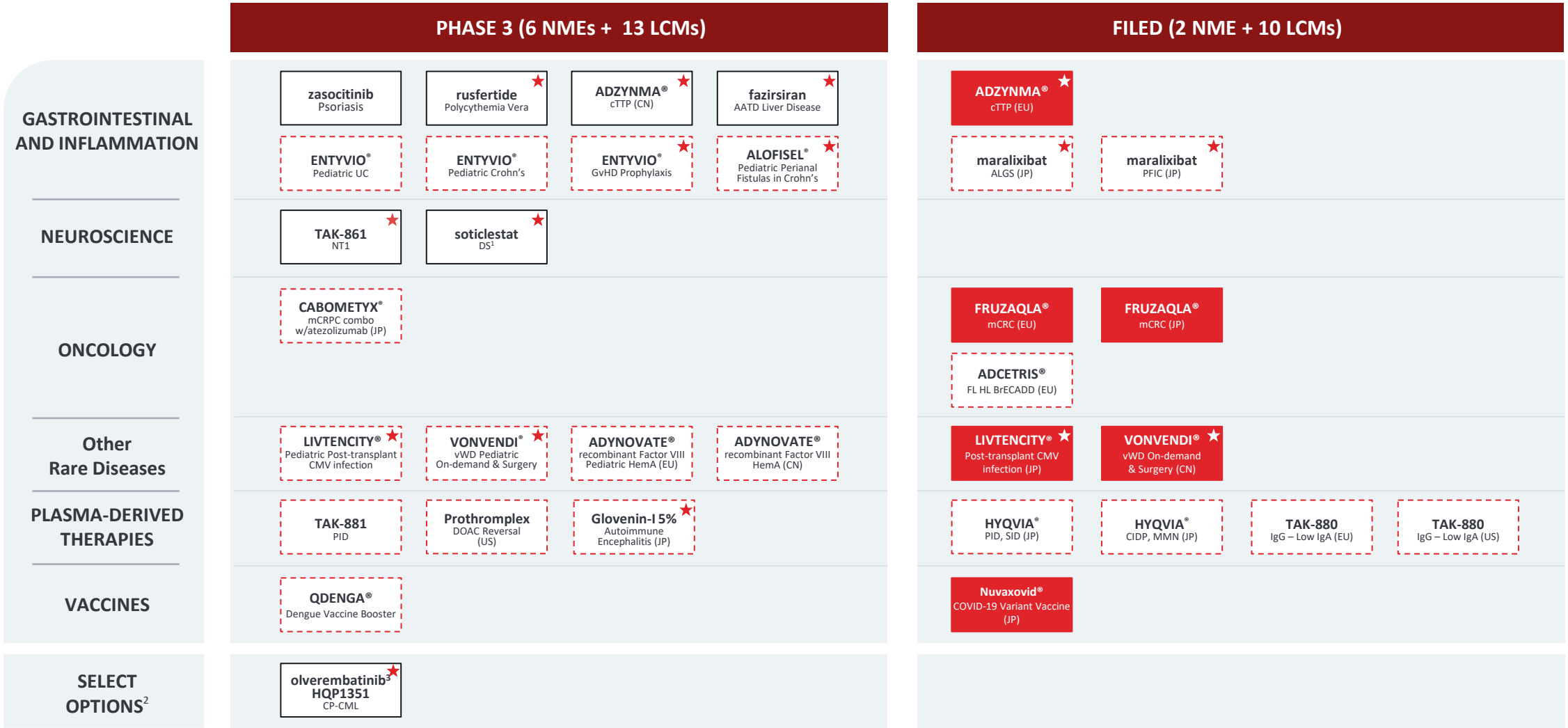
✗ Milestone not achieved

1. QDENGA approved in Vietnam (May 2024), Israel (May 2024), Switzerland (July 2024)
2. Soticlestat DS totality of Phase 3 data suggests potential clinically meaningful benefit despite missing primary endpoint. Next step is to discuss potential filing with FDA.

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 October 31st, 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

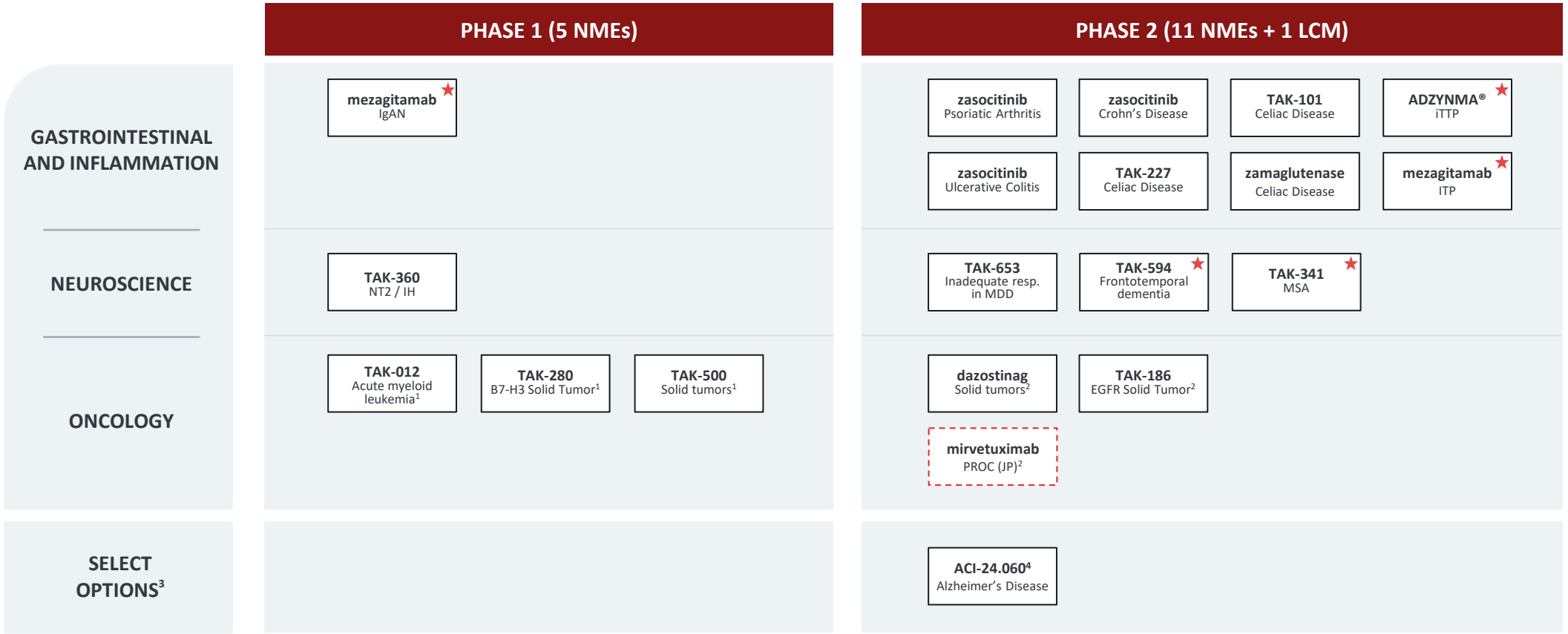


1. Soticlestat DS totality of Phase 3 data suggests potential clinically meaningful benefit despite missing primary endpoint.
2. Select options: Other selected assets that Takeda holds contractual rights to potentially clinically develop and/or commercialize in the future.
3. Olverembatinib/HQP1351 is included for reference only. Ascentage Pharma retains ownership of this asset and is solely responsible for its clinical development prior to Takeda's potential exercise of its option to exclusively license certain rights, which is subject to customary conditions including antitrust approval.

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

All timelines are approximate estimates as of October 31st, 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



1. Currently in phase 1 of a phase 1/2 trial
2. Currently in phase 2 of a phase 1/2 trial
3. Select options: Other selected assets that Takeda holds contractual rights to potentially clinically develop and/or commercialize in the future.
4. ACI-24.060 is included for reference only. AC Immune retains ownership of this asset and is solely responsible for its clinical development prior to Takeda's potential exercise of its option to exclusively license certain rights, which is subject to customary conditions including antitrust approval.

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

NME | LCM

All timelines are approximate estimates as of October 31st, 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.

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 ✓	FY26-27
			Head-to-Head Start FY24/25	
Psoriatic Arthritis		Ph2b September 2023 ✓	Ph3 Start FY24	
Crohn's Disease	Ph2b March 2024 ✓			
Ulcerative Colitis	Ph2b June 2024 ✓			
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**

All timelines are approximate estimates as of October 31st, 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.

Continuing Evidence Generation and Indication Expansion

	PHASE 3	PHASE 3b / 4	PUBLISHED	APPROVED
Ulcerative colitis	ENTYVIO® IV Pediatric (Global)	ENTYVIO® IV (VERDICT) (Global)[3,4] ENTYVIO® IV (EXIGEM) ENT + tof (US/Can)[3]	ENTYVIO® IV (VARSITY) ENT vs. ada[1]	ENTYVIO® IV (Global) ENTYVIO® SC (US, EU, JP)
Crohn's disease	ENTYVIO® IV Pediatric (Global)	ENTYVIO® IV (EXPLORER 2) ENT + ada or ENT + ust (US/Can)[3] ENTYVIO® IV (VICTRIVA) ENT + upa (Global)[3] ENTYVIO® (VOICE) ENT or ust (US/Can)[3,4] ENTYVIO® IV (VECTORS) (Global)[3,4]		ENTYVIO® IV (Global) ENTYVIO® SC (US, EU, JP)
Pouchitis				ENTYVIO® IV (EU)
Graft-versus-host disease			ENTYVIO® IV (Global)[2] ★	

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
4. Collaborative study led by Alimentiv in collaboration with Takeda

ENT: ENTYVIO
Tof: tofacitinib
Ada: adalimumab
Ust: ustekinumab
Upa: upadacitinib

Approved | Published | Ongoing study or filing

★ Orphan Drug Designation potential

All timelines are approximate estimates as of October 31st, 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.

Glossary of Abbreviations

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

AATD	α1-antitrypsin deficiency
AATD LD	α1-antitrypsin deficiency associated liver disease
ADAMTS13	a disintegrin-like and metalloproteinase with a thrombospondin type 1 motifs 13
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
CP-CML	chronic-phase chronic myeloid leukemia
CPF	complex perianal fistulas
CRC	colorectal cancer
CRL	complete response letter
CRPC	castrate-resistant prostate cancer
cTTP	congenital thrombotic thrombocytopenic purpura
DOAC	direct oral anti-coagulation
DS	Dravet syndrome
EGFR	epidermal growth factor receptor
EMA	European Medicines Agency
ESRS	European Sleep Research Society
ESS	Epworth Sleepiness Scale
FDA	U.S. Food & Drug Administration
FL	front line
fSCIG	facilitated Subcutaneous Immunoglobulin
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
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
ITP	immune thrombocytopenia
iTTP	immune thrombotic thrombocytopenic purpura
IV	intravenous
JAK	Janus kinase
LCM	lifecycle management
LGS	Lennox-Gastaut syndrome
LTE	long-term extension
mCRC	metastatic colorectal cancer
mCRPC	metastatic castrate-resistant prostate cancer
MDD	major depressive disorder
MG	myasthenia gravis
MM	multiple myeloma
MMN	multifocal motor neuropathy
MSA	multiple system atrophy
MWT	maintenance of wakefulness test
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
PR	platelet response
PRIME	Priority medicines scheme by EMA
PROC	platinum-resistant ovarian cancer
QD	quaque die, every day
QOL	quality of life
R/R	relapsed/refractory
RTU	ready to use
SC	subcutaneous formulation
SCT	stem cell transplant
SEM	standard error of the mean
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 and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations

Core Financial Measures

Takeda's Core Financial Measures, particularly Core Revenue, Core Operating Profit, Core Net Profit for the Year attributable to owners of the Company and Core EPS, exclude revenue from divestments, amortization and impairment losses on intangible assets associated with products (includes in-process R&D) 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 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 intangible assets associated with products (includes in-process R&D) and non-cash items or items unrelated to the underlying trends and business performance of Takeda's core operations. **Core EPS** represents net profit for the year attributable to owners of the Company, 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.

Takeda presents its Core Financial Measures because Takeda believes that these measures are useful to understanding its business without the effect of items that Takeda considers to be unrelated to the underlying trends and business performance of its core operations, including items (i) which may vary significantly from year-to-year or may not occur in each year, or (ii) whose recognition Takeda believes is largely uncorrelated to trends in the underlying performance of our core business. Takeda believes that similar measures are frequently used by other companies in its 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. Takeda also presents 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).

Constant Exchange Rate ("CER") Change

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

Takeda presents CER change because we believe that this measure is useful to investors to better understand the effect of exchange rates on our business, and to understand how our results of operations might have changed from year to year without the effect of fluctuations in exchange rates. These are the primary ways in which our management uses these measures to evaluate our results of operations. We also believe that this is a useful measure for investors as similar performance measures are frequently used by securities analysts, investors and other interested parties in the evaluation of the results of operations of other companies in our industry (many of whom similarly present measures that adjust for the effect of exchange rates).

The usefulness of this presentation has significant limitations including, but not limited to, that while CER change is calculated using the same exchange rates used to calculate financial results as presented under IFRS for the previous fiscal year, this does not necessarily mean that the transactions entered into during the relevant fiscal year could have been entered into or would have been recorded at the same exchange rates. Moreover, other companies in our industry using similarly titled measures may define and calculate those measures differently than we do, and therefore such measures may not be directly comparable. Accordingly, CER change at constant exchange rates should not be considered in isolation and is not, and should not be viewed as, a substitute for change in financial results as prepared and presented in accordance with IFRS. Starting from the quarter ended June 30, 2024, we ceased 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.

Free Cash Flow and Adjusted Free Cash Flow

Takeda defines **Free Cash Flow** as cash flows from operating activities less acquisition of property, plant and equipment ("PP&E"). Takeda defines **Adjusted Free Cash Flow** as cash flows from operating activities, subtracting payments for acquisition of PP&E, intangible assets, investments (excluding debt investments classified as Level 1 in the fair value hierarchy) and businesses, net of cash and cash equivalents acquired, and other transactional payments deemed related or similar in substance thereto as well as adding proceeds from sales of PP&E, sales and redemption of investments (excluding debt investments classified as Level 1 in the fair value hierarchy) and sales of businesses, net of cash and cash equivalents divested, and further adjusting for the movement of any other cash that is not available to Takeda's immediate or general business use.

Takeda presents Free Cash Flow and Adjusted Free Cash Flow because Takeda believes that these measures are 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. Adjusted 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. Takeda also believes that Free Cash Flow and Adjusted Free Cash Flow are helpful to investors in understanding how our strategic acquisitions and divestitures of businesses contribute to our cash flows and liquidity.

The usefulness of Free Cash Flow and Adjusted Free Cash Flow to investors has significant 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 do 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 and Adjusted Free Cash Flow should not be considered in isolation and are not, and should not be viewed as, substitutes 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 and Adjusted Free Cash Flow is net cash from operating activities. Starting from the quarter ended June 30, 2024, we i) changed the title of Free Cash Flow as previously represented to "Adjusted Free Cash Flow" and ii) began reporting "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.

EBITDA and Adjusted EBITDA

Takeda defines **EBITDA** as consolidated net profit before income tax expenses, depreciation and amortization and net interest expense. Takeda defines **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.

Takeda presents EBITDA and Adjusted EBITDA because Takeda believes 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. Primarily, Adjusted EBITDA is used by Takeda for the purposes of monitoring its financial leverage. Takeda further believes 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.

The usefulness of EBITDA and Adjusted EBITDA to investors has significant limitations including, but not limited to, (i) they may not be comparable 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 an acquisition, 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 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. EBITDA and Adjusted EBITDA should not be considered in isolation and are not, and should not be viewed as, substitutes for operating income, net profit for the year or any other measure of performance presented in accordance with IFRS. The most closely comparable measure presented in accordance with IFRS is net profit for the period.

Net Debt and Adjusted Net Debt

Takeda defines **Net Debt** as the book value of bonds and loans on consolidated statements of financial position adjusted only for cash and cash equivalents, and **Adjusted 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) the “equity credit” applied to Takeda’s “hybrid” subordinated indebtedness by S&P Global Rating Japan in recognition of the equity-like features of those instruments pursuant to such agency’s ratings methodology. To calculate Adjusted Net Debt, Takeda deducts from this figure cash and 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.

Takeda presents Net Debt and Adjusted Net Debt because Takeda believes that these measures are 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 financial leverage (for the avoidance of doubt, Adjusted Net Debt and the ratio of Adjusted Net Debt to Adjusted EBITDA are not intended to be indicators of Takeda’s liquidity). Takeda also believes that similar measures of indebtedness are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Particularly following the acquisition of Shire, investors, analysts and, in particular, ratings agencies, have closely monitored Takeda’s leverage, as represented by the ratio of its Adjusted Net Debt to Adjusted EBITDA. In light of the weight given by ratings agencies in particular to this ratio, Takeda believes that such information is useful to investors to help understand not only Takeda’s financial leverage, but also how ratings agencies evaluate the level of financial leverage in evaluating Takeda’s quality of credit. Accordingly, as described below, Takeda includes an adjustment to its Adjusted Net Debt to reflect the “equity credit” afforded to certain of its subordinated indebtedness by ratings agencies (such indebtedness does not qualify for treatment as equity under IFRS).

The usefulness of Adjusted 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 the pharmaceutical industry, (ii) it does not reflect the amounts of interest payments to be paid on Takeda’s indebtedness, (iii) it does not reflect any restrictions on Takeda’s ability to prepay or redeem any of our indebtedness, (iv) it does not reflect any fees, costs or other expenses that Takeda 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 Takeda’s financing agreements, does not reflect the actual rates at which Takeda would be able to convert one currency into another and (vi) it reflects an equity credit despite the fact that Takeda’s subordinated bonds are not eligible for equity treatment under IFRS, although Takeda believes this adjustment to be reasonable and useful to investors. Adjusted 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. Starting from the quarter ended June 30, 2024, we i) changed the title of Net Debt as previously represented to "Adjusted Net Debt" and ii) began reporting “Net Debt” as the book value of bonds and loans on consolidated statements of financial position adjusted only for cash and cash equivalents. This change is intended to enhance the comparability of our Net Debt 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 = 143.25 JPY, the Noon Buying Rate certified by the Federal Reserve Bank of New York on September 30, 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 condensed interim consolidated financial statements. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

FY2024 H1 Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023 H1	FY2024 H1	vs. PY			(Million USD, except EPS) FY2024 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	2,101.7	2,384.0	282.3	13.4%	5.0%	16,642
Cost of sales	(664.7)	(781.3)	(116.6)	(17.5)%	(9.2)%	(5,454)
Gross profit	1,437.0	1,602.8	165.8	11.5%	3.1%	11,189
Margin	*68.4 %*	*67.2 %*		*(1.1) pp*	*(1.2) pp*	*67.2 %*
SG&A expenses	(501.1)	(538.3)	(37.2)	(7.4)%	0.4%	(3,758)
R&D expenses	(346.7)	(344.0)	2.7	0.8%	8.3%	(2,402)
Amortization of intangible assets associated with products	(253.9)	(277.5)	(23.6)	(9.3)%	(0.0)%	(1,937)
Impairment losses on intangible assets associated with products[*1]	(115.8)	(27.8)	88.0	76.0%	76.5%	(194)
Other operating income	9.9	13.9	4.1	41.1%	32.9%	97
Other operating expenses	(110.2)	(78.5)	31.7	28.8%	35.2%	(548)
Operating profit	119.2	350.6	231.3	194.0%	173.1%	2,447
Margin	*5.7 %*	*14.7 %*		*9.0 pp*	*9.1 pp*	*14.7 %*
Finance income	24.3	34.8	10.5	43.1%	40.8%	243
Finance expenses	(106.1)	(128.1)	(22.1)	(20.8)%	(17.3)%	(895)
Share of profit (loss) of investments accounted for using the equity method	1.6	(1.2)	(2.9)	—	—	(9)
Profit before tax	39.1	256.0	216.9	555.5%	500.1%	1,787
Income tax (expenses) benefit	2.4	(68.6)	(71.0)	—	—	(479)
Net profit for the period	41.4	187.4	146.0	352.3%	306.2%	1,308
Non-controlling interests	(0.1)	(0.1)	(0.0)	(58.8)%	(58.6)%	(1)
Net profit attributable to owners of the Company	41.4	187.3	145.9	352.8%	306.6%	1,307
Basic EPS (JPY or USD)	26.51	118.85	92.34	348.4%	302.7%	0.83

*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 *Definition and Explanation of Non-IFRS Measures 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.

FY2024 Q2 (Jul-Sep) Reported Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q2 (Jul-Sep)	FY2024 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2024 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,043.1	1,176.0	132.9	12.7%	8.0%	8,210
Cost of sales	(343.6)	(394.3)	(50.7)	(14.8)%	(10.1)%	(2,753)
Gross profit	699.5	781.7	82.2	11.8%	7.0%	5,457
Margin	*67.1 %*	*66.5 %*		*(0.6) pp*	*(0.6) pp*	*66.5 %*
SG&A expenses	(253.0)	(268.3)	(15.3)	(6.1)%	(1.5)%	(1,873)
R&D expenses	(183.9)	(175.6)	8.4	4.6%	8.8%	(1,226)
Amortization of intangible assets associated with products	(130.7)	(138.9)	(8.1)	(6.2)%	(0.8)%	(969)
Impairment losses on intangible assets associated with products*1	(109.5)	(3.5)	106.0	96.8%	97.0%	(25)
Other operating income	5.7	3.1	(2.6)	(45.9)%	(45.1)%	21
Other operating expenses	(77.4)	(14.3)	63.1	81.5%	81.2%	(100)
Operating profit	(49.3)	184.2	233.6	—	—	1,286
Margin	*(4.7)%*	*15.7 %*		*20.4 pp*	*20.5 pp*	*15.7 %*
Finance income	9.4	6.5	(2.8)	(30.2)%	(32.1)%	46
Finance expenses	(58.0)	(70.9)	(12.9)	(22.1)%	(18.8)%	(495)
Share of profit (loss) of investments accounted for using the equity method	2.0	(0.5)	(2.6)	—	—	(4)
Profit before tax	(96.0)	119.4	215.4	—	—	833
Income tax (expenses) benefit	48.0	(27.3)	(75.3)	—	—	(190)
Net profit for the period	(48.0)	92.1	140.1	—	—	643
Non-controlling interests	(0.1)	(0.1)	(0.0)	(2.7)%	(6.2)%	(0)
Net profit attributable to owners of the Company	(48.0)	92.0	140.1	—	—	643
Basic EPS (JPY or USD)	(30.68)	58.21	88.90	—	—	0.41

*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 *Definition and Explanation of Non-IFRS Measures 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.

FY2024 H1 Core Results with CER % Change

(Billion JPY, except EPS)	FY2023 H1	FY2024 H1	vs. PY			(Million USD, except EPS) FY2024 H1 Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	2,101.7	2,384.0	282.3	13.4%	5.0%	16,642
Cost of sales	(664.8)	(781.5)	(116.6)	(17.5)%	(9.2)%	(5,455)
Gross profit	1,436.9	1,602.6	165.7	11.5%	3.1%	11,187
Margin	*68.4 %*	*67.2 %*		*(1.1) pp*	*(1.2) pp*	*67.2 %*
SG&A expenses	(501.4)	(538.5)	(37.1)	(7.4)%	0.5%	(3,759)
R&D expenses	(346.7)	(344.1)	2.6	0.7%	8.3%	(2,402)
Operating profit	588.8	719.9	131.2	22.3%	12.9%	5,026
Margin	*28.0 %*	*30.2 %*		*2.2 pp*	*2.1 pp*	*30.2 %*
Finance income	24.0	28.8	4.8	19.8%	17.9%	201
Finance expenses	(87.8)	(102.0)	(14.2)	(16.2)%	(12.3)%	(712)
Share of profit (loss) of investments accounted for using the equity method	2.3	1.6	(0.6)	(27.7)%	(30.7)%	12
Profit before tax	527.2	648.3	121.1	23.0%	13.0%	4,525
Income tax (expenses) benefit	(119.4)	(159.1)	(39.6)	(33.2)%	(27.1)%	(1,111)
Net profit for the period	407.8	489.2	81.4	20.0%	8.9%	3,415
Non-controlling interests	(0.1)	(0.1)	(0.0)	(58.8)%	(58.6)%	(1)
Net profit attributable to owners of the Company	407.7	489.1	81.4	20.0%	8.9%	3,414
Basic EPS (JPY or USD)	261	310	49	18.8%	7.9%	2.17

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 *Definition and Explanation of Non-IFRS Measures 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.

FY2024 Q2 (Jul-Sep) Core Results with CER % Change

(Billion JPY, except EPS)	FY2023 Q2 (Jul-Sep)	FY2024 Q2 (Jul-Sep)	vs. PY			(Million USD, except EPS) FY2024 Q2 (Jul-Sep) Convenience USD Translation
			AER		CER	
			Amount of Change	% CHANGE	% CHANGE	
Revenue	1,043.1	1,176.0	132.9	12.7%	8.0%	8,210
Cost of sales	(343.6)	(394.4)	(50.8)	(14.8)%	(10.2)%	(2,753)
Gross profit	699.5	781.7	82.2	11.7%	7.0%	5,457
Margin	*67.1 %*	*66.5 %*		*(0.6) pp*	*(0.7) pp*	*66.5 %*
SG&A expenses	(253.1)	(268.4)	(15.3)	(6.0)%	(1.5)%	(1,874)
R&D expenses	(183.9)	(175.6)	8.3	4.5%	8.8%	(1,226)
Operating profit	262.4	337.7	75.2	28.7%	23.3%	2,357
Margin	*25.2 %*	*28.7 %*		*3.6 pp*	*3.6 pp*	*28.7 %*
Finance income	9.2	6.1	(3.1)	(33.2)%	(34.3)%	43
Finance expenses	(44.5)	(49.4)	(4.9)	(11.0)%	(6.9)%	(345)
Share of profit (loss) of investments accounted for using the equity method	1.5	1.3	(0.3)	(16.8)%	(16.8)%	9
Profit before tax	228.7	295.7	67.0	29.3%	23.9%	2,064
Income tax (expenses) benefit	(54.3)	(83.3)	(29.1)	(53.6)%	(50.6)%	(582)
Net profit for the period	174.4	212.3	37.9	21.8%	15.6%	1,482
Non-controlling interests	(0.1)	(0.1)	(0.0)	(2.7)%	(6.2)%	(0)
Net profit attributable to owners of the Company	174.3	212.3	37.9	21.8%	15.6%	1,482
Basic EPS (JPY or USD)	111	134	23	20.5%	14.5%	0.94

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 *Definition and Explanation of Non-IFRS Measures 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.

FY2024 H1 Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment*2	Other operating income/ expenses	Others	
Revenue	2,384.0						2,384.0
Cost of sales	(781.3)					(0.2)	(781.5)
Gross profit	1,602.8					(0.2)	1,602.6
SG&A expenses	(538.3)					(0.2)	(538.5)
R&D expenses	(344.0)					(0.1)	(344.1)
Amortization of intangible assets associated with products	(277.5)	277.5					—
Impairment losses on intangible assets associated with products*1	(27.8)		27.8				—
Other operating income	13.9				(13.9)		—
Other operating expenses	(78.5)				78.5		—
Operating profit	350.6	277.5	27.8		64.6	(0.5)	719.9
Margin	14.7 %						30.2 %
Finance income and (expenses), net	(93.4)			18.3		1.7	(73.3)
Share of profit (loss) of investments accounted for using the equity method	(1.2)					2.9	1.6
Profit before tax	256.0	277.5	27.8	18.3	64.6	4.1	648.3
Income tax (expenses) benefit	(68.6)	(58.1)	(8.0)	(5.6)	(14.7)	(4.1)	(159.1)
Non-controlling interests	(0.1)						(0.1)
Net profit attributable to owners of the Company	187.3	219.4	19.8	12.7	49.9	(0.0)	489.1
Basic EPS (JPY)	119						310
Number of shares (millions)	1,576						1,576

*1 Includes in-process R&D.

*2 An impairment loss of JPY 18.3 billion as a result of the classification of Teva Takeda Pharma Ltd. shares to the assets held for sale for the six-month period ended September 30, 2024.

FY2024 Q2 (Jul-Sep) Reconciliation from Reported to Core

(Billion JPY, except EPS and number of shares)	REPORTED	REPORTED TO CORE ADJUSTMENTS					CORE
		Amortization of intangible assets	Impairment of intangible assets	Teva JV related adjustment*2	Other operating income/ expenses	Others	
Revenue	1,176.0						1,176.0
Cost of sales	(394.3)					(0.1)	(394.4)
Gross profit	781.7					(0.1)	781.7
SG&A expenses	(268.3)					(0.1)	(268.4)
R&D expenses	(175.6)					(0.0)	(175.6)
Amortization of intangible assets associated with products	(138.9)	138.9					—
Impairment losses on intangible assets associated with products*1	(3.5)		3.5				—
Other operating income	3.1				(3.1)		—
Other operating expenses	(14.3)				14.3		—
Operating profit	184.2	138.9	3.5		11.2	(0.2)	337.7
Margin	15.7 %						28.7 %
Finance income and (expenses), net	(64.3)			18.3		2.8	(43.2)
Share of profit (loss) of investments accounted for using the equity method	(0.5)					1.8	1.3
Profit before tax	119.4	138.9	3.5	18.3	11.2	4.3	295.7
Income tax (expenses) benefit	(27.3)	(29.1)	(0.8)	(5.6)	(3.3)	(17.3)	(83.3)
Non-controlling interests	(0.1)						(0.1)
Net profit attributable to owners of the Company	92.0	109.8	2.8	12.7	7.9	(13.0)	212.3
Basic EPS (JPY)	58						134
Number of shares (millions)	1,581						1,581

*1 Includes in-process R&D.

*2 An impairment loss of JPY 18.3 billion as a result of the classification of Teva Takeda Pharma Ltd. shares to the assets held for sale for the quarter ended September 30, 2024.

FY2023 H1 Reconciliation from Reported to Core

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

*1 Includes in-process R&D.

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

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

*1 Includes in-process R&D.

FY2024 H1 Adjusted Free Cash Flow

(Billion JPY)	FY2023 H1	FY2024 H1	vs. PY		(Million USD) FY2024 H1 Convenience USD Translation
Net profit	41.4	187.4	146.0	352.3 %	1,308
Depreciation, amortization and impairment loss	480.9	420.7	(60.2)		2,937
Decrease (increase) in trade working capital	(200.7)	(146.1)	54.6		(1,020)
Income taxes paid	(129.0)	(89.1)	40.0		(622)
Tax refunds and interest on tax refunds received	10.1	4.3	(5.8)		30
Other	88.6	74.0	(14.6)		517
Net cash from operating activities (Operating Cash Flow)	291.3	451.3	160.0	54.9 %	3,150
Acquisition of PP&E	(83.8)	(106.9)	(23.1)		(746)
Free Cash Flow*1	207.5	344.4	136.9	66.0 %	2,404
Adjustment for cash temporarily held by Takeda on behalf of third parties*2	(30.2)	8.5	38.7		59
Proceeds from sales of PP&E	8.3	0.0	(8.3)		0
Acquisition of intangible assets*3	(255.5)	(91.6)	163.9		(639)
Acquisition of option to license	—	(31.8)	(31.8)		(222)
Acquisition of investments*4	(2.3)	(13.5)	(11.2)		(94)
Proceeds from sales and redemption of investments	0.6	23.1	22.5		161
Proceeds from sales of business, net of cash and cash equivalents divested	0.4	8.3	8.0		58
Adjusted Free Cash Flow*1	(71.1)	247.5	318.7	—	1,728

*1 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Free Cash Flow and Adjusted Free Cash Flow from FY2024.

*2 Adjustment for cash temporarily held by Takeda on behalf of third parties refers to changes in cash balances that are temporarily held by Takeda on behalf of third parties related to vaccine operations and the trade receivables sales program, which are not available to Takeda's immediate or general business use.

*3 Proceeds from sale of intangible assets are separately adjusted as they are recorded within operating cash flows, except certain immaterial transactions.

*4 Acquisition of JPY 14.3 billion debt investments classified as Level 1 in the fair value hierarchy is excluded for the six-month period ended September 30, 2024.

FY2024 H1 Adjusted Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2024 H1
Book value of bonds and loans on consolidated statements of financial position	(5,051.2)
Cash & cash equivalents	859.0
Net Debt[*1]	(4,192.2)
Application of equity credit[*2]	250.0
FX adjustment[*3]	(167.9)
Cash temporarily held by Takeda on behalf of third parties[*4]	(99.3)
Level 1 debt investments[*4]	14.3
Adjusted Net Debt[*1]	(4,195.1)
Adjusted EBITDA (LTM)[*5]	1,459.2
Adjusted Net Debt/Adjusted EBITDA ratio	2.9x
Book value of bonds and loans on consolidated statements of financial position	(5,051.2)
Application of equity credit[*2]	250.0
FX adjustment[*3]	(167.9)
Adjusted Gross Debt	(4,969.1)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2023 H1	FY2024 H1	vs. PY	
Net cash from operating activities (Operating Cash Flow)	291.3	451.3	160.0	54.9 %
Acquisition of PP&E	(83.8)	(106.9)		
Proceeds from sales of PP&E	8.3	0.0		
Acquisition of intangible assets	(255.5)	(91.6)		
Acquisition of option to license	—	(31.8)		
Acquisition of investments	(2.3)	(27.7)		
Proceeds from sales and redemption of investments	0.6	23.1		
Proceeds from sales of business, net of cash and cash equivalents divested	0.4	8.3		
Payments for the settlement of forward exchange contracts designated as net investment hedges	—	(14.0)		
Net increase (decrease) in short-term loans and commercial papers	110.0	(317.0)		
Proceeds from long-term loans	100.0	50.0		
Repayment of long-term loans	(100.2)	(50.2)		
Proceeds from issuance of bonds	—	934.5		
Repayment of bonds	(145.9)	(233.8)		
Proceeds from the settlement of cross currency interest rate swaps related to bonds and loans	60.1	46.9		
Acquisition of treasury shares	(2.3)	(1.9)		
Interest paid	(49.7)	(42.3)		
Dividends paid	(139.8)	(147.3)		
Others	(25.5)	(23.8)		
Net increase (decrease) in cash and cash equivalents	(234.2)	425.8	660.0	—

*1 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Net Debt and Adjusted Net Debt from FY2024.

*2 Application of equity credit includes JPY 250.0 billion reduction in debt due to a 50% equity credit applied to JPY 500.0 billion principal amount of our hybrid (subordinated) bonds and loans by S&P Global Rating Japan, given that those instruments qualify for certain equity credit for leverage purposes.

*3 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.

*4 Adjustments related to cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, which is not available to Takeda's immediate or general business use, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

*5 LTM represents Last Twelve Months (October 2023 - September 2024). Calculated by subtracting FY2023 H1 from FY2023 Full Year and adding FY2024 H1.

FY2023 Adjusted Net Debt to Adjusted EBITDA

NET DEBT/ADJUSTED EBITDA RATIO

(Billion JPY)	FY2023
Book value of bonds and loans on consolidated statements of financial position	(4,843.8)
Cash & cash equivalents	457.8
Net Debt[*1]	(4,386.0)
Application of equity credit[*2]	250.0
FX adjustment[*3]	152.5
Cash temporarily held by Takeda on behalf of third parties[*4]	(107.8)
Level 1 debt investments[*4]	—
Adjusted Net Debt[*1]	(4,091.3)
Adjusted EBITDA	1,319.9
Adjusted Net Debt/Adjusted EBITDA ratio	3.1x
Book value of bonds and loans on consolidated statements of financial position	(4,843.8)
Application of equity credit[*2]	250.0
FX adjustment[*3]	152.5
Adjusted Gross Debt	(4,441.2)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(Billion JPY)	FY2022	FY2023	vs. PY	
Net cash from operating activities (Operating Cash Flow)	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 The FY2023 presentation included herein has been adjusted for new definitions applied starting from the quarter ended June 30, 2024; please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations* for additional information on change in the titles and definitions of Net Debt and Adjusted Net Debt from FY2024.

*2 Application of equity credit includes JPY 250.0 billion reduction in debt due to a 50% equity credit applied to JPY 500.0 billion principal amount of our hybrid (subordinated) bonds and loans by S&P Global Rating Japan, given that those instruments qualify for certain equity credit for leverage purposes.

*3 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.

*4 Adjustments related to cash temporarily held by Takeda on behalf of third parties related to vaccine operations and to the trade receivables sales program, which is not available to Takeda's immediate or general business use, and debt investments classified as Level 1 in the fair value hierarchy being recorded as Other Financial Assets.

FY2024 H1 Net Profit to Adjusted EBITDA Bridge

(Billion JPY)	FY2023 H1	FY2024 H1	vs. PY	
Net profit	41.4	187.4	146.0	352.3 %
Income tax expenses (benefit)	(2.4)	68.6		
Depreciation and amortization	354.2	384.7		
Interest expense, net	54.0	58.3		
EBITDA	447.2	699.0	251.8	56.3 %
Impairment losses	126.7	36.1		
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	89.6	54.2		
Finance expense (income), net, excluding interest expense, net	27.8	35.0		
Share of loss (profit) on investments accounted for under the equity method	(1.6)	1.2		
Other costs*1	32.5	34.2		
Adjusted EBITDA	722.2	859.8	137.5	19.0 %

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

FY2024 H1 Net Profit to Adjusted EBITDA LTM Bridge

(Billion JPY)	FY2023 Full Year (Apr - Mar)	FY2023 H1 (Apr - Sep)	FY2024 H1 (Apr - Sep)	FY2024 H1 LTM*1 (Oct - Sep)
Net profit	144.2	41.4	187.4	290.2
Income tax expenses (benefit)	(91.4)	(2.4)	68.6	(20.5)
Depreciation and amortization	728.0	354.2	384.7	758.5
Interest expense, net	108.2	54.0	58.3	112.6
EBITDA	889.0	447.2	699.0	1,140.8
Impairment losses	150.0	126.7	36.1	59.4
Other operating expense (income), net, excluding depreciation and amortization and other miscellaneous expenses (non-cash item)	162.2	89.6	54.2	126.8
Finance expense (income), net, excluding interest expense, net	59.5	27.8	35.0	66.7
Share of loss (profit) on investments accounted for under the equity method	(6.5)	(1.6)	1.2	(3.6)
Other costs*2	69.9	32.5	34.2	71.6
Adjusted EBITDA	1,324.1	722.2	859.8	1,461.7
EBITDA from divested products*3	(4.2)			(2.4)
Adjusted EBITDA (LTM)	1,319.9			1,459.2

*1 LTM represents Last Twelve Months (October 2023 - September 2024). Calculated by subtracting FY2023 H1 from FY2023 Full Year and adding FY2024 H1.

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

*3 Represents adjustments for EBITDA from divested products which are removed as part of LTM Adjusted EBITDA.

FY2024 H1 CAPEX, Depreciation and Amortization and Impairment Losses

(Billion JPY)	FY2023 H1	FY2024 H1	vs. PY		FY2024 Revised Forecast (October 31, 2024)
Capital expenditures*1	339.3	198.5	(140.8)	(41.5)%	380.0 - 420.0
Tangible assets	83.8	106.9	23.1	27.6 %	
Intangible assets	255.5	91.6	(163.9)	(64.2)%	
Depreciation and amortization	354.2	384.7	30.5	8.6 %	756.0
Depreciation of tangible assets*2 (A)	84.8	87.6	2.8	3.3 %	
Amortization of intangible assets (B)	269.4	297.1	27.7	10.3 %	
Of which Amortization associated with products (C)	253.9	277.5	23.6	9.3 %	541.0
Of which Amortization excluding intangible assets associated with products (D)	15.5	19.6	4.1	26.6 %	
Depreciation and amortization (excluding intangible assets associated with products) (A)+(D)	100.3	107.2	6.9	6.9 %	215.0
Impairment losses	126.7	36.1	(90.6)	(71.5)%	
Impairment losses on intangible assets associated with products*3	115.8	27.8	(88.0)	(76.0)%	50.0
Amortization and impairment losses on intangible assets associated with products	369.7	305.2	(64.4)	(17.4)%	591.0

*1 Cash flow base

*2 Includes depreciation of investment properties

*3 Includes in-process R&D

FY2024 Full Year Detailed Forecast

	(BN JPY)	Original Forecast (May 9, 2024)	Revised Forecast (October 31, 2024)	vs. Original Forecast		Variances
REPORTED	Revenue	4,350.0	4,480.0	130.0	3.0 %	Business momentum including Vyvanse and FX benefit
	Cost of sales	(1,500.0)	(1,555.0)	(55.0)	(3.7)%	
	Gross Profit	2,850.0	2,925.0	75.0	2.6 %	Reflects revenue growth; Gross margin negatively impacted by FX
	SG&A expenses	(1,080.0)	(1,105.0)	(25.0)	(2.3)%	Mainly FX impact
	R&D expenses	(770.0)	(770.0)	—	—	
	Amortization of intangible assets associated with products	(540.0)	(541.0)	(1.0)	(0.2)%	Mainly FX impact
	Impairment losses on intangible assets associated with products*1	(50.0)	(50.0)	—	—	
	Other operating income	15.0	19.0	4.0	26.7 %	Divestiture related income and legal settlement income
	Other operating expenses	(200.0)	(213.0)	(13.0)	(6.5)%	Asset write-off for option right and FX impact
	Operating profit	225.0	265.0	40.0	17.8 %	
	Finance income (expenses), net	(172.0)	(168.0)	4.0	2.3 %	
	Profit before tax	55.0	93.0	38.0	69.1 %	
	Net profit attributable to owners of the Company	58.0	68.0	10.0	17.2 %	Higher tax charges, mainly due to the write-down of deferred tax assets
	Basic EPS (yen)	37	43	6	17.2 %	
	Core Revenue*2	4,350.0	4,480.0	130.0	3.0 %	Business momentum including Vyvanse and FX benefit
	Core Operating Profit*2	1,000.0	1,050.0	50.0	5.0 %	Business momentum including Vyvanse and FX benefit
	Core EPS (yen)*2	431	456	26	5.9 %	
	Adjusted Free Cash Flow*2	350.0 to 450.0	400.0 to 500.0			Reflects upgrade to Core Operating Profit forecast
	CAPEX (cash flow base)	(380.0) to (420.0)	(380.0) to (420.0)			
	Depreciation and amortization (excl. intangible assets associated with products)	(205.0)	(215.0)	(10.0)	(4.9)%	Mainly FX impact
	Cash tax rate on Adjusted EBITDA (excl. divestitures)*2	Mid teen %	Mid teen %			
	USD/JPY	150	150	—	—	
	EUR/JPY	160	165	5	3.1 %	

*1 Includes in-process R&D.
*2 Please refer to *Definition and Explanation of Non-IFRS Measures and U.S. Dollar Convenience Translations*, for the definition of Non-IFRS Measures and FY2024 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast.

FY2024 Full Year Reconciliation from Reported Operating Profit to Core Operating Profit Forecast

(Billion JPY)	REPORTED	REPORTED TO CORE ADJUSTMENTS			CORE
		Amortization of intangible assets	Impairment of intangible assets	Other operating income (expenses) and other adjustments	
Revenue	4,480.0				4,480.0
Cost of sales	(1,555.0)				(3,430.0)
Gross Profit	2,925.0				
SG&A expenses	(1,105.0)				
R&D expenses	(770.0)				
Amortization of intangible assets associated with products	(541.0)	541.0			—
Impairment losses on intangible assets associated with products*1	(50.0)		50.0		—
Other operating income	19.0			(19.0)	—
Other operating expenses	(213.0)			213.0	—
Operating profit	265.0	541.0	50.0	194.0	1,050.0

*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 October 2024 to March 2025 (100 million JPY)				
	FY2023 H1 Actual (Apr-Sep)	FY2024 H1 Actual (Apr-Sep)	FY2024 Full Year Assumption (Apr-Mar)	FY2024 H2 Assumption (Oct-Mar)		Revenue (IFRS)	Operating Profit (IFRS)	Net Profit (IFRS)	Core Operating Profit (non-IFRS)
USD	140	154	150	146	1% depreciation	86.4	(6.7)	(8.5)	16.4
					1 yen depreciation	57.6	(4.5)	(5.7)	10.9
EUR	153	166	165	164	1% depreciation	27.9	(22.8)	(19.0)	(17.3)
					1 yen depreciation	16.9	(13.8)	(11.5)	(10.5)
RUB	1.6	1.7	1.7	1.7	1% depreciation	1.7	0.9	0.7	1.1
CNY	19.8	21.3	21.2	21.1		10.0	6.5	5.2	6.5
BRL	28.5	28.9	28.6	28.4		4.1	2.6	2.0	2.6

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Better Health, Brighter Future